

**Report to
Joint Committee on Government and Finance,
Governor's Office
and
Board of Treasury Investments**

September 2023

**West Virginia Economic Development
Authority**

Broadband Loan Insurance Program





Memo

To: Joint Committee on Government and Finance
WV Governor's Office
WV Board of Treasury Investments

From: Executive Director, Kris Warner

Date: October 31, 2023

Re: Broadband Loan Insurance report for the quarter ending September 30, 2023

In accordance with West Virginia Code § 31-15-8a(g), the West Virginia Economic Development Authority (the "WVEDA") is required to submit quarterly reports on the 30th day of each January, April, July and October to the Joint Committee on Government and Finance, the Governor and the Board of Treasury Investments containing information about the WVEDA's Broadband Loan Insurance Program, as defined in West Virginia Code § 31-15-8a(a)(2) ("BLINS"). This quarterly report is being provided pursuant to West Virginia Code § 31-15-8a(g).

The WVEDA executed an Amended Broadband Loan Insurance Promissory Note in July of 2021 increasing the principal amount from \$50 million to \$80 million. The WVEDA has committed \$18,064,304.55 for traditional BLINS and \$32,016,421.26 for RDOF BLINS. The WVEDA has \$29,919,274.19 available to commit to eligible broadband projects.

To date, the WVEDA has received \$231,497.39 in application and origination fees. The WVEDA charges a one-time \$1,000 application fee and a one-time origination fee (one-half of one percent) to cover the costs associated with administering the program. There are no ongoing revenue streams for this program.

The WVEDA has earned \$2,363,511.82 in interest on disbursed BTI funds and has paid the WV Board of Treasury Investments ("BTI") \$270,670.43 in interest on disbursed loan funds.

Listed below are the outstanding and active Broadband Loan Insurance commitments:

- 1. Provider Name:** Digital Connections, Inc.
Service Area: North Central WV
WVEDA approval: February 15, 2018
Financial Institution: Clear Mountain Bank
Total Loan Value: \$1,336,464.69
Loan Amount Insured: \$1,069,171.75
BLINS Loan O/S Principal: \$1,095,255.25
Loan Maturity Date: March 26, 2030
Loan Status: Current/Amortizing loan
Note: BLINS Loan O/S Principal exceeds Total Loan Value due to amortization. WVEDA has returned \$26,083.50 in surplus funds to BTI.
- 2. Provider Name:** CityNet, LLC
Service Area: Harrison County
WVEDA approval: February 21, 2019
Financial Institution: MVB Bank
Total Loan Value: \$5,117,167.20
Loan Amount Insured: \$3,816,946.80
BLINS Loan O/S Principal: \$3,485,364.53
Loan Maturity Date: April 29, 2040
Loan Status: Current/Not fully funded.
Note: BLINS Loan O/S Principal is less than Total Loan Value due to bank advances. WVEDA has requested a draw of \$331,582.27 from BTI.
- 3. Provider Name:** Roane County Economic Development Authority
Service Area: Roane County, WV
WVEDA approval: March 17, 2022
Financial Institution: Wesbanco Bank
Commitment Amount: \$5,685,957.00
Loan Amount Insured: \$4,548,765.60
BLINS Loan O/S Principal: \$1,539,159.75
Loan Maturity Date: June 15, 2043
Loan Status: Current/Not fully funded
Note: BLINS Loan O/S Principal is less than Total Loan Value due to bank advances. WVEDA has requested a draw of \$319,493.12 from BTI.

4. **Provider Name:** Micrologic, Inc.
Service Area: Randolph County
WVEDA approval: October 31, 2022
Financial Institution: Citizens Bank of WV
Total Loan Value: \$8,500,000.00
Loan Amount Insured: \$6,800,000.00
BLINS Loan O/S Principal: \$0
Loan Maturity Date: October 31, 2042
Loan Status: Current/Not fully funded.
Note: The WVEDA returned \$6,800,000.00 to BTI in April of 2023 as the bank had reported a \$0 balance since October of 2022. The bank reported a loan balance in April of 2023. The WVEDA has requested a draw of \$592,510.82 from BTI.
5. **Provider Name:** Digital Connectons, Inc.
Service Area: North Central WV
WVEDA approval: September 21, 2023
Financial Institution: Clear Mountain Bank
Total Loan Value: \$661,500.00
Loan Amount Insured: \$529,200.00
BLINS Loan O/S Principal: \$0
Loan Maturity Date: October 17, 2043
Loan Status: Not yet funded.
Note: This loan was not closed or funded as of the date of this report.

Listed below are the outstanding and active RDOF Broadband Loan Insurance commitments for a Letter of Credit (LOC):

1. **Provider Name:** CityNet West Virginia, LLC
Service Area: Harrison County, WV
WVEDA approval: February 2, 2021
Financial Institution: MVB Bank
Commitment Amount: \$16,055,057.49
LOC Amount: \$10,697,329.92
LOC Amount Insured: \$10,697,329.92
LOC Outstanding balance: \$0
BLINS Loan O/S Principal \$10,697,329.92
LOC Maturity Date: October 15, 2028
LOC Status: Current.

2. **Provider Name:** CityNet West Virginia, LLC
Service Area: Harrison County, WV
WVEDA approval: July 21, 2022
Financial Institution: MVB Bank
Commitment Amount: \$652,312.28
LOC Amount: \$652,312.28
LOC Amount Insured: \$652,312.28
LOC Outstanding balance: \$0
BLINS Loan O/S Principal \$652,312.28
LOC Maturity Date: July 29, 2027
LOC Status: Current. LOC can increase to the commitment amount.
3. **Provider Name:** CityNet West Virginia, LLC
Service Area: Harrison County, WV
WVEDA approval: May 19, 2022
Financial Institution: MVB Bank
Commitment Amount: \$1,303,000.00
LOC Amount: \$1,303,000.00
LOC Amount Insured: \$1,303,000.00
LOC Outstanding balance: \$0
BLINS Loan O/S Principal \$1,303,000.00
LOC Maturity Date: July 29, 2027
LOC Status: Current. LOC can increase to the commitment among.
4. **Provider Name:** MicroLogic, Inc.
Service Area: Upshur County, WV
WVEDA approval: January 21, 2021
Financial Institution: Citizens Bank of WV
Commitment Amount: \$3,010,814.31
LOC Amount: \$1,505,407.14
LOC Amount Insured: \$1,505,407.14
LOC Outstanding balance: \$0
BLINS Loan O/S Principal \$1,505,407.14
LOC Maturity Date: January 4, 2029
LOC Status: Current. LOC can increase to the commitment amount.

5. **Provider Name:** Digital Connections, Inc.
Service Area: North Central WV
WVEDA approval: February 2, 2021
Financial Institution: Clear Mountain Bank
Commitment Amount: \$2,574,900.42
LOC Amount: \$1,287,450.18
LOC Amount Insured: \$1,287,450.18
LOC Outstanding balance: \$0
BLINS Loan O/S Principal \$1,287,450.18
LOC Maturity Date: November 24, 2028
LOC Status: Current. LOC can increase to the commitment amount.
6. **Provider Name:** Gigabeam Networks, LLC
Service Area: Upshur County
WVEDA approval: February 2, 2021
Financial Institution: Citizens Bank of WV
Commitment Amount: \$8,420,336.76
LOC Amount: \$2,806,788.12
LOC Amount Insured: \$2,806,788.12
LOC Outstanding balance: \$0
BLINS Loan O/S Principal \$2,806,788.12
LOC Maturity Date: December 12, 2032
LOC Status: Current. LOC can increase to the commitment amount.

None of the loans or letters of credit insured under the BLINS Program are in a default status.

I have also attached the WVEDA's internal report from September 30, 2023, which is provided monthly to the WVEDA Board members for review and discussion at the monthly Board meeting.

West Virginia Economic Development Authority
September 30, 2023 Broadband Loan Insurance Report

WVBTI Nonrecourse Revolving Loan	\$50,000,000.00
WVBTI Nonrecourse Revolving Loan (Executed July 2021)	\$30,000,000.00
Total WVBTI Nonrecourse Revolving Loan	\$80,000,000.00
Less:	
Committed Traditional BLINS to date	\$18,064,304.55
Committed RDOP BLINS to date	\$32,016,421.26
Remaining funds available to commit	\$29,919,274.19
WVEDA loan disbursements required by WVBTI	\$18,079,774.22
WVEDA exposure for loans funded by financial institutions	\$7,325,349.65
WVEDA exposure for unfunded loans	\$4,839,026.25
Letters of Credit funded by financial institutions	\$0.00
* Interest Paid to WVBTI	\$270,670.43
* Interest Earned on Invested Loan Disbursements	\$2,363,511.82
Application and Origination Fees Collected	\$231,497.39

Borrower	Insured Projects:	Service Area	Bank	Commitment Date	Closing Date	Required Exposure		Insured %	WVEDA Exposure	Bank Outstanding Balance	WVEDA Estimated Exposure	BTTI Amount transferred to WVEDA	Loan Status	Insurance Expiration
						Bank Amount	Commitment							
Digital Connections, Inc.		North Central WV	A	2/15/2018	3/26/2018	\$1,850,000.00	\$1,850,000.00	0.80	1,480,000.00	1,336,464.69	1,069,171.75	1,095,255.25	Current	3/26/2030
*CityNet, LLC		Harrison County, WV	B	2/21/2019	4/29/2020	\$6,396,459.00	\$6,396,459.00	0.80	5,117,167.20	4,771,183.50	3,816,946.80	3,485,364.53	Current	4/29/2040
*Roane County EDA		Roane County, WV	C	3/17/2022	6/15/2023	\$5,685,957.00	\$5,685,957.00	0.80	4,548,765.60	1,923,949.69	1,539,159.75	1,219,666.63	Current	6/15/2043
*MicroLogic, Inc.		Randolph County, WV	G	10/20/2022	10/31/2022	\$8,500,000.00	\$8,500,000.00	0.80	6,800,000.00	1,125,089.18	900,071.34	592,510.82	Current	10/31/2042
*Digital Connections, Inc.		North Central WV	A	9/21/2023		\$661,500.00	\$661,500.00	0.80	529,200.00	0.00	0.00	0.00	Current	
TOTAL Traditional BLINS						\$23,093,916.00	\$23,093,916.00		\$18,475,132.80	\$9,156,687.06	\$7,325,349.65	\$6,392,797.23		
BLINS Letters of Credit Insured Projects:														
*CityNet West Virginia, LLC		Harrison County, WV	F	2/2/2021	10/15/2021	\$16,055,057.49	\$16,055,057.49	100.00	10,697,329.92	0.00	0.00	10,697,329.92	Current	10/15/2028
*CityNet West Virginia, LLC		Harrison County, WV	F	7/21/2022	7/29/2022	\$652,312.28	\$652,312.28	100.00	652,312.28	0.00	0.00	652,312.28	Current	7/29/2027
*CityNet West Virginia, LLC		Harrison County, WV	F	5/19/2022	7/29/2022	\$1,303,000.00	\$1,303,000.00	100.00	1,303,000.00	0.00	0.00	1,303,000.00	Current	7/29/2027
*MicroLogic, Inc.		Upshur County, WV	D	1/21/2021	1/4/2022	\$3,010,814.31	\$3,010,814.31	100.00	1,505,407.14	0.00	0.00	1,505,407.14	Current	1/4/2029
*Digital Connections, Inc.		North Central WV	E	2/2/2021	11/24/2021	\$2,574,900.42	\$2,574,900.42	100.00	1,287,450.18	0.00	0.00	1,287,450.18	Current	11/24/2028
*Gigabeam Networks, LLC		Upshur County, WV	D	2/2/2021	12/12/2022	\$8,420,336.76	\$8,420,336.76	100.00	2,806,788.12	0.00	0.00	2,806,788.12	Current	12/12/2032
TOTAL BLINS Letters of Credit						\$32,016,421.26	\$32,016,421.26		18,252,287.64	\$0.00	\$0.00	\$18,252,287.64		
COMBINED TOTAL Traditional BLINS & RDOP BLINS									\$36,727,420.44	\$9,156,687.06	\$7,325,349.65	\$24,645,084.87		

* NOTE: Loan is not fully funded. Letter of Credit has not been issued or Letter of Credit is issued but not presented and has a \$0 balance.
 NOTE - Digital Connections, Inc. \$1,480,000 Exposure is in amortization.

BANK CODE	BANK NAME
A	Clear Mountain Bank
B	MVB Bank
C	Webanco Bank, Parkersburg
D	Letter of Credit with Citizens Bank of WV, there will be a zero balance until drawn upon
E	Letter of Credit with Clear Mountain Bank, there will be a zero balance until drawn upon
F	Letter of Credit with MVB Bank of Bridgeport, there will be a zero balance until drawn upon
G	Citizens Bank of WV

I hereby certify the required WVBTI exposure as of September 30, 2023.

A. Steven Stahl

A. Steven Stahl, Associate Director
 WV Economic Development Authority