

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

October 2021

**West Virginia Economic Development
Authority**

Broadband Loan Insurance Program





Memo

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

From: Executive Director, Kris Warner

Date: October 29, 2021

Re: Broadband Loan Insurance report for the quarter ending
September 30, 2021

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 \$11,267,211.17 for traditional BLINS and \$30,061,108.98 for RDOF BLINS. The WVEDA has \$38,671,679.85 available to commit to eligible broadband projects.

To date, the WVEDA has received \$139,282.88 in application fees and earnings and has paid the WV Board of Treasury Investments \$76,284.06 in interest.

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

1. **Provider Name:** Digital Connections, Inc.
Financial Institution: Clear Mountain Bank
Total Loan Value: \$1,634,013.96
Loan Amount Insured: \$1,307,211.17
BLINS Loan O/S Principal: \$1,634,013.96
Loan Maturity Date: March 26, 2030
Loan Status: Current

2. **Provider Name:** CityNet, LLC
Financial Institution: MVB Bank of Bridgeport
Total Loan Value: \$10,200,000.00
Loan Amount Insured: \$1,626,991.67
BLINS Loan O/S Principal: \$2,033,739.59
Loan Maturity Date: April 29, 2025
Loan Status: Current

Listed below is a traditional Broadband Loan Insurance commitment that is pending approval of matching funds and the execution of the Broadband Loan Insurance Agreement:

1. **Provider Name:** Roane County EDA
Service Area: Roane County, WV
WVEDA approval: January 21, 2021
Financial Institution: Wesbanco Bank
Commitment Amount: \$2,250,000.00
Loan Amount Insured: \$1,800,000.00
BLINS Loan O/S Principal: \$0
Loan Maturity Date:
Loan Status: WVEDA approved pending USDA approval

Listed below is an approved RDOF Broadband Loan Insurance commitment for a Letter of Credit (LOC) that has received confirmation of their FCC RDOF award and is pending execution of the Broadband Loan Insurance Agreement:

1. **Provider Name:** CityNet, LLC
Service Area: Harrison County, WV
WVEDA approval: February 2, 2021
Financial Institution: MVB Bank of Bridgeport

Commitment Amount: \$16,055,057.49
LOC Amount: \$5,351,685.90
LOC Amount Insured: \$5,351,685.90
LOC Maturity Date: 7 years from date the documents are executed
LOC Status: WVEDA approved pending executed documents

Listed below are approved RDOF Broadband Loan Insurance commitments for Letters of Credits that are pending FCC RDOF approval and the execution of the Broadband Loan Insurance Agreement:

- 1. 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:
LOC Amount Insured:
LOC Maturity Date:
LOC Status: WVEDA approved pending FCC approval
- 2. Provider Name:** Gigabeam Networks, LLC
Service Area: Upshur County, WV
WVEDA approval: February 2, 2021
Financial Institution: Citizens Bank of WV
Commitment Amount: \$8,420,336.76
LOC Amount:
LOC Amount Insured:
LOC Maturity Date:
LOC Status: WVEDA approved pending FCC approval
- 3. 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:
LOC Amount Insured:
LOC Maturity Date:
LOC Status: WVEDA approved pending FCC approval

None of the loans insured under the BLINS Program are currently in a default status.

I have also attached the WVEDA's internal report from September 30, 2021, which is provided on a monthly basis to the WVEDA Board members for review and discussion at the monthly Board meeting.

Please feel free to contact me with any questions.

**West Virginia Economic Development Authority
September 2021 Broadband Loan Insurance**

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	\$11,267,211.17
Committed RDOF BLINS to date	\$30,061,108.98
Remaining funds available to commit	\$38,671,679.85
Earnings & Fees Collected	\$139,282.88
Interest Paid to WVBTI	\$76,284.06

Traditional BLINS Insured Projects:												
Borrower	Service Area	Bank	Commitment Date	Closing Date	Original Amount	Insured %	Original Exposure	Outstanding Balance	Estimated Exposure	Required BLI Exposure	Loan Status	Insurance Expiration
Digital Connections, Inc.	North Central WV	A	2/15/2018	3/26/2018	\$1,850,000.00	0.80	1,480,000.00	1,634,013.96	1,307,211.17	1,307,211.17	Current	3/26/2030
*CityNet, LLC	Harrison County, WV	B	2/21/2019	4/29/2020	\$10,200,000.00	0.80	8,160,000.00	2,033,739.59	1,626,991.67	8,160,000.00	Current	4/29/2040
*Roane County EDA	Roane County, WV	C	1/21/2021		\$2,250,000.00	0.80	1,800,000.00			1,800,000.00	Committed	
TOTAL Traditional BLINS								\$11,440,000.00	\$3,667,753.55	\$2,934,202.84	\$11,267,211.17	
RDOF BLINS Insured Projects:												
*MicroLogic, Inc.	Upshur County, WV	D	1/21/2021		\$3,010,814.31	100.00	3,010,814.31		0.00	3,010,814.31	Committed	
*CityNet, LLC	Harrison County, WV	B	2/2/2021		\$16,055,057.49	100.00	16,055,057.49		0.00	16,055,057.49	Committed	
* Digital Connections, Inc.	North Central WV	A	2/2/2021		\$2,574,900.42	100.00	2,574,900.42		0.00	2,574,900.42	Committed	
* Gigabeam Networks, LLC	Upshur County, WV	D	2/2/2021		\$8,420,336.76	100.00	8,420,336.76		0.00	8,420,336.76	Committed	
TOTAL RDOF BLINS								\$30,061,108.98	\$0.00	\$0.00	\$30,061,108.98	
COMBINED TOTAL Traditional BLINS & RDOF BLINS								\$41,501,108.98	\$3,667,753.55	\$2,934,202.84	\$41,328,320.15	

* NOTE: Loan is not fully funded/advanced.

BANK CODE	BANK NAME
A	Clear Mountain Bank
B	MVB Bank of Bridgeport
C	Wesbanco Bank, Parkersburg
D	Citizens Bank of WV