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

March 2023

West Virginia Economic Development Authority

Broadband Loan Insurance Program

WEST VIRGINIA
ECONOMIC DEVELOPMENT AUTHORITY
Memo

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

From: Executive Director, Kris Warner

Date: April 25, 2023

Re: Broadband Loan Insurance report for the quarter ending March 31, 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 $17,584,709.37 for traditional BLINS and $32,016,421.26 for RDOF BLINS. The WVEDA has $30,398,869.37 available to commit to eligible broadband projects.

To date, the WVEDA has received $182,024.17 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 $609,561.76 in interest on disbursed BTI funds and has paid the WV Board of Treasury Investments ("BTI") $203,212.97 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:** $1,398,470.71  
   **Loan Amount Insured:** $1,118,776.57  
   **BLINS Loan O/S Principal:** $1,151,449.57  
   **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 $32,057.57 in surplus funds to BTI.

2. **Provider Name:** CityNet West Virginia, LLC  
   **Service Area:** Harrison County  
   **WVEDA approval:** February 21, 2019  
   **Financial Institution:** MVB Bank  
   **Total Loan Value:** $6,396,459.00  
   **Loan Amount Insured:** $3,298,694.16  
   **BLINS Loan O/S Principal:** $3,030,750.96  
   **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 $127,800.85 from BTI.
3. **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:** $0  
   **BLINS Loan O/S Principal:** $6,800,000.00  
   **Loan Maturity Date:** October 31, 2042  
   **Loan Status:** Current/Not funded  
   **Note:** Loan has closed but the bank has reported a $0 balance.

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 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:** $0  
   **Loan Maturity Date:** N/A  
   **Loan Status:** Committed pending execution of Standard BLINS Agreement

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:** $5,351,685.90  
   **LOC Amount Insured:** $5,351,685.90  
   **LOC Outstanding balance:** $0  
   **BLINS Loan O/S Principal:** $5,351,685.90  
   **LOC Maturity Date:** October 15, 2028  
   **LOC Status:** Current. LOC can increase to the commitment amount
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
   Note: WVEDA approved an increase
         December 15, 2022.

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

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
West Virginia Economic Development Authority  
March 31, 2023 Broadband Loan Insurance

| West Virginia Nonresource Revolving Loan | $90,000,000.00 |
| West Virginia Nonresource Revolving Loan (Executed July 2021) | $35,000,000.00 |
| Total West Virginia Nonresource Revolving Loan | $125,000,000.00 |

**Loan:**
- Committed Traditional BLINS to date: $17,584,798.57
- Committed RDOF BLINS to date: $32,016,421.36
- Remaining funds available to commit: $20,390,460.37
- WVEDA loan disbursements required by WVHTI: $23,888,844.15
- WVEDA exposure for loans funded by financial institutions: $4,417,476.73
- WVEDA exposure for unraveled loans: $13,167,238.64
- Letters of Credit funded by financial institutions: $0.00

* Interest Paid to WVHTI: $203,212.97
* Interest Earned on Invested Loan Disbursements: $509,561.76
Application and Origination Fees Collected: $182,924.17

### Traditional BLINS

| BLINS Letters of Credit Issued Projects: |

<table>
<thead>
<tr>
<th>Bank</th>
<th>Commitment Date</th>
<th>Closing Date</th>
<th>Required Exposure</th>
<th>Amount Commitment</th>
<th>Issued %</th>
<th>Exposure</th>
<th>Outstanding Balance</th>
<th>Estimated Exposure</th>
<th>Amount transferred to WVEDA</th>
<th>Loan Status</th>
<th>Insurance Expiration</th>
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</thead>
<tbody>
<tr>
<td>A</td>
<td>2/15/2018</td>
<td>2/24/2018</td>
<td>$1,950,000.00</td>
<td>0.80</td>
<td>1,480,000.00</td>
<td>1,395,470.71</td>
<td>1,118,776.57</td>
<td>1,151,449.57</td>
<td>Current</td>
<td>3/26/2030</td>
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<tr>
<td>B</td>
<td>2/1/2019</td>
<td>4/29/2020</td>
<td>$6,396,459.00</td>
<td>0.60</td>
<td>5,117,367.20</td>
<td>4,323,367.70</td>
<td>3,298,694.36</td>
<td>3,036,750.96</td>
<td>Current</td>
<td>4/30/2040</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>3/17/2022</td>
<td></td>
<td>$5,685,957.00</td>
<td>0.80</td>
<td>4,549,755.50</td>
<td>4,549,755.50</td>
<td>2,650,000.00</td>
<td>2,650,000.00</td>
<td>Committed</td>
<td>10/31/2042</td>
<td></td>
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<tr>
<td>G</td>
<td>10/20/2022</td>
<td>10/30/2022</td>
<td>$8,500,000.00</td>
<td>0.80</td>
<td>6,820,000.00</td>
<td>6,820,000.00</td>
<td>0.00</td>
<td>0.00</td>
<td>6,820,000.00</td>
<td>Current</td>
<td>10/31/2042</td>
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TOTAL Traditional BLINS: $22,424,416.00

**BLINS Letters of Credit Issued Projects:**

<table>
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<tr>
<th>Bank</th>
<th>Commitment Date</th>
<th>Closing Date</th>
<th>Required Exposure</th>
<th>Amount Commitment</th>
<th>Issued %</th>
<th>Exposure</th>
<th>Outstanding Balance</th>
<th>Estimated Exposure</th>
<th>Amount transferred to WVEDA</th>
<th>Loan Status</th>
<th>Insurance Expiration</th>
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</thead>
<tbody>
<tr>
<td>*CitNet West Virginia, LLC</td>
<td>Harrison County, WV</td>
<td>F</td>
<td>2/2/2021</td>
<td>10/25/2021</td>
<td>$16,055,057.69</td>
<td>100.00</td>
<td>5,351,685.90</td>
<td>0.00</td>
<td>0.00</td>
<td>5,351,685.90</td>
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<tr>
<td>*CitNet West Virginia, LLC</td>
<td>Harrison County, WV</td>
<td>F</td>
<td>2/7/2022</td>
<td>7/29/2022</td>
<td>$652,312.28</td>
<td>100.00</td>
<td>652,312.28</td>
<td>0.00</td>
<td>0.00</td>
<td>652,312.28</td>
<td>Current</td>
</tr>
<tr>
<td>*MicroLogic, Inc.</td>
<td>Upshur County, WV</td>
<td>D</td>
<td>1/21/2021</td>
<td>1/4/2022</td>
<td>$1,303,000.00</td>
<td>100.00</td>
<td>1,303,000.00</td>
<td>0.00</td>
<td>0.00</td>
<td>1,303,000.00</td>
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<td>*Digital Connections, Inc.</td>
<td>North Central WV</td>
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<td>11/24/2021</td>
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<td>*Ogilvie Network, LLC</td>
<td>Upshur County, WV</td>
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<td>0.00</td>
<td>2,806,788.12</td>
<td>Current</td>
</tr>
</tbody>
</table>

TOTAL BLINS Letters of Credit: $32,016,421.36

**COMBINED TOTAL Traditional BLINS & RDOF BLINS:**

| $32,016,421.26 |
| 12,306,663.62 |
| 0.00 |
| $12,306,663.62 |

**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 50 balance.

**BANK CODE**

| A | Clear Mountain Bank |
| B | MVB Bank |
| C | Woodbank 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 |