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
### WVBTI Nonrecourse Revolving Loan

<table>
<thead>
<tr>
<th>Loan:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>WVBTI Nonrecourse Revolving Loan (Executed July 2021)</td>
<td>$90,000,000.00</td>
</tr>
<tr>
<td>Total WVBTI Nonrecourse Revolving Loan</td>
<td>$90,000,000.00</td>
</tr>
</tbody>
</table>

### Committed BLNS

<table>
<thead>
<tr>
<th>Loan</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed BLNS to date</td>
<td>$17,584,799.37</td>
</tr>
<tr>
<td>Remaining funds available to commit</td>
<td>$32,616,421.26</td>
</tr>
<tr>
<td>Total funds available to commit</td>
<td>$50,201,220.63</td>
</tr>
</tbody>
</table>

### WVEDA Loan Disbursements required by WVBTI

<table>
<thead>
<tr>
<th>Loan</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>WVEDA exposure for loans funded by financial institutions</td>
<td>$23,888,844.15</td>
</tr>
<tr>
<td>WVEDA exposure for unissued loans</td>
<td>$4,417,478.73</td>
</tr>
<tr>
<td>Letters of Credit funded by financial institutions</td>
<td>$13,167,338.64</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loan</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Interest paid to WVBTI</td>
<td>$303,212.97</td>
</tr>
<tr>
<td>* Interest Earned on invested Loan Disbursements</td>
<td>$509,561.76</td>
</tr>
<tr>
<td>Application and Origination Fees Collected</td>
<td>$1,824,042.47</td>
</tr>
</tbody>
</table>

### BLNS Letters of Credit Issued Projects

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Service Area</th>
<th>Bank</th>
<th>Commitment Date</th>
<th>Closing Date</th>
<th>Required</th>
<th>Amount</th>
<th>Issured</th>
<th>Outstanding Balance</th>
<th>Estimated Exposure</th>
<th>Amount transferred to WVEDA</th>
<th>Loan Status</th>
<th>Insurance Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Connections, Inc.</td>
<td>North Central WV</td>
<td>A</td>
<td>2/15/2018</td>
<td>3/24/2018</td>
<td>$1,850,000.00</td>
<td>0.00</td>
<td>1,480,000.00</td>
<td>$1,988,479.71</td>
<td>1,118,776.57</td>
<td>$1,151,449.57</td>
<td>Current</td>
<td>3/26/2030</td>
</tr>
<tr>
<td>*CynNet, LLC</td>
<td>Harrison County, WV</td>
<td>B</td>
<td>2/21/2019</td>
<td>4/29/2020</td>
<td>$6,346,459.00</td>
<td>0.00</td>
<td>5,132,167.20</td>
<td>$4,323,367.70</td>
<td>3,209,694.36</td>
<td>$3,038,750.96</td>
<td>Current</td>
<td>4/29/2040</td>
</tr>
<tr>
<td>*Roane County EDA</td>
<td>Roane County, WV</td>
<td>C</td>
<td>3/17/2022</td>
<td>4/29/2020</td>
<td>$5,685,957.00</td>
<td>0.00</td>
<td>4,548,765.60</td>
<td>$4,417,478.73</td>
<td>3,209,694.36</td>
<td>$3,038,750.96</td>
<td>Current</td>
<td>4/29/2040</td>
</tr>
<tr>
<td>*MicroLogic, Inc.</td>
<td>Randolph County, WV</td>
<td>G</td>
<td>10/20/2022</td>
<td>10/31/2022</td>
<td>$8,500,000.00</td>
<td>0.00</td>
<td>6,620,000.00</td>
<td>$4,417,478.73</td>
<td>3,209,694.36</td>
<td>$3,038,750.96</td>
<td>Current</td>
<td>4/29/2040</td>
</tr>
</tbody>
</table>

**TOTAL Traditional BLNS**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,584,799.37</td>
</tr>
<tr>
<td>$5,211,838.41</td>
</tr>
<tr>
<td>$4,417,478.73</td>
</tr>
<tr>
<td>$10,982,200.53</td>
</tr>
</tbody>
</table>

### BLNS Letters of Credit Issued Projects

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Service Area</th>
<th>Bank</th>
<th>Commitment Date</th>
<th>Closing Date</th>
<th>Required</th>
<th>Amount</th>
<th>Issured</th>
<th>Outstanding Balance</th>
<th>Estimated Exposure</th>
<th>Amount transferred to WVEDA</th>
<th>Loan Status</th>
<th>Insurance Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>*CynNet West Virginia, LLC</td>
<td>Harrison County, WV</td>
<td>F</td>
<td>2/2/2021</td>
<td>10/23/2021</td>
<td>$16,055,007.69</td>
<td>100.00</td>
<td>5,351,685.90</td>
<td>$5,351,685.90</td>
<td>0.00</td>
<td>0.00</td>
<td>Current</td>
<td>10/15/2026</td>
</tr>
<tr>
<td>*CynNet West Virginia, LLC</td>
<td>Harrison County, WV</td>
<td>F</td>
<td>7/21/2022</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>5,351,685.90</td>
<td>Current</td>
<td>7/29/2027</td>
</tr>
<tr>
<td>*Micrologic, Inc.</td>
<td>Upshur County, WV</td>
<td>F</td>
<td>3/19/2022</td>
<td>7/29/2022</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>5,351,685.90</td>
<td>Current</td>
<td>7/29/2027</td>
</tr>
<tr>
<td>*Digital Connections, Inc.</td>
<td>North Central WV</td>
<td>F</td>
<td>1/21/2021</td>
<td>1/21/2021</td>
<td>$3,010,934.31</td>
<td>100.00</td>
<td>1,505,467.14</td>
<td>0.00</td>
<td>0.00</td>
<td>5,351,685.90</td>
<td>Current</td>
<td>7/29/2027</td>
</tr>
<tr>
<td>*OhioNet Network, LLC</td>
<td>Upshur County, WV</td>
<td>F</td>
<td>2/22/2021</td>
<td>1/21/2021</td>
<td>$1,274,900.42</td>
<td>100.00</td>
<td>1,274,900.42</td>
<td>0.00</td>
<td>0.00</td>
<td>5,351,685.90</td>
<td>Current</td>
<td>7/29/2027</td>
</tr>
</tbody>
</table>

**TOTAL BLNS Letters of Credit**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$32,016,421.26</td>
</tr>
</tbody>
</table>

**COMBINED TOTAL** Traditional BLNS & RDOF BLNS:

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,852,578.42</td>
</tr>
<tr>
<td>$5,211,838.41</td>
</tr>
<tr>
<td>$4,417,478.73</td>
</tr>
<tr>
<td>$23,888,844.15</td>
</tr>
</tbody>
</table>

**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.