

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

**June 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:** July 31, 2023

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

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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 30<sup>th</sup> 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 \$17,561,188.05 for traditional BLINS and \$32,016,421.26 for RDOF BLINS. The WVEDA has \$30,422,390.69 available to commit to eligible broadband projects.

To date, the WVEDA has received \$204,769.17 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 \$872,295.87 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:** \$1,369,069.06  
**Loan Amount Insured:** \$1,095,255.25  
**BLINS Loan O/S Principal:** \$1,118,776.57  
**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 \$23,521.32 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:** \$5,117,167.20  
**Loan Amount Insured:** \$3,485,364.53  
**BLINS Loan O/S Principal:** \$3,298,694.16  
**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 \$186,670.37 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:** \$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.

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 the 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

- 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.
- 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

<b>LOC Outstanding balance:</b>	\$0
<b>BLINS Loan O/S Principal</b>	\$2,806,788.12
<b>LOC Maturity Date:</b>	December 12, 2032
<b>LOC Status:</b>	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 June 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**  
**Quarterly June 30, 2023 Broadband Loan Insurance, JSW**

WVBTI Nonrecourse Revolving Loan	\$50,000,000.00
WVBTI Nonrecourse Revolving Loans (Executed July 2021)	\$30,000,000.00
<b>Total WVBTI Nonrecourse Revolving Loan</b>	<b>\$80,000,000.00</b>
Less:	
Committed Traditional BLINS to date	\$17,561,188.05
Committed RDOF BLINS to date	\$32,016,421.26
Remaining funds available to commit	\$30,422,390.69
WVEDA loan disbursements required by WVBTI	\$17,324,114.35
WVEDA exposure for loans funded by financial institutions	\$5,173,130.59
WVEDA exposure for unfunded loans	\$12,980,568.27
Letters of Credit funded by financial institutions	\$0.00
* Interest Paid to WVBTI	\$270,670.43
* Interest Earned on invested Loan Disbursements	\$872,295.87
Application and Origination Fees Collected	\$204,769.17

Traditional BLINS Insured Projects: Borrower	Service Area	Bank	Commitment Date	Closing Date	Required Exposure Amount Commitment	Insured %	Exposure	Outstanding Balance	Estimated Exposure	Amount transferred to WVEDA	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	1,369,069.06	1,095,255.25	1,118,776.57	Current	3/26/2030
*CityNet, LLC	Harrison County, WV	B	2/21/2019	4/29/2020	\$6,396,459.00	0.80	5,117,167.20	4,356,705.66	3,485,364.53	3,298,694.16	Current	4/29/2040
*Roane County EDA	Roane County, WV	C	3/17/2022		\$5,685,957.00	0.80	4,548,765.60	0.00	0.00	0.00	Committed	
*MicroLogic, Inc.	Randolph County, WV	G	10/20/2022	10/31/2022	\$8,500,000.00	0.80	6,800,000.00	740,638.52	592,510.82	0.00	Current	10/31/2042
<b>TOTAL Traditional BLINS</b>					<b>\$22,432,416.00</b>		<b>\$17,945,932.80</b>	<b>\$6,466,413.24</b>	<b>\$5,173,130.59</b>	<b>\$4,417,470.73</b>		
<b>BLINS Letters of Credit Insured Projects:</b>												
*CityNet West Virginia, LLC	Harrison County, WV	F	2/2/2021	10/15/2021	\$16,055,057.49	100.00	5,351,685.90	0.00	0.00	5,351,685.90	Current	10/15/2028
*CityNet West Virginia, LLC	Harrison County, WV	F	7/21/2022	7/29/2022	\$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	100.00	1,303,000.00	0.00	0.00	1,303,000.00	Current	7/29/2027
*MicroLogic, Inc.	Upshur County, WV	E	1/7/2021	1/4/2022	\$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	100.00	1,287,450.18	0.00	0.00	1,287,450.18	Current	11/24/2028
* Gigbeam Networks, LLC	Upshur County, WV	D	2/2/2021	12/12/2022	\$8,420,336.76	100.00	2,806,788.12	0.00	0.00	2,806,788.12	Current	12/12/2032
<b>TOTAL BLINS Letters of Credit</b>					<b>\$32,016,421.26</b>		<b>12,906,643.62</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$12,906,643.62</b>		
<b>COMBINED TOTAL Traditional BLINS &amp; RDOF BLINS</b>							<b>\$30,852,576.42</b>	<b>\$6,466,413.24</b>	<b>\$5,173,130.59</b>	<b>\$17,324,114.35</b>		

\* 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.

BANK CODE	BANK NAME
A	Clear Mountain Bank
B	MVB Bank
C	Westbank 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 June 30, 2023.

J. Steven Webb, Associate Director  
WV Economic Development Authority