

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

September 2022

**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 28, 2022

Re: Broadband Loan Insurance report for the quarter ending September 30, 2022

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 \$13,892,272.74 for traditional BLINS and \$32,015,879.98 for RDOF BLINS. The WVEDA has \$34,091,847.28 available to commit to eligible broadband projects.

To date, the WVEDA has received \$130,844.53 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 \$122,781.57 in interest on disbursed BTI funds and has paid the WV Board of Treasury Investments ("BTI") \$82,168.45 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: \$1,479,383.93
Loan Amount Insured: \$1,183,507.14
BLINS Loan O/S Principal: \$1,276,879.70
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 \$93,372.56 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: \$10,200,000.00
Loan Amount Insured: \$2,902,950.11
BLINS Loan O/S Principal: \$1,195,174.22
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 \$1,707,775.89 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:	\$4,548,765.00
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: | \$651,771.00 |
| LOC Amount: | \$651,771.00 |
| LOC Amount Insured: | \$651,771.00 |
| LOC Outstanding balance: | \$0 |
| BLINS Loan O/S Principal | \$651,771.00 |
| 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 |

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: \$1,003,605.00
LOC Amount Insured: \$1,003,605.00
LOC Outstanding balance: \$0
BLINS Loan O/S Principal \$1,003,605.00
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: \$858,300.14
LOC Amount Insured: \$858,300.14
LOC Outstanding balance: \$0
BLINS Loan O/S Principal \$858,300.14
LOC Maturity Date: November 24, 2028
LOC Status: Current/LOC can increase to the commitment amount

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:** 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: N/A
LOC Amount Insured: N/A
LOC Outstanding balance: \$0
BLINS Loan O/S Principal \$0
LOC Maturity Date: N/A
LOC Status: WVEDA approved pending FCC approval

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, 2022, which is provided monthly to the WVEDA Board members for review and discussion at the monthly Board meeting.

West Virginia Economic Development Authority
September 2022 Broadband Loan Insurance

WVBTT Nonrecourse Revolving Loan	\$50,000,000.00
WVBTT Nonrecourse Revolving Loan (Executed July 2021)	\$30,000,000.00
Total WVBTT Nonrecourse Revolving Loan	\$80,000,000.00
Less:	
Committed Traditional BLINS to date	\$13,892,272.74
Committed RDOF BLINS to date	\$32,015,879.98
Remaining funds available to commit	\$34,091,847.28
WVEDA loan disbursements required by WVBTT	\$11,640,415.96
WVEDA exposure for loans funded by financial institutions	\$4,086,457.26
WVEDA exposure for unfunded loans	\$9,805,815.49
Letters of Credit funded by financial institutions	\$0.00
* Interest Paid to WVBTT	\$82,168.45
* Interest Earned on Invested Loan Disbursements	\$122,781.57
Application and Origination Fees Collected	\$130,844.53

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	1,479,383.93	1,183,507.14	1,276,879.70	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	3,628,687.64	2,902,950.11	1,195,174.22	Current	4/29/2040
*Roane County EDA	Roane County, WV	C	3/17/2022		\$5,685,957.00	0.80	4,548,765.60				Committed	
TOTAL Traditional BLINS					\$17,735,957.00		\$14,188,765.60	\$5,108,071.57	\$4,086,457.26	\$2,472,053.92		
BLINS Letters of Credit Insured Projects:												
*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 WV, LLC	Harrison County, WV	F	7/21/2022	7/29/2022	\$651,771.00	100.00	651,771.00	0.00	0.00	651,771.00	Current	7/29/2027
*CityNet WV, 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	D	1/21/2021	1/4/2022	\$3,010,814.31	100.00	1,003,605.00	0.00	0.00	1,003,605.00	Current	1/4/2029
*Digital Connections, Inc.	North Central WV	E	2/2/2021	11/24/2021	\$2,574,900.42	100.00	858,300.14	0.00	0.00	858,300.14	Current	11/24/2028
*Gigabam Networks, LLC	Upshur County, WV	D	2/2/2021		\$8,420,336.76	100.00	17,588,698.80	\$0.00	\$0.00	\$9,168,362.04	Committed	
TOTAL BLINS Letters of Credit					\$32,015,879.98		\$17,588,698.80	\$0.00	\$0.00	\$9,168,362.04		
COMBINED TOTAL Traditional BLINS & RDOF BLINS							\$31,777,464.40	\$5,108,071.57	\$4,086,457.26	\$11,640,415.96		

* 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	Wesbanco 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