

Local Investment Advisory Committee Summary

October 22, 2014

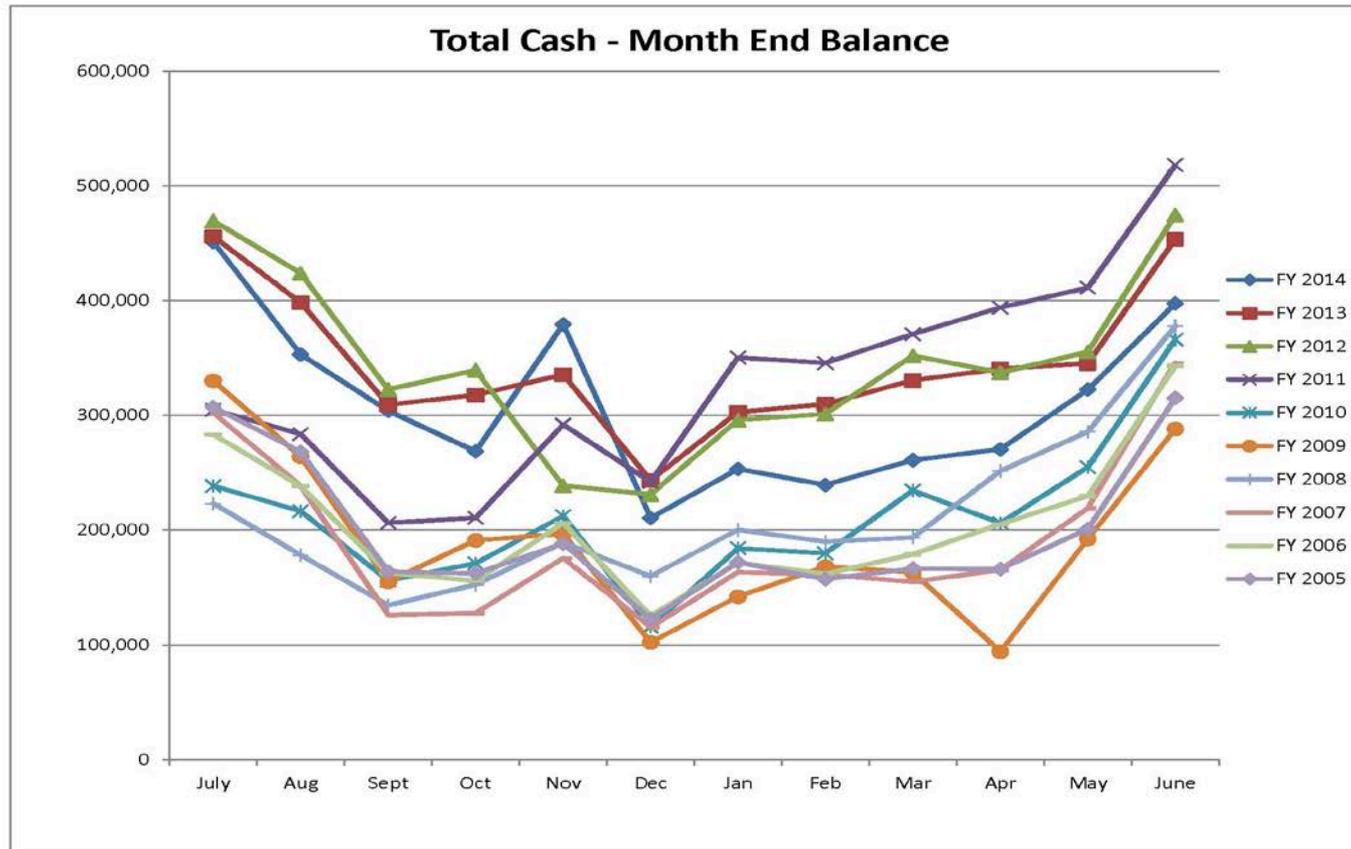
Office of the State Treasurer



Act 199 of 2014 (S.220)

- **Sec. 22: Credit Facility for Vermont Clean Energy Loan Fund**
 - **Sec. 22** amends Act No. 87 of 2013 (H.395) and provides the Treasurer additional flexibility to structure a credit facility for the benefit of the Vermont Economic Development Authority to provide funds for sustainable energy projects through the Clean Energy Loan Fund
- **Sec. 23–25: Vermont State Treasurer; Credit Facility for Local Investments; Treasurer’s Local Investment Advisory Committee**
 - **Sec. 23** authorizes the Treasurer to establish a credit facility of up to 10 percent of the State’s average cash balance on terms acceptable to the Treasurer consistent with the provisions of the Uniform Prudent Investor Act, 14A V.S.A. chapter 9
 - **Sec. 24** creates the Treasurer’s Local Investment Advisory Committee to advise the Treasurer on funding priorities for credit facilities authorized by current law and to address other mechanisms to increase local investment
 - **Sec. 25** sunsets Secs. 23–24 on July 1, 2015

Cash Flows are Seasonal and Impact Investment Profile



Local Investments To Date

Summary of Local Investment Initiatives Status as of July 15, 2014

<u>Authorizing Legislation and Agency</u>	<u>Amount Authorized</u>	<u>Term</u>	<u>Rate</u>	<u>Status</u>
Act No. 179 of 2014, Sec. E.131 (2014 Appropriations Bill):				
1. Vermont Community Loan Fund	\$500,000	7/15/2014*	1.00%	Closed.
Act No. 87 of 2013, Sec. 8, as amended by Act No. 199 of 2014, Sec. 22:				
2. Vermont Economic Development Authority	\$10,000,000	10/31/2014**	0.55%	Closed.
Act No. 87 of 2013, Sec. 8a:				
3. NeighborWorks of Western Vermont	\$250,000	10/15/2023	2.00%	Closed, \$16,081.04 repaid to date.
4. NeighborWorks of Western Vermont	\$250,000	4/15/2024	2.27%	Closed.
5. NeighborWorks of Western Vermont	\$1,500,000	TBD	TBD	Balance of loan commitment.
6. Vermont Housing Finance Agency	\$2,800,000	2/15/2024	2.76%	Closed.
7. Options to be Reviewed	\$1,700,000	TBD	TBD	Summary proposals received.
Act No. 178 of 2014, Sec. 41 (2014 Capital Bill Adjustment):				
8. Buildings and General Services, Other State Agencies	\$8,000,000	TBD	TBD	
TOTAL:		\$25,000,000		

*Subject to annual review and renewal

** Subject renewal for longer term (e.g., 7 to 10 years)

Local Investment Advisory Committee

- Members
 - the State Treasurer or designee
 - the Chief Executive Officer of the Vermont Economic Development Authority or designee
 - the Chief Executive Officer of the Vermont Student Assistance Corporation or designee
 - the Executive Director of the Vermont Housing Finance Agency or designee
 - the Director of the Municipal Bond Bank or designee
 - the Director of Efficiency Vermont or designee
- Public Input Needed from
 -“State organizations, citizen groups, and members of the public to Advisory Committee meetings to present information on needs for local investment, capital gaps, and proposals for financing” (from Act 199).

Report to the General Assembly

- Due January 15, 2015
- Report to Include:
 - The amount of the subsidies associated with lending through each credit facility authorized by the General Assembly and established by the Treasurer;
 - Description of the Advisory Committee's activities; and
 - Any information gathered by the Advisory Committee on the State's unmet capital needs, and other opportunities for State support for local investment and the community.

Next Steps

- Convene Local Investment Advisory Committee
- Obtain public input on local investment needs
- Identify primary investment focus areas
- Obtain expert information specific to investment focus areas including reasons for current capital gaps (regulatory, transaction size, lack of accessible private and/or public capital, etc.)
- Review proposals received for \$1.7 million balance from Act 87
- Develop investment proposals for consideration by Treasurer, consistent with Act 199 (\$8 to \$10 million in capacity)

We need your input and recommendations!