

**THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY**

**CHAIRMAN'S BRIEFING**

**May 7, 2014**

The Chairman's Briefing of The Pennsylvania Industrial Development Authority (PIDA) was held on May 7, 2014, in the 4 East Conference Room, Commonwealth Keystone Building, 400 North Street, 4<sup>th</sup> Floor, Harrisburg, Pennsylvania. The meeting was called to order by Carolyn Boser Newhouse, who chaired the meeting for the Honorable C. Alan Walker, at approximately 9:30 a.m. The following members were present: the Honorable Glenn E. Moyer, Jared Grissinger for the Honorable George Greig, David Nasatir and B. Michael Schaul and the following five members via telephone: John Kameen, Joseph Martz, Charles McGroarty, Robert Phillips and Roy A. Powell. Also present were PIDA Staff: Scott Dunkelberger, Kevin Rowland, Laurie Henry, Frank Tokarz, Marisa Morales, Mike Cortez, Tim Anstine and Christopher Houston, legal counsel; and James Bowman, financial consultant to the Authority. Ms. Newhouse reviewed new loan applications and special requests with the Board. The meeting was adjourned.

## **THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY**

**May 7, 2014**

The regular meeting of The Pennsylvania Industrial Development Authority (PIDA) was held after proper notice was given pursuant to the terms of the Act of July 3, 1986 (the "Sunshine Act"), on May 7, 2014, in PUC Hearing Room #1, Commonwealth Keystone Building, 2<sup>nd</sup> Floor, Harrisburg, Pennsylvania. The meeting was called to order by Carolyn Boser Newhouse, who chaired the meeting for the Honorable C. Alan Walker, at approximately 10:18 a.m. The following members were present: the Honorable Glenn E. Moyer, Jared Grissinger for the Honorable George Greig, David Nasatir, Thomas Chiomento and B. Michael Schaul and the following six members via telephone: Michelle Staton for the Honorable Julia K. Hearthway, John Kameen, Joseph Martz, Charles McGroarty, Robert Phillips and Roy A. Powell. Also present were PIDA Staff: Scott Dunkelberger, Kevin Rowland, Laurie Henry, Frank Tokarz, Marisa Morales, Mike Cortez, Tim Anstine and Christopher Houston, legal counsel; and James Bowman, financial consultant to the Authority. The following persons were also present: Mike Ross, Franklin County Area Development Corporation; James Pawlikowski, Bucks County Economic Development Corporation; Steve Hawbecker, ACNB Bank; Saumil Ambani, Megawholesale, Inc. and Matthew Whitney, Pacemaker Press PP&S, Inc. Kevin Detrick, Innovative Control Systems, Inc. participated via teleconference. The Board approved the minutes of the April 2, 2014 PIDA Board Meeting and the bills received during the previous month (see following page).

## Bills May 7, 2014 PIDA Board Meeting

**Reinsel Kuntz Lesher, LLP**

**PIDA Financial Consultant**

Services rendered March 24, 2014 through April 25, 2014	\$11,593.50	
		<b>\$11,593.50</b>

**General Gov't. Appropriation**

March 2014 wage alloc: Exec, Legal, Admin	\$67,889.32	
		<b>\$67,889.32</b>

**LECS Comptroller's Office**

Services rendered 01/01/14 thru 03/31/14	\$24,368.89	
Services rendered 04/01/14 thru 06/30/14 (ESTIMATED)	\$18,000.00	
		<b>\$42,368.89</b>

**The PFM Group**

Revenue Bonds-Series 2008-Arbitrage Reports	\$4,000.00	
		<b>\$4,000.00</b>

<b>GRAND TOTAL:</b>		<hr/> <hr/> <b>\$125,851.71</b>
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**NEW LOAN APPLICATIONS**

The following applications were voted on and unanimously approved unless otherwise indicated below. Confidential financial information reviewed by the Board has been omitted.

<b>THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY SUMMARY LOAN APPLICATION</b>				PIDA # 9565		
				DATE: May 7, 2014		
APPLICANT (Industrial Development Agency): <b>Bucks County Economic Development Corporation</b>						
ADDRESS: <b>Two East Court Street, Doylestown, Pennsylvania 18901</b>						
PERSON TO CONTACT: <b>James Pawlikowski</b>			TELEPHONE NUMBER: <b>215-348-9031</b>			
COMPANY (If this company (or affiliate) has ever had a PIDA loan, please check box)						
Occupant: <b>Megawholesale Inc</b>			Beneficial Owner: <b>R Ambani Investments LLC</b>			
PRESIDENT: <b>Saumil Ambani</b>		MAILING ADDRESS: <b>1135 Cedar Avenue, Croydon, Pennsylvania 19021</b>		TELEPHONE NUMBER: <b>215-785-1111</b>		
PRODUCT: <b>Tobacco products</b>	NAICS # <b>4249</b>	PERSON TO CONTACT AND TITLE: <b>Saumil Ambani, President</b>		TELEPHONE NUMBER: <b>215-785-1111</b>		
TYPE OF ENTERPRISE:						
<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Regional or National Headquarters	<input type="checkbox"/> Research & Development	<input type="checkbox"/> Agri-Business			
<input checked="" type="checkbox"/> Warehouse & Terminal	<input type="checkbox"/> Industrial	<input type="checkbox"/> Computer or Clerical Operation Center				
TOTAL EXISTING EMPLOYMENT (Include parent, subsidiaries & affiliates)			Check box if SMALL BUSINESS			
Pennsylvania <u>9</u>	Worldwide, include Pa. <u>9</u>	(Less than 50 existing employees)			<input checked="" type="checkbox"/>	
EMPLOYMENT THIS SITE ONLY:		TOTAL	PAYROLL (Annually)	AVERAGE WAGE (Annually)	AVERAGE HRS. WORKED (Weekly)	ADD % BENEFITS
Existing Employment (Include jobs transferred to this site)		0				
New Employment in Three Years (Do Not Include Existing Employment)		25	\$700,960	\$28,038	40	7.4%
SIZE OF PROJECT (Sq. Ft.) <b>27,416</b>	SIZE OF SITE (Acres) <b>1.54</b>	LOCATION OF PLANT (Include Municipality & Mailing Address): <b>1135 Cedar Avenue Croydon, Pennsylvania 19021 Bristol Township</b>			COUNTY: <b>Bucks</b>	
PURPOSE OF PROJECT (Please check appropriate box(es))						
<input type="checkbox"/> To construct new building	<input type="checkbox"/> To expand in new location within Pa. (Not a relocation)					
<input type="checkbox"/> To expand existing building	To relocate/expand existing plant from _____ (Name of State)					
<input type="checkbox"/> To acquire existing building	<input checked="" type="checkbox"/> To acquire and renovate existing building					
Other:						
PIDA LOAN REQUESTED <b>\$375,000</b>	TOTAL PROJECT COST <b>\$1,250,000</b>	COST PER SQ. FT. (Building Costs Only) <b>\$42.89</b>	COST PER JOB TOTAL PROJECT <b>\$50,000</b>	COST PER JOB-PIDA <b>\$15,000</b>		
METHOD OF FINANCING						
1. FIRST MORTGAGE <u>50 %</u> Participation			3. OTHER PARTICIPATION _____ % Participation			
a. Amount <u>\$625,000</u>	b. Name of Mortgagee <u>Parke Bank</u>	c. Interest Rate <u>Prime + 2.25%</u>	d. Term <u>25 years</u>	e. Person to contact <u>Philip J. Martin</u>	Telephone number <u>215-985-4400</u>	
2. PIDA MORTGAGE <u>30 %</u> Participation			4. OTHER PARTICIPATION <u>20 %</u> Participation			
a. Amount <u>\$375,000</u>	b. Interest Rate <u>2.25%</u>	c. Term <u>15 years</u>	a. Amount <u>\$250,000</u>	b. Interest Rate <u>na</u>	c. Term <u>na</u>	
d. Term <u>15 years</u>	d. By Whom <u>Company</u>					
PIDA USE ONLY						
<input checked="" type="checkbox"/> State or Federal Enterprise Zone	<input type="checkbox"/> Brownfield Site	<input type="checkbox"/> Financially Distressed (Act 47)	<input type="checkbox"/> Advanced Technology	<input type="checkbox"/> GAT Project	<input type="checkbox"/> KOZ	<input type="checkbox"/> KOEZ
CRITICAL ECONOMIC AREA <b>Bristol Township</b>	UNEMPLOYMENT RATE <b>9.8%</b> <input type="checkbox"/> 5-10 Years <input checked="" type="checkbox"/> 12 Mo.		PIDA PARTICIPATION <b>60 %</b>	GENERAL FUNDS <input checked="" type="checkbox"/>	BOND FUNDS <input type="checkbox"/>	

*Bucks County Economic Development Corporation*  
*Megawholesale, Inc.*  
*#9565*

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Company Background: **Megawholesale, Inc is a start-up company founded in August of 2013 and incorporated in Pennsylvania. There is a sister company named SR Wholesale co-founded by Saumil Ambani. SR Wholesale employs 9.**

Product: **Megawholesale, Inc. will distribute tobacco products including cigars, pipes, tobacco, E-cigarettes, and other general merchandise based on pallet sized orders.**

Ownership: **100% Saumil Ambani**

**Beneficial Owner: R. Ambani Investments, Inc.  
100% Saumil Ambani**

Market/Customers: **Geographic market area of Megawholesale, Inc. will include the eastern United States**

Other Data: **This project involves the purchase and minor renovation of a 27,416 square foot building on 1.54 acres in an Enterprise Zone, and will create 25 new jobs in three years.**

**Non-Prejudicial:  
12/9/13**

**Acquisition Price: \$1,175,000  
Appraisal: \$1,180,000**

<b>THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY SUMMARY LOAN APPLICATION</b>				PIDA # <b>9566</b>		
DATE: <b>May 7, 2014</b>						
APPLICANT (Industrial Development Agency): <b>Franklin County Area Development Corporation</b>						
ADDRESS: <b>1900 Wayne Road, Chambersburg, Pennsylvania 17202</b>						
PERSON TO CONTACT: <b>L. Michael Ross</b>			TELEPHONE NUMBER: <b>717-263-8282</b>			
COMPANY (If this company (or affiliate) has ever had a PIDA loan, please check box)						
Occupant: <b>Pacemaker Press PP&amp;S, Inc.</b>			Beneficial Owner: <b>Whitsons LLC</b>			
PRESIDENT: <b>Matthew W. Whitney</b>		MAILING ADDRESS: <b>6797 Bowman's Crossing, Frederick, Maryland 21703</b>		TELEPHONE NUMBER: <b>301-696-9629</b>		
PRODUCT: <b>Printing</b>	NAICS # <b>3231</b>	PERSON TO CONTACT AND TITLE: <b>Matthew W. Whitney, President</b>		TELEPHONE NUMBER: <b>301-696-9629</b>		
TYPE OF ENTERPRISE:						
<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Regional or National Headquarters	<input type="checkbox"/> Research & Development		<input type="checkbox"/> Agri-Business		
<input type="checkbox"/> Warehouse & Terminal	<input checked="" type="checkbox"/> Industrial	<input type="checkbox"/> Computer or Clerical Operation Center				
TOTAL EXISTING EMPLOYMENT (Include parent, subsidiaries & affiliates)			Check box if SMALL BUSINESS			
Pennsylvania <u>0</u> Worldwide, Include Pa. <u>36</u>			(Less than 50 existing employees) <input checked="" type="checkbox"/>			
EMPLOYMENT THIS SITE ONLY:		TOTAL	PAYROLL (Annually)	AVERAGE WAGE (Annually)	AVERAGE HRS. WORKED (Weekly)	ADD % BENEFITS
Existing Employment (Include jobs transferred to this site)			\$	\$		%
New Employment in Three Years (Do Not Include Existing Employment)		39	\$1,250,000	\$32,051	40	6%
SIZE OF PROJECT (Sq. Ft.) <b>30,000</b>	SIZE OF SITE (Acres) <b>6.3</b>	LOCATION OF PLANT (Include Municipality & Mailing Address): <b>Zane A. Miller Drive, Wharf Road Industrial Park Waynesboro, Pennsylvania 17268 Washington Township</b>			COUNTY: <b>Franklin</b>	
PURPOSE OF PROJECT (Please check appropriate box(es))						
<input checked="" type="checkbox"/>	To construct new building		<input type="checkbox"/>	To expand in new location within Pa. (Not a relocation)		
<input type="checkbox"/>	To expand existing building		<input checked="" type="checkbox"/>	To relocate/expand existing plant from <u>Maryland</u> (Name of State)		
<input type="checkbox"/>	To acquire existing building		<input type="checkbox"/>	To acquire and renovate existing building		
Other:						
PIDA LOAN REQUESTED	TOTAL PROJECT COST	COST PER SQ. FT. (Building Costs Only)	COST PER JOB TOTAL PROJECT	COST PER JOB-PIDA		
<b>\$1,191,500</b>	<b>\$2,520,000</b>	<b>\$75.73</b>	<b>\$64,615</b>	<b>\$30,551</b>		
METHOD OF FINANCING						
1. FIRST MORTGAGE <u>48</u> % Participation			3. OTHER PARTICIPATION <u>5</u> % Participation			
a. Amount <u>\$1,203,500</u>			a. Amount <u>\$125,000</u>			
b. Name of Mortgagee: <u>ACNB Bank (shared 1<sup>st</sup>)</u>			b. Interest Rate <u>na</u>			
c. Interest Rate <u>4%</u>			c. Term <u>na</u>			
d. Term <u>20 years</u>			d. By Whom <u>Pennsylvania First Program grant</u>			
e. Person to contact <u>Stephen C. Hawbaker</u>			4. OTHER PARTICIPATION _____ % Participation			
Telephone number <u>717-262-2953</u>			a. Amount _____			
2. PIDA MORTGAGE <u>47</u> % Participation			b. Interest Rate _____			
a. Amount <u>\$1,191,500</u>			c. Term _____			
b. Interest Rate <u>2.25%</u>			d. By Whom _____			
c. Term <u>15 years</u>						
(\$595,750 Shared First Mortgage & \$595,750 Second Mortgage)						
PIDA USE ONLY						
<input type="checkbox"/> State or Federal Enterprise Zone	<input type="checkbox"/> Brownfield Site	<input type="checkbox"/> Financially Distressed (Act 47)	<input type="checkbox"/> Advanced Technology	<input checked="" type="checkbox"/> GAT Project	<input type="checkbox"/> KOZ	<input type="checkbox"/> KOEZ
CRITICAL ECONOMIC AREA	UNEMPLOYMENT RATE		PIDA PARTICIPATION	GENERAL FUNDS		BOND FUNDS
<b>Franklin County</b>	<u>6.7</u> %	<input type="checkbox"/> 5-10 Years <input checked="" type="checkbox"/> 12 Mo.	<u>50</u> %	<input checked="" type="checkbox"/>		<input type="checkbox"/>

*Franklin County Area Development Corporation*

*Pacemaker Press PP&S, Inc.*

#9566

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Company Background: Pacemaker Press was founded in 1983 by Garland Johnson as a printer of magazine inserts. Matthew Whitney became Plant Manager in 1989 and purchased the business in 2008. The company is incorporated in the state of Maryland

Product: Pacemaker Press is a commercial web printing company. Projects range from 1 color to heavy 4 color process work. They have full bindery capabilities.

Ownership:           50% Matthew W. Whitney  
                          50% Michelle A. Whitney  
                          100%  
                          Beneficial Owner:     Whitsons, LLC  
  100% Matthew W. Whitney

Market/Customers:   Geographic market area includes the Mid-Atlantic and Northeast regions

Approximately 130 customers including:  
                  Belvoir Media Group           30%  
                  PRI Communications, Inc.   8%  
                  Boardroom Reports, Inc.     7%

Other Data:           Pacemaker Press is currently operating in Frederick Maryland in 43,000 square feet of leased space. This project will construct a 30,000 square foot building on 6.3 acres in the Wharf Road Industrial Park in Washington Township. They currently employ 36 people, the majority of whom will relocate to this new building. 3 additional jobs will be created.

The company is relocating because of the exorbitant lease payments and the poor condition of the building

GAT Offer:  
\$ 125,000     Pennsylvania First Program  
\$ 78,000     Job Creation Tax Credits  
\$ 150,000    Machinery and Equipment Loan Fund  
\$2,000,000   Pennsylvania Industrial Development Authority

**THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY  
SUMMARY LOAN APPLICATION**

PIDA # 9567

DATE: May 7, 2014

APPLICANT (Industrial Development Agency): Northampton County New Jobs Corporation

ADDRESS: 2158 Avenue C, Suite 200, Bethlehem, Pennsylvania 18017

PERSON TO CONTACT: John Kingsley

TELEPHONE NUMBER: 610-266-0887

COMPANY (If this company (or affiliate) has ever had a PIDA loan, please check box)

Occupant: Innovative Control Systems, Inc.

Beneficial Owner: Jacobsburg Realty, LLC

PRESIDENT: Kevin Detrick

MAILING ADDRESS: 1349 Jacobsburg Road, Wind Gap, Pennsylvania 18091

TELEPHONE NUMBER: 610-881-8008

PRODUCT: Car wash equipment

NAICS # 3341

PERSON TO CONTACT AND TITLE: Kevin Detrick, President

TELEPHONE NUMBER: 610-881-8008

TYPE OF ENTERPRISE:

Manufacturing  Regional or National Headquarters  Research & Development  Agri-Business  
 Warehouse & Terminal  Industrial  Computer or Clerical Operation Center

TOTAL EXISTING EMPLOYMENT (Include parent, subsidiaries & affiliates)

Pennsylvania 77 Worldwide, Include Pa. 93

Check box if SMALL BUSINESS

(Less than 50 existing employees)

EMPLOYMENT THIS SITE ONLY:	TOTAL	PAYROLL (Annually)	AVERAGE WAGE (Annually)	AVERAGE HRS. WORKED (Weekly)	ADD % BENEFITS
Existing Employment (Include jobs transferred to this site)	77	\$4,266,683	\$55,411	40	21.9%
New Employment in Three Years (Do Not Include Existing Employment)	0	\$	\$		%

SIZE OF PROJECT (Sq. Ft.) 19,000	SIZE OF SITE (Acres) 2.14	LOCATION OF PLANT (Include Municipality & Mailing Address): 3370 Fox Hill Road Easton, Pennsylvania 18045 Palmer Township	COUNTY: Northampton
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PURPOSE OF PROJECT (Please check appropriate box(es))

To construct new building  To expand in new location within Pa. (Not a relocation)  
 To expand existing building  To relocate/expand existing plant from \_\_\_\_\_ (Name of State)  
 To acquire existing building  To acquire and renovate existing building

Other:

PIDA LOAN REQUESTED \$550,000	TOTAL PROJECT COST \$1,100,000	COST PER SQ. FT. (Building Costs Only) \$32.37	COST PER JOB TOTAL PROJECT \$14,286	COST PER JOB-PIDA \$7,143
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**METHOD OF FINANCING**

1. FIRST MORTGAGE 35 % Participation  
 a. Amount \$385,000  
 b. Name of Mortgagee Lafayette Ambassador Bank (shared 1<sup>st</sup>)  
 c. Interest Rate 3.85% for 60 months, then Prime  
 d. Term 15 years  
 e. Person to contact Walter F. Kropf  
 Telephone number 610-332-7106

2. PIDA MORTGAGE 50 % Participation  
 a. Amount \$550,000 (pro-rata shared first)  
 b. Interest Rate 2.25%  
 c. Term 15 years

3. OTHER PARTICIPATION \_\_\_\_\_ % Participation  
 a. Amount \_\_\_\_\_  
 b. Interest Rate \_\_\_\_\_  
 c. Term \_\_\_\_\_  
 d. By Whom \_\_\_\_\_

4. OTHER PARTICIPATION 15 % Participation  
 a. Amount \$165,000  
 b. Interest Rate na  
 c. Term na  
 d. By Whom Company

**PIDA USE ONLY**

State or Federal Enterprise Zone  Brownfield Site  Financially Distressed (Act 47)  Advanced Technology  GAT Project  KOZ  KOEZ

CRITICAL ECONOMIC AREA Northampton County	UNEMPLOYMENT RATE 8.4% <input type="checkbox"/> 5-10 Years <input checked="" type="checkbox"/> 12 Mo.	PIDA PARTICIPATION 50 %	GENERAL FUNDS <input checked="" type="checkbox"/>	BOND FUNDS <input type="checkbox"/>
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*Northampton County New Jobs Corp.*  
*Innovative Control Systems, Inc.*  
**#9567**

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Company Background: **Innovative Control Systems, Inc. was founded in 1988 by Kevin Detrick.**

Product: **Manufactures equipment for the automated car wash industry.**

Ownership:

<b>73.65%</b>	<b>Kevin Detrick</b>
<b>8.13%</b>	<b>Mildred Detrick</b>
<b>3.74%</b>	<b>Kevin Ahnert</b>
<b>3.74%</b>	<b>Mike Ruiz</b>
<b>3.74%</b>	<b>Frank Janoski</b>
<b>3.63%</b>	<b>Glenn Detrick</b>
<b>2.99%</b>	<b>Brain Bath</b>
<b>.36%</b>	<b>4 other individuals</b>
<b>100%</b>	

**Beneficial Owner:   Jacobsburg Realty, LLC**  
**50%   Kevin Detrick**  
**50%   Carol Detrick**

Market/Customers: **Geographic market area includes the United States and Europe.**

**Approximately 2,400 customers including:**

<b>Car Wash Enterprises</b>	<b>2%</b>
<b>Car Wash Services of GA</b>	<b>2%</b>
<b>Car Wash Services of AZ</b>	<b>1%</b>

Other Data: **The company is currently operating 10 miles away in a 25,000 S.F. building where they employ 77. They will retain that site but transfer fourteen employees to the new project site.**

<b>Non-Prejudicial:</b>	<b>Acquisition Price:</b>	<b>\$615,000</b>
<b>2/25/2014</b>	<b>Appraisal:</b>	<b>\$825,000</b>

RESOLVED, THAT EACH OF THE LOANS HERETOFORE APPROVED IS SUBJECT TO THE FOLLOWING CONDITIONS:

1. In the event that the Premises to be mortgaged has been or at any time during the term of the loan is identified as being in a Flood Hazard Area by the United States Federal Emergency Management Agency, the Industrial Occupant shall obtain flood insurance as provided by the National Flood Insurance Act of 1968, as amended.
2. The Beneficial Owner and/or the Industrial Occupant shall be obligated to and do hereby agree to promptly provide whatever information relating to the project is required and requested by this Authority. Upon failing to do so the Authority may, at its discretion, declare that a material default has occurred and take such action as it deems appropriate.
3. All contracts for the construction, renovation, expansion or improvement of the Authority project shall include the Commonwealth's Standard Non-Discrimination Clause, which is attached hereto and incorporated herein as Exhibit "A".
4. There shall be no material adverse change in the financial condition of the above captioned company, or the guarantors, if any, from that disclosed by the financial statements delivered to this Authority as a part of the Application.
5. Prior to the closing, the Industrial Agency shall provide this Authority with satisfactory evidence on behalf of said Company and its affiliates, that all taxes and other monies due and owing to the Commonwealth of Pennsylvania are paid current as of the closing date, unless any of said taxes or other payments are being contested, in which case this Authority will require that funds be escrowed to pay said taxes or other payments in the event of any adverse decision.

## EXHIBIT "A"

### NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

During the term of the contract, Contractor agrees as follows:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not, by reason of gender, race, creed, or color, discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.

2. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract on account of gender, race, creed, or color.

3. Contractors and subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.

4. Contractors shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contracts relate.

5. The Contractor and each subcontractor shall furnish all necessary employment documents and records to and permit access to their books, records, and accounts by the contracting agency and the Bureau of Contract Administration and Business Development, for purposes of investigation, to ascertain compliance with provisions of this Nondiscrimination/Sexual Harassment Clause. If the Contractor or any subcontractor does not possess documents or records reflecting the necessary information requested, the Contractor or subcontractor shall furnish such information on reporting forms supplied by the contracting agency or the Bureau of Contract Administration and Business Development.

6. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.

7. The Commonwealth may cancel or terminate the contract, and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

OTHER LOAN MATTERS:

**A.) SPECIAL REQUESTS – BOARD ACTION REQUIRED**

The Board was presented with the following special requests which the Board unanimously approved unless otherwise indicated below.

#8770	Bucks County Economic Development Corporation	Closed 8-14-02 & 9-1-10
#9405	Bio-Pharm, Incorporated (Bucks County)	\$2,120,000 Aggregate Bal. \$1,366,723

Request: Approve the release of pledged liquid assets in the amount of \$250,000, that currently represent enhanced collateral for the two outstanding PIDA loans.

Staff Recommendation: The two PIDA loans have been paid down from an original amount of \$2,120,000, to an aggregate balance of \$1,366,723. The two PIDA mortgages are subordinate to two Bank senior mortgages that have been paid down from an original balance of \$3.0 million to an outstanding aggregate balance of \$2.4 million. The total amount of the two PIDA projects was \$5,978,693, with the current combined Bank and PIDA mortgage balances representing a sixty-three percent (63%) loan to value.

CPA reviewed financial statements for the year ending December 31, 2013 reflect a total stockholders' equity of \$5,623,950 and a revised total leverage ratio of .75 to 1. Total equity has increased substantially from \$1.5 million in 2009, the time of the last PIDA approval. The company's operations reflect a significant improvement over the last three years, with sales increasing from \$10,748,000 in 2011, to \$13,344,000 in 2012, and \$15,991,000 in 2013. Net income has fluctuated significantly, from \$629,000 in 2011 to \$423,000 in 2012 and \$2,299,000 in 2013. The company had a non-recurring net income of \$876,000 in 2013. However, if the non-recurring net income is eliminated, the revised income of \$1,423,000 still represents a significant increase. The current maturities of long term debt are \$375,210. Company cash flow, with depreciation and amortization expense of \$516,357 added back, would easily support the repayment of all debt.

Based on the significantly improved total equity and financial position reflected by the company, as well as the more than adequate cash flow for 2013, the PIDA staff recommends approval of the release of the pledged liquid assets of \$250,000.

	Montgomery County Development Corporation	Aggregate Loan Total \$4,364,811
#8818	Gotham Distributing Corporation/Collections. Inc.	Aggregate Balance \$2,844,233
#8891	Multi Occupancy Building	
#9228	Buckman's Inc.	
#9279	Custom Processing Services, LLC	
#9340	Sealstrip Corporation	
#9439	TEK I.D., Inc. (Montgomery County)	

Request: In connection with the planned liquidation and dissolution of the Montgomery County Industrial Development Corporation dba Montgomery County Economic Development Corporation (MCIDC), and the certification of the newly-reorganized Montgomery County Development Corporation (MCDC) as an industrial development agency, consent to:

1. The assumption by MCDC of MCIDC's obligations under all outstanding PIDA loans to MCIDC, and the release of MCIDC from the same;
2. Where applicable, the conveyance to MCDC of the PIDA project properties from MCIDC, under and subject to PIDA's mortgages, and assignments to MCDC of any installment sales agreements currently in place between MCIDC and the private businesses.

Staff Recommendation: The PIDA staff recommends approval, subject to the following conditions:

1. The placement in an escrow account pledged to PIDA of funds sufficient to cover 50% of the current outstanding balance of the PIDA loans (the total outstanding balance being approximately \$2,844,000), which may be released as the loans are paid down.
2. The consent of the Industrial Occupants, Beneficial Owners, and Guarantors of the projects being transferred.

**B.) SPECIAL REQUESTS – STAFF APPROVED**

The following special requests have been approved by staff under authority delegated by the Board.

#8889	Fay-Penn Economic Development Council W.S.W. Holdings, Inc. (Fayette County)	Closed 6-6-06 \$477,388 Bal. \$119,120
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Staff Action: Consented to the acquisition of the Industrial Occupant, Argon ST, by the Boeing Company, which occurred in 2010, and to the execution of a Subordination, Nondisturbance and Attornment Agreement in connection with an extension of the lease of the project to the Industrial Occupant.

#8939	Bucks County economic Development Corporation National Towelette Co., Inc. (Bucks County)	Closed 6-8-04 \$1,000,000 Bal. \$459,633
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Staff Action: Consented to the placement of a \$1.5 million subordinate mortgage against the project property to secure a \$600,000 term loan and a \$900,000 existing line of credit being provided by Citibank. This approval is conditioned upon the following:

1. All DCED loans must be current at the time of the settlement of the new Citibank term loan.
2. All delinquent property taxes must be paid at the time of the new Citibank loan settlement.
3. The new loan will be cross defaulted with the PIDA and SBF loans.

#9345	Greater Berks Development Fund Appeeling Fruit, Inc. (Berks County)	Closed 2-24-10 \$716,436 Bal. \$548,546
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Staff Action: Consented to a change in the shared first mortgage lender, from VIST Bank to Customers Bank. Customers Bank will receive a \$145,000 shared first position with PIDA, (\$145,000 being the current balance of the VIST Bank loan).

#9401 Bucks County Economic Development Corporation Closed 6-28-12  
Liberty Coating Company, LLC \$1,560,000  
(Bucks County) Bal. \$1,412,898

Staff Action: Consented to the placement of two (2) subordinate mortgages aggregating \$3.5 million on the PIDA project, in favor of RBS Citizens Bank. The consent is conditioned upon the subordinate mortgages being cross defaulted with the PIDA loan.

#9444 Capital Region Economic Development Corporation AA 6-1-11  
Tex Visions LLC \$2,000,000  
(Cumberland County)

Staff Action: Approved an extension to the PIDA loan closing deadline until April 30, 2014.

#9495 Greater Berks Development Fund AA 10-10-12  
Cambridge Lee Industries, LLC \$2,000,000  
(Berks County)

Staff Action: Approved an extension of the PIDA loan closing deadline until May 31, 2014.

#9520 Greater Berks Development Fund AA 4-3-13  
Prizer-Painter Stove Works, Inc. \$1,827,000  
(Berks County)

Staff Action: Approved an extension of the PIDA loan closing deadline until April 30, 2015, due to serious water runoff issues encountered, which have delayed commencement of construction.

#9525 Greater Berks Development Fund AA 5-2-13  
Custom Milling and Consulting, Inc. \$1,645,000  
(Berks County)

Staff Action: Approved an extension of the loan closing deadline until December 31, 2014, due to construction delays caused by the harsh winter.

#9557 Greater Berks Development Fund  
Eagle Brass Company  
(Berks County)

AA 1-8-14  
\$600,000

Staff Action: Approved an extension of the deadline to accept the PIDA commitment letter until May 15, 2014.



**C.) SPECIAL REQUESTS – LOAN DECREASES**

#9538 Economic Progress Alliance of Crawford County AA 5-2-13  
Peter's Heat Treating, Inc. \$410,000  
(Crawford County)

The PIDA project cost and financing structure has changed:

<u>FROM</u>		<u>TO</u>
\$410,000	PIDA	\$359,962
\$513,000	First National Bank	\$513,000
\$103,000	Company Equity	\$103,000
<u>\$1,026,000</u>		<u>\$975,962</u>

**D.) SPECIAL REQUESTS – LOAN RESCISSIONS**

None.

## NEW BUSINESS

- 1) RESOLVED, the PIDA Board has determined that the following Industrial Development Corporations (IDC's) have satisfied the requirements set forth in 12 Pa. Code §73.2, and hereby certifies them to participate in the PIDA program through June 30, 2015:

- a. Montgomery County Development Corporation (MCDC) – Montgomery County

Section 7a of the Certification Guidelines indicates that, "A certified provider shall employ full-time professional staff and demonstrate professional management ability to service its geographic area."

Whiles the organization meets all requirements set forth in the PIDA regulations, it should be noted the full-time employees staffing the MCDC will be direct employees of Montgomery County and not direct employees of the organization seeking certification.

- 2) RESOLVED, that the Board of the Authority hereby authorizes and directs staff of the Authority to write off the following loan receivables from the Authority's financial statements:

- a. PIDA #8905 – Runnerless Knits, Inc.
- b. PIDA #8695 – Castcon Stone, Inc.
- c. PIDA #8952 – American Architectural, Inc.

- 3) RESOLVED, Alan Papernick has diligently, faithfully and professionally served the Authority for a period of nine years; and

WHEREAS, Alan Papernick has successfully performed his duties as a member of the PIDA Board; and

WHEREAS, Alan Papernick's trusted advice and dedicated service to the achievement of this Authority's purpose and goals have earned him the respect of the Board and others throughout Pennsylvania's business community;

NOW, THEREFORE, BE IT RESOLVED, that the Board does hereby express its heartfelt appreciation to Alan Papernick for his dedication to the PIDA program and the Commonwealth of Pennsylvania; and

BE IT FURTHER RESOLVED, that the Board of the Pennsylvania Industrial Development Authority salutes and commends Alan Papernick for his many years of assistance and guidance and hereby formally recognizes Alan Papernick for those accomplishments and services rendered to the Pennsylvania Industrial Development Authority and the Commonwealth of Pennsylvania.

There being no further business to bring before the Members at this time, the meeting was on motion duly adjourned at 10:37 a.m.

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Assistant Secretary