

THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY

CHAIRMAN'S BRIEFING

October 1, 2014

The Chairman's Briefing of The Pennsylvania Industrial Development Authority (PIDA) was held on October 1, 2014, in the 4 East Conference Room, Commonwealth Keystone Building, 400 North Street, 4th 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: Paul Wentzel, for the Honorable Secretary Glenn E. Moyer, Jared Grissinger for the Honorable George E. Greig, Janis Herschkowitz and B. Michael Schaul and the following 8 members via telephone: Thomas V. Chiomento, John Kameen, Jacqueline B. Martinez, Joseph Martz, Chuck McGroarty, Roy A. Powell, Nick A. Rodriguez-Cayro and Michelle Staton, designee for the Honorable Julia K. Hearthway. Also present were PIDA Staff: Scott Dunkelberger, Kevin Rowland, Laurie Henry, Frank Tokarz, Christopher Houston and Lori Irwin, 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

October 1, 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 October 1, 2014, in PUC Hearing Room #1, Commonwealth Keystone Building, 2nd 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 10:16 a.m. The following members were present: Paul Wentzel, for the Honorable Secretary Glenn E. Moyer, Jared Grissinger for the Honorable George E. Greig, Janis Herschkowitz and B. Michael Schaul and the following 8 members via telephone: Thomas V. Chiomento, John Kameen, Jacqueline B. Martinez, Joseph Martz, Chuck McGroarty, Roy A. Powell, Nick A. Rodriguez-Cayro and Michelle Staton, designee for the Honorable Julia K. Hearthway. Also present were PIDA Staff: Scott Dunkelberger, Kevin Rowland, Laurie Henry, Frank Tokarz, Christopher Houston and Lori Irwin, legal counsel; and James Bowman, financial consultant to the Authority. The following persons were also present: James Pawlikowski, Bucks County Economic Development Corporation and Jason Brehouse, Staff of Senator Ward. The Board approved the minutes of the September 3, 2014 PIDA Board Meeting and the bills received during the previous month (see following page).

Bills October 1, 2014 PIDA Board Meeting

Reinsel Kuntz Lesher, LLP

PIDA Financial Consultant

Services rendered August 25, 2014 through September 22, 2014	\$8,601.00	
		\$8,601.00

Zelenkofske Axelrod, LLC

Progress Billing on 2014 Audit	\$13,000.00	
		\$13,000.00

Rodgers Insurance Group

James Eaborn 8/21/2014-8/21/2015	\$2,724.00	
		\$2,724.00

Baker Young Corporation

reinstatement-Receiver 6/11/2014-8/12/2014	\$477.67	
		\$477.67

GRAND TOTAL:

\$24,802.67

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.

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

PIDA # 9594
DATE: September 3, 2014

APPLICANT (Industrial Development Agency): Bucks County Economic Development Corporation

ADDRESS: 2 East Court Street, Doylestown, 18901

PERSON TO CONTACT: James Pawlikowski TELEPHONE NUMBER: 215-348-9031

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

Occupant: Evenlite Inc Beneficial Owner: Deep Creek Holdings, LLC

PRESIDENT: Adrian Pavitt MAILING ADDRESS: 3161 State Road, Bensalem, Pennsylvania 19020 TELEPHONE NUMBER: 610-847-8200

PRODUCT: Emergency lighting NAICS # 3351 PERSON TO CONTACT AND TITLE: Edward Silverthorn, CFO TELEPHONE NUMBER: 610-847-8200

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) Check box if SMALL BUSINESS
Pennsylvania 47 Worldwide, Include Pa. 52 (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)	33	\$1,830,660	\$55,475	40	32%
New Employment in Three Years (Do Not Include Existing Employment)	8	\$440,000	\$55,000	40	32%

SIZE OF PROJECT (Sq. Ft.) 59,310 SIZE OF SITE (Acres) 4.37 LOCATION OF PLANT (Include Municipality & Mailing Address): 2555 Metropolitan Drive, Trevose, Pennsylvania 19085, Bensalem Township, Bucks COUNTY:

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	TOTAL PROJECT COST	COST PER SQ. FT. (Building Costs Only)	COST PER JOB TOTAL PROJECT	COST PER JOB-PIDA
\$1,430,000	\$3,540,000	\$59.69	\$70,800	\$28,600

METHOD OF FINANCING

1. FIRST MORTGAGE 40.4 % Participation
a. Amount \$1,430,000
b. Name of Mortgagee Penn Liberty Bank
c. Interest Rate 4.0%
d. Term 10 years
e. Person to contact Brian Zwann
Telephone number 610-331-8102

2. PIDA MORTGAGE 40.4 % Participation
a. Amount \$1,430,000 (shared 1st)
b. Interest Rate 2.5% with 7 year reset
c. Term 15 years

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

4. OTHER PARTICIPATION 19.2 % Participation
a. Amount \$680,000
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	UNEMPLOYMENT RATE	PIDA PARTICIPATION	GENERAL FUNDS	BOND FUNDS
Bucks County	7.3% <input checked="" type="checkbox"/> 5-10 Years <input type="checkbox"/> 12 Mo.	40 %	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Bucks County Economic Development Corporation

Evenlite Inc

#9594

Company Background: Evenlite Inc was incorporated in Maryland in 1993.

Product: Manufactures emergency lighting products for buildings including inverter systems, recessed emergency lights, exit signs and custom graphic lighted signs.

Ownership:

	Evenlite Inc (occupant)	Deep Creek Holdings, LLC (beneficial owner)	H3 Group
H3Group	100%	100%	
William E. Lynch, Jr.			100%

Market/Customers: Geographic market area is North America.

Evenlite Inc has approximately 1,200 customers including CLS and Graybar. The largest customers are major electrical distributors. No customer accounts for more than 4% of sales.

Other Data: Evenlite Inc is currently operating 5 miles away in a 30,700 S.F. building which it leases. They have outgrown this space. The entire operation and the 33 existing employees will relocate to the project site.

This building acquisition will allow for product line expansion and more efficient operation.

PA Locations Employees

Bensalem 33

Berwyn 14

Acquisition Price: \$3,540,000

Appraisal: \$3,575,000

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

#9496	Fay Penn Economic Development Council Multi Occupany Building (Fayette County)	Closed 6-20-14 \$957,932 Bal. \$0.00
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Request: Consent to the release of a 1.82 acre parcel from the PIDA mortgage for no consideration. The Fay-Penn Economic Development Council wishes to gift the parcel to Johnson-Matthey, an adjacent landowner, to accommodate the company's planned expansion project. Additional acreage is required to adequately accommodate the property setback requirements, due to the proposed height of the new building.

Staff Recommendation: The parcel is a 1.82 acre tract which is part of the 22.81 acre PIDA project site. The acreage in question is unusable, primarily wetlands, and will not be part of the PIDA multi-tenant project. Since the release of this unusable acreage will not have an adverse effect on the PIDA project, the PIDA staff recommends approval of the request to subdivide this small 1.82 parcel from the 22.81 acre site.

B.) SPECIAL REQUESTS – STAFF APPROVED

#9522 Altoona Blair County Development Corporation AA 6-5-13
CLI Transport, LP \$2,250,000
(Blair County)

Staff Action: Approved an extension of the loan closing deadline until November 30, 2014.

#9527 Bucks County Economic Development Corporation Closed 5-29-14
Worldwide Medical Products and Bioplast Manufacturing, LLC \$2,250,000
(Bucks County) Bal. \$2,216,496

Staff Action: Consented to a reduction in the first mortgage bank loan, from \$1,900,000 to \$1,600,000.

#9553 Bucks County Economic Development Corporation AA 10-2-13
A&L Foods, Inc. \$945,000
(Bucks County)

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

#9574 Mifflin County Industrial Development Corporation AA 7-2-14
Multi Occupancy Building \$240,000
(Mifflin County)

Staff Action: Approved a change in the participating bank lender to Juniata Valley Bank. The Bank will make an unsecured loan, thereby elevating PIDA to sole first mortgage position.

#9576 Economic Growth Connection of Westmoreland AA 8-6-14
Multi Occupancy Building \$896,530
(Westmoreland County)

Staff Action: Approved an extension of the deadline to execute the PIDA commitment letter until October 31, 2014.

C.) SPECIAL REQUESTS – LOAN INCREASES

None.

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) Adams County Economic Development Corporation – Adams County
 - b) Armstrong County Industrial Development Council – Armstrong County
 - c) Bucks County Economic Development Corporation – Bucks County
 - d) Central Bradford Industrial Development Corporation – Bradford, Sullivan, Susquehanna and Wyoming Counties
 - e) Economic Growth Connection of Westmoreland – Westmoreland County
 - f) Fay-Penn Economic Development Council – Fayette County
 - g) Huntingdon County Business & Industry, Inc. – Huntingdon County
 - h) Lawrence County Economic Development Corporation – Lawrence County
 - i) Lebanon Valley Economic Development Corporation – Lebanon County
 - j) Middle Monongahela Industrial Development Association, Inc. – Washington County
 - k) Mifflin County Industrial Development Corporation – Mifflin County
 - l) North Central Enterprise, Inc. – Cameron, Clearfield, Elk, Jefferson, McKean and Potter Counties
 - m) Northwest Pennsylvania Eminent Community Institute – Clarion, Forest, Lawrence, Mercer, Venango and Warren Counties
 - n) Oil Region Alliance of Business, Industry & Tourism – Venango County and Eastern Crawford County
 - o) Pocono Mountains Industries, Inc. – Monroe County

There being no further business to bring before the Members at this time, the meeting was on motion duly adjourned at 10:20 a.m.

Assistant Secretary