

# THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY

## CHAIRMAN'S BRIEFING

November 5, 2014

The Chairman's Briefing of The Pennsylvania Industrial Development Authority (PIDA) was held on November 5, 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 E. Greig, James J. Black, III, Thomas V. Chiomento, III, David Nasatir, Robert Phillips, B. Michael Schaul and Nick Rodriguez-Cayro and the following 3 members via telephone: Jacqueline B. Martinez, Roy A. Powell, and Guy Ciarrocchi. Also present were PIDA Staff: Scott Dunkelberger, Kevin Rowland, Laurie Henry, Frank Tokarz, Lori Beamer, Michael Cortez, Christopher Houston and Tim Anstine, 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

November 5, 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 November 5, 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 10:15 a.m. The following members were present: the Honorable Glenn E. Moyer, Jared Grissinger for the Honorable George E. Greig, James J. Black, III, Thomas V. Chiomento, III, David Nasatir, Robert Phillips, B. Michael Schaul and Nick Rodriguez-Cayro and the following 3 members via telephone: Jacqueline B. Martinez, Roy A. Powell, and Guy Ciarrocchi. Also present were PIDA Staff: Scott Dunkelberger, Kevin Rowland, Laurie Henry, Frank Tokarz, Lori Beamer, Christopher Houston and Tim Anstine, legal counsel; and James Bowman, financial consultant to the Authority. The following persons were also present: Jason Brehouse, Staff of Senator Ward; Barry Wickes, DCED Legislative Office; L. Mike Ross, Franklin County Area Development Corporation and Tom Trgrovac, Global Data Consultants. The following persons participated via teleconference: Joan Dougherty, PIDC Financing Corporation; Jordan and Michael Nemeroff, Printfly Corporation. Ms. Boser Newhouse welcomed new board member, Guy Ciarrocchi and gave a brief background. Mr. Ciarrocchi expressed that he would abstain from all voting in order to acclimate himself to the Board process. The Board approved the minutes of the October 1, 2014 PIDA Board Meeting and the bills received during the previous month (see following page).

## Bills November 5, 2014 PIDA Board Meeting

### Reinsel Kuntz Leshner, LLP

#### **PIDA Financial Consultant**

Services rendered September 22, 2014 through October 24, 2014 \$8,662.00  
**\$8,662.00**

### General Gov't. Appropriation

July, August, September wage alloc:Exec, Legal, Admin \$239,642.29  
**\$239,642.29**

### LECS Comptroller's Office

Services rendered 07/01/13-06-30/14 (Actual) \$14,378.10  
**\$14,378.10**

### M.R. Lawnscape, LLC

Cleanup & Hauling Josephine Street property \$2,600.00  
**\$2,600.00**

### **GRAND TOTAL:**

**\$265,282.39**

### 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 # 9597				
DATE: November 5, 2014								
APPLICANT (Industrial Development Agency): Franklin County Area Development Corporation								
ADDRESS: 1900 Wayne Road, Chambersburg, Pennsylvania 17202								
PERSON TO CONTACT: L. Michael Ross			TELEPHONE NUMBER: 717-263-8282					
COMPANY (If this company (or affiliate) has ever had a PIDA loan, please check box)								
Occupant: Global Data Consultants, LLC			Beneficial Owner: TDG Properties, LLC					
PRESIDENT: Gregory D. Courtney		MAILING ADDRESS: 1144 Kennebec Drive, Chambersburg, Pennsylvania 17201		TELEPHONE NUMBER: 717-262-2080				
PRODUCT: Application development and hosted services		NAICS # 5416	PERSON TO CONTACT AND TITLE: Dennis C. Coons, Executive Vice President		TELEPHONE NUMBER: 717-262-2082			
TYPE OF ENTERPRISE:								
<input type="checkbox"/> Manufacturing	<input checked="" type="checkbox"/> Regional or National Headquarters	<input type="checkbox"/> Research & Development	<input type="checkbox"/> Agri-Business					
<input 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 178 Worldwide, Include Pa. 226			(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)				148	\$5,558,646	\$37,558	40	28%
New Employment in Three Years (Do Not Include Existing Employment)				150	\$5,558,646	\$37,057	40	28%
SIZE OF PROJECT (Sq. Ft.) 25,000		SIZE OF SITE (Acres) 1.715		LOCATION OF PLANT (Include Municipality & Mailing Address): 1144 Kennebec Drive Chambersburg, Pennsylvania 17201 Chambersburg Borough			COUNTY: Franklin	
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	<input type="checkbox"/> 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 \$870,000		TOTAL PROJECT COST \$2,200,000		COST PER SQ. FT. (Building Costs Only) \$87.00		COST PER JOB TOTAL PROJECT \$7,382		COST PER JOB-PIDA \$2,919
METHOD OF FINANCING								
1. FIRST MORTGAGE 45 % Participation					3. OTHER PARTICIPATION 14 % Participation			
a. Amount <u>Susquehanna Bank</u>					a. Amount <u>\$300,000</u>			
b. Name of Mortgagee <u>\$1,005,000</u>					b. Interest Rate <u>na</u>			
c. Interest Rate <u>5%</u>					c. Term <u>na</u>			
d. Term <u>15 years</u>					d. By Whom <u>PA First Grant</u>			
e. Person to contact <u>Eric Foreman</u>					4. OTHER PARTICIPATION 1 % Participation			
Telephone number <u>717-262-0034</u>					a. Amount <u>25,000</u>			
2. PIDA MORTGAGE 40 % Participation					b. Interest Rate <u>na</u>			
a. Amount <u>\$870,000</u>					c. Term <u>na</u>			
b. Interest Rate <u>2.5% (resets after 7 years)</u>					d. By Whom <u>Company</u>			
c. Term <u>15 years</u>								
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 Franklin County		UNEMPLOYMENT RATE <u>7.2%</u> <input checked="" type="checkbox"/> 5-10 Years <input type="checkbox"/> 12 Mo.		PIDA PARTICIPATION <u>40</u> %		GENERAL FUNDS <input checked="" type="checkbox"/>		BOND FUNDS <input type="checkbox"/>

*Franklin County Area Development Corporation*

*Global Data Consultants, LLC*

#9597

---

Company Background: Global Data Consultants, LLC was founded by Gregory Courtney in 1995 as a Delaware company. Late in 2003 it restructured as a Pennsylvania limited liability company.

Product: Application development, networking and infrastructure, desktop support, 24/7 technical service desk, data center, co-location and hosted services, project recruiting, staffing, and business process consulting.

Ownership:

	Global Data Consultants, LLC	TDG Properties, LLC
Gregory D. Courtney	51%	51%
Thomas J. Trgovac	29%	29%
Dennis C. Coons	20%	20%
	100%	100%

Market/Customers: Geographic market area is from Harrisburg PA to Hagerstown MD with plans to expand in the northeast and internationally.

Over 650 customers including:

JLG Industries	50%
Manitowoc	10%
RR Donnelly	3%

Other Data:

Global Data Consultants, LLC is currently operating at the project site in a 25,000 square foot building which it leases. This project includes the purchase and renovation of the building. Renovations include a new roof, window replacement, generator and heat pumps.

The company received a Governor's Action Team offer letter which includes the following in addition to PIDA:

Pennsylvania First Program	\$300,000
Job Creation Tax Credits	\$300,000
Guaranteed Free Training	\$ 67,500

Acquisition Price: \$1,875,000  
Appraisal: \$2,275,000

<b>THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY SUMMARY LOAN APPLICATION</b>				PIDA # 9598					
DATE: November 5, 2014									
APPLICANT (Industrial Development Agency): PIDC Financing Corporation									
ADDRESS: 2600 Centre Square West, Suite 2600, 1500 Market Street, Philadelphia 19102									
PERSON TO CONTACT: Joan Dougherty			TELEPHONE NUMBER: 215-496-8119						
COMPANY (If this company (or affiliate) has ever had a PIDA loan, please check box)									
Occupant: Printfly Corporation			Beneficial Owner: PFC Realty LLC						
PRESIDENT: Michael Nemeroff		MAILING ADDRESS: 11500 Roosevelt Boulevard Bldg D, Phila., Pennsylvania 19116		TELEPHONE NUMBER: 215-677-9200					
PRODUCT: Tee shirt printing & embroidery		NAICS # 3231	PERSON TO CONTACT AND TITLE: Ron Reed, Vice President		TELEPHONE NUMBER: 215-677-9200				
TYPE OF ENTERPRISE:									
<input checked="" 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 type="checkbox"/> Industrial	<input type="checkbox"/> Computer or Clerical Operation Center							
TOTAL EXISTING EMPLOYMENT (Include parent, subsidiaries & affiliates)			Check box if SMALL BUSINESS						
Pennsylvania 116 Worldwide, Include Pa. 116			(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)				116	\$3,173,433	\$27,357	40	2.2%	
New Employment in Three Years (Do Not Include Existing Employment)				53	\$2,412,243	\$45,514	40	2.2%	
SIZE OF PROJECT (Sq. Ft.) 62,916		SIZE OF SITE (Acres) 4.11	LOCATION OF PLANT (Include Municipality & Mailing Address): 2727 Commerce Way Philadelphia, Pennsylvania 19154 Philadelphia City			COUNTY: Philadelphia			
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 \$1,440,000		TOTAL PROJECT COST \$3,770,000		COST PER SQ. FT. (Building Costs Only) \$59.60	COST PER JOB TOTAL PROJECT \$23,308		COST PER JOB-PIDA \$8,521		
METHOD OF FINANCING									
1. FIRST MORTGAGE 51 % Participation				3. OTHER PARTICIPATION _____ % Participation					
a. Amount \$1,912,000				a. Amount _____					
b. Name of Mortgagee Wells Fargo Bank				b. Interest Rate _____					
c. Interest Rate 4.4%				c. Term _____					
d. Term 20 years				d. By Whom _____					
e. Person to contact Denise Cyhan									
Telephone number 484-213-0605									
2. PIDA MORTGAGE 38 % Participation				4. OTHER PARTICIPATION 11 % Participation					
a. Amount \$1,440,000				a. Amount \$418,000					
b. Interest Rate 2.5% (resets after 7 years)				b. Interest Rate na					
c. Term 15 years				c. Term na					
				d. By Whom Company					
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 type="checkbox"/> GAT Project	<input type="checkbox"/> KOZ	<input type="checkbox"/> KOEZ			
CRITICAL ECONOMIC AREA Philadelphia County		UNEMPLOYMENT RATE 10.0%		5-10 Years <input type="checkbox"/>	12 Mo. <input checked="" type="checkbox"/>	PIDA PARTICIPATION 60%		GENERAL FUNDS <input checked="" type="checkbox"/>	BOND FUNDS <input type="checkbox"/>

*PIDC Financing Corporation*  
*Printfly Corporation*  
*#9598*

---

Company Background: **Printfly Corporation** was founded and incorporated in Pennsylvania in 2002 as 123 EZ Tees. They also operate a web site named Rush Order Tees for internet sales.

Product: They produce custom tee shirts, printing, embroidery and screening.

Ownership:

	Printfly Corporation	PFC Realty LLC
Jordan M. Nemeroff	33.34%	33%
Michael J. Nemeroff	33.34%	33%
Alexis J. Nemeroff	33.34%	33%
PFC General LP		1%

Market/Customers: Geographic market area includes the United States and Canada

Over 265,000 customers, the largest providing .86% of total sales.

Other Data:

Printfly Corporation is currently operating 2 miles away in 20,000 square feet of leased space in the northeast section of Philadelphia. The entire operation and 116 employees will transfer to the new location which is in the Byberry East Industrial Park.

The building was constructed in 2000 and includes 32,036 square feet (50%) of finished office space, 22' ceiling in the warehouse, 1 drive-in and 5 tailgate loading doors. It is located on 4.11 acres.

Non-Prejudicial:  
9/9/14

Acquisition Price: \$3,750,000  
Appraisal: \$3,775,000

<b>THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY SUMMARY LOAN APPLICATION</b>				PIDA # 9541	
DATE: November 5, 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: National Magnetics Group, Inc.			Beneficial Owner: Norbeck Property Company		
PRESIDENT: Paul B. Oberbeck		MAILING ADDRESS: 1210 Win Drive, Bethlehem, PA 18017-7061		TELEPHONE NUMBER: 610-867-7600	
PRODUCT: Technical Ceramics		NAICS # 3271	PERSON TO CONTACT AND TITLE: Abby S. Oberbeck, VP		TELEPHONE NUMBER: 610-867-7600
TYPE OF ENTERPRISE:					
<input checked="" 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 type="checkbox"/> Industrial	<input type="checkbox"/> Computer or Clerical Operation Center			
TOTAL EXISTING EMPLOYMENT (Include parent, subsidiaries & affiliates)			Check box if SMALL BUSINESS		
Pennsylvania 81	Worldwide, Include Pa. 81		(Less than 50 existing employees)		
EMPLOYMENT THIS SITE ONLY:				TOTAL	PAYROLL
Existing Employment (Include jobs transferred to this site)	81	\$3,492,217	\$43,114	40	27%
New Employment in Three Years (Do Not Include Existing Employment)	5	\$238,036	\$47,607	40	30%
SIZE OF PROJECT (Sq. Ft.) 28,934	SIZE OF SITE (Acres) 5.0	LOCATION OF PLANT (Include Municipality & Mailing Address): 1210 Win Drive Bethlehem, Pennsylvania 18017-7061 (Bethlehem City)			COUNTY: Northampton
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 checked="" type="checkbox"/> To expand existing building	<input type="checkbox"/> To relocate/expand existing plant from _____ (Name of State)				
<input type="checkbox"/> To acquire existing building	<input type="checkbox"/> To acquire and renovate existing building				
Other:					
PIDA LOAN REQUESTED \$1,106,500	TOTAL PROJECT COST \$2,213,000	COST PER SQ. FT. (Building Costs Only) \$68.19	COST PER JOB TOTAL PROJECT \$25,733	COST PER JOB-PIDA \$12,866	
METHOD OF FINANCING					
1. FIRST MORTGAGE 50 % Participation			3. OTHER PARTICIPATION _____ % Participation		
a. Amount \$1,106,500	b. Name of Mortgagee Bank of America	c. Interest Rate 4.8%	d. Term 7 Year Term (15 year Amortization)	e. Person to contact Terrance Barclift Senior V.P. Telephone number 610-941-4824	a. Amount _____ b. Interest Rate _____ c. Term _____ d. By Whom _____
SHARED FIRST 2. PIDA MORTGAGE 50 % Participation			4. OTHER PARTICIPATION _____ % Participation		
a. Amount \$1,106,500	b. Interest Rate 1.50%	c. Term 15 Years	a. Amount _____ b. Interest Rate _____ c. Term _____ d. By Whom _____		
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 type="checkbox"/> GAT Project	<input type="checkbox"/> KOZ
<input type="checkbox"/> KOE2					
CRITICAL ECONOMIC AREA Northampton	UNEMPLOYMENT RATE 9.2 %		PIDA PARTICIPATION 50 %	GENERAL FUNDS X	BOND FUNDS
<input type="checkbox"/> 5-10 Years	<input checked="" type="checkbox"/> 12 Mo.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Northampton County New Jobs Corporation  
 National Magnetics Group, Inc.  
 PIDA #9541  
 DCED# 201303269656

Company Background: National Magnetics Group, Inc. was founded in 1945 and acquired by Paul Oberbeck in 1977. The company relocated from Maryland to Pennsylvania and was incorporated in 1991.

Product: National Magnetics manufactures technical ceramics including ferrites, garnets, magnets, dielectrics and material for thermal barrier coatings. These products are utilized in the aerospace, automotive, telecommunications and semiconductor industries.

Ownership:	PMF Industries, Inc. (I.O.)	Norbeck Property Company (B.O.)
	34% - Paul B. Oberbeck	25% - Paul B. Oberbeck
	14% - Frances K. Oberbeck	25% - Frances K. Oberbeck
	14% - Christian L. Oberbeck	25% - Christian L. Oberbeck
	14% - Arthur B. Oberbeck	25% - Arthur B. Oberbeck
	24% - Six Family Members	100%
	100%	

Markets/Customers: Primary market area is international. 250+ customers including:

- Pratt & Whitney – 7.4%
- Leader Tech – 6.1%
- Veeder-Root – 4.8%

Other data: **This loan was approved by the Board in June of 2013 to construct a 28,934 sq. ft. addition to the company's 50,808 sq. ft. facility. The project is located on 5.0 acres at 1210 Win Drive in Bethlehem City, Northampton County. The project's completion has cost more than was originally budgeted. The total project cost has increased by \$311,000 and includes increases in the building costs.**

The addition to the company's facility was required to accommodate the installation of the necessary equipment to manufacture their own powder that is utilized in the production of ferrite products. The ability of National Magnetics to produce high volumes of their own powders will reduce the company's dependency on outside vendors. This in-house production will also allow National Magnetics to expand their manufacturing capacity and grow their existing product lines. The new space will be used for manufacturing, warehouse, office and inspection lab space. The company will be retaining eighty-one (81) existing employees and creating five (5) full time jobs within three years.

<u>Previous PIDA Loan</u>	<u>Approval Date</u>	<u>Original Amount</u>	<u>Current Balance</u>	<u>Jobs Projected/ Created</u>
#7149	2-6-91	\$520,000	Paid Off	Retain 30 / Create 12

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**

#9095	Bedford County Development Association	Closed 3-21-06
	Lampire Biological Labs, Inc.	\$550,000
	(Bedford County)	\$350,354

Request: Consent to the subordination of PIDA's existing shared first mortgage on the project, to Clearfield Bank and Trust first mortgage, which will refinance Susquehanna's Bank's \$229,345 existing shared first mortgage and provide \$170,000 in new financing for lab improvements, to accommodate the Industrial Occupant's new five year contract with Genzyme Corporation.

Staff Recommendation: The PIDA loan has been paid down from \$550,000 to a current balance of \$350,354. The company earned a small profit of \$40,657 on sales of \$12.8 million in the fiscal year ended April 30, 2013. However, a significant loss of \$501,791 on sales of \$11.3 million was sustained in the fiscal year ending April 30, 2014. The loss in fiscal 2014 was primarily the result of adverse results at the company's Bucks County biotech facility, which lost a major customer in 2009 and has struggled to achieve profitability since that time.

Management has aggressively addressed expenses and for the four months ending August, 2014, the company has realized a small net profit of \$26,500 on sales of \$3.5 million. The new contract with Genzyme Corporation has a minimum commitment of \$4.75 million, which will significantly enhance the company's operations and cash flow. A current appraisal on the PIDA project site indicates an "As Is" value of \$1,420,000 and an "As Completed" value of \$1,600,000. A combined loan to value ratio, based on the proposed new bank mortgage and the balance of the PIDA mortgage, will result in an "As Is" loan to value of 53% and an "As Completed" loan to value ratio of 47%. The personal financial statement of the owner of the PIDA project shows a revised personal net worth of \$10.3 million.

The large majority of his personal net worth consists of ten (10) real estate rental investment properties, including the PIDA project site. The rental properties generate gross rental revenue of over \$700,000, adding significant equity support to his personal guarantee.

For the above reasons, the PIDA staff is recommending approval of subordinating the existing shared first mortgage to the new Clearfield Bank first mortgage in the amount of \$405,000. This recommendation is subject to the following conditions:

1. Subject to the subordination of loans payable to stockholder by Lampire Biological Labs, Inc. in the amount of \$749,313, as of April 30, 2014. Payment of interest only on these notes shall be allowable. Payment of principal shall not be made until the total stockholder's equity of Lampire Biological Labs, Inc. exceeds \$800,000.
2. Subject to receipt of an executed five year contract with Genzyme Corporation with a minimum commitment for \$4,750,000 over the five year period.
3. Subject to the \$170,000 in new money for "lab improvements" being used for PIDA eligible purposes.
4. Subject to the Subordination Agreement being in form satisfactory to PIDA.

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

#8697 Schuylkill Economic Development Corporation Closed 5-14-03  
Multi Occupancy Building \$1,729,369  
(Schuylkill County) Bal. \$557,715

Staff Action: Consented to Fanelli Partnership I subleasing 1,700 square feet of space in its Orwigsburg warehouse (which is not part of the PIDA project) to Lynda W. Williams, for use as a beer distributorship. Although the warehouse is not part of the PIDA project, PIDA consented per the request of the Pennsylvania Liquor Control Board, due to the property in question being subject to a Master Lease Agreement that also includes the PIDA project.

#8866 Pocono Mountains Industries, Inc. Closed 10-20-05  
Downes and Reader Hardwood Co., Inc. \$475,832  
(Monroe County) Bal. \$217,002

Staff Action: Approved an increase in an existing Berkshire Bank line of credit from \$5,500,000 to \$6,500,000 and an increase in the Bank's subordinate mortgage, from \$6,944,000 to \$7,944,000.

#9556 York County Economic Development Corporation AA 12-4-13  
Pet Food Experts, Inc. \$2,000,000  
(Lancaster County)

Staff Action: Approved an extension of the PIDA loan closing deadline until December 31, 2015. This extension is required due to delays in SBA funding and construction.

#9532 Tioga County Development Corporation AA 5-2-13  
PMF Industries, Inc. \$225,000  
(Lycoming County)

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

#9580 PIDC Financing Corporation AA 9-3-14  
Dietz & Watson, Inc. \$2,250,000  
(Philadelphia County)

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

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

#9595 Bucks County Economic Development Corporation \$27,892  
Griff and Associates, L.P. (Decrease)  
(Bucks County)

AA 9-3-14 \$600,000 2.50% 15 Years

Staff Action: Approved the following changes in financing:

<u>FROM</u>		<u>TO</u>
\$600,000	PIDA	\$572,108
682,000	Bank	682,000
<u>218,000</u>	Company Equity	<u>176,164</u>
\$1,500,000		\$1,430,272

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

#9565 Bucks County Economic Development Corporation \$375,000  
Megawholesale Inc.  
(Bucks County)

AA 5-7-14 \$375,000 \$2.25% 15 years

Staff Action: Rescinded the above loan at the request of the borrower.

## NEW BUSINESS

- 1) RESOLVED, that the Authority is authorized and directed to enter into an investment management agreement with the Pennsylvania Treasury under the terms presented to the Board.
- 2) Resolved, that this Authority hereby appointed officers of the Authority as listed on the following page.
- 3) Resolved, the PIDA Board has determined that the following economic development organizations (EDOs) have satisfied the certification requirements and hereby certifies them to participate in the PIDA program through June 30, 2015:
  1. Adams County Economic Development Corporation – Adams County
  2. Altoona - Blair County Development Corporation – Blair County
  3. Armstrong County Industrial Development Council – Armstrong County
  4. Beaver County Corporation for Economic Development – Beaver County
  5. Bedford County Development Association – Bedford County
  6. Bucks County Economic Development Corporation – Bucks County
  7. Capital Region Economic Development Corporation – Cumberland, Dauphin, and Perry Counties
  8. Central Bradford Industrial Development Corporation – Bradford, Sullivan, Susquehanna and Wyoming Counties
  9. Chester County Economic Development Council – Chester County
  10. Clearfield County Economic Development Corporation – Clearfield County
  11. Clinton County Economic Partnership – Clinton County
  12. Community Development Corporation of Butler County – Butler County
  13. Corry Area Industrial Development Corporation – Southeast Erie County
  14. Cumberland Area Economic Development Corporation – Cumberland County
  15. Economic Development Council of Northeastern Pennsylvania d/b/a Northeastern Pennsylvania Alliance – Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill & Wayne Counties
  16. Economic Growth Connection of Westmoreland – Westmoreland County

17. Economic Progress Alliance of Crawford County – Crawford County
18. EDC Finance Corporation – Lancaster County
19. EIDCO, Inc. – Erie County
20. Fay-Penn Economic Development Council – Fayette County
21. Franklin County Area Development Corporation – Franklin County
22. Greater Berks Development Fund – Berks County
23. Greene County Industrial Developments, Inc. – Greene County
24. Huntingdon County Business & Industry, Inc. – Huntingdon County
25. Johnstown Industrial Development Corporation – Cambria County
26. Lawrence County Economic Development Corporation – Lawrence County
27. Lebanon Valley Economic Development Corporation – Lebanon County
28. Middle Monongahela Industrial Development Association, Inc. – Washington County
29. Mifflin County Industrial Development Corporation – Mifflin County
30. Montgomery County Development Corporation – Montgomery County
31. Moshannon Valley Economic Development Partnership, Inc. – Western Centre County and Eastern Clearfield County
32. North Central Enterprise, Inc. – Cameron, Clearfield, Elk, Jefferson, McKean and Potter Counties
33. North Central Pennsylvania Regional Planning & Development Commission - Cameron, Clearfield, Elk, Jefferson, McKean, & Potter
34. Northern Tier Regional Planning & Development Commission, Inc. – Bradford, Sullivan, Susquehanna, Tioga, and Wyoming Counties
35. North Side Industrial Development Company, Inc. d/b/a Riverside Center for Innovation – North Side of the City of Pittsburgh, Allegheny County
36. Northwest Pennsylvania Eminent Community Institute – Clarion, Forest, Lawrence, Mercer, Venango and Warren Counties



37. Northwest Pennsylvania Regional Planning & Development Commission – Clarion, Crawford, Erie, Forest, Lawrence, Mercer, Venango and Warren Counties
38. Oil Region Alliance of Business, Industry & Tourism – Venango County and Eastern Crawford County
39. Penn-Northwest Development Corporation – Mercer County
40. PIDC – Financing Corporation – Philadelphia County
41. PIDC – Local Development Corporation – Philadelphia County
42. Pocono Mountains Industries, Inc. – Monroe County
43. Regional Industrial Development Corporation of Southwestern Pennsylvania – Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Lawrence, Washington and Westmoreland Counties
44. Schuylkill Economic Development Corporation – Schuylkill County
45. Scranton-Lackawanna Industrial Building Company – Lackawanna County
46. SEDA – Council of Governments – Centre, Clinton, Columbia, Juniata, Lycoming, Mifflin, Montour, Northumberland, Perry, Snyder, and Union Counties
47. Small Enterprise Development Company – York County
48. Southern Alleghenies Planning and Development Commission – Bedford, Blair, Cambria, Fulton, Huntingdon, and Somerset Counties
49. Southwestern Pennsylvania Corporation – Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Washington, and Westmoreland Counties
50. The Progress Fund - Allegheny, Armstrong, Beaver, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Centre, Clarion, Clearfield, Clinton, Crawford, Elk, Erie, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Lackawanna, Lawrence, Lycoming, McKean, Mercer, Pike, Potter, Somerset, Sullivan, Susquehanna, Tioga, Venango, Warren, Washington, Wayne, Westmoreland, & Wyoming Counties
51. Tioga County Development Corporation – Tioga County
52. Titusville Industrial Fund, Inc. – City of Titusville and Surrounding Area
53. Washington Industrial Development Corporation – Washington County
54. Wayne Economic Development Corporation – Wayne County
55. York County Economic Development Corporation – York County

David Nasatir recused himself from voting.

- 4) RESOLVED, that the Authority shall request the Office of General Counsel to appoint Cozen O'Connor as outside counsel to advise the Authority with respect to the implementation of Act 161 of 2014. Nick Rodriguez-Cayro abstained.

There being no further business to bring before the Members at this time, the meeting was on motion duly adjourned at 10:46 a.m.

---

Assistant Secretary