

A. North Country Chamber - GEMS - Farnborough Show (X115)

October 21, 2010

Grantee: Plattsburgh-North Country Chamber of Commerce (the “Chamber” or “Organization”)

Beneficiary

Companies: Calspan; Aircraft Lighting; Chautauqua County IDA (representing Chautauqua County firms); North Country Chamber (representing North Country firms and the Plattsburgh Airport and firms); Dynatech; RFI Corp.

ESD Investment: A grant of up to \$35,000 to be used for a portion of expenses related to attendance at the Farnborough Air Show.

Project Locations: Trade Show: Farnborough Air Show, United Kingdom
Participating Companies: North Country and Chautauqua, Erie, Greene and Suffolk Counties

NYS Empire Zone (or equivalent): N/A

ESD Incentive Offer Accepted: July 14, 2010

Project Completion: December 2010

Grantee Contact: Susan Matton, Vice President for Economic Development
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Project Team:

Origination	Ed Kowalewski
Project Management	Linda Dillon
Affirmative Action	Denise Ross
Environmental	Soo Kang

Project Description:

Background

The Chamber is a not-for-profit corporation in the state of New York. Its purpose is to sustain and build the North Country economy by promoting and providing business related services to companies in Clinton, Essex, Franklin and northern Warren Counties. The Chamber was founded in 1916 and serves over 3,400 member businesses. Chamber services include strategic planning, marketing of the Plattsburgh International Airport, tourism, business promotion and marketing, safety training, workforce development and other business services.

North Country Chamber - GEMS - Farnborough Show (X115)

October 21, 2010

The Chamber advised ESD that it was developing an initiative to assist regional companies, primarily in the aerospace industry, to market their products and services at an international tradeshow. However, the Chamber and the companies lacked sufficient funds to complete this project. ESD's July 2010 incentive offer of a \$35,000 Global Export Marketing Assistance ("GEMS") grant was designed to induce the Chamber to proceed with the initiative, which would facilitate the participating companies' ability to compete internationally and achieve regional economic objectives.

The Project

In addition to representing North Country Chamber firms and the Plattsburgh Airport, the Chamber assisted four New York State companies in marketing their products at the Farnborough Air Show in Farnborough, United Kingdom, July 19-25, 2010. This grant was used by the Chamber to encourage business participation at the shows, subsidize booth space and to employ strategies that will increase the effectiveness of the New York State businesses attending. The beneficiary companies were assisted by the Chamber throughout this project, and they are expected to establish or enhance their presence in overseas markets and increase competitiveness, resulting in increased sales.

This project began in June 2010 and the Chamber is currently surveying the companies to assess the impact project participation is having on sales. The project will be completed by December 2010. The Chamber has managed the project, including serving as a liaison between the Farnborough Air Show and companies listed within this project. Participating companies have contributed to the funding of the overall project.

Upon final completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

North Country Chamber - GEMS - Farnborough Show (X115)

October 21, 2010

Financing Uses	Amount	Financing Sources	Amount	Percent
Booth Space	\$27,300	ESD Grant	\$35,000	35%
Build out booth space	25,201	Chamber Equity	41,542	41%
Furniture rental, power, cleaning	1,554	Participating Companies' Contributions	24,163	24%
Additional entry badges	1,650			
Firm travel, shipping, graphics	45,000			
Total Project Costs	\$100,705	Total Project Financing	\$100,705	100%

Financial Terms and Conditions:

1. The Chamber will be obligated to advise ESD of a material adverse change in its financial condition prior to disbursement.
2. The Chamber or the Chamber's shareholders will be required to contribute at least 10% in equity to the project. Equity is defined as cash injected into the project by the Organization or by investors, and should be auditable through Organization financial statements or Organization accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$35,000 will be disbursed to the Grantee as reimbursement for eligible booth space rental and build out costs associated with the Farnborough, U.K. Air Show. Funds will be disbursed no more frequently than monthly and upon submission of documentation verifying project expenditures as described in these materials. ESDC shall reimburse up to 34.75% of documented project expenditures or \$35,000, whichever is less. The final ten percent (10%) of the Grant will not be disbursed by ESDC until all of the tasks and reports required have been completed to ESDC's satisfaction.

All disbursements require compliance with program requirements and must be requested by no later than April 1, 2011. Expenditures incurred prior to March 31, 2010 (when the application was signed) cannot be reimbursed by grant funds.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$35,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In

North Country Chamber - GEMS - Farnborough Show (X115)

October 21, 2010

no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Statutory Basis – Empire State Economic Development Fund:

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
The project will provide increased market exposure and international sales opportunities for small and medium-sized regional companies, which lack the resources and expertise to identify and market to international interests.
2. The project would be unlikely to take place in New York State without the requested assistance.
Without ESD assistance, the Chamber would not be able to continue the project since the overall initiative lacks sufficient funds.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
The project is likely to accomplish its stated goals of providing international market assistance. The likely benefits of the project are expected to exceed the \$35,000 grant.
4. The project is undertaken in accordance with the memorandum of understanding executed in accordance with the enabling legislation.
See cover memo.
5. The requirements of Section 10(g) of the Act are satisfied.
See cover memo.