PLEASE NOTE - We welcome public comment on the items on the following agenda. To ensure maximum opportunity for participation, speakers representing themselves may speak for up to 2 minutes each, and those representing groups may speak for up to 4 minutes (1 speaker per group). Speakers’ comments may address only items considered at today’s meeting. Materials relating to matters that are scheduled for discussion in open session will be available at the meeting and will be posted on ESD’s website prior to the meeting in accordance with the Public Officers Law.

STATEWIDE LOCAL DEVELOPMENT CORPORATION

at the offices of the
New York State Urban Development Corporation
d/b/a Empire State Development
633 Third Avenue
New York, New York 10017

Meeting of the Directors

Friday

September 28, 2012 – 12:30 p.m.

AGENDA

I. FOR CONSIDERATION

A. Green Island (Capital Region – Albany County) – JDA Real Estate Loan and Machinery & Equipment Loan for the Benefit of The Case Group, LLC - Authorization to Act and Perform as LDC on JDA Loan and Take Related Actions; Determination of No Significant Effect on the Environment
STATEWIDE LOCAL DEVELOPMENT CORPORATION

FOR CONSIDERATION
September 28, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Green Island (Capital Region – Albany County) – JDA Real Estate Loan and Machinery & Equipment Loan for the benefit of The Case Group, LLC

REQUEST FOR: Authorization to Act and Perform as LDC on JDA Loans and Take Related Actions; Determination of No Significant Effect on the Environment

I. Project Summary

Occupant: The Case Group, LLC

Owner: Russell Brooks and Gerhard Loeffel each have 44% ownership interest, and Otto Loeffel and Thomas Brooks each have 6% ownership interest

JDA Investment: 1) Real Estate loan representing 60% of eligible project costs, not to exceed $1,200,000. Interest will be at a fixed tax-exempt rate, currently at 5.32% for a term of 20 years; and 2) Machinery and equipment loan representing 60% of eligible project costs, not to exceed $816,000. Interest will be at a fixed tax-exempt rate, currently at 3.49% per annum, for a term of 7 years.

Project Location: 195 Cohoes Avenue, Green Island, NY  12183

Proposed Project: Facility expansion and purchase of machinery and equipment to 1) increase manufacturing capacity to meet market demand for thermally-improved steel, stainless steel and bronze window systems; and 2) provide climate controlled storage and production efficiency for the Company’s line of wood products (collectively, the “Project”).

Project Type: Business expansion involving job creation and retention

Regional Council: The Capital Regional Council has been made aware of this item. The JDA Incentive Offer was accepted in September, 2012. The Project is consistent with the Regional Plan.
Number of Employees at Facility:

- Initial employment at time of Application to JDA: 31
- Current employment level: 31
- Minimum employment on September 30, 2016: 55

II. Project Cost and Financing Sources

**Financing Uses (Real Estate)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$90,000</td>
</tr>
<tr>
<td><strong>Total Real Estate Project Costs</strong></td>
<td><strong>$2,090,000</strong></td>
</tr>
</tbody>
</table>

**Financing Sources (Real Estate)**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percent</th>
<th>Rate/Term/Lien</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Niagara (Real Estate)</td>
<td>$600,000</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>JDA (Real Estate)</td>
<td>$1,200,000</td>
<td>57%</td>
<td>5.32% 20 yrs/2nd position</td>
</tr>
<tr>
<td>Equity (Real Estate)</td>
<td>$290,000</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Project Financing</strong></td>
<td><strong>$2,090,000</strong></td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

**Financing Uses (M & E)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery &amp; Equipment</td>
<td>$1,360,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total M&amp;E Project Costs</strong></td>
<td><strong>$1,360,000</strong></td>
</tr>
</tbody>
</table>

**Financing Sources (M & E)**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percent</th>
<th>Rate/Term/Lien</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Niagara (M&amp;E)</td>
<td>$408,000</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>JDA (M&amp;E)</td>
<td>$816,000</td>
<td>60%</td>
<td>3.49% 7yrs/co-equal 1st</td>
</tr>
<tr>
<td>Equity</td>
<td>$136,000</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Project Financing</strong></td>
<td><strong>$1,360,000</strong></td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

III. Project Description and Company Background

A. Company

**Industry:**
The Case Group LLC is a manufacturer of custom windows and doors for luxury homes and the high end commercial real estate market.

**Company History:**
The firm was founded in 1993 by principals Russell Brooks and Gerhard Loeffel and has operated in the capital region since its inception.
Ownership: The firm is privately held. Russell Brooks and Gerhard Loeffel each have 44% ownership interest, and Otto Loeffel and Thomas Brooks each have 6% ownership interest.

Size: The firm’s 50,000 square-foot facility is located in Green Island, NY.

Market: The market for high end quality windows and doors has expanded to include increased demand for thermally improved steel, stainless steel and bronze window systems.

JDA Involvement: The firm is seeking financing to expand its capacity. The firm reached out to inquire about JDA in conjunction with financing they were negotiating with First Niagara Bank. JDA ultimately issued the firm an incentive proposal, which was counter-signed in September, 2012. But for JDA financing, the Project would not be completed.

Past JDA Support: In June 2002 The JDA board approved a $1.4 million loan to the Company to purchase the site and the construction of the facility the Company currently operates from. This total represented 40% of the $3.5 million total project cost. The balance on that loan is $967,078.

B. The Project

Completion: September 2013

Activity: 24,000 square-foot business expansion of its Green Island facility to enable The Case Group to increase manufacturing capacity to meet market demand for thermally-improved steel, stainless steel and bronze window systems; and provide climate controlled storage and production efficiency for the Company’s line of wood products.

Results: Retain 31 jobs and create 24 new jobs

Occupant Contact: Russell Brooks, Member
The Case Group, LLC
195 Cohoes Avenue
Green Island, NY 12183
Phone: 518-720-3100
Fax: 518-720-3110

Local Dev. Corp.: Statewide Local Development Corporation
633 Third Avenue
New York, NY 10017
Anticipated Source: JDA State Guaranteed Special Purpose Tax-Exempt Bonds

JDA Project Number: X994 & X996

Project Team: Origination: Ray Salaberrios
Project Management: Andrew Flamm
Legal: Antovk Pidedjian
Contractor & Supplier Diversity: Vikas Gera
Finance: Ross Freeman
Environmental: Soo Kang

IV. Basis for Recommendation

1. The Company anticipates the addition of 24 new jobs within three years after completion of the Project.

2. The Company has warranted that it complies and will comply with Federal and State legal requirements as to non-discrimination and equal opportunity in hiring and operational practices.

3. The Project is located in a distressed area, and will benefit from up to 60% JDA financing participation.

4. The Project would not proceed without the participation of JDA.

5. Financial analysis indicates that, as of the close of the last fiscal year, the Company would be able to support the debt service on the Project. Moreover, the projections indicate that sufficient funds will be available once the Project is completed.

If approved, this loan shall be subject to the usual JDA conditions, to the special conditions listed on Schedule A attached, and to such other conditions as counsel may determine are in the best interest of JDA.

V. Financial Terms and Conditions - (Schedule A)

1. The Company shall pay a 1% commitment fee upon acceptance of the Loan Authorization. In addition, at the time of closing, the Company will reimburse JDA for all out-of-pocket expenses incurred in connection with the Project.

2. The Company will demonstrate no material adverse change in its financial condition prior to closing.
3. The Company or the Company’s owners will contribute at least 10% in equity to the Project. Equity is defined as any non-debt source of capital, and should be auditable through Company financial statements or Company accounts, if so requested by JDA.

4. JDA will only disburse funds after the Project is completed.

5. Receipt of the personal guarantee(s) of Russell Brooks and Gerhard Loeffel in form and substance satisfactory to JDA.

6. Receipt of the corporate guarantee(s) of The Case Group, LLC in form and substance satisfactory to JDA.

7. Collateralization of the JDA loan(s) with insurance on the life/lives of Russell Brooks and Gerhard Loeffel in an amount sufficient to pay the outstanding principal balance of the JDA loan(s) at any time.

8. Receipt of an appraisal, to be done by a New York State Certified Real Estate Appraiser acceptable to JDA and paid for by the Company, which indicates a fair market value of the realty project of at least $2,090,000. If the Project is valued to be less, the JDA loan may be reduced proportionately.

9. Commitments and financing documents of other lender(s) to be satisfactory to JDA.

10. Compliance with the applicable provisions of the Internal Revenue Code of 1986, as amended, and regulations issued by the U.S. Treasury Department to insure the tax exemptability of the obligations to be issued by JDA.

11. All certifications and permits for the operating purposes of this facility to be in full force and effect prior to closing of JDA loan.

12. Intercreditor agreement with co-lender in form satisfactory to JDA, regarding co-equal first lien position in the machinery and equipment Project collateral.

13. Consent, in form satisfactory to JDA, waiving certain rights of landlord and/or mortgagee as to Project machinery and equipment.

VI. Environmental Review

The Village of Green Island Planning Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project would not have a
significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the JDA’s mortgage position on the loan, a Phase I Environmental Site Assessment must be submitted to the JDA for review and approval prior to closing on the loan.

VII. Non-Discrimination and Contractor & Supplier Diversity

JDA’s Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Recipient shall be required to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 10%. The Recipient shall use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to solicit and utilize NYS certified MWBEs for any contractual opportunities generated in connection with the Project. Any combination of certified Minority Owned Business Enterprises and/or certified Women Owned Business Enterprises may be utilized to achieve the overall participation goal.

VIII. Additional Submissions to Directors

Resolutions
New York State Map
RESOLVED, that the Chairman of the Corporation or his designee(s) be, and each of them hereby authorizes a real estate loan from the New York Job Development Authority for the benefit of The Case Group, LLC 60% of eligible project costs, not to exceed $1,200,000, at a fixed tax-exempt rate; and a Machinery and equipment loan representing 60% of eligible project costs, not to exceed $816,000, at a fixed tax-exempt rate, for the purposes and substantially on the terms and conditions set forth in the materials presented at this meeting and subsequently to the JDA Board, with such changes as the Chairman of the Authority or his designee(s) may deem appropriate; and be it further

RESOLVED, that the Chairman of the Corporation, or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolution; and be it further

RESOLVED, that the provision of financial assistance by the Corporation is expressly contingent upon: (1) JDA receipt if the approval of the Public Authorities Control Board, as applicable, (2) receipt of funds from JDA and (3) the receipt of all other necessary approvals.

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