

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

UPSTATE EMPIRE STATE DEVELOPMENT CORPORATION

at the offices of
Empire State Development – Buffalo Regional office
95 Perry Street – Suite 500
Buffalo, New York 14203

Meeting of the Directors

Monday

December 19, 2013 – 9:15 a.m.

PROPOSED AGENDA

FOR CONSIDERATION

CORPORATE ACTION

1. Approval of the Minutes of the November 19, 2013 Directors Meeting

UPSTATE REGIONAL BLUEPRINT FUND

NORTH COUNTRY REGION

2. Plattsburgh (North Country Region – Clinton County) – UMS Manufacturing URB Capital - Upstate Regional Blueprint Fund – (Convertible Loan) – Findings and Determinations Pursuant to Sections 16-q and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions; Determination of No Significant Effect on Environment

DRAFT – SUBJECT TO REVIEW AND REVISION

UPSTATE EMPIRE STATE DEVELOPMENT CORPORATION

Meeting of the Directors
Held at the New York City Regional Office
633 Third Avenue
New York, New York 10017

and

Buffalo Regional Office
95 Perry Street
Buffalo, New York 14203

November 19, 2013

MINUTES

**In Attendance
Directors:**

Kenneth Adams (Acting Chair)
Sam Hoyt

**Present for Upstate
ESD:**

Steve Gawlik, Deputy General Counsel
Eileen McEvoy, Secretary
Frances Walton, Chief Financial and Administrative Officer

Present for ESD:

Maria Cassidy, Deputy General Counsel
Edwin Lee, Assistant Vice President – Discretionary
Projects
Kathleen Mize, Controller

Also Present:

Linda Dillon – Capital Regional Office
Kevin Hurley – Finger Lakes Regional Office
Arnold Will – Capital Regional Office

The Press
The Public

DRAFT – SUBJECT TO REVIEW AND REVISION

The meeting of the Upstate Empire State Development Corporation, a wholly-owned subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”), was called to order at 1:04 p.m. by Acting Chair Adams. It was noted for the record that notices to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

First, Acting Chair Adams noted that the public is free to comment on any matters on the Agenda.

The Acting Chair then called for a motion to approve the Minutes of the November 1, 2013 Directors’ meeting. Upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE NOVEMBER 1, 2013 MEETING OF THE DIRECTORS OF THE CORPORATION FOR UPSTATE EMPIRE STATE DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on November 1, 2013, as presented to this meeting, are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

The Acting Chair then asked Mr. Hurley to present the IDI Billing Upstate Regional Blueprint Fund convertible loan item for the Directors’ consideration.

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Mr. Hurley provided the relevant background information with regard to this request noting that the Directors were being asked to authorize the Corporation to make a \$225,000 Upstate Regional Blueprint Capital convertible loan to IDI Billing Solutions, Inc.

Mr. Hurley noted that the loan will be used towards a project that includes \$1.2 million of equipment purchases to develop a redundant data center.

Mr. Hurley further explained that the Company develops software for Tier 1 and Tier 3 telecommunication companies to assist them with selling, activating, managing and billing customers.

Mr. Hurley went on to note that in late 2009, IDI experienced a data center disruption that severely impacted customers' operations. At that time, Mr. Hurley continued, the Company applied to ESD's Upstate Blueprint Fund for assistance.

Mr. Hurley added that as a result of this project, the Company pledged to create 23 new jobs and retain 140 existing jobs. IDI, he noted, has already created all 23 new jobs.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Victor (Finger Lakes Region – Ontario County) – IDI Billing URB Capital – Upstate

DRAFT – SUBJECT TO REVIEW AND REVISION

Regional Blueprint Fund – Business Investment (Convertible Loan) – Findings and Determinations Pursuant to Sections 16-q and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the IDI Billing URB Capital – Upstate Regional Blueprint Fund – Business Investment (Convertible Loan) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there is a feasible method for families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to IDI Billing Solutions, Inc. a loan for a total amount not to exceed Two Hundred Twenty-Five Thousand Dollars (\$225,000) from the Upstate Regional Blueprint Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the loan, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the loan or collateral securing the loan as he or she may deem necessary or appropriate in the administration of the loan; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer 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 resolutions.

DRAFT – SUBJECT TO REVIEW AND REVISION

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Next, Mr. Will presented the Tech Meadows Regional Blueprint Fund grant item for the Directors' consideration.

Mr. Will provided the relevant background information with regard to this request noting that the Directors were being asked to authorize the Corporation to make a \$321,240 Upstate Regional Blueprint Capital grant in connection with this project.

Mr. Will noted that the grant supports a \$1.6 million investment by the Local Development Corporation in infrastructure improvements at Tech Meadows, a 46 acre, seven-lot industrial park located in the City of Glen Falls.

Mr. Will further explained that the project includes the installation of new water and sewer pipe lines, an overhead three phase electrical extension line and natural gas pipe line to provide water, sewer and utility services.

Mr. Will added that the project was completed in July 2013 and that the site is shovel ready. He further noted that the site is now being marketed as an optimum location for new companies supporting the Global Foundries U.S. Inc. operations in nearby Saratoga County.

Following the full presentation, the Acting Chair called for questions or comments.

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Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Glens Falls (Capital Region – Warren County) – Tech Meadows Industrial Park URB Capital – Upstate Regional Blueprint Fund - Infrastructure Investment (Capital Grant) – Findings and Determinations Pursuant to Sections 16-q and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Upstate Empire State Development Corporation, relating to the Tech Meadows Industrial Park URB Capital - Upstate Regional Blueprint Fund - Infrastructure Investment (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Glens Falls Local Development Corporation a grant for a total amount not to exceed Three Hundred Twenty One Thousand Two Hundred Forty Dollars (\$321,240) from the Upstate Regional Blueprint Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the

DRAFT – SUBJECT TO REVIEW AND REVISION

approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer 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 resolutions.

* * *

Glens Falls (Capital Region – Warren County) – Tech Meadows Industrial Park URB
Capital – Upstate Regional Blueprint Fund - Infrastructure Investment (Capital Grant) –
Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Tech Meadows Industrial Park URB Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

There being no further business, the meeting was adjourned at 1:14 p.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary



FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Plattsburgh (North Country Region – Clinton County) – UMS Manufacturing URB Capital – Upstate Regional Blueprint Fund (Convertible Loan)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-q and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Borrower: UMS Manufacturing LLC (“UMS” or the “Company”)

UESD* Investment: A convertible loan of up to \$375,000 to be used for a portion of the cost of the purchase of machinery and equipment.

* The Upstate Empire State Development Corporation (the “Corporation”), a subsidiary of the New York State Urban Development Corporation doing business as Empire State Development (“ESD”)

Project Locations: 26 Werner Schluter Way, Plattsburgh, Clinton County*
194 Pleasant Ridge Road, Plattsburgh

*Project activity site; job-retention at additional site

Proposed Project: Construction of a 55,000-square-foot facility and purchase of machinery and equipment to manufacture a new product line and expand operations in New York State

Project Type: Business expansion involving job retention and creation

Regional Council: The North Country Regional Council has been made aware of this item. The Incentive Offer was accepted in February 2010 predating the Regional Council Initiative. The project is consistent with the North Country Economic Development Council's Regional Plan to encourage economic revitalization in the North Country by energizing micropolitan cities and building on growth in the aerospace, transit equipment, defense, biotech, and manufacturing industries. One strategy is to expand the vendor base for manufacturing facilities, keeping more money in the region and the State and helping the manufacturers to compete globally. The project helps one of the region's businesses to expand into manufacturing by identifying issues and collaboratively resolving them so that the Company can better compete.

Employment: Initial employment at time of ESD Incentive Offer: 105*
 Current employment level: 127
 Minimum employment through anniversary of loan closing in 2019: 145**

*To be retained by Schluter Systems L.P.

**To include 40 new jobs at UMS Manufacturing LLC. New employees cannot be transferred from other NYS locations.

Loan Financing: The loan will provide permanent financing for a five year term at an annual interest rate of three percent (3%), convertible to a grant over that term if required job levels are maintained.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Land Acquisition	\$45,000
Construction	3,555,155
Machinery and Equipment	6,425,458
Office Equipment	<u>249,387</u>

Total Project Costs \$10,275,000

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Loan	\$375,000	3%	3%/5 yrs./unsecured
Company Equity*	<u>\$9,900,000</u>	<u>97%</u>	
Total Project Financing	<u>\$10,275,000</u>	<u>100%</u>	

*UMS Manufacturing LLC and parent company Schluter Systems L.P.

III. Project Description

A. Company

- Industry:** UMS manufactures specially designed waterproof backing board used in the construction and tiling of bathrooms and kitchens.
- Company History:** UMS was formed in 2009 by Schluter Systems L.P., a subsidiary of German-based Schluter Systems K.G. which was started in 1966. Schluter Systems K.G. develops and produces tiling installation and drain products including protective membranes, joint and edging materials, shower drains and shower kits. The products are made in Germany and Canada and distributed in the U.S. by Schluter Systems L.P., which began operations in Plattsburgh in 1990.
- Ownership:** UMS is a subsidiary of Schluter Systems L.P., a privately held foreign company with operations in Canada and Germany.
- Size:** UMS and Schluter Systems L.P.'s US facilities are located in Plattsburgh, NY.
- Market:** The Company manufactures Schluter®-KERDI-BOARD, a structural waterproof board originally produced in Germany. Schluter®-KERDI-BOARD is designed to support tile installation as a wall, flat surface, architectural structure, countertop or room divider. Most state building codes require the use of waterproof backer boards in kitchens and bathrooms. Primary customers include construction product retailers, contractors and do-it-yourself home owners. The product will be distributed throughout the United States.
- ESD Involvement:** Schluter Systems L.P. traditionally operated in Plattsburgh as a wholesale distributor of waterproof membrane used under ceramic tile in shower installations. Although the product worked well, room existed for improvements in the application process. Over 2007 and 2008, the Company designed and built a machine in Germany to produce Schluter®-KERDI-BOARD, a polystyrene foam board laminated with waterproofing fiber. In 2009 the Company applied to and was awarded a \$375,000 Upstate Regional Blueprint Convertible Loan to establish UMS Manufacturing LLC (the only Schluter®-KERDI-BOARD manufacturing facility in the US), retaining 105 jobs at Schluter and creating new 40 jobs at UMS Manufacturing LLC in Plattsburgh.
- Competition:** Competitors include manufacturers of waterproof membranes and tiling products such as Blanke.

Past ESD Support: This is the Company's first project with ESD.

B. The Project

Completion: April 2012

Activity: The project began in 2009 and included the construction of a 55,000-square-foot manufacturing facility on property adjacent to Schluter's distribution and administrative facility. Manufacturing machinery delivery, installation and set-up of was completed during 2010, resulting in one of only two Schluter®-KERDI-BOARD manufacturing machines in the world being located in Plattsburgh. Small-scale production of Schluter®-KERDI-BOARD began shortly thereafter and modifications to the machinery continued over 2011 and into 2012. By mid-2012, the Company was consistently producing quality Schluter®-KERDI-BOARD at increasing capacity levels.

Results: Schluter Systems L.P. currently employs 155 and UMS Manufacturing LLC has created 22 new jobs to date. Growing demand for Schluter®-KERDI-BOARD has resulted in significant year-over-year sales growth for the Company.

Business Investment Project:

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$5,132,285;
- Fiscal cost to NYS government is estimated at \$354,002;
- Project cost to NYS government per direct job is \$3,564;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$1,773;
- Ratio of project fiscal benefits to costs to NYS government is 14.50:1;

- Fiscal benefits to all governments (state and local) are estimated at \$8,487,358;
- Fiscal cost to all governments is \$354,002;
- All government cost per direct job is \$3,564;
- All government cost per total job is \$1,773;
- The fiscal benefit to cost ratio for all governments is 23.98:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$44,476,984, or \$222,714 per job (direct and indirect);
- The economic benefit to cost ratio is 125.64:1;
- Project construction cost is \$3,555,155, which is expected to generate 43 direct job years and 17 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.02 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

Borrower Contact: Ed Martin, Controller/CFO
 194 Pleasant Ridge Road
 Plattsburgh, NY 12901
 Phone: (518) 324-3425

ESD Project No.: X018

Project Team:	Origination Project Management Legal Contractor & Supplier Diversity Finance Environmental	Roseanne Murphy Linda Dillon Antovk Pidedjian Elizabeth Gocs Ross Freeman Soo Kang
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C. Financial Terms and Conditions

1. The Borrower shall pay a commitment fee of 1% of the \$375,000 loan (\$3,750). In addition, at the time of closing, the Borrower will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Borrower will demonstrate no materially adverse changes in its financial condition prior to closing.
3. The Borrower will provide a signed Letter of Credit for \$375,000 with a financial

institution that ESD finds acceptable required prior to loan closing. The Letter of Credit must be maintained for the term of the loan and may be reduced annually to conform with the remaining principal, should the loan balance be reduced consistent with Section III.C.6 below.

4. Guarantees: Corporate Guarantees are required from any entity or commonly controlled entities together owning 50% or more of the Borrower, including Schluter Systems L.P.
5. The Borrower will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD's announcement of the project. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
6. Up to \$375,000 will be disbursed to the Borrower upon completion of the project substantially as described in these materials including documentation of \$8,800,000 in building construction and machinery and equipment purchase, installation and setup costs, and documentation of the employment of at least 105 Full-time Permanent Employees at Schluter Systems L.P. in Plattsburgh, assuming that all project approvals have been completed and funds are available. Expenses reimbursed by ESD's loan must be incurred on or after January 8, 2010, to be considered eligible project costs. Disbursement of the loan must be requested by June 1, 2014.
7. Prior to disbursement, the Borrower must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Borrower's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Borrower to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Borrower's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Borrower to other employees with comparable rank and duties.
8. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$375,000, 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 no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. Rate/Term: 3% interest rate over 5 years (sixty months). Loan becomes immediately

due and payable if Borrower sells or closes the Project Location.

- 9. Repayment Term: Sixty (60) monthly interest-only payments beginning after disbursement of the convertible loan, with outstanding principal due in full in the 60th month, subject to any incremental reductions in principal based upon Borrower’s achievement of Job Commitments and Loan Compliance (See Conversion Terms below).
- 10. Conversion Terms: The loan principal may be subject to incremental reductions of 20% annually over the five-year term of the loan for each respective year of the loan. Upon timely submission by Borrower of an annual Principal Reduction Request Form verifying Job Commitments and Loan Compliance as approved by ESD, the principal balance of the loan shall be reduced for such year by \$75,000. Each such approved reduction shall be deemed a prepayment of the Borrower’s Promissory Note to ESD pursuant to the terms contained therein. If during the term of the loan, Job Commitments and/or Loan Compliance are not submitted and approved for any particular year, principal reduction will not occur for that year and the corresponding amount of principal, when added to any other unconverted principal, shall remain payable upon maturity. (See Job Commitments below.)

Job Commitments:

Baseline Employment	105*
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A	B
Reporting Date	Employment Goals
Anniversary Date of Loan Closing 2015	111*
Anniversary Date of Loan Closing 2016	127*
Anniversary Date of Loan Closing 2017	145*
Anniversary Date of Loan Closing 2018	145*
Anniversary Date of Loan Closing 2019	145*

*Includes 105 jobs at Schluter Systems L.P.

- 11. The Borrower will submit to ESD annual reviewed financial statements and quarterly internal financial statements certified by an officer of the Borrower.
- 12. Financial Disclosure: Updated financial disclosure on Borrower and all guarantors acceptable to ESD must be provided prior to closing.
- 13. Lien/Collateral: Unsecured

IV. Statutory Basis

This project is authorized under Section 16-q of the New York State Urban Development Corporation Act (the “Act”) and satisfies the eligibility criteria in the Act and the rules and regulations for the Upstate Regional Blueprint Fund Program. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

The Town of Plattsburgh 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 to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on February 10, 2009. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor Diversity policy will apply to the Project. The Company is encouraged to use its best efforts to include minorities and women in any job opportunities created by the Project, and to solicit and utilize Minority and Women-owned Business Enterprises for any contractual opportunities generated in connection with the Project.

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum
Benefit-Cost Analysis

Plattsburgh (North Country Region – Clinton County) – UMS Manufacturing URB Capital – Upstate Regional Blueprint Fund (Convertible Loan) – Findings and Determinations Pursuant to Sections 16-q and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Upstate Empire State Development Corporation, relating to the UMS Manufacturing URB Capital - Upstate Regional Blueprint Fund (Convertible Loan) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to UMS Manufacturing LLC a loan for a total amount not to exceed Three Hundred Seventy-Five Thousand Dollars (\$375,000) from the Upstate Regional Blueprint Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the loan, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the loan or collateral securing the loan as he or she may deem necessary or appropriate in the administration of the loan; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer 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 resolutions.

December 19, 2013

Plattsburgh (North Country Region – Clinton County) – UMS Manufacturing URB Capital –
Upstate Regional Blueprint Fund (Convertible Loan) – Determination of No Significant
Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the UMS Manufacturing URB Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Project Summary Benefit-Cost Evaluation ¹

UMS Manufacturing LLC – Business Investment

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits reported in the table below typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

Initial Jobs:	105	Construction Job Years (Direct):	43
New Jobs:	40 over three years	Construction Job Years (Indirect):	17

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks ²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$354,002	\$794,250	\$354,002	\$1,020,500
Fiscal Benefits⁴	\$5,132,285	\$2,085,600	\$8,487,358	\$4,271,980
Fiscal Cost /Direct Job	\$3,564	\$3,000	\$3,564	\$4,110
Fiscal Cost/Total Jobs	\$1,773	\$1,424	\$1,773	\$1,964
Fiscal B/C Ratio	14.50	7.00	23.98	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$44,476,984	\$119,468,000		
Econ. Benefits/Total Jobs	\$222,714	\$147,600		
Economic B/C Ratio	125.64	50.00		

¹ Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

² The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Business Investment project benchmarks are 7.00 (Fiscal) and 50.00 (Economic). Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 20.00 (Economic).

³ Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

⁴ Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

⁵ Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners' opportunity cost of employment.