# Salisbury-Wicomico Economic Development

Celebrating 35 Years

# Celebrating 35

# SWED Annual Report: 2002 - 2003

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Years



Ed Urban is an Executive Vice President for Harvard Custom Manufacturing.

# Salisbury-Wicomico Economic Development

One Plaza East, Suite 501 P.O. Box 4700 Salisbury, MD 21803

### To Our Members:

As I complete my first year serving as your President and as the organization completes its thirty-fifth year of operation, I am struck by the amount of change an economy undergoes in three-and-a-half decades and the time and resources necessary to maintain growth in changing economic conditions.

This report not only highlights our most recent accomplishments and initiatives, but it also summarizes various events that helped shape the economic landscape today. As you read this report, notice the differences in leading industries today versus those of twenty years ago and consider the types of industries that may encompass our area in the years to come.

The vision of business, government and community leaders in establishing SWED is as valid today as it was in 1968. SWED will continue to serve as a catalyst in business retention and expansion initiatives, the attraction of new industries to our community and the continued diversification of our economic base. At the same time, economic development is much more than SWED and everyone has a role to play. Through your acquaintances and in the course of your business, as you see opportunity, please let us know.

I'd like to extend sincere appreciation to our government leaders and the private sector for supporting SWED during challenging economic times. And as always, a special thank you to our staff for making our work look easy.

Sincerely,

Ed Urban President

### Officers and Board of Directors

Mike Abercrombie Cato Gas & Oil, Inc.

Scott Aja McCrone, Inc.

Mike Bloxham Bay National Bank

Rafael Correa MaTech, Inc.

Eric Crouchley
The Peninsula Insurance Co.

Gamee Elliott Salisbury Area Chamber

Palmer Gillis Gillis-Gilkerson, Inc.

Dawn Harcum Filtronic Comtek

Janyne Katz Bar None, Inc.

Craig McConnell

George Mengason Dennis Storage / Mayflower

Bob Moore Moore & Company, P.A.

Dan Oliver

John Pick City of Salisbury

Rick Pollitt
City of Fruitland

Bill Rinnier Rinnier Development Corp.

Tony Sarbanes Wicomico County

Mark Sewell

Steve Smethurst
Adkins. Potts & Smethurst

Ed Thomas
The Bank of Delmarva

Ed Townsend M&T Bank

Jeff Turner
Peninsula Bank

Mark Welsh Trice, Geary & Myers

Bob Wheatley
The Whayland Company

Tom Wisniewski Avery W. Hall Insurance Co. Ed Urban
President
Harvard
Custom
Manufacturing

John Stern Vice-President Pigg, Krahl, Stern & Company

Pete Bozick **Secretary** George, Miles & Buhr

> Monty Sayler **Treasurer** Bank of America

Henry Hanna Immediate Past President Long & Foster Business Retention / Expansion

Business Attraction

Strengthen SWED

### **Our Strategy**

In 1967, Chris-Craft Corporation announced its closing, eliminating hundreds of jobs in Wicomico County. Business and government leaders shortly thereafter created the Salisbury-Wicomico Economic Development Corporation in an effort to mitigate future plant closings while attracting new and diverse industries to our region. This activity reduces reliance on few companies or industries while providing new job opportunities for all citizens. Our focus is three-fold:

# 1) Business Retention/Expansion:

Most businesses derive seventy to eighty percent of revenue from existing customers. As a correlation, most new jobs in any community originate from resident businesses. A strong business base also helps to attract new firms to a growing area.

### 2) Business Attraction:

New and diverse businesses mitigate adverse effects of economic downturns, reduce reliance on a few firms, increase the taxable base, and add jobs. Ancillary or indirect benefits are as great, if not greater, than direct benefits.

# 3) Strengthen SWED:

Since its establishment in 1968, SWED has received financial and professional support from public and private sectors. Both sectors demonstrate an interest in economic development and both sectors possess unique resources. A combined public-private effort maximizes resources, leverages capital, and broadens expertise.

# **Highlights of 35 Years**

1968-1970

- SWED opens its corporate office and places its first ad in "Industrial Property Guide"
- Firestone announces plans to build a plastics factory in Northwood Industrial Park
- Salisbury "oversizes" water & sewer lines in Northwood Industrial Park to allow for future growth
- Chris Craft closes its Salisbury plant

1970-1975

- Crown, Cork & Seal expands its plant by 73,000 sq. ft.
- A 3-phase Industrial Apartment concept is announced to provide "start-up" manufacturing space for new industry
- K&L Microwave is founded
- Open Roads Industries purchases the former Chris Craft plant
- New factories planned for construction include: Burroughs Corp., Georgia Pacific, Central Supply, Shaw Warehousing, & Hoffman LaRoche
- Manhattan Shirt Co. is sold to Salisbury Manufacturing Co., Inc.
- Open Roads Industries announces its closing

1975-1980

- D&F Shirt and Wootten Welding begin operations
- Seven new companies move into the Industrial Apartment Complex, including Good Electronic Co., Salisbury Special Tool, & Maryland Clarklift. Inc.
- K&L Microwave triples its manufacturing space
- Roadway & AAA Trucking locate terminals in Salisbury
- Condec Corp. acquires the former Chris Craft plant for its ConDiesel division

"Business Week" publishes a feature article entitled "Business Discovers a Tri- State Peninsula", 1973. Work begins on the establishment of the 150 acre Air Business Center.

### Highlights (continued)

# 1975-1980 continued

- Duo Sofa, Inc. announces plans to construct a plant in Northwood
- Mid-Atlantic Printing & Chilton Publishing begin plant construction in Northwood
- Gregg Shirt Makers expands its Fruitland plant
- Delmar Sportswear locates in Delmar
- Richard Bernstein, founder of K&L Microwave, wins Maryland's Small Businessman of the Year award
- Henson Airlines locates to Wicomico County

### 1980-1985

- SWED assists in site selection for Salisbury Pewter, Heinemann Electric, & Chesapeake Corporation
- Chesapeake Shipbuilding purchases Roberts Shipyard & begins constructing the "America" cruise ship
- Plymouth Tube begins construction on a specialty tubing plant in Northwood
- Perdue Farms doubles its corporate headquarters & expands its processing plant
- Henson Airlines adds ninety new jobs & is recognized as the "Regional Airline of the Year" by Air-Transport World.
- Viskon-Aire locates in Northwood
- SWED partners with Wicomico County & the City of Salisbury to obtain Maryland's largest enterprise zone
- Heinemann triples its manufacturing space
- Governor Hughes announces a state office building to be built in downtown Salisbury
- Grumman Aerospace purchases the former Manhattan Shirt factory, projecting 300 new manufacturing jobs
- IPC Corporation announces the construction of two plants in Northwood
- Enterprise zone benefits are extended from five years to ten years

# Highlights (continued)

1985-1990

- Standard Register purchases Burroughs Corporation's business forms division
- Mardelva News begins plant construction in Northwood
- SWED received local & state approval for funds to construct an inventory building
- K&L Microwave, US Marine, & Coaxitube expand creating 250+ new jobs
- Federal Express constructs a plant at the new Air Business Center
- A new terminal building has been approved for funding at the airport
- Imperial Cup Corp. purchases Wicomico's "inventory" building, creating 50 new jobs
- Ford Laboratories (Trinity Labs today) completes construction of its facility on W. Zion Rd.
- Machining Technologies, Toroid Corporation, & CallCenter Services are welcomed to our area
- Foot Management opens a facility in Pittsville
- Tishcon Corp. completes its Northwood plant
- The Regional State Office Building is under construction in downtown Salisbury
- SWED proposes a second inventory building

1990-1995

- US Marine builds its 1000<sup>th</sup> vacht
- MaTech doubles its workforce
- Northgate Development builds 66,000 sq ft of office/industrial/warehouse space
- CallCenter Services reaches 200 associates
- Eaton Corporation, formerly Heinemann Electric. employs 300
- Nanticoke Homes purchases the former Con-Diesel plant
- Wicomico County begins construction of its second inventory building
- Campbell's Soup closes, eliminating nearly 800 positions
- Grumman Aerospace announces plans to close, eliminating over 500 jobs

Wicomico County constructs its second "inventory" building; 100,000 sq. ft., 1993. SWED, in conjunction with Wicomico County, UMES, & the EDA establishes a \$1 million revolving loan fund.

### Highlights (continued)

# 1990-1995 continued

- Filtronic Comtek locates in the former terminal building at the airport
- Field Container purchases Wicomico's second "inventory" building
- Royal Quality Foods begins beef processing in the former Campbell's Soup plant
- RelComm Technologies begins operations in Northwood
- Data Services, Inc. & CallCenter Services construct facilities in Winterplace Park
- Lorch Microwave relocates to Salisbury with 15 employees
- Salisbury Technologies (now Harvard Custom Manufacturing) purchases the former Grumman Aerospace plant, retaining 82 jobs
- MaTech renovates a former sweet potato plant into a state-of-the-art machine shop in Hebron
- The City of Fruitland establishes a 110 acre enterprise zone & begins planning a new industrial park

#### 1995-2000

- Filtronic Comtek moves into its new headquarters, employing 150+
- Shoreland Freezers, Tishcon, & Trinity Labs commit millions of dollars for new warehouse & manufacturing space
- Piedmont/US Air Express opens its new engine testing facility at the airport
- Rafael Correa, President of MaTech, Inc., wins Maryland's Small Businessman of the Year award
- ClearComm Technologies & Custom Cable Solutions begin operations in Wicomico
- Cape May Foods purchases Nanticoke Foods, retaining 75 jobs
- Tishcon Corp. relocates a division to the former Sears Warehouse building on Brown St.
- ThermoLyte Corp. begins operations in the old terminal building at the airport

### Highlights (continued)

# 1995-2000 continued

- SWED along with 8 other Maryland Eastern Shore counties produces a CD-ROM highlighting business attributes of the Eastern Shore
- Interactive Marketing Services, Inc. enters into a lease with Mountaire Farms for a portion of the former Campbell Soup plant
- Millenium Microwave, LLC begins operations in Fruitland
- Arcon Welding, LLC begins operations in Northwood
- Rail service is retained along Mill St. due to a partnership between SWED, City of Salisbury, Norfolk-Southern, MDOT, & rail users

### 2000-2003

- K&L Microwave purchases & renovates the former Eaton facility
- Lorch Microwave constructs an addition to its existing facility
- Eastern Wireless TeleComm begins manufacturing microwave filters in Northwood
- The former Chris Craft plant is sold for the fourth time in 33 years
- Helvoet Pharma purchases Wheaton Pharma-Tech, retaining 200 jobs
- Bar None, Inc. purchases the local assets of The Order People, retaining 150 jobs
- Silverton Marine announces plans to purchase the former Webcraft plant, creating 175 new jobs
- SWED creates a "schematic/vision" for the Air Business Center in conjunction with the Airport Commission & several SWED members
- Cambrex chooses Northwood for a bio-tech manufacturing facility
- SWED establishes a new \$406,000 revolving loan fund for business development

The Kiplinger
Washington
Letter
mentions that
Salisbury is
"drawing
smaller, hightech businesses" in its
February 20,
1998 edition.



David Ryan
Executive
Director

# **Director's Message**

It's been said that the strength of one's economy is best measured during economic downturns as opposed to "boom" cycles. If so, our local economy demonstrated its resilience during the past twelve months. For SWED, this past year marked further accomplishments in our core objectives of job retention, job attraction, and the strengthening of our public-private partnership.

The war in Iraq, corporate scandals, disappointing stock returns, and low interest rates all impacted our national, state and local economy this past year. Particularly hard-hit was the nation's manufacturing sector. As of this writing, the number of manufacturing jobs in our nation declined in each of the past thirty-six months, representing more than 2.6 million lost jobs. While not located in Wicomico, the loss of jobs associated with the closing of Black & Decker (Easton), and Tysons (Berlin) clearly impacted our labor market as well.

On a more positive note, our local unemployment rate remained below that of the nation for most of the past twelve months, due in large part to the diversity of our economic base. Low mortgage rates fueled housing construction and many of the "ancillary" jobs and services associated with a growing population and housing market.

Our mission is as relevant today as it was thirty-five years ago. The types of industries and jobs however are far different today than thirty-five years ago. Manufacturing, comprising fourteen percent of all jobs in Wicomico County, is a significant component of our economy and a continued focus of SWED. At the same time, and based on reasons stated above, we must be prepared to capitalize on new industries, market niches, and technologies that will complement our existing industrial base and drive our economy in the future. Balancing these objectives is a practical and worthy endeavor that we remained mindful of throughout the year.

This past year we promoted our community through various trade events including TechFest (Washington), Medical Design and Manufacturing (New York), and "Consultants Day" (Annapolis), hosted by Governor Robert Ehrlich and Lt. Governor Michael Steele. We updated and redesigned our "Business Resource Guide," ran printed advertisements in the Maryland Magazine through The Daily Record, and completely revamped our web site. We continued our company visitation program to firms within our community and to those with headquarters or decision-making authority elsewhere.

# **Director's Message** (continued)

Strong Partnerships

> Strategic Approach

Coordinated Ffforts

Eleven companies utilized more than \$156,000 in Partnership for Workforce Quality training funds, a state-sponsored program designed to improve business competitiveness by upgrading worker skills for new technologies and processes. Internally, we responded to hundreds of requests for information from brokers, site consultants, students, citizens, businesses and others.

We directed part of our efforts toward enhancing our relationship, and our business' relationship with elected officials. We were pleased to coordinate a tour of area businesses with the newly elected Wicomico County Council. And we were pleased to present our community and our program of economic development to Senator Paul Sarbanes.

Early in our fiscal year, we worked with Helvoet Pharma toward retaining its two plants in the Northwood Industrial Park. The company consolidated its Salisbury metals plant to Pennsauken, New Jersey but retained the rubber division in Salisbury. The seventeen jobs impacted by the metals consolidation will likely be absorbed in the two hundred employee rubber division, causing little if any job loss.

We also worked with the City of Salisbury in retaining Chesapeake Shipbuilding and the thirty-five plus jobs associated with its Fitzwater Street location. Chesapeake entered into an agreement with the City of Salisbury where both parties agreed to improve dredging of the basin, repair bulk-heading, and mitigate storm-water flow into the basin. In short, a foundation was built to not only retain the thirty-five existing jobs, but also to attract many more in the years ahead.

Along with Maryland's Department of Business and Economic Development, we were pleased to complete the transaction whereby Silverton Marine Corporation purchased the former Webcraft plant (66,000 sq ft) in Northwood Industrial Park. Silverton, selecting our community over several others in Virginia, Delaware, and Pennsylvania, plans to create one hundred seventy-five new manufacturing jobs over the next several years. The company is an integral part of Luhr's Marine Group, the largest independent, employee-owned boat builder in the nation.

We were pleased to work with Cambrex Bio Science Walkersville, Inc. and Rotation Technologies, LLC. Cambrex Bio Science Walkersville chose to locate a biotech manufacturing plant to

Technology Transfer **Director's Message** (continued)

New Ideas

Economic Diversification

Northwood Industrial Park. The Cambrex Walkersville division is part of Cambrex, Inc., a publicly traded firm based in northern New Jersey. Cambrex is a global, diversified life science company providing products and services to accelerate drug discovery, development, and manufacturing processes for the prevention of disease. Rotation Technologies is a locally owned machine shop that began operations earlier this year.

The establishment of a new revolving loan fund, discussions with Salisbury University officials on business development, and pursuit of an aeronautical niche in industrial development were initiatives undertaken this past year to complement our existing program and to target new opportunities.

Understanding the importance of financing in economic development and that many new businesses in recent years have been "start-ups" in need of capital, SWED established a \$406,000 revolving loan fund to assist new and resident industry. Capitalization was achieved in equal amounts from Wicomico County (through previous economic development loan differential payments) and a matching grant from Maryland's Department of Business and Economic Development.

Also in terms of financing, we began compiling a list of various venture/equity investment firms that target manufacturing operations for investment and met with a number of community banking officers to determine the viability and need of a venture fund. Identifying and establishing relationships with investment firms is advantageous when entrepreneurs seek financing above the levels of our existing programs. Similarly, a venture fund may often fill a gap within our existing programs, especially in financing businesses and technologies with little "hard" assets. We will continue both of these initiatives in the coming year.

In an effort to identify new businesses, we met on numerous occasions with Salisbury University officials from the Henson School of Science, the Perdue School of Business, and the university's Career Development Department. The goal was to determine or seek opportunities in developing new businesses via "start-ups" or by transferring technologies and processes from the lab to the marketplace. Our discussions have led to a proposed "Technology Showcase" sponsored in large part by Maryland's Technology Development Corporation (TEDCO) during our next fiscal year.

# **Director's Message** (continued)

One niche in which we have infrastructure to support is aeronautical. Our regional airport is home to a one hundred fifty acre business park complete with roads, sewer service, electricity, and a taxi-way that bisects the park. In order to enhance development opportunities, SWED is pursuing the development of a site plan that can accommodate a 60,000 sq ft facility (sample shown below) and target various aeronautical

CITATION DRIVE

businesses, particularly those in the Mid-Atlantic region. Without actually constructing a facility, we can meet wetland mitigation and forestation requirements, among other issues, that will ultimately decrease the development time of a facility by months.

Creative Development

> Customer Oriented

Responsive

Meaningful Initiatives

# **Director's Message**

Measurable Results

Market Value

More than one hundred twenty members and guests attended our 34<sup>th</sup> Annual Meeting featuring a keynote presentation by Dr. Kevin Hassett, a frequent MSNBC commentator and author of the best selling book, *Dow 36,000*.

On a fiscal note, SWED remained prudent in expenditures, capitalizing on opportunities and yet, operating within our budget. For the five years ending August 2003, our budget has increased 5.7%, or put another way, an average annual increase of 1.14%.

Economic diversification, job retention, and job attraction efforts have long been key strategies of SWED to mitigate the impact of economic downturns, to reduce reliance on a few firms or industries for our economic viability, and to capitalize on opportunities within the marketplace at given points in time.

We will continue to improve, refine, and pursue our strategy in the year to come. Our success this past year, and for the last thirty-five years, is the result of hard work, vision, and teamwork. Thank you to all members for your confidence, financial support, and partnership. With an emphasis on our core objectives, our achievements in the years to come will be measurable, meaningful, and of value to our community.

# **Recent Programs**

### The Poultry Industry

Jim Perdue - Chairman, Perdue Farms, Inc.

### Moving Maryland Forward

James T. Brady - Secretary, Maryland DBED

# Business & Education: Roles, Challenges, & Opportunities

Andy Buchanan – Director, Career & Technology Center Dr. Richard Bebee – Dean, Perdue School of Business at SU Dr. Arnold Maner – President, Wor-Wic Community College Ed Urban – Vice President, Harvard Custom Manufacturing

#### The State of the State

Governor Paris Glendening - State of Maryland

### Looking Ahead: The Wireless Industry

Lou Abbagnaro - President, K&L Microwave

### Why Jobs Come and Go

A.B. (Buzzy) Krongard - Director, BT Alex Brown, Inc.

### Marketing Maryland

David Iannucci - Secretary, Maryland DBED

# The Current & Future Impact of the Microwave Industry on the Lower Shore

Charles Schaub – President, K&L Microwave John Tinkler – President, RelComm Technologies David Chambers – President, Filtronic Comtek Kevin Bernstein – President, Lorch Microwave Wayne Barbely – President, Salisbury Engineering Jeff Evans – President, ClearComm Technologies

### Healthcare & PRMC

Alan Newberry – President & CEO, Peninsula Regional Medical Center

### **Business Taxes in Maryland**

William Donald Schaefer - Comptroller, State of Maryland

### What to Expect Next

Kevin Hassett – Senior Economist, Board of Governors Federal Reserve System Quality Meetings

Expert Speakers

Relevant Issues

### Mission Statement

Enhance the socio-economic environment of Salisbury, Wicomico County and region through the preservation and creation of productive employment opportunities.

# **Past Presidents**

1968 – 1969	1980 — 1981
Robert M. Lawrence	John Lerch
1969 – 1970	1981 – 1983
Robert A. Deacon	Fulton Jeffers
1970 – 1971	1983 – 1984
A.L. Fleming	William J. Ahtes, Jr.
1971 – 1972	1984 – 1986
Frank P. Maher	Gordon D. Gladden
1972 – 1973	1986 – 1988
H. Gray Reeves, M.D.	Edward J. Kremer
1973 – 1974	1988 – 1990
William J. Ahtes, Jr.	Hugh McLaughlin
1974 – 1975	1990 – 1992
W. Howard Hayman	W. Bill Rinnier
1975 – 1976	1992 – 1994
Robert M. Lawrence	Robert C. Wheatley
1976 – 1977	1994 – 1996
William C. Bicknell	Roger Vandegrift
1977 – 1978	1996 – 1998
W. Thomas Hershey	Edward M. Thomas
1978 – 1979	1998 – 2000
Daniel E. Ulm	Rafael Correa
1979 – 1980	2000 – 2002
William G. Carey	Henry H. Hanna, III

### **SWED Members**



### **Accountants**

Moore & Company, P.A. Bob Moore

Pigg, Krahl, Stern & Co., P.A. *John Stern* 

Trice, Geary & Myers, LLC Mark Welsh

### **Attorneys**

Adkins, Potts & Smethurst Steve Smethurst

Webb, Burnett, Jackson, Douse, Cornbrooks, Wilbur, & Vorhis K. King Burnett

### **Banks**

Bank of America Monty Sayler

Bay National Bank Mike Bloxham

BB&T Mark Sewell

First Shore Federal S&L Marty Neat

M&T Bank Ed Townsend

Peninsula Bank

Shore Bank Craig McConnell

The Bank of Delmarva

### Construction

Concrete Building Systems Viren Sharma

Gillis-Gilkerson, Inc. Palmer Gillis

Rinnier Development Corporation Bill Rinnier

The Whayland Company Bob Wheatley

### **Engineers / Architects**

Davis, Bowen & Friedel John Davis

George, Miles & Buhr, LLP Peter Bozick

McCrone, Inc. Scott Aja

#### **Government / Chamber**

City of Fruitland Rick Pollitt

City of Salisbury John Pick

Salisbury Area Chamber of Commerce

Gamee Elliott

Town of Delmar Sara Bynum King

Wicomico County Tony Sarbanes



### **SWED Members** (continued)

### Insurance

Atlantic/Smith, Cropper, & Deeley

Bob Elliot

Avery W. Hall Insurance Agency

Tom Wisniewski

Hanna, Kremer, & Tilghman *Ed Kremer* 

The Peninsula Insurance Company

Eric Crouchley

Tri-State General Insurance

### Manufacturing

Atlantic & Hastings Printers Brian Twilley

Delmarva Recycling Greg Stein

Filtronic Comtek
Dawn Harcum

Harvard Custom Manufacturing Ed Urban

Helvoet Pharma Stany Maris

K&L Microwave Lou Abbagnaro

Lorch Microwave Kevin Bernstein

Lower Shore Enterprises Mike Purkey

MaTech, Inc. Rafael Correa

Pepsi-Cola Bottling Company Morgan Hazel

Plymouth Tube Tom Maternowski

RelComm Technologies

John Tinkler

Standard Register Randy Merritt

Tishcon Corporation Arun Chopra

Toroid Corporation
Gunnar Ennerfelt

VPI-Mirrex, LLC Otto Peters

### **Real Estate/Development**

E.S. Adkins & Company Bill Turner

HTL, Inc. Henry Hanna, III

Long & Foster Commercial John McClellan, Chris Peek

Miller Property Management Brent Miller

Mr. Square Feet

PCS Homes
Michael Thomasson

#### Retail

Brew River Restaurant / Hanna Systems Frank Hanna

Centre at Salisbury Jim Biggs

### **SWED Members** (continued)



**Services** 

Bar None, Inc. Janyne Katz

Beacon Technologies

Dana Seiler

Data Services, Inc. Joe Ollinger

Go-Glass Corporation

Doug Linderer

Peninsula Health Group Victor Lowe

Peninsula Regional Medical Center Alan Newberry

Perdue School of Business at Salisbury University

Gerard DiBartolo

Piedmont / USAirways Express John Leonard

Private Network Services Rich Schreiber

Quality Staffing Services Maria Waller The Nature Conservancy John Bender

Utilities

Cato Gas & Oil, Inc. *Mike Abercrombie* 

Conectiv Dan Oliver

Delmarva Oil Brian Schneck

Eastern Shore Natural Gas Elaine Bittner

Verizon Tony Marva

Wholesale / Distribution

Dennis Storage / Mayflower George Mengason

Eastern Shore Distributing Robert Burke

Shore Distributors

Shoreland Freezers Art Cooley

Thank you for supporting our program of economic development for the past thirty-five years.