To Our Members:

I am pleased to present this thirty-seventh annual report of the Salisbury-Wicomico Economic Development Corporation. The vision of business, government and community leaders working together for a strengthened local economy is as valid today as it was in 1968.

That vision, whereby our organization serves as a catalyst for economic growth, guided us throughout this past year.

We were pleased to assist the Wicomico County Airport Commission in helping Perdue Farms locate a new corporate hangar at the Air Business Center and in establishing a business incubator at the former airport terminal building. Our organization took a lead role in negotiations with developers as the Wicomico County Council approved the Tax Increment Finance plan to redevelop the Salisbury Mall property. We assisted Callidus in its “start-up”, MaTech in its expansion, and retained Trinity Sterile, all resulting in the creation and retention of more than one hundred jobs. Working with the City of Salisbury and the City of Fruitland, SWED was instrumental in preparing an enterprise zone application for Salisbury’s Westwood Commerce Park and the renewal of Fruitland’s Enterprise Zone program.

It’s been my pleasure and honor to serve as your President this past year and I look forward with optimism to the second year of my term. Thank you to all of our governmental supporters, businesses and the community at-large for your confidence and support of our organization. And as always, a special thank you to our staff for making our work seem easy.

Sincerely,

John M. Stern, Jr.
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.

Tim Feist  
Salisbury Area Chamber

Palmer Gillis  
Gillis-Gilkerson, Inc.

Dawn Harcum  
Filtronic Comtek

Henry Hanna  
Long & Foster Commercial

Fred King  
BB&T

Craig McConnell  
Shore Bank

George Mengason  
Dennis Storage / Mayflower

Bob Moore  
Moore & Company, P.A.

Dan Oliver  
Delmarva Power

John Pick  
City of Salisbury

Rick Pollitt  
City of Fruitland

Bill Rinnier  
Rinnier Development Corp.

Tony Sarbanes  
Wicomico County

Steve Smethurst  
Adkins, Potts & Smethurst

Ed Thomas  
The Bank of Delmarva

Ed Townsend  
M&T Bank

Jeff Turner  
Mercantile Peninsula Bank

Mark Welsh  
Trice, Geary & Myers

Bob Wheatley  
The Whayland Company

Tom Wisniewski  
Avery W. Hall Insurance Co.

John Stern  
President  
Pigg, Krahl, Stern & Company

Pete Bozick  
Vice-President  
George, Miles & Buhr

Monty Sayler  
Secretary  
Bank of America

Scott Aja  
Treasurer  
McCrone, Inc.

Ed Urban  
Immediate Past President  
Harvard Custom Manufacturing
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 37 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 by Richard Bernstein
- 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
**Highlights (continued)**

1975-1980

- 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 Sterile 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 1000th yacht
- 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
**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

- 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

2000-2005

- 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 purchases 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
- SWED secures $350,000 in funding (CDBG) for renovation of the former airport terminal building into a business incubator

2000-2005 continued

- SWED assists Silverton Marine in securing the former “Hess” site for a new manufacturing plant expected to employ approximately 200 people.
- Germane Tool, a precision machine shop, relocates to Salisbury from West Chester, PA.
- SWED assists Filter Networks in its site search and other “start-up” issues.
- SWED initiates and promotes a “Technology Partnering Showcase” in conjunction with TEDCO at Salisbury University.
- Through the Maryland Economic Adjustment Fund, SWED capitalizes an additional $100,000 to the SWED Business Expansion Fund.
- SWED assists Century Seals in the firm’s acquisition of Finishing Technologies, Inc.
- SWED was instrumental in assisting Sklar Instruments in its merger with Trinity Labs, creating Trinity Sterile and retaining 55 jobs.
- SWED assists in the start-up of Callidus, LLC, a developer of software products targeting the sleep lab industry.
- SWED assists MaTech, Inc. in its site search, permitting, and expansion into a 150,000 square foot facility in Northwood.
- SWED assists Perdue Farms, Inc. in locating a site for a new corporate hangar, developing lease terms, and assisting throughout the permitting process.
- SWED accepts a lead role in working with developers of the Salisbury Mall property toward a Tax Increment Finance agreement.
- Perdue Farms renovates a manufacturing plant in Northwood into an “Innovation Center,” a state-of-the-art research and development facility.
Director's Message

SWED completed its thirty-seventh year by furthering our charge of strengthening the local economy through the creation and preservation of productive jobs, nurturing a diverse economic base and serving as a catalyst for new opportunities.

We operated this past year in an economic environment characterized by moderate inflation, relatively low interest rates, strong demand for residential and commercial property and meaningful job growth. Historically, Wicomico’s unemployment rate more closely tracks the national rate as opposed to the State of Maryland rate, which is widely recognized as one of the lowest in the nation. For the past several years and as the chart below illustrates, Wicomico’s rate is on par with that of Maryland.

The relatively low unemployment rate is attributable to an increase in jobs. From 2003 to 2004, Wicomico’s labor force and job count grew by 3.7% and 4.4%, respectively. This is a continuation of a longer term trend whereby from 2001 through 2004, Wicomico’s labor force and job count grew by 2.9% and 4.7%, respectively. While generally good news for those seeking jobs, a tighter labor market made it more difficult for firms seeking qualified employees. Most economic sectors gained jobs this past year including the manufacturing sector which was hard-hit during the 2000-2002 slowdown in the economy. The manufacturing job base in Wicomico County grew by 4.1% from 2003 through 2004.
Unfortunately, Helvoet Pharma and Nanticoke Foods closed locations this past year resulting in the loss of approximately one hundred jobs. Both Helvoet and Nanticoke, citing loss of business, consolidated operations to Pennsauken, N.J. and Cape May, N.J., respectively.

Early in our fiscal year, SWED was instrumental in assisting Sklar Instruments of West Chester, Pennsylvania in its acquisition and merger with Trinity Labs of Salisbury. The new company, Trinity Sterile, Inc. retained its location in Northwood Industrial Park and the fifty-five associates working at the company. Trinity Sterile manufactures various medical products including catheter insertion kits, instrument trays and bulb syringes.

We also helped Callidus, LLC begin operations and develop marketing initiatives. Callidus, a company began by two Salisbury University students, develops and distributes software for the sleep lab industry.

We were pleased to assist Machining Technologies, Inc. (MaTech) in its expansion. MaTech acquired the former 150,000 square foot Sealy plant in Northwood Industrial Park and plans to renovate and add an office component to the facility. In addition to site selection and assistance in permitting, SWED, along with the Maryland Department of Business and Economic Development, provided funding through the SWED-Revolving Loan Fund and the Maryland Economic Development Assistance Authority and Fund, respectively. MaTech’s acquisition reduces the industrial vacancy rate. Several years ago, Wicomico experienced a glut of industrial space (more than 1.3 million square feet) that was for sale and vacant. Today, using the same parameters, available space is 50,000 square feet.

Also in Northwood, sincere appreciation and congratulations is extended to Perdue Farms for their continued commitment to our community. Perdue renovated a former manufacturing facility into an Innovation Center, a research and development facility that employs approximately thirty-five associates.

In addition to this facility, Perdue Farms also began construction on a new corporate hangar at the Salisbury-Ocean City: Wicomico County Regional Airport. As requested by the Wicomico County
Director's Message (continued)

Airport Commission, SWED assumed a lead role in locating a site for the hangar, the development of lease terms and assistance throughout the permitting process. The construction of this facility is the first in years in and around the Air Business Center and already, SWED and the Airport Commission have received additional inquiries regarding further development within the one hundred fifty acre business park.

Also at the airport, SWED continued its pursuit of establishing a “business incubator” in the former airport terminal building. The goal is to provide relatively inexpensive space with flexible lease terms to new, expanding and technology-oriented companies. During this fiscal year, SWED, along with the Airport Commission was successful in securing renovation funds through Maryland’s Community Development Block Grant program and through the Maryland Aviation Administration. The renovation is expected to be completed by the end of October and we continue to work with several prospects interested in locating to the facility.

In another redevelopment project and as requested by the Wicomico County Council, SWED accepted a lead role in working with developers of the Salisbury Mall property toward a Tax Increment Finance agreement. The County Council, along with the Salisbury City Council, approved the pact whereby bond proceeds will be used to fund public infrastructure improvements at the eighty acre site with the tax base of the resulting development servicing the bond indebtedness. The development, consisting of residential, commercial and office complexes, also affords Wicomico County additional land for parking associated with the Wicomico Youth and Civic Center and a potential hotel site to complement Civic Center events.

SWED was pleased to assist the City of Fruitland in completing and successfully renewing the city’s existing Enterprise Zone. In addition, we helped the City of Salisbury prepare an Enterprise Zone application that encompasses the new Westwood Commerce Park, located at the intersection of Naylor Mill Road.
and U.S. Route 50. With light industrial zoning, Westwood offers additional land in a “campus-like” setting for expanding and new companies. We will pursue State approval of Salisbury’s Enterprise Zone request early in 2006.

In partnership with Maryland’s Department of Business and Economic Development, five companies utilized more than $70,600 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 completely redesigned our web site and maintained our goal of updating the site on a daily basis. In addition, we responded to hundreds of requests for information from citizens, businesses, students, consultants, brokers and many others. More than one hundred twenty members and guests attended our annual meeting and heard Chris Low, a widely recognized and quoted economist with FTN Financial, review the current state of the economy and make various predictions for the coming months.

From a fiscal perspective, we remained prudent in our expenditures and operated within our budget. For the five years ending August 31, 2005, our budget has increased by 1.06%, or put another way, $2,085.

As we enter our thirty-eighth year, we are reminded that economic development is not a “once-in-a-while” endeavor, but rather a daily undertaking. We recognize that economic forces can overwhelm even the best of intentions. We understand that the value of our efforts is often realized in future years and we appreciate and value the numerous partnerships that we have forged over many years. With hard work, teamwork and vision, our achievements in the years to come will be 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

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; Author, Dow 36,000

Research Triangle Park, NC
James Roberson – President, Research Triangle Foundation

The State of the County
Anthony Sarbanes – President, Wicomico County Council

Investing in the Market
Christopher Low – Chief Economist, FTN Financial
### Mission Statement

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

### Past Presidents

<table>
<thead>
<tr>
<th>Year</th>
<th>Name</th>
<th>Year</th>
<th>Name</th>
</tr>
</thead>
</table>
## SWED Members

### Accountants
- **Moore & Company, P.A.**  
  *Bob Moore*
- **Pigg, Krahl, Stern & Co., P.A.**  
  *John Stern, Jr.*
- **Trice, Geary & Myers, LLC**  
  *Mark Welsh*

### Attorneys
- **Adkins, Potts & Smethurst**  
  *Steve Smethurst*
- **Webb, Burnett, Cornbrooks, Wilber, Vorhis, Douse & Mason, LLP**  
  *K. King Burnett*

### Construction
- **Concrete Building Systems**  
  *Viren Sharma*
- **Gillis-Gilkerson, Inc.**  
  *Palmer Gillis*
- **Nason Construction, Inc.**  
  *Mike Dashiell*
- **Rinnier Development Corporation**  
  *Bill Rinnier*
- **The Whayland Company**  
  *Bob Wheatley*

### Engineers / Architects
- **Davis, Bowen & Friedel**  
  *Jerry Friedel*
- **George, Miles & Buhr, LLP**  
  *Peter Bozick*
- **McCrone, Inc.**  
  *Scott Aja*

### Banks
- **1st Mariner Bank**  
  *Audrey Orr*
- **Bank of America**  
  *Monty Sayler*
- **Bay National Bank**  
  *Mike Bloxham*
- **BB&T**  
  *Fred King*
- **First Shore Federal S&L**  
  *Marty Neat*
- **M&T Bank**  
  *Ed Townsend*
- **Mercantile Peninsula Bank**  
  *Roger Vandegrift*
- **Shore Bank**  
  *Craig McConnell*
- **The Bank of Delmarva**  
  *Ed Thomas*
- **City of Fruitland**  
  *Rick Pollitt*
- **City of Salisbury**  
  *John Pick*
- **Salisbury Area Chamber of Commerce**  
  *Tim Feist*
- **Town of Delmar**  
  *Sara Bynum-King*
- **Wicomico County**  
  *Tony Sarbanes*
SWED Members (continued)

Insurance
Avery Hall Insurance Group
Tom Wisniewski
Hanna, Kremer, & Tilghman
Mat Tilghman, Jr.
The Peninsula Insurance Company
Eric Crouchley
Tri-State General Insurance
Ed Dickerson

Manufacturing
Atlantic & Hastings Printers
Brian Twilley
Delmarva Recycling
Greg Stein
Filtronic Comtek
Dawn Harcum
Germane Tool Corp.
Fred Hoeffken
Harvard Custom Manufacturing
Ed Urban
K&L Microwave
Don Hoeler
Lorch Microwave
Kevin Bernstein
Lower Shore Enterprises
Mike Purkey
MaTech, Inc.
Rafael Correa
Pepsi Bottling Ventures of Delmarva
Bill Flaherty

Plymouth Tube
Joey Clardy
RelComm Technologies
John Tinkler
Spartech Polycom
Otto Peters
Standard Register
Tom Sturwold
Tishcon Corporation
Arun Chopra
Toroid Corporation
Gunnar Ennerfelt

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
Mark McIver
PCS Homes
Michael Thomasson

Retail
Centre at Salisbury
Alane Emerson
SWED Members (continued)

**Services**

- Beacon Technologies
  Dana Seiler

- Data Services, Inc.
  Kathy Geary

- Go-Glass Corporation
  Doug Linderer

- Navtrak, Inc.
  Ron Hodges

- Peninsula Regional Medical Center
  Alan Newberry

- Perdue School of Business at Salisbury University
  Dr. William Moore

- Piedmont / USAirways Express
  Steve Farrow

- Private Network Services
  Rich Schreiber

- Quality Staffing Services
  Maria Waller

- Salisbury University Foundation
  Rosemary Thomas

**Utilities**

- Cato Gas & Oil, Inc.
  Mike Abercrombie

- Delmarva Oil
  Brian Schneck

- Delmarva Power
  Dan Oliver

- Eastern Shore Natural Gas
  Elaine Bittner

- Verizon
  Joe Daniels

**Wholesale / Distribution**

- Dennis Storage / Mayflower
  George Mengason

- Eastern Shore Distributing
  Robert Burke

- Shore Distributors
  Jim Morris

- Shoreland Freezers
  Art Cooley
Thank you for supporting our program of economic development for the past thirty-seven years.