SALISBURY-WICOMICO
ECONOMIC DEVELOPMENT, INC.

Annual Report
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To Our Members:

With this, our 40th annual report, Salisbury-Wicomico Economic Development, Inc. (SWED) celebrates four decades of community service. While economic conditions, cycles and industries have changed dramatically over the past forty years, the vision of our founders in the establishment of our mission and formation of our structure is as valid today as it was in 1968.

Over the years we have confronted changing economic landscapes, recognized that economic forces can overwhelm even the best of intentions and adjusted our initiatives to adapt and succeed in challenging economic environments. Most importantly and perhaps most challenging during turbulent times, we have remained true to the core mission of our organization. We’ve simply chosen to be very good at executing a few strategies rather than striving for mediocrity in pursuing many.

As important, the years have taught us that we are in the “relationship” business as much as anything else. Relations with our clients, investors, governments, members, business partners and the community at large are significant factors to our success. We simply cannot perform our mission alone and we trust we reciprocate the support of our partners.

Highlights of our forty year history and details of our most recent year follow in this report. The activities of our organization and the successes we have achieved hardly seem possible with a staff of two. But with a focus on mission and broad community support, it can be done. It has been my honor to serve as your President and I look forward to the many accomplishments we will achieve in the years to come.

Sincerely,

Peter Bozick, President
Officers and Board of Directors

Debbie Abbott  
PNC Bank

John Allen  
Delmarva Power

John Cannon  
Wicomico County

John Charrier  
BB&T

Rafael Correa  
MaTech, Inc.

Eric Crouchley  
The Peninsula Insurance Co.

Palmer Gillis  
Gillis-Gilkerson, Inc.

Henry Hanna, III  
Sperry Van Ness-Miller Comm.

Dennis Hebert  
Shore Bank

Fred King  
Citizen’s Bank

Michael Kleger  
Salisbury Area Chamber

Craig McConnell  
Hebron Savings Bank

John McDonnell  
City of Fruitland

George Mengason  
Dennis Storage / Mayflower

Jim Morris  
Shore Distributors

Greg Olinde  
Bay National Bank

John Pick  
City of Salisbury

Bill Rinnier  
Rinnier Development Corp.

Steve Smethurst  
Adkins, Potts & Smethurst

Ed Thomas  
The Bank of Delmarva

Ed Townsend  
M&T Bank

Ed Urban  
Harvard Custom Manufacturing

Mark Welsh  
Trice, Geary & Myers

Bob Wheatley  
The Whayland Company

Tom Wisniewski  
Avery W. Hall Insurance Co.

Pete Bozick  
President  
George, Miles & Buhr

Monty Sayler  
Vice-President  
Bank of America

Scott Aja  
Secretary  
McCrone, Inc.

Bob Moore  
Treasurer  
Moore & Company, P.A.

John Stern  
Immediate Past President  
PKS & Company, P.A.
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 40 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 Clark-lift, 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
Work begins on the establishment of the 150 acre Air Business Center.

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
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
- 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

2000-2005

- 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

Highlights (continued)

2000-2005

• 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 assists in the start-up of Callidus, LLC, a developer of software products targeting the sleep lab industry

2005-2008

• 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
• SWED supports House Bill 399, allowing more flexibility to local jurisdictions in creating and expanding enterprise zones
2005-2008 continued

- Salisbury is ranked 55th Hottest City in the US, according to the May 2006 issue of Inc. Magazine.

- SWED assists Harvard Custom Manufacturing with financing from the Southern Eastern Shore Revolving Loan Fund (SES-RLF) to expand its facility and increase jobs.

- As requested by the Wicomico County Council, SWED reviewed and presented a request toward the establishment of an Arts and Entertainment District.

- SWED assists the Airport Commission in establishing a business incubator in the former terminal building at the airport and in securing funds through the Community Development Block Grant program, the Federal Aviation Administration, and the Maryland Aviation Administration.

- SWED assists Ameriscan, a GPS company, in locating to the recently renovated incubator space at the airport, and with permitting and leasing issues as well.

- SWED assists the City of Salisbury and Wicomico County in promoting and completing the application to expand the existing enterprise zone to include WestWood Commerce Park.

- SWED sponsored and arranged a presentation from the Maryland Industrial Development Financing Authority (MIDFA) to area bankers and loan officers.

- The Siesta Group, a sleep software development company, begins operations at the airport.

- The Knowland Group, an internet-based “reader board” service targeting the hospitality industry, relocates to Salisbury.

- SWED brokers a loan through the Southern Eastern Shore Revolving Loan Fund (SES-RLF) to Navtrak, Inc., a GPS product and service provider for fleet vehicles.

- Hospital Billing and Collection Service (HBCS) locates to Salisbury and projects two hundred fifty new jobs.
Director’s Message

With forty years experience in economic development, our organization recognizes that we simply cannot predict the types of industries that will encompass our landscape in the years to come. We do know change will occur and with change comes opportunity.

Our community is blessed with a strong economic base found in poultry and agricultural industries as well as institutional assets associated with health care and higher education. On top of these assets, and given the geographic location of our community, we have a fairly diversified economy representing a variety of economic sectors. In chart form, here’s what we look like:

A diversified economic foundation has long been a key strategy of SWED and such diversification allows our community to better adapt to the ups and downs of various economic cycles. As we recognize that economic forces can overwhelm even the best of intentions, continuing to target those entities that import dollars into our community, on both a retention and an attraction basis, adds meaningful value to the local economy and furthers our diversification goals.
Director’s Message (continued)

During this past year, Powerwave Technologies announced the closing of its Salisbury facility. This news was especially disappointing as SWED played a key role in the start-up of Filtronic Comtek (later acquired by Powerwave) and in various growth stages of Filtronic’s/Powerwave’s fifteen year history in our community. We continue to work with the company toward not only marketing the facility to another employer, but also with its employees as they seek to transition to new jobs and new careers.

Last year we welcomed The Knowland Group to Salisbury with just two employees and a terrific business model and plan. In less than twelve months, the firm has nearly occupied all of its current space with approximately thirty employees. Similar growth measures are anticipated in future years. Knowland is an internet based technology company operating in the sales and hospitality industry.

Recruiting new employers and creating an environment that supports new companies and industries is integral to our long term goals and diversification strategies. We were pleased that Hospital Billing and Collection Service (HBCS) chose our community for their expansion site. HBCS offers accounts receivable and debt collection services for non-profit hospitals around the country. The firm chose Salisbury over notable locales including York, Pa., Melbourne, Fla., Ft, Meyers, Fla. and others. HBCS has invested millions of dollars into renovating it’s NorthGate facility to accommodate two hundred fifty associates.

Pictured: Jack Byrnes, CEO–HBCS; Pete Bozick President–SWED; County Executive Rick Pollitt and Salisbury Mayor Barrie Tilghman.
Director’s Message  (continued)

Internally, and as we have done for the past five years, we maintained our policy of updating our web site daily and redesigned the site itself. In moves toward efficiencies and becoming more “eco-friendly”, we now email our monthly newsletter, various invitations and other correspondence. We eliminated the fax machine and now receive and send faxes via computer. We even discarded the answering machine and now utilize voice-mail. These actions allow us to be more efficient and cut costs in terms of paper, mailings and time. Often overlooked but an integral part of our service is our response to hundreds of requests for information about our community from students, brokers, corporate clients and citizens. We answered every call.

More than one hundred members and guests attended our 2007 Annual Meeting at The Fountains Conference Center. The event featured the Secretary of Maryland’s Department of Business and Economic Development, David Edgerley.

Pictured: SWED President Pete Bozick, Md. Secretary David Edgerley.

From a fiscal perspective, we remained prudent in our expenditures and operated within our budget. For the five years ending August 31, 2008, our budget has increased 9.3%, or put another way, approximately 1.9% per year.

On behalf of all of our partners, thank you for your support this past year. We look forward to serving the community for another four decades.
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  
Aris Melissaratos – 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

Energy Costs and Electricity Supply  
Gary Stockbridge – President, Delmarva Power
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>
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<tr>
<td>1968 – 1969</td>
<td>Robert M. Lawrence</td>
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<td>1971 – 1972</td>
<td>Frank P. Maher</td>
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<td>1972 – 1973</td>
<td>H. Gray Reeves, M.D.</td>
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<td>1974 – 1975</td>
<td>W. Howard Hayman</td>
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<td>1975 – 1976</td>
<td>Robert M. Lawrence</td>
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<td>1976 – 1977</td>
<td>William C. Bicknell</td>
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<td>1977 – 1978</td>
<td>W. Thomas Hershey</td>
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<td>1978 – 1979</td>
<td>Daniel E. Ulm</td>
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<td>1979 – 1980</td>
<td>William G. Carey</td>
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<td>1981 – 1983</td>
<td>Fulton Jeffers</td>
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<td>1984 – 1986</td>
<td>Gordon D. Gladdden</td>
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<td>1986 – 1988</td>
<td>Edward J. Kremer</td>
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<td>1988 – 1990</td>
<td>Hugh McLaughlin</td>
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<td>1990 – 1992</td>
<td>W. Bill Rinnier</td>
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<td>1994 – 1996</td>
<td>Roger Vandegrift</td>
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<td>1998 – 2000</td>
<td>Rafael Correa</td>
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<td>2002 – 2004</td>
<td>Edward Urban</td>
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<td>2006 – 2008</td>
<td>Peter Bozick</td>
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### SWED Members

#### Accountants
- **Moore & Company, P.A.**
  - *Bob Moore*
- **PKS & Company, 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*

#### Banks
- **Bank of America**
  - *Monty Sayler*
- **Bay National Bank**
  - *Greg Olinde*
- **BB&T**
  - *John Charrier*
- **Citizen’s Bank**
  - *Fred King*
- **First Shore Federal S&L**
  - *Marty Neat*
- **Hebron Savings Bank**
  - *Craig McConnell*
- **M&T Bank**
  - *Ed Townsend*
- **PNC Bank**
  - *Debbie Abbott*
- **Shore Bank**
  - *Dennis Hebert*
- **The Bank of Delmarva**
  - *Ed Thomas*

#### 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
- **Barry Isett & Associates, Inc.**
  - *Don Hoen*
- **Davis, Bowen & Friedel**
  - *Jerry Friedel*
- **George, Miles & Buhr, LLP**
  - *Peter Bozick*
- **MacIntosh Engineering**
  - *Jim Baker*
- **McCrone, Inc.**
  - *Scott Aja*

#### Government / Chamber
- **City of Fruitland**
  - *John McDonnell*
- **City of Salisbury**
  - *John Pick*
- **Salisbury Area Chamber of Commerce**
  - *Michael Kleger*
- **Town of Delmar**
  - *Sara Bynum-King*
- **Wicomico County**
  - *John Cannon*
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
Delmarva Recycling
Greg Stein
Harvard Custom Manufacturing
Ed Urban
K&L Microwave
Don Hoeler
Lorch Microwave
Kevin Bernstein
Lower Shore Enterprises
Brenda Malone
MaTech, Inc.
Rafael Correa
Pepsi Bottling Ventures of Delmarva
Michael Langley
Plymouth Tube
Joe Clardy
RelComm Technologies
John Tinkler
Standard Register
Tom Ross
Tishcon Corporation
Arun Chopra
Toroid Corporation
Katarina Ennerfelt

Real Estate/Development
E.S. Adkins & Company
Bill Turner
Mr. Square Feet
Mark McIver
PCS Homes
Michael Thomasson
Schneider Commercial
Joe Schneider
Shoreland, Inc.
Art Cooley
Sperry Van Ness-Miller Commercial Real Estate
Brent Miller, Brad Gillis, Henry Hanna, John McClellan, Chris Peek
Westwood Development, LLC
Morgan Hazel

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. Richard Hoffman
- Quality Staffing Services
  - Maria Waller
- Salisbury University Foundation
  - Rosemary Thomas

#### Utilities
- Cato Gas & Oil, Inc.
  - Mike Abercrombie
- Chesapeake Utilities
  - Darrell Wilson
- Delmarva Oil
  - Brian Schneck
- Delmarva Power
  - John Allen
- Eastern Shore Natural Gas
  - Elaine Bittner
- Verizon
  - Laura Knickman

#### Wholesale / Distribution
- Dennis Storage / Mayflower
  - George Mengason
- Eastern Shore Distributing
  - Robert Burke
- Shore Distributors
  - Jim Morris
Thank you for
supporting our program
of economic development
for the past forty years.