

SALISBURY-WICOMICO
ECONOMIC DEVELOPMENT, INC.

SWED Annual Report: 2007 – 2008

Celebrating 40
Years



<i>President's Message</i>	2
<i>Officers & Board of Directors</i>	3
<i>Our Strategy</i>	4
<i>Highlights of 40 Years</i>	5
<i>Director's Message</i>	12
<i>Recent Programs</i>	15
<i>Past Presidents</i>	16
<i>Our Members</i>	17



**Salisbury-Wicomico
Economic Development, Inc.**

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

*Peter Bozick is
Executive Vice-
President and
Director of the
Salisbury
operations
center for the
Architectural
and
Engineering
firm of George,
Miles & Buhr*

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 Saylor
**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.*

*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 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 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 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

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

2000-2005

- 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

*The Kiplinger
Washington
Letter mentions
that Salisbury is
“drawing
smaller, high-
tech bus-
inesses” in its
February 20,
1998 edition.*

Highlights *(continued)*

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 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 150,00 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

Highlights *(continued)*

2005-2008
continued

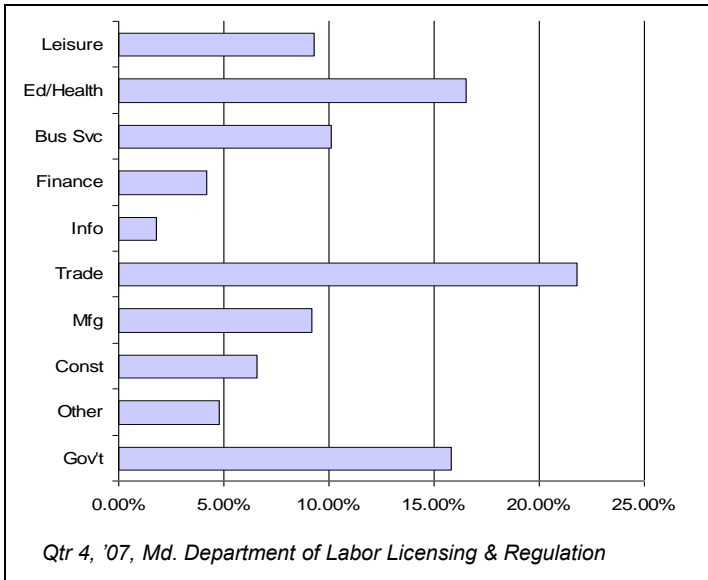
- SWED assists Harvard Custom Manufacturing with financing from the Southern Eastern Shore Revolving Loan Fund (SES-RLF) to expand its facility and increase jobs
- As requested by the Wicomico County Council, SWED reviewed and presented a request toward the establishment of an Arts and Entertainment 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.

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

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)*

Coordinated
Efforts

Proactive

Creative

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

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 Robert M. Lawrence	1983 – 1984 William J. Ahtes, Jr.
1969 – 1970 Robert A. Deacon	1984 – 1986 Gordon D. Gladden
1970 – 1971 A.L. Fleming	1986 – 1988 Edward J. Kremer
1971 – 1972 Frank P. Maher	1988 – 1990 Hugh McLaughlin
1972 – 1973 H. Gray Reeves, M.D.	1990 – 1992 W. Bill Rinnier
1973 – 1974 William J. Ahtes, Jr.	1992 – 1994 Robert C. Wheatley
1974 – 1975 W. Howard Hayman	1994 – 1996 Roger Vandegrift
1975 – 1976 Robert M. Lawrence	1996 – 1998 Edward M. Thomas
1976 – 1977 William C. Bicknell	1998 – 2000 Rafael Correa
1977 – 1978 W. Thomas Hershey	2000 – 2002 Henry H. Hanna, III
1978 – 1979 Daniel E. Ulm	2002 – 2004 Edward Urban
1979 – 1980 William G. Carey	2004 – 2006 John Stern, Jr.
1980 – 1981 John Lerch	2006 – 2008 Peter Bozick
1981 – 1983 Fulton Jeffers	

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 Saylor

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.*