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To Our Members:

We are pleased to present this 40th Annual Report of Salisbury-Wicomico Economic Development, Inc. (SWED). Such longevity of service to our community reinforces our underlying mission of enhancing our socio-economic environment through the preservation and creation of productive employment opportunities.

From a macroeconomic standpoint, this past year was as difficult as perhaps any previous year given that our country and our community entered one of the most serious and broad-reaching recessions in fifty years.

Given challenging economic conditions, our community has weathered the downturn perhaps better than most in large part due to the diversity of Wicomico’s economic base. Pockets of growth do exist and SWED is capitalizing on these opportunities as detailed in this report.

Great challenges lie ahead but with challenge comes opportunity. With four decades of economic development experience, a solid business model and strong determination, your organization is well-prepared to execute our long term strategy.

A special thank you goes to our public and private sector partners for their sustained support during challenging times, our officers and board members for their service this year, and to our excellent staff as they implement and execute our strategies. I look forward to advancing the organization’s initiatives next year and in the years beyond.

Sincerely,

Monty Sayler, President
Officers and Board of Directors

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

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

Fred Puente
Blind Industries & Serv of MD

Bill Rinnier
Rinnier Development Corp.

Scott Robertson
Salisbury Area Chamber

Jean Sewell
PNC Bank

Steve Smethurst
Adkins, Potts & Smethurst

John Stern, Jr.
PKS & Company, P.A.

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.
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

**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

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Work begins on the establishment of the 150 acre Air Business Center.
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

- 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

SWED, in conjunction with Wicomico County, UMES, & the EDA establishes a $1 million revolving loan fund.
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
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
- Germame 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

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

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 sponsors and arranges 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

As detailed in the “Highlights” section of this report, SWED has a long history of success in economic development. We’ve achieved such success in both favorable and challenging economic environments and we’ve been able to do so thanks to a well-founded mission statement, strong public and private sector support and through innovative initiatives during various market conditions.

Our long-term strategy has been strength through diversity and our community is blessed with a solid economic base founded in poultry and agricultural industries as well as institutional assets associated with health care and higher education. This base has served us well over many years and particularly this past year as our community along with our nation experienced a difficult and deep recessionary environment. Without such a base, and given current market conditions, our economic well-being would likely be much worse. In chart form, here’s what we look like:

A diversified economic base mitigates negative economic events during down cycles while enhancing opportunities during growth cycles. This was perhaps most evident regarding the health-care sector this past year.
Director’s Message (continued)

We were pleased to assist Genevieve Holdings LP in its acquisition of the former 40,000 s.f. Americhem building in the Northwood Industrial Park. The LP plans to lease a portion of the building to Trinity Sterile, a medical kit manufacturer in Northwood. The facility provides much needed warehouse space and allows more manufacturing to occur in Trinity Sterile’s existing location. As a result of the transaction, Trinity anticipates adding sixty new jobs to its existing base of one hundred associates over the next couple of years.

The former 40,000 s.f. Americhem facility.

We continued our work with Hospital Billing and Collection Service (HBCS), a company that offers debt collection and accounts receivable services for non-profit hospitals around the country. HBCS located to Salisbury’s Northgate Industrial Park last year, invested millions of dollars in plant, property and equipment and hired approximately fifty associates. SWED assisted in finalizing a State of Maryland loan to HBCS. The firm anticipates reaching one hundred seventy-five associates over the next several years.

Having assisted The Knowland Group in locating its start-up business here a year and half ago, we continued working with the company on site selection issues as the firm continues to grow. The Knowland Group now employs approximately fifty associates and having been recently named in the Inc. Fastest 500, anticipates adding an additional fifty associates in the next several years.

Throughout the year we were pleased to assist Navtrak, Harvard Custom Manufacturing, Arcon Welding, Silverton Marine, Bluewater Resources and others in areas ranging from from site selection to financing to enterprise zone issues.
Director’s Message (continued)

Internally, and as we have done for the past five years, we maintained our policy of updating our web site on a daily basis. Further, as with previous years, we completely redesigned the site itself. 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.

Approximately one hundred members and guests attended our annual meeting held in September at The Fountains. Celebrating our 40th year of operation, the event featured a slide show of the people, events, news and companies that have helped shape our community over four decades.

From a fiscal perspective, we remained prudent in our expenditures and operated within our budget. Recognizing the challenging budgetary environment all businesses faced this year, inclusive of SWED, we expended approximately $13,000 less than our budgeted amount. For the five years ending August 31, 2009, our budget has increased 8.1%, or put another way, approximately 1.62% 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
### Past Presidents

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<td>1981 – 1983</td>
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### Mission Statement

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

First Shore Federal S&L
Marty Neat

Hebron Savings Bank
Craig McConnell

M&T Bank
Ed Townsend

PNC Bank
Jean Sewell

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
Scott Robertson

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 Homes

Schneider Commercial
Joe Schneider

Shoreland, Inc.
Art Cooley

Sperry Van Ness-Miller Commercial Real Estate
Brent Miller, Bradley Gillis, Henry Hanna, John McClellan, Chris Peek

Westwood Development, LLC
Morgan Hazel

Retail
Centre at Salisbury
Alane Emerson
SWED Members (continued)

**Services**

- Blind Industries & Services of MD
  - Fred Puente
- Data Services, Inc.
  - Cindy Rascona
- 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 Utilites Corp.
  - 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 one years.