

SALISBURY-WICOMICO
ECONOMIC DEVELOPMENT, INC.

ANNUAL REPORT 2009 - 2010

SWED Annual Report: 2009 – 2010

Celebrating Our
42nd Year

SWED
Est. 1968

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Monty Sayler is Senior Vice President for Bank of America.



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

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

To Our Members:

We are pleased to highlight our activities of the past year in this Annual Report as well as various initiatives and successes since our founding in 1968.

Economic conditions this past year continued to be challenging as the recession's impact persisted throughout our fiscal year.

It's relatively easy to focus on the negative consequences associated with the current recession. The impact of the recession on businesses, families and consumers is indeed great. At the same time, perhaps the impact would be far worse without significant successes associated with our organization this year and in many years past.

Over the past forty-two years, SWED has been instrumental in further diversifying our local economy through the attraction of new jobs and industries to our community. These efforts, along with job retention initiatives, have perhaps enabled our community to weather the downturn perhaps better than most due to the diversity of Wicomico's economic base.

The year ahead will no doubt be challenging. Our longevity of service, existing relationships and partnerships, and the continued support of both public and private sectors will allow our organization to continue making a meaningful impact on the stability and growth of our local economy in the years ahead.

Thank you for allowing me to serve as your President these past two years. I look forward to participating in the organization in the years to come.

Sincerely,

Monty Sayler, President

Officers and Board of Directors

Hunter Calloway
BB&T

John Cannon
Wicomico County

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

Rick Konrad
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.

Dawn Tilghman
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.

Monty Saylor
President
Bank of America

Scott Aja
Vice-President
McCrone, Inc.

Bob Moore
Secretary
Moore & Company, P.A.

John Allen
Treasurer
Delmarva Power

Peter Bozick
Immediate Past President
George, Miles & Buhr

*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 businesses” in its February 20, 1998 edition.

Highlights *(continued)*

Partnerships

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

Technology

2005-2009

- 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)

2005-2009
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.
- Trinity Sterile principals purchase the former Americhem building for expansion. Trinity anticipates sixty new jobs as a result.
- Marvel Investments, LLC purchases the 66,000 s.f. former Silverton Marine plant in Northwood.



Director's Message

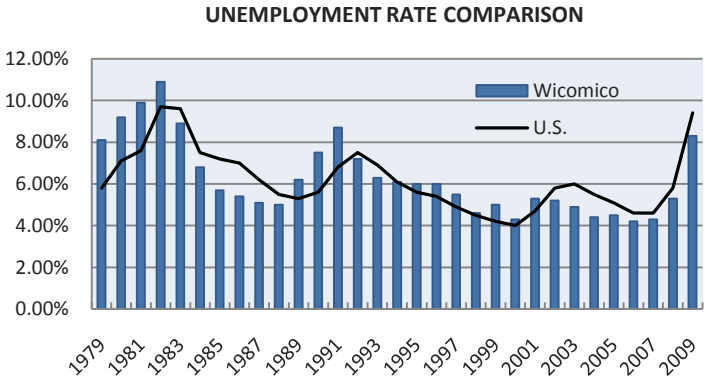
Perhaps never before in our forty-two years of economic development service to our community has our nation, state, community, and organization been so challenged as the lingering effects of the recession continue to weigh heavily on businesses and consumers.

David Ryan

Executive Director

For more than four decades, and through varying economic cycles, our mission statement has withstood the test of time. Our efforts over many years have yielded new industries, businesses, jobs and a diverse economic base that perhaps at a minimum mitigates the impact of the current downturn in our overall economy.

The following chart illustrates Wicomico's unemployment rate versus that of the nation for the past thirty years.



Source: Md. Dep't. of Labor Licensing & Regulation

Predictions for a quick turnaround are few and far between and the impact of this recession will likely be felt for some time. At the same time, and due to our diversity, as recovery occurs we are well-positioned to capture our share of growth. The following chart illustrates (in terms of jobs) our economic base.

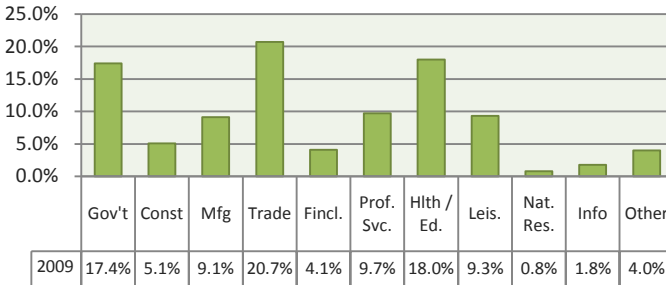
Director’s Message *(continued)*

Coordinated
Efforts

Proactive

Creative

ECONOMIC BASE: WICOMICO



Source: Md. Dep’t. of Labor Licensing & Regulation

Through site selection and our revolving loan fund, we were pleased to assist Marvel Investments, LLC in its acquisition of the 66,000 s.f. former Silverton Marine plant.

The LLC plans to renovate the facility for medical product manufacturing and lease to Trinity Sterile, a growing employer in Northwood Industrial Park. The project is expected to add sixty new jobs over the next several years.



The former 66,000 s.f. Silverton facility.

We were also pleased to assist Isotek Electronics, Inc. in the start-up of the business also in Northwood Industrial Park. The company is a manufacturer of electronic products for the wireless communication industry.

In July of this fiscal year, we were pleased to partner with USAirways Magazine and the Wicomico County Airport Commission on a featured article on Salisbury. The in-flight magazine has a circulation of approximately four million.

And we certainly continued working with our existing business base on issues ranging from financing to enterprise zone eligibility requirements.

Director's Message *(continued)*

Internally, we maintained our policy of updating our web site on a daily basis and, as in previous years, we completely refreshed the design 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 responded to every inquiry.

Approximately one hundred members and guests attended our annual meeting held in October at The Fountains. Celebrating our 41st year of operation, Wicomico County Executive Rick Pollitt along with staff provided the keynote address on the fiscal challenges facing Wicomico now and in the years to come.

From a fiscal perspective, and in large part due to cutbacks from Wicomico County, SWED confronted a loss of revenue of approximately \$33,000 or 15% of our budget. In response, we eliminated our Administrative Assistant position, reduced the Executive Director's salary and reduced various line items within our budget to match anticipated revenue. Though our budget has diminished, our enthusiasm and dedication to our mission has not.

To all of our partners, thank you for your continued support. We look forward to meaningful accomplishments in the years ahead.

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.

Challenging Times

Rick Pollitt, Wicomico County Executive

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

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	2008 – 2010 Monty Saylor

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
Hunter Calloway

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
Todd Stephens

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

Government / Chamber

City of Fruitland
Rick Konrad

City of Salisbury
John Pick

Salisbury Area Chamber of
Commerce
Dawn Tilghman

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
Dave Howett

Lorch Microwave
Kevin Bernstein

Lower Shore Enterprises
Jack Heath

MaTech, Inc.
Rafael Correa

Pepsi Bottling Ventures of
Delmarva
Michael Langley

Plymouth Tube
Marvin Dunham

RelComm Technologies
John Tinkler

Standard Register
Paul Maloney

Tishcon Corporation
Arun Chopra

Toroid Corporation
Katarina Ennerfelt

Real Estate/Development

E.S. Adkins & Company
Bill Turner

Mr. Square Feet
Mark McIver

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

Navtrak, Inc.

Ron Hodges

Perdue School of Business at Salisbury University

Dr. Bob Wood

Quality Staffing Services

Maria Waller

Salisbury University Foundation

Rosemary Thomas

Utilities

Cato Gas & Oil, Inc.

Mike Abercrombie

Chesapeake Utilites Corp.

Darrell Wilson

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 two years.*