



Lancaster County Progressions

A Newsletter of the Economic Development Company of Lancaster County

Fall 2009

Keeping Lancaster County on the Job

Simply put, in today's economy, it's all about community investment and retaining and creating jobs. EDC and EDC Finance Corporation are hard at work, often behind the scenes, connecting the dots that put large and small businesses in contact with resources to help them expand in or relocate to Lancaster County.

That's the bottom line in this economy — keeping Lancaster County working and productive.

Whether helping companies to ...

- purchase land (*Cramers' Posie Patch, Clair Brothers Audio Systems*)
- purchase buildings (*Rocky Springs Bowling, Fox's Country Sheds*)
- buy equipment (*Zerbe's Potato Chips*)
- construct new buildings (*Lancaster Leaf, Klines Services*)
- redevelop brownfield, underutilized or deteriorating properties (*former Armstrong World Industries industrial complex, Turkey Hill Experience*)
- relocate to Lancaster County (*Hardy Greys*) or
- assist production agriculture to become more competitive (*Brubaker, Spring Lawn, Star Rock Dairy and a multitude of other family farms*)

... EDC Finance, along with community stakeholders and partners, helps to maintain and expand the livelihood and prosperity of the people and families of Lancaster County.

When EDC succeeds, our community benefits and is successful, too.

When Retaining or Creating Jobs, Small Business Is Big Business for Lancaster County

The Lancaster County community is benefiting from four new projects funded in part by Small Business Association 504 (SBA 504) and Small Business First (SBF) loans.

These smaller projects are retaining and creating jobs, which is big news in today's economy. And behind each of them are the financial resources and expertise of EDC Finance Corporation.

SBA 504

• At **Rocky Springs Bowling**, \$183,000 in SBA 504 dollars helped Fred and Sherry O'Neill to purchase the bowling alley that had been



Fred and Sherry O'Neill, Rocky Springs Bowling

slated for closure by its previous operator, AMF. Not only will the O'Neills retain all 12 jobs at the popular bowling lanes, but they are planning to incorporate new services and amenities.

• A \$245,000 SBA 504 loan is assisting **Central Aluminum Supply Corp.**, a New Jersey-based manufacturer of seamless rain-gutter components, to open a warehouse in Landisville and bring five new

jobs to the area, with the potential for more growth in the future.



Louis Letti and Peter McElvogue, Central Aluminum

► As a Certified Development Company (CDC) for the SBA 504 program, EDC Finance administered and secured approval for the fixed-rate, reduced-equity loans for both projects.

SBF

• EDC Finance recently approved a \$200,000 SBF loan for **Fox's Country Sheds** to buy the nearly 11,000 sq. ft. production building that it formerly leased. The project, valued at \$675,000, will retain all 13 existing jobs at the Fox's facility



Adam, Jeannie and Alex Kontis, Fox's Country Sheds

located near Brickerville. In operation for over 10 years, Fox's Country Sheds builds custom sheds, gazebos, swing sets, arbors and mail posts for distribution from Connecticut to Virginia.

• In April, EDC Finance approved a \$200,000 SBF-FIF (First Industries Fund) loan to **Cramers' Posie Patch** to purchase a 95-acre farm in East Donegal Township. This third-generation flower wholesaler sells annuals and perennials, many of which will be grown on the new property.



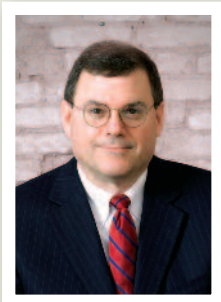
Keith Cramer, Cramers' Posie Patch

► Administered locally by EDC Finance, SBF funds are low-interest loans available to small businesses of 100 employees or fewer. The loans are designated for acquiring land, buildings and equipment, as a source of working capital, or to meet environmental-compliance requirements.

For more information go to www.edcfinancecorp.com

Message from the President

Financial management. It's one component in the job description for the president of any organization. It is my good fortune to lead an organization that is the beneficiary of both outstanding community and financial support. Recent developments have shown this to be true.



The Commonwealth has a budget — finally — and for economic development the message is clear: We must tighten our belts even more to get through these difficult times. Department of Community & Economic Development, the state agency that administers economic and community development programs, saw a 52% cut in its funding. That will translate into a loss this year of more than \$100,000 in direct state support for EDC.

Fortunately for EDC, the Lancaster County companies and institutions that support us have remained steadfast during what economists are now calling the "Great Recession." Regardless, in 2009 and for the first time, EDC membership support exceeded \$500,000.

Due to the financial support of our members and the investments made by the EDC Board of Directors, EDC remains in a sound financial position and still able to carry out our work, despite the ebbs and flows of government support.

Those of you who follow our activities understand what EDC has meant to this community. In the past 20 years alone, EDC has taken part in projects that have resulted in business investments in plant, equipment and infrastructure valued at more than \$1.1 billion dollars. These projects have secured or created more than 10,000 jobs for Lancaster County residents and families. Glance through this newsletter for a glimpse of what we have been up to lately.

At a time when business start-ups are few, commercial loan activity is down and construction activity is at a post-war low, you understand that the work EDC does is more important than ever. As one of our members recently told me, "How can I not support you in bad times when I know how important support for EDC is in good times?"

Soon membership invoices for 2010 will be going out. We ask you to consider standing with us through a renewal of your membership. If you do not at present support EDC financially, we ask you to consider becoming a member. Call me directly if you have any questions about membership and how your commitment will be translated into more economic activity in our community.

2010 marks the 50th Anniversary of EDC. Along with our Annual Breakfast in January and our Member Event at Clipper Magazine Stadium in August, EDC will be holding a 50th Anniversary celebration in September. If your company or institution would care to sponsor these events in part or total, please contact me to discuss becoming a recognized event sponsor.

At a time when our national government and business leaders seem to be failing us, we might have to look to ourselves for the leadership that our communities require. Join us in our common goal of providing the spark and direction these hard economic times demand.

David K. Nikoloff, President
EDC and EDC Finance Corporation

'FAM Tour' Takes First Spin Around Lancaster County

As part of its mission to more broadly promote Lancaster County to businesses outside of the area and assist with their expansion or relocation needs, the LancasterProsper Countywide Economic Development Marketing work group recently hosted its first Lancaster County familiarization, or FAM tour.

local business representatives. The event included a bus tour of county industrial parks, redevelopment properties and community attractions, in addition to networking opportunities that offered lunch, a golf outing and dinner with area real estate and business leaders.

"We received extremely positive feedback from our guests and terrific participation by our local attendees," says Claudio. "Most of our guests expressed a desire to attend our next event."

The tour showcases Lancaster County's business, cultural and lifestyle benefits

According to Tara Claudio, EDC's Business Retention and Expansion Program (BREP) Manager, the objectives of the tours are to personally showcase Lancaster County's business, cultural and lifestyle benefits to outside development and business site location professionals.

The day-long event was attended by land developers, real estate agents and site selectors from the Philadelphia, Baltimore and surrounding areas, as well as by

PPL Corporation, a long-standing supporter and Sponsor-level member of EDC, provided financial assistance for the FAM tour through its Blue Ribbon Marketing Program. This program awards financial grants to economic development organizations for competitively qualifying marketing and prospect-development proposals.

Another SBA 504 Success Story



Hanover Cold Storage, in West Donegal Township, took advantage of a \$1.5 million SBA 504 loan facilitated by EDC Finance to construct a new 43,000 sq. ft. addition to its current 69,000 sq. ft. cold storage facility. Owner Bill Martel stands in front of the expansion, which will add packing and cold storage space plus new truck docks, allowing the company to offer additional value-added services to its customers.

GATEWAY TO REVITALIZATION John H. Rose, EDC Finance Corporation Board Chairman (*right*), speaks at the Northwest Gateway Dedication Ceremony, October 9, as project partners celebrate the completion of the redevelopment efforts of the 47-acre former Armstrong World Industries industrial complex. In September 2006, EDC Finance Corporation purchased the site in the northwest section of Lancaster City and southern Manheim Township. This tract of land included more than two million square feet of obsolete manufacturing and office space spread over 200 buildings, and all of the uncertainty that comes along with developing an industrial site that has been in heavy use for more than 100 years. Over the last three years, EDC Finance facilitated demolition of the buildings, remediation of the site to the highest standards under the environmental law and infrastructure installation.



Today, the property is ready to accommodate major, long-term development by Franklin & Marshall College and Lancaster General Health. As Rose said in his concluding statement, “Let’s all look around and remember what this looks like today — because, much like the change from 2006, five years from now this will look like an entirely new community within our City and Township.”

Former Armstrong World Industries Site



February, 2005



April, 2009

119 Jobs Retained, 16 New Jobs Added in \$12 Million Project

PIDA Loan Helps Lancaster Leaf Grow in the City



President Jim Powell and CEO Fritz Bossert, of Lancaster Leaf, stand in front of the Pitney Road expansion

Earlier this year, Universal Leaf Tobacco Company, owner of **Lancaster Leaf Tobacco Company of PA**, announced that it would consolidate all production of its dark, air-cured tobacco to its Lancaster City plant on Pitney Road and shutter its Kenbridge, VA, facility.

As a result, within a year, Lancaster County will be home to the world’s largest, most advanced processing facility of this variety of select tobacco, which is sold to manufacturers of cigars, pipe tobacco and smokeless products.

Just as important, Lancaster Leaf’s expansion project saves and creates jobs for Lancaster County workers.

To get the project moving, in August, EDC Finance Corporation approved a \$2 million Pennsylvania Industrial Development Authority (PIDA) loan to help fund

a 75,000 sq. ft. expansion of the facility, which includes a new warehouse and production building. When completed, the new, larger facility will measure 315,000 sq. ft. in size and occupy 14 acres. Building improvements are valued at \$4 million; the installation of state-of-the-art processing equipment represents an additional \$8 million investment. The project, besides retaining 119 positions that could have been relocated to the firm’s Virginia facility, will also create 16 new jobs. More local jobs are also ensured as Lancaster Leaf makes every effort to assign construction duties to local contracting firms, including EDC member-companies **Benchmark Construction** and **B.R. Kreider Excavating**.

Tobacco is a vital crop to the local economy, says Thomas Stephenson, Chief Financial Officer at Lancaster Leaf. “Lancaster Leaf has been buying local tobacco for nearly 70 years,” Stephenson says. “Currently, we buy around 8 million lbs. of tobacco with a local market value of approximately \$14 million from about 600 farmers, many of whom are Amish/Mennonite.”

Helping to keep this homegrown company here, and aid its growth, further demonstrates the critical role played by EDC and its membership. Lancaster Leaf’s legacy in Lancaster

County dates to its founding here in 1940 by Harry Hitchcock. The plant specializes in aging dried tobacco and then blending, threshing, cleaning and sizing it to

customer specifications.

Lancaster Leaf also has tobacco warehouses on Greenfield Road and West Liberty Street.





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100 South Queen Street | P.O. Box 1558
Lancaster, PA 17608-1558
717-397-4046 | edc@edclancaster.com

*EDC, EDC Finance Corporation
and LancasterProsper Staff*

David K. Nikoloff
President

John W. Biemiller
Vice President

Lyle D. Hosler
Project Manager

Jean K. Rehrig
Systems Director

Annette E. Bart
Program Analyst

Tara L. Claudio
BREP Manager

Janet L. Foster
Administrative Assistant

50 YEARS
of
VISION *and*
LEADERSHIP
1960 – 2010

GOLDEN ANNIVERSARY, GOLDEN OPPORTUNITY

Next year marks the 50th anniversary of the Economic Development Company of Lancaster County! A yearlong celebration kicks-off at our **Annual Meeting & Breakfast on Friday, January 8** at the Willow Valley Resort & Conference Center, and continues at a very special **September 16 Anniversary Dinner** at the Lancaster County Convention Center. Event sponsorships are available. Mark your calendars and plan on joining in the festivities.

EDC's anniversary is also a "golden" opportunity for you to renew your membership in EDC and strengthen your commitment to ensuring a vibrant Lancaster County.

WHAT'S ON OUR CALENDAR?

Watch for more details in the coming weeks

Annual Meeting & Breakfast
Friday, January 8, 2010 7:30-9:00 a.m.
Willow Valley Resort and Conference Center

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