



Lancaster County Progressions

A Newsletter of the Economic Development Company of Lancaster County

Spring 2009

Economic Growth: No Longer a Given

In a February 2009 newsletter sponsored by the International Economic Development Council (IEDC), experts in the field discussed our country's turbulent economic situation. Not surprisingly, they all had different perspectives on how well or poorly their individual regions were performing.

Geography played an interesting role in the comments, which ranged from "Things in my area are still pretty good" to "Everything in my area is terrible and getting worse."

The longevity of our current economic plight was another point of deep division. All agreed that improvement will come, but none could agree on the timeframe.

One or two or five or more years? — clearly nobody seems to know.

Unanimous agreement, however, was reached on at least one point regarding successful economic development, and one with which I concur even in historically economically strong Lancaster County — that *"growth is no longer a given."* Every community's sustained economic growth, including Lancaster's, is powered by increased business investments, which lead to greater job creation and retention, additional income and bank deposits, expanded tax revenue, etc. This business growth provides opportunities for improved infrastructure, better public services including education, new community amenities and an overall enhanced quality of life.



Since 1991 when I arrived at EDC, we have never taken such economic growth for granted. With long-term vision, commitment, collaboration and old-fashioned hard work, we have proactively built strategic partnerships with industry leaders, elected officials, local stakeholders, farmers and small business men and women in order to best assist the county's economic engine and thus increase our competitive advantages — all within the county's established planning and growth guidelines and boundaries. We seek out programs, such as SBA 504 and Building PA, and develop initiatives, including LancasterProspers, to assist with the multitude of business needs to encourage, facilitate and incentivize development. And never slowing, in 2009, EDC and EDC Finance Corporation will undertake a comprehensive Strategic Planning process to help prepare our scope of work to serve Lancaster County's gradual climb toward greater prosperity.

In a recent *New York Times* article, author and columnist Thomas Friedman analogized proposed economic fixes to a scene from the movie *Jaws*, in which police chief Brody saw the huge shark for the first time and exclaimed, "We're gonna need a bigger boat!" Expanding upon that metaphor and considering we haven't even seen the size of the shark yet, perhaps we don't know if we need a bigger boat or an entirely different set of tools. Either way, EDC and EDC Finance Corporation will be ready to respond.

— David K. Nikoloff, President
EDC and EDC Finance Corporation

Furman, Nikolaus Join EDC Board

Earl Furman, president of Lititz-based Versatek Enterprises, and Donald Nikolaus, president and CEO of Donegal Mutual Insurance Company in Marietta, have agreed to serve three-year terms as Board Directors of EDC.

According to Furman, saying



Earl Furman, president of Versatek Enterprises LLC

“Yes” was easy when asked by EDC president David Nikoloff to fill a vacancy on the board. “It is an opportunity and an honor to be able to give back, not only to the wonderful people at EDC, but to

tees, knows firsthand the value of EDC to the local business community. Versatek, a long-standing EDC ASSOCIATE member, is a contract manufacturer of store fixtures, point-of-purchase displays, component parts and high-end speaker cabinets. Going back to 1997, Versatek used a Small Business First loan for start-up funding and has relied on subsequent financing administered through EDC Finance to fund the purchase of its operating facility and to buy additional equipment.

“Lancaster’s current business vitality, particularly in these turbulent times, does not happen without vision and a great deal of hard work by many organizations

Nikolaus, who in addition to his leadership role at Donegal is also a founding partner of Lancaster



Donald Nikolaus, president and CEO of Donegal Mutual Insurance Company

law firm Nikolaus & Hohenadel, LLP, agrees strongly with Furman.

“EDC has played such an important role in facilitating and assisting industries and commercial businesses to locate in Lancaster County and helping existing business expand. I’m pleased to be joining the Board and to have the opportunity to participate in the vital role EDC fills in the development and prosperity of Lancaster County.”

Donegal Mutual recently joined EDC as an ASSOCIATE member. (See list of most recent new members on the back page.)

“I am pleased to welcome Earl and Don to our Board and look forward to working with them. Their experience and commitment are invaluable to achieving our mission over the next few years,” says EDC’s Nikoloff.

“It is an opportunity and an honor to be able to give back ... to the Lancaster community as a whole.”

— Earl Furman, Versatek Enterprises LLC

the Lancaster community as a whole,” explains Furman.

Furman, who has actively supported EDC over the years, both on the EDC and EDC Finance Corporation Membership Commit-

and individuals. In my opinion, EDC has played a very prominent role in this development and fills a very real need for companies like Versatek and hundreds of others,” says Furman.

LANCASTER’S NORTHWEST GATEWAY/ARMSTRONG PROJECT AS OF APRIL 17, 2009 Running north and south, the newly constructed Thomas M. Armstrong Boulevard serves as the major thoroughfare within the 47-acre redeveloped industrial brownfield. Since 2005, EDC Finance Corporation has facilitated the demolition, remediation and nearly completed infrastructure phases of the project. Partners Franklin & Marshall College and Lancaster General Hospital will develop parcels to the west and east, respectively, of Armstrong Blvd., transforming the site into green space and athletic and medical facilities.



Fed’s Stimulus Package Reduces SBA 504 Loan Fees; Other Benefits to Be Announced

The federal government’s Economic Stimulus Bill passed in February provides new provisions for Lancaster County businesses interested in the U.S. Small Business Administration’s SBA 504 Loan Program. As an SBA Certified Development Company, or CDC, EDC Finance Corporation administers the federal program, which offers growing businesses long-term, fixed-rate financing for major fixed assets such as land and buildings.



Through the end of this year, the government will pay 70-80% of the up-front fees associated with an SBA 504 loan. That provision, enacted in mid-March, is already in effect. Other changes yet to be finalized include the ability to refinance existing debt with an SBA 504 loan and a provision for banks to sell first-mortgage loans associated with an SBA 504 project to the U.S. Treasury.

EDC Finance will provide updates on program changes as they are announced at its website, www.edcfinancecorp.com and in its monthly e-newsletter. To subscribe, please contact Jean Rehrig at jrehrig@edclancaster.com.

If you have questions or would like information regarding the SBA 504 program, please contact EDC’s Lyle Hosler at 397-4046 or lhosler@edclancaster.com.

There Is Energy to Burn in French Fries

Kline's Services Is Converting County's Food Waste into Heating Oil

One man's food waste and cooking grease is another man's environmentally sustainable, high-BTU-value alternative heating fuel. That's how Kline's Services, of East Hempfield Township, sees it.

The 54-year-old family-operated company and a regional leader in waste collection has developed an innovative "food to fuel" recycling process that is helping to incrementally reduce Lancaster County's "brown grease" waste volume — a fatty byproduct of cooking that's caught in grease traps and earmarked for the landfill. In return, the recycling process is also reducing Kline's own carbon footprint.

According to Jim Mathis, Kline's general manager, "The name 'food to fuel' reminds us of the important two-way relationship we have with our customers and the environment."

Mathis says that Kline's, a company probably best known for cleaning drain lines, pumping out home septic systems and its ubiquitous red and black tanker trucks, saw an opportunity in 2008 to capitalize on the rapidly developing biofuel trend and green movement — and do some eco-conscious good for itself and several local businesses. With a



Grease is a serious issue in the wastewater industry and taking the lead in solutions that help the environment is essential. Here the management team of Kline's Services discusses plans for their innovative food-to-fuel technology. From left: David Kline, president, John Kline, vice president, Marsha Kline Cooper, secretary, Jim Mathis, general manager and Brenda Dorsey, controller.

\$200,000 Small Business First loan facilitated by EDC Finance Corporation, Kline's constructed an 8,000-square-foot building to house the food-to-fuel conversion equipment and steam boiler — a total project investment of over \$2 million. The process facility is one of only four that have been designed and installed nationally using

the proprietary oil-water-solids separation technology developed by Burt Waste, Inc., of Vancleave, MS.

Three million gallons of food grease collected locally

Last year, Kline's collected more than three million gallons of grease-trap waste from local food-processing companies and restaurants, making the recycling process a practical extension of Kline's waste-management capabilities, Mathis explains.

After cleaning their customers' waste lines, tanks and grease traps, Kline's pumps and hauls the greasy waste to its Salunga facility, where steam is added to separate the oils, water and food debris. As the waste separates into layers, the system decants, or transfers, the water and food for additional processing and retains the oil. The resulting "brown oil," which contains a BTU value nearly

equivalent to home heating oil, fires a boiler that heats the process building and provides excess fuel to heat several other buildings on the Kline's site.

Waste — including the residual heavy grease from those French fries and other fatty foods that you enjoyed last week — is converted into usable energy.

Kline's plans to continue to develop its food-waste recycling process and identify other beneficial applications for the byproducts of the wastewater it handles for customers, says Mathis. "We are working with local municipalities to find different ways of treating — and de-watering technology. In the meantime, local restaurant managers and food processing companies can add Kline's grease-trap service as one of the ways to reduce their carbon footprint."



Kline's Services' food-to-fuel conversion system is one of only four that have been designed and installed nationally. The building housing the system was built with the help of an SBF loan facilitated by EDC Finance Corporation.

*EDC, EDC Finance Corporation
and LancasterProsper Staff*

David K. Nikoloff
President

John W. Biemiller
Vice President

Lyle D. Hosler
Project Manager

Jean K. Rehrig
Office & Systems Director

Annette E. Bart
Program Analyst

Tara L. Claudio
Outreach Specialist, BREP

Janet L. Foster
Administrative Assistant

Welcome to our New ASSOCIATE Members:

Donegal Mutual Insurance Company, Gannett Fleming, Inc., Lititz Mutual Insurance Company, Pennfield Corporation and Scenic Ridge Construction recently joined EDC as ASSOCIATES, increasing our Membership to 130 Lancaster County companies and organizations.

• **Donegal Mutual Insurance Company** is a mutual property and casualty insurance carrier

providing a full line of personal, farm and commercial products. The Marietta-based company operates exclusively through independent agents in Pennsylvania, Maryland, Delaware, Virginia, Ohio and North Carolina.

• **Gannett Fleming, Inc.**, represented locally by an office in Lancaster Township, is an international company headquartered in Camp Hill that provides consulting

engineering, planning and construction management services.

• **Lititz Mutual Insurance Company**, of Lititz, offers homeowners, business, liability and commercial insurance through a network of independent agents in Delaware, Kansas, Maryland, Missouri, North Carolina, Pennsylvania, South Carolina, Virginia and West Virginia.

• **Pennfield Corporation**, of Rohrerstown, is a family-owned agri-business serving customers in the mid-Atlantic and Northeast through its Pennfield Feeds and Ritter Food Service divisions.

• **Scenic Ridge Construction** is a Gordonville contractor specializing in the design and erection of steel buildings for commercial, industrial and agricultural customers located throughout Central Pennsylvania.

WHAT'S ON OUR MEMBERSHIP CALENDAR?

Watch for more details in the coming weeks

Mid-year Membership Update Luncheon with EDC and EDC Finance Corporation Boards

Friday, June 12, 2009
12:00 Noon

Willow Valley Resort and
Conference Center

5th Annual Membership Appreciation Evening at Clipper Magazine Stadium

Wednesday, August 5, 2009, in the
Wheatland Suite

Reception begins at 6:00 p.m.

Game time 7:05 p.m.

Barnstormers vs. Somerset Patriots