



ANNUAL
REPORT
2018

OPENING DOORS TO THE FUTURE





Mike Ross

2018 was another year of significant growth across the County

President's Message

As we begin a new year, which will be the 33rd operational year for the FCADC, it's a time of reflection...to look back on the past and to look to the future. Franklin County has experienced transformative changes over the last 32 years and changes will continue to impact the County...and region...for the foreseeable future. We are in the enviable position, especially within Pennsylvania, to not be faced with the challenge as how to stimulate and create economic development but rather how to manage our growth in such a way as to enhance opportunities and the standard of living for all current and future residents.

As you read through the pages of our Annual Report, you will see that 2018 was another year of significant growth across the County. Virtually every industry sector was impacted ranging from manufacturing and logistics-to-health care, hospitality, and professional services. Labor participation rates increased, however the number of job openings increased by 1.8% and exceeded the availability of workers; wages increased 2.9% year-over-year; and our unemployment rate was 3.7% which was lower than the state average. It was a good year and there is no reason to think 2019 will not be a continuation given that as we begin the year, we have 34 projects in various stages of development.

FCADC Contributors

ACNB Bank	Greg & Debi Duffey
AC&T	e-LYNXX Corporation
ACE Distributing	Epiroc Drilling Tools, LLC
Alliance Engineering	F&M Trust
APX Enclosures, Inc.	First Community Bank of Mercersburg
Boyer & Ritter Certified Public Accountants and Consultants	First Energy/First Energy Foundation
Chambersburg Area Development Corporation	Franklin County Board of Commissioners
Corning Credit Union	

So, what are our challenges? Among the challenges is our lack of existing industrial buildings which stands to impede expansion and site location opportunities; our inverse labor market in which the number of job openings exceeds the number of unemployed; the need to create a greater number of affordable housing units across the County; the need to respond to the increasing demands placed on our education, health care, and human services providers; and the elephant in the room: I-81. I-81 is vital not only to our local economy and way-of-life, but it is critical to our national economy. It has evolved into a highly congested and dangerous highway and it is the poster project for the need of federal infrastructure legislation. Rest assured, the FCADC will be actively engaged in effectively addressing the challenges.

In closing, it is important to emphasize that the FCADC is a public partnership in every sense as it has been the foundation of our success. We value our relationship(s) and thank all those who have contributed to the FCADC as capital campaign contributors and/or event sponsors. Finally, we chose the cover of our Annual Report to show the Jamison Door Company, who is expanding operations into the Wharf Road Industrial Park, as the project reflects our mission **to open doors to the future** for all businesses who want to grow in Franklin County.



of job openings
increased by
1.8%



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average.

and Event Sponsors

Franklin Logistics and Development
HC Gabler, Inc.
JLG Industries
Kornfield and Benchoff, LLP
Lehman Construction Services, Inc.
Letterkenny Industrial Development Authority
Liberty Property Trust
M&T Bank

Norfolk Southern Corporation
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Board of Directors 2018

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Community Representative

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Orrstown Bank

Core Strategies

BUSINESS RETENTION

The retention and expansion of existing companies is the cornerstone to any successful economic development strategy. The FCADC staff spends approximately 90% of its time and resources assisting Franklin County firms.

SELECTIVE ATTRACTION

The attraction of new industries is intended to diversify and strengthen the local economy. The FCADC staff provides a vast array of services to those companies considering a move to the area.

START-UP

The Corporation spends ample time assisting individuals considering business start-ups. The staff is well acquainted with resources and programs that lower the costs of initiating and operating a successful enterprise.

FCADC Services

The FCADC provides a host of services including:

- > **INFORMATION...**The Corporation is a repository of comprehensive socio-economic and demographic data for the County. All information is updated as changes occur;
- > **SITE LOCATION...**Maintains a county-wide inventory of industrial sites and buildings, as well as provides site development services and assistance;
- > **FINANCING...**As a state certified Area Loan Organization and Industrial Development Corporation, the FCADC markets, packages, and administers low-interest loans;
- > **FACILITATION...**Brings together diverse stakeholders in support of common economic development and quality-of-life goals;
- > **LIAISON...**Maintains effective relationships with DCED, the Governor's Action Team, local governments, and elected officials serving Franklin County; and
- > **LEADERSHIP...**Identifies and promotes issues that impact the economic vitality and quality-of-life of Franklin County.

FCADC Mission

The FCADC is a 501(c) (6) private non-profit corporation charged with formulating, implementing, and promoting a comprehensive county-wide economic development strategy. The Corporation strives to create an atmosphere that nourishes planned growth and family sustainable employment opportunities.

FCADC Development Projects 2018

JAMISON
DOOR COMPANY



JAMISON DOOR/BMP GROUP

On August 22nd the FCADC broke ground on a new 50,000 square foot industrial building for Hagerstown, Maryland-based Jamison Door Company. The FCADC is serving as the project developer. When completed the facility will serve as Jamison's latest plant for the production of high-speed roll-up doors in partnership with Italy-based manufacturer BMP Group. The project represents a **\$3.6 Million** capital investment within the Wharf Road Industrial Park.



FIL-TEC



FIL-TEC, INC.

The FCADC completed the construction and ultimately settled on the sale of its 20,000 square foot spec building located within the Wharf Road Industrial Park in Waynesboro. The new building was acquired by Smithsburg, Maryland-based Fil-Tec, Inc. The property is immediately adjacent to Fil-Tec's 45,000 square foot production and warehouse facility. The project represents a **\$1.5 Million** capital investment.

Herbruck's



HERBRUCK'S POULTRY RANCH

In April, Herbruck's Poultry Ranch celebrated the opening of its **\$2 Million** warehouse and cooler facility on Sunset Pike in Chambersburg. Herbruck's purchased the property from the FCADC. In addition to storing eggs from the Company's Michigan location, the facility will provide storage and cooler space for their future Montgomery Township egg-layer operation.



WIPRO INFRASTRUCTURE ENGINEERING

WIPRO Infrastructure Engineering executed a 5-year lease extension with the FCADC for its 35,000 square foot hydraulic cylinder production facility on Sheffler Drive in Chambersburg. Based in Bangalore, India, WIPRO is a major supplier of hydraulic cylinders to regional OEMs. The local facility employs **25 workers**.

FCADC Loan Projects 2018



REBUILDER'S UNLIMITED, INC.

In May the FCADC provided a **\$60,000** low interest loan via its Franklin County First Fund to Waynesboro-based, Rebuilder's Unlimited, Inc. The loan was used to support the acquisition of a new MC Series Touch 2200 CNC machining center. Rebuilder's specializes in the repair, refurbishment, and rebuild of Landis thread generating machines and parts to OEM specifications.



BAXTER GROUP, INC.

The FCADC provided a **\$100,000** low interest loan to environmental remediation, air quality, cleaning, and restoration company, Baxter Group. The loan will be used to support the expansion of company operations. The Company employs 27 people.



FRANKLIN COUNTY VISITORS BUREAU

The FCADC approved a **\$200,000** loan to the Franklin County Visitors Bureau for the acquisition and renovation of the former Sovereign Bank building at 15 S. Main St. in Chambersburg. The **\$1.75 Million** project will serve as the new permanent home of the County's Visitors Bureau.



ROSE RENT LOFTS

CFDC, LLC, a joint partnership between the Chambersburg Area Development Corporation and the FCADC, invested **\$300,000** into the ongoing redevelopment of the former Central Junior High into the highly anticipated Rose Rent Lofts. McKissick Properties is serving as the project developer and it is expected that the market-rate loft apartments will soon be available.

2018 By the Numbers



7 Total Projects



FCADC Support
\$6,600,000



Total Capital Investment
\$18,620,000



105 Jobs



ROI **\$2.82**
of private \$ for every
\$1 of economic
development support

FCADC Activities in Support of Economic and Workforce Development



In June officials from the Waynesboro Area School District toured three companies located within the Wharf Road Industrial Park in Waynesboro. The tours were organized by the FCADC and included stops at Fil-Tec, Inc., Cumberland Valley Analytical Services, and CAM Superline, Inc. The purpose of the visits was to better acquaint the school district staff with the types of jobs available locally.

PA Engage!

The FCADC partnered with SCPa Works on implementing a new business retention program in Franklin County. Known as Engage!, the program is a statewide industry driven initiative designed to proactively call on targeted business sectors in an effort to help identify potential opportunities and/or challenges and offer technical assistance and solutions where possible. Over the course of the year 34 different employers were visited.



The FCADC partnered with the PA CareerLink, Chambersburg Hispanic American Center, and the Chambersburg Community Education Coalition to host a job fair. The event was held at the Clarke Community Center in downtown Chambersburg and featured 25 employers including Wenger's Feed Mill, Ulta Distribution, TB Woods, Inc., ManorCare, Manitowoc, and FedEx Ground, among others.

Franklin County is the center of the scenic Cumberland Valley.

With reasonable lodging rates and more than 1,700 hotel rooms, the County's convenient location couples early frontier, Underground Railroad, and Civil War history with seasonal beauty, year-round recreation, and old-fashioned, hometown appeal.

LEARN MORE →



In early July the FCADC launched a newly redesigned website. Utilizing the latest in multi-media technology, the new site is designed to be more user friendly, while at the same time telling the story of Franklin County's growing and diverse economy. The site includes a custom designed "site selection matrix" where users can "drill down" their search for available industrial buildings and land by square footage, location, and whether the property is an existing building, business park, or a build-to-suit option. The site should be your first choice when looking for comprehensive socio-economic, demographic, and quality-of-life information on Franklin County. Please take a moment to check out the site at www.fcadc.com.



FCADC BUSINESS SURVEY COMPLETED

In February the FCADC electronically surveyed 157 Franklin County-based employers to gauge their opinions of the current business climate in the County. The survey was conducted across all employment sectors, of which 61 companies responded representing a 38% response rate. The results of the survey were presented publicly at the FCADC annual State of the Economy Breakfast on March 6th.

Economic Development Around the County

2018 continued to be another great year for the Franklin County economy. Nearly every sector from manufacturing-to-health care-to-hospitality-to-transportation and logistics experienced positive job growth as well as significant capital investments that were either announced, started, or completed. These are the projects that are setting a positive tone for our County.



In early 2018 the Franklin County Commissioners formally approved a \$67 Million County Court Facility Improvement Program. The plan includes construction of a new 108,000 SF courthouse building as well as renovations to the existing Court House and adjoining Court Annex building. Additional work includes the renovation and expansion of the County Administrative Annex on North Second Street and the construction of a new County archives building.



Indiana-based utility trailer manufacturer Novae Corporation settled on the acquisition of Waynesboro-based CAM Superline, Inc. Additionally, Novae also purchased the adjoining 11 acres of industrial land adjacent to CAM's Wharf Road Industrial Park facility. The lot will be used for future expansion of the local operation. The Company is the 3rd largest manufacturer of utility trailers in North America.



Trucking firm A. Duie Pyle announced plans to build a new truck and maintenance terminal on 35 acres along US Route 11 in Antrim Township. The Company is estimating the creation of 125 jobs at the new location.



Matrix Development Group completed construction of 1.2 Million SF of logistics space at the United Business Park, Exit 24, I-81 in Southampton Township. An additional 1.4 Million SF is planned adjacent to the existing building.



After several attempts, Whitetail Resort was finally successful in obtaining passage of a local referendum permitting the sale of alcohol at the ski resort and golf course in Montgomery Township. It is expected that the new license will result in future capital investments at the popular resort.



Kansas City-based developer NorthPoint Development completed the construction of 800,000 SF of distribution and logistics space within the Antrim Commons Business Park at Exit 3, Interstate 81 in Antrim Township. NorthPoint is planning an additional 4.4 Million SF of warehouse and distribution space on lands adjacent to the existing building.



Penn Cherry, LLC purchased the former Foremost Homes manufacturing campus in Montgomery Township. The acquisition represents a \$15 Million capital investment. The Company is estimating the creation of 42 new jobs within the next three years. Based in Missouri, Penn Cherry dries and scores cherry lumber for shipment to international markets.



Mercersburg-based, APX Enclosures, Inc. acquired the 90,000 SF former Eldorado Stone production plant on Molly Pitcher Highway in Anttrim Township. APX also owns the former Mitchell Machine and Null Machine Shops in Greencastle, as well as a production operation in York and an industrial coatings facility in St. Thomas. The building acquisition represents a \$2.5 Million capital investment.



Milan, Italy-based manufacturer of precision machined cylindrical and planetary gears, Cattini & Figlio opened a small warehouse and shipping facility within the Cumberland Valley Business Park (CVBP). Company officials are continuing due diligence on the potential establishment of a production operation in the County.



Rausch USA, a Germany-based manufacturer of robotic equipment and related components used for the inspection of underground water, sewer, and conduit piping, executed a lease with the Letterkenny Industrial Development Authority (LIDA) on a new 36,000 SF production facility. LIDA constructed the building on Opportunity Avenue within the Cumberland Valley Business Park.



The Franklin County Redevelopment Authority (RDA), which is administered by the FCADC, provided \$25,000 of Housing Trust Fund proceeds to Noah's House, Inc. The funding was used towards the purchase and renovation of a residential property on Lincoln Way East in Chambersburg into a transitional home for those individuals in recovery from substance abuse. The Housing Trust Fund program is administered by the County Commissioners.



Chambersburg-based developer, B. Developed, LLC, acquired the former Jennings Chevrolet dealership on North Second Street in Chambersburg and immediately began a complete renovation and expansion of the property for commercial and professional needs. The location is also home to the new two-story "Grant Street Loft" event center that is owned and operated by The Butcher Shoppe.



In May it was announced that a \$1 Million state Redevelopment Assistance Capital Projects (RACP) grant was awarded to Leg Up Farm. The funding will be used by York-based Leg Up Farm to assist with the development of a \$7 Million therapeutic center for children with special needs. The facility will be located on Mont Alto Road, adjacent to the Penn National Retirement Community.



On December 16th officials with Menno Haven Retirement Community cut the ribbon on a new \$21 Million rehabilitation center on Scotland Avenue in Chambersburg. The project is the latest in the multi-year Project Genesis which encompasses over \$100 Million of planned capital improvements at the retirement community.



Keystone Health began construction on a new 62,000 SF medical office building along Chambers Hill Drive in Chambersburg. The new facility will house several different health care services including, urgent care, pediatric dentistry, administration, occupational and speech therapy, and medical records.

FRANKLIN COUNTY

FCADC 32nd Annual Industry Appreciation Dinner

On September 6th the FCADC celebrated its 32nd Annual Industry Appreciation Dinner. The dinner is one of the most anticipated annual events in Franklin County. The evening honors those employers...large and small...who make Franklin County's economy prosper.

The event, which was attended by nearly 500 people, was held at the Green Grove Gardens event center and featured the entertainment of comedian and juggler Mark Nizer, as well as a raucous Franklin County news report by WTFI Senior Anchor Rock Sterling and cub-reporter, Jacob Stein. The special part of the evening included the presentations of the 2018 Large and Small Business of the Year Awards and the 2018 Zane A. Miller Award. To see the award presentations and WTFI news report check out www.fcadc.com and click on "Who we Are" and scroll down to "Industry Appreciation Dinner".



LARGE BUSINESS OF THE YEAR

Frank Guthrie (r), Plant Manager, and Garry Faehl, Project Manager, Eldorado Stone accept the 2018 Large Business of the Year Award on behalf of Eldorado Stone



SMALL BUSINESS OF THE YEAR

The Shenberger family accepts the 2018 Small Business of the Year Award presented to Mercersburg Printing, Inc.

ZANE A. MILLER AWARD

Joanne Cochran, CEO,
Keystone Health, accepts the
2018 Zane A. Miller Award





FCADC Plan of Action 2019

I. Continuous Improvement of FCADC Administrative/Operational Efficiencies

- Review and improve loan administration policies and procedures
- Improve Board orientation program
- Maintain ALO certification with DCED
- Support continuing education for staff
- Complete year-end financial audit by March 30th
- File all federal & state taxes and related documents by no later than May 15th
- File all state and federal grant reports on a timely basis
- Explore opportunities to further reduce operating expenses
- Provide administrative support to the Franklin County Redevelopment Authority

II. Diversify and Increase Operating Revenues and Reserves

- Actively research and develop opportunities for diversified revenue generation to include project management and property management
- Explore the possibilities of creating a 501 (c)(3) affiliated organization that would allow for the possibility of foundation and grant income
- Maintain a reserve account equal to 10% of anticipated revenues

III. Facilitate FCADC Owned & Managed Development Projects

- Collaborate with existing tenant(s) on the expansion of up to one FCADC owned buildings
- Complete the construction of the 50,000 SF industrial building for Jamison Door Company in the Wharf Road Industrial Park

- Facilitate the sale or lease of the former Danfoss Drives production facility at 1500 Nitterhouse Drive in Chambersburg
- Facilitate the sale or lease of the former welding training center on Opportunity Avenue in the Cumberland Valley Business Park
- Facilitate the sale or lease of the FCADC property located at 207 North Franklin Street, Waynesboro
- Ensure that all FCADC owned buildings are fully occupied

IV. Enhance and Expand Economic Development Services

- Avail applicable economic development resources in support of business investment and job creation
- Maintain effective communications with established Franklin County businesses in support of retention and expansion initiatives
- Maintain a current inventory of industrial sites and buildings on the FCADC website
- Actively support the development of properties that are suitable for economic development
- Continue OEM-based supply chain initiatives
- Provide timely responses to prospect inquiries
- Facilitate periodic reviews and updates of economic development incentive programs
- Facilitate at least (1) economic development project in each of the six public school districts serving the county
- Collaborate and improve targeted marketing campaigns in cooperation with local and regional affiliates

V. Review/Update FCADC Databases

- Gather, analyze, and disseminate socio-economic data that impacts business investment and job creation in Franklin County
- Update and maintain FCADC website and social media
- Publish 2019 FCADC County Profile
- Publish 2018 FCADC Annual Report
- Update FCADC Industrial Directory

VI. Publicize FCADC Activities

- Develop and disseminate press releases for all FCADC sponsored projects
- Regularly publicize FCADC accomplishments and events on the website
- Publish a quarterly FCADC newsletter
- Develop and publish articles and op-ed pieces regarding pertinent issues impacting economic development
- Sponsor and publicize annual Industry Appreciation Dinner
- Sponsor and publicize workshops, seminars, and forums on relevant issues impacting economic development

VII. Support Education and Workforce Development Initiatives

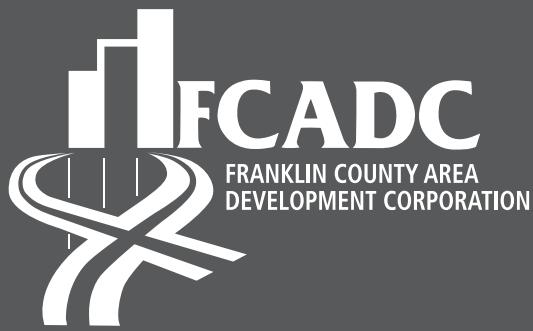
- Participate and collaborate with the South Central Workforce Development Board (SCPa Works) to include the “Engage” program.
- Support “industry-based” training initiatives
- Meet regularly with educational administrators and workforce development officials regarding integrated economic and workforce development strategies

VIII. Support the Retention and Expansion of the Letterkenny Army Depot

- Support initiatives that expand and increase LEAD missions and workload
- Provide administrative support and leadership for Team Letterkenny
- Avail applicable economic development resources to defense contractors seeking to do business with LEAD
- Advocate for state and federal funding of future LEAD initiatives

IX. Maintain Organizational Linkages with Local, State, and Regional Service Providers

X. Maintain Positive Working Relationship with all Local, State, and Federal Elected Officials



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