2013 ANNUAL REPORT

COMMITTED TO BEING THE BEST
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Dear Friend,

2013 proved to be another highly successful year in the continued growth of Franklin County. Many of the project successes are identified throughout this Annual Report, however suffice it to say that the most highly publicized was the decision of Procter & Gamble (P&G) to establish a 1.7 million square foot facility in Southampton Township at Exit 24 of I-81. The $120 Million facility, which is expected to open in September 2014, is one of the largest buildings in the region and is projected to be the place of employment for 963 workers. FCADC staff was heavily involved in the selection of Shippensburg as P&G’s latest investment, including the enactment of a Local Economic Revitalization Tax Assistance Zone in support of the development.

In addition to the P&G announcement, the FCADC had one of its most productive years ever. Over the course of the year, the Corporation invested more than $8 Million in the acquisition of three buildings within the Chambersburg area.

Complementing the expansion of our real estate holdings, the FCADC also served as the project manager for the construction and financing of the highly anticipated North American headquarters for Gate 7, LLC. The 12,000 square foot state-of-the-art production and office building is located in the Antrim Commons Business Park. Finally, in August staff executed an agreement with Brazil-based TORCOMP for the development of a 16,400 square foot manufacturing facility in the Cumberland Valley Business Park. The project is expected to be completed in summer 2014. TORCOMP officials are projecting the creation of 70 new manufacturing jobs as a result of the investment.

All told, in 2013 the FCADC facilitated the completion of 14 economic development projects resulting in more than $137 Million of capital investment and the creation/retention of more than 1,300 jobs. These projects were supported by more than $20 Million of economic development resources. For our efforts, the FCADC was recognized by the Pennsylvania Economic Development Association as its “Large Economic Development Agency of the Year.” Additionally, the Chambersburg region was recognized by online financial consultant NerdWallet.com as the #1 “best town for jobseekers in Pennsylvania”.

It remains our priority to support economic development across all 772.8 square miles of Franklin County, and we especially look for opportunities in those school districts that are not impacted directly by I-81. As we look forward to a prosperous 2014 and beyond, if at any time you have any questions or comments about the FCADC and our services, please do not hesitate to check out our award winning website at www.fcadc.com or contact us directly at 717-263-8282.

-Chuck Sioberg
Chairman of the Board
FCADC MISSION

The FCADC is 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.

CORE STRATEGIES

BUSINESS RETENTION

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 OF NEW BUSINESSES

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. In 2013 the FCADC responded to 20 site selection inquiries from a combination of private industry, corporate real estate consultants, and the Governor’s Action Team. Highlighted among the successes during the year include P&G’s decision to locate in Shippensburg, WIPRO Infrastructure Engineering’s decision to locate in Chambersburg, and TORCOMP’s decision to build in Chambersburg.

START-UPS

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.

- **Leadership**… Identifies and promotes issues that impact the economic vitality and quality-of-life of Franklin County.

FCADC Receives PEDA Large Economic Development Agency of the Year Award… Committed to Being the Best.

In October the FCADC was presented with the “2012 Large Economic Development Agency of the Year” award by the Pennsylvania Economic Development Association (PEDA). The award recognized the economic development successes of the FCADC over the past three years. During that time, the FCADC helped to support 140 economic development projects that resulted in more than $448 Million of private investment. In addition, the investment was supported by more than $52 Million of economic development resources and services availed by the FCADC.

The success of the FCADC has been a collaborative effort between the board of directors and community stakeholders in facilitating strategies that have the greatest potential to create sustainable economic development.
In February the FCADC settled on the acquisition of the 60,000 square foot building located at 1445 Sheffler Drive in the Chambers-5 Business Park. The acquisition represents a $2,700,000 capital investment by the FCADC. In April Sunset Industrial Applications, Inc. (SIA) entered into a lease agreement for the property. SIA specializes in material finishing, industrial painting, and coating. In addition to the facility lease, SIA also completed the purchase of the full paint line from JLG Industries. The new capital investment is expected to result in the creation of 50 new jobs within the next three years. The FCADC also helped facilitate low-interest financing in support of the acquisition of the machinery and equipment.

In May the FCADC acquired the 80,000 square foot manufacturing facility located at 1086 Wayne Avenue in Chambersburg and subsequently entered into a lease agreement with BWise Manufacturing, LLC. BWise is a local manufacturer of utility trailers as well as provides subcontract machining and fabrication services for local original equipment manufacturers. The acquisition represents a $3,700,000 capital investment by the FCADC. The investment is helping to support the retention of 90 BWise employees.

In June India-based WIPRO Infrastructure Engineering signed a lease agreement for the FCADC owned property at 1101 Sheffler Drive in Chambersburg. The 33,000 square foot facility represents a $1,675,000 capital investment by the FCADC. WIPRO is a global leader in the design and manufacture of hydraulic cylinders and is a preferred vendor of Volvo Construction Equipment, Case New Holland, Kubota, Mahindra, CAT, and Komatsu among others. Full production is expected to begin in 2014 and officials are projecting the creation of 50+ jobs. In addition to the facility purchase, the FCADC helped to arrange an incentives package from the Commonwealth in support of the project. The expansion of WIPRO to Franklin County was announced by Governor Corbett in Sao Paulo, Brazil during his South American trade mission in mid-April.

In August Brazil-based TORCOMP Machining & Components signed an agreement with the FCADC for the construction of a new 16,400 square foot North American manufacturing facility and headquarters. The FCADC is serving as the project manager for the construction located within the Cumberland Valley Business Park. TORCOMP is a preferred vendor of machined components and services to Volvo Construction Equipment, Honda, VW, International Truck, and Case New Holland among others. TORCOMP officials are projecting the creation of up to 70 new manufacturing jobs and more than $6 Million of capital investment. The facility is expected to be completed in summer 2014.
## FCADC 2013 Project Breakdown

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
<th>Total Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guilside Farm</td>
<td>Real Estate</td>
<td>$188,100</td>
</tr>
<tr>
<td>DeeTag USA, Inc</td>
<td>Working Capital</td>
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</tr>
<tr>
<td>Sunset Industrial Applications</td>
<td>Real Estate</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>WIPRO Infrastructure Engineering</td>
<td>Real Estate</td>
<td>$1,675,000</td>
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<tr>
<td>Alternate Heating Systems</td>
<td>Real Estate</td>
<td>$3,700,000</td>
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<tr>
<td>ServPro of Chambersburg</td>
<td>Real Estate Renovations</td>
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<td>Craft Alliance Packaging Solutions, Inc.</td>
<td>Machinery &amp; Equipment</td>
<td>$141,000</td>
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<tr>
<td>Stouffer Mechanical Contractor</td>
<td>Real Estate Construction</td>
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<tr>
<td>Lehman Carpet Cleaning</td>
<td>Business Assets</td>
<td>$180,000</td>
</tr>
<tr>
<td>BWise Manufacturing, LLC</td>
<td>Business Assets</td>
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<tr>
<td>Aqua Power Pros, LLC</td>
<td>Machinery &amp; Equipment</td>
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<tr>
<td>Procter &amp; Gamble</td>
<td>Real Estate Construction</td>
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<tr>
<td>Biltwood Powder Coating</td>
<td>Real Estate Purchase</td>
<td>$311,750</td>
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<tr>
<td>Tom Shockey Collision</td>
<td>Machinery &amp; Equipment</td>
<td>$176,425</td>
</tr>
</tbody>
</table>

## FCADC 2013 Project Summary

- **Total Projects**: 14
- **Total Capital Investment**: $137,611,537
- **Economic Development Resources**: $20,525,481
- **Total Jobs Created***: 1,195
- **Total Jobs Retained**: 193

*within three years
FCADC Corporate Giving and Staff Volunteerism

In 2013 FCADC staff provided its time, talent and/or resources to the following organizations, committees, and boards:

- The United Way of Franklin County
- The Chambersburg Hospital Board of Directors
- The Franklin County Planning Commission
- The Franklin County Redevelopment Authority
- The Franklin County Metropolitan Planning Organization
- The Chambersburg Hispanic American Center
- The Franklin County Visitor’s Bureau
- The Franklin County Local Emergency Planning Commission
- Waynesboro Area Advanced Life Support Unit Medic 2
- TEAM Letterkenny
- The Pennsylvania Military Community Protection Commission
- The Franklin County CareerTech Advisory Committee
- The Penn State Mont Alto Campus Advisory Board
- South Central Team Pennsylvania
- South Central Workforce Investment Board
- The Franklin County Prosperity Indicators Steering Committee
- Chambersburg, Waynesboro, Greencastle, Tuscarora, and Shippensburg Chambers of Commerce
- All five Community Development Corporations serving Franklin County
- Chambersburg annual IceFest celebration
- Analysis of the Occupation-Driven Demand for Graduates in Franklin County and SCWIA Steering Committee
THERE’S A LOT GOING ON...

Below is a list of projects that were initiated or brought to fruition in 2013. The successes of 2013 give cause for great optimism that 2014 will also be another great year for Franklin County.

Economic Development Year-in-Review

**Procter & Gamble** announced the construction of a 1.7 million square foot distribution facility adjacent to Interstate 81, Exit 24 in Southampton Township, Franklin County. The $120 Million capital investment is expected to result in the creation of more than 960 jobs.

**Ulta Beauty** completed development of a new “e-fulfillment” center located within its existing distribution facility on Kriner Road in Chambersburg. The $9 Million investment will result in the creation of up to 300 new jobs and will represent the only direct-to-consumer fulfillment facility within the company’s nationwide distribution network.

**Volvo Construction Equipment, Inc.** (VCE) opened its new 36,000 square foot “Headquarters for the America’s” administrative building in Shippensburg. The facility represents another milestone in VCE’s $145 Million capital investment program in Franklin County. In addition to the new administrative building, VCE also unveiled local production of a growing line of motor graders.

**Gate 7, LLC,** a UK-based manufacturer of decals and metal plating for a variety of original equipment manufacturers including Manitowoc and Volvo Construction Equipment, officially opened its new 12,000 square foot North American headquarters in Antrim Township. The FCADC served as the project manager and helped facilitate low-interest financing in support of the construction.

**Fil-Tec, Inc.,** a Smithsburg, MD-based manufacturer of sewing threads, candle wicks, and high-performance industrial yarns purchased Lot 8 within the Wharf Road Industrial Park in Waynesboro. Company officials are planning the development of a new manufacturing facility. The new capital investment is expected to result in the creation of up to 60 new jobs.

**World Kitchen** began construction on its $20 Million renovation and expansion project in Greencastle. The project entails the construction of a new multi-story office building, replacement of the roof, and a 250,000 square foot expansion. World Kitchen was the catalyst for the creation of a LERTA zone in Antrim Township and is expected to result in the retention of 500 jobs.

**BJ’s Wholesale Warehouse** is under construction on a new 88,000 square foot location adjacent to the I-81, Exit 17 interchange. BJ’s will serve as the anchor tenant of new strip-style shopping center, which is designed to accommodate additional outparcel development along Gateway Avenue, including two restaurants.
Coming on the heels of its $100 Million King Street addition to the Chambersburg Hospital, Summit Health announced plans to construct a new $16 Million medical office complex adjacent to the Waynesboro Hospital.

Ventura Foods, LLC completed the 112,000 square foot expansion of its existing manufacturing facility on Orchard Drive in Chambersburg. The $30 Million expansion will result in the retention of nearly 400 manufacturing and related positions.

Pittsburgh-based, Armada Supply Chain Solutions d.b.a. Hub One Logistics, in conjunction with ATAPCO Properties, recently completed development of its new 400,000 square foot distribution facility in Greencastle.

Cobblestone Hotels, an upper mid-western based hotel developer and franchisee, in conjunction with a group of local investors, is developing a new 36 room hotel and conference facility on Washington Township Blvd. in Waynesboro.

Dollar General completed construction of two new retail outlets in Franklin County. The new locations are located on Route 997 in Quincy and Route 75 in Fannettsburg. The projects are important as they will help to increase the commercial tax base in the Waynesboro and Fannett-Metal Area School Districts.

Latrobe, PA based Kennametal, Inc. settled on the acquisition of the tungsten materials business of Allegheny Technologies, Inc. (ATI). The acquisition includes the ATI tooling and thread rolling facility located in Waynesboro (formerly ATI-Landis). According to Kennametal President and CEO Carlos Cardoso, “Kennametal will harness the best of both organizations to provide excellent service and unrivaled capabilities to our customers in diverse markets around the world.”

Norfolk Southern CEO, Wick Moorman, joined local dignitaries in officially dedicating its Franklin County Regional Intermodal Terminal. The $95 Million terminal, located in Antrim Township, began receiving rail deliveries in early 2013.

The Franklin County CareerTech celebrated the completion of its $15 Million dollar renovation project at the Loop Road campus. The project included interior renovations, as well as updates to the curriculum designed to better reflect industry standards and the needs of local employers.

Leidy’s Custom Woodworking, Inc. settled on the acquisition of 33,765 square feet of new manufacturing space for its growing millwork business based in Mercersburg.

The Shippensburg University Foundation entered into an agreement with Shaner Hotels to build and operate a hotel near the Foundation’s conference center on Newburg Road. Shaner Hotels is an approved management company and franchisee of Marriot International, Inc.

Ohio-based Winebrenner Theological Seminary settled on the purchase of the former Scotland School for Veteran’s Children campus. Winebrenner is well underway on the redevelopment of the property and has had significant discussions with groups who are interested in locating at the facility. Potential reuses include educational offerings, housing, healthcare, and professional office space.
FCADC 27th Annual Industry Appreciation Dinner

On September 5th the FCADC celebrated its 27th Annual Industry Appreciation Dinner. The dinner, which isn’t your typical awards 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.

This year’s dinner included an entertaining recap of Mike’s cancer treatment as well as FCADC Dirty Jobs. The keynote speaker was nationally known humorist, Al Walker. The evening also included the presentations of the Large and Small Businesses of the Year awards, and the Zane A. Miller Award. To see complete photos of the evening, please visit the FCADC website at www.fcadc.com.

LARGE BUSINESS OF THE YEAR

Representatives of Volvo Construction Equipment, Inc. accept the 2013 Large Business of the Year Award.

SMALL BUSINESS OF THE YEAR

Representatives of Gabler Trucking, Inc. accept the 2013 Small Business of the Year Award.
We extend special thanks to our corporate sponsors, whom without their generous financial contributions, the event would not be as successful.

**Gold Sponsor**

**Silver Sponsors**

**Corporate Sponsors**

**Reception Sponsor**

**Multimedia assistance provided by:**
- Brad Kipe Creative, LLC
- Eslinger Lighting
- Pictures Plus
- Omega Media
- Will Kauffman
  “voice of the FCADC”
Plan of Action 2014

The FCADC strives to be the best economic development corporation in the Commonwealth and each year we layout an aggressive Plan of Action.

I. Improve FCADC Operational Efficiencies and Increase Revenues
   • Review and improve loan administration policies and procedures
   • Improve Board orientation program
   • Maintain a reserve account equal to 10% of anticipated revenues
   • 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
   • Diversify and increase revenues
   • Explore opportunities to further reduce operating expenses

II. Facilitate FCADC Owned Development Projects
   • Develop additional industrial, commercial, and office building space throughout the County as needed
   • Ensure that FCADC owned buildings are fully occupied

III. Enhance and Expand Economic Development Services
   • Avail applicable economic development resources
   • Continue OEM-based supply chain initiatives
   • Facilitate at least (1) economic development project in each of the six public school districts servicing the county
   • Provide timely responses to prospect inquiries
   • Actively support the development of properties that are suitable for economic development
   • Maintain effective communications with established Franklin County businesses
   • Provide administrative support to the FCADC Angel Network
   • Provide administrative support to the Franklin County Redevelopment Authority
   • Collaborate and improve targeted marketing campaigns in cooperation with local and regional affiliates
   • Facilitate periodic reviews and updates of economic development incentive programs
   • Maintain a current inventory of industrial sites and buildings on the FCADC website
   • Support and collaborate on Quad-State initiatives
IV. Review/Update FCADC Databases
- Update and maintain FCADC website
- Publish 2014 FCADC County Profile
- Publish 2013 FCADC Annual Report
- Update FCADC Industrial Directory

V. Publicize FCADC Activities
- Develop and disseminate press releases for all FCADC sponsored projects
- Develop and publish articles and op-ed pieces regarding pertinent issues impacting economic development
- Sponsor and publicize 28th Annual Industry Appreciation Dinner
- Sponsor and publicize workshops, seminars, and forums on relevant issues impacting economic development
- Regularly publicize FCADC accomplishments and events on the website
- Publish a quarterly FCADC newsletter

VI. Support Education and Workforce Development Initiatives
- Participate and collaborate with the South Central Workforce Investment Board
- Support “industry-based” training initiatives
- Meet regularly with educational administrators and workforce development officials regarding integrated workforce development strategies

VII. Support the Retention and Expansion of the Letterkenny Army Depot
- Support all initiatives that expand and increase LEAD missions and workload
- Continue to provide administrative support to Team Letterkenny
- Avail economic development resources to defense contractors seeking to do business with LEAD
- Advocate for state funding of future LEAD initiatives

VIII. Maintain Organizational Linkages With Local, State, and Regional Service Providers

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