



Annual Report 2017



Welding Training Center
Chambersburg, PA

Economic & Workforce Development

...You Can't Have One Without the Other



Mike Ross

“As we look to 2017, it has the possibilities of being a repeat of 2016... and 2016 was among the most successful in our 30-year history.”

The aforementioned line was taken from our 2016 Annual Report and while I will never be confused with Punxsutawney Phil as a prognosticator, the prediction came true. We saw a number of projects brought to fruition across the County all of which we believe are having a significantly positive impact on the local economy. **And as we look to 2018, unless something completely unexpected occurs, it looks to be a continuation of the prior two years.**

President's Message

As you read this report, specific projects are highlighted ranging from transportation and infrastructure improvements-to-manufacturing, logistics, and agriculture-to-community development and workforce training. The projects span all industry sectors and county geography. To that point, the FCADC is committed to the delivery of economic development services that ensure **any** business located within the 772 square miles of Franklin County has the opportunity to access applicable programs and resources.

So, what are the factors that make 2018 appear to be another banner year? **First** and foremost is our location. Situated within a day's drive of 50% of the North American population with access to all modes of transportation to include one of the most heavily travelled interstate's in the nation for the transport of commerce, it opens up tremendous opportunities for development. Moreover, there are more than 1,500 acres zoned, infrastructured, and available for industrial and commercial development. **Second**, repatriation of off-shore investment in the United States. With the recent passage of federal legislation designed to lower corporate tax rates, it is widely anticipated that it will spawn unprecedented investment and reinvestment across the United States and given our location and network of global companies, it is reasonable to expect some of that investment will take place across Franklin County. **Third** is the expected passage of a federal infrastructure bill. Infrastructure is the genesis of development and quite frankly, we as a nation do not have adequate infrastructure to support the anticipated investment to take place across the Country, and locally I-81 is already beyond its capacity to support substantially more growth. Infrastructure legislation will not only create needed improvements to I-81, it will create the need for expanded production at Manitowoc Crane Group, JLG Industries and Volvo Construction Equipment as well as their respective supply chains. **Finally**, we are working on

a host of projects that are nearing announcements, consequently it adds to a level of confidence that 2018 will be another outstanding year.

One might ask, **what is the biggest challenge that could impede the economic forecast? The short answer is labor availability.** With the growth that is occurring in and around Franklin County, the biggest challenge facing employers is being able to recruit, train, and retain a capable workforce. While infrastructure is the genesis of economic development, creating a skilled workforce is the fuel to sustain it. **It is impossible to support one without the other: economic and workforce development are inextricably connected.** Our future success is dependent on a collaborative and cooperative relationship. While the FCADC has always had a relationship with education and workforce development providers, we will be embarking on new collaborative initiative with SCPa Works known as **Engage!** SCPa Works is the regional workforce

development board serving southcentral Pennsylvania. Engage is a business calling program designed to gather relevant information and to deliver services that will make our businesses more competitive. This program will be impactful in its operational efficiencies and ability to address specific needs of employers.

In conclusion as we look back on 2017 and ahead to 2018 and beyond, the FCADC remains committed to its core mission which is **to formulate, implement and promote a county-wide economic development strategy that nourishes planned growth and family sustaining jobs.** Our success has been the result of the support and direction of our Board of Directors (and ex-officio members) and the dedication and commitment of our staff. If at any time the FCADC can be of assistance, please do not hesitate to contact us at (717) 263-8282.

ECONOMIC & WORKFORCE DEVELOPMENT

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.

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. In 2017 the FCADC responded to 14 site location inquiries from a combination of private industry, corporate real estate consultants, and the Governor's Action Team.

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.

Board of Directors 2017

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FRANKLIN COUNTY AREA DEVELOPMENT CORPORATION

2017 Loan Review Committee

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 Orrstown Bank

Dawn Keller
 Community Representative

Patrick E. Fleagle
 Community Representative

John McDowell
 Community Representative

2017

14

Projects

\$32,871,429

Private Investment

Economic Development Resources

\$1,535,000

259

Jobs Created

201

Jobs Retained

\$1.00

of Economic Development Resources leveraged more than \$21.00 of private investment

FCADC

ATLAS COPCO SECOROC, LLC

The FCADC completed construction of a new 66,000 square foot manufacturing facility for Atlas Copco Secoroc, LLC. The project represents a \$4.3 Million capital investment. The Company employs 100+. The facility was officially dedicated on September 26th. Finally, on December 1st, Atlas formally changed its name to Epiroc Drilling Tools, LLC.

HERBRUCK'S POULTRY RANCH

Michigan-based Herbruck's Poultry Ranch acquired the former Hartung Farm in Montgomery Township for the purpose of developing a \$90 Million egg-laying operation. Additionally, the Company purchased a 15,000 square foot facility from the FCADC and subsequently renovated it into cold storage and distribution space. The facility acquisition represents a \$1 Million capital investment.

PHENOMENAL INDUSTRIES, INC.

The FCADC completed construction of a new 10,000 square foot welding training center on Opportunity Avenue. Phenomenal Industries, Inc. is the operator of the facility. A ribbon cutting was held on August 24th. The project represents a \$1.7 million investment on the part of the FCADC.

VETTER FORKS, INC.

Germany-based Vetter Forks, Inc. purchased a 35,000 square foot industrial building from the FCADC. Vetter manufactures fork tines for lift trucks and related equipment. The Company employs 20+ locally. The sale represents a \$1.75 Million capital investment by Vetter Forks.

GRASSROOTS CANNABIS

Chicago-based AES Compassionate Care/Grassroots Cannabis purchased a 75,000 square foot industrial building from the FCADC for the purpose of establishing the County's first medical cannabis growing and processing facility. The building is located on Wayne Avenue. The acquisition represents a \$3.7 Million capital investment. In addition to the processing facility, two dispensary facilities located in Chambersburg are also expected to open in 2018.

Development Projects 2017

 **Epiroc**



Herbruck's



PHENOMENAL
industries



VETTER[®]
Forks, Inc.




GRASSROOTS



Economic Year-in-Review

2017 ended being arguably one of the most active for economic development and infrastructure upgrades over the past 20 years. In addition to the projects already highlighted, Franklin County saw several important economic development projects take shape throughout the year, most of which the FCADC played a vital role. These important projects are helping to set a positive tone for 2018. Read on to learn more about all that is happening.

CHAMBERSBURG



Bwise Manufacturing

BWise Manufacturing settled on the acquisition of the 414,000 square foot former James River facility on Wayne Avenue in Chambersburg. The acquisition represents a \$9.5 Million capital investment by the Company.



Rausch USA

Germany-based Rausch Electronics opened its new 36,000 square foot manufacturing facility in Chambersburg. The building was constructed by the Letterkenny Industrial Development Authority and is located on Opportunity Avenue. Rausch employs 15 people locally.



Parkwood Drive Extension

The long-awaited extension of Parkwood Drive and its connection to Grandpoint Road was completed. The extension of Parkwood Drive opens up additional commercial and retail opportunities in the growing Gateway Plaza commercial and retail development.



Letterkenny Army Depot

The Letterkenny Army Depot (LEAD) is nearing completion of a 45,000 square foot expansion to Building 350 at the Depot. The facility is the main industrial center at the installation. The project represents a \$15 Million Military Construction investment.



Letterkenny Munition Center

The Letterkenny Munitions Center (LEMC) completed construction of a \$34 Million Rocket Motor Detonation Chamber. The facility allows for the destruction of rocket motors in an environmentally friendly building. The facility will be operational in 2018.



Rural King

Rural King announced plans to open a new facility within the Chambersburg Mall. The national retail outlet specializes in farm and home products.



US Route 11 and PA 997

The reconstruction and widening of the intersection of US Route 11 and PA 997 finally began. The congested intersection is a major artery for access to the Letterkenny Army Depot and Interstate 81. Sheetz will be vacating its current location and moving to an improved facility adjacent to the intersection.



Coyle Free Library

The Coyle Free Library in downtown Chambersburg completed a \$5.5 Million renovation and expansion. Renovations include a “micro-market” by the Butcher Shoppe, a new children’s room, updated technology, a business center, a 48-seat theatre, and community space for up to 80 people.



Central Junior High

The \$10 Million redevelopment of the former Central Junior High School commenced in June. The redevelopment includes 27 loft-style market rate apartments, as well as professional office and institutional space.



Fort Chambers

Private developers completed the redevelopment of the Fort Chambers building on West King Street. The unique facility is situated on the banks of the Conococheague Creek.



Leg Up Farm

Officials with Mt Wolf-based, Leg Up Farm unveiled its plans to construct a multi-million dollar facility for children with special needs. The facility will be located adjacent to Penn National. Leg Up offers therapy and treatment plans tailored specifically for children with special needs and their families in a “kid friendly” environment.



Qualex Manufacturing

Kentucky-based Qualex Manufacturing opened a 30,000 square foot fabrication facility on Sunset Blvd. in Chambersburg. FCADC staff provided site selection assistance to the Company and helped to identify the building as being available.

Economic Year-in-Review

GREENCASTLE



Manitowoc-Crawler Crane

Manitowoc Crane Group announced the consolidation of all of its crawler crane production from Wisconsin-to-Shady Grove. The move is expected to result in 200+ new manufacturing jobs at the Grove facility. In addition to the job creation, Manitowoc has also invested more than \$20 Million into the Shady Grove campus within the past year to accommodate the move. The FCADC provided assistance via the Governor's Action Team and South-Central PA Workforce Development Board.



JLG

JLG Industries announced consolidation of its man-lift production from Orville, OH to three local facilities including Greencastle, Shippensburg, and McConnellsburg. Similar to the Manitowoc project, the JLG consolidation is also expected to result in 200 jobs locally. The FCADC assisted JLG staff with re-location presentations for those employees who showed an interest in transferring from Ohio to positions locally.



NorthPoint Development

Missouri-based NorthPoint Development commenced construction of an 800,000 square foot distribution facility at the Antrim Commons Business Park. The Company has plans to develop adjacent parcels into transportation and logistics space.



Blaise Alexander Dealership

Blaise Alexander started construction of a large auto dealership and service center in Antrim Township. The facility is also located within the Antrim Commons Business Park.



Eldorado Stone

Eldorado Stone took occupancy of its new 432,000 square foot production and warehouse facility in Greencastle. The Company is consolidating its current Greencastle location and a sister-facility from Hagerstown at the new building. Eldorado employs more than 240 locally and is projecting the creation of more than 50 jobs as a result of the project. The FCADC helped to avail assistance via the PA Governor's Action Team.



Summit Health

Summit Health announced plans to develop a 40,000 square foot medical office building in Antrim Township. It is expected that construction will commence in 2018.

SHIPPENSBURG

TST IMPRESO

TST Impreso

TST Impreso completed construction of 100,000 square feet of new manufacturing space at the United Business Park. The investment will help to retain 60+ employees.



Matrix Development Group

Matrix Development Group completed construction of 1.2 Million square feet of logistics space also within the United Business Park. Additionally, Matrix is planning for 1.5 Million square feet on Lot 1 within the Park.



Rowe Road/US Route 11 Intersection

Officials with Volvo Construction Equipment, Southampton Township (Franklin County), the Borough of Shippensburg, PennDOT, the FCADC, Senator Rich Alloway, Congressman Shuster, and the Cressler Family Partnership cut the ribbon on the new Rowe Road and US Route 11 intersection. The new improvements will greatly enhance safety at the busy intersection. The FCADC played a key administrative role in the development of the project.

WAYNESBORO



Hadley Farms Bakery

Hadley Farms Bakery formally announced plans to construct a 110,000 square foot bakery facility on Lot 5 within the Wharf Road Industrial Park. Currently located in Smithsburg, MD, the Company intends to relocate 120+ jobs to the local facility. It is expected that construction will begin sometime in 2018. The FCADC helped to avail economic development resources from the PA Governor's Action Team.



Mainstreet Waynesboro, Inc.

Mainstreet Waynesboro, Inc. completed development of a new downtown parklet at 21 E. Main Street. The parklet represents a significant community project for downtown Waynesboro. Future plans include the redevelopment of an adjacent property into a commercial store front, professional office space, and market rate apartments. The Franklin County Redevelopment Authority (which is administered by FCADC staff) has provided financial assistance for parklet planning and development.



CAM Superline

Utility trailer manufacturer, CAM Superline, Inc. was acquired by Indiana-based trailer company, Novae Corp. The acquisition was completed in August. Officials with Novae intend to grow the local operation, which employs more than 100 people.

FCADC and Franklin County gets National Recognition... AGAIN!

In November, the FCADC and Franklin County were again recognized by Business in Focus magazine. The nationwide publication highlighted the work of the FCADC over the course of the past year, as well as the business climate of the County. According to the article...

“Franklin County has access to a highly skilled labor force of 490,000 within a forty-mile radius. This along with extensive interstate highways, access to rail, local and international airports, water access through the ports of Baltimore, Philadelphia, Pittsburgh and “shovel-ready” sites of over 1,500 acres of developable land near transportation and public utilities all adds up to one thing...Franklin County is an ideal place to do business.”

94 NOVEMBER 2017

One of Pennsylvania's FASTEST-GROWING Counties



Franklin County lies about fifty miles south of Harrisburg and just ninety miles northwest of the Baltimore-Washington area, which makes it perfect for a range of industries and highly desirable for companies' transportation and logistics needs. The county attracts both new and established companies for many reasons, from a business-friendly climate to its location on busy Interstate 81 in south-central Pennsylvania, which is nothing less than ideal for growth and development.



Atlas Copco Secoroc, LLC

Written by Robert Hoshowsky

“The fact we are on Interstate 81 is a big deal,” states Mike Ross, a proud Pennsylvania resident. “Within a twelve-hour drive, you can effectively hit fifty percent of the North American population.”

Ross has served as president of the Franklin County Area Development Corporation (FCADC) for the past thirty-one years. The development corporation has had many accomplishments over the decades, yet Ross is focused on the future of the historic county, named in honor of founding father Benjamin Franklin.

A prime location, business parks, a designated Keystone Opportunity Zone, tax abatements and a development corporation focused on nurturing existing businesses and bringing new industries to the area are just some of the reasons that draw global businesses like multinational consumer goods manufacturer Procter & Gamble, Swedish construction equipment manufacturer Volvo and many others.



Ribbon Cutting Atlas Copco

Planning for the Future...

Recognizing the need for small to mid-sized industrial space in the County, in late 2017 the FCADC broke ground on a new **20,000 square foot “spec” building**. **The facility is located on 4.6 acres of industrially zoned land within the Wharf Road Industrial Park in Waynesboro**. Lehman Construction Services, Inc. is serving as the general contractor and the Patriot Federal Credit Union and Pennsylvania Industrial Development Authority are providing financing. The building, which will be available for lease or purchase, is expected to be completed in the late Spring of 2018.



FCADC 31st Annual Industry Appreciation Dinner

On September 7th the FCADC celebrated its 31st 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, featured the magic of mentalist Keith Matheny, as well as a raucous Franklin County news report by WTFI Senior Anchor Rock Sterling and Rabbi-in-Training, Jacob Stein. The special part of the evening included the presentations of the 2017 Large and Small Business of the Year Awards and the 2017 Zane A. Miller Award. For videos of the award presentations, visit www.fcadc.com or the FCADC Facebook page.



LARGE BUSINESS OF THE YEAR

Employees with Ulta Beauty Distribution accept the 2017 Large Business of the Year Award.



SMALL BUSINESS OF THE YEAR

Rod Hocker, (center) President, Johnnies, Inc., accepts the 2017 Small Business of the Year Award.



ZANE A. MILLER AWARD

James S. (Jim) Junkin (center) was the recipient of the 2017 Zane A. Miller Award.

We extend special thanks to our corporate sponsors, whom without their generous financial contributions the event would not have been as successful.

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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

- Develop a 20,000 square foot industrial spec building on Lot 7, Wharf Road Industrial Park.
- Collaborate with existing tenant(s) on the expansion of up to two FCADC owned buildings
- 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 2018 FCADC County Profile
- Publish 2017 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 (SCPWorks)
- 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 a Positive Working Relationship with all Local, State, and Federal Elected Officials



L. Michael Ross, *President*
Judy Evans, *Operations Manager*
Rhonda Wojciechowski, *Loan Administrator*
David B. Mackley, *Special Projects/Research*

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The Franklin County Area Development Corporation is an award-winning Economic Development Agency 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.

