

BUCKS PROSPECTUS

A Newsletter for Bucks County's Business & Industry Communities



Lifetime Achievement Awards -
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SPOTLIGHT ON BUCKS | BCEDC HISTORY

It's all about Retaining and Creating Jobs!



This year, 2018, marks the 60th anniversary of Bucks County Economic Development Corporation's continuous support and dedication to Bucks County's thriving economy. The organization has been a vital part of the robust and changing business dynamic in the county since 1958, when a handful of county officials and business men and women made a commitment to Bucks County's growth and prosperity.

BCEDC is an integral part of the growing and changing story that is Bucks County, by offering low-interest financing and creative packages to make business opportunities and healthy-wage jobs a reality for more people.

Carl Wallnau was a BCEDC board member for 52 years and served as president 1968 and 1969. "I went on the board in 1964. At the time, we had \$100,000 in seed money and one of the outstanding things we established was the Industrial Development Authority. It opened up a lot of financing that we could do," said Wallnau of Newtown.

"You need money to create dreams," Wallnau said.

In those early years, BCEDC was driven by volunteers who donated their time and professional services. An active player in Bucks County's boom cycles as well as a hands-on participant in the reinvention of properties dominated by the likes of U.S. Steel and 3M – now long gone – BCEDC leads the way with expansion guidance and a helping hand to attract entrepreneurs to the county.

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See Page 16...

Learn how we
saved clients
15% - 18%





BCEDC TIMELINE

1958

Bucks County Industrial Development Corporation (BCIDC) was formed.



1959

The very first PIDA deal completed with Strick Division of Fruehauf Corporation.

1967

The Bucks County Commissioners created the Bucks County Industrial Development Authority (BCIDA) to provide tax-exempt Industrial Development Bond and Mortgage financing for businesses of all types.

1975

New Hope Ivyland Railroad – BCIDC purchased the trackage from the Steam Trains, Inc. to preserve rail service through the center of Bucks County.



SPOTLIGHT ON BUCKS | BCEDC HISTORY

Retaining and Creating Jobs continued

“The marketplace has changed, and the way business is done has changed,” said Jerry Forest, BCEDC Vice President. Forest has been on the board of directors for 50 years. He has witnessed sweeping changes in communities across the county – from ground breakings to ribbon cuttings. He insists the core mission – a simple one – remains the same. “We want to create and retain jobs and help companies expand,” Forest said.

In addition to quality job creation and retention, BCEDC is an industry advocate. It helps identify future growth and serves as a point of contact for development projects with county and other economic agencies. BCEDC’s relationships coordinate and tap into federal, state and local financing to get projects off the ground. BCEDC services include business and industry financing packages, site sourcing, information and data research and education. Through its vast network of contacts BCEDC is able to make introductions to other agencies and potential quality workforce development sources and resources.

As a certified partner of Pennsylvania Industrial Development Authority [PIDA], BCEDC creates strategies and leverages loan

packages to attract and drive new business to the county. “PIDA is the workhorse and backbone of BCEDC,” stated Robert Cormack, BCEDC Executive Director.

The inaugural loan utilizing PIDA funding took place in 1959 when the Strick Division of Fruehauf Corporation was given funding by BCEDC, among other agencies, and in conjunction with PIDA. The funding made the move from Philadelphia to Fairless Hills possible, in addition to building Strick Trailers’ campus in Falls Township to accommodate future growth.

“Without securing the land with support of [PIDA], the Strick Trailers factory may not have been [moved to] Bucks County,” said Bill Koelewyn, general manager of 225 Lincoln Properties, L.P. in Fairless Hills. Today, 225 Lincoln Properties offers a business incubator environment along with warehouse, office and records storage space, another successful reinvention.

The BCIDC (now the BCEDC) purchased the New Hope Ivyland Railroad, which was once on the brink of folding. BCIDC purchased the railroad in order to preserve rail service through the center of Bucks County. After its successful turnaround, the railroad

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1979

BCIDC purchased the building at 2 E. Court Street, Doylestown.

1983

Bucks County created the Bucks County Revolving Loan Fund (RLF) with grant funding from the US Department of Housing and Urban Development.

**1989**

Current Executive Director, Robert Cormack was hired.

The Business Builder Loan Fund (BBLF) was established by BCEDC.

1990

313 Study Task Force Committee was formed.

1991

The first Business Builder Loan Fund, \$400,000 was approved. North Penn Polishing Plating, Inc., Sellersville borrowed the money to install a state of the art waste water system.

1993

BCEDC sold the New Hope Ivyland Railroad.

1995

Lockheed Martin announced it will establish a Center for Excellence in Bucks County.

The first Enterprise Zone was established for Bucks County.

**1997**

BCIDC's name changed to BCEDC - Bucks County Economic Development Corporation.

SPOTLIGHT ON BUCKS | BCEDC HISTORY*Retaining and Creating Jobs continued*

line was sold in 1993 and remains a mainstay tourist attraction to the New Hope area and still services the manufacturing base associated with rail transportation.

Reinvention has played a significant part of the resurrection of the former Warminster Naval Air Base and its Johnsville Centrifuge, where astronauts like the late John Glenn, the first American to orbit the earth, trained for space exploration. Today the rejuvenated site is back on the tax rolls as The Fuge, a popular and unique special events center. The project is one example of BCEDC insight, collaboration, creativity, and deal brokering. The massive plan included the repurposing of the 875-acre site with 1.2 million square foot facility and 8,500 feet of runway in Warminster, surrounded by residential neighborhoods and other businesses and industries. Being mindful of costs and good stewards of taxpayer dollars is a BCEDC priority. The Naval Air Warfare Center was a part of a no cost base conversion called BRAC 95 to Bucks County's authority – The Federal Lands Reuse Authority," said Robert "Bob" Cormack BCEDC Executive Director. The FLRA, a county agency, contracted with Bob and the BCEDC to be the COO of the FLRA and oversee the activities of the base transition.

Working hand-in-hand with funding agencies, government, and business owners, BCEDC is in a position to put favorable financing deals together and help developers take concepts to shovels, bricks and mortar. "In 1983, the unemployment rate was high. U.S. Housing and Urban Development (HUD) dollars created a loan funding program with Bucks County to jump start employment. Once again the County of Bucks turned to BCEDC to administer the program," Cormack explained. That program, the Revolving Loan Fund (RLF), stimulated job growth.



In 1967, the Revenue Bond and Mortgage program was created, and Bucks County once again collaborated with BCEDC to administer the program. "In 1986, the Reagan era began and resulted in changes to tax free financing," Cormack said. "Those changes allowed private investment for companies to expand and grow, but it was specific to manufacturing, 501(C3) agencies and tax-exempt facilities."

BCEDC has been instrumental in the successful implementation of Keystone Opportunity Zone (KOZ) and Pennsylvania's Local Economic Revitalization Tax Assistance Act (LERTA) programs. Such programs have been useful in the repurposing of U.S. Steel in Fairless Hills, the 3M and Lockheed Martin sites in Newtown Township, Lenox China in Bristol Borough, Estée Lauder Companies in Bristol Township and US Cold Storage in Richland Township, among many others.

By the numbers, how did BCEDC do? From 1958 to 2017, BCEDC's total capital investment was a staggering \$5.804 billion with 78,973 jobs created and retained. That's unimaginable, quality growth from \$100,000 in seed money!

In 1997, to be more inclusive, Bucks County Economic Development Corporation's name was changed from "Bucks County Industrial Development Corporation."

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1999

BCEDC was asked by the Federal Lands Reuse Authority (FLRA) to manage the base closure of the former military base in Warminster.

2004

BCEDC sold the remaining parcels of the military base in Warminster to the private sector.

**2010**

Lower Bucks County Chamber of Commerce Economic Development Award.

2013

BCIDA separates from BCEDC becoming an independent agency, no longer receiving administrative assistance from BCEDC.

2017

BCEDC moved from 2 E. Court Street to 115 W. Court Street, Doylestown.



SPOTLIGHT ON BUCKS | BCEDC HISTORY

Retaining and Creating Jobs continued

That turned out to be a watershed year for the organization's efforts – 528 new jobs were created, and 1,342 jobs were retained. BCEDC economic projects in 1997 alone created 53 loans to 39 companies and arranged more than \$32.8 million in financing with a capital investment of \$46.6 million. Remember, that's during a 12-month period. Along with the numbers comes well-earned recognition.

Dr. Kathleen Dominick, a two-term past BCEDC board president (2010 - 2013) said she's most proud of the organizations top ranking in the PIDA Pennsylvania Loan Program for small and medium-sized businesses.

BCEDC partnerships extend to Keystone Enterprise Zones, E-Zone financing and working partnerships with PIDA, Local Economic Revitalization Tax Assistance [LERTA] programs, the Bucks County Commissioners, Bucks County Industrial Development Authority and Bucks County International Trade.

According to the 2010 census, about 625,000 people call Bucks County home.

Bucks County is uniquely divided into three regions: lower, central, and upper Bucks, all with different industries, cultures, assets, and aspirations. These three distinct regions all have BCEDC's stewardship as a singular factor joining them in their quest for economic growth and prosperity. BCEDC works along with the major chambers of commerce from these Bucks County regions to put local emphasis on job creation and retention. Those who stand to benefit the most are the residents who live and work in the 54 municipalities that make up Bucks County.

Uniquely situated between Philadelphia, the Lehigh Valley, Delaware River and Montgomery County, Bucks continues to be known for its rich farming history, but its

emerging E-commerce, clean manufacturing and tech start-ups drive 21st century commercial prospects. While bear and bull investment cycles may open or close the doors to capital for new business ventures, BCEDC makes a pivotal contribution to their success. "We don't take as many risks today as we used to because financing is limited, but we have to take some risks to help people grow," Forest admitted.

Dr. Dominick said there is room for growth. "We need improvement in collaboration with various economic agencies and government. We need central services for businesses not covered by loan programs in Upper Bucks for development and distribution. [We need a] push for Class B office space and retail there," Dr. Dominick said. She added that she'd like to see more cohesive and strategically planned development approach to school campuses, which would require a united front from all stakeholders.

Potential for growth and expansion beyond Bucks County's borders could become the organization's next frontier. "We are looking to branch out. We are approved as a primary lender for diversified funding programs for military vets, woman and minority and LGBT owned businesses," Cormack said.

Aligning a fresh goal of representing the seven counties including Delaware, Montgomery, Chester, Bucks, Lehigh, Northampton, and Berks is on Cormack's "to-do" list and part of an ambitious plan to grow the metropolitan region surrounding Philadelphia.

"We are looking at all opportunities where we can expand and grow. We want to create an organization that can spread its wings and go into other counties. Right now, the door is wide open," Cormack said. We will continue our mission to retain and create jobs for Bucks County residents by expanding our activities in the region.



Rob's inspiration, instigation and passion have been instrumental in making the BCEDC a real success over the years. He regularly constructively challenges the status quo and that challenging has helped us reach heights we may not thought possible. His contribution to the board will be felt for a very long time. —Jim Tyrrell



NOTEWORTHY NEWS | LIFETIME ACHIEVEMENT

Robert Steinhart



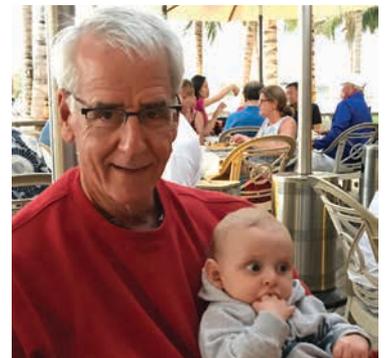
In the sixty years since its inception, the Bucks County Economic Development Corporation (BCEDC) has been dedicated to creating a vital and strong economic base through the preservation and creation of job opportunities for Bucks County. The linchpin in its success to fulfill its mission is the organization's dedicated and talented volunteers. In recognition of their untiring efforts, we presented two Lifetime Achievement Awards as we marked our Diamond Anniversary of service to Bucks County and its residents.

It is an honor to present Mr. Robert B. Steinhart with the BCEDC Lifetime Achievement Award.

Mr. Steinhart joined the corporation in 1983 and distinguished himself as an outstanding leader and dedicated volunteer. Robert served as president from 2008 to 2010 and remains an active member on our board of directors from 1993 and executive committee since 2000 to present. He has chaired numerous special committees over the years from strategic planning to relocation committee. His invaluable insights and commitment to excellence is evidence in the continued success of the BCEDC as well as other community-based organizations.

Robert is a dedicated husband, loving father of a son and daughter and has one grandson. In his free time he enjoys playing golf, hiking, sailing, kayaking and spending time with his family. He is an international real estate principal and executive who has expertise in appraisals, marketing, and information systems.

BCEDC takes great pride in recognizing and honoring Rob Steinhart as a recipient of the 2018 Lifetime achievement Award.





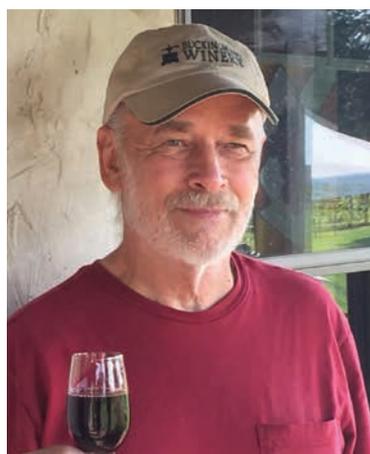
Jerry is and has been the conscience of the Board. His honor, ethics and transparency help remind all of us how much better the world could be if more people went through life as Jerry does. He brings a special vision and insight to the board and to the BCEDC without which we would not have accomplished all that we have.

—Jim Tyrrell



NOTEWORTHY NEWS | LIFETIME ACHIEVEMENT

Gerald Forest



This year's second recipient started from humble beginnings, and had parents that hoped he would become a doctor. He wanted to purchase the first Honda Motorcycle franchise in North Jersey where he grew up. He and his parents settled on the Wharton School at the University of Pennsylvania, where he studied Economics and Statistics.

Strumming his guitar at the University of Pennsylvania with his roommate Vladimir Guerrero, Jerry often talked about owning a winery and making wine. That is also where he met his wife of 50+ years and had three children. During those early years he worked a few corporate jobs including Weyerhaeuser and General Foods.

Eventually he took a job in Bucks County and moved his family to Levittown. He began buying property in Buckingham in 1966 through 1986 totaling 42 beautiful acres and started planting grapevines. In 1973 he and Kathy received one of the first winery licenses in Pennsylvania. They were proud to produce a white, red and Rosé at the high price of \$2.75 a bottle. In 1976, the Forests formed the Pennsylvania Wine Association.

Fast forward fifty years, he still owns and operates Buckingham Valley Vineyard and Winery, one of Pennsylvania's largest wineries, along with Kathy and their three sons. He still plays a key role in the daily operations working part time... twelve hours a day/seven days a week. They grow, produce, and sell over twenty different varieties of wines including sparkling wines. He often reminds his family that life is a journey not a destination.

Though Jerry has always worked hard at fulfilling his dreams, he has always found time to give back to his community. He has served on the boards of the Bucks County Economic Development Corporation, Bucks County Industrial Development Authority, Lower Bucks County Chamber of Commerce, Bucks County Tourist Commission, and the Bucks County Wine Trail. These are just a few of the organizations for which he has volunteered.

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NOTEWORTHY NEWS | LIFETIME ACHIEVEMENT

Gerald Forest continued

Jerry joined the BCEDC in 1970 when it was still called the Bucks County Industrial Development Corporation (BCIDC). He has served as President of the Executive Committee; 1984-1985, 1992-1993, & 2002-2003. He has also served as Vice President, Secretary, Treasurer, Past President and Member at Large, has been on the Strategic Planning Committee, and still serves on the Personnel Committee. Jerry is a valuable asset to the BCEDC organization with his knowledge of Bucks County, economics and his positive outlook and laid-back nature.

It is because of this public service he has been chosen for the life time achievement award.



WHAT'S HAPPENING



SAVE THE DATE

MABC 2nd Annual Educator's Symposium-Seek and Find Solutions for your Talent Pipeline

If I had an hour to solve a problem and my life depended on it, I would use the first 55 minutes determining proper questions to ask —Albert Einstein

DATE: September 26, 2018, 8:30 AM

LOCATION:

Manufacturers' Country Club
511 Dreshertown Rd.
Fort Washington, PA 19034

Check for updates here: www.bcedc.com/news-events/events



THE BOTTOM LINE | OFF-SITE WAREHOUSING

The Benefits of Off-Site Warehousing

Growing business leads to growing operations, this can eventually lead to lack of space at your facility. Your square footage, whether indoor or outdoor, is expensive to build and maintain, and needs to be purposed for the greatest return to your operation. If your long-term storage of idled machinery and equipment is getting in the way of expanding manufacturing or more critical high-turn warehousing, look into off-site warehousing as a solution.

Whether you're an owner, contractor, manufacturer or equipment dealer, make getting the most out of every square-foot of your facility a part of your goals.

If you run a business and don't have enough space to support your growing operations, off-site warehousing is a fantastic option to explore. Even if you have the space now, your business may require more square-foot storage in the future if you're growing.

Let's look at how your business can benefit from off-site warehousing and storage:

- **Cost-Effective:** Look at the total square-foot cost of your facility including both the amortized capital cost and ongoing utility and maintenance costs. If you need more production space or high-turn warehousing space, but can't find it because of long-term idled machinery or equipment, off-site warehousing can save you a bundle of money. Don't build, warehouse what you can off-site and repurpose that square footage for operations that give you a return.

- **Turn-Key Service:** Off-site storage makes it easier for you to coordinate large, long-lead items in your business or project schedule. A&A can receive your long-lead items directly from your supplier and warehouse them until your project schedule is ready. Then, we'll deliver to your facility or job site.

- **Location:** This is essential. Choosing to keep your machinery and equipment in an off-site storage facility, close to your facility and target customers' location makes the delivery process quicker and more efficient for your business. A&A

Machinery operates three warehouses, conveniently located within minutes of I-95 and both the Pennsylvania and New Jersey Turnpikes, giving easy access to all major arteries serving the area.

Off-site warehousing and storage is a more effective, organized, and affordable solution for your growing business. When you need reliable, safe and secure off-site storage, turn to A&A Machinery Moving for your warehousing solution. Operating over 170,000 square-feet of warehousing, local to Bucks County, we can provide local warehousing and storage for equipment and machinery of any size.

For your off-site warehousing and storage needs, talk with us at A&A Machinery Moving, Inc.

Call 215-428-1100 or email us at AAmoving@aamachinery.com to inquire about our turn-key storage solutions. Visit www.AAmachinery.com to learn more.

A&A Machinery Moving, Inc.
201 Dean Sievers Place
Morrisville, PA 19067



For Equipment Loans:

3.75% fixed rate for the full term of the loan.

For Working Capital and Accounts Receivable Lines of Credit:

3.75% fixed rate for 12 month period.

For Pollution Prevention and Energy Efficiency Loans:

2.00% fixed rate for the full term of the loan.

FINANCIAL TOOLBOX | PIDA

Pennsylvania Industrial Development Authority Interest Rates - 2018 Second Quarter

The Pennsylvania Industrial Development Authority (PIDA) recently updated its interest rates for the quarter through June 30, 2018. As the Certified Economic Development Organization (CEDO) for Bucks County, BCEDC can work with prospective applicants and their financial institutions to prepare and submit applications for PIDA funding. Terms and rates vary depending on the type of business, the project, and the use of funds.

For Real estate loans financing eligible land and building costs, borrowers will have the following interest rate options:

For term loans with a regular amortization;

1. Fixed interest rate for the full term of the loan (up to a 15-year period), set at the current 10-year treasury yield + 100 basis points. Based on the current 10-year treasury yield, the fixed rate option is 3.75% for the life of the loan.

2. Fixed interest rate for a seven (7) year period set at the 10-year treasury yield.

After seven years, *the rate will reset* to the then-current 10-year treasury yield. Please note, the reset rate is limited to a 200 basis

point increase/decrease. *The reset rate is then fixed for the duration of the loan.* Based on the current 10-year treasury yield, the rate for the initial (7) year period is 2.75%.

For 10-year term loans with a 20-year amortization period;

1. Fixed interest rate for the full term of the loan (10-year period). This option is calculated using the 10-year treasury yield +100 basis points. Based on the current 10-year treasury yield, the fixed rate option is 3.75% for the life of the loan.

2. Fixed interest rate for a five (5) year period set at the 10-year treasury yield. After five years, *the rate will reset* to the then-current 10-year treasury yield. Please note, the reset rate is limited to a 200 basis point increase/decrease. *The reset rate is then fixed for the duration of the loan.* Based on the current 10-year treasury yield, the rate for the initial (5) year period is 2.75%.

For additional information on the PIDA program, contact Jim Pawlikowski, Loan Manager, 215.348.9031.

FINANCIAL TOOLBOX | 504 PROJECTS

This New 25 Year Debenture Will be Made Available for 504 Projects

SBA Administrator Linda McMahon has announced that the U.S. Small Business Administration is offering a 504 Loan and the Debenture that funds it with a 25-year maturity. This new 25 year Debenture will be made available for 504 Projects that are approved on or after April 2, 2018.

The new 504 Loan term complements the 10- and 20-year 504 Loan and Debenture that have been available since 1986. Small businesses, the Certified Development Company industry and the third-party lenders have emphasized the need for an affordable, fixed-rate instrument with a term-to-maturity more closely resembling other longer term mortgages.

“This option for extending the payment cycle by an additional 60 months gives small business borrowers the opportunity for lower monthly payments, which can significantly help their cash flow,”

McMahon said. “This increased flexibility in their loan terms will put them in a better position to manage their capital and face challenges like rising operating expenses.”

The Federal Register Notice announcing the 25-year term is available at www.gpo.gov/fdsys/pkg/FR-2018-04-04/pdf/2018-06823.pdf.

The 504 Loan Program is an SBA business loan program authorized under Title V of the Small Business Investment Act of 1958, 15 U.S.C. 695 et seq. The core mission of the 504 Loan Program is to provide long-term financing to small businesses for the purchase or improvement of land, buildings, and major equipment, to facilitate the creation or retention of jobs and to support local economic development. Under the 504 Loan Program, loans are made in conjunction with private sector lenders to

small businesses by Certified Development Companies (“CDCs”), which are certified and regulated by the SBA to promote economic development within their community.

For questions about the 504 Loan Program, please contact: Linda Reilly, Chief, 504 Loan Program, 202-205-9949

About the U.S. Small Business Administration

The U.S. Small Business Administration makes the American dream of business ownership a reality. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start and grow their businesses. It delivers services to people through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov.

BCEDC BUSINESS HAPPENINGS

Lyophilization Technology, Inc. (LTI) was approved to borrow \$1,440,000 from PIDA thru BCEDC to purchase and renovate a 27,000 square foot building in **Warwick Township**. The building is located in a Keystone Innovations Zone (KIZ). The project with a total project cost of \$2,995,000 will result in creating 13 new jobs and retaining 24 jobs.

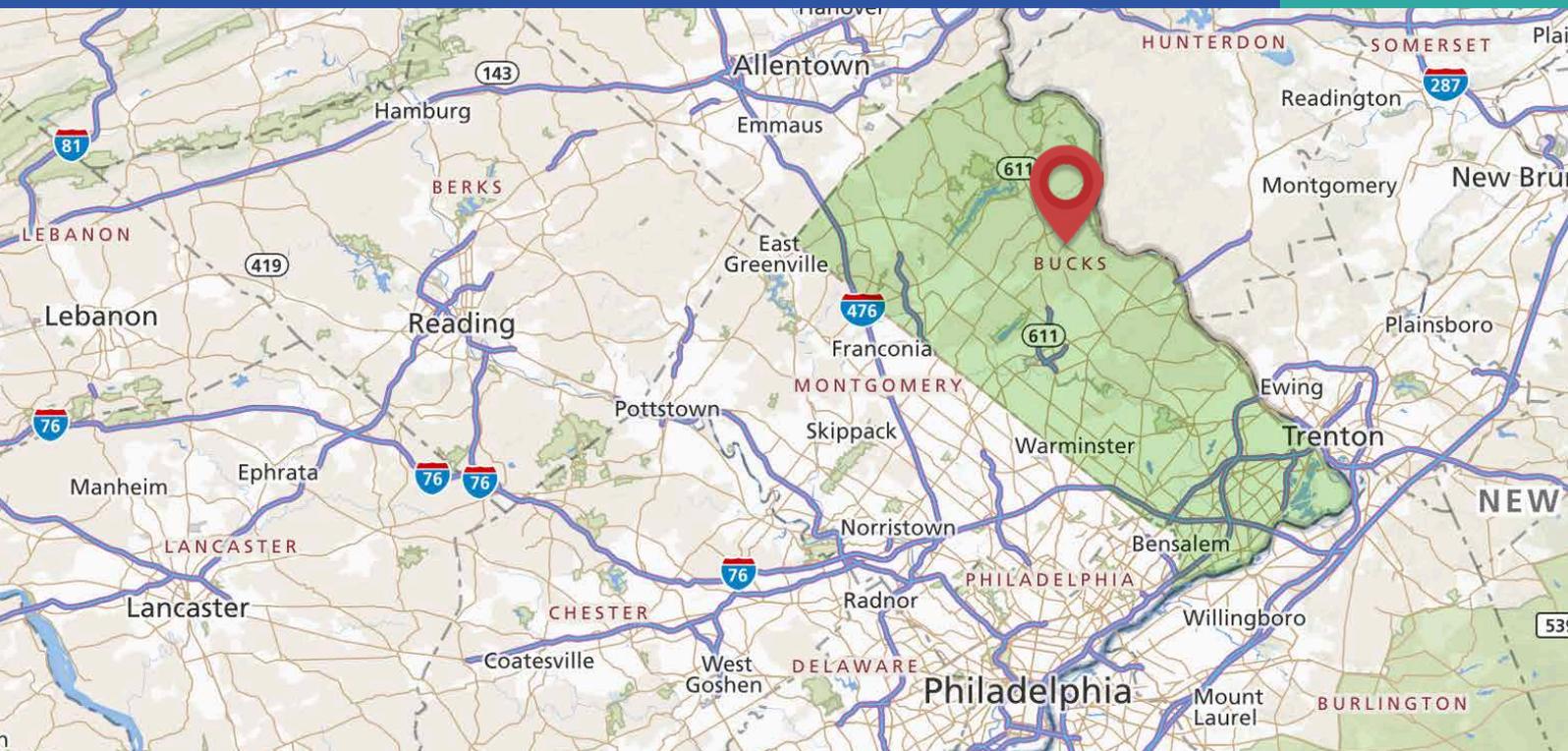
LTI is a Contract Development & Manufacturing Organization (CDMO) focused on all aspects of lyophilization for preparation of health care products.

A PIDA loan thru BCEDC was approved for **Home Healthworks, Inc.** in the amount of \$386,000 to purchase two condo units in **Bristol Township**.

The total project cost was \$870,000 and the company will retain 25 jobs.

A family owned and operated business since 1994, Home Healthworks, Inc. is a provider of medical and homecare equipment.

Municipality	Loan Program	\$ Borrowed	SQ FT	Reason for Loan	Jobs Retained	Jobs Created
Bristol	PIDA	\$386,000	9,684	Building Acquisition	25	0
Warwick	PIDA	\$1,000,000	27,000	Building Acquisition & Renovations	24	13
TOTAL		\$1,386,000	36,684		49	13



**BUCKS COUNTY
LEASE ACTIVITY
FEBRUARY - MAY 2018**

*Information provided by
Nappen & Associates, Roddy, Inc.
and The Flynn Co.*

BRISTOL	SQ FT
Industrial	5,300
Industrial	18,700
Industrial	25,000
Grand Total	49,000

FEASTERVILLE	SQ FT
Industrial	10,000
Grand Total	10,000

LANGHORNE	SQ FT
Industrial	5,000
Grand Total	5,000

WARMINSTER	SQ FT
Industrial	10,300
Industrial	9,000
Grand Total	19,300

COMPANIES ON THE MOVE

Nappen & Associates signs two new leases in the Bonair Industrial Center in Warminster.

Hot Headz leased 10,300 sq.ft. in The Bonair Industrial Center. Hot Headz specializes in creating unique consumer products for the home and outdoors. Their items range from natural wellness to outerwear and intend to provide uncommon solutions to life’s everyday problems. We would like to thank Jim Gorecki of Fidelity Commercial Real Estate Alliance for his assistance in this transaction.

Jensen Movers & Storage is a returning tenant who needed an additional 9,000 sq.ft. in the Bonair Industrial Center. Headquartered in Montgomeryville they continue growing by assisting their residential and commercial client base.



For more than 45 years, Nappen & Associates has developed its business on trust and respect, and we have an excellent reputation for personal attention to our clients and their requirements. We work hard to maintain our position as a

leader in the development, construction, leasing and management of light industrial facilities throughout Bucks and Montgomery Counties. Very simply, Nappen & Associates’ strong commitment to providing quality facilities and flexibility to serve a diverse mix of tenants, regardless of their size, has attracted clientele composed of local, national and international corporations.

For more information go to www.nappen-associates.com, Nappen & Associates, 171 Corporate Drive, Montgomeryville, PA 18936, Phone: 215.643.4848 | Fax: 215.643.5148



STRATEGIC EARLY WARNING NETWORK | SEWN

Winners and Losers in a Tariff War

“A few hundred steel companies benefited, and a few thousand small metal manufacturers suffered” said John Shegda, President of the regional National Trade Metal Association (NTMA) and President of a Bucks County Company, Merion Medical. He was responding to a question about the recently enacted tariff on foreign steel. John added “Unfortunately, the same pricing relief given to producers of US Steel through the Tariff was not extended to the small companies relying on US steel for their products. Unless a remedy is provided that allows the tariff benefits to be shared with the downstream supply chain partners, these small companies will suffer.”

Just as in nature, the economy works best when it is in balance. When the monetary level of exports is roughly equivalent to the financial cost of imports, business on both sides of the transactions are generally satisfied. However, when one side is able to gain a significant advantage through lower costs or vastly superior

technology, the parties on the other side are often required to take drastic steps to off-set the disadvantage they are enduring. One of these dramatic counteractions is by imposing a tariff on low cost products. While tariffs are generally designed to level the playing field, they also have unintended consequences as well. Another one of those laws of nature, Newton’s theory of action and reaction forces, dictates that an applied tariff on one side is usually met with counter action from the other side. The result is a tariff war. Just like any war, there are casualties on both sides. Even worse, there is often significant collateral damage.

A real world example of this unintended consequence of tariff warfare is small businesses who are using domestically produced steel. The tariff applied to raw or unfinished foreign steel allowed domestic producers to raise their prices. Unfortunately these tariffs did not include producers of finished products made of steel. Therefore, the US

companies producing finished products made of domestic steel are forced to absorb the increased raw material prices and cannot pass the increase along to their customers. For the many US manufacturers making finished products, the playing field remains uneven and they have become prime examples of collateral damage from the tariff war on foreign steel.

Paul Czacher, President of American Keg in Pottstown, has become an outspoken advocate for holistic relief for finished goods suppliers. Paul had appeared on talk shows, been interviewed by newspapers and has continually carried the message that, if tariffs are applied in one area, they have to be consistently applied for all the secondary suppliers as well. His company produces stainless steel kegs and he has many customers wanting to buy American Made. However, as a result of the imposed tariff, the cost of his raw material steel has risen beyond his former sale price for the entire keg. The

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STRATEGIC EARLY WARNING NETWORK | SEWN

Tariff War continued

loss of sales related to a modest price increase has forced Paul to reduce his workforce just to stay alive. As one of Paul's customers said, "Price is important and you've got to meet payroll before you support social responsibility." For small businesses like American Keg, the only good alternative is complete tariff elimination or an additional downstream tariff on finished steel products. While this may not level the playing field, it will at least allow for some marketplace stability. Businesses overcome a lot of obstacles everyday but sometimes, they really do need some outside help.

For free, professional succession planning and many other small manufacturing enterprise services in the Southeast region, call Greg Olson, SEWN Regional Director at 215-776-0130 to set up a no-cost, no-obligation consultation regarding your business transition. Or, if you prefer, you can email Greg at sewnse@steelvalley.org with your questions. And be sure to visit our web site at www.steelvalley.org for more information regarding all of SEWN's services, our newsletters and success stories, and interesting, relevant blog articles to help you navigate today's manufacturing environment.

SEWN was founded in 1989 to support the region's manufacturers and preserve jobs. The Department of Labor embraced and sponsored the program in 1993 to protect Pennsylvania companies and jobs. Since then, we have expanded to five regional offices, helping hundreds of companies and saving thousands of jobs statewide. Today, SEWN is one of the most cost-effective jobs programs in the United States. Over the last five years SEWN's job saving services have saved Pennsylvania more than \$34.8 million in unemployment benefits (over \$836 million if jobs/payroll multipliers are included). Since its inception, SEWN has contributed to the retention and revival of more than 900 industrial enterprises within Pennsylvania, impacting more than 20,000 jobs.

The Beechtree Enterprises Workshop

Let Us Be Your Subcontractor!

We offer the following services to meet your business needs:

**Assembly • Packaging & Repackaging • Sorting & Collating • Heat Sealing • Shrink Wrapping
Labeling • Pricing/Tagging • Inserting Materials/Stuffing Envelopes • Specialty Jobs**

**Let us perform basic jobs that are too time consuming for your staff,
creating a win-win solution for your business.**

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MEMBER'S CORNER | MEET BCEDC'S NEWEST MEMBERS

Jaime Reichardt



Jaime Reichardt is Chair of the Sills Cummis & Gross State and Local Tax Practice. Mr. Reichardt helps companies not only identify potential compliance issues and tax reporting exposures, but also assists with identifying and securing pro-active refunds, tax credits or abatements, and other incentive opportunities.

Throughout the years, he has secured several million dollars in tax savings and economic development benefits. Mr. Reichardt's practice also includes resolving state tax controversies and audits with various revenue departments across tax types, including corporate income tax, franchise and net worth tax, personal income tax, sales and use tax, gross receipts tax, local business privilege or earned income taxes, real and personal property taxes, and unclaimed property.

Before joining the Firm, he was a state and local tax director at Citrin Cooperman, providing consulting advice to all different types of businesses and individuals on income tax, sales tax, gross receipts tax, property tax, realty transfer tax and credits and incentives issues. Before Citrin

Cooperman, he was a senior associate in the state and local tax practices with two other national law firms. Prior to private practice, Mr. Reichardt was a tax policy advisor with the State of New Jersey and a tax policy lobbyist.

Mr. Reichardt speaks frequently on topics related to state and local income and business activity taxes, nexus, income sourcing, sales tax nexus, product taxability and sourcing, as well as tax credits and incentives developments. He has been quoted in publications including The Wall Street Journal, The Legal Intelligencer and NJBIZ.

To find out how Jaime may help your business contact him at (609) 227-4637 or jreichardt@sillscummis.com.

Jacqueline Fahey

Jacqueline Fahey is the Regional Vice President for the Bucks County market of Republic Bank, one of the fastest-growing financial institutions in the Philadelphia region. In this role, she is responsible for lending and deposit relationships in Bucks County, PA. With more than 20 years of experience from various financial institutions in banking and lending, Fahey demonstrates superior customer service which is key to building the Republic bank brand.

As one of the largest Philadelphia-based retail banking institutions with 23 convenient locations regionally, Republic Bank stores are open seven days a week, 361 days a year, with extended lobby and drive-thru hours, providing customers with the longest hours of any bank in the area. The bank also offers absolutely free checking, free coin counting,

ATM/Debit cards issued on the spot and access to more than 55,000 surcharge free ATMs worldwide via the Allpoint network. Building on the momentum of its aggressive growth plan, coined "The Power of Red is Back," Republic Bank continues to rapidly expand its regional footprint with new stores planned for 2018 in both Pennsylvania and New Jersey. It is also regarded as one of the top SBA lenders in the tri-state area and prides itself on making lending decisions quickly and locally.



For information regarding lending and deposit relationship contact Jacqueline M. Fahey, Regional Vice President, 599 S. Oxford Valley Rd., Fairless Hills, PA 19030, 215-688-2900, jfahey@myrepublicbank.com

WELCOME NEW MEMBERS

Kevin Crawford

Beneficial Bank

Jacqueline Fahey

Republic Bank

Mark Schmukler

Sagefrog Marketing Group, Inc.

Jaime Reichart

Sills Cummis & Gross, PC

Brad Barone

TruMark Financial

MEMBER'S CORNER | COMPASS SIGN

Compass Sign Creates a Unique Experience for Phillies Fans

Big things are going on at Citizens Bank Park. The Phillies are off to a great start this season and not just on the field. The Phillies and YDI (Baltimore) presented Compass Sign with a range of unique fan experience enhancements and an opening day deadline. The new Hall of Fame Plaza offers fans an exciting history of the team's success: retired number monuments, grand scale replicas of the Phillies' World Series Championship Trophies and refurbished bronze plaques of Phillies Hall of Fame inductees. Other enhancements were added by YDI and Art Guild (West Deptford, NJ). Collaborating closely with the owner, designers and contractors, Compass fielded a winning team to complete design detailing, engineering, fabrication and installation - all before opening day. Batter up!

For more information go to www.compass-sign.com/website.



MEMBER'S CORNER | TRUMARK FINANCIAL® CREDIT UNION

TruMark Financial® Credit Union Launches Branding Initiative “Member Banking is Better Banking®”



Earlier this Spring, TruMark Financial® Credit Union introduced a new branding initiative that aligns with its member-focused philosophy and aims to strengthen the credit union's visibility in Southeastern Pennsylvania.

“Member banking is better banking®”, captures the theme of the initiative,” said Elizabeth Kaspern, TruMark Financial's senior vice-president, chief retail services officer. “Everyone knows membership has its privileges. Everyone that banks with us is more than a customer, they are a member,” said Kaspern. Delivery

channels to heighten awareness include television and radio commercials, billboards, and an updated easy-to-navigate website. The branding initiative reaffirms the credit union's commitment to its members and the commercials boast that TruMark Financial likes a little competition.

The credit union's senior management team views the branding effort as a way to stand apart from the competition and better reflect the value it provides to its members. “It's an opportunity to educate consumers about the credit union, its purpose, its visionary goals, and the benefits of membership,” said Richard F. Stipa, TruMark Financial's chief executive officer.

“The entire organization is committed to demonstrate every day why “Member banking is better banking®” and how it can help more people reach their financial goals,” said Stipa.

About TruMark Financial

TruMark Financial is one of the strongest, most progressive credit unions in the nation, offering a full range of banking, investing, and insurance services to more than 115,000 members in Southeastern Pa.

Founded in 1939, TruMark Financial is headquartered in Fort Washington, Pa., and has approximately \$2 billion in assets through its 22 branches, Call Center, and a suite of innovative online and mobile banking services. To learn more about TruMark Financial, visit www.trumarkonline.org or call 1-877-TRUMARK. Connect with TruMark Financial at [facebook.com/trumarkonline](https://www.facebook.com/trumarkonline) and [twitter.com/trumarkonline](https://www.twitter.com/trumarkonline).

MEMBER'S CORNER | LLB GROUP

Huh? What a bogus e-mail, you don't say...

A phishing e-mail is a bogus e-mail that is carefully designed to look like a legitimate request (or attached file) from a site you trust in an effort to get you to willingly give up your login information to a particular website or to click and download a virus.

Often these e-mails look 100% legitimate and show up in the form of a PDF (scanned document) or a UPS or FedEx tracking number, bank letter, Facebook alert, bank notification, etc. That's what makes these so dangerous – Hey Kelly,

A phishing e-mail is a bogus e-mail that is carefully designed to look like a legitimate request (or attached file) from a site you trust in an effort to get you to willingly give up your login information to a particular website or to click and download a virus.

Often these e-mails look 100% legitimate and show up in the form of a PDF (scanned document) or a UPS or FedEx tracking number, bank letter, Facebook alert, bank notification, etc. That's what makes these so dangerous – they LOOK exactly like a legitimate e-mail. So how can you tell a phishing e-mail from a legitimate one? Here are a few telltale signs...

First, hover over the URL in the e-mail (but DON'T CLICK!) to see the ACTUAL website you'll be directed to. If there's a mismatched or suspicious URL, delete the e-mail immediately. In fact, it's a good practice to just go to the site direct (typing it into your browser) rather than clicking on the link to get to a particular site. Another telltale sign

is poor grammar and spelling errors. Another warning sign is that the e-mail is asking you to "verify" or "validate" your login or asking for personal information. Why would your bank need you to verify your account number? They should already have that information. And finally, if the offer seems too good to be true, it probably is.



Need help with technology?

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MEMBER'S CORNER | PROCISION BUSINESS BROKERS

Procision Business Brokers and Commercial Realty Adds a Vice President



Procision Business Brokers and Commercial Realty is proud to announce the addition of Marc Greisler as Vice President of Retail. As a well-established Commercial Real Estate professional, Marc brings vast experience in various Real Estate services, including investment sales, leasing, asset management, development and finance.

During his stellar career, he has specialized in Highway Commercial, Shopping Centers and NNN Investment Sales throughout the Mid-Atlantic region and nationally. With a large and stable client base of high net worth individuals, private equity, and institutional investors,

Mr. Greisler has developed a proven track record of success and is a go to resource in the marketplace.

Marc is a graduate of St. John's University's prestigious Business Program and has extensive training in the Commercial Real Estate field. Previously, he worked in the Retail Investment Sales Group for Marcus & Millichap and most recently, functioned as a valuable member of Gelcor Realty. Consistent with the company's core mission, Marc will continue his role as consultant and broker and as natural extension of his Retail Real Estate expertise, he will expand his services to include Business Brokerage and Business Dispositions going forward.

Procision's unwavering Mission is to function as a Trusted Business

Advisor and create superior value for their Clients.

For more information, please visit them at www.Procisionbb.com or call 856-228-5151.

Procision Business Brokers and Commercial Realty is a Business Advisory Group that provides Comprehensive Solutions for the needs of Business Owners, Investors, Landlords and Tenants in the Greater Philadelphia and Southern New Jersey Region. With offices in Bucks County, PA and Gloucester County, NJ, Procision's offerings include the following synergistic Suite of Services:

Procision Commercial Realty - Investment sales, Landlord and Tenant leasing representation, Asset Management and Consulting services.

Procision Business Brokers M&A - Brokerage and Business Consulting including Business Valuations and Exit Planning services.



Stay tuned to learn more about BCEDC's new loan program –

Diverse Business Loan

This program will be available to businesses owned by minorities, women, veterans, the disabled, LGBT and small diverse businesses.

WHAT'S HAPPENING

2nd Annual Women Building Businesses Event

National Networking Expert Kelly Hoey, author of "Build Your Dream Network", will deliver a keynote address on creating the relationships you need to succeed!

DATE: June 20, 2018 • 9:00 a.m. to 1:00 p.m.

LOCATION: Parx Casino, 2999 Street Road, Bensalem, PA

HEAR FROM:

- Donna Botti of Delos, Inc. on digital marketing strategies and web design
- Small Business Administration on funding strategies
- SCORE clients on their small business success

COST: \$25.00 (through May 20th) Lunch included

REGISTER: <https://form.jotform.com/80674966811972>

SCORE | Bucks County





BUCKS PROSPECTUS

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*Bucks Prospectus is the bimonthly
newsletter of the Bucks County Economic
Development Corporation (BCEDC).*

*Bucks County Economic Development
Corporation (BCEDC) is a non-profit,
non-political economic development
organization established in 1958 to
support economic growth in Bucks
County. BCEDC is a Commonwealth
of Pennsylvania certified economic
development agency. BCEDC offers low
cost financing options for land/building,
machinery and equipment. These and
other incentive programs offered through
BCEDC create a strong and vital
economy for Bucks County and in return
create and retain jobs for Bucks County
residents.*



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PUBLISHING DEADLINES FOR THE BUCKS PROSPECTUS

DEADLINE DATE	PUBLISH DATE	EDITION
7-17-2018	8-21-2018	August
9-18-2018	10-23-2018	October
11-13-2018	12-18-2018	December

For archived issues go to www.bcedc.com/newsletters

To submit an article with business advice suitable to the Bucks Prospectus,
please contact Kelly Doughty at 215.348.9031 or KellyD@bcedc.com.

Opinions expressed within this newsletter are not necessarily the opinions held by the BCEDC.

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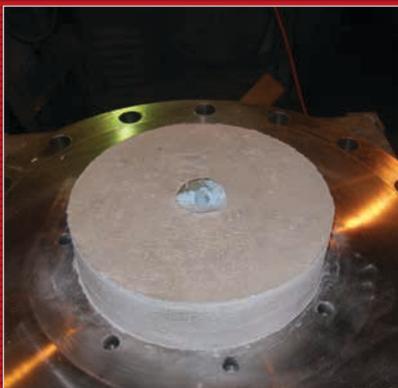
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