Easton, Pennsylvania April 3, 2008

A regular meeting of the Northampton County Council was held on the above date with the following present: Ann McHale, President; Wayne Grube, Vice President; Ron Angle; John Cusick; Charles M. Dertinger; J. Michael Dowd; Lamont G. McClure, Jr.; Diane Neiper; Leonard N. Zito, Solicitor to Council, and Frank E. Flisser, Clerk to Council. Absent was Margaret Ferraro.

Prayer

Mr. Dowd led County Council in prayer to open the meeting.

Pledge of Allegiance

Mr. McClure led County Council in the pledge of allegiance.

Approval of the Minutes

Mr. McClure made the following motion:

Be It Moved By the Northampton County Council that the minutes of the March 5, 2008 and March 13, 2008 meetings shall be approved.

Mrs. Neiper seconded the motion.

The motion was adopted by voice acclamation.

Courtesy of the Floor

Mr. Ken Nagy, Forks Township, PA - advised Schuylkill County was constructing a prison treatment center that would cost $42 a day to operate. As he read Northampton County's costs were $70 a day, he suggested representatives from Northampton County should visit Schuylkill County to see how they were keeping their costs down.

Mr. Nagy stated the amount of the County surplus was excessive. Therefore, a portion of it should be given back to the taxpayers or used to pay off the County's debt.
Discussion and Review of Issues Pertaining to the Lehigh Valley Economic Development Corporation (LVEDC)

Mr. Phil Mitman, President and Chief Executive Officer, LVEDC, indicated Mr. Stephen Melnick, Director of Project Development; Mr. Bob Wendt, Director of Research and Mr. Joseph McDermott, Communications Director, were also present.

Mr. Mitman advised LVEDC was a full service economic development organization that utilized 24 financing programs and operated in a climate of collaboration. He further advised some of their programs included businesses attracting business, financing, marketing, investor relations and brownfields remediation.

Mr. Mitman distributed their 2007 Annual Report (see Attachment #1). He also distributed a packet of information including a document entitled, "Climate of Collaboration" which reviewed their first five years (1995-2000) and then years six through 13 (2001-2008), as well as some of their Northampton County success stories and their strategic directions for 2008 and 2009 (see Attachment #2).

Mr. Angle stated LVEDC helped Majestic Sportswear find a new location in Palmer Township and as a result it was moving out of the Slate Belt. He further stated he was very disappointed in how this was handled.

In response to Mr. Cusick’s question, Messrs. Melnick and Wendt indicated LVEDC was working toward seeing that there were more high speed wireless connections throughout the Lehigh Valley.

Mr. Grube advised he served on the LVEDC Board of Directors during the most recent period of turmoil. He further advised he was very concerned that LVEDC was emphasizing development in Lehigh County at the expense of Northampton County.

Mr. Mitman stated he was committed toward equal and meaningful development in both Northampton and Lehigh Counties.

Public Hearing on the Ordinance Providing for the Confirmation of Northampton County Members to the Joint Northampton-Lehigh Department of Health

Mrs. McHale advised this ordinance provided for the Northampton County appointments to the Northampton-Lehigh Department of Health and was introduced by Mrs. Neiper and Mr. Dowd at the meeting held March 13, 2008.

WHEREAS, on December 7, 2007, Northampton County Council enacted Ordinance No. 475, effective January 6, 2008, adopting a resolution of Northampton County Council creating and providing for the establishment of the Joint Northampton-Lehigh County Department of Health, under the Local Health Administration Law of the Commonwealth of Pennsylvania, 1951, Aug. 24, P.L. 1304, §1, 16 P.S. 12001, et seq.; and,

WHEREAS, the Joint Northampton-Lehigh County Health Commission has recommended for approval by Northampton County Council the following appointees to the Joint Northampton-Lehigh County Department of Health.

NOW, THEREFORE, BE IT ENACTED UNDER THE NORTHAMPTON COUNTY HOME RULE CHARTER §1-602 (14) AND RESOLVED AS LAW THAT:

1. The appointment of David Thomas Lyon is approved and confirmed for the initial term of two (2) years from the second Monday in January 2009 in accordance with §12007 of The Act (16 P.S. 1200).

2. The appointment of John F. Reinhart is approved and confirmed for the initial term of two (2) years from the second Monday in January 2009 in accordance with §12007 of The Act (16 P.S. 1200).

3. The appointees shall serve and conduct meetings and be compensated only as provided for as specified in the Local Health Administration Law of the Commonwealth of Pennsylvania, 1951, Aug. 24, P.L. 1304, §1, 16 P.S. 12001, et seq., as amended.

4. This Ordinance is a companion to Ordinance No. 475 of Northampton County Council enacted December 7, 2007 and constitutes legislative action under paragraph 4 of that ordinance.
Mrs. McHale asked if there were any questions or comments from the public. There were no respondents. She then asked if any member of County Council had any questions or comments.

Mr. Angle questioned why Northampton County was voting on its appointees before Lehigh County announced theirs.

Mr. John Stoffa, County Executive, stated Northampton County was taken a leadership role in this matter. He further stated it would be necessary at some future point for Northampton County and Lehigh County to meet jointly to approve the board members.

In answer to Mr. Cusick's question, Mrs. McHale advised she signed a letter to be sent to the State officials requesting the number of appointees to the board be increased to seven. She further advised as soon as Lehigh County signed the letter, it would be sent to the State.

Mr. Dertinger stated that the quality of the Northampton County appointees was very high and it would be a challenge for Lehigh County to meet that level.

The vote: Neiper, "yes"; Dowd, "yes"; Grube, "yes"; McClure, "yes"; McHale, "yes"; Angle, "yes"; Cusick, "no" and Dertinger, "yes".

The ordinance was adopted by a vote of 7-1.

Consideration of the Corrections Reorganization Personnel Request

Mrs. McHale advised the Corrections Reorganization Plan was originally presented and approved at the Personnel and Finance Committees meeting held February 22, 2008, and March 12, 2008. She noted during the March 12, 2008 meeting, the Administration indicated that it was making changes to the job title and description for the final component of the reorganization plan. She further advised those revisions were presented to County Council on March 26, 2008.

Mr. Cusick introduced the following resolution:

R. 20-2008  RESOLVED, by the Northampton County Council that two (2) full time positions of Corrections Operations Administrator, pay grade CS-26, salary range $41,339 to $58,789, shall be created in the Department of Corrections, effective this 3rd day of April 2008.
Mr. Grube stated he wanted to be provided with the absentee records for the Prison for 2007. In addition, he wanted to know the names of the people filling the newly created Prison positions.

As there were no other questions or comments, Mrs. McHale called for the vote.

The vote: Cusick, "yes"; McClure, "no"; McHale, "yes"; Neiper, "yes"; Angle, "yes"; Dertinger, "yes"; Dowd, "yes" and Grube, "yes".

The resolution was adopted by a vote of 7-1.

Consideration of the Resolution Supporting the Creation of the Ninth Position of Common Pleas Judge, Third Judicial District, County of Northampton, Commonwealth of Pennsylvania

Mrs. McHale advised at the request of Mr. Grube, a resolution was drafted which supported President Judge Robert A. Freedberg's request for the creation of a ninth Common Pleas Judge in Northampton County.

Mr. Grube introduced the following resolution:

R. 21-2008  WHEREAS, Northampton County Court of Common Pleas President Judge Robert A. Freedberg has provided the Northampton County Council with justification (a copy of which is attached hereto and labeled as exhibit "A") for the creation of a ninth Common Pleas Judge for the County of Northampton in 2010; and

WHEREAS, based upon the data supplied by President Judge Robert A. Freedberg, the creation of the ninth position of Common Pleas Judge is a just and proper request, particularly when compared to the number of Common Pleas Judges existing in neighboring third class Counties.

NOW, THEREFORE, BE IT RESOLVED, by the Northampton County Council that it does hereby call upon the General Assembly of the Commonwealth to enact, and the Governor to sign, the required legislation to create the ninth position of Common Pleas Judge in the Third Judicial District, County of Northampton, Commonwealth of Pennsylvania. Further, a copy of this resolution shall be sent to the Lehigh Valley delegation to the General Assembly of the Commonwealth of Pennsylvania as well as to the Governor of Pennsylvania.
As there were no questions or comments from the public or the members of County Council, Mrs. McHale called for the vote.

The vote: Grube, "yes"; Cusick, "yes"; Dertinger, "yes"; Dowd, "yes"; McClure, "yes"; McHale, "yes"; Neiper, "yes" and Angle, "yes".

The resolution was adopted by a vote of 8-0.

Discussion and Review of the Lil Rover Field House Inc. Funding Allocation

Mrs. McHale stated at the request of Mr. Dowd, a resolution was prepared which would transfer $5,000 of County Council Contingency funding and allocate it to the Easton field house project.

Mr. Dowd introduced the following resolution:

WHEREAS, the City of Easton has recently announced plans for the construction of a field house at Heil Park, at the cost of $140,000; and

WHEREAS, one-half of the cost of constructing the field house will be derived from the community-based organization Lil Rover Field House, Inc.; and

WHEREAS, the City of Easton field house project is a public-private partnership that addresses the need for recreational facilities and leisure opportunities for the residents of the City of Easton.

NOW, THEREFORE, BE IT RESOLVED that the Northampton County Council does hereby endorse and support the Easton field house project. In further support of this project, the Northampton County Council hereby directs the transfer of the sum of $5,000, from the 2008 Contingency account, to Lil Rover Field House, Inc.

IT IS FURTHER RESOLVED that the Northampton County Council recognizes the meritorious efforts of Lil Rover Field House, Inc. for making the field house project a truly successful public-private partnership.

Mrs. McHale asked if there were any questions or comments from the public.
Mr. Ed Black advised the field house project was at Heil Park in Southside Easton. He further advised they raised $61,000, however, required $80,000 to $90,000 more to complete the project.

Mr. Ken Cooper, a senior at Easton Area High School, stated he grew up in the Southside of Easton and had been an active participant in the Lil Rover Football Program since he was six years old. He further stated the field house was badly needed and would provide recreational opportunities to the youth of Easton.

Mrs. McHale made a motion to increase the amount from $5,000 to $10,000.

Mr. McClure seconded the motion.

Mrs. McHale called for the vote on the motion.

The vote: McHale, "yes"; McClure, "yes"; Grube, "yes"; Neiper, "yes"; Angle, "yes"; Cusick, "yes"; Dertinger, "yes" and Dowd, "yes".

The motion was adopted by a vote of 8-0.

As there were no further questions or comments, Mrs. McHale called for the vote on the amended resolution:

R. 22-2008 WHEREAES, the City of Easton has recently announced plans for the construction of a field house at Heil Park, at the cost of $140,000; and

WHEREAES, one-half of the cost of constructing the field house will be derived from the community-based organization Lil Rover Field House, Inc.; and

WHEREAES, the City of Easton field house project is a public-private partnership that addresses the need for recreational facilities and leisure opportunities for the residents of the City of Easton.

NOW, THEREFORE, BE IT RESOLVED that the Northampton County Council does hereby endorse and support the Easton field house project. In further support of this project, the Northampton County Council hereby directs the transfer of the sum of $10,000, from the 2008 Contingency account, to Lil Rover Field House, Inc.

IT IS FURTHER RESOLVED that the Northampton County Council recognizes the meritorious efforts of Lil Rover Field House, Inc. for making the field house project a truly successful public-
private partnership.

The vote: Dowd, "yes"; Grube, "yes"; McClure, "yes"; McHale, "yes"; Neiper, "yes"; Angle, "yes"; Cusick, "no" and Dertinger, "yes".

The resolution was adopted by a vote of 7-1.

Consideration of the Administrative Code Contract Approval Resolutions - Community Education Centers, Inc.

Mrs. McHale advised from time to time County Council was asked to approve contracts that exceed $100,000 because of the provisions of Administrative Code Section 13.16 c. Therefore, she introduced the following resolution:

R. 23-2008 WHEREAS, Northampton County Administrative Code Article XIII Procurement and Disposition of County Property, Section 13.16 Contracts and Agreements c.(1) requires approval of County Council for "...any contract exceeding $100,000, which was awarded using the Competitive Negotiation, Negotiation After Competitive Sealed Bidding, and Non-Competitive Negotiation source selection methods. For contracts with renewal clauses, the entire potential payout if all renewal clauses are exercised under the terms of the contract must be considered when determining if Council approval is necessary."

WHEREAS, on March 17, 2008, the Northampton County Council received a request from the County Executive for County Council to adopt a resolution endorsing a contract with Community Education Centers, Inc.(CiviGenics, Inc.) for substance abuse treatment services for the Northampton County Department of Corrections.

NOW, THEREFORE, BE IT RESOLVED that the Northampton County Council does hereby concur with the recommendation of the County Executive, as set forth in the attached documentation, to award a contract to Community Education Centers, Inc.(CiviGenics, Inc.) for substance abuse treatment services for the Northampton County Department of Corrections.

Mrs. McHale asked if there were any questions or comments from the public. There were no respondents. She then asked if any member of County Council had any questions or comments.
In response to Mr. McClure's question, Mr. Todd Buskirk, CCF Director, stated the rehabilitative services could be provided at both the main Prison and the future site of the Community Prison Rehabilitation Center.

As there were no further questions or comments, Mrs. McHale called for the vote.

The vote: McHale, "yes"; Neiper, "yes"; Angle, "yes"; Cusick, "yes"; Dertinger, "yes"; Dowd, "yes"; Grube, "yes" and McClure, "yes".

The resolution was adopted by a vote of 8-0.

Consideration of the Administrative Code Contract Approval Resolutions - PennDOT Reimbursement

Mrs. McHale noted from time to time County Council was asked to approve contracts that exceed $100,000 because of the provisions of Administrative Code Section 13.16 c.

Mr. Angle introduced the following resolution:

R. 24-2008 WHEREAS, on March 31, 2008, the Administration presented County Council with a request to approve the NBIS BRIDGE INVENTORY AND INSPECTION ACTIVITY REIMBURSEMENT AGREEMENT (a copy of which is attached hereto and labeled as Exhibit "A") with the Pennsylvania Department of Transportation.

NOW, THEREFORE, IT IS HEREBY RESOLVED, By the Northampton County Council that it approves the NBIS BRIDGE INVENTORY AND INSPECTION ACTIVITY REIMBURSEMENT AGREEMENT, and hereby authorizes the County Executive to sign all necessary documents, to implement the agreement, on behalf of the County of Northampton.

Mrs. McHale asked if there were any questions or comments from the public or members of County Council. As there were no respondents, she called for the vote.

The vote: Angle, "yes"; Cusick, "yes"; Dertinger, "yes"; Dowd, "yes"; Grube, "yes" McClure, "yes" McHale, "yes" and Neiper, "yes".

The resolution was adopted by a vote of 8-0.
Introduction of the Ordinance Providing for a Taxpayer Rebate of Real Estate Taxes

Mrs. McHale stated at the request of Mr. McClure, an ordinance was prepared which would provide for a real estate property tax rebate for Northampton County taxpayers. She noted the public hearing, debate and possible vote were scheduled for the April 17, 2008 County Council meeting.

Messrs. Lamont McClure and Charles Dertinger introduced the following ordinance:

AN ORDINANCE GRANTING A REBATE ON NORTHAMPTON COUNTY REAL ESTATE TAXES FOR THE YEAR 2007

WHEREAS, the County of Northampton currently has a significant unappropriated fund balance that exceeds the current needs to operate the government of Northampton County; and

WHEREAS, the economy of the United States is teetering on the brink of a recession.

NOW, THEREFORE, BE IT ORDAINED, AND ENACTED, By the Northampton County Council that:

I. The Northampton County Executive, through the Department of Fiscal Affairs, is hereby directed to issue a 10% rebate on real estate taxes paid for the year 2007 to each, and all, property owners in the County of Northampton, including residential, commercial, industrial, agricultural and utilities properties.

II. This shall be a one-time rebate that shall be paid to all residential, commercial, industrial, agricultural and utilities property owners, who paid real estate taxes in the year 2007 and who were not delinquent on any of the parcels which they own.

Mr. Angle advised he planned to review this issue at the Finance Committee meeting to be held on April 7, 2008.

Introduction of an Ordinance Providing for Amendments to the 2008 Budget

Mrs. McHale stated County Council was recently provided with a copy of the first amendment to the 2008 County budget which primarily recognized changes in Human Services budgeting. She
indicated that the public hearing, debate, and possible vote would take place at the April 17, 2008 County Council meeting.

Mr. Angle and Mrs. McHale introduced the following ordinance:

AN ORDINANCE AMENDING THE 2008 NORTHAMPTON COUNTY BUDGET:
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT;
DEPARTMENT OF FISCAL AFFAIRS; CORRECTIONS; DEPARTMENT OF
PUBLIC WORKS: LIQUID FUEL TAX AND PARKS AND RECREATION;
DEPARTMENT OF HUMAN SERVICES: PASS THROUGH GRANTS,
HOMELESS ASSISTANCE, DEVELOPMENT FUND, CHILDREN, YOUTH
AND FAMILIES, AREA AGENCY ON AGING, MENTAL HEALTH, MENTAL
RETARDATION AND DRUG AND ALCOHOL; CAPITAL PROJECTS:
COURTHOUSE, PRISON EXPANSION, GRACEDALE RENOVATIONS,
COUNTY PARK PRESERVATION AND ECONOMIC DEVELOPMENT

| 2008 |
| BUDGET AMENDMENT |
| KEY | CURRENT | INCREASE | REVISED |
| ORG | ACCOUNT | ACCOUNT TITLE | BUDGET | (DECREASE) | BUDGET |
| Community & Economic Development |
| 30300 | 66999 | Pooled Professional Services | 175,000 | 50,000 | 225,000 |
| Fiscal Affairs - Balancing Of Budget |
| 31300 | 46010 | Budgetary Fund Balance | 12,279,709 | 432,681 | 12,712,390 |
| Corrections |
| 71900 | 50100 | Salaries Full Time | 1,501,200 | 253,153 | 1,754,353 |
| 56050 |  FICA | 924,800 | 19,366 | 944,266 |
| 56200 |  Healthcare & Dental | 2,417,000 | 56,400 | 2,473,400 |
| 56225 |  Healthcare OPEB Employees | 645,000 | 15,000 | 660,000 |
| 56300 |  Life Insurance | 17,700 | 408 | 18,108 |
| 56450 |  Retirement | 645,000 | 15,000 | 660,000 |
| 56550 |  Vision & Prescription | 642,500 | 15,000 | 657,500 |
| 56600 |  Workers' Compensation | 359,900 | 8,354 | 368,254 |
## Public Works - Liquid Fuel Tax

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## Human Services - Homeless Assistance

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## Human Services - Children, Youth & Families

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### Human Services - Mental Retardation

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### Human Services - Drug & Alcohol

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<td>Pooled Subcontracted Services</td>
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## Capital Project - Courthouse

<table>
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<tr>
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<th>Description</th>
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## Capital Project - Prison Expansion

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## Capital Project - Gracedale Renovations

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## Capital Project - County Park Preservation

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<tr>
<th>Code</th>
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## Capital Project - Courthouse

<table>
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<tr>
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## Summary - Budget Amendment

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>County of Northampton Budget</td>
<td>359,811,517</td>
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</table>
Consideration of the Worker’s Memorial Day Resolution

Mrs. McHale advised at the request of Mr. Dertinger, a resolution was prepared declaring April 27, 2008 as Workers Memorial Day.

Mr. Dertinger introduced the following resolution:

R. 25-2008 WHEREAS, every year tens of thousands of American workers are killed by workplace injuries and occupational disease, and

WHEREAS, tens of thousands more are permanently disabled, and millions are injured or made ill, and

WHEREAS, concerned Americans are determined to prevent these tragedies by:

- Observing Workers Memorial Day on April 27, 2008, as a day to remember these victims of workplace injuries and disease;
- Renewing our efforts to seek stronger safety and health protections, better standards and enforcement and fair and just compensation; and
- Rededicating ourselves to improving safety and health in every American workplace.

NOW, THEREFORE, BE IT RESOLVED, that the Northampton County Council does hereby recognize and proclaim April 27, 2008 as Workers Memorial Day, a day to remember those workers killed, injured and/or disabled on the job.

Mrs. McHale asked if there were any questions or comments from the public or members of County Council. As there were no respondents, she called for the vote.

The vote: Dertinger, "yes"; Dowd, "yes"; Grube, "yes"; McClure, "yes"; McHale, "yes"; Neiper, "yes"; Angle, "yes" and Cusick, "yes".

The resolution was adopted by a vote of 8-0.
Human Services Committee Report

Mrs. Neiper indicated the Human Services Legislative Breakfast would be held on April 4, 2008 at Lafayette College.

Farmland Preservation Liaison Report

Mr. Angle presented the Farmland Preservation report.

Agricultural Extension Liaison Report

Mr. Cusick presented the Agricultural Extension report and noted that composting was a key issue.

Weaversville

Mrs. Neiper reported she recently attended a meeting concerning the Weaversville project and was informed it was moving forward.

Council Solicitor's Report

Mr. Zito provided a copy of his Solicitor's Report for this meeting (see Attachment #3).

Adjournment

Mr. McClure made a motion to adjourn.

Mr. Dowd seconded the motion.

The motion passed by acclamation.

__________________________
Frank E. Flisser
2007 — Striding Into a Stronger Future.

It may be an understatement to say that 2007 was a dynamic, challenging, and exciting year for the Lehigh Valley Economic Development Corporation. But, it was also a year that saw the organization take solid steps into a new and stronger future that will build on the successes of the past 12 years and continue to establish the Lehigh Valley as the keystone of economic development in the Keystone State.

2007 was a year of change. We completed a leadership transition that began more than 24 months ago — with the excellent guidance and leadership of Interim President and Chief Executive Officer Robert T. Weed — and we were proud to announce the selection of permanent President and Chief Executive Officer Philip B. Mitman. As the former Easton mayor and an experienced business owner who understands the needs of both our public and private partners, as well as our investors and clients, Phil brings a myriad of strengths to the position, and I am very confident that he will be an excellent ambassador for LVEDC and a guiding force as we move the organization to an even higher level of service and recognition.

We reinforced our executive team with significant new hires and positions, including the creation of the Chief Operating Officer’s position filled admirably by Jean Mateff. Working with Bob Weed and the Executive Committee, Jean has developed new internal fiscal standards and controls that improve our budgetary processes and increase our financial transparency in the community.

Working with many of our partner organizations, we marketed the Lehigh Valley and LVEDC’s services by conducting or participating in a large number of business development events, seminars and conferences that raised our profile in the community and presented our mission, our resources and our strengths to new audiences. We initiated new outreach efforts to improve communications with our investors and partners, both public and private, and we have continued our role in urban revitalization.

In April, we received designation for our new Foreign Trade Zone, and in September held a daylong seminar, “The World is Now Open,” a very well-received event that included the Small Business Development Council and the Pennsylvania Department of Community and Economic Development. We reached out to the Financial Services sector through our Wall Street West Invitational at Saucon Valley Country Club that was held in conjunction with the Wall Street West/WIRED Initiative and partners from throughout Northeastern Pennsylvania including the Berks Economic Partnership and Penn’s Northeast. The staff also conducted a successful Urban Tour in October, introducing or re-acquainting more than 30 developers and real estate professionals to the opportunities within our three cities.

We celebrated many victories in Regional and Business Development and our Business Retention and Expansion services, such as the addition of several new corporate residents, including Apprise Software, Inc., Palram Inc., BMW, Nestle Waters, Lightning Source and others that our staff worked with over the past year. These five companies alone will bring almost 700 new jobs and retain more than 1,000 jobs in the Lehigh Valley.

The Southside Bethlehem Keystone Innovation Zone continues to stand tall as the ideal for similar zones around the Commonwealth, and the recognition it has brought to its businesses, host community and partner organizations is a source of pride to the organization and the region. Our Investor Relations have been strengthened, and our list of investors continues to grow as 27 new companies recognize the importance of investment in the Lehigh Valley. We commend our 330 total investor companies who are listed in the back of this report, for making a commitment to the success of our region. In addition, our Financial Services have remained an integral resource for our arriving and thriving businesses, providing more than $19 million in loans to 25 businesses.

As we move into our 13th year, we continue to build on a solid foundation of service that has positioned the Lehigh Valley as a growing business center, established a national geographic identity, and fortified our role as a one-stop shop for economic development in Lehigh and Northampton Counties. The successful transition in the perception of the region over the past 12 years attests to the achievements of the corporation and the cooperative relationships we enjoy with our public and private partners and investors.

In closing, I want to again thank the staff of LVEDC who have done a tremendous job throughout the transition. I also want to thank our many partner organizations, our private sector investors, who remain the backbone of the organization, and our public officials whose support is so critical to the success of the corporation and the Lehigh Valley. Together we have done, and will continue to do, extraordinary things.

Respectfully yours,

Robert M. Episcopo
Chairman, LVEDC
Our message takes root.

Marketing and Communications
Promoting the Lehigh Valley through advertising, editorial placement, event coordination and promotion and continued improvement in communications with local media and stakeholders remained a primary responsibility for the Lehigh Valley Economic Development Corporation in 2007. The success of these efforts kept the Valley’s profile high among national and regional business development professionals and garnered both local and extended commendations for the organization. The results of our marketing efforts are evident in the continually growing number of calls from prospects locally and across the country who are interested in doing business in the Lehigh Valley.

Advertising: LVEDC placed 54 national ads in magazines and Web sites, including Area Development and Site Selection as the second year of the “Helping Business Arrive, Helping Business Thrive” campaign continued to draw attention to the services offered by the organization. Local advertising consisted of regular ads in the Eastern Pennsylvania Business Journal to reach regional clients who may have been unaware of LVEDC services. In addition, LVEDC increased its sponsorship and visibility on WLVT Channel 39’s “Tempo” news magazine show and sponsored numerous regional and local events.

Public Relations: We increased the number of media releases issued by the corporation by 57% in 2007; coordinated editorial board meetings with three local newspapers; worked with Chairman, Chief Executive Officer, and relevant officers and staff to coordinate corporate messages to investors, partners, and public officials; published Op-Ed columns, letters to the editor, and direct communications with our investors and partners.

Promotions: LVEDC worked with many partners during the past year to produce, coordinate or conduct events aimed at bringing increased attention to the Valley. In addition, the corporation sponsored several other events and financially supported programs in Allentown, Bethlehem, Easton and several boroughs.

Collateral: Design work was completed on a corporate brochure for LVEDC that will be customized to serve across business functions of the organization. We will have the ability to tailor each package of information that is sent to prospects nationally as well as to our local customers.

Web site: Our Web site continues to be the first point of contact for site selectors and corporations looking for demographics, available sites and other information on the Valley. This year we began using a new Web metrics tracking program that gives a more accurate picture of the number of unique visitors to our Web site each month and what they are viewing when on our site. The Web site receives an average of 800 unique sessions per day with 3,600 downloads of our data and demographics each month — a total of more than 45,000 annually. Work is underway on a password-protected investor-only Web site that will allow our key stakeholders to better share information with each other. Also underway is the construction of a Keystone Innovation Zone Web site that will be hosted on www.lehighvalley.org but with its own identity and URL. Both sites will be completed and ready to launch in early 2008.

Newsletter: Our electronic newsletter, distributed to more than 700 recipients, remains our primary communications tool to reach our investors, partners and stakeholders, and in 2007 it featured profiles of several successful companies assisted by LVEDC, such as Superior Quartz, EMV Technologies and Strauman Valves. Our e-newsletter has an average open rate of 40% with a 32% click-through rate to our Web site from recipients who want to read the rest of an article or feature story. This is an above-industry percentage for e-newsletters.

Events: This year we held more than 20 events, working with Business and Regional Development, Investor Relations, and many of our partners in an effort to attract and retain business in our region. They included “The World Is Now Open” Foreign Trade Zone educational seminar; the “Wall Street West Invitational” at Saucon Valley Country Club for more than 50 local leaders and key representatives of the Wall Street West/WIRED Financial Services
target sector; the “2007 Urban Opportunities Tour” that brought more than 30 real estate professionals from six states to the Lehigh Valley to learn about site development potential in Allentown, Bethlehem and Easton; our “2006 Annual Investors’ Meeting,” “2007 Mid-Year Investors’ Meeting,” 5 Broker-Developer meetings; and 3 Legislative and Government Relations meetings.

Editorial Placement: LVEDC garnered more than 300 media placements — an increase of 25% from last year, in local, regional and national print and electronic media over the past 12 months, including stories in Area Development, Site Selection and Business Xpansion magazines, NanoTechnology News, The Shipping Digest; and mentions in Forbes, The Long Beach (Calif) Telegram; Seattle Post-Intelligencer; and Investor’s Business Daily, that exposed the corporation’s name and mission to more than 2 million people.

Lehigh Valley Rankings:

☐ 8th Place, Best Cities and States for Business Expansion/Mid-sized Cities; Expansion Management Magazine.


☐ 38th Place, Business Boomtowns/Medium-Sized Cities (169th among top 300, a jump of eight places over 2006), Inc Magazine, May 2007.

Marketing Awards:

☐ Two Gold Hermes Creative Awards for the e-newsletter and the redesigned LVEDC Web site and an Honorable Mention for the 2006 Annual Report.

☐ Award of Distinction in the Communicator Awards Print Media Competition for the 2006 Annual Report.

☐ Recognized at the Northeastern Economic Developer’s Association Awards Conference in October — “Superior” for the Web site, and “Excellent” for the e-newsletter and the 2006 Annual Report.

“Since its founding more than a decade ago, LVEDC has played a leading role in helping our region fulfill its promise as a world-class center of business and industry, leading the way in redeveloping older industrial sites into new economic opportunity, and maintaining the high quality of life we have always enjoyed here in the Valley.”

Growing and nurturing the entire Valley.

Regional and Business Development

Urban revitalization remained a top priority for LVEDC during 2007, highlighted by the "Urban Opportunities Tour" that brought more than 30 developers, architects, urban planners, and real estate professionals to Allentown, Bethlehem, and Easton. Hosted by the mayors in each city, the tour introduced many members of the group to a variety of sites and provided an in-depth education on the potential of the Lehigh Valley's core communities.

Yet success over the past 12 months was by no means limited to the urban centers. From Portland to Whitehall, the Regional and Business Development staff worked to bring new companies to all of the Valley's communities while helping those already here find the resources to expand and create more jobs.

In addition, the staff conducted several other high-profile business development events throughout the region, including:

- The "Wall Street West Invitational" golf outing — Coordinated in conjunction with the Wall Street West/WIRED initiative and economic development partners from across Northeastern Pennsylvania, the event brought decision-makers from the Manhattan Financial Services Sector to the region to learn about the federal and state initiative, as well as other development possibilities in the Lehigh Valley.

- "The World is Now Open" — A day-long seminar that celebrated the designation of seven sites in the Lehigh Valley as a Foreign Trade Zone, and educated local business people about the benefits and requirements of the federal designation.

- Five Broker-Developer meetings that brought scores of real estate professionals to Allentown, Bethlehem, Easton, Portland, Whitehall Township, and Nazareth.

- Fielded more than 250 inquiries and 50 site visits from corporate decision-makers, site selection professionals, and economic developers.

- Participated with International Economic Development Corporation on a United States tour for a delegation of economic development representatives from Wendeng, China who were interested in learning about industrial park management practices, business retention and expansion, and business attraction.

- The creation of 873 new jobs and the retention of 91 jobs.

- Legislative and Government Relations meetings that provided opportunities for Lehigh Valley business leaders to meet and interact with key state and federal officials including Kathleen McGinty, Secretary of the Pennsylvania Department of Environmental Protection, Governor Ed Rendell, and U.S. Representative Charles Dent.

- Added CoStar Systems to our site database toolbox to better assist prospects on real estate queries.

- Renewed our focus on the Lehigh Valley Land Recycling Initiative by hiring Holly Wilde Edinger in August.

- Expanded working relationships with local economic development agencies and partners by participating in two day-long tours with the Pennsylvania Department of Community and Economic Development that brought international journalists and international investment representatives to the Lehigh Valley.

- Held a special meeting for our investors and community to learn more about progress on the I-78 corridor study.

- Worked with the Department of Environmental Protection to resolve issues with the NPDES stormwater permitting process issue; held meetings for the regional developers with the DEP to talk about solutions to the process.
Among the major accomplishments was the arrival of vital new companies such as Apprise Software in Bethlehem Township, the relocation of Eastern Engineered Wood Products to the City of Bethlehem, and the announcement of the proposed BMW distribution warehouse in Lower Nazareth Township.

Governor Ed Rendell, Jeff Broadhurst, Apprise President, Northampton County Executive, John Stoffa, and PA Representative Craig Dolny at the Apprise grand opening.

Photo courtesy of Apprise Software, Inc.

“LVEDC truly lived up to its reputation as a one-stop shop. The staff helped us find an ideal location for our new office where we can grow, directed us to the resources to make the move as smoothly as possible, and assisted in the coordination of our grand opening festivities. They made us feel welcome in the Lehigh Valley.”

— Jeff Broadhurst, President
Apprise Software, Inc.
Breaking new ground all over again.

Lehigh Valley Land Recycling Initiative (LVLRI)
The Lehigh Valley Land Recycling Initiative (LVLRI) is administered through LVEDC to promote the reuse and revitalization of abandoned and underutilized commercial and industrial properties throughout the Lehigh Valley, and foster the creation and retention of jobs in the region by facilitating public and private investment at brownfield sites. 2007 accomplishments include:

- Holly Wilde Edinger, the new LVLRI coordinator hired in August, has been working steadily to bring renewed attention to the potential of former industrial sites throughout the Lehigh Valley.
- Received a third $200,000 Brownfield Assessment Grant for Hazardous Materials Sites from the EPA that will enable LVLRI to continue performing Phase I and II environmental assessments for brownfields projects in the Lehigh Valley.
- Recognized by the EPA as one of only two programs in the country to use its Revolving Loan Fund (RLF) for environmental insurance at Coca-Cola Park in Allentown, resulting in request from Pennsylvania Department of Environmental Protection to host a regional workshop to educate other organizations on how to use the RLF in this way. In 2006, LVLRI was able to assist the city of Allentown and Lehigh County in using a subgrant from the RLF for the county to buy environmental insurance for the Ballpark.
- Updated site inventory with pictures of almost 100 properties and updated owner information.
- Contractor completed Phase I and II at 2700 Liberty Street, Wilson Borough, enabling a successful local business to purchase the property; public investment by LVLRI: $43,000.
- Completed critical Phase I and partial Phase II environmental assessment for The Waterfront, the proposed mixed-use project on the former Lehigh Steel property along the Lehigh River in Allentown, at a cost of $86,000. Additional assessment to be done by the EPA through the Targeted Brownfield Assessment program. LVLRI completed the application for this TBA on behalf of the City of Allentown and the Dunn Twiggar Company, LLC.
- Performed a Phase I assessment at Sal's Spaghetti House, Allentown, that helped the city market this property for redevelopment. Assessment work totaled $6,000 on the site that is slated to become a restaurant with rooftop dining.
- Spent $4,000 to complete Phase I of the 10-acre Silk Mill in Easton now being marketed by the Easton Redevelopment Authority.

LVLRI Case Study:
When the Bethlehem Parks Department secured a $200,000 state grant to upgrade the infrastructure and site amenities on Sand Island's west end and the regulatory red tape got tangled, Director Charlie Brown realized that he had to act quickly to save the recreation project.
In late 2004, he called the Lehigh Valley Land Recycling Initiative (LVLRI). "We had environmental problems. We had archaeological problems," said the now-retired Brown. "We had to have two environmental assessments. The costs with our consultants kept rising. They did not do the proper environmental studies. We had to do it ourselves. We lost the $200,000 because we couldn't do the work fast enough. We called LVLRI for assistance with the environmental issues and we re-applied and got the grant again."
LVLRI also provided the experts, money and connections the city needed to turn an eyesore into a showcase.
"Charlie Brown has always had a vision of the island as a greater recreation facility," says Bill Ahlert, Chairman of LVLRI and Vice President of HDR Engineering, Inc., which helped to facilitate the Sand Island project. "But there were problems with the Pennsylvania Department of Environmental Protection [DEP] and the U.S. Corps of Engineers because of river encroachment issues."
Ahlert and a representative from LVEDC met with the city to discuss how they might help secure approvals and environmental clearances — and protect its citizens. LVLRI asked the state to classify Sand Island as part of the Brownfields Action Team program, which provided the city with a single point of contact within DEP to facilitate the approvals and made sure the environmental work was done in a timely manner.
"The not-so-obvious benefit of the project, Ahlert says, "is what isn't there. With this or any brownfields project, the biggest benefit is we aren't creating new infrastructure we have to maintain. We can preserve green space. That makes our urban areas more inviting for development. LVLRI is all about trying to provide technical support, financial aid and overall facilitation to help people who are trying to develop good projects throughout the Lehigh Valley."

"LVLRI provides technical support, financial aid and overall facilitation to help people who are trying to develop good projects throughout the Lehigh Valley. We are all very excited to have Holly join the Lehigh Valley Land Recycling Initiative. With her help, we are looking forward to continuing our mission to facilitate the redevelopment of brownfields sites all across the region."

— William Ahlert, Vice President, HDR Engineering, inc. and Chair, Lehigh Valley Land Recycling Initiative

Holly Wilde Edinger, LVLRI Coordinator
Helping Southside Bethlehem blossom.

Keystone Innovation Zone

The Southside Bethlehem Keystone Innovation Zone (KIZ) remains a shining star in the Pennsylvania technology business development program, earning consistent praise as one of the best in the state and continued recognition from regional and national media. The Lehigh Valley Economic Development Corporation is the fiscal agent for the program, which leverages resources from the funding partners: Lehigh University, Northampton Community College, Ben Franklin Technology Partners of Northeast Pennsylvania, the City of Bethlehem, Good Shepherd Rehabilitation Hospital, Lehigh Valley Hospital, Manufacturer’s Resource Center, Small Business Development Center (SBDC), St. Luke’s Hospital, the TeamPennsylvania Foundation, UGI Utilities, Wachovia, and the Lehigh Valley Workforce Investment Board.

Covering approximately four-square miles, the KIZ provides Technology Transfer grants to entrepreneurs and companies up to eight years old. The KIZ internship program is an additional resource that provides access to paid internships for both undergraduates and graduate students at these early-stage companies. Tax credits and preferred access to state financing programs are also available.

By working with target industries in Life Sciences, Opto/Microelectronics, Information Technology, Financial Services and Advanced Materials/Nanotechnology, the Southside Bethlehem KIZ has enjoyed several noteworthy successes in its third contracted year, including:

☐ Establishment of the Lehigh Valley Life Sciences Network in conjunction with Northampton Community College, Ben Franklin Technology Partners and the Life Sciences Greenhouse of Central PA.

☐ Awarded five technology transfer project grants totaling $75,000 with four more pending presentations.

☐ Raised profile of LVEDC, KIZ and South Bethlehem through media relations that resulted in interviews published or broadcast by Area Development, Business Media and Business Xpansion magazines, Eastern Pennsylvania Business Journal, WLVT Channel 39 Public Broadcasting Corporation, and WDIY 88.1 FM Lehigh Valley Public Radio.

☐ Assisted one client in obtaining $125,000 line of credit through DCED Export Financing program; brokered arrangement for H-field Technologies to provide its WiFire units to DCED for use in the PA Pavilion at Bio 2007 in exchange for free publicity.

☐ KIZ companies account for 26 new jobs created for fiscal year ending June 30, 2007, and 80 retained since zone was created in 2004.

KIZ Case Study:
The work of EMV Technologies, a Bethlehem start-up company that is pioneering work in renal dialysis and material sciences, is so small you can’t see it with a regular microscope, let alone the naked eye. But EMV’s work in the growing field of nanotechnology promises big benefits to a large number of people.

EMV received a $15,000 grant from the South Bethlehem Keystone Innovation Zone (KIZ), which enabled it to secure a $195,000 grant from the National Institutes of Health.

"Nanotechnology represents a growing field of materials science that enables us to accomplish advances that were not possible before," said William Van Geertruyden, Ph.D., who with fellow scientist and Lehigh University faculty member Wojciech Misiolek founded EMV in 2003. "When we can manipulate and engineer structures on the nanometer scale, we can make materials lighter, stronger and more effective than we could with traditional methods.”

But while Van Geertruyden wants his own firm to succeed; he has a larger goal — helping to create a high-tech manufacturing economy in the Lehigh Valley.

8
"The Southside KIZ administered by LVEDC provided us with seed money to develop a totally new concept in scrubbing chlorine dioxide, a chloro-chemical. We were able to take that concept and apply it to other products, especially to improve a fluoro-chemical manufacturing process, reducing the need for additional experimental work. The KIZ understands and serves the needs of young startup companies such as The Halide Group and, through its programs, provides the financial means to help develop these new ideas and products."

— Madhu Anand and Peter Hobbs
The Halide Group
Helping businesses reach their potential.

Business Retention & Expansion Program

LVEDC is the fiscal agent in the Lehigh Valley for the Pennsylvania Business Retention and Expansion Program (BREP), an initiative funded by the Commonwealth to retain and expand existing businesses by reaching out to employers, learning their key issues and needs, and linking them with regional and state resources. Interviews are conducted by LVEDC staff, the Greater Lehigh Valley Chamber of Commerce and three subcontractors.

More than 750 businesses were visited during 2007 and 40 percent, or 300 of the visits, resulted in requests for information or project services. In addition, 2,889 jobs were retained and 754 new jobs were created as a direct result of BREP activities in the Lehigh Valley.

BREP interviews generated 17 capital projects in 2007 and state or federal financing provided through LVEDC for these projects totaled $19.4 million, generating a total of $51 million in total public/private project investment.

Employers interviewed expressed ongoing concerns about the shortage of trained and qualified employees, the economic slowdown, and need for more intensive marketing in the face of growing competition. Health-care costs were also a concern, while issues such as taxes and regulations declined in relative importance.

Research

LVEDC is the Lehigh Valley's one-stop resource for regional economic and demographic data and research, providing the latest information on regional companies, the economy and trends to investors, prospects, the media and partner organizations. The office averages three to four daily inquiries and the LVEDC Web site (www.lehighvalley.org) receives an average of 3,600 downloads of our data and demographics each month.

The ranking of the demographic pages on our Web site indicates that providing updated regional research and demographics is a valued function of LVEDC. Through our Web site content management system, the research department enables real-time, online access to time-sensitive economic and demographic data. As a result, up-to-date information is only a click away for reporters, developers, businesses, individuals and organizations such as the Lehigh Valley Workforce Investment Board and the Lehigh Valley Planning Commission.

The research department also collaborates on initiatives with the Lehigh Valley Workforce Investment Board, various committees of the Lehigh Carbon and Northampton Community Colleges, CareerLink; Economic Development Council of the Lehigh Valley, the Lehigh Valley Research Consortium and the Information Resources Group of the Delaware Valley Regional Planning Commission.

"Since 2003, we have invested a total of $487 million in the Lehigh Valley, which has brought more than 10,000 new jobs to Northampton County and added nearly 11,000 new jobs to Lehigh County, keeping the unemployment rate well below the five percent level cited by the federal government as full employment for a region."

— Pennsylvania Governor, Edward G. Rendell
Jarrell Witt (left), LVEDC Regional Development Manager and Peter Reinke (right), LVEDC Vice President of Regional Development.
Supporting sustainable growth.

Business Financing

LVEDC administers or offers more than two dozen financing programs for local businesses. The corporation arranged approximately $20 million in financing for more than 25 Lehigh Valley companies over the past 12 months and worked with companies to help them obtain additional financing through state, county and local agencies. These investments generated $45.3 million in total project costs and led to the creation of 887 jobs and the retention of 346 jobs.

Other accomplishments include:

☑ Hosted a Financing Seminar to introduce bankers, business leaders and prospective clients to LVEDC finance programs.

☑ Administered loan programs for:
  - Allentown Development Company (ADCO)
  - Regional Loan Pool
  - Lehigh County Industrial Development Authority (LCIDA)
  - Lehigh County Industrial Development Corporation (LCIDC)
  - Lehigh’s Economic Advancement Project (LEAP)
  - Northampton County New Jobs Corp. (NCNJC)
  - Northampton County Industrial Development Corporation (NCIDC)
  - Small Business Administration (SBA)
Processed four loans through the Pennsylvania Minority Business Development Authority's Revolving Loan Fund.

Marketed finance services through speaking engagements, LVEDC newsletter features, and community outreach.

Worked with Greater Lehigh Valley Chamber of Commerce Borough Business Revitalization Coordinators to reach small business prospects.

"When The Organic Mattress Store of Hellertown needed to expand from its 1,000-square-foot location, we found 8,000-square-feet in the old Breezy's building on Main Street in Hellertown and the wheels started spinning. But financing was an issue. Our numbers were good, but we did not have the money to put down. We heard about LVEDC and gave a call. Finance Manager Judy Yanega came out and discussed our needs. It took a little time, but in the end we got a great loan at a low rate, and a local bank loan to finance the project. LVEDC advised us on environmental issues, helped us move and assisted with our grand opening. They were with us all the way. We want to thank all the people from LVEDC who helped with this project. We now have one of the greenest buildings in the Lehigh Valley, and just three months ago we hired our first full-time employee."

— Dennis and Leora Hornick, Owners
The Organic Mattress Store
Hellertown, PA
Thriving together.

Investor Relations

The Investor Relations Committee’s core marketing message: We provide businesses an opportunity to invest in the economic growth of their community, so their businesses will grow and thrive.

The Lehigh Valley Economic Development Corporation is dependent upon the support of member/investor companies who provide much of the resources that underwrite the mission of the corporation. Increased membership and membership participation are important goals for LVEDC and this year we embarked on an ambitious program to support membership growth and retention. Acting on results from a membership survey, we are looking at ways to better serve our present member/investors and attract new ones.

In 2007, the name of the Membership Committee and references to members in all LVEDC correspondence and Web site materials was changed to Investor Relations to more accurately reflect the nature of the corporate and public support for the Valley’s leading economic development agency.

The LVEDC staff and Investor Relations Committee continues to work actively to increase our investor base to meet strategic goals, and in 2007, LVEDC had 330 member/investors at the end of the fiscal year. LVEDC continues to place an emphasis on expanding investor services. We keep investors informed of our initiatives and prospecting activity through periodic mailings, investor alerts, and our monthly e-newsletter.

We hold several events specifically for our investors each year including: new Investor Orientation Luncheons where they are given a formal introduction to LVEDC’s staff and services; Legislative and Government Relations meetings as a forum for our investors to interact with their elected officials; and our Annual and Mid-Year Investors’ Meetings that provide information on various subjects related to doing business in our region. These events also provide wonderful networking opportunities with the Lehigh Valley’s top businesses. Investors are also invited to sponsor our other business attraction and retention events as another way to market their companies and meet with other business executives.

"Investing in LVEDC provides the resources that allow our staff to conduct the work that brings jobs to the Lehigh Valley through corporate relocations, business start-ups and expansion, and we wanted to give our investors the proper recognition for their role in our success. In return, the organization provides access to public and corporate leaders that our investors need to make their businesses successful, along with resources including a broad series of events aimed at bringing expertise and support to their enterprise."

— Investor Relations Committee Chairman, Tom Garrity, Director of Compass Point Ltd.
**Investor Case Study:**

J.G. Petrucci has welcomed LVEDC involvement in numerous projects because the organization provides strategic guidance and tactical resources for the region as well as for his company.

"They have assumed a variety of roles for different projects for us," company President Jim Petrucci said. "They are the ambassador for the region. They give companies moving from outside the Lehigh Valley a comfort level with the area. For existing businesses they foster an environment that encourages people to invest and grow."

"That involvement reaches even deeper," said Tom Shaughnessy of JGPCO. "LVEDC not only is the first point of contact with companies looking to relocate in the Lehigh Valley, it is the administrator of the various financing programs," Shaughnessy said. "Every company that is looking at the Lehigh Valley has needs beyond real estate, whether it is tax incentives or training programs. When I bring a prospect from outside of the region, I introduce them to LVEDC to discuss the programs that add value and help them decide the Lehigh Valley is where they need to be. LVEDC is an excellent resource."

Petrucci said that's one of the reasons he started building in the Lehigh Valley, where about half of his projects are located. "We found early on that the Lehigh Valley is a very progressive place, very business-friendly. We find ourselves surrounded by people who think about how to get things done."

J.G. Petrucci Co. Inc., of Asbury, N.J., and Hanover Township, Northampton County, has contributed to the economic prosperity of the region since 1987."
Operations & Finance.

Operations

This new unit of the Lehigh Valley Economic Development Corporation, under the jurisdiction of the Chief Operating Officer, assumed responsibility for the administrative and fiscal duties of the corporation. The Chief Operating Officer in 2007:

☐ Revamped the budget planning process by implementing new fiscal and internal controls that improve accountability and transparency.

☐ Moved the corporation to an accrual accounting system for more accurate recordkeeping.

☐ Initiated a review and update of the employee handbook and training policies.

☐ Revised the corporate organizational chart and re-organized the administrative staff to provide more streamlined supervisory and reporting procedures.

Robert T. Weed, LVEDC
Interim President & CEO
2007 Forecasted Expenses

- Investor Relations 2%
- Finance 5%
- Marketing 21%
- PA BREP 8%
- LVLRI 13%
- KiZ 10%
- Development 8%
- Administrative 33%

“Our work over the past year has made LVEDC more cost-effective and our improved internal controls make us more accountable, more transparent and better prepared to respond to the growing needs of a vibrant organization.”

— Jean Mateff, Chief Operating Officer. LVEDC

2007 Forecasted Revenue

- Participation Fees 2%
- Private Sector Contributions 17%
- Public Sector Contributions 6%
- LVCVB (Hotel Tax) 31%
- Administration Fees 6%
- Government Grants 26%
- Sponsorships 4%
- Interest 3%

Jean Mateff (left), LVEDC Chief Operating Officer and Martha Wells (right), LVEDC Director of Investor Relations
2008 — A Year of New Opportunities.

"Opportunities multiply as they are seized," according to an old Chinese proverb. Over the past year, the Lehigh Valley Economic Development Corporation has seized many opportunities. Those opportunities have come in the offers to work with our partner organizations, our investors, and with companies that were looking to expand and add jobs here. Some came disguised as challenges, yet the able staff and Board of LVEDC accepted them and turned them into fruitful profits for the region.

As we embark on a new year, we will continue to seize opportunities that present themselves and we will work and communicate more with our partners, our investors and our clients. As the new President and Chief Executive Officer of the corporation, I have been assigned a set of goals to be achieved before year-end, and I have every confidence that we can complete that mission with the capable assistance of the talent now in place. I also need your help, and this is where yet another opportunity presents itself.

Together, we have the opportunity to move forward anew, to find even more ways to partner for the greater good of the Lehigh Valley and our stakeholders. At the request of the Chairman of the Board, I will convene a "Partnership Summit" within the first quarter that will lead into the development of a multi-year plan to identify new strategies, new endeavors, and new directions for this corporation. Much progress has been made over the past 12 years as the Lehigh Valley has grown, diversified and prospered, thanks in large part to the support LVEDC has received from all of you and the work done here at our office. We have watched local companies grow and prosper, we have aided new companies that have started or located here and we have helped create thousands of family-sustaining jobs for our residents. To continue to grow, we must remain competitive and cognizant of the challenges that face us. Your input and advice, your continued participation and your leadership support remain critical to that task.

I thank you and I look forward to working with you and celebrating our mutual success in the sustained strength and diversity of our Lehigh Valley economy.

Sincerely,
Philip B. Mitman
President & Chief Executive Officer, LVEDC
Executive Team

Mr. Robert T. Weed
Interim President & CEO

Ms. Jean M. Mateff
COO

Mr. Peter Reinke
Vice President Regional Development

Mr. Stephen L. Melnick
Director of Project Development

Mr. Robert A. Wendt
Director of Research

Ms. Martha J. Wells
Director of Investor Relations

Mr. Joseph McDermott
Communications Director

Ms. Margaret McConnell
Marketing Manager

Mr. Jarrett A. Witt
Regional Development Manager

Ms. Judy L. Yanega
Manager of Finance

Ms. Holly Edinger
Coordinator, LVLRI

Ms. Julie Ruane
Finance & Administration Specialist

Ms. Laurie Demko
Executive Assistant

Ms. Taryn Heisler
Administrative Assistant

Ms. Kelli Kocher
Administrative Assistant

Ms. Erin Radecsky
Administrative Assistant

Ms. Claudia Hein
Receptionist

Ms. Emily Goodwin
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Managing Partner Gates Family Partnership

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City of Bethlehem

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Vice President
Lafayette Ambassador Bank

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Red Hawk Industries/Division of UTC

Mr. Richard Ott

Mr. Joseph Rizzolino
Palmer Nursery, Inc.

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The Express-Times
The Garbaldti Group
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Total Imaging, Inc.
Traffic Planning & Design, Inc.
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Lehigh Valley
ECONOMIC
DEVELOPMENT CORPORATION

Helping business arrive. Helping business thrive.
Vernon Wehrung is on a mission. From the scaffolding high above the floor of his new plant, the CEO of Modern Precast Concrete smiles as he watches the family-owned business make history.

In a space as big as an aircraft hanger, a batch plant mixes cement, stone, sand, admixtures and water to form concrete. The machine is big and orange and sounds like a coffee grinder. It discharges the slurry into a cylinder that glides the length of the factory on a monorail, looking more like a scene from Disney World than a fabrication plant in Forks Township, just north of Easton. Below, a worker uses a small wireless control panel to maneuver the bucket over a wood-and-metal form. In a rushing hiss, the mixture slides into the mold.

The concrete will form an inlet box designed to channel storm water from road surfaces to drainage pipes. It's one of many precast products made by the 60-year-old company. The short list includes septic tanks, storm water inlet boxes, sewer manholes, highway median barriers, box culverts and retaining wall block. With its four divisions—Buildings, Construction Supplies, Site & Highway Products and Environmental & Wastewater—Ottville-based Modern also makes pipes, precast storage buildings and restrooms complete with plumbing and electrical systems.

Tall and lean with a full head of brown hair hidden beneath a white hardhat, Wehrung can't help smiling as he explains the operation and its significance in the marketplace.

One side of the new facility houses the wet cast operation, named for the higher water content of the precast concrete. (The term precast means the structure is formed in a factory and delivered to the job site as opposed to a poured-in-place structure whose raw materials are hauled to the site.)

On the other side of the plant sits the dry cast operation, which uses concrete so dense it can stand upright immediately after it's placed into the mold. With its new multi-million-dollar machinery from Schünkspitzauer Technology in Austria, Modern is making concrete storm-water pipes that range in size from 15 in. to 48 in. in diameter. They're big and tall and have to be moved by an electric cart the size of a storage shed since each 24 in. pipe weighs 2,724 lbs. The crew can produce up to 180 pieces per shift, depending on size.

As he threads his way through the plant, Wehrung waves and says hello to some of the 145 people employed by a company that was founded in 1946 by his parents, Woody and Blanche. He smiles as he explains the advantages of the machines he researched and purchased in Europe. He is proud of the employees, the products and the facilities. He's especially pleased that with the Easton facility Modern can house both wet cast and dry cast operations under one roof—a competitive advantage in the precast concrete business.

To that end, Modern has invested nearly $10 million to build this 91,000-sq.-ft. plant and office complex in Forks Township and another $8 million to purchase high-caliber equipment. The Lehigh Valley Economic Development Corporation (LVEDC) helped Modern secure part of those funds, including a $2 million Pennsylvania Industrial Development Authority (PIDA) loan for construction of the building and a $3,120,000 loan from the Small Business Administration (SBA).

"The addition of the dry cast equipment will allow Modern to extend its strategy of being a total solution provider to our customers and will establish us as the only full-service provider precast concrete firm in the Northeastern United States," Wehrung says. The wet cast system will allow for increased productivity, quality and economics of scale.

Modern moved into the Forks Township building in August 2006. It began casting structures in early September and pipes in mid-October. Its two other facilities are located in Bethlehem and Ottsville, 30 miles to the south.

Wehrung attributes the company's success to many factors—research, equipment, innovation—but the driver is the company's mission, formed in a young man's head more than 50 years ago. "The mission statement is what I heard around the kitchen table," he says. "My parents said two things: always satisfy the customer and get the best people."

Today, that mission statement reads in part that Modern Precast will strive "to be known as a respectable and high-spirited company devoted to serving God, our customers, our employees and our community."

The mission comes naturally to Wehrung, who worked in his parents' business as a child and continued there after attending college and serving in the military. He has also served as chairman of the National Precast Concrete Association, a position that allowed him to visit industrial machinery research and development facilities around the world.
and precast companies in Europe and Asia and adapt their advanced technology.

That need to serve and grow led him back the Lehigh Valley. “We needed to expand. We needed access to the major markets and the work pool. It took us three years to find a piece of property where we could manufacture and have outside storage, and we found it near Easton.”

One of the biggest attractions of the Valley was the help Modern received from LVEDC.

“For us, going through PIDA and SBA was a new experience,” he says. “It's complicated and expensive to borrow that kind of money. The people at LVEDC have been fantastic, very, very cooperative and very knowledgeable. They understand and live by their mission statement.”

Just like Modern.

To learn more about LVEDC's services, call 1-800-581-7483 or www.lehighvalley.org.
Strahman Valves Inc. didn't just outgrow the facilities it has maintained in Florham Park, N.J., since 1955. It outgrew the state.

Lucky its neighbor has a big welcome mat.

In July 2006, the 56-year-old manufacturer of specialty valves and nozzles picked up the entire company and moved into a new building in Lehigh Valley Industrial Park VI near Route 33 and Freemansburg Avenue. The $6.3 million project brought 70 employees to the region, with the promise of another 30 over the next few years.

It also brought a dynamic company ready to grow.

Strahman Valves is an internationally recognized manufacturer of sampling valves, drain valves, industrial valves and washdown equipment used by the food, beverage, pharmaceutical, polymer, chemical, petrochemical and biotech industries. The move to the Lehigh Valley allows Strahman to expand its manufacturing and product development capabilities while strategically placing the company in an ideal position to service all of its national and international customers more effectively.

"We couldn't find the labor we needed in New Jersey," said August Percoco, president and CEO of Strahman Valves, noting that many skilled employees in the industrial sector have left that state. "The cost of living and the commute are better here. It also makes sense to be closer to our materials and our subcontractors."

The strategy sounded great until Percoco and others in the company began to explore the bureaucratic maze they'd have to navigate to make the transition. That's when he called the Lehigh Valley Economic Development Corporation.

LVEDC provided the guidance and contacts that helped Strahman Valves qualify for more than $2.9 million in state grants and low-interest loans.

"We helped them find a site and introduced them to the Governor's Action Team," said LVEDC's Vice President of Finance Janet Smith, referring to the group of high-level economic development professionals who report directly to the governor of Pennsylvania.

That introduction has given Strahman Valves a number of options, including a $1,440,000 Pennsylvania Industrial Development Authority loan to purchase their new building, a $1,125,000 loan to purchase equipment, $200,000 in job-creation tax credits, a $100,000 Opportunity Fund grant and $75,000 in state training money.

"LVEDC has been great," Percoco said. "Coming from New Jersey, we were not familiar with what's in the area. They helped us site the company and told us what to expect. They helped us with the myriad paperwork. They hooked us up with CareerLink [the Pennsylvania program that provides one-stop delivery of career services to job seekers and employers]. They also hooked us up with Northampton Community College and local schools to help find new employees."

Strahman Valves has put the loan guarantees to good use. The company hadn't even moved when it started to expand, adding an administration center to the 60,000-sq.-ft. facility that houses every business function from receiving to engineering, manufacturing, quality control and shipping. The company's next expansion comes in the form of a welding shop that will allow it to custom design and build valves up to 20 ft. in diameter.

The ability to grow and still remain competitive is important to Strahman Valves as it expands operations by geography and market sector.

Founded in 1921 by Herman and Theodore Strahman, the company started manufacturing high-quality valves for the chemicals and oil industry in the United States. Recognizing a need for a unit that could distribute hot water for facility cleanup in the dairy industry, Strahman engineers developed the first steam and cold water mixing unit. That led to the development of mixing units that distribute hot and cold water as well as thermostatically controlled units.

Later, Strahman pioneered the free-flowing, non-clogging piston tank bottom valve and established itself as a worldwide leader of sampling valves and sampling systems—technology that allows manufacturing facilities to run 24/7 without disrupting production lines. With the acquisition of MG Process Valves in Mery, France, the company continues to expand its international operations, especially in China.
Today Strahman Valves has annual sales between $20 million and 30 million and facilities in the United States, France, Germany and the U.K. It also has a brighter future, thanks to the Lehigh Valley.

"The business climate here is conducive to growing companies," Percoco said. "The access to suppliers is tremendous. Subcontractors are readily available. The support we've gotten from LVEDC has made the transition very smooth. It's allowed me to focus on how to expand and prepare the company for the next 85 years. They made sure all the other stuff took care of itself."

To learn more about LVEDC's services, call 1-800-581-7483 or www.lehighvalley.org.
LVEDC Success Story:  
Future Looks Bright for Superior Quartz Products

The next time you watch a movie or a space shuttle launch, you can thank a Lehigh Valley company for illuminating your world.

The Losco family and their business, Superior Quartz Products Inc., have been designing and manufacturing specialty lamps for 50 years, first in New Jersey and now from their new $4.6 million facility in Bethlehem Township’s LVIP-IV.

The company makes high-tech lamps for the printing, entertainment, pharmaceutical and semiconductor industries, among others. Customers include space agencies, cinema chains, and printing companies. Products range from 100-watt-per-inch ultraviolet lamps that dry ink and various UV coatings to the 20,000-watt bulbs that surround the launch pad at the Kennedy Space Center.

The effects are impressive.

“NASA tells us that once a space shuttle reaches orbit, the astronauts aboard can still clearly see the lights on the pad,” said Denny Losco Jr., CFO and treasurer, who with his father and two brothers — Jeff and Joe — run a business their grandfather started in Verona, New Jersey, in 1957.

The results are impressive, too. Superior Quartz has become the single largest producer of ultraviolet lamps in the United States and one of the world’s largest manufacturers of medium- and high-pressure quartz lamps. With 65 employees and $8 million in annual sales, the company ships more than 50,000 lamps worldwide each year at prices that range from a few hundred dollars to almost $10,000 each.

Those products include UV lamps for industrial applications such as curing glue and drying ink; air- and liquid-cooled xenon short-arc lamps for entertainment and specialty customers such as IMAX® and NASA; and high power mercury and metal halide lamps for the printing and micrographic industries.

“About 70 percent of the business is industrial curing,” said Jeff Losco, a mechanical engineer like his father Denny. “The biggest consumer market can be seen in supermarkets. Every label in the store is UV printed. There’s a 70 percent chance it was cured by one of our lamps.”

By the year 2000, that dominance placed Superior at the forefront of several large domestic markets, including UV (10 million a year), cinema bulbs (50 million) and false light for theaters ($60 million). But with only 30,000 sq. ft. of production space and no room to expand in New Jersey, the company needed to exit stage left if it was going to grow.

“We looked all over Pennsylvania,” Denny said. “We even looked at Scranton, but with our employee base, we couldn’t move the company there. We wanted to be close to our employee base and wanted access to major airports for our international visitors.”

The company has sales offices in California, Florida, Australia, and Italy as well as distributors worldwide. But when it came to relocating the manufacturing operations, the spotlight shone on the Lehigh Valley.

An employee at Superior Quartz demonstrates the trade. Photo courtesy Superior Quartz.

“This is an ideal location,” Jeff said. “There are a lot of skilled workers in the area. From a capital investment perspective, land and property investments in the Lehigh Valley continue to rise. We have customer support with nearby hotels and restaurants. We have country clubs and golf courses. And it’s a beautiful location. We’re proud to bring people here. You know the company business — image is important.”

But the prospect of finding land and financing, negotiating the bureaucracy, building a new plant and shuttering the business during the move was more than the three entrepreneurs could handle on their own.

“Just going from a $1 million building to $4.6 million building is a daunting task,” Jeff said.

To help them navigate that sea of red tape, Superior Quartz turned to the Lehigh Valley Economic Development Corporation. In 2002, LVEDC introduced Superior to a state and federal financing package that included a 2.75 percent high-technology loan from...
the Pennsylvania Industrial Development Authority (PIDA), $2.8 million in tax-free bonds underwritten by Wachovia Corporation and a machine equipment loan from the state. To that, Superior added $1.25 million of its own cash.

But the offer was only the beginning of what Denny called "a very complicated process."

"LVEDC understands business," he said. "They did a phenomenal job in educating us in how to building a large building and sorting out what made sense from a safety and financial perspective.

"They understand the Lehigh Valley. We had four different banks make presentations and we didn't know what the state had to offer. The bank financing offers are almost too difficult to comprehend.

"LVEDC understands how the bureaucracy works and the people you need to talk to. They helped me fill out the applications and walked them through the attorneys with the Governor's Action Team. They did most of the work. We just went to Harrisburg and talked to them about our business."

"It took us five hours to sign a stack of papers 18 inches high," said Joe, an electrical engineer and the youngest brother.

"Being a small business, we don't have an in-house attorney and accountant," Jeff said. "It would have been physically impossible for us to do this work and conduct these types of negotiations at that level."

Even if they could, they couldn't navigate the bureaucracy and establish the new business at the same time, Joe said. "Jeff was here every night doing the electrical layouts and setting up and connecting the specialized equipment, like balancing the glass lathes. As it was, we had to shut down for two months. LVEDC allowed us to do what we needed to do to get the company up and running."

Even before Superior moved into its Lehigh Valley facility in July 2004, the Loscos were ready to tackle new markets. Not content to wait until foreign competition turns its products into a commodity, Superior is moving into the sterilization field with new products for water, sewer and bottling plants. It also wants to increase its presence in the semiconductor industry, a $30-million-a-year market.

"We've seen a 10 percent increase in business every year," Denny said, noting the company plans to hire another five workers. "Now that we have the building, we hope to double our sales in the next few years."

With the future looking bright, the Loscos have turned the spotlight on the Lehigh Valley.

"We really want to grow the business," Denny said. "We really want to be here."
LVEDC Success Story:
The Organic Mattress Store Pads Its Business With Larger Location

For some, the old adage "you made your bed, now sleep on it," might seem a rebuke. For Dennis and Leore Hornick, owners of The Organic Mattress Store in Hellertown, it's a business model that has taken their unique retail and assembly business from a 1,000-square-foot shop to an 8,000-square-foot building in only four years.

As the owners of one of - if not the only - organic mattress retail outlet on the East Coast, the Riegelsville couple have served customers who came from as far away as Hawaii to purchase the mattresses made from only three natural materials - natural rubber, pure wool and 100 percent certified organic cotton. They moved into their new location at 1075 Main Street last year and hired their first full-time employee by the end of 2007.

Business increased 20 percent in 2007 and as they move into 2008, the entrepreneurs are looking at expanding their workforce to meet the growing demand for the mattresses that are assembled on-site and creating a franchise network to open more stores elsewhere on the East Coast.

"We have out-marketed our competition with the help of a great search engine optimization firm located near Microsoft, and they've been worth every dime," said Dennis Hornick.

The Hornicks credit the Lehigh Valley Economic Development Corporation (LVEDC) for helping to - shall we say it? Sure. - "feather their bed" with critical financing needed to purchase the former appliance store and remake it into a "green," or environmentally friendly building that now stands as a tribute to their own environmentally sound lifestyle and business platform. Dennis said the goal is to locate near whole foods stores. "They almost do our homework for us," he said. "We just have to follow them."

"When we found 8,000-square-feet in the old Breezy's building on Main Street in Hellertown, the wheels started spinning," said Dennis Hornick. "But financing was an issue. Our numbers were good, but we did not have the money to put down. We heard about LVEDC and gave a call. Finance Manager Judy Yanega came out and discussed our needs. It took a little time, but in the end we got a great loan at a low rate, and a local bank loan to finance the project. "LVEDC advised us on environmental issues, helped us move and assisted with our grand opening. They were with us all the way," he said.

Dennis and Leore grew up in Levittown, Bucks County, and have gradually moved northward. They lived for four years in Bend, Oregon, and in the Florida Keys before returning home several years ago. Both have prior business experience. Dennis owned a pool construction business in Bucks County for 25 years and Leore had her own flower shop. They also owned and operated an organic tree farm in Kintnersville, Bucks County, from 1986-96.

They entered the organic mattress business as customers several years ago, when they shopped the Internet for their own purchase, Leore said. "We bought one, we liked it. We bought 12 of them. We've lived the organic lifestyle for a long time," she added. "We still do, but we're not perfect. But the organic mattress will always stay with us, considering we spend a third of our lives on it."

Leore said many customers don't realize that mainstream mattresses may contain as many as 60 to 70 different chemicals, but many people are adversely affected by the chemicals or their smell because of allergies or a natural aversion. "Our mattresses are made from only three products," she said, adding that both the wool and cotton are organically American-grown. The rubber, however, comes from Sri Lanka because rubber is not grown in the United States. The mattresses are dust-mite resistant and the wool acts as a natural fire retardant in addition to its insulating quality that keeps sleepers cooler in the summer and warmer in the winter.

The building, which includes 1,200-square-feet of retail space and a 4,000-square-foot warehouse-assembly area, also reflects the Hornicks' philosophies. Hoffert Construction of the Lehigh Valley did the renovations. The walls are painted with Bio-Shield natural paints, American Clay is troweled on the walls, and the floor of the showroom is covered with a natural organic carpet made of British wool. The installer, who had never seen a similar carpet, initially wanted to glue down the wool backing, but the Hornicks told him it just had to be laid in place. It worked.

The work and investment has paid off in customer appreciation and support, Leore said. "We figured we'd give it six months and here we are, four years later, in a new location because we had to expand," she said.

"We're not complaining. When the housing market gets better, it's off to the races for us. We're ready," said Dennis, "and our next expansion, a bigger warehouse, will definitely include LVEDC."

To learn more about LVEDC's services, call 1-800-581-7483 or www.lehighvalley.org.
To: County Council of Northampton County  
From: Phil Mitman, President/CEO  
Lehigh Valley Economic Development Corporation  
Date: April 3, 2008

"Climate of Collaboration"

We recognize a strong connection between LVEDC and Northampton County elected and appointed officials. And, we certainly have a sense of accountability to our public sector and private sector funders.

I'm pleased to say LVEDC is poised for greater accomplishments moving forward.


LVEDC formed in 1995 to create a regional approach to attracting business to the Lehigh Valley.

Original Mission – Marketing, image creation and promoting regionalism in Northampton and Lehigh counties.

Over 90 percent private-sector funded — until the hotel tax was implemented in 2001.

YEARS SIX THROUGH 13 (2001-2008)

Added programs, services and partners and critical business loan programs.

City, County, State and Federal.

Joint initiatives, programs and operations, loan programs, grant related projects and administration.

In recent years our LVEDC leadership and officers have:

1. Restructured Board, Executive Committee and Advisory Committee structure — for instance the Executive Committee now includes the two County executives, three City mayors, and the president of the both the Northampton County Council and Lehigh County Board of Commissioners. Private sector support of the organization remains a crucial component. Private sector leadership conveys impartiality and confidence to site selectors, developers, business and investors.
2. Established a volunteer leadership succession plan.
3. Established a diversity initiative.
4. Instituted a new nominations and election process.
5. Implemented visioning sessions with private sector members, public sector representatives, and staff.
6. Created the position of Chief Operating Officer.
7. Instituted a formal financial and accounting system.
8. Created a separate hotel tax proceed accounting system.
9. Put our IRS 990s and financial audit reports on our website.
10. Instituted a time-tracking system to ensure grant expenditure accountability.
11. Enhanced internal controls.
12. Updated employees’ policy and procedures manual.
13. Created an employee salary administration program.
14. Set a policy for periodic competitive process for procuring professional services.
15. Formed a Risk Committee and undertook a Benchmarking Study for best practices.

I have been given a results-oriented set of goals for 2008 the most important of which include convening Partners Summits and substantially completing a strategic planning process that will result in a 3-5 year road map for the organization.

The Public Sector Partners Summit was held a week ago and we are planning a series of private sector summits over the next several months.

This will be an extremely important exercise for the Lehigh Valley because if done properly it will enhance our economic development abilities dramatically.

LVEDC is only one piece of the Economic Development network of the Lehigh Valley and we rely on the expertise and resources of many other organizations to fulfill our mission.

In fact, I would say we have as advanced an Economic Development network in the Lehigh Valley as exists anywhere in the country.

LVEDC staff, leaders, and volunteers are terrific at what we do – and we GET RESULTS!!

Over the past two years we have helped 44 companies obtain more than $52 million in financing, which led to $102 million in total project costs, almost 1,300 new jobs and 456 jobs retained here in the Lehigh Valley.

Of that, Northampton County accounted for two dozen loans, $29.6 million in financing, $62 million in total project costs, 851 new jobs and 375 retained jobs.

- Over the past five years the Lehigh Valley metro area has increased jobs at roughly three times the percentage rate of the state of Pennsylvania;
- The Lehigh Valley accounts for more than 17 percent of all new jobs created in the state during that period;
The Lehigh Valley has added far more jobs than any other metro region in the state – 22,000 over the past five years.

Marketing/Business Development Events Held In Northampton County

Broker Developer Series:

May 2007 – Portland Industrial Park

September 2007 – 1 W. 4th St., Bethlehem

December 2007 – 25 S. Main St., Nazareth

February 2008 – Larry Holmes Plaza, Easton

April 2008 – (scheduled) (Site TBD) Bethlehem

Urban Opportunities Tour 2007:

Who: More than 30 brokers, developers, architects and other real estate professionals from Pennsylvania, New Jersey, New York, Maryland and Connecticut.

Where: Easton/Bethlehem – October 2007

LVEDC Annual Investors Meeting

State Theater, Easton

January 2008
“Climate of Collaboration”

**LVEDC Northampton County Success Stories**

**Statement:** LVEDC and Northampton County government leaders, the Department of Community and Economic Development, the Industrial Development Corporation, the Northampton County New Jobs Corps, the Slate Belt Council of Governments, the Bangor Area School District Economic Development Authority, the Green Knight Economic Development Corporation, the South Bethlehem Keystone Innovation Zone, the Greater Easton Development Partnership, and numerous municipal leaders have been strong partners since 1995 to create jobs and make Northampton County a positive place to grow and attract and retain quality businesses and jobs.

**Success Stories In Northampton County:**

a) **Apprise Software**, Bridgewater, NJ to Bethlehem Township. 75 high-paying, skilled jobs with it and the company plans to hire many more local graduates and residents as it continues to grow locally and internationally.

b) **Viddler Inc.**, Bethlehem. A KIZ start-up; nine employees with plans to hire up to 35 over the next three years.

c) **Modern Precast Concrete**, Forks Township. $10 million investment in building; 145 manufacturing jobs relocated from Bucks County.

d) **Superior Quartz Inc.**, Bethlehem Township; 65 jobs relocated from Verona, NJ to new $4.6-million facility in Bethlehem Township’s LVIP-IV.

e) **Strahman Valves Inc.**, Bethlehem Township; The $6.3 million project brought 70 employees to the region from Florham Park, NJ, with the promise of another 30 over the next few years.

f) **EMV Technologies**, Bethlehem. Specializes in nano-technology. They work with things that are so small you can’t even see it with a regular microscope, yet they are pioneers in the areas of renal dialysis and material sciences.

g) **The Organic Mattress Store.** They have been so successful in their new location that they are now talking about further expansion and even franchising the operation to other parts of the country.

h) **EMV Technologies**, Bethlehem which specializes in nano-technology. They work with things that are so small you can’t even see it with a regular microscope, yet they are pioneers in the areas of renal dialysis and material sciences.

i) **NTH Consulting Engineers**, Bethlehem Township; eight employees with plans to hire 10 more before the end of 2007.

j) **Techo-Block** (need info) Pen Argyl; 72 employees

k) **Ultra Poly/Portland Industrial Park, Portland** (need info); 75 employees

l) **South Bethlehem Keystone Opportunity Zone;** 29 new companies; 116 new jobs since zone creation in 2004.
To: County Council of Northampton County

From: Phil Mitman, President & CEO

Date: April 3, 2008

“A Climate of Collaboration”

FUTURE:

LVEDC’s Future? It’s bright, positive, aggressive and promising excellent results.

Our Strategic Directions for 2008 and 2009:

1. The Public Sector Partners Summit – building a “Climate of Collaboration”, with a commitment to accountable actions was held Thursday, March 27, 2008.

2. Private Sector Partners Summits – finding the dollars to expand our mission and connect with our business leaders. The forums will be completed by Oct. 1, 2008


4. LVEDC will provide regional leadership for women- and minority-owned businesses, collaborating with AEDC on this objective.

5. We shall increase our national and international marketing reach, using cutting-edge, web-based Internet technology.

6. We shall upgrade our site-selector recruiting.

7. We shall continue our Pennsylvania Business Retention/Expansion Program.

8. We shall do more aggressive business financing programs with a new LVEDC Economic Development Finance Director and Manager Judy Yanega.

9. Our partnerships and relationships shall get stronger.

10. LVEDC will have a Creative Speakers Bureau to enhance our desire for better public relations.

11. Our private-sector fund-raising will improve.

12. We will protect the confidentiality of our clients.
SUCCESS STORY
High-Tech Disaster Recovery
Firm Prizes Reliability and an Inconspicuous Presence
It's a non-descript building somewhere in Whitehall Township. Inside, technicians assemble computers and develop new hardware and software that far exceed industry reliability rates. But if for some reason they do fail, well, this non-descript building also houses data storage and virtual assistance resources that are setting their own standards in the rapidly growing data protection and disaster recovery industry. Learn More »

INVESTOR SPOTLIGHT
'Traditionally Conservative' Engineering Firm Picks Lehigh Valley for Growth
If any further evidence is needed to document the Lehigh Valley's continued growth and rising position in the national economic development scene, consider NTH Consultants, Ltd. as the latest exhibit. Learn More »

INSIDE LVEDC
LVEDC Hosts California Leadership Training Tour Visit
LVEDC hosted the tour March 10 in Bethlehem at a roundtable discussion that included representatives from its own staff as well as community and business leaders from Allentown, Easton and Lehigh Valley Industrial Parks who gave the visitors insight into how our region has established itself as a regional economic development force. Learn More »
MARCH 2008

High-Tech Disaster Recovery Prizes Reliability

It’s a non-descript building somewhere in Whitehall Township. Inside, technicians assemble computers and develop new hardware and software that far exceed industry reliability rates. But if for some reason they do fail, well, this non-descript building also houses data storage and virtual assistance resources that are setting their own standards in the rapidly growing data protection and disaster recovery industry.

Though Coulbourn Inc. and its subsidiary companies – Cobalt Computers and Coulbourn Instruments – are among the best-kept secrets in the Lehigh Valley business community, they are carving their own niche among the most successful companies in the region. Cobalt Computers experienced an 82 percent growth rate for hardware and services in 2007 and its average growth rate over the past five years has hovered steadily in the 80 percent range, said company President Paul Mazzucco.

Coulbourn recently obtained a $560,000 low-interest loan arranged through the Lehigh Economic Advancement Project (LEAP) and the Lehigh Valley Economic Development Corporation (LVEDC) to complete a 40,000-square-foot expansion of its Whitehall facility to house a new, state-of-the-art data storage center. The funds, provided through the Pennsylvania Industrial Development Authority (PIDA), will allow Coulbourn Inc. to complete renovations at its Whitehall facility and consolidate its computer assembly and disaster recovery operations in one site, said Mazzucco.

Cobalt, which now employs 28 people, will hire 25 to 35 assemblers and data specialists to accommodate the growing demands of the company, which provides the hardware, software and back-up services for its clients. Mazzucco praised LVEDC and local officials for their efforts to assist his companies and bring new jobs to the region.

"We were under tremendous pressure to move to Maryland because of our government work, but we worked with the Governor's Action Team and LVEDC to get a bigger facility here and stay in the Lehigh Valley," he said. "They literally brought 50 jobs out of Maryland to the Lehigh Valley."

Cobalt Computers is one of only 320 Intel "Premiere" providers in North America, a designation it has earned for the past five consecutive years. Intel "Premiere" is the highest level of certification issued by the hardware giant and signifies a reliability level far above industry average. Coulbourn manufactures medical instruments that meet similar high-quality standards.

"We were proud to work with Paul and his team to help them find the funds to stay and expand in the Lehigh Valley," said Philip B. Mitman, President and Chief Executive Officer of LVEDC. "This is the type of company we have targeted for economic growth in the region. It brings together high-tech manufacturing and computer services, and it is one of a growing number of Lehigh Valley companies that demonstrate the effectiveness of the Wall Street West Initiative."

The Wall Street West/WEBED initiative is a federal mandate that requires New York City financial services firms to develop back-office data protection and disaster recovery services outside of the New York power grid, airspace, wackers and transportation network.

Cobalt and its sister company have more than 15,000 customers, including five major contracts in the Lehigh Valley, the federal government and agencies involved in Homeland Security, but it specializes in laboratory, hospital and government work at the city and county level.

Cobalt's servers and hardware are guaranteed to operate with system uptimes of 99% in an industry that normally operates in the 60-70% uptime averages, thus eliminating most of the crashes that can cost its clients valuable time and data, and Mazzucco's team has been known to challenge clients to try to break their products.

In addition, the company's use of Intel and IBM Blade Server technology and VM-ware virtualization services...
guarantee that data recovery times will be shortened to hours instead of days if the systems do crash, Mazzucco said.

Mazzucco said one of the things that makes his company different from many disaster recovery specialists is that Cobalt will provide the hardware, create virtual machines, mirror the customer's system at Cobalt's facility and guarantee a much faster recovery time than industry standards.

"Instead of a two-day process, it's a two-minute process to restore your systems once our servers are in place," Mazzucco said. "It's revolutionizing the way resource recovery is taking place."

Engineering Firm Picks Lehigh Valley For Growth

If any further evidence is needed to document the Lehigh Valley's continued growth and rising position in the national economic development scene, consider NTH Consultants, Ltd. as the latest exhibit.

This Detroit-based firm, which for years operated with a small number of offices in select locations around the country, zeroed in on the Valley as one of only three new sites when it embarked on a rare expansion program in recent years. The Bethlehem Township office, which opened in January 2007 near the proposed St. Luke's Riverside Medical Campus near Route 33, now houses seven engineers, scientists and inspectors and local Lead Engineer Phil Gauffreau, P.E. expects his staff to reach 16 people within the next three to four years.

Gauffreau said NTH has long eyed the Valley as a potential expansion site based on work it has done out of its Etonic office. Local projects have included a number of Liberty Property Trust developments across the Lehigh Valley, several new Home Depot stores and work for Lehigh Valley International Airport.

"We have traditionally been very conservative in terms of opening offices," said Gauffreau, a North Jersey native and Lehigh University graduate who earned his bachelor of science in civil engineering degree in 1984 and a master's in civil engineering from Lehigh in 1988.

Gauffreau said that a few years ago new leadership at the Detroit headquarters had to make a choice whether the company would grow geographically or organically at its existing locations, and when the decision to expand was made, the next step was to select the right locations.

"The Mid-Atlantic team had to look at where we could go, and the options were Maryland, Delaware, central Pennsylvania and New Jersey," he said. "The consensus was that this was the place to be."

Gauffreau gave his corporate CEO a tour of the region, which sealed the decision.

That selection also precipitated NTH's decision to join the Lehigh Valley Economic Development Corporation (LVEDC), which provided assistance as the company sought a convenient office location that would provide expansion room plus a warehouse/loading dock facility to house an engineering laboratory. LVEDC also provided demographic information, put out a "Broker Alert" to identify possible office sites, and more material to help Gauffreau and his colleagues make the case for a local office.

"Then we joined LVEDC and started getting more information on what was going on here," Gauffreau said, adding that the networking opportunities provided by LVEDC membership have helped the company establish stronger ties to the Valley. "For people in our business – consultants – that networking is key. We try to take advantage of the opportunities that are presented to us."

LVEDC Director of Investor Relations Martha Wells said NTH has been a strong contributor to the organization since joining, NTH has co-sponsored several events, participated in many others and supported LVEDC in the community.

"Phil and his staff have really been a great addition to our investor-membership and NTH provides a great example of the benefits we can provide to our investors," Wells said.

NTH specializes in four general areas of engineering consulting: Geo-Technical Engineering, Construction Observation and Testing, Environmental Assessment and Remediation Assistance, and Asset Preservation.

"We are a full-service provider and most of our clients prefer that. They don't want to have to bring in specialists for everything," he said.

Gauffreau sees strong opportunities to expand the environmental and asset preservation aspects of the business in the Lehigh Valley while providing a great resource to local businesses and communities by returning unused or under-utilized sites, as well as existing assets, to full potential.
That also means growing his own staff, and a CAD (computer-assisted design) specialist, a brownfields expert and a business development representative are among the immediate needs.

NLH expects to have at least 10 employees in the Lehigh Valley by the end of 2008 and 16 within the next three years, he said. Meanwhile, he will continue to be active in LVEDC and community activities.

"I enjoy the opportunity to have more interaction and involvement in the community," he said. "This is a very interactive community and I think there is a lot of opportunity for us."

Brownfield remediation. Economic vitality. Regional cooperation. When two dozen participants in the California Agricultural Leadership Program went looking for a region and an organization that exemplified the best of those attributes, it chose the Lehigh Valley and the Lehigh Valley Economic Development Corporation (LVEDC).

LVEDC Hosts California Leadership

LVEDC hosted the tour March 10 in Bethlehem at a roundtable discussion that included representatives from its own staff as well as community and business leaders from Allentown, Easton, and Lehigh Valley Industrial Parks who gave the visitors insight into how our region has established itself as a regional economic development force.

The 38-year-old California program provides leadership training to the state’s agricultural community, and each class participates in a national trip to see other states or regions that have demonstrated leadership in economic and community development.

“One of the goals of the national trip is to get them to experience other types of communities, other types of leadership, so they can go back to their communities with new solutions," said Program Coordinator Charlie Crab. "Bethlehem and the Lehigh Valley is a good area for that because it has overcome challenges and provided good experience and background on community revitalization."

The 2008 national trip included a visit to Washington, D.C., and to the Rodale Institute in Kutztown, where the visitors learned of new trends and solutions applicable directly to the agriculture industry.

The Bethlehem visit included a tour of LVIP VII and the BethWorks project, where the city, county, non-profit and private investors are working to revitalize the former Bethlehem Steel property, one of the largest brownfields in the nation.

The panel discussion at Northampton Community College’s South Side Campus in South Bethlehem allowed the group to learn about the range of regional activities and cooperation that led to the creation of LVEDC and the LVIP system. It also included briefings on the success of the Keystone Innovation Zone administered by LVEDC and operated in conjunction with Lehigh University, the Ben Franklin Partnership and NCC, and a history of the Lehigh Valley’s transition from heavy industry to a diversified economy.

Participants included LVEDC President/CEO Phil Milman, who served as moderator; along with Kerry Wrobel, president of Lehigh Valley Industrial Parks; Easton Community and Economic Development Director Becky Bradley; Allentown Economic Development Corporation representative Eduardo Eichenwald; LVEDC Projects Director and Keystone Innovation Zone Coordinator Steve Meineck; LVEDC Research Director Bob Wendt, LVEDC Communications Director Joe McDermott and Lehigh Valley Land Recycling Initiative Coordinator Holly Edinger and Lehigh Valley Land Recycling Initiative Chairman Bill Abler.

Donna Frantz of Santa Maria said the experience will allow her to do a comparison-contrast to her own community and bring back ideas that may work in her central California farming community.

"What we were looking at was how the community rebounded from the loss of its prime economic driver," said Eric Jenks of Browns Valley. "We’re looking now at how to plan ahead to save agriculture in California." Several participants said the trip — and the Bethlehem visit — inspired them to become more active in their own communities, which achieves a primary goal of the two-year program, said Crabbe.

"We do evaluations on all of our sessions and this one ranked near the top in everything," Crab said. "The one thing that kept coming up as I read the evaluations was the passion. All of the people who spoke to us showed passion for what was going on and their involvement in their communities. It energized the group."

Broker Developer Series Offers Highlights Of Easton Sites

A successful Main Street program, a thriving restaurant scene and plans for a dynamic arts-based revitalization along the Bushkill Creek were the attractions touted to real estate brokers and developers Thursday in Easton.
About two dozen real estate and economic development professionals attended the February Broker-Developer meeting offered by the Lehigh Valley Economic Development Corporation and hosted by owner Bob Haver, of Unistar Property Management, at Larry Holmes Plaza overlooking the forks of the Lehigh and Delaware rivers.

"This is such a beautiful end dynamic view and you can't buy this anywhere else," said Mayor Sal Panto as he spoke to the audience in what was once the corporate office for former world heavyweight boxing champion and Easton native Larry Holmes.

Panto outlined plans for an unprecedented revitalization of the former Simon Silk Mill site, a 14-acre property with more than 330,000 square-feet of building space on the Bushkill Creek near 13th Street. City leaders envision an arts colony and mixed-use development in the former silk mill buildings that would serve as an economic engine for Easton's redevelopment efforts.

Easton Main Street Manager Kim Knatz said the 3-year-old program has generated new interest in the downtown and a stronger relationship between the city and Lafayette College. Knatz said $2.6 million was invested in the downtown last year from both public and private sources - double the average amount in other Main Street programs around the state during 2007. In addition, a major streetscape improvement project is underway and a retail recruitment program will kick off soon. The downtown ambassador program is slated to start May 15, she said, adding that the uniformed ambassadors will be available to enhance efforts to ensure a safe and clean downtowns.

Haver said space is available in the Holmes building, including the fifth floor suite that once housed the champ's corporate office. In addition, amenities such as conference facilities for small business and community meetings, as well as business incubator space are planned for the building, and other improvements have been made to the structure over the past two years, he said.

LVEDC expanded its Broker-Developer Series from quarterly to monthly for 2008. Each meeting will feature a specific building or site and local municipal officials are invited to provide updates on available assistance programs, community highlights and development trends.

"These events allow the municipalities to not only showcase available properties but to increase awareness and interest in the urban cores and our smaller boroughs and townships," said Pete Rekine, Vice President of Regional Development at LVEDC. "They also offer networking opportunities that allow developers and city officials to build relationships and partnerships, and often include a tour of the host site."
GROWING THE VALLEY
2007 Annual Meeting Keynote – Standing Out in a
Competitive Market
An educated, productive labor pool. Attractive
cost of living. Affordable real estate. Quality
schools, colleges and universities. A good
transportation and highway network. These are
all strengths and assets the Lehigh Valley offers
to site selectors and corporate decision-makers
eying the region for business relocation or
expansion. Learn More »

SUCCESS STORY
The Organic Mattress Store Pads Its Business With

Owner Leore Hornick sits on one of the stores
100% organic mattresses at the Hellertown
location of The Organic Mattress Store.
Photo: Rick Smith

Larger Location
For some, the old adage
"you made your bed, now
sleep on it,"
might seem a
rebuke. For Dennis and
Leore Hornick, owners of
The Organic Mattress
Store in Hellertown, it's a
business model that has
taken their unique retail
and assembly business
from a 1,000-square-foot
shop to an 8,000-square-
foot building in only four
years. Learn More »

BREP Findings Show Tight
Job Market a Concern
for Employers
A diversified regional
business base and low
unemployment rate should
insulate the Lehigh Valley
from an economic slowdown
but the relative strength of the
region is making it difficult for
employers to find trained,
qualified staffers, according to
interviews with local business
leaders. Learn More »

Pennsylvania KIZ’s
Recognized for Outreach
and Investment
Pennsylvania’s Keystone
Innovation Zone (KIZ)
program has been recognized
by the National Governor’s
Association’s Center for Best
Practices and the Pew Center
on the States, Gov. Ed
Rendell announced this
month. Learn More »

EVENTS
2007 Annual Investors Meeting
Learn More »

Implementing Better Models for Development
Learn More »

Legislative and Government Relations Lunch
Learn More »
JANUARY 2008

2007 Annual Meeting: Standing Out

An educated, productive labor pool. Attractive cost of living. Affordable real estate. Quality schools, colleges and universities. A good transportation and highway network. These are all strengths and assets the Lehigh Valley offers to site selectors and corporate decision-makers eyeing the region for business relocation or expansion.

But guess what, says professional site selector Mark Sweeney: Almost every attractive region in the nation boasts many of these same attributes.

"Others have what you have. This is an extremely competitive situation," said Sweeney, senior principal in McCallum Sweeney Consulting of Greenville, S.C. during a recent visit to the Lehigh Valley.

So what makes an area successful?

With more than 18 years in site selection and economic development, Sweeney knows a thing or two about developing and nurturing businesses so that they can grow along with their region. As the keynote speaker for the Lehigh Valley Economic Development Corporation's 2007 Annual Investors Meeting, Sweeney will provide an in-depth look at the attributes and challenges of the region, examples of how other regions across the nation have managed to stand out in economic development marketplace, and guidance on what is needed from private and public sector leadership.

Sweeney and his firm work with companies to identify, evaluate and select the best location for their investment, while considering factors such as sites, infrastructure, transportation, labor and demographics, taxes, utility services and incentives. During the course of his career, which has involved working with companies such as Nissan, Crecel and Michelin, he has learned a bit about what C-level executives want.

"CEOs want to go to a community with vision," says Sweeney, who spent five years with the South Carolina Department of Commerce.

We hope you can join us for more from Mark Sweeney. LVEDC's 2007 Annual Investors Meeting will be held from 4:30 to 7:30 p.m. Tuesday, Jan. 22 at the State Theatre in Easton. For more information or to RSVP, please call Kelli Kocher at 610-266-2236 or e-mail kkocher@lehighvalley.org. www.lehighvalley.org

The Organic Mattress Store Pads Its Business

For some, the old adage "you made your bed, now sleep on it," might seem a rebuke. For Dennis and Leore Hornick, owners of The Organic Mattress Store in Hellertown, it's a business model that has taken their unique retail and assembly business from a 1,000-square-foot shop to an 8,000-square-foot building in only four years.

As the owners of one of - if not the only - organic mattress retail outlet on the East Coast, the Riegelsville couple have served customers who came from as far away as Hawaii to purchase the mattresses made from only three natural materials - natural rubber, pure wool and 100 percent certified organic cotton. They moved into their new location at 1075 Main Street last year and hired their first full-time employee by the end of 2007.

Business increased 20 percent in 2007 and as they move into 2008, the entrepreneurs are looking at expanding their workforce to meet the growing demand for the mattresses that are assembled on-site and creating a franchise network to open more stores elsewhere on the East Coast.

"We have out-marketed our competition with the help of a great search engine optimization firm located near Microsoft, and they've been worth every dime," said Dennis Hornick.

The Hornicks credit the Lehigh Valley Economic Development Corporation (LVEDC) for helping to - shall we
say it? Sure - "feather their bed" with critical financing needed to purchase the former appliance store and make it into a "green," or environmentally friendly building that now stands as a tribute to their own environmentally sound lifestyle and business platform. Dennis said the goal is to locate near whole foods stores. "They almost do our homework for us," he said. "We just have to follow them."

"When we found 8,000-square-feet in the old Breezy's building on Main Street in Hellertown, the wheels started spinning," said Dennis Horrick. "But financing was an issue. Our numbers were good, but we did not have the money to put down. We heard about LVEDC and gave a call. Finance Manager Judy Yanega came out and discussed our needs. It took a little time, but in the end we got a great loan at a low rate, and a local bank loan to finance the project."

"LVEDC advised us on environmental issues, helped us move and assisted with our grand opening. They were with us all the way," he said.

Dennis and Leore grew up in Levittown, Bucks County, and have gradually moved northward. They lived for four years in Bend, Oregon, and in the Florida Keys before returning home several years ago. Both have prior business experience. Dennis owned a pool construction business in Bucks County for 25 years and Leore had her own flower shop. They also owned and operated an organic tree farm in Kintnersville, Bucks County, from 1986-96.

They entered the organic mattress business as customers several years ago, when they shopped the Internet for their own purchase, Leore said. "We bought one, we liked it. We bought 12 of them. We've lived the organic lifestyle for a long time," she added. "We still do, but we're not perfect. But the organic mattress will always stay with us, considering we spend a third of our lives on it."

Leore said many customers don't realize that mainstream mattresses may contain as many as 60 to 70 different chemicals, but many people are adversely affected by the chemicals or their smell because of allergies or a natural aversion. "Our mattresses are made from only three products," she said, adding that both the wool and cotton are organically American-grown. The rubber, however, comes from Sri Lanka because rubber is not grown in the United States. The mattresses are dust-mite resistant and the wool acts as a natural fire retardant in addition to its insulating quality that keeps sleepers cooler in the summer and warmer in the winter.

The building, which includes 1,200-square-feet of retail space and a 4,000-square-foot warehouse-assembly area, also reflects the Hornick's philosophies. Hoffert Construction of the Lehigh Valley did the renovations. The walls are painted with Bio-Shield natural paints, American Clay is troweled on the walls, and the floor of the showroom is covered with a natural organic carpet made of British wool. The installer, who had never seen a similar carpet, initially wanted to glue down the wool backing, but the Hornicks told him it just had to be laid in place. It worked.

The work and investment has paid off in customer appreciation and support, Leore said.

"We figured we'd give it six months and here we are, four years later, in a new location because we had to expand," she said.

"We're not complaining. When the housing market gets better, its off to the races for us. We're ready," said Dennis, "and our next expansion, a bigger warehouse, will definitely include LVEDC."

**BREP Findings Show Tight Job Market A Concern For Employers**

A diversified regional business base and low unemployment rate should insulate the Lehigh Valley from an economic slowdown but the relative strength of the region is making it difficult for employers to find trained, qualified staffs, according to interviews with local business leaders.

The July to December 2007 Pennsylvania Business Retention and Expansion Program (BREP) report compiled by the Lehigh Valley Economic Development Corporation (LVEDC) shows that the region continues to perform very well in business development, but the tight labor market remains the top concern for local employers.

Eighty percent of all new jobs are created by employers already located in the Commonwealth. Though some believe attracting new business is the key role of economic developers, business retention remains the most efficient means of job creation, states Bob Wendt, LVEDC Director of Research and BREP Regional Coordinator.

"The Lehigh Valley is successful - in fact, more successful than its peers in the Northeastern United States - and it has been especially successful in creating jobs," said Wendt. "It also speaks to the diversification of our region, which should cushion us in the event of an economic slowdown."

The Pennsylvania Business Retention and Expansion Program is financially supported by the Commonwealth and managed locally within 10 regions. The Lehigh Valley effort is coordinated by LVEDC.

Each year the regional BREP program connects with nearly 1,000 Lehigh Valley employers. Interviews are conducted by LVEDC staff and partners.

Key resources employed to assist local companies include Federal Small Business Administration and
Commonwealth financing programs coordinated by LVEDC; workforce development and training through the Lehigh Valley Workforce Investment Board and Lehigh Carbon and Northampton Community Colleges; site assistance by LVEDC, technical assistance through the Manufacturers Resource Center and Ben Franklin Technology Center, as well as other programs and partners.

Understanding the needs of Lehigh Valley businesses helps the Commonwealth and LVEDC measure the importance of current and new business retention and attraction initiatives. The report is posted on the LVEDC website at http://www.lehighvalley.org/pdf/BREP.pdf.

For more details or further inquiries, please contact Bob Wendt at 610-266-7619 or rwendt@lehighvalley.org.

Pennsylvania KIZ's Recognized
Pennsylvania's Keystone Innovation Zone (KIZ) program has been recognized by the National Governor's Association's Center for Best Practices and the Pew Center on the States for its interaction component and use of state funding and tax credits to encourage universities and research institutions to physically partner with local entrepreneurs. Gov. Ed Rendell announced this month.

Gov. Rendell said that since the program's inception, more than $10.8 million has been invested in 29 KIZ's across Pennsylvania, leading to the creation of 1,966 jobs, the retention of 2,763 jobs and the creation of 282 new companies. The program has leveraged $368 million in new investments, Rendell added in a release published in "PA Legislative Services," a list of daily news and updates.

The South Bethlehem KIZ was the first in the state and remains a model for similar zones across Pennsylvania. The local program has spurred the creation of 55 jobs and the retention of 47 while assisting 27 businesses since its inception more than three years ago. In addition, another 34 jobs were created by companies that have since moved out of the KIZ but remained in the Lehigh Valley.
MEMORANDUM

TO:        Council President Ann Mc Hale; Members of Northampton County Council; and, Frank Flisser
FROM:     Leonard N. Zito, Esquire, County Council Solicitor
DATE:      April 3, 2008

SUBJECT:  April 3, 2008 Solicitor’s Report

Solicitor’s Report for 4/3/08 Meeting

I.  Assignments Completed (since last meeting):

   1.  Review LarsonAllen LLP engagement letter

   2.  Memorandum Re: Requested Ordinance: Budget Preparation Estimates of Revenue

II. Open Assignments:

   None