

the INDICATOR

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Economic & Workforce

The Role of Pharmaceutical Preparation Manufacturing in the Economy of Montgomery & Philadelphia Counties

*Prepared by Penn State's Workforce Education and Development Initiative,
Dr. Rose Baker and Dr. David Passmore*

Pharmaceutical preparation manufacturing is an important part of the history and economy of Montgomery and Philadelphia counties in Pennsylvania. The industry creates jobs and compensation for workers and generates tax revenues in the counties. The impact of jobs in pharmaceutical preparation manufacturing in Montgomery and Philadelphia counties:

For every 100 jobs: Due to the need to supply pharmaceutical preparation manufacturing, other industries in Montgomery and Philadelphia counties employ an additional 254 workers. Spending of income earned by pharmaceutical preparation manufacturing employees and by workers in industries in Montgomery and Philadelphia counties that supply pharmaceutical preparation manufacturing on such items as housing, food, health care, and other retail goods and services creates an additional 196 jobs in Montgomery and Philadelphia counties. In short, every 100 jobs in pharmaceutical preparation manufacturing in Montgomery and Philadelphia counties are associated with 550 total jobs in the counties.

For every 100 jobs: Pharmaceutical preparation manufacturing generates \$12.9 million in compensation (wages, pensions, income of proprietors) for its own employees in Montgomery and Philadelphia counties and \$17.2 million in compensation for employees whose jobs are created because their firms that are located in the counties supply pharmaceutical preparation manufacturing in the counties. Spending of income by pharmaceutical preparation manufacturing employees and workers in supplying industries generates an additional \$7.8 million compensation for other workers in Montgomery and Philadelphia counties. In this way, pharmaceutical preparation manufacturing is responsible for generating \$37.9 million annual compensation for every 100 pharmaceutical preparation manufacturing workers employed in Montgomery and Philadelphia counties.

For every 100 jobs: Business activity by pharmaceutical preparation manufacturing, the industry's impact on industries in Montgomery and Philadelphia counties that supply it, and the effect of spending by workers employed in pharmaceutical preparation manufacturing and its supplying industries generate \$1.6 million in property taxes that are paid annually by businesses and individuals in Montgomery and Philadelphia counties to local governments.

(Continued from page 1)

This article contains an analysis of activity of establishments primarily engaged in pharmaceutical preparation manufacturing in North American Industry Classification System code 325412. Information provided in this article was calculated using IMPLAN, a macroeconomic model applied by Penn State's Workforce Education & Development Initiative to identify the impact of economic activity on Pennsylvania and its counties.

For more information, please contact:

Randy Ingbritsen, Workforce Solutions
Penn State Abington
215-881-7405
rx13@psu.edu

Member Spotlight



Baum, Smith & Clemens, LLP

Baum, Smith & Clemens, LLP is an accounting and business-consulting firm located in Lansdale, Pennsylvania. Established in 1973, the Firm has grown from a four-person staff to one which today has 26 employees. Throughout its history, the Firm has continued to expand on the variety of services offered, while maintaining the highest quality and efficiency for our clients. We strive to provide businesses and individuals with the full range of "cutting-edge" tax, accounting and consulting services needed to help them realize their full potential, success and profitability.

We assist our clients in achieving their goals by providing the best tax, accounting and management advisory services and by contributing to the growth of our employees, our profession and our community while continuing to cultivate the personal relationships which represent the foundation of our progress.

CPAs in our firm are members of the Pennsylvania Institute of Certified Public Accountants (PICPA) and the American Institute of Certified Public Accountants (AICPA). We are a charter member of the Private Company Practice Section (PCPS) of the AICPA and also hold memberships in the Tax, Management Consulting Services and Information Technology Sections of the AICPA.

Baum, Smith & Clemens, LLP is also a member of CPAmerica International, an exclusive network of more than 70 full-service, independent accounting and consulting firms which provides continuing education, marketing, practice management support and other services for the betterment of its member firms. Through our membership we have access to the expertise of more than 110 firms operating in 85 countries including more than 15,000 professionals worldwide.

For more information, please contact:

Alfred A. Foley, CPA, MBA
215-368-5755 ext. 165
ffoley@bsccpas.com
www.bsccpas.com

Upcoming Events

Quarterly Briefing: Regulatory Marks & Certifications

*Brought to you by The World Trade Center of Greater Philadelphia & Drexel University
LeBow College of Business*

When:

November 14, 2008 8:30 a.m.-11:00 a.m.

Where:

Plymouth Country Club, Grand Ballroom 888 Plymouth Road Plymouth Meeting, PA 19462

Description:

Presentations will be made on Regulatory Marks and Certifications that are required by U.S. manufacturers to export their products to various countries.

Topics covered will include:

- The CE Mark, ROHS (Restriction of Hazardous Substance), WEEE (Waste Electrical and Electronic Equipment) and REACH (Registration, Evaluation, Authorization and Restriction of Chemical) requirements for Europe
- The CCC Mark and other requirements for China
- The C-TICK Mark for Australia/New Zealand

Guest speakers will include:

- Gonzalo Manchego, *Center for International Regulatory Assistance (CITRA) at Duquesne University*
- Cem Onus, *KEMA*, a commercial enterprise which provides inspection, testing, and certification services

Registration:

Please register online at www.wtcphila.org
Non-Members: \$65; Members: \$50

For more information, please contact:
Emily Olson 215-586-4240 ext: 124
eolson@wtcphila.org

Transportation Conference: Infrastructure Funding

Brought to you by GVF Transportation

When:

November 17, 2008 8 a.m.-1:30 p.m.

Where:

Crowne Plaza, King of Prussia

Guest speakers will include:

- Barry Seymour, *Delaware Valley Regional Planning Commission*
- Rich Burnfield, *SEPTA*
- Leo Bagley, *Montgomery County Planning Commission*
- Jason Pavluchuk, *Government Relations Inc.*

(Continued from page 3)

Registration:

RSVP to Carissa Pleiss
610-354-8899 cpleiss@gvftma.com

Non-Member: \$75 Member: \$65

Click [HERE](#) to view the invitation

Malaysia and Hong Kong: Gateways to Asia

*Brought to you by The World Trade Center of Greater Philadelphia &
Drexel University LeBow College of Business*

When:

November 20, 2008 8:30 a.m. to 11:30 a.m.

Where:

Drexel University, Pearlstein Room 308 32nd & Market Streets Philadelphia, PA 19104

Description:

Hong Kong is one of the world's most open and dynamic economies, with a sound banking system, virtually no public debt, a strong legal system, ample foreign exchange reserves and a rigorously enforced anti-corruption regime. Real GDP expanded by 6.4% in 2007. Hong Kong is an ideal platform for U.S. companies seeking to do business in Asia, especially the People's Republic of China.

Located at a crossroads of trade between the East and West, Malaysia has transformed its economy from an agriculture and mining base to a high-tech, world competition. In 2006, GDP grew by 5.9%. Malaysia is the 10th largest export market for US manufactured goods and services. Learn more about these markets and the upcoming WTCGP trade mission (March 14-27, 2009) where you can take advantage of free in-depth market research for your company. The trade mission will be combined with a Drexel LeBow MBA College study tour. Under Drexel staff supervision and WTCGP guidance, students will complete and present market research results to companies prior to departure.

Agenda:

8:30 a.m.-9:00 a.m. Breakfast and networking
9:00 a.m. Welcoming remarks
9:15 a.m. Presentations and Q&A
11:30 a.m. Adjourn

Guest speakers will include:

-Louis Ho, *Hong Kong Trade Development Council*
-Malaysian Industrial Development Authority, *New York, NY*

(Continued from page 4)

Registration:

Please register online at www.wtcphila.org

Non-Member: \$45 Member: \$30

Click [HERE](#) to view the invitation

For more information, please contact:

Emily Olson

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eolson@wtcphila.org

Energy 101

Brought to you by: Mid-Atlantic Associates, Inc.

Funding Your Energy Savings Projects

Identifying Energy Savings Projects: Upon conducting an energy audit of your facility, a list of potential energy conservation and efficiency measures may be identified. Depending on pay-back periods or other financial measures used by the facility owner, funding these projects may pose the next hurdle. In some cases, the financial metrics may show it's wise to fund the project internally using the owners own financing. In others, projects may require funding through loans or a combination of loans, grants and internal funding.

The first step would be to verify assumptions that show promising energy savings projects. An internal review team could include technical personnel, operations, utility representatives and internal financial analysts. Early involvement by all affected parties, particularly decision makers, results in greater acceptance of the selected projects and streamlining of project installation. Consultants that conduct the energy audit make numerous assumptions that affect the technical and cost effectiveness of the recommended projects. It's important to verify all assumptions prior to implementation.

As part of the cost savings, an owner may want to consider various governmental and utility funding available for these types of projects. *Funding Sources:* Depending on the facility location, utility service, and size and type of Energy Savings Project, various funding sources are available in Pennsylvania and New Jersey. In addition to several grant and low interest loan programs in Pennsylvania, the Alternative Energy Investment Act was signed into law on July 9, 2008.

Aside from providing funding for clean energy projects and energy conservation, Pennsylvania utilities are required to reduce energy demand and peak loads during the next five years. Experts predict that this mandatory reduction will spur utilities to offer energy savings grant opportunities to users within the next several years. To prepare for this expected funding source, facility owners should start identifying energy savings projects now in order to take advantage of these potential opportunities.

A listing of various funding resources for each state can be found on <http://www.dsireusa.org/> Facility owners should request that their energy auditor include funding resources available to them in the scope of their energy audit. Mid-Atlantic Associates, Inc. (www.MAAonline.com) is an environmental and engineering consulting firm specializing in environmental compliance and energy management. For more information please contact: Tom Gresko, Program Development Manager 610-935-1021 tgresko@maaonline.com

*Serving Montgomery County
Businesses Since 1964*

the INDICATOR

Montgomery County Industrial Development Corporation (MCIDC) is pleased to bring you an on-line version of their publication, the INDICATOR.

As it has been since the beginning, this newsletter is dedicated to "providing the reader with information concerning national, state, and local developments in Montgomery County.

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[www..peco.com](http://www.peco.com)**

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Featured Property



**Courthouse Plaza
401 Dekalb Street
Norristown, PA 19401**

Up to 42,000 s/f

Features:

- Up to 42,000 s/f in the historic Bell Telephone Building
- Newly renovated
- Located behind the County Courthouse in Norristown's revitalizing business district
- Off-street parking available
- Short walk to Norristown Transportation Center
- Convenient to major highways
- Great tenant incentives including a 1% interest loan up to \$525,000 for restaurant and retail tenants, low interest loans for small businesses and job creation tax credits

**For more information or to arrange for
An inspection, please contact:**

Robert Kaufman
401 DeKalb Associates
215-247-6960

www.phillyofficeretail.com