

The INDICATOR

Vol. 3 — No. 17
September 10, 2009
Page 1

In This Issue

Financing Notes

Member Spotlight

Member Press Release

Energy 101

Upcoming Events

Feature Property

MCEDC Staff

Carmen S. Italia, Jr.
President
citalia@montcoedc.com

Thomas M. Barbine
Vice President / Chief Financial Officer
tbarbine@montcoedc.com

George E. Gunning, IV
Vice President of
Business & Membership Development
ggunning@montcoedc.com

Janet M. Otto
Administrative Assistant
Marketing / Real Estate
jotto@montcoedc.com

Carli A. Pio
Administrative Assistant
Public Relations / Workforce
cpio@montcoedc.com

Montgomery County
Economic Development Corporation
420 W. Germantown Pike
East Norriton, PA 19403
610-272-5000 | Fax 610-272-6235
info@montcoedc.com

Financing Notes



SBA 504 Current Fixed Rates - Summer 2009

5.39% - 20 years

4.37 - 10 years

Regional 504 Certified Development Companies Coordinate Services

Realizing that local lenders may have a multi-state footprint, Seedcopa and leading Certified Development Companies (CDCs) in the eastern United States are coordinating their services. Banks can contact their local CDC to make a 504 loan in another state in the following locations: Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Maryland, District of Columbia, Virginia and West Virginia. This collaboration allows CDCs to continue to provide quality services to its lenders within each of its local market areas as well as support the regional needs of its banking partners.

Seedcopa and the following CDCs are participating in this innovative program:

- Business Finance Group, Inc.
- Connecticut Community Investment Corp.
- Empire State CDC
- New Jersey Business Finance Corp.

In fiscal year 2008-2009, these CDCs were responsible for a total of \$353.4 million in 504 loan approvals.

For more information, please contact:
Chuck Evans at cevans@seedcopa.com

Refinancing Added to SBA 504 Program

The SBA 504 loan program is fast becoming the most attractive commercial owner-occupied real estate financing tool in the market today. Changes made by the American Recovery & Reinvestment Act eliminating fees and record low 20-year fixed rates have contributed to a surge in demand in the program.

A permanent change that now permits limited debt refinancing as an eligible 504 project cost is another positive change to the program.

The refinancing must involve expansion of a small business. Expansion is broadly defined to include any project that involves the acquisition, construction or improvement of a building or equipment for small business.

Some of the program requirements are as follows:

1. Refinanced debt cannot exceed 50% of the project expansion costs.
2. Refinanced debt originally must have been used for 504-eligible assets.
3. Refinanced debt was incurred for the benefit of the small business.
4. Refinanced debt is collateralized by the fixed assets.
5. Refinancing will provide a substantial benefit to the small business.
6. Borrower has been current on all refinanced debt for not less than 1 year preceding the date of refinancing.
7. The refinance will provide better terms or rate.
8. The 504 loan will only be used for expansion or refinance of eligible refinanced debt.
9. 504 loan proceeds are not to be used to refinance debt to: a. An associate of the 504 applicant; b. An SBIC; c. Any creditor in a position to sustain a loss causing a negative shift to the SBA.
10. The refinanced debt must have been used to acquire 504 eligible fixed assets (no working capital). Debt can be segregated from working capital portion.
11. The refinanced debt does not need to be for the new project expansion. Assets can be secured by fixed assets from another location that has the same NAICS code. May include: a. Land sale contracts; b. Contracts for deed; c. Capital Leases
12. The refinanced debt can be from multiple fixed asset loans.
13. The fixed asset securing the eligible refinanced debt will be added to the eligible project costs.
14. Real Estate Appraisal and Environmental Assessments will be required for all eligible fixed assets included in the refinanced debt.
15. Refinanced Debt may include: a. 7a guaranteed loans; b. 504 loans; c. Seller financing
16. Current SBA 7a or 504 lender does not have to approve refinancing.
17. SBA must approve "same institution debt".

For more information on this very important 504 feature, please contact:

SEEDcopa 610-458-5700

Member Spotlight



Blue Tree Landscaping, Inc. creates outdoor spaces that respect and enhance the natural beauty of your site and maintain the integrity of the surroundings.

Landscaping has the power to transform a home, office or commercial environment - heightening the simple pleasures of being outdoors and potentially increasing the value of your property. All Blue Tree landscapes are carefully planned to be appropriate for local climate conditions and are designed to provide enduring natural beauty for many years to come.

Our Mission:

- Our crews are knowledgeable, polite and professional.
- Our team will respectfully listen to client needs and do everything within their power to meet them.
- Every effort will be made to ensure the total satisfaction of every client.
- Our success will be measured in satisfied clients and our growth will be based on client referrals.
- We will treat every client as if they were our only client, and every landscape as if it were our only concern.

Landscaping Services:

Our capabilities include comprehensive Design and Installation of residential and commercial landscapes, integrating Spring/ Fall Clean Up, Lawn and Bed Irrigation, Drainage and Swale Repairs, Excavation and Grading, Turf Care Programs, Fence Installation, Landscape Lighting, and much more.

Hardscaping Services:

Our hardscaping capabilities are complete from Design through Installation. Blue Tree Landscaping will work with you to plan outdoor spaces that are beautiful and enduring for your home, office or commercial environment, including Masonry and concrete construction, Hardscape construction, and routine maintenance. We are ICPI certified and authorized EP Henry installation professionals.

For more information, please contact us by phone or visit our website for more information.

Blue Tree Landscaping, Inc.
2031 Bridge Road
Box 1112
Skippack, PA 19474-1112

Phone: 610-222-0590

Fax: 610-222-0594

www.bluetreelandscaping.com

Member Press Releases

Inteprod - Inteprod Achieves Significant Milestone with ISO 13485 Certification

Eagleville, PA (July 31, 2009) - Inteprod LLC, a medical device developer and contract manufacturer, announced today that it has received an ISO 13485 Certificate of Registration issued by KEMA Quality B.V. This certification is a major milestone in Inteprod's 5 year history and confirms Inteprod's steadfast commitment to continual improvement, risk management, compliance with statutory and regulatory requirements, and complete customer satisfaction.

[Complete Press Release...](#)

Energy 101

Formulating an Energy Plan for Your Company

brought to you by: Compliance Management International

Though current energy prices have stabilized, history has shown that volatility and uncertainty will return. The current situation is an ideal time to prepare for future price swings and the corresponding impacts on their costs. In many cases, energy users go about trying to reduce their energy costs without considering life cycle costs and endorsement from senior management. An Energy Plan should be the first step before attempting to reduce energy costs.

Why an Energy Plan?

An Energy Plan basically sets the strategy to identify opportunities to reduce costs and brings value. It's your roadmap on how to go about minimizing your energy usage so that you can apply the savings to your business's operations. Reducing your energy costs can substitute for selling off assets, cutting employees, or reduce other cost measures that can reduce your profits. Having an Energy Plan brings value in several ways:

- Provides ability to track energy usage and cost
- Identifies opportunities for significant improvement
- Allocates costs to business processes, programs and processes.
- Creates accountability for departmental actions
- Improves the visibility of utility expenditures
- Obtains participation from the entire organization.

What's in an Energy Plan?

Your Energy Plan should focus on five basic areas:

- Establishes energy reduction goals
- Management of energy data
- Management of energy supply
- Energy use in facilities
- Efficiency of current equipment
- Organizational integration

1. Establishing Goals

Before you start managing energy data, the first step in your Energy Plan should be to establish realistic goals with senior management using key performance factors. These can be items such as energy cost per sales, energy usage per square foot, revenue, units of production, or direct labor hours. Relate your goals to data for your industry or building type. There is numerous data available from the internet, especially at the EPA's Energy Star site.

2. Establishing Benchmarks

Secondly, you should review at least 12 months of your most recent energy invoices. Determine the energy usage patterns by account, function and process. Identify the critical few and sort data by most costly to operate and maintain. Relate your usage to key performance factors and benchmark data to track energy reduction. State the data in financial terms used by senior management, i.e. use metrics that management uses for other operating functions. Identify a responsible party to develop and standardize the performance factor reports and distribute to senior management on a regular, timely basis for review. Show trends of metrics over time and not where energy savings projects have been implemented.

3. Managing Your Energy Supply

Next, review these utility bills for errors, applicable rate structure, rate assignment, and the reliability and quality of your energy supply. From Item 2 above, identify abnormally high prices for a particular month, request your utility provide "best rate analyses" annually for the particular fuels used. Identify changes in your operations that could warrant a different rate.

4. Manage Your Energy Usage

Conduct facility walk-throughs, benchmark your facility types and conduct a focused energy audit to identify possible energy savings opportunities. Focus on high energy usage equipment, maintenance costs of equipment and interview operators for ideas of reducing energy usage, maintenance and control. Compare to goals and benchmarks established in items 1. and 2. Rank equipment and processes for highest overall cost, and then develop action items for improvement. Focus on low capital investment projects first - retro commissioning and commissioning.

5. Determine Efficiency of Operating Equipment

Determine the impact of maintenance procedures and schedules on equipment efficiency. Identify problems with control systems, and evaluate the implementation of new controls. Determine if corrective measures are timely and preventive maintenance schedules are appropriate. Evaluate the impact of equipment's low power factors, the application of variable speed drives on motors having low service factors, application of better insulation on building envelope, and lighting retrofits. Analyze the procurement of alternative fuels for high energy usage equipment.

Measure and verify equipment efficiency and continuously track over time. Verify claims of energy reduction from outside services.

6. Organizational Integration

Obtain management buy-in and endorsement for energy reduction. Make all employees aware of energy usage and its impacts on profitability. Empower a champion to drive the process and make this person accountable to senior management. Educate management and employees on the benefits of energy reduction and the impacts on their jobs and company profitability.

7. Conclusion

Your Strategic Energy Plan should be viewed as a tool that is mandated by management to increase profits by increasing efficiency and reducing operating costs. It should be viewed as a work in progress that offers direction on a daily basis. It should outline aggressive, achievable and measurable goals and be reviewed and updated quarterly.

Compliance Management International (www.complianceplace.com) is an environmental and engineering consulting firm specializing in environmental, health and safety compliance and energy management.

For more information regarding an outline of a typical Strategic Energy Plan, please contact:

Tom Gresko TGresko@complianceplace.com

Upcoming Events

MCEDC Member Appreciation Breakfast

Brought to you by: MCEDC and Verizon

When: Tuesday, September 15, 2009 - 8:30 am - 11:30 am

Location: Plymouth Country Club 888 Plymouth Road Plymouth Meeting, PA 19462

Description: The Montgomery County Economic Development Corporation cordially invites you to our annual membership appreciation breakfast. This year's event will honor all members of MCEDC, especially those who have been long standing members of our organization. Please take this opportunity to join us and mix with other members, enjoy a full breakfast buffet and hear about the MCEDC's plans for the future. We look forward to seeing you there!

RSVP: This is a MEMBERS ONLY event! Please email your RSVP to [Carli Pio](mailto:Carli.Pio@mciedc.com) with "9/15 Member Appreciation Breakfast" as your subject line. A confirmation email will be returned securing your reservation to this event. Please RSVP by Thursday, September 10, 2009.

NEDA's 53rd Annual Conference & PEDAs 2009 Fall Conference

Brought to you by: Northeastern Economic Developers Association

When: September 20-22, 2009

Serving Montgomery
County Businesses Since
1964

the INDICATOR

Montgomery County
Economic Development
Corporation (MCEDC) 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.

the INDICATOR
Sponsor



Please visit PECO's web
site:

Disclaimer:

All information contained herein is from sources deemed reliable. Montgomery County Economic Development Corporation (MCEDC) makes no representations or warranties as to the suitability of this information for your own particular purpose, and to the extent you use or implement this information in your own setting; you do so at your own risk. The information provided herewith is solely for your own use and cannot be sold. In no event will MCEDC be liable for any damages whatsoever, whether direct, consequential, special, or claim for attorney fees, arising out of the use of or inability to use the information provided herewith.

Location: Hyatt at Penn's Landing Philadelphia, PA

Description: Details for this event can be found at www.nedaonline.org/conference.asp

RSVP: To register for this event online, click [HERE](#).

Additional Information: The Conference committee is collecting items to stuff into gift bags. 300 pieces will be needed. If you would like to contribute items to be included in the gift bags, all items should be sent no later than September 17 to:

NEDA 2009
C/O Bob Cormack
BCEDC
2 E. Court Street
Doylestown, PA 18901-4370

Fall Business & Commercial Real Estate Environmental Seminar

Brought to you by: RT Environmental Services, Inc.

When: Wednesday, October 7, 2009 7:45 am - 11:30 am

Location: Philadelphia Marriot West 111 Crawford Avenue West Conshohocken, PA 19428

Description:

This program is an important look at key issues likely to impact businesses in 2010 and will include Commercial Real Estate Update and Climate Change/Energy cost impact briefings; and The EPA April 2010 Lead Paint Renovation Rule. Guest speakers will include: David G. Mandelbaum, *Ballard Spahr*; Walter Hungarter, *RT Environmental*; Gary Brown, P.E., *RT Environmental*; Jeff Algatt, *Marcus & Millichap*; Larry Bily, *RT Environmental*; Carmen Italia, *MCEDC*

RSVP: For a copy of an event flyer containing a registration form, please click [HERE](#).

Featured Property

24,300 SF One Story Office Building in Campus Setting

104 Witmer Road Pennsylvania Business Campus Horsham, PA



To obtain a property brochure, click the picture above.

For more information or to arrange an inspection, please contact:

Liberty Property Trust

Jennifer Barrett

jbarrett@libertyproperty.com

215-682-0603

Anne Cummins

acummins@libertyproperty.com

215-682-0612

www.libertyproperty.com