

# Bucks Prospectus

A Newsletter for  
Bucks County's Business & Industry  
Communities



*In partnership with the Bucks County Industrial Development Authority*

## Warminster Navy Air Base Transferred to Local Authority

*More than 250 acres were granted to replace the 2,400 jobs lost at the former base.*

Nearly a decade after local officials first heard that the Naval Air Warfare Center in Warminster would shut down, the US Navy has finally transferred the deed to more than 1 million square feet of buildings and 290 acres to the Federal Lands Reuse Authority (FLRA) of Bucks County.

At an official signing ceremony held on July 24th at the former base, U.S. Navy Assistant Secretary William Cassidy, Jr., and Kathleen Dominick, former FLRA Board Chairwoman, completed the title transfer before a crowd of dozens of local, regional and federal officials.

Formed to oversee the redevelopment of the closed military property, the FLRA has specifically focused on roughly 290 acres in Warminster Township and Ivyland Borough, which has been planned for commercial and residential redevelopment. The rest of the roughly 800 acres on the base are slated for a variety of community-oriented uses, such as parkland, open space, education/research and social services. Now known as the North American Technology Center (NATC), the base had once been the site of 2,400 high-tech jobs, engaged in research for military flight, submarine tracking and reconnaissance, and the space race.

With nearly 260 acres and 1 million square feet of hangar, office and laboratory space targeted for reuse by private companies, the hope is to replace the 2,400 jobs lost with at least as many new positions in companies that will relocate to the site. The FLRA reached an agreement of sale with Industrial Investments, Inc., a development company with plans to rehabilitate the existing building space and attract new businesses to the area. Opposite Jacksonville Road from the main building complex is a 202 acre tract on the former



An aerial view of the North American Technology Center, including the business campus sites (lower right) and the parkland and open space sites (upper left).

runway area, a tax-free Keystone Opportunity Zone with excellent potential for office, research & development and other uses.

For more information about the NATC, please contact the FLRA at (215) 489-9949.

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## NOTEWORTHY NEWS

### Unemployment Rate Report

According to the Department of Labor and Industry, Pennsylvania's seasonally adjusted unemployment rate edged down 0.1 percent to 3.8 percent in April, the lowest rate since February 1970. This represents an improvement of .6 percent this year. Pennsylvania has enjoyed unemployment rates of 4.5 percent or lower since November 1998. Rates in July increased to 4.0 percent.

Employment in Pennsylvania is up 27,000 since April 1999, drawn solely from the unemployment roles.

In Bucks County, the July unemployment rate was 3.5 percent (not seasonally adjusted).

### Sign Up for the *Economic Development Course in Pennsylvania*

Penn State's Economic Development Research and Training Center will host the 14th Annual Economic Development Course in Pennsylvania, December 3-8, at the Holiday Inn Grantville (near Hershey). Designed to serve the needs of seasoned professional or newcomers to the field, this course reviews theoretical and practical approaches to economic development, with a full-week case study exercise in business attraction.

The course is designed for economic developers, municipal managers, chamber of commerce professionals, community volunteers, and many more.

Call Denise Franz at (717) 948-6178 to register or for more information.

### New Director Named at Temple University's Small Business Development Center

After nearly 12 years as Director of the Temple University Small Business Development Center (SBDC), Geraldine A. Perkins, stepped down to assume a new position as Executive Director of the Innovation and Entrepreneurship Institute at the Fox School of Business and Management.

Eustace Kangaju, former Associate Director, has been selected to be the SBDC's new Director. Eustace has worked with several small Bucks County companies to plan for growth, and will now oversee SBDC services to the entire Delaware Valley region.

Bucks County entrepreneurs and small businesses can contact Margie Beard at the SBDC for more information about business planning and development. Margie can be reached at (215) 204-2373.

### Bucks Prospectus



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**BUCKS PROSPECTUS** is the quarterly newsletter of the Bucks County Economic Development Corporation (BCEDC). BCEDC, the official Economic Development Agency for Bucks County, is a nonprofit economic development corporation with a mandate to increase job opportunities for local residents through various programs.

# \$\$\$ The Bottom Line \$\$\$

A Regular Feature to Help Your Business Improve Its Profitability

## Outsourcing Benefits for Small Businesses

### Why Not Rent a Chief Financial Officer?

By Frederick Place, CPA



Over the past couple of years, *Inc.* magazine has presented several articles on the concept of renting a Chief Financial Officer. This June, it was reported that the rent-a-CFO business was booming.

Business owners who have a strong desire to grow their business and have an eye glued to the bottom line often need a certain type of financial skill but are not ready to add someone long-term to the payroll and related benefits. When the need arises, it may make sense to "rent" the financial talent on a short-term basis. Hiring contracted workers for technology needs, part-timers for sales and clerical chores, and outsourcing other business needs has long been part of today's business environment. Outsourcing financial questions, problems, mentoring, planning, etc. is a current trend that has gained some serious interest in the small business community.

To gain the maximum benefit from the council of any financial advisor, the business owner must have an open mind, an enormous curiosity, and the belief that there is always a better way. If the owner doesn't have these qualities, buying the advice of a "rented" financial officer will be a foolish waste of money; about \$125 per hour. Also, business owners should be prepared to accept very candid conversations with the rented CFO about past decisions and current plans. If one listens, implements recommended changes, and doesn't take constructive criticism personally, the cost of a "rented" financial officer could be the best investment a small business could make.

Finding the financial officer to rent may be a frustrating experience. It also requires an investment of time to do it right. The search should start with an accounting firm, some of which now offer "controllership by the hour" or may know of a professional who is available to work with the firm to assist in rendering the service. Consulting firms are another source. Maybe an advertisement in the local newspaper will yield an interesting response.

### The Truth About PEO's

By James E. Wolf

Has your business outsourced any of its administrative efforts? The answer is probably "yes" if you ever hired any temporary help through an agency, if you currently have your payroll done by an outside service, or have hired consultants for such things as a new job application or employee benefits handbooks.

If so, the concept of outsourcing is not foreign to you, but the term "Professional Employer Organization" (PEO) may be.

PEO's have been around since the mid 80's and have grown out of a service called Employee Leasing. The National Association of Professional Employer Organizations (NAPEO) says that there are over 3 million workers employed in PEO arrangements with 18,000 companies.

The PEO's operate by entering into a contractual arrangement with an employer to provide certain agreed-upon services and become legally responsible for all of the Human Resource liabilities. This service has many advantages.

An advantage for the employee is to have access to Fortune 500 benefits that the company would not otherwise be able to offer. The advantage to the employer is having somebody take over the Human Resources liability, thereby freeing up management time for revenue-producing functions. Additionally, the company is able to offer many employee benefits at affordable prices, since PEO's purchase employee benefits in bulk and pass the savings on to the customer.

A recent NAPEO website publication said that the PEO industry is demand-driven, as business owners seek solutions to the increasingly complex business of employment. The increase in employment-related laws and regulations are contributing to the complexity. Another factor is a search for inexpensive health insurance, retirement savings plans, 401k's credit unions and other benefits that most small to medium sized companies have not been able to provide to their employees. It is estimated that of all the employees in

CFO, continued on page 4

PEO, continued on page 4

## New Financing Approved

The BCEDC and BCIDA have approved \$5.5 million in low-interest loans for 5 businesses, which will create and retain at least 200 jobs in Bucks County.

**Acme Uniforms, Inc.** of Philadelphia was approved to receive \$431,000 through Small Business First, the BCEDC Business Builder Loan Fund and the Bucks County Revolving Loan Fund, in combination with first mortgage financing through Sovereign Bank to acquire the former Unitog building in Bristol.

**C.E. Conover, Inc./Reliable Rubber Products** was approved to receive

\$540,000 through PIDA and the Small Business First to acquire 4106 Blanche Road in Bensalem. The company will relocate two separate divisions -- one from New Jersey -- into the new facility.

**Calvary Full Gospel Church** will borrow up to \$2.0 million through the BCIDA Revenue Bond and Mortgage Program to complete a major expansion of its community center and educational facilities in Falls Township.

**Davor Photo, Inc.** of Bensalem has borrowed \$100,000 through the BCEDC Business Builder Loan Fund

for a variety of working capital and equipment needs.

**Gelest, Inc.** of Tullytown was approved for \$2.425 million in tax-free financing through the BCIDA Revenue Bond & Mortgage program as part of a \$5.0 million plant construction project in the USX Industrial Park.

*NOTE: The companies listed in this report were approved for financing by the BCEDC or BCIDA, but may not have received necessary approval through state or federal funding agencies at the time of this printing.*

### CFO, from page 3

The combination of a good bookkeeper, the right software, and a "rented" financial officer for 2 or 3 days a month may be the first and best step toward improving profitability. The opportunity is there; why not check it out and see where it goes?

*Fred Place is a BCEDC member and independent CPA. For more insight into "renting" a financial expert, call Fred at (215) 491-3684.*

### PEO, from page 3

companies with PEO arrangements, over 40% received increases in their benefits and 25% claimed to be receiving benefits for the first time.

#### Choosing the Right PEO

√ The PEO you choose should be a member of the National Association of Professional Employer Organizations (NAPEO). This membership shows the PEO's commitment to the industry's highest standards for professional integrity and quality of service.

√ The PEO should offer a core of services that include workers compensation, payroll and benefits administration and compliance.

√ Ask for a recent financial report, to assure you of the PEO's strong financial history.

√ The PEO should have an experienced and easy-to-contact staff.

√ The PEO should have a proven track record with companies of your size and in a similar industry, and be willing to give you reference contacts at these companies.

√ The PEO should have at its disposal all of the systems (computers) to properly administer all of the various services the clients and the regulations require.

√ Finally, ask the PEO if the benefits they offer are fully insured, or are they "self-insured"?

Typically, the PEO offers better rates for the employee benefits than what the small business can negotiate for itself and offers a whole range of

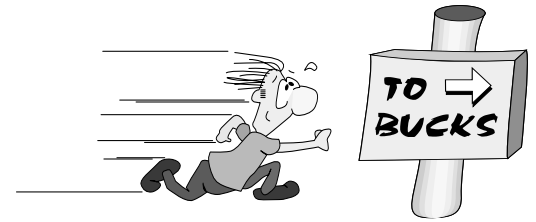
services, some of which the employer may not even realize are required by law. Usually, the PEO charges a percentage of the gross payroll as its fee.

The PEO does its duty of managing Human Resources and Personnel responsibilities by becoming the employer of record for all of the employees. It therefore becomes responsible for the UC 2's, Workers' Compensation audits, W2's, 1099's and becomes liable for all of the taxes. In practice, the PEO manages such areas as risk management and government compliance, which is critical in today's litigious world.

In the area of Human Resources, the PEO arrangement now levels the playing field between large and small companies.

*James Wolf, a new BCEDC member, will host a seminar on October 31st at 9:00 a.m. in Trevoze to provide more information about PEO's. Contact James at (610) 866-7700 to reserve a seat, or to arrange for an individual appointment.*

# COMPANIES ON THE MOVE



## Bensalem Township

**Lease** - 2273 New York Ave., 8,900 square feet to **Fleetwash, Inc.**, a commercial vehicle washing company. NAI Mertz Corp. handled the lease transaction with owner JJM Partnership.

## Bristol Township

**Lease** - 1601F Harmer Street, Edgely Industrial Park, 4,000 square feet to **KMB Vending Company** from O'Connor Family Trust, handled by NAI Mertz Corp.

**Lease** - 1601 Harmer Street, Edgely Industrial Park, 4,200 square feet to **Universal Equipment International** from O'Connor Family Trust, handled by NAI Mertz Corp.

## Falls Township

**Sale** - 101 Canal Road, Penn Warner Industrial Park, 55,902 square foot industrial facility on 8 acres to **Victor G. Warren Revocable Trust**, which will lease the building to Fairrington Transportation, the largest independent consolidator/transporter of destination entry mail in the United States. Roddy, Inc. represented the CIT Group/Business Credit Inc. in the sale.

**Lease** - 1001 New Ford Mill Road, USX Industrial Park, 177,648 square foot building on 14.2 acres to **Spalding Automotive, Inc.**, of Bensalem Township. The company will use the facility for the purpose of manufacturing auto parts. Roddy, Inc. handled the lease negotiations.

## Lower & Upper Southampton Townships

**Sale** - 99 Buck Road, 33,000 square feet to **ABC Supply**, a wholesale distributor of roofing, siding and windows to contractors and builders. NAI Mertz Corporation represented the buyer, a national client of NAI, and the seller, Finova Capital.

**Lease** - 421-31 Pike Road, Pike Industrial Park, 8,000 square feet, to **R&A Vending**, a vending machine company from Huntingdon Valley. NAI Mertz Corp. negotiated the lease with landlord Maple Properties.

**Lease** - 855 Pennsylvania Boulevard, Lower Southampton Industrial Park, 20,000 square feet to **ReSource America, Inc.**, represented by The Flynn Company. Sidney Gable Associates, Inc. represented owner Boekel Scientific in the lease transaction. ReSource America, Inc. will use the space for warehouse and light manufacture of semi-conductor wafers and chips.

**Lease** - 70 James Way, Upper Southampton Industrial Park, 18,900 square feet, to **Worldwide Basics, LLP**, who will be occupying the property for offices, storage and distribution of general merchandise. Tucker Realty Corporation handled this transaction for property owner TGC Group..

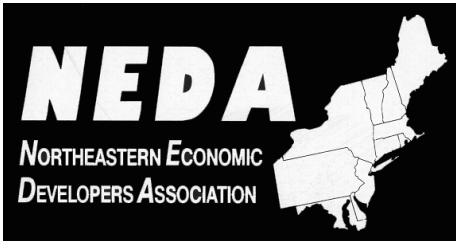
## Northampton Township

**Lease** - 48-D Vincent Circle, Jacksonville Road Industrial Park, 8,800 square feet to **Associate Libraries, Inc.**, a bookbinder, printer and distributor of books and printed matter, specializing in children's books. Tucker Realty Corporation represented Joseph Muscara, Inc., developer of the industrial park in this lease transaction.

[www.bcedc.com](http://www.bcedc.com)

**Award Winning!**

**BCEDC's new web site was awarded 1st Prize by the Northeast Economic Development Association**



We Thank  
**PECO Energy Company**  
and **First Union National Bank**  
for sponsoring the site redesign.

## Welcome New BCEDC Members

Craig Morrow  
**Main Street Bank**  
*Financial Services*  
(215) 489-7510

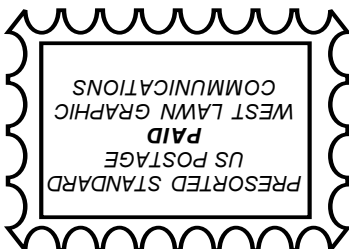
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