



pennsylvania

STATE OF INNOVATION

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COMMONWEALTH FINANCING AUTHORITY

07 ANNUAL REPORT

> ready > set > succeed

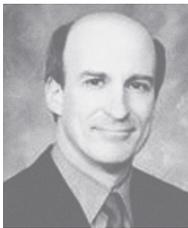
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LETTER FROM THE CHAIRMAN



DEAR PARTNER IN A NEW PENNSYLVANIA

It has been another banner year for the Commonwealth Financing Authority (CFA). Over the past 3 years, the CFA has advanced Governor Rendell's and the General Assembly's mandate to invest in infrastructure projects, key tourism and agriculture projects and high-growth companies throughout the Commonwealth in order to bolster the growth of Pennsylvania's economy.

Our comprehensive Economic Stimulus Package continues to channel new resources to aging communities in need of new and improved infrastructure while providing the tools to enable our traditional industries, especially manufacturing, to enhance their productivity. Since our founding in 2004, the CFA clearly recognized the distinct need to diversify our economy. In 2007 we rigorously supported efforts to make this goal a reality. In 2008, this work will continue unabated.

Through December 31, 2007, the CFA has approved nearly \$900 million in grants, loans, and guarantees for 598 projects. This funding has secured commitments for more than \$2.7 billion in matching funds. While it will still take several years to feel the full impact of these investments, we are starting to see discernible results.

For example:

Investments through Business in our Sites (BOS) for site development and construction projects have resulted in 101 companies locating or committing to locate to BOS sites bringing 1,191 new jobs and \$406 million in private investment to date and an additional \$250 million in projected private investment.

61 companies have located to PennWorks project sites bringing 5,380 new jobs and more than \$109 million in private investment.

THROUGH DECEMBER 31, 2007, THE CFA HAS APPROVED NEARLY \$900 MILLION IN GRANTS, LOANS, AND GUARANTEES FOR 598 PROJECTS. THIS FUNDING HAS SECURED COMMITMENTS FOR MORE THAN \$2.7 BILLION IN MATCHING FUNDS.

19 early stage technology companies, including life sciences and alternative energy companies, are benefiting from the CFA's limited partnership interest in venture capital funds through the New PA Venture Capital Investment Program. To date, the economic impact includes 43 new jobs with a median income of \$77,768 and more than \$54 million in private investment.

In addition, the CFA finalized guidelines for the Building PA and Venture Guarantee Programs that will further enhance the development of real estate assets within the Commonwealth and provide an additional incentive for venture capital companies to invest in Pennsylvania businesses.

The last of the Authority's programs to be opened for business, the Venture Capital Guarantee Program accepted applications from top quartile venture capital funds in 2007. It is my hope that in 2008, the Commonwealth will begin realizing the benefits of the new venture capital investments made possible through this cutting-edge program.

The CFA Board continues to adhere to twelve principles of investment and fiduciary guidelines that have served as a springboard for investing in Pennsylvania's economic growth. CFA investments have played an integral part in the Commonwealth's economic turnaround.

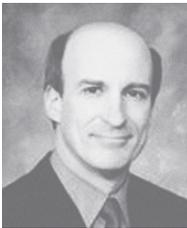
While there is more work to be done, we are clearly headed in the right direction due in large part to the Governor's and General Assembly's vision and the CFA's work in moving the state forward in the 21st century.

Dennis Yablonsky, Chairman
Commonwealth Financing Authority



COMMONWEALTH FINANCING AUTHORITY BOARD

THE BOARD



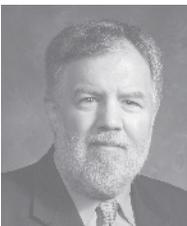
**DENNIS YABLONSKY / CHAIR /
SECRETARY OF COMMUNITY AND ECONOMIC DEVELOPMENT**

Mr. Yablonsky leads the effort to revitalize Pennsylvania's economy by investing in growth. He works to achieve a balance between community and economic development, to respond to the needs of our large urban centers and our small- to medium-sized cities and boroughs, and to fully develop the potential of Pennsylvania's many diverse industry sectors.



**STEVEN KAPLAN /
PENNSYLVANIA SECRETARY OF BANKING**

Secretary Kaplan provides overall leadership to the state Banking Department, which supervises Pennsylvania state-chartered banks, non-depository trust companies, savings and loan associations, and credit unions.



**MICHAEL J. MASCH /
PENNSYLVANIA SECRETARY OF THE BUDGET**

Mr. Masch was appointed Secretary of the Budget by Governor Rendell on January 21, 2003. As the leader of the Office of the Budget, Secretary Masch has overall responsibility for preparation of the Governor's budget and its implementation after legislative enactment. He is also responsible for maintaining the Commonwealth's accounting, payroll, debt issuance and financial reporting systems and programs.



AUSTIN J. BURKE /
PRESIDENT / THE GREATER SCRANTON CHAMBER OF COMMERCE

As the chief executive officer of the Scranton Chamber, Mr. Burke works with a staff of twenty-two and hundreds of community volunteers to provide programs and services to the community and to the Chamber's 2,200 members.



JERRY PAPPERT /
PARTNER / BALLARD SPAHR ANDREWS & INGERSOLL, LLP

Mr. Pappert is a partner in the law firm Ballard Spahr Andrews & Ingersoll, LLP. He served as the Attorney General of Pennsylvania from 2003-2005. From 1997-2003, he served as Pennsylvania's First Deputy Attorney General.



MICHAEL KARP /
PRESIDENT / UNIVERSITY CITY HOUSING COMPANY

Mr. Karp has more than forty years of experience in real estate investment and telecommunications. He has also worked to improve public education and social services in West Philadelphia.



BARBARA A. MCNEESS /
PRESIDENT / GREATER PITTSBURGH CHAMBER OF COMMERCE

Ms. McNeess has served as the President of the Greater Pittsburgh Chamber of Commerce, an affiliate of the Allegheny Conference on Community Development since 1997. The Chamber represents more than 500 businesses with more than one million employees across a 10-county area.

06 > PRINCIPLES OF INVESTMENT



IMPACT

- 01 > The project will advance the economic opportunity, revitalization and redevelopment of communities in Pennsylvania.
- 02 > The project will improve the economic base of the host community by attracting and growing businesses that will generate new wealth for the local economy.

READINESS

- 03 > The project is ready to move forward.

LOCAL FOCUS

- 04 > The project is specifically targeted at distressed communities, cities, rural or urban boroughs or older townships.

LEVERAGING

- 05 > The project is able to demonstrate significant leveraging of resources (i.e. local matching funds).



PARTNERSHIPS

- 06 > The project is led by a partnership between a private sector corporation and a public sector organization.

EMPLOYMENT GROWTH

- 07 > The project will result in higher wages, higher quality and family friendly employment opportunities.

SMART GROWTH

- 08 > The project will adhere to the principles of smart and sustainable growth and sound land use.

TARGETED INDUSTRY CLUSTERS

- 09 > The project will result in an increased targeting and focus for state investments.
10 > The project will increase resources for competitive and emerging industries in Pennsylvania.

FILLING GAPS

- 11 > The project has made a well documented and justified case that they will be unable to move forward without the resources available through the CFA.
12 > The resources to be deployed address critical gaps in project funding.

08 > BUSINESS IN OUR SITES (BOS)

IMPACT

COMPANIES SECURED > **101**

NEW JOBS > **1,191**

PRIVATE INVESTMENT > **\$406,619,204**

56 FUNDING RECIPIENTS HAVE BEEN APPROVED FOR \$188,457,486 IN CFA LOAN FUNDS AND \$99,980,725 IN CFA GRANT FUNDS AS OF DECEMBER 31, 2007.

101 COMPANIES HAVE LOCATED OR HAVE COMMITTED TO LOCATE TO BOS PROJECT SITES.

THE ECONOMIC IMPACT OF THE 101 COMPANIES ABOVE INCLUDE 1,191 NEW JOBS, 1,840 JOBS RETAINED AND 6,562 JOBS PROJECTED TO BE CREATED. THE COMPANIES HAVE INVESTED \$406,619,704 IN PRIVATE INVESTMENT TO DATE AND AN ADDITIONAL \$250,619,819 IN PROJECTED PRIVATE INVESTMENT.

The BUSINESS IN OUR SITES PROGRAM (BOS) empowers communities to attract growing and expanding businesses by helping them build an inventory of ready sites. BOS has granted funds for the necessary planning and predevelopment work required to carry out strategically important real estate development projects. The program also provides loans for the acquisition of key sites for future use by businesses.





Starpointe Industrial Park groundbreaking ceremony (left). Lanxess, a global manufacturer of chemicals, manufactures inorganic pigments at a 50,000 square foot building (right) in the Industrial Park.

BOS AT WORK



INTERNATIONAL PAPER

The Greater Erie Industrial Development Corporation (GEIDC) received Business in Our Sites funds to support the redevelopment of the former International Paper site. This 190 acre brownfield recovery site is the only remaining industrial property of significant scale within the City of Erie. Revitalizing the International Paper site has promoted a positive progressive image of Erie.

There are currently six tenants (Lake Erie Biofuels, Erie Management Group, LLC, Bio Preserve, LLC, SB3 Holdings, International Business Linkages, LLC and Lakeside Air, LLC) that have leased space and in total have created 71 jobs at the site. Negotiations are underway with additional prospective tenants. Major infrastructure improvements have prepared the site for bolstering business growth and job creation. GEIDC anticipates an additional 566 jobs will be created as a result of this project. GEIDC and its private partner, Erie Management Group, are positioning this site with a rail and port-based business park that will be one of a kind in the immediate tri-state area. The International Paper site is located about 120 miles north of Pittsburgh, midway between Buffalo, New York and Cleveland, Ohio, and is within 500 miles of New York City and Chicago. Location is one of this redeveloped brownfield's major strengths.

STARPOINTE INDUSTRIAL PARK

Washington County Council on Economic Development received Business in Our Sites funds for infrastructure improvements and to help build ancillary roads enabling businesses to access developed pads located within the 148 acre Starpointe site. The site was previously blighted, consisting of mine-scarred brownfield land.

Four companies (Lanxess, Volvo Rents, Miller Plastics and Olson) have purchased lots at Starpointe and have created a total of 93 full-time jobs. Additional businesses have expressed interest in purchasing property at the park. A 30,000 square foot flex building is also being marketed and will accommodate up to six occupants. Approximately 807 additional manufacturing and commercial jobs are expected to be created at the park.

Reclaiming this brownfield, returning it to modern usefulness and offering the best in business location and convenience has not only provided new, family sustaining jobs for area residents but has also spurred economic development in Beaver, Washington, and Allegheny Counties. Located along the Route 22 corridor and within a ten minute drive from the Pittsburgh International Airport, this site is attractive to businesses with specific shipping needs.

PENNWORKS

IMPACTCOMPANIES SECURED > **61**NEW JOBS > **5,380**PRIVATE INVESTMENT > **\$109,232,434**

61 FUNDING RECIPIENTS HAVE BEEN APPROVED FOR \$99,074,460 IN CFA LOAN FUNDS AND \$101,081,169 IN CFA GRANT FUNDS AS OF JUNE 30, 2007.

61 COMPANIES HAVE LOCATED TO PENNWORKS PROJECT SITES.

THE ECONOMIC IMPACT OF THE 61 COMPANIES ABOVE INCLUDES 5,380 JOBS CREATED, 17,254 JOBS RETAINED, AND 25,458 JOBS TO BE CREATED; AND \$109,232,434 IN PRIVATE INVESTMENT.

PENNWORKS ensures a safe water supply and proper wastewater infrastructure. The program provides grants and loans to eligible applicants for projects that construct, expand, or improve water and wastewater infrastructure that are related to economic development.





A renovated Bedford Springs Hotel (left), and an aerial view of the multifaceted CenterPoint Commerce Center (right). Both sites benefited from PennWorks funds.

PENWORKS AT WORK



CENTERPOINT COMMERCE & TRADE PARK PHASE I

Jenkins Township received PennWorks funds to assist Mericle Commercial Real Estate Services with site preparation and infrastructure improvements to the 245 acre CenterPoint Commerce & Trade Park. The site previously consisted of old mine-scarred “grayfields” land that provided an unsightly vision of Northeastern Pennsylvania’s coal mining past.

The redevelopment efforts at CenterPoint transformed the site into an attractive, thriving and vibrant first class industrial park that provides economic opportunity to the residents of Northeastern Pennsylvania. Today, there are eight tenants operating at CenterPoint, including FedEx Ground Package Systems, Inc., The Men’s Wearhouse, Inc., Ferguson Enterprises, Inc., Entenmann’s Sales Company, Inc., KCI USA, Inc., Lowe’s Home Improvement Centers, Inc., Kimberly-Clark Global Sales, Inc. and JP Boden USA, LLC. These businesses have created 397 new full-time jobs and it is anticipated that an additional 2,025 full-time positions will be created at the site.

Phase I of CenterPoint provided approximately 3,028,000 square feet of commercial/industrial space. CenterPoint has been granted a “Foreign Trade Zone” (FTZ) designation. The site’s strategic location along Interstate 81, the Pennsylvania Turnpike and close proximity to the Wilkes-Barre/Scranton International Airport significantly enhances the ability to market the project to quality job-producing end users. In addition, the FTZ status greatly increases the benefits for companies located at CenterPoint. With companies being able to control or reduce costs and expand their value-added manufacturing activities, continued export and employment growth is expected.

BEDFORD SPRINGS

Bedford Township Municipal Authority received a \$2.2 million PennWorks Grant to support the rehabilitation of the Bedford Springs Hotel. Following an investment of \$120 million, the Bedford Springs Resort re-opened July 12, 2007. Famed for seven mineral springs, features a 216-room luxury hotel, a new outdoor pool with cabanas, a “spring eternal spa” with 14 treatment rooms, an updated golf course with water features on 12 holes, a gold medal trout stream, a total of 16,000 sq. foot state of the art conference center and four restaurants. Bedford County has been hit hard with multiple manufacturing plant closings and at the time of the announced rebirth of the Bedford Springs Hotel, Bedford County unemployment rate stood at 10.5%. Currently, the unemployment rate stands at 5.3%. A total of 220 full-time jobs have been created as a result of the project. Additionally, the reopening of the hotel has proved to be a major asset in business recruitment efforts.

SECOND STAGE LOAN PROGRAM

IMPACT

NEW JOBS > **56**

PROJECTED NEW JOBS > **319**

6 SECOND STAGE LOAN PROJECTS HAVE BEEN APPROVED FOR A TOTAL OF \$2,785,000.

TO DATE, THE ECONOMIC IMPACT INCLUDES 56 NEW JOBS AND AN ADDITIONAL 319 JOBS ARE PROJECTED TO BE CREATED.

The SECOND STAGE LOAN PROGRAM provides working capital to keep businesses growing by providing Loan Guarantees to second stage manufacturers, advanced technology, and life sciences businesses. This program is vital to support growth in these vital sectors.





Global Data Consultants (left), an information technology company based in Chambersburg, has seen revenues grow by 24.5% and RF Central (right), a telecommunications company located in Cumberland County, increased employment by 30% since receiving Second Stage Loan Guarantees.

SECOND STAGE AT WORK



GLOBAL DATA CONSULTANTS

Global Data Consultants, LLC (“Global”) is a nearly five year-old company providing information technology services to customers large and small from their headquarters in Chambersburg, Pennsylvania. The Second Stage Loan was used to provide a 50% guarantee of two loans from Community Banks totaling \$1,000,000: a \$500,000 Operating Line of Credit and a \$500,000 term loan to provide working capital and to purchase a new generator as a backup power supply for the Chambersburg facility. The working capital provided by the loan Second Stage guaranteed has allowed Global Data Consultants to continue to provide project management, application design and development, system integration, business process improvement, enterprise resource planning, 24x7 technical help desk, and other valuable resources to their growing list of clients. Since receiving the Second Stage guarantee, the revenues of the company have increased over \$1,200,000 or 24.5%. The growth brought about by this project has helped to retain and create a total of 132 jobs at the company’s two sites. The owners expect this trend to continue. Since the date of the loan, 28 new jobs have been created and filled. The company hopes to fill an additional 20 positions in the future.

RF CENTRAL, LLC

RF Central, LLC (“RF”) provides consulting, equipment and service in the telecommunications arena. RF has experienced tremendous growth over the past two years, which has created an increased need for working capital. The Second Stage Loan Guarantee was used to provide a \$1,000,000 guarantee of a \$3,000,000 line of credit from Community Banks to RF Central, LLC for working capital. The company has had approximately a 100% increase in sales over the past year. The loan guaranteed by Second Stage allowed RF Central to accommodate the increasing growth of their business and has enabled them to retain approximately 40 positions while adding 12 positions to their staff. The employee base and tax base have added to the local economy. The Central Penn Business Journal recently named RF Central to the list of 50 fastest growing companies.

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NEW PA VENTURE CAPITAL PROGRAM

IMPACT

COMPANIES BENEFITING > 19

PRIVATE INVESTMENT > \$54,993,496

OF THE 13 FUNDS APPROVED FOR INVESTMENTS UNDER THE NEW PA VENTURE CAPITAL INVESTMENT PROGRAM, 7 HAVE RECEIVED DISBURSEMENTS TOTALING \$20,700,000

19 EARLY STAGE TECHNOLOGY COMPANIES, INCLUDING LIFE SCIENCES AND ALTERNATIVE ENERGY COMPANIES, ARE ULTIMATELY BENEFITING FROM THE CFA'S LIMITED PARTNERSHIP INTEREST IN VENTURE CAPITAL FUNDS.

THE PROGRAM HAS HELPED PENNSYLVANIA BASED FUND MANAGERS START NEW FUNDS, RESULTING IN A SIGNIFICANT INCREASE IN ORGANICALLY GROWN RISK CAPITAL IN PENNSYLVANIA.

TO DATE, THE ECONOMIC IMPACT INCLUDES 43 NEW JOBS WITH A MEDIAN ANNUAL SALARY OF \$77,768 AND \$54,993,496 IN PRIVATE INVESTMENT.

The NEW PA VENTURE CAPITAL PROGRAM addresses critical business financing needs by providing loans to venture capital partnerships investing in growth-stage companies. The program makes much needed capital available early when a company is striving to become a job-producing member of Pennsylvania's business community.





Next Stage Capital (left) and its managing partners, (from L to R) Terry Williams, Dan McKinney and Robert S. Adams, are actively investing in Pennsylvania entrepreneurs.

NEW PA VENTURE CAPITAL INVESTMENT AT WORK



NEXTSTAGE CAPITAL

The main objective of the New Pennsylvania Venture Capital Investment Program is to ensure an abundance of locally managed risk capital for the benefit of Pennsylvania entrepreneurs. By being one of the first investors into NextStage Capital, a brand new venture capital firm located in Audubon, Pennsylvania, the Commonwealth Financing Authority played a significant role in organically growing venture capital as a resource for Pennsylvania's economy. Dan McKinney, one of NextStage Capital's three founding partners reports, "The investment commitment we received from the Commonwealth Financing Authority was critical to facilitating our first close. Going through the rigors of the CFA process provided us with the credibility required of emerging managers with a first time fund. Additionally, the size of the CFA investment helped us reach a meaningful first close threshold which in turn gave us the momentum and credibility to raise additional capital for a final close that exceeded our fundraising goal by more than 25%." With a fund now greater than \$25 million, NextStage is actively investing in Pennsylvania entrepreneurs. With four Pennsylvania investments to date, entrepreneurs like Jeff White, CEO of RCD Technology located in Quakertown, Pennsylvania, are enthused about the impact NextStage is having, "NextStage Capital has provided RCD immense value well beyond capital and co-investors. Through its work with TWC Group (a NextStage HR consulting affiliate), NextStage has assisted RCD in hiring several key management personnel. It was important to us not to pay recruiting fees; however, as an entrepreneurial company, it was more important to get the right people at the right time – something we could not have done without NextStage and TWC's assistance."

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TAX INCREMENT FINANCING GUARANTEE (TIF)

IMPACT

PROJECTED NEW JOBS > **1,524**

PROJECTED PRIVATE INVESTMENT > **\$273,670,546**

6 TIF GUARANTEE PROJECTS HAVE BEEN APPROVED FOR A TOTAL OF \$30,000,000.

ALL 4 PROJECTS ARE MOVING FORWARD IN VARIOUS STAGES OF CONSTRUCTION.

TO DATE, 67 NEW JOBS HAVE BEEN CREATED, HOWEVER, THE APPLICANTS EXPECT 1,524 NEW JOBS WILL BE CREATED; \$297,341,673 IN PRIVATE MONEY WILL BE INVESTED AND \$273,670,546 IN PRIVATE MONEY HAS BEEN INVESTED TO DATE.

The TAX INCREMENT FINANCING GUARANTEE (TIF) promotes and stimulates the general economic welfare of Commonwealth communities. This loan guarantee program assists in the redevelopment and revitalization of brownfield sites in accordance with the 1990 TIF Act.





The 88 acre Clinton Commerce Park (left) gives the region the opportunity to compete nationally by offering high quality, competitive industrial bulk warehouse space.

TIF AT WORK



CLINTON COMMERCE PARK

The Clinton Commerce Park project is an industrial park for large, bulk warehouse buildings ranging in size from approximately 200,000 square feet to 500,000 square feet. The Tax Increment Financing Guarantee was used to guarantee a portion of a \$7.5 million TIF bond issued by the Redevelopment Authority of Allegheny County that is being used to fund roadway construction, intersection improvements, and a sewer extension. These on-site and off-site improvements were necessary to carry out the development plan of the Clinton Commerce Park. One building is now being built by the Buncher Company. They are building the first phase (200,000 square feet) of a two-phase building (400,000 square feet).

The developer anticipates announcing a tenant in the near future. They are also finalizing a deal with another company for the second building now. The second building will be an owner occupied building totaling 100,000 square feet. The TIF guarantee was critical in assuring the completion of this important economic development project for Allegheny County.

BUILDING PA

IMPACT**ALLOCATED TO FUND MANAGERS > \$76,300,000**

\$5,360,000 IN FINANCING APPROVED.**7 PROJECTS APPROVED**

The BUILDING PA program is a \$150 million real estate development component of the Economic Stimulus Package managed by the Commonwealth Financing Authority (CFA). Building PA will place investments with real estate fund managers who will match the CFA investment dollar-for-dollar with privately-raised capital. This \$300 million will be used to provide crucial “gap financing” to viable commercial, industrial and multi-use real estate development projects throughout the Commonwealth.





Hill Terrace Estates, an 8,100 sq. ft. commercial building in Williamsport, PA funded through the Building PA program.

BUILDING PA AT WORK



IMPACT PA

Impact PA received \$305,000 to purchase and construct and operate an industrial/retail space on West Fourth Street in the City of Williamsport, Lycoming County. The 8,100 square foot retail/commercial space is expected to be occupied by at least two tenants – HRI, Inc., a family owned paving company that will occupy 5,200 square feet for their headquarter office, with another 2,900 square feet of additional mixed-use space available for other tenants. The project includes acquisition of the site, new construction, landscaping as well as constructing retaining walls, concrete walks and curbing.

EDC FINANCE CORPORATION

EDC Finance Corporation received a \$1,040,000 Building PA Loan for the purchase and renovation, into a mixed-use commercial building, of the former United States Post Office building located on West Chestnut Street in the City of Lancaster, Lancaster County. Auntie Anne's will be relocating its corporate headquarters from Gap, Pennsylvania to this site. The 73,000+ sq. ft. building will be divided into three condominium units. Condominium unit one will house Auntie Anne's corporate offices, two franchise training centers, and 10,000 sq. ft. of potential leased space on the fourth floor. Condominium two will be leased to the United States Postal Service, and Condominium three will be available for lease on the third floor of the building.

FIRST INDUSTRIES FUND

THE FIRST INDUSTRIES FUND PROVIDES GRANTS, LOANS, AND LOAN GUARANTEES AIMED AT STRENGTHENING PENNSYLVANIA'S AGRICULTURE AND TOURISM INDUSTRIES. THE FOLLOWING PAGES REFLECT THE COMPREHENSIVE SUCCESS OF THIS PROGRAM IN HELPING TO DEVELOP AND ENHANCE THESE ACTIVITIES WITHIN THE COMMONWEALTH.





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 - 24 SMALL BUSINESS FIRST/AGRICULTURE >
 - 26 SMALL BUSINESS FIRST/TOURISM >
 - 28 MACHINERY & EQUIPMENT LOAN FUND >
(MELF)
-

FIRST INDUSTRIES LOAN GUARANTEE PROGRAM

IMPACTNEW JOBS > **255**PRIVATE INVESTMENT > **\$27,437,533**

17 FIRST INDUSTRIES LOAN GUARANTEE PROJECTS HAVE BEEN APPROVED FOR A TOTAL OF \$11,990,750.

TO DATE, THE ECONOMIC IMPACT INCLUDES 255 NEW JOBS CREATED. AN ADDITIONAL 51 JOBS ARE PROJECTED TO BE CREATED AND \$27,437,533 IN PRIVATE MONEY WILL BE INVESTED.

First Industries Agriculture Loan Guarantees have helped secure financing to open, renovate and upgrade supermarkets in underserved urban areas; assist in financing the purchase of new equipment to facilitate the expansion of a biofuel production plant; and construct and equip a new free-stall barn and milking parlor for 695 cows at a 4th generation dairy farm.





The newly renovated Pioneer Supermarket (left) serves an extremely underserved, low-income area in Southwest Philadelphia.

FIRST INDUSTRIES AT WORK



WOODLAND FOOD CORP.

A First Industries Loan Guarantee was awarded to Woodland Food Corporation and the guarantee was used to provide a 50% guarantee on two loans totaling \$1,500,000 from The Reinvestment Fund. The loan proceeds were necessary to assist in the financing of renovations to an existing 8,500 square foot supermarket located at 6413 Woodland Avenue in Southwest Philadelphia, as well as refinancing of existing debt. The total project cost was \$2,200,000, which included a Community Economic Development loan, a grant from The Reinvestment Fund, and equity.

The new store has been completed and serves an area that is 89% minority, low-income and extremely underserved. In addition, the renovation of the store has led to the welcome creation of 75 new jobs that is aiding in the renewal of a vibrant but economically disadvantaged neighborhood of Philadelphia while providing residents in this neighborhood with access to healthy, fresh food.

24 > FIRST INDUSTRIES SMALL BUSINESS AGRICULTURE

IMPACT

TOTAL BORROWERS > **196**

ACRES PURCHASED > **8,709**

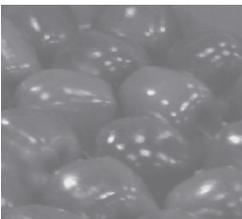
CFA HAS APPROVED 226 FIRST INDUSTRIES SBF AGRICULTURE LOANS TOTALING \$36,297,962.

90 BORROWERS USED CFA PROCEEDS TO PURCHASE A TOTAL OF 7,834 ACRES FOR AGRICULTURAL PURPOSES.

39 BORROWERS USED CFA PROCEEDS TO PURCHASE/UPGRADE FARM EQUIPMENT.

67 BORROWERS USED CFA PROCEEDS TO CONSTRUCT NEW BARNES, ADDITIONS AND NEW BUILDINGS.





Bear Mountain Orchards (left), located in Adams County, is a fruit production, packing, cold storage, and shipping operation that recently expanded operations by purchasing 265 acres.

FIRST INDUSTRIES AT WORK



BEAR MOUNTAIN ORCHARDS, INC.

Bear Mountain Orchards, Inc. received a First Industries Agriculture Small Business First loan to purchase 265 acres of farmland and install a cold storage unit. The business is located in Adams County, Pennsylvania. Bear Mountain Orchards is a wholesale fruit growing and packing company. They grow their own fruit and also buy fruit from other growers. The operation consists of fruit production, packing, cold storage, and shipping. Since receiving the First Industries Funds, the cold storage unit has allowed the company to produce and store fruit so that it is available for sale throughout the year, not just during harvest season. The acquisition of 265 acres of productive farmland has expanded the growing capacity of the farm. Bear Mountain Orchards continues to invest capital in the acquisition of land and operations associated with fruit production. With the assistance of the First Industries Agriculture funds, Bear Mountain Orchards has been able to retain 30 full-time jobs, create 10 new full-time jobs and employ up to 100 employees during peak season. The utilization of state funds has allowed Bear Mountain Orchards to grow, expand, and continue to be an innovator in the agricultural community.

26 >

FIRST INDUSTRIES SMALL BUSINESS TOURISM

IMPACT

TOTAL BORROWERS > **52**

NEW JOBS > **108**

ROOMS ADDED > **112**

ROOMS RENOVATED > **361**

CFA HAS APPROVED 65 FIRST INDUSTRIES SBF TOURISM LOANS
TOTALING \$9,656,726.

20 BORROWERS USED CFA PROCEEDS TO ADD 112 ROOMS AND RENOVATE
361 ROOMS TO THEIR LODGING ESTABLISHMENTS.

17 BORROWERS USED CFA PROCEEDS TO RENOVATE/EXPAND RESTAURANTS.

6 BORROWERS USED CFA PROCEEDS TO RENOVATE/EXPAND RETAIL
ESTABLISHMENTS.

9 BORROWERS USED CFA PROCEEDS TO RENOVATE/EXPAND TO OTHER
ATTRACTIONS SUCH AS A GOLF COURSE, MUSEUM, WINERY, AND MARINA.

BUSINESSES ARE PROJECTING AN ADDITIONAL 175 NEW JOBS.





Hominy Ridge Lodge and Cabins (left) offers recreational year-round lodging facilities for visitors of Cook Forest State Park in the Pennsylvania Wilds region.

FIRST INDUSTRIES AT WORK



HOMINY RIDGE LODGE AND CABINS

Hominy Ridge Lodge and Cabins received a First Industries Tourism Small Business First loan to purchase a seven acre recreational lodging facility, consisting of a main lodge with three suites, three free standing cabins, front office, gift shop, and general store. Hominy Ridge is located in Cook Forest State Park in Cooksburg, Jefferson County, which is part of the Pennsylvania Wilds region. Clear Creek State Park and the Allegheny National Forest are also nearby. The area offers year-round recreational activities for guests to enjoy such as bicycling, hiking, canoeing, inner tubing, horseback riding, fishing, hunting, swimming, water slides, go-cart rentals, golfing, mini golf, ice skating, sled riding, skiing, and snowmobiling.

Since receiving the First Industries funds, the company has experienced great success. During the first year of operations, projected sales volumes were met and two full-time jobs were created. In 2007, one of the cabins was rebuilt and now provides larger accommodations. Hominy Ridge is further expanding its facility by adding a 50-person pavilion with a fireplace/grill, play gym, volleyball court, horseshoe pits, and badminton court. Currently, the lodging facilities have a total of 12 rooms and can accommodate up to 34 guests.

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FIRST INDUSTRIES MELF

IMPACT

TOTAL BORROWERS > **44**

LEVERAGED PRIVATE INVESTMENT > **\$18,163,761**

CFA HAS APPROVED 62 FIRST INDUSTRIES MELF AGRICULTURE AND TOURISM LOANS FOR EQUIPMENT TOTALING \$28,046,334.

CFA FUNDING HELPED LEVERAGE \$18,163,761 IN PRIVATE INVESTMENT AND HELPED BUSINESSES PURCHASE AND UPGRADE MACHINERY AND EQUIPMENT IN THESE KEY INDUSTRIES.

BUSINESSES HAVE CREATED MORE THAN 100 JOBS TO DATE AND EXPECT TO CREATE AN ADDITIONAL 575 JOBS AS A RESULT OF THESE 44 PROJECTS.





Snö Mountain (left) continues to move forward with redeveloping Montage Mountain into a state of the art ski area and waterpark. The picture at left shows ongoing construction of the lazy river ride.

FIRST INDUSTRIES AT WORK



SNÖ MOUNTAIN/SNÖ COVE

Snö Mountain received First Industries Machinery & Equipment Loan Funds to redevelop Montage Mountain into a state of the art ski area and waterpark. The potential for success of the Snö Mountain/ Snö Cove project gains incredible momentum on a daily basis and the public reaction has been extraordinarily positive. With the installation of a 22 foot half-pipe, Snö Mountain has become the East Coast venue for major United States Ski and Snowboard Association (USSA) sanctioned competitive events. A recent outreach by Snö Mountain to travel-related businesses in the area has cultivated strong relationships that are proving to be influential to the future success of the resort.

The Lackawanna and Luzerne County Convention and Visitors Bureaus fully support all initiatives taken by Snö Mountain, and feature Snö Mountain/ Snö Cove as the primary draw to the area as they aggressively market Northeastern Pennsylvania at travel exposition throughout the United States.