



HOURGLASS

April 6, 2018 FFNF Highlights

CARGAS SYSTEMS' DECISION TO MOVE DOWNTOWN

Chip Cargas, Founder & Chairman

- Cargas Systems (Cargas) is an employee-owned business software and consulting company specializing in two areas: Cargas Energy, software for fuel delivery and service companies; and ERP and DRM software from Microsoft and Intacct for a broad range of industries.
- Cargas was founded in 1988 and has grown from 1 to 107 employees today.
- Cargas believes in Shared Success for employees, customers, owners, partners and community. The Company is a twelve-time winner of the Best Places to Work in PA designation and an Ethics in Business Award winner.
- Cargas does things differently. Open Book Management is practiced so that employees know the sales, profits, challenges and opportunities. Collaboration is conducted at all levels, so all ideas are heard. There is a flexible work environment with a flip-flop friendly dress code. The current office building is environmentally-friendly, with solar panels, passive solar, and an indoor bicycle rack and showers.
- Cargas is constantly looking to recruit top talent. They also work with kids to get them interested in technology at an early age. Cargas employees have diverse backgrounds. Quick learners are needed. Collaborative traits are a must. Most employees have some connection to Lancaster County.
- Employees share success widely through profit sharing, a bonus plan and employee ownership.
- Cargas is currently located in a leased space at the former Stockyards in Lancaster, just off the Lititz Pike.
- The top goals for seeking a new space were: The space had to be functional; cost effective; cool; expandable; visible; and community enhancing.
- The former Bulova building was purchased by Zamagis Properties. Zamagis is a commercial real estate developer located in Pittsburgh. They have already completed two other successful projects in Lancaster City. The project is being marketed by PPM Real Estate and is now referred to and marketed as 101 North Queen St.
- The 150,000 square foot mixed-use project will be a mix of retail, office and residential space in a four-story building. The project is anchored at the corner of Queen and Orange. The first floor will feature retail space. There will be two floors of office space, floors 2 and 3, and anchored by Cargas Systems. Luxury condos, including private rooftop terraces are planned for the 4th floor.
- The decision to move downtown and to become the anchor tenant was not made lightly. Moving to a larger suburban location would have been cheaper and more easily accessible.
- In order to be the anchor tenant, Cargas was required to make a 10-year commitment. The project was viewed by Chip as community enhancing, it was focused on the local community, it was cool and it was an investment

in the community. The space allows for Cargas to grow in the future.

- The announcement was made to employees in mid-September 2017. There was an audible gasp. There were 97 employees when the lease was signed. There are now 107 employees. The core values of Cargas were used to make the decision to re-locate.
- A place-making process is underway to develop a mirror image of Binns Park located across the street. Expressions of interest on the annex area have been received. Potential uses are: Parking, housing and retail. The RFPs are due on May 4th. Randy Patterson is leading this process for the City.
- Cargas Systems has a high confidence in the people making the decisions on the project.