



SEDA-COG

Economic Development District

**Comprehensive Economic
Development Strategy**

2019 ANNUAL REPORT

Presented by SEDA-Council of Governments, December 2019

**SEDA-Council of Governments
Economic Development District**

**Comprehensive Economic Development Strategy
Annual Report – 2019**

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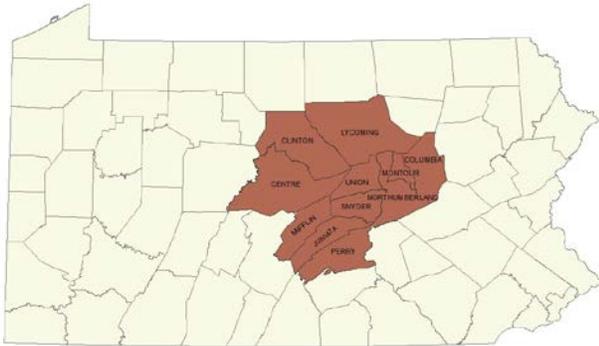
Attachments

- A. Current SEDA-COG Board Member List
- B. CEDS Committee Members
- C. EDA Project Priority List Fiscal Year 2020-2021

SEDA-Council of Governments Economic Development District

Comprehensive Economic Development Strategy Annual Report - 2019

Administrative Organization



The 11-County Region

The 11 counties of Centre, Clinton, Columbia, Juniata, Lycoming, Mifflin, Montour, Northumberland, Perry, Snyder and Union make up the SEDA-COG EDD. All counties actively participate in the District's economic development program. The SEDA-COG Board of Directors, CEDS Committee, and various advisory committees include

representation from all eleven counties.

SEDA-COG Board of Directors

Economic development activities of the SEDA-COG Economic Development District (EDD) are directed by a 22-member Board of Directors. SEDA-COG's governing body is broadly representative of the principal economic interests of the region. A list of present board members is included as Attachment A to this report.

SEDA-COG Comprehensive Economic Development Strategy (CEDS) Committee

The CEDS Committee collectively provides a broad-based range of input into the CEDS process and has the responsibility for working with staff to develop and update the region's CEDS for review and approval by the SEDA-COG Board of Directors. (See Attachment B for a listing of the individuals on the CEDS Committee).

The Board and CEDS Committee continue to maintain an active involvement in EDA programs and in the identification and implementation of other economic development opportunities. Opportunities are actively pursued to provide financial and technical assistance to business and industry within the District. A point of emphasis for the Board and the CEDS Committee in their economic development activities continues to be the expansion and improvement of relations with the region's private sector.

Work is underway for the next 5-Year Comprehensive Economic Development Strategy for 2020.

Local Loan Review Committee

SEDA-COG administers numerous loan programs, including the SEDA-COG Revolving Loan Fund (RLF), which was funded through EDA with local match from the SEDA Foundation. SEDA-COG also continues to function as a certified development company under the Small Business Administration's 504 Program and offers the program statewide. SEDA-COG continues to provide regional administration of the Pennsylvania PIDA Loan Program, a program that has proven valuable in connection with the region's economic development activities.

The Local Loan Review Committee (LLRC) functions as an advisory body for SEDA-COG's various financing programs. This Committee includes representation from the SEDA-COG Board; the banking, accounting, and legal professions; and other entities able to contribute advice in the evaluation of loan proposals.



Partnerships for Regional Economic Performance. The Commonwealth's Partnerships for Regional Economic Performance (PREP) Program was designed by the Commonwealth to encourage coordination of economic development efforts to promote enhanced customer service to the business community and a comprehensive and efficient economic development delivery strategy. The Central PREP Program's core partners, the area's industrial development organizations; SEDA-COG; and the three Small Business Development Centers (SBDC's) located at Penn State, Lock Haven University, and Bucknell University. The 14 core partners have been meeting on a regular basis and continuously improve the program, seamlessly integrating our service delivery system.

Five-Year CEDS

The five-year CEDS revision was completed and approved on June 24, 2015 at SEDA-COG's CEDS Committee and Board of Directors meetings. A draft version of the CEDS document was shared with the SEDA-COG CEDS Committee, Board, and regional organizations that included the Partnerships for Regional Economic Performance (PREP) Partners, Heartland Partnership, the SEDA-COG Metropolitan Planning Organization (MPO) and the Central Pennsylvania Workforce Development Corporation (CPWDC). In total, over 90 members of these organizations were invited to review and comment on the document. As an outgrowth of the review process, the document was revised to incorporate information on the addition of commercial and general airports as an asset in the region. Additionally, based on comments there was a greater emphasis in the revised 2015 CEDS on entrepreneurship, innovation, and workforce development. Renewable energy resources including solar, biomass, and wind were also highlighted in this revised document.

In order to have plans that strongly linked land use, transportation, and economic development issues and better reflect the needs of the region, SEDA-COG worked closely with the Metropolitan Planning Organization to coordinate data collection and outreach

efforts. At the same time SEDA-COG was compiling information for the 5-year CEDS, the SEDA-COG Metropolitan Planning Organization (MPO) was starting their 4-year update of the Long Range Transportation Plan (LRTP) and Public Participation Plans. Both updates required SEDA-COG to collect similar economic data for the 8-county MPO area which is a subset of the SEDA-COG Region. In addition, the CEDS required a stakeholder outreach effort on economic development issues that strengthened the discussion on those issues in the LRTP.

Strategy Review

2015 5-Year CEDS Goals

The Strategy goals are:

1. Encourage the protection, modernization, and expansion of existing businesses and job opportunities, and where appropriate, encourage entrepreneurship and the recruitment of new business and industry consistent with the character of the Region;
2. Encourage the prudent utilization of the area's natural resources in an environmentally sustainable manner (including land, water, natural gas, and timber);
3. Improve and expand infrastructure, flood resiliency, and conservation/greening efforts to enhance the older and rural centers throughout the area for business and economic development;
4. Actively encourage energy conservation and foster the deployment of locally owned, locally-used energy projects;
5. Encourage the promotion of the Region as a destination for travel, recreation, and tourism.
6. Aggressively encourage the deployment of technology and widespread accessibility to broadband services and capabilities.
7. Encourage efforts to enhance a greater level of foreign direct investment and the relocation/location of U.S. companies' overseas operations to the Region.
8. Encourage the upgrading of skills and talents for the Region's workforce and the creation of family sustaining wages.

Objectives

Derived from the goals listed above are the following objectives:

- Continue to foster economic development activities through the various components of the Central Region PREP Program, including business finance assistance, export marketing, and government procurement technical assistance. In accordance with Goal 1, primary emphasis will be on fostering the maintenance and expansion of the region's existing advanced manufacturing base.

- Cooperate with industrial development groups throughout the region to expand industrial/business parks or establish new parks wherever such need is determined, especially promoting the tax-free Keystone Opportunity Zones as designated in this region by the local taxing bodies and the Commonwealth of Pennsylvania.
- Provide support and assistance to the Keystone Innovation Zones, Ben Franklin Technology Centers, and Small Business Development Centers throughout the region in an effort to support entrepreneurship and innovation
- Collaborate with the IMC, NEPIRC, Small Business Development Centers, and other programs of the Central Region’s economic development service delivery network.
- Coordinate with the Central Pennsylvania Workforce Development Corporation and other workforce providers in targeting resources at identified training needs for the region.
- Build the infrastructure necessary to allow widespread adoption of natural gas utilization thereby providing for long-term job opportunities that will continue after the initial exploration boom has tapered off and diminished.
- Seek means to further the development and adoption of broadband and other related infrastructure.
- Cooperate with appropriate local tourist agencies, the Commonwealth, and other interests to promote the region as a tourist and recreation destination.
- Encourage park and trail development to foster increased recreational and heritage tourism.
- Assure ongoing and emerging economic development activities do not diminish the attractiveness of the region.
- Cooperate with the Commonwealth in its efforts to coordinate and provide service and assistance to existing and new business through the Partnerships for Regional Economic Performance (PREP) program.
- Expand the number of Central Pennsylvania businesses participating in the global market by providing technical assistance in the form of counseling, tradeshows and financial assistance.
- Build capacity to market the region in the international arena and compete for foreign direct investment opportunities through participation in the region’s Foreign Direct Investment/Reshoring training, translation of existing marketing materials, international trade missions, inbound familiarization tours and other activities as it relates to reverse investment
- Encourage industry partnerships to ensure training is being developed in accordance with industry demands.

- Foster increased coordination among the region's PREP Partners, institutions of higher learning and our vocational-technical schools with existing employers and the CPWDC to focus resources where they are most urgently needed.

Regional Economic Conditions

The Comprehensive Economic Development Strategy for the SEDA-COG EDD continues to provide the basis for SEDA-COG's economic development efforts. The CEDS tracks data including monthly and annual unemployment rates, county business patterns, and layoffs and closings in the region.

In July 2019, the region's monthly seasonally adjusted unemployment rate was 4.1%. This rate was higher than Pennsylvania's unemployment rate during the same month (3.9%) and than the national unemployment rate of 3.7. Clinton, Columbia, Juniata, Lycoming, Mifflin, Northumberland, Snyder, and Union County have a higher unemployment rate than the region, state, and nation. Centre, Montour, and Perry County have unemployment rates below the region, state, and nation. See Table 1 below.

The high unemployment rate in Snyder County is primarily attributed to the closing of Wood-Mode, Inc. in May 2019 where 983 people lost their jobs. While the company has been purchased by a local business owner, and being run under Wood-Mode, LLC, to date 235 employees who have lost their jobs have been rehired by Wood-Mode, LLC.

According to the Central Pennsylvania Workforce Development Corporation, approximately 180 former Wood-Mode, Inc. employees have been hired by other companies. This equates to over 55% of the employees who lost their jobs at Wood-Mode, Inc. remain unemployed as of July 2019.

Table 1 - Comparative Labor Force Data For the SEDA-COG Region, PA, and US				
	July 2019			
	Number in Labor Force	Number Employed	Number Unemployed	RATE
	+ 000	+ 000	+ 000	%
Centre	81.7	79.4	2.4	2.9
Clinton	18.6	17.7	0.9	4.7
Columbia	33.9	32.4	1.5	4.4
Juniata	12.6	12.1	0.5	4.3
Lycoming	56.8	54.5	2.4	4.1
Mifflin	21.0	20.1	0.9	4.4
Montour	9.2	8.9	0.3	3.3
Northumberland	43.0	40.7	2.3	5.3
Perry	24.4	23.5	0.8	3.5
Snyder	20.2	19.0	1.2	6.2
Union	19.8	18.9	0.8	4.2
SEDA-COG REGION	341.2	327.2	14.0	4.1
PENNSYLVANIA	6,470.0	6,220.0	250.0	3.9
U.S.	163,351.0	157,288.0	6,063.0	3.7

The 2018 Annual Unemployment Rate for the region (4.4%) was higher than the state (4.3%) and the nation (3.9%). (See Table 2)

**Table 2 - 2018 Annual Unemployment Rate
(not seasonally adjusted)
For SEDA-COG Region and Pennsylvania**

Area	Labor Force	Employed	Unemployed	Unemployment Rate
Centre County	79,900	77,300	2,600	3.2%
Clinton County	18,300	17,400	1,000	5.3%
Columbia County	33,500	31,900	1,600	4.8%
Juniata County	12,500	12,000	500	4.0%
Lycoming County	57,100	54,400	2,700	4.8%
Mifflin County	20,800	19,800	1,000	4.7%
Montour County	9,000	8,700	300	3.5%
Northumberland County	43,100	40,800	2,300	5.2%
Perry County	24,300	23,400	900	3.7%
Snyder County	20,300	19,500	800	3.9%
Union County	19,600	18,900	700	3.7%
SEDA-COG Region	329,400	324,100	14,400	4.4%
Pennsylvania	6,424,000	6,149,000	276,000	4.3%
United States	162,075,000	155,761,000	6,314,000	3.9%

Table 3 and the accompanying chart on the next page shows the “not seasonally adjusted” Annual Average Unemployment Rate by County, for the SEDA-COG region, Pennsylvania, and the nation over the ten-year period from 2009 through 2018. It will be noted that throughout three of the ten-years, the regional unemployment rate was the same as or higher than the national rate. For two of the years, it was the same or higher than the Pennsylvania statewide rate. Overall, from 2010 to 2018 the chart demonstrates a downward trend in the unemployment rate for the region, state, and nation.

Table 3-Annual Average Unemployment Rate

(Not Seasonally Adjusted)

SEDA-COG Region, Pennsylvania, and U. S. - 2009-2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Centre	5.8	5.9	5.4	5.5	5.3	4.3	4.0	4.2	3.7	3.2
Clinton	8.8	9.4	8.4	8.8	9.0	7.3	6.9	7.1	6.2	5.3
Columbia	8.6	9.3	8.6	8.3	7.7	6.2	5.7	5.6	5.2	4.8
Juniata	7.9	8.0	7.4	7.3	7.1	5.6	5.0	5.4	4.6	4.0
Lycoming	8.8	8.9	7.7	7.9	7.8	6.1	6.0	6.7	5.6	4.8
Mifflin	9.9	10.2	8.9	8.7	8.1	6.4	5.8	5.8	5.3	4.7
Montour	6.6	6.7	6.2	5.8	5.5	4.6	4.3	4.3	3.9	3.5
Northumberland	9.7	9.9	9.2	9.1	8.7	6.7	6.1	6.3	5.7	5.2
Perry	7.9	8.1	7.4	7.3	6.5	5.1	4.5	4.7	4.3	3.7
Snyder	9.0	8.4	7.7	7.6	6.9	5.1	4.7	4.7	4.4	3.9
Union	9.0	7.7	6.8	6.4	6.3	5.0	4.5	4.8	4.4	3.7
SEDA-COG	8.2	8.3	7.5	7.4	7.1	5.6	5.2	5.4	4.8	4.4
Pennsylvania	8.0	8.5	7.9	7.8	7.4	5.8	5.3	5.4	4.9	4.3
U. S.	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.4	3.9

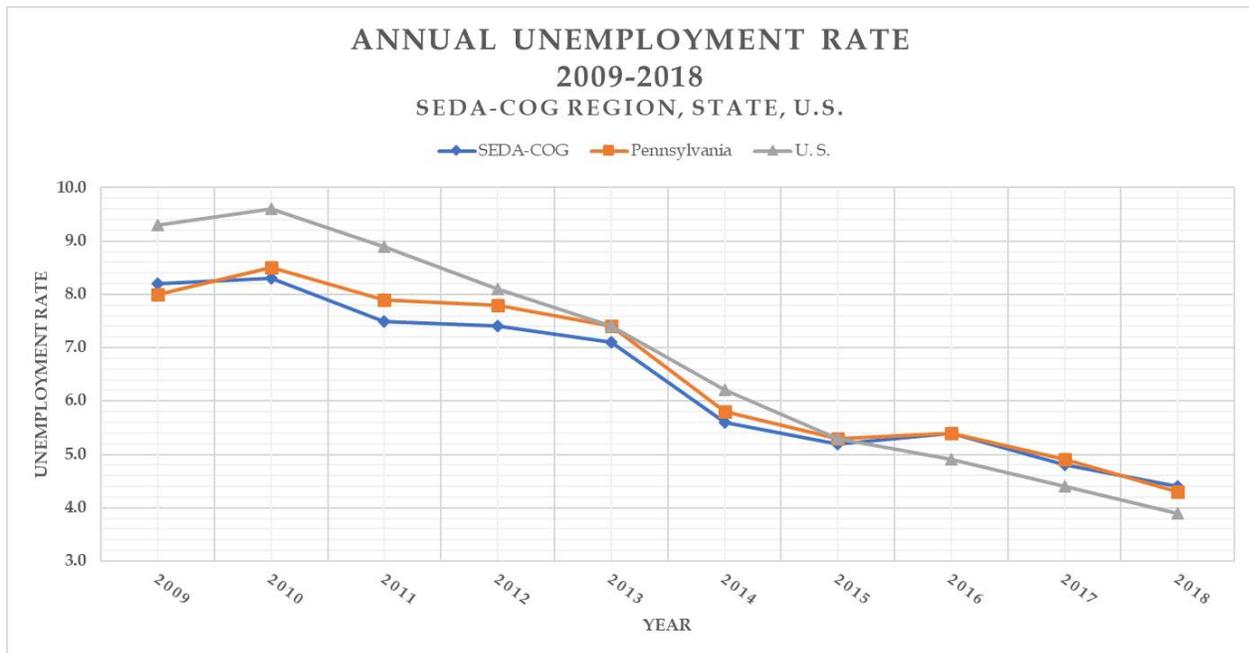


Table 4 contains data derived from the U.S. Census Bureau’s County Business Patterns. This table shows total jobs and total manufacturing jobs in 2007 and again ten years later in 2016 (the most recent data available) for the counties in the Economic Development District (EDD), for the region, and for the state. The total number of jobs for the region increased 1.1% between 2007 and 2016. During the same time frame, total jobs increased by 3.1% for the Commonwealth.

*NOTE: Due to the delay of the 2017 Economic Census, the 2017 CBP will be released in November 2019. *

According to Table 4, Total Jobs and Manufacturing Jobs, 2007 and 2016, the number of manufacturing jobs in the region declined by 20.5%. The state’s manufacturing jobs decreased by 16.3% for the same timeframe. It should be noted 10 of the 11 counties had a decrease in the manufacturing jobs between 2007 and 2016. The only county to experience an increase in manufacturing jobs was Juniata County at 6.5%. The percentage of total jobs in the region represented by manufacturing jobs declined from 21.1% in 2007 to 16.6% in 2016. Statewide, the percentage of total jobs in the manufacturing sector from 2007 to 2016 was 12.4% and 10.1% respectively. Although declining, the SEDA-COG EDD continues to be more dependent on the manufacturing sector for jobs than the state.

TABLE 4

Total Jobs and Manufacturing Jobs, 2007 and 2016								
SEDA-COG Counties, SEDA-COG Region, and Pennsylvania								
Area	Total Jobs			Manufacturing Jobs			Manufacturing Jobs % of Total Jobs	
	2016	2007	% Change	2016	2007	% Change	2016	2007
Centre	45,292	43,446	4.2%	3,906	4,729	-17.4%	8.6%	10.9%
Clinton	10,586	10,983	-3.6%	2,939	3,125	-6.0%	27.8%	28.5%
Columbia	22,707	22,301	1.8%	4,771	6,513	-26.7%	21.0%	29.2%
Juniata	5,877	5,747	2.3%	2,369	2,224	6.5%	40.3%	38.7%
Lycoming	45,232	46,413	-2.5%	7,543	9,916	-23.9%	16.7%	21.4%
Mifflin	14,218	13,744	3.4%	3,916	3,996	-2.0%	27.5%	29.1%
Montour	14,333	12,764	12.3%	579	1,020	-43.2%	4.0%	8.0%
Northumberland	23,822	24,313	-2.0%	4,166	6,053	-31.2%	17.5%	24.9%
Perry	6,247	6,403	-2.4%	624	726	-14.0%	10.0%	11.3%
Snyder	15,282	15,390	-0.7%	4,150	5,362	-22.6%	27.2%	34.8%
Union	16,689	16,475	1.3%	1,592	2,336	-31.8%	9.5%	14.2%
SEDA-COG	220,285	217,979	1.1%	36,555	46,000	-20.5%	16.6%	21.1%
Pennsylvania	5,354,964	5,195,818	3.1%	540,072	644,994	-16.3%	10.1%	12.4%
Source: U.S. Census Bureau, "County Business Patterns," 2007 and 2016								
*Data withheld to avoid disclosing an individual company.								

The region’s reliance on the manufacturing sector and its decline has mandated SEDA-COG pursue a strategy of encouraging growth in other industry sectors including technology and advanced manufacturing in an effort to diversify our employment base. This strategy is being routinely incorporated into SEDA-COG's various economic development activities and is used in ongoing project evaluations. Some historic examples

of pursuing growth in technology and advanced manufacturing include the EDA funded Bloomsburg Regional Technology Center and Penn State University's expansion of the Technology Center at Innovation Park. Both projects met the growing demand for technology business incubation space and to accommodate incubator graduate companies making the transition to more permanent space. Additionally, as new projects are developed, the buildout of broadband infrastructure in the form of laying of conduit and fiber is encouraged.

Economic Development Activities

Loan Packaging

The loan packaging component of SEDA-COG's economic development activities continues to be a key service provided to the region's businesses. At present, SEDA-COG can provide clients with access to the SBA-504 Program, the EDA Revolving Loan Fund, the ARC Revolving Loan Fund, the Telecommunications Equity and Marcellus (TEAM) loan fund, the various Commonwealth loan programs and the USDA Intermediary Relending Program.

Using these available loans as a base, SEDA-COG has developed a comprehensive finance packaging service for its business clients. This service combines SEDA-COG's lending capability with the financing potential myriad of state and federal programs. These public-sector sources can and are linked with traditional private financing sources. Private lending institutions tend to be conservative in their lending policies. The participation of one or more of SEDA-COG's loan programs can often persuade the private institution to participate in a project.

As of September 30, 2019, the SEDA-COG loan portfolio showed a total of 163 open loans from various sources totaling over \$28 million. These loans have resulted in the creation of 450 new jobs. In addition, there were 18 committed loans totaling nearly \$8 million, with a projected job increase of 63. During the 12 months ending September 30, 2019, a total of 12 loans were settled totaling nearly \$5 million. These loans represented various combinations of sources and will help to create 59 new jobs.

SEDA-COG continues to provide staff assistance in connection with the review and packaging of loans through the revolving loan fund, which was set up as a result of the Clinton County EDA Title IX project.



Gas Utilization Project. While central Pennsylvania sits on a large reservoir of natural gas, limited infrastructure presents a distribution problem which the Cooperative hopes to resolve. The availability of lower-cost energy alternatives such as natural gas can be a key component in attracting new business and industry to the region. Access to natural gas in residential areas is also commonly sought.

In 2016, the SEDA-COG Natural Gas Cooperative was formed to promote and provide natural gas service to unserved and underserved customers in its central

Pennsylvania area. Currently, the Cooperative has eight member counties – Centre, Clinton, Juniata, Mifflin, Montour, Northumberland, Perry, and Union – with operations overseen by a 21-member Board of Directors, including two from SEDA-COG, and is supported by SEDA-COG staff through an administrative services agreement.

Throughout this reporting period the SEDA-COG Natural Gas Cooperative staff as well as SEDA-COG staff completed planning and coordination with Columbia Gas and Hanover Foods for a natural gas line extension for the Centre Hall-Hanover



Foods project in Centre County, and construction began in September of 2019. The Cooperative also completed a virtual pipeline route-based engineering feasibility study project during 2019 which will also include installation of one on-site liquefied natural gas (LNG) customer storage tank by the end of 2019 as a pilot project.



SEDA-COG Joint Rail Authority (JRA). The SEDA-COG Joint Rail Authority (JRA), along with its short-line operator, continues to provide customer-oriented service to 80 industries on the North Shore, Nittany & Bald Eagle, Shamokin Valley, Juniata Valley, White Deer & Reading and Lycoming Valley railroads. For over 30 years, the eight-county SEDA-COG Joint Rail Authority has been a self-sustaining engine of economic

development for central Pennsylvania. The JRA saved 3,000 jobs in 1984 and 10,000 jobs today. Rail traffic has increased from 2,000 carloads on 80 miles of line to 20,989 carloads in 2018 on over 200 miles of rail. This was an increase of over 2,000 carloads from 2017.

Up to 2013, traffic on the lines of the SEDA-COG JRA generally increased steadily since the operations started in 1984. In the last three years, however, traffic has been more volatile due to rail car traffic related to the Marcellus gas industry. Gas-related carloads dropped precipitously from the record levels during calendar year 2013. This traffic was mainly frac sand and chemicals, but gas pipe and other related commodities added to the mix. In 2016, Marcellus traffic was less than 3% of its peak which was reported only 2 ½ years earlier. In 2017, the Marcellus business showed some signs of reawakening, but was still meager. Traffic is trending upward in 2019 and is likely to exceed 2018. Since January 2019, we have seen frac sand coming back to the tune of 1000+ rail cars. This quantity was unexpected and continues in fits and starts.

The rail car storage business is stable, but rail cars are starting to move off-line and into freight service. In previous years, rail traffic in the U. S. ebbed meaning there were more rail cars than lading to transport. Rail car owners and brokers sought out short line railroads to store cars. In 2019, rail car storage should decline somewhat. Nevertheless, national rail traffic is falling which may result in increased rail car storage volume in the coming months.

DRIVE is a Montour-Columbia counties economic development entity that recently purchased a brownfields site in Danville. JRA staff is assisting that group to scope a rail and road access project to upgrade a former industrial complex to make it more marketable. DRIVE is seeking DCED funding for the identified capital improvements. The JRA staff assisted DRIVE to apply for a grant from the Commonwealth Financing Authority Multimodal Transportation Fund. This project was

funded at the \$1,000,000 level. We worked with DRIVE to modify the project scope to fit the lower grant award but is sufficient to build a siding for the new company, Danville Keystone Partners LLC, AKA Chicago Flameproof. This project is moving to bid in July 2019.

This year was a busy period for rail infrastructure grant applications. The JRA staff help several entities apply to PennDOT for either a Rail Transportation Assistance Program (RTAP) or Rail Freight Assistance Program (RFAP) grants.

Direct, and extensive, application assistance was provided to the following entities; approval status is noted below:

RTAP - Danville Borough: relocation of grade crossing and safety improvements for school entrance over JRA's North Shore Railroad. Not approved.

RTAP - Nittany & Bald Eagle Railroad: construct 500 feet long runaround (double-ended siding) to better serve growing chemical plant customers in Castanea, PA. APPROVED this quarter.

RFAP - Bellefonte Borough: construct cantilevered pedestrian walkway along railroad bridge of the JRA's Nittany & Bald Eagle Railroad in Talleyrand Park. Not approved.

RFAP - Lycoming Valley Railroad: application to install new rail and other track upgrades near Muncy, PA. APPROVED this quarter.

RFAP - Happy Valley Blended: assisted rail customer to extend existing siding and install switch to provide for additional rail to storage transload to handle new business in Pleasant Gap, PA. APPROVED this quarter.

RFAP - Savoy Furniture: build siding off Lycoming Valley Railroad in Montoursville to receive high-grade plywood for furniture manufacturing. APPROVED this quarter.



Keystone Opportunity Zone

Since 1999 SEDA-COG has been designated as the administrator of the Central Region Keystone Opportunity Zone (KOZ), which includes sub-zones representing nine of the 11-counties in the SEDA-COG region. The KOZ program continues to be a valuable economic development tool for Central Pennsylvania.

SEDA-COG, as the Zone Coordinator, shares potential project leads with all subzones that match the lead's requirements. We also provide presentations at various taxing body meetings and work with companies, so they fully understand the KOZ program, thereby maximizing program benefits and reducing program misconceptions.

There are currently 95 eligible active applicants of which 31 have applied for 2019 benefits. There are 39 active businesses, of those, 18 have applied for 2019 benefits, totaling over 958 jobs.

Staff recently worked with Homeland Manufacturing and CME Investments to apply to the PA Department of Community and Economic Development (DCED) to extend the KOZ deadline for Lot 9R in Benner Commerce Park for 7 years to 2026. Prior to CME Investments purchase on March 29, 2019, Lot 9R (300 Penn Tech Drive) was a vacant lot in the Benner Commerce Park, Benner Township, Centre County. CME received approval for development of the parcel into a manufacturing facility. The \$2.6 million; 21,500 square foot facility under construction will have two tenant spaces, one for Homeland and the second for KCF, with the ability to expand the building footprint in the future to accommodate growth. Anticipated occupancy by Homeland Manufacturing, Inc. is expected to take place in January 2020 and KCF Technologies, Inc. within the first quarter of 2020. Homeland Manufacturing, Inc. will add an estimated 10 new jobs in 2020 and KCF will add 10 new jobs.



Partnerships for Regional Economic Performance (PREP)

As stated previously, the Partnerships for Regional Economic Performance (PREP) Program was designed by the Commonwealth to encourage coordination of economic development efforts, to promote enhanced customer service to the business community and to provide a comprehensive and efficient economic development delivery strategy. The Central PREP Program's core partners include the region's industrial development organizations; SEDA-COG; and the three Small Business Development Centers (SBDC's) located at Penn State, Lock Haven University, and Bucknell University.

The ninth year of the PREP Program began July 1, 2019. Highlights for 2019 include:

- Central Region PREP Partner meetings were held on February 5th, May 7th, and August 6th, 2019.
- Laith Wardi of Executive Pulse talked about the importance of updating information on your services for the Resource Guide.
- Numerous PREP Talk Conference calls throughout the reporting period for the Coordinators to discuss PREP related issues and opportunities.
- Provision of education and information to the partnership through the Central Region PREP distribution list.
- Staff continues to provide technical assistance on Executive Pulse.
- Developed and submitted numerous multi-partner success stories for PREP Reports for FY 2018-2019.
- Continued updating the Central Region PREP website: www.centralpaprep.com

The key to an integrated service delivery network is an in-depth awareness and understanding of the services being provided by other members of the network and ongoing and responsive communication between network members to assure

companies are receiving quality assistance in a timely manner. To that end, the following service providers presented at the quarterly PREP Partner meetings for this reporting period:

- Noelle Long, Export Marketing Director, presented information to businesses on the Central Region PREP program during the Bringing the World to PA which is a networking event with businesses interested in exporting their goods and the trade representatives from around the world that are contracted with the Commonwealth to provide in-country assistance.
- Donald Poligone of DCED talked about the updates to the Business One Stop Shop.
- John Reichard, Loan Officer at SEDA-COG talked about the different financing options available for businesses in the region.
- Jennifer Lench also talked with the PREP Partners about the Appalachian Leadership Institute.

SEDA-COG's PREP Program has served to strengthen the bonds between the agency and the region's business and industry groups. The effectiveness of the PREP Program is further enhanced by SEDA-COG's continued success in combining various public and private funding sources, when appropriate, to achieve regional economic and community development goals.

Engage!



Engage! is a Pennsylvania statewide business retention and expansion program designed to regularly and proactively interact with targeted companies. The overall goal of

Engage! is to retain existing businesses in a community and to help them grow by building solid relationships with business owners or key decision makers and economic development partners and their representatives.

In support of the PA DCED Engage! Project, the Central Region Engage! Team have partnered to interview businesses across a range of categories, deliver intense and customized business support through the Ambassador program.

Central Region Engage! Team meetings have continued to be held monthly throughout 2019.

Flood Resiliency

The 11-county SEDA-COG Region is predominately rural and is situated in the heart of Pennsylvania. Scattered across the Region are a number of mostly



small urban centers. Its topography, chiefly the Susquehanna River system and the ridges of the Appalachian Mountains, have influenced the Region's economic and community development. The urban centers are overwhelmingly found along the Susquehanna and its tributaries, where most of the Region's economic activity, in the form of industry, commerce, and services have occurred.

The Susquehanna River has also influenced economic development by its pattern of recurrent, though irregular flooding. Four times over the past four decades, the Region has suffered flooding of catastrophic proportions.

To help prepare for natural disasters such as flooding, a regional flood resiliency proposal has been developed by SEDA-COG. The project includes a self-assessment tool, implementation of the tool, project prioritization, and implementation. It provides a calculated response to flood insurance reform, developing partnerships with universities; insurance underwriters; banking community; local, state, and federal agencies; and combining those revenues with private funds. Numerous meetings were held with state and federal legislators to present the concept. Considerable support was obtained through these meetings. Appalachian Regional Commission (ARC) funds (\$75,000) were secured and matched with SEDA-COG funds to develop resiliency plans in six communities within the region. The resiliency surveys and workshops have been completed in the Town of Bloomsburg and the boroughs of Selinsgrove, Newport, Danville, Milton, and Lewisburg. It is abundantly clear that the public, even those in the floodplain are unaware of the looming impacts of flood insurance reform. Additionally, with the assistance of SEDA-COG, the LDDAP successfully secured additional funding to pursue resiliency efforts in most of the LDDs statewide. SEDA-COG assisted four LDD's with the public meeting and educational component of this process.

SEDA-COG has solicited surveyor services for discounted pricing to prepare and issue FEMA Elevation Certificates for individual property owners. The program is now underway in the Town of Bloomsburg, and the boroughs of Selinsgrove, Lewisburg, Danville, and Milton. Residents are taking advantage of this program and are paying about half of the state average for their Flood Elevation Certificates.



SEDA-COG has also developed an initiative to increase the number of communities participating in the Community Rating System (CRS) through FEMA's National Flood

Insurance Program (NFIP). By participating in the CRS program, communities who adopt and maintain higher regulatory standards for floodplain management receive discounts on NFIP policy premiums. Through SEDA-COG's involvement in capacity building, communities with limited staff and resources may take advantage of the insurance premium discounts. Currently SEDA-COG serves as the CRS coordinator for the Boroughs of Milton and Lewisburg and is working with West Chillisquaque Township and the Borough of Renovo to enroll in the program and anticipates enrolling additional communities in the CRS over the next 2 years.

Staff member, Teri Provost, Director, Flood Resiliency Program is a Certified Floodplain Manager (CFM). The Association of State Floodplain Managers has established a national program for certifying floodplain managers. This program recognizes continuing education and professional development that enhances the knowledge and performance of local, state, federal and private-sector floodplain management professionals. The role of the nation's floodplain managers is expanding due to increases in disaster losses, the emphasis on mitigation to alleviate the cycle of damage-rebuild-damage, and a recognized need for professionals to adequately address these issues. This certification program lays the foundation for ensuring that highly qualified individuals are available to meet the challenge of breaking the damage cycle and stopping its negative drain on the human, financial, and natural resources.

SEDA-COG continues to assist the Town of Bloomsburg in the use of Community Development Block Grant Disaster Recovery (CDBG-DR) funds, including the development of a potential \$17 million flood mitigation expansion project. This project expands on the initial 2015 EDA funded Bloomsburg Flood Resiliency project that, at the time, was the largest grant in the history of the Philadelphia regional office of the U.S. Economic Development Administration at \$15 million and was the largest public works project in the history of Columbia County. Together these projects will protect Bloomsburg Area School District's athletic complex, the middle and high schools, around 125 homes, over 30 businesses of varying size, and the town's public works and fire department. It also entails significant storm water and sanitary sewer improvements. Completion is expected next summer and a Letter of Map Revision (LOMR) will be submitted to FEMA for consideration thereafter.

Federal Mitigation Assistance (FMA) in the amount of \$50,000 was awarded to SEDA-COG. The FMA funds are being matched with local funds and will be used to continue flood proofing workshops with a concentration on benefit cost analysis and the promotion of privately and publicly funded FEMA approved mitigation techniques. The sessions will result in the creation of a report on these techniques and the costs/benefit analyses associated with these undertakings. Ultimately this report will be given to FEMA in 2020 with the intention of encouraging more privately and publicly funded flood mitigation projects.

In 2019, SEDA-COG submitted a Flood Mitigation Assistance (FMA) grant for the borough of Selinsgrove and for the Town of Bloomsburg for a total of four properties to be elevated, two in each community.

Additionally, we responded to the need in Montour County through the Hazard Mitigation Grant Program (HMGP) funds. These funds were made available from the July/August Presidential Declaration. This application was submitted by the county on behalf of three of their municipalities for acquisition/demolition of 10 homes. We have been informed that Anthony and Derry townships applications are being reviewed by FEMA Region 3 for further consideration; we anticipate the award of approximately \$1 million dollars for this much needed work.

Central Susquehanna Valley Transportation Project



SEDA-COG has continued to take part in the regional Central Susquehanna Valley Transportation (CSVT) Task Force housed at the Greater Susquehanna Valley Chamber of Commerce in Shamokin Dam. The task force is focused on facilitating construction of our 11-county region's largest transportation/economic development project - the Central Susquehanna Valley Transportation Project (CSVT). When complete, the CSVT will stretch 13 miles and alleviate congestion on several highways, providing a safer environment for motorists while opening bottlenecks that slow North-South traffic traveling through the region.

In November 2013 the Commonwealth passed a \$2.3 billion transportation funding plan, of which the CSVT project is included at \$600 million. The passage of the transportation bill substantially filled the funding gap for this project. Work continues on the Northern Section including construction of a 4,500-foot-long bridge over the West Branch of the Susquehanna River. The actual bridge structure is anticipated to be completed in late 2020. Additional work consisting of paving, lighting and signage is projected to be complete within an additional two years, and the Northern Section is on schedule to open for traffic in 2022.



Design work on the Southern Section is continuing. PennDOT-completed a public hearing process for the Supplemental Environmental Assessment for the Ash Basin Focus Area in

2018. The Assessment identified the Eastern Alternative as the Preferred Alternative, and a Finding of No Significant Impact for the project including the Eastern Alternative was received from the Federal Highway Administration in January 2019. Preconstruction activities and coordination are continuing for the Southern Section, and completion of the Southern Section is currently anticipated in 2027.

SEDA-COG, in coordination with the Warrior Run Community Corporation, the Central PA Chamber of Commerce, the Greater Susquehanna Valley Chamber of Commerce and the Pennsylvania Department of Transportation (PennDOT) delivered a two-part workshop, instructing local officials on how to both capitalize on economic development opportunities and guide development after completion of the CSVT. The Warrior Run area (Delaware Township, Anthony Township, Limestone Township, Lewis Township, Gregg Township, and Turbotville Borough) is strategically located to benefit from the completion of the Central Susquehanna Valley Transportation Project (CSVT). The CSVT project is expected to increase traffic in this area and will provide improved access to the south and east. The workshop helped raise awareness of tools that municipalities can use to protect the local communities from undesired and uncontrolled development and lay a foundation for sustainable growth that meets the needs of area residents.

SEDA-COG is continuing to work with Department of Transportation, the Chambers of Commerce, and other local stakeholders to identify and capitalize on opportunities for economic development presented by the CSVT project.

Broadband Expansion

Four County Rural Broadband & Feasibility Study

Funded in part by the Appalachian Regional Commission (ARC) and the participating counties of Clinton, Lycoming, Northumberland, and Union, SEDA-COG commissioned a study from Design 9 of Blacksburg, VA to analyze regional broadband needs. The study evaluated the current broadband infrastructure and services, with a focus on business needs, and identified three key areas of need in each participating county. As part of the data collection process, surveys of experiences from both businesses and residences regarding their current broadband connections or lack of such connections have been collected. These surveys are key to providing detailed broadband usage and coverage data needed to identify service gaps within the region. Key findings from the study are:

- 88% of respondents are interested in having access to Gigabit fiber.
- 58% of residents are “not satisfied” or “only somewhat satisfied” with current Internet service.
- 94% of respondents agree that local Government should help facilitate better Internet access.
- 30% indicate that availability of broadband Internet is affecting where they choose to live.

The completed study, which has been presented to the commissioners of all four counties, will provide local governments the tools necessary for making informed decisions regarding rural broadband in their region. The consultant is finalizing the report, which is scheduled to be completed by the end of October.

Rural Broadband Revolving Loan Fund

Since April of 2019, SEDA-COG has been engaged with Juniata, Mifflin, and Perry Counties by facilitating a round of meetings between local leadership, planning directors, emergency communications directors, and the local ISP's to address the lack of adequate broadband in the rural regions of each county.

In addition to making the publicly owned vertical assets available to ISP's, SEDA-COG also proposed to establish a low interest (1%) Revolving Loan Fund (RLF) for the purpose of incentivizing ISP's to provide a minimum of 25mb down and 3mb up service in the selected pilot project areas through a competitive process.

Since the funding was allocated in the state budget under the Keystone Communities Program, SEDA-COG has:

- Coordinated with the three (3) counties to evaluate and complete the publicly owned vertical assets to be used in the Pilot Project. Vertical assets have been mapped and build specifications have been provided by the county. ISPs will need to perform their own engineering study for load capacity.
- Created loan guidelines and eligibility requirements for the Revolving Loan Fund.
- Coordinated with the local ISPs and counties to identify one (1) unserved/underserved pilot project area per county:
 - Mifflin County – S. River Rd residential area South of McVeytown.
 - Juniata County – Rural area surrounding Reeds Gap.
 - Perry County – Horse Valley Rd area North of Blair.
- Completed all online forms and uploaded required documents for Keystone Communities application.
- A draft RFP for each county has been completed and is ready to be published once each county's site is approved.

One of the unexpected results while working on this project was the challenge to identify an unserved/underserved pilot project area in Mifflin County. The collaborative efforts between SEDA-COG, Mifflin Co. Internet Advisory Committee, and local ISPs over the past 3 years have made a substantial impact on the unserved and underserved areas of the county.

Evaluation

During the past year, major economic development impacts resulted in:

- 12 Loan packages were closed amounting to nearly \$5 million and resulting in the creation of 59 new jobs.
- The continuation of the Partnerships for Regional Economic Performance (PREP), Engage! and Keystone Opportunity Zone Programs.
- The continuation of the SEDA-COG Rail Preservation Program.

Plans for the Coming Year

In July and September 2019, staff presented and the CEDS Committee and Board approved the Economic Development Administration (EDA) 2020-2021 Project Listing and the ARC Project Priority List for 2020-2021.

ARC Project Priority List - FY 2020-2021

The number one priority project in the region is the Regional PREP Program (Previously referred to as the Enterprise Development Program). This program is a statewide priority involving the continuation of business assistance in the areas of finance assistance, export technical assistance, and government procurement technical assistance and also involves community development assistance.

The second ranked project is the Discovery Space Prototyping Facility (The Rivet). This project proposes to purchase a mini mill, metal lathe, and milling machine which are essential pieces of equipment for this nonprofit training and prototyping facility.

The third ranked project is the Rural Broadband Revolving Loan Fund. This project proposes the establishment of a low interest revolving loan fund for the purpose of incentivizing internet service providers to deliver a minimum of 25/3 service with guaranteed coverage and affordable user rates in rural areas where it might not be financially feasible.

The fourth project on the list is the Pennsylvania College of Technology Plastics Program Injection Molding equipment for the Plastics Innovation and Resource Center (PIRC) and the Plastics and Polymer Technology Department at Penn College to meet current and projected demand in both industry and education for this state-of-the-art plastics injection molder.

Additionally, staff presented, and the Board approved one ARC Access Road Project. Access road projects are funded as a separate category at ARC. There is generally about three to five million dollars available for Access Road projects statewide.

The first ranked access road project is the constriction of a 4,500 linear foot access road to serve 145 acres in the Milton Area Industrial Park. The access road construction project will provide access to 5 lots. This project would not only enhance the probability of future growth within the industrial park area, it would also promote growth of current industries due to the considerable savings (\$130,000/year) in current

trucking costs associated with accessing Interstate -80. It would also alleviate 730 trucks per week and 500 personal vehicles per day from traveling through a high-density residential neighborhood and an elementary school. The acreage to be served by the road is designated as a Keystone Opportunity Zone. One \$8 million, 143,000 sq. ft. distribution center and a 130,000 sq. ft build to suit for \$7 million will be locating on 25 acres that will be served by this road. They are estimating at least 60 permanent, full-time, non-construction jobs to be created. Additionally, Watsontown Trucking Company and Patton Warehousing and Service Center that have facilities in the industrial park will continue to use the road and retain a total of 600 employees.

The second ranked ARC Local Access Road project for FY 2020-2021 is the Commerce Drive Extension in Armagh Township, Mifflin County. This project will serve 26 undeveloped acres encompassing Phase 2 of the Armagh Business Center. The expansion of Commerce Drive into Phase 2 will provide access to a proposed MCS Bank Branch and Corporate Office Facility, expansion of Lerch RV Center, and ready 20 acres of land for potential manufacturing and commercial development.

The third and final ARC Local Access Road project is the Reconstruction of Sawmill Road in Spring Township, Snyder County. This project proposes to reconstruct Sawmill Road to widen, provide better alignment, and strengthen the road for three wood industry companies that are served by the road.

EDA Project Priority List - FY 2020-2021

Staff categorized the EDA Public Works projects as either developable in the short-term, developable in the long-term, or regionally-significant projects. There is a total of 13 projects in the Public Works category. Highlights of the top projects include:

The top ranked project is the Lycoming County Flood Control Project. This project proposes to improve critical levee structural components located in a key economic activity area of Lycoming County. This project was ranked as the number two project last year and has now moved to the top of the region's priority list for FY 2020-2021.

The 2nd ranked project is the Lock Haven University Business Incubator Project. Last year, staff worked with LHU and the Small Business Development Center to apply for feasibility funding to determine if a business incubator in or around LHU was feasible. This project would fund the building renovations to house the Lock Haven University Business Incubator.

The third ranked project is the Lewis and Delaware Township Infrastructure Expansion Project in upper Northumberland County. This project proposed to extend infrastructure in an industrial area of Lewis and Delaware Township, including sewer, gas, and broadband. The 537 plan and preliminary engineering will need to be completed at this site for the project to proceed.

The Bloomsburg-Lime Ridge Corridor Stormwater Implementation Project in Columbia County is the 4th ranked project on the list. This project proposes to

implement a stormwater infrastructure strategy that will mitigate future flooding events in the local Kinney's Run watershed and in the low-lying; industrial areas of South Centre Township. The stormwater study will need to be completed for this project to proceed.

The Regional Telecommunications project is the 7th ranked project on the list and proposes to provide broadband technology to underserved areas of the SEDA-COG region. A broadband study funded in part by ARC has recently been completed in Lycoming, Clinton, Northumberland, and Union County which details how to best build out broadband in rural areas of these counties.

Attachment A:

SEDA-Council of Governments

Board of Directors, 2019

22 Members

Each County in the SEDA-COG region appoints one Commissioner and a second Representative to serve on the SEDA-COG Board. The Board consists of 22 Members.

County	Representatives
Centre	Commissioner Mark Higgins Dennis Hameister, Harris Township Supervisor
Clinton	Commissioner Jeffrey A. Snyder Steve Stevenson, Lock Haven City Councilman
Columbia	Commissioner Richard Ridgway George Forese, S&B Foundry, owner
Juniata	Commissioner Mark Partner Scott Fritz, Pennian Bank, President & CEO
Lycoming	Commissioner Jack McKernan Howard W. Fry III, Fry's Fire Systems, owner
Mifflin	Commissioner Kevin P. Kodish James Shilling Jr., Kish Bank EVP, Sr. Lending Officer
Montour	Commissioner Kenneth A. Holdren Brian Wiktor, Members Choice Financial Credit Union, V.P. of Loan Operations
Northumberland	Commissioner Samuel J. Schiccatano Barbara Moyer, Councilwoman, City of Shamokin
Perry	Commissioner Brenda K. Benner Larry Reisinger, retired
Snyder	Commissioner Joseph E. Kantz Dennis Van Benthuisen, Colonial Furniture, President
Union	Commissioner Preston R. Boop Char Gray, East Buffalo Township Manager

OFFICERS - 2019

President – Commissioner Jeffrey A. Snyder
 First Vice President – Commissioner Richard Ridgway
 Second Vice President – Commissioner Mark Partner
 Secretary – Larry Reisinger
 Treasurer – Dennis Van Benthuisen

Attachment B

SEDA-COG CEDS Committee Members - 2019

Member	Occupation	Sector Representation
Thaddeus Will	Vice President, M&T Bank, Commercial Banking	Private/Service
Gerald Stauffer	Entrepreneur	Private/Service
George Forese	Owner, S&B Foundry	Private/Manufacturing/Business
Phillip Bomberger	Financial Manager, John E. Groninger	Private
David McKernan	Financial Analyst, Woodlands Bank	Private/Service
James Shilling Jr.	Executive Vice President and Senior Lending Officer, Kish Bank	Private/Service
John Yoder	Hutchison Insurance	Private/Service
Janice Kotwica	Retired	Private/Service
Mark Higgins	Centre County Commissioner	Elected Official
Larry Reisinger	Newport Tool and Machine, CFO Retired	Private/Manufacturing
Steve Stevenson	Assistant County Manager for PennDOT District 2-0 (Retired)	Service
Brian Wiktor	Director of Lending, MC Federal Credit Union	Private/Service
Brenda Benner	Perry County Commissioner	Elected Official
Preston Boop	Union County Commissioner Preston Boop Masonry Construction and Briar Patch Organic Farms	Elected Official/Small Business Owner
Robert Walker	President, Primus Technology	Private/Manufacturing/ Technology (Retired)
Stephen Phillips	Executive Director, BIDA/Industrial Development (Retired)	Private/Industrial Development
Corbett Monica	Senior Vice President, The Juniata Valley Bank	Private/Service (Retired)
Paul Caimi	Commercial Loan Officer, Woodlands Bank	Private/Service
Harold Hurst	District Office Manager, Rep. Kurt Masser	Service
Char Gray	East Buffalo Township Supervisor	Elected Official
Jeffrey Hollenbach	Commercial Relationship Manager, Susquehanna Community Bank	Private/Service

Attachment C: SEDA-COG EDA Project Priority List FY 2020-2021

PUBLIC WORKS		
Rank	Description & Location	Description
1.	Lycoming County Flood Control Project	Improvement of critical levee structural components located in a key economic activity area of Lycoming County.
2.	Lock Haven University Business Incubator (Clinton County)	Renovation of a building to house the Lock Haven University Business Incubator. Conducting a marketing/feasibility study is necessary for this project to progress.
3.	Lewis and Delaware Township Infrastructure Extension Project (Northumberland County)	Infrastructure development in an industrial area of Lewis and Delaware Township that will include sewer, gas, and broadband. The 537 plan and preliminary engineering will need to be completed at this site for the project to proceed.
4.	Bloomsburg - Lime Ridge Corridor Stormwater Implementation Project (Columbia County)	Implementation of a stormwater infrastructure project that will mitigate future flooding events in the local Kinney's Run watershed and in the low-lying; industrial areas of South Centre Township. The hydrology and hydraulic study will need to be completed for this project to proceed.
5.	Dairy Processing Infrastructure Development Project	Infrastructure development to include water, sewer, and access road for a site to be determined for a dairy processing facility. Sites under consideration include a Spring/Benner Township site in Centre County, a site near Rt. 22/322 in Perry County, and a site in Upper Northumberland/Union County.
6.	Natural Gas Infrastructure Project	Construction of natural gas infrastructure to serve existing businesses and vacant industrial space at a yet unnamed project in the SEDA-COG Natural Gas Cooperative, Inc. territory.
7.	Regional Telecommunications Implementation Project	Provide broadband technology to under-served areas throughout the SEDA-COG region.
8.	Philipsburg Hospital Property Redevelopment Project (Centre County)	Infrastructure development on the former Philipsburg Hospital Property for use as a future business site. Developing a financing package is necessary for this project to progress.
9.	Completion of Four-Lane U.S. Rt. 322	Important regional transportation project which involves the completion of the four-lane limited access system for US Route 322 which would connect the Harrisburg market with the State College area and the I-99 Corridor.
10.	Completion of Interstate 99 (Regional)	Important regional transportation project which would include completion of a continuous four lane link from Interstate 180 in Lycoming County, linking Williamsport and the Northern Tier to the Centre Region and Interstate 80 through the western portion of the state.
11.	MCIDC Plaza Modernization (Mifflin County)	Demolition, redevelopment, and infrastructure improvements for Bldg.5 and adjacent parcels at the MCIDC Plaza.
12.	Rush Township Property Redevelopment Project (Centre County)	Infrastructure development on the Philipsburg Elks Property for use as a future business site. Acquisition of the property and developing a financing package is necessary for this project to progress.

TECHNICAL ASSISTANCE		
Rank	Description & Location	Description
1.	Revolving Loan Fund Recapitalization	Recapitalize the SEDA-COG EDA Revolving Loan Fund, which serves as an integral part of the region's ongoing PREP Financing Program. Without additional funding for the SEDA-COG RLF, the ability to provide financial assistance to businesses considering growth and expansion in the District will be limited.

