

PREAMBLE



Central Pennsylvania: tradition... beauty... abundance... Marked by mountains and forests, secluded streams, the Susquehanna and Juniata rivers... It's a region of small towns, enveloped by the blues and greens of Mother Nature.

There's space to grow here, space for the qualities not always found in crowded areas. The people are generous in spirit, curious, and compassionate. Hard work and common sense are a way of life here. So is independence — and interdependence. Quick to come to the aid of others, central Pennsylvanians are often uncomfortable asking for help. We are eager to take on challenges, but recognize that sometimes issues extend beyond community boundaries, and beyond a community's ability to go it alone.

Since 1957, central Pennsylvania has addressed many of these issues through SEDA-Council of Governments, a public organization created by the region's 11 counties: Centre, Clinton, Columbia, Juniata, Lycoming, Mifflin, Montour, Northumberland, Perry, Snyder, and Union.

The organization is overseen by a Board made up of County Commissioners, business people, and local elected officials. SEDA-COG's staff is made up of professionals with expertise in a wide range of fields — everything from transportation and international sales, to information technology and financial packaging.

We work with central Pennsylvania's counties, communities, companies, and individuals.

We help them make things happen.



SEDA-Council of Governments

TABLE OF CONTENTS

SEDA-COG Region

The Setting	1
Diversification	2
The Agency	3
Notable Organizational Events	3

Regional Organization and Collaboration

Collaboration	5
SEDA Foundation, Inc.	6
SEDA-Council of Governments	6
SEDA-COG Local Development Corporation	7
Joint Rail Authority	8
Housing Development Corporation	8
Consolidated Budget	8

Programs and Major Successes

Community Development	10
Enterprise Development	11
Flood Mitigation	11
Housing Program	12
Information Technologies Group	13
Partnerships for Regional Economic Performance ..	15
Rail Line Preservation	15
Natural Gas Cooperative.....	16
Transportation Planning	16
Weatherization and Residential Energy Services	18

Challenges

Economic Development	19
Organizational Capacity Building	20
Goals	20
Objectives	20

SEDA-COG Region

The Setting

The 11-county SEDA-COG region (Centre, Clinton, Columbia, Juniata, Lycoming, Mifflin, Montour, Northumberland, Perry, Snyder, and Union counties) is predominately rural, and is situated in Pennsylvania's heartland. 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 markedly influenced the region's economic development.



The urban centers are overwhelmingly found along the Susquehanna and its tributaries where most of the region's economic activity, development, and growth have also occurred in the form of industry, commerce, and services. These same centers are subject to significant periodic flooding which has served as a barrier to long-term economic growth.

The region has a favorable geographical location and is in close proximity to 50 percent of the U.S. population. It also has an abundance of land potentially available for development; seven institutions and numerous satellite sites of higher education; a large amount of recoverable anthracite coal; hardwood timber; and shale gas reserves. The north and east sections of the SEDA-COG region are home to a portion of Marcellus and Utica Shale - a geological formation that contains high concentrations of natural gas deposits. The Marcellus Shale formation continues to receive a considerable amount of attention as new technologies have been developed to less expensively extract the natural gas which is now in high

demand across the nation and world. Forest resources are extensive and increasing, providing timber for what was an expanding wood industry that has recently been impacted significantly by the downturn in the national housing market, as well as a natural setting that favors the increasingly important tourism and recreation sectors of the economy, particularly along the river corridors. A large percentage of the region is in public state forest ownership.

SEDA-COG covers a land area of 6,296 square miles, which represents 14 percent of Pennsylvania's total land area of 44,742 square miles. In contrast, the region's 2016 Census population estimate of 696,307 represents only 5.4 percent of the total population of Pennsylvania. The 2016 Census population density in the region is 110.5 persons per square mile, compared to a statewide density of 285.7 persons per square mile.

Entrepreneurs and small businesses are among the largest employers in the region. According to the 2015 U.S. Census Bureau's County Business Patterns, over 20 percent of the businesses in the 11-county region have less than 100 employees. Of those, over half have less than five employees.

The five-year 2015 Comprehensive Economic Development Strategy for the region highlights six prominent industry clusters, based on the Industry Cluster Analysis prepared by the Central Pennsylvania Workforce Development Corporation, as shown in Table 1.

In recent years, there has been a significant focus on the energy cluster due to natural gas reserves in Pennsylvania's Marcellus Shale region. Among SEDA-COG's member counties, exploration and drilling have occurred in Centre, Clinton, Columbia, and Lycoming counties. However the true impact of natural gas exploration extends well beyond those counties. Economic benefits include more job opportunities and an increase in retail and hotel establishments to accommodate out-of-state workers. Shale gas is driving down energy costs which makes the region more attractive to manufacturers and provides an inexpensive resource for plastics manufacturers. Colleges are offering curriculum to prepare the work force needed to further the region's energy industry.

The SEDA-COG Regional Gas Utilization Initiative (RGUI) was awarded funding by the U.S. Economic Development Administration on September 25, 2013. This phase 1 project, which focuses on Centre, Clinton and Mifflin counties, included a feasibility study to identify "targeted investment areas" for establishing or upgrading natural gas service to industries, commercial entities and residential areas. The study also examined the requirements for establishing an administrative authority that will focus on leveraging funds to implement that natural gas service. The goal of the project is to attract long-term industrial sector growth and reduce housing and manufacturing costs by providing the foundational planning for new natural gas service. Long-term job opportunities will be created that will remain long after the initial exploration boom.

SEDA-COG also was awarded funding by the Appalachian Regional Commission in September 2015 to expand the RGUI project via a second phase to its remaining eight member counties: Columbia, Juniata, Lycoming, Montour, Northumberland, Perry, Snyder, and Union. Work is directed toward identifying targeted investment areas for new natural gas service in these counties, and the project is expected to be completed by the end of 2016.

Table 1 - Central PA Industry Clusters

Industry	% of the Total Regional Employment
Advanced Manufacturing	6.4
Wood, Wood Products & Publishing	3.5
Education	17.5
Health Care	13.9
Energy	2
Logistics & Transportation	2.7

Diversification

In general, SEDA-COG takes the broadest possible approach to industry clusters. While cognizant of those which exist, as Table 1 – Central Pennsylvania Industry Clusters shows, we support opportunities where and when they occur. As powdered metal firms sought to locate in the Philipsburg area of Centre County, SEDA-COG assisted the Moshannon Valley Economic Development Partnership in providing adequate, appropriate space. We have also worked with other industrial development organizations in the region, to establish incubators for technology-based companies.

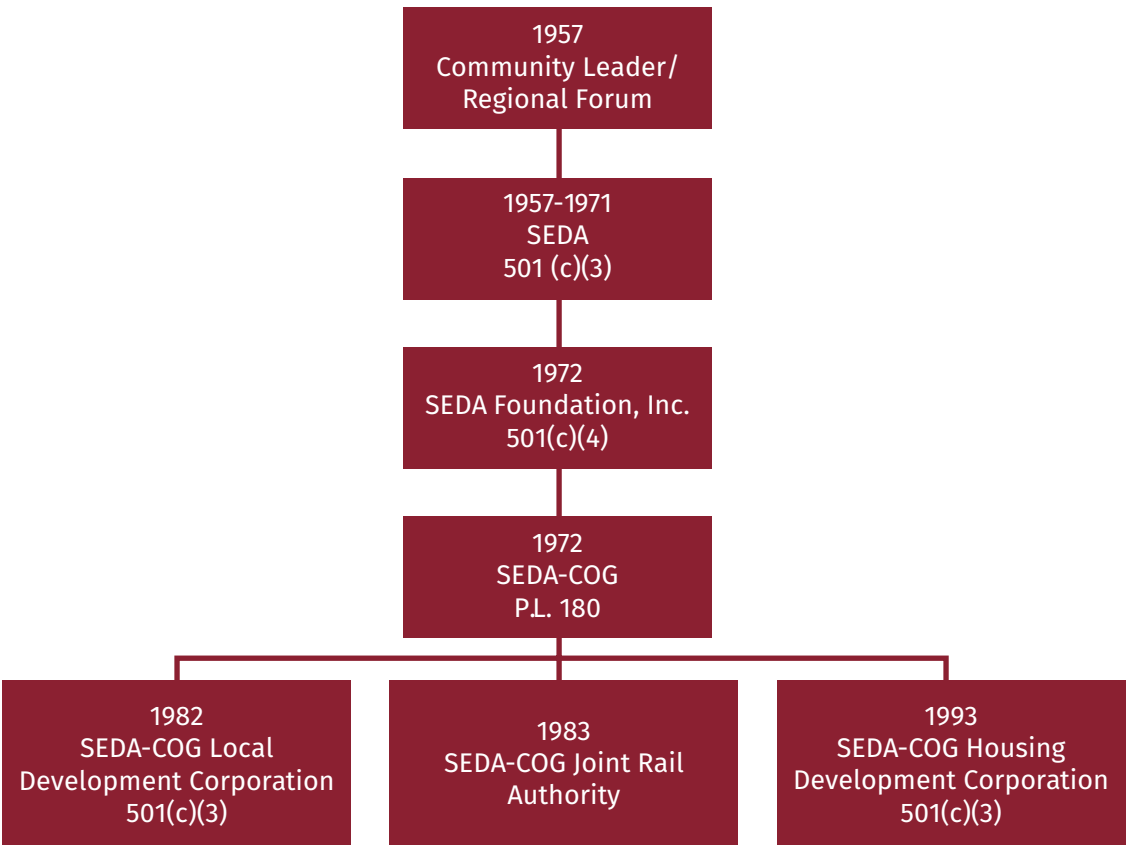
However, in terms of focusing on one industry or another, SEDA-COG and its member counties are guided by the first of the Strategy Goals listed in its Comprehensive Economic Development Strategy 2015 report:

Encourage the protection, modernization, and expansion of existing businesses and job opportunities where appropriate, and encourage entrepreneurship and the recruitment of new business and industry consistent with the character of the region.

SEDA-COG has played an important part in the evolution of central Pennsylvania, and has helped maintain the very qualities that make the region special. Diversified manufacturing has been identified as the prominent industry cluster in the central Pennsylvania region and undoubtedly will remain so.

The Agency

SEDA-Council of Governments (SEDA-COG) is a regional multi-county planning and development agency, which, under the guidance of a 22-member public policy board, provides leadership, expertise, and services to communities, businesses, institutions, and residents. It has access to all levels of government, and is the delivery arm for a host of local, state, and federal programs. The Council has a relatively long time-line for morphing into what it is today as shown on this chart, Notable Organizational Events.



Notable Organizational Events

The genesis of SEDA-COG dates back to 1957, as community leaders from Columbia, Montour, Northumberland, Snyder, and Union counties began meeting as a community forum in an effort to address common concerns of central Pennsylvania. These concerns evolved around inadequate transportation to markets; a deficiency in the availability of health care services; low wages; under-employment and unemployment conditions; and out-migration of residents to areas having better employment potential. Although it was just a forum for discussion purposes, the original five counties formally organized and established the Susquehanna Economic Development Association (SEDA), a 501(c)(3) agency. Ten years later, as a result of becoming a designated Local Development District (LDD) through the auspices of the federal Appalachian Regional Commission (ARC), a small professional staff was hired and, in 1968, Centre, Clinton, Juniata,

Lycoming, Mifflin, and Perry counties joined the other five, thus bringing the total compliment of counties to its current configuration of 11 in central Pennsylvania.

Solutions to issues are pursued and resolved with SEDA-COG's professional staff assistance. It involves intergovernmental cooperation, public-private partnerships, and nonprofit organizations. In its work with private business, public utilities, and developers, SEDA-COG helps cut through the red tape that can often delay the best of efforts. In its work with industrial development agencies, local governments, revitalization groups, and others, SEDA-COG strives to forge the links that enhance the impact of all of the cooperating groups while focusing on the needs of the people of the region.

SEDA-COG's services fall into three broad categories: economic development, community development, and direct municipal and county support. We help the region's counties and local communities meet needs in areas such as business and manufacturing services, housing, community revitalization, water systems, and other infrastructure improvements. We provide supplemental financing to assist new and expanding businesses. The SEDA-COG Joint Rail Authority owns nearly 200 miles of rail line, preserving transportation service vital to key employers in the region. We have established programs that help families rehabilitate or weatherize their homes. The list goes on and on.

Regional Organization and Collaboration

Collaboration

In general, two distinct benefits are realized by the 11 central Pennsylvania counties served by SEDA-Council of Governments:

- Working together, they speak with one voice on issues of importance to the region's 691,365 people. They jointly lobby for legislation that will benefit them, share expertise, and obtain the financial resources for projects and services which will have a beneficial impact beyond their own respective borders. As an example, the previously mentioned regional rail line preservation was one such endeavor, which clearly demonstrated this and resulted in the formation of a Joint Rail Authority, which owns over 200 miles of line and leases the operation to the Susquehanna Union Railroad Corporation - the holding company for the six short line railroads.
- Individually, SEDA-COG's 11-county members also benefit because they can take advantage of opportunities which often are only available through the Council. Federal project funding from the Appalachian Regional Commission (ARC), which created Local Development Districts in 13 states in 1968, and the Economic Development Administration (EDA), which created Economic Development Districts, are two examples.

As one of Pennsylvania's seven Local Development Districts, SEDA-COG can secure resources from such federal organizations as the Appalachian Regional Commission and Economic Development Administration. This enables funding and expertise to be directed toward local needs. ARC has provided significant funding for transportation, education, health, community facility and community infrastructure development, over the last four decades. Examples resultant of ARC grants were the development of 10 primary health care centers; construction of a regional landfill centered in Lycoming County; and funding of community colleges and access roads, as well as for sewer and water systems. A major transportation arterial system as part of the "ADHS" Appalachian Development Highway System was designated within the 13-state Appalachian Region, and ARC has provided funds for its development. Projects such as those just mentioned, not only improved the quality of life in central Pennsylvania, but began to lay a foundation for new economic growth and development.

ARC project funding necessitates that the 11 counties act collectively and come to agreement each year on project priorities for ARC dollars. Thus, a regional approach for investment is mandated and the counties - working together - consider the needs of all members, and balance those needs against their own.

This county-dominated regional approach toward projects, growth, and economic development remains the hallmark of SEDA-COG to this day - a distinction that largely sets the organization apart from those whose concerns and obligations require a much more narrow focus. As previously stated, SEDA-COG was also designated as an Economic Development District under the federal Economic Development Administration (EDA). Here too, the use of EDA dollars is based on regional project priorities developed and agreed upon by the 11 counties. Significant economic impacts through agreed upon targeted investments has laid the foundation for county-wide cooperation.

There are other benefits in addition to ARC and EDA regional agency designations. The counties can jointly resolve issues agreed upon, regarding quality of life and economic development concerns in the region. They have created and retained jobs and provided community and infrastructure investments for business parks, transportation facilities, and flood protection. Throughout the organization's history — well over 50 years — the region's counties which have enjoyed the greatest success are those which viewed themselves as part of the larger entity. While the individual county focus must be on their own constituents and providing essential functions, their active participation in a regional multi-county organization allows them to provide their citizens with increased services, specialized and diverse professional staff capacity, and thus, more opportunity for economic development.

SEDA Foundation, Inc.



In 1972, Susquehanna Economic Development Association (SEDA) reorganized under Section 501 (c)(4) as a public, nonprofit foundation. It is exempt from federal and state income taxes. SEDA Foundation, Inc. owns the office facilities, the capital equipment, and the furnishings. The Foundation is SEDA-COG's landlord, and invoices its monthly operational expenses directly to SEDA-COG. The current rent is less than \$11 per square foot for the 22,000 square foot office complex. A warehouse was constructed on the premises and is used for SEDA-COG's general storage needs and for material and supplies needed by SEDA-COG's seven-county Weatherization Program.

A 15-member SEDA Foundation, Inc., Board is comprised of 10 representatives appointed by the region's respective County Commissioners and another five representatives appointed by the SEDA-COG Board. SEDA Foundation Members also serve on the Board's Local Loan Review Committee (LLRC) and the Comprehensive Economic Development Strategy (CEDS) Committee, which are both advisory committees of the Board – engaged in business and manufacturing loans and economic project development.

SEDA-Council of Governments

In addition to the Foundation, SEDA-Council of Governments was established in 1972 as a county council of governments, which became the policy, planning, and implementation arm for the agency. SEDA-COG was organized under Pennsylvania's Intergovernmental Cooperation Act (Public Law 180).

SEDA-COG has the ability to borrow funds in order to meet its responsibilities, provided that all such borrowing be non-recourse as to the Counties. It further provides that all notes, loan agreements, and any other agreement related to such borrowing shall specifically provide that no County shall have any liability. SEDA-COG directs its function to the general welfare within its jurisdiction which can be more effectively executed on an inter-county basis as determined by the Board of Directors, including but not limited to the following:

- Provide leadership, expertise, and services to communities, businesses, institutions, and residents.
- Enhance growth opportunities in an environmentally sensitive manner, while retaining the region's predominately rural character.
- Provide direct services as well as links to other resources that can be applied to a wide range of community and economic needs.
- Advocate the interests of its region, counties, and communities at the state and federal levels.
- Respond to new opportunities and challenges.

Each County in the SEDA-COG region appoints one County Commissioner and a second representative to serve on the 22-member SEDA-COG Board. Appointments are certified annually by each county's Board of County Commissioners. Members recommended by the Counties are drawn from the following: cities,

boroughs, townships, and the private sector. The Counties, in effect, form an intergovernmental association of counties whose powers and functions are purely governmental. Under the Intergovernmental Cooperation Act, the counties can transfer certain portions of their planning and development functions.

As an intergovernmental cooperation organization, SEDA-COG is certified as eligible to receive federal and state funds. As a body performing governmental functions, it is not subject to sales or income tax. SEDA-COG stands in the same position as each of the Counties. Simply stated, each County is exempt, and, the fact that 11 counties cooperate to perform certain functions does not change their exempt status. In the past, SEDA-COG has been confused with a non-profit corporation status. SEDA-COG is not, and, indeed, could not be a non-profit corporation since it is merely a governmental extension of each County. It can therefore generate revenues.

Local governments are not required to go through the competitive bid process in order to secure services from SEDA-COG. The Counties have transferred certain parts of their planning and development functions to SEDA-COG and accordingly SEDA-COG performs various governmental functions.

As a general rule, a local government is not required to engage in a competitive bid process in order to secure services from a county government. Because SEDA-COG performs governmental functions on behalf of its Counties, local governments within its jurisdiction are able to contract for such services without the necessity of obtaining competitive bids. Because SEDA-COG is merely a governmental extension of each county, it is exempt from the competitive bidding process to the same degree that services of the county are exempt. Additionally, even if SEDA-COG were not performing governmental functions but instead rendering services involving professional expert advice then that too is exempt from the competitive bid process.

The County Regional Council of Governments under Public Law 180 forms the underpinning for SEDA-COG's services and for revenue generation capabilities to support its staff (currently 96) and operational expenses (currently \$9,040,000 for 2014-2015). In essence:

- We are an extension of County government and our Board reflects this.
- No competitive bids are necessary for SEDA-COG to provide services to any public-sector governmental unit.
- We are certified and eligible to be able to receive federal and state grants.
- We are not a non-profit organization and therefore can generate surplus revenues.
- We are tax exempt as are the Counties.

Since its inception, SEDA-COG has also created other legal entities to carry-out additional programs, projects, and services under the umbrella of SEDA-COG. They include:

SEDA-COG Local Development Corporation



The Small Business Administration (SBA) designated SEDA-COG as a Local Development Corporation in 1982. The Local Development Corporation Board of Directors consists of the 22-member SEDA-COG Board, four Local Loan Review Committee (LLRC) Representatives, and two individuals representing counties in Pennsylvania. Appointments are for one year, and Officers of the Corporation are the same as those serving the SEDA-COG Board of Directors. The Local Development Corporation must be endorsed by the regional Economic Development District, which is the SEDA-COG Board of Directors.

The LDC provides SBA 504 loans to for-profit establishments throughout the entire state. SEDA-COG also services the loans and generates income from them. SEDA-COG has provided 270 SBA 504 loans for a total of over \$145 million, and has over 100 active loans with a balance of over \$48 million.

Joint Rail Authority

The SEDA-COG Joint Rail Authority was established in 1983. It is a municipal authority that works closely with the Board. The Authority is responsible for overseeing and administering all aspects of the organization, rehabilitation, and operation of 200 miles of rail line in eight counties. It contracts with a private operator to provide the rail service. The Board is comprised of two members from each of the eight counties. They are appointed by the County Commissioners.

Housing Development Corporation



Mann Edge Terrace, Lewistown, Pennsylvania

The Housing Development Corporation (HDC), a 501(c)(3) corporation, was formed in 1993. It has focused on development of elderly apartment complexes utilizing federal tax credit financing and rental management.

Nine affordable housing projects with low-income housing tax credits have been completed, representing 247 units. The total investment has been \$40 million and the total equity received from investors is \$27.3 million. Total annual real estate taxes that have benefited the communities' tax base has been about \$250,000 annually.

In summary, the governing bodies of the SEDA-Council of Governments, SEDA Foundation, Inc., SEDA-COG's Joint Rail Authority, Local Development Corporation, and the Housing Development Corporation, each include representatives from the counties within our region. This indicates the strong regional county-collaboration activities within the 11-county SEDA-COG's region and beyond.

Consolidated Budget

SEDA-COG's budgeted revenue for operations was approximately \$8,975,000 for 2017-2018 (July 1, 2017-June 30, 2018). The estimated operational budget can move upward or downward somewhat, depending on obtaining new programs and services and concluding some. We have a fund balance of \$1,022,000, which includes both unrestricted and restricted funds. Currently, our agency operational costs are stabilized. There has been a rather severe recession since 2008, which decreased SEDA-COG's budget significantly; however, this past year it has remained relatively flat and is improving.

SEDA-COG, from its inception, operated primarily from obtaining federal and state grants. Local support is generated via a county per capita assessment. It is currently \$.20 per capita and generates approximately \$138,000 in cash annually. The assessment is used primarily as match for state and federal grants. The \$.20 per capita assessment has not been increased for over two decades. Since 1982, we have stressed development of services that generate revenue, and since then, we have made significant strides in eliminating major dependence on state and federal grants.

Budgeted revenue sources for the current year (2017-2018) are as follows:

- Contract services: \$4,894,255
- Federal revenue: \$3,311,865
- State revenue: \$630,244
- Region funds: \$138,272

A substantial amount - \$4,894,255 - is revenue generated via contract services. The \$9 million annual operating budget leverages the annual counties' per capita contribution of \$138,000 on a ratio of 65:1. The major revenue generating sources have been SEDA-COG's Joint Rail Authority; Housing Development Corporation; area utility company Weatherization program contracts; Community Development; and Business Development Financing loan activities.

Management meets frequently with its program directors to pursue strategies for rebuilding services, developing new programs, and exploring business development and fees-for-service opportunities. Grant opportunities at federal and state levels have been diminishing due to regulatory changes and budget cuts. However, they are still important to retain the diversity of SEDA-COG's professional staff expertise. This is particularly important in rural areas such as central Pennsylvania.



Programs and Major Successes

Community Development



SEDA-COG has made a commitment to more livable communities in its region. That commitment is why county and community officials call on SEDA-COG. Like them, we understand that public infrastructure and community facilities are more than bricks, concrete, and steel. They are the things that shape the places we live. That commitment is why SEDA-COG's Community Development Program received a statewide Community Building Award for Pennsylvania's Best Practices. SEDA-COG has been successfully helping the region's counties and communities make needed public improvements since 1982. For over 30 years, SEDA-COG has been involved with more than 1,000 public infrastructure and community facilities projects – projects representing an investment of over \$120 billion in central Pennsylvania.

SEDA-COG's Community Development Program administers the Community Development Block Grant Program (CDBG) for two-thirds of our region. All of the counties and major municipalities receive Housing and Urban Development (HUD) CDBG funding. Most recently, the Program received and managed over \$6 million in CDBG federal fiscal year 2016 monies, which belongs to the municipalities that staff serves. The monies funded 40 projects. Typically staff oversees the development, implementation and construction of approximately 45-50 projects each year. In most cases, the money awarded to the communities leverages considerable local and other funds. Within the last 30 years, the Community Development Program has completed over 1,000 public community facility projects. The projects had significant impact on improving the quality of life in our area. SEDA-COG serves as Community Development Block Grant coordinator for seven of the 11 counties and 16 municipalities. As part of the process, we assist the counties in updating their three-year Community Development Plans, which includes long- and short-term goals and priorities for CDBG projects and funding.

Other projects grow out of long-term relationships we have developed with our communities. With little or no staff, few resources, and limited finances, our communities often turn to SEDA-COG for assistance in developing projects, securing funds to implement them, as well as overseeing projects as they're constructed.

The Community Development staff emphasizes assisting counties and communities with the funding and implementation of activities related to public infrastructure, community facilities, recreation, and public services. Our Program has also provided community technical assistance, grant administration, and training on a statewide basis. The Program provides oversight with economic development-grants coordination, management, and project development services, as listed below:

- Initial project development
- Preparation of Community Development Block Grant applications
- Preparation of grant applications from additional related funding sources
- Grant administration and fiscal management of CDBG, EDA, FEMA, and other applicable federal programs
- NEPA Environmental reviews
- Project construction management
- Federal labor standards management
- CDBG Technical Assistance
- CDBG Administration Training
- Grant administrator of RACP, PA H2O, Keystone Communities, PEMA and other applicable state programs.

Enterprise Development

The early '80s also saw a marked and steady decline in the availability of federal public funds for bricks and mortar and infrastructure projects. SEDA-COG's member counties recognized their responsibility to foster an environment in which family-sustaining jobs were created, new businesses and manufacturers started, and established ones expanded. SEDA-COG's program of Enterprise Development services, another of the organization's long-standing successes, was created. Enterprise Development provides direct staff service to small- and medium-sized manufacturers in the following ways:



- **Business Financing** – Loans are provided for a variety of purposes for new companies or the expansion of existing ones. SEDA-COG has provided 975 small business loans for a total of nearly \$250 million, and currently has 250 active loans with a balance of \$59,316,431. The objectives for the loan program are to create or retain jobs, increase sales, and generate new tax revenues for the region.
- **Government Procurement Assistance** – The SEDA-COG Procurement Technical Assistance Center (PTAC) staff works with area businesses, helping them sell goods and services to state and federal governments, matching products where applicable, and ensuring that client firms are included on all appropriate bidder lists. In fiscal year 2016-17, the Center reported 850 prime and subcontract awards worth over \$112 million in the 18-county service area.
- **Export Development** – This has been one of SEDA-COG's key business assistance services for 30 years. Recognizing the growing importance of international markets to the growth and expansion of regional businesses, SEDA-COG's staff provides assistance with export marketing strategies, market identification, personalized training, response to inquiries, and participation in international trade shows. Annually, staff typically assists over 100 firms with international sales and marketing. The dollar value of the region's documented export sales continues to rise and range around \$85 million. Detailed metrics are used in measuring the success of the program. Statistics are maintained on active clients, new clients, actual exporters, export dollars, projects (referrals to Pennsylvania's trade representatives), and export actions such as meeting with distributors and participating in trade shows.
- **Foreign Direct Investment** – SEDA-COG leads the CORE PA Global initiative that was established to increase the visibility of the 53 counties that make up the core region of Pennsylvania to potential investors in the international and domestic arenas and reshoring prospects. SEDA-COG is the host organization.

Flood Mitigation & Resiliency

Economic development is defined in many ways, but has been a cornerstone for SEDA-COG. In 2013, the Philadelphia Regional Office of EDA awarded its largest grant ever - \$15 million for flood mitigation activity in the Town of Bloomsburg. The construction of a flood protection system was completed in 2017, providing flood risk management to Autoneum North America, Inc., which employs approximately 800 people, and the former Windsor Foods site. SEDA-COG not only prepared the EDA grant application, but was selected by the Columbia County Commissioners, who were the applicant, to administer the grant and oversee the project's development.

A proposed levee structure will tie into Columbia County's new flood risk management system because of a collaborative effort between the Town of Bloomsburg and the Bloomsburg Area School District.

The project involves developing and building a flood mitigation system to protect the southern part of town, which includes businesses, public facilities, residential properties, and the middle and high school campus. Total project budget is about \$15 million.

SEDA-COG also has developed, piloted, and implemented a community self-assessment tool to evaluate the impacts of flood insurance reform and develop a resiliency strategy. The tool was implemented in the riverine communities of Selinsgrove Borough, Danville Borough, the Town of Bloomsburg, Lewisburg Borough, and Milton Borough. This helps define flood resiliency strategies and identify processes for implementation. Strategies may include residential mitigation, redesign of neighborhoods, development of bank/loan consortiums, and enhancement of Community Rating Systems.

This effort is continuing with the Local Development District Association of Pennsylvania with a goal of assisting 52 counties. This assesses the impact and develops a local response to the implementation of the Biggert-Waters Act of 2012 and the Homeowner's Affordability Act of 2014. A self-help assessment tool will be developed to empower community officials to identify ways to mitigate the impacts of flooding and the reduced federal role in subsidizing flood insurance costs. Communities will be trained to identify resiliency opportunities and can implement strategies such as negotiating land acquisitions to expand municipal boundaries to relocate housing and maintain tax base.

Housing Program



The SEDA-COG Housing Program offers services that benefit working families, elderly citizens and the region. Older homes are rehabilitated and rental properties are developed. For over 20 years, SEDA-COG has assisted participating municipalities and counties in their housing rehabilitation efforts with 1,000 projects worth \$25 million. Through state and federal grants as well as other project funding, affordable high quality housing is made possible.

Services:

- Elderly housing development
- Rental management
- Housing Rehabilitation Services

SEDA-COG has had the pleasure of working with committed individuals – borough officials, business personnel, state and federal administrators – and this commitment can be applied to your community with similar results.

People often associate their lives, dreams and memories with their home and community. SEDA-COG's goal is to create opportunities for quality, affordable homes. If you and your community share that goal, contact SEDA-COG and let us begin to work with you.

Housing Rehabilitation

SEDA-COG's Housing Rehabilitation Program works with communities and local officials to assist in this effort. Local officials first approach SEDA-COG for a helping hand. Housing needs are analyzed through surveys as well as other methods. The community's needs are assessed and a program developed. During this time, our experienced staff will obtain funding for the community. Our housing staff will meet with the homeowners individually to discuss their repair needs and review program requirements.

SEDA-COG will administer the grant funds received, help homeowners retain a contractor, and assist in the management of the construction project. Our team will stop by frequently for inspections and deal with any issues that may arise during or after the rehabilitation process.

The results of SEDA-COG's housing rehabilitation efforts can be seen throughout the region. Over the last 20 years, SEDA-COG has rehabilitated over 1,000 homes and invested over \$25 million. This has created jobs for local contractors, and materials are purchased from local suppliers. Homes also are tested for lead paint. Ongoing projects are taking place in many central Pennsylvania municipalities, including Berwick, Bloomsburg, Jersey Shore, Juniata County, Lock Haven, Montour County, Mount Carmel Borough and Township, Perry County, Snyder County, South Williamsport, and Sunbury.

Elderly Housing Development

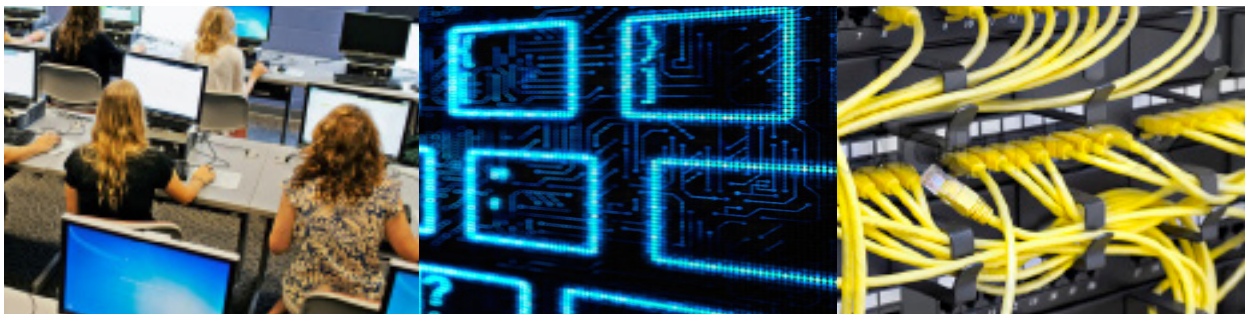
Affordable and accessible housing is a priority for central Pennsylvania's aging population. Financial institutions in the area have shown an interest in being a part of this community investment activity. The SEDA-COG Housing Development Corporation (HDC) has coordinated projects to acquire land, secure project financing, and oversee construction through their development team. Empty lots have become attractive, affordable, and safe housing for the area's elderly population, especially those on a fixed income. These properties continue to be well-maintained for future renters by the management expertise of SEDA-COG staff, and they become a tax-generating property for the local taxing bodies.

Information Technologies Group

Technology services are provided for the staff and management of SEDA-COG, its member counties, county-designated organizations and agencies, other public-sector entities, nonprofit groups, and clients receiving other SEDA-COG assistance. These services are provided at reduced cost whenever possible or for cost-recovery based fees, and can be provided to private companies on an as-available, for-fee basis.

Services include:

- Technology needs identification, assessment, and training
- Technology acquisition assistance as a trusted client/vendor intermediary
- Database and application programming
- Website development, software development
- Web hosting for local governments and nonprofits



SEDA-COG has been involved with the evolution of the information and technology age since the mid-eighties. For rural areas to progress and develop economically, they had to have available expertise to stay competitive with the wealthier and more urbanized areas of the country.

Over the years, we have helped counties and local governments through the complexities of applying for grant funds by providing or verifying technical details, defining their needs in technical terms and helping them develop a project which uses technology as a core service instead of an afterthought or add-on. We believe that such projects will ultimately be more successful and more useful.

Technology is a prime force in conducting business today. There is no reason to expect that importance to fade in the future. For 30 years, our mission has been the integration of technology into the daily business of our region's citizens, businesses, and government agencies. Our experience shows it is a continuing process rather than a one-time effort.

The following are examples that highlight some of SEDA-COG's information technology success stories that cover a broad array of services since the 1980s.

Mid-1980s

- One of our earliest information technologies projects took place over 30 years ago with a project entailing the construction of an emergency radio tower system which would cover 95 percent of all the geography across our 11 counties. Gaining the cooperation and agreement of all the various emergency medical services and communications departments in the Counties was as difficult as negotiating the design and construction of the physical towers – which are still in use today. The partnerships forged in this effort were continued later as a joint purchase of aerial photography was arranged. Negotiating the purchase of photography for such large tracts of land pushed the cost down by more than 50 percent. Using these orthophotos, Geographic Information System services were provided by SEDA-COG for many years until the individual Counties were able to staff their own GIS teams and departments.

Early 1990s

- Continuing with the concept of large group purchases, SEDA-COG joined with the Central Susquehanna Intermediate Unit, which serves the school systems with specialized services, to create a fiber network across the region. After studying a “build it – own it – maintain it” concept, it was decided that a more reasonable course was to partner with a regional internet service provider (ISP) – PenTeleData (PTD). The project offered anchor tenants at various locations across the region, allowing PTD to build out a fiber network with confidence that it would financially break even or become profitable. Every school, half of the counties, and some municipalities got connected during the first phase. Because of this project, the availability of broadband happened several years earlier than otherwise expected.

Mid-1990s

- At that time, email was still an untested, untrusted, and a slightly risky process in the minds of many. To encourage the adoption of this new media, SEDA-COG provided free email accounts on our server for a limited time to County officials. By the end of our offer, the Counties were sold on the process and continued with their own email services.

The 2000s - today

- Pushing forward with technology and encouraging its adoption by our member counties and local municipalities became a major goal of the department. Our internal capacity was expanded in order to be able to provide appropriate assistance as it was requested. State and federal grant funds from the Appalachian Regional Commission were critical during this period. To this day, our services help people through the daunting process of deciding what technology they need, then through the purchase, installation, and training on the new capabilities.
- At the turn of the century, our Information Technologies Group (ITG) was heavily involved in working with the Counties and their equipment and software manufacturers to be ready for “Y2K” – the time when dates stored in old style format would not accommodate the year 2000. Everything from servers to workstations to security systems were checked and many were corrected or replaced. By the time January 1, 2000 arrived, it was a non-event – everything went smoothly.
- ITG made local governments aware that Windows XP and Office 2003 were no longer supported by

Microsoft. A large percentage of small governments were still using old computers with these programs loaded. After April 8, 2014, they became more vulnerable to hackers and other electronic infections – viruses, Trojan, and other malware. The only solution, short of disconnecting them from the Internet, was to replace them with newer computers and software packages. SEDA-COG offers recycled computers at no cost.

- After procuring a state grant, we translated a spreadsheet which was used by our Business Finance Department to evaluate loan performance into a web-based application which can now be used by any local loan agency across the state. The use of this tool by agencies provides common ground, so that loans can be compared with consistency across different agencies or by fund managers at the state level.
- Long-term efforts have been directed toward encouraging and enabling the use of broadband across the region. Starting in 2003, SEDA-COG was involved in creating the successor to the Telecommunications Act of 1996. We participated in the discussions forming Act 183 of 2004, and have since worked within its guidelines to enable communities, businesses, and individuals to acquire broadband facilities and to absorb the knowledge necessary to use it effectively.
- Another project created a protocol through which communities and organizations could accept financial transactions over the Internet, generally as an add-on to their websites. That protocol has been adopted by multiple municipalities and organizations since then. Using this service, we enable users to pay parking tickets and water/sewer bills electronically as well as streamline donations and requests for information on police cases.
- We cooperate with the County Commissioners Association of Pennsylvania to offer local municipalities to share in the benefits of the web-hosting structure built for the counties. For lesser needs, we also support web-based hosting and domain services. Combined with our web-programming capabilities, this has provided websites for nearly 150 municipalities and small organizations.

Partnerships for Regional Economic Performance

SEDA-COG's professional staff has long maintained a close relationship with the region's dominant industrial development organizations. They are the county Industrial Development Corporations and area Chambers of Commerce. For some time this relationship was supported via a Business Retention and Expansion Program and Enterprise Development Program, funded by the state's Department of Community and Economic Development. The programs were replaced several years ago and funded by Partnerships for Regional Economic Performance (PREP), a state budget line item, and expanded to include other economic development organizations, such as the state's Small Business Development Centers (SBDC). SEDA-COG manages the Central Region PREP, which includes 11 Industrial Development Corporations; three university-based Small Business Development Centers; and SEDA-COG - the Local Development District for central Pennsylvania. Under PREP, regional coordination of major economic service providers is enhanced.



Rail Line Preservation

SEDA-COG's Joint Rail Authority (JRA), established in 1983, has been recognized as a national model for short line railroad preservation. Over three decades ago, the region was faced with the loss of rail service. Rail lines serving area industry were to be abandoned by Conrail. With few choices available to them, SEDA-COG's Board made the bold decision to purchase the rail lines from Conrail and ensure they remained in public ownership for use by the region's manufacturers while partnering with a private operator. This public-private partnership has documented phenomenal results for rail infrastructure improvement, economic development and community benefits. The JRA's system of short line railroads originally included two lines serving 25 freight shippers along 80 miles of track. Today, there are six lines in the system, serving 85 shippers along 200 miles of track. From hauling 1,100 car loads in 1983, the lines now haul over 20,000 car loads annually.

Natural Gas Cooperative

In 2016, SEDA-COG worked with Centre, Clinton, and Mifflin counties to establish the SEDA-COG Natural Gas Cooperative Inc. to facilitate and expand natural gas service throughout our region. Priority areas for service expansion, including business parks and industrial sites, were identified in SEDA-COG's prior Regional Gas Utilization Initiative (RGUI) studies, and the Cooperative has begun to develop implementation projects.

During 2017, the Cooperative worked with consultants to develop and adopt a business plan that will help to provide future direction to the Cooperative's programs, projects, and operations. Also during 2017, Perry and Juniata counties joined the Cooperative as county members, and Northumberland County signed on in early 2018.

In late 2017, the Cooperative submitted a grant proposal under the state's Pipeline Investment Program (PIPE) to support establishment of new natural gas service in the Centre Hall region of Centre County. The Cooperative was approved for a \$1 million grant in early 2018 to be used with matching funds and services to provide natural gas service to anchor customer Hanover Foods as well as about 100 other businesses and residents along the path of the initial pipeline installation. This project will serve as an initial phase that can be expanded to surrounding areas. Construction is expected to begin later in 2018, and be completed during 2019. The natural gas delivery system will be owned and operated by our major partner for the project, Columbia Gas of Pennsylvania. This project serves as an excellent example of the Cooperative leveraging its support and capabilities through a public-private partnership to extend natural gas to those who want it but have not been able to procure it in a cost-effective manner. Local legislators, government leaders, and SEDA-COG staff who support Cooperative operations were instruments in supporting and preparing the application, and in successfully procuring the grant.

The Cooperative plans to continue follow-up efforts with business leaders, community officials, planning departments, and economic development groups - a solid private-public partnership of stakeholders - to implement additional natural gas delivery solutions. During 2018, we expect to pursue several virtual pipeline projects, whereby compressed or liquefied natural gas can be delivered to larger customers by vehicle. This approach is attractive in areas not located near any natural gas delivery or transmission pipeline as a source. With SEDA-COG staff support, the Cooperative has submitted a grant request to the Appalachian Regional Commission to further study and develop the market for this type of project, and is working with the U.S. Department of Agriculture to evaluate its suitability to larger farms and agricultural-related businesses.

The Cooperative is demonstrating that its innovative approach to expanding natural gas service in central Pennsylvania is a successful model based on a regional approach, and can be applied elsewhere in the state and beyond. SEDA-COG has played an integral role in ensuring success, and will effectively continue to support the Cooperative's operations in the future.

Transportation Planning

From 1982 to 2013, SEDA-COG functioned as a Rural Planning Organization (RPO) for eight counties in the region. The Pennsylvania Department of Transportation (PennDOT) had initiated and funded the rural transportation planning program to complement ongoing Metropolitan Planning Organization (MPO) activities in the state. RPOs were essentially treated the same as MPOs. RPOs assisted in carrying out the portion of the statewide transportation planning program covering areas outside of established MPOs, so SEDA-COG's RPO staff coordinated with PennDOT to develop and maintain the Transportation Improvement Program (TIP), Unified Planning Work Program (UPWP), the Long Range Transportation Plan (LRTP), and other federally required documents for the eight-county region.

Within the SEDA-COG region, the 2010 decennial census identified the Bloomsburg-Berwick urbanized area, which included portions of three of the eight counties served by the SEDA-COG RPO. As a result, the entire eight-county area was designated as an MPO, and transportation staff have facilitated changes in the organizational structure to include local municipal representation and continue county-level, transit, freight/multi-modal, and elected official representation.

The MPO continues to serve as a platform for local engagement in the transportation planning process.

Through the MPO, local representatives continue to provide input into the development of the TIP, to take an active role in the development and selection of projects for funding through the Transportation Alternatives Program, and to consider access road, railroad and airport development projects. PennDOT developed a new system for incorporating land-use planning and environmental information early in project development for the 2013 TIP update, and transportation staff has continued to consult with local officials to incorporate this information on subsequent TIP updates.



Through this system, transportation staff facilitated local input on over 300 projects for the TIP updates, including links to local zoning, local and county-level comprehensive plans, local traffic safety concerns, and projects administered through other state agencies. Efforts for the TIP updates include using locally held GIS data to reliably determine transportation context. In addition to the MPO efforts, two of the member counties have been able to obtain additional funding for comprehensive plan updates through the MPO UPWP in the last 10 years to enable them to conduct a more in-depth analysis of transportation issues in the comprehensive plan. Staff has worked with area partners and consultants to complete other special studies through the UPWP, such as interchange corridor studies, new river bridge design studies, intermodal studies, freight facility inventories, grade crossing safety studies, gateway corridor studies, and more.

Along with highway and bridge programs, the MPO supports local transit operators in developing TIP projects and capital planning, and facilitates applications to federal funding programs. The RPO completed the first coordinated Public Transit-Human Services Transportation Plan for the RPO region, and as an MPO, completed an update in 2014 that jointly provided a unified plan for two MPOs (SEDA-COG and Williamsport) and a nine-county area. Outside of TIP development and the coordinated plan, the program facilitates a six-county coalition to consider rural transportation needs and has completed a public transportation needs analysis for that same area. As an outcome of that needs assessment, the MPO facilitated participation of eight counties in a study conducted by PennDOT to determine if cost savings could be obtained by better coordinating or combining existing services.

SEDA-COG's MPO also maintains links with 212 municipalities through the Local Technical Assistance Program (LTAP) that covers the eight SEDA-COG MPO counties, plus the Centre County MPO area. In addition to scheduling LTAP road safety and maintenance classes, staff has facilitated direct technical assistance sessions, participation in walkability and local road audits, participation in a bulk purchasing program for LED signal indicators, underwritten municipal participation in Dirt and Gravel Roads Maintenance Workshops, and facilitated municipal applications to the Automated Red Light Enforcement funding program. Additionally, staff has been facilitating strategies for the closure or removal of redundant local bridges and assisting on work to compile a complete inventory of locally owned bridges between 8 and 20 feet in length.

SEDA-COG has been fortunate to be the MPO for eight counties in its 11-county area, and is closely working with the MPOs covering the other three. Land use, transportation, and economic development are integrated for targeted investments with maximum benefits. SEDA-COG and its array of regional development programs aligns itself well in this regard.

Weatherization and Residential Energy Services

Home heating bills can make a significant dent in any family's budget, especially when money is short and many people are on a fixed income. SEDA-COG's Weatherization program can help. It's a free service available to qualified families and individuals in seven of SEDA-COG's member counties. Logistically, regarding the large land area served, it is the largest program in the state.

Funds for Weatherization services are provided by the federal government and Pennsylvania utility companies, primarily for low-income and elderly persons. There is no charge for the service and no liens are placed against homes. Home heating costs have doubled in recent years. The demand for these services continues to rise.

Since 2008, over 3,600 homes have been weatherized by SEDA-COG's direct-hire employees.

SEDA-COG's Weatherization program has earned numerous UGI awards for outstanding efforts in energy conservation through weatherization.

The Weatherization Program assists individuals of limited financial resources by making energy improvements designed to decrease energy consumption and costs. Services and activities include:



- Energy education
- Furnace repair or replacement
- Cold weather Crisis intervention
- Air sealing and insulation installation
- Energy efficient lighting
- Repairing and installing ventilation

Challenges

Economic Development



The Economic Development Administration requires that SEDA-COG complete a detailed update of its Comprehensive Economic Development Strategy (CEDS) every five years as well as produce an annual report, which is presented to the Board. The most recent update of SEDA-COG's Comprehensive Economic Development Strategy outlines several challenges facing the region. While specific statistics have changed somewhat over time, the same issues persist and contribute to the greatest obstacle facing our region — the lack of family-sustaining jobs.

The abilities and skill set of the region's work force correlates to local job markets. Although the region is home to seven colleges and universities including Penn State, this abundance of educational opportunities has not resulted in a comparably high level of educational attainment for central Pennsylvania residents. The percentage of residents in the region age 25 or older who have not completed high school is 13.6 percent, slightly higher than the statewide percentage of 12.1 percent. In Juniata County, the rate of 19.2 percent is more than 7 percentage points higher than the state level. As the decline of higher paid manufacturing jobs in the state occurred over the last several decades, much lower-paying service-sector jobs have increased. One cannot sustain a family on jobs paying \$8 - \$11 per hour.

Issues related to housing stock and health care also confront the region. The housing vacancy rate for the region is 11.9 percent compared to a rate of only 10.8 percent for the Commonwealth. Increasing the availability of affordable housing and maintenance of older rental housing is another concern. By providing quality housing for people of all income levels, communities can mitigate the environmental costs of auto-dependent development — development that leads to sprawl, which has been taking root in the region for some time. In the area of health care, the region has 13 general hospitals with a total of 1,573 beds, for a rate of 2.3 beds per 1,000 population, which is below the state's rate of 2.6 beds per 1,000 population.

The Susquehanna River, among the region's major assets, also represents a significant challenge. Based on historic growth patterns, central Pennsylvania's small urban centers are situated along the river; thus, much of the region's industrial and commercial growth has occurred there. However, these urban centers are subject to periodic, substantial floods — a barrier to long-term economic growth.

Organizational Capacity Building

In order to effectively address an “upswing” in economic development activities that would increase “good” middle-class jobs and improve both the region’s economy and quality of life, professional staff expertise in a multitude of disciplines is needed to make meaningful decisions regarding investments and activities that produce high-impact results. Organizations such as SEDA-COG have been created to help meet these challenges. It has provided the area with a large, diversified staff that can serve both public and private sector interests, in a variety of specialized ways, at minimal cost to the region.

As indicated in the Budget section, SEDA-COG has leveraged county assessments at \$0.20 per capita at a 63:1 ratio this fiscal year. That is a significant return on investment, when measured with the results of 13 SEDA-COG programmatic areas, coupled with metrics that account for a high level of productivity and services. Prior to the recession of 2008-09, which culminated in severe budget cuts at the state and federal levels, SEDA-COG had leveraged funds as high as 82:1. Despite its proven successes and impacts, the organization was forced to downsize its staff — an action which is detrimental to a rural area that needs professional assistance to help create and retain private and public sector employment. We have now stabilized and 2013- 14 provided new opportunities to begin rebuilding staff capacity.

Goals

The 2015 SEDA-COG Comprehensive Economic Development Strategy (CEDS) five-year update includes the following Strategic Goals:

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

Objectives

Derived from the goals 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 industrial base.

- Cooperate with industrial development groups throughout the region to expand industrial/ business parks or establish new parks wherever such need is determined to exist, with particular attention to promoting the tax-free Keystone Opportunity Zones (KOZs) that have been established in this region by the Commonwealth of Pennsylvania.
- In an effort to support entrepreneurship and innovation, provide support and assistance to the Keystone Innovation Zones, Ben Franklin Technology Centers, and Small Business Development Centers throughout the region.
- Cooperate with the Innovative Manufacturers' Center (IMC), the Northeast PA Industrial Resource Center (NEPIRC), Small Business Development Centers, and other programs of the Central PREP region's economic development service delivery network.
- Cooperate with the Central Pennsylvania Workforce Development Corporation and other workforce providers in targeting resources at identified training needs for the region.
- Foster energy efficiency, energy conservation, locally owned and used renewable energy, and the prudent development of the region's indigenous energy resources such as natural gas.
- Build the infrastructure necessary to allow widespread adoption of natural gas utilization thereby providing for long-term job opportunities that will remain long after the initial exploration boom has tapered off and diminished.
- Seek means to further the development and adoption of advanced telecommunications and other related infrastructure.
- Cooperate with local tourist promotion 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 that ongoing and emerging economic development activities do not diminish the attractiveness of the region to tourists.
- Cooperate with the Commonwealth in its efforts to coordinate and provide service and assistance to existing and new business through the PREP program.

SEDA-COG's CEDS Advisory Committee, which includes representatives from each of our 11 member counties, provides input to the organization's economic development staff in preparing a five-year update, annual report, and annual EDA project priority recommendations. The annual report and goals in it provide the underpinning for SEDA-COG's staff services for current years and beyond.

