

PROGRESS

A Newsletter Dedicated to Economic Opportunities in Susquehanna County

The Progress Authority: Resources for Development, Progress for People

Spring 2008

JEC Technologies Selects Forest City Site

The Vision 2000 Industrial Park in Forest City Borough, Susquehanna County, has been selected as the location for a state-of-the-art electronics manufacturing facility. On March 5, 2008, JEC Technologies, Inc. announced that it would be constructing a 47,000 square foot building in the Industrial Park. The company plans to hire 60 employees in the first year of operation, and it projects approximately 250 new jobs within 5 years.

JEC Technologies is currently headquartered in Pittsburgh, but it plans to relocate all operations to Forest City when construction is completed. The company will manufacture and assemble electronic components, with specializations in the defense and medical electronics industries. JEC Technologies will invest approximately \$10 million and create high-technology, high-wage jobs as a result of this exciting project.

Funding approvals to assist this project have been obtained from the Pennsylvania Opportunity Grant Program, Pennsylvania Industrial Development Authority, Machinery & Equipment Loan Fund, Customized Job Training Program, Small Business Administration, and USDA Rural Development. The Vision 2000 Industrial Park is also designated as a Keystone Opportunity Zone tax abatement area. Other factors that aided JEC Technologies' decision to select the Forest City community for this investment were the site's location as part of the Susquehanna County Enterprise Zone and the SBA HUBZone (Historically Underutilized Business Zone). The JEC Technologies announcement was the culmination of a collaborative effort between the Progress Authority and Greater Forest City Industries to secure this project.



Present at the JEC Technologies announcement were Progress Authority President Paul Kreischer, Commissioner Leon Allen, JEC President Joey Ahia, JEC Chairman/CEO Emeka Umerah, Commissioner Michael Giangrieco, Forest City Mayor Nick Cost, and Congressman Carney's District Director Paul Macknosky.

Bridgewater Township Sewer Project Advances

The Bridgewater Township Municipal Authority has broken ground on a public sewer extension that will service commercial and residential properties along Route 706 east of Montrose. The project, commonly referred to as the Three Lakes Sewer Project, will extend from Lake Montrose east to the residential clusters of Lake Chrisann, Lake Raylean, and Heart Lake.

The Progress Authority has worked jointly with the Bridgewater Township Municipal Authority in an effort to secure funding for this infrastructure project. A previously-approved \$433,000 EPA grant is being used to assist in the project. Appalachian Regional Commission grant funding is pending, and Congressman Carney's office has been active in working to access additional federal funds. PennVest is also providing financing as part of the funding package.

This project will alleviate health concerns due to malfunctioning private septic tanks and will also open up commercial properties for development along Route 706. As a result of this project, Endless Mountains Health Systems has acquired property in this corridor and plans to build a new hospital. This will impact approximately 200 jobs and will be a great benefit for the community. Public sewer is a critical infrastructure component for economic development projects, and this sewer extension will position Bridgewater Township for future growth opportunities.



The Impact of Local Health Care Facilities

At the request of Endless Mountains Health Systems, Tony Ventello of the Progress Authority prepared an economic impact study measuring the effect of a health care facility on a local community. The results were quite impressive. Nationally, health care added 45% of all new jobs created in the United States in 2007. Compensation for individuals working in the health care sector is also above average.

A small local hospital can easily create \$15-20 million in total impact on a region's economy. Also, for every job maintained by a local health care facility, the community sees the benefit of 0.74 additional jobs resulting from support services. In other words, a hospital can create $\frac{3}{4}$ of a new job for a community solely based on the expected impact of adding one new employee. While tougher to measure, there are certainly benefits based on healthier overall lifestyles and enhanced emergency services as well. The overall impact of small community healthcare providers such as Endless Mountains Health Systems and Barnes-Kasson Hospital and Health Services should not be underestimated.

Natural Gas Exploration in Susquehanna County

The hottest current economic issue in Susquehanna County is widespread exploration for natural gas within all geographic areas of the County. Since this is such a new issue to the area, the learning curve has been steep. The Progress Authority is making every effort to fully understand the process of natural gas exploration, extraction, and transmission and to measure expected economic/social impacts on our region. The Penn State Cooperative Extension has already begun to compile information on these expected outcomes. The Progress Authority has also begun to form a relationship with the Independent Oil & Gas Association of Pennsylvania (IOGA PA) in an effort to learn more about this phenomenon. IOGA PA represents 19 of the top 20 natural gas producers in Pennsylvania and has been involved in natural gas activity in Western Pennsylvania for many years. IOGA PA Executive Director Louis D'Amico is the featured speaker at the 2008 Susquehanna County Economic Development Breakfast Meeting.

In order to further understand the direction in which the natural gas activity will take Susquehanna County, Progress Authority officials will be traveling on a fact-finding mission to Wise County, Texas in mid-August 2008. While Susquehanna County's natural gas is located within a geologic formation known as Marcellus Shale, there is a very similar formation in northern Texas called Barnett Shale. Wise County is a rural area that is about five years into a major natural gas play within the Barnett Shale, and officials there have offered to enlighten the Progress Authority on the community impacts associated with this activity. There are certainly employment impacts due to additional labor needed by energy companies, financial impacts due to the payment of leasing and royalty fees to property owners, and impacts to companies and agencies providing support services.

The Progress Authority will utilize Penn State Cooperative Extension analysis, information gathered from the trip to Texas, and information provided by IOGA PA to attempt to prepare a comprehensive statement concerning expected short-term and long-term economic impacts associated with natural gas activity in Susquehanna County. This will drive the Progress Authority's work plan in the future, as it will be important to harness the economic potential of this opportunity while also making safeguards to prevent adverse impacts to the local community.



Rock Ridge Stone Expands Operations

Rock Ridge Stone, Inc. has constructed a new bluestone processing facility just east of Montrose in the Susquehanna County Enterprise Zone. The building is approximately 40,000 square feet and will house state-of-the-art sawing equipment. The Progress Authority has worked with Rock Ridge Stone to secure funding approvals through the

Pennsylvania Industrial Development Authority, Enterprise Zone Program, and Small Business First Program. The Enterprise Zone funding will assist the Progress Authority in building a local Enterprise Zone Revolving Loan Fund for businesses in Susquehanna County.

The company quarries and processes stone and currently employs 22 workers. The new project will enhance efficiency and upgrade Rock Ridge Stone's capabilities. Value-added processes involving bluestone are a key focus of the Susquehanna County Enterprise Zone, and the Progress Authority is pleased to assist Rock Ridge Stone with this development project.

USDA Grant Assists Susquehanna County Economic Development Program

The Progress Authority has received a \$50,000 grant to continue providing economic development assistance services in Susquehanna County. The USDA Rural Business Opportunity Grant (RBOG) will be combined with other funding sources to help minimize the cost to Susquehanna County of continued economic development technical assistance from the Progress Authority.

The USDA RBOG program is targeted to promote economic development activities in rural areas. The Progress Authority will utilize the funding to provide full-service economic development services to area businesses and to provide Susquehanna County with professional economic planning activities. The Progress Authority is pleased that USDA Rural Development has become a partner in Susquehanna County's economic development program.



Congressman Carney's District Director Paul Macknosky, Brian Driscoll of the Progress Authority, Representative Tina Pickett, Jack Kauffman of USDA Rural Development, Representative Sandra Major, and Stacey Bellows of Senator Madigan's Office jointly announce approval of USDA funding.

Susquehanna County Economic Development Delivery System



Progress Authority Executive Director Tony Ventello

The Susquehanna County Commissioners entered into a three-year agreement with the Progress Authority in early 2008. As a result of this agreement, the Progress Authority provides full-service economic development in the County. The Progress Authority is responsible for coordinating efforts related to business development/recruitment, infrastructure development, workforce development, and grant/loan technical assistance throughout all of Susquehanna County. The primary contacts for Susquehanna County are Executive Director Tony Ventello and Economic Development Manager Brian Driscoll.

Because of staff size and specialization constraints, partnerships are critical within a rural economic development model. The Progress Authority leans heavily on relationships with partner agencies to implement projects in Susquehanna County. Business planning and startup assistance is provided by the Greater Binghamton Chapter of SCORE and the Small Business Development Center of the University of Scranton. The Trehab Center focuses on high-impact community development projects and works in concert with Pennsylvania CareerLink on workforce development programs. The Susquehanna County Housing & Redevelopment Authority assists with key infrastructure projects. Northern Tier Regional Planning

& Development Commission is also utilized to access federal funding when projects are of regional importance.

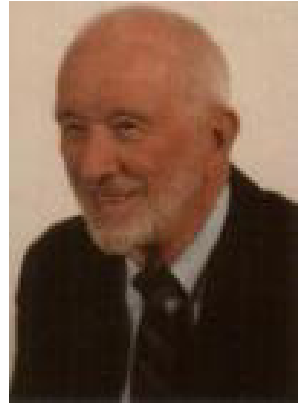
The Progress Authority works under the direction of the Susquehanna County Economic Development Board. This Board contains seven members appointed by the Commissioners from varying geographic areas, business sectors, and backgrounds. Current Board members are Joe Andre, Jim Bralla, George Conner, Adam Diaz, Karen & Tricia Goskowski (shared seat), John Kameen, and Bill Owens. The Board typically meets at 10:00 AM on the fourth Thursday of each month in the County Office Building in Montrose.

Board Member Profile: Jim Bralla



Congressman Chris Carney was the featured speaker at the 2007 Susquehanna County Economic Development Breakfast. He is shown here with decorative bluestone donated by Endless Mountain Stone Co. The piece is now displayed in Congressman Carney's District Office.

Despite being retired, Jim Bralla is an incredibly active member of the Susquehanna County community. Jim holds Bachelor's and Master's degrees in engineering and was involved in engineering and upper management with several companies during his career. His work experience included stints in Asia and Europe. Jim also served in the US Navy from 1944-1946. In addition to his service on the Susquehanna County Economic Development Board, he is a small business counselor with SCORE and is a board member for the Susquehanna County Forest Landowners Association. Jim has written the book "Design for Excellence" and edited "Design for Manufacturability Handbook". His most recent book project, the 804-page "Handbook of Manufacturing Processes – How Products, Components and Materials Are Made", was completed in 2007. Jim and his wife Martha reside in North Jackson. His experience and insight are greatly valued by the Progress Authority and the rest of the Economic Development Board.



The Progress Authority recognized NEP Telephone of Forest City as the Business of the Year due to the company's community-minded business approach and substantial investment in wireless infrastructure in Susquehanna County. Company President Steven Tourje was on hand to accept the award.

The Trehab Center is based in Montrose and provides community and workforce development programs over a multi-county region. Trehab and the Progress Authority have a strong track record of project collaboration. Executive Director Dennis Phelps received an award to celebrate this spirit of cooperation at the Breakfast Meeting.

Trehab has continued to be active in several projects. A downtown redevelopment project in Susquehanna Borough will renovate a dilapidated building and create commercial and residential space. Trehab has also begun to be involved in alternative energy sources and is a dealer for small wind-powered turbines to service individual properties. Lastly, Trehab and the Progress Authority have jointly submitted a funding application to the Office of Community Services within the US Department of Health & Human Services to benefit the JEC Technologies project.



Snake Creek Lasers Expands Capabilities

Snake Creek Lasers, LLC is a high-technology firm located in Hallstead. The company develops and manufactures solid-state lasers for a variety of applications including industrial, medical, electronics, and defense. Snake Creek Lasers has developed the smallest green laser in the world, and has recently been involved in expanding its business capabilities.

Congressman Chris Carney assisted the company in securing federal funding to assist in costs associated with laser research and development efforts for military applications. Snake Creek Lasers also recently announced a partnership with Alps Electric Co., Ltd., a leading global manufacturer of electronic devices. Alps Electric will present access to additional manufacturing capabilities that will assist Snake Creek Lasers in taking its laser technologies to consumer markets. These are exciting advancements for Snake Creek Lasers and the high-technology sector of Susquehanna County's economy.



State Supports Donald Dean & Sons Project

Donald Dean & Sons, Inc. in Montrose was awarded a Pennsylvania Energy Harvest Grant to assist in acquiring a wood-fired boiler system. The high-efficiency boiler unit will eliminate a need for heating oil and will allow the company to effectively utilize scrap wood products as fuel. Donald Dean & Sons has been a fixture and quality employer in the Montrose community since 1932 and is a key value-added hardwoods manufacturer, so the company is to be congratulated on successfully securing this funding.



Oliver Road to be Upgraded

Oliver Road in New Milford Township is a dirt road servicing commercial properties at the Gibson Interchange of Interstate 81. This roadway is in need of upgrades to support existing businesses and promote new growth in this area. The Progress Authority has worked jointly with the Susquehanna County Housing & Redevelopment Authority and Northern Tier Regional Planning & Development Commission to secure federal funding to help with this project. Over \$200,000 in Appalachian Regional Commission funds have been committed to this key transportation infrastructure upgrade. The Progress Authority is happy to see the Oliver Road project now progressing to construction.



Bobbi Jo Turner of the Susquehanna County Housing & Redevelopment Authority and Commissioner MaryAnn Warren review project plans.

Frontier Communications Upgrading Infrastructure

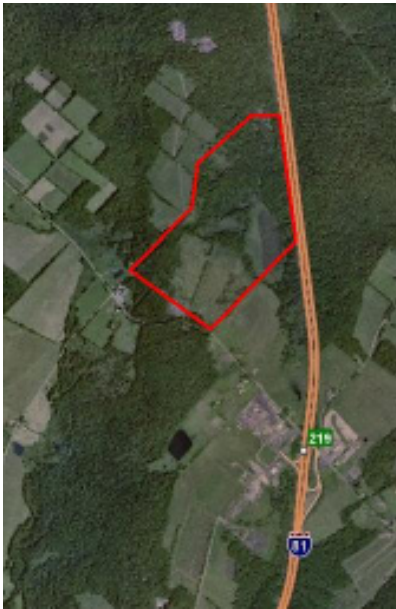
Citizens Communications Co. recently purchased Commonwealth Telephone Enterprises, Inc. and now operates in Susquehanna County as Frontier Communications Solutions. The company provides business and residential telecommunications service, including landline telephone, internet service, and various enhancement services. Frontier is currently implementing massive upgrades to infrastructure in Pennsylvania, including Susquehanna County. The company's short-term goal is the ability to provide rural residential high-speed internet to at least 98% of residents. In the ever-evolving current



information age, high-speed internet access is critical to the development and success of all business enterprises, large or small. The Progress Authority is excited about this proactive approach to upgrading key infrastructure and looks forward to working jointly with Frontier Communications Solutions on economic development projects within its service area.

Growing Greener Grants Distributed

As part of the Growing Greener II program that was implemented in Pennsylvania in 2005, Susquehanna County gained access to state funding for environmental improvement projects. The County Commissioners appointed a committee that included Brian Driscoll of the Progress Authority to aid in the distribution of this funding. 19 worthy projects throughout the County have been selected for funding and are in various stages of development. Projects have included erosion control and streambank stabilization, municipal infrastructure upgrades, and municipal park/recreation upgrades.



Site Profile: Gibson Interchange of I-81

An approximately 105-acre parcel is available for development at the Gibson Interchange (Exit 219) of Interstate 81 in New Milford Township. The site is adjacent to southbound Interstate 81 and Route 848 approximately 15 miles south of the New York state line. The State Police Barracks in

Susquehanna County are located next to the property. The property topography is flat to rolling. The site is served by a package sewer treatment plant, but the water source is a private well. Three-phase electric is available, and the property is enrolled in the powerful Keystone Opportunity Zone tax abatement program through the end of 2012. With quality road access and exposure and a large land area, this site is conducive to industrial applications such as distribution or manufacturing. Please contact the Progress Authority for more information.



Site Profile: Former Ranger Industries Facility

The former Ranger Industries facility is located in a small industrial park on Route 29 in South Montrose. The site is approximately 10 miles from Interstate 81. The building was constructed of pre-engineered steel in 1992 and sits on approximately 4 acres, including a gravel parking area. The 17,000 square-foot facility contains 2,000 square feet of office space. Ceilings are 11-13 feet clear, and there is a loading dock and overhead door. This is an ideal site for a small light manufacturing operation. The Progress Authority is happy to assist any parties interested in this facility.

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