It's hard to fathom that we are celebrating our 20th year of service. If you glance back at our very humble beginning, you can truly appreciate the vision, forethought and purpose our founding members – of which many are still with us – and municipalities had in establishing the Progress Authority, as we know it today.

We launched our organization in 1993 as the “Central Bradford Economic Development Authority (CBCEDA)”, with a chartered relationship to our area industries and public/private sectors, and sister to the Towanda Area Industrial Development Corporation. Our purpose was to promote the overall economic growth of the Central Bradford County area. Over time our directors had vision to expand our jurisdiction to Bradford and Susquehanna counties, thus broadening our impact to a countywide economic benefit. This evolution has provided greater and more diverse opportunities, strengthened and sustained our program. It has primarily happened with the progressive attitude of our board of directors and elected officials.

This past year’s efforts initiated a strategic planning effort to provide guidance to our Authority going forward. Our annual work program is grounded to our strategic vision. Our efforts to focus on the community economic development needs are directed by the strategic planning objectives.

Over time and out of practicality the Progress Authority board merged the Industrial Development Corporation into the Progress Authority and formed its own Industrial Development Authority, thus placing three hats on each board member and streamlining our program to maximize efficiencies. This was all based on reputation and trust. This allows the Authority to concentrate its efforts most meaningfully. Most importantly, we can act quickly and respond to the ever-changing economic environment.

I thank you for your trust in allowing me to serve our communities for the last 20 years. I assure you of a continued commitment to our cause.

The Central Bradford Progress Authority just recently completed 20 years since its first organizational meeting. For me, it would seem to be an appropriate time to reflect back on our where we are now and where we were then.

The Authority’s inception began thanks to the volunteer efforts of several community minded individuals and the “seed money” provided by our four supporting municipalities of North Towanda Township, Towanda Borough, Towanda Township and Wysox Township. The Authority’s mission statement, “Promote job retention and growth and an enhanced quality of life”, was the impetus for the endeavor.

From our meager beginnings, we have grown to an entity that oversees its revolving loan fund of over $3,000,000 and that has an expanded total asset base in the $10,000,000 range. Demand for the Authority’s services has generated this tremendous growth. Our services have remained consistent with the original mission statement.

From the original local service area, the Authority has expanded into a regional economic service provider. The Authority has accomplished this with an extremely dedicated and productive staff of three. The efficiency of our organization has been proven time and again and has much to do with the longevity of the organization.

Both the staff and the Membership Board of the Authority recognize the need to remain true to the original mission statement while at the same time realizing the need for flexibility as conditions change. The region is blessed with excellent anchor manufacturers, abundant raw materials and a workforce with a strong work ethic. These elements provide stability to the region while at the same time lead to change as ownership in manufacturers change and as our raw materials are utilized.

The Natural gas industry is obviously the greatest example of a change in the development of a raw material that has certainly affected the Authority’s demand. Travel to Texas, Alberta and New Mexico became necessary in order for the Authority to become a valuable information resource related to this critical industry.

While the Authority recognizes the need to remain true to the mission statement developed by the founding members, it also recognizes the need to adjust to changing times and demands. Currently the Authority and its staff are developing long range plans that will be implemented in the future. These plans will secure the mission statement and enable the Authority to continue to meet the demands of our region.
Region’s First Compressed Natural Gas Fueling Station Opens

Williams Companies have pioneered the first compressed natural gas fueling station in our region. With the harvesting of abundant clean natural gas via the Marcellus Shale resource, we can take advantage of the cost effective fuel with vehicular conversions.

The new facility was opened in January in North Towanda through the Dandy Mini Market chain. This investment is a progressive effort on behalf of Dandy Mini Marts and represents a “new direction for us, our business and county” owner Randy Williams said. There are plans for three additional sites. Currently the second station is under construction in Athens Township and will be open this spring.

CNG station development represents “value added” utilization of natural gas. By allowing our local businesses and residents the opportunity to utilize clean burning low cost natural gas, benefits are realized locally, thus maximizing our environmental and economic utilization of the natural resource.

Act 13 Implementation Plan

Following the first round of Act 13 Impact Fee Funds, the Progress Authority hired Delta Development Group to aid the Bradford County Commissioners in developing a strategic plan on utilizing Impact Fee monies. The Bradford County Commissioner’s received the first disbursement in the amount of $8.4 million this past November that is eligible to be used on thirteen approved uses. Delta Development Group and the Progress Authority interviewed the Bradford County Department Heads to determine how the County offices have been impacted by the Natural Gas industry and how the funds could be used to directly offset these impacts.

The Bradford County Commissioner’s then developed a grading system to prioritize projects for funding. The Commissioner’s gave projects that had a reduction in taxes, capital improvement projects such as construction, reconstruction of roadways and public infrastructure, career and technical centers for training of workers in the oil and gas industry, and emergency preparedness including public safety, 911 the highest priority. Projects were also graded on their sustainability, multi-municipal benefit, and ability to leverage additional public and private funding sources.
Progress Authority Revolving Loan Fund Report

The Authority began its Revolving Loan Fund in October 1993 with a request to DCED for a $300,000 competitive grant, which was loaned to Dupont for business expansion. This was followed by a grant request to loan $370,000 to Metadyne, Inc. to help them establish their new facility in Towanda Township. A $50,000 competitive grant was secured for Frontier Industrial Technologies, Inc. in the same year, providing the base for the Central Bradford Progress Authority’s Enterprise Zone Revolving Loan Fund.

2012 saw the Progress Authority assisting in Metadyne’s further expansion with our 9th RLF loan to them. Holdren’s Machine Shop, Ulster, PA was the recipient of a $25,000 RBEG (Rural Business Enterprise Grant) loan, their third. County Office Supply received a $30,000 loan for new equipment in 2012.

Adam Diaz of Susquehanna County and Dr. Thomas Horn, Bradford County, benefitted by the Progress Authority’s participation in the new SSBCI program. The first round of $333,333 was received by us, and loaned to both, along with funds from the existing revolving loan funds.

In January 2013, the Progress Authority combined the enterprise zone revolving loan funds of Bradford and Susquehanna Counties at the recommendation of the DCED. This makes our funds available to qualifying businesses in both Bradford and Susquehanna Counties.

From our first competitive grants loaned to three area industries to form our Revolving Loan Fund in 1993 to our loan portfolio of 39 clients today, we have grown to a RLF worth almost $3 million today.

<table>
<thead>
<tr>
<th>Year</th>
<th>Loan Amount</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>$300,000</td>
<td>Dupont</td>
</tr>
<tr>
<td>1993</td>
<td>$370,000</td>
<td>Metadyne</td>
</tr>
<tr>
<td>1993</td>
<td>$50,000</td>
<td>Frontier</td>
</tr>
</tbody>
</table>

2012 loan fund worth $2,958,000. Interest earned in 2012 - $71,923.

Value Added Natural Gas Implementation Plan Proposed

The Northern Tier Partners for Regional Economic Performance (PREP) partners are initiating the development of a targeted action and implementation plan to specifically focus on value added utilization of Pennsylvania’s natural gas resource. The plan will specifically identify key technology transfers for natural gas utilization, encourage new and expanding business opportunities, and increase industry investment to vertically integrate natural gas beyond harvest and export. This will maximize the long-term economic impact and increase economic development capacity in the Northern Tier PREP Region, Pennsylvania and beyond.

The PREP partners will engage the services of a highly specialized analytics firm to identify more uses of Pennsylvania's natural gas resource. We are all aware the current over supply of gas has suppressed the price and forced a shift in all gas producers’ activities. Clearly, until more uses of the gas come online, combined with adequate pipeline infrastructure to move gas to markets, the full economic potential impact of the shale gas play won’t be enjoyed. Funds will be used to specifically focus on energy generation, use as a transportation fuel, conversion of gas to liquid transportation fuel, uses of natural gas liquids and conversion to commercial products. The PREP region’s ability to understand the fundamental opportunities and challenges to most effectively utilize the shale gas resource and make the best natural gas utilization decisions will be explored and prioritized. This will allow the PREP partners to identify and pursue projects most meaningful to our region and state.

As an additional phase to the analysis, the PREP partners will focus on specific utilization of existing businesses to graft opportunities from outside Pennsylvania to provide manufacturing and services to increase new and expanding businesses opportunities. This effort to graft business is the most efficient mechanism to quickly bolster investment and jobs, thus reducing the startup risk, capitalization needs and diversifying the business community in the region. It can also provide business opportunity to businesses throughout Pennsylvania outside of the Northern Tier PREP region.
Twin Tiers Hospitality Tax Credit Award

A new 85-room Fairfield Inn & Suites will be constructed by Twin Tiers Hospitality in Athens Township. The project is adjacent to the new “Road C” off of the Wiliwana Exit on I-86. Construction is set to begin this spring. The new hotel will create 20 full time positions once the hotel is operational, and an overall investment of $7 million for the construction. The hotel will enhance local property taxes for the Township, County and Athens Area School District.

The Progress Authority was able to secure a $500,000 tax credit for the project through the Pennsylvania Department of Community and Economic Development Enterprise Zone Tax Credits. The new hotel was eligible for the tax credits for locating within the Bradford County Enterprise Zone. The Enterprise Zone’s for the County are areas that have been designated as prime for new commercial and industrial development. The tax credits may be used towards State Corporate Net Income Tax, Bank and Trust Company Shares Tax, Mutual Thrift Institutions Tax, Capital Stock Franchise Tax, Insurance Premium Tax or Title Insurance Company Shares Tax.

Industrial Access “Road C” Under Construction

Athens Township is pleased to announce that the industrial access “Road C” is finally under construction. The project is located off of the I-86 “Wilawana Exit” and creates a direct connection to the Valley Business Park that houses Masco Cabinetry and the Chesapeake Energy Northeast Regional headquarters. For over a decade, the Road C project has been under the planning stages for development.

Finally, after a consortium of funding sources has been secured for the project, the construction package was bid in November of 2012. The lowest bidder was awarded the contract for the construction of the road, Dave Gutelius Excavating, Inc. from Mifflinburg, PA. The project will be completed in one construction season and is anticipated to be opened to traffic late 2013.

The Road C project has been made possible through various Federal and State funding sources; which include the Appalachian Regional Commission, the Pennsylvania Department of Community and Economic Development, the Federal Highway Administration, and the Pennsylvania Department of Transportation.
Rail Business Continues to Flourish

Rail freight activity for many years in Bradford County had been minimal with no new investment, thus in a state of decline. Lehigh Railway, LLC has acquired 56 miles of railroad track rights from the previous Norfolk Southern operations. With the onset of the natural gas industry, demand for products transported and transloaded by rail has increased dramatically since 2008. The Marcellus Center for Outreach and Research reports Bradford County has gone from 2,000 cars per year to 8,150 cars per year. In fact, Lehigh Railway, LLC owners Steve May and Jim Raffa report they are on track for 10,000 cars in 2013, after experiencing a setback with recent storm damage from the flood waters of Tropical Storm Lee in 2011.

Over the last three years, the entire 56 miles of rail line has been rebuilt by investing over $8 million. Currently Lehigh Railway is scheduled to invest an additional $1 million in the River Bridge at Towanda and continues to invest $500,000 a year in track maintenance.

When Lehigh Railway acquired the line, no active transloading facilities existed. There are now four active transloading facilities servicing the lines with interest in additional investment as demand has grown.

The Progress Authority is fully supportive of Lehigh Railway’s investment and operation of the railroad. They have created and continue to support numerous jobs in Bradford County. Additionally, other benefits are gained by reducing the numbers of incoming trucks thus having a positive effect on road damage reduction and public safety which has a direct effect on infrastructure expenditures and energy conservation.
Liberty Power Plant
Moving Forward in Asylum Township

Moxie Energy, LLC hopes to break ground late spring of 2013 for the construction of the 825 MW natural gas power plant on State Route 187 in Asylum Township. Upon completion the power plant will generate enough electricity to the grid to supply over 800,000 homes. The total investment to construct the facility is estimated at $800 Million. The natural gas power plant is an excellent “value-added” use of the natural gas resource that is rapidly being developed with the Marcellus Shale.

With the abundance of natural gas found right under our feet, Moxie Energy took advantage of the low transportation cost for natural gas to fuel the facility. The project will take approximately 32 months to complete construction and will require up to 600 workers during the peak of construction. With the current schedule moving forward, the plant will be operational in early 2016 and will employ 30 full time employees to operate the plant. The Moxie Energy Liberty Power Plant will bring infrastructure to the Route 187 corridor in Asylum Township, which includes natural gas, public water and sewer to aid in future development of the area.

Guthrie’s New Troy Community Hospital
Well Underway

Over the past several years, Guthrie Healthcare Systems has been making significant improvements to their facilities across their ten-county region. This past year, the Progress Authority served as the conduit for $70 million in tax exempt bonds for the construction of a new hospital in Corning, NY at the Guthrie Campus. Another major project for Guthrie currently underway is the new critical access Troy Community Hospital. The project broke ground in December of 2012, and anticipates opening by October of 2013. The project is located off of Route 6 in Troy Township near the Martha Lloyd Facility. The property is 35 acres and will have 25-private patient rooms, a larger Emergency Department, a Helipad, Primary Care and Specialty Care Physicians.

Guthrie Healthcare Systems was recently awarded a $2 million Redevelopment and Capital Assistance Program Grant through the Office of the Budget for medical and administrative offices to be constructed at the Troy site. The Progress Authority will be the conduit agency for the $2 million grant award. The total investment of the new Troy Community Hospital and Medical Offices is approximately $35 million in new investment. The existing Troy Community Hospital located in the Borough dates back to the 1950’s and the cost to rehabilitate the structure exceeded the cost of constructing a new critical access hospital.

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Northern Tier Marcellus Shale Business Expo
Scheduled for Friday, June 21

On Friday, June 21st, 2013, from 9 a.m. to 3 p.m. the Troy Fairgrounds will host the 4th Annual Northern Tier Marcellus Shale Business Expo. The Planning Committee anticipates another great turnout this year as previous events have drawn hundreds of businesses from across the country. The event serves as an opportunity for businesses to interact with the natural gas industry as well as other contractors. One of the most attractive opportunities for businesses to register as an exhibitor at the event is the vast array of business sectors in attendance. Businesses include; legal services, accountants, contractors, realtors, natural gas operators, equipment services, engineering, and much more. This year, a number of Sponsors have joined forces again for this upcoming event including; Chesapeake Energy, Talisman Energy, The Daily Review/Northeast Driller, Shale Directories, PIOGA, WETM, and Pembrook Pines.

Although the Northern Tier Marcellus Shale Business Expo was established to interact with the local drillers and producers of natural gas, last year the planning committee was able to feature additional uses of natural gas beyond shipping the gas to market. Last year, a few of the highlights at the Northern Tier Marcellus Shale Expo featured some unique vehicles that utilize compressed natural gas (CNG). Chesapeake Energy brought an Orange County Chopper designed to run on CNG built in 2009 for the CEO, and Cabot Oil & Gas brought a 1955 Chevy that was converted to CNG. Mike Narcavage of Chesapeake Energy conducted a workshop regarding how the company was aiding in CNG vehicle innovations to help America build the fueling station infrastructure as well as vehicles. Kent Morton, Vice President of Moxie Energy, discussed the two

800-MW Natural Gas fired combined cycle power plant projects in Bradford and Lycoming Counties. Both projects upon completion will utilize Natural Gas from the Marcellus Shale.

If your business would like to participate in the exciting networking opportunities at the 4th Annual Northern Tier Marcellus Shale Business Expo, check us out on the web at www.ntmarcellusexpo.com. Businesses may register online at www.ntmarcellusexpo.com or by calling Cathy Jenkins at Alparon Park at (570) 297-3648. For any questions, please send us an email nt.marcellus.expo@gmail.com or call Cathy at the number mentioned above.

The former Blue Swan Airport in Athens Township will soon be home to Chesapeake Energy’s corporate office as well as several subsidiary groups at the new complex. The new buildings expect to be occupied by May of 2013. The buildings will house NOMAC Drilling, Hodges Trucking, Oilfield Services, and Chesapeake Energy. The new facility is a tremendous investment and overall improvement to the Valley Business Park.

Chesapeake Energy’s investment to the Valley Business Park helped Athens Township secure Industrial Development Corporation funds through the DCED for $1.25 Million towards the construction of Road C. Without the significant investment made by Chesapeake Energy, these funds would not have been made available to the road project. The Valley Business Park is currently under a Keystone Opportunity Zones until 2017 that allows for tax exemptions to businesses operating at the site. The site was selected for a KOZ status because it was underutilized and generated little tax revenues to the local taxing authorities. The access to infrastructure and its location adjacent to I-86 made it attractive for investment. The new Chesapeake Energy Office Complex located on Mile Lane Road in Athens Township is a shining example of how KOZ’s can help revitalize and develop underutilized properties.
400 Main Street Trehab Project Moving Forward

The parking lot on the 400 block of Main Street in Towanda is moving forward with a proposal from Trehab Center of Montrose. The new project will include a multi-story residential building with commercial space on the first floor, and a parking garage. Trehab plans to construct 30 to 36 one and two bedroom apartments for the elderly on the building’s upper stories.

The project is a recipient of a $5 million in Redevelopment and Capital Assistance Program funding from the Office of the Budget. An additional funding source was secured through the Pennsylvania Housing Finance Agency for the construction of the residential portion of the project. These funds were made available through the Act 13 Impact Fee Funds and to be utilized to develop low-to-moderate income housing in Counties that have been impacted by the Natural Gas Industry. The total cost of the project is estimated at $11 million to complete.

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The Pennsylvania Department of Community and Economic Development under the PARTNERS FOR REGIONAL ECONOMIC PERFORMANCE – PREP

The Pennsylvania Department of Community and Economic Development under the Corbett Administration has implemented a new effort to collaborate economic development agencies into a partnership. With reduced and limited funding, the Partners for Regional and Economic Performance, known as PREP, has joined hands as paid and unpaid partners in an effort to serve the Northern Tier counties of Bradford, Sullivan, Susquehanna, Tioga and Wyoming, encompassing about 4,000 square miles. Service providers inclusive of local and regional organizations are now a team of professionals utilizing limited PREP funds to maximize impact and streamline service delivery.

The Progress Authority is part of a 10 agency partnership working together to solve common economic development challenges. The partnering organizations including the Progress Authority include:

Northern Tier Regional Planning and Development Commission
Northeastern Pennsylvania Industrial Resource Center
University of Scranton Small Business Development Center
Sullivan County Office of Planning and Community Development
Tioga County Development Corporation
Wyoming County Chamber of Commerce
Penn State University’s Pennsylvania Technical Assistance Program (PennTAP)
Ben Franklin Technology Partners, Northeastern Pennsylvania

The Partners in many cases provide unique specialized services that can be utilized in project development and completions. Utilization in programs that assist businesses in early development, analysis, engineering, financing, tax incentives, construction and workforce can be utilized more efficiently through the collaborative PREP effort. The Progress Authority now fully utilizes the PREP partners and programs to maximize new investment and job impacts.

The Corbett Administration has implemented a new effort to collaborate economic development agencies into a partnership. With reduced and limited funding, the Partners for Regional and Economic Performance, known as PREP, has joined hands as paid and unpaid partners in an effort to serve the Northern Tier counties of Bradford, Sullivan, Susquehanna, Tioga and Wyoming, encompassing about 4,000 square miles. Service providers inclusive of local and regional organizations are now a team of professionals utilizing limited PREP funds to maximize impact and streamline service delivery.
Progress Authority Completes Internal Strategic Plan

Over the last 20 years, the Progress Authority has evaluated its efforts to maximize its efficiency and impacts towards its objectives of economic development. Strategic plans have continually played a critical role in the development of annual work programs that focus and justify our organization’s implementation of projects.

The Authority has completed its third strategic plan that evaluates our original Articles of Incorporation, broad mission and development over the last 20 years. The Progress Authority has clearly evolved as the administrative oversight for a group of organizations to best serve our community. As a general purpose authority, industrial development corporation and industrial development over the last 20 years. The Progress Authority has clearly evolved as the administrative oversight for a group of programs that focus and justify our organization’s implementation of projects.

In an effort to evaluate and increase effectiveness, at strategic planning effort was initiated with our board’s input to analyze our model for service delivery. It was clear that the Authority has numerous changes to community/economic/dynamics. County, state, and Federal programs and priorities have prompted the evaluation of our program to keep focus and sustainability.

We have changed since our creation. It was important to revisit the fundamental purpose of the Authority’s development. It was also important to understand who we serve today, as the Authority’s focus has broadened to incorporate contracted local economic development services in multiple counties. As a result of detailed discussions and visioning sessions, it was agreed that eight specific areas of concentration would be focused on as strategic elements.

1. A review of the chartering documents is underway to determine their usefulness as reflected against current administrative demands. It is intended that any revisions will increase the efficiency and effectiveness of the Authority’s programs.
2. Ever-changing programs and budget cuts require the Authority to continue creative and efficient administrative funding models. The continued goal of maximizing effectiveness in a cost effective manner is a critical hallmark to the Progress Authority’s 20 years of success.
3. A clear ongoing priority is the region’s need for infrastructure. Solid Infrastructure is the foundation to sound community and economic development. The Authority is continually supporting and facilitating new ways to put infrastructure in place where it is most logical and efficient.
4. The strong support of value-added natural gas development clearly adds value to the resource before it leaves the area, thus increasing investment and employment in our community. Supporting the use of natural gas for CNG, LNG, energy generation, industrial development, product manufacturing, improved distribution, etc., all play a create role in maximizing the resource benefit.
5. There is a new focus for the Progress Authority in housing demand with respect to all types of short-term and long-term housing. Our role is to help facilitate market rate housing as seen as a critical element to drawing and maintaining a productive workforce with an aging housing stock and limited infrastructure. Business can function and not lose employees into New York communities due to the availability can cost of housing.
6. Conduct a review of our guidelines to streamline and maximize our economic development funding for private investment and job development.
7. The key strategic element is a carry forward from the Authority’s original strategic plan in 1993. Our goal is to target and facilitate relevant education and training that best meets our business community’s needs.
8. As a result of new governmental auditing standards many governmental agencies do not receive audits on a timely basis to submit to state and private entities. The Authority is committed to timely audit compliance to assure compliance with internal controls.

The strategic planning effort serves many useful purposes on focusing the program execution and draws our board closer together for a common goal of community economic betterment.
Thank You for Your 20 Years of Dedication!
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