Progress Authority Welcomes the Marcellus Shale Coalition

The Progress Authority would like to welcome David J. Spigelmyer, president of the Marcellus Shale Coalition, the region’s largest shale development trade association.

Founded in 2008, The MSC, which is more than 300 member companies strong, works closely with exploration and production, midstream, and supply chain partners to address issues regarding the production of natural gas from the Marcellus and Utica Shale plays. They provide in-depth, fact-based information to policymakers, regulators, media and the public on the positive impacts responsible natural gas production is having for families, businesses and communities across the region.

Mr. Spigelmyer was instrumental in the MSC’s 2008 founding, and has served as the organization’s chairman, vice-chairman and as leader of its legislative committee.

Most recently, Mr. Spigelmyer served as Vice President of Chesapeake Energy Corporation’s Appalachia division, where he was responsible for government relations, regulatory policy, stakeholder engagement and communications efforts.

Prior to Chesapeake, he served in similar roles at EQT Corporation and Dominion Resources and held other energy industry-related positions. Mr. Spigelmyer is a Penn State University graduate and an active outdoorsman. He was born and raised in Clearfield County, PA and lives in southwestern PA with his wife and two children.
The Progress Authority has witnessed numerous projects that vertically integrate the use of natural gas in our region. Electrical generation is primarily at the forefront with the existing construction of the 829-megawatt combined cycle generation plant by Moxie/Panda Energy in Asylum Township. The enormous investment of over $800 million utilizes natural gas before it leaves our area, thus adding immense value. The development of CNG stations, deployable LNG and improved distribution all make domestic use of gas more viable and localized. Cogeneration by our area industries and medical providers is under consideration due to the availability of low cost fuel in the form of natural gas; and most recently, companies developing new products from the hydrocarbons and the waste water from wells have provided ever more opportunity and investment.

Construction is underway for the new Panda Liberty Power Plant on a 33-acre site in Asylum Township off of State Route 187. The project entails constructing an 829-megawatt combined cycle generation station that will have the capacity to supply electricity to 1 million homes.

The project broke ground back in August of 2013 when Gemma Contractors moved on-site to clear the property. The overall project will take approximately 30 months to construct. To date, nearly half of the concrete has been poured at the site, and the water storage tanks have been installed. At this time, approximately 130 workers are currently on-site. At the peak of construction, an estimated 500 workers will be located on site. Panda expects the plant to be operational by March 2016.

Panda Liberty Power Plant Under Construction

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All of this is the result of the quality of the resources and the business friendly attitude of Pennsylvania and our county officials. The Progress Authority staff continues to be amazed at the next level of business development as we mature as a proven resource.
I am very encouraged with the new investment being made and proposed for our county. The level of project sophistication with business to business collaboration and new technology has broadened the Progress Authority’s understanding and capacity to assist investment and job enhancement.

The vertical integration of natural gas is now exposing opportunities far beyond the day-to-day activity of gas field development. The use of this abundant natural resource in energy generation has spurred the downstream development of electrical generation and cogeneration combined heat and power as new and existing enhancements to our area industries. The establishment of compressed natural gas (CNG) fueling stations allow for vehicle access to low-cost fuel.

Development of deployable liquefied natural gas (LNG) opportunities expand the storage and application of the product without a piped distribution network. Expanded franchise distribution of natural gas provides access both commercially and residually to our businesses and residents.

However, what is most impressive are the science-based companies that are utilizing both the natural gas and its by-products to produce new products. Every year our opportunities reach a new level of technological innovation that adds great value to our resources before they leave the area. The numbers can be overwhelming to some. Like making cheese from milk or furniture from wood, our long-term value play is continued collaboration with area industries and vertical integration of natural gas.

The past year’s efforts implements the Progress Authority’s strategic plan. Critical elements of the plan have been greatly influenced by the evolving needs of our region’s businesses. We look forward to aggressively pursuing the key objectives of the work program.

I want to continue to thank our Board of Directors and Paul Kreischer for his leadership, Kim Kulick and Lauren Hotaling for their contribution to our small but mighty reputation, our County Commissioners, and state and federal legislators for their confidence and trust, and, most of all, my wife Trudy who puts up with my nonsense. I feel privileged to serve our area and remain committed.
Helping Entrepreneurs Succeed and Create Jobs

In 2013, Northern Tier Partnerships for Regional Economic Performance (PREP) partners continued to build on their long-standing collaboration through their collective work serving the Northern Tier.

PREP is a statewide network of partners that work in concert to deliver vital business assistance services across 10 regions of Pennsylvania. The PREP network consists of hundreds of trained and experienced experts who can offer assistance and resources to local enterprises. PREP's one-on-one counseling, specialized workshops, online training, and financial incentives make it one of the most coordinated and respected networks in the nation. PREP makes it easier to learn what public and private sector resources can be quickly harnessed to meet individual and company needs.

In the Northern Tier, the PREP network of partners includes the Progress Authority, Tioga County Development Corporation, Sullivan County Planning and Development, Wyoming County Chamber of Commerce, Small Business Development Centers (SBDCs) from the University of Scranton and Wilkes University, the Northeastern Pennsylvania Industrial Resource Center, Penn State’s PennTAP, and NTRPDC, which serves as the regional coordinator. Working together daily in a coordinated fashion, the Northern Tier PREP network is able to help achieve solutions to real-world problems for start-up enterprises and established businesses.

EXAMPLES OF SUCCESS

Supporting Local Businesses

Darryl Hoffman, a former longtime employee of R&T Mechanical North Division in Lawrenceville, was interested in purchasing the R&T/North Division and merging it with Hoffman Mechanical, Inc., a start-up he had been operating for one year. Darryl contacted the University of Scranton SBDC after a joint referral from the Tioga County Development Corporation (TCDC) and NTRPDC. He worked with the SBDC on a business plan, pre-venture start-up/acquisition planning, and a management plan. After completing Hoff Mechanical’s business plan, Darryl was able to focus on obtaining financing for the company.

In February 2013, TCDC, the Northeast Pennsylvania Industrial Resource Center (NEPIRC), and NTRPDC partnered to assemble the final $500,000 needed on a $2 million finance package enabling Hoff Mechanical to purchase R & T Mechanical. The purchase enabled Hoffman to create an additional 19 jobs.
Of the 22 Northern Tier finalists, five businesses won a top award in their respective category: Community Impact Award - Williams Oil Company, Inc., Towanda; Entrepreneur Impact Award - Diaz Companies, Kingsley; Export Impact Award - Cummings Lumber Company, Inc., Troy; Jobs First Impact Award - The Keane Group, Mansfield; and Small Business Impact Award - Keystone North, Inc., Mansfield.

“These businesses, in addition to many other Northern Tier enterprises, demonstrate not only hard work, but commitment to their communities and to building the local economy,” said Kim Barnes, NTRPDC Deputy Director.
The Progress Authority began 2013 with $920,000 available in its revolving loan fund for loans to local businesses and industries, including SSBCI and RBEG funds. 2013 saw a total of four loans from our funds totaling $605,000.00.

Robert Reeves, owner-operator of Reeves Business Park in Wysox Township, received a $200,000 loan to enhance his facilities with a railroad transloading and yard storage in July.

Howard Holdren, Holdren’s Precision Machining in Ulster, PA is a long-time Progress Authority loan customer. In November 2013, Holdren’s received $25,000 from the RBEG fund for a new vertical turret lathe, a piece of equipment that is critical to Holdren’s business with the natural gas industry.

In August 2013, RC Welding had the opportunity to purchase the inventory of a welding shop that was going out of business for $75,000. RC Welding, owned and operated by Joe & Sacha Snell, was established in Monroeton in 2011. The Progress Authority participated at that time to help with start-up costs, and as the board believed the acquisition of inventory will positively increase RC Welding’s sales, approved an additional $75,000 loan.

In February 2013, Charles Kovacs of County Office Supply approached us with a business plan that identified the development of a graphic printing system for large-format printing for businesses, educational and marketing applications. The project would add one additional position and help support their existing 17 employees. The board approved a $30,000 loan to County Office Supply to help in the purchase of the needed equipment.

Many of you may have noticed the upgrades and improvements to the Towanda Motel & Restaurant, owned by Bob and Jaimie Patel. Extensive renovations of over $1.5 million were completed, with the Progress Authority and Northern Tier Regional Planning and Development partnering on the project.

Grupo Losan/Oak Hill Veneer Inc.

Oak Hill Veneer, located in Troy Township, is a past revolving loan fund client of the Authority. Beginning in 2008 and completed in 2013, Aserpal S. A. became 100% owner of Oak Hill Veneer, Inc.

After 5 years, they believe that now is the time to invest, and came to the Progress Authority for financial assistance via our revolving loan fund. The Progress Authority met several times with Grupo Losan management, and their efforts have turned the plant around. They currently employ 57, and are projecting 80 employees total.

Oak Hill Veneer proposed the installation of a third veneer slicing line/dryer, which added a third manufacturing line. The Progress Authority approved a $350,000 loan for Oak Hill Veneer in October 2013, and the loan closed in March 2014. We look forward to working with Grupo Losan/Oak Hill Veneer as they continue their growth and move towards profitability.

BX3/Taylor Rental SSBCI Loan

The Progress Authority is one of twelve Area Loan Organization’s throughout the Commonwealth that participates in the State Small Business Credit Initiative loan program.

The Progress Authority received $1 million from the program to develop a revolving loan fund for businesses. To date, two-thirds of the funds have been distributed to ALO’s for lending.

The Progress Authority was recently able to participate in BX3/Taylor Rentals project of purchasing the property they are currently leasing in Tunkhannock. BX3 is an oilfield supply service that is owned by Bill Kelley and his son Bill Kelley, Jr. This is the second BX3 store that was opened due to the overwhelming growth and demand of the natural gas industry in the area. The business started with only three employees and has since grown to thirty employees.
Road C/King Road Completed

The Valley Business Park infrastructure is now complete, pending planned sewer improvements. Road C, now King Road, is an industrial access road that has been planned and designed for over 10 years. The project, which is 1.1 miles in length, is located in Athens Township.

With excessive environmental clearance and design, the much-needed road is now complete. King Road provides access to the industrial park via exit 59A off interstate 86. The access road has supported Masco Corporation, Chesapeake Energy and their subsidiaries development and the newly constructed Seaboard Wellhead, Inc. building. Several new business development proposals are under consideration as the park proves to be the best business development park in the region.

The $3,952,000 access road currently supports over 1,000 jobs, with potential for substantially more. We congratulate Athens Township for their cooperation and perseverance in completing the project with its many challenges. The Progress Authority supported the project as a key priority to Bradford County and facilitated project funding.

Seaboard Wellhead, Inc. Moves to Valley Business Park

Seaboard Wellhead, Inc., located in Ulster, has outgrown its current location with no capability to expand at its existing site. They are expanding into Valley Business Park in Athens Township. The development of a new 28,000 sq. ft. steel building is nearly completed on 4 acres in the Park. Seaboard re-manufactures wellhead apparatus for natural gas development.

The recently completed Road C project has linked the site to the I-86 Exit 59A at Willawanna for greater access. The Progress Authority worked with the developer and Raven Holding Company to locate a site that met their criteria.
Cogeneration Projects Under Consideration

With the availability of abundant, low cost natural gas, major employers are looking to cogeneration of electricity as a combined heat and power project. Cogeneration is the use of a power station to simultaneously generate electricity and useful heat and cooling from the combustion of fuel.

These value-added efforts to utilize the local natural gas are a result of businesses vertically integrating natural gas and adding value to the resource before it leaves our area.

Both Global Tungsten Powders and Guthrie Health Care are considering the feasibility of on-campus cogeneration. With rising electricity costs and the efficiency and stability of cogeneration combined heat and power, great potential exists for long-term investment in generation.

Progress Authority staff was invited by GTP principals to tour both Albany Medical and Cornell University, both which utilize cogeneration on their campuses. Due to the substantial initial investment, the Progress Authority intends to continue to assist these and any new employers considering cogeneration by exploring available resources to assist them in their efforts.

Progress Building Welcomes New Tenant

The Progress Authority recently welcomed our newest tenant to the building with the Bradford County Sanitation Committee moving into Suite 14.

The committee needed a long term placement of their facilities and the Progress Building provided a centrally located solution for their needs.

The committee serves all 51 Municipalities within the borders of Bradford County. The committee employs (3) three inspectors and two support staff members with hours 8:00 AM to 4:00 PM Monday thru Friday.

The Progress Building provides parking and updated handicapped facilities for their patrons.

April Matson, Administrative Assistant and Mary Neiley, Office Manager for Bradford County Sanitation Committee
Railroad Activity Continues to Bolster

A collaboration between Reeves Business Park, the Progress Authority, First Citizens Bank and Northeast Freight Transfer has enabled the construction of a new rail-served transloading facility servicing the business park in Wysox Township. Shale Rail is providing greater access to the Lehigh Railway Inc. line via improved rail logistics and final mile services, transloading, warehousing and trucking of oilfield products such as sand, pipe mats, machinery and fluids.

Over 2,000 feet of new 286K track located on 36 acres has been built to be served daily by the Lehigh Railway. The Progress Authority participated with subordinate financing to facilitate several million dollars of private investment and enhancing jobs in Bradford County.

Tioga Downs Collaboration

In an unprecedented effort, Tioga Downs, located in Nichols, NY, has reached across the border into Pennsylvania to support their effort to become a full gambling facility. The Progress Authority has been asked to solicit support from nearby businesses and municipal leaders as Tioga Downs competes with distant areas in New York.

The Progress Authority has been asked to participate on a bi-state Ad HOC group to gain support and monitor the full applications. Tioga Downs has indicated that 50% of its employees come from Pennsylvania.

Bradford County Housing Assessment Underway

The Bradford County Commissioners have contracted with Delta Development Group to conduct a countywide housing assessment to better understand the housing related needs of the county. Undoubtedly, the development of the Marcellus Shale impacted the local available housing stock as many out of state workers flocked to the area. Many developers seized the opportunity to build hotels to service the short term housing needs of natural gas workers. Since the development of the Marcellus Shale as many as nine new hotels have either been constructed, are currently under construction or planned, which have added well over 400 rooms to accommodate the influx of people in the area. Additionally, Bradford County’s housing stock is generally old, with the majority of the housing being built prior to 1938. Many of the older homes lack upgrades or improvements that attract new homeowners. The Commissioners feel that it is important to understand and identify where there are voids in the current real estate market to help better plan for the future. The Progress Authority was able to secure Municipal Assistance Program funding through the Department of Community and Economic Development to help offset the cost of the study.
The Progress Authority is in its 21st year of existence. The progressive thinking of our four member municipalities allowed the Authority and its board of directors to work collaboratively toward a common community goal of facilitating investment and supporting employment.

Over the years, the Authority has provided full service economic development to our municipalities and expanded by demand to all of Bradford County and Susquehanna County. We do this with no financial participation from our member municipalities. We fully intend to continue this relationship with no financial obligation. The Progress Authority has fully evolved to contain an Economic Development Authority (general purpose), Industrial Development Authority (IDA), and Industrial Development Corporation (IDC) with a 20 member board of directors approved by our member municipalities representing all three entities, each with its own purpose.

The Progress Authority holds countywide service delivery contracts with both Bradford and Susquehanna counties. These contracts provide operational revenue that provide resources for the entire county. Our current bylaws do not represent this and identify appointments that are no longer possible with the Towanda Area IDC, which has been merged into the more efficient Authority group of organizations.

As a result of the evolution and changes that have taken place in the past 21 years, we requested the enabling municipalities to consider organization bylaw changes for the Authority. The purpose of the proposed changes is to structure our organization to best represent our existing program, broaden membership and continue our effective service delivery. All approvals and appointments are still required by the municipal members.

These changes are to better represent the Authority members, as the Towanda Area Industrial Development Corporation is no longer a separate organization and is part of the Authority's group of organizations, which each board member represents, thus no outside IDC members exist. It would be practical to convert these appointments to at-large members.

This will strengthen our quorum and implement succession planning as part of our strategic planning effort. The Authority has many founding members still serving who are growing older and desire to serve. The board is concerned to involve new representation to accommodate attrition.

Updating the bylaws allows the organization to broaden membership to better represent the Progress Authority's current mission. Broadening representation will reduce the burden for municipalities in recommending willing, productive and contributing Authority members, thus strengthening the organization and obtaining more input and expertise.

The bylaw modifications simply expand our at-large membership appointments, keep specific local municipal and private sector appointments and continue all the appointments to be held by the municipalities.
Trehab/Towanda Borough Update

The “Towanda Downtown Revitalization Project” is an approximate $15.6 million Trehab/Towanda Borough cooperative project to construct a 4-story commercial and elderly housing building at 410-420 Main Street and a multi-story parking garage at an existing Borough-owned parking lot between the Borough Hall and State Street is moving forward.

The 400 block building, which will be owned and operated by Trehab and estimated at $10.8 million will contain 39 residential units in the upper three stories and a commercial/retail space on the first floor. The building’s façade will be in the surrounding Victorian architectural style but will be a completely modern structure throughout. It will fill the void created by a 2006 fire which led to the demolition of three circa 1880 buildings at the site. Although tentatively called “Towanda Terrace”, the Borough is highly interested in suggested names for the new building and is requesting the public to submit their ideas.

Currently, the new building is in design and Trehab is awaiting word on an application for final funding. It is expected that construction will begin in late spring 2014 once a positive response is received.

The parking garage, which will be owned by the Borough, is currently estimated at $4.8 million and will contain about 230 vehicles.

A $250,000 state Keystone Community Grant is currently being applied for and, if successful, will be combined with $4.6 million in RACP funds that the Borough received in 2012 and will be used for design services for the garage. It is expected that construction will begin late fall 2014 or early spring 2015.

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DuPont Electronic and Communication Technologies
Northern Tier Marcellus Shale Business Expo scheduled at Mansfield University

We are very excited to announce the successful planning of the Northern Tier Marcellus Shale Business to Business EXPO. The planning committee is developing an innovative partnership with Mansfield University administration and campus for a new site and new direction for the EXPO.

Our traditional partners are still involved with the Business EXPO targeted at natural gas development involving industry affiliated businesses within the core counties of Bradford, Susquehanna, Tioga, Sullivan and Wyoming, Pennsylvania. Mansfield University’s campus and amenities will provide a vibrant venue for the event.

The EXPO will be held on Wednesday June 18th, 2014 from 9:00 am to 3:00 pm on the University’s campus in Mansfield, PA Tioga County. Both indoor and outdoor exhibit spaces will be offered. On the evening of June 17th, 2014 a barbeque will be held on campus to provide the opportunity to network with colleagues.

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