



## NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

49 Ridgmont Drive, Ridgway, PA 15853

Phone: (814) 773-3162

Fax: (814) 772-7045

---

### Executive Committee Meeting Wednesday, March 27, 2019

#### Members

James Thomas	Cameron County
Mark McCracken	Clearfield County
Matthew Quesenberry	Elk County
Daniel Freeburg	Elk County
James Sleigh	Jefferson County
Carol Duffy	McKean County

#### Staff

James Chorney  
Julie Kasmierski  
Jennifer Hibbard  
Edward Matts  
Mary Lou Jessop

#### Via Conference Call

Susan Zook Wilson

#### Guests via Conference Call

Sheila Sterrett                      Senator Toomey's Office

Chair Quesenberry called the meeting to order at 9:35 with the pledge to the flag.

#### **QUORUM/INTRODUCTIONS**

There was a quorum for the meeting.

#### **MINUTES**

With no corrections or amendments to February 27 Executive Committee Minutes, Jim Sleigh moved to accept the minutes as presented, seconded by Mark McCracken. Motion unanimously passed.

#### **NEW BUSINESS**

##### Financial Reports

With no comments or questions on the February Financial Reports, Jim Thomas moved to accept the Financial Reports as presented, seconded by Mark McCracken. Motion unanimously passed.

A95s

There were no A95s for the month.

Correspondence

Several Letters of Support were included in the mailing. The letters were North Central's support for the PA Wilds Center FY 2018 Economic Development Assistance Programs/Assistance to Coal Communities funding application; University of Pittsburgh at Bradford's Instructional Equipment for Engineering Technology program and the last one was North Central formally requesting issuance of a grant of authority to establish a new Foreign Trade Subzone for the exclusive use of Mersen USA, St-Marys-PA Corp. located in St. Marys.

Also included was a "Tell Us What You Think About Transportation In PA!" This is a survey being conducted from March 11 – April 26. The information received will be reviewed and used to help identify needs and prioritize transportation projects in the updated 12-Year Program.

This is for information only.

Purchases

There was one purchase/Foreign Trade Zone Agreement between North Central and Campbell Trade Group, Inc., York, PA. North Central would like to retain the services of Campbell Trade Group through June 30, 2019 for consulting services necessary to reorganizing Foreign Trade Zone 254. This reorganization would bring FTZ 254 in compliance with FTZ regulations and prepare North Central in establishing a standard operating agreement to support companies seeking FTZ benefits within the Zone 254. The contractual cost is \$6,000.

Discussion included as part of the consulting agreement is to assist in providing information and an assessment of how to better utilize the FTZ designation and whether we should continue with the designation. Since its inception, there has not been more than a few companies who have actually utilized this service. With several changes within the Administration of the FTZ over the years we are researching whether or not this is something we should continue and if so are we in compliance? The consultant is currently reviewing the initial FTZ application, the fee schedule and the operator agreement and assisting us in navigating the FTZ compliant process as here were some issues in regards to how it was initially set up. North Central was both the Grantee and Operator and we shouldn't be both. This consultant is going to help us sort through this and get it to the point where it should be, which would be North Central being the Grantee only. This would require North Central to file annual reports, which would be prepared by the actual companies (Operators) and then provided to us as a conduit to file their reports.

Mark remembers when this first came about that the DuBois Airport was the entity that was most interested in. Would there be the idea that they would be the administrator of it or who would take that role. North Central as the applicant is the Grantee, the DuBois Airport can apply to be an Operator.

North Central would still be the Grantee. The reason the airport was chosen was because it had a secured location that had storage facilities. One of the issues we found out in researching this is that those

products, whatever is stored in there, technically becomes property of North Central and there are other rules and regulations that have to be followed. It has been recommended by a number of different people that we shouldn't be both Grantee and Operator.

Technically we don't have the expertise for the tariffs and things that have to be assessed when they take those products out. The company (Operator) who is putting the products in there should administer their own products and prepare the reports on what they have taken out and what duties they have paid at that time. They would then send all that to North Central and at the end of the year we would create a report that goes to Customs. If there would be an issue, then Customs would come back to the company (Operator).

Sub-zones are also an option; this is where the Zone could actually be located somewhere other than the airport. It could be a manufacturing facility which is one of the things under application with Mersen. They could have the products in a secured facility in their location and when they pull it out or sell them in the U.S., then they would pay the tariffs.

This was talked about at the February Committee meeting with Mersen applying for a sub-zone location at their facilities in St. Marys. It has to be secured and they would have to designate who gets to work in those facilities. That would be on them and not on North Central.

This consultant will help us sort through the FTZ process and get the paperwork filed correctly so we are not designated as both and that we are appropriately only the Grantee. We are paying a bond to warehouse something as the Grantee which we shouldn't be paying for. Whoever is getting the product should be paying to bond the warehouse.

This consulting firm has been recommended to Chris Perneski from other people who actually run FTZs in Pennsylvania and by the Government Regulated FTZ Board. This firm has expertise in this field. The amount is \$6,000, which has been budgeted for, and we are not committed to anything beyond that.

With no further discussion, Carol Duffy moved to enter into an agreement with Campbell Trade Group, Inc. of York, PA, to serve as an advisor to provide advice and consulting services in reorganizing Foreign Trade Zone 254 maintain compliance with FTZ regulations and prepare North Central to support companies seeking FTZ benefits with the Zone 254 area, seconded by Mark McCracken. Motion unanimously passed.

### Resolutions

Resolution #19-03-2085 was presented. This resolution is that North Central desires to undertake the project "North Central PA Greenways Mini Grant Program 2020", which we have been run in the past, and to apply for the next round of funding which is \$150,000 from DCNR and a corresponding \$150,000 in match which is typically supplied by the applicant

Mark McCracken moved to approve Resolution #19-03-2085, seconded by Jim Thomas. Motion unanimously passed.

### Loans

Gilliland Landscape, LLC, Clearfield, Clearfield County, has requested a loan in the amount of \$150,000 from the Appalachian Regional Commission Revolving Loan Fund for 15 years at the rate of 3.75% for the building construction. North Central's collateral will be shared third mortgage on real estate and shared second lien security interest on business assets with the Clearfield County IDA subject to the first and second mortgages and first lien security interest of CNB Bank, as well as the personal guarantees of the owner and spouse. Three jobs will be retained. The projected annual average hourly rate will be \$19.23/hour plus 7.5% benefits.

Jim Thomas moved to accept the loan to Gilliland Landscape, LLC, seconded by Mark McCracken. Motion unanimously passed

North Fork Veterinary Clinic, LLC, Brookville, Jefferson County, has requested loans in the amount of \$125,000 from the Economic Development Administration Revolving Loan Fund for 15 years at the rate of 3.75% and \$171,750 from the Intermediary Relending Program V for 15 years at the rate of 3.75% for building acquisition and renovations, equipment, furniture and fixtures and working capital. North Central's collateral will be shared second mortgage on real estate, shared second lien security interest on veterinary equipment and shared first lien security interest on office furniture/equipment with the Jefferson County Development Council, subject to the first mortgage of NexTier Bank and first lien security interest of Patterson Veterinary Supply, as well as the personal guarantees of the owners. Eight new jobs will be created within three years. The projected annual average hourly rate will be \$14.78/hour plus 20% benefits.

Jim Thomas moved to accept the loan to North Fork Veterinary Clinic, LLC, seconded by Carol Duffy. Motion unanimously passed.

## **DISCUSSION**

Regarding an update on the Strategic Plan proposal from Strategy Solutions, Jim Chorney reported one of the issues we ran into with the funding was that once we apply for it, the funding source would not accept a revision to the dollar amount. The original proposal from Strategy Solutions was \$13,500. As far as eligibility, for this particular grant source was about \$25,000. The conversation at the February meeting was whether there were other things that we would like Strategy Solutions to be able to do within the Strategic Planning process.

We reached out to Strategy Solutions and talked about some of the things that were mentioned at the February Executive Committee meeting, i.e. going out to each of the individual counties and talking to all three commissioners, looking at new grant opportunities and funding sources, and when it came to the implementation of the plan having Strategy Solutions be more active and supplying us with information such as templates, etc. that would help us with outreach to some of our partners. Strategy Solutions did that and the new proposal is set at \$24,500, which we sent into the State.

We are not locked into that. We haven't signed any agreements at this time with Strategy Solutions. The only thing that has been approved is that we could sign the original agreement amount contingent upon funding. Right now we are just putting that in there so we have access to the full \$24,500. We can always change the work plan if we have to with the State. This is putting the cart before the horse right now but this is how we have to do it with the State as far as being able to have access to all those dollars.

We wanted to give you an update that we have applied for \$24,500 and hopefully we will get it and then as we are going through this process, we can talk a little more about the changes that Strategy Solutions has proposed for that dollar amount and make sure that everyone is still on board with the direction.

Matt asked if anyone has questions or doesn't understand where we are at; he doesn't want to assume that you are okay if you are not.

Carol had a question regarding, since it was a bid process, going back and changing the scope if this is allowed as now we are going to change things.

Jim Chorney stated that we haven't agreed to anything with Strategy Solutions. This was just a proposal to access the full amount of the grant opportunity. Jim will reach out to our solicitor, Tom Coppolo, and make sure that we are within our legal right to be able to negotiate with the contractor to change the scope of work.

Matt said that if we had the pot of money available, we could just dip in to it as needed and pay for those additional add-ons to the project. However, in this case we have to have that bucket in place first and to do that it has to be supported through a proposal. We have to present this to the funding source as it could be up to \$24,500 so we have that reserve amount. Then we can add those in as needed, anticipating the possibility that maybe there will be a change order. If that would happen and we didn't have the money, then we would be stuck.

Carol said if Jim will get legal opinion, she would appreciate it.

If we clear that hurdle and get approved from the funding source, then we can revise the contract and Matt would like to have that agreement reviewed by everyone.

Jim said we haven't done anything other than give conditional approval to sign the contract, which we haven't even done. We are not bound legally at this time for anything. We won't move forward with any of that until we get clarification and review it again with the Executive Committee.

The revised proposal was received on Friday because the funding source, Keystone Communities, wanted an answer as quickly as we could get one to them. Strategy Solutions was asked to rush this new information to us so we could submit the proposal. This was done on Friday. Jim has a copy of what Strategy Solutions is proposing. It has been reviewed by staff; and he will forward it out to the Committee to make sure that if there are any issues or questions in regards to what they are proposing for the additional amount, that everyone will have the opportunity to review it and ask any questions they may have.

Regarding the ARC process we go through for projects, we had two projects that they asked for full applications for the ARC funding. Unfortunately one of them had to pull their application. It was the University of Pittsburgh at Bradford's application. It came down to a timing issue as to when the class was actually going to operational versus when the equipment was going to be purchased. It is more of a deferral than it is pulling the application. The app is being pulled for this year's round of funding, but they are going to re-submit for next year's round, as the timing will work out better as far as when the class will be up and running.

Bob Rusiewski asked Jim to mention that if anyone has a project they think might be eligible to be considered for next year's round of ARC funding, to please submit a two-page summary to Bob no later than May 3. And if you have any questions or are not sure if a project would be suitable, to contact Bob either by email ([bobr@ncentral.com](mailto:bobr@ncentral.com)) or by phone at 814-773-3162 and he will assist you.

Regarding the NADO/DDDA Conference recently held in Washington, DC, Matt stated it went very well. Along with Pennsylvania's seven LDDs there were LDDs spread from Mississippi to New York. Being in a room with people from 13 states gives you the perspective that what we are doing is an integral part of a much larger multi-state regional organization.

Matt said he was speaking to people from SEDA-COG about how we are having difficulty getting our message out and letting people know the good work that North Central does. Even within our counties we have a hard time conveying to people the work we do. The SEDA-COG Executive Director said they just hired their own Community Relations person. It was interesting being there and finding out that our problems are shared with a sister organization and how they are solving the problem.

Jim stated that that is a common theme. He thinks there are 420 counties across the 13 states that are part of the ARC Region, with 52 of them being in Pennsylvania. It is a common message across all those counties that we, as a group, don't do a good job of conveying the message of all the good work we do. That was part of the reason that North Central looked at developing the impact Tool which we started. We have been handing out a one-page report, which is overview of what North Central does and the information was taken from the Impact Tool. We show them that site and walk through it. Ed just did it for Sherri Collins when she was here on Monday to talk about what we do regarding Broadband. That Impact Tool was a good piece for him to show her visually as to what he does.

This was also used when Congressman Glenn 'GT' Thompson was here on Friday. That went very well. The Impact Tool was used to start the conversation to show him what it is we do with the ARC Programs and EDA Programs, our Federally-funded programs. This led into Broadband which is a very hot topic right now at both the Federal and State levels. We have been working on trying to position ourselves to show that there is an alternative to what everybody considers to be Broadband, more cost effective for rural areas such as ours.

The message is starting to get through to people. Congressman Thompson suggested to bring the Federal Co-Chair of ARC, Tim Thomas, to our region to have a conversation in regards to Broadband.

We are making progress as far as getting out there and telling our story but it is a common theme among a lot of organizations.

Jim also mentioned the PREP meeting that was held on Friday at the Flickerwood Winery. Secretary Redding attended and gave an update on the Ag Report, which was very well attended. Representatives Causer and Dush were in attendance as well along with many local people.

Also in an effort to cut expenses, we are going to start sending encrypted emails out that will have the board packet in it. Ed suggested the encrypted email so Jim wants everyone to be aware because the last time we sent an encrypted email out for the Strategy Solutions proposal, some people didn't open it because they were concerned it was a virus that shouldn't have been sent to them. Around the same

time the meeting minutes are sent out, about a week prior to the meeting, you will see an encrypted email come from North Central. When you receive the email you create an account and then you are set.

Ed also stated that we have iPads available which the information will be downloaded if someone doesn't have the printout when they come to the meetings. North Central Enterprise has been using this for about a year where they either bring their own iPads or use the ones we are able to download the information on for their use during the meetings.

One other thing Matt mentioned was the work that is going on in the back corner of North Central. Keystone Rural Health Consortia is renting a portion of that area and renovations are currently being done to make this space into a medical center. It is hoped they will be moving up here in May or June.

### **EXECUTIVE SESSION**

Chairman Quesenberry called for an Executive Session at 10:15 AM regarding legal and personnel matters.

Mark McCracken moved to go into Executive Session, seconded by Jim Sleigh. Motion unanimously passed.

Mark McCracken moved to reconvene the regular meeting at 10:45, seconded by Jim Thomas. Motion unanimously passed.

Chair Quesenberry stated two of the items discussed were presented by Jenn Hibbard of the Loan Program Department.

The first is an outstanding PIDA loan that has fallen into delinquency. We are accepting the recommendation of the Loan Review Committee that we need to pursue any and all means to recapture those outstanding funds.

Mark McCracken moved to pursue any and all means to recapture those outstanding funds, seconded by Jim Thomas. Motion unanimously passed.

The second item presented involved a delinquency on a Microloan. The Loan Review Committee has recommended again that all means necessary to recapture to pursue recapturing those funds be made available.

Jim Thomas moved to pursue that all means necessary to recapture to pursue recapturing those funds be made available, seconded by Carol Duffy. Motion unanimously passed.

The third item discussed was regarding a personnel matter. There is a recommendation from the HR Committee on a re-evaluation for the Community Development Coordinator that the current Level 9 be adjusted to a Level 11 which would commiserate with an increase in salary.

Jim Thomas moved to accept the recommendation of the HR Committee to re-evaluate the Community Development Coordinator position from a Level 9 to a Level 11, seconded by Jim Sleigh. Motion unanimously passed.

**ADJOURN**

With no additional items to be discussed, Mark McCracken moved to adjourn the meeting, seconded by Carol Duffy. The meeting adjourned at 10:50 AM.

Respectfully submitted,

Daniel Freeburg  
Secretary/Treasurer