



## NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

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### NCRPDC Board Meeting Wednesday, January 23, 2019

#### Board Members Present

H. James Thomas	Cameron County
Matthew Quesenberry	Elk County
Daniel Freeburg	Elk County
Bradley Lashinsky	Clearfield County
Jeffrey Pisarcik	Jefferson County
Jack Matson	Jefferson County
James Sleigh	Jefferson County

#### Staff

James Chorney  
Amy Kessler  
Christine Perneski  
Cheryl DePanfilis  
Julie Kasmierski  
Ed Matts  
Mary Lou Jessop

#### Via Conference Call

Jill Martin-Rend	Jefferson County
Carol Duffy	McKean County
Tom Riel	McKean County
Dr. Lawrence Feick	McKean County

#### Guests

Deborah D. Pontzer	Congressman Glenn Thompson's Office – via Conference Call
Mark Adams	Senator Scarnati's Office
Zachary Ankeny	Representative Cris Dush's Office
Fritz Lecker	Representative Gabler's Office
Neil Fowler	Center for Strategic Partnerships, DCED
Susan Swanson	Allegany Hardwoods Utilization Group – via Conference Call
Thomas G.G. Coppolo	Solicitor

Vice Chair Matt Quesenberry welcomed everyone to the meeting and called the meeting to order at 11:10 AM with the pledge of allegiance to the flag.

#### INTRODUCTIONS

As there were guests present and people on the Conference Call, Vice Chair Quesenberry asked everyone to introduce themselves.

#### MINUTES

With no corrections, additions or amendments to the October 24 Executive Committee Minutes and Full Board of Directors' Minutes , November 28 Executive Committee Minutes and December 19 Executive Committee Minutes, Jeff Pisarcik made the motion to accept the minutes as presented, seconded by Jim Thomas. Motion unanimously passed.

### **NOMINATING COMMITTEE REPORT/ELECTION OF OFFICERS**

Vice Chair Quesenberry asked the Nominating Committee members, comprised of Matt Quesenberry, Elk County Commissioner and Jeff Pisarcik, Jefferson County Commissioner, to present their report of the following Slate of Officers for calendar year 2019. This Slate of Officers was accepted at the Executive Committee Meeting.

Chairman – Matthew Quesenberry, Elk County  
1<sup>st</sup> Vice Chair – Jeffrey Pisarcik, Jefferson County  
2<sup>nd</sup> Vice-Chair – Mark McCracken, Clearfield County  
Secretary/Treasurer – Dan Freeburg, Elk County (At-large)

Jim Sleigh moved to approve the Slate of Officers for 2019 as presented, seconded by Jim Thomas. Motion unanimously passed.

Matt Quesenberry then assumed the Chairman's position and thanked Doug for all his work on what was turned out to be a very challenging last year. If not for his steady hand, things that transpired over this last year would have turned out much worse. On behalf of the constituents we serve, we extend a very big thank you to Doug for the work he did for the Commission and for our Executive Committee.

Matt thanked the Nominating Committee for their work, as well as thanking the new Slate of Officers for their commitment to North Central.

### **PRESENTATION**

Matt introduced Neil Fowler, Executive Director, Center for Strategic Partnerships, Office of Technology and Innovation, Department of Community & Economic Development.

Before starting his presentation, Neil acknowledged the good work Jim and his team have been doing over the past year. There have been some challenges; but it is safe to say that it has been in good hands, and Jim has been excellent to work with, along with his team.

Neil's office, along with overseeing the Power Initiative, also handles the Engage! Program, IRCs and the PREP Program and North Central has been doing an excellent job. He just wanted to acknowledge this in front of the Board.

Neil gave a little background on Appalachian Regional Commission (ARC). It has been in existence since about the mid-1960s. It was an idea of President Kennedy and legislated under the Johnson Administration, under the principal that the Appalachian part of the United States was lagging behind the rest of the nation due to transportation issues, rural areas, poverty, high unemployment,

etc. The Commission began officially in about 1965. Pennsylvania is one of 13 states in Appalachia. Technically Appalachia runs from the southern tier of New York to the upper tier of Mississippi. It covers part of 12 states and all of West Virginia. Over the years there have been some counties added to ARC and it has grown a little bit. Fifty-two of Pennsylvania's 67 counties are part of Appalachia.

Through the late sixties there was a fair amount of money flowing through ARC. During the Reagan Administration it started to realize some reductions; and at that time Pennsylvania made a strategic decision in lieu of doing a lot of infrastructure development work. We were doing a lot of that when there was money flowing. It was going to be difficult to have a significant impact in all of our 52 counties when we are doing a large water project here and a large sewer project somewhere else. It may take years before we could touch something in some of our counties. The decision was made that we were going to develop our Enterprise Development Program. They felt there was a need to touch as many constituents as possible and the best way to do that was to work with their employers/businesses.

After doing a study on some of the needs that existed at the time, Pennsylvania, along with its seven Local Development Districts (LDDs), made the determination focusing on Export Assistance, Business Financing and Government Procurement were the three lynchpins of the Enterprise Development Program. Since that time we have been putting a very significant amount of our ARC resources into supporting those programs. We are very different in that respect when compared to the other Appalachian states. A lot of them continue to put money into basic infrastructure. However, we felt that a Technical Assistance Program, focusing on businesses, was the best way to leverage those funds.

Today we get about \$5 million annually from ARC plus an additional \$3 million from PennDOT essentially to do access roads. Bob Rusiewski has done a fantastic job of taking advantage of the program over the years.

Of the \$5 million we get about \$3.3 million goes to the Local Development Districts. That demonstrates the importance that is placed on the seven LDDs and Neil doesn't see that changing any time soon.

Regarding the \$1.7 million that remains, many go through the process of submitting projects to Neil and his staff for consideration for those remaining funds. That doesn't go very far. They are fortunate if they can put \$200,000 - \$300,000 in each of the seven LDDs and try to maximize that. They will still do basic infrastructure projects, some workforce projects and being that the ARC regulations are fairly broad, they can do some healthcare projects, education projects; just about anything that demonstrates a benefit to the citizens and businesses in the communities of Appalachia.

Four years ago Congress recognized that, because of the downturn in the coal economy in large part because of the Clean Coal Regulations in the late 2000s, many of our coal-impacted regions were greatly affected either by shuttered coal-fired power plants, companies that were in the coal supply chain and were losing business because we weren't building things that the coal economy needed, or the biggest impact of those areas that had laid off mine workers.

ARC's overall budget is about \$70 million so it's not a whole lot for 13 states to share and by formula, with our \$5 million, states that have more distressed counties such as the Central Appalachian states, it sort of a double-edged sword. We feel we have used our money so well that currently we don't have any distressed counties; however, because of this, we don't get as much money. We are trying to demonstrate that just because we don't have distressed counties there are still a lot of small communities across our 52 counties that are hurting. It just may not mathematically convert into a distressed county.

Congress allocated \$50 million three years ago for the first year of POWER funds. It is a competitive program that is managed a little differently than our normal process. We have little say in the types of projects that are submitted and awarded. It is a competitively-managed program where the applications are submitted directly to ARC. A team of three individuals, one from the Federal Co-Chair's office who scores all of them, an outside expert who reviews them based on the type of project it is, and a peer of minor program manager in another state will be the third evaluator. They will look at the applications, look at the criteria ARC has developed and then make recommendations to the Federal Co-Chair, who ultimately signs off on all of the projects, whether it is our regular ARC projects or the POWER projects. He has the power to either accept or reject those projects.

Last year we had a local project rejected because the Federal Co-Chair felt it didn't improve the local economy or the project wouldn't have improved the local economy. There were six other projects rejected as well.

Neil and his staff are trying to figure out what is an eligible and fundable project these days. They are working Bob hard for some of the projects that have been submitted. The last thing we want to do is ask someone to spend a lot of time preparing an application only to have it rejected. They are trying to get feedback early from ARC as to whether they think it is a project that would get approved or not. It is interesting times.

The same situation exists with the POWER funds that the team scores them, but the Federal Co-Chair then determines if they are going to be actually awarded or not.

We are into the fourth year of POWER. There were two rounds in FY 2018 and have another \$50 million in FY 2019. The reason we are trying to get out and beat the bushes and push hard for this is that in the second round of 2018 we essentially got "skunked." There is one award that will be announced shortly in North Central's area but it is a very modest award. Neil believes there is still a lot of money on the table that needs to be secured by partners across Pennsylvania to support our coal-impacted communities. Neil said the very first POWER award was made in this area to the Pennsylvania Wilds for \$500,000. The precedence has been set that it's not difficult to demonstrate that there are coal-impacts in this area. Much of that was based on companies in the supply-chain that have experienced a down turn.

The problem isn't so much articulating coal impacts; it is just generating good projects so we are asking for your help. We are going to be doing more aggressive outreach to partners so that we can generate more applications. After the second year, ARC specifically came to Neil and said that after doing some analysis of the awards, they felt that Clearfield County and Indiana County were two

counties in Pennsylvania that had strong coal impacts and did not receive the level of investment that they felt they may be worthy of.

Many POWER awards are multi-county projects. If you represent a county where you feel the coal impacts are significant, partnering with two or three other counties can help pull you along.

A copy of the RFP, as well as the POWER Award Summaries by State as of October 2018, was handed out. We ask your help to spread the word. ARC is always looking for new applicants. ARC put a clause in this year stating that if you have a current POWER award that is not due to expire within six months, you are ineligible. But there is a way to get around that. A current grantee could partner with another organization to be the applicant so that is not a deal killer.

Neil said they want to get a significant piece of the money. A lot of money has gone to Kentucky, the home of the Federal Co-Chair and a lot has gone to West Virginia. Ohio has received some the money as has the southern part of Virginia. We feel that Pennsylvania, over the four years, hasn't quite gotten its share. We don't want to blame ARC until we demonstrate that we have submitted a significant number of good applications. One thing that has changed this round that all the states have argued for is we want to be able to articulate what our priorities are. It is now a requirement that we see all applications upfront that go in and we are going to be able to essentially make a pitch to the evaluators with the projects we think are top priority and be able to comment on them. One can write 10 pages of stuff but there are still a lot of things that outside evaluators might not know about the region or the state so it gives Neil and his staff a little bit more of an opportunity to help advocate for our projects.

Any help you can provide please lend a hand and distribute the information. Simply go to [arc.gov/POWER](http://arc.gov/POWER) and there is a lot of data on there in terms of research data to demonstrate coal impact, there is the RFP as well as the previous awards. There are some training sessions that are being held in four other states, Pennsylvania was not selected to host one. The northern most one is in Morgantown, West Virginia. However we have requested and ARC has agreed to do a mini-leadership meeting and Jim Chorney will be asked to represent this area or his designee. There are about 50 people that will come together for a three-hour session in Altoona to hear from us and hear from ARC about the types of projects that ARC is looking to support.

Bob Rusiewski stated that probably one of the reasons this area hasn't taken advantage of the program is because they were worried about justification of being close to a coal-impacted community wherever the project was and also the matching requirement. Could you talk about the matching requirement?

Regarding the matching requirement, Neil said they are essentially the same for most areas. All of Pennsylvania is 50/50%. ARC has always been very liberal in terms of utilizing In-Kind so Neil has yet to see a project not go forward for lack of match. If you are working with businesses as part of your project, other partners putting a value on contributed services, is certainly eligible. Match can be tricky but most projects that he sees are able to secure that match. You can anticipate the match so when you submit your application and it is scored and you get the award, if the match was a little iffy at the time you can go around and say that you received this million dollar award and my match was a little bit iffy when the application was submitted, they will give you the time to secure that match

before finalizing the project. They won't deny the project if you don't have committed match letters upfront.

In terms of demonstrating the match, the fact that they specifically mentioned Clearfield the fact that there is another award in the works and the large one the PA Wilds received, sets the precedence that the area has already demonstrated that it has enough coal impact to generate awards. Now it is just coming up with good projects.

The Federal Co-Chair likes basic economic development projects. He was a staff member of Senator Mitch McConnell. He's big on opioid-related projects that have a business impact to them; in other words getting addicted individuals to get back into the work force. He is also very big on entrepreneurship business development-type activities. Workforce is another area where ARC has made a lot of investments. They are looking a little bit harder at those projects, primarily in areas when we have had some POWER Awards in all our states that were designed to train laid-off mine workers. Sometimes those people just want to sit it out for a little bit before as a 50 year old individual gets retrained to a new occupation. There have been some projects that have been a little difficult to pull off because not enough individuals have taken advantage of the retraining opportunities. Workforce projects don't really have to meet the needs of laid off coal miners or people who have worked for mining supply companies. Once a region demonstrates that it is coal impacted, it can serve high school, college students so the training doesn't have to be focused on direct laid off mine impacted people.

Neil said one of the ways to generate interest is to share some of the awards other states have received. There are programs that train individuals to get into drone piloting. There is a bee keeper training program so there are some real interesting ideas that are unique to certain states and certain regions. Any county or a combination of counties in the Commonwealth could work together and come up with some creative ideas. ARC likes to say that this is the type of funding that is used to do those projects they historically didn't have enough money to do with their regular ARC funds. These are projects that run from \$500,000 to \$1.5 million.

This year of the \$50 million, \$15 million of that is reserved for Broadband activities. ARC felt that there hasn't been enough awards in that area and those generally require a lot of money. The maximum amount for Broadband projects is \$2.5 million. There have been several Broadband awards. A tower was built at the Outdoor Anthracite Recreation area in Northumberland County. Somerset County received an award to lay fiber. The northwest region has received a \$1 million plus POWER grant to deploy wireless Broadband on their fire houses throughout the region. There is money to be had.

The Governor has made a commitment to provide resources to help deploy Broadband in our rural areas. To that end former Commissioner Mark Smith had been heading the charge, but has now left the state government and Sherri Collins is filling that role as the Acting Executive Director of the Broadband Initiative. Governor Wolf is ARC Alternate so he has a strong mandate to help promote Broadband projects as well. We are going to lobby to get some of that \$15 million. Neil stated that these are complicated and are generally construction projects but \$2.5 million can do some things.

Ed Matts said we are currently doing a lot of that. We are a little different than the other LDDs. We have our own wireless network that covers 11 counties. We have been trying to work with all the counties in our region to come up with a project that would touch all of them. They may not be touched connected wise but they will actually be small pockets of projects.

Some of the issues Ed has with some of the grant funding is he needs it sooner than later. You talk to a community and it is going to be six months to a year to even get started on a project. That's way too long to wait. We try to do it with local funding between us and the entities we are covering. We can usually deploy within a month. It would be nice to be able to apply for a pocket of money that we could distribute mini-grants to these people to help defray some of the costs. We try to keep everything \$10,000 or less for the build-outs because we do a lot of in-house work. That is frustrating knowing Ed can get to a customer but it's going to take a year to get your money, or six months to find we can actually start a project.

Ed asked if projects could be started before an award is given and back paid.

Neil said generally no because that is a sign to ARC that you really don't need the money. If you are able to start the project, why do you need ARC funding? Neil thinks ARC seems to move the POWER grant awards faster than the normal projects. These are definitely high priority and this will close April 10. They will be reviewed probably over the next 60 days and Neil anticipates that awards could be made as early as August as ARC will want to get them done before the end of the fiscal year.

As far as mini grants, Neil asked who would receive them. Ed said it would be the entity he is working with. Maybe a business that needs a few thousand dollars for the build-out to get to their facility. Most of them are \$2,000 - \$3,000.

Neil said there is precedence under the POWER program for ARC to do mini grants for businesses. The IRC network has received a POWER award to do that. Sometimes ARC has been reluctant because they lose some of the control. They don't know who you are going to make that mini grant to.

Neil said Ed needs to be very specific as to what the criteria is so ARC understands who is the eligible community of recipients there. Neil thinks that would potentially be a very strong application.

Ed has at least 10 projects in motion trying to do the line of sight studies. We typically do a lot of wireless work. He has a very small community in McKean County that actually has no service. They don't have DSL. All they can do is satellite and can do Verizon Air Cards and Ed is trying to get to them. We do a lot of work with the State Police in the local communities using all their assets we can actually use. That is an area that could be a good project but Ed will be finished with it before we can even apply for it.

When asked how it is being funded, Ed said it will be funded locally to which Neil asked why he would need additional funds. Ed said it may strap the local community to come up with the money. If there was a vehicle to get even a notification of a mini grant that you can be awarded money for

that particular project that would make it easier. Sometimes we'll eat it and pay for it over the service we sell for a year we will pay for your build out. We will work with the individuals.

Neil said then there is still not enough money to solve the entire problem.

Jim asked if there was any way to apply for the ARC POWER dollars based on the concept that he has, not necessarily having the projects in mind but knowing that we are going to be reaching out to local communities to develop those projects.

Neil said that generally ARC wants specifics. However, if you would like to go down the path of a Technical Assistance grant, which is more of the feasibility study to do some of the leg work to identify the exact communities that are going to do it, that's the award that is going to be made in this region unrelated to Broadband. They allocate about a million dollars of the POWER money to do \$50,000 Technical Assistance grants. These are generally feasibility studies designed to tee up and follow on implementation projects. The problem with that is we don't know how long the POWER money is going to be available and if all possible Neil said to go after the big pot now because if you have a \$50,000 Technical Assistance grant and POWER could go away next year, although it has been a very popular program but who can predict what the budgets are from year to year. That is an option.

SEDA-COG is doing that and that is what led to the Northwest implementation project. They got a \$100,000 TA grant. That cap has now been lowered to \$50,000 but this could be Plan B if you are not ready for implementation. Generally if you have a good feasibility study, implementation is almost pretty much guaranteed.

Ed said we do the feasibility studies in house. He does all the work for that. We have a local fiber provider we work with. We are friendly competition so they compete with us to get customers and we refer people back and forth. If we can't get to a customer, maybe they can do it wirelessly and maybe eventually do fiber to them. We do a lot of different things here that a lot of places don't.

Matt said that even though the application is directed to ARC, he presumes we will still work through Bob and your expertise to know how to shuttle those if applicants have good ideas.

Neil said they are strongly urging applicants to start with their Local Development District to keep them in the loop so you are aware of what is going on in the region and then ask them to let Neil know what the application is actually going to be.

Matt thanked Neil for the very informative presentation.

## **DISCUSSION**

Regarding the federal shut down and how it may affect us we know with some of the programs people are furloughed and we are not getting a response. In the case with ARC and Neil's office, one of the topics that came up was the ARC money from what we have been told has been approved and is pretty well in place. Will that money be distributed down to the state to help fund the PREP

program, ARC Admin, etc.? We submitted our ARC Admin grant on November 21 and haven't gotten any response and we know some of that is because of the shutdown.

Neil said it is not because of the shutdown. ARC is fully funded; awards have been made because ARC was one of the agencies that were funded in the fall. The only thing impacting ARC is that there are projects that they do in conjunction with other federal agencies that are impacted. In terms of North Central's Admin grant, there is a new staff person that has taken over and Neil suspects it is her getting up to speed. Neil sent an email on Tuesday inquiring about that.

Matt called on Mark Adams to say a few words. Mark stated they are getting ready for the upcoming budget hearings and see where those hearings go.

Zack Ankeny from Rep. Dash's office repeated what Mark said and said sessions are just getting underway. They are just waiting to see what Governor Wolf has in store.

Fritz Lecker stated that Rep. Gabler is back from deployment and Fritz will be attending our meetings.

The next Full Board of Directors' meeting will be held on Wednesday, April 24, 2019, in the Teleconference Room at the North Central Office, 49 Ridgmont Drive, Ridgway, PA.

#### **ADJOURN**

With no other business to be discussed, Dan Freeburg moved to adjourn the meeting, seconded by Jeff Pisarcik. The meeting adjourned at 11:50 AM.

Respectively submitted,

Daniel R. Freeburg  
Secretary/Treasurer