



## NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

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### North Central Board Meeting Wednesday, March 24, 2021 – 9:30 AM

#### Members – in person or via Zoom

Ann Losey	Cameron County
Cliff Clark	Cameron County
Dennis McKimm	Cameron County
Dave Glass	Clearfield County
Jodi Brennan	Clearfield County
Kristy Smith	Clearfield County
Matt Quesenberry	Elk County
Jodi Foster	Elk County
Eric Wolfe	Elk County
Jeff Pisarcik	Jefferson County
Jamie Lefever	Jefferson County
Jim Sleigh	Jefferson County
Carol Duffy	McKean County
Susan Zook Wilson	McKean County
Nancy Grupp	Potter County
Paul Heimel	Potter County
Doug Morley	Potter County
Carolyn Newhouse	At-Large – Bradford Area Alliance

#### Staff - in person or via Zoom

Jim Chorney  
Amy Kessler  
Cheryl DePanfilis  
Chris Perneski  
Ed Matts  
Jennifer Hibbard  
Julie Kasmierski  
Mary Lou Jessop

#### Guests via Zoom

Ashley Megat	Senator Pat Toomey's Office
Deborah Pontzer	Congressman Glenn Thompson's Office
Steve D'Ettorre	Deputy Secretary of Technology & Innovation, DCED
Neil Fowler	Executive Director, Office of Technology & Innovation, DCED
Alex Swan	Economic Development Analyst, DCED
Zachary Ankeny	State Senator Cris Dush's Office
Dr. Jill Martin-Rend	BC3@Brockway
Tom Beveridge	Solicitor
Christine Holtz	Bradford Era
Brian Stockman	Ridgway Record/Daily Press

Due to Chair Duffy having another meeting that she would have to leave to attend, Vice Chair Grupp called the meeting to order at 9:30 AM with the pledge to the flag.

## **QUORUM/INTRODUCTIONS**

Roll call was taken to make sure everyone on the meeting was captured. There was a quorum for the meeting.

## **MINUTES**

With no corrections or amendments to the January 27 and February 24 Board Minutes, Ann Losey moved to accept the minutes as presented, seconded by Jeff Pisarcik. Motion passed.

## **GUEST SPEAKERS**

Nancy introduced Steve D’Ettorre, Deputy Secretary of Technology and Innovation and Neil Fowler, Executive Director, Office of Technology and Innovation, PA Department of Community and Economic Development, our guest speakers. Alex Swan, Economic Development Analyst of DCED, was also on the call.

Deputy Secretary D’Ettorre thanked the Board for the invitation to speak. Open lines of communication are what they are looking for. He also thanked Jim and others that have been instrumental in getting us through the past year. We have made great strides and a lot of that is based on help from and through advice from the LDDs and other economic development partners.

Regarding the budget, the Governor issued his budget which will go through the budget process hopefully ending around June. It is essentially a flat-funded budget with the exception, at least within DCED, of two programs. The PA Manufacturing as well as the PREP line both seeking an increase of \$1.5 million. While acknowledging that \$1.5 million is not an enormous amount or significant increase, it is one of only two increases that are proposed. That goes to show the commitment and importance that the Governor and the Governor’s Office see in these programs in terms of economic development.

As well there is an influx of Federal dollars that will soon be making their way through the State in a number of different channels, some through your county and local governments, others will come directly through the State. Not being able to speak on all the Federal dollars that will be coming in, there is one program, SSBCI, which is part of the stimulus. It is a \$10 billion pot of funds of which the states will receive a pro rata share. The Deputy Secretary believes Pennsylvania is estimated to receive somewhere in the area of \$220 to \$250 million, with the hopes of having these dollars help small businesses. They are currently having discussions with their partners on the best people to receive those dollars and how to get those dollars to those businesses. He does think the PREP network may play a role in that. That is something to think about, either impacted sectors or delivery mechanisms or concerns you may have from prior experiences with receiving Federal dollars through the first CARES Acts.

They are open to any comments you may have on ways they can effectively distribute these dollars, as it is a significant amount of resources that will be coming into the State.

The Deputy Secretary thanked everyone for the time and is looking forward to a discussion. He then called on Neil to speak.

Neil said it was good to see a lot of familiar faces and they miss the opportunity to see many of us face to face. Hopefully there is a light at the end of the tunnel and they will be able to travel up this way again very soon.

Neil took a few minutes to acknowledge the work of many of the people at the North Central Commission, from Jim, Chris, Rachel, Amy and Ed and so many that they interface with on nearly a daily basis. His office oversees the PREP Program, both State and Federal funding, and Neil's colleague Alex is sort of the day-to-day person on those programs. As Steve indicated, they view their responsibility to really help our funders understand the tremendously important role that you all play, especially over the past year. Neil thinks that is reflected in the Governor's proposal.

They have also been successful in receiving an increase on the ARC funding side. They do have funds available right now for ARC projects. Neil knows this is the time when most of the Local Development Districts are beginning to identify projects for next year's funding; but Neil has told Jim and his team that they actually have a balance right now. If any of you are familiar with the types of projects we can do with ARC funds, it is rather broad. If you have a need that exists right now, please talk to Jim and his team and Neil would be happy to consider a project yet in this Federal Fiscal Year.

They were also recently able to advise the PREP coordinators of some additional funds that they recovered recently that they are able to put back out in the field. Therefore, each of their 10 PREP regions will be getting an additional \$52,000 to put towards COVID recovery efforts. Over the past year twice they have asked their partners to put together regional analyses of the impact of COVID on businesses and we have asked them to take a look at that and seed any initiatives that might be able to address some of those needs that exist, primarily from a technical assistance standpoint. There has been a lot of capital infused, both from the Federal and State Governments. This is more technical assistance types of activities that their PREP partners could engage in to help address some of the needs. They have identified those funds and asked Jim and his team to come back to us in a couple weeks with a brief proposal and budget on how the North Central region could expend those dollars.

Neil also talked about the ARC Local Access Road program. They have about \$5 million annually for roads into industrial parks, medical centers, etc. North Central has always taken advantage of this funding and we will again be looking for those types of projects in the next fiscal year as the \$5 million has been obligated this year. It is a tremendous program and doesn't require a match so they are able to do up to 100% funding of those types of projects.

Again, Neil just wanted to acknowledge the people they work with at North Central and thanked the Board for Jim's leadership and the work that all the staff do. It makes their life easier and you really have a good team. He looks forward to being able to get up this way very soon.

Carolyn Newhouse stated how much she appreciates the many programs they are overseeing.

Deputy Secretary D'Ettorre and Neil thanked her for her comments.

With no further questions or comments, Nancy thanked the Deputy Secretary and Neil for joining the meeting and we appreciate all that you do for our region.

## **NEW BUSINESS**

### Financial Reports

Regarding the Financial Reports, Jim stated these reports have the actual budgets that were the actual approved budgets with our funding sources. As you look down through the reports, if you see areas that we might possibly be over budget in a particular category, we are starting our final stretch as far as a lot of our grants are concerned. We will be looking to make modifications to adjust for those expenditures. If there are any questions in regards to specific expenditures, we will be happy to answer those questions. It is a fluid process. We add grants as they come in and as they get modified.

With no comments or questions on the July through February Financial Reports, Jodi Foster moved to accept the Financial Reports as presented, seconded by Dave Glass. Motion passed.

### A95s

There were no A95s.

### Correspondence

There was no Correspondence.

### Purchases

There were no Purchases.

### Resolutions

Jim presented Resolution No. 21-03-3026 for the Penn Highlands RACP Grants. We had previously approved two separate resolution for the Penn Highlands RACP grants. However, the consultants and State asked that both RACP grants be combined into one. Therefore Resolution 21-03-3026 is putting the information of the two previous resolutions into one.

Vice Chair Grupp asked for a motion to approve Resolution 21-03-3026 for the Penn Highlands RACP grant.

Doug Morley moved to approve Resolution 21-03-3026 for the Penn Highlands RACP grant, seconded by Ann Losey. Motion passed.

### Loans

The Pour House Bar and Grill, LLC, St. Marys, Elk County, has requested a loan in the amount of \$20,000 from the EDA CARES Act Revolving Loan Fund for 7 years at .75% for the purchase of equipment. Purchase equipment in need of replacement due to breakdowns/failures including a refrigeration unit, restaurant range, countertop over, two-sided grill and accessories/delivery costs. North Central's

collateral will be first lien security interest on equipment to be purchased, as well as the personal guarantee of the owners. Four full time jobs and 11 part-time jobs will be retained.

Vice Chair Grupp called for a motion to approve the loan to The Pour House Bar and Grill, LLC. Matt Quesenberry moved to approve the loan to The Pour House Bar and Grill, LLC, seconded by Jodi Foster. Motion passed.

Lowell M. Watts d/b/a Family Drive-In Theater, Kane, McKean County, has requested a loan in the amount of \$25,000 from the EDA CARES Act Revolving Loan Fund for 5 years at .75% for the purchase of equipment and working capital. The working capital is to sustain operations from revenue losses due to impacts of COVID-19. Purchase of a field ordering system will allow patrons to order and pay for food and beverages from their car with delivery to their vehicle. North Central's collateral will be first lien security interest on all business assets, as well as the personal guarantee of the owner. Ten part-time seasonal employees will be retained.

Vice Chair Grupp called for a motion to approve the loan to Lowell M. Watts d/b/a Family Drive-In Theater.

Carolyn Newhouse moved to approve the loan to Lowell M. Watts d/b/a Family Drive-In Theater, seconded by Susan Zook Wilson. Motion passed.

Jenn also reported that Michael Haines of CNB Bank will be retiring on March 31, 2021, and therefore has resigned from the Loan Committee effective that date.

Regarding the EDA CARES Act RLF allocations. When this first came about it was decided that the six counties would have an equal share of the funds. However, as some counties are not getting the money out we have to have 50% of the funds expended and loans closed by June 30 or lose the funding. Jenn had a discussion with the Loan Review Committee and now the counties have until April 16 to get their share of the funds out. After that date the funds for the EDA CARES Act RLF program will be open for the acceptance of application regardless of county. This approach will respond to the demand of the small market of businesses with an interest and need to incur additional debt for capital projects which demonstrate a clear link to the impacts of COVID-19. Unexpended funds for this RLF are at a high risk for termination for the entire North Central region if less than 50% of the award is not expended for approved loans by June 30, 2021.

These are loans and not grants so it's not quite as easy to get through this money. Furthermore, there are people that don't want to take on the added debt. We don't want to lose access to the \$1.72 million that was allocated to the region. Ultimately those dollars that are being lent out now will stay with North Central and we will have the ability to relend those dollars into the future as long as we meet all of their requirements.

The repayment terms of 7 years or less is .75%. If it is a repayment term greater than 7 years it is 1.75%. The borrower does get a deferral of principal and interest payments for the first six months and then the repayment term begins.

When asked if this is for non-profits as well as for-profit businesses, Jenn said the program is open just for-profit businesses only right now. She added we can finance working capital, equipment, real estate purchases but we cannot finance construction, renovation, modifications to building because that would be subject to the Davis-Bacon Wage Act. The refinancing is a little tricky. She gets a lot of requests for that. EDA is very strict on that. It is generally not an eligible type of project to finance unless they can demonstrate it would prevent the business from closing and it would support growth opportunities for the future and future job creation.

Jenn noted that most of the requests she has been seeing is for equipment and some working capital.

Deborah Pontzer asked if EDA prevents it from being from being a non-profit or is that something that North Central is doing?

Jenn replied that is the way we wrote our work plan. If we wanted to include non-profits we could make a modification and submit it to EDA for approval.

Deborah said there are a number of non-profits that are looking at doing master planning and things like that and this interest rate is practically giving the money away. If you are having a hard time giving the money away, she has some ideas.

Jenn was on a conference call with other RLF lenders and EDA and they were talking about getting the money out. What they are seeing is with these other grants that are coming out, not everyone wants to borrow money and she doesn't want to promote the program that this is the answer. It isn't the answer for everyone, but for those who are able to take on additional debt, this is a great resource. It's trying to find that target group of businesses, and whether they would be for-profit or non-profit that could benefit from this this and be able to demonstrate the ability to pay it back.

When asked if there is a job creation element to the loan, Jenn said the only job requirement to this is per every \$50,000 that is lent, there either has to be a job that is at least retained or one created.

Another thing Jenn mentioned in regards to eligibility one of the key eligibility criteria for this fund is you need to be able to somehow tie your project back to COVID. It could be as simple as your business has been impacted by COVID and it can be positively or negatively.

Jenn also included a chart did showing the EDA CARES Act Loan Fund Activity as of March 17, 2021.

### Broadband

Ed stated that he and Adam have been very busy working on many projects. They have been working in the Miola on a project that is yielding lots of customers. We are over 40 customers in that area. They have been contacted by five or six more customers. Every customer that has contacted us we've had probably a 90% take rate. The 10% we don't have we can't get service to them yet. We are looking at inventive ways to get there with solar sites in fields, relay sites on houses. We do that in every area.

They have received calls from the Crosby area in McKean County. They are looking at engineering to see if it is feasible to get to Crosby and help out the County do some services there.

They are looking at engineering in Jefferson County in the Stump Creek area to use some water tanks that are in that area.

They are moving on with all of it.

Another thing is the Broadband Study is coming to an end. The survey is still on our website. They have had some good response recently from Clearfield County. They have over 200 responses in the last few weeks of people that are lacking services so that is on our website. You can let everyone out there know that it is still there. The more data we get in there, the easier it is to apply to for grant funding when we know where we are going to do our projects.

Through the CEDS Committee we have a sub-committee for Broadband and they are helping to assist with the location of those projects and where we are actually going to build.

We are working through all the grant money we have, which is interesting in itself. We have run into some stumbling blocks with some of the phone carriers. Ann was on a few phone calls we have had with them. We are working our way through it and are killing them with kindness right now.

When asked what the deadline for the survey is, Ed stated it will never close. We are going to keep it open forever. The more information we get in the next few months the more it will help us identify target areas so we can apply for funding as more funding becomes available from the Federal and State Government.

#### Governance Committee

As Jack Matson wasn't at the meeting, Jim reported that the Governance Committee is recommending acceptance of the nomination for an At-large Board member, Dr. Jill Martin-Rend, Director of BC3@Brockway. The effective date for a term of three years retroactive to January 1, 2021.

Vice Chair Grupp called for a motion to accept the nomination of Dr. Jill Martin-Rend as an At-large member on the North Central Board for a term of three years retroactive to January 1, 2021.

Jeff Pisarcik moved to accept the nomination of Dr. Jill Martin-Rend as an At-large member on the North Central Board for a term of three years, seconded by Matt Quesenberry. Motion passed.

#### **DISCUSSION**

Jim had several things for the Board.

Most of you know North Central has been working with the CHIRP Program with all six of our counties to get the application up, available and processing. We had it up and available as of March 15 which was a requirement of the legislation. We will be running those applications through April 15 as our first round. The counties are currently taking and processing applications for North Central to review and then approve.

If you know of anyone that is in the hospitality business that uses NAICS Code 721 or 722 that might be eligible, please encourage them to reach out to their county. The applications are specifically on each county's website. It is an electronic application but they do have paper applications available.

Some of you participated in the Board Orientation on February 25 and that is something that hopefully we will be able to do in person in the future. We do plan on doing that on an annual basis so as existing board members, you'll be more than welcome to attend, especially if you missed this orientation. It will be for any new board members that may be coming in. From what Jim understands, everything went very well and was very informative. He appreciated everyone's participation.

Jim then asked Amy to talk about the gas tax and how things are going to be funded moving forward. Amy has been put on a statewide organization to help work through some of those issues.

On March 12, Governor Wolf signed an Executive Order putting together a Transportation Revenue Options Commission comprised of about 35-40 individuals from across the Commonwealth. Amy was asked to be part of it and we are fortunate that we have a second RPO member that is involved, Bob Shaffer representing the Aviation Industry.

When Amy was called about it she didn't know that the option was to come up with \$9 billion and the gas tax couldn't be one of them.

We've all recognized that the gas tax has not been working and it really hasn't been working for the last 25-30 years. Local governments, state governments have been asked to come up with more revenue as the Federal Gas Tax hasn't been increased since 1993.

What we spend as a percentage of infrastructure out of our whole budget, on the GDP it used to be about 1% of our GDP which was spent on infrastructure back in the 1950s-60s and we are now at 1/2%. In comparison China is like 8% of their GDP, Australia is almost 6%. Infrastructure creates jobs, local jobs, not outsourced jobs. It helps us grow our economy. There is a direct connection between infrastructure spending and economic development.

We have to find a way to better fund long term transportation. There is a \$9 billion gap in Pennsylvania and anticipated to be up to \$15 billion roughly by 2030. We have a lot of infrastructure that was built 70-80-90 years ago. We need to decide whether it is still serving a purpose and need. We need to find a way to streamline the project delivery process to get more projects done quicker. Those all need to be part of it versus just increasing revenue. Amy is hoping this committee is going to look at the holistic approach to transportation and not just finding ways to generate money.

It will be interesting. Their first meeting is this afternoon (March 24) and their plan has to be done by August. There is going to be a lot of heavy lifting between now and August. Amy and Bob have met and talked and once they get through today's meeting, they would like to set up a conversation with the Board to get additional input. Amy's not sure what the rules of engagement are right now. She and Bob feel it is important to have local conversations. They are going to talk to the RPO members in April just to get their thoughts so we can be a champion for North Central Region and go back and have our voices be heard.

This is a unique opportunity but one that there's not going to be any answer to.

Jeff asked what is going on with the Census numbers.

Amy stated she has been told they are coming out with enough for the re-districting sometime in September. She doesn't think that is all of the data. So, whatever the legislative body uses for re-districting, urban boundaries, population figures, sometime in the September/October timeframe.

Deborah stated she hasn't heard anything.

A virtual meeting will be held on April 28, 2021, if required, to approve loans.

The next full meeting will be May 26, 2021, at 9:30 AM in person and via zoom.

**ADJOURN**

With no additional items to be discussed, Vice Chair Grupp called for a motion to adjourn. Doug Morley moved to adjourn the meeting, seconded by Kristy Smith. The meeting adjourned at 10:30 AM.

Respectfully submitted,

Padraic McGrath, CPA  
Secretary/Treasurer