



NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

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**North Central Board Meeting
Wednesday, July 28, 2021 – 9:30 AM**

Members – In Person or via Zoom

Cliff Clark	Cameron County
Dennis McKimm	Cameron County
Dave Glass	Clearfield County
Jodi Brennan	Clearfield County
Kirsty Smith	Clearfield County
Matt Quesenberry	Elk County
Joe Dagher	Elk County
Tracy Gerber	Elk County
Eric Wolfe	Elk County
Padraic McGrath	Elk County
Jamie Lefever	Jefferson County
Jim Sleigh	Jefferson County
Carol Duffy	McKean County
Tom Kreiner	McKean County
Susan Zook Wilson	McKean County
Nancy Grupp	Potter County
Doug Morley	Potter County
Abbi Peters	At-large PA Wilds
Carolyn Newhouse	Bradford Area Alliance

Staff – In Person or via Zoom

Jim Chorney
Amy Kessler
Cheryl DePanfilis
Christine Perneski
Ed Matts
Julie Kasmierski
Rachel Wolfel
Shelly Caggiano
Jennifer Hibbard
Mary Lou Jessop

Guests – via Zoom

Ashley Megat	US Senator Toomey's Office
Zachary Ankeny	State Senator Dush's Office
Mike Armanini	State Representative 75 th District
Brian Funkhouser	Michael Baker International
Morgan Ruziecki	Michael Baker International
Thomas Beveridge	Solicitor
Brian Stockman	Ridgway Record

Chair Carol Duffy 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 - May 26 and June 23 Board Meetings

With no corrections or amendments to the May 26 and June 23 Board minutes, Doug Morley moved to accept the minutes as presented, seconded by Dave Glass. Motion unanimously passed.

NEW BUSINESS

Financial Reports

Jim reported that we are going through close out with many of our programs. He hopes to have the Organization Budget at the August 2021 meeting.

With no questions or concerns to the July 2020 through June 2021 Financial Statements, Chair Duffy called for a motion to approve the Financial Reports as presented.

Doug Morley moved to accept the July 2020 through June 2021 Financial Reports as presented, seconded by Jim Sleigh. Motion unanimously passed.

A 95s

There were no A 95s for the month.

Correspondence

There was no Correspondence for the month.

Purchases

There were no Purchases for the month.

Resolutions

There were no Resolutions for the month.

Loans

Jenn presented the following loans for approval:

Vision Quality Components, Inc., Clearfield, Clearfield County, has requested a loan in the amount of \$122,500 from the Economic Development Administration Revolving Loan Fund for 7 years at the rate 2.5% for the purchase of equipment. The equipment to be purchased includes two precision turning centers and robotic system to complete work for new contracts with customers. North Central's collateral will be shared second lien security interest on equipment to be purchased with CCIDA subject to first lien security interest of CNB Bank, as well as the personal guarantee of the owners. Twenty-four full-time jobs

will be retained and three new full-time jobs will be created within three years.

Chair Duffy called for a motion to approve the loan to Vision Quality Components, Inc.

Dave Glass moved to approve the loan to Vision Quality Components, Inc., seconded by Nancy Grupp. Motion unanimously passed.

ACE Hardware of Emporium, LCC, Emporium, Cameron County, has requested a loan in the amount of \$15,000 from the Economic Development Administration CARES Act Revolving Loan Fund for 5 years at the rate .75% for working capital. The working capital costs to be incurred before store opening in October 2021. The delays in receiving shelving due to COVID have postponed the opening of the store until October 2021. North Central's collateral will be security interest lien on business assets, as well as the personal guarantees of the owners. Three new full-time jobs will be created within three years.

Chair Duffy called for a motion to approve the loan to ACE Hardware of Emporium, LCC.

Matt Quesenberry moved to approve the loan to ACE Hardware of Emporium, LCC, seconded by Kristy Smith. Motion unanimously passed.

Mountain Extreme Powersports LLC, Rockton, Clearfield County, has requested loans in the amount of \$100,000 from the Economic Development Administration CARES Act Revolving Loan Fund for 7 years at .75%; \$200,000 from the Economic Development Administration Revolving Loan Fund for 7 years at 2.5%; and \$100,000 from the Appalachian Regional Commission Revolving Loan Fund for 7 years at 2.5% for the purchase of assets of Mountain Extreme, Inc. This purchase would include the assets of Mountain Extreme, Inc. including real estate, equipment and inventory. North Central's collateral will be shared second mortgage on real estate located at 6381 Rockton Mountain Highway with Clearfield County IDA subject to the first mortgage of First Commonwealth Bank, shared second lien security interest on all business assets with Clearfield County IDA subject to the first lien security interest of First Commonwealth Bank, as well as the personal guarantee of the owners. Two full-time jobs will be retained and eight new full-time jobs will be created within three years.

Dave Glass asked if the owner is going to combine locations or keep them separate to which Jenn replied they would be separate locations.

Chair Duffy called for a motion to approve the loan to Mountain Extreme Powersports LLC.

Dave Glass moved to approve the loan to Mountain Extreme Powersports LLC, seconded by Jodi Brennan. Motion unanimously passed.

Regarding the EDA CARES Act RLF, Jenn stated we are doing very well. Out of the \$1.76 million dollars, \$1.5 million has been committed, leaving a little over \$200,000 left. Jenn has closed over \$1 million in loans with \$500,000 loans pending closing. When asked if we did loans in each county, Jenn said year we had loans in all our counties. The average loan was around \$50,000, with the smallest being \$10,000 and the largest was \$150,000.

Broadband

Regarding Broadband, Ed reported that some equipment that had been ordered five months ago was finally delivered. The tower for the Lumber City project has been approved and we expect about 75 customers to come on line.

They have projects coming up in Cook Forest as well as projects with the Northwest Commission.

We are closing out the EDAS Broadband Asset Fund.

The survey is still up and running on our website for the speed test. There is a lot of funding available right now and it is important that we keep the survey on the website as this will help determine where there is a need for broadband.

We are also working with Jeannie Shearer from Windstream trying to coordinate providing service where possible.

Things are moving along and we are keeping busy.

Presentation – Long-Range Transportation Plan 2050

Regarding the Long-Range Transportation Plan (LRTP) 2050, Amy said we are required to develop a LRTP blueprint on how we want to address multi-modal over the next 25 years and this plan is updated every five years.

The Plan covers all modes of surface transportation in our planning area including roadways, bridges, public transportation, bike/ped, rail and human services transportation. The Plan identifies the long-range needs of the transportation system and defines the projects and strategies proposed for federal funding. It also considers the safety and security, resiliency, environmental impact and finances of the transportation system in our region.

With the pandemic that has been going on, we had to be a little more creative in our public engagement exercises; and we utilized the State Transportation Commission's survey that we had over 162 local comments or concerns on how we should be investing our resources. We are looking at the proposed strategies for the long term as well as engaging existing committees that are out there. We have met with groups such as the PREP Network, PA Wilds, CEDS, Allegheny National Forest and the Bradford Airport as well as meeting with this board today. We are trying to piggyback on existing groups to gather public input.

We are building this off a series of Guiding Principles which are high level but we feel in light of a couple different things such as not knowing state revenue, Federal Transportation Legislation expired and Congress is working on a number of different transportation components to include the reauthorization of the FAST Act as well as additional investments on two parallel tracks.

We are hoping these Guiding Principles that we are going to build our Plan around will be incorporated or have elements within whatever comes out of the Federal level in our process.

We also deal a lot with Demographics and are waiting for the Census information to be released. We are walking that fine line of how much work to you put in analyzing old numbers versus waiting for new

numbers and the same with the funding piece.

The Guiding Principles are: Equity, Economic Development; Public Health; Mobility & Accessibility; Asset Management; Land Use, Climate & Environment; Safety & Security; Social Equity and Technology & Efficiency.

There are several questions and Amy went through a couple of them and Brian Funkhouser will join her as well.

What are the 3-5 most important North Central region transportation issues or opportunities the LRTP should address?

- Roads in poor condition in McKean County
- Erosion – edges of roads falling apart
- Lines along edges of roads not sufficient
- Congestion from Woodland Exit on I-80 through Philipsburg to State College
- Route 219 heading North – 2 lanes, lot of truck traffic
- Need connecting rail east-west CM Junction

As transportation revenue streams continue to change, how would you like to see transportation projects funded? As you may have heard, the Governor is proposing to phase out the gas tax. This tax isn't going to be sustainable to fund our transportation. If the gas tax is phased out, what are creative ways to fund our Multimodal Transportation System? The gas tax primarily funds roads and bridges but also funds bike/ped and those types of projects.

- User Tax – when going to gas station put in your mileage and determine how much road usage you are doing. Mileage Based User Fee will be one of the recommendations of the funding commission. You might see a Mileage Based User Fee for electric cars.
- Tolling – PennDOT through their PELL Study is looking to put tolls on nine bridges and they are evaluating the secondary impacts. There is a public meeting shortly for the North Fork Bridge to get input on that. If you are going to toll, it's hard to toll bridges and not the entire corridor so that is something at the Federal level that needs to be decided if they are willing to toll all their interstates. The Federal Gas Tax hasn't changed since 1991 so they are going to have to figure out a mechanism to invest in our transportation system and figure out which source of funding they want to use.
- Efficiency – What efficiency improvements do you think need to be made in what we do?

When asked what other states are doing and is there somethings we could replicate, Amy noted some states charge vehicle registration based on the value of your vehicle. They all use the gas tax. Some have higher local property taxes. Some have sales tax that can be imposed at a regional level. Some states are starting to charge an infrastructure fee on parcels delivered. Start eliminating assets, things that are no longer needed needs to be part of that equation.

We tend to build and maintain the transportation system on the back of people who own vehicles and the argument has always been that everybody benefits from a transportation system, whether they walking and biking, or whether they are locked in their homes because of the pandemic and have to have things delivered to their house. Contrary to Amazon and others, shipping is not free and there needs to be the

ability to pay for goods to be shipped to and from and widen the pot so it's not the same small entities that are paying for improvements.

When looking at fees, Carol said that is a good way to bring in revenue, however formation for allocation. you have to be very careful. Looking at what they have done with the surcharge they have in order to fund 9-11, it's great but now it's changing. Now they are wanting to move that funding more towards areas that have higher population. It's going to be moving from your rural areas and we still have the same number of miles and trying to serve that same area. The allocation formula needs to be very specific and you need to be careful with it.

For the group's information the distribution of transportation dollars is not based on population. It is based on assets, how many miles of road you have and what conditions the roads are in, how many bridges you have, single land, double lane and the condition they are in. It is based on existing assets and not population. Amy said they are very sensitive to making sure that population doesn't drive transportation dollars but the assets that are locally owned, you have to maintain it whether you have 100 people driving it or thousands as an existing asset.

We receive more bridge money because we have more bridges than other areas of the state. We don't get as much highway money because we have single-lane roadways and not 4, 5 or 6 lane highways.

Amy said Carol's point is taken and they have to be to that and making sure we don't see those resources split somewhere else. At the Federal level they have put limits on where their funding can go. The simplest example is they have one whole pot of money called the National Highway Performance Program (NHPP) and that money can only be spent in our region on I-80, Rte. 219 and Rte. 6. That is one whole bucket of money that we can't spend anywhere else, per the Feds. That hurts us because those are the best conditioned roads in our region. So, we have to spend money on those roads when we could be spending that somewhere else. Those are some of the policy changes that have impacted where we can spend money.

Are there any other studies or information that you want the RPO to be pulling that you are working on locally? Or sources of data we should be considering?

Matt asked where did Amy see the significant increase in cost on a project in terms of preliminary design, environmental justice, construction those types of things. Are there things out there to save costs that might be out there.

Amy noted that half of the costs and half of the time roughly is getting through the design and permitting phases. Those permitting phases can be anything from working through DEP, Fish and Boat, to federal agencies such as the Army Corps. An example is we can't be in the stream from when a stream is stocked through fishing season. In McKean County that doesn't leave a big window to actually do construction on a bridge. These are legislative changes that would have to happen. Again, half of your cost and half of your time on a project is getting through the design, permitting and environmental clearances. The construction is the easy part.

This is not unique to Pennsylvania as they are Federal laws. The National Environmental Protection Act (NEPA) is the process you have to go through if you are spending any Federal dollars. If you aren't spending

Federal dollars, that doesn't apply, but the state pretty much mirrors it with their rules and regulations. It's not much different which is why a lot of local projects that are funded purely locally get done quicker and cheaper.

Zach from Senator Dush's office noted one of the frequent concerns that was brought to their attention from residences within the district are dirt and gravel roads in the townships that are owned by the townships. The township is coming back and saying they are getting cuts in liquid fuel funds so how can we better this road if our liquid fuel funds are being cut in half. Is there is a way to be able to better fund these roads to help our townships with the Liquid Fuel funds or finding another alternative source of funding to help these townships? Many of the roads just have camps on them and are not paying taxes.

Amy stated that when we talk about the \$9.3 billion gap in funding that Pennsylvania is dealing with, that does not include the \$3.5 billion of local issues of locally-owned assets that don't have money. We have been trying to figure that out. Liquid fuels are part of the gas tax and as people drive less, that money goes down.

Route 6 is being tarred and chipped and that is the type of Band-aid we have the money for. She can imagine the dirt roads in the townships that gets \$2,500 a mile in liquid fuel money at best. Amy doesn't know the answer to that. What we are wrestling with is the funding piece and they haven't figured out a mechanism that is going to increase funding. We are lucky to stay status quo.

Zach has had constituents reach out to their office saying that they took a somewhat good conditioned road that was paved and are scraping the top of the road off and making it into gravel. He's not sure about the theory behind that except lack of funding. This is unacceptable but again lack of people being in the area to help finance or fund those projects is definitely an issue; and goes to the bigger issue of bringing people into the area which leads to Ed's issue of bringing broadband into the area. It's all connected if we are able to bring those people in to help fund these projects. If you have anything you can help with that or have ideas, please reach out to the Senator's Office.

Amy asked how does everyone feel locally about the \$5 vehicle registration fee and the benefits that it may or may not have. Would you want to be able to increase that fee or would you be open to having conversations about raising funding locally to fund local projects? Would you be interested in having a regional sales tax? These are things we regionally should be having conversations about, where we need to be putting funding and how we might want to generate local funds to leverage federal and state funds to help us address some of these. Amy doesn't think the federal funding is going to trickle down the way some people are anticipating.

In the essence of time, Amy wrapped this conversation up by saying everyone has a copy of the presentation and feel free to jot down questions you may have and send them to her so the Steering Committee for the Long-Range Plan can start putting some policies, action items and thoughts behind how we are going to have a fiscally constrained plan and how we are going to fund for the next 20 years our region's priorities.

ARC Project Prioritization

Regarding the ARC Project Prioritization presentation, Rachel said that the applications, staff recommendations and scoring sheet were included in the board packet. Rachel also mentioned that it is not our decision on which projects get invited to submit a full application. We do believe all the projects listed are very likely to receive an invitation to submit a full application. She then gave a brief overview of the projects we would like your approval to submit them for funding consideration.

Local Development District

- NCPRPDC Partnership for Regional Economic Performance (PREP) – The project will provide businesses and communities in the North Central Pennsylvania region access to a broad range of regionally-based and needs-driven community and economic development assistance for the purpose of enhancing opportunities, market expansion and diversification resulting in increased sales and job growth. (ARC request is \$285,000, State funding \$285,000. Total project cost: \$570,000. This project is ready to go.)

Area Development

- Instructional Equipment for Engineering Technology Programs – ARC funds will supplement funds from other sources and will be used to support essential equipment, instructional for the new Mechanical Engineering Technology and Energy Engineering Technology Programs. (ARC request is \$150,000 with \$150,000 in private funds which have been secured. Total project cost: \$300,000. This project is ready to go.)
- McKean County Business Incubator Accelerator Feasibility Study – The purpose of this study is to complete a comprehensive feasibility study to determine the viability for creating a new and effective incubator-accelerator that will be instrumental in the creation, growth and success of new and existing businesses throughout the area for many years. (ARC request is \$40,000 with \$40,000 from other funds. Total project cost: \$80,000. This project is ready to go.)
- UPMC Kane HVAC Improvements – UPMC Kane has a critical need for HVAC improvements for proper air flow in various areas of the hospital including emergency services, patient care areas, professional service areas and the sterile supply unit area. (ARC request is \$100,000 with \$390,000 in funds from UPMC Kane. Total project cost: \$490,000. This project is ready to go.)
- Westover Borough Second Water Source – The project is to obtain a second water source for Westover Borough in Clearfield County. During low flow periods the Authority does not meet the pass-by flow requirements for the existing surface water supply from Rouges Harbor Run. Therefore, the Department of Environmental Protection (DEP) has placed the Authority under Consent Order Agreement to obtain the pass-by flow in Rouges Harbor during low flow periods. (ARC request is \$125,000 with \$180,025.05 being applied for through Community Development Block Grant funds. Total project cost: \$305,025.50. The match portion has not been secured with approval expected August 2021. This is under review at DCED as of July 22, 2021.)
- Platt Road Wastewater Collection and Conveyance System – This project will include construction of approximately 9,500 lineal feet of 8" PVA gravity sanitary sewer collection lines, one sanitary sewage lift station, 28 manholes and approximately 3,800 lineal feet of 4" PVC force main line extending service from the intersection of Platt Road and Home Camp Road to the existing collection system on Quality Way in Sandy Township and will provide sanitary sewer service to the area adjacent to and along both sides of Platt Road in Sandy Township. (ARC request is \$300,000 with \$1,460,325 from other sources. Total project cost: \$1,760,325. The match portion has not been secured with approval expected October 2021. This is under review at DCED as of July 1,

2021.)

Access Roads

Access Roads are funded from a separate pot of ARC funding. PennDOT has been provided with the pre-applications each project and asked to administer the ARC funds if awarded.

- Jefferson County Service Center Road Improvement Project – This project will be to improve the structural and driving conditions along the entire length of Service Center Road in Jefferson County in order to ensure continued use and access. The project will also address storm water runoff and drainage issues that are adversely affecting three businesses located along the roadway. (ARC request is \$324,200. This project is ready to go.)
- Lutheran Home at Kane Access Road – This project is to build a 1,000-foot access road around the entire campus of The Lutheran Home at Kane, a Continuum of Care Retirement Community, located in Kane, PA. This access road is an urgent need as there is currently no roadway around the facility for emergency personnel (fire, ambulance, law enforcement), which puts the more than 140 employees and 123 residents at risk. (ARC request is \$310,710 and is under review by PennDOT District 2-0. This is under review by FHWA-PennDOT as of July 6, 2021.)
- Lorenzo Access Road at UPMC Kane – This project will improve the structural and driving conditions along a 0.50-mile section of an access road/driveway (referred to as Lorenzo Roadway), as well as paving of adjacent parking/access areas. The roadway is necessary and urgent in order to ensure continued use and access to support emergency services access to UPMC Kane. This will also address emergency services access issues that are adversely affecting over 50 businesses and the 3,507 residents of McKean County. (ARC request is \$924,524.13 with a \$26,650 cash match from UPMC Kane. Total project cost: \$951,274.13 and is under review by PennDOT District 2-0. This is under review by FHWA-PennDOT as of July 23, 2021.)

Chair Dully thanked Rachel for the presentation and asked for a motion to submit the ARC Project Prioritization as presented to DCED.

Doug Morley moved to accept the motion to submit the ARC Projects to DCED, seconded by Dave Glass. Motion passed with Carolyn Newhouse abstaining.

Joe Dagher introduced Tracy Gerber as the new Elk County Planner, replacing Jodi Foster who retired in July.

The next Board meeting will be held on Wednesday, August 25, 2021, at 9:30 AM via Zoom to approve loans, if required.

Otherwise the next board meeting will be Wednesday, September 22, 2021, at 9:30 AM in person and via Zoom.

Chair Duffy called for an executive session regarding a legal matter.

Doug Morley made the motion to enter into an executive session at 10:50 AM.

The regular meeting reconvened at 11:05 AM.

Jennifer read the recommendation from the Loan Committee. The recommendation is to pursue additional legal action on a defaulted loan in St. Marys, Elk County.

Chair Duffy called for a motion to approve the recommendation from the Loan Committee.

Dave Glass moved to approve the recommendation from the Loan Committee, seconded by Kristy Smith. Motion unanimously passed.

ADJOURN

With no other business, Chair Duffy called for a motion to adjourn the meeting. Doug Morley moved to adjourn the meeting, seconded by Jim Sleigh. The meeting adjourned at 11:10 AM.

Respectfully submitted,

Padraic McGrath, CPA
Secretary/Treasurer