



NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

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North Central Board Meeting
Wednesday, September 28, 2022 – 9:30 AM

Members – via Zoom or In Person

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
Tracy Gerber	Elk County
Eric Wolfe	Elk County
Padraic McGrath	Elk County
Jeff Pisarcik	Jefferson County
Jamie Lefever	Jefferson County
Jim Sleigh	Jefferson
Carol Duffy	McKean County
Tom Kreiner	McKean County
Richard Fry	McKean County
Susan Zook Wilson	McKean County
Nancy Grupp	Potter County
Paul Heimel	Potter County
Doug Morley	Potter County
Abbi Peters	At-large PA Wilds Center
Jill Martin-Rend	At-large BC3@Brockway
Carolyn Newhouse	At-large Bradford Area Alliance

Staff - via Zoom or In Person

Jim Chorney
Amy Kessler
Chris Perneski
Ed Matts
Julie Kasmierski
Samantha Mitchell
Shelly Caggiano
Jenn Hibbard
Mary Lou Jessop

Chair Nancy Grupp called the meeting to order at 9:30 AM with the Pledge of Allegiance.

QUORUM/INTRODUCTIONS

Roll call was taken and there was a quorum.

MINUTES

With no corrections or amendments to the July 27 and August 24, 2022, Board Minutes, Ann Losey moved to accept the minutes as presented, seconded by Jeff Pisarcik. Motion unanimously passed.

NEW BUSINESS

Financial Reports

With no corrections or additions to the July and August Financial Statements, Doug Morley moved to accept the Financial Statements as presented, seconded by Ann Losey. Motion unanimously passed.

A95s

There were no A95s.

Correspondence

There was no Correspondence

Purchases

There were no Purchases

Resolutions

There were two Resolution.

The first Resolution, No. 22-09-3075, is the Economic Development Administration (EDA) requires the North Central Pennsylvania Regional Planning and Development Commission to serve as the Economic Development District for the six-county area of Cameron, Clearfield, Elk, Jefferson, McKean and Potter; and therefore, North Central is charged with developing a Comprehensive Economic Development Strategy (CEDS) and Resiliency Plan.

The FFY 2022-2026 Comprehensive Economic Development Strategy (CEDS) and Resiliency Plan was approved by the CEDS Committee at their meeting on September 21, 2022.

Therefore, we are asking the North Central Board of Directors to approve the FFY 2022-2026 Comprehensive Economic Development Strategy (CEDS) and Resiliency Plan.

Chair Grupp called for a motion to approve the FFY 2022-2026 Comprehensive Economic Development Strategy (CEDS) and Resiliency Plan.

Carolyn said she thought Atlas did a great job and commended North Central staff as there was a high level of engagement and outreach. She thought it was a good experience and the outcome represents that.

Amy thanked Katie because she came in as a new employee as we had transition of staff during the CEDS process and had to pick this up and understand the history as well as push it across the finish line. Again, thanks to the CEDS Committee and Katie for bringing this to fruition. It's been a labor of

passion for a lot of people in the region and couldn't have been done without the dedication of the Committee and Katie for pushing it forward.

Nancy echoed that and thanked Katie for the work she put into this as well as the CEDS Committee. It was quite a task they took on and we appreciate it.

Dave Glass moved to approve the to approve the FFY 2022-2026 Comprehensive Economic Development Strategy (CEDS) and Resiliency Plan, seconded by Jodi Brennan. Motion unanimously passed.

Amy stated we were approached several months ago by Jodi Brennan who was working with the Headwaters RC&DC Council and the Sinnemahoning Stakeholder Committee to manage and administer the endowment they are working on for projects and grant applications related to the Sinnemahoning and DEP endowment they have. They were looking for an agency to assist them with some small basic administrative duties. After going back and forth with Jodi and the Council, this resolution is for North Central to work directly with the Council to provide the check writing, auditing and some basic administrative services, not to exceed 5% of their annual interest earned from the endowment. It's only about \$7,000 but it allows us and them to work together to make sure that these dollars are out the door and benefitting projects that the Council will ultimately be in charge of approving.

Jim added that we don't have a resolution for this. This is a MOU.

We received approval for the Knox-Kane Trail project where there were several trestles in the Kane area where we applied to the local service fund, and we haven't heard an announcement on those projects. Therefore, Headwaters Charitable Trust asked us to be the applicant for their DCED Multimodal grant. We assumed we could use the same resolution as it is the same exact project just with a different funding source. However, they came back and said they wanted a resolution specific to the DCED Multimodal.

Therefore, Resolution No. 22-09-3076 is that North Central requests a DCED Multimodal Grant of \$665,812.50 from the Commonwealth Finance Authority, matched with \$229,372.80 in non-state funds, for a total project cost of \$895,185. These funds will be used for the Knox Kane Rail Trail: Completing Connections and Trestle Rehabilitation, including rehabbing a 592 ft. railroad trestle with connecting platforms.

As North Central can enter into contracts with the Commonwealth Finance Authority, the Commission hereby approves the funding application to the DCED Multimodal grant.

Chair Grupp called for a motion to approve North Central entering into a contract with the Commonwealth Finance Authority for funding the DCED Multimodal grant application.

Doug Morley moved to approve North Central entering into a contract with the Commonwealth Finance Authority for funding the DCED Multimodal grant application, seconded by Jim Sleight. Motion unanimously passed.

Loans

Katie R. Burdick dba The Smethport Inn, Smethport, McKean County, has requested a loan in the amount of \$34,000 from the USDA RMAP Microloan for 10 years at 5% for site improvements and working capital. This business is a 14-room motel that was purchased by the owner in July 2020 and reopened in April 2021 after completion of property renovations. The financing for this project will provide funds for blacktop/repair of the parking lot and working capital. North Central's collateral will be shared first mortgage on real estate with the McKean County IDC, shared first lien security interest on all business assets with McKean County IDC, as well personal guarantee of owner. One full-time job will be retained.

Chair Grupp called for a motion to approve the loan to Katie R. Burdick dba The Smethport Inn.

Richard Fry stated that the McKean County IDC approved their resolution at their meeting yesterday.

Richard Fry moved to approve the loan to Katie R. Burdick dba The Smethport Inn, seconded by Dennis McKimm. Motion unanimously passed.

Jenn had several other items to discuss.

Jenn stated she needs authorization from the Board to open a new bank account. This is going to be for a newly established revolving loan fund.

We were just notified that we are receiving a little over \$2 million from the Pennsylvania State Small Business Credit Initiative (SSBCI). These funds will be used to recapitalize a revolving loan fund program that is to support financing to businesses. There has been a main capital allocation that is going to be used for loan funds to support small businesses. There also has been a portion that has been allotted that we need to lend to what are considered businesses that are owned by socially and economically disadvantaged individuals. Jenn feels that every business in our region will be that because one of the definitions of this is that you reside in a rural community. There is also going to be a portion of these funds that we are going to have to allot for businesses with fewer than 10 employees.

SSBCI is a federal program that is administered by the U.S. Treasury. The funding has been re-authorized by the American Rescue Plan. Treasury has awarded funds to each state. She believes Pennsylvania received about \$246 million and about half of that is being used for eligible Certified Economic Development Organizations (CEDOs) and Community Development Financing Institutions (CDFIs) to establish revolving loan funds. The other half is being used for equity funding for such as the Ben Franklin Technology Partners.

There was a very short window to apply for these funds. We applied and just found out, through a press release about two weeks ago, that we have been awarded the funds. We are going through the process right now of signing a sub-allocation agreement and trying to establish the parameters of the program to open it up as soon as possible.

This isn't going to be like our other revolving loan funds. This is going to be more of a credit enhancement program. When we loan those dollars to businesses, every dollar lent in SSBCI funds has to be matched by \$1 of private financing. This isn't like a replacement of private financing. This is there to compliment and enhance it and hopefully make credit more available to our underserved businesses in our large geographic region, which is rural.

Jim recognized Jenn because she deserves a lot of credit for this. It was a very fast process. It was announced and gave a very short window to apply. They had many conversations, and it fits into what Jenn has been looking at as far as re-evaluating our loan program, seeing if there are missed opportunities with it. We think this loan fund may provide us an opportunity to address those areas we feel may be lacking with our current lending. She had to put this application together very quickly. The process was kind of funny as we did hear through a press release that we were awarded the funds. No one had notified us and then it was a very quick turnaround. We are still trying to figure out what we can and can't do with this. There was a meeting yesterday; and there is a lot of the guidance that still unclear that we are trying to get clarification on. Jim said he believes they want us to have this program up and running by October 17.

Jenn put in the application that our program will probably not be up and running by October 17.

She added this is \$2 million in grant funds we will have for a revolving loan fund that you do not have to pay back. We are going to be able to keep relending just like our other loan funds and do not require another match for us to come up with.

It was too great of an opportunity not to pass up.

Nancy Grupp called for a motion to open a new bank account for the SSBCI Revolving Loan Fund.

Nancy moved to approve opening a new bank account for the SSBCI Revolving Loan Fund, seconded by Jeff Pisarcik. Motion unanimously passed.

When asked the amount of funds, Jenn replied \$2,040,000. The \$40,000 is a 2% admin fee. We are not getting it all upfront. They are doing it in what they call tranches. We are going to be receiving just under \$700,000 very soon. Once we have expended those dollars, Jenn thinks statewide they have to show that they have expended 80% statewide before we receive the other two tranches. She believes it is seven years we have to spend this money.

The next item won't require a motion but is something Jenn wants to make the Board aware to extend upon what Jim was saying about a strategy with our revolving loan funds and with our newly adopted CEDS and Resiliency Plan.

We, as the Enterprise Development Department, are going to be submitting a Request for Proposals called the Regional Assessment of Access to Capital for Businesses. This is sort of an initiative that is an extension of one of the Priorities in the CEDS that is going to support small businesses. What we are looking to do is look for professional services to do a comprehensive assessment of our local capital market. It is going to provide insights, all the resources that are available in our region for small business access to capital and credit. It is going to identify the financing needs and challenges of our regional businesses and identify financing programming and resource gaps that exist. We would also be looking to provide recommendations for strategies and policies so we can adapt the design of our lending programs to enable us to effectively respond to these needs.

We want to take this opportunity because with the de-federalization of our EDA Revolving Loan Funds and also receiving these SSBCI funds, we are going to have an opportunity to close out the grant for our Appalachian Regional Commission loan funds, all of which are going to provide us much more flexibility in

designing our loan funds, that we want to be able to optimize the use of these funds and the impacts that they are going to make.

We feel it is very important, being a six-county region, to get that comprehensive understanding of really what is going on as a region.

Jim added that it's important and we are trying to identify those gaps. We're not trying to take the place of something that is already established in any of the counties. We want to truly try to identify if there are areas that need to be addressed that have either developed as a sector or just has been underserved. We are trying to see if there are those gaps that we can fill the voids for. As Jenn pointed out the way the funding is with the de-federalization of the funding, it is the perfect opportunity and time to do this.

Jenn added that perhaps we can be looking at things outside the box we never would have thought of doing. Our finance budgeting is from our PREP, either State or Federal dollars, and also from our administrative dollars from our loan funds for this study.

Chris added that they have budgeted some State PREP funds for this.

Nancy thanked Jenn for that information.

Discussion

Jim was approached by Keystone Rural Health as to availability of additional space for them to do another expansion project.

He has had several conversations with both Kristi and one of their board members. Jim told them that nothing is off the table. We will consider anything, and this would be brought before our Board. At this point it's getting to where Jim needs to involve the Board because the only way we would be able to provide them additional space would be either an expansion of the existing facilities or potentially selling the facilities to them and relocating to a different area.

Jim has had conversations with Nancy about this and they thought the best option would be to form a sub-committee to start having these conversations and exploring viable options as to what we want to do. Jim has always been of the mindset that he likes to own assets; but he also understands with that view on having assets comes the headaches as far as the maintenance of the facilities. We are doing the parking lot right now. We always have issues with the leaking roof. The air conditioning went out this summer. There are many issues that come along with it.

This is a larger conversation than just Jim and the Management Team as to where we envision North Central being for the next 10 years or so.

He wanted to get the Board members' opinions on this; and if it is heading that direction to a sub-committee, who would be willing to serve on that.

As this is a big financial consideration, Padraic said he'd like to be part of that conversation. Matt also said he would be willing to serve on the sub-committee. Ann Losey also stated she would, if needed.

Before we get too far along Jim appreciates everyone's willingness to do this, and is that what the Board would like to do and form an Ad Hoc committee to explore this opportunity? If we do that, we will probably need to have a vote to form the committee.

Therefore, Dave Glass made the motion to form an Ad Hoc Committee.

Nancy added we will need to have some in-depth conversations and research into this.

There are a lot of questions if we were to move this direction that need to be asked. Jim has thought of several that would take some research to see if it is even feasible to do it. We all know construction costs are through the roof, so that is one of the options you have to consider. Another is bringing in an architect to look at how we could manage to do it, because there is room to expand on the existing campus. But is that the best option? Is that what we want to do?

If Dave's making a motion to form an Ad Hoc Committee to look further into the options we have available, then we would need a second and vote on it and see who else is willing to participate.

Dennis McKimm seconded the motion to form an Ad Hoc Committee to look into the potential options we have for our existing building. Motion unanimously passed.

Those who have stated they would be on this Ad Hoc Committee are: Padraic McGrath, Matt Quesenberry, Ann Losey, Jeff Pisarcik, Carol Duff, Richard Fry and Ed Matts.

Jim appreciates everyone's willingness to participate on this sub-committee; and he will set up a meeting in the very near future to discuss what our potential options are. If anyone else would like to be on this Committee, reach out to Jim and he will add you to the list.

Dave Glass asked if we want to mention that RACP sub-agreement that is coming.

We were approached by the Treasure Lake Ski Lodge group to basically administer the RACP grant they were awarded.

Between North Central and Clearfield County, we are going to be the applicant administrator of the RACP grant. It's a little bit different from what you might remember in the past. In the past we've requested by a resolution to allow us to do that. Because Clearfield County is technically going to be the applicant, we don't need to do a resolution. We will be putting an administrative agreement together between North Central and the Treasure Lake Ski Lodge; and it's a cooperation agreement to include Clearfield County as well. We will be charging our normal fee of 1% of the RACP dollar amount to help administer this grant.

We had a meeting yesterday with two representatives from that group and walked through the business plan they will be required to submit by November 10. Katie will be helping Jim with that application and working with the applicant. We have a pretty good start on where we're at in the process. They have about 60% of the information put together. We will be working with them to try to get the rest of the information together.

This is a great project. For those who are familiar with the Treasure Lake Ski Lodge, we took a tour of it about a week and a half ago. It's in rough shape. They are going to have to raze the building and rebuild. They have multiple phases they will be looking at. The first phase is building the new building and opening it up as a restaurant and entertainment center. They have a larger vision to purchase the old ski slopes or at least work with Treasure Lake to reopen them, and then potentially have other entertainment opportunities such as zip lines, hiking/biking trails, etc. They have a big vision, but the first part of this with the RACP is specifically identified with the actual restaurant itself.

Dave added the Clearfield County Commissioners approved the RACP resolution at their meeting on September 27 from the county's perspective. Dave gave North Central credit because the meeting was so good. He thinks all parties wanted to make sure the Ski Lodge group understood what they are getting into. He left that meeting feeling pretty confident that they did. They understand the nature of a RACP and North Central will be here to help them; he thinks if anyone can pull this off, that group has a real good shot.

Jim added it is a good project for the area; and we were upfront with them at yesterday's meeting in talking about what our capabilities are right now. We are looking to hopefully expand those roles in the future and maybe look to adjust our fee schedule because Katie has a little more capability than Jim does as far as being able to write the grant itself. In the future, regarding the business plan side of it, we are hoping between the two of us we will be able to offer the applicant more assistance than we have in the past. In the past it would have been helping them with the invoicing, any correspondence between the consultant and the applicant and them helping them through the invoicing and final audit. We are hoping to expand our role, but that's for the future.

Nancy said that is a lot of good information and is very interested in how this comes about as Potter County has a defunct ski area. This is very interesting and would like to keep apprised of this as it goes forward.

Nancy hoped that everyone got their 2022 Annual Report. She thanked Mary Lou and everyone for all the effort that went into putting that together. It's a very comprehensive look of what North Central does. It's a great tool to give to your business community who might want to know what North Central does. Thank you to everyone who had part in putting that together.

The next Board meeting will be held on Wednesday, October 26, to approve Loans, beginning at 9:30 AM and will be virtual.

The next Full Board meeting will be held on Wednesday, **November 16**, beginning at 9:30 AM. This meeting will be in Person and Virtual.

ADJOURN

With no other business, Chair Grupp called for a motion to adjourn the meeting. Doug Morley moved to adjourn the meeting, seconded by Dave Glass. The meeting adjourned at 10:15 AM.

Respectfully submitted,

Padraic McGrath, CPA
Secretary/Treasurer