



Annual Report
Susquehanna County
August 22, 2013

Progress Authority

Leatherstocking Groundbreaking

As Tony Ventello, Executive Director of the Progress Authority, stated: "the irony has ended".

State, community and local leaders gathered at Montrose High School on June 18, 2013 for a ceremonial groundbreaking of the first phase of the Leatherstocking natural gas distribution system in Susquehanna County. The abundance of natural gas will finally become available to residences and businesses in Susquehanna County by the fall as Leatherstocking begins to install its natural gas distribution system.

The first line will run between two anchor customers, the school and the new Endless Mountain Health System hospital. It will

then go on to connect to the new Trehab residential facility, and homes and businesses along Route 706 will be able to connect. Leatherstocking will be the first to offer 100 percent local gas to its customers. The natural gas will be provided by Cabot Oil & Gas. Wayne Gardner and Pat Witmer of the Pennsylvania Public Utility Commission attended the ground breaking, underscoring the savings for the customers as a result of local shale gas. Leatherstocking's cost, with nominal transportation charges, will likely be the lowest in the state.

Other benefits beyond savings will be had, such as contributing to the economy as a result of having the utility available.



June 18, 2013

Ceremonial groundbreaking of the Leatherstocking natural gas distribution system in Susquehanna County.

Susquehanna County Director's Message

by Anthony Ventello

I am excited about the opportunities that continue to be created in Susquehanna County. Sincere support and interest by our County Commissioners, economic development advisory board, state and federal legislators and general public institutes the cooperation necessary to get things done.

Efforts to improve sites and infrastructure to support meaningful development continue. The construction of natural gas distribution, supported by sewer, water,

energy generation, site development and special studies to identify housing needs, continued infrastructure development and an I-81 corporate park will provide the necessary planning and implementation to leverage investment and job enhancement for Susquehanna County's residents.

I thank you for the opportunity to serve Susquehanna County and assure the Progress Authority's continued commitment for positive economic development impacts.



2013-2014 Capital Budget Moves Forward

Over the past year, the Progress Authority has witnessed a number of projects throughout Susquehanna County that have gained momentum and now may become more feasible. Working with state legislators; Senator Lisa Baker and Representative Sandra Major; the Progress Authority was able to add a number of line items to the Senate Bill 680 for the Capital Budget for Redevelopment Assistance Capital Projects grant program. Currently, the Bill is awaiting action in the House Appropriations Committee. Should the Bill be passed as currently presented, Susquehanna County will see three additional line items for ongoing projects in Susquehanna County.

The first project includes infrastructure improvements, renovations and construction activity at the Girl Scout Camp Archbald located in Kingsley, PA. The total renovations are estimated at \$2 million and the RACP funds available for a match with Senate Bill 680 could provide up to \$1 million in funding.

The second line item proposed entails the development of a new industrial park along the I-81 corridor in Susquehanna County. In September of 2013, the Susquehanna County Commissioners will begin its investigation of sites along the interstate that have available infrastructure. The feasibility study will take approximately four months to complete. The Capital Budget line item for the industrial park will serve as matching funds towards the acquisition, infrastructure improvements and development of the business park.

The last line item on the proposed budget will aid towards the infrastructure expansion of the water line along Route 29 into South Montrose to connect the Susquehanna County Correctional facility and the former Bendix Plant that is currently listed on the Super Fund as

a contaminated site. The water line will alleviate the poor water quality that is currently available at the jail as well as provide potable water to all adjacent properties including the former Bendix site. This will aid in removing the Bendix site from the Super Fund list.



See related
story and photo
on page 5 ➡

Governor Tom Corbett speaks with attendees at the Governor's Impact Awards Ceremony held in Hershey, Pa.



Chairman's Message *by Joe Andre*

All too often the functions of organizations such as the Susquehanna County Economic Development Board go unnoticed. Be assured that significant commitments are contributed, with inputs from many entities. They include the county commissioners, the planning commission, the board of directors, and others. The tireless "hands on" work by the Progress Authority is truly key, not only as the primary support to the board, but also for its guidance and input to help resolve day to day inquiries.

The natural gas industry has impacted our county in more ways than can be easily recognized in just a few years, dramatically affecting the area's economic base, with more dynamic changes looming ahead. The Economic Board equally places a high priority on projects that are not directly tied to the gas industry. Development of the Hallstead Foundry site, supporting a housing

needs study by Delta Development, and the Montrose/EMHS hospital are examples. With the installation of a water line to South Montrose, eventual occupancy of the former Bendix site appears to be realistic. A hearty thanks to everyone who contributes their time and talents in support of the Board. Input from any source is always welcome and appreciated. We expect that the coming year will bring exciting challenges, with new opportunities for economic growth.



Progress Authority

Susquehanna County 2013 Work Program

- Meet Monthly with the Economic Development Advisory Board and the County Commissioners in Order to Prioritize Projects of Significance to Susquehanna County
- Meet Periodically with the State and Federal Legislators to Provide Economic Development Updates and Project Opportunities.
- Continue to Administer the Susquehanna County Enterprise Zone and Grow Local Financing Resources through 2012-2013 Fiscal Year
 - Administer the Revolving Loan Funds and SSBCI funds to Businesses located within Susquehanna County
 - Apply for a Keystone Communities Designation to aid in Business Development beyond the Enterprise Zones.
 - Assist Forest City Borough and Greater Forest City Industries in the Management of the Forest City Revolving Loan Fund
- Explore Additional Bond Financing Opportunities to Support Economic Development Projects
- Maintain Progress Authority's DCED Certification and Actively Promote Relevant Financing Programs
- Act as a Conduit for State and Federal Funding Sources that can Benefit Private Business Projects
- Solidify Relationships with all Major Employers in Susquehanna County to Create Awareness of Progress Authorities Capabilities and Funding Opportunities
- Support Key Infrastructure Projects and Enhancements Involving Public Water, Sewer, Electrical, Natural Gas Distribution and Transmission Pipelines, Telecommunications and Data Infrastructure, Primary and Secondary Roads, and Rail
- Maintain an inventory of Potential Business Development Sites in Susquehanna County
- Continue to Market Key Business Development Sites and Seek Occupancy for Available Vacant Industrial/Commercial Facilities
- Actively Recruit Energy Companies and Their Subcontractors
- Continue to aggressively leverage private investment to maximize impact to job retention and creation.
- Implement strategic plan goals
 - Review Organizational Articles of Incorporation
 - Organizational Sustainability
 - Infrastructure Development
 - Value Added Natural Gas Development
 - Housing Development
 - Revolving Loan Fund Structure Guidelines
 - Post-Secondary Education
 - Auditing
- Foster Strong PREP (Partners for Regional Economic Performance) Primary Partnership with NTRPDC and NEPIRC and Associated Partners.
- Actively Recruit Energy Companies and their Subcontractors to Locate Field Offices in Susquehanna County
- Encourage Energy Companies to Develop Business Opportunities with Existing Local Firms through Local Economic Engagement Strategies and Other Local Initiatives
- Explore Value Added Opportunities to Attract Manufacturers that Can Capitalize on Local Marcellus Shale Natural Gas Resources
- Implement Specific Critical Projects, Including
 - Assist Endless Mountains Health System with the Construction of its New Hospital and the Management of the RACP Award
 - Continue to Support Efforts to Extend Public Water to the Susquehanna County Correctional Facility and Recycling Center
 - Work with Greater Forest City Industries to Continue to Seek Occupancy for the Vision 2000 Industrial Park
 - Establish an Industrial Park along the I-81 Corridor
 - Promote Redevelopment of the Hallstead Foundry Site
 - Promote Upgrades at the Gibson Interchange of Interstate 81 to Allow Future Development Along Route 848 and Oliver Road
 - Continue to Work with Leatherstocking, LLC for the development of the Natural Gas Distribution Lines
 - Continue to Work with Bluestone Gathering
 - Organize a Fourth Marcellus Shale Business-to-Business Expo to Promote Local Business Contracting Opportunities

Endless Mountains Health Systems Update

The new Endless Mountains Health Systems critical access hospital currently under construction is nearing completion as it expected by late October of 2013.

At the end of July, the Endless Mountains Health Systems' new facility located on Route 706 was approximately 75% complete according to reports by the project architect, Randy Cole, of Stratton Brook Associates.

The new acute care hospital includes a laboratory, imaging, surgery, respiratory, and emergency departments, physician medical office space, pharmacy, and café space. Funding to complete the project includes a \$4 million Redevelopment Assistance Capital Program Grant, and a USDA Rural Development direct loan and other state and federal funds. The Progress Authority serves as the conduit agency for the RACP grant.

Last year, the Cabot Oil & Gas Community Challenge raised \$3.2 million for the project with Cabot donating \$2.2 million towards the challenge. Other contributions included the \$1 million donation from the Harry & Jeannette Weinberg Foundation. The community involvement

and participation with the generous contributions exemplify the need for the new medical facility. Susquehanna County

will soon have a state of the art health care facility that will serve its communities for many years to come.



Cabot Celebrates Vast Impact of CNG Investment

Regional, Statewide and National Benefits of Compressed Natural Gas Demonstrated at Major Event

[Springville, PA] Cabot Oil & Gas Corporation hosted a Natural Gas Celebration to highlight the benefits of expanded natural gas usage across northeastern Pennsylvania. The event featured displays by companies and organizations throughout the region that are using natural gas in their equipment and products, as well as displays from local

colleges that have expanded their course offerings to meet the growing demand for employees in the industry.

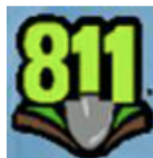
The topics covered by the speakers at the event included the growth of jobs and small businesses in the region, education and training by area colleges for students interested in the natural gas industry, the increased usage of natural gas in operating equipment and vehicles, and the economic impact of the industry throughout northeastern Pennsylvania.

Additionally, Cabot Oil & Gas Corporation celebrated the opening the first CNG fueling

station in Susquehanna County for Cabot to fuel their 60 vehicles, and drilling and fracturing equipment that run on natural gas. In addressing the commitment Cabot has to the area and their roots that keep growing in the region, Gary Hlavinka, the company's Regional Operations Manager said, "Cabot's strategic approach to gas development has enabled our company to produce unprecedented amounts of natural gas from the 'sweet spot' of the Marcellus Shale deposit.

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Governor Corbett's Inaugural ImPAct Awards

On May 23rd, 2013, nearly 700 people attended the Governor's Impact Awards Ceremony in Hershey, PA to honor the outstanding businesses that were recognized as a finalist within its region for the following categories: Community Impact Award, Entrepreneur Award, Export Impact Award, Jobs First Award, and the Small Business Impact Award. Businesses were nominated by the State's Regional Economic Development Partners

or the Partnerships for Regional Economic Performance (PREP) network. The Northern Tier Region nominated up to five businesses for each of the categories. Susquehanna County's Entrepreneurial dynamo, Adam Diaz, received the Northern Tier's Entrepreneur Award. Mr. Diaz, owner of Diaz Companies has grown from one business to owning five businesses today. His rapid growth and business expansions are undoubtedly due to his work ethic and

drive.

Other Northern Tier nominees from the local area were as follows:
Community Impact Award: Cabot Oil & Gas, Chesapeake Energy, Procter & Gamble Paper Products, and Williams Companies
Jobs First Impact Award: Diaz Companies, Southwestern Energy Co, and Williams.
Small Business Impact Award: BX3 Inc, Golis Machines, and Twig's Café.



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Countywide Housing Assessment Begun

The Susquehanna County Commissioners have entered into a contract with Delta Development Group from Mechanicsburg, PA to serve as the consultants for a Countywide Housing Assessment. The housing assessment will look at available demographic information in regards to the existing housing stock and workforce as well as meet with various stakeholders in the community to gain a better understanding of the impacts local residents have experienced due to the Natural Gas Industry. The study will help to

identify the future housing needs for the County and areas where development should occur.

It is expected that the full report on the Countywide Housing Assessment will be available in late October of 2013. The Central Bradford Progress Authority helped to secure \$10,000 of Municipal Assistance Program Funding from the DCED to help subsidize the study.

Progress Authority SSBCI Revolving Loan Fund Update

Last March, the Progress Authority began accepting applications for the State Small Business Credit Initiative Program (SSBCI) from the first round of \$333,333 of the \$1 million awarded to the Authority by the Pennsylvania Department of Community and Economic Development. In May 2012, the first SSBCI loan was approved for Diaz Manufacturing for renovations at the former Donald Dean & Sons manufacturing plant for the purchase of two

dry kilns to use at the factory.

We have received word from the DCED that the state has met its target of 80% of the total funds of the first third have been committed, with the Authority loaning its entire first round amount. We are now anticipating the receipt of the second round of funding of \$333,333, which will be available to small businesses located in Susquehanna, Bradford, Sullivan and Wyoming counties.

South Montrose Waterline Project Advances

The Route 29 South corridor from Montrose has commercial/industrial, residential and public mixed uses. The current primary concern is to connect public water to the Susquehanna County Correctional Facility, the previous recycling center and adjacent lands including the previous Bendix site. The public facilities are currently serviced by wells that are inadequate in volume and water quality.

Public water will be initially extended along Route 29 to Ellsworth

Price, where these facilities are located in a small development cluster. Susquehanna County and PA American Water Company are working to develop the project. The Progress Authority has been pursuing both state and federal funding sources to construct the line, which will provide great benefit to the corridor. Estimates of construction costs exceed \$1,200,000 and an accelerated construction schedule is being developed.



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Cabot Celebrates Vast Impact of CNG Investment



Cabot Ribbon Cutting: George Stark, Director of External Affairs, speaks at the event.



Cabot Ribbon Cutting: Diaz CNG Truck

Continued from page 4

Because of our production success and the innovative way we operate, our investment in the region continues to grow. This CNG filling station and the equipment on display here are examples both of our deepening roots and our application of the latest technology as an industry leader."

The topics addressed how the expanded access to natural gas in the region has resulted in many benefits including:

- Availability of filling stations to supply companies converting their fleet vehicles and individuals who convert their personal cars.
- Decreased use of gasoline and diesel replaced with less expensive CNG that is allowing companies to reduce costs and individuals to save money at the pump.
- Use of a fuel that is cleaner for the environment and is reducing dependency on foreign fuels.
- Multiple grants from the Department of Environmental Protection to help businesses and individuals convert their vehicles.
- A growing need for engineers to design natural gas engines and the mechanics to keep them operating.
- Expanded course offerings from colleges and universities around

the area to meet the workforce needs of the industry and to provide maintenance training on the new natural gas vehicles and fueling stations in the area.

- Expanded infrastructure across northeastern Pennsylvania that will continue spurring innovation and economic growth for years to come.

Representatives of local, state and federal elective offices attended the event as well as numerous industry and business leaders from throughout the region and the Commonwealth. Patrick Henderson, Energy Executive, Office of Governor Tom Corbett related, "Governor Corbett appreciates Cabot Oil & Gas' efforts to bring together so many community stakeholders for the 'CNG Celebration' in Springville, PA. With representatives from large and small employers, along with leaders from PA higher education institutions, and other community leaders, this event provides a great forum to highlight both the current and future job growth and education opportunities presented by the safe and responsible development of the Marcellus Shale."

Mark Volk, president of Lackawanna College, which offers a curriculum in the study of petroleum & natural gas, stated, "Our school recognizes the nearly limitless growth potential the natural gas industry

offers students. Our goal at Lackawanna College is to educate the next generation of leaders in an industry that offers great promise for our region, our state and indeed our nation. Lackawanna College is committed to working in strong partnership with Cabot to ensure that this promise is realized in all our students."

ANGA, America's Natural Gas Alliance, and other industry organizations were represented at the event. Amy Farrell, vice president of market development at America's Natural Gas Alliance said, "Steps by Cabot and other ANGA members to use natural gas in a range of applications from fueling vehicle fleets to powering drilling equipment just shows our industry's commitment to the benefits of using natural gas." She then continued, "This clean, abundant and affordable resource offers immense benefits to our customers in power generation, industrial applications and transportation fleets and it also makes our own operations cleaner and less costly. We are thrilled to support Cabot at their CNG Celebration."

Cabot Oil & Gas Corporation, headquartered in Houston, Texas, is a leading independent natural gas producer with its entire resource base located in the continental United States. For additional information, visit Cabot's blog at www.wellsaidcabot.com



4th Annual Northern Tier Marcellus Shale Business Expo Held

On Friday, June 21st, 2013, the Troy Fairgrounds hosted the 4th Annual Northern Tier Marcellus Shale Business Expo. Over 170 businesses from 10 states participated in the event this year, ranging from heavy equipment operators to environmental services to local colleges and more, set up booths showing off their

products and services. The event serves as a networking opportunity for businesses as well as for the general public to come and learn about the industry.

This year's event, although smaller than the previous year's participation seemed to be a great success for the businesses in attendance because the event was held on

a Friday instead of a Saturday. While less of the general public was in attendance, there were better opportunities for businesses to interact with each other and lots of positive feedback was given to the Northern Tier Marcellus Shale Business Expo Planning Committee.

Keystone Opportunity Zone Designation Under Consideration

The Pennsylvania Department of Community and Economic Development is accepting applications for Keystone Opportunity Zone designations (KOZ). The KOZ program is one of the nation's boldest and most innovative economic and community development programs. Zones

are designated by local communities and approved by the Department of Community and Economic Development. Zones provide specific state and local tax benefits and entitle businesses to certain tax benefits when they locate in a zone. By providing the tax incentives, businesses can maximize

their investments for job creation and retention.

The KOZ has a 10 year life span. Currently, several underutilized sites in Susquehanna County are under consideration for potential KOZ designation. The application deadline is October 1, 2013.

South Montrose Prior Bendix Facility Site Moves Forward

With the cooperation of the Pennsylvania Department of Environmental Protection and Honeywell Corporation, the Progress Authority has been able to gain a current status and disposition on the South Montrose/Bridgewater Township former Bendix Manufacturing site, now owned by Honeywell Corp.

The facility was operational from 1952 through 1996; manufacturing wiring harnesses and circuit breakers for the military. This manufacturing process left chlorinated solvents disposed on-site which led to contamination in the groundwater. The EPA has oversight of the soil and groundwater cleanup and assessment activities that are ongoing at the site.

Progress Authority staff met with Honeywell environmental and real estate representatives to ascertain the site remediation status and reuse potential. A remediation summary was provided for the 66 acre site, which recently had the former manufacturing facility demolished, with some continued groundwater remediation and monitoring equipment still in place. As a result of the ongoing cleanup efforts, an environmental covenant has been agreed to with the EPA that has the following provisions:

- Groundwater cannot be used without treatment.
- Any new buildings require vapor intrusion barriers.

- Report to EPA each calendar year confirming restrictions are being adhered to.
- Land use will be restricted to commercial/industrial use.

Honeywell Corporation is now in a position to adaptively reuse the site for commercial/industrial use, thus providing a useful site for investment and job creation. Currently, the Progress Authority is working with all authorities to reoccupy the site. Other potential site amenities are the installation of the South Montrose public water line and the consideration of a Keystone Opportunity Zone designation to further strengthen the site's attractiveness.

Progress Authority

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