

Malady & Wooten, LLP

Legislative Report

March 1, 2013

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Pennsylvania Golf Course Owners Association

LEGISLATIVE UPDATE

Session Schedule:

2013 HOUSE SESSION SCHEDULE

March	11, 12, 13, 18, 19, 20
April	8, 9, 10, 15, 16, 17, 22, 23, 24
May	6, 7, 8, 13, 14, 15
June	3, 4, 5, 10, 11, 12, 17, 18, 19, 20, 24, 25, 26, 27, 28

***BUDGET HEARINGS* March 4, 5, 6, 7**

2013 SENATE SESSION SCHEDULE

March	11, 12, 13, 18, 19, 20
April	8, 9, 10, 15, 16, 17, 29, 30
May	1, 6, 7, 8, 9, 13, 14
June	3, 4, 5, 10, 11, 12, 17, 18, 19, 24, 25, 26, 27, 28

***BUDGET HEARINGS*: March 4, 5, 6**

PENNSYLVANIA BULLETIN ANNOUNCEMENTS

SUSQUEHANNA RIVER BASIN COMMISSION Notices

[Commission meeting](#)

LOCAL HOME DEVELOPER PAYS \$1M FOR SILVER SPRING GOLF COURSE

A local development group [purchased the Silver Spring Golf Course](#) for \$1 million this week and plans to build a housing development on the 90-acre tract, said Greg Rothman, the real estate agent who brokered the deal, and an investor in the project.

Plans for the project are still being finalized.

But Rothman, a partner of Millfording Highlands LP, said in a statement that the intent is to develop single-family houses on the course at 136 Sample Bridge Road in Silver Spring Township.

Rothman also is a partner of Lemoyne-based RSR Realtors, the marketing agent for the project.

Rothman and his partners developed the adjacent [Millfording Highlands](#) neighborhood, where construction of houses priced \$350,000 to \$600,000 began five years ago.

Rothman, who lives in Millfording Highlands, said the development group wants to incorporate as much open space into the next neighborhood as possible.

Millfording Estates LP investors include RSR founder Bill Rothman, RSR partner Sam Reed, Garrett Rothman, Jamie Berrier and attorney Dave Reager, of Reager & Adler PC.

"If you look at the development we have there now, you can see that we appreciate the open space," Greg Rothman said. "We're exploring our options to make this a development that the residents will appreciate, the neighbors will appreciate and that the community will appreciate."

The golf course, which sits next to the Conodoguinet Creek, will continue operating through April, said Rothman.

But an auction of furniture, kitchen equipment and other items from the golf course club house will take place at 10 a.m. Saturday.

A second auction of trucks, a skid loader and other equipment is set for 10 a.m. on March 16.

HOUSE AND SENATE BUDGET HEARINGS

House Appropriations Committee budget hearing with DCED

2/28/13, 11:00 a.m., 140 Main Capitol

TESTIMONY ATTACHED

The committee held a budget hearing with the Department of Community and Economic Development (DCED) Secretary C. Alan Walker.

Chairman Adolph opened the hearing, recounting the department's hearing last year in which Secretary Walker first advised on the likelihood of being able to save the three refineries in the southeast that were at risk of being closed down. He congratulated the Secretary and all others who were involved in the bipartisan effort to keep the refineries online.

Sec. Walker offered a brief opening statement. He reiterated the chairman's point regarding the refineries and noted that he only thought two of the three were going to be saved, when in fact the third is in the process of being repurposed to refine petrochemicals and process ethane and propane shipped from the Marcellus Shale. He said saving those jobs was a result of strong leadership from Gov. Tom Corbett, collaboration between all levels of government to achieve a common goal, and having state resources necessary to facilitate bringing the projects together.

Offering remarks on the wider work of the Department, Sec. Walker noted that in 2011-12, DCED assisted more than 23,800 business in some fashion, facilitated or pledged the creation of 45,600 jobs, and the retention of more than 78,000 jobs, leveraging \$4 billion in private and nearly \$1 billion in public funds, as well as facilitating more than \$800 million in export sales for Commonwealth companies.

Sec. Walker detailed more specific successes related to industry, including the ongoing work of the Ben Franklin Technology Development Authority and the Partnerships for Regional Economic Performance (PREP), and a positive first year of the Discovered in PA, Developed in PA (D2PA) program. He also identified areas DCED has worked to help communities, including the Keystone Communities Program, the Municipal Assistance Program, and efforts to head off troubled municipalities before they require Act 47 intervention through implementation of an Early Warning System.

Chairman Adolph emphasized the bipartisan nature of the effort to save the refineries. He asked what state tax dollars were invested to keep them afloat and what savings are projected in return. Sec. Walker commented his happiest day on the job was when Delta Airlines officials called him and told him of their interest in acquiring the Trainer refinery. He indicated the state funding package for two of the refineries was \$35 million each, while the Marcus Hook refinery was \$15-20 million. He qualified that the Marcus Hook refinery has been sectioned off and only part of it has been sold so far, with remaining portions still being dealt with. He said he expects significant savings coming back to the state in tax revenue and associated proceeds from the retention of jobs and so on. He added that 40 percent of the northeast and mid-Atlantic's supply of home heating oil comes from those three refineries, and losing that capacity would have driven up costs in another way.

Chairman Adolph also extended credit to the unions for their work in keeping the refineries online, in addition to the leadership of DCED and the governor. Sec. Walker agreed.

Given the efforts regarding the refineries, Chairman Markosek noted there is "another industry" in the Commonwealth that supports 5,000 jobs that needs to be kept intact.

Chairman Markosek asked for an update on the Beaver Count ethane cracker plant proposal. Sec. Walker said Royal Dutch Shell's option on the property expired in December 2012, and the company has gotten a 6-month extension from the current owner of the site. He said the company is doing everything that would lead state officials to believe they still consider it a viable project. He said there is still real competition from Gulf states, and said he believes Pennsylvania thus far has been doing everything right. He said the people at Shell are "the finest people" he has ever met in a large corporation, and expressed cautious optimism that the project will be consummated.

Rep. Pyle noted 14 counties in southwest Pennsylvania under are an EPA edict to use a special kind of petroleum that is processed only at the Marcus Hook refinery. He said saving that facility has precluded heavy price increases for drivers in that area of the Commonwealth.

Rep. Pyle asked Sec. Walker to describe how the Department offers "bang for the buck." Sec. Walker described how developing an economical way to tap into the Marcellus and Utica Shales has been a boon for the Commonwealth. He said he feel the best program on the horizon within DCED is the Pennsylvania Business Development Authority. He explained it consolidates four boards governing eight different business loan programs into one, providing a streamlined public-private partnership (P3) requiring only a single application for businesses and entrepreneurs. He said as companies come into the state the Commonwealth will make its money back. He suggested if the legislature is looking for ways to bolster economic development, it can help enact that proposal.

Rep. Pyle noted recent legislation passed in the state of New York negatively affecting one of their oldest manufacturers, Remington Arms, and asked if Pennsylvania could work to lure them to the Commonwealth. Sec. Walker suggested that as business taxes including the Capital Stock and Franchise Tax are reduced or eliminated the state will become more attractive to those around it.

Rep. Freeman, minority chairman of the Local Government Committee, discussed the Department's Main Street and Elm Street Programs, expressing concern that recent guidelines have changed how they are administered. In particular he said the tradition of state dollars matching local funds to pay for the salaries of managers has been discontinued. He noted both laws call for support for up to five years, while the new guidelines have largely done away with that, with few exceptions. Sec. Walker stated he is a huge fan of the programs and said he supports local matches because they encourage the local communities to get involved. He added he would support extended support for more than five years, and pressed on the question by Rep. Freeman, said he would support an effort to match manager salaries as well.

Rep. Stern, chairman of the Tourism and Recreational Development Committee, expressed gratitude for tourism funding in the governor's proposed budget. He emphasized he wants to be sure the Administration recognizes the importance of tourism and its value to the state economy, where it ranks as the second industry behind agriculture, and that it does not get overlooked in relation to the other programs administered by DCED. With other states competing for tourism dollars, he warned he feels Pennsylvania has lost three years' worth of marketing efforts. Rep. Stern also credited Deputy Secretary Carolyn Boser Newhouse for her efforts towards developing P3s in the industry. Sec. Walker acknowledged tourism accounts for eight percent of the state's economy. He said looking back he feels there was one mistake made relative to the Hotel Tax, in that a percentage should have come back to the state. He said the local agencies are not really coordinated in their marketing programs with what the state is trying to do, and said DCED is making an effort to have more collaboration in that area.

Rep. Kirkland, minority chairman of the Tourism and Recreational Development Committee, thanked the Department for its efforts relating to the Marcus Hook refinery, noting it lies in his district. He pointed out he sent one of the first communiqués to the Administration and Chairman Adolph warning about the possibility they would close.

Addressing tourism, Rep. Kirkland noted the governor did not mention it in his budget address, and asked whether current marketing efforts are enough and whether it is considered a critical activity. Sec. Walker

said the Department has been working with the legislature on privatization efforts in that vein and said it is a matter of finding the right partners. He opined the governor is not ignoring tourism and pointed out the first lady is heavily involved in promoting tourism. He said he would be happy to discuss the matter further and agreed more money needs to be spent on promotion. Sec. Walker added recent trade missions to France and Germany have been successful in generating interest in Pennsylvania as a tourist destination.

Rep. Millard brought up the Pennsylvania Business Development Authority, characterizing it as a one-stop shop for job creators, and asked if it differs from the past Liberty Loan Authority. He also asked if legislative appointees would have absolute veto power, as they do in the Commonwealth Financing Authority (CFA). Sec. Walker said it is intended to be very similar to the Liberty Financing Authority and remarked the governance structure is still being determined. He commented one issue with the CFA is that with the wide availability of veto power it is difficult to get anything done. He expressed a preference for majority rule, and confirmed Rep. Millard's supposition that it will offer flexibility with funding.

Rep. Kula asked for a report on the performance of the Film Tax Credit. Sec. Walker said it has been at \$60 million per year the last several years and last year generated \$1 billion impact on the state economy and generated 18,000 jobs. Rep. Kula said she has heard that \$60 million dollars has been a limiting factor for the credit and questioned whether the Department has looked at what higher amounts could return in terms of impact. Sec. Walker noted this year it is switching to a multi-year funding formula and there will be \$92 million available, and acknowledged it will always be a trade-off and a "battle of resources."

Referring to the Pennsylvania Access Housing Program, also known as Home Modifications under the Keystone Communities line item, Rep. Kula asked how its funding stands and the likelihood it will be moved to the Pennsylvania Housing Finance Agency (PHFA). Sec. Walker acknowledged that option was explored but said it probably will not happen. He said some of the funding for that program is federal money and remarked the Department aims to be as efficient with it as possible. He confirmed there is a waiting list and all funds allocated to it are used up. He agreed it is much less expensive for taxpayers to keep people in their homes rather than in nursing facilities.

Rep. Boback discussed tourism and HB 2056 of the previous session, which would establish the Pennsylvania Tourism Commission as a separate agency with its own trust fund. She asked if the legislation were to be passed in the current session, whether the Department would see it more or less not as a separate entity but as one that is transferred funds from the Pennsylvania Tourism Office. Sec. Walker said they are looking more at a model that is a P3, and that seems to be what the industry wants also. He agreed the legislation should probably be reintroduced with language that provides for a public-private entity.

Rep. Brownlee cited the D2PA program and asked for details on its rollout and how it is being promoted. Sec. Walker noted it is available on the Department's website and the program is currently oversubscribed. He said it has been extremely successful thus far, and cited the example of the Culinary Enterprise Center in Philadelphia as one award that has worked very well. "I think the word is out," he commented.

Continuing on the D2PA program, Rep. Brownlee asked for confirmation that in 2011-12, there were 71 applications and 17 programs funded. Sec. Walker said it takes a while to start up and reiterated the program is now oversubscribed. He reported for the current fiscal year there were 90 applications for \$40 million. Rep. Brownlee questioned whether there is a mechanism for monitoring the program. Sec. Walker confirmed there is, noting the Office of Technology and Innovation assesses companies relative to job commitments.

Rep. Denlinger thanked the department for helping four fire companies in his district merge into two. Sec. Walker indicated such mergers are the only way to save many fire companies. Rep. Denlinger then asked

about Act 47, specifically inquiring why the proposed funding spikes from \$2.1 million to \$6.2 million. Sec. Walker replied the money is being transferred from another fund, explaining the department anticipated more municipalities to enter the program last year but Altoona was the only one. He also discussed two programs targeted to help us reduce the number of municipalities that end up in Act 47. The first program provides for early intervention. Citing the experiences of Lebanon is example, he explained the state can save a lot of money if it intervenes before a city becomes distressed. The second program provides an early warning, in which the department assesses the information it receives to identify municipalities that may be in trouble. He remarked a lot of communities do not like to admit they're in trouble and let it go as long as they can. Rep. Denlinger was glad to hear tools are available to get out ahead of issues. Sec. Walker agreed more help can be provided when the problems are identified earlier.

Rep. Santarsiero noted earlier discussions about the advantages of investing in Pennsylvania, but pointed out one of the disadvantages is the state's decaying infrastructure. He called on the administration and legislature to come up with a plan to deal with the issue. He also cautioned that education needs to be adequately funded or that too could become a disadvantage. Rep. Santarsiero then asked about the impact of saving the refineries on jobs and the potential impact of the Shell ethane cracker plant in Beaver County. Sec. Walker confirmed 1,800 direct jobs and another 15,000 indirect jobs were saved at the refineries. He said the cracker plant is expected to create 400 direct jobs and estimated as many as 20,000 indirect jobs will be created in the downstream industries. He based his estimate on what was seen when the last plant was built, which was in Singapore, and pointed out this plant was originally to be built in the middle east but Shell opted to place it near a major population center. Sec. Walker opined the cracker plant will re-industrialize Beaver County.

Rep. Santarsiero asked about the costs of the two deals. Sec. Walker explained the Marcus Hook refinery deal was \$15-20 million, but more opportunities exist at that site particularly with the dredging of the river, and the other two refinery deals were \$35 million each. He expressed his hope that the sites will be able to accommodate the new super ships coming through the Panama Canal. Regarding the cracker plant, Sec. Walker confirmed that deal includes a tax credit for \$66 million per year beginning in 2017, or a total of \$1.65 billion over 25 years. He emphasized the tax credit, which breaks down to five cents per gallon, must be earned and is not a guarantee to the company. Rep. Santarsiero concluded the number of jobs per taxpayer dollars is a much better deal at the refineries. He noted his support for targeted tax credits, but expressed caution on "bang for the buck." He questioned giving a large tax credit to such a large company. Sec. Walker stated Pennsylvania was competed with Ohio and West Virginia and the tax credit is what led to Shell choosing Pennsylvania. He reiterated the credit must be earned and highlighted the economic benefits for Beaver County. He also noted the facilities were already in place at the refinery sites but are not in Beaver County. Rep. Santarsiero questioned if this fiscal policy is the best use of money to create jobs. He pointed to a loss of 17,000 education jobs over the last two years. Sec. Walker disagreed, noting that Pennsylvania needs new jobs to raise revenue to pay teachers. He also decried the east versus west mentality, stating that he is looking out for all of Pennsylvania and did what was best for the state. Rep. Santarsiero took umbrage at the suggestion he is engaging in a rivalry and said he is trying to decide what is the best use of tax dollars. He said losing jobs equates to losing consumers, which has a direct impact on the state's economy.

Chairman Adolph commented the \$85 million spent on the refineries was never an east-west question and highlighted the difference between saving and creating jobs. He cited a study by the Department of Labor and Industry which found \$850 million in unemployment compensation payments were saved with the refinery deals.

Rep. Christiana cited an article in today's edition of the *Wall Street Journal*, which he said reinforces the secretary's point that the natural gas industry is going to remain for a long time and growth is expected to continue for the next 40 to 50 years. The article also reinforces the point that Pennsylvania is in stiff competition with Ohio, West Virginia, and the Gulf states, he said. Rep. Christiana pointed out the tax credit for the cracker plant will not affect the upcoming budget. Sec. Walker confirmed the earliest impact will be 2017. He further reiterated that the tax credit is based on production, so if the plant operates at 50 percent of projected production, the credit will be \$30 million. He also discussed the importance of job

training in order to compete with the Gulf states and said DCED is working with the Department of Labor and Industry to ensure the workforce is ready when the facility opens.

Chairman Adolph noted the Pennsylvania Higher Education Assistance Agency has a program to train Pennsylvania residents in energy so the jobs can go to Pennsylvania residents.

Rep. Wheatley asked about D2PA and how it differs from the Ben Franklin Technology Development Authority. Sec. Walker explained the Ben Franklin Technology Development Authority funds research for new ideas at the university level whereas Discover and Develop will take programs programs and concepts already developed to get into start up mode. He argued D2PA fills a gap and is a lot broader. Rep. Wheatley argued Ben Franklin and Innovation Works already fill the need and questioned why a new, duplicative entity is being created. Sec. Walker further explained the new program will create flexibility. He said Ben Franklin invests in startup companies and works with universities to take good concepts developed in the lab and bring them to the next level where as D2PA supports ideas and concepts, not inventions. Rep. Wheatley asked who makes the decisions for what will be funded. Sec. Walker replied the department has a dedicated group of employees in the department that reviews and scores all the proposals. Rep. Wheatley also asked about the possibility of the commonwealth partnering with the startup companies to double the investment. Sec. Walker said Pennsylvania does not have venture capital funds. He said that is a gap the department is trying to address.

Rep. Wheatley also asked about the combination of funds in the Pennsylvania Minority Business Development Authority. He asked for assurance the minorities will continue to receive investments. Sec. Walker confirmed that would remain part of the structure and explained the idea is to combine all the programs into one, which will benefit them all.

Rep. Day remarked on the incredible projects in the administration and offered his support for creating as many corridors across the commonwealth as possible. He then asked what would be a template project, considering the number of jobs created, cost, and level of government participation. Sec. Walker said the department wants to see 25-50 new jobs, but indicated the ratio of job to cost varies from project to project. He stated it is all based on the cost effectiveness and return on investment. Rep. Day cited a manufacturer in his district that wants to expand and create jobs and wondered if the commonwealth would participate. Sec. Walker replied the department would be interested in working with the company if the project is saving or creating jobs.

Rep. Day also asked the secretary to review the package of five bills he has introduced, regarding internet reservation intermediaries, which would close a hotel tax loophole and will mean millions of dollars in revenue for the commonwealth. The secretary said he would be happy to look at the bills.

Rep. Carroll thanked the department its good work, particularly citing the stellar service he has received from the Center for Local Government Services and Business Assistance Office. He offered his support for the Commonwealth Financing Agency model. Rep. Carroll cited an urgent need to focus on tourism and asked why funding for the Appalachian Regional Commission (ARC) was moved to the Motor License Fund. He argued transportation funding is already challenged and it is odd to shift another responsibility to that fund. He also noted that ARC projects are primarily transportation projects, but not wholly, and he questioned if the non-transportation projects will continue to be funded. Sec. Walker replied the department worked with the Department of Transportation on the shift and PennDOT supports it. He noted it is only \$1 million and argued the move will be positive because it ensures dedicated funding for the ARC each year. He assured Rep. Carroll that the projects funded by the ARC will not be affected.

Rep. Parker talked about Keystone Communities and said the challenge for her is that members don't necessarily know the outcome of what funds are used for after they leave Harrisburg going towards projects. Sec. Walker said DCED tries to keep members apprised and said if there is a specific project he will find out. Speaking to the Enterprise Center, Rep. Parker credited the work of president Della Clark, to which Sec. Walker concurred.

Speaking to the PHFA and \$66 million in funds from the federal mortgage settlement that were used for the Homeowners Emergency Mortgage Assistance Program (HEMAP), Rep. Parker suggested she is not sure whether there will be another mortgage settlement to continue funding the program after three years. PHFA Executive Director Brian Hudson confirmed HEMAP did get \$22.2 million from National Mortgage Settlement Fund and was restarted in August of 2012. He said applications are up to 700 per month, rising back to the historic average of 1,100 a month. He reported 46,000 have benefited from HEMAP since its inception.

Rep. Bradford asked for more details on the programs being consolidated into the Pennsylvania Business Development Authority. Sec. Walker clarified the CFA would remain as a separate body. He said the First Industries Program and Second Stage Loan Guarantee Program would be transferred over. Sec. Walker concurred with Rep. Bradford that one of the main reasons for the proposal is how currently the various programs have siloed funds.

Rep. Bradford asked if there would be any regulatory requirement relative to consideration of minority and women-owned businesses under the new Authority. Sec. Walker said there is not that he is aware of but said if that is something that is of interest it could be discussed. He emphasized they are not planning to discontinue those programs, but with a bigger pool of money will in fact make funds more accessible. Rep. Bradford questioned how the department will get more money. Sec. Walker said it can collateralize those assets and borrow against them; something that is not being done currently. He said right now there are assets available totaling nearly \$1 billion so initially there would be no need to do any borrowing, depending on demand. Sec. Walker also noted the Authority would mean only one application needs to be filed by a business.

Rep. Bradford questioned how much debt would be on the books for either the state or the authority. Scott Dunkelberger, director of the Center for Business Financing, offered an in-depth explanation. He said currently there are eight separate programs managed by four authorities. To streamline the system, Dunkelberger said the idea is to reconstitute each program as a separate account under a single authority. He noted there are just over \$1 billion in assets among the combined programs, with \$550 million under the Pennsylvania Industrial Development Authority (PIDA). Dunkelberger explained the idea would be to go to Wall Street and say they would like to pledge the loan portfolios that are unencumbered and borrow against them. He said it would solely be the debt of the Authority; none of it being general obligation debt. Rep. Bradford argued that while it is off-balance sheet debt, it is still debt, and likened it to the unfunded pension liability. Dunkelberger noted that is debt owed by the Commonwealth whereas this would be debt owed only by the Authority. Following further debate back and forth Chairman Adolph called a halt to the discussion for the sake of time.

Rep. Dean questioned what the delay over the ethane cracker is a result of and what the cost has been to the state. Sec. Walker expressed his belief that Shell is conducting due diligence and said the delay has nothing to do with any financial problems on Shell's part. He said he does not know if there is a relationship to litigation over Act 13 and local control of zoning and has not heard that.

COSPONSOR MEMOS

Rep. Mark Keller

- [Natural Gas Farm Equipment Conversion Tax Credit](#)

Rep. Rozzi

- [Co-Sponsorship Request – Prohibiting the Use of Tobacco in Recreational Areas](#)

Rep. Hanna

- [Co-Sponsor: Amending Title 75 \(Vehicles\) - Modified Golf Carts](#)

COMMITTEE MEETINGS

House Local Government

WEDNESDAY - 3/13/13

10:00 a.m., Room 205, Ryan Office Building

HB 488 Kauffman, Rob Amends Second Class Township Code, in corporate powers, further providing for appropriations for hospitals and tourist promotion agencies.

Joint Legislative Conservation Committee

MONDAY - 3/18/13

12:00 p.m., Room 8E-B, East Wing

Environmental Issues Forum on the PA Association of Conservation Districts

BILL REPORT

ATTACHED TO THE REPORT

STATE NEWS

CORBETT TO TALK TO FEDS ON EXPANDED MEDICAID

Gov. Tom Corbett says he and U.S. Health and Human Services Secretary Kathleen Sebelius have agreed to schedule a meeting to discuss questions about expanding Medicaid eligibility in Pennsylvania. In recent days, the Republican governors of New Jersey and Florida have announced they would accept federal money to expand the program. Under the health care law, the federal government would pay the full cost of expansion for three years and then 90 percent of the cost.

CORBETT, CAMELOT EXTEND LOTTERY BID TO MARCH 18

The Corbett administration and a United Kingdom-based company agreed today to extend a bid to manage the Pennsylvania Lottery through March 18, an administration spokeswoman said. "This extension allows both parties to continue considering strategic next steps in an effort to secure and maximize long-term lottery funding for seniors programs," Elizabeth Brassell, spokeswoman for the Department of Revenue, said in a statement.

GRELL DRAFTS RESOLUTION TO IMPEACH MELVIN

A legislator has drafted a resolution that would be the first step in the possible impeachment of Pennsylvania Supreme Court Justice Joan Orié Melvin following her conviction on six counts of corruption, the lawmaker said Friday. Rep. Glenn Grell said he will confer with fellow lawmakers Monday about whether and when to file the resolution, which would be unnecessary if Melvin resigns voluntarily.

IN THE NEWS

Washington County Economic Development Successes

(Cecil Township, Southpointe, Washington County, PA) – Washington County, Pennsylvania-which drives the Greater Pittsburgh Region in energy production and manufacturing-continues to increase its leadership position among Southwestern Pennsylvania counties in terms of economic growth and job creation.

To demonstrate this growth, the Washington County Board of Commissioners were joined today by a standing room only crowd of over 200 Washington County business leaders at Southpointe Golf Club to highlight 73 economic development projects that account for over \$346.0 million in capital investment in Washington County during the past year. These projects were also complemented by over \$7.7 million in additional investments the county is making this year through the Washington County Local Share Account—a fund capitalized by gaming revenues. These investments are being leveraged by an additional \$25.8 million in public and private resources.

“Once again, Washington County continues to lead the Greater Pittsburgh Region in terms of economic development projects, energy production and job creation,” stated Larry Maggi, Chairman of the Washington County Board of Commissioners. “In 2012, our business community announced \$346,365,000 in new business investment which will account for an additional 2,530 jobs in Washington County. This tremendous growth in business investment and job creation was driven by numerous sectors of our economy—energy, technology, commercial/industrial development, hospitality and manufacturing. In fact, Dun & Bradstreet reported that right now there are 280 companies in our county involved in manufacturing alone,” Maggi said. Commissioner Maggi also pointed to Washington County’s continued growth in the energy sector where the county is ranked first in the Greater Pittsburgh Region in both natural gas wells drilled and drilling permits issued 2012. “With 753 unconventional wells drilled from 2005 to 2012, Washington County’s leadership position in our region and state truly earns us the designation as *Energy Capital of the East*,” Maggi relayed. The county is ranked fourth in Pennsylvania for natural gas wells drilled and second in the state for number of drilling permits issued in 2012.

Commissioner Maggi further stated that the county’s growth is also being recognized by a variety of sources. “Washington County was recently ranked second in the state and 94th in the nation in percentage of wage growth by On Numbers from American City Business Journals and our own Peters Township was rated fourth best suburb in Pennsylvania and the highest ranking community in Southwestern Pennsylvania as part of the ‘Best Places to Live’ series by Coldwell Banker Real Estate,” Maggi said. “While we appreciate these recognitions, I believe it is a stronger statement of our economic growth when international companies ANSYS and Mylan decided to further invest and build their new corporate headquarters in Washington County,” Maggi stated.

Spend the day or a lifetime.

Washington County’s economy is not only being driven by technology, energy and manufacturing, but by a strong tourism industry. According to a recent report prepared for the Pennsylvania Department of Community & Economic Development, Washington County’s tourism industry supports 5,740 jobs and generates over \$72 million in federal and state tax revenues. The same report found that in the Southwestern Pennsylvania Region, Washington County held the second largest share of visitor spending.

“In their most recent report, the Pennsylvania Department of Community & Economic Development found that in 2011 direct visitor spending dollars in Washington County was \$669.2 million up from \$583 million in 2010. This is a nearly 15 percent increase,” stated Commissioner Diana Irey Vaughan, Vice Chairman of the Washington County Board of Commissioners. Commissioner Irey Vaughan credited this significant growth to the development of the county’s tourism assets as well as the impact of the Marcellus Shale Play. “In 2006, direct visitor spending dollars in Washington County was \$333.0 million. This was prior to the full development of such tourism assets as The Meadows Racetrack & Casino, Tanger Outlets and the tremendous influx of workers in the natural gas field. You can clearly see the positive impact these assets have on our economy,” Irey Vaughan relayed.

Commissioner Irey Vaughan further stressed the economic impact of tourism by sighting two specific examples. “The Meadows Racetrack & Casino turned five years old in 2012 and is now one of the county’s largest employers with 1,400 employees hosting 4.1 million guests at the casino each year. Its parent company, CCR has invested over \$535 million in the property since 2006 and now The Meadows is spending \$18 million on goods and services in Washington County. This is in addition to the \$33 million in payroll and \$140 million in gaming taxes it has already paid to the state,” Irey Vaughan remarked. “Also,

the PGA/Web.Com TOUR's Mylan Classic held at Southpointe Golf Club has attracted over 66,000 visitors and over \$24 million in economic impact to the county in the past three years of this premier professional golf event. The Mylan Classic has also been an exceptional partner in promoting Washington County. Through the event's four day coverage on the Golf Channel, we have been able to broadcast the county's economic development, tourism and energy opportunities to both a national and international market," Commissioner Ireya Vaughan stated.

In addition, the Commissioner focused on the county's Tourism Grants Program that awarded \$244,140 in grants and advertising resources to 29 county tourism assets in 2012. She relayed that since the program's inception nearly \$1.0 million has been invested in the county's tourism assets including the Pennsylvania Trolley Museum, Montour Trail Council, Washington County Fairgrounds & Expo Center, Hickory Apple Festival, Houston Pumpkin Festival and Pennsylvania Bavarian Oktoberfest in Canonsburg and the Rivertown Summer Events on the Lower Monongahela River.

Continued investment, continued success.

In addition to the impressive economic development successes in the past year, Washington County continues to invest in infrastructure, business parks and community development projects through the Washington County Local Share Account Program (LSA). The LSA program is Washington County's share of gross revenues from The Meadows Racetrack & Casino that has been directed by the commissioners to economic development projects in the county. The program has been investing in Washington County projects for the past five years.

"Since 2008, the LSA has invested in over \$52.2 million in new economic, community and industrial development projects," stated Harlan Shober, Jr., Washington County Board of Commissioners. "However, more impressive is the leverage that we have been able to realize from these investments. In the past five years, we have been able to match our \$52.2 million in LSA funds with over \$121.2 million in additional federal, state and local monies for a total of \$173.5 million in total impact. These investments in business parks such as Alta Vista Business Park in Fallowfield Township and StarPointe Business Park in Hanover Township as well as job training initiatives, the expansion of the Washington County Airport and other job creation projects are preparing us for future development and capitalizing on our existing assets," Shober said. He relayed that community investments such as waterlines in West Pike Run Township, cleaning up illegal dumpsites across the county and improving public transportation at the North Charleroi Transit Center are further examples of LSA resources improving the quality of life in the county.

Commissioner Shober also gave insight to some of the projects approved by the Washington County Commissioners during the 2013 LSA process. "We are fortunate that our LSA decisions are made locally and enable us to invest in ourselves. This year we approved \$7.3 million in LSA grants to be leveraged by over \$16.4 million in new developments for the county. These projects include a Rural Community Building Preservation Project by the Jefferson Township Historical Society, improvements at the Smith Township Industrial Park and Center-West Joint Sewer Authority Sanitary Sewer Collection System Phase 3 in Centerville. While these projects are now being reviewed by the Pennsylvania Department of Community & Economic Development, we are confident that they will be approved and continue our economic investments through this program," remarked Shober.

The Washington County Commissioners also gave an update on the county's major economic development investments.

Starpointe Business Park

Managed by the Washington County Council on Economic Development (WCCED), Starpointe Business Park currently is home to over 300 employees in northern Washington County. Phase 1-B of the park has secured \$13.4 million for earthwork, storm-water management, infrastructure, utilities, a rain garden and the first roundabout in Hanover Township. The first parcel of phase 1-B has been sold to Hormann Flexon,

a high speed, high quality commercial/industrial garage door manufacturer based in Germany. This phase has parcels ranging in size from 17 to 39+ acres.

Southpointe II

In 2012 the Southpointe II project added road and traffic infrastructure including widening Southpointe Boulevard, adding traffic lights and extending Woodcliff Drive. These projects amounted to \$6.0 million. The estimated total jobs in Southpointe II is 2,000.

Alta Vista Business Park

Total investment in this business park in Fallowfield Township is approaching \$17.0 million and total employment is 400.

Washington County Airport

The Washington County Airport is home to 85 aircraft including 34 T-Hangars, seven corporate hangars, and seven aviation businesses. The operations, management, and development of the Airport transitioned to the Redevelopment Authority of the County of Washington (RACW) in 2011. The Airport has 330 acres and has a 5,000 foot runway with a full Instrument Landing System (ILS). The total payroll associated with the airport activity is currently \$11.1 million and the total annual output is \$42.7 million. The Airport is currently ranked 5th overall in jobs created of the 116 general aviation airports in Pennsylvania.

A strategic plan for the Airport was unveiled in September 2011 and included plans to lengthen the runway and the development of aviation related businesses on the Airport's north side. Recent improvements include runway pavement repairs, security/wildlife fencing and Terminal Building upgrades. All airfield pavements will be rehabilitated in the summer of 2013 at a cost of approximately \$1.6M.

In concluding the event, Jeff M. Kotula, President of the Washington County Chamber of Commerce remarked "It is important to remember that the successes we are experiencing in Washington County are not accidental. They are the result of years of strategic planning undertaken by the Washington County Commissioners, business community and our economic development organizations to anticipate future growth and be proactive in developing site ready business parks. While we of course did not foresee the tremendous positive economic impacts of the energy industry 15 years ago, the decisions made then to develop ready-to-go sites made our county uniquely positioned to take advantage of these economic opportunities."

02-25-2013 [DEP dishes out \\$18.7M for watershed projects](#)

Several local projects were among recipients of Department of Environmental Protection grants for watershed remediation and acid mine drainage problems. In Blair County, The Trust for Tomorrow environmental group received \$272,600 for stream restoration work along Poplar Run and the Frankstown... - [Altoona Mirror](#)

WEEK IN REVIEW

03-01-2013 [Sentencing set May 7 for Orie Melvin, sister](#)

Suspended state Supreme Court Justice Joan Orie Melvin and her sister Janine Orie will be sentenced May 7. The two women were found guilty on Feb. 21 of using judicial staff, as well as the staffers of another sister, former state Sen. Jane Orie, to work on the justice's campaigns in 2003 and 2009 for the Pennsylvania high court.... - [Pittsburgh Post-Gazette](#)

03-01-2013 [Federal budget cuts: Effects won't be felt immediately](#)

The U.S. Senate voted down two last-ditch attempts Thursday to avoid tens of billions of dollars in federal spending cuts, making it almost certain that those cuts will take effect at midnight Friday. So what effects of the cuts will midstate residents notice when they awake... - [Harrisburg Patriot-News](#)

- 02-28-2013 **State chief of Labor and Industry sees promising numbers in economic data**
When Julia Hearthway, secretary of the Pennsylvania Department of Labor and Industry, considers the state's recovery from the Great Recession, she likes to look at six numbers. Without all six of them, she said, you don't get a full picture. The complete picture that emerges from those numbers isn't all good, but it... - [Pittsburgh Post-Gazette](#)
- 02-28-2013 **Pa. pension execs meet with lawmakers**
HARRISBURG, Pa. — Making newly hired school and state employees enroll in a 401(k)-style plan would not seriously affect Pennsylvania's two largest traditional pension funds, so long as a new plan is adequately funded, administrators told lawmakers Wednesday... - [AP](#)
- 02-27-2013 **Attorney general weighs defending voter ID**
HARRISBURG -- Kathleen Kane criticized the Pennsylvania voter ID law as a candidate. Now she's deciding whether to defend it as attorney general, suggesting in recent remarks that her duty to protect the state constitution could trump an obligation to defend state laws.... - [Pittsburgh Post-Gazette](#)
- 02-27-2013 **Penn State board begins making settlement offers to Sandusky's victims**
A committee of Penn State trustees has given the university's mediators authority this week to begin taking firm settlement offers to victims of sexual abuse at the hands of Jerry Sandusky. Michael Rozen, a principal in the firm that's leading the talks on behalf... - [Harrisburg Patriot-News](#)
- 02-26-2013 **GOP leader revisits Electoral College plan**
HARRISBURG — A Republican leader in the Legislature has renewed his politically charged effort to end the state's winner-take-all method of allocating its Electoral College votes for president... - [AP](#)
- 02-26-2013 **Despite flat funding support, PSU, Temple, Pitt, Lincoln presidents say more money needed**
HARRISBURG — Pennsylvania's state-related universities have promised Gov. Tom Corbett that if he keeps their state funding the same next year, they will do all they can to limit tuition increases. But that didn't prevent them from asking for more money during House... - [Levittown Bucks County Courier Times](#)
- 02-25-2013 **Pennsylvania will feel effects of sequester**
WASHINGTON -- Children won't be vaccinated, airport security lines will grow, federal workers and government contractors will lose their jobs, drug addicts won't get treatment, schools will lose funding, civilian military personnel will have their hours and wages cut, and the state will be more... - [Pittsburgh Post-Gazette](#)
- 02-25-2013 **Liquor store privatization bill ready for launch**
HARRISBURG -- It's promised, praised and trashed. It's elevated as The Second Coming and chastised as the reason Pennsylvania will fall into the depths of despair. Proponents say you want it. Critics say you don't. All of the shouting will surely escalate March 4 when a bill to sell the... - [Beaver County Times](#)