

Northwest Pennsylvania Comprehensive Economic Development Strategy (CEDS)

Northwest Commission | Summer 2014

Clarion | Crawford | Erie | Forest | Lawrence | Mercer | Venango | Warren

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I. Background

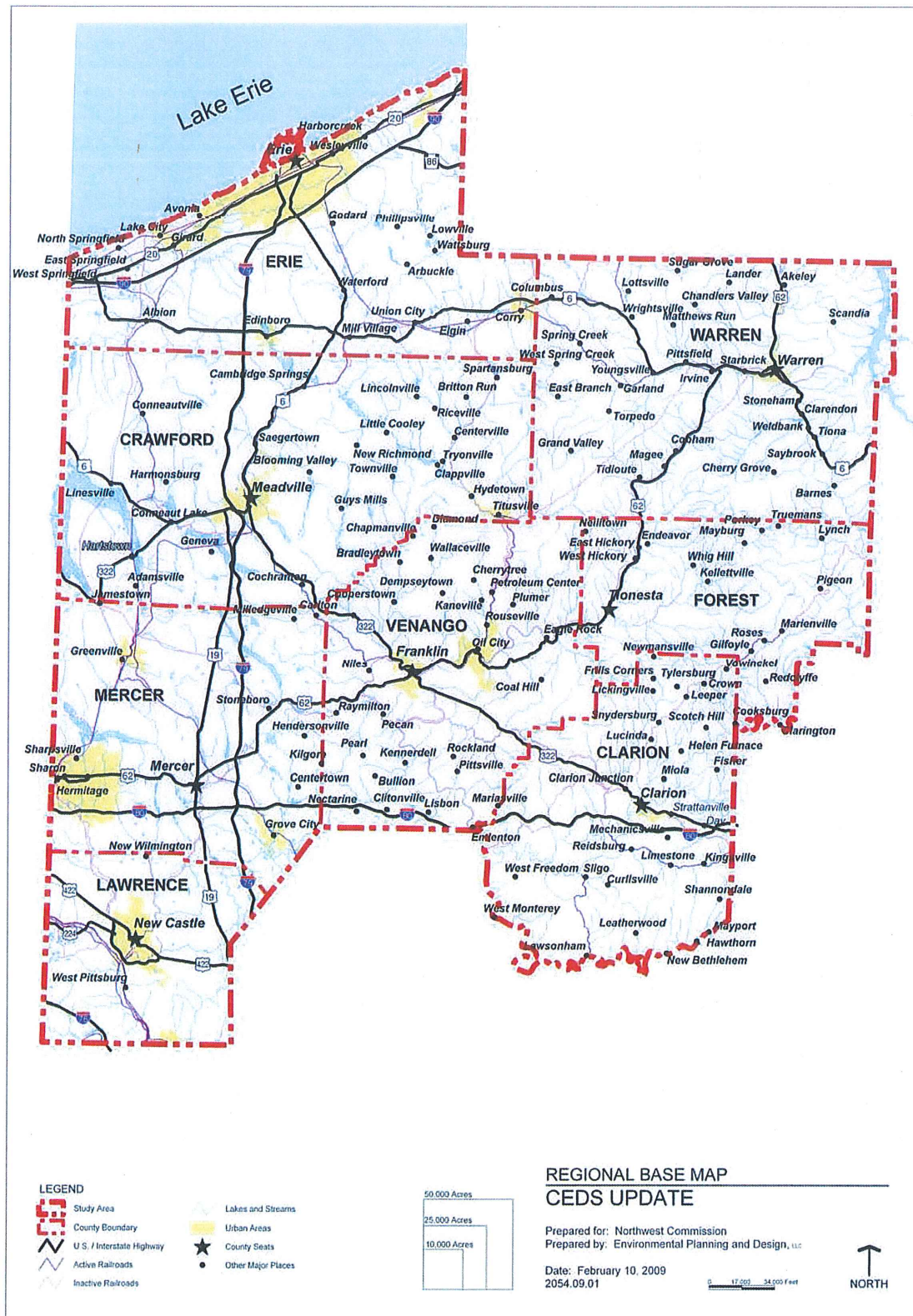
A. Regional Location and Physical Characteristics

The Northwest Region is one of ten planning regions in the Commonwealth; the region is composed of eight counties in the northwest corner of the State of Pennsylvania, bordered on the north by New York and the west by Ohio. The eight counties comprising the Northwest region include Clarion, Crawford, Erie, Forest, Lawrence, Mercer, Venango and Warren. They make up a total area of 6,263 square miles of which 5,431 square miles is land and 832 square miles is water.

The counties are linked by three major interstates: I-79, I-80 and I-90, which are tremendous assets to the region's infrastructure and transportation needs. The majority of the region is rural and agricultural. The terrain consists mostly of gently rolling topography, characteristic of the glaciated patterns from the Illinoian and Wisconsin glaciers that once covered most of the region. The region is also comprised of a random pattern of stream beds, with associated valleys and ridges. The highest ground in the region can be found in its northeast corner, part of its more intense forested lands, while its lowest ground is in its northwest corner, as the land drains toward Lake Erie.

A rich history of the region includes a significant battle in the War of 1812 and the first successful oil drilling rig. The region experienced significant industrial growth in the 1900's and has continued to prosper in spite of the collapse of the steel industry. Despite recent challenges, the region is rich in natural resources and has exceptional infrastructural assets including multiple interstate highways, a developed rail network, port access to the Great Lakes, and airport facilities that allow for sustainable economic growth; this all in turn is paramount to the region's ability to provide educational, employment, and recreational opportunities for its residents.

B. Counties



1. Clarion

Clarion County was formed on March 11, 1839, from parts of Venango and Armstrong counties and is named for the Clarion River, as is Clarion Borough, the county seat. The Clarion River at the time was the dividing line between Armstrong and Venango counties.

According to the US Census Bureau, the county has a total area of 609 square miles of which 602 square miles is land and 7 square miles (1.07%) is water.

The county is fairly rural in nature with many scenic, wooded areas and beautiful waterways. The Borough of Clarion is the largest municipality and the home of Clarion University of Pennsylvania.



2. Crawford

The County of Crawford was originally inhabited by the Iroquois Indians and other tribes and nations. In later years, the land was acquired by a group of Dutch investors under title of the Holland Land Company and resold to settlers. The Commonwealth allocated land to its Revolutionary War soldiers as a bonus settlement. The county was formed in 1800 from a portion of Allegheny County and named after Colonel William Crawford, an early military hero and close friend of George Washington.

According to the US Census Bureau, the county has a total area of 1,038 square miles of which 1,013 square miles is land and 25 square miles (2.41%) is water.

Crawford County consists of several small, nearly extinct lakes. It is also home to three major natural lakes: Conneaut, the largest natural lake in Pennsylvania, Canadohta, and Sugar. Pymatuning, the largest artificial lake in Pennsylvania, is also located here. The two principal streams are French Creek and Oil Creek, both flowing south into the Allegheny system. Conneaut Creek in the northwest drains into Lake Erie.



3. Erie

Erie County was established on March 12, 1800 from part of Allegheny County, which absorbed the lands of the disputed Erie Triangle in 1792. Prior to 1792, the region was claimed by both New York and Pennsylvania, so no county demarcations were made until the federal government intervened.

Erie County was part of the Underground Railroad giving slaves the ability to gain freedom through Lake Erie into Canada, east through New York State, or to stay in Erie with the help of abolitionists and the free black community. Today, the Journey to Freedom educational program provides an interactive program on the Underground Railroad experience.

According to the US Census Bureau, the county has a total area of 1,558 square miles of which 798.9 square miles is land and 759.1 square miles (48.7%) is water. It is the largest county in Pennsylvania. With the exception of a high ridge several miles from the lake, running nearly parallel with its shore, the terrain is generally rolling and well watered.

The county seat of government is in the City of Erie, the county's largest municipality and the fourth largest city in the Commonwealth of Pennsylvania.



4. Forest

Forest County was created on April 11, 1848, from part of Jefferson County. The county was enlarged on October 31, 1866, when part of Venango County was incorporated into the county. Forest County was named for the forests contained within its limits.

Nestled between two federally designated Wild and Scenic Rivers, with close to fifty percent (50%) of its land mass a part of the Allegheny National Forest and hosting Cook Forest State Park, Forest County has the most rural setting of the eight counties in the Northwest District. Within the borders of Pennsylvania's least populated county, there are no traffic lights, no four lane highways, no radio stations and no daily newspapers. But for outdoor enthusiasts, what Forest County does have is unsurpassed beauty and natural splendor.

According to the US Census Bureau, the county has a total area of 431 square miles of which 428 square miles is land and 3 square miles (0.76%) is water.



5. *Lawrence*

Lawrence County was created on March 20, 1849, from parts of Beaver and Mercer counties due to the rapid growth of New Castle, which was primarily in Mercer County but was rapidly expanding into Beaver County. It lies at south-eastern tip of the district and borders on the suburban Pittsburgh region.

It was named after the USS Lawrence, Oliver Hazard Perry's original flagship at the Battle of Lake Erie during the War of 1812. The ship, in turn, was named after naval officer James Lawrence, who died during the War of 1812.

According to the US Census Bureau, the county has a total area of 363 square miles of which 358.2 square miles is land and 4.5 square miles (1.2%) is water. Major waterways are the Shenango River, Neshannock Creek and the Mahoning River which form the Beaver River. Also, the Slippery Rock Creek and Connoquenessing Creek empty into the Beaver River.

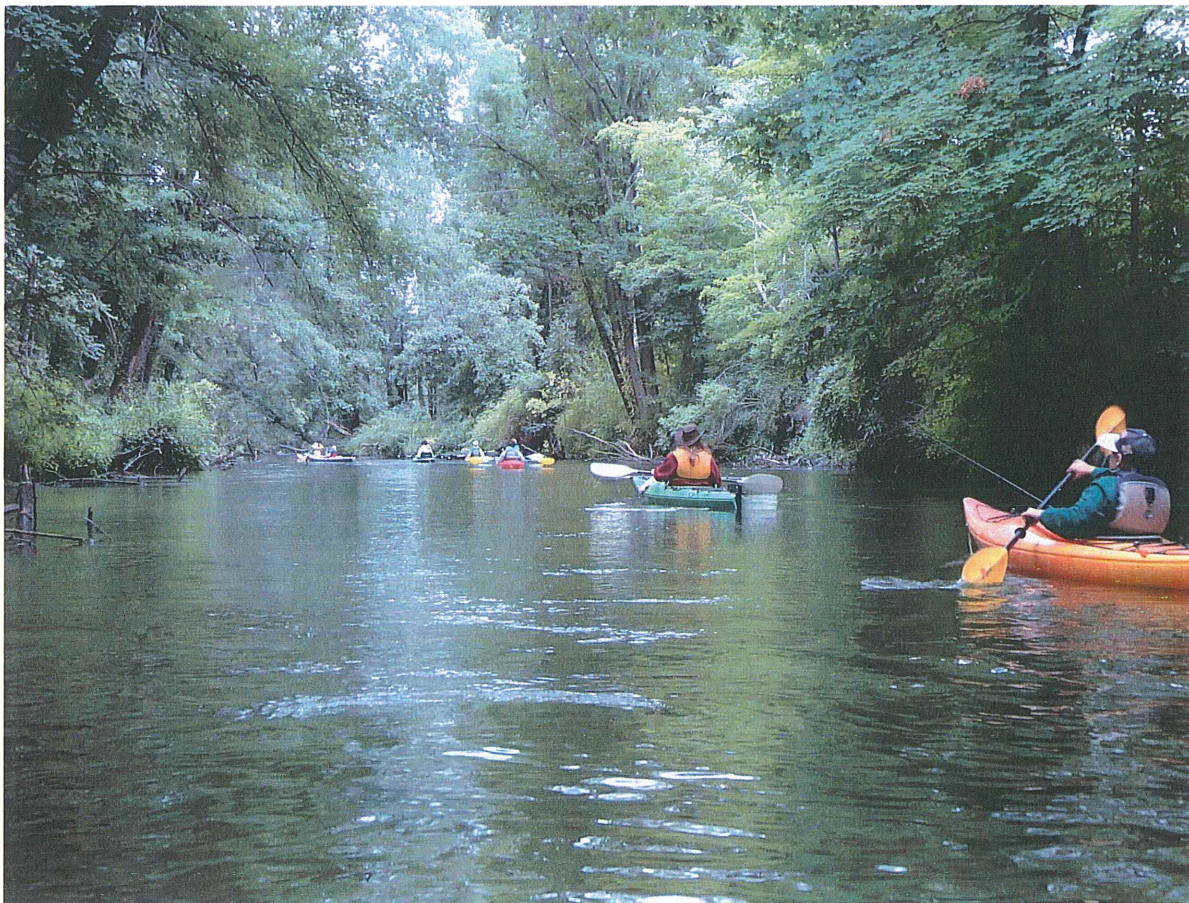


6. Mercer

Mercer County, named for Brigadier General Hugh Mercer, a Scottish surgeon and command during the Revolution, was formed March 12, 1800, from Allegheny County and organized in February 1804. The county encompasses 670 square miles, bordering the Ohio line for 32 miles. The county's largest municipality is the City of Hermitage.

According to the US Census Bureau, the county has a total area of 683 square miles of which 672 square miles is land and 11 square miles (1.58%) is water.

It is the second most populated county in the region behind Erie and has a rich industrial history, particularly in the steel industry. Even so, it still has an abundance of wooded areas and streams offering outdoor lovers a variety of activities.



7. Venango

Venango County was created on March 12, 1800 from parts of Allegheny and Lycoming Counties. The name "Venango" comes from the Native American name of the region, Onenge, meaning Otter. This was corrupted in English as the Venango River. The settlement at its mouth was likewise called Venango, and is the site of present-day Franklin, Pennsylvania.

Venango County is located about halfway between Pittsburgh and Erie. It has one of the richest commercial/industrial histories in the state due to the oil boom in the years following discovery of petroleum in the mid-1850s and is credited with the first successful oil drilling rig on August 28, 1859.

According to the US Census Bureau, the county has a total area of 683 square miles of which 675 square miles is land and 8 square miles (1.17%) is water and includes the cities of Oil City and Franklin, the latter being the county seat.



8. Warren

Situated in the beautiful Allegheny National Forest, Warren County lies in the north-eastern portion of the region. Warren County has been listed by The Progressive Farmer Magazine as Number 2 on their "Ten Best Places to Live" list.

According to the US Census Bureau, the county has a total area of 898 square miles of which 883 square miles is land and 14 square miles (1.60%) is water. Notable physical features include the Allegheny River, the Allegheny Reservoir, the Kinzua Dam, and the Allegheny National Forest.

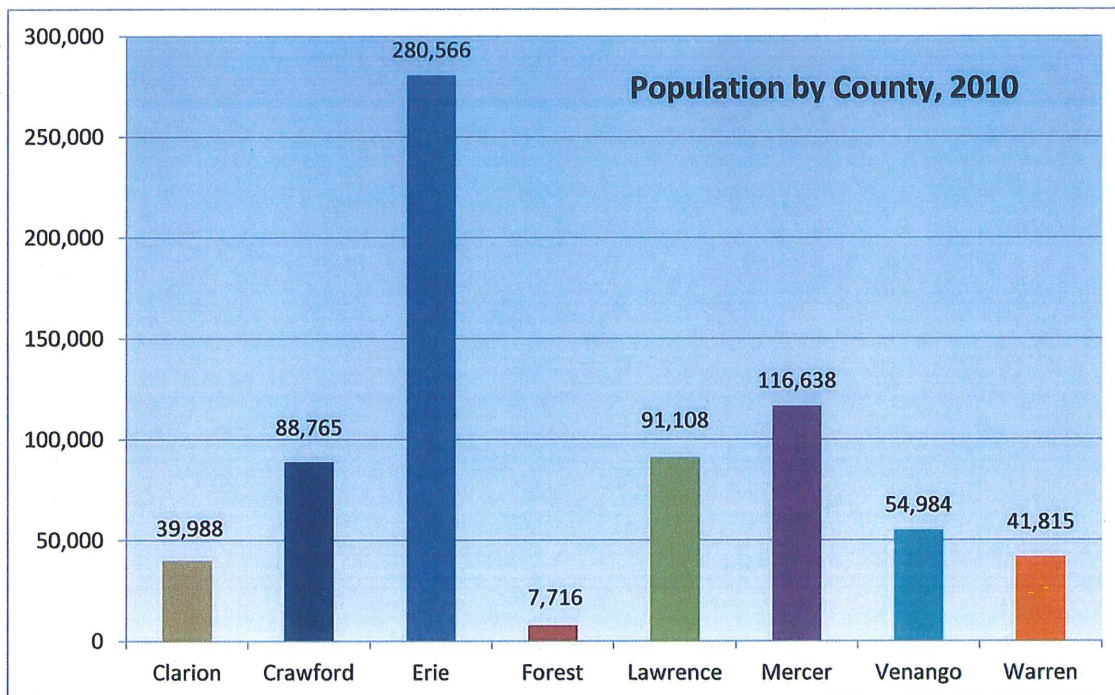
The largest municipality in Warren County is the City of Warren, which also serves as the county seat.



C. Demographic Highlights

1. Current Population

The Northwest region exhibits challenges similar to other rural regions including a shrinking or stagnant population that is also aging. According to the 2000 US Census, 734,284 people resided in the Northwest region. The 2010 Census indicated that the region had 721,580 persons, a -1.7 percent decrease from 2000. Erie County remains the largest population in the region with 280,000 people, while Forest County has the lowest with a population of 7,716.



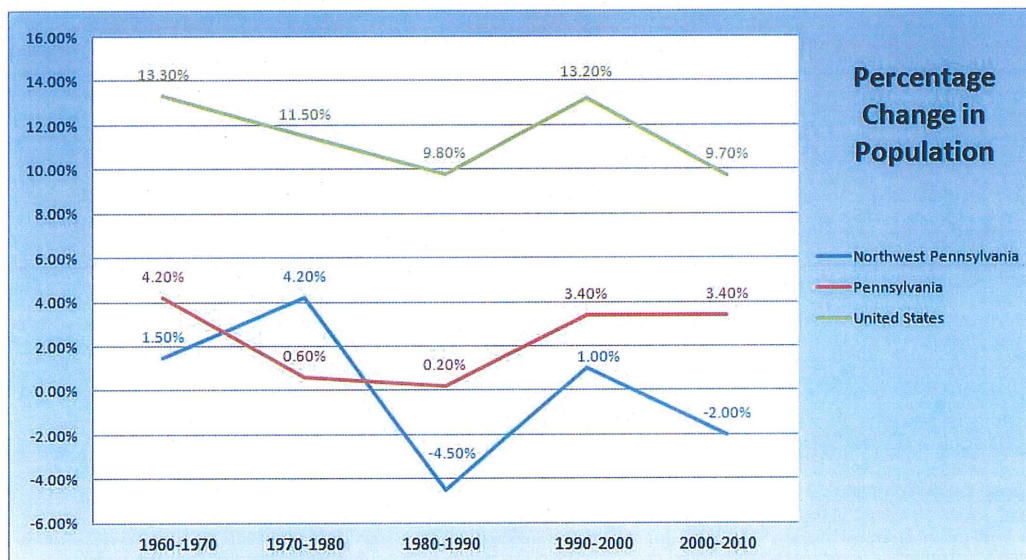
Source: US Census Bureau

Table 1: Population Trends

	1990 Census	2000 Census	2010 Census	2012 Estimate
Clarion	41,699	41,765	39,988	39,646
Crawford	6,169	90,366	88,765	87,598
Erie	275,572	280,843	280,566	280,646
Forest	4,802	4,946	7,716	7,667
Lawrence	96,246	94,643	91,108	89,871
Mercer	121,003	120,293	116,638	115,655
Venango	59,381	57,565	54,984	54,272
Warren	45,050	43,863	41,815	41,146
Total	729,922	734,284	721,580	716,501

Source: US Census Bureau

Population trends are an important piece in determining a region's vitality. The Northwest region has experienced a loss of population between 2000 and 2010. This can lead to challenges in funding infrastructure improvements, education and other government services that are generally paid for by tax dollars.

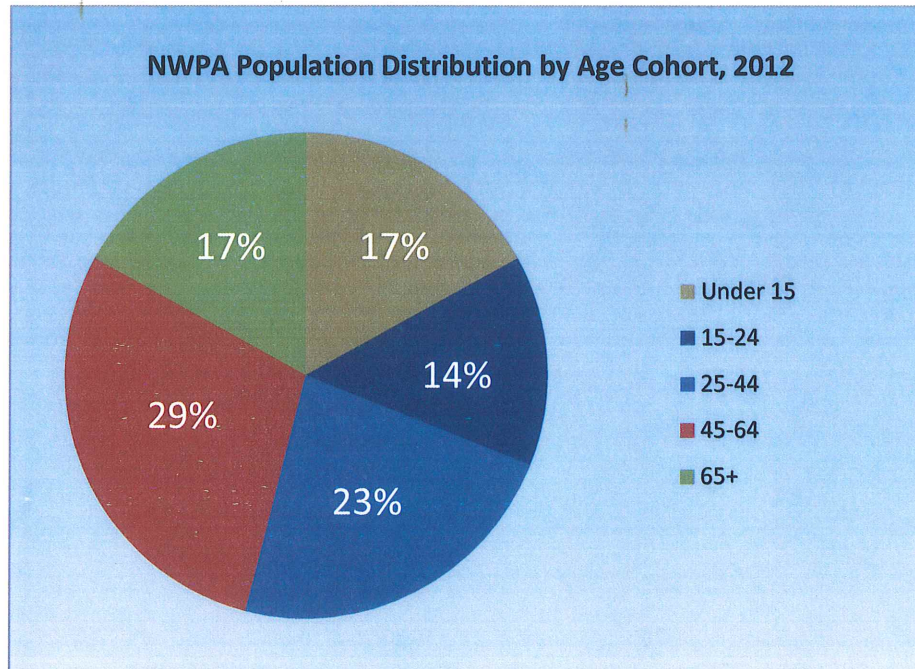


Source: US Census Bureau

2. Age

The Northwest region's percentage in population of persons over 65 years of age is higher than the state and the nation. An emergence of an older population often requires different goods and services than a younger population. According to the 2010 US Census, 16.6 percent of the region's combined population was 65 years of age and over; this compares to the state's overall 15.4 percent and to the nation's overall 13

percent. This trend is projected to increase over the next 20 years. The aging population of the region is a major concern for the sustainability of an industrial work force.



Source: US Census Bureau

3. Population Diversity

Another facet of the Northwest region's population is its racial diversity. In general, the region is not diverse. The majority of the 2010 population, 92.1 percent, is of a white, non-Hispanic origin. This compares to the nation's 72.4 percent and the state's 81.9 percent white, non-Hispanic population. Most of the region's non-white population is located in the more urbanized areas of New Castle, Sharon and Erie.

Table 2: 2010 Population Diversity

	NWPA Total
White	92.1%
Black	4.7%
American Indian and Alaska Native	0.1%
Asian	0.7%
Hispanic or Latino	1.5%
Persons Reporting Two or More Races	1.4%

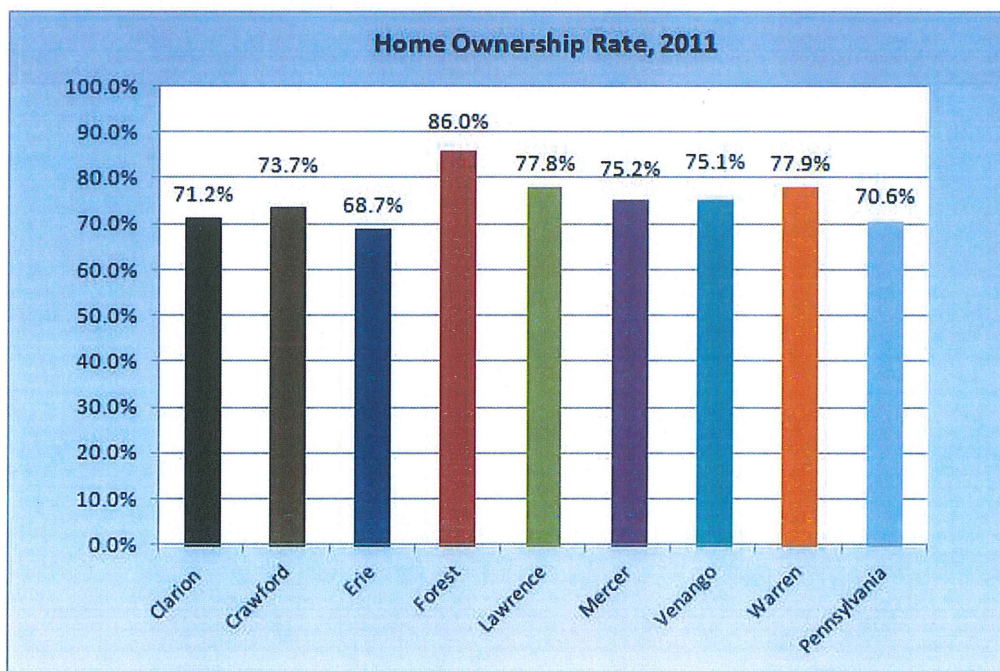
Source: US Census Bureau

4. Educational Attainment

Education attainment is an important factor in determining the economic potential of a region. According to the US Census Bureau, 86 percent of the region's residents over 25 years of age are high school graduates. Approximately 25 percent of all residents have college degrees. The Northwest Pennsylvania region has a high school graduation rate slightly higher than national and statewide averages, while the college graduation rate is slightly lower than the corresponding national and statewide averages.

5. Housing

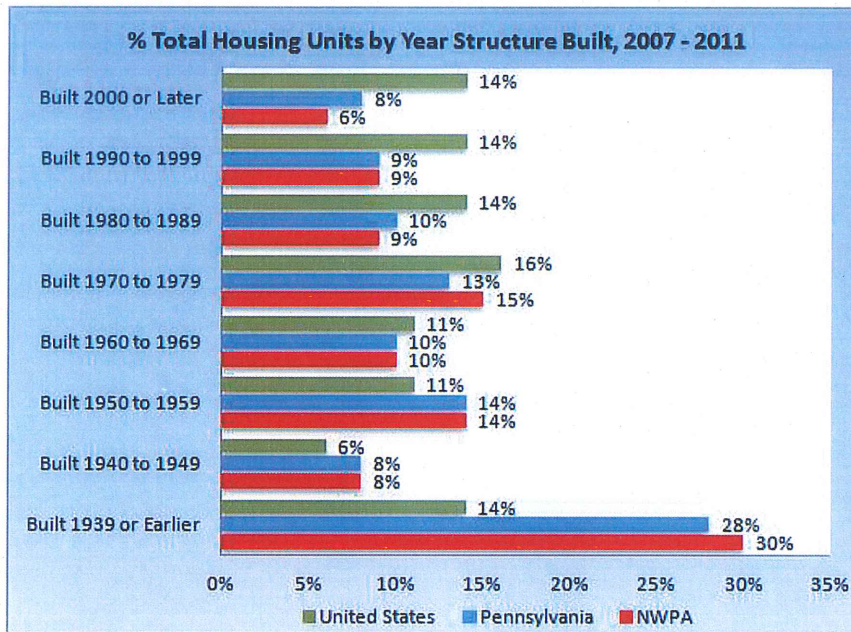
The home ownership rate is calculated by dividing the number of owner-occupied housing units by the number of occupied housing units or households. Home ownership rates can be an important indicator of a region's economic strength. According to the Federal Reserve Board, on average a homeowner's net worth is 46 times that of a renter's. Data from the US Census indicates that homeowners are less likely to move than renters, are more likely to be involved in the community and are more likely to partake in political decisions to protect their investment. Factors such as these indicate a stable work force. Forest County has the highest home ownership rate in the Northwest region. This could be attributed to several factors, such as the rural nature of Forest County or the higher percentage of elderly. Nearly all of the counties within the region are above the state's home ownership rate (70.6 percent) and none are below the nation's average (65 percent).



Source: US Census Bureau

6. Age of Housing

New housing starts in the region have been on the decline since the 1970's, with only 6 percent of the current housing inventory having been built since 2000. This is far behind both the national rate (14 percent) and slightly behind the state's rate (8 percent). A significant portion (30 percent) of the region's homes were built prior to 1940, which is over twice that of the national rate (14 percent), but only a small amount more than the state's rate (28 percent).



Source: US Census Bureau

Table 3: 2012 Construction/Building Data

County	Buildings			Units		
	2000	2012	Change	2000	2012	Change
Clarion	102	31	-69.6%	106	41	-61.3%
Crawford	165	52	-68.5%	175	52	-70.3%
Erie	581	225	-61.3%	688	483	-29.8%
Forest	18	4	-77.8%	18	4	-77.8%
Lawrence	198	40	-79.8%	266	41	-84.6%
Mercer	295	79	-73.2%	420	79	-81.2%
Venango	91	25	-72.5%	117	25	-78.6%
Warren	84	30	-64.3%	84	30	-64.3%
NW Pa.	1534	486	-68.3%	1874	755	-59.7%

Source: US Census Bureau

D. Regional Economy

1. Income

According to the US Census, the region had an overall median household income of \$40,066. The region's median household income is approximately 20 percent less than the Commonwealth of Pennsylvania which is \$50,211. The region's per capita income is 24 percent lower than the state's per capita income.

Table 4: Income

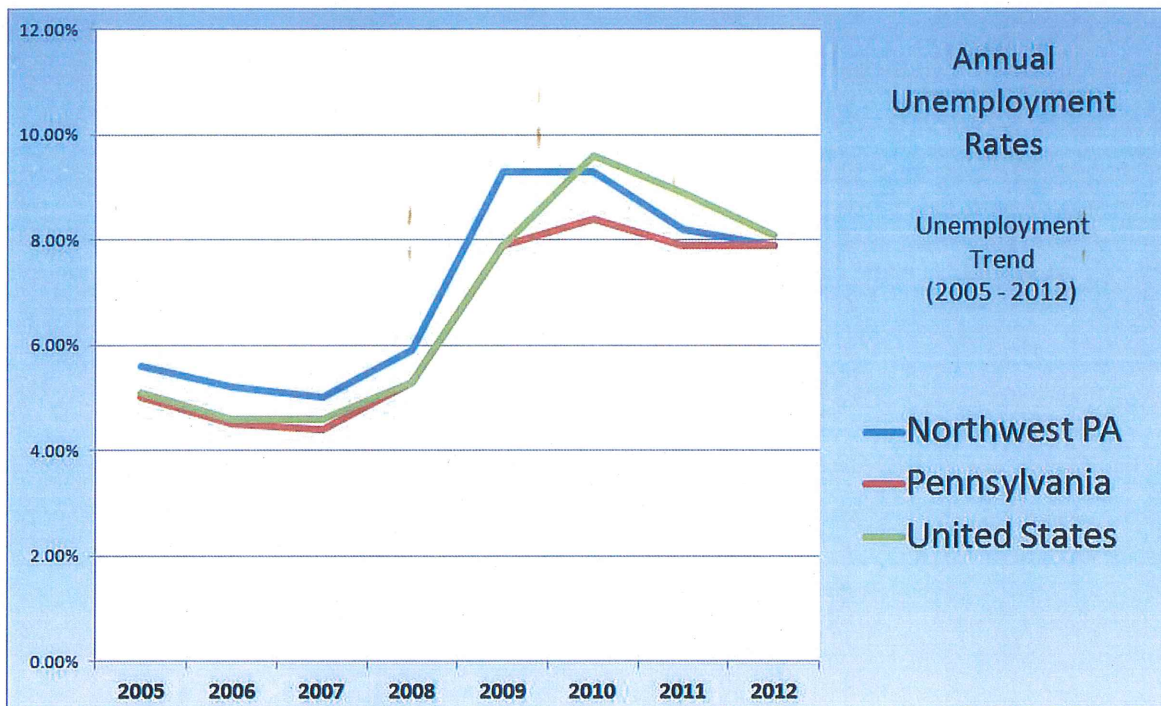
County	Median Household Income	Per Capita Income	Persons Below Poverty
	2011	2011	2011
Clarion	\$41,423	\$32,931	15.0
Crawford	\$40,775	\$31,485	15.3
Erie	\$41,951	\$34,721	16.5
Forest	\$32,852	\$24,014	22.0
Lawrence	\$41,447	\$33,475	16.1
Mercer	\$41,535	\$33,136	14.3
Venango	\$39,608	\$33,628	16.6
Warren	\$40,940	\$33,268	14.5
NWPA	\$40,066	\$32,082	16.3
PA	\$50,221	\$42,291	13.7
US	\$50,502	\$41,560	15.9

Source: US Census Bureau

2. Employment and Unemployment

Unemployment Rates

Until 2007, employment in the region as a whole had been fairly steady since the year 2000. Between 2007 and 2010, unemployment rose from 5 percent to 9.3 percent as the result of a national recession. As the chart that follows illustrates, this mirrored the increases in unemployment occurring in both Pennsylvania and the US. Between 2010 and 2012, unemployment levels began to decline, but are still far above the levels between 2000 and 2007.



Source: US Census Bureau

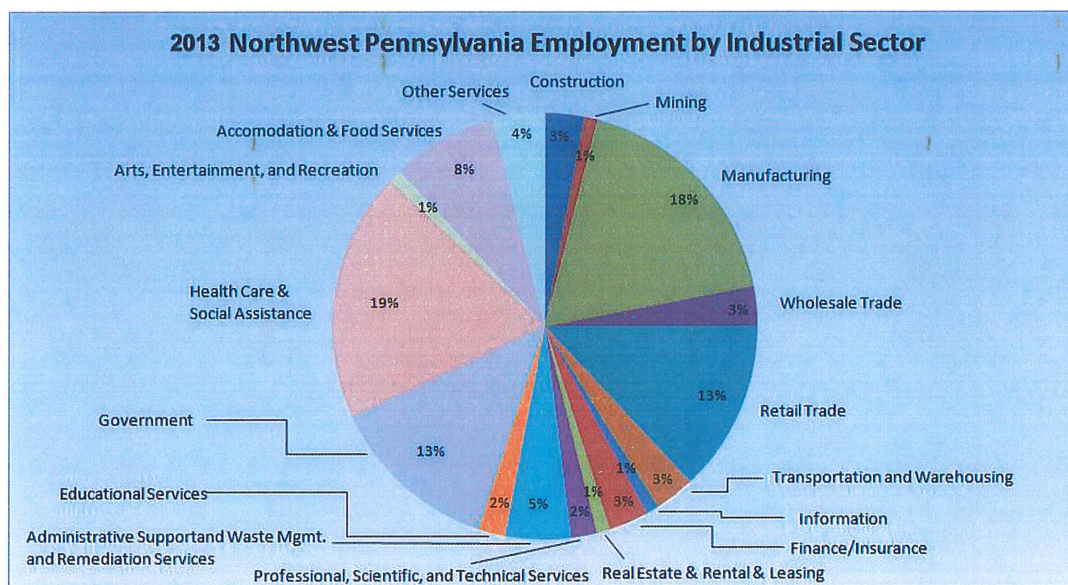
Similarly, rates in all of the region's counties also increased between 2007 and 2010. Forest County and Mercer County had the highest rates during this period at 10.8 percent for Forest and 11 percent for Mercer, both occurring in 2007. Throughout the period, Warren County had the lowest rates.

Table 5: Unemployment Rates by County

County	2007	2008	2009	2010	2011	2012
Clarion	4.7	6.3	9.3	10.0	9.8	9.0
Crawford	4.9	5.7	9.8	9.2	7.8	7.7
Erie	4.8	5.7	8.8	9.1	8.0	7.8
Forest	6.5	7.7	10.8	9.2	8.1	9.5
Lawrence	5.2	6.2	9.2	9.2	8.5	8.1
Mercer	5.5	6.8	11.0	10.5	8.8	8.5
Venango	4.9	5.7	8.6	8.5	7.5	7.9
Warren	4.5	5.2	7.7	7.9	7.2	6.7
Northwest Pa.	5.0	5.9	9.3	9.3	8.2	7.9
Pa.	4.4	5.3	7.9	9.6	8.9	8.1
U.S.	4.6	5.8	9.3	8.4	7.9	7.9

Source: US Department of Labor and Industry

Employment by Industrial Sector



Source: U.S. Department of Labor and Industry

Small businesses predominate in the region with 84 percent having less than 10 employees and 94 percent having less than 100. The various components of the services sector have the most business establishments and employ the most persons in Northwest Pennsylvania, health care and social assistance being the largest service employer group. Manufacturing, retail, and government are also significant employers in the region. Although manufacturing has been decreasing in the region, it is still a significant source of employment. Approximately 18 percent of the region's employment is in the manufacturing sector.

Top Employers by County (Number of Employees)

This section, arranged alphabetically by county name, outlines the top five employers, by number of employees in 2012.

Table 6: Major Employers in Clarion County

Employer	Industry
State System of Higher Education	Educational Services
Clarion Hospital	Health Care and Social Assistance
Training Toward Self Reliance, Inc	Health Care and Social Assistance
Wal-Mart Associates	Retail Trade
Riverview Intermediate Unit	Educational Services

Table 7: Major Employers in Crawford County

Employer	Industry
Meadville Medical Center	Health Care and Social Assistance
Crawford Central School District	Education Services
Penncrest School District	Education Services
Wal-Mart Associates	Retail Trade
Allegheny College	Education Services

Table 8: Major Employers in Erie County

Employer	Industry
General Electric Co	Manufacturing
Erie Indemnity Co	Finance and Insurance
UPMC Hamot	Health Care and Social Assistance
Saint Vincent Health Center	Health Care and Social Assistance
Wal-Mart Associates	Retail Trade

Table 9: Major Employers in Forest

Employer	Industry
Cornell Abraxas Group Inc	Health Care and Social Assistance
Industrial Timber and Land Co.	Manufacturing
Forest Area School District	Educational Services
Windsor Inc	Health Care and Social Assistance
Pennsylvania General Energy Co.	Mining

Table 10: Major Employers in Lawrence County

Employer	Industry
Jameson Memorial Hospital	Health Care and Social Assistance
New Castle Area School District	Educational Services
Westminster College	Educational Services
Ellwood City Hospital	Health Care and Social Assistance
County of Lawrence	Public Administration

Table 11: Major Employers in Mercer County

Employer	Industry
Sharon Regional Health Center	Health Care and Social Assistance
General Electric Company	Manufacturing
UPMC Horizon	Health Care and Social Assistance
Wal-Mart Associates	Retail Trade
John Maneely Co.	Manufacturing

Table 12: Major Employers in Venango County

Employer	Industry
Joy Underground Mining	Manufacturing
UPMC Northwest	Health and Social Assistance
Venango County	Public Administration
Oil City School District	Educational Services

Table 13: Major Employers in Warren County

Employer	Industry
Blair Payroll LLC	Transportation and Warehousing
Warren County School District	Educational Services
Northwest Bancshares Inc	Finance and Insurance
Warren General Hospital	Health Care and Social Assistance
Rouse Estate	Health Care and Social Assistance

Source: US Department of Labor and Industry

Location quotient is a method for assessing the relative specialization of a geographic region relative to a selection of industries or economic clusters. The quotient represents a ratio of a particular industrial concentration in the geographic area compared to the same industry's concentration at the national level. A location quotient value of 1 (or close to 1) indicates that the region produces enough goods or services in a particular industry or economic cluster to satisfy local demand. A quotient of less than 1 indicates that the region does not produce enough goods or services locally and therefore must import goods or services to satisfy local demand. A quotient whose value is greater than 1 indicates that the industry is an export industry and the region likely has some competitive advantage relative to that industry or industry cluster. These particular industries are referred to as "current strongholds".

The industries or economic clusters that rank as **Current Strongholds** in the Northwest region as a whole include:

1. Primary Metal Manufacturing
2. Plastics and Rubber Products Manufacturing
3. Fabricated Metal Product Manufacturing
4. Wood Product Manufacturing
5. Machinery Manufacturing
6. Transportation Equipment Manufacturing
7. Non-metallic Mineral Product Manufacturing

Individual county concentrations show a different picture of economic clusters and location quotients; however, economies do not align with arbitrary government boundaries. In fact, they reflect the fluid movement of goods, people, and ideas. Competitive advantage is created and sustained through highly localized processes. Differences in national and regional economic structures, values, cultures, institutions, and histories contribute to competitive success. However, the globalization of the economy makes a region and its attributes and strategies even more important. With fewer impediments to trade sheltering uncompetitive domestic firms and industries, the home region takes on greater importance because it is the source of the skills, knowledge, technology, resources, and assets that are the cornerstone of its competitive advantage.

Clarion County Strongholds:

1. Wood Product Manufacturing
2. Mining (except oil and gas)
3. Oil and Gas Extraction
4. Animal Production and Aquaculture

Crawford County Strongholds:

1. Plastics and Rubber Products Manufacturing
2. Machinery Manufacturing
3. Wood Product Manufacturing
4. Non-metallic Mineral Product Manufacturing
5. Fabricated Metal Product Manufacturing
6. Forestry and Logging
7. Fabricated Metal Product Manufacturing
8. Animal Production and Aquaculture

Erie County Strongholds:

1. Plastics and Rubber Products Manufacturing
2. Transportation Equipment Manufacturing
3. Fabricated Metal Product Manufacturing
4. Primary Metal Manufacturing
5. Machinery Manufacturing

Forest County Strongholds:

1. Oil and Gas Extraction

Lawrence County Strongholds:

1. Primary Metal Manufacturing
2. Non-metallic Mineral Product Manufacturing
3. Fabricated Metal Product Manufacturing
4. Plastics and Rubber Products Manufacturing
5. Electrical Equipment, Appliance, and Component Manufacturing
6. Food Manufacturing

Mercer County Strongholds:

1. Primary Metal Manufacturing
2. Fabricated Metal Product Manufacturing
3. Wood Product Manufacturing
4. Clothing and Clothing Accessory Stores
5. Machinery Manufacturing
6. Electrical Equipment, Appliance, and Component Manufacturing
7. Food Manufacturing

Venango County Strongholds:

1. Primary Metal Manufacturing
2. Machinery Manufacturing
3. Fabricated Metal Product Manufacturing
4. Wood Product Manufacturing

Warren County Strongholds:

1. Fabricated Metal Product Manufacturing
2. Oil and Gas Extraction
3. Forestry and Logging
4. Wood Product Manufacturing

E. Infrastructure Systems

1. Highway

There are six interstate highways in Northwest Pennsylvania: I-79 (north-south), I-80 (east-west), I-86 (east-west), I-90 (east-west), I-76 (east-west), and I-376 (east-west, although a significant portion runs north-south). The region's highway network provides

businesses, residents, and travelers with the ability to directly access six of the region's eight counties. Most significantly, these limited access interstates link the Northwest region to larger markets including:

- Boston through Albany, Syracuse, Rochester, Buffalo, Cleveland, and the Queen Elizabeth Highway (Toronto and Quebec) via I-90
- New York, NY via I-80 East
- Chicago, IL via I-80 West
- Pittsburgh and Charleston, WV via I-79 South

Based upon PennDOT's 2012 average daily traffic data (updated December 2013), there are approximately 20,000 vehicles which travel on I-79, 26,000 vehicles on I-80, 20,000 on I-90 (with 34,000 vehicles on a stretch east of Erie), and 9,350 vehicles on I-86.

The region's other primary state routes include US 6, US 62, US 66, US 322, and PA 8. Again, based upon PennDOT's 2012 average daily traffic data, the northern portion of PA 8 has over 9,000 cars in an average day, while the southern portion of the roadway has 11,000 vehicles a day. Portions of route US 6 experience between 21,000 and 27,000 vehicles on an average day. Other portions of this designated PA Heritage Route host between 5,000 and 10,000 vehicles on an average day. Several sections of the primary roads listed above are limited-access in some areas, improving travel times within the region.

2. Rail Transportation

In addition to highway travel, freight rail service links the Northwest Region's businesses to other regional markets. The region is served by three Class 1 railroads: Canadian National Railway (through its subsidiary, the Bessemer and Lake Erie Railroad), CSX Transportation, and Norfolk Southern. Passenger rail service is provided from Erie via Amtrak's *Lake Shore Limited* Service eastbound to New York City and westbound to Chicago using the New York Central's historic "Water Level Route".

The Norfolk Southern operates on three lines, one passing through Erie to points west, via Cleveland and points north and east via Buffalo; a second line passes through Mercer and Venango Counties to Youngstown, Ohio via Cleveland and to the east via Binghamton (NY); and the third line passes through New Castle and Lawrence County on its way from Cleveland and Youngstown to Pittsburgh and points beyond. The CN's Bessemer line provides freight services between Erie and Pittsburgh. Connection between most of the region's larger communities and the railroads' rights-of-way are prevalent. Three shorter line railroads in the region include the Oil City and Titusville

(OC&T), the Buffalo and Pittsburgh (BPRR), and the Western New York and Pennsylvania (WNY&P).

As Pennsylvania's only port on Lake Erie, the Port of Erie accommodates both commercial shipping and recreational boating. Products travel along the Great Lakes, and to various US coastal and European markets with stops to load and unload cargo in Erie. Manufacturers can also use the Port of Erie to move bulk goods in the Great Lakes network and through the St. Lawrence Seaway to and from European markets. The port is served by railroads operating in the area. The port's draught berth (27 feet deep) provides approximately 100,000 square feet of covered storage.

Also underway is the Erie Inland Port; a strategic initiative to create jobs and attract investment around the Region's ports and railroads. The Erie Rail Terminal is being developed by the Greater Erie Industrial Development Corporation and private investor-operators to provide new intermodal rail service to the Erie region. The developers are working with CSX on terminal design and service. The Terminal is sure to improve the Region's trade links as it will provide the existing manufacturing, agriculture, and timber industries with daily container service to New York City and connecting service to dozens of cities and ports through the CSX hub in northwest Ohio. It will also help the Region attract businesses that depend upon international shipping and trade. The Terminal's ultimate location is yet to be finalized.

3. *Air Transportation*

Air cargo shipments can be made by transporting products to major international airports in Pittsburgh and Cleveland. For some portions of the region, Pittsburgh International Airport is a short distance away, being anywhere from 42 miles (New Castle in Lawrence County) to 142 miles from the outer limits of the region (Warren in Warren County). Cleveland's Hopkins International Airport is also relatively close by, being 113 miles from the City of Erie and 160 miles from the farthest reaches of the region (New Bethlehem in Clarion County). Commercial, passenger, and airfreight service is available at Erie International Airport in Erie and the Venango Regional Airport in Franklin. Smaller, general aviation airports are located in, Clarion, Corry, Meadville, Titusville, and Greenville.

4. *Transit*

In addition to the existing transportation network, the region is working on other planning strategies in order to further strengthen and optimize transportation efforts for businesses and residents of the Northwest region. A pertinent goal in the Northwest Commission Strategic Plan includes "creating high quality transportation infrastructure to support economic development, quality of life, and job creation/retention in Northwest Pennsylvania."

Furthermore, as part of the region's Long-Range Transportation Plan, eight goals aim at improving the effectiveness and efficiency of its transportation network.

These goals include:

1. Support the region's economic vitality.
2. Increase transportation system safety.
3. Increase transportation system security.
4. Increase accessibility and mobility options available to people and for freight.
5. Protect and enhance the environment, promote energy conservation, and improve quality of life.
6. Enhance the regional transportation system integration and connectivity.
7. Promote efficient transportation management and operation.
8. Give priority to transportation system preservation.

To advance these goals, the Commission has outlined performance measures, specific work activities, scheduling, annual budgeting/funding goals, and performance reporting measures. The planning efforts which emerge as part of this Comprehensive Economic Development Strategy should consider each of these above concepts and further promote ways in which the businesses and residents of the region can achieve their goals.

5. Shale Gas Industry Considerations

An important consideration for the region's infrastructure is the ongoing development of the Marcellus and Utica shale gas industry. As this industry grows, it will become a potential burden on the region's transportation infrastructure. This burden will be realized in the form of increased daily traffic, (including a substantial increase in large, heavy truck traffic) leading to excessive road wear and damage.

II. SWOT Analysis Summary

A SWOT analysis is a structured planning method used to evaluate a project by considering four factors:

Strengths: characteristics of the project that give it an advantage over others.

Weaknesses: characteristics that place the project at a disadvantage relative to others.

Opportunities: elements that the project could exploit to its advantage.

Threats: elements in the environment that could cause trouble for the project.

The results of the analysis can then be used as the basis for the development of regional planning and strategic initiatives. The following SWOT Analysis was conducted regarding the region as it pertains to Economic Development:

A. Strengths

- ***Geographic location is well-suited to service growing shale gas industry statewide***

The proximity of Northwest Pennsylvania to the most significant shale gas activity in the state (as well as neighboring states) will allow it to efficiently and effectively lend needed support to this industry as it continues to grow. The region itself is also a candidate for a significant increase in drilling activity.

- ***Ideally positioned from a logistics standpoint to quickly reach most of the United States population***

The region is within a day's drive of reaching the majority of the US population; a significant logistical benefit for shipping companies, cargo hubs, and the like. Additionally, several major metropolitan areas are located within 100 miles of the region, including Pittsburgh, Cleveland, and Buffalo. Also within a day's drive are Chicago, New York, Philadelphia, and Washington.

- ***High concentration of natural water resources***

With numerous waterways and lakes as well as ground water supplies/springs, the region is rich in water resources necessary for business and population growth.

- ***Large number of higher education institutions***

Northwest PA has over 15 institutions that could be leveraged to help drive regional economic development efforts.

- ***Significant highway and railway infrastructure assets***

Three main Interstate Highways (I-79, I-80, and I-90) provide access to six of the region's eight counties. The remaining two counties are served through a combination of state Routes 6 and 62. Additionally, the region is served by three

major railroads with the potential to expand service.

- ***Development of the Erie Inland Port Initiative***

This project, when completed, will provide the region with enhanced trade links by offering daily container service to New York City and connecting service to dozens of cities and ports through the CSX hub in northwest OH.

- ***Low cost of living***

With a cost of living index below the national average, the region offers an economic advantage to both businesses and households that would look to locate themselves in Northwest PA.

- ***Natural beauty and tourism***

The region has numerous tourism opportunities in the form of parks, forests, rivers and waterways, lakes, and other natural and scenic resources.

- ***Established workforce***

As part of the region's commercial and industrial base there exists a long-established and specialized workforce. The most prevalent specialization comes in the form of manufacturing and health-care related jobs.

- ***Low crime rate***

Northwest Pennsylvania enjoys a lower crime rate than the national average, making it an attractive place to live and do business. Additionally, the crime rate has been trending downwards since 2010 and is predicted to continue to do so in 2014.

- ***Unique lifestyle opportunities as a result of topography, waterways, etc.***

The region possesses natural amenities that offer potentially attractive lifestyle choices to its residents who prefer a naturalist lifestyle.

- ***Low population density***

Many people prefer the privacy and a lack of commercial development near their homes that the region offers in abundance.

B. Weaknesses

- ***Disparity between workforce skills and competency with younger residents***

The up and coming workforce is not focused on the skills needed to grow and enhance the regional stronghold industry clusters.

- ***Aging population and core workforce***

Due to an exodus of young workers, the population and workforce demographics are trending toward older residents and workers.

- ***Brain-drain of young, educated workers***

Due to a lack of regional opportunity, young educated workers are leaving the area in order to establish their careers.

- ***Gaps in the education system***

Regional educational institutions lack the programs to support the region's occupational needs and opportunities.

- ***Underdeveloped telecommunication and broadband infrastructure***
A lack of true high speed internet availability, combined with sub-standard wireless telecommunication coverage is a significant deterrent for businesses and individuals who may look to locate in the area.
- ***Overabundance of brownfield sites and lack of greenfield sites***
Strict regulations governing brownfield sites are a deterrent to their development, in addition to obvious concerns over environmental contaminants. Conversely, desirable greenfield sites are in short supply where they would make the most sense from a logistical standpoint.
- ***Municipal service infrastructure capacities are in need of upgrade or expansion.***
Many municipalities are lacking the necessary infrastructure to support both commercial and residential growth.
- ***Divided region and lack of identity***
Based upon the combination of topographic changes and highway infrastructure, Northwest Pennsylvania is commonly known as a region divided by its own geography. Physical separation between communities contributes to the region's lack of an overall identity.
- ***Low population density***
Apart from some of the more heavily populated areas such as Erie, New Castle, and Sharon, the vast majority of the region's population is spread in such a manner as to be prohibitive to providing the immediate services and amenities desired by potential businesses and residents.
- ***Lack of zoning***
Many communities throughout the region do not control zoning at the local level, instead relying on county-level management or regulations and ordinances. This effectively limits both the agility and flexibility needed to drive regional economic development.
- ***Limited municipal cooperation***
Few municipalities in the region have implemented multi-municipal planning strategies, preferring to retain their autonomy in lieu of leveraging the benefits of collaborative efforts.
- ***Lack of commercialization opportunities for natural gas resources***
The region currently lacks the demand for its abundant natural gas resources and thereby misses the opportunity to leverage one of its most significant strengths.
- ***Stagnant/declining population***
The vast majority of the region is facing a shrinking or stagnant population base

which deters new development efforts.

- **Limited rail access**

Although there is still a strong rail presence in certain areas, overall the railway infrastructure throughout the region has been on the decline.

C. Opportunities

- **Educational assets**

Institute programs at all education levels that will serve to promote and enhance the commercialization of the region's natural gas-related activity.

- **Natural gas support industries**

A significant support network is essential to promote the growing natural gas industry in the region. Regional businesses are positioned to capitalize on both the extraction and transportation needs through the development of a variety of products and services.

- **Higher education programs and "think tanks"**

There are many workforce needs in the region beyond the gas industry. Addressing these needs through formal educational programs will be helpful to both new and ongoing regional economic development efforts.

- **Natural water resources**

The region has an abundance of water resources that can be developed and leveraged for economic development.

- **Erie Inland Port Project**

When developing regional businesses, the Erie Inland Port project will allow for decision-makers to develop strategies to reach a broader global market thereby increasing regional export opportunities.

- **Labor force specialization**

Develop the necessary skills and aptitudes that are required to drive the support network for the region's natural gas activity.

- **Small to medium size business adaption**

Develop formalized programs that will allow existing businesses to adapt to and capitalize on emerging markets and opportunities by becoming supply chain partners.

- **Additive manufacturing**

Look at ways for regional businesses to be on the forefront of 3-D printing.

- **Outside expertise and experiences**

Investigate what efforts have and have not worked in other areas and use this research as a benchmark to inform regional efforts and measure their progress and growth.

- ***Foreign investment and “re-shoring” of jobs***
Promote the region’s positive attributes to foreign business interests to encourage the financial investment necessary to bring lost jobs back to the area.
- ***Young workforce***
Develop systematic programs to capture and train regional youth on the necessary skill sets that will enable them to assimilate into the opportunities afforded by Northwest Pennsylvania’s businesses and industries.
- ***Industry involvement in education***
Solicit the participation of regional industries to drive the development of educational programs that will look to place future workers in local opportunities.

D. Threats

- ***Failure to capitalize on natural gas resources***
Missed opportunities due to lack of skilled workforce and extenuating circumstances.
- ***Lack of a regional economic development database***
No system in place to capture regional institutional knowledge, experiences, and data.
- ***Potential disruption to industry strongholds and logistics***
The development of additive manufacturing stands to negatively impact regional industries through creating the potential obsolescence of traditional manufacturing methods and skill sets.
- ***Inability to adjust to pace of change and innovation***
A lack of agility will likely leave the region behind the competition.
- ***Unmotivated and unqualified workforce to address 21st century economic needs***
Economic development opportunities will likely be squandered if we fail to provide the necessary human resources to staff operations and develop emerging opportunities. The disengagement of dislocated and unemployed regional workers exacerbates the issue.
- ***Lack of entrepreneurial and technology development apparatus regionally***
A failure by the region to provide and/or attract visionaries and risk takers will cripple the overall economic development efforts of Northwest Pennsylvania.
- ***Loss of agricultural production and land***
A significant source of revenue for the region will disappear if the region’s agricultural industrial base continues to shrink by any large degree.
- ***Lack of diversity in economic strongholds based on location quotient***
The region’s strong reliance on manufacturing could create catastrophic economic hardship with a paradigm shift.

- ***Environmental damage and land loss due to natural gas resource extraction***
A twofold issue through the loss of resources combined with a negative perception of the region.
- ***Lack of financial capital access***
For the past several years there has been a significant reduction in the amount of grant monies and funding available for economic development efforts. Additionally, venture capital has become incredibly scarce, and prohibitively expensive when available.
- ***Competition against other regions***
Northwest Pennsylvania has competition trying to leverage the same economic development opportunities. Larger communities in the tri-state area such as Pittsburgh, Cleveland, and Buffalo are all positioned to attract industries and workers through their own unique attributes.
- ***Increasing costs of healthcare***
Health care costs have risen dramatically over the past five years and appear to be positioned to continue to do so. Some businesses may find themselves unable to absorb these costs which could create issues with the workforce. Uncertainty around the long term effects of the Affordable Care Act could exacerbate the issue.
- ***Costs of fully developing infrastructure systems***
The costs associated with repairing and maintaining Northwest Pennsylvania's aging infrastructure combined with the associated costs of needed upgrades and enhancements could potentially thwart economic development opportunities.
- ***Aging population's effects on industry longevity***
A lack of business succession planning combined with a deficit of qualified workers to replace the current aging workforce could serve to potentially drive industry from the region.

III. Goals and Objectives

A. Vision Statement

Building upon the evaluation of the region's existing strengths, weaknesses, opportunities, and threats, as well as its potential economic growth areas, the Northwest region's CEDS Committee developed a vision statement reflecting on the CEDS project. The vision statement, as follows, serves as the underlying guide for implementation of the region's future economic development strategies.

"Facilitate the preservation and growth of a strong, sustainable economy through a concerted effort to improve and enhance the region's infrastructure assets, educational capabilities, investment capital availability, and work force resources, to the benefit of Northwest Pennsylvania's residents, businesses, and industries."

B. Strategic Goals

The above vision statement is subsequently realized through the implementation or achievement of a series of goals. Goals represent the general desired outcomes in order to fulfill the vision statement. They provide direction and focus on the "ends" rather than the means. The CEDS goals include:

1. Update infrastructure to facilitate the attraction and retention of both businesses and residents to the region.
2. Conduct a study of the region by county to determine the effects of aging and declining population (infrastructure needs, social needs, resource needs, etc.) and compile results in a regional repository/library. Additionally, the compilation of results from previous studies should be added to this resource.
3. Continue to develop broadband infrastructure in an effort to blanket the region with high-speed coverage. Develop public/private partnerships to accomplish this goal (development agencies, electric companies, etc.).
4. Push for "common sense" uniform policy regarding gas industry, to promote progress and growth by attracting more activity to the region. Burdensome and confusing regulations are currently stifling production and sending companies into other states.
5. Develop regional uses for natural gas to mitigate its export to other states and regions.

6. Enhance regional industry and manufacturing by working towards exporting finished products instead of raw materials.
7. Promote and expand rail usage throughout the region and develop networks to other key rail hubs, with a focus on leveraging existing infrastructure.
8. Establish a community college in the region.
9. Continue to promote the region's tourism and recreational opportunities.
10. Develop education programs and partnerships that offer specialized training needed for regional opportunities.
11. Foster a culture of entrepreneurship in order to serve regional needs moving forward.
12. Increase and enhance the use of existing programs and capabilities of PREP partners to further promote regional economic development.

C. Regional Objectives

From the defined Strategic Goals to strengthen economic development opportunities in the Northwest region, a series of Regional Objectives also emerge. These Objectives have in part been defined by other related land use, transportation, and strategic planning efforts in the region. Identified objectives include:

1. Technology

- Define what the region needs regarding broadband/high speed internet capabilities
- Create a dedicated group to accomplish determined needs
- Continue to develop cell phone coverage throughout the region
- Offer the necessary technical assistance needed by local businesses and organizations
- Determine the technical assistance that will be needed by emerging businesses and industries moving forward

2. Education

- Establish a community college in the region and north of I-80 to serve local students

- Create programs to address regional workforce needs (such as the natural gas industry and applied technologies) in lieu of general and outdated standardized programs
- Facilitate cooperative efforts and programs across educational institutes to take on regional issues and concerns
- Develop dedicated courses to promote and encourage entrepreneurial activities throughout the region at both high school and college levels
- Create more internship opportunities among regional industries

3. *Business Growth and Retention*

- Use legislation to simplify tax code thereby making it less cumbersome to do business in the region
- Develop partnerships between educational institutes and industry
- Create programs to promote effective workforce development based on assessed needs and opportunities
- Leverage existing assistance programs by creating increased awareness through dedicated marketing and promotional efforts (Government Contracting, Women/Minority programs, etc.)
- Develop more high-tech industry serving incubators (such as the Barnes Center in Clarion County)
- Construct shell-buildings to attract businesses and promote fast, customizable purpose adaption
- Create a comprehensive database of available commercial buildings and properties for economic developers and realtors

4. *Business Financing*

- Deliver low interest loans to businesses to retain and create jobs
- Provide business loan packaging assistance to businesses
- Develop a venture capital pool
- Conduct training programs and workshops regarding availability of alternative sources of capital
- Further promote existing loan programs

5. *Natural Resources*

- Work to create uniform regulations for the extraction of natural gas and its subsequent processing
- Develop more regional opportunities to for gas usage (coal-fired electric plant conversion)
- Shift industrial focus from oil and petroleum products to natural gas

- Develop the necessary support businesses and industries need to facilitate the operation and growth of the natural gas industry
- Develop regional opportunities for gas usage
- Develop businesses to create finished products from regional natural resources and materials
- Promote Compressed Natural Gas (CNG) investment and conversion

6. *Manufacturing*

- Develop infrastructure for manufacturing growth and expansion
- Create shovel-ready industrial parks
- Encourage the development of fast growth and high tech industries that are related to the process of manufacturing
- Identify and develop the concept of core industry clusters such as plastics, metal fabrication, machining, wood products, biotechnology, etc.
- Develop new and creative uses for brownfield sites

7. *Tourism*

- Continue to promote regional tourism but do not rely on it as the primary source of economic development due to its seasonal nature
- Create region-wide marketing strategies for promotion
- Aggregate opportunities through the development of regional events, tours, and activities
- Invest bed tax toward promotional efforts
- Leverage opportunities to promote geo-caching and related events
- Develop an effective regional tourism group
- Better leverage PA Wilds funding
- Preserve and enhance the region's character and quality of life through regional Greenways planning efforts

8. *International Marketing*

- Provide technical assistance to businesses in the region
- Provide educational programs in cooperation with PREP partners
- Provide trained staff to conduct on-site consultations
- Develop a regional strategy that is consistent with state and federal programs
- Enhance marketing and promotional efforts

9. *Intelligence and Data Gathering*

- Conduct data gathering studies and surveys that address the region's primary issues

- Create a central repository for the gathered data that can be leveraged by PREP partners and others to inform programs and strategic efforts
- Seek out studies from other states and regions that may be applicable to Northwest Pennsylvania
- Continue a process of ongoing data collection and dissemination

10. Community Development

- Identify and obtain sources of funding to assist in restoring deteriorated and underutilized downtown areas
- Assist rural areas in obtaining grants for community projects
- Encourage the consolidation of government services and municipalities
- Promote modern and more uniform land use and development regulations
- Create a positive internal attitude via newspapers and media regarding community development and revitalization of downtown areas
- Develop proactive community, county, and regional planning programs
- Invest in local communities by utilizing Community Redevelopment Associations (CRA)
- Collaborate with county and local leaders promote improvement in blighted areas and in identified neighborhoods
- Encourage and facilitate collaboration on regional projects
- Offer leadership and governance training for elected officials
- Create programs that promote economic development training to the region
- Provide technical resources to procure federal and state development resources
- Offer grant research and grant writing services
- Establish regional priority projects and provide legislative support for those projects
- Facilitate and encourage a multi-municipal agility and resource sharing program

11. Transportation

- Improve regional connectivity to the interstate system
- Establish and prioritize candidate transportation projects for development and growth areas identified in county comprehensive plans
- Preserve corridors along existing rail corridors
- Coordinate program and project development with tourism-related initiatives
- Improve directional and wayfinding signage
- Reduce the rates of transportation-related fatalities and injuries
- Improve design practices to more safely accommodate persons with disabilities
- Expand the use of effective access management practices

- Encourage the use of traffic calming in residential and downtown areas, where warranted
- Ensure that procedures are in place that result in reliable information-sharing among all affected governmental agencies
- Improve planning and communications with respect to transportation response to disasters and emergencies
- Define a priority core multimodal transportation system (passenger and freight) for the region, as the foundation for future planning and programming
- Improve the coordination and efficiency of transit and paratransit systems
- Identify capital improvements that enhance bicycling and walking mobility
- Improve and maintain the region's rail assets in support of economic development and freight mobility
- Promote the designation and interconnectivity of shared rail-trail corridors
- Maintain the viability of the region's airports
- Improve the efficiency of the region's transportation system
- Implement transportation improvements that enhance or maintain surrounding aesthetic value
- Strengthen the intermodal links between bicycle and pedestrian facilities, public transportation, and motorized recreation
- Expand bulk commercial freight transfer capabilities for rail-truck movements to serve area shippers/receivers and to attract intermodal transfer facility development for the region
- Leverage innovations in technology and procurement for improved traffic management, congestion reduction, and safety enhancement
- Encourage multi-municipal collaboration and resource-sharing
- Give priority to addressing the region's substandard bridges and roadways
- Support projects that bring non-highway infrastructure to an acceptable condition
- Reactivate rail corridors where appropriate

IV. Regional Projects

An important component of the Northwest Region's CEDS is the identification of projects with a regional scope. The following projects have been identified as being impactful to regional economic development efforts and initiatives:

- 1. Regional Compressed Natural Gas (CNG) Stations**
- 2. Support and Enhance Erie Inland Port Strategy**
- 3. The Trails at Jakes Rocks Project**
- 4. Conneaut Lake Park Revitalization**
- 5. Deerfield Farms Unit Train Loop Track**
- 6. Tirelogix LLC Manufacturing Center**
- 7. Knowledge Park Expansion**

The details of the selected projects are as follows:

1. Regional Compressed Natural Gas (CNG) Stations

This project would include a private/public partnership that would endeavor to launch 10 regional CNG stations within Northwest Pennsylvania. Stations would ideally be located on land owned by economic development (ED) entities within the region, thereby creating revenue for further ED initiatives and ongoing efforts.

The strategy would be for these stations to serve the growing CNG market while supporting the regional approach to ED by utilizing a natural resource from within the region. Programs, contracts, etc could then be developed to effectively serve a broad customer base including colleges, school districts, businesses, municipalities, local/state/federal agencies, etc.

Currently there is an ongoing study to identify the need (or lack thereof) for these regional stations that we will be able access. The results of this study should be available soon and will serve to inform how the project will ultimately be described within the CEDS document.

2. Support and Enhance Erie Inland Port Strategy

The Erie Inland Port Initiative was launched in 2009 to follow through on one of ten recommendations in the Bosworth Report, which set out an economic plan for the Erie region. Bosworth's recommendation was to take advantage of Erie's location and focus on logistics.

The plan is to develop new port-dependent and rail-dependent industry in forestry, agriculture, metals, and manufacturing, and to build a new forest product export facility

at the Port of Erie. It also includes the creation of an Erie Rail Terminal which will be fully integrated into the rapidly expanding intermodal network, an industrial park located in Albion Borough with rail access, and an iron-smelting plant also located in Albion. Additionally, the project seeks to construct a biomass terminal and a community park at the Erie Port.

This undertaking is estimated to create in excess of 230 permanent jobs as well as 200-350 indirect jobs while attracting new investment and redevelopment in the Northwest Region. The region will also benefit from significant direct and indirect economic gains associated with the Terminal's development as \$29 million per year in new economic activity is anticipated. Additionally, a reduction of annual shipping costs of \$31-37 million is expected for regional exporters.

3. The Trails at Jakes Rocks Project

The Trails at Jakes Rocks (TAJR) project involves the construction of 43 miles of stacked-loop mountain biking trails within the Jakes Rocks region of the Allegheny National Forest.

This project began from a group assignment within the Leadership Warren County program. The students determined through national research that a significant economic impact could be derived by Warren County and surrounding counties through the development of high-quality mountain biking trails within the Allegheny National Forest.

Through private donations, the International Mountain Biking Association (IMBA) was hired to design the trail system through its affiliate Trail Solutions, a group which designs such trails internationally. The trail layout was completed in Spring 2013 at a cost of roughly \$75,000. Designed much like downhill ski facilities, the stacked-loop system provides riding opportunities for individuals of all ages and skill levels. Trails are identified as novice, intermediate and expert with commensurate trail width and finish, topography and physical challenge for each level. Novice trails are relatively flat, 3-foot wide improved trails while the expert trails are 12 to 24 inches wide, include significant climbs and downhill sections as well as natural obstacles such as rock croppings and water crossings to challenge riders up to the professional levels.

Due to the trails being located on ANF property, a National Environmental Protection Act (NEPA) assessment must be completed and approved to allow construction to be completed. Hiring a private sector firm to complete this assessment and proposal completion carried a price of \$250,000. A unique partnership was formed between Warren County Development Association (WCCBI c3 affiliate) the Forest Service and

University of Pittsburgh at Bradford, Clarion University and Indiana University of Pennsylvania through which student interns from each university were hired by WCDA to work under the direction of the Forest Service professionals to complete the necessary field survey work and to assist with the formal writing of the NEPA proposal. The field work was completed in summer 2013 at a cost of \$53,000 and proposal writing is ongoing with completion scheduled by third quarter 2014.

Phase I of the trail construction project is budgeted to cost \$765,000 and is scheduled to be completed by summer 2015. Funding for this phase of the project is planned to be based primarily on Growing Greener II and DCNR Recreational Trail program grants coupled with local private sector donations. Phase I is currently structured to provide 19 miles of trails and will include sections in all 3 difficulty levels.

The cost of the remaining 24 miles of trails is budgeted at \$1,000,000 due to the increased complexity of the trail location and topography which will require substantially greater hand construction than phase 1.

Included in the overall TAJR project is the conversion of the existing but underutilized Forest Service Information Center located on Route 59 at the intersection with the Jakes Rocks access road into a trailhead facility. Appropriate acknowledgement of the financial support received for TAJR will be located within this facility which will also serve as a trail system and overall community asset information distribution location as well as a starting and finishing point for use of the trails.

It is anticipated that this system, when complete, will attract riders from urban centers including Pittsburgh, Cleveland, Buffalo, New York as well as Canadian riders to our region. The trail system will be unique due to the natural topography and beauty of the Allegheny National Forest and the views provided of the Allegheny Reservoir as well as the natural vegetation, wildlife and near wilderness setting offered.

4. Conneaut Lake Park Revitalization

Opened in 1892 as Exposition Park and located on the west side of Conneaut Lake in Crawford County, Conneaut Lake Park (CLP), as it was renamed in 1920, has remained an important tourist attraction and key economic component for the Northwest Region despite substantial setbacks over the past two decades.

After multiple ownership changes, several catastrophes regarding park infrastructure, and numerous issues regarding management and finances, the park is poised to make a comeback under new management driven in part by heightened interest from roller coaster and amusement park enthusiast groups.

The project has been separated into three key elements: Reorganize, Re-Vision, and Revitalize. The descriptions of these elements are as follows:

Reorganize: The Economic Progress Alliance of Crawford County (EPACC) will serve as catalyst to transition governance from a volunteer dependent operational board to a board of trustees focused on setting, guiding and reviewing policies intended to preserve and strengthen the assets of Conneaut Lake Park for the benefit of the public. Meetings of the Board of Trustees will be announced in advance and open to the public. All minutes of meetings and regular financial statements will be made available to the public and will be posted on the CLP web site. All actions adopted by the Board of Trustees will be recorded and made available for review by the public.

The board will look to transition management from part-time volunteer to full time EPACC professional management. EPACC will then develop and implement a long range plan to achieve self-sufficiency and organizational stability.

Re-Vision: Historically Conneaut Lake Park has been viewed primarily as an amusement park, even though it has had a far more diverse roster of amenities and services available to its users. The re-visioning of the park will seek to leverage this diversity as it relates to strategic initiatives and marketing strategy. This new vision would see CLP as a “public events and amusement park” based upon the following facilities and improvements:

- Lakeside Performing Arts Center
- Outdoor Amphitheater
- New Beach Club
- New Dreamland Expo Center
- New Midway
- New Outdoor Show Plaza
- Improved/Expanded Camperland
- Hotel Conneaut Renovations
- Classic Amusement Park
- Public Beach Access

Revitalize: The complete redevelopment of Conneaut Lake Park is expected to take ten years to achieve. Upon the adoption of a plan that identifies properties of critical importance to attaining the stated objectives, court approval will be sought to authorize the sale or long term lease of surplus properties as a means of generating funds sufficient to pay all taxes and to begin investing in the new vision.

Project funding, including major construction projects such as the Lakeside Performing Arts Center, Dreamland Exhibition Center and Beach Club will require significant capital likely to include a combination of publicly supported grants and public and private financing. Maintaining a current knowledge of the ever-changing financial resource environment is critical, as is the assumption of an opportunistic approach to securing project support.

Projects such as the reconstruction of the Beach Club and the expansion of Hotel Conneaut and Camperland can theoretically support debt as they are significant revenue centers.

A revitalized Conneaut Lake Park will serve to create numerous full and part time jobs in the region while facilitating enhanced tourism opportunities and revenues.

5. Deerfield Farms Unit Train Loop Track

The Economic Progress Alliance of Crawford County (Alliance) originally planned construction of a new 75-car unit train loop track and railcar loading facility to serve the proposed Deerfield Farms Service, Inc. (Deerfield) agricultural products storage and distribution facility at the Keystone Regional Industrial Park in Greenwood Township. The project as originally planned included approximately 7,000 feet of new railroad track which was to be comprised of a 75-car unit train loop track, 400 track feet of industrial side track and the necessary rail interconnection to the existing Norfolk Southern lead track currently serving the industrial park and adjacent industries JM Eagle and Pittsburgh Glass Works. Subsequent to the original discussions with Norfolk Southern regarding the project, they have indicated that they are considering a better future transportation pricing structure for an 85-car unit train. Therefore to ensure the best long-term pricing for Deerfield Farms and future users of the loop track, the Alliance is considering extending the length of the unit train loop track to effectively handle an 85-car unit train.

The Keystone Regional Industrial Park is a 1,300-acre industrial park located on the former Department of Defense TNT production facility. The Alliance acquired the land in 1999, subsequently obtained KOZ designation, and has been developing infrastructure within the park to support a range of industrial facilities. Deerfield is purchasing 10 acres of land within the industrial park for the purpose of constructing a large capacity agricultural grain storage and distribution facility, and the proposed railroad loop track is critical to the effective distribution of nearly 3,000,000 bushels of corn and soy beans annually. The loop track will also allow for effective transportation of fertilizers, herbicides, seeds, etc. as the Deerfield facility is expanded to handle a broad range of agricultural farm service products. In addition to serving the direct needs

of the Deerfield facility, the loop track will provide a unique opportunity to attract and serve other rail-dependent industrial facilities to the industrial park.

The original 75-car unit train loop track has been estimated to cost \$5,700,000 and the rail construction project will be funded by a \$4,000,000 PennDOT Rail Transportation Assistance Program grant and by a \$1,700,000 matching investment which Deerfield Farms has committed to providing. In addition, Deerfield anticipates investing another \$7,500,000 into their new facility development and employing 10 people. This unit train loop track is extremely important to the success of the Deerfield Farms Service project and is also an important component in the continued future development of the Keystone Regional Industrial Park. Cost estimations for extending the length of the loop track to effectively handle an 85-car unit train are currently being evaluated.

6. Tirelogix LLC Manufacturing Center

In an effort to provide the physical capacity to efficiently accommodate the construction of large scale industrial buildings and facilities in Crawford County, and to support new and existing manufacturing and industrial employment in the region, the Economic Progress Alliance of Crawford County acquired various assets associated with the former Keystone Ordinance Works (brownfield site) and has aggressively engaged in the planning, design and rehabilitation of infrastructure for this purpose. To date, this effort has involved the subdivision and purchase of more than 1,300 acres of land; the acquisition, reconstruction, expansion and operation of a wastewater treatment plant; and, the acquisition and reconstruction of a portion of the water system serving the area.

This development, now referred to as the Keystone Regional Industrial Park, has benefited by the commitment and support of Greenwood Township, Crawford County, the Commonwealth of PA and the U.S. Economic Development Administration. To date the Alliance has invested more than \$10,000,000 in the acquisition of property and the rehabilitation of associated infrastructure at the Park, which is a Keystone Opportunity Zone designated site.

As the economy of the region continues to struggle and as predevelopment initiatives at the Keystone Regional Industrial Park near completion, accelerating job development initiatives at the Park is a priority.

The Keystone Regional Industrial Park has been selected as the site of the proposed Crawford Renewable Energy (CRE) facility which is fully permitted to construct and operate a \$370-million 90 megawatt power facility (to be known as the Meadville Power Station) on an 80 acre site acquired by CRE for this purpose. The exclusively permitted

feedstock for generating electricity at this facility is tire-derived fuel or TDF. Major site preparation work is currently underway including stormwater management facilities, wetlands mitigation, site utilities and the construction of major rail service to the site. Construction of the actual power facility is expected to take about two full years to complete.

As the operation of the Meadville Power Station is solely reliant upon the collection and processing of used tires, it is critically important that CRE establish the capacity to provide a consistent supply of tires to fuel the plant. During the more than 5 years that this project has been in development, CRE has developed the logistical capacity to identify, collect and process tires in quantities sufficient to supply the Meadville Power Station, and to sell processed tires to other related markets. For this purpose, CRE has established a subsidiary operation known as TireLogix LLC as a stand-alone entity capable of providing fuel feedstock for the power facility and processed tires for other markets on a profitable basis.

CRE is currently seeking support for the implementation of its strategy to formally establish the logistical and processing capacity to supply tire-derived fuel for the Meadville Power Station in advance of the actual construction of the power facility. Investors and financial institutions expressing strong support for the project, seek to ensure a continuous supply of fuel for producing electricity before providing final commitments of both equity and debt capital for the Meadville Power Station project. This requires the construction of a tire processing facility on a stand-alone basis so as to demonstrate the capacity to collect the required quantity of tires necessary for operating the power station consistently and profitably.

Unlike all other forms of electric power generation, TireLogix LLC will be paid to receive used tires which will then be utilized as feedstock for the Meadville Power Station. This unusual model provides a unique opportunity to operate a profitable business with or without the eventual development of the Meadville Power Station.

It is proposed that grant funding be pursued to assist the Alliance in the planning, design and construction of a flexible manufacturing facility of approximately 45,000 square feet on a site at the Keystone Regional Industrial Park. It is proposed that this facility will be owned, financed, constructed and managed by the Alliance and leased for an initial period of ten years to TireLogix, LLC. The proposed lease agreement has been structured so as to pay for associated debt service, maintenance and operation expenses. Occupancy of the facility by TireLogix, LLC is expected to result in 16 or more direct permanent full-time jobs and 36 additional full-time related secondary jobs, and the generation of new property tax revenues initially estimated at \$45,000 annually.

In addition, as the proposed facility will be the first constructed at the Keystone Regional Industrial Park, it is expected to serve as a demonstration to others that the Park is an efficient alternative to accommodate additional industrial growth and to generate revenues that can be reinvested back into the Park.

The total estimated project cost of \$7,865,000 would be funded by a conventional bank loan from Northwest Savings Bank, a contribution from the Economic Progress Alliance, a proposed State RACP grant and other grant funding as can be secured.

The Keystone Regional Industrial Park has been prepared to address the continuing demand for industrial growth, and the construction of build-to-lease facilities (such as the proposed project) is the next critical component in fostering manufacturing jobs in the region. The TireLogix LLC project provides that opportunity as it is "shovel-ready" with a secured tenant as well as a committed private financing partner. The project is now permitted for immediate commencement of the site work, and with anticipation of building construction permit approval for commencement within 90 days of receipt of a RACP funding award.

7. Knowledge Park Expansion

Knowledge Park, originally funded in part through EDA and ARC grant money, is designed for organizations looking to develop knowledge-driven partnerships with other like-minded companies, Penn State Behrend, or other institutions of higher education, in order to accelerate their competitive advantage. The park brings together forward-thinking organizations with faculty, staff, and students providing access to interns, full and part time employees, fundamental and applied research opportunities, and education and technology transfer services. A typical park prospect is characterized by one or more of the following:

- Serves as corporate headquarters for a knowledge-based company
- Conducts applied or fundamental research and development
- Includes part or product prototyping as well as pilot plants
- Is involved in development and delivery of information technologies
- Is a knowledge-based business start-up

The goals of the project are to 1) Develop a state-of-the-art facility, the Advanced Manufacturing and Innovation Center (AMIC), that co-locates industry, research and academia under one roof 2) Create lab space for industry to collaborate with Penn State on applied research projects in the open lab environment, and 3) Provide area students with hands-on project applications and possible job placement, serving as a recruitment

tool for the engineering departments. As a result, it is estimated that this project will create 17 additional faculty and staff positions at Behrend as well as 210 new private sector jobs.

The need for this expansion project is based on a current 100% park occupancy rate coupled with a high demand for space within the park.