

## Section 5. Economic Development

### Economic Development Funding

Funding for economic development projects, unlike that for transportation infrastructure, comes from somewhat less predictable sources. Traditionally, more often than not, it has been the Commonwealth of Pennsylvania with its wide array of programs that provides the public support to an identified project. Currently in Pennsylvania, there are approximately 105 state and federal programs available that can be matched to an economic development project; 91 of these programs are designated for business development and 14 programs are closely related to site revitalization and site development (*Source: PA Department of Community and Economic Development*). Specific funding programs are always subject to change. Thus, implementation of the Plan focuses on consistency of projects as they are developed with the policies established in the Plan.

Projects that are similar in scope to those that have been advanced in accordance with the policies (strategies) identified in this Comprehensive Economic Development Strategy (CEDS) document have historically been funded through the Economic Development Administration (EDA); the Appalachian Regional Commission (ARC); the Commonwealth of Pennsylvania Redevelopment Assistance Capital Program (RACP); federal appropriations through the region's six U.S. Representatives and two Senators; and, one or more of the state's site revitalization programs.

**The Southwestern  
Pennsylvania region  
has attracted over  
\$325 million in  
grants and loans  
from the  
Commonwealth since  
2007**

Analysis of data from the Pennsylvania Department of Economic Development Investment Tracker shows that from June 2007 to April 2011 the region was able to attract over \$325 million in grants and loans through various Commonwealth programs to assist in economic development activities. Additional analysis shows that:

- ARC – Since 1999 ARC has funded over \$10,000 projects in the SPC region
- EDA – Dating back to 1980, federal funding through the U.S. Department of Commerce's EDA program is over \$30 million
- RACP – Since 1998 the Commonwealth of Pennsylvania has awarded funding for eligible projects totaling over \$380 million

These and other sources leverage private sector development dollars to undertake development projects throughout the region. For example, EDA reports leveraging private sector investment of \$30 to \$37 dollars for every dollar invested.

## **Economic Development Investment Strategies**

During the development of the previous 2035 Plan, the Economic Development Work Group considered key strategies in state, local and regional partners' plans for common themes and complementary policies in developing an overall Regional Vision Scenario. Review and discussion of the various programs underway resulted in a consensus set of policies about regional activities, places and connections throughout the region. SPC continues to actively support projects that demonstrate consistency with the policies identified in this plan. For projects to be considered consistent with the Comprehensive Economic Development Strategy, whether economic or transportation and related infrastructure, they must show primary consistency with one of more of the major policies emphasized in the Regional Vision Scenario.

While projects may show primary consistency for any of the Plan's 16 policies, generally the economic development strategy of the Plan is set by the 11 policies listed below.

**The 2040 Plan policies  
are focused on three  
key areas:**

**Regional Places**

**Regional Activities**

**Regional Connections**

- Revitalization and redevelopment of the region's existing communities is a priority.
- Investment in infrastructure improvements will be coordinated and targeted at the corridor level to optimize the impact of the investment.
- The region will focus on the identification and development of industrial sites with special attention given to well situated brownfield locations.
- The entire region will have access to broadband communications infrastructure.
- The region will place a priority on business development with a focus on existing business retention and expansion.
- The region will support initiatives designed to improve both the quality and quantity of the region's workforce to meet emerging industry demands.
- The region will support identified strategic industry clusters.
- The region will place a priority on programs and services to attract and retain a diverse population with a particular focus on young adults and immigrants.
- The region will proactively support the emerging role of colleges and universities in economic development.
- The region will preserve, promote and develop the tourism and hospitality industries by capitalizing on historic, cultural, recreational and ecological assets.
- The region will preserve and develop its agricultural industry.

**SPC actively supports projects that demonstrate consistency with the regional policies identified in the 2040 Plan**

## **Plan Consistency**

The Plan serves as a guide to development activities throughout the region, and it particularly guides SPC and its various work plans. Since the adoption of the 2035 Plan, SPC has worked to insure that both its activities and the projects it reviews, recommends or endorses are consistent with the Regional Vision Scenario and its policies. For example, ARC and EDA projects ranked and submitted to the appropriate agencies for funding consideration show primary consistency to policy statements. These examples include:

**POLICY:** Revitalization and redevelopment of the region’s existing communities is a priority.

- West Newton Town Square
- City of Uniontown Blight Removal Project
- Elizabeth Borough Streetscape Improvements
- Northern Ambridge Redevelopment

**POLICY:** The region will focus on the identification and development of industrial sites with special attention given to well situated brownfield locations.

- Carrie Furnace, Rankin
- Sony Re-Use

**POLICY:** The region will proactively support the emerging role of colleges and universities in economic development.

- Windy Ridge Business and Technology Park
- Fayette Campus – Comprehensive Study for an Energy Research and Development Center

**POLICY:** The region will preserve, promote and develop the tourism and hospitality industries by capitalizing on historic, cultural, recreational and ecological assets.

- Monaca Riverfront Park
- West Newton Town Square
- Allegheny Trail Towns Initiative

The maps on the following pages highlight the consistency of these projects with the Regional Vision Scenario.

Figure 5.1 Area Development Program Projects Ranked and Submitted

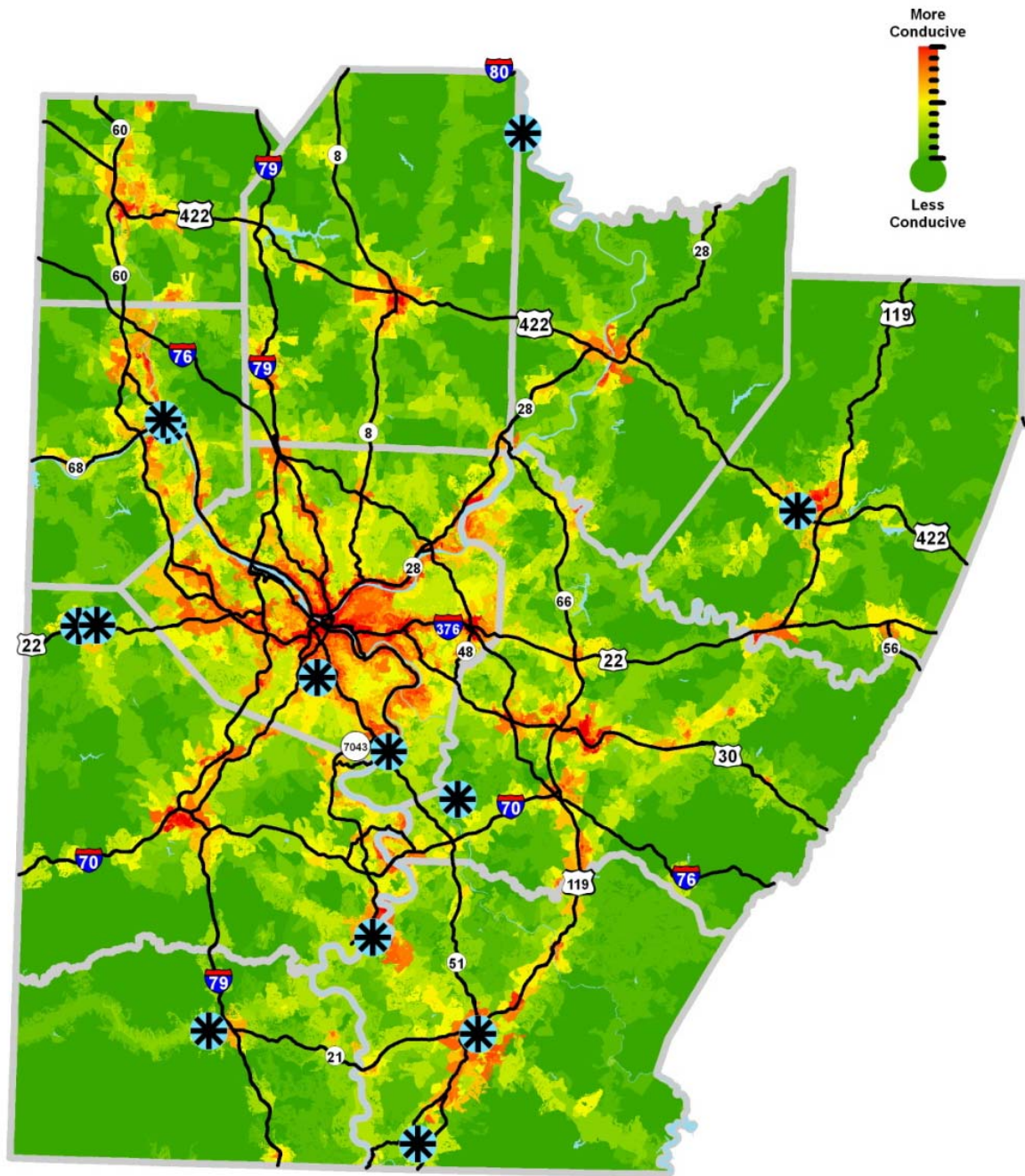
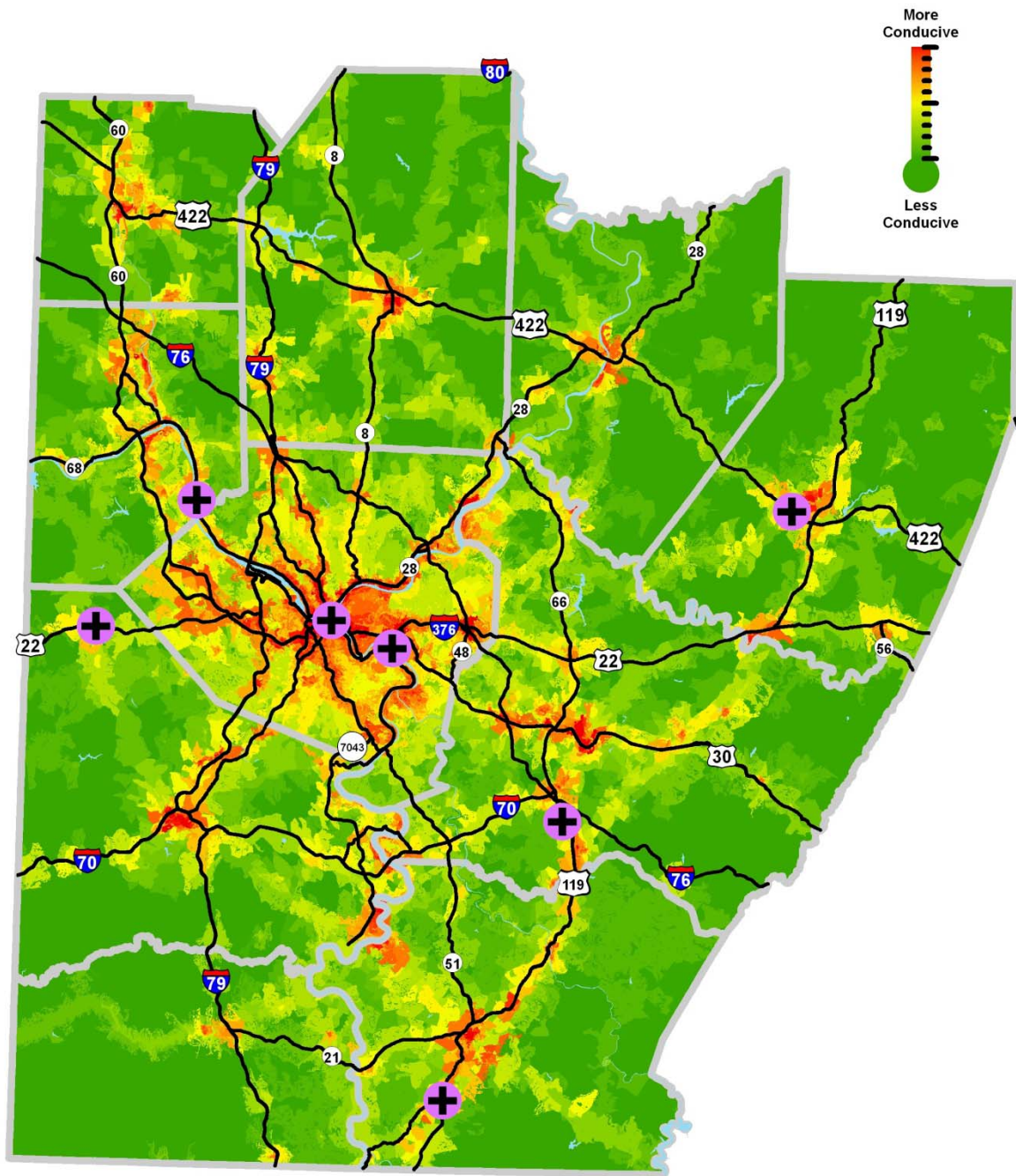


Figure 5.2 Economic Development Administration Projects Ranked and Submitted



As part of its Local Development District designation, SPC is responsible for carrying out the Enterprise Development Program, which is designed to assist small and medium-sized businesses in the region. The program itself helps to deliver on many of the Plan policies, particularly the following:

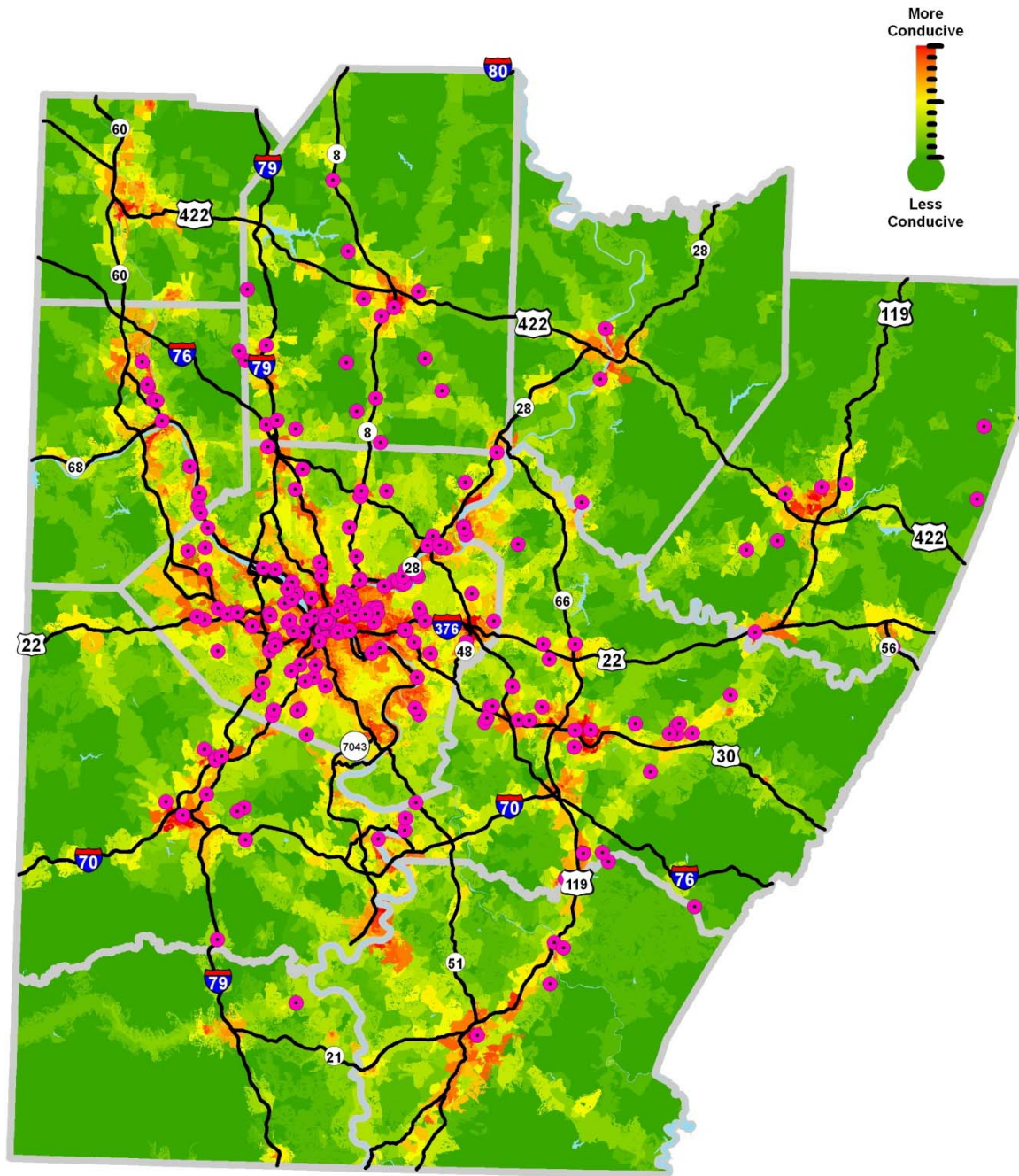
**POLICY:** The region will place a priority on business development with a focus on existing business retention and expansion.

Since adoption of the previous 2035 Plan, SPC has worked with over 420 companies in the following areas:

- The Export Assistance Program has helped to produce **\$120,000,000** in export sales and has helped to create or retain **1,700** jobs
- The Business Finance Program has a loan portfolio of over **\$13,000,000** and has helped to create or retain **2,989** jobs
- The Government Procurement Assistance Program has helped client businesses secure **234** Government contracts valued at over **\$230,000,000** and has helped to create or retain **5,220** jobs

The consistency of the Enterprise Development Program services with the Regional Vision Scenario is highlighted on the following map.

Figure 5.3 Enterprise Development Clients



## **Linking Transportation & Economic Development Investments**

As the Economic Development District and the Metropolitan Planning Organization for Southwestern Pennsylvania, SPC has integrated the development of its Comprehensive Economic Development Strategy with the development of its Long Range Transportation Plan into a joint transportation and development plan. In that regard, this plan explicitly recognizes and stresses the linkage between a well-maintained, efficient transportation system and economic opportunity.

This linkage takes place at both the policy and the project level. As one joint plan, the 2040 Plan has a single vision and a set of policy statements that guide investments for transportation and economic development. On the project level, consistently evaluating investments in transportation and economic development against the spirit and intent of the plan ensures that projects are mutually beneficial. This means that projects either work in tandem or are mutually supportive, and that they do not work at cross purposes or hinder one another.

## **Economic Development Policies**

The 2040 Plan serves as the Comprehensive Economic Development Strategy (CEDS) for the region. A comprehensive economic development strategy is designed to bring together the public and private sectors in the creation of an integrated economic roadmap to diversify and strengthen regional economies. Integrated economic development planning provides the flexibility to adapt to global economic conditions and fully utilize the region's unique advantages to maximize economic opportunity for its residents by attracting the private investment that creates jobs.

SPC has reviewed and collected other development plans at the local, regional and state level. The majority of these plans showed consistent concepts for economic development. These concepts were incorporated into the 2035 Plan Policies and are carried forward into the 2040 Plan. They include:

*Geographic targeting of investment* -  
Corresponding Policy: Investment in infrastructure improvements will be

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Strategy, or CEDS**



coordinated and targeted at the corridor level to optimize the impact of the investment.

Business development - Corresponding Policy: The region will place a priority on business development with a focus on existing business retention and expansion.

Workforce Development - Corresponding Policy: The region will support initiatives designed to improve both the quality and quantity of the region's workforce to meet emerging industry demands.

Community revitalization and development - Corresponding Policy: Revitalization and redevelopment of the region's existing communities is a priority.

Expand and enhance tourism. - Corresponding Policy: The region will preserve, promote and develop the tourism and hospitality industries by capitalizing on historic, cultural, recreational and ecological assets.

Industrial site identification and creation - Corresponding Policy: The region will focus on the identification and development of industrial sites with special attention given to well situated brownfield locations.

Support growth in targeted industry sectors - Corresponding Policy: The region will support identified strategic industry clusters.



## **Project Consistency**

As previously mentioned, the 2040 Plan serves as the region's Comprehensive Economic Development Strategy (CEDS). At the time of adoption of the prior CEDS (the 2035 Plan), it was EDA policy that all projects were required to be on an adopted CEDS prior to funding. Since that time, EDA policy no longer requires that a project be expressly named on a plan. The previous 2035 Plan included 156 economic development projects for inclusion in the Comprehensive Economic Development Strategy portion of the Plan. A copy of the previous project list as submitted is included for informational purposes in Appendix B.

While individual project identification in the Plan is no longer required, it is important to recognize that there are great projects advancing in our region. The following are example projects currently being advanced by our members and our partners that are consistent with the policies and strategies of 2040 Plan.

*Project: Carrie Furnace Redevelopment, Allegheny County*

After environmental remediation and infrastructure development, a total of 90 developable acres will be pad ready for businesses or private development. The site and its natural proximity to the City of Pittsburgh lends itself to flex space which can accommodate anything from research labs to space for up and coming high tech firms. Additional attractions will include the Steel Industry National Historic Park. A high caliber, national park development will instill value to the site and assure the quality of the Furnace preservation. The project also includes a fly-over ramp over existing railroad tracks in order to improve access to a brownfield redevelopment site in Rankin and Swissvale. This is an excellent example of how integrating the Long Range Transportation Plan and the CEDS can benefit the planning and overall advancement of regional strategies.

*Project: Fayette County Business Park (Route 40), Fayette County*

Complete infrastructure and site development of the first half of a 277-acre (total) business park serving population center of Uniontown. This mixed-use project will include industrial and commercial, with the potential for residential development. A portion of the site includes a state Keystone Opportunity Zone and is located along Route 40 near the Mon-Fayette Expressway.

*Project: Sony Industrial Reuse Project, Westmoreland County*

The project consists of converting the 2.8-million sf Sony Technology Center into a large multi-tenant industrial facility. By dividing the building into smaller units of 50,000 to 500,000 sf and diversifying the tenant base, this regional employment center will stabilize and promote economic growth not only in Westmoreland County but in Southwestern Pennsylvania.

*Project: Southpointe II, Washington County*

This project is known as Southpointe II and is expected to create \$300 million dollars in private investment and 2,500 jobs. It consists of the redevelopment of 217 acres of state surplus property. Infrastructure improvements totaling \$10 million dollars are completed, attracting \$100 million dollars in private investment and 1,000 jobs, all situated on less than 100 acres.

*Project: Windy Ridge Business and Technology Park, Indiana County*

The Windy Ridge Business and Technology Park is located at the intersection of U.S. Route 422 and State Route 286 in White Township, Indiana County. The Windy Ridge Business and Technology Park is envisioned to capitalize on a technology based economic development strategy implemented primarily through the Indiana County Keystone Innovation Zone (KIZ) program. The Indiana County KIZ currently focuses on five major industry clusters, including Advanced Diversified Manufacturing, including wood products, Sustainable Energy, Homeland Security and National Defense, Information (Assurance) Technology and Cyber Security, and Life Sciences.

*Project: Ohio River Industrial Site Improvements, Beaver County*

This project entails redevelopment of a former integrated LTV Steel plant that occupies 7.5 miles of riverfront along the Ohio River in the municipalities of Aliquippa, Hopewell, Center, and Monaca. Sites are planned for industrial reuse complemented by access to rail and the Ohio River.

*Project: Butler Centre City Project, Butler County*

The revitalization of Main Street in the City of Butler is necessary for the long term viability of the city. This project includes demolition of several obsolete vacant structures, construction of a new Convention Center, Hotel, and Parking garage, and rehabilitation of the Historic Penn Theater.

*Project: New Castle Rail Corridor, Lawrence County*

The New Castle Rail Corridor is located within the City of New Castle and is zoned for and consists of light to heavy industrial uses. The site is 224 acres and public water and sewerage is available as it is close to the central core of the City. There are no major environmental issues and the site is relatively flat with no steep slopes. Transportation is a key asset to this site as it can access the New Castle Industrial Railroad. The site is also close to State Route 18, State Route 422 and I-376. An asset of the site is the close proximity to the New Castle Transit Authority which offers a Park-n-Ride facility for users.

*Project: Lower Hill District Infrastructure Redevelopment, City of Pittsburgh*

This project will construct a five-street grid to reconnect the Hill District to the central business district. The redevelopment of the street grid through the Mellon Arena site will also create development parcels and promote economic development in the area by making valuable real estate available for development.

*Project: Airport Business Park and Airside Development, Greene County*

The conceptual plan for this Airport Business Park development calls for the construction of both large and small corporate rental hangars, as well as conventional T-hangars. Building sites will be identified to foster increased productivity and efficiency for business that can benefit from general aviation services to support their business and corporate aviation needs.

*Project: Industrial Park Site Development, Armstrong County*

This project would make sites pad ready for industrial tenants planning to develop in West Hills and Northpointe. It will also improve approximately 100 acres for pad ready development. All other utilities and infrastructure are in place.



## **Emerging Energy Cluster**

This region has always been home to an abundance of natural resources such as coal and natural gas. For example there are over 41,000 active gases or oil wells in the region. But the energy cluster is much more than just natural resources--it is made up of components such as biofuels, smart grid design, photovoltaics, fuel cells, wind and nuclear

energy. According to the Energy Alliance of Southwestern Pennsylvania, the energy sector in the Pittsburgh region is responsible for a \$13.7 billion contribution to our regional Gross Domestic Product; 10% of our regional economy; 105,000 direct/indirect jobs; 25% of 2009 business expansion projects; and, more than \$1 billion in public and private R&D annually.

One of the policies in the 2040 Plan states that “The region will support identified strategic industry clusters.” Since adoption of the 2035 Plan, the energy cluster and its many components have grown significantly. SPC acknowledges and understands how important the energy cluster has become and will continue to be for the region. SPC will continue to support planning and development of this strategic industry cluster itself consistent with pertinent policies in the plan, as well as our partners’ efforts in the energy cluster.

### **2040 Plan Policy**

*The region will support identified strategic industry clusters.*

The following are examples of the various projects and initiatives that SPC’s partners are engaged in throughout region:

*Energy Alliance of Southwestern Pennsylvania, Allegheny Conference and Innovation Works*  
The Energy Alliance of Southwestern Pennsylvania is led by a CEO Advisory Group representing all seven of our region’s energy-related industries and supported by the staff of the Allegheny Conference on Community Development and Innovation Works. They advocate for policies that will encourage these industries to flourish here, reaching out worldwide to attract

investors and encouraging commercialization of innovations emerging from our government and university labs.

*Technology Regional Innovation Consortium (T-RIC), Catalyst Connection*

The T-RIC is focused on commercializing new energy technologies in the manufacturing sector. The T-RIC vision is to create a model for technology acceleration that improves the competitiveness of American small and mid-sized enterprises, and inspires them to develop and commercialize new products and services.

*Environmental Management Assistance Program (EMAP), Duquesne University SBDC*

The award winning SBDC Environmental Management Assistance Program (EMAP) is a specialized consulting service of the Pennsylvania Small Business Development Centers (SBDC). EMAP provides free and confidential environmental and energy assistance to small businesses in Pennsylvania. EMAP offers a step-by-step program to help small businesses recognize and realize potential energy cost savings. EMAP's comprehensive program provides a utility bill analysis to assess current energy usage as well as on-site energy assessments and recommendations for equipment upgrades.

*Expanding Capabilities in the Area of Renewable Energy and Energy Efficiency for Mexican Students, Faculty, Professionals and Businesses to Enhance Competitiveness in Mexico, Duquesne University SBDC*

This program is funded by the U.S. Agency for International Development to promote cooperation between Duquesne University and the Universidad Autonoma de Nuevo Leon (UANL), Monterrey, Mexico, to develop international programs that will result in enhancing the energy efficiency and use of renewable energy.

*N-Viro International, Butler County*

A new company locating in a new building in the AC Valley Industrial Park located off Route 38 in the northern portion of the County (Allegheny Township). This facility will take in sewage sludge from area sewage treatment plants and will subject the sludge to intense heating and drying. The remaining product is then hauled up the road into Venango County to the Scrubgrass Generating Plant. Scrubgrass is a 650 acre facility that produces and sells approximately 87 megawatts of electricity (enough for about 83,000 homes) to Pennsylvania Electric Company (Penelec).

*Washington County Energy Partners, Washington County*

The Washington County Energy Partners are a collaboration of leading economic development organizations, elected officials and private companies. Its primary mission is to attract energy companies to locate in Washington County and help generate economic development in the region.

SPC will continue to support the work of its partners in ways that are consistent with its various work programs and the 2040 Plan. The 2040 Plan promotes community and economic development by integrating economic development planning with transportation planning, allowing the region to use its unique advantages to maximize economic opportunity for its residents.



## **Water and Sewer**

To accommodate and promote economic and community development, as well as health and human safety, the maintenance, repair and development of aging sewer and water infrastructure is an important and expensive proposition. It has been estimated that the cost to upgrade the region's sewer and water infrastructure would require \$9 billion (SOURCE: *Investing in Clean Water: A Report from the*

*Southwestern Pennsylvania Water and Sewer Infrastructure Project Steering Committee (WSIP, 2002)*).

There is no consistent, predictable allocated funding stream for water and sewer infrastructure to supplement user-fee based assessments and related bonding. Investment in the region's water and sewer infrastructure has been achieved primarily through a state funding source, the Pennsylvania Infrastructure Investment Authority (PENNVEST). PENNVEST funding is achieved through low-interest loans. Federal funding has also been a critical source for infrastructure investment through appropriations from the Energy and Commerce Committee in Congress.

Analyzing the investment in the region's infrastructure since 2007 shows that Southwestern Pennsylvania has seen PENNVEST contribute a total of approximately \$557 million, with the following breakdown:

- Wastewater Projects — 67 Projects/Approx. \$343 Million
- Drinking Water Projects — 54 Projects/Approx. \$207 Million
- Stormwater Projects — 5 Projects/Approx. \$7 Million

Looking at these investments, the typical wastewater project averaged approximately \$5.13 million per project; drinking water projects averaged approximately \$3.84 million per project; and, stormwater projects averaged approximately \$1.38 million per project. Overall, PENNVEST has invested an average of \$4.44 million per project in the region. Most importantly, many of these projects have been completed through low interest loans through PENNVEST, which shows the region's commitment to invest local funds to address the infrastructure needs.

SPC will continue to work with its partners to address these issues by helping to identify funding sources for both effective planning and construction costs for projects that are consistent with the 2040 Plan's policies.