

**Minutes of the Joint Meeting of the
Southwestern Pennsylvania Corporation Board of Directors
and the
Southwestern Pennsylvania Commission Executive Committee
SPC Offices – Terminal Building
and
Cisco WebEx Meeting
3:00 p.m. – December 11, 2023**

The three hundred seventy-ninth meeting of the Southwestern Pennsylvania Corporation Board of Directors and the one hundred ninety-ninth meeting of the Southwestern Pennsylvania Commission Executive Committee was called to order by Chairman Osche.

SPC Board Members present: Mike Belding, Pat Fabian, Rich Fitzgerald, Ed Gainey, Sherene Hess, Leslie Osche, Vincent Valdes, and Vince Vicites.

SPC Executive Committee Members present were: Mike Belding, Douglas Chew, Pat Fabian, Rich Fitzgerald, Ed Gainey, Lynn Heckman, Sherene Hess, Larry Maggi, Leslie Osche, Johnna Pro, Patrick Joyal, Larry Shifflet, Vincent Valdes, and Vince Vicites.

Others: Mark Rafail; Fayette County; Mark Gordon, Butler County Department of Planning and Development; Kevin Boozel, Butler County Board of Commissioners; John Timney, Washington County Authority; Aadil Grinwala, University of Pittsburgh; Ann Ogoreuc, Allegheny County Economic Development and Planning; Brandon Leach, PennDOT Central Office; Dusty Kirk, Reed Smith LLP; Chuck Kolling, Buchanan Ingersoll and Rooney.

Staff: Belachew Ayele, Mary Brangan, Kirk Brethauer, Leann Chaney, Faith Collins, Ronda Craig, Dom D'Andrea, Linda Duffy, Lillie Gabreski, Ryan Gordon, Anthony Hickton, Chuck Imbrogno, Jennifer Lasser, Caitlin O'Connor, DJ Ryan, Mason Secreti, Ailisa Sobien, Josh Spano, Cathy Tulley, and Andy Waple.

1. Call to Order

Chairman Osche welcomed members and called the meeting to order.

2. Action on Minutes of the October 23rd Corporation Board of Directors and Commission Executive Committee Meeting

Action on the minutes of the October 23, 2023 meeting of the Board of Directors and the Executive Committee were approved on a motion by Commission Belding which was seconded by Commissioner Fabian. The affirmative vote was unanimous.

3. Public Comment – None.

4. Summary of 2022-2023 Audit Report – Tim Morgus/Michelle Hoke, Maher Dussel, CPAs

Mr. Morgus remarked that independent audit report is an analysis of how SPC's year went. We will start with your financial statements, asset and lease liability. Moving into this space, you now have a long term lease, as well as office furniture and equipment that you are leasing. That resulted in a \$6.6 million lease liability that you have to report on the government wide statements. Just a quick reminder, the government wide statements are on a full accrual basis, all your long term assets and long term liabilities show up there. On a revenue and expense standpoint, you are down about \$1.5 million or 12.2%. Decrease contributions from broadband project; Contractual Expenses down \$1million due to broadband project. Highway Planning and Construction - No Findings. Schedule C is about political activity. You do have some lobbying activity at SPC. So that is disclosed on Schedule C.

Financial Statements:
Right-to-use asset and lease liability \$6M

Revenues/Expenditures down \$1.5M or 12.2%
Negative (\$748,165) fund balance

Mr. Morgus commented that has been some turnover in the last couple of years and you have received some non routine funding, but you have not missed a beat. I can say this is a very positive report.

5. Financial Report—Ailisa Sobien

Ms. Sobien gave a brief overview of the budget.

FY 22-23 Budget:	\$24,003,761
Revenue and Expenses:	\$ 4,611,885
Percent of Budget:	19.0 %

6. Transportation Report—Dom D'Andrea

Mr. D'Andrea gave an updated Transportation Report.

2025-2028 TIP Schedule

Fall 2023 (through end of this year)

- TIP Workgroup meetings (17) and project selection for Draft 2023-2026 TIP-Ongoing
- TA, CMAQ, and CRP Projects selected via competitive application processes-Completed
- First round PPP and Public Meetings for feedback-All Meetings completed

Winter 2023/2024

- Pre-Draft TIP completed and forwarded to PennDOT Central Office for review-Ongoing

Spring 2024

- PennDOT review; AQ Conformity & EJ Analysis; document preparations
- Smart Transportation Program project evaluation and selection
- 30 Day Public Comment Period-including 11 public meetings (May-June) and Comment/Response documentation
- 2025-2028 TIP adoption at June, 2024 Commission meeting

SPC Competitive Programs

- Transportation Alternatives Set-Aside Programs (TA)
- SPC Congestion Management and Air Quality (CMAQ) Program

- SPC Carbon Reduction Program (CRP)
Consolidation of the process for TA/CMAQ/CRP

2023 Development Milestones

May-Program Guidance Updated

June 1-Application Period Opened

June 5-Competitive Programs Webinar

July/August-Pre-application meetings

September 15-Application period closes

October/November-Candidate Evaluation and Deliverability Cmt. Mtgs.

October-December: 3 Selection Committee Mtgs.

32 final applications received

- Traffic flow improvements (13)
- Trail improvements (7)
- Pedestrian/Bicycle improvements (6)
- Transit improvements (3)
- Park n Ride (1)
- Historic Preservation of Transportation Facility (1)
- Diesel Emissions Reduction/Alt. Fuels (1)

Mr. D'Andrea stated, as part of our TIP update, we had opened and consolidated our solicitation and selection process for the Transportation Alternatives, CMAQ, and Carbon Reduction Programs. We did this so that 1) applications can compete across all three programs with a consistent process and 2) so that we can improve our performance measures by getting projects funded by the most appropriate funding yielding the highest benefits.

Since our last August meeting, we closed the final application period on September 15 and we received 32 pre-applications.

This is an review of the Project Evaluation process.

The candidate project evaluation is conducted by SPC staff and is very data driven and spelled out in the program guidance. SPC staff evaluated candidate projects under each program separately under the criteria established for that program.

Each Program has three types of Evaluation Criteria:

- Technical
- Ancillary
- Deliverability

For CMAQ and Carbon Reduction program, the Technical scoring primarily takes into account positive impacts to air quality.

For Transportation Alternatives, the Technical scoring primarily takes into account connections to existing facilities and transit, improvements to the community, and whether project is located in an underserved community. Ancillary factors for all three programs includes things like consistence with SPC's LRP and safety. Deliverability scoring takes into account how shovel ready is the project and how challenging is it to deliver. Technical and Ancillary Scoring is done by multiple SPC Staff. Deliverability scoring is done an impartial expert deliverability committee. We provided the results of the technical scoring at the last committee meeting.

Mr. D'Andrea provided an evaluation scoring and prioritized ranking for each of the three programs. With 28 million in CMAQ funds available we are recommending funding the top 8 projects for \$26.4 million.

The top 11 ranked Transportation Alternatives applications.

Three of those were already selected for CMAQ funding on the previous slide (the non highlighted projects), which allowed us to get further down the Transportation Alternatives priority rankings.

With an estimated 7.6 million in TASA funds available we are recommending funding the top 8 projects (highlighted in yellow) for \$7.6 million.

Many of the TASA projects have also applied to PennDOT's TASA program, so if the project was not fully funded by the SPC TASA or was not funded at all, SPC will be recommending to PennDOT that they receive PennDOT TASA funds. Last cycle a few projects picked up funding from the PennDOT TASA program.

With \$9.5 million in regional CRP funds available, we are recommending funding the top two projects at 6.6 million.

7. Strategic Initiatives Report—DJ Ryan

Mr. Ryan presented the Strategic Initiatives Report.

- Allegheny River Update
 - Sen. Casey responded to STAR's letter
 - Will introduce WRDA amendment to keep levels of service unchanged while USACE completes full study
 - Rep. Resenthaler sent letter to USACE HQ
 - Signed by all other SWPA federal electeds
 - Asks for freeze in level of service while efforts to increase commercial traffic continue

Sub-group working on economic impact study independent of USACE

- Sponsored Programs
 - Waiting to hear back on SS4A
 - MPDG for Parkway East and East Busway pending, we have engaged with Congress to assist in our efforts.
 - Decisions will be made soon on both applications

IMPORTANT NOTES FOR COUNTIES

1. Email coming to you to identify Steering Committee Member
 - One per county + city
2. Implementation Project Sponsor Workshop in early January
 - Save the date going out this week
3. Project Sponsors please reach out to Catherine Tulley, ctulley@sprcregion.org
 - We need to ensure our measures match
4. High level of interest – Thank you to enviro staff and colleagues!

8. Broadband Report—Andy Waple

Mr. Waple updated the Board/Executive Committee on the Broadband Report.

Data Collection & Dashboard

- Business location and employment data
- Existing broadband speed, accessibility, and adoption mapping
- Demographic and socioeconomic mapping

Survey Development & Deployment

- Outreach & Promotional Toolkit
- 4-week survey period (to date)
- Survey Findings Report

Small Business Connectivity Strategy Guide

Playbook with actionable strategies, partners, programs, and funding sources

Partner Deployment:

- Armstrong County Industrial Development Council
- Beaver County CED
- Fay-Penn Economic Development Council
- Penn West Clarion SBDC
- Pitt IEE
- SBDC, St. Vincent College
- Tri-County Workforce Investment Board (Butler)
- URA
- Washington County Chamber of Commerce
- Westmoreland County

Regional Digital Navigator Program Model

Work Underway:

- Internal kick off meeting held on November 3, 2023
- Consultants to discuss project and gather information from county planning directors at 12/11 Regional Planning Directors meeting

- Meeting with United Way and Greater Pittsburgh Digital Inclusion Alliance after new year
- Data Collection – identification and mapping of potential partners across the region
- Project expected to be complete by May 30, 2024

Provide the region a model program with a shared approach that offers a menu of options which can be tailored to individual counties or municipal partners. A regional brand carries more weight with potential users, sponsors, employers, and more.

Work is underway – complete by 5/30/24

9. Economic and Workforce Development Report—Jenn Lasser

Mr. Lasser gave an update on the Economic and Workforce Development Department.

Business Assistance (Prep) - Export

•Assistance Provided:

- 37 Companies Assisted
- 69 Counseling Sessions

•Work Orders:

- 16 Companies
- 22 Overseas Work Orders
- 15 Countries

•Assistance Provided

- 19 Companies
- 33 Counseling Sessions

•Loans Closed – 2

- Snyder Strength and Conditioning – EDA Cares - \$50,000
- Sandzimir, Shoemaker & Company, PC / A3G Real Estate Holdings, LLC

• Loan Applications – 1

- Sandzimir, Shoemaker & Company, PC/ A3G Real Estate Holdings, LLC – \$97,000 ARC RLF

• Staffing – Promoted Todd Stranko to Business Finance Manager

- Interviewing for 1 (possibly 2) Loan Servicers
- Sara Francis Retiring early 2024

• Assistance Provided

- 14 Companies Assisted
- 17 Counseling Sessions

• Contract Awards

- 15 companies, 44 awards totaling \$3.4M

• Events – 6 Trainings Hosted - 24 attendees

- Chatham CWE/SPC – Capability Standards
- Govology Training – 5 Sessions

Community Economic Technical Assistance

•Keystone Opportunity Zones (KOZ)

- Inquiries – 1
- Applications - 6
- Business Served – 1
- Business Improved – 1

•Reports submitted – 4

- EDA Build Back Better – Economic Impact Survey
- EDA Build Back Better – Semi-Annual Report
- ARC PREP 1st Quarter
- PREP Metrics Survey

•Letters of Support - 1

ARC Technical Assistance

- Provided Technical Assistance to – 20+ Projects (Area Development/POWER/ARISE)
- ARISE still open (multi-state projects)
- Area Development – DEADLINE 12/31/23

- Local Access Road – Closed*

EDA Technical Assistance –

- Economic Adjustment Assistance & Public Works Grants – **Open!**

Build Back Better – Project 3 Update

SPC Project Lead – organization/ goals /financial tracking

- 24M – 18 Partners Sub awarded
- Thousands to be trained in robotics related training

Goals:

- Expand training & placement opportunities - Certificate, Apprenticeships, Advanced Degrees, Train the Trainer
- Build a vibrant & robust robotics ecosystem - Conduct outreach, build partnerships – goal of rooted businesses
- Clear pathways and wrap-around services for students & workers - Understand and remove barriers to employment
- Be responsive to needs of regional businesses - Establish training needs and talent strategies and deliver.
- Establish Regional Training Hubs - Serve business & workers – Train & Retain!

Build Back Better – Project 3 – Year 1 Updated

Partners & Performance

- RECO/Team
 - Data Collection & Analytics
 - **Success Story** – Communications Strategy Meetings, Tool Kit & Website/Dashboard
- Workforce
 - Work Based Training has started at WDB
 - WDB Committee formed & meets regularly
 - **Success Story:** Alignment of training policies across all WDBs
- Education
 - New co-horts and classes
 - Industry Committees being formed
 - **Success Story** – IUP Robotics Camp – summer 2023
 - **Success Story** – CMU Skills Training Projects
- Labor (UMWCC)
 - Hiring completed
 - Recruitment of trainees has started
- Industry Intermediaries (BotsIQ)
 - Started the Robotics pilot class
 - Now in Brick & Mortar location
- Industry Eco-System Builders (PRN)
 - New hire
 - Outreach being conducted
 - Survey work with regional employers

Success Story: Discovery Day (2022) and upcoming Discovery Day

Challenges/Solutions – Year 1

- New classes have smaller turnouts
 - Expected Increase in the semesters/months following
- Staff turnover across sub-awards
 - Consistency in forms, processes and reporting
 - Frequent check-ins
- Competing priorities – new grants

- Opportunities for partnership
- Look for alignment vs opposition
- Percieved Limited opportunities under “robotics”
 - Expanded training to robotics adjacent careers – better communication of what robotics is to the community
- Reporting Standardization not always conducive to project size
 - Working to determine best practices for larger scale projects

Year 2 Expectations

- Thousands Trained
- More Successful Events
 - Penn State New Kensington – Future Educators Conference
 - PRN – Discovery Day
 - Job Fairs & Career Exploration Events
- Survey Results from employers
- Alignment of Training to Jobs
- Significant increases of robotics related work based training
- Dashboard & Website in greater usage
- Best Practices to EDA

10. Message from the Executive Director—Vince Valdes

Mr. Valdes stated that Mr. Waple is leaving SPC to take a position in the private sector. Mr. Waple has been working at SPC for over 9 years and was one of the first people he met when he came to SPC. He is a man of vision and energy will succeed mightlily in his new position.

Reminder: Next Meeting Date – February 26, 2024

Mr. Waple thanked Mr. Valdes for his kind words and thanked the Board for the experience to serve their counties and the whole SPC reigon. It was a great experience and he will miss his co-workers at SPC.

Commissioner Osche remarked she had an exciting piece of transition to convey. Mr. Rich Fitzgerald is SPC’s new CEO and Executive Director. I want to thank all those who participated on the search committee. We are all grateful for your help during this process. Everyone was very active and engaged in the process. Every candidate was treated the same during the interview process.

Mr. Fitzgerald thanked Commissioner Osche and thanked the search committee for this wonderful opportunity. He also thanked Mr. Valdes for doing all the hard work to put SPC to the next level. He put together a tremendous staff and I had the pleasure to met about 50 of them and to see their talent, energy and enthusiasm to help all 10 counties and the City of Pittsburgh. I am really excited to start this new chapter of my life.

11. Action item, Corporation Board Resolution 14-23 to Welcome Allegheny County Executive Rich Fitzgerald as the new Executive Director of SPC – Commissioner Osche, Butler County

A RESOLUTION OF THE DIRECTORS OF THE SOUTHWESTERN PENNSYLVANIA CORPORATION to elect Rich Fitzgerald as the Executive Director.

WHEREAS, with the vacancy created by the retirement of Vincent Valdes at the end of 2023;

WHEREAS, Rich Fitzgerald has been hired as the new President, CEO, and Executive Director effective January 2, 2024; and

WHEREAS, the Southwestern Pennsylvania Corporation By-Laws under Article III, Section 5 “Vacancies” authorizes the remaining directors by election of a candidate who shall be nominated by the directors to fill a vacancy.

NOW, THEREFORE, BE IT RESOLVED that the following person be and the same hereby is elected to serve as a Director of the Corporation from January 2, 2024 until their successors are elected and qualified by the Board of Directors of the Corporation:

SPC President, CEO, and Executive Director Rich Fitzgerald, ex officio

A motion was made to approve Board Resolution 14-23 by Commissioner Fabian which was seconded by Commissioner Vicites. The affirmative vote was unanimous.

Commissioner Fabian moved to enter Executive Session. Commissioner Vicites seconded. The affirmative vote was unanimous.

Executive Session

Commissioner Fabian moved to come out of Executive Session. Commissioner Belding seconded. The affirmative vote was unanimous.

12. Other SPC Business – Commissioner Leslie Osche

The traditional Annual Members Meeting will take place February 26, 2024 as a result of the upcoming election schedule.

13. Adjourn

Respectfully submitted:

Ailisa Sobien
Corporation, Secretary-Treasurer

Vincent Vicites
Commission, Secretary-Treasurer