

WRITTEN TESTIMONY
FOR
PUBLIC HEARING
ON
BENEFITS OF ACT 13 of 2012

March 3, 2015
8:30 a.m.
Hearing Room #1
North Office Building
Harrisburg, PA 17120

To: Senate Environmental Resources and Energy Committee
Senator Gene Yaw, Chairman

Senate Local Government Committee
Senator Scott Hutchinson, Chairman

From: Westmoreland County
Jason W. Rigone
Director - Westmoreland County Department of Planning & Development
Executive Director – Westmoreland County Industrial Development Corporation

Re: ACT 13 of 2012

Senator Yaw and Senator Hutchison and Committee members, thank you for the opportunity to present testimony before the Senate Environmental Resources and Energy Committee and Local Government Committee.

I, Jason W. Rigone, Executive Director of the Westmoreland County Industrial Development Corporation and Director of the Westmoreland County Department of Planning & Development am here today to provide an overview of the economic development impact and benefits of Act 13 funding “known as Marcellus Shale Impact Fee”. Because I serve as both Executive Director of the county based economic development organization and as Director of the Department of Planning and Development, I have the unique position of observing and at times utilizing the Impact Fee and benefitted Westmoreland County.

Created by the Westmoreland County Board of Commissioners in 1983, the IDC provides economic development services with a focus on industrial park development and redevelopment of blighted and environmentally impacted brownfield sites, marketing of county assets, being publicly or privately owned and operated, to prospective business ventures and lastly a business calling program to support the potential growth of the existing business community throughout Westmoreland. In addition, the IDC is co-located in Greensburg with 3 other economic and community development agencies – the Economic Growth Connection of Westmoreland, the Redevelopment Authority of Westmoreland and the Westmoreland County Department of Planning and Development which as stated earlier, I serve as the Director.

The industrial park system the IDC has developed and marketed over the past 30 years includes 17 park locations that house 139 companies that employ 9,268 and contribute over \$5 million in property taxes to support vital local, school and county services.

With shale gas drilling active in the county since 2008, Westmoreland and its 67 municipalities are eligible to receive direct funding disbursements outlined and described in Act 13. With the passing of Act 13 of 2012, the Westmoreland County Board of Commissioners directed a countywide analysis and sought input for potential use of anticipated (county) Impact Fee. The County Department of Planning and Development under my direction, gathered input from municipal and public officials and the general public through several means including electronic surveying, town hall meetings and individualized meetings. The analysis and information gathering took place over a 3-month period.

The results of the input gathering exercise were rather precise with utilization focused on roads and bridges, public safety/emergency management, environmental protection and water/storm water and sewer systems.

Since its inception, Westmoreland County has received approximately \$6.6 million directly with \$4 million in discretionary funding, \$1.6 million in restricted bridge funding and nearly \$1 million in Greenway, Open Space and Recreation funding. Westmoreland County has directed its funds to emergency preparedness with the upgrade to communication systems, to our local conservation district and recycling operations, farmland preservation, as well as provides funding to the Westmoreland Land Trust. This funding was utilized to match other funding sources to purchase high priority properties within an area of the county designated as the "Development Triangle" with the Land Trust's mission "To conserve and steward lands and waters of Westmoreland County that harbor ecological, scenic or recreational qualities to offer a healthier and more sustainable future for all". This willingness to purchase and reserve key properties preserving the undeveloped nature in areas seeing high demand for development ultimately create a balance that benefits the quality of life for residents. Lastly, the Impact Fee if not utilized directly for capital improvement projects but rather to act as a revenue source for existing operational expenses keeping property taxes and fees from rising and municipal and county government services stable and ultimately providing a lower cost of doing business and having an indirect economic benefit.

Westmoreland as a direct recipient of Impact Fees receives Restricted Highway allocation to be utilized for the replace and/or repair of local and county bridges. The need to continually invest resources into and maintaining a robust road and bridge infrastructure has an intrinsic value to the businesses in a community and thus the overall economy.

Westmoreland having a higher than average manufacturing community, relies heavily on the strength of the transportation system to be able to move goods and commerce to and from facilities. The Restricted Highway allocation has been utilized to replace several key bridges with one in particular located in Penn Township along Harrison City/Export Road being replaced in 2014. The significance of this bridge is that Harrison City/Export Road is the only road between PA Route 130 and US 22 (in Westmoreland) that does not contain weight restrictions. One of the county's largest manufacturing companies in terms of employment, Elliott Company, manufactures extremely large products such as oil and gas field compressor systems and is located within several miles of the newly replaced bridge. Their product when shipped is required permitted because of the weight. The need to have a strong local road system allows Elliott to access the larger state highway system and has a direct and significant impact to the economy and in particular to the manufacturing sector.

The Impact Fee having a significant amount dedicated to the Marcellus Shale Legacy Fund and further to individual programs providing counties and municipalities across the Commonwealth the ability to submit applications for competitive programs and secure essential funds for numerous uses. One particular program, the *Greenways, Trails and Recreation Program* administered by the Commonwealth Financing Authority (CFA) and managed by the Department of Community and Economic Development (DCED) was accessed by the Westmoreland County Department of Parks and Recreation to finish the 3rd phase at the Twin Lakes Park. This park, being centrally located and part of the county park system, has gone through several phases of development including 2 large lakes complete with a 2.5 mile walking trail, bike and skateboard parks, dog park and a winter recreation area. The final phase of development includes a deck hockey facility and amphitheater with

seating. \$200,000 was approved by the CFA in 2014 to assist with this phase and funding being allocated by the Marcellus Shale Legacy Fund. Improvements to our recreational facilities have an indirect but very significant impact in terms of economic development. Recreational assets create a very high level of quality of life which in turn help retain and attract residents. With population trending towards an older population and a younger generation's willingness to be mobile and making long term residential decisions based on quality of life rather than just the financial consideration, the need to retain and attract a new workforce is essential to maintaining and improving our economy.

Impact Fee disbursed to counties and municipalities has the ability to be utilized for road and infrastructure development. As an organization that has developed thousands of acres of industrial parks including the extension of roadways and utilities as the primary development activity, the Impact Fee funding can be an essential funding tool to support this element. With the availability of traditional funding sources for greenfield business parks such as the Redevelopment Assistance Capital Program, Business In Our Sites, PennWORKS, etc either decreasing or unpredictable in terms of availability, new and innovative revenue sources are such as the Impact Fee are imperative. Additionally, if approved for most traditional state and federal development funding programs, most require a financial (local) match. The Impact Fee can be utilized to address those matching requirement and increases in importance and is compounded for many counties and municipalities that do not have access to Gaming Funds and Local Share Accounts (LSA). With 12 counties having access to LSA's and potentially millions of dollars of revenue that can be utilized for economic and community development projects or utilized as match to

leverage other State funding programs, places most counties within the Commonwealth at a competitive disadvantage. Westmoreland County with casinos located in counties on three borders is no stranger to this dynamic.

The Impact Fee has impacted economic development efforts in Westmoreland County both directly and indirectly. If the opportunity were to arise to allow local municipalities and counties to receive additional percentage of the Impact Fee directly, that would open additional opportunities to invest those dollars on local priorities. Modifying the formula to further spread the limited funding statewide would only place counties like Westmoreland at a further competitive disadvantage.

Thank you for allowing me this opportunity to present my testimony on this much-needed program.