

Testimony
Commonwealth of Pennsylvania Senate Urban Affairs and Housing Committee

Delivered by James Palmer, President
Beaver County Corporation for Economic Development

September 16, 2010
Penn State University, Beaver Campus
Monaca, Pennsylvania

My name is James Palmer. I am President of the Beaver County Corporation for Economic Development (CED). CED is a non-profit, certified industrial development corporation, governed by a seventeen member board of directors that represents community and business interests, and includes the Beaver County Commissioners. CED began operations in 1987 and has a staff of four.

CED's mission is three fold, develop industrial properties, operate financing programs primarily for industrial and manufacturing firms, and undertake significant community initiatives. A copy of CED's most recent annual report has been provided to you which highlights not only last year's projects but also summarizes the organization's accomplishments since its inception. CED partners with other economic development providers, like workforce development groups, to supplement services it provides to its customers.

While CED's mission focuses on development of multi-user industrial sites and buildings and direct investment in value added companies and not the problems House Bill 712 addresses, those problems do directly impact CED's objectives of encouraging private investment and job creation, and increasing the tax base.

Beaver County is generally an older community in terms of its building stock and infrastructure. The effects of blight and vacant and abandoned properties are present and highly visible. The most marketable industrial sites and incentive programs for job creation lose their value if the communities in which we ask people to invest are deteriorated, unsightly, and not able to provide efficient, effective municipal services, including public education, because of a declining tax base.

The investments we seek business to make in economic development are significant. When asked to make those investments, business owners need to know that, in addition to serving markets, they are taking on the risk of investment in at least a stable and hopefully improving local environment. Such factors, although not primary, are taken into consideration when determining where an investment will occur among competing sites.

At minimum, the visible perception created by blighted communities can cause investors to go elsewhere notwithstanding the quality of a candidate business site. But the effects of blight are not only aesthetic, because, upon closer examination, they are likely to portend high local taxes rates and substandard municipal services as those municipalities struggle with an ever decreasing tax base.

Even with the current, persistent, high employment rate, the long term holds that those communities that are able to attract and produce a qualified workforce are the ones that will be successful. Places like Beaver County provide

an alternative as a place to live to the typical suburban communities. But places like Beaver County will only be able to attract a potential workforce if there are suitable living alternatives; safe, clean communities with a distinctive quality of life; and, high quality, affordable, public education. Those are not the characteristics of blighted and declining communities.

Therefore, the work of the committee to address the issues of blight is vital. The specifics as how to navigate the legal and financial hurdles are difficult and better left to experts in the field rather than me. However, without successfully addressing those issues, efforts to grow local economies will not reach their full potential.

I would like to thank Senator Yaw for the invitation and the committee for the opportunity to appear.