Fay-Penn Economic Development Council

1999 Annual Report

Table of Contents

Special Thanks

Message from the President	2
Fay-Penn Officers	2
Fay-Penn Board of Directors	3
Organization Overview	4
Fay-Penn Staff and Services	5
Financial Statements	6-8
◆ Fay-Penn Economic Dev. Council	ASI
◆ Fay-Penn Industrial Dev. Corp.	
Fayette Industrial Fund	
◆ Connellsville Industrial Enterprises	
Economic Impact	9
Summary of Completed Projects	10
Key Performance Indicators	11
Progress at a Glance	12-2
→ Business Development	
◆ Economic Development	
Financial Contribution Acknowledgments	24
Special Contributions	
Membership	

25

President's Message



President

It is my distinct pleasure to present to you the accomplishments of the Fay-Penn Economic Development Council for 1999. This report describes the activities of the organization over the last year that will have a positive impact on our community. The progress that we continue to make could not have been realized without the support and encouragement of the general membership as well as many other organizations dedicated to enhancing life in Fayette County.

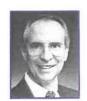
This year's annual report features new marketing materials that highlight our local quality of life. As technologies advance, companies have greater freedom than at any other time in history to expand wherever they choose. Most of these advanced companies are choosing to invest into areas in which they can attract and retain a talented workforce. The key for a company to attract a talented workforce is finding a setting that offers a high quality of life.

Fay-Penn's new marketing materials capture many of the strengths of our local community. As designed, our new video is being used by many businesses to attract professional talent to the county, from engineers to doctors and their families. We know that Fayette can offer a strong sense of community to those wishing to raise a family. The challenge is to inform everyone else about what we already know.

The investment that we have made in these marketing materials will bear fruit in future years as we continue to improve on our ability to attract new firms to the area. We will continue to make investments in new business sites and will work to become more involved in workforce and educational initiatives. In fact, the quality of our schools may be the most critical component of our quality of life that will dictate our level of economic attainment.

As we lay the groundwork for future success, we continue to make noticeable progress. In 1999, Fay-Penn assisted 20 companies in making over \$150.7 million in new capital investment. These companies project to generate or retain 1,254 jobs within a three-year period. In total, since 1992, Fay-Penn has assisted 110 companies in 129 different economic development projects involving 4,761 jobs.

As evident from these achievements, Fay-Penn is clearly having a positive impact on Fayette County. Our unemployment rate, one of the key economic indicators, continues to fall. On behalf of the Board of Directors, we want to thank the Fayette County community for your support of Fay-Penn and its mission to create a better quality of life for all of its residents.



Leo T. Krantz, Jr. First Vice President



Joanne Rae Second Vice President



Gary L. Guerrieri Secretary



Hobert Corly

Russell B. Mechling, Jr. Michael W. Krajovic Treasurer



Executive Vice President

Board of Directors



Harry E. Albert Fayette County



Pául Bacharach Pres./CEO Uniontown Hospital



Dave Berish, V.P. Berish Agency, Inc.



William Blaney Pres., Blaney Farms



Donald Bowser Chairman, Fay. Co. Board of Supervisors



Raymond Chess Pres., Chess Coal Company



Ira B. Coldren, Jr., Esquire Coldren Adams



Rep. Peter J. Daley, II (D) Dist. 49 - PA House of Representatives



Nancy Decker Director, Laurel Business Institute



C. Edward DeMuth Pres., Connellsvile Industrial Enterprises



Rep. H. Wm. DeWeese (D) Dist. 50 - PA House of Representatives



Thomas Duncan
Mayor, City of
Connellsville



Richard Ellsworth Pres., Stahls' Hotronix



John A. Fiesta Pres., Fiesta Insurance Agency



Kenneth Finney Chairman, Fay. Co. Redev. Authority



James R. Foutz, CPA Managing Partner McClure & Wolf



Bernard Fronczek VP & Mktg. Mgr. National City Bank



James Gabriel Pres., Gabriel Brothers



Dr. Gregory Gray CEO, Penn State Fayette



John Hart Sec./Treas. Gallatin Fuels, Inc.



William Jackson Pres., Jackson Farms



Sen. Richard Kasunic (D) District 32 State Senator



Fred L. Lebder Retired



John Malone Vice Pres., PNC Bank



Barbara Raitano General Manager The Daily Courier



George Rattay Business Mgr., Financial Sec./Treas. Plumbers and Pipe Fitters #354



Harry Reagan Chairman/CEO Second National Bank of Masontown



Donald Redman Fayette County Register of Wills



Frank Ricco Sec.-Treas., Ricco Tire Service



Rep. Larry Roberts (D) Dist. 51 - PA House of Representatives



Dr. Ronald Sepic Pres., Sepic Orthodontics



Rep. James E. Shaner (D) Dist. 52 - PA House of Representatives



Eli Shumar, Jr. Pres., Shumar Welding & Machine Service, Inc.



James Sileo Mayor, City of Uniontown



Rep. Jess Stairs (R) Dist. 59 - PA House of Representatives



William Ulmer Purchasing Agent E.W. Bowman, Inc.



Vincent A. Vicites Chairman, Fay. Co. Board of Commissioners



Edward Yankovich President UMWA District #2



Organization Overview

The Mission

Fay-Penn's mission is to maintain and increase employment opportunities (jobs) in Fayette County in an effort to improve the quality of life for all of its residents. This mission is met through a comprehensive strategy of specific economic development objectives and by providing superior services to its clients. The organization primarily focuses on the manufacturing sector in addition to a concentration on tourism and infrastructure development. The objectives and strategies listed here summarize initiatives in which Fay-Penn is involved.

Incorporated in 1991, Fay-Penn was formed to assist in the economic revitalization efforts of Fayette County. The organization was designated by the Internal Revenue Service (IRS) as a tax-exempt, nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. As a membership based organization with over 190 members, funding comes from various local, public, and private contributors and foundations, in addition to grant support from the Commonwealth of Pennsylvania and federal government for specific projects. Funds may not be used for the benefit of or be distributed to members, directors, officers, or private persons. All contributions are used to support the economic development revitalization efforts including providing administrative assistance for other economic development organizations and initiatives.

Provide superior economic development services that meet the needs of Fayette County by building local capacity and capabilities.

Develop the organization and resources needed to provide top quality, professional economic development services and programs through a strong public and private partnership.

Build linkages with the Pittsburgh business and economic development community to increase the use of programs and other resources that can support local efforts and strengthen business activity in both Fayette County and the southwestern Pennsylvania region.

Establish a business assistance network that offers a full range of support services for business and local government.

Conduct an outreach to businesses throughout Fayette County to offer assistance as part of an aggressive business retention and expansion effort. Expand tourism in Fayette
County to generate new
commerce and jobs, revitalize
commercial areas and support
new development.

Advance the image of Fayette County's and the Laurel Highlands' tourist industry from a weekend mountain recreation area to a full-service, multi-day vacation destination.

Serve as a catalyst to develop multi-day tourism packages by building thematic linkages between individual attractions in an effort to increase weekday tourism.

Assist local businesses in transitioning to better capitalize on growth opportunities presented in a dual manufacturing and tourism-based economy.

Build linkages with local, regional and state organizations, and the private business sector to develop the resources needed to implement a comprehensive tourism development strategy.

Assist local historical societies, businesses, and community development organizations in their efforts to develop new tourism attractions and renovate downtown areas throughout Fayette County.

Provide services to ensure that Fayette County has a qualified workforce to accommodate world-class industry.

Serve as a facilitator for companies to coordinate workforce delivery system services.

Increase the use of existing programs by companies and assist in securing available job training funds.

Support the development of employer driven workforce training programs.

Encourage educational initiatives that address the current needs of businesses.

Encourage development at existing and future business sites.

Concentrate marketing on vacant buildings and available land in business parks.

Expand infrastructure capabilities at existing and future development sites.

Improve road, air and rail transportation systems including maintaining rail service in Fayette County for existing and future rail users.

Develop new key sites through improved planning, marketing and financing techniques. Fay-Penn offers a full range of confidential services and works very closely with each client to provide customized service and maintain confidentiality.

Financing Assistance:

A variety of low-interest financing programs are available for companies in Fayette County through the Pennsylvania Department of Community and Economic Development (DCED). Funds may be used for land, buildings, equipment, working capital, and job training. The staff works hands-on with each company guiding them through the necessary procedures and coordinating efforts with the company's private lending institution. The Fay-Penn staff knows which programs can be used to fit a company's specific needs.

Business Technical Assistance:

Fay-Penn, with the support of a regional and state economic development team under the "Team PA" umbrella, offers technical assistance to businesses of all types and sizes throughout the county. The staff will do whatever is possible to assist companies in meeting their needs and accommodating their business development projects. This includes areas of financing, marketing, process improvement, government procurement, exporting, quality improvement, as well as others.

Site Selection:

Current listings of available sites or buildings are maintained by Fay-Penn and are provided to companies looking for new locations. The staff works closely with the PA Governor's Action Team and other economic development agencies on potential projects and networks with realtors and property owners to keep abreast of the industrial real estate market. Site proposals are customized with current market, utility and quality of life information.

Tourism Development:

Fay-Penn is working with businesses, historical societies, and other agencies to develop the tourism industry in Fayette County beyond its already wonderful array of visitor-ready sites and attractions. Assisting to develop new businesses, attractions, community projects, and increasing tourism packaging efforts are all part of the initiatives to help the Fayette County tourism industry grow.

Revolving Loan Funds:

Fay-Penn administers a \$6.03 million loan fund to assist qualified businesses with financing. Low interest loans of up to \$600,000 can be made. Specific guidelines have been developed and approved by the PA DCED to determine the project eligibility. For very small businesses, Fayette County entrepreneurs can turn to the Small Business Administration Microloan Program for assistance.

Business Park Development:

The location of new and expanding businesses and related infrastructure development is an important function of Fay-Penn. Working with the Fayette Industrial Fund, Connells-ville Industrial Enterprises, the Fayette County Redevelopment Authority, and local municipal authorities, the Fay-Penn staff acquires and develops new land and infrastructure with special focus on industrial and business parks in the county.

Small Business Technical Assistance:

Fay-Penn's Small Business Resource Center provides hands-on assistance to start-up and existing businesses with writing business plans. Service is provided on a private, individual basis in an effort to secure loan financing and to improve business success. The Small Business Resource Center also participates in conducting small business seminars to ensure entrepreneurs an opportunity to keep abreast of the latest up-to-date small business issues.

Workforce Development Assistance:

Fay-Penn's Workforce Development manager provides services that address the job training needs of both the workforce and local businesses. The staff also coordinates meetings for local companies with experts from other regional economic development organizations specializing in workforce training, ISO 9000 standards and other world-class, quality training.



From Left to Right (sitting): Margaret Fusco, Sec.; Teresa Hann, Bookkeeping Asst.; Peggy Hidock, Executive. Asst.; Pat Stewart, Sec.; Barbara Gibel, Eco. Dev. Special.; (Standing): Michael W. Krajovic, Ex.V.P.; Tina W. Wargo, Tech. Assist. Special.; Deborah Hanna, Workforce Development Mgr. and Fayette Enterprise Community Mgr.; Robert Bakos, Business Dev. Special.; William Foreman, Eco. Dev. Special.; Robert C. Urban, Jr., Director of Finance; Jim Smitth, Mgr. SWP & Tourism Dev. Special.; Lorl Omatick, Eco. Dev. Mgr.; Shauna Soom, Small Business Dev. Special.; Denise King, Sec.

Fay-Penn Economic Development Council

Statement of Activities
January 1, 1999 thru December 31, 1999

Statement of Financial Position as of December 31, 1999

CHANGES IN NET ASSETS:	TOTALS	ASSETS	
SUPPORT		Cash	\$458,830
Contributions	\$768.395	Accounts Receivable	\$399,829
Grants	\$1,834,104	Net Fixed Assets	\$11,120,48
Member Contributions	\$43,275	Revolving Loan Fund	***********
	\$10,E10	-Cash	\$2,206,72
REVENUES		-Loan Receivable:	42,200,12
Loan and Administration Fees	\$426,707	Capital Loans	\$3,730,52
Interest-Revolving Loan Fund	\$199,888	Fayette Industrial Fund	\$729,88
Interest-Other	\$16,433	-Investments-Loan Guarantee Program	\$100,00
Workforce Training Pilot Program	\$73,500	Other Assets	\$4,37
Proceeds from Sale of Assets	\$375,440		<u> </u>
Miscellaneous	\$12.146	TOTAL ASSETS	\$18,750,65
OTAL SUPPORT AND REVENUES	\$3,749,888	-	
V75.11050		LIABILITIES AND NET ASSETS	
(PENSES			
Program:		Liabilities:	
		Accounts Payable:	
Industrial Development Projects	\$33,780	Operating	\$30,40
Fayette Forward Administration	\$43,602	Multi-Tenant #4 Renovations	\$71,06
Revolving Loan Fund	\$1,532,204	Revolving Loan Fund	\$2,20
Small Business Programs	\$122,644	Mortgage Payable	\$10,473,36
Enterprise Zone Program	\$41,379		
Team PA Program	\$33,550	Total Liabilities	\$10,577,03
Multi-Tenant Buildings	\$327,243		
Marketing Project	\$208,662		
Federal Enterprise Community Administration	\$35,340	Net Assets:	
Keystone Opportunity Zone Program	\$86,845	Operating:	
Laurel Highland Regional Sign System Project	\$71,160	Unrestricted, undesignated	\$1,016,28
Total Program Expenses	\$2,536,409	Unrestricted, designated	\$729,88
1		Temporarily restricted	\$392,40
Support Services:		Total operating	\$2,138,57
		Revolving Loan Fund:	
General Administration	\$282,496	Unrestricted	\$5,035.04
Business Assistance	\$228,785	Temporarily restricted	\$1,000,00
Tourism Development	\$75,960	Total Revolving Loan Fund	\$6,035,04
IDC Administration	\$172.338	reservering additional	# 0,000,0
Total Support Services	\$759,579	Total Net Assets	\$8,173,62
Total Expenses	\$3,295,988		
Total Experious	40,200,000	TOTAL LIABILITIES AND NET ASSETS	\$18,750,655
crease in Net Assets	\$453,900	_	
et Assets:			
let Assets - January 1, 1999	\$6,194,722		
ssets Invested in Revolving Loan Fund	\$1,525,000	DEBMIDIONEOUNES	
normana in Not Appeta	¢4E2 000	DNEMHILIONEODARS	162

\$453,900

\$8,173,622



Increase in Net Assets

Net Assets - December 31, 1999

Fay-Penn Industrial Development Corporation

Statement of Activities January 1, 1999 thru December 31, 1999

CHANGES IN NET ASSETS:	TOTALS
REVENUES	
Land easements & leases	\$30,915
Shortline operator lease Investment income	\$10,918
Gain on sale of asset	\$2,481
Gain on sale of asset	<u>\$2,500</u>
Total Support and Revenues	\$46,814
EXPENSES	
Management and general	\$42,065
Tourist train project	\$4,025
• •	
Total Expenses	\$46,090
Increase in Net Assets	\$724
Net Assets:	
Net Assets - January 1, 1999	\$5,446,428
Increase in Net Assets	<u>\$724</u>
Net Assets - December 31, 1999	\$5,447,152

financial audit every year to ensure that its financial obligations are in full compliance with generally accepted accounting principles and that all grants were properly administered according to contract conditions and relative state and federal requirements.

Fay-Penn undergoes a complete

Statement of Financial Position as of December 31, 1999

A.	55	В	5

	Cash	\$68,652
	Cash - escrow	\$ 16,655
	Net fixed assets	\$5,378,500
TOTAL AS	SSETS	\$5,463,807
LIABILITI	ES AND NET ASSETS	
Liabilities	:	
	Escrow	\$16,655
Total Liab	ilities	\$16,655
Total Net	Assets - Unrestricted	<u>\$5,447,152</u>
TOTAL LIA	ABILITIES AND NET ASSETS	\$5,463,807



Leo T. Krantz, Jr. President

Fayette Industrial Fund

Statement of Revenues, Expenses and Changes in Net Assets for the Period January 1, 1999 thru December 31, 1999

TOTALS

\$3,968,522

	TOTALS
REVENUES	
Interest on Mortgages	\$870
Interest on Temporary Investments	\$63,444
Membership Dues	\$15,150
Meeting Reimbursements	\$812
Service Fees	\$9,627
Gain on Sale of Land	\$931,783
Miscellaneous	<u>\$175</u>
Total Revenues	\$1,021,861
EVENIOR	
EXPENSES	Pac 400
Administration Fees	\$26,400
Business Park Marketing Fees	\$60,000
Service Fees	\$9,627
Insurance	\$2,301
Real Estate Taxes	\$2,372
Office Expense	\$842
Legal and Accounting	\$1,770
Meetings	\$1,216
Property Operations	\$25,813
	\$8,215
Engineering Fees	
KOZ Property Marketing Fees	\$17,500
Other	<u>\$500</u>
Total Expenses	\$156,556
Excess of Revenues Over (Under) Expenses	(\$66,477)
, , ,	* '
Gain on Sale of Land	\$931,783
Excess of Revenues Over (Under) Expenses	
Including Gain on Sale of land	\$865,306
Net Assets	
Net Assets - January 1 1999	\$1,725,233
Net Assets - January 1, 1999 Excess of Revenues Over (Under) Expenses	\$1,725,233
Excess of Revenues Over (Under) Expenses	
· · · · · · · · · · · · · · · · · · ·	\$1,725,233 \$865,306
Excess of Revenues Over (Under) Expenses	
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet	\$865,306
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999	\$865,306
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet	\$865,306
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS	\$865,306 \$2,590,539
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank	\$865,306 \$2,590,539 \$42,924
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments	\$865,306 \$2,590,539 \$42,924 \$2,127,356
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank	\$865,306 \$2,590,539 \$42,924
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments	\$865,306 \$2,590,539 \$42,924 \$2,127,356
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables	\$865,306 \$2,590,539 \$42,924 \$2,127,356 \$3,372
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables Fixed Assets - Land	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873 \$1,736,537
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873
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Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables Fixed Assets - Land TOTAL ASSETS LIABILITIES AND NET ASSETS	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873 \$1,736,537
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables Fixed Assets - Land TOTAL ASSETS LIABILITIES AND NET ASSETS Current Liabilities	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873 \$1,736,537 \$3,968,522
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables Fixed Assets - Land TOTAL ASSETS LIABILITIES AND NET ASSETS Current Liabilities Due to Fay-Penn	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873 \$1,736,537 \$3,968,522
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables Fixed Assets - Land TOTAL ASSETS LIABILITIES AND NET ASSETS Current Liabilities Due to Fay-Penn Accounts Payable	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873 \$1,736,537 \$3,968,522
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Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables Fixed Assets - Land TOTAL ASSETS LIABILITIES AND NET ASSETS Current Liabilities Due to Fay-Penn Accounts Payable	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873 \$1,736,537 \$3,968,522 \$292,682 \$1,570 \$1,083,731
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables Fixed Assets - Land TOTAL ASSETS LIABILITIES AND NET ASSETS Current Liabilities Due to Fay-Penn Accounts Payable Long-Term Liabilities	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873 \$1,736,537 \$3,968,522
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables Fixed Assets - Land TOTAL ASSETS LIABILITIES AND NET ASSETS Current Liabilities Due to Fay-Penn Accounts Payable Long-Term Liabilities Notes Payable Total Liabilities	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873 \$1,736,537 \$3,968,522 \$292,682 \$1,570 \$1,083,731
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables Fixed Assets - Land TOTAL ASSETS LIABILITIES AND NET ASSETS Current Liabilities Due to Fay-Penn Accounts Payable Long-Term Liabilities Notes Payable Total Liabilities Notes Payable Total Liabilities	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873 \$1,736,537 \$3,968,522 \$292,682 \$1,570 \$1,083,731 \$1,377,983
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables Fixed Assets - Land TOTAL ASSETS LIABILITIES AND NET ASSETS Current Liabilities Due to Fay-Penn Accounts Payable Long-Term Liabilities Notes Payable Total Liabilities Notes Payable Total Liabilities Net Assets Contributed Capital	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873 \$1,736,537 \$3,968,522 \$292,682 \$1,570 \$1,083,731 \$1,377,983
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables Fixed Assets - Land TOTAL ASSETS LIABILITIES AND NET ASSETS Current Liabilities Due to Fay-Penn Accounts Payable Long-Term Liabilities Notes Payable Total Liabilities Net Assets Contributed Capital Unrestricted Fund Equity	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873 \$1,736,537 \$3,968,522 \$292,682 \$1,570 \$1,083,731 \$1,377,983
Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land Net Assets - December 31, 1999 Balance Sheet as of December 31, 1999 ASSETS Cash in Bank Temporary Investments Current Portion of Mortgage Receivables Accrued Interest Receivable Noncurrent Portion of Mortgage Receivables Fixed Assets - Land TOTAL ASSETS LIABILITIES AND NET ASSETS Current Liabilities Due to Fay-Penn Accounts Payable Long-Term Liabilities Notes Payable Total Liabilities Notes Payable Total Liabilities Net Assets Contributed Capital	\$42,924 \$2,127,356 \$3,372 \$34,460 \$23,873 \$1,736,537 \$3,968,522 \$292,682 \$1,570 \$1,083,731 \$1,377,983

Connellsville Industrial Enterprises



Summary of Combined Statement		
of Support, Revenues,		
Expenses and Change in Net Assets for		
the Period		
October 1, 1998 thru September 30, 1999		

UNRESTRICTED NET ASSETS	TOTALS
REVENUE	
Interest Income	<u>\$15,315</u>
Total Unrestricted Revenues:	\$15,315
EXPENSES: Dues Insurance Professional Fees Utilities Office Expenses	\$260 \$ 1,220 \$830 \$138 <u>\$156</u>
Total Operating Expenses	\$2,604
Increase In Unrestricted Net Assets	\$12,711
Net Assets	
Net Assets - October 1, 1998	\$435,075
Increase in Net Assets	\$12,711
Net Assets - September 30, 1999	\$447,786

Summarized Combined Balance Sheet as of September 30, 1999

ASSETS

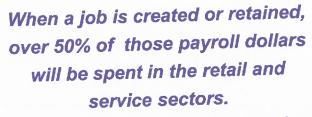
	Cash	\$370,032
	Land - Industrial Park	\$31,938
	Land Improvements - Industrial Park	<u>\$45,816</u>
TOTAL ASSETS	<u> </u>	\$447,786
LIABILITIES AN	ID NET ASSETS	
Liabilities		\$0
Total Liabilities		\$0
Net Assets		
	Unrestricted	\$447,786
TOTAL LIABILI	TIES AND NET ASSETS	\$447.786

Fay-Penn Economic Development Council provides administrative services and assistance to Fayette Industrial Fund (FIF) and Connellsville Industrial Enterprises (CIE), local Industrial Development Corporations. These organizations are governed by individual volunteer boards of directors.

TOTAL LIABILITIES AND NET ASSETS

Economic Impact

- Keeping your taxes lower by increasing the tax base in your local community.
- Providing businesses with new customers and sales opportunities
- Generating new job opportunities for local residents.
- Improving your community's overall quality of life.



Each time a dollar is spent in the local economy it circulates five to seven times over, positively impacting every business and person in Fayette County.

Over \$325 million impact to date.



Increased Tax Base

- ♦ Local School Taxes
- ♦ Municipal Wage Taxes
- ♦ County Real Estate Taxes
- ♦ Municipal Property Taxes
- ♦ State Retail Taxes
- ♦ State Wage Taxes
- ♦ Federal Wage Taxes

Increased Services

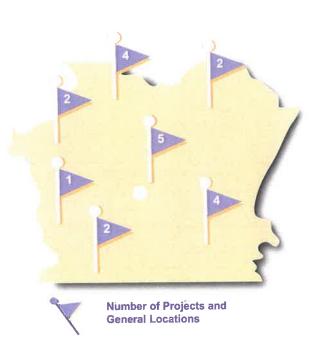
- Insurance
- Maintenance Services
- Accounting Services
- ♦ Legal Services
- Car Repairs
- ♦ Real Estate Sales
- ♦ Wholesale Distributors
- ♦ and more

Increased Retail Sales

- Dry Cleaning
- Home Purchases
- Restaurants
- → Furniture
- ♦ Groceries
- ♦ Video Rentals
- ♦ Automobiles
- Hardware
- and more



Summary of Completed Projects 1999



1999 Business Development Projects

Jobs Created/ Retained*

Bigam's Service Station	6
Caileigh's of Uniontown	10
CallTech Communications, Inc.	400
Connellsville Redevelopment Authority	6
Dennis Lumber Company	5
Duraloy Technologies, Inc.	75
Fike's Dairy, Inc.	40
Hunter's Truck Sales and Service, Inc.	30
Kolencik Service Station	2
Maccabee Industrial, Inc.	9
Mountain Streams & Trails Outfitters	2
NeoDyne	2
Ohiopyle Prints, Inc.	128
PIBS	2
Pittsburgh-Fayette Express, Inc.	8
Stahls' Hotronix	10
State Correctional Institution - Western	500
Topo's Restaurant	15
West Penn Warehousing, Inc.	2
White Picket Fence	2

TOTAL: 1,254

New Project Results Overview - 1999 Totals

Completed Projects 20
Jobs Created and Retained* 1,254
Increase in Annual Payroll Dollars \$ 23,867,000
Increase in Annual Tax Dollars \$ 930,321
New Investment \$150,762,899
Public Financing Utilized \$139,268,283
Private Investment \$ 11,494,616

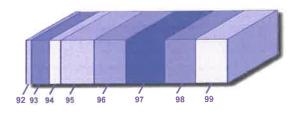


Key Performance Indicators 1992-1999



Total Completed Projects

129





(Does not include residential municipal, school, or county real estate taxes)

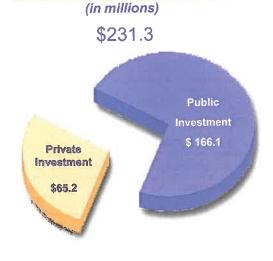


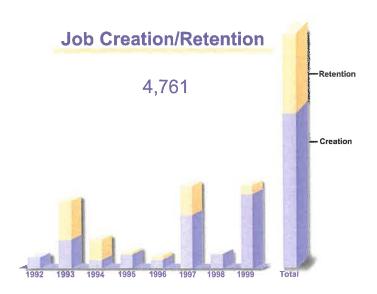
New Annual Payroll Dollars Generated

\$65,000,000



New Investment Dollars

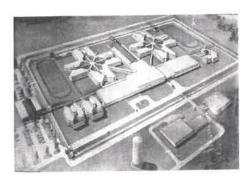






Business Development

State Correctional Institution - Western - Luzerne Twp.



The Pennsylvania Department of Corrections selected a 238-acre tract of land in Luzerne Township, near Brownsville, one of the most distressed areas in Fayette County, as the site for a new correctional facility. Fay-Penn led the local site selection process, identifying the Luzerne Township property, and compiling utility, mining and environmental information for the PA Department of General Services (DGS). Fay-Penn worked in conjunction with the Luzerne Township Supervisors to help DGS acquire the property. Fay-Penn also assisted with the zoning variances, arranged two bus tours of SCI-Greene, and arranged for a town meeting with the Secretary of the PA Department of Corrections to quell public misconceptions. The total project will cost \$135 million, which includes \$105 million for the physical construction of 21 buildings located inside the 53-acre compound. This new state-of-the-art facility will include some of the most advanced security features in the nation. The facility is scheduled to open in the spring of 2003. The new Department of Corrections facility will employ approximately 500 people, house up to 2,000 inmates, and create 500 construction jobs during the building of the facility.

CallTech Communications, Inc. Redstone Township



In 1999, Fay-Penn completed its second major customer service call center attraction project for Fayette County. Ohio-based CallTech Communications, Inc. agreed to lease 33,500 sq. ft. of space in the former Gabriel's building located in Redstone Township, near Brownsville. Fay-Penn purchased the Gabriel's building in order to make the necessary building renovations in a timely fashion to accommodate CallTech into the facility. Working with the Governor's Action Team, the strong public/private partnership was directly responsible for the success of this project, which is expected to create 400 new jobs over the next three years for the most distressed area of the county. To assist with this important project, the Pennsylvania Department of Community and Economic Development awarded funding through the Opportunity Grant Program and the Job Creation Tax Credit Program, as well as a \$350,000 grant to assist with Customized Job Training.



In August 1999, Hunter's Truck Sales and Service broke ground on a new \$2.75 million facility located next to the Fayette Business Park. The Butler, PA based company has been in business since 1938 and has eight locations in Pennsylvania. Fay-Penn and Fayette Industrial Fund worked with the company on site planning and a land exchange that was mutually beneficial to both Hunter's and the park. The company currently employs 30 people at its existing facility on Route 51. These jobs will be relocated and another 30 will be added at the new site within the next three years.

Hunter's Truck Sales and Service, Inc. Georges Township



Fay-Penn, working with the Governor's Action Team, assisted Duraloy Technologies, Inc. in a \$5 million expansion project at its manufacturing facility located on the northern border of Fayette County. The company is a technology leader in engineering, design, and production of high-alloy heat resistant castings since 1922. With Fay-Penn's assistance, Duraloy was successful in acquiring \$150,000 in Customized Job Training funds, Job Creation Tax Credits worth \$150,000, and a \$75,000 Opportunity Fund Grant to support the project. The project will create 75 jobs within the next three years.

Duraloy Technologies, Inc. Bullskin Township



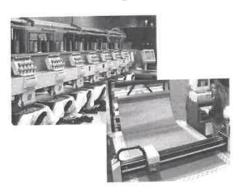
Fike's Dairy, Inc. completed the purchase and installation of equipment used to produce soft serve ice cream mix. This expansion project enabled Fike's Dairy to enter an entirely new line of business and added two excellent customers in McDonald's and Dairy Queen. Financing assistance included a \$400,000 loan through the Commonwealth of PA Machinery and Equipment Loan Fund and a \$450,000 loan through Fay-Penn's Revolving Loan Fund. Fike's Dairy expects to create 40 new jobs as a result of this equipment expansion project.

Fike's Dairy, Inc. City of Uniontown



et nature

Stahls' Hotronix German Township



In 1996, Stahls' Hotronix, a leading manufacturer of heat press machines, expanded into the garment decorating industry. Increased demand from major league sporting goods dealers for their product required Stahls' to undertake an expansion project in 1999. New embroidering equipment was needed by Stahls' to service existing customers and also increase their customer base. This project was financed, in part, with a \$124,000 loan through Fay-Penn's Revolving Loan Fund. Stahls' expects to create 10 new jobs as a result of this expansion project.

Connellsville Redevelopment Authority - City of Connellsville



The Connellsville Redevelopment Authority operates a 47,000-sq. ft. business incubator in the City of Connellsville that houses five businesses employing 30 people. The facility was in need of exterior repairs and interior upgrades. Fay-Penn assisted with this renovation project by administering a \$30,000 Enterprise Zone Competitive Grant. Fay-Penn also made a \$45,000 loan through its Revolving Loan Fund as additional assistance. Current and future tenants will benefit from these renovations. This renovation project to the business incubator is expected to create six new jobs.

Pittsburgh-Fayette Express, Inc. Belle Vernon Borough





Many Fayette County businesses continue to expand in response to the improving regional economic climate. Eight new jobs will be created as a result of the construction of a new 15-door, 18,000-sq. ft. truck terminal in the Borough of Belle Vernon. Pittsburgh-Fayette Express, Inc., a local company since 1978, could no longer meet clients' needs from its 4-door terminal facility. The new truck terminal facility will streamline operations and permit the company to accommodate future growth. Fay-Penn assisted in financing the project by providing a \$150,000 loan through the Fay-Penn Revolving Loan Fund. In addition to Fay-Penn, the Mon Valley Progress Council assisted in the project with a \$60,000 Industrial Development Assistance Program Loan and a \$5,000 grant for engineering services.



Since 1981, Ohiopyle Prints has been one of the fastest growing manufacturing operations in Fayette County. In 1999 a possible ownership change could have resulted in the manufacturing operation being relocated outside Fayette County. Fay-Penn, through its Revolving Loan Fund, assisted new ownership intent on keeping the manufacturing operation in Wharton Township with a \$400,000 loan to assist with the purchase of real estate and equipment. Through its participation in the project, Fay-Penn helped secure the employment of the 128 people currently working at Ohiopyle Prints.

West Penn Warehousing, Inc. provides public warehousing on a short or long-term basis for its customers. Increased business has required the company to lease outside warehouse space to accommodate its clients. Fay-Penn assisted in financing renovations to three warehouses and expanding its on-site warehouse facility in Belle Vernon. A \$25,000 loan through the Fay-Penn Revolving Loan Fund assisted with the renovations. The company expects to create two jobs as a result of this renovation project.

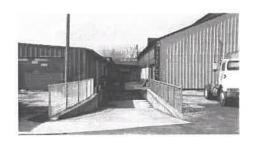
Maccabee Industrial, Inc., a full-service industrial and commercial contractor, purchased a 12,000 sq. ft. building in Belle Vernon to expand its manufacturing and warehouse operations. A \$150,000 loan from the Fay-Penn Revolving Loan Fund was secured to assist with the purchase and renovation of the building. Additional manufacturing space was needed by Maccabee to enable the company to fabricate finished welding products for the structural steel industry, products they had previously been unable to offer. Nine new jobs will be created as a result of this project.

Caileigh's of Uniontown received a \$15,000 loan from Fay-Penn's Tourism Revolving Loan Fund to assist with building renovations, the purchase of furniture and fixtures, and working capital. The Progress Fund, a regional tourism loan program, also assisted in financing this project with a \$31,000 loan. This project will create 10 new tourism-related jobs. Fay-Penn also provided technical assistance through its Small Business Development Program.

Ohiopyle Prints, Inc. Wharton Township



West Penn Warehousing, Inc.
Belle Vernon Borough



Maccabee Industrial, Inc. Belle Vernon Borough



Caileigh's of Uniontown
City of Uniontown





Topo's Restaurant Henry Clay Township



Located in Markleysburg, Topo's Restaurant received a \$50,000 loan through the Fay-Penn Tourism Revolving Loan Fund program to assist with construction and renovation of the restaurant, purchase of furniture and fixtures, and working capital. A \$100,000 loan through The Progress Fund, a regional tourism loan program, was also secured to assist with the project financing. This project will create 15 new tourism-related jobs in Fayette County. In addition to coordinating financing assistance, Fay-Penn also provided technical assistance through its Small Business Development Program.

White Picket Fence South Union Township



The White Picket Fence, a country craft store, purchased a commercial building in Hopwood to expand its retail operation. Fay-Penn assisted with the building purchase by providing a \$35,000 loan through the Fay-Penn Tourism Revolving Loan Fund. Located within the National Road Heritage Park corridor, this project will create two new tourism-related jobs in Fayette County.

Mountain Streams and Trails Outfitters, Inc. - Ohiopyle Borough



Mountain Streams and Trails Outfitters, Inc. offers guided whitewater rafting excursions in Ohiopyle State Park. The Fay-Penn Tourism Revolving Loan Fund program assisted this company by providing a \$20,000 loan to assist in an equipment purchase to upgrade rafting equipment and for the purchase of specialized mountain bicycles to promote an adventure package to compliment the rafting operation. This project will create two new tourism jobs in Fayette County.

Small Business Development

Fay-Penn's Small Business Development Program answered 183 inquires during 1999. Of those initial inquiries, 27 individuals or businesses received technical assistance, with nine businesses securing \$547,846 in financing, resulting in the creation and/or retention of 48 jobs. These companies include, but are not limited to, PIBS, Caileigh's of Uniontown, and Topo's Restaurant. Continuing to be responsive to the needs of small business, Fay-Penn provides monthly new business workshops for those wanting to learn more about going into business. Fay-Penn also co-sponsored an evening outreach seminar in Connellsville with PNC Bank. At these seminars, experts from different professional backgrounds discussed issues important to small business owners.



Underground Storage Tank Loan Program

During 1999, Fay-Penn assisted three local companies in obtaining a total of \$204,283 in low-interest loans through the Commonwealth of Pennsylvania's Underground Storage Tank Upgrade Loan Program, i.e. Dennis Lumber Company, Kolencik Service Station and Bigam's Service Station. The program assists owners of underground storage tanks with meeting Federal

Environmental Protection Agency requirements.



SBA Microloan

The Small Business Administration Microloan Program continues to provide an alternative source of financing to small business owners. The program was established in 1993 as a cooperative effort among Fay-Penn Economic Development Council, Greene County, and Washington County Council on Economic Development, the program administrator. Since then, the Westmoreland Economic Development Corporation, the Morgantown Area Economic Partnership, the Monongalia County Development Authority, and the Preston County Economic Development Authority have joined the effort. To date 17 Fayette County businesses have been assisted by the program with financing totaling \$275,420.

Fay-Penn Revolving Loan Fund (RLF)

During 1999, Fay-Penn successfully administered its \$6.03 million Revolving Loan Fund (RLF). The RLF program assists eligible businesses by funding capital expansion projects in fixed assets, such as new equipment and facilities at low interest rates. The Loan Guarantee Program can guarantee a percentage of private lending institution loans to eligible companies. To date, 55 projects have been financed resulting in over \$29 million in private investment and the potential creation and/or retention of over 2,200 jobs. In 1999, the fund grew from \$4.34 million to \$6.03 million thanks to state grants secured with the support of the Fayette County's state legislative delegation. Eight projects received \$1.87 million of financing assistance through the RLF in 1999. These projects generated additional private investment of \$3.63 million and resulted in the creation and/or retention of 603 jobs.

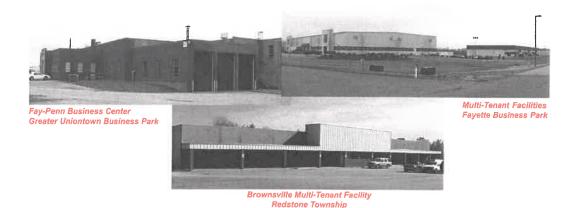
Tourism Revolving Loan Fund (TRLF)

Established in 1998, the TRLF Program is designed to encourage tourism commerce development in Fayette County. Applicants to the TRLF Program must provide evidence that a majority of revenues generated are derived from tourism related activity. To date, five (5) projects have been financed through this new program resulting in the potential creation of 33 tourism-related jobs.

Enterprise Zone Loan Fund (EZLF)

With the support of the Fayette County Board of Commissioners, and Fayette's state legislative delegation, \$305,000 was secured through the State Enterprise Zone Program in 1999. Projects eligible to access these loan funds must be located within the designated Fayette County Enterprise Zone. As the loans are repaid, the funds are used to recapitalize the Fay-Penn RLF for use by other companies. To date, seven projects have been financed through the program resulting in the creation and/or retention of 197 jobs.

Economic Development



Fay-Penn Multi-Tenant Facilities

In 1999, Fay-Penn purchased a 43,500-sq. ft. building located in Redstone Township, near Brownsville. Fay-Penn's Board of Directors authorized the purchase of the former Gabriel's building so that renovations could be completed to the facility to transform it into a multi-tenant facility and subsequently accommodate the CallTech Communications, Inc. business attraction project.

Fay-Penn completed construction of the 32,400 sq. ft. second multi-tenant facility located in the Fayette Business Park, Georges Township. The facility is expected to accommodate up to six occupants.

During 1999, renovations began to the Fay-Penn Business Center, a 120,000-sq. ft. multi-tenant facility in North Union Township. Additional renovations to transform the facility into a multi-tenant facility will be completed in 2000. The first two tenants, Gerome Manufacturing Company and West Materials, Inc., were secured for the facility in 1999.

With over 220,000 sq. ft. of space in four multi-tenant buildings, Fay-Penn has made a significant investment in Fayette County. These multi-tenant projects were made possible by financial contributions from The Eberly Foundation and through Robert E. Eberly's personal loan guarantee.

Business Site Marketing

To develop awareness of the tax-free advantages of the Keystone Opportunity Zone sites in Fayette County, in 1999 Fay-Penn and Fayette Industrial Fund invested more than \$100,000 in promotional efforts to sell sites in Fayette County. The campaign elements included print media advertising, property listings, signage, and producing a television commercial that was aired on cable television. A direct mail campaign was developed to inform the Pittsburgh region business community and professional advisors about the advantages of the tax-free sites.

Fay-Penn provided assistance to Fayette Industrial Fund, Connellsville Industrial Enterprises, and the Fayette County Redevelopment Authority by marketing their respective industrial park sites to potential businesses.

On an ongoing basis, Fay-Penn develops and provides customized site proposal packages, brochures, maps, photos, demographic information, etc. to each individual business looking for potential sites in the Fayette County area. In addition, Fay-Penn maintains a listing of vacant buildings and available sites for industrial and commercial development.

Business Park Development

In an effort to increase the number of available sites for potential business expansion/location projects and to generate economic development activity in many of Fayette County's most distressed communities, Fay-Penn invested approximately \$4.3 million to acquire vacant properties for development as future business parks. Until now, there was virtually no significant acreage available in the five existing business parks in Fayette County. The majority of the existing parks are nearly filled to capacity with the exception of the Fayette Business Park, located at the southern end of the county. Fay-Penn acquired an additional 700 acres of land from local property owners at various locations along the Route 119 corridor for future development and marketing as quality business location sites.

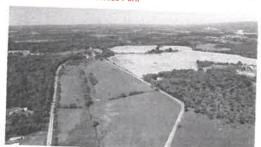


In 1999, Fay-Penn began the planning and design of the University Technology Park, a 147-acre site located on Route 119, adjacent to the PennState Fayette campus. The Park is designed to accommodate high technology and advanced manufacturing firms. It is unlike any other development in Fayette County or the surrounding area, with high-quality site design standards and a campus-like setting. Companies located in the park will have access to the facilities at PennState, including a planned new state-ofthe-art corporate center featuring the latest available technologies. The \$5.5 million construction project includes site grading, interior roads and underground utilities throughout the Park and will provide ready-to-move-into sites. The project is being funded through a combination of state and federal grants, including a \$2 million capital budget grant announced by Governor Tom Ridge, a state loan, and an equity contribution from the Fayette Industrial Fund. The construction project will be completed in the Fall of 2000.















Mon-Fayette Expressway Construction

Progress continues to be made on the Mon-Fayette Express-



way project. Construction of a new 12-mile segment of Route 43 to the West Virginia border neared completion in 1999. The expected opening for the new highway is March of 2000. Just as important, West Virginia continues to secure funds to complete the final 3-mile segment to I-68 in West Virginia. The expected completion date for this final segment is 2003.

At the same time, progress is also occurring on the other segments of the highway through Fayette County and into the Pittsburgh and airport corridors. Completion of the Mon-Fayette Expressway project continues to be one of Fayette County's most important economic development projects in history and Fay-Penn extends both its support and congratulations to the hundreds of thousands of people and our many elected officials who continue to work diligently on completing the highway.

Infrastructure Study

A Fayette County sewage and water study project was undertaken in 1999 to obtain accurate information on existing sewage and water infrastructure in the county and to identify the planned future sewage and water projects. Fay-Penn spearheaded the project through a collaborative effort with the Fayette County Office of Community and Economic Development, municipal officials, and engineers. It was determined where sewage and water systems presently exist and what projects are planned to promote future growth. Maps showing existing sewage and water infrastructure and planned projects in the county have been produced. The cost of the sewage and water projects identified was significant, totaling over \$145 million.

Quality of Life Marketing

In 1999, Fay-Penn invested a great deal of time and effort into a \$200,000+ project to develop marketing materials directed to showcase the quality of life in the county. An eight-minute video, brochures, pocket folders, bookmarks, and window static stickers were produced. Funding for the project was provided by an \$80,000 grant from The U.S. Appalachian Regional Commission, a \$20,000 grant from The Eberly Foundation, \$35,000 from Fayette Industrial Fund and additional support from Fay-Penn. The Fayette County business community generously supported this project with donations from Allegheny Energy, Coldren Adams, Ira B. Coldren, Jr., Laurel Bank, National City Bank of PA, Nemacolin Woodlands Resort & Spa, Second National Bank, Sensus Technologies, Inc., and the Uniontown Hospital. These professionally-produced marketing materials are sent to potential business prospects that have expressed an interest in locating in Fayette County. In addition, the materials have been distributed to businesses throughout the county for use in promoting their companies, especially in the areas of professional recruitment.

Fay-Penn also produced a series of radio commercials entitled "Get the Facts....On
Fayette" to improve the local community image. These commercials highlighted significant people,

places and events that occurred in the county during the past, as well as recent economic and tourism

developments.





Workforce Development

In today's competitive environment, workforce quality and technical proficiency are critical issues facing any company. Fay-Penn continued its commitment to assist businesses by working to provide a quality workforce. In 1999, with the assistance of a U.S. Appalachian Regional Commission grant, Fay-Penn was able to sponsor 27 trainees representing 20 companies in the world-renowned Dale Carnegie Sales and Customer Service Training. This effort supports our goal to bring world class training to Fayette County. Fay-Penn continued its efforts to provide technical assistance to companies by providing workforce data, labor market information, education and training resources. A local wage and salary survey was also completed in 1999 providing useful information for both local companies and new companies considering expanding into the area.



Fayette Human Resource (HR) Network

The inaugural year of the Fayette Human Resource Network proved successful. Fay-Penn led the effort with its partner, the Fayette Chamber of Commerce, to co-sponsor the HR Network. The HR Network has proven to be a successful venue for small business owners and managers to learn about human resource related topics from experts in the specified area. During 1999, four meetings were held with a total of 94 people attending one or more sessions. Through a collaborative effort with PennState Fayette, an international human resource specialist, William J. Rothwell, Ph.D., was brought to Fayette County to discuss recruiting, interviewing and appraising performance.

Tourism Development

In 1999, Fay-Penn continued distribution of the Fayette County Tourism Brochure, "Where to Stay, What to Do, & Where to Eat," which was produced in 1998. Over 80,000 copies have been distributed to date. The brochure, which describes everything from bed & breakfast establishments to attractions, is designed to educate visitors to the many amenities in Fayette County.

Fay-Penn has also secured grant funding to study two new tourism initiatives in the County. Through the generous support of the USDA – Forest Service, Fay-Penn will study the need for additional lodging facilities in the Ohiopyle area, and the feasibility of establishing the area's first cable tourism channel.

Fay-Penn has also partnered with the National Park Service for the purpose of conducting a capital campaign to construct a world-class visitor center at Fort Necessity. The center will focus on the campaign led by a young George Washington and the battle that is heralded as the beginning of the French & Indian War. Additionally, the

center will tell the tale of the National Road and the impact that the first federally funded highway had on the expansion of our nation.



Architectural Rendering of the planned new Fort Necessity Visitors Center

Pittsburgh – Laurel Highlands Regional Sign System Development

Work on the new tourism sign system continued through 1999. Prototype signs have been installed at a few various locations in Fayette and Somerset counties. When completed, the project will greatly improve the access and visibility of Fayette County's world-class attractions.



Fayette Enterprise Community (FEC) Federal Designation

On January 13, 1999, Al Gore, Vice President of the United States, designated six census tracts throughout Fayette County as the Fayette Enterprise Community (FEC).

The FEC covers 84.37 square miles of Fayette County including Redstone and Menallen Townships, a portion of the cities of Uniontown and Connellsville and a portion of Dunbar Township. The population of the entire FEC is 27,216 with an average poverty rate of 27%. The FEC also includes three developable sites totaling 1,500 acres.

The FEC's Strategic Plan includes 69 benchmark activities totaling \$72.75 million. Of the 69 benchmark activities, 60 benchmark activities are currently underway.

In 1999, the first year of the designation,
\$29.16 million was received and an additional \$17.53
million has been approved for benchmark activities.
An additional \$26.5 million has been requested from various federal, state, local and private resources.

Of the first years \$250,000 in funding appropriated by the United States Department of Agriculture, \$66,000 was spent to purchase 22 automatic external defibrillators for distribution throughout the FEC.

Additional projects utilizing first-year funds include \$30,000 allocated by the Community Empowerment Board to be utilized for a micro-loan program, and \$50,000 to be used for preliminary site planning for the FEC designated business development sites in North Union, South Union, and Springhill Townships.

FEC Benchmark Activity

Infrastructure Development

\$13.8 Million USDA Rural Development

Economic Development

 \$6.03 Million Revolving Loan Fund (\$1.69 Million Growth 1999)

Education

- 172 residents received GED assistance & training
- 45 residents received post-GED testing assistance
- 53 residents received one-on-one career mentoring
- 42 students attended an after-school tutorial assistance program

Housing

- 81 USDA Rural Development Loans were processed
- 15 applications approved

Social Conditions

 Recreational facility in Redstone Township



A large group of Fayette Enterprise Community (FEC) residents attend the official signing of the United States Department of Agriculture (USDA) Memorandum of Agreement (MOA) on September 13, 1999.



Fayette County State Enterprise Zone

Now in its fourth year, the Fayette County Enterprise Zone designation by the Commonwealth of PA continues to contribute to the county's economic development. Administered by Fay-Penn, the Enterprise Zone begins along the northern county border and extends southward through Smithfield Borough, following the Route 119/Southwest PA Rail Line corridor. In 1999, local businesses applied for \$550,000 in Enterprise Zone funding, of which \$300,000 was approved and \$250,000 remains pending. These projects have the potential of contributing to the creation of over 500 new, full-time jobs in Fayette County. Funds received through the State Enterprise Zone Program are loaned through Fay-Penn's Revolving Loan Fund. The approval of \$300,000 in state funds increases the total monies raised by Fay-Penn for Fayette County businesses to over \$1 million since the beginning of the Enterprise Zone Program in 1996.

Pennsylvanla

As the Commonwealth's contracted "Team PA" organization for Fayette County, Fay-Penn continued the business calling program initiated by Governor Tom Ridge in 1997. The Team Pennsylvania program is a dynamic public-private partnership formed with businesses, local and state government officials, financial institutions, community/economic development practitioners, and residents to develop stronger businesses and communities in the twenty-first century. The Business Calling initiative involves calling upon local businesses to assess their current and future needs and provide assistance to secure available resources. thereby, retaining and creating jobs, growing the local economic base, and ultimately, improving the quality of life in Fayette County. In 1999, Fay-Penn's Business Development Specialist met with 87 businesses, 32 of which received services from Fay-Penn and other organizations through the "Team PA" network.

Southwest Pennsylvania Railroad (SWP)

In 1999, Fay-Penn completed the \$50,000 rehabilitation of a critical road crossing in North Union Township.

Since Fay-Penn acquired the 24.9 miles of rail in Fayette County, part of a 65-mile two county Southwest Pennsylvania Railroad, nearly \$800,000 has been spent on rehabilitation of the rail line.

Fay-Penn also agreed to sell property in Dunbar in the Bowest Yard to the Dunbar Borough/Township Sanitary Sewage Authority. The property will be used to build a sewage treatment plant that will service the residents of Dunbar Borough and the surrounding area.

Also in 1999, the Commonwealth announced plans to construct a new intermodal facility near the Sony plant in Westmoreland County. This facility will provide transloading services to businesses in both Fayette and Westmoreland counties, and will help attract new companies in need of this service to the area.

As a part of this new intermodal project, an interchange between the Wheeling & Lake Erie Railroad, and the Southwest Pennsylvania Railroad is being planned. This new interchange will occur just north of Connellsville near Broadford, and will provide access to the class one Canadian National Railroad. This will effectively provide SWP customers and future rail customers that may locate in Fayette County with access to three class one carriers, which will place Fayette County in an elite group of regions nationwide that have access to three major railroads, i.e. CSX, Norfolk Southern, and Canadian National Railroad.

Contribution Acknowledgments

Fay-Penn received major financial support from individuals and businesses who share in the same desire of strengthening Fayette's economy. Among our major contributors, The Eberly Foundation has been the strongest supporter of Fay-Penn since its inception in 1991. In 1999, The Eberly Foundation contributed over \$700,000 in support of Fay-Penn's administration. Fay-Penn takes this opportunity to say "Thank You" to the following who have provided significant financial support to both projects and programs in 1999.

\$1,000 - \$10,000

- Allegheny Energy
- Bell Atlantic PA
- Columbia Gas of PA, Inc.
- First Federal Savings & Loan of Greene Co.
- Laurel Bank
- National City Bank of PA
- Nemacolin Woodlands Resort & Spa
- Second National Bank of Masontown
- The Uniontown Hospital

\$10,001 - \$100,000

- Commonwealth of Pennsylvania -
 - Enterprise Zone Grant Program
 - Team PA Partnership
- Fayette Industrial Fund
- Mr. & Mrs. Robert E. Eberly
- The Hardy Family Trust

Over \$100,000

- Commonweatlh of Pennsylvania -
 - Grant Program
 - Enterprise Zone Competitive Grant
- McCune Foundation
- The Eberly Foundation
- U.S. Appalachian Regional Commission

Alden Oil Company Allegheny Energy American Ambulance Anatomical Designs LLC Anchor Glass Container Corp. Assad Iron & Metals, Inc. Berish Agency, Inc. Blaney Farms, Inc. Bone & Joint Surgical Assoc. P.C. Borough of Perryopolis Borough of Smithfield E.W. Bowman, Inc. Bradley Paint Company Brodak's Shop N' Save Brownsville Area Chamber of Commerce Brownsville Area Revitalization Corp. Brownsville Bus Lines Brownsville General Hospital Brownsville School District BT Financial Cardello Electric Supply Co. F.P. Cardenas, MD Cavert/Quincy Acquisition Co. Cellular One Centennial Chevrolet-Geo-Dodge, Inc. Ceramic Fiber Technologies Champion Lumber Co., Inc. Charter Communications Chess Coal Company Christopher Resources, Inc. James Edward Clarke O.C. Cluss Lumber Coldren Adams Columbia Gas of PA., Inc. Commercial Stone Co., Inc. Conn Realty Connellsville Chamber of Commerce Connelisville Industrial Enterprises Connellsville Redevelopment Authority City of Connellsville Crown Cork & Seal Company, Inc. Daily Courier Rep. Peter Daley, II Davis & Davis Demco Excavating, Inc. DeMuth Florist, Inc. Detweiler Pontlac, Inc. Rep. H. William DeWeese Donald M. Miller, Inc. Dow Construction Company Dynamic Materials Corp. Eat N' Park Restaurant Eberly & Meade Fayette Chamber of Commerce Fayette County Airport Authority Fayette County Association of Independent Insurance Agents Fayette County Redevelop Fayette Engineering Co. Fayette Fuel, Inc. Fayette Parts Service
Fayette Positive Action Citizens Fayette Radiation Therapy Mgmt. Inc. Fayette Tire Company Fay-West Travel, Inc. John A. Fiesta Agency, Inc. Fike's Dairy, Inc. First Federal Savings & Loan of Greene Co.

Fayette County Community Action Agency, Inc. Fayette County Medical Society Fayette County Mental Health/Mental Retardation Fayette Institute of Commerce & Technology

First Federal Savings Bank

Fox Glass Company Gabriel Brothers Gallatin Fuels, Inc.

Garbart Consulting Services, Inc. Gerome Manufacturing Co., Inc. Goodwill Industries Haky Funeral Home

Hazemag, USA, Inc. Helicopter Aviation Services Corp. Highlands Hospital & Health Center

Holiday inn Honisek Tool Co., inc. Houze Glass Corporation Dr. Ronald E. Hugh, DDS Interim Personnel
J & C Builders, Ltd. Jackson Dairy Farm Thomas Kalman

William B. Kanla Associates Senator Richard A. Kasunic

Leo T. Krantz, Jr. Laurel Business Institute Laurel Caverns Laurel Highlands School District Laurel Highlands, Inc. Fred L. Lebder Robert Lynn Construction Lynn's Dairy Queen Franchiser M & G Home and Lawn Service Margolis, George & Port Masontown Industrial Development Corp. Masontown Trophy Co. McClure & Wolf McMillen Engineering Meloni's Restaurant MONY B.J. Mundel Furniture N.A.A.C.P. National City Bank of PA National Road Heritage Park Project Neubauer's Flowers, Inc. North Fayette Co. Municipal Authority Nu-Metrics Instrumentation Oalevee, Ltd. Ohiopyle Prints, Inc. PA-American Water Company Parker/Hunter, Inc. Park's Moving & Storage, Inc. PennState Fayette Peoples Natural Gas Company Perma-Cote Plastics PNC Bank Plumbers & Pipe Fitters Union No.354 Poulos Painting Company Private Industry Council of Westmoreland/Fayette PSI Packaging Services, Inc. Ptak's Dr. Mark Rabatin, DMD Donald Redman Republic Chamber of Commerce Rep. Lawrence Roberts Romeo & Sons Rupp Medical Associates Norma Santore Scottdale Bank & Trust Company Seaton & Bowman, Inc. Second National Bank of Masontown Sensus Technologies, Inc Dr. Ronald R. Sepic, DDS, LTD Rep. James E. Shaner Shumar's Welding & Machine Service, Inc. Smithfield Hardware & Appliance Smithfield State Bank Solomon Accounting Service Spartan Construction Paul Sprowis Agency Stahls' Hotronix Rep. Jess Stairs Stefano's Printing Stone & Company Summit Inn Mountain Resort Summit Products Co. Swan's Appliance & Furniture Tedesco Manufacturing Company The insurance People, Inc.

Township of Brownsville Township of Bullskin Township of Connelisville Township of Dunbar Township of Georges Township of Jefferson Township of Luzerne Township of Saltlick Township of Stewart Township of Upper Tyrone Township of Wharton Tri-Town Industries, Inc City of Uniontown

Mark Thompson Distributing

Uniontown Area School District Uniontown Downtown Business Authority Uniontown Hospital

Uniontown Mall Uniontown Motor Club Uniontown Newspapers, Inc. Uniontown Redevelop United Defense LP

United Mine Worker Unlimited Housing for the Elderly Valley Welding

Whitby, Inc. White Swan Flower Shop Widmer Engineering Co. Williamhouse Regency of Delaware, Inc. Wright Poster Advertising

Yezbak Lumber Co.

Fay-Penn acknowledges, with much thanks, the 190 area businesses, organizations and individuals listed on this nage whose annual financial contributions have aided in

Special Thanks

Cooperation and assistance were the keys to generating the results contained in this report. Every day Fay-Penn works with many different organizations all dedicated to "Moving Fayette Forward." Fay-Penn wishes to thank everyone who assisted in these accomplishments. What follows is a listing of these organizations:

- ◆ Advanced Manufacturing Network
- ♦ Allegheny Conference on Community Development
- ♦ Allegheny Heritage Development Corporation
- ♦ Ben Franklin Technology Partners
- Brownsville Area Revitalization Corp.
- Brownsville Area Chamber of Commerce
- Builders Association of Fayette County
- ◆ California University of PA Entrepreneurial Assistance Center
- ◆ Carnegie Mellon University
- ♦ Community Loan Fund of Southwestern PA, Inc.
- ◆ Connellsville Chamber of Commerce
- ♦ Connellsville Industrial Enterprises
- ◆ Connellsville Job Service
- ◆ Connellsville Redevelopment Authority
- ◆ Duquesne University Small Business Development Center
- ◆ East End United Community Center, Inc.
- ◆ Fayette Association of Positive Action Citizens
- ◆ Fayette Chamber of Commerce
- ◆ Fayette County Board of Commissioners
- ◆ Fayette County Board of Township Supervisors
- ◆ Fayette County Business and Education Partnership
- ◆ Fayette County EMS Council
- ◆ Fayette County Community Action Agency, Inc.
- ♦ Fayette County Historical Society
- ◆ Fayette County Industrial Development Authority
- ♦ Fayette County Office of Community and Economic Development
- ◆ Fayette County Redevelopment Authority
- ◆ Fayette Festival Association
- ◆ Fayette Forward
- ♦ Fayette Industrial Fund
- ◆ Fay-Penn Industrial Development Corporation
- ♦ Goodwill Industries
- ♦ Greene County Redevelopment Authority
- ♦ Innovation Works
- ♦ Laurel Business Institute
- ◆ Laurel Highlands Visitors Bureau
- ♦ Middle Monongahela Industrial Development Association
- ♦ Mon Valley Education Consortium
- ♦ Mon Valley Progress Council
- Mon Valley Renaissance
- ♦ Mon Valley Tri-State Network
- National Association of Women Business Owners
- ♦ National Park Service
- ♦ National Road Heritage Park
- ♦ Office of Vocational Rehabilitation
- ♦ PA Dept. of Community and Economic Development
- ♦ PA Dept. of Conservation and Natural Resources
- ◆ PA Dept. of Environmental Protection

- PA Dept. of Transportation
- ◆ PA Economy League
- ◆ PA Governor's Action Team
- ◆ PA Legislative Delegation
- ◆ PA Office of the Budget
- ♦ PA Small Business Development Centers
- ◆ PennState Fayette
- ♦ Penn's Southwest Association
- ♦ PennTAP
- ◆ Pittsburgh High Technology Council
- ◆ Port of Pittsburgh Commission
- Private Industry Council of Westmoreland/Fayette, Inc.
- Regional Industrial Development Corp.
- ◆ Regional Trail Corporation
- ◆ Republic Chamber of Commerce
- Service Corp. of Retired Executives
- ♦ Southwestern PA Area Agency on Aging
- ◆ Southwestern PA Commission
- ♦ Southwestern PA Growth Alliance
- ♦ Southwestern PA Hardwoods Council
- ♦ Southwestern PA Heritage Preservation Commission
- ♦ Southwestern PA Industrial Resource Center
- ♦ Saint Vincent College Small Business Development Center
- ♦ Steel Valley Heritage Corporation
- ◆ Team PA CareerLink
- ♦ The Progress Fund
- Three Rivers Labor Management Corp.
- U.S. Appalachian Regional Commission
- ♦ U.S. Army Corps of Engineers
- ♦ U.S. Congressional Delegation
- ♦ U.S. Economic Development Administration
- ♦ U.S. Fish and Wildlife
- ♦ U.S. Small Business Administration
- ♦ U.S.D.A. Forest Service
- ♦ U.S.D.A. Rural Development
- ♦ Uniontown Downtown Business District Authority
- Uniontown Job Service
- Uniontown Redevelopment Authority
- University of Pittsburgh Small Business Development Center
- ♦ Washington County Council on Economic Development
- ♦ Waynesburg College
- Westmoreland Economic Development Corporation