

James Foutz Chair

2018 CHAIR'S MESSAGE

Fayette County's economy has certainly changed since I first joined Fay-Penn's Board of Directors over twenty years ago. Our foundation was primarily heavy industry then, but, along with the rest of the country, we've diversified and grown a variety of other sectors, especially as new technologies and new product and service offerings came into play. Even so, we continue to host a strong manufacturing base here.

2018 saw Fay-Penn continue to create a path to even greater growth, diversification, and innovation. One of our more exciting projects was the establishment of the Fayette Launchbox in partnership with Penn State Fayette, the Eberly Campus. This unique facility is rapidly becoming the focal point for a regional "entrepreneurial ecosystem." It provides almost 6,000 square feet of collaborative, state-of-the-art working space for budding entrepreneurs, supported by the technical and business resources of Penn State University and Fay-Penn's network of business support partners. Our first two tenants are rapidly growing — and selling — their offerings. The Fayette Launchbox was also the site of our first "GrowBIZ" expo that linked businesses with assistance resources.

Altogether, Fay-Penn completed 19 unique projects during the year, resulting in 663 jobs created or retained and over \$22 million in new business investment. NiSource/Columbia Gas, COE Distributing, Boeing, and ContactUS expansions were some of our headliner efforts. Other highlights included hosting 36 events in the FNB Business Event Center with 923 attendees; Fay-Penn's Orville and Ruth Eberly Workforce Development Fund providing 39 scholarships for post-secondary students pursuing trade or technical careers; funding 14 internships at local companies; and graduating 9 out of our Fayette Leaders Academy.

TABLE OF CONTENTS

2018 Chair's Message	1
About Fay-Penn	2
Performance Metrics	3-4
Business Development Highlights	5-7
Programmatic Highlights	8-9
Board of Directors & Staff	10
Major Contributors & Members	Back Cover

Some other great news that originated in 2018 is on the horizon, but that will have to wait until our 2019 report!

Fayette County is on an upward swing because of the hard work of Fay-Penn and many other organizations too numerous to mention. My thanks to all who work together to add to our prosperity and ensure our future. Mr. Robert E. Eberly, Fay-Penn's benefactor, is certainly smiling upon the tremendous results generated out of the seeds he planted decades ago.

ABOUT FAY-PENN

Fay-Penn Economic Development
Council assists in growing and
diversifying the economy in Fayette
County, Pennsylvania. The organization
is the pre-eminent "1st stop shop"
economic development organization in
the county, providing comprehensive,
second-to-none business development
services through its staff and partners to
make local businesses more competitive
in a global marketplace.

Fay-Penn is a 501(c)3 nonprofit that began in 1991, and is recognized as an industrial development organization by federal, state, and local governments. Fay-Penn is the only entity located in Fayette County that is designated by the Commonwealth of Pennsylvania as a Certified Economic Development Organization (CEDO).

Fay-Penn's ultimate purpose is to sustain a supportive environment for business retention, start-up, expansion, and attraction.

PRIMARY OBJECTIVES

- Retain and grow existing businesses
- Add new businesses
- Create and retain jobs
- Develop the workforce
- Generate private and public business investment
- Enhance quality of life amenities and services

BUSINESS SERVICES

Confidential • No-Cost • Customized

FINANCING

... Customized, low rate/low fee loan packages for every business need

SITE LOCATION

... Land and building sales, leases, and build-to-suit

ENTREPRENEURSHIP

... Comprehensive support for business start-ups

BUSINESS SUPPORT

... Connections to prospective partners, clients, investors, financing, vendors, programs, etc.

WORKFORCE

... Employee training and recruitment

MARKET DEVELOPMENT

... Domestic, export, government, supply chain & foreign investment commerce generation

GOVERNMENT INCENTIVES

... Federal/state/local grants, loans & tax credits



PERFORMANCE METRICS

MAJOR BUSINESS DEVELOPMENT PROJECTS ECONOMIC IMPACT 1

FAY-PENN REVOLVING ALL COMPANY PROJECTS LOAN FUND PROJECTS Fay-Penn Financing (included in "All Company Projects" Column) **CUMULATIVE CUMULATIVE** 2018 2018 1992-2018 1993-2018 203*** Completed Projects (Unique) 19 Direct Jobs Created & Retained * 663 10.123 129 \$5,972,480 \$206,417,009 Increase in Annual Payroll Increase in Payroll Taxes ** \$243,090 \$8,848,788 New Investment \$22,232,266 \$1,352,102,886 \$16,427,500 \$88,622,150 FP RLF Loans \$1.074.500 \$1.074.500 \$29.026.240 \$29,026,240 Other Public Financing \$1,400,000 \$223,052,627 Private Investment \$19,757,766 \$1,100,024,019 15,353,000 \$59,595,910

2018

CLIENT INQUIRY SUMMARY 2



Some clients received one or more services

EVENTS & TRAININGS 3

	# Held	# Attendees
Events/Trainings Held	10	497
FNB Business Event Center (BEC) Events	36	923

WORKFORCE PROGRAMS 3

Trade Career Scholarships Provided	39
Scholarship \$ Awarded	\$9,500
Internships Funded	14
Fayette Leaders Academy (FLA) Graduates	9





Footnotes:

LEVERAGING

DOLLARS:

1991-2018

- See Pages 5-7 for a listing of Major Business Development Projects whose data is reflected in this table.
- Includes all client-related activity during 2018, including those listed in the "Major Business Development Projects Economic Impact" table.
- See Pages 8-9 for events, training & workforce descriptions.

3

^{*} Based on current and three-year projections provided by companies. The cumulative data is not adjusted to reflect reductions or increases in oriainal estimates.

^{**} Includes State and Local Payroll Taxes only. Does not include residential, municipal, school or county real estate taxes.

^{***} Represents # of projects funded, including those that received multiple loans from different RLF programs. Actual # of individual loans made is 248.



LOTS AND LEASE SPACE AVAILABLE

FAY-PENN REAL ESTATE	HOLDINGS ⁴ (AS OF 12/31/2018)
TOTAL # OF PROPERTIES OWNED (LAND AND BUILDING SITES)	21
LAND	
Number of Vacant Land Sites	7
Total Acres:	1,471
Developed (w/Infrastructure)	259
Undeveloped	1,212
2018 Activity	
Land Leased (ac): (New and Renewals)	84
BUILDINGS	
Number of Building Sites	14
Total # of Buildings:	15
Total Sq. Ft. (Includes Common Areas)	671,061
% Leased (Leasable Space Only)	81%
2018 Activity	
Building Space Leased (sf): (New & Renewals)	112,037
Building Capital & Leasehold Improvement Investments	\$1,933,401









BUSINESS DEVELOPMENT PROJECT HIGHLIGHTS



The largest regional office furniture wholesale in the country, COE purchases all types of office furniture from around the world and resells to businesses in the US, Canada, Puerto Rico and the Caribbean. The Corporate headquarters and main distribution center is located in Smock, PA. Fay-Penn assisted COE in financing its multi-million dollar expansion of its corporate headquarters and distribution center in Smock from 125,000 sq. ft. to 265,000 sq. ft.





A customer service call center for this leading natural gas and electric utility company is

located in Georges Township, Fayette County. The company has nearly 8,000 employees to ensure Columbia Gas and NIPSCO customers have the energy they need across seven states. A new \$4.5 million capital improvement project was recently

completed to the 35,000 sq. ft. facility owned by Fay-Penn.



User Friendly Dog Training, LLC:



"As the process of attaining funding for our project was lengthy, the professional advice and encouragement of the Business Professionals at Fay-Penn was priceless and well worth it! The help

that was provided by the St. Vincent Small Business Development Center with writing, advising and the developing of our business plan was the key to our success in qualifying for needed financing and fully funding of our project." " – Dolores Paroda, Owner/Operator



Fayette Pipe Company:

Fayette Pipe Company, a newly formed operation in North Union Township, manufactures ASTM A-53 Grade A steel pipe for the plumbing industry for numerous applications such as water pipe, gas lines, and fire protection. Fay-Penn assisted the company in obtaining state funding for this multi-million dollar project.





"I am truly grateful that Fay-Penn was able to assist with additional finances needed for starting my own company. Owning my own business has always been a dream of mine and thanks to Fay-Penn this is now possible. The entire process from start to finish was very defined and efficient. Everyone along the process was extremely friendly and willing



to help. I would strongly recommend Fay-Penn to anyone in a situation similar to the one I was in."

– Patrick Machesney, Owner



"When Penn Summit Insurance Agency, LLC needed funds to purchase a new management system, upgrade their digital sign and hire a new employee, coming to Fay-Penn for the second time was an easy choice!" — Charlotte Molek, Owner

Kacie's, LLC:

The current owners of Kacie's Sports Cafe' plan to expand it's restaurant operation in Uniontown by relocating its current facility. Fay-Penn provided financing to Kacie's to acquire a vacant lot and construct a new restaurant. Also, the company will purchase a neighboring apartment building and construct additional apartments.







A wholly-owned subsidiary of The Boeing Company, Argon ST's Smithfield facility is part

of Boeing's Defense, Space and Security division, one of the world's largest defense, space and security businesses specializing in innovative and capabilities-driven customer solutions, and the world's largest manufacturer of military aircraft. In need of additional space, Fay-Penn assisted the company by renovating and leasing 10,600 square feet in one of its multi-tenant facilities located adjacent to the existing ArgonST facility.



Max's Auto Services and Sales:

"I am grateful for the opportunity provided by the Fay-Penn Economic Development Council in helping me get my family-owned and operated business up and running. My staff and I have years of experience working on all makes and models. We can provide all service needs in one place. With this opportunity, we are also able to provide service in the manner we know customers are looking for — Done right the first time! And thanks to this loan, we can provide this to our customers without the hassle or complications of a large corporation. You will know your service provider because we are a part of the community." — Donald Keller, Co-Owner



ContactUS is a U.S. based contact center services organization supporting global brands across a variety of industries. The company's highly experienced management team delivers outsourced customer care, inbound and outbound sales, customer retention and win-back programs, as well as technical support. It provides dedicated customer service staff, supervision, and management to measurably improve clients' business performance. Fay-Penn assisted the company with leasehold improvements to its facility in Redstone Township.



Located in the Fayette
Launchbox, this company
specializes in the design
and development of
systems that help the user

to solve problems, make decisions, and remember information learned during training. In addition, Resonate provides virtual training solutions and instructor-led training materials for commercial customers and national security agencies across the Federal government, including, Navy, Army, SOCOM, USMC, Intelligence Community, Department of State, Border Patrol, HAZMAT, and international firefighters.



Stockton Tree Service:

"My business is going to grow because Fay-Penn provided me with the funds I needed to purchase this bucket truck!" – *Travis Stockton, Owner*

Caton Design Group/Genius of Liberty/Apex IT:

The first Fayette Launchbox tenant is Seth Caton, an entrepreneur operating three separate business endeavors from this location:



... crafts attractive brands, easy to use websites, and a variety of printed materials.



... manufacturers stabilizing braces and kits for almost any handgun or pistol.





... a premier information technology firm, builds and maintains secure business computer, server and network environments.

Lease Projects:

Six businesses renewed their commitment to Fayette County by extending their leases of Fay-Penn owned properties totaling 101,437 sf of commercial space and an 84 acre tract of land.

- GHX Industrial, LLC
- Holomon Corporation
- Montgomery Medical
- State Rep. Ryan Warner
- NiSource/Columbia Gas
- Southwest PA Railroad



PROGRAM HIGHLIGHTS

Fay-Penn delivers ongoing business support through a variety of services, initiatives, and other activities.

2018 highlights include:

- In partnership with Penn State Fayette, The Eberly Campus, opened the "Fayette Launchbox," a no-cost business accelerator designed to connect early-stage startups with the resources and support necessary for growth.
- Created an online Business Resource Provider directory to assist Fayette County businesses in identifying local, state, federal and private services and programs, such as business support, funding, tax credits, workforce training, site location, and more.
- Started a video marketing initiative called "Fayette Connection" that highlights various businesses. YouTube lists over 1,000 views to date.
- Provided on-site outreach, one-on-one counseling, specialized workshops, and financial incentives to local companies through Pennsylvania's Partnerships for Regional Economic Performance (PREP) program.
- Collaborated with the Saint Vincent College Small Business Development Center (SBDC) to guide companies through the business planning process.
- Provided free assistance for local businesses seeking grants from the Fayette County Local Share Account program.
- Visited with Fayette County companies via "Engage!", a statewide business retention and expansion program designed to regularly and proactively interact with targeted companies.
- Hosted a GrowBiz Financing and Assistance Expo in the Fayette Launchbox that allowed local businesses to meet with multiple resources to assist their business.
- Operated the FNB Business Event Center, which is open to the public for hosting business events or training, free of charge.



Fayette Launchbox Ribbon Cutting Event







SERVICES • INITIATIVES • ACTIVITIES • EVENTS

- ♦ In concert with the Community Foundation of Fayette County, provided 39 scholarships through the Orville and Ruth Eberly Workforce Fund to support local technical/trade education.
- ♦ Graduated the third cohort of the Fayette Leaders Academy to develop the next generation of the region's business professionals. The cohort completed a Sheepskin Trail Project in South Union Township.
- Hosted workshops/trainings:
 - » 6th Annual Bankers' Breakfast, an event that links lenders with economic development groups to generate increased financial assistance to higher risk businesses.
 - » QuickBooks (Basic and Advanced)
 - » First Steps to Starting a Small Business
 - » Small Business Tax Reform
 - » PREP Quarterly Meeting
 - » Google/SBA/SBDC Search Engine Optimization

- Utilizing Fayette County Local Share Account funding, provided paid internships to fourteen individuals to work at Fayette County businesses.
- Provided an internship for a student at the Laurel Highlands High School Academy of Finance.
- Supported the Fayette County Business Pitch Competition for high school students to showcase their start-up businesses.
- Procured funding to subsidize the annual United States Collegiate Athletic Association (USCAA) National Basketball Championships, which generates over \$575,000 in local tourism revenue each year.
- Contributed financial support to various local undertakings:
 - » GED Assistance
 - » Penn State Fayette Scholarship Fund
 - » Various other economic development needs





USCAA Basketball Tournament at Penn State Fayette, The Eberly Campus

2018 OFFICERS, BOARD OF DIRECTORS & STAFF

Officers and Directors =



CPA



Account Executive Sprowls Insurance Group



2ND VICE CHAIR

Dan Gearing President Specialty Conduit & Mfg., LLC.



Treasurer Scottdale Bank & Trust/Mid-Penn Bank



Owner Parsons Insurance Services, LLC



President/General Mgr. Neubauer's Flowers, Inc.



William Blaney

John Baker

Branch Mgr./Financial Advisor, BUP Investment Mgmt.

Ed Balling

President, Fairchance Construction

Dave Berish

President, Berish Agency, Inc.

Brian Boyle

Vice President, TecEng Solutions

Market President, United Bank

Todd Casteel

President & CEO, Casteel Corporation

John Cipriani

VP of Finances,/CPA, Microdiamont USA, Inc.

Ron Cole

Retired

Jacquelyn Core

President & CEO, Uniontown YMCA

Michelle Cunningham

Chief Executive Officer, Highlands Hospital

Nancy Decker

President & CEO, Laurel Business Institute

Clint Dittmar

VP of Sales, WB Mason Company

J.D Ewing

President & CEO, COE Distributing

Deb Fox

Retired

Wavne Freed

Vice Pres., Business Banking, First National Bank

Johnathan Garlow

President, Ford Business Machines, Inc.

Michael George

President, Mountain Creek Properties Mgmt.

James Gnagey

Owner, Gnagey Gas & Oil, Inc.

Tiffany R. M. Guittap

Banking Center Mgr/ Bus Dev., WesBanco

Max R. House, Jr.

President, House Financial Service

William K. Jackson

Owner, Jackson Farms

Kristen Kaib

VP & Commer. Relat. Officer, Community Bank

Richard Kasunic

PA Senator, Retired

Bryan S. Kisiel

Managing Shareholder, Kisiel & Associates, PC

Terri Knupp

Area Mgr., First Energy/West Penn Power

Raymond J. Koffler, II

Senior Vice President, PNC Bank

Leo T. Krantz, Jr.

Retired

Greg Lincoln

Mayor, City of Connellsville

Rvan Lockhart

Vice President, The 504 Company

John Malone

Vice President, Somerset Trust

Deb Marella

Partner/Mgr., ZRM Enterprises, LLC

Pat McCulloch

Partner, Computer Trends/OffSite Datasafe

Robert McKeown

President, Keystone Gas Solutions, LLC

James Means

Fayette County Assoc. of Twp. Supervisors

Pamela Moore

General Manager, Uniontown Mall

Edward Nemeth

Mgr., Bus. Finance, Southwestern PA Commission

Dennis Noonan

VP of Sales, Sokolin, LLC

Kimberly Parker

Branch Manager, KeyBank

Exec. Dir., Community Foundation of Fay. Co., PA

Dr. Charles Patrick

Chancellor, Penn State Fayette, The Eberly Campus

Joseph Putila

President, Gerome Enterprises, LP

George Rattay

Retired, Plumbers & Pipefitters Local 354

Rusty Smalley

President, George R. Smalley Co., Inc.

Reid Smith

Loan Officer, Bridgeway Capital

George Smith

Site Lead, Smithfield Operations, Boeing

Shauna Soom

Exec. Director, Touchstone Center for Crafts

Senator Pat Stefano

PA Senate

Aaron Tuomi

Senior Director, Center of Excellence, PTC, Inc.

Vincent Vicites

Chairman, Fay. Co. Board of Commissioners

Fred E. Wright

President, Ohiopyle Prints, Inc.

STAFF

Bob Shark

Executive Director

Gloria Calabro

Loan Servicing Specialist

Jessica Firmstone

Business Development Coordinator

Twila Kendall

Technical Specialist

Traci Klink Office Manager/HR Officer

Sandy McClelland Administrative Assistant Earl Miller

Real Estate Coordinator

Brenda Sapic

Accountant (AP)

Lori Scott Business Development Coordinator Tina W. Wargo Chief Technical Officer

Kimberly Wyda Accountant (AR)

Linda Yuhaniak

Chief Financial Officer

MAJOR CONTRIBUTORS

- US DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT
- COMMONWEALTH OF PENNSYLVANIA
- FAYETTE COUNTY LOCAL SHARE ACCOUNT (LSA) GRANT
- LAUREL HIGHLANDS VISITORS BUREAU

- BRIDGEWAY CAPITAL
- CHEVRON GRANT COMMUNITY FOUNDATION OF FAYETTE COUNTY
- INVENT PENN STATE
- WALMART

MEMBERS

Argon ST, Inc. Atlantic Broadband Bear Construction Berish Agency, Inc. Berkley Medical Blaney, William BPU Investment Management, Inc. Bridgeway Capital, Inc. Brier Hill Steel Brothers Lazer Service, Inc. Brownsville Area Revitalization Corp. Carlisle Construction Materials dba **Hunter Panels Casteel Corporation Catalyst Connection** Chestnut Ridge Counseling Services Chevron, U.S.A., Inc. City of Connellsville Coldwell Banker Laurel Ridge Realty Cole, Ron Columbia Gas of PA, Inc. Community Bank Community Foundation of Fay. County Computer Trends, LLC Connellsville Redevelopment Authority Dairy Queen of SWPA, Inc. DeFrank Development Demco Excavating, Inc. Donald M. Miller, Inc. Fairchance Construction Co. Fayette Chamber of Commerce Fayette Co. Behavioral Health Admin. Fayette Co. Career & Technical Institute Fayette Co. Community Action Agency Fayette Co. Housing Authority Fayette Parts Service, Inc. First Energy/West Penn Power Co. First Federal Savings & Loan of Greene First National Bank of PA Ford Business Machines Foutz, James, CPA Fox, Deborah

Gerome Manufacturing Co., Inc. Gnagey Gas & Oil Co. Inc. Goodwill Industries of Fayette Co. **Greater Connellsville Chamber of Commerce** Guittap, Tiffany Hazemag USA, Inc. Highlands Hospital Holt & Bugbee Hardwoods House Financial Services Jackson Dairy Farm Janney Montgomery Scott, LLC JMJS Inc. dba COE Distributing John A. Fiesta Agency, Inc. Johnson Matthey, Inc. Kasunic, Richard, Senator Key Bank Keystone Gas Solutions, LLC Kisiel & Associates PC Koval Building & Plumbing Supply Krantz, Leo T. Jr. Laurel Business Institute **Laurel Caverns** Laurel Highlands School District Laurel Highlands Visitor's Bureau Laurel Machine Co. Masontown Borough Masontown Trophy & Embroidery Co. McClure and Wolf, LLP McMillen Engineering Meloni's Restaurant Microdiamant USA, Inc. MLP Shared Services LLC MLK Foods Inc. dba Shoppers Value Food Mon Valley Regional Chamber of Commerce MountainCreek Properties Nationwide Payment Solutions Nemacolin Woodlands Resort & Spa Neubauer's Flowers, Inc. Noonan, Dennis North Fayette County Municipal Authority O.C. Cluss Lumber Co., Inc.

Ohiopyle Prints, Imc.

Parson's Insurance Services, LLC

Penn State Fayette, The Eberly Campus Pine Hollow Mechanical, Inc. Plumbers & Pipefitters Local 354 PNC Bank Redev. Auth. of the City of Uniontown Redev. Auth. of the County of Fayette Scottdale Bank & Trust, a Div. of Mid Penn Bank **Shallenberger Construction** Sisters of the Order of St. Basil the Great Sleighter Engineering Somerset Trust Company Southwestern PA Commission Specialty Conduit & Mfg., LLC Sprowls Insurance Group State Theatre Center for the Arts/GUHC Stefano's Printing, Inc. Stephen R. Haky Funeral Home The 504 Company Touchstone Center for Crafts Township of Brownsville Township of Bullskin Township of Georges Township of German Township of Luzerne Township of Redstone Township of Saltlick Township of Springhill Township of Upper Tyrone Township of Wharton Uniontown Area School District Uniontown Mall **Uniontown Newspaper United Bank** Vermin Control Co. Vitalink W.B. Mason Company West Penn Warehousing Western PA Conservancy/Fallingwater Westmoreland-Fayette WIB WSW Holdings, Inc. YMCA - Uniontown ZRM Enterprises, LLC



Gallatin Fuels

George R. Smalley Co., Inc.

