

**SOUTHERN ALLEGHENIES PLANNING AND DEVELOPMENT COMMISSION
BOARD OF DIRECTORS' MEETING**

**July 15, 2020
Commission Office**

Convened: 10:00 A.M.

Adjourned: 12:30 P.M.

Members In Attendance:

Hon. Debbie Baughman (via Zoom)
Hon. Randy Bunch (via Zoom)
Hon. Laura Burke (via Zoom)
Mrs. Sharon Clapper (via Zoom)
Hon. Barry Dallara (via Zoom)
Hon. Colleen Dawson (via Zoom)
Hon. Bruce Erb
Mr. Jim Foster (via Zoom)
Hon. Scott Hunt (via Zoom)
Hon. Josh Lang (via Zoom)
Mr. Ricky Leese (via Zoom)

Mr. Thomas Luciano (via Zoom)
Ms Beth McGregor (via Zoom)
Hon. Mark Sather (via Zoom)
Hon. Jeff Thomas (via Zoom)
Hon. Pamela Tokar-Ickes (via Zoom)
Hon. Stuart Ulsh (via Zoom)
Hon. Gerald Walker
Hon. Scott Walls (via Zoom)
Hon. Amy Webster (via Zoom)
Mr. Arthur Wilkin, Jr. (via Zoom)

Others In Attendance:

Mr. Daniel Bowers
Mr. Brandon Carson
Mr. George Gvozdich
Mr. Steven Howsare

Mrs. Trudy Mitchell
Mrs. Debbi Prosser (via Zoom)
Mrs. Susan Whisler (via Zoom)

CALL TO ORDER:

Commissioner Erb, President, called the meeting to order at 10:00 A.M.

MINUTES, January 15, 2020:

A motion was entered by Commissioner Lang to approve the March 20, 2020 Board of Directors' meeting minutes, as presented. The motion was seconded by Commissioner Bunch and was unanimously approved.

FINANCE REPORT:

Mr. Daniel Bowers, SAP&DC Director of Finance, presented the Accounts Payable/General Fund Ending Balance, reviewed some of the larger expenses and reported no changes to the information submitted. He also provided a summary of available Commission funds and reported that SAP&DC remains in a good cash position.

A motion was entered by Commissioner Walker approve the Accounts Payable/General Fund Ending Balance, as presented. The motion was seconded by Mrs. Clapper and was unanimously approved.

BUSINESS LENDING SERVICES:

Mrs. Trudy A. Mitchell, Director, Business Lending Services, presented and reviewed the actions taken by the Loan Review Committee.

The applications for David Z. & Marlene Z. Margin/Peach Hill Orchard, LLC, and Reuben B. & Martha M. Newswanger were approved, as presented. The applications are now presented to the Board of Directors for concurrence.

A motion was entered by Commissioner Walker to concur with the actions taken by the Loan Review Committee relative to the loan applications, as presented. The motion was seconded by Mr. Wilkin and was unanimously approved.

ENGAGE STATUS REPORT:

Mrs. Deborah Prosser, Director, Business Development Division, reported that the ENGAGE Program is on course to meeting its goals. She then provided an update to the Goals that were outlined in the report presented. JARI has now completed 81 surveys and HCB&I 25, which increased the total to 289 completed surveys and exceeded the original goals. MANTECH is currently unable to conduct surveys for Fulton County, however, SAP&DC staff has now undertaken that process.

SAP&DC COVID -19 REPORT:

Mrs. Prosser also reported that SAP&DC conducted a survey of businesses in the region in order to ascertain how they are responding to and dealing with the challenges of COVID-19. Originally, 150 businesses responded to the survey, but, as a follow-up, the Commonwealth requested that SAP&DC compile other surveys that were used to ascertain how businesses are doing in order to have a more comprehensive report. Only about half of the businesses in the region have been able to transition to remote work. Those who have, however, are now reassessing their physical office needs. Businesses that have not transitioned to remote work environments may not be able to do so due to the lack of high-speed broadband which makes the process extremely difficult. Businesses have reported supply chain and price gauging issues. Forty percent of

businesses are also reporting a loss of 50% of their business/revenue during this crisis and in some cases have had to downsize their workforce. The uncertainty of the future is the greatest concern/challenge for all businesses going forward. Mrs. Prosser then responded to specific questions from several Board of Directors' members regarding more specific information on what industries were hardest hit by the pandemic and how many restaurants/food services in each county may have been adversely affected.

RESTAURANT PANDEMIC RECOVERY PROGRAM PROPOSAL:

Mrs. Prosser reported that the Community Foundation approached SAP&DC staff to see if there was any way in which they could provide help/assistance to any/all businesses in the region. The restaurant industry was found to have been a segment that was most adversely affected by the pandemic being reduced to pick-up or delivery. It is hoped that once the economy is again "open for business" restaurants may be able to re-open, but realistically many will not be able to survive. In order to help combat this problem it was important to identify the specific problems that the restaurant industry has encountered.

Two main issues were identified: 1) restaurants all purchase perishable products to prepare meals. With the sudden announcement that all non-essential businesses were required to close restaurants were forced to quickly close their dine-in facilities and could not utilize all their perishable goods resulting in a huge economic loss. A solution offered for this issue is to provide grants to restaurants to reimburse them for the value of perishable items that they were forced to dispose of up to \$1,000 per restaurant. 2) restaurants were forced to change their business operations radically and very quickly. They had to adjust from a dine-in experience to an order delivery/pickup procedure. The solution offered was to provide grants and technical assistance to restaurants to build an on-line presence to promote their take-out and/or delivery options up to \$5,000 per restaurant.

Mrs. Prosser then provided a detailed report on the available grants, the requirements for each and how restaurants can apply for the assistance. The funding for these grants would need to come from each individual county's COVID-19 money, therefore, each county would need to decide to participate individually. SAP&DC will need responses from those participating counties by no later than July 31, 2020.

A motion was entered by Commissioner Thomas to allow SAP&DC to run the restaurant recovery program for those counties that wish to participate with responses due no later than July 31, 2020. The motion was seconded by Ms McGregor with Commissioner Tokar-Ickes dissenting.

CARES LETTER:

Mr. Brandon Carson, Director PC&D Division, reported on the CARES funding that is being received by each county. He reported that several counties have approached him expressing an interest in utilizing a portion of their CARES funding to assist in broadband deployment. However, Mr. Carson explained that the CARES funding must be utilized no later than December 31, 2020 which may present a challenge.

Mr. Carson then presented a letter for each of the counties to prepare and send to their respective legislators outlining the opportunity that CARES funding can bring to bolster broadband deployment in the region and requesting an extension to the CARES allocations to December 31, 2021 for use in this endeavor.

Discussion was held regarding the various deadlines that are available for utilization of CARES funding and the fact that it will take many years for the economy to recover from the impact of COVID-19. Following discussion, the consensus was to send letters to legislators requesting an extension to the deadline for utilization of CARES funding.

REGIONAL BROADBAND ENTITY FORMATION:

Mr. Carson then reported that in collaboration with Commissioner Thomas, Chair, Broadband Task Force, and SAP&DC's solicitor staff have researched the various options that may be appropriate when forming a regional broadband entity. Following consultation on forming a regional broadband entity with a legal firm that has PUC and broadband experience and discussing the considerations with the Commission's auditing firm, Maher Duessel, a working group of Commissioners was formed to help guide the process.

Mr. Gvozdich, SAP&DC Solicitor, reported that it is considered vital to engage a legal firm that has experience with forming a broadband co-op requesting their legal expertise assistance in forming a similar entity in our area and also to find an auditing firm with substantial knowledge of non-profit entities. Mr. Gvozdich was able to find a legal firm that had extensive experience in forming a broadband co-op in Maryland and, discovered that the Commission's current accounting firm, Maher Duessel has extensive knowledge of non-profit entity formation along with the associated tax implications and has actually worked with Allegheny County on the utilization of CARES funding.

He further explained that in initially looking to form a broadband entity CARES funding was not in the picture so consideration was given to forming an entity that would be eligible to receive grants from government agencies, EDA, ARC, USDA, etc. The hope was that these grants could be utilized to “build out” what is referred to as the “middle mile” in broadband deployment. Once CARES funding became available there was interest among the counties in utilizing it to assist in this effort. However, the deadline may create a problem unless it can be extended. Therefore, the focus for forming an entity returned to that of a one that would be eligible to receive grants. The focus then turned from a co-op model to forming a non-profit 501 (c)(3)/charitable organization that could then add potential funding sources such as that from private foundations. The By-Laws and Articles of Incorporation for formation of a non-profit entity are currently being circulated for review. Mr. Gvozdich briefly reviewed the By-Laws and Articles of Incorporation.

Further and lengthy discussion was held regarding the formation of a non-profit corporation and the relative By-Laws and Articles of Incorporation.

After discussion led by Commissioner Baughman and several other Board members, it was decided that until each county and its legal staff has had the opportunity and time to review the By-Laws and Article of Incorporations on the formation of a non-profit entity for broadband services and consider any possible consequences that may arise a final decision on formation is tabled.

Mr. Carson stated, however, that some costs have already been incurred with the legal and accounting firms that were engaged in researching the formation of a broadband entity and requested approval to engage and pay those firms for work already completed.

A motion was entered by Commissioner Thomas to approve engagement of the legal firm, Hawke McKeon & Sniscak and the accounting firm of Maher Deussel to provide advice and representation for the SAP&DC in the formation of entity to provide middle-mile broadband infrastructure, as presented. The motion was seconded by Commissioner Walker and was unanimously approved.

EMERGING POST-PANDEMIC PLANNING EFFORT-CONTRACT APPROVAL:

Mr. Carson explained that, as part of the scope of work previously submitted for the EDA supplemental funding available through CARES, SAP&DC is prepared to move forward with the initial data analysis needed to

support a post pandemic recovery plan. This planning work will investigate the potential increased talent that could migrate to the region over the next three years because of the post-COVID environment. The work will be completed through a contractual agreement with Headlight Data and includes the evaluation of existing trends and relocation area research.

A motion was entered by Commissioner Dallara to approve contracting with Headlight Data for the initial data analysis needed to support a post pandemic recovery plan at a cost of \$9,950 contingent upon receipt of the associated CARES funding. The motion was seconded by Commissioner Bunch and was unanimously approved.

PA PROMOTION MARKETING PROJECT:

Mrs. Prosser reported that Pennsylvania through the Department of Community and Economic Development (DCED) is in the process of starting a state-wide marketing effort. SAP&DC has been approached to participate. This would be done in partnership/cooperation with the county economic agencies and is designed to promote Pennsylvania as a great place to live, work, invest and grow.

The project would be in place by the end of calendar year 2020. It is a multimedia program to encourage business investment, talent recruitment and relocation by reaching corporate executives, site selectors, entrepreneurs, talented individuals, families and visitors that may be attracted to PA's quality of life.

Total cost is \$25,700 for an 8-page spread and \$39,700 for a 16-page spread. Cost would be spread among any counties that are interested in participating and the county CARES funding can be used for this project. Mrs. Prosser will provide additional information and reach out to each county via email within the next day. Any county that is interested in participating should respond to Mrs. Prosser no later than Wednesday, July 22, 2020.

FY 2021 ARC INVESTMENT PACKAGE:

Mr. Carson then reported that SAP&DC is required each year to submit its project recommendations for funding through the Appalachian Regional Commission (ARC).

Mr. Carson then presented and provided a detailed review of the list of the projects that were developed from requests received by SAP&DC staff.

Mr. Carson explained to members that additional projects may be added and/or removed later by the Board, as requested. He further stated that there is a limited amount of money allotted for projects submitted by all seven of Pennsylvania's Local Development Districts (LDDS); therefore, all projects may not be funded.

A motion was entered by Commissioner Lang to approve the FY 2021 ARC Investment Package, as presented.

The motion was seconded by Mrs. Clapper and was unanimously approved

EXECUTIVE ORDER 12372 PROJECTS:

Mr. Brandon Carson explained that SAP&DC is designated by the Federal Office of Management and Budget (under E.O. 12372) to review requests for Federal financial assistance within its six-county service area for concurrence with relevant regional planning documents. Two projects requesting federal financial assistance were presented as consistent with the Commission's overall Comprehensive Economic Development Strategy.

A motion was entered by Commissioner Lang to approve the Projects Under Executive Order 12372, as presented. The motion was seconded by Commissioner Tokar-Ickes and was unanimously approved

SOUTHERN ALLEGHENIES WORKFORCE DEVELOPMENT BOARD REPORT:

Mrs. Susan Whisler, SAWDB Director, presented the Memorandum of Understanding and Infrastructure Agreement which requires signature by the President of SAP&DC's President and outlines the agreement for services provided by the PA CareerLink Partners from July 1, 2020 to June 30, 2023. This agreement does not involve any commitment on the part of Commissioners; the signature simply indicates the Boards recognition of the public workforce system and their support for the CareerLinks.

A motion was entered by Commissioner Bunch to authorize SAP&DC's Board of Director President to sign the agreement for services provided by the PA CareerLink partners from July 1, 2020 to June 30, 2023. The motion was seconded by Commissioner Walker and was unanimously approved.

Mrs. Whisler reported that all CareerLinks are now open. She also provided a list of recent workforce development activities for review by Board members.

Mrs. Whisler also reported that the Commission's longest tenured employee, Mr. James Coley, Youth Operations Specialist, is retiring after 44 years' service. Commissioner Erb, on behalf of the entire SAP&DC Board of Directors, expressed his congratulations to Mr. Coley on his retirement.

OTHER BUSINESS & INFORMATIONAL ITEMS:

Mr. Howsare reported that the Commonwealth "raided" the First Industry Fund that has been used by SAP&DC for agricultural loans and the fund is now depleted. He then asked members to consider utilizing a portion of their CARES funding to assist with funding the loan program. Anyone interested in providing loan funding for their particular counties or with questions is encouraged to contact Mrs. Trudy Mitchell.

The next SAP&DC Board of Directors meeting will be held Wednesday, September 16, 2020. Members will be kept informed as to how the meeting will be conducted whether in person or via conferencing depending on how things proceed with the Coronavirus.

ADJOURNMENT:

There being no further business the meeting was adjourned at 12:30 P.M.

Respectfully submitted,

Josh Lang
Secretary