



# FAY-PENN

## ECONOMIC DEVELOPMENT COUNCIL

2011 ANNUAL REPORT

celebrating **20**  
years

**building** a better community

**helping** people to help themselves

**leading** change **creating** opportunity

**changing** perspectives **moving** fayette forward

**improving** the quality of life

**revitalizing** the economy

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celebrating 20  
years



Steve Neubauer  
Chairman

# Chairman's Message

**Welcome** to this special 20<sup>th</sup> anniversary edition of Fay-Penn's Annual Report!

It is hard to believe that two decades have gone by since Fay-Penn began operations in 1992. To fully comprehend what our organization has accomplished in the last twenty years, one needs to take a look back into the 1990's. At that time, Fayette County was suffering tremendously from a forty-year-long economic decline that began with the collapse of the coal industry in the 1950's. Unemployment rates were topping 13%. Large retailers were receiving thousands of applications from desperate job seekers when old stores closed and a new store would open.

Today paints an entirely different picture, thanks to the efforts of Fay-Penn to improve our quality of life. Over the last 20 years, our organization has helped over 200 companies involving more than \$1 billion in capital investments. These projects created or retained more than 8,000 jobs in our area contributing millions to our local tax base as well as hundreds of millions in payroll, which has helped to revitalize our local economy. Those who want a job can now find a job.

There are several reasons for the organization's success. First there was the initial support and leadership from its founder, Robert Eberly and the Eberly family. There has always been a dedicated board of community volunteers, a disciplined fiscal strategy, management consistency, a strong vision of what could be possible and the courage to take calculated risks to make it happen. But being a "change agent" is not easy. Leading the way is usually met with resistance. A willingness to speak out on community issues that need to be addressed is often viewed as criticism by others. Despite these hindrances, Fay-Penn has been successful and will continue its efforts to build a better community for all residents.

And it must be said that while Fay-Penn may have led the economic recovery effort, the economic success must be shared by many organizations and community leaders who, in their own individual way, have contributed their time and resources to create a better future for Fayette County.

This success, however, has brought with it a new set of challenges for our community to face. These challenges are more social than economic in nature. Employers in not only retail, but in many other industry sectors, are now having difficulty finding qualified workers. As we have learned, creating employment opportunities alone will not solve chronic poverty. Over the coming years ahead, we must begin to re-think how we are preparing our children for the jobs of today and tomorrow. To improve this in a time of fiscal austerity, it will require our entire community to come together and cooperate in a way it has not since the 1940's. There is still much work yet to do to improve our quality of life. From past experiences, we know it will not be easy, but that has never stopped Fay-Penn before from "Moving Fayette Forward!"

# ORGANIZATION OVERVIEW

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 147 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. 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. The organization primarily focuses on the manufacturing sector, in addition to a concentration on workforce issues and infrastructure development.

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## PRIMARY OBJECTIVES

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

Generate new commerce by revitalizing commercial areas through new community development, tourism and local economy initiatives.

Encourage new investments at existing business sites throughout Fayette County.

Support ongoing improvements in workforce development and public education to ensure that Fayette County is a great place to live and work.

Develop new community development practices that lead to long-term economic and ecological sustainability and self-reliance.

### STAFF

#### President



Michael W. Krajovic  
President & CEO

#### Administrative Dept.



Traci Klink  
Exec. Assistant



Gloria Calabro  
Admin/Acct. Assistant



Sandy McClelland  
Admin. Asst.



Cindy Ciaramella  
Secretary

#### Accounting Dept.



Linda Yuhaniak  
Acctg./Finance Manager



Brenda Sapic  
Sr. Accounting Assistant



Ed Molchan  
Business Dev. Specialist

#### Asset & Contract Mgmt. Dept.



Tina Wargo  
Asset & Contract Dept. Manager



Ron Cole  
Constr./Property Dev. Coord.



Twila Kendall  
Tech. Assistance Specialist

#### Economic Development Dept.



Dana Kendrick  
Economic Dev. Manager



Michael Jordan  
Economic Dev. Specialist



Kristen Brooks  
Economic Dev. Specialist

#### Local Economy Dept.



Robert C. Junk, Jr.  
Local Economy Manager



Devan Grote  
Sustainable Communities Special.



Nancy Glad  
Business Network Specialist

## CONFIDENTIAL BUSINESS SERVICES

**Fay-Penn offers a full range of confidential services and works closely with each client to provide customized service.** In summary, the staff works hands-

on with each company guiding them through the necessary procedures and providing the various types of assistance, wherever possible, to ensure the successful completion of their business location, expansion, or start-up projects.

- ☐ Low interest financing
- ☐ Business development assistance
- ☐ Technical operations assistance
- ☐ Tourism business development
- ☐ Site selection assistance
- ☐ Workforce and education development
- ☐ Business park development

# Capital Investments



2011 was another successful year for Fay-Penn's Revolving Loan Fund (RLF). Originally established in 1993, the RLF has grown from \$1 million to \$14.9 million at the end of 2011. The RLF is comprised of eight (8) separate programs that assist eligible businesses by funding capital expansion projects in fixed assets, such as new equipment and facilities at low interest rates. During 2011, eleven (11) projects received \$1,021,204 in financing assistance through the various RLF programs. These projects generated additional private investment of \$2,683,275 and resulted in the creation and/or retention of 134 jobs. To date, 153 projects have been financed resulting in over \$52 million in private investment.

## Real Estate Development

Fay-Penn owns, operates and maintains twelve buildings, offering 389,358 sq... ft. of space to existing and potential tenants, and operates and maintains three (3) business development parks, owned by the Fayette Business and Industrial Development Corporation (FBID) totaling approximately 500 acres, 188 of which is available for development. Fay-Penn's buildings are 94% occupied by 26 tenants. Fay-Penn also owns another 1,093 acres of land in various locations for future development. During 2011, Fay-Penn invested in excess of \$530,000 in capital and leasehold improvements to several of its buildings to accommodate existing and new tenants. These improvements included utility installation, HVAC installation, build-out of tenant areas, roof repairs and replacements, signage, heat taping, repaving parking lots, etc. Fay-Penn also invested \$1.42 million in a build-to-suit project that consisted of acquiring 3.6 acres in the Fayette Business Park, Georges Township and constructing an 8,424 sq... ft. regional service office, warehouse and refurbishing facility to lease to BOS Solutions. Recent business development activity in Fayette County has resulted in a lack of fully-developed business development sites. As part of its industrial development investment plan, Fay-Penn invested approximately \$1 million to acquire a 185 acre tract of land along Route 119 North in Upper Tyrone Township, a portion of which is expected to be developed as a business park.



## Rail operations

In 2011, Fay-Penn, through its affiliate organization, Fay-Penn Industrial Development Corp., received a PennDOT Bureau of Rail Freight, Ports and Waterways Rail Transportation Assistance Program Grant, in the amount of \$1.024 million. The funds were used to construct phase 1 of a new Transload Facility located in Smithfield, PA. The total project cost is \$1.464 million. Southwest PA Railroad, the shortline operator of the rail line is providing the match of \$439,200.



# Key Performance Indicators

## 2011

### 2011 Business Development Projects

|                                      | Jobs Created/<br>Retained* |
|--------------------------------------|----------------------------|
| BOS Solutions                        | 105                        |
| DCG Enterprises (Specialty Conduit)  | **                         |
| Digital Map Store                    | 3                          |
| Dr. Marcy Goisse                     | 2                          |
| Go Turf, LLC                         | 10                         |
| Hill International                   | 3                          |
| Holloman                             | 15                         |
| Inn at Lenora's                      | **                         |
| Latrobe, LLC                         | 2                          |
| Matuszko Trucking                    | 8                          |
| Mill Run Campground                  | 70                         |
| Redstone Excavating                  | 8                          |
| S&S Bait and Tackle                  | 1                          |
| Stefano's Printing                   | **                         |
| Sunkist Tanning                      | 1                          |
| VADA, LLC dba Rivers Edge Campground | 4                          |
| Valerus                              | 30                         |
| ZRM Enterprises                      | 2                          |
|                                      | <b>264</b>                 |

### 2011 New Project Results Overview

|                            |               |
|----------------------------|---------------|
| Completed Projects         | 18            |
| Jobs Created & Retained*   | 264           |
| Increase in Annual Payroll | \$51,690,000  |
| Increase in Annual Tax     | \$2,103,783   |
| New Investment             | \$ 12,356,998 |
| Public Financing           | \$ 4,637,723  |
| Private Investment         | \$ 7,719,275  |

\* The data recorded are based upon information provided - and three year projections committed to by the companies.

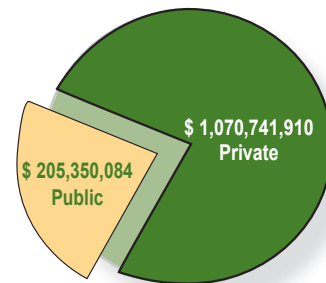
\*\* Job creation/retention numbers reported in previous annual reports

## 1992 - 2011

Total Completed Projects:  
**285**

Job Creation & Retention:  
**8,399**

New Investment Dollars:  
**\$1,276,091,994**



New Annual Payroll Dollars Generated:  
**\$221,074,300**

New Construction Dollars:  
**\$507,514,691**

New Annual Taxes Generated:  
**\$9,445,756**

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



# Business Development

## VALERUS

On November 2, 2011, Valerus announced the opening of a \$4.2 million dollar facility in the Fayette Business Park. Valerus is a world leader in integrated oil and natural gas handling equipment, operations and

service based in Houston, Texas. The newly constructed two-story, 21,500 square foot facility will primarily serve energy companies working in the Marcellus and Utica Shale region, providing them with a wide range of aftermarket field applications and repair services for their oil and natural gas handling equipment. The facility is fully equipped and provides a complete range of mechanical services, preventative maintenance and operations packages, and machinist services. It will also carry a large inventory of replacement parts and ample space for both standard and custom original equipment manufacturers. The Smithfield location currently employs 30, with the potential to add additional positions over the next several years.



## BOS RENTALS

In July of 2011, BOS Solutions moved into its new 8,424 sf. facility located in the Fayette Business Park, Georges Township, Fayette County. Fay-Penn acquired 3.6 acres and constructed the build-to-suit facility to house BOS Solution's regional service office, warehouse and refurbishing facility. BOS Solutions, originating from Calgary, Canada, expanded into the United States with current operations based in Colorado, Texas, and Pennsylvania. The company provides drilling fluid treatment and recovery solutions. It offers tanks, premix-tank systems, fluid management products, generators and centrifuge units for use in drilled solids removal, fluid density control, barite recovery, removal of ultra fines, and cuttings drying. The company also provides invert management tanks to recover invert drilling fluid for recycling and reuse, as well as offers rental equipment and support products, such as generators, rig mats, and drill pipes. This project resulted in the creation of 105 new jobs in their Marcellus Shale service area and private and public investment totaling \$1,420,000.

*BOS Solutions Facility, Fayette Business Park, Georges Township, Fayette County.*





*Eberly Business Center, University Business Park, North Union Township, Fayette County.*

## **HILL INTERNATIONAL**

In October of 2010, Fay-Penn began working with Hill International by providing site selection services. Hill is an international multi-disciplinary consulting firm serving private clients, governments, and international development agencies, offering a wide range of services from feasibility studies and development planning to project and construction management to claims analysis and litigation support. Hill International is a publicly traded company listed on the New York Stock Exchange, with 2010 total revenue of \$451.8 million and in 2011 was ranked as the 8th largest construction management firm-for-fee in the U.S.

Founded in 1976, the company is headquartered in Marlton, NJ. Hill International has 100 offices operating in 35 different countries with Pennsylvania offices located in Philadelphia, Pittsburgh, and State College.

The company occupies a 1,000 sf satellite office located in Fay-Penn's Eberly Business Center located in the University Business Park, North Union Township. This project resulted in the creation of three (3) jobs and \$35,000.00 in new investment in Fayette County.

## **DIGITAL MAP STORE**

Digital Map Store is an internet publisher and retailer located in Fay-Penn's Eberly Business Center multi-tenant facility. Digital Map Store publishes several news, information and retail websites that receive several million visitors each month. One of their information sites is geology.com, a portal for news and information about earth science. The site is visited by people who have an interest in topics such as the Marcellus Shale, mineral rights, earthquakes, volcanic activity, maps, geoscience careers and earth science education. It also has a small store that sells topographic maps and specialty tools for earth scientists. In 2011, Fay-Penn created a labor-efficient space for their business which includes offices, warehouse, and shipping/receiving areas. This project resulted in the retention of three (3) jobs and \$131,000.00 in new investment in Fayette County.

## **MATUSZKO TRUCKING, INC.**

Incorporated in the State of Massachusetts in 1975, Matuszko Trucking, Inc. is a large, well-respected trucking operation servicing the Northeast with over 100 owner/operators and a modern central 24-hour dispatch terminal. Matuszko Trucking hauls general commodity freight specializing in just-in-time delivery of raw materials as well as finished products with services primarily dedicated to the beverage industry. In November 2010, Fay-Penn began working with Matuszko Trucking by providing site selection services. In April 2011, Matuszko relocated their dispatch center to a 2,000 sf. lease space located in the Eberly Business Center in the University Business Park. This project resulted in the retention of five (5) jobs and the creation of three (3) new jobs plus \$61,000.00 in new investment in Fayette County.



## DCG ENTERPRISES, LLC

Fay-Penn assisted DCG Enterprises, LLC (DCG) with a \$1,450,000 business development project. The project consisted of acquiring and renovating an existing facility located along Route 119 in the Greater Uniontown Business Park, North Union Township. DCG acquired 21 acres with a 130,000 sq... ft. building to be leased to Specialty Conduit & Manufacturing, LLC., a privately-held manufacturing company for the plumbing and electric industries. Fay-Penn provided a \$200,000 loan through its Revolving Loan Fund, and assisted in the preparation of an \$870,000 loan from the Pennsylvania Industrial Development Authority (PIDA). Specialty Conduit, which already has one operation located in the Greater Uniontown Business Park, moved its Somerset operation to Fayette County resulting in an estimated eighteen (18) new jobs to created.



## HOLLOMAN CORPORATION

In January of 2011, Holloman Corporation announced the opening of their newest manufacturing and warehouse operation in North Union Township. The 25,483 sf. facility is located in the Fay-Penn Business Center in the Greater Uniontown Business Park with a five (5) acre storage yard and rail spur adjacent to the building. Founded in 1960, Holloman Corporation is headquartered in Houston, Texas and is one of the largest totally employee-owned engineering, procurement and construction companies in the United States, providing services to the energy industry. Holloman, among other things, has extensive oil, natural gas, refined products, water and wastewater pipeline construction experience building over 2,800 miles of pipeline. The company maintains area construction offices in Texas, Louisiana, West Virginia, Pennsylvania and Australia. This project resulted in \$109,000.00 in new investment and the retention of fifteen (15) jobs in Fayette County.



## YOGI BEAR'S MILL RUN CAMPGROUND

Yogi Bear's Jellystone Park Camp - Resort in Mill Run, received a loan in the amount of \$300,000 from the Fay-Penn Tourism Revolving Loan Fund to create a new and high level entertainment area adjacent to a new pool complex. The campground consists of 105 acres with 228 campsites. The approximate \$3.6 million project includes the purchase of new waterslides and a children's splash playground, a new store and restaurant, 25 new sites, seven new cabins, an activities building and the addition of two jumping pillows. The project is expected to result in the retention of 60 jobs and the creation of 10 more.

## RIDGE VIEW PLAZA

By the end of 2011, Fay-Penn was successful in leasing its 10,800 sq... ft. commercial facility to six (6) businesses at the Fayette Business Park in Georges Township (commonly referred to as the Big Six Plaza).

In support of the growing number of businesses located in the park, Fay-Penn's Ridge View Plaza offers health, commercial and retail services to the

1,350 employees working in the park and approximately 15,000 residents living within a 5 mile radius. The new additions to the plaza included: a PNC walk-up ATM, and a medical office facilitated by Dr. Marcy Goissee.

*Fay-Penn's Ridge View Plaza, Fayette Business Park, Georges Township, Fayette County.*





In 2011, Fay-Penn secured a \$105,000 Technical Assistance Grant and a \$500,000 loan from the United States Department of Agriculture's Rural Microentrepreneur Assistance Program, (RMAP), authorized by the Food, Conservation and Energy Act of 2008, also known as the Farm Bill. This new funding enabled Fay-Penn to stimulate small business development by providing financing and technical support to small rural businesses and business start-ups that would not otherwise have access to these resources. These funds enabled Fay-Penn to expand on its existing Revolving Loan Fund by creating a new RMAP Program that provides affordable, non-conventional financing to eligible small businesses with ten (10) or less employees that have little to no access to commercial banking and requiring a loan of \$50,000 or less for business start-up, development or debt refinancing.



Fay-Penn received 63 inquiries for small business technical assistance and financing. Technical assistance provided to these small businesses included bookkeeping assistance, business plan development, financial projections, creating marketing plans and website development.

Fay-Penn provided financing to nine (9) small businesses totaling \$397,185, which resulted in the creation of 13 new jobs and the retention of 22 jobs in Fayette County. What follows are the types of companies receiving financial assistance through the RMAP loan fund.

**ZRM ENTERPRISE:** ZRM, located in German Township, is a full service machine production company that specializes in marine repair and machining custom parts for the tug boat industry. One (1) new job was created as a result of this loan.

**RIVER'S EDGE CAMPING:** River's Edge Camping & Cabins features RV sites, primitive tent sites and full-service cabins all along the beautiful Youghiogheny River and the Great Allegheny Passage bike trail. This company, located in Dunbar Township, retained three (3) positions and was able to create one (1) new position as a result of this project.



*River's Edge Camping*

**S & S BAIT AND TACKLE:** In addition to a wide variety of bait and tackle products, this company located in Chalk Hill, has an inventory of firearms and archery equipment. One (1) position was retained as a result of this project.



*S&S Bait and Tackle*



*ZRM Enterprises*





*Sunkist Tanning*



*Lenora's*

**GO TURF, LLC:** Go Turf, located in Dunbar Township, offers all types of artificial turf installations for indoor and outdoor sports. This project resulted in the creation of 10 new positions.



*Go Turf, LLC*

**STEFANO'S PRINTING:** Located in Dunbar Township, Stefano's Printing has been in business since 1958. The company's services include commercial printing and imprint advertising products. This project resulted in the retention of six (6) jobs.

**SUNKIST TANNING:** This Chalk Hill company offers state of the art equipment, personal and group services; including tanning, nutrition and fitness services that includes a 24-hour fitness center. One (1) full-time job was retained.

**REDSTONE EXCAVATING:** Redstone Excavating, located in Redstone Township, provides construction services such as clearing, excavation, utilities, erosion, reclamation, finish grading, retaining walls, and concrete. The company is currently providing services to the oil and gas industry. This project resulted in the retention of eight (8) full-time jobs.

**THE INN AT LENORA'S:** This business consists of a relaxing retreat of custom furnished guest rooms and five star quality dining. Lenora's, located in Perryopolis Borough, retained three (3) jobs with this loan.

**LATROBE, LLC:** The company, located in the City of Uniontown, assists local manufacturers with competing globally by providing contract manufacturing, process engineering and strategic marketing services. One (1) additional job was created as a result of this project.



## **PENNSYLVANIA PARTNERSHIPS FOR REGIONAL ECONOMIC PERFORMANCE (PREP)**

In 2011, Fay-Penn became a partner of the Southwestern Pennsylvania Partnership for Regional Economic Performance (PREP). This new program replaced the former Business Retention & Expansion Program (BREP) when the program was discontinued and funding was eliminated. The PREP program is designed to encourage regional coordination in economic development efforts, yielding superior customer service to the business community and a comprehensive, efficient statewide economic delivery strategy. Fay-Penn, along with economic development partners from nine other counties in SWPA, will continue its joint efforts to provide services to businesses for the purpose of growing sales, improving competitiveness and creating jobs. During 2011, Fay-Penn met with 17 unique clients, providing over 530 hours of business related counseling. Of the 17 businesses, two (2) resulted in loan projects totaling approximately \$220,000 in financing. The projected job creation and retention for both projects is 19. In addition, Fay-Penn staff presented a workshop to 30 participants.

### **BUSINESS DEVELOPMENT ACTIVITY**

Fay-Penn answered 125 inquiries during 2011. Fifty-four (54) of those inquiries were for site selection, 48 were for financial assistance, and the balance were general inquiries. Fay-Penn participated in the identification, packaging and closing of 11 loan projects that secured \$1,021,204 in financing through Fay-Penn's Revolving Loan Fund Programs, resulting in the creation and/or retention of 134 jobs. One project also received an \$870,000 Pennsylvania Industrial Development Authority (PIDA) loan.



In an effort to help retain Fayette County's best and brightest young professionals, Fay-Penn launched The Fayette

Young Professionals Network (FYPN) initiative in April 2011. The mission of FYPN is to enhance professional development opportunities for area young professionals through networking, volunteering, and creating positive change in our local communities. FYPN's goal is to develop leadership, encourage civic engagement, stir innovation, and improve employee retention. The group is comprised of progressive thinking, highly motivated 21-40 year olds who work or live in Fayette County. The group has held several social and networking events, such as kayaking, dinners, and wine tastings, etc. To learn more, visit [www.youngfayette.com](http://www.youngfayette.com).



### **LAUREL RIDGE HIKING/SKI TRAIL**

Fay-Penn was successful in obtaining a \$100,000 grant from the PA Department of Conservation and Natural Resources (DCNR) to help fund a \$125,000 project at Laurel Ridge State Park in Springfield Township. The funds are being used to extend the hike/ski trail, expand the parking area, and to purchase trail grooming equipment. The match is being provided by the Pennsylvania Cross Country Skier's Association, a private foundation grant and in-kind services from Laurel Ridge State Park staff and Fay-Penn.





# Workforce and Education



**REACH's seven main focal areas - based on much analysis of research and trends, as well as professional insight.**

**Continued 'Re-Invention' of Local Vocational/ Career Technical Education**

**Strengthening and Promoting Significant Professional Development**

**Bolstering Business-Education Connections**

**Career Education/ Career Pathways (County-Wide Guidance Plan)**

**Promoting STEM Initiatives**

**Promote Early Childhood Educational Efforts**

**Coordination of Data-Driven Decisions**

Reaching Educational Achievement with Community Help (REACH) was created as a new Fay-Penn initiative in 2001 as a unique collaborative effort between the local business sector and educators in the six Fayette County school districts to work on both district-specific and county-

wide education initiatives. REACH is focused on systemic education reform to prepare the county's youth to lead successful lives as contributing members of our communities. The initiative stresses the importance of career planning for our youth by encouraging adults to become mentors. Through a PA e Mentoring grant; Smart Futures, a non-profit, has partnered with REACH to connect high school youth and adult mentors.

In collaboration with the Westmoreland/Fayette Workforce Investment Board and the United Way of Westmoreland County, REACH assisted in the development of a business panel discussion for Fayette County school counselors. The United Way held the four part workshop series titled **"Counseling for Career Success"** at Penn State Fayette, The Eberly Campus. Enrolled participants of the workshop included counselors and principals from all six (6) Fayette County school districts. The United Way will provide approximately \$5,000 to each school district in Fayette County that participated and completed a work plan for K-12 career counseling as a result of their training through the workshop series. In addition to participation on the panel, REACH recruited business representatives from Fayette County to discuss current and future needs in the Energy, Medical and Manufacturing industries. The "Counseling for Career Success" workshops provided beneficial tools in the following areas: Parent Action Plans, Teacher Action Planning, Post Secondary Planning, Business Community Planning, Guidance Curriculum Action Plans and Career & Technology Center Strategies.

In 2010, Fay-Penn launched a campaign on educating the community about **Career Technical Education (CTE)** that consisted of a website, [www.fayettesfuture.com](http://www.fayettesfuture.com) and promotional radio advertisements. The website lists weekly job openings as well as timely information regarding career technical education in Fayette County.

The campaign encourages high school students to consider CTE as an alternative to an academic four-year college program. CTE teaches students the hands-on skills that will enable them to start high-paying careers close to home right after graduation using the technical skills they will have learned

Fay-Penn will continue its efforts, but the power to make a difference lies with the parents, taxpayers and school boards. The fate of our economic future rests in their hands. No other local issue will have more impact on Fayette's economic future than public education.

## CONTRIBUTORS

- Ohioypyle Prints
- Scottdale Bank & Trust Co.

*Fay-Penn recognizes with thanks the generous support and financial contributions from so many companies, individuals and organizations.*

*In 2011, REACH received \$111,500 in contributions in support of its efforts, \$110,000 of which is expected to be passed through to local school districts through the Education Improvement Tax Credit (EITC) program.*



# Local Economy Initiative



Fay-Penn launched a Local Economy Initiative in 2008. For years, the organization has focused its efforts on manufacturing and other industry sectors that bring money into our local economy. However, with the economic challenges facing the nation and the world, Fay-Penn has expanded its efforts for Fayette County to become more economically self sustainable. Some of the new initiatives include helping businesses reduce energy costs, supporting new local agriculture and implementing a “Buy Local” program. During 2011, the Local Economy Initiative staff generated a significant amount of interest and support for locally-owned businesses and farms; educated local citizens about why they should spend their dollars locally; created additional farmers markets throughout the county; secured over \$100,000 of grant funds from the USDA Specialty Crop Block Grant Program, the USDA Farmers Market Promotion Grant Program, and The Fayette County Tourism Grant Program for the growth of farmers markets, and launched new Buy Local marketing campaigns. Some of the activities include:

**LOCAL AGRICULTURE:** In 2011, Fay-Penn increased its Farmers Markets from four (4) markets in four (4) locations to six (6) markets in six (6) locations throughout Fayette County, i.e., Brownsville, Uniontown, Masontown, Scottdale, Connellsville, and Ohiopyle. Additional Farmers Markets were held in conjunction with events at the Christian W. Klay Winery. Fay-Penn promoted the events through television commercials, radio spots, and print advertisements. An average of 75 consumers attended the events each day.

## **COMMUNITY REINVESTMENT FUND:**

In 2011, the Buy Local Community Reinvestment Fund committee awarded \$3,000 to Fayette County non-profit organizations. The Geyer Performing Arts Center received a \$1,000 grant to implement a billboard campaign. Big Brothers Big Sisters of the Laurel Region received a \$1,000 grant to purchase program supplies and snacks for the participating children, and the Fayette County Cultural Trust received the third \$1,000 grant to begin a recycling art class called “Re-Create.” The Community Reinvestment Grants are funded by a \$10 per month contribution that each Buy Local Business commits to when joining the Buy Local Network.

### **Major Priorities:**

- Increasing local sustainable agriculture
- Creating local independent business networks
- Environmental sustainability
- Alternative energies and independence
- Public policy issues





## BUY LOCAL NETWORK



Since launching in April 2010, the Buy Local Network has continued to grow and gain support throughout the community. In 2011, the Greater Connellsville Chamber of Commerce became a principle partner in the Network along with Herald-Standard.com and Fay-Penn Economic Development Council. The Network also established and managed its three main events throughout the year: an Earth Day Celebration, participation in the Fayette County Fair, and the Buy Local Summit. The Buy Local Network's annual Earth Day celebration doubles as the Network's anniversary. On April 22, 2011, the Network celebrated its first anniversary in Yough Park and awarded the first "Evergreen Award" for leadership in environmental conservation to the Uniontown Hospital Green Team. The Buy Local Summit took place on September 17, 2011 at Christian W. Klay Winery and offered a day of workshops focused on sustainable practices from the office place to personal life. Marketing for the Buy Local Network also expanded as the Network launched its new website, [www.buylocalfayette.com](http://www.buylocalfayette.com). In addition, the Network has continued its weekly Friday radio show, "Locally Yours," on WMBS, the monthly newsletter, the "Be Local Buzz," in the Herald-Standard, and multiple television commercials.

## COMMUNITY DISCOUNT SAVINGS CARD

Fay-Penn, in partnership with the Herald-Standard and Connellsville Chamber of Commerce, continued to administer and promote its Buy Local Community Discount Savings Card program for Fayette County during 2011, and has distributed over 24,000 cards. Buy Local Discount Cards are used at all Buy Local Network participating businesses. Every time a customer uses their card to receive a discount, they also have the chance to enter a weekly drawing to win prizes from the businesses. At each of the farmers markets



organized by Fay-Penn, the first 20 card users received five (5) "Buy Local Bucks" that could be used as cash at the market. With an average of 75 consumers, per market, per day, this proved to be quite the promotional tool to generate excitement and participation at the markets.

For a listing of participating businesses visit  
[www.buylocalfayette.com](http://www.buylocalfayette.com)

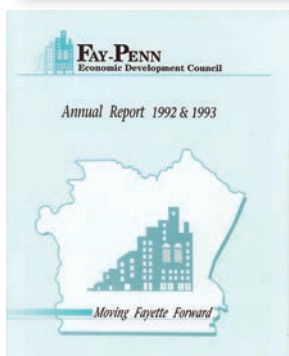
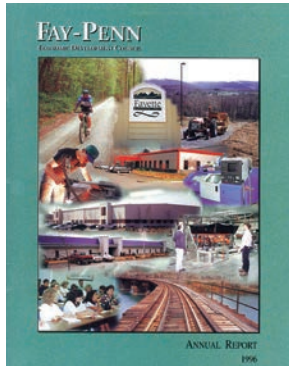
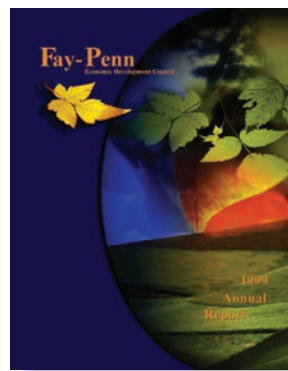
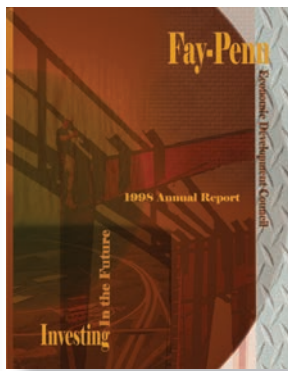
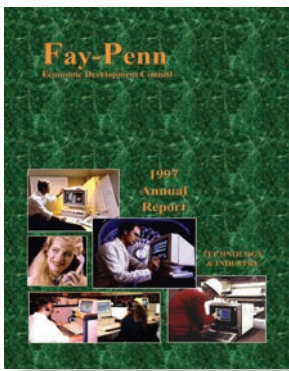
### Mission

... to maintain and strengthen the local economic vitality ensuring that Fayette County sustains vibrant, livable communities with healthy people and ecosystems. The goal is to educate and inform residents and visitors to Fayette County, Pennsylvania of the positive economic impact on the area and the value of shopping at independent retailers first and supporting local businesses and the importance of reinvesting in our communities.

Buy Local Mascots -  
Boomer and Miss Bee







# celebrating 20 years

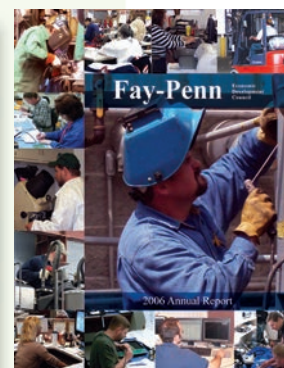
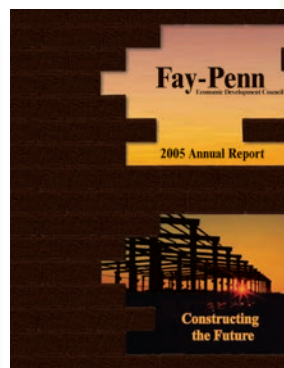
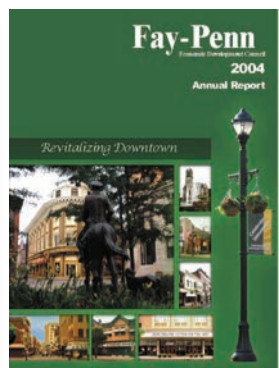
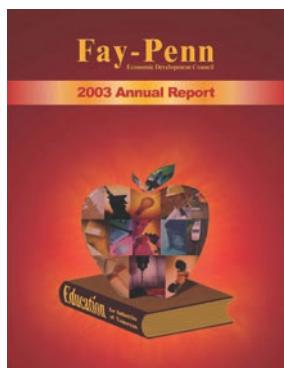
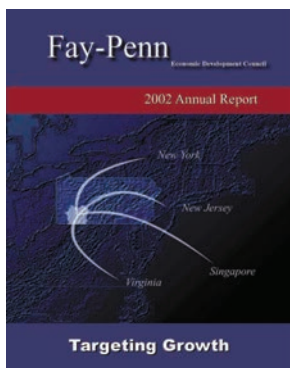
Over the past twenty years, Fay-Penn has grown in many different ways. What started with one staff person expanded into a seventeen (17) person operation. Likewise, Fay-Penn's goals and objectives have continually evolved and expanded to address as many elements of community and economic development, as necessary.

Much of what Fay-Penn has accomplished is visible when driving around the county looking at new buildings or business parks being developed. Some of Fay-Penn's efforts do not make the newspaper headlines. Yet, the affects and benefits of those efforts are just as important to the overall quality of life in Fayette County.

As illustrated in the pages of Fay-Penn's annual reports over the past twenty years, the nature of economic development has been truly dynamic and multi-faceted. Fay-Penn has been up to the challenge of operating in an ever-changing environment. From industrial development, to infrastructure, to education, to workforce, to community development, to tourism, to agriculture preservation, to strategic planning, etc. Fay-Penn has been instrumental in setting the stage for the future growth and sustainability in Fayette County.

Fay-Penn has been honored to serve our community and is proud of what it has been able to accomplish over the years with the help of so many individuals, agencies, organizations, and businesses. Most certainly, the next twenty years will hold new challenges and it will be exciting to rise to meet them as we continue working together as one community.





*This “Celebrating 20 Years” section provides a snapshot of what has been accomplished throughout Fay-Penn’s history. By no means is this an all-inclusive listing, but it highlights the work over the past twenty years to improve the quality of life for all Fayette Countians.*

## Economic Development

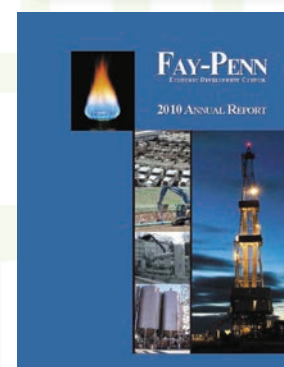
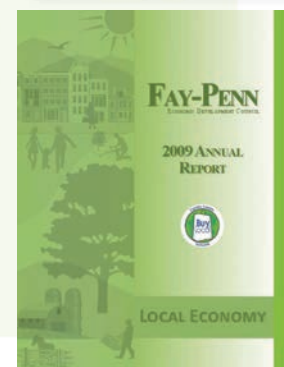
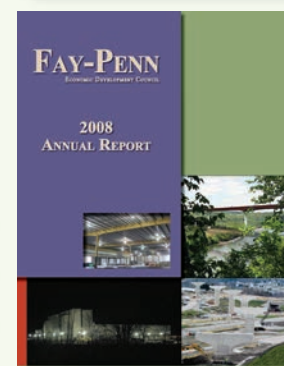
- CSX Rail Retention
- Regional Initiative Grants
- Revolving Loan Funds
- Strategic Plan for Fayette County
- SBA Microloan Demonstration Project
- Small Business Technical Assistance
- Water and Sewage Infrastructure Planning
- State Enterprise Zone Designation
- Business Services Demonstration Project
- Ben Franklin (BEST) Network
- Team Pennsylvania Business Calling Program
- Regional Planning
- Underground Storage Tank Loan Program
- Federal Enterprise Community (FEC)
- Keystone Opportunity Zone (KOZ) Designations
- PA SelectSite Designations
- Mon-Fayette Expressway
- Water and Sewage Study
- Benedum Foundation Non-Profit Study
- REACH Initiative
- Local Economy Initiative
- Buy Local Program
- Master Plan for City Parks
- Keystone Innovation Zone (KIZ) Designation Zone
- Buy Local Community Discount Savings Card
- Earth Day and Earth Week Activities
- RMAP Program
- South Chestnut Ridge Wind Energy Project
- Buy Local Community Reinvestment Fund
- Farmer’s Markets

## Site Development

- Star Junction Sewage Project
- Fayette Business Park Infrastructure
- CSX Rail Rehabilitation
- University Technology Park Infrastructure
- Greater Uniontown Business Park Infrastructure
- Vertex Multi-Tenant Facility Construction
- Motion Industries Building Construction
- Fay-Penn Multi-Tenant Facility Construction
- Fay-Penn Business Center Rehabilitation
- Brownsville Multi-Tenant Facility Rehab
- Fox Glass Building Acquisition
- KOZ Business Site Property Acquisitions
- Fay-Penn’s Eberly Business Center Construction
- Advanced Acoustic Concepts Bldg. Construction
- State Theatre Center for the Arts Improvements
- City of Uniontown Parking Garage Construction
- City of Uniontown Police Building Renovations
- City of Uniontown Main St. Parking
- Fay-Penn’s Ridge View Plaza Commercial Building

## Education, Workforce Development, Training, Seminars, Job Fairs, Expos

- Internet Home Page Construction
- Team Building Seminars
- Building Boards Seminar
- Mentor Training and Planning Workshop
- Decentralizing Education Downlink Broadcast
- Niche Marketing Facilitate Downlink Broadcast
- Marketing: For Mon Valley Businesses
- Educators in the Workplace





International Trade

Career Option Tours

Water "2000" Needs

Starting and Operating a Bed & Breakfast

Hospitality and Tourism Industry National Skill Standards

Small Business Planning Workshops

Dale Carnegie Communication & Leadership Training

Dale Carnegie Professional Telephone Skills Training

Dale Carnegie Sales and Customer Service Training

Steve Covey's "First Things First" Broadcast

Older Worker's Job Fair

Charter School Symposium

Total Quality Management Training

PA Dept of L&I: A New Workforce Development System

Teaching Critical Thinking Skills Training Workshop

Sony Job Fair

William J. Rothwell Seminar

OSHA Safety Training

Job Training Grants

CEO Ben Franklin Scholarship Program

Workforce Needs Assessment

Workforce Wage Survey

Customized Job Training Grants

Local Education Agency (LEA) Designations  
Subsidized Training Grants

Bed & Breakfast Symposiums

Human Resource Network

EIO Designation

EITC - Education Tax Credit Program

Keys2Work Program

Manufacturing Pathways Initiative

AIU Comprehensive Database Analysis

National Academy Foundation

Lexile Survey

ICLE Training

Model School Conference

Essential Skill Survey

Commission on Rural Education (CORE)

Celebrate Education Day

Workforce Skills Survey

Tri-County Oil and Gas Expo

KIZ Business Plan Competitions

Putting Unity Back into Community Leadership Training

FWKIZ Entrepreneurial Forums

PA Prosperity- Fayette Water Research Project

Economic Summit on the Return on Investment  
in Early Childhood Education

Smart Futures

Dropout Summit

## Tourism & Marketing

Bed & Breakfast Initiative

Fayette County Heritage Development Plan

Searight's Toll House Restoration

Flatiron Building Restoration

Old Petersburg Toll House Restoration

Yough River Trail

Laurel Highlands Tourist Destination

Hospitality Training

State Theatre Center for the Arts

Lyric Mountain Festival for the Performing Arts

Washington Gristmill

Nemacolin Castle

Sheepskin Trail

National Road Heritage Park

Laurel Highlands/Pittsburgh Regional Sign System

Scenic Laurel Highlands Campaign

Touchstone Center for Crafts

Fort Necessity Visitors Center

Brownsville Wharf

Fayette Co. Tourist Brochure Distribution

Ohiopyle Lodging Facility Needs Study

Cable Tourism Channel Feasibility Study

Fayette County Tourist Train

Bed & Breakfast Symposiums

Coal and Coke Heritage Center Feasibility Study

Eight-Minute Quality of Life Video

Quality of Life Brochure

Pocket Folders, Bookmarks, Window Stickers

Fayette County Tourist Brochure

Local, Regional, & National Publication Ads

Regional Tourism Channel

WMBS "Locally Yours" Radio Show

celebrating 20  
years









## Business Development

|                                   |                                    |   |                                   |
|-----------------------------------|------------------------------------|---|-----------------------------------|
| 119 Sport Shop                    | Dennis Lumber Company              | Kolencik Service Station                      | S. Mullen & Co.                   |
| 4-Seasons Taxidermy               | Dew Electric                       | Latrobe, LLC.                                 | Salon Capelli & Day Spa           |
| A & I Sales, Inc.                 | Digital Map Store                  | Laurel Business Institute                     | SenSyTech, Inc.                   |
| A & R Enterprises                 | Diversitech International          | Laurel Machine Co.                            | Sew Special                       |
| ABC School House                  | Divoto Park                        | Lenora's                                      | Shady Grove Park & Campground     |
| Advanced Acoustic Concepts        | Donald M. Miller, Inc.             | LIFE Information Emergencies                  | Shane Felter Industries           |
| All American Lawn & Landscaping   | Duke Energy North America          | Little Kid Zone                               | Shoemaker Excavating              |
| Allegheny Energy Supply           | Duraloy Technologies, Inc.         | Little Moe Crown & Bridge                     | Smokin' Scissors                  |
| Allison Custom Fabrication        | Dynamic Materials Corp.            | Maccabee Industrial Inc.                      | Specialty Conduit & Mfg., LLC     |
| Alternative Testing Laboratories  | Ebtech Industrial Offices          | Mars Petcare USA, Inc.                        | Stahls' Hotronix                  |
| American Ambulance                | E.I. Systems                       | Martin Partnership                            | Stash-Scape                       |
| American Broadband/Nickmans       | Express Energy                     | Marwas Steel Co.                              | State Correctional Institution    |
| Anchor Glass Container Corp.      | EZ Welding and Fabrication         | Masontown Foodland                            | Station Rentals                   |
| Appalachian Timber Products       | Fayette Building Trades Institute  | Matuszko Trucking                             | Stefano's Printing                |
| Aristotec                         | Fay. Institute of Commerce & Tech. | McMillen Engineering, Inc.                    | Stop 'N Shop                      |
| Arrow Paving Fabrics              | Fayette Medical Associates         | MF&B Restaurant Systems                       | Subway Restaurant                 |
| Atlas Energy Resources, LLC       | Fayette Thermal, LLC               | Mill Run Campground                           | Sunkist Tanning                   |
| AVR Technologies                  | Fike's Dairy, Inc.                 | Motion Industries, Inc.                       | Tank Solutions                    |
| B & B Inn of the Princess         | First Rate Metal Fabrication       | Mountain Streams & Trails<br>Outfitters, Inc. | TD's Restaurant                   |
| Ball Transfer Systems, Inc.       | Fox Glass Company, Inc.            | Mypodiamond, Inc.                             | Teleperformance                   |
| Bargains "Are" Us                 | Fur-N-Feather Sporting Goods       | Murray Landscaping                            | TeleTech Customer Care Mgmt       |
| Benatec Associates                | Gene & Boots Candies, Inc.         | NeoDyne                                       | Terri's New Image Salon           |
| Berkley Medical Resources, Inc.   | George Smalley Company             | Neubauer's Florist                            | The Maxx Family Entertain. Center |
| Bigam's Service Station           | Gerome Manufacturing Co., Inc.     | Newborn Enterprises                           | The Style Exchange                |
| BOS Solutions                     | GHX Industrial, LLC                | Nu-Metrics, Inc.                              | The Tree of Knowledge             |
| Brook Crompton                    | Glass Mart                         | Nu-Relm Internet Solutions                    | This N' That Furniture            |
| Caleigh's of Uniontown            | Go Turf, LLC.                      | Oglevee, Ltd.                                 | Timothy & Associates              |
| Calfrac Well Services Corp.       | Goisse, Dr. Marcy                  | OhioPyle Prints, Inc.                         | Timothy Grindle                   |
| CallTech Communications, Inc.     | Green Filter USA                   | Optical Solutions Technologies                | Topo's Restaurant                 |
| Cathie's on the Hill Taxidermy    | Ground Force Marketing             | PA State Police Facility                      | Trident Systems, Inc.             |
| Ceramic Fiber Technologies        | GTT Recharge-A-Card                | Paintmasters                                  | Tri-State Biofuels                |
| CFR Acquisitions                  | Guns & Arrows                      | Parametric Technology Corp.                   | United Defense                    |
| Chestnut Ridge Storage, LLC       | Habitat for Humanity               | Peroni Personal Care Home                     | United First Responders           |
| Chief Oil & Gas                   | Hazelbaker Recreational Serv.      | PIBS  | United Mine Workers               |
| Choice Optical                    | HBC Barge                          | Pine Knob                                     | Universal Wells Services, Inc.    |
| CJC Investments                   | Health Works                       | Pittsburgh-Fayette Express, Inc.              | Vacuum Ceramics, Inc.             |
| Clark Iron & Metal                | Henwil Corporation                 | Pleasant Trucking, Inc.                       | VADA, LLC dba River's Edge        |
| Classic Interiors                 | Hill International                 | Poulos Company                                | Valerus                           |
| COE Distributing, Inc.            | Holloman                           | Power Piping Co.                              | Vertex Outsourcing                |
| Col. Crawford's Bikes             | Holt & Bugbee Hardwoods            | Prescription Solutions                        | VMI Cabinet & Milwork             |
| Colorworks, Inc.                  | Houze Glass Corp.                  | Pretty on Paper                               | West Penn Warehousing, Inc.       |
| Columbia Gas of PA/MD, Inc.       | Hunter Panels                      | Prezioso Trust Fund                           | Western Union/Greyhound           |
| Computer Trends                   | Hunter Truck Sales & Service, Inc. | Prologic, Inc.                                | Whipkey Trucking & Supply         |
| Connellsville Redevelopment Auth. | Hranec Corporation                 | PSI Packaging Services                        | White Energy Services             |
| Copycat Quick Print, Inc.         | Invotech Manufacturing             | R&H Supply                                    | White Picket Fence                |
| Cosba Fashions                    | Johnson Matthey USA                | Redstone Excavating                           | Wilderness Odysseys, Ltd.         |
| Dancing Trees Studio              | Joyce's Jewelry                    | Reed Tool and Die, Inc.                       | Williamhouse, LLC                 |
| Darr Exploration                  | K-2 Designs                        | Romeo & Sons, Inc.                            | Woodlands Zoo & More              |
| DCG Enterprises                   | Kentuck Knob                       | Royal Sumatra Holding Co.                     | W.R. Casteel Co., Inc.            |
| DeFrank Development               | Kisiel, Grenell & Associates       | Rugged Liner                                  | Zephyr Glenn Bed & Breakfast      |
| DeFrank's Files                   |                                    | S&S Bait and Tackle                           | ZRM Enterprises                   |



## OFFICERS

| Chairman  | President   | 1st Vice Chair  | 2nd Vice Chair/Sec.  | Treasurer   | Asst. Sec.  |
|---|---|---|--|---|---|
|  |  |  |  |  |  |
| Steve Neubauer<br>Pres./Gen. Mgr.<br>Neubauer Flowers, Inc.                       | Michael W. Krajovic   | William Blaney<br>Sec/Treas<br>Blaney Farms                                       | George Rattay  | James Foutz, CPA<br>McClure & Wolf  | Leo T. Krantz, Jr.<br>Past Chairman   |



Dr. Francis Achampong  
Chancellor  
Penn State Fayette



Al Ambrosini  
Fayette Co. Board of Commissioners



Paul Bacharach  
President/CEO  
Uniontown Hospital



Dave Berish  
President  
Berish Agency, Inc.



Brian Boyle  
Exec. VP  
Advanced Acoustic Concepts, Inc.



Todd Casteel  
President  
W.R. Casteel Co. Inc.



Richard Ellsworth  
Sr. VP of Operations  
American Broadband



John A. Fiesta  
Fiesta Insurance Agency



Ed Fike  
Mayor  
City of Uniontown



Mark Fike  
Account Executive  
Paul Sprowls Agency



Deborah Fox  
Plant Manager  
BAE Systems



Edward J. Franczyk  
President & CEO  
Centra Bank



George Franks  
President  
Masontown Trophy



Doug Friend  
Partner  
Vitalink



Dan Gearing  
Manager  
Specialty Conduit & Manufacturing, LLC



James Gnagey  
Owner  
Gnagey Gas & Oil, Inc.



John Hart  
Sec/Treas  
Gallatin Fuels, Inc.



Van Humbert  
Pres., Connellsville  
Industrial Enterprises



William K. Jackson  
Jackson Farms



Dr. Ed Jeffreys  
Exec. Director,  
Fay Co.  
Vo-Tech School



Sen. Richard Kasunic (D)  
Dist 32, State Senator



Lawrence J. Kiefer  
Treasurer  
Scottdale Bank



Bryan Kisiel  
Shareholder,  
Kisiel & Rudnik



Sharon Klay  
Owner/Pres.,  
Christian Klay Winery



Terri Knupp  
Area Mgr., First  
Energy/West Penn  
Power



Raymond J. Koffler, II  
VP & Regional Mgr.  
PNC Bank



Val Laub  
VP/Publisher  
Uniontown  
Newspapers



Kristi Litavec  
Asst. VP &  
Branch Mgr.  
First Niagara Bank



Vicki Marietta  
Owner, Backyard  
Gardens, LLC



Charles Matthews  
Mayor  
City of Connellsville



Pat McCulloch  
Partner  
Computer Trends/  
OffSite Datasafe



Robert McKeown  
Owner  
Ball Transfer Systems



Donald M. Miller  
Pres., Donald M.  
Miller Roofing



Mike Mullin  
Vice Pres.  
First National Bank  
(FNB) Uniontown



Dennis Noonan  
VP of Sales, Nemacolin  
Woodlands Resort  
& Spa



Greg Parsons  
Owner  
Parsons  
Insurance Co.



Frank Ricco  
Sec/Treasurer  
Brownsville Bus Lines



Charmaine Sampson



Rusty Smalley  
President  
George R. Smalley  
Electric



Pat Stefano  
President  
Stefano's Printing



Deb Wilttrout  
Pres., Fay Co.  
Assoc. of Twp.  
Officials



Ben E. Wright, Sr.  
Retired Banker



Fred Wright  
President  
Ohiopyle Prints, Inc.



Edward Yankovich  
VP, International  
UMWA Dist. #2



# Financial Statements

## Fay-Penn Economic Development Council

### Statement of Activities January 1, 2011 thru December 31, 2011

| CHANGES IN NET ASSETS:                   | TOTALS                      |
|--|-----------------------------|
| <b>SUPPORT</b>                           |                             |
| Contributions                            | \$ 316,270                  |
| Grants                                   | \$ 170,205                  |
| Member Contributions                     | <u>\$ 47,445</u>            |
| Total Support                            | \$ 533,920                  |
| <b>REVENUES</b>                          |                             |
| Loan and Administration Fees             | \$ 82,634                   |
| Rental Income                            | \$ 1,834,121                |
| Gas Lease Revenue                        | \$ 202,402                  |
| Gas Royalties                            | \$ 28,380                   |
| Interest-Revolving Loan Fund             | \$ 315,531                  |
| Investment Interest and Dividends        | \$ 35,739                   |
| Interest-Other                           | \$ 15,849                   |
| Annual Dinner                            | \$ 12,740                   |
| Other                                    | <u>\$ 411</u>               |
| Total Operating Revenues                 | \$ 2,527,807                |
| <b>TOTAL SUPPORT AND REVENUES</b>        | <u><b>\$ 3,061,727</b></u>  |
| <b>EXPENSES</b>                          |                             |
| <b>Program:</b>                          |                             |
| Revolving Loan Fund                      | \$ 30,458                   |
| Buildings                                | \$ 1,447,869                |
| Marketing                                | \$ 21,971                   |
| Small Business - RMAP                    | \$ 69,055                   |
| Keystone Opportunity Zone Program        | \$ 82,356                   |
| Keystone Innovation Zone                 | \$ 5,511                    |
| Education Initiatives                    | \$ 140,422                  |
| Fayette County Strategic Plan            | \$ 1,234                    |
| Sustainable Community                    | <u>\$ 252,138</u>           |
| Total Program Expenses                   | \$ 2,051,014                |
| <b>Support Services:</b>                 |                             |
| General Administration                   | \$ 338,551                  |
| Business Assistance                      | \$ 451,402                  |
| Local Economy                            | \$ 112,850                  |
| Education                                | \$ 56,425                   |
| Industrial Development                   | <u>\$ 169,276</u>           |
| Total Support Services                   | \$ 1,128,505                |
| <b>TOTAL EXPENSES</b>                    | <b>\$ 3,179,519</b>         |
| <b>Increase (Decrease) in Net Assets</b> | <u><b>\$ (117,792)</b></u>  |
| <b>Net Assets:</b>                       |                             |
| Net Assets-January 1, 2011               | \$ 25,893,413               |
| Increase (Decrease) in Net Assets        | <u>\$ (117,792)</u>         |
| <b>Net Assets - December 31, 2011</b>    | <u><b>\$ 25,775,621</b></u> |

### Statement of Financial Position as of December 31, 2011

|  |                             |
|--|-----------------------------|
| <b>ASSETS</b>                            |                             |
| Cash and Cash Equivalent                 | \$ 2,929,165                |
| Accounts Receivable                      | \$ 159,223                  |
| Other Assets                             | \$ 184,600                  |
| Revolving Loan Fund                      |                             |
| -Cash                                    | \$ 1,079,648                |
| -Investment in Marketable Securities     | \$ 584,384                  |
| -Loan Receivable                         |                             |
| Capital Loans                            | \$ 5,114,292                |
| Fayette Business & Industrial Dev. Corp. | \$ 285,076                  |
| -Investments-Loan Guarantee Program      | \$ 300,000                  |
| Property, Plant & Equipment              |                             |
| -Net of Account Depreciation             | <u>\$ 21,112,043</u>        |
| <b>TOTAL ASSETS</b>                      | <u><b>\$ 31,748,431</b></u> |
| <b>LIABILITIES AND NET ASSETS</b>        |                             |
| <b>Liabilities:</b>                      |                             |
| Accounts Payable                         | \$ 55,210                   |
| Accrued Expenses                         | \$ 213,833                  |
| Security Deposits                        | \$ 148,405                  |
| Deferred Revenue                         | \$ 947,873                  |
| Mortgage Payable                         | <u>\$ 4,607,489</u>         |
| Total Liabilities                        | <u>\$ 5,972,810</u>         |
| <b>Net Assets:</b>                       |                             |
| Unrestricted:                            |                             |
| Revolving Loan Fund                      | \$ 14,230,743               |
| Operating                                | <u>\$ 11,414,378</u>        |
| Total Unrestricted                       | \$ 25,645,121               |
| Temporarily Restricted:                  |                             |
| Operating                                | <u>\$ 130,500</u>           |
| Total Net Assets                         | <u>\$ 25,775,621</u>        |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>  | <u><b>\$ 31,748,431</b></u> |



**Fay-Penn Industrial  
Development Corporation**  
(Laurel Hill Development Corporation)

**Statement of Activities**  
January 1, 2011 thru December 31, 2011

| CHANGES IN NET ASSETS:                      | TOTALS                     |
|---|----------------------------|
| <b>SUPPORT AND REVENUES</b>                 |                            |
| Contributions from Affiliated Organizations | \$ 12,500                  |
| Land Easements & Leases                     | \$ 23,354                  |
| Shortline Operator Lease                    | \$ 85,786                  |
| Gas Well Lease                              | \$ 115,932                 |
| Investment Income                           | \$ 193                     |
| Other                                       | \$ <u>391</u>              |
| <b>TOTAL SUPPORT AND REVENUES</b>           | <b>\$ 238,156</b>          |
| <b>EXPENSES</b>                             |                            |
| Management and Administration               | \$ 70,633                  |
| Real Estate Taxes                           | \$ 1,491                   |
| Omega Rail Commission                       | \$ 7,159                   |
| Contribution to Affiliated Organizations    | \$ 195,771                 |
| Depreciation                                | \$ <u>90,908</u>           |
| <b>TOTAL EXPENSES</b>                       | <b>\$ 365,962</b>          |
| Increase (Decrease) in Net Assets           | \$ (127,806)               |
| Net Assets:                                 |                            |
| Net Assets-January 1, 2011                  | \$ 4,479,976               |
| Increase (Decrease) in Net Assets           | \$ <u>(127,806)</u>        |
| <b>Net Assets - December 31, 2011</b>       | <b>\$ <u>4,352,170</u></b> |

**Statement of Financial Position**  
as of December 31, 2011

|   |                            |
|---|----------------------------|
| <b>ASSETS</b>                           |                            |
| Cash                                    | \$ 2,183,204               |
| Accounts Receivable                     | \$ 19,575                  |
| Net Fixed Assets                        | \$ <u>4,352,273</u>        |
| <b>TOTAL ASSETS</b>                     | <b>\$ <u>6,555,052</u></b> |
| <b>LIABILITIES AND NET ASSETS</b>       |                            |
| Current Liabilities:                    |                            |
| Accounts Payable                        | \$ -                       |
| Deferred Revenue                        | \$ <u>2,202,882</u>        |
| Total Liabilities                       | \$ 2,202,882               |
| Total Net Assets - Unrestricted         | \$ <u>4,352,170</u>        |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$ <u>6,555,052</u></b> |

Note: LHDC financials are estimated. Audit not available at the time of printing.

**Fayette Business and Industrial  
Development Corporation**

**Statement of Revenues, Expenses and Changes**  
in Net Assets for the Period  
January 1, 2011 thru December 31, 2011

|  |                            |
|--|----------------------------|
| <b>REVENUES</b>                          |                            |
| Interest on Temporary Investments        | \$ 2,493                   |
| Membership Dues                          | \$ 8,900                   |
| Meeting Reimbursements                   | \$ 420                     |
| Administrative and Service Fees          | \$ 6,956                   |
| Park Tenant Income                       | \$ 6,850                   |
| Revenue from Land Sales                  | \$ 438,843                 |
| Gas Well Lease                           | \$ 196,974                 |
| Grant Revenue                            | \$ 3,878                   |
| Rental Income                            | \$ 4,072                   |
| Miscellaneous                            | \$ <u>12,436</u>           |
| <b>TOTAL REVENUES</b>                    | <b>\$ 681,822</b>          |
| <b>EXPENSES</b>                          |                            |
| Administration Fees                      | \$ 30,000                  |
| Real Estate Fees                         | \$ 50,168                  |
| Application and Service Fees             | \$ 7,114                   |
| Interest Expense                         | \$ 28,999                  |
| Insurance                                | \$ 2,993                   |
| Office Expense                           | \$ 1,072                   |
| Legal and Accounting                     | \$ 15,901                  |
| Meetings                                 | \$ 1,592                   |
| Property Operations                      | \$ 124,869                 |
| Engineering Fees                         | \$ 35,663                  |
| Grant Expenses                           | \$ 26,294                  |
| Other                                    | \$ <u>1,007</u>            |
| <b>TOTAL EXPENSES</b>                    | <b>\$ 325,672</b>          |
| Excess of Revenues Over (Under) Expenses | \$ 346,150                 |
| Net Assets:                              |                            |
| Net Assets-January 1, 2011               | \$ 3,642,597               |
| Increase (Decrease) in Net Assets        | \$ <u>356,150</u>          |
| <b>Net Assets - December 31, 2011</b>    | <b>\$ <u>3,998,747</u></b> |

**Balance Sheet as of December 31, 2011**

|   |                            |
|---|----------------------------|
| <b>ASSETS</b>                           |                            |
| Cash in Bank                            | \$ 592,580                 |
| Accounts Receivable                     | \$ 12,662                  |
| Fixed Assets - Land and Improvements    | \$ <u>5,042,665</u>        |
| <b>TOTAL ASSETS</b>                     | <b>\$ <u>5,647,907</u></b> |
| <b>LIABILITIES AND NET ASSETS</b>       |                            |
| Current Liabilities                     |                            |
| Accounts Payable                        | \$ 19,091                  |
| Deferred Revenue - Gas Lease            | \$ 196,974                 |
| Notes Payable                           | \$ 98,280                  |
| Long-Term Liabilities                   |                            |
| Notes Payable                           | \$ 1,024,084               |
| Deferred Revenue                        | \$ 163,000                 |
| Deferred Revenue - Gas Lease            | \$ <u>147,731</u>          |
| Total Liabilities                       | \$ 1,649,160               |
| Net Assets                              |                            |
| Contributed Capital                     | \$ 218,246                 |
| Unrestricted Fund Equity                | \$ <u>3,780,501</u>        |
| Total Net Assets                        | \$ 3,998,747               |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$ <u>5,647,907</u></b> |

# Special Thanks and Acknowledgements



Fay-Penn received financial support from individuals and businesses who share in the same desire of strengthening Fayette's economy. Fay-Penn takes this opportunity to acknowledge and say "Thank You" to the following who have provided significant financial support to both projects and programs in 2011, and to the 147 area businesses, organizations and individuals listed below whose annual financial contributions have aided in Fay-Penn's success.

| \$1,000 - \$10,000   | \$10,001 - \$100,000   | Over \$100,000   |
|--|--|--|
| <ul style="list-style-type: none"> <li>□ Pa Cross Country Skiers Association</li> <li>□ Fayette County Commissioners</li> <li>□ Ohiopyle Prints</li> </ul> | <ul style="list-style-type: none"> <li>□ Laurel Highlands Visitors Bureau</li> <li>□ Scottdale Bank &amp; Trust</li> <li>□ Commonwealth of PA                             <ul style="list-style-type: none"> <li>- Department of Agriculture</li> <li>- Local Economic Development Assistance Program</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>□ US Department of Agriculture                             <ul style="list-style-type: none"> <li>- Rural Microenterprise Assistance Program</li> </ul> </li> </ul> |

## MEMBERSHIP

84 Lumber  
 AAA East Central  
 Advanced Acoustic Concepts  
 American Broadband, Inc.  
 American Water  
 Anatomical Designs LLC  
 Argon ST, Inc.  
 Atlantic Broadband  
 BAE Systems  
 Backyard Gardens  
 Ball Transfer Systems, LLC  
 Bear Construction  
 Berish Agency, Inc.  
 Berwyn S. Detweiler, Inc.  
 Blaney Farms, Inc.  
 Brodak's Shop-N-Save  
 Brownsville Bus Lines  
 Catalyst Connection  
 Centra Bank  
 Century Engineering  
 Centennial Chevrolet  
 Christian W. Klay Winery  
 Chess Coal Company  
 City of Connellsville  
 Columbia Gas of PA., Inc.  
 Community Bank, N.A  
 Computer Trends, LLC  
 Connellsville Area School District  
 Connellsville Chamber of Commerce  
 Connellsville Industrial Authority  
 Connellsville Redevelopment Authority  
 Dairy Queen of SWPA, Inc.  
 DeFrank Development  
 Demco Excavating, Inc.  
 DeWeese, William H., State Rep.  
 Donald M. Miller, Inc.  
 Fairchance Construction Co.  
 Fallingwater/Western PA Conservancy  
 Fayette Chamber of Commerce  
 Fayette Co. Housing Authority  
 Fayette Co. Behavioral Health Admin.  
 Fayette Co. Board of Commissioners  
 Fayette Co. Community Action Agency, Inc.  
 Fayette Institute of Commerce & Technology  
 Fayette Parts Service, Inc.  
 Fayette Storage, LLC.  
 Fiesta, John A. Agency, Inc.  
 First Energy/West Penn Power Co.  
 First Federal Savings & Loan of Greene Co.

First Federal Savings Bank  
 First National Bank of PA  
 Ford Business Machines, Inc.  
 Franks Auto Supply  
 Gallatin Fuels  
 Garrett, Robert  
 Gene & Boots Candies, Inc.  
 George, Port & George  
 George R. Smalley Co., Inc.  
 Gerome Manufacturing Co., Inc.  
 Gnagey Gas & Oil Co. Inc.  
 Goodwill Industries of Fayette Co.  
 Hazemag, USA Inc.  
 Holt & Bugbee Hardwoods  
 Hranec Corporation  
 Hunter Panels  
 J & C Builders, LTD.  
 Jackson Dairy Farm  
 Janney Montgomery Scott, LLC  
 Kasunic, Richard, Senator  
 Kisiel & Rudnik, PC  
 Krantz, Leo T. Jr.  
 Kula, Deberah, Pa State Rep.  
 Laurel Business Institute  
 Laurel Caverns/Laurel Conservancy, Inc.  
 Laurel Highlands Outdoor Center  
 Laurel Highlands School District  
 Laurel Machine Co.  
 Marker Grounds Management  
 Masontown Borough  
 Masontown Trophy & Embroidery Co.  
 McClure and Wolf  
 McMillen Engineering  
 Meloni's Restaurant  
 MLP Steel  
 Nemacolin Woodlands Resort & Spa  
 Neubauer's Flowers, Inc.  
 North Fayette County Mun. Authority  
 O.C. Cluss Lumber Co.  
 Ohiopyle Prints, Inc.  
 Omega Rail Management  
 One-Hour Martinizing Dry Cleaners  
 Otto Brick Company  
 Parsons Insurance Services, LLC  
 Paul Sprowls Agency, Inc.  
 Penn State Fayette - The Eberly Campus  
 Penosbscot Corp. (Kentuck Knob)  
 Pine Hollow Mechanical  
 Plumbers & Pipefitters #354  
 PNC Bank

Prime Communications Inc.  
 Private Industry Council of Westmoreland/Fayette  
 PSI Packaging Services, Inc.  
 Ptak's  
 Quality Reclamation Services, LLC  
 Redevelopment Authority of the City of Uniontown  
 Redevelopment Authority of the County of Fayette  
 Sampson, Charmaine L.  
 Scottdale Bank & Trust Co.  
 Sensus USA  
 Sepic Orthodontics  
 Shane Felter Industries  
 Shumar's Welding & Machine Service  
 Sisters of the Order of St. Basil the Great  
 Smithfield Stop-N-Shop  
 Specialty Conduit & Mfg. LLC  
 ST Development Co., LLC.  
 Stefano's Printing, Inc.  
 Stephen R. Haky Funeral Home  
 Township of Brownsville  
 Township of Bullsken  
 Township of Georges  
 Township of German  
 Township of Lower Tyrone  
 Township of Luzerne  
 Township of Redstone  
 Township of Saltlick  
 Township of South Union  
 Township of Springhill  
 Township of Upper Tyrone  
 Township of Wharton  
 Tribune Review  
 Uniontown Hospital  
 Uniontown Mall  
 Uniontown Newspapers, Inc.  
 United Dairy  
 United Mine Workers of America  
 Valley National Gases WV, LLC  
 Valerus  
 Vermin Control Co.  
 Vitalink  
 W.B. Kania & Associates, LLC  
 W.R. Casteel Company, Inc.  
 West Penn Warehousing  
 White Energy Services  
 Wize Guyz Food Service, LLC  
 WSW Holdings, Inc.



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