# **SECTION A:**

# APPLICATION FOR INVESTMENT ASSISTANCE (ED-900)

# Introduction and Background for the Project

Several years ago, the Bradford Regional Airport Authority (BRA) embarked on an aggressive economic development plan for the airport facility. The Bradford Regional Airport encompasses over 1,025 acres in the heart of McKean County, Pennsylvania. The airport had been economically depressed for years and, with increasing expenses and decreasing revenues, the future viability of the airport was at risk. The Authority realized that, although providing safe air transportation is the primary objective at the airport, air service revenues would not financially support airport operations.

### Natural Resource Management

In order to increase revenues and establish a reserve/emergency account, the first economic development initiative the Authority investigated was the management and development of natural resources. Timber was inventoried and select cuts initiated on mature parcels and stone mining. Oil and gas reserves were developed and, within three years, 32 oil and gas wells were drilled on the airport facility. These initiatives resulted in additional income of over \$600,000 since 2002.

## Water and Sewer Project

The Airport Authority realized early on that if development were to occur at the airport; public water and sewer would need to be brought to the facility. In 2003, the Authority began a \$2.2 million project to extend public water and sewer. Funding for this project came from a variety of sources which included the Federal Aviation Administration, PennDOT Bureau of Aviation, Appalachian Regional Commission, Bradford Water Authority, Lafayette Sewer Authority, and Bradford Regional Airport. Public water was extended 3 miles to the airport and sewer was extended 1.7 miles; as well, a 500,000 gallon water tank was constructed on the airport for future development. An additional benefit to this project was that 40 residents were able to connect onto the public water system.

### Pennsylvania Army National Guard

In 2002, the Airport Authority began discussions with the PA Department of General Services on the development of a new Pennsylvania National Guard Armory to be constructed on a 23-acre site at the airport. The \$15 million project was completed in 2009. The National Guard facility will support the Army's new Stryker Unit and be home to over 120 Guardsmen.

#### Keystone Opportunity Zones (KOZ)

The Authority has had numerous prospective tenants over the years that have expressed interest in business development at the airport. The airport has three sites that are state-designated Keystone Opportunity Zones (Site 1-25 acres, Site 2-82 acres and Site 3-156 acres). The sites offer the elimination of property and sales taxes for a period not to exceed 10 years to qualified businesses. This can be a powerful incentive for business attraction.

### **KOZ** Aviation Business Center

A site plan for the 25-acre Aviation Business Center (attached) has been designed and the Authority believes this site would be very attractive to businesses as the area is designated KOZ and has all utilities (public water, sewer, gas, electric, and fiber optic cable) located along the site.

With the airport facilities and proximity to the Pennsylvania National Guard Armory, the Aviation Business Center will look at attracting aviation, military and commercial development.

At the present time, the Authority is seeking funds to construct a three-cell (1 cell at 5,000 sq. ft., 1 cell at 10,000 sq. ft., and 1 cell at 15,000 sq. ft.) 30,000-square-foot multi-tenant facility. Preliminary engineering and design have been completed at the site and a National Pollutant Discharge Elimination System (NPDES) permit issued. The Authority was successful in being awarded a PennDOT Bureau of Aviation Capital Budget Grant in the amount of \$50,000 with a local share of \$50,000 for the engineering and design. As to date, the Authority has spent \$50,000 (\$25,000 PennDOT/\$25,000 local).

The multi-tenant center will be constructed on a four-acre cleared site at the Bradford Regional Airport (BRA). This is a KOZ property that is zoned for industrial uses. All utilities are on or adjacent to the site, and it is owned by the Bradford Regional Airport Authority. This is a Greenfield site and its use history is similar to a contiguous property that has just undergone a complete environment assessment. There are no environment concerns that will affect development of this site. The Bradford Regional Airport is located 3.5 miles to the east of U.S. Route 219 and is connected to Route 219 by PA Route 59.

The 30,000-square-foot building will be designed to accommodate two-to-three tenants engaged in light manufacturing or distribution. The Center will have the following characteristics: two loading docks, two at-grade truck entrances, a sprinkled concrete foundation with reinforced concrete floors, separate utility systems for each cell, and limited office space. Additional information can be found at <a href="https://www.bradfordairport.net">www.bradfordairport.net</a>.

In addition to engineering and site development work, the Authority has begun an aggressive economic development marketing campaign on the site and, to date, has spent over \$5,000 in advertising (see advertising attachment).

The funding package for the Multi-tenant Facility will include the following:

<b>Source</b>	<b>Amount</b>	<b>Percentage</b>	<u>Program</u>
EDA	800,000	32.6	Public Works
ARC	200,000	8.2	Area Development
PennDOT	900,000	36.8	Bureau of Aviation
National City (PNC)	500,000	20.4	Loan from Private Lender Bank
BRA	50,000	2.0	Equity
	\$2,450,000	100.0	

### **KOZ** Airport Industrial Park

The airport is located in Lafayette Township, one of the most active townships in McKean County for oil and gas development. A business based in this industry is very interested in locating at the 82-acre KOZ Airport Industrial Park. With access to State Route 59 and its close proximity to US Route 219, this location is ideal for this type of development. When oil and gas prices rebound after this current recession, it is expected there will be a significant amount of activity in this industry, as well as the timber industry. Additionally, there have been numerous exploration companies interested in drilling for the Marcellus Shale reserves.

The 82-acre KOZ Airport Industrial Park will focus on heavy industrial development. The area is designated as a KOZ and has all utilities (public water, sewer, gas, electric and fiber optic cable) located along the site. The KOZ benefits are very attractive to businesses looking to expand and with exemptions from many taxes including a six percent sales tax on construction of facilities; many businesses have expressed an interest in locating to this site.

At the present time, the Authority is putting together an application for Pennsylvania Infrastructure Development Program (IDP) funds in the amount of \$924,000 for site development, an access road and utilities to assist in the development of this acreage for future business activity at the KOZ Airport Industrial Park.

## Future Economic Development Opportunities

The Bradford Regional Airport Authority is owned and operated by the counties of McKean, Elk, Cameron and Warren, and is committed to the economic development of the facility. The Authority has committed a significant amount of time and funds over the years and believes the facility is poised for development.

### A.1. Investment (Project) Region

a. Area Where the EDA Assisted Project will be Located - This project will be located on a four-acre site at the Bradford Regional Airport (BRA). The airport is located in close proximity to the county seat and two of the three largest municipalities in McKean County, PA. It lies sixteen miles to the south of the City of Bradford (population 9,175), fourteen miles to the northwest of the Borough of Kane (population 4,126), and ten miles to the east of Smethport (population 1,684), the county seat. The BRA is located along Pennsylvania Route 59, 3.5 miles to the east of US Route 219, the primary north-south highway serving McKean County. U.S. Route 219 in Pennsylvania is a portion of a proposed highway system called Continental 1 linking Canada to the north and Florida to the south.

The primary benefits of this EDA investment will occur in McKean County.

b. <u>Description of the Region and Project's Expected Economic Impact</u> - McKean County is part of the six-county North Central region of Pennsylvania. It is rural, non-farm, manufacturing oriented and dominated by extractive industries (lumbering, sawmill operations, oil and natural gas drilling and production, refining, etc.). The proposed multi-tenant building at the Bradford Regional Airport will

target powdered metal manufacturing, Marcellus Shale gas exploration companies, logistics businesses requiring air freight distribution, potential military spin-off businesses (a new armory was built nearby in 2009, and the military Stryker Brigade is relocating there), and other entrepreneurial businesses involved with wood products. Business plans for the applicant estimate 59-70 employees on-site within three-to-five years of construction completion. Currently, no such multi-tenant facility is available at the Bradford Regional Airport and the applicant has already received several inquiries as to the timetable projected for rental space availability. The multi-tenant center will target natural gas drilling and equipment manufacturers as the building site is located in the northern portion of the newly discovered Marcellus Shale natural gas deposit where increased drilling activity is currently underway.

The Bradford Regional Airport currently has letters (attached) from six companies expressing interest in the proposed multi-tenant building that would create between 59-70 new jobs and at least \$6,000,000 in private investment:

Company & Letter Date	New Jobs	Private
		<u>Investment</u>
PureTech, Inc., 10-7-09	10-15	\$ 750,000
Minard Run Oil Co., 8-14-08	9	5,000,000
Allegheny Store Fixtures, 10-9-09	35-50	250,000
Atlas Energy Resources, 6-23-08	5	unavailable
Anderson Welding & Excavating, 8-11-08	unavailable	unavailable
State Line Supply Company, 8-30-07	<u>unavailable</u>	<u>unavailable</u>
	59-70	\$6,000,000

These are very conservative numbers and three of the firms have not fully disclosed their hiring intentions or capital investment. They are currently evaluating revised plans and projections. Likewise, the airport manager continues to receive inquiries about the status of the building and occupancy plans. The Airport Authority is currently advertising this "prospective building" to the public based on a tentative construction start date of September 2010, with occupancy to begin in January 2012.

### A.2. <u>Investment (Project) Description</u>

a. <u>Project Description</u> – The project consists of the construction of a 30,000 square foot multi-tenant center at the BRA. The center will be located on a four-acre parcel on Airport Road, the primary access road serving the airport. It is a KOEZ property owned by the BRA Authority, which is zoned for industrial purposes. This is a Greenfield site and the use history is similar to a contiguous property that has just undergone a complete environmental assessment.

The building will be designed to house two or three tenants engaged in light manufacturing or distribution. It will be a Butler-type building with the following characteristics: three cells of 5,000, 10,000, and 15,000 square feet, two loading

docks with load levelers, two at-grade truck entrances, sprinkler type fire protection, separate utility systems for each cell, concrete foundation with reinforced concrete floors, insulated, limited office space, and tar and chip parking area for fifty cars. Attached in Exhibit A is the site plan identifying the location of the proposed multitenant center.

b. Components of the Proposed Investment - The four-acre parcel selected for the multi-tenant center is a quality site. All utilities are on-site or adjacent to the site. They include water (Bradford City Water Authority), sewer (Bradford Sanitary Authority), electric (GPU/Penelec), gas (Columbia Gas of PA) or leased gas from existing wells at the BRA, and telecommunication (high speed fiber optics via Zito Media, and DSL and phone through Verizon). Pictures of the proposed multi-tenant center site are attached in Exhibit B.

BRA is 3.5 miles east of US Route 219 and is connected to US Route 219 by PA Route 59. PA Route 59 is a low congestion paved two-lane highway. The site is linked to both I-86 (24 miles to the north) and I-80 (50 miles to the south) by PA Route 59 and US Route 219. US Route 219 is the primary north-south roadway serving McKean County

Attached in Exhibit A is a USGS topographic map identifying the location of the site.

### **A.3.** Economic Development Needs

a. Economic Development Needs of the Proposed Investment and Relationship of Proposed Project to the Goals and Objectives of the North Central's Comprehensive Economic Development Strategy (CEDS) – One part of the economic development strategy of McKean County is to provide quality manufacturing space as an incentive to attract new manufacturing jobs. The availability of quality manufacturing space is essential for recruiting businesses and is important for meeting the demand for additional space of some existing businesses. The BRA supports this strategy. In addition, the project has been included in the NCPRPDC CEDS process in 2007, 2008 and 2009.

The decision to pursue the construction of a multi-tenant building was significantly influenced by the decision of the Pennsylvania Army Guard to construct a new Readiness Center at the BRA. The Pennsylvania Army National Guard has spent approximately \$15 million to develop a twenty-three (23) acre site that includes the construction of a 36,000 square foot Readiness Center. This facility is the home of a Stryker Brigade Combat Team. The Readiness Center combines the Army National Guard units from the Bradford and Ridgway Armories to support the Stryker Brigade Combat Team. On March 8, 2006, the BRA Authority entered into an agreement to convey twenty-three (23) acres to the Pennsylvania Army National Guard. Construction began on this design-build facility in the fall of 2007 and was completed in 2009. Ten full time employees and one hundred and ten (110) reservists will be located at this facility. It is expected that the new multi-tenant facility will benefit from the additional activity generated from the Readiness Center.

- b. The project has been an important part of the North Central Pennsylvania Regional Planning and Development Commission's Comprehensive Economic Development Strategy (CEDS) since 2007. This project will promote entrepreneurship, facilitate the formation of new businesses and improve the chances of success for creating good-paying private-sector jobs. It will implement three elements of the economic development strategy in the 2009 CEDS document:
  - 1. Pursue the preservation/retention of existing manufacturing jobs and the creation of additional manufacturing jobs in the region.
  - 2. Pursue manufacturing job development in forest projects, biotech, powdered metals manufacturing, fabricated metals, and specialized electronics.
  - 3. Link county and North Central Pennsylvania Regional Planning and Development Commission Revolving loan funds, multi-tenant/incubator facilities, the Export and KOZ programs, TEAM Pennsylvania, and job training programs for nurturing new manufacturing firms, as well as expand small existing firms. Also, the North Central Pennsylvania Regional Planning and Development Commission's Self Employment Assistance program aids in the development of new entrepreneurs.
- c. Effect of the Project on Local Economic Conditions The project is necessary to continue the development of the oil and natural gas industry, forest product industry and powdered metal manufacturing industry clusters in north central Pennsylvania. These clusters are well established and the resources are in place for further new product applications (powdered metal cluster) as well as further utilization of the abundant forest resources (forest products industry cluster) in wood-based resource manufacturing. Drilling for Marcellus Shale natural gas has only recently begun in the region.

Likewise, the proposed building could house tenants in the distribution/ transportation industry or new businesses associated with the new Pennsylvania Army National Guard Readiness Center now located at the Bradford Regional Airport. This could be the beginning of new business diversification as it relates to the military and the air/highway transportation business. It will help lower unemployment in McKean County, which in November 2009 was 10.2 percent compared to a USA rate of 10.0 percent and a Pennsylvania rate of 8.2 percent.

### A.4. <u>Investment (Project) Impact</u>

The project will enable the applicant to implement EDA's five "Investment Policy Guidelines" in a substantive manner as described below.

1. The Proposed Investments are Market Based - The proposed multi-tenant facility at the Bradford Regional Airport will target three regional cluster groups (oil and natural gas, forest product industry and powdered metal manufacturing) as well as logistics businesses that may require air transport of goods to other distant destinations. The region is known as the "Powder Metal Capital of the World," with

production facilities in all six counties of the region, the bulk of which are located in nearby Elk and Cameron counties. In summation, the businesses are here, the jobs are here, the likelihood of further expansion is very good due to the concentration of businesses here, and the need for quality, reasonably-priced rental space to stimulate entrepreneurial commitments is also here.

Natural gas drilling in the Marcellus Shale deposit is attracting out-of-state drilling companies with experience in deep shale drilling (5,000 to 12,000 feet deep). Currently, natural gas pricing is low, but is project to increase within the next three years. Marcellus Shale gas drilling is in its infancy and the BRA hopes to have the multi-tenant building ready for occupancy when drilling activity increases.

- 2. The Proposed Investments Have Strong Organizational Leadership The applicant is governed by the Airport Authority board of directors representing McKean, Elk, Cameron and Warren counties. The Bradford Regional Airport has been in business for several decades and helped the Pennsylvania Army National Guard secure airport property for the new \$15 million armory completed in 2009. The Airport has extensive experience with improvement projects over the years and has implemented them successfully with assistance from their consulting engineer, Lee-Simpson Associates, Inc. of DuBois, Pennsylvania.
- 3. The Proposed Investments Advance Productivity, Innovation & Entrepreneurship By its nature, the multi-tenant facility will offer quality, reasonably priced rental space to make it affordable for aspiring entrepreneurs in the forest products' cluster, powdered metal cluster, oil and natural gas cluster and logistics business to begin or expand operations at the site. Manufactured products requiring air transport will be targeted in the marketing efforts by the applicant. Firms "graduating" from the new multi-tenant center will be encouraged to locate in the new 82-acre KOZ airport industrial park.
- 4. The Proposed Investments Look Beyond the Immediate Economic Horizon, Anticipate Economic Changes, and Diversify the Local and Regional Economy The proposed multi-tenant facility will target three major industry clusters in the region (oil and gas, forest products and powdered metal manufacturing), as well as the transportation/distribution/logistics business. The project site at the Bradford Regional Airport is close to three major highways: U.S. Route 219 (north-south) is 3.5 miles west of the project site, U.S. Route 6 (11 miles away) and Interstate 86 in New York State (24 miles away) providing east-west transport.
- 5. The Proposed Investments Demonstrate a High Degree of Commitment by Local Government and Cooperation Between the Private and Public Sector The Bradford Regional Airport is committing \$50,000 in equity toward the \$2,450,000 project, as well as securing a \$500,000 loan from National City Bank (now PNC Bank). The Pennsylvania Department of Transportation Bureau of Aviation is committing \$900,000 to the project and has provided funding to begin project design. EDA and other federal/local funding will be used toward the actual construction cost of the building. The funding scenario previously described is both

workable and highly probable looking toward a completion date of December 31, 2011. The BRA Authority Board of Directors has authorized this project to be pursued and built pending funding availability. The four-county BRA Authority Board of Directors will assist in marketing the multi-tenant building to future business prospects in the airport service area. All funding for the project is approved, except for the remaining \$1 million (\$800,000 from EDA and \$200,000 from ARC).

## A.5. Applicant's Capacity

The BRA staff has the capacity to administer state and federal grant and loan programs. BRA has successfully managed over \$11 million of grant funds procured from various agencies including the Federal Aviation Administration, U.S. DOT, Appalachian Regional Commission, and PennDOT Bureau of Aviation. The BRA will work closely with the Office of Economic and Community Development of the City of Bradford, the North Central Pennsylvania Regional Planning and Development Commission (NCPRPDC), and the McKean County Economic Development Office in the preparation of applications and the administration of grant and loans programs to finance this project.

The BRA Authority has a full-time director and currently has eleven full-time employees. The BRA has a long history as a successful landlord. Several businesses lease space at the airport including 34 locally-based aircraft, Continental Connection, Hertz Rent A Car, Airport Restaurant, Hill-Top Aviation, BK Aircraft Services, Alle-Catt Flight School, Transportation Security Administration, and a flight examiner. In addition, the BRA has entered into agreements with local oil and gas producers to drill thirty-two oil and gas wells at the airport.

The existing staff of the BRA will be responsible for the recruitment of tenants, lease negotiations and lease agreements, lease payments, tenant relationships, and maintenance of the multi-tenant center. This capacity was recently demonstrated by the BRA through the recruitment of the Pennsylvania Army National Guard to the airport. The director of the BRA will work with local real estate agents, the McKean County Economic Development Office, the Office of Economic and Community Development of the City of Bradford, and the Kane Area Industrial Development Corporation in the recruitment of tenants. The BRA Multi-Tenant Center will be listed on the McKean County (www.mckeancountypa.org) and the BRA (www.bradfordairport.net) web sites.

#### **A.6.** Proposed Time Schedule for the Project

The project schedule will be dependent upon obtaining the necessary approvals of the grants and loans needed to finance the multi-tenant center. The BRA expects to have these commitments in place by the end of the second quarter of 2010. The BRA has entered into an A/E contract with Lee-Simpson & Associates to design the building. The design will be completed and the project will be ready for bid in June 2010. Permit applications have been submitted to the Pennsylvania Department of Environmental Protection and the site was "shovel ready" by the end of 2009. EDA funds will be used

for building construction. The length of the construction contract will likely be twelve months; however, the facility is expected to be completed within six-to-eight months. The best estimate is that construction would begin in September 2010 with completion by December 31, 2011 (see attached timetable of events). The first tenants will occupy the facility during the first quarter of 2012.

### A.7. Civil Rights

See attached EDA pre-application form and two checkboxes.

# A.8. Proposed Project Budget

The land value of the four-acre project site is not included in the project budget. The value of this property is \$ 27,826. This is based on a "Fair Market Value" of \$6,956.52 per acre.

### A.9. Non-EDA Project Funding

1. <u>Project Funding Sources</u> – The sources of funds to finance this project will be from the Economic Development Administration (EDA), Appalachian Regional Commission (ARC), Pennsylvania Department of Transportation (PennDOT), National City Bank (now PNC Bank) and the Bradford Regional Airport (BRA) Authority. The following table identifies each source, amount, percentage of project cost, and program from which funds will be obtained:

<b>Source</b>	<b>Amount</b>	<b>Percentage</b>	<b>Program</b>
EDA	\$ 800,000	32.6	Public Works
ARC	200,000	8.2	Area Development
PennDOT	900,000	36.8	Bureau of Aviation
National City (PNC)	500,000	20.4	Loan from Private Lender Bank
BRA	50,000	2.0	Equity
	\$2,450,000	100.0	

The ARC funding will be a supplemental grant through its Area Development Program. The basic federal agency to administer the ARC grant funds will be the Economic Development Administration (EDA). The ARC project summary has been reviewed by North Central Pennsylvania Regional Planning and Development Commission (NCPRPDC) and submitted to the Appalachian Regional Commission. This project was ranked high as a community and economic development project by the Executive Committee of the NCPRPDC in July 2009, and has been forwarded to the Office of Appalachian Development of the PA DCED for review and comment. It is anticipated that ARC grant funds could be approved by the end of the second quarter of 2010.

The BRA Authority has been awarded a PennDOT Capital Budget Fund Grant through the Bureau of Aviation Program in the amount of \$50,000 for Phase I of

this project, with a local share of \$50,000 for a total project cost of \$100,000. Phase I scope of work will include survey, environmental, engineering, permit applications and design. The 2007 Bureau of Aviation Grant has been approved and the BRA has entered into an A/E contract with the firm of Lee-Simpson & Associates, Inc. Project design will be completed by early 2010. EDA funding would be used for the building construction phase and not engineering/architectural design.

Additionally, the BRA Authority has been informed that the PennDOT has approved a Capital Budget Fund Grant through the Bureau of Aviation program in the amount of \$900,000 for Phase II of this project. Phase II scope of work will include the remaining engineering, site improvements and building construction. The BRA expected the Phase II Bureau of Aviation grant funds to be available for this project prior to the end of the first quarter of 2010. The official approval letter is dated January 4, 2010 and is attached.

A \$500,000 loan will be obtained from National City Bank (now PNC Bank). This loan will be on a tax-exempt basis with the security enhancement provided by McKean County. The McKean County Commissioners will guarantee repayment of the loan. Attached in Exhibit F is a letter from National City Bank (now PNC Bank). and a copy of a resolution from the Board of Commissioners of McKean County agreeing to provide the necessary guarantees for this loan. It is expected that this loan will close late in the first quarter of 2010. Initial loan proceeds will be used for bridge financing until reimbursable grant funds are received.

The BRA Authority will provide \$50,000 for this project. This will be a direct equity contribution. These funds are presently available for this project. In addition, the Authority will also provide the four-acre site upon which the multitenant facility will be located. The estimated value of the land is \$27,826. The land value is based on a purchase price of \$6,956.52 per acre, which was paid to the BRA by the Pennsylvania Army National Guard for the twenty-three-acre Readiness Center site. The purchase price was determined by two independent appraisals completed in 2005. The value of the project land is not included in the finance plan.

There do not appear to be any conditions or restrictions associated with the proposed sources of funds that would adversely affect the construction of the multitenant center. The proposed project is an eligible activity for ARC and the PennDOT Bureau of Aviation grant programs. The private lender may not require a mortgage on the structure, as adequate security for the loan will be provided through the loan guarantee of the McKean County Commissioners.

In the event additional funds are needed to complete this project, the BRA will seek other loan or grant funds. Options include requesting loan funds through the PA Industrial Development Authority (PIDA) or grant funds through Infrastructure Development Program (IDP) of the PA Department of Community and Economic Development (DCED), or the Rural Business Enterprise Grant (RBEG) Program of the United States Department of Agriculture. The proposed project is an eligible activity for these programs.

- 3. <u>Required Actions Needed to Secure Non-EDA Funds</u> The following actions are needed to secure the necessary commitments and approvals for non-EDA funds:
  - a. Obtain approval of a \$200,000 Area Development grant through the Appalachian Regional Commission. This request is currently being reviewed by the PA Office of Appalachian Development. It is expected that this request could be approved in the second quarter of 2010.
  - b. The BRA has received formal approval from the PennDOT for the \$50,000 Phase I grant from the Bureau of Aviation. The application for Phase II requesting \$900,000 from the PennDOT Bureau of Aviation was approved on January 4, 2010 (letter attached).
  - c. The McKean County Commissioners have committed to providing a loan guarantee in the amount of \$500,000. This guarantee of the county's tax base will provide the necessary security for the private lender (National City, now PNC Bank) to make this loan to the BRA Authority. Loan funds will be available prior to the start of construction. The loan would be consummated prior to the start of construction in September 2010.
  - d. The BRA Authority has committed \$50,000 to this project. These funds are currently available.
- 4. Other Federal Assistance associated with this Project The only other federal assistance requested for this project is the \$200,000 ARC grant. No adverse terms or conditions associated with the grant program will likely affect this project. This grant will be supplemental to the EDA basic grant. It is expected this grant will be approved prior to the end of the third quarter of 2010.
- 5. Other Potential Sources of Federal Assistance The Rural Business Enterprise Grant (RBEG) Program of the USDA is one possible source that could be used to finance part of the project. This program is not being considered at this time because of the size of the grant awards. In this region, grant awards usually are around \$100,000.

### PART B -- REGIONAL ELGIBILITY

- 1. The project site is located at the Bradford Regional Airport in McKean County. McKean County is a member in good standing in the regional Economic Development District (NCPRPDC). McKean County has four representatives on the regional Comprehensive Economic Development Strategy Committee out of the 27 official members. Total federal funding requested for this project is \$1,000,000 (\$800,000 EDA and \$200,000 Appalachian Regional Commission) and represents 40.8 percent of the total project cost, well within the 80 percent federal limitation.
- 2. The project was presented by the applicant at the May 17, 2006 Comprehensive Economic Development Strategy (CEDS) meeting and was prioritized by the regional CEDS Committee as the number one priority for fiscal year 2007 for Economic Development Administration funding consideration. The project continues to be a part of the regional CEDS process and is included in the NCPRPDC 2009 CEDS document as a regional priority.

#### 3. Economic Distress

Unemployment rates (not seasonally adjusted) for November 2009 in the four-county service area:

Warren	7.7%
McKean	10.2%
Cameron	16.0%
Elk	11.6%

Ethan Allen closure (300 employers) and significant layoffs with Zippo Manufacturing, Case Cutlery, lumber industry, and powdered metal manufacturing.

	Population Decline			
	<u>1990</u>	<u>2000</u>	2005 est.	
Warren County	45,050	43,863	43,360	
McKean County	47,131	45,936	45,009	
Cameron County	5,913	5,974	5,704	
Elk County	34,878	35,112	33,595	