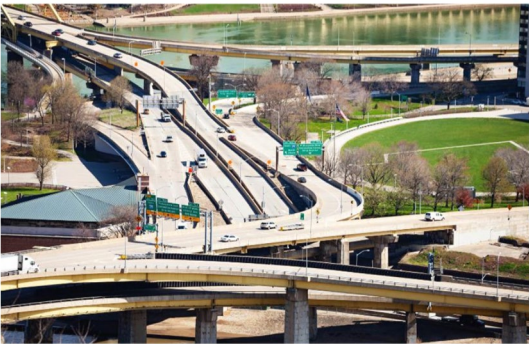


# Southwestern Pennsylvania Commission



# Regional Policy Advisory Committee

June 24, 2024

2 p.m.





# Opening Agenda Items

- Welcome and Introductions
- Action on the Minutes from April 22, 2024 meeting



# Climate Pollution Reduction Grant Update, Broadband Update, Recap of Harrisburg Trip, and Status of the Save the Allegheny Initiative (STAR)

Dj Ryan, Director of Strategic Initiatives & Policy

Agenda Item 3





# Climate Pollution Reduction Grant

- Implementation Grant application still pending – July
- Planning process continues
  - Scheduling our first Advisory Committee meeting later this summer
- Public meetings to begin late summer/early fall
  - Holding these in targeted locations, not county seats



# Broadband

- PA challenge process concluded last month, all counties participated.
- Reviewed 4,139 CAIs and challenged 873
- 1,216 residential speed tests taken
- Many were already marked as un/underserved/other but 19 additional residences found
- Exploring SPC support for additional county work going into next phase





# Harrisburg Recap

- 8 counties represented
- Primary issues discussed include:
  - Broadband
  - SITES proposal (more on that later)
  - Transportation funding
- Washington, DC trip in September – all commissioners are urged to attend, more details forthcoming.



# Save the Allegheny River (S.T.A.R)

- Water Resources Development Act is out of committee, looking for more concrete updates on Pittsburgh-Area locks soon
- Regardless of outcome, STAR will meet this summer to check-in and determine next steps
- Paddle-through to take place August 23<sup>rd</sup>, all are welcome
  - Contact Dj if interested





# Discussion on the Complete Streets Policy

**Dom D'Andrea, Director of Transportation Planning**

**Agenda Item 4**



# Update on PA SITES

**Jenn Lasser, Director of Workforce and Economic Development, Allegheny Conference/PRA, & RIDC**

**Agenda Item 5**



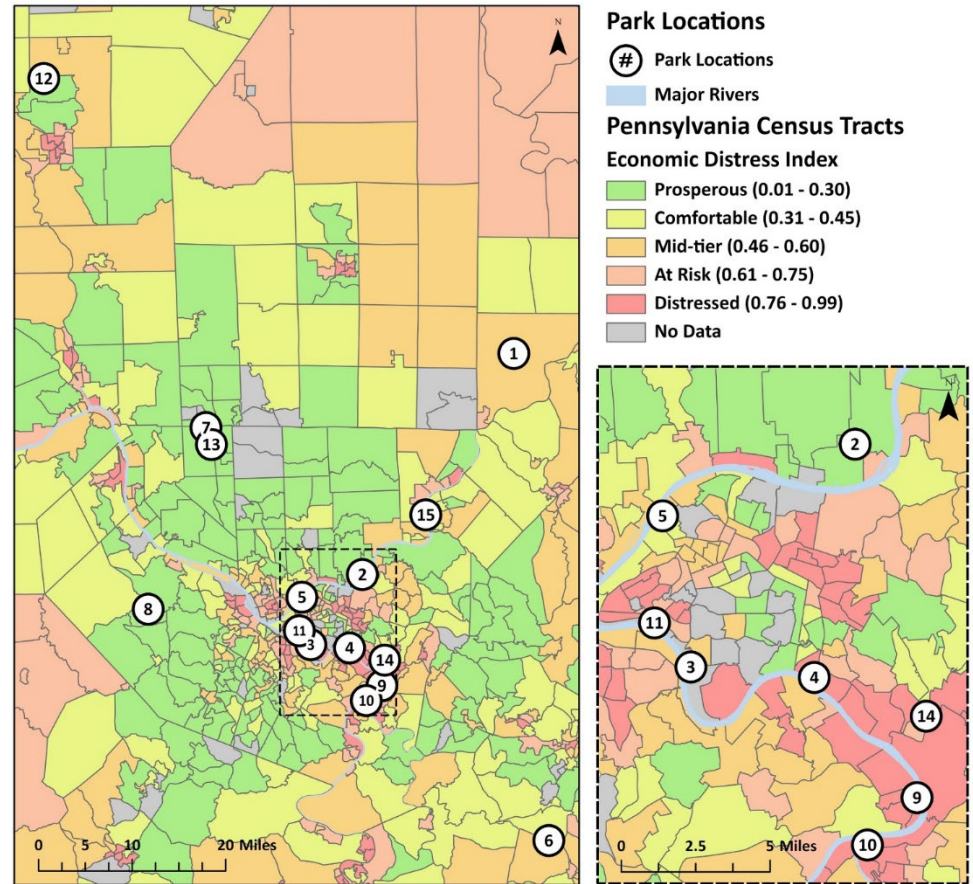


# Site Prioritization Metrics

June 24<sup>th</sup>, 2024

# RIDC: Regional Driver of Growth

- Private economic development nonprofit
  - Receives no public operating support & pays real estate taxes
  - Largest IDC in the state
- Developing competitive industrial and technology sites and facilities
- Sharpened focus on strengthening industry growth clusters: Autonomy, Biotech & Advanced Manufacturing
- Focus on growing opportunities in underinvested "seedling" communities





# Pittsburgh is lagging behind Peer Cities

## Region Versus Competitors: Job Growth

### Regional (MSA) Employment

Metro Region (MSA)	Job Growth 2018-2023	Current Jobs Versus Pre-Pandemic (Feb. 2020)
Philadelphia (includes MD, NJ, DE)	6.0%	104.1%
Cincinnati	4.8%	103.6%
Columbus	3.9%	102.0%
Cleveland	-0.8%	98.4%
<b>Pittsburgh</b>	<b>-1.2%</b>	<b>98.3%</b>

Source: U.S. Department of Labor Bureau of Labor Statistics

# Pittsburgh is lagging behind Peer Cities

## Region Versus Competitors: GDP Growth

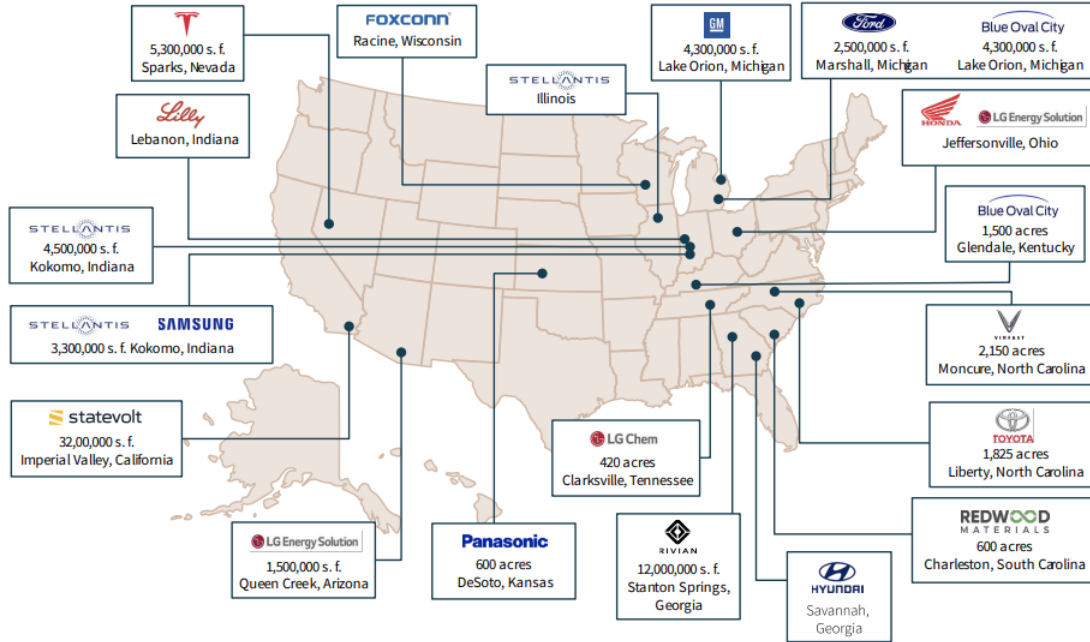
### Regional (MSA) GDP

Metro Region (MSA)	GDP Growth 2017-2022	2022 GDP Versus Pre-Pandemic (2019)
Columbus	11.2%	106.5%
Cincinnati	8.1%	103.0%
Cleveland	7.5%	103.2%
Philadelphia (includes MD, NJ, DE)	4.6%	101.9%
<b>Pittsburgh</b>	<b>1.7%</b>	<b>98.3%</b>

Source: U.S. Department of Commerce Bureau of Economic Analysis, in constant 2017 dollars



# Federal Investments are Driving Major Real Estate Development, but not in PA



Source: JLL Research. Expansions not included on map. Updated February 2024

## Breakdown of manufacturing announcements tracked by JLL research since IRA

Total: 393

11 Life Sciences and Healthcare

17 Technology (semiconductor)

52 Energy

246 EV, Battery and Automotive

15 Aviation and Aerospace

Source: JLL Research

# Why is it difficult to do deals in PA?

*For every \$1 dollar of state investment in industrial sites, there is a \$5 tax ROI for the Commonwealth*  
- PGH Works Together Tax Analysis

Barriers to real estate development:

- Site-level concerns
  - Environmental remediation need or past liability (Act 2 or 3 Status)
  - Deterioration of infrastructure or existing structures
  - Inadequate utility access, road/transportation access
  - Outdated surveys or permits
  - Owner/Developer financial capacity
  - Equity invested and investable
- Permitting process
- Lack of pad-ready sites
- No framework for third-party evaluation of sites



Site of unsuccessful real estate deal in Mahoning Township, Lawrence County



Re:Build Manufacturing in New Kensington:  
required lengthy dealmaking process

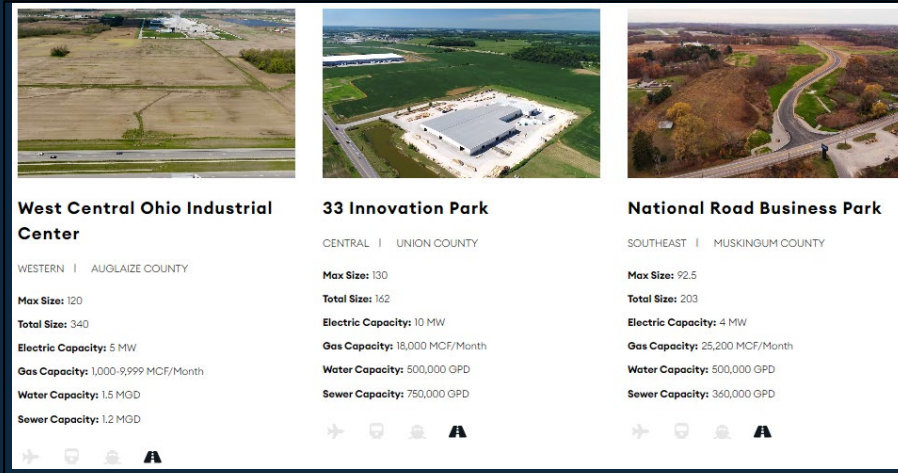
# What are other states doing that we're not?

## Certified Sites

- Checklist/ framework to catalogue and compare site characteristics
- Advantages
  - Neutral comparison with less political influence
  - Checklist on what's needed provides roadmap for municipalities
  - Helps the region align on strategy to attract jobs
    - State policy, permitting process

## JobsOhio/SiteOhio

- Comprehensive review of site characteristics
  - Free evaluation by professional site selectors
  - One-time \$500 fee if selected
- 23 certified sites displayed on website
  - Additional statewide property database



West Central Ohio Industrial Center	33 Innovation Park	National Road Business Park
<b>WESTERN</b>   AUGLAIZE COUNTY	<b>CENTRAL</b>   UNION COUNTY	<b>SOUTHEAST</b>   MUSKINGUM COUNTY
<b>Max Size:</b> 120 <b>Total Size:</b> 340 <b>Electric Capacity:</b> 5 MW <b>Gas Capacity:</b> 1,000-9,999 MCF/Month <b>Water Capacity:</b> 1.5 MGD <b>Sewer Capacity:</b> 1.2 MGD	<b>Max Size:</b> 130 <b>Total Size:</b> 162 <b>Electric Capacity:</b> 10 MW <b>Gas Capacity:</b> 18,000 MCF/Month <b>Water Capacity:</b> 500,000 GPD <b>Sewer Capacity:</b> 750,000 GPD	<b>Max Size:</b> 92.5 <b>Total Size:</b> 203 <b>Electric Capacity:</b> 4 MW <b>Gas Capacity:</b> 25,200 MCF/Month <b>Water Capacity:</b> 500,000 GPD <b>Sewer Capacity:</b> 360,000 GPD

Source: JobsOhio Website

# Characteristics of a Certified Sites Program

1. Market analysis to align site with **market need by growth sector**
2. Checklist of **site characteristics**
  - Remediation/redevelopment needs
3. **Third party neutral evaluation**

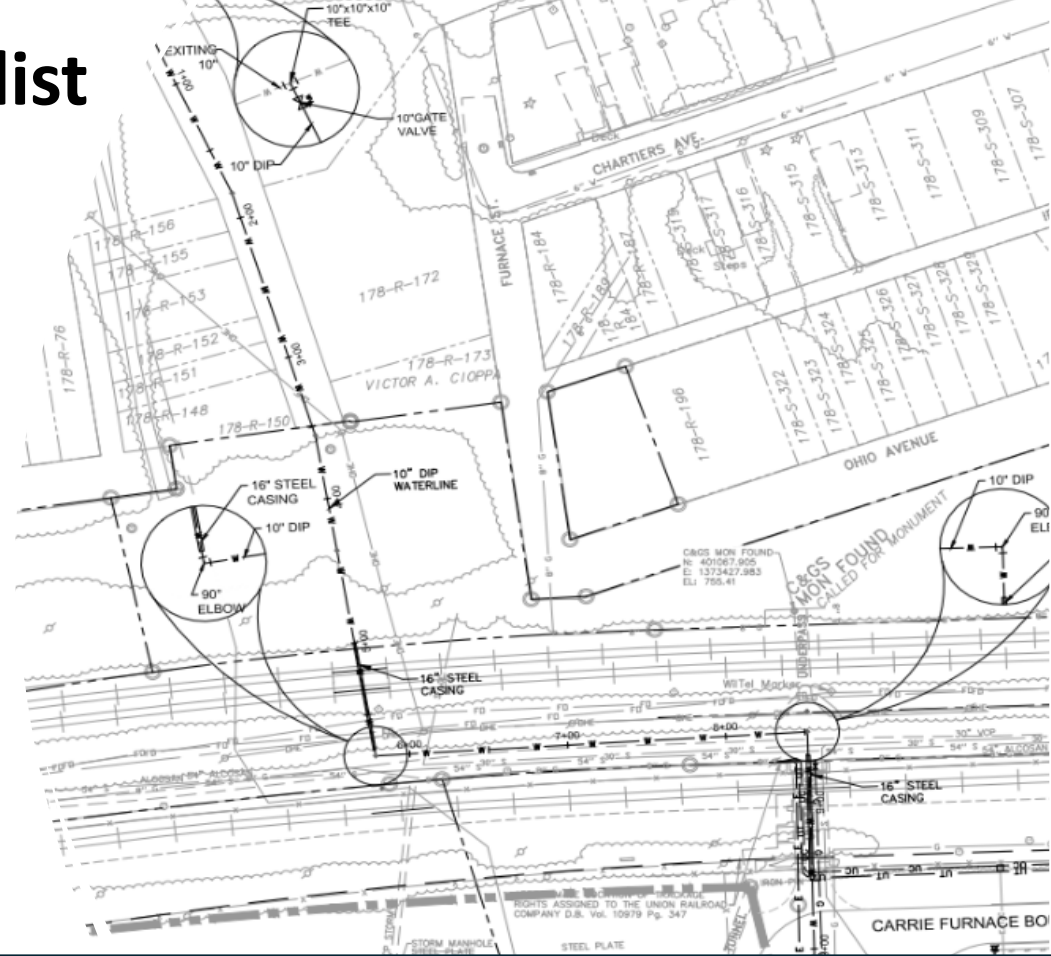


# Market Need

- Evaluate market need to understand what types of sites are needed
- Market need by growth sector (Advanced manufacturing, cleantech, autonomy, life sciences, etc.)
  - Size
  - Location
  - Attributes
- Economic Development Indicators (workforce, educational attainment, etc.)
- Federal Funding access/eligibility

# Site Characteristics Checklist

- Utility Metrics
  - Existing Capacity
  - Cost/Time to Deliver
- Accessibility
  - Road/rail access
  - Distance to potential markets
- Administrative barriers
  - Surveys/Permits
  - Zoning in place
  - Site Control



# Third Party Evaluation – Case Studies

## Identifying Market Demand/Economics

- Louisville Site Selectors Guild
- ULI panels
- NAIOP Panels
- Broker panels (conflict policy)

## Certified Site Programs for Site Characteristics

- SiteOhio
  - Professional site selectors deployed by JobsOhio
  - Prioritization of sites based on key real estate characteristics

# Takeaways and Next Steps

- Unprecedented need and opportunity
- Need to be strategic and market focused
- A rigorous process helps everyone identify best sites and what is needed to bring them to market
  - The data is half of the value
- Sites need to be tied to opportunity industries
- Sites alone won't do it -
  - Incentives, permits, business climate, and workforce also key



# PA SITES

- PA Strategic Investments to Enhance Sites Program
- Administered via DCED through Pennsylvania First Program
- The program is intended to serve as gap financing for strategic sites that need financial assistance to help reduce development risk for businesses.
- The grant funding is intended to help finance strategic investments that will enhance sites across the Commonwealth to effectively compete for expanding and relocating businesses.
- The program will help reduce development risk for businesses by timeline reduction from the development of public infrastructure or reducing unknown development costs
- Governor proposing 500M for PA SITES in FY24/25 Budget

# PA SITES - Continued

- Initial program interest for from over 100 applicants (representing 235M in projects) for 10M in funding
- In an effort to be prepared for future funding rounds, regional partner Allegheny Conference via PRA reached out to all SWPA County EDOs to ask for their top priority sites.
- SPC has received and will be providing this list to the County Commissioners to be aware of key sites for application purposes if the 500M (or future approved budget amount).
- Additional talking points to be provided to help discuss the importance of these projects to the economy of the region.

*Goal is to be prepared early and bring as many resources and dollars as possible to SWPA to help enhance the economic development preparedness of the region.*

**Next Meeting Date:  
August 26, 2024**

**Agenda Item 6**



# Adjourn

**Agenda Item: 7**

