A publication of the Moshannon Valley Economic Development Partnership, Inc.



MOSHANNON VALLEY PROGRESS

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Executive Director's Message



"The thrill of victory and the agony of defeat". This is one of the first thoughts that popped into my mind when we first learned of the new presi-

dent's plan to end the federal government's contracts with private corrections companies. I just can't say enough about how disappointing it is for the Moshannon Valley to have lost our GEO Moshannon Valley facility. How hurtful this closing is to our regional economy.

You have most likely already seen the press release that was issued to the media about the GEO closing. We said that we always knew that this closing could happen but we never thought that it would due to this facility being a high achiever and excellently managed. How is it that government just arbitrarily closes facilities without first determining whether the privately-managed facility is more cost-effective than a government-run option? They claim that illegal immigrant numbers are down and the space is not needed.

Our number one concern is for the employees of GEO Moshannon Valley.

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YMCA Food Bank Relocates to the Enterprise Center

The Centre County YMCA's Moshannon Valley food bank operation has relocated to the Partnership's Moshannon Valley Enterprise Center. Mel Curtis, Director of the local YMCA, contacted the MVEDP to say that they needed to free up their space at the Keno Beezer building located next to the main YMCA facility. That building had been the location of the food bank.



The Partnership had a 10,000 sf. space available to offer to the YMCA and as of January 1st, the food bank has been located at the MVEC. The building space was previously occupied by Diamondback Truck Covers who left the Enterprise Center to build their own manufacturing plant in the Regional Business Park.

Mel Curtis has reported that the need for food is still great for many people in the region. He said that the need has increased significantly since the pandemic began back in February/March of last year.

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Message

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The next six to eight months could be a very difficult time for many of these good folks and we want to ensure that state and federal agencies are doing everything possible to assist them.

Regarding the future use of the property, it is the GEO Group of Boca Raton that owns and controls the property. The MVEDP has been working to involve elected officials and federal and state agency leaders to work collectively to generate ideas for its future use. (See Press Release pages 6-7)

MVEDP Sells Lot #6 at Regional Business Park



Ridge & Valley Holdings

In January, the MVEDP sold Lot #6 in the Moshannon Valley Regional Business Park. Ridge and Valley Holdings, a subsidiary of Organic Climbing, has purchased this 4.912 acre lot. These companies are

owned by Josh Helke who came to this region from Minneapolis, Minnesota. His Organic Climbing is a manufacturer and they are located on Lot #5.

For the first time, the MVEDP had two interested parties wanting to purchase the same lot at the Business Park. Elsewhere in this newsletter is the article about ShipItDone and their new residency within the Moshannon Valley Enterprise Center. Their first interest was to buy Lot #6.

The MVEDP had previously granted a right of first refusal to Josh Helke, that he would have the first right to purchase Lot #6. Mr. Helke exercised that right and purchased the lot. His plan is to continue to grow the company and expand it over to Lot #6.

The sale of Lot #6 now leaves the MVEDP with just one lot remaining in the Business Park, Lot #11. This lot is 4.923 acres and the asking price is \$123,075.00.

Two Small Businesses Locate to the MVEC

Two small businesses have located to the MVEC since late 2020: ShipItDone, LLC, and Concrete Simplicity Consulting & Supply, LLC. Ship-ItDone, LLC owned by Hongxia Wang and her husband Marshall Taplits. This business is involved in e-commerce including shipping, warehousing and distribution. The business was first started up in the garage of their home in the State College area. The couple's business continued to grow so they contacted the MVEDP looking for either a site or an existing building. They occupy 3,000 sf. of space at the MVEC.

Bringing Concrete Simplicity to the MVEC is a true business retention success story. The business is owned by Karen Reese, professional engineer. She had the business located in the Woodland area until her landlord said that she needed to move. She contacted the MVEDP and asked if there was space available in either of two MVEDP buildings. What made her search unique is that she needed space that included a garage area for vehicles. The MVEDP had just the 4,900 sf. space that she was looking for and she has been at the MVEC since October 15, 2020.

State Loans Through the PA Industrial Development Authority at Very Low Interest Rates

The PA Industrial Development Authority provides very low interest loans to businesses throughout the state. Local Certified Economic Development Organizations like the Partnership work to package the loans on behalf of the PIDA staff in Harrisburg. Their current lowest rate is 1.75%.

Recent PIDA loans to companies located here in Centre County or the Moshannon Valley include loans to: Organic Climbing, Genna Ice, Homeland Manufacturing, and Advanced Powder Products. In November a \$1.8 million loan was closed with APP for the construction of their new 26,000 sf. building addition. The MVEDP used PIDA loan funds to acquire the former hospital site, and to renovate its Moshannon Valley Enterprise Center.

FY 2020 MVEDP PROGRAM OF WORK & ACCOMPLISHMENTS

The MVEDP formulated the FY 2020 Program of Work in late 2019 just months before the onset of the COVID 19 pandemic; FY 2020 will always be remembered for the pandemic, and fortunately, the MVEDP was still able to successfully continue its economic and community development work.

Land

- --sell one or two lots in the Philipsburg Area Commerce Park
- --sell one of the three remaining lots in the Regional Business Park
- --enter into a new contract with Ryen Realty to market and sell our land
- --continue to work with the MVEDP's Site Selection Committee to find other sites
- --negotiate with the GEO Group on the possible acquisition of their land
 - **The MVEDP sold one of our PACP site lots: to MVEMS for a new ambulance facility
 - **The MVEDP sold Lot #9A in the MVRBP to Diamondback to assist them with growth
 - **The MVEDP sold Lot #3 in the Business Park to Sewer Catt, LLC
 - **The MVEDP entered into a new contract with Ryen Realty to represent our properties
 - **Until the onset of COVID 19, the Site Selection Committee was active in its search for another site to develop into a business park;
 - **With the land sale proceeds from the MVEMS, the MVEDP paid down the PACP state PIDA loan of \$117,395 by \$45,000, to \$72,395
 - **The MVEDP has two potential projects listed with SEDA-COG, the federal EDA priority list
 - **The MVEDP approved a Right of First Refusal for Lot #6 involving Organic Climbing

Financing

- --work to package additional state PIDA loans throughout all of Centre County
- --generate one or more loans through the MVEDP's RLF Program
- --assist in getting the Advanced Powder Products PIDA loan closed
- --maintain the MVEDP's state-recognized status as a Certified Economic Development Organization
 - **The Homeland Manufacturing PIDA loan was closed out; \$1.3 million
 - **The MVEDP packaged the Advanced Powder Products PIDA loan, \$1.8 million for the construction of their new 28,000 sf. manufacturing facility addition; delays caused in part by the COVID 19 pandemic led to the loan not closing until 2021
 - **The MVEDP continued to network with over 25 bankers/finance professionals working in the State College region to spread the word about state PIDA financing
 - **The MVEDP closed Loan #5 to Grauch Enterprises
 - **The MVEDP approved/closed loan #10 with MVEMS, \$78,135
 - **The MVEDP closed a state PIDA loan of \$77,500.00 for the MVEC renovation project
 - **The MVEDP tracked every COVID 19 federal and state program that was created to provide funding to businesses hurt by the pandemic; PIDA applications were initiated but discontinued when it was learned that the funding was allocated within 4 working days
 - **The MVEDP's Revolving Loan Fund Committee approved allowing current loan recipients a period of interest-only payments to help these clients with cash flow during the pandemic

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FY 2020 MVEDP PROGRAM OF WORK & ACCOMPLISHMENTS Continued from Page 3

Building Space

- --negotiate and finalize a new lease with Drucker Company
- --rent the available space that is available within the MVEC
- --complete the renovations at the MVEC and close out the federal USDA grant
- --work with Ryen Realty to locate potential business tenants for the MVEC
 - **the MVEDP negotiated a new four year lease agreement with Drucker Company; the addendum is valued at valued at \$930,000; their 85 jobs are retained in Centre County
 - **the MVEDP entered into a new lease with Concrete Simplicity for 4,925 sf. of space at the MVEC; replaced General Opto Solutions who had departed earlier in the year
 - **completed the \$225,000+ renovation project at the MVEC; concrete floor project, roof, pavement, lighting, new sewer line, and a major ceiling tile replacement project; also new flooring work at American Home Patient, new front entry concrete walk, and renovations to accommodate new tenant Concrete Simplicity
 - **the MVEDP secured the \$75,000 grant through federal USDA for the renovation project, and the state PIDA loan of \$77,500
 - **the MVEDP renewed its leases with MVEMS, EC Power, IWOM Outerwear, Skills, Orkin, Nittany Laser, and Creotek (7 renewals)

Business Retention

- --work with any local business that requests assistance from the MVEDP
- --continue to be an active participant in the state PREP program; partner with the SBDC, Ben Franklin, Penn State, and SEDA-COG
 - **the MVEDP met all PREP program requirements and continued to receive state funding
 - **the MVEDP worked with many local businesses to assist them with their needs; Diamondback Truck Covers, Thieves Market, APP, PMG, Stellar Flooring, Organic Climbing, and Concrete Simplicity to name a few

MVEDP RLF Program

The MVEDP's Revolving Loan Fund program has been available to local businesses since 1988. The matching loan funding can be used for working capital, machinery and equipment or land and buildings. The interest rate is as low as 2.5%! One of the most outstanding features of the program is the quick turnaround time. Once a reviewable application is received, the loan committee will meet and if the loan is approved, the money provided to the borrower in less than 30 days. Contact the MVEDP at 342-2260 if you have a business seeking loan financing.

Free Advertising Opportunity

Reserve your space in the "Moshannon Valley Progress." Take advantage of absolutely free advertising for your business. Contact the Partnership for details. Contact Sharon Yingling at 814-342-2260 or send an email to sharonf@mvedp.org. Advertising is free to Partnership members only. Limited space available so call today.

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The "List of 21" is Now "The List of 22"

Since 1990, there has been great interest shown in the Partnership's buildings and sites from people with some connection to Happy Valley or Penn State University. For the past two years, there had been twenty-one (21) people who had some connection to that area who brought their businesses to the Moshannon Valley. Examples include: Custom Castings, NE., Diamondback Truck Covers, Advanced Powder Products, Drucker Company, EC Power, and PolyK Technologies.

With the recent addition of ShipItDone, the "List of 21" is now the "List of 22". Marshall Taplits was a student at Penn State University years ago. He moved to China, met his wife and they started their family while in China but then decided they wanted to move back to the United States. Marshall's plan was to move the family to Happy Valley and he did just that.

There have now been 22 businesses located here because their owners had a connection to Happy Valley or Penn State. The MVEDP will continue to market its assets to that area of Centre County. We have excellent building space and sites to offer that are priced so much lower than the market driven prices of the State College region. With Rt. 322 now mostly four-lanes, it makes great sense for entrepreneurs and small business owners living there to have their businesses established here in the greater Philipsburg region.

COVID 19 Update

The MVEDP continues to monitor the business tenants of both its Moshannon Valley Enterprise Center and the Regional Business Center. Fortunately, there has not been a big issue with this virus at these facilities. The MVEDP has monitored the businesses located there every Monday for over a year now. There have been a couple of cases where an employee of a business came in contact with someone that had the virus. That employee needed to be quarantined and their work

area sanitized. Even MVEDP staff have come in contact with someone who was infected. Luckily, there has been no major issue with the virus at the MVEDP nor with the employees of the businesses that occupy building space at its properties.

PRC and MVEDP Work Closely Together To Apply for Federal Funding

The Philipsburg Revitalization Corporation is the sister organization to the MVEDP. Recently, this close working relationship was very evident in the work that was completed to apply for federal USDA funding. Dr. Karen Blair, a member of both the MVEDP and the PRC boards of directors, provided over 60 hours of her time to prepare the USDA application for submittal by the deadline of March 31st. The application was submitted and was very professionally prepared.

MVEDP staff members Sharon Yingling and Sherrie Beals were both most helpful to Karen in her work to complete the application. The PRC's board president Eric Kelmenson was involved in some of the application work too and he was grateful to Karen and the MVEDP staff for their assistance in completing this federal funding application. Funding will be used for the renovation of two Front Street properties.

GEO Moshannon Valley Press Release of March 17, 2021

The Moshannon Valley Economic Development Partnership (MVEDP) announced today that a large group of people consisting of GEO Group representatives, elected officials, state agency personnel, county economic development officials and team members of the MVEDP are now working to determine what opportunities there might be for the reuse of the GEO Moshannon Valley property.

"The upcoming closure of the GEO Moshannon Valley facility is the worst economic news

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GEO Press Release Continued from Page 6



that we have received in our region in over twenty years," said Bryan Bennett, President of the MVEDP. "The MVEDP believes it essential that local leaders now work with GEO Group representatives to determine if there will be any reuse opportunities. On Friday, March 5th, we hosted an on-line meeting of these officials to discuss both the short-term and long-term objectives of this reuse effort. It was a very good meeting and we were pleased with the participation of numerous GEO Group, state and local officials," he said.

Congressman Glenn Thompson expressed his disappointment with the Biden administration's Executive Order to end the contracts with private corrections companies. "To just unilaterally end those contracts without analyzing the costs and benefits of each individual facility is a huge mistake," he said. "With the change in the administration we knew that the termination of the contracts was inevitable," he said.

"We have always known that our Federal government could end its contracts with private corrections companies like GEO Group, but we never thought that we would lose this local asset" said Stan LaFuria, Executive Director of the MVEDP. "This GEO Group facility has been professionally managed and has been rated by the Federal government as a high performer since the very beginning. We have been dedicated to this job-providing facility since back in 1998 when we first worked with GEO's predecessor Cornell Companies to site the

facility here in the Moshannon Valley. We were dedicated to securing this facility for our area back then, and we are dedicated now to assisting GEO Group with their efforts to determine whether there are any reuse opportunities," he said.

State Senator Jake Corman provided some valuable input at the meeting regarding the state legislation that was passed in the late 1990s/early 2000s that allowed the Cornell facility to operate in the State of Pennsylvania. "That legislation was structured to allow, for the very first time, a privately-owned corrections company to operate in Pennsylvania only if it had federally designated clients or inmates," said Corman. "If there is a plan to have non-federal inmates at GEO Moshannon Valley, there will need to be new legislation approved by the state House, Senate and Governor," he said.

"It will not be easy to develop a reuse for the facility involving the Federal government," said Adam Hasner of the GEO Group. "The Feds have terminated contracts with private providers because of their claim that inmate populations are down and excess space exists at government-owned facilities. We are now initiating discussions with other federal agencies," he said.

GEO officials who participated in the meeting included Adam Hasner, David Venturella, Blake Davis, Amber Martin, Bruce Brown, John Oliver, Chris Ryen and Clint Cullison.

Local elected officials that participated included Congressman Glenn Thompson, State Senator Jake Corman, State Senator Wayne Langerholc, Clearfield County Commissioners John Sobel, Tony Scotto, and Dave Glass, and Centre County Commissioners Mark Higgins, Michael Pipe, and Steve Dershem.

A key official with the PA Department of Labor & Industry – Steve Wolf, and Susie Snelick, Executive Director of the North Central Workforce Development Board.

The MVEDP's team of participants included two of its officers, President Bryan Bennett and Assistant Treasurer Jim Pollock, and Stan LaFuria, Executive Director.

Thank You Members!

The Moshannon Valley Economic Development Partnership thanks you for your support of our economic & community development efforts!

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