

The Congressional Natural Gas Caucus

Public Hearing

at

Pennsylvania College of Technology

July 26, 2013



Jeff C Wheeland

Chairman, Board of Commissioners

County of Lycoming

Good Morning and welcome to Lycoming County, Congressman Thompson, Congressman Marino and your fellow members of the Natural Gas Caucus. We're honored you are with us today.

The County of Lycoming has been a leader in the Marcellus shale gas play since 2008. We have consistently maintained a proactive posture choosing to help shape our destiny, rather than react to the actions initiated by others. But, this didn't happen without a total team effort as we planned and prepared for the industry's growth. From infrastructure challenges, housing demands, to our land records, we learned very quickly that you must become engaged early. I sincerely appreciated Governor Corbett inviting Dr. Matteo and me to join the Marcellus Shale Advisory Commission chaired by Lt. Gov. Jim Cawley. This allowed us a unique opportunity to provide "grassroots" input to the administration's gas impact proposals. We're pleased to see that many of our recommendations were included in Act 13 as enacted in early 2012.

In Feb 2008, Lycoming County formed our Community Natural Gas Task Force. Consisting of County commissioners, state legislators, county planners, chamber members and other civic leaders, the Task Force studied the issues and challenges facing us. We travelled to Texas in July of that year to get a first hand understanding of this new industry and what we needed to do to be better prepared. We returned home and shifted our actions into high gear! I am pleased to say that we are now reaping the benefits of that early planning.

As a driving economic force, we recognize that nearly 2/3rd of Pennsylvania's 67 counties are in the Marcellus Shale Play. It's a major energy driver for the future of our nation and a tremendous economic force for our state. Our geographic proximity to the Northeast US markets makes Marcellus Shale gas development very enticing to industry. Incidentally, in 2012, there were more new gas wells drilled – or spudded - in Lycoming County than in any other county in

Pennsylvania. By the end of 2012 there were 700 unconventional gas wells drilled in our county. As of today, that number is approaching 775.

Opportunity has knocked on our door and we found ourselves at the right place at the right point in time. Lycoming County in general, and Williamsport in particular, is at the nexus of highway, railroad, air connection points and the Transco interstate Pipeline. Our designated growth areas along Interstate 180 and the West Branch Susquehanna River are the closest you can get to the drilling fields and lend themselves to the placement of drilling service companies. We now have nearly 120 new or expanded businesses related to gas activity. This means Lycoming County is both a gas producing mecca as well as an industrial home to the myriad of companies that provide support services to the industry.

Consider, for instance, that about 75 percent of our county - incidentally the largest land mass county in Pennsylvania - is under private landowner lease to the gas industry or available for lease through the state which owns thousands of acres of forests and game lands. Thanks to our Planning Department's 20-month effort to craft a sensible County Zoning Ordinance update, we can honestly say that drilling and extraction activities can co-exist in balance with the quality of life goals so important to our citizens.

Let me now shift gear and share with you a few of our local success stories.

Pennsylvania College of Technology has developed training programs for gas field workers. The industry wants an indigenous supply of manpower properly trained to fill multiple roles at the drilling sites. Thankfully, Penn College is helping to meet this manpower demand and I'm pleased to say that Lycoming County recently contributed some of its Act 13 gas impact fee funds to help set up 50 scholarships for county residents who are either veterans, unemployed or underemployed to work as gas field personnel. In addition, we are in the process

of contributing another \$35K to Penn College for scholarships in the area of training for emergency service personnel.

This past May, county staff was invited to the National Brownfields Conference in Atlanta, GA, and asked to share how the gas play has allowed us to recapture and revitalize some of our most depressing Brownfield locations. For example, the Borough of Montgomery - an old down-trodden mill town in southern Lycoming County - has seen the resurgence of its industrial base thanks to gas companies. The presence and proximity of rail was a key ingredient in this revitalization. Three new companies are now operating there! An abandoned and vacant public housing site in western Williamsport, formerly known as Kennedy King, is now home to MiSwaco-a manufacturer of chemical MUD for the drilling operations. This was a non-tax producing location that now is back on the tax rolls with a multimillion dollar facility and approximately 75 family-sustaining wage jobs.

In late 2011, the county initiated four Marcellus Shale impact studies - two were finished last fall - the other two are being aggressively worked as I speak. These are in-depth, quantitative studies that examine impacts associated with housing, water & sewer, transportation and public safety/education/social infrastructure. Each study identifies the most pressing needs and highest priorities to address, and serves as a very useful guide to make sure that I and my fellow commissioners make the best possible allocations of impact fee revenues we receive from the commonwealth.

These studies have given us an objective analysis regarding the water and sewer needs for two industrial areas of Lycoming County. Within our Muncy-Montoursville growth corridor, there exists a 149 acre industrial park that has been developed as the rail-sided Marcellus Energy Park. The Park is currently home to four companies in the well field services sector with expansions and additions on the drawing board. South of this site lies the Route 405 Industrial Corridor that is

home to a number of gas related companies including Halliburton. Both areas benefit by the public infrastructure we are helping to fund with our Act 13 dollars.

We have used the arrival and growth of the gas industry to serve as an impetus to undertake massive public-improvement initiatives. The network of communication towers which ring Lycoming County and host our microwave system for public safety are being systematically rehabilitated or replaced, our antiquated land records system is being digitized and scanned, a structural analysis of every one of our 104 small bridges has been completed, our 65 year old airport terminal is being brought into the 21st century and the City's Reach Road in the Williamsport Industrial Park is being reconstructed. These are but a few of the many infrastructure projects we're aggressively advancing.

At the state and national level we have been invited to share our precedent setting Brownfield housing project known as Memorial Homes. We started our environmental assessment work at this now vacant location in 2008. But it was the National Brownfield Conference in 2011 that put us on the map where we received national level attention. This 3.5 acre site will be the home of some much-needed affordable and market rate housing. From a marginal tax base site of yesterday, this location will soon experience the benefit of some \$17.5M of mainly private investment. This is an excellent demonstration of a County-City collaboration which was able to successfully secure additional funds from PA DEP, PA DCED and the US EPA to take this environmentally problematic site and transform it into a showpiece for housing. This is the largest Brownfield project we're ever undertaken. Our investment in this endeavor includes \$610K of Act 13 Impact fee funds plus the talents of our planning staff to forge a long term partnership with the City.

The County's innovative Act 13 grant loan program has made the aforementioned projects possible. To date we have received over 20 funding applications from our municipalities and public authorities. We have done much but there is still much more to do. Let me assure you that we are vigilant in pursuing federal programs that we can leverage with well-developed, thoroughly vetted projects –with your help we can make our Gas Impact fee funds stretch even further. On behalf of all our County Citizens, I thank you for the opportunity to offer you a brief snapshot from the County-Level.