

penn's 
northeast
2011/2012
ANNUAL
REPORT



Founding Partners

BIDA, BIP & Spirit, Inc.
CAN DO, Inc.
Governor's Action Team, Northeast Regional Office
Governor's Northeast Pennsylvania Regional Office
Gr. Pittston Chamber of Commerce
Gr. Wilkes-Barre Chamber of Business & Industry
Luzerne County Office of Community Development
Monroe County Industrial Development Authority
Northeastern Pennsylvania Alliance
PPL Electric Utilities
The Scranton Plan
UGI Penn Natural Gas, Inc.
UGI Utilities, Inc.
Verizon
Wayne Economic Development Corporation

Investors

Blue Cross of NEPA
Borton-Lawson
Coldwell Banker Commercial Pennco Real Estate
Earth Conservancy
First National Community Bank
Forest City Industries
Hinerfeld Commercial Real Estate
Interstate Distribution Center
Kane Is Able, Inc.
Lackawanna County Commissioners
Mericle Commercial Real Estate Services
Michael Baxter & Associates Commercial Real Estate
Mohegan Sun at Pocono Downs
National Penn Bank
The Norwood Company
Pennstar Bank
PNC Bank
QEI Construction Group
Reilly & Associates
Rosenn, Jenkins & Greenwald, L.L.P.
The Honesdale National Bank
Wayne Bank
Wayne County Chamber of Commerce



A Message from the Board Chairman

Americans are aware of the importance of united action when solving problems. During the signing of the Declaration of Independence, Ben Franklin was quoted as saying, "Gentlemen we must all hang together or we most assuredly will hang separately." Their commitment to unity enabled our founding fathers to persist through very difficult times in their effort to create a "more perfect union."

The downturn of the last three to four years has been among our country's most challenging economic crises in our history. We have confronted these problems as a nation and it now seems clear that we are in the first stages of recovery.

In the past year Penn's Northeast has been working to identify new strategies to help us address the many changing realities that confront our marketplace. We first engaged a feasibility analysis that surveyed our stakeholders and ultimately outlined a variety of actions that need to be undertaken to maximize the support of our communities and the return on investment for our partners and supporters. To more clearly discern the "what-to-do" and the "how-to-do-it" we subsequently embarked upon a strategic planning initiative which has helped us clarify our goals, objectives and our implementation plans.

The need for cooperation to assure our region's ability to compete for new investment and the jobs of the future has never been more important. By pooling our resources and pulling in the same direction we can increase our success rate. This has been proven time and again across the United States. By working together we can make certain we remain competitive on a worldwide basis.

As our Founding Fathers made self-evident, if we remain united and work together for the same ends, more will be accomplished. If you are reading this you may already be a participating member of Penn's Northeast. If you aren't a member, I urge you to join and help us make northeast Pennsylvania a better place in which to live, work and invest.

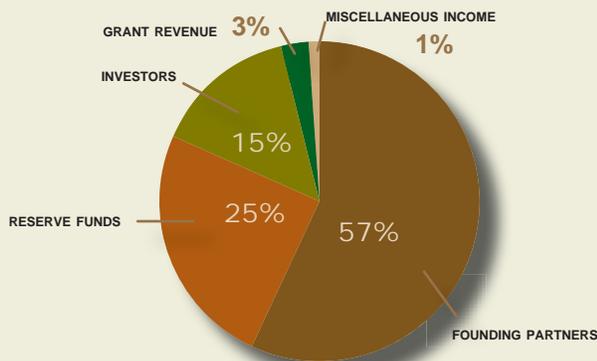


Charles A. Leonard
Chuck Leonard
 Chairman

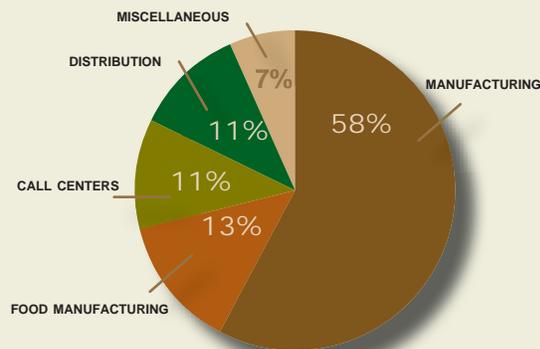


Penny Cannella
Penny Cannella
 President

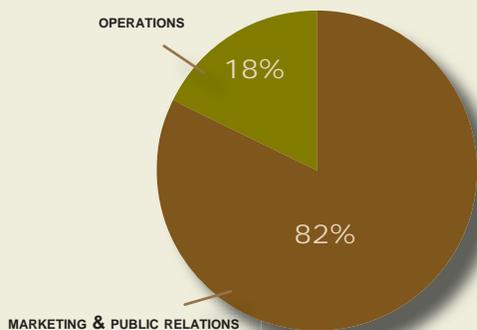
SOURCES OF FUNDS



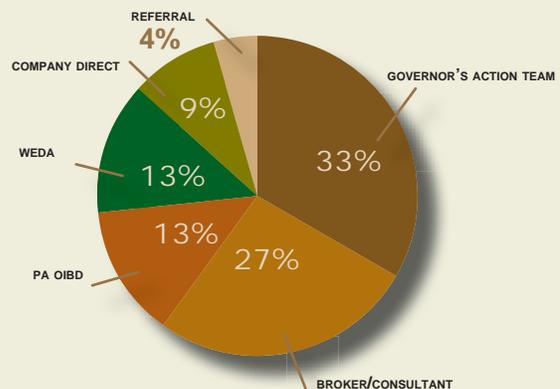
TYPES OF LEADS



USES OF FUNDS 2011/2012



SOURCES OF LEADS



Mission and Vision

This past year Penn's Northeast engaged in a feasibility study with Convergent Nonprofit Solutions and strategic planning with Dr. David Kolzow, a nationally acclaimed economic development consultant. The feasibility study provided valuable feedback from 70 regional business and community leaders including the confirmation that the private sector desires a strong regional marketing organization.

The strategic planning process reaffirmed the commitment to regional economic development marketing, while re-assessing the organization's mission, vision and goals. Both the mission and vision statements of the organization were modified to read:

Mission Statement

Penn's Northeast is a unique public/private partnership that works collaboratively and strategically to attract new business investment and jobs by generating business leads through aggressive and targeted marketing, supporting this effort through the creation of enhanced awareness of the locational advantages of Northeast Pennsylvania.

Vision Statement

Penn's Northeast is recognized by business investors, site selectors, and the economic development profession as one of the top performing regional economic development marketing organizations in the nation. It is known for its innovative practices, its collaborative approach, its customer service, and its professional excellence.



Real Estate Marketing

Having up to date regional information on available land and properties is important for companies looking to expand or relocate their businesses. Keeping current regional information in front of site selectors, real estate brokers and companies is a key service that Penn's Northeast provides. In 2011/2012, Penn's Northeast did this through a variety of methods:

- The online real estate database continues to be populated with available land and buildings as they come on the market. The building and land database is searchable by size, type, rail availability and KOZ/KOEZ designation. The database can be accessed by going to www.pennsnortheast.com and clicking on Real Estate.
- Penn's Northeast provides the Commonwealth of PA's SiteSearch website (www.pasitesearch.com) with the same up to date real estate information. This site is where members of the Governor's Action team first search when looking for property in response to a prospect. Properties meeting a prospect's requirements can then be forwarded to the requestor.
- Through ongoing e-mail blasts we feature various properties from our four county region and drive traffic to our website and the real estate database.
- We are listed in various economic development directories and websites that are targeted at site selectors and companies looking to identify ideal locations for business expansion.
- Advertisements are placed on a regular basis in the Mid Atlantic Real Estate Journal and editorials are placed periodically.

International Marketing

Pennsylvania proactively works to attract foreign direct investment (FDI) through a variety of methods. The Commonwealth has ten authorized international FDI trade representatives strategically positioned to represent twenty-three countries around the globe. The representatives work within their respective overseas markets performing promotional activities and developing extensive ties with potential investors.

Penn's Northeast works closely with the PA Office of International Business Development (OIBD) and our foreign representatives to proactively market our region. This year Penn's Northeast hosted key PA OIBD staff and all of our foreign representatives. The visit was part of a statewide itinerary coordinated by OIBD. Their visit to northeast Pennsylvania included a welcome reception and dinner followed by a presentation of the region. This year the focus was on the NEPA Regional Bioscience Initiative and included an overview of the initiative, a presentation and tour of The Commonwealth Medical College, site tours of Valley View Business Park and the CAN DO Corporate Center. In addition there was a tour and presentation by Joe Prendergast, US Business Development Manager at Kite ABF, a UK company that located successfully in Drums through the collaborative efforts of the OIBD, Penn's Northeast and CAN DO.



REPRESENTATIVES FROM PENN'S NORTHEAST, ELECTED OFFICIALS AND COMMUNITY REPRESENTATIVES JOIN FOREIGN DIRECT INVESTMENT REPRESENTATIVES FROM THE PA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT'S OFFICE OF INTERNATIONAL BUSINESS DEVELOPMENT.

NEPA Regional Bio-Science Initiative



Penn's Northeast is pleased to continue partnering with the Northeastern Pennsylvania Regional Bioscience Initiative (NEPA RBI) to implement a strategy to increase career and business opportunities within the life sciences in Lackawanna, Luzerne, Monroe, Pike, Schuylkill, Susquehanna, Wayne and Wyoming counties. Penn's Northeast will coordinate the business outreach campaign in collaboration with NEPA RBI.

This initiative is based on a comprehensive year-long study conducted by Angelou Economics. An in-depth SWOT analysis of the region identified the assets and unmet needs of northeast Pennsylvania for bioscience growth. The study provided strategic recommendations and goals to guide our regional development. The primary goals include the following:

- Goal 1** - Elevate marketing and business development through expanded regional collaboration
- Goal 2** - Collaboratively link colleges' and universities' research & development programs
- Goal 3** - Expand biosciences education and training
- Goal 4** - Attract and retain skilled workers
- Goal 5** - Further develop an entrepreneurial support system
- Goal 6** - Ensure appropriate real estate options are in place to meet the needs of targeted segments

Trade Shows and Conferences

Trade shows and conferences are one of the primary ways we connect and reconnect with industry practitioners and end users on behalf of Lackawanna, Luzerne, Monroe and Wayne counties.

In 2011/2012, Penn's Northeast attended the following:

CoreNet Global Summits in Atlanta

Hosted and sponsored the popular "Arrive in Style" airport VIP transportation program with other PA Partners. 1,500 corporate site selectors, site consultants, commercial brokers and competing economic development groups attended this summit. CoreNet Global is the world's leading association for corporate real estate and workplace professionals, service providers and economic developers.

Society of Industrial and Office Realtors (SIOR) Conference

– Sponsored a booth at the Hershey event. This is a great opportunity to reconnect with SIOR members that are active in our market and promote the benefits of our region to other brokers. SIOR is the leading professional commercial and industrial real estate association. Attendees represent the most knowledgeable, experienced and successful commercial real estate brokerage specialists.

Industrial & Office Real Estate Brokers Association's (IOREBA)

Sponsored a booth at the Developer's Night in NJ. Several of our economic development partners participated. The event provided an opportunity to promote the region and meet with numerous brokers.

Area Development Conference

Represented northeast Pennsylvania at this conference which brings the best presenters in corporate real estate site consulting and other relevant disciplines to one forum where economic development professionals have access to these influential decision makers. It combines networking and educational presentations designed to address the key issues effecting economic development professionals in today's market.

Industrial Asset Management Council Forums

Attended the fall and spring forums in Philadelphia and Austin. Penn's Northeast and other PA Partners introduced the "VIP Arrive in Style" program to select guests in Philadelphia. The program was so well received that we repeated it in Austin. In addition we hosted end users and site selectors for dinner at both events. IAMC is the leading association of industrial asset management and corporate real estate executives, their suppliers and service providers, and economic developers.

*MD & M East (Medical Design & Manufacturing East)

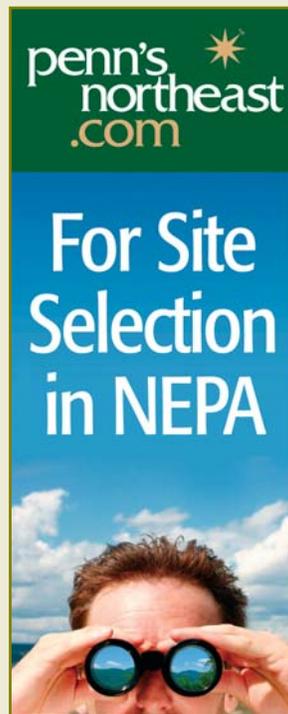
– Sponsored and staffed the Team PA booth in partnership with First Energy and other PA Partners. This opportunity complemented the NEPA BIO Initiative and provided valuable exposure for our region as well as insight into the industry.

*Site Selectors Guild Forum

Represented northeast Pennsylvania at the first forum of the recently formed guild. The guild is comprised of top national and international site selectors. The forum was an excellent opportunity to meet with and hear from twenty five site selectors. The forum focused on the latest deciding factors in the site selection process.

*I.con, the Industrial Conference for Commercial Real Estate

– Attended I.con, the only national conference exclusively for industrial real estate. The conference is presented by NAIOP, the Commercial Real Estate Development Association. NAIOP is the leading organization for developers, owners and related professionals in office, industrial and mixed-use real estate. Topics presented included: Understanding and Navigating State Incentives; What Are the Channel Masters Thinking About the Supply Chain?; The Panama Canal and more.



*indicates a trade show that was new to Penn's Northeast in 2011/2012

Special Events

Hosting special events has consistently been an effective way to communicate with decision makers in a casual setting while highlighting some of the recreational amenities the region has to offer. In 2011/2012, Penn's Northeast hosted the following events:

Penn's Northeast 8th Annual Fall Festival

This has become a flagship annual event for the organization. Prospects are invited to a day of golfing, fishing or sporting clays at Skytop Lodge. Real estate brokers, site selection consultants and members of the Governor's Action Team were invited. The day was topped off by a networking reception, dinner and awards. More than 80 people attended, many of them real estate brokers and developers from New York, New Jersey and Philadelphia. Special thanks to PPL Electric Utilities for sponsoring this event.



The 28th Annual Winterfest

Each year Penn's Northeast co-sponsors Winterfest with our partners: CAN DO, The Greater Wilkes-Barre Chamber of Business and Industry and The Scranton Plan. Guests are invited to a day of skiing, tubing or snowboarding at Sno Mountain Ski Lodge. After a day on the Mountain, guests enjoyed a mock casino during a networking reception. Gift baskets featuring products from the region were given as prizes. Winterfest is a great opportunity for partners to network with prospects in a casual setting while enjoying one of the region's major recreational venues.

Synergy

Twice yearly Penn's Northeast publishes Synergy, a newsletter highlighting some of the major economic developments in the region. This year, in keeping with the trend to provide information in electronic formats, Synergy was converted entirely to e-mail format. We designed a viewer-friendly template and e-mail the publication to our list of over 1,800.

SYNERGY
A publication of Penn's Northeast
December, 2011

TMG Health Breaks Ground at Valley View Business Park

TMG Health, a national provider of expert solutions to government-sponsored health plans, recently broke ground on its future National Operations Center at the Valley View Business Park, Jessup, Lackawanna County.

Located in lots 25 and 26 of the park, the facility will be a three-story, 150,000 square-foot building with the opportunity to expand to 210,000 square feet, housing up to 1,500 employees. Construction is expected to be complete in the third quarter of 2012 by Venus Partners.

"The growth of TMG Health allows our company to continue its economic commitment to northeastern PA by offering quality job opportunities to the local community," said Jack Tighe, president and founder of TMG Health. "The construction of our new National Operations Center is a tribute to our dedicated employees, especially our northeastern Pennsylvania employees, who have contributed to both the success and growth of our company."

[CLICK FOR FULL STORY](#)

Alternative Energy to Power New Honesdale Data Center

Smith and Morris Holdings Co., LLC has acquired and is revitalizing a 15,000 square foot commercial building in downtown Honesdale, Wayne County. The project will feature the adaptive reuse of adjoining three-story canal-era buildings, developing space predominantly for a data recovery center to be operated by Offsite Data Backup Services, LLC (ODBS).

The overall project will include installation of a 25-kilowatt vertical wind turbine to be used to offset energy consumption for the data backup center. The Commonwealth of Pennsylvania is investing \$25,000 from the Renewable Energy Grant Program toward the purchase of the wind turbine. Once complete the building is expected to be LEED (Leadership in Energy and Environmental Design) Gold certified.

Site Selection Services

Penn's Northeast provides the following services to prospects and site selectors:

- Regional online database of available office and industrial properties
- Regional data, demographic and park maps
- Customized site selection information
- Regional site tours
- Incentive information

Penn's Northeast is a public/private partnership of agencies dedicated to attracting and assisting businesses interested in locating within northeast Pennsylvania.

We serve as a single point of contact for Lackawanna, Luzerne, Monroe and Wayne Counties and the communities of Berwick and Forest City. Penn's Northeast promotes northeast Pennsylvania as a premiere region for business expansion or relocation. We market the collective assets of the 4-county region to site selectors, businesses, developers and real estate brokers.

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Secretary/Treasurer

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Immediate Past Chairman

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Phil Amend, OneSource Staffing Solutions

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Don Brominski, UGI Penn Natural Gas, Inc.

Austin J. Burke, Gr. Scranton Chamber of Commerce

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