Blueprint for Sustainable Community Development

Investing in the Future
Advanced Planning
Comprehensive Planning

Law of natural consequences

*If you Fail to Plan and you should Plan to Fail*
One of the First Gas Drilling Rigs in Lycoming County—October 2007
Getting Ready

Community Natural Gas Task Force—Kick-off Feb 2008

“identify key issues, research facts and information, and review and propose public policy regarding the positive, economic impact of gas exploration of the Marcellus Shale in Lycoming County”

Task Force visits Barnett Play In Texas
Getting Ready

- Open the Penn College Training Center for Gas Site Operations

- Amend County Zoning Ordinance
  - 20 Month Collaborative Effort
  - Community—County—Industry
  - “Fair & Balanced”
  - Covers 18 Municipalities
  - Adopted February 2011

- Develop Gas Services Energy Park
Getting Ready

- Enplanements at WRA—23% increase in 2010
- 2nd Airline being pursued
- New Terminal on pathway for design / construction

Rail Capacity & Needs
Rail cars (short haul) with MS supplies:

TIGER II Grant—$11M
Getting Educated
&
Learning the Language
PVR’s Lone Walnut Compressor Station
30 Inch Diameter Gas Gathering Lines rising up Bobst Mountain
“Unconventional Wells”

- Drilled into Unconventional Formations like Marcellus or Utica Shale
- Vertical & Horizontal Drilling
- Stimulated by Fracking
Impact Fee Language

Wells Subject to Impact Fee

- **Spud** Wells
  - Spud: actual start of drilling of unconventional wells
  - Unconventional Wells (100%)
  - Vertical Wells (20%)
- **Capped** Wells
- **Re-stimulated** Wells

Basis of Fee Application

- Annual fee based on preceding year’s gas price
- Levied on wells for 15 years (beginning in 2012)
- Adjusted annually for inflation (CPI)
Zoning
Lycoming County Zoning Ordinance Updated Collaboratively With Community & Industry – Feb 2011

Prepared Additional Update To County Ordinance To Align With Act 13 Provisions—now Held In Abeyance

Lycoming County Can Respond Rapidly To Adopt Needed Changes Pending Supreme Court Ruling
Making Sense of Act 13
Community Leaders Outreach

- 2 April 2012 Event In Williamsport
- Over 110 leaders invited
- Act 13 Defined & Explained
- Impact Fee Provisions Outlined
- $10M anticipated—1st Checks
- Questions Captured & Posted
4,927 “Spud Wells” in PA

* On 12-31-2011
Where are they drilling?
(As of 31 Dec 2011)
Impact Fee Distribution

- **$23M Off the Top**
  - 40% to State
  - 60% to Local

- **$2.5M Off the Top**
  - 36% to Counties with Wells
  - 37% to Municipalities with Wells
  - 27% to All Municipalities
Lycoming County Estimated Allocation (36%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated County Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$3,776,240</td>
</tr>
<tr>
<td>2</td>
<td>$3,200,000</td>
</tr>
<tr>
<td>3</td>
<td>$2,800,000</td>
</tr>
</tbody>
</table>

Key Components of County’s Allocation

- Allocation based on proportion of spud wells physically located within Lycoming County
- Year 2 and 3 are conservative estimates

**Calculations based on DEP well count**
Estimated Municipal Allocation in Lycoming County

- All municipalities receive an allocation
- Well host municipalities receive an additional allocation
- Estimates for years 2 & 3 are conservative

### Municipal Impact Fee Allocation

<table>
<thead>
<tr>
<th></th>
<th>Year 1 *</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well-Host Municipal Allocation</td>
<td>$3,881,136</td>
<td>$3,300,000</td>
<td>$2,900,000</td>
</tr>
<tr>
<td>Eligible Municipalities and All Municipalities Allocation</td>
<td>$2,832,180</td>
<td>$2,400,000</td>
<td>$2,200,000</td>
</tr>
<tr>
<td>Municipal Total</td>
<td>$6,713,316</td>
<td>$5,700,000</td>
<td>$5,100,000</td>
</tr>
</tbody>
</table>

*Calculations based on DEP well count
Unprecedented Opportunity

- Collaboration and Leveraging all funding sources:
  - State
  - County
  - Municipal
  - Developers
  - Private Partners
  - Federal Sources

- Municipalities may select to use their funding to support key infrastructure projects

- County may be able to assist with such projects
Impact Studies
Needs & Resources

Lycoming County’s Marcellus Shale Local Impact Study

Lycoming County’s Infrastructure Assessment

PA Act 13 Implementation
Taking A Countywide Perspective

Infrastructure Assessment

- 2009-2010 Analysis
- Over 150 Projects
- Nearly $2B needed
- Infrastructure projects in growth area communities
- Database of projects

County Impact Studies

- “Quantitative” assessments
- 12-Month Effort
  - Housing
  - Water & Sewer Infrastructure
  - Transportation Infrastructure
  - Emergency, Health & Public Safety
- Completed before Dec 2012
- A Tool to Guide Act 13 Allocation Decisions by Commissioners
Marcellus Shale Impact Studies

Approved by County Commissioners on 30 Aug 2012
## Setting the Stage

<table>
<thead>
<tr>
<th>Grant Type</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>US EPA Assessment Grant</td>
<td>2007</td>
</tr>
<tr>
<td>PA DEP Grant</td>
<td>2009</td>
</tr>
<tr>
<td>US EPA Targeted Brownfield Grant</td>
<td>2010</td>
</tr>
<tr>
<td>PA DCED Grant</td>
<td>2011</td>
</tr>
</tbody>
</table>

## Results

- Over 80 sites identified
- 20 Phase I ESAs Performed
- Phase II ESA for Future Residential Project
- Phase II ESA for Municipal Facility
- Additional Characterization for Forthcoming Project
Montgomery Borough Site

Abandoned Building in Montgomery Borough

Two New Marcellus Shale Gas Companies at the Same Site
Kennedy King Site

Kennedy King - former public housing complex—blighted and vacant

MiSwaco Corporation — natural gas products--$50M invested
Kennedy King Site

Kennedy King Public Housing Complex

2929 King Court
City of Williamsport
TAX ID - 67-007-200
Efforts are underway to provide affordable and market rate housing for citizens that now feel the impact of the law of supply and demand.
## MS Business in the Brownfields

- Sand Depot
- Gravel yard/Quarry
- Pipe coatings and threading
- Railroad depots & yards
- Mud Plants
- Frac Water Recycling Plant
- Trucking-Water Delivery
- Hotels
- Housing
- Restaurants
- Engineering Firms
- Specialized Lawyers
- Security Companies
- E&S Control Companies
- Seismic Testing
- Surveyors
- Water Quality Testing Firms
- Air Quality Test Firms
- Gas Field Service Companies
Final Thoughts
GAS BOOMING

Anadarko reps: It's just the beginning

By ALYSSA MURPHY
amurphy@sungazette.com

The gas industry is here to stay with longer resource estimates and more jobs.

That's what John Christiansen, director of public affairs at Anadarko, said at an editorial board meeting at the Sun-Gazette on Wednesday.

Christiansen said the United States Geological Survey increased its estimate of the natural gas found in Marcellus Shale by 40 times as much. The new estimate is 84 trillion cubic feet.

Christiansen, who works out of the Anadarko office at 1201 Lake Robbins Drive in The Woodlands, Texas, called the Marcellus Shale an enormous

Representatives of Anadarko Petroleum Corp. attend an editorial board meeting Wednesday morning at the Williamsport Sun-Gazette. From left are John Christiansen, director of external communications, and Brian Cain, senior staff public affairs representative.

9/11 ANNIVERSARY

Security intensifies

By EILEEN SULLIVAN
Associated Press

WASHINGTON

Security is intensifying at airports, train stations, nuclear plants and major sporting arenas as the nation prepares for the 10-year anniversary of the 9/11 attacks — a date al Qaida has cited as a potential opportunity to strike again.

Counterterrorism officials say there is no intelligence pointing to a specific plot, but officials fear that someone with terrorist sympathies might see Sept. 11 as the time to make a violent statement.

The security ramp-up around the country underscores a shift in policing focus since the attacks a decade ago. Officers and emergency responders have been trained in detecting suspicious activity that could uncover a terror plot, aware that the threat has changed in part from an organized large-scale attack using airliners as missiles to the potential for smaller, less sophisticated operations car-
Sustaining the Momentum

- Estimates for Marcellus Shale Gas Development range from 25-40 years
- Utica Shale development on Horizon
- Secondary Industries
  - Gas Powered Generating Plants
  - CNG Vehicle Operations
- Think Ahead & Get Ready