



PA House of Representatives
Republican Policy Committee

414, Main Capitol Building
Harrisburg, PA 17120
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Rep. Joshua D. Kail
Chairman

PA House Republican Policy Committee Hearing
“Strengthening Our Rural Communities”

January 17, 2024, at 9 a.m.

Penn-Northwest Development Corporation
3580 Innovation Way, Hermitage, PA 16148
e-Center@LindenPointe Building

- 9:00 a.m. Welcome and Pledge of Allegiance
- Workforce Developers Panel**
- 9:10 a.m. Hon. Rod E. Wilt
Executive Director, Penn-Northwest Development Corporation
- 9:15 a.m. Jake Rickert
Director of Workforce Development, Penn-Northwest Development Corporation
- 9:20 a.m. Tracy Mantzell
Realtor, RE/MAX Select Realty
- 9:25 a.m. Questions for the Workforce Developers Panel
- Pennsylvania Employers Panel**
- 9:55 a.m. Brent Fisher
Director of Operations, Joy Baking Group
- 10:00 a.m. Michael Walton
CEO, Jamestown Coating Technologies
- 10:05 a.m. Questions for the Pennsylvania Employers Panel
- 10:35 a.m. Closing Comments



Testifier Biographies

PA House of Representatives Policy Committee Hearing *“Strengthening Our Rural Communities”*



Hon. Rod E. Wilt
Executive Director, Penn-Northwest Development Corporation

Rod brings 34 years of experience working with governmental officials, corporate executives, commercial banks, real estate developers and investors to his role as Executive Director of Penn-Northwest.

A graduate of Greenville High School and Thiel College, he has deep roots in Mercer County. After spending his early professional years working with 3 different financial institutions including First

National Bank in Hermitage, PA, he was elected to five terms in the PA House of Representatives.

From 2008 to the present, Rod successfully identified, purchased, financed, managed and sold nearly 3,500 multi-family apartment units in over 25 properties in several different markets. He still has a passive role in several real estate investments.

Rod also brings to PNDC six years of experience in legislative outreach, issues education and government relations from his experience working with several clients in the oil & gas, pharmaceutical and manufacturing industries.

Currently, Rod also serves as the Chair of the Thiel College Board of Trustees. He and his wife, Jill, live on a 66-acre farm in Sugar Grove Township where they hope to start raising sheep in the near future. They have one adult son, Tanner, who resides in Wexford, PA. When he’s not taking care of business, you may find him on the golf course, riding his motorcycle through rural Pennsylvania or walking in the woods around the farm!

Jake Rickert
Director of Workforce Development, Penn-Northwest Development Corporation

Jake Rickert is the newest member on the Penn-Northwest team. As a home grown local, he was born and raised in Greenville, Pennsylvania and graduated from Penn-State Shenango with a Bachelor of Arts in Corporate Communications.

Prior to Penn-Northwest, Jake served in the United States Army for four years. He currently services in the National Guard as a Staff Sergeant for an Infantry Company. His knowledge of external and internal communications, strategic analysis, and public relations assists in his efforts towards workforce development, the Future Leaders, and the revitalization of Mercer County. He plans to continue his education through federal and state level grant writing courses.





Tracy Mantzell
Realtor, RE/MAX Select Realty

With over 9 years of experience in the realty industry, Tracy currently works as a realtor with RE/MAX Select Realty.

A graduate of Grove City College, with a Bachelor of Arts in Business and Marketing, Tracy has also been an active volunteer with the West Middlesex Parent Resource Group.

Brent Fisher
Director of Operations, Joy Baking Group

A loyal employee of the Joy Baking Group for over 18 years, Brent currently serves as the Director of Operations. His previous positions within the company include Director of Supply Chain and Distribution and Distribution Manager.

Prior to joining the Joy Baking Group, Brent previously served as a manager for PepsiCo-Frito Lay and Motion Industries.

Brent holds a bachelor of science from Pennsylvania State University and a master of business administration from the University of Pittsburgh.



Michael Walton
CEO, Jamestown Coating Technologies

Michael is the CEO and co-owner of Jamestown Coating Technologies in Jamestown, Pa. Jamestown Coating Technologies develops and produces industrial coatings for use by manufacturers. He is active in the paint and coatings industry through the American Coatings Association where he has served on its board of directors.

Michael is extremely active in supporting economic development and education initiatives. He is board president of the Hope Center for Arts & Technology and is on the board of Team PA. He is a former president of the United Way of Mercer County and has also served on boards for PNC Bank and UPMC Horizon. Michael has taught as an adjunct professor at Thiel College and guest lectured at John Carroll University, Penn State University and Grove City College.

Michael earned a bachelor of science in management from John Carroll University and a master of business administration from the University of Pittsburgh.

Testimony before the PA House Republican Policy Committee

Rod E. Wilt, Executive Director

Penn-Northwest Development Corporation

January 17, 2024

My name is Rod Wilt, and I am the Executive Director of Penn-Northwest Development Corporation, the Certified Economic Development Organization for Mercer County. I want to welcome Chairman Kail and the Policy Committee Members to Mercer County, and personally thank our State Representative, Parke Wentling, for bringing the Committee to the “other Pennsylvania” for this hearing. Whenever I speak about the opportunity Mercer County has to move forward, I always say that we have the right people, in the right places, at the right time, to go FAST! That includes our legislative delegation, our County Commissioners, our leaders in education from our public and private K-12 schools, our career and technical trainers and the leadership of our three 4-year colleges we have in Mercer County. We also have dozens of committed business owners and non-profit operators who are struggling with massive labor shortages, but still gutting it out and getting the job done! They, and many other deeply committed Mercer Countians, serve selflessly on our many volunteer boards who collectively make up our consortium of economic development partners.

Our challenges are many, but none as significant as the loss of an average of 1.0% of our population annually over the past 30 years. We have fewer young families in the County than at any time in over 50 years. Every school district in the County has experienced a significant drop in enrollment. As we look to the southwestern, northeastern, and southeastern sectors of Pennsylvania, we see a population and prosperity imbalance compared with the northwest and most of the northern tier counties. Without targeted economic development programs and assistance to aid smaller, rural counties in Pennsylvania, we will continue this downward spiral in population and economic opportunity in these very important agricultural and manufacturing-centric parts of Pennsylvania. A recently completed study by the Center for Rural Pennsylvania confirms that without a significant change in policy, nearly 2/3 of Pennsylvania will continue to lose population, and fall further behind the suburban areas of the Commonwealth. However, it is not all bad news on the Mercer County economic development front.

During FY 2022/2023 Penn-Northwest generated 47 new industry leads, distributed 44 prospect proposals, and coordinated 7 site tours which led to 4 new companies locating in Mercer County. In addition, Penn-Northwest assisted over 12 local companies with increased investment and employment by providing \$7,350,000 in direct technical, financial, workforce, and other financial support. Penn-Northwest, in conjunction with the Shenango Valley Enterprise Zone, The City of Hermitage, The Community Hope Investment Partnership and the Greenville Area Economic Development Corporation committed \$410,000 to launch the Mercer County innovation Fund to encourage entrepreneurship and investment in technology and innovative manufacturing. But we are just treading water. The long-term viability of rural Pennsylvania depends upon making these areas more attractive for young people and families to live, learn, work and play.

Penn-Northwest is a proud member PEDA, the Pennsylvania Economic Development Association, and the Northwest PA Regional Planning Commission. Our team is active in the PEDA committee process and participates in the state-sponsored business expansion and retention programs. We have a seat on the Board of Directors at the regional planning level. We are doing our part to revitalize our County and region. But we need your help in Harrisburg to rebuild our aging housing stock, create private investment in our small towns, and train our changing workforce.

Specifically, some ideas include:

1. Allocate funds within the Redevelopment Assistance Capital Program (RACP) for housing projects to help bridge the existing gap between high construction costs, and lower market values to incentivize private housing development in the “for sale” and the “at-market” rental market. Perhaps limit these RACP funds to 25% of the project cost, rather than the current 50% for commercial and industrial development projects.
2. Create incentives like other states have on a county-by-county basis to drive employees to areas of Pennsylvania that so desperately need them. You will hear more about that from my colleague, Jake Rickert.

3. We can look to new revenue sources for a partial solution for funding these items:
 - a. State Rainy Day Funds - Now is the time to utilize some Rainy Day Funds to increase Pennsylvania's competitiveness. Many other programs will directly benefit from an economic recovery, and all resources available to aid in these efforts must be considered.
 - b. Bed Tax - PEDDA recognizes the value of our tourism partners, but also knows at least 50% of hotel stays are associated with business travel. Our members play a huge role in driving business travel and believe some of the associated hotel tax (aka, bed tax) should be directed to economic development.
 - c. Sales Tax - The state could give counties the ability to finance new and expanded business enterprises in their local communities through an economic development corporation (EDC) sales tax as seen in Texas.
 - d. Tax Credits – Job creation tax credits are essential for counties like ours that border aggressive economic development states like Ohio, who are in the economic development game to win and win big!
4. Establish a Dedicated Funding Stream for Smaller CEDOs and EDCs. PEDDA members, especially Certified Economic Development Organizations ("CEDOs") and Economic Development Corporations ("EDCs"), have worked tirelessly to identify and help vulnerable businesses and communities navigate everything from the initial CWCA Program to the federal CARES Act, County Block Grants, PPP funding and more. However, there exists no single line item or dedicated revenue stream aimed at supporting EDC efforts, the outcomes of which are essential to the resiliency, recovery, and economic growth of the Commonwealth. Thus, we support the establishment of a dedicated and/or formula funding stream for smaller EDCs to offset their administrative costs and to ensure these agencies, located in smaller communities across the state, have further resources to rebuild the Commonwealth's economy.

I understand the "asks" are many, and the resources are limited. I sat in your seats for 10 years as a member of the State House from this area, and I served on the Policy Committee

for several terms. I saw first-hand the loss of nearly 7,000 manufacturing jobs in Mercer County over those 10 years. But in this post-pandemic reality, we firmly believe that Mercer County, and our rural counties across Pennsylvania, are well positioned to capture the population migration that is happening, as the work-from-home phenomenon continues to grow. But we desperately need your help in the areas I mentioned in my remarks. I sincerely appreciate the House Republican Policy Committee coming to Mercer County to hear our story. I feel fortunate to have this "Second Act" in my career to serve this community. I hope you enjoy listening to the next speakers from our business community who are deeply committed leaders in the effort to rebuild Mercer County!

Respectfully Submitted: January 17, 2024

Testimony before the PA House Republican Policy Committee

Jake Rickert, Director of Workforce Development

Penn-Northwest Development Corporation

January 17, 2024

Good morning, Chairman Kail, Policy Committee Members, and our State Representative, Parke Wentling. I am Jake Rickert, Director of Workforce Development at Penn-Northwest Development Corporation. I greatly appreciate having the opportunity to vocalize my support for current workforce programs and advocate for new initiatives to promote the growth and prosperity of Mercer County and the Commonwealth. By way of background, over the last few years, I have developed a population retention tool named the Homegrown Initiative. The Homegrown Initiative is a young adult led career awareness and job placement initiative in Mercer County dedicated to the retention of young men and women, regardless of their level of education. Within two years, our program has expanded to connect with students as young as 5th grade, through students currently attaining their master's degrees. With the \$600,000 we have been awarded by the Pennsylvania Department of Community and Economic Development thanks to the endless support of Representative Parke Wentling and Senator Michelle Brooks, we have positively changed thousands of students perception of career opportunities in Mercer County, and assisted them in finding a sense of purpose and connection to our rural community.

During my tenure at Penn-Northwest, various partner organizations have been critical in driving forth these workforce development and repopulation efforts. First, West Central Job Partnership and PA CareerLink have been imperative in supporting local businesses and those entering the workforce. Their Internship and On the Job Training Program provide reimbursement funds to companies interested in hiring interns and new hires, nullifying the anticipated expenses of bringing on new talent. Through the state's continued support, PA CareerLink and their programing has had a resounding positive impact on the talent pipeline and local businesses, while also addressing the needs of dissociated workers and minority demographics.

Additionally, our various educational institutions serve as one of our best attraction and retention tools within the County. Our 12 school districts, 4 colleges, and 2 technical schools provide students of

varying demographics and interests with the tools and opportunities to pursue limitless career opportunities here. For example, the Mercer County Career Center has reached record high attendance in back-to-back years, despite the annual population decline of eligible students. They have not only been a tremendous community partner, but also provide each student with a highly skilled and relevant education at no cost to the student. Their continued expansion and development only further serve our students, our businesses, and our community.

While our community continues to collaborate, strategize, and implement various programs to support our economic health, we are also in competition with adjacent states to attract residents and workforce. It is imperative that we capture these young men and women prior to them settling down somewhere else. With record high price spikes in housing costs, food, utilities and interest rates, the Commonwealth has the potential to seize the interest in “human capital” by supporting young adults in planting their roots in our rural communities.

Potential incentives include:

1. Pennsylvania Rural Opportunity Zone (PROZ) – Kansas created Rural Opportunity Zones to incentivize the relocation of skilled workers into their state. Residents who relocate to one of their 77 approved rural counties are eligible to receive income tax waivers for up to five years, student loan repayments up to 20 percent of their outstanding debts, and \$15,000 (\$3,000 per year). In the first 18 months, the program received over 500 applications for student loan repayments. It was estimated that the income tax waivers cost \$800,000 but had an economic impact of \$44 million. For Pennsylvania, I believe a similar program focusing on supporting the next step for students who already chose Pennsylvania as a place to receive their secondary education would have great value and impact.
2. Property Tax or Rent Rebate Program (PTRR) – Currently, the PTRR serves as a supplemental income for qualifying senior citizens. Creating or amending this program to allow young adults within their first three years of college graduation to supplement their entry-level wages could provide an affordable solution to relocation. As the salary for these young adults increases annually, they state support can be decreased over time.

I recognize that I am asking for your consideration of atypical initiatives to spur population growth. However, I truly believe these are potential solutions to make Mercer County and surrounding rural communities' desirable locations for the next generation of our workforce. I appreciate your time and commitment to meeting with us today as we all strive to do our part in improving the Commonwealth.

Respectfully Submitted: January 17, 2024

Workforce Development Policy Hearing
Wednesday, January 17, 2024
Tracy Mantzell Remarks – Home Ownership

Introduction: I am originally from Pittsburgh and my husband is from outside of Meadville so we are both home-grown Western Pennsylvania residents. I graduated from Grove City College, where we met, in 1993 and got married soon thereafter and immediately moved to join my husband who was starting his career in Nashville, Tennessee. His company eventually moved us to Atlanta, Georgia until we had the welcome but unexpected opportunity to move back home in 2009 for a wonderful opportunity at Gilbert’s Risk Solutions in Sharon. We have been happy to call the Shenango Valley our home for nearly 15 years now.

I started my career in real estate in 2015 after a couple of years of renovating and “flipping” properties for sale or rent. Averaging around 40 transactions each year, I have regular conversations with a variety of people as it relates to their housing needs. We presently own three rental properties in this market so understand the challenges that people face finding affordable rentals as well as homes to purchase.

Challenge - Availability: One key element to developing our local workforce is housing. We can have the best workforce development programs available but if we don’t have homes for people to live in, they cannot move here. Our housing inventory in Mercer County is predominately from existing homes, of the 128 properties available (as of January 11, 2024) with a list price under \$250K, none of them are new construction. Two of those properties are condominiums and none are townhouses. Since “move-in ready” and “updated” are subject to the opinion of the viewer, I visually evaluated these properties online using the minimum standards set by the FHA for their appraisals (no peeling paint, GFCI outlets if near faucets or outside, handrails, structural stability and presence of lead-based paint) and found that only 36 of those properties are likely to meet the FHA standards. Another 36 are tenant-occupied and being marketed as investment properties so not available for immediate occupancy. So, of the remaining 56 properties available in that price range, they will require repairs to even qualify for FHA financing (which is the predominant loan program for first-time homebuyers) much less be considered “move in ready.”

List price	Number of properties for sale	Selling as Rental/Investment properties (no immediate occupancy)	Meets FHA appraisal guidelines – “move-in ready”	Requires work to meet FHA appraisal guidelines
\$0 to \$100K	56	27	5	24
\$101K to \$250K	72	9	31	32

Case Study: Jan & Bill moved to this area from Michigan to help their daughter who is a single mom with their only grandchild. Jan works from home and Bill is actively looking for a job but they want a home of their own that is close to their daughter in West Middlesex school district – they have marginal credit so they cannot qualify for much and the available homes in their budget need significant repairs. Fortunately, after an unsuccessful search with only Craigslist and Facebook marketplace as places where

local rentals are somewhat advertised, they found a furnished rental property by word-of-mouth that had only been unoccupied for four days and pay \$1300/month plus utilities in rent.

Challenge – Financing: In talking with other agents to prepare for this hearing, it became readily apparent that single-income professional households and working-class families have the most significant challenges for affording home ownership. They make too much money to qualify for government assistance programs but not enough money to afford necessary repairs to homes that need updating.

Case Study 1: John is a single attorney who moved back to Hermitage to be closer to his parents. Ten years out of law school, he still has student loans in excess of \$30K. He has a good job and purchased a 3 bedroom/2 bathroom house for \$135,000 in a working-class neighborhood – the home appraised for just over \$140,000 at the time of purchase. He saved money and could afford the settlement costs but, since moving in, has spent over \$50,000 on a new roof, basic bathroom renovation, flooring and deck replacement which were all needed repairs. He has invested more money now than the home could be sold for.

Case Study 2: Mary graduated with over \$75,000 in private student loans with a required masters degree in elementary education. She makes approx. \$50,000 as a teacher for the Sharon school district. She purchased a home for \$60,000 which was all she could afford only for the roof to need replaced soon after closing. She makes too much to qualify for low-income assistance but had to borrow money from her parents to pay for the roof and is considering a second job to make ends meet.

Case Study 3: Sam works in production for Joy Cone Company and makes over \$20/hour with an excellent credit score – he would like to purchase a property in his hometown of Sharpville for \$115,000 but his downpayment and closing costs will be over \$12,000 and he does not qualify for his lender's closing cost assistance program because his income is too high. The home has knob & tube wiring and both the kitchen and bathroom need updated to be functional, but he received estimates of over \$30,000 for the repairs and cannot afford to consider the house now.

Challenge – Amenities: Young buyers have different preferences for what they want in a home when choosing where they live:

- little to low maintenance (house or landscaping – condo, townhouse or zero lot lines attractive)
- “move in ready”
- modern finishes
- high-speed internet (working from home increasingly more popular)
- 200 AMP electrical service (electric car charging needs increasing)
- close proximity to shopping/restaurants/coffee (ideally within walking distance)
- solid investment potential/appreciation (often thinking about resale if/when they move)

House Republican Policy Committee Testimony
Strengthening Our Rural Communities
Joy Baking Group (Joy Cone Co.)
Brent Fisher – Director of Operations
1/17/2024

Joy Baking Group History

- 1918 - Founded by Lebanese immigrants Albert George and Thomas Thomas. Located in Brookfield OH.
- 1964 – After a fire moved to its current location in Hermitage, PA.
- Steady sustained growth in the Retail and Food Service cone market over the next 50 years
- 2000 – Built a facility to Flagstaff, AZ
- 2016- Acquired BoDeans Baking Group, LeMars, IA.
 - Cones - BoDeans was a leading manufacturer of ice cream cones for the industrial sales market. (The industrial sales market is where our cones are used as an ingredient for other products.)
 - Cookies/Wafers - Along with cones BoDeans was a player in the inclusions market for ice cream and the wafer market for ice cream sandwiches. The BoDeans acquisition kicked off a period of exponential growth leading to the present.
- 2016 – Joy Cone Co. transitioned to a 100% ESOP company
- 2018- Joy opened up their brand-new cookie manufacturing plant just down the road from their Hermitage cone plant. Started manufacturing sandwich cookies (Oreo style) to be ground up and sold to ice cream manufacturers for Cookies and Crème ice cream.
- 2020 – installed a wafer oven in the cookie plant.
- 2023 – installed multiple new cone manufacturing lines in Hermitage to increase capacity
- 2024 – 200,000 square foot expansion of the cookie facility in Hermitage including another cookie line.
- 2025-future – expansions being considered at both the cone and cookie plants in Hermitage.

Recruitment and Retention Key Challenges

- *Workforce interest in and acceptance of manufacturing careers*
 - A shift from manufacturing to service industry jobs in the area results in a lack of understanding of what a manufacturing job entails.
- *Lack of a workforce with the skills necessary to succeed in a manufacturing environment.*
 - As we find less people interested in manufacturing jobs we have begun to automate. This drive to automation provides a different hiring challenge as automation requires employees who have manufacturing maintenance, electrical maintenance, and engineering skills.
 - Discussions at a high school age need to occur to expose students to job opportunities as an alternative to college.
 - Increased awareness and opportunities of career training in these manufacturing technical skills
- *Lack of affordable housing*

- There is not a way to improve your housing situation like you would see in more urban areas. Meaning a young person could not move from living with their parents, to an apartment, to a townhouse, then to a starter home. They are forced to jump from living at home to home ownership.
- This also impacts our ability to recruit skilled office personnel from other areas.
- *Community Infrastructure*
 - In order to keep or attract workers to the area, they want more than jobs. They want local service, activities, retail, restaurants, entertainment.....

What have we done

- Wages that are above market and annual increases that outpace inflation.
- Best in class benefits package that promotes retention and a path towards a comfortable retirement.
- Flexible scheduling
- Increased expenditure on employee training and investment.