



Marcellus Shale

The Natural Gas Industry in
Tioga County, Pennsylvania

Tioga County Development Corporation



Pennsylvania Marcellus Shale Advisory Commission

Tioga County Fact Finding Meeting with Vince
Matteo, Commission Member

April 15, 2011 *TCDC* Building, Wellsboro

2

Tioga County and Marcellus Shale

- Tioga County is at the epicenter of the Marcellus Shale Natural Gas Industry in Pennsylvania
- Tioga County and Bradford County are the most active Counties for the Marcellus Shale Drilling in all of Pennsylvania.
- Estimates predict there is enough clean natural gas in the Marcellus Shale find to supply the United States for several decades.
- It is projected Pennsylvania within 5 years will be an exporter of natural gas. At present 76% is imported into our state.



Tioga County & Wind Energy

- Tioga and Bradford County are home to the largest single owned wind farm in Pennsylvania
- The Wind Farm stretches all the way from Mansfield to Troy
- It contains 63 wind turbines and an additional 23 projected.



***TCDC* & The Gas Industry**

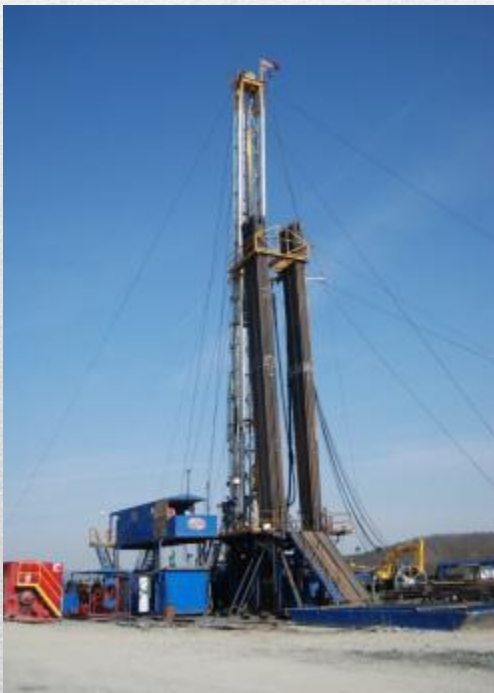
- ***TCDC*** has focused on being a clearinghouse and economic development educational organization to promote the economic development of Tioga County.
- We focus on presenting educational opportunities to learn more about this major impacting industry.
- Supporter of this Economic Development engine
- Remember.....The gas industry not only has a major impact:
 - Internationally
 - Nationally
 - Pennsylvania.....
 - But especially ***Locally***



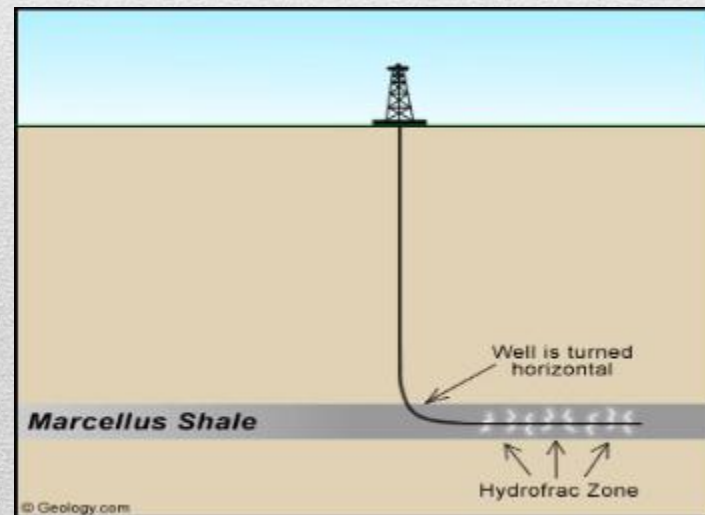
Economic Development

Wells in our Area as of March 31, 2011

- Statewide 1,767 Wells
- Currently 329 Wells in Tioga County
- Currently 459 Wells in Bradford County
- Tioga and Bradford account for 788 Wells....



45%



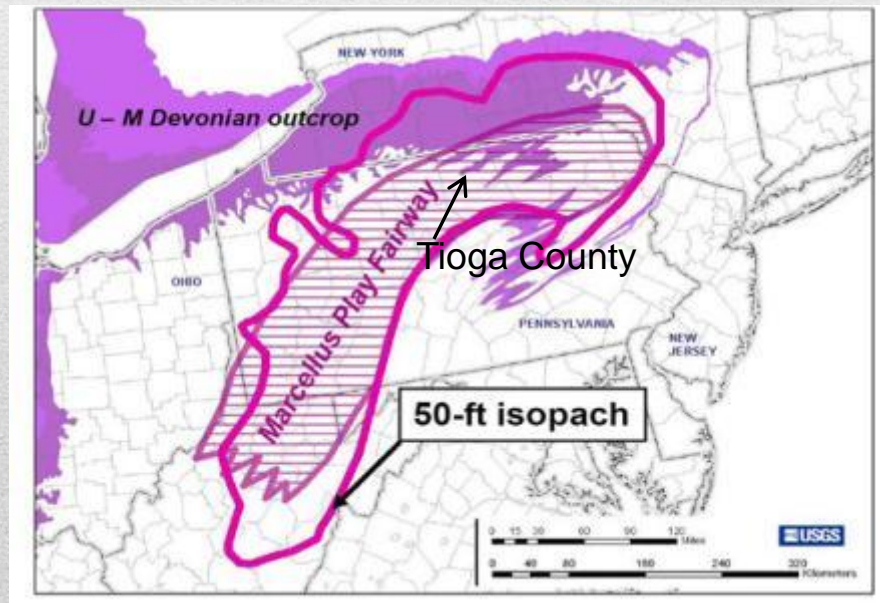
Tioga County Wells

As of March 2011

- 711 Permits
- 329 MS Wells

As of December 2010

- 581 Permits
- 261 MS Wells



Exploration Companies

- [Shell Appalachia](#)
- [Talisman Energy USA](#)
- [EQT Production Co](#)
- [Novus Operating LLC](#)
- [Penn Virginia Oil & Gas Corporation](#)
- [Seneca Resources Corporation](#)
- [Ultra Resources, Inc.](#)





ECONOMIC OPPORTUNITIES & CHALLENGES

Impact on Lodging

Challenges

- Competition with Tourism
- Affordable & Available Housing for Residents

Opportunities

- Additional Lodging Units
- Micro Tel (85 Units)
 - Opened 2010
 - Additional Expansion 2011
- 2nd Motel in Business Park
 - Construction 2011
- Penn Wells Motel Expansion
- Canyon Motel Expansion
- Westfield Rusty Canyon Motel

Lodging Continued...

Room Tax: Income

- 2008 \$193,882
- 2009 \$241,763 24%
- 2010 \$345,411 30%
- 2008 v 2010:
 - **\$151,529 - 43% Increase**

Occupancy Rates

- Increase from 35% to 65% for Business Travel
- Yet all funds are put into Tourist Development....Not **Business Development**

Rental Housing

- Residents are Impacted by Higher Rentals.
- **Pennsylvania Housing Financing Agency (PHFA)**
 - Declares Local Housing Crisis in September 2010
- Especially Impacts Low Income Renters
- 11 Additional Cottage Units at Liberty Cottages
- Additional housing being planned
- Issues with Municipal Sewer and Water (Capacity, Lines, Etc.)

Additional Impacts

- Fuel Stations Adding Diesel Islands
- Land and Office Space Development *Everywhere*
- Gravel Operations
- Gas Company Field Offices (Every Available Space)

Local Businesses

Getting in with the Companies leads to:

- New Development: Within & Imported
- Business Expos
- Business Loans
- Increased Local Employment
- Local Businesses adapting to Meet the Needs of this new Industry



Opportunities

- Partners In Progress (PIP)
- BC Technologies
- In My Shoes (Steel Toes)
- Snowburg Welding & Custom Fabrication
- Safety Clothing being sold in many hardware stores
- Hall's Home Service has 8 water trucks



Wellsboro & Corning Railroad



Rail Cars

2006	286	Low
2007	309	
2008	411	
2009	841	51%
2010	2130	60.5%

WCRR

2011

January	351
February	235
March	295
Total	881
Projected	3,524

2006-2010 1844 Cars 134% since 2006

Current Sand Delivery: WCRR

Currently sand trucks are loaded at the rail siding using manual augers.

- WCRR Growing fast to meet needs of MS Play.
- Creating more Jobs & Services.
- Transportation of Sand Products
- Each Rail Car hold 4 trucks of Sand
- Reduces Truck Traffic.
- Centralized Location for Fracking Sand Distribution



18

Future Sand Storage: WCRR

- 24 Silos are currently under construction with a total capacity of ?????Tons
- Each Silo holds ?????Tons



Infrastructure

- **Highways & Roads:**
 - New and Improved
 - Congestion
- Local Trucking Company Benefits
- Companies working w/ Local Government
- Dust Control



Waste Water Treatment

- **Frack TARM Water Treatment**
- Larson Design Group
 - Williamsport Operational 2010
 - Lawrenceville Proposed 2011
- **Hydro Recovery LP**
 - Blossburg Opens Spring 2011
\$12 Million
 - Antrim Opens Fall 2011
\$12 Million
 - Acid Mine Drainage Ware Solution



Developable Land

- Very little Flat Land
- Prices are very high
- Competitive Land
- Appraisals
- Available Sites
- Constant Inquires



Public Education

- Enrollment & Spanish Speaking Staff
- NTSD
- STSD 70 Elementary 3-9 MS Related
- WASD 9 5 w/ Special Needs

Workforce Development

- Penn College is the leader in this field. In their Needs Assessment they project:
 - 8,000 Jobs Next 5 Years
 - 1 Well= 410 Employees
150 Occupations
 - 11.53 Full Time Equivalent
“Direct “ Workers
 - .17 Full Time Production Jobs



Challenges

- Efforts to Attract Youth into the Work Force
- Local Companies Losing Employees
- Critical Work Force Shortage Developing

Employment

- Our average labor force in Tioga County is 20,800 (02/2011)
- Approximately 1,900 People Unemployed

June 2009	10.3%	June 2010	9.1%
December 2009	9.4%	December 2010 (Preliminary)	7.5%
• State	8.5%	January 2011	6.6%
• US	9.4%	February 2011 (Preliminary)	6.1%
		State	8%
		US	8.9%

Source: Pennsylvania Department of Labor & Industry, Center for Workforce Information & Analysis

Economic Analysis Preliminary Report

2nd Quarter 2009 - 2nd Quarter 2010:

- 508 New Jobs Tioga County
- 5th Fastest Growing County in PA

Strong Gains

	Jobs	% Increase	Wages
• Manufacturing	200	10%	9%
• Transportation & Warehousing	25	7.4%	17%
• Real Estate	37 to 50	35%	
• Professional Services (Lawyers, Surveyors, Engineers)	29		14%
• Administrative Services & Waste			
• Management Sector	103		80%
• Accommodations & Food Service	53		5%
• Health Care		35%	

26

TCDC's Role

- Clearinghouse for Natural Gas Industry
 - Referrals for Businesses, Professional Services, Land Sites, etc.
- Presentations to Other Organizations throughout Pennsylvania
- Participation in County & Regional Forums
- Addition of Two Natural Gas Industry Representatives on *TCDC* Board
- *TCDC* Retreat, Legislative Breakfast, & Annual Meeting All Focusing Around the Marcellus Shale Industry



Planning Efforts

Stronger Economies Together

NTRPDC 5 Counties

- Regional Data Collection
- Regional Networking
- Regional Agricultural Transition
- Regional Land Use
- Keeping Regional Dollars in the Region
(Financial Assets)

Charting the Future of Tioga County

- Coordinated by Penn State Cooperative Extension
- www.TiogaCharting.com

For Further Information...

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