Structural steel ascends from recently completed foundations at Shell Appalachia Petrochemical Plant in Potter Township.

Interior work remains to prepare for an early 2019 opening of the Heritage Valley Primary and Specialty Care Medical Facility in Center Township.
The Beaver County Corporation for Economic Development (CED) is the lead economic development agency for Beaver County. CED undertakes activities to expand and diversify the Beaver County economy.

CED is:
A private, non-profit development corporation
Dedicated to enhancing economic development by facilitating private investment and job creation
Governed by a highly motivated volunteer Board of Directors
A professionally staffed resource for business assistance
A partnership of private business and public sector experience and talents
A real estate developer and financing entity for projects that create significant economic opportunities

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Cover photo by Emmanuel Panagiotakis - www.pittsburghpictures.net

This material was funded through a grant from the Commonwealth of Pennsylvania Department of Community and Economic Development (DCED)
FINANCIAL HIGHLIGHTS & TRENDS

Yearly Comparison

<table>
<thead>
<tr>
<th>Major Category x $1,000</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$29,799</td>
<td>$27,515</td>
<td>$28,661</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$2,695</td>
<td>$627</td>
<td>$1,428</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>$27,104</td>
<td>$26,888</td>
<td>$27,233</td>
</tr>
<tr>
<td>Total Liabilities &amp; Net Assets</td>
<td>$29,799</td>
<td>$27,515</td>
<td>$28,661</td>
</tr>
</tbody>
</table>

Financial Trends

Total Support and Revenue

2016: $845
2017: $1,084
2018: $1,143

Total Expenses

2016: $2,071
2017: $1,300
2018: $798

Revenues Less Expenses

2016: $798
2017: ($1,226)
2018: ($216)
September 21, 2018

Dear Voting Class Members:

On behalf of the Board of Directors, I am pleased to provide you this 31st Annual Report summarizing the activities and accomplishments of the Beaver County Corporation for Economic Development (CED) during the fiscal year ending June 30, 2018.

Since its commitment-to-build announcement just over two years ago, Shell Chemical Appalachia, LLC continues to impress all who watch their efficient and intricate site work progress. Less visible but no less important are the hundreds of off-site acres being readied or functioning in support of the massive task underway. Including construction worker parking, there are nearly as many acres temporarily earmarked for project construction logistics than contained within the enormous plant site itself. Five such areas in the Aliquippa vicinity temporarily named after local NFL legends including “Iron Mike”, Broadway Joe”, “Big Ben”, “The Bus” and “The Hawk”, are set-aside for the marshalling, fabricating and barging of countless complex parts that once assembled, will be the centerpiece of the County’s manufacturing future.

CED is proud to work with a dedicated team of local, county, regional, and state officials focused on accruing maximum economic impact for Beaver County. With your highly valued support, we will continue to proactively invest to support economic opportunities for Beaver County.

With best wishes, I am

Sincerely,

Robert Rimbey
Chairman, Board of Directors
2018 Completed Projects

CED activities are focused on efforts to encourage diversified job creation and private investment. The listing below provides a summary of the projects in which CED participated or involved CED developments during the 2018 fiscal year.

<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>LOCATION</th>
<th>NEW/RETAINED JOBS</th>
<th>PROJECT COST X$1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>PittMoss</td>
<td>Harmony</td>
<td>KIZ Enrollment</td>
<td>NA</td>
</tr>
<tr>
<td>Spinal Accoustics</td>
<td>Chippewa</td>
<td>KIZ Enrollment</td>
<td>NA</td>
</tr>
<tr>
<td>Monaca Commerce Center</td>
<td>Monaca</td>
<td>Speculative</td>
<td>$ 2,300</td>
</tr>
<tr>
<td>Proving Grounds</td>
<td>Chippewa</td>
<td>Speculative</td>
<td>$ 1,106</td>
</tr>
<tr>
<td>The Bluffs At Glade Path</td>
<td>Center</td>
<td>Speculative</td>
<td>$29,986</td>
</tr>
<tr>
<td>Allied Rubber &amp; Supply</td>
<td>Franklin</td>
<td>30</td>
<td>$ 1,226</td>
</tr>
<tr>
<td>Col-Fin Specialty Steel</td>
<td>Fallston</td>
<td>Retained 25</td>
<td>$ 292</td>
</tr>
<tr>
<td>Minuteman Press</td>
<td>Beaver Falls</td>
<td>1</td>
<td>$ 42</td>
</tr>
<tr>
<td>Avalotis Corporation</td>
<td>Harmony</td>
<td>15</td>
<td>$ 215</td>
</tr>
<tr>
<td>Creekside Springs</td>
<td>New Brighton</td>
<td>8</td>
<td>$ 941</td>
</tr>
<tr>
<td>Kenson Plastics</td>
<td>Chippewa</td>
<td>100</td>
<td>$ 1,750</td>
</tr>
<tr>
<td>Aliquippa Neighborhood Partnership</td>
<td>Aliquippa</td>
<td>NA</td>
<td>$ 500</td>
</tr>
<tr>
<td>TriPro Technologies</td>
<td>Vanport</td>
<td>2</td>
<td>NA</td>
</tr>
</tbody>
</table>

FY 2018 TOTALS  
181  $38,358
Its magnitude more clearly visible from above than at ground level, aerial photography shows the imposing scale of Shell’s 400-acre plant site. The rapid pace of progress in the past year is highlighted with the systematic completion of major construction and programmatic elements:

- Over 1,500 construction workers largely drawn from various trades unions in western Pennsylvania began accelerating site work progress during the past year.

- Dozens of construction cranes have been mobilized and now tower over the nearly completed foundations and other elements installed during the past year.

- Several large-scale processing components have been delivered including a nearly 300-foot tall, 2,000-ton quench tower requiring one of the world’s largest construction cranes for placement.

- Shell donated $1 million in support of Community College of Beaver County’s expansion of its Process Technology program, preparing local students for workplace demands of a burgeoning petrochemical industry.

- Shell established an online portal for local job applicants to source opportunities at the plant and be notified of future openings.
Supporting business and job growth

CED is designated by the Commonwealth of Pennsylvania as a certified economic development organization for delivering its business financing programs. To be certified, CED staff must meet various performance standards on an annual, on-going basis. With certification, CED can directly support Beaver County based clients on a number of Commonwealth incentive programs, including the below market rate, fixed long term Pennsylvania Industrial Development Authority (PIDA) loans. Based on job creation and/or retention, PIDA loans can provide up to $2.25 million for land and building acquisition, construction or renovation, up to $400,000 for machinery and equipment financing, and up to $100,000 for working capital to eligible enterprises. As of June 30, 2018, CED had nearly $1.7 million in PIDA financing outstanding representing 9 projects, and 21 active loans under its Business Development Fund, with receivables of approximately $5 million.

KENSON PLASTICS - Chippewa Township

About ten years ago, three native Beaver County brothers may have felt a hint of deja-vu when they acquired a small, Allegheny County precision pressure-formed plastic components firm. After all, Patrick, Chris, and David O’Leary are third generation members of a family that parlayed the home-based custom mold EPS plastics firm into Tuscarora Inc., an international, publicly traded company with 2,200 employees. That decision was well founded as steady growth prompted Kenson Plastics owners to move from the original Wexford location to Zelienople and they are now returning to Beaver County.

Kenson Plastics strategically shifted from commodity production to custom design work for customers requiring exacting tolerances with impeccable mechanical properties. These highly precise, pressure-formed plastic components are tailored solutions for a diverse customer base including medical, electronics and transportation industries.

The owners spent years searching for the right location to further expand their business and found it in Chippewa. The company is renting a 10.3-acre, 72,000 square foot, light industrial facility CED purchased in July 2017. The shell building gives complete design flexibility so the “blank-slate” fit-out begun in Spring 2018 will create the most efficient layout possible. With nearly 50% more space, the firm plans to relocate its 70-person staff by year’s end with hopes to grow to 100 employees in the future.
ALLIED RUBBER AND SUPPLY - Franklin Township  
• Allied Rubber & Supply (AR&S) is an industrial value-added distributor/fabricator of supplies such as hoses, conveyor belts, and gasket products serving energy, food & beverage, OEMs, and construction industries.  
• The company identified an ideally located 43,000 square foot vacant retail building to acquire, and CED assisted with sponsoring a $613,000 PIDA loan and financed $250,000 directly from its Business Development Fund for the renovation.  
• The $1.2 million adaptive reuse project consolidates two nearby rental sites in Lawrence and Butler counties into one with triple the size and increased efficiencies.  
• AR&S brings 25 jobs to Beaver county and expects to add 3 additional jobs in the near term.

CREEK SIDE SPRINGS - New Brighton Borough/Pulaski Township  
• Creekside Springs is a private label and contract packager of water-based beverages, distributing within 48 states with facilities in Ambridge, New Brighton, and Salineville, Ohio.  
• Enhanced water offerings prompted the firm to acquire its New Brighton facility for more warehousing and higher efficiency production equipment line.  
• CED supported Creekside's growth in 2018 by financing a $941,000 second full batching line project with a $400,000 PIDA loan and a $250,000 Business Development Fund loan.  
• Creekside expects to add 8 new full-time positions to its current 50-person local staff.

AVALOTIS CORPORATION - Harmony Township  
• Value Ambridge Properties, Inc., identified a tenant for 45,500 square foot portion of its 1 million square foot facility of industrial space but tenant build out required installation of a 20-ton double girder crane, upgraded electrical, and other code required improvements.  
• The new tenant, Verona, PA based Avalotis Corporation provides industrial services include steel grit blasting, specialty painting and linings, insulation, protective floor coatings, secondary containment, scaffolding, and rigging.  
• Avalotis employs over 650 worldwide and will provide value-added services for steel beam preparation in the Ambridge facility creating 15 new jobs within three years.  
• CED financed 50% of the $215,000 facility upgrade with a Business Development Fund loan.

THE BLUFFS AT GLADE PATH – Center Township  
• Castlebrook Development Group acquired and is developing 45 acres of land between adjacent to the Beaver Valley Mall and overlooking the Ohio River as a mixed-use development.  
• Construction began in 2018 for a $20 million, 34,000 SF Allegheny Health Network Cancer Treatment Center and a Heritage Valley 59,000 SF primary and specialty care medical facility.  
• CED provided a $500,000 gap loan as part of the $10 million overall financing package.
SPECIAL INITIATIVES

While CED’s core activities involve business and project development, a wider range of activities are undertaken on a more targeted basis on behalf of Beaver County. These include economic/community development planning and coordinating with regional marketing and promotion efforts. Additionally, CED is the Pennsylvania Department of Community and Economic Development (DCED) certified agency for business financing programs and administers DCED’s Enterprise Zone (EZ), Keystone Opportunity Zone (KOZ), and Keystone Innovation Zone (KIZ) in Beaver County.

Neighborhood Assistance Program

CED completed its second year assisting the City of Aliquippa Economic Development Corporation (AEDC) to help address community and economic development, neighborhood conservation, public safety, and community services through a Neighborhood Partnership Program (NPP). During this past fiscal year, ADEC secured a 6-year, $3,000,000 commitment from BNY Mellon to fund the Aliquippa NPP. BNY Mellon will receive an 80% state tax credit for its contribution. This year’s 5-prong effort concentrated on a strategic neighborhood acquisition and demolition program, acquiring 38 abandoned, dilapidated residential properties, 18 of which to be demolished in 2018 (the balance to be included in the second year of the NPP); creating an employment service program used by 81 residents (23% now employed); supporting The Salvation Army efforts to distribute essential and emergency food packages to over 600 families monthly plus provide over 700 weekly meals to children monthly; establishing a digital media lab/classroom in the B. F. Jones Memorial Library to sharpen secondary schoolers literacy and organizational skills; sponsoring a community Job Fair; and completing a market study for housing development.

CED OWNED PROPERTIES

Year-End Development Summary

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aliquippa Industrial Park Phase II</td>
<td>Fully Leased</td>
</tr>
<tr>
<td>Bridgewater Crossing</td>
<td>Sold - Phase I under construction</td>
</tr>
<tr>
<td>Hopewell Business &amp; Industrial Park</td>
<td>Sold</td>
</tr>
<tr>
<td>1200 Airport Road - Hopewell</td>
<td>Fully leased</td>
</tr>
<tr>
<td>Monaca Commerce Center</td>
<td>Sold</td>
</tr>
<tr>
<td>WestGate Business Park - Big Beaver</td>
<td>Marketing site; further site work underway</td>
</tr>
<tr>
<td>2835 Darlington Road - Chippewa</td>
<td>Acquired 72,000 SF light industrial building purchased in 2017, fully leased in 2018</td>
</tr>
</tbody>
</table>
CED actively supports the retention and growth of existing firms, while also attracting new ones to the County. The table and graph demonstrate the progress made by CED in meeting its goals.

### CED Cumulative Totals

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed Projects</td>
<td>387</td>
</tr>
<tr>
<td>New Jobs</td>
<td>12,027</td>
</tr>
<tr>
<td>Temporary Construction Jobs/One Year Full-Time Equivalents</td>
<td>8,846</td>
</tr>
<tr>
<td>New Private Investments</td>
<td>$4,637,348,000</td>
</tr>
<tr>
<td>Number of Grants/Loans</td>
<td>322</td>
</tr>
<tr>
<td>Total Amount of Grants/Loans</td>
<td>$143,616,000</td>
</tr>
</tbody>
</table>

**SUPPORT**
Grants $ 166,923

**REVENUES**
Loan Fees, Membership Dues, Interest, Rental Income and Miscellaneous $ 976,571

**TOTAL SUPPORT & REVENUE** $ 1,143,494

**EXPENSES**
Economic Development Operations & Capital $ 287,006
Management and General $ 511,453

**TOTAL EXPENSES** $ 798,459

**EXCESS OF SUPPORT AND REVENUE OVER EXPENSES** $ 345,035

Net Assets, June 30, 2017 $ 26,888,262
Net Assets, June 30, 2018 $ 27,233,297

CED’s financial condition is continuously monitored by the Board of Directors through monthly financial reports. Fiscal year activities are audited and certified by an independent CPA.


**ASSETS**
Cash and Cash Equivalents $ 12,270,103
Accounts Receivable $ 15,632
Loans Receivable Net of Uncollectable 2016 and 2017 Loans $ 5,359,028
Lease Receivable $ 1,151,074
Inventory of Lots $ 7,434,995
Property and Equipment $ 2,430,514

**TOTAL ASSETS** $ 28,661,356

**LIABILITIES AND NET ASSETS**
Liabilities
Accounts Payable and Accrued Expenses $ 311,192
Notes Payable $ 825,000
Security Deposits $ 12,356
Unearned Revenue $ 48,873
Escrow Deposit $ 230,638

**TOTAL LIABILITIES** $ 1,428,059

Net Assets
Unrestricted $ 22,870,703
Temporarily Restricted $ 4,362,594

**TOTAL LIABILITIES AND NET ASSETS** $ 28,661,356

**INVESTMENT BY PERCENT**

- **Economic Development Projects** 86%
- **Management and General** 14%
- **Loans, Grants and Lease Receivable** 23%
- **Cash and Cash Equivalents** 34%
- **Land, Buildings and Equipment** 43%

---

**ASSET BASE**

Annual Report 2018
Thanks to those who support progress in Beaver County

CED enjoys financial support from a significant number of governmental, business community, and individual contributors. This assistance is targeted toward a variety of projects which stimulate job creation and private investment through locally evolved initiatives. The Beaver County Board of Commissioners continued its strong and ongoing financial support of CED activities since its inception by contributing $157,000 from its general fund during the 2018 fiscal year.

Further demonstrating the strength of the public-private partnership in Beaver County is the degree of support received from individual and business contributions. In 2018, membership from the private sector represented nearly 80 local companies and individuals. Membership involves a minimum contribution of $200 and allows participation in the annual election of the CED’s Board of Directors. Members are gratefully acknowledged as follows:

2018 MEMBERSHIP

Airp0rt Area Business Complex
Ambridge Regional Distribution & Manufacturing Center
Andritz Herr-Voss Stamco, Inc.
Ardex, L.P.
I. David Atcheson, Jr. D.M.D.
Aurora Environmental, Inc.
Avelli Manufacturing Corp.
BASF Corporation
Beaver Concrete & Supply Inc.
Beaver County Building Trades
Beaver County Chamber of Commerce
Beaver County Transit Authority
Beemac Trucking, LLC
Bob Tracy Insurance
BridgeWorks LLC
c3controls
Carson Plaza Associates
Castlebrook Development Group
Civil & Environmental Consultants, Inc.
Col-Fin Specialty Steel II LLC
Colona Transfer LP
Columbia Gas of Pennsylvania
Cottrill Arbuitina & Associates, P.C.
Creekside Springs, LLC
Cronimet Corp.
Danzer Veneer Americas, Inc.

Esmark Realty
GAI Consultants, Inc
The Gateway Engineers Inc.
GCU
Geneva College
Grant USA Inc.
Halama Brothers Electric, Inc.
Heritage Valley Health System
Howard Hanna Real Estate Services
IBEW Local Union #712
Job Training for Beaver County, Inc.
Keystone Profiles, Ltd.
KIZ Resources, LLC
L.C. Renninger Group, Inc.
Laborers’ Local 833
Larson Design Group
Lennon, Smith, Souleret Engineering, Inc.
Lindy Paving, Inc.
Lombardo Industries Inc.
Mcdaniel Advanced Ceramic Technologies, LLC
Mcllvried, DiDiano & Mox, LLC
Metalwerks, Inc.
Michael Baker International
Moderne Glass Holdings, Inc.
MVM Associates, Inc.
NOVA Chemicals
John P. O’Leary

Penn State Beaver
Penna Flame Industries, Inc.
PGT Trucking, Inc.
Pittsburgh Intermodal Terminals, Inc.
Pittsburgh Tubular Shafting, Inc.
Precision Kidd Steel Co. Inc.
Q-Cast, Inc.
Ralich Truck Center
Selectrode Industries, Inc.
Shasta Services LLC
Sippel Steel Fab
Standard Steel Specialty Company
Team Fischel
Town Center Associates LLC
Tri-State River Products, Inc.
Turney Electric, Inc.
Uhl Construction Company, Inc.
United States Gypsum
Veka, Inc.
Versatex Building Products, LLC
West-Aircomm Federal Credit Union
WHEMCO Steel Castings, Inc.
Widmer Engineering, Inc.
Woodske Law Offices
W. D. Wright Contracting, Inc.
Youngstown & Southeastern Railroad
Policy set by community leaders

CED Board of Directors formulates policy and provides direction for staff activities. Corporation bylaws assure a blend of private and public sector experience and talents prescribing representation of the three Commissioners of Beaver County, at least one representative of labor, and the community at large. Other members are selected based on demonstrated leadership capabilities in both large and small business and education. Board of director nominees are voted upon each year by the members of CED at its annual meeting.
Shell off-loads larger components from barges to newly constructed docks for on-site assembly.

At left: Technicians monitor process flow at Creekside Springs  At right: Penna-Flame Industries.