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PITTSBURGH, PA 15222-1312

Laura Shapira Karet, *Chair*
David L. Holmberg, *Vice Chair*
Leroy M. Ball, Jr., *Treasurer*
Kevin Walker, *Secretary*
William S. Demchak, *Immediate Past Chair*
Stefani Pashman, *Chief Executive Officer*

Will Allen
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Christopher Franklin
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Karen Hanlon
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Haakan Jonsson
Rebekah Byers Kcehowski
Ronald C. Keating
Mark R. Kempic
David J. Malone
Christopher Martin
Michael H. McGarry
James J. McQuade
Hilary Mercer
Sam Reiman
David K. Roger
Christopher Rossi
Bryan Salesky
Rafael Ottoni Santana
Steve R. Schott
Lisa M. Schroeder
James R. Segerdahl
William E. Strickland, Jr.
Jaime S. Tuite
Nishan J. Vartanian
Kevin Walker
Robert S. Wetherbee

**MEMBERS
EMERITI**
Charles E. Bunch
Richard J. Harshman
James E. Lee
Martin G. McGuinn
Morgan K. O'Brien
Thomas H. O'Brien
C.J. Queenan, Jr.
James E. Rohr
Richard P. Simmons
John P. Surma

MEMORANDUM

TO: Allegheny Conference Board of Director's
FROM: Stefani Pashman
DATE: January 6, 2023
SUBJECT: January 11, 2023, Board of Director's Meeting

Enclosed are the agenda and briefing materials for the Allegheny Conference Board of Director's meeting. Please focus your attention to those materials where action will be taken:

1. Administrative Matters requires approval of:

- Annual Election of ACCD Board of Directors, Officers & Executive Committee
- Approval of Minutes: November 15, 2022

If you have any questions regarding these materials or the agenda, please let me know. We look forward to having you join us on January 11, 2023 for the board meeting and dinner.

/md

Attachments: agenda, briefing materials

AGENDA

Wednesday, January 11, 2023

3:30-5:30 PM

Duquesne Club

- 3:30 p.m.** Call to Order / Chairman's Remarks (Karet)
- Administrative Matters (Karet)
- Annual Election of ACCD Board of Directors, Officers & Executive Committee (Demchak)
 - Approval of Minutes November 15, 2022
- 3:45 p.m.** 2022 Review and 2023 Workplan (Pashman)
- 4:05 p.m.** Financial Report (Ball)
- 2022 Forecast
 - Approval of 2023 Budget
- 4:15 p.m.** Key Strategy Updates
- Gubernatorial Transition and Policy Updates (Salesky/Smith)
 - Energy Strategy (Kcehowski/Mercer/Walker/Krekanova)
 - Update on the Build Back Better Grant (Krekanova)
 - Strategic Investment Fund (Malone)
- 5:00 p.m.** Executive Session
- 5:30 p.m.** Adjournment

2023 Meeting Dates

Date	Meeting	Time	Location
January 11, 2023	ACCD Board of Directors Meeting & Dinner	3:30-5:30 PM 5:30-7:30 PM	Duquesne Club Walnut Room - 4 th floor Carnegie – 3 rd floor
February 22, 2023	Executive Committee Meeting	12:00-1:30 PM	ACCD Office
March 1, 2023	ACCD Annual Meeting	4:00-7:00 PM	TBD
April 11, 2023	Executive Committee Meeting	12:00-1:30 PM	ACCD Office
May 11, 2023	ACCD Board of Directors Meeting	7:30-9:30 AM	Duquesne Club Walnut Room - 4 th floor
June 27, 2023	Executive Committee Meeting (TENTATIVE)	12:00-1:30 PM	ACCD Office
August 30, 2023	ACCD Board of Directors Meeting	7:30-9:30 AM	Duquesne Club Walnut Room - 4 th floor
October 11, 2023	Executive Committee Meeting	12:00-1:30 PM	ACCD Office
November 14, 2023	ACCD Board of Directors Meeting	7:30-9:30 AM	Duquesne Club Walnut Room - 4 th floor
December 13, 2023	Executive Committee Meeting	12:00-1:30 PM	ACCD Office

Tab List for Board Meeting Materials

Tab *Subject*

1. Administrative Matters

- a. Annual Elections
- b. Approval of Minutes

2. CEO Updates

- a. 2022 Review and 2023 Workplan

3. Financial Report

- a. 2022 Forecast
- b. Approval of 2023 Budget

4. Key Strategy Updates

- a. Energy Strategy

Tab 1

Allegheny Conference on Community Development

2023 BOARD OF DIRECTORS - PROPOSED

OFFICERS

CHAIR Laura Shapira Karet
VICE CHAIR David L. Holmberg
TREASURER Leroy M. Ball, Jr.
SECRETARY Kevin Walker

IMMEDIATE PAST CHAIR William S. Demchak
CHIEF EXECUTIVE OFFICER Stefani Pashman

DIRECTORS

Will Allen, *Magarac Ventures*
Leroy M. Ball, Jr., *Koppers Inc.*
Walter R. Bashaw, II, *Coherent Corp.*
Eric Boughner, *BNY Mellon*
Brian S. Brickhouse, *Eaton*
Jeff Broadhurst, *Eat'n Park Hospitality Group, Inc.*
Quintin B. Bullock, *Community College of Allegheny County*
Helen Hanna Casey, *Howard Hanna Real Estate Services*
Leslie C. Davis, *UPMC*
Vincent J. Delie, Jr., *F.N.B. Corporation*
J. Christopher Donahue, *Federated Hermes Inc.*
John J. Engel, *WESCO International, Inc.*
Karen Wolk Feinstein, *Jewish Healthcare Foundation*
Daniel K. Fitzpatrick, *Citizens Bank of PA / NY / NJ / DE*
Patrick Fragman, *Westinghouse Electric Company*
Christopher Franklin, *Essential Utilities*
Patrick D. Gallagher, *University of Pittsburgh*
Jennifer Giovannitti, *Claude Worthington Benedum Foundation*
Kenneth G. Gormley, *Duquesne University*
Charles L. Hammel, III, *PITT OHIO*
Karen Hanlon, *Gateway Health Plan*
Jason E. Hazlewood, *Reed Smith LLP*
Diane P. Holder, *UPMC Health Plan*
David L. Holmberg, *Highmark Health*
Carol Jackson, *HarbisonWalker International*
Farnam Jahanian, *Carnegie Mellon University*

Haakan Jonsson, *Covestro LLC*
Laura Shapira Karet, *Giant Eagle, Inc.*
John F. Kasel, *L. B. Foster Company*
Rebekah Byers Kcehowski, *Jones Day Pittsburgh*
Ronald C. Keating, *Evoqua Water Technologies, LLC*
Mark R. Kempic, *Columbia Gas*
David J. Malone, *Gateway Financial Group, Inc.*
Christopher Martin, *Robert Bosch LLC*
Michael H. McGarry, *PPG*
James J. McQuade, *Dollar Bank, FSB*
Hilary Mercer, *Shell Chemicals Appalachia*
Takanobu Miyaki, *Elliott Group*
Sam Reiman, *Richard King Mellon Foundation*
David K. Roger, *Hillman Family Foundations*
Christopher Rossi, *Kennametal Inc.*
Bryan Salesky, *Argo AI*
Rafael Ottoni Santana, *Wabtec Corporation*
Steve R. Schott, *Calgon Carbon Corporation*
Lisa M. Schroeder, *The Pittsburgh Foundation*
James R. Segerdahl, *K&L Gates LLP*
William E. Strickland, Jr., *Manchester Bidwell Corporation*
Jaime S. Tuite, *Buchanan Ingersoll & Rooney PC*
Nishan J. Vartanian, *MSA, The Safety Company*
Kevin Walker, *Duquesne Light Company*
Robert S. Wetherbee, *Allegheny Technologies Incorporated*
Lisa Witte, *Thermo Fisher Scientific*

EX OFFICIO VOTING MEMBERS

William S. Demchak, *The PNC Financial Services Group, Inc.*

Stefani Pashman, *Allegheny Conference on Community Development*

MEMBERS EMERITI

Charles E. Bunch
Richard J. Harshman
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Martin G. McGuinn
Morgan K. O'Brien

Thomas H. O'Brien
C.J. Queenan, Jr.
James E. Rohr
Richard P. Simmons
John P. Surma

Allegheny Conference and Affiliates

2023 EXECUTIVE COMMITTEE - PROPOSED

Chair, Allegheny Conference	Laura Shapira Karet, <i>Giant Eagle, Inc.</i>
Vice Chair, Allegheny Conference Chair, Personnel & Compensation	David L. Holmberg, <i>Highmark Health</i>
Treasurer, Allegheny Conference Chair, Audit & Finance Committee	Leroy M. Ball, Jr., <i>Koppers Inc.</i>
Secretary, Allegheny Conference	Kevin Walker, <i>Duquesne Light Company</i>
Chief Executive Officer, Allegheny Conference	Stefani Pashman <i>Allegheny Conference on Community Development</i>
Chair, Greater Pittsburgh Chamber of Commerce	Bryan Salesky
Co-Chairs, PA Economy League of Greater Pittsburgh	Rebekah Byers Kcehowski <i>Jones Day Pittsburgh</i> William E. Strickland, Jr. <i>Manchester Bidwell Corporation</i>
Chair, Pittsburgh Regional Alliance	William S. Demchak <i>The PNC Financial Services Group, Inc</i>
Strategy Chair, Racial Equity	William E. Strickland, Jr. <i>Manchester Bidwell Corporation</i>
Strategy Chair, Talent	Eric Boughner, <i>BNY Mellon</i>
At-Large Members:	
Leslie C. Davis, <i>UPMC</i>	Michael H. McGarry, <i>PPG</i>
Patrick D. Gallagher, <i>University of Pittsburgh</i>	Hilary Mercer, <i>Shell Chemicals Appalachia</i>
Farnam Jahanian, <i>Carnegie Mellon University</i>	David K. Roger, <i>Hillman Family Foundations</i>
David J. Malone, <i>Gateway Financial Group, Inc.</i>	Nishan J. Vartanian, <i>MSA, The Safety Company</i>



Brian Brickhouse

PRESIDENT, AMERICAS REGION, ELECTRICAL SECTOR

Brian Brickhouse is president, Americas Region, Electrical Sector of Eaton, a power management company.

Most recently, Brian served as president, Electrical Systems and Services Group, Electrical Sector (ESSG), at Eaton. In that role, he had full responsibility for the ESSG organization, which brought together our services and assembly and integrated system expertise across a wide range of electrical products.

Brian previously served as president of the Asia Pacific Region—Electrical Sector, located in Shanghai, China beginning in 2015. Prior to his role leading APAC, he served as president of the Power Quality Division, Electrical Industrial and Infrastructure Group, Electrical Sector—Americas.

Throughout his career with Eaton, he has held other roles leading the Power Quality business in Europe, Middle East, Africa, the Electrical Sector in Canada, and Power Quality Global Sales, Service and Support.

Brian started his career with Westinghouse in 1985 and joined Eaton as part of the Westinghouse acquisition.

Brian earned a bachelor's degree in mechanical engineering from Northwestern University in Evanston, Illinois.

Currently, Brian serves on the Executive Committee and the Board of Governors of the National Electrical Manufacturers Association. In addition, he serves on the Pittsburgh-based CEOs for Sustainability and the Allegheny Conference.

*At Eaton, we **make what matters work** and know **what matters next.***



Powering Business Worldwide

Eaton's mission is to improve the quality of life and the environment through the use of power management technologies and services. We provide sustainable solutions that help our customers effectively manage electrical, hydraulic and mechanical power – more safely, more efficiently and more reliably. Eaton's 2020 revenues were \$17.9 billion, and we sell products to customers in more than 175 countries.

Carol Jackson



As Chairman and Chief Executive Officer, Carol is committed to delivering on HWI's mission and achieving its vision of being the first and only call for industry. Most recently, Carol was Senior Vice President and General Manager at HWI, responsible for commercial operations globally. She has nearly two decades of progressive experience in building global businesses. Prior to joining HWI in 2014, Carol served as Vice President of the bar, wire, and strip business units of Carpenter Technology Corporation. She also progressed through numerous roles at PPG Industries, where she was ultimately Director of Global Raw Materials Purchasing. In 2019, Carol was elected to the Board of Directors of Sensient Technologies Corporation (NYSE: SXT) and elected as President of the World Refractories Association (WRA). She served a two-year term as WRA's first North American leader. In 2020, she was elected to the Board of Directors of AZZ, Inc. (NYSE: AZZ). Carol has a bachelor's degree from Duquesne University, an MBA (MSIA) from Carnegie Mellon University, and a juris doctorate from the University of Pittsburgh School of Law.

Carol works intensely every day to build a competitive differential advantage and drive performance and profitability.



Jen Giovannitti
President of the Claude Worthington Benedum Foundation
Pittsburgh, Pennsylvania

Jen Giovannitti is the President and a Trustee of the Claude Worthington Benedum Foundation, a private family foundation founded in 1944. The Claude Worthington Benedum Foundation is a regional philanthropy organization focusing on West Virginia and Southwestern Pennsylvania. The Foundation generally invests two-thirds of its grant dollars in West Virginia and one-third in Southwestern Pennsylvania, making it a place-based funder with a dedication to rural communities.

Prior to joining the Foundation, Ms. Giovannitti led community-based initiatives for seven years at the Federal Reserve Bank of Richmond, working regionally and nationally on issues facing low-income communities and advancing strategies for community investment. She formed the West Virginia Loan Fund Collaborative in 2012 to better understand the impact of small business lending in underserved communities. She has authored a variety of reports, publications, and opinion essays, and has applied her expertise broadly in rural development strategies.

Ms. Giovannitti lived in West Virginia for 11 years, first serving as the director of the office of the Elkins rail yard redevelopment, then serving as chief executive of the Randolph County Economic Development Authority and West Virginia Wood Technology Center. The successful redevelopment of the Elkins (WV) Rail Yard preserved historic structures, reconstructed a historic bridge, and added tourism infrastructure and public amenities. The project was a model for rural communities redeveloping brownfield sites. In her role leading the county's economic development agency, she was committed to advancing workforce development and supporting the many businesses and local manufacturing operations in the region.

Ms. Giovannitti currently serves on local, regional, and national boards, including the Board of the Regional Industrial Development Corporation (Pittsburgh), is a Trustee of Davis and Elkins College (West Virginia), and is a partner with the Richard King Mellon Foundation and The Heinz Endowments in Almono, LLC (Pittsburgh). She is member of the International Women's Forum and serves on the National Advisory Council for Building Healthy Places (national) and the Community Advisory Board for Truist Bank (regional). She also is a member of the Investment Committee for the Strategic Investment Fund (Pittsburgh-regional).

Bio Details



John F. Kasel

President and Chief Executive Officer

Mr. Kasel, age 56, joined the Company in 2003 as Vice President – Operations and Manufacturing and served in roles of increasing responsibility, most recently as Senior Vice President and Chief Operating Officer since December 2019; Senior Vice President – Rail & Construction from 2017 to December 2019; Senior Vice President – Rail Products & Services from 2012 to 2017; and Senior Vice President - Operations and Manufacturing from 2005 to 2012. In his role as Vice President – Manufacturing and Operations from 2003 to 2005, he introduced LEAN manufacturing and other advancements which improved operating efficiency and reliability. When he assumed the role of Senior Vice President of the Rail business following an alignment of all operations under business leaders with full P&L responsibility, the Rail business was the largest reporting segment by revenue. He then added responsibility for the Construction and Tubular segments prior to being appointed COO.

Contact

www.linkedin.com/in/lisa-witte
(LinkedIn)

Top Skills

Biotechnology

Lifesciences

Commercialization

Lisa Witte

Fisher Scientific Channel, Thermo Fisher Scientific
Sewickley, Pennsylvania, United States

Experience

Thermo Fisher Scientific

13 years 11 months

President, Fisher Scientific Channel

January 2015 - Present (8 years 1 month)

Greater Pittsburgh Area

VP/GM Portable Analytical Instruments

June 2012 - December 2014 (2 years 7 months)

Tewksbury, MA

VP/GM Cold Storage Business Unit

March 2009 - June 2012 (3 years 4 months)

Promega

VP, Global Sales

April 2004 - March 2009 (5 years)

Fisher Scientific

VP Corporate Sales

1995 - 2003 (8 years)

Baxter

Region Manager

1986 - 1995 (9 years)

Baxter Scientific Products

Regional Sales Manager

1986 - 1995 (9 years)

Education

The College of William and Mary

Bachelor of Science (B.S.), Biology, General · (1978 - 1982)



In April 2022, Mr. Takanobu Miyaki was appointed Chief Executive Officer (CEO). Mr. Miyaki transferred from parent company Ebara Corporation to Elliott in 2014 to serve as Director, Corporate Development. In this role, he was instrumental in the acquisition of Elliott's Cryodynamic Products business. Prior to his appointment as CEO, Mr. Miyaki held positions of increasing responsibility at Elliott, covering every aspect of Elliott's business. Most recently, he was the Vice President of Global Manufacturing.

Mr. Miyaki holds a B.E. in Environmental Sanitary Engineering from Kyoto University (Japan), and an MBA from the University of Michigan.



Patrick Fragman

President & Chief Executive Officer

Patrick Fragman is President and Chief Executive Officer of Westinghouse Electric Company, a position he assumed in August 2019. Mr. Fragman brings more than 30 years of global power and energy services experience to Westinghouse.

Before becoming CEO, Mr. Fragman led transformation initiatives at ABB, a global technology leader in digital industries including electrification, industrial automation, motion, robotics and discrete automation, and power grids. As Senior Vice President of ABB's Grid Integration Business, Mr. Fragman was responsible for an industry-leading portfolio that delivered leading power transmission systems, services, and software solutions globally.

Prior to joining ABB, Mr. Fragman spent 15 years at Alstom, a multinational leader in power generation, power transmission and rail infrastructure. While there, he held a series of significant leadership positions in Canada, China, France, and the United States, leading teams, developing project portfolios and businesses on a regional and global scale.

Mr. Fragman has been in the energy and more specifically nuclear industry throughout his career, including various industrial and energy-focused roles within the French Government where he served as Industrial, Energy and Nuclear Safety Advisor to the Minister of Environment & Land Planning. He was also a member of the board of the Institut de Radioprotection et de Sûreté Nucléaire (IRSN) from 2013 to 2015, and the representative of the French State in the Board of Elf Aquitaine Production from 1995 to 1997.

Mr. Fragman received an engineering degree from École des Mines de Paris, where he was also part of the Corps des Mines, France's foremost technical grand corps.

Allegheny Conference on Community
Development 629th Board of Director's Meeting
November 15, 2022

Duquesne Club, Walnut Room

Chair: Laura Karet

Board Members: Will Allen, Leroy Ball, Quintin Bullock, Bill Demchak, Christopher Donahue, Daniel Fitzpatrick, Kimberly Tillotson Fleming, Patrick Gallagher, Kenneth Gormley, David Holmberg, Mark Kempic, Christopher Martin, James McQuade, Michael McGarry, Stefani Pashman, David Roger, Lisa Schroeder, Jaime Tuite, Lara Washington

Staff: Cecelia Cagni, Missy Demme, Bill Flanagan, Vera Krekanova, Janel Skelley, Matt Smith, Majestic Lane

Guest: Tom Buchanan, Buchanan Ingersoll & Rooney, serving as counsel

Call to order and Welcome: Ms. Karet stated that a quorum was present and called the meeting to order at approximately 7:30 am. She welcomed the members of the Board to the meeting.

Ms. Karet started the meeting by taking a few moments to reflect on the Conference's accomplishments over the past few years. She noted the success of the new funding model, both in terms of the increase in revenues and therefore resources, but also the benefit of freeing up management and staff time as a result of moving to a two-year funding cycle. She pointed out some of the tremendous policy wins, like CNI reform, and successful efforts to help create a more business-friendly state government with a greater emphasis on the Western PA region. She called out the progress that has been made on DE&I initiatives. Ms. Karet noted the important strides that have been made with the new Mayor's office to make improvements in downtown Pittsburgh, and she thanked Mr. Demchak and Mr. Holmberg, and PNC and Highmark, for their leadership on that front. She then commented on the good work that has been done through the first two years of the Conference's three-year work plan, and expressed excitement about the aggressive agenda for the third year. Lastly, she noted that the Conference has become much more active in recent years, citing the successful pursuit of the Build Back Better grant as an example. Discussion among the Board members followed.

Ms. Karet then turned the floor over to Ms. Pashman for a special tribute to Bill Flanagan, who Ms. Pashman announced was retiring from a full-time position with the Conference in order to pursue other opportunities and passions. She noted that Mr. Flanagan would continue to serve the Conference in an advisory role. In tribute to Mr. Flanagan, Ms. Pashman read a proclamation of the Board, a copy of which is attached to these minutes. Ms. Pashman also thanked Ms. Cagni for her efforts in crafting the proclamation. The Board approved the proclamation and applauded the efforts and contributions of Mr. Flanagan, who in turn thanked the Board and expressed his deepest appreciation for the opportunity to be a part of the great work of the Conference and its affiliates.

Administrative Matters: Ms. Karet then turned to administrative matters. She advised the Board that Kevin Walker had been elected by the Executive Committee to serve as Secretary of the Conference to fill the vacancy created by the resignation of Jim Rock. Next, she asked if there were any comments or

questions on the minutes of the August 31, 2022 meeting of the Board, a copy of which was included in the materials distributed to the Board in advance of the meeting. Hearing none Ms. Karet asked for a motion to approve the minutes.

MOTION: Upon motion duly made and seconded, the Board voted unanimously to approve the Minutes of the August 31, 2022 meeting of the Board of Directors in the form presented to the Board.

CEO Report: Ms. Pashman called the Board’s attention to the three year work plan behind Tab 2 of the materials distributed to the Board in advance of the meeting. She reviewed for the Board the plan’s three primary objectives: growing the economy, galvanizing inclusive regional engagement and unlocking the region’s potential. On growing the economy, she noted that a primary focus has been on the work of the PRA with an emphasis on building a more robust pipeline of opportunities. She outlined progress against the growth goals, noting that there have been 55 to 60 business attractions, 5,000 jobs, and \$600M in capital investment over the first two years. She then turned to 2023 priorities, which include a more deliberate focus on shaping strategy, expanding the team and doing more to achieve in-market growth.

On the second objective -- focusing on inclusive regional engagement -- Ms. Pashman described a focus in 2023 around community development efforts across the 16-county region. She also described a number of accomplishments, including:

- the Conference’s instrumental role in launching the BEAM Collaborative, which is now functioning as a stand-alone entity;
- the adoption and implementation of inclusive growth principles and the related roundtables;
- the work being done to establish a third strategic investment fund (SIF); and
- talent development, noting the demographic challenges that have been described in earlier meetings, including the work of PwC in that regard, along with the talent coalition being launched in 2023.

With respect to the third objective -- unlocking the region’s potential -- Ms. Pashman pointed to a number of significant accomplishments, including:

- very significantly, CNI reform;
- infrastructure efforts, with a “one region, one voice” focus;
- investment in locks and dams;
- Hazlewood Green;
- Carbon capture, hydrogen hub and grid modernization efforts; and
- winning the BBB grants for the region, partnering with five leads to propel robotics and AI initiatives.

Ms. Pashman then described four areas of focus for 2023: (i) enhancing the relationship with state government to help reshape policies and priorities on economic development, (ii) energy initiatives, (iii) talent development, and (iv) building up the Conference’s organizational structure and team in order to accomplish more for the region.

A wide-ranging discussion among the Board members followed. The Board commented on the quality and energy of the current team members, and opportunities to further strengthen the team. The Board

discussed the recently passed CHIPS Act, noting that the region should play a significant part in the implementation of those efforts, particularly on the supply chain side. Ms. Pashman noted that the PRA is actively engaged on that front.

At the conclusion of this discussion, Ms. Karet moved to the next item on the Agenda, Key Strategy Updates, turning the floor over to Mr. Smith for the policy update noting that Mr. Salesky was unable to attend the meeting.

Key Strategy Updates:

Policy: Mr. Smith previewed his update, stating that he would cover three areas: new policy results, election results and top-level priorities for the coming year. On new policy, he overviewed the recently passed economic development package adopted by the State that includes clean hydrogen and semiconductor tax credits. He also highlighted recently approved autonomous vehicle legislation designed to enhance the State's ability to compete in that evolving tech sector. Discussion among the Board members followed, including emphasizing the need for more action beyond tax credits to incent investment, particularly on the energy front. Mr. Smith described other initiatives under way to address that concern.

Mr. Smith then turned to an assessment of the recent election results, noting that regional representatives were well positioned in legislative leadership which is a positive development. He voiced the view that the new legislative make-up will likely be good for economic development efforts and also in helping to advance efforts on the NOL front.

In terms of top-level priorities, Mr. Smith outlined the following:

- permitting and regulatory reform at all levels of government;
- robust funding for economic development, with a focus on megasite investment and a state-wide inventory of pre-certified and pre-permitted development sites; and
- aggressive focus on key high-growth, high-velocity sectors identified by the PRA: life sciences, energy, advanced manufacturing and robotics

Discussion among the Board members followed, including concerns around City of Pittsburgh permitting issues, key cabinet positions in the new governor's office to focus on, and possible reconstitution of the DCED.

Business Investment: Mr. Demchak initiated the update on business investment in the region by noting the lack of large-project wins, observing that the PRA does a very good job in landing smaller projects for the region, but not large/mega deals. He commended the PRA team for their hard work and the very good job that they do, but he pointed out that they are limited by factors beyond their day-to-day control. He noted that in order to be successful on winning large investments, the region needs to have support at the state level, with pre-investment, permitting issues addressed in advance and pre-cleared sites. He also noted the need for a more robust ecosystem and deeper talent pool across all aspects of the work force.

Ms. Pashman then pointed the Board to the information starting at page 21 of the materials distributed to the Board in advance of the meeting. She walked through the breakdown of the source of projects presented there. She also noted that foreign direct investment is an important focus of the PRA, particularly German-based investors. Lastly, she referenced the intent to bring back a regional

investment summit. Substantial discussion followed, including noting that larger projects are now more likely to be driven by foreign strategic investors, rather than domestic or foreign private equity players, and a discussion about the strengths and weaknesses of the local work force.

Energy: Ms. Krekanova then provided the Board with an update on the energy strategy, referencing the information beginning at page 28 of the Board materials. She stated that the focus in 2022 has been on public funding in three critical areas: carbon capture and storage, hydrogen hub development and grid modernization. She described each as being very competitive opportunities, requiring a 50% private match and a significant community benefit plan. She noted that each opportunity has a different path to success and proceeded to describe the carbon capture and hydrogen hub opportunities in detail.

On carbon capture and storage, Ms. Krekanova noted that the project would proceed in three phases, with the requirement to compete for each phase. She noted that the Conference spoke to 20 regional companies in an effort to develop a potentially successful application but determined that Shell was the only viable option. Shell requested that the Conference serve as the lead applicant in light of the need for shared infrastructure and community involvement and the Conference's unique ability to bring multiple resources to the table. Ms. Krekanova stated that the Conference had developed a special purpose entity to pursue the opportunity, had built a coalition of partners, and that the application would be submitted before the December 5, 2022 due date. Discussion among the Board members followed. It was noted that the project is a unique opportunity to bridge the old and new economies. Thoughts were exchanged about how a multi-state coalition could be developed down the road if needed. It was noted that throughout the process Shell has been very helpful in providing input on how the developing technology could be made accessible to other companies in the region and beyond.

Turning to the hydrogen hub opportunity, Ms. Krekanova stated that it was a significantly more complicated undertaking, involving a multitude of parties. She noted that in other states the effort was being led by the governor's office. She said that Team PA is serving as the lead applicant, and that an application had been submitted earlier in the month. She noted that the Conference was working closely with Shell and others in the region to understand what is being proposed and how it can benefit the region. Discussion followed, with the Board agreeing that Team PA is the right entity to serve as the lead applicant, and that the Conference can assist on the community benefits piece in particular. Mr. Smith commented that the Conference has been very active on educating the Governor-elect and his team on the importance of the opportunity for the State and the region. Board members emphasized the need to make sure that members of the Governor's transition team recognize the importance and make it a very top priority.

Inclusive Growth: Mr. Lane initiated the update on inclusive growth by calling the Board's attention to the data starting at page 40 of the Board materials. He noted that the materials summarized daily activity, employee recovery and perceptions around safety in the downtown Pittsburgh area, as well as the need for uniformed officers and ambassadors downtown. He then pointed to page 38 of the materials to outline for the Board what is being done to address the problems and concerns with downtown. He touched on four principal initiatives: (i) support for the Pittsburgh Downtown Partnership (PDP) ambassador program, (ii) development of a public safety building, (iii) creating additional housing units for the unhoused population, and (iv) supporting the conversion of office buildings for residential use. Discussion among the Board members followed, touching on public safety initiatives, the economic challenges associated with development of affordable housing options and the location of that housing.

Strategic Investment Fund: Ms. Pashman stated that Mr. Malone was not able to attend the meeting, so she would be providing a brief update on the SIF. She referenced the information starting at page 50 of the Board materials, stressing to the Board that the information was confidential. She outlined a more focused strategy for the SIF and described a \$10M joint venture with the RIDC, as well efforts under way to identify downtown buildings that are best suited for residential conversion, working in conjunction with architectural firm Gensler. She then discussed five steps that are being taken to move forward with the new SIF fund, including (i) finalizing an updated offering memorandum, (ii) soliciting new investors, (iii) amending the SIF limited partnership agreement, (iv) finalizing the Gensler report, and (v) preparing updated marketing materials. A discussion followed.

Financial Report: Mr. Ball initiated the financial report with a high-level overview of the financial dashboard, balance sheet and operating statement referencing Tab 4 of the Board materials. He noted that 90% of the \$12M of budgeted revenue for 2022 has been committed. He also noted that the new funding model has resulted in incremental revenue of approximately \$1.2M. He observed that the balance sheet remains strong. On the operating statement, he noted that September 2021 had a much higher surplus of \$1.4M compared to the same period in 2022, but that was the result of the forgiveness of 2020-2021's \$1.5M PPP loan.

He then turned to page 56 of the Board materials to update the Board on the forecast for the balance of 2022, and to provide a preliminary overview of the budget for 2023. He stated that the budget reflects anticipated revenues of \$13M, which assumes a conservative \$6.8M of revenues from regional investors, which is flat year-over-year. He also pointed out that the \$13M does not include additional staff for the DOE federal carbon capture and storage grant that is being applied for and does not budget for the resources needed under the talent coalition initiative. He noted that no formal action was required at this time on the proposed 2023 budget which would be presented to the Executive Committee for approval in December and to the full Board at the January meeting. A brief discussion followed.

At the conclusion of this discussion, Ms. Karet congratulated Mr. Ball and Ms. Skelley for their hard work and for the good financial report. She then asked if there were any other matters to be brought before the Board. Hearing none, the meeting was adjourned at approximately 9:15 a.m. A brief executive session of the Board followed.

APPENDIX
Proclamation Recognizing Bill Flanagan

(See attached)

11 Stanwix Street, 17th Floor
PITTSBURGH, PA 15222-1312

AlleghenyConference.org

Laura Shapira Karet, *Chair*
David L. Holmberg, *Vice Chair*
Leroy M. Ball, Jr., *Treasurer*
Kevin Walker, *Secretary*
William S. Demchak, *Immediate Past Chair*
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J. Christopher Donahue
John J. Engel
Karen Wolk Feinstein
Daniel K. Fitzpatrick
Kimberly Talbotson Fleming
Christopher Franklin
Patrick D. Gallagher
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Charles L. Hammel, III
Karen Hanlon
Jason E. Hazlewood
Diane P. Holder
Farnam Jahanian
Haakan Jonsson
Rebekah Byers Kcehowski
Ronald C. Keating
Mark R. Kempic
David J. Malone
Christopher Martin
Michael H. McGarry
James J. McQuade
Hilary Mercer
Antonios Papadourakis
Sam Reiman
David K. Roger
Christopher Rossi
Bryan Salesky
Rafael Ottoni Santana
Steve R. Schott
Lisa M. Schroeder
James R. Segerdahl
Venkee Sharma
Susan Baker Shipley
William E. Strickland, Jr.
Jaime S. Tuite
Nishan J. Vartanian
Kevin Walker
Lara Washington
Robert S. Wetherbee

**MEMBERS
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Richard J. Harshman
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Morgan K. O'Brien
Thomas H. O'Brien
C.J. Queenan, Jr.
James E. Rohr
Richard P. Simmons
John P. Surma

RESOLUTION

WHEREAS, Bill Flanagan has exhibited tremendous commitment to the Pittsburgh region and the Allegheny Conference on Community Development serving from September 1, 2001 to December 31, 2022 as Chief Communications Officer initially and later as Chief Corporate Relations Officer.

WHEREAS, Bill Flanagan was instrumental in the consolidation of the Allegheny Conference with its affiliated organizations and the establishment and growth of the 300-member Regional Investors Council some two decades ago; and

WHEREAS, Bill Flanagan played a critical role in the agenda-setting process for the Allegheny Conference and affiliates in 2011, 2014, 2017, and 2019, which was on the occasion of the 75th Anniversary of the Pittsburgh Renaissance; and

WHEREAS, Bill Flanagan spearheaded efforts to launch the region's first integrated regional marketing campaign – Pittsburgh: Imagine What You Can Do Here – to spread the message throughout southwestern Pennsylvania and around the globe that the Pittsburgh region is a changemaker to the world; and

WHEREAS, Bill Flanagan served as Executive Director of Pittsburgh 250, the 14-county commemoration of the 250th anniversary of the naming of Pittsburgh, which encouraged a shared sense of the region's past, present, and future and attracted one million people to signature events and projects including efforts that led to the completion of the Great Allegheny Passage; and

WHEREAS, Bill Flanagan served as president of the Pittsburgh G-20 Partnership, the public-private partnership that welcomed the world to Pittsburgh for the G-20 Summit in 2009, raising the profile of the region among world leaders and thousands of visiting journalists; and

WHEREAS, Bill Flanagan was a trusted partner and collaborator in numerous major regional initiatives to raise positive awareness of the economy and quality of life in the 10-county region including the

Bassmaster Classic, World Environment Day, One Young World, Hola! Pittsburgh, and the Global Clean Energy Action Forum; and

WHEREAS, Bill Flanagan was instrumental in the development and 2022 launch of a new funding model to ensure sustainable and sufficient funding for the Allegheny Conference into the future; and

WHEREAS, Bill Flanagan hosted a Sunday morning business affairs television program for 35 years including the last 18 as host and producer of "Our Region's Business," on WPXI-TV; and

WHEREAS, Bill Flanagan has served southwestern Pennsylvania with distinction for four decades as a communicator, broadcast journalist and television host, fundraiser, relationship builder, and ambassador for the region to more than 100 domestic and international delegations that visited Pittsburgh in the years following the G-20 Pittsburgh Summit; and

WHEREAS, Bill Flanagan has provided distinguished civic leadership and partnership with Leadership Pittsburgh, Inc., Rivers of Steel, the American Middle East Institute, the National Flag Foundation, and the International Free Expression Project;

NOW, THEREFORE, BE IT RESOLVED THAT the members of the Board of Directors of the Allegheny Conference on Community Development thank and commend Bill Flanagan's leadership, vision, and dedication to improving the quality of life and economic prospects of the Pittsburgh region for this and generations to come.

ADOPTED November 15, 2022



Laura Shapira Karet, Chair

Tab 2

A TEN-YEAR VISION OF VITALITY FOR THE PITTSBURGH REGION

2021-2023 PLAN AND OUTCOMES

OUR PLAN

To lay the foundation for achieving our shared vision for a vital, globally competitive region where all people thrive, the Allegheny Conference will advance a focused agenda across three strategic priorities and mobilize members and partners across the region to:



**GROW OUR
ECONOMY**



**GALVANIZE
INCLUSIVE REGIONAL
ENGAGEMENT**



**UNLOCK
OUR REGION'S
POTENTIAL**

2023 GOALS AND OUTCOMES

GROW THE ECONOMY by securing business investment and job creation

■ **Secure business investment:**

- Make measurable progress toward year-end 2023 goals of:
 - \$1 billion+ in business capital investment
 - 10,000 jobs
 - 150+ business attraction and local expansion projects
- Focus on targeted sectors, including:
 - innovation-driven (autonomy and robotics, cybersecurity, life sciences and financial services)
 - industrial (additive and advanced manufacturing, climate tech, distribution and energy)

■ **Strengthen business investment efforts to help existing and new businesses grow in the region**

- Adopt a competitive, talent-forward approach to business investment
 - Revamp RFIs and marketing efforts to highlight competitive advantages of region's workforce
 - Continue marketing to raise awareness of the region's business investment opportunities, build the pipeline of prospective prospects, and ultimately generate business investment and job creation

New addition to
goals

- Contribute to policy development for a more competitive approach to talent attraction, retention and workforce training
 - Provide input to talent/workforce issues at state and national levels
- Design and execute a more aggressive, targeted Foreign Direct Investment strategy in 1-3 international markets

■ **Guide the region’s efforts to build and grow a diverse, globally competitive workforce**

- Develop and launch a regional talent coalition to attract and retain high-demand talent, including:
 - Regional and national talent marketing initiative to support employer talent attraction and retention, with additional focus on diverse talent
 - College student retention and attraction initiative, including Pittsburgh Passport
- Support the work of partners training the future workforce here
 - Support workforce investment boards and community colleges via board and committee roles to guide and provide employer input
 - Work collaboratively with the workforce development ecosystem on business investment prospects
 - Provide input and employer insights to key cluster workforce components to ensure uniform training/certification across providers and region, and to ensure all roll up into a higher scaled strategy

Moved from “Galvanize Inclusive Regional Engagement” section + Edited to include attract/retain and support workforce partners

GALVANIZE INCLUSIVE REGIONAL ENGAGEMENT to enhance vitality for all

■ **Implement Inclusive Growth principles to assure that diversity, equity and inclusion guide our decision making**

- Connect and amplify demographic and geographic support organizations that are implementing catalytic strategies to pursue inclusive growth strategies in employment and business growth
- Partner with anchor organizations to increase collaboration around regional inclusive growth outcomes

Edited to highlight amplification of others + Add of anchor collaborative

■ **Make catalytic investments in real estate and people**

- Support the 16 communities in our Strengthening Communities Partnership, providing technical assistance and helping them secure private sector investment
- Advance minority entrepreneurship and community development:
 - Strategic Investment Fund: Recapitalize third round of the fund with refined strategic focus

Removed BEAM, completed in 2022

UNLOCK THE REGION’S POTENTIAL by improving competitiveness, removing policy barriers and securing transformative public sector investment

■ **Create a more competitive business tax structure**

- Increase or eliminate the cap on Net Operating Loss Carryforward

Removed CNI, completed in 2022

■ **Secure federal infrastructure investment in physical and digital connectivity**

- Demonstrate progress securing funding for 6 priority projects including the following:
 - Access to Hazelwood Green
 - Additional investment in the Upper Ohio Navigation System
 - ALCOSAN Clean Water Plan
 - Region-wide broadband and 5G expansion
 - Port Authority of Allegheny County Priority Projects
 - Laurel Valley Transportation Improvement Program

- Identify additional opportunities within the CHIPS and Science Act that align with our priorities

■ **Support the Pittsburgh Downtown Partnership, the City and other stakeholders in improving Downtown’s economic and public safety conditions**

■ **Build out key clusters to grow the economy, create jobs, and drive regional competitiveness**

- Energy: Accelerate deployment of diverse decarbonization solutions through coordinated market, policy, workforce, communications and funding interventions
- Robotics/Autonomy: Implement \$63 million of Build Back Better investment and strengthen autonomy ecosystem
- Advanced Manufacturing: Define and pursue transformational investments including CHIPS and Science Act Tech Hub designation and attraction of high-value R&D and production opportunities (e.g., batteries, chips, etc.)
- Life Science: Define and pursue specific transformational investments

■ **Develop plan to reform state and local permitting so that key permit times are reduced**

■ **Provide strategic input and partnership on an updated design of the state’s economic development system**

Removed \$800m in waterways investment, completed in 2022

New addition to goals

Edited

Edited Energy/Robotics based on 2022 efforts + Added Adv. Mfg. and Life Science

New addition to goals

Tab 3

ALLEGHENY CONFERENCE AND AFFILIATED ORGANIZATIONS

2022 Forecast & 2023 Budget

	2022 Original Budget	2022 Forecast <i>as of 1.5.23</i>	2023 Budget <i>as of 1.11.23</i>
REVENUES			
RIC Unrestricted Allocation/Direct	\$ 6,726,960	\$ 6,916,150	\$ 6,900,000
Corporate Revenue/Sponsorships	\$ 175,650	\$ 534,750	\$ 2,165,000
Carryover Funds	\$ 799,850	\$ 799,850	\$ 721,210
Corporate Project Revenue	\$ 25,000	\$ 32,975	\$ 25,000
Chamber Membership Revenue	\$ 20,000	\$ 23,294	\$ 20,000
Corporate Revenue	\$ 7,747,460	\$ 8,307,019	\$ 9,831,210
RIC Unrestricted Foundation Allocation	\$ 553,415	\$ 543,000	\$ 543,000
Foundation Project Revenue	\$ 1,096,000	\$ 831,000	\$ 1,799,836
Foundation Revenue	\$ 1,649,415	\$ 1,374,000	\$ 2,342,836
Government Grants/Contracts	\$ 1,910,870	\$ 2,179,062	\$ 3,546,454
Government Revenue	\$ 1,910,870	\$ 2,179,062	\$ 3,546,454
Other Contributions	\$ 500,000	\$ -	\$ 381,500
Investment Income	\$ 11,045	\$ 11,991	\$ 18,000
Management/Sponsor Fees	\$ 158,000	\$ 188,633	\$ 120,000
Miscellaneous Revenue	\$ 12,000	\$ 16,745	\$ 20,000
TOTAL REVENUES	\$ 11,988,790	\$ 12,077,450	\$ 16,260,000
EXPENSES			
Salaries, Wages and Benefits	\$ 8,069,290	\$ 6,806,716	\$ 8,491,736
Professional Services	\$ 259,141	\$ 331,259	\$ 357,686
Professional Development	\$ 43,200	\$ 30,190	\$ 59,625
Office Space	\$ 724,304	\$ 662,474	\$ 645,068
Insurance	\$ 53,338	\$ 37,921	\$ 47,500
Equip./Furn./Photocopy/Maint.	\$ 94,304	\$ 56,312	\$ 88,161
General Office Supplies	\$ 17,250	\$ 8,887	\$ 17,843
Telephone/Internet	\$ 59,595	\$ 58,102	\$ 59,400
Miscellaneous	\$ 17,226	\$ 7,404	\$ 11,731
PEL, Inc. Shared Service Allocation	\$ 190,642	\$ 188,322	\$ 197,250
Total Fixed Expenses	\$ 1,459,000	\$ 1,380,871	\$ 1,484,264
Professional Services	\$ 1,451,506	\$ 1,809,733	\$ 1,992,089
Grants	\$ 100,000	\$ 75,000	\$ 75,000
Marketing/Advertising/Public Relations	\$ 158,900	\$ 141,360	\$ 2,900,900
Research & Development	\$ 191,589	\$ 164,526	\$ 184,346
Mailing	\$ 9,816	\$ 4,728	\$ 5,407
Dues and Memberships	\$ 66,991	\$ 44,872	\$ 65,693
Travel	\$ 242,659	\$ 171,914	\$ 258,500
Meetings and Programs	\$ 239,039	\$ 425,220	\$ 802,065
Total Program Expenses	\$ 2,460,500	\$ 2,837,353	\$ 6,284,000
Non-personnel expense	\$ 3,919,500	\$ 4,218,224	\$ 7,768,264
TOTAL OPERATING EXPENSES	\$ 11,988,790	\$ 11,024,940	\$ 16,260,000
NET CHANGE IN OPERATIONS	\$ -	\$ 1,052,510	\$ -

ALLEGHENY CONFERENCE AND AFFILIATED ORGANIZATIONS
2023 Budget by Source / Initiative

	2023 Baseline Operations	2023 Business Investment Grant	2023 BBB Regional Challenge Grant	2023 Talent Initiative	2023 Growth Initiative	2023 Total Budget
REVENUES						
RIC Unrestricted Allocation/Direct	\$ 6,900,000	\$ -	\$ -	\$ -	\$ -	\$ 6,900,000
Corporate Revenue/Sponsorships	\$ 415,000	\$ -	\$ -	\$ 1,750,000	\$ -	\$ 2,165,000
Carryover from previous year	\$ 721,210	\$ -	\$ -	\$ -	\$ -	\$ 721,210
Corporate Project Revenue	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Membership Revenue	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
Corporate Revenue	\$ 8,081,210	\$ -	\$ -	\$ 1,750,000	\$ -	\$ 9,831,210
RIC Unrestricted Foundation Allocation	\$ 543,000	\$ -	\$ -	\$ -	\$ -	\$ 543,000
Foundation Project Revenue	\$ 878,180	\$ -	\$ 171,656	\$ 750,000	\$ -	\$ 1,799,836
Foundation Revenue	\$ 1,421,180	\$ -	\$ 171,656	\$ 750,000	\$ -	\$ 2,342,836
Government Grants/Contracts	\$ -	\$ 2,191,045	\$ 855,409	\$ 500,000	\$ -	\$ 3,546,454
Government Revenue	\$ -	\$ 2,191,045	\$ 855,409	\$ 500,000	\$ -	\$ 3,546,454
Other Contributions	\$ -	\$ -	\$ -	\$ -	\$ 381,500	\$ 381,500
Investment Income	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 18,000
Management/Sponsor Fees	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ 120,000
Miscellaneous Revenue	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
TOTAL REVENUES	\$ 9,660,390	\$ 2,191,045	\$ 1,027,065	\$ 3,000,000	\$ 381,500	\$ 16,260,000
EXPENSES						
Salaries, Wages and Benefits	\$ 6,690,211	\$ 1,027,860	\$ 580,605	\$ -	\$ 193,060	\$ 8,491,736
Total Fixed Expenses	\$ 1,443,829	\$ 29,185	\$ 11,250	\$ -	\$ -	\$ 1,484,264
Total Program Expenses	\$ 1,773,000	\$ 999,000	\$ 362,000	\$ 3,000,000	\$ 150,000	\$ 6,284,000
Non-personnel expense	\$ 3,216,829	\$ 1,028,185	\$ 373,250	\$ 3,000,000	\$ 150,000	\$ 7,768,264
Indirect/Shared Costs	\$ (246,650)	\$ 135,000	\$ 73,210	\$ -	\$ 38,440	\$ -
TOTAL OPERATING EXPENSES	\$ 9,660,390	\$ 2,191,045	\$ 1,027,065	\$ 3,000,000	\$ 381,500	\$ 16,260,000
NET CHANGE IN OPERATIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Tab 4



Pennsylvania Economy League
of Greater Pittsburgh

An affiliate of the Allegheny Conference

Pittsburgh Region Employment Update October 2022

Released December 29, 2022

Key Findings

NOTE: The Employment Update uses the U.S. Bureau of Labor Statistics' Local Area Unemployment Statistics (LAUS) and Current Employment Statistics (CES) data series as its primary source. While it offers the advantage of providing current monthly data, as a survey-based tool, it is also subject to revision as additional information is collected in subsequent surveys.

- The unemployment rate in Southwestern Pennsylvania has decreased steadily during 2022 and in October was 3.9%. While the region is tracking closely to the state, it continues to exceed the national unemployment rate (3.7%) although the gap has narrowed during the year from 1.4 to 0.2 percentage points
 - All of the counties in the region have an unemployment rate below the levels recorded in February 2020, while Allegheny (3.6%) and Butler (3.6%) Counties have the lowest unemployment rates in the region.
- While the national labor force has returned to pre-pandemic levels, the region continues to lag. The region's labor force bottomed out in October 2021 at 94% of the February 2020 labor force but rebounded to 97% of pre-pandemic levels in October 2022, following a slight contraction during the summer.
- The Pittsburgh MSA had a 2.8% increase in employment between October 2021 and October 2022 as the region gained 31,700 jobs. The region ranked 10th among the 16 benchmark cities, outperforming all five of its peer benchmark regions.
 - Employment in the Pittsburgh MSA as of October 2022 is 96.7% of what it was two years ago, compared to 94.3% in January 2022 – the lowest among the benchmark regions.
- Since August 2021, year-over-year employment in the Pittsburgh MSA averaged a 2.8% monthly increase, four times the monthly average in the pre-pandemic expansion. While growth coming out of the pandemic has exceeded historical trends, it continues to lag national and benchmark monthly averages.
 - While the nation and benchmark regions exceeded their respective pre-pandemic employment levels as of the first quarter 2022, the Pittsburgh MSA remains below 2019 levels, however the gap has seen a 2.4 percentage point improvement during 2022 and is now 96.7% of 2019 levels.
- In October 2022, Mining and Logging was the Pittsburgh MSA's strongest industry, increasing 10.8% over October 2021, compared to a 9.9% increase nationally. Leisure and Hospitality also registered a double-digit employment increase, outpacing the nation by 2.7 percentage points. Transportation and Warehousing grew at twice the rate of the nation, with Manufacturing and Retail also outpacing the U.S. However, all of the remaining industries trailed the national growth rates, with Construction and Educational Services losing employment.
- While Information and Professional and Business Services are the only industries whose employment exceeds pre-pandemic levels, most others are within five percentage points of 2019. Mining and Logging and Other Services continue to rank among the biggest laggards, although Leisure and Hospitality, Manufacturing and Wholesale Trade have closed the gap during 2022. Conversely, Healthcare and Social Assistance has become one of the region's lagging industries with October 2022 employment being 93.2% of 2019 levels.
- Employment in the Pittsburgh MSA in October 2022 was 40,300 less than in October 2019. With the rebound in Leisure and Hospitality employment during the year, Healthcare and Social Assistance accounts for the largest percentage of the employment shortfall (34%). Of the 14,000 job shortfall in Healthcare and Social Assistance, the bulk of the employment loss since 2019 is attributable to Hospitals (6,300) and Nursing and Residential Care (4,400).

Key Findings (cont'd)

- As the region moved beyond the volatility of the pandemic, recent fluxuations in employment levels have been much more dependent on seasonal factors. Leisure and Hospitality was able to build on the momentum that it established in 2021 and experienced a robust seasonal expansion in the spring driving employment above February 2020 levels. Construction is seeing its seasonal contraction, while Educational Services experienced its traditional fall expansion, while remaining below pre-pandemic levels.
- Through the first nine months of 2022, identified business growth announcements in Southwestern Pennsylvania are tracking at similar levels to 2021 with 91 total. IT and Robotics account for the largest percentage of announcements, similar to pre-pandemic levels. Manufacturing is off slightly from 2021 levels, but remains above the percentages recorded in previous years. Financial and Business Services continues to trail pre-pandemic percentages.
- Distribution centers continue to increase in the percentage of announcements that began in 2020, while manufacturing plants have seen a drop in their share from 2021. Both headquarters and branch operations have seen a slight rebound in announcement share reflecting an increase in workers returning to their office.

Outlook – Through 2022, the Pittsburgh MSA has been slowly catching up to pre-pandemic levels, narrowing the gap in unemployment rate, labor force and employment. While still lagging all of the region’s benchmark markets in percent of pre-pandemic employment regained, it is outperforming its peer benchmarks in year-over-year employment growth.

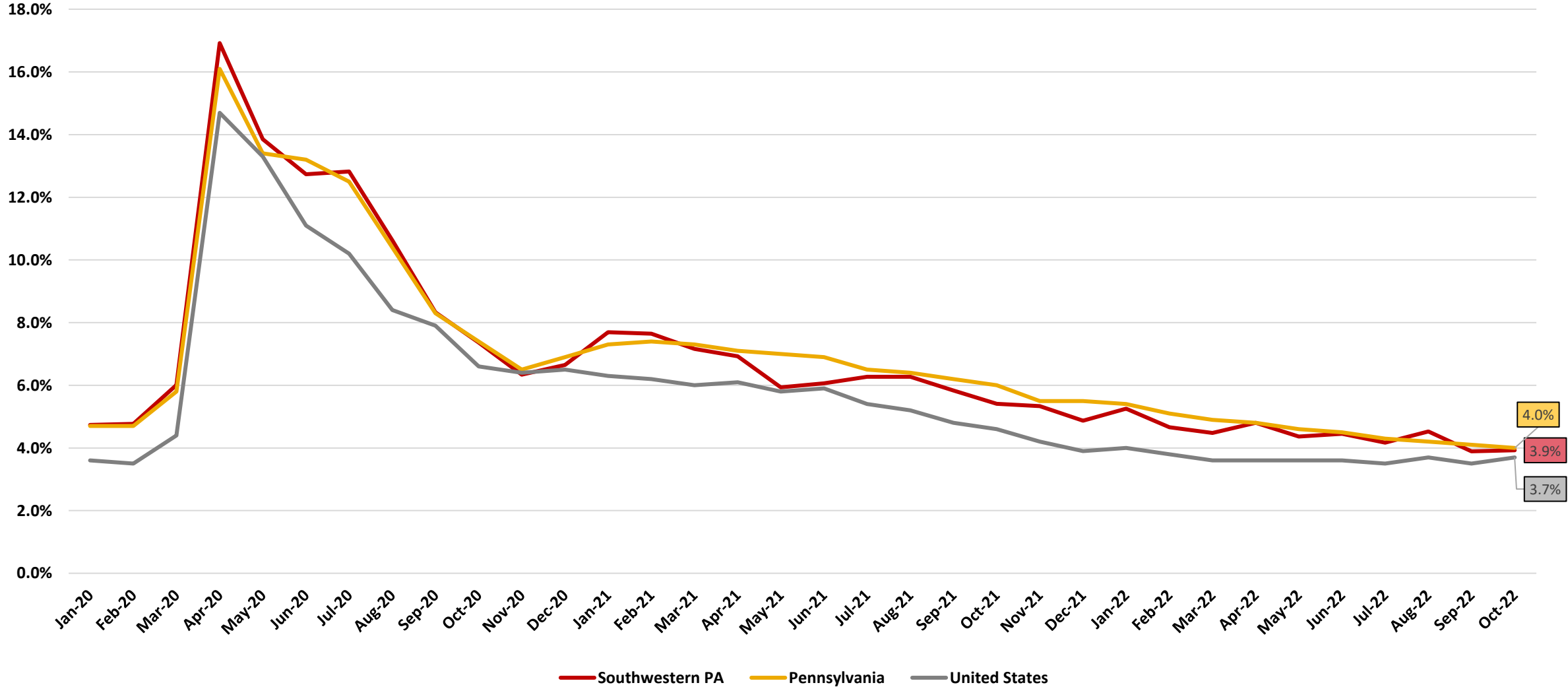
A particular highlight of the regional economy in 2022 has been the rebound of the Leisure and Hospitality industry, the region’s fourth largest industry. It was particularly hard hit by pandemic era shutdowns and was the largest contributor to the region’s employment shortfall through most of 2021. But once live performances resumed in Fall 2021 and business travel began recovering in 2022, Leisure and Hospitality grew through spring 2022 and is now only three percent below comparable month 2019 employment levels. It is now outperforming the nation and represents only nine percent of employment shortfall compared to 2019 levels, compared to 26% in October 2021.

Conversely, Healthcare and Social Assistance now accounts for the highest percentage of the region’s employment shortfall, led by Hospitals and Nursing and Residential care, two sectors plagued by workforce shortages. Educational Services has also struggled with regaining pre-pandemic employment levels in the wake of falling enrollment and school closings. Construction has fallen into a lagging category, primarily as a result of the completion of the Shell plant in Beaver County and a slowdown in construction as a result of increasing costs.

A preliminary look at the 2022 business growth announcements, which form the basis of the upcoming Business Investment Scorecard, show it is running slightly above 2021 through the first nine months. Branch office and headquarters announcements showed a slight rebound as more workers return to the office but Business and Financial Services is below their pre-pandemic share. Meanwhile Manufacturing and Distribution Center announcements continue to maintain their pandemic era level of activity. As we continue to emerge from the COVID-19 pandemic shock, it is becoming evident that some of the impacts could be permanent.

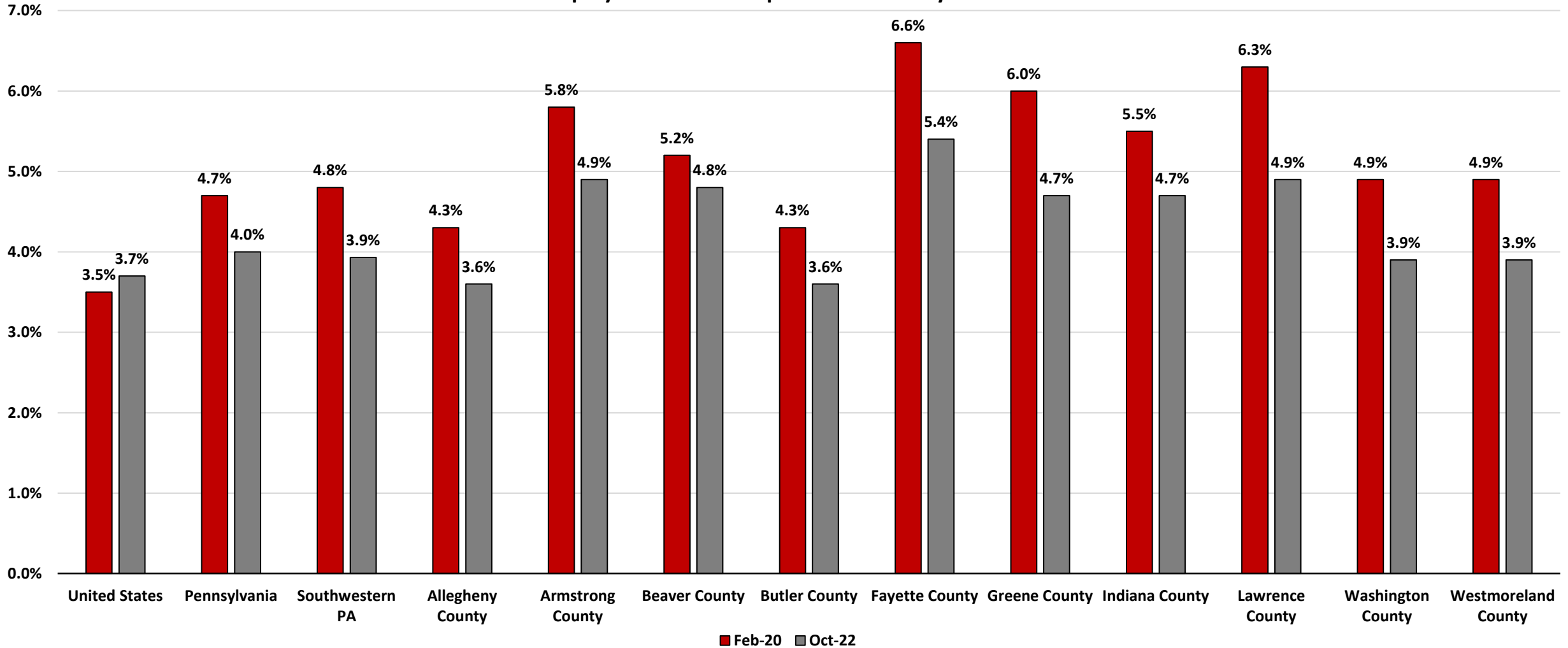
The unemployment rate in Southwestern Pennsylvania has decreased steadily during 2022 and in October was 3.9%. While the region is tracking closely to the state, it continues to exceed the national unemployment rate, although the gap has narrowed since the beginning of 2022 from 1.4 percentage points in January to just 0.2 in October.

Monthly Unemployment Rate - 2020 to 2022



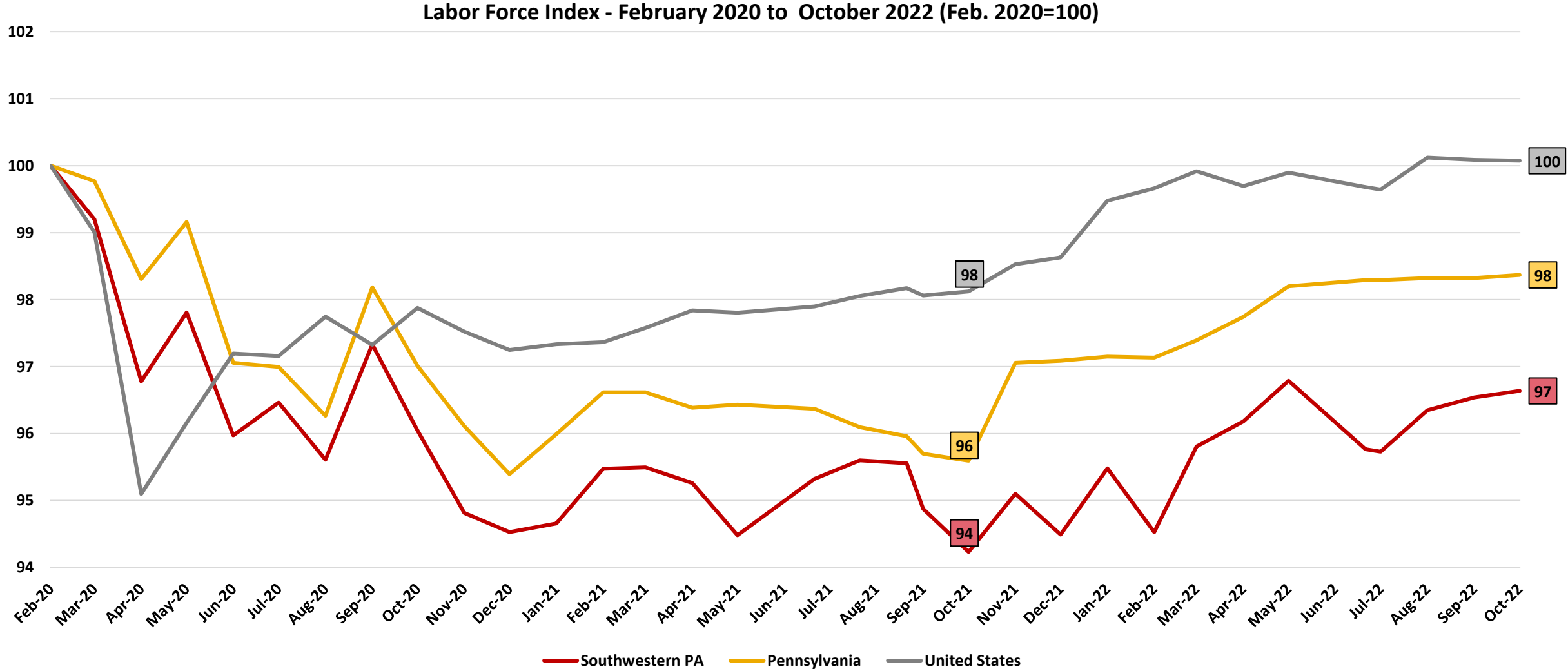
While the national unemployment rate in October was 0.2 percentage points higher than in February 2020, the region's unemployment rate is 0.9 percentage points lower. While all of the counties in the region have an unemployment rate below the levels recorded in February 2020, Lawrence, Greene and Fayette Counties had the largest drop, falling 1.4, 1.3 and 1.2 percentage points, respectively. Allegheny (3.6%) and Butler (3.6%) Counties have the lowest unemployment rates in the region.

Unemployment Rate Comparison - February 2020 vs. October 2022



■ Feb-20 ■ Oct-22

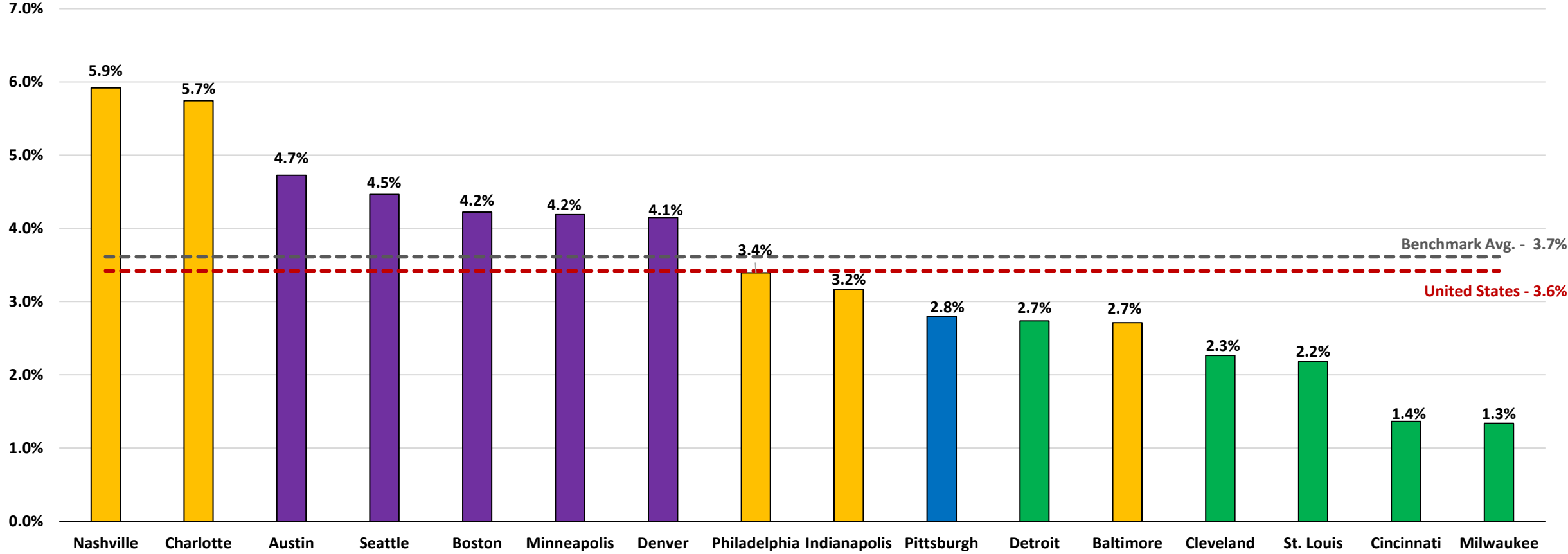
While the national labor force has returned to pre-pandemic levels, the region continues to lag. The region's labor force bottomed out in October 2021 at 94% of the February 2020 labor force but steadily rebounded reaching 97% of pre-pandemic levels in May 2022. It declined slightly during the summer but has since rebounded.



Source: BLS Local Area Unemployment Statistics; Pennsylvania Department of Labor and Industry – Seasonally Adjusted

The Pittsburgh MSA had a 2.8% increase in employment between October 2021 and October 2022 as the region gained 31,700 jobs. The region ranked 10th among the benchmark cities, outperforming all five of its peer benchmark regions.

Employment Change - October 2021 to October 2022

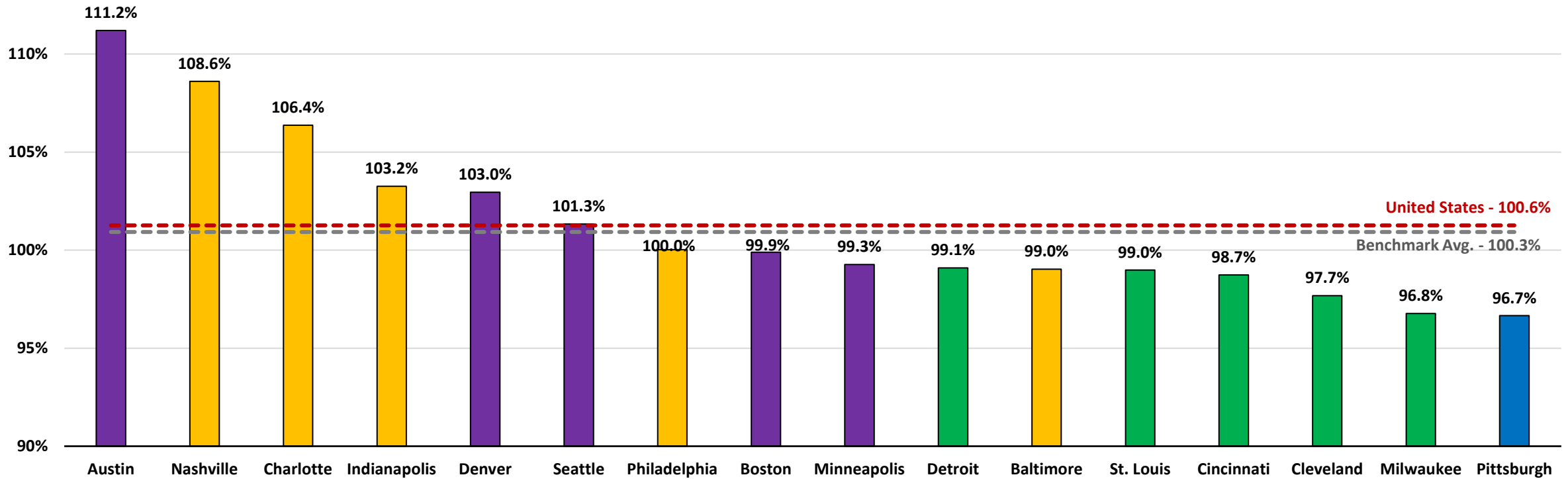


Green=Peer Markets
Purple=Aspirational Markets
Orange=Competitive Markets

Source: BLS Current Employment Statistics, October 2022, preliminary

Despite comparatively robust year-over-year growth, employment in the Pittsburgh MSA is 96.7% of what it was two years ago. While it represents an increase from 94.3% in January 2022, the region still trails all benchmark regions. Austin, Nashville, Charlotte, Denver, Seattle, Indianapolis and Seattle all exceed pre-pandemic employment levels. Not surprisingly, they also rank among the fastest growing benchmark metros in terms of population. Several other regions including Philadelphia, Boston, Minneapolis, Detroit, Baltimore and St. Louis are all at or within one percent of pre-pandemic employment levels.

October 2022 Pct. Of October 2019



Green=Peer Markets

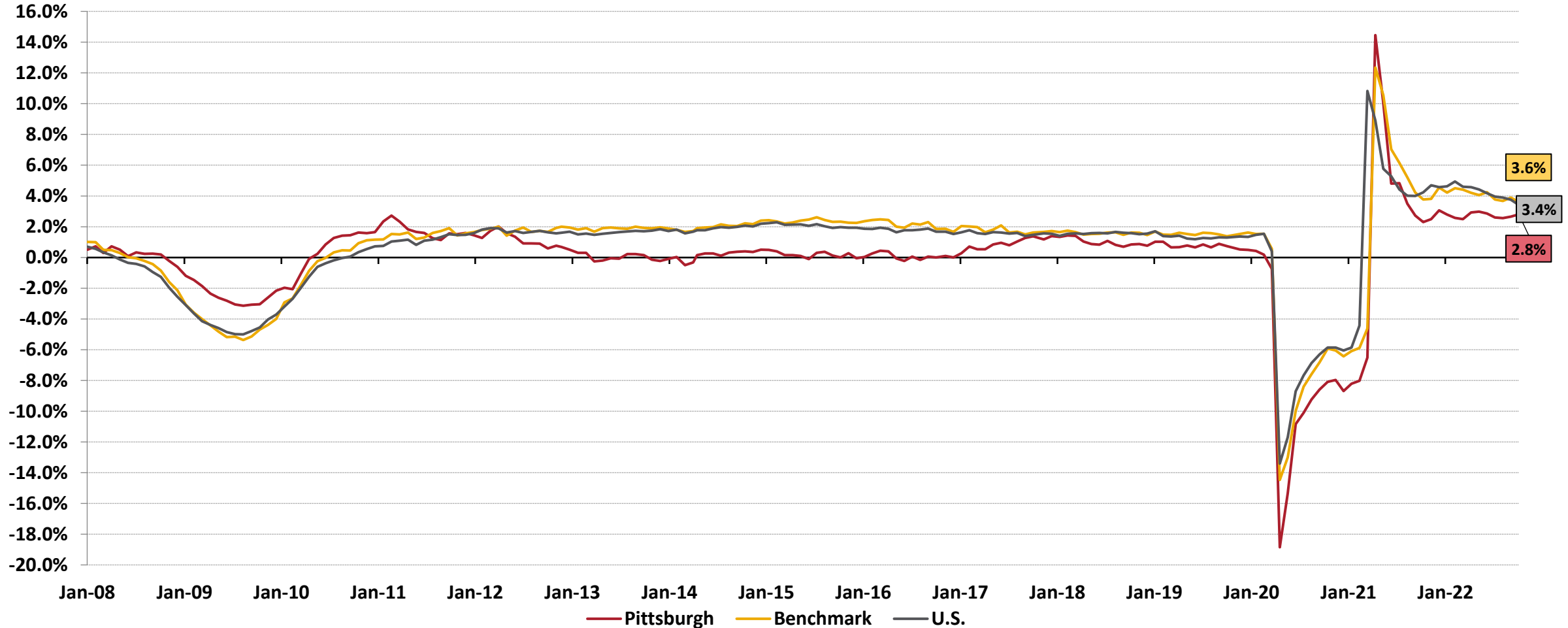
Purple=Aspirational Markets

Orange=Competitive Markets

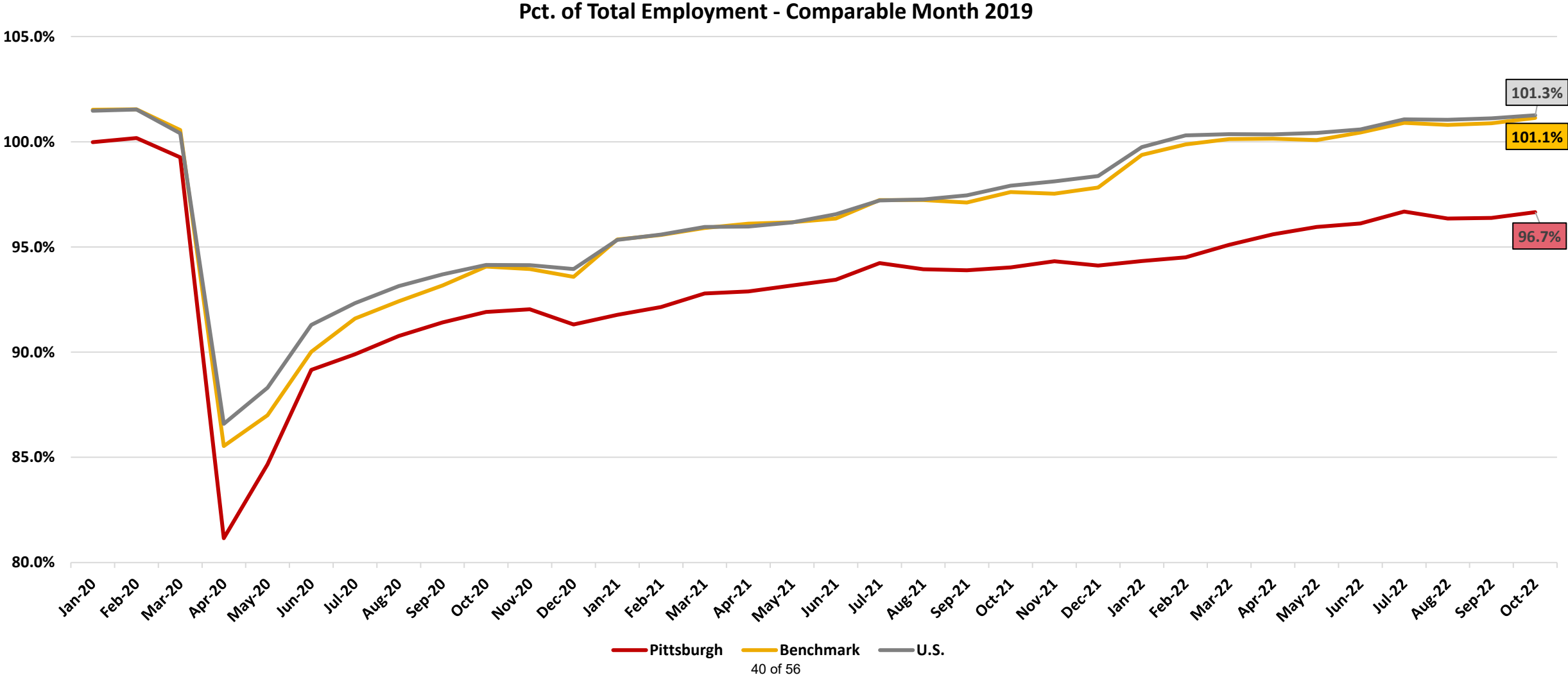
Source: BLS Current Employment Statistics

Throughout 2022, the Pittsburgh MSA has been experiencing year-over-year employment growth ranging from 2.5% to 3.2%, well above historical levels. The 2.8% growth rate in October was consistent with previous months. Coming out of the pandemic, year-over-year growth in the Pittsburgh MSA has averaged 2.8% per month (since August 2021), compared to just 0.7% in the pre-pandemic expansion (January 2011 to December 2019). However, it continues to lag national and benchmark growth rates.

Year over Year Employment Change - January 2008 to October 2022



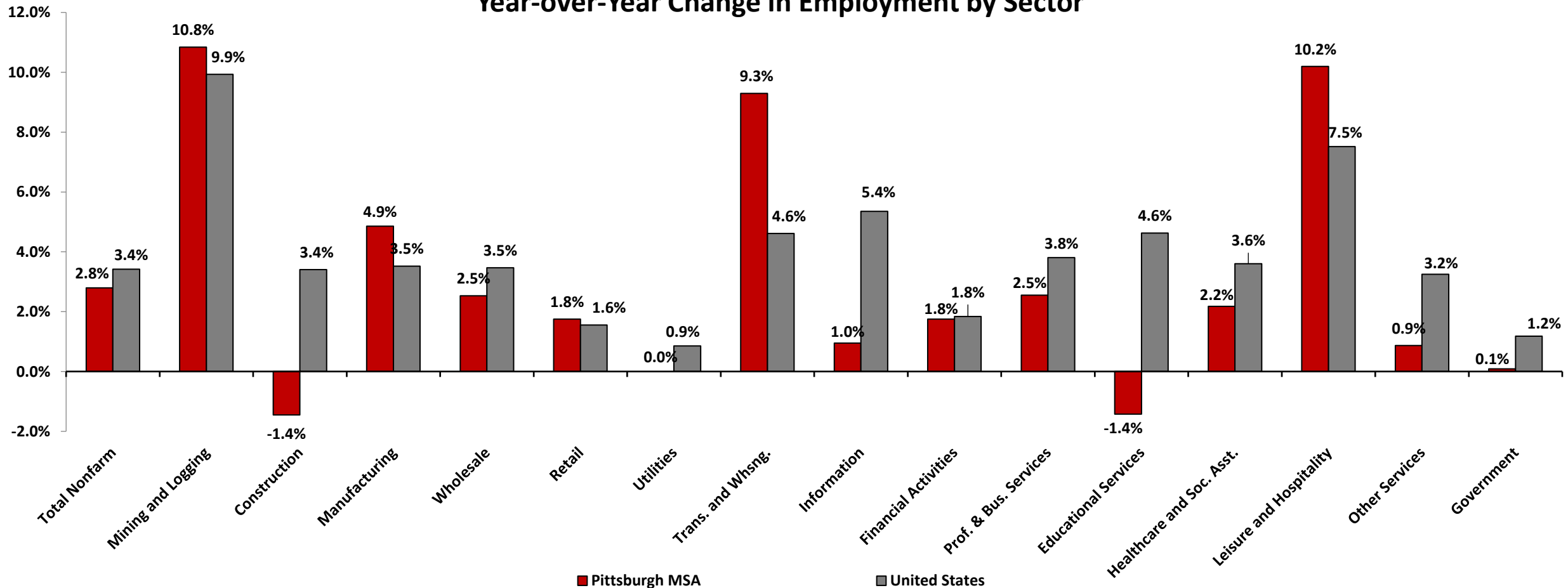
The Pittsburgh MSA lost a larger percentage of its employment in April 2020 than the nation or its benchmark regions and has lagged since then. The nation and benchmark regions exceeded their respective pre-pandemic levels as of the first quarter of 2022, but the Pittsburgh MSA remains below 2019 levels. The region has narrowed the gap from 5.7 to 3.3 percentage points during the first ten months of 2022.



Source: BLS Current Employment Statistics

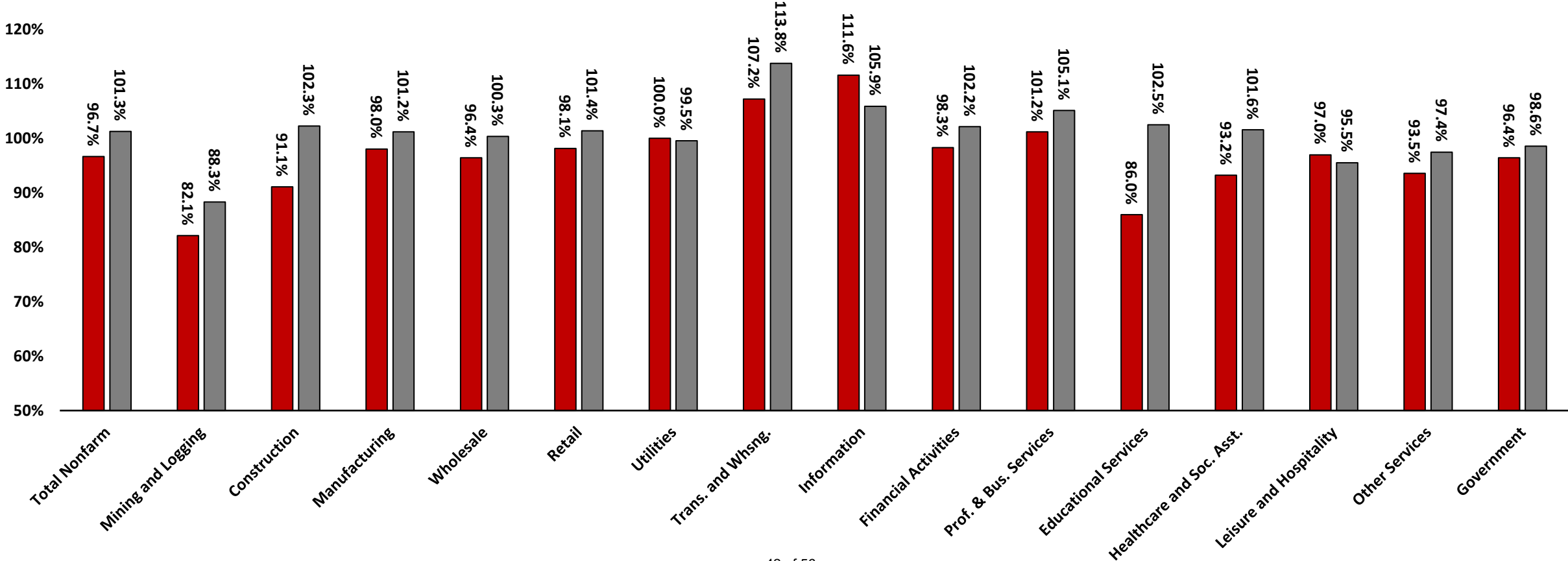
In October 2022, Mining and Logging was the Pittsburgh MSA’s strongest industry, increasing 10.8% over October 2021, compared to a 9.9% increase nationally. Leisure and Hospitality also registered a double-digit employment increase, outpacing the nation by 2.7 percentage points. Transportation and Warehousing grew at twice the rate of the nation, with Manufacturing and Retail also outpaced the U.S. However, all of the remaining industries trailed the national growth rates, with Construction and Educational Services losing employment.

Year-over-Year Change in Employment by Sector



While Transportation and Warehousing, Information and Professional and Business Services are the only industries whose employment exceeds pre-pandemic levels, most others are within five percentage points of 2019. Mining and Logging and Other Services continue to rank among the biggest laggards, although Leisure and Hospitality, Manufacturing and Wholesale Trade have narrowed the gap during 2022. Conversely, Educational Services and Healthcare and Social Assistance have become two of the region’s lagging industries with July 2022 employment being 86.0% and 93.2% of 2019 levels, respectively.

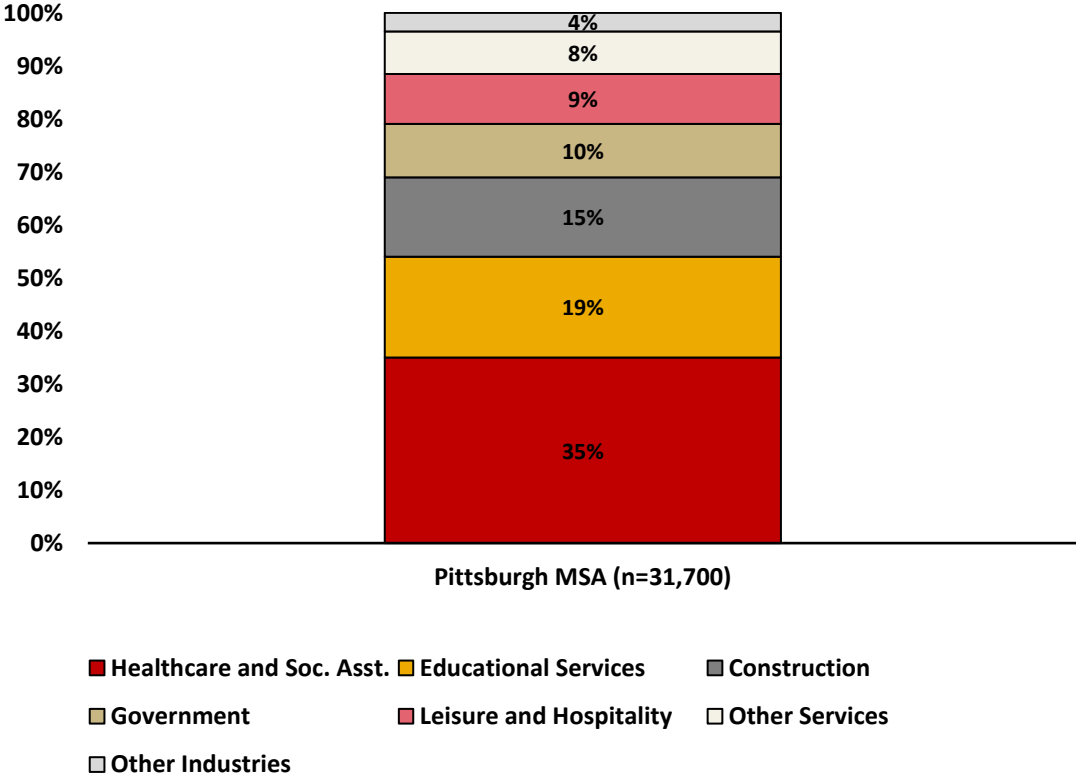
October 2022 Pct. of October 2019 by Industry



Source: BLS Current Employment Statistics

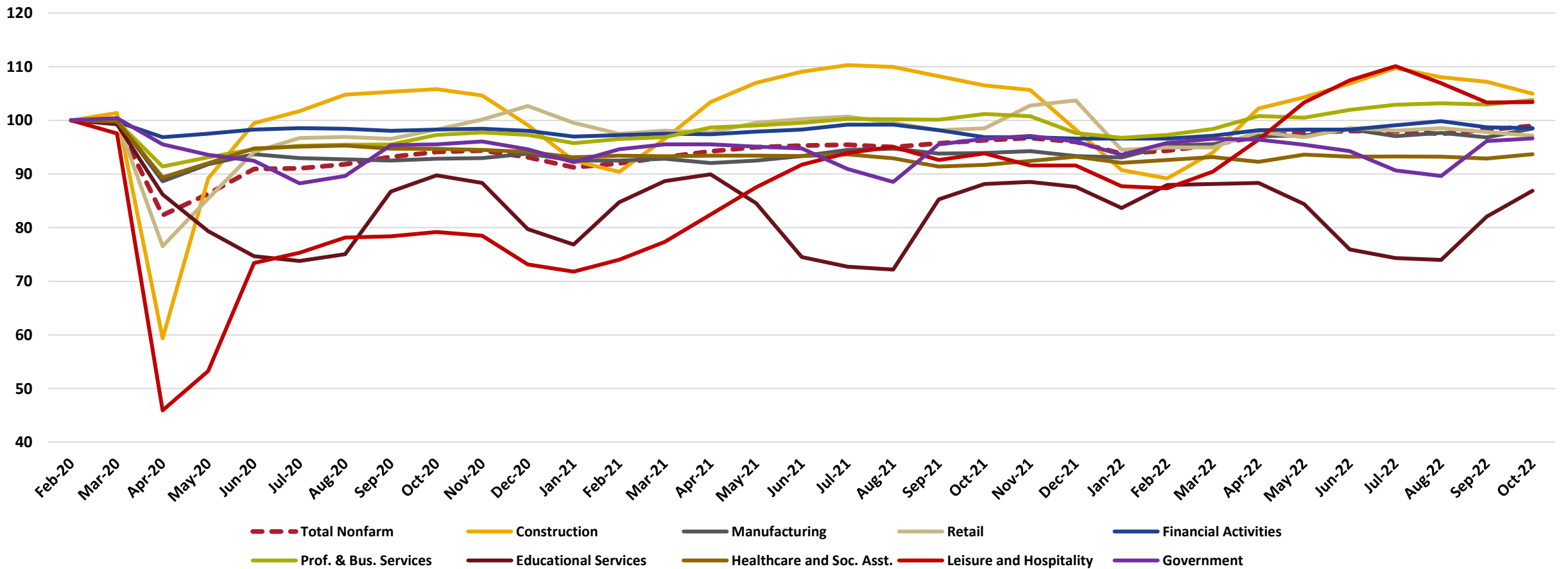
Employment in the Pittsburgh MSA in October 2022 was 40,300 less than in October 2019. With the rebound in Leisure and Hospitality employment during the year, Healthcare and Social Assistance accounts for the largest percentage of the employment shortfall (34%). Of the 14,000 job shortfall in Healthcare and Social Assistance, the bulk of the employment loss since 2019 is attributable to Hospitals (6,300) and Nursing and Residential Care (4,400). Educational Services, Construction, Government and Leisure and Hospitality accounted for the next highest percentages although they were all significantly lower than Healthcare.

Current Employment Shortfall By Industry - October 2019 to October 2022



As the region moved beyond the volatility of the pandemic, recent fluxuations in employment levels have been much more dependent on seasonal factors. Leisure and Hospitality was able to build on the momentum that it established in 2021 and experienced a robust seasonal expansion in the spring driving employment above February 2020 levels. Construction is seeing its seasonal contraction. Although Educational Services experienced its traditional fall expansion, it remains below pre-pandemic levels. Construction, Leisure and Hospitality and Professional and Business Services are the only other major industries with employment levels above February 2020 levels.

Employment Index - February, 2020 = 100

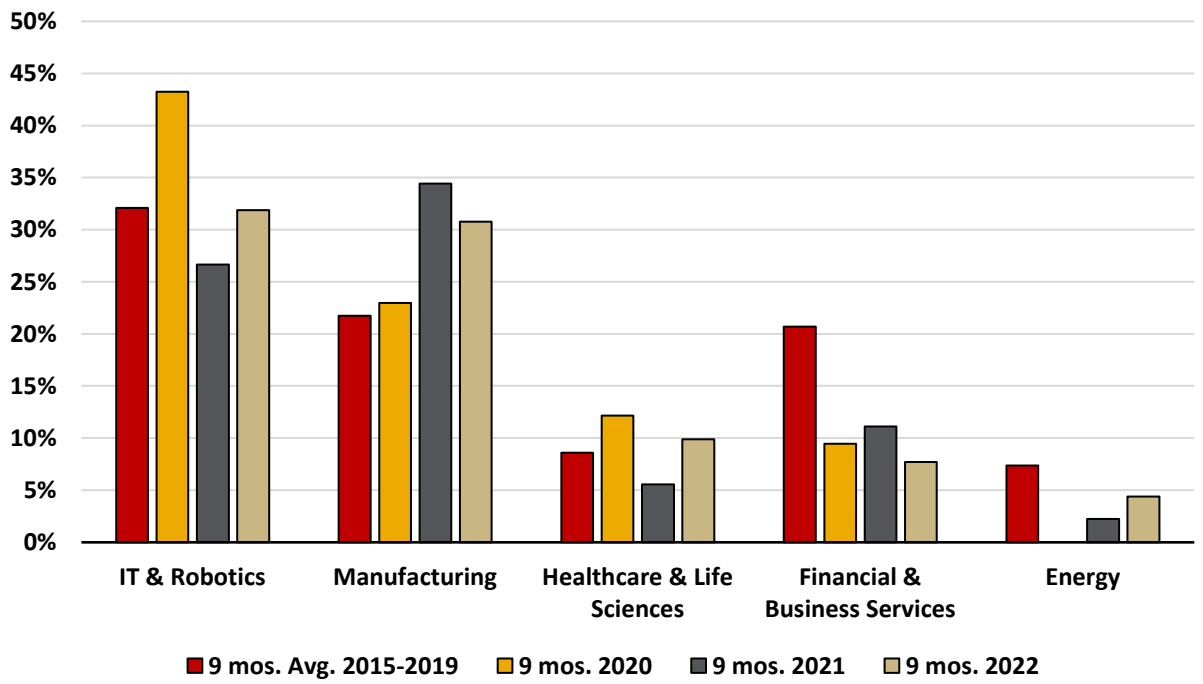


Source: BLS Current Employment Statistics

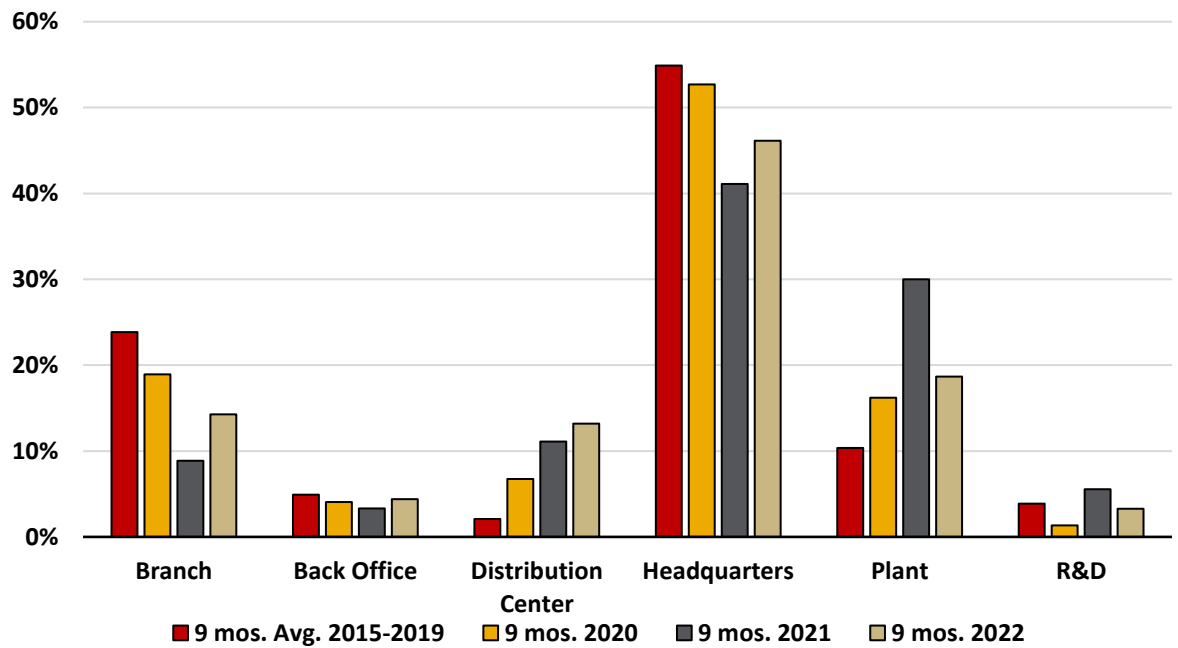
Through the first nine months of 2022, identified business growth announcements are tracking at similar levels to 2021 with 91 total. IT and Robotics account for the largest percentage of announcements, similar to pre-pandemic levels. Manufacturing is off slightly from 2021 levels, but remains above the percentages recorded in previous years. Financial and Business Services continues to trail pre-pandemic percentages.

Distribution centers continue to increase in the percentage of announcements that began in 2020, while manufacturing plants have seen a drop in their share from 2021. Both headquarters and branch operations have seen a slight rebound in announcement share reflecting an increase in workers returning to their office.

**Business Growth Announcements by Key Sector (pct.)
First Nine Months**



**Business Growth Announcements by Type of Operation (pct.)
First Nine Months**

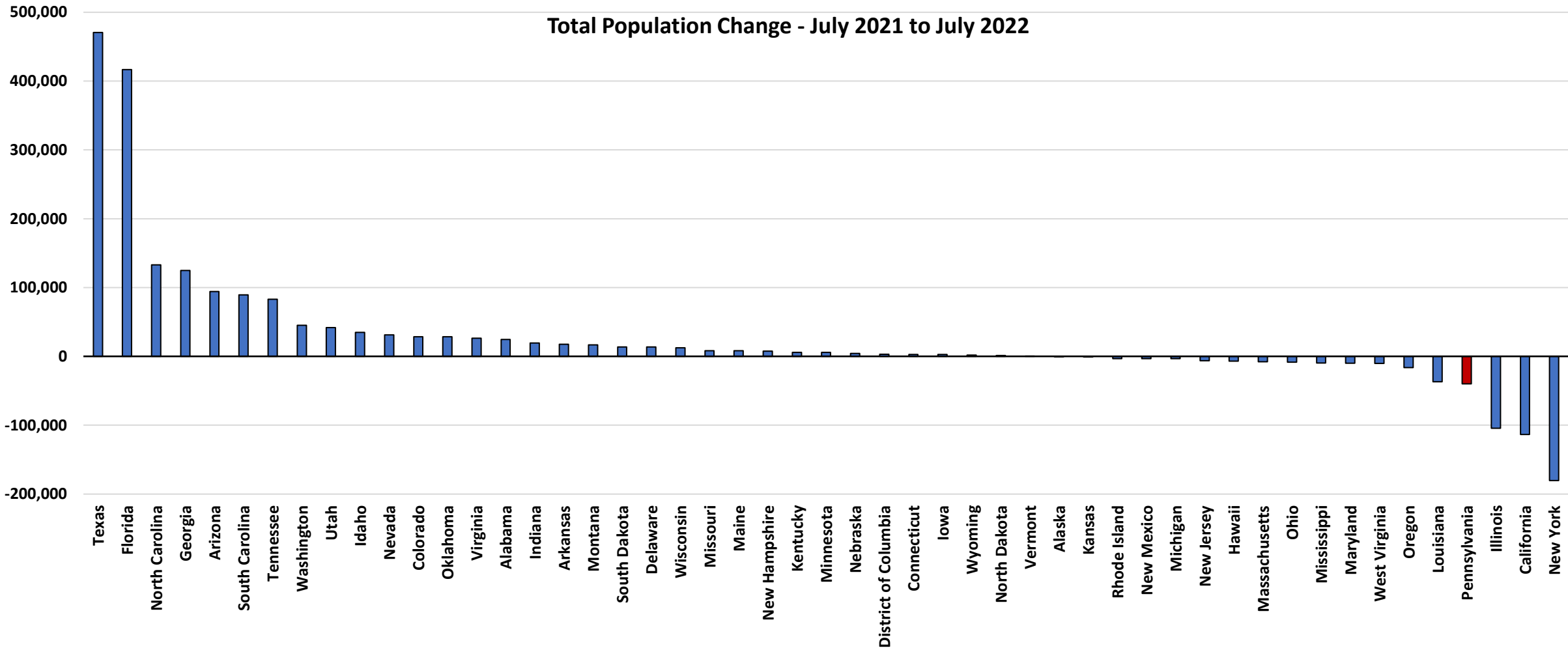


2022 State Population Estimates

January 4, 2023

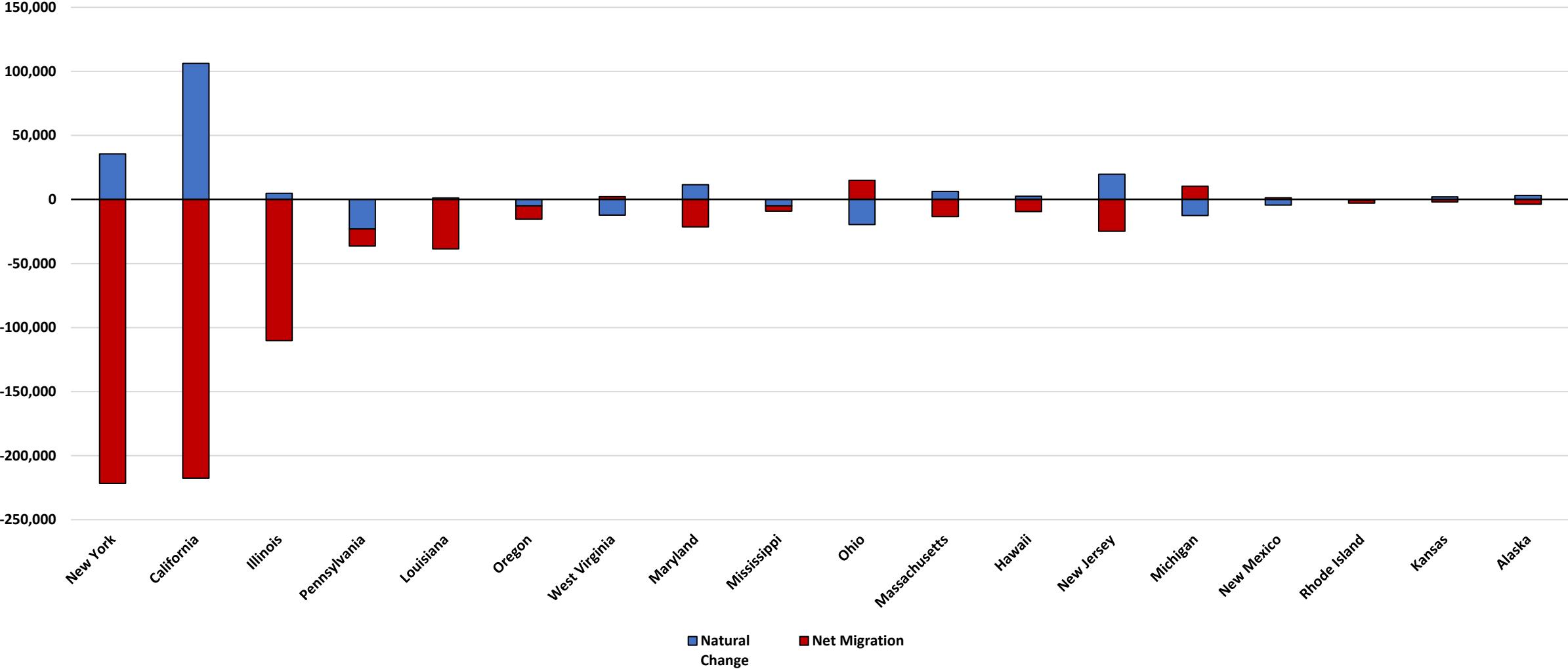
Overall, the U.S. population grew by 0.4% between July 2021 and July 2022 which is twice the growth rate recorded a year earlier. This was driven by a fourfold increase in net international migration, along with the largest year-over-year increase in total births since 2007.

The states recording the largest population growth included Texas (470,700), Florida (416,750), North Carolina (133,100), Georgia (125,000) and Arizona (94,300). Pennsylvania's population fell by -40,051, the fourth largest drop in the country, trailing only New York (-180,300), California (-113,650), and Illinois (-104,437). In all, 18 states lost population.



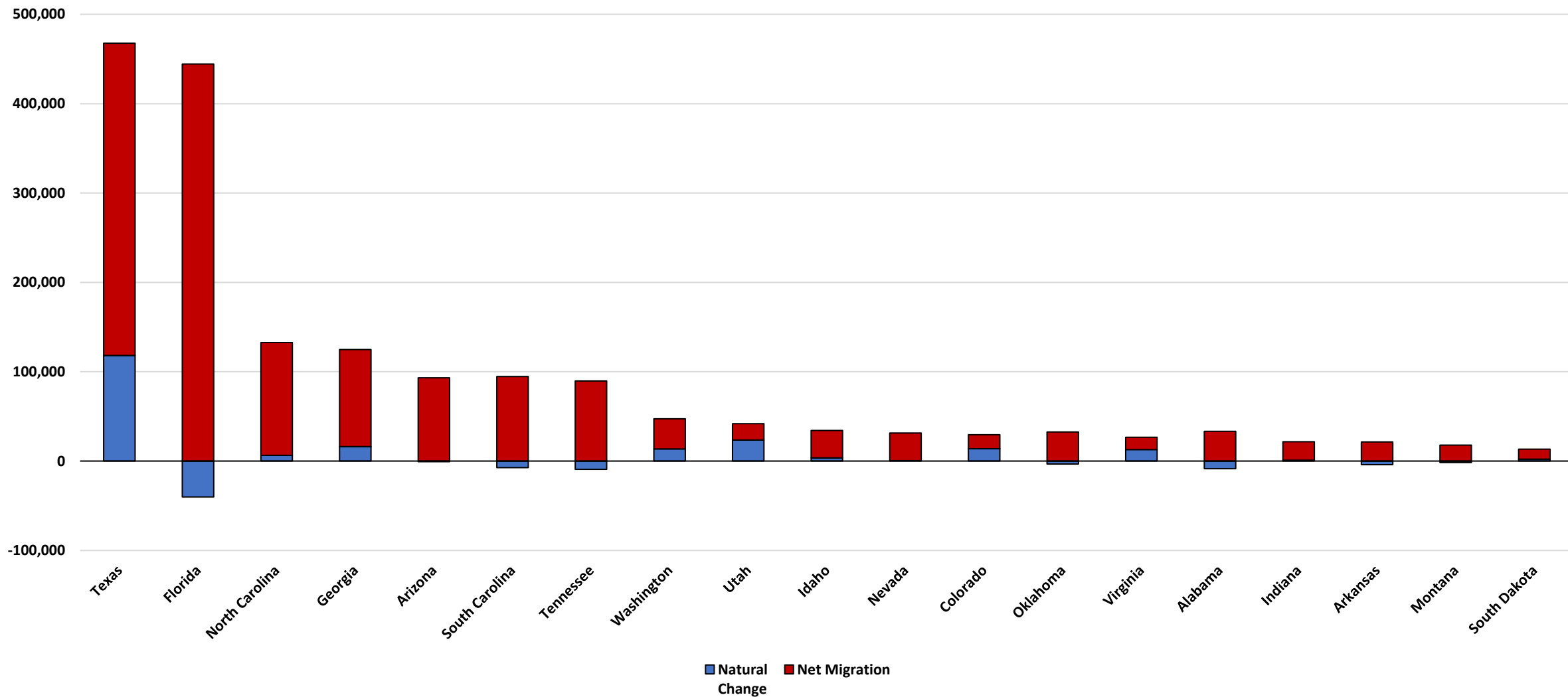
Among the states that lost population, the drop was solely driven by negative migration (more people moving out than moving in) in ten. In four natural population decrease (more deaths than births) was the sole cause. Four states, including Pennsylvania, saw both negative migration and negative population change. Pennsylvania and Mississippi were the only states where natural change was a larger contributor to the population loss than migration.

Components of Population Change - States Losing Population - July 2021 to July 2022



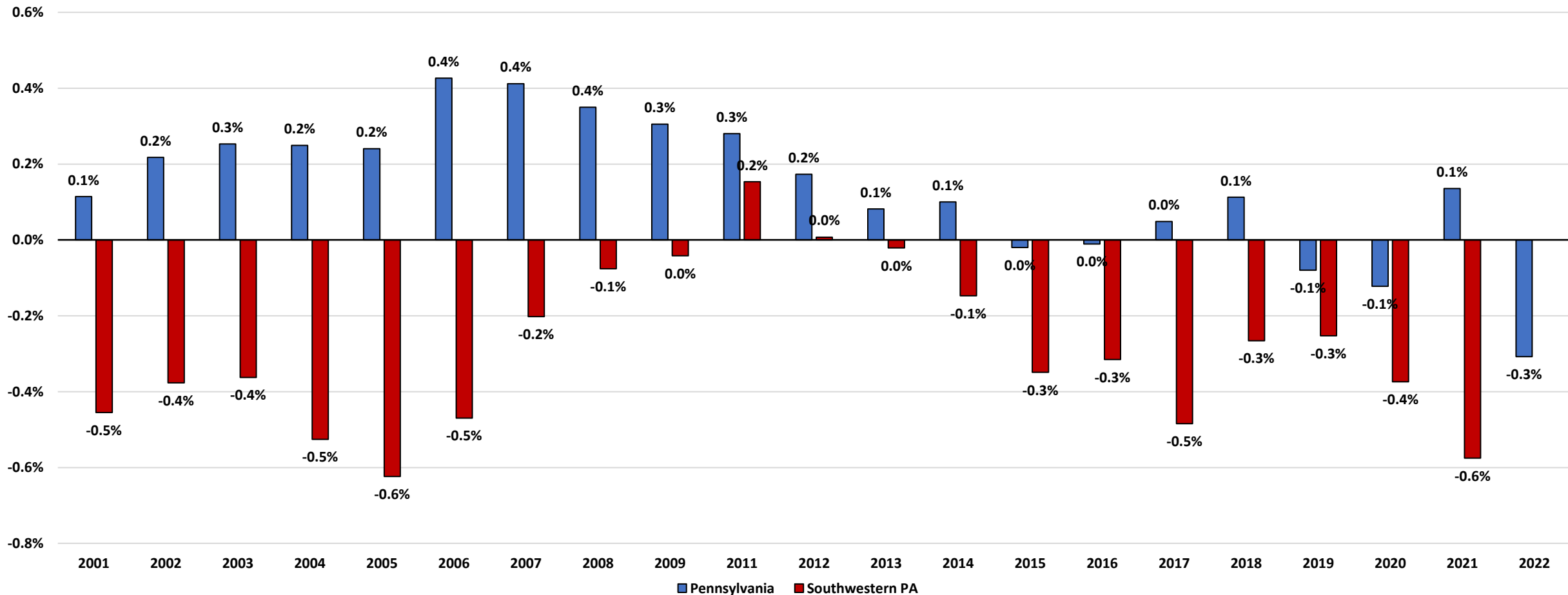
Among the twenty fastest growing states, seven were able to offset natural population loss with strong net migration numbers – Florida, South Carolina, Tennessee, Oklahoma, Alabama, Arkansas and Montana. Just three states – Utah, Colorado and Virginia – saw natural change and net migration as equally important drivers of population growth. This is a strong indication that any population growth strategy must rely on net migration.

Components of Population Change - Fastest Growing States - July 2021 to July 2022



County level estimates will not be available until spring, but based on the recently released state level results, the results would indicate that Southwestern Pennsylvania should expect another significant drop in population in 2022 (the region's 2021 drop was -14,797, the highest since 2005). The 2022 drop for Pennsylvania was the largest of the 21st century (all of the population losses for the state have occurred since 2015) and Southwestern Pennsylvania has traditionally performed worse than the state, as shown in the following chart.

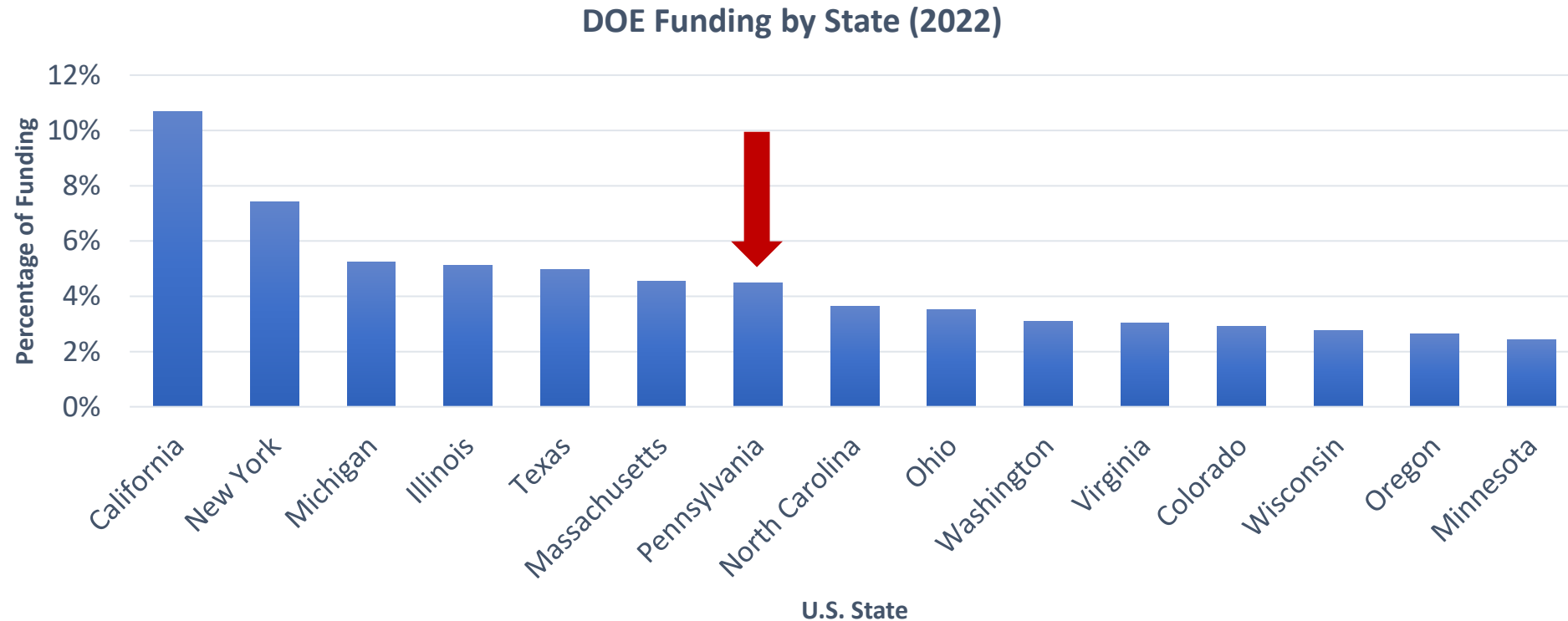
Annual Percentage Change in Population - 2001 to 2022



Note: Annual Population Estimates not released in 2010
 Source: U.S. Census Bureau, 2022 Population Estimates

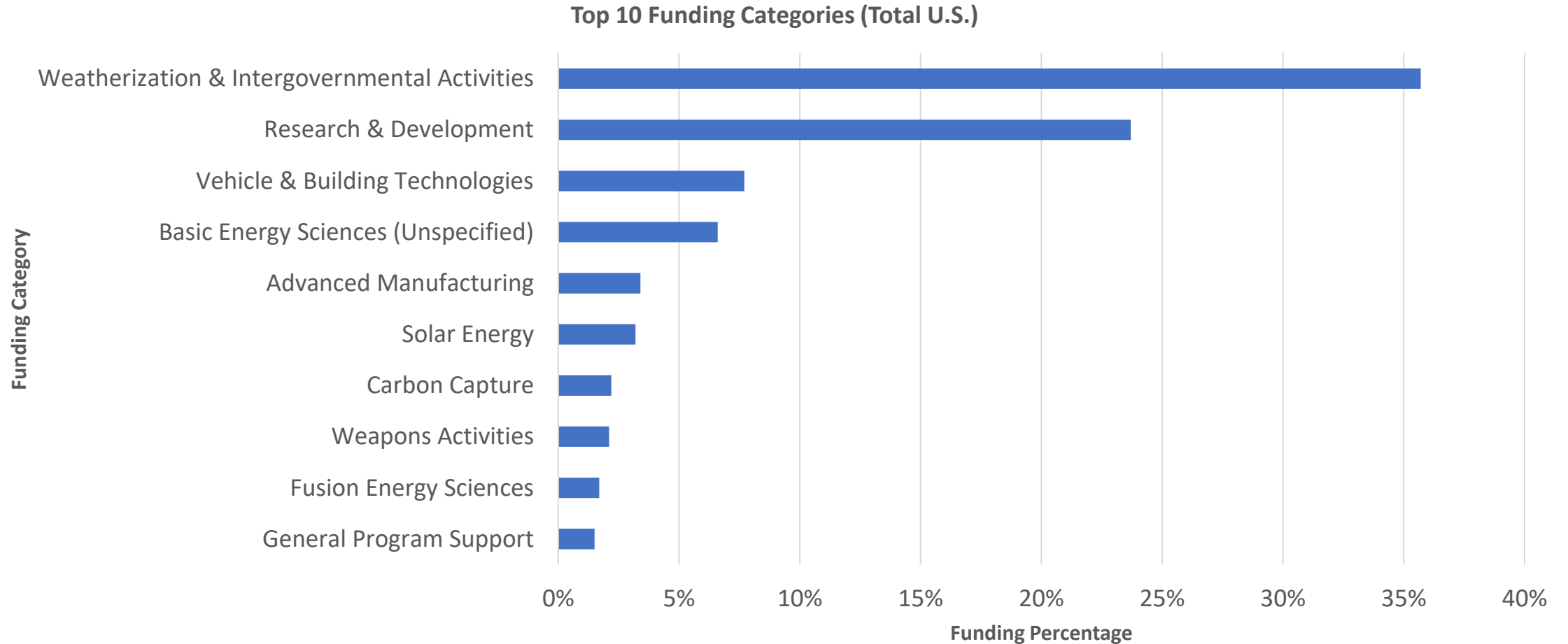
DOE Grant Funding Distribution 2022

Top 15 States Receiving DOE Funding



- **PA ranked #7 in DOE funding received**, putting it ahead of surrounding states like Ohio (#9) and West Virginia (#32).
 - This is almost on par with its population size, which is the fifth most populous in the country.
- While Michigan & Illinois have similar population sizes to PA, they received significantly more funding for R&D and Vehicle Technologies programs.
- Massachusetts, whose population is almost 50% that of PA, received a significantly larger amount of R&D funding for its institutions of higher ed.

U.S. Top 10 DOE Funding Categories



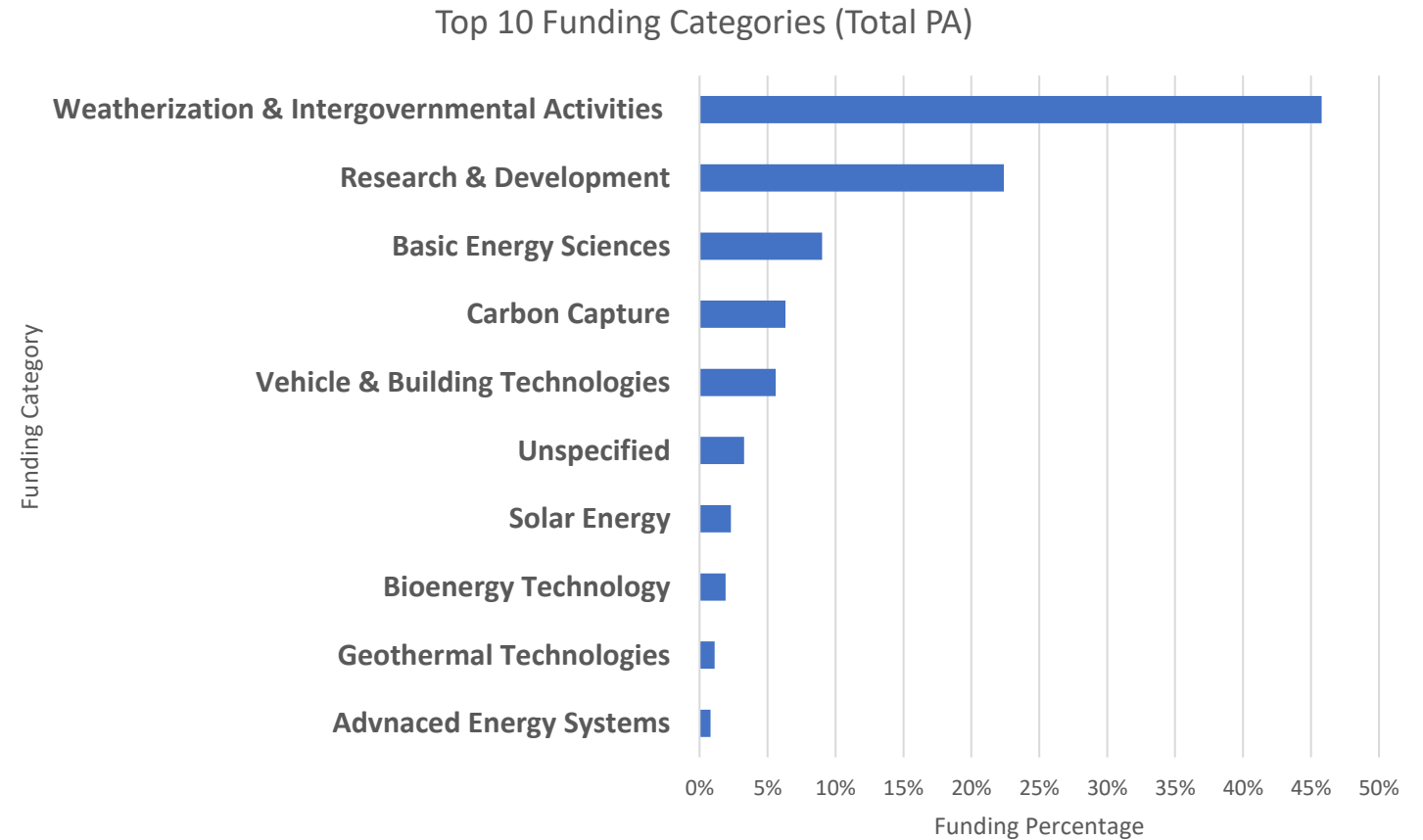
PA Funding (%) by County & Recipient

Allegheny (20.3%)	Centre (11.1%)	Chester (2.4%)	Dauphin (45.8%)	Delaware (0.8%)	Lancaster (4.5%)	Montgomery (7.1%)	Northampton (1.2%)	Philadelphia (6.8%)
14 recipients	5 recipients	1 recipient	2 recipients	2 recipients	1 recipient	2 recipients	1 recipient	4 recipients
IBACOS, Inc. (6%) The University of Pittsburgh (5.6%) Carnegie Mellon University (4.3%) Braskem America, Inc. (1.9%) Media & Process Technology, Inc. (0.7%) Cont. on slide 6	Penn State University (9.4%) Baker Hughes Energy Transition LLC (0.8%) GaNify LLC (0.5%) FBS, Inc. (0.2%) Lupine Materials and Technology, Inc. (0.2%)	Constellation Energy Generation (2.4%)	PA Department of Community and Economic Development (45.6%) PA Department of Environmental Protection (0.2%)	Villanova University (0.7%) Swarthmore College (0.1%)	Advanced Cooling Technologies, Inc. (4.5%)	Wood Environment & Infrastructure Solutions, Inc. (3.9%) Johnson Matthey, Inc. (3.2%)	Lehigh University (1.2%)	The Trustees of the University of Pennsylvania (5.5%) Drexel University (0.6%) Temple University (0.5%) Society for Industrial and Applied Mathematics (0.3%)

- Dauphin County received the largest amount of funding, with 45.8% going to state government entities.
- **Allegheny County** received the second largest amount of funding at over 20% and had the most recipients in PA.
- Centre County received the third largest amount, with the majority of its funding going to higher ed R&D programs.

PA Funding Categories

- The greatest amount of funding (45.8%) went to two state government agencies for Weatherization & Intergovernmental Activities
- There were a total of 41 R&D programs (22.4% of total funding), with a majority of funding going to institutions of higher ed



Southwestern PA Funding Breakdown

- Allegheny County was the only county in the region to receive new DOE funding in 2022.

Funding Recipients – Allegheny County

Ibacos, Inc. (29.7%)
The University Of Pittsburgh (27.8%)
Carnegie Mellon University (21.1%)
Braskem America, Inc. (9.5%)
Media & Process Technology, Inc. (3.4%)
Liquid Ion Solutions LLC (1.2%)
Q-Chem, Inc. (1.2%)
Oxbridge Services Limited Liability Company (1.1%)
Thar Energy LLC (1.0%)
Mach9 Robotics Inc. (1.0%)
Visimo Consulting (<1.0%)
Fpolisolutions, LLC (<1.0%)
Corepower Magnetics, Inc. (<1.0%)
Materials Research Society (0.1%)

Top Funding Categories (Allegheny County)

