

Northeast PA MSA posts lowest manufacturing operating costs in national comparison studies

FACT: Northeast Pennsylvania is the most cost-efficient location for manufacturing companies.

FACT: Northeast PA provides manufacturers with lower operating costs than they will find in any other major city and MSA throughout the Northeastern United States.

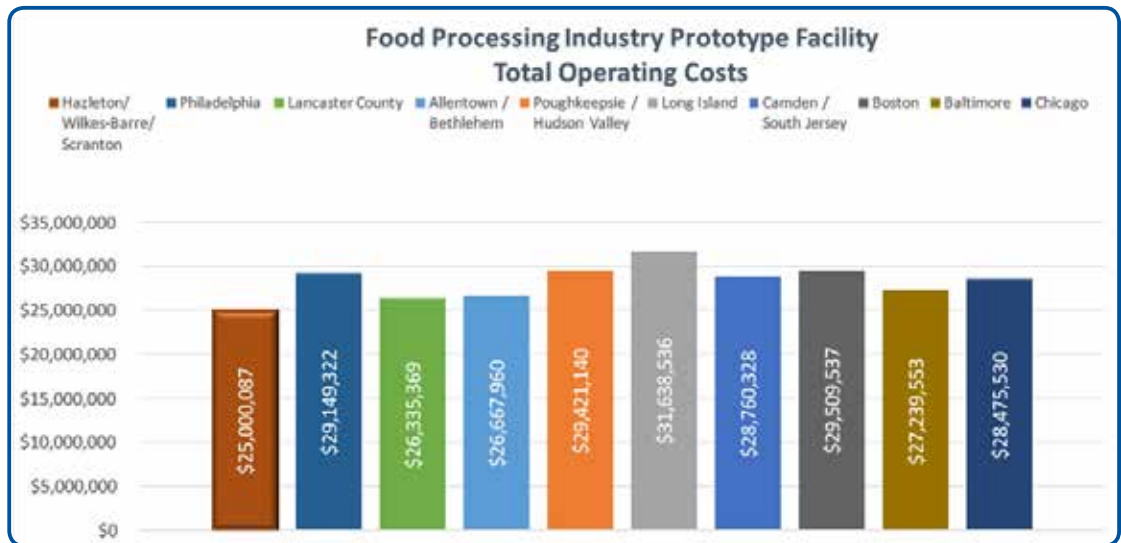
FACT: Northeast PA gives manufacturing companies in the food/beverage and plastics sectors proven reasons why their companies will operate at a peak-level of success here.

Greater Hazleton has always been recognized for being a cost-effective location that has lower operating costs than many major markets.

Recently, two verified, independent studies have shown and proven what those in Greater Hazleton and throughout Northeast PA have been saying for decades – manufacturing companies operate in a more cost-effective manner here than anywhere else. The analyses were conducted by The Boyd Company, Inc., a nationally-recognized consulting firm that provides independent site selection counsel to corporations.

In compiling the Comparative Annual Operation Cost Analysis, the studies focused on the elements that were considered the most pivotal to the corporate site selection process, including comparative labor costs, comparative electric power and natural gas costs, land acquisition and construction costs and property and sales tax costs.

In the report, the Hazleton/Wilkes-Barre/Scranton MSA ranked the lowest in total annual operating costs among 10 MSAs for food/beverage



The Hazleton/Wilkes-Barre/Scranton MSA ranked the lowest in total annual operating costs among 10 MSAs for food/beverage manufacturing.

manufacturing and eight MSAs for plastics manufacturing. These findings are hardly surprising to those in Northeast PA, as the region is already home to some of the top companies in the food processing and plastics clusters.

To create the comparison, the food/beverage study used a hypothetical 225,000-square-foot production facility employing 350 workers. Operating cost differentials were based on the latest first-quarter 2017 figures.

The report was designed to compare costs across various food and beverage processing industry sectors.

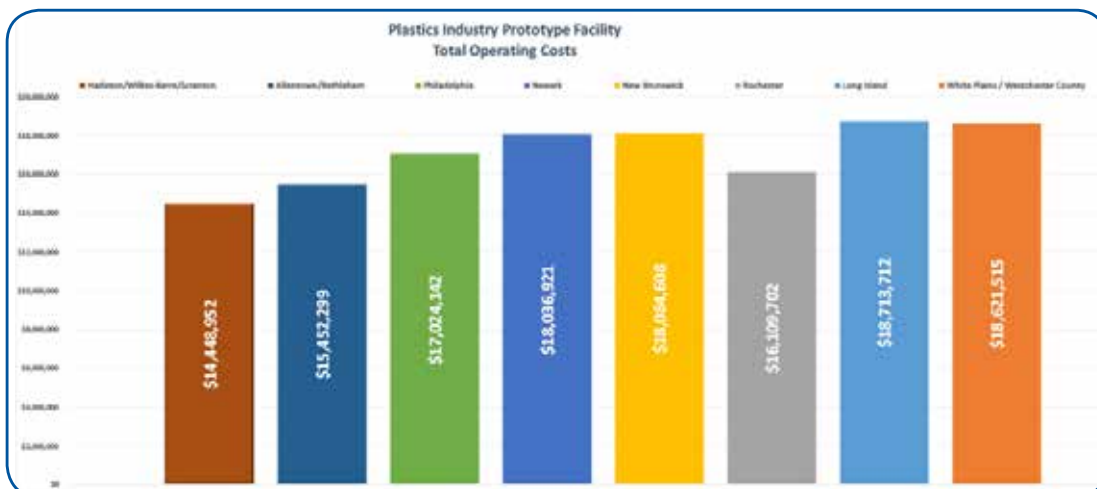
For the plastics study, the overall operating costs were compiled for each region using a hypothetical 175,000-square-foot facility with 225 employees.

The operating cost differentials were based on the latest third-quarter 2016 figures.

For a complete copy of the two Comparative Annual Operation Cost Analysis reports, visit www.hazletoncando.com.

In the Business Facilities' Annual Rankings Report, the Hazleton/Wilkes-Barre/Scranton MSA topped the list of the top food processing locations in the Northeastern United States and ranked 10th overall in the country.

For decades, Greater Hazleton has attracted some of the top national and international companies



The Hazleton/Wilkes-Barre/Scranton MSA ranked the lowest in total annual operating costs among eight MSAs for plastics manufacturing.

continued on page 4

Butler Township finds “prime location” in CAN DO Corporate Center for new municipal services building

Butler Township recently broke ground for its new municipal building and police station on a five-acre lot in the CAN DO Corporate Center in Drums that Butler Township Manager Maryanne Petrilla said is “a prime location for our municipal services office.”

Butler Township officials have long admired the CAN DO Corporate Center for its location to major transportation routes, its shovel ready sites and the many infrastructure amenities. When township officials were outbid on another site in the Corporate Center, CAN DO representatives approached them about selecting Site 11 for their new facility. Petrilla said it was the perfect fit for their operations.

“The property was attractive because of its location to State Route 309 and Interstate 80. Plus, two major subdivisions are within two miles in either direction, making us closer to the most populated areas of the township,” Petrilla said. “The municipal services building located in the CAN DO Corporate Center may help attract business and expand the tenants in the park. The site was shovel ready, which will be a tremendous savings in construction costs with all utilities already at the curb. The Corporate Center’s natural gas resources will also provide a savings for a building that will be operational around the clock.”

The \$4 million building project includes a 13,500-square-foot facility that will house Butler Township’s police station, detention area, administration building and zoning office and an additional 4,300-square-foot police storage garage. Township officials expect to move into the new facility in February of 2018.

The CAN DO Corporate Center is located along State Route 309 and just minutes from Interstates 80 and 81. The park offers a number of infrastructure incentives including easy access to utilities as well as a telecommunications network. The state-of-the-art telecommunications system features 100-percent digital switching, a fiber-optic network and available, dedicated internet access.

Brian Kisenwether, chairman of the Butler Township board of supervisors, said, “As our population grows, so must our services. We outgrew our current municipal building about a decade ago but we did not want to make a move of this magnitude until we had sufficient revenue resources to do so without impacting our current tax rate. We are also hopeful



Butler Township officials hosted a groundbreaking on Wednesday at the future home of the Butler Township municipal building and police station on Site 11 in the CAN DO Corporate Center in Drums. Pictured, from left, are: Brian Sabatini, Butler Township police chief; Dr. John Madden, CAN DO Board of Directors chairman; Kevin O’Donnell, CAN DO president and CEO; Dan Guydish, representing the Greater Hazleton Chamber of Commerce; Charlie Altmiller, Butler Township supervisors vice-chairman; David Pedri, Luzerne County manager; Brian Kisenwether, Butler Township supervisors chairman of the board; Bob Dougherty, from RJD Engineering; Dr. Frank Polidora, Butler Township supervisors secretary/treasurer; Maryanne Petrilla, Butler Township manager; Gregg Pavlick, from Barry Isett, Inc.; Joe Calabrese, from RJD Engineering; John Sidari, from M&J Excavation, Inc.; Jim Vozar, construction manager from JVI, Inc.; and Paul Lewis, architect from Williams Kinsman Lewis Architecture.

with this progressive move to the CAN DO Corporate Center that we can attract more business and jobs to this beautiful area in the Butler valley.”

Petrilla said working with CAN DO to select the site and finalize the deal was a smooth process and township officials are looking forward to their new home.

“CAN DO has been a great partner to us over the years in improving our economic development and creating jobs. They have been extremely easy to work with and we look forward to a continued relationship,” she said.

CAN DO President and CEO Kevin O’Donnell said, “Butler Township remains a supportive partner in economic development and we are excited to have the township’s office complex in the Corporate Center. Township officials share our vision that the Corporate Center is a prime location for businesses to create jobs in the community and they have been eager to spur development in the park. Butler Township purchasing this site for their municipal services is further evidence of their commitment to the Corporate Center.”

In fact, to capitalize on the activity and encourage development, CAN DO is working with township officials to obtain land development approvals for Site 19, a 12.87-acre site that will accommodate a 50,000-square-foot building, and expects to receive those approvals by later this year.

Tosca uses Hazleton facility to bring “reusable revolution” to grocery supply chain

Tosca, a provider of reusable packaging and supply chain solutions, is one of many companies making Hazleton a “hub” for their business. The company recently expanded the size of its facility in the Humboldt Industrial Park in order to support significant growth and to increase the facilities’ capabilities.

Tosca, which moved into the Humboldt Industrial Park in 2002, previously operated in a 25,000-square-foot service center. Now after an expansion to a 50,000-square-foot facility, doubling the site’s size and capabilities, Tosca plans on building the business further and leveraging the business infrastructure in Hazleton to get it done.

“The service center expansion not only adds more square footage for the business but enables the company to operate more efficiently,” Mike Wasson, Vice President of Supply Chain and Operations for Tosca, said. “The organization took the time during the expansion to reconfigure the floorplan layout for optimum performance, re-tool machines for faster turnaround time, add new dryers, and implement new automation capabilities. The company also continues to add new jobs in both management and maintenance at the Hazleton location.”

Perhaps most importantly, the expansion allows the service center to increase operations, with the facility now operating a 24-hour/5-days a week schedule, giving the organization the ability to continue to grow business in this area of the country.

“We originally chose the Humboldt Industrial Park because of its proximity to our largest customer in the area,” Wasson said. “Being so close to our customer allowed for a very efficient supply chain, but we didn’t count on the additional benefits we’ve received from being in Northeastern Pennsylvania.”



Tosca doubled the size of its Hazleton facility and will capitalize on Hazleton’s business infrastructure to continue to grow its operations.

Wasson cites the quick access to the Interstate 81 for easy transportation to and from the service center and the hardworking people of Hazleton as additional benefits to conducting business in the area. Wasson also notes, “Being at a strategic access point in Pennsylvania allows our reusable plastic containers to flow to our customers and back to our Hazleton facility faster and easier, creating a more streamlined business process for us.”

CAN DO President and CEO Kevin O’Donnell said Tosca has been a valuable tenant for the Humboldt Industrial Park. “I am elated to see the

success that Tosca is having in the Humboldt Industrial Park. They are a very valuable tenant and their partnership with another company in the park is another one of the great assets that our park provides. The proximity to other top national and international companies as well as major transportation routes that we provide our tenants has proved to be a very valuable asset to many businesses,” O’Donnell said.

Tosca makes good on its mission to eliminate corrugated from the supply chain primarily by leasing reusable plastic containers (RPCs) to retailers, growers, and suppliers for the transport of perishable grocery items such as eggs, produce, and case-ready meat.

Tosca’s Hazleton service center mainly handles the washing and drying of case-ready meat containers, and supports the widest variety of functions of all their fourteen nation-wide locations. Preparing the containers for reuse is a thorough endeavor, with Tosca adhering to the strictest ISO 22000 food safety certification standards. After an extensive cleaning process, containers are ready for reuse and shipped to suppliers for packaging their product.

The Packaging Wholesalers' new Greater Hazleton facility gives it immediate proximity to key shipping routes

The Packaging Wholesalers, a wholesale retailer of packaging supply chain materials to distributors, held a grand opening celebration and ribbon cutting in February at 63 Green Mountain Road in the Humboldt Industrial Park.

The company's 300,000 square foot distribution center will house more than 1,200 different sizes of corrugated boxes and mailers along with a variety of additional packaging materials and shipping supplies, including boxes manufactured by neighboring industry, International Paper.

This is the company's third location nationwide, joining its corporate offices and flagship location outside of Chicago and a second facility in Dallas, Texas. Between the three facilities, the company now has more than a million square feet of distribution space and the ability to support customers nationwide. According to its corporate website, The Packaging Wholesalers selected the Humboldt Industrial Park location because of the proximity to Interstates 80 and 81 will allow for distribution to 50 percent of its customers within three to four hours.

The Packaging Wholesalers opened its first distribution center in 2004 after owner Mike Hrbacek saw the need for a wholesaler to support distribution nationwide. Brenda Marasa, vice president of sales for The Packaging Wholesalers, said the company is amazed to be opening a third facility so quickly. "None of this would be possible without the guidance of our fearless leader, the hard work of our team at all locations, the loyal support of our vendors and communities like Hazleton who welcome us with open arms," Marasa said.

In a release on its corporate website, Hrbacek said the company is "humbled" to be opening its third location. "The new warehouse and offices in Pennsylvania will support our ongoing initiatives to provide



The Packaging Wholesalers held a grand opening celebration and ribbon cutting in February for its 300,000 square foot facility at 63 Green Mountain Road in the Humboldt Industrial Park. Pictured are, from left: Stefanie Hrbacek, The Packaging Wholesalers District Sales Manager; Dan Guldish, Greater Hazleton Chamber of Commerce Membership Director; Joe Baran, representing the CAN DO Board of Directors; Nancy Stasko, CAN DO Director of Administration; Brian Poveromo, Humboldt Park Association President; Carla Thaller, representing the CAN DO Board of Directors; Donna Barna, Greater Hazleton Chamber of Commerce Board of Directors Chairman; Kevin O'Donnell, CAN DO President and CEO; Jeff Payne, The Packaging Wholesalers Warehouse Manager; Scott Rake, The Packaging Wholesalers Operations Manager; Scott Smith, The Packaging Wholesalers Supervisor; Mike Hrbacek, The Packaging Wholesalers Owner; John Madden, CAN DO Board of Directors Chairman; Brian Payne, The Packaging Wholesalers Northeast Regional Sales Manager; Jim Hilsher, representing Mericle Commercial Real Estate Services; Lew Sebia, representing Mericle Commercial Real Estate Services; Mary Malone, Greater Hazleton Chamber of Commerce President; and Brenda Marasa, The Packaging Wholesalers Vice President of Sales.

cost-cutting technological advances to our patent-pending delivered pricing program and also present more opportunity to capitalize on aggressive pricing and lead times through our nationally recognized tiered pricing program," he said.

CAN DO President and CEO Kevin O'Donnell said The Packaging Wholesalers is the latest company to see the impact of opening a facility in Greater Hazleton. "We are excited to welcome The Packaging Wholesalers distribution center to Humboldt Industrial Park. The company is the latest in a long line of tenants to our parks that have seen the benefit of expanding to Greater Hazleton to take advantage of the prime access to the various interstate shipping routes. They are a thriving company and we look forward to their continued success here," O'Donnell said.

Report indicates Northeast PA is a vibrant manufacturing location after top 10 ranking in several national polls

Pennsylvania has possessed a reputation as a prime location for companies in the manufacturing industry for decades. This was most evident when the Commonwealth ranked in the top 10 in several categories in two national polls of the top manufacturing states and locations. The Northeastern Pennsylvania Industrial Resource Center (NEPIRC) followed up these national rankings with a regional analysis of the manufacturing industry that shows the current and future benefits for companies located in the region.

In Business Facilities' 2016 Annual Rankings Report, Pennsylvania ranked in the top 10 across five crucial industry categories, including manufacturing, infrastructure and exports. PA placed sixth in the "Top Manufacturing States" category, which measures employment totals for manufacturing jobs; fifth in the "Infrastructure Upgrades" category and 10th in the "Exports" category.



NEPIRC President and CEO Eric Esoda said his organization's recent Regional Industry Analysis Report highlights the regional benefits and growth prospects for manufacturing companies located in Greater Hazleton and throughout Northeast PA.

Manufacturing has played a key role in Pennsylvania's economic development success for more than a century. Amy Zecha, executive director for marketing at the Department of Community and Economic Development, said Pennsylvania's place among the best manufacturing states in

the nation is attributable to its large, industrial workforce.

"It's no secret that Pennsylvania is a leader in manufacturing. It's part of our legacy that continues to shape our future," Zecha said. "Our manufacturers and manufacturing workforce of more than 565,000 individuals are the backbone of our economy and contribute to our quality of life."

NEPIRC's Regional Industry Analysis Report further highlighted the

regional benefits that are available and the growth prospects that are on the horizon for manufacturing companies located in Greater Hazleton and throughout Northeast PA. They include modernized manufacturing training programs, a dedicated collaboration between industries and area colleges and universities, and an innovative manufacturing culture that has led to the creation of many high-performing industry clusters, including food processing.

Eric Esoda, President and CEO of NEPIRC, said the benefits already in place, as well as those to come through technical innovation, will lead to a continuous increase of manufacturing success in the area for years to come. "Our regional manufacturing community is well-positioned to thrive in the years ahead. Our region has the workforce pipeline, advanced training programs, university-based resources, innovation infrastructure and collaborative spirit needed to ensure manufacturing growth well into the future. Because of that, our manufacturers, their employees and our community have good reason to be optimistic," Esoda said.

According to the NEPIRC report, Pennsylvania's level of manufacturing exports has increased nearly 40 percent over the past five years and now ranks 10th nationwide. Employee productivity also continues to increase. Manufacturing workers now add more than \$131,000 to Pennsylvania's Gross State Product (GSP) annually and, as of the end of 2015 when the latest figures were available, manufacturing provided more than 565,000 full-time jobs in Pennsylvania and accounted for more than 11 percent of statewide non-government employment.

Northeast Pennsylvania also made additional headlines last year as a prime manufacturing location when the Scranton--Wilkes-Barre--Hazleton, MSA topped a national study of the top food processing locations in the Northeastern United States and ranked 10th overall in the country. Site selection firm Boyd Co. Inc. examined 24 of the top food processing regions in the country as part of the comprehensive study.

The Scranton--Wilkes-Barre--Hazleton region ranked high because it has low operating costs including payroll, utilities, debt repayment and taxes that help lower a company's annual cost to do business. In addition to financial benefits, Northeast PA's skilled and available labor force, and easy access to transportation routes leading to major East Coast cities, make it an attractive location for food processing companies.

Employers find educational training opportunities available that help develop the region's manufacturing workforce

With technological advances in the manufacturing industry growing at an exponential rate, it's more important than ever for employers to find educational options that will help them build the qualified workforce they need as efficiently as possible.

Several colleges and universities within minutes of Greater Hazleton offer educational and customized training programs that are ideal for current and future employees. In addition to on-site employee training programs, educational courses are available at several colleges across Northeastern PA. The list includes four of Penn State University's branch campuses, Luzerne County Community College, McCann School of Business and Technology, Johnson College, Keystone College, Lehigh Carbon Community College and Lackawanna College.

McCann School of Business and Technology, which has a campus located directly in the Humboldt Industrial Park, provides employers throughout Greater Hazleton with a convenient, localized solution to their workforce training needs. Employers will receive a reduction in training costs when employees



attend McCann's Hazleton campus and either work toward an Associate in Specialized Technology degree in Commercial and Industrial Maintenance or Welding Technology or take individual courses that fall under one of the programs. The discount is possible because of Pennsylvania CareerLink@ Luzerne County's ability to assist employers with funding for employee training for any position that's listed on the high-priority occupations list.

William Burke, director at McCann's Hazleton campus, said the school consulted with corporations in Humboldt Industrial Park to design the programs to meet the specific needs of the local manufacturing industry.

"We noticed a need within the local industrial parks for skilled maintenance technicians and formed an advisory committee with area employers to develop the Commercial and Industrial Maintenance Technician program, which provides skills training in diverse commercial and industrial areas that are found throughout the manufacturing sector," he said. "Since its inception, the program's placement opportunities have been fantastic. Over the past three years, the program is averaging more than a 90 percent placement rate. Many of our current students are already employed within the Greater Hazleton industrial parks and are attending McCann to enhance their skills. This gives them an opportunity to move up within their company while providing skilled trade employees to the local employers."

Luzerne County Community College's Continuing Education Department and Center for Business Solutions and Customized Training offers a variety of educational resources to companies via courses on-site at the company's location or at one of several LCCC campuses in Northeast PA, including its downtown Hazleton location.

LCCC's trainers and professional staff assist industries by customizing the training to employer specifications. They also help employers prepare grant applications for the training programs. David Sawicki, director of the Center for Business Solutions and Customized Training, said his staff has a general



framework for the training options and will meet with company executives to find out what their needs are in order to adapt that general framework into a customized training program that meets their current needs.

"We have worked with quite a few companies in the Humboldt Industrial Park to design training programs that meet their unique specifications. We have offered training courses

covering a variety of topics and also designed customized customer service training programs and industrial maintenance training," Sawicki said. "The unique thing about our program is that we can adapt these general courses to provide a company with courses that meet their immediate needs and we can deliver the programs on-site to make them convenient for the employer and the workforce."

LCCC's many programs include an Industrial Maintenance Technician certificate and American Management Association certificate programs in manufacturing and management. Additionally, the college offers specialized certifications in industrial electricity, industrial motor controls, programmable logic controllers, basic fundamentals of welding and photovoltaic (solar panel) installation.

Penn State University's Hazleton campus is also among the many regional colleges that offer customized training programs for manufacturing companies. Debra Conway, director of Penn State Hazleton's office of continuing education, said the university's continuing education program offers many services to area companies to help them develop their workforce and competitive advantage. "Penn State Hazleton can partner with a company to design college credit programs offered at the business to meet the organizational development needs of the workforce. Classes can be conducted on-site at times convenient to the organization," Conway said.



In Penn State Hazleton's Industrial Maintenance certificate program, students receive a certificate from Penn State University's College of Engineering at the completion of the program. An American Production Inventory Control Society (APICS) certificate program in production and inventory management is also available at the college. Certificate programs are also offered for logistics supply chain management and supply chain and materials management.

An area manager who recently attended a Penn State Hazleton management development program said, "The instructor's mastery of material, effective teaching style, use of relevant examples, and recommended tools and techniques really made a difference. I've never seen a group more enthusiastic and pumped up about improving their businesses and working together as a team."

Northeast PA MSA posts lowest operating costs (continued from page 1)

because of its position as a cost-effective location with access to major travel routes, industrial-quality utilities and a dedicated and available workforce.

The area's location at the crossroads of Interstates 80 and 81, and with easy access to Interstate 84, Interstate 380 and Interstate 476 (the Pennsylvania Turnpike), place the region within hours of some of the biggest metropolitan markets in the northeastern United States.

Greater Hazleton's prime location also puts it within a 30-mile radius of a population of more than 661,000 people and a civilian labor force of more than 327,000 individuals.

Industries in Greater Hazleton also have access to permitted sites and an infrastructure of utilities that stretch to existing curbs, including access to quality electrical, natural gas, water, and sewer connections that are all designed for high levels of manufacturing use.

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