

Economic Development and the Marcellus Shale

This column is presented weekly by the Public Education sub-committee of the Clinton County Natural Gas Task Force in an effort to provide accurate, up-to-date information on activities surrounding the Marcellus Shale formation and the natural gas exploration industry.

How many will they hire? How long will they be here for? What type of workforce is needed? How much do they pay? Do they need land? What about the impact on the present businesses and workforce? Do we have enough housing? Do we have enough amenities?

Those are all questions you hear every now and then associated with the oil-gas industry that is in Clinton County, and the list only promises to grow in the next couple of years.

Many of the questions listed in the first paragraph, as well as other inquiries, probably do not have a direct answer at this point and time. Let's start with some things we do know and some things that are bound to take place.

The gas industry folks are hiring, and are hiring in our county. To date, we have several oil-gas related businesses/suppliers that actually have a physical location in Clinton County. They include Weavertown Environmental Group, Trican Well Services, Drill Pipe Corrosion Solutions, HB Rentals, Bell Supply, Select Field Services, Gas Field Specialists, Richey Service Company, Arrow Terminal Services/Modern Materials, PVS Chloralkali, Henkel McCoy, and Key Energy. This does not include many of the exploration/production companies that hold leases in the area such as Anadarko Petroleum, XTO Energy, Enerplus, Chesapeake, and Range Resources.

Those listed may not be all of the companies located here, but they are the bulk of them. In a conservative estimate, these companies employ or will employ almost 250 people directly.

Trying to get a handle on the "indirect" number is fairly difficult. But it is safe to say that local hotels, restaurants, specialty businesses, construction companies, and owners of rental units are doing well because of the oil and gas industry. The county's hotel tax will likely come in around \$200,000 for 2010, up about \$40,000 from 2009. Obviously, some of that has to do with the Fairfield Inn in Lock Haven operating for a full year, but the hotels are reporting high occupancy rates because of the gas industry. Construction companies and trucking related firms are employing workers year round, rather than laying off many in their workforce.

One of the questions is how many of the people are local? It goes without saying that some of the management, which has the various experience and knowledge levels in this industry, comes from places like Texas, Oklahoma and Canada. Trican Well Services is the "anchor" business so far for the county. Of their first 70 employees, approximately 55 of them are from the area. Also, in my dealings with the other service providers, many of the employees are members of our greater community.

Local businesses are also being used by the new companies. Trican, for one, had at least five local businesses working on its renovated building in Lamar Township. Local business owners should show a little aggressiveness when trying to "get in the door" with oil-gas folks. Stop by if you see something new. Get a phone number or check a website. My experience with the new businesses is that they don't mind people stopping by, just to say hello.

It goes without saying that we have new members of the greater community and will have new ones in the future. A recent survey by the PAGasDirectory.com gives some insight on our new friends, as well as a possible angle for businesses.

A survey was conducted of over 100 gas workers and their spouses, primarily located in the Williamsport region. As of the date of the survey (late 2009), houses had been purchased by 13% of the respondents. When it comes time to purchase their homes, four bedrooms is the first preference. When it comes to shopping, 59% would like to see more upscale stores in general, and 48% would like more home décor and furniture stores. Regarding a favorite cuisine, the overwhelming choice is Mexican food. The most popular leisure activities are dining out and sightseeing. About half of the survey respondents make over \$100,000 average salary.

There are tentative plans for more housing in the area as the gas industry gets ready for the next step in our area. There is also some “tire-kicking” going on regarding a new hotel or two. It will be important to stay on top of infrastructure needs and concerns as we move ahead the next few years.

There is no question that the Marcellus Shale industry is having an impact and will have an impact on the workforce of the local companies. Speaking on behalf of the Clinton County Economic Partnership, we will do our best to work with them, as they remain very important to our economic stability. It is no secret that some of the gas industry positions are not for everyone, with sometimes physical work and long hours.

The Clinton County Economic Partnership has already worked with many of the new businesses. This assistance can include helping to find a building/land in the county, some possible financial assistance, and assisting with utilities and related matters. We are pleased that several have become members of the Partnership, and look forward to being part of the community.

The industry is here to stay and will be for a long time. The number of direct jobs associated with the 95,000 square mile Marcellus Shale region - in any study you read or see - is astonishing. We can all benefit directly or indirectly from the new wealth and new opportunity. It's the proverbial tip of the iceberg in Clinton County.

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