

**CoreNet Global 2005 Economic Development Leadership
and Accomplishment Award
Major Projects/Deals
Commonwealth of Pennsylvania
Department of Community and Economic Development
Governor's Action Team**

Role of the Economic Development Organization

The Governor's Action Team (GAT), the primary dealmakers representing Governor Ed Rendell and the Department of Community and Economic Development, is a group of seasoned economic development professionals who serve as the personal consultant to all businesses looking to grow in Pennsylvania. The Action Team assembles assistance packages tailored to the specific needs of each project. All activities are handled on a confidential basis while the Action Team coordinates a team of statewide partners including state agencies, local economic development offices, utilities, private developers and realtors and the other organization that play a strategic role in helping businesses locate, expand or retain operations in Pennsylvania. GAT's project performance in 2004 was the highest it has ever been since the office began collecting such statistics in 1997. The top projects submitted for the CoreNet recognition are only a fraction of the overall accomplishments of the GAT.

Retention vs. Expansion Strategy

Pennsylvania has long been a player in business and industry, and in fact has been recently ranked as the third largest state in the nation for business and industry diversity. Business is so strong in the Commonwealth it is also ranked the 16th largest economy in the world. Representing this strength are the nine diverse and vital industry clusters located throughout the Commonwealth. Each has a significant role in Pennsylvania's local communities. The Commonwealth's overall economic development strategy supports this diversity, and focuses equally on the retention of our existing industry base and the attraction of new companies. Pennsylvania's comprehensive, flexible array of financial and technical assistance programs encourages business location and expansion, as well as retention.

The importance given to both retention and attraction projects is reflected by the GAT projects submitted for the CoreNet recognition. Twenty five percent of the projects are strictly retention, 30% are attraction and the remainder are a mix. Clearly Pennsylvania understands the importance of attracting new business, however 'growing our own' is as much a priority.

Overall Economic Impact on the Community

Overall in 2004, the GAT made 316 offers and successfully completed 215 projects which will create 19,738 new jobs, retain 58,515 existing jobs and lead to \$2.8 billion in investment.

Comcast, Merck, Olympus and Bayer are but a handful of companies that have relocated or expanded in Pennsylvania in a big way during 2004. GAT's top projects for 2004 as ranked by new job creation and investment, created over 6,500 jobs, retained more than 27,000 jobs and produced nearly \$1.5 billion in investments.

Far more impressive is the Commonwealth's return on investment relative to the top projects. The documented per worker incentive in many other state's large attraction projects is well over \$100,000. In contrast, the GAT top projects resulted in an average state incentive cost of \$15,304 per new job created, \$3,612 per job retained and \$2,922 total per worker incentive (incentive/jobs created and retained). On average, only 7% of the total project cost is financed with state funds.