



# County makes unique partnership with state

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A car travels through the MSA Thruway tunnel in Cranberry Township. Julia Maruca/Butler Eagle

Butler County is the first county in Pennsylvania to partner with PennVEST, which will bring millions of dollars in low-interest loans to local communities for large-scale infrastructure projects.

The partnership, which will begin with \$20 million at an interest rate near 1% and a 20-year repayment term, will be “another tool in the tool bag” for Butler County municipalities to use.

Butler County began working with PennVEST to establish the local funding stream at the beginning of the year, according to Mark Gordon, county chief of economic development. Gordon said he and Brion Johnson, PennVEST deputy executive director, started discussing ways to bring more funds to help infrastructure around the county.

Gordon said the partnership with PennVEST — a state program formally known as the Pennsylvania Infrastructure Investment Authority — is unique within Pennsylvania, and is predicated on another tool the county offers to local communities.

“Quite frankly, he was very impressed with our county infrastructure program. It is pretty impressive that (the Butler County Infrastructure Bank) pushed \$40 million of projects out in the community,” Gordon said. “That has been done nowhere else in the commonwealth. There's only one other county in the commonwealth that has an infrastructure bank, and that's based on some gambling revenues.”

While the infrastructure bank — which offers 10-year loans at a 0.5% interest rate to municipalities — has funneled \$40 million into communities, Gordon said the new program with PennVEST has numerous advantages as an addition to the county's existing program.

"It's available to larger amounts of dollars. Our dollars for our infrastructure bank today are predicated on Act 13, that's Marcellus Shale," Gordon said. "You've seen Marcellus Shale impacts and investment, it fluctuates a little bit, so it gave us an opportunity to access more capital, a larger revenue stream."

Additionally, the longer repayment term can help some municipalities complete projects which may otherwise have been financially impossible, Gordon said.

"There's some pretty nice features associated with all that. For example, repayment schedule is interest-only in the first 10 years. Principal begins in years 10 through 20," he said. "Things like that would be attractive to many of our more rural communities."

Although the PennVEST funds are more flexible in terms of repayment, Gordon said they have tighter restrictions on use.

"PennVEST, historically, is a funding mechanism that is for water, sewage and stormwater, as opposed to the Butler County Infrastructure Bank, which uses Act 13 dollars," Gordon said. "Act 13 dollars have some restrictions — they can also be used for stormwater, municipal water, municipal sewage — but it's also for things like roads, bridges, that type of thing. For instance, the MSA Thruway was a project."

The MSA Thruway is a collection of roads in Cranberry Township which connects Cranberry Springs and Cranberry Woods with a road under Route 228.

Even with these restrictions, Gordon said he is eager to see how programs such as PennVEST's new pilot program with Butler County can help municipalities such as Marion Township, where a project to replace both the sewage system and on-lot septic systems has been going on for several years.

"Obviously, I've had a passion for trying to help some of those smaller communities, like the Village of Boyers," Gordon said. "This, in and of itself, is not a 100% solution for Boyers, but it's another step, and eventually you can marry a bunch of these things together and put together something that's effective for them."

Leslie Osche, the county commissioners' chairwoman, echoed Gordon's remarks in a statement.

"Many of our municipalities are in search of options for major water and sewer projects that are critical to our constituents all across the county and we are doing all we can to offer solutions," Osche said.

Butler County will have access to more than the \$20 million it's offering to municipalities at this moment, according to Gordon.

"This initial tranche of \$20 million — and that was based upon some estimates that I have of what I think are applicable projects — it has about \$200 million set aside that we will have access to," he said. "This could be as frequently as, do a tranche of money, wait a quarter or two quarters, come back and do another tranche."

Gordon believes, too, that the PennVEST pilot program is a testament to Butler County's success with its infrastructure bank and other work to bring funds to municipalities.

"They have done this nowhere else in the commonwealth," Gordon said. "We're the first."

Funds through the PennVEST pilot program will be available through the Butler County Infrastructure Bank, and applications will be available in the coming months.

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