

BUSINESS, THE NEIGHBORHOOD FILES

Marcellus Shale Companies a Boon for Local Economy

As natural gas-exploration companies move into the area, local businesses benefit.

By **Alisha Hipwell** 6:00am

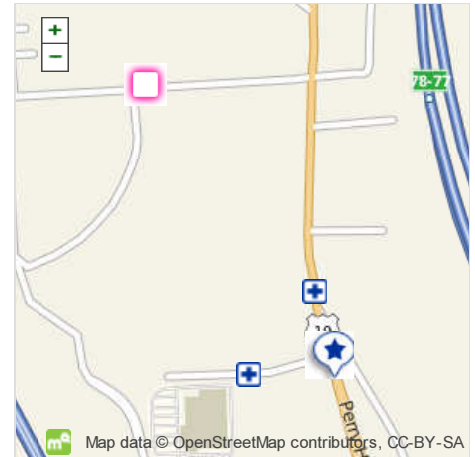
In Cranberry Township

(<http://cranberry.patch.com/listings/cranberry-township-municipal-center>), as in many Western Pennsylvania towns, public debate swirls about the health and environmental impact of Marcellus Shale drilling.

But Cranberry business owner Jim Boltz can attest to one area in which the Marcellus Shale drilling boom is all positive – his bottom line.

“Even with the tough economy last year, we had an increase in sales, and a lot of that is due to new businesses like this coming into the area. I think it’s pretty exciting,” said Boltz, who owns

[Minuteman Press](http://cranberry.patch.com/listings/minuteman-press-263) (<http://cranberry.patch.com/listings/minuteman-press-263>).



In the past two years, several natural gas exploration companies have established a presence in or near Cranberry. Other business owners and community leaders also said these companies are having a positive effect on the local economy.

Boltz has received calls from at least two natural gas-exploration companies, both expressing a desire to work with his and other local businesses.

“Their impact is much deeper than just who they’re hiring,” said Boltz.

Cranberry Township manager [Jerry Andree](http://cranberry.patch.com/articles/countdown-to-cranberry) (<http://cranberry.patch.com/articles/countdown-to-cranberry>) agreed.

He said an economic impact analysis prepared before [Westinghouse](http://www.westinghousenuclear.com/) (<http://www.westinghousenuclear.com/>) moved its headquarters to Cranberry in 2009 predicted that each job created by Westinghouse would create nine spin-off jobs.

“I would argue the same statistics are true of the natural gas companies,” Andree said.

Gas Exploration Companies Move In

Among the Cranberry-area Marcellus Shale players are [Exco-North Coast Energy](http://www.excoresources.com) (<http://www.excoresources.com>), a division of Texas-based Exco Resources. In 2009, Exco-North Coast Energy signed a seven-year lease on space in an RIDC Thorn Hill Industrial Park building that formerly housed Fore Systems Inc. and Marconi Corp.

Canadian-based [Talisman Energy](http://www.talisman-energy.com) (<http://www.talisman-energy.com>) recently established a regional office in the Pennwood Commons development and announced plans to employ 125 people.

[Shell](http://www.shell.com) (<http://www.shell.com>) also has a local presence, thanks to its 2010 acquisition of Warrendale-based East Resources.

“This area is the heart of the Marcellus Shale,” said Susan Balla, executive director of [The Chamber](http://thechamberinc.com/) (<http://thechamberinc.com/>), which serves the northern Pittsburgh, northern Allegheny County and Cranberry business corridors. “That’s why we’re seeing these companies establishing a presence here.”

Balla said the natural gas exploration companies rely on other businesses to help them grow and thrive. That creates a trickle-down effect that benefits some obvious players -- environmental engineers, water treatment companies and equipment manufacturers -- but also extends to restaurants, dry cleaners, childcare providers, and a host of other local businesses.

Cranberry engineering firm [Herbert, Rowland, and Grubic, Inc.](http://www.hrg-inc.com) (<http://www.hrg-inc.com>) announced on its website that it hired three people in November to meet increased demand for surveying services in connection with natural gas exploration in the region.

Even the chamber has benefited.

“We sell relocation packages to human resources directors,” Balla said. “Exco bought over 100 of those packages from the chamber.”

Andree said Cranberry township leaders have long sought to attract corporate offices, such as those of the natural gas companies, to the area.

“We firmly believe corporations will locate their headquarters where employees and families want to live. That’s our strategy for creating economic development,” he said. “The drillers come and leave after six months, but corporate offices stay and perpetuate business long after the initial drilling boom.”

What is Marcellus Shale?

The Marcellus Shale is a 60-million acre underground swath of natural gas that stretches beneath Pennsylvania and into neighboring Appalachian states. Experts estimate the natural gas contained in the shale could supply the nation's energy needs for the next 20 years.

The drilling boom started in 2004 and 2005 when Texas-based [Range Resources](http://www.rangeresources.com) drilled three wells in Washington County. The industry exploded in 2010 after advances in horizontal drilling technology.

Controversy has accompanied the industry, however, because of the process used to fracture the shale and extract the gas it contains. That "fracking" process requires large amounts of water, and the water retains chemicals that some environmental activists contend cannot be removed by traditional water-treatment plants.

Is Marcellus Shale drilling a boon for the area? Tell us in the comments.

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Beer On Tap At Giant Eagle

COMMENTS (2)**J. Stephen Cleghorn**

11:17am on Tuesday, February 1, 2011

Short-run, yes there will be jobs. Long-run, based on credible studies done of energy producing counties out west, the boom and bust cycle of an energy prospecting economy leave the counties worse off than they were before. See

http://headwaterseconomics.org/pubs/energy/HeadwatersEconomics_EnergyFocusing.pdf

That may be less the case in an urbanized area like Cranberry Township, but your prosperity could well come at the expense of rural economies like mine in Jefferson County where the gas industry could so industrialize our countryside that farms and outdoor recreation will suffer, or could even be ruined by water and air contamination.

J. Stephen Cleghorn

11:23am on Tuesday, February 1, 2011

For insights on how the gas boom might affect PA counties, take a listen to this presentation by a renowned regional economist, Dr. Susan Christopherson of Cornell University. It's about a 1/2 hour presentation.

<http://mediasite.cidde.pitt.edu/mediasite/Viewer/?peid=3e0aee8977274210ba1c4cd2e961ffe5>