

# LANCASTER NEW ERA

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## Study: Economic development here 'seriously dysfunctional'

■ The county needs an organized plan to attract jobs, stimulate business and help the economy, the Economic Development Company says.

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Lancaster County has about 50 groups charged with the task of growing the local economy.

They all have good intentions, but they are not all that successful because they are not working in unison.

That's the conclusion the Economic Development Company of Lancaster County drew from a 2002 strategic planning study its officials released today at its annual associate member breakfast at the Willow Valley Resort and Conference Center.

The breakfast drew a packed house of some 300 people who heard the results of the county's top economic development organization's survey of community and business leaders.

Survey respondents didn't hold back their criticism about local economic development efforts.

"The community has become seriously dysfunctional on economic and community development matters," EDC immediate past president Alexander Henderson, said today, reading from a list of comments gleaned from some of the 100 survey responses. "There is community resistance to anything new or different."

To that end, both Henderson and EDC executive director David Nikoloff announced that their organization intends to become "the driving force" of a nine-month effort to create a communitywide economic development strategy.

Following a November retreat of board members and community leaders, the EDC's board agreed to hire a consultant to help its board

get a consensus and develop a strategy to maintain the local economy and attract the kinds of job-creating businesses that provide good wages and benefits.

"We are fortunate that we operate in a community where economic development groups generally do not duplicate efforts or struggle over turf, even the limited pool of resources," Henderson told the group today. "But focusing on our individual missions is also a weakness of our system because we do not always see the larger economic development picture and its impact on all of us."

Both Henderson, and Nikoloff, in an earlier interview, said it is not the EDC's intention to take over economic development for entire county but rather to foster cohesion among the various groups, which Nikoloff said are now "acting in a vacuum and not in a coordinated way."

Both men said they are pleased with the performance of the EDC, parent of the EDC Finance Corp.—which serves as a conduit for state and federal funds for local economic development projects. Nonetheless, they said they are willing to restructure both organizations if deemed necessary during the nine-month study.

"We are not at this time volunteering to be the organization to coordinate the strategy," said Henderson.

He said the identity of that organization must be developed during the process "but without such an organization, any strategy will be a plan, which simply sits on the shelf gathering dust, and we are not interested in being a part of anything like that."

To be sure, most experts say

Lancaster County's economy is relatively strong, with an unemployment rate of 3.6 percent.

But, warned Henderson, the county's manufacturing sector, which creates the best-paying jobs, has been eroding in recent years. That has caused wages to decline below the state average.

To reverse that trend and to compete in the global marketplace, the community must move toward "knowledge-based and innovation-based economy," said Henderson. (Henderson is being succeeded as president by Timothy Peters, Warfel Construction Co. executive, who couldn't attend today's meeting because he is in Brazil.)

Both Henderson and Nikoloff said the local community must continue to groom its work force to be prepared for the jobs of the future and to find places in the county for businesses to build and expand.

While local economic developers plan their future, the breakfast's keynote speaker David Schuyler, professor at Franklin & Marshall College, gave them a reminder of what he believes are some of the economic development sins of the past.

Schuyler, author of the book "A City Transformed — Redevelopment, Race and Suburbanization in Lancaster, Pennsylvania," outlined some local overzealous redevelopment efforts that he called "urbanicide." Those efforts in the 1960s and 1970s resulted in further driving people away from the downtown area, he said.