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Lancaster PROSPERS

AN ECONOMIC STRATEGY FOR THE 21ST CENTURY

Strategy & Action Plan

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Prepared by:

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Regional
Economic
Competitiveness

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Executive Summary

Lancaster's current prosperity is a direct result of smart investments and development decisions made a generation ago. Leading County businesses, such as Armstrong Cork Company and New Holland Machine, made critical investments that secured market leadership in their respective sectors and drove much of the County's past success. At the same time, Lancaster's long history of farmland stewardship helped the County become one of the world's most productive agricultural regions. Finally, the region's scenic beauty and heritage created a strong market for tourists from around the globe.

These anchor industries remain important, but they may not be able to sustain Lancaster's future prosperity. New technologies, global competition and innovative work processes have transformed how companies operate and how economies thrive in the 21st century. Hard work and craftsmanship alone no longer guarantee success. In this more knowledge-intensive economy, Lancaster must combine its traditional strengths with technological know-how and innovative behaviors to sustain a globally competitive and prosperous economy.

In an effort to chart a course for future economic development, the Economic Development Company of Lancaster County and EDC Finance Corporation sponsored LancasterProsper—a county-wide economic development planning effort designed to develop consensus among County leaders on the County's pressing economic challenges and a clear, action-oriented road map for the future.

The year-long LancasterProsper initiative identified three critical challenges facing the County's economy:

- Fragmentation in decision-making, especially as it affects economic development
- An absence of innovation and skills needed among the County's workforce
- Urban centers that lack many amenities—such as entertainment options and facilities for knowledge-intensive firms—that would attract and retain a young, vibrant, and diverse workforce

County leaders involved in the LancasterProsper initiative agreed that these problem areas could impede Lancaster's ability to prosper during a time of rapid technological change and intense global competition. These critical challenges cannot be fixed overnight, but the community enjoys many tremendous assets that will ease the path to success. As a start, the LancasterProsper work plan recommends the following as the County's highest priorities:

- Create a mechanism for cooperating on regional initiatives
- Establish a new economic research capacity for the County
- Develop a County-wide economic development marketing plan
- Support development of a local R&D Center
- Support creation of industry Centers of Excellence
- Coordinate a comprehensive approach to supporting local entrepreneurs and
- Develop urban centers as attractive places to live, work, and play

Preface

Lancaster County has traditionally been a leading economic force in Pennsylvania. However, with the most recent recession and subsequent jobless recovery, a number of leaders are uneasy about the prospects for retaining that leadership and controlling the region's economic destiny. Sprawl continues based in part on the outward march of the Philadelphia metro area and the attractiveness of the County as a place to live. However, the County's leaders and citizens spend a great deal of their political energy fighting internal battles while possibly overlooking the economic transformation impacting the County and the world around it. The challenge is that Lancaster cannot continue to maintain a high quality of life without continuing to grow economically, but it must be cognizant that growth be managed and sustainable to protect the County's most important assets and values.

Initiated in early 2003, the LancasterProsper process involves a group of 39 county leaders who came together, facilitated by the Economic Development Company of Lancaster County and EDC Finance Corporation (collectively referred to as the "EDC"), to develop a consensus around a future economic development vision for Lancaster County, improve coordination of existing programs, and identify goals and actions around which the County could rally to make that vision become a reality.

LancasterProsper is necessary because...

- Community leaders have been fragmented in defining appropriate economic development actions
- Many of the County's residents are not fully prepared to compete for the high-skill, high-wage jobs key to the County's future economic prosperity
- The County does not have all of the physical assets that will be required for the economic transformation that is occurring¹

Lancaster County has been fortunate in the past to maintain a steady pace of growth through the success of a diverse, but traditional, economic base. In fact, Lancaster has managed to grow more rapidly than other parts of Pennsylvania, but that will not be enough for the next generation. Future jobs and wealth for Lancaster's residents and communities will only exist if quality economic growth continues, especially growth that takes advantage of developments in the "knowledge" economy.

In the "new" knowledge economy that is transforming the way Americans live, work, and play, the media has focused on the glitzy elements, such as state-of-the-art electronics, biotech research and the spread of information technology. However, the transformation to a knowledge-based economy involves much more than technology. It involves every industry adapting to a new era of intense global competition and expanded global market opportunities. It involves the continuous daily attention to product and process innovations of restaurateurs, dairy farmers, and food product manufacturers as well as lab technicians and scientists. The economic issues that will likely have the greatest impact on future success are:

- 1) Whether the County and its companies have sufficient scale to compete on a global stage

¹ For additional information on these issues, see "Background Briefing Paper – Aug 19, 2003" and "Priority Strategic Issues – October 22, 2003."

- 2) How well the County and its companies collaborate to innovate and nurture new ideas
- 3) The County's ability to marshal needed resources that create new ideas and enhance local talent for commercial purposes
- 4) The County's success in attracting and retaining the well-educated and diverse populace required for the new knowledge economy

The County's leadership is committed to ensuring that Lancaster continues as an economic engine for the Mid-Atlantic and prospers in a new "knowledge-dependent" economy. **Implicit throughout this document is that well-managed, quality growth is a necessity to maintain Lancaster's current and future prosperity.**

Leaders in the County must come together through a shared vision. An important outcome of this planning effort is to build a coalition of public, private, civic, and academic leaders that agrees with the basic premise that Lancaster must promote thoughtful, planned economic development. This plan is designed to identify the most important actions that must be taken to provide a framework for action by the County's economic development, education, workforce, and other institutions. The following pages articulate EDC's vision and recommended actions from The Lancaster Prospers effort.

Our Vision

In order to ensure a healthy Lancaster County in the future, we want to encourage economic growth by investing in existing and new businesses.

In 20 years, we believe Lancaster County will be:

- A county where business and community leaders share common values about the County's economic future by:
 - Acknowledging and participating in critical regional initiatives
 - Building collaboration across the County's diverse communities
 - Coordinating effective economic development efforts

- A national leader in economic innovation by:
 - Building on its unique heritage and existing strengths
 - Fostering innovation (including capital, R&D, etc.) to support new business ventures
 - Building a more highly skilled and educated workforce
 - Developing a base of new enterprises in emerging clusters

- A highly attractive community to a future generation of citizens by:
 - Offering a high quality of life and appealing amenities (including educational opportunities) for young adults
 - Featuring vibrant downtowns and denser residential development

Our Values

This vision of our economic future reflects our most important values. Lancaster County's leadership and citizens...

- Embrace the region's unique heritage
- Acknowledge that economic change and demographic diversity can create new regional strengths
- Encourage new ideas and willingness to take risks
- Seek to retain local control of key economic development decisions, yet participate as a collaborative partner in a larger regional context
- Wish to build upon an existing, diverse economic base in which we innovate in how and what we make
- Foster emerging new enterprises to maintain our diverse base
- Support revitalizing our urban areas and preserving our land assets for future generations as a strategy for appealing to younger workers

Our Goals and Strategies

To implement this vision, the LancasterProsper process identified seven goals that the County should achieve and a number of Strategic Action Items on which the County's leadership proposes to concentrate during the coming months. This report proposes to achieve the following goals and actions:

Goal I: Become a participant in and/or lead critical regional initiatives that are of importance to the economic future of the County and its neighbors.

- Action I: Create a mechanism for collaborating on regional initiatives.

Goal II: Build collaboration and enhance coordination across the County's diverse communities in support of economic development.

- Action II: Establish economic research capacity for the County/region.

Goal III: Build on the region's unique heritage and existing strengths by more effectively marketing Lancaster County and its local assets.

- Action III: Develop a countywide economic development marketing plan.

Goal IV: Foster innovation that will result in new commercial enterprises and activities in the County.

- Action IV: Facilitate collaboration to implement a multi-institutional research and development center.

Goal V: Prepare a more highly skilled and educated local workforce.

- Action V: Support the formation of industry-driven Centers of Excellence for the County/region.

Goal VI: Support entrepreneurship efforts as a tool for growing locally owned enterprises.

- Action VI: Coordinate existing resources into a comprehensive approach to fostering entrepreneurship.

Goal VII: Create an attractive and vibrant urban environment for a diverse community of talented workers.

- Action VII: Develop the County's urban centers as attractive places to live, work and play.

Associated with each goal is at least one action item. The LancasterProsper effort identified these actions as the highest priority for immediate attention. The goals provide more general principles on which other actions could be identified that will contribute to the County's long-term economic viability. An important role for EDC in addressing the LancasterProsper recommendations and for organizations adopting these goals is proactively advocating for their implementation and for support from across the broad spectrum of interests in the County.

Action I: Create a Mechanism for Collaborating On Regional Initiatives

GOAL I: To become a participant in and/or lead critical regional initiatives that are important to the County's and its neighbors' economic future.

The Challenge:

Lancaster County has traditionally avoided active engagement in major regional economic development initiatives. In a number of policy areas, issues are too complex and the competition for federal, state, and private resources are so intense that regionalism has become an important force in shaping most communities' responses to economic challenges. Quite simply, the County cannot simply "go it alone" in shaping its economic destiny. Access to markets, suppliers, and workers are critical for successful enterprises in this global economy. To attain improved infrastructure, access new ideas, and tap broader labor and market linkages will require regional collaboration.

For instance, the LancasterProsper Planning Committee agreed that good transportation access is critical to the County's future vitality. The County has advocated for significant highway investments in US 30, US 222, and PA 283 that provide linkages to Lancaster with York, Harrisburg, and the Pennsylvania Turnpike. With improved regional transportation, companies can better attract talent from beyond the County's borders, and many local residents can work in King of Prussia or Harrisburg. Long-haul transportation networks, airport linkages, and passenger rail initiatives involve multi-county concerns.

Likewise, the County faces challenges in marketing its assets. As many in Lancaster's tourism industry understand, Lancaster's future success is greatly dependent on packaging "products" that involve access to sites and attractions that are not in the County's borders. The same could be said for more traditional economic development where marketing efforts aimed at global companies must place Lancaster into a larger economic context. Likewise, the County's technology assets go well beyond local universities and companies. Those public and private entities seeking access to technology must look to neighboring counties and states.

The Response:

While Lancaster's unique identity must be preserved, the County should also become more actively engaged in existing and new regional initiatives in support of economic-development marketing, tourism, infrastructure planning, workforce development, agriculture, and technology development. Through the LancasterProsper process, Lancaster County should organize an effort aimed at taking the priorities laid out in this plan and developing regional approaches to each. Through an ongoing countywide planning effort, the County's leaders can continue to review the priority actions in order to facilitate their integration into discussion of critical regional needs as part of a new multi-county planning process that links Lancaster to its neighboring counties in Southeastern Pennsylvania, the Capital Area, and/or the Lehigh Valley as appropriate.

For instance, infrastructure planning could be an important first step. Currently, the Delaware Valley Regional Planning Commission serves the regional infrastructure planning needs of counties to the east of Lancaster, but no such regional planning entity

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exists involving Lancaster County. Clearly, there are a number of critical infrastructure investments required to meet the County's needs for improved access, including issues associated with CorridorONE, the Harrisburg and Lancaster airports, and dedicated bikeways and greenways.

In addition, the County will want to come together to support other potential regional initiatives such as a proposed multi-institutional research & development center that leverages increased technology investments; centers of excellence that foster industry innovation and workforce training; and a marketing plan that promotes the assets of Lancaster and surrounding counties to potential new businesses. Each action item identified in this proposed strategy could be enhanced through regional collaboration.

Lancaster must work with its neighboring counties to speak with one voice on vital economic development and infrastructure issues. Lancaster should reach out to its neighbors on these strategic action initiatives to enhance their effectiveness. As a starting point, Lancaster and its allies should develop a proactive advocacy program on behalf of the two or three most significant regional economic development and infrastructure initiatives.

Proposed Implementing Entities Involved:

Lead Responsibility

- Lancaster County Planning Commission

Resource Needs:

- Minimal costs anticipated in early stages. Costs for participating in regional economic/infrastructure development initiative could reach \$40,000 to \$100,000 annually, depending on how such an entity is structured

Potential Intermediate Evaluation Measures:

- Increased participation in critical regional initiatives

Action II: Establish Economic Research Capacity for the County/Region

GOAL II: Build collaboration and enhance coordination across the County's diverse communities in support of economic development.

The Challenge:

Lancaster's economic prosperity is based on economic diversity, yet most of its traditionally leading sectors are currently facing a period of slow or no growth. Prospects for employment growth in agriculture and manufacturing are limited, and tourism growth may offer jobs with lower-than-average wages. These assertions are based on limited economic data and even less analysis of that data. During the planning process, leaders often expressed concerns about the availability of data to answer basic questions about the County's economic condition. The economic data required to help policymakers make better economic development decisions, predict future economic trends and analyze current impact of public investment are simply not readily available for that audience. The Lancaster County Workforce Investment Board has conducted some analysis of the County's economy, but its capacity to do ongoing analysis is limited.

Without adequate capacity to conduct impact analyses of proposed projects, assess trends in the County's economy, or understand the contributions of key economic assets, Lancaster County officials are operating without a window on the world. In this environment, it is very difficult to make an informed case for (or even against) a project or policy. This leaves County leaders to make policy reactively through anecdotes or emotional arguments.

The Response:

Lancaster County needs an "Economic Development Research Center" staffed with experienced analysts who understand regional analysis techniques and who are considered credible to the County's decision makers. In order to become more proactive and to influence how economic development decisions are made, Lancaster County must build a local capacity to answer critical questions about the County's economy and proposed projects. Is there really a "brain drain"? What are the key elements of the economy that are growing and what are their facility, workforce, infrastructure, and capital needs? What are the anticipated economic and fiscal impacts of proposed projects on the County and local municipalities?

The capacity to answer these and other pertinent questions would give community leaders the ability to thoroughly assess proposed development policies and projects based on real data rather than subjective, uninformed feelings about a project's anticipated positive and negative impacts. With this capacity in the County, economic data would be regularly gathered and analyzed to enhance collaboration and coordination by economic development organizations in the community.

In determining what organization(s) should host the center, several key principles should be considered: (1) the independence of the center from local and regional politics to assess the current economic conditions; (2) the ability of private leaders to provide guidance to the research agenda; and (3) the capacity of the center to conduct thoughtful and credible research.

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Proposed Implementing Entities Involved:

Lead Responsibility

- LCCI

Resource Needs:

- \$100,000-\$150,000 per year: Major cost items include salary/benefits and support for publications/dissemination. Final costs will depend on the research center's institutional home. As many of these centers are located at a local college, some in-kind contributions for space and administrative support may help to alleviate a portion of these resources.

Potential Intermediate Evaluation Measures:

- Decreased death rate of projects due to small, vocal opposition
- Expanded municipality-to-municipality cooperation
- Increased media coverage of economic development issues

Action III: Develop a Countywide Economic Development Marketing Plan

GOAL III: Build on the region's unique heritage and existing strengths by more effectively marketing Lancaster County and its local assets.

The Challenge:

There are essentially three ways for businesses to add jobs in a community: start up, expand, or relocate to the community. Lancaster, like many communities in the Northeast, has not aggressively tried to recruit companies from other locations. The County has historically been able to "grow its own."

Some County leaders fear that innovation and emerging new industries have only a limited presence in the County. Lancaster may not be on the list of possible sites for relocating or expanding firms because the County lacks a proactive marketing campaign.

The Response:

The County should develop a targeted marketing strategy. The strategy should present the County's message to a targeted group of companies and site selectors that might be interested in relocating to Lancaster. The initial focus of such an effort should identify a set of cluster industries that are growing in the Mid-Atlantic region in which Lancaster has a competitive advantage. Based on research already conducted by the Workforce Investment Board, these might include food processing, construction, health care, biotechnology, communications, automotive, and metal and metal fabricating.

The messages delivered as part of this more aggressive marketing effort should be based on a well-articulated brand identity that reflects the values and goals important to the County. In this economic context, this brand cannot be a simple "reuse" of the County's traditional brand identity because Lancaster must convey an image as an economic innovator and an entrepreneurial enclave in the Pennsylvania Dutch Country. To refine this brand, Lancaster should create a collaborative public/private effort to develop an updated brand in the context of a regional economic transformation. That group should also devise a plan to promote the use of this brand by public and private sector entities. Building on the strengths of the existing brand recognition, the County might consider marketing that includes two sets of messages:

- "Made in Lancaster" – a version of the images and messages of quality and wholesomeness now used in the marketing campaigns of several private marketing efforts, including those of Turkey Hill.
- "LancasterProsper" – a revised "brand" that seeks to sell Lancaster as a locale whose history and future are steeped in innovation and supportive of entrepreneurship.

The County's marketing plan should integrate this revised brand and updated messages, recognizing that the companion brands may be targeted to different audiences. In particular, the audiences targeted in developing the LancasterProsper identity should include regional business leaders and educated young people. The focus of this effort is to tell the story of a renewed energy in the County and to help existing and new business leaders understand the commitment to Lancaster's future economic vitality. For business leaders, the County's message should focus on

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companies and site selectors that might bring companies associated with higher-wage, higher-skill employment growing in the Mid-Atlantic region.

Proposed Implementing Entities Involved:

Lead responsibility

- EDC

Resource Needs:

- Marketing plan: Approximately \$75,000 (if use outside consulting firm)
- Branding efforts: \$250,000 (if use outside consulting assistance)
 - Working group will be staffed with volunteers, and update of branding campaign would include additional research, concepts refinement, and the development of new supporting materials.

Potential Intermediate Evaluation Measures:

- Increased recognition and/or use of “Lancaster brand”
- Increased in business re-location to County
- Increased numbers of business prospects considering Lancaster locations
- Increased number of net new jobs created/retained
- Increased development of existing cluster of industries to fill gaps in the mix of local companies
- Increased number of new successful industries (to measure changing mix of industries)

Action IV: Create a Research & Development Center

GOAL: Foster innovation that will result in new commercial enterprises and activities in the County.

The Challenge

America's future prosperity is becoming more dependent on knowledge-intensive industries, i.e. growing and emerging business sectors based on new technologies and other critical innovations. Likewise, while Lancaster's past prosperity emerged from leveraging physical assets, future wealth will derive from knowledge assets—the ideas and innovations that come from highly educated and talented people working together. Developing these knowledge assets requires the presence of local institutions that create, develop, and nurture such knowledge. Colleges and universities clearly fit the bill, as do large corporations or research and development labs or centers. Communities that prosper in the knowledge economy tend to be located around such institutions.

Smaller metro areas, like Lancaster, are at a disadvantage because they seldom have the critical mass of university-based research and development. At present, Lancaster County lacks an ability to redefine its economic future through new innovation. There is no location where highly trained scientists, technologists, and engineers can work, perform research, or receive training. While Lancaster has graduate programs at its local universities, none of these institutions alone have sufficient capability to develop a major research facility without significant outside investment and multi-institutional collaboration.

The Response

For Lancaster County to succeed in a knowledge-intensive economy, it needs to create new knowledge through research and development. Lancaster County need not try to create its own MIT or Stanford; instead, it should begin efforts to attract a local base for science and technology training and research. Local educational institutions have expressed interest in such an initiative and would be committed to working with business leaders on developing a plan. Creating a local R&D center would bring new education offerings and skilled researchers/students into the region. Over the long run, this anchor institution would help stimulate development of a more “tech savvy” workforce in Lancaster.

The pathway to establishing the R&D center needs to be developed in much greater depth than can be done in this process. It seems clear however, that a public/private collaboration will be required to achieve this long-term goal. Franklin & Marshall College, Millersville University, Elizabethtown College, other nearby universities, and other local institutions (e.g. Stevens College of Technology and Harrisburg Area Community College) must first be truly committed to this goal, as the center would build on their existing assets, bringing them together in ways that have never occurred before. Local political and business leaders will need to champion these combined assets as a nucleus for the creation of a multi-institutional R&D center focused on the strengths of local colleges and universities as well as their long-term academic priorities. This effort will likely involve partnering with institutions outside the County as well.

The initial step of this effort would be to create a working group of local higher education institutions to identify existing assets and how they might be integrated to

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support academic research in science and engineering related fields. That group would develop a work plan to bring together—collegially and possibly even physically—these activities across the institutions. The group would also identify areas of potential and recruit partners from outside the County that could help build a critical mass of research and development activity.

Once the program plan has been developed, the group would assess the resource needs—money, people, and space—as part of a long-term strategy. The discussion of resource needs must be well developed, and the plan well refined, before beginning the discussion of raising necessary funds or identifying a site for the R&D center.

Proposed Implementing Entities Involved:

Lead Responsibility

- Franklin & Marshall College and Millersville University

Resource Needs:

- While final figures cannot be developed until the center's outlines are clear, this item will entail significant costs. New investments in the range of \$150,000 to \$200,000 should be expected for the development of a plan and feasibility work. The plan would identify cost estimates for establishing such a multi-institutional network and capacity.

Potential Intermediate Evaluation Measures:

- An increased number of existing industries that partner with local post-secondary educational institutions
- Increased participation in regional collaborations
- Increased development of existing clusters of industries to fill gaps in the mix of local companies

Action V: Support the Formation of Industry-Driven Centers of Excellence

GOAL: Prepare a more highly skilled and educated local workforce.

The Challenge

The County enjoys modest growth, but a number of its firms and industry sectors are at risk of decline. The County has few, small fast-growing firms poised to provide jobs in emerging new sectors. The County's future depends on nurturing new and existing clusters of industries. The most effective approaches involve fostering collaboration among these firms as they identify and address significant market challenges.

The County's strongest existing clusters appear to be in food processing, construction, health care, communications, biotechnology, automotive, and metals and metal fabricating. Some of these industries are at risk because they are not developing new technologies, creating new product innovations, or making adjustments in their marketing approaches as fast as their global competition. Firms working in isolation cannot keep up with the rapidly changing business environment—they must collaborate with one another and academic institutions to survive and thrive.

The Response

Centers of Excellence serve as repositories of information about new technologies, best practices about business models, and intelligence about market opportunities. They encourage innovation by supporting inventors. They facilitate the collaboration of a network of firms and their managers in a way that encourages companies to share ideas on how to improve operations and profitability. Some centers provide advisory services or perform industry-related R&D. Finally, Centers work with local educational institutions to design training for new and incumbent workers that is relevant to current industry needs. The specific work program of each center is entirely dependent on the needs of the partners and available resources.

In Lancaster County, there are seven industry clusters with significant local competitive advantages, according to analyses by the Workforce Investment Board: health care, biotechnology, construction, agriculture and food processing, metal and metal fabrication, communication, and automotive. Segments within each stand out as particularly noteworthy. Long-term care is a vertically integrated segment of health care that has a major competitive advantage. The lumber and wood products business, especially the segment that includes builders and contractors, are significant parts of the construction cluster. Within each of these industry clusters there is the need to innovate, continuously adopt new technology, and create a workforce that can put new ideas to practice.

The County should help companies from similar clusters come together to identify their research and technology needs. Working in collaboration with existing educational institutions, the County and each respective industry group would work together to establish a Center of Excellence to help focus public attention and resources on the research and technology needs that would solve short-term industry problems. Expanded technical training – in the form of formal degrees, certifications, and customized training – required for the workforce of the respective cluster of industries would be a priority action item of concern to each Center.

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Proposed Implementing Entities Involved:

Lead Responsibility

- Workforce Investment Board

Resource Needs:

- Final cost numbers will depend on the interest and capabilities of industry cluster designated for first Center of Excellence. Consulting assistance designed to help facilitate discussions and shape the Center could range to \$75,000. The strategy and fundraising plan will likely suggest that the center will need at least \$500,000 independent of existing institutions in its first operating year for new programming and equipment.

Potential Intermediate Evaluation Measures:

- An increased number of existing industries that partner with local post-secondary educational institutions
- Increased participation in regional collaborations
- Increased growth rates of traditionally important industries (e.g., tourism, manufacturing, and agriculture)
- Increased development of existing clusters of industries to fill gaps in the mix of local companies
- Net increase in the number of young adults with post-secondary education (“brain gain”)
- Higher workforce educational levels relative to current levels and the U.S. as a whole

Action VI: Support a Comprehensive Approach to Entrepreneurship

GOAL: Support entrepreneurship efforts as a tool for growing new locally owned enterprises.

The Challenge:

Entrepreneurs – men and women who took risks and built world-class companies like Armstrong Cork Company and New Holland Machine – built Lancaster County. Their legacy has been a strong and diverse local economy, even when other regions in Pennsylvania and the Mid-Atlantic have suffered.

Interviews and surveys provided some evidence that the County may not be effectively nurturing the next generation of entrepreneurs who will provide the basis for Lancaster's continued prosperity. Lancaster residents are starting exciting businesses, but the County lacks a system to both encourage more entrepreneurs and to help expand those businesses seeking high-growth opportunities. These shortcomings seem to be especially pronounced in new knowledge-intensive sectors, which fall outside of Lancaster's traditional strengths in manufacturing, agriculture and tourism. A more widely understood and accessible system of support for aspiring and new entrepreneurs is needed.

The Response:

Creating a system of entrepreneurial support requires a multi-pronged strategy. No single action item can create a system. The following action items should be considered as part of this effort:

Expand and Publicize Entrepreneurial Training Opportunities for Adults:

Several local institutions, such as the Kutztown Small Business Development Center (SBDC), BASE, Inc., and the Community First Fund, offer entrepreneurship training. These offerings should be expanded, and a concerted effort should be made to better publicize and market these initiatives. Social service and business service providers should steer local aspiring business owners to these training opportunities.

Expand Youth Interest in Entrepreneurship: All of the local colleges and universities should offer classes in entrepreneurship. At present, it appears that only Harrisburg Area Community College and Thaddeus Stevens College of Technology do so. If possible, such training should be available to all students as an elective, not just for business students. Entrepreneurship training should also be available in secondary institutions. Lancaster should consider including entrepreneurship classes within existing high school curricula (e.g. Junior Achievement). After-school clubs (or groups like 4H) might offer an alternative delivery vehicle. Teacher training and curricula can be easily accessed at a relatively reasonable cost.

Expand Networking Opportunities: Lancaster and Central Pennsylvania host a number of excellent business support organizations, such as The Lancaster Chamber of Commerce & Industry and the Technology Council of Central Pennsylvania. Despite these great resources, Lancaster County does not appear to have a primary networking organization for entrepreneurs akin to those seen in other cities around the U.S. These organizations differ from existing groups like the Chamber because they focus exclusively on peer learning and mentoring opportunities for both existing and aspiring

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entrepreneurs. The community should consider creating a Lancaster Entrepreneurs Organization that is either an independent affiliate of the Chamber or a similar group – or a stand-alone organization if no group wishes to sponsor it.

Support the Formal Angel Network: Many high net-worth individuals live and work in Lancaster, yet organized formal angel investing activity has not really taken hold in the region. Informal investing occurs, and some efforts to organize investors, such as the Lancaster Angel Network, are in place. Supporting an organized local angel network could be an important step in further catalyzing this activity. Formalizing this effort makes it easier for entrepreneurs to find investors, and it also reduces administrative burdens for potential investors. Finally, the expansion of a regional “angel investor” network could help to brand the community as a more attractive and interesting place to do business.

Create a Local Awards Program: Awards programs are among the most effective and inexpensive ways to encourage local entrepreneurs and to send a message that they are valued in the community. An awards program to honor local entrepreneurs should be considered as part of implementing the LancasterProspers recommendations. The Awards would honor exciting new businesses and could include special categories based on sector (e.g., in the LancasterProspers targeted cluster areas) or demographics (e.g., for young persons, seniors, minorities, or women). The Ernst & Young Entrepreneur of the Year Award is one model for this activity.

Proposed Implementing Entities Involved:

Lead Responsibility

- LCCI

Resource Needs

- Allocate about \$75,000-\$100,000 for this activity, including existing efforts. Final costs will depend on preferred course of action. For example, a youth entrepreneurship or awards program would require less than \$50,000 per year and networking initiatives could also be started with \$10,000 to \$20,000, but additional funds may be required as the program expands.

Potential Intermediate Evaluation Measures:

- Increased start ups in key business areas
- Increased levels of equity capital (venture and seed capital) investment
- Increased number of local angel capital investors
- Increased number of women and minority owned business
- Increased number of networking opportunities for local entrepreneurs

Action VII: Develop Urban Centers as Attractive Places to Live, Work, and Play

GOAL: Create an attractive and vibrant urban environment for a diverse community of talented workers.

The Challenge:

Creating a vibrant urban environment in our cities, and especially in downtown Lancaster City, is essential to addressing numerous challenges within the County. The current downtowns are underdeveloped: retail hours are short (closing early); entertainment venues are limited; crime and parking are perceived problems; the real-estate market is slow; and redevelopment costs are relatively high. As a result of these problems and their impact on the attractiveness of the County's urban centers for homeowners, development tends to sprawl to surrounding suburbs that increase development pressures on the County's farmland. Land preservation for agriculture is an important priority for the County. An effective approach to reducing the development pressure on these sites is to make urban living more attractive for County residents.

At the same time, recent research suggests that Lancaster is losing its best and brightest at a greater rate than the County's colleges and employers can attract them. Having viable downtowns is essential to making Lancaster County an attractive place for residents and tourists alike. The County needs the talent, energy, and innovation of a younger and more diverse workforce, however, many young professionals complain that the County is not an attractive place for them to live. Lack of higher-wage jobs and limited entertainment and retail opportunities have all caused many young adults to leave the County for social and work experiences.

The Response:

The urban centers of Lancaster County need to be developed to make them a more attractive place for residences and entertainment venues. To accomplish this, the strategy suggests these four inter-related tactics:

- 1) Target Lancaster City as the County's social and entertainment hub for young adults
- 2) Develop high-profile projects in the County's urban centers
- 3) Spur urban development through increased use of existing incentives
- 4) Continue to assist municipalities in preparing for and responding to development opportunities

First, to make Lancaster County more attractive to younger professionals, Lancaster City must emerge as the undisputed social and entertainment gathering point for the County. To help the City achieve this goal, the should promote the development of related amenities in the City's downtown. For instance, the County might help the City and its business leaders establish a downtown arts incubator, encourage education providers to offer programs at Lancaster City downtown locations, and develop more restaurants, shops, clubs, and movie theaters. Countywide events, such as music and arts festivals in the City's downtown area, create opportunities for all residents to enjoy Lancaster City on evenings and weekends. The County and City should come together to ensure that the urban center represents a safe and exciting experience for local

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residents. The County and City should also work together to help residents purchase their own homes and become more greatly invested in their communities. As homeownership rates and the “urban buzz” of the City center increases, City property values will rise, providing more resources for much needed investments in education, public safety, and further redevelopment.

Long-term strategies should focus on an aggressive campaign aimed at creating more consumer and entertainment activities such as helping to attract a new urban-style multiplex theatre to the downtown, adding the baseball stadium, and building on the existing activity in the arts district. These types of “new products” offered in the downtown would attract even more customers, building the critical mass of activities required for the downtown to become a social and entertainment destination.

Second, Lancaster should identify a small set of priority development projects for the County’s urban centers—including the boroughs and townships—that leaders believe represent the County’s economic future. The County should proactively focus on accomplishing a select few of these high priority “signature” projects. The projects would be those deemed too risky for the private sector to accomplish alone, but important enough that public benefits would likely emerge. In Lancaster City, the baseball stadium and convention center are among the obvious projects to be included on this priority list. Other potential additions could be a new research and development center, development in the downtown arts district, or a medium- or high-density urban residential development in any of the boroughs or townships.

Third, encouraging commercial development in the urban areas of the County is essential to the overall plan to make Lancaster an attractive place to live. Keystone Opportunity Zone (KOZ) and Local Economic Revitalization Tax Assistance (LERTA) programs are important tools for encouraging commercial and residential development, but potential private-sector users need to better understand them. The County should integrate into its overall marketing plan an effort aimed at helping potential users better understand how to use available incentives. It would also be valuable to encourage use of the incentives to the development of targeted “high profile” projects and targeted industries as described earlier in the strategy.

Fourth, the County should continue to provide technical assistance targeted to municipalities that proactively develop, adopt, and abide by development criteria that they establish. By acting in anticipation of opportunities, municipalities can help make a proactive statement about what kinds of development they would embrace and reduce the likelihood that developers would propose projects that are not in concert with local plans. The County should help every municipality willing to participate, offering assistance in designing their criteria using a community-based process aimed at gaining residential and business input. In the past, the County has offered assistance to local municipalities in the form of planning and economic development services. This expertise is critical to developing a coherent development policy and process for communities that can be guides for investors and developers.

Proposed Implementing Entities Involved:

Lead Responsibility

- EDC

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Resource Needs:

- Final costs will depend on high priority projects selected. The community will need to raise approximately \$500,000 to \$1,000,000 as starting capital for all 6 to 10 projects. Some of the resources for these events may be available from existing programs.

Potential Intermediate Evaluation Measures:

- Increased city homeownership rates
- Increased real estate values in urban centers
- Higher density living and working with open space
- Increased number of entertainment venues
- Increased retail spending in the urban centers

Appendix

The LancasterProsper effort is a work plan with seven strategic actions identified as the most critical to the County's long-term future. The LancasterProsper process developed a more extensive list of possible strategic actions, some of which were deemed important but not among the highest priority for the committee. Although the LancasterProsper initiative has focused energy, efforts, and resources on the seven priority strategic action items identified in the body of this report, other strategic action items under consideration were considered important enough to share with community residents and leaders. Thus, they are included in this appendix. These strategic action items may be revisited at a later date, but in the interim, other community groups are encouraged to take up these actions and move them forward as well.

I. Create an Economic Development Leadership Academy

Pennsylvania has a long history of valuing local control, and Lancaster County's 60 municipalities are a result of this philosophy. This culture has resulted in fragmentation of political and jurisdictional responsibilities in the County. This is a challenge common to other Pennsylvania communities, but active civic involvement in Lancaster further exacerbates the issue through the proliferation of independent organizations with their own unique vision of the County's future. In the economic development field, a multitude of organizations are trying to accomplish actions that often conflict with organizations that would otherwise be allies. Lancaster County must overcome the inherently fragmented nature of its political culture and build a regional approach to meet economic development needs.

In order to help local leaders make more informed decisions in today's increasingly complex world, the LancasterProsper effort proposes to establish an Economic Development Academy for local elected leaders. With a multitude of townships, boroughs, and other jurisdictions, the County has hundreds of elected officials who need to understand the forces of economic change, how economic development works, and what can be done to leverage public resources most effectively. The academy would provide a series of seminars designed to expose local leaders to key issues facing the County and helping them crystallize their philosophies into sound public policy. The LancasterProsper recommendation is to look toward the universities and colleges in the County to take a leadership role in implementing the Economic Development Leadership Academy.

II. Integrate the County's Business Retention Resource Network

Existing businesses account for a large majority of new jobs created in a community and their success represents a critical element of a prosperous economy. Lancaster has a diverse economic base with agriculture, manufacturing, and tourism serving as three keystones of the County's economic prosperity. Each of these sectors has faced significant challenges during the past several years. A number of organizations are concerned about retaining existing businesses. The EDC has a proactive business visitation program through Team PA; the Industrial Resource Center provides technical assistance to local manufacturers; and the Small Business Development Centers provide management and marketing assistance to local firms. These efforts generate extensive information about a firm's needs, but they are not as well integrated in sharing information and referrals as they could be.

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Lancaster County needs to dedicate staff resources to better understand the needs of existing firms and invest in responding to those needs. This capability would provide the County with the ability to conduct market intelligence research and support, provide access to equity and debt capital, ensure a responsive regulatory environment, explore issues associated with the County's physical infrastructure, enhance access to technology resources, increase the quality of the available workforce, improve the management skills of business owners, and identify facility and equipment needs. A LancasterProsper recommendation is to look toward the leadership of the state to help in implementing this initiative.

III. Expand the Inventory of Development-ready Land and Buildings

Within the County's urban growth boundaries, there is an acute shortfall of development-ready sites. Without ready sites, major development activities gravitate toward "greenfield" sites that are relatively easy to prepare for quality development. Redevelopment of existing buildings creates a unique challenge as developers address functional obsolescence and environmental issues. Reuse of these facilities can cost private-sector developers significantly more than greenfield development, however, these abandoned urban facilities can have a deleterious effect by dragging down property values, creating blight in the community and encouraging further disinvestment in the immediate neighborhood. In addition, greenfield development is much more likely to drive up the price of agricultural land, creating economic pressures to sell out for commercial or residential reuse.

The EDC should lead an initiative to create an inventory of available and/or shovel-ready commercial sites. Where possible, these sites would be located within the urban growth boundaries and at former industrial locations, though other growing areas lacking suitable sites would be considered as well. These sites could then form a key part of future marketing campaigns designed to attract new businesses to the County or to expand existing businesses within urban areas. The County may need to amass new funds for brownfields remediation with state and federal assistance to make targeted sites development ready.

IV. Initiate a Business-Education Leadership Group

Business leaders and education providers in Lancaster County have expressed a need for more quality communication and interaction. Currently, education uses business to assist with mentoring programs, career days, and presentations in schools on what it will take to achieve success in the future workplace. While these are valuable activities, this is not the most effective way to encourage business involvement with the educational system as business can help in providing policy direction for the K-12 system. Business offers a potentially powerful ally in terms of attracting resources and in shaping policy that reflect the realities of the workplace.

County leaders require a much better mutual understanding about the concerns facing business and education. Businesses must take a more active role in helping to shape the policies influencing education funding and reform, while education must better understand the pressures affecting an important constituency (and potential ally) – the business community. To accomplish this, Lancaster County needs to create a Business-Education Leadership Group to address concerns at the K-12 level and begin to identify a new "education" compact that provides an opportunity for business and education to more clearly define emerging opportunities. Lancaster's business and education community should come together in a roundtable format—initiated by business – which

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would offer a regular, structured communication between business and education to improve understanding, identify areas of common interest and advocacy, and build a stronger sense of common mission. The goal of this effort is to align the mission of the educational system to create good citizens for the community and the need of business for well-prepared workers. Since this effort should be business-led, a LancasterProsperers suggestion is to look for leadership from The Lancaster Chamber of Commerce & Industry, working collaboratively with the County's K-12 educational leaders.