

VII. THE LOCAL ECONOMY

The health of the Region's economy has an obvious major impact on the overall welfare of the community. A healthy economy provides not only needed goods and services, but employment opportunities and tax revenues which pay for public facilities and services. There are a number of measures of the health of a community's economy, among them the employment rate, the tax base and the diversity of the local economy. The following will examine the three principal components of the Region's economy.

A. Agriculture

Agriculture is the leading industry in the Commonwealth of Pennsylvania. It also continues to be an important part of the economy of Berks County, which ranks third in the value of farm products sold throughout the State. Land in farms was estimated to make up 233,744 acres, or 42%, of the County's land area in 2012. With 2,039 farms, the County had the third highest number of farms of all counties in the State; average farm size is 115 acres. However, over the last half century or so the County has lost over 88,238 acres, or a little over a 1/3 of the land area devoted to farms in 1959. This equates to a loss of about 1,665 acres per year. However, during the mid-to-late 1990s this rate of loss had dramatically declined due to a change in the Census definition of what constitutes a farm, which accounted for additional acreage being allocated to farms. Also, with the increased demand for certain farm products the County has seen a rise in the acreage of land in farms since 2002. The average market value of agricultural products sold from farms in Berks County has increased from \$367,840,000 in 2007 to \$528,711,000 in 2012.

While about 80% of the County's farmland is in crop production, most of the crop products are fed to livestock. Therefore most of the cash value of the County's agricultural products relates to livestock operations. Berks County was ranked 98th nationally for agricultural cash receipts in 2012. The following table summarizes the County's agricultural products for 2012.

Berks County Agricultural Products (Source: 2012 Census of Agriculture)		
Major Animal Product	No. of Animals	No. of Farms
Dairy	24,701	296
Poultry (layers)	2,683,591	344
Poultry (broilers)	13,027,727	68
Cattle & Calves	42,091	765
Swine	66,645	101
Sheep	2,303	144

Berks County Agricultural Products (Source: 2012 Census of Agriculture)		
Major Crops	Acres	No. of Farms
Corn (grain)	52,813	795
Corn (silage)	21,530	450
Hay (alfalfa)	25,040	720
Hay (all hay)	56,385	1,005
Wheat	10,880	364
Barley	4,201	191
Oats	1,390	141
Soybeans	31,936	578
Vegetables	1,197	162

In addition to providing an abundance of farm products, agriculture also supports a wide range of farm supply, and food processing and distribution industries. Snack foods, milk and ice cream, candy, baked goods, and packaged meats are among the many foods processed in the County. While not shown above other farm products grown in the County include; strawberries, apples, peaches, mushrooms, silviculture and nursery/greenhouse. It is estimated that in 2006, according to the *Berks County's Food and Fiber System* brochure, that Berks County agriculture related businesses had over 213,586 employees in over 2,826 businesses and create an over 5,800 farmers.

Agriculture also generates substantial taxes that benefit local residents. A 2006 Penn State study found that farms and other types of open land can actually subsidize local government by generating more in property taxes than they demand in services. In Pennsylvania townships studied, farm and open land required between two and twenty-seven cents worth of services for every tax dollar raised; compared to residential which required between \$0.94 and \$1.48 dollars' worth of services for every tax dollar raised.

Agriculture is also important within the Eastern Berks County Region. The following tabulates the Region's municipalities' participation on the various farmland preservation programs available within Berks County:

Eastern Berks County Region Farmland & Conservation Easement Preservation Status (Source: Berks County GIS, BCPC)					
Municipality	Acres Enrolled in Agricultural Security Areas	Acres under County's Agricultural Conservation Easements	Acres under Other Easement Program*	Acres under Effective Agricultural Zoning	Acres enrolled in Clean & Green Tax Assessment Program
District Township	2,805	47	1,077	338	4,818
Topton Borough	-	-	-	-	0
Rockland Township	3,757	335	713	2,883	6,534
Region wide	6,562	382	1,790	3,221	11,352

*Easements held by the following: Wildlands Conservancy, Berks County Conservancy, PA DCNR, The Greater Pottstown Foundation, PA DCNR Bureau of Forestry

It is no wonder that the local officials representing this Region have expressed one of the goals of this plan:

“Protect pockets of productive farmlands.”

The following lists those techniques used to protect the farming economy and landscape; each of the Townships should look to incorporate these measures in suitable areas. The Future Land Use chapter will identify these areas later in this Plan.

INGREDIENTS FOR SUCCESSFUL FARMING

- . / Protection of farm soils* – The Region contains prime soils and soils of statewide importance. The same characteristics that make these soils productive make them better to build upon. Therefore they are subject to greater development pressure and hence are more vulnerable.
- . / Critical mass* – The trend in agriculture today is toward larger farms as farmers compete in international markets. At the same time, there is a greater focus in some areas on the production of higher value crops which can be raised on less land. Commercial farming operations of all sizes need to be part of a large critical mass of farmland that will assure the continued presence of area farm suppliers and processors in the future. The subdivision of land into parcels larger than that needed for a home site, but too small to effectively farm increases the price of land, making it prohibitive for farmers to purchase land. Areas characterized by scattered sprawl type development and “farmettes” rarely are able to retain any significant agriculture activity.
- . / Freedom from adjacent conflicting residential uses* – Commercial farm operations need to be able to operate free from residential uses and the nuisance complaints, traffic and vandalism they can generate. Such pressures lead to a cycle of farmland conversion, rather than reinvestment in farm operations. The Eastern Berks County Region should carefully steer residential growth areas away from active farms.
- . / Profitability* – Agriculture needs to be profitable for farmers to continue farm operations over the long run. To this end, farmers may benefit from a wider range of permissible farm occupations and farm-related businesses, and the possible creation of local outlets or farmer’s markets for locally-grown/raised products.
- . / Effective agricultural zoning* – Farmland preservation has been affirmed through the State court system as a legitimate governmental goal, as long as implementing ordinances are substantially related to that goal. Not only is it necessary to severely limit the number of nonagricultural uses in an area intended to be preserved for agricultural use, it is also necessary to insure that subdivision for nonagricultural uses should be confined on small lots, leaving a large residual tract for agricultural use. Large-lot subdivision must be prohibited.
- . / Agricultural Security Area* – Some of the Region’s farmers have demonstrated their long-term commitment to the future of farming by voluntarily enrolling 8383 acres in an Agricultural Security Area. Landowners within areas planned for continued agriculture within this Plan, should be encouraged to enroll in this program.
- . / Clean and Green farm tax deferral* - This is another incentive program for continued agricultural use. Farmers may voluntarily enroll in this State program, which provides a tax reduction for as long as the property remains in farm use. If the property is developed, back taxes for up to seven years are due. Any farmers within areas planned for continued agricultural use who don’t already participate should be encouraged to enroll in the Clean and Green program, to further reduce the possibility of increased taxes. Presently some 16,837 acres are enrolled.

Local officials hope to continue to protect the Region’s agricultural base. They recognize that Berks County and other non-profits have paid monies to local landowners to permanently preserve their farms with agricultural conservation easements or other type of conservation easement. ***In response, conservation subdivision design and other conservation design standards are recommended to minimize disruption on adjoining active farming operations among other design priorities. More explanation of this technique is provided in Chapter XII (Future Land Use) of this Plan.***

B. Industry

In early times this Region’s industry was limited to mines, furnaces and mills. As discussed earlier, this Region has historically lacked transportation access to support large-scale industry. Nonetheless several industries have operated here for years. Probably the largest industry to occupy the Region was the 100-acre Caloric plant site which closed in 1991 and was later purchased by East Penn Manufacturing, which employs 928 persons on-site.

Major Industrial Uses and Employees				
Municipality	1998		2000	
	Industrial Uses	Employees	Industrial Uses	Employees
Topton Borough	2	278	1	220
District Township	0	0	0	0
Rockland Township	1	200	1	200
Region	3	478	2	420

While the Region did incur job losses in the past, the addition of East Penn Manufacturing in Topton and the expansion of their facilities west of the Region have helped employment in the area. Given the Region’s rural location and distance from major traffic arteries, it is no wonder that many residents must travel outside the Region for daily employment. The following tabulates the Region’s larger industries as reported in the *InfoUSA, 2010 Data*:

Major Industrial Employers Within Eastern Berks County Region (Industries with more than 15 Employees)			
<i>(Source: InfoUSA, 2010 Data)</i>			
Industry Name	Municipality	Employees	Products
Rockland Embroidery	Topton Borough	56	Textiles
Graphite Machining	Topton Borough	73	Carbon and graphite fabrication/machining
Electro Space Fabricators	Topton Borough	69	Metal fabrication
East Penn Manufacturing	Topton Borough	928	Batteries

An Industrial Site Assessment report completed in April 2001 (commonly known as the “Leak-GoForth” study) made suggestions on how industrial sectors could be strengthened and new sites located throughout Berks County.

First, the characteristics of the County and its current stock of industries suggest that the following eight types of industry are particularly well-suited within Berks County:

1. Food and beverage products;
2. Packaging materials and equipment;
3. Drugs and biotechnology;
4. Communications equipment and electronics;
5. Industrial parts and equipment;
6. Medical equipment and supplies;
7. Corporate and information systems; and,
8. Distribution and warehousing

In addition to these principal industries, other secondary spin-off businesses, suppliers and subsidiaries would also find favorable conditions within the County.

Although the Leak-GoForth Study went on to make recommendations about targeted areas for industrial expansion, no such recommendations apply within the Eastern Berks County Region. Admittedly the Region’s rural location, severely constrained landscape and lack of transportation infrastructure make it an illogical site for large-scale industry; therefore, it’s not surprising that it was not identified for industrial growth. However, ***rural occupations and small-scale industries could be permitted to allow for local employment so long as such activities do not interfere with nearby homes. Moreover any potential businesses should be limited to ones that pose no threat to local water quality by reason of waste disposal or the applicant must demonstrate adequate means for proper waste disposal to avoid water pollution.***

To pursue appropriate industrial opportunities and press an economic development agenda throughout the County, the study recommended that four separate agencies be involved. These entities work together to promote, retain and encourage economic growth and development as described below:

Greater Reading Economic Partnership. (GREP) A public private partnership organization with lead responsibility for driving the countywide economic development agenda and for all general internal communications and external marketing activities. GREP continues to work with both developers and municipalities marketing sites within the County and also helping business retention.

Greater Berks Development Fund. (GBDF) continues as the lead organization for funding, developing, marketing, and managing urban office and industrial properties, with particular attention to redevelopment and revitalization in Reading and other smaller urban communities in the County.

Berks County Industrial Development Authority. (BCIDA) This agency takes on the additional role of acquiring and developing industrial parks and sites in suburban and rural fringe areas of the County which may otherwise be too speculative for private developers and outside the normal realm of the Greater Berks Development Fund. The BCIDA finished a very successful project in North Western Berks County, Berks Park I-78 and is now working on another project on land surround the Reading Airport.

Workforce Investment Board. This organization continues its efforts in helping to prepare the Berks County labor force to meet the needs of existing large industries, while at the same time identifying demands and training workers for new technology-based industries. The Workforce Investment Board, in cooperation with the other agencies, developed the Careers in Two-Years Program with the Reading Area Community College. This program encourages persons to train for specific skilled jobs that are needed by area businesses.

While the County appears to be actively pursuing economic development strategies and programs, these efforts are currently focused on other areas of the County that are better-suited for such uses. Local officials within the EBCR have specifically articulated one of the goals of this plan to “*discourage large-scale commercial and industrial developments except where there is sufficient road access and other infrastructure in place.*” Instead, they hope to rely upon rural businesses for employment opportunities and an expanded tax base.

C. Commerce

Of the Region's municipalities, Tipton Borough offers the widest range of commercial uses to residents. The pattern of development is scattered and interspersed with many residences and other civic uses. Most uses front along several of the Borough's major roads (e.g. Home, Center, Franklin, and Barclay). The Borough appears to lack a thriving central business district; however, the following map depicts an area with the greatest concentration of commerce as listed in the tax parcel land use classification records:



In this area the character of development is highly variable with some historic sites and buildings and other more contemporary settings. This area of Tipton Borough would be conducive to the idea of creating a “Main Street Program”.

“Developed by the National Trust for Historic Preservation, the Main Street Model is based on a comprehensive strategy of work, tailored to local needs and opportunities, in four broad areas:

- (1) **Organization:** encouraging a community-wide, volunteer-based effort that builds consensus and cooperation toward common goals;
- (2) **Promotion:** marketing the unique characteristics of the downtown to shoppers, investors, new businesses and visitors;
- (3) **Design:** getting Main Street into top physical shape and creating an inviting atmosphere; and
- (4) **Economic Restructuring:** helping existing businesses expand and recruiting new ones that fit with the identified market.

“The Main Street program is designed to improve all aspects of the downtown district, producing both tangible and intangible benefits. Improving economic management, strengthening public participation, and making downtown a fun place to visit are as critical to Main Street's future as recruiting new businesses, rehabilitating buildings, and expanding parking. It is a comprehensive effort!

“Pennsylvania is one of only a handful of states that support local main street efforts with both technical assistance and financial resources. The Pennsylvania Main Street Program, one of the strategies that came out of the Department of Community and Economic Development (DCED), is administered by the Pennsylvania Downtown Center, a statewide non-profit group. The five-year program encourages leveraging of private dollars and requires ongoing, local support through the establishment of an organization (with working committees) and documented financial commitment from the community.

“Recent changes to the Main Street Program include the ability of communities to seek designation as a Main Street Affiliate. This designation includes many of the same benefits and resources as a full-blown Main Street Program without working toward the hiring of a Main Street Manager and the need to raise matching funds.

Topton Borough should investigate all Main Street opportunities through DCED and apply this successful program to the benefit of local businesses and the Region's residents.

Another area of commerce is found along the southern edge of Borough along Weiss and State Streets which run east/west. These uses are more contemporary in design and oriented to the highway that extends out of town eastward. These businesses cater to the market created by the nearby public school campus, Borough Hall and local parks.

In the outlying rural areas, commerce is generally limited to some small nodes of locally-oriented uses at village crossroads. Small country markets, restaurants and delis, hotels and inns, offices and auto services are typical. Again these sites exhibit a variety of designs ranging from historic and tightly-knit to sprawling with abundant parking.

The specific goals for this Plan seek to limit commerce in much the same way as industry. Local officials hope to attract local stores, services and restaurants that can serve the Region. They don't want these businesses to compete with the large-scale developments in other nearby urban areas, but merely provide for basic products locally. More specific recommendations on how to accomplish these objectives is presented in the Future Land Use chapter of this Plan.

D. Future Economic Development Potential

The EBC Region has a limited local economy. Agriculture is expected to continue as this plan will focus growth within compact growth areas and seek to protect outlying farming. ***Productive farmlands located in District and Rockland Townships should continue to use effective zoning that favors agricultural activities and operations over proposed residential developments.***

Also, while reviewing new development within the conservation areas, local officials should emphasize the need to protect agricultural productivity and avoid designs that would disrupt adjoining farming operations. Other techniques such as farm-related businesses should be permitted to help the farmer continue to prosper in the off-season and in difficult crop-producing years. Since much of the County's agricultural economy is based upon livestock products, each Township should ensure that zoning regulations imposed upon Concentrated Animal Feeding Operations (CAFOs) are compliant with applicable nutrient management regulations and do not adversely affect existing developed areas.

Topton Borough should be the Region's location for concentrated industry and retail goods and services. Borough officials should adopt a proactive and cooperative approach with local business owners and prospective business owners. It should seek to provide for expanded commercial/industrial opportunities by applying shared solutions to problems (e.g., shared access, parking, signs and loading) and more traditional design themes (tightly-knit store fronts, outdoor cafes, sidewalk display bins, etc.) within pedestrian friendly settings. More information about these is presented in the Future Land Use chapter of this Plan.

Outlying rural areas should only provide for local commercial nodes at select locations in the vicinity of existing Villages or developed areas. Design standards and the types of permitted uses should reflect this small-scale orientation and residential context. Strict design standards should protect adjoining homes. Rural and farm occupations can provide for small-scale local entrepreneurship provided local groundwater and surface waters are protected from improper handling of materials and disposal of wastes.