

## **Chapter 8**

### **Economic Development Plan**

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The Penn, Jefferson, Bernville Planning Region must support and create conditions for innovative economic and community development. A proactive approach to economic development is to increase the tax base as well as employment opportunities by expanding and diversifying the economic base. Residents of the Region expressed an interest in additional commercial and, to a lesser extent, industrial development in the area.

The citizen survey revealed that the stability and vitality of the Region's rural character and economy is a concern for area residents. The respondents are also concerned about the loss of rural areas to residential development. A coordinated economic development strategy involving smaller scale uses could be directed to the village areas of New Schaefferstown and Mt. Pleasant; and larger-scale enterprises could be directed toward the PA Route 183 Corridor in several locations, as well as the Borough which are suitable for appropriately scaled commercial and office uses. Industrial development should be directed toward existing industrially zoned areas of the Region.

#### **The Costs of Land Use**

As development has increased in and around the Region, costs associated with that development, including traffic and road maintenance, public protection, sewer and water system development and expansion, and public education have also increased. Ultimately, these costs result in higher taxes, which can be especially burdensome on those with fixed incomes. One way to address increased costs is to form cooperative efforts among the municipalities and volunteer organizations to identify ways to provide essential services more efficiently, and to eliminate duplication of services among agencies.

Continued residential development in the Region needs a balance of non-residential development to ensure a healthy tax base and economy. The Penn State College of Agricultural Sciences Cooperative Extension has published a study entitled, "Fiscal Impacts of Different Land Uses, the Pennsylvania Experience." In the study, eight Pennsylvania townships were analyzed to determine the fiscal impact of land uses. The ratios of revenues to expenditures were calculated for residential, commercial, industrial, and farm and open land. Residential land, on average, requires substantially more expenditures, mainly due to school expenses and infrastructure costs. In some cases, the expense to revenue ratio can be more than 2 to 1 for residential uses. Commercial, industrial, and farm and open land provides more revenue than they require in expenditures. These findings are consistent with those in other states, according to the study. A summary of this study can be found in Appendix B.

## **Encouraging Economic Vitality**

Municipalities can support economic vitality through municipal ordinances. Amending zoning ordinances to allow additional commercial and industrial development, as well as adaptive reuse of older buildings is one method. Streetscape enhancement of commercial areas and entry or “gateway” enhancements are others. The Townships and Borough must take advantage of the public/private partnerships that exist and provide leadership to the business community to help establish a common focus for future economic development. Key facilities, such as the Blue Marsh Lake and Christmas Village should be promoted to attract economic development to the Region.

A healthy economy requires a balance between residential and non residential uses, preserving residential neighborhoods to support commercial areas and provide a workforce. Communities with high quality-of-life amenities attract more affluent and skilled workers and retain existing workforces better than communities with poor quality-of-life amenities. Preserving open space, architecture, and culture helps a community maintain a sense of place and attract people and businesses to the Region.

## **Employment by Occupation and Industry**

A useful indicator when analyzing an employment base is a breakdown of where the Region’s residents work. As discussed above, there is a national trend away from traditional occupations in the manufacturing sector to service and sales industries. In 2000, most people in the Region were employed in “manufacturing” with “educational, health, and social service” occupations following, and “retail” trade coming in a close third.

Table 8.1: Employment by Industry, shows the breakdown of Industry in the municipalities and Berks County.

**Table 8.1: Employment by Industry**

Employment by Industry Penn Township, Bernville Borough, Jefferson Township and Berks County 2000								
	Penn Township		Bernville Borough		Jefferson Township		Berks County	
	Number	%	Number	%	Number	%	Number	%
Agriculture, forestry, fishing and hunting, and mining	54	4.8	3	0.6	45	5.5	3,215	1.8
Construction	64	5.7	24	5.1	66	8.1	10,591	5.9
Manufacturing	274	24.6	152	32.5	169	20.8	43,600	24.1
Wholesale trade	46	4.1	17	3.6	24	3.0	6,873	3.8
Retail trade	118	10.6	41	8.8	94	11.6	21,804	12.1
Transportation and warehousing, and utilities	80	7.2	29	6.2	51	6.3	8,896	4.9
Information	11	1.0	5	1.1	7	0.9	3,060	1.7
Finance, insurance, real estate, and rental and leasing	64	5.7	27	5.8	35	4.3	11,582	6.4
Professional, scientific, management, administrative, and waste management services	73	6.6	23	4.9	66	8.1	13,575	7.5
Educational, health and social services	181	16.2	61	13.0	144	17.7	33,496	18.5
Total	965	86.5	382	81.6	701	86.3	156,692	86.7

Source: U.S. Census

Employment by sector has changed significantly in the Reading Metropolitan Statistical Area over the past ten years. The retail sector has dramatically decreased 33.7% while government has increased 28.6%. Manufacturing was also down 29.3% and Construction was down 17.3%. Transportation and services increased 17.5% and 10.7%, respectively.

**Table 8.2: Employment by Sector**

Employment by Sector Reading Metropolitan Statistical Area (Berks County) August 1997 - November 2007				
ECONOMIC SECTOR	TOTAL EMPLOYMENT		CHANGE	
	November 2007	August 1997	Number	Percent
Construction, Mining, Communication and Utilities	9,344	11,300	-1,956	-17.3
Manufacturing	31,321	44,300	-12,979	-29.3
Transportation	4,937	4,200	737	17.5
Wholesale Trade	6,666	7,700	-1,166	-15.1
Retail Trade	20,414	30,800	-10,386	-33.7
Finance, Insurance, Real Estate	27,699	8,400	19,299	2.3
Services	45,279	40,900	4,379	10.7
Government	20,712	16,100	4,612	28.6
Total Non-Agricultural Employment	166,372	163,700	2,672	16.3

Source: PA Dept of Labor & Industry

### Unemployment Rates in the Region

Unemployment rates are often a good reflection on the economy of a community. They are not the definitive indicator in the health of an economy. Several other factors can affect the unemployment rate such as: seasonal jobs, size of the workforce, national economic trends, and actions of large companies.

The Census Bureau publishes a municipal profile for each municipality within Pennsylvania that contains specific employment data. Table 8.3 shows the 2000 employment status for the Region and Berks County. The rate of unemployment in the Region is less than the average for Berks County, although both Bernville Borough's and Penn Township's rates were less than that of Jefferson Township. These are low unemployment rates as compared to Pennsylvania's rate of 6.1%.

**Table 8.3: Employment Status - Population 16 years and over**

<b>2000 Employment Status</b>	<b>Bernville Borough</b>	<b>Jefferson Township</b>	<b>Penn Township</b>	<b>Berks County</b>
Population 16 yrs. and over	703	1,223	1,508	291,683
In Labor Force	478	845	1,134	190,703
Number Persons Employed	468	812	1,114	180,881
Number Persons unemployed	10	33	20	9,671
Percent Unemployed	1.4%	2.7%	1.3%	3.3%

Seasonally adjusted unemployment rates take into account variations or trends in employment that make it difficult to tell whether the unemployment is part of a cyclical trend or if it is the result of changing economic conditions.

**Table 8.4: Seasonally Adjusted Unemployment**

SEASONALLY ADJUSTED UNEMPLOYMENT	
Pennsylvania Major Market Areas, PA, USA	
December-07	
AREA	JULY 2007 UNEMPLOYMENT RATE (%)
Allentown-Bethlehem-Easton MSA (Metropolitan Statistical Area)	4.8
Altoona MSA	4.6
Erie MSA	5.2
Harrisburg-Lebanon-Carlisle CSA (Consolidated Statistical Area)	3.9
Johnstown MSA	5.7
Lancaster MSA	3.6
Philadelphia MSA	4.7
Pittsburgh MSA	4.8
Reading (Berks County) MSA	4.6
Scranton/Wilkes-Barre MSA	5.3
Sunbury-Lewisburg-Selingsgrove CSA	5.4
State College MSA	3.8
Williamsport MSA	5.3
York-Hanover MSA	4.1
Pennsylvania	4.7
USA	5.0

Table 8.5 shows the median annual household income for the Region and County, the percent of persons in poverty and educational characteristics. The median annual household income for both Jefferson and Penn Townships is higher than the County average of \$44,714 but the Borough of Bernville is slightly lower.

The percent of persons in poverty increased from 1989 to 1999 for all three municipalities in the planning region, as well as the County. Both Jefferson and Penn Townships had very little increase .6%, but Bernville had a 2.5% increase which was higher than Berks County at 1.6%.

Education levels increased for all municipalities in the Region. This can be explained by the continued increase in educational requirements for jobs and the proximity to places of higher education.

**Table 8.5: Income and Education Characteristics**

Municipality	Median Annual Household Income		Percent of Persons in Poverty		Percent Bachelor's Degree or higher		Percent High School Graduates or Higher	
	1989	1999	1989	1999	1990	1999	1990	1999
Bernville Borough	\$27,132	\$41,250	5.7	8.2	7.1	9.5	65.9	74.2
Jefferson Township	\$36,016	\$51,532	6.7	7.3	15.3	19	71.9	79.9
Penn Township	\$38,185	\$55,000	2.8	3.4	15.5	19.2	79	85.6
Berks County	\$32,048	\$44,714	7.8	9.4	15.1	18.5	70	78

Source: Berks County Planning Commission

### **Economic Development Goal:**

Sustain and enhance the vitality of Bernville while identifying appropriate locations for environmentally responsible industrial, office, retail and service use which are appropriate in scale and character to the Region.

### **Objectives:**

- Encourage investment in Bernville, compatible with the character of the community.
- Discourage random or scattered industrial development patterns, which can produce environmental traffic, aesthetic, and other problems. Direct industrial development to designated areas on the Future Land Use Plan.
- Establish developer responsibilities in providing infrastructure improvements when they develop within Subdivision and Land Development Ordinances.
- Reserve designated business development sites on the Future Land Use Plan to preclude potentially incompatible uses from foreclosing an eventual use for business.
- Discourage strip development of business uses along major roadways.
- Identify appropriate future uses for vacant commercial and industrial buildings and promote such uses through such efforts as revitalization programs in the Borough.
- Work to retain existing desirable area businesses and industries and identify strategies to attract desired businesses. Work with the local and county business associations and economic development agencies.
- Encourage improved access to data networks of economic development agencies.

## **Target Areas**

Economic development planning is not only the responsibility of the municipal officials. Local economic groups, non-profit organizations, business and property owners, and local and State legislators all have a stake in the economic well being of the Region. The Region is near several economic development groups such as the Berks County Industrial Development Authority, the Berks County Chamber of Commerce, and the Greater Berks Development Fund. These groups need to establish a consistent approach and common focus for future economic development and work closely with the public and private sectors to avoid duplication of efforts. The first step to improve the climate for economic development and develop a community wide vision is to identify the crucial or 'target areas' that present the most future economic development potential in the Region. The Region's most intense future commercial development should occur in two areas: along PA Route 183 in Jefferson Township, and in the Borough of Bernville

### ***PA Route 183 Corridor – Jefferson Township***

The commercial areas in Jefferson Township include an area bounded by Bernville Borough and Summer Mountain Road. The development potential for these areas includes modestly scaled office and retail stores, as well as ancillary convenience commercial and personal services uses. In the residential areas adjacent to the commercial areas, the uses should be less intense and adhere to design standards that encourage visual consistency along this corridor by regulating access management, signage, landscaping, setbacks, and streetscape improvements.

### ***Bernville Borough***

The Borough must strive to make the downtown a destination. Economic development follows people, so the downtown must become a gathering place. The downtown core must have a pedestrian-friendly design that accommodates informal gathering places mixed in with stores, restaurants, coffee shops, and office uses. Foster a positive image through special events, programs, music and art festivals, and holiday decorations. Promote the historic and cultural heritage of the Region as a means to promote tourism. Marketing tools such as banners, brochures, and restaurant/shopping guides should be produced. The Borough should apply for the DCED Main Street Program.

### ***Village of New Schaefferstown, Jefferson Township***

The Village of New Schaefferstown is appropriate for smaller scale commercial and business development, however, this development should consist of low-



impact, village-oriented land uses. Convenience commercial, antique shops, and other unique shops that bring character to the Village should be encouraged. Access management should be a key consideration, and any development in the Village should complement the larger scale development envisioned in the commercial areas of the PA Route 183 Corridor.

### ***Village of Mt Pleasant – Penn Township***

Mt. Pleasant should be targeted for a variety of low impact residential, neighborhood commercial and /or small office type uses. Future development should embrace the concept of ‘village mixed-use’ and combine neighborhood commercial, residential, and office development in the same tract. Along Mt Pleasant Road, the uses should be less intense than along PA Route 183, and concentrate on neighborhood and convenience commercial uses, as well as smaller scale service and professional offices.

#### **Actions:**

- A. Zone areas appropriate for economic development pursuant to the Future Land Use Plan designations. Develop environmental performance standards. Prepare Specific Plans where appropriate, as per Section 1106 of the Municipalities Planning Code.

Emphasize appropriately scaled light industrial, health care, research and development, high technology, office and service development to supplement the existing commercial and industrial development in the Region.

Require new development to be designed and constructed to meet environmental performance standards, eliminate adverse impacts on adjacent land uses, and minimize highway access safety hazards.

- B. Maintain a dialog with businesses in the community to determine their needs and concerns in order to retain existing businesses and ensure their experience in the Region is positive.
- C. Work with telecommunications companies to ensure that adequate telecommunications facilities, including fiber optics, are available to businesses in the Region.
- D. Work with the Berks County Industrial Development Authority and the Greater Berks Development Fund to secure potential funding for land purchase and infrastructure improvements to support economic development in the Region.

- E. Refine zoning policies for home employment and no-impact home-based businesses.
- F. Create wireless internet hotspots in the Borough as a means to attract people to downtown.
- G. Inform economic development agencies of areas and buildings zoned and available for commercial and industrial development in the Region.
- H. Investigate programs providing financial incentives for the re-use of old buildings and tax lien forgiveness to re-use buildings, and preserve historic sites. Work with PADCED.
- I. In recognition of the need to foster the economic viability of the Region, enhance the highway, rail, and air transportation systems within the Region pursuant to the transportation action items.
- J. Support the necessary legislation to authorize impact fees in addition to those which can now be charged. Work to establish consistent policies on use of impact fees within the Region.
- K. Investigate opportunities for streamlining processes for economic development that will enhance the economy and quality of life of the Region.
- L. Review opportunities created with the recent passage of Pennsylvania's Economic Stimulus Package, including such programs as Business in Our Sites and Tax Increment Financing Guarantee Program.
- M. The Borough should apply to the Main Street Program to improve the image of the Borough center.

## **ECONOMIC DEVELOPMENT PROGRAMS**

### **Keystone Opportunity Zones (KOZ)**

Keystone Opportunity Zones are defined as parcel- specific areas with greatly reduced or no tax burden for property owners, residents, and businesses.

#### **Eligibility:**

To be considered a Keystone Opportunity Zone, a site must have:

- Displayed through a vision/strategy statement how this property through targeted growth could impact the Region positively;
- Displayed evidence of adverse economic and socioeconomic conditions in the proposed zone such as high poverty rates, high unemployment rates, a high percentage of abandoned or underutilized property, or population loss;
- Passed binding resolutions or ordinances forgoing certain taxes; this includes school districts and county and municipal governments;
- Public and private commitment of resources;
- Linkages to regional community and economic development activities including Team Pennsylvania and initiatives under the DCED's Center for Community Building;
- A written plan discussing the implementation of quality school improvements and local crime reduction measures;
- And a demonstrated cooperation from surrounding municipalities.

**Where to Apply** – DCED Customer Service Center 1-800-379-7448

### **Enterprise Zones**

**Summary** - The purpose of an Enterprise Zone is to promote job growth and to help municipalities take advantage of business expansion opportunities when they arise. EZ's improve the capacity of local governments and business communities by encouraging them to form public/private partnerships. These partnerships then boost business investment in the zone. Increased business investment, job creation, and sustained community self-sufficiency are the primary goals of the Enterprise Zone program.

**Eligibility** - Local governments, redevelopment authorities, nonprofit economic development organizations, and other nonprofit organizations and business district authorities.

**Eligible Uses** - Enterprise Zone competitive grants-to-loans can be used for up to 30 percent of the total project investment to acquire machinery and equipment. They are available for new business construction or building improvements, site improvements, infrastructure, and in some special cases, up to 40 percent of inventory or working capital needs. Competitive grants-to-loans also can be used toward the cost of preparing business lease space, especially for facilities with fiber optic wiring. Costs of public infrastructure development and hazardous waste testing may also be considered if the lack of conventional funding sources for such costs is documented. Competitive grants may not exceed 30 percent of total project investment, and one full-time job must be created or retained for each \$30,000 of loan capital.

**Where to Apply** - DCED Customer Service Center

**Amounts** - Planning grants can total up to \$50,000 (one time only). Basic grants can total up to \$50,000 for up to seven consecutive years. During this time period, basic grants may be increased up to \$75,000 on two occasions, if the entity is undertaking a cluster analysis or some other activity that uses analytical tools to enhance the zone's development plans. This is not an entitlement program. Need and demonstrated progress must be documented before receiving these grants on a yearly basis. Competitive grants-to-loans can total up to \$500,000 and can be loaned to private sector firms in the zone.

### **Additional Programs / Opportunities**

The Pennsylvania Economic Stimulus Package has been recently passed and includes the following economic development programs and potential funding sources for the Region:

- Business in Our Sites will offer flexible loans and grants for local municipalities and their economic development partners to create future business growth and attract opportunities through the acquisition and preparation of key sites for development. The program would provide communities with grants and loans of up to \$250,000 to pay for the reclamation of industrial land.
- Building PA will provide funding for the development of real estate assets in the Commonwealth. Funds will be loaned to private investors and foundations who want to match funds to facilitate projects within the Commonwealth.
- New PA Venture Guarantee Program will allow the Commonwealth to more actively work with the investment community by providing guarantees to venture

capital companies interested in Pennsylvania businesses. These guarantees will provide increased capital for Pennsylvania businesses to grow and create jobs.

- New PA Venture Capital Investment Program will provide capital to venture capital companies focused on Pennsylvania that agree to match those funds and invest in Pennsylvania businesses.
- First Industries Fund. First Industries will provide grants, low-interest loan financing, and loan guarantees for agriculture and tourism.
- 2<sup>nd</sup> Stage Loan Program will provide guarantees for bank loans to second-stage manufacturers and technology companies for working capital and other financing needs. Targeted toward manufacturing, advanced technology, and biotechnology, these funds will support growth in these sectors.
- Tax Increment Financing (TIF) Guarantee Program. Through TIF, communities can borrow funds for projects that will develop blighted areas and then repay those borrowed monies through the new tax revenues that will be generated as a result of the development. A combination of technical assistance and loan guarantee assistance will encourage small communities to use this program.
- Infrastructure & Facilities Improvement Program is a multi-year grant program that will provide grants to certain issuers of debt to assist with the payment of debt service.

The Pennsylvania Department of Community and Economic Development (DCED) is the primary contact for these programs.

### **Specific Plans**

The Municipalities Planning code enables municipalities that have participated in a multi-municipal plan to adopt specific plans. As part of the intergovernmental cooperative agreements, municipalities can choose to adopt specific plans individually or jointly. The MPC defines a specific plan as:

“a detailed plan for non-residential development of an area covered by a municipal or multi-municipal comprehensive plan, which when approved and adopted by the participating municipalities through ordinances and agreements, supersedes all other applications.”

A specific plan is a tool that can be used by municipal governments for the systematic implementation of a comprehensive plan. It establishes a link between the policies of the comprehensive plan and development proposals in a specifically defined area. Provisions of a specific plan shall include type, location and intensity of land uses, the design

capability of infrastructure, the standards for preservation of natural resources, regulation of land development, and financing of capital improvements. A specific plan can be used to define the exact location most appropriate for economic development activities to, particularly the village or commercial areas found on the Future Land Use Map, and protect it through ordinance that would supersede all other ordinances.

Specific plans do not create additional planning or permitting requirements. All data collection involved in creating a specific plan is information required as a prerequisite for approval and recording of a final subdivision or land development plan. The specific plan facilitates the planning and permitting, without having to wait for a development application. When an appropriate development proposal occurs, permitting will move directly to the final plan, because all requirements for a preliminary plan (such as sewer, stormwater, sediment and erosion, highway occupancy) will have already been met.

### **Main Street Program**

**Summary** - The Main Street Manager Component is a five-year program designed to help a community's downtown economic development effort through the establishment of a local organization dedicated to downtown revitalization and the management of downtown revitalization efforts by hiring a full-time professional downtown coordinator. The Downtown Reinvestment and Anchor Building components use business district strategies to support eligible commercial related projects located within a central or neighborhood business district. This program has been merged into the New Communities Program.

**Eligibility** - Generally, a municipality is the applicant for the Main Street Manager Component. Municipalities and redevelopment authorities are the eligible applicants for the Downtown Reinvestment and Anchor Building components. In limited cases, a Main Street non-profit or Business District Authority with two years of audited records may apply for the funds.

**Eligible Uses** - For the Main Street Manager Component, administrative costs associated with the hiring of a coordinator and operating the office and design/facade are granted private property owners within the target area. For the Downtown Reinvestment and Anchor Building components, physical improvements that are supported by a plan with clearly documented public benefit.

**Where to Apply** – DCED Customer Service Center

**Amounts** - Total of \$115,000 over a 5-year period. For Downtown Reinvestment and Anchor Building components, up to \$250,000 or one-third of the total development cost. (Refer to DCED for 2008 amounts.)

**Terms Match** required for Main Street Component; For Downtown Reinvestment and Anchor Building components, leveraged funds should be committed to be competitive; Refer to the Program Guidelines

The key elements of programs to strengthen centers, such as Main Street Programs, are outlined below.

- **Improving the image by enhancing physical appearance, as appropriate**

This includes enhancing the appearance of buildings, street lights, window displays, parking areas, signs, sidewalks, benches, landscaping, trash receptacles, utility poles and lines, and graphics. Design in the area should recognize existing desirable physical elements, be compatible with the area's character, and be unified.

- **Securing consensus and cooperation among the groups that are involved in economic development**

Parties which should be involved include Borough and Township officials, business people, bankers, real estate agents, customers, the media, residents of downtown, and civic groups.

- **Promoting the Centers**

The unique characteristics should be promoted to customers, investors, existing businesses, and potential new businesses. A positive image can be fostered through brochures, appropriate special events, and other programs.

- **Strengthening the Economy of the Centers**

If the economy is strong, it is possible to maintain and upgrade the buildings in the existing communities. Existing businesses should be helped to expand; new businesses should be recruited; and increased use of any underutilized buildings should be promoted.

- **Affecting Attitudes Towards the Centers**

Consumers and investors have more positive attitudes toward downtown as they see changes taking place such as building improvement projects and new street furniture. Owners of buildings will be more likely to make improvements to their buildings.

Specific tasks to help maintain economic vitality can include:

- Helping businesses identify new sales opportunities
- Promoting the centers as cohesive shopping areas to market groups
- Listing potential new businesses
- Keeping track of prospective businesses
- Improving the quality of businesses by helping them be more customer responsive and competitive
- Having coordinated business hours that meet consumer needs. Encouraging businesses to work together
- Encouraging attractive window and interior merchandise displays
- Maintaining information on the centers
- Marketing and promoting businesses
- Conducting an advertising campaign
- Helping to maintain existing businesses and encouraging patronage of those businesses
- Working with financial institutions to establish loan pools
- Maintaining a good working relationship between public and private sectors
- Finding new uses for any underutilized or vacant buildings
- Recruiting businesses to complement the retail and service mix
- Identifying sources of grants for physical improvements or providing matching grants for such improvements
- Assuring promotional activities create a consistent, positive image for the downtown, consistent with community characteristics and history.
- Scheduling events to bring people into the community on a regular basis
- Managing parking spaces



- Managing growth within the entire Region
- Working with developers to assure attractive, well-planned development
- Enhancing alternatives to auto traffic, including enhanced transit service and enhanced transit hubs with shelters, parking areas, and pedestrian walkways
- Landscaping standards
- Enhancing the pedestrian system and coordinating with open space and recreation and greenway planning
- Managing road corridors
- Protecting remaining natural resources
- Encouraging appropriate mixed use
- Incorporating open space, natural features and public spaces so they are visible and accessible, in order to humanize areas and providing reminders of why the Poconos area has attracted so many residents and visitors
- Addressing parking needs
- Recognizing the assets and defining characteristics of a center and enhancing and building upon those features. Examples are building stock, variety of available services, walkability, and traditional development patterns.