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Economic Development Plan

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The Economic Development Plan for Lebanon County focuses on four critical topics: the promotion, expansion and diversification of existing business and industry; the development of the workforce; economic investment in conjunction with community development; and organizational cooperation. The Action Plan identifies a variety of actions for the county to undertake or to support in order to further its economic development objective and achieve its economic goal.



The actions are designed to build upon the strengths identified in the previous section, to address the county's weaknesses, to capitalize on the opportunities, and to prepare a defense against the threats. The action plan recognizes the limited resources available within the county. Accordingly, it avoids extravagant initiatives and emphasizes regional cooperation and careful institutional coordination. It relies heavily on actions that can achieve the most benefits per given cost (e.g., actions that further multiple objectives at once, such as workforce development). And finally, it applies business development efforts in a strategic fashion to a limited set of targeted industries.

The plan is presented in three parts. The first section is an overview of key findings from the *Economy and Employment Profile, Background Study #3*, and additional analysis of leading industries, followed by a composite analysis of Lebanon County's economic strengths, weaknesses, opportunities and threats. The second section presents a summary of potential target industries for Lebanon County. The third section is the action plan, framed by the goals and objectives and discussion of the interrelationships between action items.

MPC Requirement: *In preparing the comprehensive plan, the planning agency shall make careful surveys, studies and analyses of housing, demographic, and economic characteristics and trends; amount, type and general location and interrelationships of different categories of land use; general location and extent of transportation and community facilities; natural features affecting development; natural, historic and cultural resources; and the prospects for future growth in the municipality.*

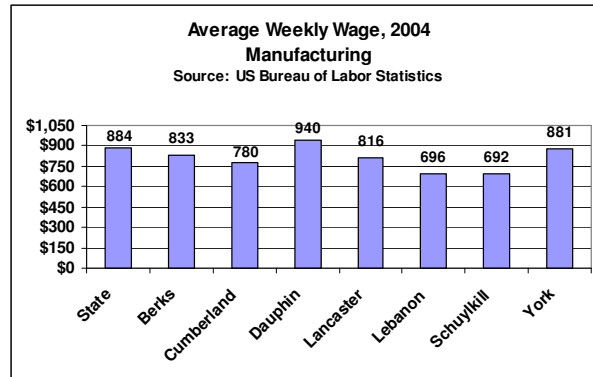
MPC Article III, Section 301.2

Overview Findings from the Economic Profile

Employment and Unemployment

- Employment has been growing in Lebanon County, but considerably slower than in the South Central region. Total county employment in 2003 was only 15% higher than in 1980, in contrast to 40% for the region overall.

- Lebanon County has the distinction of having the lowest unemployment rates in the region in 2005: 3.5%.
- Despite the low unemployment rate, wages paid to persons working in the county are among the lowest in the region. This disparity is true across various economic sectors.
- According to the 2000 Census of Population and Housing, 80% of the people who work in Lebanon County live in the county.
- Dauphin, Berks, Lancaster, Schuylkill, Cumberland, and York counties each provide at least one percent each of employees working in Lebanon County and comprise the “labor shed” for Lebanon County.
- Lebanon County is below the state and regional averages in both attainment of high school diplomas and bachelor’s degrees.



Industrial Structure

- The following industries each comprised over 10% of total employment in Lebanon County in 2003. Each industry’s percentage of total earnings is provided for comparison.

| Industry Cluster | % of Total Employment | % of Total Earnings |
|---|------------------------------|----------------------------|
| Manufacturing | 17% | 24.1% |
| Miscellaneous Services (other than health care and social services) | 14.6% | 9.4% |
| Retail Trade | 14% | 9.1% |
| Government and Government Enterprises | 13.5% | 13.5% |
| Health Care and Social Assistance | 11.9% | 11.9 |

Source: US Bureau of Economic Analysis

- At the 3-digit level of the North American Industrial Classification System (NAICS), the top five industries by percent of county employment in 2003 were:
 - ✓ Food services and drinking places (7.1%)
 - ✓ Food manufacturing (5.9%)
 - ✓ Nursing and residential care facilities (5.2%)
 - ✓ Ambulatory health care services (4.5%)
 - ✓ Food and beverage stores (4.1%).

- Lebanon County has 17 export subsectors, as defined by location quotients greater than 1.5. The location quotient is a commonly used tool to determine an area's specialization in a given industry as compared to a reference region, in this case, the U.S. Traditionally, a location quotient well over one suggested that the sub-sector was one in which the county exported product outside its borders, providing a net source of income into the analysis region. Today, such "export" subsectors or industries are often referred to as "traded" subsectors or industries. These subsectors with top location quotients are ranked in descending order of employment in Table 8-1. Light shading indicates a positive position for that subsector for Lebanon County. Darker shading indicates a concerning indicator, namely a decline in employment nationally or in the county over the period 2001-2004. Subsectors with average weekly wages higher than the county average are also indicated with light shading. Subsectors with several lightly shaded cells are thus key subsectors for the county.

Table 8-1 Sub-sectors with Location Quotients Greater than 1.5

| NAICS | Subsector Name | Lebanon County | | U.S. Change | | Avg. Weekly Wage, Lebanon County | |
|-------|---|----------------|------------------|-------------|-------|----------------------------------|---------|
| | | 2004 | Change from 2001 | 2001-2004 | | | |
| | | % | LQ | # | % | % | |
| | Total, all industries | 100.0% | 1 | 1,324 | 3.6 | | \$555 |
| 311 | Food products | 6.3% | 4.6 | 232 | 10.8 | -4.1% | \$561 |
| 623 | Nursing and resid. care facilities | 5.1% | 2.0 | 139 | 7.8 | 5.7% | \$452 |
| 484 | Trucking | 3.5% | 2.8 | 369 | 38.2 | -2.3% | \$689 |
| 332 | Fabricated metals | 2.5% | 1.8 | 36 | 4.0 | -10.8% | \$760 |
| 321 | Wood products | 2.2% | 4.4 | 13 | 1.6 | -3.9% | \$721 |
| 425 | Electronic mkts, agents, brokers | 1.8% | 2.8 | 238 | 53.5 | 15.5% | \$677 |
| 337 | Furniture | 1.7% | 3.2 | 112 | 21.1 | -11.6% | \$610 |
| 325 | Chemicals | 1.7% | 2.1 | 78 | 13.8 | -7.6% | \$1,134 |
| 485 | Ground passenger transportation | 1.3% | 3.8 | 18 | 3.7 | 1.8% | \$223 |
| 447 | Gasoline stations | 1.3% | 1.6 | 13 | 2.8 | -5.1% | \$328 |
| 327 | Nonmetallic minerals | 1.1% | 2.5 | -42 | -8.9 | -8.2% | \$649 |
| 493 | Warehousing | 0.9% | 1.8 | 152 | 79.2 | 8.8% | \$589 |
| 331 | Primary metals | 0.8% | 2.0 | -356 | -52.9 | -18.2% | \$596 |
| 562 | Waste mgmt & remediation | 0.6% | 1.8 | 70 | 51.1 | 3.3% | \$617 |
| 315 | Apparel | 0.5% | 1.9 | -262 | -58.6 | -33.2% | \$333 |
| 112 | Animal production | 0.3% | 1.7 | 16 | 14.5 | 3.2% | \$400 |
| 519 | Other informatin services | 0.1% | 3.0 | 1 | 2.0 | 7.4% | \$321 |

Source: U.S. Bureau of Labor Statistics, 2006.

Competitiveness of Leading Industries

The competitiveness of the 17 exporting subsectors of Lebanon County's economy is a critical factor in selecting industries to target for recruitment and retention. A brief "state of the industry" summary for each of the 17 leading industrial subsectors in Lebanon County is provided below, including employment trends, average wages, and examples of local companies. While Table 8-1 presents the leading subsectors by their size of employment, the narrative summaries below are organized by the larger or more general industrial sectors to which these 17 subsectors belong.



Agriculture, Forestry, Fishing and Hunting

Agriculture and Animal Production (NAICS 112)

Agriculture continues to thrive as an important component of the county's economy. In fact, a number of important measures indicate that agriculture has been growing. Total land classified as farmland by the USDA Agricultural Census increased by about 19% to 125,000 acres over the ten-year period ending in 2002.^{1,2} The total value of agricultural products sold increased by 45% over the same period, despite flat and falling product prices, therefore, reflecting very impressive increases in volumes sold. Since 1997, the value of products sold has increased faster in the county than in the state overall.

Animals and animal products dominate farming in Lebanon County. The value of livestock, poultry, and their products represents more than nine out of every ten dollars in agricultural product sales in the county. More county farms sold cattle or calves than sold hogs or pigs in 2002. However, when measured by number of units sold, hog and pig farms clearly dominate, with over half a million sold in 2002, compared to over 31,000 cattle and calves. Moreover, the number of hogs and



¹ The USDA modified its definitions of "land in farms" between the 1992 and 2002 censuses. This change brought additional lands into classification as "farmland", which may account for a portion of this increase.

² The definition of "farmland" can vary from one agency to another. The classification of land use and land cover presented in *Chapter 5, Land Use Plan* excludes the homestead and forest-covered acreages and therefore results in lower farmland figure of 99,996 acres.

pigs sold has increased three-fold from 1992 to 2002. Livestock farming is also important in much of the rest of the south central Pennsylvania region as evidenced by the regional location quotient of 2.0.

Animal production is very modest in terms of total covered employment, but its high location quotient reflects the prominent role of poultry and livestock (especially hog) production in the county. According to the Economic Contribution of Forestry to Pennsylvania published by the Penn State School of Forest Resources, agricultural processing adds an estimated \$81 million to the local economy, thus illustrating the importance of livestock and poultry production to the county's economy beyond the farms themselves. This same report estimates that the annual economic contribution of the agricultural production sector to Lebanon County is approximately \$24.5 million dollars.

Farming is just one component of an overall agricultural cluster that is extremely prominent in the local and regional economies. This cluster includes the upstream businesses that make products used by farms, such as feed, seed, fertilizer and equipment dealers, as well as the downstream industries that purchase farm products, such as poultry processors, meat products manufacturers, and other food manufacturers. In order to sustain these related businesses, land developed as farmland needs to be recognized as "developed" for its productive and profitable contribution to the economy.

Manufacturing

Food Products (NAICS 311)

The manufacture of food products tops the list with the highest employment as well as the highest location quotient. Rather remarkably, employment in food production increased by 11% in the county, despite a decline across the United States. The average weekly wage in 2004 was \$523, which is respectable, but not particularly high. Leading food producers in Lebanon County include several large poultry processors, meat processors and food packagers. Food production is big business for the region overall: Berks, Lancaster, Dauphin, and York counties all have location quotients over 1.5. The region's agricultural production and excellent accessibility to consumers in the Mid-Atlantic give it important advantages in food production.



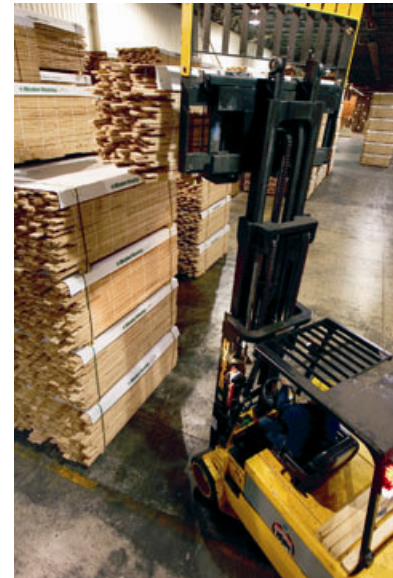
Fabricated Metals (NAICS 332)

The fabricated metals subsector includes a variety of metalworking industries that make products ranging from sheet metal used as an intermediate product in other goods to prefabricated metal buildings. County employment in this subsector totaled nearly 1,000 employees in 2004. As in several others of the listed subsectors, fabricated metals saw local employment growth, despite a national decline, which is testament to the county's strength in the subsector. The average weekly wage is the second highest among the listed subsectors, at \$760 per week. This subsector is also prominent in other regional

counties, including Lancaster, York, and Schuylkill. Butler Manufacturing, makers of prefabricated metal buildings, is by far the single largest local employer in this subsector.

Wood Products (NAICS 321)

The wood products sector ranks second on location quotient. It is also a key industry subsector in that it employs a significant percentage (2.2%) of employees and has compensation per employee that is well above average. A slight concern is that the number of jobs has been relatively unchanged in the county, and has declined by nearly 4% nationally. Of the seven counties examined, only Schuylkill and Lancaster counties have location quotients over one. Weaber’s Sawmill, with over 500 employees, dominates local employment in this subsector. The county is also home to several other intermediate wood products manufacturers, including producers of millwork and structural wood products such as trusses. As with food production, the availability of local raw material and accessibility to the large Middle Atlantic market explain a great deal of the county’s prominence in wood products industries. In addition, the wood products subsector is part of a locally important cluster of industries that includes furniture making, discussed below.



Furniture (NAICS 337)

Lebanon County has a specialization in wood furniture manufacturing, with a location quotient of 3.2, and 1.7% of total employment. This subsector has two other very positive characteristics. Employment grew by 21% between 2001 and 2004, despite a national decline of nearly twelve percent. Moreover, at \$610 per week in 2004, wages were comfortably above the county average. The county has the distinction of being home to several mid-sized cabinet manufacturers, namely Rich Maid Cabinetry, Plain and Fancy Kitchens, and Kountry Kraft Kitchens, along with a number of other cabinetry and wooden furniture manufacturers. Two other regional counties with a specialty in furniture manufacturing are Lancaster (location quotient of three) and York (location quotient of two). Overall, the county is in a very good position in the wooden furniture industries due to the combination of local and regional lumber supplies, a local Pennsylvania Dutch tradition of quality craftsmanship, and accessibility to a large market of homebuilding and home remodeling.

Chemicals and Chemical Products (NAICS 325)

The chemicals subsector is prominent in Lebanon County thanks to the presence of the pharmaceutical industry, namely Bayer Healthcare. This subsector also includes the several fertilizer producers located in the county. Employment was equal to that of the furniture subsector in 2004, with each employing 644 workers. Job growth was positive locally, with 78 jobs added (a 14% increase), while employment declined by nearly 8% nationally. At well over \$1,000, the average weekly wage is by far the highest among goods producing subsectors. Lebanon County clearly stands out among its neighbors in its specialization in chemical production. Schuylkill County is the only neighboring

county with a location quotient over one. Berks and Lancaster Counties have greater numbers of employees in this subsector, but their percentages are much lower because their economic bases are significantly larger.

Nonmetallic Minerals (NAICS 327)

Nonmetallic minerals production is a broad subsector that includes the processing of locally quarried construction aggregates, as well as the manufacture of glass and glass products. Employment in this subsector has declined at roughly equal rates locally (-8.2%) and nationally (-8.9%). The average weekly wage, at \$649, is substantially above the \$555 all-industry average. Nonmetallic minerals manufacturing is fairly well represented across the region, and is particularly notable in York and Cumberland Counties. Employment in this subsector is roughly evenly divided between construction materials and glass products, particularly the glass pharmaceutical containers made by the Schott Pharmaceuticals Corporation.

Primary Metals (NAICS 331) and Apparel Production (NAICS 315)

Primary metals and apparel production are both suffering domestically due to competition from lower cost offshore suppliers. Primary metals are typically commodity products in which it is difficult for local suppliers to compete through product differentiation; competition is almost strictly on the basis of cost to the buyer (price plus transportation). Despite modest wages, domestic apparel continues to struggle to compete with even lower labor costs abroad. Therefore, both of these subsectors are viewed as declining industries, and not suitable as a basis for further economic development.

Wholesale Trade

Electronic Markets and Agents and Brokers (NAICS 425)

Electronic markets and agents and brokers is a subsector of the wholesale trade sector that consists of business that conduct wholesaling or product brokering using the Internet. This subsector is new to the revised (2001) NAICS industry categorization scheme. Its rapid introduction and growth and relatively large presence in the county is not fully understood, but the fact that employment in other wholesaling subsectors declined over the same period suggests that at least part of its growth is due to a technological change in the way some wholesalers do business, or at least in how they have been categorized as doing their business.

Retail Trade

Gasoline Stations (NAICS 447)

Similarly, employment at gasoline stations is relatively significant in terms of raw numbers, but jobs are apparently largely part time based on the low average wage (\$328). Only thirteen jobs were added locally over three years. Moreover, the retail nature of the business and the fact that the location quotient is only slightly over one, mean that this industry is not a base for further economic development.

Transportation and Warehousing

Truck Transportation (NAICS 484)

Trucking stands out for its very impressive growth: over 369 jobs were added between 2001 and 2004 – a growth rate of 38 percent. In contrast, trucking employment fell by 2.3% nationally over the same period. Trucking also rates well in pay with an average weekly wage per employee of \$674, which is well over the county average of \$555 for all private employment. A closer look at the truck employment figures reveals that both local and long distance trucking are prominent in the county. Among south central Pennsylvania counties, only Cumberland County has a higher location quotient for trucking than Lebanon County. The remaining counties show only modest specialization in truck transportation. Arnold Industries, New Penn Motor Express, and Swift are three large trucking companies located in the county. Lebanon County’s location along I-78, I-81, and the Pennsylvania Turnpike, its one day access to Middle Atlantic Markets, and the strength of goods producing industries in the county all contribute to the prominence of the trucking industry in the county.

Warehousing and Storage (NAICS 493)

The warehousing and storage industry ranks 12th on the list but is discussed here because of its fit within the logistics cluster, which includes a variety of industries involved in the storage, transportation, and distribution of goods. The county’s locational advantages also lend themselves to strength in this industry, which is supported by the remarkable growth in employment in this sector between 2001 and 2004.



Employment grew by nearly 80% (152 jobs) in the county from 2001 to 2004, while growing nearly 9% nationally. The average wage per employee of \$589 in 2004 is modest but respectable, at slightly over the county average of \$555. It is roughly comparable to wages in food production, which is another subsector reliant on relatively low skilled labor. The industry is very strong in nearly all of the south central Pennsylvania counties analyzed. Cumberland County leads the group, with a location quotient of 9.4, followed by Schuylkill County with 6.2. The warehousing and distribution facilities are clustering in the northern part of Lebanon County along I-78 and I-81. Locational advantages and affordable land have been strong attractors leading to industry growth without recruitment.

Ground Passenger Transportation (NAICS 485)

The subsector with the third highest location quotient is in the transportation sector: ground passenger transportation. The prominence of this subsector in employment is largely due to the presence of D.B. Fisher Bus Company and M. A. Brightbill Body Works. The very low average wage (\$223) reflects that a great deal of employment is part time. For these reasons, this subsector is not regarded as one of the key industries upon which the county can build an economic development strategy.

Administrative, Support and Waste Management and Remediation Services

Other Information Services (NAICS 519)

The subsector “other information services” has a very high location quotient, but, with just 52 employees in 2004, a very low average wage of \$321, and essentially no local job growth, the subsector is not regarded as significant or potentially significant in the county’s economy.

Education, Health and Social Services

Nursing and Residential Care Facilities (NAICS 623)

Over 5% of employees work at nursing and residential care facilities, which is nearly twice the national percentage. Employment has grown at a very respectable 8% locally and 5.7% nationally between 2001 and 2004, likely reflecting an aging local population. Major employers in this subsector include Cedar Haven, Cornwall Manor, and Evangelical Christian Church Retirement Village, among many other smaller facilities. Among south central Pennsylvania counties, Lebanon County has the highest location quotient, but all range between 1.2 and 2.0. Again, the prominence of this subsector is likely due in large part to the relatively elderly population of the region. It is worth noting that according to the data shown in the *Demographic Profile*, the senior population in the county is projected to increase from 16.4% in 2000 to just over 20% by 2020. This will likely increase the demand for these types of facilities.

Collective Perspective on Tourism

Tourism is not a NAICS subsector in itself, but is rather a part of several other subsectors in the NAICS categorization scheme including eating and drinking places and accommodations; museums, historic sites, zoos and parks; and amusements, gambling, and recreation. At best, these subsectors provide an indirect measure of the role of tourism in a county’s economy. A high location quotient is evidence that tourism may be



above average in a county. Indeed, the presence of Hersheypark and other Hershey-based attractions is reflected in Dauphin County’s location quotient of 2.1 for “amusements, gambling, and recreation”. On the other hand, Lancaster County is renowned as a tourism destination for so-called “Pennsylvania Dutch” attractions, sightseeing, and shopping, yet its location quotient is less than one in the subsectors listed above.

D.K Shifflet and Associates, Ltd. conducted statewide surveys of traveler spending in 2000 for PA DCNR in partnership with other state and federal agencies. Based on survey results, Shifflet estimated that visitors to Lebanon County spend approximately \$177,000 per year. Dauphin and Lancaster Counties each were estimated to have visitor spending over one million dollars. It is not surprising that tourism is not as economically prominent in Lebanon as in the widely known tourist destinations of Dauphin and Lancaster counties. The remarkably higher visitor spending in two of Lebanon County’s

immediately adjacent neighbors suggests the existence of untapped opportunities to capture more dollars from the region's visitors.

Analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT Analysis)

The following section is an assessment of Lebanon County's economic strengths and weaknesses, as well as the opportunities and threats that could have an impact on the county's future economic development. This assessment, which is commonly referred to as a SWOT analysis, provides the foundation for an economic development strategy that constructively addresses these conditions to build on strengths, strengthen weaknesses, seize opportunities and reduces or mitigates threats. Much of the information is presented in the *Economy and Employment Profile*; however, it has been further refined using the results of the key stakeholder interviews conducted in 2005. Additional interviews with Lebanon Valley Economic Development Corporation (LVEDC), the Lebanon Valley Chamber of Commerce and others have also been conducted to further inform this analysis.

Strengths

- **Good Transportation Access to Major Markets.** Lebanon County is strategically located to serve and supply the markets of the northeastern US with relative ease. There is excellent highway access to these markets via I-81 and I-78. Also, Norfolk Southern Railroad's main line bisects the county, while Harrisburg International Airport is less than an hour away.
- **Workforce with a strong work ethic.** The county's workforce has historically had a strong work ethic. Its founding fathers were strong-willed and industrious, seeking to provide for their families and communities according to their stalwart religious and political beliefs.
- **Workforce Training Resources.** There are many workforce development and training resources available to place able workers in gainful employment and to assist employers in recruitment and retention of qualified employees.
- **A Base of Stable Industries.** There are a number of established industries and employers located in the county that are not subject to traditional business cycles, thus providing a degree of stability to the overall economy. Top industries in Lebanon County include agriculture and food processing, health care, and wood products. The agriculture and food products cluster is fully functioning in Lebanon County in that there is an interdependent web of industries supplying to and consuming from one another. In addition, the farming aspect of the cluster has functioning support institutions and associations.
- **A Growing Leading Employer.** Fort Indiantown Gap is another important asset and at the present time is the county's largest employer. A new brigade will be relocating to the Gap, and as a result, there are extensive plans for expansion and renovation of Gap facilities. In addition to the military facilities at the Gap, the

Gap hosts recreational opportunities and is located adjacent to the Indiantown Gap National Cemetery and the Pennsylvania Veterans Memorial.

- **Room to Grow.** The county has an ample supply of industrial and commercial sites available for new businesses or for expansion of existing businesses. LVEDC has acquired and developed several industrial parks. Most sites are shovel-ready and relatively affordable. In addition, there are seven (7) Keystone Opportunity Zones (KOZ sites) in the City of Lebanon that offer a variety of tax incentives.
- **Quality of Life.** The county is also well known for the high quality of life that residents enjoy, including a “small town” character, low cost of living, very good schools and community facilities, and opportunities for recreation.
- **Business-Friendly Institutions.** Commentary by those interviewed for this Comprehensive Plan and other business owners frequently indicated that doing business with Lebanon County is fair and straightforward. Having the County Planning Department handle many of the zoning and land development approvals helps to insure a high level of professionalism and consistency that is valued by business people. The LVEDC is another business friendly organization that is aggressive and creative in providing financing packages and other assistance services to businesses.



Weaknesses

- **Short Supply of Workers with English Language, Education, and Basic work-readiness Skills Requirements.** While the workforce is primarily considered a strong point, there are also some weaknesses, particularly in this period of very low unemployment. County residents have relatively low educational attainment levels when compared to the surrounding region. In addition, many of their skills are not matched to the types of family sustaining, high tech jobs the county would like to attract. Another weakness related to the workforce is the inability to retain and attract young educated people. The very low unemployment rate appears to have pressed low wage employers to seek workers among the most marginally employable of the labor pool, sometimes with consequent declines in basic “work readiness” skills.
- **Perception of Urban Decline.** The City of Lebanon has been characterized by some as a city in urban decline. This generalization is largely inaccurate. Pockets of the city have experienced neighborhood decline, but the city is working diligently to address both the symptoms and the causes of this neglect and disregard for community through the Blueprint Communities initiative, community policing program and other efforts. More importantly, there are

portions of the city that are thriving. Private investment is leveraging state funding to bring new business and jobs to the downtown.


- **Localized Road Congestion.** There are two key transportation related weaknesses in the county. Even though there is very good highway access to destinations outside the region, internal circulation is more challenging. First, traffic volumes continue to increase throughout the county, and particularly along the primary access corridors, including PA 422, PA 322, and PA 72. There is also limited public transportation service available in the county.
- **Scarcity of Higher End Retail Establishments.** The lack of these establishments within the county means that residents and tourists are going elsewhere for such amenities. This is commonly referred to as spending “leakages”.
- **Scarcity of Office Professional Employers.**
- **Land Use Patterns that reflect and increasing separation between job and home locations.**

Opportunities

- **Regional Growth.** Lebanon County is located in a region where economic growth is fairly strong. Residential growth is strong, and followed by growth in commercial retail establishments. There are many organizations working to further economic development in the region, e.g. SouthCentral Team PA , Inc. is a consortium of seven economic development organizations that have joined together to promote business opportunities in the south central region of Pennsylvania. Lebanon County can utilize these regional resources to enhance its own economic development efforts.
- **State Business Development Initiatives.** There is a strong commitment at the state level to aggressively address workforce development, including many programs that provide training at low to no cost to area residents and businesses. In addition, the Rendell Administration has recently completed (2004-05) a Performance Management Plan to better coordinate the 22 programs included in the Commonwealth’s Workforce Development System and make them more accountable.
- **Regional Institutions of Higher Education.** The various educational institutions in the county, including HACC, Lebanon Valley College, and the Lebanon County Career and Technology Center (LCCTC) are excellent resources; not only for their role as educators, but also for the promotion and encouragement of innovation and new business start-ups.

Threats

- **Anonymity.** At the present time, Lebanon County does not have a recognizable economic “identity”. Some residents feel that the county is invisible to investors except for residential developers. This “No one knows we’re here” attitude will need to be remedied in order for the county to compete effectively.

- **Globalization.** Global competition continues to increase and has had a significant impact on the entire state, particularly the manufacturing sectors. For commodity goods (goods that are not readily differentiated) that do not have major importation costs or barriers, Lebanon County producers will not be able to remain cost competitive against low cost suppliers such as those in China. The county will need to identify its role in the “new economy” and target its economic development efforts to achieve that role. As noted in *Manufacturing Pennsylvania’s Future*, it is important to “focus on innovation to improve business strategy, products or processes in order to drive growth or move up the value chain into more sustainable, profitable niches.”(Deloitte 2002, p.41)
- **The Domestic Food Industry.** Overall, the domestic food industry is mature with a number of products in commodity-type status, which allows stiff competition to squeeze profit margins on products such as pasta and canned fruits and vegetables. Consequently, processors need support in productivity enhancements to lower costs.
- **Changes in Agriculture.** Farming faces the challenge of dealing with environmental restrictions and increasing pressure of competing land uses and increasing land prices. Land use planning and zoning, the continued support of agriculture land preservation efforts, and assistance in meeting environmental mandates are ways to support agriculture in the county. Also, farming is supported directly and indirectly when there are thriving local food products industries that use local agricultural products. Agribusiness, in turn, depends on the continued vitality of farming to provide sufficient markets for its products and services.
- **Land Use Changes.** If not carefully managed and directed, land use changes can impair the county’s ability to offer a sufficient supply of sites for its targeted industries, and can also irrevocably damage the vitality of its agricultural sector, agribusiness industries, and forest products industries. Certain land use changes may hinder the achievement of economic development goals directly by using the site in a less than optimal use (e.g., commercial use of land that has rail access, housing development on prime agricultural land). A land use change can affect the supply of lands supporting economic development indirectly by placing an incompatible use adjacent to another parcel (e.g., heavy industry next to a tourism destination).
- **The availability of venture capital and financing options for new businesses is somewhat limited in the county.** Yet these funding sources are a critical element in the county’s economy, as the private markets have the greatest flexibility for new business development and expansions.

Combined Threat and Opportunity

- **In-migration.** The suburban residential growth in the county, fueled in large part by people relocating from elsewhere in the region, expands the market for retail and commercial services and thereby presents the opportunity for the county to diversify its economy. On the other hand, residential growth without commensurate commercial and employment growth can prove a severe burden on municipal budgets and can place demands on public infrastructure that make it difficult to attract industrial growth. The increase in the population of low-income, non-English speaking people (mostly Hispanic) presents additional threats and opportunities. The threats include the potential for cultural conflicts and the burden on municipal budgets associated with serving a burgeoning population of economically disadvantaged persons. This in-migration also brings with it an unprecedented opportunity to leverage the evolving cultural diversity and urban re-growth to bring renewed vitality to the county's urban centers. Furthermore, with aggressive language and other job readiness training, these new populations can be important contributors to the expansion of the county's workforce and business community.

Potential Target Industry Clusters for Lebanon County

The identification of industries that would make the best targets for support and recruitment efforts in Lebanon County began with a brief review of existing industry and industry cluster lists identified in the following recent statewide studies:

- **Targeted Industry Clusters** - Pennsylvania Department of Labor and Industry
- **Manufacturing Pennsylvania's Future** - Pennsylvania Department of Community and Economic Development, et al.
- **Rural Pennsylvania in the New Economy** - Center for Rural Pennsylvania
- **The Global Competitiveness Initiative (GCI)** - Pennsylvania Department of Community and Economic Development
- **The "Smart Market"**
- **Target Industries for Business Attraction** - Lebanon Valley Economic Development Corporation (LVEDC)

Several regional and local studies were also reviewed, including the Berks County Initiative for a Competitive Greater Reading and the Lancaster County Blue Ribbon Commission on Agriculture. The complete results of the analyses are summarized and grouped according to the nine "targeted industry clusters and sub-clusters" identified by the Department of Labor and Industry and are located in the *Economy and Employment Profile*.

Recommendations regarding the targeting of support and recruitment for industrial clusters and sub-clusters are summarized in Table 8-2. A recommendation of the "Primary Target" indicates that the county should actively target the cluster/sub-cluster. A recommendation of "Secondary Target" indicates that the cluster is already developed within the county; however, funding or workforce development support may be appropriate to further enhance the success of the cluster/sub-cluster.

Table 8-2 Recommended Target Industries for Lebanon County

| Cluster/Sub-cluster | 2002 Average Annual Wages | Recommendation |
|--|---------------------------|------------------|
| Life Sciences | \$39,366 | By Sub-cluster |
| Bio-Medical | \$64,657 | Primary Target |
| Health Care | \$36,763 | Secondary Target |
| Business and Financial Services | \$42,845 | Primary Target |
| Education | \$35,121 | Secondary Target |
| Advanced Materials and Diversified Manufacturing | \$43,061 | By Sub-cluster |
| Chemicals, Rubber and Plastics | \$46,643 | Primary Target |
| Electronics | \$50,792 | Secondary Target |
| Metals and Metal Fabrication | \$41,060 | Primary Target |
| Building and Construction | \$40,927 | Secondary Target |
| Agriculture and Food Production | \$26,308 | By Sub-cluster |
| Food Processing | \$36,106 | Primary Target |
| Information and Communication Services | \$56,742 | Primary Target |
| Lumber Wood and Paper | \$34,317 | Secondary Target |
| Average across targeted clusters | \$39,836 | |

The following is a brief summary of the industry clusters that have been identified as appropriate candidates for primary targeting in Lebanon County. A complete analysis for each of the industry clusters is found in the *Economy and Employment Profile*.

The **bio-medical sub cluster** is very attractive due to its domestic growth prospects and high output per worker rate. A typical facility makes only modest demands on local infrastructure (transportation, water and wastewater), is relatively benign in terms of environmental impact, and offers outstanding employee compensation. As such, the cluster is prized by nearly all economic developers across the country. Nevertheless, Lebanon County and the region in general are in a strong position to compete for industries in this cluster, particularly pharmaceuticals. Therefore, this sub-cluster, and pharmaceutical producers in particular, make very good targets for the county and region.

The Center for Rural Pennsylvania study found potentially untapped growth opportunity for the “**business and financial services**” categories, which nearly doubled in employment nationally and in rural areas of comparison states, but only grew by 50% in rural Pennsylvania. Lebanon County lags behind most of its neighboring counties in the percentage of its employment in credit intermediation; insurance carriers; real estate, rental and leasing; professional and technical services; management of companies; and administrative and support services. The fact that new, Class-A office space does not exist in the county, but is abundant in its neighbors to the east, south, and west, is testament to the very weak presence of this cluster in Lebanon County.

The Manufacturing Pennsylvania’s Future study found that south central Pennsylvania specializes in the architectural and structural metals segment of the **metals and metal**

fabrication cluster. With the exception of the presence of Butler Manufacturing in Annville (prefabricated metal buildings), the segment is not as notable in Lebanon County. The study also noted that much of the market for architectural and structural metals involves highly specialized, custom-made products, which affords relatively high profit margins and provides some protection against low cost foreign imports. A very strong local and regional presence, county wages that are well above average, and the fact that the sub-sector achieved growth locally despite substantial declines nationally, all argue for the inclusion of fabricated metals as a target subsector.

The **plastics sub-cluster** is recommended for inclusion as a target industry on the basis of it having already been selected by both the county and regional economic developers. Plastics bottling and packaging is especially promising for the region. In addition, there is potential for downstream tie-in to the flourishing regional food production cluster and the pharmaceutical industry. The county's location also provides a competitive advantage relative to transportation costs. Industry wages are above average and there are opportunities for benefits to other existing clusters, which also support the targeting of this sub-cluster.

The **agriculture and food production cluster**, encompassing all aspects of producing food from supplying farms to delivering products to the consumer, is strongly represented in the region and has excellent prospects for continued strength. The region's excellent access to consumer markets is a competitive advantage that is not expected to erode. Despite the overall modest wages in most of this cluster, its industries are currently an essential component of the county's and the region's economic foundation, and are expected to remain so. Agriculture, agribusiness, food processing, and plastic packaging (identified previously) are all worthy industries for targeting county economic development efforts.

The technical design and consulting services sub-clusters of the **information and communication cluster** have added the most jobs in this cluster in recent years, and at the cluster's average wage of \$56,700 (2002), the cluster presents an attractive opportunity for growth. The county's complete economic development, along with community development goals for such as revitalization of downtowns and retention of young professionals, is strongly interrelated with the further development of this cluster. While businesses are typically local service providers, their locational preferences, especially for small firms, are influenced by local amenities.

Current Initiatives

Business Start-Up Center at HACC Lebanon

HACC is one of several entities offering assistance to entrepreneurs and small businesses in the region. The Business Start-Up Center at HACC Lebanon is a new center dedicated to helping local entrepreneurs to be successful by providing hands-on technical assistance for the business' crucial first three years. The Start-Up Center offers one-on-one counseling, research, and workshops, as well as business plan creation and review. Special service programs are available for women and veterans..

Business Incubators in Lebanon County

Business incubators are facilities in which new companies can benefit from affordable rental rates, shared services and equipment, and ready access to professional, technical, and financial support programs. As such, a business incubator in Lebanon County would further the objectives of promoting innovation and process improvements and supporting start-ups. There are currently several prospects for a business incubator in various stages of consideration.

1. LVEDC completed a feasibility study that determined an incubator for new technology businesses would be feasible. It is intended that such an incubator would be located in the Aspens Business Park, a Keystone Opportunity Zone site owned by a local businessman, and developed with the assistance of LVEDC.
2. The HACC Lebanon Campus has an opportunity to develop an 85,000 square foot donated building in the City of Lebanon into a technology education center and business incubator focusing on innovative products in the agriculture and food products cluster. Such an incubator is currently only in the “idea” stage, and may be an early initiative for consideration by the Agriculture and Food Products Task Force that is proposed by this Plan.
3. The Regional Economic Development District’s Initiative (REDDI) is an economic development support institution serving Adams, Berks, Cumberland, Dauphin, Franklin, Lancaster, and Lebanon Counties. REDDI has commissioned an investigative team at Penn State Harrisburg to study the feasibility of a “virtual” business incubator for the region. The virtual incubator would make use of advanced telecommunications technologies to share business incubator support services among satellite incubator locations, with opportunities to tailor each satellite location’s focus to the specific industry needs and priorities of that area.

The county needs to be careful to insure that its objective of supporting innovative new businesses is met by at least one of these or other incubator initiatives, and is met cost-effectively, without expensive overlap of services. There is potentially room for two incubators, each serving different types of industries, although a phased implementation may be beneficial by offering opportunities to learn lessons from the first that can be applied to the second incubator.

The Smart Market

This marketing initiative of the SouthCentral Team PA aims to “brand” the south central region as a desirable location to attract new business investment in certain targeted industries, as identified in the previous Industry Targeting section. The initiative is beginning with creation of a Smart Market website. The project should have a mechanism in place to monitor feedback on its cost-effectiveness. It should also have a plan for phased extension into additional marketing channels, such as trade publications and shows, direct contacts to targeted site selection consultants, with monitoring at each phase to determine whether to continue use of the channel and whether to extend to additional channels.

Tourism Promotion

Tourist Promotion Agency’s outreach materials and event sponsorships are important to boosting visitor spending, as well as encouraging Lebanon County residents to be tourists in their own “backyard”. The county has several underappreciated treasures and many opportunities to develop new ones (e.g., the Lebanon Farmers’ Market project) that can capture day trip visits of travelers visiting nearby attractions in the Lancaster and Hershey areas. Increases in visitors will make the county more attractive to quality hotels, restaurants and other amenities that will encourage visitors to stay in Lebanon. By building awareness of the Lebanon Valley, tourist promotion can also indirectly benefit efforts to branding the county’s products. Some of the tourist promotion agency’s work also supports revitalization of the City of Lebanon.

Leading Roles for Local Economic Development Organizations

Lebanon Valley Economic Development Corporation

Financing Assistance

LVEDC helps businesses access financing options including various public supported loan programs, job training funding, and other grant and loan assistance. LVEDC also administers a Tax Increment Financing district, which allows new business construction to apply its projected future tax payments towards funding infrastructure improvements required for its support. The various financing programs can help further many of the plan objectives including workforce training, supporting innovation, supporting businesses that serve visitors and county residents, supporting business expansions, and attracting new facilities in targeted industries.

Maintaining an Inventory of Sites and Buildings

LVEDC maintains a database of available sites and buildings that can be accessed online, and offers personal assistance in locating the right site for a prospective business. LVEDC also owns and has developed two business parks: the Lebanon Valley Business Park and the Lebanon Rails Business Park. It has recently contracted with two construction firms to be designated builders in a new build-to-lease program for prospective site tenants. These functions, to date, are effectively providing an up-to-date working inventory of suitable sites and buildings for businesses in the targeted industries.



LVEDC will need to continually monitor the supply and demand of sites and buildings and be alert to opportunities to acquire strategic sites or to assist in the private development of additional sites. Sites should be accessible to existing infrastructure.

Redevelopment of brownfields and adaptive reuse of other vacant properties is recommended and should take priority. In addition, sites along the Norfolk Southern rail line should be targeted, so that the limited supply of rail-served land is preserved for uses that would most benefit from proximity to the line. In general, LVEDC should support site development within lands designated for the intended business use in the county's Land Use Plan. In addition, it is recommended that LVEDC be alert to opportunities to support the development of an office park or an urban office complex. The objective would be to support the diversification of the county's economy into additional white collar employment.

Technical Assistance to Local Businesses

LVEDC provides some technical assistance to county businesses, particularly in the areas of exporting and securing permits and other regulatory approvals. LVEDC also serves as an information clearinghouse to connect county business to one or more of the many other technical assistance providers. There are free and low-cost service providers to help businesses (particularly small and mid-sized ones) with a variety of product development, workforce training, process improvement, and marketing issues. LVEDC's matching services are available to any business that requests it.

In addition, the LVEDC is the local agent for the DCED Business Retention and Expansion Program (BREP). The BREP works by routinely conducting confidential interviews with a large number of county businesses of all types. The interviews are designed to identify two types of issues: (1) issues for which LVEDC can match the business with an appropriate assistance program (2) general issues in which local conditions are not conducive to the business' success, such as deficiencies in the transportation system. The BREP interview program can be a very effective tool to further its stated objective of supporting business "retention and expansion." However, the interview questions and selected mix of interviewees is determined in large part by DCED. LVEDC may need to create ways to flex the program in order to insure that it is getting the local information it needs and getting a sufficient sample of interviews from the industries selected for targeting.

The LVEDC BREP activities and technical assistance matching further a number of the Economic Development Plan objectives.

Recommended New Function

Convene a Bio-Medical Advisory Committee. The bio-medical cluster is identified in this plan as a high priority target, particularly the pharmaceuticals industry in the immediate term. It is recommended that LVEDC institutionalize its current relationships with local representatives of this cluster by encouraging their participation on an advisory committee. The committee would help to identify the priority issues facing the cluster in the county, and would provide marketing advice and leads for the LVEDC's efforts to recruit additional firms in the cluster to locate their new investments in the county.

Lebanon Valley Chamber of Commerce

The Lebanon Valley Chamber of Commerce is the primary business membership organization in the county. As such, its services and member benefits cater to the needs of local businesses, connecting them to the business development and management, employee recruitment and retention, marketing, or other services needed. The chamber has a continuing role to play in the advancement and sustainability of the county's economy.

The chamber should continue to promote the value and products of existing county businesses. In order to strengthen the local supply chain of products and services, these efforts should be directed to local public sector agencies, private sector companies and the public at large, as well as to prospective businesses that would benefit from knowing the extent and diversity of local suppliers. The chamber has historically done this through member events, including Business at the Expo, its annual Images of Lebanon Valley magazine, member directories, and other publications.



The chamber should also continue to provide members with ready access to workforce development and recruitment service. Local resources include the chamber's own community based education programs, TechBridge, the Lebanon Area Personnel Association and the Lebanon office of PA Careerlink. Regionally, the Southcentral Employment Corporation (SEC) and the South Central Workforce Investment Board (WIB) provide policy direction and funding for career development and worker training services in the region. SEC delivers core, intensive, and training services through the Pennsylvania Careerlink System. The chamber should encourage businesses to participate in the SEC's public-private industry consortiums for construction, logistics/transportation, health care and manufacturing, and where needed, suggest additional consortiums. In addition, the chamber should connect local businesses with the IU-13 and Lebanon County Career and Technology Center for specialized education and training needs for either existing or future workers.

Finally, the chamber should continue to coordinate with community and economic development partners. It should strengthen relationships among other economic development organizations and programs to enhance overall responsiveness to local business needs, continuing to exchange data, analyses, reports and publications as well as ideas for future initiatives. It should also continue to represent business interests in the public arena, participating in community planning and development discussions at the local, county and regional levels through participation in interviews and advisory committees, reviews of draft policy and regulations, and news articles of general public circulation. The contributions of the Chamber of Commerce will continue to be an important component of economic progress in Lebanon County.

Interrelationships of Economic Development to Other Elements of the Comprehensive Plan

Natural and Historic Resources

Several Lebanon County industries rely on specific, high quality natural resources for their success. Businesses in agriculture and food processing, forestry and wood processors, and mineral extraction have located in the county because the resources they need are readily available. The sustainable use of these resources ensures a future for these industries. The conservation of them protects quality of life for the local workforce.



These industries are deeply rooted in the county's history. Their historic and contemporary operations are of educational and sentimental interest to select tourism audiences. When interpreted for tourists or even the local public, heritage tourism can supplement the tourism economy with additional revenues.

Housing

Housing quality and choices have a direct effect on Lebanon County's economic condition. Housing choices can help retain young county natives and attract other young individuals and families to the county. Choices also enable residents to up-size and down-size their lifestyles to accommodate changing household and family needs, making older housing available to the market. Downtown housing offers community security to downtown businesses that close overnight. Prospective businesses carefully examine the housing choices a community has to offer before committing to relocation. Real housing choices also offer options for workers to live near their place of employment, thereby minimizing their commuting costs and time.

Land Use, Transportation and Infrastructure

Balancing the amount and location of housing with commercial and industrial sites not only reduces workers' travel costs and time, it also helps the public sector manage maintenance and expansion of the transportation system and public utilities. Furthermore, it helps balance the tax burden among property owners.

According to the 2006 Self Sufficiency Standard for PA Report, a family living in Lebanon County with one working adult, one stay-at home adult and three children would need to earn an annual income of \$45,265 OR an hourly wage of \$21.43 to meet basic needs, not including savings.

The average hourly wage for all occupations in the county in 2006 was \$15.75.

The complete Self Sufficiency Standard Report is available at www.pathwaypa.org. See the Economy and Employment Profile for more information about occupational wages in Lebanon County.

Community Facilities and Services and Recreation

The quality and diversity of community services, including public education, recreation, and public safety, as well as access to health care comprise other aspects of quality of life that business owners – existing and prospective – consider as they make their business development decisions. These services ensure that their workforce and families have what they need and want.

Recreation, Greenways and Open Space

Recreation, greenways and open space are significant economic generators. They increase property values. For example, property values near open space and golf courses increase at higher rates than properties with other kinds of views. They are also prime economic development and relocation magnets. Having lots of things to do in a community as well as trails, parks and recreation facilities helps to attract businesses and prevent the “brain drain”, the loss of young wage earners to other areas of the country. Recreation, sports and physical fitness activities, trails and the great outdoors help to improve work performance through increased productivity, decreased absenteeism, lower staff turnover and reduced on-the-job accidents.



Investment in parks, recreation, trails, sports and open space yields large economic returns in the form of money generated by events, capital development, and provision of ongoing services. In 2003, Pennsylvanians spent over \$11.5 billion on recreational activities such as hunting, fishing, sports participation, skating, winter sports and so on. Recreation revenues in Lebanon County totaled about \$103 million that year.

Action Plan

The Action Plan identifies a variety of actions for the county to undertake or to support to further its economic development objective and achieve its economic goal. The actions are designed to build upon the strengths identified in the previous sections, to address the county's weaknesses, to capitalize on the opportunities, and to prepare a defense against the threats. The Action Plan recognizes the limited resources available within this relatively small county. Accordingly, it avoids grandiose initiatives, focusing instead on regional cooperation and careful institutional coordination, as well as on actions that can achieve the greatest benefits per given cost. In addition, it strategically applies business development efforts to a limited set of targeted industries that will bring new dollars into the county.



The set of actions addressing workforce development are perhaps the single most important element of this plan. The county's workforce is its most limiting factor in supporting the expansion of existing business and attraction of new business. As a corollary, improving the skills of its workers is essential to getting and keeping them in stable, good paying jobs.

Another essential plan component is the set of actions aimed at the economic health of the City of Lebanon. While a comprehensive strategic urban revitalization plan is beyond the scope of this Economic Development Plan, the plan does highlight a number of actions that the county can undertake or support that would help to reverse the city's economic decline.

Several actions are aimed at furthering economic development indirectly by addressing the function of certain institutions involved with economic development. These actions include the formation of Cluster Task Forces for Agriculture/Food Products and for Wood Products, formation of an advisory committee for the bio-medical cluster, and by placing specific responsibilities for Economic Development Plan implementation with the County Planning Department. The remaining actions encompass various other means by which businesses are supported. These actions range from small business assistance programs to providing sites and needed infrastructure to the recruitment of new investment in targeted industries.

The Action Plan begins with the vision, goals and objectives that the plan intends to achieve. Recommendations are presented in an approximate order of implementation under each objective. Annual priority-setting may adjust this order based on public support, available funding, or other time-sensitive criteria. For each action, an intended outcome, a proposed time horizon, a lead and support organization(s), as well as additional information about financial resources is included. Two summary charts have been compiled to help visualize how the various plan elements fit together. Finally, the plan concludes with a listing of organizations that are involved in economic development and/or business support.

Vision, Goals and Objectives

Vision

An economy that offers stable employment and family-sustaining wages and benefits, locates or links jobs with housing, transportation and employee services, sustains natural resources, and contributes to the community.

Goal

Retain and expand existing businesses and attract new businesses that enhance the overall quality of life of county residents by meeting all or most of the following characteristics:

- Pose minimal to no environmental degradation
- Provide stable jobs
- Offer job compensation (wages & benefits) that is family-sustaining
- Are net contributors to the tax base
- Pose minimal to no impact on the transportation system (after any associated improvements)
- Are located in central business districts or within walkable distance of existing or planned neighborhoods or accessible by public transportation and/or are located on underutilized properties or brownfields/greyfields where infra-structure investment has already been made
- Adhere to high quality design and construction standards that are compatible with surrounding areas.

Objectives

Specific objectives have been defined to direct effort and investment in these economic development areas:

- A. Promote the value and products of existing county businesses and provide other needed support to keep those businesses competitive.
- B. Foster a Job-Ready Workforce.
- C. Direct economic investment compatible with growth management goals for urban revitalization, suburban expansion, and rural resource production.
- D. Improve coordination among all stakeholder agencies.
- E. Coordinate land use planning and infrastructure investment for economic stability and smart growth.

Recommendations

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| Goal 1: | Retain and expand existing businesses and attract new businesses that enhance the overall quality of life of county residents. |
| Objective 1A: | Promote the value and products of existing county businesses and provide other needed support to keep those businesses competitive. |
| Action 1A1: | Assemble task forces for Agriculture and Food Products and for Wood Products to guide economic development in these resource based industries , including the investigation of opportunities for biofuels production. Include industry representatives from the entire supply chain from production operations (farms, forest landowners) to processing and distribution businesses to marketing offices and agencies. |
| Intended Outcome: | Maximize efficiency of economic development efforts by avoiding overlap of roles and functions and by helping to identify and prioritize needs of businesses in the cluster. Maximize synergies within the cluster by promoting communication and networking among the different types of businesses and stakeholders at both a local and regional level. |
| Time Horizon: | 2008-2009 |
| Lead Partners: | Convened jointly by a county agricultural organization (the Conservation District, Cooperative Extension Service, and/or the Farm Bureau) and LVEDC. |
| Support Partners: | Ongoing staff support by organization to be determined at initial meeting. |
| Funding Sources: | Lebanon County Commissioners; some administrative and secretarial support (e.g., keeping and distributing meeting minutes) will be required to keep the task forces functional |
| Action 1A2: | Develop and implement a comprehensive agricultural sustainability strategy. <ol style="list-style-type: none"> 1. Coordinate municipal long range planning acknowledging farming as a developed land use. 2. Establish a farmland preservation target, criteria for preservation, and permanent funding to achieve target. 3. Establish a program to educate farmers on financial matters, maintaining operation of existing farms and transitioning farms to new farmers. 4. Evaluate the feasibility of a county or regional "brand" for products made in Lebanon County. The brand is a logical choice for marketing agricultural, food and wood products that are literally grown in the county but need not be limited to them. (Natural Resource Plan, Goal 3, Objective A, Action Items 1-3) |
| Intended Outcome: | Support all three aspects of the agricultural industry: land, farmer, and market. |
| Time Horizon, Partners and Funding Sources: | See Recommendations under Goal 3 of the Natural Resources Plan |

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| Action 1A3: | <p>Increase agri-tourism within the county.</p> <ol style="list-style-type: none"> 1. Identify farms using innovative farming practices. 2. Establish a heritage farm recognition/certification program. 3. Establish an historic barn recognition program. 4. Develop a Blue Ribbon Passport Program for Lebanon County. 5. Evaluate local designation of agri-tourism routes as scenic byways; consider nomination of appropriate route to the state scenic byways program to qualify for statewide promotion and additional transportation enhancements funding. <p>(Natural Resource Plan, Goal 3, Objective B, Action Items 1-4)</p> |
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Intended Outcome: Foster opportunities for additional farm income and promote the county’s agricultural heritage.

Time Horizon, Partners and Funding Sources: See Recommendations under Goal 3 of the Natural Resources Plan

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| Action 1A4: | <p>Support the Business Start-Up Center at the HACC Lebanon Campus.</p> |
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Intended Outcome: Continued technical assistance services to support small business development.

Time Horizon: 2008, with annual resolutions thereafter

Lead Partners: HACC

Support Partners: County Commissioners; LVEDC; Lebanon Valley Chamber of Commerce

Funding Sources: The HACC Lebanon Campus is supported by the state and contributions of member school districts. The county support is not expected to involve capital investment at this point.

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| Action 1A5: | <p>Support the establishment of a business incubator to nurture startup companies in one or more of the targeted industries and clusters.</p> |
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Intended Outcome: Expansion of facilities and services to support new business development.

Time Horizon: 2008-2009

Lead and Support Partners: Ownership and management decisions for the incubator(s) are important decisions that need to be made by the project sponsors. LVEDC’s counterpart in Cumberland, Dauphin, and Perry Counties (CREDC) owns and operates a business incubator in Carlisle—the Murata Business Center. The virtual incubator concept being studied for REDDI may offer an alternative owner/operator.

Funding Sources: A business incubator involves a substantial investment in up-front capital as well as ongoing operations. Tenant rent would cover only part of the program costs. A variety of outside funding support is available, including the Ben Franklin Technology Partnership.

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| Action 1A6: | Support the development of minority-owned businesses throughout the county to enhance economic diversity and development. |
| Intended Outcome: | Better business support services and opportunities for employment for an underserved segment of the county's population. |
| Time Horizon: | 2008-2009 |
| Lead Partners: | City of Lebanon Office of Community Development; Lebanon County Women's Commission (appointed by County Commissioners); Lebanon Valley Charter Chapter of American Business Women's Association; Women in Business (hosted by the Chamber of Commerce); League of Women Voters |
| Support Partners: | LVEDC; Lebanon Valley Chamber of Commerce; HACC Small Business Development Center; League of Women Voters |
| Funding Sources: | Minority Business Development Authority; New Pennsylvania Venture Capital Investment Program; PennCAP; Small Business First |
| Action 1A7: | LVEDC continues its various functions in support of existing businesses and attracting new investment and considers extending some functions. |
| Intended Outcome: | Strategic leadership by the LVEDC. |
| Time Horizon: | 2008-2009 |
| Lead Partners: | Lebanon Valley Economic Development Corporation, including its staff and member companies, who are not only financial contributors, but also can be tapped as an important source of business intelligence and issue identification. |
| Funding Sources: | LVEDC is supported by member contributions, and also obtains revenues in its capacity as financier and business site owner |
| Action 1A8: | Participate in and draw from the SouthCentral Team PA Smart Market. |
| Intended Outcome: | Increased rate of business growth and retention. |
| Time Horizon: | 2008-2009 |
| Lead Partners: | LVEDC |
| Funding Sources: | LVEDC funds (staff participation) |

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| Action 1A9: | Expand and diversify the promotion efforts of the Lebanon County Tourist Promotion Agency and the Lebanon Valley Expo Center to highlight niche tourism sectors such as heritage tourism, outdoor recreational tourism, agri-tourism and eco-tourism. |
| Intended Outcome: | Expansion of tourism themes. Increased revenue from tourism. |
| Time Horizon: | 2008-2009 |
| Lead Partners: | Lebanon County Tourist Promotion Agency |
| Support Partners: | Lebanon Chamber of Commerce; Cooperative Extension Service; Local merchants; Pennsylvania Tourism Office |
| Funding Sources: | Current sources plus a percentage of tourist related sales tax, e.g. hotel tax |
| Action 1A10: | Encourage public agencies and organizations that operate in the county to purchase supplies from local companies. |
| Intended Outcome: | Strength in the local supply chain and increased employment opportunities for county residents. |
| Time Horizon: | 2008-2009 |
| Lead Partners: | Chamber of Commerce |
| Support Partners: | City of Lebanon; Lebanon County Commissioners; LVEDC; Community of Lebanon Association |
| Funding Sources: | N/A |

Objective 1B: Foster a Job-Ready Workforce.

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| Action 1B1: | Support and promote the efforts of the Educational Data Systems, Inc. |
| Intended Outcome: | Greater use of the services offered and decreases in unemployment and underemployment in the county. |
| Time Horizon: | 2008-2009 |
| Lead Partners: | LVEDC; Chamber of Commerce; Lebanon County Commissioners; Local officials |
| Support Partners: | School Districts; HACC; Lebanon Valley College; WEDnetPA |
| Funding Sources: | Agency/Organizational budgets for staff outreach |
| Action 1B2: | Encourage local companies to become "CareerLinked" employers; i.e. to be listed on the CareerLink web site, particularly when they have jobs available. |
| Intended Outcome: | Increased labor pool for Lebanon County businesses. Greater visibility for Lebanon County businesses. |
| Time Horizon: | 2008-2009 and ongoing |
| Lead Partners: | South Central Workforce Investment Board; CareerLink |
| Support Partners: | HACC; Lebanon Valley College; LVEDC; Chamber of Commerce; WEDnetPA |
| Funding Sources: | Workforce Leadership Grant; Customized Job Training; Industrial Resource Centers; Opportunity Grant Program |
| Action 1B3: | Support expanded programs to provide English language skills to non-English speaking residents. |
| Intended Outcome: | Increased volume of workforce information in Spanish. Increased participation in the workforce by Hispanic population. |
| Time Horizon: | 2008-2009 through 2012-2013 |
| Lead Partners: | Careerlink; South Central Workforce Investment Board; Lancaster-Lebanon Intermediate Unit (IU13); Literacy Council |
| Support Partners: | CareerLink (TeamPA); School Districts; HACC; Lebanon Valley College; LVEDC; Chamber of Commerce; WEDnetPA |
| Funding Sources: | DCED; TeamPA Foundation; School Districts |

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| Action 1B4: Continue to offer college classes for credit in the high schools. | |
| Intended Outcome: | Increased number of students enrolling in the classes and earning college credits. Retention of young people in local institutions of higher education. |
| Time Horizon: | 2008-2009 |
| Lead Partners: | School Districts |
| Support Partners: | HACC; Penn State; Lebanon Valley College; Chamber of Commerce |
| Funding Sources: | Scholarship funds; School budgets |
| Action 1B5: Provide public transportation for students who need to travel to other regional HACC campuses for necessary instruction. | |
| Intended Outcome: | Increased enrollments in programs that have classes that are only offered at other HACC campuses. |
| Time Horizon: | 2010-2011 |
| Lead Partners: | HACC |
| Support Partners: | COLT |
| Funding Sources: | HACC; PennDOT |
| Action 1B6: Assist local schools, colleges and training centers with appropriate workforce training programs, including entrepreneurial start-ups. Specifically, support the development of a HACC-sponsored business incubator in the City of Lebanon. | |
| Intended Outcome: | Additional opportunities for new business development, as well as the ability for fledgling companies to develop, test, and market new technologies. |
| Time Horizon: | 2008-2009 |
| Lead Partners: | HACC – Lebanon Campus |
| Support Partners: | City of Lebanon; Ben Franklin Technology Development Authority; Lebanon County; School Districts |
| Funding Sources: | University Research Funding; Technology Development Grant; Section 108 Loan Guarantee |

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| Objective 1C: | Direct economic investment compatible with growth management goals for urban revitalization, suburban expansion, and rural resource production. |
| Action 1C1: | Develop a city-wide Strategic Economic Development Plan for the City of Lebanon to supplement the 2004 Comprehensive Plan. |
| Intended Outcome: | A coordinated set of actions that address the economic development of the entire city. This strategic plan should go beyond the borders of the Central Business District and focus on the needs of city residents and identify service gaps. These gaps would be opportunities for new business development and attraction. The plan should also highlight the importance of the city's economic health relative to the rest of the county. |
| Time Horizon: | 2009-2010 through 2012-2013 |
| Lead Partners: | City of Lebanon |
| Support Partners: | Lebanon County Planning Department; LVEDC |
| Funding Sources: | LUPTAP (Land Use and Technical Assistance Program); Municipalities |
| Action 1C2: | Promote and provide continued support for the Blueprint Communities initiative. |
| Intended Outcome: | Improve the neighborhoods in the northwest section of the city and other neighborhoods throughout the county where appropriate. |
| Time Horizon: | 2008-2009 |
| Lead Partners: | City of Lebanon; Blueprint Community Committee; other municipalities and community committees, based on interest and commitment |
| Support Partners: | Lebanon County; Local Businesses; Chamber of Commerce; LVEDC; City residents |
| Funding Sources: | Blueprint Communities program (Federal Home Loan Bank of Pittsburgh); Pennsylvania Housing Finance Authority; USDA Rural Development |
| Action 1C3: | Support development of strategic plans for economic development in downtowns throughout the county. |
| Intended Outcome: | Continued vitality of community centers. |
| Time Horizon: | 2009-2010 through 2012-2013 |
| Lead Partners: | Municipalities, primarily boroughs and first class townships, or multi-municipal partnerships |
| Support Partners: | Lebanon County Planning Department; LVEDC; Chamber of Commerce |
| Funding Sources: | LUPTAP (Land Use and Technical Assistance Program); Municipalities; Foundations |

Objective 1D: Improve coordination among all stakeholder agencies.

Action 1D1: Designate a member of the County Planning Department staff as economic development planning liaison.

Intended Outcome: Improved communication and networking among stakeholder agencies and progress in plan implementation. Establishment of part-time duties (25% of time) in economic development planning. Designation of duties:

- oversee the implementation of the Economic Development Plan.
- champion the plan among the various local organizations critical to its success, including business and economic development organizations (ideally as an ex-officio member), other county departments, and municipal governments and authorities.
- maintain communication with economic development planners in neighboring counties and appropriate regional organizations.
- provide an annual report to the commissioners on progress in implementing the plan, and on economic conditions in the county.
- monitor the need to update portions of the plan and alert the commissioners as necessary.

Time Horizon: 2008 and ongoing

Lead Partner: Lebanon County Planning Department

Funding Sources: Lebanon County Commissioners

Action 1D2: Continue to foster and encourage public/private partnerships to invest in the City of Lebanon and throughout the county by using available public funding to further leverage private investments.

Intended Outcome: Sustainable economic growth, which requires an emphasis on private, for profit business growth and job development.

Time Horizon: 2008-2009

Lead Partners: LVEDC

Support Partners: City of Lebanon; Lebanon County Planning Department; Chamber of Commerce; Community of Lebanon Association

Funding Sources: Business in Our Sites; Community Economic Development Loan; Keystone Opportunity Zones; Minority Business Development Authority; Opportunity Grant Program; Small Business First; Tax Increment Financing Guarantee Program

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| Action 1D3: | Strengthen cooperation and information sharing among “Lebanon County Ambassadors”, local representatives who guide visiting business executives in their investigation of Lebanon County sites, amenities, and quality of life. |
| Intended Outcome: | Comprehensive representation of Lebanon County assets to prospective businesses. |
| Time Horizon: | 2010-2011 |
| Lead Partners: | LVEDC |
| Support Partners: | Lebanon County Tourism Promotion Agency; Chamber of Commerce; The Smart Market; Lebanon County Planning Department (Economic Development Planning Coordinator) |
| Funding Sources: | LVEDC; Chamber of Commerce; Lebanon County Tourism Promotion Agency |
| <hr/> | |
| Objective 1E: | Coordinate land use planning and infrastructure investment for economic stability and smart growth. |
| Action 1E1: | Review and revise county subdivision and land development regulations to modernize and eliminate inappropriate obstacles to economic development, while also ensuring that the necessary environmental safeguards are in place. |
| Intended Outcome: | A coordinated and predictable set of development regulations for business owners and new prospects that meet the needs of 21 st century business operations, including in-home businesses, while providing adequate protection of land and water resources. |
| Time Horizon: | 2010-2011 through 2012-2013 |
| Lead Partners: | Lebanon County Planning Department |
| Support Partners: | Municipal Officials; PA DCED |
| Funding Sources: | PA DCED |
| Action 1E2: | Continue to improve consistency in local regulations and efficiency in review procedures for business and industry. |
| Intended Outcome: | Removal of barriers to economic development from municipal ordinances, such as ability to have a mix of uses, to expand existing businesses, and to work at home, as well as to provide a certain level of predictability for new business prospects. |
| Time Horizon: | 2010-2011 |
| Lead Partners: | Municipal officials and planning commissions |
| Support Partners: | Lebanon County Planning; PA DCED |
| Funding Sources: | PA DCED |

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| Action 1E3: | Continue to monitor the transportation needs of leading and target industries to determine the needs for modal transportation improvements that will grow the local economy. |
| Intended Outcome: | Proactive programming of transportation improvements. |
| Time Horizon: | 2008-2009 |
| Lead Partners: | LEBCO MPO |
| Support Partners: | LVEDC; Lebanon County Tourism Promotion Agency; Municipal officials |
| Funding Sources: | LEBCO MPO Budget |
| Action 1E4: | Direct land- and transportation-intensive industries, e.g. trucking, warehousing, and distribution businesses, to sites with appropriate transportation system access and with few to no environmental constraints. |
| Intended Outcome: | Minimal additional infrastructure improvements to service industries and protection of sensitive natural resources. |
| Time Horizon: | 2008-2009 |
| Lead Partners: | Municipal officials/planning commissions; LVEDC |
| Support Partners: | Lebanon County Planning Department |
| Funding Sources: | N/A |
| Action 1E5: | Direct employment-intensive industries to designated growth areas. Revise existing municipal zoning codes to provide appropriate opportunities to expand business and industry development within designated growth areas. |
| Intended Outcome: | Reduced pressures for expanded transportation and other infrastructure improvements. Reduced transportation costs for workers. |
| Time Horizon: | 2008-2009 |
| Lead Partners: | Municipal officials/planning commissions; LVEDC |
| Support Partners: | Lebanon County Planning Department |
| Funding Sources: | N/A |

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| Action 1E6: | Maintain the City/County Geographic Information Systems geodatabase with current economic and related data to support economic development initiatives and make available to LVEDC and other agencies upon request or via an annual update. |
| Intended Outcome: | Capacity for up-to-date reporting of select data that will provide economic development partners with accurate data for marketing available sites and measuring progress, including available local services within designated business and industry growth areas. |
| Time Horizon: | 2010-2011 |
| Lead Partners: | City/County GIS Department |
| Support Partners: | LVEDC; Chamber of Commerce; Municipal Officials and Service Providers |
| Funding Sources: | City/County GIS Department Budget |

Implementation Partners in Economic Development and Business Support

A great number and variety of public and private non-profit entities are active in supporting Lebanon County's existing businesses and furthering its economic development efforts. Those active in Lebanon County are listed in Table 8-3 according to their roles and applicable geography. For more information about each, see the *Economy and Employment Profile* or visit their websites.

Table 8-3 Partners in Economic Development or Business Support

| | <i>Municipal and County</i> | <i>Regional</i> | <i>State and Federal</i> |
|---|-------------------------------------|-----------------|----------------------------------|
| Multi-purpose Economic Development and Business Assistance Organizations | | | |
| Lebanon Valley Economic Development Corporation (LVEDC) (www.lvedc.org) | X | | |
| Lebanon Valley Chamber of Commerce (www.lvchamber.org) | X | | |
| Regional Economic Development District Initiatives of South Central Pennsylvania (REDDI) (www.reddionline.org) | | X | |
| Ben Franklin Technology Partners (www.benfranklin.org) | | X | X |
| Pennsylvania Department of Community and Economic Development (PA DCED) (www.newpa.com) | X | X | X |
| Pennsylvania Department of Agriculture (www.agriculture.state.pa.us) | X | | X |
| Pennsylvania Department of Labor and Industry (www.dli.state.pa.us) | | | X |

| | <i>Municipal and County</i> | <i>Regional</i> | <i>State and Federal</i> |
|--|-------------------------------------|-----------------|----------------------------------|
| Organizations Specializing in Worker Training and Employment Services | | | |
| Pennsylvania Careerlink System (www.pacareerlink.state.pa.us) | X | X | X |
| Lebanon County Career and Technology Center (www.lcctc.k12.pa.us) | X | | |
| Lebanon Adult Education Center (www.iu13.org) | X | | |
| Harrisburg Area Community College (www.hacc.edu) | X | X | |
| South central Workforce Investment Board (WIB) and the South Central Employment Corporation (SEC) (www.pasec.org) | | X | |
| The Manufacturers Association of South Central Pennsylvania (MASCOPA) (www.mascpa.org) | | X | |
| Center for Workforce Information and Analysis (CWIA) (www.dli.state.pa.us) | | | X |
| Pennsylvania Department of Aging (www.aging.state.pa.us) | | | X |
| PA Dept of Education - ABLE (Adult Basic Literacy Education and affiliated programs) (www.pde.state.pa.us) | | | X |
| Pennsylvania Department of Public Welfare (www.dpw.state.pa.us) | | | X |
| Office of Vocational Rehabilitation (www.dli.state.pa.us) | | | X |
| Pennsylvania Higher Education Assistance Agency (www.pheaa.org) | | | X |
| Pennsylvania State Civil Service Commission (www.scsc.state.pa.us) | | | X |
| Organizations Specializing in Financing | | | |
| Innovation Partnership (www.innovationpartnership.net) | | X | |
| Life Sciences Greenhouse of Central Pennsylvania (LSGPA) (www.lsgpa.com) | X | | |
| Community First Fund (www.commfirstfund.org) | | X | |
| PA Grows/The First Industries Fund (www.agriculture.state.pa.us/pagrows) | | | X |
| Penn Venture Partners, LP (www.pennventures.com) | | | X |
| Governor's Action Team (www.newpa.com) | | | X |

| | <i>Municipal and County</i> | <i>Regional</i> | <i>State and Federal</i> |
|--|-------------------------------------|-----------------|----------------------------------|
| <i>Organizations Specializing in Technical Assistance</i> | | | |
| Small Business Development Center at HACC, Lebanon Campus | X | | |
| Lebanon County Conservation District (www.lccd.org) | X | | |
| Penn State Cooperative Extension (lebanon.extension.psu.edu) | X | | |
| The Small Business Development Center, Kutztown University of Pennsylvania | | X | |
| MANTEC, the Manufacturers Technology Center | | X | |
| PENNTAP, the Penn State Technical Assistance Program | | | X |
| <i>Organizations and Programs Promoting the Location or Local Products</i> | | | |
| Lebanon County Tourist Promotion Agency (www.visitlebanoncounty.com) | X | | |
| SouthCentral Team PA/Smart Market | | X | X |
| Pennsylvania Preferred™ | | | X |
| Business in Our Sites (www.pewpa.com) | | | X |
| <i>Organizations Specializing in Community Planning (Land Use, Transportation, Infrastructure, etc.)</i> | | | |
| Lebanon County Planning Department | X | | |