

Priority Issue #2



The economy is changing and our communities and workforce are not optimally positioned to realize our untapped economic potential and become more resilient.

Back Story

Economic Conditions The economy of Lycoming County has adapted many times throughout its history to take advantage of burgeoning industries and market trends. Historically, the County has been known for its lumber production, steel fabrication, manufacturing, plastics-related industry, and most recently—natural gas development. Adapting to changing economic forces has been the County’s hallmark.

From 2006 to 2015, Lycoming County’s economy has followed similar patterns to other Central PA counties and has seen an increase in employment in Healthcare and Social Assistance (9%); Mining, Quarrying, and Oil/Gas Extraction (470%); and Accommodation and Food Services (30%) while seeing a decrease primarily in the Manufacturing sector (-24%).^{ix} Although the number of manufacturing businesses has declined by 15% in the last decade, it remains the second largest industry in the County.

Although agriculture is not a top industry in the County by the numbers of employees, business establishments, or acres cultivated, since Lycoming County was established in 1795, it has been and remains an important industry. This industry has had to employ technological changes over the last 200 years to remain competitive, profitable, and to keep up with the demand of a growing population nationwide. Over the last decade, Lycoming County farms have successfully increased the market value of the products they sold by more than one-third.^x

The Mining, Quarrying, and Oil and Gas Extraction industry experienced unprecedented growth in Lycoming County from 2010-2015 due to the discovery of the Marcellus Shale formation. By 2015 the U.S. Census Bureau reported that countywide jobs in the industry increased from 334 to 958, with a peak of 1,318 in 2012. From 2011-2012, Pennsylvania was the fastest-growing natural gas-producing state (72%)^{xi} and it continues to be the largest “shale” gas-producing state in the country. This short-lived but intensive activity spurred a new menu of related manufacturing, service, and retail businesses to support the new industry. Many of those businesses remain today to support the regional economy, although the intensity of gas production in Lycoming County has significantly declined. This type of rapid industrial expansion is rare but indicative of industries that tend to boom and then taper off dramatically. Lycoming County, however, remains one of the top six natural-gas producing counties in Pennsylvania, all from shale.

Lycoming County is also the northcentral PA hub for government, services, retail, finance, and entertainment. It is also home to eleven industrial parks, two colleges and one large health care system, which have been stable

and growing anchors in the economy. In fact, the healthcare and education industries represent two of the largest economic sectors in the County.

Workforce As of January 2018, there were a total of 53,500 people in the workforce in Lycoming County.^{xii} This does not represent a constant decline over the time period, but more of a fluctuating pattern from year to year. Part of this can be attributed to a decline in the overall population but also to the decline of working age residents, partially due to the local and national trend of decreasing family sizes.

As of January 2018, the County's unemployment rate was 5.4% which was higher than the statewide average of 4.6% and the County's 2006 rate of 4.7%.^{xiii} According to the 2012-2016 American Community Survey estimates, Lycoming County has 14.5% of its population living below the poverty line with the largest demographic being females and males between the ages of 18 and 24. This is a significant portion of the workforce. Median Household Income was \$48,731 and Median Family Income was \$61,432.

What is most important about any workforce is that it is positioned to adapt to opportunities in growing industries and economic sectors when the economy changes. This type of positioning only happens with a diligent and comprehensive strategy to address any workforce and local economy disconnect. Education and training opportunities need to be continually evaluated to ensure they align with the changing industry practices and business opportunities in the local market.

Between 2009 and 2016 Lycoming County residents who earned less than a high school diploma declined by 39%, while those earning Associate's and Master's degrees increased 6% and 8% respectively.^{xiv} There was also an increase in occupations requiring an Associate's, Master's, and Doctoral or professional degree as an entry level education requirement. According to the Spring 2016 Economic Development Focus Group, there has been a lack of employment opportunities for under-educated and under-trained workers. However, the Central Pennsylvania Workforce Development Corporation (CPWDC) projects that between now and 2025 there will be a nearly 42% increase in occupations in the County that require less than a high school education. Many of these jobs will likely require specialized skills and trades, which are needed by the myriad of manufacturing industries. Those skills are offered by tech schools and high school trade programs. However, in general, studies show that as education levels increase, unemployment rates decrease and earnings increase.

Although the definition of what constitutes a "good paying job" can be debated, the County needs to stay attentive to the factors that can best ensure that a community grows and remains resilient, such as the following factors:

- Availability of a quality workforce
- Family-sustaining jobs
- Suitable locations for employment centers supported by infrastructure
- Economic diversification among job sectors
- Flexible business regulations

In spring of 2016, PCD facilitated an Economic Development Focus Group with experts and professionals who work in the fields that are invested in the County's local and regional economies (see Appendix B). Those in attendance recognized that Lycoming County needs to capitalize on its current industry and economic drivers, such as manufacturing, higher education, and healthcare, as well as tourism and the arts and entertainment industries, in order to continue to grow the economy. Key findings from the group included the need to strengthen partnerships and improve access to and leverage existing assets and amenities. That same group also recognized that additional strides need to be made to connect the key industries with the current and future workforce, particularly in light of changing workforce expectations, the loss of jobs in some industries, and use of drugs in the workforce. In a similar Focus Group specifically including participants from the manufacturing industries, participants reiterated that finding qualified candidates and getting the next generation youth interested in and staying committed to the manufacturing industry has been challenging. They also collectively recognized that Lycoming County is not always attractive for drawing top talent. They cited an unattractive image, the lack of a welcoming nature towards outsiders, and the need for more activities to attract young professionals to the County as examples of barriers to recruitment and retention. Continued quality of life improvements were seen as being a top priority for the County moving forward by nearly all focus group participants as well as significant numbers of public survey respondents.

Quality of life is perhaps the greatest intangible strength of Lycoming County. It includes arts, culture, nature, recreational amenities, shopping, dining, and public safety among an array of other elements. In 2006, quality of life was identified as the top reason why citizens decided to locate and stay in Lycoming County. A public survey of 1,000 people, conducted as part of the 2016 Comprehensive Plan update process reaffirmed this point. Quality of life is just another way of characterizing a place as "livable." A place where people are attracted to the general atmosphere and style of living. When people vote for quality of life, they are essentially endorsing the most apparent and character-defining attributes of a community. These can be defined as place-based assets.

Priority Issue Overview

Lycoming County is very fortunate to have abundant natural resources. Because of this, its earliest economies were based on the exploitation of these resources for profit as described above. The economy has grown from an extraction-based economy of oil, coal, and lumber to one where manufacturing has been a stronghold since the mid-1900's, along with growing construction, professional, and healthcare sectors among others. Most recently the opportunity to drill the natural gas reserves has once again shifted a large focus to the extraction industry in this County.

However, in order to truly achieve a resilient economy, there needs to be a diligent strengthening of both the traditional and non-traditional market sectors. Communities are often focused only on the big indicators of workforce: employment/unemployment, education attainment, business and industrial park activity, infrastructure investment, and land availability.

Today's economy is certainly more nuanced than that. Focusing on nurturing a diversified economy will help create sustainable cycles of economic activity. A diversity of goods and services along with an expansion of

small and medium-sized businesses and people looking to invest their time and money into a sense of community is driving a new and slightly different economy. The modern economy has evolved towards high-tech and automated systems but it also led to the development of “triple bottom line” companies and social enterprises committed to the environment and social outcomes as well as profits. Furthermore, cooperatives are also becoming increasingly popular. Cooperatives are a series of local businesses that link together to provide an attractive purchasing power for large institutions such as hospitals, colleges and universities, and other anchor institutions. This helps to support the local economy in a diversity of ways, including by creating an economy that is greater than the sum of its parts because businesses continually feed off one another and grow larger as the economy grows.

Lycoming County recognizes that there is no one-size-fits all economy and that the County must strive to maintain a competitive edge when retaining and attracting employees and workers to the County. The County understands that it needs to change with the times, that there are little recognized indicators that need to be paid attention to, and that there are great opportunities to realize the untapped potential and become more resilient. All of the traditional and non-traditional economic sectors are components of an economic resilient community. None of them alone will be able to fix or drive the economic situation. Yet, their reinforcement along with continued additional diversification will help lead to economic resilience. To improve its economic strength, Lycoming County must concurrently reinvest in its historically strong economic sectors while also adapting to the changing opportunities. This will help leverage key assets and diversify the regional economy.

Asset-Based Community Development

Over the last decade, “Asset-Based Community Development” has taken hold across much of the United States. Asset-based development is a methodology for the sustainable development of communities based on their strengths and potentials. It involves assessing the resources, skills, and experience available in a community, organizing the community around issues that move its members into action, and determining and taking appropriate action. The Appalachian Regional Commission (ARC), of which Lycoming County is a member thereof, has embraced this concept and set guidelines for *Investing in Appalachia’s Future* and asset-based development projects. ARC’s goal is to help the region achieve socioeconomic parity with the nation. Their initiative focuses on supporting the leveraging of Natural and Cultural assets, Structural assets such as abandoned or underutilized buildings, and Leadership or Community Assets such as colleges and other large institutions.

Asset-based development highlights the glass half full rather than empty. Rather than focus on community deficits like crime, vandalism, unemployment, or drugs, the goal of Asset-Based Community Development is to identify and capitalize on the positive attributes in a community. It also ensures that a community is not focusing on just one big thing and that it responds to a diversity of economic opportunities. To focus on the leveraging of Lycoming County’s local assets that draw on its intrinsic advantages is what will help this County overcome its weaknesses and gain a competitive advantage across the Central PA region and beyond. Providing incentives for the local economy to thrive and encouraging an Asset-Based Development model has the ability to provide a sustainable opportunity for economic resilience. The 2018 Comprehensive Plan Update on this Issue will focus on articulating the County’s asset-based development opportunities.

Lycoming County has many assets to take advantage of including its long-standing strongholds in the economy such as agriculture and manufacturing. The plentiful natural and cultural resources, its low cost of living, well-respected colleges and healthcare system, and the significant presence of the sports industry are all major economic components that can further advance the County's economic potential. Natural and cultural resources and their associated tourism potential have some of the greatest untapped opportunities to grow the economy while attracting new people and investments.

According to the County's 2016 public survey that received over 1,000 respondents, the following categories received the most positive comments, in order, indicating what the public views as some of the County's greatest assets.

- Natural Beauty
- Community Pride and Promotion
- Parks and Trails
- Local History and the Arts
- Outdoor Recreation
- Downtowns
- Education and Jobs
- Little League
- Other

Proximity to major metropolitan areas is also an important asset for Lycoming County. The County is a short drive from some of the largest cities on the East Coast. In fact, there are 19 metro areas with populations greater than 500,000 within 250 miles of Williamsport. This allows business connections to occur more easily and facilitates commerce with nearby large markets. This also means that the Williamsport area is a day trip away from over 50 million people. That is approximately one in every seven individuals in the United States.

The following segments of the economy represent strategic opportunities for asset-based economic growth within the County over the next 15 years:

Agriculture

The fertile soil and water resources across many of the valleys and floodplains in Lycoming County offered a rich opportunity for agriculture to take a foothold over 200 years ago. It has been an important part of Lycoming County's heritage and rural character ever since and it continues to remain a viable economic sector in Lycoming County today.

According to the 2012 Census of Agriculture, Lycoming County had 1,207 farms with a total area of 158,462 acres. This represents 20% of the total land area of the County. The agricultural region of Lycoming County includes Bastress, Franklin, Jordan, Penn, Limestone, Moreland, Nippenose, and Susquehanna Townships, as well as portions of Armstrong, Brady, Clinton, Gregg (Union County), and Washington Townships. From 2007 to 2012, farms in Lycoming County saw a 35% increase in the market value of the products sold. The total value of

agricultural products produced in Lycoming County in 2012 was \$72,202,000. The major commodities produced in 2012 in Lycoming County by value were grains, greenhouse/floriculture, dairy products, and hogs/pigs.

The challenges facing the agriculture community in Lycoming County include:

- Lack of local agricultural processing facilities (especially for corn) - currently many agricultural products are shipped outside of Lycoming County for processing and finishing
- Farm business profitability and farm succession/transition to the next generation
- Uneven regulatory and uncertain environment (at the municipal, state, and federal levels) related to:
 - Land use and development inconsistencies
 - Cost and time of permitting – high cost of permitting and long permitting process associated with agricultural building and farm operations
- Public misconceptions of the agricultural industry, including the increased challenges as residents move into long-standing agricultural communities

These challenges are not unique to Lycoming County and are not new issues facing the local agriculture community. Many of these issues were also identified in the Lycoming County 2006 Comprehensive Plan.

The following strategies and opportunities were identified to address these issues:

- Identify farmland that should be permanently preserved for continued agricultural use
- Support farmland protection programs, including Agriculture Security Areas (ASAs) and conservation easements
- Ensure land is available for agricultural use
- Make regulations conducive to the changing needs of agricultural practices and businesses, including modifying zoning text amendments to allow for flexible practices
- Keep and expand existing farm operations
- Support the diversification of farm operations – including use of ancillary business
- Promote value added agricultural products and processing

Lycoming County's agricultural industry is affected by larger regional trends that may in turn provide for local opportunities. There is a growing international demand for U.S. food products, and in turn Pennsylvania agriculture products, that may result in an opportunity of Lycoming County producers to meet this demand and capture a share of the growing food product market.^{xv} Additionally, opportunities exist to support local processing plants to produce finished agricultural products so that agricultural products do not have to leave the local market for value-added processing.

Manufacturing

Although very rural in nature, Lycoming County is strategically located and well connected by transportation routes and therefore has evolved as the hub of commerce and employment in the north central region. The manufacturing industry became a stronghold in Lycoming County in the 20th century, with manufacturing sites

built along the river corridors and factories built in neighborhoods near the workforce. Main industries included timber, steel, textiles, and furniture making. Today's manufacturing operations are primarily located in one of the county's eleven industrial parks, specifically planned, zoned, and prepared with infrastructure for this type of land use. Many manufacturing businesses are specifically located in Lycoming County because of its rich natural resources and easy access to clean, abundant land and water resources. One such example is Bimbo Bakeries, which needs the particular mineral content found in Lycoming's water supply to produce the baked goods product demanded by customers. The water used at this facility results in a unique and much desired taste in their baked goods.

The manufacturing sector continues to be a large component of the economy despite an overall decline in the industry. According to the US Census on County Business Patterns, from 2006-2015 Lycoming County lost 2,412 manufacturing jobs (24%) and 27 (15%) manufacturing business establishments. Despite this decline, manufacturing is still a large and critical component of the local economy, representing 7,801 employees in 2015 and 13% of the workforce, while only 9.1% of the state workforce is employed in this sector. Any further loss of manufacturing would erode a core component of the local economy. Therefore preservation of the manufacturing sector and preparing for changes in the industry are important goals.

Today's manufacturing is increasingly automated and driven by high technology. In place of traditional trade skills, the manufacturing industry is in need of skills that align with changing manufacturing processes that increasingly rely on new technologies such as robotics. Finding an adequate local workforce trained with these skills has been challenging. Consequently, many businesses are resorting to on the job training which increases costs, training time, and reliability for employers. If the Lycoming County workforce cannot provide the skills needed to support current and future manufacturing businesses, this trend may threaten one of the historical economic strengths of Lycoming County's economy.

One of the main concerns expressed by local manufacturing and economic development leaders in the County is that it has been difficult to attract and retain the next generation of youth in the manufacturing sector. Although, it has increasingly become technology-driven and highly innovative, there is still a stigma of primarily blue-collar work associated with the industry.

In 2018, through the Williamsport/Lycoming Chamber of Commerce, area school districts will have the opportunity to participate in a video contest that will engage school-age students in the exploration and creation of a homegrown video showcasing manufacturing careers and "What's So Cool About Manufacturing?" In addition, Penn College of Technology has partnered with the Commonwealth of PA to offer apprenticeship and training programs that will link the workforce with the business and industry opportunities and help address the manufacturing skills gap. This will give job seekers the opportunity to earn a nationally-recognized credential and employers will benefit from more productive workers.

Lycoming County is well positioned to take advantage of the emerging manufacturing industries. One example of a growing component within the manufacturing sector is the plastics and petrochemical industry. According to Focus Central PA, a regional economic development organization, there is a Plastics Industry Cluster in Central

Pennsylvania comprised of 11 businesses with an estimated revenue of \$163,262,000 and 889 employees.^{xvi} This is encouraging in light of the March 2017 report commissioned by the State of Pennsylvania and The Team Pennsylvania Foundation, the *Prospects to Enhance Pennsylvania’s Opportunities in Petrochemical Manufacturing* in order to study the opportunities and benefits in Pennsylvania. According to the report: “The Marcellus Shale resource alone represents the second largest natural gas field in the world and underlays two-thirds of Pennsylvania, extending into the neighboring states of New York, Ohio, and West Virginia. In 2015, the natural gas from the Marcellus and Utica Shale plays accounted for a quarter of all natural gas produced in the United States and is expected to account for more than 40% of the nation’s natural gas production by 2030.”^{xvii} The report also draws the link between the shale gas and these burgeoning industries. The Marcellus and Utica Shale gas is: “rich in natural gas liquids, or NGLs, more than 70 percent of which is ethane and propane. Ethane and propane are two important and high-value NGLs used in basic petrochemical production and plastics manufacturing.”

Lycoming County is well positioned to take advantage of the burgeoning market of plastics and petrochemical manufacturing. Pennsylvania College of Technology, through its Plastics Innovation & Resource Center (PIRC), provides the technology resources to facilitate the growth and success of the plastics industry in Lycoming County. The Center focuses on the education, training, and research needs of plastic processors, resin suppliers, mold builders, and equipment manufacturers, offering access to extensive material testing laboratories, and industrial scale. Retraining the workforce to respond to the changes in the manufacturing sector will allow Lycoming County to remain competitive in the manufacturing economy moving into the future.

In addition, Lycoming County is located in close proximity to the new ethane cracker facility to be built in Beaver County, Pennsylvania. While there are existing petrochemical production and plastic manufacturers in the State that will benefit from this, there is an opportunity for new growth because of the close proximity to the feedstock used by these industries and the potential supply of this feedstock. These facilities utilize the by-products of natural gas extraction to produce the materials needed for plastics production. The County has an opportunity to leverage this linkage to expand new job growth, build off its manufacturing base, and diversify its economy.



Penn College of Technology Students at Plastics Innovation & Resource Center workshop
Source: Pennsylvania College of Technology

Transportation, Warehousing, Logistics, and Fulfillment

The transportation, warehousing, logistics, and fulfillment sector represents another opportunity for economic growth in the County. US Census County Business Patterns data for Lycoming County depict a steady increase in both the number of business establishments and paid employees in this sector of the economy. This sector was also specifically identified as a strong and growing freight generator in the 2016 Pennsylvania Comprehensive Freight Movement Plan. Warehousing and distribution center goods were the largest freight commodity by value in the central Pennsylvania region of the state and projected to remain as such until at least the year 2040.

According to this plan, the region also has a high value of commodities related to prepared food, including bread or other bakery products and canned supplies, leaving the region. In 2011, plastics products were among the top commodities by value originating in the region. This is projected to sustain for the next few decades and has the potential to increase as discussed earlier if the manufacturing sector further capitalizes on this opportunity.

Lycoming County is extremely well situated to serve as a shipment, fulfillment, and logistics center for much of the Northeast and Great Lakes regions of the United States. The road and rail infrastructure in the County is in a very good state of repair. I-80 and I-180 carry 25 percent of the truck traffic in the region already and the new Central Susquehanna Valley Transportation (CSVT) project will add a new limited access freeway through the central part of this region, providing north-south connections. The Williamsport Regional Airport is also currently experiencing upgrades that will allow it to accommodate additional air service to meet growing commercial and passenger demands. Additionally, the proximity to major metropolitan areas, as stated earlier, is of great advantage. These factors combined will allow Lycoming County to capture a growing market in this industry sector in Pennsylvania.

According to the above-mentioned study, Lycoming County is already home to one of the top 100 freight generating areas in the state of Pennsylvania, specifically the Reach Road Industrial Park in the City of Williamsport.^{xviii} However, there are many more areas of the County that have potential to be considered for build-out for this industry sector's needs. Lycoming County municipal zoning boundary maps indicate that there are approximately 6,190 total acres of land explicitly zoned for industrial use within the growth areas of the County. 2,383 of these acres are undevelopable because of floodplains, wetlands, or steep slopes. Another 1,460 acres are already developed in some way, leaving approximately 2,347 developable acres currently in the County.³

Undoubtedly, this sector represents an opportunity for economic growth within the County. The key will be to find a balance between the development of this industry and mitigating impacts such as traffic congestion and noise while ensuring community character and small town living can be maintained.

Small Business Development

Small businesses are an integral aspect of not only the economy but also communities and families across the country. They represent the creativity, ingenuity, and hard work that fuel the country's economy.^{xix}

According to Pennsylvania Small Business Development Center (SBDC), small businesses have accounted for a significant share of the Commonwealth's economic production and hiring. At last recording, Pennsylvania's small business growth rate of 2.8% was up from the 2014 rate of 1.8%.^{xx} Overall, Pennsylvania small businesses employed 46.8% of the private workforce, in 2014.^{xxi} Small businesses are defined as firms employing fewer than 500 employees. In 2014, firms employing 250 to 499 employees experienced the largest gains in Pennsylvania, while the largest losses were in firms employing 1 to 4 employees.^{xxii} Agriculture and Forestry is the industry with greatest percentage of its workforce employed by the small business sector (99%). Other Services and Construction also have the majority of their industry employed by small businesses.

³ This number does not include the approximate 500 acres of road and rail right-of-ways on those acres

Similar to the rest of Pennsylvania, small businesses in Lycoming County represent one of the strongest underpinnings of the local economy. Approximately 50-56% of the County's employment is in the small business sector. The SBDC reports that there were 9,051 small businesses (1-499 workers) in Lycoming County in 2013 which provided jobs for 46,696 people. The largest segment of small businesses in Lycoming County employs less than 20 employees with nearly 70% of them having no paid employees.^{xxiii}

Over the last several years, the local Lock Haven SBDC has noticed an increase in independent inventors, designers, and tinkerers, also known as the "maker movement." The maker culture began as a technology-based extension of the do-it-yourself (DIY) culture in everything from arts and crafts and woodworking to robotics and 3-D printing. Lycoming County has visibly seen this movement take foot particularly in the small restaurant and craft brewery industry and the myriad of makers taking up space in the Pajama Factory in the City of Williamsport.

In the last decade, there has also been a nation-wide trend of businesses being established as "B Corporations" which allows them to subordinate profits to social and environmental goals. According to the Small Business Development Center (SBDC) In Lock Haven, PA, B-Corporations have been on the increase in the Lycoming County region. The Millennial generation, in particular, is very interested in this type of social entrepreneurship. A national study conducted by America's Small Business Development Centers (SBDC) and the Center for Generational Kinetics in 2017 found that the Millennial generation (born 1977-1995) are more likely than other generations to currently work in a small business. The study found that sixty-one percent of Millennials believe that there is more job security in owning your own business than in working for someone else. In fact, 38% of workers from this generation have been part of a new start-up company when it first began. This generation is extremely entrepreneurial-minded and is helping the entrepreneurial attitude thrive in America.

Overall, small business development is seen as a wealth creator in America. The national study found that 47% of Americans list the potential to make money as what would motivate them to start their own business. The Millennial generation, more than any other, has dream businesses they would love to start, and have the intention of starting a small business in the near future. The main obstacles or barriers cited to a new start-up are access to capital and the know-how of running a business.

Lycoming County is fortunate to have one of eighteen Pennsylvania's SBDC's at nearby Lock Haven University and a satellite office in downtown Williamsport. This Center provides start-up business support and assistance with business financial planning. The SBDC also works with local banks and SEDA-COG to help start-up companies gain access to capital. Lycoming County is also fortunate to be a member county in the PA Wilds initiative. As such, County businesses (and start-ups) have access to the PA Wilds Center for Entrepreneurship business assistance program through The Wilds Cooperative of Pennsylvania (WCO), which is a core business development program focused on the connection to tourism and outdoor products or services. However, small businesses and non-profits from artisans to breweries to B&B's to outfitters, retailers, and restaurants all have the opportunity to work with this resource center. The PA Wilds Center also connects place-based businesses to each other for mentoring and business-to-business marketing opportunities. These are exactly the types of resources needed by new and expanding entrepreneurs.

Some of the most significant challenges of the small business sector lie in the ability of businesses to fully realize their potential, sustain, and earn a profit. Particularly those often found in the makers movement have a hard time becoming more than a hobby/non-profit business enterprise. Finding the resources to overcome the challenges are key.

Small businesses that work together, particularly in a cooperative type atmosphere, have tremendous potential to grow in a way that builds local pride, puts people to work, and keeps more dollars in the local and regional economy. However, more importantly from an economic standpoint, interconnected businesses, or business clusters, can increase productivity of the companies in the cluster by driving innovation in the field and by stimulating new businesses in the field.^{xxiv} Business clusters can grow to have significant competitive advantages if enough resources and competencies assemble and reach a critical threshold. Lycoming County's greatest potential for further developing any business or industry clusters would lie in the ability to grow its asset-based economy. As mentioned earlier, over fifty percent of the County's workforce is employed by small businesses, most of those with less than twenty employees. Ensuring that these businesses are supported and provided incentives to grow and sustain is critical to the County's economic resilience.

Understanding the needs and the growth opportunities of the small business sector in Lycoming County is essential in order to provide a sustainable path for economic resilience and the ability to develop additional strongholds in the economy.

Tourism

Tourism is a significant driver of economic and social development. It stimulates economic growth by generating income, employment, and investment. It can also generate valuable spin-off benefits, including preservation of cultural heritage and improved infrastructure and local community facilities. However, tourism can have positive or negative impacts depending on planning, development, and management of the resources. Therefore, it is essential to base tourism investments on places and things that are authentic, specialized, unique, and home grown. This type of investment is more likely to produce multiple benefits across economic sectors and be sustainable over time. Sustainable tourism built on the County's strengths and assets has the potential to stimulate economic growth and development in Lycoming County and have spillover effects throughout the region.

Various examples exist of ways that communities can engage in sustainable tourism development. Many of these are known as place-based models that focus on either the cultural, natural, or built environment - people, land, and town. The overarching mission of these models is to foster a healthier quality of life. Civic tourism, for instance, focuses on making investments that would benefit both the current residents of a community as well as visitors. It sees itself as an enabler of healthy place-making, not just as an income-producing model. These quality of life improvements have multiplier effects within the local economic and social fabric of a community.

Lycoming County's tourism-related competitive advantages lie in its quality of life attributes and the things that people value most, such as its natural beauty, small town communities, its parks and trails, the local history and culture, the arts, outdoor recreation, and its well respected institutions and events.

Natural Resources

One of Lycoming County’s greatest assets is its abundant natural resources and the outdoor recreation opportunities associated with it. These assets have long offered residents and visitors opportunities for enjoyment and a diversity of experiences in this County. With world-class trails and exceptional value fishing streams, Lycoming County draws an increasing number of County residents and regional visitors. As such, it has become an important component of the economic wellbeing of Lycoming County. As noted in the previous Infrastructure Issue (#1) section, quality outdoor recreation is essential to attract and retain a strong workforce and can also function as a strong economic driver.

According to Pennsylvania Department of Conservation and Natural Resources (PA DCNR) data, Lycoming County has 295 miles of hiking trails, 202 miles of biking trails and routes, about 250,000 acres of public lands, and over 2,000 miles of waterways as noted in Issue #1. There are 16 public boat launches according to Pennsylvania Fish & Boat Commission information. These assets alone provide a tremendous infrastructure to build on, however, taken on a broader perspective and combined with Lycoming County’s natural assets with that of the larger region, the potential economic impact is even greater.

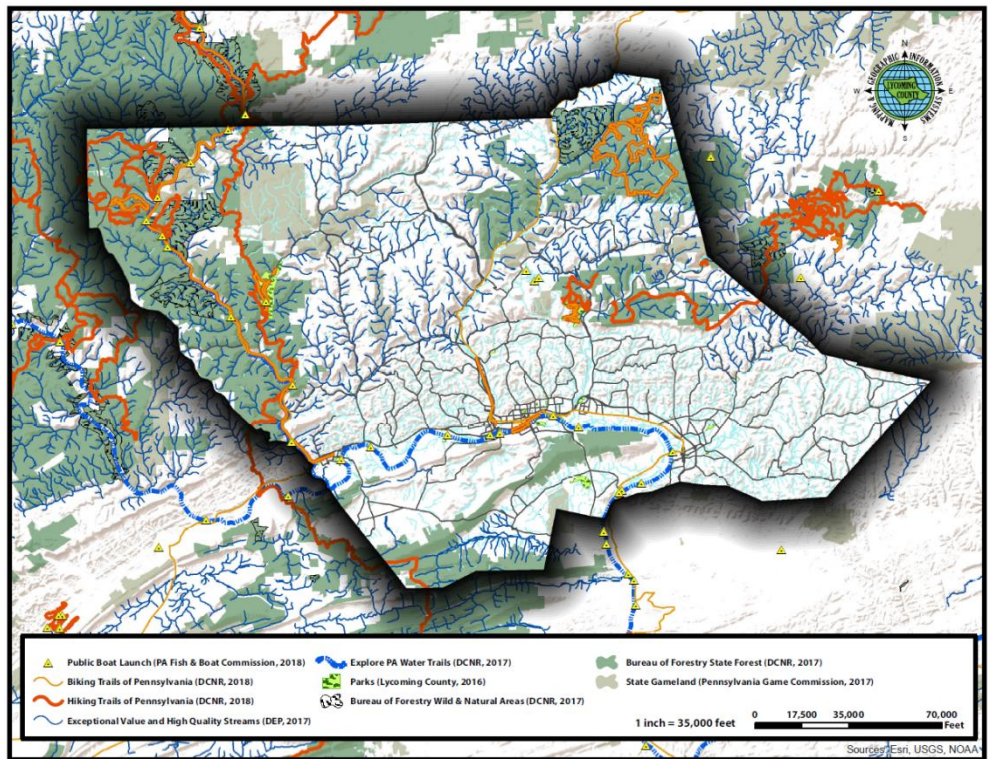


Figure 18: Lycoming County Outdoor Recreation Resources
Source: PCD

Lycoming County serves as the eastern gateway to the PA Wilds region, a PA DCNR Conservation Landscape Initiative and tourism promotion region in northcentral Pennsylvania that includes twelve counties and extends to Warren and Clarion counties in the west. It is known for its two million acres of public land, its two National/State-designated Scenic Rivers, the largest elk herd in the Northeast, and some of the darkest skies in the country. Its natural resources are what drive the economy. In fact, the PA Wilds Center reports \$1.7 Billion of annual visitor spending in the region. As one of the major gateways, Lycoming County is well-positioned to capitalize on both the rural and urban aspects of the visitor demand to this region. The City of Williamsport is

the largest city and urban hub in the region. It provides the support system and infrastructure to the outdoor recreation industry.

According to the 2017 Outdoor Industry Association report [The Outdoor Recreation Economy](#), outdoor recreation creates \$887 billion in consumer spending annually and contributes to the creation of 7.6 million jobs in the United States. Ten percent of the spending was reported to have occurred in the Middle Atlantic States, including Pennsylvania. These huge spending numbers indicate a national appetite for the recreational resources offered in Lycoming County. It is likely that this sector of the economy will continue to grow and the County's proximity to the dense population centers in the east coast metropolises is a significant advantage for this County.

With careful planning and management, natural resources and outdoor recreational assets have the ability to add another dimension to the marketability of Lycoming County, both from a business and investment standpoint as well as from a tourism promotion perspective. Capitalizing on these assets will also further diversify the economy. This includes recognizing and promoting local parks, lands and facilities as well as regionally significant initiatives such as the PA Wilds, Lumber Heritage Region, and the Susquehanna Greenway Partnership's Rivertown Revitalization Strategic Initiative.

The Lumber Heritage Region (LHR) is one of twelve PA State-designated Heritage Areas. LHR focuses on conserving and enhancing the lumber resources of the area while promoting its heritage for tourism development. It also serves as a resource to the PA hardwoods industry and keeps the economic impact of the region in the forefront. Lycoming County is one of fifteen partnering counties in northcentral Pennsylvania.

Nature Tourism or Nature-Based Tourism is tourism based on the natural attractions of an area. Examples include hiking, camping, kayaking, canoeing, photography, birdwatching, stargazing, hunting, fishing, and visiting parks. These kinds of experiential tourists want to experience what is real and authentic and they want to be immersed in a rich natural, cultural, or historical experience.

Nature-based tourism provides incentives for local communities and landowners to conserve wildlife habitats upon which the industry depends – it promotes conservation by placing an increased value on remaining natural

Economic Impacts of Trails

Numerous studies have demonstrated that trails improve the local economy by increasing nearby property values and resulting tax revenues, increasing expenditures by residents on recreation, providing business opportunities, and attracting tourists who spend money on lodging, food, and recreation-related goods and services. Studies conducted for two Pennsylvania trails demonstrate the positive economic impacts. The Pine Creek Rail Trail here in Lycoming County was found to generate \$1 to \$1.5 million in annual spending on "hard goods" (e.g., supplies), \$2.5 million to \$3.6 million annually on "soft goods" (e.g., meals), and \$1.3 million to \$1.85 million annually on overnight stays. The Heritage Rail Trail County Park (which extends from the Maryland state line to downtown York) was found to generate \$1.6 to \$2.1 million in spending on hard goods, \$3.05 to \$4.1 million in spending on soft goods, and an average of \$51.15 per overnight stay (including those who stayed "for free" with a friend or relative) in 2007.

Source: Pine Creek Rail Trail 2006 User Survey and Economic Impact Analysis, Rails-to-Trails Conservancy, Northeast Regional Office, December 2006; Heritage Rail Trail County Park 2007 User Survey and Economic Impact Analysis, Carl R. Knoch, Chairman, York County Rail Trail Authority, November 2007.

areas. As nature tourism becomes more important to the local economy, communities have additional incentive to conserve their remaining natural areas for wildlife and wildlife enthusiasts. The economic impact of nature tourism is real and apparent in Lycoming County with the best example in the Pine Creek Valley surrounding the Pine Creek Rail Trail.

There exists opportunity for increasing business opportunity in a broad range of ecotourism or nature-based tourism services such as: guided trips; outfitters; camp grounds and cabin rentals; dining and food services; equipment rentals for hikers, bikers, and kayakers/canoers; and shuttle services.

Furthermore, Nature-Based Placemaking is an evolving, integrated theory that utilizes a community’s natural, outdoor recreational resources (its assets), the recreational activities associated with those resources, and the potential economic impacts of those activities on the communities involved.^{xxv} The Nature-Based Placemaking concept links PA DCNR’s Conservation Landscape Initiatives with a complementary concept that supports communities and regions that are actively engaged in projects that include: sustainability, conservation, community

revitalization, and recreational projects. When all of these components work in cooperation and conjunction with one another, a Total Quality Experience (TQE) is created (Figure 19). In 2017, the Pennsylvania Downtown Center created a handbook for “utilizing a community’s natural outdoor recreational resources to create a total quality experience and support local community and economic development.”

Cultural Resources

Lycoming County has a rich history and strong set of cultural assets that contribute to the high quality of life and attract visitors to the region. Williamsport in particular is home base for most countywide arts, culture, and history organizations. Leveraged together, these historic, cultural, and arts based assets provide an opportunity to grow the economy by positioning the County to have a competitive edge in the region.

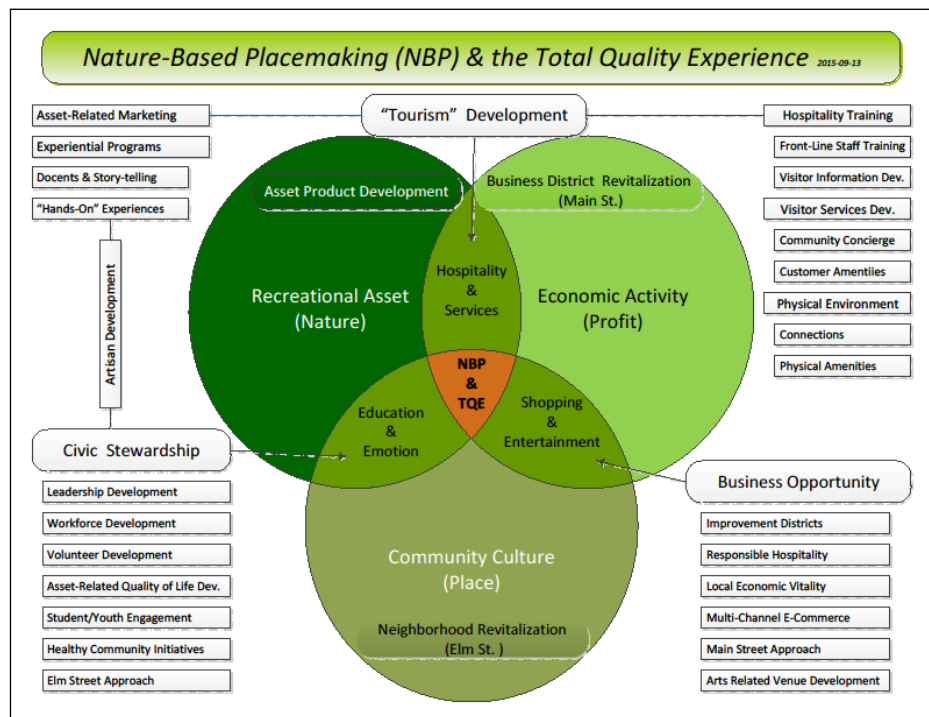


Figure 19: Nature Based Placemaking Diagram
Source: [The Nature-Based Placemaking Handbook, Pennsylvania Downtown Center](#)

Historic Resources Historic resources often help bring a sense of place to our communities and give communities character. Historic structures are unique properties and contribute to the sense of place and identity of a community. Notable historic resources include:

- National Historic Districts in Jersey Shore, Muncy Borough, and Williamsport (Millionaires' Row)
- Original Little League Field - Williamsport
- BB&T Ballpark at Historic Bowman Field – Williamsport
- Pajama Factory – Williamsport
- Little League International Headquarters & Little League World Series – South Williamsport
- Eagle Grange No. 1 – Clinton Township
- Rural character/ natural features

Historic preservation has long been a theme in prior County plans. In 1971 Lycoming County Planning Commission first completed a countywide historical site survey that identified 273 historic resources within the County. The 1971 report, the "Historic Sites and Landmarks of Lycoming County," served as the foundation for the County's 1974 Historic Preservation Plan. Recommendations of this Historical Preservation Plan are still relevant today, as is the inventory of historic buildings in the County. This paper inventory has since been digitized, and inventory work has continued.

Additionally, in 2015, Lycoming County undertook a survey of historic structures to identify significant properties in the City Williamsport, Jersey Shore Borough, Muncy Borough, and Montgomery Borough. Interest has been expressed in enhancing these historic sites and preserving access to structures to preserve the heritage of the area. Also in 2015, the Lycoming County Department of Planning and Community Development created a Heritage Plan Map as part of its LycoMap series. This interactive map includes sites listed on the County's 1971 historic resource inventory, 1974 historic preservation plan, and the 2015 draft Williamsport Historic Structures Survey. The map also includes sites listed on the National Register of Historic Places and historic districts in Jersey Shore, Muncy, and Williamsport.

Additional historic sites of varying types exist throughout the municipalities; however, there is a lack of formal identification or recognition of their importance or current conditions. Without formal identification and assessment, these structures are at risk of deferred maintenance, deterioration, or demolition. Identifying risks and preserving these structures and their settings is critical to the protection of the character of the County. Therefore, continued efforts are needed to identify, protect, and preserve local historic and cultural assets and promote cultural activities. To ensure protection of local character and history throughout the County it is important to inventory additional historic assets, assess their conditions, and pursue opportunities for preservation.

Arts & Culture The County has a rich cultural history and hosts many historic structures and sites. The City of Williamsport in particular is home base for most countywide arts, culture, and history organizations, such as Lycoming Arts, Lycoming County Historical Society, Williamsport Symphony Orchestra, Williamsport Community Concert Association, Williamsport Civic Ballet, and many others. Within the local arts community,

much work has been done over the last decade to promote Williamsport as a cultural hub in northcentral Pennsylvania. Notable arts and cultural resources include:

- Community Theatre League - Williamsport
- Community Arts Center - Williamsport
- First Friday celebrations in Williamsport and Fourth Friday events in Muncy Borough
- Pajama Factory - Williamsport
- Downtown Williamsport art galleries

Arts and cultural experiences help enhance the social capital of the community and increase the sense of collective identity of a place. Cultural amenities are important not only to help maintain the quality of life for exiting Lycoming residents but also to help attract and retain a workforce to support a strong local economy. Furthermore, the presence of arts organizations and prevalence of arts events may play a role in attracting residents and businesses to (re)locate to a community by improving its image and increasing its appeal. In particular, Lycoming County is fortunate to serve as the eastern gateway to the Pennsylvania Wilds which touts the value of the outdoor experience in north central/northwestern PA and recognizes the value of growing and connecting unique small businesses in the PA Wilds region. Many of these small businesses are focused on the arts and the interpretation of the great outdoors as an art form. Lycoming Arts, a countywide non-profit arts promotion agency, believes a stronger connection to the PA Wilds organization will allow them to position themselves to promote “where the arts have gone wild.”

Based on feedback from Lycoming County citizens, local stakeholders, subject area experts, and local leaders, the following cultural, historic, and arts opportunities have been identified:

- Increase public awareness of cultural and historical resources in the County
- Identify and preserve historical resources in the County
- Recognize the arts and cultural assets as an economic driver
- Evaluate existing zoning, building codes, and subdivision and land development regulations, to ensure these are conducive to promotion of a vibrant and livable community
- Support culture, arts, and heritage trail initiatives and related destinations in any areas designated by municipalities as culturally and historically significant (such as the Lumber Heritage Region or PA Wilds)
- Promote implementation of the Pine Creek and Lower West Branch Susquehanna River Conservation Plans and Loyalsock Creek River Conservation Plan (under development)

Key Implications

Without a coordinated strategy for identifying the economic potential of both the traditional and non-traditional economic growth sectors, the County runs the risk of not realizing the true economic potential of its assets and competitive advantages. While it is important to work to reverse negative trends in the County’s traditional economic base, it is equally important to acknowledge change and to work towards leveraging key assets and diversifying the regional economy. Failing to address these nuances will result in a loss of market share to other areas, a continued disconnect within the workforce between the needs of the businesses and industries and its

workforce, and the eventual departure of significant businesses from the local economy. Unless a balance between local workforce talent/skill and the changing economy is achieved, the County will continue to compromise its ability to attract and retain businesses that rely on an adaptable workforce.

Without acknowledging and preparing to pursue a continued diverse economy and one steeped in capitalizing on its assets will only erode the overall economic potential of the County and the communities within. It could also jeopardize the County's ability to maintain that its quality of life is its number one asset.

Projects of Countywide Significance for this Issue

COMMUNITY DEVELOPMENT FUND

Lycoming County and the Williamsport/Lycoming Chamber of Commerce have historically been quite successful in securing state and federal funds to advance economic and community development projects. These external funding sources have been in the form of direct cash assistance or tax credits. In addition, the County has been able to allocate a limited amount of local funds, such as Community Development Block Grant funds (CDBG) and Act 13-derived funds, to some of these projects. Yet, for several economic-related initiatives there is a funding gap that either delays or shortstops the project altogether.

While both the County and Chamber should continue to aggressively pursue state and federal funds, there is a need for both entities to explore establishing a joint funding revenue program to implement selected economic resiliency projects. This may be manifested in a County-initiated and managed long-term funding source, such as a bond funding, to help advance high priority economic resiliency projects in a timelier manner. Together, the Chamber and County could encourage local financial institutions to reinvest in the community by promoting economic resiliency initiatives.

ECONOMIC DEVELOPMENT TEAM

As was discussed in the 2006 County Comprehensive Plan, establishing a County economic development partnership team would be a beneficial tool to meet various economic development needs and address opportunities that arise throughout the County. This partnership would meet on a regular basis to coordinate processes and resources, including financial, human and technical resources, in order to accomplish desired projects. Partners include the County Planning Department, Williamsport/Lycoming Chamber of Commerce, Penn College of Technology, Lycoming College, municipalities as needed, water and sewer authorities, and other authorities or organizations as needed.

REVIEW AND AMEND ZONING ORDINANCES TO ALLOW FOR CHANGING AGRICULTURAL PRACTICES

As Agricultural practices shift and change over time, it is important to ensure that respective zoning ordinances remain up-to-date and relevant to accommodate the industry's needs, within reason and appropriate to the district. Land use regulation inconsistencies between municipalities and the County ordinance should be monitored and adjusted to allow for flexible practices. This should include the allowance for the use of ancillary businesses, as appropriate.

SUPPORT ECONOMIC DIVERSIFICATION EFFORTS

- Identify the market potential for the healthcare sector, manufacturing, plastics and petrochemical industries, other commercial business enterprises, and the site characteristics needed
- Inventory industrial and commercial sites in the County together with recommended site improvements that may require infrastructure investments
- Identify efforts to expand the arts and cultural business sector
- Identify efforts to improve small business development and provide start-up business financing that promotes small start-up businesses

ASSIST WITH THE REVIEW OF MUNICIPAL ORDINANCES TO ENSURE SUSTAINABILITY OF MIXED-USE DISTRICTS

Many zoning ordinances have been amended and re-written over the years to mimic suburban-style development even in the densest commercial districts in core communities. Redevelopment of these districts does not support the core community's traditional development pattern nor does it provide the greatest opportunity for tax revenue generation. Finding solutions to reduce the vacancy rate of street level stores and promote the adaptive reuse of second floor space in commercial office buildings through ordinance provisions is also an objective.

DEVELOP A STRATEGY TO HELP CAPTURE OPPORTUNITIES RELATED TO THE PLASTICS AND PETROCHEMICAL INDUSTRY

Leverage the existing efforts of Penn College of Technology's Plastics Innovation & Resource Center (PIRC) to educate the future workforce and promote the plastics manufacturing sector. Municipal officials and the Chamber can study the market potential in the County and inventory the vacant and underutilized sites in the industrial zones and identify the necessary improvements needed for the future development of these businesses. Municipal and County officials can work to continue to improve the development approval process for new and redevelopment proposals. They can also work together to review current ordinances and development regulations to determine if they are relevant for these types of businesses.

UPDATE THE COUNTY HISTORIC PRESERVATION PLAN

The last Historic Preservation Plan was completed in 1974. This plan identified all known structures that were over 50 years of age at the time. Since then, a limited historic structures update was completed in 2015 for the communities of the City of Williamsport, Jersey Shore, Montgomery, and Muncy. Without formal identification and assessment, the County's most historically and culturally significant structures are at risk of deferred maintenance, deterioration, or demolition. Identifying risks and preserving these structures and their settings is critical to the protection of the character of the County.

If historic and cultural resources are not protected, they are at risk of obsolescence. The loss of these resources may have cascading impacts for the area including diminishing the character and heritage of the County and its municipalities. This plan will help document, promote, and protect significant cultural and historical resources particularly in the rural areas of the County. It will create partnerships and implement tools that will improve the preservation of historically and culturally significant assets throughout Lycoming County.

Through a partnership of local planning commissions, PCD, and historical and cultural organizations, this project will explore opportunities for increased preservation through a variety of potential methods including updating the County Planning Department’s inventory of cultural and historical assets, delineating historic districts, providing public education, improving access to historic assets, as well as offering incentives and revising zoning and code ordinances to foster the adaptive reuse of historic structures.