

Chapter 7

Economic Development Plan

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

The citizen survey revealed that the stability and vitality of the Region's character and economy is a concern for area residents. The respondents are also concerned about the loss of rural areas to residential development. A coordinated economic development strategy involving smaller scale uses could be directed to the village areas of Oley, Pricetown, and Breezy Corners; and larger-scale enterprises could be directed toward the PA Route 73 Corridor in several locations in the Townships as well as the PA Route 12 Corridor north of the City of Reading, which are appropriate for larger scale commercial and office uses. Industrial development should be directed toward existing industrially zoned areas of the Region. Existing uses such as the Eastern Industries and Allentown Cement Company Quarries should be buffered to prevent incompatible residential development adjacent to these sites.

The Costs of Land Use

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

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

industrial, and farm and open land provides more revenue than they require in expenditures. These findings are consistent with those in other states, according to the study. A summary of this study can be found in Appendix B.

Encouraging Economic Vitality

Municipalities can support economic vitality through municipal ordinances. Amending zoning ordinances to allow additional commercial and industrial development, as well as adaptive reuse of older buildings is one method. Streetscape enhancement of commercial areas and entry or “gateway” enhancements are others. The townships must take advantage of the public/private partnerships that exist and provide leadership to the business community to help establish a common focus for future economic development.

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

The employment by Industry, Table 7.1, clearly shows manufacturing to be the largest category of employment in the Region and the County. Education, Health, and Social Services is the second largest category for each municipality in the Region, as well as, the County of Berks. Alsace and Ruscombmanor Townships and Berks County rank Retail as the third largest category while Oley has three very closely tied categories with 10% of the population identifying their third largest employment by industry as Professional, scientific, management, administrative, and waste management service, 9.9% as Construction, and Retail trade as 9.7%.

The categories of employment with the least amount of responses are information and Agriculture, Forestry, Fishing and Hunting, and Mining. Oley has the largest number of the latter category but these are mostly in the mining industry.

TABLE 7.1: EMPLOYMENT BY INDUSTRY

Employment by Industry								
Alsace Township, Oley Township, Ruscombmanor Township and Berks County								
2000								
	Alsace Township		Oley Township		Ruscombmanor Twp		Berks County	
	Number	%	Number	%	Number	%	Number	%
Agriculture, forestry, fishing and hunting, and mining	22	1.1	52	2.8	20	1.0	3,215	1.8
Construction	187	9.7	181	9.9	137	6.6	10,591	5.9
Manufacturing	551	28.4	475	25.9	602	29.2	43,600	24.1
Wholesale trade	99	5.1	62	3.4	40	1.9	6,873	3.8
Retail trade	261	13.5	178	9.7	235	11.4	21,804	12.1
Transportation and warehousing, and utilities	134	6.9	87	4.8	123	6.0	8,896	4.9
Information	12	0.6	31	1.7	32	1.6	3,060	1.7
Finance, insurance, real estate, and rental and leasing	104	5.4	57	3.1	86	4.2	11,582	6.4
Professional, scientific, management, administrative, and waste management services	77	4.0	184	10.0	133	6.5	13,575	7.5
Educational, health and social services	263	13.6	306	16.7	424	20.6	33,496	18.5
Total	1,710	88.3	1,613	88.0	1,832	89.0	156,692	86.7

Table 7.2: Employment by Sector chart indicates the total employment and change to employment in the Reading Metropolitan Statistical Area. In Berks County, the largest reduction to Employment by Sector has been in Retail Trade and Manufacturing, 33.7% and 29.3% respectively. The largest increase has been in the Government sector at 28.6% and Transportation 17.5%.

TABLE 7.2: EMPLOYMENT BY SECTOR

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

Source: PA Dept of Labor & Industry

The median annual household income is a good indicator of the stability of a Region. All three Townships exceed the Berks County median annual household income in 1999. Ruscombmanor Township has the highest median annual household income at \$56,813 while Berks County has the lowest at \$44,714. Alsace Township, \$46,500, has the least as compared to the other two Townships in the planning region but is still higher than the County. The percent of persons below the poverty level is very similar in both Alsace and Ruscombmanor Township at 4.4% and 4.2% respectively. The County percent below poverty is double the amount of Alsace and Ruscombmanor. Oley Township has the least amount below poverty with only 2% falling into that category. Alsace Township has the lowest number of people with a bachelor's degree or higher and the lowest percentage of high school graduates or higher.

**TABLE 7.3: MEDIAN ANNUAL HOUSEHOLD INCOME, POVERTY LEVEL
EDUCATION**

Median Annual Household Income, Poverty level, Education Alsace Township, Oley Township, Ruscombmanor Township and Berks County 2000				
AREA	Median Annual Household Income in 1999	Percent of Persons Below the Poverty Level	Percent Bachelor's Degree or higher	Percent High School Graduates or Higher
Alsace Township	\$46,500	4.4	11.1	76.8
Oley Township	\$52,151	2.0	18.3	85.2
Ruscombmanor Township	\$56,813	4.2	20.3	81.3
Berks County	\$44,714	9.4	18.5	78.0

Source: U.S. Census

Economic Development:

Goal: To sustain and enhance the economic vitality of the Region while Identifying appropriate locations for environmentally responsible industrial, office, retail, and service uses that are appropriate in scale and character to the Region in a cost efficient manner.

Objectives:

- Make sure local ordinances and codes do not discourage responsible business from locating in designated business areas.
- Encourage mixed use development in village areas zoned for business to maintain the economic viability of commercial structures.
- Enhance tax revenue from business development to balance the residential share of the property tax base.
- Promote job creation for local residents through cooperative efforts of municipalities, the county, economic development agencies, businesses, and educational institutions.
- Protect the Region’s natural and agricultural resources as economic development occurs.

- Encourage the adaptive reuse of vacant and underutilized properties in the Region.
- Protect natural, cultural and recreational resources to enable tourism based on nature and cultural, recreation, educational, and family activities.
- Retain existing business and industries and identify strategies to attract desirable new ones.
- Identify and designate appropriate target areas for future economic development and determine the types of economic development that are most appropriate for the Region.
- Consider establishing wireless internet hotspots in appropriate areas.
- Establish the responsibilities of developers in providing improvements.
- Establish standards to improve the design and appearance of new commercial and industrial development.
- Provide alternatives to strip commercial development.
- Encourage diversification of funding sources for municipal governments and school districts to achieve equitable taxation policies.

Encourage resident-owned small businesses in existing mixed-use areas. .

Target Areas

Economic development planning is not only the responsibility of the municipal officials. Local economic groups, non-profit organizations, business and property owners, and local and State legislators all have a stake in the economic well being of the Region. The Region is home to several economic development groups such as the Berks County Industrial Development Authority and the Berks County Chamber of Commerce. These groups need to establish a consistent approach and common focus for future economic development and work closely with the public and private sectors to avoid duplication of efforts. The first step to improve the climate for economic development and develop a community wide vision is to identify the crucial or ‘target areas’ that present the most future economic development potential in the Region. The Region’s most intense future commercial development should occur in two areas: along PA Route 73 in Oley Township, and PA Route 12 in Alsace and Ruscombmanor Township.

PA Route 73 Corridor – Oley and Ruscombmanor Townships

The commercial areas in Oley and Ruscombmanor Townships include the Villages of Pleasantville, Oley, and Breezy Corners. PA Route 73 intersects with PA Route 662 near Oley, and PA Route 12 in Breezy Corners. The development potential for these areas includes retail and convenience commercial uses, as well as ancillary and specialty commercial uses. In the Village Areas adjacent to the commercial areas, the uses should be less intense and adhere to design standards that encourage visual consistency along this corridor by regulating access management, signage, landscaping, setbacks, and streetscape improvements.

PA Route 12 Corridor – Alsace and Ruscombmanor Township

The commercial areas along PA Route 12 in Alsace Manor, Breezy Corners, and Pricetown, as delineated on the Future Land Use Map, should be reserved for commercial or office development. This area, because of its location within a growth area, in which medium to high density housing is expected to occur, and because of its potential to be served by public sewer and water, is an ideal location for economic development activities in the Region. The Transportation Plan, recommends access management, and intersection improvements on PA Route 12 to accommodate future commercial and business development and the additional traffic it will create.

Village of Oley, Oley Township

The Village of Oley is appropriate for smaller scale commercial and business development, however, this development should consist of low-impact, village-oriented land uses. Convenience commercial, antique shops, and other unique shops that bring character to the Village should be encouraged. Access management should be a key consideration, and any development in the Village should consider shared access and rear parking facilities.

Main Street is the main thoroughfare through the Village, and runs directly through the business district as well as the historic district. Fortunately, PA Route 73 handles the large volumes of thru traffic, however, the Township must strive to make the Village a destination. Economic development follows people, so Oley must become a gathering place. It must have a pedestrian-friendly design that accommodates informal gathering places mixed in with stores, restaurants, coffee shops, and office uses.

Foster a positive image through special events, programs, music and art festivals, and holiday decorations. Promote the historic and cultural heritage of the Region

as a means to promote tourism. Marketing tools such as banners, brochures, and restaurant/shopping guides should be produced.

The provision of a sidewalk (or trail) system throughout the Region is another method to enhance social interaction and the sense of place. Such a system could provide bicycle and pedestrian access to the Village as well as recreational opportunities to residents in surrounding areas.

Currently, the Village does not have any serious parking problems, but this should be monitored to determine if problems develop in the future. A lack of on-street parking within the business district will adversely affect future commercial investment or re-development.

Actions:

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

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

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

- B. Amend municipal ordinances to improve community image by enhancing physical appearance. Enhance the appearance of public areas, including buildings, street lights, window displays, parking areas, signs, sidewalks, benches, landscaping, trash receptacles, utility poles and lines, and public phones. Enhance the Village Gateways and the commercial areas through design criteria that is uniform and compatible with the area's rural and historic character
- C. Maintain a dialog with businesses in the community to determine their needs and concerns in order to retain existing businesses and ensure their experience in the Region is positive.
- D. Work with telecommunications companies to ensure that adequate telecommunications facilities, including fiber optics, are available to businesses in

the Region. Seek to create wireless hotspots in the Village of Oley to encourage patronage of the Village's businesses.

- E. Work with the Berks County Industrial Development Authority and the Berks Chamber of Commerce to secure potential funding for land purchase and infrastructure improvements to support economic development in the Region.
- F. Refine zoning policies for home employment and no-impact home-based businesses.
- G. Inform economic development agencies of areas and buildings zoned and available for commercial and industrial development in the Region.
- H. Investigate programs providing financial incentives for the re-use of old buildings and tax lien forgiveness to re-use buildings, and preserve historic sites. Work with PADCED.
- I. Support the necessary legislation to authorize impact fees in addition to those which can now be charged. Work to establish consistent policies on use of impact fees within the Region.
- J. Investigate opportunities for streamlining processes for economic development that will enhance the economy and quality of life of the Region.
- K. Review opportunities created with the recent passage of Pennsylvania's Economic Stimulus Package, including such programs as Business in Our Sites and Tax Increment Financing Guarantee Program.
- L. Encourage local restaurants to provide outdoor seating facilities, particularly in the Villages.
- M. Continue to market the historic and agricultural resources of the Region as tourist attractions, and provide brochures to provide information on the Region's dining and shopping facilities.

ECONOMIC DEVELOPMENT PROGRAMS

Keystone Opportunity Zones (KOZ)

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

Eligibility:

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

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

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

Enterprise Zones

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

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

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

Where to Apply - DCED Customer Service Center

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

Competitive grants-to-loans can total up to \$500,000 and can be loaned to private sector firms in the zone.

Additional Programs / Opportunities

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

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

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

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

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

Specific Plans

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

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

A specific plan is a tool that can be used by municipal governments for the systematic implementation of a comprehensive plan. It establishes a link between the policies of the comprehensive plan and development proposals in a specifically defined area. Provisions

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

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