

## **Section 5: Economic Development**

### **Introduction**

This section includes three goal areas, each addressing a separate element of economic development including the future of agriculture as the Region's economic engine, revitalization of downtown Manheim Borough and continued investment in the Region's commerce and industry. Each goal along with background information, objectives and strategies are described in the following pages.

### **Recommendations**

#### **Goal 5.1: Ensure the long-term viability of agriculture as an economic engine for the Region.**

#### **Objectives**

- Continue farmland preservation initiatives
- Expand agricultural preservation initiatives from protection of farmland to support of farming as an industry

#### **Background**

Agriculture is the primary element in the economic make-up of the Region. In the two townships, the majority of land is used for agricultural purposes such as cash crops (primarily corn, other vegetable and melon crops), livestock (dairy and beef cattle) and poultry (broiler chickens, egg production and hatcheries). According to statistics from Dun and Bradstreet, the greatest yearly sales volumes are among the egg producers (\$13 million), followed by the dairy farms (\$6.8 million). There are three ornamental nursery operations that generate \$2.1 million in sales. Landscaping and lawn and garden services are well represented in the Region, employing more than 70 people, and these firms generate more than \$7 million in sales each year. As one would expect, there is no significant agricultural production in the Borough, though it is home to a number of businesses that support agriculture and lawn and garden services.

Penn and Rapho Townships have done an excellent job of preserving land for agricultural use through their zoning and land use controls. During stakeholder interviews and Steering Committee meetings farmers and others identified a need to expand from preservation of farmland to preservation of farming as a business. The Land Use Element of this Plan focuses on strategies to continue and enhance farmland protection; this element proposes several strategies to support the agricultural industry.

#### **Strategies**

##### **5.1.1. Identify the role that Manheim Area Economic Development Commission (MAEDC) can play in expanding agricultural economic opportunities**

MAEDC has been successful in attracting businesses and development to the Keystone Opportunity Zone (KOZ). As the KOZ becomes built out, MAEDC could be transitioning to expand its role as an important regional economic development organization. MAEDC could explore growing its economic development role to support and expand the Region's

agricultural industry. MAEDC brings considerable experience in utilizing available public resources to encourage private enterprise.

**5.1.2. Identify financial and policy incentives to support and enhance the economic success of the farming industry**

A considerable portion of the Region's agricultural land is preserved through development easements. The purchase of agricultural land development easements provides a one-time economic benefit, making in an attractive incentive that has been used widely in Lancaster County. The concern of many farmers is that the one-time benefit is not necessarily sufficient to support the farm over time. Though Rapho does not currently levy a property tax, another farm preservation tool to be considered is an annual property tax credit. To be eligible, properties and farming operations would be required to meet certain criteria, such as farm size, percentage of land in cultivation and percent of a farmer's annual income that comes from farming. It should be noted that the School District does offer a homestead/farmstead exclusion, though the exclusion for the 2009 tax year was only about \$130.

Alternatively, the townships could consider offering a rebate or refund of Earned Income Tax payments to residents employed full-time or exclusively in agriculture. Another way to support farmers is to freeze the millage on preserved farms. Act 4, passed by the Commonwealth in 2006, permits municipal governments to freeze the millage rates on agricultural land that has been preserved for agricultural use. This is a useful incentive to assist in the maintenance of farms, and can be an integral part of the townships' support of farming as a business.

**5.1.3. Develop transfer of development right (TDR) programs as a potential farmland preservation tool**

Penn Township has funding to pursue the feasibility of using transfer of development rights to fund preservation of farm land, open space and forest land. The Township has expressed an initial interest in perhaps limiting the use of transferred development rights to commercial uses, a limitation that may well reduce concerns about densification in the TDR receiving areas. This strategy is included in the Economic Development Element because, if structured as such, it could become an incentive for redevelopment along the Doe Run corridor and/or Route 72 near the Manheim Auto Auction.

Penn Township should use this funding to develop a plan for how TDR could be used to preserve land and to incentivize the types of commercial development it would like to see. Some issues to consider include:

- Location of receiving and sending areas
- Tools to address varying land costs, particularly in the receiving area
- Amount by which the base density would need to be lowered in receiving areas to make TDRs economically attractive for developers
- Tools to administer the program and make it easy to understand
- Performance and design standards for the receiving areas to ensure development is attractive and supports the surround community

### **5.1.4. Support the development and implementation of alternative energy generation systems in agricultural and other areas to provide local energy sources and additional income for farmers and rural landowners**

New technologies are presenting farmers and other landowners with an increasing number of options for the generation of energy for use on the farm or possibly for market sale. These alternatives include geothermal, which in an open loop system, would not adversely impact the water table, wind farms, solar energy and anaerobic digester systems. The practicality of each of these systems depends upon the location and nature of the land and area, but they are worthy of exploration, as technologies improve.

In the course of the farm operator interviews, considerable interest was expressed in the anaerobic digester methodology as a means to handle large quantities of waste matter in a productive and useful fashion.

The Townships should ensure that zoning does not impede the implementation of these technologies if they are appropriately located so as not to negatively impact adjacent property owners or detract from economic development opportunities in the area. Farmers and other landowners should work with legislators and other public officials to develop and maintain grant, loan and rebate programs to support the use of these developing technologies. A roster of existing Pennsylvania programs that support alternative energy programs can be found at the Website [www.dsireusa.org/incentives](http://www.dsireusa.org/incentives).

### **Goal 5.2: Facilitate continued reinvestment in downtown Manheim Borough and the Doe Run corridor to support a healthy, sustainable economic future for the Region's core.**

#### **Objectives**

- Support Manheim Downtown Development Group
- Develop a Downtown Manheim Master Plan
- Encourage private reinvestment in the Borough
- Create a welcoming pedestrian environment in and around Manheim Borough

#### **Background**

Manheim Borough has long served as the commercial and industrial hub of the Region, and after two decades of decline, has the potential to become a significant commercial and industrial center again. In the past, a number of industries operated in Manheim, took advantage of rail connections, available labor and proximity to other manufacturing operations in Lancaster, York and Reading to operate their enterprises. The largest firm in the Borough for many years was Raymark, a manufacturer of brake linings and other asbestos-related auto parts. The firm employed as many as 1,500 persons on a large site and building complex in the southeast quadrant of the Borough. The firm gradually downsized the Manheim operation in the 1980s and 1990s, while confronting asbestos-related litigation. Raymark closed the facility in 1996, went through bankruptcy proceedings, and eventually transferred ownership of the property to The Phoenix Group, which continued environmental cleanup and development activities at the site.

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In 1999, Manheim Borough, and the Manheim Area Economic Development Corporation obtained Keystone Opportunity Zone status for the site. This designation offers a number of incentives to developers and tenants. The aggressive actions of the Borough, the Economic Development Corporation and the developer, supported by the cooperation of the School District and Penn Township, have led to success in redeveloping the site and attracting a range of businesses. Carel USA, a manufacturer of humidification equipment, has located a 36,000 square foot facility on the site. Other major employers on the site include Garden Spot Electric, Garden Spot Mechanical and Clair Brothers Audio Systems. A number of smaller establishments such as auto repair shops and construction contractors are located in other buildings on the 117 acre site.

Though some of the KOZ site along Chiques Creek is in a floodway, steps are being taken to reduce or eliminate this hazard, and several of the older buildings are being renovated. Infrastructure throughout the site is being upgraded and access to the site is being improved. Rail service is available though no tenants have taken advantage of this capability to date. On-going environmental remediation, flood abatement, infrastructure improvement and building renovation activities speak to the commitment to make this site a viable economic force in the Region.

Adjacent to the Borough in Penn Township, the Doe Run Road corridor has water and waste water services and offers opportunities for continued development for both commercial and light industrial uses. The area also abuts the KOZ site, though the area connecting them in a floodplain. There is opportunity for development in the Township as well as the creation of synergy with the KOZ development.

In addition to the considerable employment and industrial opportunities in this area, downtown Manheim and the Doe Run corridor form the retail/commercial center of the Region. The downtown Borough is dotted with small restaurants, shops and professional offices. The Doe Run corridor contains a shopping center, other retail, restaurants and a smattering of light industrial development. However, the character of the two areas is very different. Despite high traffic volumes and considerable truck traffic, the Borough's downtown maintains a traditional "main street" design, while the Doe Run corridor is characterized by suburban strip-style development. Both areas would benefit from improved pedestrian connections between the two and streetscape improvements that would allow area workers and residents of both communities to travel through and between the two areas by foot.

### **Strategies**

#### **5.2.1. Review and revise land use and other policy and incentive programs to support reinvestment in the Borough's commercial districts**

Though the Borough has a significant and active business community, there is an expressed need for the Borough to present itself as a more business-friendly place. As discussed in more detail in the Land Use Element, the Borough should review its land use, policy and incentive programs with respect to density limitations, retail limitations, and outdoor dining, as well as addressing downtown development standards. We recommend approaching this as an integrated "package" of issues with the objective of developing a coherent and complete set of changes that support reinvestment and economic growth in the commercial districts.

### **5.2.2. Develop a corridor plan for Manheim Borough and the Doe Run corridor**

Though the two areas are different in nature, they do have common problems – that is overall attractiveness, active uses, traffic concerns and consistency in appearance. The Borough’s downtown overall is attractive, but needs sidewalk repair and street improvements, as well tools to address traffic volumes and flow. The Doe Run corridor is less pedestrian-oriented than the Borough and is in need of safe walkways to link shopping, the businesses located in the Keystone Opportunity Zone (KOZ), and the downtown, consistency in signage and appearance and some improvements to traffic flow.

Penn Township has received funding for a streetscape plan for the North Penryn Road and Doe Run Road corridors under Lancaster County Municipal Transportation Grant Program. The plan should consider sidewalk design, bike access and landscaping as well as signage and development standards (building heights, position on the lot, uses, etc.) that would enhance the physical appearance, economic attractiveness and multi-modal access of the Doe Run and Penryn corridors. Penn Township should coordinate with the Borough on transition areas from the Borough into the Township. This is not to say that each community needs to have exactly the same design, but the transition should be attractive and comfortable for drivers, pedestrians, cyclists and transit users.

A streetscape plan alone will not transform this area to connect the Borough and Penn Township; the zoning must also be evaluated to encourage appropriate, neighborhood serving retail and office uses.

As discussed in more detail in the Transportation and Land Use Elements, special consideration should be given to evaluating proposals for some type of a truck by-pass so that the business community is not adversely affected by a diversion of traffic.

**Goal 5.3: Promote continued investment in the Region’s commerce and industry to attract jobs, provide access to goods and services, and support a strong, diversified tax base.**

#### **Objectives**

- Encourage commercial infill development along Doe Run Road
- Continue to encourage new development in the Rapho Triangle Area that complements and supports that in the adjacent Mount Joy Borough
- Coordinate provision of jobs, housing and transportation infrastructure to sustain the Region in the future
- Create a local tourism draw, building on the 250th anniversary of the Borough’s founding, the Borough’s historic district, agri-tourism, natural resources, and other regional attractions.

#### **Background**

The Keystone Opportunity Zone (KOZ) has been successful and represents an excellent opportunity for the Borough and the Region to become home to a range of firms that offer better than average jobs and wages to area residents. The impact is truly regional, in that it benefits the

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Borough through the creation of ratables, but it also creates opportunities for area residents to obtain employment and to start or to work in companies that spin off from KOZ activities. The Manheim Area Economic Development Corporation has focused on the redevelopment of the KOZ site and is now evaluating its role in the broader Region.

Rapho Township has recognized the “Triangle” area as an excellent site for development and has supported development in that area. The industrial park areas are modern in design and layout, are served by utilities and are in a location with excellent regional transportation access. The parks offer existing buildings as well as development sites.

In Penn Township, its two commercial/industrial areas are in need of revisions to the zoning code and land development ordinances to further their development and achieve the aims desired by the Township. The Doe Run Road area is discussed in detail in the previous section. The area near the Manheim Auto Auction developed more by happenstance than planning. The existing vacant lots and underutilized sites and buildings offer development opportunities, though the focus will likely remain on auto-related enterprises, dining establishments and other services that complement the Manheim Auto Auction.

The Region has considerable tourism opportunities that could be better leveraged. The Renaissance Faire draws visitors to the edge of the Region, though there is little concerted effort today to draw them deeper inside. Lancaster County has made a significant commitment to developing tourism, heritage tourism, agri-tourism and eco-tourism as a key aspect of economic development. In *Heritage*, the County Comprehensive Plan Cultural Heritage Element, significant research, analytic and marketing effort has gone into developing a wide range of tourism venues across Lancaster County to capitalize upon the history and culture of the County, as well as upon its proximity to major urban market areas.

The main focus in the Manheim Central Region for tourism development is likely to be the Borough, with its attractive downtown square area and the nucleus of a tourist destination already in place; however, the Region includes a number of other attractions and venues that could be better featured, including agricultural tourism, the Renaissance Fair and the Pennsylvania State Game Lands.

### **Strategies**

#### **5.3.1. Revise zoning and design standards for the commercial district adjacent to the Manheim Auto Auction, and facilitate appropriate infrastructure investments to encourage new investment and higher quality infill in this commercial corridor**

As noted earlier, the area near the auto auction developed more by happenstance than planning and a review of the area’s zoning and development standards is needed. The area has existing vacant lots, and underutilized sites and buildings that offer development opportunities, but the means to capitalize upon this unique aspect of the local economy should be in place in a consistent and comprehensive fashion. Further development will also be dependent on both public and private investment in infrastructure to support such growth.

#### **5.3.2. Work with the County and Pennsylvania Commonwealth to recruit businesses to the Region’s commercial and industrial areas.**

Even before the current economic downturn both the Rapho Triangle Area and the Doe Run corridor had vacant buildings and undeveloped sites. While investment opportunities remain weak, now is the time to identify the types of firms that the Region should focus on recruiting. Food processing and packaging, logistics and transportation and health care providers are probable targets for recruitment to the Triangle area and are consistent with the business structure in Mount Joy. Commercial and specialty retail outlets make the most sense for the Doe Run corridor. During the stakeholder interviews, there was a consistent expression of interest in additional dining options for the Region as well.

The municipalities should work through the Economic Development Company of Lancaster County and the Pennsylvania Department of Community and Economic Development (DCED) to develop the relationships necessary to further the Region's development aims. It should be noted that implementation of the KOZ is about 85 percent complete according to the Manheim Area Economic Development Corporation (MAEDC). As implementation nears completion, MAEDC should begin working on a transition to next key development steps. If the Region chooses to pursue business recruitment jointly, MAEDC is a member of Economic Development Company of Lancaster County and would be an appropriate lead entity for a regional initiative.

### **5.2.3. Create a local tourism consortium under the umbrella of Manheim Downtown Development Group (MDDG) to establish the Region as a tourist destination.**

Manheim Borough and the Region have the potential to be a tourist destination. The immediate need is for the Borough to identify the attractions it wishes to promote and how to differentiate itself in a crowded marketplace. The Borough's upcoming 250<sup>th</sup> anniversary in 2012 and the Stiegel glassworks are important bases for development of a tourism strategy.

A tourism strategy should build on the full array of opportunities available in the Region including the shops and historic resources in downtown Manheim, agricultural tourism, Renaissance Faire and the potential to attract visitors to the Pennsylvania State Game Lands area. In addition to the historic downtown, Manheim Borough is home to a wide variety of historic architectural styles, including many log houses – though some have been sided over. The Borough's National Register nomination provides a considerable amount of information that can be built upon to create an understanding of the evolution of growth and development over time. The surrounding farmland complements the Borough's resources with beautiful landscapes, farmsteads, roadside stands and other resources that are representative of the cultural heritage of Lancaster County

The MDDG can serve as the lead entity in creating a tourism panel or consortium to assess the situation and decide upon the strategy and tactics to be employed.