

Lancaster County Progressions

Marked by Key Achievements, LancasterProsper Moves Forward as 'Important Work in Progress'

Three years since its implementation, the county-wide LancasterProsper strategic vision and plan for economic development is advancing with measured progress overall and marked achievement in several important areas.

That's according to the *LancasterProsper Revisited: Report on Progress 2007* drafted in July and corresponding

economic research, economic-development marketing, R&D, workforce growth and training, entrepreneurship, and urban-center vitality. Each experienced its share of successes and challenges, which Tim Peters, co-chair of the LancasterProsper revisited working group and chairman emeritus of Warfel Construction, says was to be expected.

That's not to say we haven't encountered some roadblocks that will be addressed. Without question, LancasterProsper continues to be a dynamic and essential part of our County's economic future," Peters explains.

EDC president David Nikoloff agrees, adding that the revisited process has also been a candid one: "We've had frank, open discussions in which we've acknowledged that, while we have had some important successes, not all of the strategies progressed as we had hoped."

Outcomes of both the retreat and a related evaluation questionnaire completed by members of LancasterProsper planning committee identified significant achievements as well

continued on page 2



"LancasterProsper continues to be dynamic and essential."

~ Tim Peters, Revisited working group co-chair

"revisited retreat" held at Millersville University in early August. Erik Pages, president of EntreWorks Consulting in Arlington, VA, moderated the half-day retreat. EntreWorks was hired by EDC in 2001 to facilitate long-term strategic planning efforts, out of which LancasterProsper was conceived. (see accompanying sidebar)

An ambitious undertaking, broad-based volunteer committees formed in 2004 around the LancasterProsper seven strategic goals — which target regional collaboration,

"LancasterProsper is an important work in progress, one that we expect to tackle in small accomplishments over time. We are pleased with what we have seen so far; we're making measured progress across the board.

Talent IS KEY

— A note from Erik Pages, president of EntreWorks Consulting

The business of economic development has changed in recent years. It used to be that costs mattered most. If a community had low taxes, cheap labor, and available real estate, business would come calling. That formula doesn't really work nowadays. Today, talent is the key factor in economic development success.



The places with the most talent will be the most successful and prosperous. But, what do we mean by talent? It's not just about Ph.D.'s at MIT or engineers

at Intel or Google. It's also about Lancaster's skilled woodworkers, health care professionals, or the marketers and artists who work in the County's advertising firms.

These talented workers want to live in attractive communities — with good job opportunities, good quality of life, and lots of leisure activity options. Smart communities across the U.S. are trying to respond, and LancasterProsper is but one example of these new economic development efforts. While we speak of the LancasterProsper strategy as an economic development program, it's also a talent creation, attraction, and retention strategy. If the LancasterProsper process succeeds, Lancaster will be well positioned to keep its current talented workforce, attract new residents to the community, and most importantly, help nurture the next generation of talented leaders and entrepreneurs.



continued from page 1
LancasterProspers Revisited

as fundamental areas for improvement or modification. Achievements have been especially noteworthy in the areas of:

• **Entrepreneurship** —

Where a nascent venture capital network is forming, highlighted by the decision of two Philadelphia-based firms to open offices here

• **Centers of Excellence** —

Real progress has been made to strengthen a number of the County's existing industries, such as long-term care, packaging and wood finishing

• **Economic development marketing** —

A ten-step program developed by a leading national consulting firm has established a blueprint for more integrated and effective County marketing efforts

• **Revitalizing urban centers** —

The LancasterProspers Urban Capital Fund has already allocated more than \$2 million to downtown Lancaster redevelopment projects

Recognizing this endeavor as challenging yet worthwhile, retreat participants also cited specific areas for improvement, including having more clearly defined strategy tasks and goals. Concerns about funding (for seed money and operational sustainability) and staffing also surfaced as challenges to be addressed.

Noting the key role that strong leadership plays in strategy success, as well as the benefits to area businesses of a successful LancasterProspers program, Peters states that stronger private-sector

involvement and leadership is needed in the process. "I welcome anyone who has an interest in LancasterProspers to contact me or David (Nikoloff). This continues to be an exciting

to the EDC board. We will subsequently affirm the participation of sponsoring organizations and then, as a final step, issue to the community a formal report

"A formal report will identify LancasterProspers priorities and leadership."

~ David Nikoloff, EDC president

initiative, one that is always open to new people and fresh ideas."

According to Nikoloff, the next steps in the LancasterProspers revisited process are threefold. "The LancasterProspers steering committee will digest the data to determine a list of priorities, which it will present

that will identify ratified priorities, elements of the work program going forward, and which organizations will assume leadership of the various LancasterProspers efforts."

That report is expected to be released by the end of this year.



Sponsor-level Member PPL Presents Grant Award

PPL regional director John M. Levitski (right) presents a \$7,000 Blue Ribbon Grant Award to Nancy S. Arnold and John W. Biemiller, board chair and vice president of EDC, respectively. These monies will assist EDC with its website redevelopment and LancasterProspers Revisited efforts.



PPL Electric Utilities

Membership in EDC Helps to Maintain County's 'Positive Momentum'

Why join EDC? A valid question, and one with many convincing answers. John Cox, executive vice president of Turkey Hill Dairy and currently a member of the executive committee of EDC's board of directors, believes EDC "helps to promote and sustain our positive momentum" as a County. Cox was asked to address the importance of EDC membership, active corporate and organization involvement, and why he and his company feel so strongly about EDC's ongoing mission for Lancaster County...



John Cox, executive vice president, Turkey Hill Dairy

EDC: Why do you believe membership in EDC is so important to Lancaster County businesses?

Cox: We enjoy a terrific environment in Lancaster County, one that offers a wonderful quality of life and strong economic vitality. But, just as in a business, momentum is a powerful force. We need to be constantly moving forward as a County, not trying to recover from slipping backwards. EDC helps to promote and sustain our positive momentum, allowing us to benefit from economic activity through strong schools, a capable workforce and continued economic growth.

EDC: Cite one of the benefits to Turkey Hill of its corporate membership in EDC?

Cox: Turkey Hill Dairy employs nearly 700 people in Lancaster County. We want to be able to continue to attract high-quality associates. A community with strong economic vitality, a flourishing arts community, a healthy academic environment, and a commitment to things that motivate young people, such as sustainable growth through urban redevelopment and farmland preservation, is in our company's best interest.

EDC: What message do you wish to convey to non-members?

Cox: It's a small investment in the future if we each play a role. If we neglect that responsibility and lose our momentum, it will be a big hole for Lancaster to dig out

of later on, and no one will be immune. Being a member of EDC is also an excellent opportunity to network with other leaders in an environment where everyone understands what it takes to be in business.

EDC: What have your various roles and responsibilities been within EDC?

Cox: I served for a number of years on EDC Finance Corporation's board of directors in the mid-1990's before being transferred to a sister division of Turkey Hill in the West. When I returned to Lancaster in 1999, I was asked to again join EDC Finance, where I served for several years. I count it a privilege to have been part of EDC Finance during those years, facilitating the development of small

businesses of all kinds in the County through the various loan packages. Around 2002, I was asked to join the EDC board, and then about a year ago, I was chosen for its executive committee. Turkey Hill has been a Member-level supporter of EDC for about two years, after being an Associate-level supporter for well over a decade.

EDC: Economic development and agriculture preservation sound contradictory. Are there overlaps between your position as president of the Lancaster Farmland Trust and your EDC responsibilities?

Cox: It's probably one of the most interesting, exciting and unexpected components of my involvement with EDC. Farmland preservation and economic development have very synergistic interests, although it might not look that way at first glance. Lancaster Farmland Trust has promoted smart growth for years, advocating for economic growth around existing urban areas and preservation of the agricultural community, which is a strong and integral component of our economy. EDC, most recently through the LancasterProsper initiative, has actively worked at facilitating urban re-development projects. Bringing the

Over \$2 Million in Urban Capital Fund Loans Still Available for City Projects

Lancaster Barnstormers to downtown, as well as working with Lancaster General and F&M College on the Armstrong site, are some visible examples. More recently, EDC Finance has been very active in providing financing assistance to farm operations, which strengthens our agricultural economy. Lancaster County offers employers a combination of quality of life, strong workforce and proximity to major metropolitan areas. Our younger generations are interested in sustainable growth, not just any growth. They want stewardship of our resources. Farmland preservation and urban redevelopment are critical to attracting and retaining a vibrant workforce.

EDC: Looking forward, where do you see EDC's opportunities and challenges?

Cox: Lancaster County is just beginning to realize the benefits of cooperative, long-term planning. EDC is poised to play a key role as a catalyst for urban redevelopment, improving the attractiveness of our communities to help us retain our young people and providing assistance to retain and attract business. Undoubtedly, our most exciting and challenging years lie ahead, which is even more reason to actively serve as a member of EDC. I would encourage every Lancaster County company and organization to consider membership in EDC. The return on investment to our County and constituent companies is manifold.

In April, EDC Finance Corporation received \$4 million in "Building PA" Funds from the Commonwealth Financing Authority, as part of the new state economic stimulus program. Referred to and managed locally as the LancasterProspers Urban Capital Fund, monies are allocated solely to redevelopment projects within urban areas, such as the City of Lancaster, and serve as "mezzanine financing" to fill the void between bank loans and a developer's project equity.

To date, over \$1 million has been awarded to Auntie Anne's Inc. as part of its redevelopment of the downtown Chestnut Street post office building into its new corporate headquarters and comprehensive training center for retail franchisees. Approximately \$900,000 has been approved for the Drogaris Companies for conversion of the former Bloch Brothers Tobacco Warehouse on North Prince Street, also known as the Swisher building, into a mixed-use property. The redevelopment represents the third phase of the Prince Street Center complex.

"That leaves over \$2 million in market-rate mezzanine financing remaining for additional city projects," says Lyle Hosler, EDC project manager. "That money is currently uncommitted. We're searching for new projects to see how we can help make other city ventures happen. Banks and borrowers are welcome to contact us, as well," he says.

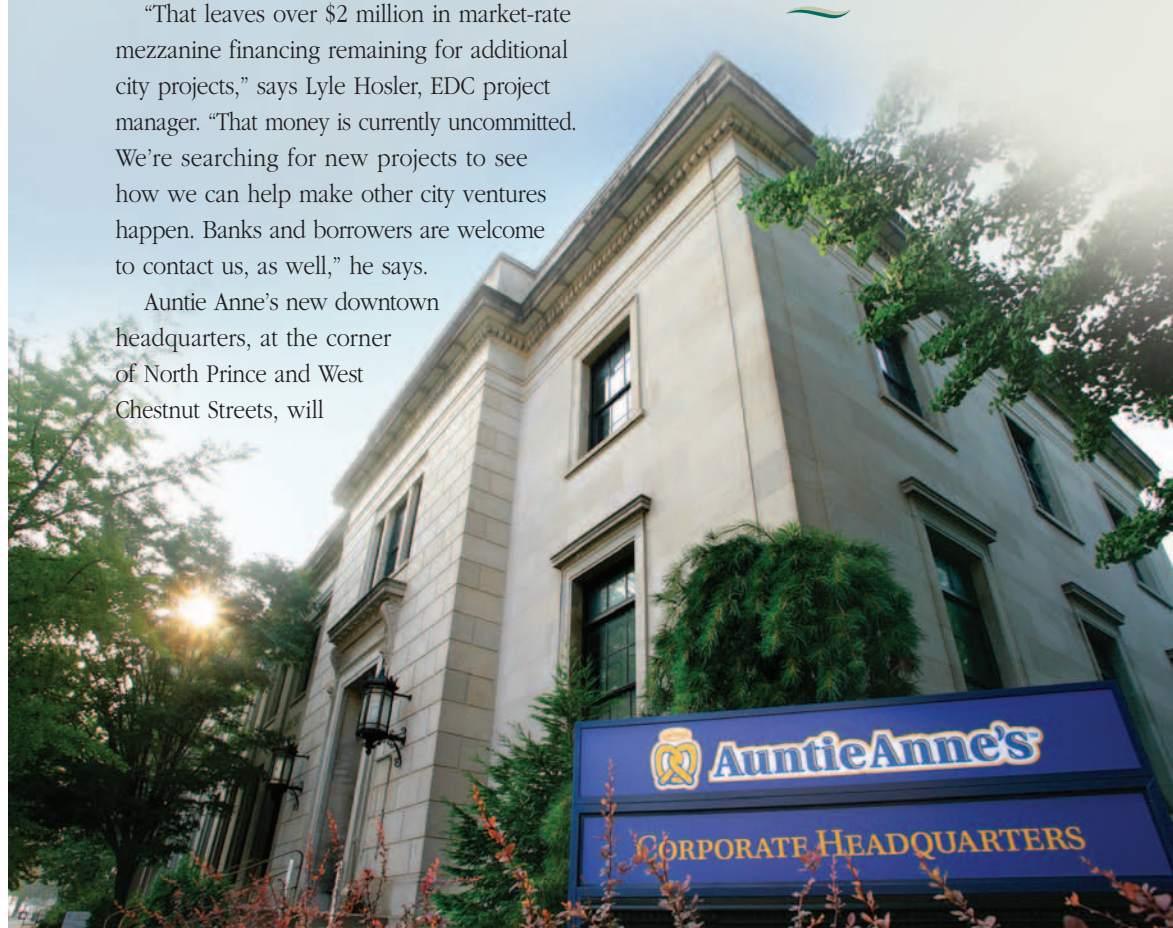
Auntie Anne's new downtown headquarters, at the corner of North Prince and West Chestnut Streets, will

become home to 109 employees by the end of this year. The soft pretzel franchiser will occupy the first two floors and lease the third and fourth floors, with the latter already under agreement to Cornerstone Architects.

Local developer Ed Drogaris plans to convert the Swisher property into a combination of commercial and residential space featuring apartments and condominiums on the upper floors and stores, offices or a restaurant at street level. Construction is slated to begin later this fall, with estimated completion by the end of 2008.

According to EDC's Hosler, approval for Building PA/Urban Capital Fund loans is based on a number of factors, including local evaluation, the type of project proposed (it cannot be 100% residential), projected cash flow and repayment sources, and a developer's overall financial stability.

To learn more about the LancasterProspers Urban Capital Fund loan, contact John Biemiller or Lyle Hosler at 397-4046.



Membership Matters — Thank You for Playing An Active Role

By Nancy Arnold, 2007-2008 EDC board chair



As EDC staff prepares to mail 2008 membership renewals, I thought it timely to remind all of us — by way of deserved *thank yous* — why we choose to be EDC and EDC Finance Corporation members. In other words, why membership matters.

So, to our membership, partners and supporters — both individuals and organizations — for your countless hours and contributions this year ...

Thank you ... through membership dues, you financially support EDC, EDC Finance Corporation and LancasterProsper. EDC Finance Corporation has assisted approximately 23 businesses with their growth and expansion efforts since January, plus facilitated the redevelopment of the former Armstrong site, which celebrates the end to its demolition work phase in October.

Thank you ... for your collaboration in setting an aggressive agenda to strengthen our economy and position the County for continued competitiveness. For example, the LancasterProsper initiative — and the “Revisited” process currently underway — will only make us a more viable and more marketable County.

Thank you ... for your ideas and vision, for your constructive criticism and always-welcome feedback, and for your hands-on stewardship of events and activities. Without your involvement, we could not carry out our mission of enhancing the physical and economic well-being of Lancaster County.

Thank you ... for forging and strengthening the private-public partnerships that facilitate responsible economic development.

Thank you ... for creating an environment that truly works to make Lancaster County a better place to start, nurture or relocate a business, and a more vibrant and prosperous place in which to live.

In closing, I encourage every business and organization in Lancaster County to consider the benefits of EDC membership and to join the local leaders who are supporting the future prosperity of Lancaster County. EDC — and the County — are that much stronger for your valued contributions.

And, yes, watch your mail in the coming weeks!



There's a lot happening in Lancaster County.

Become an active part of it by joining EDC and EDC Finance Corporation. Five levels of support make membership possible for any size company or organization. Call EDC today at 717-397-4046.



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and LancasterProsper Staff*

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ONE YEAR IN THE (UN)MAKING

On September 14, 2006, EDC Finance Corporation acquired approximately 47 acres of the decommissioned Armstrong World Industries complex to facilitate its redevelopment with partners Franklin & Marshall College and Lancaster General Hospital. Demolition commenced in early October, 2006, and just one year later, is on schedule for completion. This activity, on one of the largest demolition sites in the United States, recently received national attention on the History Channel's program *Boneyard: Demolition*.



FORMER ARMSTRONG WORLD INDUSTRIES
December 2004 at left, and below
as it appeared as of July 2007

