

Wayne County Comprehensive Plan Update

Chapter XVI - Economic Development Plan

Introduction

This *Economic Development Plan* is intended to provide a broad strategy for the continued economic development of Wayne County. Trends with potential to affect needs may be discerned from the *Economic Analysis* (Chapter X of this *Comprehensive Plan*) as well as other sources. These trends include the following with respect to industries most important to Wayne County's future:

- Manufacturing employs fewer Wayne County residents than in previous years but there are significant signs of revitalization, of which the following are a few examples.
 - > P-Tubes, an Italian insulated copper pipe manufacturer, chose to launch an American operation in the County, for example, and it has steadily expanded.
 - > The Sterling Business Park has also attracted Sutphen East, a manufacturer and rebuilder of many types of fire-fighting apparatus, including fire engines.
 - > Flynn Stone Design & Fabrication in Northern Wayne County has built a nationwide customer base for high-quality fabricated bluestone products including monuments and sculptures.
 - > Signode (formerly Loveshaw), a South Canaan manufacturer of high-tech packaging equipment and machinery, continues to develop and market new products.
 - > Prompton Tool provides products and services to the aerospace, medical and related industries with precision sheet metal fabrication and machining services.
 - > Boyce Products produces custom workstations, assembles modular wall systems and installs complete retail and broadcast environments. It fabricates both metal and wood products.

There are other examples from around the County demonstrating Wayne is capable of rebuilding its manufacturing base. Decades ago, much of that base consisted of low-wage apparel and furniture manufacturing. Moore Business Forms and later DSFI were the exceptions. They were capital intensive enterprises that paid well and it was a great loss when they closed. Yet, today all of the above examples, and others as well, are also capital intensive in nature. Moreover, while they are not necessarily large employers, they are growing and that's what matters. They are remaking Wayne County's manufacturing base. More like them need to be attracted using the County's talented labor force and high-quality living environment as incentives.

- Construction has been a mainstay of the Wayne County economy. It represents 10.5% of Wayne employment compared to only 6.0% for the state as a whole. Homebuilding has fallen off from peak years at the beginning of the century, with a collapse in building permits, but there has been new building in other sectors, including the summer camp industry, and projects outside the County related to industrial development, natural gas drilling and public improvements. Tourism has also produced new retail construction, which is relatively stronger in Wayne than other parts of Pennsylvania.

Wayne County Comprehensive Plan Update

- Finance and insurance are also relatively strong in Wayne County, with several banks holding very large deposits and having branched out into adjoining and nearby counties, as well as New York State. Three significant banking institutions are, for example, headquartered in Wayne County. These are the Wayne Bank (15 branches in Pennsylvania and 14 in New York State), Honesdale National Bank (13 branches in Pennsylvania) and The Dime bank (8 branches in Pennsylvania). Their Pennsylvania deposits alone amount to over \$2.5 billion and it is highly unusual to have three such institutions in one small rural county (together with those of several other banks). This provides a source of capital for Wayne County entrepreneurs. They are also significant employers that pay 182% of average wages for the County.
- Marcellus Shale development happening in adjoining Susquehanna County, and which can take place in the Susquehanna River Basin portion of Wayne County, has had a positive impact on the latter's economy. Should regulations allow such development in the Delaware River Basin part of the County, this impact would be magnified. The mining, quarrying and natural gas development sector pays the single highest average wages among Wayne County economic sectors (202% of the County average wage).
- Wholesale trade also pays relatively high wages (156% of the Wayne County average) and there are major employers in this sector within the County, such as Top Notch Distributors, as well as nearby in Monroe and Lackawanna Counties where numerous major wholesale distributors are located and employ Wayne County residents.
- The largest employer among Wayne County economic sectors is health care and social assistance. The Wayne Memorial Health System is the County's single largest employer and it pays 117% of the County average in wages. It has expanded into adjoining areas and broadened its services but the COVID pandemic ultimately had a very negative impact on the sector and there has since been some retrenchment.
- Professional, scientific and technical services (e.g., Kitty Hawk Technologies), as a sector, pays 132% of average County wages. It may have benefited from the COVID pandemic by creating more opportunities to live and work in the County via tele-commuting. Wayne County's quality of life offers an incentive to locate away from the city while having the ability to still go there. Technical skills also abound in Wayne County's labor force as a result of the innovation often required to make a living in the County. The information services sector is much the same with one such company serving multiple counties throughout Pennsylvania with real estate tax billing assistance, for example.
- The agriculture and forestry sector is the smallest as to direct employment among 19 Wayne County economic sectors but it is the 10th largest among nonemployer establishments where the laborers are also the owners. Like manufacturing, it has steadily retreated over the years but is clearly reinventing itself as agricultural entrepreneurs are building on-farm creameries and high-tunnel greenhouses discussed in the Economic Analysis (Chapter X of this plan).

There are also new dairies being created by the Mennonite community moving into the County in places such as Mount Pleasant Township and there is more direct selling as farm markets have developed and expanded in Hawley, Honesdale, Newfoundland and nearby Callicoon. Agriculture is growing again. Forestry is stable and Wayne County still offers the best hardwoods available.

Wayne County Comprehensive Plan Update

Public Input

During the process of developing *Goals and Objectives* (See Chapter XI) for this *Comprehensive Plan*, a survey of residents was conducted to ascertain views on the needs of Wayne County.

The survey asked respondents to rank the most important needs with respect to making Wayne County “a better place to live.” Some 44% of respondents rate economic development as very important and another 32% said it was moderately important with 14% saying was somewhat important.

The survey data also revealed shopping trends. Some 74% of respondents indicated they frequently shopped in Honesdale or Indian Orchard, more than any other geographic location, although the same percentage said they frequently shopped on-line. The greater Scranton and Wilkes-Barre area followed at 53%. Hawley/Lakeville was at 18% and Hamlin/Lake Ariel was at 17%.

On-line shopping more than doubled from a decade ago, which is heavy new competition for existing retailers and likely to restrict some of their growth unless they’re focused on serving tourists as their customer basis.

The majority of residents felt the future job prospects for them were only poor (39%) to fair (40%) in Wayne County, and the results with respect to jobs for their children were arguably worse: poor (37%) to fair (49%). This is why economic development needs to be focused on higher wage sectors.

They indicated a strong desire for more farming/forestry jobs (49% said very important), technician, professional specialty and precision production jobs (46%) and machine operators and fabricators (46%).

Overall, the data suggests many residents retain skills from manufacturing or high-end service sector jobs in metro areas that they would like to replicate locally.

Residents said they wanted more movie theaters (cited by 61%), bakeries (53%), clothing stores (51%), food markets (42%) and sit-down dining (42%). Industrially, residents preferred to see more basic industrial manufacturing facilities (49%), health care facilities (44%), furniture and wood manufacturing (39%), research and development (36%), food processing (36%).

When asked to rate the severity of the problems facing the County, some 68% of respondents said internet service and broadband access was a very important problem, making it the top ranked economic issue. The second-ranked issue, cited by 62% of those residents surveyed, was property taxes, followed by economic opportunities (58%), job training (42%), unemployment (39%) and shopping opportunities (33%).

Recommendations

The following are specific recommendations for addressing the economic development needs of Wayne County:

1. The County should, through the efforts of WEDCO and associated economic and business entities, continue to endeavor to increase average wages by aggressively pursuing new capital intensive employers who can afford to pay higher salaries.

Wayne County Comprehensive Plan Update

2. The County and its constituent municipalities should encourage self-employment through friendly land use regulations and technical assistance.
3. WEDCO, the Chambers of the Northern Poconos and others should, through implementation of the County's existing business retention plan, support existing businesses that offer stability to the economy and off-set the seasonality of the tourism sector.
4. The Wayne-Pike Workforce Alliance's efforts is largely directed toward developing a labor force of skilled workers through job training and community college programs, with much of this training targeted toward existing job opportunities such as construction, health care, hospitality and the natural gas industry in adjoining Susquehanna County.

As noted earlier in Chapter X, Wayne County has, among Pennsylvania counties, the highest single county deficit in prime age (25-54 years of age) labor force participation at 11.8%, a fact that needs some further investigation.

It is difficult to attract skilled workers because 35% of wages typically goes to housing costs. Industry cannot be effectively incentivized to locate in Wayne County without also incentivizing relocation or other development and/or recruitment of at least some skilled workers associated with that particular industry. Job training is critical in this respect and community colleges serving Wayne County need to be partners in this endeavor. Workforce Wayne has been leading this effort and this should continue.

Wayne County, in partnership with Pike County, should work towards the development or establishment of a career and technical school that would allow residents continuing educational opportunities for these needed employment sectors within the County.

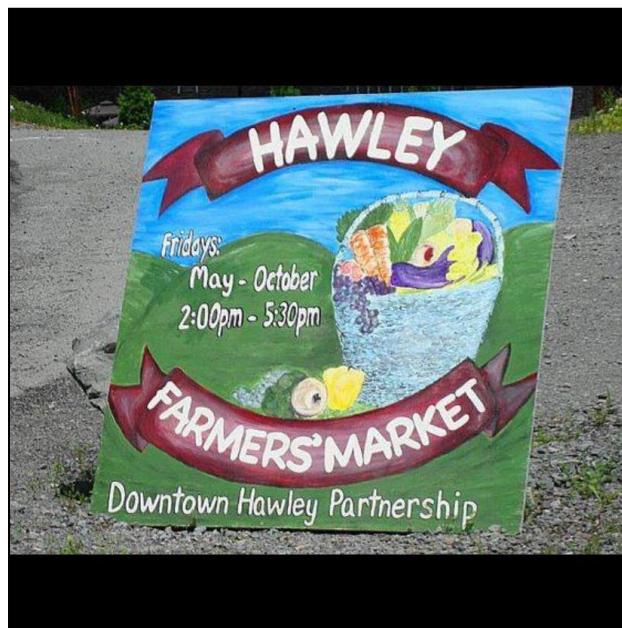
5. WEDCO and local Chambers of Commerce should, in their business recruitment programs, specifically target industries that make use of the County's natural resources and inherent advantages (e.g., bluestone, wood products, practical skills). County open space is also a resource for attracting owners and employees of businesses that would find Wayne County to their liking. Indeed, over 50% of Wayne County is in the Clean and Green program, which ensure such future open space.
6. The County should continue seeking to locate new firms throughout Wayne County to decentralize the industrial base, using, for example, the Sterling Business Park for these purposes.
7. Business retention programs should, among other tasks, be directed to supporting existing industry with technical help in securing and training workers, obtaining financial assistance for expansions and improvements and interfacing with government.
8. WEDCO's industrial marketing program should target businesses inclined to locate in rural areas due to technical expertise available, quality of life and work ethic and which are relatively small and do not require extensive infrastructure. Metal fabricators such as Steer Machine Company in Cherry Ridge Township, clearly fall in this category. The Wayne County Economic Growth Fund can assist in this regard. Boutique or niche manufacturing enterprises need to be a priority in

Wayne County Comprehensive Plan Update

business solicitation for this reason. Importantly, the County has also already created, through the Stourbridge Project, a tool for birthing some of these industries within the County. This initiative is also critical in simply attracting professional, scientific and technical talent to locate in the County.



9. WEDCO should identify and package industrial sites, within the Sterling Business Park and elsewhere in the County, with financing to make Wayne County more competitive.
10. There should be a concerted effort to develop ancillary services for industry (e.g., warehousing, lodging, welding) that will serve as additional incentives to draw new production firms to the County. Warehouse development has also been planned at Sterling Business Park.
11. The County should, through Penn State Cooperative Extension, WEDCO, the Chamber of the Northern Poconos and other entities, continue to brand and promote agricultural development, especially niche activities such as the creameries and high-tunnel greenhouse and vegetable operations as well as agricultural tourism operations that are beginning to flourish. Sheep may also present a special opportunity. Even agri-voltaics may offer some potential.



Wayne County Comprehensive Plan Update

Agricultural niche development preserves valuable open space, contributes to rural character and culture and offers economic opportunities for new nonemployer entrepreneurs. The County also needs to continue to pursue efforts to attract both dairy and meat processing operations and the proposed Agricultural Innovation Center in Cherry Ridge offers an opportunity not unlike the Stourbridge Project, to birth new agricultural enterprises locally.

Building a strong local food system is part of rebuilding Wayne County's agricultural sector and the following recommendations have been made by the Wayne Tomorrow Ag Committee:

- Protect the farmland resource using a combination of tax incentives created by the Commonwealth and local zoning that ensures agricultural enterprises are permitted to make productive use of the resource and thereby maintain it in such use.
- Encourage food-system-friendly zoning to allow community gardens, as well as back and front-yard gardens, backyard poultry-raising and beekeeping, for example.
- Adopt innovative land-use strategies including allowing agricultural entrepreneurs land access for food production on public land.
- Support Farm-to-Institution food purchasing initiatives by, for example, adopting county food procurement policies for community and senior centers operated by the Area Agency on Aging as well as the Wayne County Prison and encouraging school districts to do the same.
- Develop infrastructure (processing, aggregation and distribution facilities) to help grow the local food system [Ag Innovation Center proposal as an example] and improve opportunities for small businesses to partner in shared-use and business-incubation food business spaces.
- Develop additional policies that contribute to building a local food system and programs related to the local food supply, especially those that improve public health.

12. The County and its constituent municipalities should, via zoning and other mechanisms provide opportunities for well-planned commercial, industrial, residential and recreational growth that offer local employment, shopping and recreation that will, in turn, balance and strengthen the tax base.

13. The County and its constituent municipalities should promote the redevelopment of existing commercial and industrial sites with economic and zoning incentives and avoid disincentives such as onerous parking requirements that such sites cannot meet.

14. WEDCO and other industrial recruitment entities should promote the availability of rail service to Wayne County and the use of industrial sites along it. Such efforts should include emphasis on the availability of access to multiple long-haul rail carriers (NS, CSX and CP) that most other regions, particularly rural areas, lack. Upgrade of the railroad will be required for this but meanwhile it also serves as a tourism attraction.

15. The County should continue, as it has to date, the pursuit of a balanced approach to exploration and recovery of natural gas and/or oil from the Marcellus Shale and other geologic formations,

Wayne County Comprehensive Plan Update

especially within the Susquehanna River Basin portion of the county where drilling is already permitted. This balanced approach should capitalize on the economic opportunities, while also dealing with growth impacts and protecting the County's natural environment, which is important to tourism. Significantly, a comparison of 2020-2021 Pennsylvania tourism statistics indicates Susquehanna County recovered more quickly after COVID than Wayne County and that the industries can co-exist.

Existing economic development organizations, local chambers of commerce and individual municipalities as well as regulatory agencies and environmental organizations all have roles to play so as to maximize the benefits of opportunities and minimize the costs of developing this natural resource.

16. Tourism is an industry that, by its very nature, tends to self-perpetuate. It doesn't pay as well as other industries, but there are sub-categories that provide special opportunities for entrepreneurs who can do very well serving the industry. The large summer camp industry, for example, sustains many contractor businesses that, themselves, pay well. There is also a flowering short-term rental industry in Wayne County, which allows owners of residential properties to financially capitalize on their assets in a new and generally lucrative manner. There are two initiatives the County should take to support this activity.

One is to facilitate reasonable regulation of it by municipalities, through offering model standards that can be used to ensure such activity is widely permitted in most zoning districts but fits in neighborhoods without creating disturbances or unwelcome changes in character.

The second is to promote short-term rental etiquette by working with local landlords and generally educating the visiting public. Similar initiatives are needed with respect to recreational features such as the West Branch of the Delaware River, which attracts large-spending fly fisherman to the area but sometimes also leads to neighbor issues.

17. The State Correctional Institution at Farview in Canaan Township has excess land that may become available for economic development and these possibilities need to be pursued with leadership from WEDCO and the County.
18. Wayne County's labor force can be strengthened as a resource by developing more effective programs to deal with alcohol and drug addiction. This is an issue across the nation, but some communities are effectively dealing with it by pursuing "recovery to work" initiatives that offer post-detox programs to reintegrate individuals back into society as highly productive workers. Wayne County's labor force can benefit by these approaches.
19. Trail development (hiking, horseback and vehicular) offers potential for attracting additional tourism to the County. Likewise, many parts of the County are very rural in nature and offer opportunities to accommodate various types of recreational equipment such as 4-wheelers, side by sides, snowmobiles and the like. The popularity of trails for these activities is very evident in Northern Wayne County where the former O&W right-of-way is used in this way. Wayne County would do well to work with its legislators to legally allow side by sides, for example, to use public roads and encourage this activity on many of its dirt roads where traffic conflicts are simply not an issue.

Wayne County Comprehensive Plan Update

20. As noted in Chapter XII, there is potential for further solar, wind and even small hydro-electric development in Wayne County. The County should work with municipalities to craft regulations that accommodate such development.
21. There has been significant in-migration to Wayne County from Amish and Mennonite communities (collectively, the “Plain Community”). This is a welcome development that adds to the cultural appeal of the County, preserves farming and rural character, increases food buying choices and diversifies the population. It should be encouraged.