

PLAN ADOPTED
2ND QUARTER 2015

PLAN UPDATED
4TH QUARTER 2019

BUILDING ON STRENGTH

The Community-Owned Economic Development Strategic Plan
for the City of Lancaster, PA
2015-2030

Photo Credit: Land Grant Surveyors

VISION Lancaster City will leverage its track record of success to foster continued economic development throughout the community, cultivate an environment that attracts entrepreneurs and investors to a world-class mid-sized city, and continue to lead the region and nation as a model for successful urban economic development.

PLAN ASPIRATIONS Lancaster aspires to accomplish the following by way of this Plan. The aspirations are listed in no particular order, as each are of equal importance.

- Attract and retain talent to & in the City of Lancaster.
- Create jobs that provide a livable wage.
- Be a national model for urban economic development.
- Provide equitable opportunities for all Lancastrians.
- Cultivate existing Lancaster businesses to grow with continued success.
- Encourage targeted economic development opportunities to strengthen neighborhoods and increase property values.
- Provide an environment where small businesses and entrepreneurs can thrive.
- Leverage educational institutions as partners in creating a skilled workforce.



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IN 2014 THE LANCASTER CITY ALLIANCE developed a 15-year economic development plan for the City of Lancaster to enhance the community's quality of life and ensure economic growth. Lancaster entered into this planning process from a position of advantage, largely the result of the successes of the previous Lancaster Economic Development Action Agenda ("LDR Plan"), produced in 1998. Therefore, Lancaster has been building on its strengths and creating an environment that fosters growth and development, elevates the economic well-being of the community, and sets a foundation for healthy urban economic development in the future. As we move through the implementation of the plan through 2030, Building On Strength is expected to evolve and be adapted to work in harmony with other community plans.

In 2018, the recommendations of the plan were recalibrated in response to changing circumstances and reflect an additional emphasis on the following:

- Affordable and mixed-income housing development
- More efficient transportation options for travel within the City
- Better defining the entrepreneurial ecosystem
- Alignment with the goals and strategies of the One Good Job poverty reduction plan adopted in 2016
- Marketing to residential developers and a growing consumer base

Geographic Focus Areas

The focus for the plan includes the **Downtown Core** and the **Commercial Hubs** that serve as neighborhood centers for the City:

- 1 DOWNTOWN CORE
- 2 EAST KING STREET
- 3 WEST KING STREET / COLUMBIA AVENUE / MANOR STREET
- 4 SOUTH DUKE STREET
- 5 SOUTH PRINCE STREET / SOUTH QUEEN STREET
- 6 HARRISBURG AVENUE / NORTHWEST GATEWAY
- 7 TRAIN STATION AREA
- 8 NEW HOLLAND AVENUE / EAST WALNUT STREET

These eight areas are significant hubs of commercial activity that serve Lancaster's residents and businesses.



COMMUNITY ENGAGEMENT

Public input was a critical component in the planning process which was infused with strong partnerships and direct engagement with stakeholders. Over 100 meetings and forums, using interviews, focus groups, surveys, roundtables, public meetings and facilitated discussions were enacted. Over 1,000 constituents discussed and identified a variety of ideas and opinions regarding Lancaster's future.



INITIAL FINDINGS/UNDERLYING ASSUMPTIONS

IN ADDITION TO INPUT PROVIDED BY THE COMMUNITY, the Building On Strength Plan's outcomes, aspirations, strategies, and recommendations were shaped based upon in-depth research and analysis conducted during the early part of the plan's development process in 2014.

National trends continue to point to the desire for people to move back into cities and steady population growth is anticipated. Lancaster is uniquely diverse, as is reflected in the population's racial and ethnic composition. Poverty is a major discussion

RETAIL MARKET

Residents in Lancaster City accounted for \$740 million in consumer spending in 2013. Retail sales in the City amounted to \$300 million, which demonstrates that over \$440 million of resident dollars leave the City for goods and services.

Food-related retail, both in restaurants and grocers, represents a significant opportunity Citywide and is further emphasized when examining the Commercial Hubs.

There are also opportunities for general merchandise that provide basic goods and neighborhood services as well as specialty retail within each Commercial Hub.

OFFICE MARKET

The office market in Lancaster has opportunities and challenges. Among the challenges are:

- Lower rents than competitive markets.
- An excess of office space is currently available.
- Lack of available class A space and median office space size is only 5,000 SF, making it difficult to support large-office users that may be in the market. Opportunities include:
- The market has a long-term history of positive net absorption.
- National trends point to market demand shifting to Downtown and urban locations in lieu of suburban-style spaces.
- Great opportunity for new construction and adaptive reuse projects in Downtown and throughout the Commercial Hubs.

point and a challenge facing Lancaster and its residents. While addressing poverty directly is not in the scope of the Plan, the Building On Strength Implementation Partners have intentionally aligned with the Coalition to Combat Poverty to ensure the goals and recommendations of this Plan and the Coalition's plan, One Good Job, are mutually reinforced and complementary.

The background research and analysis conducted in 2014 came to the following conclusions about the retail, office, hotel, and housing markets:

HOTEL MARKET

With the exception of 2009, tourism spending in Lancaster County has increased each year since 2005.

2014 was a banner year with spending of \$155.4 million, an increase of 10.6% over 2013.

National trends point to urban locations for hotels as an increasing trend that will work in favor of Lancaster.

It is well documented that there is a market for additional hotel rooms to support the Lancaster County Convention Center.

HOUSING MARKET

A 2013 Housing Study commissioned by the Lancaster Housing Opportunity Partnership supports the strong market for housing at all price points, specifically:

- More than 23,000 households represent the annual potential market for new and existing housing units in Lancaster County each year over the next five years.
- In Lancaster City, the analysis shows that the five-year capture for new housing would range from 2,098 to 3,457 units. Per year this equals to a range of 420 to 691 housing units each year from 2013 to 2017.

The macro trends work in Lancaster's favor as millennials and empty-nesters seek urban alternates to the traditional single-family detached house.



Plan Outcomes

Looking Ahead: The Future of Lancaster City

By 2030, Lancaster City will:

- Increase its per capita income to 70% of that of Pennsylvania.
- Offer 300 new hotel rooms in the Downtown and Commercial Hubs.
- See 2,500 new residential units constructed of all types of price points.
- Achieve 100,000 square feet of new and renovated retail and restaurant space in Downtown and Commercial Hubs.
- Fill/create 300,000 square feet of office and flex space.
- Realize \$1 billion in privately led investment.
- See ongoing private investment that will outweigh public investment in economic development.



STRATEGY 1 — Expanding Success: Traditional Economic Development Investment

- **INVESTMENT SITES** Identify key sites within the study area that present short-term and long-term opportunities for reinvestment.

MARKET DISTRICT Build upon and celebrate the Lancaster Central Market—a national treasure—by supporting and encouraging complimentary uses adjacent to it in a branded district.

- Physical Infrastructure Improvements Surrounding Central Market
- Market District Branding
- Private Development Aligning with Goals for Compatible Uses

- **DEVELOPMENT CLEARINGHOUSE** Establish a one-stop shop system to facilitate business and development growth.

- **BUSINESS REGISTRATION PROGRAM** to inventory and record all businesses located in Lancaster City.

BUILDING THE MARKET by providing incentives to tenants, investors, and property owners to help close the “gap” between achievable rental rates and the cost of new construction and rehabilitation, including façade improvement and building infrastructure programs as well as having infrastructure in place such as high-speed Internet.

- Façade Grant Program
- Façade Master Plan
- Building Infrastructure Grants
- Lancaster High-Speed Internet

- **LAND BANK** to acquire individual blighted properties and prepare them for sound investment.

- **COMMUNITY LAND TRUST SUBSIDIARY** to ensure the long-term stability of a neighborhood or Commercial Hub.

PLAN FUNDING PROGRAM Continue to utilize existing funding. Additionally, give serious consideration to engaging a broad partnership of entities in establishing a fund (“The Lancaster Fund”) for economic development.

- Funding for Affordable and Mixed-Income Housing
- Funding for Traditional Economic Development, Cultivating Entrepreneurs, Marketing the City, and Reinforcing Commercial Hubs

STRATEGY 2 — Embracing The Collaborative Economy: Cultivating Entrepreneurs

LANCASTER CREATIVE SPACES INITIATIVE Develop entrepreneurial ecosystems and capitalize on the national trend of growth in coworking spaces while continuing to foster environments for creativity and places to develop skills and job training.

- Innovation Centers
- Food Hubs
- Arts Labs
- Cultivate Lancaster Entrepreneurs Forum

STRATEGY 3 — Leveraging The Brand: Marketing Lancaster City

- **LOCATE LANCASTER RESIDENTIAL INITIATIVE** Coordinate with current marketing initiatives and partner with the real estate and development community to profile incentives for moving to and highlighting the benefits of living in Lancaster City.

LOCATE LANCASTER ECONOMIC DEVELOPMENT INITIATIVE Market Lancaster City for residential and commercial development.

- Marketing for Residential Development (All Types & Price Points)
- Marketing for Commercial Development (All Types)

- **CONTINUE TO BUILD THE CITY BRAND** Further develop marketing materials that profile shopping, dining, events, and opportunities to explore Lancaster City, extending beyond Downtown to places “off the beaten path.”

- **CONTINUE MARKETING THE CITY TO LOCAL, REGIONAL, AND INTERNATIONAL CONSUMERS** Remain focused on targeting the attention of the domestic and international press to increase Lancaster City tourism and the annual number of visitors.

STRATEGY 4 — Quality Of Life: Reinforcing Commercial Hubs

- **FOSTER COMMERCIAL HUBS WITHIN NEIGHBORHOODS** Recognize the unique character and cultures of Lancaster’s Commercial Hubs, and establish those identities through branding and place-making techniques to encourage economic development.

STREET NETWORK AND IMPROVED ACCESSIBILITY

Better connect Downtown with the City’s other Commercial Hubs and neighborhoods by making improvements to encourage the use of alternative modes of transportation including walking, bicycling, and transit, while reducing the need for additional parking supply in the Downtown Core; and facilitate transportation access to County jobs by under-employed City residents.

- Two-Way Street Conversions
- Efficient Transportation: Internal City Circulation
- Efficient Transportation: Regional Connectivity
- Bicycle Network
- Gateways and Streetscapes
- Comprehensive Parking Strategy

COMMERCIAL HUB PARTNER ORGANIZATIONS

Strengthen Commercial Hubs by organizing advocacy groups that can spearhead “clean and green” efforts and organize events. Develop in such a way that over time, groups can become formalized with mission statements, funding mechanisms, staff, and a strong volunteer network.

NEIGHBORHOOD HEALTHY FOOD INITIATIVE Establish a healthy food initiative that includes partnerships with existing entities such as Penn Medicine Lancaster General Health, the Lancaster Central Market Trust, and other partners and extend into the Commercial Hubs.

- Healthy Corner Stores
- Expand Healthy Food Commercial Development

THE BUILDING ON STRENGTH PLAN is a framework to guide growth and investment in the City of Lancaster through 2030 and beyond. Implementation of the recommendations is occurring incrementally by way of partnerships among many public and private entities.

AS THE PLAN MOVES THROUGH IMPLEMENTATION, representatives of the lead organizations and potential implementation partner groups—as well as those of other stakeholder groups—will continue to meet on a regular basis to allow for on-going communication and coordination.

AS PARTNERS ARE ENGAGED, it is their responsibility to further develop the tactics and metrics for success. In this regard, the Building On Strength Plan is very much a community-owned and implemented plan.

Conestoga River Plaza, South Duke Street



Ewell Plaza and 101NQ





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THANK YOU TO THE CITY OF LANCASTER for envisioning the Building On Strength Plan and entrusting the Lancaster City Alliance with its implementation.

Plan Funders

PACESETTERS

City of Lancaster
Franklin and Marshall College
The High Companies
Penn Medicine Lancaster General Health
Urban Land Institute

PLANNERS

Lancaster City Alliance
Lancaster County Community Foundation
LCSWMA
PPL Electric Utilities
UGI Utilities

INVESTORS

Benchmark Construction
Dennis Cox
Irex Corporation
Craig and Dianne Roda
Bob and Felicia Shoemaker
Gloria and Scott Smith
Wohlsen Construction

PLANNING & DESIGN TEAM

Mahan Rykiel Associates
Arnett Muldrow & Associates
RGS Associates

Community Implementation Partners

Assets
City of Lancaster
Commissioners of the County of Lancaster
Community Action Partnership of Lancaster County
Community First Fund
Discover Lancaster
Economic Development Company of Lancaster County
Harrisburg Area Community College
High Foundation
Housing Development Corporation MidAtlantic
Kutztown University Small Business Development Center
Lancaster Bible College
Lancaster Central Market
Lancaster Chamber
Lancaster City Alliance
Lancaster City Revitalization & Improvement Zone Authority
Lancaster County Community Foundation
Lancaster County Food Hub
Lancaster County Housing & Redevelopment Authorities
Lancaster County Planning Commission
Lancaster County Workforce Development Board
Lancaster Equity Community Development Corporation

Lancaster Housing Opportunity Partnership
Lancaster Office of Promotion
Lancaster Parking Authority
Lancaster Public Library
LancCo MyHome
LNP Media Group, Inc.
Millersville University
Office of The Honorable R. Michael Sturla, PA House of Representatives
Office of The Honorable Scott Martin, PA Senate
Pennsylvania Department of Community and Economic Development
Penn Medicine Lancaster General Health
Pennsylvania College of Art & Design
School District of Lancaster
SCORE Lancaster-Lebanon
South Central Transit Authority
Spanish American Civic Association/SACA Development Corporation
Tabor Community Services
Thaddeus Stevens College of Technology
The Trust Performing Arts Center

Finance Squad

Assets
Baker Tilly Virchow Krause, LLP
City of Lancaster
Community First Fund
Lancaster City Revitalization & Improvement Zone Authority
Economic Development Company of Lancaster County/
EDC Finance Corporation
The High Companies
Lancaster County Community Foundation

Lancaster Housing Opportunity Partnership
M&T Bank
Pennsylvania Department of Community & Economic Development
PNC
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The Steinman Foundation
Walz Group
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