

**2019 - 2024 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY
FIVE-YEAR PLAN FOR NORTHEASTERN PENNSYLVANIA**

Submitted to the:

U.S. Department of Commerce
Economic Development Administration

By the:



Northeastern Pennsylvania Alliance
1151 Oak Street
Pittston, PA 18640-3726
570.655.5581
866.758.1929
www.nepa-alliance.org

May 2020



pennsylvania
DEPARTMENT OF COMMUNITY
& ECONOMIC DEVELOPMENT

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The Northeastern Pennsylvania Alliance is grateful for the support from the U.S. Department of Commerce, Economic Development Administration and the Commonwealth of Pennsylvania Department of Community & Economic Development for providing the resources to complete this report.



**RESOLUTION
OF THE NORTHEASTERN PENNSYLVANIA ALLIANCE
BOARD OF DIRECTORS ENDORSING THE
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)
FIVE-YEAR PLAN FOR THE YEARS 2019 - 2024**

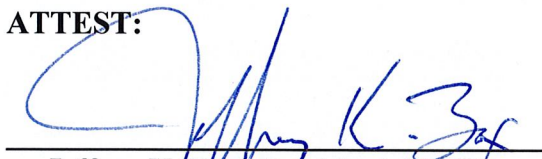
- WHEREAS,** The Northeastern Pennsylvania Alliance (NEPA) has developed the Comprehensive Economic Development Strategy (CEDS) Five-Year Plan for the seven-county region including Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill and Wayne counties, for submission to the U.S. Department of Commerce, Economic Development Administration (EDA), in compliance with the Public Works and Economic Development Act of 1965, as amended including the comprehensive amendment made by the Economic Development Administration Reauthorization Act of 2004; and
- WHEREAS,** NEPA is designated as an Economic Development District by EDA and is under contract with EDA to prepare a CEDS Five-Year and Annual Performance Reports; and,
- WHEREAS,** The CEDS is required to be completed in order to leverage EDA funding to the region; and,
- WHEREAS,** NEPA has formed a CEDS Committee comprised of local, regional and statewide stakeholders representing the private, public and nonprofit sectors; and
- WHEREAS,** Through the CEDS Committee, NEPA has initiated a collaborative planning process that included an extensive evaluation and review of challenges affecting the growth and development of Northeastern Pennsylvania; and,
- WHEREAS,** The planning process has led to the development of the CEDS Five-Year Plan that will serve as a guide for economic and community development of the region and includes goals, objectives and strategies designed to improve the economic performance and prosperity within the region; and
- WHEREAS,** NEPA will implement several of the proposed strategies that pertain to its mission and the technical expertise of staff as outlined within the plan and use the established performance measures to monitor outputs, outcomes and impacts; and
- WHEREAS,** NEPA will develop strategic partnerships and collaborations with key stakeholders, including its PREP Partners, to further implement proposed strategies.

NOW, THEREFORE, BE IT RESOLVED, BY THE Board of Directors of the Northeastern Pennsylvania Alliance that:

1. The CEDS Five-Year Plan for the period July 1, 2019 - June 30, 2024 is hereby adopted.
2. The President & CEO of the Northeastern Pennsylvania Alliance is authorized to transmit the plan to the Philadelphia Regional Office of the United States Department of Commerce, Economic Development Administration, and share the report with Economic and Community Development organizations within the region.

ADOPTED THIS 16th DAY of January 2020

ATTEST:



Jeffrey K. Box, President & CEO



Philip P. Condron, Chairperson

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Acknowledgements

The Northeastern Pennsylvania Alliance thanks Erik R. Pages, Ph.D., Founder and President of EntreWorks Consulting, an economic development consulting and policy development firm based in Arlington, Virginia, for the facilitation of the three Comprehensive Economic Development Strategy (CEDS) Committee meetings and guidance on applicable best practices.

The Northeastern Pennsylvania Alliance also thanks the following members of the CEDS Committee for their assistance in developing the strategy.

Table 1. CEDS Committee Members, 2019

Name	Affiliation
Steve Barrouk	City Brokers, LLC
Carl Beardsley	Wilkes-Barre/Scranton International Airport
Kathy Bednarek	Luzerne County Transportation Authority
Mike Brown	Lackawanna County Government
Bill Burke	Johnson College of Technology
Thomas Caffrey	Governor's Northeast Office
Ann Marie Calabrese	Borough of Tamaqua
Ida Castro, JD	Geisinger Commonwealth School of Medicine
Philip Condron	Condron Media
Eric Esoda	Northeastern Pennsylvania Industrial Resource Center
Vince Galko	Mercury Public Affairs
Lisa Hall Zielinski	University of Scranton Small Business Development Center
Rachel Hawk	Penn's Northeast
Megan Heckman	Borough of Tamaqua
Gerard Hetman	NeighborWorks Northeastern PA
Lee Horton	Luzerne County Transportation Authority
Joe Kapalko	JCK Foodservice, Inc. & JCK Global, Inc.
Frank Knorek	Luzerne County Transportation Authority
Dorothy Lane	Wilkes University Small Business Development Center
Chuck Leonard	Pocono Mountains Economic Development Corporation
Katie Leonard, Ed.D.	Johnson College of Technology
Amy Luyster	Greater Scranton Chamber of Commerce
Jack McNulty	Pennsylvania Department of Labor & Industry
Michelle Mikitish	Greater Pittston Chamber of Commerce
Mark Minnig	CAN DO, Inc.
Kelly O'Brien Gavin	Berwick Industrial Development Association
Kevin O'Donnell	CAN DO, Inc.
Ken Okrepkie	Ben Franklin Technology Partners of NE PA
Dale Parmenteri	Northeastern Pennsylvania Industrial Resource Center
Holly Pilcavage	Coal Creative
Joe Sebelin	Pocono Counties Workforce Investment Area
Lucyann Vierling	Wayne Pike Workforce Alliance

Name	Affiliation
Kim Walker	Lackawanna County Government
Don Webster	tecBRIDGE
Mary Beth Wood	Wayne Economic Development Corporation

Executive Summary

During the last ten years, the seven-county Northeastern Pennsylvania region, which consists of Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill and Wayne counties, has evolved into a warehousing and distribution hub because of its proximity to the major metropolitan areas along the northern portion of the East Coast. At the same time, employment in the manufacturing industry has decreased in the region by 12.8 percent, as compared to the nation with a 12.0 percent decrease and the state with a 15.8 percent decrease. During the same period, the region has become more diverse, especially with an increase in the Hispanic and Latino population in the Hazleton area, which has the school district with the largest enrollment. This trend indicates that there will be a continuation of an increase in this population group in the future.

A target industry analysis was conducted and in addition to Manufacturing, and Transportation and Warehousing, the industry that should be considered for targeting is Forestry, Fishing, Hunting and Agriculture Support.

A series of three meetings served as a venue for developing this Comprehensive Economic Development Strategy (CEDS) for Northeastern Pennsylvania. Participants from the private, not for profit, public, workforce and educational institutions were engaged. During these meetings, a SWOT Analysis was developed. Location, Lower Costs / Quality of Life and Natural Resources are classified as Strengths. Weaknesses include Aging Infrastructure, Workforce: Available and Ready?, Lack of Regionalization and Collaboration, and Retention of Talent / Youth. Attracting New Residents / Talent, Supporting Business Start-Ups and Enhancing Workforce Training are opportunities. Threats consist of Brain Drain, Limited Talent Base, Aging Population and Low Quality of Local Jobs, which is caused by the large increase in Transportation and Warehousing jobs. The SWOT analysis was used to develop an Action Plan with the following goals:

- Business Retention, Expansion & Attraction: Clusters, Manufacturing & Agriculture
- Small Business & Entrepreneurship
- Ready Workforce
- Critical Infrastructure: Transportation, Broadband & Energy
- Community Placemaking, Development & Sustainability

The objectives under the first goal address the Defense and Logistics and the Food, Beverage and Wood Manufacturing clusters, in addition to the general Manufacturing and Agriculture clusters. The objectives of the second goal include the increase of the number of entrepreneurs, training by a group of entrepreneurs to operate special equipment, the

advancement of clean transportation and conducting an annual CEO Roundtable / Retreat.

Ready Workforce objectives include having a readily available workforce that coincides with the current and future needs of employers; attracting college students and natives, who currently reside outside the region; providing public transportation and addressing the opioid epidemic in the region. Regarding the addressing of infrastructure needs, which is the fourth goal, the two objectives are easing the movement of goods, services and people between origins and destinations; and increasing the amount of alternative energy sources and the presence of natural gas.

The two objectives of the fifth goal involve the attraction of young professionals to the area and the retention of graduates from colleges within the region; and to develop, identify and leverage resources to revitalize distressed communities and downtown hubs as a means of retention and attraction.

About the Northeastern Pennsylvania Alliance

The Northeastern Pennsylvania Alliance (NEPA Alliance) is a regional multi-county economic development agency providing leadership, planning, expertise and services to regional and local governments, businesses, institutions and individuals through innovative and beneficial collaborations and partnerships to enhance the economic development and quality of life of the area.

The NEPA Alliance, a 501(c)(4) nonprofit, was organized in 1964 by the private sector that saw the need for a regional approach to economic and community development issues. The NEPA Alliance is now a public / private sector partnership with representation from government and non-governmental private sector organizations. The goal of the NEPA Alliance is to provide a quality menu of programs and valuable services that best match the needs of our partners and add value to our region.

The NEPA Alliance carries out its mission within the counties of Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill and Wayne, which have a total population of 1,011,449 people (according to information provided by the U.S. Census Bureau, July 1, 2018) and covers 4,476 square miles.

The NEPA Alliance is the designated Economic Development District (EDD) by the U.S. Department of Commerce Economic Development Administration for economic development planning. As the EDD, the NEPA Alliance leads the region in the development of a Comprehensive Economic Development Strategy (CEDS) Five-Year Plan that serves as a strategic plan for the region.

The NEPA Alliance is one of seven regional agencies called Local Development Districts (LDDs) as designated by the Appalachian Region Commission. LDDs help coordinate community and economic development activities in the Appalachian region (52 of the 67 counties) within the Commonwealth of Pennsylvania.

The NEPA Alliance has a subsidiary and two affiliate organizations. The subsidiary is known as the NEPA Community Impact Fund, which is certified by the U.S. Treasury Community Development Financial Institution (CDFI) as a Community Development Entity (CDE) with the purpose of leveraging and deploying New Market Tax Credits and other financial resources into distressed communities. The Northeastern Pennsylvania Nonprofit & Community Assistance Center, a 501(c)(3) nonprofit, provides capacity building services to nonprofits and grantmakers in the region. The NEPA Business Finance Corporation, a 501(c)(3) nonprofit, is designated by the Small Business Administration (SBA) as a Certified Development Company that provides capital, lending products and technical assistance to eligible businesses.

The NEPA Alliance serves as the coordinator for the Partnerships for Regional Economic Performance (PREP) initiative within the seven-county region. According to the Pennsylvania Department of Community & Economic Development, “PREP is a statewide network of partners designed to work in concert to deliver vital business assistance services across ten regions of the Commonwealth.” “PREP is designed to encourage regional coordination in economic development efforts, yielding superior customer service to the business community and a comprehensive and efficient statewide economic delivery strategy.”

The NEPA Alliance is guided by a fifty (50) member Board of Directors, headed by Board Chairperson, Philip P. Condrón, of which forty-four (44) members have voting capabilities. Members of the Board of Directors represent industries, labor, governments, general businesses, professionals and citizens in each of the seven counties that the NEPA Alliance serves.

Jeffrey K. Box, President & CEO of the NEPA Alliance, provides executive leadership working with state and federal legislators to expand and explore opportunities that will be beneficial to Northeastern Pennsylvania.

The CEDS Process

The Northeastern Pennsylvania CEDS process was conducted through a series of three meetings. The first meeting was an introduction to the process, which included a review of regional economic trends and observations. A Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis of the region was also developed during the first meeting. The second meeting consisted of a review of the regional SWOT analysis, a presentation of the results of the Survey on the Future of Northeastern Pennsylvania and breakout sessions for discussing the formation of strategies for Entrepreneurship, Critical Infrastructure, Workforce Development and Community Placemaking. The third meeting provided a venue for presenting an update of the survey because of a substantial increase in responses and breakout sessions for discussing the formation of Action Steps, identifying Key Initiatives and developing Evaluation Criteria for the strategies.

Northeastern Pennsylvania Regional Overview

Northeastern Pennsylvania represents a diverse landscape from urban cities and small towns to rural farms and natural areas. The region is within the Appalachian Mountain Chain and serves as a key watershed area for the Susquehanna River, which drains into the Chesapeake Bay and the Delaware River Basin, which serves the Greater Philadelphia region. The seven-county region is a 4,476 square mile area that includes Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill and Wayne counties. Its major urban centers are primarily concentrated in the 87 miles stretching from the city of Carbondale in Lackawanna County through the Wyoming Valley to the city of Nanticoke and then following Interstate 81 south to the cities of Hazleton and Pottsville. The major cities within this belt are Scranton and Wilkes-Barre.

Northeastern Pennsylvania enjoys a diversified economic base. The region continues to be extremely competitive and successful as a location for warehousing and distribution centers, back office call centers, medical and health-related office facilities and processing centers, and food processing and distribution. Employment reflects the overall diversification of the region, although the Health Care and Social Assistance (19.5 percent), Retail Trade (14.6 percent), Manufacturing (12.5 percent), and Accommodation and Food Service (10.6 percent) sectors account for over 57 percent of total employment.

Northeastern Pennsylvania's business base is overwhelmingly dominated by small businesses. According to 2017 "County Business Patterns" from the U.S. Census Bureau, there were 21,995 businesses in the region and 73.0 percent of them employed between 1 and 9 people. The single largest industry sectors by employment are: 1) Health Care and Social Assistance, 2) Retail Trade and 3) Manufacturing. Employment in the Manufacturing sector is dominated by Electronics, Fabricated Metal Products, Plastics and Rubber Products, Food, and Chemical industries. In 2017, the nation had 72.6 percent of its businesses employed between 1 and 9 people and the state had 70.6 percent. There are continuing efforts to attract and retain Plastics and Rubber Products Manufacturing firms because according to "County Business Patterns," estimated employment increased by 6.6 percent from 5,144 in 2013 to 5,481 in 2017. In the Fabricated Metal Products Manufacturing industry, estimated employment increased from 5,430 in 2013 to 5,853 in 2017, an increase of 7.8 percent. Estimated employment also increased in the Food Manufacturing industry by 0.5 percent from 6,047 in 2013 to 6,078 in 2017.

Due to its location by having proximity to major markets, excellent interstate highway connectivity and available land, coupled with an available and trainable labor force, the Northeastern Pennsylvania region (especially the Interstate 81 Corridor) has been able to attract considerable investment from logistics-related businesses.

According to the U.S. Census Bureau, the population of Northeastern Pennsylvania continues to decline. This population decline was concentrated in rural areas, but also experienced in the urban counties of Lackawanna and Luzerne. Historically, the population in the region peaked at 1,118,580, according to the 1930

Census, before declining to 873,891, according to the 1970 Census. The population then increased to its 2010 Census level. Table 2 provides a summary of recent population shifts.

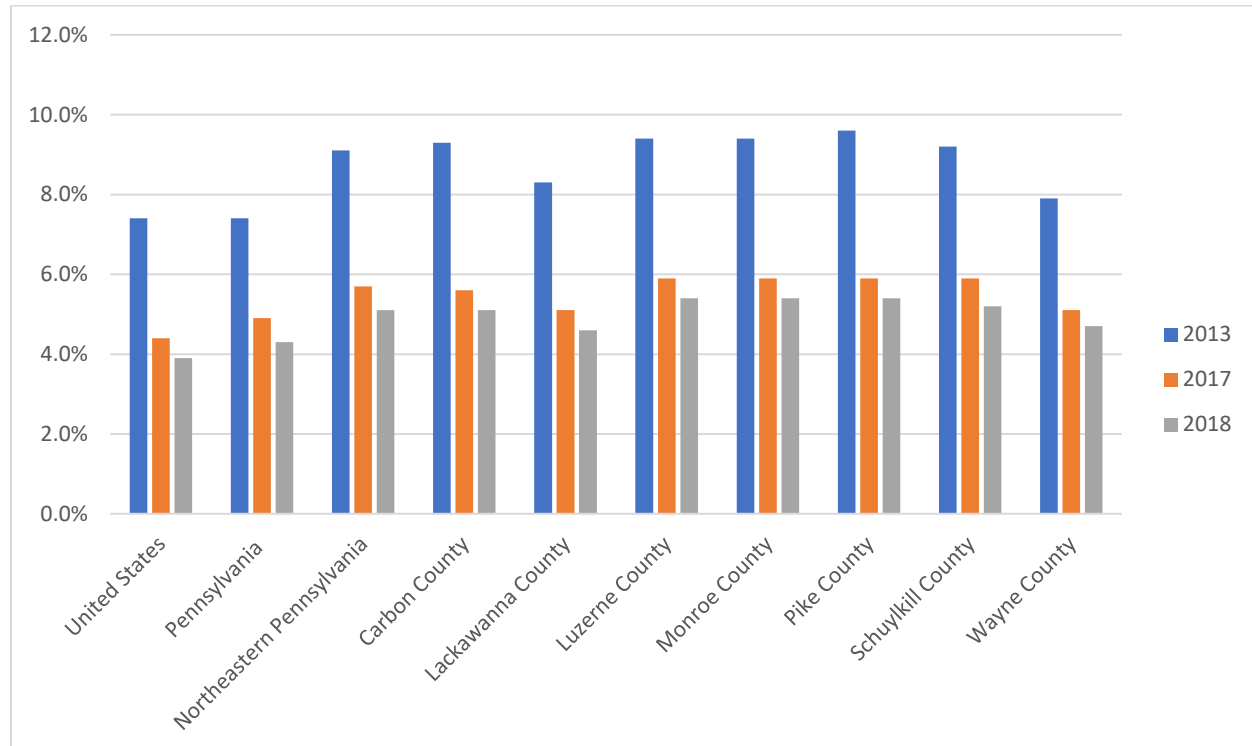
Table 2. Population for the United States, Pennsylvania and Northeastern Pennsylvania Counties, 2010 and 2018

Area	April 1, 2010 Estimate Base	July 1, 2018 Estimate	Change	Percent Change
United States	308,758,105	327,167,434	18,409,329	6.0%
Pennsylvania	12,702,873	12,807,060	104,187	0.8%
Northeastern Pennsylvania	1,028,905	1,011,449	-17,456	-1.7%
Carbon County	65,252	64,227	-1,025	-1.6%
Lackawanna County	214,439	210,793	-3,646	-1.7%
Luzerne County	320,895	317,646	-3,249	-1.0%
Monroe County	169,832	169,507	-325	-0.2%
Pike County	57,346	55,933	-1,413	-2.5%
Schuylkill County	148,291	142,067	-6,224	-4.2%
Wayne County	52,850	51,276	-1,574	-3.0%

Source: U.S. Census Bureau, Population Division

According to Figure 1, Northeastern Pennsylvania has not had seasonally adjusted unemployment rates higher than the state and nation. This trend has occurred since 1970, which is the first year that data were available at the county level.

Figure 1. Not Seasonally Adjusted Unemployment Rates for 2013, 2017 and 2018



Source: Commonwealth of Pennsylvania, Department of Labor and Industry, Center for Workforce Information and Analysis, PA Work Stats.

The Northeastern Pennsylvania regional economy is dependent on the Manufacturing industry. Tobyhanna Army Depot, the region's largest industrial employer, is in Monroe County. Its workforce comes from within the seven-county region along with Lehigh, Northampton, Susquehanna and Wyoming counties in Pennsylvania and from areas in New Jersey and New York. Defense contracting has an impact on the regional economy because according to GovernmentContractsWon.com, there were 23,109 defense contracts, with an amount of \$406.5 million awarded, during 2018.

According to 2017 "County Business Patterns" from the U.S. Census Bureau, the region, at 12.5 percent, has a higher percentage of workers employed in the Manufacturing industry as compared to the state and nation with 10.0 percent and 9.1 percent, respectively. Tables 3 and 4 provide Manufacturing industry employment information from 2007 to 2017. From 2007 to 2012, the region had a percent decrease that was higher than the nation and state and from 2012 to 2017, it had a percent change that was higher than the nation and state, with the state having a decrease. From 2007 to 2017, the overall percent decrease in manufacturing employment in the nation was 12.0 percent, in the state it was 15.8 percent, and, in the region, it was 12.8 percent.

Table 3. Manufacturing Industry Employment for the United States, Pennsylvania and Northeastern Pennsylvania Counties, 2007 and 2012

Area	2007	2012	Change 2007 - 2012	Percent Change 2007 - 2012
United States	13,320,172	11,192,043	-2,128,129	-16.0%
Pennsylvania	644,994	547,925	-97,069	-15.0%
NE Pennsylvania	50,603	41,552	-9,051	-17.9%
Carbon County	2,370	1,753	-617	-26.0%
Lackawanna County	12,736	8,837	-3,899	-30.6%
Luzerne County	18,196	16,599	-1,597	-8.8%
Monroe County	5,654	4,433	-1,221	-21.6%
Pike County	198	168	-30	-15.2%
Schuylkill County	10,687	9,174	-1,513	-14.2%
Wayne County	762	588	-174	-22.8%

Sources: U.S. Census Bureau, "2007 and 2012 County Business Patterns"

Table 4. Manufacturing Industry Employment for the United States, Pennsylvania and Northeastern Pennsylvania Counties, 2012 and 2017

Area	2012	2017	Change 2012 - 2017	Percent Change 2012 - 2017
United States	11,192,043	11,721,785	529,742	4.7%
Pennsylvania	547,925	542,823	-5,102	-0.9%
NE Pennsylvania	41,552	44,107	2,555	6.1%
Carbon County	1,753	1,337	-416	-23.7%
Lackawanna County	8,837	8,378	-459	-5.2%
Luzerne County	16,599	17,572	973	5.9%
Monroe County	4,433	5,448	1,015	22.9%
Pike County	168	337	169	100.6%
Schuylkill County	9,174	10,384	1,210	13.2%
Wayne County	588	651	63	10.7%

Sources: U.S. Census Bureau, "2012 and 2017 County Business Patterns."

Agriculture

Agriculture in the Northeastern Pennsylvania region has declined at a rate higher than the state and the nation from 2012 to 2017. This is exemplified below.

- The market value of products sold in the region decreased 9.7 percent as compared to the nation with a decrease of 1.6 percent. The state experienced an increase with 4.8 percent.
- The total acreage in farms decreased 8.6 percent in the region, 5.5 percent in the state and 1.6 percent in the nation.

- The average farm size increased 5.2 percent in the region, 5.4 percent in the state and 1.6 percent in the nation.
- The number of farms decreased 12.6 percent in the region, 10.4 percent in the state and 3.2 percent in the nation.

Table 5 provides information regarding the Market Value of Products Sold during 2012 and 2017.

Table 5. Market Value of Products Sold, 2012 and 2017

	2012	2017	Change	Percent Change
United States	\$394,644,481,000	\$388,522,695,000	-\$6,121,786,000	-1.6%
Pennsylvania	\$7,400,781,000	\$7,758,884,000	\$358,103,000	4.8%
Northeastern Pennsylvania	\$255,713,000	\$230,926,000	-\$24,787,000	-9.7%
Carbon County	\$9,339,000	\$13,029,000	\$3,690,000	39.5%
Lackawanna County	\$13,237,000	\$16,469,000	\$3,232,000	24.4%
Luzerne County	\$20,993,000	\$17,793,000	-\$3,200,000	-15.2%
Monroe County	\$10,974,000	\$9,933,000	-\$1,041,000	-9.5%
Pike County	\$2,965,000	\$892,000	-\$2,073,000	-69.9%
Schuylkill County	\$165,853,000	\$143,439,000	-\$22,414,000	-13.5%
Wayne County	\$32,352,000	\$29,371,000	-\$2,981,000	-9.2%

Source: 2012 and 2017 Censuses of Agriculture

Regarding certain agricultural products at the county level:

- According to the 2017 Census of Agriculture, Schuylkill County is ranked 7th in overall crop sales, with \$66,752,000, and is ranked 4th in both sales of Nursery, Greenhouse, Floriculture and Sod products and cultivated Christmas trees. The sales amount of nursery products was not available due to disclosure reasons and there was \$1,918,000 in sales of cultivated Christmas trees.
- Carbon County, with \$2,890,000 in sales of cultivated Christmas trees, was 2nd in the state and 21st in the nation in the sales of cultivated Christmas trees.
- Lackawanna County was 17th in the state in sales of Nursery, Greenhouse, Floriculture and Sod products with \$5,221,000.
- Luzerne County, with \$3,090,000 in sales of vegetables, melons, potatoes and sweet potatoes and \$1,177,000 in sales of fruits, tree nuts and berries, was 19th in the state in both production categories.
- Monroe County, with \$1,943,000 in aquaculture sales, was 5th in the state. According to the National Ocean Service of the U.S. Department of Commerce's National Oceanic and Atmospheric Administration, "Aquaculture is the breeding,

rearing and harvesting of fish, shellfish, algae and other organisms in all types of water environments.”

- Pike County, with a sales amount withheld to avoid disclosing data for individual operations, was 13th in the state in aquaculture sales.
- Wayne County, with a sales amount that was not disclosed, was ranked 3rd in the state in aquaculture sales.

New information included in the 2017 Census of Agriculture includes the percentage of farms that have Internet access. Table 8 provides those percentages.

Table 6. Percent of Farms with Internet Access, 2017

	Percent
United States	75%
Pennsylvania	69%
Northeastern Pennsylvania (Average)	80%
Carbon County	84%
Lackawanna County	77%
Luzerne County	70%
Monroe County	79%
Pike County	96%
Schuylkill County	74%
Wayne County	78%

Source: 2017 Census of Agriculture

Efforts to obtain funding for high-speed broadband in the northern portion of Wayne County have been ongoing.

Workforce

According to StatsAmerica, the Northeastern Pennsylvania region has experienced an unemployment rate that is 1.32 percentage points above that of the United States for the 24 months ending December 2019. The region has lower percentages than the nation and state in average employment for a 24-month period, labor force participation and percentage of the population with at least an associate degree. In the region, there are 18 colleges and universities, 46 public school districts, seven vocational technical schools and many private schools.

Socio-Economics

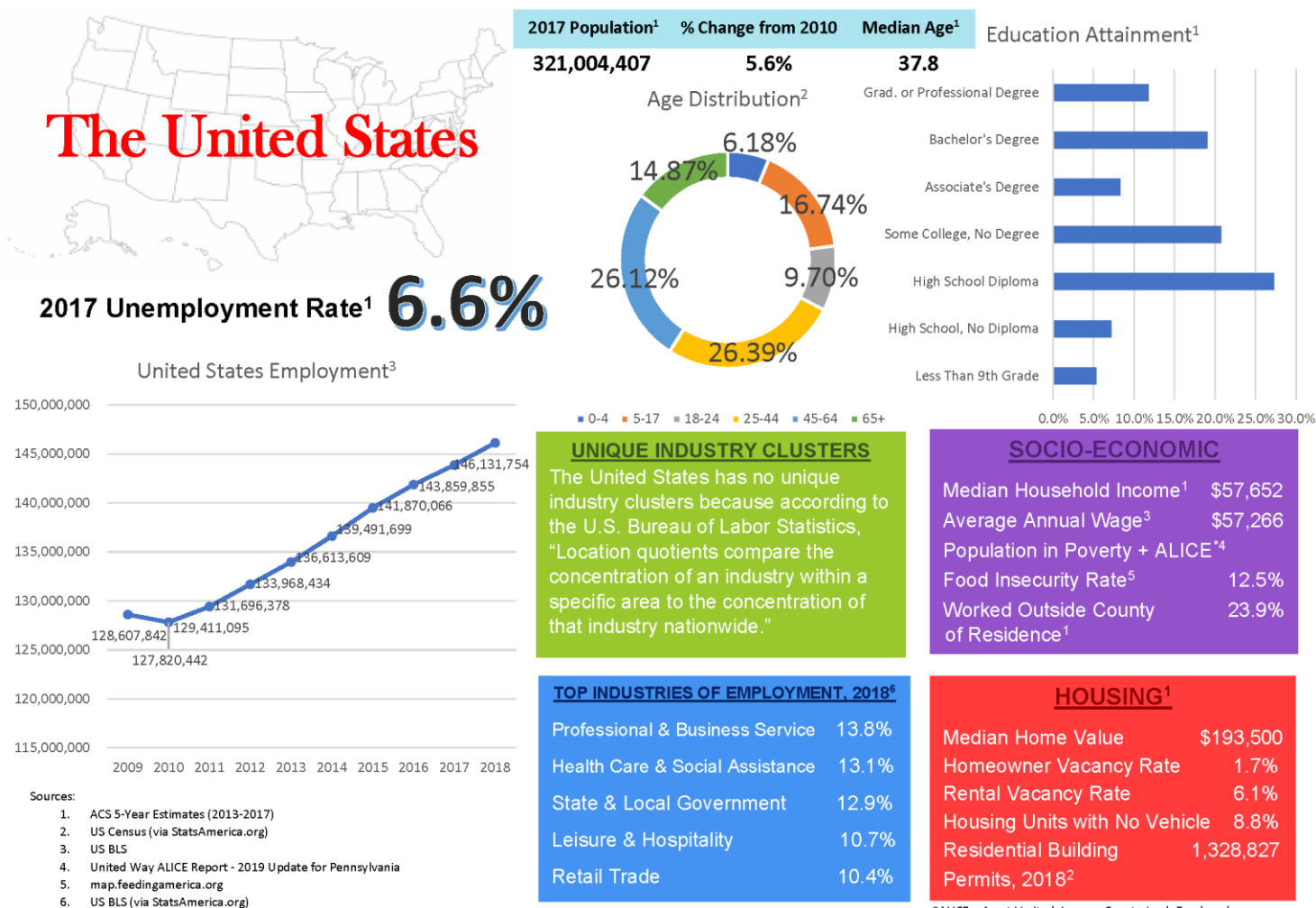
The region’s median age and poverty rate are greater than that of the nation. The region’s poverty rate is less than that of the state. A United Way acronym, ALICE, is defined as Asset Limited, Income Constrained, Employed is defined as the number of individuals and families who are working, but are unable to afford the necessities of housing, food, childcare and transportation. In the ALICE report for Pennsylvania, there are data, which provides the percent of a geographic area’s population that either lives

within the ALICE threshold or in poverty. In the seven-county Northeastern Pennsylvania region, this percentage is 40 percent. Housing costs within the region are lower than the state and nation. According to 2013 - 2017 American Community Survey 5-year estimates from the U.S. Census Bureau, the region has a lower median housing value and median rent than the state and nation. This indicates that low housing costs can be an attraction for businesses to locate to the region.

National, State, Regional & County Demographic Profiles

Figures 2 through 11 provide data profiles for the United States, Pennsylvania, the Northeastern Pennsylvania region and each of its seven counties.

Figure 2. Data Profile for the United States



*ALICE = Asset Limited, Income Constrained, Employed

Figure 3. Data Profile for Pennsylvania

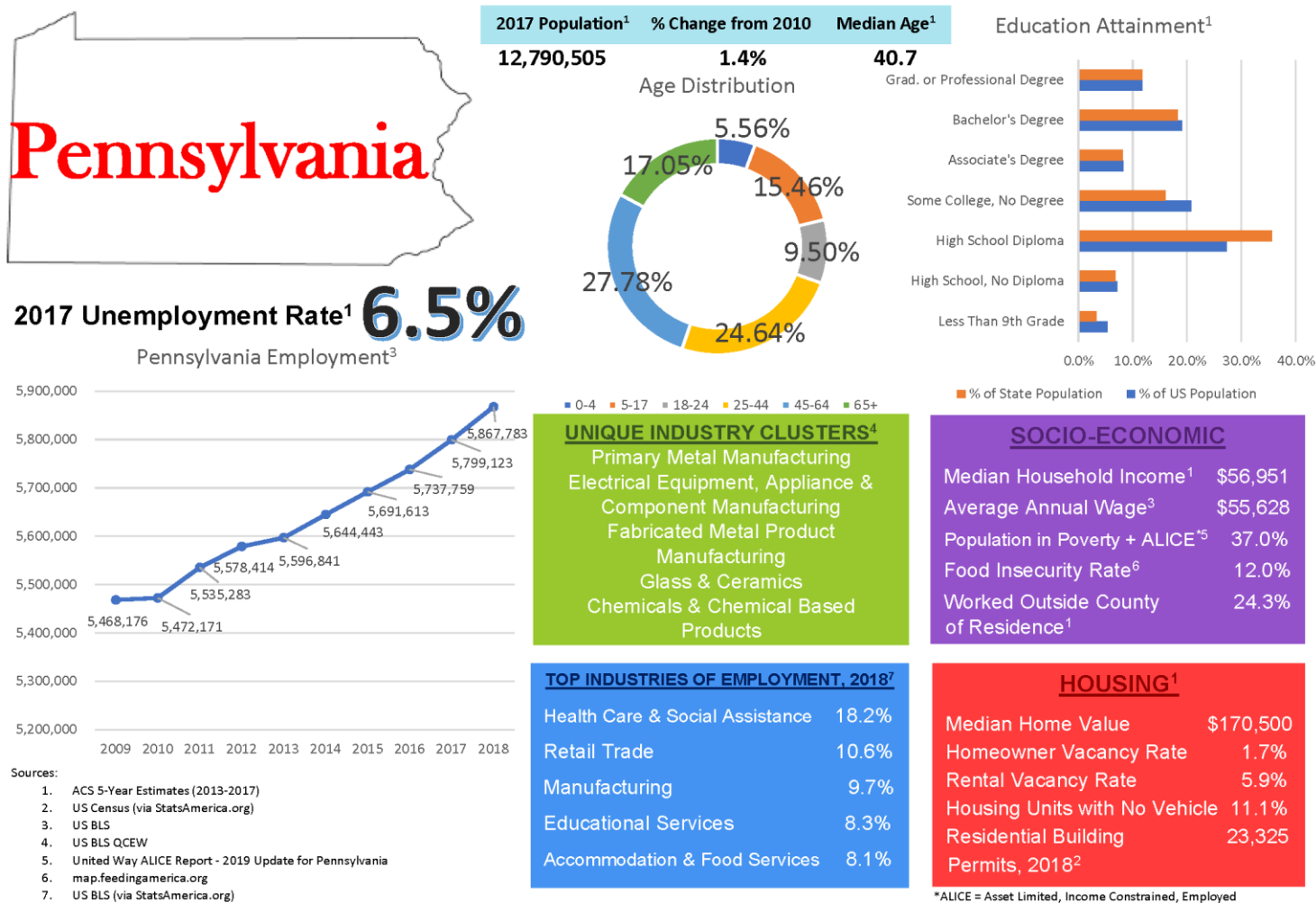


Figure 4. Data Profile for the Northeastern Pennsylvania Region

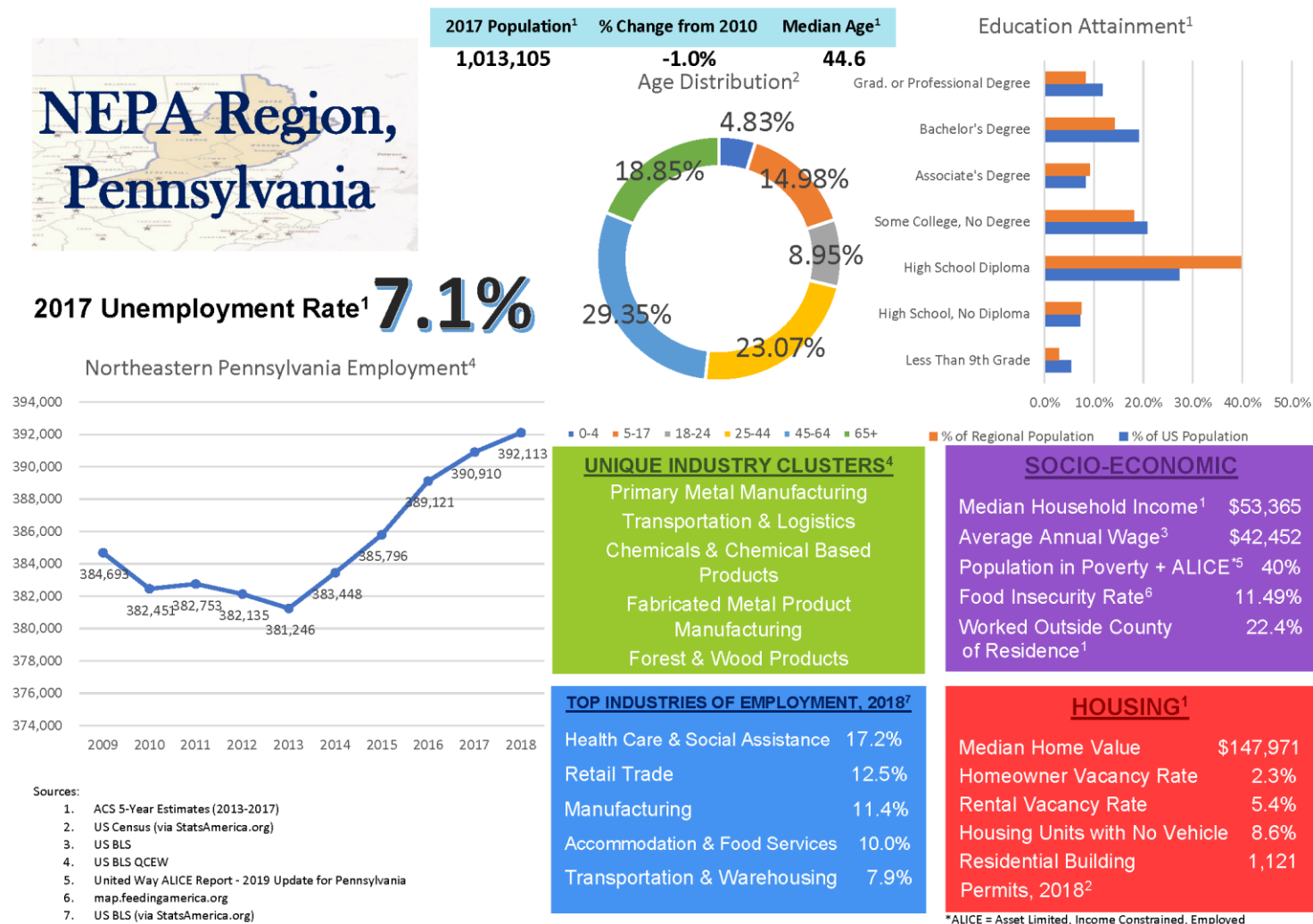
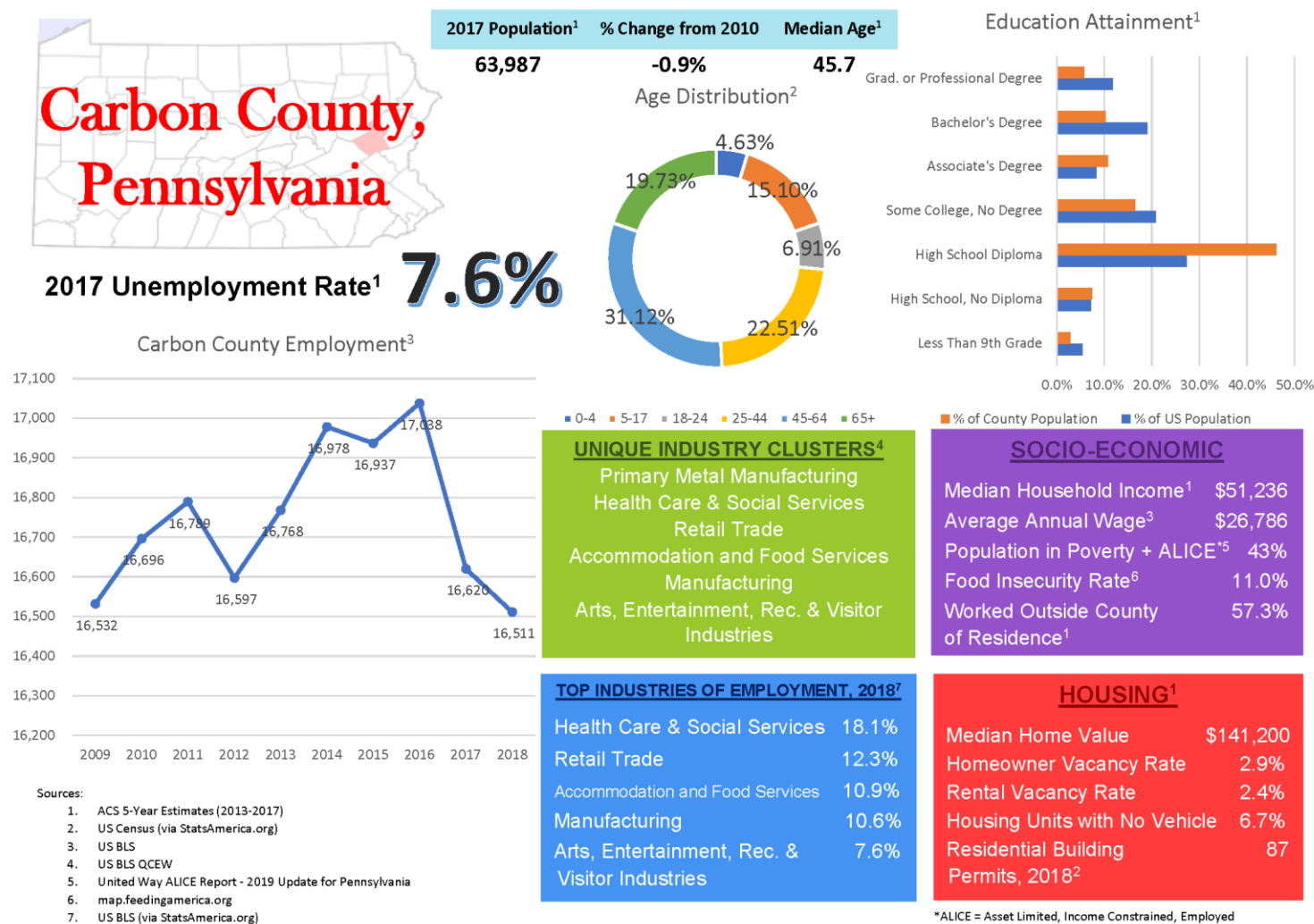


Figure 5. Data Profile for Carbon County, Pennsylvania



*ALICE = Asset Limited, Income Constrained, Employed

Figure 6. Data Profile for Lackawanna County, Pennsylvania

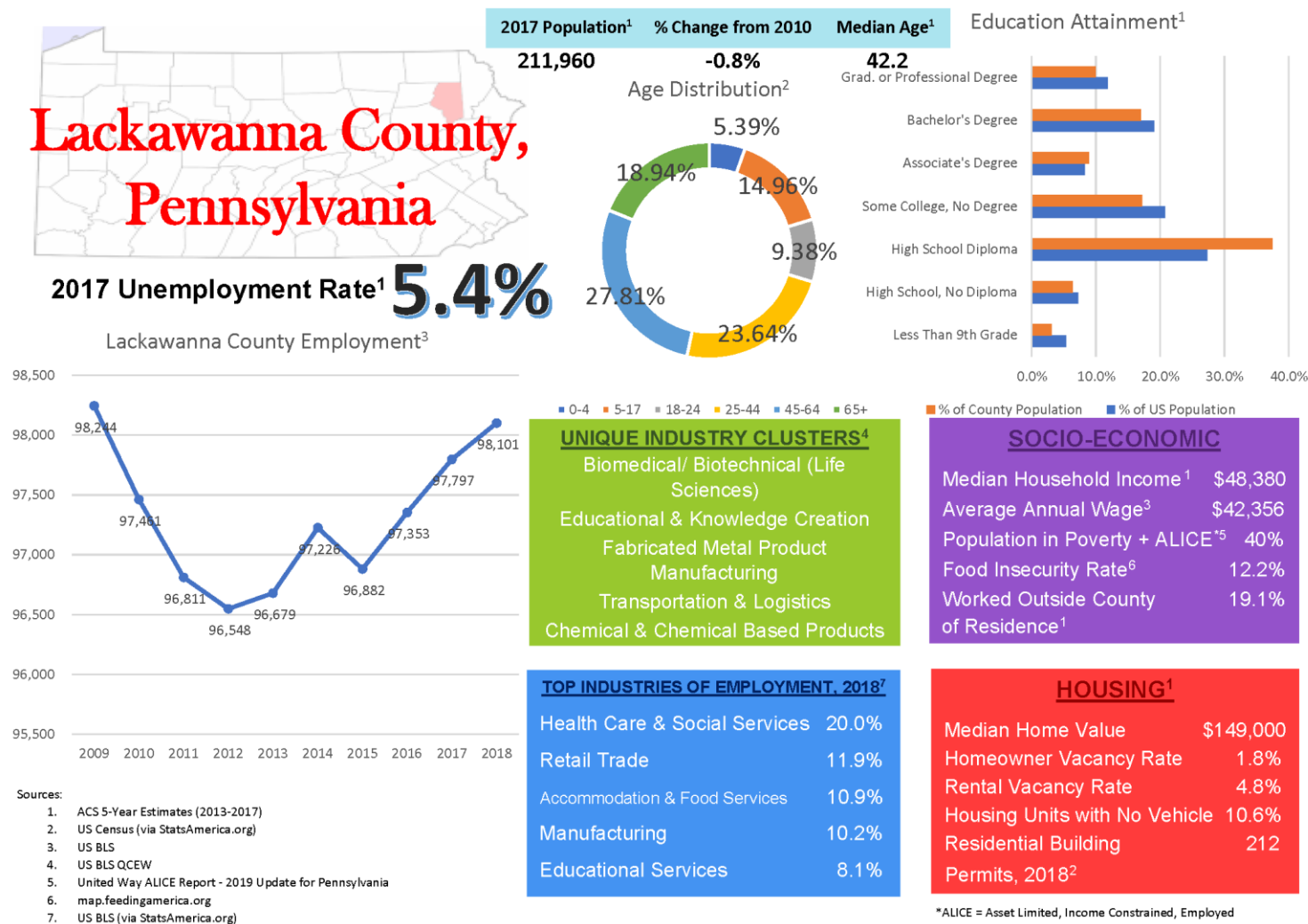


Figure 7. Data Profile for Luzerne County, Pennsylvania

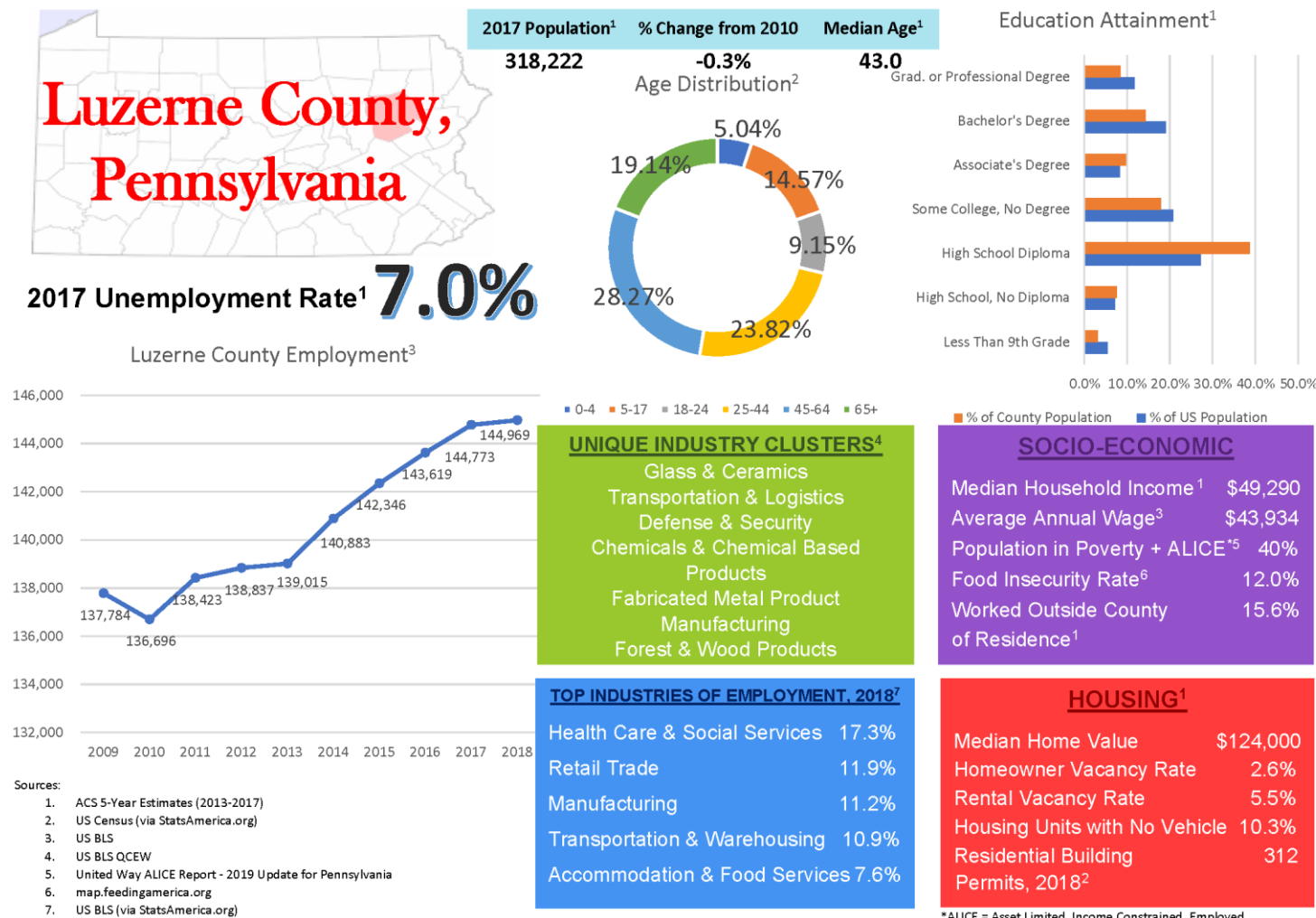


Figure 8. Data Profile for Monroe County, Pennsylvania

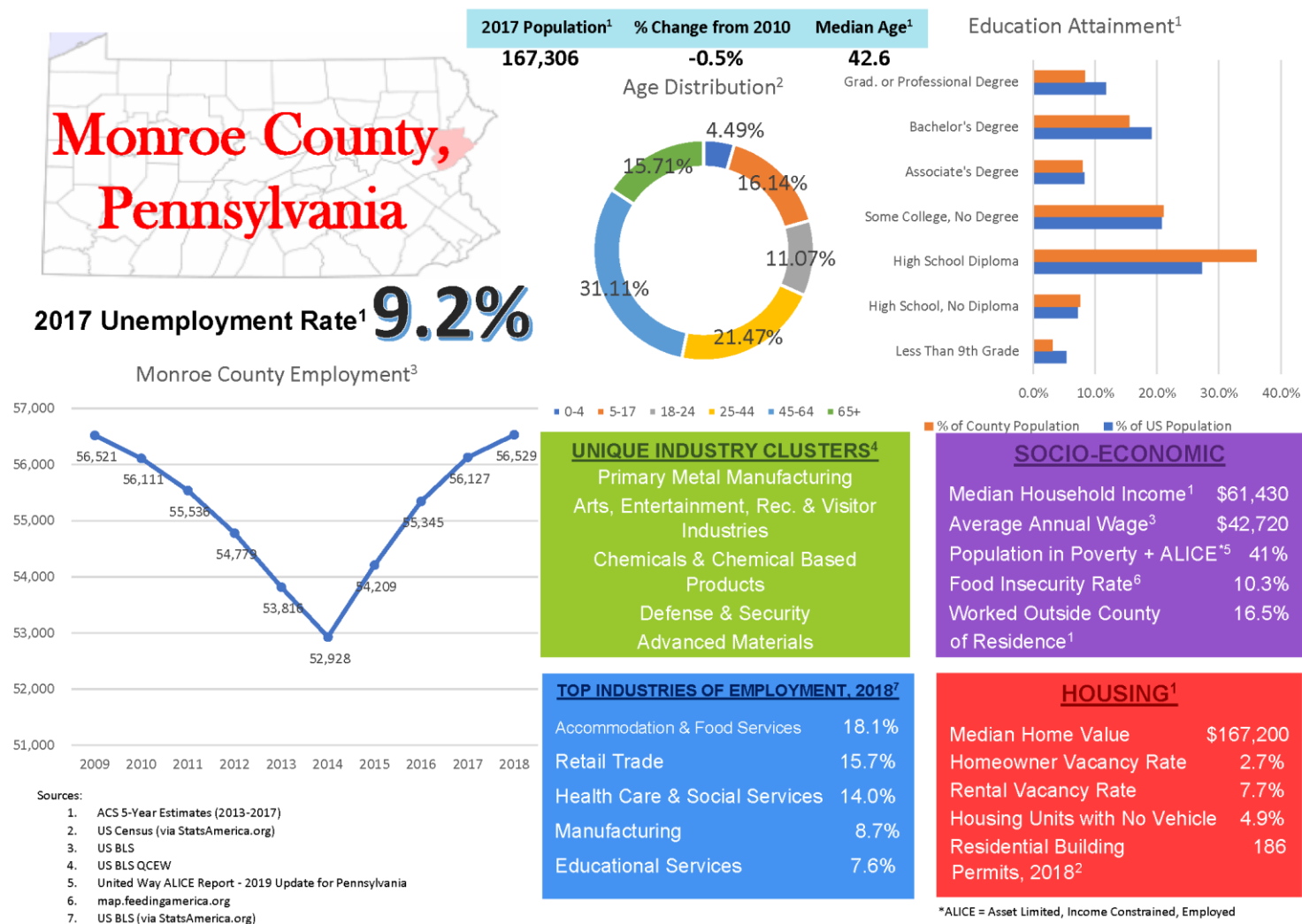


Figure 9. Data Profile for Pike County, Pennsylvania

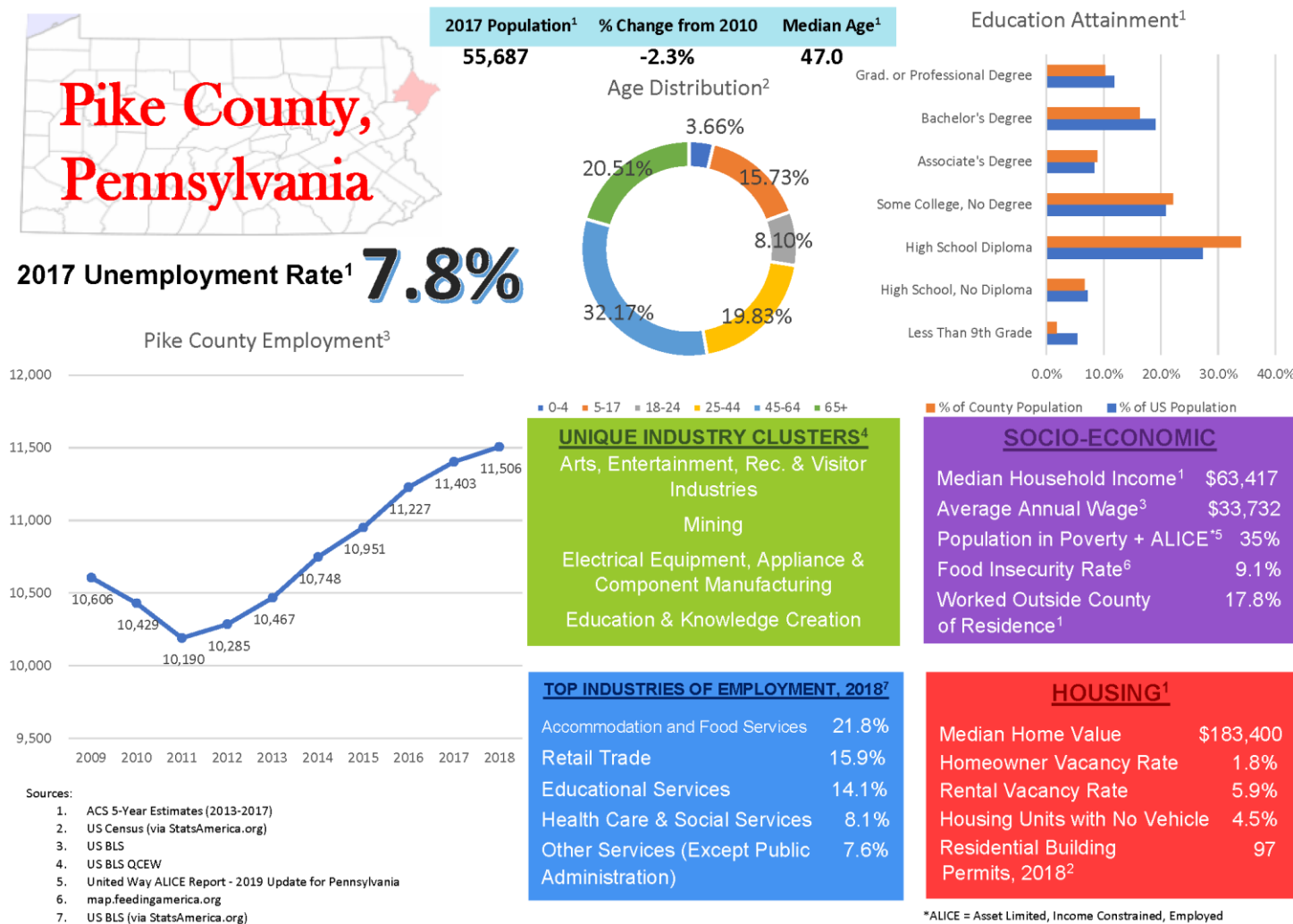


Figure 10. Data Profile for Schuylkill County, Pennsylvania

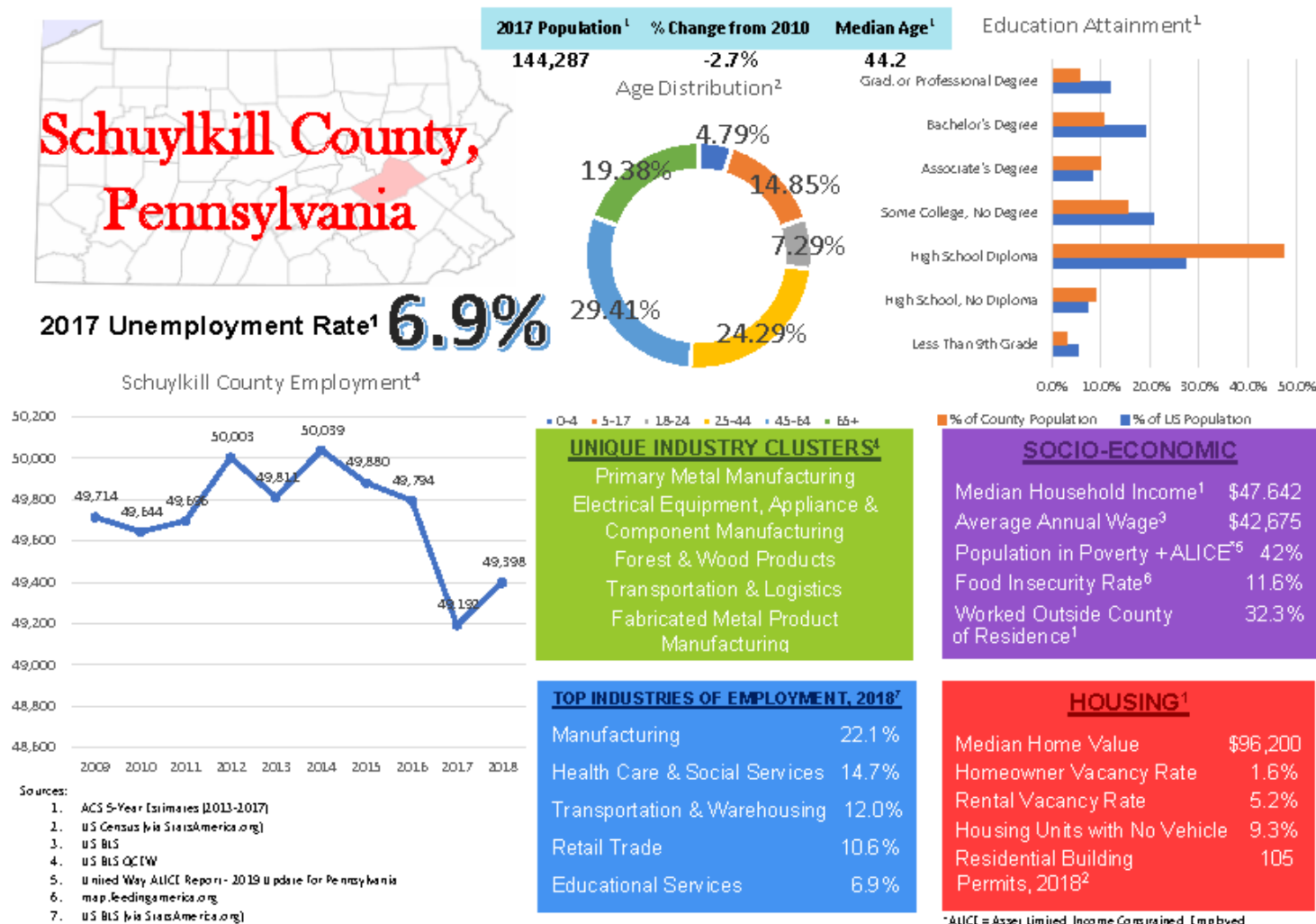
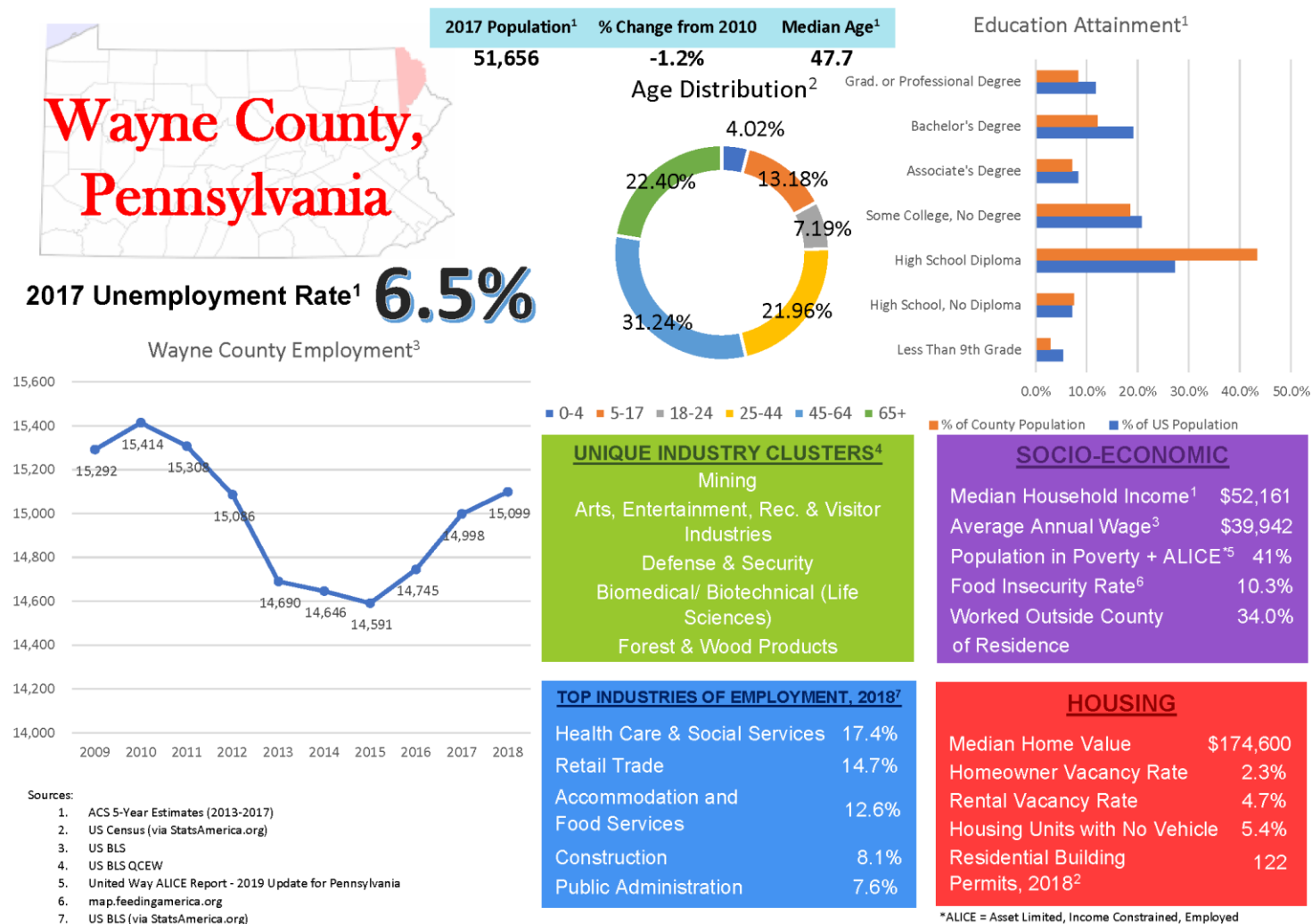


Figure 11. Data Profile for Wayne County, Pennsylvania



Indicators, Trends and Observations

The brief statements below represent economic development observations and trends in the Northeastern Pennsylvania region.

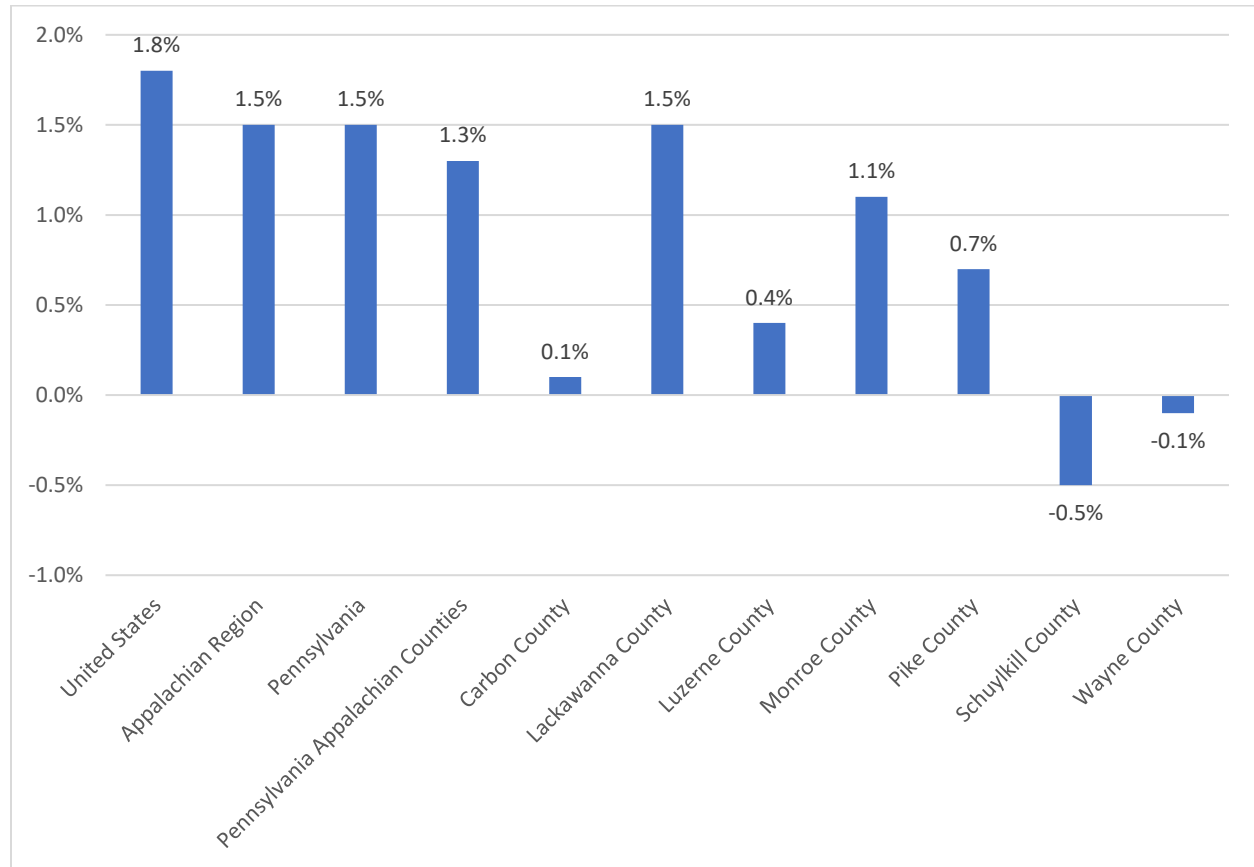
Aging & Income

- Overall, the region continues to experience a relatively high median age. According to July 1, 2018 population estimates from the U.S. Census Bureau, the median age in the United States was 38.2 years, in Pennsylvania, it was 40.8 years, and the average in the region was 45.1 years.
- According to the U.S. Department of Commerce Bureau of Economic Analysis, the 2018 per capita personal income in the region (\$45,401) was below that of the state (\$56,225) and the nation (\$54,446).

Business Growth and Entrepreneurship

- Business Incubators are in five of the seven counties. There are three incubators in Lackawanna County, two incubators in Luzerne and Wayne counties, and one incubator in Monroe and Schuylkill counties.
- According to the Appalachian Entrepreneurial Dynamism Dashboard that is provided by the Appalachian Regional Commission (<http://arceco.creconline.org/dash/>), from 2012 to 2017, only Lackawanna County, at 1.5 percent, exceeded the Growth Rate in the Number of Establishments in the Pennsylvania Appalachian Counties of 1.3 percent. The growth rate was 1.8 percent in the nation and 1.5 percent in the Appalachian Region and in Pennsylvania. Schuylkill County, at -0.5 percent, and Wayne County, at -0.1 percent, were the two counties in Northeastern Pennsylvania that had a decrease. Figure 12 provides additional information.

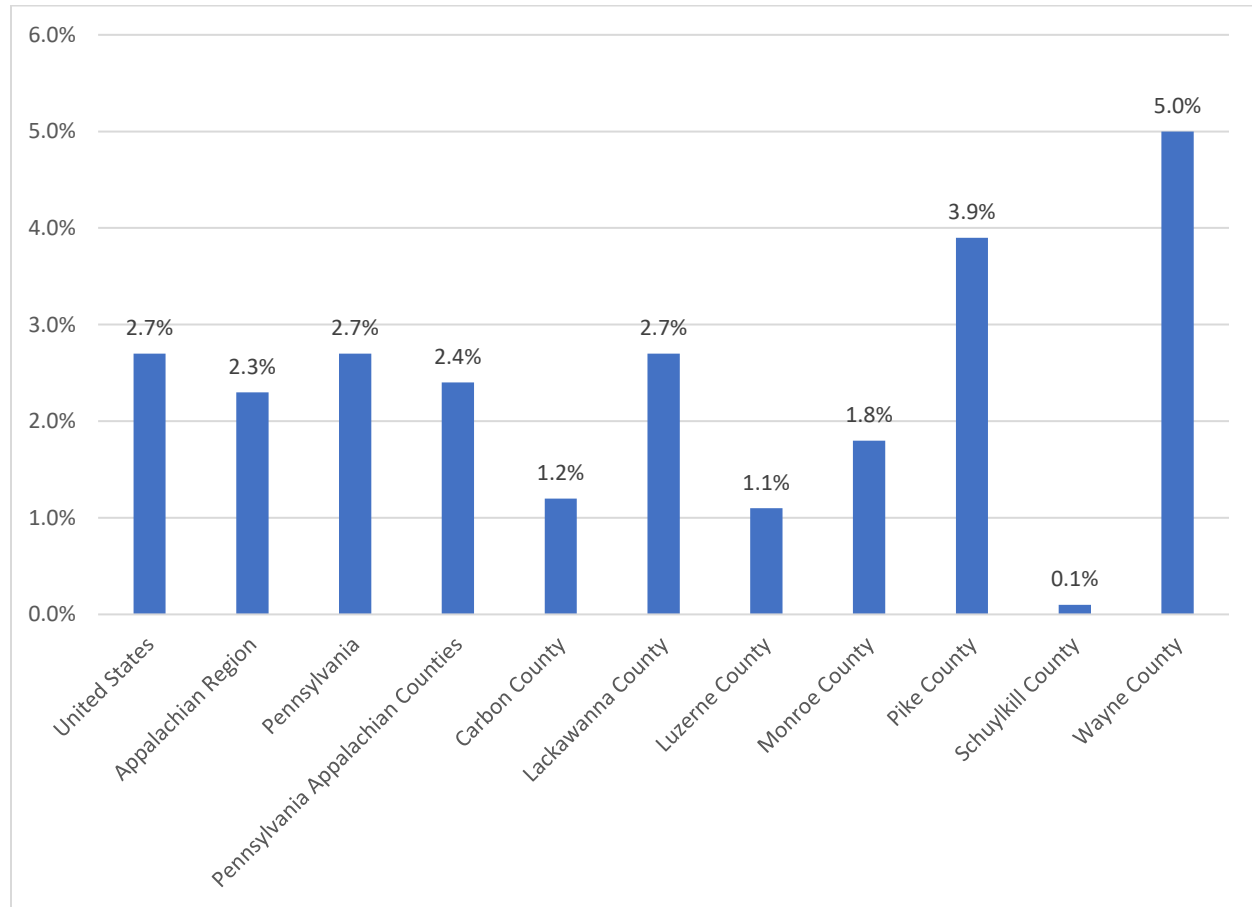
Figure 12. Number of Establishments Growth Rate, 2012 - 2017



Source: Appalachian Regional Commission

- **Job Growth Rate:** From 2012 to 2017, Wayne County experienced a 5.0 percent increase in the number of jobs, and it was followed by Pike County, with a 3.9 percent increase and Lackawanna County with an increase of 2.7 percent, which is the same as the nation and state. The Pennsylvania Appalachian Counties had a 2.4 percent increase and the Appalachian Region had a 2.3 percent increase. Schuylkill County had the lowest percent increase, with 0.1 percent. Figure 13 provides additional information.

Figure 13. Job Growth Rate, 2012 - 2017



Source: Appalachian Regional Commission

Business Finance Capital

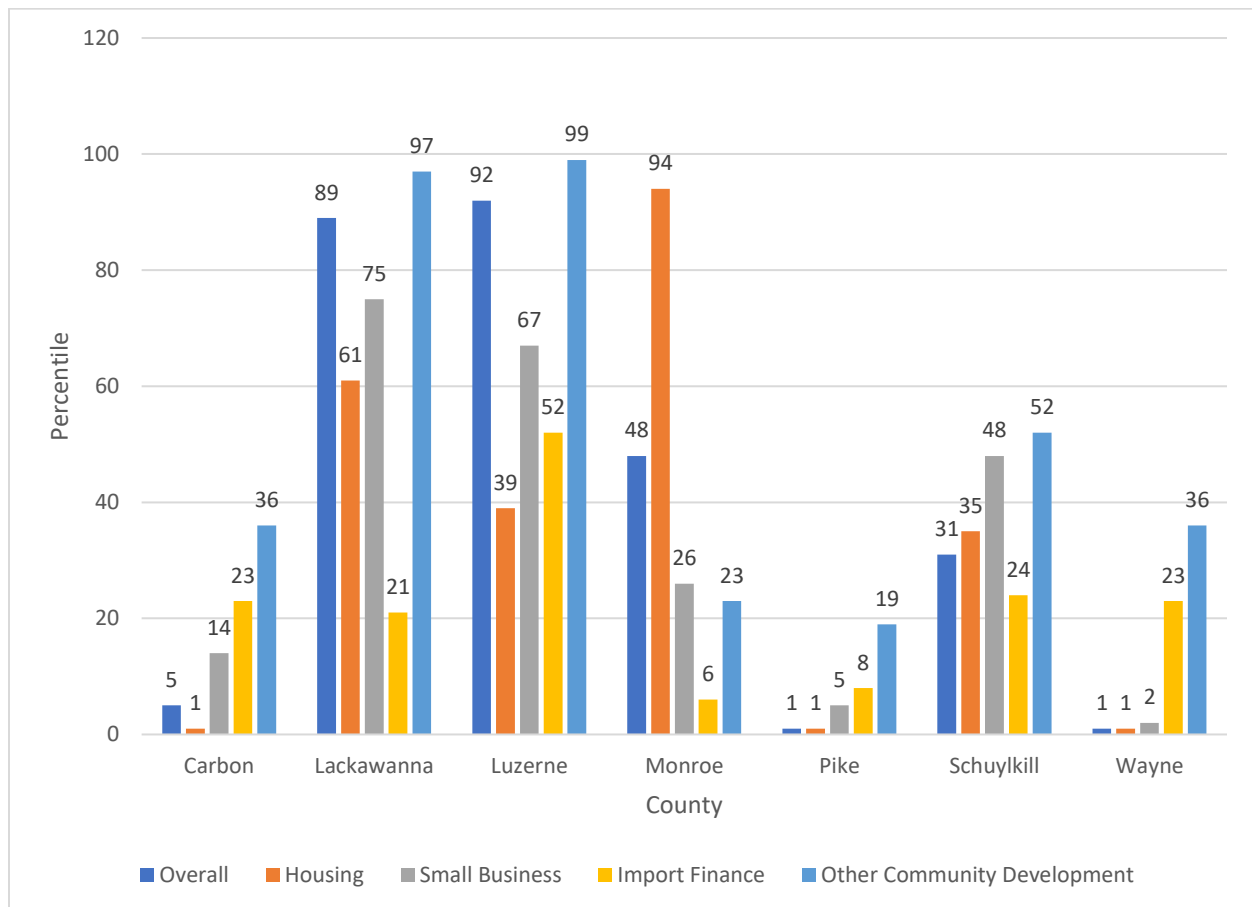
- Data from the Appalachian Regional Commission indicate that the Northeastern Pennsylvania region has a weak startup performance. The 2017 percentage of startups in all seven counties was lower than the nation, which was 17.8 percent, and in five of the seven counties, the percent was lower than that of the state, which was 16.2 percent. Monroe and Pike counties had the highest percentages at 16.9 and 17.3 percent, respectively. Carbon, with 13.8 percent, Luzerne, with 13.2 percent, Schuylkill, with 11.9 percent, and Wayne, with 13.1 percent, all had percentages below the 14.6 percent for the Pennsylvania Appalachian Counties. The startup rate for Lackawanna County was 15.1 percent. Based upon feedback from entrepreneurs, start-up and venture capital financing is needed to create more opportunities.

Community Development Financial Flows

- According to an article, "Community Development Financial Flows: How US Counties Compare," that is by the Urban Institute

(<https://apps.urban.org/features/community-development-financing/>), Pike County was ranked 385th and Wayne County was ranked 387th in the Combined – Least Investment among Small Counties category. Pike and Wayne counties were tied for 340th in Housing – Least Investment among Small Counties. Small counties have population between 50,000 and 99,999 people. On the other hand, Luzerne County was 8th in Other Community Development – Most Investment among Large Counties. Large counties have population more than 300,000 people. Figure 14 provides additional information.

Figure 14. Community Development Financial Flows Percentiles



Source: Urban Institute

Department of Defense Supply Chain Presence

- The region's largest industrial employer is Tobyhanna Army Depot, which is the largest full-service electronics maintenance facility in the U.S. Department of Defense. The Depot overhauls, repairs, tests, modifies, converts, demilitarizes and provides technical assembly and installation for airborne and electronic warfare systems and associated equipment for the Joint Warfighter.

- According to “Defense Spending by State for Fiscal Year 2017,” a publication by the U.S. Department of Defense, Office of Economic Adjustment, Pennsylvania is ranked ninth in the nation defense spending with \$12.1 billion, which is 3.0 percent of the total spending in the nation.
- According to GovernmentContractsWon.com, during 2018, there were 23,109 defense contracts, with an amount of \$406.5 million awarded, within the region.

Energy

- According to an Energy Information Administration report issued December 31, 2019, Pennsylvania natural gas production in 2018 was 6.1 trillion cubic feet, up from 5.4 trillion cubic feet in 2017. Pennsylvania’s 2018 production was second in the nation, with only Texas surpassing that level with 6.8 trillion cubic feet produced. Across Pennsylvania, there were more than 68,000 productive gas wells active throughout 2018. The large amount of Marcellus Shale activity, along with the abundance of supply, had led to the introduction of liquefied natural gas (LNG) fueling centers throughout the Northern Tier and Northeastern Pennsylvania communities. The gas industry is expected to contribute to the region’s overall competitiveness for years into the future.
- Within the past year, two power plants have been constructed in Lackawanna County: Lackawanna Energy Center in Jessup, and the Archbald Power Plant in Archbald, both of which are natural gas-fired. According to their website, the Lackawanna Energy Center will start with approximately 30 permanent jobs. According to an economic impact analysis of the Archbald Power Plant that was conducted in September 2016 by the Northeastern Pennsylvania Alliance, there will be, as a start, 30 jobs at that facility. According to *Marcellus Drilling News*, the Lackawanna Energy Center will produce 1,480 megawatts of electricity and the Archbald Power Plant will be much smaller, producing 485 megawatts of electricity.
- According to the U.S. Energy Information Administration, in 2018, the Natural Gas Electric Power Price in Pennsylvania was \$3.17 per Thousand Cubic Feet. This is well below the U.S. price of \$3.68. Among surrounding states, Maryland, New Jersey, New York and Ohio had prices of \$4.00, \$3.18, \$3.87 and \$3.30, respectively. The price in Delaware and West Virginia was not available.

Transportation, Highway Infrastructure & Logistic Firms

- The region is served by three primary interstate highways (Interstates 80, 81 and 84) and two auxiliary interstate highways (Interstates 380 and 476). These highways have been used as marketing for the Transportation & Warehousing industry to locate to the region. According to 2012 and 2016 “County Business Patterns” from the U.S. Census Bureau, there has been an increase of 33 firms and 2,579 employees within this industry.
- PennDOT is poised to make a major investment in Interstate 80 reconstruction in the coming years in Monroe County to improve safety and efficiencies.
- Transportation barriers limit access to affordable housing, job opportunities, educational and cultural opportunities, and quality health care in Northeastern Pennsylvania. In response to these barriers, “NEPA Moves” formed in 2017 to

improve the quality of life for all people of Northeastern Pennsylvania through improved access to transportation. Spearheaded by the Scranton Area Community Foundation and the Federal Reserve Bank of Philadelphia and comprised of over 90 community leaders, “NEPA Moves” is working diligently to gain a better understanding of the specific barriers of current transit systems and is focused on providing solutions to the transportation challenges through a strategic plan that promotes equity, encourages economic growth, and fosters greater opportunity for all people and communities across Northeastern Pennsylvania.

Target Industry Analysis

- Based on location quotient and shift-share analyses that was conducted by the Northeastern Pennsylvania Alliance for the period from 2013 to 2017, that calls for an increase in employment, an increase in the location quotient and a positive Competitive Component of the shift-share analysis, the industries that should be considered for targeting in Northeastern Pennsylvania are:
 - Forestry, Fishing, Hunting and Agriculture Support
 - Manufacturing
 - Transportation and Warehousing

Housing

- Housing costs within the region are lower than the state and nation. According to 2013 - 2017 American Community Survey 5-year estimates from the U.S. Census Bureau, the region has a lower median housing value and median rent than the state and nation. This indicates that low housing costs can be an attraction for businesses to locate to the region.

Diversity

- The population has become more diverse. In 2010, the region’s population had a minority percentage of 13.3 percent. In 2018, the percentage rose to 18.8 percent.

Tourism

- The Pocono Mountains provide many recreational activities that attract visitors to the region. According to a 2016 Visitor Report about the Pocono Mountains from Longwoods Travel USA, which is the most current available, there were an estimated 26.6 million total person-trips that consisted of 9.5 million overnight trips and 17.1 million day trips during 2016. Total spending from overnight visits was \$1.5 billion and total spending from day visits was \$1.0 billion.
- One of the counties in the Pocono Mountains, Monroe County, has experienced a substantial increase in employment in the tourism industry with the addition to existing lodging, meeting space and the water park at Kalahari Resorts and Conventions in Pocono Manor. Other waterparks that have benefited from the additional tourism in the area are: Great Wolf Lodge, H2Oooohh, Aquatopia and Camelbeach. These waterparks have resulted in visitors extending their stay

resulting in an increase in tourism-related spending. Consequently, additional waterparks and improvements to existing ones are speculated to come to the area.

- The region's anthracite mining history provides a network of tourism attractions that are anchored by three national heritage areas including the Lackawanna Heritage Valley National and State Heritage Area, the Delaware & Lehigh National Heritage Corridor and the Schuylkill River National and State Heritage Area.

Action Plan

The Action Plan consists of five goals that have objectives, strategies and sub-strategies. The items in **bold** will be activities in which the NEPA alliance intends to provide leadership in coordination and / or implementation.

Goal 1: Business Retention, Expansion & Attraction: Clusters, Manufacturing & Agriculture

Objective 1.1: Retain, modernize and expand existing manufacturing firms, which have already invested in the region.

Strategy 1.1.1: Retain existing manufacturing firms and their workforce.

- ❖ Sub-Strategy 1.1.1.1: Address the needs of regional manufacturing firms through the *Engage!* Business Retention and Expansion Visitation Program and Industrial Resource Center Program outreach and assessment capabilities.
- ❖ Sub-Strategy 1.1.1.2: Work closely with the Northeast Pennsylvania Strategic Early Warning Network (SEWN), whenever there is a threat of employee layoffs and / or plant closures.
- ❖ Sub-Strategy 1.1.1.3: Capitalize on the current Northeastern Pennsylvania Manufacturing Partnership, which consists of representatives from the Industrial Resource Centers, Workforce Development Agencies, Chambers of Commerce and Higher Education Institutions, for addressing the current and future workforce needs of manufacturing firms.

Strategy 1.1.2: Modernize and expand existing manufacturing firms by accelerating their adoption of advanced technologies and increasing their capacity for innovation.

- ❖ Sub-Strategy 1.1.2.1: Expand NEPA Alliance, Industrial Resource Center and Partnerships for Regional Economic Performance (PREP) outreach and awareness-building efforts relative to advanced manufacturing technologies.
- ❖ Sub-Strategy 1.1.2.2: Pursue incentives to lower manufacturer cost of new technology implementation, including mini-grants and low-interest loans.

Strategy 1.1.3: Create new partnerships between economic development organizations, workforce-focused organizations and institutes of higher education to combine new technology implementation with appropriate workforce training and leverage institution-based research capabilities.

Objective 1.2: Attract new manufacturing firms to the region.

Strategy 1.2.1: From 2020 to 2024, increase employment in final product manufacturing firms and in firms that provide materials used in final products through successful business attraction efforts.

- ❖ Sub-Strategy 1.2.1.1: Provide additional training opportunities for people to enter the manufacturing workforce.
- ❖ Sub-Strategy 1.2.1.2: Expand the number of firms in the manufacturing sector through business attraction.
- ❖ Sub-Strategy 1.2.1.3: Amplify the importance of the existing Plastics Manufacturing cluster within the region.

Objective 1.3: Expand the Defense and Logistics clusters within the region.

Strategy 1.3.1: Increase the number of suppliers to Tobyhanna Army Depot, the region's largest industrial employer.

- ❖ Sub-Strategy 1.3.1.1: Determine the materials that are used at the Depot for the repair, upgrade and integration of Command, Control, Communications, Computers, Cyber, Intelligence, Surveillance and Reconnaissance (C5ISR) weapon systems used by the warfighter.
- ❖ Sub-Strategy 1.3.1.2: Provide this information to the local economic development organizations so that it can be used in business attraction.

Strategy 1.3.2: Increase the number of suppliers to the Logistics industry, which has become the fastest growing in the region.

- ❖ Sub-Strategy 1.3.2.1: Determine whether there is an adequate amount of equipment, such as forklifts, that is being manufactured within the region.
- ❖ Sub-Strategy 1.3.2.2: Provide this information to the local economic development organizations so that it can be used in business attraction.

Agriculture is often cited as the largest industry in Pennsylvania. While the Agriculture and Forestry sectors, broadly defined, account for more than 280,000 jobs across Pennsylvania, a 2017 report issued by the Team Pennsylvania Foundation and the Pennsylvania Department of Agriculture clarified that Food and Beverage Processing and Forestry Product Processing, both classified with Manufacturing NAICS, accounted for 53 percent of those jobs and 75 percent of agricultural output during 2015. Across

Northeastern Pennsylvania, food, beverage, wood product and other agriculturally-related manufacturing firms employ 8,148 full-time workers. Recently, there have been many breweries and wineries that have sprung up within the region, especially in the Pocono Mountains. These businesses, along with their related festivals, have contributed to the economic impact from tourism within the region. Thus, the Agricultural sector and the Food, Beverage and Wood Product Manufacturing sectors are important to the economy of Northeastern Pennsylvania. The following goals, objectives and strategies are relevant to the agricultural and related sectors of Northeastern Pennsylvania and, in most cases, supported by important plans such as the recent Agricultural Plan that was recently completed in Wayne County.

Objective 1.4: Transition farm ownership to a generation of younger owners.

Strategy 1.4.1: Help farmers transition from one generation to the next.

- ❖ Sub-Strategy 1.4.1.1: Increase interest in agriculture in schools and in outside activities.
- ❖ Sub-Strategy 1.4.1.2: Have job shadowing and internship opportunities, which could include students working on farms, during the summer months.

Objective 1.5: Provide farmers with the capability to research current prices for products, activities in the futures market and input costs.

Strategy 1.5.1: Increase the availability of high-speed Internet service and cell phone coverage in remote areas.

Objective 1.6: Improve the profitability of farm businesses.

Strategy 1.6.1: Increase the farmer's knowledge of marketing and production strategies.

- ❖ Sub-Strategy 1.6.1.1: Provide information about vertical integration, which is where products are grown, processed into value-added products, distributed and sold at the same facility. An example of this is the production of apple cider.
- ❖ Sub-Strategy 1.6.1.2: Provide knowledge about the sharing of resources such as equipment.
- ❖ Sub-Strategy 1.6.1.3: Encourage the forming of cooperatives that will serve as processing and distribution centers for agricultural products, along with supplying feed, fertilizer, machinery and other inputs.

Strategy 1.6.2: Encourage the farmer to use their land outside the growing season for agritourism purposes, which could consist of fairs and tours.

Strategy 1.6.3: Increase profitability so that farm operators would be able to reduce their time in off-farm employment.

Strategy 1.6.4: Increase knowledge of farm business planning and financing.

- ❖ Sub-Strategy 1.6.4.1.: Provide business consulting and financing (projections & assumptions) assistance to individual agricultural businesses through The University of Scranton and Wilkes University Small Business Development Centers (SBDCs).
- ❖ Sub-Strategy 1.6.4.2: Raise awareness of financing opportunities through the NEPA Alliance and other resources.

Objective 1.7: Establish a Food, Beverage and Wood Manufacturing Cluster to foster best practice sharing, improved efficiencies and enhanced profitability.

Strategy 1.7.1: Convene leaders from the Food, Beverage and Wood Manufacturing sector to determine needs and preferred Cluster format.

- ❖ Sub-Strategy 1.7.1.1: Leverage existing NEPA Alliance and Industrial Resource Center contacts to convene leaders and develop Cluster goals, formats, topics etc.

Goal 2: Small Business & Entrepreneurship

Objective 2.1: Increase the number of entrepreneurs within the region.

Strategy 2.1.1: Increase the number of educational resources for youth and adults annually from 2020 to 2024.

- ❖ Sub-Strategy 2.1.1.1: Provide entrepreneurship courses to high school students.
- ❖ Sub-Strategy 2.1.1.2: Promote the Junior Achievement facility in Pittston Township.
- ❖ Sub-Strategy 2.1.1.3: Utilize the “What’s So Cool about Manufacturing” program that is provided by the Northeastern Pennsylvania Industrial Resource Center (NEPIRC) and the Manufacturers Resource Center (MRC).
- ❖ Sub-Strategy 2.1.1.4: Increase awareness about business plan competitions.
- ❖ Sub-Strategy 2.1.1.5: Provide tours of business incubators for students to learn about small business and manufacturing.
- ❖ Sub-Strategy 2.1.1.6: Promote “Encore Entrepreneurship” which is a course offered by the U.S. Small Business Administration for those who are at least age 50.
- ❖ Sub-Strategy 2.1.1.7: Develop a Regional Entrepreneurship Network by using a guide, “Building a Regional Entrepreneurship Network: A Guide to Action,” by June Holley of the ACEnet Institute. As an example, the Centre Region (PA)

Entrepreneur Network is a support venue for entrepreneurs in central Pennsylvania to “discuss the successes and difficulties of running a business.”

- ❖ Sub-Strategy 2.1.1.8: Provide instruction about how to market products.
- ❖ Sub-Strategy 2.1.1.9: Promote SBDC First Step: Starting Your Business training classes.
- ❖ Sub-Strategy 2.1.1.10: Promote The University of Scranton Women’s Entrepreneurship Center, offering small business start-up assistance to low-income women or those in transition.

Strategy 2.1.2: Increase the sales of goods and services provided by entrepreneurs.

- ❖ Sub-Strategy 2.1.2.1: Encourage businesses to make space for products that are produced by other nearby businesses.
- ❖ Sub-Strategy 2.1.2.2: Provide a Resource Guide for businesses.
- ❖ Sub-Strategy 2.1.2.3: Identify origins of seed capital and angel investment funds.
- ❖ Sub-Strategy 2.1.2.4: Provide a regional entrepreneurship coordinator.
- ❖ Sub-Strategy 2.1.2.5: Facilitate awareness to Intermediate Units, and county and state officials.
- ❖ Sub-Strategy 2.1.2.6: Utilize the LaunchBox, a no-cost startup accelerator and co-working space.
- ❖ Sub-Strategy 2.1.2.7: Provide existing small business assessments conducted by the SBDCs.
- ❖ Sub-Strategy 2.1.2.8: Identify challenges and opportunities for small business growth through projects such as *Engage! Business Walks*.

Strategy 2.1.3: Attract new entrepreneurs to the region.

- ❖ Sub-Strategy 2.1.3.1: Provide housing and transportation for entrepreneurs, which, as an example, would be like an artisan district.
- ❖ Sub-Strategy 2.1.3.2: Provide a Resource Guide for businesses, which would include information about recreational activities.
- ❖ Sub-Strategy 2.1.3.3: Promote Encore Entrepreneurship, which is a program for people who are at least age 50.
- ❖ Sub-Strategy 2.1.3.4: Support collaboration and training for incubator boards and staff to capitalize on regional expertise and increase the success rate of start-up businesses.

Objective 2.2: Make Available Training for Surface Mounted Technology (SMT) Prototyping Lab Equipment at the Carbondale Technical Transfer Center (CTTC), the only lab of this type in Northeastern Pennsylvania. This mitigates the need for small

businesses to purchase SMT products from overseas markets with high minimum orders for prototype product development and high probability of intellectual property theft.

Strategy 2.2.1: Provide hands-on training / knowledge to effectively and efficiently use equipment in the Electronic Makerspace at CTTC by hosting and funding the equipment manufacturer's training program for regional small businesses.

- ❖ Sub-Strategy 2.2.1.1: Hire SMT equipment manufacturer's training support personnel to conduct a maximum of two sessions per year.
- ❖ Sub-Strategy 2.2.1.2: Utilize, as the regional coordinator, the Northeastern Pennsylvania Alliance Procurement Technical Assistance Center in conjunction with the funded Northeast Partnership for a Regional Economic Performance partners to support client awareness building and class participation.
- ❖ Sub-Strategy 2.2.1.3: Provide a mechanism whereby the participating client has a financial obligation to offset a portion of the class cost, not to exceed \$150.00, which upon successful completion of the training will be made available to the client to purchase SMT supplies.

Objective 2.3: Regional Initiative to Advance Clean Transportation.

Strategy 2.3.1: Kick-off a clean transportation initiative with regional stakeholders to enhance the region's availability of advanced clean transportation initiatives inclusive of the support product and services market actors to support technology start and growth.

- ❖ Sub-Strategy 2.3.1.1: Inventory existing Clean Transportation fuel mix and private / public access.
- ❖ Sub-Strategy 2.3.1.2: Determine a shortlist of impact projects to advance the client technology base in the region as well as access to the technology for existing projects and increase Clean Transportation Entrepreneurs in the region.
- ❖ Sub-Strategy 2.3.1.3: Determine workforce training needs.

Strategy 2.3.2: Regional Client / Consumer Awareness Building, Access and Engagement.

- ❖ Sub-Strategy 2.3.2.1: Use Primary and Secondary Market Accelerator Awareness Building methodology.
- ❖ Sub-Strategy 2.3.2.2: Provide for regional infrastructure development and technology adaptive access and engagement.

- ❖ Sub-Strategy 2.3.2.3: Conduct two regional bi-annual conference and technology associated workshop sessions segmented by small businesses and consumers.

Objective 2.4: Conduct an annual CEO Roundtable / Retreat.

Strategy 2.4.1: Determine directional and operational business needs from current regional CEOs for future regional planning to sustain and grow business product lines and services to gain participation commitment from 2020 to 2024.

- ❖ Sub-Strategy 2.4.1.1: Determine CEO attendees mix by county and industry segment.
- ❖ Sub-Strategy 2.4.1.2: Build a Request for Proposal for retreat location / costs to be funded at a 75 percent level with the remaining cost being out of pocket by attendees.
- ❖ Sub-Strategy 2.4.1.3: Kick-off roundtable / retreat in Year Two of the program and each year thereafter.
- ❖ Sub-Strategy 2.4.1.4: Publish Summary of Roundtable Sessions and Action Items (existing and new updates).

Goal 3: Ready Workforce

Objective 3.1: Have a readily available workforce that coincides with the current and future needs of employers.

Strategy 3.1.1: Provide comprehensive career guidance to current and future members of the workforce every year between 2020 and 2024.

- ❖ Sub-Strategy 3.1.1.1: Schools communicate with parents about future job opportunities.
- ❖ Sub-Strategy 3.1.1.2: Broadcast public service announcements about various jobs.
- ❖ Sub-Strategy 3.1.1.3: Provide a career guide to new students when they first start school or transfer into a school district.
- ❖ Sub-Strategy 3.1.1.4: Provide communication that provides access to all workforce development-related resources, which coincides with what services are provided by specific agencies.
- ❖ Sub-Strategy 3.1.1.5: Keep current with the needs of existing businesses – This could be done through a Business Retention and Expansion Program such as *Engage!*, a program coordinated by the Pennsylvania Department of Community and Economic Development.
- ❖ Sub-Strategy 3.1.1.6: Address the shortage of people working in trades.

- ❖ Sub-Strategy 3.1.1.7: Emphasize that earnings from trade occupations, such as plumbers, welders and electricians, can be higher than those that require a college degree.
- ❖ Sub-Strategy 3.1.1.8: Encourage people who have some college, but no degree, to go for additional training that will coincide with the needs of employers.
- ❖ Sub-Strategy 3.1.1.9: Continue to require financial literacy as a requirement for high school graduation.

Objective 3.2: Attract current college students to stay in the region and natives to return to the region for employment.

Strategy 3.2.1: Improve the aesthetics of at least one downtown area in each of the seven counties.

- ❖ Sub-Strategy 3.2.1.1: Tie in with Creative Placemaking in order to attract people, including returners, to the region. These returners would come back to the region to raise families after experiencing life in major urban areas.

Strategy 3.2.2: Increase awareness of regional internship opportunities.

- ❖ Sub-Strategy 3.2.2.1: Promote the Small Business Internship Initiative, coordinated by The University of Scranton and Wilkes University SBDCs.
- ❖ Sub-Strategy 3.2.2.2: Promote State / Local Internship Programs (SLIP) across the region.

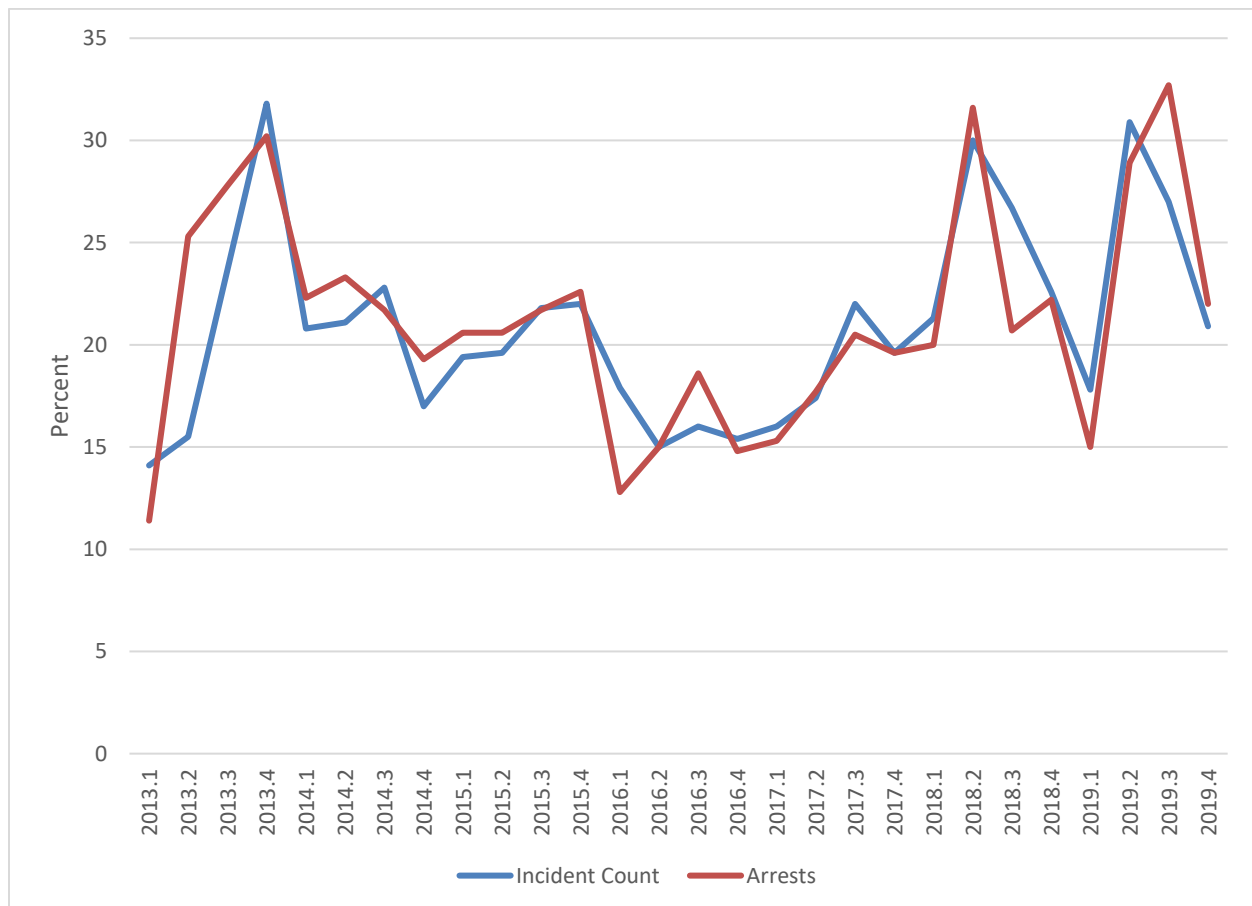
Objective 3.3: Provide the necessary public transportation for workers who do not own vehicles to get to their jobs. A program that is currently in place is “NEPA Moves,” an effort formed in 2017 to improve the quality of life for all people in Northeastern Pennsylvania through improved access to transportation.

Strategy 3.3.1: Increase public transportation to five business parks from 2020 to 2024. This is needed because of the significant percentage of car-free households or one car households – the working poor who work low wage service or warehouse jobs. The tendency of Millennials to not want to drive is a factor but, it does not play a huge role.

Objective 3.4: Decrease the number of people affected by the opioid epidemic so that they can return to be productive citizens. This goal is necessary because, according to Figure 15, Northeastern Pennsylvania has a significant percentage of the state total in the number of opioid-related incidents and arrests. Data are from the Pennsylvania State Police at <https://data.pa.gov/Opioid-Related/Opioid-Seizures-and-Arrests-CY-2013-Current-Quarte/wmgc-6qvq>. According to “The Geographic Variation in the Cost of the Opioid Crisis,” an American Enterprise Institute (AEI) Economic Paper 2018-03 by Alex

Brill and Scott Ganz, Pennsylvania is ranked 26th nationally in Non-Mortality Cost Per Capita with \$205 and is 15th nationally in Total Cost Per Capita with \$1,945. The Office of the Pennsylvania Governor received \$10 million from Bloomberg Philanthropies to fight the opioid epidemic. In 2018, the state received a \$55.9 million federal Substance Abuse and Mental Health Administration (SAMHSA) grant, which will be used for prevention, treatment, recovery, education and training.

Figure 15. Opioid-Related Incidents and Arrests - Percent of Pennsylvania for the Seven-County Northeastern Pennsylvania Region, 2013 - 2019



Source: Pennsylvania State Police

Strategy 3.4.1: According to “Solutions to Pennsylvania’s Opioid Epidemic: A County-by-County Look” an article dated July 1, 2018 by the Allentown *Morning Call* Wire Services, all seven Northeastern Pennsylvania counties are addressing the opioid epidemic through different means such as convening Task Forces, including Help Cards with prescriptions, establishing addiction clinics in hospitals, holding public forums, forming support groups, holding treatment courts and providing Narcan training.

- ❖ Sub-Strategy 3.4.1.1: Monitor the number of incidents and arrests data, which are available from the Pennsylvania State Police.

Goal 4: Critical Infrastructure: Transportation, Broadband & Energy

Objective 4.1: Ease the movement of goods, services and people between origins and destinations.

Strategy 4.1.1: Advocate for and build better energy transmission capabilities.

- ❖ Sub-Strategy 4.1.1.1: Request that local members of the Pennsylvania General Assembly ask the Pennsylvania Public Utility Commission to change regulations, which will ease the construction of natural gas pipelines.
- ❖ Sub-Strategy 4.1.1.2: Request that additional funds be allocated to construct natural gas pipelines. Currently, funding is only available for their “last mile.”
- ❖ Sub-Strategy 4.1.1.3: Lift the moratorium on gas drilling in the Delaware River Basin, which is affecting development in Pike and Wayne counties.
- ❖ Sub-Strategy 4.1.1.4: Once the moratorium is lifted, construct pipelines for the purpose of delivering natural gas to business parks in Pike and Wayne counties.

Strategy 4.1.2: Expand the utilization capability of broadband, especially in rural areas, from 2020 to 2024.

- ❖ Sub-Strategy 4.1.2.1: Complete a vertical asset inventory of the region to identify opportunities to expand broadband access to underserved areas.
- ❖ Sub-Strategy 4.1.2.2: Obtain funding for broadband development in underserved areas such as northern Wayne County.
- ❖ Sub-Strategy 4.1.2.3: Aggregate demand and organize communities so that service can be offered and / or negotiated.
- ❖ Sub-Strategy 4.1.2.4: Upgrade to 5G region-wide.

Strategy 4.1.3: Increase the efficiency of transportation for people and businesses in terms of a 10 percent reduction in accident rates and a 10 percent decrease in travel time from 2020 to 2024.

- ❖ Sub-Strategy 4.1.3.1: Develop creative solutions to provide truck parking areas along interstate highways.
- ❖ Sub-Strategy 4.1.3.2: Apply for funding through Local Share Account funds from the Pennsylvania Department of Community and Economic Development.
- ❖ Sub-Strategy 4.1.3.3: Apply for funding for brownfield improvements from the Pennsylvania Department of Environmental Protection.

- ❖ Sub-Strategy 4.1.3.4: Ensure that funding is set-aside for the widening of Interstate 81 from Nanticoke in Luzerne County to Waverly in Lackawanna County.
- ❖ Sub-Strategy 4.1.3.5: Develop a partnership between private industry and government, which will ensure that transportation funding will become available for improvements.

Strategy 4.1.4: Provide safer and more efficient rail transportation for people and businesses in terms of a 10 percent reduction in accident rates and a 10 percent decrease in travel time from 2020 to 2024.

- ❖ Sub-Strategy 4.1.4.1: Enhance passenger and freight rail systems throughout the region starting with the Stourbridge Rail Line in Wayne County.
- ❖ Sub-Strategy 4.1.4.2: Continue to explore the possibility of having passenger rail service between Scranton and Hoboken, NJ.

Strategy 4.1.5: Increase the number of trips by public transportation providers by 10 percent and, at the same time, the providers maintain their profitability from 2020 to 2024.

- ❖ Sub-Strategy 4.1.5.1: Ask the local members of the Pennsylvania General Assembly to approve funding to replace Act 44, which has expired.
- ❖ Sub-Strategy 4.1.5.2: Ensure that funding for the Medical Assistance Transportation Program (MATP) continues to be funded. MATP provides rides or reimbursement to non-emergency medical appointments for Medicaid recipients.
- ❖ Sub-Strategy 4.1.5.3: Continue to discuss through a Bi-County Authority the possibility of consolidating the three transit systems that serve Lackawanna and Luzerne counties, which would result in bringing additional funding to the region.

Strategy 4.1.6: Increase fire protection and other emergency services so that it will not be a factor in attracting businesses to the region.

- ❖ Sub-Strategy 4.1.6.1: Increase the number of volunteers so that fire service can be improved. As a means of providing incentives, during its 2019 – 2020 session, the Pennsylvania House of Representatives passed legislation that includes property tax credits and tuition assistance to active volunteer first responders. However, this legislation has been referred to committees within the Senate.
- ❖ Sub-Strategy 4.1.6.2: Develop and implement practical incentives for volunteers based on their experience and level of participation. Legislation has

passed both chambers of the Pennsylvania General Assembly for these incentives.

- ❖ Sub-Strategy 4.1.6.3: Decrease the average age of a volunteer firefighter by offering fire science classes through high schools and local fire departments.
- ❖ Sub-Strategy 4.1.6.4: Support more collaboration among fire protection and other emergency services to reduce facility, equipment, training and other related overhead costs.

Objective 4.2: Increase the amount of alternative energy sources such as solar and wind farms and increase the presence of natural gas within the region.

Strategy 4.2.1: Increase the number of businesses within the region through business attraction due to the increased choices of energy.

- ❖ Sub-Strategy 4.2.1.1: Develop opportunities to capitalize on shale gas for existing business and the recruitment of new business, including supply chain industries.
- ❖ Sub-Strategy 4.2.1.2: Encourage the safe and efficient transfer of natural gas throughout the region from shale gas formations.
- ❖ Sub-Strategy 4.2.1.3: Assist in the development of Compressed / Liquified Natural Gas public fueling stations.
- ❖ Sub-Strategy 4.2.1.4: Develop and support policies that provide incentives for natural gas conversions and renewables.
- ❖ Sub-Strategy 4.2.1.5: Further develop pipelines for natural gas from Marcellus Shale, energy transfer stations and charging facilities for electric vehicles.

Goal 5: Community Placemaking, Development & Sustainability

Objective 5.1: Attract young professionals to the area and retain students who graduate from area institutions of higher learning.

Strategy 5.1.1: Provide additional programs for young professionals by 2023.

- ❖ Sub-Strategy 5.1.1.1: Institute a retention grant for young professionals so that they will remain in the region.
- ❖ Sub-Strategy 5.1.1.2: Increase awareness about an Intercollegiate Network, where colleges and universities will join in various activities that will connect with communities within the region.

Strategy 5.1.2: Provide cultural, recreational and aesthetic amenities that will attract young professionals to the region within the next five years.

- ❖ Sub-Strategy 5.1.2.1: Construct additional biking and fitness trails.

- ❖ Sub-Strategy 5.1.2.2: Build affordable, attractive housing.
- ❖ Sub-Strategy 5.1.2.3: Continue to support and attract the arts to spaces, which will include housing.
- ❖ Sub-Strategy 5.1.2.4: Reduce the number of food deserts, especially in downtown areas.

Objective 5.2: Develop, identify & leverage resources to revitalize distressed communities and downtown hubs to retain and attract young talent.

Strategy 5.2.1: Identify funding resources for revitalization and blight mitigation.

- ❖ **Sub-Strategy 5.2.1.1: Develop plans to incorporate Opportunity Zones, New Market Tax Credits, Bond Financing and other financing tools to support the rejuvenation of our downtowns.**
- ❖ Sub-Strategy 5.2.1.2: Continue to support existing Land Banks and encourage other municipalities and counties to form Land Banks to systematically reduce blight.
- ❖ **Sub-Strategy 5.2.1.3: Continue to add business finance options to assure adequate access to capital, including mezzanine / gap financing products, community advantage / 7(a) lending programs, angel investment portfolios, pre-venture / early venture funding programs and targeted incentives for disadvantaged businesses (women-, minority-, veteran-owned).**
- ❖ **Sub-Strategy 5.2.1.4: Continue to recapitalize existing loan programs to accommodate future growth.**

Figures 16 and 17 are maps that illustrate which areas are Opportunity Zones and which qualify for New Market Tax Credits.

Figure 16. Federally Designated Opportunity Zones

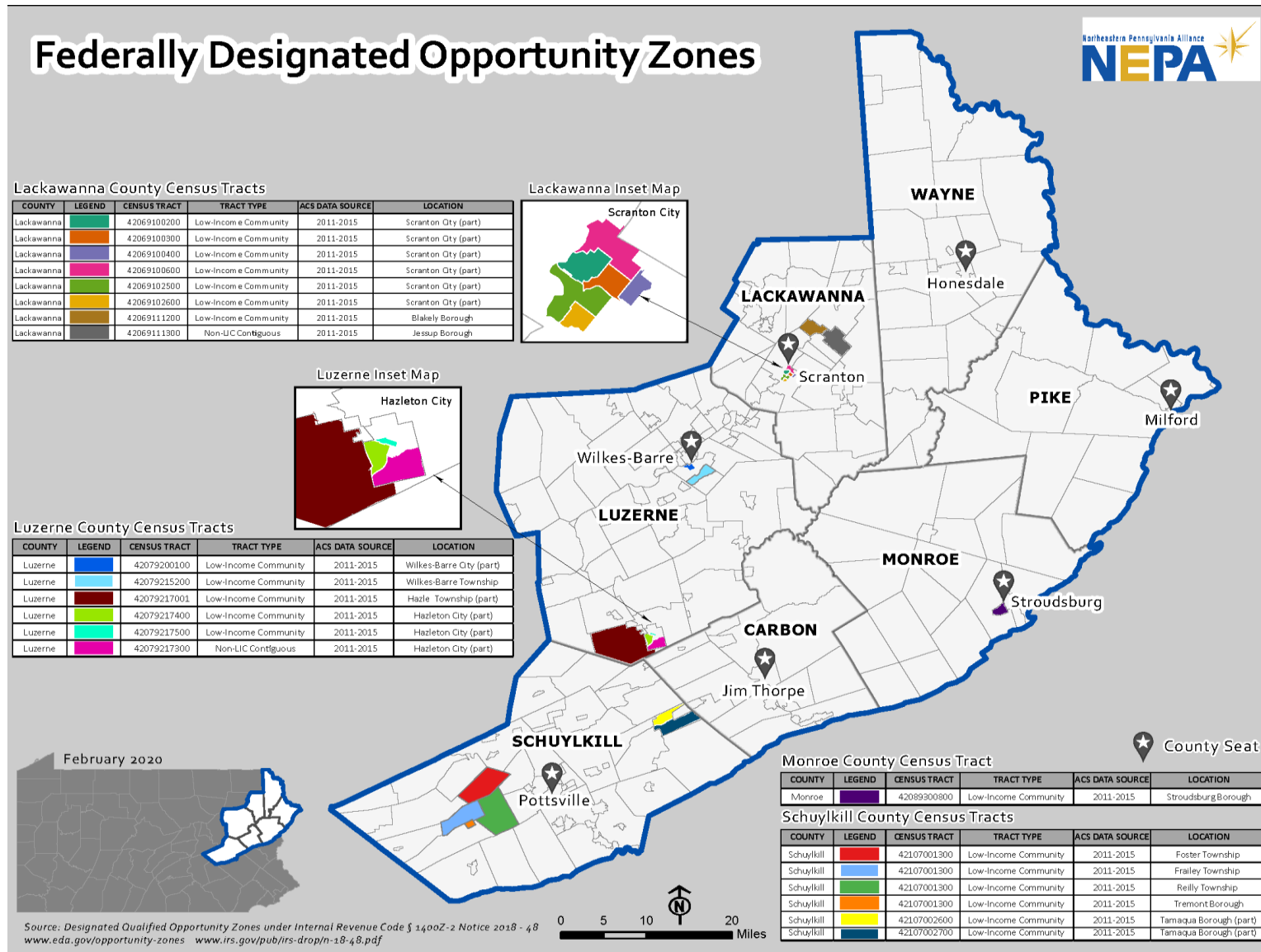
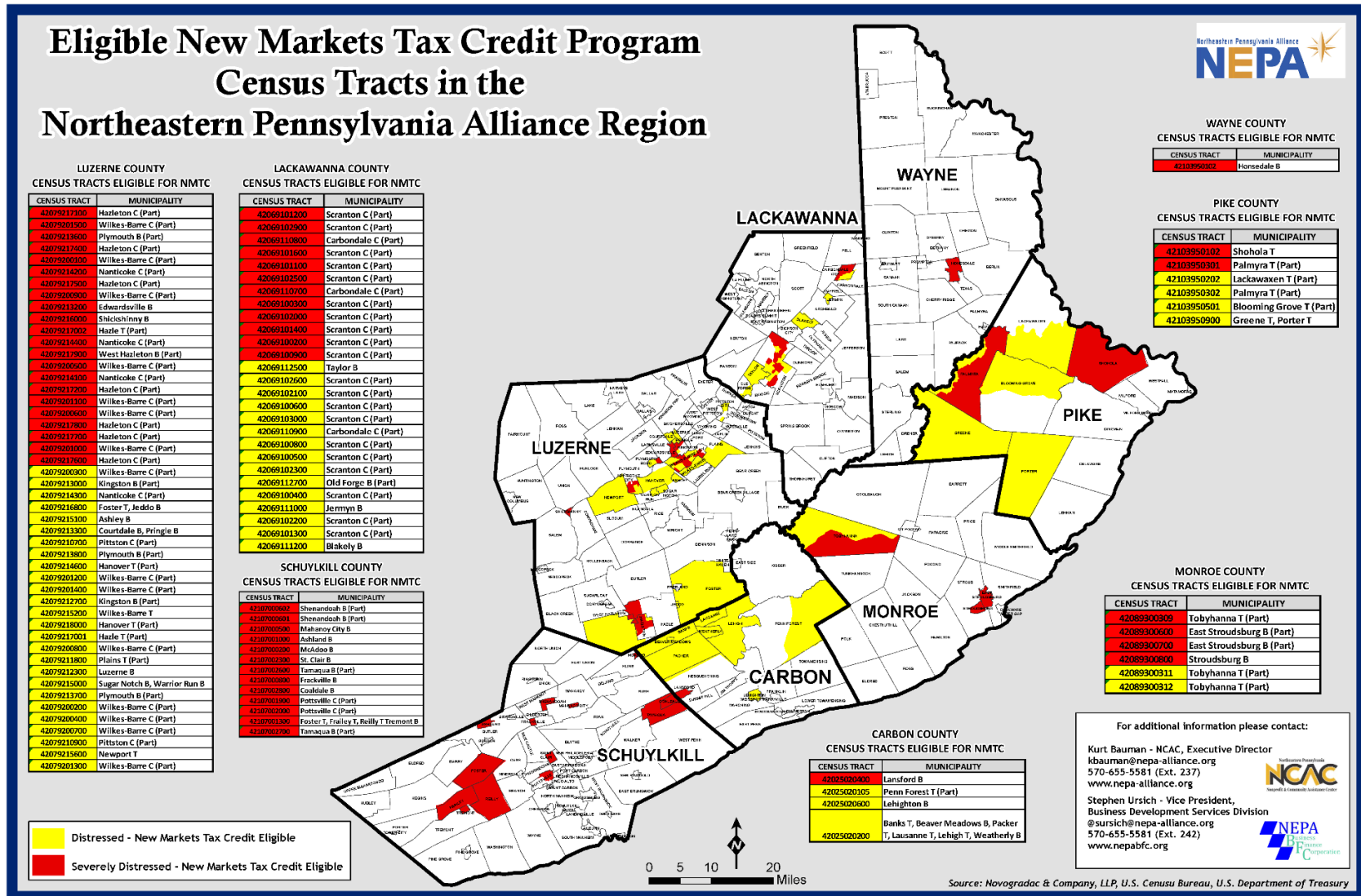


Figure 17. Eligible New Markets Tax Credit Program Census Tracts in the Northeastern Pennsylvania Alliance Region



Economic Resiliency

There are two types of shocks that can occur in a regional economy. Shocks can be caused by natural disasters or changing economic conditions, such as pandemics.

To address the damage that is caused by natural disasters in Pennsylvania, Hazard Mitigation Plans have been developed at the state and county levels. Plans for each of the seven counties, along with the Pennsylvania Emergency Management Agency state plan, were reviewed and in all the plans, a presentation about economic resiliency was not included.

Among the goals and objectives in several of the county Hazard Mitigation Plans were working with media outlets and posting information online that promotes public awareness on the potential impacts of natural hazards. These plans note that educational programs, which lead to hazard reduction, should be considered. The targeted audiences for these programs are residents, business owners and potential property buyers. Penn State Extension could possibly be one of the sources for the delivery of these educational programs.

According to the Hazard Mitigation Plans for Lackawanna and Luzerne counties, one of the four regional recovery projects is Business Continuity Planning. These plans indicate that “Activities include awareness, identifying resources, working with PEMA (Pennsylvania Emergency Management Agency) and facilitating training for local business owners on subjects such as employee preparedness, disaster-resistant construction, flood insurance and protecting business data.”

In addressing the need of when a disaster arises, a toolkit from the International Economic Development Council (IEDC), “Leadership in a Time of Crisis: A Toolkit for Economic Recovery and Resiliency” <https://restoreyoureconomy.org/index.php?src=blog&srctype=detail&refno=228&category=Business%20Continuity> would be consulted.

Business owners should be willing to provide information regarding their economic shock-related needs through surveys, such as those of the Business Retention & Expansion type, to workforce development, economic development and community development professionals. These surveys would be used in matching business needs with necessary resources.

The Northeastern Pennsylvania Alliance, as the Economic Development District organization, would have a role in coordinating a recovery center that will have as its resources the U.S. Small Business Administration (SBA), the Small Business Development Centers (SBDCs) and possibly the U.S. Internal Revenue Service (IRS). These agencies would provide guidance to affected businesses. The SBA would offer loans to eligible businesses.

Other federal agencies, such as the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development, the U.S. Department of Labor and the U.S. Department of Commerce's, Economic Development Administration, would be engaged for providing disaster funding assistance from either a grant or a loan. HUD would assist through its Community Development Block Grant (CDBG) program. The U.S. Department of Labor has national emergency grants available and the U.S. Department of Commerce, Economic Development Administration operates a revolving loan fund.

When disaster strikes, the essence of economic resiliency is to have open communication networks that are needed for the rebuilding process. The local chamber of commerce and / or the local Pennsylvania Partnerships for Regional Economic Performance (PREP) partner would be a conduit of communication. This communication could include a list of businesses that are either operating or planning to re-open, a list of available financial services and a list of upcoming community meetings. A list of licensed contractors would be made available so that business and homeowners would not be subject to illegal activities.

Critical facilities in the case of natural disasters are airports, bridges, dams, emergency response buildings, government buildings, hazardous storage sites, hospitals, nursing homes, pipelines, power plants, primary electrical substations, prisons, pumping stations (storm and sanitary) and schools. It is essential that these facilities be protected from flood waters.

To rebuild a regional economy after a natural disaster, such as a flood, workers, who are trained in construction trades, need to be prepared. These workers can be local or non-local because the key to rebuilding is to complete it in a safe and efficient manner so that businesses can start operating.

When there is a change in economic conditions, such as a manufacturing plant ceasing operations, steps should be taken to find employment for those who are affected by the closing. The affected workers can gain new job skills through training programs and can work with the Small Business Development Centers at the University of Scranton and Wilkes University that serve the region in developing their business plan if they desire to open a business.

Workforce training is essential for an economy to recover from a shock. A workforce that is trained, along with the proper infrastructure, is required for business attraction. Participation of high school students in leadership programs that provide job shadowing skills as part of their curricula builds a sense of community pride, which could lead to younger people returning to the region after completing their formal education.

Economic developers should be working with workforce development professionals to determine the current and future needs of existing and prospective businesses. In addition to the proper infrastructure, such as water, sewer, three-phase

power and broadband, prospective businesses desire to have a trained workforce that can be an asset as soon as production starts.

The Northeastern Pennsylvania Alliance has Geographic Information System (GIS) capabilities, which have many features. GIS can be used in taking preventative measures that address the economic shocks and provide information that can be used in determining what steps should be taken to help affected areas.

Economic diversification is necessary for a regional economy to function and remain competitive. This diversification could occur in industries that provide intermediate goods that are used in producing a final product.

Evaluation

This Comprehensive Economic Development Strategy (CEDS) will be evaluated on an annual basis by reviewing statistical information from various sources from the U.S. Census Bureau, StatsAmerica, the U.S. Bureau of Economic Analysis, the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) and the Pennsylvania Center of Workforce Information & Analysis. This plan will be reviewed and revised whenever needed, in conjunction with the development of the Annual Performance Report that is required by U.S. Department of Commerce's Economic Development Administration (EDA).

Statistical information from the sources indicated will be used as evaluation tools:

1. Population – U.S. Census Bureau
2. Educational Attainment – U.S. Census Bureau
3. Unemployment Rate – StatsAmerica
4. Per Capita Income - StatsAmerica
5. Median Household Income – U.S. Census Bureau
6. Poverty Rate – U.S. Census Bureau
7. Number of Jobs Created – Quarterly Report submitted to the Pennsylvania Department of Community and Economic Development
8. Number of Jobs Retained – Quarterly Report submitted to the Pennsylvania Department of Community and Economic Development
9. Number and Types of Investment – Quarterly Report submitted to the Pennsylvania Department of Community and Economic Development
10. Amount of Private Sector Investment – Quarterly Report submitted to the Pennsylvania Department of Community and Economic Development

Conclusion

The CEDS process has been instrumental in developing this strategic plan which will be used as a reference in the application process of projects within the region for funding from either EDA or the Appalachian Regional Commission (ARC). The key is that the projects are in concert with the goals, objectives and strategies within the CEDS. The process brought people from different backgrounds together to develop a plan for the region that will be relevant for the next five years.

Appendix A
CEDS Overview from the
U.S. Economic Development Administration

CEDS Overview from the U.S. Economic Development Administration

The Comprehensive Economic Development Strategy (CEDS) contributes to effective economic development in America's communities and regions through a locally-based, regionally-driven economic development planning process. Economic development planning – as implemented through the CEDS – is not only a cornerstone of the U.S. Economic Development Administration's (EDA) programs, but successfully serves to engage community leaders, leverage the involvement of the private sector, and establish a strategic blueprint for regional collaboration. The CEDS provides the capacity-building¹ foundation by which the public sector, working in conjunction with other economic actors (individuals, firms, industries), creates the environment for regional economic prosperity.

Simply put, a CEDS is a strategy-driven plan for regional economic development. A CEDS is the result of a regionally-owned planning process designed to build capacity and guide the economic prosperity and resiliency of an area or region. It is a key component in establishing and maintaining a robust economic ecosystem by helping to build regional capacity (through hard and soft infrastructure) that contributes to individual, firm, and community success. The CEDS provides a vehicle for individuals, organizations, local governments, institutes of learning, and private industry to engage in a meaningful conversation and debate about what capacity building efforts would best serve economic development in the region. The CEDS should consider and, where appropriate, integrate or leverage other regional planning efforts, including the use of other available federal funds, private sector resources, and state support which can advance a region's CEDS goals and objectives. Regions must update their CEDS at least every five years to qualify for EDA assistance under its Public Works and Economic Adjustment Assistance programs. In addition, a CEDS is a prerequisite for designation by EDA as an Economic Development District (EDD).

This guide is primarily intended to assist in efforts to develop the *content* of a CEDS document. It suggests how to develop the document's format and substance to make the strongest, most useful and effective CEDS possible. The focus on content in these guidelines does not diminish the importance of the process used to develop a CEDS. A well-led, broadly inclusive process is vital to the creation of a relevant and effective document. It also serves to build leadership, enhance cooperation, and foster public ownership and enthusiasm. While the high-level steps required to prepare a CEDS can be found in the Preparation section of this document, EDA suggests contacting the appropriate EDA regional office (specific points of contact can be found on EDA's website at www.eda.gov) to learn more about the overall CEDS process and additional resources and guidance available.

From the regulations governing the CEDS (see 13 C.F.R. § 303.7), the following sections *must* be included in the CEDS document:

- *Summary Background:* A summary background of the economic conditions of the region;

- *SWOT Analysis*: An in-depth analysis of regional strengths, weaknesses, opportunities and threats (commonly known as a “SWOT” analysis);
- *Strategic Direction / Action Plan*: The strategic direction and action plan should build on findings from the SWOT analysis and incorporate/integrate elements from other regional plans (e.g., land use and transportation, workforce development, etc.) where appropriate as determined by the EDD or community/region engaged in development of the CEDS. The action plan should also identify the stakeholder(s) responsible for implementation, timetables, and opportunities for the integrated use of other local, state, and federal funds;
- *Evaluation Framework*: Performance measures used to evaluate the organization’s implementation of the CEDS and impact on the regional economy.

In addition to the sections noted above, the CEDS must incorporate the concept of economic resilience (i.e., the ability to avoid, withstand, and recover from economic shifts, natural disasters, the impacts of climate change, etc.). The EDD or community responsible for the CEDS can address resilience as a separate section, distinct goal or priority action item, and / or as an area of investigation in the SWOT analysis. It may be most effective, however, to infuse the concept of resilience throughout the CEDS document. As a baseline, EDA suggests regions undertake a two-pronged approach to help identify and counter the vulnerabilities that each region may face.

This document provides recommendations on what should be included in each of the required sections, and suggests tools, resources, and examples to help in each section’s development. It stresses the importance of linking the sections (e.g., using background information that is relevant to the SWOT) to improve the CEDS focus and impact. Moreover, the guide emphasizes strategic approaches based on regional visioning, goals, measurable objectives, and prioritized actions – rather than the CEDS serving as an inventory of programs and projects already in process in regions. In addition, this guidance underscores the need to think beyond traditional job creation and embrace capacity building and broad-based wealth creation when developing goals, measurable objectives, actions, and performance measures. It also highlights the need to undertake an asset-based approach (i.e., efforts that focus on the strengths of a community or region) while considering the interdependencies between regional economic prosperity and other topics such as job-driven workforce development, natural resource management and development and sustainable land use. Finally, this guide provides practical recommendations about formatting a CEDS that will result in an engaging, technically-sound strategy for guiding regional development.

Appendix B

Northeastern Pennsylvania Region Summary of Assets & Amenities

Northeastern Pennsylvania Region Summary of Assets & Amenities

The Northeastern Pennsylvania region includes the four Pocono Mountain counties of Carbon, Monroe, Pike and Wayne along with the counties of Lackawanna, Luzerne and Schuylkill. The region, which consists of 4,476 square miles, is within a day's drive to the major cities of Baltimore, MD; Boston, MA; Buffalo, NY; Cleveland, OH; New York, NY; Philadelphia, PA; Pittsburgh, PA and Washington, DC. Because of its proximity to these cities, the region has attracted numerous warehouses and distribution centers, which have sprung up along Interstates 80, 81, 84, 380 and 476. As a result of its proximity to New York City and Philadelphia, the Pocono Mountains, with their abundant forests and ski areas, have attracted several water parks, especially in Monroe County. These resources and attractions continue to entice visitors to the Poconos.

There are many rivers that traverse the region. The main river is the Susquehanna, which flows from New York State to the Chesapeake Bay in Maryland. Other rivers in the region include the Lackawanna River in Lackawanna County, the Lackawaxen River in Wayne County, the Lehigh River in Monroe and Carbon counties, the Schuylkill River in Schuylkill County and the Delaware River which serves as the state line between Pennsylvania and New York and Pennsylvania and New Jersey. Lake Wallenpaupack, which straddles Pike and Wayne counties, provides a wide array of recreational activities including boating, fishing, camping, photographing wildlife and hiking.

The climate of the region is seasonable. There are warm days in the summer and cold days in the winter. The region does receive snowfall with heavier amounts in the higher elevations and in the northeast corner of Wayne County as compared to the southwest portion of the region in Schuylkill County.

Infrastructure Assets

Energy

Within the region, there are several energy-producing sources and they are listed below.

Nuclear Power Plants

- Talen Energy's Susquehanna Steam Electric Station – A Nuclear Power Plant near Berwick in Salem Township, Luzerne County

Gas-Fired Power Plants

- Lackawanna Energy Center – A 1,485 MW natural gas-fired combined-cycle power plant located in Jessup Borough, Lackawanna County

- Archbald Energy Partners, LLC – A 485 MW natural gas-fired power plant in Archbald Borough, Lackawanna County

Hydroelectric

- Lake Wallenpaupack Hydroelectric Project that is owned and operated by Brookfield Renewable Partners, LP of Toronto

Wind

- Locust Ridge – A 13-turbine wind farm with 26 MW of electricity production capacity in Schuylkill County
- Locust Ridge II – A 51-turbine wind farm with 102 MW of electricity production capacity in Schuylkill County
- Waymart Wind – A 64.5 MW wind generation plant that consists of 43 1.5 megawatt turbines in Wayne County
- A 24 MW Wind Park in Bear Creek in Luzerne County that consists of 12 2.0 megawatt turbines

Water, Sewer and Wastewater

There are many municipalities that operate systems that provide water and sewer or wastewater. Since 30.7 percent of the housing was built in 1939 or earlier, the water and sewer pipes have aged considerably. The housing stock in the seven-county Northeastern Pennsylvania region is one of the oldest in the state. According to 2013 - 2017 American Community Survey 5-year estimates by the U.S. Census Bureau, Schuylkill County had the oldest median year housing structure built in the state, which is 1943. Lackawanna County (1952) and Luzerne County (1955) are ranked as fifth and seventh oldest median year housing structure built in the state, respectively. Pennsylvania had a median year housing structure built of 1962 and Carbon County had a median year housing structure built of 1969. Finally, Monroe and Pike counties had the most recent median year housing structure built in the state, which is 1984. Wayne County was tied for the third most recent median year housing structure built in the state, which is 1979. In comparison, the median year housing structure built in the U.S. is 1977.

Broadband

Many rural areas do not have broadband. However, there have been efforts to provide service, especially in northern Wayne County.

Federal sources have overstated the quality the quality of broadband and local businesses within the region are not content with the current status.

According to BroadbandNow.com, Pennsylvania is the 14th most connected state in the nation. The average statewide speed is 54.9 Megabits per Second (MBPS). Table

7 provides the percent access to 25 MBPS for each of the seven Northeastern Pennsylvania counties.

Table 7. Access to 25 MBPS

County	Percent
Carbon County	97.0
Lackawanna County	87.9
Luzerne County	96.5
Monroe County	99.1
Pike County	98.9
Schuylkill County	92.1
Wayne County	58.2

Source: broadbandnow.com

Transportation

Highways

The region is served by Interstate Highways 80, 81, 84, 380 and 476; US Routes 6, 11 and 209; and several Pennsylvania routes. The region has attracted firms in the transportation and warehousing industry because of its proximity to the metropolitan areas of New York, Philadelphia, Boston, Washington and Baltimore.

According to the Pennsylvania Department of Transportation (PennDOT), in 2019, there were 628 bridges in poor condition that are either state- or locally-owned in the seven-county Northeastern Pennsylvania region. This reflects 13.7 percent of the statewide total. Table 8 provides the number by county.

Table 8. Number of Poor Condition Bridges, 2019

County	Number of Bridges
Carbon County	32
Lackawanna County	87
Luzerne County	163
Monroe County	79
Pike County	51
Schuylkill County	114
Wayne County	102

Source: Pennsylvania Department of Transportation (PennDOT)

According to September 2019 data for the state from PennDOT, there are 25,418 bridges on state roads that have a length of at least 8 feet and 6,458 bridges on local roads that have a length of at least 20 feet. In Northeastern Pennsylvania, there are:

- 2,333 bridges on state roads and 517 on local roads
- 7 closed bridges on state roads (21.9 percent of the state total) and 21 closed bridges on local roads (10.0 percent of the state total)

- 76 posted bridges on state roads (15.9 percent of the state total) and 141 posted bridges on local roads (9.8 percent of the state total)

Based on the above information, 8.6 percent of the bridges in the region that are at least 8 feet in length are closed or posted. These bridges need to be upgraded or replaced for goods to be transported and for markets to remain open and functional.

This aging infrastructure, with many of the bridges being restricted to traffic due to decay over time, has caused several detours with some of them being lengthy.

Improvements continue to be made on Interstate Highways within the region in terms of repaving. However, increased traffic volume has created the necessity of the widening of certain sections of Interstates 80 and 81. Interstate 80 is a major east to west route that traverses the nation and Interstate 81 is a major north to south route that runs from New York to Tennessee.

Railroads

There are several railroads that serve as freight railroads within the region. The Sunbury Line of the Norfolk Southern Railway runs from Sunbury, Pennsylvania to Binghamton, New York. The Delaware-Lackawanna Railroad serves Lackawanna and Monroe counties. The Reading Blue Mountain and Northern Railroad consists of two divisions, one serving between Reading and Packerton and the other serving between Lehigh and Dupont. The Luzerne and Susquehanna railway consists of 55 miles of track in and around the Wyoming Valley in Luzerne County. The Stourbridge Line operates 25 miles between Honesdale and Lackawanna.

Airports

Commercial air service is available from the Wilkes-Barre / Scranton International Airport in Avoca. Air service is provided to Atlanta, Charlotte, Chicago O'Hare, Detroit, Philadelphia and Washington Dulles.

Recreation

In addition to the many previously-listed rivers, there is Lake Wallenpaupack, which straddles Pike and Wayne counties, that provides a wide array of recreational activities including boating, fishing, camping, photographing wildlife and hiking.

Rail trails such as the Delaware & Lehigh Trail in Carbon and Luzerne counties, the Lackawanna Heritage Valley National and State Heritage Area in Lackawanna County, and the Delaware & Hudson Rail Trail in upper Lackawanna County provide hiking and biking recreational activities. A portion of the Appalachian Trail is located along the southern border of the region in Schuylkill, Carbon and Monroe counties.

Spectator sports enthusiasts can enjoy horse racing at Mohegan Sun Pocono; NASCAR- and Indy-style racing at Pocono Raceway; the Scranton / Wilkes-Barre RailRiders, an AAA minor league baseball affiliate of the New York Yankees at PNC Field; and the Wilkes-Barre / Scranton Penguins, an American Hockey League affiliate of the Pittsburgh Penguins, at Mohegan Sun Arena at Casey Plaza. Also, the gaming industry is present at casinos in Luzerne and Monroe counties. For the person who enjoys arts and culture, there are performing arts centers.

The Pocono Mountains provide many recreational activities that attract visitors to the region. The Pocono Mountains Visitors Bureau contracted with Longwoods Travel USA for the development of their 2016 Visitor Report. According to the report, which is the most current available, there were an estimated 26.6 million total person-trips that consisted of 9.5 million in overnight trips and 17.1 million day trips. Total spending from overnight visits was \$1.5 billion and total spending from day visits was \$1.0 billion.

Camping, kayaking, hunting, skiing, white water rafting, golfing, boating, hiking, fishing and numerous other outdoor activities are available in Northeastern Pennsylvania. Water parks are emerging as major tourist attractions. There are 16 state parks in the region as well as a national recreation area.

Appendix C

SWOT Analysis

SWOT Analysis

During fall 2019, an assessment by 34 people of the region's economic strengths, weaknesses, opportunities and threats (a SWOT analysis) was conducted, resulting in the following findings.

Strengths



Location

Location is a strength of the seven-county Northeastern Pennsylvania region because of its being a 2.5 hour drive to New York City and Philadelphia. It is also in proximity to Pittsburgh, Buffalo, Syracuse, Boston, Baltimore and Washington. This has attracted many transportation and warehousing businesses in recent years.

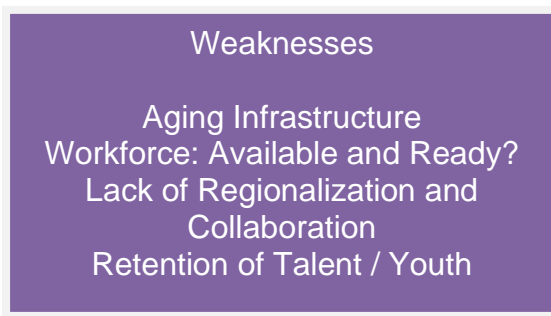
Lower Costs / Quality of Life

Housing in the general region is less expensive than in the larger metropolitan areas. However, housing in Monroe, Pike and Wayne counties is costlier because of the second or vacation home development in the Pocono Mountains.

Natural Resources

The region provides many recreational activities from cycling and hiking to hunting and fishing. There is an abundance of natural areas, which include forests, lakes, ponds and streams. There are also many golf courses and state parks.

Weaknesses



Aging Infrastructure

According to the Pennsylvania Department of Transportation (PennDOT), in 2019, there were 628 bridges in poor condition that are either state- or locally-owned in the seven-county Northeastern Pennsylvania region. This reflects 13.7 percent of the statewide total. Luzerne County had the most bridges, with 163, and it was followed by Schuylkill County, with 114. Next was Wayne County, with 102 bridges, and it was followed by Lackawanna County, with 87, and Monroe County, with 79. Pike County had next to the lowest amount, with 51 bridges, and Carbon County had the least, with 32. According to September 2019 data from PennDOT, there are 25,418 bridges on state roads that have a length of at least 8 feet and 6,458 bridges on local roads that have a length of at least 20 feet. In Northeastern Pennsylvania, there are:

- 2,333 bridges on state roads and 517 on local roads
- 7 closed bridges on state roads (21.9 percent of the state total) and 21 closed bridges on local roads (10.0 percent of the state total)
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Based on the above information, 8.6 percent of the bridges in the region that are at least 8 feet in length are closed or posted. These bridges need to be upgraded or replaced for goods to be transported and for markets to remain open and functional.

Improvements continue to be made on Interstate Highways within the region in terms of repaving. However, increased traffic volume has created the necessity of the widening of certain sections of Interstates 80 and 81. Interstate 80 is a major east to west route that traverses the nation and Interstate 81 is a major north to south route that runs from New York to Tennessee.

Water and sewer lines are dated due to the antiquated age of business buildings and residences throughout the region.

Workforce: Available and Ready?

There has been a severe shortage of workers in industries that require skilled trades. Manufacturers continue to seek people to operate certain types of machinery and they are finding that there is no one who is qualified. In one case, a manufacturer desires to increase production by ordering a special piece of machinery. Unfortunately, it cannot be done because there is nobody trained to operate it. In addition, there has been and continues to be a shortage of welders in the region.

The Manufacturing NextGen Partnership program and the *Engage!* Business Retention & Expansion program are being used to address the workforce needs of employers. Efforts have been ongoing to match the current and future workforce to the needs of employers. Currently, there is a shortage of people working in the skilled trades.

In some instances, the wages earned by someone in the skilled trades exceeds the earnings by people who have a college degree.

Lack of Regionalization and Collaboration

The region consists of 267 municipalities. This layer of government has led to some municipalities having severe difficulties in providing services to residents because of declining population that erodes the tax base. Municipalities, in general, have not been able to agree on sharing resources such as equipment. Public Safety in terms of providing fire and police protection is problematic because some municipalities lack the financial resources and neighboring municipalities have been reluctant to merge fire and police departments. Fire departments are largely volunteer organizations that depend on annual fees and other fund raisers. In some municipalities, the Pennsylvania State Police provides coverage because the municipality cannot afford its own police force. The Commonwealth is contemplating the charging of a per resident fee to those municipalities that rely on the state police to provide full-time coverage.

Retention of Talent / Youth

Statistics have indicated that once people complete their formal education, they leave the region to pursue careers. There is a need for educators and business owners to come together to determine current and future workforce needs.

Opportunities



Attract New Residents / Talent

The region provides ample recreational opportunities because of the Pocono Mountains. There are also concerts at venues such as the Mohegan Sun Arena at Casey Plaza and the two casinos: Mohegan Sun Pocono and Mount Airy Resort. People can attend baseball games at PNC Field, hockey games at Mohegan Sun Arena at Casey Plaza and auto races at Pocono Raceway. With the region being in proximity to New York City and Philadelphia, residents can travel there for activities. Bus service is available to those two cities. Discussions have been ongoing about the possibility of a passenger rail line from Scranton to Hoboken, NJ, which is adjacent to New York City. Consequently, these amenities could be used in attracting new residents / talent to the region.

The population of minorities in the region has increased considerably. In 2010, the region's population had a minority percentage of 13.3 percent. In 2018, the percentage rose to 18.8 percent. An example is in the city of Hazleton, where 86.7 percent of the foreign born population who entered before 2000 came from Latin America, according to 2013 - 2017 American Community Survey 5-Year Estimates from the U.S. Census Bureau. This percentage was 99.1 percent of people who entered from 2000 to 2009 and 93.7 percent of people who entered in 2010 or later. At the county level, the highest percentages in Lackawanna County were from people coming from Asia. In Luzerne and Monroe counties, the highest percentages were from people coming from Latin America. Data were not available for Carbon, Pike, Schuylkill and Wayne counties. Therefore, additional housing will be needed to accommodate this population increase.

Support Business Start-ups

The region has several business incubators that are being used for start-ups. Also, Makerspaces are starting to become available. According to an online dictionary, "A Makerspace is a place in which people with shared interests, especially in computing or technology, can gather to work on projects while sharing ideas, equipment and knowledge." Resources, such as the Small Business Development Centers at Wilkes University and the University of Scranton, are available for assistance in developing business plans. There are ample means of financing available for businesses. The Northeastern Pennsylvania Alliance offers business loans along with programs where businesses can explore possibilities in exporting their product or conducting business with the government. In October 2019, the Northeastern Pennsylvania Alliance received approval to be a Community Development Entity in order to implement a New Markets Tax Credit Program within the region.

Enhance Workforce Training

Workforce training is always needed because of the changing needs of existing businesses and the needs of new businesses entering the region. Training programs are in place at vocational – technical schools, community colleges, 4-year colleges and universities. Awareness about these programs should be increased so that people can be properly trained for positions that will fulfill the needs of employers. In turn, productivity would increase and there would be a positive effect on the economy. This effect would be an increase in the purchase of inputs from suppliers and in spending by households that include workers at the firms themselves and the firms that serve as suppliers to those firms. Internships and Job Shadowing opportunities have contributed to students deciding which careers to pursue. An important program within the region is "Teacher in the Workplace," which is a program that provides information to educators about the workforce needs of businesses.

Incumbent worker training through such programs as the Workforce and Economic Development Network of Pennsylvania, or WEDnetPA, is necessary. According to the Pennsylvania Department of Community & Economic Development, "The program

provides qualified employers training funds for new and existing employees. These funds can be used for either Essential Skills Training or Advanced Technology Training.

According to the Pennsylvania Department of Labor & Industry, “Incumbent Worker Training is training provided to an incumbent worker that is designed to meet the needs of an employer(s) to retain a skilled workforce or avert the need to lay off employees; increase the competitiveness of the employer or employee; and be conducted with a commitment by the employer to retain or avert the layoffs of the incumbent worker trained.”

Threats



The threats of Brain Drain, Limited Talent Base, Aging Population and Low Quality of Local Jobs are related because the exodus of talent leads to a limited talent base and an aging population. The brain drain is as a result of the low quality of local jobs because younger people have been leaving the area for higher quality jobs. The section below provides a further explanation.

Brain Drain

The brain drain is from younger generations leaving the area to pursue their desired career and lifestyle. Technology-based companies, which are led by these generations, provide website design, video marketing and guidance in using social media as a marketing tool have sprung up in the Wilkes-Barre and Scranton areas. Therefore, the location of the region, along with its amenities, could attract younger generations.

Limited Talent Base

The talent base in the region is limited because of the exodus of the younger generation who has more enhanced knowledge of technology than the older generations. With technology rapidly advancing, the region will lag because there will not be an adequate amount of knowledgeable labor.

Aging Population

According to Table 9, all the counties and the region have a higher median age than the state and nation.

Table 9. Median Age, 2017

Area	Age (Years)	Rank within Pennsylvania
United States	37.8	--
Pennsylvania	40.7	--
Northeastern Pennsylvania (Average)	44.6	--
Carbon County	45.7	10th
Lackawanna County	42.2	27th
Luzerne County	43.0	Tied for 22nd
Monroe County	42.6	25th
Pike County	47.0	5th
Schuylkill County	44.2	Tied for 16th
Wayne County	47.7	4th

Source: 2013 – 2017 American Community Survey

A contributing factor to the region having a high median age is that young people are not staying for employment after completing their formal education.

Low Quality of Local Jobs

Due to an increasing presence of jobs in the Transportation & Warehousing industry, there is a surplus of jobs available. However, these jobs do not have wages that are family-sustaining. Jobs in the retail sector are disappearing because of the changing landscape of people preferring to shop online rather than at a “bricks and mortar” store.

A Recent Threat - Correctional Institutions

There are five State Correctional Institutions (SCIs) and two federal correctional facilities within the region. One of the five, SCI – Retreat in Luzerne County, is scheduled for closure in 2020.

Appendix D

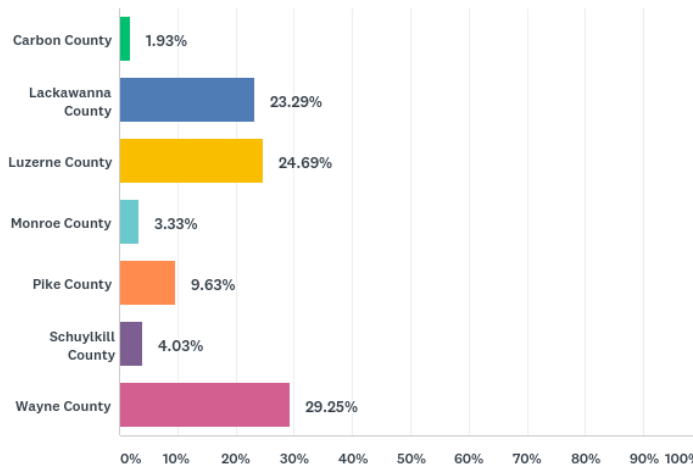
Results of the Survey on the Future of Northeastern Pennsylvania

Results of the Survey on the Future of Northeastern Pennsylvania

A Survey on the Future of Northeastern Pennsylvania was initiated for the purpose of obtaining public opinion that identified the challenges, opportunities, areas of investment and regional priorities. This information was then used in developing this five-year Comprehensive Economic Development Strategy.

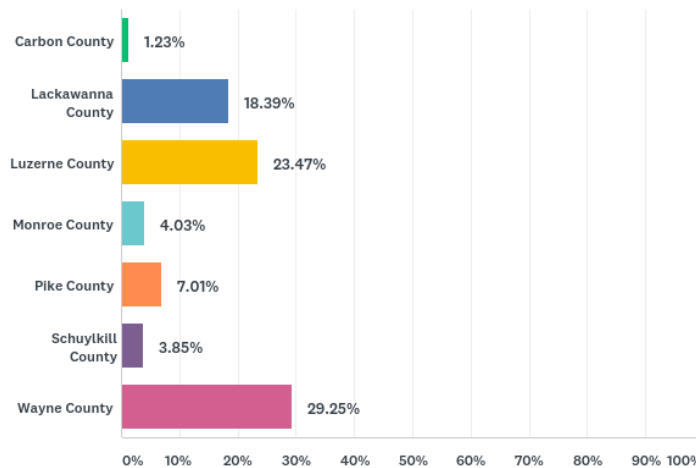
The survey was created on September 18, 2019 and as of November 21, 2019 there were 572 responses. According to Question 1, Wayne County had the highest number of responses with 167 and it was followed by Luzerne County with 141 and Lackawanna County with 133.

Q1 In which county do you live?



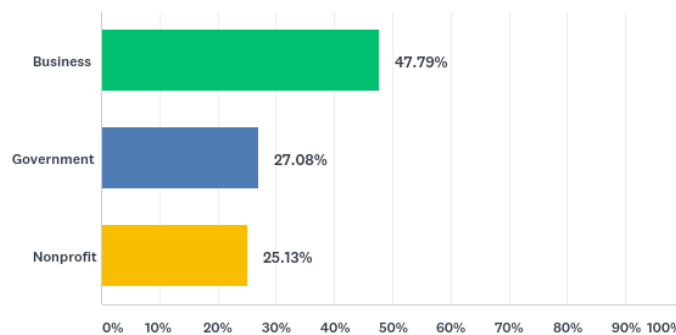
The results for Question 2 indicate that Wayne County had the highest number of responses with 167. It was followed by Luzerne County with 134 and Lackawanna County with 105.

Q2 In which county do you work?



For Question 3, there were 270 responses from people who either currently work or most recently worked in business. There were 153 responses from people who either currently work or most recently worked in government and 142 responses from people who either currently work or most recently worked in nonprofit organizations.

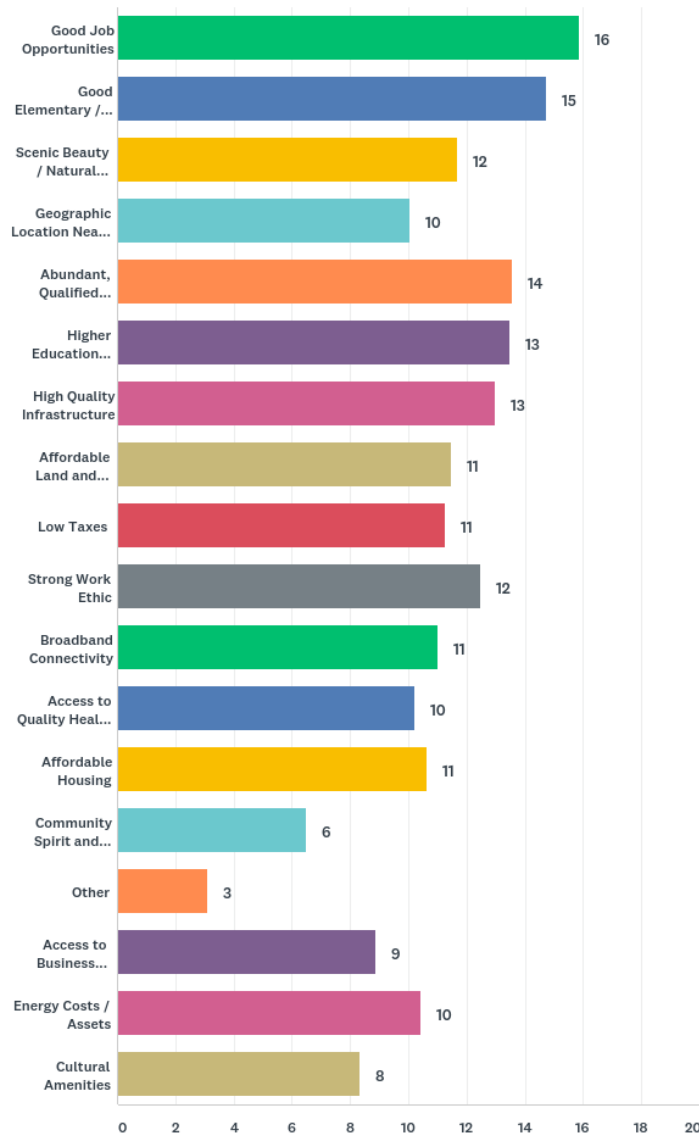
Q3 What sector best describes your current or most recent work experience?



The results for Question 4 indicate that the top five items that serve as the most regional assets for future economic development in Northeastern Pennsylvania are the following, which were based on a score calculated by Survey Monkey.

- Good Job Opportunities
- Good Elementary / Secondary Schools
- Abundant, Qualified Workforce
- Higher Education Opportunities
- High Quality Infrastructure

Q4 Regional Assets: Please rank with a 1, 2 and 3, the items that serve as the most important regional assets for future economic development in Northeastern Pennsylvania.



Question 5 was "If Other, Please Specify."

Some of the responses were:

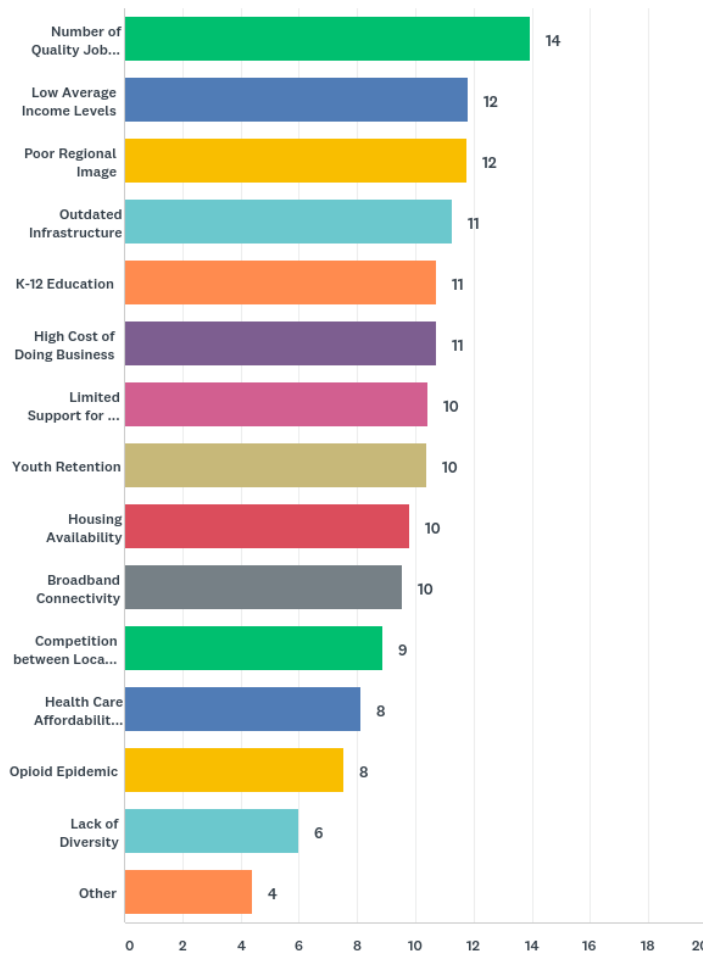
- Access to quality mental health resources
- Family-friendly neighborhoods/communities
- Lower gas prices
- Technical and/or apprentice training for skilled trades
- Provide Rail Service between Scranton and New York City

- Lively Village Centers
- Accessible and Affordable Transportation

Question 6 provided the opportunity to indicate the top three economic development challenges facing Northeastern Pennsylvania. The results were the following, which are based on a score calculated by Survey Monkey.

- Number of Quality Job Opportunities
- Low Average Income Levels
- Poor Regional Image
- Outdated Infrastructure
- K-12 Education
- K-12 Education
- High Cost of Doing Business

Q6 Regional Challenges: Please rank with a 1, 2 and 3, the top three economic development challenges currently facing Northeastern Pennsylvania.

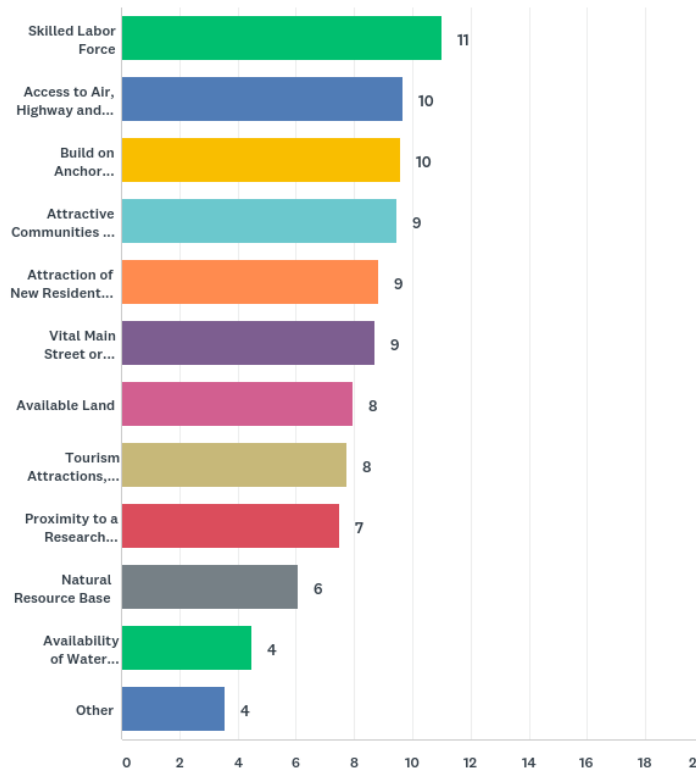


Question 7 was “If Other, Please Specify.” Some of the responses are indicated below.

- Lack of qualified workers in the trades; there is a need for electricians, mechanics and heavy equipment operators
- Mine water pollution and mine scarred lands
- Lack of abundant, qualified workforce
- Over regulation of development by state and local jurisdictions
- Lack of affordable public transportation
- Lack of workforce
- Fragmented local governments; duplication of services
- A shortage of skilled employees to fill current job openings. There is a mismatch in skills. Students are graduating with degrees that do not match current job openings. High schoolers are not receiving the right career guidance, especially the ones who DO NOT plan to go to a four-year college
- Extending natural gas development into Wayne County

Question 8 provided information regarding the top three areas where focused investment of money and other resources can have the greatest impact in advancing economic development in Northeastern Pennsylvania. The results are the following, which are based on a score calculated by Survey Monkey.

Q8 Regional Opportunities: Please rank with a 1, 2 and 3, the top three areas where you believe that focused investment of money and other resources can have the greatest impact in advancing economic development in Northeastern Pennsylvania.



Question 9 was “If Other, Please Specify.” Some of the responses are indicated below.

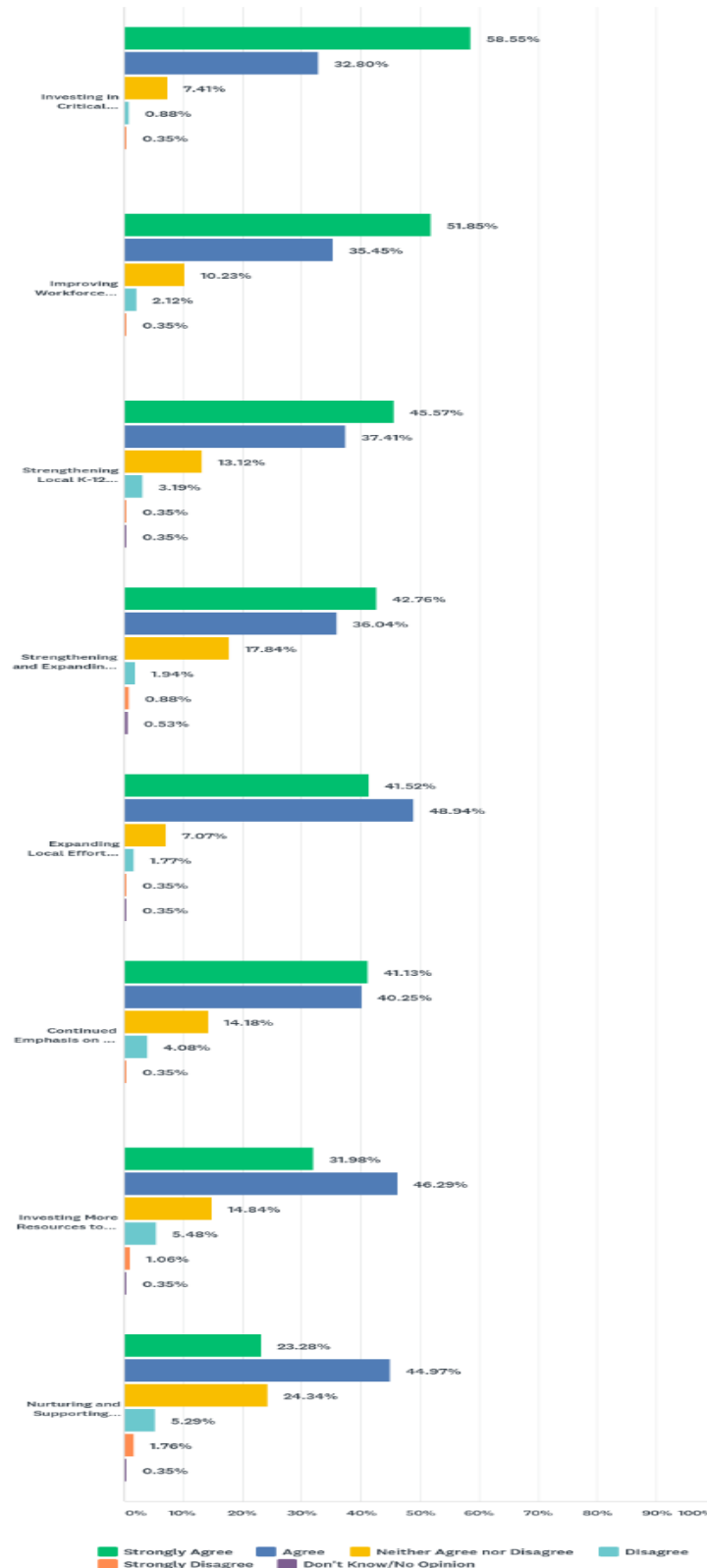
- Broadband connectivity
- Development of connectivity through development of public transportation and accessible green spaces like urban trails
- Repair of aging infrastructure roads, bridges etc.
- A regional asset inventory and needs assessment coupled with more targeted prospecting and outreach to potential new businesses
- Having clean water. No fracking or other chemical threats
- Train to New York City, smooth highways and roads, safe bridges, revitalized old buildings with character
- Better jobs with higher wages

Question 10 was structured with a Likert Scale where the respondent would indicate whether they Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, Strongly Disagree or Don't Know / No Opinion. The results were tabulated by Survey

Monkey and were based on responses that are either Strongly Agree or Agree, the following were ranked from highest to lowest.

- Investing in Critical Infrastructure (Transportation, Utilities etc.)
- Improving Workforce Development Programs for Adult Workers and Youth
- Strengthening Local K-12 Educational Systems
- Strengthening and Expanding Our Telecommunications and Broadband Infrastructure
- Expanding Local Efforts to Aid Entrepreneurs and Small Business Owners
- Continued Emphasis on the Revitalization of Downtowns / Central Business Districts
- Investing More Resources to Support the Region's Leading Industry Clusters, such as Manufacturing
- Nurturing and Supporting Tourism and the Tourism Industry

Q10 Areas of Investment / Regional Priorities: Various studies of Northeastern Pennsylvania have identified a number of community and economic development strategies that could contribute to an improved economic performance for the region. Please review each of these strategies and provide your perspective on this question: Will this strategy greatly enhance community and economic development in Northeastern Pennsylvania?



Question 11 provided an opportunity for any additional comments. Some are indicated below.

- Consolidation of local governmental units (county, municipal, school districts, regionalization of police)
- We may take for granted our regional access to affordable housing and recreational resources that appeal to millennials and younger professionals. These are key lifestyle assets that are key to attracting employers, employees and making those residents want to stay here. As the costs of housing climb in nearby metro areas, our region offers an attractive option, of course to attract the right employers, we must have access to string infrastructure, including broadband.
- Resources should be given to make areas where youth want to live, aka vibrant, walkable downtown areas with available jobs.
- There should be a new focus on technical and trade education in high school. There are job shortages in many trades and salaries for these occupations can easily support families. Vocational training should not be considered a second-class approach to education.
- We need industry / business to keep our youth in the area and be able to provide the jobs necessary for them to stay and support their family.
- Perception of our area and residents by those living outside this area is very important. Perception is difficult to change and takes focus, determination and a well-thought strategic plan. This is needed to attract new business that offers family sustaining wages and high paying positions. This area has beautiful landscape, friendly neighbors, excellent location to major east coast metro cities, and affordable housing. These things cannot be bought/moved to another area by potential employers and businesses. These are our very special assets and they need to be promoted.
- Transportation and access to and understanding of emerging technology as relates to workforce are sorely lacking in this area. We have smart people who want to work but we cannot get them the training they need, nor can we get them to the work or training they need.
- If we want the Northeastern Pennsylvania region to thrive, we must also focus on two critical issues that continue to damage the region's cities and older core communities: the stabilization of declining neighborhoods, and the absence of high-performing K-12 public education in the school districts serving the region's core communities.