

**2019 - 2020 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY  
ANNUAL PERFORMANCE REPORT FOR NORTHEASTERN PENNSYLVANIA**

Submitted to the:

U.S. Department of Commerce  
Economic Development Administration

By the:



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**pennsylvania**  
DEPARTMENT OF COMMUNITY  
& ECONOMIC DEVELOPMENT

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**NORTHEASTERN PENNSYLVANIA ALLIANCE  
RESOLUTION FYE 2021-01**

**Resolution to Adopt the 2019 - 2020 Comprehensive Economic Development Strategy  
(CEDS) Annual Performance Report for Northeastern Pennsylvania**

WHEREAS, the Northeastern Pennsylvania Alliance (NEPA), as the Economic Development District for the seven-county region of Northeastern Pennsylvania, is required to submit an Annual Performance Report on its Comprehensive Economic Development Strategy (CEDS) to the United States Department of Commerce, Economic Development Administration; and

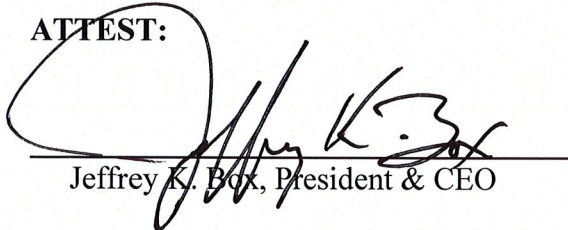
WHEREAS, the CEDS Annual Performance Report documents the progress achieved on economic development activities, adjusts the 2019 - 2024 CEDS Five-Year Plan and reports on the changing economic conditions in the region.

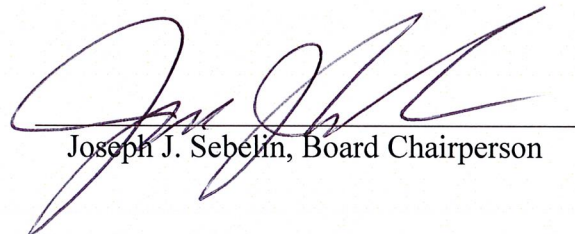
NOW, THEREFORE, BE IT RESOLVED, that

1. The CEDS Annual Performance Report for the period July 1, 2019 - June 30, 2020 is hereby adopted.
2. The President & CEO of the Northeastern Pennsylvania Alliance is authorized to transmit the report 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.

This resolution is hereby adopted by the Northeastern Pennsylvania Alliance Board of Directors on the 3rd Day of March 2021.

**ATTEST:**

  
Jeffrey K. Box, President & CEO

  
Joseph J. Sebelin, Board Chairperson

## **ACKNOWLEDGEMENTS**

The Northeastern Pennsylvania Alliance thanks the following individuals for their contribution to the development of the Comprehensive Economic Development Strategy (CEDS) process by serving on the CEDS Committee.

### **2020 Northeastern Pennsylvania CEDS Committee**

Stephen Barrouk	City Brokers Real Estate, LLC	Private
Philip Condrón	Condrón Media	Private
George Halcovage	Schuylkill County Board of Commissioners	Public
William Kerstetter	Private Citizen	Private
Mary Frances Postupack	East Stroudsburg University of Pennsylvania	Public
Joseph Sebelin	Private Citizen	Private
Alex Stark	Kane Is Able, Inc.	Private

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## **INTRODUCTION**

Every five years, the Northeastern Pennsylvania Alliance (NEPA) submits a Comprehensive Economic Development Strategy to the U.S. Department of Commerce's Economic Development Administration (EDA). In between five-year plans, NEPA submits an Annual Performance Report. Both submissions are required for the Northeastern Pennsylvania Alliance to maintain its eligibility as an Economic Development District and for projects within the seven-county Northeastern Pennsylvania region, which consists of Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill, and Wayne counties, to be eligible for funding assistance from EDA. The five-year plan for 2019 - 2024 was submitted in May 2020 and this is the first Annual Performance Report under that plan.

This report provides an overview of economic data for the region, a status of the goals, objectives, strategies, and sub-strategies that are presented in the five-year plan. Also included is a description of what is being done within the region to address the COVID-19 pandemic in terms of resiliency.

## **DESCRIPTION OF THE NORTHEASTERN PENNSYLVANIA REGION**

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 (19.9 percent), Retail Trade (14.6 percent), Manufacturing (13.0 percent), and Accommodation and Food Service (11.2 percent) sectors account for over 58 percent of total employment.

Northeastern Pennsylvania's business base is overwhelmingly dominated by small businesses. According to 2018 "County Business Patterns" from the U.S. Census Bureau, there were 21,759 businesses in the region and 72.3 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, and Food industries. In 2018, the nation had 72.5 percent of its businesses employed between 1 and 9 people and the state had 70.4 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 4.4 percent from 5,561 in 2014 to 5,806 in 2018. In the Fabricated Metal Products Manufacturing industry, estimated employment increased from 5,426 in 2014 to 6,042 in 2018, an increase of 11.4 percent. Estimated employment also increased in the Food Manufacturing industry by 17.3 percent from 5,417 in 2014 to 6,353 in 2018.

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 1 provides a summary of recent population shifts.

**Table 1. Population for the United States, Pennsylvania, and Northeastern Pennsylvania Counties, 2010 and 2019**

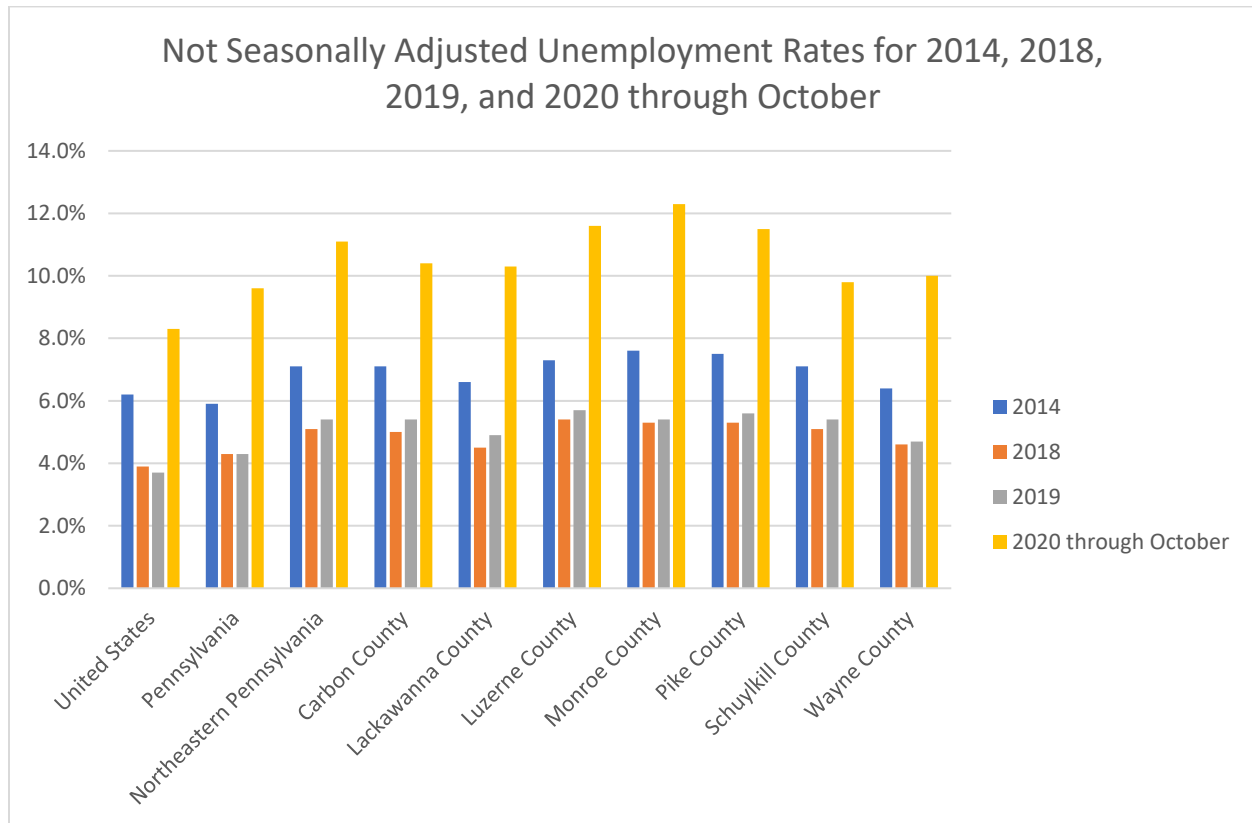
Area	April 1, 2010 Estimate Base	July 1, 2019 Estimate	Change	Percent Change
United States	308,758,105	328,239,523	19,481,418	6.3%
Pennsylvania	12,702,868	12,801,989	99,121	0.8%
Northeastern Pennsylvania	1,028,907	1,010,073	-18,834	-1.8%
Carbon County	65,244	64,182	-1,062	-1.6%
Lackawanna County	214,415	209,674	-4,741	-2.2%
Luzerne County	320,906	317,417	-3,489	-1.1%
Monroe County	169,841	170,271	430	0.3%
Pike County	57,338	55,809	-1,529	-2.7%
Schuylkill County	148,290	141,359	-6,931	-4.7%
Wayne County	52,873	51,361	-1,512	-2.9%

Source: U.S. Census Bureau, Population Division

According to the figure below, 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 2014, 2018, 2019, and 2020 through October**



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. According to 2018 “County Business Patterns” from the U.S. Census Bureau, the region, at 13.0 percent, has a higher percentage of workers employed in the Manufacturing industry as compared to the state and nation with 12.2 percent and 10.8 percent, respectively. Tables 2 and 3 provide Manufacturing industry employment information from 2008 to 2018. From 2008 to 2013, the region had a percent decrease that was higher than the state and nation and from 2013 to 2018, it had a percent change that was higher than the state and nation.

**Table 2. Manufacturing Industry Employment for the United States, Pennsylvania, and Northeastern Pennsylvania Counties, 2008 and 2013**

Area	2008	2013	Change 2008 - 2013	Percent Change 2008 - 2013
United States	13,096,159	11,276,438	-1,819,721	-13.9%
Pennsylvania	638,681	539,575	-99,106	-15.5%
Northeastern Pennsylvania	50,543	41,599	-8,944	-17.7%
Carbon County	2,239	1,295	-944	-42.2%

Area	2008	2013	Change 2008 - 2013	Percent Change 2008 - 2013
Lackawanna County	12,209	8,789	-3,420	-28.0%
Luzerne County	18,309	17,010	-1,299	-7.1%
Monroe County	6,135	4,523	-1,612	-26.3%
Pike County	197	170	-27	-13.7%
Schuylkill County	10,727	9,181	-1,546	-14.4%
Wayne County	727	631	-96	-13.2%

Sources: U.S. Census Bureau, “2008 and 2013 County Business Patterns”

**Table 3. Manufacturing Industry Employment for the United States, Pennsylvania, and Northeastern Pennsylvania Counties, 2013 and 2018**

Area	2013	2018	Change 2013 - 2018	Percent Change 2013 - 2018
United States	11,276,438	11,912,665	636,227	5.6%
Pennsylvania	539,575	555,006	15,431	2.9%
Northeastern Pennsylvania	41,599	45,670	4,071	9.8%
Carbon County	1,295	1,338	43	3.3%
Lackawanna County	8,789	9,609	820	9.3%
Luzerne County	17,010	18,018	1,008	5.9%
Monroe County	4,523	5,214	691	15.3%
Pike County	170	373	203	119.4%
Schuylkill County	9,181	10,419	1,238	13.5%
Wayne County	631	699	68	10.8%

Sources: U.S. Census Bureau, “2013 and 2018 County Business Patterns”

## REGIONAL ECONOMIC DEVELOPMENT OBSERVATIONS AND TRENDS

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

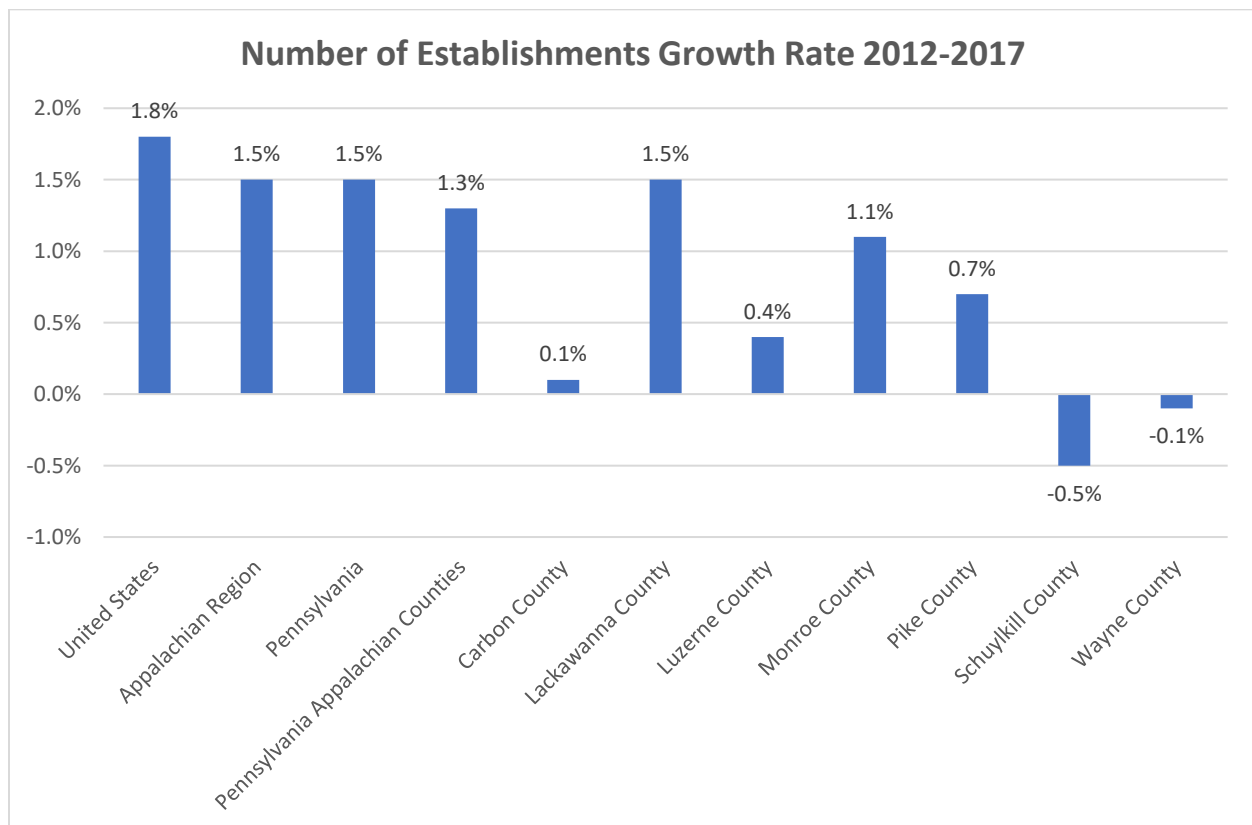
### *Aging & Income*

- Overall, the region continues to experience a relatively high median age. According to July 1, 2019 population estimates from the U.S. Census Bureau, the median age in the United States was 38.4 years, in Pennsylvania, it was 40.8 years, and the average in the region was 45.2 years.
- According to the U.S. Department of Commerce Bureau of Economic Analysis, the 2019 per capita personal income in the region (\$46,713) was below that of the state (\$58,032) and the nation (\$56,490).

### *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 2018 “County Business Patterns” from the U.S. Census Bureau, the region, at 13.0 percent, has a higher percentage of workers employed in the Manufacturing industry as compared to the state and nation with 12.2 percent and 10.8 percent, respectively.
- Northeastern Pennsylvania’s business base is overwhelmingly dominated by small businesses. According to 2018 “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 nation had 72.5 percent and the state had 70.4 percent.
- 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. The chart below provides additional information.

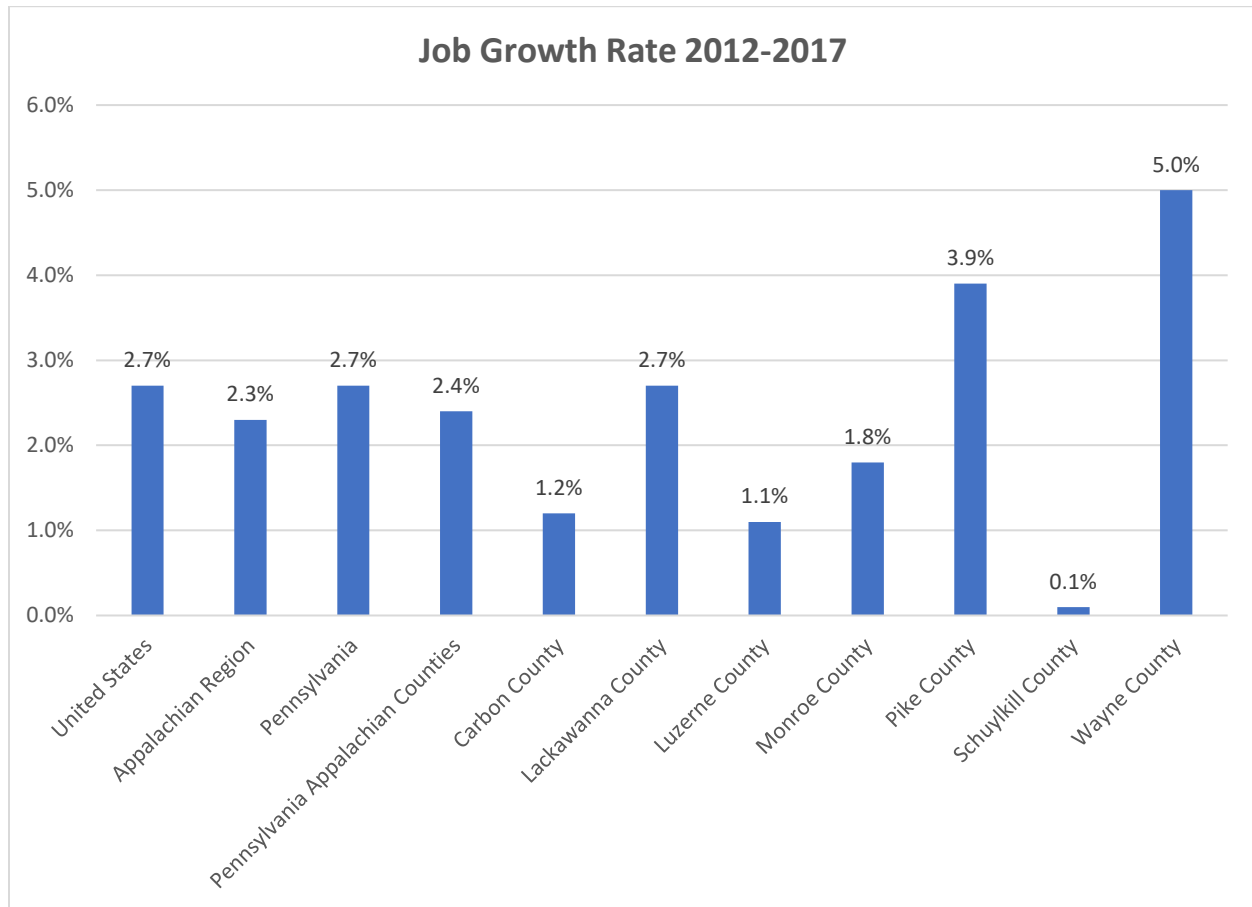
**Figure 2. Number of Establishments Growth Rate 2012-2017**



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. The chart below provides additional information.

**Figure 3. Job Growth Rate 2012-2017**

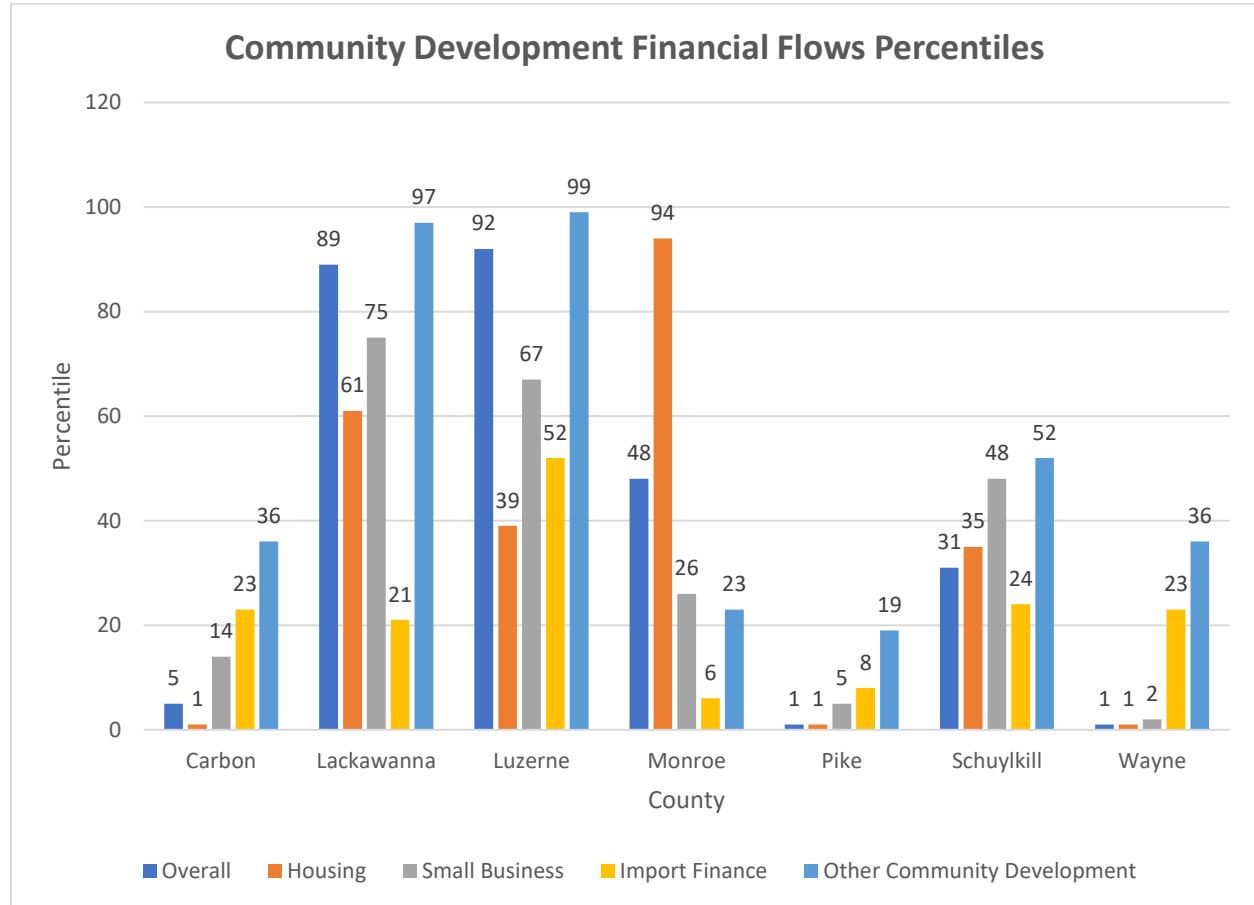


Source: Appalachian Regional Commission

#### *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 340<sup>th</sup> 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. The chart below provides additional information.

**Figure 4. 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 2019," a publication by the U.S. Department of Defense's Office of Local Defense Community Cooperation (formerly the Office of Economic Adjustment), Pennsylvania is ranked seventh in the nation defense spending with \$18.1 billion, which is 3.3 percent of the total spending in the nation.
- According to GovernmentContractsWon.com, during 2019, there were 23,778 defense contracts, with an amount of \$420.7 million awarded, within the region.

#### *Energy*

- Marcellus Shale natural gas drilling activity in the neighboring Northern Tier region has and will continue to contribute to the economy of the Northeastern Pennsylvania region.

According to an Energy Information Administration report that was cited in an October 23, 2013 Associated Press article by Kevin Begos, “Marcellus Shale Gas Growing Faster than Expected,” “Marcellus production has now reached 12 billion cubic feet a day, which is the energy equivalent of about 2 million barrels of oil a day and more than six times the 2009 production rate.” “If the Marcellus Shale region were a country, its natural gas production would rank eighth in the world.” The majority of Marcellus gas is coming from Pennsylvania and West Virginia because New York has placed a moratorium on shale gas drilling. This activity, along with the construction of a pipeline, will provide a regional competitive advantage because of the close location of the resource. Liquefied natural gas (LNG) fueling centers have been constructed in the Northern Tier and they have started to be constructed in Northeastern Pennsylvania.

- According to the U.S. Energy Information Administration, in 2019, the Natural Gas Electric Power Price in Pennsylvania was \$2.42 per Thousand Cubic Feet. This is well below the U.S. price of \$2.99. Among surrounding states, Maryland, New Jersey, New York, and Ohio had prices of \$3.21, \$2.91, \$3.03, and \$2.56, 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 2013 and 2018 “County Business Patterns” from the U.S. Census Bureau, there has been an increase of 26 firms and 2,940 employees within this industry.
- PennDOT is poised to make a major investment in I-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 2012 to 2016, 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:
  - Agriculture, Forestry, Fishing and Hunting
  - Mining, Quarrying and Oil and Gas Extraction
  - Manufacturing

- Management of Companies and Enterprises
- Since part of the period was in the Great Recession, the same analyses were conducted for the period from 2015 to 2016. After reviewing the same criteria in future years, the industries that could be considered for targeting are:
  - Mining, Quarrying and Oil and Gas Extraction
  - Manufacturing
  - Wholesale Trade
  - Transportation and Warehousing
  - Information
  - Educational Services
  - Health Care and Social Assistance
  - Arts, Entertainment and Recreation
  - Other Services (Except Public Administration)

### *Housing*

- Housing costs within the region are lower than the state and nation. According to 2014 - 2018 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 2019, the percentage rose to 19.5 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 sub-strategies in **bold** are activities in which the Northeastern Pennsylvania Alliance intends to provide leadership in coordination and / or implementation. The content that is italicized is an account of what has been done during the period from July 2019 to June 2020 to address the goal.

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

*The region has been severely impacted by the COVID-19 Pandemic. According to Pennsylvania Worker Adjustment Retraining Notification WARN Notices, 404 jobs were lost in Manufacturing from July 2019 to June 2020. Manufacturing firms are advertising for employees. Efforts are being made to talk with high school students about jobs in Manufacturing so that they would enter that industry as employees after graduation.*

*Engage!, a business retention and expansion program from the Pennsylvania Department of Community & Economic Development, has a regional program committee. This committee consists of members from the two Small Business Development Centers, two local economic development organizations, two chambers of commerce, one of the two Industrial Resource Centers that serve the region, and the Northeastern Pennsylvania Alliance, which serves as coordinator. The conference calls among the group members have provided a forum for discussion about how to address the workforce needs of businesses within the region.*

*The Redevelopment Assistance Capital Program (RACP) is a Commonwealth grant program that is administered by the Pennsylvania Office of the Budget for the acquisition and construction of regional economic, cultural, civic, recreational, and historical improvement projects. The Northeastern Pennsylvania Alliance served as the applicant for three projects, which were awarded a total of \$4.5 million in RACP funding. These projects are the Hotel Fauchere in Milford (\$500,000), Little Leaf Farms, LLC in McAdoo (\$2 million) and Ball Manufacturing in Jenkins Township (\$2 million).*

*As a result of the pandemic, the attraction of businesses in general has been difficult. Hopefully, the vaccine will quell the pandemic and attraction will re-continue.*

*Tobyhanna Army Depot is the region's largest industrial employer. The Blue Ribbon Task Force works to enhance the military value of Tobyhanna Army Depot and the Pocono Mountains region. It works closely with the local, regional, state, and national governments, regional chambers, development authorities, and other interested parties to ensure the long-term viability and sustainability of Tobyhanna Army Depot and economic development throughout the region. Efforts are being made to obtain a list of suppliers to the Depot to see which industries should be attracted to enhance their activity.*

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 institutions 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**

*Much of small businesses are struggling because of the pandemic. The Pocono Mountains region, which consists of Carbon, Monroe, Pike and Wayne counties, is heavily dependent on tourism. The pandemic has caused eating and drinking places to curtail indoor seating and be open only for take-out. This has caused layoffs to servers. Layoffs in one industry leads to layoffs in other industries because household spending is reduced.*

*The pandemic has caused aspiring entrepreneurs to curtail their efforts in business start-ups. However, an Appalachian Regional Commission (ARC) application for \$300,000 has been submitted by tecBRIDGE, LLC for funding “Launch NEPA,” a program that is built on the strategic roadmap detailed in their March 2020 report, “Strengthening Entrepreneurial Ecosystems in Northeast Pennsylvania” that has been funded by an Appalachian Regional Commission (ARC) Technical Assistance Award. tecBRIDGE will execute against their stated goals, objectives, and strategies in accordance with the report categories Accelerate, Revitalize, Welcome, Spark, and Experiment.*

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 use equipment effectively and efficiently 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

*“NEPA Alliance is honored to work with the Greater Scranton Chamber of Commerce, NEPA Moves and COLTS to provide funding to support transit to work programming that seeks to eliminate transportation barriers. Through the creativity of our multi-partner team, NEPA Alliance provided four (4) grants, totaling \$16,250, to aid the NEPA Moves initiative,” according to Jeffrey Box, President & CEO of NEPA Alliance. Funding was provided by the PA Department of Community & Economic Development’s Engage! Program, which is the Commonwealth’s Business Retention & Expansion Program.*

*On November 17th, 2020, NEPA, in partnership with the Greater Scranton Chamber of Commerce, presented a check to NEPA Moves and COLTS for the continuation of bus service to the Jessup Industrial Park.*

*According to news reports, Pennsylvania continues to have issues with the Opioid Epidemic during the COVID-19 Pandemic. The Pennsylvania Department of Health has established some programs, such as the Prescription Drug Monitoring Program, to address this serious problem.*

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 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.

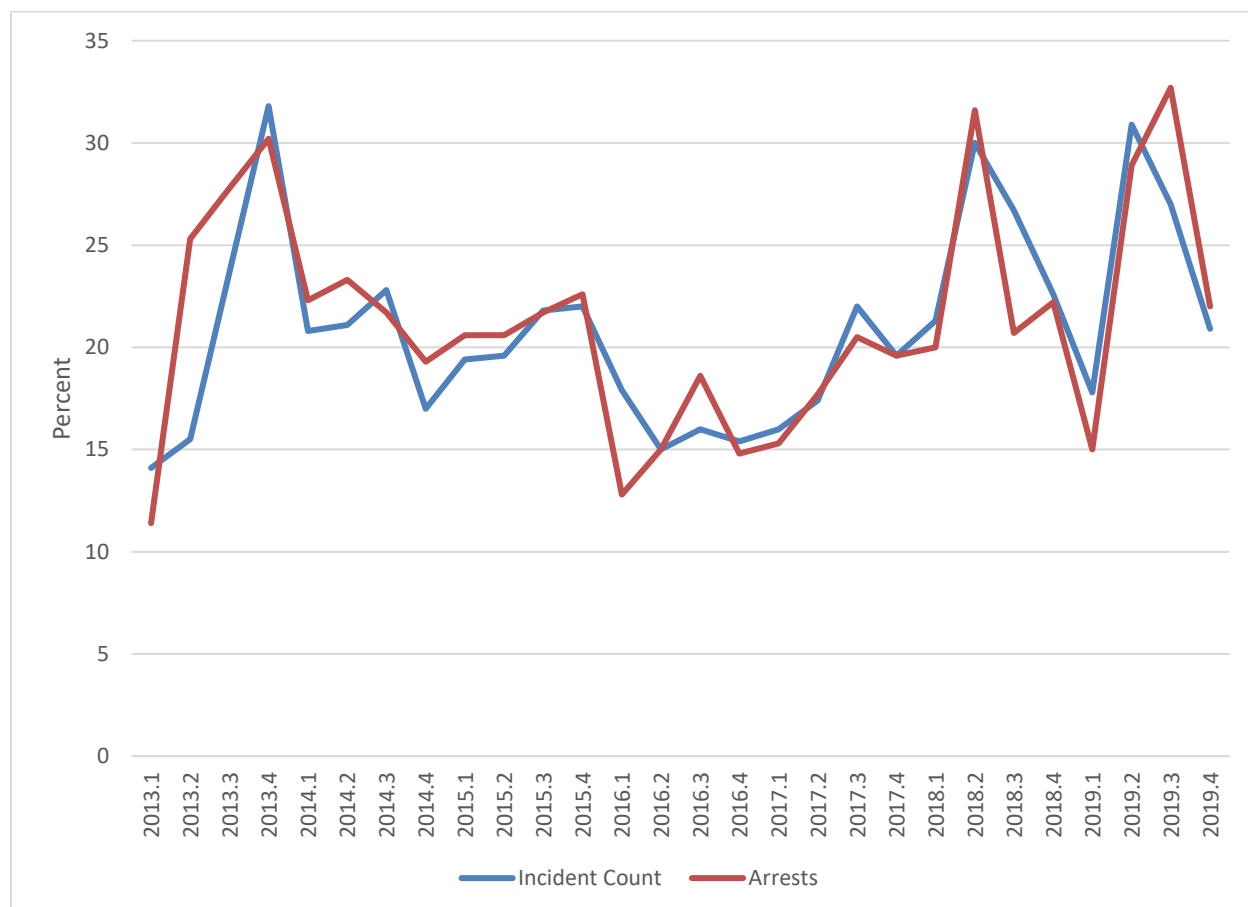
Objective 3.3: Provide the necessary public transportation for workers who do not own vehicles to get to their jobs. A program that is currently in place is “NEPA Moves,” an effort formed in 2017 to improve the quality of life for all people in Northeastern Pennsylvania through improved access to transportation.

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-6qvdl>.

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 5. 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

*Transportation issues within the region and state have occurred because of the pandemic and that travel has decreased; thereby creating a lower amount of gasoline tax revenue that can be used for the funding of construction projects.*

*Reports have surfaced about the possibility of Amtrak providing passenger rail service from New York City to Scranton, PA.*

*There continues to be a need for Broadband service within the region. The COVID-19 pandemic has caused many school districts and colleges and universities to either conduct classes totally online or go to a hybrid model where part of the instruction is done online, and the other part is done in a classroom setting. As a result of this increased demand, there has been more traffic on the “information superhighway,” which has caused decreases in speed. Some rural areas do not have broadband service.*

*To address the severity of the need for broadband service within Wayne County, the Wayne County Broadband Expansion Project received \$148,750 in grant funds from the Appalachian Regional Commission (ARC). These funds will be used for establishing a new Intra-County Internet Access Network.*

*Advertising on television has been done as a means of recruiting firefighters.*

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**

*NEPA Alliance, through its affiliate, the NEPA Community Impact Fund, is seeking a \$52 New Markets Tax Credit (NMTC) Allocation from the U.S. Treasury. The NEPA Community Impact Fund was certified as a Community Development Entity (CDE) by the U.S. Treasury in 2019. In addition to the allocation request, NEPA can serve as a NMTC consultant and seek tax credits from other CDEs that have an allocation.*

*The NEPA Community Impact Group, LLC, has been formed. This Company has been formed with the intent that it will seek certification by the Community Development Financial Institutions Fund as a Community Development Entity (a “CDE”) for purposes of receiving and investing allocations of Federal New Markets Tax Credits (“NMTC”), consistent with the requirements of such program.*

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.

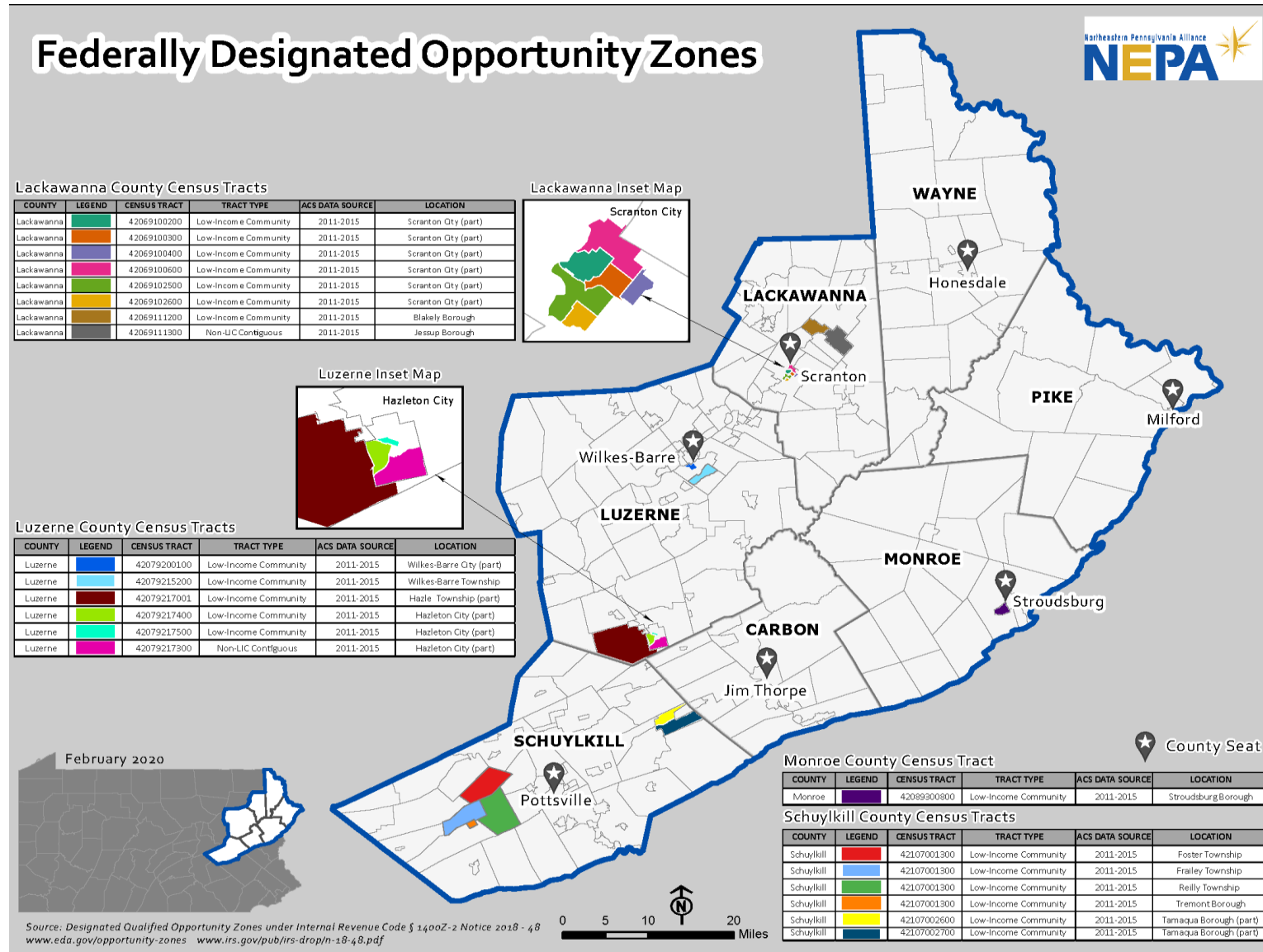
Strategy 5.2.1: Identify funding resources for revitalization and blight mitigation.

- ❖ **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 6 and 7 are maps that illustrate which areas are Opportunity Zones and which qualify for New Market Tax Credits.



**Figure 6. Federally Designated Opportunity Zones**





## ECONOMIC RESILIENCY

The Northeastern Pennsylvania regional economy, like others throughout the nation, has been severely impacted by the COVID-19 Pandemic. Businesses, especially eating and drinking places, have been regulated more than normal because they have been reduced in dine-in capacity to either 0, 25 or 50 percent. When dine-in options do not exist, personnel, such as servers, are laid off.

The pandemic has also affected other small businesses, especially in the retail industry. Many small businesses have closed because of the pandemic. Since the pandemic has caused in-person business transactions to be conducted differently, there is a need for businesses to conduct touchless transactions through the Internet. A program, “Get Connected,” was established by using *Engage!* Business Retention and Expansion Program funds from the Pennsylvania Department of Community & Economic Development to compensate three area web development companies for their providing services to 28 businesses within the seven-county region. These businesses, in turn, would obtain the capability to conduct e-commerce transactions by accepting as payment credit cards through a secured website. Metrics from this program, such as the difference in sales from before and after the program started would be useful in determining the program’s long-term viability. The Lackawanna County, Pennsylvania, Department of Planning and Economic Development was notified about “Get Connected” and the Lackawanna County Board of Commissioners decided to fund the program for 25 businesses that are located within the county.

In addition to businesses striving to survive, another issue because of the pandemic is Internet connectivity. Although Lackawanna, Luzerne, Monroe, and Schuylkill counties each have a population that is over 100,000, there are many remote areas throughout the region that either lack connectivity or have a very slow connection. During the year, the Appalachian Regional Commission awarded Wayne County \$148,750 in grant funds for the expansion of broadband within the county. Broadband connectivity is a high-priority issue because school districts are teaching remotely, and people are working from home because of the pandemic. Patient consultations with doctors have become more prevalent through video conferencing. This, coupled with businesses desiring to conduct transactions remotely, has put a strain on the Internet and consequently, broadband connectivity has become a priority.

Several years ago, the three key components for a site where businesses would like to locate were access to water, sewer and three-phase power. Now, in addition, businesses desire to have strong Internet connectivity, strong telecommunications in terms of cell phone coverage and a ready workforce. As a result, high-speed broadband connectivity is essential.

There is expansion in the employment of certain sectors within the Northeastern Pennsylvania regional economy. Manufacturing, and Transportation and Warehousing are two of the sectors that are experiencing this increase. The increase has occurred because of the region’s proximity to the major metropolitan centers of Boston, New York City, Philadelphia, Baltimore, and Washington. Distribution Centers that provide direct shipments to residences have sprung up and are accommodating today’s economy, which is conducting business transactions online.

Manufacturers are looking for workers and at least one company has advertised by using direct mail.

Finally, in an optimal economy, there should be a match between the skill set of the workforce and the personnel needs of businesses. Efforts are being made through the Northeastern Pennsylvania Manufacturing Partnership to address the existing gap. The partnership consists of Workforce Investment Boards, Chambers of Commerce, Higher Education Institutions, an Industrial Resource Center and Economic Development Organizations such as the Northeastern Pennsylvania Alliance. A resource guide and videos that can be used in attracting workers to the manufacturing industry has been developed.