

5th Inning: Economic Development

Economic Development Strategy

In order to develop a comprehensive **Economic Development Strategy** for the BAMM Plan area, the Economic Development/Heritage Tourism/Quality of Life (ED) Working Group was formed to examine a myriad of issues that affect the economic viability of the area as a whole, and the five municipalities individually. While doing so, this committee was also tasked with examining how to best improve several quality of life factors that would help make the BAMM Plan area an attractive location for future businesses, as well as a better place to live and raise a family.

As a part of this planning process, The Southwest PA Commission's *2035 Transportation and Development Plan for SW PA* was reviewed for the general direction of the region (www.spcregoin.org), and the State's *Keystone Principles* were reviewed for the preferred methods of development within the State (www.newpa.com).

The overall objective for the Steering Committee was to then create a **comprehensive Economic Development (ED) Strategy** building upon and prioritizing the various recommendations of the ED Working Group. This ED Strategy necessarily involves close coordination and planning with the Community Development Corporation of Butler County (CDC), among each of the five municipalities, and with other appropriate BAMM Plan area organizations. *(The CDC is ready and willing to train and work with these ED teams to improve the current business recruitment, retention, and expansion processes within the BAMM Plan area. The CDC is also willing to create a BAMM Plan Committee of the CDC to further accommodate this process.)*

The following initiatives and prioritized investment projects, many of which are illustrated on **Map 5-1 – Economic Development Initiatives**, comprise the **BAMM Plan Area ED Strategy**: (As in previous chapters, recommendations are prioritized as A, B and C.)

- (A) **Identify an ED team** within each municipality to be trained by, and work closely with, the CDC. Each municipal ED team should include at least one elected official from that municipality, who would be the cheerleader for the community, but might not necessarily be involved in negotiating aspects of specific projects, unless that is part of their role as an elected official. *(Generally, private companies prefer to keep politics out of their site selection and decision-making process.)*

Other people on each municipal ED team could include:

- Zoning or planning staff,
- Building officer,
- Streets or utility department staff,
- Business owners,
- School officials (if appropriate), and
- Others who have something valuable to offer to the team.

Municipal ED teams would meet with prospective companies as requested by the CDC, welcome the companies to their community, build relationships with the companies, and help them through the various permitting and approval processes. Team members should be able to show the companies that they have an understanding of, and appreciation for, the investment that the companies are proposing to make in their municipality.

- (A) **Develop a permanent relationship with the CDC** of Butler County regarding ED issues and better position the CDC to undertake specific economic development efforts within each of the BAMB Plan municipalities. *(This could be done jointly as part of an Intergovernmental Cooperative Agreement, as discussed in Chapter 8.)*
- (A) The BAMB Plan area's more active participation with the CDC will likely necessitate some **sharing of the costs to run the CDC**. Currently the CDC is funded by the State and Butler County, as follows:
 - Their annual budget is currently \$300 - \$400,000.
 - \$525,000 is actually needed to run the CDC efficiently and effectively.
 - Funding for the CDC's budget should be 1/3 State, 1/3 private and administration fees, and 1/3 money generated from the investor structure (membership).
 - The CDC owns buildings and generates lease/rent income, and can also sell land and receive the sales revenues.
 - The CDC borrows to do special projects. For example, the CDC borrowed \$4.5 million for the Pullman Park infrastructure project, which still needs to be repaid.
 - There are 67 acres remaining in Victory Park. Sale revenues on these remaining acres will be all profit.
 - Parkman Industrial Park has 35 acres available for five or six small sites, all speculative at this point.
 - Design funds are also needed for projects. It was suggested that design firms could be asked to be a partner in the project, with design services being their equity contribution. Similarly, municipal engineers could assist with the engineering, as that local government's contribution to the project. If possible, the municipality could then be a partner in the project. (An obvious issue would be determining a fair ownership percentage/rate of return on that investment.)
- (A) Work with the CDC and other partners on **workforce development issues**, which are already being addressed in a special committee of the CDC, and should include:
 - Developing better **relationships between schools and businesses**. Programs such as "Adopt a School", internships, "tech tours," etc. should be encouraged between companies and schools. The purpose is to provide an opportunity for students to learn more about what local companies are doing, and to interest them in future employment opportunities. In addition, the companies can provide the schools with advice on the types of training and skills that future employees of their company would require.
 - **Promote training in "transferable" or "gold collar" skills** in the high schools, the VO Tech, and BC3, as an alternative to a 4-year college degree. Transferable skills such as construction, electrical, welding, plumbing, machining, etc. are in increasing demand throughout the country. Many of the workers with these skills are retiring, and the existing workforce is not always available to fill those positions. Encouraging everyone to receive a 4-year college degree does not necessarily meet the needs of all manufacturers and employers today. Today's students need to know that there are definitely jobs with good pay and benefits at local companies that may require specialized training but not a college degree.
 - This may require developing incentives to entice students to **undertake "gold collar" training**. With all of the emphasis on college educations today, workforce partners should identify methods to interest students in these transferable skill occupations. Apprenticeship or mentoring programs, free training in return for required service at the company providing it, and/or employer-assisted housing should be considered.
 - Developing recruitment strategies that **target workers relocating from other areas and/or individuals who self-select out of college**. People that are new to the area, or those who opt out of a college education, need to know that there are jobs available and how to access

them. Local workforce training providers should develop a system to match these folks with available jobs, with the bulk of this information being available on-line.

- **Other potential revenue sources** for funding the CDC could include:
 - An increased bed tax. State legislation would be needed to increase this tax. At 3%, the bed tax generates between \$800,000 and \$1 million for tourism. If 2% were added for economic development, adequate funds could be raised to run the CDC.
 - Local sales tax. This would also require State enabling legislation.
 - An equity fund, so that funds do not have to be borrowed for each project.
- (A) Each Municipal ED Team should enhance (or compile) an existing **data base of available sites and buildings** within its municipality, which should then be compiled into an inventory for the entire BMM area. Realtors in the community should be asked to help provide and continually update this data base.
 - www.Pittsburghprospector.com, is a data base site that the CDC uses, which includes all vacant and available properties listed by most, but not all realtors. Most Butler County sites are included. The CDC could maintain this data base, and be the contact for, the sites in Butler County. The web site is available 24/7.
 - Information that should be **contained in the inventory** for each site includes: Acreage available for development; ownership; sale price and any financing opportunities; availability of utilities; transportation access to highways, rail, water, and air; zoning and other development regulations that apply to the land; easements on the property; availability of any environmental assessments; adjacent land uses; relevant maps—aerial, topography, floodplain, wetlands, etc.
- (A) Initially, each municipality should make it a priority to identify and document potential sites that, **based on current market demands**, are of special interest to the CDC, including:
 - One or more **sites with at least 100 acres** of land for business or mixed-use development. Mixed-use developments are the preferred development option today for many types of non-heavy industrial uses. Several sites were discussed and are identified, in general terms only, on **Map 5-1**. Specific sites within these areas should be discussed in confidence with the CDC.
 - **A 20-acre site for an incubator.** Incubators for start-up businesses and young entrepreneurs are in demand at this time. Incubators provide individual spaces for small companies that are exploring opportunities for new products or services, and cannot afford the capital outlay for buildings, equipment, clerical staff, phone and computer systems, conference areas, etc. Incubators can provide individual spaces for new companies while providing shared clerical, phone, mail, conference and other facilities.

There have been discussions between CDC and BC3 regarding an incubator in **downtown Butler**, and Butler Downtown is very interested in getting involved in such a project. There is a shared facility on North Main Street that recently opened and is being monitored by Butler Downtown to determine its success and future needs.

It was also mentioned that the **Butler County Airport** may provide a good site for an incubator project, especially adjacent to the Succop Conservancy or The Mansion property. A potential development in this area could include an incubator, hotel, exhibit space, etc. The Mansion could possibly be used as a B&B for this development. However, water and sewer are needed in order for this idea to become a reality. It may be worthwhile for Penn Township to pursue this concept more thoroughly with the CDC and Butler County.

- A **multi-tenant building** to provide larger spaces for companies graduating from an incubator. Former industrial buildings, possibly some of those in East Butler, could be

investigated for this purpose. As companies grow within an incubator and require additional space, the goal is to locate them within the BAMB Plan area, and replace them in the incubator with another fledgling company. The Bantam Building on the West End is another possibility. Many buildings throughout the City of Butler and the industrial areas of Butler Township could also fill this need. The Municipal ED Teams should provide recommendations to the CDC with regard to these and other potential Multi-tenant buildings.

- Potential industrial, commercial, residential, and/or mixed-use development **sites in each municipality** as supported by the Land Use portion of the BAMB Plan. Although sites are generally identified on **Map 3-1**, if property owners are interested in converting their properties to the recommended uses, they should work with their municipal ED Team, who should bring the opportunity to the attention of the CDC.

Note: Discretion and confidentiality are critical in this process. Information should be provided to the CDC for follow-up. Several sites were discussed during this planning process, and ED teams should evaluate the possibility for acquiring site control, and work with the CDC to initiate potential development activities. BAMB Plan municipalities should enter into an ICA to get site control of properties mentioned in this plan, before prices go up.

- (A) In conjunction with the CDC, the BAMB Plan municipalities should **encourage East Butler Borough** to examine its existing manufacturing sites and buildings for opportunities to increase industrial capacity and assure that the existing facilities are being used to their greatest potential. It is especially important that East Butler develop a building inventory to include the information identified earlier in this chapter. East Butler should have a huge Power Grid capacity. This is a powerful asset that could be promoted to high-tech, data storage and back-up security companies, which is a fast-growing industry. Cranberry Township, as an example, has virtually no electrical capacity left.

To best capitalize on the assets of the existing industrial area, the East Butler ED Team should work with the CDC and:

- Identify potential brownfield rehabilitation **funding programs** and other opportunities for enhancement and/or rehabilitation that would maximize the utilization and efficiency of the existing manufacturing space in the Borough.
 - Determine if there are buildings that should be **rehabilitated or demolished** in the future. Design features desired by today's companies such as minimum heights and energy efficiency, should be addressed.
 - If/when such decisions are made about viable buildings or sites, **obtain site control**, or an agreement with the building owner, and promote the highest and best uses of the facilities or sites.
 - In conjunction with the Borough, **determine future uses** of the sites and buildings, and agree upon the desired types of industrial uses.
 - **Pursue Pittsburgh Foundations** as a possible source of funds to help plan building modifications.
- (A) BAMB Plan participants should work with the CDC and elected officials to purposefully **diversify the economic base** and promote efficient development, which could include efforts to:
 - Recruit companies that will attract upscale workers,
 - Re-use existing buildings and sites whenever possible,
 - Recruit upscale restaurants,
 - Pursue affordable housing,
 - Pursue manufacturing and agricultural businesses,
 - Develop one or more industrial or commercial incubators with the BAMB Plan area,
 - Pursue back office services and secondary office locations for companies from large cities as safe alternative sites and data storage;

- Pursue an Arts or Retail Incubator in the downtown,
- Understand the impact of the Internet on local businesses and encourage training for local business owners to maximize the benefits of the internet;
- Investigate housing alternatives to meet the needs of current residents and attract future residents, including:
 - work/live studios on upper floors of the downtown buildings, with galleries on the first floors,
 - the impact of home occupations,
 - accommodations for baby boomers turning hobbies into businesses;
- Pursue clusters or priorities identified for the region to pursue. The IBM Global Study (which can be found on the State's web site) identified several types of businesses to target, including:
 - Specialty metals
 - Tool & Die
 - Energy
 - Medical devices
 - Advanced materials manufacturing

(The region is already marketing to these industry clusters and their vendors. Westinghouse has an energy component that the area is trying to recruit. Carnegie Mellon University is doing the marketing for them.)

- (A) The Oversight Committee should encourage an existing agency to **pursue and investigate Marcellus Shale initiatives** to prepare the area for the potential need for workers and services for drilling in the area. This is going to be a huge business in the next 50-80 years. The local TW Philips Company, for example, has acquired numerous Marcellus Shale rights, and may be a potential partner to assist with understanding the issues and opportunities with this initiative. Efforts could include:
 - Participating in the Pittsburgh regional effort to address the Marcellus Shale business.
 - Establishing training and/or talent attraction programs, as this area doesn't have the skilled workforce for this market.
 - Providing training and advice to municipalities regarding zoning and other development regulations that will impact drilling.
 - Identifying and organizing the potentially very large housing and other service needs for workers and companies.
 - The Oversight Committee should organize a meeting with the local utilities, service providers, the CDC, and other relevant entities to develop a strategy to pursue this initiative.
- (A) **Work closely with the Butler County Tourism and Convention Bureau (BCTB)** to identify ways to further **enhance tourism** as an industry within the BMM Plan area, and coordinate this activity with the Promotions Committee of Butler Downtown. Specific activities or events that are being pursued by the BCTB and should be promoted, coordinated, and capitalized upon by the BMM area municipalities, include the potential for:
 - Groups from France (possibly in 2013)
 - Pyrotechnics Guild International (possibly in 2013)
 - The first Jeep Heritage Festival (August 2011 -- Butler County Fairgrounds with photo ops at Bantam Building)
 - Disc Golf Convention (2012 -- Moraine State Park)
 - Venture Outdoors (?? – Moraine State Park)
 - Can/Am Police/Fire Games (every 2 years—Moraine State Park/BC3)
 - More National Club Baseball Series (Pullman Park)
 - PSAC Baseball Championships (Pullman Park with Slippery Rock SU)
 - Bowling Tournament & Convention (2011/12—Marriott)
- (A) BMM area municipalities should work with others **to support or address the needs of the area to meet tourism** requirements, including:

- Promoting “Voluntourism”
 - Providing additional on/off ramps as needed along I-79 and/or US 422 for Moraine State Park
 - Improving the Bridge at Cooper’s Lake
 - Promoting factory tours
 - Identifying all tourist destinations within the BMM Area
 - Coordinating bike trail and shuttle services
 - Adding more “golf houses” and/or looking at the 2nd and 3rd floors of buildings in the downtown for similar housing opportunities
 - Adding another exit to Butler from I-79 and providing overall better access to the Butler area
 - Making SR 8 competitive to SR 228 in terms of reasons to travel there
 - Keeping businesses open past 5:00, especially during special events; possibly at least 5 or 6 restaurants per night
 - Coordinating business activities with special events
 - Picking an evening of the week for businesses to stay open later in the downtown
 - Better advertising, promoting, and communication of events, especially through web sites and brochures
 - Utilizing social networking via the Internet
 - Utilizing history for tourism, coordinating with the Rivers of Steel National Heritage Area (www.riversofsteel.com)
 - Renovating the Penn Theater, and tying in the Succop Theater and the Slippery Rock theater to coordinate events
 - Identifying one Butler web site as the link to all others
 - Providing connectors for walking, biking, and other tours
 - Improving the Whitestown/Hansen Road intersection to be four-lane with dedicated turn lanes
 - Help develop the area for “group tours”
 - Getting political and financial support for a lodge at Moraine State Park, as well as for WWTP improvements
 - Adding a second shuttle bus to Butler County Transit
 - Recruiting Pittsburgh’s Super Shuttle to come to Butler County
 - Providing regular hours at the museums
 - Supporting efforts to develop a relationship between Air Quest Aviation, local golf courses, and resorts such as Hilton Head Island golf course, for exchange vacations
- (A) BMM Plan participants should work with the CDC on **retention and expansion of existing businesses, as well as recruitment of new businesses** to the area. There are various activities underway to address these needs, but they are not necessarily being done in a planned and concerted effort within the BMM Plan municipalities. Steps that should be taken include:
 - Each municipal ED Team should undertake routine **business retention and expansion (R&E) efforts** with companies, in concert with the Chamber of Commerce, which is currently doing this to some degree throughout the County. The CDC has a format that could be used for these R&E visits. Each company within the municipality should be visited at least every two years to let them know that the community knows they are there, cares about them, and wants to know what issues they are facing. The ED Team should then address the identified issues that they have control over, and work with the CDC or other entities on issues not under their control. Being responsive to the company after the visit is critical.
 - These efforts should also be **coordinated with Butler Downtown**, which is in the process of developing a Business Retention Team for downtown businesses.
 - These activities should be **made known to the Butler Eagle**, which publishes the “Business Matters” pamphlet that highlights profiles of companies and discusses business issues. Critical and relevant issues could be addressed in Business Matters, and resolution alternatives developed by local companies could be highlighted in the pamphlet.

- (A) **Work with the VO Tech, BC3, and other higher educational technical programs** to improve and broaden their programming base to meet today’s training needs. There is often a disconnect between what businesses need in terms of employee skills and what schools and colleges are teaching their students. The BAMM Plan area municipalities should work with the CDC to resolve this disconnect, so that local companies can find the workforce they need, and local residents can find appropriate work and stay in the area.
- (A) Encourage the Economic Restructuring Committee of Butler Downtown to continue to **review and recommend changes to the Business Privilege and Mercantile Tax, as well as LERTA** (changes to which have already been approved by the City, but still require approval by the County and School District), and to encourage greater use of Tax Increment Financing and other more creative incentives to encourage economic development in downtown Butler, as well as in the rest of the BAMM Plan area.
- (A) BAMM Plan participants should **create a “Youth Council”** to establish programs for youth, which complement existing educational and athletic programs, and focus on developing community-minded youth, so that they will remain in, or return to, Butler to raise families and operate businesses. Opinions from future generations should be included in planning and implementation efforts.
- (B) The Oversight Committee should work with the Municipal ED Teams and the CDC to **develop incentive programs** that would be applicable in each municipality, acquire consensus and understanding from each community, prepare a brochure to explain them, and then market these incentives to prospective companies.
- (B) BAMM Plan municipalities should work with CDC to **become a more effective “launching spot” for companies** considering or moving into the area. This region has the workforce, low taxes, and a variety of housing and neighborhoods, but, it lacks such things as Internet bars and town homes - assets that today’s consumers desire. As part of this process, the BAMM Plan area needs to consider:
 - Promoting the major assets of the BAMM Plan area important to companies and their employees. (BC3, hospital, government center, culture, shopping, location, etc.)
 - Do we have adequate foreign languages taught in our schools?
 - What can we do to be more welcoming to a multi-national workforce?
 - Can second floors in the downtown be better utilized for high-tech companies and/or housing? (Many of the upper floors are already used as housing, and if proposed uses do not change the use, there should not be any major building code issues.)
 - Better promotion of the area golf courses, baseball teams, bike and walking trails, municipal parks, etc., as recreation and entertainment attractions.
 - Do we have interesting things for spouses to do?
 - Do we have entrepreneurial opportunities?
 - How well do we involve new residents in local groups?

We should answer these questions and develop a package of information to address and, where already available, promote, these assets for the BAMM area.
- (B) The BAMM Plan municipalities should recommend to the Butler County Airport Authority, the County, and the CDC, that they identify **opportunities for expansion and/or enhancement of the airport** as an economic development tool to attract businesses, and provide specific recommendations for possible airport area development. (In conjunction with providing water to the airport and adjacent area.)

- (B) Pursue **employer-assisted housing options**. In today’s market especially, the former practice of providing housing for company employees is regaining popularity. In the early 1900s, companies routinely built and provided housing to their employees. This could once again become a major incentive to take a job or hold a position. Some institutions such as hospitals have purchased homes around their facilities to protect their future expansion capabilities or control the condition of the neighborhoods. They then rehabilitate and lease or sell (with a right of first refusal) these homes to hospital employees, doctors, and professional staff. Down-payment assistance, lower interest rates, and other incentives are used to entice employees to live near their place of employment. (*Riverside Hospital, St. Vincent’s Medical Center, and Toledo Hospital in Toledo OH utilized workforce housing programs similar to these.*)

- (B) The BMM Plan participant municipalities should help insure the success of the **Pullman Park/West End Projects** by:
 - Supporting the CDC with its pursuit of infrastructure funding and construction.
 - Supporting the use of the multi-modal facility now under construction.
 - Supporting the development of the West End Connector linking the downtown with the Pullman Park/West End area.
 - Working with the RACB to clarify and understand the status of its projects in this area, and support the same.
 - Encouraging the owner of the Pullman Building and the RACB to:
 - Pursue adaptive uses for the Pullman Building,
 - Consider innovative concepts for redevelopment, and
 - Recruit a developer.
 - Promoting on-going support for housing renovation and construction projects within and adjacent to the Pullman Park/West End area.
 - Encouraging an increasing number and variety of sporting and other events at Pullman Park.
 - Supporting efforts to realign the intersection at Whitestown Road and Hansen Avenue.

- (C) Once State funding is available again, the BMM Plan participants, and especially the City of Butler and Butler Township, should recommend to RACB and other appropriate organizations that they **pursue Elm Street programs** for neighborhoods that are immediately adjacent to the downtown, in the West End/Island area, and in Lyndora.