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Economic Development

While downtown is in need of economic revitalization, a strong Hanover Area economy operates in businesses large and small located along state highways, in the industrial park, in shopping centers and even in home-based locations. These businesses provide jobs and wages that enable workers to provide for themselves and their families and contribute to the tax base that supports services for the community. Retaining and attracting businesses is therefore an important part of community planning.

Analyzing trends by industry can help to forecast the demand for land zoned for retail, office space, manufacturing and other uses, water and sewer utilities and a ready workforce with particular knowledge and skills. From this analysis, the Hanover Area can determine if suitable land is available, accessible to the street and highway network, and utility-served, or if rezoning, street and utility service extensions are needed. It might also assess the business climate—the tax rates and regulations—that contribute to the cost of construction and operations. Workforce supply and readiness is not typically a municipal service, however quality of life and housing options have a strong influence. Additionally, communication and cooperation among municipal and business partners can foster support from school district and county-level education and workforce institutions.

After an initial characterization of the Hanover Area economy, this chapter analyzes key economic sectors of the Hanover Area economy, finds agreement for pursuing several sectors in York County planning, and outlines local initiatives in other target industries. It then discusses needs and opportunities for the key economic sectors in the areas of workforce and land, and discusses favorable aspects of a local business climate. The section concludes with goals, objectives and recommendations to coordinate economic development with local and county partners.

THE HANOVER AREA ECONOMY

TOTAL BUSINESSES, TOTAL EMPLOYMENT

In total, more than 24,000 people were employed at 1,192 businesses in the 17331 zip code in 2010 (see Table 4-1). These were the lowest figures experienced for this area in at least six years. Business and employment counts peaked in 2007 when the number of businesses was at its highest in recent years, and in 2008 when the number of employees was at its highest

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following significant employment growth. However, between 2008 and 2010, more than 1,400 jobs were lost each year. This was the same time that most of the nation was experiencing a severe economic downturn.

TABLE 4-1 NUMBER OF BUSINESSES BY INDUSTRY FOR THE 17331 ZIP CODE, 2005 AND 2010, RANKED BY 2010 BUSINESS COUNT

| Industry | Number of Businesses | | | % |
|--|----------------------|--------------|------------|--------------|
| | 2005 | 2010 | Change | |
| Retail Trade | 245 | 235 | -10 | -4.1% |
| Health Care and Social Assistance | 152 | 156 | 4 | 2.6% |
| Other Services | 153 | 145 | -8 | -5.2% |
| Accommodation and Food Services | 95 | 113 | 18 | 18.9% |
| Construction | 127 | 103 | -24 | -18.9% |
| Manufacturing | 97 | 82 | -15 | -15.5% |
| Professional, Scientific, and Technical Services | 76 | 81 | 5 | 6.6% |
| Finance and Insurance | 74 | 70 | -4 | -5.4% |
| Administrative and Support and Waste Management | 39 | 51 | 12 | 30.8% |
| Wholesale Trade | 54 | 44 | -10 | -18.5% |
| Real Estate and Rental and Leasing | 37 | 40 | 3 | 8.1% |
| Transportation and Warehousing | 26 | 24 | -2 | -7.7% |
| Arts, Entertainment, and Recreation | 17 | 18 | 1 | 5.9% |
| Information | 21 | 15 | -6 | -28.6% |
| Educational Services | 8 | 7 | -1 | -12.5% |
| Management of Companies and Enterprises | 8 | 3 | -5 | -62.5% |
| Mining, Quarrying, Oil/Gas Extraction | 1 | 2 | 1 | 100.0% |
| Agriculture, Forestry, Fishing/Hunting | 0 | 1 | 1 | N/A |
| Utilities | 1 | 1 | 0 | 0.0% |
| Industries not Classified | 14 | 1 | -13 | -92.9% |
| Total | 1,245 | 1,192 | -53 | -4.3% |

Source: County Business Patterns

TABLE 4-2 NUMBER OF EMPLOYEES BY INDUSTRY FOR THE 17331 ZIP CODE, 2005 AND 2010, RANKED BY 2010 EMPLOYEE COUNT

| Industry | Number of Employees | | | % |
|--|---------------------|---------------|------------|-------------|
| | 2005 | 2010 | Change | |
| Manufacturing | 6,701 | 5,841 | -860 | -12.8% |
| Retail Trade | 3,699 | 3,535 | -164 | -4.4% |
| Health Care and Social Assistance | 1,643 | 3,074 | 1,431 | 87.1% |
| Accommodation and Food Services | 2,036 | 2,128 | 92 | 4.5% |
| Other Services (excluding Public Admin.) | 926 | 987 | 61 | 6.6% |
| Educational Services | 960 | 984 | 24 | 2.5% |
| Administrative and Support and Waste Management | 219 | 948 | 729 | 332.9% |
| Transportation and Warehousing | 802 | 659 | -143 | -17.8% |
| Construction | 523 | 430 | -93 | -17.8% |
| Professional, Scientific, and Technical Services | 316 | 419 | 103 | 32.6% |
| Wholesale Trade | 337 | 358 | 21 | 6.2% |
| Finance and Insurance | 573 | 326 | -247 | -43.1% |
| Public Administration | 258 | 283 | 25 | 9.7% |
| Information | 196 | 141 | -55 | -28.1% |
| Arts, Entertainment, and Recreation | 160 | 116 | -44 | -27.5% |
| Management of Companies and Enterprises | 42 | 110 | 68 | 161.9% |
| Real Estate and Rental and Leasing | 108 | 107 | -1 | -0.9% |
| Agriculture, Forestry, Fishing/Hunting | 146 | 78 | -68 | -46.6% |
| Utilities | 23 | 36 | 13 | 56.5% |
| Mining, Quarrying, Oil/Gas Extraction | 1 | 0 | -1 | -100.0% |
| Total | 19,669 | 20,560 | 891 | 4.5% |

Source: On The Map

LARGEST EMPLOYERS

Both Hanover Borough and Penn Township are home to several major employers, some with national and international renown. As of 2012, the largest employer in Hanover Borough was Hanover Hospital, with approximately 1,300 employees (see Table 4-3). The second largest was Utz Quality Foods, employing almost 1,300 as well. R.H. Sheppard was another significant employer in the Borough with over 1,000 workers. The Borough had numerous smaller businesses, mostly manufacturing, providing significant numbers of jobs.

Penn Township's largest employer in 2012 was Snyder's of Hanover with a workforce of 850 (see Table 4-3). While Penn Township's largest employers are not as large as the Borough's, the Township had seven businesses employing more than 100 people. Like Borough, most of these were manufacturers. ESAB Welding & Cutting and the Sheridan Group each provided 400 jobs each. Hanover Foods and Direct Brands each employed 300 people.

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TABLE 4-3 LARGEST EMPLOYERS IN HANOVER BOROUGH AND IN PENN TOWNSHIP, 2012-2014

| Companies in Hanover Borough | | Companies in Penn Township | |
|---|----------------|-----------------------------------|----------------|
| | # of Employees | | # of Employees |
| Hanover Hospital, Inc. | 1,300 | Snyder's of Hanover, Inc. | 850 |
| Utz Quality Foods, Inc. | 1,270 | South Western School District | 590 |
| R. H. Sheppard Co., Inc. | 1,068 | ESAB Welding & Cutting Products | 400 |
| Hanover Public School District | 258 | Sheridan Group | 400 |
| New York Wire, Co. | 200 | Hanover Foods Corporation | 305 |
| Adams-Hanover Counseling Services, Inc. | 136 | Schindler Elevator | +/- 300 |
| Leonhardt Manufacturing Company, Inc. | 120 | Direct Brands, Inc. | 300 |
| Hanover Logistics | 80 | Gerard Daniel Worldwide | 160 |
| Elsner Engineering Works, Inc. | 65 | GlaxoSmithKline | 104 |
| Sonoco Products Company | 60 | McClarín Plastics, Inc. | 85 |
| Vulcan Materials | 59 | Crown Cork and Seal Company, Inc. | 60 |

Source: Hanover Area Chamber of Commerce

LABOR FORCE

WORKER CLASS

In Hanover Borough, Penn Township, and York County, private-sector employees made up the vast majority of the labor force in 2011. As Table 4-4 shows, the private-sector labor force was slightly larger in Hanover Borough (86%) and Penn Township (88%) than in York County (84%) due to the County's higher percentage of government workers. Hanover Borough had the highest percentage of self-employed residents among the three jurisdictions, and Penn Township the lowest. Unpaid family workers represented less than 1% of the labor force in each location.

TABLE 4-4 LABOR FORCE BY WORKER CLASS, 2011, FOR PERSONS 16 YEARS AND OLDER IN LABOR FORCE (EXCLUDING MILITARY)

| Class of Worker | Hanover Borough | | Penn Township | | York County | |
|---------------------------------|-----------------|-------|---------------|-------|----------------|-------|
| Private wage and salary workers | 6,782 | 86.0% | 7,260 | 87.9% | 181,247 | 83.6% |
| Government workers | 612 | 7.8% | 624 | 7.6% | 23,625 | 10.9% |
| Self-employed workers | 450 | 5.7% | 362 | 4.4% | 11,604 | 5.4% |
| Unpaid family workers | 46 | 0.6% | 13 | 0.2% | 217 | 0.1% |
| Total Workers | 7,890 | | 8,259 | | 216,693 | |

Source: American Community Survey 2007-2011 Estimates

UNEMPLOYMENT

Unemployment rates were slightly higher in the Hanover Area than across York County in 2010. Between 2000 and 2011, unemployment among residents increased in Hanover Borough and Penn Township, as well as York County (See Table 4-5). In each of the jurisdictions,

absolute numbers of both employed and unemployed grew, mirroring population growth, but unemployment more than doubled.

TABLE 4-5 EMPLOYMENT STATUS OF PERSONS 16 YEARS AND OLDER IN LABOR FORCE (EXCLUDING MILITARY)

| | 2000 | 2011 (Est.) | 2000-2011 Change |
|--------------------|---------|-------------|---------------------|
| Joint Area | | | |
| # Employed | 15,094 | 16,149 | 1,055 |
| # Unemployed | 532 | 1,300 | 768 |
| % Unemployed | 3.4% | 7.5% | 4.0% |
| York County | | | |
| # Employed | 195,962 | 216,693 | 20,731 |
| # Unemployed | 7,301 | 17,283 | 9,982 |
| % Unemployed | 3.6% | 7.4% | 3.8% |

Source: American Community Survey 2007-2011 Estimates

KEY ECONOMIC SECTORS

As of 2010, there were more than 24,000 people employed at almost 1,200 businesses in the 17331 zip code that encompasses Hanover Borough and Penn Township as well as surrounding areas. While the Hanover Area peaked in number of businesses in 2007 and number of employees in 2008, almost 3,000 jobs were lost in the Great Recession between 2008 and 2010. Despite these changes, several key industries continue to drive the Hanover Area's economy. The top economic sectors by these and other metrics are:

1. **Manufacturing**, with 82 businesses in the Hanover Area, was the primary leader in producing goods for sale (or providing services) beyond the local area and thus importing economic value. Manufacturing was also the number one industry in terms of total jobs (5,841) and employed the most residents (3,122). The largest manufacturing employers, each with more than 300 employees, included: Utz Quality Foods, R. H. Sheppard Company, Snyder's of Hanover, ESAB Welding and Cutting Products, the Sheridan Group and Hanover Foods. Schindler Elevator's expansion in 2012 raised its employment to approximately 300.

While manufacturing was the largest industry in the Hanover Area in 2010, it declined by 10 businesses and 860 jobs from 2005 to 2010. Recent expansion by Clarks, Snyder's of Hanover and Schindler Elevator likely added employment. As

Defining Our Metrics

Jobs – employment positions offered by a Hanover area employer

Resident Worker – a Borough or Township resident employed in the Hanover area

Economic Value – a concentration of jobs in one industry greater than the concentration of jobs in the same industry in the larger region/state



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the leading industry in the Hanover Area and one with target specialty industries, business and employment trends should be monitored through local contacts and data analysis.

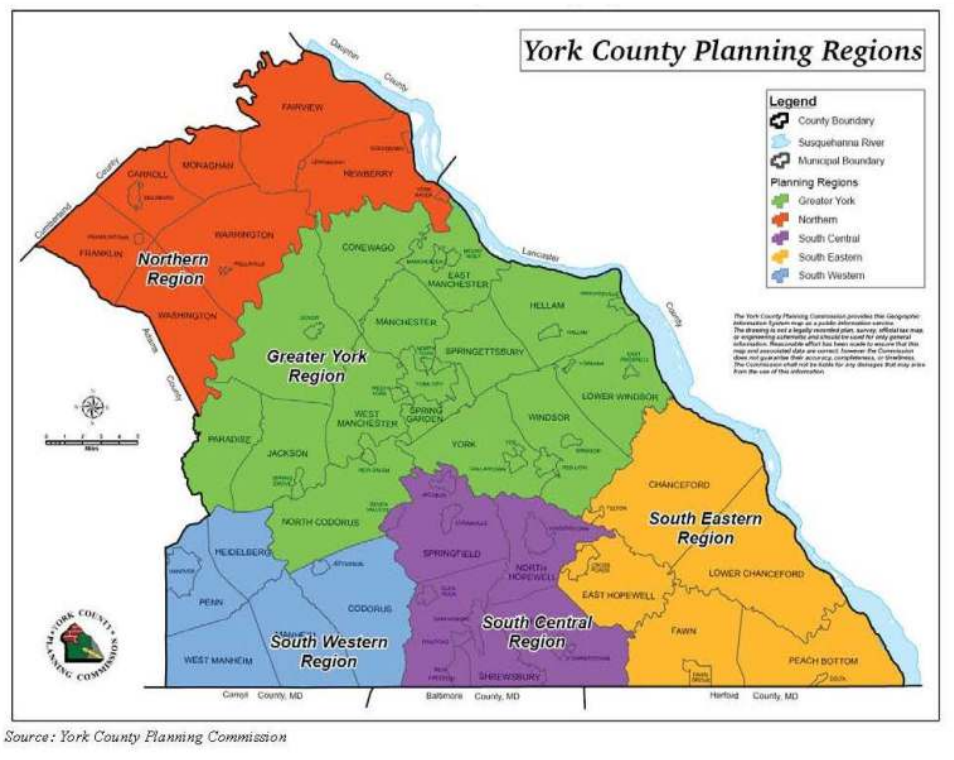
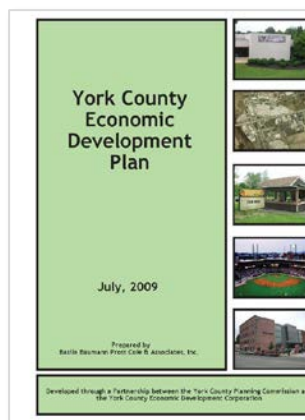
2. **Accommodation and food services** ranked second for employment and economic value in the Hanover Area and fourth in number of businesses (113), business growth since 2005 (+18), total jobs (2,128) and job increase (+92), and resident employment (1,336). These businesses are the core of the hospitality industry and provide a foundation for expanded tourism.
3. **Other (private) services**, which includes machine repairing, personal care services, pet care services, religious services, and household services, was the third largest industry in the Hanover Area in 2010. The number of businesses declined from 153 to 145 (-8), but total jobs increased by 61 and resident employment in this industry increased by 70.
4. **Retail trade** showed declining trends by several metrics. From 2005 to 2010, the number of businesses fell from 245 to 235 (-10, -4.1%), total jobs declined to 3,535 (-164, -4.4%), and resident employment dropped by 255 (-22.3%). Recent growth in the retail industry, including the development of Gateway Hanover Shopping Center and new leases such as Burlington Coat Factory at the North Hanover Mall, likely increased business numbers by at least 10 and employment by 100 or more.
5. **Agriculture, forestry, fishing and hunting**, which with more than 2,500 acres in farm and woodlands, reported only one business in 2010. Yet, 2,500 acres is a relatively small acreage for these resource-based industries and the one business may very well serve an even larger region. Total jobs were just 78 (-68 jobs, -46.6% since 2005), but these industries provide essential raw materials for manufacturing and food processing – other economic engines in the area. And they have a place in economic development as local, direct sales food producers.
6. **Health care and social assistance** represented 156 businesses and 3,074 jobs. All metrics trended positive since 2005: business growth (+4), job growth (+1,431, 87.1%), and resident employment (+1,431). With more than 1,300 employees, the Hanover Hospital was the largest employer.
7. **Administrative and support and waste management**, in which businesses specialize in one or more of general management, personnel administration, clerical activities, cleaning activities, provides services to clients in a variety of industries and, in some cases, to households. The industry's 51 businesses increased by 12, its jobs by 729, and resident employment by 729.

YORK COUNTY PLANNING PERSPECTIVE

The 2014 Update to the York County Economic Development Plan is an important reference for economic development in the Hanover Area. Consistency with county planning is required but more importantly should align recommendations with economic development resources and assistance from the county.

The 2009 Plan analyzes sub-county regions for localized economic development visions and recommendations. Hanover Borough and Penn Township lie within the South Western Region, for which the vision is as follows:

- Small business retention and expansion where infrastructure supports growth
- Revitalization and infill development (redevelopment)
- Diversification of manufacturing and industrial-based development
- Agricultural protection
- Recruitment of target industries, including firms engaged in research and development, technology and innovation
- Office, retail and industrial growth directed to existing industrial parks
- Conservation of rural and scenic areas



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In many ways, the Hanover Area is already implementing this vision. The Borough and the Township and their economic development partners are targeting commercial and industrial growth to suitable sites; working to revitalize Hanover Borough as the core of the South Western Region; seeking to expand services that support residents; pursuing the diversification of its manufacturing base; and supporting agriculturally-based businesses. Furthermore, the Hanover Area is pursuing this vision cooperatively; both Hanover Borough and Penn Township are working jointly on several initiatives intended to support economic development collectively, including this Comprehensive Plan, the 2012 Economic Development Plan, and the 2013 Greater Hanover Region Economic Development Plan.

YORK COUNTY'S TARGET INDUSTRIES

The 2008 York County Industry Cluster Analysis, as reported in the 2009 York County Economic Development Plan, assessed the strengths and weaknesses of county industries. The analysis concluded that target industries in the following three categories become the core of the county's economic development strategy:



Utz Facility on High Street

1. **Current industry strengths**, defined as strong national performers with a current local specialization. In the South Western Region, these include *advanced materials and diversified manufacturing* (specifically vehicle/vehicle equipment), followed by logistics/transportation.
2. **High-priority retention targets**, defined as lagging national performers with a current local specialization. In this region, retention targets include *agriculture and food production*, followed by *advanced materials and diversified manufacturing* (specifically metals/metal fabrication and printing), and *building and construction*.
3. **Emerging strengths**, identified as strong national performers but not a current local specialization. In this region, emerging strengths include biomedical, followed by *health care* and *business and financial services*.

The Hanover Area is home to industries from each of these priority categories. Advanced materials and diversified manufacturing is represented by R. H. Sheppard, Schindler Elevator, and Crown Cork and Seal Company, as well as by the addition of Yazoo Mills. Logistics/transportation is represented by Hanover Terminal and Gerard Daniel Worldwide. Despite recent declines and identification as a lagging national performer, the agriculture and food production industry is considered a high-priority retention target and includes the companies of Utz, Hanover Foods and Snyder's-Lance. Finally, as the fastest growing industry in the region and a strong national performer, health care is an emerging strength industry, provided predominantly by Hanover Hospital.

RECENT MANUFACTURING EXPANSION AS REPORTED IN THE CENTRAL PENN BUSINESS JOURNAL

SNYDER'S-LANCE TO BUILD HANOVER RESEARCH FACILITY

February 21, 2012 by Jim T. Ryan

North Carolina-based snack food maker Snyder's-Lance Inc. today said it will build a 60,000-square-foot research and development center in Hanover near one its largest bakeries. The facility, scheduled to be complete in the fourth quarter, would be used to research, develop and enhance products for the company's full line of snack foods, according to Snyder's-Lance. There are no immediate plans to add new employees to the research center, but operation and staffing details have not yet been finalized, according to the company. The research facility will use green technologies and design, including drawing 100 percent of its electricity from a nearby 26-acre solar farm, the company said. Its solar farm now supplies about 30 percent of the electricity needed for the manufacturing facilities in Penn Township. Snyder's-Lance, based in Charlotte, formed in 2010 through a merger of Lance Inc. and Snyder's of Hanover. Snyder's-Lance trades its shares on the Nasdaq under the ticker symbol LNCE.

SCHINDLER BREAKS GROUND ON NEW PENN PLANT

October 22, 2012 By Craig K. Paskoski, The Evening Sun

Calling it an investment in the future of the company and the community, Schindler Elevator Corp. broke ground on a new, environmentally friendly manufacturing plant in Penn Township Monday afternoon. Officials from Schindler, contractors for the project, and local political leaders stuck polished shovels into the ground and simultaneously turned over dirt to formally get construction of the 152,000-square-foot plant started. Schindler expects to employ about 60 workers at the plant, which will manufacture visible finished elevator parts and serve as an order consolidation center. Most of those employees are coming from Schindler's manufacturing facility in Gettysburg, which is scheduled to be phased out as the new plant nears a summer 2013 opening. Schindler Vice President of Manufacturing Dave Thomas said the company hopes to eventually build a 70,000-square-foot addition to the plant on Industrial Drive.

SCHINDLER ELEVATOR LEASES SUPPORT SITE IN HANOVER

August 8, 2013, York Daily Record/Sunday News

Hart Corporation completed a long term lease with Schindler Elevator Corporation for Penntown Properties' 93,778-square-foot facility in Hanover. The facility will be used as a support location for Schindler's new manufacturing facility at 21 Industrial Drive in Hanover.

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THREE LOCAL TARGET INDUSTRIES

While manufacturing and health care are targeted for their potential long-term positive economic impacts across York County, other industries have trended positively in the Hanover Area economy in recent years and hold potential for continued economic growth. These industries include tourism/hospitality, retail, and agriculture. All three represent or have the potential to represent local heritage—a theme of the downtown community visioning that also has value for the broader economy.

TOURISM/HOSPITALITY



22 CARLISLE STREET

As a means for celebrating the rich history of the Hanover Area and promoting an economic development niche, the Hanover Area Chamber of Commerce undertook a study in 2012 to examine the feasibility of a downtown Heritage Conference Center (HCC) that would increase the area's tourism and visitation. The heritage aspect of the HCC could feature retailers of heritage-oriented products, display artifacts of the Hanover Area's history and/or host related events. With the positive finding of market potential for such a facility, the Chamber is pursuing the development of the HCC with the preferred location identified as the former Wachovia Bank building at 22 Carlisle Street.

Simultaneously, the Chamber also led a visioning initiative for downtown, from which a heritage and hospitality theme emerged.

Furthermore, the snack food manufacturing industry contributes to tourism and hospitality in the Hanover Area. As the home to Utz, Snyder's-Lance, and Revonah Pretzels (owned by ConAgra, formerly owned by Shultz Foods), all of which host factory tours of their facilities, this area is part of York County's "Sweet Treats and Salty Eats Trail". This campaign promotes all of York County's snack food manufacturers and coordinates factory tour information through the York County Convention and Visitors Bureau. The trail and tours receive special emphasis in June as part of the national Made in America tours.

RETAIL

While the Census Bureau reports a decline in the retail workforce between 2005 and 2010, Gateway Hanover, a major regional shopping center opened in 2011, creating new jobs at Target, Ross, Pet Smart, and a variety of other retailers. Other major shopping centers are located nearby, including North Hanover Mall and Hanover Crossing. Collectively they contain major national retailers including Wal-Mart, Home Depot, Lowe's, Kohl's, Bon Ton, JCPenney, and Sears. Supplementing these stores are a variety of "mid-box" national retailers and smaller, independent stores located across the Hanover Area in downtown, in neighborhood commercial centers, and in the larger shopping complexes.

There is in fact demand for additional retail in the Hanover Area and the surrounding region, and thus, an opportunity for increased employment in the retail sector. An analysis of retail spending performed for Heritage Conference Center feasibility identified potential in several retail areas that aren't suitable for downtown.

[T]here is approximately \$42 million of unmet retail among various categories in the Downtown Hanover Retail Trade Area [the area from which downtown shoppers originate]. These categories have the strongest potential for additional capture in the trade area, and accordingly, the potential for additional store space. Categories of opportunities include specialty foods, drug stores/pharmacies, bars (pubs and taverns), dry cleaners, men's clothing, window treatment stores, electronics stores, paint and wallpaper stores, retail lumber yards, and a variety of specialty goods stores. Many of these retailers seek the types of store spaces offered in Downtown Hanover.

Source: Market Analysis for the Hanover Area Heritage Conference Center, 2012, p. 32.

While many of these retail types may indeed be suitable as downtown businesses, they may be equally suitable for neighborhood and regional commercial districts.

AGRICULTURE AS LOCAL MARKETS AND TOURISM

There are two angles to agriculture as an economic development opportunity. First, there is increasing demand for locally grown and locally produced food products, inspired by the Pennsylvania Department of Agriculture's "Pennsylvania Preferred" brand and by consumers interested in buying direct from growers, known as farm-to-table. Where producers own large parcels, they may be able to set up a roadside stand to sell their goods. For those that farm farther from town and busy travel routes, a collective farmers market may be a more practical point of distribution. The Hanover Market House, the Carriage House Market, and the Amish Market on Broadway, north of Eisenhower, are local outlets for farm-made products to Hanover Area residents.

Second, and similar to buying local from a producer one knows, agriculture has entered into the tourism industry, offering pick-out-your own fruits and vegetables, harvest time mazes, and firsthand experiences of food production and life on the farm.



FARMERS MARKET

Both aspects represent ways to retain agricultural heritage and support short-term farmland conservation or long-term preservation, but they are by no means simple to develop. They require facilities for product display and parking – small facilities for individual producers and larger ones for collective markets. And as consumer products and services, they require consumer-oriented marketing in the markets one aims to attract.

WORKFORCE NEEDS AND OPPORTUNITIES IN TARGET INDUSTRIES

The key economic sectors and regional target industries discussed above each contain multiple businesses. While each business has its own training, businesses within an industry could benefit from a workforce with a higher baseline skill set specific to the industry.

Several trends are emerging or impacting workforce needs in the food production/manufacturing industry. As automation replaces worker effort, workers with skills in engineering and science are increasingly in demand. On the other hand, some jobs require less formal education since training is done largely on the job. Furthermore, the aging workforce of this industry will retire over the next decade providing a need for younger workers to fill in the workforce.

For metal manufacturing, engineering degrees, and in some cases advanced degrees, are increasingly sought out as the industry employs higher-technology. Production workers with advanced technical skills are also in demand. On-the-job training will continue to be important, as will the issue of unionization. As with food production, the metal manufacturing industry has an aging workforce that will need to be replaced with younger, more highly skilled employees.

The health care industry is quite different in terms of worker needs. This workforce usually requires at least a two-year degree in a medical field and up to several years of advanced education for physicians; continuing education is important across the medical field. As medical technology becomes automated, office and administrative support will become less in-demand. However, registered nurses are already in a shortage, and as they continue to retire alongside the baby boomers, a renewed if not larger health care workforce will be necessary.

WORKFORCE EDUCATION AND TRAINING OPPORTUNITIES

Education and training programs exist in the Hanover Area to help prepare its workforce for the opportunities that exist in its key industries. The Hanover Area Chamber of Commerce is particularly instrumental in sponsoring workforce training and education initiatives, and connecting prospective applicants with employers and job openings. The Chamber offers a comprehensive approach to workforce development in the Hanover Area. Through its Workforce Development Committee – a partnership between local business and education leaders – the Chamber has built a collaborative foundation for students and other prospective workers to explore multiple career paths leading to employment.

The Hanover Center for Workforce Excellence (HCWE) is one such initiative. The HCWE was established in 2008 to address training opportunities and skill enhancement of the local workforce. It offers programs at a training facility adjacent to R.H. Sheppard. The HCWE, located at 400 Pine St. (adjacent to R.H. Sheppard), was established through the Hanover Chamber's Workforce Development Committee in 2008 in partnership with HACC –

Gettysburg Campus, McClarin Plastics, R.H. Sheppard and Utz Quality Foods. Through various partnerships, the Center offers for-credit classes, General Educational Development (GED) classes as well as workforce training programs for local business and industry. In 2013, HCWE offered classes in industrial electricity, blueprint reading, motors and controls, hydraulics, pneumatics, programmable logic controllers (PLCs) and automation at the center.

The Chamber also offers School to Work Partnerships through the HACC-Gettysburg Campus. Sponsored by a partnership of the Chamber, HACC, local school districts, and area manufacturers, the Introduction to Manufacturing program is designed to educate high school seniors about the manufacturing industry, potential career paths, and local career opportunities. Other programs include training in the banking industry, an introduction to healthcare for prospective nurses, and a career camp that exposes high school students to in-demand career options with local businesses, and internships.

York County also offers workforce development resources. The not-for-profit York County Alliance for Learning (YCAL) works with area businesses and schools to provide career education, and academic and work-based experience for all York County students. YCAL is affiliated with the York County Economic Alliance's Office of Workforce Development (OWD). The organizations work together to build strong connections between the county's business and education communities. The partnership enhances the OWD's mission to create a life-long learning environment that attracts and retains strong businesses and a diverse talented workforce. The Economic Alliance also holds the International Business and Workforce Expo, an annual event that connects local and international businesses with the county workforce.



HANOVER HOSPITAL WELLNESS AND EDUCATION CENTER

SITE NEEDS OF TARGET INDUSTRIES

Site needs are also a consideration for the growth and expansion of targeted industries, which can vary by type and size of establishment. For food production/manufacturing, transportation (truck) access to supply and distribution networks (highways and rail) is key and an on-going issue in the Hanover Area. A location near other manufacturers, such as in industrial parks, is preferred because of close proximity to suppliers and workforce. Proximity to water and other utilities is also a high priority, as are the local costs of such utilities and doing business here. For metal manufacturing, preferred sites are those with access to multiple modes of transportation and close proximity to end-users (including other manufacturers), such as in industrial parks. Industrial parks also offer room to expand and are typically buffered from other land uses. As

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with food manufacturing, utilities and cost of doing business are important considerations for metal manufacturers.

For health care establishments, the top site consideration is access to a qualified labor force, particularly the ability to attract and retain such workers. Health care facilities must also be located close to population, particularly seniors (both existing and in-migrating). It also helps to be located close to strong community colleges and/or universities, particularly those with pre-med and medical research programs. Another key locational consideration for health care is the ability to expand, since it is a growing industry. Adequate space for parking is important as well, as is access from residential areas. While it is not currently seeking to expand its campus footprint, Hanover Hospital is growing through outreach and outpatient services, such as an orthopedic urgent care center and a total wound care center.

AVAILABLE LANDS FOR ECONOMIC DEVELOPMENT

The Hanover Area has appropriate sites available for continued growth and economic development of the targeted industries. The 2009 York County Economic Development Plan suggests more than 30 candidate sites for economic development in the South Western Region of York County based on:

1) Availability criteria:

- located in a growth area
- appropriate commercial or industrial zoning,
- three buildable acres or more, and

2) Land suitability criteria:

- good highway/rail access
- located in a primary growth area, and
- available water and sewer.

Sites were ranked based on the number of suitability criteria met (Level 1, all 3 criteria; Level 4, 0 criteria) and compared suitable site acreage as a whole to market demand. York County updated the analysis in 2013 and identified 28 sites. (See Candidate Economic Development Sites Map). Several of these sites are already planned for development. (See Table 4-6). Others, which are undeveloped, are owned by local companies for future expansion. (See Table 4-7) None are expected to need external marketing to bring them to a developed, tax-producing condition.

Table 4-6 Candidate Economic Development Sites that are in Use or Planned for Development

| Map ID | Address | Owner | Acres | Notes |
|--------|--------------------|-----------------------------------|-------|--|
| - | Wilson Ave | Conewago North Ridge Partners, LP | 12.24 | Future Sam's Club development; plans approved |
| - | N Forney Ave | Winebrenner, James B, III | 5.06 | Location of Good's Field; used for baseball; maintained by Borough |
| - | W Chestnut Rear St | York Building Products Co., Inc. | 3.59 | Used as storage lot for materials |
| - | 12 Industrial Dr | Hawk Hill, Inc. | 9.83 | Under development |
| - | Grant Dr | Mummert Enterprises | 22.98 | Under development as Cherry Tree Phase 3 (residential) and future development of Cherry Tree Phase 4 (residential) |
| - | Karen Ln | Esab Group, Inc. | 13.11 | Used for baseball and parking |

Source: York County

Table 4-7 Underutilized and Vacant Candidate Economic Development Sites

| Map ID | Address | Owner | Acres | Notes |
|---------------|--------------------|-----------------------------------|--------|-------|
| Underutilized | | | | |
| 6 | 1479 Broadway Extd | CD Investors | 36.06 | |
| 8 | York Rd | Hanover Brands, Inc. | 31.60 | |
| 11 | 225 Center St | Western MD Railroad Co. | 14.32 | |
| 20 | Dewco Rd | Delias Distribution Co. | 4.91 | |
| 23 | Barnhart Dr | Penntown Properties | 3.91 | |
| 24 | Blettner Ave | McClarín Plastics Inc | 3.45 | |
| 28 | Wilson Ave | Conewago North Ridge Partners, LP | 0.36 | |
| Vacant | | | | |
| 1 | 1025 Baltimore St | Stonewicke, LP | 122.77 | |
| 2 | Ridge Ave | Snyder's of Hanover Inc. | 97.88 | |
| 3 | Moulstown Rd | CD Investors | 68.94 | |
| 4 | York Rd | Snyder's of Hanover, Inc. | 53.25 | |
| 5 | York Rd | Warehime Enterprises, Inc. | 37.80 | |
| 7 | Grandview Rd | Hanover Brands, Inc. | 22.96 | |
| 9 | Gateway Dr | Conewago North Ridge Partners, LP | 20.96 | |
| 10 | Baltimore St | Wellspan Properties, Inc. | 14.53 | |
| 12 | 37 Industrial Dr | Hanover Foods Corp. | 13.12 | |

Chapter 4

Table 4-7 Continued

| Map ID | Address | Owner | Acres | Notes |
|--------------------|------------------|-----------------------------------|---------------|-------|
| Vacant | | | | |
| 13 | Metropolitan Ln | Penntown Properties | 8.01 | |
| 14 | Barnhart Dr | Triple S Leasing, LLC | 7.92 | |
| 15 | 23 Industrial Dr | Schindler Elevator, Co. | 7.50 | |
| 16 | Karen Ln | Arwco Corporation | 16.27 | |
| 17 | Barnhart Dr | Penntown Properties | 6.09 | |
| 18 | Broadway Ext | Bair, Michael & Mary | 5.92 | |
| 19 | Wilson Ave | Wilson Avenue, LLC | 5.22 | |
| 21 | Ridge Ave | Hanover Brands, Inc. | 7.05 | |
| 22 | Wilson Ave | Conewago North Ridge Partners, LP | 4.08 | |
| 25 | Barnhart Dr | Penntown Properties | 3.42 | |
| 26 | Gitts Run Rd | GTY, Inc. | 6.56 | |
| 27 | Gitts Run Rd | GTY, Inc. | 4.88 | |
| Total Acres | | | 629.77 | |

Source: York County

As a result, a more accurate view of economic development potential for the Hanover Area includes:

- Re-use of existing vacant sites in the industrial and commercial zoning districts of the Borough and Township.
- Development of residentially and other under-used sites in the Township's industrial park.
- Future development/expansion of Hanover Brands and Snyder's-Lance; lands are currently leased for agriculture.
- Integration of new neighborhood scale commercial in senior housing and other residential developments.

A FAVORABLE BUSINESS CLIMATE FOR TARGET INDUSTRIES

The business climate encompasses the development and financial policies and financial assistance of a community or region. A favorable business climate reflects knowledge of current conditions and emerging trends in each of these areas.

USE AND DEVELOPMENT REGULATIONS

The Hanover Area's development policies are well-established and yet continue to evolve in relation to laws and regulations. At the same time, business patterns are also ever-changing in response to markets. Commercial and industrial land use patterns should be periodically reviewed to identify areas transitioning in from one dominant use or use mix to another and new uses that may not fit existing definitions, e.g. co-working. As appropriate, development regulations and standards should be updated consistent with state and federal law and zoning

district assignments and boundaries refined to clearly designate where desired business uses are to locate. A decision to retain or to modify regulations should be made on a case-by-case basis.

Areas that should be reviewed based on a comparison of land use and zoning data include:

1. The Township's shopping center designation abutting the Borough's local business designation at the intersection of Eisenhower Drive and Route 194/Broadway. Most current commercial uses are not retail.
2. The highway business district along Route 194/Broadway from Washington Avenue to Wilson Avenue.
3. Various commercial uses in the residential zoning district surrounding Hanover Hospital. If many are related to the health care industry, a hospital overlay district could accommodate them.
4. A cluster of commercial uses in residential districts between Stock Street and the rail corridor.
5. Commercial uses in residential districts along Dart Drive between Eichelberger Street and McCosh.
6. Commercial and industrial uses in a residential district along Route 194/Frederick Street between Forney and Kirkpatrick.
7. Several small non-contiguous office-apartment districts, some with apartment uses, between Route 94/Carlisle Street and High Street; another along Parkview Lane abutting the rear of the big box commercial along Eisenhower Drive.
8. A commercial use parcel along Route 194/Broadway, just north of the Primary Growth Area in Penn Township's RC district.
9. An industrial use parcel that extends beyond the industrial zoning along Route 116/York Street to (Amanda/Grandview Road).
10. Commercial uses in residential districts along Route 94/Baltimore Street from the Borough to Grace Street.
11. Commercial use parcels that extend beyond the commercial zoning district on both sides of Route 94/Baltimore Street north of Hillside Road.

These areas are among the 16 targeted zoning recommendations presented in Chapter 5, page 95.

Chapter 4

MUNICIPAL TAX AND UTILITY RATES

Financial polices include municipal and school taxes and municipal utility rates. Businesses expect to pay for community services and utilities through taxes and utility fees at rates that are fair and reasonable in the context of the community.

Municipal tax rates for the Borough and the Township are among the 10 highest in York County as shown in Table 4-8. The Borough ranks at 4; the Township ranks at 10. This is not unusual given the size and intensity of development and infrastructure in the Hanover Area.

**TABLE 4-8 SELECT MUNICIPAL TAX RATES,
YORK COUNTY, 2014**

| Municipality | Municipal Tax Amount (mills) |
|------------------------|------------------------------|
| 1. York City | 20.37 |
| 2. West York Boro | 6.50 |
| 3. North York Boro | 6.00 |
| 4. Hanover Boro | 5.50 |
| 5. Wrightsville Boro | 4.69 |
| 6. Jefferson Boro | 4.50 |
| 7. Red Lion Boro | 4.20 |
| 8. York Haven Boro | 4.00 |
| 9. Spring Grove Boro | 3.75 |
| 10. Penn Twp | 3.65 |
| 11. Mt Wolf Boro | 3.60 |
| 12. Glen Rock Boro | 3.55 |
| 13. Hallam Boro | 3.50 |
| 14. Yoe Boro | 3.50 |
| 15. Delta Boro | 3.00 |
| 16. West Manheim Twp | 3.00 |
| 17. Stewartstown Boro | 2.85 |
| 18. Dover Boro | 2.69 |
| 19. Manchester Boro | 2.65 |
| 20. Carroll Twp | 2.62 |
| 41. Heidelberg Twp | 1.25 |

Source: <https://yorkcountypa.gov/property-taxes/assessment-and-tax-claim-office/assessment-information/millage-rates.html>

School district tax rates are more favorable within York County as shown in Table 4-9. The Hanover Public School District ranks at 10; the South Western School District serving the Township ranks at 14.

**TABLE 4-9 SCHOOL DISTRICT TAX RATES,
YORK COUNTY, 2014**

| School District | School District Tax Amount (mills) |
|---------------------------|------------------------------------|
| 1. York City | 33.74 |
| 2. Northeastern York Co | 24.92 |
| 3. Red Lion Area | 22.39 |
| 4. Dallastown Area | 22.26 |
| 5. Dover Area | 21.48 |
| 6. South Eastern | 21.47 |
| 7. York Suburban | 21.04 |
| 8. West York Area | 20.67 |
| 9. Spring Grove Area | 20.50 |
| 10. Hanover Public | 19.83 |
| 11. Eastern York | 19.77 |
| 12. Central York | 17.76 |
| 13. Southern York Co | 17.51 |
| 14. South Western | 17.24 |
| 15. Northern York Co | 15.23 |
| 16. West Shore | 12.52 |

Source: Municipal Statistics Tax Reports at newpa.com

Water and sewer rates in the Hanover Area are also comparable to those found in other water- and sewer-served areas of York County as shown in Tables 4-10 and 4-11.

TABLE 4-10 WATER RATES, 2014

| | Hanover Borough | Penn Township as served by Borough | York Water Company (effective 2/28/2014) |
|---|--------------------|---|---|
| Base Charge per meter (select sizes) | | | |
| 5/8" | \$26.55 | \$26.55 | \$16.00 |
| 1" | \$57.09 | \$57.09 | \$31.00 |
| 4" | \$617.25 | \$617.25 | \$222.40 |
| 8" | \$1839.45 | \$1,839.45 | \$474.00 |
| Consumption Rate per 1,000 gallon | | | |
| Residential | \$2.230 | \$2.683 | \$4.435 / \$7.321 |
| Commercial/Public | \$2.604 | \$2.604 | \$4.111* / \$6.828* |
| Industrial | \$2.680 | \$2.680 | \$4.111* / \$6.828* |
| Large Industrial | \$2.433 | \$2.433 | - |
| Comparative Examples (Base Charge + Consumption Rate) | | | |
| 5,000 gallons on 5/8" meter at commercial rate | \$39.965 | \$39.965 | \$36.555 / \$50.14 |
| 15,000 gallons on 1" meter at commercial rate | \$97.29 | \$97.29 | \$77.995 / \$123.15 |

* Rates per 1,000 gal decline after first 5,000 gal

Source: Hanover Borough Water Department, York Water Company

TABLE 4-11 SEWER RATES, 2014

| | Hanover Borough* | Penn Township | City of York |
|---|----------------------|----------------------|---------------------------------------|
| Quarterly | | | |
| Up to 7,000 gallons | \$54.00 (minimum) | \$53.00 (minimum) | \$8.25 per 1,000 \$54.00 (minimum) |
| Per additional 1,000 gallons up to 18,000 | \$6.75 | - | - |
| Per additional 1,000 gallons up to 25,000 | \$6.65 | - | - |
| Per additional 1,000 gallons | | \$5.00 | \$8.25 |
| Comparative Examples | | | |
| 5,000 gallons | \$54.00 | \$53.00 | \$54.00 |
| 15,000 gallons | \$108.00 | \$103.00 | \$123.75 |

*Non-residential Hanover customers pay a minimum; the quarterly or 75% of highest quarterly bill in the prior 12 months

Source: Hanover Borough Wastewater Treatment Department, Penn Township, York Water Company

Chapter 4

FINANCIAL ASSISTANCE

Knowledge of financial assistance available through local and county sources is a key component of a favorable business climate. The York County Economic Alliance is the primary conduit for various federal, state, and local economic development financing programs. Attentive listening to business and industry needs followed up with contacts for relevant financial tools and programs demonstrates commitment to economic development success.

Key funding sources and programs that could apply to economic development projects by category type include:

Real Estate

- Community and Economic Development Loan Program
- First Industries Fund
- Pennsylvania Industrial Development Authority
- Redevelopment Assistance Capital Program
- Small Business Administration 504
- Small Business First
- Small Business Lending Fund
- Community First Fund
- Business Consortium Fund
- Tax-Exempt Financing
- Local Economic Revitalization Tax Assistance
- Tax Increment Financing

Working Capital

- Community and Economic Development Loan Program
- Small Business First
- Small Business Lending Fund
- PA Minority Business Development Authority
- Community First Fund
- Business Consortium Fund

Machinery & Equipment

- Community and Economic Development Loan Program
- First Industries Fund
- Machinery and Equipment Loan Fund
- Small Business Administration 504
- Small Business First
- Small Business Lending Fund
- Community First Fund
- Business Consortium Fund
- Tax-Exempt Financing

Job Creation Tax Credit

- Job Creation Tax Credits
- Minority Business Loan - PA Minority Business Development Authority
- Small Business Lending Fund

Training

- Workforce and Economic Development Network of PA
- Community First Fund
- Small Business Lending Fund

Energy Related

- Pollution Prevention Assistance Account Program

GOALS, OBJECTIVES AND RECOMMENDATIONS

GOAL

Our goal for the Hanover Area economy is to retain, grow and add businesses that add value to our community through support for our economic engines of manufacturing and health care engines, diversification into hospitality and tourism, and expansion of personal and business services to serve our community.

OBJECTIVES

1. Retain and grow the manufacturing and health care engines.
2. Grow the hospitality and tourism sector to feature our history, agricultural heritage, and snack manufacturers.
3. Attract education and workforce development providers to support key industries.
4. Encourage the expansion of personal and business services to serve our community.

The Hanover Regional Economic Development Plan indicates that entrepreneurial and small business assistance is limited in the Hanover Area and the broader region. Since economic development is not a direct municipal service, no objective for business is made here. Such uses would be accommodated commercial office uses in more than one zoning district.

PARTNERS IN IMPLEMENTATION

The Borough and Township can provide tactical zoning for desired uses, practical land development standards, reliable water/sewer utilities with available capacity, a good transportation system for freight and employee commuting, and attractive community services and amenities for employees at an affordable business tax rate.

The Hanover Area Chamber of Commerce can provide marketing assistance, especially local business services (supply chain), host networking events, provide and guide workforce development services, and help recruit new businesses.

The Main Street Program/Manager can help create a downtown environment that encourages new business expansion through the advertisement of retail space, business marketing and recruitment services, and ensuring that the public realm is attractive and welcoming.

The York County Economic Alliance can offer county oversight and resources, providing marketing, workforce development, and financing expertise.

Chapter 4

| Recommendations | Lead; Partners | Priority; Year of Completion |
|---|---|--|
| Increase retail and office uses in the downtown business district. | | |
| See Downtown Vitality. | | |
| Retain and grow the manufacturing and health care engines. | | |
| 1. Review locations of existing industrial development and location for expanded or future industrial development. Revise zoning ordinance and map, as appropriate, to create districts with clear purpose and compatible uses. Revise zoning as necessary to permit desired industrial uses by-right or otherwise in select appropriate locations. | Borough; Township, Hanover Region partners and other adjacent municipalities | High |
| 2. Regularly meet with major manufacturers to discuss facility and operation needs that the local municipalities could meet and workforce needs that other partners could fulfill. If manufacturers are members of the Chamber, industry group or other existing forum, request that Facilities and Operations be added to the agenda as a discussion item. When a manufacturer's needs are identified, set-up a separate work session with municipal staff to discuss the details. | Chamber, YCEA; Borough, Township, Hanover Region partners and other adjacent municipalities | High |
| 3. Work with Hanover Area and regional partners and county economic development agencies to market available industrial properties for re-use or redevelopment. | Chamber, YCEA; Borough, Township | High: Ongoing |
| 4. Determine potential locations for or limits of health care-related development. Consider the decentralization of Hanover Hospital services and future expansion of service into Penn Township. Amend zoning as necessary to permit desired health care uses by-right or otherwise in select locations. | Borough, Township; Hanover HealthCorp, Inc. | Low: Ongoing (Hospital zone overlay is in place) |
| Grow the hospitality and tourism sector. | | |
| 5. Re-institute a local tourism entity within the Chamber to: <ul style="list-style-type: none"> a. Examine the cultural and recreational offerings of the Hanover Area. Investigate opportunities to cross promote uses, activities and events. b. Identify unmet needs and potential new offerings. Publish findings to solicit private interest. | Local/Regional Committee; York County Convention and Visitors Bureau | High |

Economic Development

| Recommendations | Lead; Partners | Priority; Year of Completion |
|--|--|------------------------------|
| 6. Revise zoning as necessary to permit desired uses in appropriate districts, such as restaurants, sidewalk cafes and bed and breakfasts. | Borough; Township, Hanover Region partners and other adjacent municipalities | Low |
| 7. Work with economic development agencies to promote tourism and hospitality offerings <ul style="list-style-type: none"> • in target geographic markets, e.g. Baltimore, Washington, DC, Philadelphia • to civil war markets and in publications, e.g. Journey through Hallowed Ground • as local staycation opportunities. | Borough and Township for promotion on municipal websites and newsletters; York County Convention and Visitors Bureau | High |
| 8. Promote the farm-to-table concept with activities and events. | Borough and its Markethouse; Township for park-based activities and events | High |
| Attract education and workforce development providers to support key industries. | | |
| 9. While meeting with industry representatives, ask about workforce availability, readiness, and needed training. Request that YCEA (or other agency) seek to offer training in areas of need, e.g. managerial training. | Chamber, YCEA, School District; Borough, Township | High (with Chamber as lead) |
| 10. Explore a school to work program for hospitality. | Chamber, YCEA, School Districts | Low |
| Encourage the expansion of personal and business services to serve our community. | | |
| 11. Review locations for or limits of commercial development in the region. Revise zoning ordinance and map, as appropriate, to create districts with clear purpose and compatible uses. Revise zoning as necessary to permit desired commercial uses by-right or otherwise in select appropriate locations. | Borough; Township, Hanover Region partners and other adjacent municipalities | High |

Chapter 4

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