



LANCASTER COUNTY, PA
Economic Development Company



Lancaster Chamber

Lancaster County Economic Recovery Plan

APRIL 2020

“Persistence and resilience only come from having been given the chance to work through difficult problems.”

- GEVER TULLEY

Key Phases to Economic Recovery

DOING
TODAY

Phase 1: Navigating the Public Health Need + Stop-Gap Economic Relief



PLAN TODAY
BE READY

Phase 2: Preparing to Re-Open/ Transition (need to plan today and be ready to implement)



PLAN TODAY
GET READY

Phase 3: Recovery/ “New Normal” (need to start planning today and recognize its fluidity)

Guiding Principles to Economic Recovery

Leadership is required. Everything can't be a priority. Decisions have to be made.

Coordination and **collaboration** are essential and centralization is necessary.

Success is contingent on consistent, frequent, timely, accurate and transparent **communication**.

We are a **caring** community, sensitive to populations where need may be greater.

Important to Note:

1. Until marked as final, this draft is intended to spark debate, discussion and improvement. It is considered a starting point and requires perspective and feedback from key community leaders and individuals/organizations with niche expertise.
2. This plan is not inclusive of the anticipated tremendous need for social/human services, including it does not address the public health crisis (other than as it relates to getting business operational), food insecurity, housing insecurity or K-12 educational needs.
3. Today's priority remains following current public health guidance.

Getting Ready to Get Back

As a community, we need to be prepared to:

1. Operationalize businesses as quickly and safely as possible
2. Accelerate the safe re-entry into the workforce for displaced workers
3. Ensure Lancaster County maximizes federal and state resources
4. Lay the groundwork for the exploration of new markets for existing businesses and new business development

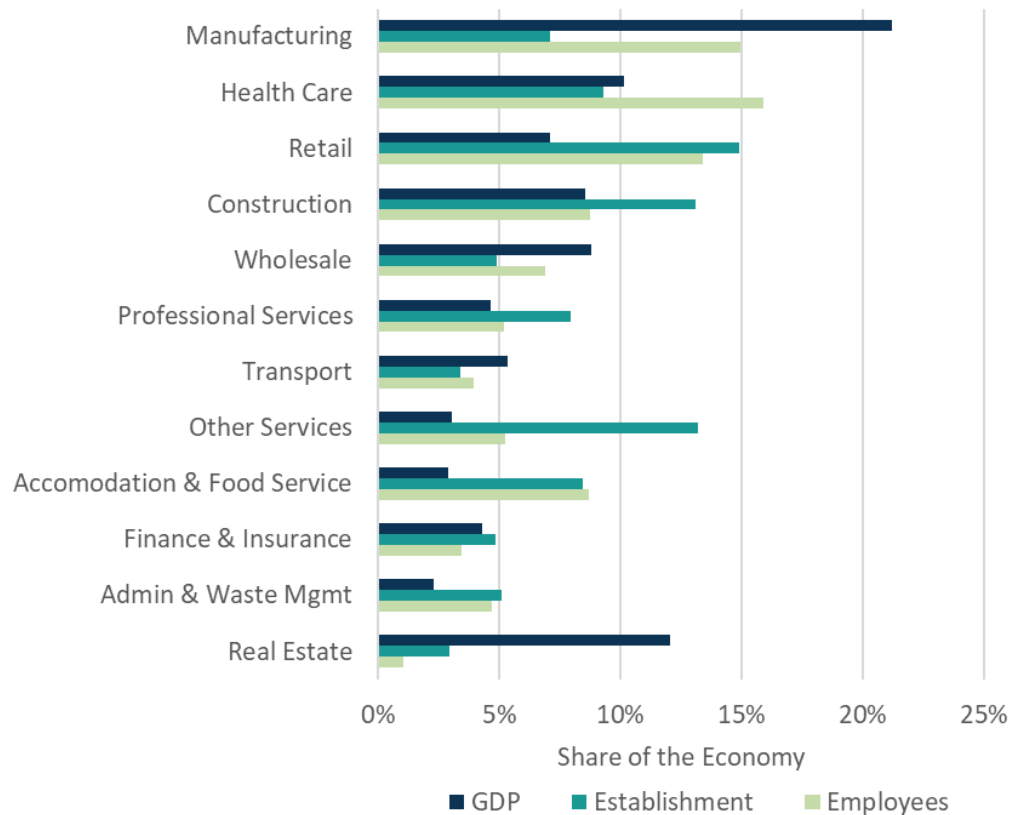
Lancaster's Economy 1Q2020

1. \$26.4 billion GDP
2. 540,000 residents in 200,000 households
3. 10,000 businesses, 3.6% unemployment¹ (2/20), 276,800 employed
4. 5,108 farms totaling 393,949 acres²
5. 95% Class A office and industrial occupancy rates³
6. 300K+ s.f. office proposed; 1.3MM s.f. industrial proposed³

Sources: 1. PA L&I, CWIA, Feb 2020 | 2. 2017 Census of Agriculture | 3. High Real Estate's 2020 C&I Presentation

Lancaster Economic Sectors

Sector Significance: GDP, Establishments & Jobs

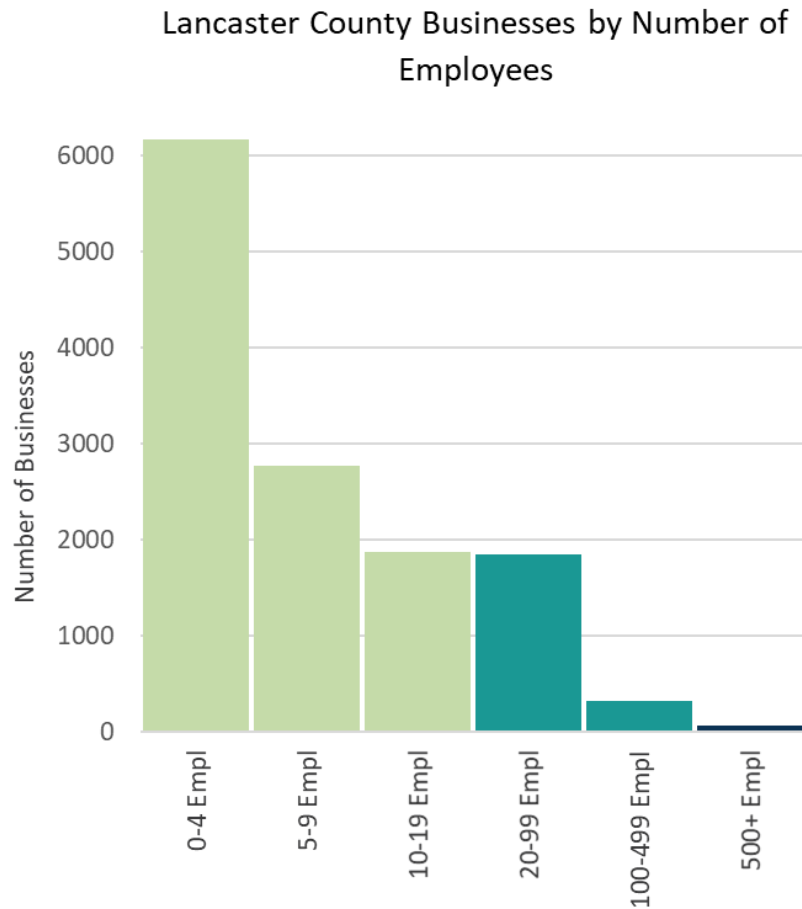


No single sector dominates Lancaster’s economy. This diversification means disruptive shocks to the economy, and the needed stimulus to jumpstart it, must be widespread and multi-sector.

18 super sectors make up the economy (excluding public administration). The 12 on the graph represent at least 90% of the economy.

Based on three headline metrics – GDP, number of establishments & jobs – the most any one sector contributes is 15%; the exception is manufacturing.

Lancaster's Small Business Impact



Lancaster County's economy is made up of small businesses.

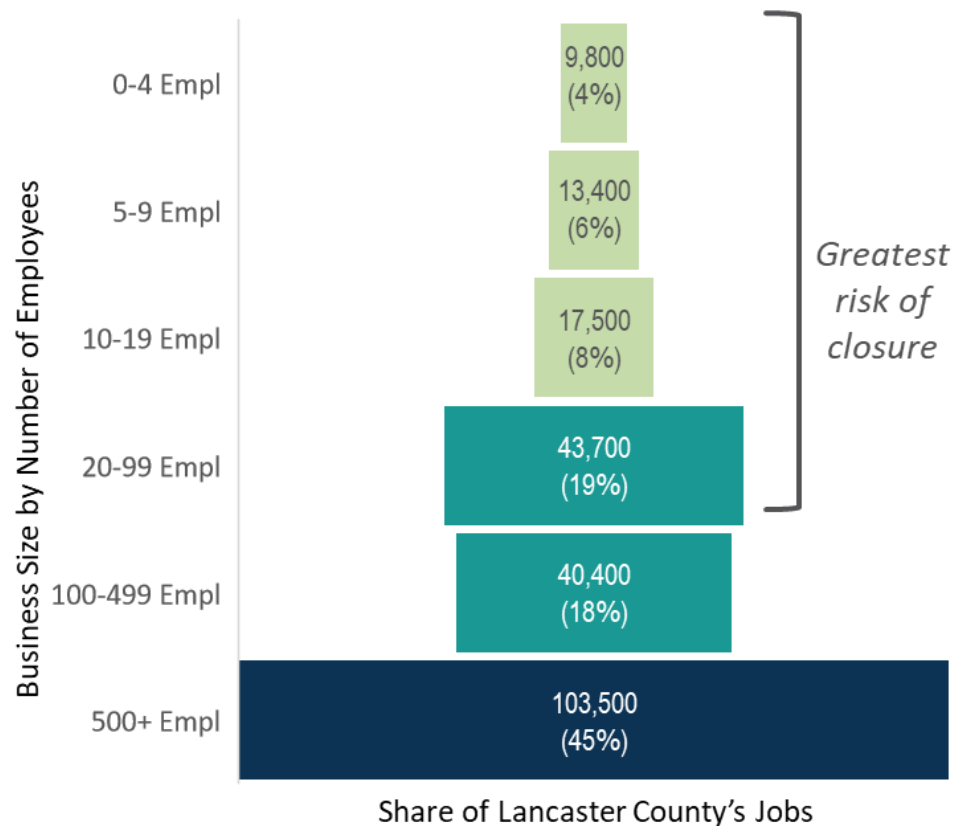
Out of over 13,000 businesses in the County, almost half have less than 5 employees.

These very small firms makes up less than 5% of the County's jobs.

Nearly 40% of Lancaster's jobs are with small businesses that have 20 to 499 employees.

This segment makes up just 15% of businesses in Lancaster County and is a significant source of jobs in nearly every sector.

Lancaster's Small Business Impact



Small businesses are often the hardest hit in economic downturns. A business assessment conducted by EDC and the Lancaster Chamber in late March signaled this to be emerging for Lancaster County.

Among the businesses that participated in the assessment and reported partial or full closures:

- **80% of the closures were with companies that have fewer than 100 employees; and**
- **Of these, and no participating company with more than 250 employees reported fully closing.**

Lancaster's At-Risk Jobs

LOWER RISK 145,300 Jobs (54%)

These are jobs and sectors:

- deemed essential/life-sustaining services – hospital stores, grocery stores, food manufacturing & distribution
- able to transition to working remote and service delivery “virtually”
- characterized by strong forwards sales and contracts providing certainty in the near terms on revenue

HIGHER RISK 74,500 (28%)

These are jobs and sectors:

- most directly and immediately impacted by the Governor's order
- dependent on gathering of crowds and people or being in the field or onsite
- do not have a “virtual” platform for service delivery

MEDIUM RISK 50,800 (19%)

These are jobs and sectors that:

- rely on demand from (sales to) sector closed by the Governor's order
- not characterized by “pipeline” for revenue projection

An at-risk job depends on the extent to which businesses can maintain operations or manage the loss of revenue during the pandemic. Below describes characteristics that define the loss risk for jobs and sectors.

Lancaster's At-Risk Jobs

LOWER RISK 145,300 Jobs (54%)

AGRICULTURE | Agricultural Support Services

EDUCATION | Primary & Secondary Schools, Higher Education, Trade & Training Schools

CONSTRUCTION | Heavy & Civil Engineering

HEALTH CARE | Hospitals, Home Health Care Services, Medical & Diagnostic Services, Nursing & Residential Care

INFORMATION | Publishing, Broadcasting, Data Hosting
Telecommunication

LEASING & RENTALS | Commercial & Residential

MANUFACTURING | Machinery & Equipment, Minerals & Metals, Petro & Chemical

RETAIL | Groceries and Gas

TRANSPORTATION | Goods & Products

FINANCE & INSURANCE | WHOLESALE | WAREHOUSING | UTILITIES
| WASTE MGMT & REMEDIATION

HIGHER RISK 74,500 (28%)

ACCOMMODATION & FOOD SERVICE

ARTS & ENTERTAINMENT

ADMIN & SUPPORT

RETAIL | Nonessentials

MFG | Nondurables, Paper & Wood

PERSONAL CARE & LAUNDRY

REPAIR & MAINTENANCE

TRANSPORTATION | Scenic & Passenger

MEDIUM RISK 50,800 (19%)

CONSTRUCTION | Buildings, Specialty Trade

PHYSICIAN & MEDICAL OFFICES

MGMT OF ENTERPRISES

NONPROFITS

REAL ESTATE

RETAIL | Personal & Health

Lancaster County has approximately 275,000 employed persons at the start of 2020. The unemployment rate was around 3.6%, with 10,300 unemployed. Between weeks ending 3/28 and 4/11, around 20,100 initial unemployment claims were filed.

Today's Environment (mid-April)

1. Considerable uncertainty around public health, consumer behavior, business financing and the regulatory environment make planning/preparation challenging;
2. Lancaster County business supply chain and demand segments are local, regional, national and global; broad impacts to supply chains and market disruptions are unclear;
3. Certain business segments are recalibrating budget forecasts to reflect prolonged negative impacts (live events/hospitality), while some businesses/sub-industries (food processing) are seeing demand-driven growth. In general, businesses remain highly concerned about operational continuity;
4. With each passing day, there is increased urgency by business owners and employees.

Four Core Strategies for Lancaster's Business Recovery

1. Get financial aid out the door to businesses as efficiently and quickly as possible
2. Develop a plan to get businesses to a 'new normal' safely and efficiently
3. Be prepared to move leading economic drivers while supporting areas of the economy that will be slower to recover
4. Measure progress – to build confidence and if needed, to course correct

#1: Get Financial Aid to Businesses

1. Deploy federal relief funding (CARES Act, Families First Act and Treasury Department tools)
2. Track additional federal stimulus legislation
3. Maximize non-lending federal aid, as applicable, to business
4. Advocate on behalf of business at the local, state and federal levels to fill potential funding gaps, monitor the changing regulatory environment and design programs to enhance business recovery

#2: Get to a “New Normal”

1. Follow national and state guidance related to the need for social mitigation, testing, and contact tracing to minimize new spread/re-occurrence
2. Develop and disseminate ‘re-entry’ protocol/guide/check list for businesses across industry sectors and establishment size
3. Map equipment, physical improvements required for businesses to meet CDC/PA Department of Health guidelines for social mitigation
4. Develop plan for activities requiring government involvement/approvals (permits, inspections, funding)
5. Develop a dynamic plan to train and connect workers to job opportunities

#3: Segment and Scale Efforts

1. Develop specific cluster/targeted strategies (e.g. Businesses <20 employees, by Industry, by Geography)
2. Protect less-advantaged business community(ies)
3. Understand anchor institutions/employers and their impacts as outsized drivers
4. Identify high risk assets/businesses/industries
5. Create a supported remote work community
6. Promote the “Think Local!” campaign and other initiatives aimed at encouraging the use of local resources.
7. Conduct robust business outreach program

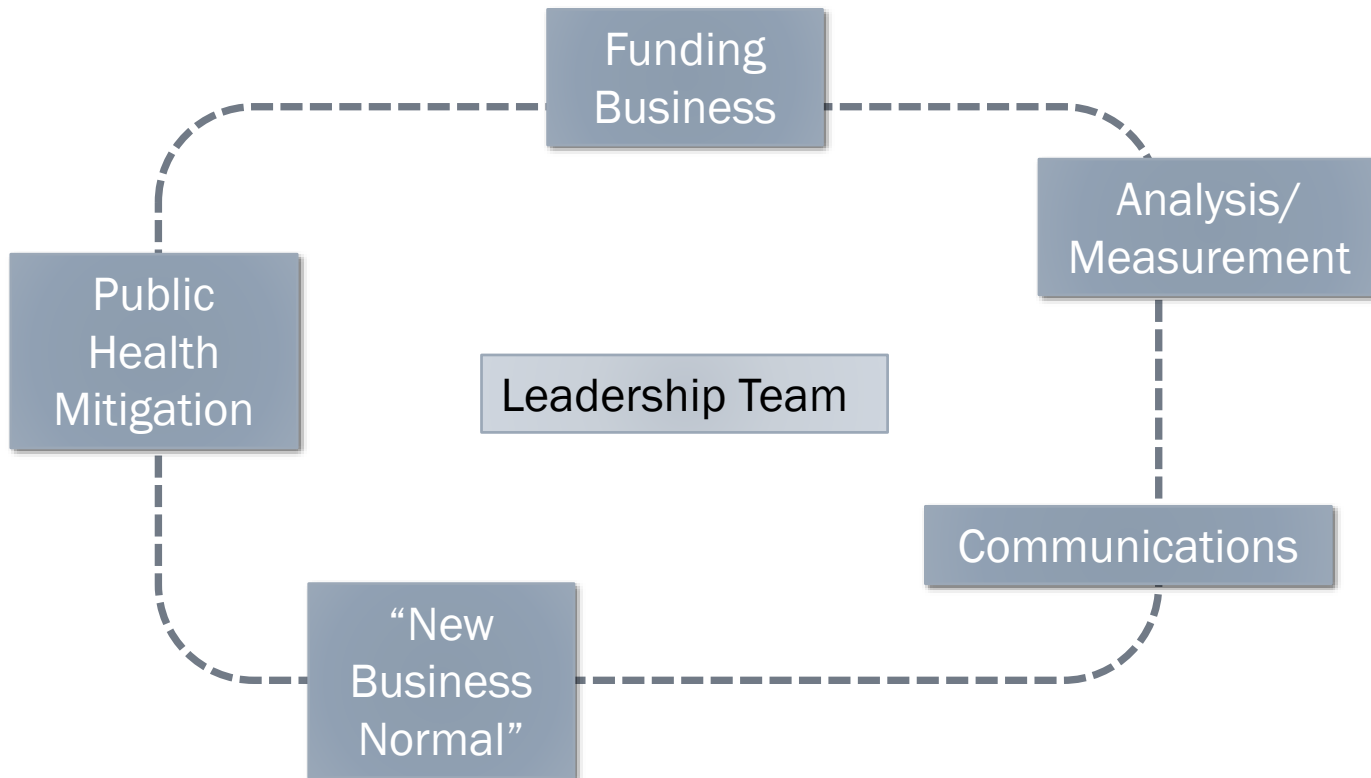
#4: Measure Progress

1. Leverage business and consumer assessment tools to get ‘real time’ insights
2. Develop and track local economic indicators
3. Identify new metrics that help define success, progress and/or set-backs
4. Continue monitoring of public health, health system capacity

Activating the Plan

General Structure:

- Three to five-member Leadership Team: EDC President, Chamber President/CEO, County Commissioner; public health expertise; private sector operations expertise
- Five Action Teams, each with a chair and designated staff lead(s); teams a mix of private, non-profit/quasi and government reflecting key skills and expertise needed



NOTE: Implementation/execution of this plan will require financial resources. At this stage, sources of financial resources have been generally identified, such as through certain CARES Act funding options, however, federal guidance is still being developed. A critical next step is for the Leadership and Action Teams to develop cost estimates and budgets to align with different scenarios.

**Team 1: Funding Business
(Strategy 1)**

Mission: Ensure all available federal, state, local and private resources are deployed to businesses in need.

Implementing NOW/Planning NOW

- Assessing effectiveness/distribution of CARES Act
- Tracking next federal stimulus projects
- Evaluating other tools – USDA, CDBG, Main Street funding, Other direct assistance, City Emergency Relief Fund
- Assessing other traditional banking tools and/or deferments/workouts
- Developing clear information businesses can understand
- What is the impact of \$ for employees (u/c and PPP) have?

Key Targets:

30- days – Deploy toolkit for businesses to easily understand options; Gaps analysis in business funding support → what’s needed and how to fill gap?; criteria for prioritization of funding – how to assess which businesses may not survive?

**Team 2: Public Health Mitigation
(Strategy 2)**

Mission: Mobilize resources to manage public health and safety.

Implementing NOW/Planning NOW

- Scenario plans on timing and on availability of testing (30, 60 or 90 day hit go; testing at current levels/for all first responders; 50% of workforce; 100% of residents)
- Scaled testing operational plan to include sites/facilities; staffing levels; equipment needed; customer service; communications; training; costs, etc.
- Tracing operations plan
- Connections to/between human services needed

Key Targets:

30- days – Two ops plans completed; potential to begin hiring within that window or be prepared to hire; prepared to run simulations if/when safe to do so

**Team 3: New Business Normal
(Strategies 2 & 3)**

Mission: Prepare all businesses with the necessary protocols and procedures for re-opening and ongoing operations.

Implementing NOW/Planning NOW

- Phasing/staging of re-entry by sector/Governor’s order
- Assess realities of business closures;
- Strategy specific for small business sub-group <20 empl
- Assess critical path activities (day-care/child care)
- Distrib plan for social mitigation requirements to meet PA Dept. of Health guidelines → utilize local best practices; template HR policies; legal/insurance implications information
- Dynamic/aggressive employment re-hiring/match making plan (testing protocols; training needs)

Key Targets:

30- days – Clear plan for rolling re-opening of business to align with testing capabilities and to meet public health/safety needs

**Team 4: Analysis/M Measurement
(Strategy 4)**

Mission: Monitor and analyze economic conditions and activities to gauge progress.

Implementing NOW/Planning NOW

- Development of plan to track economic recovery; model scenarios; provide guidance to other teams for basic information and more complex analysis
- Pre/post-COVID-19 workbooks
- Public health tracking component
- Cross-team sharing of data/information to guide other team efforts

Key Targets:

30- days – Data/analysis regular updates for business community/community leadership; policy makers; general public; ‘signals’ to inform teams of challenges/opportunities and/or need to course correct

**Team 5: Communications
(All Strategies)**

Mission: Create a comprehensive communications strategy to maximize understanding and awareness of recovery process.

Implementing NOW/Planning NOW

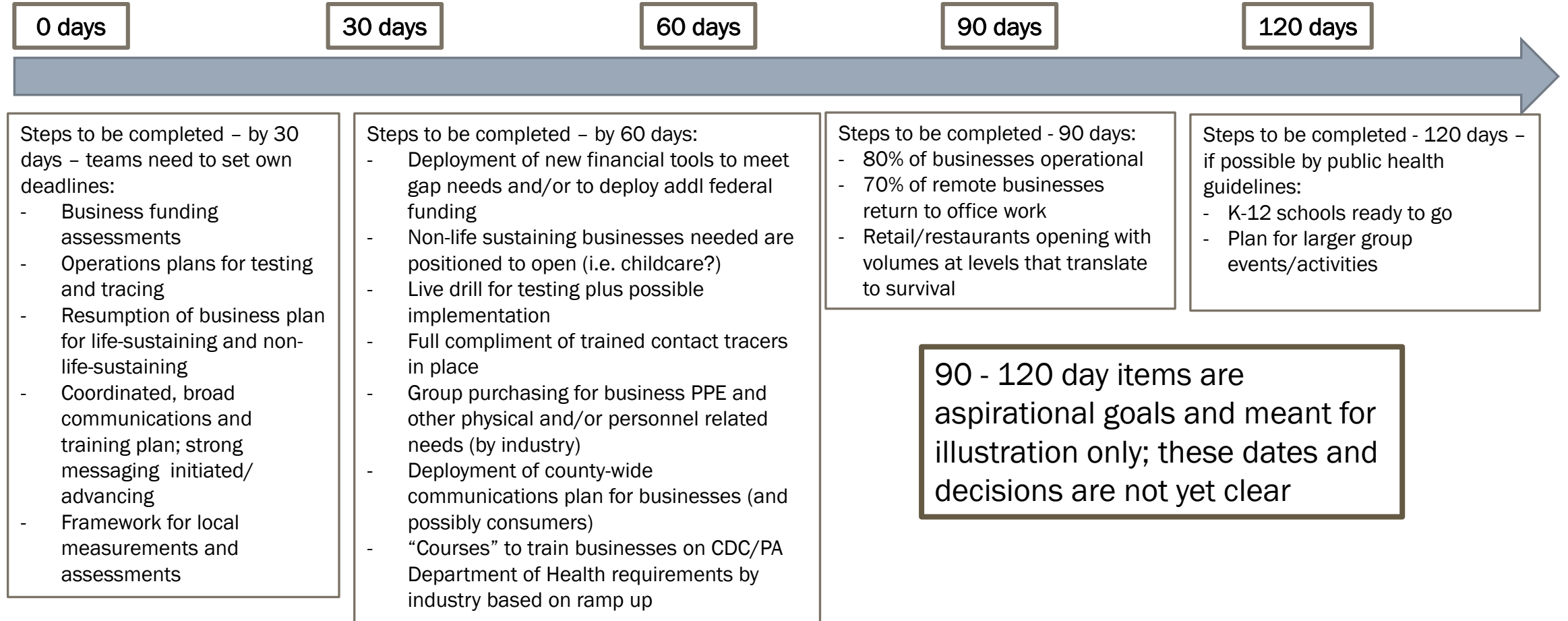
- Development of coordinated, consistent, easily accessible plan to communicate info from Teams 1 – 4
- Requirement of accessibility to all (Spanish translation, non-internet based)
- Package of trainings and training materials
- Filtering of noise to ensure accuracy and current info in fluid market
- Acknowledge differences for businesses/employees/consumers

Key Targets:

30- days – Communications plan; ready to go systems/platforms with target audiences

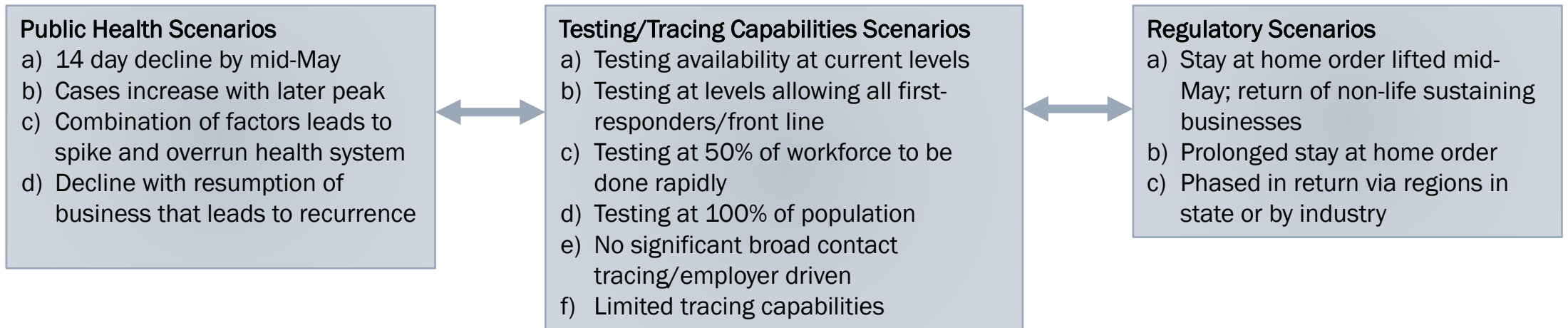
Illustration Time Line – Urgency Needed

Actions included below reflect potential activities needed to be planned and implemented



Planning with Uncertainty

Uncertainty exists on many fronts. Planning for a variety of scenarios – which are inter-related - is needed to ensure the resumption of business operations can occur as safely, smoothly and efficiently as possible.



NOTE: Scenarios are included for illustration purposes and reflect reasonable options based on the current national and state dialogue

We Need Your Help

The Leadership Team is seeking the following specific information:

- Vetted internal documentation for a ‘best practices’ inventory:
 - Specifically, looking for industry-specific social distancing protocols, updates to HR manuals, public health activities like temperature taking/hand washing/sanitizing that meet CDC/PA Department of Health guidelines;
 - Particular interested in hearing from construction, organizations/individuals connected to child care or youth operations, professional offices, manufacturing, and food service operations (including restaurants).
- Translated protocols and procedures in Spanish or other languages;
- References of national or state trade associations that are providing well-crafted tools and guidance for specific industries that may be applicable to others in the community;
- Specific types of data and data sources to help track the health of businesses or industries

And as always, Think Local – supporting our local businesses, organizations, and people will only help expedite our economic recovery

Contact Us

To provide information and feedback from the previous slide or to offer general comments or questions about the plan, please email EDC and the Lancaster Chamber at: info@recoverylancaster.com.

We've set up this specific email to gather information and feedback so it can be accessible to both organizations.