Lancaster Economic Development Strategy, January Workshop

Branding Focus Group

January 15, 2015, Lancaster Marriott Conference Center, Independence Room

Attended By: Sandy Gambone, Spencer Advertising & Marketing; Jennifer Baker, LOOP; Kathleen Frankford, Discover Lancaster; Deb Brandt (unable to attend)

Presentation and Comments

» Coworking spaces often evolve out of a place-based inspiration.
   o Fredericksburg Exchange ("Fred Ex"): leveraged multiple organizations and partnerships to better coalesce start-up community
» Is it the intention that Arts/Craft labs are artist-owned?
   o We aren't trying to dictate—would love to see artist/resident space, gallery space, studio space, etc. The goal is to create a synergy from a variety of conditions and experiences.
» The real luxury we have here is the incredible job that everyone is already doing. As consultants, we are not here to reinvent the wheel; we want your input on what we can and should do to support your efforts. How do we extend branding, or bring identity to commercial hubs without "Balkanizing?"
» Residents need to embrace—we couldn't impose; not certain that residents would embrace names, identities here
   o "Neighborhoods" are much smaller than most cities
» Must have City help engage residents
» The 55+ community in the city is eye-opening—people surprised, happy to learn what's available (and also convenient)
   o May take people only 3 minutes to get into the city. By "going over the bridge" into the city, you are finding a particular kind of lifestyle that is made possible for 55+ communities; having these helps dissipate people holding their nose up…
» Discover Lancaster is launching a local engagement campaign in the coming months: "Locals Love Lancaster"; whereas, historically, the focus has often been on the outsiders
   o Using locals to help promote the city
   o Viral videos—testimonials
   o Blogging
   o Visitor's center
   o Launches in March/April
» Educating students (Millersville) to get people into the city, share what is available in the city
» Visitors want to become locals, immersed in local culture
» Ben: Cautions against relying too heavily on *local* terminology in marketing. It is critical to be sensitive about any "buy local" campaign
   o In reality, no city is sustained purely by locals (consumers)

- o But Lancaster is doing the right thing: turning the locals into the curators, you are elevating their status with their own opinions and going back to reinforcing authentic brands.
» Marketing package
  - o Avoid duplicating efforts (too many websites)
  - o Existing groups — each are small — need to keep momentum going with limited manpower
  - o Create a toolkit—others can use, but need buy-in
  - o Coordinated message
  - o Perhaps the City must step in and take a lead, approach this from all levels
» Dispelling perceptions/misconceptions
» Great value in the vernacular as to how people refer to themselves; however, the challenge is that there are so many identities. It's possible to create a receptacle using a branding framework that creates a versatile platform that moves easily between different groups.
  - o Must feel like only slightly different facets of the same message; there must be some unity
  - o The new identities of LOOP and Discover Lancaster took restraint; simplification is a good thing.
  - o Challenge is that staff is limited; Lancaster City Living couldn't sustain itself
    - § With all of Lancaster's entrepreneurs, maybe it's more along the lines of a grassroots effort. Entrepreneurs, others are provided with the logos and toolkits to use, ensuring consistency (colors, typeface, graphics, etc.)
  - o Open to expanding Discover Lancaster and the Local Loves Lancaster campaign; the broader we can make it, the better.
    - § Example, "Visit Pittsburgh" is used by everyone
  - o If employing a strategy for living in the city, maybe initiate a program; perhaps it's messaging
    - § Perhaps LOOP can have a section on the webpage
    - § Make sure you are talking to the right people and telling the right stories.
» County is still in discovery mode
» How do we fight the "yes, but…?"
  - o At the same time, avoid rose colored glasses
  - o Ben: the by-product of this effort proactively establishes a positive image of the city
» Business portal:
  - o Consistent with brand and messaging
  - o Remove hard line between city permitting process and private sector development; bridge this gap
  - o Do these typically get managed by the city?
    - § Positioned Perfectly (Des Moines, IA) is a coop effort, created a new URL and the webpage redirects from Development Corporation to city website. Allowed investors to bypass the irrelevant information for their needs that populated the City website.

- The City site is informational for the local; but realized that this new website would better cater to specific groups
  - § Cambridge, MD created a one stop website; had VC fund; a simple visit to the website would put someone on the radar of the VC fund/individuals with money
- » City is working on a partnership (EDC + City) to attract investment = may already have the bones
  - o First time this will happen in Lancaster
  - o Our recommendations should jettison and reinforce this partnership
- » In terms of a Live Lancaster program, this should also be a one stop shop. This is a 15 year plan—brokers can't find houses or rentals. LCA is required to come up with their own inventory; but we need to make this convenient
  - o LOOP and LCA can partner on this.
- » Communication is key—should be part of the toolkit
- » A feeling of excessive brands in the city; may need to consolidate?
  - o Develop the architecture to support existing brands/sub-groups
  - o City's not that big; but big enough to have multiple neighborhoods
  - o Maybe just a matter of translating "A City Authentic" into different languages (e.g. "Una ciudad auténtica")
    - § Becomes more of a pride/quality of life, or reaffirmed identity (not necessarily separate marketing package)
    - § Making "them" (as in each unique demographic section of the population) a part of the whole
    - § Sometimes it's not a visitor message, but a tactic to demonstrate that an area is a part of the whole.
- » Encouraging neighborhoods to have events
  - o Brother's Grocery has an outdoor market during good weather

Open Discussion
- » See three main components:
  - o 1. Visitor marketing
  - o 2. Living in Lancaster
  - o 3. Pride in Place
- » Wayfinding—comes up a lot — impact on communities, should be expanded
  - o Phenomenal byproduct of extending wayfinding outside of downtown generates tremendous pride/inclusion among residents of surrounding communities
- » What's our extent of recommendations?
  - o Identify players?
  - o Identify tasks?
- » "Locals Love Lancaster"…"Share the love!"
  - o "Who knew": common sentiment; Kathleen's recent "Expect the Unexpected"
- » Discover: launched officially January 1, 2015; will be full-fledged by April
- » LOOP: merged, then launged LOOP in August 2014
- » Lancaster Newspaper: has their own package

- o Videos
- o Calendar
- o Visitor guide
- o Potential for Discover Lancaster to partner with LCN
- » State college example, the hotel newspapers are wrapped with the local visitor's guide/map each morning
- » Local living guide versus a visitor guide

Entrepreneurs Focus Group

January 15, 2015, Lancaster Marriott Conference Center, Independence Room

Presentation and Comments

- » Consultant team: Really important that we are capturing things that are underway; then, pitch some ideas and listen to your thoughts to understand gaps
- » Artspace is working with York now (already in Pittsburgh)
- » Anne: excited to see embracing of collaborative movement; already see a lot of what's going on (3 new coworking; an art collective; East Side Community Kitchen, Make 717 etc.)
    - o Candy Factory is focusing now on an educational component (working with Millersville and ASSETS)
    - o Candy Factory is considered a "rural" coworking space
        - § Much different than a large, metro area—gives Lancaster a marketing angle
- » Corporate-backed spaces are very different
- » How can community support these initiatives
    - o ASSETS: volunteers, offers to collaborate. Interested in helping identify spaces, opportunities
- » Discussion on a "Coop Alliance" is needed
    - o Recently started Pennsylvania Coworking Alliance
    - o Collaboration throughout the region
    - o Medium-sized cities (Candy Factory participated in generating the Deskmag stats utilized in presentation)
- » Concern here: how do you sustain the movement and not dilute it? At what point is the collaborative economy saturated?
- » The Economic Development plan and entrepreneurs must consider poverty
- » How do you encourage people to venture in the hubs (a business must have the traffic to support itself)
    - o Tripp notes that the market gap for the corridors is profound
- » Do big businesses/institutions tour, or explore ongoing initiatives?
    - o Need a vehicle for sharing ideas, making things happen
        - § Bring entrepreneurs and property owners together
- » The Arch Project (currently being worked on), partnerships with property/building owners
- » Must earn credibility: share success stories

- o Not only of the Candy Factory
- » Need support structure, mentorships (a pairing system)
  - o Policy and procedure, help new businesses succeed
  - o ASSETS has tried to do this already, it's not easy
  - o Is the chamber doing this for entrepreneurs already?
    - § Not as great for smaller businesses
    - § Chamber costs a bit much for some
- » Wants to see reaching out to people who don't yet even *know* they can start their own businesses
  - o Education is key; should do more with students
    - § Need the "Wow factor" when telling a story to guide youth
    - § "*Look* at what I'm doing" and not "You've got to do (blank)"
    - § Existing initiative geared toward youth: Our25percent.com
      - 25% of Lancaster's population is under 18 years of age
      - Built on "boots-on-the-ground" businesses in the city
      - Providing positive opporutnities
- » Access point? Champions in each corridor
  - o Corridors don't yet have their own structures in place
- » "Shared space, shared knowledge" = tagline of Make 717
  - o Need to wear identity on sleeve—we are the silicon valley of the rural world. A history of making things:
    - § RCA
    - § Hamilton Watch
    - § Et al.
  - o Price point: need to supply different services to different memberships
  - o Reference precedent: Artisan's Asylum, Somerville, MA
- » Concerned about infrastructure
  - o Not a high enough internet connection in the city (but it's available in the county)
  - o Chattenooga : first and fastest, and now one of the least expensive, internet services in the United States; *because* the municipality stood behind that project
- » Need to draw-in people
  - o In a good position to do so: centrally located, train station
- » York hosts large food truck events
- » Candy Factory to publish study of their economic impact soon
- » City's tourism maps give limited attention to the South; saying/belief: "If you're not on the map, you don't exist"
- » Pride: decouple conversations: pride in city versus pride in the county
  - o Resurgence of DC was because of is neighborhoods
  - o Neighborhoods are the building blocks
    - § The must be invigorated
- » Gateways into the city
  - o What about the entrance/arrival via train station

Housing Focus Group

January 15, 2015, Lancaster Marriott Conference Center, Independence Room

Ray D'Agostina opened with an introduction on the Zimmerman Volk Housing Study

- » 2013 LHOP-Commissioned study, provided housing projections for county
- » Area is a hot market; 10-15% capture rate for county
    - o Fueled by functional full capacity: 5% vacancy rate in the county (nationwide trend is 3 to 4 times that)
    - o Only 2% vacancy rate in the city
- » More singles and younger couples want to live in the city (now = 47%; will rise to 58%)
- » Empty-nesters are the 2nd most predominant market (34%) but declining, leaving the city (in 5 years, estimated to be only 15%)
- » Family households are at 19%, and there is potential to grow to 27%
- » 85% of units are 40 years or older
    - o A challenge; housing units need repair and upkeep. There is potential to be converted in to units for younger couples (who, as trends suggest, are less interested in fixing a property up).
- » ~3/4 (71%) of households in the county are cost-burdened, when taking into consideration transportation in addition to housing costs; is a mismatch of jobs (compared to in the city, where it's only 7%!)
- » Income is the 2nd lowest median income in the county
    - o Over the next 5 years, incomes of over 100,000 will comprise a third of households in the city
- » When we presented to City Council, were asked, "How do we realize this potential?"

Presentation and Comments

- » Reference of the *Specific Plan* as a tool: might there be some adaptation of this for Lancaster?
    - o Possibly, will need to consider this further. Alternatively, a Community Land Trust model provides a method for preserving affordability over the long-tern. Most Trusts mandate an infusion of capital or property to get them off the ground, but tend to be self-sufficient.
- » Must acknowledge need to infuse gap funding
- » Lancaster City Living is an old campaign
- » There are a limited number of properties for sale
    - o Must deal with big expectations of consumers; the best-selling homes are the most updated
    - o "People are not interested/willing to move into the south"
        - § Carlos doesn't have a problem selling in the Southeast, but buyers typically already live (rent) there and want to become homeowners
- » Great potential in terms of rental: 54% of market
- » Fear/concern for gentrification

- o City is largely built-out; would need to tear something down to build new; but would like to see properties preserved in Northwest for some mixed housing
- o How continue development in a built-out city?
» One approach: repurposing buildings, upper floors
- o Challenges: Stairs, plumbing removed from older structures in 1930s/1940s for tax reasons
» Need to balance affordability and strong middle glass.
- o How provide for all without gutting the private sector?
- o Aren't commanding the same rates that properties would if located in other cities (i.e. Philadelphia)
- o Maintain character of community.
- o Blend affordable with market rate; do not delinbeate
- o Opposite challenge: cannot afford to do market rate because need to raise private dollars
- o Types of gentrification
    - § Increase in value over time
    - § Sudden increase that tax value inhibits ability of residents to stay
- o County will be reassessing value of properties in coming years (City has no say)—process will be "like a bowling ball through the economy of the community"
» Potential for an incentive for positive investment and rehabilitation
- o Education needed as well (LHOP provides investor education series)
- o LHOP has also talked about a program where you borrow money at a low cost
- o James Street Improvement District offered an incentive
» Opinions on the inspection process?
- o Rental inspection (typically) is not too much on physical condition (more on safety, not quality)
» Pattern Book
- o Character of the street
- o Consistency eliminates stigma, outsider's perception
- o "One street at a time"
» Parking numbers (cost) wouldn't work for some of our recommendations; cost is not feasible for private developer
- o Would need to be a public-private partnership
» City has so many parking garages, we need to use them during off-hours for residences
» Who's bringing the resources to the community
- o Carlos, SACA, has done that for South Duke
- o Need neighborhood organizations
» City needs to come down a little harder
- o Negligent properties: going undisciplined sends a message to others that they don't need to maintain their property
» Rental housing not kept up to par.
- o No incentive to fix up a property if cannot increase rent
- o Tenants are used to lower standards

- o Requires accountability, fines could be much bigger for landlords who don't care. We have good people living in a rowhouse and the city requires that they fix their sidewalks; but the city doesn't make a landlord fix up inferior products.
- » Workforce housing—where put in the city?
  - o Institute density in exchange for workforce housing.
- » Connecting the dots: potential for a façade master plan to be matched with a geographic loan.
  - o Quick turnaround; immediately enhanced visual character
  - o Portsmouth, NH, addressing cluttered signage
  - o Columbia taking approach on third streets
- » Upper Level development
  - o Need to modify the building code, FPA 96, ADA, etc. (elevators, sprinklers, drywall, stairs…)
  - o Special exceptions needed for existing buildings
- » City has not had any organizing elements in the neighborhoods
  - o Need an everyday presence, individual paying attention to the areas
  - o The reason the Southeast is doing so well is because someone (i.e. Carlos) is focusing on it every day. City government is poor; the city is going to a 5-year cycle of inspections; people aren't going to complain because the landlord will through them out.
- » Need whistle blower law: presently, tenants won't complain for fear of being evicted
- » City codes ignore the building that was built 200 years ago. For using upper levels, property owners/developers must rip out usable spaces for requirements
- » People scared to do anything
  - o Fear of affordability (calling in inspectors) and Fear of doing it wrong
  - o Two types of people
    - § People who follow the rules, hire inspectors
    - § People who don't follow the rules/are afraid to touch the properties—don't get a permit because they don't want an inspector to tell them they did it wrong (have to do it all over again)
  - o And outside inspectors are scared of missing anything (lose license/contract with city)
    - § But, the state also monitors city code inspectors; and if the city loses its licenses, it loses its ability to enforce its own code
- » Mixed-Income communities, perhaps even in the same apartment building if there were a financing mechanism available. Would that be an incentive to provide more affordability?

Combined Steering Committee/Working Group Meeting

January 16, 2015, Bright Side Opportunities Center

- » Lancaster has both upward (affordability) and downward (stabilization) pressure

» Needed in Lancaster: Need to be able to control infill (taxable uses), in gaps in between successful areas of development.
  o Need economic mechanism (short and long-term) to take ownership in different neighborhoods;
  o Concern that land bank will take away from ability to create infill
  o Too much toward the social end of the spectrum that could do more harm than good
  o Land Bank can function more unlike the traditional mechanism
  o Lancaster needs to be a "saleable" community

Planning Team noted that while we are talking about Land Trust in terms of affordability, it can be structured to address other issues as well, such as those identified above.

» Role of higher education in coworking: what does that look like?
  o Planning Team noted that for the New Leaf Initiative (State College), Penn State is providing some financial assistance to the organization, which supports entrepreneurs, small businesses, and community members. Other institutions are using spaces in other communities as conduits to put research out to market.
» Non-profit? No, most are on tax roles
  o Non-profits would usually be in leasehold
» Important to distinguish between crafts (plural) and craft – ensure that we are referring to this recommendation as "Arts/Craft Lab". "Craft_s_" may not communicate the right message to people.
» Point that there exists no *one* calendar of ongoing events—in terms of the conversation going on between LOOP, CVB, etc. Is there any headway?
  o Lancaster Unity, making some effort to help coordinate

Discussion

» For the Greer, SC, "Partnership for Tomorrow" example, where does the money come from?
  o $59 million from capital investment
  o $2 million every 5 years raised through capital campaign, investors
  o Greer is on their 4th campaign at this point
» Any thought to the removal of overhead wires? To excess signage? These are important enhancements.
  o Excess signage is addressed to some degree in the neighborhood plans and the streetscape guidelines for the City.
  o Not aware of plans for removal of overhead utilities.
» Is there a minimum amount of funds required for Land Trust?
  o 6 figure amount, may not be a 7 figure amount
  o Depends on the model and what your are focusing on(many small, incremental moves; versus one big building)
» 700 housing units a year over five years: how is this broken down?
  o Broken down by ownership and rental and by socioeconomic profiles
  o Marshall: also doesn't assume it is 100% new units

- » Scale: Different capital scales depending on Land Bank/Trust— we need to be clear.
  - o Has been considering one for East King
    - § Possibility to initiate a different trust for each hub?
    - § Team Response: open to handful of entities; can be under one umbrella to organize/set-up groups that vary project by project. Need to be careful about a whole bunch of different organizations.
- » Liberty street connection (NW Triangle)—looks like the biggest potential but interwoven with Manheim township (is a challenge)
  - o In process of coordinating with the township
    - § Everyone agrees, sees potential of the area
    - § Now getting into tools, techniques
- » Need to build base of education and participation in decision-making; some non-profits are already doing this. More foundational, civic engagement
  - o Collaboration of collaborators, pull people together
- » Discussion has been in real estate, but available capital for investment is slim
  - o Only one angel investor in the area
  - o Yet, huge amounts of money (private wealth, endowments)
- » Randy: City is working on a model of developing a local fund; venture capital, if you will
  - o Conversation going on for 2+ years
  - o Banking regulations inhibit ability to do so
    - § Tripp: aware of what's going on in other states to address legislation
- » Must pay attention to the fundamental economic conditions of the city and community needs. Needs to be part of this plan.
  - o 30% poverty rate (contributes to violence, school performance)(Caused by low living wage)
- » Randy: crowdunding is not easy if someone is not a registered investor
- » Direct Public Offerings (DPSs)—allows people to donate
  - o Sample, FundRise (DC)
- » Harrisburg hasn't yet directly addressed
  - o Some states waiting on SEC; others create their own rules in the meantime, intend to adjust when SEC produces final decision
- » Working group requested sample legal language for some of these program s(Michigan Mile, Maryland's recent decision, Georgia, et al.)