

2013 Ride to Prosperity



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Executive Summary

Beginning in 2009, eight leading local organizations began collaborating to develop a new economic development plan for Greater Reading and Berks County. This initiative culminated with the June 2010 release of the Ride to Prosperity: Strategies for Economic Competitiveness in Greater Reading. The original RTP plan has helped guide key county economic development initiatives for the past three years, and spurred a new spirit of collaboration around the important work of building a more prosperous and successful Greater Reading and Berks County.

This report, the Ride to Prosperity Version 2.0, builds on our original work plan and lays out a new vision for economic development in the coming years. Our newly proposed strategies, RTP 2.0, are focused on five key areas:

- **Entrepreneurship and Innovation:** We are proposing a new countywide effort, Reignited in PA, to groom a new generation of high growth companies in Berks County.
- **Workforce and Talent Development:** We will lead a new initiative to transform the County's Career and Technical Education system so that area youth are better prepared to enter growing technical career fields and local employers can tap into a skilled and career-ready workforce.

- **Sites and Infrastructure:** We have enjoyed great success in developing new sites for industrial development and will expand on this success via the RTP 2.0 strategy.
- **Quality of Place:** Hospitality and tourism are key, but little understood, anchors of the Berks County economy. Under RTP 2.0, we will seek to develop a stronger tourism sector that provides high quality jobs to local residents and attractive amenities for visitors.
- **Business Friendly Berks:** We are sponsoring a new effort to bring top quality business expertise to help local governments redesign how they interact with local businesses in areas like zoning and licensing, and to become national leaders in providing high quality customer services. This effort will begin in Reading via a Business Friendly Greater Reading Task Force, and will soon be rolled out to other communities across the county.

Beyond these work plans, the RTP partners will continue to develop and expand their partnerships so that they can support key economic development initiatives while also serving as smart stewards of both public and private investments in the community.



Introduction

This report summarizes past progress and future plans of the Ride to Prosperity, a strategic economic development strategy for Berks County developed by eight partners who have primary responsibility for supporting effective economic development policies and programs in our community. Our eight core partners include the following organizations: The Berks County Industrial Development Authority, the Berks County Planning Commission, the Berks County Workforce Investment Board, the City of Reading, the Greater Berks Development Fund, the Greater Reading Chamber of Commerce and Industry, the Greater Reading Convention and Visitors Bureau, and the Greater Reading Economic Partnership.

Our organizations came together beginning in 2009 with a goal of using stronger regional collaborations as a means to improve the economic prospects of Reading and Berks County. We began with ambitious long-term goals for a transformed Greater Reading:

- Where residents are more prosperous
- Where businesses are more innovative and faster growing
- Where opportunity is available to all, and
- Where long-time residents and newcomers are happy to live.

We embraced these long-term goals, but recognized that this long journey begins with smaller steps. Instead of developing a long-term community wide vision for the County, we instead designed a work program centered on the important day-to-day work of economic and workforce development. We developed strategies and initiatives that would advance our local economy over a relatively short-term period of three to five years. Our achievements to date are detailed in part 2 of this report.

We have made important progress since our first strategy, the Ride to Prosperity, Version 1.0, was released in June 2010. Beyond individual projects and success stories, we have introduced new ways of working in Berks County. Collaboration is now the name of the game, and partnerships are the normal way of doing business.

Because of this success, we believe that the Ride to Prosperity strategic planning effort should be continued and expanded to support new advances in economic and workforce development. Our updated strategy for the coming three years, the Ride to Prosperity, Version 2.0, calls for a number of new initiatives to help further advance the Greater Reading economy and to position our community as a regional, statewide, and national leader in innovative approaches to economic development.

This report contains several key sections. We begin by assessing our progress since 2010 via our RTP 1.0 strategy. While we did not achieve every objective detailed in this earlier strategy, we can point to impressive achievements that are generating momentum as we shift to the RTP 2.0 initiative. Under this strategy, we intend to support new initiatives that will accelerate the growth of new entrepreneurs in Berks County, create the most business friendly communities in Pennsylvania, enhance Berks County's emerging tourism and recreation assets, and develop a pipeline of local technical talent that will attract new employers to Berks County and to help existing companies grow and thrive.

We conclude with recommendations for next steps beyond those envisioned in the RTP 2.0 strategy. While our eight organizations have lead roles in local economic development, we are not alone in this important work. We encourage any and all local partners to join us as we move forward on a county wide ride to prosperity.



Ride to Prosperity 1.0

Initial planning for the Ride to Prosperity (RTP) strategies began in late 2009. At that time, leaders of Berks County's eight leading economic and workforce development programs came together as part of a wider strategy to improve cross-organization planning and collaboration. The original planning team did not intend to start from scratch. They did not envision a comprehensive new plan for the county economy, but instead hoped to build on important efforts already underway. This included ongoing partner projects as well as other County plans such as Berks Vision 2020 and the work of The Initiative for a Competitive Greater Reading.

Unlike many community planning efforts, the Ride to Prosperity focused on short and medium-term outcomes, i.e. action items that could be achieved with 3-5 years. Our broad goals were to accelerate successful programs that were already underway, change direction and update programs that were not working, and capitalize on the County's growing Latino community via new economic development and workforce initiatives.

Based on these broad objectives, the RTP Partnership selected five issue areas for initial work, and the June 2010 RTP report included the following calls for action:

1) Entrepreneurship and Innovation:

Greater Reading should accelerate existing efforts and introduce new initiatives to improve our ability to nurture and support high-growth entrepreneurs.

2) Workforce/Talent Development:

Concerted action to improve Greater Reading's lagging educational attainment levels is needed, especially in improving high school, community college, and college completion rates. In addition, the County must expand local aggressive efforts to train workers for key industries, such as manufacturing.

3) Business Clusters:

We will seek to identify and refine emerging business clusters where we can target business retention and growth efforts, improve business-education partnerships to strengthen the local workforce, and promote these sectors as leading targets for new business development efforts.

4) Sites and Infrastructure:

We will introduce a new set of initiatives to improve the area's site development processes with a goal of 300 shovel-ready acres by 2015, to provide a sufficient number of acres to accommodate local business development as well as any large prospects that we can attract to our region. Meanwhile, we will continue to promote signature projects, such as the proposed Berks Research and Technology Center and the Berks Park 78 @ Bethel, and reach out to localities that want to build collaborative partnerships around a series of smaller "shovel ready" sites. We also intend to prepare an inventory of both large (100+ acres) and small sites (e.g. 25-50 acres) that can be more rapidly converted into viable project opportunities.

5) Quality of Place:

Improving the quality of local amenities should have two primary future directions. First, we need to enhance tourism promotion efforts and capitalize on Greater Reading's assets that could be used to attract visitors with an interest in outdoor recreation, scenic amenities, and arts and culture-related offerings. Even more importantly, the County must make catalytic investments that improve the quality of life for local residents, especially in support of key projects in the City of Reading.

A working group was designated to lead planning in each of these issue areas. Since 2010, these working groups have met and developed a host of strategies to pursue the objective laid out in the original RTP plan. Our progress in these areas is detailed below. We can point to a host of important successes, but we also acknowledge a few areas where our work came up short. In some cases, our original plans were altered by outside events, and, in others, we failed to achieve our projected goals. While we would prefer to report a 100% success rate, the reality is that not all of our plans came to fruition. Like successful entrepreneurs, we are learning from our mistakes and intend to develop more effective approaches in phase two of the RTP initiative.

Progress Report

-  Entrepreneurship and Innovation
-  Workforce and Talent Development
-  Business Clusters
-  Sites and Infrastructure
-  Quality of Place

Each of the Working Groups can point to important achievements since 2010. These efforts are detailed below:

Entrepreneurship and Innovation

Berks County's infrastructure for supporting local entrepreneurs has been transformed over the past several years, and many of these successes can be attributed to the work of the RTP partnership. The original 2010 RTP report noted that the Reading area faced two primary challenges in terms of spurring entrepreneurship: low rates of new business starts and lower growth rates for businesses after start-up. Without a dynamic base of local entrepreneurs, long-term prospects may suffer. New firms bring new ideas and dynamism to the local economy, and as they grow, they create jobs and wealth for their owners, their workers, and for the wider economy. A competitive local economy is built upon a dynamic and prosperous base of thriving entrepreneurial ventures.

While Berks County's performance on various measures of small business dynamism was relatively weak over the 2000-2010 decade, more recent data are quite promising. According to 2009-2010 data from Dun & Bradstreet, the Reading MSA was among the nation's best performers in terms of job creation from new firms. In fact, Reading outperformed all MSAs in Pennsylvania and was among the top performers in the entire Northeast region. Similar analyses from Moody's indicate that recent job growth in the Reading MSA outpaces both Pennsylvania and US averages. Future initiatives in the RTP 2.0 project should build on this momentum.

The Entrepreneurship and Innovation Working Group can point to two important achievements over the past three years. First, a host of new support

The Coming Entrepreneurship Boom?

Reignited in PA is a core RTP initiative that will focus on developing more high growth entrepreneurial firms in Berks County. Fortunately, this effort will be building on a strong base as Berks County is already home to hundreds of fast growing ventures. And, new ones are cropping up every day. Take Boxaroo for example. This company and its founder, David Wise, was recently selected as a US Small Business Administration Business Person of the Year, got started in Reading's Jump Start Incubator. Boxaroo delivers and picks up rented durable plastic boxes for moving to make moving faster, easier, safer, and more environmentally friendly. The firm is only one year old yet it already employs more than 35 people and did more than \$2 million in business in 2012.

Muhlenberg Township's TAB Industries is another home grown venture. TAB's packaging equipment is in high demand, and business is booming. According to TAB's founder, Tom Brizek, navigating this growth path is one of his top management challenges as the company is facing huge demand for its machines as it also hires new staff and builds out its facilities.

Reading's Isolator Fitness is another local manufacturer on the move. Isolator makes fitness straps and lunch coolers targeted to body builders and other fitness markets. Building on Reading's heritage as a textile center, Isolator Fitness is rapidly expanding at the former Camp Hosiery facility. The company has already tripled the size of its production facility, and expects to see a similar uptick in sales in 2013.



resources have been put into place. New facilities are opening up across Berks County. These include the new Jumpstart Incubator and two co-working facilities at the Catalyst at Spring Ridge and at the T.E.A. factory in Reading. These facilities help build on the ongoing work of local support efforts housed at Greater Reading Business Resource Center and the Latino Business Resource Center.

In addition to these new facilities, an efficient and effective Greater Reading Entrepreneurial Action Team (GREAT) is in place, with partners sharing leads and providing joint services. Today, GREAT engages multiple local partners who provide a diverse mix of services to local business owners and aspiring entrepreneurs. Overall, the GREAT team serves hundreds of local business owners each year with services such as technical training, access to loans and other capital, and assistance in entering new markets.

Thanks to these new programs and investments, Berks County has built a robust infrastructure to support start-ups and small business owners. Over the coming years, we intend to build on this foundation via a host of new programs that seek to groom high growth gazelle businesses in Berks County. These new efforts will be a primary focus of RTP's future work.

Workforce and Talent Development

In today's economy, economic development is workforce development. Without a skilled and ready workforce, no region can prosper in the 21st century. Like many communities, Berks County and Greater Reading face a host of workforce-related challenges. These range from high dropout rates in many area high schools to lower shares of residents with higher education to a regional shortage of highly skilled technical workers. All of these issues warrant public attention, and many are being addressed by local organizations such as the Berks Business Education Coalition.

The RTP partners opted to focus their work on the important connections and transitions between formal education and entry into the workforce. As such, the RTP Workforce and Talent Development working group proposed to pursue three top priorities: 1) To improve linkages between local high schools and Reading Area Community College (RACC), 2) To expand the use of industry-recognized credentials for technical training and other areas, and 3) To reform and restructure the County's career-technical education system.

The RTP initiative has enjoyed considerable success in building a strong technical training pipeline that links local high schools to RACC and to other higher education institutions. RACC, the Berks Career Technical Education Center (CTC), the Reading Muhlenberg CTC, and Berks County are now

Careers in 2 Years

Even at the height of the Great Recession, many Berks employers, especially manufacturers, could not find qualified workers. GREP-sponsored surveys have found that among local employers, 47% of firms identified lack of skills and more specifically, 26% identified lack of technical skills as a current workforce challenge.

These workforce gaps have many causes, but one big factor is that fewer area youth are considering careers in key technical fields like welding, machining, and plumbing. Many kids—and their parents—view these careers as low-paying “dead end” jobs, when the reality is the exact opposite. These jobs pay well, often as much as \$35,000-\$50,000 per year as a starting salary. Even better, many of these technical jobs are expected to grow rapidly in coming years.

The “Careers in Two Years” initiative, led by GREP, RACC, and local school districts is seeking to change local perceptions by educating area youth and their parents about great career opportunities in technical fields. The nationally recognized ad campaign is spreading the word, and more importantly, young people are signing up! This success is creating a win-win scenario for all. Local students are entering a great career path (without massive college debts) and local businesses can rely on a skilled, work-ready, and technology savvy workforce.



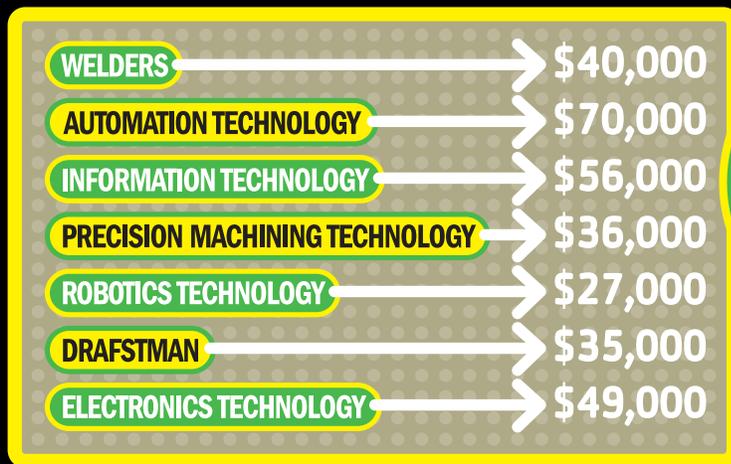
CAREERSIN2YEARS.COM

LEARN TO EARN

THE REWARDS ARE SUBSTANTIAL

Attractive Income Potential

According to the Bureau of Labor & Statistics for Reading, PA, below is a sampling of local employees median income:



CAREERSIN2YEARS
GO FROM
LEARNING
TO EARNING.
FAST!



Why these careers may be right for you?

Consider the possibilities of a career within the technical field. In as little as two years, you can have a future with steady employment and an advanced income to match. Careers in technology are affordable, hands-on, and allow you to start a promising career early in life. **Check out careersin2years.com for more information.**

Message brought to you by Greater Reading Economic Partnership.

nationally recognized as leaders and innovators in this area. GREP's award winning "Careers in Two Years" program is reaching out to students and their parents, encouraging them to consider high paying careers in key manufacturing technology fields. These positions, which require post high school education short of a four year degree, are known as middle skill jobs, and are projected to be the fastest growing employment segment in the US economy. By building a strong base of middle skill talent, Berks County not only provides promising career options to area youth, but it also benefits employers who will be attracted to Berks County thanks to its strong pipeline of skilled technical workers.

We can also point to important achievements in expanding the use of formal industry credentials, which are an essential tool for career advancement in technical fields. Area high schools and technical schools have greatly increased their use of formal industry credentials and have built much stronger connections to local employers. RACC's Schmidt Technology and Training Center is national leader on this front as RACC is nation's first community college to be authorized to issue specialized certifications developed by the National Association of Manufacturers. In addition, RACC's mechatronics program is receiving international attention as a model for effective education-business partnerships.

We have made less progress in our efforts to reform the County's career technical education systems. Program administrators are improving services, but continue to operate in a system designed in the 1960s when the basic concepts of vocational education were first adopted. The Berks WIB has led promising discussions with many local area school district leaders, who have expressed strong support for efforts to update and reform career training programs. We build on this momentum by making this initiative into a core focus area for the next phase of RTP.

Business Clusters

Greater Reading, led by GREP, has long targeted key industries, sectors, or clusters. These target industries typically provide higher wages or operate in sectors, such as manufacturing, that have histories of success in Berks County. GREP now devotes all of its marketing and business attraction initiatives toward industries that operate in five core clusters: advanced manufacturing, agriculture and food production, business and financial services, energy, and health sciences. These efforts continue

to reap dividends, such as the recent location of GreatGrow, a green agriculture technology firm, to Muhlenberg Township.

RTP 1.0 envisioned the development of a new alternative energy cluster network within Berks County. These networks are important tools to help firms grow and do business with one another. While we thought that an alternative energy cluster made sense, but the cluster working group was unable to create a new countywide network of alternative and renewable energy firms. This initiative began in late 2010 with several industry listening and planning sessions, but ultimately failed to generate much interest among local employers. A number of market factors, such as the cessation of Pennsylvania's solar energy tax credits and expanded interest in Marcellus Shale gas resources, also affected our planning efforts. Given the current



Berks Park 78 Entrance



Cambridge-Lee Groundbreaking

financial challenges facing the renewable energy sector, we do not intend to revisit this strategy in the RTP's next phase.

Sites and Infrastructure

For many years, Berks County's ability to attract major new employers was hampered by the limited availability of building sites that were at or near "shovel-ready" status. Dating back to 2001, outside consultants had recommended that the Berks County focus on its inventory of sites, so that attractive locations would be available for firms considering relocation to the area. The Sites and Infrastructure Working Group made this goal into its top priority.

Berks County can point to some impressive infrastructure-related achievements since 2010. A number of new sites are emerging across the county. In Bethel, Berks Park 78 is thriving, with new tenants including PetSmart and Dollar General. On their own, these two firms are expected to employ more than 1,000 people. Near Morgantown, the 200+ acre New Morgan Business Center has been designated as a Keystone Opportunity Zone (KOZ), greatly enhancing its desirability for new businesses. Other smaller sites are being developed in locations such as Amity Township, near the Reading Regional Airport, and Hamburg Logistics Park.

In addition to developing and market new industrial sites, the Sites and Infrastructure Working Group also focused on some of the less public, but equally important, tasks related to site development. This work included the development of a countywide water and sewer plan that maps local infrastructure and its capacities for various uses, and the mapping of dozens of smaller industrial sites across the County. These smaller sites are often located in communities seeking redevelopment opportunities, and the reuse of these sites is excellent use of former industrial land.

Quality of Place

The RTP Quality of Place Working Group likely had the broadest portfolio of issues and challenges. We originally set an ambitious agenda that focused on two related sets of activities: 1) To make Berks County a more attractive destination for tourists and other visitors, and 2) To support a range of new programs and investments to improve the overall quality of life for all county residents.

The Working Group has enjoyed success in developing new activities and events to attract visitors and to provide entertainment opportunities for local residents. Newer facilities like the GoggleWorks and the Sovereign Center attract numerous visitors, and many shops and restaurants along the Penn Corridor are thriving. Regular events such as the Greater Reading Film Festival, the Penn Street market, and First Friday Reading are generating lots of local and regional buzz. In addition, the Greater Reading Convention and Visitors Bureau has developed new marketing tools and strategies, and has also implemented new systems for both promotion and for the management of membership and visitor information.



Our Working Group made less progress in dealing with some of the larger quality of life challenges facing Reading and Berks County. While Penn Avenue in West Reading thrives, other parts of the Penn Corridor (especially the 400-500 block of Penn Street) lack attractive amenities for shoppers or visitors. We intend to continue working to support development of the entire Penn Corridor, in partnership with the Reading Downtown Improvement District and others, as part of the RTP's next phase.

This effort should be greatly accelerated by the designation of a new Main Street program in downtown Reading. The City has filed an application for Main Street designation, and if approved, the City will have access to expanded resources and technical support to improve amenities in downtown Reading. All of the RTP partners strongly support this effort.

Other Outcomes

Beyond the RTP's notable achievements in specific issue areas, the initiative has spawned a new way of working in Berks County. Regional collaboration is now the normal way of doing business. It is not tied to a single project or initiative; it is how economic development gets done today. These collaborations are producing better outcomes, as more partners bring new and better services to local businesses and to companies considering relocation to Berks County. Board members of partner groups now have a more complete picture of how other organizations contribute to the local economy. Even better, collaboration is creating a more efficient system where waste and duplication are reduced and where partners are publicly accountable to each other and to the wider community. The day to day work of economic development in Berks County is smoother, more collaborative, and, in the end, more effective.

Why Ride to Prosperity 2.0?

Version 1.0 of the Ride to Prosperity introduced a new way of doing business for economic and workforce development in Berks County. It has helped build an important foundation and close partnerships that would remain in place even if we opted to formally end these strategic planning initiatives. However, the success of RTP 1.0 has convinced the eight local partners that this effort should continue, leading to the development of Ride to Prosperity 2.0, a strategy for continued

county-wide collaboration to support economic and workforce development.

We believe that RTP 2.0 is an important initiative for a variety of reasons. At the most basic level, the partnership improves the overall business climate and economic delivery system in Berks County. Engaging new partners brings better services and a wider bench of expertise to local businesses. It also creates efficiencies as duplicative efforts are reduced and RTP partners can focus on their own core areas of strength and competitive advantages.

“Regional collaboration is now the normal way of doing business. It is not tied to a single project or initiative; it is how economic development gets done today.”

As the partnership prospers, individual partner organizations benefit too. They can provide business customers and companies considering relocation with a wider variety of services and support programs, helping companies access multiple tools and resources with one phone call or contact. For example, the development and build-out of Berks Park 78 has engaged nearly every RTP partner in the process in terms of preparing the site (BCIDA, Berks Planning Commission), promoting the site to new businesses (GREP, Berks Chamber), and in providing financing, worker training, and other support tools to new park tenants (BCDF, Berks County WIB). This kind of collaboration is the way business now gets done in Berks County.

Partnerships like those fostered by RTP are becoming the norm for regions across the US. Cities and townships can no longer go it alone. Wider collaborations are needed, and, in the case of many state and federal grant programs, they are required. They require that grantees operate via regional partnerships that unite groups across disciplines, geographies, and areas of expertise. Berks County's ability to win future funding competitions will depend on its ability to support and develop partnerships like the RTP group. In fact, the collaborative is already aggressively seeking out funding opportunities such as Pennsylvania's Discovered and Developed in PA (D2PA) grant program.

RTP 2.0 also strives to build on the important foundations fostered by the RTP 1.0 planning efforts. In addition to building new collaborations, RTP 1.0 also helped spur progress in many key countywide challenge areas. We are excited about re-embarking on this journey via RTP 2.0. Our work plan is detailed below.

Ride to Prosperity 2.0 Work Plan

In some ways, RTP 2.0 is a continuation of efforts begun with 2010 RTP 1.0 report. Our approach to the County's economic development challenges is similar. We are attempting to tackle pressing issues that fall within the core focus areas of the RTP partner organizations, i.e. they directly tie to economic and/or workforce development. We recognize that Reading and Berks County face a host of challenges, many of which should top the agenda of County leaders and citizens. For example, we applaud recent initiatives to combat crime in the City of Reading and to improve city and county schools via the Berks Business Education Coalition. RTP partner organizations will continue to support these essential projects, but will not seek to address them under the auspices of the economic development-focused RTP work program.

RTP 2.0 will also resemble RTP 1.0 in its focus on a near-term work program that can produce important outcomes within three years. Changing a regional economy takes decades, but this process begins with smaller steps that produce tangible outcomes over the medium and short term. Our goal is to make Berks County into a globally recognized center of innovation, entrepreneurship, and community prosperity where local residents have opportunities for attractive careers and an enviable quality of life. While we may not fully achieve this ambitious objective by 2015, we can accelerate the progress that we have made since in 2010. Many of the core focus areas from RTP 1.0 will remain in place in RTP 2.0. For example, we intend to continue a strong focus on innovation and entrepreneurship, workforce and talent, and sites and infrastructure. Our Quality of Life working group will remain in place, but will have a slightly narrower focus on tourism and recreation promotion in our new efforts. We have opted to disband our Business Clusters Working Group, as much of its agenda is already being managed by GREP and other local partners.

We have also opted to add a new focus area for RTP 2.0: an initiative that we are calling "Business Friendly Berks." This initiative seeks to improve processes and procedures for supporting businesses and business development in the City of Reading and in municipalities across Berks County. We have heard from numerous businesses and other stakeholders that the policies, procedures, and processes for business development and growth, such as new building permits, business licenses, or zoning and planning issues, are too complicated, too costly, and too unpredictable. Under RTP 2.0, we hope to develop new approaches that can position our communities as part of the most business friendly region in Pennsylvania.

Details on each of these RTP 2.0 Working Group Initiatives is presented below:

Entrepreneurship and Innovation

Berks County's infrastructure for supporting new businesses has blossomed over the past three years. New incubator and coworking facilities are in place, and a robust business service provider network, GREAT, is available to support local residents who want to start a new business or accelerate the growth of an existing company.

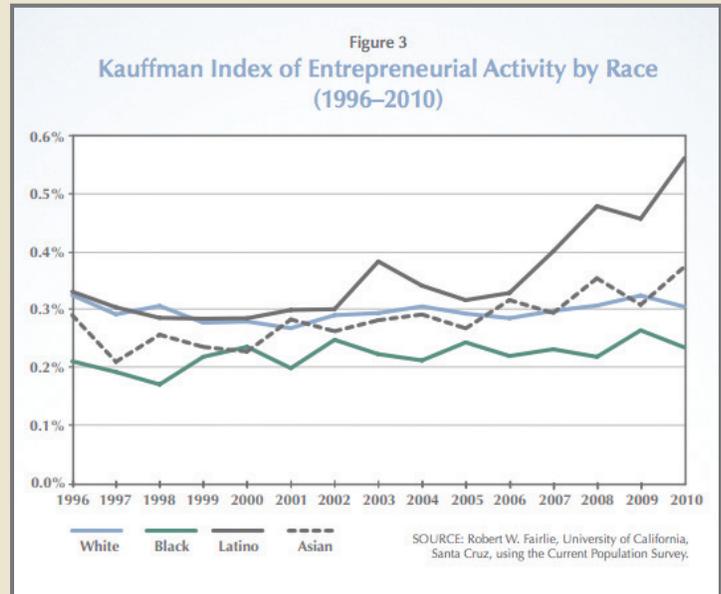


Andrew & Thomas Brizek, TAB Industries, LLC

Under the auspices of the RTP 2.0, partners intend to pursue two complementary strategies. First, GREAT and its partner organizations will expand outreach efforts to better serve our region's growing Latino community. In Reading, Latino residents comprise 60% of the population. Yet, only 27% of City businesses are Latino-owned. Recent national data notes that Latinos start businesses at higher than average rates, suggesting that Latino

Latino Entrepreneurship

Across the US, Latino entrepreneurship is booming with Hispanic Americans and new immigrants starting businesses at a faster rate than any other demographic group. These trends represent an historic opportunity for new business development in Greater Reading. The Latino share of the local population has grown rapidly, and Latinos now account for 58.2% of Reading's residents. Yet, only 27% of Reading area businesses are owned by Latinos. These numbers suggest that Reading is on the verge of a business ownership boom. When growing interest in entrepreneurship is combined with an underserved market, business opportunities abound. Local programs like the Latino Business Resource Center and the new Reignited in PA initiative are working to help ensure that these new businesses help drive future prosperity for all of Berks County.



business owners and aspiring entrepreneurs are under-represented in Reading and Berks County. As part of our efforts to address this issue, we will continue to provide support to the Latino Business Resource Center and to the Jumpstart Business Incubator's new Jumpstart Diversity Initiative (JSD). JSD seeks to expand services to new and aspiring Latino entrepreneurs via expanded bilingual training and workshops, specialized support services at the incubator facility, and a local business plan competition to spur new start-ups.

At the same time, RTP will support the development of new tools and programs to support high-growth entrepreneurs, often referred to as gazelles. These companies, which grow at rates exceeding 15-20 percent per year, are the key drivers of local prosperity, generating the majority of new jobs across the US economy.

Under RTP 2.0, key local agencies will target support for these entrepreneurs via new strategy called Reignited in PA. Reignited in PA will provide intensified and targeted outreach, coaching, mentoring, training and consulting to an estimated sixty high-growth-potential companies. This effort will target manufacturing-related firms, but will provide support to firms in a host of sectors. Each

company will receive a customized suite of services along with coaching and mentoring from successful entrepreneurs who can share lessons learned from their own experiences. When this effort is fully operational, it should be able to support the creation of hundreds of new local jobs each year.

In addition to these two new initiatives, the RTP 2.0 plan also seeks to assess the feasibility of several other new investments that could provide additional support tools for local entrepreneurs. The team intends to sponsor additional market research in the following two areas:

- 1) Assessing the feasibility of developing a "Maker Space" or new forms of co-working space in the City of Reading. This effort might be closely linked to ongoing programs now underway at the GoggleWorks Center for the Arts.
- 2) Assessing strategies to more closely engage local library systems in local entrepreneur support efforts. One option would involve developing an economic gardening initiative similar to that currently deployed in the Lancaster County (PA) library system.

Workforce and Talent Development

The Workforce and Talent Development working group has identified three top priorities for its work under the RTP 2.0 plan. Maintaining and expanding newly developed career outreach initiatives will be a top priority. In the past year, several promising new efforts, such as the Chamber's Career Awareness Task Force and GREP's Careers in Two Years program, have started. These efforts work with area youth, and their parents, to inform them of local career options, particularly in fields that require an associate's degree, certifications, or other credentials short of a four year degree. These careers, known as middle skill jobs, are projected to be among the fastest growing occupations in coming years. Located in many technical fields, such as manufacturing, information technology, and health care, these jobs offer high pay and desirable career ladders without requiring that young people assume massive education debts in pursuit of a college degree. They are also located in fields where employers report significant worker shortages and face great difficulties in finding qualified job candidates.

These efforts need to be further expanded.

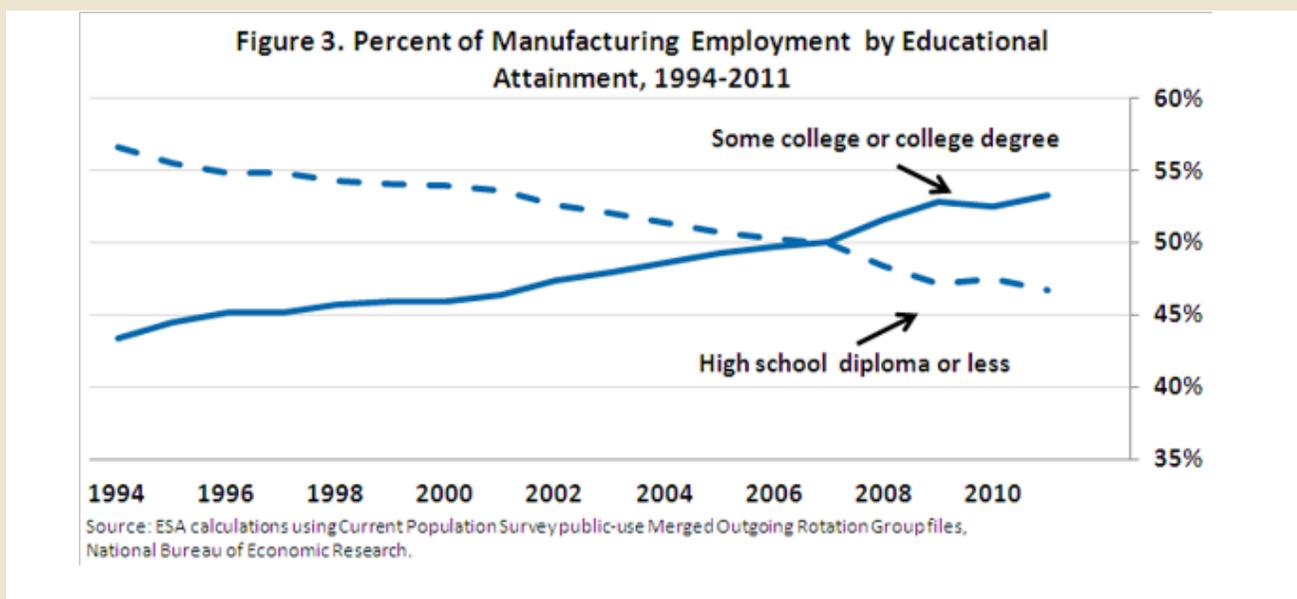
In addition to supporting existing programs, we intend to convene a County-wide summit that will focus on new career opportunities and engage parents, educators, and students.

We will also expand our outreach to local schools. Reading High School continues to suffer from unacceptably high dropout rates. Low high school completion rates create major challenges for individual students, but they also create long term economic challenges as dropouts are more likely to need public support services and are less likely to obtain well-paying jobs. The Reading Area School District must develop a comprehensive school completion program, and we intend to work with Superintendent Carlinda Purcell to support this effort.

An additional outreach initiative will identify three area high schools to service as demonstration sites for implementation of the WorkKeys career readiness certification. Developed by ACT, WorkKeys is a job skill assessment system that assesses work readiness in the form of key skills such as applied mathematics,

Middle Skill Jobs

Back in the 1950s and 1960s, a strong back and a good work ethic was all that was needed to have a long and successful career in manufacturing. But, today's manufacturing is not your grandfather's manufacturing. Even the most basic industries have gone high-tech, and, as a result, most manufacturing jobs require more education, typically a certificate, community college degree, or another credential. Helping local workers get this training is a key focus for the Ride to Prosperity.



business writing, listening, teamwork, and general work attitudes. It is increasingly recognized as a key credential by employers across the US. For many communities and employers, WorkKeys helps ensure a smoother school to work transition. By expanding WorkKeys adoption in local schools, we can provide better job opportunities for area youth and also signal to employers that Berks County is home to a ready and capable workforce.

The Workforce and Talent Development working group also plans to pursue a more long-term and ambitious objective: supporting a major initiative to transform the County's Career-Technical Education system. This effort, already kick-started by the Berks WIB, will help shift the system from its current half-day model to a new approach that offers greater potential to engage students and produce better learning and career outcomes. Potential options, which will require additional analysis, might include creating a separate technical high school, more specialized modules, or some other differing approaches. We recognize that this project will require a long term commitment to change, but we also believe that improvements in the County's career and technical training programs will greatly contribute to a more prosperous local economy.

Sites and Infrastructure

In coming years, our Sites and Infrastructure plan will revolve around a multi-pronged strategy to develop more available development sites across Berks County. This strategy has generated important economic development "wins" over the past few years, primarily at the Berks Park 78 but also at other sites around the County. Future site development efforts will emphasize sites that are attractive to manufacturers, who now represent nearly half of all firms expressing interest in relocation to Berks County. As reshoring brings manufacturing jobs back to the US, Berks County can and should be in a position to capitalize on new business opportunities in manufacturing. But, our prospects will depend on our ability to develop and market available properties. This will require a mix of strategies that develop new industrial sites, such as the newly proposed industrial park near the Reading Airport, and aggressive marketing of existing industrial sites (e.g., Berks Park 78, New Morgan). We will also invest resources to assess and prepare smaller brownfields sites for potential reuse and to identify other new sites with rail access, a key need for many manufacturers.

The attractiveness of these industrial sites will be further enhanced by the development of new



incentives. We strongly support local efforts, led by Reading Mayor Vaughn Spencer, to create a Community Reinvestment Improvement Zone in Reading. This zone, modeled on Allentown's successful Neighborhood Investment Zones, would allow the City to deploy state and city business taxes to fund major redevelopment projects. These incentives have spurred significant new investments in the City of Allentown and their use in Reading could generate significant new economic activity within the City.

RTP 2.0 will also support the expanded use of fast track procedures for the review and approval of new projects. These new procedures were first tested in 2011 and 2012 with efforts to support the expansion of Cambridge-Lee Industries' facility in Ontelaunee Township. The new Joint Express Approval Program, managed by the Berks County Redevelopment Authority and Greater Reading Economic Partnership, has significantly reduced both the time and cost involved with necessary zoning and planning procedures for major new development projects. It is part of wider effort, strongly endorsed by all RTP partners, to create a more business-friendly Berks County.

In addition to identifying sites for firms considering relocation to Berks County, the Sites and Infrastructure plan will also include several efforts that should improve support and services for existing businesses. Developing a new Business-Friendly Municipalities program will be a top priority in coming years. This effort will involve outreach and technical assistance to townships and local municipalities seeking to attract new businesses and spur business development. Key RTP partners will assist these communities in developing planning, zoning, and other regulatory procedures that are transparent and that do not place undue burdens costs on businesses. In addition, RTP partners are supporting the creation of new county Water and Sewer Association that will bring together key local leaders to share insights and expertise on how to develop and maintain key water and sewer infrastructure.

Finally, many of these priority economic development focus areas are integrated into the Reading Area Transportation Study, under the auspices of the Berks County Planning Commission, a key RTP partner. Many of the major road projects now or recently underway in Berks, such as the extension of River Road and upgrades on Rt. 501 in Bethel, are linked to countywide economic development priorities.

Berks County Tourism Facts

Hospitality and tourism are among the most important components of the Berks County economy.

DID YOU KNOW THAT...

- Tourism generates nearly \$1.3 billion of annual economic impact in Berks County.
- Tourism and hospitality related businesses directly employ more than 6,200 people in Berks County.
- Overall, more than 10,400 local jobs are connected to tourism, recreation, and hospitality activities.

Quality of Place

For the RTP 2.0 plan, our Quality of Place working group intends to focus on bolstering Berks County's reputation as a destination for visitors. Tourism and hospitality are under-appreciated, but important anchors of the local economy. According to research from Pennsylvania's Department of Tourism, visitors contributed more than \$761 million to the local economy in 2011. This spending helped support 6,238 jobs across Berks County. These jobs fall in a wide range of industries, and are not all located in traditional hospitality sectors like hotels or restaurants. In addition, hospitality and tourism provides a growing number of high quality jobs with desirable career options. A recent US Travel Association study estimated that two out of every five workers who start their careers in the travel industry will go on to earn more than \$100,000 per year.

While recent trends in our local tourism industry are promising, we believe that Reading and Berks County could improve on this performance with smart investments in developing new activities and destinations and in expanding our marketing and outreach activities. During RTP 2.0, we intend to commission a new strategic plan for enhancing the County's tourism industry. This research effort will address several key questions:

- What are the County's most important and attractive tourism assets? In addition to larger

attractions, this research should also assess the potential for promoting outdoors activities and recreational tourism.

- What is the County's niche? What would generate the greatest interest and buzz in surrounding markets?
- What is the local economic impact of the tourism and hospitality sectors? What can we do to promote and support careers in these fields?
- What gaps exist? What kinds of amenities are needed to make Berks County a more attractive destination for visitors?

This research effort will also revisit past plans and strategies, such as those led by the Berks County Conservancy, related to the County's trail systems and river access programs. This effort would be a first step in part of a larger strategy to promote the County's outdoor recreation assets. We continue to believe that a tourism promotion strategy focused on recreational tourism could generate significant interest in nearby urban markets.

The Quality of Life Working Group also intends to continue its support for initiatives focused on improving quality of place in downtown Reading. This includes Reading's new Main Street program and the work of the Penn Corridor group, with a particular focus on the 400-500 block of Penn Street.

Business Freindly Berks

Under RTP 2.0, we intend to support a new focus area that seeks to make Reading and Berks County the most business-friendly region in the Commonwealth of Pennsylvania. This effort will start with the City of Reading ("Business Friendly Greater Reading") and will soon be rolled out to other communities in Berks County. We intend to convene a City of Reading Productivity Improvement Task Force, led by staff and members of the Greater Reading Chamber of Commerce and Industry. The task force members will include local leaders and industry experts in fields such as customer service, information technology, process improvements and the like.

The task force is designed to address key issues identified by numerous local businesses looking to locate, expand, or do business in the City of Reading. Current rules and procedures in areas



such as planning, licensing, and zoning are unclear and unwieldy, and the costs of compliance are too burdensome. As Mayor Spencer and his team have noted, the City needs to embrace cutting-edge and innovative new technologies and procedures so that the processes for working with the city are understandable, efficient and effective. The project will also be examining the City's key practices affecting fiscal health. The City's financial health is a key concern for businesses now operating in Reading and for those considering relocation to the area.

This job requires a true partnership between the City and local business leaders. Berks County is home to many world-class companies who can share their expertise in how to streamline internal processes and provide top-quality customer service. These firms and their leaders have committed to sharing ideas with City staff and managers, and aggressive program for reform will kick off soon.

Next Steps: RTP 2.0 and Beyond

We are excited about the work plan envisioned in the Ride to Prosperity, Version 2.0, but this strategy is not the last word on economic development in Berks County. Our communities are recovering from the Great Recession, but we face many serious challenges, particularly in our effort to revitalize the City of Reading. We will continue to support important local efforts such as Reading's ongoing anti-crime programs, Our City Reading, and Mayor Spencer's newly announced economic development initiatives.

We also intend to advocate for creation of a new countywide Community Indicators Partnership that would publicize data and other findings related to the performance of the Berks County economy. In the past, several local efforts have sought to create annual Indicator reports for key local issues such as quality of life or child welfare. In 2009, the Berks County Community Foundation's "A Snapshot of Berks County," tracked community progress in several areas such as health, civic engagement, environment, and arts & culture.

We envision a new and more targeted community indicators assessment that would dig deeper into the underpinning of the Berks County economy and that would be closely tied to the strategies promoted via the Ride to Prosperity process. For example, key indicators could track progress in workforce development (e.g. changes in educational attainment levels), entrepreneurship (e.g. new business starts and business growth rates), and quality of place (e.g. visitor totals and revenues). In addition, the indicators project will serve as tool to track and report on progress with the RTP 2.0 strategy, and to make mid-course adjustments if necessary.

These indicators would be tracked on an annual basis, and reviewed at an annual summit to assess Berks County's economic performance. Other communities have enjoyed great benefits from these kinds of Community Indicator projects. They serve to spark conversations about future directions and to inform residents on what's happening with the local economy.

Expanded Partnerships and Engagement

As noted above, one of RTP's most important outcomes has been the fostering of strong countywide partnership among our eight economic and workforce development organizations. We are proud of this alliance, but hope that it become even deeper and more consequential. To date, the RTP team has focused its partnerships at the staff level. The chief executives and staffs of our organizations regularly collaborate and work together on key projects. Our next step is to bring our Boards of Directors into the mix. Beginning in 2014, we intend to convene regular joint Board meetings of all RTP partner organizations with the intention of creating even closer ties among our organizations. This Board engagement strategy will create important connections and ensure that the work of RTP 2.0 truly transforms the Berks County economy.

What's Next for Berks County: 2015 and Beyond!

The Ride to Prosperity strategic planning process has produced important changes in how economic development gets done in Greater Reading. It has helped key partners to develop and implement effective new programs, and has introduced a new county-wide partnership model to our work. We look forward to continued progress over the next several years.

RTP has always had a short and medium term focus, and it has operated as more of a staff-driven initiative. Each of our organizations has used the RTP plans to help drive our own work—on our own and in partnership with other agencies. Beyond 2015, it may make sense to develop a more comprehensive and broad-based long-term vision for the Berks County economy that takes the form of comprehensive economic development strategy. This new vision would build on the work of RTP and other current planning documents, such as the Berks County Comprehensive Plan. However, this effort would be much more community-driven and focused on engaging a wide and diverse array of community stakeholders from across Berks County. Reading and Berks County have changed greatly in the past few decades, and it is important that future economic development planning recognizes the impact of these changes and engages all Berks Countians in thinking about our future economic directions.

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