

**CHESTER  
CITY  
VISION  
2000**

**Section Seven**

**Economic Development Strategy**



Comprehensive Plan & Economic Development Strategy 1994

# SECTION SEVEN

## ECONOMIC DEVELOPMENT STRATEGY

### INTRODUCTION

**L**ike all of the elements of the city's comprehensive plan, this economic development strategy is based on a theme of quality and targeting of resources. If the city is to reverse its downward economic trend, such a reversal will depend on doing things right the first time, maximizing the return on limited city resources and rebuilding the city's image one step at a time.

Chester's economic strength has traditionally been based on its manufacturing industries. As this document will show, that area of strength has been sorely diminished in the last decade. Future success in that area and other economic sectors will require transformation to a modern industrial and commercial environment. It will be necessary to leapfrog the twentieth century and move directly to the 21st, where a skilled, educated workforce, excellent telecommunications and global access are the keys to business success.

This transformation process may involve the creation of a new paradigm - the suburban city. This new urban creature would

have typically high population densities, but higher levels of physical amenities than traditional cities. Highly accessible and economically diverse, the new suburban city would not be focused on a downtown office core, although office uses would be present, but on a balanced mix of industrial, service and commercial uses complemented by vibrant residential neighborhoods.

To accomplish this objective may require a form of "urban triage", where parts of the city, long abandoned to decay and deterioration, must be rebuilt from the ground up. This process may require demolition and relocation with a focus on reconstruction of more stable existing neighborhoods and creation of entirely new neighborhoods separated from the negative impacts of adjacent industry.

Transitions can be long and sometimes painful processes, but the stage of transformation must be passed before the end result can be achieved. The pages that follow will describe where the city has been, where it is, where it needs to go and how to get there.

## **BACKGROUND TRENDS**

As the city of Chester seeks to chart its path to an economically vibrant 21st century, it is critically important that the major factors impacting on the local economy be recognized and incorporated into the city's strategy. The importance of recognizing key trends lies in the fact that working with the trends wherever possible is far more effective than working against them. Recognition also allows for an improved capacity to respond to anticipated problem areas as well as an improved ability to take advantage of opportunities the trends might provide.

This first section of the strategy provides a brief discussion of some of the more significant economic trends at the national/international, regional and local levels.

### **A. National/International Trends**

#### **1. Emergence of a Global Economy**

The last decade has seen the full emergence of a truly global economy. Products and services are now measured against global standards and local producers or providers must recognize this fact if their businesses are to remain competitive.

The local impact of this new global competitive arena is that companies are faced with a challenge and an opportunity. Those producing world class products will survive and prosper while those failing to meet the new standards will see their markets dwindle.

#### **2. Rapid Technological Change**

The pace of technological change seems to be on a constantly increasing trend. In this environment, companies are forced to innovate and adopt new technology at a similarly rapid pace if they are to maintain and increase the productivity necessary to survive.

Locally, this need to incorporate new technology into current business operations has implications for employee training, new equipment investment financing and many other areas.

#### **3. Changing Labor Force Skill Requirements**

Partly as a result of rapid technological change, the required skill levels for basic employment continue to rise. Companies are now demanding better educated, better prepared workers so they can maintain their competitive position in the new world marketplace.

At the local level, this implies a need for increased efforts to build and maintain the kind of workforce employers will require to be competitive.

#### **4. Financing Availability**

One of the by products of the savings and loan crisis has been a major tightening of the availability of all forms of credit. While it is unclear if this is a near term phenomenon or a long term structural change, its current existence further complicates the process of adapting to a global economy and incorporating new technology.

Implications of this trend for the local economy are that new and innovative forms of small business financing, public and private, may be increasingly important.

## **B. Regional Trends**

### **1. Suburbanization**

The recent past has seen little slowing of the long term shift of people to the suburbs from the central city. Philadelphia has continued to experience a population decline in comparison to its suburban counties. The city of Chester too, has experienced a population decline, even though it has a suburban location.

This trend has significant implications for any economic endeavors that require a large indigenous population (e.g. retail and many service businesses). The challenge for the city in terms of this trend is how to reposition itself to respond to a smaller local population and to take better advantage of its geographic location in the suburbs.

### **2. Changing Real Estate Market**

Another factor in the regional economy is an increasing importance of specific geographic factors in business location decisions. Local workforce characteristics, transportation access points and related local factors are driving many location decisions.

Understanding these "competitive advantage" factors and responding to them appropriately will have a significant impact on the economic future of the City.

## **C. Economic Trends in the City of Chester**

### **1. Manufacturing Exodus**

Manufacturing has been the mainstay of the Chester economy almost since its original settlement. The last decade, however, has witnessed a major decline in the city's manufacturing employment.

Figure ED-1 shows that in 1982 the U.S. Census of Business identified 53 manufacturing firms in the city of Chester employing approximately 4,900 people. An identical 53 manufacturing firms were identified in 1987, but the Census Bureau did not disclose manufacturing employment for confidentiality reasons. (As stated by the Census Bureau, "No data are published that would disclose the operations of an individual establishment or business".)

As a result of the Census Bureau's non disclosure, the ability to track manufacturing employment trends had to rely on an estimate of current employment. Estimating 1987 manufacturing employment would have maintained consistency with the other economic data analyzed, but difficulties with estimating 1987 data made it necessary to use more current information.

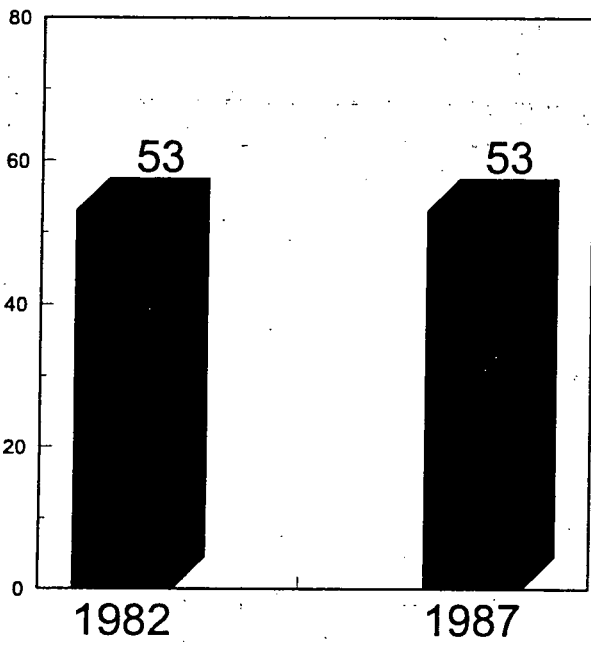
While an exact count of all manufacturing companies in Chester was not available for 1991, RDC estimated that approximately 2,900 manufacturing jobs existed in Chester at year's end based on a business survey and other available resources. This reflects a loss of 2,000 manufacturing jobs, roughly 40% of the city's total manufacturing employment, over that nine year span.

FIGURE ED-1

# City of Chester

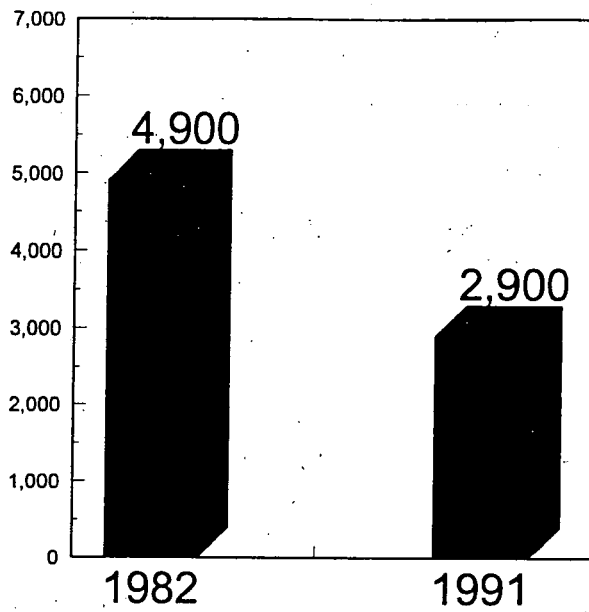
## Manufacturing (1982 - 1987)

Number Of Establishments



Year

Number Of Employees



Year

\*1991 Total Is Estimated

SOURCE: U. S. Census of Business

Prepared by: RDC Institute, Inc.

Historical knowledge indicates that the largest portion of the lost manufacturing employment was the result of the closing of Pennsylvania Shipbuilding, which employed in excess of 2,000 people at its peak. Other smaller plant closures and reductions in company workforces account for the remainder of the decline.

This trend of manufacturing job loss mirrors national and regional trends, but the magnitude of the employment decline has been a major blow to the local economy in terms of direct job loss and in terms of spin off impacts on other city businesses.

## **2. Retail Decline**

Partly as a result of some of the trends identified above, the city of Chester has experienced a significant decline in the retail trade portion of its economy. Figure ED-2 details how this sector of Chester's economy performed from 1982 to 1987.

During this period, the number of retail establishments dropped from 244 to 163, a decrease of 81 establishments. This decline represented a loss of one third of all retail establishments in the city in that five year period.

Despite the major loss of establishments, the decline in employment in retail trade was not as steep. From 1982 to 1987, retail employment in Chester dropped from 1,303 to 1,201, a loss of 102 jobs. This loss, however, represented less than 8% of the retail trade workforce.

The loss of 81 retail establishments but only 102 jobs suggests that the largest establishment losses were in the microenterprise sector, more traditionally referred

to as "mom and pop" type stores. Historical knowledge of the loss of several major downtown retailers, however, suggests that there may be more to this dynamic than is apparent on the surface.

The effects of this documented retail decline are most evident in the city's Central Business District (CBD). Numerous vacancies and physical deterioration are readily apparent. Once a center for retail trade in Delaware County, Chester's downtown has lost most of its major retailers (e.g. Sears, Woolworth's, etc.). In their place, a number of smaller, locally targeted microenterprises has materialized, led by a significant increase in Asian operated businesses.

Neighborhood commercial locations have also experienced significant decline, with areas like the Third Street retail corridor suffering from numerous business departures and their attendant vacant and deteriorated buildings. Some retail nodes have survived in a reduced capacity, particularly those along the Ninth Street corridor.

Local demographic changes, the growth of suburban shopping malls, the city's negative image and other factors have changed the rules of the game for retail businesses in Chester. These new circumstances make it unlikely that Chester can achieve its former retail prominence at the County level. The city must therefore develop a new vision of how the retail component of its local economy can remain viable and productive.

## **3. Service Sector Stability**

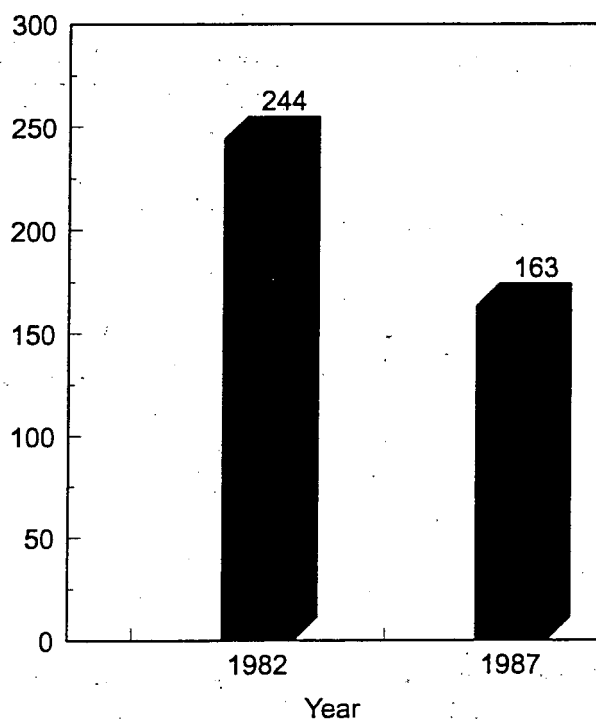
Like most portions of the country, Chester fared better in employment in the service sector than in the other portions of its local economy. In Chester's case, however, this

FIGURE ED-2

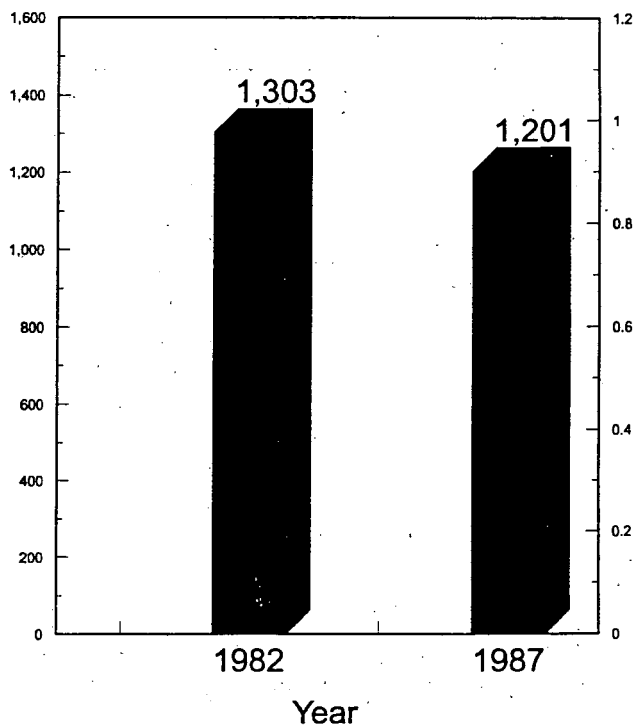
# City of Chester

## Retail Trade (1982 - 1987)

Number Of Establishments



Number Of Employees



SOURCE: U. S. Census of Business

Prepared by: RDC Institute, Inc.

constituted a retention of employment rather than real growth, this despite a net loss of service firms. (Some examples of the range of businesses included in this category by the U.S. Census of Business include hotels, personal services, business services, auto repair, health services, amusements, legal services, etc.)

Figure ED-3 shows that from 1982 to 1987, the number of service firms located in Chester declined from 159 to 144, a loss of 15 firms. Despite this decline in the number of firms, service employment during this period remained essentially unchanged. 1982 service employment in Chester was 1,117 and by 1987 this had increased to 1,119.

Future growth in the service portion of Chester's economy will be dependent on the need for services and the clientele being served. As with retail, Chester's population decline will have a lingering negative impact on personal service businesses as the manufacturing decline will on business services. Given these conditions, service sector businesses currently in the city or seeking to locate in the city must look to identify or create expanded service clientele both within and outside the city boundaries if growth in this sector is to be achieved.

#### **4. Wholesale Trade Decline**

The U.S. Census of Business defines wholesale trade as establishments with one or more paid employees primarily engaged in selling merchandise to retailers; to industrial, commercial, professional, institutional or farm users; or to other wholesalers. As illustrated in Figure ED-4, the number of wholesale trade establishments

and wholesale trade employment in Chester declined from 1982 to 1987. While 51 firms were identified in 1982, only 39 were identified in 1987. This loss of 12 firms represented over 23% of the wholesale trade firms in the city. In terms of employment in wholesale trade in Chester, the 1982 count of 635 jobs in this sector had declined to 559 by 1987, a loss of almost 12 %.

Wholesale trade is an often invisible sector of the economy to the larger public. It is critical, however, to the ultimate strength of any market economy as a link between producer and user. By virtue of its geographic location, and despite its recent decline in this area, Chester has some distinct advantages for this sector of the economy. Finding ways to capitalize on these advantages can be highly beneficial to the city.

#### **5. Business Mix Analysis**

All of the changes described above have resulted in an overall city economy that is substantially different than that which existed in 1982. Figure ED-5 shows how the relative proportions of the city's economy have changed in the relatively recent past.

In the four sectors analyzed, an overall decline from 7,995 to 5,779 jobs has occurred. This loss of approximately 2,176 jobs represents a loss of just over 27% of all the jobs in these four economic sectors.

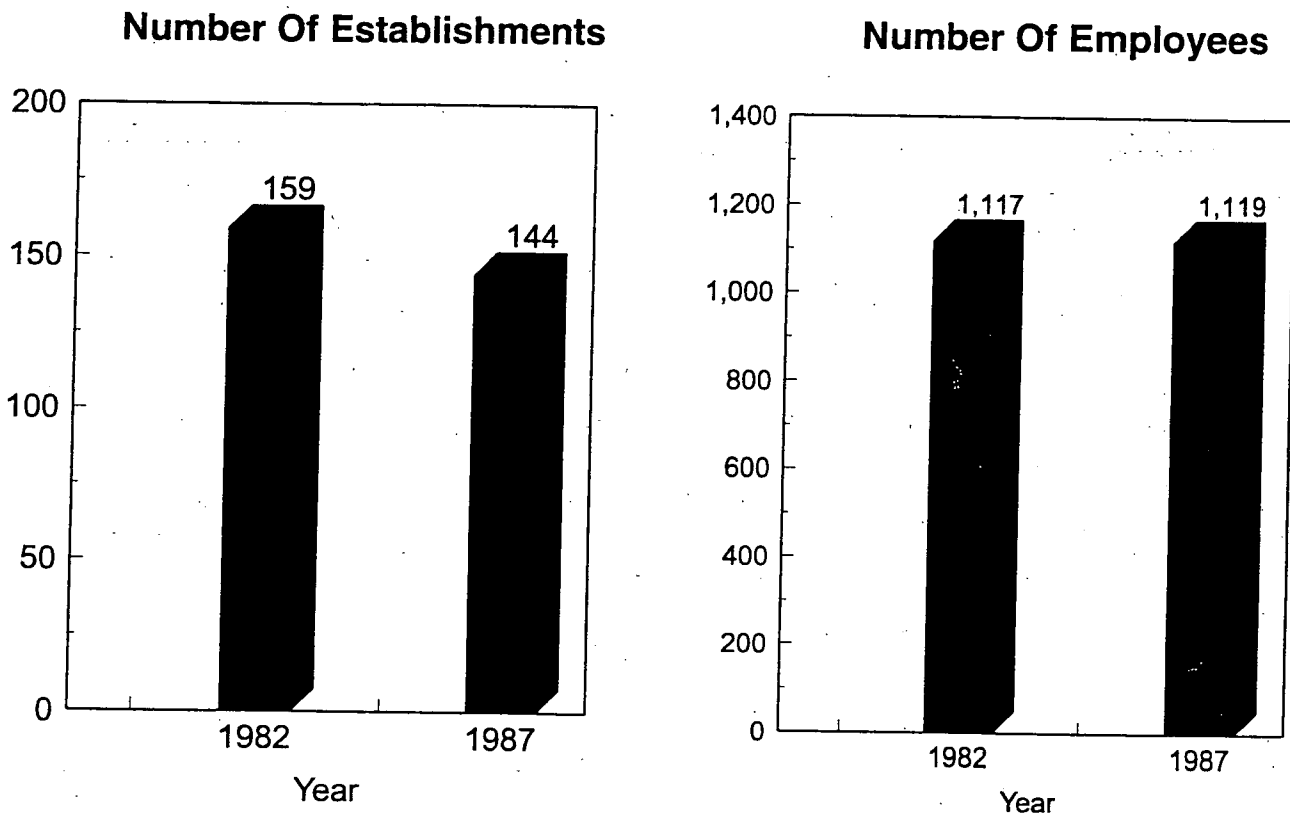
As the statistics indicate, job loss has not been equal in all categories. This has resulted in a much more diversified economy with manufacturing a less dominant component. As Figure ED-5 shows, manufacturing has declined as a percent of these



FIGURE ED-3

# City of Chester

## Service Industries (1982 - 1987)



SOURCE: U. S. Census of Business

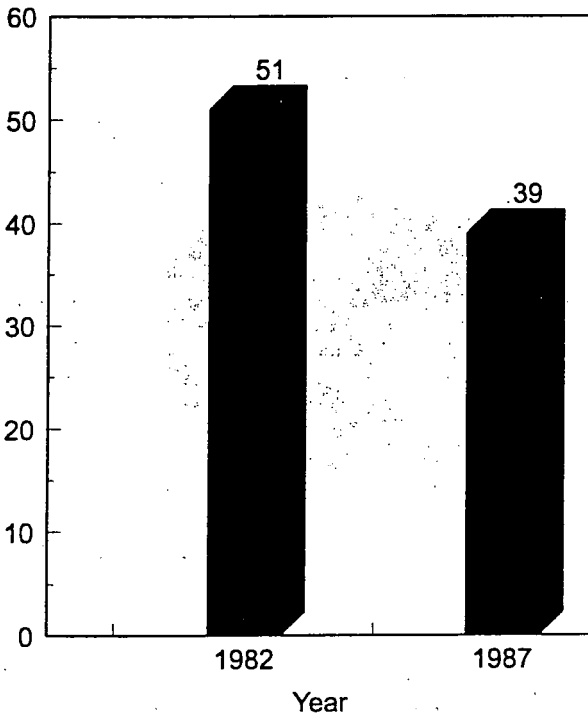
Prepared by: RDC Institute, Inc.

FIGURE ED-4

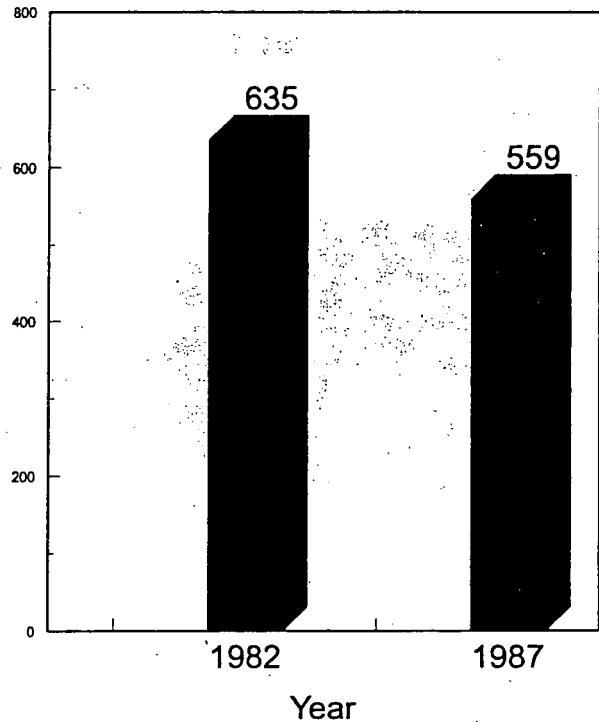
# City of Chester

## Wholesale Trade (1982 - 1987)

Number Of Establishments



Number Of Employees



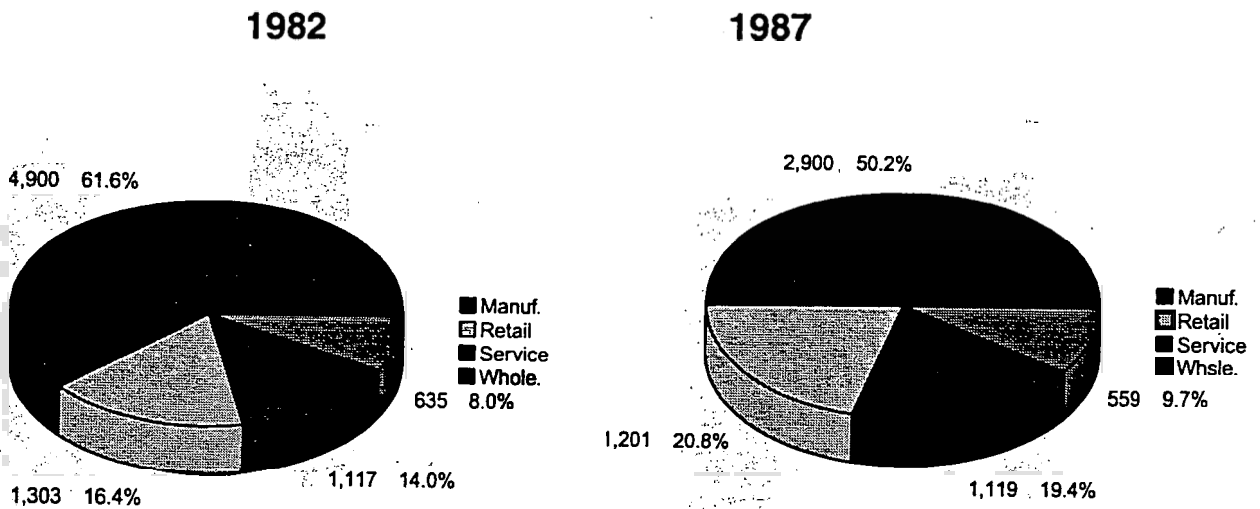
SOURCE: U. S. Census of Business

Prepared by: RDC Institute, Inc.

FIGURE ED-5

# City of Chester

## Business Mix Analysis (1982 - 1987)



SOURCE: U. S. Census of Business

Prepared by: RDC Institute, Inc.

four sectors from 61.6% to 50.2%. At the same time, retail and service each now constitute roughly 20% of the total of these four sectors.

These statistics indicate nothing less than a major restructuring of Chester's economy, with major implications for the city's tax base, for job opportunities and for the future physical make up of the city. Table ED-1, which identifies the largest employers in the city, reflects the changing patterns of employment in the city. Figure ED-6 shows the geographic location of the city's major employers.

## 6. Unemployment

Based on statistics assembled by the Pennsylvania Bureau of Employment Security, the city of Chester had an unem-

ployment rate of 7.5% in 1991. According to the official statistics, 16,300 Chester residents were working in 1991 while 1,300 were unemployed.

As shown in Table ED-2, these figures represent the second consecutive year of rising unemployment in the city after several years of declining rates. From a high of 13.6% in the recession of 1982, Chester's unemployment rate dropped as low as 5.9% in 1989 before beginning a new rise to 6.5% in 1990 and 7.5% in 1991. Official statistics only count those actively seeking employment as being unemployed.

One concern that is continually raised regarding unemployment statistics in Chester is their possible undercounting of those persons who are unemployed and who have stopped seeking employment.

**Table ED-1**

### **MAJOR CHESTER EMPLOYERS (Full Time Employment - 12/91)**

1. Scott Paper Company	1,700
2. Widener University	766
3. Chester Community Hospital	675
4. Fidelity Bank	300
5. Medford's	250
6. Teledyne-Wirz	175
7. Dee Paper Company	150
8. Chester Water Authority	120
9. Joseph Stong, Inc.	120
10. DELCORA	102
11. Fisher Tank Company	100
12. Philadelphia Electric Co.	95
13. William A. Schmidt	94
14. Westinghouse	93

\* Does not include the City of Chester or the Chester Upland School District

Assuming there is some validity to this argument, the actual unemployment rate in Chester may be much higher than the official statistics indicate.

### 7. Real Estate Market Conditions

Based on listings in the Spring, 1992 Delaware County Commercial & Industrial Site Selection Bulletin, office rental rates in the city of Chester range from \$8.25 to \$11.50 per square foot. Rates for industrial space range as low as \$ 2.25 per square foot. Surprisingly, the city has very little industrial space actively on the market at this time. This appears to reflect some combination of a limited amount of available space and a high percentage of owner occupied buildings.

While the city has numerous industrial areas, it has no modern industrial park. Only a few facilities, like the County owned Riverbridge Industrial Center, lease space to multiple, independent businesses. Most of the city's industrial land is concentrated along the waterfront corridor.

Chester has relatively little vacant land for sale. Most properties that might fall into this category have some smaller buildings on them. Additionally, very few transactions involving the sale of land have taken place in the recent past. As a result, a market price for vacant commercial/industrial land in the city of Chester is very difficult to identify.

**Table ED-2**

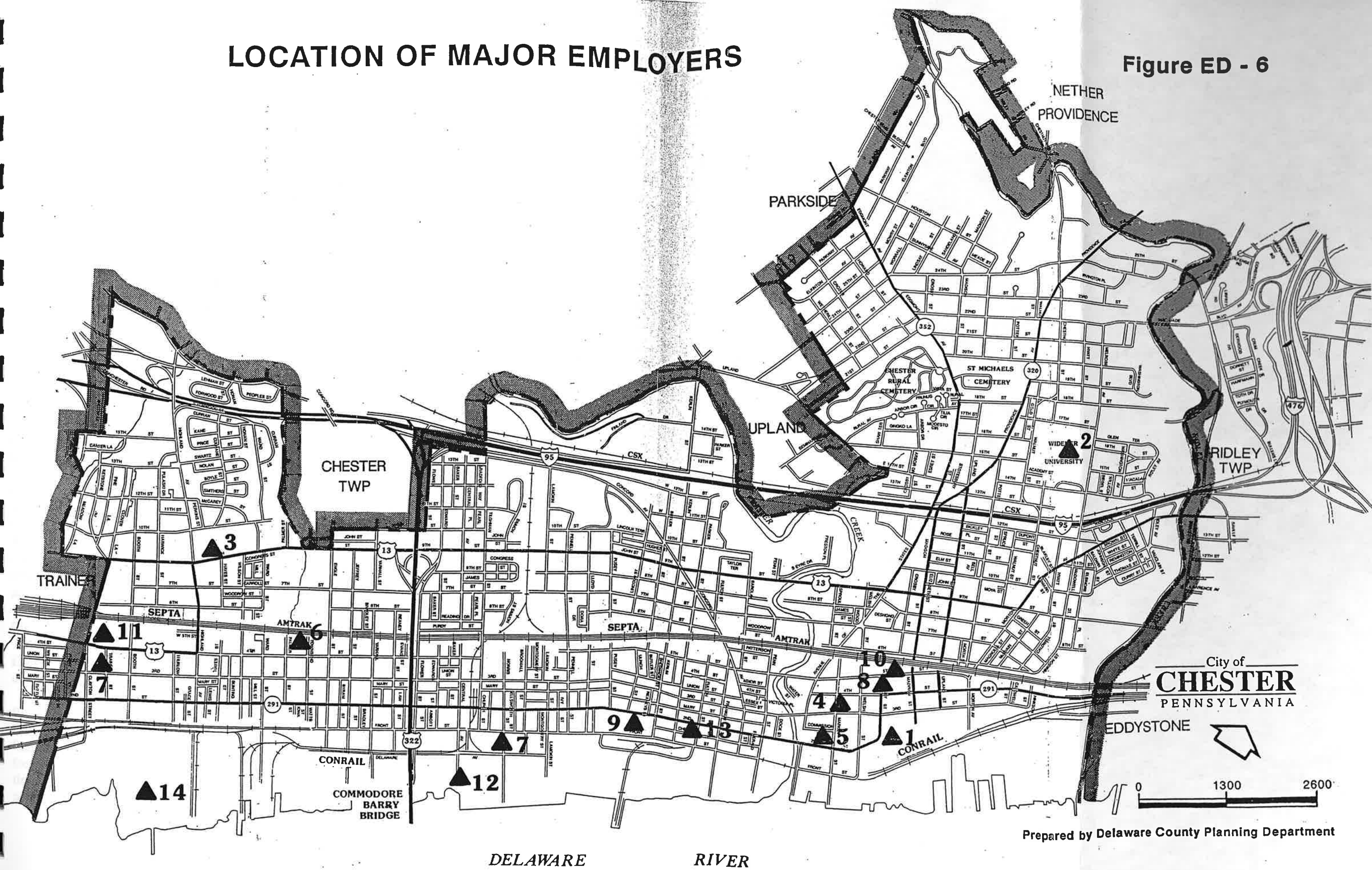
### **CITY OF CHESTER**

#### **CIVILIAN LABOR FORCE (1982 - 1991 Annual Average)**

Year	Civilian Labor Force	Employment	Unemployment	Rate (%)
1982	18,200	15,800	2,500	13.6
1983	18,000	15,800	2,300	12.7
1984	17,900	16,000	1,900	10.7
1985	18,400	16,700	1,800	9.6
1986	18,300	16,800	1,500	8.3
1987	18,300	17,100	1,200	6.5
1988	17,800	16,700	1,100	6.4
1989	17,900	16,800	1,500	5.9
1990	17,800	16,600	1,200	6.5
1991	17,600	16,300	1,300	7.5

# LOCATION OF MAJOR EMPLOYERS

Figure ED - 6



City of  
**CHESTER**  
PENNSYLVANIA

Prepared by Delaware County Planning Department

DELAWARE RIVER

## 8. Business Survey Results

One of the first steps in the process of developing an economic development strategy for the city was to reach out to the existing business community to determine the issues of most concern to them. Understanding their concerns provides insight into programs and activities to help retain these existing businesses and to attract new investment to the city.

A formal survey process was able to reach a total of 20 of the larger employers in the city. Table ED-3 presents a summary list of the major concerns identified in the survey process.

## 9. Current Economic Development Mechanisms

Historically, the primary vehicle for economic development in the city was the Chester Development Office, a quasi-public organization. In the past, the activities of this organization centered on administration of the city's Enterprise Zone program and management of the city's revolving loan fund program.

As a result of regulatory concerns, the operations of the revolving loan fund have recently been temporarily halted and the activities of the Chester Development Office have been incorporated into the Chester Redevelopment Authority (CRA). The future of the loan fund and the Enterprise Zone program activities are under active discussion at the current time.

Beyond the functions of the Chester Development Office, the CRA has several functions that are important components of the city's economic development capabilities. As the holder of several key land parcels, the CRA can be a critical player in

future development activities in the city. Moreover, the Authority's powers of condemnation may be an important part of any major revitalization effort.

In addition to the CRA, the City Planning Commission is also an important part of an overall city economic development process. As a primary source of information on regulatory issues, land availability, subdivision and zoning requirements, etc., the Planning Commission is an essential part of the development process.

Each of the agencies described above has a role to play in the process of economic development. With the practical elimination of the activities of the Chester Development Office, however, the city currently has no focal point for economic development. Even before the curtailment of its primary activities, the CDO was limited in scope compared to other urban economic development agencies. To further any desire for economic expansion in the city, a new focused and coordinated approach to economic development will likely be necessary.

## COMPETITIVE ADVANTAGE ANALYSIS

Having reviewed past trends and current conditions, where does the city stand today in terms of being attractive to business and industry? One approach to answering this question is to review competitive advantages and disadvantages.

Competitive advantage refers to the attributes of a local community which have an impact on their ability to retain, attract and support growing businesses. It is a function of the basic characteristics of a community, some of which are amenable to

# City of Chester

## Major Business Concerns

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- Negative Image of the City
- Problems Finding Workers
- Government's Attitude Toward Business
- Safety & Security of Personnel
- Quality of Workforce
- Need for Local Economic Growth
- Highway Access

Source: Survey of Chester Businesses

Prepared by RDC Institute, Inc.



local efforts to change them, and some of which are beyond anything the local community can do.

### **A. Competitive Advantages**

In terms of competitive advantage, Chester has many pluses. Geographically, the city is ideally located in terms of access to regional, national and international markets. Interstate 95, the main north-south highway on the east coast, traverses the city providing excellent highway access to companies in the city. The recent completion of the Blue Route (Interstate 476) has now created a new direct link from Chester to the Pennsylvania Turnpike and points west. Chester's location at the confluence of these two major arteries gives it economic advantages available to only a select few locations in the Philadelphia metropolitan area.

This regional access network will soon be buttressed by an expansion of Route 291 which serves the city's riverfront corridor. With funds approved for acquisition of the right of way, PennDOT is in the final design stages of this important service corridor improvement. This widening of Route 291 will significantly enhance the opportunity for exciting new investment opportunities along the waterfront.

Being located on the Delaware River, Chester has deep water port potential. A fledgling port industry has developed in the past few years in the Chester area and has experienced significant growth. This industry can become an even more significant part of the Chester area economy in the future. Other types of industrial, commercial and/or recreational development opportunities along the Chester waterfront are also possible depending on

regional economic market factors and investment climate.

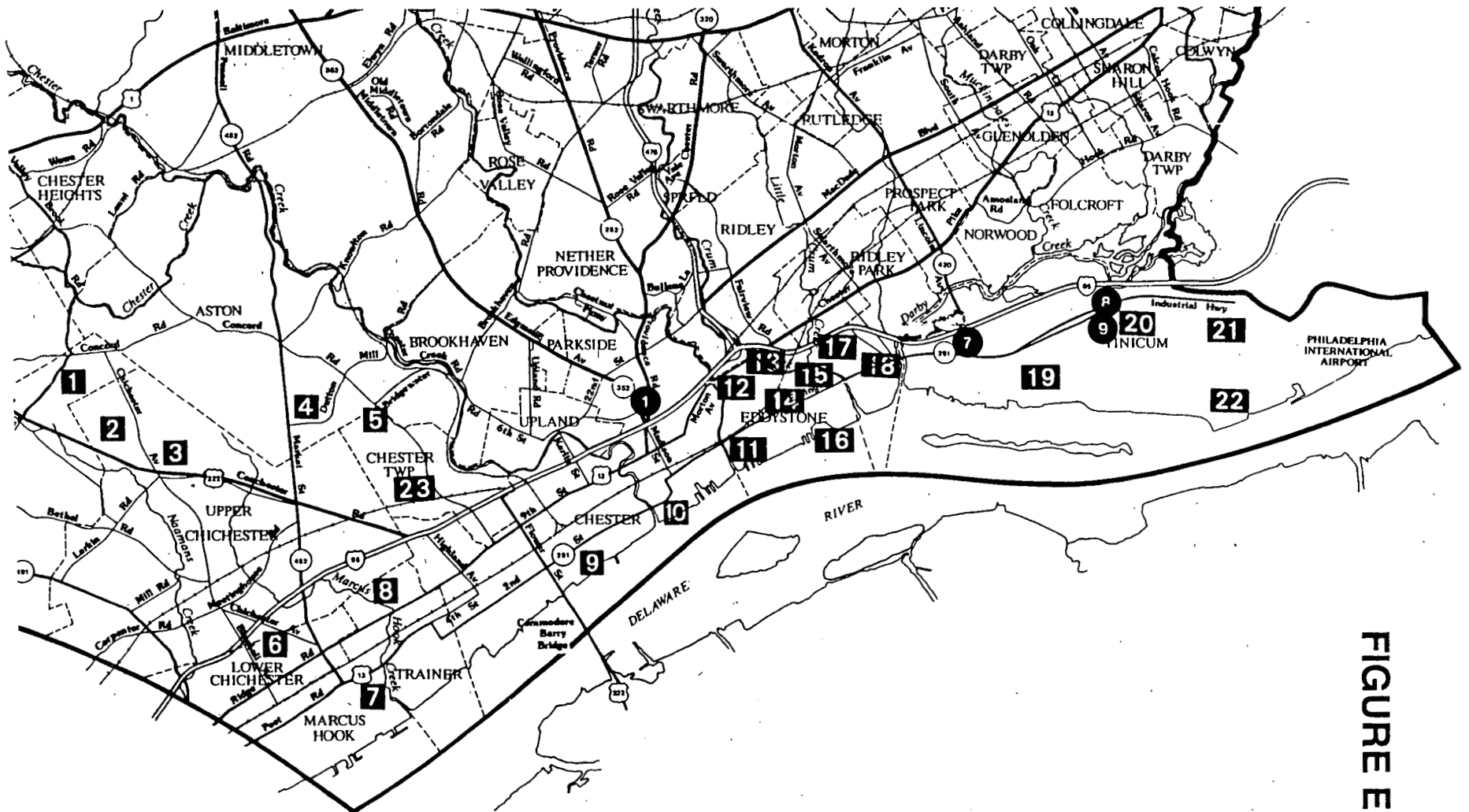
In addition to its waterfront, Chester is also well served by rail with Conrail and Chessie having freight lines through the city, and Amtrak having its main northeast corridor track passing through the city. Together, these transportation arteries are a tremendous resource for attracting and serving businesses and industries.

From a regional economy point of view, the city of Chester is poised at the western terminus of an expanding airport-related growth zone. Beginning at the Philadelphia International Airport, major changes are underway in the nature of the land use and business make-up of the portion of Delaware County traversed by Interstate 95 and Pennsylvania Route 291 (traditionally called the "Industrial Highway").

Just east of Chester, a new complex of hotels, offices and business parks are now under construction. In this corridor, United Parcel Service has recently located its east coast air hub and the Philadelphia International Airport has developed its new international terminal. Located less than ten minutes from Chester, these facilities offer potential for Chester to share in the increasing value attached to proximity to an international airport as markets become increasingly international in scope.

Interestingly enough, the transformation of the "Industrial Highway" corridor is taking on an increasingly international flavor. Lying at the center of this "International Corridor" (See Figure ED-7), Chester is ideally positioned to use its geographic and access advantages to attract companies with an international focus.

# DELAWARE COUNTY'S INTERNATIONAL CORRIDOR



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FIGURE ED-7

Prepared by Delaware County Planning Department

## TABLE ED-4

### DELAWARE COUNTY'S INTERNATIONAL CORRIDOR

(Location indicated on Figure ED-7)

1. Bethel Business Park (proposed, active)
2. Naamans Creek Center (under construction)
3. Chelsea Business Park (under construction)
4. Dutton Mill Business Park (under construction, portions complete & occupied)
5. Bridgewater Business Park (proposed, active)
6. Chichester Business Park (under construction, portions complete & occupied)
7. Marcus Hook Business & Commerce Center  
(under construction, portions complete & occupied)
8. Tri-State Business Center (under construction)
9. Riverbridge Industrial Center
10. Scott Paper
11. Penn Terminals
12. Baldwin Works (vacant building-proposed megamart)
13. Baldwin Towers (vacant building)
14. Eddystone Industrial Park
15. Sydney Baer (vacant land)
16. Eddystone Industrial Center (hotel/motel marina proposed)
17. Boeing Helicopters (expansion proposed)
18. Ridlely Redevelopment Area (proposed 1,800,000 sq ft office & hotel, inactive)
19. Tinicum Industrial Park (under construction, portions complete & occupied)
20. Airport Business Center (under construction, portions complete & occupied)
21. Scott Plaza
22. United Parcel Service (additon under construction)

The airport area development and the emerging "International Corridor" demonstrate a new vitality and a new direction for this traditional backbone of the Delaware County economy, the "Industrial Highway". A reorientation is taking place that is transforming this artery from an "Industrial Highway" to an "International Parkway" with a new focus on services, office development and higher amenity business and technology parks. This transition presents the city with challenging possibilities.

Since this process is just beginning, the city of Chester is well situated to obtain a maximum benefit from this transformation in two ways. First, as real estate costs rise in the primary airport growth zone, the Chester riverfront can seek to become the new home for many of the industrial businesses that would have traditionally located closer to the airport. Secondly, the city can also seek to attract some of the "higher real estate value" types of investment to its I-95 interchange areas.

As a complement to its potential for significant development along the waterfront, Chester is also home to a growing "Medical-Educational" Corridor (See Figure ED-8) between Widener University and Crozer Chester Medical Center. Largely unnoticed in the past, this corridor has emerged as a significant part of the city's overall economy in terms of jobs and investment. As this tremendous resource gains recognition, the city can expect this corridor to become increasingly attractive for office, service and technology companies related to the existing medical, educational and research uses.

Other factors are also at work within the Philadelphia regional market. The high

cost of downtown real estate is causing many companies to shift portions of their operations to locations other than "center city". This is especially true of so-called "back room" operations including many types of labor intensive information processing. With the proper incentives, the city of Chester can become a location for these kinds of activities.

To be able to capitalize on development possibilities like those described above, the city needs to have land available for development. In this regard, the city is fortunate to have a number of large parcels under single or limited ownership. While many of these parcels have problems of one nature or another, they do hold out the potential for responding to significant development opportunities.

Also supporting the city's potential for economic development is the fact that basic utilities in the area are readily available. Philadelphia Electric Company's development of the Limerick 1 and 2 nuclear generating plants has created a very stable electrical power environment. Current PECO projections see no need for development of additional generating capacity until well into the 21st century.

Water is also readily available in Chester through the Chester Water Authority (CWA). Current average daily demand is approximately 32 million gallons per day. This is well within the CWA maximum capacity of 47 million gallons per day. With this prudent redundancy, CWA has enough current excess capacity to handle almost any foreseeable type of development. Additional improvements to increase capacity to 55 million gallons per day are already under design.

## **B. Competitive Disadvantages**

Perhaps Chester's most significant competitive disadvantage at the present time is the negative image that has affected the city for the last decade or longer. Strident media coverage of issues relating to crime, drugs, politics, physical condition and other issues has amplified an atmosphere of concern on the part of existing businesses and residents as well as potential investors, developers, financiers, homebuilders and many others.

While the negative image portrayed by the media magnifies and sometimes distorts negative impressions of the city, there are real social problems facing the city. The overall quality of life in the city for existing and prospective residents who may be employees of new businesses is somewhat less than the optimum. This lower quality of life can act as a disincentive for desirable business investment.

Another of the city's competitive disadvantages consists of constraints on the use of available land. These constraints range from issues of clear title to inappropriate structures to environmental questions. The mere existence of developable land is only an advantage if the land can readily be converted to productive use.

The fact that I-95 passes through the city is clearly a major competitive advantage for the city. This advantage is not delivering its maximum positive benefit, however, due to the fact that the I-95 ramp system is incomplete and the fact that access from I-95 to the Chester waterfront is limited by several factors. These constraints act as a competitive disadvantage.

Also limiting the city's ability to compete effectively for new or expanded economic

development are the limits on public capacity. Years of tight budgets have created a situation where the current fiscal and administrative capacity of the city is strained. In this kind of environment it is difficult to find and allocate the resources necessary to identify and respond to economic opportunities.

On balance, the city of Chester has a number of competitive advantages on which to capitalize. Equally important, its competitive disadvantages are partially or completely amenable to local initiative. While the hurdles to be cleared are significant, actions by the city and its residents and businesses can make a real difference.

## **GOALS AND OBJECTIVES**

As a result of the analysis of the city's recent economic development performance as well as an assessment of its competitive advantages and disadvantages, a set of goals and objectives has been identified for the city. These goals and objectives are intended to serve as guideposts for the direction of the programs and activities of the city in the area of economic development.

The goals and objectives identified for the city of Chester in the area of economic development are listed below:

### **A. Retain the City's Existing Industrial/Commercial Base**

The logical place for any community's economic development efforts to start is with the existing businesses in the community. From one perspective, it is much easier to maintain the jobs and tax base of existing businesses and industries than it is

to attract new ones. From another perspective, the existing businesses are emissaries to the larger business community outside of the city regarding the city as a place to do business.

From both of these perspectives, it is important to recognize the importance of the existing business community and to develop programs and policies that respond to the needs of local businesses. The following objectives focus on this critically important aspect of the city's economic development efforts:

1. Establish and implement a program to respond to and work with existing city businesses to maintain their economic vitality and to foster their growth and expansion in the city.

2. Establish an ongoing dialogue process, possibly in the form of an industry call program, with the Chester business community.

3. Expand and improve the city's key access infrastructure to secure and enhance the city's competitive economic development advantage in this area.

#### **B. Attract New Private Sector Investment**

While maintaining the city's existing economic base is a first priority, it is not a policy that can or should stand alone. In a constantly changing world, it is especially important to continually seek to diversify and add to the existing base. To accomplish this goal the city will seek to focus on the following objectives:

1. Establish and implement a formal, ongoing program to attract new businesses and industries to the city.

2. Develop a response process to support and encourage those businesses and industries that do express interest in the city.

3. Expand and improve the city's key access infrastructure to secure and enhance the city's competitive economic development advantage in this area.

4. Identify and target available city, county, state and federal resources to projects and properties that have potential to attract new businesses and industries.

5. Seek to improve the city's image as a place where businesses and industries can be successful.

#### **C. Support Entrepreneurial Development**

Research over the past decade has confirmed that the formation of new small businesses is a major source of job growth. Along with retention and attraction then, new business creation is a third major goal of the city's economic development strategy. Objectives focused on this goal include the following:

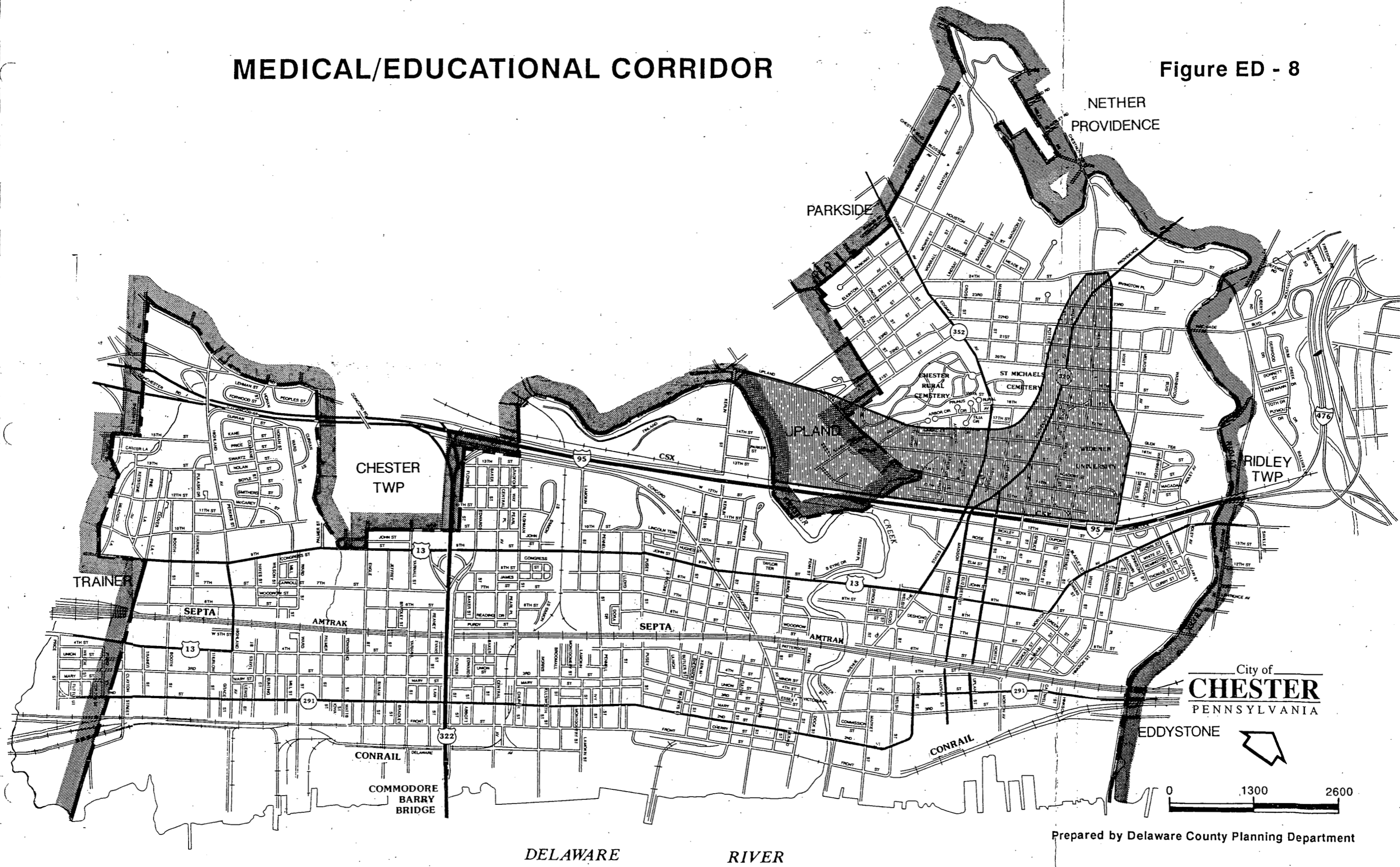
1. Identify and support programs that provide technical assistance to prospective entrepreneurs interested in a Chester location.

#### **D. Support Education/Training of Workforce**

A critical aspect of ensuring that city residents benefit to the maximum extent from local economic development success, is to

# MEDICAL/EDUCATIONAL CORRIDOR

Figure ED - 8



City of  
**CHESTER**  
PENNSYLVANIA

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DELAWARE RIVER

equip city residents with the proper education and skills training necessary to fill the jobs that are developed in the city. The following objectives are targeted on this goal:

1. Identify and support programs that will improve the work related skills of city residents to the levels expected by current employers.
2. Seek to improve access of Chester residents to new employment opportunities in the city through expanded training opportunities.

## **ECONOMIC DEVELOPMENT STRATEGY**

For the city of Chester to emerge from the economic doldrums that have plagued it, it will be necessary to craft a sound economic development strategy and then implement it aggressively. The city's strategy will need to be focused on the goals and objectives outlined above. It will have to capitalize on Chester's competitive advantages and eliminate or ameliorate its competitive disadvantages.

In terms of the city of Chester, an effective strategy can be divided into two basic elements, programmatic activities and targeted project activities. Programmatic activities refer to the creation and maintenance of the basic building blocks of a sound economic development effort. Typically these activities are non-targeted, ongoing, process oriented efforts that support business development of all types. In contrast, project activities tend to be geographically targeted and/or focused on a single, or narrow, point in time.

Each of these areas is critical to the devel-

opment of a strong, diversified economy in Chester, and each will be addressed as part of the overall economic development strategy for the city of Chester. One additional element that is critical to any strategy is a process for monitoring progress and adjusting direction. This aspect of the strategy will also be discussed below.

It should be noted at this point that this strategy should not be viewed as a detailed script from which there can be no departures. Some aspects of the strategy will require time and further analysis to fully assess their efficacy and many elements may require fine tuning to adjust them to the existing circumstances.

### **A. Programmatic Activities**

Programmatic activities have been divided into one of the four economic area goal categories based on an estimate of where they are most applicable. There is, however, a considerable degree of overlap between goal categories in terms of the utility of many of the proposed programmatic activities.

#### **1. Business Retention**

##### **a. Program Preparation**

In order to effectively establish and manage a business retention program, certain preliminary steps are necessary. These preparatory steps can have a significant impact on the success of the program.

- **Identify All Chester Businesses**

The first step in a retention program is to identify all of the existing businesses in the city. Using earned income tax roles, occupational privilege tax roles and other



sources of information, a list of all businesses should be developed and maintained on a current basis.

- **Identify Key Business Retention Tools**

A second part of the preparatory process is to identify those existing programs and activities that might be useful in helping an existing business solve a problem, expand their business or find a new location in the city. Tools can range from city business financing programs to help cleaning an adjacent lot, removing an abandoned vehicle, etc.

- **Establish Realistic Level of Response**

Part of the assessment of business retention tools must also look at what is feasible and what is not. Given the resources of the city, what can and cannot be done to help a particular business. Are the dollars and the manpower available to deliver any pledges or commitments made to city businesses? A clear understanding of this issue is essential if the program is to maintain credibility in the business community.

### **b. Program Development**

With a sound information base in hand, the actual program activities can be commenced.

- **Identify Business Ombudsman/  
Contact Person**

To carry out a business retention program it will be necessary to identify a person as the point person for the business community. This person's responsibility would be to be in constant interaction with the Chester business community. He would seek to

understand their problems and concerns and work to resolve them with the help of the administrative and elected officials of the city.

- **Develop Request/  
Response Tracking Program**

To assist the business contact person, a response/request tracking system should be implemented. This involves establishing a formal, written mechanism to record all business requests for assistance as well as the response provided. Responses can range from providing information to assisting with a specific problem to directing a business to a needed resource.

Such a system does several things. It ensures that requests for help do not "slip through the cracks" in that it includes a formalized process for follow up. This helps avoid a major pitfall of businesses not receiving a response and then assuming the city does not care about them.

A request/response tracking system also helps spotlight particular trouble areas early on, thus providing an opportunity to take some proactive effort to resolve the concern.

- **Business Recognition Program**

Another important element of business retention is some form of business recognition program. This can range from a monthly "Distinguished Business Service Award" to an Annual Business Luncheon to individual letters of commendation issued to businesses who achieve a special honor or perform a special service to the community. This kind of a program helps bind businesses to the fabric of a community by

recognizing that their efforts are noticed and that they do add something to the community.

The essence of a business retention program is responsiveness and recognition. A truly effective business retention program succeeds by listening to business concerns and responding to those concerns in a professional manner, and by recognizing the importance of the business community to the government and the residents of the community.

## **2. Business Attraction**

### **a. Marketing Preparation**

Similar to business retention, business attraction has a preparatory phase. This phase involves gaining a clear understanding of the message to be conveyed to prospective businesses and, perhaps most importantly, ensuring that an adequate response capability is in place.

- **Identify Business Contact Person**

As with business retention, it is important to have an individual whose responsibility is to focus on capturing business opportunities that materialize. At the outset, this position can likely be combined with the business retention position until the level of effort attached to both positions is more clearly defined.

- **Inventory Available Parcels**

A first step in any marketing effort is to know your product. While some of the initial product being marketed may be the advantages of the state, the region or the

city, the ultimate product in a business attraction program is a specific site or building. The city needs to develop and maintain a current listing of all available and potentially available sites and buildings in the city, public and private. This listing should be in the form of a computerized database so that it can be instantly available to the business contact person to enable him/her to respond efficiently to requests for information on opportunities in the city.

The city should coordinate their database with that maintained by the Delaware County Commerce Center so as to obtain the maximum exposure for available sites in the city.

- **Identify Key Business Attraction Tools**

In addition to the available land and buildings, it is also important to identify any and all incentives that may help attract new businesses to Chester. Examples of how these incentives have helped other Chester businesses should be developed for easy reference as needed. Some of the existing incentives include the city's tax abatement program on new construction (LERTA), incentives available through location in the city's Enterprise Zone and its local revolving loan fund.

- **Review Permitting Process**

A final step in preparation for a business attraction program is to review the city's permitting process to find ways to smooth the process for new businesses unfamiliar with the local codes and ordinances.

## **b. Marketing Program Development**

### **• Develop Key Marketing Themes**

Marketing themes are designed to evoke images of desired end states. In terms of real estate, a marketing theme is designed to identify a location as a place where businesses want to be located. To be effective, these themes must create an image in the prospects mind that some advantage accrues to his business as a result of choosing the desired location.

In terms of Chester, themes based on the "International Corridor" or the "Medical - Educational Corridor", described above, evoke images of areas where economic action is taking place. Particularly given the negative image that Chester currently suffers from, it is critical to develop new, positive images like these to change the perceptions of the city.

### **• Develop Marketing Materials**

Based on the chosen themes and the end product of buildings and land, distributable marketing materials must be developed. At the current time, the city of Chester has no promotional materials of any kind. This situation should be remedied immediately with relatively low cost but high quality materials. As a business attraction program matures, higher quality materials can gradually replace the initial documents.

It is important to note that any materials that the city produces must be of high quality and professional appearance. This is another way to combat the negative perceptions of the city. The sheer visual appearance of the marketing materials will suggest a city moving in the right direction. A possible funding source for the develop-

ment of these materials is the city's Enterprise Zone grant funding.

### **• Develop Extended Marketing Network**

The city of Chester has often tended to look inward rather than outward as a general philosophy. In the area of business attraction, it is important to build a network of individuals and agencies who can assist in the marketing effort. Commercial/industrial realtors, county, regional and state economic development agencies, bankers, lawyers and many others are constantly in contact with businesses who are seeking new locations.

To tap into this network, the city must reach out to these groups with information and assistance. This approach might be characterized as a "guerrilla marketing" campaign in that it tends to be less outwardly visible and much less expensive than a major media campaign. It can, however, be quite effective if a real dialogue can be established between the network elements.

### **• Package and Promote Key Parcels**

Along with a general marketing effort, a special focus on "key parcels" should be a part of the business attraction program. For purposes of this discussion, "key parcels" are those with special or unique attributes or parcels with high impact potential. Several such "key parcels" are identified below (See Figures ED-11 and ED-12).

For these parcels, specific marketing materials and marketing strategies should be developed to capitalize on their higher potential and to maximize their positive impacts on the city.

### • Establish City Response Process

The ultimate test of a business attraction program is not measured solely in the quality of the marketing effort although that is important. The other critical ingredient is what happens when a significant prospect is "hot". How does the city swing into action to make sure that a "hot" prospect does not slip away?

Oftentimes there will be other players in the attraction process seeking to help capture the prospect. It is important that the city is prepared to play its role in terms of needed information, necessary applications, etc. In addition, a local response team should be assembled to respond to any issues or concerns that might arise in a timely and professional manner. Specific actions can range from orchestrating an outreach effort by existing city businesses to resolving a potential traffic problem. The establishment of the response team demonstrates the real commitment of the city to the prospect and can help resolve potential problems before they become deal breakers.

### 3. Business Creation

As characterized by the National Council for Urban Economic Development in their information service report entitled "Entrepreneurial Development: Formalizing the Process", a well rounded entrepreneurial development process includes four components:

#### a. Human Network

Entrepreneurs are often faced with a problem for which they lack the personal expertise. In many cases, a failure to obtain the needed assistance can result in the failure

of the business. A human network focused on responding to the information and assistance needs of young companies can provide a valuable database of potential investors as well as business and management information.

This aspect of supporting entrepreneurial development is where the city can have the most significant direct role. Through the proposed Department of Economic Development (see below), the city should establish and maintain an information referral program that can direct local businesses and entrepreneurs to the business resources that they require. The city should also establish a working relationship with the many organizations in the county, the region and the state that can provide some form of assistance to city businesses.

#### b. Technical Assistance

This component provides a more formal network for providing management and technical assistance. It involves the actual delivery mechanisms for the technical assistance that may be required.

Several local sources of early stage technical assistance for entrepreneurs and start up companies are available. The Chester Business Assistance Center, a satellite office of La Salle University's Small Business Development Center, has an office in Crozer Mills Enterprise Center, the small business incubator located in Upland Borough. Widener University also operates a Small Business Institute which can provide technical assistance to local companies. These organizations, and others like them, can help an entrepreneur develop a business plan and design a strategy for obtaining financing. Other forms of business information and assistance are

available through organizations like the Delaware County Chamber of Commerce.

The city can serve as an information source to refer entrepreneurs to these services. It can also seek to directly obtain funding or to support other efforts to obtain funding to expand the range of technical assistance and training services available to city entrepreneurs.

#### **c. Physical Space**

Start up companies typically require relatively small amounts of space. Space needs also tend to require flexibility as a young company can experience periods of significant expansion and sometimes, contraction. Finding available space that meets these needs, and that is affordable, is often difficult for early stage companies.

Small business incubators are facilities designed to respond to the needs of start up businesses. Because they are designed to meet the needs of young, growing companies, they offer small amounts of space with room to expand or contract. RDC Institute, Inc. operates a small business incubator, Crozer Mills Enterprise Center, in the neighboring community of Upland Borough. Individual building owners can also sometimes be interested in small tenants when small portions of larger buildings are available and unsuitable for larger tenants.

As part of its available space database, the proposed Department of Economic Development should maintain a listing of space opportunities that are especially suitable to small start up companies.

#### **d. Financial Assistance**

Finding financial assistance for start up companies is often the most difficult aspect of creating and building a new business. A start up has no history of financial performance on which to base a lending decision. Particularly in the current banking environment, which is highly risk averse, this creates an almost insurmountable wall for an entrepreneur seeking financing.

While there is no clear and simple formula for new businesses to follow, several typical sources for early stage financing include friends and family members, business "angels" (persons of high net worth) and venture capital companies. The city can play a direct role in this area through a reestablished local revolving loan fund (See Section B-8 below). It can also encourage area banks to take a more active and creative approach to financing businesses in Chester (See Section B-9 below).

#### **4. Job Readiness**

If the other elements of the city's economic development strategy are even partially successful, the result will be a significant number of new jobs in the city of Chester. For the impact of these jobs on the city to be maximized, it is essential that as many current residents of the city as possible be educated and trained to take advantage of the job opportunities. While this is the basic responsibility of the school system, there are areas where the city can have a productive role.

On such area is in identifying appropriate training and skill enhancement resources and referring people to them. Within the city, Widener University and the Delaware County Community College have various

programs that can be of value in this area. Beyond the city boundaries, the Delaware County Office of Employment and Training (OET) offers a wide range of training opportunities to displaced workers and individuals meeting low to moderate income guidelines. At the state level, the Customized Job Training program can provide funding for training for firms expanding their job base.

The city can also play an active role in ensuring that city residents obtain an opportunity to seek employment with new businesses that receive city assistance. Given the multi-racial and multi-ethnic nature of the city's population, the city should also investigate avenues to develop a better understanding of expectations between workers and employers. In concert with organizations like OIC and OET, the city could develop programs that educate employers about multi-racial, multi ethnic workforces as well as programs that educate prospective employees regarding the basic work habits and skill requirements that competitive businesses expect and demand.

### **5. Image Enhancement**

While not strictly speaking an economic development program, the pervasiveness of Chester's negative image requires an active image enhancement program to build new credibility for the city. This kind of program includes traditional public relations activities (e.g. press releases, media placements, etc.) but goes beyond those efforts in seeking to alter Chester's basic image.

Because limited resources preclude a massive marketing/advertising campaign at this time, an aggressive but more modest approach will be necessary. A less inten-

sive, longer term process intended to chip away at Chester's negative image can have positive results. Instead of reinforcing the perceptions, everyday activities of the city should reflect a new dedication to quality and efficiency.

The city has already made a start on improving its image in this fashion in efforts to maintain cleaner streets and in the first "Clean and Green" day. It is important for the city to continue these efforts and to build upon them. The city might also wish to establish an unofficial "Major Eyesores List" and focus its efforts on removing the top entries on the list one at a time.

Another way to approach this is to focus on specific areas of the city that receive high exposure. Entry points to the city and the main corridors through the city are seen by hundreds of people every day. Improvements in these areas will be noticed and will have an impact on perceptions of the city. A recently proposed "Gateway" improvement program designed to install new "Welcome to Chester" signs at all of the city's entrances is one example of this type of activity.

An adjunct to this effort could be a targeted approach to improving the physical condition of key high travel corridors. One example of such a corridor is Twelfth Street from Avenue of the States to Chestnut Street. Because of its use as the main access road to I-95 from the downtown area, it is a highly traveled and highly visible stretch of road.

Currently, several houses are boarded up along this stretch and several sections of sidewalk are in significant disrepair. By targeting a relatively small amount of funding from the CDBG program or other

sources to upgrading these conditions, and possibly adding new trees or other landscaping, a major image impact can be achieved. Once improved, the hundreds of people who use that stretch of road every day will see that the city can and is improving. The city should also seek the cooperation of PennDOT in improving the condition of the I-95 side of this corridor.

The impact of this approach can be even further extended if the city initiated a partnership approach with non profit groups like the Community Action Agency of Delaware County who are actively involved in targeting their revitalization efforts to specific areas of the city.

In addition to efforts to capitalize on the image impacts of targeted physical improvements, the city can seek to jar traditional perceptions by adopting progressive names for city streets and areas. In recognition of the emerging "International Corridor", the city can change the name of the Industrial Highway to the "International Parkway". While seemingly inconsequential in and of itself, such a renaming can be an important part of a broader, orchestrated effort to change the image of the city. The same can be said for the identification of specific economic development areas in the city (See Section B-2). New names signify change and provide a feel that "things are happening".

All of the activities identified above are elements of what must be at present an informal effort to lift the perceptions of the city to a much higher level. To help design and implement a more formal strategy, the city should investigate the level of corporate assistance that might be available.

## **B. Project Activities**

Programmatic activities are the basic, day-to-day efforts that are necessary to have a successful economic development program. In contrast, project activities are special, unique or extraordinary efforts designed to bring about a significant change in a specific area.

### **1. Establish a Department of Economic Development**

In many ways, the future of the city of Chester is dependent on reestablishing a strong economic base and the tax base and jobs that accompany it. Despite this importance, there is currently no significant economic development effort structured into the basic administrative framework of the city. It is critical for the city to remedy this situation as rapidly as possible.

To respond to this basic problem, the city should establish a new Department of Economic Development. This new Department should report directly to the Mayor and Council. It should work closely with the Chester Redevelopment Authority and the Chester Planning Department in carrying out its activities. The currently limited activities of the Chester Development Office should be subsumed under this new Department.

Given the limited resources available, the city can request a loaned executive from the corporate community as the first step in establishing such a Department. Enterprise Zone funds and CDBG funds can be utilized to provide initial administrative support for the new Department. They may also be used to contract out for specific services as they are required. Additional

resources can be identified and secured as the process matures and requires them.

This new Department should assume responsibility for the city's existing economic development efforts, including the Enterprise Zone program and a restructured revolving loan program (see below). It would also assume responsibility for implementing this economic development strategy. It is also critical that this new Department be provided with the necessary modern technical tools to accomplish its mission (e.g. computers, etc.). To a large extent, the ultimate success of the entire economic development strategy is dependent on the successful implementation of this activity.

In support of this new Department, the city's existing Economic Development Task Force could be reformulated to serve as an advisory body and resource for the new Department. It could be a sounding board and an aid for the development of economic development policy for the city. The new Task Force membership should be more clearly defined, should be limited in number and should include the heads of key city administrative departments, representation from the private sector and citizen representatives.

## **2. Identify Economic Development Zones, Districts and Corridors**

To provide a framework for targeting development activity and resources, it is important to identify areas in terms of their economic potential or desired end state. Identification into zones or districts also allows for easy recognition of the intentions for development in specific areas.

To facilitate this approach, a number of

economic development areas have been identified in the city of Chester. These areas have been identified on the basis of existing circumstances and/or perceived economic potential. While specific boundaries are shown, some flexibility should be attached to those boundaries.

A listing of some of the key zones, districts and corridors, highlighted on Figure ED-9 and other Figures throughout this strategy, is provided below:

- Government Office District  
(See Figure ED-9.)
- High Rise Office Zone  
(See Figure ED-9.)
- Neighborhood Commercial Zones (See Figure ED-9.)
- Light Industrial Zones  
(See Figure ED-9.)
- Waterfront Use Zone  
(See Figure ED-9.)
- Port Related Zone  
(See Figure ED-9.)
- Central Business District  
(See Figure ED-10.)
- Educational/Medical Corridor  
(See Figure ED-8.)
- International Corridor  
(See Figure ED-7.)
- Enterprise Zone  
(See Figure ED-14.)

The area designation can help determine the scale and intensity of desired development in the area. It can also lead to specific, independent marketing approaches for each of the identified zones. Together with the other elements of the comprehensive plan, these area designations help paint the overall picture of the direction the city wishes to move in.



While no specific action is required for this activity, the city should recognize that these zones have been identified and use the designation to help attract and allocate development in the most desirable fashion possible.

### **3. Commission a CBD Revitalization Study**

At the earliest possible date, the city should commission a detailed study of the city's business district. This study should include a thorough analysis of economic as well as urban design factors. This analysis should also include obtaining the perspective of the existing merchants in the business district on both the physical and economic issues affecting the district.

In particular, the study should assess the market potential of the business district in terms of local disposable income and potential for attracting disposable income from outside the city. Further, the study should examine the current boundaries of the business district as established by the zoning ordinance (See Figure ED-10) to determine what changes, if any, are necessary. It should also review the zoning regulations that control development in the business district to determine their impact on the downtown.

The study should assess the physical conditions of the business district in terms of vehicular and pedestrian access, parking, street patterns, buildings/facades, etc. It should also assess the role of special or unique features of the business district like the SEPTA Chester Transportation Center, the I-95 interchange and the proposed in-town government building office park (See below).

As an end product, the study should develop a feasible concept of what a 21st century Chester business district can and should be. It should then recommend specific near term and long term actions to achieve the established vision, and should identify real resources for implementing these actions.

The most likely sources for the funds necessary to carry out this effort include Enterprise Zone funds and the Department of Community Affairs State Planning Assistance Grant (SPAG) program. CDBG funds may also be a feasible source of funds for this project.

The City Planning Department should be the lead administrative agency responsible for selecting a consultant to carry out this task and for providing administrative oversight to the consultant. The proposed Department of Economic Development should be a supportive partner in that effort.

### **4. Concentrate Applied Resources on Key Development Sites for Maximum Impact**

Recognizing that real dollars and administrative manpower are likely to be constraints for the foreseeable future, it is imperative for the city to concentrate its economic development efforts on physical projects that have a real probability of success. In this context, city efforts should be focused on projects that: 1) Have significant near term potential in terms of larger market forces or other identifiable factors; 2) Have real potential for significant impact on the city in terms of jobs, tax base or further investment in the city; 3) Are located in a substantially vacant area; and 4) Have one or more key elements currently under public control.

Potential sites that meet these requirements are identified on Figure ED-11 and include the following sites ranked by near term feasibility:

**a. 9th & Madison**

The core of this area is bounded by 9th Street, Madison Street, 7th Street, Welsh Street and Avenue of the States. This core area is roughly 7 acres in size. Additional area could be added to the concept if the boundaries were extended to Sixth Street on the south. Most of the core area is owned and controlled by the Chester Redevelopment Authority. A proposed project to develop an in town office park for government related buildings is under active consideration for this area.

The city should actively pursue the proposed government office building district concept by proceeding with preliminary project design work to determine actual project boundaries and proposed building placement. This should be followed immediately by a process leading to the construction of the first building.

**b. 15th & Edgmont Area**

This potential development area consists of two parcels, totaling approximately 3.5 acres, just north of I-95 and west of Edgmont Avenue. One parcel is owned by the Chester Redevelopment Authority and the second by private interests also involved in the ownership of the adjacent Howard Johnson's hotel. Both properties are currently vacant.

Centrally located in the city's recently identified Medical-Educational corridor, immediately north of the proposed I-95 southbound ramp at Edgmont Avenue, and

adjacent to a hotel, this combination of parcels has significant potential for an office use. In the larger development community it is viewed as an I-95 interchange site near the intersection with I-476 and just a few minutes south of the airport.

The city should seek the cooperation of the owner of the adjacent privately controlled parcel in an effort to pursue an active marketing effort of the combined parcels. This effort should focus on the identification of possible end users interested in an office location providing the locational advantages of this area.

**c. Crozer Park area**

This site, approximately 49 acres in size, is located just north of the I-95 ramp at Kerlin Street. While it is largely vacant, it is in active use as a recreation area. Most of the property is owned by the city, but there is a subdivision that was never developed occupying part of the property.

By virtue of its I-95 ramp location, this property has an intrinsically higher value than its current use as a recreational area. Bounded on the north by Chester Creek and a number of industrial uses across the Creek in Upland Borough, and separated from the major residential areas of the city by I-95, this area has significant potential for light industrial use.

The city should evaluate its ability to replace or relocate the current recreational use of this site and make better use of its geographical advantages for commercial/light industrial use. It may also be possible to develop a portion of this site and retain some of the recreational use of this property through a cooperative and innovative development approach.

#### **d. Fourth and Madison area**

Bounded by Fourth Street, Madison Street, Fifth Street and Crosby Street, this development area consists of a total of approximately 2.5 acres. Vacant and predominantly owned by the Chester Redevelopment Authority, this site fronts on the soon to be widened Route 291. Two privately owned vacant parcels to the north and northeast add additional development potential to this area.

This site has generated interest as a light industrial area in the past, but the nearby proposed state correctional facility may offer some additional development possibilities. The city should contact the private owners to determine their interest in jointly pursuing development of this area and should further investigate the range of potential development opportunities.

Other sites with significant development potential but more problematic near term obstacles are shown on Figure ED-12 and include the following sites ranked by near term feasibility:

##### **a. Deshong Development Area**

The potential Deshong development area consists of the northern portion of Deshong Park and several privately held parcels between the Park and I-95. Totalling approximately 15 acres, this site is bounded on three sides by Avenue of the States, I-95, Chester Creek.

Advantages of the site from a development perspective include its proximity to the proposed I-95 southbound ramp at Edgemont Avenue, public (Delaware County) control of the Deshong Park property and the fact that several of the private

parcels are currently for sale.

Major issues to be resolved prior to development of this area include analysis of current market potential, responding to citizen concerns regarding preservation of the key aspects of Deshong Park, negotiations with the County regarding potential uses of the site and acquisition of the private parcels.

Potential development of this site should retain the Deshong Museum building, the Deshong Mansion and the majority of the arboretum area as a city park and cultural center. The ball field area and the private parcels could then be assembled and marketed as a single development site.

The city should initiate an exploratory effort to investigate the development potential of this area, the time frame for a development project and private developer interest. This effort should include city representatives, citizen representatives, County representatives and professional expertise in real estate and development, assembled as a "project team", to carry out the exploratory effort.

##### **b. Riverbridge Industrial Center**

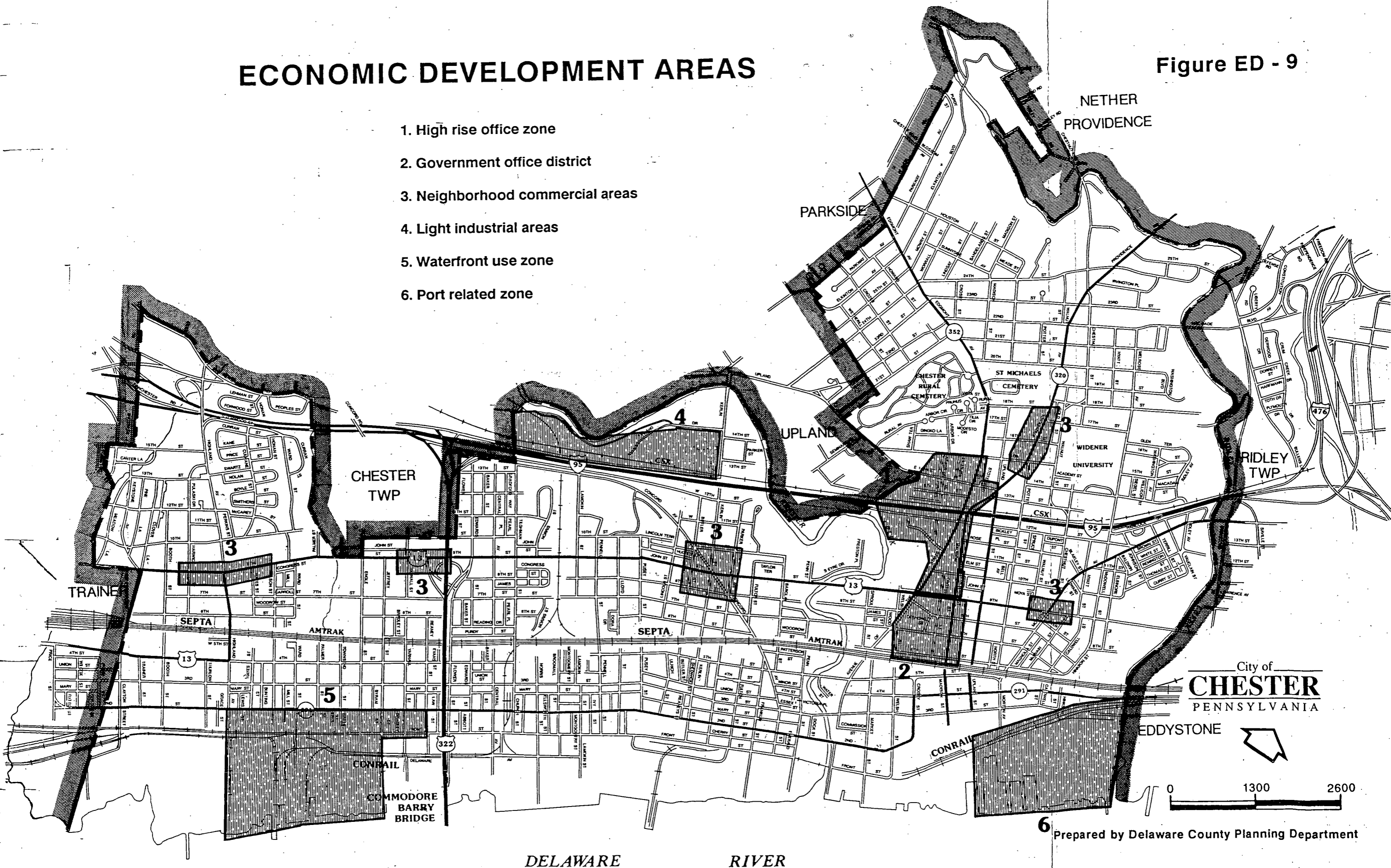
Currently under public control (Delaware County Commerce Center), this parcel totals approximately 55 acres. It extends from Fulton Street to Pennell Street along the Delaware River bounded on the north by Second Street and Front Street.

Historically used as a site for the Ford Motor Company and Reynolds Metals, the parcel is now being operated as an industrial park using the older industrial buildings present on the site. The property does possess several vacant areas, the largest of which is 11 acres.

# ECONOMIC DEVELOPMENT AREAS

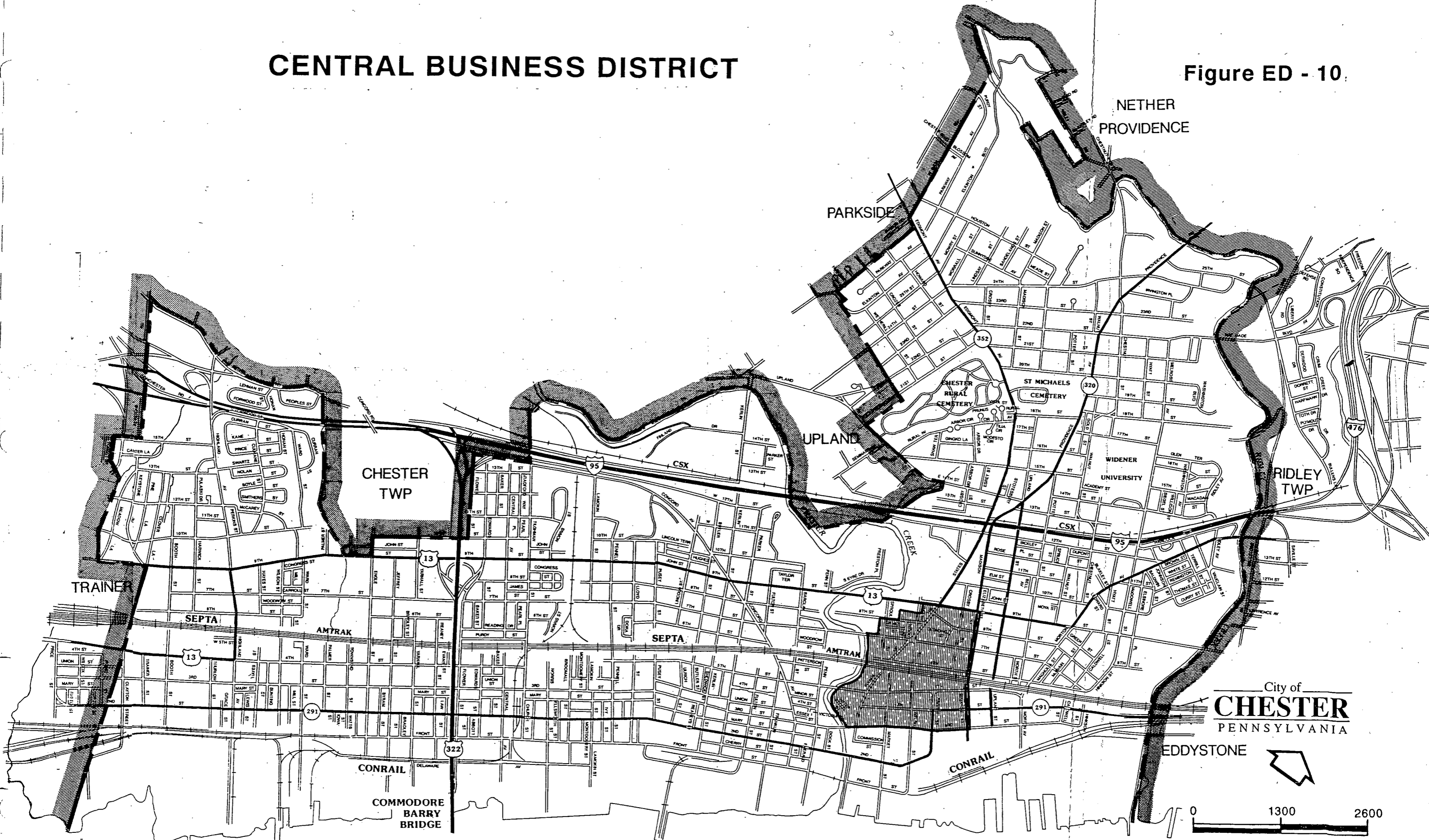
Figure ED - 9

1. High rise office zone
2. Government office district
3. Neighborhood commercial areas
4. Light industrial areas
5. Waterfront use zone
6. Port related zone



# CENTRAL BUSINESS DISTRICT

Figure ED - 10.

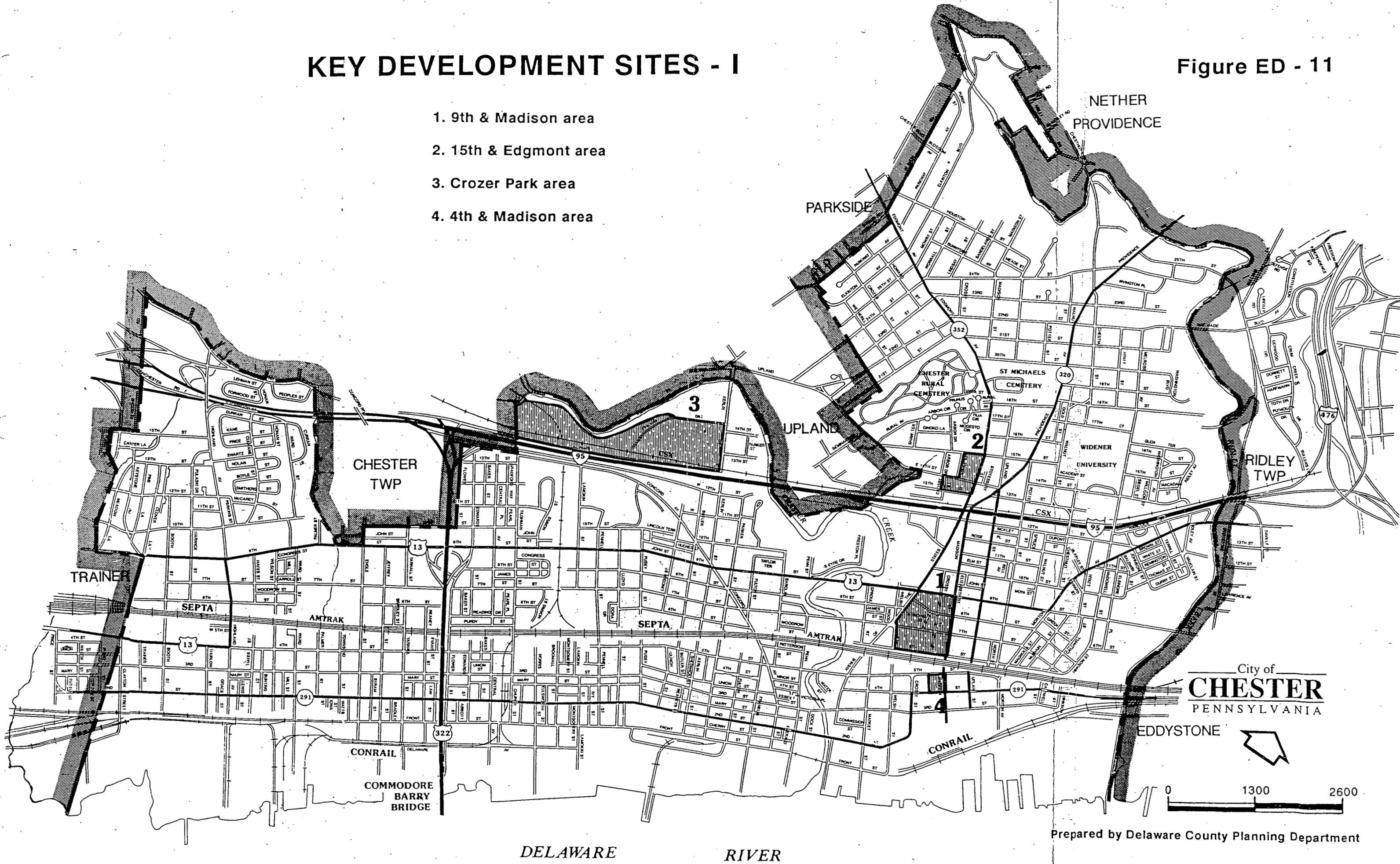


City of  
**CHESTER**  
PENNSYLVANIA

# KEY DEVELOPMENT SITES - I

Figure ED - 11

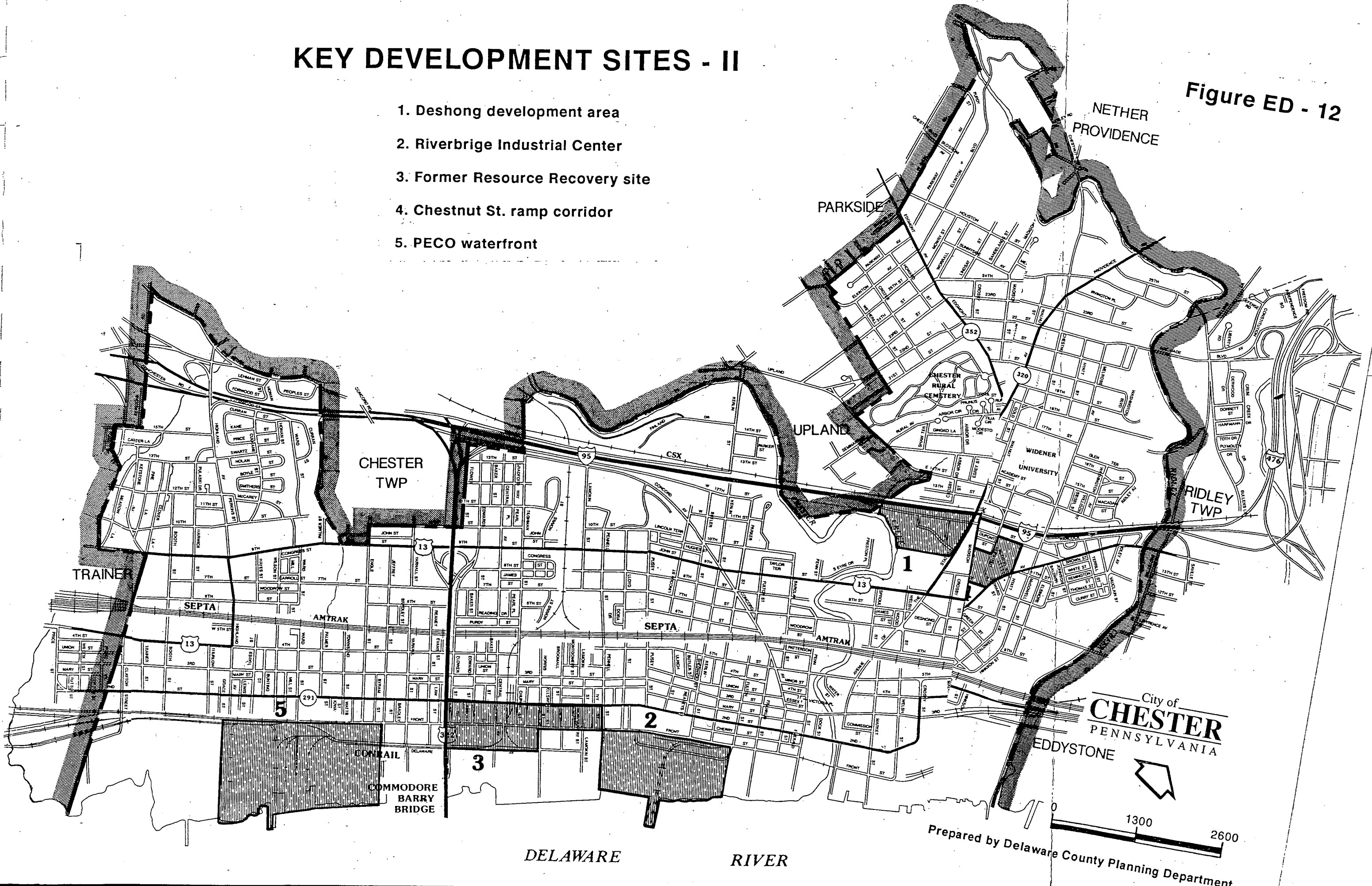
1. 9th & Madison area
2. 15th & Edgmont area
3. Crozer Park area
4. 4th & Madison area



# KEY DEVELOPMENT SITES - II

1. Deshong development area
2. Riverbrige Industrial Center
3. Former Resource Recovery site
4. Chestnut St. ramp corridor
5. PECO waterfront

Figure ED - 12



Prepared by Delaware County Planning Department

The future of this property is now under active consideration by the Commerce Center with various options being explored: The city of Chester, through its new Department of Economic Development, should seek to coordinate with the Commerce Center on the disposition and redevelopment of this key property.

**c. Former City Resource Recovery Site**

Initially assembled as a site for a proposed city resource recovery plant site, this development area is approximately 25 acres in size and is roughly bounded by Second Street, Pennell Street, the Conrail tracks and Flower Street. The large size of the site and its frontage on a soon to be widened Route 291 are the main advantage of this site.

Working against the site is a situation of multiple ownership by the Chester Redevelopment Authority, the Chester Resource Recovery Authority and Rickel & Associates, Inc. Also complicating any redevelopment of this area is a question of the number and size of liens that may have been filed against it. One additional issue is the question of demolition of any remaining structures and relocation of any tenants.

The city should initiate a process to clarify and remove all of the impediments to a redevelopment of this parcel.

**d. Chestnut Street Ramp Corridor area**

Located immediately south of the Chestnut Street I-95 ramp, this area has a high degree of property and building vacancy with significant physical deterioration. Its proximity to the I-95 ramp, however, gives it a high development potential. The major issue affecting potential development of

this area is the need for extensive demolition, relocation and land assembly.

The city should conduct a preliminary evaluation to determine potential boundaries of a Chestnut Street redevelopment area and to determine what steps and resources would be necessary to carry out such a redevelopment effort.

**e. PECO waterfront**

The PECO Energy Company owns approximately 91 acres bounded by Route 291 the Chester Boat Launch facility, the Delaware River and the Westinghouse Resource Recovery facility. Predominantly vacant, this is the largest potential development site in the City, extending along slightly more than one quarter of the city's waterfront. Originally assembled as a site for future generating capacity, this property is significantly underutilized at the present time.

The city should initiate a forthright discussion with PECO regarding the intended use of the property and the timing of that use. If the need for a site for future generating capacity has diminished, the site may have potential for other commercial, industrial or waterfront uses.

Two potential development sites, shown on Figure ED-13, require special mention. Both of these sites are currently the focus of major development efforts and both have the potential for significant impacts on the city.

**a. State Correctional Facility Site**

Property for the proposed state correctional facility is in the process of being acquired and a ground breaking is scheduled for the spring of 1993. The proposed site is



approximately 16 acres in size and is bounded by Route 291, Hinkson Street, Madison Street and the Penn Ship property. As proposed, this facility is an \$80 million dollar project that will result in the creation of in excess of 400 full time permanent jobs.

The city should maintain an ongoing dialogue with the State Bureau of Corrections to maximize the positive impacts of the new facility, to identify and minimize any potential negative impacts and to assure the maximum possible employment of Chester residents and use of existing Chester businesses to supply products and services. The city should also initiate an evaluation of potential spin off benefits of this new facility and how these benefits can be captured.

#### **b. Pennsylvania Shipbuilding Site**

The portion of the Pennsylvania Shipbuilding property in the city of Chester has been significantly underutilized since the closing of the shipyard. Fronting on Route 291, the parcel consists of approximately 60 acres. The recent advent of Metro Machine, Inc.'s interest in acquiring the shipyard as a site for ship repairs and possibly double hull ship construction is a significant opportunity for the city. As currently proposed, Metro would phase in approximately 600 jobs over a three year period.

The city should continue its active support of this project in seeking whatever state and/or federal resources are available to make it happen. As the project draws closer to reality, the city should open a dialogue with Metro to ensure a smooth transition to an active facility.

It should be noted that most of the above described development areas are subject to market economic forces in terms of demand for the specific site and for what can be developed on it. The exception of course are those projects that respond to or are controlled by governmental agencies.

Given this reality, the city should be prepared to shift priority and emphasis to those project areas for which there is a demonstrated market demand consistent with the city's desires for development in that area. To state it more clearly, if a credible buyer, user or developer indicates interest in a project location that has had a lower priority in the city's thinking, local effort may have to shift to respond to that market reality. The city must be prepared to seize those opportunities that are consistent with the overall plan for the city when the opportunity arises.

A second critical issue regarding potential large scale development projects has to do with locating the resources necessary to undertake them. For projects with real upside potential, the city should be prepared to actively pursue state and federal assistance. This could include such things as an Economic Development Administration grant or an Industrial Community Action Program grant from the Pennsylvania Department of Commerce.

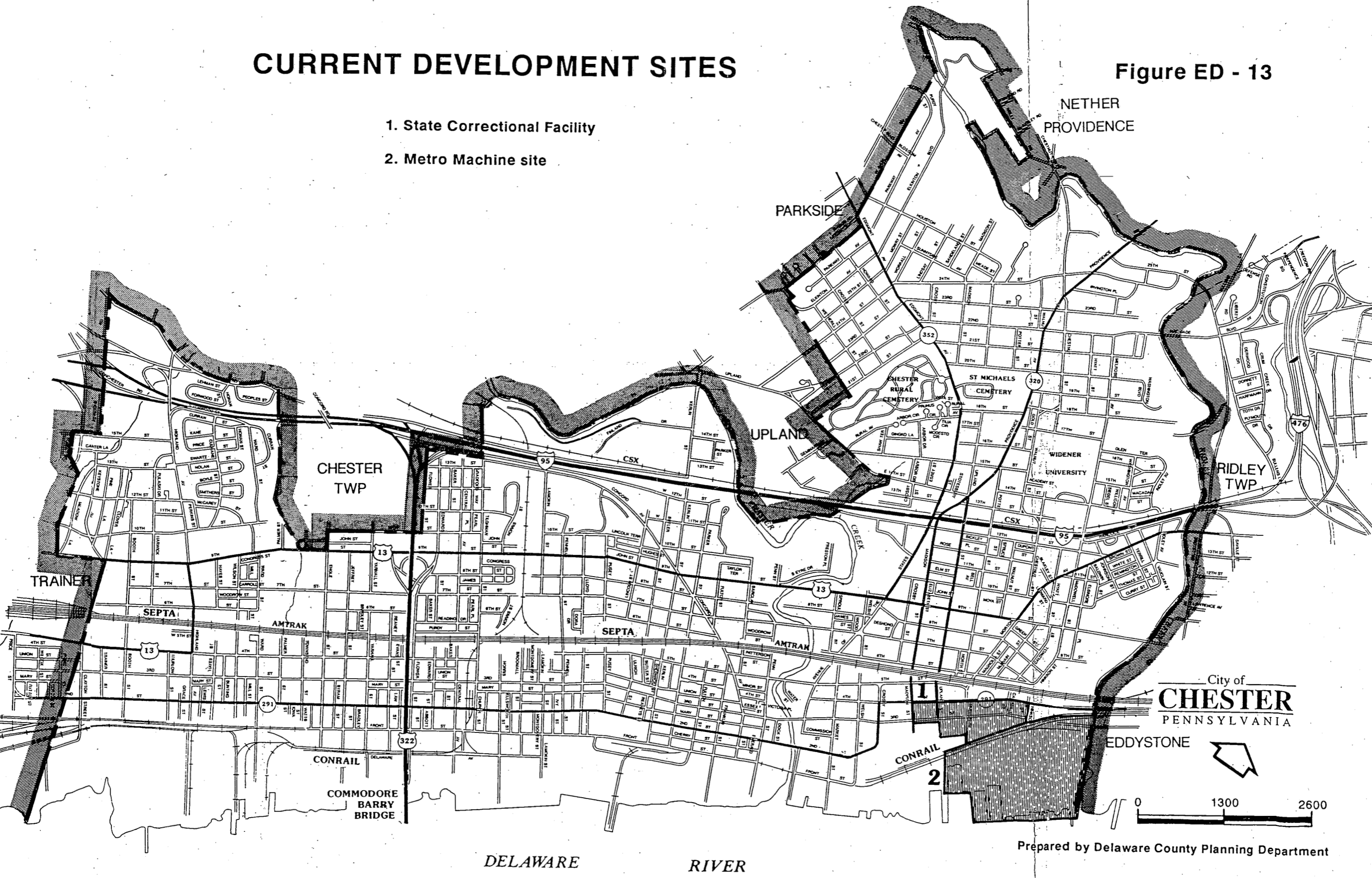
The city can also pursue innovative local financing efforts including tax increment financing or the creation of special purpose local taxing districts and authorities permitted under Pennsylvania law.

The proposed Department of Economic Development should be the point administrative agency for moving forward the

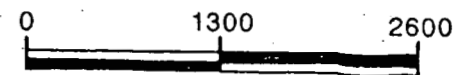
# CURRENT DEVELOPMENT SITES

Figure ED - 13

1. State Correctional Facility
2. Metro Machine site



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city's economic revitalization agenda. Strong support and coordination will also be required from the Chester Redevelopment Authority and the Chester Planning Department.

#### **5. Rebuild/Maintain/Develop Key Access Infrastructure**

While the issue of transportation access to the city is covered more thoroughly in the transportation section, it is important to note several key transportation projects that are especially important from an economic development point of view. For more details on each of these critical projects, please refer to the transportation section of the plan.

##### **a. Widen Route 291 from Ridley Creek to Price Street**

This project is critical if Chester's waterfront area is to achieve its full economic potential.

##### **b. Build the I-95 Southbound Ramp at Edgmont Avenue**

This project would complete the final leg of the Chester business district I-95 ramp system. It is critical for the long term future of the business district.

##### **c. Build the Flower/Ninth Street Ramps**

Along with opening up the riverfront corridor with a widened Route 291, it is also essential to substantially improve access from I-95 to the waterfront. These ramps would form the western portion of a "Waterfront Access Loop" from I-95 to Route 291.

##### **d. Redesign the Chestnut Street/Morton Avenue Corridor**

To balance the western access route provided by the Flower Street ramps, an improved access route from I-95 to Route 291 on the east end of the city is necessary. A redesigned and improved Chestnut Street/Morton Avenue corridor will complete this new "Waterfront Access Loop".

Together, these four transportation projects will open up the city to new commerce and investment by making all parts of the city more accessible. The city should aggressively pursue completion of each of these transportation improvement projects at the earliest possible date. City Council, supported by the City Engineer, the City Solicitor and the City Planning Department, should take the lead in this effort. Support from outside organizations including the Chester Business and Professional Association, The Delaware County Chamber of Commerce, the Delaware County Planning Department and others should also be marshaled in support of these critical projects.

#### **6. Establish a Policy for Reuse of City Controlled Land**

As indicated above, a good economic development program requires a working knowledge of what publicly owned or controlled land is available for development. Along with the basic knowledge of parcel information, however, is a need for a policy driven understanding of how and when a parcel can be developed. While the ongoing aspect of this need is much more of a programmatic activity, the initial information gathering process falls into the project activity category.

More specifically, the city should begin this process by identifying and assessing all city owned or city controlled land. This would include at a minimum all land owned and/or controlled by the city directly, by the Chester Redevelopment Authority, by the Chester Housing Authority, by the Chester Parking Authority and by the Chester Resource Recovery Authority. It should also include all land within the city boundaries owned or controlled by the Chester Upland School District.

Assessing in this case refers not to tax matters but to the conditions of each parcel. This assessment should review the following factors for each and every parcel:

- Site characteristics
- Current use
- Current need
- Adjacent uses
- Highest and best use
- Development potential

With the analysis complete, the city should make a determination as to the desired disposition of each parcel. Possible dispositions can include sell, lease, hold, or develop. One other option, that of buying additional land adjacent to a city owned parcel, is discussed below.

For those parcels deemed appropriate for sale or lease, a secondary process to prepare them for marketing may be necessary. This process might include rezoning, environmental testing, site clean up, demolition or other similar activities.

In undertaking this effort, the city should seek additional perspectives on the merits of each parcel. Realtors and developers from outside the city should be included as

part of a team approach to making these real estate decisions, especially on the key parcels. The proposed Department of Economic Development should play the lead in moving this process forward with support from the Chester Redevelopment Authority.

## **7. Establish a "Land Banking" Program**

One method of creating development opportunities in a city is for the city itself to assemble parcels for eventual development. Often referred to as "land banking", this process typically involves public purchase and assemblage of parcels of developable size.

The inventory and assessment process described above should serve as an initial guide to areas with potential for land banking. Initial targets for this effort could be HUD owned parcels adjacent to city owned parcels and parcel remnants from the Route 291 acquisition process.

The city can also pursue this process on a joint venture process with either for profit or non profit partners. By combining city owned real estate in a joint venture with adjacent privately held real estate, a more marketable sight may be generated. Initial funding for this activity could come from sales revenue generated from the disposition of city owned property, from lease revenue, from UDAG recapture, from CDBG funds or from other sources.

The administrative guidance for this effort should come from the proposed Department of Economic Development with significant interaction and input from the Chester Redevelopment Authority.

## **8. Reestablish a Revolving Loan Fund**

Despite the problems that have caused the temporary termination of the city's revolving loan fund, the need for a source of local financing remains very strong. Local financing can be used to assist an existing company to expand or to attract a new business to the city when traditional bank financing is not available. It can also be combined with bank financing to make an otherwise impossible deal doable.

Because of its ability to play a key role in local economic development, it is important for the city to reestablish a local revolving loan fund. The new version of the loan fund, if financed by HUD Community Development Block Grant (CDBG) funds, will of course have to comply with the very stiff HUD guidelines.

To accomplish this, appropriate staff, familiar with the HUD regulations should be hired and assigned to the loan fund operations. Additionally, to the extent permissible by the HUD regulations, area banking expertise should be involved in the design and operation of the loan fund. Together, these activities should ensure that the loan fund is operated on a sound financial basis and in compliance with HUD regulations. Several programs developed by other cities could serve as a model for Chester's revised loan program.

Recognizing that the HUD funds may not be a viable source for some valid deals, the city should also investigate establishing a segregated source of lending capital for loan needs that can not be met with HUD funds. One possible source for capitalizing such a loan pool would be the recaptured funds from state or federal grants that

require reuse of the funds for economic development but which do not have the restrictive requirements of the HUD funds attached to them. State Enterprise Zone program funds may also be a candidate for such a segregated pool.

In evaluating specific deals, the city should be mindful of the availability of the County's revolving loan fund. Piggybacking with them on a specific deal may offer another means to finance a desirable project. Management of the loan fund should be incorporated under the proposed Department of Economic Development as soon as the staff capacity is in place and the revised operating guidelines have been developed.

## **9. Enlist Support of Area Banks in Enhancing Services to City Businesses**

Along with the re-establishment of the city's revolving loan fund, the city should initiate a strong effort to approach banks individually and collectively regarding financing for economic development in the city. The requirements of the Community Reinvestment Act (CRA) provide a strong incentive for banks to respond to such initiatives. This process can begin with a program to meet with area banking representatives to discuss the financing needs of the city and how the banks are currently responding to them.

As part of an enhanced services program, the city should request area banks serving the city directly, as well as those who include the city in their larger service area, to participate in "bank fair" type activities. Bank fairs are outreach efforts by banks to educate local residents and businesses to

the nature of the banking process and to the expectations of banks in terms of lending practices. Additionally, the city should identify existing pooled financing programs available to city businesses and encourage area banks to initiate new approaches to meeting the local need for investment and working capital.

The city should also work with other local organizations to encourage the creation of "bank Community Development Corporations" which have greater latitude to adjust fees and lending terms than commercial banks. At the present time, only Mellon Bank has an operating bank CDC in southeastern Pennsylvania.

The proposed Department of Economic Development should incorporate this effort into the process of reestablishing the city's revolving loan fund. Together, these efforts will form an aggressive effort to ensure that business financing needs in the city are being addressed.

#### **10. Identify and Pursue Economic Development Opportunities Related to City Assets**

The basic premise of this proposed project activity is to seek to capitalize on the city's existing competitive advantages. It seeks to identify specific types of uses that may be attracted to particular city assets. This approach is in contrast to the site based approach discussed above. Several examples of this approach are presented below.

The presence of Widener University and the Crozer Chester Medical Center and the resulting Medical Educational Corridor, may serve as a basis for attracting a research center, ancillary professional buildings and/or a Center of Excellence.

Possibilities like these and other opportunities should be discussed with both institutions.

The emergence of the "International Corridor", available waterfront land and airport proximity may serve as a basis of appeal for businesses engaged in various forms of international trade. The city might also wish to explore the possibility of an international trade center. In a related vein, excellent rail and highway access could be an avenue to attract regional distribution center facilities.

The city should convene a "think tank" type group to assess these concepts and to identify additional development opportunities that might be attracted to one or more of Chester's unique attributes. The follow up to this effort could include targeted marketing efforts to assess interest in these and other possibilities that might be identified. Those that generate interest and/or seem to have additional potential can then be further pursued.

#### **11. Establish a Minority Business Support Program**

Given the high percentage of minorities in the basic population of the city of Chester, a program specifically targeted to encourage the development and expansion of minority businesses can be a significant source of job creation in Chester.

To facilitate this process, the city should seek to identify resources for minority entrepreneurship training programs. Cooperative programs with organizations like the Delaware County Opportunities Industrialization Center, the Delaware County Office of Employment and Training, Delaware County Community

College and Widener University may be a way to attract funding from private foundations or targeted government grants for this kind of training program.

The city should also maintain a subcontractors referral list of minority contractors who can meet federal and state requirements to qualify as minority contractors. Such a list could be made available to firms seeking qualified local minority contractors.

## **12. Review and Revise Existing State Enterprise Zone Boundaries and Activities and Seek Federal Enterprise Zone Designation**

Based on the proposed land use plan, the current boundaries of the city's state Enterprise Zone should be modified to add those contiguous areas targeted for industrial/commercial development. Figure ED-14 shows both the existing boundaries of the Enterprise Zone and the proposed changes to those boundaries.

On the programmatic side, some of the administrative concerns that have hampered the city's revolving loan program have also affected the Enterprise Zone program funded by the Pennsylvania Department of Community Affairs. Incorporation of the program under the proposed Department of Economic Development with new operational guidelines should respond to many of these concerns.

A cursory review of the city's existing Enterprise Zone program indicates that Chester has made only limited use of its existing Enterprise Zone designation from a marketing perspective. The advantages

of the zone in terms of eligibility for favorable rates on state financing programs should be a basic part of the city's marketing efforts.

Additionally, various elements of this strategy have been identified as appropriate activities for the use of Enterprise Zone funds. These activities should form the basis of a new focus for the Enterprise Zone program.

The city can also seek to build on the advantages of the existing zone by actively seeking federal enterprise zone designation if and when a federal program is established. A flurry of recent activity and concern over urban problems seems to have raised the likelihood that some form of enterprise zone program will be forthcoming. The city should begin now to marshal its case for what will most likely be a highly competitive selection process.

## **13. Seek State/Federal Action on Environmental Clean Up Assistance for Targeted Sites**

A major impediment to reuse of many older industrial sites is a problem with environmental contamination. Costs of clean up efforts can make an otherwise reasonable venture unfeasible. The result is lost jobs and tax revenue. To remedy this situation public incentives may be necessary.

The city of Chester should be aware of this problem and ready to respond if it can provide assistance in helping to solve a potential development roadblock of this type. In particular, the city should be aware of state and federal programs that can provide funding to resolve environmental problems and should be willing to seek those funds if

public action is necessary to do so. The city may also seek to be an advocate of new state and federal programs that would provide additional aid in resolving this critical problem.

#### **14. Evaluate the potential for using the County Resource Recovery Facility as a Base for a Local Recycling Industry Center**

The presence of the Westinghouse resource recovery plant may have some potential as a focal point for related small businesses focused on the recycling industry. In many ways, trash is becoming a resource for some industries and the fact that large quantities of trash are arriving in the city to be disposed of may provide currently unseen business opportunities.

The city should establish a task force to assess this potential. Assuming some real possibilities are identified, follow up discussions with Westinghouse would be in order to determine how such potential can be achieved.

#### **C. Monitoring/Assessment**

The economic development strategy presented above is clearly a significant undertaking particularly given the resources currently available to the city. The overall effort will need to be divided into realistically achievable steps in the form of an annual work program. The initial work program must be developed by existing

agencies of the city with a key element of the first year being the establishment of the Department of Economic Development. Once that Department is in place, it will be responsible for developing and implementing future work plans.

A by-product of an annual work program is a clear measurement tool for assessing progress. By establishing periodic check points to review progress on accomplishing the elements of the work program, problems can be quickly corrected and work program elements can be modified to reflect changing circumstances. This allows the plan to be responsive to the changing needs of the city.

#### **SUMMARY**



Economic development is a process that requires time and diligent effort to succeed. It also requires an understanding of the economic currents affecting the community and a willingness to invest resources to obtain a larger return on that investment. By developing and adopting this strategy, the city of Chester has taken the first major step to changing its economic fortunes.

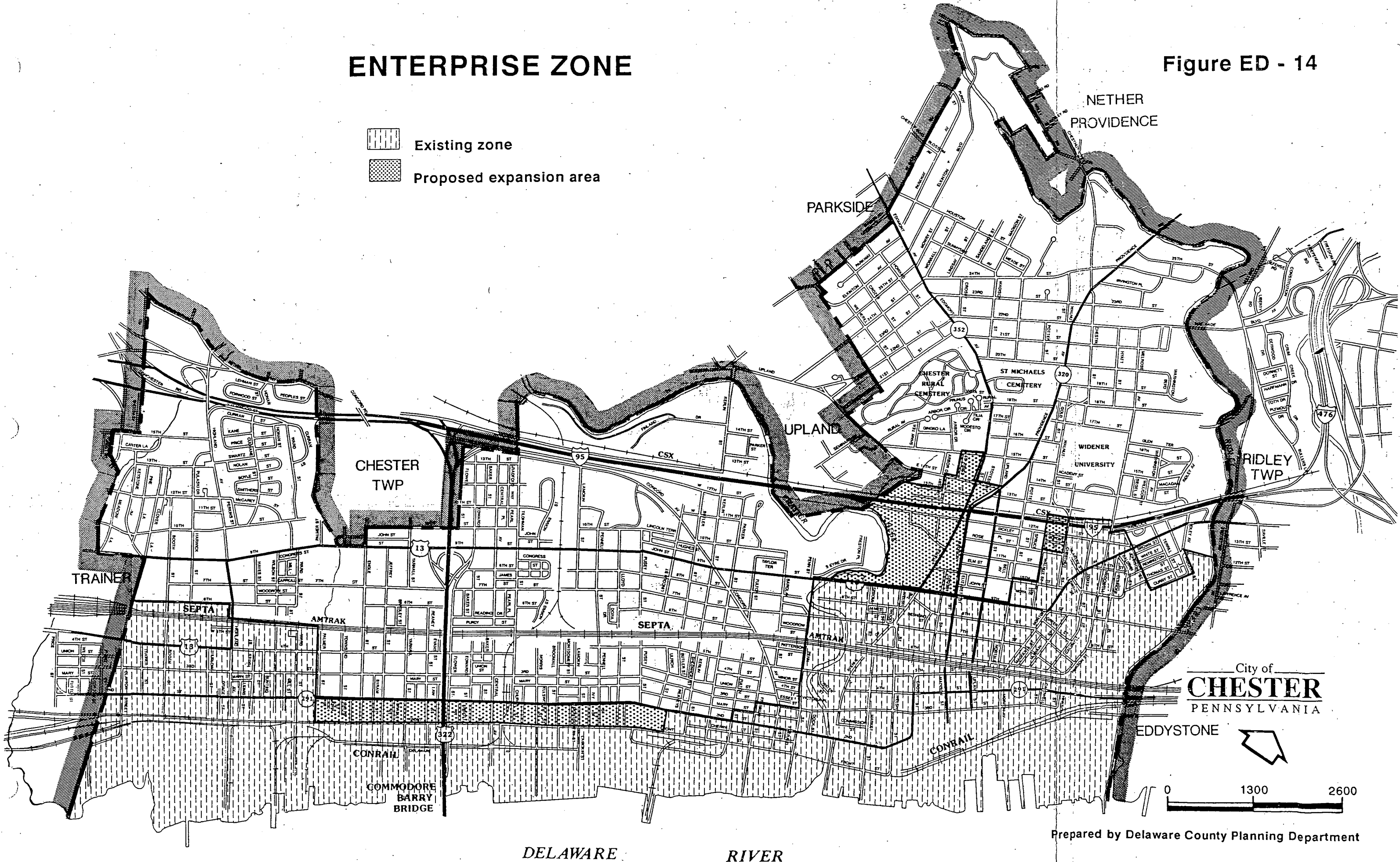
This economic development strategy is a blueprint for action for the city of Chester that can help lead it into a new era of economic prosperity. It is not, however, a panacea nor a once-and-for-all answer to the city's economic problems. This strategy will only be as good as the effort that goes into making it a reality.



# ENTERPRISE ZONE

Figure ED - 14

-  Existing zone
-  Proposed expansion area



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