

**Potter County Comprehensive Plan –  
Preserving and Enhancing the Quality of Life for Current and Future Residents of Potter County**

**Chapter 6 – Economic Profiles**

**Introduction**

Economic base and trend analyses are critical factors in determining the county's future business climate. The business climate of the county will influence the county's economy and ability of its residents to maintain a high quality of life. Factors contributing to the business climate are the community's attractiveness as a place to live and play, and the government's responsiveness to business needs.

An economy is an aggregate of people within a given area who produce and consume goods and services. Economic activity is reflected in buying and selling of goods. Potter County's economy had long been dependent on the forestry industry; however, since reforestation was not practiced in the 19th century, the timber industry has never recovered its early dominance. Today such businesses as Adelphia Cable Communication Operations, Inc and Charles Cole Memorial Hospital are the driving economy of the county. The county's economy is also influenced by the regional economic market anchored by Buffalo, New York, and to a lesser extent the major economic markets of Philadelphia, Pittsburgh, Harrisburg, New York City, Washington DC, Baltimore, and Cleveland.

**Table 6-1  
Major Regional Markets**

<b>Economic Market</b>	<b>Distance to Potter County</b>
Philadelphia, PA	191 Miles
Pittsburgh, PA	139 Miles
Harrisburg, PA (State Capital)	116 Miles
New York City	222 Miles
Washington DC	203 Miles
Baltimore, MD	184 Miles
Cleveland, OH	194 Miles

Source: Team PA

**Labor Force**

The labor force consists of both civilians and persons in the armed forces who are 16 years or older and are currently employed or are actively seeking employment. Persons not actively seeking employment, the institutionalized population, retirees and students under the age of 16 are not considered to be part of the labor force and therefore excluded from this analysis.

Potter County had 13,916 residents age 16 and over in 2000. Of this group, 8,322 make up what is considered the county's labor force. It is this age group that require good paying jobs to become productive members of society, support themselves and/or their families, achieve homeownership, put their children through school, and support the local businesses in the county.

Of the identified labor force, 7,805 residents were employed at the time of the 2000 Census, and 517 were unemployed, for an unemployment rate of 4.5%.

**Table 6-2  
Total Employment  
2000**

<b>Population 16 years and over</b>	<b>Labor Force *</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Not in Labor Force</b>
13,916	8,322	7,805	517	5,594

\* Includes 5 in the Armed Forces  
Source: 2000 Census

In November of 2002 the county's labor force increased by 1,578 jobs from 8,322 in 2000 to 9,900. Labor force levels remained constant over the next six months, topping off at 10,100 in July and August of 2003. The spike in jobs, which occurred during June, July, and August of 2003, can be attributed to seasonal employment. In September of 2003 the labor force settled back to previous levels. During the eighteen month period analyzed, the county experienced the lowest labor force level in December of 2003 and the highest in July and August of 2003. The lowest level occurred during the middle of winter when construction jobs are scarce and laborers are unemployed.

**Table 6-3  
Total Labor Force and Unemployment Rate  
2003 - 2004**

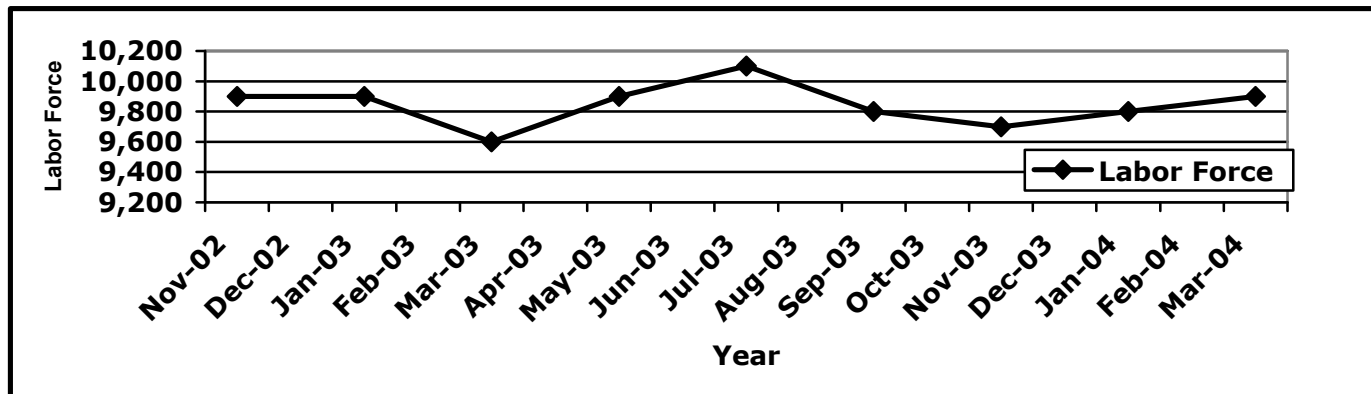
	<b>Total Labor Force</b>	<b>Unemployment Percent</b>
Nov 2002	9,900	6.0
Dec 2002	9,800	7.1
Jan 2003	9,900	8.2
Feb 2003	9,700	8.6
Mar 2003	9,600	8.4
Apr 2003	9,900	7.1
May 2003	9,900	7.6
Jun 2003	10,000	7.1
Jul 2003	10,100	7.1
Aug 2003	10,100	6.6
Sept 2003	9,800	6.2
Oct 2003	9,700	5.5
Nov 2003	9,700	5.9
Dec 2003	9,600	6.0
Jan 2004	9,800	7.2
Feb 2004	9,800	7.2
Mar 2004	9,900	6.7
Apr 2004	9,800	6.2

Source: Team PA

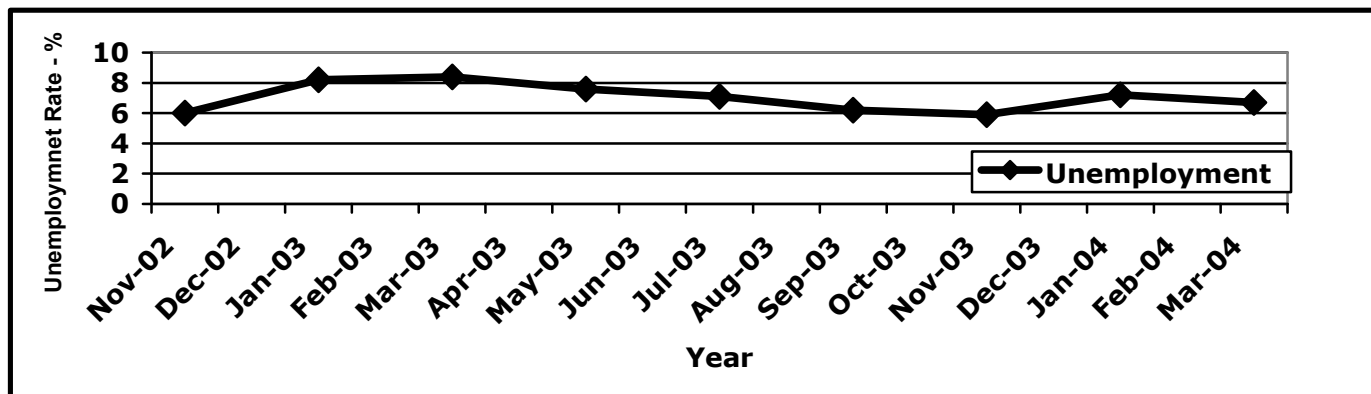
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**Chart 6-1  
Potter County Labor Force Trends  
November 2003 – March 2004**



**Chart 6-2  
Potter County Unemployment Trends  
November 2003 – March 2004**



The ability to fill positions with educated or technically trained personnel is always a challenge for businesses; likewise, there must be jobs for these residents. As identified in Table 6-2, there were 517 residents classified as unemployed as of March 2004. Chart 6-2 shows the unemployment rates for the period between November 2002 and March 2004. When compared against the state, the county's unemployment rate is higher and is reflective of a rural county.

**Major Employers**

Good paying, secure jobs add to the overall quality of life for county residents. Good paying jobs lead to homeownership, pride in community, and higher amounts of disposable income. Secure jobs contribute to low unemployment rates and expansion of the local economy. To achieve this level of income and employment, there must be a base of jobs provided by established companies and organizations. Table 6-4 lists the top twenty employers in Potter County.

**Table 6-4  
Top 10 Employers  
Potter County  
1st Quarter, 2004**

1.	Adelphia Communications, Inc.....	1362 Employees
2.	Charles Cole Memorial Hospital.....	535 Employees
3.	Telcove .....	315 Employees
4.	Morgan (Pure Carbon).....	250 Employees
<b>5.</b>	<b>Pennsylvania State Government.....</b>	<b>230 Employees</b>
6.	HFC, Inc. (Sweden Valley Manor).....	118 Employees
<b>7.</b>	<b>Coudersport Area School District .....</b>	<b>116 Employees</b>
8.	Galeton Area School District.....	100 Employees
<b>9.</b>	<b>Oswayo Valley School District .....</b>	<b>100 Employees</b>
<b>10.</b>	<b>Northern Potter School District .....</b>	<b>96 Employees</b>

A review of the top ten employers in the county reveals that fifty percent or five employers are public organizations that include county and state government and local school districts. Private companies drive the local economy and provide the lion's share of jobs in the county, and do not rely upon tax revenue for operations and payroll.

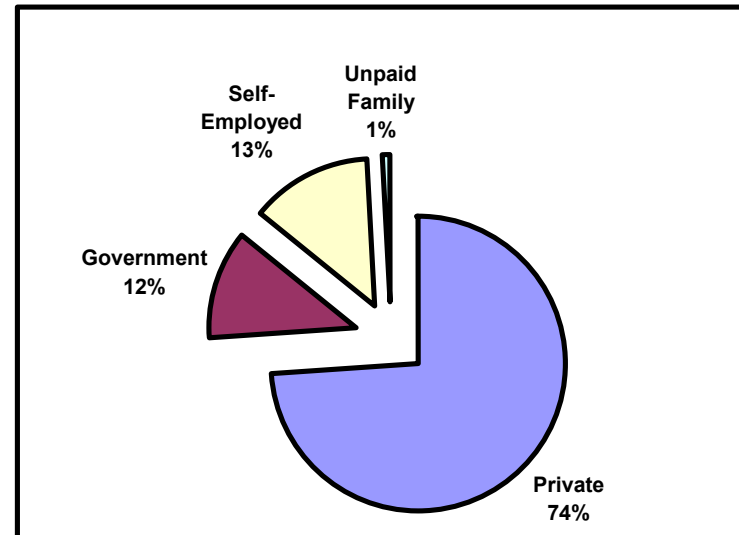
**Class of Worker**

Of the 7,800 employed workers in the county, 73.8% work in the private industry, 12% work in government, 13.4% are self employed, and .3% are classified as unpaid family workers. Numerically these percentages breakdown as follows – 5,756 residents are classified as private workers, 936 work in the public sector, 1,045 were self-employed, and 62 were classified as unpaid family workers. This employment diversification shows how important private industry and self employment are in providing jobs and driving the local economy. Although there are eight government organizations in the top twenty employers and eleven in the top fifty, they only employ a fraction of the county's employed work force. Chart 6-3 provides the statistical breakdown of the different classes of worker.

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**Chart 6-3  
Class of Worker  
Potter County  
2000**



**Per Capita Income, Median Household Income, and Family Income**

Per capita income is the mean income computed for every man, women, and child. It is derived by dividing the total income of the county residents by the county's total population. In 2000 the county had a per capita income of \$16,070, which represents an increase of \$6,165 over its 1990 per capita income of \$9,905. Over the ten year period the county's per capita income increased by 62.2%. A similar increase has occurred in the median family income and median household income. Family income is derived by adding all income of family members 15 years and over and dividing by the number of families in the county. Household income is derived in a similar fashion; however, since many households consist of a single person, the average household income is usually lower than the family income. The Potter County – Adelpia Impact Assessment Report suggests Adelpia Communications played a major role in the significant increase of per capita, family and household incomes in the county during the ten years preceding the 2000 census. With the divesture of Adelpia's presence in the county, it is anticipated that income levels should remain constant or begin to return to previous levels. A review of Table 6-5 reveals that fifteen municipalities in the county exceed the county's per capita income, and when mapped correlate to the municipalities in which Adelpia's employees reside, as indicated in the Adelpia Study.

**Table 6-5  
Income Characteristics  
Potter County**

Municipality	Per Capita Income 2000	Family Median Income 1990	Household Median Income 2000	Family Median Income 2000
Potter County	16,070	25,448	32,253	38,066
Pennsylvania	20,070	34,856	40,106	49,184
Abbott Township	14,068		25,250	26,250
Allegany Township	*18,391		37,917	51,250
Austin Borough	12,210		28,846	34,375
Bingham Township	13,441		38,281	39,375
Clara Township	*17,929		33,214	36,250
Coudersport Borough	*18,209		35,812	44,053
Eulalia Township	*27,245		40,469	52,708
Galeton Borough	13,095		27,727	30,463
Genesee Township	*17,285		31,667	35,268
Harrison Township	12,550		28,393	34,844
Hebron Township	*20,101		43,229	45,556
Hector Township	11,409		28,906	34,167
Homer Township	*19,625		50,179	54,063
Keating Township	13,716		30,417	32,500
Oswayo Borough	12,018		30,625	30,625
Oswayo Township	13,263		32,083	36,071
Pike Township	*17,220		30,625	43,333
Pleasant Township	*18,894		50,208	46,250
Portage Township	*19,404		42,083	41,875
Roulette Township	14,340		30,242	34,297
Sharon Township	15,570		34,063	38,661
Shinglehouse Borough	13,253		25,987	35,750
Stewardson Township	12,236		21,250	28,125
Summit Township	*18,628		43,750	57,750
Sweden Township	*18,780		42,750	47,188
Sylvania Township	*22,029		39,750	49,375
Ulysses Borough	11,602		23,971	27,813
Ulysses Township	15,669		35,476	36,667
West Branch Township	*17,214		39,688	43,750
Wharton Township	*17,268		38,125	41,250

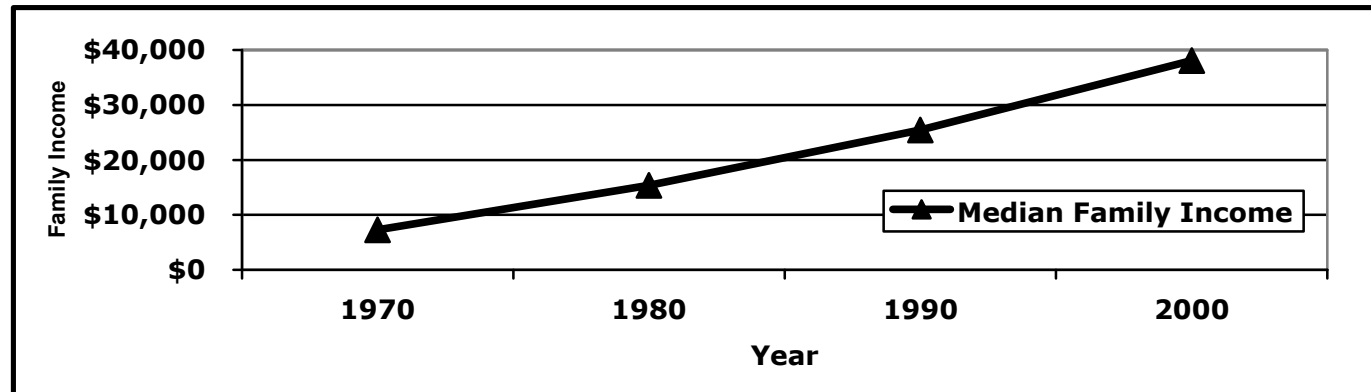
Source: US Census

\* - Exceeds county's per capita income

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**Chart 6-4  
Median Family Income Trends  
1970 - 2000**



Source: Potter County – Adelpia Impact Assessment Study

**Employment by Industry**

Information on industry relates to the kind of business conducted by a person's employing organization. For employed people, the data refer to the person's job during the reference week. For those who worked at two or more jobs, the data refer to the job at which the person worked the greatest number of hours.

As identified in Table 6-6, there are thirteen distinct industries which are used by the Census Bureau to classify employment. Unlike other counties, manufacturing is still an important industry in Potter County, employing 1,706 residents or 21.9% of the employed work force. The Educational, Health, and Social Service Industry employs 1,432 residents or 18.4% of the employed workforce. This can be attributed to jobs associated with the Cole Memorial Hospital and its spin-off businesses. Information is the third leading employment industry with 837 employees or 10.7% of the employed work force. Rounding out the top five are Retail Trade with a 9.6% share and Agriculture, Forestry, Fishing and Hunting, and Mining with a 6.4% share. When compared to the state, the Manufacturing, Information, and Agriculture, Forestry, Fishing and Hunting, and Mining industries are very strong in the county, and could become the base for continued job diversification. The Information industry may be slightly lower due the relocation and downsizing of Adelpia Communications; however, the infrastructure is in place to support it in the future. The Educational, Health, and Social Service industry is also very strong.

The Arts, Entertainment, Recreation, and Accommodation and Food Service Industry employs 427 residents and percentage-wise, is lower than Pennsylvania. Similarly, employment in the Retail Trade Industry is lagging behind the state. Tourism will play an important role in the future of Potter County, given its many outdoor amenities and natural beauty. Couple the Arts, Entertainment, Recreation, and Accommodation and Food Service Industry with the Retail Trade Industry, two industries commonly associated with tourism, and this new Tourism industry classification employs 1,179 residents, or 15.1% of the employed workforce, ranking it third behind the Manufacturing and Educational, Health, and Social Services Industries in terms of employment.

**Table 6-6  
Employment by Industry – Employed Civilian Population  
16 Years of Age and Over**

Industry	Potter County		Pennsylvania % Only
	2000	%	
Employed Population 16 Years of Age and Over	7,800	100	---
Agriculture, Forestry, Fishing and Hunting, and Mining	499	6.4	1.3
Construction	530	6.8	6.0
Manufacturing	1,706	21.9	16.0
Wholesale Trade	143	1.8	3.6
Retail Trade	752	9.6	12.1
Transportation and Warehousing, and Utilities	452	5.8	5.4
Information	837	10.7	2.6
Finance, Insurance, Real Estate, and Rental and Leasing	155	2.0	6.6
Professional, Scientific, Management, Administrative, and Waste Management	219	2.8	8.5
Educational, Health, and Social Services	1,432	18.4	21.9
Arts, Entertainment, Recreation, Accommodation and Food Service	427	5.5	7.0
Other Service (Except Public Administration)	324	4.2	4.8
Public Administration	324	4.2	4.2
Tourism*	1,179	15.1	--

Source: 2000 U.S. Census

\* Represents a combination of the Retail Trade, and Arts, Entertainment, Recreation, Accommodation and Food Service Industries.

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**Employment by Occupation**

Occupation describes the kind of work the person does on the job. For employed people, the data refers to the person’s job during the reference week. For those who worked at two or more jobs, the data refer to the job at which the person worked the greatest number of hours during the reference week.

The number of individuals in Management, Professional, and related occupations has increased since 1990, which can be attributed to the growth of Adelphia Communications during the 1990’s. The Farming, Fishing, and Forestry Occupation saw a 53% decrease in employment, but is still much higher than the percentage of residents employed in that sector statewide.

This data is shown in Table 6-7.

**Table 6-7**

**Employment by Occupation – Employed Civilian Population  
16 Years of Age and Over**

Occupation	Potter County			Pennsylvania % Only
	2000	%	1990 % Only	
Employed Population 16 Years of Age and Over	7,800	100	---	---
Management, Professional, and related Occupations	2,055	26.3	17.9	32.6
Service Occupations	950	12.2	13.7	14.8
Sales and Office Occupations	1,666	21.4	22.0	27.0
Farming, Fishing, and Forestry Occupations	238	3.1	6.9	.5
Construction, Extraction, and Maintenance Occupations	891	11.4	13.2	8.9
Production, Transportation, and Material Moving Occupations	2,000	25.6	26.2	16.3

Source: 2000 U.S. Census

**Managerial Class**– Managerial occupations generally require a higher level of education than other occupations. These jobs are most often held by employees who have had significant work experience and have established careers.

**Sales and Support Class** – Generally lower paying than managerial jobs, sales and support occupations are often held by less educated and younger people.

**Service Class** – The Service class includes low to high paying jobs and the requirement of a high school to college level education.

**Craft/Labor Class** – These are jobs that require manual labor. Income is low to average and college level education is not usually a requirement.

**Commuting to Work and Patterns**

The mean travel time to work for Potter County residents is 23.2 minutes compared to 25.2 minutes state wide. Table 6-8 shows commuting to work patterns. 73.5% of the employed civilian labor force drove alone to work compared to 76.5% state wide. The percentage of employees that carpooled in the county is 14.3%, which is higher than the state average. Since the county does not have a formal public transportation system, it is to be expected that only .1% indicated they used public transportation. Interestingly, the percentage of residents that walk to work is higher than the state average and is representative of the important role the boroughs play in providing employment opportunities and housing that allow employees to live near their place of employment.

This data is shown in Table 6-8.

**Table 6-8  
Commuting to Work – Employed Civilian Population  
16 Years of Age and Over**

Transportation Mode	Potter County		Pennsylvania % Only
	2000	%	
Car, Truck or Van -Drove Alone	5,616	73.4	76.5
Car, Truck or Van -Carpooled	1,097	14.3	10.4
Public Transportation (Including Taxi)	9	.1	5.2
Walked	493	6.4	4.1
Other Means	69	.9	.8
Worked at Home	365	4.8	3.0
Mean Travel Time to Work	23.2 Minutes		25.2 Minutes

Source: 2000 U.S. Census

Potter County is a net exporter of commuters to surrounding counties and New York State, which means more people leave the county for employment than come to the county. The data available is from the 1970, '80 and '90 Census. In 1970, 583 commuters traveled to New York for work and 4,235 to surrounding counties in Pennsylvania. In 1980 a total of 724 commuters traveled to New York and 5,536 to surrounding counties in Pennsylvania. A similar trend existed in 1990, when 771 commuters traveled to New York and 5,704 to surrounding counties in Pennsylvania.

In 1970, 110 commuters traveled from New York into Potter County, and 3,891 traveled into Potter County from other Pennsylvania counties. In 1980, 71 commuters entered Potter County from New York and 4,942 from other counties in Pennsylvania. In 1990, the number of commuters from New York increased to 115. Commuters from other Pennsylvania counties increased to 5,508.

This data is shown in Table 6-9.

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**Table 6-9  
Commuting Patterns  
Potter County  
1970 - 1990**

Year	Commuter Exports from Potter County		Commuter Imports to Potter County		Net (Lost)/Gain
	Into New York	To Other Pennsylvania Counties	From New York	From Other Pennsylvania Counties	
1970	583	4,235	110	3,891	(817)
1980	724	5,536	71	4,943	(1,246)
1990	771	5,704	115	5,508	(852)

Source: U.S. Census

**Potter County – Adelphia Communication Impact Assessment**

An economic assessment of the changes occurring at Adelphia Communications was conducted by the Delta Development Group in January of 2003. The study provided an assessment on socio-economic profiles and trends, and provided an impact assessment on the downsizing or complete relocation of Adelphia from Potter County. In 2005, Adelphia was purchased by Time Warner and Comcast.

Adelphia Communication Corporation (Adelphia) is the sixth largest cable television company in the country and the corporate headquarters was once located in Coudersport Borough. The corporate office has since relocated to Colorado, taking with it the senior level management. In December of 2002, Adelphia employed 1,362 people in its Coudersport operations, down from its peak of 1,628 in 2001.

The Impact Assessment Report is on file with the county; therefore, only key findings and recommendations that relate to the Comprehensive Plan will be discussed here.

- The total closure or partial closure of Adelphia will result in a significant loss of jobs in and outside of Potter County.
- Tax revenue would be substantially affected by the total or partial closure of Adelphia, resulting in an additional tax burden to the residents and businesses of the county.
- The population of Potter County could decrease by 6,069 residents with a total closure of Adelphia.
- Housing values may be adversely affected by decreasing to pre-Adelphia levels. The Impact Assessment Study indicated that housing values may have already been affected by as much as 25%.

The report provides a much more detailed analysis of the impact of full or partial closure of Adelphia; however, now is the time to begin addressing such an event not just for Adelphia but for the other major employers in the county. Adelphia, just like all businesses in Potter County, is an asset to the county, and all play an important role in its local economy. Leading business sectors, such as Manufacturing, Health Care, Forestry, Information, and Tourism, must be nurtured, and government officials must be responsive to their needs. Coordinated efforts are required to ensure that if a valued company such as Adelphia is lost, jobs and training must be available for the displaced worker. Existing infrastructure and knowledge must be harnessed to develop new businesses of a similar nature.

The Adelphi Communication Impact Assessment was completed in January of 2003 and may not be reflective of current employment at Adelphia and economic conditions of the county.

**Update on Pennsylvania Road to 2005**

The Road to 2005 is the 17<sup>th</sup> annual addition in the Road series prepared by Penn State College of Agricultural Sciences, Department of Agricultural Economics and Rural Sociology. The report highlights long-run and recent changes in employment, population, and per capita income.

Interestingly, from 1990 to 2001, Potter County was the only county to experience a very fast employment growth rate, which exceeded 65%. This period coincides with the expansion of the county's largest employer, Adelphia Communications, and represents a very prosperous time. However, from June 2001 to 2003, the county's positive employment trend reversed itself and total employment in the county experienced a very fast decline. In fact, over that time period the county's employment was reduced by 914 jobs. This decline parallels job reductions and shifts at Adelphia. This job reduction is also represented in the county's unemployment rate which was 4.4% in June of 2001 and 6.2% in June of 2004.

The change of employment did not adversely affect the county's population growth. Between 1990 and 2000, the county grew by 8%, which is considered slow growth; however, in the face of employment reductions this growth is significant. From 2000 to 2003, it is estimated that the county has grown by .3% keeping in line with the population projections that project a slow but steady growth rate over the next twenty years.

The following eight major employment sectors were analyzed in the report:

1. Health Care and Social Assistance Industries
2. Manufacturing Industries
3. Retail Trade
4. Accommodations and Food Service
5. Professional, Scientific, and Technical Services
6. Finance and Insurance
7. Administrative, Support, Waste Management, and Remedial Services
8. Construction

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In 2003, the Health Care and Social Assistance Industries represented that largest sector with 13.5% of total county employment employed in this sector. From 2001 to 2003, total employment in this sector increased by sixteen. The manufacturing industries represent the second largest employment sector at 12.3% of total county employment. However, from 2001 to 2003, this sector lost 200 jobs. This trend is occurring not just in Potter County, but also state-wide. The retail trade industries are the third largest employment sector in the county at 10.2%. Between 2001 and 2003, this industry grew by 54 jobs. The remaining five sectors range from .6% to 4.4% of employment and total 9.7% of the county's total employment. However, when the retail trade, and accommodations and food service industries are combined, both industries total 14.6% of the county's total employment, and make it the number one employment industry in the county. This is noteworthy because both industries are directly tied to tourism and service businesses.

**County Economic Status in Appalachia – Fiscal Year 2005**

Each fiscal year the Appalachia Regional Commission classifies each county into one of four economic levels based on the comparison of three county economic indicators (three year average unemployment, per-capita market income, and poverty) to their respective national averages. The end result is a map showing Distressed, At-Risk, Transitional, Competitive, and Attainment municipalities. All of the municipalities that makeup the North Central Regional Planning Commission, including Potter County, have been classified as transitional.

**Downtown Revitalization**



There are six boroughs located in Potter County, and all but Oswayo Borough contributes significantly to the county's local economy. Coudersport Borough, by far, is the center of economic activity in the county. Its historic downtown, accessibility from Route 6, and combination of small shops and services makes Coudersport a bustling center of activity. Connected to Coudersport are Austin Borough in the southwest, Shinglehouse Borough in the northwest, Ulysses Borough in the northeast, and Galeton Borough in the east. The four boroughs surrounding Coudersport contribute goods and services to residents and businesses in the region in which they are located. All five boroughs have downtowns or town centers; however, some are defined or developed better than others. Irrespective of the shape and form of these

downtown areas, they all provide goods and services and employment, and they should all be given an opportunity to revitalize. The future land use plan identifies these areas as town centers and is described as follows:

**Town Centers** – The town center is similar to a central business district, which is defined as an intensively developed, mixed use area within a borough, usually containing retail uses, government offices, service uses, professional uses, cultural and entertainment establishments, restaurants, hotels, and appropriate transportation facilities. Town centers may include second story apartments above street level businesses.

According to the Pennsylvania Downtown Center, downtown revitalization has the following eight guiding principles that set it apart from other redevelopment strategies:

1. **Comprehensive** – Downtown revitalization is a complex process requiring a comprehensive strategy. No single project can revitalize the downtown.
2. **Incremental** – Basic, simple activities lead to a more sophisticated understanding of the revitalization process and help members of the community develop skills to tackle more complex problems and ambitious projects.
3. **Self-Help** – Local leaders must have the will and desire to mobilize local resources.
4. **Partnership** – Both the public and private sectors have a vital interest in the downtown, Partnership means that all stakeholders are contributing time, money, and expertise.
5. **Assets** – To give people a sense of belonging and pride, downtown revitalization must capitalize on the unique assets it already has.
6. **Quality** – A high standard of quality must be set for every aspect of the downtown district, from window displays to marketing brochures.
7. **Change** – Changes in attitude and practice are slow, but definite and essential.
8. **Action Oriented** – The downtown focus is to simultaneously plan for the future while creating visible change and activities now.

To make downtown revitalization a success, a revitalization plan must be prepared. A typical revitalization plan has clearly stated goals and objectives, a description on how each objective will be completed and by whom, a timeline, cost estimates, and evaluation process.

This plan should not be considered a downtown revitalization plan. However, the importance of having a vibrant downtown is recognized as a priority, and therefore, this plan fully supports local efforts to revitalize the county's important downtown areas.

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**Keystone Opportunity Zones**

Keystone Opportunity Zones (KOZ) are defined-parcel-specific areas with greatly reduced or no tax burden for property owners, residents, and businesses. KOZ's have been designated by local communities and approved by the state - a true partnership between each community and region among state and local taxing bodies, school districts, economic development agencies and community-based organizations.

Nearly 14,000 new jobs have been created in Pennsylvania and nearly 8,000 jobs were retained since the initial KOZ program began in 1999, and the number is growing rapidly.

Recognizing the success of the KOZ program, Pennsylvania provided communities one more opportunity to take advantage of what *Business Facilities* magazine calls the Number 1 Economic Development Strategy in the nation, by creating additional KOZ's.

Following are some of the specifics behind the Keystone Opportunity Zones:

Selection Criteria

To be considered as a KOZ, a site must have:

- Displayed through a vision/strategy statement how this property through targeted growth could impact the aforementioned positively;
- Displayed evidence of adverse economic and socioeconomic conditions within the proposed zone such as high poverty rates, high unemployment rates, percentage of abandoned or underutilized property, and/or population loss;
- Passed binding resolutions or ordinances forgoing certain taxes; this included school districts, county and municipal governments;
- Public and private commitment of resources;
- Linkages to regional community and economic development activities including Team Pennsylvania and initiatives under the DCED's Center for Community Building;
- A written plan discussing the implementation of quality school improvements and local crime reduction measures;
- And a demonstrated cooperation from surrounding municipalities.

Zone Acreage

- Acreage ranges as little as 362 acres to the largest at 6,196 acres.
- Each zone is comprised of parcel-specific sub-zones in various sizes.

Tax Liability

Binding ordinances and resolutions were passed granting the waiver, abatement or exemption of certain state and local taxes. Depending on the situation, the tax burden may be reduced to zero through exemptions, deductions, abatements, and credits for the following:

- **State Taxes:** Corporate Net Income Taxes, Capital Stock & Foreign Franchise Tax, Personal Income Tax, Sales & Use Tax, Bank Shares and Trust Company Shares Tax, Alternative Bank and Trust Company Shares Tax, Mutual Thrift Institutions Tax, Insurance Premiums Tax
- **Local Taxes:** Earned Income/Net Profits Tax, Business Gross Receipts, Business Occupancy, Business Privilege & Mercantile Taxes, Local Real Property Tax, Sales & Use Tax

Length of Tax Relief

Zones expire in 2008, 2010, 2013, and 2018. Please check with the specific Zone Coordinator for each property deadline.

Number of Zones

There are 12 regional KOZs. Each KOZ is administered through the same local community or economic development agency. Sub-zones range in a variety of sizes. The Potter County KOZ's are administered through the Potter County Economic Development Office.

Impact

- Properties selected as KOZs have generated minimal state and local taxable revenue. The KOZ designation is expected to attract development where little or no activity existed beforehand. This development may produce spin-off taxable activity outside the designated zone.
- Future taxes are anticipated.

Size Requirements/KOZ

Each KOZ has up to twenty subzones. KOZs are no larger than 6,500 acres. Subzones must be at least 10 acres in rural areas or 20 acres in urban areas.

Administration

The Department of Community and Economic Development provides the organizational framework, including the certification and operations of KOZs. The local jurisdiction's designated coordinator is a single point of contact for zone facilitation.

Priority considerations:

Projects in KOZs receive priority consideration for state assistance under state community and economic development programs as well as community building initiatives. Projects in designated KOZs that are approved for Pennsylvania Industrial Development Authority (PIDA) or Small Business Financing receive the lowest interest rate extended to borrowers.

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**Local Keystone Opportunity Zones**

Potter County has two KOZs. The first is located in Galeton Borough in the Galeton Industrial Park. The park contains industrial uses and contains 27 acres. The second KOZ is located in Coudersport Borough in the Coudersport Industrial Park. The park contains 53.65 acres and is primarily used for industrial uses.

These Zones are shown on Map 6-1.

**North Central Economic Development**

J.L. Nick Associates, Inc. prepared an economic development report for North Central. The study identified the following economic development strengths:

1. Skilled workforce
2. Education system
3. Small start-ups/entrepreneurial/spirit
4. Available capital
5. I-80 East/West – Access to market
6. Area conducive to raising a family
7. Support services for business and industry
8. Not far from cultural/shopping opportunities
9. Access to local elected officials and economic development people
10. Money available to support business expansion/start-up
11. People/workforce

The following weaknesses have been identified:

1. Limited access to capital by retail/commercial
2. Pennsylvania not business friendly
3. Environmental issues – Permitting (DEP)
4. Promotional issues
5. Too many governmental entities
6. Lack of imagination
7. Too many school districts
8. Community college – gaps in educational system
9. Hard to attract young professionals to area or retain those here
10. Definition of target market should be re-addressed
11. Lack of comprehensive planning by local officials – reactive not proactive
12. Distance is a stumbling block
13. No major North/South four lane access
14. Insufficient amenities
15. Few incentives for developing sustaining businesses



16. Distance from major markets
17. Underserved by loan programs
18. Local government issues opposition/inhibit growth
19. Telecommunication system deficient access and service

The following economic development opportunities were identified:

1. Coordination with local government
2. Where and how to allocate funds – not how much
3. Regional prioritization of investments
4. Participation with Continental One – marketing efforts
5. Pennsylvania Wilds promotion
6. Initiatives for consolidation
7. Reinvent ourselves to take advantage of new opportunities
8. State/federal programs for economic development continuation
9. Seize the opportunity to promote ourselves or access funds for business development
10. Private/public partnerships
11. Capitalize on natural resources – better placement of signs
12. Financial support of development by private sector
13. Stability of the region is a positive
14. Capitalize on hospitality amenities

The following threats to economic development have been identified:

1. Friction/disputes among local officials/units of government
2. Not enough outreach
3. Cost of doing business – Taxes, Insurance, Permitting, and Healthcare costs
4. Failure to keep up with technology
5. Consolidation/territorialism
6. Youth out-migration
7. Stagnation of economy – complacency
8. Inaction by state legislature to address local issues – mandate consolidation of units of local government
9. Offshore competition
10. High gas price – Increased cost of operation
11. Global economy – threat or opportunity

The report identifies the following economic development priorities and recommendations:

1. Regional approach to develop consolidation and coordination of government services and delivery systems.
2. Streamline local, regional, county and state delivery systems to coordinate services. More dialogue to enhance capacity building.
3. Prioritize resources to promote entrepreneurial development in order to increase local ownership and management.

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**Coudersport Business Identification Project**

Despite the changes occurring with Adelphia, Coudersport remains a technologically equipped community with a highly trained work-force. To further the local economy, the Potter County Redevelopment Authority formed a Marketing Committee to assist in appraising the strengths of Coudersport's telecommunication resources and market those assets. The Marketing Committee, in conjunction with the Pennsylvania State University, worked to develop a specific list of companies to which to direct these marketing efforts. Target businesses were identified by the following methods:

1. Business incubators in Pennsylvania, New York, Ohio, Delaware, and Virginia were examined to identify up and coming information technology related companies that might be looking for a permanent or additional location.
2. Mature companies were identified through the online offerings of Harris InfoSource. Data were extracted on a limited set of companies within the information and technology industry in Pennsylvania and several additional states.
3. Companies in the Pittsburgh and Philadelphia areas that are in telecommunications or are likely to use data storage or network maintenance services were identified as companies that may be interested in moving or outsourcing segments of their businesses.
4. A CNN website provided a limited list of companies that have utilized offshore outsourcing with unsatisfactory results.

In addition to identifying a list of businesses to which to target marketing efforts, Coudersport practices other strategies to further increase its visibility to businesses to ensure that those who may be interested are getting accurate and useful information about what Coudersport has to offer. Goals were also developed to further diversify the local and regional economy including:

1. Conducting a needs assessment of residents and those commuting to work in Coudersport or Potter County to identify the types of businesses and services that may be absent from the area. This would help identify new business opportunities to meet local needs and further diversify the economy.
2. Explore integration of existing companies to identify local or regional input suppliers and markets for finished products and services.
3. Work to develop a more regional approach to economic development and planning. This includes targeting the tourism industry in particular and exploring the Keystone Innovation Zones program.

Through the work of the Marketing Committee, and by implementing the abovementioned strategies, a post-Adelphia Coudersport hopes to attract telecommunications businesses, increase its visibility to businesses, and diversify the local and regional economy.