



Greater Philadelphia Leadership Exchange 2008 Regional Exploration Case Study and Findings

July 2008



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I. Introduction

About the Economy League of Greater Philadelphia

The Economy League of Greater Philadelphia is an independent, nonpartisan, nonprofit organization dedicated to research and analysis of the region's resources and challenges with the goal of promoting sound public policy and increasing the region's prosperity.

The Economy League was founded nearly 100 years ago around a fairly simple idea—that to be a successful, prosperous and well-run region, we need to rigorously examine Greater Philadelphia's challenges and opportunities. The Economy League serves as a civic catalyst—a place where in-depth analysis and committed regional leaders come together to develop new ideas, conceive creative strategies and forge meaningful partnerships to make Greater Philadelphia a world class place to live, work, and play.

Greater Philadelphia Leadership Exchange

In 2005, the Economy League launched the Greater Philadelphia Leadership Exchange, which aims to develop leaders of business, civic, and government organizations into broad thinkers dedicated to making Greater Philadelphia a world class region.

More than seventy business, nonprofit, and government leaders traveled to Chicagoland for the first Greater Philadelphia Leadership Exchange. Participants returned home with a new understanding of what can be achieved in Greater Philadelphia with visionary leadership, an expanded knowledge of the tactics being used by other regions, and a renewed enthusiasm and commitment to turning these lessons into action with measurable outcomes.

Since 2005, we've seen how the connections fostered through the Leadership Exchange led to such outcomes as coming together for the 2016 Olympics Bid, advocating and gaining dedicated funding for SEPTA , and developing a new collaboration for growing minority businesses to scale in Greater Philadelphia. One of our Leadership Exchange participants was even elected Mayor of Philadelphia on a platform that included best practices he learned about in Chicago.

In 2008, 100 participants from business, government, and nonprofits are participating in:

1. Orientation, Monday, April 28, 2008 — Participants got acquainted, heard an overview of the program and expectations, and were briefed on the Economy League's initial research findings in support of World Class Greater Philadelphia.
2. Regional Exploration, June, 4, 5, and 6, 2008 — This active, experiential session provided participants with a deeper understanding of our region and its challenges and opportunities prior to visiting Atlanta.
3. Metro Atlanta, September 24-26, 2008 — The culmination of the program is this visit to learn first-hand how Metro Atlanta's leaders collaborate to ensure regional prosperity and sound public policy. The trip includes tours of notable project sites, briefings on significant multi-sector efforts, and meetings with the region's business, civic, and government leaders.

The Regional Exploration

In 2008, the Economy League added the Regional Exploration component to the Leadership Exchange in order to provide participants with a deeper understanding of Greater Philadelphia before traveling to learn about best practices in Atlanta. In particular, we wanted the Regional Exploration to focus on the issues to be explored in-depth while visiting Metro Atlanta: workforce development, community redevelopment, and regional equity.

The program was held three times, with a different group of Leadership Exchange participants attending each session at the Department of Environmental Protection's Leadership in Energy and Environmental Design

(LEED) Gold certified Southeastern Regional Headquarters in Norristown, PA. The site was selected because it is an example of innovative and sustainable redevelopment in an older community.

The Case Study Approach

Inspired by the monthly feature in the *Harvard Business Review*, the Regional Exploration took the form of a case study because it would allow for the program's participants to actively engage with the issues. In addition to being an interesting sociological exercise, this method underscored one of the challenges of shaping a plan for a community's future—three groups given the same information will yield different results because their plans will be influenced by the values and beliefs of the plan's makers.

The case study developed for the 2008 Regional Exploration was based on Norristown, a real community located in Montgomery County, PA, less than 7 miles outside of Philadelphia. The Economy League chose to focus on this community because:

1. *Norristown is representative of a number of older communities in the region that are facing tough challenges.* For our purposes, Philadelphia, Camden, Bristol, Burlington, Coatesville, Phoenixville, and many others could have just as easily been chosen for the case.
2. *Norristown highlights that issues like poverty, crime, low educational attainment, and a shrinking tax base are not just city issues, but also impacting communities in the middle of Pennsylvania's wealthiest county.* The Economy League wanted to highlight the shared challenges that we face as well as the value of addressing these challenges for the prosperity of the entire region.
3. *Norristown's experience exemplifies the challenges communities face in a highly fragmented region.* Despite Norristown's proximity to some of the largest job centers in Greater Philadelphia and many of the wealthiest communities and school districts in the Commonwealth, it does not benefit from those resources because of the fragmentation of government in Greater Philadelphia. Norristown is squeezed on both ends—having a shrinking pool of resources with which to deliver services because of its small and relatively poor tax base yet growing demand for services it because of the community's high poverty rate.

All of the information about Norristown contained within the case—including the four proposed development projects—was real. The case was created through a combination of quantitative analysis and expert interviews with government officials from Norristown and Montgomery County, PA, including:

- Gerald Birkelbach, Executive Director of the Montgomery County Department of Economic and Workforce Development
- David Forrest, Municipal Administrator, Norristown
- The Honorable Joseph Hoeffel, Vice Chairman, Montgomery County Board of Commissioners
- Joel Johnson, Executive Director, Montgomery County Housing Authority
- Steve Nelson, Director of Policy, Montgomery County
- Jerry Nugent, Executive Director, Montgomery County Redevelopment Authority

While the information about Norristown is real, Emerald Energy and its challenge are both fictional entities conceived of to serve as a catalyst for the group to discuss how to develop the workforce and prioritize redevelopment projects, while all the while having to think about the realities of Norristown, its current residents, assets, and liabilities.

II. Case Study: Emerald Energy Comes to Norristown, PA¹

Emerald Energy, Inc. is a national energy conservation and management company with locations outside of New York, Boston, San Francisco, and Stamford, CT. With major commercial customers in health care, education, financial services, commercial real estate, telecommunications, and data centers as well as a retail channel, they view the Greater Philadelphia region as a major growth opportunity.

Emerald's primary line of business – *Smart Energy Usage* – supplies demand-response² solutions to both consumers and commercial clients for self-monitoring and automatically reducing consumption of energy at peak demand. In concert with their utility company partners, Emerald Energy provides hardware and software-based products as well as network management (big data center) capabilities. They also can provide metering for market-based pricing,³ where available, and billing solutions for commercial incentive programs.

Emerald's second line of business – *Smart Energy Buildings* – provides engineering, consulting, installation and servicing of their own line of products for improving the demand-response of commercial and residential buildings. These products include occupancy sensors, photo-sensors, and controllers to vary the speeds of fans, pumps, and compressors to improve performance under partial load.

Emerald Energy's corporate commitment to sustainability resulted in the decision to open new facilities in core communities where they can leverage their presence and the resulting jobs for economic growth, redevelopment, and workforce development efforts. After scouting a number of communities in Greater Philadelphia including Phoenixville, Camden, Bristol, Burlington, Coatesville, and Philadelphia, Emerald Energy decided to open its new operations in Norristown, PA.

The proposed Norristown facilities will include a data center for East Coast operations and will serve as a regional sales/service/installation and product distribution center. It will also include a call center for residential and commercial customer service. Once fully operational, the facilities will require more than 1000 jobs (See Table A).

Table A: Employment Needs for Emerald Energy Facility

Job Title	# of Positions	Degree Required	Training Provided	Starting Salary	Notes
Shipping/Receiving Warehouse Clerk	25	HS or GED	4 Weeks	\$23,000	
Installers/Repair Personnel	300	2 or 4 yr	4 Weeks	\$45,000	Engineering degree, pay depends on experience
Customer Service Representative	250	HS or GED 2 or 4 yr	1-2 Weeks	\$28,000 – \$35,000	
Back-Office Administrative and Accounting	150	4 yr		\$28,000	Finance, Accounting, General Business
First Line Supervision	40	HS or GED 2 or 4 yr	4 Weeks	\$45,000	Depends on Role
Managers	5	4 yr		\$75,000 - \$120,000	Finance, Accounting, General Business

¹ Prepared by the Economy League of Greater Philadelphia for the 2008 Greater Philadelphia Leadership Exchange

² In electricity grids, demand response (DR) refers to mechanisms to manage the demand from customers in response to supply conditions, for example, having electricity customers reduce their consumption at critical times or in response to market prices. This is different from energy efficiency, which is performing the same services but using less power. In demand response, customers, often through the use of dedicated control systems, shed loads in response to a request by a utility or market price conditions. (Source: http://en.wikipedia.org/wiki/Demand_response)

³ Market-based pricing: the wholesale cost of energy is not fixed but varies according to demand and available supply. Variations in price within a 24-hour period of two to five times are not unusual, due to daily demand cycles. (Source: http://en.wikipedia.org/wiki/Demand_response#Electricity_pricing)

Data Center Tech	70	2 or 4 yr	2 weeks	\$40,000	Technical
Data Center Specialists	55	4 yr	2 weeks	\$65,000	Technical, depends on experience
Engineers and Design Consultants	30	4 yr		\$70,000	Engineering, depends on Experience
Sales Support Technicians	30	2 or 4 yr	4 weeks	\$48,000	Engineering
Marketing	40	4 yr		\$42,000	Business, depends on experience
Sales Reps	10	4 yr		\$60,000-\$100,000	Business, base only

Profile of Norristown

History

Norristown is in a rich agricultural region. But it also had many manufacturers of cigars, tacks, wire, screws, boilers, bolts, silos, tanks, iron, hosiery, knitting machines, underwear, shirts, lumber and milling machinery, paper boxes, rugs, carpets, and more. Historically, it also was a retail center for the rural areas outside of Philadelphia, however with the growth of suburban communities and large shopping malls including the King of Prussia and the Plymouth Meeting Malls, Norristown’s retail sector steadily declined and eventually collapsed.

Governance and Geography

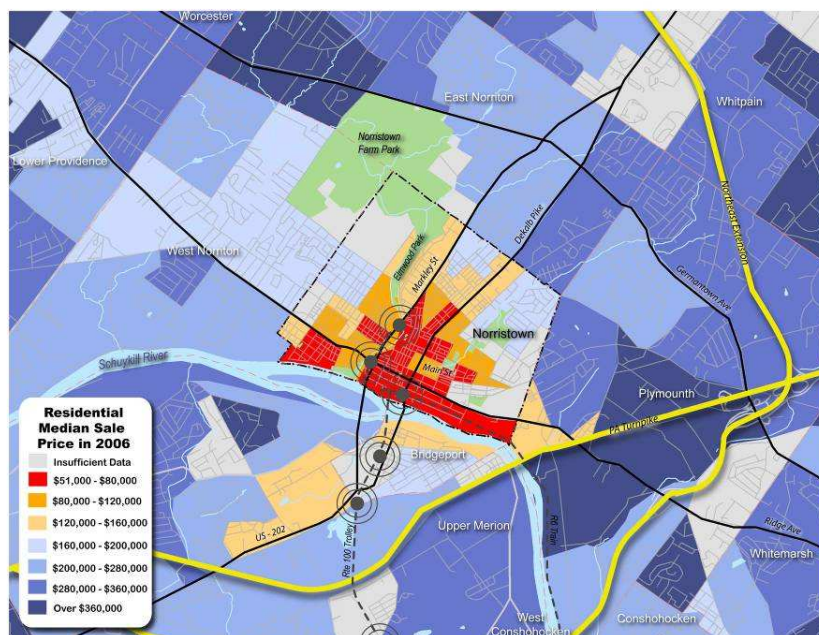
Norristown is the county seat of Montgomery County, Pennsylvania, and was incorporated as a borough in 1812. Though still often referred to as “the Borough,” since 1986 Norristown has been a home rule municipality managed by a municipal administrator and a seven-member council. While Norristown did experience an era of government corruption and mismanagement, in recent years, faith in the municipality’s government has been restored to such a degree that when asked about the community’s current strengths, a number of county officials point to the borough’s professional municipal administrator, David Forrest.

Norristown is located less than 7 miles northwest of Philadelphia and covers 3.5 square miles on the Schuylkill River. Major points of interest include the Elmwood Park Zoo, Norristown Farm Park, the Montgomery County Court House, the Commonwealth of Pennsylvania Department of Environmental Protection, and Montgomery County Cultural Center, home of the Centre Theater.

The Downtown and Housing Stock

While the perception of downtown Norristown is that it has suffered in recent years, according to Montgomery County officials, commercial occupancy rates actually are over 90%. Residential areas of Norristown remain largely well-maintained and the housing stock is affordable, especially when compared to surrounding jurisdictions (see Map 1). Row homes and twin homes are more numerous than single family residences. The affordability of Norristown attracts a high concentration of Section 8 voucher recipients – in fact, nearly half of all those in Montgomery County.

MAP 1: Residential Median Sale Price in 2006-Norristown and Surrounding Jurisdictions



Map Source: TRF's Reinvestment News Winter 2008

Highway Access and Public Transportation

Currently, Norristown is not directly linked to a major highway. A number of government leaders believe that the community's lack of highway access has been the major limiting factor in its economic redevelopment efforts. However, the community is pushing a proposal—supported by the Montgomery County Commissioners and Governor Ed Rendell—to connect Norristown to the Pennsylvania Turnpike.

On the plus side, Norristown's Transportation Center (NTC) is the final stop on the Norristown High Speed Line (R100) that runs from 69th Street Terminal in Upper Darby to Norristown. It is also a stop on the R6 Norristown Regional Rail Line that offers service to Center City Philadelphia. In addition to rail service, NTC serves as the center of SEPTA's Frontier Division, particularly for 8 bus routes operating in Montgomery County. In April 2008, SEPTA opened a new 520+ space parking garage at the Norristown Transportation Center. The parking garage grew the transit center's parking capacity by 40% and is a part of SEPTA's capital investment program aimed at improving customer amenities at facilities throughout the regional rail system.

Residents and Employment

Norristown has a mix of cultures including African-Americans, Mexican-Americans, Italian-Americans, Dominican-Americans, Jamaican-Americans, and Puerto Ricans. The city's economy is powered by Montgomery County government jobs, the legal profession, and health care (both Montgomery Hospital and Norristown State Hospital are located there). Among the most common occupations in Norristown are sales and office, 26%; management, professional, and related occupations, 22%; and service, 21%. Norristown's annual unemployment rate in 2007 was 5.0%, compared to 3.4% in Montgomery County⁴ (the national average is 4.61%).

⁴ US Bureau of Labor Statistics

Table B: Demographics of Norristown vs. Montgomery County⁵

	Norristown	Montco		Norristown	Montco
Population			Education		
Total population	31,282	775,688	Less than grade 9	8%	2%
Male	49%	49%	Grade 9-12, no diploma	21%	6%
Female	51%	51%	High school graduate	36%	27%
Median age	33.7	40.1	Some college, no degree	16%	15%
Foreign born	10%	8%	Associate's degree	6%	6%
Language Other Than English ⁶	15%	11%	Bachelor's degree	9%	26%
Housing			Graduate degree	4%	18%
Owner-occupied homes	48%	76%	Marital Status		
Median cost of a home	\$85,400	\$292,600	Never married	39%	27%
Median mortgage payment	\$672	\$1,817	Currently married	40%	51%
Renter-occupied homes	52%	24%	Separated	4%	2%
Vacant housing	11%	5%	Widowed	8%	11%
Median monthly rent	\$632	\$947	Divorced	10%	9%
Average Income					
Median Income	\$35,714	\$71,180	Race		
Median for all male FT	\$32,113		White	56%	86%
Median for all female FT	\$26,746		Black or African American	36%	9%
Household Income			Asian	3%	6%
Less than \$10,000	12%	2%	Other	5%	1%
\$10,000 to \$14,999	7%	1%	Hispanic /Latino (any race) ⁷	11%	3%
\$15,000 to \$24,999	15%	4%	Commute		
\$25,000 to \$34,999	15%	6%	Carpool	16%	
\$35,000 to \$49,999	19%	10%	Public transportation	8%	
\$50,000 to \$74,999	19%	19%	Average travel time	23 minutes	
\$75,000 to \$99,999	7%	17%			
\$100,000 to \$149,999	4%	22%			
\$150,000 to \$199,999	1%	9%			
\$200,000 or more	1%	10%			

Norristown Today

Currently, a number of efforts are focused on redeveloping and strengthening Norristown. The private sector sees the potential of a transit-oriented community with a walkable riverfront that also happens to be the County Seat. Leaders have different visions about what a redeveloped Norristown would look like, ranging from a low-cost community for workers at nearby employment centers like King of Prussia and Plymouth Meeting; to a revitalized employment center like Conshohocken; or a renewed, compact multi-use community which attracts wealthier residents, restaurants, stores, and other employers.

⁵ US Census Bureau 2000 Data

⁶ Population 5 years and over.

⁷ The census of Hispanics in Norristown is thought to be a vast understatement because of the increasing number of illegal immigrants, many of whom are fearful of deportation should they participate in government surveys. Mexican workers from the state of Puebla have found residence in the borough for its affordable housing stock and proximity to construction, service sector, and landscaping jobs in the wealthy suburbs that surround it.

In addition to the new Norristown Transportation Center Parking Garage referenced above, current and recent redevelopment projects include the opening of a new \$17 million, 4-level, 483 space parking garage at Main and Cherry Streets, and the restoration of the 40,000 square foot Bell Telephone building.

Since 2000, there have been a number of processes and task forces created to evaluate and plan for the future of Norristown, including:

- a number of well-respected consulting nonprofits and private firms have been contracted to evaluate and recommend plans for the future of parcels of land in the Borough;
- a task force made up of the heads of the County's housing, redevelopment, policy and planning, commerce, and planning departments as well as leaders from the business community to create policy recommendations that could aid the redevelopment of Norristown. The volunteer chair of the committee has urged the Task Force to envision what the group wants for Norristown's future, and they will work from that goal to develop the policies;
- a citizen engagement process is underway to gain greater insight into what residents of Norristown want for its future.

There is momentum in Norristown, and one county official believes that there is political will to do big things. However, the reality is that no large-scale development project can be taken on in the Borough without the aid of public dollars because developers can not yield the rental and leasing prices necessary to justify doing projects sans subsidy.

Currently, the private sector has four major redevelopment projects in the works, however the Borough and County have limited resources to support them, and in turn, make them a reality.

- **Film Studio**—There is a plan to build a 280,000-square-foot complex, as well as convert an old, vacant 180,000-square-foot Sears building on 25 acres at Markley Street and Johnson Highway in Norristown.
- **Office Tower**—There is a plan for an office tower development (similar to those found in nearby Conshohocken) for the Main Street business district of Norristown.
- **Housing Development**—On 12 acres adjacent to the downtown area of Norristown, there is a proposal to create an affordable housing development.
- **Light Industrial/Commercial Space Along the Schuylkill River**—There is a plan for this project which will clean up the heavily contaminated Nicolet asbestos manufacturing and convert it into 120,000 square feet of light industrial and commercial space.

The Emerald Energy Challenge

As part of its strategy, Emerald Energy has partnered with a consortium of foundations and philanthropists to create a pool of seed money for the targeted core communities they enter. The seed money is intended to jump-start economic development and workforce training efforts to support the success of the community in which Emerald Energy will be located. However, the pool of money is big enough only to subsidize the workforce development efforts and a subset of the proposed economic development projects.

In order for Norristown to access the pool of funds available for economic development and workforce training, the community needs to develop a plan for how the funds will be utilized for approval by Emerald Energy and the Board of the Consortium. The plan must demonstrate how the community will:

1. Supply the workforce for the Emerald Energy Company – at least one-third of which must be residents of Norristown over the next 5 years;
2. Support community development efforts that align with or promote Norristown as a livable community—such as contributing to maintaining or strengthening a) convenience, safety, and sustainability, b) economic viability and efficiency; and/or c) social, economic and/or racial/ethnic equity.

III. Discussion and Conclusions from June 4, 2008 Regional Exploration Session

Participants

- Suzanne Biemiller, Pew Charitable Trusts
- Patricia Blakely, The Merchants Fund
- Glenn Blumenfeld, Tactix Real Estate Advisors, LLC
- James Bogrette, Kimmel Bogrette Architecture + Site, Inc.
- Blaine Bonham, Pennsylvania Horticultural Society
- David Brown, BrownPartners
- Danielle Cohn, Philadelphia Convention and Visitors Bureau
- Denise Collins, Holy Redeemer Health System
- Stephen Curtis, Community College of Philadelphia
- James Dunigan, PNC Bank, N.A.
- Beverly Harper, Portfolio Associates, Inc.
- Michael Harris, University of Pennsylvania
- Joseph McLaughlin, Temple University
- Thomas Morr, Select Greater Philadelphia
- Bret Perkins, Comcast
- Chris Satullo, Philadelphia Inquirer
- Judy Tschirgi, Economy League of Greater Philadelphia, *Facilitator*
- James Waddington, Lockheed Martin
- Patricia Hasson, Consumer Credit Counseling Service of Delaware Valley
- Feather Houstoun, William Penn Foundation
- John MacDonald, Impact Services Corporation
- Jerry Maginnis, KPMG LLP
- William Marrazzo, WHYY

Group Discussion

Following a tour of the Department of Environmental Protection's LEED Gold certified headquarters to get participants talking and thinking about innovative development and an interactive presentation of the Case Study (see Appendix A), the participants—playing the role of Norristown citizens—engaged in a facilitated group discussion to develop the plan they would submit to Emerald Energy in response to the company's challenge.

1. *What are the expectations of the plan which Norristown must create to access the seed money made available through the Emerald Energy Challenge?*

To create a pathway for Emerald Energy to employ around 333 Norristown residents in 5 years and to prioritize Norristown's current development projects.

2. *What assets does Norristown have to leverage?*

- Deep cultural roots and diverse community
- Access to mass transit via Norristown Transportation Center
- Affordable community that is the seat of an affluent county
- Anchor employers (hospitals) and lots of parking
- A riverfront ripe for development
- Stable city and county government
- Relative proximity to Montgomery County Community College
- Reasonable proximity to major highways and Philadelphia

3. *What challenges does Norristown have to overcome?*

- Crime
- No concentration of retailers downtown
- 33% low income population
- Lack of 24 hour (legal) activity
- Illegal immigration
- Low educational attainment
- Low homeownership, low housing stock, lack of family housing
- Poor school system
- No easy access to waterfront area
- The transition from an industrial economy to a service-based one
- Developing housing in city center
- Lack of local government resources

4. *What type of workforce development efforts must Norristown develop in order to provide Emerald Energy with 333 resident-employees within 5 years?*

Next, the group discussion turned to the issue of workforce development. Given the community's current levels of educational attainment and the needs of Emerald Energy, they were asked to consider what steps would have to be taken to have a third of Emerald Energy's employees reside in Norristown, within 5 years. The group was asked to consider the full continuum of workforce development issues, including:



Members suggested that the plan should do the following:

- Outline a set of goals tailored to Norristown residents' needs
- Cultivate workforce partnerships throughout the job training pipeline. Emerald Energy and others should provide incentives and commit resources to ensure effective programs.
- Develop retention programs to attract workers to job training and keep them interested.
- Give preference to Norristown residents
- Provide housing assistance and tuition remission plans to residents and non-residents alike (the goal being to bring and keep more residents).
- Draw upon the Montgomery County Center for Technical Studies (a vo-tech high school) resources.
- Offer programs for high school students, priming them to enter the workforce.

5. *How will Norristown prioritize its existing slate of redevelopment projects given the limited pool of funds?*
Given the choice between a film studio, office tower, affordable housing, or light industry, many participants felt light industry was best able to provide jobs for Norristown residents whose educational levels and skills were deemed more compatible with this type of work. Secondly, many felt Emerald Energy's resources were best aligned to help industrial development. However, others noted that industrial sites might make the area less attractive for riverfront developers, potential residents, and visitors.

Film studio proponents argued that this project would bring workers into Norristown on a "24 hour" basis and would drive the development of retail, restaurants, and entertainment. It would confer "cool" status on the city to attract the coveted 20-something demographic. However, some participants noted that "there aren't many key grips living in Norristown to begin with," and such workers would be unlikely to relocate to the municipality permanently.

Many participants dismissed the office tower as a speculative development not guaranteed to meet expectations. Others felt it would provide an anchor for mixed-use development in Norristown's core and provide the means to transform the Main Street corridor into a viable commercial and cultural center for residents and visitors alike. However, group members noted that office workers would be likely to flee Norristown after business hours, declining to take advantage of the retail spaces built with them in mind.

Most participants believed affordable housing would be an end result of any project and thus unnecessary. However, one participant pointed out that the main objective of the workforce development plan was to help low- and middle- income Norristown residents. If so, affordable housing geared towards the new Emerald Energy workers was the most logical project to pursue.

After extensive discussion, it came down to a vote.

- Light Industry: 9 votes
- Film Studio: 6 votes
- Office Tower: 3 votes

- Affordable Housing: 1 vote

6. *What additional requirements does the community want to communicate to developers?*

Some group members felt light industrial development should be the catalyst sparking mixed-use riverfront development. When confronted by others who stated industry would drive away development in that area, proponents retorted that building industry would “start the conversation” about what should be built at the water’s edge. In the end, many agreed that developing the river area was one of the goals of new industrial sites.

Respondent

Gerald Birkelbach, Executive Director of the Montgomery County Department of Economic and Workforce Development, listened to the group discussion and provided feedback and insights. He endorsed none of the hypothetical projects, feeling that limiting jobs to one’s home city was the wrong mentality towards future development, given the proximity to jobs in Plymouth Meeting and King of Prussia. Birkelbach felt Norristown residents should look outward for jobs, noting “if you have a high school degree and a car, you have a lot of good opportunities.”

Birkelbach agreed that combating crime, or at least the perception that Norristown is dangerous, was a key concern for the municipality. Changing perception could go a long way towards attracting development to the area.

Concerning workforce development, Birkelbach outlined a market-based approach, stating that government’s role was to educate citizens and enable them to take advantage of professional opportunities.

Summary: The June 4 Group’s Response to the Emerald Energy Challenge

The June 4 Group’s workforce development plan would be tailored for current Norristown residents’ needs, compelling Emerald Energy to offer incentives for local workers. It would provide tuition remission and housing vouchers for company employees, encouraging current and future residents to stay in the municipality. It would draw upon resources at Norristown’s Center for Technical Studies (a vocational-technical high school) and provide incentives for area high school students to consider careers with Emerald Energy.

The June 4 Group’s participants ruled that light industrial development was the best solution for transforming Norristown. Given the proximity of vo-tech training and the educational attainment of current Norristown residents, light industry was best situated to provide jobs matching residents’ skill sets. Secondly, participants expressed great interest in what Baltimore-esque riverfront redevelopment could bring to Norristown. At least one panelist that voted for industrial development declared industry to be trailblazer toward unlocking the River’s potential and ventured that this should be the ultimate goal of such development.

IV. Discussion and Conclusions from June 5, 2008 Regional Exploration Session

Participants

- Laurie Actman, CEO Council For Growth
- Steve Aichele, Saul Ewing LLP
- Peggy Amsterdam, Greater Philadelphia Cultural Alliance
- Lawrence Bell, University of Pennsylvania.
- Matthew Bergheiser, Knight Foundation
- Pamela Browner-Crawley, Citizens Bank
- George Burrell, PRWT Services
- Brian Clapp, AON Consulting, *Facilitator*
- Della Clark, The Enterprise Center
- Patricia Coulter, The Urban League of Philadelphia
- Helen Cunningham, Samuel S. Fels Fund
- Fred Dedrick, Commonwealth of Pennsylvania
- Philip Eastman, PECO Energy Corporation
- Daniel Fitzpatrick, Citizens Bank
- Melissa Weiler Gerber, Women’s Way
- Terry Gillen, City of Philadelphia
- Sallie Glickman, Philadelphia Workforce Investment Board
- Kimberly Hall, Chester County Historical Society
- Kenneth Lawrence, Public Affairs Strategies
- Paul Levy, Center City District
- Marianne Martelli, Chester County Chamber of Business and Industry
- Paula McKinney-Rainey, PA Department of Community and Economic Development

- Bruce Melgarey, The Lenfest Foundation
- Rick Sauer, Philadelphia Association of Community Development Corporations
- John Smith, Reed Smith LLP
- Phyllis Snyder, Council for Adult and Experimental Learning
- Harris Steinberg, PennPraxis
- Kera Walter, Ceisler Jublirer
- Laura Weinbaum, Project H.O.M.E.
- Anthony Wigglesworth, Philadelphia Area Labor-Management Committee
- Ahmeenah Young, Pennsylvania Convention Center Authority

Group Discussion

Following a tour of the Department of Environmental Protection's LEED Gold certified headquarters to get participants talking and thinking about innovative development and an interactive presentation of the Case Study (see Appendix A), the participants—playing the role of Norristown citizens—engaged in a facilitated group discussion to develop the plan they would submit to Emerald Energy in response to the company's challenge.

1. *What are the expectations of the plan which Norristown must create to access the seed money made available through the Emerald Energy Challenge?*

To create a pathway for Emerald Energy to employ around 333 Norristown residents in 5 years and to prioritize Norristown's current development projects.

2. *What assets does Norristown have to leverage?*

- Norristown Transportation Center
- Proximity to Philadelphia
- Diverse housing stock
- Seat of Montgomery County
- It is a historic community with a high walkability factor
- Several Keystone Opportunity Zones (KOZs) in the area, providing tax advantages for developers
- Proximity to higher education via Montgomery County Community College and the county's Center for Technical Studies (a vocational-technical high school) in Norristown
- The riverfront
- A spirit of renewal, diversity, and the political will for change
- Access to Hospitals
- Affordable housing relative to Philadelphia and Montgomery County

3. *What challenges does Norristown have to overcome?*

- Section 8 households requiring extensive social services shrink the municipal tax base
- Low unemployment leaves a small pool of potential workers
- Perception of Corruption
- The imminent closing of the local hospital
- Lack of highway access and skilled workers
- Crime and the perception of high crime, specifically prostitution
- Lack of overt support for small business development, community-based cultural organizations, retail stores, and residential amenities for families
- Government fragmentation
- Undereducated workforce
- Managing gentrification

4. *What type of workforce development efforts must Norristown develop in order to provide Emerald Energy with 333 resident-employees within 5 years?*

Next, the group discussion turned to the issue of workforce development. Given the community's current levels of educational attainment and the needs of Emerald Energy, they were asked to consider what steps would have to be taken to be able to have a third of Emerald Energy's employees be residents of Norristown, within 5 years. The group was asked to consider the full continuum of workforce development issues, including:



Members suggested that the plan should do the following:

- Incorporate Montgomery County Community College's resources into training programs.
- Utilize local institutions.
- Help build educational infrastructure (i.e. schools) and the supporting framework to attract young students to Emerald Energy's jobs.
- Create campaign to attract workers, businesses, and residents.
- Leverage resources and attract employers and employees with Norristown's convenient proximity to mass transit.
- Create scholarships and partnerships with local colleges and universities.

5. *How will Norristown prioritize its existing slate of redevelopment projects given the limited pool of funds?⁸*

Given the choice between a film studio, office tower, affordable housing or light industry:

Most participants agreed that the film studio would draw in elements of the creative economy and could bring in young professionals willing to improve the area, attracting restaurants and retail shops. The presence of young, creative people would lend Norristown the elusive "cool" factor that has blessed other areas. In addition, they saw it as a way to take advantage of growth in the film industry. Lastly, the studio could provide a net gain of new jobs in the area, as the office tower and light industrial developments would simply shuffle jobs around the region to Norristown without guaranteeing new residents.

Office tower proponents argued that it could also lend the "cool" factor to the Municipality provided the building was environment-friendly (with LEED certification). The new building could generate buzz and position Norristown as a green Municipality, attracting positive attention and tenants looking to use green-generated goodwill to increase business revenue. Lastly, building the tower on the riverfront could open the area for further development, a widely-touted goal for the June 5 Group.

Light industry boosters argued that industrial development was the key to unlocking the riverfront. Taking advantage of the Nicolet site would begin the revitalization of the river area and attract others to the Schuylkill's banks.

⁸ The June 5 Group added two more projects: building the proposed access ramp to the PA Turnpike and riverfront development.

Most participants agreed that mixed-income housing adhering to inclusionary rules was a better investment than workforce housing towards improving Norristown. In addition, such rules would stave off the negative effects of gentrification, keeping low income residents in the Municipality limits. However, others noted that setting aside money to help homeowners upgrade existing housing might be a better investment in renewal and redevelopment.

As for the highway access ramp, county officials stressed that linking Norristown to the PA Turnpike was in progress, thus removing the incentive to back its construction. Many panelists considered riverfront development a part of or a residual effect of the other projects.

The final rankings were as follows:

- Film Studio: 14 votes
- Affordable Housing: 5 votes
- Light Industry: 4 votes
- Office Tower: 3 votes
- Highway Ramp: 3 votes
- Riverfront Development: 2 votes.

6. *What additional requirements does the community want to communicate to developers?*

Developers must do the following:

- Alleviate negative effects of gentrification and make sure Norristown residents benefit from redevelopment.
- Address retail void in downtown area by encouraging commercial tenants to return to the municipality center.
- Set aside a percentage of construction/other service contracts for local firms.
- Mandate LEED environmental certification for all new developments.

Respondents

Montgomery County Housing Authority Executive Director Joel Johnson and Montgomery County Director of Policy Steve Nelson attended the June 5 session and offered their thoughts on the discussion. Both men addressed regional issues and answered questions from the audience.

Johnson stressed the need for regional cooperation in Montgomery County, as it leads to successful outcomes. As an example, he cited the arrangement between Norristown and Plymouth Township over the proposed Lafayette exit ramp off Interstate 76, linking Norristown to the turnpike. Even though the project primarily benefitted Norristown, Plymouth Township agreed not to oppose construction within its borders. Likening non-opposition to silent assent, Johnson said this was the kind of collaboration necessary in a municipally fragmented region.

Nelson also cited the cooperation between Norristown and Plymouth Township as a laudable example of regional collaboration. He noted that the Lafayette exit project was making progress because the political will to build it was mercifully present. Forrest stressed that highway access was the key to attracting development projects, citing Conshohocken as an example. That community failed to attract investment for 20 years until the Blue Route and Interstate 76 were routed through it, bringing revitalization in their wake.

Summary: The June 5 Group's Response to the Emerald Energy Challenge

The June 5 Group's workforce development plan sought to incorporate local resources such as Norristown's Center for Technical Studies, the Norristown Area School District, and Montgomery County Community College to recruit local employees for Emerald Energy. Their plan would leverage Norristown's transit

infrastructure to encourage employers and employees to relocate to the Municipality and compel local colleges and universities to offer scholarship programs for students. It would deem the film studio project the highest redevelopment priority and mandate LEED certification, attempt to stave off negative effects from gentrification, set aside contracts for local firms, and try to bring retail outlets back to Norristown for its new residents.

The June 5 Group believed the film studio was the key to redeveloping Norristown because it would bring in new jobs and the young creative types necessary to render an aged industrial municipality hip again. However, such sentiment was tempered by the desire to ensure that low income residents were not forced out by the dark side of gentrification. The participants shared a concern, echoed by the respondents, that highway access was necessary to bringing new jobs, residents, and their taxes, to Norristown.

V. Discussion and Conclusions from June 6, 2008 Regional Exploration Session

Participants

- Steve Albertini, Tierney Communications
- Regina Canfield, PNC Bank
- John Claypool, American Institute of Architects Philadelphia
- Karen Davis, Arts and Business Council of Greater Philadelphia
- Carol Fixman, Philadelphia Education Fund
- Earl Gage, County of Salem/Salem City (NJ)
- Melissa Grimm, Aqua America
- Gloria Guard, People's Energy Center
- Ernest Jones, Philadelphia Workforce Development Coalition
- Sharmain Matlock-Turner, Greater Philadelphia Urban Affairs Coalition
- Shawn McCaney, William Penn Foundation
- Beth Miller, Community Design Collaborative
- Kathleen O'Brien, Montgomery, McCracken, Walker & Rhoads, LLP
- Pedro Ramos, Blank Rome LLP
- Chris Ross, PA House of Representatives
- David Seltzer, Mercator Advisors LLC
- Donald Shanis, Delaware valley Regional Planning Commission
- Frances Sheehan, Delaware Valley Grant Makers/Brandywine Health Foundation
- Laura Shubilla, Philadelphia Youth Network, Inc.
- Patricia Smith, The Reinvestment Fund
- Judy Tschirgi, Economy League of Greater Philadelphia, *Facilitator*
- Patricia Washington, Greater Philadelphia Tourism Marketing Corporation
- Lewis Wendell, University City District

Group Discussion

Following a tour of the Department of Environmental Protection's LEED Gold certified headquarters to get participants talking and thinking about innovative development and an interactive presentation of the Case Study (see Appendix A), the participants—playing the role of Norristown citizens—engaged in a facilitated group discussion to develop the plan they would submit to Emerald Energy in response to the company's challenge.

1. *What are the expectations of the plan which Norristown must create to access the seed money made available through the Emerald Energy Challenge?*

To create a pathway for Emerald Energy to employ approximately 333 Norristown residents in 5 years and to prioritize Norristown's current development projects.

2. *What assets does Norristown have to leverage?*

- Proximity to transit
- Pedestrian-friendly, developable land near the river
- Walkable community
- Seat of Montgomery County
- Employable workforce, affordable housing, honest government
- Proximity to Montgomery County Community College in Blue Bell and Norristown's VOTEC center
- Diverse community and young workforce

- Architecturally interesting
- Low-cost workforce
- Abundant greenspace, a bikepath, and a zoo
- Proximity to Philadelphia
- Close to shopping at King of Prussia and Plymouth Meeting
- Potential for “green” branding

3. *What challenges does Norristown have to overcome?*

- Poor school system
- Crime
- Traffic congestion on major arterial thoroughfares
- Lack of vehicular access
- Poorly educated workforce
- Negative perception
- No retail base and lack of commercial amenities like restaurants
- Abandoned industrial zones
- High number of Section 8 housing voucher recipients
- No nightlife nor college in the municipality
- Unemployment and underemployment

4. *What type of workforce development efforts must Norristown develop in order to provide Emerald Energy with 333 resident-employees within 5 years?*

Next, the group discussion turned to the issue of workforce development. Given the community’s current levels of educational attainment, and the needs of Emerald Energy, they were asked to consider what steps would have to be taken to be able to have a third of Emerald Energy’s employees be residents of Norristown within 5 years. The group was asked to consider the full continuum of workforce development issues, including:



Members suggested that the plan should do the following:

- Build a Montgomery County Community College satellite campus in Norristown
- Get companies to collaborate with other colleges/universities to coordinate externships/co-ops with employers like Emerald Energy and post-secondary technical training
- Invite companies to collaborate on programs of study with area technical schools
- Develop green job, technology, and educational pipelines aimed at training Norristown residents for local jobs
- Establish stakeholders and ownership of the process among community, civic, and business leaders
- Involve the Montgomery County Workforce Development Board
- Allow for daycare support for workers
- Utilize state funds to attract new residents
- Give additional training to upwardly mobile employers
- Consider mandating green regulations to capitalize on environmentalism trend

5. *How will Norristown prioritize its existing slate of redevelopment projects given the limited pool of funds?*

Given the choice between a film studio, office tower, affordable housing or light industry, Friday's participants noted that viable commercial space was the missing piece for development in Norristown. Shopping, jobs, and housing will bring people back to the municipality permanently, alleviating the "hollowed-out" feeling present today. Retail provides the amenities that would attract an influx of new permanent residents to the area.

Both light industrial and office tower proponents felt such developments would help fill the retail void. Light industry would bring jobs and new retail and residential space to serve the workers. An office tower would provide space for commercial vendors and a built-in clientele. But, participants noted there was no way to guarantee that new workers from the two projects would stay in Norristown after hours to enjoy the retail amenities set up for them. A new office tower and/or industrial facility would exacerbate existing traffic choke points, making it harder to access Norristown and driving away new residents.

Affordable housing supporters stressed that new, attractive, and green residential developments would entice Emerald Energy employees to live in Norristown. As a result, market forces would bring viable retail back to the Municipality's center. Attractive housing would also keep the upwardly mobile from fleeing to nearby areas like East Norriton. However, others pointed out that renovating the existing housing stock would be a more prudent measure and would eliminate the need to bulldoze 12 acres for a new development.

Film studio boosters stressed that this project would bring excitement and a "sizzle factor" to Norristown, making it attractive to young professionals who bring commercial retailers and increased property values in their wake. In addition, the studio would create 200 local, well-paying construction jobs. This project could change the perception of Norristown as a crime-infested dead zone, attracting new residents and industries. However, the studio brings an itinerant workforce that could not be relied on to stay and revitalize the area.

The final vote tally was:

- Light Industry: 11 votes
- Film Studio: 7 votes
- Affordable Housing: 2 votes
- Office Tower: 0 votes

6. *What additional requirements does the community want to communicate to developers?*

- The new light industrial facility must be "green" (adhere to LEED certifications).
- It must attract new commercial development to the area.

Respondents

Montgomery County Commission Vice Chair Joe Hoeffel and Norristown Municipal Administrator David Forrest attended the group discussion and spoke afterwards, noting their pleasant surprise that the group listed more assets than challenges for Norristown.

Hoeffel agreed with many participants that riverfront development was necessary for revitalizing Norristown. To do so, the Municipality and County must improve vehicular access via the Lafayette access ramp project and move or camouflage the unsightly sewer plant that sits in the middle of developable riverfront land. Hoeffel also suggested convincing future developers to share part of the cost for eliminating the sewer plant problem.

Lastly, Hoeffel stressed that smarter use of federal economic development money will help attract developers and give incentives for them to invest in places like Norristown.

David Forrest emphasized the local side of redevelopment issues, noting that perception issues are most important in attracting developers. Code enforcement and garbage collection were at the top of his agenda. Aggressive code enforcement and combating blight go a long way towards altering the negative perception of Norristown, he said. Such vigilance must be tempered by a focus on helping elderly and low income residents stay within code regulations. Educating residents about trash collection is another important perception issue.

Forrest ventured that these local “quality of life” issues, although “not sexy,” may be more important than abstract concepts like “sizzle.”

Summary: The June 6 Group’s Response to the Emerald Energy Challenge

The Friday Group’s workforce development strategy emphasized education. They wanted a Montgomery County Community College satellite campus in Norristown and pushed for companies to get involved with higher educational institutions to coordinate technical training curricula and all types of internships. Secondly, they sought the Montgomery County Workforce Development Board’s involvement in redevelopment, state money towards these efforts, and environmentally friendly regulations on future construction.

The group felt a light industrial project within the parameters of LEED regulations was best suited to bring workers, residents, and retail back to Norristown. However, many participants felt that the film studio would bring the same benefits and add a “sizzle” factor to Norristown, enabling it to transform its reputation from a corrupt, crime-ridden city to a cleaner, greener, and more hip enclave. In the end, the group agreed that changing Norristown’s negative perception, developing the riverfront, and bringing retailers back were important things to focus on.

VI. Analysis: Similarities and Differences Across the June 4, 5 and 6 Sessions

While there were many similar ideas conveyed during the three days of the Regional Exploration, there were also some key differences in ideas, as well as in their conclusions.

Concerning the workforce development plan, all three groups stated that education was key and called for incorporating Montgomery County Community College and Norristown’s Center for Technical Studies into their models. However, there were differences. The groups from June 4 and 5 emphasized private sources of funding for the plan from companies like Emerald Energy. The June 6 Group, while calling for private funds, would explicitly call upon county and state governments for additional monies and regulations, such as child care for workers and environmental certification.

With regard to community redevelopment prioritization, the groups reached different conclusions about which development project should get top priority. But there was consistent agreement on what was necessary to revitalize Norristown. For starters, each group believed redeveloping the waterfront and bringing retail outlets and young professionals back were key to transforming the area. Also each group expressed interest in green construction and/or mandating LEED certification on new construction in the redevelopment plans. They evaluated each project on its perceived ability to open the waterfront and attract enough professionals to re-brand the community and justify a new retail base downtown. The June 4 and 6 Groups felt a light industrial development on the River was the catalyst necessary to make this change happen. The June 5 Group posited that a film studio would provide the impetus.

Each group arrived at its general conclusions from different mindsets. June 4 participants felt light industry would “start the conversation” about showpiece riverfront development. The June 6 group justified it differently, believing that light industry would jump-start retail development in Norristown’s Main Street corridor, paving the way for new construction on the river. Critics of light industry were consistent across all three days; workers would not stay in Norristown after hours and light industrial sites do not make for a scenic waterfront.

Film studio proponents believed it would attract the people who would alter the market, making new retail/riverfront attractions a lucrative investment, a consistent sentiment across all three groups. June 4 and 6 skeptics noted that such specialists as key grips were unlikely to put down roots in town, resulting in the retail void going unfilled.

The analysis of the office tower was uniform across the three groups: it would attract a captive audience of employees and provide sites for ground-level retail to entice office workers to shop after hours. The new retail would fill Norristown’s commercial void and justify riverfront development. However, its detractors were somewhat varied. The June 4 and 6 groups argued that workers would not stay after hours to shop and dine.

June 5 participants concluded that an office tower would not bring new jobs to Norristown but instead poach them from somewhere else within the region.

The three groups were unenthusiastic about affordable housing. Those that championed the idea had wide-ranging views on the subject. One June 4 group member pushed affordable housing as the goal of the entire exercise, as it would enable workers to live and work in Norristown. Fellow group members shot down the idea, insisting that new housing was a residual effect of redevelopment anyway. The June 5 and 6 groups ventured that mixed-income housing with inclusionary rules was a wise investment; fellow participants countered this argument by proposing that renovating existing housing stock was a better investment.

VII. Conclusion: Lessons for Communities Planning Their Futures

The goal of the Regional Exploration is to deepen participants' understanding of Greater Philadelphia in the areas of workforce development, community redevelopment, and regional equity. The Economy League believes that there are five lessons to be taken away from the Regional Exploration that communities across Greater Philadelphia and regions across the country can use as they plan for their futures.

1. **A community must identify and commit to its priorities and values first.** During the Regional Exploration, these priorities and values were pre-determined for participants by the case but that didn't stop participants from questioning them. If a community is able to develop and agree on priorities and values organically, that community will have a lens through which to evaluate every opportunity and decision that follows.
2. **There's more than one way to revitalize a community.** The Regional Exploration groups' conclusions provide insight into how a diverse group of people⁹, given the same information, can draw conclusions which emphasize different priorities and strategies. Certainly something to keep in mind when forming a task force, ad hoc committee or blue ribbon panel.
3. **Redevelopment projects should be leveraged as part of a larger strategy.** It's great to build a film studio or redevelop a site on the waterfront, but those efforts have to be linked to larger goals of resident attraction or waterfront redevelopment. It might be why the office tower and affordable housing projects never gained much traction—they appeared to be more of the “same old same old” and not a catalyst for change.
4. **Bringing together a diverse group of stakeholders representing businesses, nonprofits, and government yields thoughtful recommendations.** These recommendations may prove to be more sustainable since the very stakeholders that have contributed to their development will be the same people whose support will be required to turn them into reality.
5. **A community has to own its own future.** If a benevolent company, government entity, or foundation swoops in with a pool of money to accelerate revitalization efforts, a community has to be thoughtful in determining if the offer is worth it. While it's hard to turn down money, funds might prove to be more of a distraction than a positive force if they force a community to stray from its priorities and plans.

⁹ Based on age, gender, residence, profession, sector—though the group is largely homogenous in terms of socio-economic status and educational attainment.

VIII. Recognition, Sponsors and Foundation Supporters¹⁰

Economy League of Greater Philadelphia would like to thank the following people and organizations for their support the 2008 Greater Philadelphia Leadership Exchange:

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¹⁰ As of 7/24/08

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