

Driving Growth Forward

Franklin County is on a Growth Roll Projected to Send a Positive Multiplier Effect Throughout the Region.

by G.M. Corrigan

SURFING A COUNTERTREND

that sees manufacturers relocating from their Sunbelt havens to infrastructure-rich regions in the north, Franklin County is riding a development wave that's likely to roll right into northwestern Maryland. "We're in a unique little pocket right now," says Mike Ross, 25-year president of the public-private Franklin County Area Development Corporation. "Over the last year, we've seen a resurgence specifically in manufacturing, such as with Volvo Construction Equipment, Manitowoc [an industrial crane manufacturer], Johnson Controls and JLG [a scissor lift company]. So, we've seen some fairly significant job growth here, and also some significant capital investment — and plans for capital investments."

And Mike may be putting it mildly, especially when you factor in the ripple effects of only the announced developments.

THE SWEDISH WINDFALL

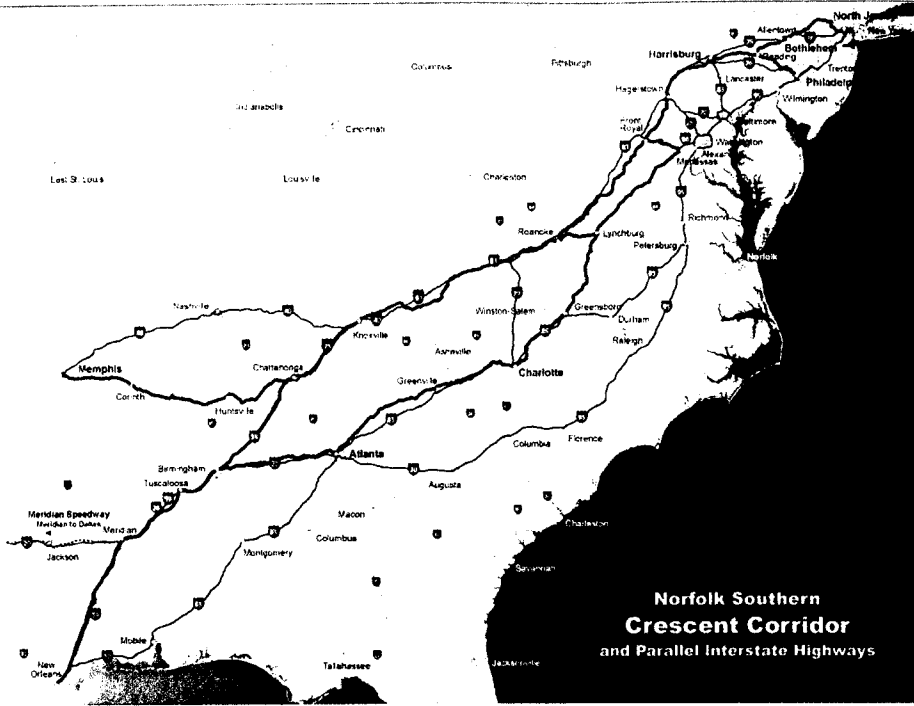
Recently, Volvo Construction Equipment, a global business unit of 90,000-employee, Sweden-based Volvo Group, announced it would move its North American headquarters from Asheville, N.C., to Shippensburg, Pa. The shift would not only bring all North American manufacturing of Volvo CE's wheel loaders, haulers and excavators to the company's 500,000-square-foot plant there by 2016, but also — and sooner — the unit's sales office, rental business, and customer training and demonstration centers.

The direct effect of this strategic reconfiguration to an 800-employee regional resource will be a \$100 million expansion of its former Ingersoll Rand facility and the transfer of 220 well-paying

jobs to Franklin County — part of which will be filled with local hires. But the indirect effect of the decision becomes clear only when considering the facts that Volvo CE, North America has about 400 suppliers and now plans to "localize" this vendor base, has chosen a Pennsylvania contractor for its reconfiguration needs, and entertains a year-round stream of visiting customers, vendors and corporate executives.

Accordingly, Mike, who insists the Volvo decision was made without local government inducement, estimates indirect county job gains from the move to be more in the neighborhood of





The Intermodal Facility will connect Franklin County to the 2,500-mile Crescent Corridor along the East Coast, which accesses 30 percent of the nation's manufacturing output; Part of Volvo Construction Equipment's decision to move operations from North Carolina to Shippensburg was the region's proximity to I-81, its infrastructure and strong skills base.

500-600 — reducing Franklin County's already-below-average 6.8-percent unemployment rate even further. He also foresees the infusion as triggering economic secondary explosions in the region's hospitality, construction, real estate, merchandising and entertainment industries. "There will be a huge ripple effect to this area and outside Franklin County," echoes Sean Glennon, Volvo CE's vice president and general manager of the Shippensburg plant. "It could even extend across the border into Maryland. You're not just looking at infrastructure growth to support this facility, but also the impact our supply chain and vendors will have."

What caused this blue- and white-collar flight from storied, balmy and amenity-rich Asheville to a town in the frozen north that doesn't even have an indoor mall? In Shippensburg, Sean explains, "there's a supplier base that has the kind of skills and competencies that we need to leverage, as well as accessibility to I-81 — and an infrastructure to support us."

But the Volvo development is only one point of light in an array of glimmerings in Franklin County's mix of business expansions — a list that includes Manitowoc's Shady Grove branch rehiring some 800 employees and Waynesboro's Frick Company adding staff; an upgrade to Chambersburg Hospital; a housing project at Shippensburg University; the launch of a U.S. Xpress trucking terminal

in Shippensburg; the December opening of a Candlewood Suites hotel in Chambersburg; a major product line addition at Schreiber Foods in Cumberland County and ground-breaking for the Norfolk Southern Intermodal (trailer truck-freight train connection) terminal at Greencastle. And these are just the ones that EDC officials can talk about.

"Those regional differences between the north and the south are not nearly as pronounced today as they were 25 years ago," Mike says, addressing one reason for the "lucky" remigration of business from the south. "So, the cost of doing business has started to level out, and when you're in the northeast, your distribution to a larger population segment [is enhanced]." And that's a happy distribution circumstance that Rudy Husband, Norfolk Southern's resident vice president for Pennsylvania, is working to extend.

INFRASTRUCTURE, THE INTERMODAL AND THE 'CRESCENT CORRIDOR INITIATIVE'

"The fact is that highways are becoming more congested," Rudy observes, noting — apropos of his company's planned late-2012 opening of its Franklin County Regional Intermodal Facility — that the U.S. Federal Highway Administration sees a doubling of truck freight over the next 10 years. "So, we think there's a great opportunity to take [the business of]

more than a million trucks a year, currently traveling on I-81, off the road."

The 200-acre improvement is part of Norfolk Southern's 2,500-mile, \$2.5 billion expansion and upgrade of railway terminals, track, capacity and signal systems along a logistical crescent — accessing 30 percent of the nation's manufacturing output — between New Orleans-Memphis and New Jersey. Called the "Crescent Corridor Initiative," the effort is viewed as promoting a safe, efficient and environmentally responsible alternative to the pitfalls of long-haul trucking — as well as being an incubator for local job creation and economic development. Already, a 245-acre, commercial-industrial development, called the Antrim Commons Business Park, is planned alongside the terminal, and it is projected to generate some 2,000 jobs when completed. The new terminal itself is expected to generate work for 125.

It's this "multiplier effect" that Tim Ebersole, executive director of the Shippensburg Chamber of Commerce, sees as especially encouraging. "[The terminal is] another growth opportunity for Franklin County," he says. "But it will also enhance opportunities across not only the local region, but across regions." And across industries, Tim adds: "The opportunities presented by the combined county developments are not limited to the new jobs [they represent], but relate also to other industries — real estate, local restaurants, hotels, etc. — that will follow these developments." Janet Pollard, tourism director for the Franklin County Visitors Bureau, agrees. "A healthy economy is very good for tourism, and is a way to attract more businesses and increase the quality of life," she says, noting that there are about 8,500 tourism-related jobs in Franklin County.

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fortune is merely a lucky happenstance? "There's a context here of success in community-building that's gone on for decades, and it's not to be taken for granted," Dave Sciamanna, president of the Greater Chambersburg Chamber of Commerce, says. Dave recounts that the path to the present prosperity was hard-won — and required some innovative boosterism. Parlaying county land holdings that the Chamber had purchased in the 1960s, the nonprofit — through its capital investment affiliate, the Chambersburg Area Development Corporation — actually developed an I-81 business park in the 1990s. It then built four buildings on it — partnering with the FCADC on one — for leasing, and sold the last of the park's lots in 2009. It's now following the same proactive formula at another location along the artery that carries an average of 60,000 cars per day through the county.

"We're very proud of what we've been able to do," Dave says, adding that the recent positive developments, though subject to global economic factors, reinforces his faith in the county and in the Chamber's strategy. "There are many positive things that have happened for those of us involved in economic development over the years," he says. "This is just as positive. Looking back it's impressive, but looking forward it's exciting." ■

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