



## Key Factors Influencing Land Use Decisions

**W**hile the preceding chapter identified Pennsylvania's planning and growth trends during the 1990s, this chapter looks at the factors that influence why those trends occurred. It analyzes *why* Pennsylvania's population is distributed in its current configuration and how these decisions affect land use.

### Why Is Pennsylvania's Population Distributed in its Current Pattern?

Where an individual chooses to live is driven by many interrelated factors. More than likely, the decision is dictated by several factors, including employment opportunities, the quality of schools, tax rates, and housing.

Where a business, whether industrial or service-oriented, decides to locate depends largely on how affordably, reliably, efficiently, and effectively it can deliver goods and services to market from that location. Moreover, unless the cost of living and the quality of life dictate otherwise, employees like to live close to their workplaces, and businesses like to be located near an ample and qualified workforce.

Clearly, businesses and their employees consider numerous factors when deciding where to conduct commerce and where to live. Accessibility to sound transportation and proximity to trade corridors, accessibility to desirable medical and educational facilities, adequate utilities and office space, and a fair and reasonable tax structure are all factors they consider. Quality of life cannot be underestimated for its impact in affecting population shifts.

The following factors have contributed to Pennsylvania's recent population and land use trends:

- **Factor 1:** Government and Government Policy
- **Factor 2:** Transportation and Infrastructure
- **Factor 3:** Economic Climate
- **Factor 4:** Changing Lifestyle Patterns and Quality of Life

This list of factors, while by no means exhaustive, represents the prime elements associated with why people and businesses decide to locate in or leave certain areas of Pennsylvania.

#### **FACTOR 1: Government and Government Policy**

Pennsylvania has a significant number of local government entities: 2,566 municipalities, 67 counties, 2,015 authorities, and 501 school districts.<sup>1</sup> With so many governmental entities, it is easy to see why local land use policies vary widely across the state. Because municipalities must rely on property taxes to fund services, they often compete with each other to attract businesses that will help their tax bases. As a result of this competitive atmosphere, local interests are often valued over regional concerns.

Each of Pennsylvania's 2,566 municipalities has the authority to implement land



use controls, yet the incentives to develop a multimunicipal or regional plan have not been strong enough to overcome local interests until recently, when Acts 67 and 68 of 2000 amended the Municipalities Planning Code (MPC). With these acts, Pennsylvania made its largest-ever investment in local land use planning and assistance (*more than \$7 million in the past two years*), and it gave priority to multimunicipal planning efforts. Consequently, over the past two years, as local governments begin to learn about and understand the new planning tools instituted through Acts 67 and 68, the Center has seen an increasing interest in multimunicipal and regional planning.


The rate of taxation by a municipality helps to determine where Pennsylvanians choose to live and where businesses decide to locate. Because of the uneven geographic dispersion of population and the varied socioeconomic conditions across the state, the local share of taxes is not distributed equally across Pennsylvania. Urban areas that are losing population often have difficulty maintaining

a consistent local tax base.

Moving to a suburban location may look like a relatively low-cost venture for citizens, but eventually, new roads, schools, parks, and other services are required to meet the demands of a growing population. Often, newer suburban communities do not have an industrial or commercial tax base in place to help pay for the new amenities that residents require. Eventually, the factors that prompted the citizens to move from an urban area in the first place — higher taxes and diminished services — occur in the suburban location. The costs of sprawl soon catch up and stress a region.

Perceived school quality also plays a major role in attracting and retaining residents and businesses in a community. When the quality of a school declines, a cycle begins that affects the entire community. Socioeconomic decline is often foreshadowed by trends in public schools. Poverty and similar socioeconomic indicators may be detected as early as elementary school. Therefore, elementary school enrollment patterns sound an early warning of flight by the middle class, the first group to leave a neighborhood when schools fail. “Schools are an important factor in household decisions about where to live. When school quality cannot be maintained at high levels, the regional economy suffers, along with local housing and job markets.”<sup>2</sup>

In 1999, the Environmental Law Institute issued a research report, “Plumbing the Future: Sewage Infrastructure and Sustainability in Western Pennsylvania,” in which it examined the land use dynamics that result from state and local infrastructure decisions. The report suggests that older municipalities are placed at a competitive



disadvantage against new residential development because they often have “. . . a static or declining tax base or rate base on which to support necessary investments in rehabilitation, replacement, and repair.”<sup>3</sup> Because state and federal loans are often structured according to a proposed service area for sewage, communities that are losing population are poorly positioned to compete against growing suburban and exurban areas for funding.

Out of concern for the long-term viability of on-lot and small wastewater treatment systems, the Commonwealth encourages consolidation and the formation of authority-led wastewater systems: “While such infrastructure changes serve the goal of environmental protection by reducing or eliminating current discharge problems, at the same time, they often create the opportunity for additional, sewer development in the future. . . .”<sup>4</sup>

Because ownership of most sewage collection systems resides at the municipal level, regionally driven solutions are often difficult to achieve. Consolidation of smaller systems into regional entities, coupled with better planning that identifies current problems and future needs, can more effectively address infrastructure issues for the entire region.

## **FACTOR 2: Transportation and Infrastructure**

Where Pennsylvanians decide to live and work affects the level of infrastructure required to sustain our daily activities. Land use and infrastructure are inherently linked. An area that is more accessible to roads, water, and sewer has a greater chance of being developed in the future. And if where we live, work, and shop is not in a central location, the infrastructure must adequately support our travels. Likewise, if water and sewer are not readily available to support new growth, developed densities will be reduced.

In the early 1900s, Pennsylvania was criss-crossed by thousands of miles of roads, few of which were paved. With the mass production of automobiles came the modern highway system in Pennsylvania. The National Defense Highway Act in 1956 launched a massive public works project, which initially included four primary routes in Pennsylvania: the Pennsylvania Turnpike and Interstate 80, which run east-west, and Interstates 81 and 79, which extend north-south.

Although Interstate 80 was constructed through a relatively undeveloped area, the route has become an important transportation corridor that “. . . has also spurred the development of new industrial projects in many adjacent small cities, such as Sharon, Franklin, and Hazleton.”<sup>5</sup> The interstate highway system was intended to enhance coast-to-coast communications in times of war. An unforeseen consequence of this public works project was the accessibility these highways provided to non-metropolitan areas.

Around the time that the state and interstate highway systems were being constructed, an increase in personal income made it possible for more Americans to become homeowners. Prior to the Great Depression, many banks required one-third to one-half the home price to secure a home mortgage. The introduction of federally backed mortgage insurance enabled families to secure long-term mortgages with low down payments.<sup>6</sup>

With home ownership a realistic option for people of average income and with

highways providing easier access to non-metropolitan areas, families began leaving congested cities to go live in homes on the metropolitan fringe — and purchasing cars to get there. With an estimated 1,480 vehicles registered in Pennsylvania in 1900, roughly one out of every 5,000 people owned a car. With an estimated 3 million registered vehicles on Pennsylvania’s roadways by 1950, about 1,500 out of every 5,000 people owned a car.<sup>7</sup>

Commercial development followed on the heels of residential development. The network of beltways that looped around central cities enhanced the accessibility to and increased the real estate value of land in suburban communities, which often had fewer land use restrictions than established communities. With more cost-competitive ground transportation, businesses no longer had to rely on rail lines and shipping routes as their primary means for moving products to market.

“Since the 1960s, there has been a major movement of light manufacturing out of metropolitan areas into non-metropolitan areas. Urban manufacturers relocated to non-urban areas to take advantage of lower wage rates, lower construction costs, and lower taxes. They were able to do so largely because the interstate highway system put formerly remote rural counties within overnight trucking distance of metropolitan market areas many hundreds of miles away.”<sup>8</sup>

Today, the distribution of Pennsylvania’s population reflects a pattern of development initiated in the 1930s. The automobile, along with the expansion of Pennsylvania’s highway system, certainly contributed to Pennsylvania’s current growth pattern.

### **FACTOR 3: Economic Climate**

Where we work often determines where we live. Therefore, areas with greater job opportunities typically attract a greater number of residents. Consequently, businesses seek locations with an ample and qualified workforce. “The availability of workers is a critical factor in selecting a location for a new operation,” says a workforce study completed for the Williamsport/Lycoming Chamber of Business and Industry.<sup>9</sup> For a business to stay competitive and viable, it must have access to trained and qualified workers.

Like the rest of the nation, Pennsylvania now operates on a service-based, rather than a manufacturing-based, economy. Eighty percent of the state’s total non-agricultural employment in 2001 occurred in service-producing industries.<sup>10</sup> Since businesses are no longer focused predominantly on manufacturing, they are looking for workers who have the skills required by these service-oriented jobs.

Besides affecting the profile of our workforce, the shift from manufacturing to service-based industries influenced the way business is conducted, the way in which development patterns occur, and the manner in which our lifestyles respond. Beginning with the 1950s, just as America’s second wave of suburbanization was getting under way, business patterns became increasingly decentralized. And, just as the automobile transformed settlement patterns in the 20th century, the information economy is in the process of transforming settlement patterns in the 21st century. Technological advances have already left few industry sectors untouched.

While creating opportunities for knowledge-based workers, technology also has contributed to a growing spatial disparity between urban and suburban communities.

A report by the U.S. Congress's Office of Technology Assessment notes that urban locations are not easily adaptable to the current space requirements of modern firms: "In some service sectors, buildings with large floor plans that can easily be reconfigured, especially for fiber optics and other wiring, is increasingly important. These factors lead many routine goods and services industries to locate at the edge of metros, where larger and cheaper parcels of land on which to build are available."<sup>11</sup> Technology is transforming the relationship between central cities and their metropolitan areas and urging regional approaches to economic development policy.

Being able to supply an ample amount of workplace talent has become an issue in Pennsylvania and many other states. Pennsylvania has begun a campaign to stop the drain of the state's younger talent to other states. Between 1995 and 1997, Pennsylvania had a net out-migration of 20,000 college students.<sup>12</sup> According to the Department of Community and Economic Development, the loss of some of Pennsylvania's best and brightest young people greatly influences our state's long-term economic prosperity and quality of life.<sup>13</sup>



#### **FACTOR 4: Changing Lifestyle Patterns and Quality of Life**

All citizens want to achieve a high quality of life, but what qualifies as a high quality of life is often a personal preference. While one family wants to live on five acres in a rural location, another family might prefer the excitement of a vibrant downtown area equipped with ready shopping and dining establishments.

So why are people making residential choices that seem to favor suburban locations? Decisions about where to live are made based on a myriad of interrelated factors, such as transportation infrastructure, job location, household size, household income, neighborhood characteristics, quality of schools, crime rates, taxes, and social conditions and services. The interrelation and impact of these factors that contribute to residential choice require further study and consideration to be fully understood.

The trends revealed by census, migration, and commuting pattern data indicate that the Commonwealth should be most concerned with quality-of-life issues that result in citizens moving away from urban areas and first-generation suburbs when signs of stress begin to emerge. Such signs include inadequate housing stock, decline of real estate value, aging infrastructure with limited maintenance programs, deteriorating schools, and aging commercial corridors. The cyclical trend experienced by urban areas and first-generation suburbs was analyzed in a report prepared by the Delaware Valley Regional Planning and Development Commission.<sup>14</sup>

To reverse these cyclical trends, that report and other recent studies have noted

the importance of multimunicipal cooperation, property tax and school finance reform, and development and implementation of regional strategies. Efforts are under way throughout the state to address these trends and strengthen the economy and quality of life for all Pennsylvania citizens.

- 1 Governor's Center for Local Government Services, "Pennsylvania Local Government Fact Sheet," (August 2002).
- 2 Metropolitan Area Research Corporation, *Erie Metropatterns: A Regional Agenda for Community and Stability in the Erie Region*, (October 2001), 19.
- 3 Environmental Law Institute, *Plumbing the Future: Sewage Infrastructure and Sustainability in Western Pennsylvania*, (1999), 5.
- 4 *Ibid.*, 10.
- 5 Pennsylvania State University, *A Geography of Pennsylvania*, (1995), 243.
- 6 Levy, John M., *Contemporary Urban Planning, 2nd Edition*, (1991), 18.
- 7 Data on motor vehicle registrations was obtained from highway statistics prepared by the Office of Highway Policy Information, Federal Highway Administration.
- 8 Levy, 19.
- 9 The Pathfinders, *The Williamsport/Lycoming County, Pennsylvania, Area Workforce Report*, (July 2002), 3.
- 10 Pennsylvania Department of Labor and Industry, Center for Workforce Information and Analysis.
- 11 U.S. Congress, Office of Technology Assessment, *The Technological Reshaping of Metropolitan America*, OTA-ETI-643, (September 1995), 8-9.
- 12 Pennsylvania Department of Community and Economic Development, *Team PA Student Interns and Sponsors Reference Guide*, (Fall 2002), 10.
- 13 Pennsylvania Department of Community and Economic Development, *Team PA Student Interns and Sponsors Reference Guide*, (Fall 2002), 10.
- 14 Delaware Valley Regional Planning Commission, *The Future of First-Generation Suburbs in the Delaware Valley Region*, (December 1998), 15, citing Anthony Downs, "The Challenge of Our Declining Big Cities," *Housing Policy Debate*, Vol. 8, Issue 2, (1997), 369-371.

