

Land Use and Growth Management Profile

The Northwest Region includes Clarion, Crawford, Erie, Forest, Lawrence, Mercer, Venango, and Warren Counties, and 265 municipal governments. Geographically, the region covers 5,461.5 square miles and, as its name implies, is situated in the northwestern portion of the state. Except for the Central Lowland landform along the Erie County coastline, the region lies almost entirely within the Allegheny Plateaus section of the Appalachian Mountains, which covers more than 1,500 miles of territory extending from the Canadian province of Quebec to northern Alabama.

The region's terrain, as defined by the Allegheny Plateaus, is rugged and heavily dissected by streams that have produced deep valleys and steep hillsides. This geography has greatly contributed to the region's existing land use patterns.

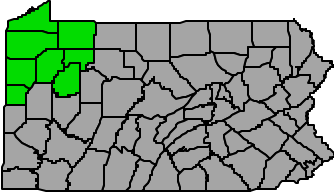
The region is accessible given that 10,706 miles of roadways, representing 10.7 percent of the State's total highway miles, traverse the eight counties. This transportation network includes Interstates 79, 80, 86, and 90, and other major highways such as U.S. Routes 6 and 62, and the Beaver Valley Expressway (State Route 60).

Several of the eight counties are included in three metropolitan statistical areas (Erie MSA, Pittsburgh MSA, and Youngstown-Warren-Boardman MSA), and contain four micropolitan statistical areas (Meadville MSA, New Castle MSA, Oil City MSA, and Warren MSA) as defined by the U.S. Office of Management and Budget (OMB). "The general concept of a metropolitan or

micropolitan statistical area is that of a core area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration with that core."¹ The strength and vitality of these MSAs are essential to the region's growth and development, and therefore, are instrumental in defining the region's land use patterns.

Population growth, overall, remains stagnant throughout the eight county region as the economy struggles to recover from the severe down-turn of the region's once booming resource and manufacturing industries. According to Carnegie Mellon University Professor Robert Strauss, "...Pennsylvania's economy is sluggish or moribund, especially, west of the Susquehanna, and that other parts of the US are enjoying far more than we are the fruits of the longest economic expansion in the history of the U.S. economy."² However, based on the Appalachian Regional Commission's economic development classification system, the eight counties are classified as "transitional" meaning that they are "...in an intermediate phase of economic development. Such areas have some characteristics that clearly are problematic, yet might also be close (or even be better than) the national average on another key economic indicator."^{3*}

* ARC has developed a system that classifies Appalachia into four categories of economic development –Distressed, Transitional, Competitive, and Attainment. Each of these categories is based on three indicators of economic viability—per capita, income, poverty, and unemployment.



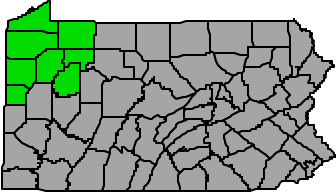
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Key Land Use Trends⁴

Key land use trends for the Northwest Region were identified by the region's eight county planning directors through their respective county land use profiles and during a focus group discussion held at the Northwest Regional Planning and Development Commission on January 6, 2004, in Oil City. Consistent with the State 2005 Land Use and Growth Management Report, the analysis of the region's land use trends focuses on the divergent growth patterns occurring between first generation communities (boroughs, cities, and first-class townships) and the second-class townships, which are often referred to as second-generation communities.

A notable effort of the eight county planning directors is their formation of a regional planning group organized under the Northwest Regional Planning and Development Commission. The group identified several significant trends delineated below.

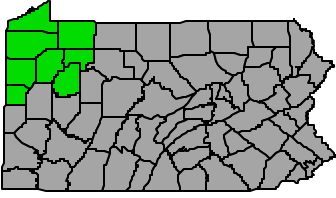
- ☑ **The region's population growth is stagnant and is shifting from the first-generation communities to the second-generation communities.** From 1990 to 2000, the population within the region's first-generation communities *decreased* by an average of 3.8 percent, but *increased* by an average of 3.5 percent within the second-generation communities (Figure 1).
- ☑ **The majority of the region's new single-family housing units have been constructed in the region's second-generation communities.** The region's shift in population beyond the urban core has fueled the demand for housing in the second-generation communities. During the 1990s, the second-class townships increased the region's housing stock by 14,314 units, or 6.7 percent, which is nearly double the population increase of second-class townships (Figure 2). However, this trend has been occurring for the past 50 years. According to the U.S. Census, 68 percent (129,270 units) of the region's total housing units were constructed in second-class townships after 1950, which is attributed to the nation's post World War II suburbanization (Figure 3). This shows that the demand for housing has increasingly been focused on the areas outside the urban core, thereby, disinvesting in the older housing stock. This is also revealed through analysis of vacancy rates, which are greater in the region's counties having a larger share of the urban population (Erie, Lawrence, and Mercer). This trend has also contributed in a net loss of quality, affordable housing within the first generation communities.
- ☑ **Urban centers within the region are deteriorating from a lack of investment in existing housing and infrastructure.** Similar to statewide trends, the Northwest Region's urban centers are deteriorating as population and employment decentralize, thereby depleting the tax base and creating a social divide between first- and second-generation communities. Over time, the



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resulting decay and disinvestments in the urban infrastructure, including vital investments required for business development, has resulted in formidable local government costs. A study conducted by the Northwest Regional Planning and Development Commission calculated that \$465 million in infrastructure investments are needed to modernize the existing systems.⁵ Of this total, over \$300 million are needed for first-generation communities.

- ☑ **Housing markets are divergent between first-generation and second-generation communities.** The significant housing growth in the region's second-class townships, combined with its stagnant population growth, has decreased the demand for housing in the first-generation communities. During the 1990s, the number of housing units in the first generation communities actually *decreased* by 2,237, or 2.9 percent. This trend is one of the main contributors to the increasing decay of the region's urban cores, where a significant portion of the region's older housing stock is located (Figure 4). [Note: A relative exception to this housing market trend was experienced by Clarion County where the share of housing units increased in both the first- and second-generation communities by 6.8 percent and 8.2 percent, respectively. However, the housing market in the second-class townships still exceeded the first-generation municipalities.]
- ☑ **Housing values are divergent between first- and second-generation communities.** When adjusted for inflation, the rate of real growth in median housing values for the region's second-class townships exceeded those of the first-generation communities over the 1990 to 2000 Census period (Figure 5). This trend is indicative of the region's divergent housing markets, and the disinvestments in and decline of the urban core.
- ☑ **Although structurally sound and architecturally unique, the revitalization of the region's first-generation housing stock is weakened by its continued maturity and decline.** The age of the region's housing stock and its lack of modern-day functionality, coupled with the aging and income-fixed homeowner, contribute to a decline in market demand, disinvestment, less maintenance, and deterioration of the region's housing.
- ☑ **Counties within the region are suffering from Pennsylvania's antiquated tax system and highly fragmented local government structure.** Multiplicity of municipalities and dependence on the real estate tax fuels not just outward growth, but more importantly a disparity in community/regional investment. As a result, core municipalities are left stagnant or in decline, and therefore lack the fiscal capacity to improve deteriorating conditions while outer municipalities benefit from growth in development



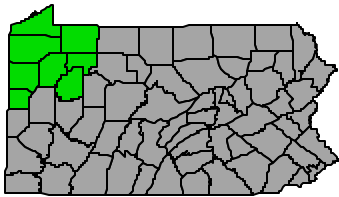
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and wealth, and windfall taxes. This, in turn, causes municipalities to compete against each other for investment instead of cooperating and mobilizing pooled resources to be competitive in the larger economy (Figure 6).

- ☑ **Transportation systems have fueled rural development.** Better highways have made the region's rural communities more accessible to employment markets. This trend, coupled with affordable land values, has encouraged rural development. An astounding account of this trend is the increase in the population's time spent commuting to work. For example, the number of people commuting 90 minutes or more increased from 1,403 in 1990 to 5,517 in 2000, or 293 percent (Figure 7).
- ☑ **Productive farmland is in decline.** Similar to statewide trends, the Northwest Region counties are experiencing a decrease in farmland as the viability of the agricultural industry declines. From 1987 to 1997, the Northwest Region lost over 1,000 farms constituting 115,907 acres, which represents 16.6 percent of the State's total decline in farmland during this period. But unlike other areas in Pennsylvania, a significant amount of the region's cultivated farmland has regenerated into natural forest, which is a positive trend for the environment.
- ☑ **The region is part of a nationwide trend in the growth of non-metro recreation areas.** Data from the 1997

Census of Agriculture reveals that land values are some of the most affordable within the northeastern United States and throughout Pennsylvania. This, coupled with the region's wealth of outdoor recreational amenities and accessibility to major metropolitan areas, has afforded a dramatic increase in the number of large, seasonal housing units. Census data reveals that the region experienced an 8.9 percent increase in seasonal housing units during the 1990s. By comparison, Pennsylvania's growth in seasonal housing units during this same period was 7.0 percent (Figures 8 and 9). In their study of the relationship between population growth and outdoor recreational amenities, Kenneth M. Johnson and Calvin L. Beale summarize this national trend and its impact on rural communities like the northwest region: "Increased recreational activity, the appeal of second homes, and the influx of former urbanites into rural areas all create the demand for housing and for an expanded business, service, and governmental infrastructure to support it."⁶

- ☑ **A growing trend throughout the region is the conversion of seasonal homes to permanent, year-round residences.** Seasonal or second homes are often built by urbanites that intend to use them as their permanent retirement residences. Aside from increasing the local population and supporting the local economy, the new permanent residences require an increased level of



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FIGURE 1
Northwest Region
Population Growth Comparison 1990-2000
 Source: U.S. Census, 1990 & 2000

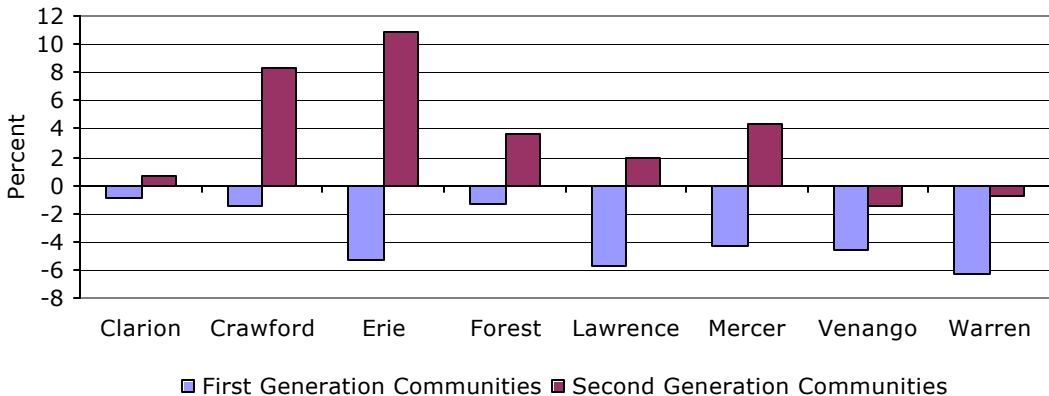
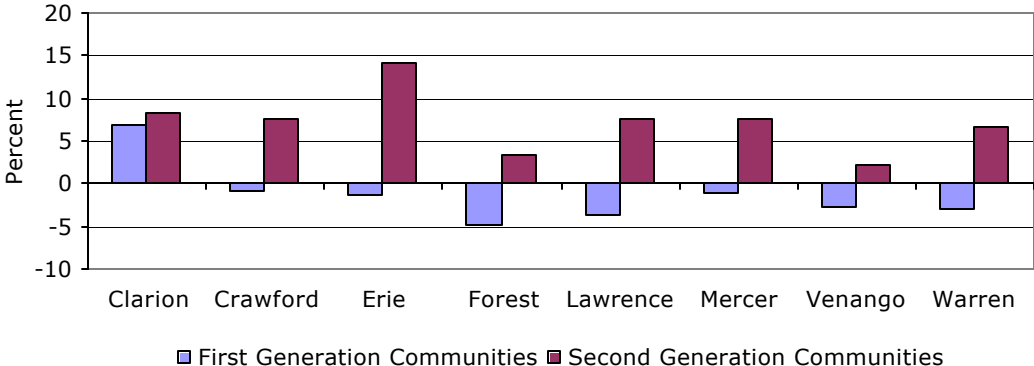
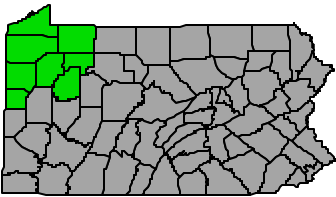


FIGURE 2
Northwest Region
Housing Growth Comparison 1990-2000
 Source: U.S. Census, 1990 & 2000





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FIGURE 3
Northwest Region
Distribution of Housing Units by Year Built
 Source: U.S. Census, 2000

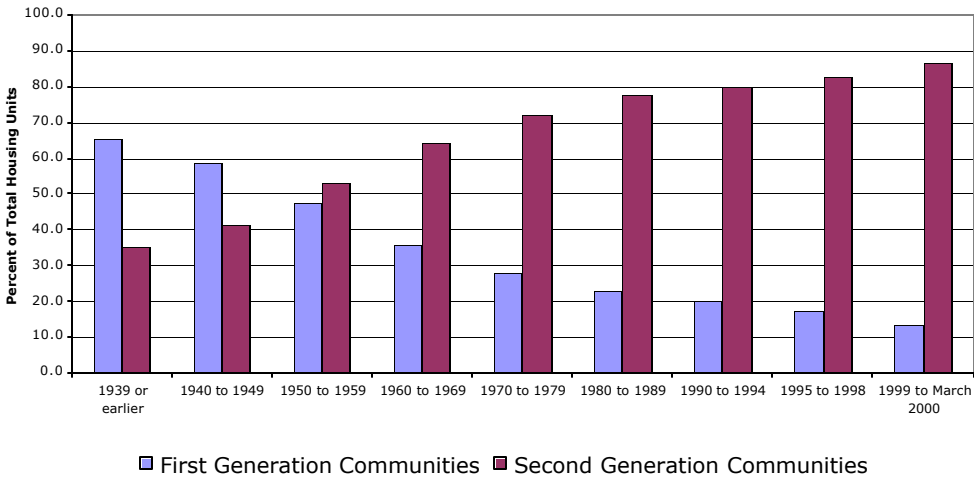
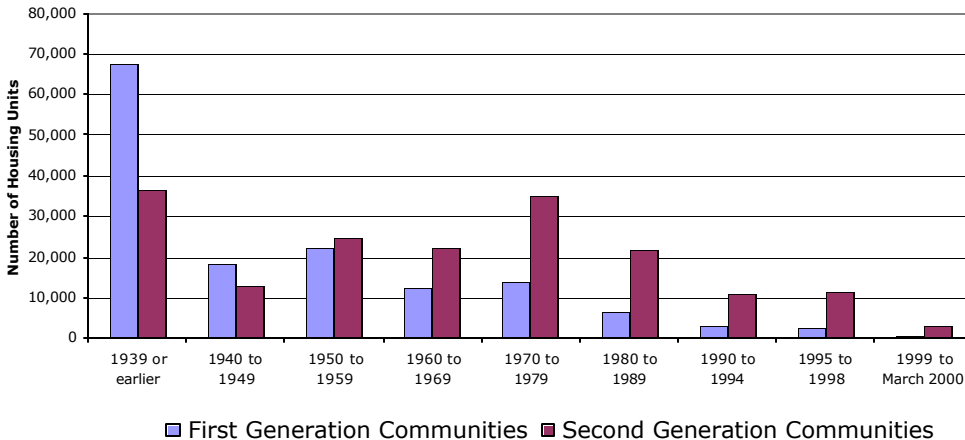
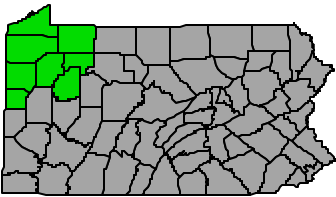


FIGURE 4
Northwest Region
Age of Housing Units
 Source: U.S. Census, 2000





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FIGURE 5
Northwest Region
Real Change in Median Housing Values: 1990-2000

Consumer Price Index = 1.344
 Sources: U.S. Census Bureau, 1990 & 2000
 Bureau of Labor Statistics, Consumer Price Index

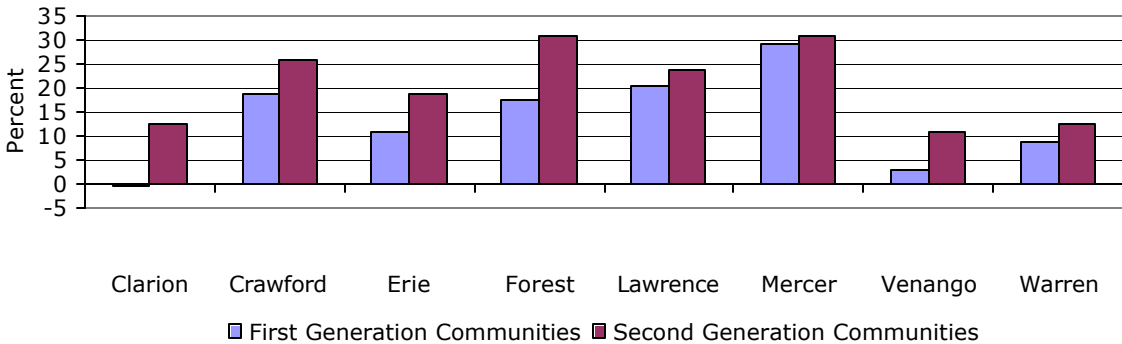
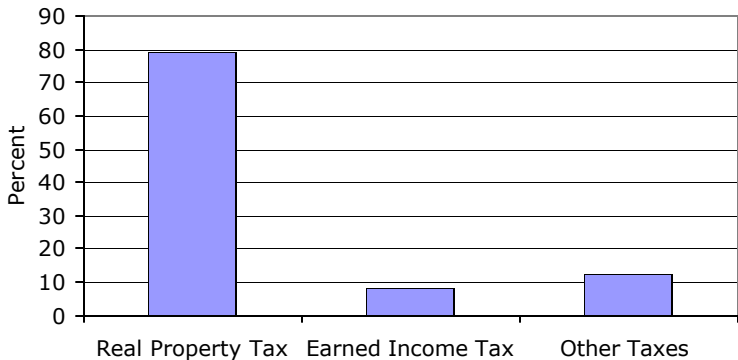
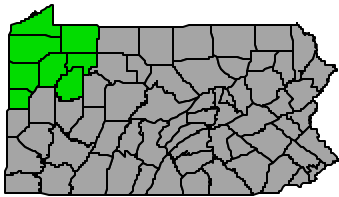


FIGURE 6
Pennsylvania
School Tax Sources, FY 2000-01
 Source: Pennsylvania Economy League





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FIGURE 7
Northwest Region
Change in Travel Time to Work: 1990-2000
 Source: U.S. Census Bureau, 1990 & 2000

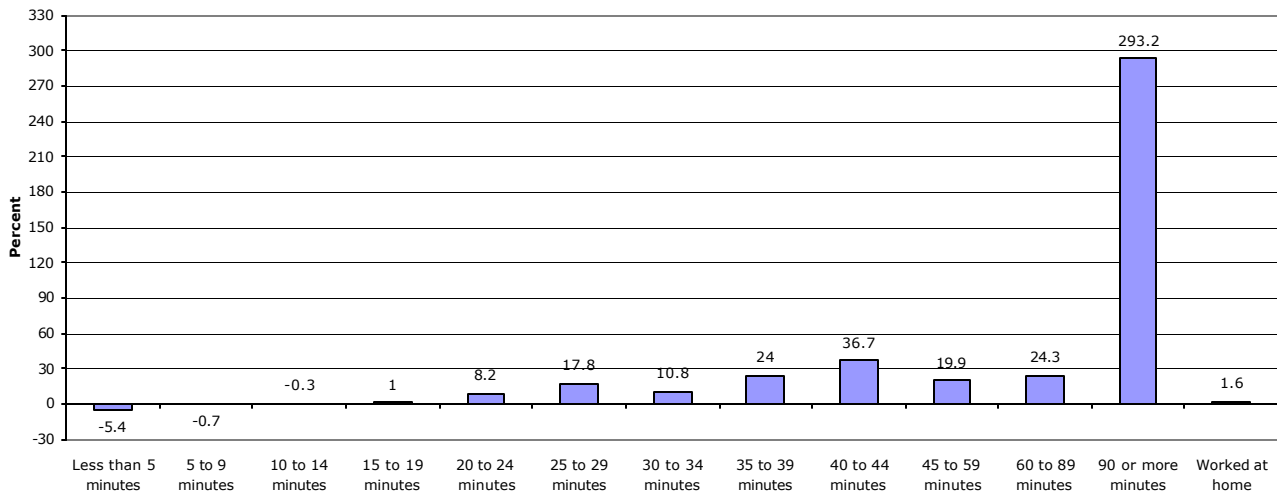
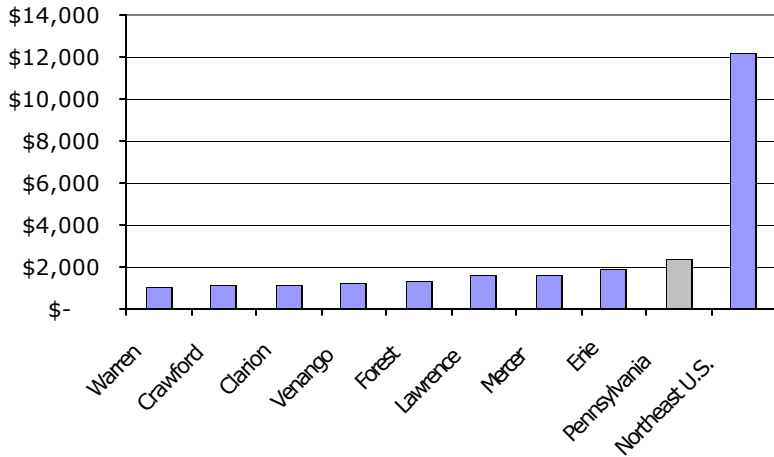
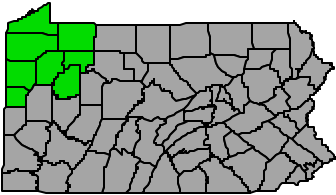


FIGURE 8
Estimated Market Value per Acre
 Source: U.S. Department of Agriculture, 1997

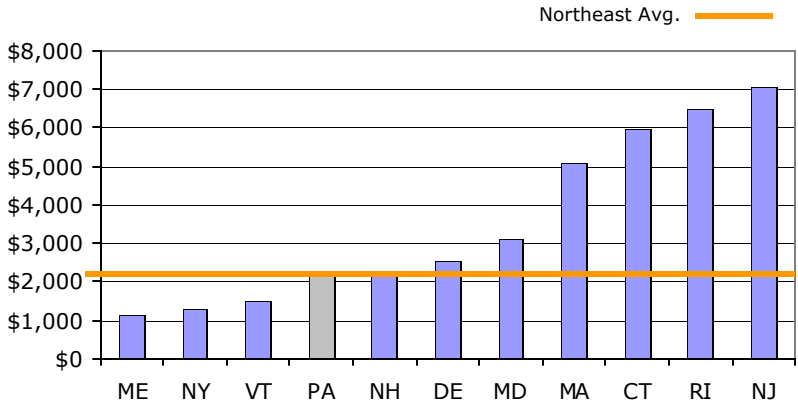




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FIGURE 9
Farm Real Estate: Average Value Per Acre
1994-1998

Source: U.S. Department of Agriculture, 1997



1 U.S. Department of Commerce. Bureau of Census. Internet.
http://www.census.gov/population/www/estimates/aboutmetro.html. January 16, 2004.
2 Robert P. Strauss, "Distributional and Economic Effects of Pennsylvania's Local Property Taxes."
Testimony (Harrisburg, PA: Equity Fund Hearing of the Senate Education Committee, 22 Mar. 2000).
3 Kevin M. Pollard, "Appalachia at the Millennium: An Overview of Results from Census 2000." June
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4 Meeting, (Oil City, PA: Northwest Regional Planning and Development Commission. January 6, 2004).
5 Richard A. Deiss and Associates, "Infrastructure Needs Inventory." February 19, 2003.
6 Kenneth M. Johnson and Calvin L. Beale, "Nonmetro Recreation Counties: Their Identification and
Rapid Growth," Rural America, Vol. 17 Issue 4/Winter 2002.
7 Brian Bosworth and Pat Dusenbury, "A Strategy and Action Plan for Economic Development in
Northwest Pennsylvania: Report and Recommendations," February 2003.