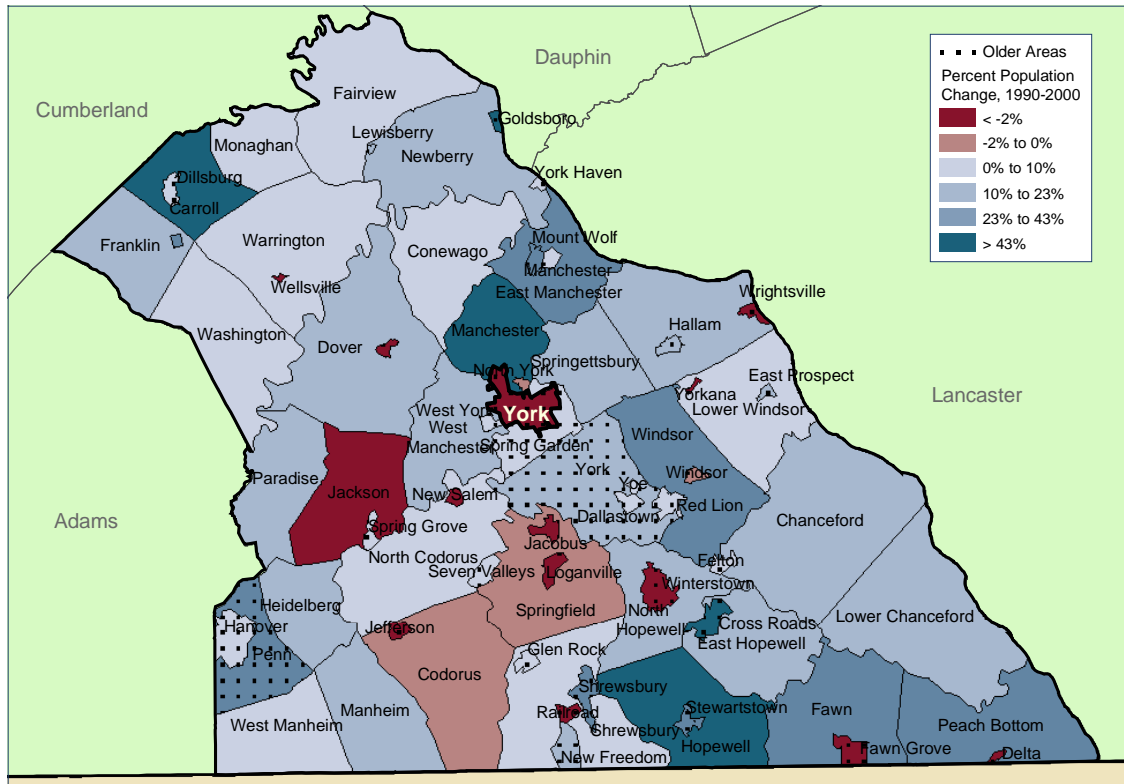


BACK TO

Prosperity:

A COMPETITIVE AGENDA FOR *Renewing Pennsylvania*



Source: U.S. Census Bureau

A Profile of the *York* Area

Pennsylvania's cities, towns, and older suburbs are declining as the state sprawls. Pennsylvania's economy is drifting as it responds incoherently to continued industrial restructuring.

Unfortunately, metropolitan York knows first-hand both of these trends, which are examined in depth in *Back to Prosperity: A Competitive Agenda for Renewing Pennsylvania*, a new statewide report by the Brookings Institution Center on Urban and Metropolitan Policy. Intended to inform the Commonwealth at a pivotal moment, *Back to Prosperity* speaks to the simultaneous desire of Pennsylvanians for vibrant communities and economic revival by offering a sober assessment of the state's current status, some suggestions of how it arrived there, and a policy agenda for renewal. In keeping with that objective, this region-specific profile suggests how trends identified in the statewide report are affecting metropolitan York. It also

summarizes key findings about the causes of those trends and ways to respond to them.

THE TRENDS:

Metropolitan York experienced relatively strong population growth during the 1990s

The York area was Pennsylvania's fastest growing metropolitan area. From 1990 to 2000, metropolitan York grew by 12.4 percent, more than any metro area in the state. The region added 42,000 residents during the decade—half from in-migration—and by 2000 was home to 381,800 people. It ranks as the 7th largest metro area in the Commonwealth.

The region gained young adults during the 1990s, while its share of seniors remained comparatively low. York's cohort

of 25- to 34-year-olds increased 9.3 percent during the decade, while the seven other largest metro areas actually lost members of this cohort. In 2000, only 13.5 percent of the region's residents were over 65, the lowest share among the largest metropolitan regions.

But population and jobs in the region are moving outward

Seventy-five percent of greater York's population growth took place in York's outer suburbs during the 1990s. The region's outermost second-class townships grew by 16.6 percent during the decade, adding a total of 31,800 new residents. Manchester and Hopewell townships experienced particularly rapid growth rates, increasing by 69 percent and 59 percent, respectively. By 2000, 58 percent of York residents were living in second-class townships, compared to 56 percent in 1990—a level of decentralization about average for the state.

York's older areas also grew, but at a far more modest pace.

As a group, these communities—consisting of the City of York, the region's boroughs, and its more established first-class townships—gained 10,400 residents, an overall increase of 7 percent. The trends varied across municipalities, however: thirteen of the region's 36 boroughs actually lost population, for example, including Yorkana and Jacobus, whose populations declined by 16.1 percent and 12.2 percent, respectively. Meanwhile, the City of York lost 1,300 residents—a 3.2 percent decline.

Employment also decentralized substantially during the 1990s. Seventy percent of the new private sector jobs created between 1994 and 2001 were located more than 10 miles from York's central business district. By 2000, only 14 percent of metro area residents were commuting to jobs in York City, while over 26 percent were commuting to jobs located outside the metro area altogether.

York's economic performance is generally middling relative to other metropolitan areas

Greater York's 1992–2002 employment growth fell in the middle of the pack among the state's regions. The region gained 16,900 jobs during this period, an 11-percent growth rate that mirrored the state's. Employment growth in neighboring Lancaster and Harrisburg outpaced that in York, although rates in all Pennsylvania metropolitan areas lagged the national growth of 20 percent.

The region's economy has shifted significantly over the last three decades, but manufacturing remains strong. From 1970 to 2000, York lost 11 percent of its manufacturing jobs, while jobs in services and retail grew by 216 percent and 87 percent, respectively. During this time, the share of the regions'

jobs generated by manufacturing declined from 39 percent to 23 percent, while the share generated by service industries doubled to 27 percent. Still, York's manufacturing sector employs a larger share of its region's workers than any other metro area in the state.

The area's average household income growth over the 1990s lagged the state average, but incomes remain comparatively high. Between 1989 and 1999, income in the York region grew by only \$1,622 (3 percent) compared to \$2,547 in the state (5.1 percent) and over \$4,000 (7.8 percent) nationwide. However, in 1999, York's average household income of \$53,506 exceeded that logged by every metro in the state but the Lehigh Valley, Lancaster, Harrisburg, Philadelphia, and Reading.

Greater York's educational attainment levels are relatively weak, and sharp disparities exist within the region. Less than 81 percent of Yorkers hold a high school degree, slightly lower than the state average. The percentage of area residents with a bachelor's degree is 18.4 percent, significantly lower than both

the state (22.4 percent) and national averages (24.4 percent), and less than that in all of the nine larger metro areas but Scranton/Wilkes-Barre/Hazleton. The percentage of York City residents who are college graduates is particularly low, at only 10.6 percent.

THE CONSEQUENCES:

Metropolitan York's relatively large population increase during the 1990s reflects its many assets. However, the region's unbalanced development patterns of fringe sprawl and core decline are eroding the area's farm and natural lands, and undermining the health of its most established communities.

Greater York is consuming a lot of land and becoming less dense. From 1982 to 1997, York consumed two acres of land for every new household—one of the more efficient ratios among the state's metropolitan areas but still less efficient than the national average. Overall, the region converted nearly 51,000 acres of land to urban uses while the number of households grew by less than 27,000. As a result, density dropped by 33 percent. York County also lost 19,300 acres of prime farmland during this period, the third-largest loss after Lancaster and Chester counties.

Urban decline is weakening many of greater York's older neighborhoods. As households move outward, vacant housing units are being left behind. Vacancy rates in York City, the area's boroughs, and its more established townships increased from 5 percent in 1990 to 6.7 percent in 2000, a rate nearly twice that found in outer suburban areas. At the same time, housing values in greater York's older areas are lagging: Average home values in these communities were only \$111,800 in 2000, compared to \$133,100 in second-class townships.

Most of the York area's growth in the 1990s took place in its outer townships

	1990 Population	2000 Population	Absolute Change	Percent Change
Older York	148,400	158,816	10,416	7.0%
City	42,192	40,862	-1,330	-3.2%
Boroughs	64,112	67,751	3,639	5.7%
1st-Class Townships	42,096	50,203	8,107	19.3%
2nd-Class Townships	191,174	222,935	31,761	16.6%
Metro Total	339,574	381,751	42,177	12.4%

Source: U.S. Census Bureau

Older York's ability to generate tax revenues stagnated as outer areas' grew

	Tax Capacity per Household		
	1993*	2000	Percent Change*
Older York	\$475	\$480	1.1%
City	\$302	\$293	-3.0%
Boroughs	\$456	\$462	1.3%
1st-Class Townships	\$673	\$662	-1.6%
2nd-Class Townships	\$594	\$634	6.6%
Metro Total	\$541	\$568	5.0%

Source: Ameregis, Inc. tabulation of data from the Governor's Center for Local Government Services
*Adjusted for inflation

patterns, these groups are becoming more and more isolated from regional job opportunities.

BEHIND THE TRENDS:

How York is growing in part reflects vast national currents. A general preference for newness and low-density living by certain population segments, the relative decline of cities, and a shifting economy all parallel broader American trends. However, a number of state-specific policies and characteristics have also influenced the region's development patterns and competitiveness.

- **Governmental fragmentation:** As in other regions, York's large number of 73 general purpose governments—about 19 per 100,000 people compared to 6.1 per 100,000 nationally—exacerbates unbalanced growth patterns, increases infrastructure and service costs, and undercuts its economic competitiveness.
- **Weak planning:** Most York-area municipalities possess a comprehensive plan and zoning ordinance. However, nothing in the Commonwealth's planning system requires York's numerous municipalities to plan together—so only a handful of the area's municipalities in the Shrewsbury, Peach Bottom, and Carroll-Franklin areas are cooperating on joint land-use planning. What frequently results is chaotic, low-quality sprawl—especially as the area emerges as a bedroom community for Baltimore and Washington, D.C.
- **Non-strategic investment policy:** The aggregate per capita assistance provided to the York area through the state's three major economic development programs—Pennsylvania Industrial Development Authority (PIDA), Opportunity Grant Program (OGP), and the Infrastructure Development Program (IDP)—flowed equally to older and fringe communities in the region between 1998 and 2003. This spending pattern represents a missed opportunity to target revitalization efforts on established places.
- **A shifting economy:** The shift away from manufacturing, the rise of lower paying retail and service sector jobs, and the decentralization of jobs in all three sectors over time has contributed to the York area's lackluster economic performance, the deterioration of its older communities, and sprawling development at its fringe.
- **Barriers to reinvestment:** Regulatory and financial barriers to the redevelopment of vacant, contaminated, or dilapidated land and structures inhibit the revitalization of York's older communities. Those barriers make it hard to leverage York's available land and historic assets and ultimately drive residential and commercial development into outer suburban areas, perpetuating the current cycle of disinvestment.

Sprawl and core decline are each burdening taxpayers. Low-density sprawl raises tax bills because it frequently costs more to provide infrastructure and services to far-flung communities. But urban decay is imposing even more painful costs, as decline depresses property values and therefore reduces older communities' ability to raise tax revenues. For example, market rate property values in York's older communities, for example, appreciated by just 6 percent from 1993 to 2000 compared with 20 percent in suburban areas. This has contributed to significant disparities between different areas' ability to raise revenues off the available property and income tax bases using average rates. Second-class townships saw a 6.6 increase in their inflation-adjusted tax capacity per household, compared to a only 1 percent increase in older communities. Tax capacity in the City of York actually *declined* by 3 percent.

York's patterns of sprawl and disinvestment threaten to reduce the choices, opportunities, and amenities attractive to young workers. According to Carnegie Mellon University/Brookings Institution economic development expert Richard Florida and others, vibrant downtowns, a diversity of people, ethnic neighborhoods, and a lively arts scene are just some of the attributes essential to attracting the educated workers that new economy firms require. Unfortunately, the York region lacks in cultural diversity, saw its central city lose population and jobs, and offers a development pattern that favors "big box" suburban retail over the unique historical architecture and charm of its older established areas. Given its already low college attainment levels, these trends bode poorly for the region's future economic competitiveness.

Decentralization has left poor people and minorities concentrated in the region's core. In 2000, nearly one-quarter of York City residents lived below the poverty line, for example, compared to only 4 percent of those living in the area's outer suburbs. York's small minority population is also becoming more segregated: Over 7,500 white residents left the City of York while its total minority population grew by approximately 6,235. By 2000, 81 percent and 77 percent of the region's black and Hispanic residents, respectively, resided in the City of York, boroughs, and the area's first-class townships, compared to only 39 percent of whites. Given York's decentralizing employment

A COMPETITIVE AGENDA FOR GETTING BACK TO PROSPERITY

Greater York, like Pennsylvania's other regions, has the potential to build a very different future—if the state helps it focus its efforts; leverage the assets of its cities, towns, and older townships; and overhaul its most outdated and counterproductive practices. To that end, *Back to Prosperity* concludes that the Commonwealth should embrace five major strategies to bolster York's and its other regions' capacity to grow and successfully compete:

- **Plan for a more competitive, higher-quality future.** The Commonwealth should improve Pennsylvania's state-local planning systems to enable its regions to promote sound land use and economic competitiveness on a more coherent basis.
- **Focus the state's investment policies.** Pennsylvania should make the most of its significant infrastructure and economic development spending by targeting its resources on the state's older, already-established places.

- **Invest in a high-road economy.** Pennsylvania should invest in the workers and industries that will help its regions produce a more competitive, higher-wage future.
- **Promote large-scale reinvestment in older urban areas.** Pennsylvania should make itself a world-leader in devising policies and programs to encourage wholesale land reclamation and redevelopment in the regions' cities, towns, and older suburbs.
- **Renew the state's and regional governance.** Pennsylvania should promote much more regional collaboration and cohesion.

Pennsylvania, in sum, should turn its focus back to its towns, cities, and older townships as a way of reenergizing its future.

ABOUT *BACK TO PROSPERITY*

Funded by The Heinz Endowments and the William Penn Foundation, *Back to Prosperity: A Competitive Agenda for Renewing Pennsylvania* provides an extensive statewide examination of the interrelated growth and economic challenges facing the Keystone State just now. The report focuses on the following eight key metropolitan areas: Erie, Harrisburg, Lancaster, the Lehigh Valley, Philadelphia, Pittsburgh, Scranton/Wilkes-Barre/Hazleton, and York.

Please visit www.brookings.edu/pennsylvania to read the full report, other regional profiles, and additional supporting materials.



CENTER ON URBAN AND METROPOLITAN POLICY
1775 Massachusetts Avenue, NW • Washington, DC 20036-2103
Phone: (202) 797-6139 • Fax: (202) 797-2965
www.brookings.edu/urban