

## 2.2 Economic Vitality

### Overview

Ensuring that transportation investments support the economic vitality of Erie County is essential. Sound transportation investments will account for the needs of industry such as General Electric to ship goods and materials to market, encourage economic growth such as the proposed Erie Inland Port, and improve access to regional attractions and tourism destinations such as Presque Isle. Transportation improvements will allow Erie County to be competitive in local, regional, and national markets. In order to evaluate transportation needs, a significant amount of economic development outreach was conducted including: presentations to the Erie County Economic Development Lead Team, targeted stakeholder interviews, and an economic development survey.

With respect to such issues, and based on the specific needs and concerns identified for Erie County, the 2040 LRTP aimed to plan for and prioritize economic vitality by first assessing the following:

- Population Forecasts
- Employment Forecasts
- Economic Development Needs

### Baseline Perspectives

Understanding population and employment trends and tracking regional economic development needs is key to maintaining the historic economic vitality of Erie County.

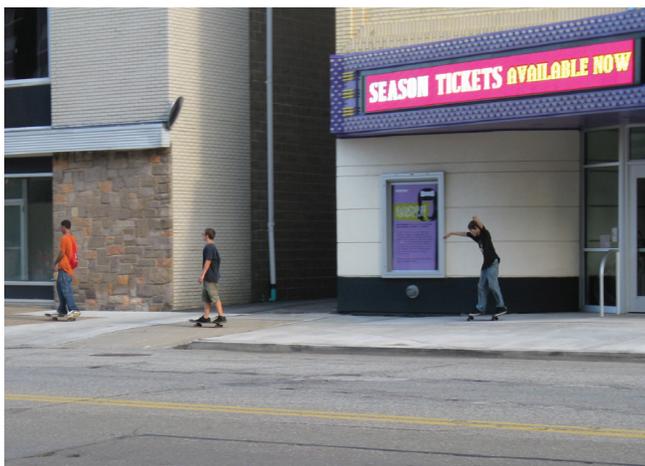
### Population Forecasts

The basis of population forecasts is an understanding of historic changes in population. With the Release of the 2010 US Census Data for Erie County, the changes in population from 1950 to 2010 can be evaluated (*Exhibit 2.2.1*).

*Within the Erie LRTP, Economic Vitality overlaps with Federal Planning Factor #1: "Support the economic vitality of the metropolitan area".*

*At the state level, a focus on economic vitality is inherent in the PA Mobility Plan Goal 2: "Improve the quality of life by linking transportation, land use, economic development, and environmental stewardship" and the Keystone Principles of concentrating development, increasing job opportunities, and fostering sustainable business.*





*Exhibit 2.2.1 - Erie County Population Changes from 1950 to 2010*

Erie County, Pennsylvania, and the United States 1950 to 2010				
Year	Erie County	Erie County Percent Change	Pennsylvania Percent Change	United States Percent Change
1950	219,388	17.5	6	14.5
1960	250,388	12.5	7.8	19
1970	263,620	4.9	4.2	13.3
1980	279,780	5.8	0.6	11.5
1990	275,573	-1.5	0.1	9.8
2000	280,843	1.9	3.4	13.2
2010	280,566	-0.1	3.4	9.7

Data Source: Census Data, 1950 to 2010

From 1950 through 1980, Erie County's population increased at a greater rate than the state average. However, as in much of Western Pennsylvania, changes in the region's economy, such as the declining steel industry, contributed to a dramatic shift in the County's growth rate. Since 1980, population growth has been relatively stable and lower than the overall population growth in Pennsylvania and nationwide.

Future population forecasts were based on what is commonly referred to as the cohort survival method which tracks projected births, deaths, in-migration, and out migration. These forecasts were also compared to forecasts from Woods and Poole Economics, in Washington, D.C. Woods and Poole produce forecasts for every county, state, and region in the country and provide a reasonable benchmark for comparison. Based on the comparison of various assumptions on birth, survival, and migration rates, it is clear that the key to growth in Erie County is to maintain a strong economy that will increase employment opportunities in order to attract new residents.. Once the year 2040 population was forecasted for the county, municipal forecasts were developed to determine where future growth is likely to occur (*Exhibit 2.2.2*). These estimates were based on historic population changes, assessment data, and municipal interviews.

Understanding where population growth is expected to occur is a key step to identifying the future transportation needs of Erie County.



Exhibit 2.2.2 - Municipal Population Projections

Municipal Allocations				
Municipality	2010	2020	2030	2040
Albion	1,516	1,431	1,446	1,469
Amity	1,073	1,079	1,090	1,108
Concord	1,344	1,300	1,314	1,335
Conneaut	4,290	4,390	4,437	4,508
Corry	6,605	6,350	6,418	6,521
Cranesville	638	601	607	617
Edinboro	6,438	6,493	6,562	6,667
Elgin	218	208	210	214
Elk Creek	1,798	1,800	1,819	1,848
Erie City	101,786	101,150	102,228	103,860
Fairview	10,102	10,650	10,763	10,935
Franklin	1,633	1,700	1,718	1,746
Girard Borough	3,104	3,050	3,083	3,132
Girard Township	5,102	5,100	5,154	5,237
Greene	4,706	4,715	4,765	4,841
Greenfield	1,933	1,916	1,936	1,967
Harborcreek	17,234	18,175	18,369	18,662
Lake City	3,031	3,100	3,133	3,183
Lawrence Park	3,982	3,750	3,790	3,850

Municipal Allocations				
Municipality	2010	2020	2030	2040
LeBoeuf	1,698	1,668	1,686	1,713
McKean Borough	388	350	354	359
McKean Township	4,409	4,538	4,586	4,659
Mill Village	412	390	394	400
Millcreek	53,515	55,300	55,889	56,782
North East Borough	4,294	4,104	4,148	4,214
North East Township	6,315	6,470	6,539	6,643
Platea	430	400	404	411
Springfield	3,425	3,407	3,443	3,498
Summit	6,603	7,025	7,100	7,213
Union	1,655	1,630	1,647	1,674
Union City	3,320	3,025	3,057	3,106
Venango	2,297	2,175	2,198	2,233
Washington	4,432	4,725	4,775	4,852
Waterford Borough	1,517	1,430	1,445	1,468
Waterford Township	3,920	3,855	3,896	3,958
Wattsburg	403	375	379	385
Wayne	1,659	1,550	1,567	1,592
Wesleyville	3,341	3,120	3,153	3,204
<b>Totals</b>	<b>280,566</b>	<b>282,495</b>	<b>285,505</b>	<b>290,063</b>



## Employment Forecasts

The three primary sources of data for developing employment forecasts are: the Pennsylvania Department of Labor and Industry, the Erie Chamber and Growth Partnership, and the United States Department of Labor and Bureau of Labor Statistics. Similarly to the population forecasts, Woods and Poole data was obtained for a benchmark for comparison.

Employment projections are divided into two general categories: Goods Producing and Services-Providing. The first category includes agriculture, construction and manufacturing. The most prominent sector is manufacturing which comprises about 80% of this category. Historically, Erie County has maintained a higher percentage of manufacturing jobs than other Pennsylvania communities. However, currently the Services-Providing industries accounts for over 70% of all jobs in Erie County. The largest Services-Providing sectors are: Retail Trade, Educational Services, Health Care and Social Assistance, and Accommodation and Food Services. These sectors make up about 60% of all Services-Providing jobs. There are also some unique aspects to employment in Erie County.

*Goods Producing:* General Electric is the premier producer of locomotives in the world, and the company's primary plant is located in Erie County. The company provides over 6,000 jobs locally, with an annual economic impact to Erie County of over \$3 billion.

*Services Providing:* Erie County is well positioned in the projected growth sectors of healthcare and education with four institutes of higher learning, five major medical facilities, and the Lake Erie College of Osteopathic Medicine (LECOM) The county is also poised to remain strong in the tourist industry with area attractions receiving over 11 million visitors annually.

Employment projections were estimated by industry, following North American Industrial Classification System (NAICS) categories (*Exhibit 2.2.3*).

*Exhibit 2.2.3 - Erie County Employment Projections*

NAICS Sector	2020	2025	2030	2035	2040
Construction	4,014	3,986	3,952	3,936	3,927
Manufacturing	21,000	21,200	21,300	21,400	21,500
Retail	15,000	14,750	14,500	14,250	14,000
Finance & Insurance	5,200	5,250	5,300	5,300	5,350
Administration & W.S.	6,802	6,754	6,696	6,669	6,654
Education	12,100	12,200	12,500	12,400	12,600
Health Care	26,900	27,100	27,750	27,500	27,800
Accom. & Food Services	11,814	11,732	11,931	11,584	11,558
Other Services	6,011	5,969	5,918	5,894	5,881
Government	7,405	7,353	7,290	7,261	7,244
Self Employed	8,882	8,819	8,774	8,709	8,689
All Others	19,872	19,000	18,000	17,600	17,282
<b>Totals</b>	<b>145,000</b>	<b>144,114</b>	<b>141,500</b>	<b>142,503</b>	<b>142,500</b>

Overall, it is anticipated that employment in Erie County will be relatively stable between 2010 and 2040. The largest projected growth is in the Healthcare sector with a 3% increase over the life of the plan. The second largest sector, manufacturing, is anticipated to have a 2% increase in employment.

## Economic Development Needs

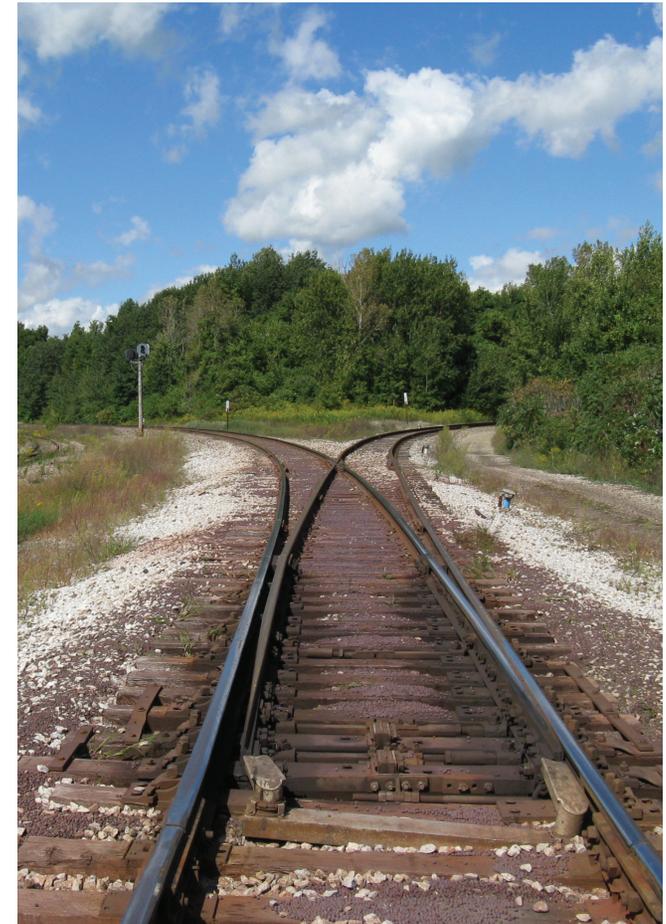
The Erie County Comprehensive Plan identifies designated growth areas and ‘Keystone Opportunity Zones’ (KOZ) throughout the County to be utilized for economic development. KOZ’s are established areas that exempt, deduct, and abate state and local taxes and also receive priority assistance from the Pennsylvania Department of Community and Economic Development. In addition to the County’s designated growth areas and KOZ’s, some communities have designated additional tax abatement zones. For example, some municipalities have adopted Local Economic Revitalization Tax Assistance Act (LERTA) boundaries that exempt local taxes on commercial and industrial construction for 5 years, growth boundary areas that exempt local taxes on a declining scale for 5 years for all development, and/or improvement areas that reduce taxes on a declining scale for 5 years on improvement projects (not new developments).

In addition to identifying these targeted development areas, the transportation needs and priorities of local businesses and economic development agencies in Erie County were identified through a targeted stakeholder survey (*Exhibit 2.2.4*).

Customer parking, telecommunications, port, and rail facilities were identified as in the need of the most improvement from an economic development perspective. Although not a specific need for the movement of goods and materials, one of the key issues identified in the survey and by the Economic Development Lead Team was the need for daily transit service to new development sites in order to provide choices and access for the labor force.

### *Erie Inland Port*

The Inland Port has been identified as one of the most important development initiative in Erie County. Through coordination between efforts in northeastern Ohio and northwestern Pennsylvania, the projected \$50 million project would link water, rail, and truck transportation improvements to available industrial property. The project links improvements to the Port of Conneaut in Ashtabula County, Ohio to the Port of Erie and the former Bessemer and Lake Erie (B&LE) rail yards in Albion. While the project continues to unfold, based on recent press releases the project can be assumed to generate in excess of 450 direct jobs and 3,000 indirect jobs, essentially increasing employment projections by 25% and increasing direct payroll in Erie County by \$100 to \$150 million.



*“Rail, highway, and marine transportation drives industrial growth. When efficient logistics is coupled with our industrial strength, global opportunity is born. We are making the connection between transportation and commerce”*

Source , [ERIEINLANDPORT.COM](http://ERIEINLANDPORT.COM)

The success of the plan in improving economic vitality will be measured by ranking projects based upon:

**Designated Growth Area** – Ability of the project to directly or indirectly improve access to a targeted investment area, Keystone Opportunity Zone, or planned development.

**Economic Reach** – Ability of the project to support planned developments of local, countywide, or regional scale.

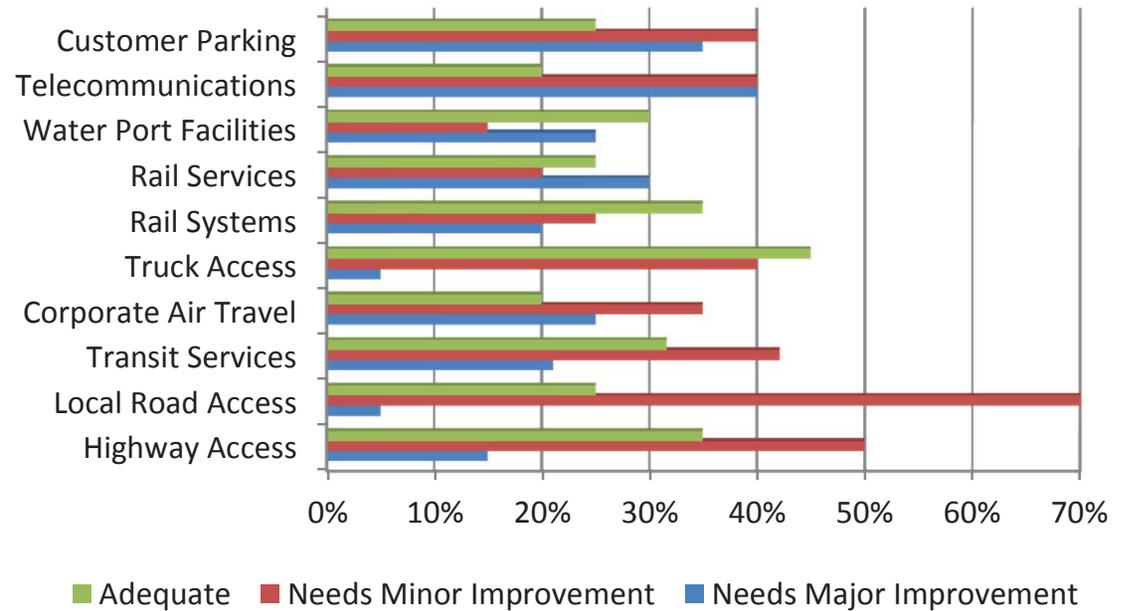
**Interstate Access** – Ability of the project to directly or indirectly improve interstate access.

**Tourism and Attractions** – Ability of the project to directly or indirectly improve access to major attractions or tourist destinations.

**Intermodal Goods Movement** – Ability of the project to improve local, countywide, or regional goods movement.



Exhibit 2.2.4 - Economic Development Needs



### Future Planning Perspectives

Continued coordination between the Erie MPO, the “e”, and the Economic Development Lead Team may result in improved coordination between transportation needs and investments and economic development opportunities and priorities.

The MPO should coordinate with the Erie Inland Port Transportation study being undertaken by the Economic Development Corporation in order to ensure that future transportation needs are included in transportation planning for Erie County as they are identified.