

CHAPTER 7 ECONOMIC DEVELOPMENT

Economic development is influenced by many factors, e.g., natural resources, labor force characteristics, regional and national economic trends, technological advances, infrastructure, etc. A municipality's ability to achieve its economic development goals depends largely on the extent to which it can use these and other factors to attract and retain businesses and jobs within its borders.

For many years, the steel industry and related industries were the economic engines of the Pittsburgh region. However, after a fundamental shift in the region's economic base in the 1970s and 1980s, the roles of steel making and heavy manufacturing in the regional economy declined sharply. By 2000, the economic base of the region had shifted from steel and heavy industry to service firms, healthcare and high technology. Today, Plum Borough's economic mix reflects this shift in the regional economy. The borough has relatively few industrial uses and manufacturing firms. Retail and service industries prevail, but these types of businesses have shown little, if any, growth in the borough in the last decade. A more detailed economic profile of the borough follows.

Economic Profile

A community's economic profile is based on many factors including labor force characteristics, employment trends, the presence or proximity of economic development generators (e.g., business districts, industrial parks, etc.), developable land, etc. Plum Borough's economic profile consists of the following factors:

Employment – A Mixed Bag

Number of Workers

Between 1990 and 2000, the number of Plum residents who were employed in the civilian labor force declined. Plum's 1.6% loss was better than Allegheny County's 2.2% drop, but the state gained 4.0% during the decade. Three of Plum's neighboring municipalities gained workers, while the other three lost workers. Plum had the smallest decrease among the municipalities that lost workers. Table 7.1 lists the number of employed workers at the state, county and local levels.

Table 7.1 Employed Workers in Civilian Labor Force 1990-2000

	No. of Employed Workers		Change 1990-2000	
	1990	2000	No.	Pct.
Pennsylvania	5,434,532	5,653,500	218,968	4.0%
Allegheny County	604,923	591,905	-13,018	-2.2%
Plum Borough	13,535	13,323	-212	-1.6%
Lower Burrell	5,324	5,460	136	2.6%
Monroeville	14,930	14,273	-657	-4.4%
Murrysville	8,304	9,065	761	9.2%
Oakmont	3,287	3,152	-135	-4.1%
Penn Hills	24,617	22,043	-2,574	-10.5%
Upper Burrell	1,029	1,104	75	7.3%

Source: U.S. Census Bureau 1990 and 2000

Since 2000, the number of Plum residents employed in the civilian labor force has averaged about 13,880 annually. Table 7.2 indicates the average number of employed borough residents for the years 2001 through 2008.

Table 7.2 Number of Employed Plum Borough Residents - 2001 through 2008

Year	Total Employment
2001	13,900
2002	13,900
2003	13,600
2004	13,700
2005	13,700
2006	13,800
2007	13,900
2008	14,000

Source: PA Dept. of Labor & Industry

Employment Status

As Table 7.3 shows, in 2000, two-thirds of Plum's population 16 years and older was in the labor force, and the borough's unemployment rate was 4.5%. In 2000, Plum had a higher percentage of its population in the labor force than the state, county, or any of the surrounding municipalities. However, Plum's unemployment rate, while lower than those of the state and county, was the highest among its neighbors.

Table 7.3 Employment Status of Population 16 Years and Older - 2000

	Population 16 years and Over			Civilian Labor Force		
	Total	Civilian Labor Force		Employed	Unemployed	
		Number	Pct.		Number	Pct.
Pennsylvania	9,693,040	5,992,886	61.8%	5,653,500	339,386	5.7%
Allegheny County	1,032,364	630,893	61.1%	591,905	38,388	6.1%
Plum Borough	20,932	13,956	66.7%	13,323	633	4.5%
Lower Burrell	10,295	5,668	55.1%	5,460	208	3.7%
Monroeville	24,084	14,835	61.6%	14,273	562	3.8%
Murrysville	14,804	9,265	62.6%	9,065	200	2.2%
Oakmont	5,707	3,269	57.3%	3,152	117	3.6%
Penn Hills	37,829	23,013	60.8%	22,043	970	4.2%
Upper Burrell	1,780	1,142	64.2%	1,104	38	3.3%

Source: U.S. Census Bureau 2000

Between 2001 and 2008, Plum’s annual unemployment rate fluctuated between 3.7 % and 5.1%. During this time, the borough’s unemployment rate was consistently lower than the state, county’s and Penn Hills’s and closely matched Monroeville’s unemployment rates. (Unemployment data was unavailable for the borough’s other neighboring municipalities.) Table 7.4 shows annual unemployment rates at the county and local levels.

Table 7.4 Unemployment Rates - 2001 Through 2008
(Not Seasonally Adjusted)

Year	Pennsylvania	Allegheny County	Plum Borough	Monroeville	Penn Hills
2001	4.8%	4.4%	3.9%	3.8%	4.5%
2002	5.6%	5.4%	4.7%	4.8%	5.5%
2003	5.7%	5.6%	5.1%	4.7%	5.9%
2004	5.4%	5.3%	4.7%	4.8%	5.9%
2005	5.0%	5.0%	4.7%	4.2%	5.4%
2006	4.5%	4.4%	4.2%	3.9%	4.8%
2007	4.3%	4.1%	3.7%	3.8%	4.4%
2008	5.3%	4.9%	4.5%	4.5%	5.2%

Source: PA Dept. of Labor & Industry

Employment by Industry

Table 7.5 indicates the number of Plum residents age 16 and older who were employed in various industries in 1990, while Table 7.6 shows similar data for 2000.

Table 7.5 Employment by Industry - 1990

INDUSTRY	NUMBER	PCT.
Agriculture, forestry, and fisheries	75	0.6%
Mining	35	0.3%
Construction	1040	7.7%
Manufacturing, nondurable goods	534	3.9%
Manufacturing, durable goods	1670	12.3%
Transportation	446	3.3%
Communications and other public utilities	468	3.5%
Wholesale trade	741	5.5%
Retail trade	2742	20.3%
Finance, insurance, and real estate	904	6.7%
Business and repair services	618	4.6%
Personal services	396	2.9%
Entertainment and recreational services	129	1.0%
Professional and related services		
Health services	1480	10.9%
Educational services	1007	7.4%
Other professional and related services	1044	7.7%
Public administration	206	1.5%
Total	13535	100.0%

Source: U.S. Census Bureau 1990

Table 7.6 Employment by Industry - 2000

INDUSTRY	NUMBER	PCT.
Agriculture, forestry, fishing and hunting, and mining	48	0.4%
Construction	929	7.0%
Manufacturing	1550	11.6%
Wholesale trade	637	4.8%
Retail trade	1912	14.4%
Transportation and warehousing, and utilities	627	4.7%
Information	371	2.8%
Finance, insurance, real estate, and rental and leasing	1025	7.7%
Professional, scientific, management, administrative and waste management services	1370	10.3%
Educational, health and social services	2728	20.5%
Arts, entertainment, recreation, accommodation and food services	1095	8.2%
Other services (except public administration)	674	5.1%
Public administration	357	2.7%
TOTAL	13323	100.00%

Source: U.S. Census Bureau 2000

Between 1990 and 2000, the U.S. Census Bureau changed its data collection and reporting methods concerning employment by industry. Consequently, only limited comparisons can be made concerning this data between the two censuses. Table 7.7 indicates the changes between 1990 and 2000 in those industries for which the census bureau's data reporting methods permit direct comparisons. Of the five industries in Plum for which comparisons can be made, four experienced significant losses --- both in terms of numbers and percentages. The biggest losses were in retail trade (830 employees) and manufacturing (654 employees)--- 30% drops in those industries. Only public administration showed a gain---151 employees, or an increase of 73%.

Table 7.7 Employment by Industry 1990-2000

INDUSTRY	NO. OF EMPLOYEES		CHG. 1990-2000	
	1990	2000	No.	Pct.
Construction	1040	929	-111	-10.7%
Manufacturing	2204	1550	-654	-29.7%
Wholesale trade	741	637	-104	-14.0%
Retail trade	2742	1912	-830	-30.3%
Public administration	206	357	151	73.3%
Total	6933	5385	-1548	

Source: U.S. Census Bureau

There is limited census data available about commercial establishments and employment in Plum Borough; however, the census bureau does publish data on the number of business establishments, employees, and annual payroll within zip codes. Zip code 15239 encompasses about two-thirds of Plum Borough, including all businesses in the southern portion of the borough. (See zip code map on the following page.) The remainder of the borough is covered by other zip codes that also include portions of other municipalities. Therefore, the commercial data for these other zip codes cannot be culled for Plum-specific information. Consequently, Table 7.8 on page 7-7 and the following analysis apply only to those businesses within the 15239 zip code.



Plum Borough's Allegheny River frontage provides development opportunities
 Source: Remington, Vernick & Beach Engineers

ZIP CODE 15239

- LEGEND**
- Counties
 - 5-Digit ZIP Codes
 - Cities and Towns
 - Interstate Labels
 - Primary Road Labels
 - Other Primary Road Labels



Table 7.8 Number of Establishments by Industry in Zip Code 15239 from 1998-2007

Industry	Number of Establishments										Change 1998-2007
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Mining	1	0	0	0	0	0	0	0	0	0	-1
Construction	92	97	94	90	89	82	87	91	87	86	-6
Manufacturing	30	30	28	28	25	24	25	24	23	23	-7
Wholesale trade	36	34	33	33	36	41	39	37	37	35	-1
Retail trade	51	48	43	45	53	47	49	45	43	52	1
Transportation & warehousing	6	7	6	6	10	8	8	8	7	10	4
Information	1	2	4	4	2	4	6	4	5	3	2
Finance and insurance	20	25	22	20	16	15	17	17	18	15	-5
Real estate & rental & leasing	16	17	16	17	14	12	12	14	13	17	1
Professional, scientific & technical service	35	33	34	36	33	33	40	40	40	40	5
Management of companies & enterprises	1	1	1	1	1	1	1	2	2	2	1
Admin, support, waste mgt, remediation services	41	35	35	41	32	32	34	35	34	34	-7
Educational services	2	2	2	1	2	1	2	2	2	2	0
Health care and social assistance	33	35	30	32	38	35	35	37	38	34	1
Arts, entertainment & recreation	8	10	9	10	10	9	8	9	12	11	3
Accommodation & food services	28	28	26	29	28	27	31	31	29	25	-3
Other services (except public administration)	44	46	47	46	49	48	51	50	48	54	10
Auxiliaries (except corporate, subsidiary &)	1	2	2	2	1	0	0	0	0	0	-1
Unclassified establishments	3	4	5	3	1	0	3	0	0	0	-3
Total	449	461	437	439	440	419	448	446	438	443	-6

Source: U.S. Census Bureau

Between 1998 and 2007, the number of businesses in zip code 15239 fluctuated between a low of 419 (in 2003) and a high of 461 (in 1999) and averaged 442 per year. The net change in the total number of establishments was a loss of six businesses. The biggest net gain was in the category of Other Services with an increase of 10 establishments,

while the biggest losses were in Manufacturing and Admin, Support, Waste Management, and Remediation Services. Both of these categories lost seven businesses.

Table 7.9 contains other indications of economic change in zip code 15239 between 1998 and 2007. As this table indicates, the number of employees fluctuated between a low of 5,089 in 2003 to a high of 6,587 in 2006. The net change in employment was a loss of 484 employees. Annual payroll ranged from \$140,947,000 in 2003 to \$224,100,000 in 2006, with a net gain of \$17,365,000 (12%) over 10 years.

Table 7.9 Employees, Payroll and Average Wage in Zip Code 15239 from 1998-2007

											Change 1998-2007	
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Number	Percent
Employees	5,545	5,678	5,225	5,321	5,348	5,089	5,325	6,532	6,587	5,061	-484	-8.7
Annual Payroll (000)	142,909	155,481	142,981	148,754	141,317	140,947	171,295	215,790	224,100	160,274	17,365	12.2

Source: U.S. Census Bureau

All of the borough-wide and zip code area data in the above tables reflects national economic trends, including boom years (e.g., 1999) and bust years (e.g., 2003).

One of the consequences of lost businesses and jobs in Plum is longer work commutes for borough residents. This is especially true in Plum because relatively few borough residents work in the borough. Table 7.10 indicates the number of workers who worked in their place of residence in 1990 and 2000. As this table shows, in both 1990 and 2000, Plum had a lower percentage of residents who worked in their home municipality than any of its neighbors. Although the percentage (5.7%) of Plum residents who worked in the borough rose between 1990 and 2000, Plum's percentage of "work near home" residents was much lower (in some cases less than one-half) than some surrounding municipalities.

Table 7.10 Place of Work

	Worked in Place of Residence				Change in Number of Workers 1990-2000	
	1990		2000		Number	Percent
	Number	Percent	Number	Percent		
Pennsylvania	1,296,530	41.0%	1,083,403	34.7%	-213,127	-16.4%
Allegheny County	180,315	33.0%	155,773	29.6%	-24,542	-13.6%
Plum Borough	1,827	13.6%	1,932	14.8%	105	5.7%
Lower Burrell	950	18.1%	958	17.9%	8	0.8%
Monroeville	5,209	35.4%	4,260	30.2%	-949	-18.2%
Murrysville	1,204	14.7%	1,758	19.6%	554	46.0%
Oakmont	840	25.7%	670	21.8%	-170	-20.2%
Penn Hills	4,572	18.8%	3,854	17.8%	-718	-15.7%
Upper Burrell	N/A	N/A	N/A	N/A	N/A	N/A

Source: U.S. Census 1990 and 2000

Table 7.11 contains data on work commuting times at the state, county and local levels in 1990 and 2000. This data indicates that residents in Plum and the surrounding communities had to travel farther to get to work in 2000 than they had to in 1990. Plum's almost 11% increase in the number of residents who had to travel at least 30 minutes to get to work was much less than Lower Burrell's increase of 20.3 % or Murrysville's 21.4% increase.



Commercial development at the intersection of New Texas Road and Leechburg Road.
Source: Remington, Vernick & Beach Engineers

Table 7.11 Travel Time to Work, Change 1990-2000

	1990					2000					% Change, 1990-2000				
	<10 minutes	10-19 minutes	20-29 minutes	30 minutes or more	Worked at home	<10 minutes	10-19 minutes	20-29 minutes	30 minutes or more	Worked at home	<10 minutes	10-19 minutes	20-29 minutes	30 minutes or more	Worked at home
Pennsylvania	872,855	1,748,028	1,069,134	1,513,564	144,551	812,411	1,661,205	1,110,249	1,807,800	164,646	-6.9%	-5.0%	3.8%	19.4%	13.9%
Allegheny County	72,354	177,513	135,144	199,103	11,291	66,796	165,982	128,143	206,806	14,585	-7.7%	-6.5%	-5.2%	3.9%	29.2%
Plum Borough	1,380	3,665	2,761	5,273	311	1,383	3,243	2,301	5,842	313	0.2%	-11.5%	-16.7%	10.8%	0.6%
Lower Burrell	898	1,883	1,006	1,359	115	897	1,505	1,221	1,635	97	-0.1%	-20.1%	21.4%	20.3%	-15.7%
Monroeville	1,872	4,515	2,176	5,863	271	1,749	3,212	2,592	3,879	370	-6.6%	-28.9%	19.1%	-33.8%	36.5%
Murrysville	950	1,991	1,874	3,174	202	1,011	2,126	1,682	3,855	313	6.4%	6.8%	-10.2%	21.4%	55.0%
Oakmont	654	701	544	1,279	92	503	618	651	1,215	87	-23.1%	-11.8%	19.7%	-5.0%	-5.4%
Penn Hills	2,345	6,570	5,431	9,612	356	2,063	5,367	4,622	9,116	486	-12.0%	-18.3%	-14.9%	-5.2%	36.5%
Upper Burrell	88	338	230	332	20	125	325	198	377	40	42.0%	-3.8%	-13.9%	13.6%	100.0%

Source: U.S. Census Bureau 1990 and 2000

Other Economic Development Information

As part of the comprehensive planning process, Plum Borough conducted interviews with the local chamber of commerce as well as borough business owners to get their input on economic conditions and initiatives in the borough. Their input, combined with the data gathered in the 2007 Penn State University Borough Community Assessment, identified the following needs for economic growth and development:

1. Improvements to roads
2. Adoption of tax incentives
3. Formation of an economic development corporation

Economic development generators

Economic development generators include local business districts, industrial parks, and employment centers. PA Route 286 in the southeastern corner of the borough is the major commercial corridor of Plum Borough. However, commercial development is also occurring along Coxcomb Hill Road (PA Route 909) in the northern part of the borough and in the PA Route 380 corridor in the southern part of the borough. Other commercial areas include numerous small-scale commercial uses in the area around Unity and other commercial clusters along Unity-Center Road, New Texas Road, and Renton Road.



A commercial cluster at Center Road on PA Route 380
Source: Remington, Vernick & Beach Engineers

In addition to the above commercial developments, Plum also has industrial establishments in several scattered locations and an industrial park off Davidson Road in the southwestern corner of the borough.

Route 286 Corridor

The PA Route 286 corridor has highway strip commercial development and some interspersed public, semi-public and residential uses. Three shopping centers---Pine Valley Plaza, Holiday Park Center, and Presque Isle Plaza---are located along the Route 286 corridor. These shopping centers and numerous stand-alone commercial structures contain a variety of retail stores, professional and business offices, restaurants, automotive-related businesses, and other commercial enterprises.



Highway strip commercial development along Route 286
Source: Remington, Vernick & Beach Engineers

Monroeville

The Municipality of Monroeville borders Plum Borough to the south. Monroeville is home to the Monroeville Mall, a regional shopping mall that is one of the largest shopping malls in southwestern Pennsylvania. Monroeville Mall is located on US Business Route 22---a three-mile long commercial strip that is conveniently located between exits of I-376 (the Parkway East) and I-76 (the Pennsylvania Turnpike). The Route 22 business corridor also contains another large shopping center, the Miracle Mile Shopping Center, and many other businesses. These businesses and shopping centers provide employment and shopping opportunities for Plum residents. However, the conveniently located and well-established Route 22 commercial district and other nearby and readily accessible business districts and shopping facilities also pose direct competition for commercial development and growth in Plum, especially in the southern half of the borough.

Major employers

Businesses provide both jobs and tax revenues for municipalities, and the retention and expansion of existing businesses must be part of a municipality's economic development strategy. Table 7.12 lists the 10 largest employers located within Plum Borough.

Table 7.12 Largest Employers in Plum Borough (2008)

Employer	Approximate No. of Employees
Plum Borough School District	788
Respironics	294
Oakmont Country Club	292
Longwood at Oakmont	289
180 Connect	258
Technical Solutions	239
ECM Transportation	195
YMCA	179
Kings Restaurant	138
Holiday Park Shop and Save	130

Source: Borough of Plum Earned Income Tax Office

Vacant/Underutilized Economic Development Sites

Plum Borough has several brownfields and greyfields (i.e., former industrial and commercial sites) scattered throughout the borough. Redevelopment of brownfields and greyfields takes advantage of existing infrastructure and helps retain the borough’s rural areas by minimizing demand for commercial development of agricultural land and open space. Plum’s brownfield sites include the following:

- Former Alcoa site on the Allegheny River near Barking
- Borough-owned property near Renton (i.e., site of the proposed town center)
- Renton Mine reclamation site off Clement Road



Former Alcoa site - a riverfront brownfield
Source: Remington, Vernick & Beach Engineers

Local Economic Revitalization Tax Assistance Program

In March 2010, Plum Borough Council adopted an ordinance establishing a Local Economic Revitalization Tax Assistance (LERTA) program. The purpose of the LERTA program is to encourage commercial development by offering property tax relief to businesses. The program provides a five-year real estate tax abatement for improvements to commercial properties in any of the 10 designated business and manufacturing districts indicated on the LERTA District Map on the following page.

Adequacy of Infrastructure for Future Development

Infrastructure is a prerequisite to achieving economic development and growth. Adequate roads, water lines and sanitary sewerage are essential to both residential and commercial development. There is public water and sanitary sewer service in those areas to which the borough would like to attract additional commercial development. The various municipal authorities that provide water and sanitary sewage service in Plum have adequate capacity to accommodate all anticipated development.

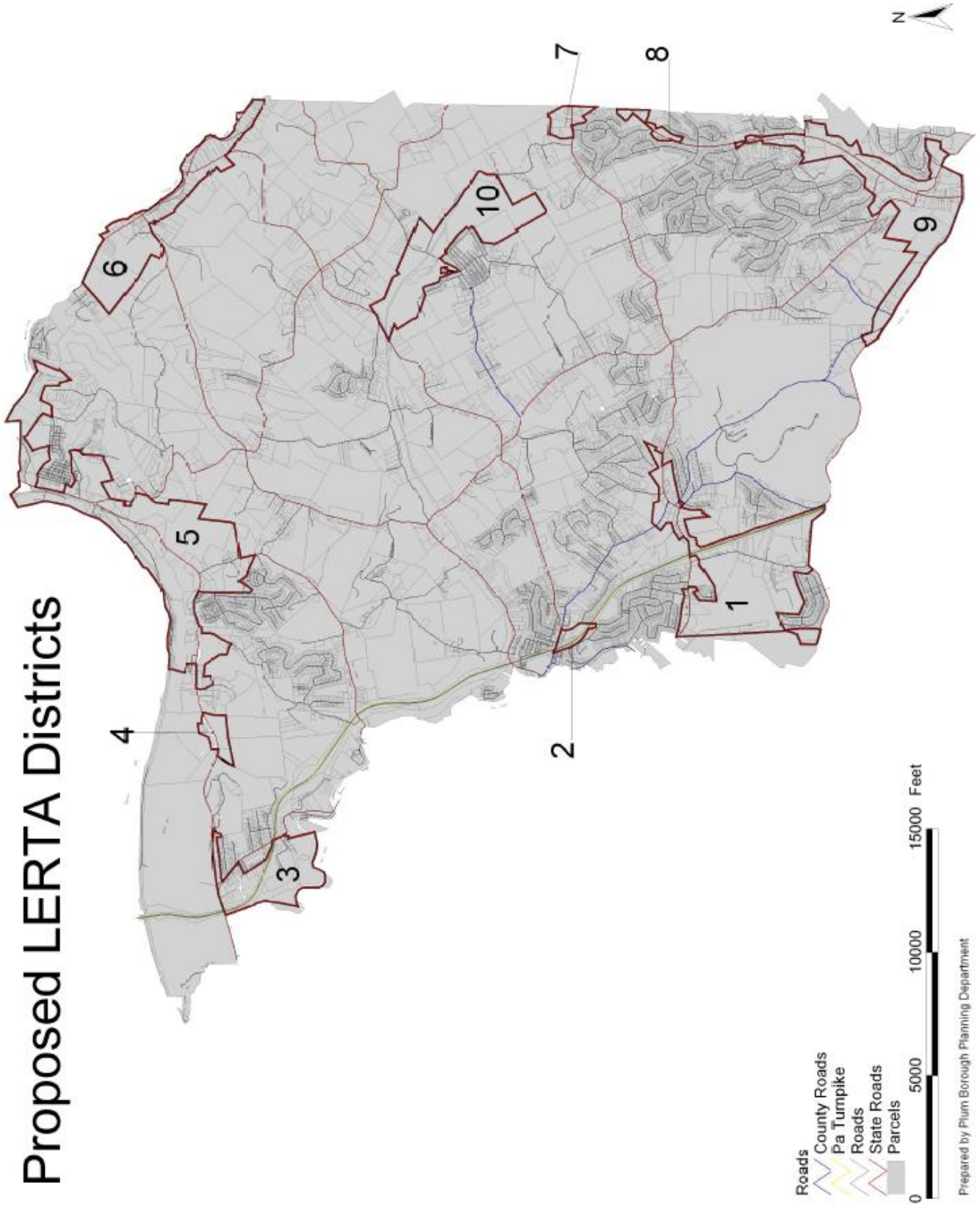
However, both the participants in the Penn State community survey and business people interviewed during the comprehensive planning process cited inadequate road infrastructure as a major drawback to additional development in Plum. Improvements needed to address the borough's existing and projected road network deficiencies are listed in Chapter 5 Transportation.

Implementation

The economic development needs of municipalities vary. Older communities often seek to rejuvenate their business districts and redevelop their former industrial sites, while younger communities seek growth from new development. However, the creation, retention, and expansion of jobs and businesses are the key elements of all municipal economic development strategies.

Plum Borough would like to develop new commercial uses and expand existing ones. This type of economic growth would stabilize and enhance the local tax base and shift more of the property tax burden from residents to commercial and industrial uses. The borough could then provide a full array of municipal services with minimal property tax increases. In order to achieve these goals, Plum Borough needs to pursue the following goals, objectives and strategies.

Proposed LERTA Districts



Goal 1: Maintain/expand efforts to attract/retain/expand businesses.

Objective A: Provide leadership to guide economic development efforts.

Strategies

- Establish/maintain liaisons with county and regional economic development agencies and the Plum Chamber of Commerce to identify growth industries and to market Plum Borough as a place to do business.
- Inventory, prioritize and promote brownfields and greyfields for redevelopment, including the existing municipal complex.
- Establish/maintain liaisons with borough businesses and the Plum Chamber of Commerce to identify and address issues that will facilitate business attraction/retention/expansion.
- Identify and use public sector incentive programs (e.g., tax increment financing and tax abatement) to foster commercial and industrial development and support private sector applications for funding through these programs.
- Encourage a coordinated, intermunicipal development approach in areas zoned for commercial, light industrial and office park uses along the borough borders.
- Implement the goals, objectives and strategies of the borough's park, recreation, and open space plan to provide the facilities and amenities that help attract and retain the workforce that local businesses need.
- Maintain an adequate amount of land zoned for commercial uses and industrial uses in appropriate locations.
- Pursue commercial redevelopment of the current municipal complex and surrounding properties on New Texas Road.
- Monitor and evaluate the effectiveness and impact of the LERTA program to assist borough council in its consideration of whether to renew the program every five years.

Objective B: Promote quality commercial and industrial development.

Strategies

- Adopt standards that will produce development that is physically attractive and has minimal adverse impacts.

- Encourage “green” building design and construction.
- Support needed infrastructure improvements and extensions, including intersection improvements listed in the transportation capital improvements plan.
- Encourage commercial property owners to rehabilitate buildings.
- Continue to enforce property maintenance codes.
- As needed, consult with the Allegheny County Redevelopment Authority to pursue small-scale and/or large-scale commercial or industrial redevelopment opportunities.

Objective C: Collaborate with private sector and public sector entities to secure various types of development in appropriate areas of the borough.

Strategies

- Promote further large-scale commercial and office park development in the Davidson Road area.
- Support commercial development along the following roads: the Golden Mile Highway (PA Route 286), Leechburg Road, Saltsburg Road (PA Route 380), Coxcomb Hill Road (PA Route 909), Old Leechburg Road, Old Frankstown Road and Greensburg Road (PA Route 366). To achieve optimum commercial development in these locations, road infrastructure needs must also be addressed.
- Encourage commercial and recreational riverfront development.

Objective D: Promote agriculture and historic preservation as economic generators.

Strategies

- Encourage the establishment of Agricultural Security Areas, agricultural easements and similar measures designed to preserve farming and farmland.
- Support a “buy fresh, buy local” campaign in the community.
- Use the Penn State Cooperative Extension’s “Future of Agriculture in Our Community” planning process to identify and support the needs of local farmers.
- Collaborate with local, county, and state historic preservation groups and agencies to explore the feasibility of establishing

tourism based on historic resources.

Objective E: Maximize the linkages between and among economic development, transportation improvement, and land use development actions.

Goal 2: Maintain efforts to attract/retain/expand employment opportunities.

Objective A: Attain and maintain an adequate labor force.

Strategies

- Establish/maintain liaisons with the Plum Borough Chamber of Commerce, borough businesses, and county and regional economic development agencies to identify the labor force needs of existing and future businesses.
- Work with the Plum Borough School district, local colleges and universities, job training agencies, and borough businesses to provide educational, vocational, and entrepreneurial training programs that will prepare borough residents for existing and future jobs.