

TROUBLING

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admits in his report that he can make “no warranty or representation...that any of the values or estimations in the report have been, or will be achieved.” Yet the EDC’s press release highlights the reports boldest claims, saying they “will” occur.

To properly use this kind of model, especially in a risky post-recession development climate, several alternative scenarios should have been assessed.

It’s also problematic that the study does not reveal the assumptions, data and parameters provided by the representatives of Chatham Park Investors, which serve as the inputs for this input-output model. Without them, how can anyone assess its accuracy or validity?

UNC Planning Professor Emil Malizia notes in his research, that these type of models “enable the analyst to generate a large quantity of numbers on the basis of a few solid facts. This results in the familiar ‘garbage in, garbage out’ syndrome that is often passed off as adequate research.”

Clearly the inputs came from a biased source — the developers seeking a positive assessment. To assess them in the proper

context, the developers also should have provided a market/economic feasibility study to demonstrate if there is a demand in Pittsboro for the massive number of residences and commercial, office and institutional spaces they have proposed.

Second, it is important to understand that this economic impact study is not useful for any other purpose except public relations, especially when it stands alone. It provides a lop-sided view, summarizing only the benefits, without any context about the true costs to the county, the Town, as well as other county property owners and taxpayers.

Without a cost-benefit comparison involving other impact assessments we cannot truly know what the economic benefits are.

The “most significant limitation of economic impact analysis is that it represents only the economic benefits of the development project and does not address local government costs,” says UNC School of Government Professor Jonathon Q. Morgan in a UNC paper on “Analyzing the Benefits and costs of Economic Development Projects.” “Public officials must utilize fiscal impact analysis techniques,” he continues, “to understand what effect a development project will have on the local government budget.”

WHERE ARE THE OTHER IMPACT ASSESSMENTS?

Fortunately we also have the benefit of two experts in the nation’s best urban planning department, which happens to be at UNC-Chapel Hill. In their recent book, *Sustainable Development Projects: Integrating Design, Development and Regulation* (published by the American Planners Association), UNC Planning Department Professor Malizia as well as Professor Emeritus David R. Godschalk, discuss the essential importance of the development review process to include an array of impact assessments. These would be similar to the assessments that have been required for recent major developments in the county (Briar Chapel) and in the Town of Pittsboro (Powell Place and Pittsboro Place). It’s distressing that the EDC championed Chatham Park’s master plan before the Pittsboro Town Board, even after its developers refused to do any of these impact assessments, except for the economic all-benefits one.

“One essential aspect of development review is the estimating of impacts of the proposed development,” write Godschalk and Malizia. “The on-site impacts are handled through compliance with local regulatory standards. The broader community impacts are gauged with various impact studies. The developer hires credible professionals to conduct these analyses. Usually environmental, traffic, fiscal, and economic impacts studies are completed during the review process. The results inform the final decision made by the local jurisdiction.”

Another important type of impact assessment not mentioned by Malizia and Godschalk, but increasingly relevant today, is a socio-economic impact assessment. This type of assessment is becoming more common and necessary, especially with changing demographics in the county and the potentially large negative local impact of major developments on working class and lower income families, minority, senior and youth communities, and small town and rural areas.

WHY IS THERE NO TRANSPARENCY?

Third, what is more troubling about the EDC role is that it accepted an unrevealed amount of money from Chatham Park Investors in order to commission this report, then failed to disclose it in their press release, and failed to share, as the law requires, the data, assumptions and parameters, also provided by the developers.

Moreover, I have been unable to find any record that this study was authorized by the governing board of the EDC. Under the EDC bylaws neither the EDC Executive Board nor its President has such authority unless

specially authorized. Several EDC board members told me they first learned about the study at the January 2015 meeting when EDC President Diane Reid informed them it would soon be released. Moreover, I have been unable to find any EDC board minutes indicating that the board officially approved a resolution supporting Chatham Park, which was signed by the board co-chairs and issued on November 26, 2013 by the EDC.

WHAT SHOULD BE DONE?

Finally, without suggesting any possible intentional misdeeds by the EDC, I would encourage the county commissioners to consider taking the following actions to protect the integrity of the county going forward in regards to how this will be received by many citizens. First, the commissioners should demand a release of all the assumptions, data, and parameters that went into this report, as well as the financial records concerning the donation from the developers, the spending of those funds and documentation of how the EDC approved the donation and authorized this study. Secondly, the EDC board and staff need to receive a formal refresher course on open meetings and public records law, as well as its own bylaws and legal relationship with the county. Finally, the EDC board and staff should be instructed by the county commissioners that they are responsible for carrying out the economic development policies of the county commissioners, that they should only be providing objective, balanced factual economic information to the county, towns and public, and that they avoid taking sides in development disputes, especially where Chatham residents are not in agreement with proposals of outside developers.

Jeffrey Starkweather has lived in Pittsboro for 43 years. A retired newspaper publisher and attorney, Starkweather served on the Chatham County EDC board from January 2007 to July 2013.

PARK

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Park master plan at pittsboronc.gov.

The Chatham EDC is a 501(c)3 non-profit and supported by both public and private investors and strives to be apolitical. Its work is guided by a long-range strategic economic development plan. The EDC provides support to businesses throughout the county and markets Chatham County as the preferred location for emerging growth companies.

The Chatham Park economic impact study and press release are available at bit.ly/chathamparkstudy.

Dianne Read is President of the Chatham Economic Development Corporation.

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