

Albemarle Supervisors Approve Economic Development Fund despite Evidence It Will Accelerate Albemarle's Population Growth

On December 6, 2006, Albemarle Supervisor Ken Boyd introduced a motion to budget \$250,000¹ to create an economic development and job creation opportunity fund. The motion was approved by a vote of 4-2, with Dennis Rooker and Sally Thomas casting the dissenting votes. On January 3rd, the Board of Supervisors confirmed their earlier vote, again by a 4-2 margin, for what Ms. Thomas labeled a "slush fund."²

Ostensibly, the four Supervisors who approved this measure are concerned about underemployment. However, the fund will doubtless be used to help companies move to our area to create new jobs. The four Supervisors never established exactly how those new jobs are going to be "reserved" for the underemployed—as opposed to the most qualified candidates.

A week before the Supervisors' December 6 vote, the Chief Economist of the Virginia Employment Commission labeled Albemarle County a "labor shortage" area, an area where the unemployment rate is so low that there is a *shortage of workers*, not jobs.³ Albemarle's unemployment rate was pegged at 1.7%; the labor shortage criterion is an unemployment rate of 2.0% or less. Albemarle has a shortage of workers, not jobs.

In 2003, the *ASAP Update* included the following article that reviewed the research on who gets jobs from local growth.

Research: New Jobs Go To New Residents

In 1993, a respected researcher at the W. E. Upjohn Institute for Employment Research published a paper that surveyed much of the research that had already been done

¹ The County Supervisors approved moving \$200,000 from one line item to another in this year's budget and adding another \$50,000 to next year's budget, subject to the normal review process.

² Jeremy Borden, "Growth dominates meeting," *The Daily Progress*, 4 January 2007.

³ Virginia Employment Commission, "Virginia Seasonally Unadjusted Unemployment Rates: October 2006," 29 November 2006. As of December 12th, the press release was available online at <http://www.vec.virginia.gov/pdf/newpres1.pdf>.

on who gets jobs from local growth.⁴ This paper was academic in nature. It had no apparent agenda. He looked at many local job growth issues, but one stands out. He concluded that, in the long run, *new* residents absorb 60% to 90% of new jobs.⁵

Central Virginia's population has been growing at a steady rate.⁶ Yet our unemployment rate has held steady over the same time period.⁷ If all of the new businesses brought into the area were employing existing residents, then the unemployment rate should have been driven down to zero. Since it has not, one must conclude that *new* residents are filling most of the new jobs.

The expansion of GE Fanuc in the mid-1990s provides evidence to support this conclusion. In 1994, GE Fanuc decided to expand its facilities north of Charlottesville. It more or less promised that 80% to 90% of the new jobs would go to existing area residents. At the time, one of its officials said, "We aren't going to be relocating people to Central Virginia. The new employees won't be putting children in schools that aren't already there, or require new roads or sewers. We're going to be hiring local people."⁸ What actually happened? GE Fanuc created 334 new jobs. But only 36% went to area residents, and only 25% of the new *professional* positions went to locals.⁹ This example is not meant to malign GE Fanuc. GE Fanuc is a good corporate citizen, and it did its best to hire local residents. The point of this example is that it is extremely difficult to target new jobs toward local residents. Invariably, most new jobs go to *new* residents.

Prior to both votes, ASAP spoke against the "economic opportunity fund." The second statement to the supervisors concluded:

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⁴ Timothy J. Bartik, "Who Benefits from Local Job Growth, Migrants or the Original Residents?" *Regional Studies* 27 (1993): 297-311.

⁵ *Ibid.*, 303.

⁶ For example, according to U. S. Census Bureau figures, Albemarle County's population has more than doubled over the last three decades—from 37,780 in 1970 to 84,112 in 2000.

⁷ Virginia Employment Commission website, "Local Area Unemployment Statistics" for the Charlottesville Metropolitan Statistical Area and the Thomas Jefferson Planning District, 1992-2002 annual statistics (as of 6 June 2003).

⁸ Beth J. Lipper, "County Gov't & Private Business Join Together for Positive Growth," *Charlottesville Business Journal* (March 1995): 20.

⁹ Letter from Donald C. Borwhat, Jr., Sr. Vice President, Human Resources and Public Relations, GE Fanuc, to Robert Tucker, Jr., the County Executive for Albemarle County, 17 December 1997.

Residential Development in Charlottesville and Albemarle

In November 2006, the Piedmont Environmental Council (PEC) released a report on the huge “development pipeline” that the Board of Supervisors has created in Albemarle County.¹⁰ The following is an excerpt from the report’s executive summary. ASAP thanks Jeff Werner, PEC’s Charlottesville-Albemarle Land-Use Field Officer, for making this analysis available.

Driving around the Charlottesville/Albemarle area, it is hard not to notice the amount of residential development occurring. However, the recently completed housing units, as well as those under construction, are only a *fraction* of the new housing that has been approved or is currently under review by City and County officials. Since 2000, ... approximately 17,832 housing units (or Dwelling Units, DUs) [have been approved] for the City and the County Growth Areas. ... [This number] does not include existing by-right development potential or unbuilt units from proposals approved prior to 2000. ... This raises ... questions ... [about] the wisdom of approving development proposals years, even decades ahead of anticipated need by our community.

Despite these unprecedented approvals ... there is no evidence of subsiding development pressure on the Albemarle County Rural Area. Residential development in the Rural Area has remained fairly constant over the past few decades. Between 1983 and 2005, an average of 312 new Rural Area DUs were permitted annually.

Under the maximum population forecast and with a continuation of this current Rural Area development trend, the 17,832 DUs in the residential pipeline would accommodate ... growth through the year 2039. At the lower [population forecast], the 17,832 DUs would accommodate projected [growth] through 2053.

These [population] projections are based on City and County population forecasts available from the Virginia Employment Commission (VEC), from the Virginia Department of Transportation (VDOT), from two studies completed for the community water supply planning ..., and from a recent County staff modification of the VEC projections. These forecasts predict that between the years 2000 and 2026, the City and County will grow by roughly 31,700 to 39,300 new residents; by 2055 the City and County will grow by roughly 83,000 to 113,000 new residents.

... Given the decades it will take to realize the completion of all 17,832 proposed units, these findings suggest several important questions ...:

¹⁰ *Residential Development in Charlottesville and Albemarle* (Piedmont Environmental Council, 10 November 2006); available online at <http://www.pecva.org/docs/DevelopmentPipeline.pdf> (an underscore precedes “docs”).

- 1) Is it prudent planning to approve a development pipeline that potentially outpaces the 20-year Comprehensive Planning period?
- 2) Is it fiscally prudent to approve projects and accept proffers for developments that may take decades to be realized? That is, will a dollar proffered in 2006 have the same buying power in 2026, when that dollar is finally used for public improvement?
- 3) Is it good planning to make decisions that will limit land-use and planning options for future decision-makers? ...
- 4) Why are there not guarantees that what has been approved will actually be built? Given that Albemarle’s Comprehensive Plan calls for growth to go into the growth areas, local officials need to ensure that those approved units are realized in a manner consistent with the approved densities. As evidence of this concern, Biscuit Run[’s density] has recently dropped from 4,970 proposed units to 3,500.

Does Population Affect Local Stream Health?

In October, StreamWatch released its 2006 report on the Rivanna River basin.¹¹ John Murphy, StreamWatch’s Director, led a discussion of the report at ASAP’s November 2006 membership meeting. The key findings of the report follow.

1. About half of representative Rivanna Basin streams fail to meet the Virginia aquatic life standard.
2. Stream **biological** health degrades predictably as watershed population density increases. At densities of about 55 people per square mile (approximately one dwelling per 27 acres), an estimated ninety percent of streams fail the Virginia standard, most of them with moderate impairment. [On average, Charlottesville-Albemarle County has a population density of about 175 people per square mile. The density in the urban-suburban core is far higher, while the density in the Rural Areas is much lower.]
3. When watersheds reach about 210 people per square mile (approximately one dwelling per seven acres), stream biological impairment becomes **persistent**, meaning that the prospect of restoring a healthy aquatic community becomes unlikely without extraordinary effort and expense and/or substantial land use change. A relatively small portion of Rivanna Basin tributary streams is persistently impaired.
4. Most of the Rivanna River is biologically impaired, but the risk of persistent impairment is unclear.

¹¹ John A. Murphy, “Living in Our Watershed: Correlates of Biological Condition in Streams and Rivers of the Rivanna Basin: Winter 2003/04 through Fall 2005 (StreamWatch, 2006). The report is available online at <http://www.streamwatch.org/Data/Reports>. StreamWatch is a partnership of Albemarle and Fluvanna Counties, The Nature Conservancy, the Rivanna Conservation Society, the Rivanna Water and Sewer Authority, the Thomas Jefferson Planning District Commission, and the Thomas Jefferson Soil and Water Conservation District.

February 15th Membership Meeting: The Ethics of Growth

ASAP's next monthly meeting will discuss the ethics of local growth. The meeting will be held Thursday evening, February 15, at 7:30 pm in the library of the Westminster Presbyterian Church. Al Weed, ASAP's Vice President and recent candidate for the U.S. House of Representatives, will moderate the panel. The featured panelists will include:

- George Thomas, Ph.D., retired professor of philosophy at the University of Virginia
- Timothy Beatley, Ph.D., Teresa Heinz Professor of Sustainable Communities at the University of Virginia and author of *Ethical Land Use*,¹² among many other books and articles.

A recent essay titled "A Moral Code for a Finite World" provides some background for this discussion.¹³ In that essay, authors Herschel Elliott (a University of Florida professor) and Richard Lamm (the former Governor of Colorado) observed:

The consequences of human behavior change as the population grows. Most human activities have a point of moral reversal, before which they may cause great benefit and little harm, but after which they may cause so much harm as to overwhelm their benefits. ...

Every environment is finite. Technology can extend but not eliminate limits. An acre of land can support only a few mature sugar maples; only so many radishes can grow in a five-foot row of dirt. Similar constraints operate in human affairs. When the population in any environment is small and natural resources plentiful, every additional person increases the welfare of all. As more and more people are added, they need increasingly to exploit the finite resources of the environment. At a certain point, the members of an increasing population become so crowded that they stop benefiting each other; by damaging the environment that supports everyone, by limiting the space available to each person, and by increasing the amount of waste and pollution, their activity begins to cause harm. That is, population growth changes from good to bad. And if the population continues to expand, its material demands may so severely damage the environment as to cause a tragedy of the commons—the collapse of both environment and society.

... [M]any activities are right—morally justified—when only a limited number of people do them. The same activities become wrong—immoral—when populations increase, and more and more resources are exploited.

Few people seem to understand the nature of steady growth. Any rate of growth has a doubling time: the period of time it takes for a given quantity to double. It is a logical inevitability—not a matter subject to debate—that it takes only a relatively few doublings for even a small number to equal or exceed any finite quantity, even a large one.

One way to look at the impact of growth is to think of a resource that would last 100 years if people consumed it at a constant rate. If the rate of consumption increased 5 percent each year, the resource would last only 36 years. A supply adequate for 1,000 years at a constant rate would last 79 years at a 5-percent rate of growth; a 10,000-year supply would last only 125 years at the same rate. Just as no trees grow to the sky, no growth rate is ultimately sustainable. ...

Albemarle County Bond Referendum

Albemarle County's Board of Supervisors is considering replacing a general obligation bond on the ballot in November 2008. As currently proposed, the bond would allow the County to borrow up to \$92 million to pay for the following capital needs: libraries (\$50 million), public safety facilities (\$14 million), fire/rescue equipment (\$14 million), court projects (\$7 million), and parks and recreation (\$6 million). The loans would be repaid using general tax revenues, but County executives do not believe a tax increase would be required. The proposal will be debated until April 2008, the deadline for placing the question on the November 2008 ballot. The Board hasn't placed a bond issue before the voters in more than 30 years; the last one, which voters approved, was used to build Western Albemarle High School in the mid-1970s.

In a blog on the Charlottesville Tomorrow website,¹⁴ Jack Marshall, ASAP's President, asked, "To what extent are our 'future capital needs' (which have stimulated this talk about a general obligation bond) created by local population growth? And note that the identified 'future needs' don't even include major transportation projects and schools! Wouldn't it make economic sense (not to mention being more environmentally responsible) to limit population growth?"

Brian Wheeler, Charlottesville Tomorrow's Executive Director, responded, "Even if [you limit population growth],

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¹⁴ The following Charlottesville Tomorrow page describes the bond proposal and provides links to the blog discussion: http://cvilletomorrow.typepad.com/charlottesville_tomorrow_/2006/12/referendum.html. (Note that what may appear to be blanks in this URL are actually underscores.) Charlottesville Tomorrow's purpose is to "inform public opinion and policy on land use, transportation, and community design issues to ensure sensible growth and to realize the best possible future for the Charlottesville-Albemarle area."

¹² Timothy Beatley, *Ethical Land Use: Principles of Policy and Planning* (The Johns Hopkins University Press, 1994).

¹³ Herschel Elliott and Richard D. Lamm, "A Moral Code for a Finite World," *The Chronicle of Higher Education [The Chronicle Review]* 49, no. 12 (15 November 2002): B7-9.

Economic Development Fund

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[This] funding would provide solutions to problems that don't exist, and in fact would exacerbate current problems by encouraging more growth. We should, instead, be offering more support for our excellent local workforce training opportunities (CATEC and PVCC), and devoting resources to examining how to deal effectively and fairly with population growth. For thoughtful, progressive communities—and Albemarle County is certainly one—the era is passing when residents blindly accept the myths that growth is always good, and that we must relentlessly add new business to our community. We now know that there are costs to growth beyond a certain point, that we must seek a sustainable population size. We know that new businesses—beyond a point—may give short-term profit to a few but provide little long-term benefit to the whole community. The times are changing. We want our leaders to adapt, to make decisions based on new realities, not old ideologies. Please don't slip into denial of our local economic and demographic situation. A vote for [this measure] is a vote for more county growth. A vote against [the proposal] reflects the will of the majority of your constituents.

As noted above, ASAP thinks the \$250,000 could be put to better use. For example: incorporate the concept of an optimal population size into Albemarle County's Comprehensive Plan (see the next article). Hire a consulting firm to help identify the optimal population size for the Charlottesville-Albemarle community. And then use it to help guide future land use planning and development decisions.

Progress toward an Optimal Sustainable Population Size

In September, ASAP asked Albemarle's supervisors to further refine the vision of what County residents want for their community. ASAP asked for an amendment to the Comprehensive Plan that would require identification of a sustainable optimal population size (or range) for the Charlottesville-Albemarle community. This ideal population size would be democratically defined. It would provide an explicit vision of the scale and size desired by current residents, and it would guide future County land-use and development decisions. Two local environmental organizations (the Piedmont Group of the Sierra Club and Citizens for Albemarle) supported ASAP's request.

An array of arguments have been advanced to explain why the county should NOT adopt ASAP's proposed Comp Plan Amendment (CPA). Among the objections:

1. ***It will limit population growth.*** ASAP responds: It is indeed intended to be a first step toward defining, reaching, and maintaining an optimal population size, but the CPA itself will not limit population growth, since it is simply an expansion of the vision statement in the Comprehensive Plan.
2. ***It is not legal under state law.*** ASAP responds: David Toscano, Delegate to the Virginia House of Delegates from the 57th District and an accomplished lawyer, has written an opinion that the proposed CPA would not require any special state enabling legislation.
3. ***No other community in the state has done this.*** ASAP responds: True. We can find no other community in the country – except Boulder, Colorado – that has identified an optimal sustainable population size as part of a plan to limit growth. The idea is certainly new, but it's common sense—and not impossible.
4. ***There are no methods for calculating an optimal sustainable population size.*** ASAP responds: Scientists, environmentalists, and planners working on ASAP's CPA Committee have developed the basic elements of a methodology which, we believe, could be used to accomplish the task.
5. ***County staff is already overburdened with special tasks assigned by the supervisors. If this new initiative is adopted, some other job will have to be abandoned.*** ASAP responds: We understand this concern and believe some arrangement can be made to define an optimal sustainable population size with only minimal demands on county staff. One possibility is to ask a citizens' committee, with the blessing of the Board of Supervisors, to do the job.

In the months since ASAP first proposed this notion to the Board of Supervisors, we have been talking with supervisors, planning commissioners, and county planning staff to explore ways to make this CPA happen. At the January 3 Board of Supervisors meeting, as part of an agenda item about new initiatives to be added to the Community Development Work Plan, the supervisors spent 40 minutes discussing how this concept could be advanced without burdening staff. Subsequent talks between ASAP leaders, supervisors, and staff have led to possible solutions that will be proposed at a future Board meeting.

We in ASAP are cautiously optimistic that, within a few months, a Board-endorsed citizens' committee, at least partially funded with contributions from private sources, can begin to work on this exciting new initiative.

Public Benefits of Undeveloped Lands

As the pace of exurban land development has accelerated, landowners and developers have profited considerably by converting natural habitat to residential and commercial developments. Yet many communities sense they are losing valuable assets as these changes take place. Demonstrating the economic value of preserving undeveloped and natural areas can be an important tool in building support for such conservation. However, because many of the public benefits these lands provide cannot be assessed in the same way as private market transactions, such evaluations are difficult. Therefore, economists have developed specific methods for measuring these economic values. They include analyzing how property values may be affected by proximity to natural areas and using surveys to gauge residents' willingness to pay for conservation. Resources for the Future conducted an inventory of studies that evaluated the benefits of preserving undeveloped lands on urban outskirts and the role such economic analyses have played in land use plans.¹⁵ The inventory demonstrated that some economic studies have successfully influenced local land use planning and conservation decisions.

Post-Growthism

Dan Warner, former chairperson of Pro-Whatcom, an ASAP-like organization based in Whatcom County, WA, has written an article on the need to move from a Smart Growth approach to sustainable development.¹⁶ The abstract of the article states:

As a planning concept, Smart Growth leads to a dead end. Planners and environmental professionals may help communities work toward a different planning theory predicated on the truth that, at some junction, growth must stop. Impediments to achieving the necessary steady-state community are political, economic, legal,

¹⁵ H. Spencer Banzhaf and Puja Jawahar, *Public Benefits of Undeveloped Lands on Urban Outskirts: Non-Market Valuation Studies and Their Role in Land Use Plans* (Washington, DC: Resources for the Future, June 2005). This 51-page white paper is summarized in a shorter, eight-page paper by Elizabeth Grossman and Laura Watchman, *Assessing the Wealth of Nature: Using Economic Studies to Promote Land Conservation instead of Sprawl* (Defenders of Wildlife, 2006). Both are available as .pdf documents at http://www.defenders.org/assessing_wealth. The latter is also available at:

<http://www.biodiversitypartners.org/econ/assessingwealth/EconBenefits.pdf>. This summary was excerpted from Smart Growth Online, a website maintained by the Sustainable Communities Network. P. O. Box 21301, Washington, DC 20009.

¹⁶ Daniel M. Warner, "Post-Growthism: From Smart Growth to Sustainable Development," *Environmental Practice* 8 (3) September 2006: 169-179.

and ethical. Politically, most people do not want more growth, but growth happens because the pro-development community—buoyed by market forces—lobbies local government for pro-growth policies and because the pro-growth community often misrepresents the consequences of low or no growth. Economically, communities must move toward an economy of "relocalization" that promotes prosperity with growth. Legally, there are no insurmountable obstacles to the necessary (and inevitable) development of a steady-state economy that does not grow in quantity. Ethically, we must recognize that preserving a place from over-development is the right thing to do.

The author mentions ASAP's efforts several times: "Local governments traditionally show little interest in achieving and maintaining an optimal population size, because the Pro-Growthers have—traditionally—won the political battle. Their lobbying and representations must be countered by equally powerful lobbying and representations from the other side, in order for the popular will to express itself. This is beginning to happen. ... There are at least two active 'post-Smart Growth' groups, one in Virginia and one in Washington State. ... They are meeting with considerable (unexpected) success in education, research, policy development, and advocacy. Both groups interact regularly with professional environmentalists and land use planners."

Washington, DC, Metro Area Growth Pains

Recent articles in the *Washington Post* have detailed the growth problems in Virginia's Prince William and Loudoun Counties—among the fastest growing in the United States—and in Maryland's Montgomery County.¹⁷ Prince William County has imposed a one-year freeze on most subdivision rezoning requests to protest a lack of transportation funding from Virginia's General Assembly. Loudoun County voted to reduce by 50% the number of homes that can be built in its mostly rural western section. And Montgomery County is considering legislation to impose a temporary moratorium on nearly all major residential and commercial developments while its land-use policies are re-evaluated. It is considering using Maryland's adequate public facilities ordinance that allows communities to halt development where the necessary infrastructure (e.g., schools and roads) is not in place.

¹⁷ Alec MacGillis, "3 Counties Attempt to Put Brakes on Growth," *Washington Post*, 6 December 2006, p. A01. See <http://www.washingtonpost.com/wpdyn/content/article/2006/12/05/AR2006120501533.html> (This should be placed on a single line in your web browser.) Timothy Dwyer, "Supervisors Freeze Home Construction," *Washington Post*, 6 December 2006, p. B06. Amy Gardner, "Board Restricts Building," *Washington Post*, 6 December 2006, p. B06.

Upcoming ASAP Meetings

February 8 – Board of Directors meeting, 8:00 a.m., Room 235, Albemarle County Office Building – members welcome.

February 15 – Monthly membership meeting, 7:30 p.m., Westminster Presbyterian Church Library, 190 Rugby Road.
Topic: The ethics of growth. See the article on page 3. All members of the community are welcome to attend the meeting.

March 8 – Board of Directors meeting, 8:00 a.m., Room 246, Albemarle County Office Building – members welcome.

March 15 – Monthly membership meeting, 7:30 p.m., Westminster Presbyterian Church Library, 190 Rugby Road.
Topic: To be announced. All members of the community are welcome to attend the meeting.

Bond Referendum

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won't infrastructure needs have to be addressed for the housing already here and the housing approved in the pipeline? The Piedmont Environmental Council's recent assessment puts that number at almost 18,000 housing units in the City and County growth areas."

Marshall replied: "Of course future capital expenses will be incurred by the need to repair and improve infrastructure, and by the need to expand infrastructure to accommodate the tens of thousands of additional residents for whom our supervisors have already approved housing. My first question [on page 3] was not rhetorical: To what extent will future debt be driven not by such unavoidable demands, but by entirely preventable costs imposed by the demands of a relentlessly expanding population? We know that growth doesn't pay for itself. Shouldn't a smart community minimize future debt by avoiding one of the root causes of debt: population growth?"

ASAP is a non-profit corporation organized under Section 501(c)(3) of the Internal Revenue Code. Its **mission** is to increase knowledge and awareness about the effects of net population growth on our natural environment and quality of life, and to advocate for appropriate policies and mechanisms that will enable our region to reach a sustainable population size. To achieve this, ASAP engages in research, community education, policy development, and advocacy. ASAP publishes this **newsletter** monthly. Submit editorial comments to ASAP's Executive Director, Jeff Sobel. Articles may be reprinted or excerpted with attribution. To become a member of ASAP and/or to receive this newsletter and a notice of ASAP events, contact Jeff at jeffasap@aol.com or 434-996-1545.



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