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**BRUNSWICK COUNTY, N.C., GOVERNMENT**

## Study fails to assure leaders that growth pays for itself

By Steve Jones  
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**SHALLOTTE, N.C.** - Brunswick County government officials say they don't trust the numbers in a recent study that concludes growth pays for itself.

"This was a lobbying group that hired these people to get the numbers they wanted," said David Sandifer, Brunswick commissioners chairman.

The study, done by University of North Carolina at Wilmington economics professors Woody Hall and Claude Farrell for a Wilmington-based group of home builders and Realtors, shows that county government takes in more than it spends in the construction and occupancy of new single- and multifamily homes in northeastern Brunswick County.

The study says county government adds \$2,000 in revenue over expenditures in the construction phase of 10 single-family homes with an average price of \$247,035 and \$800 once they are occupied. For multifamily homes, which the study said had an average price of \$191,000, the county gained \$1,600 while they were being built and \$400 once they were occupied.

Donna Girardo, chief executive officer of Business Alliance for a Sound Economy, the group that funded the study, said Farrell and Hall told her the group might not like the numbers it got from the study.

She said the group commissioned the school to do the study because of the county's continuing push for a property-transfer fee and because it wanted to know if growth pays for itself. The group has maintained previously that it does, a position that is in line with state and national home builder and Realtor groups.

They say that a transfer fee - which in Brunswick's proposal would add 1 percent to all property sales - and other impact fees would depress the demand for housing and push people into rental housing because it would put home buying beyond their means to pay.

Liz Gilland, Horry County Council chairwoman, said that like Sandifer she does not believe the conclusions of similar studies she has seen from builders and Realtors.

"It's evident in wrestling with the budget for 11 years that growth doesn't pay for itself," she said.

Farrell said he agrees with county officials that there is a lag time before all the financial benefits of growth are realized. He said governments need to invest money in things such as sewer systems to serve future residents before they start paying taxes.

But he said he and Hall were not hired or influenced to produce predetermined answers. The computer program they used to tabulate the results is state of the art, he said.

Sandifer said the study excludes some county education costs, for instance, and that those additional government expenses would change the conclusion of the study.

Girardo said her group will refigure the study with whatever information Sandifer wants included. He said it's not his job to provide the group with economic data that are part of the public record.

Girardo said she thinks the reason local governments struggle with finances when faced with growth is because they use at least some of the new income to correct deficiencies that might have existed for decades.

For instance, she said New Hanover County schools added 3,000 students over the past 10 years and built eight schools. She said government mandates for smaller class sizes and separate classes for special-needs students, for example, played a larger role than the influx of new students for construction of the new schools.

Farrell said he realizes the issue of impact fees is a contentious one. He said he is not personally opposed to such fees, if they benefit home builders and future homeowners.

"I think, in general, you can make a good case for impact fees," he said.

Girardo said local governments and her group have the same aim and she wished they could work together on a solution.

"We're all in this together," she said. "We all want a superior quality of life."

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