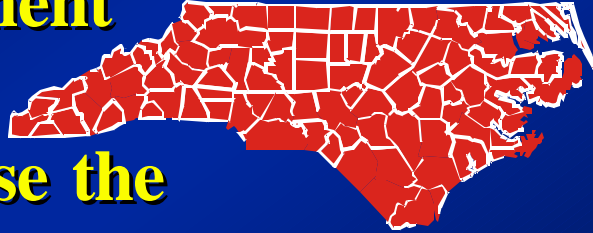


**How Punitive
Growth
Management
Rules
Will Cause the
Decline of a
Local Economy.**



Presented by

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Today we will....

- Review how a local economy works and the “character” of primary industries.
- Why do some areas have “growth management?”
- The impact upon the economy.

How a local economy works...

Contributory industries generate most of the wealth.

Size of growth depends upon the amount of money flowing into the area.

Quality of growth depends upon the wage level of the primary industries.

Characteristics of Primary Employers

- Sell goods and services outside the economy, importing money to the area.
- Geographic location influences operating costs, thus profitability.
- Since their market is not local, they do not have to be in an area to sell their product.
- They will move when it is unprofitable to be located in an area.

Economic Strength

=

**Quantity
Quality
Consistency**

Strongest Economies

- 1 Austin-San Marcos, TX (MSA)
- 2 Denver, CO (PMSA)
- 3 Atlanta, GA (MSA)
- 4 Phoenix-Mesa, AZ (MSA)
- 5 Dallas, TX (PMSA)

- 6 Raleigh-Durham-Chapel Hill, NC (MSA)
- 7 Salt Lake City-Ogden, UT (MSA)
- 8 Fort Collins-Loveland, CO (MSA)
- 9 Seattle-Bellevue-Everett, WA (PMSA)
- 10 Minneapolis-St. Paul, MN-WI (MSA)

Weakest Economies

- 318 Odessa-Midland, TX (MSA)
- 317 Pine Bluff, AR (MSA)
- 316 Casper, WY (MSA)
- 315 Yuma, AZ (MSA)
- 314 Steubenville-Weirton, OH-WV (MSA)

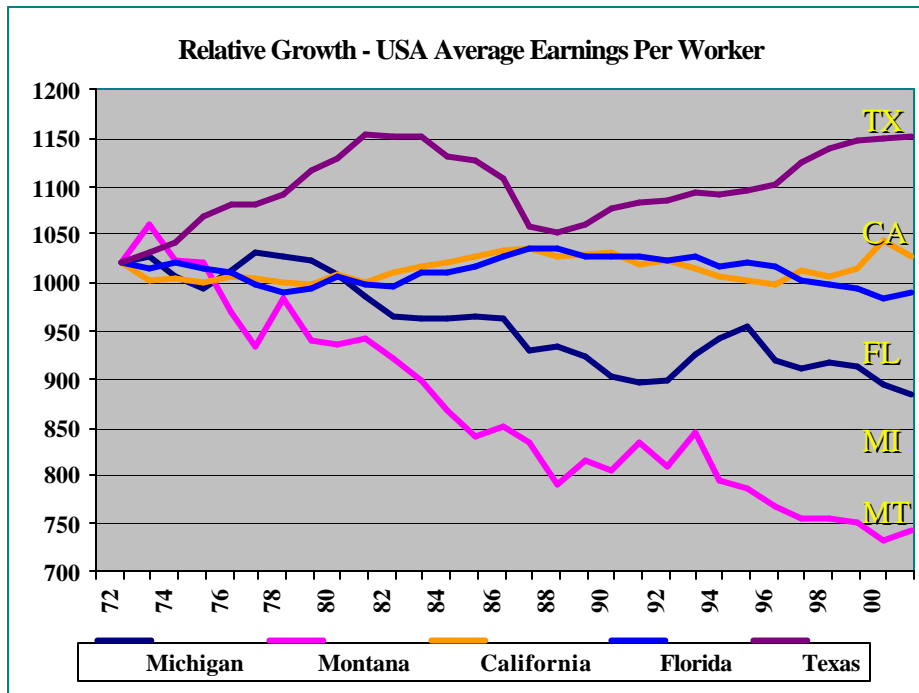
- 313 Enid, OK (MSA)
- 312 Houma, LA (MSA)
- 311 Anchorage, AK (MSA)
- 310 Lawton, OK (MSA)
- 309 Beaumont-Port Arthur, TX (MSA)

Four Types of Economies

- **No economy, chronic distress for a long time.**
- **Once dynamic, declined rapidly.**
- **Dynamic, growing in size and quality.**
- **Dynamic, now gradually declining.**

Relative Percentage of Average USA Wage

1972 - 2001



***Why have some
areas recently
begun to decline?***

***Site Selection
Process***

***Costs
Time
Attitude***

***Growth
Management***

***Why Do We Have It?
Some say....***

- We are running out of land.
- We cannot afford to pay for growth.
- We have to protect the environment.
- We are running out of farm land.
- We want to maintain the character of our community.
- We have to prevent “sprawl.”

Why Prevent Sprawl?

- Sprawl is said to cause traffic congestion.
- Sprawl is said to cause respiratory problems for the elderly.
- Sprawl causes road construction, which causes global warming.
- Sprawl causes obesity (University of British Columbia study).
- Another term for “sprawl”...

Areas of Quiet Enjoyment

Population Paradox

Why do areas grow in population?

- Strong economy
- Desirable place to live
- Foreign Immigration

Strong Economy

- It is a characteristic of strong economies to grow in population, but not all areas which grow in population have strong economies.
- It is a characteristic of weak economies not to grow and even to decline in population.

Strong Economy

- Of the 50 strongest economies, only 16 ranked in the top 50 for population growth.
- Of the 50 weakest economies, only 8 had population growth greater than the national average and 20 areas lost population.

Nice Place To Live

- Of the 50 fastest growing areas, 11 are retirement destinations.
- Only two have an economic strength ranking above 200.

Immigration

- Of the 50 fastest growing areas, 6 have grown principally because of foreign immigration.
- Only one has an economic strength ranking higher than 200.

How to stop growth?

- Change immigration policy.
- Make it an undesirable place to live.
- Cause an economic decline.
- None of these solutions are desirable.

Another means to stop growth...

Growth Management Programs which are “punitive” in nature.

A system created to add costs and time to stop growth is “Punitive.”

What are the real reasons for “punitive” growth management rules?

- Save the environment at any cost.
- “I did not move here to have someone else move here.”
- Growth is change. People fear and resist change.
- Pressure on local government budgets for road, sewers, schools.

Punitive Measures

- Excessive fees.
- Monetary extractions for development approval.
- Built in delays.
- Expensive, complicated development standards.
- Purposely abusive officials.
- Limit available land.

“We have created a wonderful system which adds a lot of costs and significant delays... hoping developers will go away,” Martin County, FL Commissioner.

Severe limitations on land are equivalent to reaching "Physical Build-Out."

Economic Development is ultimately a real estate transaction.

Build-Out

- New companies cannot locate to the area.
- Existing companies cannot expand in the area and have to move.
- Existing facilities, over time, will become unusable, more companies will leave the area.
- The economy will stop growing and will begin to decline.

"Punitive" Growth Management Rarely Halts Population Growth... But

Slows or Stalls Economic Growth

How...

- Initial start up or expansion costs for land and building are higher.
- Time necessary to set up can be extremely long.
- Long term operating costs will escalate at a rate much faster than other areas because...
- The cost of living is artificially increased.

This is why..

- **Development fees and regulations makes all real estate, housing, more expensive.**
- **Growth management boundaries artificially limit the supply of real estate, increasing costs.**
- **Real estate influences the cost of living more than anything.**

As a result..

- **Housing costs increase disproportionate to income.**
- **Cost of commercial property increases significantly.**
- **All costs passed on to the consumer.**
- **Local inflation occurs.**
- **Costs to local government increases, mainly for wages.**

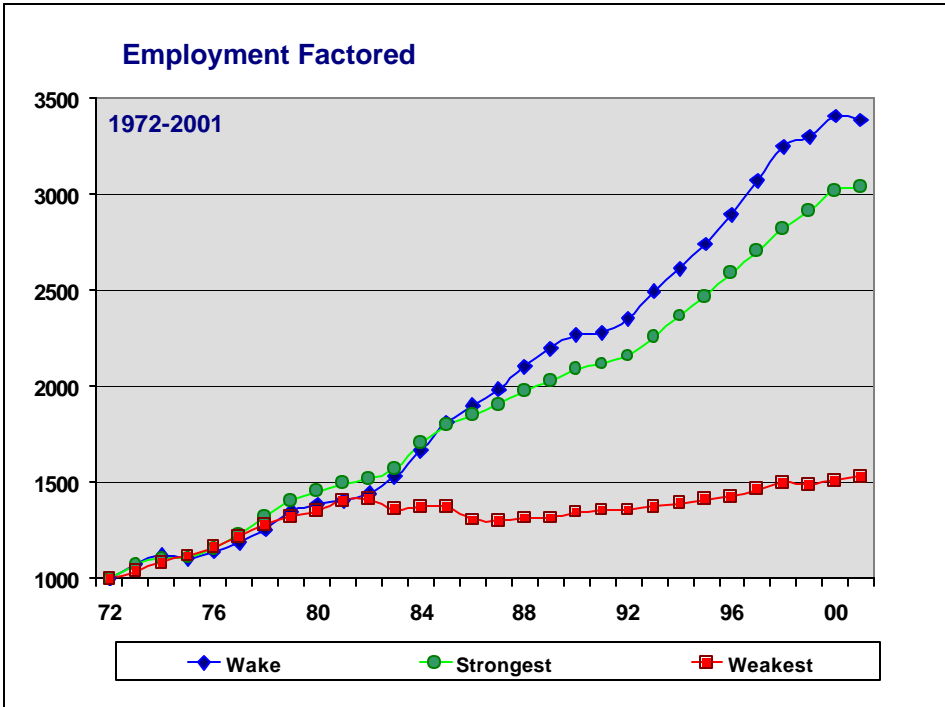
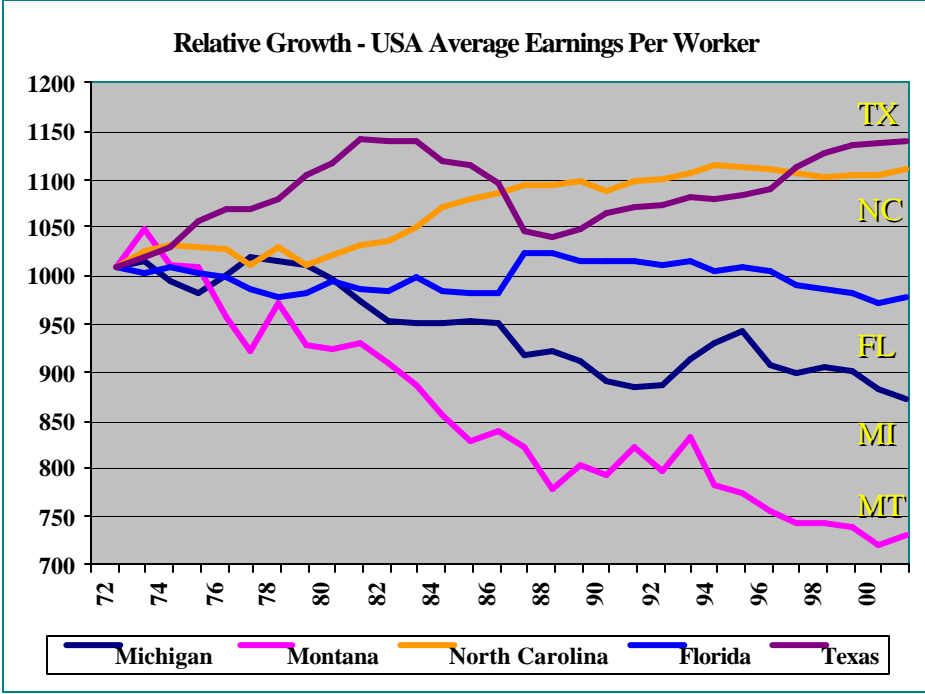
- **Primary employers cannot increase wages for their workers as they cannot pass this cost on to their customers.**
- **Workforce begins to move further away to less expensive areas, increasing commuting time.**
- **Company has to move to chase its labor.**

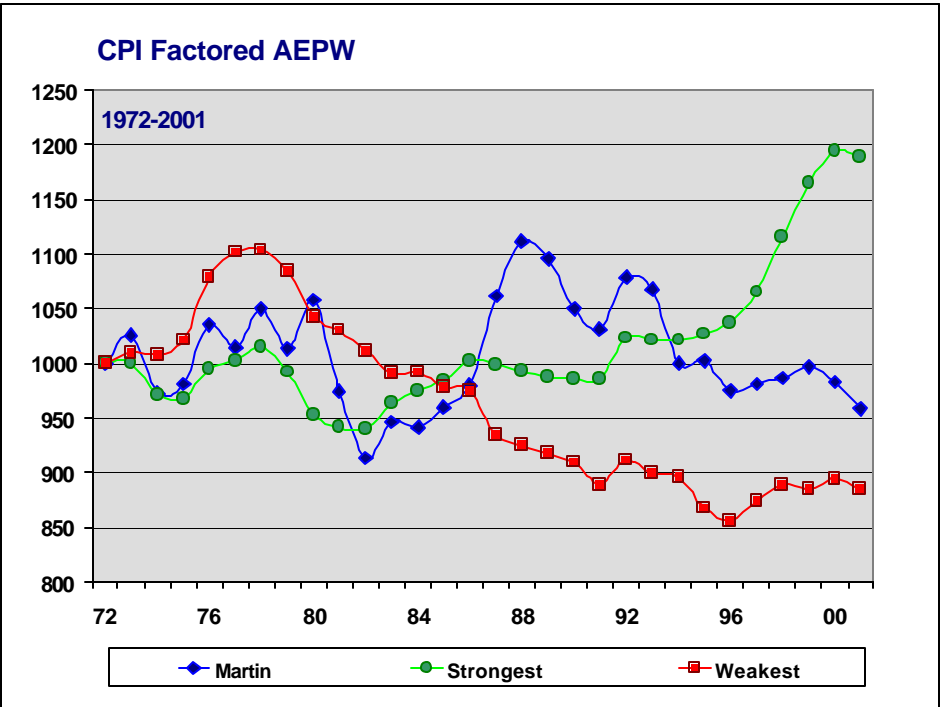
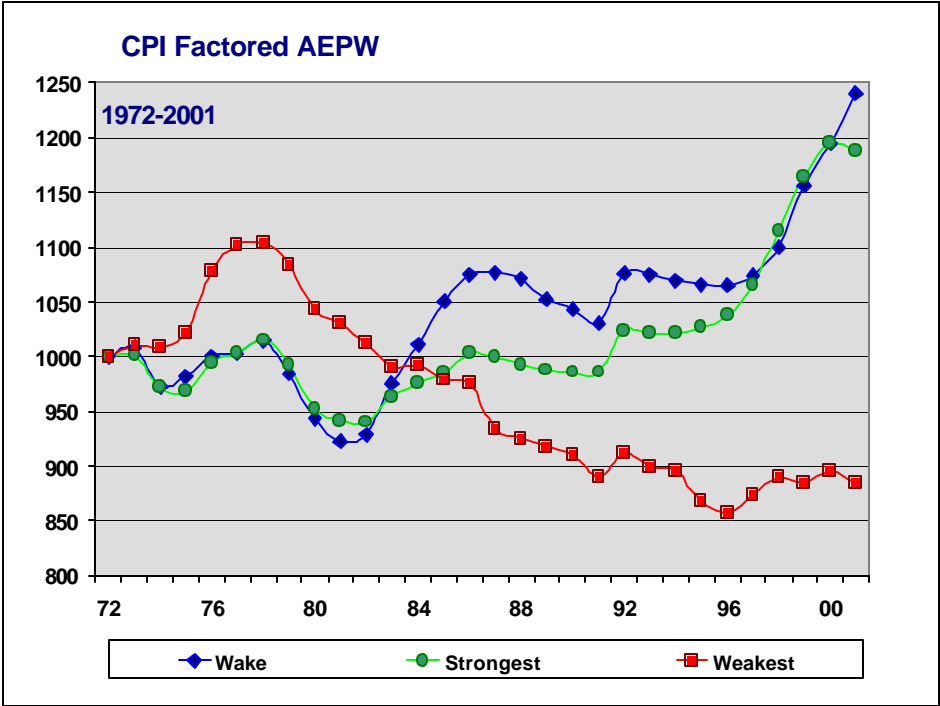
(Typically they move completely out of the area or state.)

Efforts to stop growth which are punitive in nature add costs, increase time, and project a negative attitude for primary employers.

Martin County, FL 2001-1992	AAI	Rank
Population Growth	2.12%	46
Job Growth	4.11%	11
Earnings Growth	6.14%	75
Wage Growth	1.95%	316
	2001	1991
Wages	27,666	22,884
Rank	276	182
% of USA	74%	89%

“We don’t care if they have to be poor, as long as the environment is protected,” Medford, OR Activist.







Coercive Orbit of Change

The old reason state and local economies declined was an

“unreliable workforce.”

The new reasons state and local economies decline are

“regulations, fees, and taxes.”

Since you know you will grow in population, and trying to stop it from happening will cause a decline in your economy...

Plan first for

ECONOMIC GROWTH.

Enhance and embrace it.

A community needs to have a strong economy to afford to pay for “Quality of Life.”

The process of long range land use planning which provides for the orderly development of residential, industrial, commercial, and recreational real estate, which will enhance the economy and quality of life for the residents.