

Chatham Coalition backs Sewer for Goldston in conjunction with implementation of land use plan

By Jeffrey Starkweather, Chair, Chatham Coalition [11-23-05]

The following e-mail was sent to Goldston Mayor Tim Cunnup in response to a false rumor the Mayor said he heard that the Chatham Coalition was opposing sewer extension from Sanford to Goldston. Nothing could be further from the truth, this e-mail from Coalition Chair Jeffrey Starkweather explained. The Chatham Coalition supports bringing sewer into Goldston under the provisions of the land use plan that designated Goldston as one of eight economic centers in the county where commercial and industrial developed was to be promoted. It also supports the remainder of the provisions of the economic centers section of the land use plan that calls for confining development within specified boundaries and in compliance with a design manual while discouraging strip highway commercial development.

The problem with the proposal in question was \$750,000 of the 1.2 million to extend this line was to be financed by a state community block grant specifically designed to build infrastructure to bring jobs to a community. In this case it was 75 jobs promised by American Molding Company of Sanford. If American Molding failed to provide those jobs for two years, they would have to pay back the state \$10,000 for each job they failed to provide. By the time this e-mail was written, however, American Molding (AM) was in Chapter 11 bankruptcy. Still, county chair Bunkey Morgan and Economic Development Corporation President Tony Tucker had informed local and state officials that the company had land in California that would sell for \$8 million and, thus, the company would soon be out of bankruptcy and everything would be hunky dory. Although the Department of Commerce (DOC) said they would not rely on the pay-back promise of a bankrupt company, Morgan was somehow convinced it was a good risk for the county and persuaded Rep. Joe Hackney to intercede with DOC. DOC agreed to allow Chatham to ahead with the grant if the county held a public hearing and the county taxpayers agreed to pay back the funds if AM failed to provide those jobs.

This e-mail stated that the Coalition would back this proposal if the land use plan requirements were followed and if the property owner of the plant that was receiving this sewer would put up their land as the first guarantor of the loan.

At the time this e-mail was written we did not what a poor job Chatham officials had done in checking to protect taxpayers by researching the true financial picture of this company. Coalition members Jeffrey Starkweather and John Hammond eventually did their own research and discovered that AM had totally bamboozled gullible county officials into thinking AM could come out of bankruptcy and actually provide jobs in Chatham. While making assurance of getting out of bankruptcy to Chatham officials AM's bankruptcy attorney at the same time was telling the federal bankruptcy court that AM was closing down

operations and liquidating their company to pay off nearly 21 million to creditors, including 12 million in secured credit to Wells Fargo bank. The California land AM claimed they could sell quickly to get out of bankruptcy was actually a hazardous waste site that could take as much as two years to clean up for planned residential use. And the company's president admitted that his accountant had cooked their books in 2004 to the tune of a \$4 million overstatement of revenues. I could go on with the horrors the Coalition investigators uncovered, but John Hammond has amply described them in detail in his recent article.

Learning this information from the Coalition's investigation, the state DOC informed county officials Friday, November 18 they were pulling the plug to what would have been a fraudulent employment-related economic development grant to Chatham County. Monday, November 21, chairman Morgan attempted to safe face by claiming to have pulled it off the agenda because the AM owner told him Saturday it did not look the company would make it out of bankruptcy. Morgan or other county officials would have known this if had read their court filings on the web earlier in the week as Coalition researchers did.

Regardless, the good folks of Goldston were at Monday's meeting pleading for sewer service to their wonderful quaint town. They made a particularly compelling case both in terms of economic and health. Coalition chair Jeffrey Starkweather pointed out to the commissioners the economic center section of the plans call for this and urged the commissioners to implement the plan, including bringing sewer to a specifically delineated boundary in the Goldston-Gulf area. Starkweather also provided the commissioner another copy of a proposal for developing a compromise economic development plan for the county, including Goldston, with citizen input, something the EDC has failed to develop during its eight years of operation. Monday's large crowd of most eastern Chatham residents had come to opposed more sprawl schemes while urging implementation of the our land use plan that has been gathering dust for the last two year. But upon hearing Goldston's sewer plight, they heartily cheered and supported Goldston's sewer request.

----- Original Message -----

From: [Jeffrey Starkweather](#)

To: cunnup@msbconnect.com

Sent: Sunday, November 13, 2005 5:45 PM

Subject: American molding sewer line proposal

Tim: Thanks for coming directly to me to raise your concerns about views of the Coalition concerning the Goldston sewer issue. I am certainly willing to discuss this with you in person or over the telephone. I believe we all need to be talking to each other directly about such issues so that each us involved in speaking on public issues in the county is aware of how others may perceive those issues. As an attorney and former newspaper editor, I understand there are not only two

sides to every issue, but usually multiple perspectives, depending on where you sit.

But before we talk, let me lay out where I come from concerning extension of sewer services in your area, and then I will give you some of my specific concerns about the American Molding proposal, based on what I know about the situation, which I am sure is less than you know.

The Chatham Coalition has not taken a position on this specific issue. One of our steering committee members, John Hammond, has, speaking for himself, raised questions about the economics and fiscal implications of the American Molding/sewer line extension project. Some of John's background for this has come from an economic development graduate course is taking at UNC-Chapel Hill. He has not spoken on behalf of the Coalition, nor has the Coalition even addressed this issue.

Let me explain what the Coalition is about and how I see its role in county policy and policies. The Coalition was formed in February 2004 from representatives a number of citizens groups in the county that had been unsuccessfully lobbying county leaders for smart or planned growth, open government, and 21st century economic development principles. Specifically, we were requesting that our county leaders follow and implement the county's land use and development plan that unanimously approved by the county commissioner in November 2001 following several years of citizens and local government input, including those from the Goldston/Gulf area of the county. Of course, after it was passed and the original version of Briar Chapel was voted down, Newland Companies hired a California PR firm to overturn that decision and they other outsider development and real estate interests backed Bunkey Morgan's campaign in 2002, when he essentially ran on a platform of opposition to carrying out the land use plan as written. While he has clearly broke his campaign promise that opening the floodgates to residential development in the east would lower taxes and fees across the county [county taxes are going up, impact fees have been increased dramatically, and both would have gone up substantially more if Morgan had not been able to get away with hiding the cost of his policies by postponing paying for already needed infrastructure through a bond referendum he plans to put forward after his 2005 re-election campaign], he has certainly lived up to his promise to ignore the land use plan. [NOTE: The postponed infrastructure bill only included what it required for already built residential communities, it doesn't include the cost of providing infrastructure for some 11,500 residential developments already approved by this majority on the board but not already built. Also, Morgan was the only dissenting vote for the real estate transfer tax proposed by Mike Cross and Patrick Barnes that would have provided a fair and equitable way to raise all the funds we needed for this infrastructure while at the same time keeping down taxes and eliminating impact fees]. [See attached What's At Stake article on this page]

Specifically, the Coalition was formed so that our 2004 election campaigns in the county would serve as referendum on issues and not continue to be based primarily on personalities, character assassination, resumes, rumor spreading, family connections, etc. It was our belief that if county officials ran on issues, when elected, those officials would be generally accountable to the majority of voters who supported them, based on those issues. We went to a number of citizen groups, including Chatham Citizens for Effective Communities [which I am a board member], Southeast Chatham Citizens Advisory Council [Moncure area], Chatham County United [Apex/Cary area of Chatham], Haw River Assembly, Friends of the Rocky River] and other communities seeking issues they supported. Based on that feedback we developed our issues statements [see www.chathamcoalition.org] and develop a candidates' questionnaire to allow each candidate to provide their views and proposed policies on these issues. We then endorsed the candidates whose views were the closest to those of our issues platforms. In 2004 commissioners' race, the candidates we endorsed were Mike Cross and Patrick Barnes.

One proposal of the Coalition was that the county should develop citizen advisory councils across the county [it's very large, as you are certainly away down in Goldston] to give commissioners citizen feedback and ideas on issues that affect their communities. Realizing that this would not likely happen until there was a change in the majority of the board, the Coalition hoped to expand the Coalition to communities across all part of the county through listening parties and other similar techniques,. We are currently in the process of doing this as I write.

Since the election, we have tried to make citizens aware of how commissioners are responding to those issues that the majority of the citizens supported in 2004. Mostly, however, active members of the Coalition work through their separate advocacy organization in lobbying about these issues before the county commissioners.

In general, the Coalition, like these organizations, and most responsible government, non-profit and even the National Board of Realtors, support the tenants for smart or planned growth, not simply to protect our natural resources, air and water quality and quality of life in general, but also because it is a fiscally conservative approach to development, as opposed to the sprawl-like developments that Mr. Morgan, the majority of the commissioners, and their supporters have been continually approving. Under smart growth, the emphasis is on development in existing communities and mixed use walkable new communities or neighborhoods where infrastructure and other public service costs borne by taxpayers are substantially reduced

I am a member of the North Carolina Smart Growth Alliance, whose principles have pretty much become the standard, acceptable and responsible form of growth in the United States. Taken directly from President George W. Bush's

EPA, those principles include: building neighborhoods that are close to shopping, work and school; building in existing communities, where roads, water and sewer lines, schools, police, fire and other public services already exist; preserving green space like forests, farmlands, trails, rivers, and waterways; designing walkable communities and retaining the unique character of our communities; providing transportation choices; making development decisions fair and cost effective; and for development decisions that a community makes, encouraging all residents to join in the process. You can get a comprehensive view of the principals and tools that are available to Chatham County that our county leaders are ignoring, by going to the attached site and reading or downloading the "Health Rural Communities: A Resource and Action Guide for North Carolina" from the NC Smart Growth Alliance at http://www.ncsmartgrowth.org/pgm/hrci/or&a_guide/index.html

Now, the county utilized such citizen input in developing our land use plan, but we have not done that in the county with our economic development planning. Until protested by myself and others and upon the insistence of Patrick Barnes and Mike Cross, the county Economic Development Corporation operated in the secret, behind closed doors and failed to make the records public, a clear violation of the state open meetings and public record laws. The EDC hardly has been a body that is inclusive of all major geographic, professional and demographic elements of the county. It has failed to develop a comprehensive economic development plan for the county. There certainly have been no public input in the direction the EDC is taking.

The county held an economic development summit at the Governor's Club early in 2004 but there has been no follow-up. CCEC proposed and presented to the commissioners an idea for developing a citizens' task force to come up with comprehensive economic development plan for the county. It has been ignored by the board majority. {See attached Draft economic development visioning plan - taken from an article by an Economic Development expert with the North Carolina Institute of Government in Chapel Hill}. Instead of a real economic development plan that everyone has agreed upon and everyone is following, we primarily have been operating under a ad hoc Bunkey Morgan effort without his ever articulating an overall vision or comprehensive plan on which he is directing economic development proposals.

I am reminded of Alice in Wonderland where Alice is walking down the trail and comes to a crossroads. Sitting in a tree at the center of the crossroads is the Cheshire Cat. Alice asks which road she should take. The Cheshire cat asks Alice where she is going. Alice says she has no idea. The Cheshire cat then responds; "Then, it doesn't matter."

We have available what Alice was missing - a land use plan that should guide our decision about which road we need to take to protect our quality of life and

make development pay for itself. Under Morgan's leadership, implementation of that plan has been ignored and the plan's requirements continually violated. We also do not have a comprehensive economic development plan, even though we have paid the EDC hundreds of thousands of dollars over the eight years of existence. Instead, the only economic development plan we seemed to be operating under is the one I continually here from Morgan's supporters - bring in residences, which will bring in retail and commercial development, which will bring in jobs, which will, in turn, balance of tax base and keep down taxes. Now, except for the fact that retail provides only low paying and mostly part-time jobs, this "plan" might appear, in theory, to be a great idea. But, that plan has failed to work everywhere in North Carolina and the United States, according to every survey of rural growth outside of Metropolitan areas I have read or reviewed. If Mr. Morgan has an alternative plan I unaware of it.

So why don't we at least stick with the countywide land use plan that so many of our fellow citizens came together worked so hard to develop and was unanimously approved by the county commissioners. That plan calls for the Goldston-Gulf area to be one of eight potential economic development centers in the county. However, it specifically states that each center should "have its own set of allowable uses and development in the centers should be subject to performance standards for environmental factors and to design criteria related to buildings, landscaping, circulation and parking, services and storage and signs and lighting." This design manual should be incorporated into the county's zoning ordinance. Not unexpectedly, there has been no work on the "design manual," since the commissioners have been too busy letting outside developers plan the county on a parcel-by-parcel basis.

The approved land use plan also states that economic development centers should provide: "precise boundaries, particularly in relation to existing parcel boundaries; specification of the range and variety of commercial enterprises which might be accommodated at each location"...etc.

Most importantly, this economic section of the land use plan states [page 36] the county should **"discourage commercial and industrial development in other settings, especially as strip commercial development along major highways and in environmentally sensitive areas."**

Given these and other provisions of the land use plan and principals of smart and planned growth stated and referred to above, I have outlined below a few concerns I would like to raise and some tentative recommends I would like to suggest concerning the proposal for an extension of sewer to the American Molding plant outside Goldston? I am certainly open to learning more information about this proposal. My view may be altered by other information you and county officials can provide. Neither I, nor the Coalition, have made any form of public statement in opposition to or support of this proposal. I do not know that either I or the Coalition will. Still, here are some of my concerns:

1. I am all in favor of Goldston/Gulf developing and having sewer following the above-stated principals and plan, but I'm deeply concerned this area of the county has no commercial land use controls and its only significant residential control mechanism is the subdivision ordinance. If it is the intent to expand the use of this sewer line to other properties in this area, I believe there needs to be a specific Goldston/Gulf geographic area beyond which properties would not be able to tap onto the sewer [e.g. except possibly individual residences]. You really need some form of zoning. The people of your area, based on my conversations with a number of them, do not want more Sports Arenas or noxious uses located so that they lower the property value or the quality of life of their residential communities. Development should be concentrated in the Goldston-Gulf town area and, to do that properly, you need a detailed land use plan for the area and land use controls to carry out that plan [i.e. zoning]. Otherwise, county taxpayers may have to carry the burden of sprawl development between Sanford and Gulf, like we are doing with far flung residential developments in the east of the county. Goldston is a lovely town and could develop again in a vibrant economic center if its growth is properly planned and managed.

2. The county needs to be assured that this sewer line cannot be used to develop strip commercial development along US 421 between Sanford and Goldston/Gulf in direct violation of the land use plan. The sewer line coming in without such assurance opens the door to strip commercial along US 421. If residents want to change the land use plan to encourage strip commercial development along highway corridors, then let us have a public hearing on that and hear what the people really want. Development of a highway corridor ordinances for 64, 421 and 15/501, called for in the land use land, has been requested continually by CCEC for more than two years and continues to be ignored by the majority on the board.

3. If we are going to give economic incentives for recruiting business it is certainly better to make it in the form of permanent infrastructure improvements than direct tax payments, as is involved with this proposal. However, we should be requiring such outside corporations to pay workers a "living wage" for a certain period of time. The current requirement is that American Molding will employ workers at the county's average for manufacturing wages. I am not sure for what length these 75 jobs must be offered. The problem with that is that the County's average manufacturing wage is about \$250 per week below the state average and the lowest in the Triangle area. You may not be aware that Chatham is the one of the top five counties in the state in median family income, but in virtually every job category, including local government employees, the County's wages are below the state average. We should be only giving the people's money to companies that are going to raise wages in the county, not keep them at our abysmally low level. Thus, I believe that the company should be required to hire 75 worker at the state average

manufacturing wage, not that of the county. And those jobs need to be guaranteed for at least five years.

4. We now have a bankrupt company that we are bargaining with and the state is requiring Chatham County to be the guarantor of the funds for the sewer line if that company defaults, as I understand it. I do not feel that taxpayer money should be guaranteeing an economic investment and windfall profit for a private land owner. When I had a small business [newspaper] and needed to borrow to expand our business and hire more employees, no public body guaranteed my loan. I had to put up our property to guarantee that bank loan for our economic development proposal, despite having provided the bank with a detailed marketing and fiscal analysis. I do not recall the county receiving such an analysis for this proposal. The land owner of this commercial property should be required to be the first fiscal guarantor for this loan, since that owner is directly benefiting from government. Otherwise, we are instituting a form of socialism for private land owners.

5. Finally, a question. What are the details of the proposed sewer line contact between Chatham and Sanford? How long is our contract for Sanford to provide using this sewer capacity? What is the rate? Are the parties able to get out of the agreement prior to its normal expiration and on what basis? What happens if Sanford finds it needed for its own use the sewer capacity being sold to Chatham? All these questions should be answered for the public prior to approving such a sewer line extension.

Sorry for the long response, but I felt it might move our conversation along if you understood more about the Coalition and the perspective that I am coming from. I am totally supportive of getting infrastructure to Goldston to allow it to attract employment and commercial development, as long as it is consistent with county's land use plan and with the principals of smart and planned growth that I stated above and those of the NC Smart Growth Alliance.

I look forward to hearing from and/talking to you more about this issue soon. I can normally be reached at 919-417-0969 [cell]

Thanks again for your inquiry and bringing your concerns to my attention. Jeffrey Starkweather, Chatham Coalition