

## **Chatham County, North Carolina - All I Can Do is Write About it**

*An impending tidal wave of residential development threatens Chatham County's character and core values in 2016. Does the county ride it, or oppose it, and can they win doing either?*

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*And, Lord, I can't make any changes, All I can do is write 'em in a song; 'Cause I can see the concrete slowly creepin', Lord, take me and mine before that comes -- Lynyrd Skynyrd, All I Can Do Is Write About It, 1976, (Collins/Van Zant) Universal Music Publishing Group*

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### **Summary**

Chatham County, North Carolina residents tout its rural character, natural recreational amenities, burgeoning social diversity, and its appeal to a growing artistic community. Its Board of Commissioners has a nearly two-decade history of defending these qualities and has displayed a willingness to side on behalf of residents over big-business and development interests. Yet in 2016, Chatham County's unique bucolic character is being challenged by its neighbor, Wake County, and in particular by a massive new residential development project, Chatham Park. County leadership must determine over the next year whether to stem the tide of residential development, or to embrace and influence it, as debates enhancing the county's economic future at the expense of a distinct rurally-oriented quality of life.

### **Background**

The region to the east of Chatham County is projected to bring in over 1 million residents over the next 20 years ([WakeUp Wake County.org](http://WakeUpWakeCounty.org)). Between 2000-2010, Wake County's population grew 43.4% (WakeGov). The number of Chatham County residents living inside Cary's town limits increased from just 19 people in 2000 to over 1,400 in 2010, while the total Chatham County population grew by 51.8% between 2000 and 2014 ([chathamnc.org](http://chathamnc.org)). Wake County is running out of open land to accommodate growth, and Chatham is in the path as residential development expands westward. Anti-development groups in Chatham are splintered, and generally focused on specific local issues such as opposition to the location of coal-ash dumps and quarry permits. While the county commission has generally been "smart growth" oriented, they do have a history of enabling concentrated residential development, as evidenced by their creation of two special water districts to enable growth in the southern portions of the county in 2009.

### **The Chatham Park debate**

The recently announced 7,100 Chatham Park mixed use development is an illustration of a wicked problem the county faces. The Chatham Park development, and several other proposed

major residential development projects threaten the identity of the county, which has been firmly grounded in the preservation of an agricultural, artistic and pro-environment way of life.

If expanding the tax base of the county is a manner of providing the greatest advancement in quality of life, than the Chatham Park development is the key to an era of unprecedented economic growth for Chatham County. Chatham Park will create nearly 28,000 new residential housing units, 22 million square feet of commercial space, and will single-handedly increase the population of Chatham County by a projected 55,000 people by 2047. It will more than single-handedly double the county's year 2000 population (Planners Web). The tax base will expand at a historically unprecedented rate and should create a sustainable and diversified economic engine for the county.

However, Chatham County residents seem at odds with the question of whether or not this economic opportunity is increasing their quality of life. The planned development has created a public outcry in the historically anti-development, slow growth county, as evidenced at a recent County Commissioners public meeting ([chathamnc.org](http://chathamnc.org)). Residents were skeptical of the economic forecasts proposed by the developments' sponsors. They openly questioned how much the county would truly benefit versus the private sector developers. They also raised concerns about the environmental challenges the development would pose to the Haw River system and the ecologically challenged Jordan Lake watershed – one of the major sources of the county's drinking water. County Commissioners were openly concerned about the challenges the development would pose to maintaining affordable and diverse housing options for teachers, public sector employees and retail sector workers who make up a large portion of the county's population.

### **The Wicked Problem: embracing economic growth or preserving the rural character of the county?**

The wicked problem lies in Chatham County trying to preserve its core identity in the midst of inevitable development and inflow of new residents. Will it be forced to evolve, embrace and promote new values that run counter to the individualist, environmentally conscious, and socially liberal history of the county? Will its landscape change so dramatically that residents will long for the past while fearing the future? Can the Board of Commissioners do anything to stem or delay residential encroachment, or are they ultimately at the mercy of private market forces?

The Chatham Park debate is a microcosm of this broader issue. The project is the largest planned development in the county's history, and when completed, will transform 11 square miles of the county from wilderness area to bustling mixed-used real estate ([plannersweb.com](http://plannersweb.com)). Property values will likely rapidly appreciate in the areas surrounding the development, which will exacerbate the problem of affordable housing in Pittsboro, Moncure, and rural areas to the southwest of the county. The development, when finished will cover a full 1.56% of the county.

This issue is a textbook wicked problem, in that it has powerful pro-development stakeholders with money and resources to influence on one side, while the county fights against the inevitable

tide of growth in a region (Raleigh-Durham/Cary/Apex/Wake County) that Forbes has named to some derivative of its 'fastest growing' lists for every year since 2005. It is multijurisdictional, and is not seen as a problem to all. Maybe most "wicked" to the county, however, is that pro-development interests in other similar places and situations tend to "win out" in the long run, despite best efforts from well intentioned county commissions to curb growth. Chatham County government, may be powerless, in effect, to stem the tide of growth.

### **Benchmarking best practices: Loudoun County, Virginia, Paulding County, Georgia, and rural Scotland (UK)**

To assess Chatham County's future, one can look to the past to similar regions that have faced a residential development-driven identity crisis. Two areas in the southeast faced a similar situation, decades apart – Loudoun County, Virginia, outside of Washington D.C. in 1987, and Paulding County, Georgia, outside of Atlanta in 1996. In addition, communities in rural Scotland have been grappling with defending the country's character against the encroachment of UK-driven residential development over the past forty years.

Loudoun County, Virginia, was on the outer fringes of the Washington Metropolitan Region in 1987. Largely bucolic with an equestrian tradition, the county's population was 87,208 in 1990. In 1987, "[t]he Loudoun County Board of Supervisors...approved two major projects...that officials said would accelerate the tide of development sweeping the county's eastern suburbs." At that time, the supervisors approved the Potomac Lakes development with 3,496 houses, 2.5 million square feet of commercial and office space on a 1,342 acre parcel. At that time it was the third largest residential project ever approved in Loudoun (Washington Post, 1997). Nearly thirty years later, the county's population had quadrupled to 349,269.

Loudoun's Board of Supervisors had a record of defending quality of life concerns at the expense of residential development. In 1985, they placed a moratorium on development within a specified range of Washington Dulles International Airport citing noise pollution issues that would make residential life unpleasant. In 1987, the Washington Post alluded to several county commissioners changing tone from anti-development to pro-development over the Potomac Lakes development, amidst "a sourness among many residents countywide at the frenetic pace of Loudoun's growth" (1997). It was the Supervisors attainment of \$25 million in pledged road construction and public improvements from the Potomac Lakes developer that played a substantial role in changing this tone amongst the board.

The sourness that the Washington Post alluded to in 1987 had turned into all out frustration by 2015, as the Board of Supervisors had gained a reputation of obstinately rejecting most residential development proposals. But in the interim twenty-eight years, the county attempted several measures to preserve Loudoun's rural character in the western part of the county, mostly through enhanced land planning.

The Loudoun land planning and zoning department had put together a comprehensive county-wide land use plan regularly since 1970. An innovative measure the Board explored in the 1990 land use plan was the "rural village and hamlet ordinance". Recognizing the importance of

open space to the county's quality of life, this program approved an "open space" tax credit program for developers who owned large tracts of land but limited development activities to 15-20% of the total land owned. The planning and zoning department believed that this "density bonus" would lead to more open, picturesque residential developments that retained Loudoun's rural character (Washington Post, 1997).

The planning and zoning department also attempted its own version of land banking in the land use plan. Under this program, developers who owned or purchased tracts in the western part of the county would be entitled to develop re-zoned areas in the sought-after eastern part of the county. Under this plan, the planning department would actively promote low-density commercial projects that benefitted western farmers directly, while it reserved high-density residential development for the east of the county.

Towards the mid 1990's, the Board of Supervisors attempted another measure to toe the line between pro-development interests and anti-development stakeholders. The anti-development contingent outlined a plan that advocated a "two-pronged approach" that would promote the creation of alternative agricultural projects in the western part of the county, while the county set aside public funds to purchase development rights from farmers, modeled after an innovative program that was having success in the state and county that border Loudoun to its north, Montgomery County, Maryland.

In summary, Loudoun County took a progressive approach to land use planning and explored several innovative measures as part of a comprehensive land use plan to balance between pro and anti development forces. Their ultimate abandonment of these measures in lieu of outright residential development moratoriums in the early 2010's suggests that this approach was not successful in curbing residential development and placating or satisfying anti-development interests.

Paulding County, Georgia, had a population of 63,013 in 1996. By 2013, 146,950 residents called the county home. In this case, the county's commission took a proactive, accommodative approach to attempt to welcome and guide inevitable residential growth. By 2006, when a major 6,300 acre residential development was proposed by two major real estate firms, the county was prepared to embrace and aid the growth.

The Paulding County Board of Commissioners recognized that residential development that had swept outward from Atlanta's center since the late eighties, would eventually reach the county's borders, 40 miles away. The county had a largely rural character, and very little industry. Many board members had been lifelong residents of the county. In 1996, the board approved a measure advocated by its chairman to grow from a three man board structure to a five-member commission (Partain, 1999). They in essence began the transition to a commission-manager structure, which would better prepare the county to proactively address the types of growth issues it was likely to face.

The commission soon thereafter approved an ad valorem tax and a local option sales tax. The first 1% would be dedicated to public schools, while the second 1% tax would be split between roads (fifty cents on the dollar), recreation (thirty-five cents), and fire protection (fifteen cents). In the late nineties, the commission proposed a third tax, the "Special Purpose Local Option Sales Tax", dedicated to library, health and economic development. All three taxes were approved by the county's voters, no small feat in a traditionally low-tax Republican county. This demonstrated the commission's influence through effective communication with local voters. Through this communication, county residents understood that residential growth was an economic engine they had to leverage. Even the anti-development forces in the county appeared to shift sides as a result of the combination of strong commissioner led sponsorship, effective communications and visionary proactiveness.

Similar to Loudoun County, Virginia, the Paulding County commission created a multi-prong plan to guide growth. This plan involved new zoning ordinances, strict development standards, and a new land use plan and map. Over time, the commission also started to favor planned use major developments that tended to focus on more amenity-rich, upscale developments, in lieu of small scale, mid range and lower-end developments (Partain, 1999).

Paulding differed with Loudoun in that the majority of the pro-development initiatives recommended were commissioner sponsored and not departmentally sponsored. The commission was the public face of change in Paulding, versus the land use and planning department in Loudoun. Paulding differed, however in its level of proactiveness. When TEMCO purchased 6,300 acres in Paulding County in 2006 in a joint development agreement with Cousins and Template Island realty (Business Wire, 2006), the infrastructure, public support and ability to ramp up county services accordingly was already there.

Two studies out of Scotland, where the nation's rugged rural character is a great source of regional pride, can also serve as guides for Chatham County. The first of these studies also puts Loudoun County and Paulding Counties' experience into perspective. Entitled "Attitudes and Policies Towards Residential Development in the Scottish Countryside," the study finds that in the clash between residential sprawl and rural preservation, only five roles will emerge in the community and governmental response to developers' interests and that two of these roles are biased towards supporting growth initiatives. The paper concludes, "[i]t is remarkable how many of the actors, at all levels, adopted a reactive rather than a proactive stance in relation to land release for rural residential development. Only [the private developer] seemed to be prepared to seize the initiative, for better or worse" (Shucksmith, Watkins and Henderson, 1993).

The second study focused on the conflict between public interest and private profit in land use planning. The Planning Scotland Act of 2006 aimed to make conflict resolution through existing governmental administrative offices more responsive and fair to all stakeholders involved. One of the findings of the study is that in Torrance, Scotland, one of the major sources of anti-growth/pro-growth conflict is water delivery infrastructure. A strong and vocal pro-growth stakeholder group emerges from the ranks of residents who must rely on unreliable private water systems. When a municipality can not provide adequate water coverage, and a private

developer offers a faster solution, or a potentially financed-in-part solution, these landholders become a powerful ally of the developer. This community/private developer alliance becomes extremely difficult to oppose (Pacione, 2012). Interestingly, this same issue was a source of support for creating two water districts in Chatham County in 2009, and was mentioned as a major driver for accelerating residential development in Loudoun County, Virginia. Given this history, it appears that Chatham County may face a water improvement public coalition that will be embraced by residential developers.

### **Strengths and weaknesses of approaches from other communities**

This survey of literature suggests that the best practices employed by governments facing Chatham County's situation range from the most restrictive on developers--full moratorium, to the least restrictive, --active facilitation through aggressive developer friendly rezoning. Several communities, including Montgomery County, Maryland and Paulding County, Georgia, have employed innovative land use strategies and programs that fall between these two ends of the spectrum. Scotland positioned the government to resolve inevitable pro/anti development tensions faster and more equitably by enacting the Planning Scotland Act of 2006. While each approach has had some successes, it appears that land-use, zoning and planning based approaches to curb growth are ineffective in controlling residential encroachment on rural lands. They are too often overridden by pro-development commission members.

This is particularly true when these programs are championed by administrative offices. Even those programs sponsored by county boards are likely to be worked around, as happened to the "density bonus" in Loudoun County. Private developers can simply move faster through the private market at a scale that is difficult to counter by community or government opposition. Partisan politics can also restrict the scale and force of government response. In areas characterized by more Republican free-market advocacy sentiment, government measures to control growth can be criticized as "socialist" and "anti private market," like Montgomery County, Maryland's programs were in Loudoun County, Virginia.

It appears that the only effective route forward for a county government is to proactively embrace inevitable growth while aiming to influence the caliber and shape of that growth. Paulding County, Georgia, was effective in developing quality standards and aesthetic standards for development while it sought to promote high-quality housing developments. Scotland enabled a better path for resolving pro/anti growth debates with its Planning Scotland Act of 2006. Private market profit incentive makes growth inevitable.

### **Conclusion: What Chatham County leadership is doing and its path forward**

At this point, the Board of Commissioners is in the process of considering Chatham Park developers' request to finance components of the project through a special tax assessment district. While no action has been taken by the Board, public hearings have revealed multiple concerns about the development, and several Commission members have alluded to their own concerns. Right now, the board is facilitating public comment while it tries to foster full transparency over the project. Yet with powerful stakeholders pushing the development agenda, it is clear that Wake County's "concrete is slowly creeping" into Chatham, and that the county's

identity is going to be tested, challenged, and ultimately changed by the impending path of residential development headed its way.

It is unlikely that Chatham can effectively prevent or stall growth through moratorium, restriction, or even innovative zoning programs. It would be best served to treat development as inevitable, and take a proactive policy approach that extracts maximum public investment from developers. The county would be best served in adopting a proactive approach to growth that aims to positively influence the character, cohesion and quality of future residential developments while it preserves its critically designated sensitive wilderness areas, leaving the rest to the free market.

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