



Analytics

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RE: Death by regulation

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The passage of New Castle County's 1998 Uniform Development Code (UDC) swiftly halted—and continues to harm-- economic growth and development. Within just a few years employment in the County had flat-lined (Chart 1), more people were moving out of NCC than were moving in (Chart 2), residential permits shrunk (Chart 3) while shifting to southern Delaware and NCC's incorporated areas (Chart 4), and transfer payments outstripped wages as the prime source of personal income (Chart 5). New Castle County now ranks last in contribution to Delaware economic growth and development among the state's three counties.

The UDC language was clear: “growth management,” “control density,” “preserve agriculture,” and “protect from adverse consequences (of development).” When the UDC was passed, NCC's planning and elected officials knew it would significantly retard development, but assumed it would increase the quality of life. Has it?

According to the latest data from Sperlings “Best Places to Live”, the rates of violent and property crime in NCC are well above the U.S.

(and the rates have risen since 2002) and the cost of living is above the U.S. as well. NCC ranks in the bottom one-tenth among all counties in air and water quality. Since 2000 there has been a modest increase in the average travel time to work.

Not surprisingly, compared to southern Delaware, the constraints on development in NCC have driven up the median value of existing owner-occupied housing and produced a resident labor force more concentrated in professional and managerial occupations and less concentrated in blue collar occupations.

In combination with the current recession, the slowdown in NCC economic growth and development stemming from the UDC has reduced the growth rate in the County's property tax base and real estate transfer activity. This has led NCC government to raise taxes.

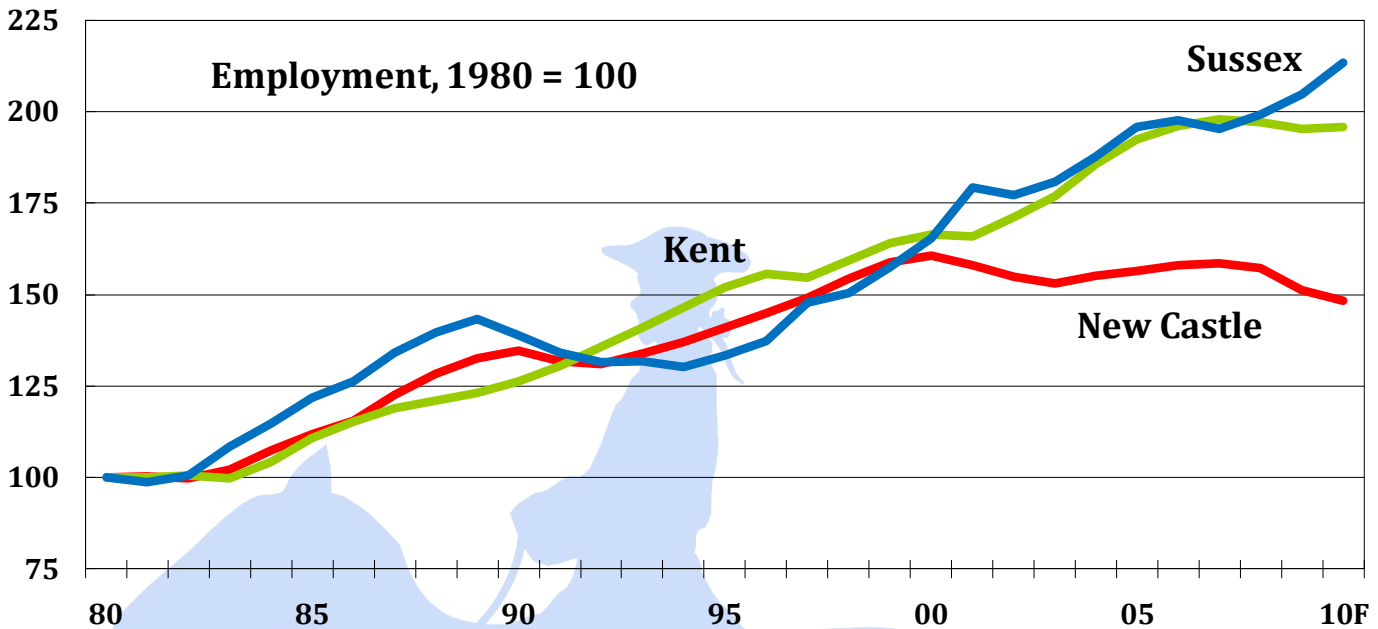
Bottom line: the quality of life benefits from the UDC seem minimal, while the economic costs appear considerable. Are NCC citizens—especially job seekers—fully aware of the economic trade-offs involved?



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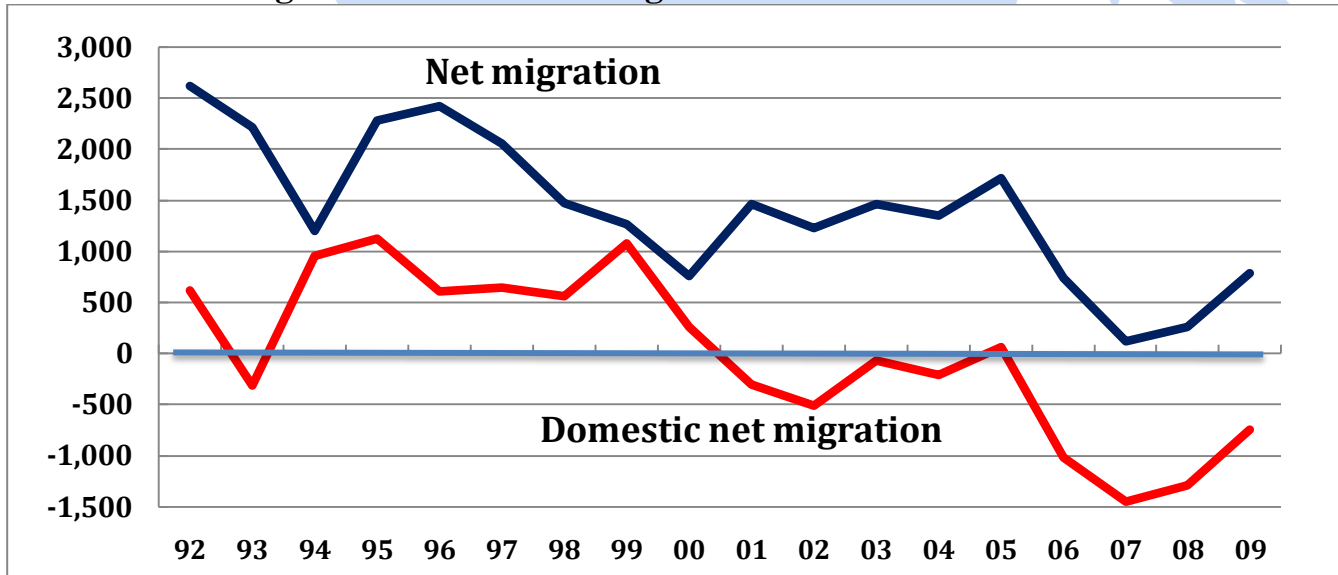
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Chart 1 – The air goes out of NCC employment



Source: BEA

Chart 2 – Causing NCC domestic net migration to tank



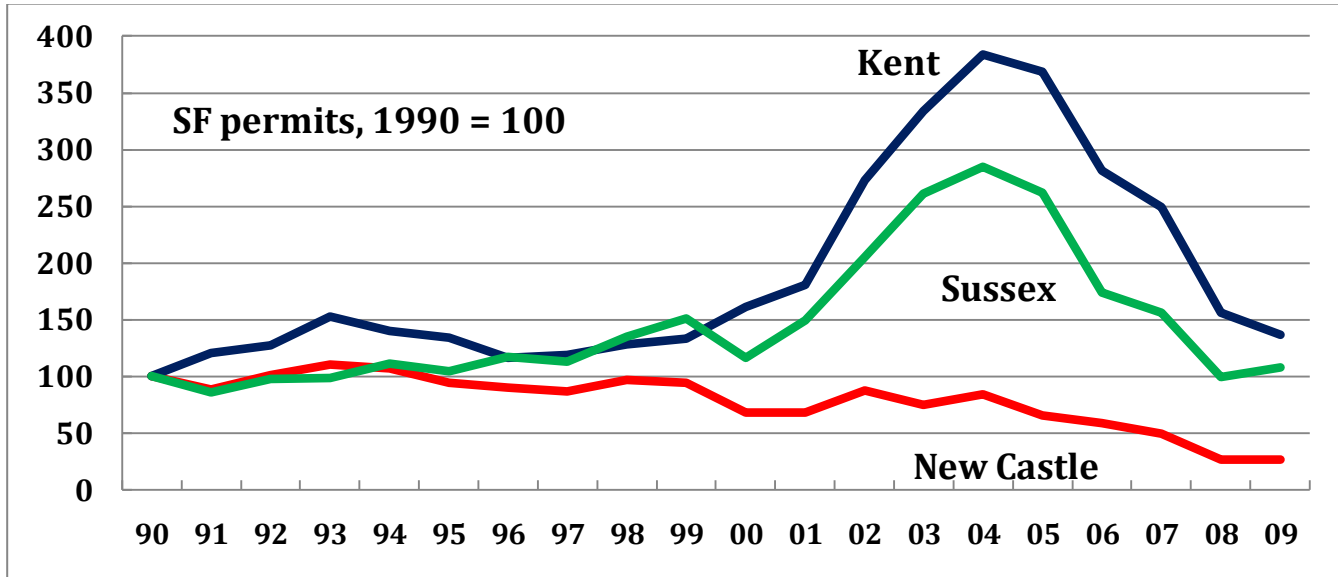
Source: BOC



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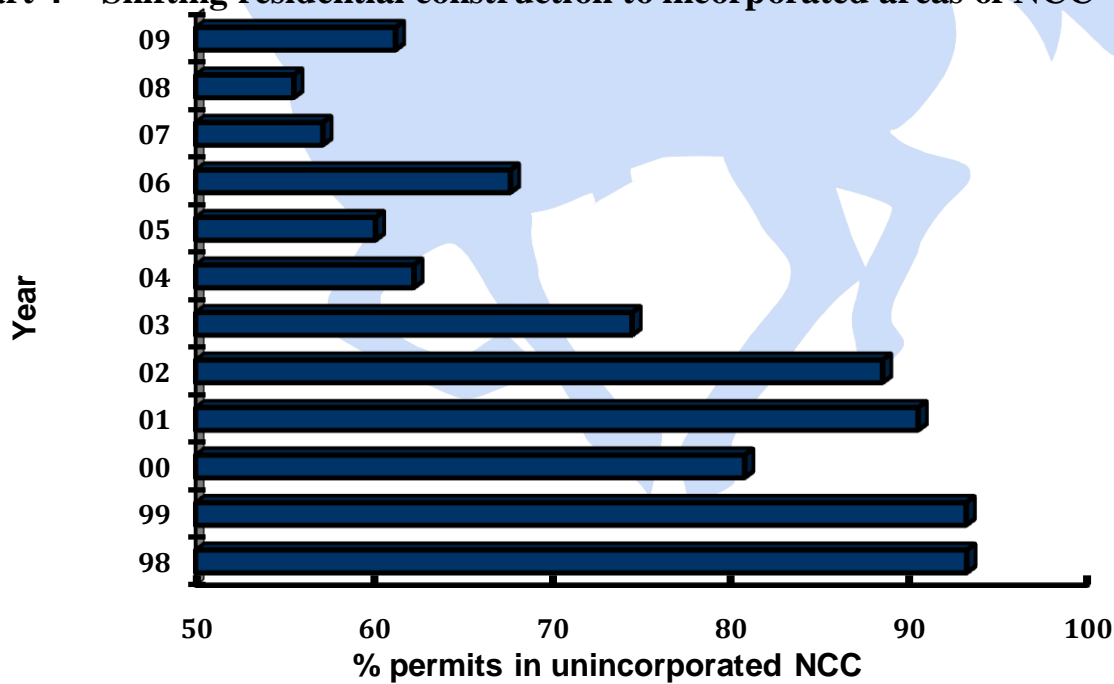
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Chart 3 – Driving down single-family residential permits in NCC



Source: BOC

Chart 4 – Shifting residential construction to incorporated areas of NCC



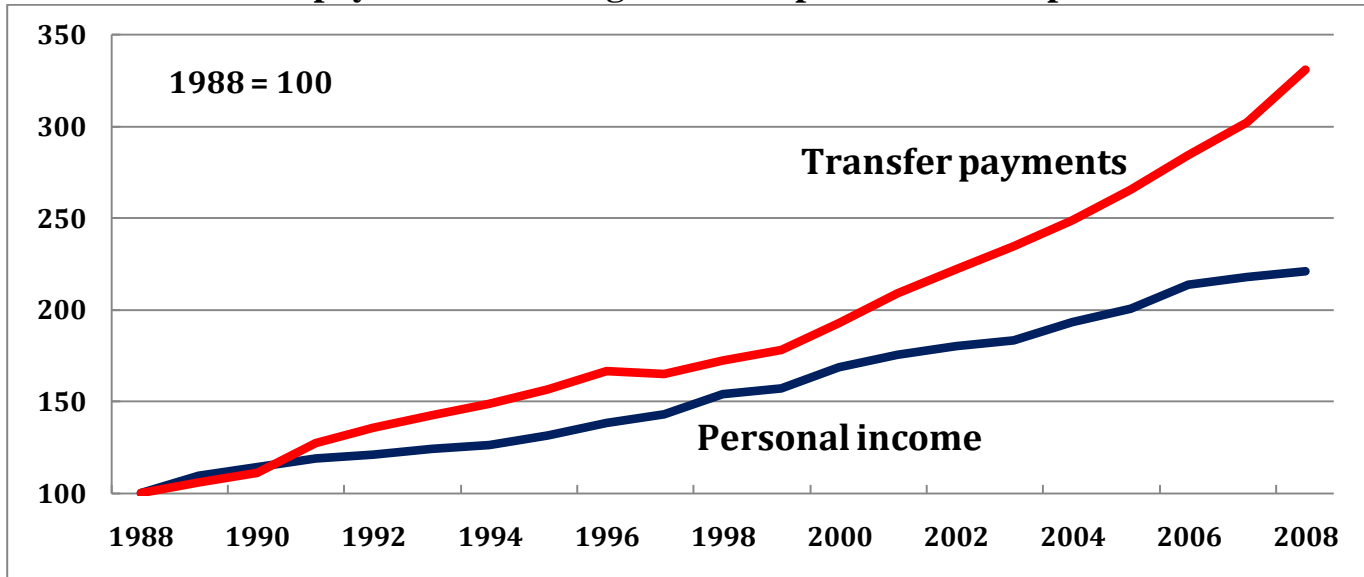
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Chart 5 – Transfer payments become growth component of NCC personal income



Source: BEA

Dr. John E. Stapleford, Director
johnstapleford@caesarrodney.org

