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Viewpoint: It's not economic development unless it improves the quality of life of area residents

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Recently the St. Joseph County Council voted to rezone 700 acres of land from agricultural to industrial in the New Carlisle area. The rezoning gives important encouragement to the Indiana Enterprise Center, a plan for an industrial mega-park that is overwhelmingly opposed by the residents of New Carlisle and Olive Township.

The prevailing view among many county officials, staff and corporate advisers is that economic development means attracting business to the county. And the bigger the business, the better. So the IEC is, in this view, a major economic development effort.

Many who promote the idea that economic development means attracting business think it is self-evident. However, this idea is profoundly mistaken.

The location of a business in the county means the construction of new buildings and the ordering of new equipment. Economists define this as private investment in plant and equipment. When the business hires workers to produce products to sell at a profit, economists define this activity as economic growth. But to qualify as economic development, this growth must provide real benefits and, in particular, it must improve the quality of life of area residents.

What benefits is the IEC supposed to bring? Often the attraction of business is justified in terms of increasing jobs and tax revenue. We are not able to answer this question definitely for the IEC, since it is mostly a plan at this point, but here are some useful questions to ask: How many jobs would the IEC create, and how many of those workers would live outside St. Joseph County. How much of the businesses' profits would be sent to out-of-town investors as dividend income? So how much income tax would the county collect?

After deducting the tax revenue lost to tax abatements and other incentives, how much

property tax would the county collect? And how much of it would benefit county residents? Since the IEC is in a tax increment financing district, the property tax revenue would be captured by the TIF. It would be used to attract even more businesses and would not be available to improve county health, education, libraries and other important objectives.

The St. Joseph Energy Center, the natural gas-fired power plant located in the New Carlisle TIF district and within the IEC boundaries, is an instructive example. Because of its promise of a half-billion dollars in planned investment, it generated enormous excitement among those who equate economic development with attracting business. It created a number of construction jobs, but in a recent report to the state of Indiana, it stated that it created only 20 permanent jobs. It received a 10-year 75% tax abatement on its buildings and a 15-year tax abatement averaging 75% on its business equipment.

So just attracting business, even large-scale investments, is not enough. Economic development must be a process that improves the quality of life of the residents of St. Joseph County. In that light, the IEC looks vastly different. The residents of New Carlisle and Olive Township have repeatedly stated their objections to the IEC. They are concerned about air, water and noise pollution; traffic congestion; the worsening of climate change; the danger to the Kankakee aquifer; the destruction of prime agricultural land and farmers' livelihoods; and the undermining of a community that is trying to live in harmony with the land and the natural environment.

So if the IEC is harming the quality of life of so many area residents, why is it being pursued? And why are county officials so intent on pursuing development in greenfield communities? South Bend is also a part of St. Joseph County. There are many areas of the county, near communities of Black and brown residents, that are suffering from underinvestment. Why don't county officials and development staff work with people from South Bend to redevelop these underserved communities?

It is time to recognize that economic development is not the unmindful pursuit of luring business to our area. It is time to reject the IEC and to promote meaningful appropriate-scale development in all areas of the county. It is time to recognize that investments are not economic development unless they improve the quality of life of area residents.