



# WashU Economist Testifies NorthSide Forecasts "Made Out of Thin Air"

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*By: Audrey Spalding*

[The first round of arguments](#) against a projected \$8.1 billion development of the city of Saint Louis' north side was made in court yesterday.

The bulk of the trial, which will continue on Feb. 25, was devoted to testimony by Washington University economist Michele Boldrin, who clearly doesn't think much of the projections and forecasts developer Paul McKee used to persuade city officials that his development was viable and worthy of more than \$390 million in tax increment financing (TIF).

"I find these numbers completely unbelievable," Boldrin said. "Pie in the sky" was another frequent characterization.

And, later, "This is something that if an MBA student came up with this as a term paper, I'd throw him out of the office."

Boldrin's main argument, repeated many times, was that no justification was given for any of the especially rosy growth and employment estimates. For example, the development

company, NorthSide Regeneration LLC, estimates:

1. That property value growth rates will be as high as 20 percent in 2010, and 15 percent in a number of following years.
2. [That more than 20,000 new, permanent jobs](#) will be created as a result of this development.
3. [That there will be buyers for 6,000 new homes](#) , valued at an average of more than \$450,000.

Dave Roland, a policy analyst at the Show-Me Institute, testified briefly that the north side area, [which you can explore here](#) , is not as blighted as NorthSide asserts. He, and Terry Artis, the owner and founder of the [River City Examiner](#) , took video of some of the areas NorthSide had noted as being especially blighted. The video, which is a publicly available court record, is linked below.

[Dave Roland - A Look at Purported Cases of North Side "Blight" in St. Louis](#) from [Audrey Spalding](#) on [Vimeo](#) .

## About the Author



*Audrey Spalding*

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## Links

[1] <https://showmeinstitute.org/blog/courts/washu-economist-testifies-northside-forecasts-made-out-thin-air>

[2] <http://www.kmox.com/Paul-McKee-s-northside-plan-----does-his-math-add-/6375138>

[3] <http://www.northsideregeneration.com/Implement/jobcreate.html>

[4] <http://www.stltoday.com/stltoday/business/stories.nsf/story/81F089E6CCDBDEBC862576CD00102037?OpenDocument>

[5] <http://maps.google.com/maps/ms?ie=UTF8&vps=1&jsv=178b&oe=UTF8&msa=0&msid=115041168882354916169.000475499ca32f3c1550f>

[6] <http://www.rivercityexaminer.com/index.html>

[7] <http://vimeo.com/9527240>

[8] <http://vimeo.com/user3196933>

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