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Lake's stakeholders skeptical of study's findings

By Anna Mitchell

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ANDERSON — When Hartwell Lake hit a record low of 22.5 feet below full pool on Dec. 9, 2008, Hartwell Marina & Boat Sales owner Brant Tew had frozen hiring and was getting by with his repair and boat-storage operations.

"I know more than two people who lost their jobs," Tew said from his business in Hartwell, Ga. "I know whole businesses that shut down."

Tew was responding Wednesday to an economic analysis of Hartwell Lake released this week from Clemson University's Strom Thurmond Institute. The analysis focused on a period of severe drought from April 2007 through December of the following year when water levels at Hartwell Lake tumbled.

Using a complex economic modeling engine, which took into account falling lake levels and the concurrent global economic recession, researchers found the drought caused a loss of two jobs in Hart County.

"Statistically, that report is just useless," Tew said.

The report — "An Economic Analysis of Low Water Levels in Hartwell Lake — was commissioned in May 2009 by the U.S. Army Corps of Engineers in partnership with six counties around the lake. The cost of the study, $211,522, was shared according to the amount of shoreline in each county, with Anderson County taking the lead.

Tew's assessment was echoed Wednesday by several Hartwell Lake stakeholders who had difficulty believing the drought hadn't had a bigger effect on the local economy.

All told, the study found Anderson County lost 32 jobs as a direct result of the drought while Hart and Franklin counties in Georgia each lost two. Meanwhile, Pickens County lost no jobs, Oconee gained 10 jobs — researchers surmised because of increased demand for services at Lake Keowee — and Stephens County, Ga., gained another four.

The net effect was a loss of 23 jobs in the region.

The economic output of the region took a hit of $18.8 million because of real estate and retail sale losses with the drought, the study found, with Anderson County leading the decline with $22.5 million. Losses here were partly offset by gains in Oconee of $4.2 million.

All told, the region's $30.2 billion economy took a hit of about one-tenth of 1 percent.

"This study demonstrates that Hartwell Lake is not a primary economic driver in the region and provides evidence that the six counties surrounding Hartwell Lake have sufficient economic breadth and depth to weather prolonged low lake levels without realizing substantial declines in their economic well-being," the study says.

Tom Coley, chairman of the Lake Hartwell 660 Coalition, said a big shortcoming of the study was its lack of survey data from real businesses and residents. Economic modeling, he said, doesn't capture the whole picture.

"Anybody who spends time on the lake for any length of time will tell you that when it's not conducive to be on the lake, people go do something else," Coley said. "They go to Stone Mountain or to a football game or baseball game. They are not buying ice and gas. They are not doing the things around the lake or in town that might be driving our economy."

He said he worried that the U.S. Army Corps of Engineers, which manages the lake, might take the study's findings as a signal that drawing down the lake for power production has no consequences.

Billy Birdwell, spokesman for the Savannah District of the corps, said all information is useful and this would be incorporated into other larger studies of the Savannah River Basin.

Jeff Allen, the lead researcher on the study for the institute, said he had hoped at the study's outset that there would be enough money for a second phase — one that would have included interviews with private industry and residents around the lake.

"In phase two, we'd go back once we have these numbers and survey individual businesses on a micro level to see which sectors of the economy were hit worse," Allen said, "We'd like to get the funding."

The good news, he said, is the counties are robust enough to take a hit from drought.

"It certainly hurt individual businesses," he said. "But there's enough different economic activity going on, and we talk about the substitution effect, but our hunch looking at these numbers is that people just do different things. They spend their money in other places."

Brian Tate, owner of The Bait Shop in Townville, said he looked over his books from the past eight years and knows his business suffered at least a 20 percent hit during the drought. He said he didn't have to lay anyone off but money got tight.

"For the most part, not 100 percent, but the fishing business is recession proof," Tate said. "We get a lot of people even when the economy is the way it is."

But if they can't get their boats in the water — as was the case when falling lake levels left boat ramps high and dry — the bait and tackle business dries up, too, he said.

"If you can't get on the lake, you can't go fishing, and if you're not fishing, you don't come by my place," he said.

He said he heard from friends in the boat sales and manufacturing sector that that's where bigger declines set in.

"Nobody was really interested in buying a boat," he said. "It's hard to distinguish whether it was the economy or the drought."

Burriss Nelson, Anderson County economic development director, said the analysis was also limited by its inability to measure intangibles such as quality of life. Anyone considering moving a business to Anderson enters the city by crossing over Hartwell Lake, he said.

He pointed to the owner of Uniflex, an industry that relocated to Anderson about six years ago. Howard White was in town visiting his sister, who had retired to a home on the lake.

"He saw the lake when it was full and said, 'This is a great and wonderful community, I want to bring my business here,'" Nelson said. "Let's imagine if Howard White had come in December 2008, when it looked like a desert and not a lake."

Anderson County interim administrator Rusty Burns said the study did a great job of measuring what's measurable.

"But I think the value of Lake Hartwell and its value to Anderson is not measurable," Burns said. "We've had companies move here for the sole purpose so people who run them can live on the lake. Can you put that in the study? No."

The lake's development potential in the future, he said, is also impossible to measure.

"For 20 years, people have talked about establishing a resort type development on Lake Hartwell," he said. "It's quite obvious that some of the lakes in other parts of the Southeast are becoming quite crowded. That makes Lake Hartwell more attractive."

Art Holbrooks, director of planning for Oconee County, said he was surprised at first to see his county's gains when Hartwell Lake's waters fell. But he said it makes sense considering his county's rich resources, with lakes Keowee and Jocassee. Keowee never falls more than four or five feet because its waters cool the Oconee Nuclear Station, he said.

"I knew we were a bit different than the other counties but not to that extent," he said.

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