

TOWN OF MOUNT PLEASANT, SOUTH CAROLINA

AUGUST 5 - 6, 2015



TECHNICAL ASSISTANCE PANEL:

FRAMEWORK FOR RESPONSIBLE GROWTH

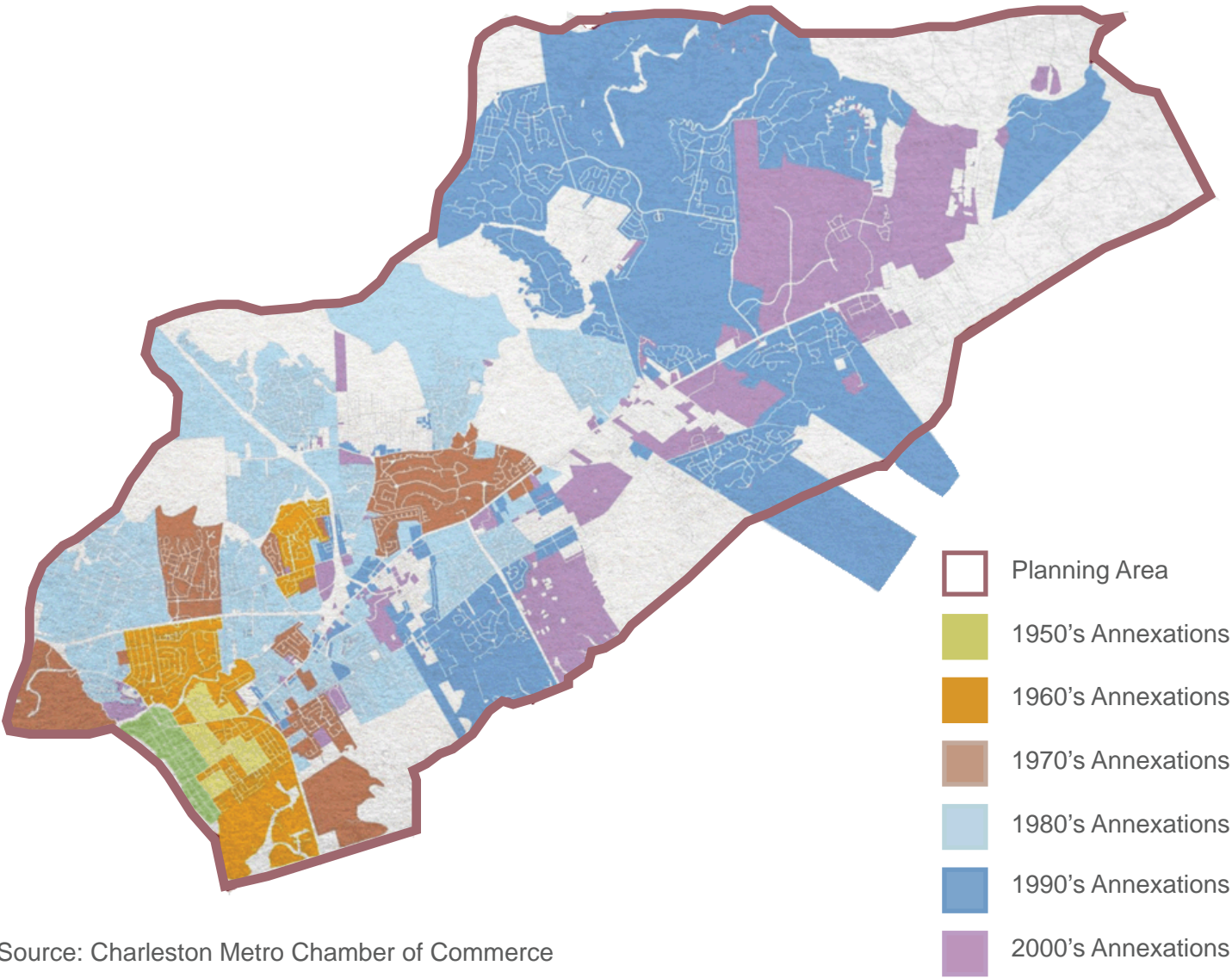
AUGUST 5 - 6, 2015



**Urban Land
Institute**

South Carolina

Annexations by Decade



Source: Charleston Metro Chamber of Commerce



Urban Land Institute

South Carolina



About ULI

ULI is a mission-driven organization. Founded in 1936, a small group of developers believed the world would benefit from an organization dedicated to developing leadership in the responsible use of land in order to create and sustain thriving communities worldwide. That's the mission we support here in South Carolina.

ULI members aim to improve the quality of the places we live, and we believe this starts with an open sharing of practical experience and pragmatic solutions.

Being active in ULI means being a part of a formidable global network, some 38,000 members engaged in all aspects of real estate, land use, and urban development. ULI is present in all markets, all property sectors, and all professional disciplines. ULI members believe that no matter what aspect of development you participate, you need to understand how it is integrated into the community. Globally, we produce about 900 events each year where people learn, connect, and give back to their communities and their industry.

ULI South Carolina

South Carolina is one of the most active District Councils with a robust advisory services program, Center for Sustainable Leadership, and more than 30 programs a year.

About the Chamber

The Charleston Metro Chamber of Commerce serves as an advocate for a healthy business climate and is committed to advancing our region's economy and supporting our member businesses through our work in:

- Infrastructure
- Talent Development
- Military Retention
- Innovation and Entrepreneurship
- Small Business
- Economic Development
- Legislation
- Global Trade
- Leadership

Our Vision

Strengthen our region as a world-class metropolitan area.

Our Mission

Advance our region's economy, improve our quality of life, and enhance our members' success.

WHAT ARE TECHNICAL ASSISTANCE PANELS

TAPs provide expert and objective strategic advice to sponsoring organizations on complex land-use and development issues. TAPs link public agencies and nonprofit organizations to seasoned real estate, planning, financing, marketing, and technical experts through ULI district councils. TAPs are part of ULI's Advisory Services program which has assisted more than 500 communities worldwide since 1947.

HOW DO TAPS WORK

Sponsors request the services of a TAP with regard to a specific issue that can be addressed by a panel of experts in one or two days. The District Council assists the sponsor in refining the scope of the assignment and convenes a panel to address those specific issues. The sponsor works within ULI guidelines to provide background information to ULI panelists prior to the panel's convening. When convened, members of the TAP view the subject site, hear from public and private stakeholders, and then deliberate on the assigned issues. At the conclusion of its work, the panel presents an oral report to stakeholders; that is followed by a written report within approximately six weeks.

WHAT DO TAPS COST

TAP fees depend on the size of the scope, length of the panel and the detail of the final report, but typically fees run between \$10,000 and \$15,000. Each TAP is different and fees are negotiated individually. Panel members donate their time and are only reimbursed for their out-of-pocket expenses such as overnight lodging and transportation to attend the TAP. To ensure objectivity, panel members cannot be involved in matters pending before the sponsor, be working for the sponsor, or solicit work from the sponsor during the panel's assignment period.



Panel Members from Left to right: Jonathan Guy, Kimley Horn; Mayor Lisa Sulka, Town of Bluffton; Aaron Conley, Third Act Solutions; Scott Wilkerson, Gingko Residential; Nancy Whitworth, City of Greenville (Chair); Phil Payne, Gingko Residential; Brooke White, Independent Consultant

The Panel Process

TAP PANEL SELECTION

The ULI South Carolina District Council considered the strategies Mt. Pleasant Town Council articulated in the Framework for Responsible Growth Plan set fourth by Mount Pleasant Town Council. Six panelists and an independent consultant were selected based on their professional expertise. The panelist's expertise included the following:

- Workforce & Affordable Housing
- Senior Housing
- Economic Development
- Transportation Engineer & Planning
- Elected Official of a growing coastal community

SPONSOR PRESENTATION

The TAP panelists assembled at the Trident Tech. Mount Pleasant Campus on Wednesday, August 5, for a debrief with representatives from the Charleston Metro Chamber of Commerce and Charleston Trident Association of Realtors.

TOUR OF STUDY AREA AND ENVIRONS

Following the sponsor debrief, TAP panelists toured portions of Mount Pleasant including the Old Village, Coleman Boulevard from the intersection at Chuck Dawley to the base of the Ravenel Bridge, and Johnnie Dodds Boulevard from the base of the Ravenel Bridge to Wando Crossing Shopping Center.

STAKEHOLDER INTERVIEWS

The remainder of the afternoon on August 5 through 12:00PM on August 6, panelists met in groups of two with community stakeholders. The stakeholders included elected officials, Mount Pleasant planning department, advocacy organizations, attorneys, designers and engineers, business and land owners and community groups

PANEL DELIBERATIONS

The panel held two working sessions, to review significant findings, observations, identified opportunities and challenges, developed recommendations, and prepared a PowerPoint summarizing their findings.

PUBLIC PRESENTATION

The panel presented its findings and recommendations at 5:00PM Thursday, August 6, in an open session in the Cooper River Room at Waterfront Park. Panelists then took questions and comments from the audience.

REPORT PREPARATION AND RELEASE

The TAP, under the leadership of the ULI South Carolina District Council, prepared this report on its conclusions and recommendations. It presented the report to the sponsors in October 2015.

Framework for Growth Management Technical Assistance Panel

AUGUST 5 - 6, 2015 | MOUNT PLEASANT, SOUTH CAROLINA

The Urban Land Institute South Carolina
205 1/2 King Street
Charleston, South Carolina 29401

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SPONSOR & ULI PANEL MEMBERS



SPONSOR

Charleston Metro Chamber of Commerce

PANEL CHAIR

Nancy Whitworth, Director of Economic Development, City of Greenville
Greenville, SC

PANEL MEMBERS

Aaron Conley, President, Third Act Solutions
Greenville, SC

Jonathan Guy, Associate, Kimley Horn Associates
Columbia, SC



Phil Payne, Chief Executive Officer, Gingko Residential
Charlotte, NC

Mayor Lisa Sulka, Town of Bluffton
Bluffton, SC

Scott Wilkerson, Chief Operating Officer, Gingko Residential
Charlotte, NC

ULI SOUTH CAROLINA PROJECT STAFF

Heather Foley, Executive Director, ULI South Carolina
Charleston, SC

Sydney Parker, Contractor, ULI South Carolina
Greenville, SC

Brooke White, Consultant / Technical Writer
Johns Island, SC



Panel members deliver their observations and recommendations to a crowd of close to 200.

COMMUNITY STAKEHOLDERS

Martha Adams, Save Shem Creek
Patrick Arnold, Charleston Trident Realtors Association
Jimmy Bagwell, Save Shem Creek
Joe Barnes, Westrock
Zach Bearden, Origin Development Partners
Rusty Bennett, Poe's Tavern
Bob Brimmer
Joe Bustos
Councilman Elton Carrier, Mt. Pleasant
John Chalfie, Mt. Pleasant Business Association
Gary Collins, Seamon Whiteside
Charles Cook, Stubbs, Muldrow & Herin
Eric Demoura, Town of Mt. Pleasant
Katherine Doe
Dan Doyle, The Beach Company
Steve Dudash, Thomas & Hutton
Bill Eubanks, Seamon Whiteside
Christiane Farrell, Town of Mt. Pleasant
Jeff Fort, Gramling Brothers
Councilman Paul Gawrich, Mt. Pleasant
Mary Graham, Charleston Metro Chamber of Commerce

Will Haynie
Bob Hervey, East Cooper Habitat for Humanity
Ashley Heggie, Greystar
Sam Herin, Stubbs, Muldrow & Herin
Kent Johnson, The Beach Company
Michelle Mapp, SC Community Loan Fund
Myles Mayland, SC Coastal Conservation League
Councilwoman Thomasina Stokes Marshall, Mt. Pleasant
Robert Morgan, Greystar
Charles Muldrow, Stubbs, Muldrow & Herin
Councilman Chris O'Neil, Mt. Pleasant
Mayor Linda Paige, Town of Mt. Pleasant
Amy Riley, Thomas & Hutton
James Scott, Save Shem Creek
Tom Senkbeil, Taft Development
Greg Sidewell
Tex Small, Avtex Development
Tom Taft, Taft Development
Gray Taylor, Buist Buyers & Taylor
Fred Whittle, Jupiter Holdings
Barry Wolff



A large crowd gathered at the Cooper River Room at Mount Pleasant Waterfront Park as ULI South Carolina delivered their assessment of the proposed Framework for Growth Management

EXECUTIVE SUMMARY

Under the direction of the Urban Land Institute's South Carolina District Council, the Town of Mount Pleasant Technical Assistance Panel convened at Trident Tech, Mount Pleasant Campus on August 5 & 6, 2015, bringing together community leaders, stakeholders, and a panel of planning, design, and development professionals for a day and a half session focused on helping the Town of Mount Pleasant evaluate the framework for the Growth Management Plan as unveiled by Town Council in March 2015.

The Town of Mount Pleasant is among the ten fastest growing urban areas in the United States and the fastest growing city in South Carolina. While the growth affords the town a number of opportunities, it is a challenge to balance economic development initiatives while maintaining the charm and character that attracts new residents and businesses. Adding to the challenges is the high cost of maintaining and building public infrastructure to support new development. For example, an owner-occupied home valued at \$300,000 generated \$460 per year in tax revenue 2013. To break even, the town must collect \$1,226 in taxes on an owner-occupied house valued at \$800,000. In response, the town unveiled the Growth Management Plan in March of 2015.

The panel, sponsored by the Charleston Metro Chamber of Commerce, was asked to evaluate **three primary goals** of the Growth Management Plan:

1. Curb the number of allowable residential units as a means to responsibly manage density and population.
2. Appropriately adjust development costs to pay for public infrastructure such as roads (i.e. growth pays for growth).
3. Enhance quality of life through the acquisition of open space and the expansion of recreational lands.

The Technical Assistance Panel panel was also asked to identify alternative strategies and tactics for responsible growth management. It prepared its recommendations based on a review of the briefing materials, a debriefing with Chamber officials, a tour of the study areas, and extensive interviews with stakeholders. Panel deliberations included an analysis of challenges and opportunities, a definition of guiding principles, determining key focus areas, and the development of specific recommendations.

The panel's findings and recommendations focused primarily on the following:

Quality of Life

One third of the development plans on the table affect Old Mount Pleasant, a coastal fishing village. Many who live there feel their quality of life is being compromised by large residential and commercial developers. Residents are passionate about preserving and protecting the character, soul, and environmental assets of the community.

Bonus Densities

Stakeholders had a wide range of viewpoints concerning the effectiveness of bonus densities. Most felt they were not achieving affordability in a significant way. Suggestions included eliminating them altogether, eliminating them in mixed-use facilities, and imposing stricter restrictions on the proximity to single family home neighborhoods.

Impact Fees

Mount Pleasant has some of the highest impact fees in the region, so increasing them even more could drive land values down and/or steer healthy development to other areas.

Building Heights

Residents in general are opposed to the creation of an urban landscape in the midst of their historic, coastal town. There have been some discrepancies on height limitations from project to project and the zoning regulations change with some frequency so that there is no universal, approved standard.

Affordable Housing

The availability of affordable housing in Mount Pleasant is sorely lacking. The demand far outweighs the inventory and at some point this becomes a risk mitigation issue. Some citizens are concerned that affordable housing has been used as an incentive for higher densities. Nevertheless, all of the participants felt that workforce housing is an issue that needs to be addressed.

BACKGROUND & SCOPE

Mount Pleasant, and the region, has witnessed unprecedented growth across all sectors since the 1980s. Even during the recession, the population numbers continued to climb although construction came to a standstill. Not surprisingly, over 50% of those moving to the area are 40 years old or older. What draws the mid-level professionals and retirees in droves to Mount Pleasant? The same things treasured by those who were born and raised here, attended college here and stayed or those who have second homes here. The incredible quality of life, the unique coastal character of the Old Village and surrounding areas, the beautiful beaches, the restaurants and of course, the climate. Then there are those across the demographic spectrum who have and will soon move to the area because of jobs with Boeing, Volvo and other international corporations drawn to the region.

A thriving and safe community with a rich history of aquaculture and agriculture, the population of Mount Pleasant is anticipated to grow by nearly 15% in the next fifteen years. It has been growing at an annual rate of 4%, which is in line with national trends. Peak growth occurred between '89-91, at a rate of 13%. Change and growth in the region has already made an impact and shows no signs of slowing down. The elected officials and citizens are trying to manage the growth while also preserving the character of the town.

In 2008, the Town of Mount Pleasant, in partnership with the civil engineering and architecture firm Seamon Whiteside & Associates, Inc. and The Coleman Revitalization Advisory Board (C.R.A.B.) unveiled The Coleman and Ben Sawyer Boulevards Revitalization Master Plan. A nine-month intensive study of the area resulted in a plan designed to preserve the natural, historic, cultural, and civic importance of the area while also adjusting to the growth boom of the previous fifteen years. A highly comprehensive and collaborative process, the plan called for a “vibrant downtown corridor that is safe, attractive, and enjoyable to residents and visitors and that protects and stimulates the economic health of its businesses.”

One of many unique and creative approaches laid forth in the Master Plan of 2008, was the division of Coleman and Ben Sawyer Boulevards into specific districts or “nodes.” Particular attention was paid to creating public parks and providing open spaces that celebrate the natural assets of the area. Although not technically part of the Coleman Overlay, Shem Creek and its value as a local treasure were taken into careful consideration. Other key zoning elements of the Revitalization Master Plan of 2008 included:



The Boulevard apartment complex and the proposed office development at Shem Creek are changing the face of one of Mount Pleasant’s main corridors.

Quick Facts

ECONOMY

The unemployment rate in Mount Pleasant is 2.8%(U.S. avg. is 6.3%). Recent job growth is positive. Mount Pleasant jobs have increased by 0.65%

COST OF LIVING

Compared to the rest of the country, Mount Pleasant's cost of living is 30% higher than the U.S. average.

POPULATION

As of 2014, Mount Pleasant's population is 67,963 people.

Since 2000, it has had a population growth of 33.7%

TRANSPORTATION

Average commute time is 22 minutes. The national average is 25 minutes.

REAL ESTATE

The median home cost in Mount Pleasant is \$323,000. Home appreciation in the last year has been 4.8%.

SCHOOLS

Mount Pleasant public schools spend \$13,272 per student. The average school expenditure in the U.S. is \$12,435. There are about 10 students per teacher in Mount Pleasant.

Density

- 15% of mixed-use projects devoted to nonresidential uses
- 16 units per acre for single use residential development
- 20 units per acre for mixed use (except workforce housing)
- Single use residential developments shall provide 10% (or more) to workforce housing
- Mixed-use developments providing 10% to workforce housing shall be allowed 30 units per acre
- Height
- The maximum height on buildings facing the Boulevards is 55 feet.
- Three specific properties on Coleman Boulevard were permitted a maximum height of 75 feet (six stories) as measured from the rear and/or side property lines.
- Any building located within 50 feet of a residential property line or abutting a street right-of-way adjoining residential property outside of the overlay district shall have a maximum height of 40 feet.

Since the Master Plan's creation in 2008, several development projects have been and/or are slated to be built according to the design, zoning, and other conceptual elements as laid forth in the plan. Three development projects in particular have heightened the concern of local residents, particularly in regard to density and height, and how those elements impact traffic, parking, and the character of surrounding neighborhoods. Those projects are The Boulevard, Earl's Court and a proposed parking garage/Class A office structure on the banks of Shem Creek.

Several individuals feel that the current growth trends are way out of control and that the area is losing its character and the way of life that makes it such a desirable and attractive place to live. Some have gone so far as to call for a moratorium on development until more stringent restrictions and limitations can be put into place and before the charm and soul of Mount Pleasant is compromised beyond recognition.

On March 24, 2015, Mayor Linda Page and the Mount Pleasant Town Council unveiled a Growth Management Plan in response to residents escalating concerns. The new plan is aimed at "preserving quality of life while providing balance between development and livability for residents." Mayor Page went on to say, "The common thread in all of our conversations is that everyone involved cares deeply about the future of our region. We believe this framework and the final plan it inspires can be a template for the region in how to appropriately address growth."

Source: www.bestplaces.net

THE MILLENNIAL IMPACT

“Today’s 20-somethings are a restless bunch. During this time of young adulthood and general experimentation, vacationers and ambitious professionals are always seeking out the best economical and social opportunities to enjoy across the country. Although interests vary across the board, some of the most important factors in choosing a vacation or residential destination at this age are cultural attractions, the social scene (especially nightlife), median population age, and access to public transit.”

Wall Street Cheat Sheet, December 2014

The Growth Management Plan is an attempt to adjust the Master Plan, to address concerns that have arisen and provide a more effective way to manage growth over the next 20 - 30 years. However, most did not want to abandon the Master Plan for the redevelopment of Coleman Boulevard. Residents would like development and planning to be more in line with the existing architecture and, in another move toward resident satisfaction, the Design Review Board has been reactivated to allow more public participation in the process. However, in the eyes of many local residents, elected officials, and planners alike, there is no quick fix to the issues associated with the growth that Mount Pleasant faces.

To assist the Charleston Metro Chamber of Commerce and the Town of Mount Pleasant alleviate some of the tension between developers, Council and residents, ULI’s Technical Assistance Panel was brought in to provide third party, unbiased recommendations based on feedback from stakeholders across interests.

50%

of people say walkability is a top or high priority when considering where to live.

78%

of people would rather live in a community with a mix of ages.

66%

would prefer a mix of cultures and backgrounds.

Source: America in 2015, A ULI Survey of Views on Housing, Transportation, and Community

STAKEHOLDER INPUT & KEY ISSUES

Following a briefing by Mary Graham, Chief Advancement Officer with the Charleston Metro Chamber of Commerce and Patrick Arnold, Government Affairs Director with the Charleston Trident Association of Realtors; a tour of Coleman Boulevard and site visits to The Boulevard and Earl's Court; and interviews with numerous stakeholders, the panel identified several key matters with direct relevance to the issues posed for the TAP:

Planning & Development

The Town of Mount Pleasant and its residents are struggling to balance the demands of rapid population growth and urbanization, while simultaneously maintaining the distinctive charm and character for which Mount Pleasant has become known. With just 70 acres of sites available for economic development, the town needs to focus on strategic economic development that will fit the character of Mt. Pleasant and provide job opportunities that will promote the benefits of a live / work community and reduce traffic flow to and from downtown Charleston and points north. The existing sprawl in "North Mount Pleasant" is already creating commuter traffic issues on Route 17, 526, and 41.

Some stakeholders don't feel as though the concept of live / work / play is the right formula for Mount Pleasant. The median sale price of \$384,000 (up 7.4% over the past year) is too high for the workforce. Some of the region's largest employers, including Blackbaud and BenefitFocus, have relocated to accommodate their workforce. Recently, there has been a public outcry for a more regional and realistic point of view when it comes to planning and development and the feeling that design plans need to better fit the context of their surroundings.

To this end, Commercial Design Review Board must approve all new development. In order for the Board to be a successful and efficient, clear guidelines and a shared vision for growth need to be in place. At present there are no repercussions for deviating from original design plans and there is general feeling that design needs better execution, more creativity, and a stronger tie in with the community.

National Demographic **TRENDS**



The South

- Fastest growing region in the U.S.
- Accounted for the most population growth from 2000 - 2010 (population increased by 14.3 million people)
- West is the next fastest growing region with a population increase of 8.3 million people over the same period.

Coleman Boulevard Revitalization

The Coleman and Ben Sawyer Boulevards Revitalization Master Plan of 2008 was created in an effort to retain Coleman Boulevard's image as Mount Pleasant's main street, remain competitive, and to revive a vibrant downtown corridor. Growth was expected and planned for. A growing community cannot sit still and remain unchanged or untouched.

After a robust effort on the part of the steering committee, new life has been breathed into what was once a desolate stretch of abandoned businesses. The area has significantly increased its economic viability and is now a lively artery. Coleman Boulevard is viewed by many on Town Council and in the community as a success.

There are differences in opinion on how the town should move forward with the Coleman Overlay - those who want to abandon it all together, those who want to reexamine impact on surrounding neighborhoods, design elements and density; and those who feel that abandoning the plan now will only lead to increased housing costs and other unintended consequences.



Coleman Boulevard Urban Corridor Overlay District



The Boulevard Apartment complex



Artist rendering of Earl's Court



Conceptual design of office building at Coleman Blvd & Mill Street

The Boulevard

By all accounts, The Boulevard is the most hotly contested development project on Coleman Boulevard. Some call it the “most hated structure” in Mount Pleasant and view it as the epitome of the failure of mixed-use space. The Boulevard qualified for bonus density, however the options for workforce housing were very limited in number (18 out of 325), overpriced and impractical with only a 10-year restriction.

Additionally, the parking garage in Phase I of construction caused controversy; in that it was perceived that there were not enough parking spaces for all of the tenants. There was also an additional fee for parking on top of the already higher than average rents, which may have caused Boulevard residents to park on the streets in the surrounding single-family dominated neighborhood.

The developers contend that Phase II of construction will provide additional ample parking for all the tenants and parking fees are now included in the rent. They say it will take some time for the retail / mixed use component of the plan to come together. In the meantime it has met a huge demand for rental housing.

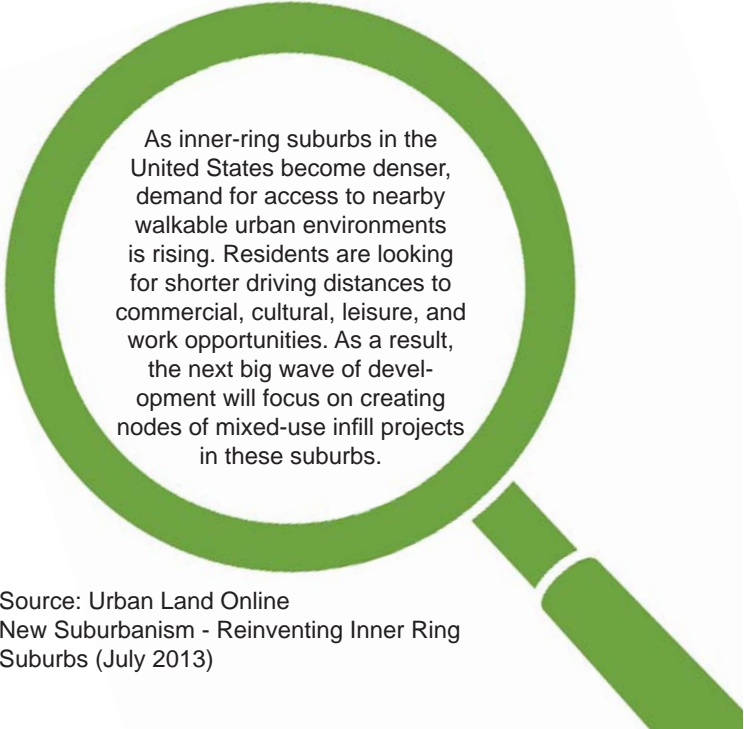
Earl's Court

At present still only 50% built, Earl's Court is an extremely dense (26 units on 1.3 acres) single-family development in the heart of the Old Village. The plan was sold to the town as affordable housing, but houses are now selling for over \$600,000. There are almost zero lot lines, setbacks had to be increased mid-construction and local residents are in an uproar.

Shem Creek Parking Garage/Office:

Shem Creek is the iconic and beautiful heart of Mount Pleasant. The most heavily photographed area in South Carolina, the ambiance, the seafood shanties, and the shrimp boats are considered by many long-time locals to be the soul of the town. A former mayor recognized that the surface parking lot was slammed on nights and weekends, but there was almost no demand during the day. A developer saw this as an opportunity to build two floors of covered parking with two floors of Class A office space on top, thus solving two problems with one structure (evening and weekend parking and attracting businesses to the area). The design plan is for 55 feet, however the Coleman Overlay plan restricts heights to 45 feet at this location.

Residents feel the project is way out of scale and lobbied to amend the zoning laws; ordinances and setbacks were drafted in response. Although this project has not yet started, residents are deeply concerned that it could damage the environmentally valuable marshlands. They would prefer to see a development in this location that preserves and protects the character of the town and the shrimping fleet.



As inner-ring suburbs in the United States become denser, demand for access to nearby walkable urban environments is rising. Residents are looking for shorter driving distances to commercial, cultural, leisure, and work opportunities. As a result, the next big wave of development will focus on creating nodes of mixed-use infill projects in these suburbs.

Source: Urban Land Online
New Suburbanism - Reinventing Inner Ring
Suburbs (July 2013)

Zoning

Zoning specifications were thoroughly addressed in the Coleman Boulevard Master Plan of 2008. However, due to local distaste for certain projects (The Boulevard, Earl's Court) that were built according to those specs, residents have called for new restrictions. The Growth Management Plan unveiled by Town Council in March of 2015 was in response to that request.

Locals are concerned that several commercial properties have been rezoned for multi-family and/or mixed-use projects and they fear a proliferation of poorly designed projects that are out of scale with their surroundings. Overall, vocal residents would like to see lower density and building heights. Developers, on the other hand, must have bonus density incentives to build certain projects. If they are denied in Mount Pleasant, they will surely go elsewhere.

Bonus Densities

Typically, an increase in population is seen as a positive. Undoubtedly, growth needs to be managed, though a handful would like to stop it altogether. There is an overall feeling that bonus densities, as yet, have not worked in Mount Pleasant. Some suggest reducing or removing bonus densities and imposing longer restrictions (more than 10 years).

Others feel that bonus densities need to be preserved, but should be focused on heavily trafficked areas such as the Johnnie Dodds Corridor. They feel that residents need to put aside their fears that density decreases quality of life. On the contrary, they could benefit from increased amenities such as steady property values and reduced taxes. Generally people are in favor of bonus density, where appropriate, and not in locations that impact single family homes. City planners caution people not to overreact and throw out all of the density incentives. Every corridor is different and should be treated accordingly.

Height Restrictions

Multi-family construction falls under the commercial umbrella, and as mentioned, The Commercial Design Review Board is now functioning as designed. Mount Pleasant does not have an abundance of available land or infill opportunities; therefore, buildings will need to go up in height. Many residents would like to cap height at three stories, although two parcels on Coleman Boulevard remain zoned for 75 feet; a height many feel is out of scale with the existing area.

Residents have expressed that they are not interested in turning Mount Pleasant into an urban destination. They look to Sullivan's Island and how it has protected itself from growth and density. They knew what they wanted and they stuck to it.

“*Impact fees have complex effects on housing prices. One particularly thorough study of the effect of impact fees on housing prices found that fees reduced land prices by the amount of fees paid but also raised finished house prices by about half again the fee amount. One interpretation is that while impact fees lower raw land prices as predicted by conventional economic theory, the amount of the fee reflecting infrastructure value is recovered in the sales price. Additionally, the increment above the fee represents the value of the infrastructure as a whole and/or the certainty perceived by the market that facilities will be provided at a desired level and quality of service (i.e. no congestion) regardless of growth pressures.”***”**

Source: The Brookings Institute
Paying for Prosperity: Impact Fees and Job Growth

Infrastructure

Police and fire departments are well staffed to contend with the growing population. A new fire station is being built in anticipation of the town's growth and a new high school will be built within the next few years. It is anticipated to be even larger than Wando, which has a student population of 3,800.

Impact Fees

The second goal of the Growth Management Plan introduced by Town Council states to:

Appropriately adjust development costs to pay for public infrastructure such as roads.

Objectives:

1. Increase impact fees for transportation
2. Eliminate waiver of recreation impact fee for developments providing amenities.

Mount Pleasant has the highest impact fees in the region. For each new single family home, the Town collects on average \$8,360. The fees for commercial development vary. There is concern that raising the impact fees will further impact housing affordability.

Parking

The controversy over parking (or perceived lack thereof) associated with The Boulevard spawned an upheaval regarding lack of adequate parking, especially due to the overflow of parking in historical, residential neighborhoods. Parking is and always has been a major issue for the town and The Boulevard, Earl's Court and the proposed Office/Parking garage at Shem Creek have all raised significant concern. The town should reexamine its parking requirements to ensure adequate parking to meet the project needs. The town might consider creative alternatives to parking that include residential permits, public parking, updated parking ratios for new construction, and shared parking strategies.

Traffic

Roughly 17,000 individuals commute into Mount Pleasant daily and 25,000 commute out. There is no transit system and transportation must be dealt with as a region. Although Mount Pleasant has been referred to a "Southern Highway Town" and Coleman Boulevard a thoroughfare to the beach, beach traffic is only an issue for 35 days out of the year. The real issue and the most heavily trafficked area is Highway 17N, not Coleman.

It is universally agreed that the town needs to be realistic about traffic. The Chamber and the Council are attempting to engage the younger, working professionals in this discussion to diversify feedback. Multi-family and mixed-use structures reduce cars on the road, but in no way do they eliminate traffic problems. The huge master planned communities are the ones that contribute to the traffic problem (Park West), not The Boulevard per se. Traffic is exasperated by a lack of adequate workforce housing. Workers from other communities need to be brought in, especially for the hospitality and service industry.

Sprawl is bad for public safety and health. Americans who live in less dense neighborhoods are between two and five times more likely to be killed in car accidents, and are twice as likely to be overweight as those in more walkable neighborhoods. Also, research described in the report suggests that smart growth reduces per-capita crime rates by increasing “eyes on the street” and economic opportunity for people at-risk for criminal activity.

Residents of compact, connected communities save more money and have greater economic mobility than they would in more sprawled, automobile-dependent neighborhoods. Households in accessible areas spend on average \$5,000 less per year on transportation expenses, and real estate located in smart growth communities tends to retain its value better than in sprawled communities, due to greater accessibility to services.

These communities are also more inclusive for people who cannot drive: they offer easier access to schools, public services, and jobs, and encourage mixed-income communities. Because of these factors, research shows that lower-income children tend to be much more economically successful if they grow up in smart growth communities.

Report Estimates Sprawl’s Cost to United States at \$1 Trillion per Year,
UrbanLand.ULI.org, March 23, 2015

Affordable Housing

Affordable, or workforce housing, is seen by many, including those on Town Council, as a significant issue. The challenges facing this critical need are many. The lack of adequate workforce housing is not just a capital issue, it’s also a matter of advocacy for those who need it. In fact, the need is so great, the availability so inadequate, and the “average” house costs so out of reach, many Mount Pleasant residents have almost been priced out of the market.

To compound these issues, there is the undeniable stigma associated with affordable housing. There seems to be a misconception about what truly constitutes affordable or workforce housing versus subsidized or government housing. Some say that race is the real issue in Mount Pleasant (while traffic is the polite issue). Residents in affluent neighborhoods have not embraced affordable housing developments in close proximity to their single-family homes. Some feel there is an artificial inflation of the housing market as a result.

Mount Pleasant also has the highest impact fees in the area. Teachers, city employees, emergency responders (police, fireman, hospital workers), and public works staff cannot afford to live there. At some point, risk mitigation becomes a major concern. How will these people get in, in the event of an emergency? Business owners are also aware of the difficulty of finding and keeping a local workforce. Most of the service workforce needs to commute long distances from more affordable areas, which only increases the traffic problems.

Stakeholders agreed that there has been a “stopping and starting” of initiatives to address the need for affordable housing. Community organizers were in favor of the “node strategy” as proposed in the Master Growth Plan of 2008, however, subsequent updates to the plan altered specific components that addressed the issue.

Some feel that workforce housing is being used as an excuse to boost density and the real affordable housing needs aren’t even coming close to being met. They suggest that workforce housing has been usurped as a way to disguise profit motivation. Mount Pleasant has a history of rezoning commercial property into single family residential, for example many of the high-end residential neighborhoods at the base of the Ravenel Bridge. The cost to service residential is significantly higher than to service commercial and there is concern that the town is not doing enough to attract businesses by ever-changing zoning regulations. The issues surrounding workforce housing seem to be a result of the lack of a clear economic development strategy and there is the general feeling that opportunities to live and work in the area should be enhanced.

OBSERVATIONS & FINDINGS

Based on the briefing, tour of relevant areas and stakeholder interviews, the Panel amassed a collection of observations and feedback for addressing responsible growth in the Town of Mount Pleasant.

While the Coleman and Ben Sawyer Boulevard Master Plan of 2008 involved a tremendous amount of public participation, implementation, and execution of the plan seems to have had less public involvement. Residents of surrounding neighborhoods feel they were not adequately educated as to what was coming (The Boulevard, Earl's Court) and how it would impact them. There is concern that the execution of the Boulevard, although meeting the stated city design requirements, did not meet the expectations of the community.

As such, there is an overall lack of trust due to the unpredictability of the developments. Community involvement needs to be encouraged and welcomed. The town is struggling to agree on what they want to be, to whom, and how to manage the certain increased growth

- Several stakeholders interviewed felt there was an overall lack of leadership;
- Residents, council, and developers need to get on the same page for a shared vision of the direction of Mount Pleasant to balance the existing character of the town and what it will look like in the future;
- People would like to see more unification, using the approach that worked for Johnnie Dodds and the Ravenel Bridge;
- Residential growth requires a commercial tax base;
- Growth Management Plan does not impose any environmental regulations;
- Overall there is national migration to the coast. The people are coming; it's a fact. Now it's a matter of figuring out where they will live and work;
- The whole concept of "mixed-use" doesn't quite work, or at least has not had the time to develop the critical mass needed;
- Not every property needs to be mixed use, but high density nodes should be mixed use;
- Traffic is and will continue to be an issue until it is given direct attention;
- Density/ Height Restrictions/ Design: These things can and will be improved with increased communication and a positive development experience;
- An economic development strategy is necessary to tie all the pieces together;
- Unpredictable zoning approval process wastes time and money; and
- A plan needs to be developed for affordable workforce housing.



Rendering of Coleman Blvd. for Revitalization Master Plan for Coleman and Ben Sawyer (2008)

RECOMMENDATIONS SUMMARY

The ULI Technical Assistance Panel, comprised of a diverse collection of individuals across government, real estate, transportation and development industries focused specifically on the three primary goals as laid forth in the Growth Management Plan presented by Mount Pleasant Town Council in March of 2015.

- ***Curb the number of allowable residential units as a means to responsibly manage density and population.***

The Panel suggests that specific high-density nodes should be identified throughout urban corridors, where population growth and residential and commercial development is appropriate. This would involve adjusting the urban corridor overlay districts to accommodate smaller, more condensed pockets of development in already heavily trafficked areas. The higher density nodes should focus on integrated mixed-use development. Therefore, the Panel disagrees with the proposal to require a 100% commercial street frontage requirement for multi-family development.

It is believed that bonus density execution can be improved, as opposed to eliminated altogether. Means of doing so include enhanced architectural design, better consideration of the impacts of parking and increased traffic, and stronger compatibility with surrounding neighborhoods. Rather than eliminate development opportunities, focus on correcting the mistakes of the past and finding a middle ground. Collectively, the town needs to find agreeable solutions for workforce, senior and affordable housing, and ensure that appropriate execution of those plans occur.

High density nodes should be in places that limit negative impact on the character of the existing single family communities.

- ***Appropriately adjust development costs to pay for public infrastructure such as roads (i.e. growth pays for growth).***

To reiterate, Mount Pleasant already has some of the highest impact fees for new development in the region. Increasing those fees even more may yield lower land values while simultaneously driving valuable development elsewhere. This measure could possibly also lower the value of land that is subject to development or redevelopment.

Alternatively, Mount Pleasant might consider actually incentivizing development with lower impact fees, but only within specifically designated high-density nodes. The Panel also suggests eliminating the waiver of recreational impact fees for developments that provide non-public amenities.

Office tenants show no strong preference for either downtown or suburban locations. Yet the study reveals a clear preference for suburban vibrant centers over typical single-use suburban office environments, and demonstrates that office properties in suburban vibrant centers are outperforming those in typical single-use suburban office areas on almost all metrics.

Source: <http://www.naiop.org/preferredofficelocations>

- ***Enhance quality of life through the acquisition of open space and the expansion of recreational lands.***

To this end, the Panel recommends strategically identifying where to purchase recreational land; ideally where the people are today and where they will be tomorrow. Investigate possible partnerships and coordination with conservation groups, specifically the East Cooper Land Trust and the South Carolina Coastal Conservation Group. It is worth investigating the implementation of a half-cent sales tax in partnership with Charleston County in this endeavor, possibly imposing a hospitality tax and/or introducing a bond referendum to protect certain parcels of land.

- ***Overall***

A comprehensive shared vision for the future with a clear implementation strategy is essential in managing growth in Mt. Pleasant. The Coleman and Ben Sawyer Boulevards Revitalization Master Plan of 2008 was a response to the collective vision at the time. The Growth Management Plan of March 2015 is a response to the concern that growth happened more quickly and perhaps in a way that was not fully anticipated. The Growth Management Plan is seen by most as a way to take an opportunity to evaluate what is working well and where adjustments need to be made.

It is important that the Revitalization Plan of 2008 not be altogether abandoned. The Panel recommends concentrating on specific nodes that would be appropriate for higher density along the corridors with particular attention to abutting single family neighborhoods. Ensuring appropriate and clear design guidelines and zoning to address height, setbacks, compatibility with surrounding areas, sensitivity to environmental concerns and quality design elements will help developers know what is expected and will assist the Design Review Board in evaluating projects. There should also be some built in flexibility for the Design Review Board and staff to suggest creative approaches that maintain the intent, yet provide for better design opportunities.

Workforce housing is a significant need in Mt Pleasant. We understand that the community through a task force identified a number of options. These need to be revisited as well as new approaches evaluated. Bonus densities are just one approach – but will never be adequate to address the growing housing affordability demand.

There is an urgent need for an economic development strategy that is realistic and appropriate for Mt Pleasant with a focus on attracting and growing businesses that fit the scale of the town.

Traffic is certainly a concern for residents. Large scale residential developments that have occurred further from the core have exasperated some of the traffic issues. The link to the beach areas adds additional through traffic. More concentrated development where people can live and work can reduce some of the traffic congestion.

Transparency and better education regarding proposed developments could be improved. Required neighborhood meetings can assist in addressing the concerns about traffic, parking and other issues that may evolve. Having the opportunity for a diverse population of residents to participate can help alleviate the unknowns of a project.

“Community emerges when we work together to strengthen the values that we share” - St. Augustine

Key Takeaways

- 1. The community of Mount Pleasant should decide together how they will manage growth through a shared vision that involves the entire community and that vision must be amongst residents and town council, backed by an implementation plan. Visioning should be process of residents/property owners/businesses as well as elected officials)*
- 2. A framework plan that considers land use, transportation and infrastructure would help to shape a shared vision.*
- 3. In most communities, bonus density is a sign of prosperity and positive growth. In the case of The Boulevard, it was an attempt by the town to address affordability but that one project alone would never be enough nor effective, . Not all density is bad. Find where it works best*
- 4. Not all density leads to more traffic. Density can be a tool to control and limit traffic with increased walkability and shorter drive times.*
- 5. Impact fees are too high: they can be an impediment to responsible development.*
- 6. The town would benefit from both an immediate plan to address the immediate issues and a long-term shared strategy to address those issues that require more time.*

THE PANELISTS BIOGRAPHIES



Nancy Whitworth, Deputy City Manager, City of Greenville

Nancy is the deputy city manager and director of economic development for the City of Greenville. In addition to her role as deputy, she is responsible for commercial and neighborhood revitalization, downtown development, business recruitment and retention, planning and zoning and building codes. A native South Carolinian, she has been in Greenville for over thirty years and has been fortunate to participate in Greenville's transformation.

Nancy has served as an expert panelist and lecturer throughout the country, advising communities on downtown revitalization, strategic planning and public/private partnerships. She has authored articles on Greenville's award winning downtown and meets frequently with other cities to share Greenville's success story.

She received Master of Science and Bachelor of Arts degrees from Clemson University. She is a member of the American Institute for Certified Planners, the International Council of Shopping Centers and Urban Land Institute. Nancy is also a member of The University Center of Greenville, Inc., Board of Trustees, Greenville Professional Women's Forum, Commercial Real Estate Women (CREW) Upstate and Clemson University Advancement Board for Real Estate

Development.

She has been recognized as Greenville Magazine Business Person of the Year, recipient of the March of Dimes Real Estate Award for work in economic development, the Greenville Chamber of Commerce Buck Mickel community leadership award, the Leadership Greenville Distinguished Alumnae Award and Award from Greenville Area Development Corporation for community vision and leadership.

W. Aaron Conley, President and Managing Principal, Third Act Solutions

W. Aaron Conley is a real estate professional with significant experience in real estate development, design and construction management, and finance. His career focus has been creating purpose-built operationally sensitive spaces for clients and employers with long term portfolio assimilation and single asset development.

Conley's past and current clients include Health Care REIT, Bell Senior Living and the Steven D. Bell Company, Clinton Memorial Hospital, Retirement Living Associates, The United Methodist Manor of the Pee Dee, Kane Realty Group, Drucker and Falk, British Petroleum, Bloomingdales and Macys, Brambles Limited, US Department of Navy and NAVFAC, and The Scotts Miracle-Grow Company as well as other industry leaders.

Conley has extensive experience working in several real estate sectors including senior housing, student housing, retail, single and multi-family residential, and office. His experience includes all facets of the project development and finance continuum.

Conley has significant senior housing and health care real estate experience specializing in the Southeastern U.S. He has been responsible for the planning of projects that combined, total over 600 senior living units with combined project costs exceeding \$500 Million. Additionally, Conley has worked with several Hospital Systems and Medical Practices in the creation of their clinical and office space.

Conley holds a Bachelor of Science from the University of Cincinnati. He is a Full Member of the Urban Land Institute (ULI) where he currently serves as the Vice Chair of the Senior Housing Product Council and is also a member of ULI's National Programs and Product Council Strategic Planning committees. Conley has been a featured speaker at ULI and National Active Retirement Association. Conley has been featured as a Senior Housing Industry expert in Urban Land Magazine, Senior Housing News, and several ULI publications



Jonathan Guy, Traffic Engineer, Kimley Horn

Jonathan Guy has over 17 years of experience in transportation engineering, planning, urban design, and traffic operations. His emphasis has been on the development of sustainable transportation solutions that recognize the inherent relationship between land use and transportation. Jonathan’s planning philosophy is one that seeks balance between competing interests, with a fundamental understanding of each corridor’s place in the larger transportation system. He has a passion for urban environments and has worked on projects that seek to promote smart growth, infill development, and walkable communities. Most notably, Jonathan has a breadth of experience creating systems level transportation plans as well as corridor-specific plans with multimodal interests. Mr. Guy’s 17 years of engineering and planning experience encompasses both public and private sector projects located throughout the southeastern United States.

Jonathan holds a Bachelor of Science in Civil Engineering from the University of North Carolina at Charlotte. Jonathan joined Kimley-Horn and Associates in 2003 and is currently the Office Practice Leader for the Columbia, SC office. Mr. Guy is a registered Professional Engineer

in the States of North Carolina, South Carolina, and Georgia. He also is a Certified Planner with the American Institute of Certified Planners. He is also a member of the Institute of Transportation Engineers, Urban Land Institute, and the American Planning Association.



Phillip Payne, Principal and CEO, Ginkgo Residential

As CEO, Mr. Payne has primary responsibility for the overall strategic direction, growth and development of Ginkgo. From February 2007 until the formation of Ginkgo, he served as the CEO of Babcock & Brown Residential. Prior to Babcock’s acquisition of BNP, Phil was the Chairman of BNP, spearheading its growth from a passive REIT in 1994 to an apartment REIT with approximately 9,000 apartment units by 2007. As BNP’s Chairman, Phil led the sale of the company to Babcock & Brown Ltd. in 2007, at a valuation that represented a doubling in BNP’s share price from the time he took over as Chairman. In addition to his duties at Ginkgo, Phil is a member of the Board of Directors for Ashford Hospitality Trust, a REIT focused on the hospitality industry. Phil received a BS degree and a JD degree, both from The College of William and Mary in Virginia, in 1973 and 1978, respectively. He holds a license (inactive) to practice law in the State of Virginia. Phil is a member of the National Multi Housing Council and the Urban Land Institute (“ULI”). He is the founding Chairman of ULI’s Responsible Property Investing Council and is co-chairman of ULI’s Climate, Land Use and Energy Committee. He is a member

of Fannie Mae’s Green Financing Taskforce and the Leadership Council for Garrison Institute’s Climate, Mind and Behavior (CMB) Program. Phil has written for various publications and spoken at numerous conferences on a variety of topics, including real estate investment trusts, securities regulations, finance and responsible property investing.



Lisa Sulka, Mayor Bluffton, South Carolina

Elected as Mayor in 2007, Sulka was the first woman to hold this office. She has led the Town of Bluffton through its phase of explosive, yet focused growth as it became the state’s fastest growing municipality and the state’s fifth largest town in land-mass thanks to multiple annexations and the attraction of its high quality of life. Sulka started her public service as a Town councilmember. She served in that capacity from 2004 to 2007. She hasn’t stopped promoting the Town since then, for she not only is the Mayor, Sulka is one of the Town’s most active ambassadors.

Sulka was instrumental in campaigning for Bluffton to be the site of Clemson’s first Technology Village. Bluffton was the first non-metropolitan area to establish a business incubator through the Clemson program. The incubator, The Don Ryan Center for Innovation, was established in 2012; a year before any other town established a similar organization. To date, Sulka is the Chairman of the Board for Bluffton’s innovation center.

In her profession, Sulka works for Carson Realty, a full-service real estate firm in Bluffton. Sulka is leading the future vision for the Town. That vision retains the Town’s small-town culture as it adds a progressive business strategy. With a business-friendly environment, the mission is to attract more primary jobs to the area as the region diversifies its economy.



D. Scott Wilkerson, Chief Investment Officer, Ginkgo Residential

Scott leads all acquisition and investment activities for Ginkgo. His direct experience in the multifamily industry spans more than 28 years. During his tenure at BNP, Scott served in various officer-level positions, including Vice President of Administration and Finance and Vice President for Acquisitions and Development before becoming President in 1994 and a Director in 1997. While at BNP, he had primary responsibility for the acquisition, rehabilitation and repositioning of 36 apartment properties with over 8,000 units. From 1980 to 1986, Scott was with Arthur Andersen LLP, serving as tax manager from 1985 to 1986 and representing real estate investors, developers and management companies. He received a BS degree in accounting from the University of North Carolina. Scott is licensed in North Carolina as a Certified Public Accountant and is also a licensed real estate broker and the Principal Broker for Ginkgo. He serves on the Board of Directors of the National Apartment Association, for which he also serves as a Regional Vice President. He is a member of the National Apartment Association Budget and Finance Committee and formerly chaired the group's Green Housing Task Force and Membership Equity Task Force. He is also a past President of both the Apartment Association of North Carolina and the Greater Charlotte Apartment Association and a member of the National Multifamily Housing Council. Scott regularly participates on industry panels and gives presentations on various topics related to the apartment industry.



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