

Growth *and* Development



GARY

WHITE

for **MAYOR**

We are One Lowcountry, One Community, One Charleston

Thought Leadership
Position Paper

5/29/19

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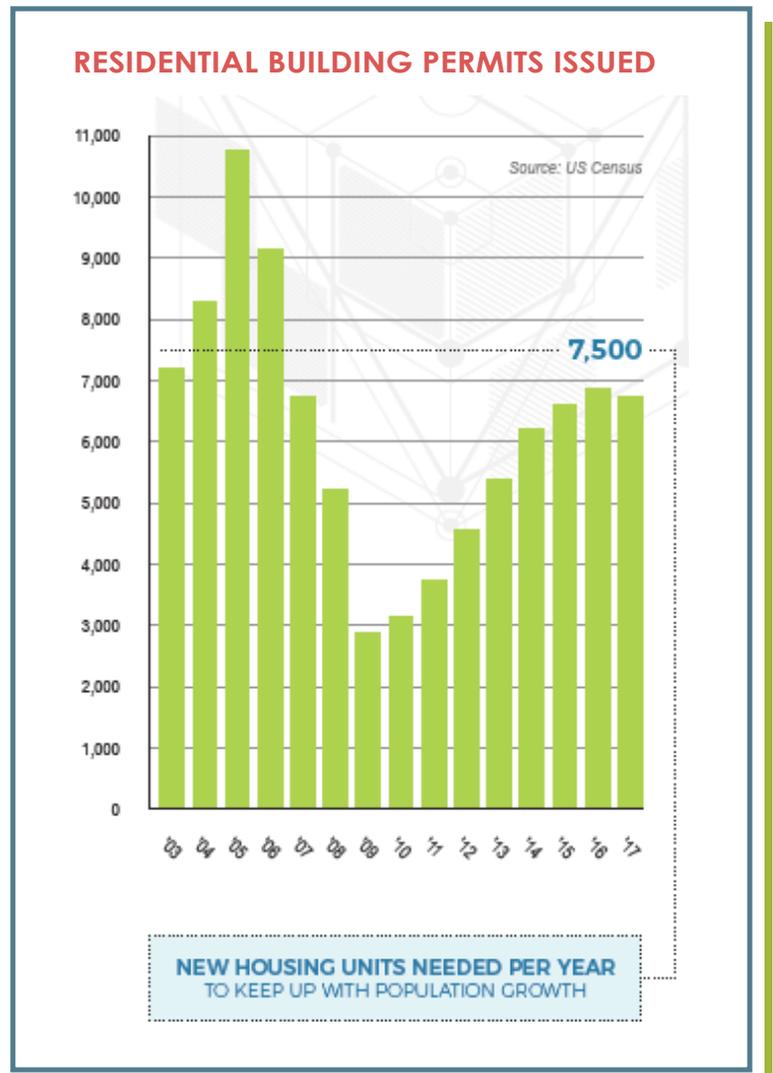
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Abstract

The City of Charleston is growing and this is a good thing. If Cities aren't growing, they're dying. But growth must be done in a way that does not deteriorate our quality of life. Charleston is continuously touted as being the number one tourist destination in the world. Charleston must also be the Number 1 location for our residents as well.

Problem Statement

The City has experienced an abundance of new developments in the last few years which has led to many residents getting 'development fatigue'. The issue with development that creates so much anxiety is not the fact that people don't like Hotels or Apartments, but when done without vision people fear that development will lead to a loss of quality of life. That fear is understandable and warranted. The Mayor of the City of Charleston is responsible for creating the vision for our City. It is just as important that the Mayor is able to articulate that vision to developers. When developers are left to develop their property without any guidance or vision from the Mayor and his administration, developers will simply develop their property based solely on profitability without regard to what might be the best and highest use of their property from a civic planning stand point. The City's current administration has not developed any vision for our City and therefore we now find our City in the current circumstance of development that lacks diversity of uses and no semblance of civic planning.



Source: Charleston Metro Chamber of Commerce, The Developers Council, Investment Opportunity Study, January 2019. <https://www.charlestonchamber.org/news/resource/>

Problem Statement *cont'd*

The charm and character that we all love about Charleston is that it is a vibrant and living City. The peninsula is unique because people live in neighborhoods in our City Center, businesses operate in our City Center and we have world class restaurants and shops that line our streets. When done correctly all these uses create the vibrancy and charm of our peninsula. But when the pendulum swings too far and too many buildings are repurposed into singular uses, hotels and apartments for example, our City's diversity of use diminishes and so does our City's character.

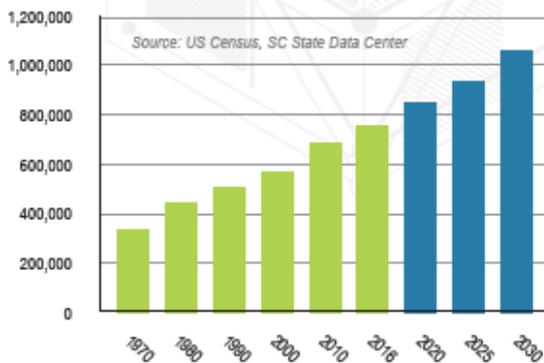
Background

Instead of creating a vision for Charleston, the current administration has chosen to try and force development via zoning laws and moratoriums.

CONTINUED POPULATION GROWTH

The Charleston Region's population has experienced a long run of steady population growth. We've grown at roughly 2% per year since the 1970's. Growth projections show neither surge nor slow down. Continuing at our projected pace, the region will top one million residents by 2030.

POPULATION TRENDS / PROJECTION



2%

AVERAGE GROWTH PER
YEAR SINCE THE 1970'S

The problem with this approach is that it is shortsighted and does not address the root cause of the issues facing our City. Most importantly this approach lacks vision. The definition of vision is the ability to think about and plan the future with imagination and wisdom. To create great vision for our City, the Mayor must be knowledgeable of what makes our City great. The Mayor must have the imagination to understand how to enhance our future. The Mayor must be thoughtful in creating an approach that supports the growth of our City with the sole focus of enhancing our residents' quality of life. Our City needs hotels and apartments, but we also need office buildings and retail shops and single family homes and condominiums. So what is the root cause of the "hotelification" of the peninsula? The driving force behind hotels being developed is the money.

Source: Charleston Metro Chamber of Commerce, The Developers Council, Investment Opportunity Study, January 2019.
<https://www.charlestonchamber.org/news/resource/>

Vision

- the ability to think about and plan the future with imagination and wisdom.

Today, developers are encouraged to build hotels and apartments because they produce the highest returns on their investment. However, when hotel and apartment occupancy rates begin to drop (*and they will*) and return on investment drops accordingly, developers will start building the next best option. So number one, the market will dictate what developers choose to build. Today our issue is hotels, but tomorrow it will be something different.

The Mayor tried to put in place a moratorium on hotels on the peninsula. The main issue with this idea is that it does not fix the root cause of the problem, it just kicks the can down the road. A moratorium is taking the easy road out (hitting the easy button), but it does not fix the problem. To fix the problem requires a much more in-depth approach to civic planning and the foresight and vision into the future of our City.

In the last 10 years the zip code downtown, 29401, has lost nearly 6,000 jobs. So today our focus needs to be on protecting our office buildings from being converted into other uses such as hotels. However, our issue will be something else in the future. We must be prepared to address our City's issues now and in the future. The way to do that is by having vision.

SHIFTING POPULATION AND EMPLOYMENT CENTERS

Population and employment have grown in most corners of the region, but the growth rates are uneven. Consider that all of the top ten zip codes for jobs in 2005 remain in the top ten in 2015. But their order has changed and their growth rates over that decade range from a 106% increase in the 29418 zip in Northwest North Charleston to a 19% decrease in the lower Peninsula.

ZIP	AREA	JOBS 2005	JOBS 2015	% CHANGE
29406	North Charleston	32,208	37,282	15.8%
29403	Upper Peninsula	18,719	28,598	52.8%
29418	North Charleston	13,805	28,413	105.8%
29464	Mount Pleasant	21,736	26,959	24.0%
29401	Lower Peninsula	31,177	25,375	-18.6%
29407	West Ashley	19,587	24,261	23.9%
29405	North Charleston	23,344	23,802	2.0%
29483	Summerville	15,274	20,789	36.1%
29461	Moncks Corner	11,750	11,122	-5.3%
29445	Goose Creek	11,063	10,881	-1.6%
All Other Zips	All Other Areas	57,107	81,137	42.1%

Source: Charleston Metro Chamber of Commerce, The Developers Council, Investment Opportunity Study, January 2019. <https://www.charlestonchamber.org/news/resource/>

Solution

Under my administration, I will develop an Economic Development department that is charged with supporting the economic diversity, vibrancy and livability of our City with a clear focus on creating a robust and diverse economy in our City. Additionally, I will create an Economic Development Committee of City Council. Part of that process will include creating a priority list based on building uses that the City wants to support. The goal of the Economic Development Committee will be growing our City's economic diversity and protecting the diversity of uses of our built environment. All of which will enhance the quality of life and livability for our citizens.

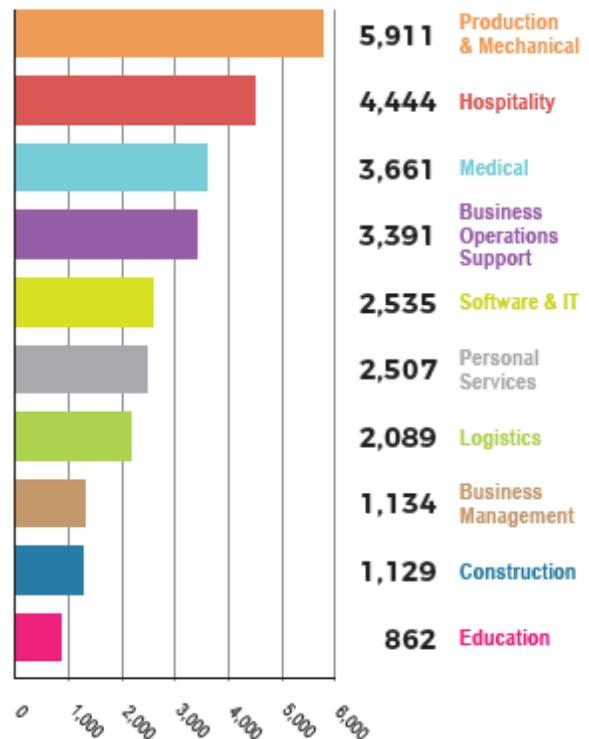
So how does this all tie into fixing the 'hotelification' of the peninsula? As previously mentioned, developers will gravitate to the most lucrative project they can build. There are two major factors that drive development cost and subsequent profitability in the City 1.) the length of time for permitting and 2.) parking. So moving forward under my administration when a developer comes to the City with a plan to build a project, if that project type/use is one that fits within the City's vision and accordingly is a priority for the City, a liaison from our newly formed Economic Development Department will be assigned to that project and will work proactively to usher the project through the process. The result will be a cutting in permitting times and supporting their need to find and appropriately park their project. By doing this the City will be able to proactively encourage the right type of development and protect our City's diversity of uses.

Additionally, new developments will be required to make infrastructure improvements that will have a positive impact on the City and to their neighbors. Developers will be asked to help identify ways to address the issues facing our City's flooding, traffic and parking issues. By working together we are stronger. By working together the City and the private sector can work collectively to have a meaningful impact on our City.

STRONG JOB GROWTH

Over the past two decades, the Charleston Region has enjoyed incredible success diversifying its economy. Military and hospitality jobs that once dominate employment are now balanced with equal or larger employment bases in aerospace, automotive, logistics, software/IT and medical jobs. Conservative estimates project for 35,000 new jobs over the next five years with 80% of these new jobs being in 10 high growth sectors.

2017 - 2022 JOB GROWTH IN CHARLESTON



Source: Charleston Metro Chamber of Commerce, The Developers Council, Investment Opportunity Study, January 2019. <https://www.charlestonchamber.org/news/resource/>

Solution *cont'd*

As the market changes and the need for the City to support and encourage different uses change, our priority lists can be adjusted to reflect the future needs of our City. The difference between my approach and the current administration is I choose to encourage the right behavior with a carrot, the Mayor chooses to hit the easy button and use a stick. My approach requires hard work, focus and dedication to a vision for our City.

When I meet with developers that are looking to develop projects in the City, overwhelmingly they say the same thing: “They are happy to follow the rules, just tell us what the rules are, and don’t change the rules in the middle of the game.” Their sentiment directly stems from the current administration’s lack of vision.

The price of *greatness* is RESPONSIBILITY.

- Winston Churchill

Conclusion

As Mayor of the City of Charleston, I will ensure that our City has a clear vision for our future and that our 1750 City employees work collectively and confidently every day to turn our vision into reality. Every time I meet with any developer looking to build a project in the City, I do and will always tell them, “their development must be completed so that it becomes an asset to our community and not a liability.” Often developers get frustrated with me because I require that they get the support of the community and their surrounding neighbors before I will support their project. Over the years, one thing remains consistent, because of my insistence that they receive support from the community, inevitably, their project ends up better in the end. This is simply due to the collaborative effort between the developers and the communities. In the end, the developers ultimately agree that because of this collaborative approach their projects end up better.

Under my administration, developers looking to build new projects in our City will be required to adhere to the vision of our City and for their project to become an asset to our community, rather than a liability.

We must grow responsibly. Our future depends on it.



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References

Charleston Metro Chamber of Commerce, The Developers Council,
Investment Opportunity Study, January 2019.

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