

9. Case studies

The Cooper River waterfront is an important redevelopment opportunity in downtown Charleston. Port uses have begun to leave the Cooper River waterfront. In their place, Charlestonians have begun to add to their legacy of fine buildings and beautiful parks. The challenge is to blend this development with the existing city.

The change in the Cooper River waterfront is evident in this 1984 photograph.



The Maritime Center and Waterfront Park are two new uses on the waterfront.



How do the principles underpinning the Downtown Plan shape new development? What development is appropriate in each of these areas? To illustrate the appropriate scale and shape of development, three broad case studies examine the areas where the greatest change is anticipated: the Ashley River Waterfront, the King and Meeting Corridor and the Cooper River Waterfront. Broad guidelines are established to provide direction and shape development in these areas, laying the ground work for more detailed examination in the future.

9.1 Cooper River waterfront

The opportunity

The planned departure of the port-related uses from Union Pier creates an unparalleled opportunity in downtown Charleston to reclaim a long stretch of the water's edge. It offers the extraordinary opportunity to create a new waterfront neighborhood. It offers the potential to disperse visitor related activities to a new waterfront location and create new housing opportunities.

On paper, Charleston has developed a well-conceived and thoughtful structure for the Cooper River waterfront. The

Upper Concord Street neighborhood - already emerging - is proposed to occupy most of the waterfront. Two public focal points are created at the water's edge: one to the north at the terminus of Calhoun Corridor and the other in the south at the terminus of Market Street. A waterfront trail, linear park, and playing fields provide north-south connections.

Most of the residential neighborhood and the southern focal point is covered by the Union Pier Terminal Concept Plan. Generally, the Union Pier Plan is a well-conceived and thoughtful plan to extend the city to the water. The design successfully incorporates and balances commercial areas with a new residential neighborhood, reinforcing the city structure. The challenge will be to make the transition between the activity area along Calhoun Street and the residential neighborhood immediately to the south.

To ensure that the waterfront emerges with the type of atmosphere and activity level that is envisioned, a number of issues need to be addressed. As some of these projects are very close to being realized, there is some sense of urgency.

Recommendations

The comments below reflect a comprehensive evaluation of the plans and projects proposed along the Cooper River waterfront from an urban design and planning perspective. Comments also reflect the preliminary analysis prepared as part of the ongoing *Downtown Parking and Traffic Study*. In this regard, specific comments address the mix of uses and height proposed in the Union Pier Terminal Concept Plan. Finally, specific comments are made with respect to the Calhoun Street property, a parcel that has been the subject of much discussion.

The public realm

Waterfronts are among the most public of places. They invite visitors, strolling, contemplation, and recreation. The quality of the public realm, the places where people walk, play, drink coffee and sit, will therefore be of utmost importance to the success of this new area as a visitor destination and as a neighborhood. The Cooper River water's edge must be public and accessible. The parks must be defined and framed by new structures to make them feel safe and to give them the same intimate atmosphere found in the historic city. The streets need to be pedestrian friendly and framed by the built form; they must be inviting.



The waterfront trail/ riverwalk can take many forms. It is the creation of a continuous public route at the water's edge, that is key.

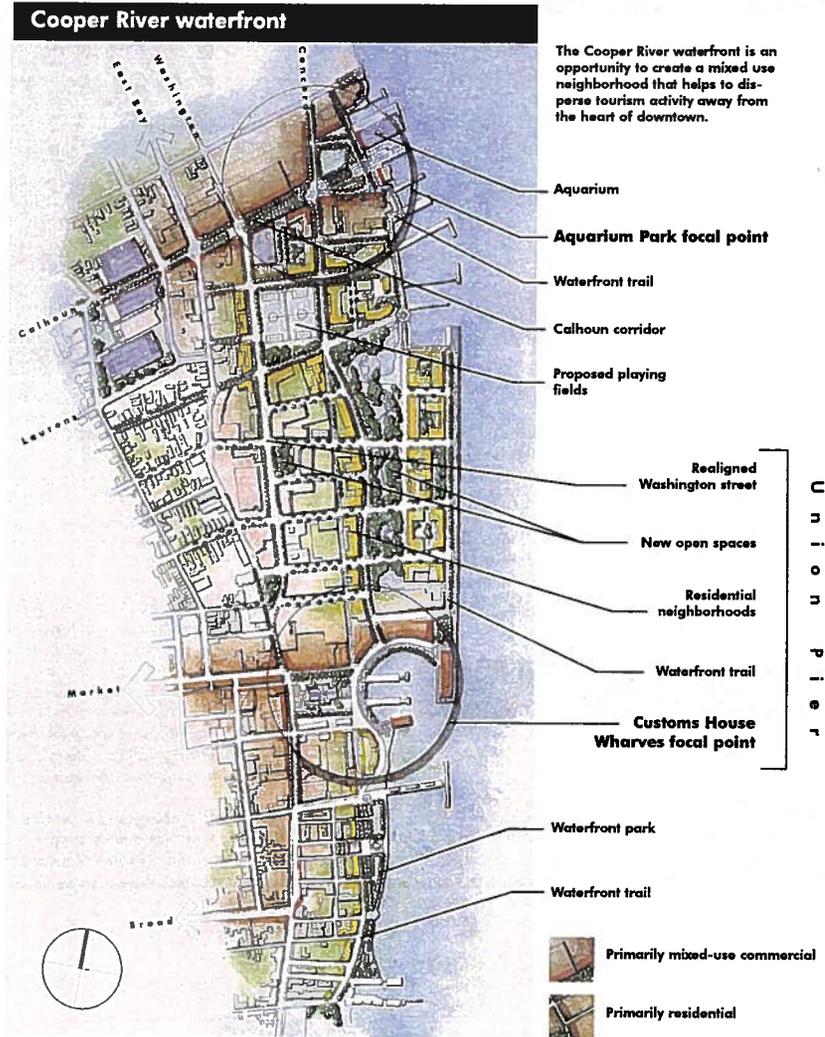
Achieving a successful public realm requires careful monitoring during the design and development of each project. There are a number of key issues to consider:

The waterfront trail: Securing the waterfront trail is the single most important initiative in this area. It cannot be left to chance. The City is already planning the extension of the riverwalk. In order to be successful, a high level of coordination is required.

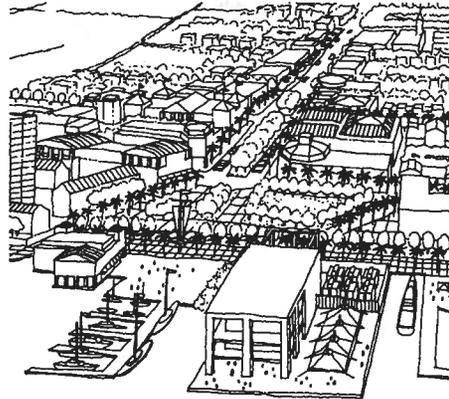
The Riverwalk right-of-way must be preserved along the entire length of the Cooper River waterfront, from Charlotte Street, north of the aquarium, to Laurens Street and then south, creating a continuous, spectacular riverwalk. The new trail must link with the Waterfront Park to the south. Provisions also need to be made for its future extension to the north, either on the East Bay Street edge of Columbus Terminal or along the waterfront in case this terminal is ever abandoned.

Currently, the waterfront trail is planned to extend north from the existing Waterfront Park and wind its way through the Union Pier Plan. Although in this section of the waterfront, the trail exists only on paper, it appears to be well-considered and clearly accommodated.

The river walk also needs to be designed and detailed from Charlotte Street to Union Pier so that developers know in advance what to expect. It must be wide - a minimum right-



The new Aquarium Park, as seen from above the Cooper River



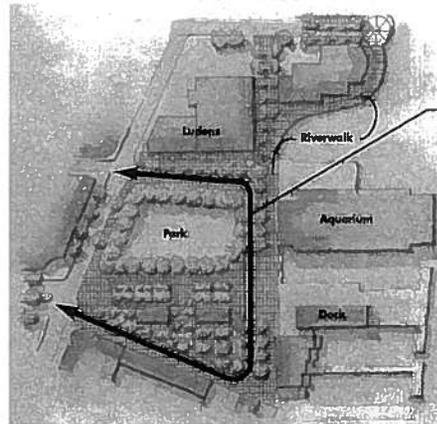
of-way of 30 feet is recommended - it must be comfortable, equipped with lighting, and street furniture. In short it must be a substantial and inviting facility. As each individual project proceeds, the corresponding portion of the walk should be built.

Each project is important. For example, the condominium proposed on Laurens Street will play a key role in ensuring the continuity of the waterfront trail. The right-of-way is currently very narrow as it passes by this building.

Waterfront streets: There is nothing wrong with streets that come right up to the water's edge, provided that they are relatively narrow, that cars move slowly, and that they are designed to make pedestrians comfortable. Streets with vehicles moving in a controlled fashion play an important role in making a place feel public.

In Union Pier, several of the streets are planned to meet the water's edge as cul-de-sacs. To create a more public feeling, a small, pedestrian-friendly and continuous street that is accessible from all of the blocks should run along the entire water's edge.

Similarly, at the terminus of the Calhoun Corridor, the streets proposed to edge the new park were positioned as service lanes to the Aquarium and a driveway to a newly proposed restaurant, creating a sense of ambiguity. To improve accessibility and create an inviting public space, these streets should be obvious public roads.



A narrow, pedestrian friendly street should be a part of the public space in the proposed Aquarium Park...



...traffic calming devices, such as the cobble stone paving on South Adgers, will help to create a "pedestrian priority" environment along this important water's edge.

Parks: Parks form an important part of the public realm. The park at the terminus of Calhoun Street should become an important link and focal point along the riverwalk. As well, this space is an important part of the Calhoun Street Corridor. As a focal point, it needs to be edged with active uses. All buildings surrounding the park, including the Luden's development should present a continuous public face to the park with windows and entrances animating its entire frontage.

Similarly, the design and feel of the playing field immediately south of the Calhoun Corridor will impact the atmosphere along the waterfront. The neighborhood and the downtown needs a field for recreational activities. The playing field design should aim for active use that is also appealing and contributes to an intimate, walkable environment.

Grain, scale, and the public realm: Given the large parcels of land available along the waterfront, it will be possible to incorporate larger scale structures. The larger the structure, the greater is the challenge to blend it with the surrounding context and retain the qualities and character of the historic city and in particular, the inviting public realm. For example, in keeping with the concept of a cultural area at the east end of the Calhoun Corridor, a number of uses are proposed to supplement the existing Gaillard Auditorium and Charleston County Library. The Aquarium is under construction and a theater is proposed on the Luden's site. Furthermore, at least three cultural or educational resources - a symphony hall, art high school, and museum - have

been considered for the northern portion of the Calhoun Street Property along Calhoun Street.

Each of these uses is housed in a large, single-purpose building. These buildings tend to be awkward to fit into a finely-grained city fabric. Their requirements for large service entrances, and typically blank walls on some of the sides tend to create a less inviting atmosphere for pedestrians. Great care needs to be taken to arrange the entrances and servicing requirements in a manner that preserves the vitality of grade level and a comfortable pedestrian environment.

Generally, a concentration of large institutions on a block should be discouraged, as it renders it difficult to create the intimate, neighborhood scale desired. Dispersal could also spread the economic benefits associated with such high-volume uses, and play a significant role in neighborhood revitalization.

Massing and the street edge: Buildings need to define the edges of open spaces and the streets. The redevelopment of the property next to the Maritime Center will play an important role in framing Concord Street and the new playing field. In this area greater density that comes up to the edge of the street would be appropriate.

FEMA flood plain regulations: The new, restrictive flood plain regulations will perhaps have the greatest impact along the Cooper River waterfront. Because all the development is new, most active uses will be elevated above grade, poten-

Despite the large parcels of land available along the waterfront, the pattern of use should be as fine grained and varied as in the French Quarter.



Along the Calhoun corridor and Cooper River waterfront, the existing land use pattern shows larger blocks and less variation.



The French Quarter existing land use pattern is much more intricate, and part of what creates Charleston's appeal.

tially creating an inhospitable pedestrian environment. One option is to elevate the height of all of the streets up to the level required by FEMA, in order that active uses be at street level. While this might be an expensive option, the cost must be weighed against the impact of FEMA on the livability, aesthetics and atmosphere, and therefore its sustainability as an attractive place for residents and visitors.

The Union Pier Terminal Concept Master Plan: mix of uses and built form

The Union Pier Terminal Concept Plan, dated June 26, 1996, comprises 2,438,000 square feet of development that includes a 200 room hotel; 238,000 square feet of entertainment / retail; 899,000 square feet of office; and, 515 residential units. The hotel, entertainment/ retail and 270,000 square feet of office use are proposed to be developed in Phase 1, while the remainder is proposed for Phase 2.

The early transportation analysis provided by the ongoing Downtown Parking and Traffic Study indicates that, under present transportation conditions, there may be insufficient local and arterial road capacity to accommodate the full development envisioned for Union Pier. Particularly, the square footage in office and retail / entertainment uses are most difficult to accommodate.

The transportation consultants have recommended the mix of uses proposed should be altered to provide a stronger residential emphasis and reduce the heavy peak hour demands of office and retail uses. The consultants have also indicated that transportation demand management strategies (i.e. car pooling, flextime or encouraging telecommuting) and transit initiatives must be a critical element of the redevelopment strategy.

Both recommendations support the principles and objectives of the Downtown Plan. The Cooper River waterfront is envisioned as an extension to the existing downtown residential character - ensuring a residential emphasis supports that vision and reinforces the priority of housing development on the lower peninsula.

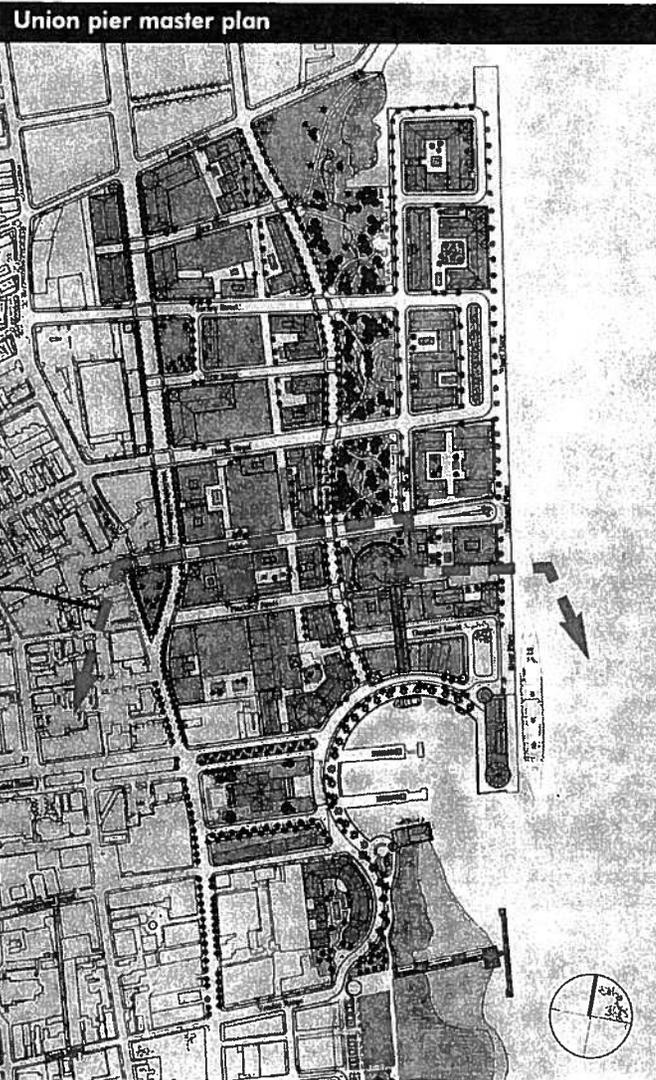
However, care must still be taken to ensure enough office development, namely in the order of 500,000-600,000 square feet, or approximately four office buildings the size of the Bank of America building at 200 Meeting Street. This will create the synergy of office uses critical in attracting new employers. Union Pier remains an ideal location for corporate head offices, housed in larger floorplate buildings than might typically be found in downtown. Overall, it is preferable to reduce the retail / entertainment uses in order to increase the number of residences. This reduction should be done while ensuring enough retail and

entertainment uses are retained to serve the new residents and employees of Union Pier.

A more detailed analysis of an appropriate land use mix and its associated transportation impacts should be undertaken as the Union Pier development comes closer to realization. Alteration of land use does not need to change the streets and blocks framework proposed in the Union Pier Master Plan, which reflects the Downtown Plan's principles and extends city's character to the waterfront.

The question of height has also arisen respecting the Union Pier Plan. In particular, the Union Pier plan allows for greater height - up to nine stories - on portions of five blocks. Generally, the Downtown Plan supports the existing height regime: lower heights around the edges of the peninsula, with higher heights along the central spine. In the Union Pier area, the Downtown Plan proposes to extend the existing neighborhood heights of 50 to 55 feet to the water's edge. The Union Pier heights should generally not exceed this 50 to 55 foot benchmark, in either Phase 1 or 2.

Height was carefully considered in the Union Pier Terminal Concept Plan - in particular with respect to view corridors. Residential buildings are permitted up to 90 feet in five locations, subject to more detailed architectural and design



review. The Downtown Plan supports the notion of height variation in a few strategic locations. However, there are too many uncertainties associated with the Union Pier Terminal Concept Plan to endorse a height increase: the Port Authority does not appear to be proceeding in the near future with a full Phase 1; transportation constraints require the reexamination of the projected land use mix. The Plan itself may undergo serious transformation to reflect these constraints.

Generally, the creation of a new neighborhood at the waterfront is an important Downtown Plan objective. Every available opportunity should be seized to develop more housing on the Cooper River waterfront as soon as possible. The Union Pier Terminal Concept Plan should be revised to take into account the recommendations and concerns noted in the Downtown Plan and resubmitted to City Council for approval.

The Calhoun Street Property: The Calhoun Street Property is a strategic and important parcel. It makes the transition between the institutional / cultural uses anticipated along Calhoun Street and the residential neighborhood and playing field proposed immediately to the south.

The Calhoun Street Property has an important front on each side that should be addressed. Calhoun Street, Concord Street, the Park, and Washington Street should each have a

face. If institutional uses are situated on this block, they will more than likely face onto Calhoun Street. However, structures should also be situated on this block to face onto the park and contribute to the creation of a residential neighborhood to the south.

A variety of uses could be incorporated onto this block to facilitate the transition from cultural corridor to residential neighborhood. Commercial, hotel, office, cultural or residential uses are all appropriate. Several small structures could be developed that add diversity and animation along the park edge and in the neighborhood. Simply put - more lobbies, more people doing different things, at all times of the day will help create a new, vital section of Charleston.

Residential uses are particularly appropriate in light of the desire to create a neighborhood in this area, although it is an alternative that may face difficulties, given the site's history. As well, the site's current environmental status appears to be unclear. There are also incremental costs arising from FEMA and potential environmental regulations. The city could explore strategies to ensure that benefits accrue to the community that was once displaced. This might be achieved by requiring low and moderate income units in a market housing scheme or by dedicating a portion of the proceeds of the unit or land sales for use in other housing programs - on potentially less expensive land to develop. Further study is required to assess environmental conditions and the cost of developing housing on this site.

As shown on the drawing, page 73, one possible scenario for development of the Calhoun property envisions a major institution located on the north-west corner of the site, a hotel on the north-east corner, and office space on the south side. There are numerous potential arrangements of uses on the block. Economies of scale can still be realized in developing shared parking and servicing with courtyard space above. The extension of Inspection Street across the site becomes a key element in this strategy, providing street access to the new uses. Generally, residential uses should be concentrated around the playing field as much as possible.

9.2 Upper King / Meeting corridor

The opportunity

The King/Meeting Corridor is the historic spine of the peninsula. It has been the entrance to the city and the land transportation artery since the city's founding - first by road and later augmented by rail. King Street is the historic and present day retail street - downtown's "main street" - and as such is both a regional and local destination. Marked by a number of prominent buildings and places, much of King Street between Calhoun and Cannon Streets is intact. The corridor also contains a number of conspicuous gaps that provide opportunities for redevelopment, particularly along Meeting Street.

The recreation of a strong transit route running down the King and Meeting Corridor is one of the single greatest opportunities in downtown Charleston. It will help to reduce the number of people commuting into the downtown by car and facilitate movement within the downtown. The commuter rail, proposed to connect downtown with the convention center and Summerville, plays prominently in this vision and needs to work in tandem with a comprehensive downtown transit system.

King and Meeting Streets are the north/south transportation and commercial spines that service the neighborhoods to the east and west.

Calhoun



To support this transit route, the redevelopment of underutilized sites with high density development is equally important, serving to reinforce the city's historic spine.

As well, the King and Meeting Corridor is an integral part of all of Charleston's neighborhoods. Its redevelopment is an opportunity to foster healthy neighborhoods along its length. By revitalizing the area in the vicinity of the Crosstown, a gateway area, there is also an opportunity to create greater linkages north up the peninsula and to the larger City of Charleston.

Connecting riverfront to riverfront, a series of perpendicular streets cross King and Meeting Streets. As reinvestment occurs, each of these crossroads is the natural location for an intensified public and commercial presence, a focal point or node. These intersections are already celebrated by the prominent siting of many public buildings and open spaces. Marion Square, at King / Meeting and Calhoun, and the "Four Corners of Law," at King / Meeting and Broad Street are two among many.

Recommendations

Reinvestment along the King and Meeting Corridor on underutilized sites should be developed in a transit supportive form. Higher-density residential, office, hotels, and

large assembly uses should be encouraged. The King and Meeting Corridor should be the location for the majority of all new retail added to downtown. Development should fit within its context. Existing buildings should be restored, preserved and adapted without compromising their architectural quality. To help ensure that the transit route becomes a reality along the King and Meeting Corridor, the rail / transit corridor should be preserved and restored in places where it has been lost.

There are number of notable opportunities along the King and Meeting Corridor:

Marion Square is the premier public space in the downtown and its restoration is currently under way. It is bounded on three sides by the main commercial spines of Calhoun, King, and Meeting Streets and is the "communal front lawn" for three churches and two prominent hotels. Although in recent years it has seen the addition of a gas station and a drive-through bank, the square has, in the past, been graced with a library and the Citadel.

A major building could be located to directly face onto Marion Square. The prime location is the federal building site, directly addressing the square. Ideally, this should accommodate a new public building, such as a symphony hall. However, a hotel or office would also be appropriate provided the ground floor on Meeting Street includes public or retail uses that will add street life and pedestrian activity to

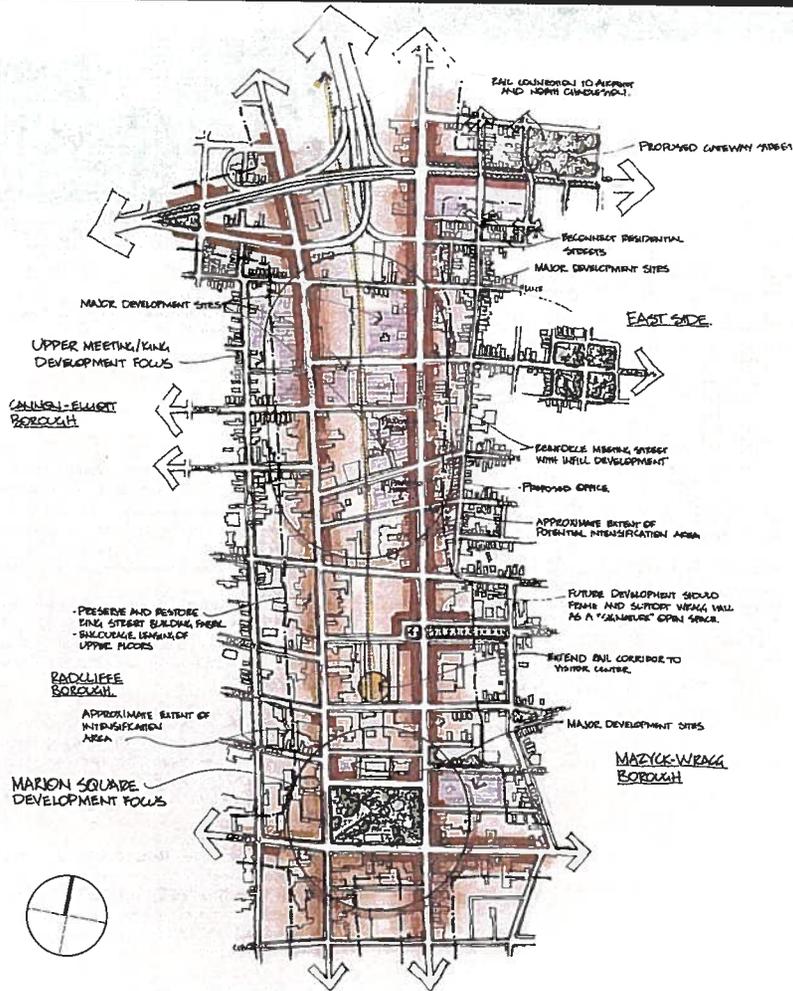
this important civic square. The rear portion of the property should be dedicated for housing to integrate the new development into the existing residential community.

The old library site is smaller, but also represents a significant development opportunity. Its appropriate redevelopment would further enhance the square to bring it the prominence it warrants. Together with the "the four corners of the law," a corridor of prominent places will be created in the heart of the city. As new development is planned and designed, particular attention should be paid to preserving the prominence of the church steeples, the old Citadel building and the "Calhoun Column" on the skyline.

Wragg Mall is a signature open space and should be supported and framed by new construction on adjacent properties. The parking lots currently to the north and south west of the mall are not the highest and best use for such prominent sites. New housing, an expansion of Courtenay Middle School which takes advantage of this view, or high profile commercial uses would benefit from the amenity and status such sites present.

The New College of Charleston Arena is proposed at the intersection of Meeting and Spring Streets. The area is an excellent example of a high-volume, use-intensification project that will ultimately be well positioned to benefit from future transit. Still in its early stages, there are some general issues to consider.

Upper King / Meeting corridor



With improved transit service, the King / Meeting corridor is one of the main opportunities to add new development without impacting the neighborhoods. Underutilized sites largely lie north of Calhoun.

-  Street edge to be reinforced
-  Primarily residential
-  Potential infill/ development sites
-  Primarily mixed-use commercial

Retail space should be created at street level on all street frontages to maintain an animated grade level. The Spring and Meeting intersection should be celebrated by a strong design gesture. For example, consideration should be given to relocating the arena entrance from Woolfe to Spring Streets. Service entrances and blank walls should be situated along the rail corridor side of the site.

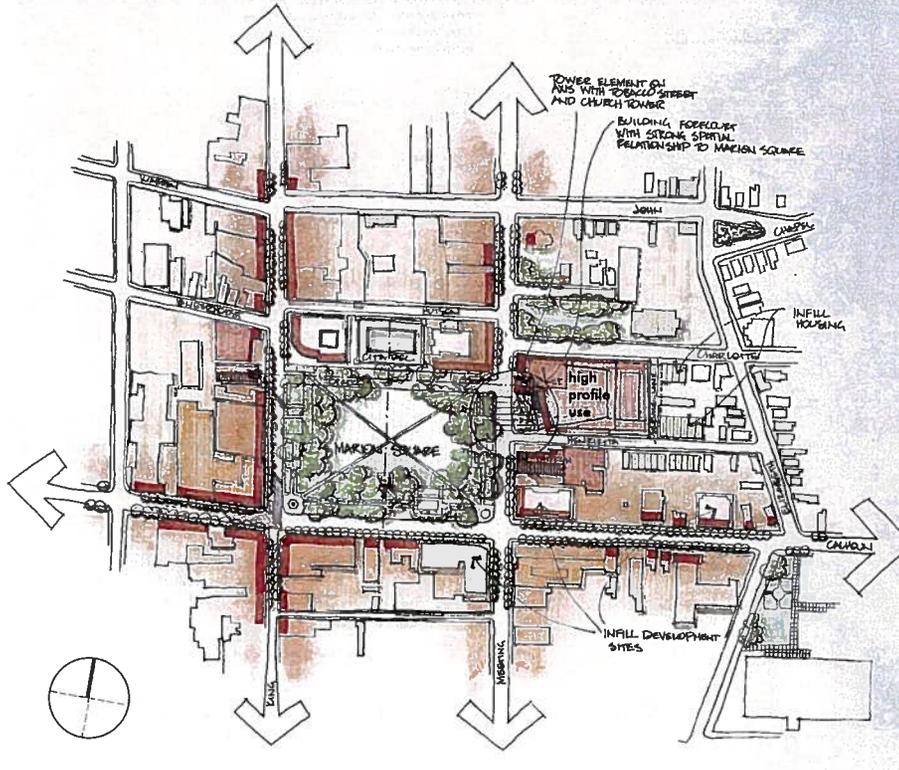
This facility should serve the College and the local communities. Outreach programs or shared community space should be considered part of the programming of the arena and a way of assisting East Side, Elliottborough, and Cannonborough residents.

The **Cooper River Bridge Area** is situated where the King and Meeting Corridor meets the Crosstown. The dismantling of the eastern leg of the Crosstown Highway represents an important opportunity to repair and rebuild the East Side Neighborhood and to make a significant connection to the Cooper River.

Substantial land will be available in the area previously occupied by the bridge. A new street should be created to improve east-west connections. A connection should be extended to the water's edge and an open space amenity created where the land and Cooper River meet.

Remaining land should be divided into blocks and developed with housing to reconnect the East Side Neighborhood to the

Marion Square



Marion Square is one of the most important open spaces in downtown Charleston.



Primarily mixed-use commercial

Primarily residential



The Federal Building on Meeting Street is a prime site that could accommodate a new institutional building, add vitality at the square's edge and benefit from the transit improvements proposed along this corridor.

residential area north of the Crosstown. The existing schoolyard on the north side of the highway should be restored and positioned as a neighborhood focus. As well, the squares at Columbus and America Streets should be restored. Simplification of the on- and off-ramps to the new Cooper River Bridge will facilitate the reintegration of these lands.

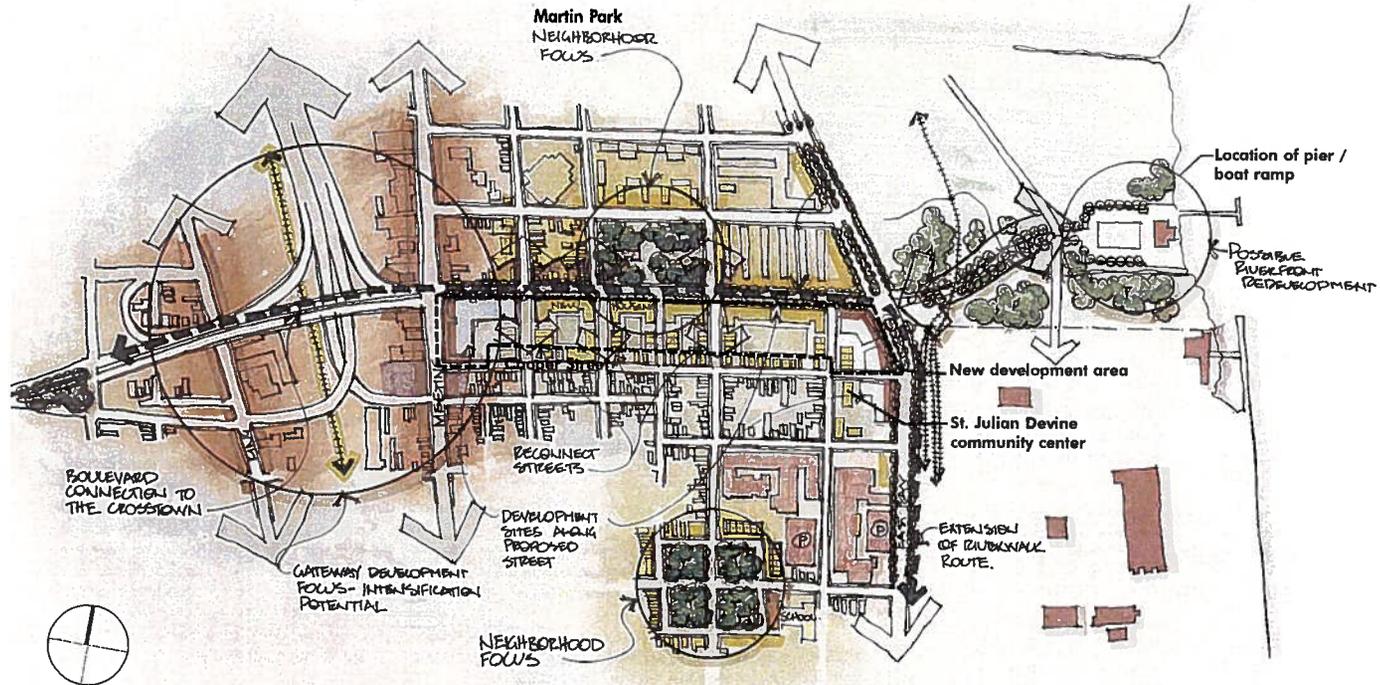
The development sites created should be developed to take advantage of this area's emerging role as a gateway to the peninsula. There is also the potential for infill commercial uses on East Bay Street as well as on Meeting Street and Morrison Drive.

As many of the existing north-south streets should be reconnected as possible, including Nassau and Hanover Streets. A cross peninsula pedestrian/bike route connecting the Ashley and Cooper Riverwalks should be put in place. The potential for the reconfiguration of the highway access should be carefully studied.

New Cooper River Bridge Although on the edge of the study area, the construction of the new Cooper River Bridge will be a significant infrastructure project creating development opportunities and a new entry to the peninsula. This gateway area will likely form the northern edge of the King / Meeting Corridor.

Every effort should be made to mediate the negative impacts of the bridge on the surrounding city fabric. Buildings adja-

East side neighborhood - removal of the existing Cooper River Bridge



-  Primarily mixed-use commercial
-  Primarily residential

When the existing Cooper River Bridge is dismantled, an opportunity will be created to knit the East side neighborhood together with new housing around a renovated Martin Park. The waterfront could be developed as marshland or a fishing pier.

cent to the roadway should be designed to buffer noise. Uses such as offices, high technology work places, and resident oriented retail should be promoted that will benefit from the high profile location.

Simplification of the roadway connections between I-26, the Crosstown, and city streets and returning as much of the land as feasible back to developable parcels should be a priority in designing the new Cooper River Bridge. Reduced needs for right-of-way would also be a great benefit to the community.

The new bridge should be envisioned as more than a freeway. It should be a conduit for all modes of transportation and should include rights-of-way for pedestrians, bicyclists, transit, and private vehicles. A vertical connection to Morrison Drive and the waterfront trail should be incorporated into the design of the bridge.

The State Department of Transportation should return the ownership of the unnecessary right-of-way from the current Cooper River Bridges to the private or local public sector.

9.3 The Ashley River waterfront

The opportunity

The central opportunity along the Ashley River waterfront is to reclaim the river's edge and create a western face to the peninsula. Lockwood Drive and Boulevard play an important role in this vision.

Lockwood has the potential to be a waterfront boulevard, evolving from a place that feels like the back door to the downtown, to an attractive and unique western face of the city. Lockwood also has the opportunity to play an important connecting role. Beginning where Broad and Beaufain Streets meet the Ashley River and extending northward past the marinas, the medical complex and on to Joseph P. Riley Jr. Park and Brittlebank Park, the street connects many amenities that will become very significant as the city continues to grow.

Planned growth needs to be used to achieve this transformation of Lockwood. South of the Crosstown, growth will occur on the MUSC campus. Significant growth is also proposed to be accommodated on the vacant lands immediately north of the Crosstown along the Ashley River.

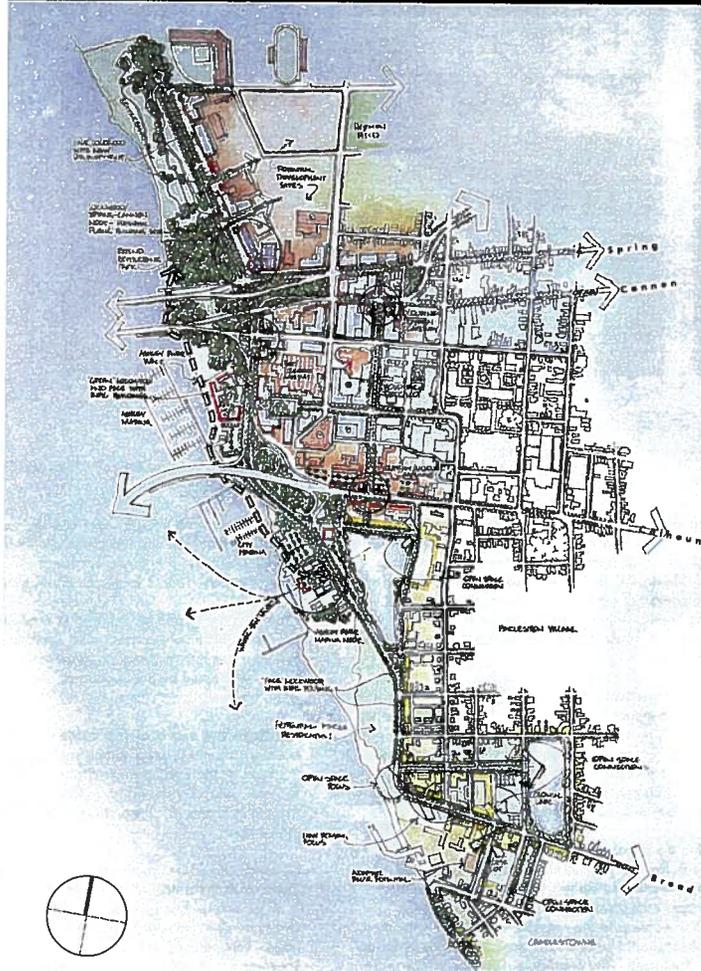
Recommendations

New uses located on the east side of the street should face Lockwood, creating a more inviting pedestrian environment and affording the street a greater presence and a western city "face." Generally, development should not be encouraged on the west side of Lockwood although there are exceptions south of Spring Street. The City Marina and the Ashley Marina and Marriott Hotels already exist and there is development potential on the adjacent vacant commercial lot. A discrete, residential condominium building and a restaurant could be appropriate in this area.

While retaining its existing carrying capacity, traffic calming measures, such as beautification, the addition of bike lanes, etc., should be employed to position Lockwood as a pedestrian street for as much of its length as possible. Where it is not possible, alternate pedestrian / bicycle routes should be created. The impact of the freeway ramps from the Ashley River bridges should be minimized. Planting on the center median should be encouraged wherever possible. The potential for added transit capacity, including a possible transit right-of-way should be explored.

For the most part, the western waterfront edge of the peninsula has a character entirely distinct from the harder edge of the Cooper River waterfront and there is an opportunity

Ashley River waterfront



The Ashley River waterfront plan proposes to create a new western face to the peninsula and create stronger connections to the riverfront.



Primarily mixed-use commercial



Primarily residential

to tie the existing open space amenities together. The marshes and wetlands along the western edge of the peninsula provide an opportunity to create an extended boardwalk and nature preserve that will function as an educational and recreational attraction for visitors and residents alike.

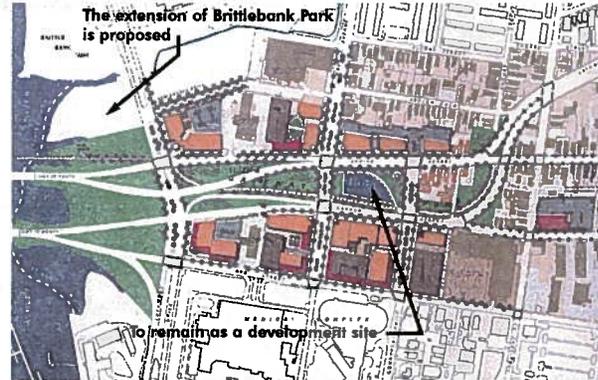
Three distinct areas exist along the corridor.

Lockwood Boulevard (Upper Lockwood).

Above Spring and Cannon, development should be mixed use in nature, with the potential for larger buildings than what may be found elsewhere on the peninsula. Despite flood plain regulations, an active ground floor should be developed wherever possible. Lobbies and commercial uses should be encouraged whenever possible.

Brittlebank Park should be extended south to the Ashley River bridge. Vested rights on some of this property may result in development occurring, potentially residential. This would be appropriate. However, any development in this area must be in accordance with this Downtown Plan and should, in particular, allow for public access to the waterfront, connect to the existing Brittlebank Park and Ashley River Walk, and create a strong edge along Lockwood Boulevard.)

This 1984 photograph of the hospital district shows the discontinuous urban fabric and massive buildings that need to be mediated.



Most of the Spring/Cannon corridor study should be embraced.

As the Spring / Cannon Corridor is redeveloped, an opportunity to create a focal point at the corner of Lockwood and Spring will emerge. This site could accommodate a high profile institution or public building such as a school. The new open space on the west side of Lockwood Boulevard could accommodate small playing fields or other active recreational uses. Its design should reflect the restoration of the Spring Street Pier as recommended in the Spring / Cannon Corridor Study.

Hospital District and emerging MUSC Master Plan.

Charleston and the Hospital District exist in a symbiotic relationship. Located along the Ashley River waterfront, the Hospital District includes the medical institutions, the western portions of the Spring / Cannon and Calhoun Street Corridors, as well as Lockwood Boulevard.

The MUSC is currently planning for a significant expansion that will be governed by the emerging MUSC Master Plan. The proposed master plan sets the stage for a radical re-definition of the campus as a pedestrian friendly "green" campus within the existing boundaries and with structured rather than surface parking.

Appropriate redevelopment of this largely institutionally-related development can help to achieve the broader vision for the Ashley River waterfront. The following comments are offered to promote cohesion between the Downtown Plan,

the MUSC Master Plan and other activities within the hospital district while reclaiming the Ashley River waterfront.

Integrate with downtown: The hospital district should feel as if it is a natural extension of the city - an identifiable place in its own right, interwoven with the life of the neighborhoods. The MUSC and other hospitals should be considered in the context of each other, the commercial development along Spring, Cannon, and Calhoun Streets, and the potential for open space connections along the riverfront and Lockwood Drive.

Increase connections: Overall, each hospital should plan to make their campus as fine grained as possible to improve pedestrian and vehicular connections between it and the surrounding neighborhoods. Smaller blocks that are in keeping with the grain and scale of the surrounding historic district should be encouraged. Streets and pedestrian connections help to integrate and link adjacent areas.

In proposing the alignment of Hagood Street through to Cherry Street, the Spring / Cannon Corridor Study establishes a clear connection to the neighborhood. New streets should be opened wherever possible to create smaller blocks and to connect to the neighborhood street network. Doughty Street should be extended west, potentially as far as Lockwood Boulevard. The creation of superblocks, by

closing streets such as Wescott Court and President Street, should be avoided.

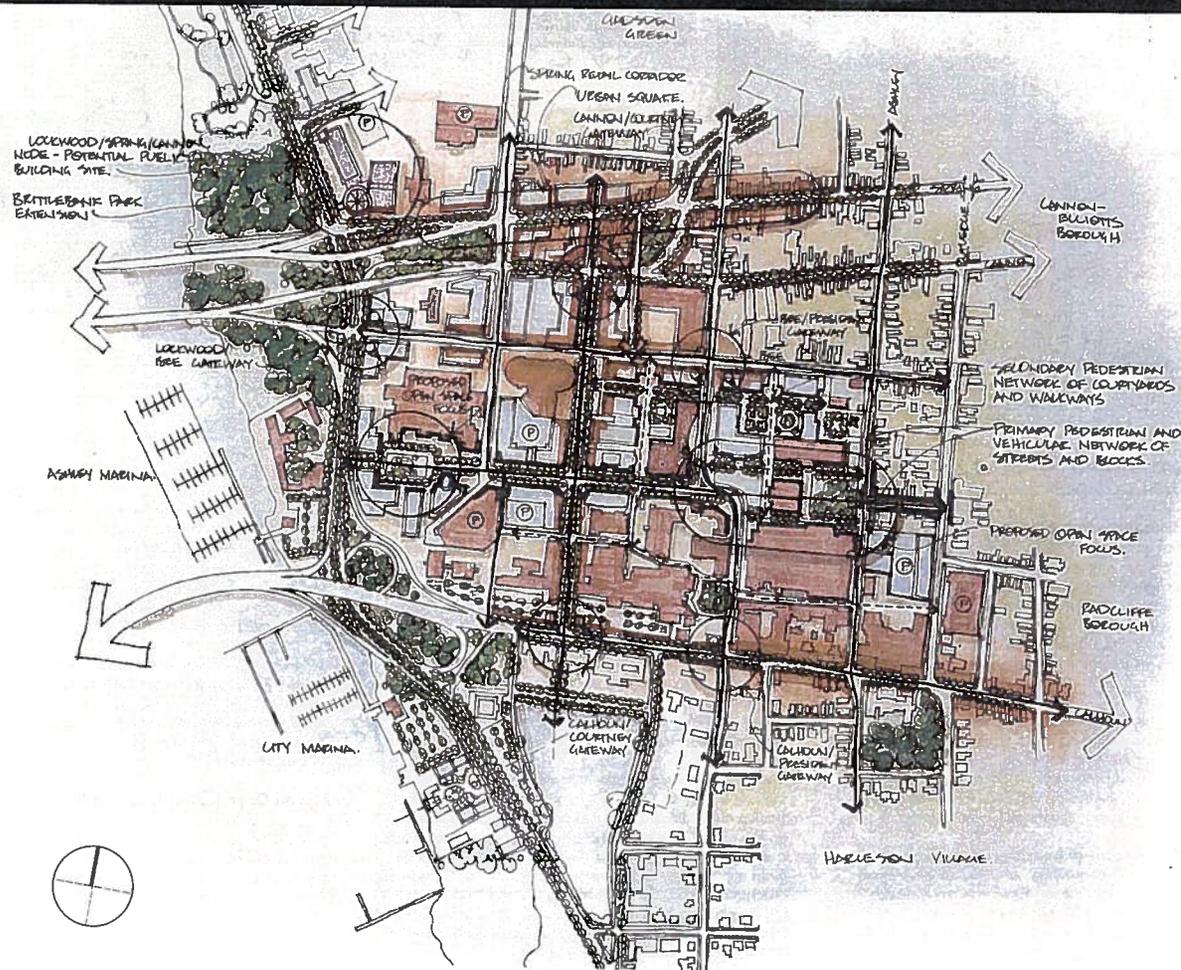
Where pedestrians need to have priority, traffic calming measures should be used to control traffic rather than closing streets. Driveways and lanes, such as those to the north of Roper Hospital, should be rebuilt into real streets.

Opportunities should be explored to establish open space amenities that would connect and contribute to other open spaces in the city. A symbolic "green axis" along Doughty Street, terminated by public squares at each end, is such an opportunity.

Mediate the scale of the existing buildings: New buildings should be of a human scale and mediate between the scale of the existing historic fabric and large existing facilities. Massing should transition from taller structures at the center to low (4 - 5 story) buildings at the periphery of the campus.

Buildings should define the streets and the public realm. There exists the potential to "reface" many of the existing facilities with urbane architecture and uses. In some places streets may be "relined" with additions that come to the street edge. This potential is greatest along Calhoun Street and Lockwood, although there are other streets that would benefit from this type of initiative. New office / residential / retail uses associated with the MUSC should be encouraged to

The hospital district



In the hospital district area, new open spaces are proposed along Doughty Street. Connections through the area help blend the campus with the surrounding neighborhood.



Primarily mixed-use commercial/hospital



Primarily residential



This 1984 photograph of Lower Lockwood shows vacant sites on the western edge of the peninsula.

face and enliven these streets. Skyways should be avoided to encourage street level activity.

Create a stronger sense of place: To create a strong sense of place, gateways to the hospital district should be created at the major intersections. A stronger sense of place can also be created by introducing other uses and amenities onto the campus that will help to keep it animated and invite people to use the facilities. For example, restaurants, shops, and other amenities can support and complement the institutional uses and help make the hospital district an active and safe community around the clock.

In this regard, the mixed use neighborhood commercial node that is proposed in the Spring and Cannon Corridor Study should be embraced. Hospital-related food and convenience services should be focused on Cannon, Courtney and Bee Streets and animate the ground floor surrounding the proposed primary gateway square off Cannon Street.

Increase the amount of housing: Explore opportunities to develop housing in partnership with other institutions and the private sector to meet the increased housing demands that MUSC will experience with its growth. Housing should be developed directly or cash-in-lieu provided to an affordable housing fund. Housing could be on or off site.

Develop a strategy to manage cars and parking:

The early findings of the *Downtown Parking and Traffic Study* show that the increase in cars associated with the expansion of the MUSC will exceed the capacity of the local road network. This growth can only be accommodated provided that strategies are introduced to reduce the number of cars in the vicinity. With new development, vehicular connections to the city are critical. Given limited traffic capacity, traffic impact studies and incorporating flextimes, telecommuting, etc. are important.

There must be a greater use of transit. The Crosstown is potentially a major regional transit route, one that can be enhanced by the Downtown Plan's recommendation that the new Cooper River Bridge be designed to accommodate all forms of transit, including commuter light rail.

The MUSC has already initiated some very successful park and ride lots on the peninsula. In addition, the MUSC should develop a coordinated system of satellite, or intercept parking lots, with shuttle buses that will allow students and visitors to park outside the downtown. This type of service might be jointly organized by all the major institutions - The College of Charleston, MUSC, Trident Technical College, and Johnson and Wales. It might also be coordinated with CARTA. CARTA transit routes are being reevaluated and potentially revised in light of the increased demand in this area.



The development of the sites on Lower Lockwood has begun.

The MUSC has adopted a positive approach to parking that will assist in reducing the number of cars on the lower peninsula. Specifically, there are a number of parking options that are available at a variety of prices. Spaces on the campus are priced at cost, while those farther away are subsidized and at a lower cost. This type of strategy, offering graded parking prices, should be adopted by other major institutions and employers on the lower peninsula to help minimize traffic congestion in downtown.

Where parking structures must be developed, they must have active uses at grade wherever allowed within the flood plain regulations and designed to the same high standards as those in other areas of Charleston's historic district. Parking must be located to ensure ease of accessibility into and out of the campus.

Lockwood Drive (Lower Lockwood).

Along Lockwood Drive, below the hospital district and Calhoun Street, new development should be primarily housing, in keeping with the scale and type of development that currently exists. There are several sites that could accommodate infill development.

There is a focal point, appropriate for high profile housing, that offers the opportunity to celebrate the arrival at the water's edge. The Customs House and the new aquarium are examples of these focal points. This site is where Broad and Beaufain Streets meet Lockwood Drive. An open space focus or monument is appropriate on the west side of Lockwood Drive in this area and could serve as the entrance to the Ashley River walk.

Open space connections should be strengthened along Broad Street to Moultrie Playground Park and Colonial Lake. Sidewalks need to be added on Beaufain, Wentworth, and Montagu Streets to complete the network of pedestrian routes that will lead to Lockwood Drive. In addition, a clear connection should be developed from Murray Boulevard to the Horse Lot tying into the waterfront walk along Lockwood Drive. These connections could consist of signage, a special and continuous paving, street landscaping, the development of landmarks, or artworks at key locations, etc.



Next steps

The Charleston downtown plan

10. Implementation strategy

To successfully guide the evolution of the lower peninsula, the Downtown Plan requires an effective implementation strategy. The strategy must ensure that the Plan's principles are embodied and its physical, economic and social objectives are achieved as downtown evolves.

The proposed approach is modeled on and reflects the successful experience of many American cities including: St. Paul, Hartford, Cleveland, Chattanooga, Pittsburgh and San Jose. However, the strategy is specific to Charleston. It is based on Charleston's strong culture of collaboration and consensus building, bringing key community sectors together to work to the benefit of downtown. The following are the essential elements of the strategy:

Establish consensus around the vision

The first step is to achieve a common vision that is agreed upon by the Charleston community including the city, residents, developers, landowners, retailers, the institutions, and other vested parties. The completion and adoption of the Charleston Downtown Plan by City Council and its support by the community is the first important step.

Establish an effective organizational structure

The Downtown Plan stresses a comprehensive, collaborative approach to managing the future of the lower peninsula. Creating forums can bring interests and issues together and facilitate this approach:

A Charleston Downtown Partnership

Implementing the Downtown Plan requires collaboration between the city, the private sector and the community. There are a variety of individuals and groups, responsible for or interested in the evolution of the downtown who should be brought together to allow for a holistic rather than an issue-oriented approach to opportunities and challenges.

The creation of a *Charleston Downtown Partnership* could provide such a forum for downtown-related issues. The partnership would act as the implementing agency for the Downtown Plan, ensuring that its goals and principles are realized while becoming the primary advocate for downtown Charleston. It should address all of the social, economic and cultural elements that foster Charleston's excellent quality of life.

The members of the Partnership should meet regularly to address new issues and challenges and monitor progress on ongoing initiatives. The Partnership should be chaired by the Mayor and should include, as participants, a combination of:

- senior staff of the relevant city departments
- neighborhood president representatives
- key community groups representatives, including heritage and cultural associations
- senior executives from the business community, the educational and medical institutions

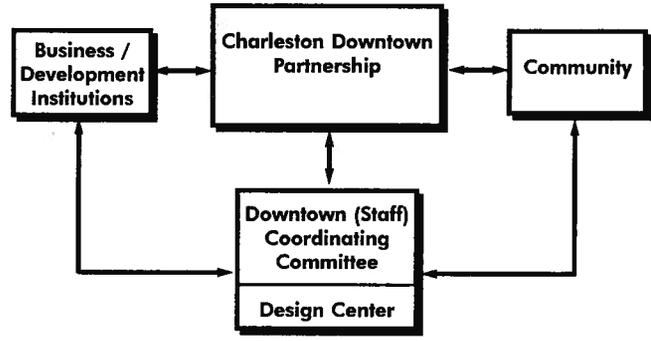
The group should be manageable in size and include representation from a cross-section of the community. The role of the Partnership should be two-fold: to ensure that public and/or private initiatives achieve the Downtown Plan's principles and to facilitate community outreach, through ongoing education about the "health" of the downtown, new initiatives and ventures.

Create a Downtown (City Staff) Coordinating Committee

In order to be effective, the Downtown Partnership requires strong support from the city departments. Everyone must work towards achieving the Downtown Plan's goals. A *Downtown (Staff) Coordinating Committee* should be created to provide an inter-disciplinary forum for City officials to formulate strategy, design initiatives and review proposals of import to the downtown.

The Committee should be directed by the Planning and Urban Development Department and comprised of senior staff from other departments, including, but not limited to, Traffic and Transportation; Parks; Economic Development;

Proposed organizational structure



The Charleston Downtown Partnership would include representatives from resident and business interests who would work with senior city staff and the newly created design center to implement key downtown initiatives.

Housing and Community Development; Finance and non city agencies such as CARTA and the Housing Authority.

This Committee should establish a regular meeting structure to co-ordinate actions on the downtown. It should also provide assistance and resources to the Downtown Partnership.

Create a Design Center

The implementation of the Downtown Plan could be enhanced through a *Design Center*, already contemplated by the city. It is envisioned that the Center will assist the community in developing and implementing a more detailed urban design vision for special focus areas downtown and also for other key areas of the community. For the downtown, the Design Center could further the Downtown Plan's recommendations and assist in achieving the urban design vision.

In other jurisdictions, design centers have been set up as private non-profit corporations run by a Board of Directors. The Board is drawn from the community at large and includes individuals and organizations with strong interest in the community – including social, economic, heritage as well as design and architecture issues. Such a model would be appropriate for Charleston.

The Design Center should be led by a director with a staff that includes urban designers, landscape architects and planners. Although reporting to a separate Board, its work should be integrated with that of the Planning and Urban

Development Department, to whom its resources and advice should be made available on an ongoing basis. The resources of the various city departments should also be made available on an as-need basis to the Design Center.

Establish a program of tasks

The organizational elements above will create a strong foundation for the city to undertake specific actions to further the Downtown Plan's recommendations, including:

- the preparation of special area plans for the key areas in the lower peninsula,
- the review of specific developments within the downtown by the Design Center,
- the completion of specific tasks identified for implementation of the Downtown Plan, such as amendments to the zoning ordinance,
- the review of capital spending priorities to identify and implement key funding initiatives,
- working committees on a variety of topics including the Arena, gentrification, etc. and
- the continuation and enhancement of a community outreach program to further the Downtown Plan objectives.

Special Area Plans

The refinement and elaboration of area plans for the key redevelopment areas identified in the Downtown Plan should be a priority of the Design Center, in conjunction with the Staff Co-ordinating Committee and the Downtown Partnership. The Downtown Plan's case studies establish the framework for more detailed plans and provide a context for individual projects to be reviewed and negotiated.

For example, in the case of the Cooper River Waterfront, projects in this newly emerging area should frame attractive and inviting open spaces, successfully address the flood plain regulations to preserve vitality at grade, and secure the lands for the public waterfront promenade.

Similarly, on the Ashley River Waterfront, the area plan should ensure that the Brittlebank Park expansion is negotiated and secured and that urban design guidelines are established for the area north of Spring Street. The reconnection of the East Side neighborhood should similarly be the subject of a Special Area study.

Project design review and feedback

Design Center staff should be requested to review and comment on applications of major scale and/or impact in the downtown and elsewhere. Development proponents can be encouraged or even required to consult with Design Center staff at the project inception and again upon design elaboration, helping to ensure that development parameters are well

understood and that the Downtown Plan's principles and objectives are implemented. It should also speed the process of approving formal applications.

Specific implementation tasks

The Downtown Coordinating Committee should ensure collaboration in implementing the Downtown Plan's recommended actions, as well as follow-up by the various departments and agencies. For example:

- Planning and Urban Development: zoning ordinance amendments to implement the Downtown Plan, including changes to heights, setbacks, mix of uses, density, on-site parking requirements, historic district regulation changes.
- Parks Department: improvements to existing parks and streetscapes and the creation of new parks, in consultation with the Recreation Department.
- Traffic and Transportation Department and CARTA: transit, transportation and parking improvements; facilitation of joint parking initiatives among more institutions and corporations
- Public Services: engineering standards, in particular, redesigning Lockwood Drive, Lockwood Boulevard and the Crosstown to position these streets as landscaped urban boulevards should be addressed jointly by Traffic and Transportation and the Parks Departments.

- Housing and Community Development, Corporate Counsel, and Economic Development Departments: mechanisms to implement linkage fees related to affordable housing and parks, including new State enabling legislation, and develop a new Housing Master Plan.

The Committee should call on special resources needed for specific projects, such as the Office of Cultural Affairs and the Office of Children, Youth and Families.

Enhance the city's resources: seek additional funding opportunities

Charleston currently avails itself of funding from outside sources for a variety of initiatives: housing, community development, major community and or cultural facilities. At present, in the absence of a comprehensive approach, applications for funding are pursued independently by each department.

Significant opportunities for funding currently exist: potentially the most significant is the Federal government's TEA-21 program that has almost \$200 billion over 6 years for highway and transit programs. Charleston has availed itself of TEA-21, the Community Development Block Grant Entitlement Communities Program, and housing program funds. More opportunities are becoming available.

A new national Livability Initiative was recently proposed to help communities preserve green spaces, ease traffic congestion, improve schools and enhance economic competitiveness. Funds will be made available for improvements to 6,000 schools, transit improvements, open space preservation and natural heritage treasures.

Funds are also available from a variety of national and regional private foundations that are increasingly aware of, and interested in, the health and vitality of America's cities. Foundations fund a variety of initiatives, from urban design and planning studies to actual infrastructure improvements.

Charleston must become more pro-active in researching and pursuing these funding opportunities. A co-ordinated strategy should also be developed. A focussed effort should be led by a *Grants coordinator* who will undertake research and coordinate the efforts of the relevant city departments. The preservation and enhancement of Charleston, one of America's most treasured cities, would likely be accepted as an objective worthy of financial support.

Continue Community Outreach

The Charleston community is highly committed and motivated to work for the betterment of the downtown. This energy should continue to be channeled into improving Charleston residents' quality of life. Specifically, working committees should be created to address issues such as the cost-benefit of the tourism industry on residents, and protecting the East Side community from gentrification pressures. The community should also be directly involved in the Design Center's work, particularly the creation of area plans.

The Charleston Downtown Plan

**Real estate
and economic development**

September, 1999

Development Strategies Inc. : consultants in real estate, economic and community development

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Section 1: Charleston's economic trends

Charleston county and city population trends, 1790-2020

exhibit 1

census years	3-county metro area	Charleston county	City of Charleston	peninsula	city as percent of county	peninsula as percent of city
1790	NA	46,647	16,359	16,359	35%	100%
1800	NA	57,480	18,824	18,824	33%	100%
1810	NA	63,179	24,711	24,711	39%	100%
1820	NA	80,212	24,780	24,780	31%	100%
1830	NA	86,338	30,289	30,289	35%	100%
1840	NA	82,661	29,261	29,261	35%	100%
1850	NA	83,844	42,895	42,895	51%	100%
1860	NA	70,100	40,522	40,522	58%	100%
1870	NA	88,863	48,956	48,956	55%	100%
1880	NA	102,800	49,984	49,984	49%	100%
1890	NA	59,903	54,955	54,955	92%	100%
1900	NA	88,006	55,907	55,907	64%	100%
1910	NA	88,594	58,833	58,833	66%	100%
1920	NA	108,450	67,957	67,957	63%	100%
1930	NA	101,050	62,265	62,265	62%	100%
1940	NA	121,105	71,275	71,275	59%	100%
1950	NA	164,856	70,174	70,174	43%	100%
1960	NA	216,382	65,925	65,925	30%	100%
1970	336,700	246,469	66,945	56,880	27%	85%
1980	433,800	276,556	69,855	47,835	25%	68%
1990	509,000	295,039	80,414	38,789	27%	48%
2000	568,500	319,324	105,833	39,100	33%	37%
2010	629,600	340,708	139,491	40,550	41%	29%
2020	691,000	363,543	175,000	42,000	48%	24%

Sources: General Development Plan, City of Charleston (1966); Department of Planning and Urban Development; Development Strategies for interpolations. Metro projections from U.S. Department of Commerce, Regional Economic Information System, 1998.

1. Charleston economy

The economy of the Charleston Metropolitan Area, also known as the Trident Region, including Berkeley, Charleston and Dorchester Counties, is healthy and growing. In the 1990s, the regional economy quickly adjusted from a predominance in military- and defense-related jobs to a more diversified base involving greater tourism (hotel and retail), health care (and related teaching), and port activities.

The City of Charleston, forming part of Charleston and Berkeley Counties, benefits from this economic and population growth. Notwithstanding, the downtown has been representing a declining percentage of regional growth.

At this time, therefore, the downtown faces a clear choice about its future economic role:

- It can turn away from further growth and continue to play a diminishing role in the region's economy, perhaps expanding its current scale and adapting to demands of the marketplace but not growing at a rate commensurate with the rest of the metro area.

- Or, through aggressive identification of opportunities and targeted actions, downtown Charleston can choose to either maintain its proportionate share of regional development or even to attract a larger share than it has been capturing in recent decades. To do so, downtown would need to make proactive choices on many fronts: employment, population and housing, and the office, retail, hotel, and related tourism sectors.

Note: Data analyzed in this report reflect county and city geographic definitions. Some data are also presented for the Charleston peninsula and the Downtown Plan study area, which is a subset of the peninsula generally south of the Crosstown Expressway. Throughout the report, peninsula conditions are recognized as generally indicative of downtown conditions. Peninsula conditions are for more readily available than downtown data.

Population trends

Charleston is the second largest city in South Carolina with an estimated 1998 population of 100,122. During the 1980s, Charleston's population grew 15 percent while the U.S. population grew 9.8 percent. The city's growth is due primarily to the annexed lands in West Ashley, James Island, Johns Island, and the Cainhoy peninsula.

The Charleston Metropolitan Statistical Area encompasses three counties: Berkeley, Charleston and Dorchester. In 1990, the population of this tri-county region was 506,875. The projected population growth to the year 2015 is 600,000 for the tri-county area.

Employment by major economic sector, 1980-1998

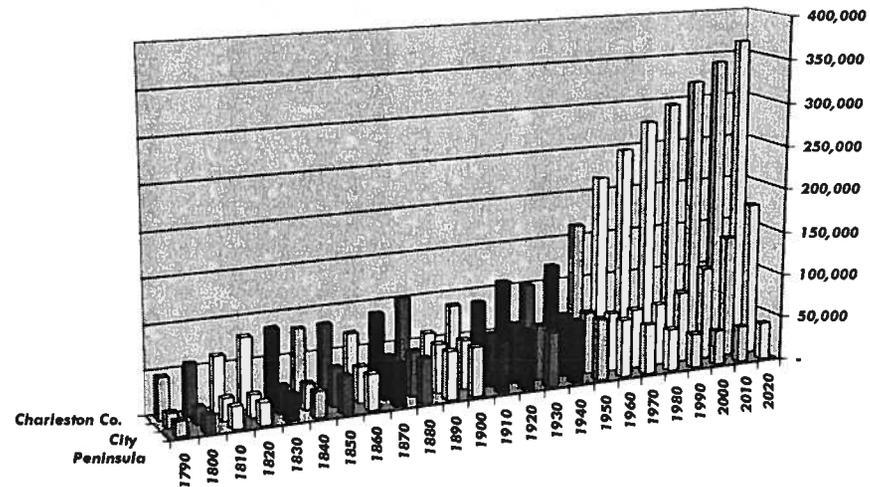
exhibit 2

Industry	Charleston MSA			annual avg. change		South Carolina			annual avg. change	
	1980	1990	1998	1980-1990	1990-1998	1980	1990	1998	1980-1990	1990-1998
non-farm jobs										
construction/mining	11,500	16,000	18,400	3.9%	1.9%	75,300	103,800	114,000	3.8%	1.2%
manufacturing	19,700	21,500	22,000	0.9%	0.3%	391,900	383,300	362,000	-0.25%	-0.7%
transp. & utilities	8,800	11,100	13,200	2.6%	2.4%	53,000	66,900	78,600	2.6%	2.2%
trade	31,800	51,600	58,500	6.1%	1.7%	225,100	348,500	448,000	5.5%	3.6%
wholesale trade	6,700	8,700	8,300	3.0%	-0.6%	49,600	61,600	76,600	2.4%	3.0%
retail trade	25,100	42,900	50,200	7.1%	2.1%	175,500	286,900	371,400	6.3%	3.7%
finance/ins/real est.	6,400	7,800	8,700	2.2%	1.4%	47,900	66,500	80,200	3.9%	2.6%
services	24,100	45,100	65,500	8.7%	5.7%	159,300	293,800	426,600	8.4%	5.7%
government	46,600	53,200	48,200	1.5%	-1.2%	235,500	282,200	287,400	1.9%	0.2%
federal govt.	18,300	19,400	9,000	0.6%	-6.7%	37,600	40,500	28,500	0.8%	-3.7%
state govt.	12,700	15,600	18,200	2.3%	2.1%	73,900	96,400	97,700	3.0%	0.2%
local govt.	15,600	18,200	21,000	1.7%	1.9%	124,000	145,300	161,200	1.7%	1.4%
total	148,600	207,100	234,500	3.9%	1.7%	1,188,800	1,545,000	1,796,800	3.0%	2.0%

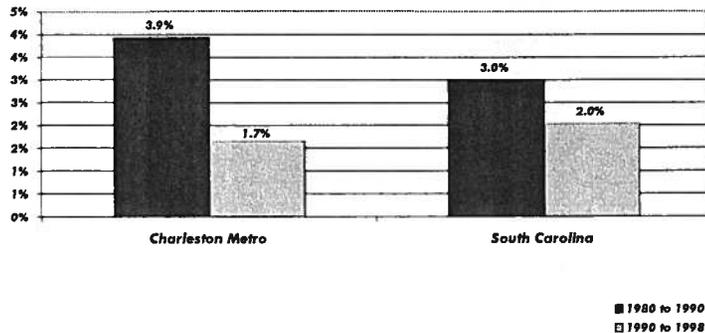
Source: South Carolina Dept. of Employment Security.
Employment by place of work. 1998 figures are estimates based on employment data for August 1998.

Population trends 1790 to 2020

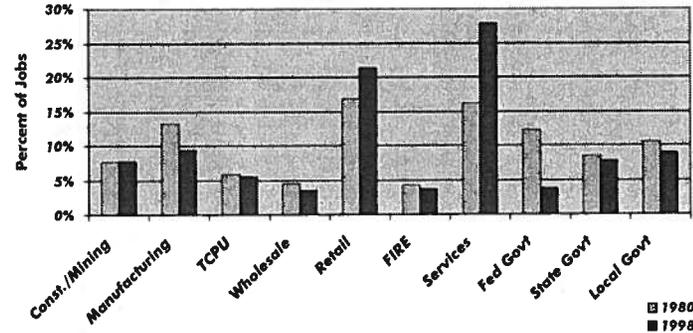
exhibit 3



Average annual growth in total jobs exhibit 4



Charleston major employment sectors, 1980-1998 exhibit 5



Source: South Carolina Employment Security. Naval base jobs are reflected in Federal Government and Port Authority jobs are reflected in State Government. TCPU means transportation, communications, and public utilities. FIRE means finance, insurance, and real estate.

As shown on Exhibit 1, the peninsula of Charleston and the City of Charleston were the same geography until an aggressive annexation program was initiated in the 1960s. Since then, the peninsula has not only lost ground as a proportion of the city but has experienced its own net loss in population. Projections for the next 20 years, however, suggest that some of these losses can be recouped.

This potential is supported by the market and economic trends analyzed in this report.

As noted in the 1966 *General Development Plan* for the City of Charleston, population growth in Charleston has always been erratic. This is due to wars and economic change related to Charleston's seaport economy. In the seventeen census decades between 1790 and 1960, the city's population increased eleven times, decreased five times, and remained steady once. Population in 1790 was 16,359 and took 50 years to double. But it did not double again until after the 1960 census, and then only with the aid of annexations. In the same time period, however, the state's population doubled three times.

Moreover, Charleston County's boundaries have changed many times. Thus, city-county comparisons are only valid since 1930 when the current county boundaries were fixed. Since 1930, the county's population has expanded rapidly,

outpacing the city, although the city has countered this lack of growth in its original boundaries by annexing large areas of the county since 1960.

Employment trends

The rate of employment growth in the Charleston metro area exceeded that for the State of South Carolina during the 1980s, as shown on Exhibits 2 and 4. Between 1980 and 1990, jobs in the Trident Region increased annually by an average of 3.9 percent compared to 3.0 percent for the state. In the 1990s, however, regional net employment growth has lagged behind the state due to the Charleston Naval Base closure and the downsizing that has occurred since 1989. Between 1990 and 1998, jobs in the metro area increased by 1.7 percent per year, on average, compared to 2.0 percent for the state as a whole.

Nevertheless, there were net job gains in the Trident area during the 1990s even though federal government employment dropped from 19,400 in 1990 to 9,000 in 1998. Job losses from the naval base were offset principally by gains in the services industry. Exhibit 2 compares Charleston metro area employment between 1980 and 1998 to the state of South Carolina during the same time period. Exhibit 5 highlights the employment distribution in the Charleston metro area and shows how losses in the

Naval Base (federal employment) were offset by gains in the services and retail sectors.

Growth in the region's services sector, principally the health care component, has absorbed much of the impact of the base closure. Economic growth in metropolitan Charleston, in fact, is primarily influenced by three sectors: services (principally in health care and educational services represented by the Medical University of South Carolina and the College of Charleston); retail trade (which reflects the large tourism market); and port related industries.

Combined, these three broad sectors make up 70 percent of the Trident workforce. Some of the emergence of these areas as leading sectors, of course, is due to the dramatic decrease in what could be unofficially called the defense sector; with the Naval Base closure, federal government presence has markedly declined, as noted.

Fortunately for downtown, these sectors are heavily concentrated on the peninsula. Thus, while sub-regional data on employment by location are not available, it is highly likely that the Downtown Plan study area is the region's largest concentration of jobs even though it has been losing population. Commuter traffic on the bridges over the Ashley and Cooper Rivers anecdotally suggests this economic concentration, as well.

* These employers are based in the City of Charleston.

Note: Roper Hospital merged with St. Francis Xavier in 1999 to become Care Alliance.

Source: Charleston Metro Chamber of Commerce, Major Employers Directory, 1997.

In some contrast, these sectors make up just 53 percent of employment in the Greenville/Spartanburg area.

Columbia, on the other hand, which has an employment base just slightly larger than Charleston, has more than twice the amount of finance, insurance and real estate (FIRE) workers. Clearly, various metropolitan markets have different employment strengths and, for Charleston, these strengths are in services (principally health care and higher education), retail trade, and port-related activity—a diversification that has enabled the Charleston area to thrive.

Large employers

The Trident Region's largest employers are concentrated in health care, education, and government with a majority based in the City of Charleston, as shown on Exhibit 6. It is notable that the U.S. Navy's size, while still numbering some 5,700, is far below the 23,500 counted at the Charleston Naval Base in 1994. On the other hand, Roper Hospital had 2,200 employees in 1994 and increased about 1,000 in three years while MUSC added about 100 employees. Moreover, one of the eleven largest employers listed above was not on the largest employer list in 1994—Columbia/HCA—and this medical sector company has almost 1,900 employees.

Major employers in Charleston metro area and city of Charleston

exhibit 6

company	products	employment
Medical University of SC*	health care/ university	7,530
U.S. Air Force	federal govt. (Air Force)	6,000
U.S. Navy	federal govt. (Navy)	5,740
Charleston Co. School District*	local govt.	5,110
Berkeley County Schools District	local govt.	2,945
Roper Hospital*	health care	3,250
Charleston County Government*	local govt.	2,215
Westvaco Corporation	lumber, paper, chemicals	2,110
U.S. Postal Service*	postal service	1,965
Robert Bosch Corporation	fuel injection/ braking systems	1,925
Columbia/ HCA Healthcare Corp.	health care	1,880
Piggly Wiggly Carolina Co. Inc.	grocery stores and HQ	1,800
City of Charleston*	local government	1,600
Veterans Administration Medical Center*	health care	1,100
SCE & G*	utilities	1,070
College of Charleston*	educational services	990
Bon Secours-St. Francis Xavier Hospital*	health care	875
Main- Waters Management, Inc.*	restaurants	650
Charleston Post and Courier*	newspaper	640
U.S. Coast Guard*	government services	590
BellSouth*	communications	590
The Citadel*	educational services	555
Charleston Place*	retail and hotel	550
total		50,680

The other ten employers listed on Exhibit 6 employed 38,380 in 1997, down 43 percent from 54,950 in 1994. The capacity of the economy to absorb the naval base losses, therefore, has fallen entirely on the smaller companies and government agencies in the region, a task which was successfully performed as evidenced by the ability of the region's jobs to show a net increase during the 1990s.

Economic sector growth projections

Health services, restaurants (eating and drinking places), business services, and the hotel sector will be the leading job growth sectors in the Trident Region through 2005 in terms of the amount of net new jobs added. Listed on Exhibits 7 and 8 are the projected top 12 growth sectors from 1993 through the year 2005, the period of the projections by state employment security officials. (The metro-

politan area is the only available geography for independent projections of employment.)

The following analysis by sector is valuable in describing what the growth sectors are and what they are expected to be. Many sectors are already leaders in the City of Charleston and in downtown. Health services, as already noted, are dominated by the Medical University of South Carolina and now Care Alliance. Eating and drinking places also have a substantial presence, especially on the peninsula, where millions of tourists are attracted annually.

Business services also have a major presence in office buildings although maintaining this presence in light of highly competitive and attractive suburban developments, such as Daniel Island, will be a challenge for downtown Charleston. Of course, the hotel sector is a huge employer

Top twelve employment growth sectors, 1993 - 2005

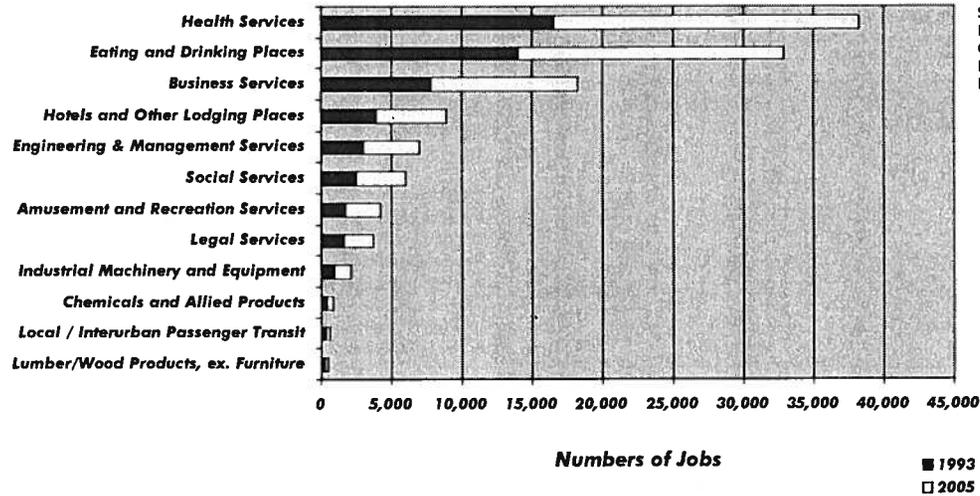
exhibit 7

	employment		projected growth	percent change
	1993	2005		
Health Services	16,454	21,800	5,346	32.5%
Eating and Drinking Places	13,944	18,880	4,936	35.4%
Business Services	7,748	10,400	2,652	34.2%
Hotels and Other Lodging Places	3,857	4,980	1,123	29.1%
Social Services	2,453	3,500	1,047	42.7%
Engineering & Management Services	2,975	3,970	995	33.4%
Amusement and Recreational Services	1,747	2,450	703	40.2%
Legal Services	1,560	2,100	540	34.6%
Industrial Machinery and Equipment	898	1,200	302	33.6%
Chemical and Allied Products	350	480	130	37.1%
Local/ Interurban Passenger Transit	271	350	79	29.2%
Lumber/ Wood Products, ex. furniture	190	250	60	31.6%

Source: South Carolina Employment Security Commission, "Charleston Industry Employment Projections"

Projected Top twelve employment growth sectors, 1993 - 2005

exhibit 8



Source: South Carolina Employment Security Commission, "Charleston Industry Employment Projections"

Employment projections by sub-regional location, 1992-2015

exhibit 9

location	1992 jobs	pct. of market	2015 jobs	pct. of market	change 92-2015	annual change	annual % change
Airport North	38,495	18.1%	55,470	18.0%	16,975	1,132	2.9%
Charleston Peninsula	40,445	19.0%	54,325	17.6%	13,880	925	2.3%
North Charleston Center	67,245	31.6%	80,495	26.1%	13,250	883	1.3%
East Cooper	11,095	5.2%	22,160	7.2%	11,065	738	6.6%
West Ashley	21,720	10.2%	31,710	10.3%	9,990	666	3.1%
Ladson Rd.	5,735	2.7%	11,355	3.7%	5,620	375	6.5%
Goose Creek	5,430	2.6%	11,000	3.6%	5,570	371	6.8%
Hanahan/ Bushy Park	10,740	5.1%	16,020	5.2%	5,280	352	3.3%
Daniel Island	345	2.2%	4,605	1.5%	4,260	284	82.3%
Johns Island	2,510	1.2%	6,415	2.1%	3,905	260	10.4%
James Island	5,270	2.5%	8,655	2.8%	3,385	226	4.3%
Central Summerville	3,630	1.7%	6,155	2.0%	2,525	168	4.6%
total	212,660	100%	308,365	100%	95,705	6,308	3.0%

Source: Berkeley
Charleston Dorchester
Council of
Governments, 1995

in the downtown area but it also has a substantial presence elsewhere in the region because of the many resorts and vacation places.

Geographic areas of growth

Exhibits 9 and 10 show that employment in the Trident region will continue to grow at an average of about 3.0 percent per year through the year 2015. Employment concentrations, however, will shift as new areas in the region develop. It is projected, for instance, that the Charleston peninsula will continue to grow but at a rate slightly lower than the region.

In other words, the peninsula will experience a declining share of regional employment. In 1992, the peninsula held 19 percent of the employment in the Region. It is predicted that its share will decrease to 17.6 percent in 2015 even though many jobs would be added. Still, the projections indicate that the peninsula (which is somewhat larger than the Downtown Plan study area but is nevertheless indicative of potential growth in the study area) would add the second largest number of jobs—13,880—behind only the Airport North area (16,975 jobs added).

Daniel Island, on the other hand, will have the fastest growth rate, from just 345 workers in 1992 to over 4,600

in 2015, based on current development plans and projections, for an annual average 82 percent growth rate.

This projected growth is a further indication of the important role of the peninsula—and, by extension—the Downtown Plan study area in the economy of the metropolitan area. Clearly, economic growth and jobs are attracted in relatively large quantities to the downtown area even though population and housing have not been a major part of this growth.

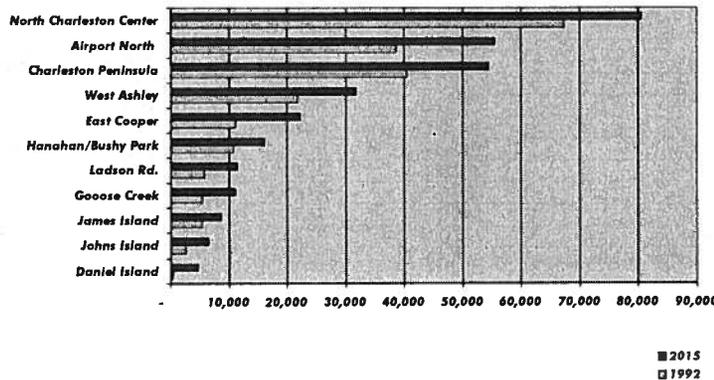
2. Population and housing market

The population of the Charleston region (Berkeley, Charleston, and Dorchester Counties) was estimated to be 522,300 in 1994 (latest available data from local sources). This figure was up three percent from 506,900 in 1990. By 2015, population is projected to increase by 172,900 to about 695,200 for a 21-year growth rate of about 33 percent, or about 1.6 percent per year.

Projections made by the Berkeley Charleston Dorchester Council of Governments (COG) generally ignore municipal boundaries because these are subject to rapid change as annexation takes place. But they do focus on the largely fixed boundaries of the Charleston peninsula. This area had an estimated 39,000 residents in 1990 (7.7% of the region), a population which has not changed significantly in the years since.

By 2015, in fact, the COG projects that the peninsula will have only 1,700 more residents, or just one percent of all projected regional growth in the 25 years from 1990 to 2015. The COG projection assumes, of course, that there are no substantial increases in the amount and density of residential units on the peninsula.

Employment projections by area, 1992 - 2015 exhibit 10



Source: COG, 1995.

In short, the peninsula is assumed "built out" for purposes of residential development if the projections are to be used. On the other hand, there continue to be market pressures for more residential growth on the peninsula, particularly in the potential redevelopment of the Union Pier area and continued revitalization of neighborhoods throughout the peninsula, especially on the upper section of the Downtown Plan study area.

An important factor recommending that more housing is desirable and necessary in the Downtown Plan study area, in particular, is the recent trend in housing values at time of sale or re-sale. The study area (denoted as Peninsula Below the Cross-Town on Exhibit 11) had, by far, the highest median housing value in 1998 among the seven areas of the city shown on the exhibit.

Furthermore, the study area had the second highest rate of growth in median value (66.9%) between 1990 and 1998, slightly higher than on James Island (64.4%) although well below the rate of value increase on Johns Island (86.7%). These latter two areas, however, had 1998 median values of approximately the same amount (\$119,000-\$120,000), about 40 percent of the median value in the Downtown Plan study area (\$292,000). Only the Daniel Island/Cainhoy area comes close to the median values of the study area with a 1998 median of \$210,700.

These findings indicate that the Downtown Plan study area remains a housing location in high demand. Despite this strong demand, a force which is driving up the prices for housing in the downtown area, the number of residential building permits issued for the entire peninsula (data not available for the study area alone) totaled just 388 between 1990 and 1998, representing just eight percent of the city total. Of the peninsula permits, almost two-thirds were for multi-family housing units compared to one-quarter multi-family permits for the city as a whole.

From a market demand standpoint, therefore, the peninsula and, in particular, the Downtown Plan study area could attract a much higher number of households and could absorb a much higher proportion of the city's housing development. In fact, it is likely that failure to keep up with demand for additional housing on the peninsula and, in particular, in the Downtown Plan study area, will result in rapidly increasing prices for existing homes. The Charleston area is attracting population growth which translates into housing demand. Some of this demand will seek to be satisfied in the downtown area. Without additional housing opportunities, only the most affluent will be able to purchase homes in the study area.

Given land and space opportunities, therefore, the peninsula can accommodate more substantial growth than

reflected in the COG's projections. With the entire metropolitan area projected to add an average of some 8,000 or more residents per year through the year 2015, the peninsula is in a position to capture a much larger share of this growth should public and land use policies be designed to accommodate it.

If it were deemed desirable that the peninsula maintain its share of the region's population at about 7.7 percent over the next 15 to 20 years, this desire would translate into an addition of an average of 500 to 550 people per year. This increase would be net new residents since the population of any community is constantly shifting as people are born, mature and form new households, seek more appropriate living quarters, and die.

Accommodating the slow rate of growth projected by the COG at just 1,700 net new residents between 1990 and 2015 would mean the addition of only about 70 units per year, a figure which would require the construction of 30 to 40 net new housing units per year (net of replacement of existing units due to deterioration, obsolescence, or change of use).

On the other hand, absorbing growth of, say, 500 people per year in the urban densities of the peninsula would require the creation of 200 to 250 housing units per year,

Median home sales values by area, City of Charleston

exhibit 11

	peninsula below X-town	peninsula above X-town	W. Ashley Inside 526	W. Ashley outside 526	James Island	Johns Island	Daniel Island/ Cainhoy
1990	\$175,000	68,875	77,500	88,500	73,000	63,800	NA
1991	205,000	74,500	82,000	76,500	79,100	78,000	NA
1992	175,000	69,900	84,000	90,000	80,200	69,900	NA
1993	185,000	68,000	86,000	90,500	82,200	104,500	NA
1994	200,000	80,000	85,000	94,600	87,500	75,500	NA
1995	210,000	80,000	87,500	95,000	93,000	89,000	NA
1996	280,000	74,000	89,500	94,800	99,700	77,000	179,000
1997	240,000	76,900	95,500	104,000	110,000	97,000	191,500
1998	292,000	87,000	103,000	122,500	120,000	119,000	210,700
total increase 1990-1998	66.9%	26.3%	32.9%	38.4%	64.4%	86.5%	17.7%

Source: Charleston Trident Board of Realtors

on average, a rate of housing growth which would likely strain the resources and land capacity of the peninsula. While such higher growth may not be possible or even desirable to support in the near term, the ability to capture growth rates between these two extremes could be improved if appropriate planning and implementation mechanisms are put into motion. This would mean designating appropriate locations for residential development, identifying suitable densities, encouraging developers and property owners, refining the city's land use regulations, and upgrading or constructing necessary infrastructure.

A particular concern regarding housing in the Downtown study area is the need to encourage current residents to stay while attracting new population. Moreover, it is important to encourage homeownership, although good quality rental units are also necessary. Great care must be taken in using and devising tools to accomplish these goals.

Incentives to encourage low and moderate income homeownership, for instance, have generally proven to be far less fruitful in the United States than hoped. Quite often, low and moderate income households are financially ill-equipped to afford the many costs of owning and maintaining a property which extend beyond the ability to make a down payment and the monthly mortgage payment.

Moreover, there are abundant instances in a free market context of subsidies being provided to developers and builders. These are meant to decrease the ultimate price to the low and moderate income buyer but which, upon closing, encourage the buyer to take advantage of the opportunity to "sell up" to a willing and more affluent second buyer who does not need the subsidy and does not receive such benefits.

A result is that the low and moderate income buyers for whom the housing was intended no longer live in the housing as the market value rises above where they could buy such homes. In the long run, the housing problems of low and moderate income households is simply relocated to other neighborhoods.

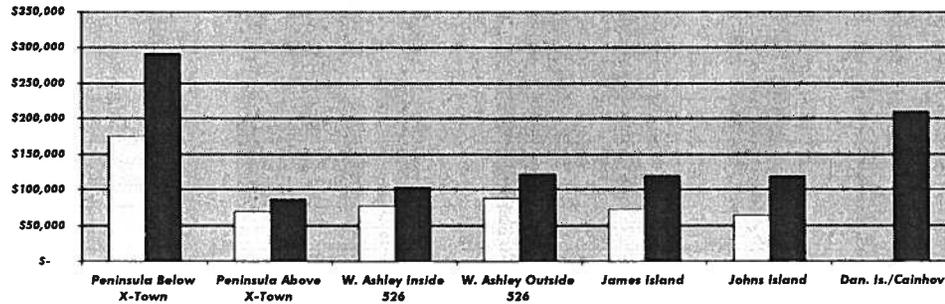
A well-tested solution is affordable rental housing which is designed, both on the interior and the exterior, to look and function like higher density owner housing but, in fact, is subject to central management (typically on a modest scale of 150 units or more) which budgets for regular maintenance and screens for acceptable occupants. Such housing is made affordable by virtue of public and civic participation in the financing of the housing so that rents are kept below market rate while the housing units are constructed at market rate expectations.

This option, of course, requires that substantial amounts of land be assembled in order to produce a development of significant scale under single, private sector, profit-motivated management. Ownership of the project, on the other hand, might be diversified and involve private, public, and non-profit entities to share in the proceeds of ownership while also satisfying public and non-profit participation requirements for many subsidy programs. Likewise, a well planned rental development with effective management can successfully contain a mixture of both market rate and assisted units.

Further complicating some of the housing development solutions on the peninsula is a desire to preserve neighborhoods, particularly those which are most vulnerable to market forces. Neighborhoods of affluent households, particularly those in the lower peninsula, require relatively little planning and implementation intervention. Low and moderate income neighborhoods, notably those where homeownership rates are strong but the quality of the housing is poor due to age and inadequate maintenance and modernization, require much more intervention to encourage private investment. In some cases there may be merit to relaxing preservation standards in order to retain viable, affordable housing in existing neighborhoods.

Median home sales values by area of Charleston 1990 - 1998

exhibit 12



Source: Charleston Trident Board of Realtors

In sum, the peninsula already has an enviable mix of income classes, ethnic history, historic and architecturally noteworthy homes of all sizes and values, and homeowners and renters. A goal of the planning process should be to preserve this character as much as possible even though some areas may be subject to physical change. Moreover, the peninsula is the urban core of metropolitan Charleston and, as such, is attractive to higher density housing for renters of all socio-economic strata.

A key approach to attracting a larger share of the region's growth, therefore, is to encourage large scale rental developments of mixed incomes (e.g., 100 to 125 units per 10-12 acres) while simultaneously upgrading the services to homeowner neighborhoods. Excellent examples of new developments of this sort exist in a number of older cities (such as Quality Hill in Kansas City or Westminster Place in St. Louis, among many others) and could be models for the Charleston peninsula, such as at Union Pier and on lands to be available after the relocation of the Cooper River Bridge.

3. Office market

The latest available semi-annual survey of the Trident region's office market was conducted by the Metro Chamber of Commerce in July, 1998. The survey included 136 existing properties totaling 6.4 million square feet. Of this amount, rentable space totaled about 5,150,000 square feet with the remaining space in owner occupancy alone. The survey further identified 546,000 square feet of available space for a vacancy rate among the rentable inventory of 10.6 percent.

The regional vacancy rate steadily declined over the previous year when it stood at 12.8 percent in July, 1997 and 12.0 percent in January, 1998. As of mid-1998, there were four office buildings under construction in the region and nine buildings that were proposed or planned.

North Charleston contains the largest concentration of office space with over 2.4 million square feet of rentable office space and nearly 50 percent of all office space in the Charleston region (Exhibits 13 and 14). Currently, five office buildings are planned for lower North Charleston that would add 437,000 square feet to the area in addition to the 80,000 square feet currently being constructed.

Downtown Charleston, or the peninsula, ranks a solid second in terms of rentable office space inventory totalling approximately 1.4 million square feet—a 27 percent share of the rental market, up from 23 percent in 1991. Perhaps more importantly, the peninsula contains the vast majority of the region's Class A office facilities with rents approaching those required to encourage new office investments.

This is a reasonable market share for a major downtown area, although higher proportions can and should be sought if the peninsula is to participate in the economic growth of the region and continue to be the focus of a wide range of economic activity. It is important to attract and maintain a certain critical mass of office space which fosters business-to-business relationships within a close geography and attracts support businesses to serve a relatively large cluster of office businesses. Otherwise, given the planned investments in competitive suburban business parks, the office market share held by the peninsula could diminish rapidly even as more office space is added. Moreover, the peninsula could see a diminution in its relative critical mass of office space which could encourage firms to move to more supportive business environments.

Areas outside of downtown continue to attract new corporate headquarters. Piggly Wiggly's Carolina corporate headquarters are under construction, for example, in West

Comparison of rental office markets, Charleston MSA 1991-1998

exhibit 13

Source: Charleston Metro Chamber of Commerce. Commercial Real Estate Surveys, January 1991 and 1998. Buildings including 10,000 square feet or more of rentable office space are included

Charleston MSA (areas)	1991				1998			
	sq.ft.	available space	vacancy	market share	sq.ft.	available space	vacancy	market share
Charleston peninsula	823,609	114,479	13.9%	23%	1,403,652	141,118	10.0%	27%
West Ashley	716,731	88,293	12.3%	20%	630,368	65,639	10.4%	12%
North Charleston Subtotal	1,700,805	539,757	31.7%	48%	2,432,472	348,673	14.3%	47%
Lower N Charleston	538,213	186,066	34.6%	15%	1,291,486	82,376	6.4%	25%
Upper N Charleston	1,162,592	353,691	30.4%	33%	1,140,986	266,297	23.3%	22%
East Cooper	206,139	24,852	12.1%	6%	434,254	27,511	6.3%	8%
Summerville (Dorchester)	107,430	32,094	29.9%	3%	180,005	32,500	18.1%	4%
Daniel Island	NA	NA	NA	NA	50,000	0	0.0%	1%
total	3,554,714	799,475	22.5%	100.0%	5,130,751	615,411	12.0%	100%

Ashley and the Mount Pleasant area (East Cooper zone) has begun the first phase of Patriots Point which, when fully developed, will have more than one million square feet of office space, the largest single office complex in the Charleston region.

Downtown Charleston is characterized by its historic district, which contains some of the finest collections of 18th and 19th century commercial buildings remaining in the United States. Many of these historic and architecturally noteworthy structures contain small office spaces, most with less than 10,000 square feet. Many of the spaces do not have the proper high tech infrastructure to support growing, contemporary businesses.

Employment projections in the Trident region through 2005 indicate average annual growth of about 4,160 jobs per year. Typically, 40 percent of such jobs in a services-dominated economy like Charleston will be located in office buildings. This would create the need for about 416,000 square feet of net new office space in the region each year, on average given normal business cycles and other variables affecting actual development and occupancy.

As of mid-1998, the overall regional vacancy rate was 10.6%, very close to a rate which would normally trigger additional growth in the office supply. Thus, there is little

existing supply to absorb continued office employment growth in the region without additional construction and/or higher occupancy rates.

For the peninsula, projected employment growth is about 600 jobs per year. It is assumed, however, that the peninsula has, and will attract, a higher proportion of jobs in offices than do other parts of the region. At a fifty percent office employment ratio, the peninsula would have to provide an additional 75,400 square feet each year to absorb office employment growth. But the vacancy rate is already under ten percent, suggesting that further near term growth will either have to be turned away, by and large, or additional office development will have to occur.

At a pace of approximately 75,000 square per year (on average) for the peninsula versus 341,000 square feet per year for the rest of the region (416,000 minus 75,000), the peninsula would be decreasing its market share since 75,000 sq. ft. This increase is only about 18 percent of the overall market additions of 416,000 sq. ft. This is due to the employment projections which imply that the peninsula will have a smaller share of regional jobs than it has today.

Thus, to increase the office market share—which would be a normal goal for the center of a service-based regional economy—means increasing the share of office employ-

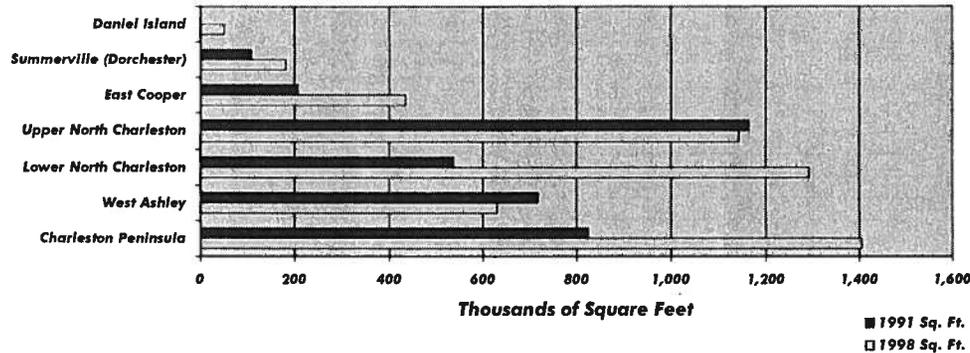
ment which, in turn, means that the peninsula would have to increase its supply of office space more rapidly by the allocation of 75,000 square feet of net new space.

Ideally, the rate of office space increase for the peninsula would be higher than the present market share of 27 percent. For illustrative purposes, a 35 percent goal is evaluated. If the 416,000 square feet of annual average office space additions are held constant, a 35 percent share would be about 145,000 square feet per year on the peninsula, almost double the amount calculated from the current employment projections. (Some of this increase, by the way, might come from further increasing the proportion of office employment on the peninsula.) At such a pace of construction on the peninsula, downtown Charleston would slowly increase its market share to about 32 percent in the next 20 years.

Adding office space at this pace to the peninsula will, of course, require planning for enough land and clustering of office users in order to create a synergistic office market. Such land should also be highly accessible from commuter transportation routes in order to encourage development and minimize intrusion of commuters on residential streets.

Office space by major market areas

exhibit 14



Preferred locations for office space will likely be:

- in or near the King and Meeting Streets corridor north of Calhoun Street, probably nearer the Crosstown Expressway and the new Cooper River Bridge,
- along the Calhoun Street corridor on infill sites between the new aquarium on the east and the medical center on the west,
- in the proposed Union Pier redevelopment area,
- along Upper Lockwood in proximity to the MUSC, and
- on Morrison Drive in the vicinity of the new Cooper River bridge alignment.

These areas offer opportunities to create sizeable sites and developments to compete effectively with suburban locations and similar areas outside the peninsula. Plans should, therefore, consider opportunities in the near term, the mid-term, and the long term such as identifying key, developable sites right away for office development in the next five to ten years (accommodating as much as 750,000 square feet).

Additional locations should be identified for further office growth in subsequent years although these locations may not yet have the infrastructure or the land assemblages necessary. Ideally, the plan would look to a 20-year hori-

zon by identifying potential office building and campus sites that will be marketable in about a decade but will require more patience as roads are improved, utilities are upgraded, and population and employment continue to increase.

Some of these sites should be developed specifically for, and marketed to, "high technology" users. There is no hard and fast definition of "high technology" but it can, and should, include medical research, software and computer hardware development including some assembly, communications companies who use and develop advanced systems, and companies that generally utilize a very high proportion of advanced technology in their business. A number of highly automated manufacturers can fit this category and be quite suitable in a "business" park (which would not be restricted to office users alone). An excellent location for high tech uses would be comprised of sites adjacent to the Medical University of South Carolina.

At the same time, the upper peninsula, the Calhoun corridor, and Union Pier should not be seen as the only locations planned for future office uses. Indeed, selected parts of the lower peninsula do now and can continue to serve certain types of office users, especially those who need relatively small amounts of space. These can function effectively in older buildings although these frequently have less efficient floor plans, are more difficult to access, provide

less parking, and may have below average utility service when compared to new office structures.

In all likelihood, the supply of these lower peninsula spaces will be strictly market-driven and there is little need for restrictive planning, incentives, or additional regulations. There may, however, be proposals to convert other uses (e.g., retail or residential) into office space. Therefore, regulations limiting or restricting such conversions may be desirable in selected locations to preserve historic retail and residential spaces for those uses.

Finally, while it is important that there be certain concentrations of office space that foster the synergies between office users that are inherent in such aggregations, it is also desirable that offices be part of a large, mixed-use environment that affords full opportunities to live, work, and play. In this respect, there is a critical role for the central business district of Charleston. In many ways, the path to economic diversity in the CBD is the office market; more opportunities to attract office users helps to reduce the CBD's reliance on retailing and tourism. Likewise, it allows the residents of the peninsula ready access to a far greater variety of high paying jobs without the "reverse" commute to the suburbs.

Potential office space growth, Charleston region and peninsula

exhibit 15

	region	peninsula
Annual new job growth	4,160	600
Office using proportion	40%	50%
Annual new office employees	1,664	302
Total annual new office sq. ft.	416,000	75,400
Existing office vacancy rate	10.6%	9.0%
Standard office vacancy rate	10.0%	10.0%
Excess vacancy percent	0.6%	-1.0%
Existing tenant-occupied office inventory (sq. ft.)	5,100,000	1,395,000
Total excess office space	30,600	-13,950
Years supply of existing supply	0.07	-0.18

Sources: S.C. Employment Security Commission for the job projections (first line, above); Development Strategies for the estimates of office-related employment and office space needs.

Much has been accomplished in this regard already. The NationsBank (now known as Bank of America) and BellSouth headquarters are the result of very successful efforts to diversify the downtown area. Similar efforts should be undertaken elsewhere downtown. To further encourage such growth, the peninsula can also be touted as a place to both live and work for busy executives and business owners. They will also have the advantage of nearby shopping and dining opportunities with very little travel by automobile.

4 Retail market

Trident Region

The Charleston Trident region has a total of 11.5 million square feet of retail space, as shown on Exhibit 16, including eating and drinking places. This is an average of about 22 square feet per resident population, a ratio which approximates the national average. Moreover, per capita retail sales in the metropolitan area are about \$9,000 per year, again almost the same as the national average.

The City of Charleston, however, exceeds the national averages of retail. While available measures of retail square feet for the city, itself, are unreliable, the 1998 "Survey of Buying Power" indicates that per capita sales (including eating and drinking places) for the city alone were about \$18,000 for the year, roughly double the metro and national averages. These "excess" retail sales are attributable to the city's growth as a tourist center attracting and serving a "population" much larger than the permanent residents alone.

The overall retail market has remained relatively strong over the past seven years. Retail sales in the center of

Charleston have accelerated in the latter part of the 1990s responding to the growing economy in Charleston. For instance, sales grew 3.2 percent from 1991 to 1994 compared to 6.2 percent from 1994 to 1997.

Notwithstanding the important value of tourist-oriented shopping and dining on the peninsula, the suburbs continue to dominate the retail sector in Charleston due to the scale of the shopping centers and growing population in the suburbs. Exhibit 17 shows the gross leasable area (GLA) of retail space for the six different zones in the Trident region identified by the Charleston Metro Chamber of Commerce for tracking retail information. For instance, the North Charleston and West Ashley areas combined have 64 percent of the retail space in the region.

Downtown Charleston

Downtown Charleston has approximately 555,700 square feet of retail space. The majority (68 percent) is concentrated in street level retail along the King and Meeting Streets corridor. Approximately 177,000 square feet (32 percent) is concentrated in retail centers with over 30,000 square feet, the bulk of this in Charleston Place with 50,000 square feet and Majestic Square with 38,775 square feet of space that houses Saks Fifth Avenue (30,000 sf).

Comparison of retail centers, Charleston MSA 1991-1998

exhibit 16

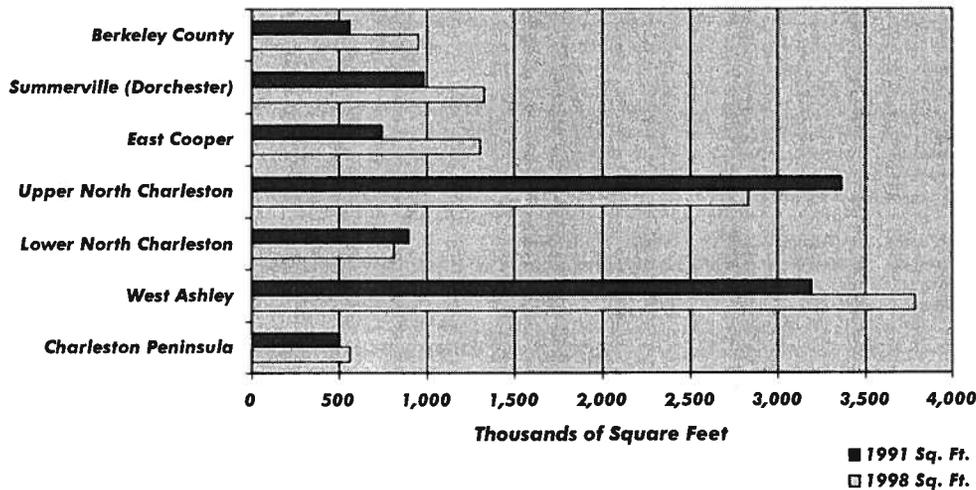
Charleston MSA (areas)	1991				1998			
	GLA	available space	vacancy	market share	GLA	available space	vacancy	market share
Charleston peninsula	500,000	NA	NA	5%	555,700	109,200	* 19.6%	5%
West Ashley	3,193,200	237,200	7.4%	31%	3,785,100	300,100	7.9%	33%
North Charleston Subtotal	4,252,400	429,500	10.1%	42%	3,634,600	610,100	16.8%	31%
Lower N Charleston	892,200	38,500	4.3%	9%	807,600	276,800	34.3%	7%
Upper N Charleston	3,360,100	391,000	11.6%	33%	2,827,000	333,300	11.8%	24%
East Cooper	736,900	78,800	10.7%	7%	1,301,500	46,200	3.6%	11%
Summerville (Dorchester)	977,700	97,900	10.0%	10%	1,321,900	173,000	13.1%	11%
Berkeley County	556,500	51,700	9.3%	5%	948,700	207,900	21.9%	8%
total	10,216,700	895,100	8.8%	100%	11,547,544	1,446,500	12.5%	100%

Source: Charleston Metro Chamber of Commerce, Retail Sales Survey, January 1991 and 1998. Outside of Peninsula, it includes only centers with a minimum of 30,000 sq. ft. Downtown GLA is an estimate of all retail space, including space less than 30,000 sq. ft. 1991 estimate did not provide available space for buildings less than 30,000 and, therefore, it is not included.

* Relatively large vacancy rate is due to this fuller accounting of peninsula retail space.

Retail space by major market areas

exhibit 17



The opening of Charleston Place in 1986 strengthened the King Street corridor, bringing in national retailers. In 1996, the new Saks Fifth Avenue opened and added more national retailers to the streetscape. Since 1991, the peninsula has added some 55,000 square feet of retail space. Without a current database of retail space, however, actual growth of retail is harder to track on the peninsula as so many of the retail shops are concentrated in individual shops that are not tracked in the Chamber's Retail Survey.

The overall vacancy rate for retail in the peninsula was most recently (1998) estimated at 19.6 percent, a very high overall rate. High vacancy rates are concentrated, however, in the Upper King Street area, which accounts for 60 percent of the 109,200 square feet of the unoccupied space. National retailers and the retailers in the Lower and Middle King street areas are performing much better.

The four retail centers in the peninsula with over 30,000 square feet have a combined vacancy rate of a healthy 5.4 percent of total retail space:

Ansonborough Square	334 East Bay St.	38,000 sf
Kings Plaza (Food Lion)	King & Grove	52,000 sf
Majestic Square (Saks)	King Street	38,775 sf
Charleston Place	King & Market	50,000 sf

Retail Demand Projections

Projections of retail space demand, and the need for additional space, are a function of future population, employee, tourist, and other visitor growth. For purposes of this analysis, however, it is assumed that virtually all tourist-related retail development will be concentrated south of Calhoun Street and will be entirely subject to market forces. That is, no special financial incentives are necessary to encourage more retail development or conversion from other uses. The tourist market is, virtually by definition, a prosperous market for which little or no further public sector intervention is needed.

This is not to say that the public sector has no role in redevelopment. Indeed, regulation of the market is an important government role. Moreover, the public sector, in partnership with the private sector, has a critical role in assuring that tourist attractions are maintained and well marketed in order to sustain them as visitor attractions. Once people are drawn to the tourist areas, however, the private sector should be allowed substantial free reign to determine the types of retailing to offer.

On the other hand, there may be need to apply public resources to improve the retail shopping opportunities for residents of the peninsula. At present, the residents appear

to be under served with regard to convenient, large scale retail facilities consistent with the opportunities outside the peninsula. In fact, as noted above, the Charleston Metro Chamber of Commerce counts only four shopping concentrations on the peninsula which exceed 30,000 square feet and are owned or managed by a single entity. These total about 177,000 square feet together.

In short, there are virtually no shopping centers, per se, or large stores on the peninsula. Still, King Street (in particular) functions as a shopping center due to its ability to attract large numbers of shoppers to a wide variety of stores while being effectively anchored by a few larger stores (e.g., Saks).

A tentative estimate of demand for the population of the peninsula suggests a market for some 536,000 square feet of retail space, as shown on Exhibit 18. This is space which would be distinct from most of the other retailing on the peninsula with that focus on the tourist market.

As noted earlier, the peninsula now has about 555,000 square feet of retail space, two-thirds of which is located in the lower King and Meeting Streets corridor. While much of this corridor serves the general population as well as the tourist market, it is noteworthy that only a quarter of all retail space on the peninsula is in relatively large centers;

Retail demand estimate for peninsula**exhibit 18**

<i>Residents on the peninsula (1998)</i>	<i>39,000</i>
<i>Per capita income (annual, 1998)</i>	<i>\$17,000</i>
<i>Total income</i>	<i>\$663,000,000</i>
<i>Share of dollars available for retail purchases</i>	<i>38%</i>
<i>Assumption re: capture rate for peninsula</i>	<i>251,940,000</i>
<i>Potential dollars spent on peninsula</i>	<i>50%</i>
<i>Assumed sales per sq.ft. average</i>	<i>\$125,970,000</i>
<i>Supportable sq.ft.</i>	<i>536,000</i>

Sources: Claritas, Inc. for population and per capita income; Development Strategies for other estimates.

but the majority of that has a tourist/visitor leaning. Therefore, there is a need to better serve the resident population with convenient and large scale retailing.

On the assumption (based on interviews conducted during the study) that two-thirds of the retail space on the peninsula is aimed at tourists and one-third focused on residents, then the need for 536,000 square feet of resident-oriented space is reduced to about 350,000 square feet. At present, this need is being served by residents having to travel outside the peninsula to modern shopping concentrations. Attracting more such retail development to the peninsula, particularly near the Crosstown Expressway and its major arterials, would better serve the residents.

The retail to be sought in these locations and focused on the residential market would resemble power centers or entertainment centers. These would include large, value-oriented department stores, major single purpose stores (such as home and garden, pets, books and records), movie complexes, and various forms of restaurants, both fast food and full service. The site(s) and buildings should be required to conform to the character of the historic peninsula, reflecting the architecture and remaining consistent with building scale and street patterns.

Given the financial resources of most of the peninsula population, it is fair to assume that high-end or luxury types of retailing is adequately addressed by stores principally located in the Lower King Street area and in regional shopping centers outside the peninsula. The need, therefore, is focused on convenience shopping facilities, such as discount department stores and similar large scale retailers who individually specialize in a particular consumer product range but together address a diverse market.

5. Hotel market

The 1998 Visitor Accommodations Study provides a comprehensive overview and analysis of tourist accommodations in the City of Charleston. According to that study, there is a total of 4,321 overnight rooms in the City of Charleston and 6,446 in the rest of Charleston County.

The peninsula, itself, has 3,390 of these rooms, or 32 percent of the total. Of the 28 hotels located on the peninsula, 20 are south of Calhoun Street with a total of 1,728 rooms (51 percent of the peninsula). The medical center area on the west side of the peninsula has 793 overnight rooms (26 percent) in four hotels while the remaining 569 rooms (18 percent) are located in four hotels elsewhere north of Calhoun Street but within a few blocks or less of Calhoun in the King/Meeting Street Corridor.

The number of hotel rooms in the City of Charleston has increased by 90 percent since 1982, a rapid average of six percent a year. This indicates how quickly Charleston has become a major visitor attraction. As a result, however, the city has been able to maintain its share of hotel rooms despite a similar rate of growth in other parts of the county, which responded to resort demand and construction. A serious consideration for Charleston, therefore, is to con-

Source: 1982, 1997
Visitor Accommodations
Studies, Charleston
Department of Planning
and Urban
Development. Numbers
include Bed &
Breakfasts.

Charleston visitor accommodation by area, 1982 & 1997

exhibit 19

	1982		1997		1982-1997 percent change
	rooms	Pct. of market	rooms	pct. of market	
<i>City of Charleston</i>	2,276	41.7%	4,321	40.1%	89.9%
<i>peninsula</i>	1,835	33.6%	3,390	31.5%	84.7%
<i>West Ashley</i>	441	8.1%	931	8.6%	111.1%
<i>Charleston county outside city</i>	3,184	58.3%	6,446	59.9%	102.4%
<i>North Charleston</i>	2,552	46.7%	4,167	38.7%	63.3%
<i>East Cooper</i>	226	4.1%	1,443	13.4%	538.5%
<i>West Ashley</i>	406	7.4%	836	7.8%	105.9%
<i>Dorchester County</i>	NA	NA	NA	NA	NA
<i>Berkeley County</i>	NA	NA	NA	NA	NA
total	5,460	100.0%	10,767	100.0%	97.2%

vert some of the demand, or add to the demand, for non-tourist and resort purposes, perhaps for conventions and other major events. This would help to diversify the market and, if timed properly, help to occupy hotel rooms in typically off-peak times of the year.

Overall hotel occupancy increased markedly (in hotel terms) from 68.7 percent in 1996 to 70.0 percent in 1997, despite the addition of 594 new rooms. This enabled local hoteliers to increase the overall average daily rate by over nine percent to \$88.64 in 1997.

Future hotel demand

Current and future developments on the peninsula and in the entire Charleston metropolitan area will create more demand for hotel rooms.

The following developments are major examples that will work to increase hotel demand:

- Aquarium and its projected 1,000,000 annual visitors
- College of Charleston arena—a proposed 6,500-seat facility with small conference rooms for a specialized conference business niche
- New local and tourist attractions such as a marina,

museums and cultural facilities

- Union Pier development, particularly office market growth
- Growth in visitors to the medical center (patients and their families, academic visitation, and researchers)
- Overall growth in tourism market which is expected
- Overall growth in convention market due to facilities in North Charleston combined with the attractions of historic Charleston

The 1995 report on the market potential for redevelopment of the Union Pier area estimates a 10-year forecast for hotel demand on the peninsula to be between two and four percent. Such demand growth will create, on average, an additional 60 to 130 rooms per year for ten years. The current hotels on the peninsula north of Calhoun Street average about 180 rooms which, if applicable to future hotel development, translates into the development of three to seven additional hotels over ten years.

At issue, of course, is where such hotels are to be located. Given the congestion of traffic and tourists on the lower peninsula and a goal of spreading hotel usage to ease such concentrations, new hotels should generally be restricted to areas generally north of Calhoun Street. However, Union Pier may be an appropriate location as

well as other sites with ease of access from the Crosstown Expressway and/or serving the medical center area.

In any event, plans for adequate land availability and site consolidation to accommodate future hotel growth, and policies governing their size, access, and on-site services on the peninsula, need continual attention. These efforts will help assure both orderly development and that the peninsula is properly positioned to capture a fair share of overall market growth in overnight accommodations. Moreover, policies regarding conversions of historic properties to bed and breakfast uses must continue to address concerns regarding potential losses in the residential nature of the community (e.g., maintaining residential architecture even after conversion to other uses). If demand for overnight accommodations follows the track outlined above, there will be increasing pressures for B&B conversions, especially for historic and architecturally significant structures.

Moderate development opportunities in downtown Charleston: 5, 10, and 20 years

exhibit 20

	existing	growth projections			total	
		0-5 years	5 - 10 years	10 - 20 years		
Employment	45,000	2,800	3,500	7,700	14,000	
Population	39,000	800	1,000	2,200	4,000	
Housing (units)	10,000					
		<i>Housing unit growth</i>	400	500	900	1,800
		<i>ownership</i>	160	130	180	470
		<i>rental</i>	240	370	720	1,330
Office	1,400,000	<i>Office sq.ft. growth</i>	300,000	375,000	825,000	1,500,000
		<i>floor area ratio</i>	1.5	2.0	2.5	2.1
		<i>site area, acres</i>	5	4	8	16
Retail	555,700	<i>Retail sq.ft. growth</i>	200,000	125,000	175,000	500,000
		<i>floor area ratio</i>	0.25	0.35	0.50	0.33
		<i>site area, acres</i>	18	8	8	35
Hotel (rooms)	3,390	<i>Hotel room growth</i>	400	200	200	800
		<i>Density, rooms/acre</i>	50	75	100	63
		<i>Site area, acres</i>	8	3	2	13

6. Potential strategic growth targets

The Trident region's economy is vibrant and growing and, most notably, has absorbed the recent closing of the Charleston Naval Base without experiencing net declines in employment. During the 1990s, the economy of the region quickly adjusted from a predominance in defense related jobs to a more diversified base involving tourism (hotel and retail), health care (and related teaching), and port activities.

This shift, however, has created concerns about changes in the quality of life and the economy occurring on the peninsula, particularly as these changes affect the charm and attraction of historic Charleston and the diverse population in many existing neighborhoods and boroughs.

The greater Charleston area benefits from economic and population growth; attracting growth opportunities is not a major issue. At the same time, Charleston must grapple with changes caused by growth and the need to channel growth to the most appropriate and competitive locations.

The opportunity arises for the city, therefore, and more particularly for the Downtown Plan study area generally, to

plan for, attract, and direct growth where it will minimize negative impacts while contributing to improvements in housing, office development, retail shopping, and accommodating Charleston's many visitors.

Exhibits 20 and 21 summarize the growth potential and opportunities for the downtown planning area over the next 20 years under two broad scenarios:

- **moderate** (indicating modest growth well within the vision based on appropriate planning and promotion) and
- **vigorous** (a more activist and optimistic approach to attracting more of the region's future growth to the Downtown Plan study area).

The growth potential for the Downtown Plan study area could require between 75 and 109 acres of land for commercial purposes alone plus land for between 1,800 and 4,500 housing units of various sizes and configurations, as shown on Exhibits 20 and 21. Assuming this amount of land is available in the Downtown Plan study area during the next 20 years, the exhibits demonstrate the potential scale of growth if downtown takes full advantage of its economic leadership and opportunities.

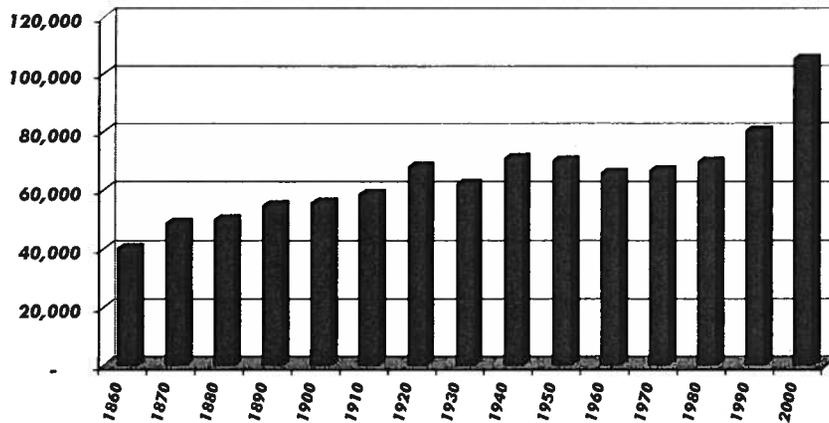
The exhibits suggest the scale of potential development in a

range of densities, expressed as floor area ratios (the amount of floor area on a site of a given acreage) or as housing units or hotel rooms per acre. Higher densities generally denote more vigorous growth and pursuit of development, but are not meant to be prescriptive.

Vigorous development opportunities in downtown Charleston: 5, 10 and 20 years **exhibit 21**

	existing		0-5 years	5 - 10 years	10 - 20 years	total
Employment	45,000		4,400	5,500	12,100	22,000
Population	39,000		2,000	2,500	5,500	10,000
Housing (units)	10,000	Housing unit growth	900	1,100	2,500	4,500
		ownership	360	280	500	1,140
		rental	540	820	2,000	3,360
Office	1,400,000	office sq. ft. growth	725,000	1,015,000	1,160,000	2,900,000
		floor area ratio	2.0	2.5	2.5	2.1
		site area, acres	8	9	8	16
Retail	555,700	retail sq. ft. growth	280,000	210,000	210,000	700,000
		floor area ratio	0.35	0.50	0.75	0.47
		site area, acres	18	10	6	34
Hotel (rooms)	3,390	Hotel room growth	800	500	400	1,700
		Density, rooms/acre	75	100	150	93
		Site area, acres	11	5	3	18

City of Charleston population, 1860 - 2000 **exhibit 22**



Source: City of Charleston
Department of Planning
and Urban Development

Section 2: Economic development strategy III

1. Profile of economic progress in downtown Charleston

The recent past: A sleepy town of the Old South with history, culture, a port, antique shops, and "old money"

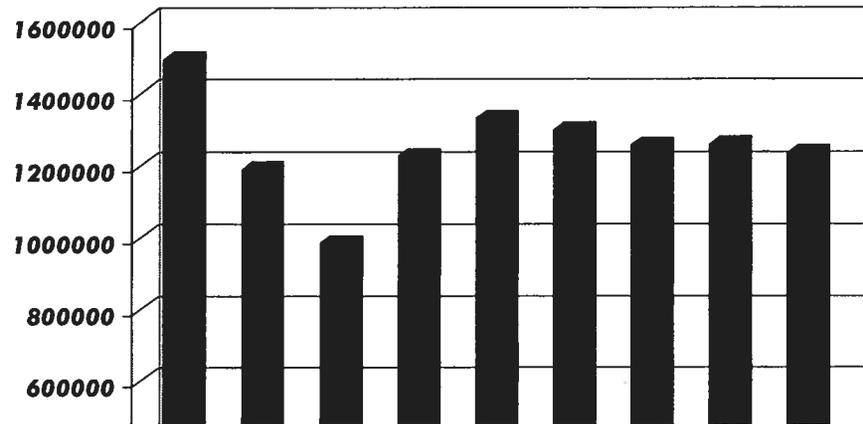
Downtown Charleston was, for nearly a century, a relatively remote vestige of the Old South that benchmarked itself to the prominent role it played before and during the Civil War. The City of Charleston experienced many ups and downs in its population during this time and only began an annexation program outside the peninsula in the 1960s.

The Second World War, and then the Cold War that followed, brought successive waves of change. A large part of the region's economy then became tied to employment and procurement connected to defense establishments, especially those linked to the port. Federal funds at the same time helped to create a highly competitive infrastructure for growth, especially for commercial port operations.

The state also became increasingly aggressive and successful at "industrial development", the recruitment of industrial firms seeking the lower costs of facilities and operations in

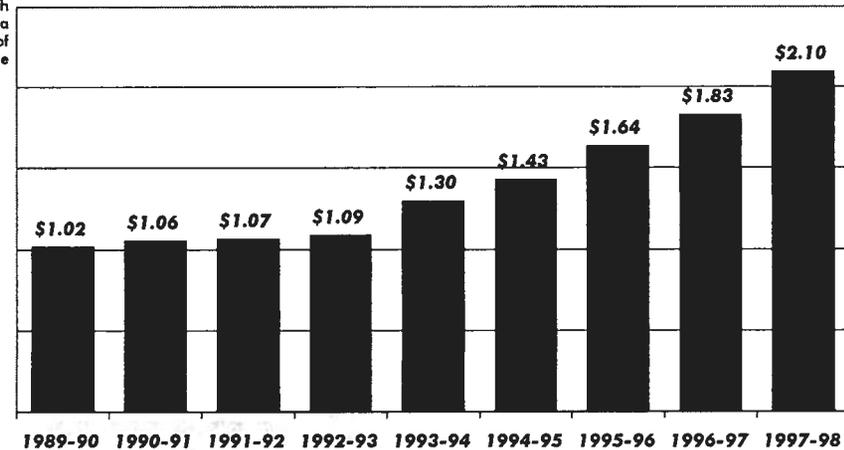
Annual visitors to major Charleston attractions exhibit 23

The reporting attractions include: Ft. Sumter, Ft. Moultrie, Charleston Museum, Heyward-Washington House, Joseph Manigault House, Aiken-Rhett House, Charles Towne Landing, Middleton Place, Gibbes Museum of Art, Nathaniel Russell House, Edmondston-Alston House, Drayton Hall, and Patriots Point. Source: Charleston Metro Chamber of Commerce.



South Carolina visitor accommodations tax revenues from Charleston (\$ millions) exhibit 24

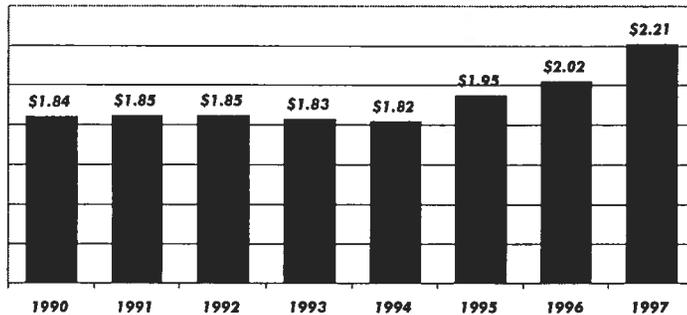
Source: South Carolina Department of Revenue



**Annual retail sales in the City of Charleston
(\$ billions)**

exhibit 25

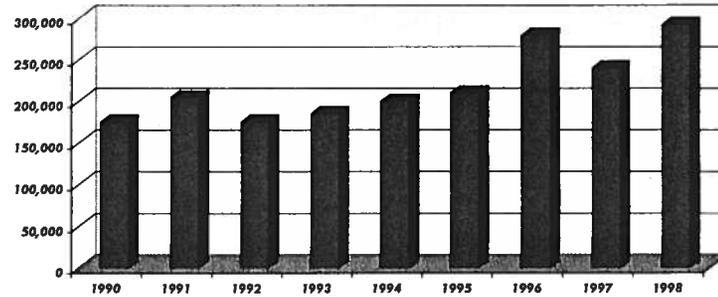
Source: South Carolina Department of Revenue



**Median home values:
peninsula below Crosstown**

exhibit 26

Source: Charleston Trident Board of Realtors



the South by fleeing the higher costs of union labor and aging infrastructure of northern and mid-western cities.

The slack economy between the Civil War and World War II period had the unintended but nevertheless beneficial effect of preserving the historic built environment of the lower Charleston peninsula which today comprises the downtown of the metropolitan area. This is the "crown jewel" of the Trident region and a national treasure as well. The growth of tourism as a result of this historic character in the past 10 to 20 years has brought this benefit into clear focus. Moreover, the tourism and special character of Charleston has attracted economic forces that have enabled both the public and private investment required to ensure the city's preservation and economic reuse.

The challenge today, however, is whether to accept the role of downtown as a "museum environment" shared by tourists and preservation-minded affluent residents or to seek to keep the downtown, including its valued charms, as a competitive urban core with a diversified economic base, sharing in the growth of the larger region.

A burst of new economic energy from tourism

Much to their credit, the city and region have sought to compete within the larger economic framework of the New

South. As suggested earlier, this did not come early, as with Atlanta or the North Carolina Piedmont cities, but it did come. Within South Carolina, this new competitiveness is best symbolized by the success in attracting BMW to the Greenville-Spartanburg area and the subsequent dramatic growth of industrial and distribution firms along the Interstate-85 corridor.

Within the Charleston region, and especially in downtown, this new aggressiveness has been expressed in a dramatic increase in tourism and in the marketing to the nation and the world the qualities of the preserved historic environment. At the same time, the region's reputation as a vacation haven for those who seek waterfront resorts and the ambience of the old town and its many quality restaurants, shops, and historic attractions has increased significantly.

Economic success in this regard is vividly illustrated by data on state tax revenues from overnight accommodations in the City of Charleston, shown on Exhibit 24. While relatively flat for the first four years of the decade, these revenues have increased 70 percent in the last five years. While Charleston has long been an attractive vacation and tourism area, recent trends show the city to have a dramatically improved drawing power.

One result of this burst in tourism is that retail sales in the City of Charleston have rapidly grown in recent years. This pace of increase does not go unnoticed by national and international retailing companies who diligently seek robust and expanding markets. Exhibit 25 indicates why Charleston has experienced strong interest from out of town retailers. The area is especially attractive with a 20 percent increase in sales between 1994 and 1997 alone (later figures not yet available).

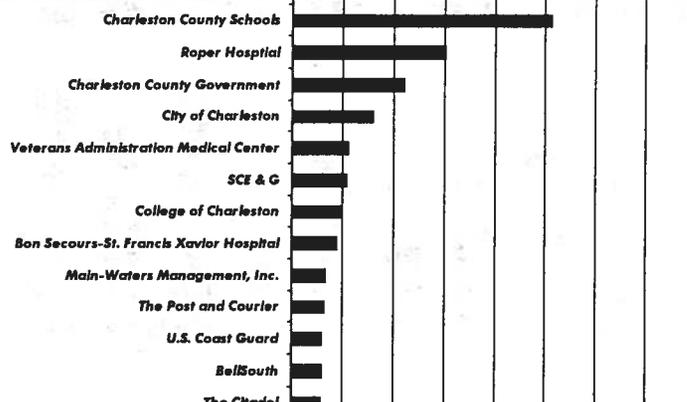
Intense investment in preservation and restoration with rising property values and "new money"

Along with the "discovery" of Charleston as a great place to visit has been its recognition as a great place to live. This is particularly the case with those of independent means. In other words, many households with the personal wealth to choose where they will live have been attracted to Charleston not because of job opportunities but for the amenities and lifestyles the downtown offers. Often these are persons who are retired. Others use a home in historic Charleston as a seasonal or vacation residence.

Regardless of the motivation, this phenomenon has led to dramatically rising property values not only in the oldest and best preserved sections of the downtown peninsula but

Fifteen largest employers in the City of Charleston

exhibit 27



Source: Metro Chamber of Commerce, Major Employers Directory 1997

Note: Roper Hospital merged with St. Francis Xavier in 1999 to become Care Alliance.

increasingly throughout Charleston. In fact, the median value of homes sold on the peninsula south of the Crosstown Expressway increased by 67 percent between 1990 and 1998, by far the most rapid rate of increase—and the highest values—of any other submarket in the Trident region. When combined with the growth of the tourist/visitor economy, these new residents have yielded significant economic gains (jobs, expenditures, and wealth) for the community while increasing fiscal benefits to the city, state, and other taxing authorities.

A focus on the quality of life and quality of the environment with new regional amenities

Tied to success in creating a strong tourist economy and attracting new resident investors in neighborhoods lost to physical decline through under-investment, has been a recent effort to invest more of the community's collective wealth in the creation of major new public amenities and cultural facilities. Most notable are the new Waterfront Park, the South Carolina Aquarium under construction, the refurbishment of Marion Square now underway, and Joseph P. Riley, Jr. Stadium.

These public investments will have the salutary effects of not only enhancing the quality of life of Charleston residents but also helping to offer alternative attractions to

tourists and other visitors. This will take some of the pressure off of the older neighborhoods and business areas of the lower peninsula. At the same time, the decision to locate the region's major convention and exhibition facilities in North Charleston was especially appropriate because it helps further spread the benefits brought by visitors and avoid further impact on the lower peninsula. A College of Charleston arena, if developed as proposed, would likely have a similar effect.

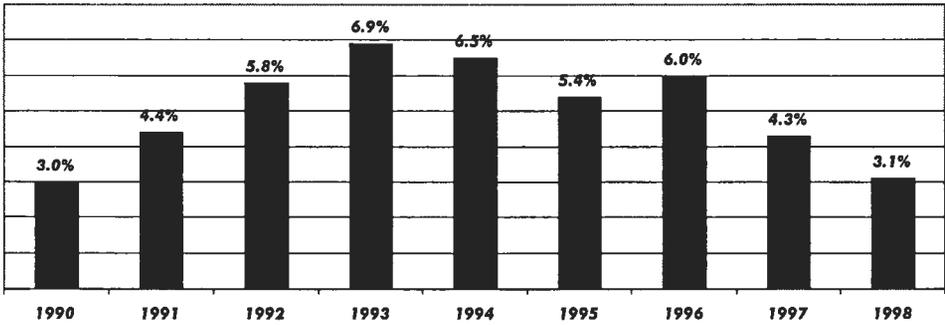
A powerful magnet of higher education, health care, and related research and development

The dramatic growth of both the Medical University of South Carolina, with its health care delivery institutions and medical school, and the College of Charleston has led to further economic prosperity and diversity of the lower peninsula as well as the region. In addition to bringing students, patients, and visitors, these quality institutions have brought stature to the community and a range of jobs for residents that spans the spectrum of requisite skills and resulting household incomes. Despite the perception that the Charleston economy is heavily based on tourism, the largest single tourist-based employer in the city is the Charleston Place Hotel—but it is only the 15th largest employer in the city.

At the same time, many employees and faculty of these employers have chosen the special lifestyle of the historic neighborhoods, thereby contributing to the restoration and value of these assets. Moreover, this economic growth has led to growth of the city's labor force along with a remarkably low city-wide unemployment rate which was just 3.1 percent in 1998 (see Exhibit 28). Such a low rate suggests that there are many jobs going unfilled and that further immigration can be expected as Charleston's many amenities combine with a strong job market to attract newcomers.

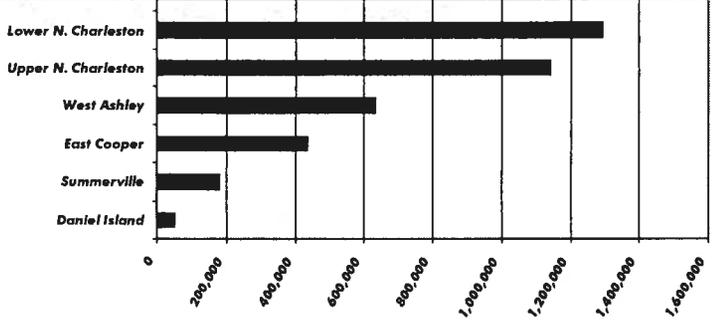
The opportunity now is to encourage, and then retain within downtown, further spin-off businesses, especially those that will capitalize on the unique technologies and services emerging from the research base of the Medical University, as well as diverse supporting businesses. Many of these businesses can be the outgrowth of entrepreneurship of faculty and staff—and even students. Most would occupy office-type space provided additional inventory can be made available in the downtown.

Unemployment rate in the City of Charleston **exhibit 28**



Source:
South Carolina
Employment
Security
Commission

Office space, 1998 (square feet) **exhibit 29**



Source:
Charleston
Metro Chamber
of Commerce

Success in attracting major office users and maintaining downtown's preeminence as the region's Class A and headquarters office center

Given the historic qualities and scale of the downtown, the prominent symbols of high rise office towers as seen in Greenville or Charlotte are appropriately absent in downtown Charleston. Still, the peninsula dominates the region's inventory of Class A office space and headquarters employment. Likewise, the city has aggressively sought to maintain this position by recruiting and making incentives available to encourage companies such as BellSouth and NationsBank, now Bank of America, and the federal courts to come to or stay in downtown.

The recent decision of a major law firm to depart the downtown for a signature building in a planned business park across the Cooper River, however, should be considered an important wake up call. While it is understood that there were special circumstances that drove this particular location decision, it focuses attention on the need to plan for expansion of office development opportunities on the peninsula if citizen and plan goals of attracting higher paying jobs to downtown are to be met. Failure to do so could lead to a rapid erosion of downtown's leadership as a place of employment for the growing service sector of the region's economy.

Downtown has much to offer the office-based employer and its employees. Like most downtowns, it is the one place in the region where face-to-face contact between businesses and between business and government can be achieved quickly and conveniently. It is the one place where people can walk to a variety of lunch places or even do a bit of shopping during lunch. It further offers the opportunity for walking to work from an adjacent historic neighborhood.

With low vacancy rates and few sites readily available to build new office space, however, it is also very difficult for a business to expand or relocate to the peninsula. Further, there is no single area recognized and marketed as the office core of downtown where such expansion is welcomed and facilitated by the city and corporate community.

2. Key issues and challenges: suggested policies and practices

Balancing local vs. national business presence

Part of the success of Charleston's "new" downtown has been the attraction of national retail stores to locate on its "Main Street". Charleston was not alone in the country with the almost total departure of comparison goods shopping establishments from downtowns to the "greener pastures" of suburban malls. Prior to that, the King Street shopping district had, in fact, been anchored by several national chain stores, including Penney's, Sears, Lerner's, Grants, Woolworth's, and Kress.

Only with the development of Charleston Place a decade ago did a reversal of this trend emerge with the stores of its enclosed mall or arcade. More recently, the success of these "urban pioneers" has led to their spilling out onto the street frontage to the north and south of Market Street on King with such stores as Ann Taylor, the GAP, Banana Republic, Foot Locker and Saks Fifth Avenue.

This pattern is disturbing to some in downtown, both residents and business owners. It has meant tough competition from firms with national procurement and marketing

systems, competitors run by transient managers rather than local businesspersons deeply committed to the community, higher land values and rents, and demanding customers accustomed to the wide retail offerings found in larger metropolitan regions. In the process, it has expanded the customer base and increased the cumulative attraction of downtown as a regional and visitor shopping destination.

Downtown has, as a result, retained and strengthened its position as the region's fashion shopping district, thus far preventing the emergence of a competing suburban version of a fashion mall. At the same time, local entrepreneurs have dominated the business growth linked to dining, entertainment, and casual tourist shopping, especially in and surrounding the Market. It is not uncommon, and not unexpected, given the nature of retailing today, that local firms will compete most effectively in the highly creative and more volatile businesses of urban entertainment and dining and that national retail chains will dominate comparison shopping for what is termed GAF—general merchandise, apparel, and furnishings—the categories of goods that prevail in the typical regional mall.

At the same time, a careful review of market power of the residents of the peninsula and of the retail facilities catering to what is termed convenience goods (food, drug store items, hardware, and home improvement), certain hard

goods (furniture, appliances), and lower priced shopper goods (general merchandise, apparel, and furnishings — GAF) suggests an opportunity for further retail business growth downtown. The quandary is that these segments of the retail sector are becoming increasingly dominated by national firms as well—throughout the U.S.

The reality is, therefore, that it is highly unlikely a local entrepreneur would risk starting-up a new junior department store, supermarket, furniture store, or even a hardware store when there is always the threat of a large regional or national firm locating in or adjacent to its market, offering lower prices and greater selection. On the other hand, not enabling firms to enter the market to fill this niche will result in residents commuting to the suburbs to shop or paying relatively high prices for the currently limited selection of these kinds of shopping opportunities on the peninsula.

Recommended Policies and Practices:

Identify, secure, and market an appropriate site or sites for the location of regionally competitive "main line" retail shopping facilities to serve peninsula residents (both north and south of the Crosstown) with medium-priced general merchandise (GAF) and convenience goods. These would ideally be carefully positioned within the existing built environ-

ment, potentially in the Upper King and Meeting Corridor to reinforce its historic retail function.

It should be recognized, however, that, in order to accommodate their standard scale, volume and parking requirements it may be necessary to accommodate these uses through the establishment of a medium-sized shopping complex (100,000 to 400,000 sq. ft., 8 to 30 acres). Whichever location strategy is pursued, these uses should be readily accessible to the Crosstown Expressway in order to capture patronage from across the Ashley and Cooper Rivers as well as those living and working to the north and well as south of the Crosstown. At the same time, any new retail shopping venues should be designed to be sensitive to the scale and appearance of Historic Charleston. Likewise, every reasonable effort should be made to accommodate locally-owned businesses together with the inevitable national chains.

The Local Development Corporation (LDC) and the Chamber of Commerce should continue to support the College of Charleston in its entrepreneurship and small business management courses. Broad dissemination and application of the skills and knowledge provided will help foster a culture of capable entrepreneurs to start new businesses of all varieties, both on the peninsula and beyond, and assist existing businesses compete more effectively with national challengers.

Maintain, with input from the local real estate brokers, an inventory of sites and buildings for business location and

expansion. Work with established businesses and business organizations to foster regular communication focused on monitoring their needs and offering opportunities to address their particular business demands. This would serve as an early warning system of potential business departures or failures to enable effective intervention by the public sector and peer groups.

Accommodating retail stores vs. the "corner store"

Much of the concern here relates to the previous discussion of national versus local businesses. The simple fact is that small, corner stores thrive today in any market only where one or more very special circumstances exist:

- High urban densities that force transit dependency and pedestrian movement
- Stores with a unique, almost cult following, due to quality and nature of goods selection, effective entrepreneurial networking, and personal service that leads to strong customer loyalty.
- Absence of otherwise state-of-the-art competition due to barriers to market entry (e.g., land availability, zoning restrictions) within convenient travel distance.

Most markets have favorite, locally-owned retail establishments that continue to succeed because of the presence of one or more of these factors while being conveniently located in their neighborhood and independent of strip malls. Certainly some very good examples exist in downtown Charleston and the older neighborhoods of the lower peninsula. The following are some policies and practices that will assist in preserving these unique community assets while enabling others to begin:

Recommended Policies and Practices

- Assist successful or nascent "corner store" retailers in obtaining permits for parking.
- Work with the Chamber of Commerce and other local business associations to provide pooled business counseling services and to lower hurdles to effective business operation such as costs of accounting, common and cooperative advertising and marketing, personnel training, waivers of business license fees, and stepped, reduced or abated taxes.
- Conduct periodic business condition surveys and focus groups with business owners and managers to solicit on a one-to-one and collective basis insights regarding factors of or barriers to business success.

Pricing out long-term residents vs. enjoying the new prosperity

Rising property values and associated taxes are part of the "good news, bad news" story resulting from the economic achievements of downtown Charleston. In a free market society, these are largely accepted as consequences of growth except when the impacts are particularly harsh and sustained. Proposition 13 in California in the early 1980s, and its offspring in many states, characterized a taxpayer

backlash to high growth with exploding property values and property taxes at that time.

The question in Charleston is, do the current circumstances merit any attempt to reverse or halt the economic forces that underlie increases in demand for historic housing or tourism and, even if there were such a desire, is it really possible to effect such a reversal and at what price in unintended consequences? Given the answer to this question is one to be forged in the forum of local government and public policy setting, the plan will not attempt a single answer. Rather, the following suggestions are offered as possible means of achieving some moderation and shifting of impacts of these economic forces:

Recommended Policies and Practices

Encourage production of alternative housing opportunities for low- to moderate-income households and for elderly residents. This would provide opportunities for persons being priced out of their homes by higher taxes and fixed incomes to remain within the community while reaping the benefits of their higher home values. With rental housing this can be achieved by means of combining assisted as well as market rate rental housing in the same development and under common management with the assistance of Low Income Housing Tax Credits. Providing for more modest priced ownership housing in a strong, rising single family and condominium market has proven more challenging with few examples of long-term success. However, increasing housing supply can in itself have the salutary effect of lowering prices or at least moderating price increases.

Continue the practice of seeking to disperse tourist activity and impacts away from the lower peninsula by precluding further development of hotel rooms or major tourist attractions as well as putting a cap on the number of bars and restaurants located below Calhoun Street.

Devise alternative sources of revenue to reduce reliance on property taxes in the funding of local government. This could include additional sales taxes, especially those targeting tourism and entertainment, and a regional earnings tax. This latter would be best applied on a regional or multi-

county basis so that it does not make the city less competitive in relation to other jurisdictions in the region.

Retaining and encouraging minority businesses

This issue is particularly difficult with few real solutions. The fact is, the minority population of the peninsula has been dropping rather precipitously for the past two decades. While the reasons for this demographic trend are many and complex, two factors are likely most important.

The first is the pull of a more suburban lifestyle and schools, even when the move is within the City of Charleston but further north on the peninsula, this migration is similar for African Americans to that of their white counterparts a generation earlier.

The second major cause of a departure of minority households from the lower peninsula is the economic push from higher property values and taxes. While this may be characterized by some as the negative force of "gentrification", others have seen this as an opportunity to sell their older, often deteriorating homes for prices that allow purchase of a newer property further north in the city or in the suburbs.

Given this demographic reality, there may be the commensurate departure from the lower peninsula of many minority

owned businesses that have catered to the Afrocentric tastes and culture of African Americans in downtown Charleston, as well as white owned businesses that have served the African American community. This loss of diversity is to be regretted as it diminishes the richness and authenticity of historic Charleston. Some suggestions to moderate or offset these forces and encourage minority business development include:

Recommended Policies and Practices

- Continue and intensify the city's current efforts to counsel minority businesses, encourage minority hiring and give certain preferences in procurement of supplies and services while encouraging larger businesses to do the same.

- Create a minority business "round table" organization to facilitate communication and encouragement of business owners and aspiring entrepreneurs. The focus should not just be on minorities serving the minority community but rather on minority businesses competing across racial lines.

- Sustain the Minority Business Venture Capital fund recently initiated by the City of Charleston. While this fund would assist in business start-ups, its primary focus should be on assisting established small firms in obtaining equity capital to expand and capitalize on market opportunities. The fund should be run independent of politics with underwriting poli-

cies that result in a return on invested capital that is commensurate with the risk incurred.

Building on success to diversify the economic mix

The principal opportunity to achieve a more diverse and sustainable economic base for downtown Charleston is to maintain and expand its position as a center of office employment. The reason for this is simple. The largest and strongest sector of growth of the region's economy is the broad category of services that includes an extremely wide range of business and employment types including business services, professional services such as accounting, law, engineering and architecture, hospitality, health care, entertainment and dining, and domestic services.

This employment category has grown in the region from about 45,000 jobs in 1990 to 65,000 in 1998 for a 45 percent increase. Importantly for downtown, an estimated one-half to two-thirds of these jobs occupy office space, suggesting that the additional jobs have created demand for as much as 2 to 2.5 million square feet of office space in the region. Also, the job category of finance, insurance and real estate (FIRE), while not growing, has about 8,500 jobs in the region. Typically, the category has about 85 percent office occupancy and is located downtown.

Given the community's success in establishing a strong tourism industry in the downtown, the opportunity now is to manage further growth in that sector and seek to balance this with gains in office-based employment. The key categories to be encouraged would include:

- Business services ranging from low intensity graphic arts and printing to computer consulting and software design.
- Professional services ranging from attorneys, accountants, engineers, architects, to consultants of all variety.
- Communications and other information technology firms.
- Headquarters, branch and operations offices of diverse businesses (non-profit as well as for-profit) and institutions (colleges, universities, hospitals, social service deliver organizations, etc.).
- High technology firms, although certain ones may require specialized facilities that incorporate laboratories (wet or dry including computer or electronic labs) within office-type structures.
- Leased facilities for federal, state, county and city government agencies.

The following suggestions should assist in securing and expanding downtown's position as the dominant office center within the region:

Recommended Policies and Practices

Compile and maintain an inventory of sites appropriate for development of office facilities in accordance with this Plan. This should provide opportunities for signature build-to-suit facilities for individual firms desiring visibility and an independent image as well as for multi-tenant buildings. This inventory should be marketed as a package to the real estate and economic development communities as well as to prospective user occupants.

Create a high technology business incubator with a focus on medical- and bio-technologies associated with and convenient to the Medical University and College of Charleston. This specialized facility should have provision for "wet" laboratories for pharmaceutical, biotechnology and chemical procedures, as well as facilities for electronic and computer based technology development. Its ultimate purpose would be to create and then retain within downtown and, within the region, business spinoffs from this key industry.

Regarding business retention and attraction of retail and other non-office based businesses, a system of regular data gathering and early warning is needed to allow intervention to head off potential business departures or failures.

An enhanced "world trade center" for the Charleston region located in downtown should be pursued aggressively to enhance a regional as well as local strength.

Within those areas targeted for office growth, create a pool of common or public parking that would diminish the need for on-site parking and gain the greatest efficiencies in joint use of parking inventory. This could be funded by means of a parking authority with special bond authority or by means of tax increment financing, or both. The net result should be a lower overall cost of parking and more efficient use of the available supply.

Designing effective incentives to shape the economy of the future

The use of public incentives is, perhaps unfortunately, an integral part of economic development today. The primary reason for this reality is the increasingly competitive environment within which the practice occurs within the United States today. With 50 states, hundreds of metropolitan areas, and literally thousands of individual cities and counties within these states and regions all seeking to maintain and grow their economic and fiscal bases, it is hardly surprising that the more aggressive of these jurisdictions deem it necessary to make deals to retain or attract employers, investors and developers. Certainly, Charleston is faced with such a challenge as it competes for jobs and businesses with other regions in the southeast as well as with other cities and counties in its own metropolitan region.

The challenge for any jurisdiction is to tailor an array of incentives that can be effective and flexible for a variety of circumstances and then to use these in a judicious manner that concedes in any particular deal as little as necessary to achieve its economic development objectives. At present, the City of Charleston has a limited range of incentives available, especially for an older inner city with the need to effect redevelopment and rehabilitation as opposed to "green field" suburban fringe development. The following are a range of suggestions for enhancing this important "tool kit" for urban economic development.

Recommended Policies and Practices

While not directly representing an incentive program, the city lacks an effective business data base as a tool for understanding trends, strengths and weaknesses affecting its current business mix. A useable business license database should be created. Building on and refining the current database of the city's Business License Division would be the most cost-effective means to achieve this. A good database should include:

- business name
- address(es) and locator number(s)
- type of business to 4-digit SIC

- estimated annual sales per individual business in the city
- estimated square feet occupied per individual business in city
- number of employees per individual business in city
- year established

In addition to containing these data items, the database system should allow for easy aggregation by block face, block, and various other groupings of blocks comprising study areas or districts that might be defined for special purposes. Likewise, the data base should allow for retention of past years' data by property and business name to allow for trend analysis.

Support should be given to establishment of one or more business improvement districts (BID) to allow for enhanced management of downtown Charleston. However, existing state enabling legislation emphasizes the capital improvement function of such districts and seems to provide for the management function only as incidental to a construction program. If possible this legislation should be revised or supplemented to recognize area-wide management as a primary function of a BID, including marketing, advertisement, promotion, business recruitment and retention, advocacy, and even provision of supplemental public services such as security, cleaning, and maintenance.

More powerful direct state funded and enabled incentives for investment in restoration of historic and architecturally significant buildings should be sought. The most effective tool would be a state corporate income or earnings tax credit for the net investment increment that would interface with the similar federal tax credit (ex. Missouri's recent program). Another option would be simple property tax abatement on the investment increment.

Diverse programs that emphasize entrepreneurship and small business development should be aggressively pursued. Many of these are already in place through the city, state and federal governments. However, special focus should be placed on the coverage, effectiveness and interaction of these efforts in order to pin-point opportunities for improvement and to fully integrate these with the broader efforts of the Charleston Regional Development Alliance relative to entrepreneurship. These would include:

Business incubators(s) for diverse types and levels of technology, in addition to the earlier recommendation for an incubator focused on medical- and bio-technologies.
Seed and venture capital fund development, ranging from an organized network of "angel investors" (persons of high net worth seeking to diversifying their portfolios with higher risk/return start-up ventures) to formal venture capital firms investing in expanding small- to medium-sized businesses.

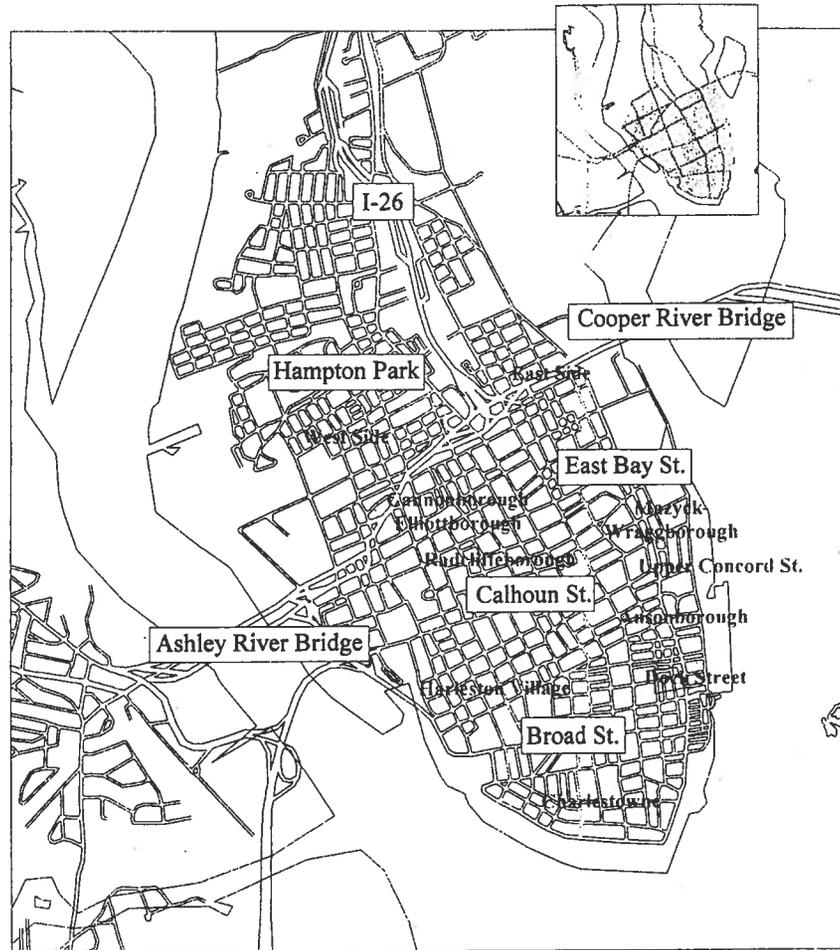
Institute more programs to recognize the accomplishments of entrepreneurs. However, these should be carefully designed not to stigmatize failure while celebrating success. The city, business associations large and small (Charleston peninsula Business Association, regional Chamber of Commerce), public private partnerships such as the Alliance, and civic minded large businesses should be engaged in sponsoring these programs.

The City of Charleston should join with other major urban jurisdictions of the state and pursue legislative means to improve the effectiveness of state enabled tools for urban redevelopment and economic development. This would include the enhanced and more effective use of the powers of condemnation to facilitate site assembly and consolidation for redevelopment and the use of fiscal and economic incentives such as tax abatement, tax increment financing, and tax credits to induce targeted private investment.

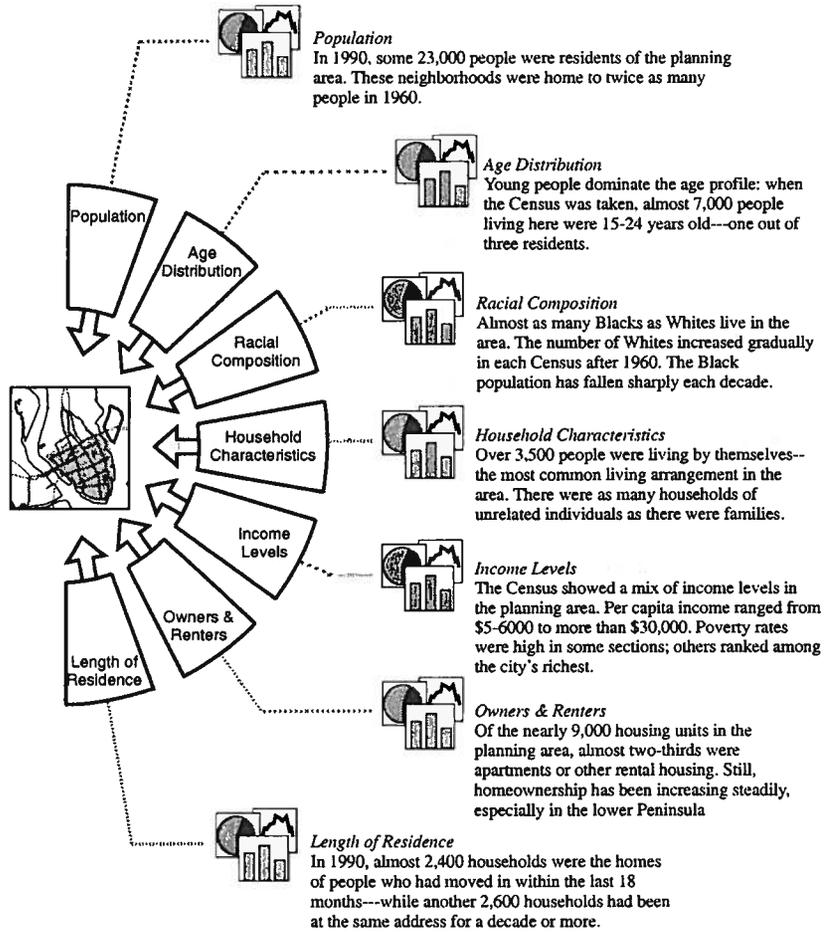
Finally, the current proposals of the City's Office of Industrial Development and Annexation relative to tax abatement, amendment of business license fees, building inspection sign-off, development permitting process and zoning amendments designed to induce investment in industrial development, corporate offices, software development, light industrial and high technology offices should be encouraged. These incentives will apply to certain high technology ventures that are to be encouraged in downtown.

Appendix: Population Data

Population data



Key Trends & Findings



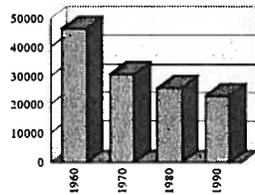
Population

In 1990, when the Census was taken...

GENERAL

Just over 23,000 people were living in the neighborhoods of the Downtown planning area. There were twice as many residents thirty years ago. Most of the decline occurred during the sixties.

Residential Population
1960-1990

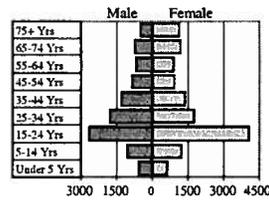


Number of Residents	
1960	46,690
1970	30,684
1980	25,955
1990	23,205

AGE

In this area, there were comparatively few pre-school and school-age children, and an unusually large number of young adults and elderly people. At most age levels there were about as many males as females, but not among young adults and the elderly. There were some 1,300 more young women 15-24 years old than men of their age; among the elderly, women also significantly out-numbered men.

Young and Old

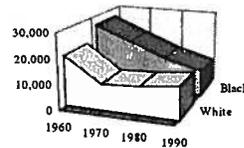


Age Distribution		
	Male	Female
Less than 5 Years Old	616	678
5-14 Years Old	1,086	1,187
15-24 Years Old	2,692	4,018
25-34 Years Old	1,734	1,739
35-44 Years Old	1,273	1,364
45-54 Years Old	864	950
55-64 Years Old	651	910
65-74 Years Old	680	1,187
75 Years Old or Older	441	1,135
Total	10,037	13,168

RACE

In 1990, more White people than Black people lived in the planning area. In prior Census years, the majority of area residents were Black. The White population declined by half during the sixties, but showed small increases in subsequent decades. Each Census since 1960 has found from 4,000 to 6,000 fewer Black residents.

Black & White Residents



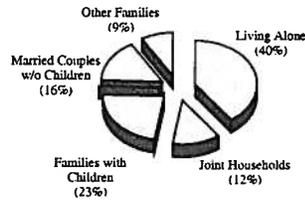
Population by Race: 1960-1990		
	White	Black
1960	20,169	26,448
1970	10,265	20,382
1980	11,221	14,604
1990	12,625	10,387

Households

In 1990, when the Census was taken...

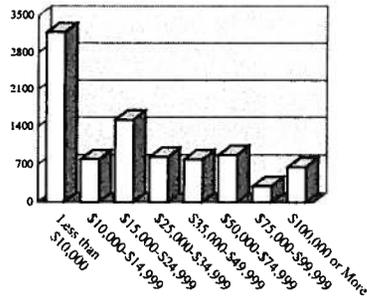
In the Census, households are divided into two broad categories: *Family* households and *Non-Family* households. A Family household consists of a married couple, with or without children, or a man or woman with children, or any combination of relatives living together...such as two sisters. A Non-Family household consists of an individual living alone or a "joint household" of two or more unrelated people living together. In the Downtown planning area, people living alone formed two fifths of all households. Nearly half the households were family units; about 2,000 of these families were raising children.

Households by Type
1990



One Person Households	3,592
"Joint" Households	1,106
Families with Children	2,069
Married Couples w/o Children	1,429
Other Families	769
Total	8,965

1990 Household Income



At the time of the Census, the planning area included some of the wealthiest neighborhoods in the metropolitan region, and some of the poorest. Household income levels are a standard indicator of economic conditions, but this area includes many small families, people living alone, and students. For these households, smaller incomes do not necessarily mean people are in need. Census records showed that per capita income ranged from about \$5,000 in some neighborhoods to more than \$25,000 in others. In 1990, there were over 6,000 people living here with family or household incomes below the federally-designated poverty level.

Less than \$10,000	3,184
\$10,000-\$14,999	797
\$15,000-\$24,999	1,528
\$25,000-\$34,999	841
\$35,000-\$49,999	796
\$50,000-\$74,999	878
\$75,000-\$99,999	308
\$100,000 or More	656