

GROWING BY CHOICE OR CHANCE

State Strategies for Quality Growth in South Carolina

*A Report from the ULI-SCREC
South Carolina Quality Growth
Initiative's Statewide Committee*



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*South Carolina Real Estate Center
Moore School of Business
University of South Carolina*

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The Urban Land Institute is a nonprofit education and research institute supported and directed by its members. Its mission is to provide responsible leadership in the use of land in order to enhance the total environment. Established in 1936, ULI has over 20,000 members and associates representing all aspects of land use and development disciplines. ULI has been a leader in working with communities to implement quality growth and development practices and recently has become one of the leading voices in the smart growth debate, conducting research and education efforts to support growth policies that are economically sound, environmentally responsible, and supportive of community livability.

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Contacts

For more information about the ULI/SCREC Quality Growth Initiative, contact Ron Rogers, director of the USC Real Estate Center, at 803-777-5960, E-mail: rrogers@moore.sc.edu; or Suzanne Cartwright, ULI director of community outreach, at 202-624-7029, E-mail: suzannec@uli.org.

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ULI PROJECT STAFF

Rachelle L. Levitt
*Executive Vice President,
Policy and Practice
Publisher*

Marta V. Goldsmith
*Senior Vice President, Community
Outreach*

David J. O'Neill
*Former Director, Land Use Policy
and Community Outreach*

Suzanne D. Cartwright
Director, Community Outreach

Victoria R. Wilbur
*Senior Associate, Community
Outreach*

Nancy H. Stewart
Director, Book Program

James A. Mulligan
Manuscript Editor

Betsy VanBuskirk
Art Director

Anne Morgan
Graphic Designer

Diann Stanley-Austin
Director, Publishing Operations

SOUTH CAROLINA REAL ESTATE CENTER STAFF

Dr. Ronald C. Rogers
*Director
Professor of Finance and Real Estate*

Hillary McDonald
Project Coordinator

PRIMARY AUTHOR

Dr. J. Terrence Farris
*Director, Center for Real Estate Development
Clemson University*

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Midlands Regional Meeting, April 4, 2002
Richard Stanland, Chair
Mary Bryan, Facilitator

Upstate Regional Meeting, April 16, 2002
Phillip Hughes, Chair
Mark Holmes, Facilitator

Low Country Regional Meeting, May 14, 2002
John L. Knott, Chair
David J. O'Neill, Facilitator

Low Country Regional Meeting (Beaufort, Hilton Head,
and Jasper), August 20, 2002
James Chaffin and Donald Blair, Cochairs

CONTENTS

Foreword vi

The South Carolina Quality Growth Initiative 1

Principles and Summary of Recommendations 4

Growth and Development Trends in South Carolina 7

Why a Quality Growth Strategy Is Needed 19

The Statewide Committee's Recommendations 25

Next Steps 40

FOREWORD

South Carolina is at a crossroads. The state has seen its population increase from 1.3 million to 4 million in the past century and is preparing for at least another 1 million residents in the next 25 years. Finding ways to accommodate this growth with quality development is vital to the state's economy and the quality of life of its residents as South Carolina becomes more developed and urbanized. The state has been blessed with a strong economy built on both its historical base of agriculture, textiles, manufacturing, and tourism, and on its growing technology sector. It has remarkable natural wealth, communities with a strong sense of heritage, and a quality of life that is rich with the beauty of a landscape that ranges from the clear streams and gorges of the Blue Ridge Mountains to the prolific salt marshes and dunes of the barrier islands. South Carolina also has a long history in both the public and private sectors of national leadership in historic preservation and land conservation. This conservation ethic is a fundamental cultural value of its citizens and will continue to shape the built and natural environment of the state as growth and development occur.

The government, and business, environmental, academic, and social-equity interest groups recognize that new development patterns and policies at the state and local levels are needed to accommodate projected growth while preserving South Carolina's quality of life. To accomplish this goal, development should be encouraged in existing urbanized areas when possible, and growth in new areas should be located where land development is suitable, supporting a sustainable land ethic. Private landowners and public entities should use land efficiently and productively, recognizing that decisions made today will affect many generations to come. State and local policies should support the provision of a wide range of housing and development choices with the goal of encouraging development that is more compact, includes mixed uses, and supports a locational balance of jobs and housing. Open space and important natural, environmental, cultural, and historic features must be preserved.

Many barriers inhibit achievement of these objectives. Interjurisdictional coordination is discouraged by fiscal disincentives and conflicting political and policy objectives. No state framework is in place to encourage planning and investment for quality growth and development. Growth-induced problems are compounded by uncoordinated or insufficient funding for transportation and other infrastructure, a lack of affordable housing options, and a failure to adequately protect key environmental resources. Frequently, regulatory practices at the state and local levels encourage single-use, low-density, environmentally detrimental development at the expense of quality growth and land preservation practices.

Yet, the South Carolina Quality Growth Initiative's Statewide Committee believes that with strong state leadership, it is possible to overcome many of these barriers. In particular, the state can take a more active posture toward developing a consensus-based vision of quality growth. State policies and programs can create incentives and regulatory reforms—to be implemented in partnership with local communities—that will improve land use patterns, accommodate growth, support economic viability, and offer a better life for all South Carolinians.

The ULI/SCREC South Carolina Quality Growth Initiative is an effort by a broad cross section of stakeholders and leaders in the state to address South Carolina's growth challenges and to find pragmatic and effective solutions. Quality development, protection of natural resources, respect for property rights and values, and improvement of the lives of current and future South Carolinians are within the purview of state and local government and citizens working together for a better tomorrow.

The work of this committee has focused on state land use and development initiatives. The committee recognizes that other policy areas—taxation, health care, education, and social services—while beyond the scope of this analysis, also affect the overall quality of life. We hope and believe that the work of the Statewide Committee will contribute to the quality of life enjoyed by future generations of South Carolinians. We want to thank the hundreds of South Carolina residents who were involved in this process, and we are ready to assist in implementing these recommendations.

James J. Chaffin, Jr.

Cochair, Statewide Committee

President, Chaffin/Light Associates

Joseph P. Riley, Jr.

Cochair, Statewide Committee

Mayor, Charleston, South Carolina

January 2004

South Carolina Quality Growth Initiative Statewide Committee Members

Heyward Bannister
Fannie Mae, South Carolina Partnership
Columbia, South Carolina

Dana Beach
South Carolina Coastal Conservation
League
Charleston, South Carolina

Jeffrey L. Beacham
University of South Carolina
Columbia, South Carolina

Don Blair
The Blair Company
Hilton Head Island, South Carolina

James J. Chaffin, Jr.
Chaffin/Light Associates
Bluffton, South Carolina

Foster Chapman
Johnson Development Associates
Spartanburg, South Carolina

John C. Cone
Home Builders Association of South
Carolina
Columbia, South Carolina

Kenneth Driggers
Palmetto Conservation Foundation
Columbia, South Carolina

George W. Fletcher
The Fletcher Group
Greenville, South Carolina

Bob Galiano
Robert Galiano & Associates
Sumter, South Carolina

Mario A. Gooden
Huff + Gooden Architects, LLC
Charleston, South Carolina

Vincent Graham
Civitas
Charleston, South Carolina

Clark W. Gregory
RBC Centura Bank
Columbia, South Carolina

Warren T. Harley,
City of Orangeburg
Orangeburg, South Carolina

Phillip R. Hughes
Hughes Investments, Inc.
Greenville, South Carolina

Ann R. Jennings
Congaree Land Trust
Columbia, South Carolina

Alan B. Kahn
Kahn Development Co.
Columbia, South Carolina

James J. Kerr
AMCS
John's Island, South Carolina

Donald E. Killoren
Clear Springs Development Co.
Fort Mill, South Carolina

John L. Knott, Jr.
Deweese Island
Isle of Palms, South Carolina

Donna S. London
Clemson University
Clemson, South Carolina

H. Emmett McCracken
Town of Bluffton
Bluffton, South Carolina

Dr. Barry C. Nocks
Clemson University
Clemson, South Carolina

Diana B. Permar
Permar, Inc.
Charleston, South Carolina

Jim Peters
South Carolina Association of Realtors
Columbia, South Carolina

Charles W. Pigg
Greenwood Development Corporation
Greenwood, South Carolina

Chad Prosser
Horry County Council
Surfside Beach, South Carolina

Mayor Joseph P. Riley, Jr.
City of Charleston
Charleston, South Carolina

Mark L. Robertson
The Nature Conservancy of
South Carolina
Columbia, South Carolina

Dr. E.O. Rutledge
Bon Secours Health System
Charleston, South Carolina

Dean Janice C. Schach
Clemson University
Clemson, South Carolina

Kit Smith
Richland County Council
Columbia, South Carolina

Marshall Smith
Burroughs & Chapin Co.
Myrtle Beach, South Carolina

Richard C. Stanland, Jr.
Sapphire Lakes
Sapphire, North Carolina

John S. Templeton, Jr.
Special Properties, Inc.
Charleston, South Carolina

Tommy Thomason
Professional Mortgage Company
Greenville, South Carolina

Andrew D. White
Palmetto Traditional Homes
Columbia, South Carolina

Mayor Knox H. White
City of Greenville
Greenville, South Carolina

Dr. Douglas P. Woodward
University of South Carolina
Columbia, South Carolina

Brad Wyche
Upstate Forever
Greenville, South Carolina

THE SOUTH CAROLINA QUALITY GROWTH INITIATIVE



Sponsored by the Urban Land Institute (ULI) and the South Carolina Real Estate Center (SCREC) at the University of South Carolina, the South Carolina Quality Growth Initiative assembled diverse stakeholders to evaluate land use patterns and trends, explore impediments to quality growth, and identify potential quality growth solutions for the state and its regions. The 36-member Statewide Committee, composed of civic and environmental leaders, representatives of development companies and other businesses, and public sector officials, has guided this ini-



COURTESY OF THE VILLAGE OF BAXTER

Quality growth is not “no growth.” It is development that reflects traditional community design principles and that is environmentally sensitive and economically sound.

tiative, which began in September 2001. This effort has been cochaired by James J. Chaffin, Jr., president of Chaffin/Light Associates and past chairman of the Urban Land Institute, and Charleston Mayor Joseph P. Riley, Jr., the 2000 laureate of the Urban Land Institute's J.C. Nichols Prize for Visionary Urban Development.

The goals of the initiative are:

- ♦ to encourage collaboration at the regional and state levels among key stakeholders in the dialogue concerning quality growth;
- ♦ to identify leading impediments to quality growth and examples of best growth practices in South Carolina; and
- ♦ to establish a broad consensus on a menu of options that can advance quality growth in South Carolina.

The initiative sponsored nine statewide and regional meetings with more than 300 participants.

Statewide Committee

The Statewide Committee kicked off the initiative with a forum on quality growth that explored state growth and development trends and identified key categories of barriers to quality growth in South Carolina. In other meetings, the committee considered exemplary practices in quality growth in the country and in the state. The committee then evaluated a menu of options where state action, including introduction of incentives and regulatory reforms, could contribute to quality growth. The committee outlined a list of Quality Growth Principles (see next section of report) against which current practices and proposed solutions can be measured. Committee members met four times in 18 months to refine their ideas and consider reports from the regional forums and a statewide symposium.

Regional Forums

Forums were held in the Greenville, Charleston, Columbia, and Beaufort/Bluffton regions during 2002. At these sessions, the committee, as well as a diverse group of representatives from the public, private, and nonprofit sectors, convened to explore growth and devel-

opment trends, discuss a vision for the region, highlight quality growth issues unique to those areas, and comment on the barriers to quality growth and on the Quality Growth Principles identified by the Statewide Committee in its early meetings.

Statewide Symposium

A statewide symposium on quality growth was held in Charleston in September 2002. About 200 people convened to review the Quality Growth Principles, discuss the barriers to quality growth identified in state and regional forums, and suggest actions that could encourage quality growth. The symposium included breakout sessions on six key topics: annexation, state barriers to and incentives for quality development, infrastructure investment patterns, threats to environmental resources, lack of interjurisdictional cooperation, and local land use regulations.

Committee Recommendations

Based on the research and meetings, the Statewide Committee developed a set of recommended state actions to promote quality growth practices at the state, regional, and local level. The committee in this report presents its findings to public and private decision makers for their consideration.

PRINCIPLES AND SUMMARY OF RECOMMENDATIONS



The Statewide Committee believes that growth should be accommodated in ways that are economically sound, environmentally responsible, and supportive of community livability. A quality growth strategy for South Carolina should seek to remedy many of the problems caused by growth that is haphazard and inefficient. These problems include increased traffic congestion, lack of affordable housing, a jobs/housing imbalance, loss of prime farmland and natural resource areas, and shortfalls of public funds to provide needed capital improvements and public services.

Ten Principles of Quality Growth

Early in its deliberations, the Statewide Committee adopted ten principles as a framework for encouraging quality growth in South Carolina at the state, regional, and local levels. Together, these principles define quality growth and are the foundation of the Statewide Committee's recommendations for state initiatives to promote quality growth. They are:

Principle 1: Preserve and enhance South Carolina's quality of life.

The state should adopt policies and practices that encourage the efficient use of natural and financial resources, enhance economic competitiveness, and make government more effective and accountable so communities are healthy places for all residents to live, obtain a quality education, and raise a family.

Principle 2: Encourage comprehensive land use planning.

State and local land use planning should be conducted and coordinated in ways that accommodate future commercial, recreational, industrial, and residential uses for all income levels, and set aside land for meaningful open-space and environmental protection.

Principle 3: Enhance and revitalize existing communities.

State and local policies should encourage the revitalization of existing communities by enabling development and directing new investments to areas with existing infrastructure or the capacity to avoid costly duplication of services.

Principle 4: Develop mixed-use communities.

State and local policies should promote the development of new communities that mix land uses, preserve open space, and provide various transportation options.

Principle 5: Coordinate transportation investments with land use decisions.

Transportation planning and investment strategies should be closely coordinated with progressive land use policies and practices at the local, regional, and state levels.

Principle 6: Preserve open space, natural resources, and the environment.

Public policies and private development practices should seek to protect air and water quality; conserve wildlife habitat, natural landscapes, floodplains, and water recharge areas; and provide green space and other amenities for recreation.

Principle 7: Make development decisions predictable, fair, and cost-effective.

State and local governments should make development decisions about quality growth more timely, cost-effective, and predictable for developers and the general public.

Principle 8: Respect private property rights.

The land use planning process should strike a reasonable balance that respects private property rights while achieving broad community objectives.

Principle 9: Foster governmental collaboration and coordination.

State and local governments and regional organizations must collaborate and coordinate more effectively to solve problems and work toward common goals that extend beyond the boundaries of an individual jurisdiction.

Principle 10: Encourage education and community participation.

State and local governments should promote community-centered processes that engage residents, landowners, grass-roots organizations, the private sector, and others as an essential element of quality growth.

Recommended State Actions for Quality Growth

The Statewide Committee of the ULI/SCREC South Carolina Quality Growth Initiative recommends that state leaders consider implementing the following five major recommendations to enhance state, regional, and local efforts to encourage quality growth more effectively:

Recommendation 1: Create a commonly shared vision for quality growth in South Carolina.

Recommendation 2: Beginning with the visioning process, institute a broad-based program to educate public and private leaders and the general public about the prospects, challenges, and opportunities inherent in quality growth.

Recommendation 3: Create a statewide institutional framework that works at the state, regional, and local levels to encourage and support improved comprehensive and issue-specific planning.

Recommendation 4: Encourage interagency and interjurisdictional cooperation and coordination in land use planning, infrastructure spending, and environmental protection.

Recommendation 5: Protect, preserve, and enhance environmental resources.

Suggested strategies for implementing these recommendations are outlined later in the report.

Quality growth provides a high quality of life for residents of all ages.



COURTESY OF THE VILLAGE OF BAXTER

GROWTH AND DEVELOPMENT TRENDS IN SOUTH CAROLINA



The state Office of Research and Statistics projects that South Carolina will add 1.1 million new residents to the current population of 4 million over the next 25 years. The state's urbanizing areas are expanding outward rapidly, increasing the distance between jobs and housing and leading to more congestion and time spent driving to work. Since 1988, the population of South Carolina has risen about 18 percent, while vehicle registrations have increased 32 percent and vehicle miles traveled by 42 percent. This indicates not only the dependence of South Carolinians on their cars, but also that the amount of time they spend in them is growing much faster than can be explained by population growth alone. Roads and other transportation systems are woefully inadequate to accommodate this increased demand. Housing affordability is still a problem for many citizens. Also, local water and sewer infrastructure is under strain to accommodate new growth, and existing facilities need to be upgraded.

South Carolina's natural amenities are increasingly important to rural economies as they attract retirees, tourists, recreationists, and even businesses and professionals looking for a better quality of life. But the state's natural resources are being threatened by the growth pressures. The more South Carolina's communities grow, the greater the need to balance the impact of that growth on the environment, infrastructure, and social services. The nature of future development patterns, the success of efforts at redevelopment, infill development, and preservation, and the quality of new development will affect the quality of life for all South Carolinians.

Growth and Development to 2025—A Snapshot

In the absence of detailed market studies, the Statewide Committee used estimates based on past trends and historical per-capita floor areas to gain a general understanding of the construction needed to accommodate the expected population growth. The committee believes these are reasonable estimates of the scale of development likely to occur in South Carolina: in fact, it believes they are probably conservative and that even greater development is likely. These estimates are outlined below and are followed by brief individual descriptions of real estate market and urbanization trends.

To accommodate 1.1 million new residents—one-third of whom are expected to locate in coastal counties—South Carolina will need to build:

- ◆ 743,000 additional housing units;
- ◆ 44 million square feet of new retail space;

- ◆ 20 million square feet of new office space;
- ◆ 66 million square feet of new industrial/warehouse buildings; and
- ◆ 23,000 more hotel rooms.

Substantial additional space to accommodate government and civic institutions will be necessary, as will some \$86 billion in infrastructure work through 2025. In all, based on current development patterns, more than 916 square miles will be developed through 2025, and the decisions determining land use will last over 100 years, affecting many generations of people.

Demographic Trends

South Carolina is growing rapidly, and its population is increasingly urban and suburban rather than rural. Roughly 35 percent of its households are families with children under 18 years of age; by far the majority of its households are made up of empty nesters, singles, or unrelated individuals living together. Accommodating the needs of these smaller households will be important for the financial performance of the housing market as well as the quality of life of residents.

- ◆ South Carolina grew from 1.3 million to 4 million people in the last century. Population grew by a median 11.5 percent per decade, with the slowest growth occurring during the Depression era of the 1930s at 3 percent; the highest-growth decade was in the 1980s at 21 percent growth. During the 1990s, South Carolina's population soared by 15 percent, or roughly a half million people, with most growth occurring along the coast, interstate highways, and in metropolitan areas. More than 300,000 people moved to South Carolina from outside the state, primarily moving to the coast. The state is now the 25th most populous in the nation, with 36 percent of its population born outside the state, a dramatic shift from only 10 percent nonnative born in 1970. Furthermore, the state has become increasingly urban, with 70 percent now living in metropolitan areas, compared with only 39 percent in 1970.
- ◆ It is conservatively forecast that the state's population will reach 5.1 million by 2025.
- ◆ Job growth is closely correlated with population growth. About 45 percent of the total population is currently employed in South Carolina's approximately 1.8 million jobs, 17 percent of which are in manufacturing. Thus, the state will need to generate about 495,000 more jobs over the next 25 years if it achieves its population growth forecasts.
- ◆ The Hispanic population more than tripled over the decade to 95,076 from 30,000, yet it is still a small minority of the overall population at 2.3 percent. African American population comprises 29.5 percent of the state population; Asians account for less than 1 percent. In 2000, of the 267 cities and towns in South Carolina, 69 had greater than 50 percent African American population, and most of these were small, rural communities.

- ◆ Following national trends, South Carolina also grew more suburban during the decade, with suburban counties growing 18 percent, compared with growth of 12 percent for urban counties and 13 percent for rural ones. Only six of the 20 least populous counties recorded growth rates approaching the state's 15 percent increase. These trends are expected to continue.
- ◆ Of the 1.5 million households in existence in 2000, 70 percent were family households, with roughly half of those including children under 18 years old. Of the remaining households, 25 percent are single-person households—compared with only 6 percent in 1980—and 5 percent are households of two or more unrelated people living together. The number of families increased by 16 percent in the decade, but single-parent families increased by 38 percent.
- ◆ According to 2000 census data on 1999 incomes, the median household income for South Carolina was \$37,082, compared with \$41,994 for the U.S. overall. Based on the 1999 poverty threshold as determined by the U.S. Department of Health and Human Services—an income of \$16,000 for a household of four and \$8,240 for an individual—11 percent of South Carolina households and 14 percent of individuals live in poverty. Significantly, 23 percent of the state's children are raised in households living in poverty, compared with the national rate of 19 percent.



Of all South Carolina households, 65 percent have two or fewer residents. Providing housing for smaller households is an important quality growth consideration.

ALTO PHOTOGRAPHY

- ◆ Data from the 2000 U.S. Census show that over 78 percent of South Carolina cities and towns have populations of less than 5,000. Of the 58 cities with more than 5,000 people, Columbia is the largest, but its population is still only 116, 278. Thirteen cities have between 25,000 and 99,999 people. Only three counties have a population over 300,000—Greenville, Richland, and Charleston.

Housing Trends

The state has a high number of housing units per permanent resident because of the resort nature of the coast and lake areas. About 1.75 million housing units existed in 2000 (0.44 units per capita), 1.53 million of which were occupied. Of these occupied homes, 1.1 million, or 72 percent, are occupied by their owners, compared with 67 percent for the nation, ranking South Carolina ninth among states for owner-occupied housing. Of the 220,000 units listed as vacant in 2000, more than 70,000 were vacant due to seasonal use.

- ◆ About 63 percent of the state's housing is made up of single-family units, similar to national averages, but 20 percent of the state's units are manufactured housing, compared with 7.6 percent nationally. South Carolina has 4 percent of the nation's manufactured housing. Furthermore, the state has a relatively new housing stock, with only 6 percent of the units built before World War II and over 25 percent built since 1990.
- ◆ Overall, housing is relatively affordable in South Carolina, although 19 percent of homeowners in the state pay more than 35 percent of their income for housing and one-third of renters devote more than 30 percent of their income to housing. A 2000 report by the National Low-Income Housing Coalition indicated that 36 percent of renters in South Carolina were unable to afford fair market rent for a two-bedroom unit. Community surveys of housing needs by the state's Division of Community Grant Programs show that about 20 percent of respondents identify housing as a "high" need based on affordability or the condition of their housing. For comparison, a 2001 National Housing Conference study indicated that 15 percent of national households have critical housing needs.
- ◆ For-sale housing in South Carolina metropolitan areas is highly affordable, according to the 2002 National Association of Home Builders (NAHB) Opportunity Index, which compares median family income to median unit sales prices in metropolitan areas. Whereas 65 percent of households in the United States can afford median-priced new housing, the percentage is 82 percent in the Columbia and Greenville metropolitan areas; 74 percent in the Charlotte-Gastonia, North Carolina/Rock Hill, South Carolina, metropolitan area; and 69 percent in Charleston. However, some severe pockets of housing affordability challenges do exist in selected resort markets such as Hilton Head, in gentrifying urban neighborhoods, and in areas of high unemployment.

- ◆ Retirement housing is an increasingly significant growth market in South Carolina. Quality-of-life factors are of paramount importance in attracting retirees interested in the Sunbelt, and quality second-home living is often a precursor to an eventual retirement move to an area. Tourism-oriented development and downtown preservation and development are integral to the ability of a community to attract retirement housing. South Carolina ranks sixth in the nation in attracting relocating retirees.
- ◆ Nationally, 6 percent of Americans own second homes, with some estimates putting the number as high as 10 percent when timeshares are included. The peak age bracket for second-home purchases is 55 to 65, followed by 45 to 55 and 65 to 75. The peak years for second-home purchases by baby boomers will be 2007 to 2014. Some areas of South Carolina are particularly active second-home markets: in Horry County, for example, 35 percent of the housing market is second-home purchases.



Communities such as Dewees Island attract second-home buyers, a strong and growing market segment.

ISLAND PRESERVATION PARTNERSHIP

- ◆ Each year from 1981 to 2001, the number of residential units granted construction permits in the state averaged 26,286, with 73 percent being single-family units. From 1994 to 2001, about 16,000 manufactured housing units received construction permits annually, with 60 percent of those being double-wide units. These units receive permits throughout the state, even in urban areas such as Greenville County, where in the 1990s, 27 percent of the 4,000 units receiving permits each year were manufactured housing, 60 percent were single-family units, and only 13 percent were multifamily units.

South Carolina has a national reputation for its historic traditional communities. A number of new communities such as l'On in Mount Pleasant reflect the traditional neighborhood pattern of these communities.



CLEMSON CENTER FOR REAL ESTATE DEVELOPMENT

- ◆ South Carolina has a tradition of quality urban and rural communities, including many that are national models of traditional, human-scale architecture and mixed-use town centers that are showcases of livability. Building on the success of these historic communities, South Carolina developers and homebuilders have created a number of new traditional neighborhood developments that have enjoyed excellent market acceptance and that draw visitors from around the country to study the successful development techniques and innovations used.

Hotel Trends

As is to be expected in a state with a strong tourism economy, the hotel market has been strong, especially in coastal areas.

- ◆ The state has 864 hotel/motel facilities for a total of about 86,000 rooms averaging 99 rooms per facility, slightly lower than the national average of 105 rooms. More than 30 million visitors come to South Carolina annually, and the state trails only California and Florida as a golf or tennis destination.
- ◆ Sixty percent of tourism activity occurs at coastal resorts that benefit from a location convenient by automobile to many East Coast population centers. Given this activity, the state has a significantly higher number of hotel/motel rooms per capita than the nation—0.021 rooms versus 0.014 rooms nationally.

Shopping Center Trends

South Carolina retail markets have followed national trends. Regional malls and neighborhood shopping centers attract a substantial share of retail sales. The big-box format continues to be a strong and growing component of the retail market, while main street shopping districts continue to thrive in some communities.

- ◆ South Carolina has 87.7 million square feet of retail property in 868 shopping centers, or 21 square feet per capita, compared with the national average of 20 square feet. The average South Carolina center has 101,000 square feet of space, compared with the U.S. average of 124,000 square feet; only seven centers are larger than 800,000 square feet. Over the past eight years, South Carolina has added about 15 new centers annually. As an indication of the scale of shopping center space in selected metropolitan markets, Charleston has 12 million square feet of space, Columbia has 14 million square feet, and Greenville-Spartanburg has 21 million square feet.
- ◆ Nationally, shopping centers are estimated to capture 50 percent of total retail sales, with the balance of sales occurring at retailers located in freestanding configurations and in business districts. Sunbelt cities built in the automobile-dependent era tend to have a higher percentage of shopping center sales. South Carolina is part of this trend: shopping centers in the state capture 56 percent of sales.
- ◆ The prevalence of big-box stores has become controversial in some communities as this retail format continues to penetrate retail markets, attracting sales away from existing stores. Wal-Mart, for example, has 26 discount stores, 33 supercenters, nine Sam's Clubs, and two distribution centers in the state.
- ◆ Greyfield sites—abandoned shopping centers—are also becoming an issue nationally and in South Carolina as shopping centers age and new centers compete more effectively for shopper dollars. A recent PricewaterhouseCoopers study declared that 7 percent of the nation's regional malls are greyfield sites and another 12 percent are susceptible to falling into that category.

Office/Industrial Trends

While the office market is relatively small, it has been growing to accommodate an increasingly diversified, information-based economy. Office development tends to occur in suburban office parks, although several cities have healthy downtown office markets.

- ◆ Clemson University estimates that 72 million square feet of office space exists in the state. The top three office markets in the state for multi-tenant space—excluding government, medical, and corporate-owned offices—are Columbia with 11.2 million square feet of rentable space, Greenville-Spartanburg with 7.9 million square feet, and Charleston with 6.1 million square feet. New offices continue to be built in suburban business and industrial park developments, although some downtowns have relatively vibrant office markets. For example, Charleston's downtown has roughly 23 percent of the regional office space, downtown Greenville has 35 percent, and Columbia has 41 percent.
- ◆ The amount of industrial space in South Carolina is estimated at 60 square feet per capita, compared with 80 square feet per capita nationally. This varies by location in the state, with the Greenville-Spartanburg market estimated to have 88 million square feet of manufacturing, warehouse/distribution, and flex/build space, compared with 28 million square feet of such space in Columbia.

Downtown Columbia has a strong office market and attractive public-space amenities.



MIDLANDS AUTHORITY FOR CONVENTIONS, SPORTS, AND TOURISM

Infrastructure Needs

By any measure, the infrastructure needs of the state will substantially exceed the resources currently available to fund future development. South Carolina will require \$57 billion of capital investment to correct existing deficiencies and accommodate growth from 1995 to 2015, according to a 1997 study of state infrastructure needs conducted by Rutgers University for the South Carolina Advisory Commission on Intergovernmental Relations. The needs include \$29 billion for transportation, \$10 billion for education, \$8 billion for health care, and \$4 billion for commerce, the study said. The state could save \$14 billion in infrastructure costs through the use of alternatives to traditional construction approaches and enhanced technology, the study estimated, and additional savings of \$3 billion are possible if development patterns become more compact and new development is located next to existing neighborhoods and in rural villages.

However, even if these savings are achieved, significant additional infrastructure investment will be needed from 2015 to 2025—perhaps as much as \$29 billion. The study indicated that only 75 percent of these needs could be met with known sources of current federal, state, and intergovernmental funding. According to the South Carolina Department of Transportation's 2003 multimodal 20-year plan, \$57 billion will be required to meet transportation infrastructure needs alone through 2023, and current funding sources will provide only \$26 billion. Unless this funding gap can be closed and adequate infrastructure provided, the state may not be able to reach its growth projections and the quality of life will suffer.

Accommodating the expected population growth using current low-density land use patterns would result in the consumption of more than 900 square miles of land by 2025.



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Urbanizing Land Use Trends

Because South Carolina has been a rural state with smaller communities and plenty of accessible land, density of development has been relatively low. For example, Greenville has a population density of about 2,300 people per square mile, compared with density on the Charleston peninsula of 6,500 people per square mile—10,000 per square mile south of the Crosstown Expressway. Los Angeles, although often considered a national example of sprawl, is more densely populated at 7,400 people per square mile, and Atlanta, another leading example of sprawl, has 3,000 people per square mile. New suburbs in South Carolina are built at densities of only 1,200 people per square mile, similar to many Sunbelt and Midwest areas. Adding the 1.1 million new residents expected by 2025 and continuing to build at those historically low densities would consume about 916 square miles—the equivalent of 36 new Greenvilles or 153 Charleston peninsulas.

- ♦ According to a metropolitan area growth study, the Charleston area, the most densely populated in the state, between 1973 and 1994 saw the amount of developed land increase to 160,000 acres from 45,000 acres—a 255 percent increase while the population rose only 41 percent. The population of the Charleston area is forecast to increase by 250,000 through 2030. Coupled with existing zoning and patterns of development, there is a strong possibility that the Charleston area will lose 57 percent, or 37,357 acres, of its currently cultivated land to development.
- ♦ The Greenville metropolitan area is the fifth most sprawling metropolitan area in the nation, according to a 2002 Rutgers University national study of metropolitan area growth trends. South Carolina metropolitan regions in general are following a sprawl pattern of development, according to a Brookings Institution report tracking their changes in population, amount of urbanized land, and population density from 1982 to 1997 (see figure).

Change in Population Density, 1982 to 1997

MSA	% Change in Population	% Change in Urbanized Land	% Change in Density
Anderson	16.6%	44.1%	-19.1%
Augusta	23.3	55.6	-20.8
Charleston	18.3	55.3	-23.8
Charlotte-Gastonia, N.C./Rock Hill, S.C.	38.8	73.9	-20.2
Columbia	22.1	79.9	-32.1
Florence	9.8	58.9	-30.9
Greenville/Spartanburg	21.7	74.4	-30.2
U.S. South Region	22.2	59.6	-23.4
United States (average)	17.0	47.1	-20.5

MSA=metropolitan statistical area.

Source: William Fulton et al., *Who Sprawls Most? How Growth Patterns Differ Across the U.S.*, Brookings Institution Survey Series (July 2001): 19–21.

Environmental Trends

The population growth that South Carolina has experienced in recent decades has contributed substantially to the economic vitality of the state, but the development necessary to accommodate this growth can place additional stress on the environment. While all new development has an impact, some development patterns affect the environment less than others. Compact or clustered development can reduce the amount of impervious surface, and thus the amount of polluted stormwater runoff. Mixed-use development patterns make it easier and safer for people to walk, thereby reducing the number of air-polluting vehicular trips. Conversely, low-density sprawl development patterns have the greatest adverse impact on air and water quality. Quality growth seeks to minimize these impacts on natural resources and the environment.

The following information provides a snapshot of some key South Carolina environmental trends.

- ◆ *Abandoned sites/brownfields.* The South Carolina Department of Health and Environmental Control (DHEC) each year works to assess and clean up about 100 former commercial and industrial sites—called brownfields—and restore them to active use. More than 600 sites with contamination or potential contamination await cleanup and redevelopment. The state’s Brownfield/Voluntary Cleanup Program has won national awards for the progress it has made in its mission. This initiative has the dual benefit of eliminating existing environmental risks and allowing redevelopment of existing sites rather than adding to development pressures on greenfield sites.
- ◆ *Water resources.* The goal of the Clean Water Act continues to be that all of the nation’s waterways be suitable for fishing and swimming. A major obstacle to achieving this is stormwater runoff, much of which is associated with development activity. More development means more land is covered by impervious surfaces such as rooftops and parking lots, which, in turn contribute substantial pollution to rivers and streams when it rains. While the progress made in cleaning up the state’s waterways has been substantial due to limits on discharges from wastewater treatment plants, this progress is threatened by increased stormwater pollution.
- ◆ *Air pollution.* Several regions in South Carolina face the serious risk of being declared “nonattainment areas”—places failing to meet federal ozone standards established under the Clean Air Act. These areas are the Midlands around Columbia, the Greenville-Spartanburg-Anderson area of the Upstate, the Aiken and Augusta area, and the areas around Rock Hill and Florence. Ozone is formed when nitrogen oxide (NOx) emissions and volatile organic compounds (VOCs) combine in the presence of sunlight. According to DHEC, 42 percent of NOx emissions and 24 percent of VOCs are attributable to mobile or vehicular

Low-density development patterns require more and longer automobile trips, which lead to increased air pollution.



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sources. While new limits should reduce NOx emissions from industrial sources starting in 2004, good planning, development, and transportation policies are vital to reduce the impacts of sprawl and other development scenarios that result in increased vehicular travel and thus contribute to air degradation.

- ♦ *Coastal beach resources.* Protection of the 182 miles of South Carolina beaches is of critical importance both economically and ecologically. About 80 percent of this beach frontage has a “healthy profile,” meaning that the dry-sand beach, seaward of the primary sand dune, is at least 25 feet wide. About 40 percent of the coast is stable or accreting, 40 percent is eroding less than three feet annually, and 20 percent is eroding at more than three feet per year. Millions of dollars are spent every year on beach renourishment projects. South Carolina also sets a “critical line” defining beachfront areas for which a permit is required before development can take place. Placement of the critical line is evaluated every ten years on a county-by-county basis.
- ♦ *Wetlands resources.* According to DHEC, South Carolina has more acres of coastal wetlands than any other state on the Atlantic Coast. Wetlands play an important role in flood prevention, storage and cleaning of polluted runoff, and provision of habitat for plants and animals. Many are threatened by development pressures, either through direct filling or through ditching, which changes the hydrology so that an area no longer qualifies as a wetland. While federal regulations strive to ensure “no net loss of wetlands,” wetlands continue to be lost to development. At special risk are more than 300,000 acres of isolated coastal freshwater wetlands that are no longer subject to the jurisdiction of the U.S. Army Corps of Engineers under Section 404 of the Clean Water Act.

South Carolina's wetlands are a precious natural resource of uncommon beauty.



MERRILL IRVIN

WHY A QUALITY GROWTH STRATEGY IS NEEDED



A high quality of life and economic vitality do not come about by accident: they require a clear vision and effective planning. While growth is the result of market forces, it also is shaped by public policy decisions. Therefore, comprehensive planning to inform those policy choices is important for a community's economic vitality and future growth.

Regardless of whether an urban or a rural area is involved, good planning is necessary to deal with the following:

- ◆ transportation infrastructure and costs;
- ◆ adequacy of public facilities—schools, utilities, parks, police and fire facilities, libraries, and health care facilities;
- ◆ land use conflicts;
- ◆ protection of key environmental areas such as floodplains, watersheds, prime agricultural land, and timber areas;
- ◆ protection of property rights and values; and
- ◆ enhancement of the quality of residential development, including affordable housing.

Once an area is developed, the impacts of that development on the built and natural environment linger for more than a century, affecting thousands of people through many generations. Careful forethought on a communitywide basis is needed to ensure that limited and valuable resources are protected for future generations.

Benefits of Planning for Quality Growth

Planning for quality growth protects taxpayer investments and property values, and respects local control.

Protection of Taxpayer Investments

An effective planning program allows communities and counties to better determine the fiscal impact of growth so they can provide appropriate public facilities and services at a reasonable cost. Good planning is an integral part of the budgeting process, contributing to the analysis of present and future costs of public services, and guiding the development of funding estimates for public facilities and service operations. Such a planning effort will serve to conserve public financial resources by guid-

ing tax dollars to those infrastructure, development, and conservation programs that will provide the best return on the investment.

Protection of Property Values

An apparent philosophical conflict exists regarding land ownership rights in America. One viewpoint suggests that private ownership places property at the individual owner's disposal. Thus, land is merely a commodity to be owned and used for personal convenience and maximum profit. The opposite view is that there is a public responsibility to control land use to eliminate negative external impacts or side effects on neighbors or the community from that use, and a responsibility to act as a steward of the land for future generations. Balancing these two competing perspectives is an important government function.

In 1999, an NAHB survey of 2,000 randomly selected households nationwide on growth issues found that 72 percent of the respondents believe local government should be responsible for addressing growth issues. The survey also found that 75 percent believe local government should plan and manage growth; only 11 percent said people should be able to use property solely as they see fit.

Public investments, such as the dock at Waterfront Park in Charleston, enhance private property values.

Regardless of one's perspective, the fact remains that the value of a particular property depends heavily on the value of neighboring parcels and on the quality of the neighborhood and the surrounding area. The value



VICTORIA R. WILBUR

of a property also depends on prospects for its future use and the presence and quality of streets, schools, parks, libraries, utilities, services, shopping, and employment opportunities. Patterns of land use determine the demand for services and facilities, the efficiency of those services, as well as the economic base that will support them. In this sense, land use planning and regulation help protect investments. Land use regulations can provide mutual benefits to adjacent landowners by protecting them against economically harmful activities. Quality growth planning recognizes and balances the economic impacts of land use plans on landowners, residents, the public treasury, and taxpayers.

Respect for Local Control

Good planning procedures document the community's commitment to future development, establishing a balance between private ownership and public stewardship. The preparation and adoption of a plan can promote sensible land development in an effort to avert random sprawl, which often results in costly, unstable, inefficient, and disorganized development patterns. A good plan identifies opportunities for development by matching land suitability to community needs and market demands. It affords protection to environmentally sensitive areas and allows the phasing of local expenditures with a rational determination of the location, capacity, and timing of development decisions.

Plans should be individually tailored to the needs, potential, and goals of each community. They should be realistic, recognize market parameters, and be implementation oriented. In South Carolina, as elsewhere, plans are prepared locally through planning commissions composed of local residents and are approved by local representative bodies. Thus, plans are prepared in an open, public process at the local level with local citizens participating to guide the community's destiny. A plan is a public guide for local community decision making.

The importance of planning was recognized in 1994 by the South Carolina General Assembly when it passed the South Carolina Local Government Comprehensive Planning Enabling Act, which consolidated existing planning laws and updated them to conform with current planning practices. All counties and municipalities wanting to implement zoning and land development (subdivision) regulations were required to make their plans and ordinances conform with the provisions of the 1994 act by December 31, 1999. Even if a locality chooses not to zone land, comprehensive planning is still important. A comprehensive plan is not just a land use plan; it also must include specific elements addressing projections and plans for population and economic changes, natural resources, cultural resources, community facilities, and housing.

Many South Carolina communities are now developing plans and land regulations for the first time, while others have not updated their plans for many years. Under this law, South Carolina communities must review the elements of their comprehensive plan every five years and revise the plan every ten years. However, a plan is more than a document: it needs the ongoing support of the citizens and elected officials when changes to the plan and its policies are proposed.

While state statutes recognize the importance of good planning, local governments are responsible for preparing and implementing their own comprehensive plans.



MIDLANDS AUTHORITY FOR CONVENTIONS, SPORTS, AND TOURISM

South Carolina maintains a strong commitment to the protection of private property rights. Yet historically it has recognized that private rights must be balanced with a public role in regulation and investment. Key stakeholders including citizens, homebuilders, developers, financiers, forestry and agriculture interests, environmentalists, and others should be involved in planning sustainable, quality growth for communities.

Issues of Greater Than Local Impact Merit Special State Attention

In South Carolina, local communities have a number of powers and capacities allowing them to deal with land use issues, although their legal, administrative, and financial powers are limited. Citizens, stakeholders, and elected officials must work together to develop effective policies and programs to guide growth more effectively.

The Statewide Committee believes that the state should take a more active role in supporting the efforts of local governments and regional organizations to foster quality development. To that end, the committee prepared recommendations for state actions that will work in partnership with local community efforts to coordinate and facilitate quality growth planning and policies (see next section of report). Coordination among local governments is especially important on issues of greater than local impact, such as air quality, affordable housing, and preparedness for natural disasters. These are issues in which the state can play a valuable role in fostering regional cooperation. The committee believes that effective regional planning is essential to the coordination of local land use plans with state and regional infrastructure investment decisions to support quality growth objectives.

State government involvement in planning is not new. Modern concepts of state planning include the establishment of the South Carolinian Development Board of 1919, the State Planning Board in 1938, and the State Department of Research, Planning, and Development in 1945 (replaced by the State Development Board in 1954), which focused on industrial recruitment until it was reorganized into the Department of Commerce in 1993. The South Carolina Comprehensive Infrastructure Development Act of 1997 authorized the creation of the Division of Regional Development within the Budget and Control Board with the intent that a state infrastructure plan would be developed based on regional infrastructure plans. The South Carolina Department of Transportation is actively involved in implementing federal planning mandates for transportation projects and works closely with metropolitan planning organizations and the ten councils of government on transportation planning. DHEC is also actively involved in land use planning, especially as it relates to water quality.

State-level planning historically has been segregated by function and focused narrowly on topics such as economic development, highway planning, coastal resources, tourism, and water quality. Rarely have

Local Government Planning Powers

- ◆ Preparation of long-range comprehensive plans, including capital improvement programs and policies for development.
- ◆ Preparation of subarea plans and policies for neighborhoods, business districts, natural resource areas, and other special subarea plans and programs.
- ◆ Issuance of zoning and land development (subdivision) regulations that guide the scale and layout of development projects and their associated infrastructure, set design standards and guide the review of individual projects for consistency with community architectural expectations, and set the parameters for negotiation of funding arrangements for the infrastructure impacts of development projects through exactions and impact fees.
- ◆ Implementation of federal and state laws and regulations, such as environmental protection statutes and coastal zone protection laws.
- ◆ Capital improvement programming and budgeting functions, including legal review under the state planning act of any capital improvements proposed by other authorities in a local jurisdiction, such as school districts and special-purpose districts.
- ◆ Grantsmanship and use of the public financing capacity to pursue public/private partnerships, including the use of federal and state resources, tax increment financing, tax abatement for historic preservation and low-income housing, and other tools of finance to encourage quality development.
- ◆ Power of eminent domain for public purposes.
- ◆ Decision making to support public transportation, affordable housing, code enforcement, and other public policies for community betterment.
- ◆ Distribution of information to the development community and the citizenry on development trends, costs and benefits, fiscal impacts, opportunities for development, and land suitability analyses to assist the community in better decision making.
- ◆ Education of the public and development community about innovative and best management practices of quality development.

these planning efforts been integrated across agency boundaries. The Statewide Committee believes that better coordination among state agencies is critical to improving the quality of existing state-level planning programs.

The South Carolina state government was reorganized in 1993 in an effort to bring more effective administration to state agencies. The governor now shares a wide range of state fiscal and administrative functions with the state Budget and Control Board, which provides the central management functions for most state agencies. Governor Mark Sanford, who took office in January 2003, has suggested that the Budget and Control Board be consolidated into a Department of Administration within the governor's cabinet. Whatever administrative decisions are made regarding the structure of state agencies, there is an important state role in facilitating regional cooperation on issues of greater than local impact.

State-Level Growth Planning Examples

South Carolina is surrounded by states that have pursued a variety of statewide growth-planning systems. Florida, Georgia, Tennessee, and North Carolina have had state planning laws and commissions that reviewed these laws and the role of state government in planning. Many Republican and Democratic governors and legislatures across the country have recognized the important state role in planning for growth, especially pertaining to issues of critical concern to the state. Two former governors who serve or served in the Bush Administration had strong state planning policies. Former Pennsylvania Governor Tom Ridge, now secretary of the U.S. Department of Homeland Security, supported Grow Smarter and Grow Greener campaigns in his state stressing local control and state funding and policy guidance. Former New Jersey Governor Christine Todd Whitman, who served for three years as administrator of the U.S. Environmental Protection Agency, led her state to institute a development plan called Livable Communities and Natural Landscapes, establishing a \$1 billion land protection plan and requiring state agencies to give preference to projects proposed for areas where infrastructure was already in place.

Florida

Florida has taken an active stance in state planning since the 1970s. Under the direction of Governor Jeb Bush, Mel Martinez, now former secretary of the U.S. Department of Housing and Urban Development, chaired Florida's Growth Management Study Commission. The commission convened nine meetings around the state, in addition to numerous forums held by the Department of Community Affairs, and issued a report titled *A Livable Florida for Today and Tomorrow*.

The commission's recommendations focused on legislative and administrative measures to support revision of the state comprehensive plan, including:

- ♦ establishment of a cost/benefit methodology for review of local land use development;
- ♦ enhancement of citizen involvement;
- ♦ limitation of state review to only those growth issues pertaining to compelling state interests;
- ♦ development of alternative approaches to dealing with regional cooperation agreements;
- ♦ establishment of a requirement that public facilities plans incorporate school planning and other capital improvements in light of comprehensive plans;
- ♦ establishment of a state goal of encouraging public investments in communities where a backlog of infrastructure needs exists; and
- ♦ development of an incentive-based state rural policy targeted at restoring land values and protecting private property rights, including expansion of conservation easements.

The commission's report is detailed, including 89 recommendations, and is indicative of the range of recommendations that could be considered by South Carolina.

North Carolina

In 1999, the North Carolina General Assembly created and funded the broad-based, 37-member Commission to Address Smart Growth, Growth Management, and Development Issues. The commission convened 14 times with four work groups focusing on community and downtown vitality, farm and open-space preservation, regional partnerships, and transportation. The commission made more than 100 detailed recommendations pertaining to local and regional planning coordination, resource allocation, research and education for local communities, and development of a statewide planning framework and related oversight responsibilities.

THE STATEWIDE COMMITTEE'S RECOMMENDATIONS



Preparing a comprehensive, workable agenda for quality growth for South Carolina is a challenging task. Although a relatively small state, South Carolina has significant regional environmental and economic diversity; diverse political interests and institutions; rapid population growth along interstate highways, in metropolitan areas, and along the coast, but slow growth or loss of population in many rural areas; seasonal population changes affecting demands on community facilities and services; and an increasing appreciation for the necessity to plan actively for the future without pursuing one-size-fits-all solutions. Fostering quality growth requires actions at the state level that can address growth and development challenges effectively while respecting the diversity of South Carolina communities and the primacy of local decision making on matters of local concern.

Nationally and in the Southeast, there has been tremendous activity in recent years at the state level on quality growth issues, including the formation of growth study commissions, introduction of ballot measures for planning and conservation, efforts at statewide statutory reform, creation of policy plans for state investment in growth-related infrastructure, and encouragement of efficient resource-allocation strategies in existing and new growth areas. Recognizing that South Carolina is at the early stages of institutionalizing better ways to accommodate growth, the committee makes five key recommendations, accompanying each with more specific strategic recommendations.

More than 200 people participated in the South Carolina Quality Growth Initiative's Statewide Symposium.



VICTORIA R. WILBUR

While developing the recommendations, the committee approved the following guidelines to ensure that it adopted the most effective recommendations and strategies:

- ♦ The recommendations should be compelling, and politically and economically viable.
- ♦ The recommendations should address problems that are not already being addressed successfully by other groups.
- ♦ The strategies should have a meaningful impact if implemented.
- ♦ The strategies should address the needs of a broad cross section of stakeholders and be able to mobilize their interest.
- ♦ The recommendations and strategies should be complementary and mutually supportive to ensure the greatest impact.

These recommendations are premised on the understanding that growth is inevitable and beneficial rather than harmful to South Carolina's residents, communities, and economy. They are not intended to burden developers and businesses with unnecessary restrictions. Rather, the goals of the committee are:

- ♦ to create more certainty in the development process;
- ♦ to encourage quality development projects that will contribute to the state's quality of life, economic vitality, and fiscal solvency; and
- ♦ to ensure that there is access to decent and affordable housing, good jobs, and public amenities for all economic classes.

Recommendation 1: Create a commonly shared vision for quality growth in South Carolina.

In order for South Carolina to accommodate future growth in ways that enhance the quality of life for current and future residents, the state should undertake a statewide visioning process that will define a framework for the state's future that supports economic growth, expands housing opportunity and choice, protects the environment, and sustains livable communities. The visioning process could be championed by the governor and the legislative leadership and include broad-based publicity that encourages participation by a wide range of citizens and interest groups.

1.1. To attract participation that is as broad-based as possible, a statewide process should:

- ♦ begin at the local level and include regional and statewide discussions;
- ♦ include all parts of the state, including areas not currently under pressure from growth;
- ♦ engage the development community, community-based organizations, public officials, planning and design organizations, school board members, chambers of commerce, environmental groups, affordable housing organizations, other key stakeholder interests, and the general citizenry;

- ♦ use an assortment of outreach methods to ensure participation of a variety of audiences that might not otherwise participate;
- ♦ include regional workshops that focus on regionwide coordination on key state issues of greater than local impact;
- ♦ result in state-level guiding principles; and
- ♦ result in a commonly shared vision for how and where the state will grow.

1.2. Building on the work of others, this visioning process should be based on a thorough assessment of growth trends and characteristics and citizens' views across the state. This assessment could cover the following:

- ♦ historical background, including cultural, ecological, and economic heritage;
- ♦ demographic and economic trends;
- ♦ realistic forecasts of market demand;
- ♦ an inventory of current physical conditions, including land uses, infrastructure, geology, and environmentally sensitive areas;
- ♦ the economic potential of emerging sectors and core competencies of key industries;
- ♦ the availability of housing located near job centers and public amenities for citizens at all income levels; and
- ♦ information from academic and other research and education resources.

1.3. The results of the visioning process should:

- ♦ be widely publicized through an open process of citizen involvement, review, and comment;
- ♦ guide the allocation of state infrastructure and other funds; and
- ♦ build awareness of the need for a state-level entity responsible for fostering quality growth and planning.

Quality growth means providing attractive and well-constructed housing for all income groups.



CLEMSON CENTER FOR REAL ESTATE DEVELOPMENT

Recommendation 2: Beginning with the visioning process, institute a broad-based program to educate public and private leaders and the general public about the prospects, challenges, and opportunities inherent in quality growth.

In order for citizens and their leaders to make informed choices about how their communities should grow, they need to have a clear understanding of the historical patterns of growth and change, the growth pressures and opportunities they are facing, the various options available to communities to shape that growth, and the implications of those options for their future quality of life.

In addition, in order to plan effectively for growth, planners at all levels—and particularly at the local level—must have the information and expertise to do their jobs. The Statewide Committee believes that the state should take the lead on educating citizens about growth and development trends in the state, the choices communities face, and the possible consequences of those choices. Also, the state can offer significant assistance to regional and local planners and other land use policy makers to support their work toward quality growth.

The committee believes that the governor's leadership is essential to the success of this initiative. The committee encourages the governor to make a statement clearly articulating that economic development, housing opportunity, respect for private property rights, and environmental quality can be mutually supportive and that growth can be accommodated in ways that will enhance the quality of life for all residents of the state.

2.1. Working at the state and regional levels, the state should:

- ♦ widely publicize demographic and economic trends that will shape growth choices;
- ♦ work with key industries to identify and promote the use of good land use planning at the local level;

Broad participation in a statewide visioning process creates a framework for quality growth planning at the local level.



- ◆ sponsor seminars and other educational programs targeted to particular groups—developers, public officials, rural political leaders, minority groups, urban and suburban residents and political leaders, chambers of commerce, and the financial community—to build support for the vision for quality growth and for strategies to make it a reality; and
- ◆ raise awareness among key state leaders and others of the interrelationship among key state policies governing economic development, environmental protection, affordable housing, and investments in transportation and other infrastructure.

2.2. The state should provide technical assistance and guidance to local governments and regional organizations responsible for developing comprehensive plans and coordinating planning and public expenditures at the regional level. For example, the state could:

- ◆ work with regional councils of government (COGs), universities, and state agencies to assemble and disseminate information on economic and demographic trends, maps of water and sewer systems, and geographic information system (GIS) mapping data in order to improve decision making through data analysis, forecasting, computer mapping, and graphics that enhance the ability of communities to comprehend and visualize alternative growth proposals and scenarios;
- ◆ develop guidebooks and other instructional materials on how to develop and update various elements of the comprehensive plan;
- ◆ prepare model ordinances and legislation for local consideration that allow a wide range of housing types to accommodate a community's diverse housing market—e.g., cluster development, higher-density and traditional neighborhood development, transit-oriented development, master-planned communities and planned unit development, and mixed-use development—as well as allow inclusionary or bonus zoning for affordable housing; and
- ◆ evaluate alternative models of participatory planning processes such as the “focus area” process used in the ACE (Ashepool-Combahee-Edisto) Basin near Beaufort.

2.3. State leaders should engage the full range of media in helping to educate the general public about the implications and opportunities for growth through a comprehensive public relations and media campaign. For example, the state could:

- ◆ hold media editorial board meetings to discuss economic and demographic trends and growth challenges, the visioning process, and other new initiatives for quality growth;
- ◆ draft op-ed pieces to bring to the public's attention the challenges and opportunities of projected growth, affordable housing, environmental concerns, and other quality growth issues;
- ◆ meet with media representatives who regularly cover growth issues to deepen their understanding and enhance their ability to make connections across policy areas; and

- ♦ use an array of communications technologies, including the electronic media and the Internet.

2.4. Key stakeholder groups should be engaged in the visioning process and in the follow-up educational efforts to ensure a broad-based understanding of growth challenges and opportunities. For example, state leaders could:

- ♦ engage homebuilders, real estate agents, and other development industry groups in the education process;
- ♦ work with the South Carolina Chapter of the American Planning Association (SCAPA), COGs, the South Carolina Association of Counties, the Municipal Association of South Carolina, and other groups to engage local elected officials, as well as use their community liaisons to reach out to their members;
- ♦ work with SCAPA to engage local planning and architectural/design review commissioners and staff in the education process;
- ♦ engage a wide array of groups representing the design community, agricultural and forestry interests, the environmental community, nonprofit organizations, and others to participate in the education process;
- ♦ engage universities, their research centers, and community extension services in education efforts;
- ♦ invite key leaders of minority and ethnic communities and representatives from all income groups to participate in the visioning process and to do follow-up work on planning and quality growth; and
- ♦ invite key leaders of underserved groups and representative organizations including nonprofits to participate in the education process.

A primary recommendation of the Statewide Committee is to educate the public on quality growth principles.



NANCY ZIVITZ SUSSMAN

Recommendation 3: Create a statewide institutional framework that works at the state, regional, and local levels to encourage and support improved comprehensive and issue-specific planning.

The Statewide Committee believes strongly that the state should take a more active role in planning to address policy areas of key or compelling state interest. This activity should include fostering regional coordination of planning efforts, providing technical assistance to localities and regions, and coordinating and directing state funds to encourage quality growth. The committee strongly recommends creation of a state-level office to champion this initiative. The state should develop a framework for planning that includes a vision statement, goals, and principles to provide guidance for state agencies in budgeting and program administration, and for regional cooperation on issues of regional interest.

3.1. The state should identify key policy areas—issues of greater than local impact—in which the state has a vested interest in ensuring high-quality planning, management, and resource allocation. These policy areas include:

- ◆ water quality and quantity;
- ◆ wastewater management;
- ◆ air quality;
- ◆ transportation and transit;
- ◆ environmental and economic development issues that cross state lines;
- ◆ key environmental, natural, and cultural resources;
- ◆ economic vitality relative to per-capita income;
- ◆ affordable housing;
- ◆ annexation;
- ◆ educational facility and site standards;
- ◆ building and related safety codes for new construction and rehabilitation; and
- ◆ natural disaster preparedness and recovery.

3.2. In these policy areas, the state should ensure the creation of a coordinated and consistent multijurisdictional planning framework that:

- ◆ is based on a common vision;
- ◆ builds from the local level up;
- ◆ emphasizes regional coordination with incentive-based strategies and limited bureaucracy;
- ◆ recommends minimum standards for local and regional plans, including guidelines for each element of the plan;

- ♦ ensures opportunities for active citizen and stakeholder involvement in the local planning process and land use decisions; and
- ♦ protects property rights.

3.3. The state should create a state-level Office of Planning Resources and Coordination to serve as an advocate and resource for high-quality planning at the state, regional, and local levels. It would not be regulatory or directive in function. Responsibilities of the office would include:

- ♦ coordination of state agency decisions that influence land use and infrastructure investments to better support the principles of the quality growth initiative;
- ♦ development of incentives for regional coordination and cooperation;
- ♦ compilation of local comprehensive plans as a resource for the citizens and local officials of South Carolina; and
- ♦ provision on request of technical assistance and consultation to regional and local agencies on a range of planning issues, such as adequate public facilities, affordable housing, historic preservation, urban infill and revitalization, rural economic development, natural resource protection, and visioning and citizen participation processes.

Building partnerships with leading South Carolina academic institutions is a key strategy for advancing the committee's recommendation on public education.



3.4. The Office of Planning Resources and Coordination should report directly to the governor and could be housed alternatively in the Budget and Control Board, in the governor's proposed Department of Administration, or within the Governor's Office. Whatever the appropriate administrative location, the governor and the General Assembly should integrate planning and budgeting processes, including the allocation of resources to local governments based on clearly identified priorities. State planning efforts should be undertaken in partnership with local governments in a results-oriented system based on incentives and consultation, rather than in a process-heavy relationship.

3.5. To ensure that state decisions and investments are complementary and consistent, the state should consider creating a state-level coordinating committee made up of representatives from state agencies that influence land use planning—i.e., those involved in environmental resources, transportation, education, housing, economic development, agriculture, etc. It could be staffed out of the state Office of Planning Resources and Coordination. This committee could provide advice on priorities for state capital expenditures, tax incentives, grants, and loans that would be consistent with state, regional, and local plans.

3.6. The state should consult with local governments and regional organizations on development issues and matters involving state planning, programming, and facility construction. Consistency of state policies with local and regional plans should be encouraged unless state officials can document a compelling reason to diverge from those plans.

3.7. A network of South Carolina–based researchers and organizations could be established to compile and initiate research on growth and development patterns and to act as a clearinghouse on growth-related research in the state, with coordination provided by the state Office of Planning Resources and Coordination. Statewide information could be assembled and made available via Web site and interlibrary relationships. Metropolitan Atlanta has such a consortium, established in the 1970s with Georgia State University managing the daily operations; a variety of scholars from various universities and research organizations in the area are involved, guided by a volunteer board. Ohio also allocates funding to major state institutions of higher education for research on an array of urban growth issues.

3.8. The state should inventory which institutions in the state prepare plans and have planning resources and how best to take advantage of those resources, including GIS data. The state has been a leader in coordinating GIS efforts and has developed a GIS strategic plan. Working with key universities, the state could:

- ◆ support the efforts of South Carolina’s State Mapping Advisory Committee (SMAC) in data collection and interjurisdictional data consistency, publicize the availability of the information it assembles, and improve its outreach to local and regional planning organizations, as well as to the private real estate community;
- ◆ document which institutions have GIS capability and how these resources can be coordinated and leveraged on behalf of local communities and the private sector;
- ◆ explore the development of a statewide GIS system that includes parcel data and zoning information; and
- ◆ provide GIS information and other kinds of data to support local and regional planning efforts.

3.9. The state should provide technical assistance to local governments to improve the quality of their planning and should offer incentives for localities to coordinate their plans at the level of the metropolitan region. Funding could be provided on a matching basis with consideration given to a local government’s ability to pay. Competitive funding could be made available to support innovative and pilot quality-growth planning programs and policy initiatives anywhere in the state. Funding could be targeted to regions and communities that have undertaken coordinated planning efforts.

3.10. The state can offer models of good land use practices from jurisdictions within and outside the state, as well as examples of best practices from representative planning and development organizations such as the Urban Land Institute, National Association of Home Builders, National Association of Realtors, International Council of Shopping Centers, the American Society of Landscape Architects, the American Planning Association, and the National Association of Industrial and Office Properties.

Good land use practice models are available from a number of national planning and development organizations.



These models could include those that:

- ◆ encourage long-term local comprehensive planning that makes available an ample supply of land for residential, commercial, recreational, and industrial uses while setting land aside for meaningful amounts of open space and for protection of environmentally sensitive areas;
- ◆ achieve a reasonable balance in the land use planning process by using innovative planning concepts to protect the environment and preserve meaningful amounts of open space, improve traffic flow, relieve overcrowded schools, and enhance the quality of life;
- ◆ encourage and enable creation of land use patterns and plans that anticipate provision of mass transit service as well as provide for densities of development to support it;
- ◆ remove barriers to allow implementation of innovative land use planning techniques in building higher-density and mixed-use developments, as well as to encourage redevelopment and infill development in suburban and center city neighborhoods (e.g., flexible building codes, land assembly powers, tax incentives, revisions of local zoning and land development regulations, and incentives to develop passed-over vacant land, brownfields, and areas near existing and proposed infrastructure);
- ◆ offer incentives for the redevelopment of old retail centers (e.g., linkage fees similar to impact fees from new retail development for purposes of redevelopment, land assembly powers, and tax increment and abatement considerations);

Abandoned or underutilized shopping centers offer a key redevelopment opportunity for many communities. Because these “greyfields” are large parcels of land and are often in desirable locations, communities across the country have been able to turn them into thriving mixed-use centers.



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- ◆ encourage creation of incentives for expedited and prioritized processing of approvals, reduced or waived impact fees, and other economic incentives for affordable housing, greyfields, and brownfields development, and other infill development initiatives;
- ◆ enable the transfer of development rights from prime environmental preservation areas under development pressure to high-density areas where development is encouraged;

- ♦ evaluate the possibilities of a range of growth-encouragement practices in order to anticipate and plan for economic growth in a timely, orderly, and predictable manner, such as designation of planned growth areas and areas with adequate public facilities to encourage appropriate infill development and increased densities according to local plans;
- ♦ reduce regulatory and discriminatory barriers to redevelopment and facilitate the assembly of land for the amount and type of housing—including affordable housing—identified as priorities in local comprehensive plans; provide for multifamily housing and small lots/small houses in zoning codes; and eliminate other zoning and land development regulations that unnecessarily increase the cost of new housing;
- ♦ evaluate the potential of techniques and regulatory reforms such as inclusionary zoning, bonus zoning, land assembly, expedited permitting or design review, and other policies that would encourage the provision of affordable housing; and
- ♦ provide for planning and construction of new infrastructure in a timely manner to keep pace with the current and future demand for various land uses, and provide for a fair and broad-based way to underwrite the costs of this necessary infrastructure investment.

3.11. Communities should be rewarded with state incentives such as priority funding or regulatory waivers for pursuing community development best practices; projects in redevelopment areas and rural economic development areas; projects under regional cooperation agreements; and projects that address areas of critical economic concern, affordable housing, and other priorities of the state and local governments.

Recommendation 4: Encourage interagency and inter-jurisdictional cooperation and coordination in land use planning, infrastructure spending, and environmental protection.

During the meetings of the Statewide Committee, the regional forums, and the statewide symposium, concerns were continually voiced regarding the lack of coordination and cooperation across state agencies and among local jurisdictions, including special-purpose districts. South Carolina has 46 counties, 269 municipalities, 85 school districts, and at least 291 special-purpose districts, for a total of almost 700 local government entities, all enabled legislatively by state. In addition, ten regional planning COGs have been established across the state to undertake economic planning activities, driven primarily by federal funding sources. These are voluntary organizations with limited powers and tend to serve as a regional forum to address issues; provide some regional planning, various services, and assistance to local governments; collect and disseminate data; encourage intergovernmental cooperation; promote economic development; and administer federal and state programs. Coordination across all of these governmental bodies is indeed a challenge.

Since the 1970s, land use laws to guide local governments in the management of growth have been enacted by 11 states—Delaware, Florida, Georgia, Maine, Maryland, New Jersey, Oregon, Rhode Island, Tennessee,

Vermont, and Washington. These state statutes can provide valuable model frameworks for the coordination of land use policy decisions among state, local, and regional government entities. The Statewide Committee believes that in South Carolina, the proposed state Office of Planning Resources and Coordination should take the lead in coordinating these important decisions. The state should determine:

- ♦ the jurisdictional level at which plans for various functions and services are best prepared;
- ♦ the extent to which plans and regulations should be voluntary or mandatory, and what sanctions and incentives, if any, should be applied for their enforcement;
- ♦ the degree to which regional or state oversight is required; and
- ♦ the consistency of data and analysis used for planning purposes.

The committee suggests several steps the state can take to improve this cooperation and coordination in ways that strengthen the state's ability to accommodate growth and development.

4.1. The state should use financial and other incentives to foster regional coordination of local land use plans and infrastructure investments. State funds, such as the infrastructure bank and economic development funds, should be used to encourage regional planning and cooperation.

4.2. Regions should be defined based on the issue to be addressed (e.g., a watershed to address water quality). For most purposes—transportation, land use, economic development, and housing—this means regions should be defined on an economic basis. Regional authority should avoid excessive fragmentation between various services. To apply these principles, the state should:

- ♦ review COG boundaries in light of changing economic and demographic trends to ensure that they make sense for addressing regional challenges effectively and efficiently. The state should work with localities to define regional planning districts, or “focus areas,” on a statewide basis to encourage and facilitate metropolitan regional planning and coordination on issues of key state concern. In some cases, the COG may serve this function; in other cases, the most logical boundaries for regional planning may vary from COG boundaries;
- ♦ have as a goal reducing through consolidation the number of public service districts as a way to cut costs during the current difficult budget times; and
- ♦ consider establishing cross-review and acceptance rules similar to those used in New Jersey, which allow different local jurisdictions at the municipal, county, and regional levels to voluntarily harmonize their plans in a back-and-forth review and comment process.

4.3. Infrastructure investments should be better coordinated at a regional level and should be consistent with local comprehensive plans. Regions should be encouraged through the use of incentives to develop strategies to reduce infrastructure costs. For instance:

- ◆ Proposed infrastructure investments by special-purpose districts—water and sewer, etc.—should be reviewed by local planning agencies as required in Section 6-29-540 of the Comprehensive Planning Enabling Act of 1994 and should be consistent with local comprehensive plans.
- ◆ Expansion plans of local school districts should be reviewed by local planning agencies under the same 1994 act and should be consistent with local comprehensive plans and regional goals for growth and development.
- ◆ State Department of Transportation capital spending plans should be consistent with local and regional plans and should address the implications of the investments on surrounding land use.
- ◆ Under the 1994 planning act, local communities that have comprehensive plans are required to prepare a community facilities element (Section 6-29-510), as well as a capital improvements program (Section 6-29-340) that includes an annual listing of priority projects. Localities, in cooperation with regional organizations, should identify priority funding areas for growth as part of this planning process. The state should direct infrastructure dollars to those priority funding areas and give an additional level of priority to those communities that have passed local option taxes for funding infrastructure improvements as a financial reward for making a local commitment.

4.4. State annexation laws should be reviewed and revised to allow better and more rational land use planning related to local comprehensive plans.

4.5. The Statewide Committee expressed special interest in recommending that the state change regulations governing school construction and renovation in order to support smaller, community-centered schools. As discussed in the Governor’s Quality of Life Task Force report, new public schools in South Carolina are increasingly massive facilities that frequently undermine community-building objectives. The Statewide Committee believes that the state should:

- ◆ work with the South Carolina State Board of Education to eliminate minimum acreage requirements;
- ◆ support changes to planning legislation and require local school boards and other relevant agencies (e.g., the Department of Transportation) to participate in the comprehensive planning process and to adhere to comprehensive plans;
- ◆ amend school construction and renovation funding programs to favor restoration and construction of community-based, small schools rather than construction of new schools on remote sites; and
- ◆ conduct a cost impact study to gain a full understanding of the cost/benefit implications of changing school construction and renovation guidelines to support smaller, community-centered schools.



School construction and rehabilitation guidelines and policies should be modified to favor restoration and construction of smaller, community-based schools.

4.6. The state should take the lead on issues of greater than local impact by setting guidelines and measurable goals for cooperation between COGs and local communities. The committee recommends that each COG develop with the local governments in its area a regional cooperation agreement that includes provisions for COG review and comment on comprehensive plan updates and revisions. The agreement also should include an agreed-upon method for identifying projects with extrajurisdictional impacts and should specify public notice requirements, a process for review and comment, and a process for reaching intergovernmental consensus on strategies for mitigating development impacts.

Recommendation 5: Protect, preserve, and enhance environmental resources.

South Carolina is known for its unique environmental resources and habitats. The quality of life and economic development prospects for current and future generations are closely tied to the protection and enhancement of these valuable resources. Prime agricultural, timber, ecosystem, and wildlife habitats should be documented and prioritized for protection in concert with land stewardship principles and protection of private property rights. The Statewide Committee recommends several steps that the state should take to ensure that these special assets are preserved for years to come.

5.1. The natural environment is integral to the land use planning process, and comprehensive identification of critical, important, and sensitive natural resources is essential. The state should compile a list of all natural resources across the state, and map and document them; this inventory should include all GIS-based data. This effort should be a partnership with appropriate state agencies and nongovernmental organizations.

5.2. Based on this natural resources inventory, state agencies should work with localities to identify, on a regional basis, significant areas to be preserved based on compelling state interests, as well as designate those areas that are available for development. Critical, important, and sensitive areas should be reserved for water supply watersheds, floodplains, wetlands, game lands, parks, historic sites, significant habitats, farmland, scenic corridors, and other resource areas. Placement of capital improvements in such areas should be limited in order to avoid or mitigate negative effects on agricultural and forest resources.

5.3. The state should document the economic benefits of protecting prime agricultural and forest resources. Furthermore, the state's economic and tourism development agencies should gather economic impact data and disseminate information pertaining to the economic development benefits of protecting open space at the local and state level, including increased park visits, eco- and agri-tourism, and active recreation; public and environmental health benefits; increased property values in urban areas; and other important direct economic benefits.

5.4. Policies should be developed to reward owners for good stewardship of land and natural resources.

5.5. The state should encourage wider use of the Development Agreement Act for large-scale, long-term, master-planned communities, allowing for development certainty in those areas identified for development and to ensure open-space preservation.

5.6. The state should continue to enforce the Municipal Separate Storm Sewer Systems (MS4) stormwater management requirements for public agencies.

5.7. To support local environmental efforts, the state could:

- ◆ research and document development practices that reduce nonpoint-source pollution, including the economic benefits of these practices, and publicize these practices to educate private property owners and communities;
- ◆ encourage wider use of conservation easements, purchase of development rights, transfer of development rights, and mitigation options that support comprehensive plans;
- ◆ increase the funding share for the South Carolina Conservation Bank from the existing real estate transfer fee, when fiscally appropriate; and
- ◆ encourage expedited permitting from DHEC and other state agencies and local commissions when landowners perform beyond minimum standards for protection of vital ecosystems

On the following recommendation, the committee had a lively discussion, but was not able to reach a unanimous consensus; since most of the committee did support this language, it is included in the report:

- ◆ The state could encourage and enable local governments to consider a wide range of local options for additional sources of revenue for acquisition of open space. These revenue sources should be broad based and could include, among others, bond issues, increased millage, sales taxes on luxury items, a local-option real estate transfer tax, or an increase in the per-acre cap on the maximum annual credit in the Conservation Incentives Act.



Timber and agricultural lands are vital to the state's economy and should be included in a natural resource inventory.

NATURE CONSERVANCY OF SOUTH CAROLINA



NEXT STEPS

The recommendations of the ULI/SCREC Quality Growth Initiative Statewide Committee aim to identify priority areas where state actions, including incentive programs and administrative reforms, can contribute significantly to quality growth in partnership with local communities.

A superior quality of life and the availability of lifestyle amenities are increasingly vital assets in the effort to attract local economic development. Experience shows that states and communities with a vision and a plan for their future are more apt to grow successfully and enhance private property values. Communities that are challenged by declining populations or slow economic growth benefit from good planning as it becomes the foundation for revitalization. Rapidly growing communities depend on effective planning to meet the stresses and strains of providing facilities concurrent with development. South Carolinians are justifiably proud of their quality of life—but to maintain this valuable asset, effective planning is needed to encourage quality growth over the next 25 years and beyond.

Implementation of the state initiatives for quality growth recommended in this report will not be easy. The strong and determined support of multiple stakeholders, policy makers, and committed leaders throughout the state will be essential to this effort. It is, however, an effort worth undertaking. Each generation serves as a steward of the land for future generations—certainly a weighty responsibility and, some would say, a sacred trust. This generation of South Carolinians faces significant challenges in that stewardship, but by working together, it can leave a legacy of economically vibrant and livable communities characterized by memorable places and quality development, the preservation of important natural resources, and the protection and enhancement of property rights and values. Future generations of South Carolinians deserve no less than a determined effort to achieve this goal.

Quality growth does not happen by chance. It requires a deliberate choice to plan for growth that will preserve and enhance the special character of South Carolina.



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