October 24, 2003

Rudy Carter, Chairman
Lancaster County Council
2558 Knotty Pine Drive
Lancaster, SC 29720

Dear Chairman Carter:

Members of the Real Estate & Building Industry Coalition (REBIC) and other local developers have reviewed the request by the Lancaster Chamber of Commerce asking the County Council to approve a "suspension of permitting activity" (i.e. moratorium) for all properties North of Lancaster along and adjacent to the Highway 521 and Highway 160 corridors until a transportation study has been completed, financing options have been identified, and access standards have been adopted. The development community understands and supports the need to protect the integrity of these corridors and we are willing to work with the County and other stakeholders to develop appropriate guidelines and policies. However, we believe this goal can be accomplished without implementing a moratorium in the panhandle area of Lancaster County.

The proposed moratorium on permits would apply to both residential and commercial developments. We believe the implementation of this request could have a significant negative impact on the economic health of Lancaster County.

In 2002, Lancaster County experienced a decline in Gross Retail Sales of over $100 million (please see chart below). In fact, the 2002 Gross Retail Sales figure is lower than the previous three years. Any moratorium, even if it is temporary, will create a measure of un-certainty in the marketplace and that will lead to Lancaster County being branded as "anti-development". Potential commercial development projects that are considering Lancaster County locations will be re-evaluated and the investors may opt to delay or relocate these projects to more stable and supportive markets.

Total Gross Retail Sales (Source: SC Dept. of Revenue)

Year	Lancaster County
1998	$636,248,430
1999	$691,090,290
2000	$790,385,766
2001	$782,160,532
2002	$680,665,410

It is also important to note that as the local and national economies have sagged over the past several years the residential real estate market has been heralded as the one industry that has remained strong

and has kept the economy afloat. In 2002, Lancaster County issued **442 permits** for single-family dwellings. The **construction value** of these permits was **$76,909,204**.

Based on national averages generated by the National Association of Homebuilders, these 442 permits generated:

- **1,082 jobs!**
- **$35.1 million in wages!**
- **$18.8 million in federal, state and local tax revenues!**
- Approximately **$2,861,950 on furnishings and other home-related purchases!**

As we stated above, REBIC supports efforts to protect the integrity of Highway 521 and Highway 160. We would welcome the opportunity to participate in a stakeholders group, or other acceptable format, with the Chamber, other interested parties and County staff, to develop appropriate development guidelines for these two important transportation corridors. We think these guidelines can be developed and adopted quickly, and without the need for implementing a growth moratorium.

Thank you for your consideration of this important matter. The development community looks forward to working with you to find an appropriate solution.

Sincerely,

Tim Morgan
Regional Director

c.c. Lancaster County Council
Chap Hurst
Chris Karres
Tom White

Fax Memo

TO: Stanley Smith

FROM: Tim Morgan

RE: "Suspension of Permitting Activity" Talking Points

DATE: October 27, 2003

On Friday, I mailed a letter to all members of the County Council, Chap Hurst, Chris Karres, and Tom White. In the letter, I tried to highlight the economic implications of instituting a moratorium, including the negative effect on retail sales/commercial development and the economic development impact that homebuilding has on the local economy.

Below are several talking points you may want to consider during tonight's discussion.

- Always use the term "moratorium". Do not use the term "temporary suspension of permits".
- We all support the Chamber's goal of protecting the integrity of the corridor. However, this goal can be accomplished without implementing a moratorium.
- Ask that a stakeholders group be formed to quickly develop recommendations for the corridor. This group can consist of reps. from the business & development community, neighborhood & community leaders, and County Planning staff.
- It will be difficult to complete a comprehensive transportation study, including proposed funding mechanisms, by March 2004.
- A moratorium will do more harm than good. Moratoriums create a sense of un-certainty in the market. Developments will be more likely to locate elsewhere. It is easy to turn off the spigot, but much harder to turn it back on. Huntersville is a great example of this. In the 7 months following their 12-month moratorium, no new commercial or single-family developments have been approved.
- Lancaster County's Total Gross Retail Sales decreased by over $100 million dollars from 2001 to 2002. We need to be encouraging commercial development, not stopping it.
- Several commercial projects are considering locating in the panhandle area. A moratorium, even if it is temporary, may cause Lancaster County to lose these projects to surrounding areas.
- Even though 6,000+ permits (a number that scares many people) have been issued for the panhandle area, only 600 homes (approx.) are actually being built in the entire county each year. It will take many, many years for all of these homes to be built.
- Much of the "perceived" problem is not being generated from the large, planned developments that the Chamber is targeting. The larger projects are willing to work with Lancaster County to create safe and efficient transportation plans. The smaller (1 to 2 acre) sites tend to create more of a problem because each site wants its own access directly onto the highways. The County needs to develop transportation guidelines that put limits on the number of access points and require these landowners to work together.
- The homebuilding industry generates over 1,080 jobs and more than $35 million in wages.

Thank you for your help and support with this issue. If you have any questions, I can be reached at 704-577-3102. Also, I look forward to seeing you this evening at the meeting.