



REGION REPORT

“Local Solutions to Regional Problems”

Spring 2004

Volume 1, Issue 4

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Welcome to the Spring 2004 edition of the **CMCOG Region Report.**

This issue of **Region Report** focuses on the Downtown core of the City of Columbia; an area which has undergone a massive regeneration and revitalization over the last ten years and was recently named one of America’s “30 Most Livable” cities. The projects completed in recent years are many and varied, ranging from the State House renovations to the regeneration of the Congaree Vista, construction on Main Street, as well as improvements throughout the USC campus, such as the Colonial Center, Strom Thurmond Wellness Center and new dormitories and Greek housing.

The Vista area alone has become a vibrant and eclectic center of activity for the City, with numerous bars, restaurants and clubs, stylish boutiques and galleries, a new Hampton Inn and the Edventure Children’s Museum. Downtown Columbia is also booming commercially: South Carolina Banking and Trust recently relocated its headquarters to purpose-built offices on Gervais Street and the impressive Meridian Building on Main Street as proof of the investment in the area by businesses.

Downtown is also becoming a desirable place to live with apartment complexes such as Vista Commons, Main Street Lofts and Capitol Places attracting more residents back Downtown. The Publix supermarket under construction on the corner of Gervais & Huger will provide Downtown residents with a place to buy groceries locally without having to drive and the new buses and trolleys operated by CMRTA should eventually reduce locals’ dependence on cars in the Downtown area. Developments in the works such as Canalside, the move of the “bus barn” on Huger Street within the next few years, and the construction of a new baseball stadium in the Vista will only serve to increase the livability of Downtown and spur economic development in tracts of Downtown which have been under-utilized for many years, attracting even more people to come live, eat and play in the heart of the Central Midlands Region.

If you have any suggestions regarding the content of this newsletter, please contact Andy Simmons at: **803-376-5390** asimmons@centralmidlands.org

To find out more about Central Midlands COG and the information presented, please visit our web site at: **www.centralmidlands.org**

In Focus:



DOWNTOWN

Market Area: The Downtown area is located within the Downtown core of the City and Columbia and is roughly bordered to the west by the Congaree River, Elmwood Avenue to the north, Harden Street to the east and Rosewood Drive & Heyward Street to the south. This area is the heart of the City of Columbia and, due to its role as State capital, is the political center of the State of South Carolina. The majority of State government offices (as well as City Hall) are located in this sector. The Downtown area is also the city’s Central Business District, with close to 5 million square feet of office space available.

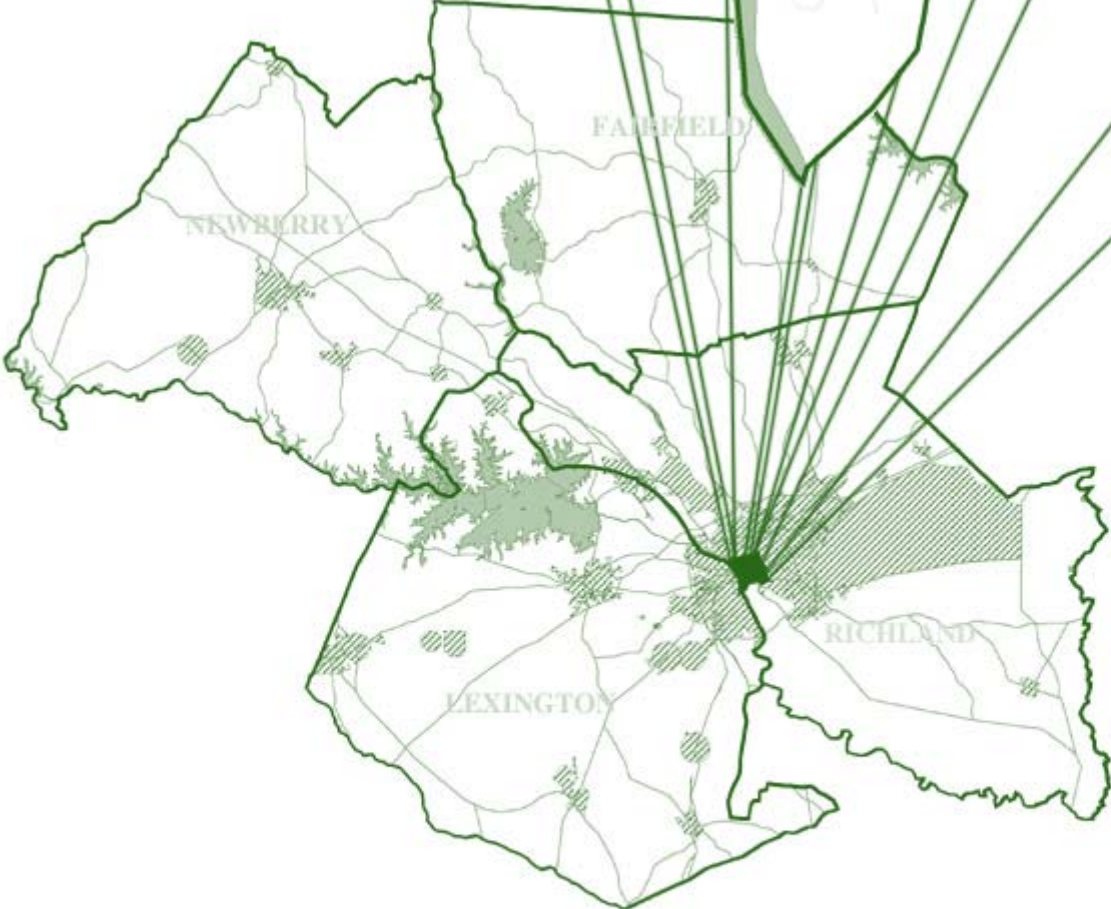
After years of stagnation and suburban flight, there is now a resurgence of residents moving back to live Downtown brought about by the adaptive reuse of commercial buildings have been converted into apartments. The Downtown area is also the entertainment district with two distinct areas; The Vista and Five Points, both of which are home to a wide range of bars, restaurants and clubs catering to all

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Downtown Area Columbia, SC



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Downtown Development Climate

CMCOG Market Areas

(Continued from page 1)

tastes. The University of South Carolina, with its 25,000 students also plays an important role in the vitality and economy of this sector.

The Economy:

In 1990, the civilian labor force for the Downtown area was 7,695. By 2000, the labor force in this sector had risen slightly to 8,931; an increase of 16%. Labor force estimates for 2003 show 9,046 persons; an increase of 1.3%, which reflects the gradual influx of residents into new housing in Downtown Columbia in the last few years.

Employment for residents of the Downtown area is divided as follows: Services - 62.6% ; Wholesale/Retail Trade - 10.5%; Finance, Insurance, & Real Estate - 7.8%; Manufacturing - 2.3%; Government - 10.6%; Construction - 3.7%; Transportation - 2.2% and Agriculture/ Mining - 0.3%.

These figures indicate a high number of professionals and white collar workers and students living in the Downtown area. Very few residents (19%) are employed in blue collar positions. However, unemployment is a considerable problem for those living Downtown, with 16.9% of residents being unemployed in 2000, much higher than the average 2000 Richland County rate of 4.3%.

The high number of white collar employees living Downtown can be attributed to the proximity to offices in the Central Business District. These employment figures

are backed up by the fact that over 54% of area resident's are single and live alone; a trend that may change once mixed-use developments such as *Cannalside* come into being and can attract more families.

Population

The population of the Downtown area is on the increase after years of decline. Between 1980 and 2000, the population fell from 17,383 to 14,933, a 14.1% decrease. By 2005, the population is expected to increase to 15,871, an increase of 6.1%. It is projected that the area will grow to 17,371 by 2010, 18,156 by 2015, 18,625 by 2020 and 19,250 by 2025, a growth rate of 28.9% over 25 years.

Housing

In 2000, there were 4,749 occupied housing units in the Downtown area, a slight increase from 4,456 in 1990. 54% of residents lived in one person households. Only 27% of households were families with children. Homeownership rates in Downtown Columbia are low; only 24.2% of residents own their homes. The remaining 75.8% rent their homes. Multi-family housing accounts for 72.4% of the housing stock, single family housing accounts for 27.2% with mobile homes accounting for just 0.3%.

The persons per household also reflects the nature of housing in the Downtown

Downtown Major Employers	
Employer	Employees
University of South Carolina	5,000
Palmetto Baptist Hospital	2,825
SC DHEC	1,000
SC Department of Health & Human Services	855
SC Department of Social Services	800
Bell South	800
SC Dept of Transportation	750
SC Employment Security Commission	662

Source: SC DOC Industrial Directory

area. In 2000, There were roughly 1.7 persons per household and 2.6 persons per family.

The Downtown area has the following population age characteristics: under 4 years: 1.8%; 5 - 18 years: 4.2%; 19 - 24 years: 57.6%; 25 - 39 years: 16.5%; 40 - 64 years: 12.6% and 65 years and older: 7.3%. The median age is 21.2. These figures in particular, show the youthful composition of the area, with 63% of the population aged under 24.

The average 2000 household income for the area was \$20,988, up from \$15,401 in 1990. The average family income was \$40,073, up from \$31,324 in 1990. These figures also reflect the number of young, single residents who are enrolled in higher education or just starting their careers, who reside in the area.

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The Metro Core area is made up of the following areas: Downtown Columbia, South Richland, East Richland, North Richland, St. Andrews and Cayce / West Columbia areas; the North East area includes Fort Jackson, Richland North East, Blythewood and Cedar Creek areas; the North West sector is made up of the Dutch Fork/ Irmo, St. Andrews & Chapin areas; the Lexington area comprises the immediate vicinity of the Town of Lexington; the Southwest Lexington area includes South East Lexington and West Lexington County areas; the Lower Richland area includes Horrell Hill, Hopkins and Eastover. The other areas comprise Fairfield and Newberry Counties.

Development Climate Continued

(Continued from page 3)

Schools

Richland School District One falls within the boundaries of the Downtown area, although the boundaries of the school district extend well beyond our study area. There are currently just 2 Schools in the Downtown area; the historic Logan Elementary schools with 216 students and St Peters Catholic School; a private school with 200 students.

Logan Elementary reopened in 1999 after years of sitting vacant as a result of the urban flight which greatly affected the economy and livability of Downtown Columbia. The school now plays a key part in redefining Downtown neighborhoods and is unique in that the majority (75%) of students now walk to school.

The largest educational establishment in this area is the University of South Carolina with its 25,000 students, many of whom live in the immediate vicinity of campus and help account for the low median age of the area.

Education levels in the Downtown area are quite high. 72.9% of persons aged over 25 have some college education and 52.1% possess at least a bachelor's degree; 29.5% have a masters degree or possess doctorates. These figures can be attributed to the presence of USC.

Transportation

Being the focal point for the Central Midlands Region and the State, Downtown Columbia has its share of traffic-related issues. However, when the original City of Columbia was laid out in the late 1700s, the perimeter streets and two main through streets were a generous 150 feet wide. The remaining blocks were divided by thoroughfares 100 feet wide, and motorists today still enjoy this wide network of streets. The Downtown area, being a primary work place for thousands of Midlands residents has large volumes of traffic to contend with. Elmwood Avenue averages around 46,000 vehicles/day, while other main routes through the city average over 25,000 vehicles/day. In order to alleviate some of the traffic problems, the City of Columbia is currently installing a new state of the art computerized traffic control system. Traffic signals are being modified, left turn signals added at busier intersections and new pedestrian signals are just some of the features designed to improve traffic flows and safety.

Several streetscaping projects are also underway Downtown. Main Street between Washington and Gervais is being improved and similar projects are underway on Lady Street between Huger and Assembly streets and also on Lincoln Street around the Colonial Center and the new Convention Center.

Public transportation has also undergone an overhaul in recent times. The Central Midlands Regional Transit Authority (CMRTA) has brought in a new fleet of vehicles burning cleaner fuels, and is making changes to the infrastructure, to ensure that a transit system whose ridership increased 25% between February 2003 and 2004, will continue to have a positive effect in the region as citizens become more conscious of transportation-related issues.

Building Permit Activity

The last 10 years has seen a resurgence in the growth and investment in Columbia's Downtown area. Due to the fact that the Downtown area is more built out than the more suburban parts of the region, development patterns differ greatly. Adaptive reuse projects which renovate existing structures are more prevalent

in the Downtown area, due to the presence of older, often historic buildings. Nonetheless, the Downtown area has seen more new businesses as well as residents return over the last few years. The Downtown area is now seen as a vibrant and fashionable place where more people

are wanting to reside work. Until recently, the main drawback for many people to the convenience of living downtown was the lack of basic facilities such as a grocery store and other household service providers. In 2003, work commenced on the renovation

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Distances to Major Markets from the Downtown Area

Downtown Columbia
0 miles

Charlotte, NC
101 miles

Charleston, SC
121 miles

Atlanta, GA
214 miles

Raleigh, NC
234 miles

Washington, DC
490 miles

Building Permit Activity Continued

(Continued from page 4)

of the old Confederate Print Building on Gervais St into a Publix grocery store, which, it is hoped will serve as the catalyst for other services to locate to this area. Such local services are necessary in order to reduce residents' dependency on private transportation in the busy Downtown area.

Historical: Businesses accounts for the majority of permits issued in the Downtown area. Between 1998 and 2002, 381 permits were issued for new businesses in this area, totaling over \$194.5 million in value. The trend of attracting new businesses to the Downtown area is expected to continue apace as a result of earlier investment.

Residential: The single family housing market, unsurprisingly, is not strong in the Downtown area. Between 1998 and 2002, only 51 single family permits were issued at an average cost of

just over \$160,000. The majority of these homes (43%) are located in Census Tract 27, which comprises the southern part of Shandon between Rosewood Drive and Devine Street, but significant owner-occupied homes exist in Governor's Hill and Arsenal Hill overlooking Finlay Park.

The Multi-Family housing market has boomed in the Downtown area over the last five years. Between 1998 and 2002, 501 new units were permitted. In 2000, Multi-Family housing accounted for 84.4% of the housing stock in the Downtown sector, a 14% increase from 1990. This high proportion of multi-family housing is expected to continue over the next few years as developments such as Canalside, Olympia Mills and Capitol Places IV come into being.

Non-Residential: The total value of non-residential permits issued since 2000 was over \$107 million, with business permits

accounting for 68% of these non-residential permits (\$73.3 million). The remaining permits were for churches, schools, storage facilities and institutions. The most notable permits to be issued in this time were for \$8.2 million to construct Edventure Children's Museum; \$3.85 million to construct the new SC Banking & Trust headquarters on Gervais Street; \$40 million for the Columbia Convention Center; \$5.5 million for construction at First Presbyterian Church and \$34.8 million for the Strom Thurmond Wellness Center at USC.

In 2003, the largest permit issued was valued at \$26.6 million to construct the 17 story Meridian Office Building on Main Street, Columbia. Other notable permits issued in 2003 were for \$21 million for new campus housing/dormitories on Main Street; \$4.8 million to erect a parking garage on Washington Street; \$4.6 million for the new Publix grocery store on Huger Street, and \$4.2 million for an additional building for Trinity Episcopal Cathedral.

Conclusion

Overall, the Downtown area is growing at a considerable pace. As well as new construction, considerable amounts are being spent on additions and renovations to existing properties in Downtown. The most notable interior upfit in the last year was \$600,000 of renovation work to the 94-year-old offices of Regions' Bank at 1010 Gervais Street. This activity in the last 18 months, coupled with projects which are under development, Downtown Columbia's growth should remain strong for the foreseeable future.

Data Collection

All building permits issued for the construction of new residential units or the construction of nonresidential structures are included. In addition, building permits issued for additions, alterations or repairs on nonresidential structures are included if the value of the work was listed for \$25,000 or greater. Also included are the additions and repairs to residential structures costing over \$10,000. Central Midlands COG has elected to study the cost of repairs more closely to attempt to determine where regeneration of older housing stock is taking place.

Permits issued for the construction of garages, carports, swimming pools, storage sheds, etc. on residential property are not included in this study.

Downtown Area Building Permits				
Permit Type	2001		2002	
	Number	Average Cost	Number	Average Cost
Additions	184	\$102,034	77	\$114,775
Assembly	3	\$2,281,333	2	\$498,190
Business	84	\$375,071	64	\$531,640
Educational	3	\$16,009,365	1	\$100,000
Multi Family	0	\$0	24	\$664,303
Single Family	10	\$175,850	6	\$198,771
Repair	NA	NA	96	\$87,213
Storage	0	\$0	1	\$19,500

Source: CMCOG Building Permit Studies, 2001 & 2002

Multi-family Housing Development

Over the last few years, the Downtown area has developed into one of the key markets for multi-family housing in the Columbia area. Due to the nature of the Downtown area, multi-family housing in former commercial properties (such as Main Street Lofts in the former Tapps Building) coupled with the occasional new multi-family housing complex construction (e.g. Vista Commons) has increased the market share as Downtown becomes a more desirable place to live. In 1995, there were 1,051 multi-family housing units in the Downtown area; accounting for 4.5% of all apartments in the Columbia Metro Area. By 2002, the Downtown area had 1,452 units or 5.3% of the Columbia Metro market. The vacancy rate in the Downtown is the second-lowest in the Columbia, MSA. In 2002, just 42 units (2.9%) were vacant. This vacancy rate is considerably lower than that of the entire Columbia Metropolitan Statistical Area (MSA), which has an overall vacancy rate of 6.9%.

Units in the Downtown area tend to be smaller than elsewhere and the majority of units (90%) have 1 or 2 bedrooms. Currently, rental rates in the Downtown area are amongst the highest in the Columbia market. Rent for a 1 bedroom unit averaged \$624/month (MSA average = \$504/month). 2 bedroom units averaged \$804 per month; \$65/month more than the second-highest submarket. 3 Bedroom units averaged \$1,013 per month. However, if Downtown Columbia is to attract more people to live, rental rates must decrease in order to become a more viable option.

Largest Downtown Area Multi-Family Complexes		
Complex Name	Address	# of Units
Pavilion Towers	Pavilion Tower Cir	240
The Rapids	1 Catawba Circle	240
Park Circle	1600 Park Circle	201
Vista Commons	1100 Pulaski Street	184
Whaley's Mill	211 Main Street	170

Source: CMCOG Multi-Family Survey, 2002

Office and Retail Space Trends

The Downtown area ranks 1st out of the 10 submarkets in the Greater Columbia area for office space with over 4.8 million square feet of leasable office space. This equates to 38% of the Columbia Metro area's leasable office space. The Downtown area also has the third lowest vacancy rate of any of the submarkets in the Columbia area with 12%, and at \$15.86 per square foot, has the highest average rental rate.

Office space in Downtown Columbia continues to grow, as is evidenced by the construction on Main Street of the seventeen story Meridian Building, which, when complete, will add 350,000 square feet of premium office space to the revitalized urban core. Furthermore, the design of the new building reflects, in a modern way, some of the traditional architecture seen throughout the City, while maintaining the character of Downtown by incorporating the façade of the 1912 Consolidated Building around which it was constructed.

One of the problems facing Downtown Columbia regards retail growth. The Downtown area, like similar areas throughout the US, has seen a reduction in the number of retail outlets as businesses migrate to suburban markets to be nearer the homes of their consumers. In 2003, Downtown Columbia was the 3rd smallest area for leasable retail space, containing just 2% of the area's retail space. Vacancy rates are high. At 20.6% the Downtown retail vacancy rate is the second-highest in the metropolitan area, although this represents an improvement of 0.8% from 2002.

There is currently one new retail establishment under construction in the Downtown area. Publix is in the process of converting the Confederate Printing Press on Gervais Street into a 27,000 square ft grocery store. However, if Downtown Columbia is to grow and thrive, similar establishments will be needed in order to attract more permanent residents.

Downtown Office & Retail Space		
	Office Space	Retail Space
Leasable Square Ft	4,845,121	298,490
Vacancy Rate	12.0%	20.6%
Market Share	38.0%	2.0%
Av. Rental Rate	\$15.86	\$11.67

Selected Statistics for the Downtown Area

2000 Census Data

AGE			
	Total	Male	Female
Total Persons	14,933	7,160	7,773
Under 5 Yrs	265	142	123
5-17 Yrs	639	301	338
18-24 Yrs	8,602	3,916	4,686
25-39 Yrs	2,475	1,427	1,048
40-64 Yrs	1,887	1,046	841
65-84 Yrs	908	301	607
85 Yrs & older	157	27	130

RACE						
	White		Black		Other	
Age	Male	Female	Male	Female	Male	Female
Under 5	80	70	48	36	14	17
5-17 Yrs	151	165	130	156	20	17
18-24 Yrs	2,805	3,137	795	1,286	316	263
25-39 Yrs	949	645	250	233	228	170
40-64 Yrs	701	614	291	194	54	133
65-84 Yrs	225	475	73	120	3	12
85 +	17	106	8	20	2	4

2000 Income	
Income	H-holds
Below \$10,000	1,258
\$10,000-\$14,999	580
\$15,000-\$19,999	489
\$20,000-\$24,999	410
\$25,000-\$29,999	371
\$30,000-\$34,999	263
\$35,000-\$39,999	197
\$40,000-\$44,999	142
\$45,000-\$49,999	87
\$50,000-\$59,999	186
\$60,000-\$74,999	182
\$75,000-\$99,999	227
\$100,000-\$124,999	125
\$125,000-\$149,999	74
\$150,000-\$199,999	91
Over \$200,000	146
Average HH Income	\$20,988

Housing Values (Owner-Occupied Units)	
Value	# of Houses
Less than \$19,999	0
\$20,000-\$49,999	25
\$50,000-\$79,999	190
\$80,000-\$99,999	124
\$100,000-\$149,999	174
\$150,000-\$199,999	165
\$200,000-\$299,999	245
\$300,000-\$399,999	144
\$400,000-\$499,999	23
\$500,000-\$749,999	39
\$750,000-\$999,999	10
\$1,000,000 +	0

Educational Attainment (Ages 25+)	
Level	# of Persons
Less than 9th Grade	380
9th-12th Grade	437
High School Graduate	699
Some College	955
Associate Degree	179
Bachelor's Degree	1,438
Graduate Degree	1,372

Occupancy	
	Total
Total Housing Units	5,270
Vacant	521
Occupied	4,749
Owner-Occupied	1,150
Renter-Occupied	3,599

Poverty	
Below Poverty Level	2,998 (34.4%)
Above Poverty Level	5,733 (65.6%)

Newsletter Format

The newsletter will focus on each of the areas of the Midlands in turn.

Each newsletter will highlight the latest developments in each area to give a brief overview of each sector of the Central Midlands region. More detailed information can be found on our website.

Source: 2000 Census of Population and Housing



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RegionReport is published as a service and information resource for members of the Central Midlands Council of Governments.

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Central Midlands Newsletter

EXTRA, EXTRA!!!

One of the most ambitious projects, with the potential to most significantly impact the Downtown area is the Canalside Development. Canalside, a \$75 million, mixed-use “urban neighborhood,” located on the site of the former Central Correctional Institution (CCI), is one of the keystones of the Downtown revitalization in Columbia. For 150 years, until 1994, the site had housed the State penitentiary. Now, after the demolition of the old buildings and the clearance and grading of the property, this until now, neglected and underutilized prime location on the Columbia Canal will soon be developed, and within 5 years will make another section of Columbia’s waterfront open to the public.

After the failure to find a sole developer for the project, the City of Columbia has divided the site into 13 developable parcels: two for commercial uses, one for a hotel, one for a parking garage, one for a public building such as a school or library, and eight for residential uses. Conceptual plans include brick apartments and townhouses, in keeping with the rest of the architecture in the Vista. Units would be built close to the street with a small park in the middle. Each residential parcel would consist of 15-30 multi-family units per acre to maximize density and to create a real urban-style development. At the western canal end of the development would be the “City Balcony,” a terraced plaza that would lead down to the Columbia Canal and Riverfront Park, where a mile-long esplanade will connect with the 3 Rivers Greenway, further increasing the vitality of life in Downtown Columbia.

For further information on Central Midlands Council of Governments, please visit our webpage:

www.centralmidlands.org

Central Midlands Council of Government - Our Data, Your Resource!!