Redevelopment of Southern Mill Towns:
A Study of Georgetown, South Carolina

By
Robert L. Morgan

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Signature of Author_______________________________________
Department of Architecture - May 19, 2004

Certified by____
John P. de Monchaux
Professor of Architecture and Planning
Thesis Supervisor

Accepted by____
William Q. Hubbard, Jr.
Chairman
Committee on Graduate Students, Department of Architecture

Certified by____
Lynn Fisher
Assistant Professor of Real Estate
Thesis Supervisor

Accepted by____
David M. Geltner
Chairman
Interdepartmental Degree Program in Real Estate Development

THESIS COMMITTEE

Supervisors:

John P. de Monchaux
Professor of Architecture and Urban Planning

Lynn Fisher
Assistant Professor of Real Estate

Reader:

Jan Wampler
Professor of Architecture

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Abstract

The Georgetown Steel Company (GSC), located in Georgetown, South Carolina, closed and filed for bankruptcy in October 2003. GSC has only been operating since the late 1960s; therefore, it does not contain masonry warehouse structures that have a clear conversion value. Its borders, however, include a scenic river with deep water access and a historic downtown.

GSC's predicament is not unique, as the news of closing mills has become commonplace in the southeastern United States. The American industrial base that initially started in the northeast and moved south is now relocating to cheaper international locales. When these mills close, it leaves a devastating hole within the community, with lost jobs, abandoned mega-structures, and polluted sites. As the United States shifts to a service based economy, smaller southern towns like Georgetown that were favored by industries will have to fight for their survival.

Situations such as the GSC's offer a tremendous amount of despair, but at the same time, an incredible opportunity. As the mills are closing, large numbers of people are relocating to the southeast from the northeast and Midwest. Many locations in the southeast are exploiting their natural resources and are becoming either a destination spot for the wealthy (both in tourism and the second home market), or a new home for retirees and those seeking an improved quality of life.

Through Georgetown, South Carolina, this thesis explores the disappearing southern mill town and its transformation to alternate uses. I have analyzed this transition in terms of design, planning, and redevelopment. Issues such as growth patterns, urban densification, appropriate use, rehabilitation, brownfield remediation, economic viability, and social responsibility have been explored. While I have focused on Georgetown, my goal is to provide a body of research that can be utilized by towns facing similar transitions.

Architecture Thesis Supervisor: **John P. de Monchaux**
Title: Professor of Architecture and Urban Planning

Center for Real Estate Thesis Supervisor: **Lynn Fisher**
Title: Assistant Professor of Real Estate

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Chapter 1

Introduction

Since a very young age, I have been attracted to coastal South Carolina. Whether it was trips to its scenic beaches where I furiously built sandcastles as a child, or an undergraduate semester studying the rich urban character of Charleston, to this day, a trip to the South Carolina Low Country cannot come soon enough.

Growing up in Columbia, South Carolina, my family would drive 120 miles to vacation each summer at DeBordieu Colony (a coastal community along the Atlantic Ocean right outside of the City of Georgetown). The drive from Columbia to the coast would entail passing through several small towns and a lot of farm fields. You always knew that you were almost there when the car would become filled with a sulfur smell that had my brothers and me pointing curious fingers at each other. The smell did not surface from one of us in the car, but originated from the International Paper mill along the Sampit River right outside of the City of Georgetown. The next sign that we were almost at the beach was seeing cars, houses, and street signs that were coated with rust from the Georgetown Steel mill's emissions. We would occasionally stop at the Piggly Wiggly or the ice house, but otherwise we would get out of Georgetown as quickly as we could. Why would we want to spend time in this industrial mess when the beautiful beaches were only a short drive away? We stopped vacationing at DeBordieu shortly after I hit double digits and began vacationing at the Isle of Palms (a barrier island off of the coast of Charleston, South Carolina). Therefore, for the better part of my life, my recollection of Georgetown was as an industrial wasteland.

Our visits to the Isle of Palms were not dissimilar from those to DeBordieu, but the nearest city was Charleston, which was a far cry from Georgetown. Charleston contains one of the first historic districts in the United States and much of it has been impeccably restored. It is extremely tourist friendly. The ironic twist is that much of downtown Georgetown was as historic and unique as Charleston, but on a smaller scale and packaged very differently. Charleston offered us an urban experience that could not be found anywhere else in South Carolina - one where we could park the car and spend the entire day on our feet sightseeing, shopping, and dining. As much as I liked building those sandcastles, walking around Charleston was also a highlight.

I spent the spring semester of my junior year of college studying at the Clemson University Architectural Center at the College of Charleston. By this time, my design aspirations had slightly advanced from sandcastles on the Isle of Palms. While I was enamored with downtown Charleston and my quality of life while living and studying in the urban environment, I also became very interested in large industrial tracts of land right outside of the city. Charleston was becoming a very popular tourist and second home market, which was leading to extreme gentrification and the displacement of existing residents. Many of these residents were being forced far out into Charleston's ever growing suburbs. While tremendous suburban growth was occurring, former industrial areas that sat at the edge of downtown were being passed over for greenfield sites on the fringes. This trend deeply disturbed me, as land that could be easily knitted back into the city grid to extend residential and commercial opportunities for large amounts of citizens was not being redeveloped. These sites were often polluted, and that alone was turning people away from them. After one semester in Charleston, I was exposed to the complexities of cities and the dynamic ways in which they grow.

Three years later, I returned to Charleston to work in the architectural profession. Issues relating to gentrification were at the forefront of my thoughts, as I was one of those who could not afford to live downtown and had to take up residency in the suburbs. Prior to my move to Charleston, I had lived for two years in the District of Columbia, where I found it to be as easy and bit more affordable than my two year stay in Charleston. I say this primarily in terms of the cost of living versus the salary that I was being paid, and the public infrastructure such as transportation alternatives. Charleston's natural amenities, however, could not be matched.

Fast forward two years, to the spring of 2003, when I was living in an even more expensive city, Boston, and studying for my Master of Architecture and Master of Science in Real Estate Development at the Massachusetts Institute of Technology (MIT). It was time to start thinking about my master's thesis. Since my semester in Charleston as an undergraduate, I always thought that I would write my graduate thesis about the industrial areas right outside of downtown Charleston. I wanted to raise awareness about these sites and explore their potential as redevelopment parcels (primarily to provide affordable and inspiring housing alternatives and to combat suburban sprawl). I, however, had a conversation with my father, a real estate developer in Charleston, during which he cautioned me that a lot of people were already studying Charleston and that developers were actively eyeing some of these sites. In other words, he thought that I might be attempting to tackle a problem that was already being dealt with. He mentioned the small industrial city that I used to pass through on my way to DeBordieu as child as a viable alternative. I could explore many of the same issues in Georgetown, but on a smaller scale, and I might be one of only a few studying urban redevelopment in the city. I also knew much had changed over the past fifteen years in Georgetown and that it offered more than just two polluting mills.

This advice led me to Georgetown, the industrial wasteland that I remembered as child, and to the Georgetown Steel mill. I was immediately seduced by the character of Georgetown with its historic district, commercial "main street," riverfront location, and welcoming population. The steel mill site, however, was the clincher, offering a prime parcel of land on the Sampit River immediately adjacent to the downtown historic district. The physical attributes of the area were reason enough to study the city, but the history and culture also added an intriguing layer. I should note that my mother's side of the family lived on plantations south of Georgetown on the Santee River basin several generations ago, therefore, this area and its history piqued my interest. After a short visit to Georgetown, I knew that the steel mill site presented a very exciting redevelopment project with tremendous layers of complexity.

Over the past year, I have been studying the City of Georgetown and the potential of the steel mill as a redevelopment site. My goal has been to get to know the city, its people, and its future potential in such a way that I can enter the dialogue about what could happen next. This thesis ultimately presents design imaginations that should inspire Georgetown to think outside of the box. I do not intend for my imaginations to be implemented tomorrow, but hope that they will be discussed tomorrow. This thesis intends to provide thorough documentation of the status quo, while speculating about potential future development.

I have met many people along the way that have provided excellent insight and feedback about Georgetown and other similar communities along the east coast. Therefore, the title of this thesis is "Redevelopment of Southern Mill Towns: A Study of Georgetown, South Carolina." I truly hope that much of my research and imagination about Georgetown can be utilized by other southern mill towns, particularly those in coastal areas with strong natural amenities. Georgetown is not the only mill town in the south dealing with the loss of its manufacturing base, suburban sprawl, socioeconomic and racial divisions, large swaths of polluted land, and maintaining its community and quality of life. Many mill towns in the southeast are at a critical point where fortunes could be lost or made, and the quality of life could be maintained or jeopardized. These are significant issues that will shape future development in the southeast, so before we construct cookie-cutter suburbs from the Atlantic Ocean to one hundred miles inland, let us stop and think about what we are doing. Are there alternatives that can serve the insatiable demand of the growing population base while providing viable opportunities and living conditions for all?

And a Special Thanks to...

There are many people that I would like to thank for assisting me with this endeavor. First and foremost are those that I have leaned on, complained to, celebrated with, etc. over the past three years while at MIT. Without my girlfriend, fiancée, and now wife, Jean, I would not have had the strength to uproot from Charleston to city a like Boston and face the trials and tribulations of three hard years studying for two degrees at MIT – and because of her, I had great time doing it. I always knew that her wonderful smile, positive outlook, and unwavering support could carry me through anything. And in the middle of it all she agreed to marry me! Also, my family has always supported me in the most amazing way. Whether it has been my father as a mentor, my mother's strength, or my brothers' lightheartedness, they have been a group that can prop me up and tear me down with one sentence, and I love it. I feel that I was also fortunate to be brought up in a family of people involved in the building industry - my father as a developer, my mother's family as architects, and my father's father as a structural engineer. They have all left an amazing legacy on the built environment and provide inspiration for my future endeavors.

It would be short-sighted not to thank all of my colleagues at MIT who have allowed me to essentially chart my own course, with two degrees, and follow my passion and interests. Individuals such as John de Monchaux, Lynn Fisher, and Jan Wampler (my thesis team) have supported me tremendously and guided me rigorously, but they have also "let me off of the leash" to explore those areas that I feel are most important to my future development.

If it were not for the numerous people that I met with, talked on the telephone with, or corresponded with, I could have never produced this thesis. I am indebted to all of these people and the time that they gave me. Their generosity and support was spectacular. Therefore, I would like to extend a heartfelt thanks to: Ross Bowker, James A. Carolina, Robert L. Clement III, Stuart Coleman, Jerry Deakle, William S. Duncan, Gerald Freeman, Steven Goghins, E.F. Hucks, Brad Jenkins, Gail Rawl Jeter, L. Boyd Johnson, Steve Knight, Brian Leary, Patrick Mason, Kelly Marshall, John W. Morgan III, Thomas C. Morgan, Lynn Nakell, Diana Permar, Barry A. Price, Marc Puntereri, Willie Ramsey, Jerry M. Ray, J. Darryl Renya, Holly H. Richardson, Charles Trader, Clayton Walter, and Zane Wilson. And a special thanks to James Carolina who inspired me to think outside of the box about Georgetown – hopefully this thesis will follow suit and provide a heightened level of discourse.

Chapter 2

The History of Georgetown, South Carolina: in “Boom” and “Bust”

On Monday morning, October 20, 2003, Robert Davis showed up for his shift at the Georgetown Steel Corporation (GSC) in Georgetown, South Carolina. Mr. Davis was immediately told to go home, as the mill would be closed indefinitely. Mr. Davis, with one child in college, was shocked.[1] With the unemployment rate hovering around 13% in Georgetown County, the closing of it’s second largest private employer was another major hit for this boom and bust port city.[2] As had happened many times since its founding, the City of Georgetown would again be asked, “could it survive another bust?”

In 1710, when Carolina’s Governor, Robert Gibbes, provided a warrant to the Reverend William Screven for 200 acres on Sampit Creek, neither man could have imagined what would ultimately occur on this track of land. Twenty years later, Screven’s son, Elisha, laid out a town, and in 1732 the town was deemed an official customs port (Figure 2-1). Named after England’s King George II, George Town was established.[3] The access to water was the main reason that the town was formed, and this resource has continued to play a significant role in Georgetown’s history.

Georgetown is strategically located on the Sampit River, which flows into Winyah Bay and ultimately the Atlantic Ocean. The Pee Dee, Black, and Waccamaw Rivers also flow into Winyah Bay within close proximity to the city (Figure 2-2). All of these rivers were surrounded by vast swamplands (or marshes) that were tidal and filled with salt water from the Atlantic Ocean at high tide twice a day. Initially, rice fields were carved out of the swamps with the assistance of ditching and diking, but ultimately many land owners used virgin land and slave labor to create fields.[4] While the cultivation of “rice was king” from 1730-1860, indigo surpassed rice as the staple crop before the American Revolution, as “area tidelands were steadily cultivated to yield a harvest of unimaginable wealth for enterprising planters of Eu-

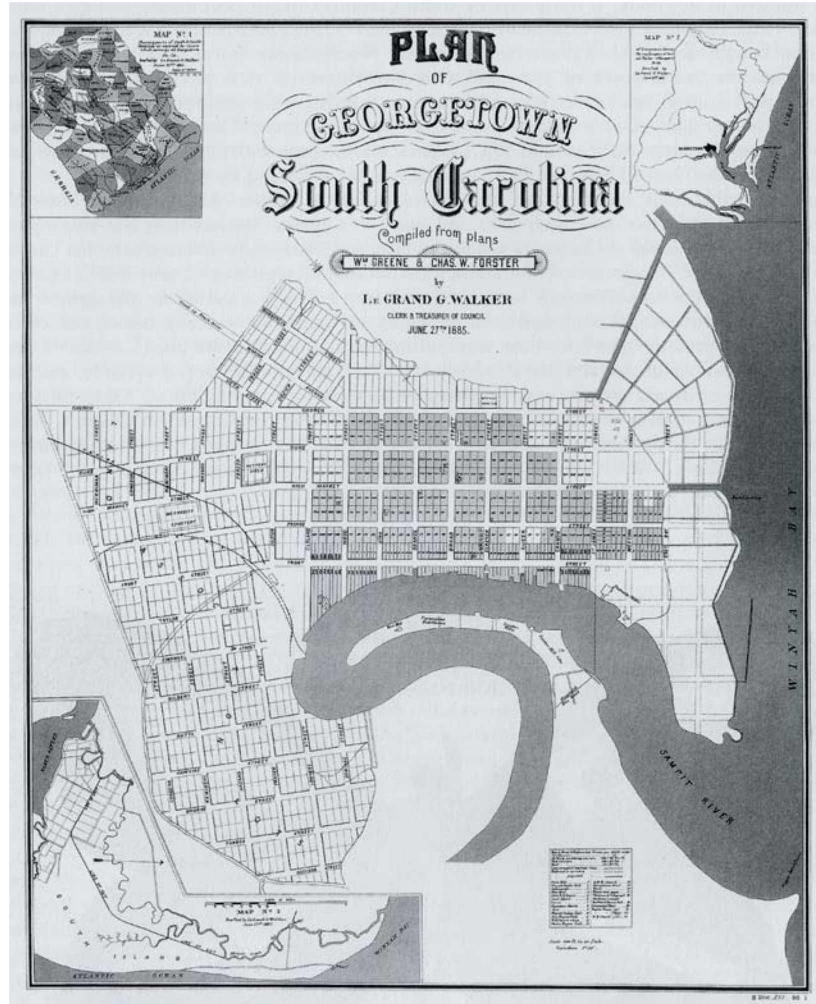

Figure 2-1: 1885 plan of Georgetown, existing blocks shaded.

ropean heritage who embraced slavery to develop vast plantations.”[5] The city of Georgetown was perfectly sited to take advantage of the shipping needs for the surrounding plantations and it became the commerce center for the county. Therefore, Georgetown had its first “boom” leading up to the Civil War, as the surrounding plantations were the

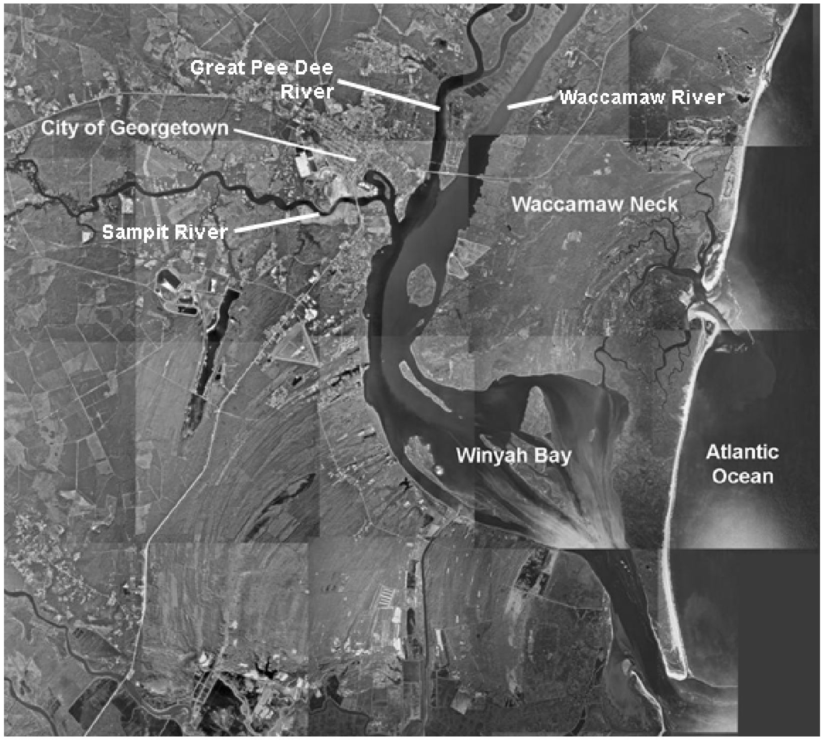

Figure 2-2: Aerial image of the greater Georgetown area.

largest producers of rice in the nation, and South Carolina was the second richest state behind Massachusetts. The American Revolution, however, did have an adverse effect on Georgetown, as the town was severely shelled by the British troops. The first “boom” of Georgetown was relatively short lived because as rice became such an influential crop and as the plantation owners gained significant wealth, they started to bypass Georgetown and send their crops straight to Charleston, SC. This gesture highlights the stratification that was occurring between the “country” and the “towns.” Charleston, which is 60 miles south of Georgetown, was the cultural center for the planters, as most of them maintained houses in Charleston and would travel there for social events. As a visitor to Georgetown in 1843 remarked:

> Georgetown District is the wealthiest portion of the State; but a more miserable collection of decayed wood domicils [sic] and filthy beer shops than are clustered together to make up the town, would be difficult to find. Indeed, unlike the free states, the wealth of the South lies almost entirely in the country; the towns, unless Charleston form an exception, being made of artizans and traders.[6]

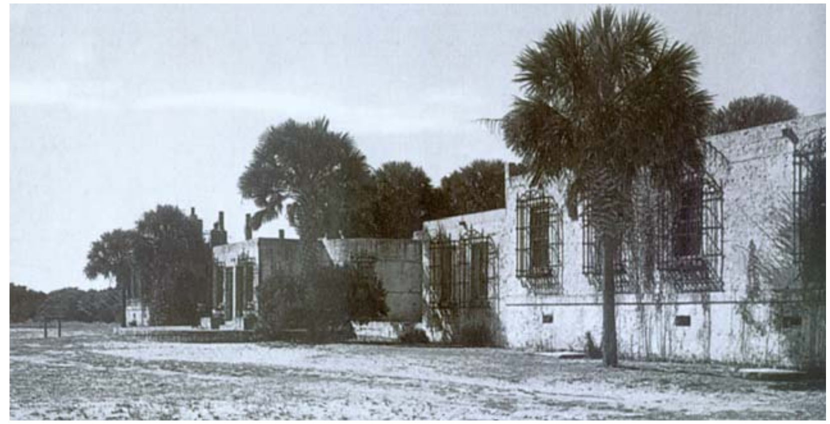
Figure 2-3: Atalaya, the winter residence of the Hyatt family.

Therefore, race and wealth were creating very different lifestyles for the slaves, planters, and non-planters. The 1850 census noted that of the 20,647 residents of Georgetown District, eighty-eight percent were slaves, and that 1,628 resided in the town and that the rest were scattered throughout the country side. The average planter was making a minimum of $32,000 per year while the average wage in town was $1,200 and that 3.8% of the white population owned 50.1% of the land in the district.[7]

The Civil War and the subsequent abolition of slavery had a tremendous impact on Georgetown and the plantation system. The slave labor that had allowed the community to flourish was no longer available, therefore, the effects of the Civil War led to a significant “bust” in Georgetown. Christopher C. Boyle, however, notes that “the war had disrupted the production of this agricultural staple and crippled the economy of the district, but it did not destroy the culture which stumbled along for another fifty-five years before it completely collapsed.”[8] The

Figure 2-4: 1901 bird's-eye view of Georgetown.

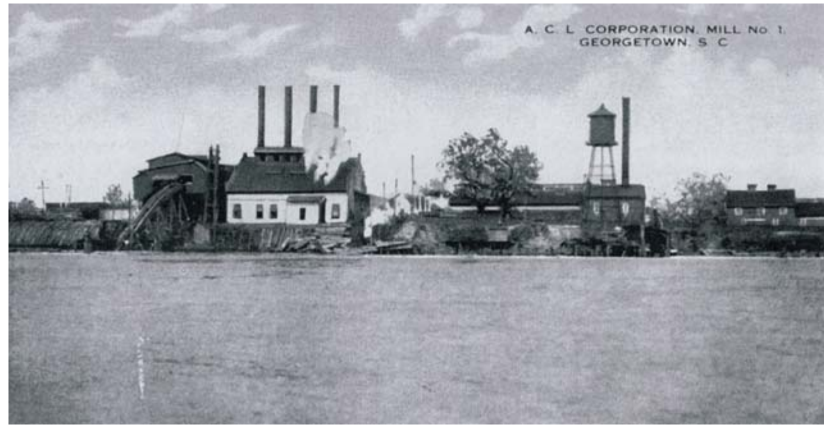

Figure 2-5: ACL on the banks of the Sampit River as seen in 1914.

two main reasons for the ultimate collapse of the plantation system were the lack of a permanent labor force and the competition from other states that had rice fields which could be worked with mechanized equipment. Georgetown's boggy fields were not conducive to the new machines that had been produced. By the late 1800s, all of the wealth that the planters had amassed was gone, and even their large land holdings were of limited value as a result of their inability to produce crops. Therefore, there was a transition in the economy, as Mr. Boyle asserted, "many in the area committed the county to 'New South' industries and, for the most part, gave up on farming, as extractive industries such as lumber companies, turpentine and phosphate miners ravaged the land."[9] Before this transition occurred, however, it is important to understand what happened immediately after the Civil War in Georgetown.

With almost 90% of the population of the Georgetown District being "freedmen," or freed slaves, there was a major societal shift. Most of the plantations were looted by the slaves and Union troops, as the sentiment can be explained by one plantation owner writing to another, "'All your furniture has been taken not only by your own Negroes but by troops and hordes of blacks who like vultures hung around the plantations here and by their numbers overawed the negroes and got the lion's share of the booty.'"[10] As a result of Reconstruction, freedmen were either paid to work for the planters or they started working land of their own, and they also gained significant political and bureaucratic power, as freedmen won many offices in the 1868 elections in Georgetown County. Another important revelation in Georgetown shortly after the Civil War was that wealthy northerners started buying the plantations as vacation homes, also signifying an end of the southerner's stronghold on these properties. Barry Price notes that "the Winyah region had been 'discovered' by the northerners, due in part to President Grover Cleveland's visit in 1894, as a place for fine hunting and relaxation."[11] Not only were they buying the plantations, but many of them embarked on ambitious reconstruction or construction projects on their land (Figure 2-3). This had a significant effect on the local economy as these projects employed many of the local citizens. Bernard Baruch, who assembled seventeen thousand acres, asserted in his autobiography "that one purpose in his acquisition of the lands of Hobcaw was to 'do something for the Negro.'"[12] Mr. Price also went on to note that "those and other plantation projects were for some the difference between their families being able to endure hard times stoically or suffering complete destitution."[13] While these activities occurred up until the Great Depression and shortly thereafter, another more significant transition was occurring as industries started locating in the southern states.

In the late 1800s, Georgetown modernized its infrastructure, as "the city added electricity, telephone service, sewer facilities, rail

Figure 2-6: View east down Front Street, 1905.

Figure 2-7: View west down Front Street.

connections, some paved streets and sidewalks, new banks, a thriving port, a new public school and a handsome Post Office and Customs House building" (Figure 2-4).[14] This assisted in attracting industries such as the Atlantic Coast Lumber Corporation (ACL) whose home became a fifty-six acre site on the bend in the Sampit River within the city of Georgetown. The ACL organized in 1899 and incorporated in 1903 by using capital from Boston and New York.[15] Their $1,000,000 investment in Georgetown created the East Coast's largest lumber operation and a new mill town west of the city (Figure 2-5).[16] There were

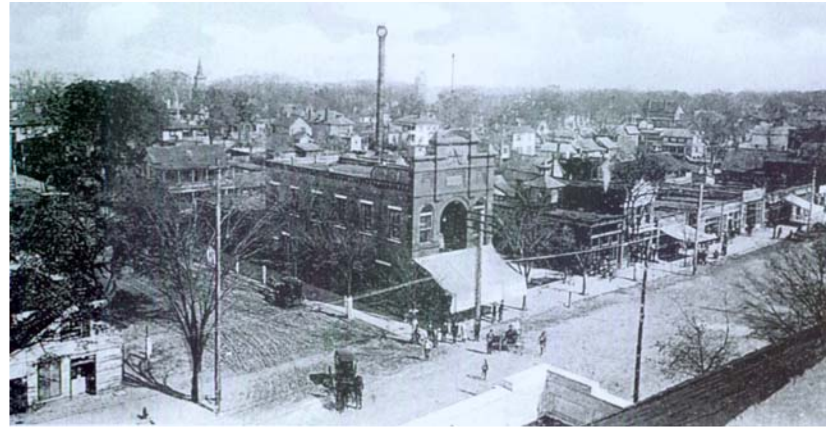

Figure 2-8: Birds-eye view of Georgetown from new Federal Building, 1909.

Figure 2-9: The same view of the city and Front Street as above in 2003.

also several other sawmills in the community, with Barry Price estimating that it was responsible for providing five thousand jobs to the area in the boom years of the lumber industry. "Georgetown attorney Meyer Rosen recalled, 'I can remember my mother saying how, when the workers left downtown to go to work at the Gardner and Lacey Lumber Company [just across the river], and returned in the afternoon, the Sampit was so full of rowboats that you could walk across the river from one boat to the next and never get your feet wet.'"[17]

Figure 2-10: Aerial view of Pawleys Island beach community, 1940s.

Figure 2-11: Aerial view of International Paper Mill, 1948, city in background.

The Great Depression, however, wreaked havoc on the city, as the ACL closed, along with most other industries. Barry Price noted that the early 1930's were more difficult than any in memory. In January of 1932, the last bank in Georgetown closed, leaving the city without a bank for one year. The tide, however, started to rise in 1933 with Franklin D. Roosevelt's "New Deal." One New Deal program employed eighteen hundred people on the first day the program took effect. Several important projects commenced through this program, which included a new airport and the LaFayette Bridge that connected

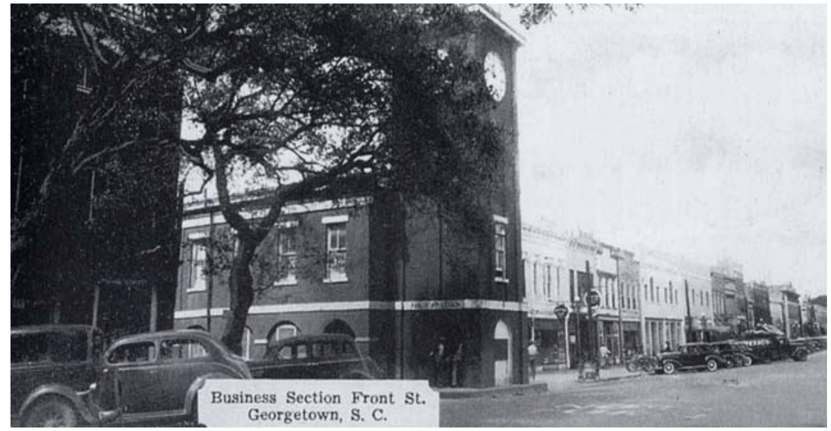

Figure 2-12: Front Street, 1938.

Figure 2-13: Prince Street, typical neighborhood street, 1909.

Georgetown to the Waccamaw Neck. The bridge allowed easy access between the city and resort communities such as Pawleys Island and Murrell's Inlet in northeast Georgetown County (Figure 2-10). By August of 1935, the area was experiencing its biggest building boom since 1920. Companies such as the Standard Oil Company were investing in the community, with Standard opening a yacht basin and terminal on the Sampit River in Georgetown. October 13, 1936, however, was an extremely important day in Georgetown, with the International Paper Corporation (IP) announcing that it had purchased a 525

Figure 2-14: Aerial image of SCSPA terminal (on point in center of photo).

acre site on the Sampit River right outside of the city and that it was going to build a paper mill. IP's $8,000,000 investment would bring the largest kraft paper mill in the world and twelve hundred mill jobs to Georgetown. The mill would also add another one thousand supporting jobs to the community (Figure 2-11).[18]

With construction of the new mill, Georgetown was once again a "boom" town. People flooded into the city to fill the construction positions, and residents were able to triple boarding rates overnight. The Georgetown Times actually ran an editorial "castigating area citizens for charging exorbitant rents to the newcomers," saying, "The people of Georgetown need the mill, its officials and employees a whole lot more than they need Georgetown."[19] Over the next year, new banks opened, a Ford dealership arrived, new subdivisions were constructed, and a hotel was built. It was also during this time that the harbor was dredged for ocean-going steamers and that steamship service was initiated between Georgetown and New York. Georgetown also saw its first European ship in a long time arrive in port. Once the mill was up and running and filling the air with emissions, the citizens of Georgetown began to mention that the "the smell of money" or "the bread and butter" had arrived.[20]

Figure 2-15: Aerial image of GSC, Sampit River, & downtown Georgetown (top right).

Over the next twenty-five years, Georgetown and the surrounding communities continued to add industry, but tourism and recreation also became a significant and growing sector. The beaches along the Waccamaw Neck were being developed, as many of the northern land owners sold or developed their plantations. This was able to occur as the automobile became economically feasible for many Americans. Many other plantations were sold to the paper companies, with most of the large plantations no longer intact today. And in 1959, the South Carolina State Ports Authority added a shipping terminal in Georgetown in order to stimulate ocean transportation in and out of the city (Figure 2-14).[21]

The next big announcement came in the late 1960's when a German-American steel corporation formed the Georgetown Steel Corporation (GSC) on the same site that had housed the Atlantic Coast Lumber Corporation. GSC opened in 1970 and ultimately had a workforce of over one thousand, and like IP, stimulated many jobs outside of the mill. Similar to IP, their mill produced orange rust that was emitted into the air, leaving a film on both cars and buildings (Figure 2-15).

Throughout the last thirty years, the demographics and economic base of Georgetown has been shifting. The industries have been downsizing, with IP employing well under one thousand workers from a high of almost two thousand, and GSC filing for bankruptcy and closing in October of 2003. While economic hardship is alive and well in Georgetown, especially for those employed in the industrial sector, the tourism industry is now the largest employer in the county. As a result, a tremendous number of service jobs have been created. The mills, however, added a level of prosperity to their workers who earned union salaries and thus were able to climb the economic ladder. In an interview with local historian Barry Price, he mentioned that many of the mill workers were able to work themselves from a rural agrarian lifestyle, many living in conditions similar to that of the slaves (and as decedents of slavery), to a middle income lifestyle where their children were the first to attend college in their family. Despite the difficulties of the mills and their negative impact on the air quality of the city, many citizens of Georgetown have thrived with their jobs at the mills and have been able to pursue what many would call the "American Dream." Mr. Price mentioned that as a child growing up in Georgetown in the 1950s, only one person in the city had a Mercedes automobile, but over time the thrill of seeing such a fancy car has waned, as many townspeople and visitors now drive such cars.[22]

This prosperity has also occurred in terms of the wealth created from real estate and tourism. The downtown shopping district, which throughout history has occurred on Front Street (or Georgetown's Main Street), has also had its share of transformations as a result of the changing economic climate. Up until the 1970s, the downtown area was where people went to shop, but as suburban shopping outlets opened in the 1970s, most of the shopping moved out of downtown. Mr. Price mentioned that in the late 1980s, and once the tourism industry started to take hold, that many downtown building owners died, with their properties sold as part of their estates. There was a rush on the market, as speculators paid top dollar for these buildings and repositioned them to take advantage of the tourism industry. He questioned whether many of the new shops have ever made a dollar, and noted that some of the newer owners have had significant financial difficulties with their properties.[23] While it is questionable if the speculation has paid off, it is evident that Front Street has taken on a new character. It contains several restaurants and bars, as well as many higher end shops and art galleries. Boyd Johnson, the City Administrator of Georgetown, alluded to the fact that most of the activity on Front Street, however, is occurring from non residents.[24]

The downtown and its adjacent historical neighborhood have been the fortunate beneficiaries of public spending, as public works projects have rehabilitated streets, storefronts, and parks throughout the area. Mr. Johnson noted that the city recently spent $5-7 million to redo the downtown and that the business license data is showing improvement as a result of this project. From local taxes on hotels and food, the city will net around $700,000 per year that will be earmarked to make similar types of improvements.[25] The most ambitious project, and the one that solidified Georgetown as a tourist destination, was the Harborwalk project that was commenced in 1987 (Figure 2-16). A boardwalk along the Sampit River that connects to Front Street via linear parks has drastically improved the downtown area. This can be evidenced by Gerald Freeman, Georgetown's Building and Planning Director's, comments about how a new wave of boutiques and restaurants opened in the early 1990s. Another industry that has sprung up over the last two decades is the bed and breakfast industry. Freeman noted that many people have moved into Georgetown and opened bed and breakfast operations in historic homes that they have purchased. It should also be noted that the city has had an Architectural Review Board (ARB) that for the past twenty-five years has been reviewing designs in the historic district.[26]

As the agricultural and industrial base that has given Georgetown many of its "booms" over the last 230 years slowly ceases to exist, a new economy must begin to take root for this city to flourish. The steel mill is currently closed, and the paper mill is planning layoffs in the future. Many question if the paper mill will be around for much longer. Georgetown is just one of the many communities across the southeast that is reeling from the relocation of industries to countries such as China. It is not economically feasible to run these types of operations in the United States; therefore, the local population must

Figure 2-16: The Sampit River and the Harborwalk, GSC in background of photo.

find something else to drive the "American Dream."

Although these industries have negative effects (e.g., pollution), they have allowed Georgetown to balance the needs of the local population, those moving into the community for second home or retirement purposes, and those on a tourist visit. It has been a balancing act that has resulted in a more diversified economic base. The mill closings/downsizing also hurts the city's bottom line, as GSC was paying 18% of all of the city's taxes according to Boyd Johnson.[27] All one needs to do is look thirty miles north to Myrtle Beach or sixty miles south to Charleston to see communities prospering off of the tourist dollar. Myrtle Beach and Charleston are drastically different, as Myrtle is a beach resort that is highlighted with high rise hotels, tacky t-shirt shops, and a plethora of golf courses, while Charleston boasts its historic district, cultural offerings, and quant barrier islands. The tourism industry is booming, and it is creating jobs, but what are the effects that it is having on the local citizens? Myrtle Beach's success is already wearing off on Georgetown, as James Carolina, a Reference Librarian at the Georgetown County Public Library System, shared that local women have been being bused for fifty years to Myrtle Beach to work as housekeepers for the hotels.[28] This poses a significant question, not only about the quality of life that occurs in this new service based economy, but the lost wages from making a union wage to somewhere close to minimum wage. While there are definitely many exploitable opportunities for entrepreneurs in this type of economy, like the bed and breakfast industry in Georgetown's historic district, it appears that a handful of people can become extremely wealthy, while the majority of the population makes low wages and are put in subservient positions. Mike Robinson in his essay "Tourism Encounters: Inter- and Intra-Cultural Conflicts and the World's Largest Industry," writes about this by saying, "the development of tourism can generate inter-cultural conflicts broadly centered upon the competition for environmental resources, the commodification of culture, and the extent to which host cultures find themselves economically dependent upon tourism."[29] He goes on to write, "the commodification process results in trivialization of ethnic groups and their cultural practices and traditions, or when it is controlled by agencies with little insight or understanding of the meanings and historicity of such practices."[30] Ironically, a similar caste system that created the first "boom" in Georgetown with the plantation system could potentially be the result if the city becomes too dependent on tourism.

It is important to understand Georgetown today, and who these tourists or "outsiders" are that are visiting the city. According to E. F. Hucks, a Real Estate Appraiser & Consultant specializing in the Georgetown and Myrtle Beach markets, 70% of all of the economic activity in Georgetown County is occurring in the Waccamaw Neck area.[31] This small portion of the county is also paying well over half of all of the county property taxes. As James Carolina says, "thing occur slowly out there," when he discusses the rural parts of the county and how not much has changed in a long time.[32] Therefore, the county has two polar ends, the affluent Waccamaw Neck and the desolate rural areas. Georgetown is somewhere in the middle, with Mr. Hucks noting that it is a "little brother" to Myrtle Beach, but until all of the Waccamaw Neck is fully built out, he questions why people would take the risk to develop in Georgetown. His economic indicators are not honing in on Georgetown as the next boom location.[33] What people are drawn to, however, is the urban fabric of the downtown and the abundance of historical offerings. The wealthy residents of the Waccamaw Neck and the day trippers traveling down from Myrtle Beach are the ones that are keeping the stores open on Front Street, not the local citizens. Mr. Freeman went as far as to say that the paper mill closing would have no effect on the downtown.[34] But as the Waccamaw Neck prospers and Georgetown continues to sputter, businesses such as car dealers are moving to the Waccamaw Neck from Georgetown. This worries longtime resident Barry Price, as he regretfully posed a question about what would happen if the Waccamaw Neck seceded from Georgetown County because it is more in line with neighboring Horry County (where Myrtle Beach is located).[35] While this would be detrimental to the tax base, and while businesses will continue to locate where their clients can best be served, it still does not stop the allure of Georgetown and the fact that people want to visit this endearing city. Therefore, there must be opportunities embedded within the city that could buck the trend and creatively satisfy the urges of the visitors and residents alike.

One adverse element, however, that is observable in Georgetown, and that has been noted throughout its history, is the stratification of the population. According to the 2000 Census, 57% of Georgetown's 8,950 residents are African American and the per capita income for all citizens is $14,568, well below the national average of $21,587. Furthermore, the per capita income for whites is $20,767, while it is $9,952 for African Americans, a percentage difference far greater than the national average.[36] As you travel around Georgetown's neighborhoods, it is very clear that lines are drawn based on socioeconomic means and race. In the areas immediately surrounding downtown, there are four distinct quadrants that have very different characteristics. It appears that the historic district is primarily white and upper class, while the areas in close proximity to the mills and located in the path of their emissions are primarily African American and in poorer condition. There is another neighborhood, located far from the historical district and off of the beaten path, which contains the majority of the city's public housing. While most of the individuals that I spoke with said that race relations are good, from casual observations it is clear that the wealth and quality of neighborhood life is not being equally distributed. This could have a detrimental effect on the city and its reputation if these relations were to boil over and cause adversity among its residents. It should be noted that the Reverend Jesse Jackson recently attended a rally in support of the laid off steel workers in which he said, "'There's been a fundamental shift from racial battlegrounds to economic battlegrounds. We must fight for a fair trade policy for the American worker.'"[37] Reverend Jackson's comments represent a potential solidarity among all people in the city, which could further strengthen their ability to move forward and tear down the barriers that one can easily witness while visiting Georgetown. This lends itself to the fact that if redevelopment does occur, there could be an excellent opportunity for reconciliation. As I discussed with James Carolina, there is the potential to tell the rich history of Georgetown, not by glamorizing the life of the planter, but by telling the complete story and accurately portraying what really happened. I am not insinuating that Georgetown glosses over issues such as slavery, but most of the literature and the tours do not provide a holistic view, and as Mr. Carolina asked me, "do you know anywhere that does?"[38]

The City of Georgetown has a unique history of "booms" and "busts." It is at a critical juncture where the prosperous industrial base is slowly evaporating as the tourism, retirement, and second home market is gaining strength in its adjacent communities. The city is attempting to position itself as the center of culture and history of the area, while also maintaining its industrial base. It is succeeding to some extent with the downtown area and historic neighborhoods enjoying a renaissance, but the majority of the citizens face layoffs and uncertainty. While spending loads of money to appeal to outsiders and their wallets can bring prosperity, it can also bring miserable lifestyles for many that have to service this industry. But as question marks linger, and many uncertainties loom, Robert Davis and the rest of his former coworkers at the Georgetown Steel Corporation will have to find jobs or move on. Is Georgetown in for another "boom" or another "bust"?

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[22] Price, Barry A. Personal Interview. 27 August 2003.
[23] Price, Barry A. Personal Interview. 27 August 2003.
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[28] Carolina, James. Personal Interview. 7 November 2003.
[29] Robinson, Mike. "Tourism Encounters: Inter- and Intra-Cultural Conflicts and the World's Largest Industry." Consuming Tradition, Manufacturing Heritage: Global Norms and Urban Forms in the Age of Tourism. Ed. Nezar AlSayyad. London, England: Routledge, 2001. 35-67. p. 40.
[30] Robinson, Mike. "Tourism Encounters: Inter- and Intra-Cultural Conflicts and the World's Largest Industry." p. 43.
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[32] Carolina, James. Personal Interview. 7 November 2003.
[33] Hucks, E. F. Personal Interview. 28 August 2003.
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[37] Root, Tonya. "Jackson Heartens Laid-off Workers." The Sun News (Myrtle Beach) 15 December 2003.
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Figures:

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2-1: McMillan, Susan Hoffer. Georgetown and the Waccamaw Neck in Vintage Postcards. Charleston, South Carolina: Arcadia, 2003, p. 10.
2-3: McMillan, p. 104.
2-4: McMillan, p. 6.
2-5: McMillan, p. 36.
2-6: McMillan, p. 19.
2-7: McMillan, p. 17.
2-8: McMillan, p. 16.

Figure 2-17: Aerial image of Georgetown.

2-10: McMillan, p. 90.
2-11: McMillan, p. 67.
2-12: McMillan, p. 15.
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Chapter 3

Georgetown Today

Georgetown can be categorized a small historic port city that is currently transitioning away from its industrial base as the result of the loss of manufacturing jobs. Tourism is becoming the prevailing economic generator, as coastal areas in South Carolina have become leading destinations for those seeking “world-class coastal resorts, pristine beaches, and more than 330 golf courses designed by the world’s best architects” - so notes the official website for tourism in South Carolina, the State of South Carolina’s Parks, Recreation, and Tourism Department.[1] Georgetown has benefited from the tourist industry, but it is only a small player compared to the tremendous markets in neighboring Myrtle Beach, SC and Charleston, SC. While Georgetown will probably never rival its counterparts to the north and the south, there are many lessons that can be learned from these cities. This chapter will explore Georgetown today, with sections about its location and transportation network, its physical attributes, its people, its labor force, and the tourism industry. While the primary reason for this chapter is to present descriptive information that will be used as a foundation for my proposal, I have also added a final section that adds some analysis about Georgetown today.

Location and Transportation Network

The City of Georgetown is located in Georgetown County, South Carolina and lies towards the northeastern corner of the state (Figure 3-1). It is 14 miles from the open waters of the Atlantic Ocean, 35 miles south of Myrtle Beach, and 60 miles north of Charleston. Other cities within proximity of Georgetown are Columbia, SC (120 miles), Charlotte, NC (190 miles), and Atlanta, GA (320 miles) (Table 3-1). The City of Georgetown serves as the county seat of Georgetown County and is connected to outside counties by four highways. U.S. Highway 17 (which runs north-south along the eastern seaboard) is routed through the center of town and connects Georgetown with both Charleston and Myrtle Beach. U.S. Highway 521 begins in Georgetown

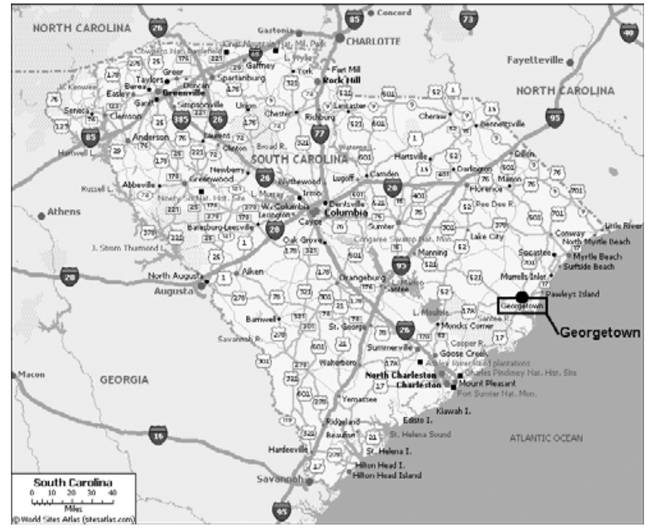

Figure 3-1: State of South Carolina map containing major roads.

Population Centers in Proximity to Georgetown

	miles away	population*
Myrtle Beach, SC	35	206,000
Charleston, SC	60	563,000
Columbia, SC	120	664,000
Charlotte, NC	190	1,410,000
Research Triangle, NC	225	1,304,000
Greensboro-Winston Salem, NC	234	1,092,000
Greenville/Spartanburg, SC	270	834,000
Jacksonville, FL	300	1,178,000
Atlanta, GA	320	4,529,000
Washington, DC	480	5,026,000

* metropolitan area

Thomas Brinkhoff: City Population, http://www.citypopulation.de .

Table 3-1

Figure 3-2: Major roads.

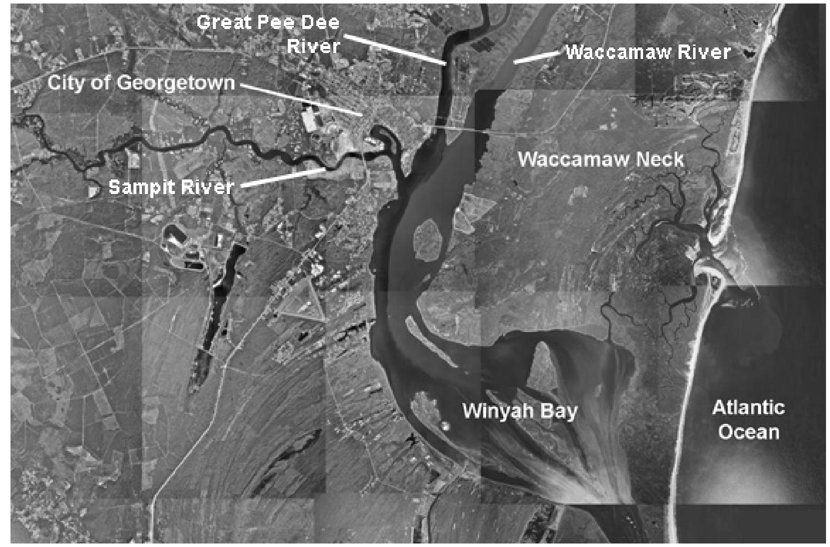

Figure 3-3: Aerial image of greater Georgetown area.

and travels west to Sumter, SC and the middle portion of the state. It also crosses Interstate 95, approximately 60 miles from Georgetown. U.S. Highway 17A runs south from Georgetown and connects with Interstate 26, approximately 60 miles from the city. Finally, U.S. Highway 701 begins in Georgetown and runs north through Conway, SC to coastal North Carolina (Figure 3-2).

Highway 17 north crosses the Great Pee Dee River and the Waccamaw River (the Atlantic Intercoastal Waterway) and traverses the "Waccamaw Neck" (a peninsula formed by the Waccamaw River and the Atlantic Ocean). The "Neck," or the northeastern portion of Georgetown County, is where many plantations were located as they ran the distance from the Waccamaw River to the Atlantic Ocean or the entire length of the peninsula (Figure 3-3). Today, most of this land has either been converted to conservation easements or developed into high end gated communities for vacation homes. By and large, these developments are very low in density, except for mid-rise condominium buildings fronting the beach, containing golf courses, swimming pools, and other amenities associated with vacation resorts. As a result of their popularity and the continued influx of both retirees and

Figure 3-4: Aerial image of the SCSPA terminal.

permanent residents, this has become the most active area in the county in terms of growth, commercial activity, and income. However, as most of this land has been developed, there is the potential for some of the growth to spill over the rivers into the City of Georgetown.

The Atlantic Intercoastal Waterway, an inland water passage maintained by the Army Corps of Engineers that runs the length of the eastern seaboard, passes by Georgetown with commercial barge traffic and pleasure watercraft frequently utilizing this channel. The Georgetown Landing Marina, a major marina within the city limits, as well as other smaller marinas along the Sampit River and the Waccamaw Neck, serve the pleasure crafts. The Port of Georgetown is an international port that handled 1.08 million tons of bulk cargo in 2003 (Figure 3-4). Georgetown contains one of three South Carolina State Ports Authority (SCSPA) shipping terminals, as the SCSPA has designated Georgetown as its official break-bulk and bulk cargo facility, and maintains the shipping channel at 27 feet at mean low tide.[2] Charleston, which as noted above is 60 miles south of Georgetown, is the second largest container port on the east coast and is served by forty steamship companies shipping to 140 countries. Georgetown is

Figure 3-5: Historic Front Street.

also served by 35 motor-freight carriers and CSX railroad, which offers direct rail to destinations throughout the United States. The Georgetown County Airport contains a 5,000 foot runway, but is not served by commercial airlines. The Myrtle Beach International Airport and The Charleston International Airport offer commercial flights to cities around the country.[3]

Physical Attributes

The City of Georgetown is located at the convergence of three major rivers, The Sampit, The Great Pee Dee, and The Waccamaw (Figure 3-3). These rivers form Winyah Bay, which ultimately flows into the Atlantic Ocean. As a result of this strategic location, the City has served as a port for the surrounding areas for almost 300 years and has been able to utilize its water transport to attract and retain many commercial and industrial uses. Whether it was shipping rice to Europe, importing materials to the steel mill, or attracting pleasure crafts, the water around this City has been a significant attribute throughout its history.

Figure 3-6: Neighborhoods.

The Sampit River makes a hairpin turn before it flows into Winyah Bay (it is not a true hairpin today because the U.S. Corps of Engineers dredged a new shipping channel through the peninsula that the river created), with the northeastern bank of the river forming the center of Georgetown. Front Street runs parallel to the river and has served as Georgetown's "Main Street" throughout history. While Front Street now serves tourists as well as locals, this is the heart of the historic district and the most urbane part of the city (Figure 3-5).

The main portion of the city lies to the north of the Sampit River, but there is a large neighborhood south of the river that is referred to as Maryville. Maryville, which flanks Highway 17, can be categorized as a working class to middle class neighborhood. There is a sprinkling of higher end houses that face Winyah Bay, but the majority of it is a typical 1960s suburban neighborhood. This portion of town also has a small amount of retail activity along Highway 17. Three miles south off of Highway 17 is the Georgetown Campus of Horry-Georgetown Technical College.

In terms of the portion of Georgetown that lies to the north of the river, it is easiest to break it down into four fairly distinct neighborhoods that are separated by main arterial roads. Highways 17, 701, and 521 split Georgetown into four quadrants (Figure 3-6). The most notable quadrant is the historic district that is formed by the Sampit River to the south, Winyah Bay to the east, and Highway 17 to the west and north. The historic district does not encompass the entire quadrant, but it does make up a significant amount of it. This quadrant contains Front Street, the historic retail spine of Georgetown, as well as a significant amount of office activity around Front Street and in the area directly off of Highway 17 (Figure 3-7). This portion of town is defined by the original grid laid out in 1730, and contains wide streets flanked by grand trees (Figure 3-8). It is by far the wealthiest part of town, and the area that is benefiting most from the insurgence of tourism. A healthy bed and breakfast industry has formed in the neighborhood and many of the historic homes have been renovated or are maintained in very good condition. Front Street has also evolved over the years, and is now geared more towards retail and dining options for tourists, rather than the every day needs of Georgetown's residents. Another significant factor that has enabled this transition is the

Figure 3-7:Screven Street looking south past courthouse to Rice Museum.

Figure 3-9: Park connecting Front Street (foreground) to Harborwalk beyond.

Figure 3-8: Typical residential street in the historic district.

Figure 3-10: Harborwalk looking east towards Winyah Bay.

Figure 3-11: A 'rust' house in the path of the steel mill's emissions.

Figure 3-12: Typical street in the northeastern quadrant.

Harborwalk along the Sampit River. This boardwalk has allowed the city to exploit the natural amenities associated with the river and has also created linear parks that connect the Harborwalk with Front Street (Figure 3-9). Therefore, there is a new park system that has successfully utilized the river, Front Street, and newly created linear parks and open spaces. As a result, maritime activities can continue to occur, primarily in terms of pleasure craft or tourist boats, and stores have been able to open their doors to Front Street and to the river (Figure 3-10). While the majority of this quadrant is inhabited by Georgotown's wealthier residents, the conditions do deteriorate in the blocks right off of Highway 17. This particularly occurs to the blocks just north of the steel mill, as these areas have faced significant amounts of pollution from the mill. Many of the houses in the path of the mill's pollutants are coated with orange rust (Figure 3-11). While houses are located north of the mill, most uses along this strip are governmental. City Hall, the County Library, and County offices are some of the uses found within this area.

A small middle to upper class neighborhood forms the northeastern quadrant and is bound by Highway 17 to the south, Highway 701 to the west, and salt marshes to the east. It has a suburban character and does not follow the original grid of the city. This neighborhood contains Georgetown Memorial Hospital and suburban shopping plazas in its far north corner along Highway 701. As a result of its age, the neighborhood contains large oak trees and very mature vegetation. Its character is very similar to that of the historic district, but the homes are ranch style and it lacks the urban feel (Figure 3-12).

The third quadrant, the northwestern portion of the city, contains public housing projects, working class neighborhoods, and some industry. The quadrant is formed by Highway 701 to the east, Highway 521 to the south, and the city limits to the north and west. A large component of this quadrant is working class families, especially the blocks that bound the Highways, but the inner section contains almost all of the city's public housing. The pubic housing projects are sited in wide open fields, lack any sort of formal street grid, and contain very little landscaping (Figure 3-13). While most of the buildings are older, there is a new public housing project that is under construction further west off of Highway 521 in a wooded area. The other significant fea-

Figure 3-13: Public Housing in the northwest quadrant.

tures of this part of town are the middle school and the high school. These schools are suburban in character and are surrounded by parking lots and athletic fields. Portions of this quadrant contain a trace of the original grid, which works its way off of the Highways. The middle portion, however, is made up of larger blocks and the public housing projects.

The final quadrant, the southwestern portion of the city, is a working class neighborhood that also contains some industrial uses. This quadrant is bound by Highway 521 to the north, Highway 17 to the east and the International Paper Mill to the west and south. While this part of town maintains the original grid, especially in the blocks closest to Highway 17, it is much newer than the historic district and lacks much of the lush vegetation and trees that can be found in the southeastern quadrant (Figure 3-14). The blocks closest to Highway 17 were the original mill village constructed for the Atlantic Coast Lumber Mill at the turn of the 19th Century. Therefore, this area contains some historic houses as well as many of the urban features that can be found across Highway 17, such as wide avenues, sidewalks set back from the street, and picturesque oak trees. The neighborhood, however, is not living up to its potential. It is largely rundown, or has been taken over by commercial or light industrial uses. Much of this seems to be the result of its location between the paper mill and the steel mill, and the pollutants that they emit. A couple of blocks into the quadrant from Highway 17, the houses are very modest, with a lot of simple one-story wooden houses and manufactured homes. The city grid also begins to break down and many of the urban features disappear. This portion of the neighborhood can be characterized as working class suburban, where some houses are run down while others are well maintained. As opposed to the public housing projects in the northwest quadrant, this neighborhood seems to be filled with those living without government assistance, but struggling to survive.

Each of the four quadrants contains very different physical features, as well as very different demographic features. The historic district appears to be the wealthiest and populated by the most Caucasians, while the northwestern quadrant appears to be the poorest and is predominantly populated by African Americans. The northeastern

Figure 3-14: Typical street in the southwest quadrant.

Figure 3-15: Suburban street in Wedgefield Plantation.

quadrant also appears to be predominantly white and well off, containing the only market-rate apartment complex in the city, while the southwestern quadrant is poorer and primarily populated by African American. These demographics lead to a very stratified city.

Georgetown does contain suburban growth outside of the city, as significant subdivisions containing single family homes have been constructed both north and south of the city. Most of these projects were developed at least one decade ago, but some of them still have active construction. They are filled with a mix of citizens who have moved out of the city and residents who have relocated to the area. While these suburban areas are not havens for second homes, they do contain retirees who have moved to the area. Wedgefield Plantation is a golf course community along the Black River that was developed on the site of a former plantation (it maintains the former master's residence as its clubhouse). It is fairly modest, and does not contain the grandiose houses and amenities that can be found in the Waccamaw Neck developments (Figure 3-15). It is clear that this community, and the others that surround Georgetown, are not competing with those on the Neck. A new community, however, that is being constructed several miles outside of the city along the Sampit River, is high end and appears to be a new urbanist alternative to the Neck developments. Harmony Township hopes to grow into a village in the countryside which benefits from its proximity to Georgetown, but draws its strength from the surrounding natural amenities. Harmony Township will clearly draw its market from outside of the City, but it is unclear at this point what that market might be. (Harmony Township will be discussed in more detail in the "Market Analysis" chapter under comparables).

There are also several focal points within city limits that draw both citizens and visitors alike (Figure 3-16). The historic district is a natural draw for tourists, and Front Street draws business from both tourists and locals. Adjacent to the historic district on Sampit Point is a large recreation area that contains playing fields, park space, and a boat ramp. This area, which is embedded within a more upscale neighborhood, is a draw for a variety of Georgetown's citizens, especially those engaging in athletics or boating activities. Also in the southeastern quadrant along Highway 17 before it crosses the Great Pee Dee

River, is a suburban area that contains hotels, restaurants, a smattering of shops and businesses, and a marina (Figure 3-17). The Georgetown Landing Marina sits as the centerpiece of the area, as it is a full service marina serving both overnight and long term dockings. This part of town draws some locals to its attractions, but draws most heavily from Highway 17 traffic and motorists using its restaurants and hotels. Finally, there is a community strip in the southeastern quadrant that houses several city and county government buildings. Included within this area are Georgetown City Hall, the main county library, and several other city and county office buildings. This area, a series of linear blocks that run northeast of the steel mill, maintains the original city grid, but does not respond to it in an urban fashion, as all of the building are placed in the center of the blocks and surrounded by parking.

The northwestern quadrant contains the middle school and the high school, while the elementary school is further south in Maryville. The middle and high schools have benefited from wide open expanses of land in this part of town, as they are sprawled out campuses sited in fields. It should be noted, however, that while the schools are located in the less affluent northwestern quadrant, the majority of children in Georgetown attend schools within the Georgetown County School District. Although the area contains private schools, the majority of students attend public school. All of the major Highways that run through the city contain retail, commercial, and some light industrial activity, especially Highway 521 (Figure 3-18), but the largest concentration of retail activity is located where Highway 701 exits the city. This area contains three large shopping centers which feature stores such as Wal-Mart Supercenter, Belk's department store, and Peebles department store (3-19). The newer centers, such as the one containing Wal-mart, seem to be fairing better than the older centers, and it is evident that these power centers have drawn a lot of business from the locally owned stores along Front Street and the stores closer to downtown (much of the activity along the Highways through town are in the form of restaurants, convenience stores, or smaller box retailers). In terms of all of the focal points in the city, it seems that this strip of suburban sprawl is the one area that attracts all types of local citizens, as well as visitors from nearby smaller towns. This is where the city now comes together.

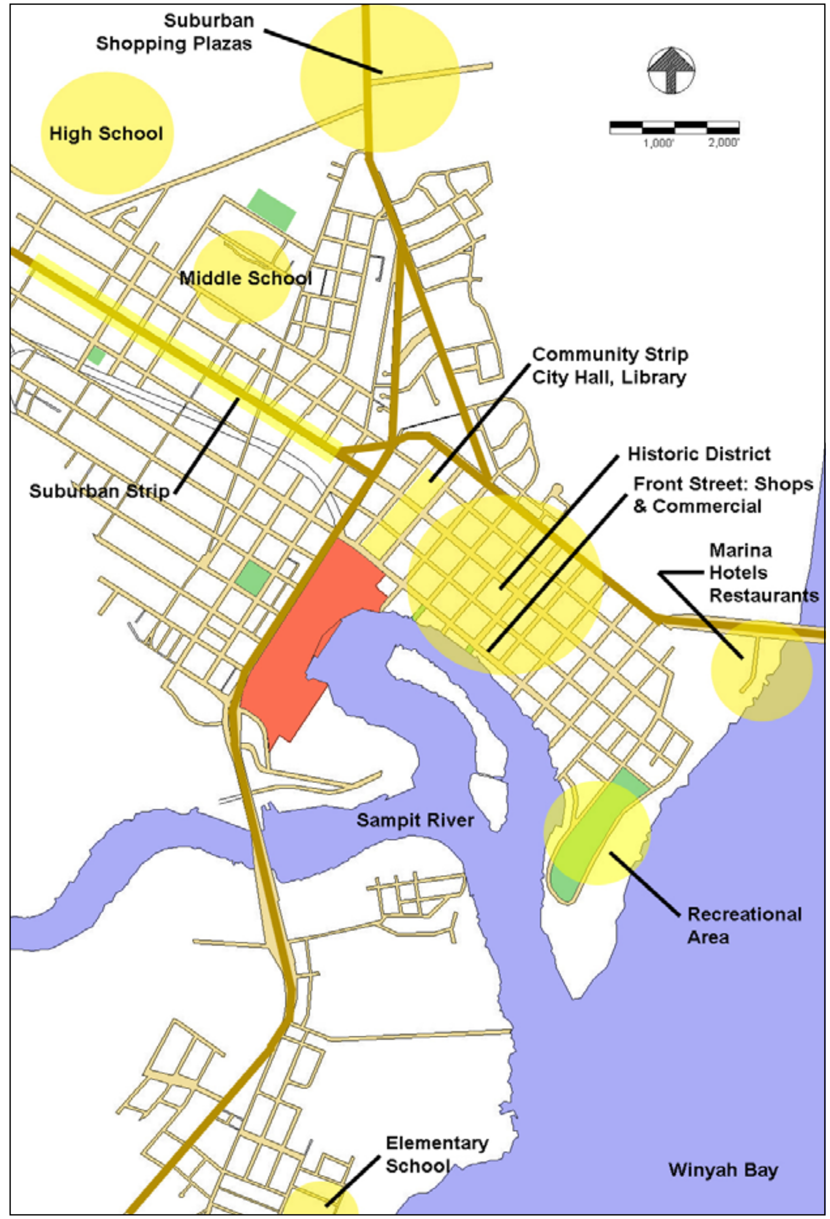

Figure 3-16: Community focal points.

Figure 3-17: Highway 17 South entering Georgetown from Myrtle Beach.

Figure 3-18: Intersection of Highway 17 and Highway 521..

Figure 3-19: Shopping plazas off of Highway 701.

Another important focal point that is located three miles south of downtown off of Highway 17 is Horry-Georgetown Technical College. This technical college offers "opportunities in career education and occupational preparation, university parallel studies, developmental education and community education and training. In addition, the Georgetown Campus provides extensive offerings for occupational upgrading and economic growth both in corporate settings within the County." "Specialized programs of career study offered on the Georgetown Campus include: Forestry Technology, Practical Nursing, Surgical Technician, Computer Technology, Business Administration, Law Enforcement, Welding, Medical Office Clerical Assistant, and Office Systems Technology. Through the offerings at Georgetown Campus, the College awards the Associate in Arts, Associate in Science, Associate in Applied Science, and Technical Certificate credentials. The Campus takes College-wide leadership in Natural Resources, Engineering and Industrial Technology career areas."[4]

People

(data from the U.S. Census Bureau, 2000 Census, unless otherwise noted – Table 3-2)

Georgetown County has a population of 55,797, while the City of Georgetown has a population of 8,950. Of the 55,797 residents in the county, only 12,156 live in the three incorporated municipalities (the three being Georgetown, Town of Andrews, and Town of Pawley's Island). Therefore, the population base in Georgetown County is quite rural, with 78.2% living outside of these municipalities. This data, however, is somewhat skewed as the county has a significant amount of suburban development on the Waccamaw Neck, as well as some around the city limits of Georgetown. Between 1990 and 2000, the population of Georgetown Country grew by 20.5%, while the City of Georgetown's population dropped by 6.3%. The Waccamaw Regional Council of Governments predicts that the county population will grow 11% by 2010, and 29.4% by 2025. Similarly, Horry County, where Myrtle Beach is located, is expected to grow by 56.9% from 2000 to 2025, while rural inland Williamsburg County is expected to lose 2.2% of its population.[5]

Of the 8,950 residents of the City of Georgetown, 41% are white, while 57% are African American. This statistic reverses itself countywide where 59.7% are white and 38.6% are African American. Both the city and county lead the state and nation in terms of residents in the 65+ age bracket, with 16.4% and 15.0% respectively (the state average is 12.1% and the national average is 12.4%). During the 1990s, the 65+ age group grew by 40% in Georgetown County and by 62% in Horry County where Myrtle Beach is located.[6] Otherwise, the city has roughly two percentage points more citizens 15 or younger than the national average, and over five percentage points less residents in the 16-44 age bracket. Therefore, the City of Georgetown leads with its youth and elderly, while the county leads with its middle-aged and elderly. Overall, the state of South Carolina's numbers are consistent with the national average.

The City of Georgetown lags the county, state, and nation in terms of educational attainment. 69.2% of Georgetown's citizens have graduated from high school and only 15.0% have a Bachelor's degree or higher. This can be compared to the national averages of 80.4% and 24.4%. The county and state are a solid five percentage points higher than the city in each category.

The City of Georgetown has 38.3% of its citizens living in renter occupied units and 61.7% living in owner occupied units. In terms of home ownership, the city lags the national average by almost five percentage points, but finds itself almost twenty percentage points behind the county and over ten behind the state. I could only find one market-rate apartment complex in the city limits, therefore, most of the renters must be living in public housing, or renting single family homes. The median monthly rent in Georgetown is $315, the county is $359, the state is $397, and the nation is $519. The Reserve at Rosemont, which is the market rate apartment complex that I visited, had one bedroom and one bath units starting at $550 per month, up to three bedroom and two and half bath units for $700 per month (Figure 3-20). It makes sense that Georgetown County has a higher percentage of owner occupied units than the national average because it is mostly rural, there is plenty of land for single family construction, and the cost of living is low, allowing people to purchase homes. Also, many of the homes in the Waccamaw Neck are second homes, which are also considered owner occupied. The city, however, is below the national average in terms of owner occupied units as it appears that many of its citizens are living in publicly assisted rental housing projects. Another contributing factor is that on average, the citizens of Georgetown are far poorer than the county residents.

The median value of a home in the city is well below the national average, while the median value in the county is slightly below the national average. The county's median home value leads the state of South Carolina. Once again, the Waccamaw Neck, with its high-end second homes, pushes the median home value in the county to $114,700 while the city's is $78,600. On April 2, 2004, I used the National Association of Realtors' website, Realtor.com, to study the houses that were on the market in and around Georgetown.[7] I used the 29440 zip code, which encompasses the City of Georgetown, its suburban communities, and the southern end of the Waccamaw Neck. On April 2nd, 2004, there were 377 listings in the 29440 zip code. Table 3-3 shows the listed sale value of the homes and the percentage of homes in each of the specified ranges. 62.33% of the homes were in the $0-

Georgetown Statistics

	city	county	state	nation
Population	8,950	57,189	4,063,011	281.4 mil.
White	41.0%	59.7%	67.2%	75.1%
African American	57.0%	38.6%	29.5%	12.3%
Other	2.0%	1.7%	3.3%	12.6%
Age				
15 or younger	23.8%	20.7%	20.9%	21.4%
16-44	38.8%	38.1%	44.0%	44.2%
45-64	21.0%	26.2%	23.0%	22.0%
65+	16.4%	15.0%	12.1%	12.4%
Educational Attainment				
High School Graduate	69.2%	75.2%	76.3%	80.4%
Bachelor's Degree or higher	15.0%	20.0%	20.4%	24.4%
Housing				
Renter Occupied Units	38.3%	18.6%	27.8%	33.8%
Median Rent ($)	$315	$359	$397	$519
Average # of Vehicles	0.98	1.20	1.22	1.19
Owner Occupied Units	61.7%	81.4%	72.2%	66.2%
Median Value ($)	$78,600	$114,700	$94,900	$119,600
Average # of Vehicles	1.85	1.59	1.57	1.64
Median Household Income	$29,424	$35,312	$37,082	$41,994
Per Capita Income	$14,568	$19,805	$18,795	$21,857
White	$20,767	$26,293	$22,095	$23,918
African American	$9,952	$10,178	$11,776	$14,437
Persons Below Poverty	24.1%	17.1%	14.1%	12.4%

U.S. Census Bureau, 2000 Census

Table 3-2

Home Listing in Georgetown Zip Code 29440 *

listing price	number	percent
$0 - 50,000	52	13.79%
$50,000 - 100,000	63	16.71%
$100,000 - 150,000	60	15.92%
$150,000 - 200,000	60	15.92%
$200,000 - 250,000	24	6.37%
$250,000 - 300,000	14	3.71%
$300,000 - 400,000	23	6.10%
$400,000 - 500,000	10	2.65%
$500,000 +	71	18.83%
Total	377	100.00%

* of the listings over $400,000, only one was in the City of Georgetown

Realtor.com 04/02/04: http://www.realtor.com/Default.asp?poe=realtor

Table 3-3

200,000 range, 16.18% were in the $200,000-400,000, and 21.49% were in the $400,000+ range. Of the houses over $400,000, only one was in the City of Georgetown. With others located in the coastal communities of the Waccamaw Neck or plantation style properties in the countryside. These numbers clearly depict where the property values and the wealth reside in the Georgetown area. It also shows the affordability of the city and the fact that home prices have not "jumped" the rivers and fueled a speculative environment in Georgetown. I should note that many of the cheaper properties were lots in the suburban communities surrounding Georgetown and that there were few properties located in the city's historic district that were listed.

In terms of mobility, renter occupied units owned .98 vehicles on average, while owner occupied units owned 1.85 on average. The renter occupied statistic is lower than the county, state, and national average, while the owner occupied leads the county, state, and national average. With no public transportation in the city, except for private buses that carry hospitality workers to Myrtle Beach, and the fact that renter occupied units have on average less than one car, one's mobility, especially in terms of getting to and from a job, must be an issue.

The City of Georgetown also lags the county, state, and nation with its median household income and its per capita income. Georgetown County, however, is fairly consistent with the state average, but below the national average, while the city falls far behind all of them. When the per capita income is broken down among Georgetown's African American and Caucasian citizens, the statistics are quite startling. African Americans lag what their Caucasian counterparts earn by 52% in the city, 61% in the county, 47% in the state, and 40% nationally. It is clear that economic opportunities have both geographical and racial boundaries. This can be evidenced further by the fact that 24.1% of the citizens of Georgetown live below poverty, while only 17.1% of those living in the county do. It should be noted, however, that Georgetown County led the national average as its per capita income increased 29.38% from 1991-1998. This lags Horry County, whose grew 32.32%, and the state, whose grew 29.64%. Of note, the nation grew by 18.87%.[8]

Figure 3-20: Reserve at Rosemont market rate apartment complex.

Labor Force

(data from the U.S. Census Bureau, 2000 Census, unless otherwise noted)

The City of Georgetown can still be categorized as an industrial town, with 19.3% of its 3,772 citizens in the labor force working in manufacturing (Table 3-4). Of the County's 25,251 person labor force, 17.7% are in manufacturing. In each municipality, manufacturing employs the largest number of workers in the U.S. Census Bureau's "Industry" listing (it should be noted that these numbers are from 2000 and do not reflect the loss of many manufacturing jobs over the last four years). Educational, health and social sciences rank second in both the city and county, while arts, entertainment, recreation, accommodation and food services rank third. With the closing of the Georgetown Steel Company and the closings or lay offs at other manufacturing facilities, it is clear that the service sector jobs will soon surpass those of manufacturing (Table 3-5). *The Post and Courier*, a Charleston, South Carolina based daily newspaper, highlighted the plight of industry in Georgetown County with a feature story titled, "Hard Hit: Manufacturing jobs losses are exacting a heavy toll on Georgetown

Labor Force Statistics - Industries

	city	county
Agriculture, forestry, fishing and hunting, and mining	1.8%	2.7%
Construction	7.2%	9.0%
Manufacturing	19.3%	17.7%
Wholesale Trade	2.0%	2.8%
Retail Trade	13.2%	12.3%
Transporation and warehousing, and utilities	4.5%	3.0%
Information	0.4%	1.0%
Finance, insurance, real estate, and rental and leasing	6.2%	6.1%
Professional, scientific, management, admin, and waste management services	5.3%	6.5%
Educational, health and social services	16.1%	16.6%
Arts, entertainment, recreation, accommodation and food services	14.5%	13.6%
Other services (except public administration)	5.0%	4.2%
Public administration	4.6%	3.5%

U.S. Census Bureau, 2000 Census

Table 3-4

County," on the first page of their business section on Sunday, October 12, 2003. While the article painted a dismal picture, it did not take into account the steel mill's closing which occurred one week after the article was published. *The Post and Courier* noted that the unemployment rate in Georgetown County was 11.6% as of August 2003, "among the highest in the state, mostly a result of manufacturing layoffs and the region's heavy dependence on that sector." The article also discussed the amount of layoffs that are occurring, stating that "corporate downsizings have left 2,990 job-seeking residents in the county out of work as of August," and highlighting the fact that throughout the southeast "manufacturers have either gone out of business, downsized or moved abroad for cheaper labor." In the summer of 2003 alone, two major companies based in Georgetown County moved out of the country, taking 600 manufacturing jobs with them. Boyd Johnson, the City Administrator for Georgetown was quoted saying, "'Frankly, I don't think the future here is going to be in manufacturing.'" This can be evidenced by the fact that over the past two years, commercial property taxes from industrial uses have dropped by about 70% in the city. [9]

The Post and Courier article was written in October of 2003, and by February 26th, 2004, Myrtle Beach's *The Sun News* carried an article titled "Unemployment rates remain bleak," which noted that the unemployment rate in Georgetown swelled to nearly 15%. While *The Sun News* article did not present a tremendous amount of good news, it did say that "with its host of hospitality jobs, Horry County is faring much better than Georgetown. Horry's joblessness usually peaks during the winter off-season at about 6.5 percent, slightly higher than the state's 6.1 percent rate. In addition to service and health care jobs, administrative, construction and sales jobs are in the most demand, according to Manpower staffing agency." The article did, however, point out that "there are not many fields that pay as well as the dwindling $18-an-hour factory jobs."[10] A significant issue, however, is retraining workers to fill many of the new jobs that are being created. With an increased amount of retirees moving into the area, the local hospitals are feeling the crunch of not having an adequate pool of healthcare professionals to draw from. A March 9th, 2004, article in *The Sun News* highlighted the struggle: "Horry-Georgetown Technical College can't train future health care workers fast enough. Some programs are so full that students are having to wait until at least 2007 before they can get in." As opposed to lower waged jobs associated with the tourism industry, "salaries in the local health care field can range from about $8 an hour for nursing aides, orderlies and attendants to about $77 an hour for family and general practitioners." The article also noted that the healthcare industry is not the only growth sector as a result of retirees moving to the area, as financial planning services and assisted living communities are also in high demand.[11]

By April 2004, however, the area was showing signs of recovery. While Georgetown's February 2004 unemployment rate was at 15.1% (the state's was 6.3%), economic planners in the area mentioned that the county had stopped "hemorrhaging jobs," and that they saw the potential to land some new companies to the area.[12] Even if the manufacturing sector begins to recover, which economic indicators are hinting that it could pick up in the U.S., it is inevitable that the largest growth sector in the Georgetown region will continue to be tourism and the retiree/in-migration market. These two industries have some similarities in terms of the needs for each group, but in terms of job growth and opportunities, they are very different. The tourism industry is highlighted by service based lower-waged jobs, while retirees need healthcare, finance, and insurance services, or jobs that consistently have higher wages than those associated with the tourism industry. One area, however, that results from each industry is construction and development.

Largest Companies in Georgetown County

Company Name	Type of Business	Employees
Georgetown County Schools	Education	1,600
Georgetown Memorial Hospital	Medical Services	935
International Paper Company	Paper Products	916
Georgetown Steel Corporation *	Steel Wire Manufacturer	638
Georgetown County	Government	505
3V Inc	Detergent Auxiliaries	260
City of Georgetown	Government	203
Sampit Lumber Company	Lumber	142
Andrews Apparel Co. Inc.	Men's & Boy's Clothing	125
A & L Apparel	T Shirts	70

* Filed for bankruptcy and closed in October 2003

Georgetown County Planning & Development: http://www.seegeorgetown.com/businessclimate.htm

Table 3-5

In order to highlight how these types of projects affect the area, consider a new development that is planned for the Waccamaw Neck (only a few miles from the city of Georgetown on Highway 17). Arcadia East is a 3,531 acre mixed commercial and residential development that is planned to be built out over the next 30 years. It will contain over 2,000 residential units, an assisted living facility, a 500 room resort hotel, and other retail and commercial uses. A development of this scale will draw both tourists and retirees alike, therefore, it cannot be categorized as one or the other, but an aggregate of the two. As a result, the project should spring a diversity of uses that could actively operate twelve months out of the year. At this point, the developers are claiming that the lowest paying jobs will be at least $10 an hour at the hotel and that the overall job creation will be in the 2,300-4,000 range. "But the primary reasons the development has officials optimistic are that it could contribute up to $320 million in property taxes over the next 18 years and have an $81 million annual payroll. And it could have a total yearly economic effect of $185 million - roughly $34 million more than Georgetown Steel contributed."[13] In terms of job creation, property taxes, and overall economic activity, manufacturing uses such as the steel mill seem to be a small player as compared to the mega-developments that are occurring in the area. A negative factor, however, is that as more of these tourist/retiree projects come to fruition, the overall economy will lose its diversity which could be quite damaging in the long run. They provide a nice pool of revenues and jobs, but the same ways in which Georgetown's dependence on manufacturing has significantly hurt its economic standing, the same could happen with these new industries.

Figure 3-21: Tourists enjoying a Jeeptour along Front Street.

Figure 3-22: Bed and Breakfast in historic district.

Tourism

Georgetown is a city rich in history that has been actively using its historical attributes to attract visitors for almost twenty years. As noted in the “History” chapter, the Harborwalk project commenced in 1987 and laid a solid foundation to attract tourist to the city. The tourist activity can be summed up by three major groups of people: those visiting to shop and dine along Front Street, those making day trips from surrounding destinations like Myrtle Beach and Charleston, and those coming to stay in Georgetown.

The “shop and diner” group typically drives over from the Waccamaw Neck to utilize the restaurants and boutiques along Front Street. Many of these people are retirees or second home owners who are captivated by Georgetown’s historic district and its retail offerings. The “day trippers” usually come from Myrtle Beach because Georgetown offers them a culturally based tourism experience. They can stroll through the historic district, visit the Rice Museum or the Kaminski House Museum, take guided tours by both land and water, and visit the shops and restaurants along Front Street (Figure 3-21). Georgetown also sits at the center of many former rice plantations that are open to the public, as it offers a very different experience than the high rise, nightclub, golf course, and seafood buffet oriented Myrtle Beach. Finally, Georgetown has an active bed and breakfast industry that draws people to town for longer periods of time. The city contains six bed and breakfast properties. Most of them are operated by semi-retired new comers to the area looking for a different pace of life, or those looking to maintain and save their family home (Figure 3-22).[14] According to E. F. Hucks, a Real Estate Appraiser & Consultant specializing in the Georgetown and Myrtle Beach markets, many of the room nights in Georgetown occur when people elect to spend a night in the city to soak up the history before they head to their golf or beach outing along Myrtle Beach’s Grand Strand. He mentioned that this has given Georgetown a decent amount of traffic, but as the hotels along the Grand Strand become more competitive and lure these individuals to their properties (the hotel market in Myrtle Beach is over built), it could hinder the amount of people that elect to spend the evening in Georgetown, thus costing the city money. Mr. Hucks also provided me with data about the hotel market in Georgetown. The city contains 422 rooms in motor lodge type properties that had an occupancy rate 48.2% in 2001 with an average daily rate of $57.50 (Myrtle Beach's occupancy rate was 56.3% and its average daily rate was $74.40).[15] These numbers clearly reflect the seasonal nature of the business, as rates in Myrtle Beach swell to over 80% in July with average daily rates above $100.

Georgetown can clearly differentiate its offerings from those at Myrtle Beach, but it is advertising itself in the same vein as Charleston with a lot less to potentially offer. It does not have the breadth of fine dining, upscale hotels, shopping, or historical venues as Charleston, but it does offer a small dose of these in a scale that is a lot friendlier and more manageable than Charleston. It is a smaller, tightly knit community that offers easy access to many natural amenities, and it is geographically located in the center of some of the most important southern plantations. Georgetown is more on the scale of Beaufort, South Carolina (a 13,000 person city 60 miles south of Charleston), which has been successfully drawing tourist to its quaint historic district for many years. Cities like Beaufort and Georgetown are not necessarily competing with Charleston (or even Savannah), but complementing them and offering another palette of experiences.

The city is clearly taking note of this, as they have built upon their success with the Harborwalk and have been consistently making improvements to the city and increasing advertising towards tourists. City Manager Boyd Johnson said that the city had already budgeted $40,000 for an advertisement campaign that will be geared towards luring day trippers to the city. Activities such as these are being supported by a city hospitality tax that taxes lodging at 3% and food and beverages at 1%. Last year $700,000 was raised. A significant amount of this money is going into street beautification projects that directly benefit the tourist's experience.[16] And as *The Post and Courier* noted in its article about the loss of manufacturing jobs, "while manufacturing layoffs have rippled throughout the local economy, a few businesses that rely on outsiders are doing well. Downtown restaurateurs and tour operators say business is up because more people are discovering Georgetown's historic waterfront."[17]

As was mentioned in the section about the labor force, service based jobs that are created from tourism can be low wage with minuscule responsibilities. Making $18 an hours at the mill is very different from changing sheets for minimum wage at an inn. While this is one situation that people speak of, another is the new business opportunities that can sprout up, providing entrepreneurs with an array potential new markets. This scenario can provide for those who are willing to change the course of their careers and seek out new opportunities, however, if you are poorly trained or educated and have little or no capital, these entrepreneurial activities are quite elusive. The end result is usually that a small group becomes very successful and ends up providing a cadre of people with low wage subservient type jobs. The rich get richer and the poor get poorer. Therefore, tourism can be a quick fix, and potentially a permanent fix, but it is important that there is a diversity of jobs (or that other industries sprout from it) and that there are legitimate opportunities for all citizens to benefit from (job training, small business loans, etc.). In the "Other Cases" chapter we will look at Port St. Joe, Florida and St. Mary's, Georgia, which both offer insight into the southern mill town transitioning to new uses.

Analysis

We have just assessed Georgetown's location and transportation network, its physical attributes, its people, its labor force, and the tourism industry. In terms of its location and transportation network, Georgetown is strategically located on deep water and is in proximity to resort areas along the Atlantic Ocean, but it lacks a direct connection to an Interstate highway and the port's future could be in jeopardy. An Interstate highway, however, might be in its future, as Interstate 73 was originally planned to run from Detroit, Michigan and be routed through Georgetown on it way to Charleston, SC. The current plan calls for it to run from Sault Ste. Marie, Michigan to Georgetown.[18] As much as this project could help the city, or potentially hurt it in terms of routing and other potential unforeseen effects, city officials say that they are not pushing it. In a similar vein, Georgetown residents are now questioning how much longer the port might be open. With the steel mill closed, business declining at the State Ports Authority terminal, and the tremendous amount of emphasis that is being placed on the Charleston port, people are questioning how much longer the U.S.

Corps of Engineers will dredge the channel for ocean going freighters if the need for them keeps dwindling. "The port must keep certain levels to qualify for that money - between $1.5 million and $1.8 million annually."[19] On the other hand, people are still arriving in coastal South Carolina, as the growth that gridlocks traffic in and around Myrtle Beach has not spread as far south as Georgetown. It is very accessible from the highways serving city and is in close proximity to airports with commercial air traffic.

The city's physical attributes are its best friend and its worst enemy. Its accessibility to the Sampit River and Winyah Bay is unparalleled, while its two major mills have consistently polluted its skies and many of its vistas. It also suffers from the four highways which split the city into four distinct quadrants. The downtown historic district, the riverfront, and Front Street are all amenities, while the suburban retail plazas echo the loss of character apparent in many U.S. cities. As the city moves forward and potentially solidifies itself as a tourist destination and great place to live, a goal should be to break down some of these barriers. Whether it is re-knitting the four quadrants, cleaning up the industrial sites, or placing capital in some of the deprived neighborhoods, the city should not just focus its attention on the historic district but on the entire city. The same types of sentiments can be said for its people. The city is stratified in terms of both race and socio-economic means, as the four distinct quadrants have very different demographics (this can be highlighted by the fact that all of the public housing has been placed on the periphery of the city away from its major focal points). It is important that all of the citizens have the ability to empower themselves to succeed as the city matures. While most of the citizens that I have spoken with say that racial relations are good, when you drive around the city it is racially divided and the per capita income differentiation between whites and African American is alarming. At the same time, Georgetown is a tight knit small southern town with an able workforce that with the right training and resources should be able to adapt to a major transformation. Most of the citizens still send their children to public schools, frequent the same stores, and participate in a plethora of recreational activities, but there still are some barriers that need to be assessed. As a city with many positive attributes, it is also very affordable and should give current residents and outsiders the ability to speculate on real estate. However, once speculation occurs, prices are driven up and the affordable component can be lost.

If Georgetown is to take the next step it will probably not be as a manufacturing city. With most of the United States' manufacturing base leaving the country, it will be very difficult for the local economy to continue to depend on this sector. Tourism and the retiree market, however, are becoming leading forces as each of these sectors should continue to grow in the years ahead. While the city is not benefiting as much as other areas closer to the Atlantic Ocean, people are becoming more attracted to the area. As a result, the time might be right to study how the city could tap into this market. If it does, however, it is important that the industry grow in a way that all of Georgetown's citizens have the ability to play an integral role in developing this economy. Attention should be given to utilizing new potential opportunities to empower, not disenfranchise. One way to make this happen is to create a balance between the retirement/in-migration market and the tourism market, or create two micro-economies and networks of supporting industries. Georgetown should make every effort possible to diversify so that it will not be vulnerable to losing such a large part of its economy all at once. While the city has a lot of work ahead, using its strong resources, it should have every chance to reemerge as a strong and viable place for living, working, and playing.

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Chapter 4

Market Analysis

Whether it has been South Carolinians owning second homes along the coast or those from outside of the state frequenting the abundance of recreational offerings, the coastal portions of South Carolina have been a significant draw for tourists for many years. More recently, destinations such as Hilton Head, Charleston, and Myrtle Beach have seen significant growth in the retirement market. This was confirmed in the mid-1990s when Del Webb, one of the largest active adult/lifestyle community developers in the country, opened Sun City Hilton Head, its first community on the eastern seaboard. Sun City Hilton Head is an age restricted master planned community that at build-out will have 7,010 homes.[1] Other areas have followed suit, with many municipalities actively recruiting retirees to their cities and towns. The abundance of recreational amenities and fair weather are drawing the retirees, as these are the same reasons why several generations of people have called on the coastal areas of South Carolina for their vacations. Myrtle Beach, Charleston, and Hilton Head represent major tourism markets, while other cities such as Beaufort and Georgetown are also drawing many visitors. Significant growth is occurring right outside of Georgetown's borders along the Waccamaw Neck, but most of this activity has not crossed the rivers into the city. This chapter will explore the market in and around Georgetown in order to understand the viability of redeveloping the Georgetown Steel Company site.

In-Migration

The Center for Carolina Living (CFCL) is a private sector-funded organization whose goal is to attract citizens to North and South Carolina. Their target market is those planning vacations and/or relocation, with their mission being "to have the Carolinas be a great place to visit, live, grow, do business, work and retire...today and for the next 100 years."[2] CFCL also conducts surveys and performs market studies about those visiting and/or relocating to the Carolinas. They have amassed a large amount of data about in-migration and the effects that it is having on North and South Carolina.

CFCL surveys note that the majority of those relocating to the Carolinas come from New York, New Jersey, Pennsylvania, and Ohio, the Northeast and Midwest, while a large number also come from Florida and the Mid-Atlantic region. CFCL sees the Carolinas' main competi-

In-Migrants to the Carolinas: Preferences

Table 4-1

	Geographic Area	Community Type	Neighborhood
First	Coastal Region	Traditional Neighborhood	Small Town
Second	Lake Country	Suburban	Suburban
Third	Mountains	Retirement Community	Rural
Fourth	Foothills	College Town	Urban
	Housing Type	**Home Size (sq. feet)**	**Planned Investment-Home**
First	Patio/Garden Home	1501-2000	$110,000-149,999
Second	Townhouse	under 1500	$80,000-109,999
Third	Condominium	2001-2501	$150,000-199,999
Fourth	Small Farm	2501-3000	under $80,000
	Recreation Amenities	**S.C. Destination Towns**	**S.C. Clusters**
First	Walking Paths	Charleston	Charleston Trident
Second	Swimming	Myrtle Beach	Grand Strand/Georgetown
Third	Shopping	Greenville	Greenville/Spartanburg
Fourth	Gardening	Columbia	Beaufort Area

Source: Center for Carolina Living

In-Migrants to the Carolinas

Attractions (in order of preference)	Threats/Opportunities: Customer Perceptions	Threats/Opportunities: Industry Perceptions
Scenic Beauty	Mismanagement of Natural	Low Awareness Among
Climate (mild season)	Resources	Carolina Political Leadership
Recreational Opportunity	Hazardous Waste	Low Awareness Among
Cultural Amenities	Litter Proliferation	Migrating Families
Modest Taxes	Air Quality	"Lifeboat" Syndrome
Housing Costs	Inadequate Education Funding	Struggle to Maintain
Cost of Living	Changing Technologies at SRS	Competitive Value
Medical Care	Racial Tensions	Relatively Soft Demand Until 2009
Life Learning Opportunities	Guerilla Retention Strategies	Hurricanes
Closer to Family	Terrorism Factor - Tourism Link	

Source: Center for Carolina Living

Table 4-2

tors as being Florida, Georgia, Virginia, Arizona, and Tennessee. Table 4-1 highlights the preferences of those migrating into the Carolinas, with the majority of those looking for traditional neighborhoods in small towns located in coastal areas. They do not prefer large homes or those that are high maintenance. Of those surveyed, the majority of them plan to work full-time, followed by those wishing to work permanent part-time and volunteering. While Charleston Trident was the most preferred South Carolina cluster, of those that actually moved to South Carolina, Grand Strand/Georgetown was the most popular. The largest age group responding to the CFCL survey was 50-62, followed by 40-49, 30-39, and under 30. The average combined household income was $88,613, well above the South Carolina average of $37,082, but for those who actually moved, the average combined household income was $93,100.[3]

CFCL predicts that over 140,000 people will migrate to South Carolina in 2004, with roughly 350,000 per year by 2020. These 140,000 residents will bring $9.6 billion in total annual economic contributions and create 45,000 jobs that will generate $659 million in earnings. CFCL goes on to note that South Carolina's relocation/retirement industry has a total output impact of $13.74 billion, a total earning impact of $3.21 billion, and a total employment impact of 164,434 jobs. Table 4-2 highlights the reasons why people are motivated to relocate to the Carolinas, and it also lists the "threats/opportunities" for the in-migration industry.[4]

In terms of the tourism industry's effect on the overall economy in South Carolina, it is the number one employer, bringing more new money into the state than any other industry, $14.4 billion.[5] As Table 4-3 notes, in Georgetown County alone it creates an average of 3,862 jobs per month and $53,483,017 in total wages.[6] The four most popular activities among leisure domestic parties from out-of-state are visiting the beach, shopping, participating in golf, tennis or waterskiing, and visiting historical places and museums. Of these parties, the leading origins are: 14% from Charlotte, 8% from Raleigh-Durham, 6% from New York, 5% from Greensboro-Winston-Salem-High-Point, and 5% from Atlanta.[7] The four most popular activities among leisure domestic parties from in-state are shopping, visiting the beach, visiting historical places and museums, and outdoor activities such as hunting, fishing and hiking.[8] CFCL uses the term "turbo tourist," which they define as those people who visit the Carolinas while planning relocation or a second home investment. 7% of the 73 million visitors to the Carolinas will relocate to one of the two states in the future. These visitors stay longer, visit more often, and spend more money than the average visitor. Once they move and the "turbo" effect kicks in, they will generate on average five separate vacationing parties per year, 15% will start or move businesses creating almost 25,000 firms and 75,000 jobs, and 83% will spend travel dollars in the Carolinas.[9] Therefore, the CFCL sees the "turbo" tourist as a significant contributor to the economy of the state.

Similar to the tourism industry is the retirement industry. Many retirees are discovering South Carolina, as they are lured by the state's natural amenities, moderate weather, and favorable financial climate (low taxes and cost of living). In order to understand this growth industry and the financial ramifications that it is having on the economy, when BMW opened an automotive plant in Spartanburg County, SC, the state gave BMW subsidies of approximately $81,000 per employee, accounting to $155 million for 1,900 direct jobs. When Del Webb opened the Sun City Hilton Head development, an active adult retirement community, the state gave this company subsidies of approximately $2,700 per employee, $3.7 million for 1,350 direct jobs. While each new industry has had a tremendous economic impact on the state, CFCL defines the BMW plant as a reverse capital investment and Sun City as in-migration "Russian Doll" economics. The BMW plant was a $1.9 billion investment providing 1,900 direct jobs and creating business for suppliers, but it "leaks" a lot of its payroll outside of the state and exports almost all of its product. Sun City, on the other hand, will be a $1.2 billion investment with 8,000 homes averaging a $189,000 sale price. Many of its residents will relocate to South Carolina and bring with them $138 million in expenditures, make local investments of $33,000 per home, and pay $7.3 million in taxes. Therefore, the CFCL sees the in-migration industry as having a greater overall effect than the manufacturing industry, which is highlighted by the fact that the BMW plant created 3,500 indirect jobs while Sun City is estimated to create 8,000+ over the next ten years. This has led many people to believe that the retirement industry should get just as much attention as the manufacturing industry does. Retirees in South Carolina alone contribute almost $1 billion per year in tourism revenue, leading to 8,458 jobs.[10]

Patrick Mason, co-founder of CFCL told me that it took fifty years for South Carolina to effectively transition from an agrarian based economy to a manufacturing based economy, missing tremendous opportunities along the way. Therefore, he feels that if it takes the state fifty years to transition to the new in-migration industry, it will once again miss out on many opportunities. He noted that the in-migration market is hardly a one-dimensional demographic of retirees, but a multi-dimensional group that either brings a lot of wealth to the state or brings the talent to create wealth. The young and the old are attracted to quality environments and want to co-inhabit these environments. He does not see it solely as a retirement market because the traditional definition of retirement is almost nonexistent, but a mixture of people who are attracted to a quality of life and will excel in creating and providing opportunities. Therefore, the state needs to accept and celebrate these new comers because they will have a very long lasting and influential effect. He told me a story about St. Petersburg, Florida in which the city was predominantly a city of 60+ year old citizens. Ultimately, young people were attracted the same amenities that the 60+ year olds were, and now the city contains a diverse population base and is a "great place for young people." He sees South Carolina's potential in this market as being limitless, but he is concerned about local municipalities and their willingness to exploit the market. His goal, and he has been working with leaders in Georgetown, is to educate people about the market and how they can take advantage of it.[11]

Leisure & Hospitality Industry Employment in S.C., 2002

County	# of Businesses	Avg. Monthly Employment	Total Wages
Georgetown	205	3,862	$53,483,017
Beaufort *	512	11,470	$192,632,470
Charleston	1,236	25,308	$360,197,365
Horry	1,407	27,335	$402,784,602
State of S.C.	10,729	188,575	$2,376,730,173

** Beaufort County contains Beaufort, SC and Hilton Head Island, SC*

SC Employment Security Commission, LMI, Covered Employment & Wages, 2002

Table 4-3

Demographics

Chapter 3 presented demographic data for the City of Georgetown and Georgetown County. To summarize this information and draw some conclusions, it is clear that Georgetown County is reaping the benefits of the retiree/second home market, while the city is not. This can be highlighted by the median home price in Georgetown County being significantly more than that in the city. The median home price in the county is $114,700, while it is only $78,600 in the city. This increased value can be attributed to the properties in the Waccamaw Neck that are geared towards the second home and retiree market, as most of these properties are single family homes located in proximity to natural amenities. This is a far cry from much of Georgetown's housing stock which is more urbane and located in close proximity to highways and mills. Another insightful analysis in Chapter 3 studied houses that are for sale in Georgetown's 29440 zip code. Of all of the houses listed on Realtor.com for over $400,000, only a handful were located outside of the Waccamaw Neck (one was in the City of Georgetown and the others were rural properties).

In terms of the rental market, there is very little activity in Georgetown. I could only find one market rate apartment complex in the city. This complex had monthly rents ranging from $550 to $700, more than the city average of $315 and the county average of $369.

The income of Georgetown's residents is also a concern, as the median household income is $29,424 and the per capita income is $14,568 (well below the county, state and national averages, but it is on the rise). Similarly, the unemployment rate in Georgetown County in February 2004 was 15.1%, but it fell to 13.3% in March (with the county having 500 fewer employees in March 2004 compared to March 2003). Horry County, however, had 9,000 more people in the workforce in March 2004 compared with March 2003, and the state saw steady growth in "leisure and hospitality" jobs and "trade and transportation" jobs, and even added 100 jobs in manufacturing.[12] In the City of Georgetown, however, 24.1% of the citizens live below the poverty line. Growth projections, however, are positive for the area. Georgetown County is expected to grow by 29.4% by 2025 (the city, however, lost 6.3% of its population between 1990 and 2000). With this demographic data in mind, it is apparent that redeveloping the steel mill will have to draw much of its clientele from outside of the Georgetown County area and capture the influx of new citizens. It would be extremely difficult to rationalize the existing market in Georgetown fueling a major redevelopment, but it could play a part in it, and the development could offer many opportunities for Georgetown's citizens.

What could fuel redevelopment, however, is the baby boomer generation that is nearing retirement. Over the next fifteen years, the number of people in the U.S. between the ages of 50 and 69 will increase by 87%. By 2015, there will be 77 million U.S. citizens in this age bracket (up from 41 million in 2000).[13] There is also empirical data that suggests that "affluent retirees who relocate tend to purchase properties in 'warm' and 'wet' climates, other areas with temperate climates, and college towns. For those who relocate, the fastest-growing areas are in the South and West, where 76 percent of the total increase in older residents took place over the past ten years."[14] We will analyze this group and what they would like in retirement further, but it is clear with these numbers on the rise and the existing popularity of costal South Carolina as a retirement destination that a market could exist for a project on the GSC site. Couple this with the booming tourism industry in the area, and a project built to suit the needs of retirees, tourists, and the citizens of Georgetown alike could provide a viable redevelopment opportunity for this parcel.

Data

The Del Webb Corporation produces an annual baby boomer report "to examine opinions and preferences on retirement, health and fitness, financial preparedness and active adult living communities among members of the largest single demographic group ever to pass through American society."[15] The 2003 report highlights several areas that are extremely relevant to the redevelopment of Georgetown Steel. 59% plan to move during retirement, while of those moving, 53% plan to move more than three hours from their current home. The states that they are most likely to consider moving are: (1) Florida – 21%, (2) Arizona – 18%, (3) South Carolina – 10%, and (3) North Carolina – 10%. Of those surveyed, 75% want a community mixed of all ages, while factors considered appealing in a new community include (in order of preference): low maintenance, aesthetic appeal/cleanliness, community security/safety, healthcare availability, recreational amenities, nearby supermarket(s), and fitness and spa facilities. Of the twelve items that Del Webb listed, having a golf course came in last. In terms of their interest in working, 63% said that they plan to retire from their primary career at age 63, while 87% say that they might work in retirement. Of those, 37% will continue part-time work in their primary career, 7% will work full-time in new career, 44% will work part-time in a new career, and 13% will do volunteer work. The report also showed that baby boomers are feeling that they will need a larger "nest egg" for retirement, with many feeling that they will need over $500,000, increasing from 40% to 46% between 1999 and 2003. Finally, the report lists the expected favorite forms of exercise in retirement. In order of preference the leading forms are walking, bicycling, swimming, and playing with children/grandchildren (20% of those surveyed chose playing golf).[5]

The National Association of Realtors produces an annual profile of second home owners. The 2002 profile reported that second home ownership has been consistently rising, with it more than doubling from 1980 to 2002. The typical second home owner is 61 years old and has a household income of $76,900 (67.3% are 55 years of age or older). Nearly 78% of second homes are vacation homes and are not investment properties. The reasons sited for buying a second home include: personal/family retreat (57%), vacation use (51%), primary residence after retirement (18%), and diversifying investments (16%). Attributes desired for vacation owners include being close to: ocean/river/lake (76%), favorite vacation area (37%), mountains or other natural attractions (38%), primary residence (18%), and family members (17%). Leisure activities of interest include beach/lake/water sports (54%), hunting/fishing (37%), boating (36%), winter recreation (20%), and golf (19%). The median distance between the owner's primary residence and their vacation home is 185 miles, with the largest percentage between 26-99 miles apart (27%). The largest amount of vacation homes are located in resort/recreation areas (61%), while 17% of them are in 2 plus unit structures and 58% are detached. 78% of vacation homes are smaller than that of their primary residence and 59% are valued less.

In terms of current residential real estate trends in the Georgetown-Horry county area, the March 6th, 2004 *Sun News* reported on January 1st to March 7th, 2004 sales. This period saw 527 housing sales in the two counties. These numbers were slightly less than the same period in 2003, with existing-single-family home sales down, and condos sales up. "Alan Altman of Pawleys Island Realty said prices are weaker in the existing-condo segment than the existing-home segment. That has attracted some buyers but has yet to push prices up, he said." Mr. Altman also said, "'the resort market and second-home market has been strong… high end residential has picked up some.'" Tom Maeser, President of Fortune Academy, noted that "with less affordable housing [on the market], fewer people are in the pool of potential buyers. That could keep the dollar volume of sales up – and it could be the source of any decline in the number of sales."[17] *The Sun News*, however, reported on April 24th, 2004, that March 2004 existing homes sales in Horry and Georgetown counties were up 44.7 percent from March of 2003. It also noted that during the first quarter of 2004, the two counties were 20.8 percent ahead of existing residential sales from the first three months of 2003.[18] While these two articles contradict each other, it is apparent that sales in 2004 seem to be outpacing those in 2003, with the real estate industry in the region on solid ground and only gaining momentum.

While Georgetown County has experienced little to no growth in the past several years, in the first nine months of 2003, condo and home closings were up 4 to 5 percent. Other good news came late in 2003 from The Litchfield Company, which calls itself one of the largest resort real estate sales and development companies in the Southeastern United States. They were on track to clear $115 million in sales for 2003, and were reporting some of their busiest months of sales at their 2,700-acre Prince Creek near Murrells Inlet. "Doug Brown of D.H. Horton, a local building company, said vacationers are influencing the market as much as retirees. People will visit the area two or three times, then decide to move here. Many are seeking the $100,000 to $200,000 price range, he said."[19]

E. F. Hucks, a Real Estate Appraiser & Consultant specializing in the Georgetown and Myrtle Beach markets, continued on this theme, saying that the highest growth areas are located in more affordable locations well off of the beach. He did, however, mention that two of the top three selling subdivisions are located only a small distance from the beach on the Intercoastal Waterway. These subdivisions are higher-end, with many people buying lots and holding them to build retirement homes. In terms of more affordable real estate, Mr. Hucks spoke about Carolina Forest, which is on Highway 501 between Myrtle Beach and Conway, SC, and offers a central location where people can easily commute to work in either Myrtle Beach or Conway. He said that this area offers good schools and homes in the $100,000-200,000 range, those that middle income families can afford. While Mr. Hucks is bullish on the middle income market and the growth that it will create away from the high dollar coastal areas, he is bearish about the City of Georgetown's market. He says that until the Waccamaw Neck is built-out, that developers will not take the risk of building in Georgetown. He feels that Georgetown is several years out.

A company that recently decided not to take a risk in Georgetown was Lowe's Home Improvement. Lowe's was planning a store in the northern part of the city where big-box retailers like Wal-Mart are located, but the owner of the site pulled a rezoning and annexation petition. The site, which is located outside of city limits, would have been annexed into the city. Boyd Johnson, Georgetown's City Administrator, commented in The Sun News that "'we have not been told this by Lowe's, but I have been told it's because of concerns with the local economy in Georgetown.'" The store would have employed about 125, generated $56,000 in school taxes, purchased $314,000 in utilities from the city, and added about $100,000 to the local economy by construction permits, city taxes and licenses. Mr. Johnson also said, "'we're not giving up. Lowe's would be our fifth largest customer, as far as taxes and utilities, the first day they open the door.'" Allen Burns, director of planning and development for Georgetown County, weighed in on the Lowe's announcement by noting the pros and cons of attracting companies to Georgetown. His number one con was transportation. He feels that the lack of an Interstate and a full-service airport are significant handicaps for the city. His number one pro, on the other hand, was the "quality of life." He also mentioned the port, a good labor pool, the technical college, and a new industrial park (that is being constructed off of Highway 521 between Georgetown and Andrews, SC). Some city residents, however, expressed concern about the adverse affects that Lowe's could have on the city leading Georgetown City Councilwoman Peggy Wayne to respond to these sentiments by saying, "'Companies such as chain stores … they don't want controversy. They don't want to come in and fight people before they even turn a shovel of dirt… It would just be shame if we lost [Lowe's] to another county.'"[20]

The Lowe's story paints two troubling pictures. One is the fact that a major retailer has apparently pulled the plug on the city because of its shaky economy, while the other is the response by the city's leadership. Mr. Johnson and Ms. Wayne each express a level of desperation as they fight to bring economic opportunities to Georgetown. This desperation, which is warranted because of Georgetown's current economic climate, however, could jade the city's short-term judgment and lead them to make detrimental decisions that will damage Georgetown's long-term potential. Ms. Wayne's statements about chain stores not wanting to fight leads me to believe that they want Georgetown to exude a business climate to outsiders where anything goes for those bringing economic opportunities to the city (and that they want the citizens to carry the same message). The city, however, should be very careful that it does not damage its already fragile environment and hurt its prospects to recharge its economy by providing short-term solutions that could have damaging long-term effects.

With this in mind, Georgetown has the ability to attract industrial users, but in terms of manufacturing trends in the United States, it is highly unlikely that it can depend on this area to provide the backbone of its economy. The city does not have any large tracts of land outside of its industrial park located next to the airport, therefore, the prospect of it attracting and ultimately surviving on industry is even more unlikely. The last great hope is that the Georgetown Steel Company will reopen as a mill. There is a chance that this could happen, but in terms of long-term prosperity, it is questionable if this would be a good thing. The positive attributes are the amount of money it provides to the local economy and the fact that the site is already set up for steel production (with permits in place and an able workforce). The negative attributes are that it is an eye-sore, a significant polluter, the steel industry in American is questionable, and the site's highest and best use is probably not as a mill (in terms of the spill over effect that another use could have). As opposed to dragging their feet, the city should embark on a long-range plan for the site's future. It is important that they understand the changes that are occurring in southern mill towns (and coastal South Carolina), and work to control their destiny before they get steamrolled by the rapid change. Their focus could be on attracting and controlling growth so that it will provide economic opportunities and a quality lifestyle for all citizens of the city. Therefore, while the development that is raging on the Neck has not entered the city's boundaries, now is the time to work on creating a demand for this type of activity in the city and plan for it on the city's terms (as to not adversely affect its residents). The steel mill site is an ideal location to study as the means by which this demand could be created. It offers a tremendous amount of attributes which could be programmed to service the needs of retirees, the second-home market, tourists, and the citizens of Georgetown. Therefore, drawing on the strengths of the site and the demand that exists in the marketplace, I will analyze the steel mill as a redevelopment parcel. But first, it is important to understand comparable projects, both in terms of competition and innovative solutions, and the potential uses that could succeed on the site.

Comparables

In terms of direct comparables located within the City of Georgetown, two different condominium projects were recently completed on parcels between Front Street and the Sampit River. One is Harborwalk Villas and the other is the Fogel's Building (Figure 4-1). Each of these buildings was built right up to the water and contains units located above the first floor with river views. Each building's scale seems to be overwhelming for the area, and their architectural detailing is not exceptional. Regardless, E.F. Hucks mentioned that Harborwalk has sold very well (at $150 per square foot), while the Fogel's Building is struggling with eight units currently listed for sale on Realtor.com (it appears that the building contains twelve to fourteen units).[21] The prices on Realtor.com range from a two bedroom, two bath for $249,500, to a three bedroom, three bath for $387,500.[22] Therefore, these units appear to be priced in the $200 per square foot range. Mr. Hucks noted that oceanfront condominiums in Myrtle Beach are selling at $250 per square foot (with an over supply) and that one could expect to get at least 10-15% less in a location like Georgetown.[23]

Immediately outside of Georgetown is Harmony Township. Harmony is 779-acre planned unit development that is located a couple of miles south of Georgetown on the Sampit River. It is coined as a 'new urbanism' development and has been planned by Duany Plater-Zyberk & Company (DPZ). "The vision of Harmony Township is to

Figure 4-1: Harborwalk Villas, upper right corner.

create a self-sufficient riverfront community where neighborhood shops and family homes are mixed together in the tradition of southern coastal towns of yesteryear. In this pursuit, the natural beauty of the South Carolina Lowcountry provides the perfect setting."[24] Harmony has a Design Council whose job "is to inform, educate, and aid property owners who are preparing to build homes within the township. In doing so, we shall ensure the architectural integrity consistent with homes built from the 1700s through to the 1950s" (Figures 4-2 and 4-3).[25] Harmony has residential and commercial lots located on the riverfront, on woodland vistas, or in the village. Lot sizes are 0.12-0.74 acres, and range in price from $42,500 to $450,000.[26] When I visited the project in the summer of 2003, a handful of houses were completed and a few more were under construction. While there was not a significant amount of construction, from "sold" signs on lot markers, it did appear that lots were selling. The local sentiment, however, is that Harmony is struggling. Harmony's goal is to draw off of the strengths of its natural amenities, and provide a village in the country concept to counter much of the sprawled golf course developments located on the Waccamaw Neck. It is apparent that Harmony's intended audience is not the local citizens, but those seeking a second-home or a retirement location.

Figure 4-2: Harmony Township, the village.

Figure 4-2: Harmony Township, neighborhood street.

As mentioned in the "Georgetown Today" chapter, Georgetown has other suburban developments, but most of these are older communities that are significantly built-out. They are typical suburban developments with amenities such as golf, swimming, and tennis, but their curb appeal is geared more towards local citizens. While meeting with Gerald Freeman, Head of Building and Planning for the City of Georgetown, in the summer of 2003, he commented that several large scale projects were in the pipeline, but to date, nothing has arisen from these deals.

The Waccamaw Neck is filled with a tremendous number of developments, and more are planned. Most of these developments are either designed around the beaches of the Atlantic Ocean or the rivers along the backside of the Neck. Many of them contain golf courses, and other recreational amenities. While there are some multi-family developments and smaller moderately priced single family homes, most of the homes along the Neck are high-end. In assessing the houses for sale in zip code 29440 (an area which includes the south end of the Waccamaw Neck) in Chapter 3, I found that over 30 of the 377 were priced above $1,000,000, and that the ceiling was almost $4,000,000. Clearly these values can be attributed to the amenities that the Neck offers. In other words, an inland site in the City of Georgetown will not be fetching nearly the price per square foot that a home on the beach will. With its growth and concentration of high net worth individuals, a fair amount of commercial activity has left the City of Georgetown and moved to the Neck to be closer to this population center. On the other hand, this demographic group represents a tremendous amount of the business that retailers see on Front Street, therefore, a form of cross-pollination is occurring.

Typical of developments on the Waccamaw Neck, Prince Creek is a gated master planned community that markets itself as being "next to nature but in the middle of it all." While Prince Creek does not benefit from direct beach access, most of the beachfront property has already been developed into upscale single family homes or multi-story condominiums, it currently offers three distinct neighborhoods and several home types. At build out, Prince Creek will have 5,490 homes in ten neighborhoods, a multitude of amenities, and a mixture of uses. What differentiates Prince Creek from many of the other development on the Neck is that it does not just contain high-end homes. They advertise as offering several different lifestyles set to your time line. Highwood of Prince Creek offers home sites on the Professional Golf Association's Tournament Players Club (TPC) golf course, as well as on wetlands and woodlands (Figure 4-4). The community contains many amenities such as an on-site swimming pool, and lots are priced from $60,000 to upwards of $200,000. The Bays of Prince Creek contains several distinct neighborhoods that are linked by "The Greenway," a tree-lined boulevard for automobiles and pedestrians. The two communities that are advertised on their website include: Laurel Bay, with "move-up" single family homes ranging from $185,000 to $250,000, and Shallow Creek Bay, with "starter/retirement" single family homes ranging from $130,000 to $170,000. Finally, John's Bay of Prince Creek, which is within The Bays of Prince Creek, offers "resort" town homes ranging from $125,000-$190,000. Prince Creek is clearly attempting to tap into several different demographic groups all within one community, which was confirmed when a sales representative told me that you could buy your first home here or build your retirement estate. They are trying to appeal to a range of age-groups and incomes, but their suburban-centric-gated-community is not all that different from some of the other higher end properties along the Neck. Their motto is "civilization and nature both found a home," as "state-of-the-art health care facilities include a nearby wellness center and new hospital. New schools, established shopping centers and the full gamut of service industries makes this area as modern as it is secluded."[27]

Another model further north along the Atlantic Ocean is the condominium towers that dot Myrtle Beach. These buildings offer high-rise living with ocean views. While most of these are geared more towards vacationers as rental, second-homes or time shares, this does represent a tremendous market in the Georgetown area. A model that would probably be more attractive to retirees is the oceanfront mid-rise buildings located south of Myrtle Beach in places like Litchfield Beach. These developments offer many of the same amenities, but without the traffic and congestion of Myrtle Beach. They are sited in more suburban-oriented subdivisions. Most of these buildings, however, are still predominantly used as vacation residences or rentals (unlike many of those in South Florida that serve as primary residences).

The coastal areas of South Carolina offer a variety of retiree (and second-home) properties. Whether it is massive age discriminate developments like Sun City Hilton Head, beachfront condominiums in Myrtle Beach, or single family homes nestled in suburban Charleston, there is something to suit almost anyone's needs. One market, however, that is somewhat more complex than Myrtle Beach or Hilton Head is Charleston. Diane Permar, President of Permar, Inc., who specialized in market research for developers across the Southeastern United States, mentioned that Charleston is a more difficult market to understand because it is a large urban area with a wide range of options. She has not been able to pinpoint where retirees are choosing to live in the Charleston area, noting that they are in all types of communities representing a range of prices.[28] This could be symptomatic of Charleston being a larger city without concentrated developments that appeal specifically to the retirement market, or retirees integrating themselves into the local environment and living like everyone else. The latter would be consistent with baby boomer data in which this generation wants to be integrated with all age groups and continue to carry-on active lifestyles.

Figure 4-4: TPC club house at Prince Creek.

Ross Bowker, a Partner with East West Partners in Charleston, SC, knows first hand the complexity of the Charleston market. His company recently developed One Vendue Range, a high-end condominium project overlooking Waterfront Park and Charleston Harbor (Figures 4-5 and 4-6). While their project was extremely successful and is now sold-out, they had a more diverse range of buyers than they expected. They initially thought that the Interstate 95 (Northeast) and Interstate 75 (Midwest) corridors would contain most of their buyers, but he was somewhat surprised to find out that the project generated significant interest from Charleston residents looking for an urban residence with no maintenance, and individuals who own beach properties on the surrounding barrier islands who wanted a home in the city. He noted that most of their buyers are older residents who are financially secure and want to reap the benefits of living in an urban center like Charleston. He also said that Charleston was the draw and that their job was to provide quality units that could sell themselves.[29]

One Vendue Range offers an interesting comparable to the Georgetown site because of its location on the water and the fact that it is embedded within the city. What differentiates the two, however, is that Charleston is a very developed market that automatically attracts people, and the area that surrounds One Vendue is already built-out.

Figure 4-5: One Vendue Range with Charleston in the background.

Figure 4-6: One Vendue Range with Waterfront Park in the foreground.

The Georgetown site will have to create an environment to attract people, and it will have to instigate development around it. In order for this happen, a typical condominium development, suburban neighborhood, or retirement community will probably not maximize the site's potential, and in terms of market absorption, could fail. Therefore, the site calls for an innovative development approach that draws on Georgetown's strengths to attract new citizens to the area.

Site Evaluation

In her book Developing Active Adult Retirement Communities, Diane Suchman has noted four areas that must be accounted for in a market analysis. Her list includes market area determination, site evaluation, competitive positioning, and forecasting future sales absorption.[30] We have determined that the market area for Georgetown extends outside of coastal South Carolina, and the project must attract citizens from the Midwest and Northeast who might already be considering this area for their home. Included within this market are residents of non-coastal areas in Georgia, South Carolina, and North Carolina. When speaking to Marc Puntereri of the Cypress Company, which specializes in active adult retirement communities (AARC), he suggested that the most difficult part of developing retirement communities is attracting a critical mass of residents during the first phase. Once the first phase is completed and occupied, the development will gain momentum, create a buzz in the marketplace, and begin to sell itself. In order to attract the critical mass and put the development on the radar, he said that you have to draw heavily from local citizens. This is quite difficult because even if you are twenty miles down the road from where they currently live, they perceive it as a move where they are completely uprooted and have to get new physicians, shop at new stores, etc. Therefore, you must find (or create) your market locally, and then grow out to the feeder markets.[31] A mixed-use project, however, might be able to draw from other age groups as well, assisting in creating the critical mass.

Table 4-4 is a site evaluation survey adapted from Suchman's book which identifies how effective a site might be as a retirement community. In analyzing the Georgetown Steel site, it is apparent that the site could serve in this capacity. In terms of the site's competitive

Site Evaluation for the Georgetown Steel Site

Locational Factor	Target	Subject Site Rating	Subject Site Assessment
Access to significant employment cores	Drive time of less than 1 hour from metro area	4.0	Good: Myrtle Beach & Charleston
Access to major highways	Direct access (less than 5 minutes' drive time)	4.0	Good: adjacent to Highway 17, Interstate 1 hour
Drive time to major airport	Less than 60 minutes' drive time	4.0	Good: Myrtle Beach Airport 45 minutes' drive
Quality of surrounding land & natural amenities	Above average scenery (mountains, water)	4.0	Good: Sampit River, but also adjacent industries
Climate	Region lends itself to four season activities	5.0	Great: Moderate climate with four seasons
Presence of historical charm or local character	Regional flavor manifest in built environment	5.0	Great: Close proximity to historic areas
Tourist destination	Local features that draw significant population	5.0	Good: Beaches, boating, golf, history
Presence of social and cultural outlets	Above-average regional arts, music, etc.	2.0	Below Average: Limited or must travel
Proximity to shopping facilities	Regional malls, outlets, high-end local retail facilities	3.0	Average: Necessities nearby, limited boutiques
Proximity to medical facilities	Facilities should be better than local-serving facilities	4.0	Good: Georgetown Hospital one mile away
Proximity to college and universities	Local institution with outreach	3.0	Average: Technical College three miles away
Tax conditions	Property and sales tax favorable	4.0	Good: Favorable tax climate
		3.9	Above Average

Adapted from: "Sample Site Evaluation" from Suchman, Diane R. Developing Active Adult Retirement Communities. Washington, DC: the Urban Land Institute, p. 48.

Table 4-4

positioning, it has a tremendous amount of diverse competition up and down the coast of South Carolina (as well as in the feeder markets), but it also offers the potential for a truly innovative prototype. Therefore, a run-of-the-mill retirement community would have difficulty competing with the other options, but one that celebrates Georgetown and its wealth of amenities could differentiate itself in the market and provide a viable alternative. Finally, absorption is a huge issue with this site. The City of Georgetown is not currently benefiting from the activity along the Waccamaw Neck, therefore, a typical development would probably not be able to differentiate itself and would take a very long time to absorb. In conclusion, something innovative will probably have to happen on the site if it is to create a buzz and succeed in this market.

Market Imagination

In urban centers across America, people are rediscovering the city. Major projects are mixing retail, entertainment, commercial, residential, and community uses into developments that are reinvigorating cities. These projects have been extremely successful in attracting empty nesters back into the city. The city offers a wealth of business and social opportunities, and a quality of life that can be superior to the

Figure 4-7: (left) The Related Companies' CityPlace development in West Palm Beach, Florida. Retail, entertainment, residential, office, and hotel uses have reactivated downtown West Palm Beach with this massive mixed-use project.

Figure 4-8: (right) Millennium Partners' The Ritz-Carlton Hotel & Towers development in Boston, Massachusetts. Retail, entertainment, residential, and hotel uses have drawn people back into this formerly plighted neighborhood. Empty nesters are moving from the suburbs into the project's condominiums.

car-dominated suburbia in most American cities. While families with children are reluctant to take the step back into the city, almost all other age groups are rediscovering it. Therefore, it is this example that should inspire Georgetown to reinvigorate its urban environment. Instead of perpetuating the dying industrial age, the city should look to exploit its amenities, attract a new industry, and improve its standing in terms of economics and quality of life. The city could use the steel mill site for this reinvigoration. It is sited on the picturesque Sampit River and is steps away from the commerce driven Front Street and Georgetown's historic neighborhoods. In terms of providing something that will attract those from afar and provide opportunities for its current citizens, a new development prototype on the mill site could accomplish this. It should not just be a condominium project, a suburban or new urban single family neighborhood, a retirement home, a strip mall, or an industrial park. It should be a conglomeration of these that can effectively draw a diverse range of residents and businesses. While specific programmatic elements will be discussed in Chapter 7, it is "out of the box" thinking that will position Georgetown in the competitive marketplace. It could be a university for retirees, an interpretative center for the local African American experience, or a warehouse of commerce, art, and culture. The baby boomer generation is not seeking the status quo in retirement, therefore, using their ambitions as an example, the city should innovate and not perpetuate.

Georgetown has a lot of competition around South and North Carolina, but a truly unique development on the steel mill site could position the project in the marketplace. In response to greenfield-suburban projects along the Neck or the high-end urban projects in Charleston, the steel mill site could serve as an urban-small town alternative. It has many of the amenities that the other prototypes offer, but at a different scale and with heightened level of character. The site will not initially be able to draw rents or sale prices as high as properties in more established areas, but once the project and the Georgetown market become a viable alternative, the demand and prices should rise. Therefore, it will take a large upfront investment to create a market that will garner a demand. The demand, however, could be a diverse group of new comers who are already relocating to coastal South Carolina (as well as citizens of Georgetown). The project could initially be discounted to attract people until it is established in the market. The complication, however, would be the amount of time that it would take to carry the large upfront investments and the discounted rents/prices before the project could carry itself and make a profit. The deal would have to be initiated by a well capitalized company interested in a long term investment. It would be important that they could also effectively enter into public and private partnerships to implement their plan. Therefore, the market is ripe, and with the a successful implementation plan, the steel mill site could be an asset for the City of Georgetown and financially rewarding project for a developer.

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Chapter 5

Case Studies

Over the past year, I have been exposed to many cases that provide lessons for the redevelopment of Georgetown and other transitioning southern mill towns. Whether it has been transformed German industrial sites featured in *Architecture Boston*, "Cleaning Up on Urban Cleanup?" in *BusinessWeek*, or "Blocks of new life: a Philadelphia Story" in the *Boston Globe*, these sources, as well as others, have allowed me to build a foundation of examples and precedents for what could potentially happen in Georgetown. Although these particular cases cannot be directly correlated with Georgetown, four have surfaced that are extremely unique and offer a tremendous amount of insight into the redevelopment of this city. Two are other southern mill towns that are in the process of transitioning away from their industrial pasts, another is a steel mill being converted into a mixed-use project, and the final one is a retirement community that is taking a novel approach to service delivery and operations.

St. Marys, Georgia

In June of 2003, after a day spent in Georgetown doing thesis research, I returned to Charleston and ate dinner with Walter Palmer, a family friend who is an artist from Key West, Florida. Walter consistently makes trips up and down Interstate 95 from Florida to points north to visit with his clients. After I mentioned that I had spent the day in Georgetown and that I was considering studying the steel mill and its potential for redevelopment as my thesis, Walter mentioned that I must visit St. Marys, Georgia.

St. Marys is a small city at the southern most point in Georgia. It is located along the St. Marys River, which separates Georgia and Florida, and its historic downtown is a couple of miles off of Interstate 95. It boasts 13,761 residents and is 40 miles north of Jacksonville, Florida and 115 miles south of Savannah, Georgia.[1] While the city contains over 13,000 residents, its small historic district can be cat-

Figure 5-1: Photo montage of St. Marys.

egorized as a village along the river with no more than 1,000-2,000 residents. St. Marys is most famous as the gateway to the Cumberland Island National Seashore, a National Park maintained by the U.S. Department of the Interior. Its downtown has benefited from the tourist traffic that utilizes the ferry which departs from St. Marys, and from those who visit the National Park Service's "Cumberland Island National Seashore Museum." The city clearly sees itself as a tourist destination, as it actively markets its historic district and its quaint downtown filled with shops, restaurants, and galleries, and it recently constructed a waterfront park along the river and spruced up Osborne Street (its "Main Street") (Figures 5-2 to 5-4). It also contains a vibrant bed and breakfast industry, an informative visitor's center, and a pre-


Figure 5-2:Above, Osborne Street, “Main Street.”


Figure 5-3: New streetscaping.

Figure 5-4: New waterfront park.

scribed walking tour of the historic district. While St. Marys seems to be extremely similar to Georgetown, its size and its scale are deceiving. Most of its population is suburban based, and its downtown is a lot smaller and less urbane than Georgetown’s.

Walter was not recommending St. Marys as my next vacation spot, but he had recently stopped for dinner while passing by on Interstate 95 and heard that their paper mill had closed. The sentiment that was expressed to him was that the town was devastated and that people were scurrying to make ends meet. He mentioned St. Marys to me five months before the Georgetown Steel Company (GSC) closed; therefore, it became even more relevant when I visited St. Marys three weeks after the closing of the GSC.

On November 12, 2002, the Durango Georgia Paper Company closed its doors and filed for bankruptcy. This left 930 employees without jobs, and a cloud of uncertainty over the small town. The mill was the third largest employer in Camden County behind the United States Government’s Kings Bay Naval Submarine Base (which opened in 1988 and employs 8,936) and the Camden County Public Schools.[2] The mill, located at the base of the peninsula that forms downtown St. Marys, employed many people that lived downtown or in its surrounding neighborhoods (Figure 5-5). Therefore, these geographic areas were hit particularly hard by the loss of jobs (this portion of the city was essentially a mill town). As GSC has been a signal of prosperity for Georgetown, the same can be said for the Durango Mill, as Charles Trader, The Finance Director for the City of St. Marys, told me that the mill represented “the smell of money” for the community.[3] It had been in existence since 1941 as the main economic engine for the city.

I visited St. Marys a little less than one year after the mill’s closing. As I exited Interstate 95, I drove through several miles of typical American suburbia before I passed the vast brick mill and entered historic St. Marys. The mill is not embedded within the original city grid, but it sits adjacent to it, and the city has grown around it over the years. I toured the city, ate lunch, and then had two separate meetings. One was with Clayton Walters, a member of the management team that is attempting to sell the mill, and the other was with Charles Trader of the City of St. Marys. What I quickly learned was that the doom and gloom that Walter Palmer had conveyed to me was for the most part gone. Walters and Trader mentioned that many citizens and businesses have had a tough year making the transition, but overall it was business as usual and that the city had moved on. Mr. Walters did not gloat about the transition, by any means, mentioning that many were still unemployed and that most of those who had found new jobs or were retraining, would not find wages as high as those that the unionized mill offered. He also said that those in the management ranks were substantially more successful than the blue collar workers in either getting another job or starting their own business.[4] Mr. Trader also shared these sentiments, as he told stories about people who had transitioned to the construction industry and were doing a lot better than they ever did at the mill. Mr. Walters, however, was confident that the paper mill or another industrial user could reopen the site, and he stressed the fact that the mill was a 750 acre site permitted for industrial use and eluded to how difficult it is to get industrial permits these days. He also noted that the mill provided jobs for many middle class citizens and that the new retiree and tourist based economy would not do the same. He concluded by saying that at this point, half of the citizens would like to see the mill reopen.

Charles Trader, on the other hand, was not focusing on St. Marys' industrial past, but on its new economic generators. The city had an emergency plan before the mill closed, and ultimately raised its millage rate by one to compensate for the $990,000 in direct revenue from the mill that was budgeted for the 2004 fiscal year (they actually increased their overall revenues by $300,000 by doing this). Mr. Trader, however, did mention that the city now has to finance some of its projects, as opposed to paying cash. The area is now becoming a tremendous draw for the retiree and the second home markets. New developments are occurring within the city limits, but all of these projects are taking shape in suburban greenfield sites that are highly amenitized with features such as golf courses and marinas. The city is actively supporting this type of development and the revenues that it generates. For example, it provided $1 million in infrastructure costs to provide services to Cumberland Harbour, a development on Point Peter. Cumberland Harbour is a 1,000-acre 800 residential development across the creek from the paper mill that is selling lots from $80,000 to $500,000 (Figures 5-6 and 5-7). The City of St. Marys has a per capita

Figure 5-5: Map of downtown St. Marys. Paper mill located top center.

Figure 5-6: Waterfront of St. Marys. Cumberland Harbour property top right across creek.

Figure 5-7: Rendering of Cumberland Harbour club house .

income of $18,099 and a median household income of $42,087, with the median value of homes being $85,300.[5] It is clear that developments such as Cumberland Harbour are not drawing from the local population base, but from those migrating to the area. Mr. Trader also noted that in the last three years, the city saw less than 100 housing starts, while in ten months of last year they saw 450.[6] It is this type of data, and the fact that property adjacent to the mill is becoming high end home sites, which forces one to question whether St. Marys will ever revert back to its industrial past. The new, more affluent residents are the ones supporting many of the restaurants and businesses downtown, as the original residents are having to create ways to service this population if they are going to survive economically. With the potential disappearance of the middle class, as Mr. Walters alluded to, the increased population growth, and the strain that this growth is putting on the city's infrastructure, it is unclear what the future will hold for St. Marys. What is clear, however, is that St. Marys is transitioning its economic base away from manufacturing towards the retiree/tourist market, and that it will be intriguing to see the qualitative results.

Port St. Joe, Florida

During my visit to St. Marys, Charles Trader suggested that I take a look at Port St. Joe, Florida. He did not know a tremendous amount about what was going on in Port St. Joe, but he knew that they were a couple of years ahead of his city, with the mill that had closed several years ago being considered for redevelopment. Mr. Trader's tip led me to Jerry Ray, the Senior Vice President of Corporate Communications at The St. Joe Company. In 1939, the St. Joe Paper Company opened a paper mill in Port St. Joe. The mill immediately transformed the town into an industrial center, with the mill and box plant employing over 800 people in three shifts. In 1996, the St. Joe Company exited the paper business and sold the mill and the 126 acres on which it sat on for $390 million. The mill closed in 1998, reopened briefly, and was eventually closed permanently the same year. The Smurfit-Stone Container Corporation bought the mill in liquidation and ultimately dismantled all of its equipment. The mill sat vacant until the summer of 2003, when the St. Joe Company, a publicly traded real estate operating company and the largest land owner in the State of Florida, entered into a joint venture with Smurfit-Stone Container Corporation to explore the potential redevelopment of the site. Smurfit-Stone put the property into the joint venture, while St. Joe put in credits. The companies, along with the community, are actively involved in a "visioning" process that will determine the future of the site. Mr. Ray stated that at this point, they have not run into any significant environmental issues.[7]

Port St. Joe is a 3,644 person city located in northwestern Florida. It sits on St. Joseph Bay, which opens to the Gulf of Mexico and is within close proximity of several beach communities. Willie Ramsey, the Editor of the *Port St. Joe Star*, and a long time resident of the city, spoke with me about his experience in Port St. Joe. He estimated that almost every family in Port St. Joe was adversely affected by the mill closing. Whether they were directly affected by losing a mill job, or indirectly by the lost revenues from their businesses, the community was essentially devastated. He said that 50% of his printing business and advertising had a direct link to the mill. Initially, many businesses closed and the downtown area lost much of its vitality. An economic forecaster predicted that it would take at least five years for the community to recover. Mr. Ramsey, however, says that this was not the case. While the mill closing hastened the city's transformation into a tourist/retiree destination, the state of Florida also stepped in to provide job training, and a new prison was built in the county. As a result, the city was back on its feet a lot sooner than the economic forecaster had predicted. Mr. Ramsey, however, stressed how important it was for Port St. Joe to have the state's resources. Florida has a program that identifies rural areas with critical economic needs and provides a significant amount of assistance for these communities. Therefore, after the mill closed, most of the citizens were retrained and went to work servicing the tourism industry. As Mr. Ramsey noted, there was a fine line between those who embraced the new economy and attacked it with an entrepreneurial spirit and those who drug their feet. He said that at this point, most are embracing it and are doing better than they originally did working for the mill.[8]

Six years after the mill closed, the downtown of Port St. Joe has been revitalized, with new stores opening in existing storefronts, and more in the process of being constructed. The city has seen a steady influx of outsiders, mostly those moving from Georgia and Alabama who have vacationed in the area for years, but have now decided to retire. Mr. Ramsey also mentioned that folks from the northeast are discovering the area, and that this contingency seems to be growing faster than any other. At this point, Mr. Ramsey is not concerned with the new citizens, stating that the city is a tight knit community and that most of those moving in adapt to the existing lifestyle. He asserts that "that is why they come." While the city boasts a shopping plaza, it does not have a Wal-mart, and Mr. Ramsey alluded to the fact that this is not a community seeking such retail operations.[9] Jerry Ray, however, did say that with St. Joe's "visioning" process for the mill site and with an upscale residential development that they are producing in Port St. Joe called WindMark Beach, real estate speculators are paying attention. WindMark, a 110 home site community along St. Joseph Bay, describes itself as incorporating "the qualities of place that define the region. The rustic vernacular architecture sits lightly on the land, recalling homes from the 1930s and 1940s."[10] The development is almost sold out and now pays more property taxes than the mill did (Figures 5-8 and 5-9). With major players such as the St. Joe Company already operating in the area it should be interesting to fol-

Figure 5-8: Rendering of WindMark Beach club.

Figure 5-9: Design showcase home at WindMark.

low Port St. Joe and see how the community adapts. Will it be a nostalgic community that can recall a lifestyle from 1940, or will it end up being an overgrown suburbia with pockets of character? It would be short sighted, however, not to mention the fact that the St. Joe Company has also involved the Port Authority in their discussion. Therefore, there is the potential that the dormant port could once again open for commercial traffic.[11] While Port St. Joe is riding a wave of growth, they do not appear to be placing all of their emphasis on the retiree/tourism market, as an active port could diversify their economy. Closing remarks from Mr. Ramsey and Mr. Ray centered on the fact that communities such as Port St. Joe that face a major economic crisis should not delay in addressing the inevitable, such as the loss of manufacturing jobs. They feel that the longer that you procrastinate, the worse off that you will be stressing the importance of being proactive and controlling your own destiny.

Atlantic Station – Atlanta, Georgia

St. Marys and Port St. Joe are small towns that have had to actively transition their economic bases away from manufacturing, while utilizing their natural amenities to attract growth. Atlantic Station, on the other hand, is an abandoned steel mill located in one of the fastest growing areas of Atlanta, Georgia. The developer's problem was not necessarily attracting growth, but programming ways to plan for it and finding the uses that could maximize the land's value.

The Atlantic Steel Hoop Company opened in 1901 on land north of the city of Atlanta. The company boomed during World War I, renamed itself the Atlantic Steel Company, was decimated by the Great Depression, but rallied again during World War II. In the years following World War II, the company had 2,000 employees and produced three-quarter of a million tons of steel annually. During the 1980s, however, most of the operations were relocated out of the city (which now surrounds the mill), and by 1997, the mill only employed 400 workers. James F. Jacoby of Jacoby Development, Inc. began studying the site in 1997 as a development parcel, and in 1998 the mill rolled its last piece of steel.[12] During a presentation at the Harvard Graduate School of Design in April of 2004, Jacoby mentioned that the mill operated on a small scale during its last twenty years, with the company delaying its responsibility to clean the site. Jacoby, however, in a joint venture with Atlantic Steel, governmental agencies, and other business partners, embarked on a massive public-private redevelopment project in 1999.

Consistent with many manufacturers who polluted their sites, Ivaco, the company that purchased the mill and its land in 1979, was responsible for its clean-up. Under an agreement made with the Georgia Environmental Protection Division, Ivaco agreed to clean the site as long as the cost would not exceed $25 million. They successfully fulfilled Georgia's clean-up criteria at a cost of $10 million, and the land was sold to Jacoby for $76 million in 1999.[13] Jacoby's company has partnered with both public and private entities and has essentially acted as the master developer selling parcels to other developers.

The site is 138 acres and sits north of downtown Atlanta, adjacent to the intersection of Interstate 85 and Interstate 75 (this intersection being the fifth most heavily traveled in the United States). The interstates, however, posed a significant design challenge because they cut the site off from midtown Atlanta, a bustling area with a consistent amount of commercial, residential, and cultural growth (as well as the nearest subway station). The developer's solution was to construct a bridge across the interstate connecting the former mill with midtown. Ultimately, and with support and funding from several government agencies including the Environmental Protection Agency, the Federal Highway Administration provided the funds for the bridge.[14]

Beginning in 1997, the development team started to generate a vision for what this acquisition could potentially become. Jacoby, a noted retail developer, first envisioned the site as a major retail center similar to other typical Atlanta suburban centers. This vision quickly changed as mixed-use projects began appearing in cities around the United States and as the development team delved into its market analysis. Within a three mile radius of the site they found 55,000 college students, 100,000 residents (with a median income of $63,000), and 300,000 employees. As opposed to servicing this demographic base with a single-use center, they decided to create an entirely new city within the city. The project was named "Atlantic Station" after the mill, and a mixed-use development was on the drawing board.

The first office building has opened at Atlantic Station, but it has not been a smooth ride for the development team. While the plan is proceeding, many question marks loom. The *Atlanta Journal-Constitution* recently ran an article titled, "At long last, day is near: Atlantic Station to open in April," in which the article states that the "Glossy renderings dispensed freely in 1999 that show multiple high-rise office towers are nearly forgotten. Plans for a fourth hotel have been dropped, although the three hotels still in the blueprint are to provide the same number of rooms. References to opening in mid-2002 have disappeared."[15] While the article references the significant changes that have been made to the master plan, which should not come as a surprise considering the economic slow down over the past several years, Atlantic Station has proceeded with its plans to convert the site into the preeminent brownfield redevelopment project in the county. Jacoby says in the article, "'even I'm amazed when I come out here and see what we've done through a true public-private effort… I would have liked for it to open sooner, but we're taking our time to do it right. Eight years really isn't that long.'"

Figure 5-10:Model of "The District."

What they have done is significant. In the next 10-15 years, the site will contain two million square feet of retail (in both small and large boxes), six million square feet of office space (all with a Leadership in Energy and Environmental Design green building rating), 1,000 hotel rooms, and 2,500 homes (of which 20% will be affordable units based on 50% of the median income). According to the developers, this will all add up to roughly fifteen million square feet, $500 million in taxable sales per year, $34 million in property taxes per year for the city, and create three vibrant neighborhoods for the City of Atlanta.[16]

Figure 5-11: Rendering of "The Common."

The three neighborhoods that they have defined are "The District," "The Common," and "The Village." The District is the focal point of the development with a pad constructed over a 40 acre parking garage that will contain a mix of office, retail and entertainment, and residential uses in mid to high-rise buildings. The master plan has utilized the existing city grid in Atlanta and has added a wealth of open spaces, including right-of-ways for future public transit. Another concern of the development team was the aesthetic appearance of the buildings if they were all constructed in such a short time period. Therefore, they conceived a brick shell, similar to that of the old industrial warehouses that were prevalent in Atlanta, and will allow the individual users to fill in their own storefronts (per specified guidelines) (Figure 5-10). The developers are hoping that the end result will be a rich hodge-podge of building elevations, with the appearance of a cityscape that has matured over time. The Common is a residential neighborhood built around a large park, "the common," that contains a lake (Figure 5-11). It will contain a variety of housing types, from high-rises to town homes, all designed to create an urban experience. Finally, The Village continues with more residential uses, at a lower density than The Common, and it contains an IKEA store and other retailers. This will be IKEA's first venture in the southeast, and the developers are proud to assert that it will built to the street, be two stories tall, and have structured parking below. While this is the end result of detailed conversations that they had with retailers, their original goal was to have the big box embedded in a truly mixed-use floor plate. They were hoping for a residential component, but the retailers "were not quite there yet." Overall, the project utilizes reduced parking ratios, will attempt to reuse artifacts from Atlantic Steel to pay respect to the site's former use, and hopes to create an urban alternative for car dependent Atlanta citizens.[17] The developers can only hope that citizens of Atlanta like Lisa McCard can realize the goal of "'live[ing] and work[ing] in the same place.'" Ms. McCard continues by saying, "' I'm thinking about not having a car. Theoretically, that will be possible at Atlantic Station, with the bus connection to MARTA's [Atlanta's subway system] Arts Center station.'"[18] This is a mentality that is not the norm in Atlanta.

Atlantic Station has been many years in the making, and the complexities that were faced in order to realize this project were tremendous. Several different financing mechanisms were used, ranging from private equity to state and federal funds, as well as tax increment financing and the sale of bonds. Jacoby Development partnered with the American International Group (AIG), which provided both equity and debt capital. AIG also added a level of credibility to the team, as it has been able to effectively administer bond offerings to finance capital costs. Another difficulty that Atlantic Station and other mixed-use projects face is securing money from debt markets. Lenders traditionally lend money for projects that have one use, whether it is retail, office, or residential, not projects that contain multiple uses. Stephen Macauley, an Atlanta based developer, says "'everything in the process of development, from land planning to design, permitting through construction, financing, everything is formatted to support conventional development. Layered on that, at every level of governmental approval, is a staff and bureaucracy that is unaccustomed to mixed-use developments. So there's the additional process of everybody getting up to speed.'"[19]

The Cedars of Chapel Hill – Chapel Hill, North Carolina

The Cedars of Chapel Hill, which is located in Chapel Hill, North Carolina and is currently under construction, will be very typical of today's active adult retirement communities (AARC). It will contain villas, veranda homes, individual cottage homes, a full-service clubhouse and on-site health center offering skilled nursing care and assisted living (Figures 5-12 and 5-13). It also has a minimum age requirement in which you or your spouse must be at least sixty-two years of age to purchase a home. The development draws its strength from being located in the highly populated Research Triangle in North Carolina, which contains three major universities, renowned health care centers, college and professional sporting teams, a moderate climate, an international airport, and its central location between the mountains and the beach. The Cedars is also embedded within a larger mixed-use development, Meadowmont of Chapel Hill, which contains a variety of housing types, retail, commercial, and civic uses. While many communities in southeast can offer similar attributes, The Cedars offers a very interesting ownership model.

The homeowners will own The Cedars and it will operate debt free on a not-for-profit basis. When one purchases a residence, 10% of the purchase price pays for a non-refundable club and community membership (therefore, each buyer is forced to become a member). This fee gets the member in the door, but it does not apply towards any services. Therefore, the member retains 90% of their gross purchase price as equity which can be resold. The Cedars maintains a first right of refusal when properties are resold which is exercised only if units are placed on the market well under market value. They maintain this right to protect the value of other units.

Figure 5-12:Rendering of a residential street at The Cedars.

Figure 5-13:Rendering of a condominium buidling at The Cedars.

Members then pay a monthly membership fee which provides them with a laundry list of services and amenities, such as a certain number of meals per month and a specified amount of health care. The Cedars also provides various health and exercise programs, an on-site health center, and 90 days in the health center at no additional charge. While the community has a built-in health component (that may not be entirely free depending on the member's needs), each new buyer not only has to pass financial requirements, but they have to have a physician complete a medical questionnaire qualifying their independent health status. Therefore, the intended goal is to have active retirees who can draw from the services offered by The Cedars, but not those requiring assisted living quality of care. This level of care is provided for those who need it after moving to The Cedars, and the management contends that they will monitor the costs of similar facilities in the marketplace and charge 50% less at The Cedars.[20]

The Cedars model is based on a concept that was developed by Marc Puntereri and his associates at the Cypress Company. The Cypress Company has similar developments in Hilton Head Island, SC and Charlotte, NC. Mr. Puntereri recently spent some time with me discussing the model, why it was developed, and how it might succeed in the future.

Mr. Puntereri began his career in Hilton Head Island as a resort developer focusing on large planned unit developments. Many of the people that he was initially selling to in the late 1970s and 1980s were fifty to sixty year old transplants. As this group got older, however, they were forced with the decision of staying in coastal South Carolina or moving back to where they originally came from (many being from the Midwest and Northeast). In many cases, this group was forced back to their original home because health care facilities did not meet their needs and they had nobody to take care of them. Therefore, Mr. Puntereri began to think about a development prototype that would serve this group and their needs so they would not have to relocate. During this time, the retirement industry was more focused on providing services to the eighty-plus group, as many of the existing communities required upfront membership fees which would essentially pay for the person to be "taken care of" until they passed away. In some cases, the resident might build up equity and have a resale value, but this was not the industry's focus. This model suited the generation of retirees that lived through the Great Depression because it did not involve debt (or having a mortgage), but an upfront membership fee and then calculable service fees. The generation, however, that Mr. Puntereri was seeing leave Hilton Head wanted to continue to enjoy the amenities that drew them to the area in the first place, did not want to simply be “taken care of,” and had an interest in making an investment that could be financially rewarding for them and their estate.

As a result, Mr. Puntereri set out to design a model whose primary market was couples in their seventies that was centered on hospitality, but contained a health care component (Table 5-1). The Cypress Company, therefore, develops communities with a wealth of amenities and living options that is built around the residents purchasing units and paying fees. In terms of the development model, the Cypress Group receives money from the initial units sold, is paid a management fee, and maintains the stream of income from new membership fees. Therefore, their investment horizon is long term as they make most of their money off of fees and not sales. Mr. Puntereri mentioned that they actually rebated the first units of The Cypress Hilton Head in order to get the critical mass that they needed to enable their long term success. He also said that this model makes a tremendous amount sense in terms of the operational side of retirement communities. Since there are never vacancies (as compared to rental units), revenues are more consistent as are the amount of services that have to be provided. The Cypress Company also acts as an umbrella over the different components of the project (the housing units, membership amenities, and health care facilities), as they provide a level of management expertise and alleviate the homeowner’s business risk in the other operational areas. Therefore, a resident is not liable for the health care component of the project, but just for their individual unit. To date, this model has been extremely successful for the Cypress Company, with each of their developments having waiting lists for potential buyers.[21]

Paradigm Shift - The Cypress Company

Traditional Continuing Care Retirement Community (CCRC)	The Cypress Model
Entrance Fee	Condominium Ownership
No Resident Control	Defined Resident Control
Not-for-Profit	Hybrid For-Profit/Not-for-Profit
Institutional/Corporate Sponsorship	Entrepreneurial Sponsorship
Bond/Complex Financing	Simple Construction Loan
Permanent Debt	No Debt
Vacany Risk	No Vacancy Risk
Health Care Model with Hospitality Services	Hospitality Model with Health Care Services
Reactive Health Care	Proactive Wellness
Right-of-Recision Contracts	Binding Contracts
Pay Entrance Fee - Move-in	Ten-year Option Product
Move to Different Levels of Care	Home Health Options
Bundled Fees	Hybrid Bundled/Fee-for-Service
Standard Meal Plan	Flexible, Varied Meal Options
Focus on Function/Maintenance	Focus on Design/Landscape
Connected Buildings	Neighborhood Campus
Limited Floor Plans	Abundant Floor Plans
Average Range of Units: 750 - 1800 hsf	Average Range of Units: 1000 - 3000 hsf
Limited Interior Changes	Custom Homes

Puntereri, Marc. The Cypress Company

Table 5-1

The Cedars and The Cypress offer an interesting buy-in structure as well as an interesting operating model. They are not necessarily novel in terms of their services and amenities, but the fact that they operate on a not-for-profit basis and allow residents to maintain equity in their units is an intriguing way of meeting the needs of the retirement population.

Lessons Learned

The four cases that have been presented offer some important insight for the redevelopment of southern mill towns. Whether it is a novel operating model, complex public-private partnerships to successfully redevelop troubled sites, or lessons learned from mill towns that are already transitioning to other economic bases, it is important that we draw from these examples in order to avoid their mistakes and use their ideas for inspiration to innovate our proposals. The City of Georgetown, and other municipalities for that matter, should not operate in a vacuum.

Notes:

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Chapter 6

The Georgetown Steel Company – The Site

History

Georgetown was laid out in 1730, and since this time a very prominent site has existed where the Sampit River makes a hairpin turn and flows toward downtown Georgetown. Ultimately this site would become a super-block containing the Georgetown Steel Company, but it appears from historical maps that this parcel of land was supposed to contain several blocks with a similar grain to that of the rest of the city. It is apparent, however, that this area quickly became used for industrial purposes and that finer grained blocks never made there way into this area. A map of the city from 1885 shows how newly annexed property south and west of the mill was subdivided into lots for future growth (Figure 6-1).[1] In the 1885 map, streets cross Fraser Street (which is now Highway 17) and enter the site, but they quickly end as a three-block super block was created. The grid, however, does continue south of the site (or was planned to act accordingly). By 1885, railroad tracks traversed the site and led to the water's edge. The 1894 Sanborn Map of Georgetown shows that the railroad was not only used for freight, but also for passenger traffic. Adjacent to the northwestern corner of the site, the corner of Fraser and Front Streets, the Georgetown & Western Railroad Station for freight and passenger traffic existed. By 1899, the Sanborn Map shows that three additional blocks were added to the super-block, thus making it six blocks long and one block wide. A 1901 bird's eye view of the city shows that the entire area along the Sampit River south of downtown was one large parcel with several industrial uses (Figure 6-2). In 1903, the Atlantic Coast Lumber Company (ACL) was formed on the site and had the distinction of being the East Coast's largest lumber operation. The ACL not only had an effect on the site along the Sampit River, but the Corporation also built a mill village across Fraser Street to the west of the mill. This gesture reinforced the city's growth to the west by utilizing the city's existing grid (Figures 6-3 to 6-6).

Figure 6-1: 1885 map of Georgetown, note the large super block created west of the Sampit River.

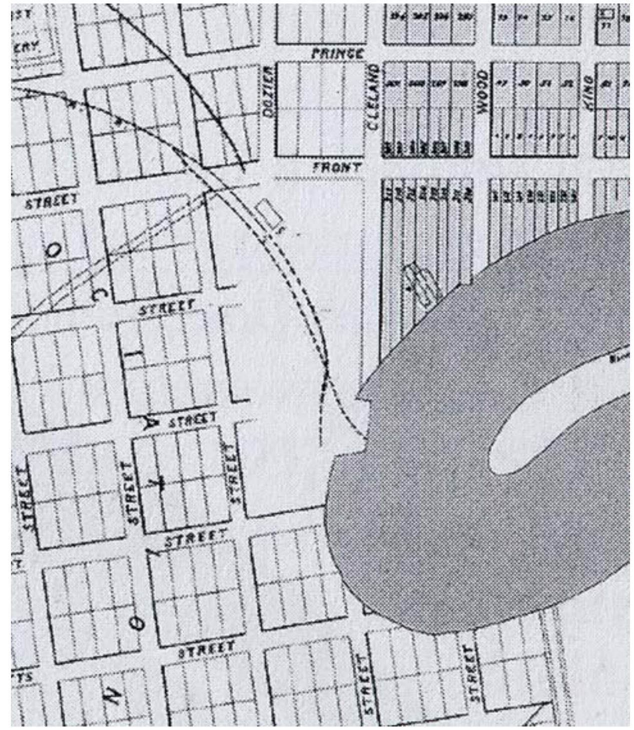


Figure 6-2: 1901 Bird's-eye view of Georgetown.

Figure 6-3: ACL's docks along the Sampit River, downtown Georgetown beyond.

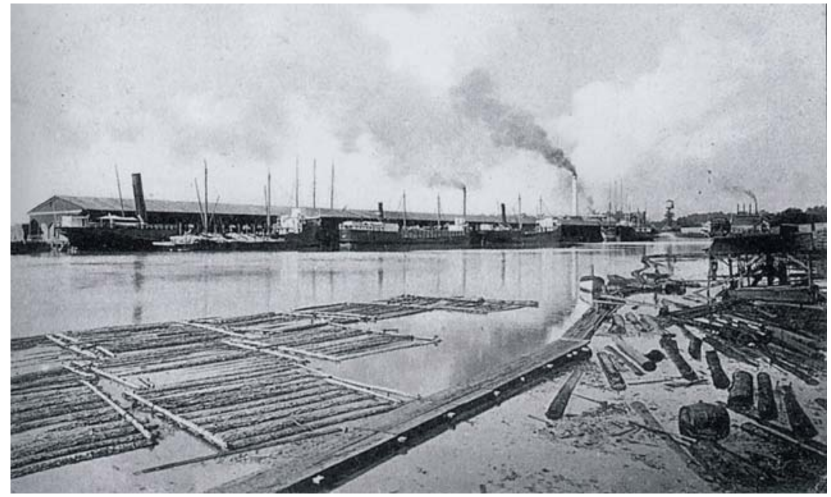


Figure 6-5: 1907 image of ACL's 1,200 foot long lumber shed on south side of river.

Figure 6-4: 1905 image of railroad tracks leading onto ACL site.

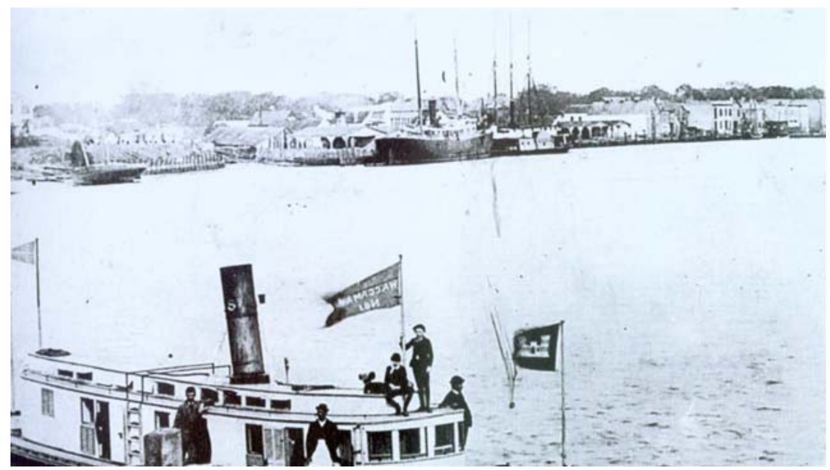


Figure 6-6: Image from ACL site towards downtown Georgetown.

The ACL, however, was forced to close during the early 1930s when the Great Depression wreaked havoc on Georgetown. While the ACL site sat dormant for almost forty years, a tremendous amount of activity occurred in the surrounding areas. In 1937, the International Paper (IP) Corporation opened a paper mill on a 525-acre tract southwest of the former ACL. Their site was just outside of the city limits and ran along the Sampit River. With the explosion of new jobs and prosperity for the citizens of Georgetown, many of the neighborhoods around the ACL began to grow with new residences and businesses. In 1951, the U.S. Corps of Engineers cut a channel across the peninsula formed by the Sampit River, creating a shipping channel that led to a new shipping terminal along the banks of the river (just southeast of the ACL). In 1959, The South Carolina State Port Authority (SCSPA) opened a terminal to stimulate ocean transit into and out of Georgetown. As the area to the southeast and southwest continued to grow with industrial uses, a German-American steel corporation formed the Georgetown Steel Company (GSC) in the late 1960's and opened a steel mill on the former ACL site in 1970. The mill initially employed over 1,000 workers on the 56-acre site. Over the last forty-four years, the mill produced steel products that were shipped around the world by water, rail, and road. The mill also produced rust that coated the neighborhoods adjacent to it with an orange dust. In October of 2003, the mill finally closed its doors.

Ownership

The Georgetown Steel Company, LLC is owned by Mid-Coast Industries, whose Chairman is Daniel K. Thorne. Mr. Thorne owns Friendfield Plantation, which is located in Georgetown County along the Sampit River just outside of the city limits. Friendfield, which was purchased by Thorne in 1996 at the urging of his wife whose family owned the plantation (and the reason why he ended up in Georgetown in the first place), has recently been restored and is listed on the National Register of Historic Places.[2] While Mr. Thorne maintains a residence in Georgetown, he permanently resides in New York which is where his business is located. Mr. Thorne is extremely active in many civic organizations, including being a Trustee of the Wildlife Conservation Society and a member of the Council of the National Trust for Historic Preservation. While Mr. Thorne's background and affiliations are not paramount to the current status of the steel mill, it is important to understand why he is an involved in this deal, and how his future intentions could affect the mill.

Mr. Thorne surprised many people in Georgetown when in May of 2002 he bought the steel mill out of a bankruptcy auction for $53 million.[3] The Sun News printed the following sentiments of James Sanderson, President of United Steelworkers Local 7898 shortly after Mr. Thorne won the bid: "An active conservationist and historic preservationist, Thorne has said repeatedly that he wants to operate the plant and make money, but workers don't see him putting actions to words."[4] Most people saw Mr. Thorne as an outsider, not only in terms of his part-time residency in the city, but also because he had never owned or operated a steel mill. There were many questions about his intentions and whether he bought the mill to clean it up and operate it, or clean it up and shut it down. Much of the community's reservations were soothed as Mr. Thorne's management team resurrected the mill and made a profit running it for the first several months. The community was so impressed that the Georgetown Chamber of Commerce named him its 2002 Distinguished Person of the Year.[5] The tide, however, quickly turned, as the changing landscape of the U.S. steel industry (particularly increased gas and material prices) and management issues, caught up with the mill and ultimately led to its closure in October of 2003.

The Georgetown Steel Company filed for Chapter 11 bankruptcy protection, and is currently courting bidders. While the U.S. steel industry has been hammered in recent years and many see the Georgetown mill as outdated and lacking land for expansion, there have been positive signs, which have led "the creditors, especially owner Mid-Coast Industries, [to] see the possibilities as hopeful even though dozens of other steel mills are in bankruptcy and also are for sale."[6] The question, however, still remains about Mr. Thorne's intentions with the land and his ability to maintain control of it. Bankruptcy experts say that if Mr. Thorne's intentions were to redevelop the site, that he could have used other bankruptcy mechanisms that would have been faster and cheaper. In filing its Chapter 11, GSC petitioned that labor costs were a major reason why the mill was struggling, therefore, it appears as if they are trying to rework their labor contracts and reopen the mill.[7] There is also a suspicion that Mr. Thorne might personally own the land and that he is leasing it back to Mid-Coast. Under this scenario, and depending on how the liquidation plays out, he could end up with a piece of property without a mill on it. At this point, however, the bankruptcy judge controls the fate of the mill.

Economic Effects

As the mill sits closed, however, it is important to understand the economic effects that it had on the City of Georgetown. Having

Figure 6-7: Aerial photo of GSC site, dowtown Georgetown top right corner.

Figure 6-8: Aerial photo of GSC site.

served as the county's second largest private employer and a mainstay of economic prosperity in Georgetown for over four decades, "a 1999 study by economist Tom Secrest of Coastal Carolina University estimated Georgetown Steel has a $131 million annual economic effect on the county." The city depended on the mill as its largest tax payer, and scores of businesses relied on its financial output.[8] Charleston economist Al Parish estimates that the closure wiped out $37 million in personal income, cost the local governments $5.6 million in income, sales, and other taxes, and the state $11.6 million in tax revenues.[9]

Physical Attributes

The site of the Georgetown Steel mill offers approximately 2,194,000 square feet of land (50.4 acres) and 1,500 feet of deepwater access. The mill can be accessed by water and by land. One of its boundaries is Highway 17, which serves as the main north-south highway along South Carolina's coast. Another boundary is Front Street, which anchors Georgetown's historic district, containing retail, restaurants, and commercial uses. The site significantly benefits from its proximity to downtown Georgetown, its location along the Sampit River, and its adjacency to Highway 17 (Figures 6-7 and 6-8).

The site has been used for manufacturing for over 100 years; therefore, it can be classified as a brownfield. A brownfield is typically described as a piece of industrial or commercial property that has been either abandoned or is under-utilized and is potentially environmentally contaminated. Steve Knight, a District Hazardous Waste Inspector for South Carolina's Department of Health and Environmental Control (DHEC), discussed his knowledge of the site with me and noted that the state has not done extensive testing (management at the Georgetown Steel Company would not respond to my requests for information about the site). Mr. Knight first mentioned that the site's use as a lumber mill in the early part of the twentieth century should not have left contaminants. Preservatives were not used in lumber production at that time; therefore, he feels that any pollutants found on the site should be from the steel mill's use over the last forty-four years. In terms of environmental hazards, Mr. Knight expressed three areas of concern: (1) baghouse dust collection, (2) incoming steel scrap, and

(3) petroleum handling.

The northern portion of the site is where the production of the steel occurs, therefore, this area contains furnaces that are used in the production process. Mr. Knight noted that the furnaces have an air collection system that extracts pollutants. During the steel making process, impurities such as gases and particulates (known as ash) are vented from the furnaces. Part of this excess material becomes slag, which is frequently reused as a construction material, but other waste is extracted by the baghouse. Baghouses are used to remove particulates from the gases to facilitate its release back into the environment. The particulates, however, which are known as baghouse dust, contain toxic metals and must be removed from the site and treated at treatment facilities.[10] Frequently, this dust will get released on the site and contaminate the ground. As a result, Mr. Knight feels that the northern part of the site where this activity occurs is most likely to contain hazardous materials. Once the steel is molten, however, he said that it should not pose any environmental threats. Therefore, most of the site outside of the production area should be free of pollution. A second concern, however, is the recycled steel scrap that the mill uses. The scrap, which contains recycled equipment, can have radiation in it and must be monitored. Finally, petroleum handling and storage is frequently an issue with industrial users and can pose environmental threats. In conclusion, Mr. Knight felt that the northern part of the site could have significant environmental hazards, but that remediation should be able clean it up.[11]

As a result, particular attention must be given to the parts of the site that were involved in the steel production. Depending on the types and severity of contamination, areas in this part of the site could have use restrictions. These restrictions could range from allowing nothing to occur on the land that is polluted, to certain residential uses being restricted. Since I do not have sufficient data to determine the "hot spots" on the site, I will have to make assumptions that will guide my design (Figure 6-9).

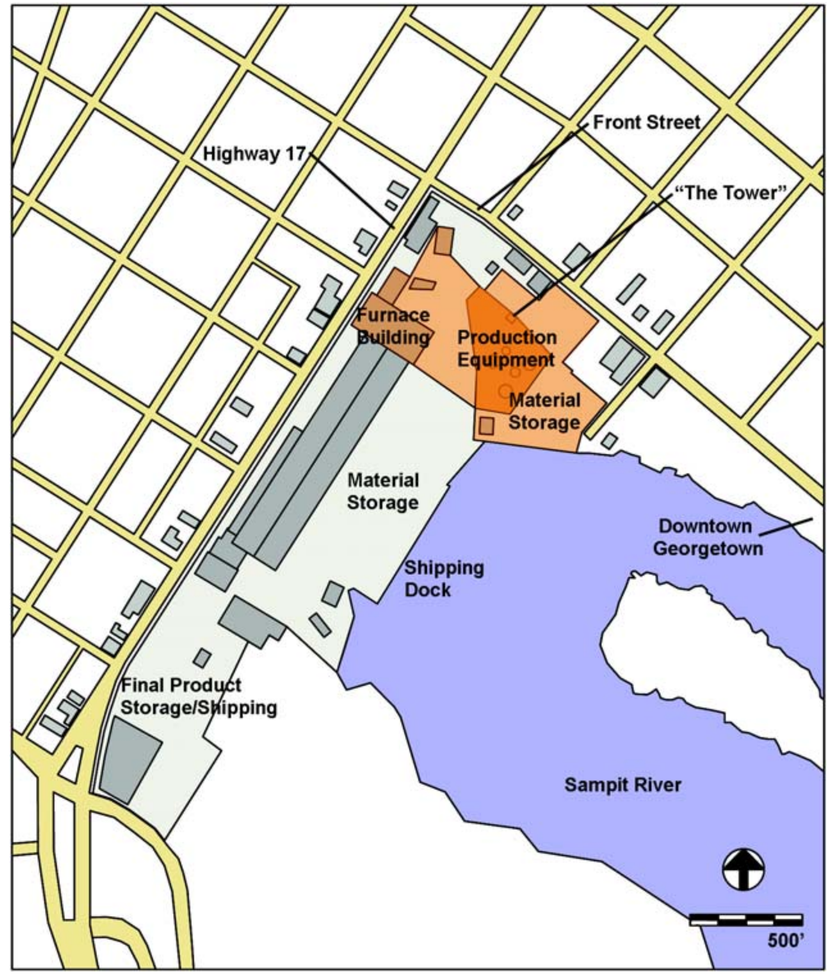


Figure 6-9: Mill use map, potential 'hot spots' shaded orange.

The Georgetown Steel mill's initial buildings were constructed in the late 1960s, and subsequent additions have been made over the years. As opposed to older mill and warehouse structures that frequently used heavy timber construction with bearing masonry walls pierced by windows, it appears that most of the GSC buildings contain a steel frame that is covered with metal sheathing (Figure 6-10). Therefore, these structures cannot be easily converted into loft style apartments or office space like many of the older mill structures have. Their conversion value is of question, but a creative solution could warrant

Figure 6-10: Furnace building, typical warehouse structure on GSC site .

Figure 6-12: Equipment & materials in production area, north part of site.

Figure 6-11: Sampit River, foreground, linear warehouse on GSC site, background.

Figure 6-13: Equipment & materials in production area, north part of site.

the reuse of significant portions of the existing structures.

GSC has several types of buildings, ranging from a small one story office building along Front Street to a massive warehouse structure that runs roughly half the distance of the site along Highway 17 (Figure 6-11). This warehouse alone constitutes almost 300,000 square feet of covered space, the entire site contains approximately 525,000 square feet of covered space. The site also contains a lot of equipment with a high concentration located on the northern part of the site where the production occurs (Figures 6-12 to 6-14). There are also several cranes for moving the steel on and off of ships, trains, and trucks. The most symbolic part of the existing infrastructure is a steel frame tower that rises approximately 100 feet into the air. This tower serves as a beacon of the city's industry and is one of the most dominant features that you see when you approach Georgetown from the Highway 17 bridges (Figures 6-15 and 6-16).

The steel mill's boundaries include Highway 17, with its abundance of local and thru traffic, and Front Street which is a busy neigh-

Figure 6-14: Equipment & warehouse in shipping area, south part of site.

Figure 6-15: Entering Georgetown from Highway 17 S bridge, the mills loom.

Figure 6-16: GSC tower hovering over the city, image taken from Front Street.

Figure 6-17: Highway 17 North, west of GSC site.

Figure 6-18: Highway 17 North, at intersection with Front Street.

borhood street. Each of these roads could serve as an asset to the site, even though Highway 17 is an extremely busy four lane road that acts as a barrier to the neighborhoods to the west, but as it stands now, the mill turns its back to both of them. You could also say that the mill is attempting to shield some of its heavy industry, unattractive uses, from the public. Regardless, the mill is off-limits as it is fenced from the public. The site, however, contains almost 1,000 feet of frontage on Front Street, Georgetown's "Main Street," and can be easily accessed from Highway 17 (Figures 6-17 to 6-19).

The land uses directly around the mill reflect the fact that the mill is located on a busy highway and that it is not a particularly friendly neighbor (Figure 6-20). All of the uses to the south along the Sampit River are industrial. International Paper is across Highway 17, while the point formed by the River contains the South Carolina State Ports Authority and other industries. In terms of these industrial users and the amount of land they occupy, the point is approximately 95.5 acres and the paper mill is 525 acres. Therefore, this area represents a tremendous amount of acreage for potential redevelopment. It should also be noted that the Highway 17 bridge meets grade at the southwest corner of the GSC site.

The blocks directly across Highway 17 from the mill contain commercial uses. Most of these buildings are fairly nondescript one-story structures that are used for retail or office. As you move west two to three blocks from Highway 17, the neighborhood transitions to all residential. The first three blocks were built as the mill village for Atlantic Coast Lumber, and, while not maintained by its abundance of commercial users and poorer residents, it has a good existing urban infrastructure. This area also contains two city blocks that GSC uses for storage, and one city block that is a baseball/football facility. Heavy rail runs onto the site at its northern corner, the intersection of Front Street and Highway 17. The rail right of way leaves the site by crossing Highway 17, veering towards the west, and running out of the city. Across Front Street to the north of the site, a spine runs parallel to Highway 17 along Dozier Street and contains several community uses. Georgetown City Hall is directly across Front Street, and other uses such as county offices, the old Georgetown High School, and the Georgetown County Public Library are further north (Figure 6-21). The remainder of this area is a residential neighborhood that lies in the

Figure 6-19: Front Street looking west towards mill, note the tower on the horizon.

Figure 6-21: Dozier Street looking north away from GSC, City Hall on left.

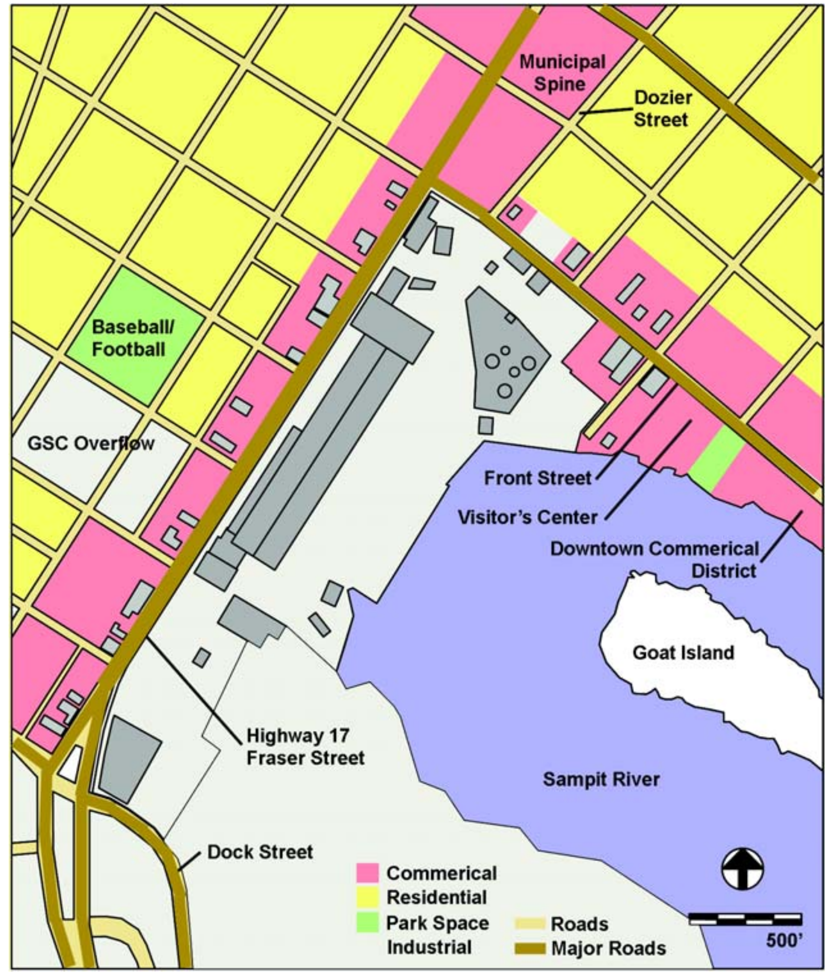


Figure 6-20: Major roads and land uses.

Figure 6-22: Photo from roof of Visitor's Center, Front Street and Sampit River.

path of mill's emission. Therefore, most of the houses are covered with orange rust and it can be categorized as a poorer neighborhood. It is more suburban in character than the historic district and many of the civic users have constructed buildings in the center of the block and surrounded them by parking lots. Front Street to the east of the mill is an active commercial strip with shops, restaurants, and offices. These uses begin at the edge of the mill's property line, with the Visitor's Center and the Kaminski House Museum less than one block away (Figure 6-22).

The City's Harborwalk also ends one block away. Therefore, this public amenity does not benefit from the mill's 1,500 feet of waterfront. The block between where Harborwalk ends and the mill begins contains the Kaminski House Museum and a shrimp company (which has a dock for shrimp boats). While the water is probably the number one amenity for the GSC site, much of the property lies in a flood zone and hurricane activity is always a concern in this part of the country. Therefore, the Federal Emergency Management Agency (FEMA) has a tremendous amount of power over how buildings are built in this area. Almost half of the site lies in a high risk AE zone which requires structures constructed below the base flood elevation to be floodproofed and others elevated above the base flood elevation (Figure 6-23). The base flood elevation is the amount over datum, or in Georgetown's case over sea level, that would be inundated by a 100-year flood. Furthermore, the City of Georgetown prohibits any residential uses below the base flood elevation as only nonresidential uses are allowed to be floodproofed. The site is on average twelve feet above sea level as noted by Powers & Associates Surveyors, and contains areas that must be constructed ten feet above base flood elevation. Therefore, most buildings on the site will not have to be elevated to the base flood elevation, or be floodproofed. Most of the site also lies in a zone X, which specifies areas affected by a 500-year flood as well as areas that should expect less than one foot of water in a 100-year flood. The city has also assessed the effect that hurricanes will have by showing the surge area for different category storms. GSC will be moderately affected by category 1 and 2 storms, with water surging roughly 200 feet into the site. A category 3 storm would affect almost the entire site except for the northern corner, while a category 4 or higher storm will affect the entire site.

The Georgetown Steel mill is currently zoned as Heavy Industry or HI. If the mill were to be redeveloped, it would qualify as planned development or PD, where the City intends to "provide opportunities to more fully utilize the physical characteristics of the site through flexible design standards and planned mixes of uses." The site qualifies because it is over five acres and under the City's Code of Ordinances, conceptual plans can be drawn up for approval by the City Council. The PD designation allows for flexibility in design standards, which includes lot sizes, building setbacks, building heights, and planned mixing of uses. One potential restriction, however, is the maximum height of new construction. The maximum allowable height is thirty-five feet for all zones, but for industrial uses the Code of Ordinances does note that "the maximum height requirements may be waived if a permitted use can provide its own fire protection." Under "Exceptions and Modifications," the Ordinances states that parts of a building that are not intended for human occupancy do not apply to maximum height restriction, such as monuments, observation towers, and a range of other structures.[12] Holly Richardson of the City of Georgetown Building & Planning commented that one can apply for a height variance to the Board of Zoning Appeals. A recent condominium development was successful in getting a variance because the project contained sprinklers. Therefore, a precedent has been set for height variances in the city if proper fire precautions are taken. In terms of the GSC site, if the new buildings were to conform to both the flood and height ordinances, there would only be thirty-feet of space that could be occupied for residential units. It appears that a height variance would need to be filed in order to get sufficient density on the site. The existing buildings, however, far exceed the maximum height as the tallest warehouse is approximately eighty feet tall at its highest point (the linear warehouse along Highway 17 is approximately fifty feet tall).

Local Thoughts

The Georgetown Steel Mill represents a tremendous Catch-22 for the City of Georgetown. It has provided opportunities for the community over the past forty-four years, but it also sits on one of the most prominent pieces of property in the city, acts as an eyesore, and

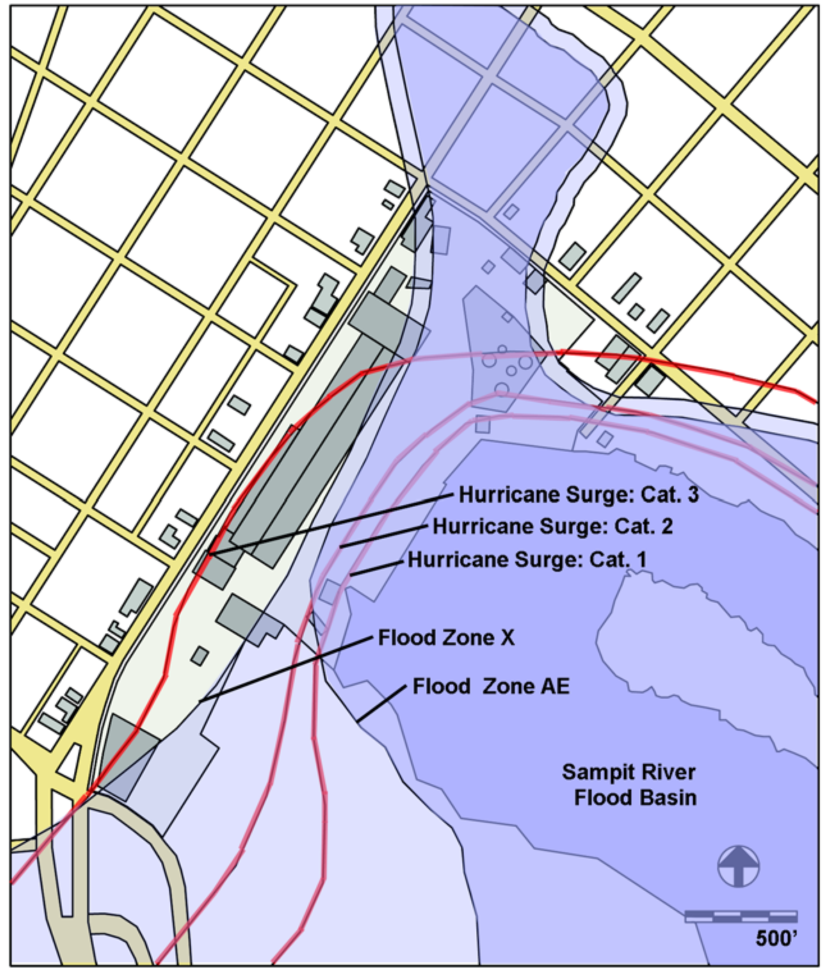


Figure 6-23: Flood zone and hurrican surge map.

Georgetown Steel Site - at a glance

50.4 acres
1,500 feet of deep-water access
Adjacent to downtown/historic Georgetown
Proximity to Highway 17
Brownfield from industrial uses
Heavy Rail runs onto site
525,000 sf of covered warehouse space
Portions in high risk flood zone

is a major polluter. The viability of its use as a steel mill, and an able bidder willing to purchase it, will ultimately determine the fate of the site, but there are those who want to see it reopen and those who do not. Clearly the people who were either employed or had businesses that depended on the mill would like to see it reopened, but let us think about those who would like to see it closed. Many people that I spoke with did not feel that Georgetown can become a more significant player in the tourism industry unless the mill is eliminated. While most of them did not like its appearance and its pollution, they were quick to say that the city needs something on the site that will make it a lot of money. Bob Bestler, a columnist for *The Sun News*, wrote an editorial shortly after the mill closed saying that the closing offered Georgetown hope. Mr. Bestler notes many of Georgetown's redeeming qualities and said, "In my mind, there is no reason Georgetown cannot be one of the most alluring spots in South Carolina, except one: The ugly - I'm sorry, but no other word fits - harbor-side presence of the rusty Georgetown Steel factory." He also said, "Indeed, probably the most frequent comment I hear from visitors passing through Georgetown: 'What a nice little town. If only it didn't have that steel mill right there ...'" He concludes with: "Georgetown Steel is located on one of the most desirable pieces of land in two counties and that alone offers countless opportunities - opportunities to reshape the beauty of this quaint town, opportunities to continue the exciting promise offered by the Harborwalk, opportunities to give Georgetown a cleaner environment and provide safer jobs."[13]

Notes:

[1] McMillan, Susan Hoffer. Georgetown and the Waccamaw Neck in Vintage Postcards. Charleston, South Carolina: Arcadia, 2003.
[2] Bailey, Issac J. "An Unlikely Marriage." The Sun News (Myrtle Beach). 22 December 2002.
[3] Marshall, Kelly and Zane Wilson. "Wortley still after steel mill." The Sun News (Myrtle Beach). 19 November 2003.
[4] Wilson, Zane. "Steel mill moves on with bankruptcy plan." The Sun News (Myrtle Beach). 13 August 2003.
[5] Bailey, Issac J. "An Unlikely Marriage." The Sun News (Myrtle Beach). 22 December 2002.
[6] Wilson, Zane. "Steel mill seeks possible bidders for May auction." The Sun News (Myrtle Beach). 12 February 2004.
[7] Wilson, Zane. "Expert: Filing for Chapter 7 an alternative." The Sun News (Myrtle Beach). 28 October 2003.
[8] Bailey, Issac J. "Georgetown Steel for sale again." The Sun News (Myrtle Beach). 11 November 2003.
[9] Bryant, Dawn. "Estimate plots effect of closure." The Sun New (Myrtle Beach). 28 October 2003.
[10] U.S. Environmental Protection Agency (EPA). "Nucor Steel Facility: Norfolk, Nebraska." Fact Sheet. November 2001.
[11] Knight, Steve. Phone Interview. 5 March 2004.
[12] City of Georgetown. "Georgetown Code of Ordinances." 11 April 2004: http://livepublish.municode.com/16/lpext.dll?f=templates&fn=main-j.htm&vid=10832.
[13] Bestler, Bob. "Ultimately, mill closing offers hope." The Sun New (Myrtle Beach). 26 October 2003.

Figures:

Unless noted, all figures by author.

6-1: McMillan, Susan Hoffer. Georgetown and the Waccamaw Neck in Vintage Postcards. Charleston, South Carolina: Arcadia, 2003, p. 10.
6-2: McMillan, p. 6.
6-3: McMillan, p. 36.
6-4: McMillan, p. 34.
6-5: McMillan, p. 35.
6-6: McMillan, p. 17.
6-7: Georgetown Steel Company, LLC. 13 March 2004: http://www.gscrods.com/

Chapter 7

Design Imagination

"In my mind, there is no reason Georgetown cannot be one of the most alluring spots in South Carolina, except one: The ugly - I'm sorry, but no other word fits - harbor-side presence of the rusty Georgetown Steel factory."[1] Bob Bestler's thoughts conclude Chapter 6, and there is no better way to think about the future potential of the steel mill than to commence Chapter 7 with the same sentiments. We have analyzed Georgetown in terms of its history, its physical attributes, and its potential market, and we have also taken a closer look at the steel mill site and other case studies. Therefore, let us explore how we might be able to make the city "one of the most alluring spots in South Carolina" and how this exploration might be viable.

Opportunities

Throughout history, Georgetown has had high points and low points. As it stands now, the city is in a precarious situation where it is facing two very different futures. One scenario could be the steel mill reverting back to its original use, with the city continuing on an industrial path that began well over one hundred years ago. Another scenario is the continued development of the in-migration market and the growth that it could bring to the city. While these options are not mutually exclusive, if the steel mill reopens, a prime piece of real estate that could initiate a new economic base for the city would not be available for redevelopment. The mill also has a multitude of negative impacts on the city, especially in terms of its pollution, the physical barriers that it creates, and the fact that it is an eyesore. All attributes that adversely affect the in-migration market. The in-migration market can still grow with the mill in operation, but the city will probably not be able to realize its full potential. Another question is the future viability of the steel mill and the paper mill. In late April 2004, the U.S. steel industry was faring better than it had over the past couple years, therefore, many people were speculating that the mill would be sold to a steel operator and that it has a manufacturing future. While this could happen, and while International Paper might have prosperous days in its future, an industrial future for the city might not provide the best possible environment and economic opportunities for its citizens. The mills will employ a large number of people at generous wages, but a lot of the damage has already been done in terms of the steel mill closing and International Paper laying people. Therefore, the city could begin to refocus its attention on the already hot in-migration market and position itself for long-term opportunities instead of applying short-term band-aids. While it is not necessarily up to the city to decide the fate of the mill (a bankruptcy judge currently controls its fate), it is their responsibility to competitively position Georgetown for future opportunities. It would be advisable for the city to explore all of its options and to begin to work with the community to come to terms with what future is most opportune for the city and its citizens.

In terms of in-migration verse manufacturing, I do not find each of these scenarios to be mutually exclusive. Manufacturing in America is not necessarily a safe bet for the future, while the in-migration market in coastal South Carolina is growing and should only see more potential with the aging baby boomers reaching retirement age (and as was asserted in Chapter 4, on average the in-migration market is as large or a larger economic generator than manufacturing). Georgetown, and other southern mills towns, should attempt to maintain a diverse economic base, but mega-mills that adversely affect in-migration will more than likely create more problems than they are worth. The steel mill site, and for that matter, the South Carolina State Ports Authority terminal and the International Paper plant, offer prime real estate that could play an integral role in the reinvigoration of Georgetown and its transition into a viable market for new residents and commerce. Port St. Joe, Florida and St. Marys, Georgia have both made the difficult transition from manufacturing to the tourism/ retiree market, and let us not forget their advice to other cities facing a similar predicament: be proactive and do not stagnate by avoiding the inevitable. While this is not a call for all southern mill towns to rally behind the closure of their mills, Georgetown is at a critical point where it has the ability to make the transition on its own terms before rapid growth occurs and the market determines its future.

The municipality has the opportunity to survey its citizens, analyze market data, initiate a dialogue with designers, and ultimately determine how the city could maximize its resources. It has tried in earnest with projects such as Harborwalk and street beautification, but a large piece of real estate like Georgetown Steel offers an opportunity far greater than piece-meal projects.

The steel mill offers over fifty acres centered in the middle of city with access to water and transportation routes. It also has a unique infrastructure of industrial structures that symbolize Georgetown's manufacturing past. The mill not only lies adjacent to the downtown historic district, but it also abuts several other industrial tracts of land that could be redeveloped. Market data and current market trends point toward growth in the city, but it is questionable when the demand might arrive. The Waccamaw Neck and areas around Myrtle Beach are booming, but Georgetown has only seen small traces of this prosperity. This, however, could be a blessing in disguise. Many of the areas seeing significant growth in coastal South Carolina are starting to be strangled by this growth, with local governments not being able to provide the infrastructure to sustain their communities. Therefore, many of the amenities that initially attracted people to the area are quickly disappearing. Large suburban greenfield developments are putting undue stress on the natural environment and on the existing infrastructure. Georgetown, however, can learn from these areas and embark on a growth plan that will not marginalize the character of the city. Its industrial sites offer an extraordinary alternative, as they are embedded within the city, but also are the beneficiary of exceptional natural amenities. These sites provide a unique opportunity for a new small-town urban development prototype that has the ability to transform the city, and transform it in a way that both current residents and new comers can be served.

Georgetown already contains many of the amenities that are attracting people to coastal South Carolina, and it also has an able workforce that can be retrained to take advantage of a new economic base. A large redevelopment project could initiate and provide a tremendous amount of opportunity for the city's citizens while strengthening the already tight-knit community. Such an undertaking could serve to strengthen and break-down. If implemented successfully, the large majority of citizens should be presented with opportunities and an improved quality of life. This could break down some of the socio-economic and racial divides that currently exist within the city. A multi-dimensional redevelopment will not just provide subservient service based jobs, but a diverse range of jobs and housing opportunities for all citizens. If members of the community cannot become stakeholders and shepherd the redevelopment, then more than likely it will turn into an outsider's project serving outsiders. While developments such as this might work in the marketplace, and they have been working in coastal South Carolina, Georgetown's project could provide a unique alternative for in-migrants who want to live in a diverse, active, and inspiring community - not just on an acre lot in the suburbs. As apparent as the opportunities are for the steel mill site, so is an effective plan that can exploit Georgetown's amenities to attract a new economic base that strengthens and provides opportunities for its residents. This is not a site that should be planned in a vacuum that would not serve to maximize its significant potential. It could, however, be utilized as a redevelopment site which could create economic opportunities for its citizens and improve the racial, social, and economic integration of the community.

Program

During one of my visits to Georgetown, I was driving in the northwestern quadrant, which contains much of the city's public housing, when I noticed a new apartment complex that was being constructed (Figure 7-1). I was somewhat surprised because I had an idea of the market in Georgetown and knew that if these were market rate units that it would be very difficult for the city to absorb them. My suspicion subsided when I learned that they were publicly subsidized by the federal government. The ironic twist, however, was that more subsidized units were being constructed on the fringes of town in the already socioeconomically segregated northwestern quadrant. As is the case in many cities around the country, low income housing is built in areas off of the beaten path that are extremely difficult to access. In many cases this happens for just that reason so that they will not adversely affect real estate values in more desired parts of the city. The problem, however, is that those with the least amount of money are forced to commute the furthest, a costly acquisition. I question why the government was not using its resources to build-up the city and

Figure 7-1: Hickory Knoll Apartments, subsidized units located on a greenfield site at the edge of town .

provide more potential for its citizens, rather than placing them at the edge of town and marginalizing their opportunities. I tell this story because as opposed to creating cities that are built with segregation in mind; we should strive to enrich and invigorate our urban areas and provide housing for all citizens. The diversity and complexity can make a richer environment for all citizens, and that is my imagination for the steel mill site.

Taking into consideration the potential for in-migration to Georgetown, as well as the housing needs for its current citizens, the steel mill site could provide an abundance of residential units. As a result of the site's amenities, including its water frontage and its proximity to the downtown/historic district, there could be a diverse range of units serving many different demographic groups. While the overarching goal should be a diverse and integrated community, there are a number of groups that could be specifically catered to. One is the retirees that are already flocking to the area. Market data has stated that there are certain housing types and amenities that this group is attracted to. While the steel mill site and the surrounding Georgetown area offer many of these, a redevelopment of the mill could also include retail, commercial, recreational, and community uses that cater to this group. As we have learned, many of the amenities that attract retirees also attract other age groups. Therefore, a vibrant community with a mix of uses could cater to all age groups, but certain amenities could specifically be geared towards the older residents. This will also be more important in the early stages of the project as retirees, or those most likely to relocate to coastal South Carolina, could have their needs served.

It is also important to provide a diverse range of housing types and sizes. There should be larger units for empty nesters, smaller units for older retirees who are downsizing, and units adequate to serve the needs of families. The housing should also provide high-end, moderate, and subsidized units with different ownership and rental models. The current trend in development is to segregate the users, but market trends point to the fact that most people want to be surrounded by a diverse mix of people who represent many age groups. A quick thought about this leads me to think about three generations that live in proximity to each other – let us say children, parents, and grandparents. When the parents are at work, the grandparents can take care of the children. This provides daycare for the children and an activity for the grandparents. It also offers a bonding relationship between several generations, and keeps everyone busy and active. In most retirement communities where age restrictions exist, this type of lifestyle could not occur on a daily basis, nor could it occur in suburban communities where one housing type does not suit the needs of diverse age groups. Therefore, providing a range of housing types could create a vibrant community that serves a multitude of citizens on many levels.

Housing is an excellent use for the steel mill site, but housing alone will probably not create a satisfactory demand for the site. Therefore, other uses could generate interest and traffic, and provide a true mixed-use experience. A significant cultural use could attract people to the area and provide jobs for local citizens. As was noted in Chapter 2, Georgetown has a very rich history, as it was the epicenter of the Waccamaw Region plantation system. There are multiple sites in and around Georgetown that could all be linked into one cultural package

Potential Uses

Anchors	Description
Residential	A range of sizes and prices catering to young/old
Cultural	Interpretive center describing area's history
Educational	College branch - retraining & continuing education
Open Space	Harborwalk, in/outdoor parks & recreation areas, marina
Community	Recreational amenities/Community Center shared with city
Supporting	**Description**
Retail	Big-box & shops/restaurants serving resident/tourist needs
Commercial	Medical, insurance, real estate, law
Hotel	Boutique property
Industrial	Maritime activities, gallery space
Parking	Street, surface, structured

Table 7-1

and presented at an interpretive center. This center could serve as a clearinghouse for information, while also telling the "true" story of plantation life. Many cities around the country are planning slavery museums, including Charleston, and while the interpretative center does not necessarily have to follow suit and tell the entire story of slavery in America, it could tell the plight of slaves in the Waccamaw Region. Much of the slave experience is not accurately portrayed, therefore, this center could serve as research and outreach center to study and provide information on this part of the region's history. An interpretative center could serve as a tourist destination, a job provider and creator, and a venue for citizens to completely understand the history of their city. It could also serve as community focal point that could assist in breaking down societal barriers.

Similar to the attributes that an interpretative center could offer, an adult education center could also serve the city's residents. One thought is that Horry-Georgetown Technical College or the University of South Carolina could open an urban branch on the steel mill site. This branch's guiding mission could be to retrain employees to work in the in-migration market, while also providing life-long learning and cultural opportunities for the in-migrants. Market data shows that baby boomers and potential in-migrants to South Carolina are interested in continuing education; therefore, the steel mill site could become a center for learning. It could be a campus where one could study for a career change or study their favorite hobby. As opposed to serving as a series of warehouses that manufacture steel, the site could serve as an educational clearinghouse.

Retail uses could supplement the residences, interpretive center, and educational campus. Restaurants, shops serving tourists and residents, and big box retailers, such as a grocery store, could exist on the site. I envision the retail uses as supporting the other intended uses and not driving the development. Similarly, commercial uses will not anchor the project, but could support the users of the site. Therefore, medical, insurance, real estate, and legal services would compliment the large population of in-migrants. In addition, there would be available office space for those wishing to relocate businesses or start new ventures.

The anchors would be residences, culture, and education, as well as a generous system of open spaces. Georgetown does contain parks for gathering, but the steel mill site could offer an inner-city alternative with a river view. The Harborwalk could be extended onto the site and feed people into a larger park system. Sections of the site might have to be maintained as open space because of potential contamination, therefore, some could be passive while others could be programmed with recreational activities. The site could also contain a community center servicing the needs of current citizens and retirees. The community center could have recreational amenities such as a swimming pool and gymnasium, and provide a venue for several generations to come together. The site, with its deep water access, could also be utilized for maritime purposes. This could take the form of recreational boating, and a marina for pleasure crafts. The site could also support industrial uses such as shrimping and fishing, boat building, and gallery space for artists. There might also be areas that could be used by light industrial users. Such an active environment sited on the Sampit River could also house a hotel for people passing through this area. Finally, an active urban neighborhood will need ample parking for visitors and residents, therefore street, surface, and structured parking could be constructed to serve this demand. Much of the site could be deeded to the city as the private owners link with citizens of Georgetown to activate the plethora of community spaces. The steel mill site could be an extension of the community, not an enclave for private users.

The site could be programmed in a way that offers an abundance of opportunities for current citizens, in-migrants, and tourists. It will take a large upfront investment to create the amenities that will attract people to the site, but once the mixture of uses fill out the site and the development gains momentum, a new city could emerge. It could be a place to live, work, play, and learn, and a new development prototype for coastal South Carolina.

Design Ideas

In order to successfully realize the potential for the site, I have thought about it in terms of those things that should happen to maximize the site's potential (or constants), and those things that might make it an "alluring spot" (to use Bob Bestler's words). I am not providing one answer to the problem, but different ideas that could serve to inspire the city and potential developers.

In terms of those things that should occur, I feel that the historic street grid, or another well defined grid, should be reintroduced to the site. With the addition of public-right-of-ways, the site would connect with the rest of the city, and provide a hierarchy of building sites throughout the property. The grid could serve as one mechanism to re-connect the steel mill with the rest of the city, with the neighborhoods to the west having access to the river, and the community axis along Dozier Street that bleeds into the site. With the insertion of a street grid, many new intersections will be created that could serve as gateways to the site. These gateways should be welcoming and provide a somewhat seamless transition with the rest of the city. It would be important for the new development to maintain its own character, but it should not do so at the expense of turning its back on the rest of the city. With this in mind, Highway 17 could be reformatted as a city street. Utilizing planning mechanisms and traffic mitigation, the street could still flow as a Highway, but also provide a friendly character that does not act as a barrier between different parts of the city. Front Street could be reactivated from downtown Georgetown to Highway 17 by extending the same street design that occurs downtown. This could provide an avenue for strolling and opportunities for retail, commercial, and residential uses. The premier intersection in town could become Highway 17 and Front Street, where retail, commerce, community uses, and open space all come together in a dynamic way. Therefore, Highway 17 and Front Street could be activated with various uses and activities and serve as attributes to the steel mill site.

Another critical link that should be made is along the Sampit River. Harborwalk could be extended to the site, providing a link with downtown and opening up the river to more recreational use. The same way linear parks connect Harborwalk with downtown Georgetown, an open space system could be designed to feed into the site and provide both passive and active recreational opportunities. The steel mill is a large piece of real estate that could sustain vast amounts of open spaces. This system could reinforce other connections made to the site and provide an additional hierarchy of building sites.

In Order to Maximize the Potential of the Site

The following should occur:
Reinsert a street grid
Re-knit the site with the surrounding neighborhoods
Redesign Highway 17 as a city street
Activate Front Street to Highway 17, connect site with downtown
Extend Harborwalk to the site, provide open space along the river
Celebrate the city's industrial past by leaving traces of the mill
Provide a mixture of uses and community open spaces

Table 7-2

Figure 7-2: GSC equipment as sculpture on the horizon.

Figure 7-3: (below) Gasworks Park in Seattle, WA. The industrial infrastructure was maintained as part of the park.

Georgetown has a storied industrial past, with the Sampit River serving as a hub of manufacturing for over 100 years. Therefore, traces of the steel mill should be left to celebrate this past. This could occur by maintaining some of the existing structures and creating open spaces or focal points around them. For example, the main tower on the northern part of the site could become a symbol of the site's industrial past, while also serving as a representation of its new future. By doing this, unique spaces could be created that are both novel and historic (Figures 7-2 and 7-3). Completely razing all of the buildings on the site would eliminate an important piece of Georgetown's history, therefore it is important to celebrate the role of the GSC when considering redevelopment options.

A mixture of programmatic elements should occur in order for the site to attract and retain a wide range of residents and visitors. A single-use could succeed on the site, but a mixture of uses will provide a more vibrant environment and cater to a larger audience. By creating a mixed-use development, the site could be activated at all hours of the day with a diverse range of uses – grown into a true urban neighborhood. This compilation of uses could draw people to the site and create the "buzz" that is needed to put this project on the map. The current market in Georgetown will not be able to absorb a large redevelopment project on the steel mill site; therefore, something will have draw people to the area and establish the project in the marketplace. The city has already done this with Harborwalk and other public works projects to revitalize the city, and the steel mill could continue to build on these successes, and create an entirely new epicenter.

With all of these criteria in mind, I embarked on an overarching master plan that could serve as a guide for potential redevelopment. My first gesture was to reinsert a street grid and extend Harborwalk onto the site. I used the historical street grid and created ten full blocks that could be redeveloped (Figure 7-4). Secondly, I began to study how open space could infiltrate the site and create public amenities and increased land values. Therefore, I maintained a green buffer along the Sampit River, and carved a park through the existing industrial equipment opening up an axis from the river to the corner of Front Street and Highway 17. The intent was that this park would maintain a large part of the industrial infrastructure, primarily providing passive open space for the community. I also carved out a small marina along the Sampit River that could serve the boating community. As Figure 7-5 shows, my goal was to create three definitive corridors. One was to reinforce Front Street and bring people to the site along this corridor. They would then enter the site on a north-south road located one block off of the river. The idea was that these two roads would offer active corridors filled with shops, residences, and businesses. The final corridor was created by the Harborwalk along the Sampit River. Also, three major focal points would be created on the site. One would be the old furnace building which would become an interpretive center,

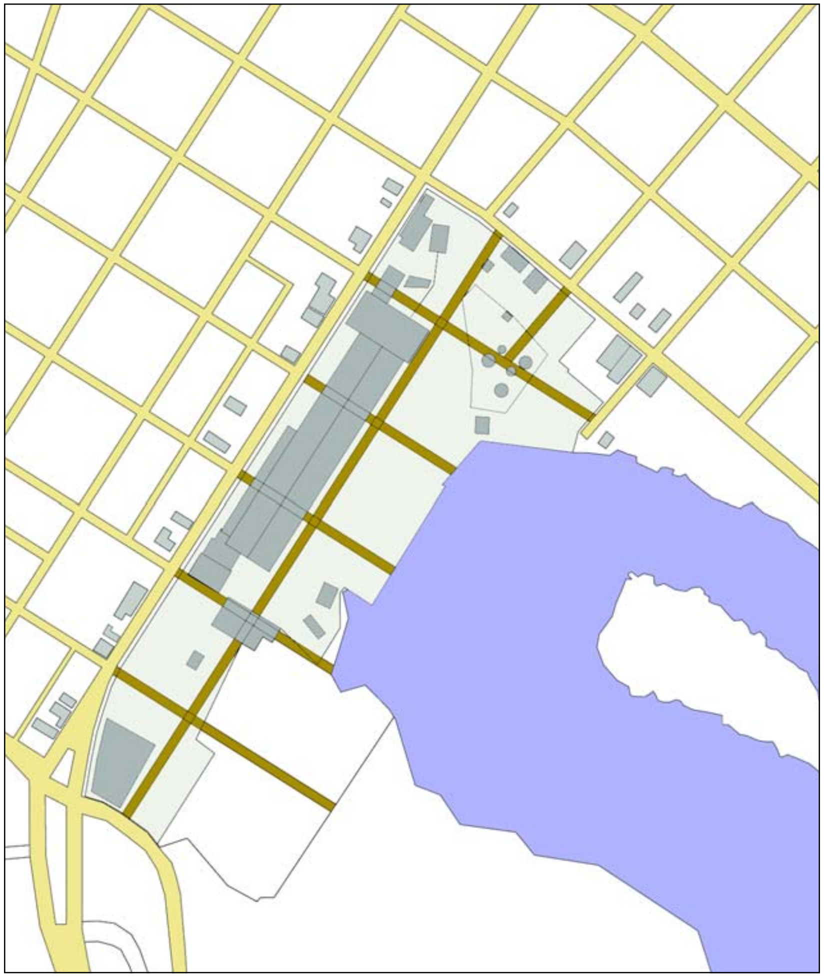


Figure 7-4: Design Sketch 1 - street grid inserted on site.

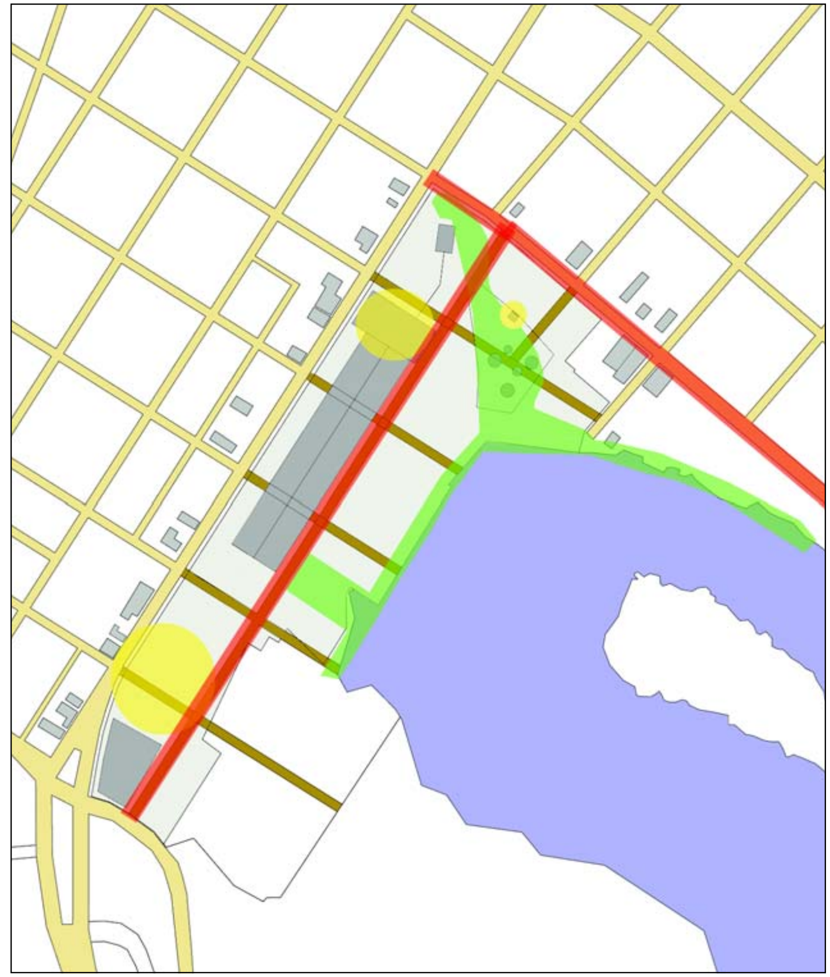


Figure 7-5: Design Sketch 1 - existing infrastructure that is maintained, focal points, green space, and major corridors/paths.

another would be park space around the GSC tower, and the final one would be a shopping plaza located at the southwest corner of the site. I subsequently studied the corridors, focal points, road network, and open spaces to try to understand what uses might work on the site. Figure 7-6 highlights my thoughts in terms of building uses. My ideas stem from the fact that the furnace building would become the interpretive center and the long linear building along Highway 17, or the shed, would become the educational center with a mix of industry, retail, residences, and parking. The former industrial buildings remind the city of its historic past, and also provide an intriguing network of structures that could be reused or serve as aesthetic templates. In creating a unique design solution, the warehouses offer an appealing

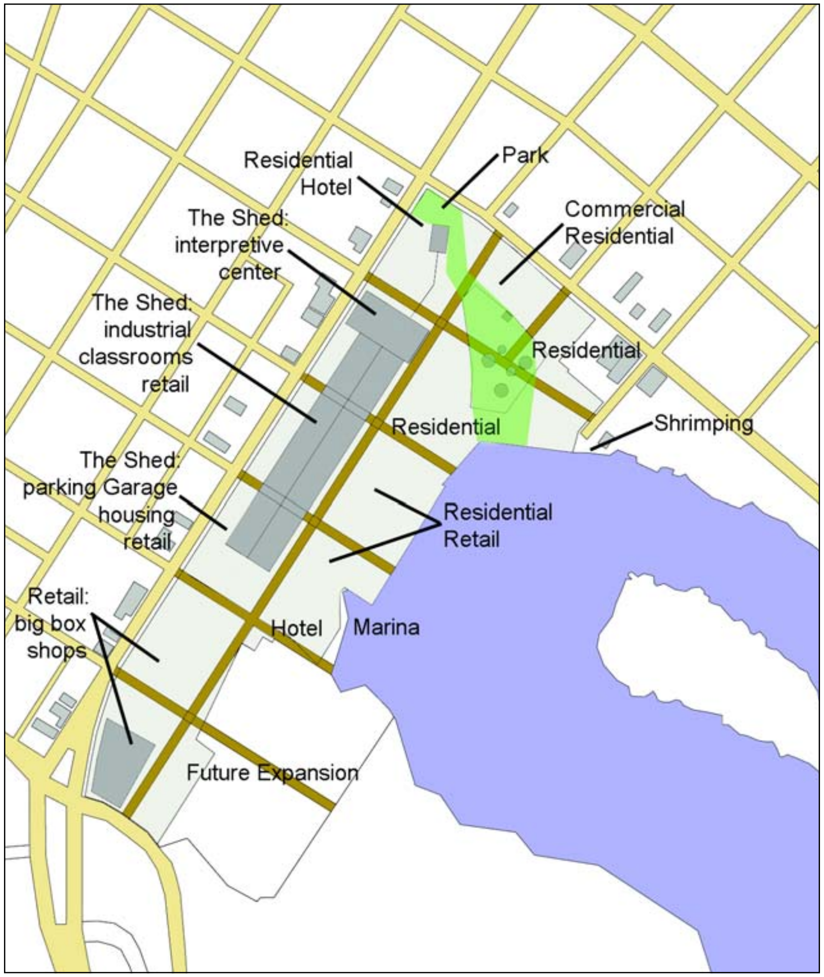


Figure 7-6: Design Sketch 1 - proposed land uses.

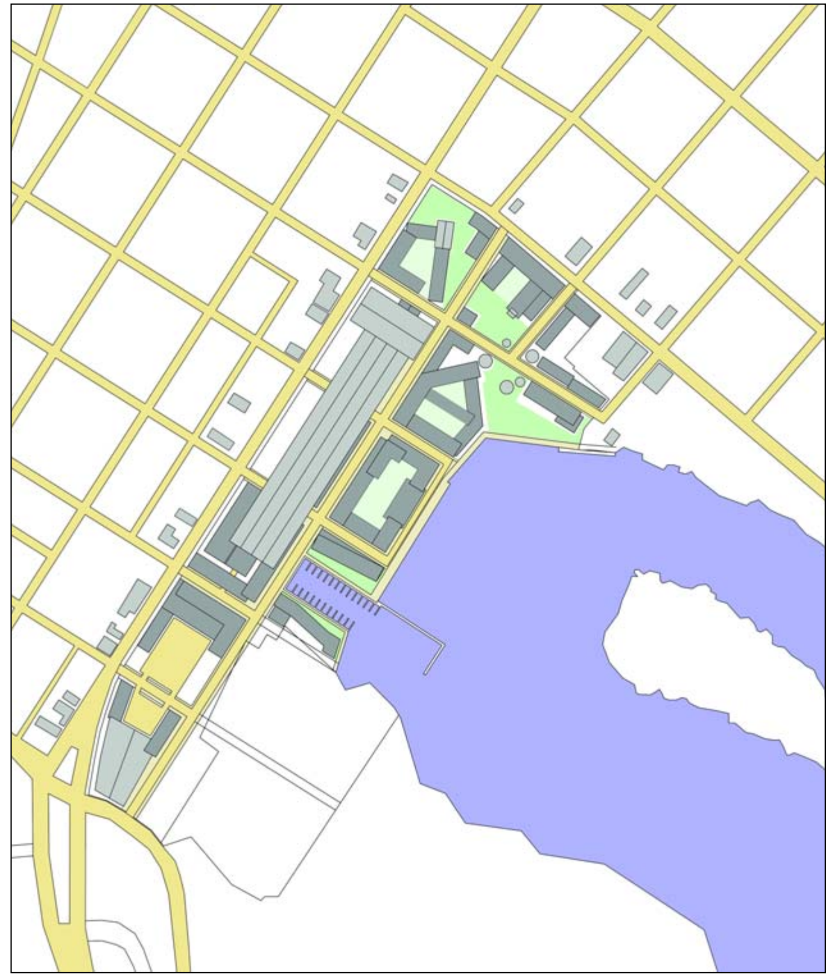


Figure 7-7: Design Sketch 1 - building forms placed on site.

infrastructure. The rest of the site would be filled out with a variety of housing, commercial, and retail uses. It was my intent to diversify the uses and housing types throughout the site, while keeping in mind the value of the sites along the river and park. I should also note that while many of the amenities were geared to the retiree market, they were to be dispersed throughout the site in order to provide a vibrant community in which people would move around freely from place to place. Figure 7-7 shows how building forms might be able to infiltrate the site. This scheme maximizes building footprints by creating several urban streetscapes, as well as buildings sited on the park and river. The strength of the urbane north-south corridor, juxtaposed with the passive industrial park and accessible riverfront, was intended to anchor

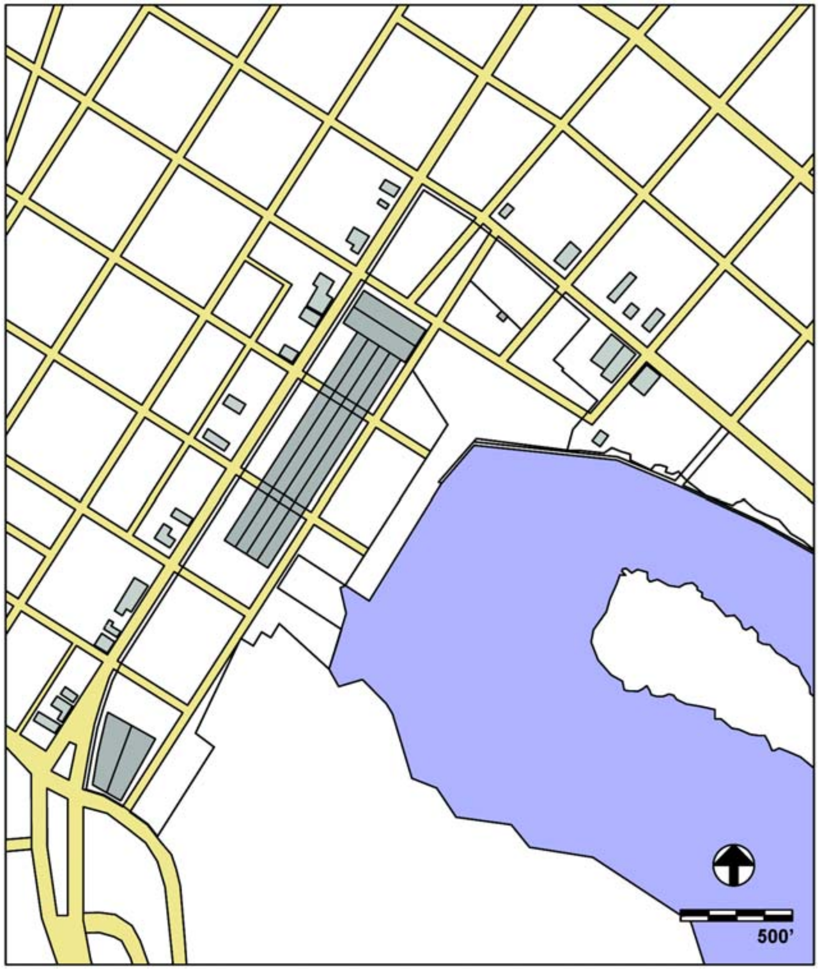


Figure 7-8: Design Sketch 2 - road network.

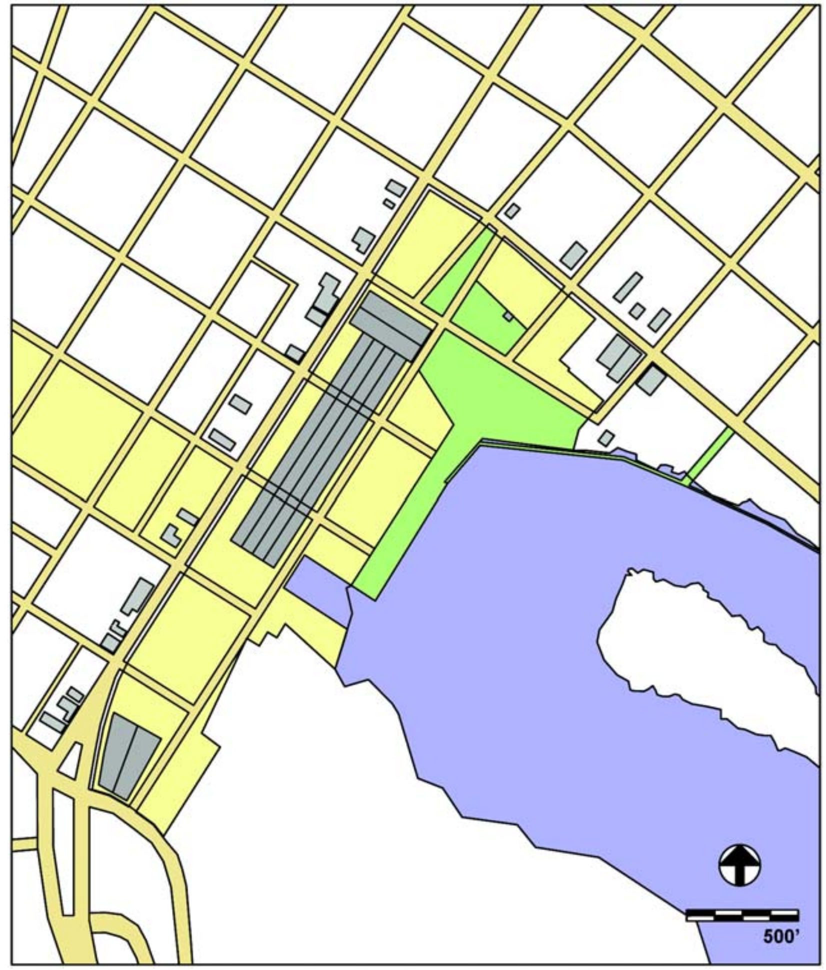


Figure 7-9: Design Sketch 2 - green space and potential building sites.

this master plan. While some of the building forms were arbitrary, it was intended that there would be a hierarchy of public, semi-public, and private paths and parks that lead in and out of the building forms.

This scheme was questioned for not opening the river to the city, not fully realizing the potential of the existing industrial infrastructure (particularly the shed), for its arbitrary building forms, and for proposing too much building. While it was understood that I was trying to maximize land value, particularly the land along the river, I was urged to articulate this goal more clearly through buildings and open space, and make a concerted effort to open the riverfront. It was noted that I should celebrate "the shed" by drawing more attention to it and by

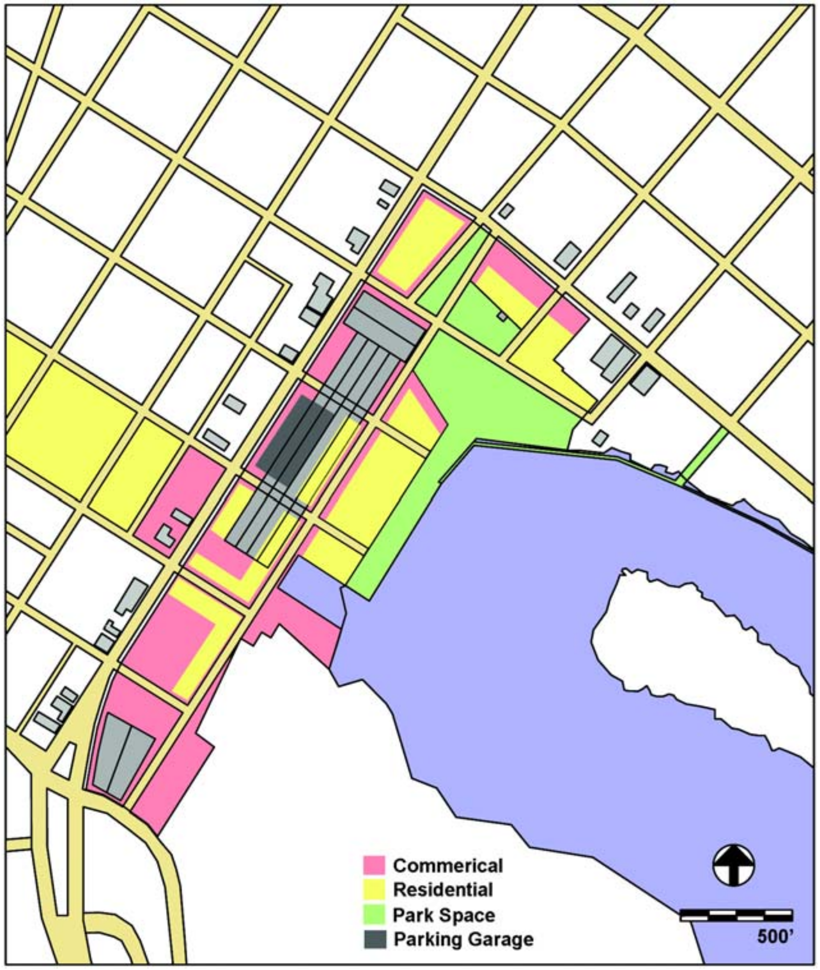


Figure 7-10: Design Sketch 2 - proposed land uses.

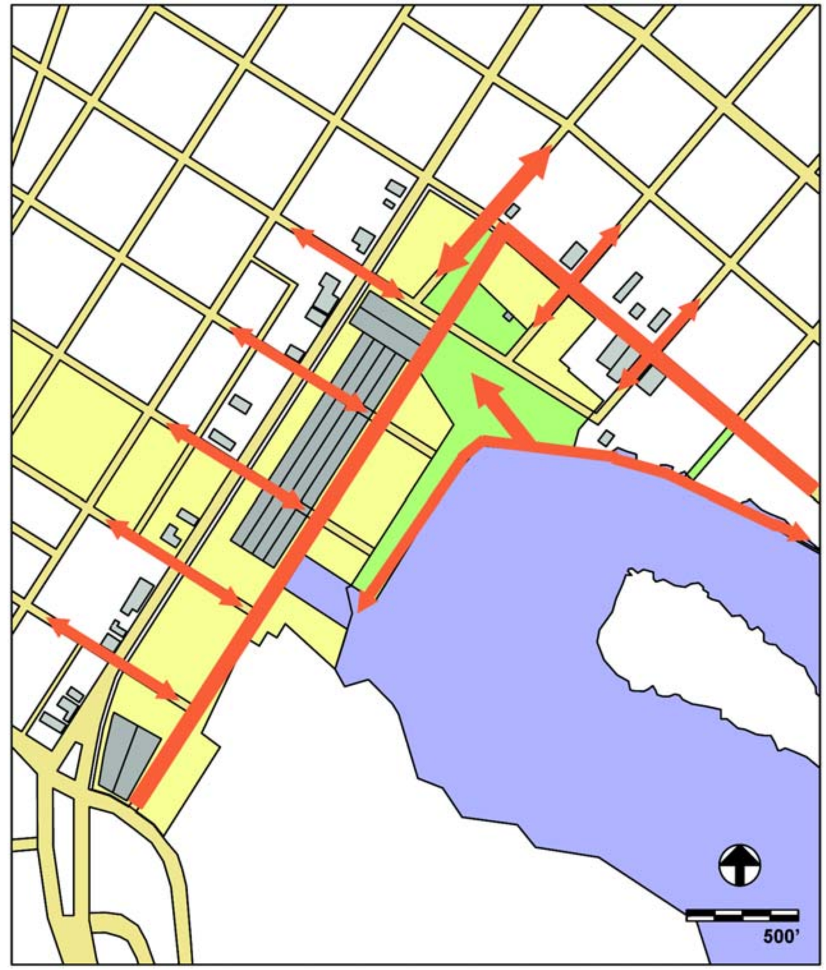


Figure 7-11: Design Sketch 2 - connecting/opening site.

manipulating it, while also exploring the idea of bringing more water into the site.

I returned to the drawing board and reassessed the site based on the commentary that I received from my first scheme. Figure 7-8 shows the street grid inserted into the site. This grid is very similar to that of the previous scheme, but I reworked the streets in the north-western portion of the site so that Dozier Street, the "community core," flowed directly onto the site. This gesture opened up the community uses to the steel mill site, and provided an axis to the furnace building. I also eliminated the road along the river and ended the east-west roads short of the riverfront park. Figure 7-9 highlights the open spaces as well as the potential building sites. A significant amount of additional open space was created, but enough land was kept along the

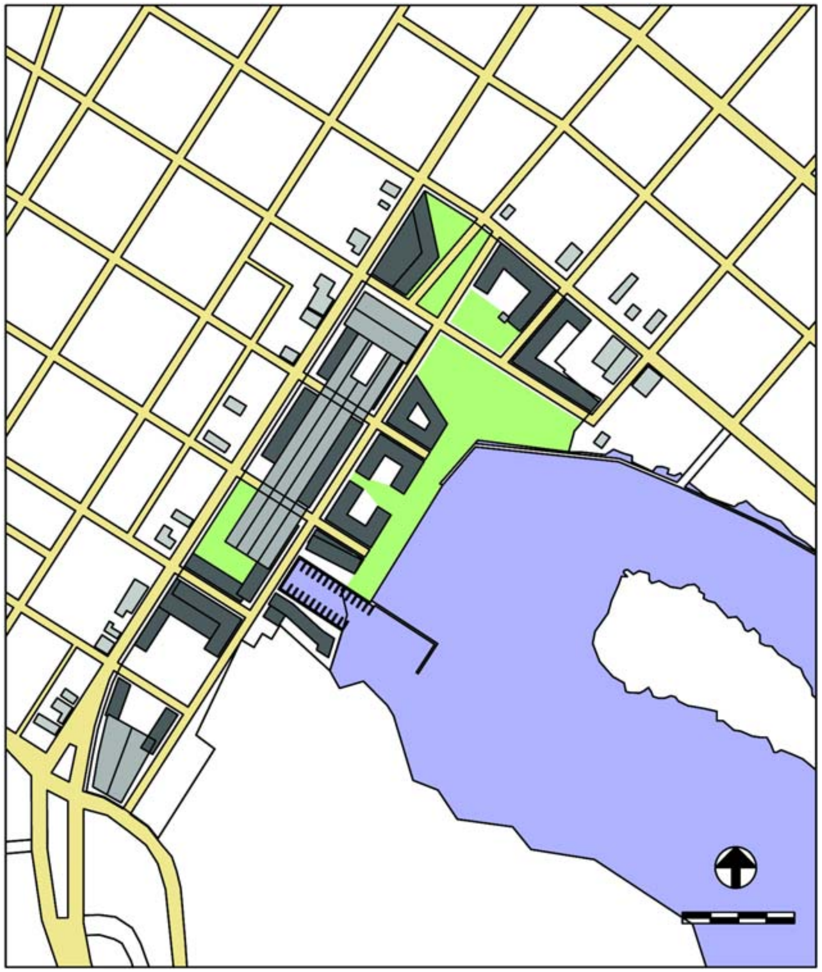


Figure 7-12: Design Sketch 2 - proposed building forms.

river to enable a row of buildings between "the shed" and the river. This drawing also shows the fact that GSC owns two and half city blocks on the other side of Highway 17, and that these parcels could also be potentially developed. Figure 7-10 shows proposed building uses that highlight the mixed-use nature of this proposal. The shopping focal point on the southwestern portion of the site was maintained, but housing was integrated into this part of the site. A large garage was also sited on one of the interior blocks under a portion of "the shed." Housing also worked its way into "the shed," but large parts of it are maintained for commercial, community, and open space use. Figure 7-11 is a diagram noting the importance of connectivity and drawing people to the site. The ultimate goal is a seamless transition from the mill site to the abutting neighborhoods, but also creating amenities that will draw people to the site. Finally, Figure 7-12 shows building forms placed within the previous guidelines. This scheme opens up Front Street to the river via a network of open space, and also provides direct access to the furnace building from Front Street, Highway 17, and the river. It celebrates the industrial infrastructure by maintaining the GSC tower in a prominent location, and utilizing "the shed" for various uses. A series of buildings were also created along the river to capitalize on the value of these parcels. A large open space was created along Highway 17 in order to connect the site with the GSC blocks on the other side of 17.

As a result of this scheme, several questions were reinforced, while new ideas also surfaced. I was urged to study bringing more water onto the site, or essentially creating a protected harbor, and whether or not any building should occur between "the shed" and the river. This idea was taken a step further, as all of the streets east of the main north-south road were questioned. The reasoning behind this was two-fold in that the integrity of "the shed" could be maintained and celebrated without buildings blocking it, and that the sites closer to the water would be more susceptible to flooding and storm surges. It was also proposed that I should focus on "the shed," and by successfully exploiting this amenity, I could let the rest of the site fill out. In other words, the scheme had developed to a point where "the shed" and its ability to serve as a new prototypical development should be the focus. It was noted that this strong linear axis could create a unique identity for the site, or a built form that could serve as a significant beacon. There were also comments that "the shed" alone would probably provide more square feet than the market could absorb for the next several years ("the shed" alone constitutes 300,000 square feet of covered space). Therefore, "the shed," and the peripheral uses at each end of it could serve to activate and enliven the mill site, while much of the site could remain open for recreational use.

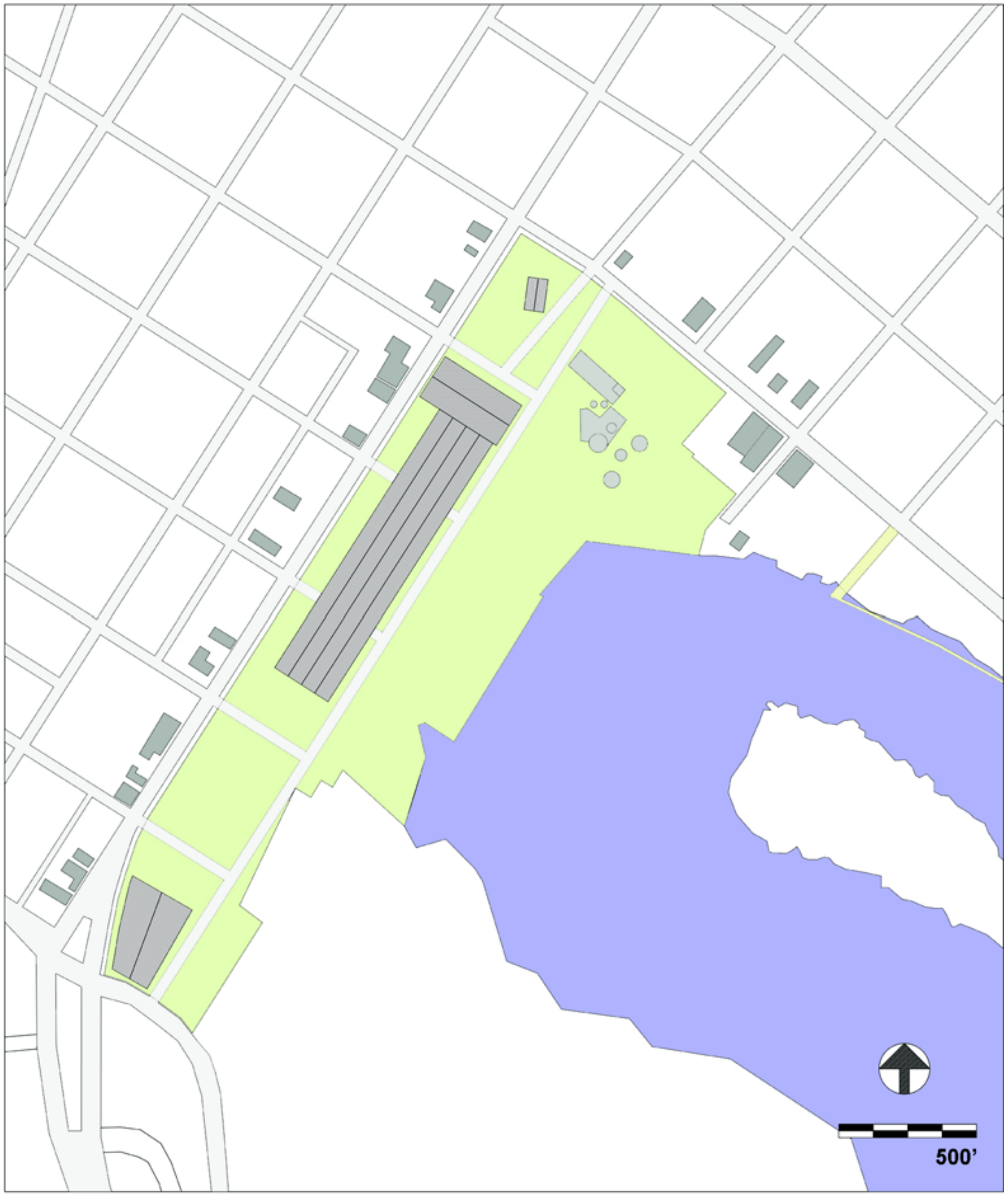


Figure 7-13: Design Sketch Final - street grid & existing infrastructure maintained.

The final design imagination eliminates all of the streets east of the main north-south road, and maintains the majority of the industrial equipment in the former production area, including the GSC tower. It also maintains an original GSC building in the southwest corner of the site, "the shed," the furnace building, and a building in the northwest corner of the site (Figure 7-13). Another significant feature that was added was an enlarged marina that creates a basin between the shed and the Sampit River. A wealth of open space has been created, with the majority of building occurring on a parcel along Front Street and on the linear axis created by "the shed."

The furnace building, the most massive of the existing industrial buildings, serves as a beacon for the site, and contains two important uses. This building has been opened to Highway 17, Front Street, and the Sampit River, and has been sliced in order to create homes for the interpretative center and educational center. Each user has the ability to adaptively reuse large amounts of space within this warehouse, giving them the flexibility to grow and adapt. The axis from Dozier Street that sliced the furnace building in half, also slices through "the shed" and creates multiple building sites. "The shed" has been maintained, but parts of it have been removed, peeled away, or incorporated into new buildings. While it is very large and could be constrictive, it also creates a template for new building and provides a unique backdrop and form to work with. It also is functional in many circumstances by providing cover, while it also pays homage to the site's storied past. Other than the interpretative center and the educational center, "the shed" contains housing on the upper floors and a mix of retail, commercial, and parking on the ground level. While this compilation of buildings contains a large part of the program and square feet of the project, two other areas also provide important program and purpose.

The southwest portion is a retail area in which larger footprints have been created to cater to bigger box retailers. As a result of its location at the base of the Highway 17 bridge that crosses the Sampit River, and the fact that it is land locked, this area lends itself nicely to providing an urban shopping plaza. It has been programmed with surface parking, but buildings have been built to the street to create a more urbane experience. Many of the buildings also have residences or commercial uses on the upper floors. While larger retailers can be a nuisance to a neighborhood, they also provide an amenity that is highly sought after. Therefore, these uses have been sited in sensitive manner, and are in proximity so residences can walk to them from their homes.

On the opposite end of the site, the northeastern corner, a series of buildings have been planned that provide an urban streetscape for Front Street, while also responding to the industrial equipment sited between Front Street and the Sampit River. These buildings are intended to activate Front Street between downtown and Highway 17 with retail and commercial uses on the first floor. The upper floors could contain housing as well as offices. The buildings respond to the industrial equipment, such as the GSC tower, by providing axes and programmed open space around the equipment. The equipment has been maintained as an industrial park that will serve as an educational tool as well as sculptural landscape element. Depending on remediation, it is intended that the equipment could be as interactive as possible, or that it could programmed for different uses.

While the industrial park passively rests in the park, a community green has been created between it and the downtown area. Easily accessed from Harborwalk, this green is intended to provide a venue for outdoor concerts and festivals. It has the manufacturing equipment as a back drop as well as the river, providing a dynamic environment for events. Another large green has been maintained in front of the furnace building that could also serve as an active recreation area or as a passive park. It is the

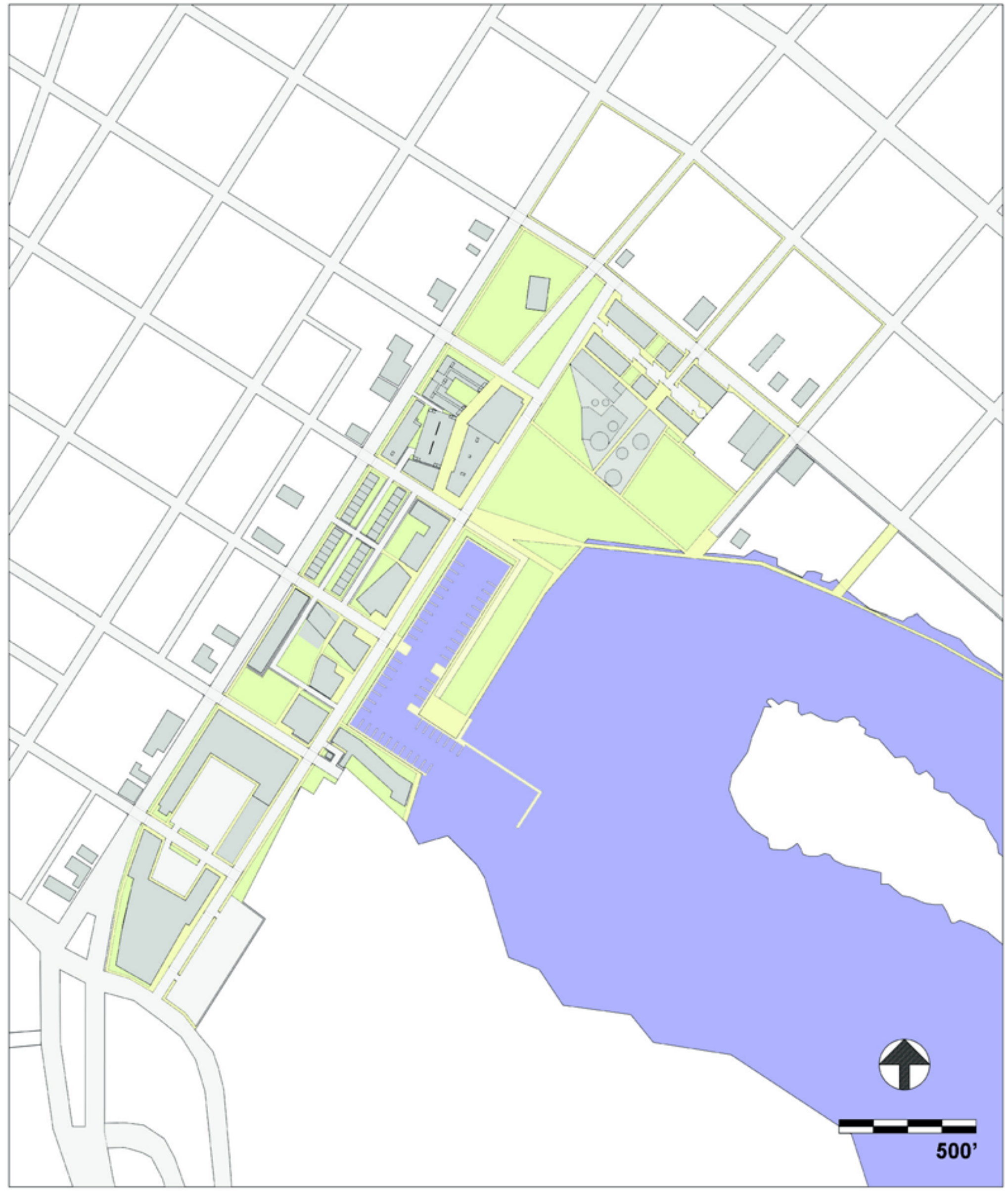


Figure 7-14: Design Sketch Final - ground floor plan.

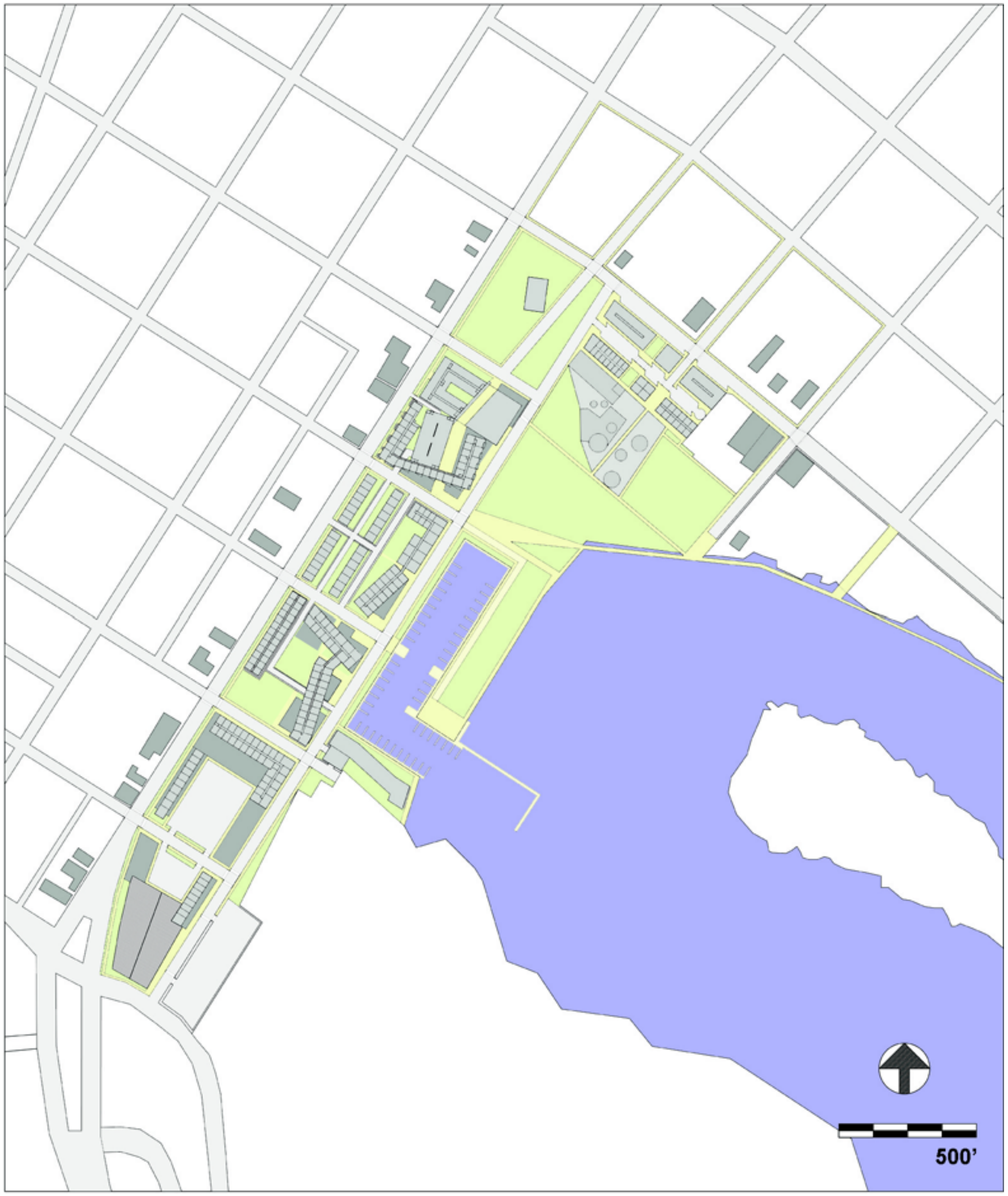


Figure 7-15: Design Sketch Final - typical upper floor plan.

front yard of the interpretative center and “the shed,” and provides a vista for the Sampit River. A peninsula has been created by the new marina that initially creates more open space. This space has been designed so that it could contain residential buildings in the future, but because of its location between “the shed” and the river, it is intended that this site should be studied further once the project has been built up. Similarly, the block at the corner of Front Street and Highway 17 should also be studied further because of its important location.

The three blocks that contain “the shed” are planned to have retail, offices, a community center, and residences. Several types of buildings have been proposed that could provide a diverse range of commercial and housing opportunities. High end apartments and lofts have been sited on the river-side of “the shed,” while a village of townhouses is proposed for an interior portion. A mixture of housing types is spread throughout the development, with system of open spaces linking the buildings. The paths and parks act as the link to the ground as “the shed” acts as an umbrella above. “The shed” is literally an umbrella above the community center’s recreational fields, as outdoor and indoor spaces have been created. The community center also serves as a link to neighborhoods across Highway 17 as it intends to attract a large audience from outside of the GSC site.

The project also contains two parking decks, one of which serves the dense block that contains the interpretative and education center. Each of these decks is sited in interior sections of blocks to minimize their disruption to street life. Otherwise, all of the major streets have been designed so that street parking can occur. Alleyways and secondary streets have also been planned which create finer grain parcels and allows for access to building sites. The buildings constructed within “the shed” have been planned so that the ground floor contains flexible space that can either serve as retail, office, or residential.

It has a floor to floor height of fifteen feet to allow for alternate uses. This flexibility allows for uses to interchange as demand changes. Therefore, with a large potential retiree population, services and amenities which cater towards this group could fill these spaces. If the demographic changes, however, the space could easily be retrofitted for new uses. This flexibility lends itself to the wide range of housing options; therefore the intended outcome is not for one demographic group to dominate, but for a diversity of groups to coexist. The ground floor also provides parking areas for the residences above. The parking areas are embedded within the block, while the street frontage has been programmed for active uses. As a result, this scheme provides over 200,000 square feet of built space for community users, over 300,000 square feet of commercial/retail space, enough residential square feet for over 1,000 units, a hotel, and a network of passive and active open spaces. The overarching industrial aesthetic is meant to provide an edgy urban feel, with spaces being carved out as well as filled in. The buildings are intended to be eclectic and provide an alternative option for living, playing, working, and learning. Tourists, students, residents, and citizens should find inspiring, comfortable, and functional spaces, and plethora of uses to satisfy their demands. It is to be an experiential environment providing a small-town urban opportunity.

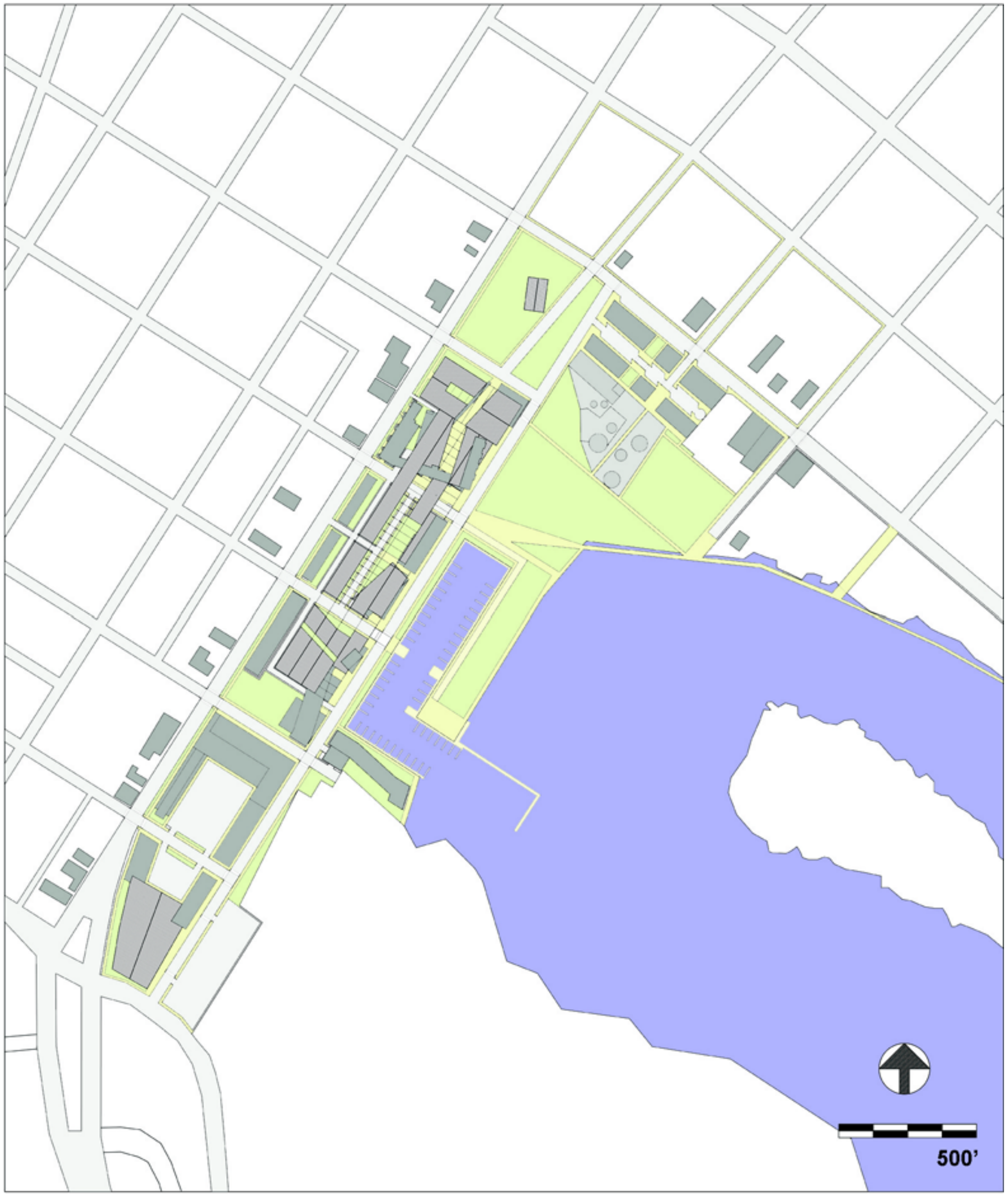


Figure 7-16: Design Sketch Final - roof plan.

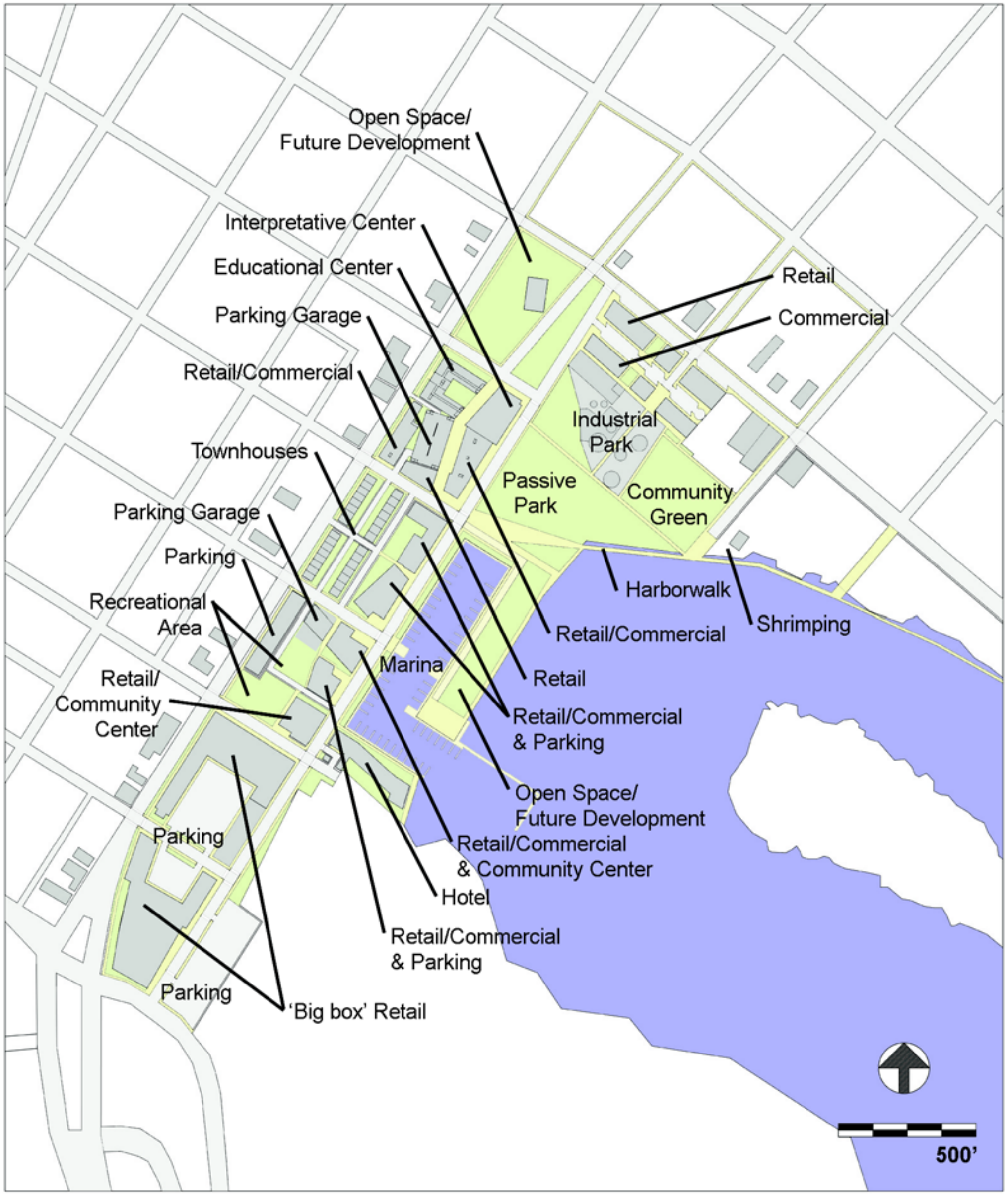


Figure 7-17: Design Sketch Final - ground floor uses.

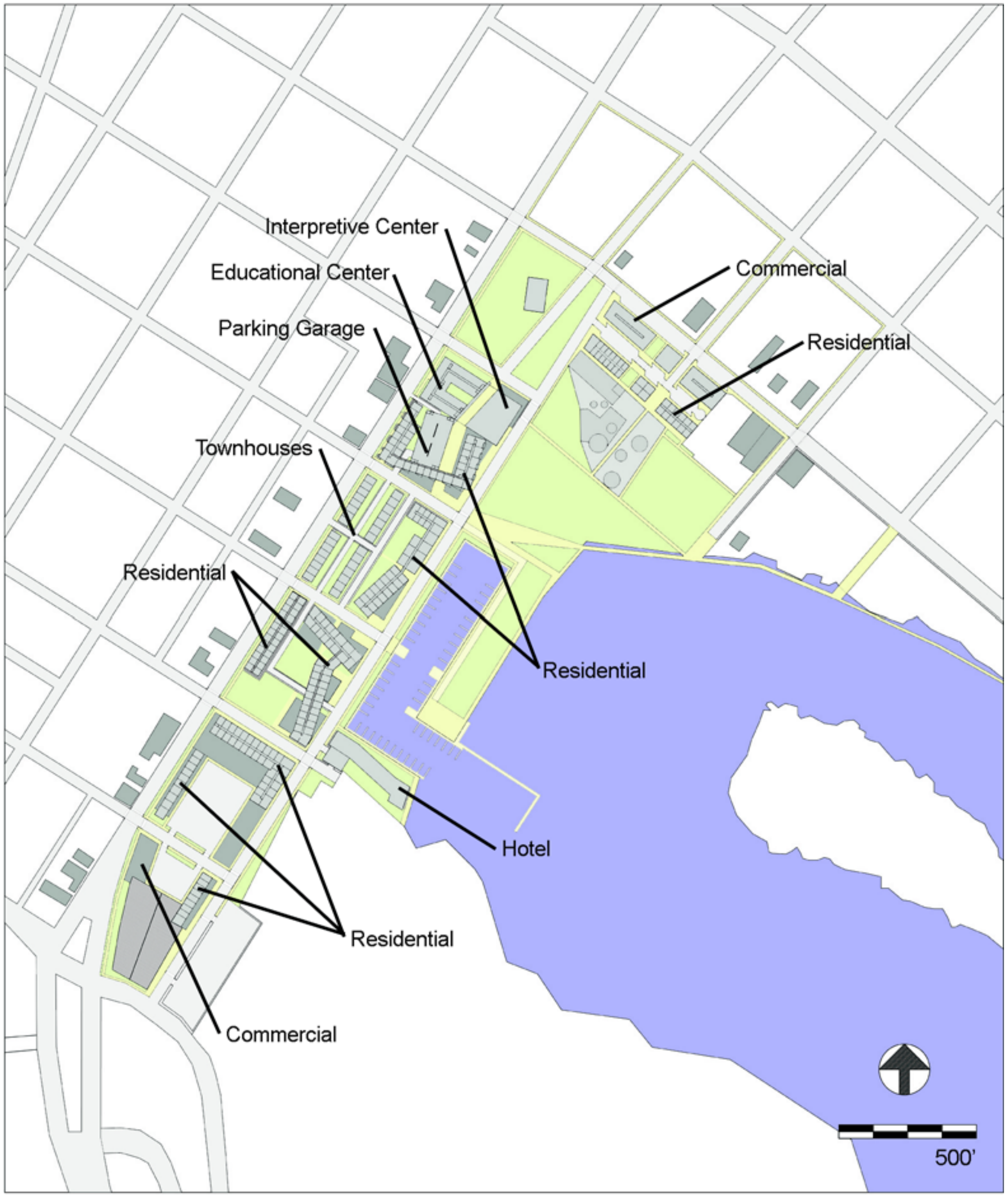


Figure 7-18: Design Sketch Final - upper floor uses.

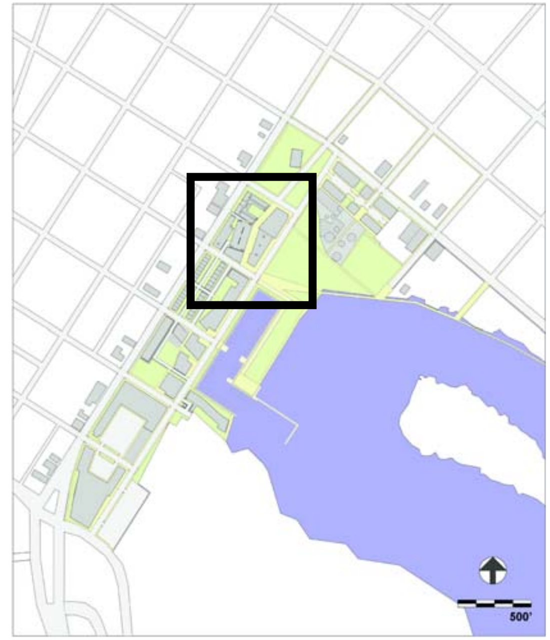
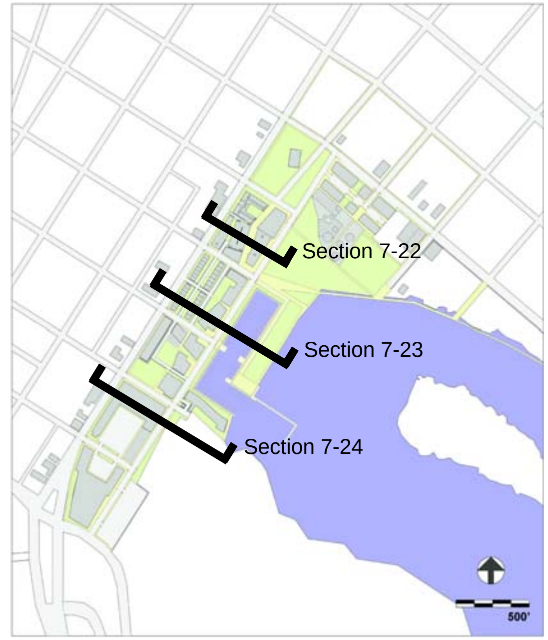


Figure 7-19: Design Sketch Final - detail, ground floor. Detail location shown upper right corner.

Figure 7-20: Design Sketch Final - detail, upper floor.

Figure 7-21: Design Sketch Final - detail, roof plan. Section 7-22 cut shown.



Section cuts shown above.

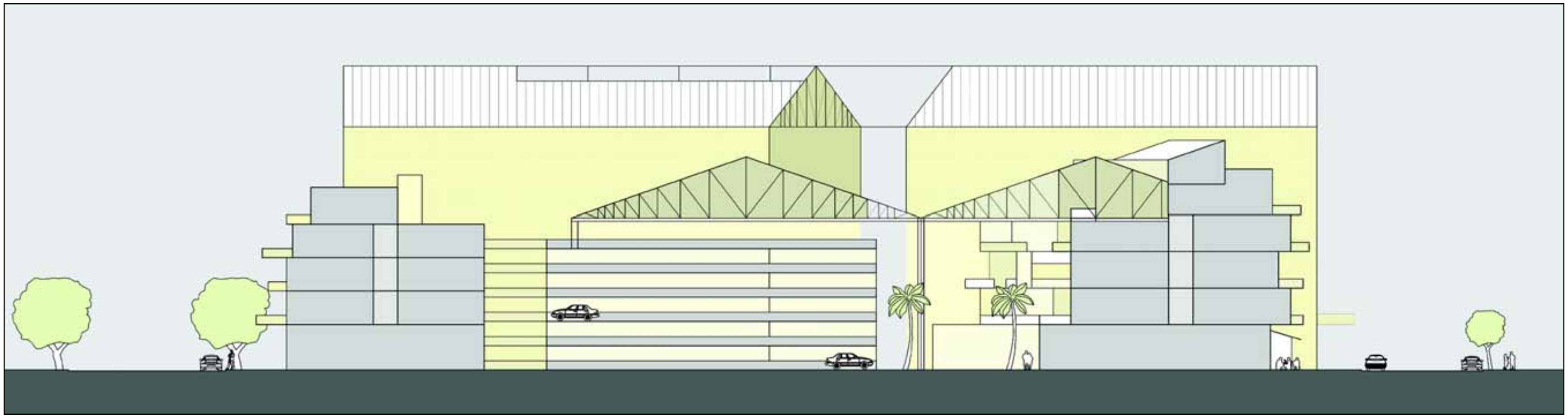


Figure 7-22: Design Sketch Final - section. First floor is designed to be flexible for commercial, retial, residential, or parking. “The shed” has been carved away to create new open spaces and paths. The upper floors contain residences. The massing is consistent with the existing warehouse buildings, but can fluctuate with demand.

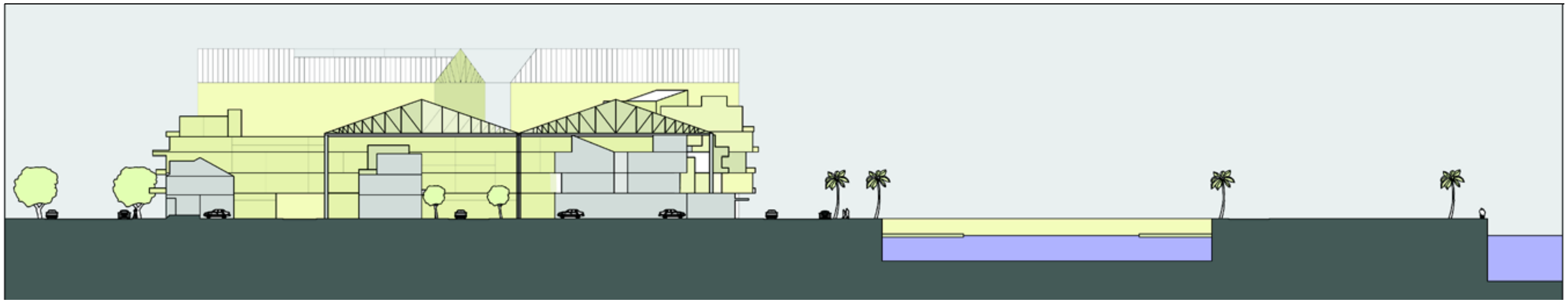
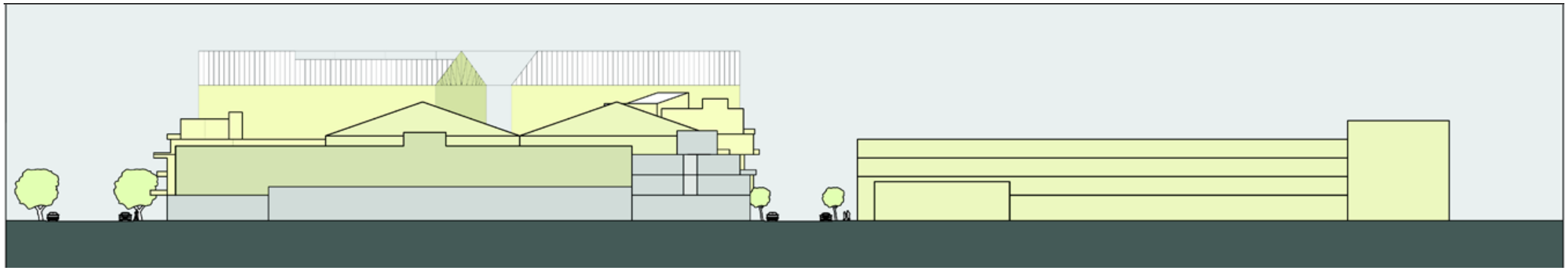


Figure 7-23: Design Sketch Final - section (above). Through townhouses on left and marina and Sampit River on right.

Figure 7-24: Design Sketch Final - section (below). Through big box retail on southwest portion of site, hotel in background on right. Note housing above retail.



Feasibility/Structuring the Deal

The redevelopment of the Georgetown Steel site presents extremely challenging design problem and financing issues. Georgetown's market is not one that could currently pay for a major redevelopment on the mill site. Market rents and sale prices are very low compared to other areas immediately surrounding Georgetown. Therefore, with construction costs essentially constant, there is no incentive to develop in such a depressed market. The differentiation, however, is the fact that the steel mill site does have multiple amenities and that it is a large track of land embedded within a city. There is also the ability to tap into financing mechanisms that other sites might not be able to take advantage of, and the ability to create a new market that could create a demand to sustain development.

As a result of the site being classified as a brownfiled, it is eligible for state and federal funds/loans to pay for its remediation. This can potentially offset a large upfront capital cost, and protect the landowner from future claims. Another financing mechanism that could be extremely beneficial to this site is tax increment financing. Tax increment financing captures future tax revenues to pay for upfront development costs. Bonds are sold and the funds generated pay for capital costs such as roads, utilities, and open space. The taxes that are then created from the new development pay down the bonds. Ultimately, the bonds are paid off and the municipality reaps the benefit of the increased tax revenue from the new use on the site. Sites such as the steel mill are very appropriate for this type of financing because their upfront capital costs are extremely high and many of the amenities created will be for public use. Therefore, the goal with the steel mill site would be that a redevelopment project would generate more revenues for the city than the steel mill. In fiscal year 2002, the steel mill paid $510,000 in taxes to the City of Georgetown. To generate this amount of property taxes from a redevelopment, roughly $57,000,000 in taxable real estate would need to be created. This is based on the current millage rate of 9 in the city, or $9 per $1,000.[2] $57,000,000 in real estate could constitute roughly 317 market rate condominiums appraised at $150 per square foot (the amount that the Harborwalk Villas recently sold for as noted in the Market Analysis chapter). The mill site is slightly over 50 acres, therefore, a condominium development built at this density would be 6.33 units to the acre, not very dense in terms of urban development. If tax increment financing were utilized, however, this tax revenue would not reach the city until all of the bonds were paid off. This presents an obstacle for a cash strapped city in need of immediate tax dollars, but it would also more than likely guarantee them a significantly increased stream of revenue once the bonds are retired. For example, using the same numbers as above, a multi-family development containing 20 units per acre could provide the city with $1,620,000 per year in tax revenue. It would be short-sighted, however, to fail to note the increased services that a housing development would require as opposed to an industrial user. Therefore, the increase in revenue might not be extreme as it seems, but the tax base is significantly increased and the end user is not a polluting steel mill.

If tax increment financing were used, let us consider the upfront costs that it would take to make the steel mill site developable (it would not be feasible to privately finance the public amenities that I feel are necessary for the project to be beneficial to the community). I am going take into account a number of the considerations that I noted "in order to maximize the potential of the site" in this chapter's Design Ideas section. First and foremost would be remediation and demolition. The Georgetown Steel Company would be liable for some of the clean-up, but it is unclear what financial shape they might be in to finance this clean-up. As was noted in the Design Imagination section, I would like to maintain traces of the steel mill, therefore, money would need to be spent to demolish some of the structures and maintain others. Harborwalk would need to be extended to the site and a street grid inserted. Street improvements would also need to be made to Highway 17 and to Front Street. Finally, a network of open spaces would need to be constructed that would provide public amenities to the citizen's of Georgetown as well as create building sites on the property. I am estimating that all of these improvements would cost approximately $30,000,000 (Table 7-3). This number could be feasible based on the study above in which we determined that building 20 units to the acre could result in $1,620,000 per year in tax revenue.

In order to utilize tax increment financing, a public/private partnership would need to be created to manage the development of the mill. It would be advisable for a master developer to lead this effort, therefore, they would first need to get control of the land. In early May of 2004, it was announced that the International Steel Group (ISG) had made a $16 million “stalking horse” bid for the mill. A “stalking horse” bid means that the bankruptcy court had agreed to sell the mill for a low bid of $16 million, but that others could make a higher offer and get into a potential bidding war with ISG.[3] It is still unclear if this bid includes complete control of the land under the mill, or if Mid-Coast Industries (or Daniel Thorne’s company) is leasing the land back to the Georgetown Steel Company. Regardless, this bid has established a minimum price for the mill. The State of South Carolina, on the other hand, valued the land that the mill sits on at $19.36 million in 2003.[4] Therefore, if a developer were to bid on the property, they would have to enter the bidding process and assess a net present value to the mill site. I am going to assume that the master developer could enter into a public/private partnership and utilize tax increment financing to cover the upfront capital costs aforementioned.

It is extremely difficult to assess a net present value for the site because of the current market conditions in Georgetown. Utilizing comparable data in Georgetown, market rate residential rentals could generate $10 per square foot, while market rate condominium sales could generate $150 per square foot. These numbers are significantly lower than the prices would need to be in order to sustain a large scale redevelopment. In order to compete, however, if a certain demand was created that could quickly drive prices up, the development might be able to succeed. Significant public improvements funded by tax increment financing, coupled with the educational center and interpretive center that were mentioned earlier, could begin to establish a baseline for attracting people to Georgetown. Therefore, prices could initially be deeply discounted compared to other options in the marketplace (or maintained at current market rates in Georgetown), and then rise sharply once critical mass is accomplished. With this in mind, the master developer would need to be well capitalized and have a sophisticated phasing plan in order to maximize the project’s potential. If tax increment financing were implemented and significant dollars were used to pay for public amenities, a developer could compete with ISG and outbid them for the site. It difficult to put an exact number on it, but a developer could be willing to pay in the $25 million range. This assumes a mixed-use development in which roughly 70% is residential (with 15% of the units being categorized as affordable), 10% is commercial/retail, 10% is dedicated retail, and 10% is hotel. The civic uses such as the community center, interpretative center, educational center, and marina are not included in this analysis, as it is assumed that they would be financed outside of the master development (the developer could contribute or sell land for these uses, and assume that their presence will constitute part of the critical mass that will contribute to increased prices). Construction costs could initially be in the $100 per square foot range, while sale prices could be in the $150 per square foot range and rental prices $10 per square foot. These numbers represent market rates for newly constructed high-end residential units in Georgetown, and market rates were also used for the retail, commercial, and hotel space. While these amounts are market in Georgetown, they are depressed as compared to areas outside of the city. As was noted in the Market Analysis chapter, beachfront condominiums in Myrtle Beach are selling for $250 per square foot (with an over supply). The project is deemed feasible because the price increases outpace the cost increases, and by year five, halfway through the life of the project, the development is priced on par with market comparables outside of Georgetown (or 15% less than beachfront on Myrtle Beach). Therefore, the prices are discounted, but steeply rise with demand, allowing the upside to be captured, but ultimately they grow consistent with market forecasts. This analysis is liberal in the early stages, as it utilizes steep price increases, but conservative in the long run, as prices revert back to market. If the development is successful in driving up market prices in Georgetown to levels comparable with those on the Waccamaw Neck, and the market actually places a premium on the

Upfront Capital Costs

	estimated cost
Remediation/Demolition	$5,000,000
Roads/Road Improvements	$8,000,000
Harborwalk Extension	$4,920,000
Network of Open Space	$12,000,000
Total	**$29,920,000**

Table 7-3.

Additional Capital Costs

	estimated cost
Parking Structures	$11,000,000
Public spaces around buildings	$8,000,000
Community buildings/land	$7,000,000
Management/maintenance/upkeep	$4,000,000
Total	**$30,000,000**

Table 7-4.

uniqueness of the development, there could even be a further upside. This could be captured with more price increases, or the addition of more square footage in later phases of the master plan.

In this analysis, the interest rates and fees were consistent with comparable projects. I also capitalized the income stream at 10% (or a cap rate of 10%). It should be noted that a retail building on Front Street with the potential for second floor residential units recently sold at cap rate in the 12-13% range. The retail lease was generating $55,000 per year and had 3 years remaining on it. A 12-13% cap rate represents the risky nature of this income stream and the risk associated with a property sited in the shaky Georgetown market. Cap rates in high growth areas on the Waccamaw Neck, however, are in the 7-8% range.[5] Therefore, my cap rate falls somewhere in the middle, representing the risk associated with Georgetown and a mixed-use prototype, but anticipating a new market demand.

I have determined that redeveloping the steel mill could be feasible with adequate phasing, price escalations, and the creation of market demand. Let me take this one step further and begin to explain how the imaginations that I presented earlier in this chapter could come to fruition. The first assumption that I am going to make is that a small-town, urban, mixed-use alternative could create demand. This market would take time to mature, but would ultimately generate a new market that could effectively compete with other comparables. The primary audience for this development would be people in-migrating to South Carolina, particularly those looking for retirement options. Every indicator points to the fact that this demographic group is coming and that many of them will seek multi-family housing in small town environments. They will also bring far greater spending power than the existing citizens of South Carolina. Therefore, a development such as the one that I discussed in the Design Imagination section could create a market to sustain development on the mill site.

If a $25 million bid was successful, several aspects would need to be in place in order to successfully develop the mill. First, would be the master developer's ability to use tax increment financing to make site improvements. They could attempt to maximize their bonding ability, and ascertain enough funds to make significant improvements to the site. Earlier, I placed this value in the $30 million range. I feel that $30 million represents the minimum that would need to be spent to create a developable site. Therefore, the master developer could potentially double this number in order to provide money to make further improvements as well as provide land and/or financing for many of the public amenities that I am envisioning. These funds could allow for design innovation to occur by providing an additional pool of money that would not ordinarily exist in a privately financed project. As a result, the master developer could finance these additional expenditures using cheaper money, and hope that the amenities will increase the overall value of the land (Figure 7-25). Ultimately, the increased land value could be recouped when parcels are sold, with the master developer benefiting from the deal that they structured. I feel that $60 million is a realistic number taking into consideration the potential value that will be created on the mill site (Table 7-4).

Once tax increment financing is deemed appropriate, the master developer could embark on a master plan such as the one that I described in the Design Imagination section. The goal could be to take this master plan through the regulatory processes and get approvals on the building sites and open spaces that are to be created. It would be important to seek a certain amount of flexibility so that the development could respond to market conditions, but the overall layout of the site and the majority of uses could be static. The tax increment financing would then kick in and begin financing site improvements. Individual sites would then be developed based on the master plan. In order to maximize the land value, the funds generated from the tax increment financing could pay for the majority of the public spaces as well as maintain those spaces. This would be a cheaper way to create these spaces, and it would give the master developer quality control over their design and construction. As a result, this would leave pads that then could either be sold to another party or developed by a partnership of the master developer. The tax increment financing could also support the design and construction of the community center, educational center, and interpretive center, but it should only do so in securing that these projects will get built. The community center and interpretative center could be provided land and seed money, but they would need to draw off of other funding sources, potentially public sources or contributions, and create a business model that could sustain their building and operational needs. The educational center would also be provided land, but the intent would be that it is operated by an established university as a branch campus that would be responsible for its building and operational needs. The marina would also be outside of the scope of the master developer, but either tax increment financing money or public money could be used to jump start this project. The master developer could sell or contribute land to another party to develop the marina, or they could elect to develop it themselves. The marina could be cost prohibitive; therefore, it has been designed as an additional amenity for the project, but not a necessity. Running some very rough numbers, however, it appears that the marina could be a viable development opportunity. If constructed, it would add an additional amenity to the project and provide another potential revenue stream. Finally, the tax increment financing could also pay to construct two parking garages that would be used by the development (the garages would assess fees, but they would not be self-sustaining until the project stabilizes). It would also be advisable for the master developer to create a self-taxing mechanism (similar to a business improvement district) in which funds generated from buildings on the site could provide for maintenance and upkeep of the public spaces. This would be separate from property taxes that would pay down the bonds from tax increment financing. Once the tax base is solidified and the bonds are paid off, these services could be provided by the city. After all the above noted improvements are implemented, the housing, commercial, and retail needs could fill in the site and provide a vibrant mixed-use community.

The $25 million bid that was proposed earlier is the result of using the final master plan that was presented in the Design Ideas section. Many of the financial details have already been highlighted above, but I wanted to point out a couple of additional facts (Table 7-5). Consistent with my intent for this project to welcome all citizens regardless of financial resources, 15% of the residential units have been priced below market. Of these, 60% have been priced at 80% of area mean income, while the other 40% have been priced at 60% of area median income. Similarly, the master plan calls for residential units of varying sizes and ownership structures. The first floor in almost all of the buildings has been designed as a flexible space that can accom-

Figure 7-25: Site improvements made by tax increment financing, 'private' building sites shown in white.

Net Present Value of Master Plan*

Assumptions	rent/sq.feet	square feet	percentage
Total Square feet	na	1,462,600	100%
Residential (15% affordable at reduced rent)	$10	1,014,300	69%
Dedicated Retail	$8	176,400	12%
Office/Retail	$10	139,600	10%
Hotel	$75/night	132,300	9%
Costs	per sq. foot	total	soft costs
Constuction Costs	$85-115	$147,500,000	$19,540,000
Total Costs			$167,040,000
Evenly phased over 10 years			
Rents increase 10% per year in years 1-6, 2.5% in years 6-15			
Expenses/construction costs increase 3% per year			
Developer fee: 5%, Annual return on equity: 15%, Cap rate: 10%			
Net Present Value			**$25,000,000**

** does not include public improvements or 200,000 square feet of community buildings*

Table 7-5.

modate garage parking, retail, commercial, or residential space. While 12% of the overall space is dedicated retail, another 10% is flexible space that occurs on the first floor of many of the buildings (a significant amount of this space is also parking which is not included in the percentage totals). I feel that my $25 million net present value takes into account an aggressive appreciation of prices, but a liberal overall build-out. The floor area ratio (FAR) is barely approaching .75, primarily as a result of the generous open spaces, and several sites have been land banked which could provide flexibility in future phases. These sites have not been included in the net present value analysis because I did not want to inflate the acquisition cost since these sites might not be developed into market rate properties. It would also be advisable to leave some flexibility in increasing the overall square footage of the project if prices do appreciate significantly. With the current market prices in Georgetown, it is not profitable to develop these types of buildings, but once prices rise to levels consistent with those on the Waccamaw Neck, it does become profitable and significant money can be made.

One issue, however, is the question of when/if the in-migration market will reach Georgetown. It is very likely that the steel mill could reopen in the fall, even if this is not in the best interest of the city. It is interesting, however, to explore how it might be possible to option the mill. It is evident that if the mill reopens that it will hamper Georgetown's ability to fully capture the in-migration/tourism market. Currently, however, the city desperately needs the economic output that the mill provides. Therefore, if the city needs the mill, and the in-migration market has not reached Georgetown, is there a way in which the mill could reopen with options for its conversion? This might solve some of the short-term problems facing the city, while also giving them the ability to effectively plan for future development. As a result, someone could buy the option to operate the mill, and if certain benchmarks were not met or if a timeline is set, then at some point in time the mill could revert to another entity that bought the option to redevelop the site. This is extremely complex and risky, but with adequate hedging and agreeable price points, there could be the potential to option the mill in order to maximize each industry's effect on Georgetown. Therefore, a compromise could be made and suitable options could be developed for the city.

Phasing

The project has been scheduled to be phased over a ten year time horizon. Once tax increment financing is in place, site improvements would be made and the anchors would be encouraged to sign-on and commence their projects. The anchors would be the educational center, the interpretative center, and an initial big box retailer. Housing would follow immediately. The buildings along Front Street could be fast tracked in order to capture activity that is already occurring along this stretch of road, as well as provide for an extremely visible first phase. These buildings could particularly be marketed to the retiree market with housing, retail, and commercial services tapping into this demographic. It would serve as an urban alternative and initially draw its strength from the infrastructure that already exists along Front Street. A big box retailer, potentially a grocery store, could also come on-line early in the project and establish a presence on the opposite side of the site. The community uses would then fill in the middle portion of the site, while the parks and streets would also be developed. As demand is created, projects could then organically start to grow from building sites along "the shed." The parking garages could be constructed and the community center. As a result of demand, the marina could also be constructed. The phasing anticipates discounted pricing until a critical mass has been achieved, at which time prices and supply could accelerate. Roughly one hundred units could be released per year over the ten year time horizon. As a result of the funds from tax increment financing, the phasing would take into consideration the fact that significant site improvements could be made before much of the building commences. It will, however, be critical that the interpretative and educational centers get off of the ground because they will attract a large number of people. The educational center would be of the utmost importance because the project's demarcation as an environment for learning is critical to its success. The small-town urban educational campus should be the strongest driver and attract a diverse slate of existing residents and newcomers. Therefore, the master developer would need to do everything in their ability to partner with these entities to get their project off and running. Once project establishes itself in the marketplace as a viable alternative, the master developer would have to assess the supply and demand and make decisions based on future density and use. Therefore, a strong start could lead to a tremendous upside in later phases, but strategic planning between the developer and the community would have to steward these opportunities.

Figure 7-26: Phasing - initial phases in southwest, northeast, and furnace building, create critical mass and grow out.

This chapter has made many assumptions and has begun to explore design ideas and the feasibility of redeveloping the steel mill. With some creative structuring and financing, it is evident that redevelopment is a viable option. While I have used my master plan as a base case, this plan contains a tremendous amount of public space and programmed amenities for citizens and visitors of Georgetown. Therefore, as a base case, I would assume that this proposal is fairly liberal in offering a multitude of opportunities while tapping into available public resources. In order for the site to serve the community while also creating a demand for outsiders, an innovative approach such as this should be explored. In order for the project succeed, prices will need to rise, and this could occur if the project captures the imagination of the marketplace. With this design imagination chapter as the foundation, the community can begin to explore the future potential of the site and once again see the mill as a beacon of hope.

This beacon could be accomplished literally and figuratively. A new project rising on the existing steel mill site that provides opportunities for the Georgetown's citizens by exerting a new development prototype could be a literal reminder of the city's potential. A figurative reminder could be utilizing traces of the existing steel mill to provide a dynamic template for redevelopment while paying homage to the city's rich industrial past. A mixed-use development that explores reusing the industrial infrastructure could be a challenging and costly venture, but it could provide a unique prototype that differentiates itself from other projects in marketplace. It could also serve as a viable alternative to other municipalities throughout the southeast that have abandoned mills that could be redeveloped. The conversion value of newer mills such as Georgetown's might not be as apparent as those masonry buildings of a generation past, and while most of those buildings were also slated to be demolished, a critical component of the south's history should not be discounted without study. As a result, the reuse of these buildings might not be a burden, but sustain a memory and provide a dynamic aesthetic for future generations.

Notes:

[1] Bestler, Bob. "Ultimately, mill closing offers hope." The Sun New (Myrtle Beach). 26 October 2003.
[2] Georgetown City Council Meeting. 8 August 2003.
[3] Burch, Colin and Zane Wilson. "ISG makes offer on mill." The Sun News (Myrtle Beach). 5 May 2004.
[4] Georgetown City Council Meeting. 8 August 2003.
[5] Hucks, E.F. Telephone Interview. 13 April 2004.

Figures:

Unless noted, all figures by author.

Figure 7-3: Miller, Mark. "Personal Website." 27 April 2004: http://brian.ch.cam.ac.uk/~mark/washington/gasworks.html.

Chapter 8

Speculations

At the turn of the twentieth-century, many southern towns that were still reeling from the effects of the Civil War were jump-started by the arrival of manufacturing. At the turn of the twenty-first-century, the majority of these manufacturers had run their course and were either going out of business or relocating to cheaper locations. Another economic driver, however, was on the horizon and is continuing to play a critical role in the development of these towns. Tourism has become a major force, particularly in those towns with a rich history or an abundance of natural amenities, and so has the in-migration market. Similar to the mills of one-hundred years ago, large numbers of people are moving south to take advantage of the amenities, mild weather, and cheaper cost of living. The industrial users of the twentieth-century ultimately wreaked havoc on the landscape, leaving graveyards of infrastructure and polluted sites. The effects of those relocating to the south is already being felt by suburban sprawl and the multitude of natural amenities that are being built over. Therefore, land is quickly disappearing, but at the same time a tremendous stock of former mills dot the landscape, many sited on the most precious natural resources.

While many cities and towns in the south have already lost their industrial bases, others face the uncertain future of what might happen to their mills. Municipalities such as St. Marys, Georgia and Port St. Joe, Florida had their mills close and are currently making the transition to a tourism/in-migration economy. It is too early to tell what the ramifications of this transition will be on St. Marys and Port St. Joe, but each municipality was forced to 'move-on' and it appears that they have done so quite effectively. The City of Georgetown, South Carolina, on the other hand, is caught in a precarious situation in which it has two large mills that play an integral role in its economy. Each mill has had difficulties as of recent, and one of the mills, the Georgetown Steel Company, is currently closed and in bankruptcy. The International Steel Group (ISG) has made a bid for the mill, and it appears that other steel manufacturers are also interested in buying the mill and resurrecting the production of steel in Georgetown. The manufacturing base has provided consistent and high paying jobs for Georgetown's citizens for over a century, allowing several generations to climb the economic ladder and realize the "American Dream." Therefore, as Georgetown explores its future, it is hard to see why manufacturing is not the favored economic base for the city. With few opportunities for its citizens, steel production in Georgetown is almost the only way in which many people can get back to work and get on with their lives.

Another industry, however, is looming and is slowly making its way towards Georgetown. Tourism has been on the rise in the city and the potential for people to migrate to the area for retirement, second homes, or a lifestyle change is increasingly occurring. In-migration is already a tremendous economic generator in coastal South Carolina, with some municipalities doubling their population and household incomes almost overnight, and tourism as the largest industry in the state. In many cases, these industries are slow to reach municipalities with significant manufacturing (mill towns), because of the negative attributes associated with the mills (noise, pollution, eye sores, etc.). Therefore, when industries close, immediate opportunities become available and the workforce can gradually transition from manufacturing to service based jobs. A quick and uncontrolled transition, however, can lead to dangerous growth, creating an economy of those being served and those serving (as well as damage the natural amenities that make these areas special). The result can involve wealthier residents moving to the area being served by the existing citizens. Many mill towns in the south are already facing complex racial and socioeconomic divisions; therefore, another layer of economic division could quickly deteriorate conditions. With foresight and planning, however, these transitions might not be so radical as to cause significant hardship to the municipalities and their citizens.

Georgetown and other southern towns that have been forced, or might be forced to make the transition from manufacturing to in-migration, should have a plan of action so they can make decisions that are in the best interest of their community. The market has determined that many people will seek out cities such Georgetown for retirement or relocation; therefore, it is important that the city not only respond to this demographic shift, but make a concerted effort to take advantage of it. As manufacturing jobs are disappearing, other jobs should be arriving. And while many of them could be deemed subservient positions, a new industry will grow around the needs of retirees and the wealthier newcomers, with a lot of these jobs demanding highly paid professionals. There will also be a plethora of entrepreneurial opportunities for those willing to be retrained or reeducated. As a result, the availability of educational opportunities is critical for these transitioning economies. Municipalities such as Georgetown are being presented with significant opportunities and have the ability to chart a new course to take advantage of the changing economic landscape. Therefore, this thesis presents the opportunities/risks associated with such a transition and navigates these issues to speculate on what could provide social and economic prosperity for the city.

At the turn of the twentieth-century, there had to be serious reservations about the manufacturing base that began to arrive in the south and replace the agrarian economy. Similarly, many municipalities have been slow to respond to the in-migration market, and, as a result, the market has been making decisions for them. Growth is strangling the communities that did not plan effectively and anticipate the significance of this industry. Mill towns, however, have not necessarily been favored by in-migrants, but are now in a position in which they can plan for future growth and work with their citizens to make this growth opportunistic for the community. It is questionable if reverting back to manufacturing will provide solid growth opportunities, and it might simply be a short-term band-aid, but there will be an opportunity to reap the rewards of the tourism/in-migration market which could provide long-term solutions. Therefore, cities like Georgetown that have large tracts of land sited in strategic locations should look to exploit this market and plan ways in which it can positively assist their citizens in transitioning to a new economy. The mills of the twentieth-century extracted natural resources from the south and were detrimental to its environment. We should now explore how we can redevelop the mills that served as an economic savior to many communities so that they can rise again as a beacon of hope and economic prosperity. Whether it is the Georgetown Steel Company or other southern mills, municipalities have a responsibility to work with their communities to provide the next century of opportunities.

Figure 8-1: GSC redeveloped from the new Harborwalk.

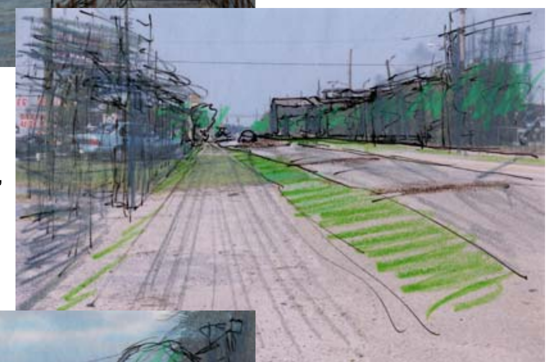


Figure 8-2: Highway 17, north, fronted by new buildings.

Figure 8-3: Highway 17, south, a 'city street.'

Figure 8-4: New buildings along an activated Front Street. 'The Tower' as a beacon of the city's past.

Chapter 9

Biographical Note

Robert L. Morgan

Robert grew up in Columbia, South Carolina and attended Clemson University, graduating in 1997 Magna Cum Laude with a Bachelor of Science in Design from the Calhoun Honors College. Robert received several academic and leadership awards while at Clemson, including the Alpha Rho Chi Medal, and also served in a number of leadership positions. While a student at Clemson, he was an active member of the American Institute of Architecture Students (AIAS) and was elected national president of the organization during his senior year. Robert moved to Washington, DC to serve his term as president from 1997-1998. During his tenure he served on the American Institute of Architects (AIA) Board of Directors and the National Architectural Accrediting Board (NAAB), as well as published articles and spoke at schools and conventions. He stayed an additional year in Washington and worked as the Marketing Coordinator for Bowie Gridley Architects. Robert then returned to his native South Carolina where he worked for a small architectural firm located in Charleston for two years. At Rosenblum Coe, he worked on several types of projects, from schematic design to construction documents, and also provided assistance in the areas of project management and construction administration.

In the summer of 2001, Robert moved to Boston and shortly thereafter began the Master of Architecture program at MIT. The MIT Center for Real Estate was one of the main reasons that he chose to attend MIT and he was accepted as a dual degree candidate in the winter of 2002. Robert spent three years studying at MIT where his primary focus was to marry two disciplines, design and business, and successfully understand the building industry in order to initiate, conceptualize, design, build, and market communities. At MIT, Robert was a member of a team that was a finalist for the ULI/Gerald D. Hines 2003 Student Urban Design Competition and a member of a team that was a semifinalist for the MIT 50K Entrepreneurship Competition. He also served as a Teaching Assistant all six semesters, working two semesters with graduate level studios in both architecture and planning. Robert was involved in leadership positions, including serving as the President of the MIT Architecture Student Council from 2002 to 2003, and traveled extensively with MIT workshops and design studios. In January of 2004, Robert was married to Jean Truslow.