



STATE OF THE COUNTY

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INTRODUCTION

York County is one of the fastest growing counties in the Carolinas and the country, growing by 37% since 2000. This growth has been fueled by a strong regional economy, excellent schools, lower taxes and a high quality of life. Growth continues to increase demand for services and infrastructure. Keeping pace with that demand is paramount to maintaining the quality of life for which the area is known. In addition, local leaders recognized that for York to capitalize on market opportunities an update to the Comprehensive Plan was needed.

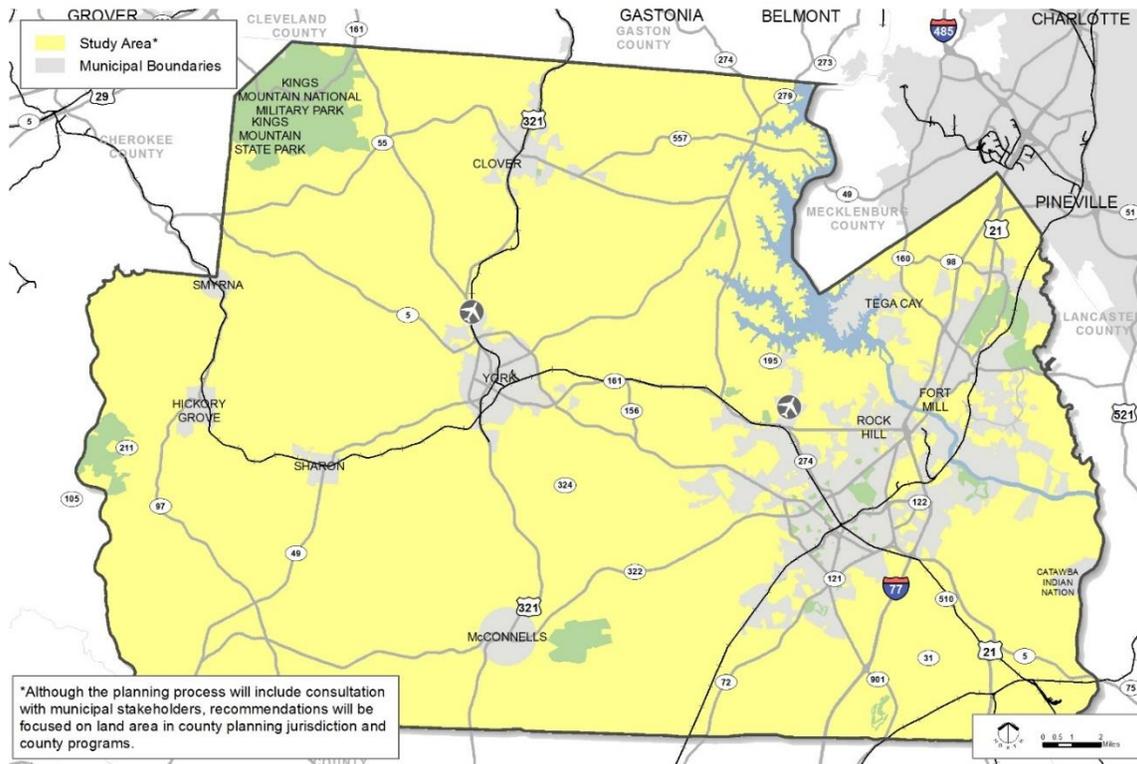
While an update to the Comprehensive Land Use Plan at this time is in response to a requirement set forth in the State of South Carolina’s Code of Laws, the update is timely for York County at this stage of its evolution. It presents an opportunity to address the specific needs of the community and continue on the path of positive growth.

This effort will result in a plan that is strategic in nature, identifying key programs that the County and its partners in both the public and private sectors can implement to facilitate growth management initiatives that are critical to future economic stability.

STUDY AREA

York County encompasses 696 square miles in the South-central section of South Carolina. While the York County government is responsible only for the unincorporated areas of the County, the environmental and infrastructure systems cross jurisdictional lines; therefore, the study area, as shown in Map 1, includes the nine municipalities within the County. York is one of three South Carolina counties that comprise a 14-county bi-state region anchored by the Charlotte economy. It lies within Charlotte’s metropolitan area and the northern part of the County is within commuting distance of the central business district of downtown Charlotte. So, while the study area does not extend beyond the County boundaries, the context is taken into consideration to better understand the opportunities associated with—and the impacts of infrastructure investments made in support of—regional economic growth.

Map 1: Study Area



PLANNING PROCESS

Phases of Work

The process to update the Comprehensive Plan is divided into five phases. The first phase focused on project initiation tasks, such as data collection, a review of existing plans and studies, and study area tour. During Phase Two, an inventory of existing conditions in the County was created as a step toward an assessment of the County and the identification of issues and opportunities to be considered in subsequent phases. Future land use scenarios designed to test the likelihood of achieving stated goals given a range of potential policy directions will be developed in Phase Three. Based on the results of the previous phases, a set of recommendations and implementation strategies that support the concepts will be developed during Phase Four. The final phase of the process will consist of merging all plan components into a single, comprehensive plan document. This report is a summary of the findings of Phase Two.

Figure 1: Planning Process



Public Involvement

Guiding development of the plan is an inclusionary public engagement process. Understanding community values today ensures that this Plan, implemented in accordance with the recommendations, supports and advances those priorities over the long term.

Advisory Committee Meetings

This effort is guided by an Advisory Committee appointed by County Council. It includes two representatives from each Council District. Regular meetings of this group will be held throughout the process to set goals, provide feedback, and advise the project team on plan concepts and recommendations. A list of the Advisory Committee members can be found in the Appendix of this document.

Stakeholder Interviews

Stakeholder interviews were conducted to verify and supplement the data gathered, to explain the conditions observed and to further understand the issues and opportunities that affect the study area. Their input supplemented the feedback

received directly from citizens and property owners participating in the process. The stakeholders included key personnel from county departments as well as representatives of interest groups who addressed questions about the following topics: economic development, transportation, neighborhoods, utilities, and farming. A complete list of interviewees is provided in the Appendix.

Community Meetings

Community meetings will be held throughout the process to provide an opportunity for property owners, residents and other interested stakeholders to learn about the project, refine the goals established by the Advisory Committee, provide comments on plan components, react to concepts developed in response to that input, help define the future land use vision, and suggest ways in which the plan can be effectively implemented over time.

Web Site

To supplement the information gathered during community meetings, a project Web site (www.yorkforward.com) has been created so residents, property owners, business owners and other stakeholders can access information and provide input throughout the process. Such input will be recorded, and like the input shared at the community meetings, used to clarify the concerns and desires of the community.

ABOUT THIS STATE OF THE COUNTY REPORT

An understanding of the conditions of the County today is critical to the creation of a sound plan that will guide future land use and infrastructure decisions. Synthesizing the data collected in the first phase of the planning process, several issues and opportunities to be addressed in the Comprehensive Plan were identified. This report defines the existing conditions examined, an assessment of those conditions as well as planned improvements, and finally the results of the assessment. While the assessment was conducted on a topic-by-topic basis, the report presents a summary of the issues and opportunities as well as the goals that were shaped by them.

POPULATION

An important step in preparing a Comprehensive Plan is gathering data that will help develop a snapshot of one of the County’s greatest assets – its people. Unlike a municipality which can grow its population by increasing its geography through annexation, the population of a county changes through migration, birth and death. According to the Census Department, in the United States one person is born every eight seconds and one person dies every twelve. By 2050, the US population is projected to grow from 310 million (2010 Census) to 439 million, an increase of 42%. Meanwhile the nation will become more diverse with the aggregate minority population projected to become the majority by 2042. The average age of the population is also expected to become much older with nearly one in five US residents aged 65 or older by 2030. In York County, the population growth and ethnic diversity is projected to follow a similar pattern. In fact, population growth in our county is projected to be even faster than the US, with York County adding another 183,687 people by 2050 or an increase of 81%.

HISTORICAL YORK COUNTY POPULATION

Table 1: Historic Population

HISTORIC YORK COUNTY POPULATION			
YEAR	POPULATION	TOTAL INCREASE	PERCENT CHANGE
1950	71,596		
1960	78,760	7,164	10.0%
1970	85,216	6,456	8.2%
1980	106,720	21,504	25.2%
1990	131,497	24,777	23.2%
2000	164,614	33,117	25.5%
2010	226,073	61,459	37.3%

SOURCE: USCENSUSBUREAU

York County has seen its population grow decade after decade for at least the past 60 years. In the 1980’s the rate of growth accelerated and continued at that pace for three consecutive decades, almost doubling its population in 30 years. During the ten years from 2000 to 2010 the population grew at an even faster rate and the number of people in York County increased to more than 200,000 for the first time. No doubt the recession that began in 2008 slowed that tempo significantly as fewer new jobs were created to bring in new residents. The booming housing market virtually came to a halt as the financial industry tightened their lending practices and consumer confidence slumped. Building permits for new

single family residents dropped from 1,218 in fiscal year July 2007 to June 2008 to 565 the following 12 month period. The most recent data suggests the economy is recovering. 693 new detached single family residential building permits were issued in 2013; the highest 12 month total since 2008. Most of this new construction is located in subdivisions that were partially completed prior to the recession and subsequently abandoned. Another signal that growth is returning to the area is the recent increase in rezoning requests, site plan submittals and general development inquiries.

REGIONAL POPULATION HISTORY AND PROJECTIONS

York County is part of a larger regional landscape that includes the Charlotte-Gastonia-Concord, NC-SC Metropolitan Statistical Area (MSA). According to the 2010 Census, the population of our MSA was 2,217,012 and is the 37th largest of the 381 MSAs in the United States. The counties include York, Lancaster and Chester in South Carolina and Mecklenburg, Gaston, Lincoln, Iredell, Cabarrus, Union and Rowan counties in North Carolina.

Although, York County is part of this much larger area for statistical reporting purposes and is involved in a variety of projects with its neighbors throughout the region, the counties listed in the two tables below play a more significant role with York County as they directly border the County or in the case of Union County, NC have had significant and comparable population growth. In 2010, York County’s growth rate moved up to second place behind Union County. At the same time it also surpassed Gaston County and became the second most populated county within the region. While the rate of growth is not projected to be as steep as it has been during previous decades, the region is still expected to double the number of its residents by 2050.

Table 2: Regional Historical Population Growth

REGIONAL HISTORICAL POPULATION GROWTH					
	1990	2000	% CHANGE	2010	% CHANGE
York County	131,497	164,614	25%	226,073	37%
Chester County	32,170	34,068	6%	33,140	-3%
Lancaster County	54,516	61,351	13%	76,652	25%
Union County, SC	30,337	29,881	-2%	28,961	-3%
Cleveland County, NC	84,714	96,287	14%	98,078	2%
Gaston County, NC	175,073	190,365	9%	206,086	8%
Union County, NC	84,210	123,772	47%	201,292	63%
Mecklenburg County	511,433	695,454	36%	919,628	32%

SOURCE: USCENSUSBUREAU

REGIONAL POPULATION PROJECTION AND GROWTH							
	2010	2020	% CHANGE	2030	% CHANGE	2040	% CHANGE
York County	226,073	273,000	21%	316,800	16%	364,600	15%
Chester County	33,140	33,300	0.5%	34,000	2%	37,600	11%
Lancaster County	76,652	84,000	10%	94,300	12%	106,500	13%
Union County, SC	28,961	29,000	0.1%	28,800	-1%	28,700	-0.4%
Cleveland County	98,078	99,703	2%	109,071	9%	122,022	12%
Gaston County	206,086	223,213	8%	239,359	7%	257,220	7%
Union County, NC	201,292	251,600	25%	295,900	18%	339,800	15%
Mecklenburg	919,628	1,112,300	21%	1,300,900	17%	1,492,100	15%

SOURCE: RFATS MPO

Table 3: Regional Population Projections and Growth

POPULATION TRENDS BY LOCALITY

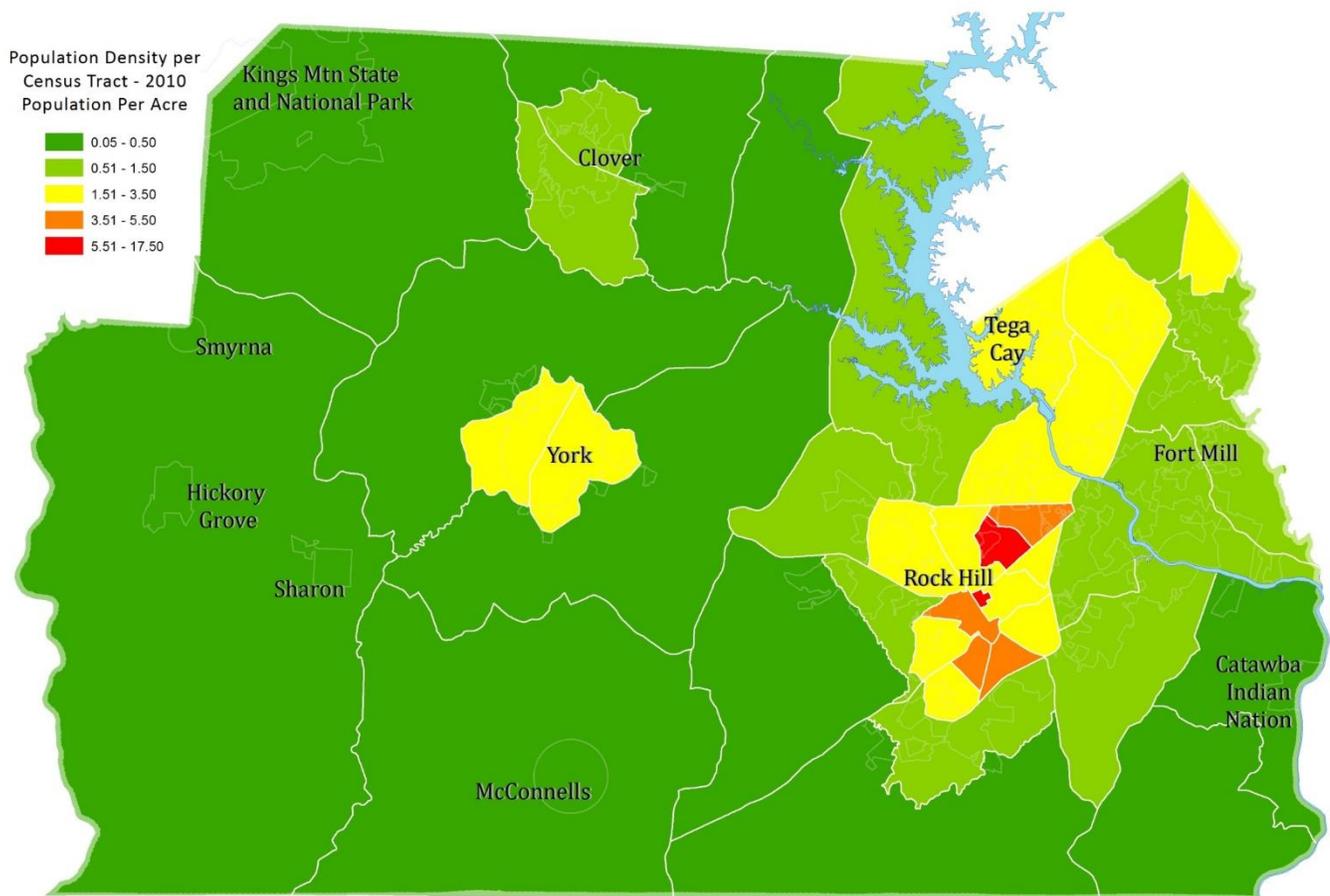
The greatest population growth within York County has occurred along the 1-77 corridor, specifically within the towns of Fort Mill and Tega Cay. This is most likely due to their close proximity and relatively easy commute to the many employment centers in Charlotte. The City of Rock Hill has continued its steady growth over the past decades as well. The large scale residential, retail and recreation project known as Riverwalk at the former Celanese plant will add as many as 950 houses and 2,500 people into Rock Hill’s jurisdiction.

Table 4: Population Trends by Vicinity

POPULATION TRENDS BY VICINITY					
MUNICIPALITY	1990	2000	% CHANGE	2010	% CHANGE
Clover	3,422	4,014	17.3%	5,094	26.9%
Fort Mill	4,930	7,587	53.9%	10,811	42.5%
Rock Hill	41,643	49,765	19.5%	66,154	32.9%
Tega Cay	3,205	4,044	26.2%	7,620	88.4%
York	6,709	6,985	4.1%	7,736	10.8%
York County	131,497	164,614	25.2%	226,073	37.3%

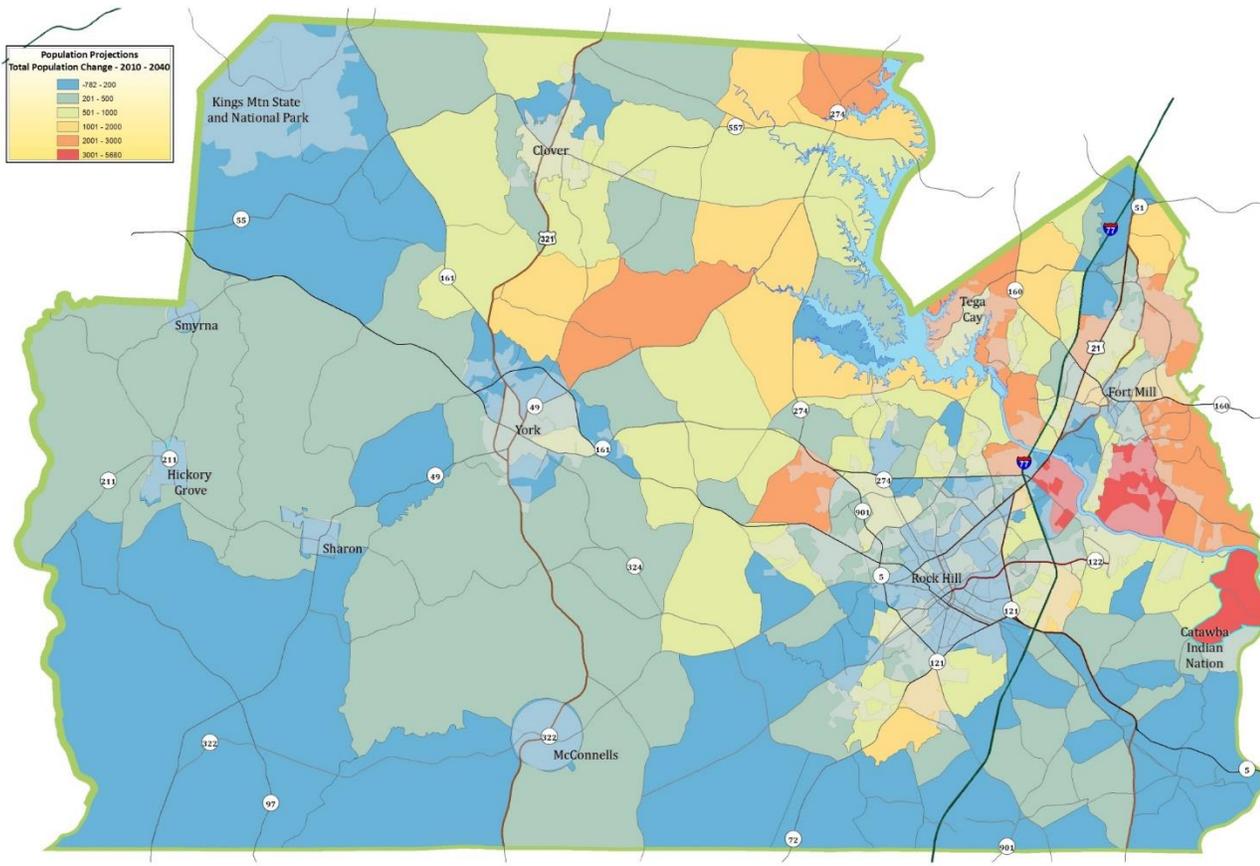
SOURCE: USCENSUSBUREAU

Map 2: Population Density



SOURCE: USCENSUSBUREAU

Map 3: Population Projections



SOURCE: RFATS

POPULATION BY RACE AND ETHNICITY

The majority of York County’s population is white. However, the 2010 census continued the trend of increasing diversity with now more than 25% of the population non-white. The percent of Hispanic population has more than doubled each decade. From 2000 to 2010, the state of South Carolina had the highest percent increase in its Hispanic population throughout the entire country. In 2000 the total Hispanic population was 95,076 and in 2010 the total was 235,682, an increase of 147%. The Hispanic population accounted for over half the growth of the total population in the United States between 2000 and 2010.

Table 5: York County Race and Ethnicity

YORK COUNTY RACE AND ETHNICITY						
	1990	% OF TOTAL	2000	% OF TOTAL	2010	% OF TOTAL
White	103,000	78.3%	127,162	77.2%	169,158	74.8%
Non-White	28,497	21.7%	37,452	22.8%	56,915	25.2%
Hispanic/Latino Origin	735	0.6%	3220	2.0%	10,075	4.5%
Non-Hispanic Origin	130,792	99.4%	161,394	98.0%	215,998	95.5%
Total Population	131,497		164,614		226,073	

SOURCE: USCENSUSBUREAU

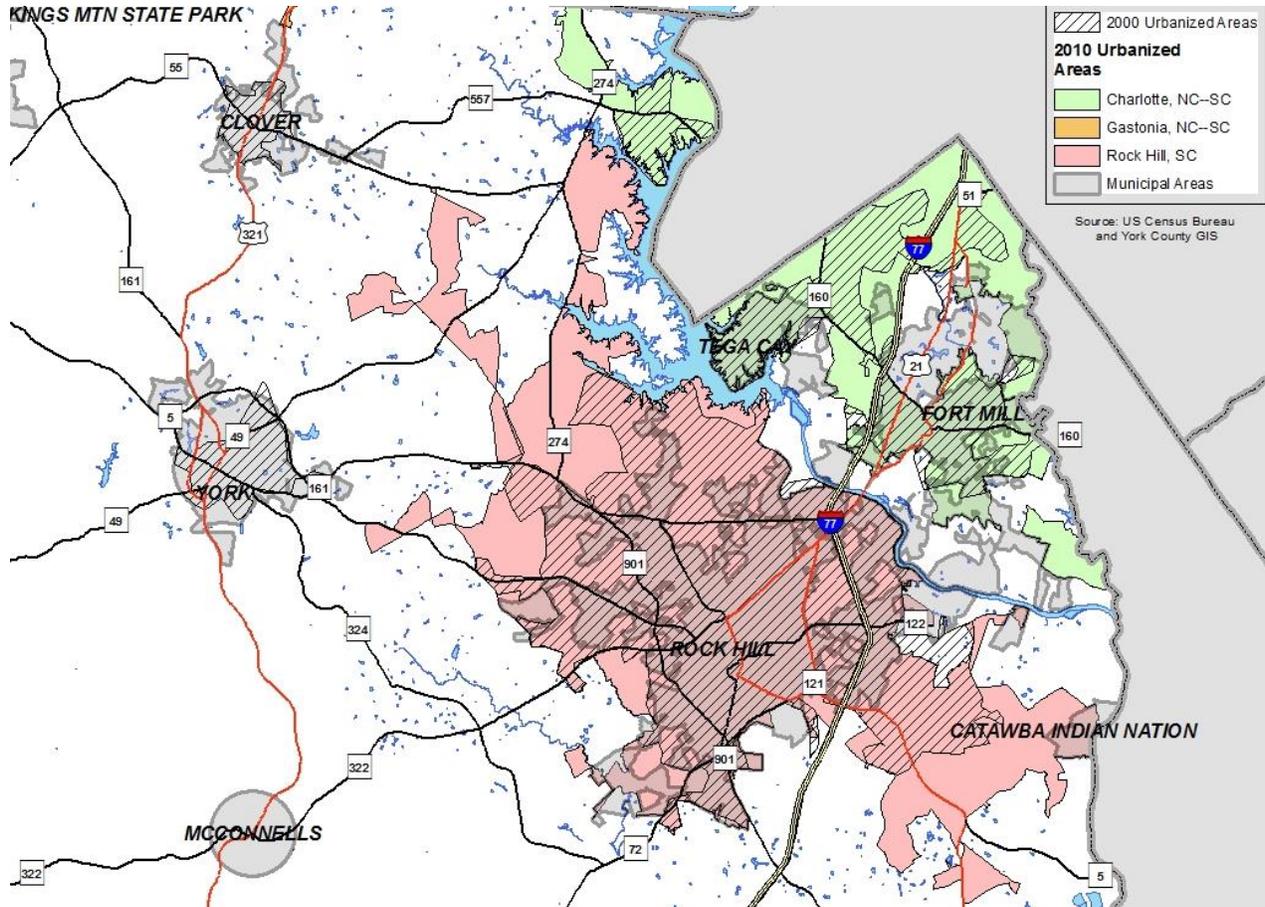
COMMUTING PATTERNS

As mentioned previously, one component of the rapid population growth within York County is its proximity to Mecklenburg County and its many employment centers. The table below distributes each county's working population to which county they travel for employment. According to data from the US Census Bureau, more than 50% of York County's population remains within the County for employment. The second most common destination for employment for York County reside is Mecklenburg, which receives over 30% of York's working population. Being directly adjacent to Mecklenburg County and its many employment centers will continue to make York County a prime alternative for new residential housing.

Table 6: Commuting Patterns

		WHERE RESIDENTS WORK											
		Cabarrus	Cleveland	Gaston	Iredell	Lincoln	Meck.	Union	Chester	Lancaster	Union, SC	York	Total
WHERE RESIDENTS LIVE	Cabarrus	21,493	261	762	1,378	181	26,453	1,358	13	43	3	195	52,140
	Cleveland	222	15,989	4,507	228	632	2,482	273	7	7	18	263	24,628
	Gaston	1,215	2,878	32,761	991	2,045	25,757	748	14	86	3	2,077	68,575
	Iredell	1,808	206	588	27,114	494	11,111	374	2	15	3	100	41,815
	Lincoln	419	638	2,736	754	7,469	8,455	218	2	12	1	227	20,931
	Meck.	9,762	1,264	6,542	4,887	1,394	234,724	8,011	105	1,385	18	7,781	275,878
	Union	1,418	252	621	502	130	31,013	23,034	39	516	1	1,011	58,537
	Chester	22	49	133	13	19	1,230	53	3,522	609	127	2,935	8,712
	Lancaster	65	14	48	36	7	5,000	1,146	743	7,651	19	3,281	18,010
	Union, SC	17	49	85	16	17	337	30	12	79	3,763	291	4,809
	York	406	450	2,497	250	113	24,490	900	1,222	1,911	138	39,434	71,811
	Total	36,852	22,050	51,280	36,169	12,501	371,052	36,145	5,794	12,314	4,094	57,535	645,846
	% Travel to Meck.	37%	1.1%	3%	24%	1.1%	2.8%	1.7%	33.7%	18.2%	6.1%	54.9%	
	% Travel to York	50.7%	10.1%	37.6%	26.6%	40.4%	85.1%	53%	14.1%	27.8%	7%	34.1%	
% Retain Population	41.2%	64.9%	47.8%	64.8%	35.7%	85.1%	36.4%	40.4%	42.5%	78.3%	54.9%		
Retention Rank	8	3	6	4	11	1	10	9	7	2	5		

Map 4: Urbanized Areas within York County



URBAN AND RURAL POPULATION COMPARISON

According to the 2010 Census, York County continued its pattern of becoming more urbanized with 77.0% of the County's total population living in an urban area. The Census Bureau's urban areas represent densely developed residential, commercial, and other non-residential urban land uses. There are two types of urban areas: "urbanized areas" of 50,000 or more people and "urban clusters" of at least 2,500 and less than 50,000 people. For instance the towns of York and Clover are considered urban clusters. The nation's urban population increased by 12.1 percent from 2000 to 2010 which outpaced the nation's overall growth rate of 9.7%. Among the US urbanized areas with populations of one million or more, the Charlotte-Gastonia-Rock Hill area grew at the fastest rate from 2000 to 2010, increasing by 64.6%. This pattern of increased urbanization is most likely to continue. The map Urbanized Area map depicts the geographic growth of the areas from 2000 to 2010. The map highlights the sprawl that occurred around previously established urban areas. To maintain fiscal efficiency, provide expected levels of service and protect the natural beauty of York County, the spread of the County's urbanized areas makes these tasks more difficult.

Table 7: Urban and Rural Population Growth

YORK COUNTY URBAN AND RURAL POPULATION GROWTH						
	1990	% OF TOTAL	2000	% OF TOTAL	2010	% OF TOTAL
Total Population	131,497		164,614		226,073	
Urban Population	74,824	56.9%	105,846	64.3%	174,178	77.0%
Rural Population	56,673	43.1%	58,766	35.7%	51,895	23.0%

SOURCE: USCENSUSBUREAU

POPULATION BY HOUSEHOLD COMPOSITION

A variety of relationship types contribute to the formation of a household. Who lives in a household has important consequences for economic resources available to housing units and for access to social support systems such as care for young children or older parents. A household includes all the people who occupy a housing unit. One person in each house is considered the “householder.” A family consists of a householder and one or more other people living in the same household related to the householder by birth, marriage or adoption. A non-family household consists of a householder living alone or with roommates or unmarried spouse. In York County, the number of households increased almost 30% from 1990 to 2000 and another 38% from 2000 to 2010 which is very similar to the rate of population growth over the same period. As the table below indicates the composition of the York County household has changed over the past 20 years. There has been an increase in non-family types of households as well as those without children and those that are headed by females.

Table 8: Household Composition

HOUSEHOLD COMPOSITION						
	1990		2000		2010	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Total Households	47,006		61,051		84,382	
Non-Family	11,098	23.6%	16,136	26.4%	24,101	28.6%
Designated as Family	35,908	76.4%	44,195	72.4%	60,281	71.4%
w /Children	18,860	52.5%	21,630	48.9%	26,454	43.9%
w /o Children	17,480	47.5%	22,565	51.1%	33,827	56.1%
Married	28,381	60.4%	34,348	56.3%	46,898	55.6%
w /Children	14,080	49.6%	15,637	45.5%	19,521	41.6%
w /o Children	14,301	50.4%	18,721	54.5%	27,377	58.4%
Female Headed	5,962	12.7%	8,116	13.3%	10,088	12.0%
Male Headed	1,565	3.3%	1,721	2.8%	3,295	3.9%
Persons Per Household	2.72		2.63		2.65	

SOURCE: USCENSUSBUREAU

POPULATION BY AGE

Reviewing data on a population’s age composition is one of the ways to better understand how population is changing over time. The 2010 Census revealed that the population has continued to grow older with 40 now the median age of many states (South Carolina’s median age is 37.9). The table below contains population data that is grouped into specific age related categories and these groupings are tracked over four decades. The table highlights that while the total of almost all the age groupings has increased over time, the proportion of some groups has declined. For instance the school age group is declining as a proportion of the total population while the 65 and older group is increasing. This trend is similar across the country as the 2010 census contains 13.0% of the population in the 65 and older group. Health and Human Services “anticipated the tide of baby boomer retirees will double America’s senior population by 2030.” York County will need to address land use strategies and public facilities to support the demographic shifts as the population ages and becomes more diverse.

Table 9: Population by Age

POPULATION BY AGE				
AGE	1980	1990	2000	2010
Pre-School 0-4	7,828	9,642	11,144	15,534
School Age 5-17	24,551	24,430	32,140	42,210
Workforce Age 18-64	65,096	83,424	104,528	142,703
65 and Older	9,245	14,001	17,072	25,626
Total	106,720	131,497	164,884	226,073

SOURCE: USCENSUSBUREAU

EDUCATIONAL ATTAINMENT

The people of York County have continued to make strides in increasing the level of education. The percent of those 25 years and over that have less than a 9th grade education has declined more than three percent over the 10 year period from 2000 to 2010. Additionally the number of people who have attended or graduated college has increased during that same decade. The state of South Carolina has had similar changes with their level of education, but York County continues to have a greater percent of its population either attended or graduated college. Improving the level of education is important as access to a well-educated workforce is one of the leading criteria employers consider when looking to expand or relocate their operations.

Table 10: Educational Attainment

	2000		2010	
	YORK COUNTY	SC	YORK COUNTY	SC
Population 25 years and over	105,757		150,154	
<9 th grade education	8,177	7.7%	6,156	4.1%
9 th to 12 th grade, no diploma	15,888	15.0%	12,162	8.1%
High School graduate	30,127	28.5%	40,542	27.0%
Some college	21,842	20.7%	30,932	20.6%
Associate's degree	7,610	7.2%	14,715	9.8%
Bachelor's degree	14,945	14.1%	31,382	20.9%
Post Bachelors	7,168	6.8%	14,415	9.6%

SOURCE: USCENSUSBUREAU

HOUSEHOLD INCOME

The median income in York County continued to rise in the decade between 1999 and 2009, but at a much lower rate of growth than the previous decade. York County continues to have a higher median income than the state and ranks third within the region. There is no doubt that the recent recession and the sustained high unemployment rate of the past few years has slowed the previous growth rate. According to the 2009-2011 ACS 3-year estimate, median household income declined slightly in York County and a few other communities across the region.

REGIONAL MEDIAN HOUSEHOLD INCOME						
	1989	1999	DECADE CHANGE	2009	DECADE CHANGE	2009-2011
York County	\$31,288	\$44,539	42%	\$51,925	17%	\$51,740
Chester County	\$23,054	\$32,425	41%	\$32,743	1%	\$31,387
Lancaster County	\$25,320	\$34,688	37%	\$38,959	12%	\$39,606
Union County	\$21,526	\$31,441	46%	\$33,470	6%	-
Mecklenburg County	\$33,830	\$50,579	50%	\$55,294	9%	\$53,545
Gaston County	\$28,126	\$39,482	40%	\$43,253	10%	\$41,043
Union County, NC	\$30,957	\$50,638	64%	\$63,386	25%	\$64,311
South Carolina	\$26,256	\$37,082	41%	\$41,101	11%	\$43,304

Table 11:
Median Household Income

SOURCE: USCENSUSBUREAU

POVERTY THROUGHOUT THE REGION

The poverty rate is one of several indicators used to evaluate economic conditions. It measures the percentage of people whose income fell below the federally established poverty threshold. The Census Bureau uses a set of income thresholds that vary by family size and composition to determine who is in poverty. If a family's income is less than the family's threshold, then that family and every individual in it is considered in poverty. The official poverty thresholds do not vary geographically, but they are updated for inflation using the Consumer Price Index. The poverty line for a family of four has hovered around \$23,000 for the past few years. Additionally the official poverty calculations do not take into account the value of in-kind benefits, such as the Supplemental Nutrition Assistance Program (SNAP) and housing and energy assistance.

Table 12: Regional Poverty Rates

REGIONAL POVERTY RATES									
	1989			1999			2010		
	TOTAL POPULATION	BELOW POVERTY LEVEL	% OF TOTAL	TOTAL POPULATION	BELOW POVERTY LEVEL	% OF TOTAL	TOTAL POPULATION	BELOW POVERTY LEVEL	% OF TOTAL
York	127,623	13,207	10.3	160,201	16,082	10.0	223,535	29,380	13.1
Chester	32,010	5,381	16.8	33,620	5,157	15.3	32,700	6,561	20.1
Lancaster	54,054	7,978	14.8	59,265	7,599	12.8	76,131	16,051	21.1
Union	30,050	5,102	17.0	29,557	4,230	14.3	28,337	6,126	21.6
Cherokee	43,779	6,523	14.9	51,626	7,176	13.9	54,780	10,480	19.1
Gaston	165,835	18,076	10.9	186,991	20,309	10.9	202,974	41,514	20.5
Cleveland	89,398	9,208	10.3	93,771	12,446	13.3	96,217	19,948	20.7
Union, NC	84,021	7,982	9.5	122,007	9,926	8.1	201,057	15,719	7.8
Mecklenburg	500,347	47,910	9.6	681,210	62,652	9.2	908,026	138,893	15.3
South Carolina	3,368,125	517,793	15.4	3,883,329	547,869	14.1	4,493,865	815,755	18.2

SOURCE: USCENSUSBUREAU

In 2010, about 15.3 percent of Americans were considered below this threshold. Nationwide the percentage rate has increased for four consecutive years however the percentage point increase has been smaller from year to year. The ACS 2010 1-year estimate reported that York County poverty rate was 13.1%. While this was three percentage points higher than 1999, it was the second lowest poverty rate in the region and continued to be lower than the state of South Carolina (18.2%) and the nation.

Another interesting way to look at the poverty statistics is by school district. According to the Census, in 2011, there were 53.8 million school-age children in 13,529 school districts. Of these 49.2 percent of all school aged children resided in districts with school district poverty rates greater than 20 percent. Poverty rates have a significant influence on the funding levels of schools. States contribute approximately 45 percent of funding for primary and secondary education and the federal government pitches in another 10 percent. The rest of the funding comes from the County, primarily through property taxes. Therefore in districts where poverty runs high, school funds are often low. Higher poverty also means public schools need to provide more services such as subsidized meals. According to NEA Research report, public school revenue per student in SC went from \$11,081 in 2010-11 to \$10,945 in 2011-2012 falling from ranking 28 to ranking 31 across the nation. Increased poverty and lower median income affect the amount of funding a school district receives. The table below is gathered from the Census “Small Area Income and Poverty Estimates (SAIPE)” from 2011.

According to the following table gathered from the SC Department of Education’s report on Free and Reduced Meals the York School District has the highest percentage of students who receive free or reduced lunches. The lowest is the Fort Mill School District. Over the past four years the percentage for each school district has remained fairly consistent. The York School District had the largest increase – from 55.6% of students receiving a free or reduced rate in 2009 to 61.4% in 2012. The National School Lunch Program is a federally assisted meal program operating in public and nonprofit private schools. It provides nutritionally balanced, low-cost or free lunches to children each school day. Eligibility to participate in the program is based on family income. Children from families with income at or below 130 percent of the poverty level may receive a free meal. Those between 130 percent and 185 percent of the poverty level may receive a reduced-price meal. Therefore the table below is directly correlated with the poverty table above.

Table 13: Poverty by School District

POVERTY BY SCHOOL DISTRICT								
	2010				2011			
	TOTAL POPULATION IN DISTRICT	POPULATION RELEVANT AGES 5-17	RELEVANT AGES 5-17 IN FAMILY IN POVERTY	% OF TOTAL	TOTAL POPULATION IN DISTRICT	POPULATION RELEVANT AGES 5-17	RELEVANT AGES 5-17 IN FAMILY IN POVERTY	% OF TOTAL
York	31,236	5,630	1,172	21%	31,725	5,685	1,661	29%
Clover	34,505	6,627	1,221	18%	35,045	6,691	1,287	19%
Rock Hill	111,167	19,057	3,339	18%	112,910	19,243	4,205	22%
Fort Mill	50,063	10,951	907	8%	50,848	11,058	1,045	9%
Total	226,971	42,265	6,639	16%	230,528	42,677	8,198	19%

SOURCE: SC DEPARTMENT OF EDUCATION

Table 14: Free and Reduced Lunches by School District

FREE AND REDUCED LUNCHES BY SCHOOL DISTRICT					
SCHOOL DISTRICT	DISTRICT	TOTAL # STUDENTS ENROLLED	TOTAL # FREE LUNCHES	TOTAL # REDUCED LUNCHES	% STUDENTS ELIGIBLE FOR ASSISTANCE
2012-2013	York	4,905	2,663	347	61.4%
	Clover	6,522	1,772	408	33.4%
	Rock Hill	16,994	8,232	1,242	55.7%
	Fort Mill	11,049	1,783	451	20.2%
2011-2012	York	5,119	2,698	395	60.4%
	Clover	6,567	1,776	386	32.9%
	Rock Hill	17,579	8,623	1,111	55.4%
	Fort Mill	10,885	1,691	416	19.4%
2010-2011	York	5,001	2,651	260	58.2%
	Clover	6,307	1,665	371	32.3%
	Rock Hill	16,922	7,929	979	52.6%
	Fort Mill	10,240	1,651	413	20.2%
2009-2010	York	5,110	2,510	331	55.6%
	Clover	6,373	1,651	403	32.2%
	Rock Hill	17,351	7,723	1,408	52.6%
	Fort Mill	9,918	1,562	410	19.9%

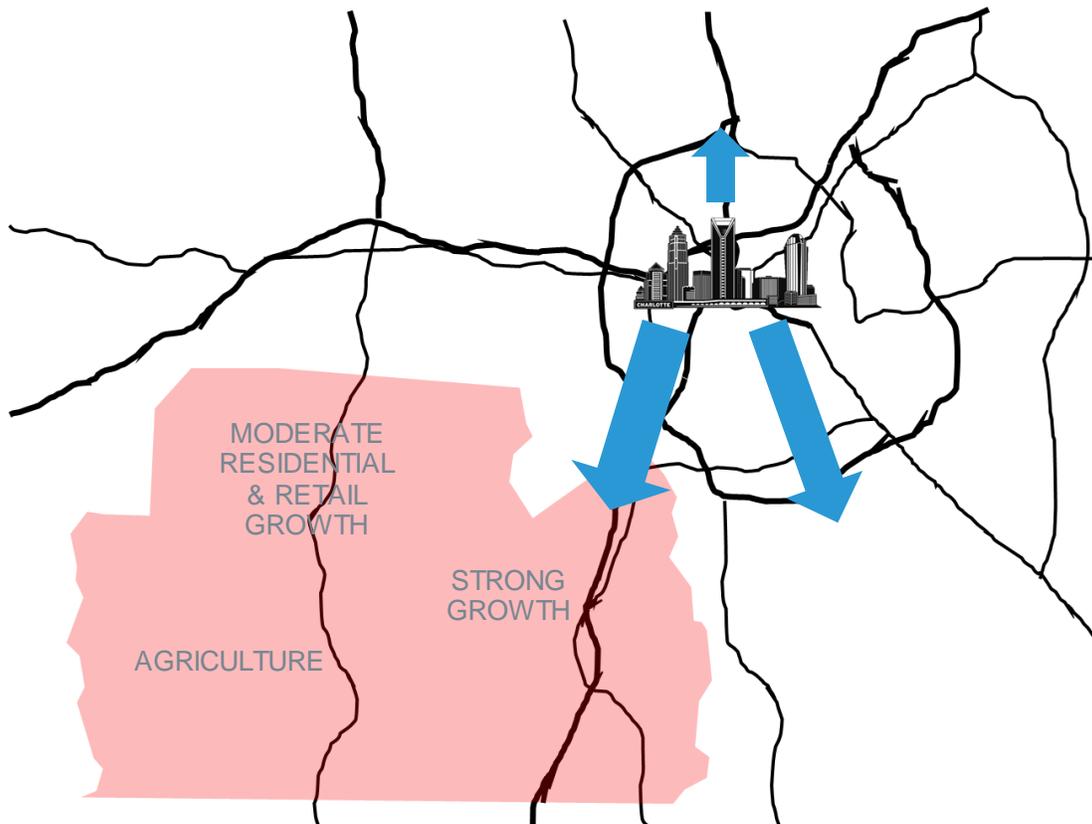
SOURCE: SC DEPARTMENT OF EDUCATION

ECONOMIC DEVELOPMENT

BACKGROUND AND CONTEXT

York County is one of the fastest growing counties in the Charlotte Metropolitan Statistical Area¹ (Metro Area or MSA), the state of South Carolina, and the Southeast due to its strong economic fundamentals, high quality of life, and the growing positive perception of the area. The County is geographically divided into three general regions: a primarily rural landscape in the west, a recreational getaway and bedroom community surrounding Lake Wylie in the north, and a rapidly expanding housing and business environment along I-77 in the northeast. In York County, most new growth is concentrated in Fort Mill and unincorporated areas approaching Charlotte. Accordingly, east York County is a diverse and populated area with manufacturing, distribution employment, corporate office development, and a rapidly expanding residential base while west York County continues to be dominated by agriculture.

Map 5: Economic Growth



SOURCE: NOELL CONSULTING GROUP

Growing annually by 4,491 residents since 1990 and 5,323 residents since 2000, York County has emerged as a preferred county in which to live and do business within the Charlotte metropolitan area. This growth has been sustained over the past 25 years primarily due to the county's proximity to Charlotte, which has been among the fastest growing metropolitan areas in the Southeast and claims the largest metro population in the Carolinas. A combination of healthy regional economy, low taxes, low cost of doing business, superior schools, recreational attractions, and housing affordability has fueled this growth. The demand for housing in the county, particularly in the northeast section, has produced robust expansion. Rapid population growth has continued to attract a skilled labor force who are seeking high-performing schools and strong lifestyle advantages.

¹ The Charlotte Metropolitan Statistical Area (MSA) includes Mecklenburg, Iredell, Lincoln, Gaston, York, Chester, Lancaster, Union, Cabarrus, and Rowan Counties.

This chapter's goal is to provide an assessment of York County today and to identify potential issues that merit emphasis in the long-term analysis of the County, along with recommendations that should be pursued to maintain strong growth and create a county that is sustainable in the long-term.

ECONOMIC TRENDS

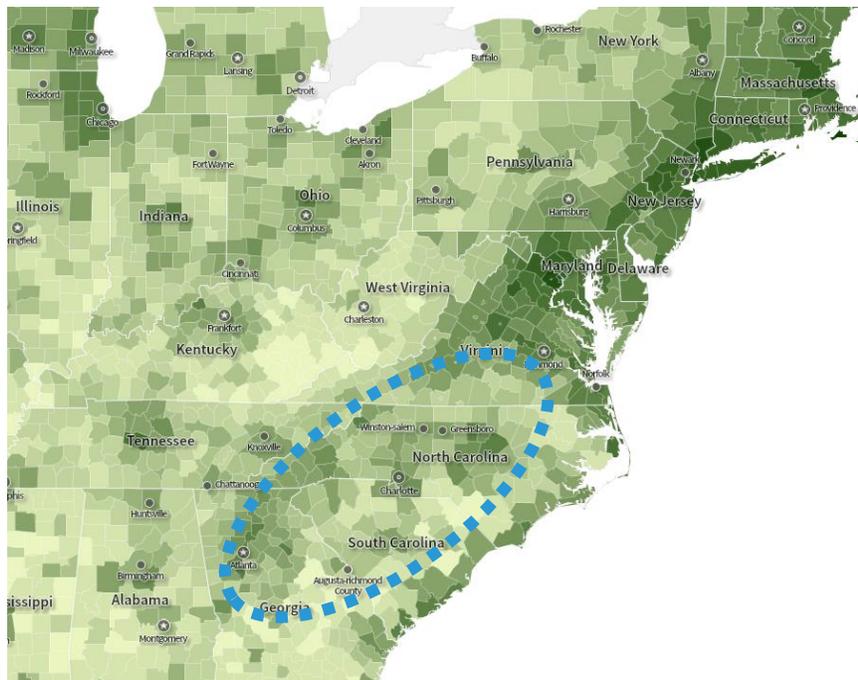
Prior to analyzing York County, it is important to understand important national and macro trends occurring economically and demographically in the United States and the Charlotte Metro. The following summarizes these significant trends:

- The drive for efficiency and effectiveness, expansion of technology, and America's diverse economic base has continued to shape America's economic prospect, real estate, and trends.
- No form of real estate is immune to the expansion and rise of technology. New tools, denser environments, and technology have pushed broad changes in space, usage, and location.
- Trends have been impacted significantly by the aging Generation X (1964 - 1978) and Baby Boomer (1945 - 1964) populations, representing approximately 117 million people. Millennials' impact is growing and is still early on in its influence.
 - Baby Boomers are aging and beginning to live for themselves (as opposed to their children, who have "left the nest"), focusing on areas that offer their lifestyle preferences rather than those of their children, who have been the driving factors in their residential decision-making for the last 20 years.
 - Changes in age will accelerate millennial trends over the next 10 years and have already started in urban markets across the United States.
 - The rise of multifamily housing has become extremely popular and unlikely to taper anytime soon.
 - Millennials and younger adults, who are a larger demographic group than the Baby Boomers, have postponed home ownership and are continuing to rent much longer than previous generations.
- Convenience is becoming a major factor for all generations, and 18- to 24-hour cities are coming of age and becoming increasingly popular.
 - The urbanization of America has become increasingly attractive to many as downtown and in-town transformations, combined with denser housing, retail offerings, dining, and walkable work locations, have spurred investment in urban cores and edge suburban locations.
 - Walkability and town centers, walkability to areas to dining, shopping, parks, work, etc. in suburban locations and edge cities in metropolitan locations are being demanded by all age groups.
 - The desire to live in locations with shortened work commutes, avoiding heavy traffic and long drives, feeds trends across all metropolitan areas in the United States.
- Lifestyle, including walkability and authenticity, extends to the commercial side as well, with more livable, walkable business environments becoming increasingly attractive.
 - There is very strong growth in startups and small business throughout the US, including professional services firms and creative-type industries. These firms strongly prefer more walkable, accessible, and convenient locations, such as in-town areas and small-town downtowns.
- Retail has become more experiential during the last few years. The experience is now considered important not only in the store, but also in the overall retail environment. The rise of online shopping is significant and has cut into retail (particularly for comparison goods shopping), but the majority of consumers still want to shop at brick and mortar stores.
 - Retail town centers and infilling of retail into older, established cores has become increasingly common as conventional strip and power centers, as well as regional malls, have lost share in the market and will likely continue to lose share in the coming years (with luxury malls being the most significant exception).

Carolinas & Charlotte Metro Trends

- The demand for improving the quality of life has led to a large population migration into the Carolinas and Charlotte Metro. These people are seeking value, better schools, a lower cost of living, and increased opportunity.
 - Baby Boomers and aging Gen Xers have influenced nearly all of the population growth, along with the real estate market trends. These groups historically sought non-urban locations and land – driven by price and value.
 - The Charlotte metro area was ranked the 4th fastest growing metro area in the United States from 2000 – 2010. It is now home to eight Fortune 500 companies and is the second largest financial center in the nation.
- Activity in national secondary markets, including cities like Raleigh and Charlotte, have accelerated as investors, jobs, and economic prosperity have followed the migration and influx of population.
- Younger members of Gen X and Gen Y particularly value walkable places and convenience. They are the primary generations fueling the renaissance of inner cities throughout the Carolinas, including Charlotte, Raleigh, Durham, Greenville, and Wilmington. This trend includes town centers in more suburban locations such as Birkdale, Baxter, and Phillips Place, as well as older, authentic town centers such as Davidson.
- Demand for industrial space has been growing in gateway markets and strong geographic locations like the Carolinas.
 - Retail logistics are moving closer to their consumers to supplement logistics and are seeking strategic locations along the East Coast.

Map 6: Median House Value of Owner-Occupied Home – 2013 (Darker green shows concentrations of higher values)

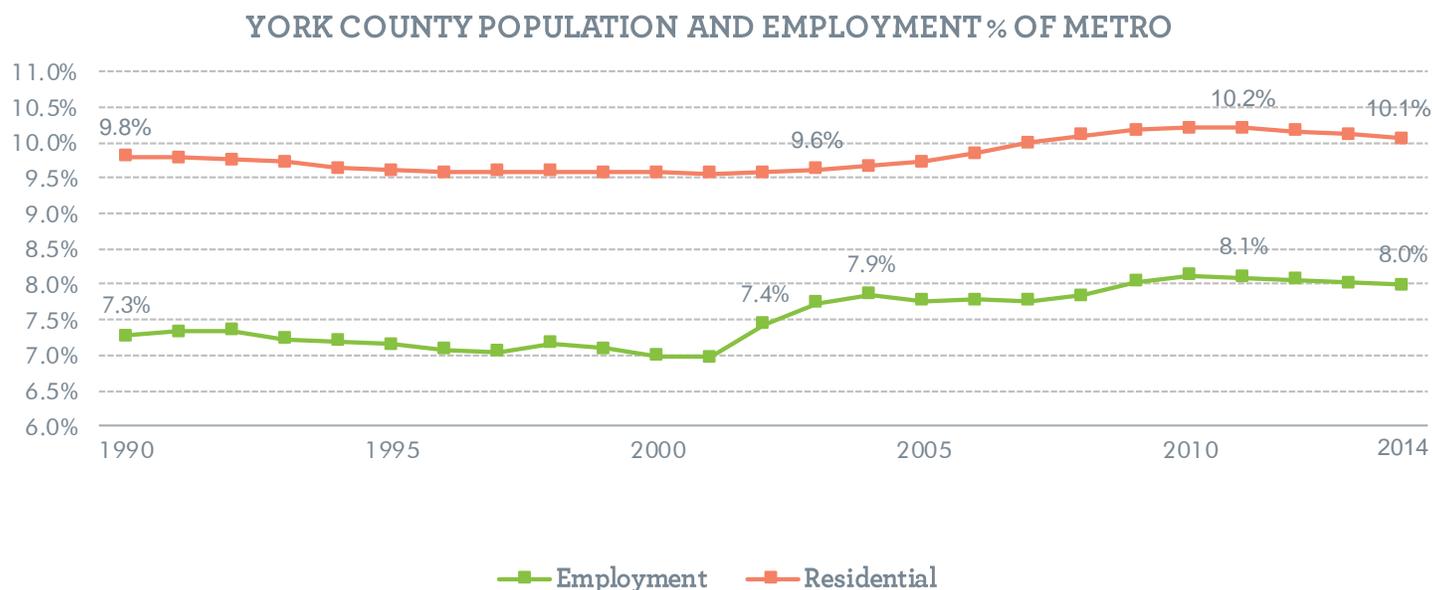


SOURCE: U.S. CENSUS BUREAU. PREPARED BY SOCIAL EXPLORER

York County Trends

- Economic prosperity and large population growth is driven by the continued growth from Charlotte metro, the region's population growth, York's investment in transportation (road investments), a strong proposition of success for industrial companies, and the overall success of the Charlotte metro.
- The Charlotte metro and York County economies have rebounded from the last recession, which included significant fallout in the banking sector, and are now benefiting from a surge in new companies, expansion of existing companies, and strong growth in the residential housing base.
- York County has shown strong fundamentals of growth as families seek lifestyle benefits such as recreation, high quality of living, convenience to Charlotte, and strong schools.

Figure 2: York County Population and Employment % of Metro



SOURCE: WOODS & POOLE ECONOMICS

- Primary growth has focused on an expanding industrial and distribution base, large single family home neighborhoods, and office migrations driven by tax advantages.
- Baby Boomers, as workers and retirees, and older Generation Xers has been much of the historic growth and will continue to have a significant impact on real estate development and investment in the short term.

Many of these economic and real trends in the nation, region, and more importantly York County are about more than the convenience. They're about lifestyle and more significantly, they're about de-commoditization and appeal of the region as a whole. Particularly after this last housing recession, Baby Boomers and younger households alike are increasingly aware that location counts, and finding unique locations in the market--those where value exists beyond the home in which they're living--becomes key. In the short term, much of the growth will continue to include primarily Baby Boomers and older Generation Xers. Nonetheless, York County will need to keep pushing for smarter growth, focusing on town center like neighborhoods, different product types to attract the surge of millennials who will be the biggest driver of growth over the next 10, 20, and 30 years. While the demand for conventional suburban products (single-family homes on medium to large lots, neighborhood retail centers, and suburban office parks) continues to be a market force, market preferences and forces are evolving and York County must be aware of those changes in the coming decades. During the next 10 to 30 years York County will need to identify ways to maintain its current lifestyle offerings and economic edge, as well as to expand those offerings to attract a broader variety of residents, employers, and retailers.

YORK COUNTY'S COMPETITIVE ADVANTAGE

York County has increasingly offered an attractive position for businesses and residents. The lower property and income tax rates, quality schools, newer developments, and easy commute into Charlotte collectively have made the County a top choice for relocations. Below are highlights among the competitive advantages that York County has over other regions of the country as well as to other counties in the MSA:

Strategic Geographic Location

- Central location in Southeast United States and Carolinas, strategically positioned halfway between New York and Miami.
- Access to rail, system of highways, and multiple seaports – a strong point for businesses.
- Ability to reach 60% of the United States market in 24 hours.
- Strong regional location, close and easy access via Interstate 77 into to the largest metropolitan area in the Carolinas – Charlotte.
- A South Carolina county address in Charlotte Metro offers South Carolina tax benefits. South Carolina taxes are considered more advantageous than North Carolina taxes.
- Large county in terms of available land area, offering large tracts of land ripe for development, building sites and opportunity.

Pennies for Progress

- A York County capital project sales and use tax program dedicated to road investment and improvements.
- A one cent sales tax program imposed on anyone purchasing goods (non-grocery and a cap on car sales) in York County.
- Revenues over the last four quarters totaling \$26.9 million.
- Transportation projects chosen by a sales tax commission represented by citizens of York County and then approved by voters.
- Has funded nearly \$1 billion of roadway improvements across the County.
- Considered a very successful program, creating a robust road infrastructure system in the County.

Low Cost of Living

- York County is perceived and is ranked as a “low cost of living” county due to affordable housing and lower costs of goods.
 - Overall, the cost of living index is 93.20, below the United States average cost of living index of 100. The lowest cost of living index is housing, which is rated an 80, compared to the United States average of 100.
- One of the lowest county property taxes in the nation, ranking 650th out of 788 counties in the United States. On average, homeowners pay 1.6% of their income and 0.7% of their home value on property taxes. Primary residences are assessed at 4% of their appraised value and multiplied by millage rates which range from 92.7 to 263.9 (factoring in applicable municipal and school taxes).

High Quality of Life and Strong Schools

- The area offers residents abundant home choices relative to price, subdivisions, and housing product types with access to recreation and greenspace.
- Natural recreation areas for residents including the Riverwalk Trail, Designated Scenic Rivers (Catawba River and Broad River), 325 miles of shoreline of Lake Wylie, Anne Springs Close Greenway (2,300 acres), and the Catawba Indian preserve.
- Recreational investments made including museums, Rock Hill Tennis Center, Hargett, Park, Rock Hill Aquatic Center, multiple golf courses, multiple recreation centers, Giordana Velodrome, multiple parks, sports complexes, and the Novant Health BMW Supercross Track. These investments have been a huge draw for residents across the metro area, increasing the perception and selling proposition of the County.
- Strong perception of schools in the area, considered the best overall school district in the metro area.

- Fort Mill Schools lead the County and considered the best in the metro area. Great Schools, a rating tool based on test scores and other available data, including student academic growth and college readiness, scores schools using a 1 to 10 metric. All schools in Fort Mill are rated from 8 to 10 (out of 10).
- Schools in and around Rock Hill are considered above average, with a majority averaging 5 to 7 and few inferior schools. Schools in and around York City are considered excellent, with most schools averaging 8. Schools in and around Clover are considered excellent, with all rated 8 to 10.
- Schools have been the biggest driver of residential demand in the County and are one of the biggest competitive advantages York has over the region as a location in which to live.

Tax Policies and Cost of Doing Business

- South Carolina is frequently recognized by publications and organizations as one of the country's most business-friendly states due to state tax policies.
 - *Business Facilities* magazine named South Carolina #1 for Economic Growth Potential and #4 for Best Business Climate. *Site Selection* magazine consistently names South Carolina in the top 10 on its Top State Business Climates report. Lastly, *Forbes* magazine named South Carolina #8 in the nation for its pro-business regulatory environment.
- South Carolina, with an index of 82.9, ranks as a top 10 state to do business ranking and currently the 8th lowest cost state for doing business in the United States. North Carolina ranks 32nd lowest out of all the states.
 - Among the lowest corporate income tax rates in the Southeast at 5%.
 - No state property tax, no local income tax, no inventory tax, no sales tax on manufacturing machinery / industrial power / materials / finished products, no wholesale tax, no unitary tax on worldwide profits.
 - The state tax benefits are extremely advantageous for industrial and manufacturing companies, compared to benefits afforded by counties in North Carolina, and will continue to be beneficial for this industry due to the inventory and sales policies. Progressively, North Carolina has begun to lower their corporate tax rates and will continue to push them even lower if revenues allow.
 - Although York County has had beneficial tax policies in the past, many counties in the metro area have started working to even the playing field.
- Abundant amount of State and York County business Incentives
 - Corporate income tax credits, job tax credit, corporate headquarters credit, research and development credit, investment tax credit, biomass resources credit, ethanol or biodiesel credit, job development credit, job retraining credit, corporate income tax moratorium, international trade incentive program-port volume increase credit, negotiated fee in lieu of property tax (York has the ability to negotiate with companies to pay a fee-in-lieu of its property taxes which can result in savings of up to 43% for a 20-year period).
- Right to work state; the 6th lowest unionization rate in the country

Table 15: South and North Carolina Tax Rates (source: Charlotte Regional Partnership)

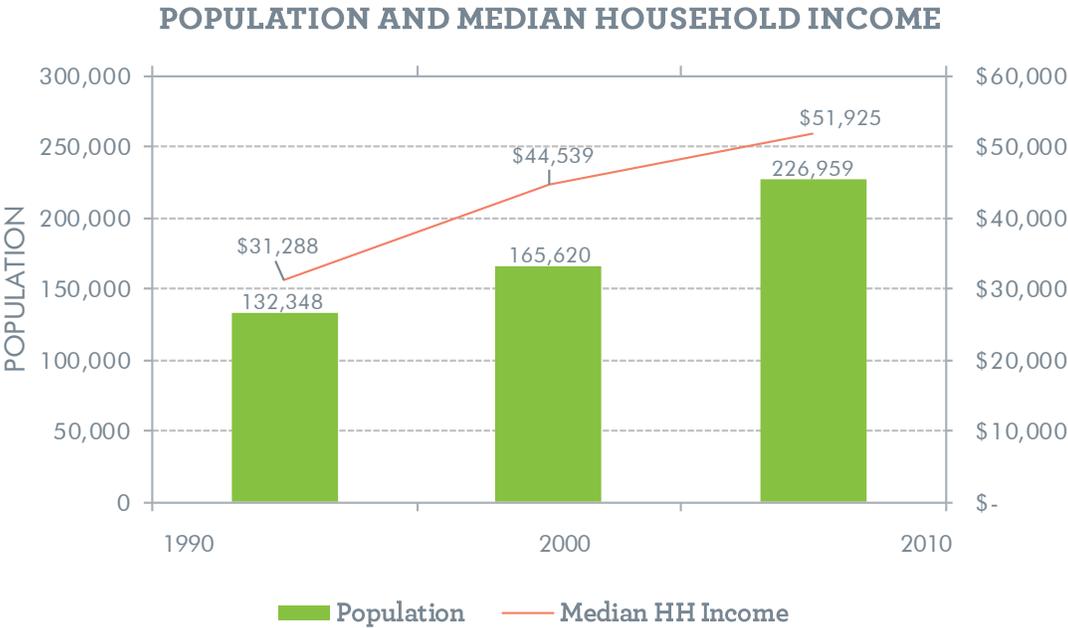
FUNDING SOURCE	SOUTH CAROLINA	NORTH CAROLINA
Corporate Tax	5.0% flat rate	6.0% flat rate (Rate will decrease to 5.0% in 2015)
Sales & Use Tax	6 percent statewide with a local rate of 1 percent or 2 percent on transactions	4.75% statewide with a local rate of 2.0% - 2.5% on transactions
Franchise Tax	None	\$1.50 per \$1,000
Inventory Tax	None	None
Property Tax	South Carolina does not impose a state property tax. Subject to local rates (county rates range .41-1.93 percent, county and school rates range 4.07 percent)	North Carolina does not impose a state property tax. Subject to local rates (county rates range 4.2-11 percent, city rates range 2.4-8 percent). Rates assessed per \$100 of 100 percent assessed value.
Electricity	None	3.00%

ECONOMIC PROFILE AND COUNTY ASSESSMENT

Demographic

The population of York County has grown substantially since 1990 and at a faster rate than the greater metropolitan area. York County has grown at an average of 4,491 people annually since 1990 and is growing at a 3.4% annual pace. While it is still behind Union County (6.4%), Cabarrus (3.8%), and Mecklenburg (3.8%), York County has eclipsed the growth rates of Charlotte Metro (3.2%) and South Carolina (1.6%) since 1990. In terms of absolute numbers, the County is one of the fastest growing in the Carolinas. By 2010, York County's population had increased to 226,959 people from 132,348 in 1990 and 165,620 in 2000. In terms of total numbers, York County has grown to a population of over 240,000 people (estimated end of 2014), only trailing Mecklenburg County in total population within the Charlotte metro area.

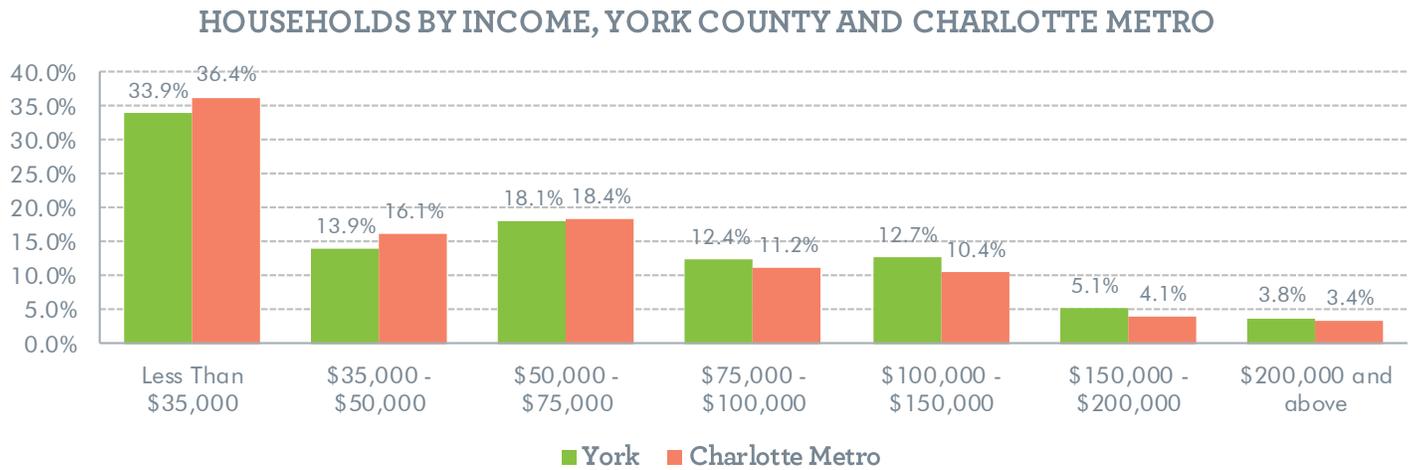
Figure 3: Population and Median Household Income



SOURCE: WOODS & POOLE ECONOMICS

Median household income growth has also been steadily increasing during this period, rising from \$31,288 (adjusted for inflation) in 1990 to \$51,925 in 2010. The median income now approaches \$54,000. This represents an annual growth rate of 2.9% over the 20 year period, a steady rate of growth and evidence of an increasingly affluent middle class in the County. Many York County households align with those in the Charlotte metro area, including a significant middle class population. More than 34.01% of York County's households have incomes above \$75,000, which is greater than the Charlotte metro's average of 29.1%.

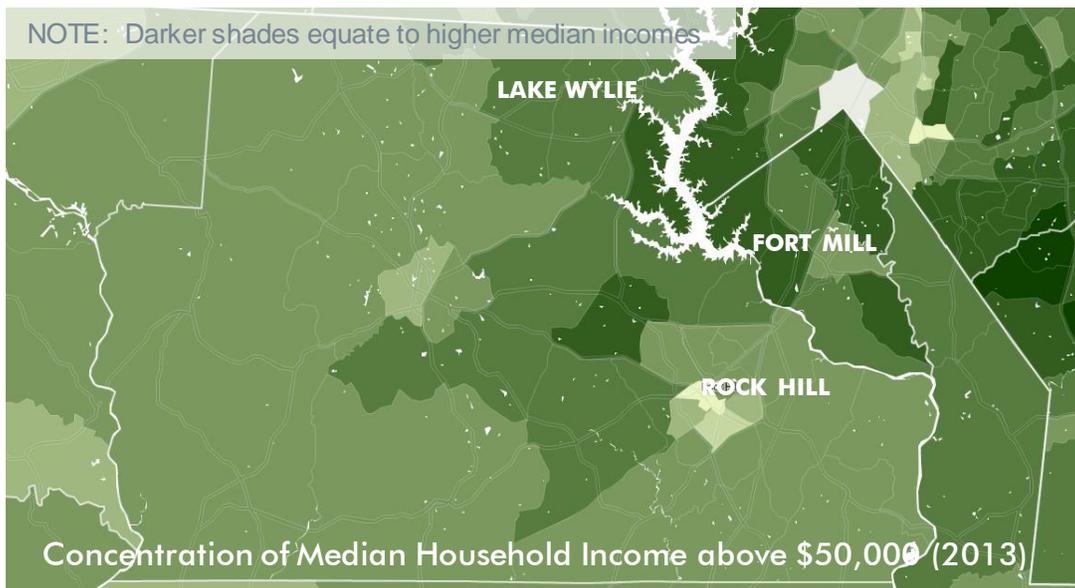
Figure 4: Households by Income



SOURCE: U.S. CENSUS BUREAU

York County today has slightly fewer lower-income households than Charlotte Metro, with roughly one-third of all households earning less than \$35,000. Most of this figure is explained by the more moderate income, agriculturally-based economy in the western and southern portion of the County as well as retirees closer to the lake. While most of the wealth is concentrated in the northeast portion of the County, overall York has relative wealth and a strong middle class that can be seen through the depth of middle income households, and in the County's lower poverty rates, with only 10.1% of the population below the poverty line. This is lower than the 13.3% average in the metro area and the 16.6% rate in Mecklenburg County.

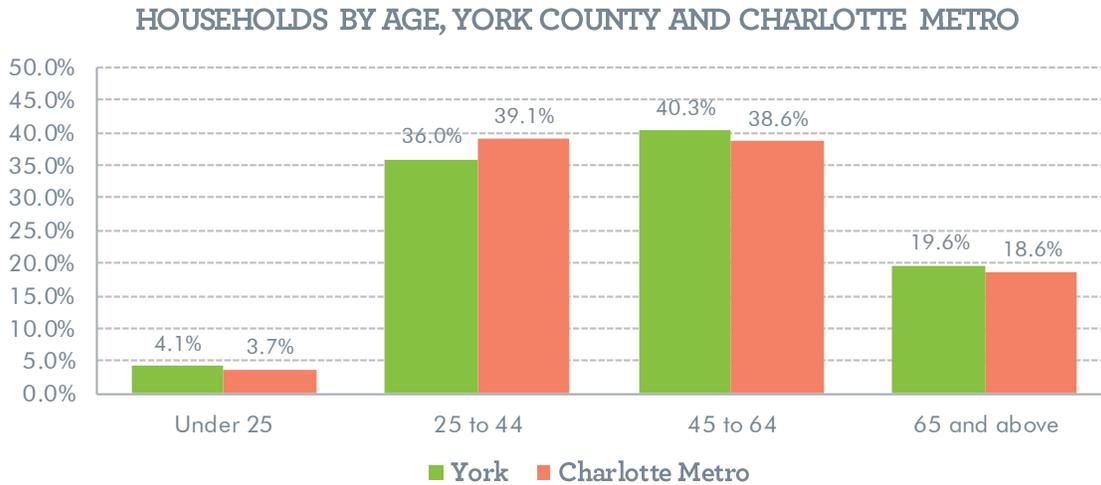
Map 7: Concentration of Median Household Income above \$50,000 (2013)



SOURCE: U.S. CENSUS BUREAU. PREPARED BY SOCIAL EXPLORER

When examining York County's current household composition, one can see that it again parallels the Charlotte metro, while being a slightly more mature county than the Charlotte metro area overall – not surprising given the attraction of schools, lack of Class A rental product, tax incentives, and the rising house values--and somewhat lacking in its attraction for younger households. This is in part due to the lower density suburban lifestyle offered in the County today and changing preferences among younger members of Generation Y (those born after 1978), who increasingly prefer more walkable, mixed-use environments, more of which are found in the urban core of Charlotte.

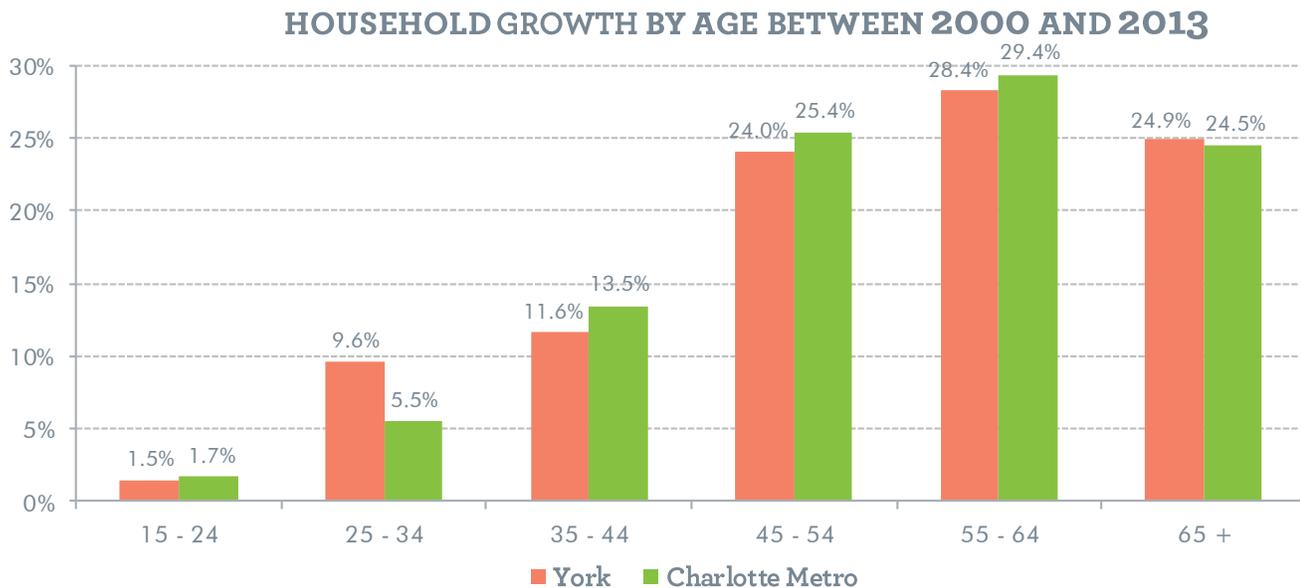
Figure 5: Households by Age



SOURCE: U.S. CENSUS BUREAU

In looking further at household growth by age, York has added nearly 20,000 households ages 45+, representing 77.3% of the household’s growth in the County. Much like the Charlotte metro, this area is appealing to Baby Boomers and older households. In addition, 11.1% of the household’s growth has been in households 15 – 34 years old. The lack of appeal to Generation Y--a generation that is equal in size to the Baby Boomers--could have an increasingly significant impact on real estate decisions and growth in county in the coming decades. As shown in the graph below, growth in 25 – 34 age cohort in York County from 2000 and 2013 is higher than the metro as a whole, showing that there is appeal from Generation Y compared to the metro and should be noted as an opportunity to capture more.

Figure 6: Household Growth by Age 2000-2013



SOURCE: U.S. CENSUS BUREAU.

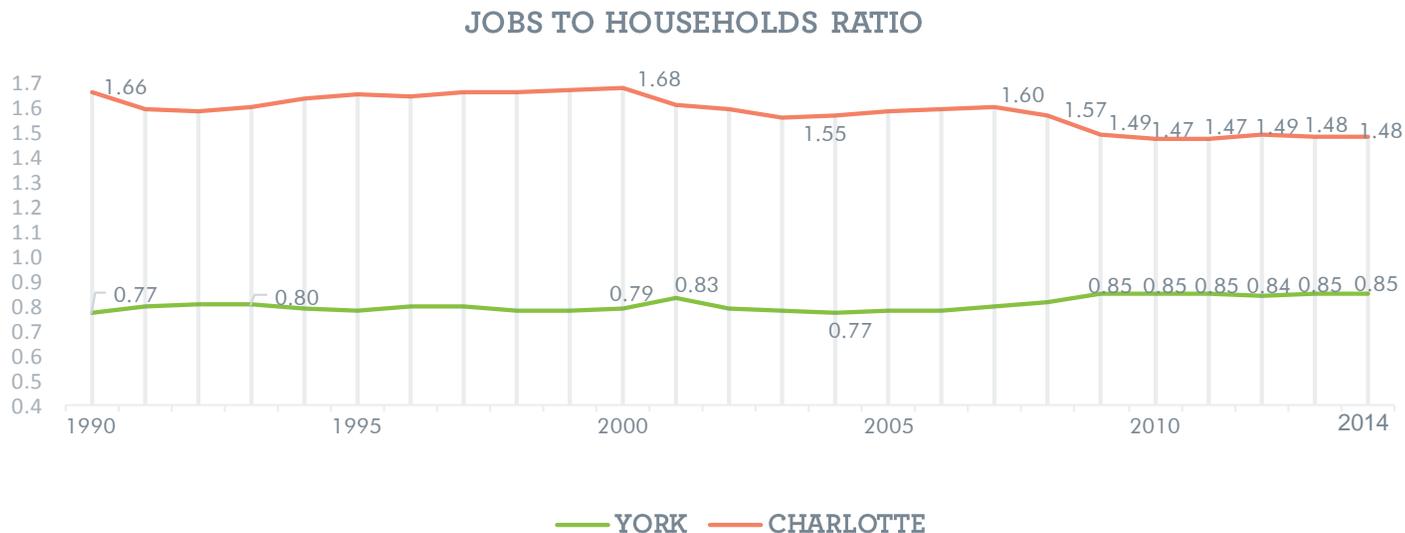
It also bears noting that 71.4% of the households are families in York County, growing by 16,840 households from 2000 – 2013. This figure further shows the need to diversify household composition, as singles and childless couples are among the fastest growing demographics nationally. Non-family (singles and unmarried couples) only represent 28.5% of the current households in the County, growing by only 8,306 households from 2000 – 2013 (a 32.7% increase in 13 years).

These missing groups--Generation Y households and singles--become significant given their share of the market and growth in the coming years. Both tend to be attracted to more dynamic, mixed-use environments and both have higher propensities to either buy or rent attached or small-lot for-sale product. As will be discussed later in this report, York County largely lacks these products historically (although Rock Hill's downtown and Baxter do represent to current town center environments) and should consider opportunities to add these products in a setting that maximizes their attraction to these growing audiences to continue to be competitive for all age groups.

ECONOMIC OVERVIEW AND CAPTURE OF THE GROWTH

York's economy has continued to expand into a robust economy, supporting a significant number of the residents living in the County. In conjunction with the strong population and household growth, which has averaged an annual capture of 10.1% of the growth in the metro, the County has averaged a jobs growth capture of 16.9% of the metro growth since 1990. York County's economic and tax policies and the business climate in the County are primary reasons for the greater share of jobs capture to the metro. As York continues to capture high quality jobs this jobs to household ratio has been maintained and has slightly increased (strong, given the high level of residential growth occurring in the County). Today the ratio is .85 jobs/households, representing a 9.2% increase since 1990. This is reverse from the trend of the Charlotte metro, where the metro has seen a reduction of jobs/housing since 1990 as the residential population outgrows the amount of jobs. Nevertheless, York's ratio is considerably lower than the metro level and has a considerable undertaking to achieve a higher ratio, comparative to the metro area.

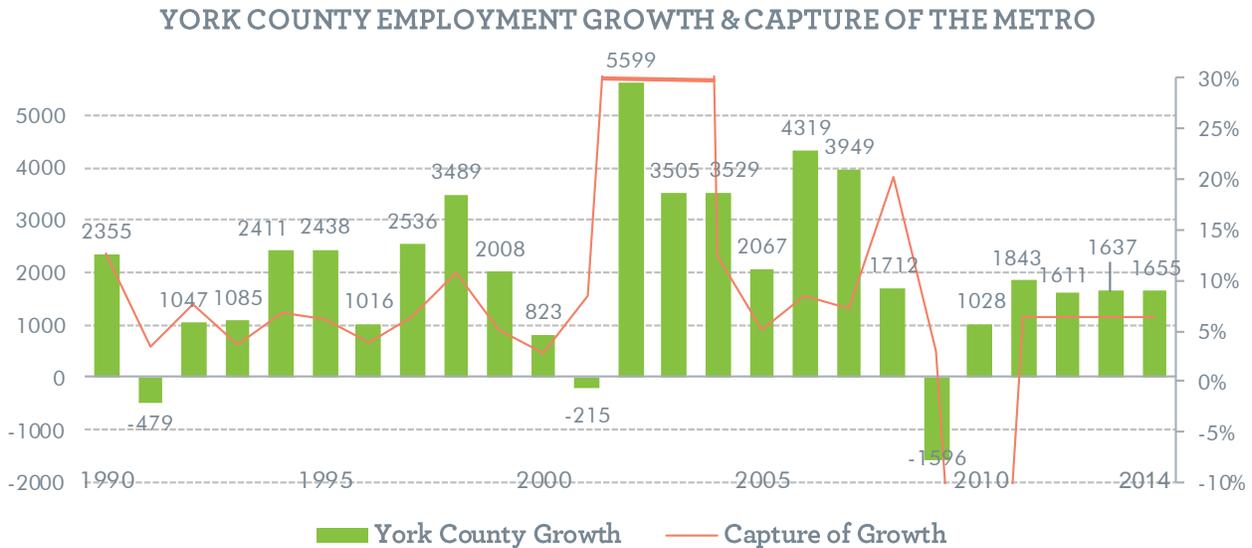
Figure 7: Jobs to Households Ratio



SOURCE: WOODS & POOLE ECONOMICS

Currently, York County jobs accounts for 8.0% of the job growth in the Charlotte MSA. Yet, looking further into capture of job growth in the metro, York has shown strong capture numbers. The county has averaged 21.4% capture of job growth since 2000, ahead of Iredell (15.7%), Union (12.1%) and Cabarrus (7.7%), but well behind Mecklenburg's 68.6% capture.

Figure 8: York County Employment Growth and Capture



Note: York's 2002 & 2003 captures were greater than 30% and not shown on this chart for ease of viewing the rest of the data.

SOURCE: WOODS & POOLE ECONOMICS

A continued push for more jobs is needed to increase the jobs to housing ratio and create more balance and a broader employment base in the County. This has increasingly become harder as the growth of the Charlotte in-town core has become more competitive, both in terms of lifestyle proposition and the improved tax policies discussed previously. Indeed, this is a note of concern, further displayed by the employment capture of growth from 2011 to 2014, which has averaged 6.4%, below the historic average of 17% capture of growth in the County (factoring in recessions, and the 7.5% capture during stronger economic periods in the 2000s).

As shown on the previous chart, York County has experienced three different phases of capture of Charlotte metro's employment growth:

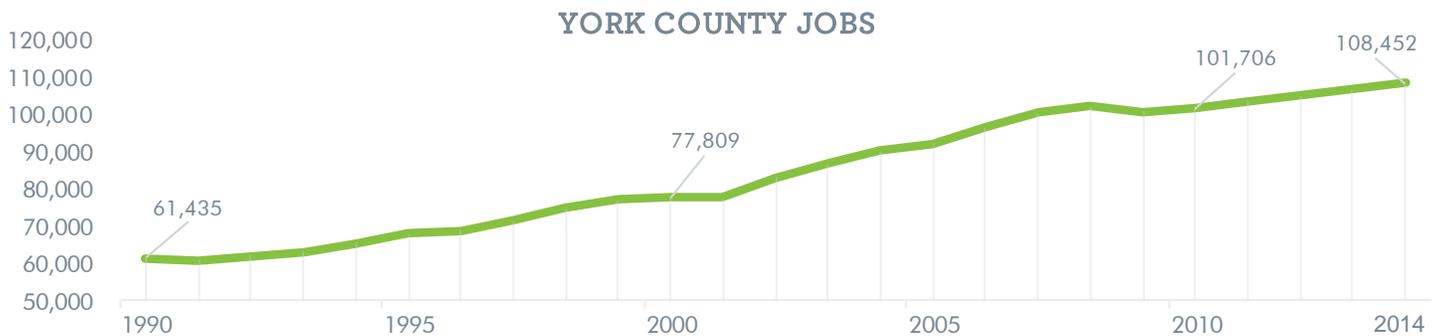
- York's historic captures of employment growth:
 - 1990 to 1999 average 6.3% of the capture – steady and strong growth;
 - 2000 to 2009 averaged 39.0%
 - Weathered two recessions better than the metro area overall (particularly the most recent recession, which hit professional services and finance industries particularly hard);
 - Growth led by tax policies and growing resident population;
 - Non-recession years averaged 7.5% years (5 years out of 10) and recession years averaged 49%. This indicates a stronger growth capture during the recession years (particularly years 2002-2003).
 - 2010 to 2014 averaged 6.4% (-7.0% capture if 2010 is included with a -60.7 capture) – Steady and strong growth after the recession led by quality of life and business incentives.
 - The recovery of the finance and professional services industries—those largely clustered in Mecklenburg—resulted in this capture loss;
 - The renaissance of the center city has also impacted job growth in the suburbs;
- 2015 and beyond: to be further analyzed by Noell Consulting Group, although the opening of the Lash and LPL offices, along with other announced relocations, should help the County maintain or increase its capture.
 - Included in this will be a focus on a number of key industry types York has identified as targets for economic development, including (Metro employment #'s in 2012):
 - Automotive manufacturing (10,860);
 - Plastics manufacturing (1,351);

- Aviation and aerospace manufacturing (150);
- Distribution (warehousing—8,900, trucking/transport—17,330);
- Machinery manufacturing (8,600); and
- Financial services processing (banks & support—56,000).

Major Industries / Jobs

Job growth in York County has been robust, averaging 1,959 net new jobs since 1990 and 2,189 since 2000. However, since 2010, the growth has somewhat tapered to an average of 1,687 jobs since 2010, as York improves from the Great Recession.

Figure 9: York County Jobs



SOURCE: WOODS & POOLE ECONOMICS

While the recession took a significant toll on the metro and county, York County total employment figures fared well relative to other areas in the metro region. Comparing employment numbers since 2008, only two industries have a negative net difference of over 1,000 jobs: construction and manufacturing. These two sectors have not recovered to the peak levels of 2008 and represent a sum of 2,819 jobs lost to date. Since 2008, York County has become more diverse and has expanded in nearly 15 industries, with the largest growth occurring in retail trade, finance/ insurance, administrative, and healthcare/ social assistance. Accordingly, the County has increasingly become a service-based economy to support the local housing (which lagged before the recession).

Table 16: Top Industry Sectors

INDUSTRY SECTOR	YORK COUNTY (2014)	CHARLOTTE METRO	YORK COUNTY TO CHARLOTTE METRO
RETAIL TRADE	12,764	137,201	1.16
STATE and LOCAL GOVERNMENT	11,479	138,498	1.04
OTHER SERVICES, EXCEPT PUBLIC ADMIN	9,619	78,077	1.54
HEALTH CARE and SOCIAL ASSISTANCE	9,589	115,419	1.04
MANUFACTURING	9,324	93,009	1.25
ADMINISTRATIVE and WASTE SERVICES	8,996	113,207	0.99
FINANCE and INSURANCE	8,069	95,542	1.06
ACCOMMODATION and FOOD SERVICES	7,964	95,693	1.04
PROFESSIONAL and TECHNICAL SERVICES	5,062	87,440	0.72
CONSTRUCTION	4,595	72,087	0.80
WHOLESALE TRADE	4,364	63,687	0.86
REAL ESTATE & RENTAL & LEASE	4,209	61,771	0.85
ARTS, ENTERTAINMENT, & RECREATION	2,735	35,194	0.97
UTILITIES	1,861	5,587	4.17
INFORMATION	1,778	27,883	0.80
TRANSPORTATION & WAREHOUSING	1,561	45,302	0.43
FARM	1,331	8,158	2.04
EDUCATIONAL SERVICES	1,051	26,594	0.49
FEDERAL MILITARY	988	6,575	1.88
FEDERAL CIVILIAN GOVERNMENT	442	9,945	0.56
MANAGEMENT	340	36,288	0.12
FORESTRY, FISHING, & OTHER	245	1,758	1.74
MINING	86	1,477	0.73
TOTAL	108,452	1,356,392	1.00

SOURCE: USCENSUSBUREAU

Table 17: Top 10 Non-Government Employers

Top 10 Employers (Non Gov)	Employees
Wells Fargo Home Mortgage	2,335
Duke Power-Catawba Nuclear Station	1,228
Ross Distribution	919
CitiFinancial	850
U. S. Foodservice, Inc.	735
Resolute Forrest Products	613
Shutterfly	600
Schaeffler Group USA, Inc.	558
Metrolina Greenhouses	523

SOURCE: YORK COUNTY ECONOMIC DEVELOPMENT

When examining the County's economic base by industry, 11 of the 23 industry sectors have a greater location quotient ratio than the Charlotte metro area. As shown in Table 16, York County's economic base can be found in those industries shaded--industries in which a greater share of York's total employment can be found relative to that of the Charlotte metro area. Any ratio above a 1.0 indicates a greater concentration of jobs in York relative to the Charlotte area. Most of the green shaded industries are large corporations that offer low to moderately paying jobs and metro serving industries, such as Ross Distribution, that have relocated to York County. These employers, including other large corporations like Wells Fargo Home Mortgage, Duke Power, and CitiFinancial, have driven growth by bringing many jobs and a stronger tax base to the County. The economy is strong and diverse, including nine industries with a base of 5,000 jobs or more.

Indeed, recent recruitment and expansion announcements, as laid out in the State of the County report for the York County Regional Chamber of Commerce, have been significant and have included a good mix of office and industrial-using companies; export jobs that will bring money into the local economy, as opposed to local-serving jobs that serve the local economy, but bring no new dollars into the area. Some of these key growth announcements are summarized in the table 18.

Yet in contrast to the metro area, the County lacks smaller industries along with local service companies, such as educational services, management, and other professional services. In addition, the County lacks high-paying employment which arises from management position and services; positions largely found in Mecklenburg County (although the LPL and Lash moves will help this issue). These fields can continue to drive growth and help with the imbalance of jobs to housing. York County is lacking jobs in some primary industries that provide quality, high-paying jobs, including Professional/ Technical Services, Transportation and Warehousing, Educational Services, and Management of Companies. Professional Services and Management, in particular, are higher-paying job sectors under-represented in the County. Growth in these areas should be a focus in the years to come. As previously mentioned, York County, through its Target Industry Analysis study, has identified six industries that match York's key characteristics and should be focal

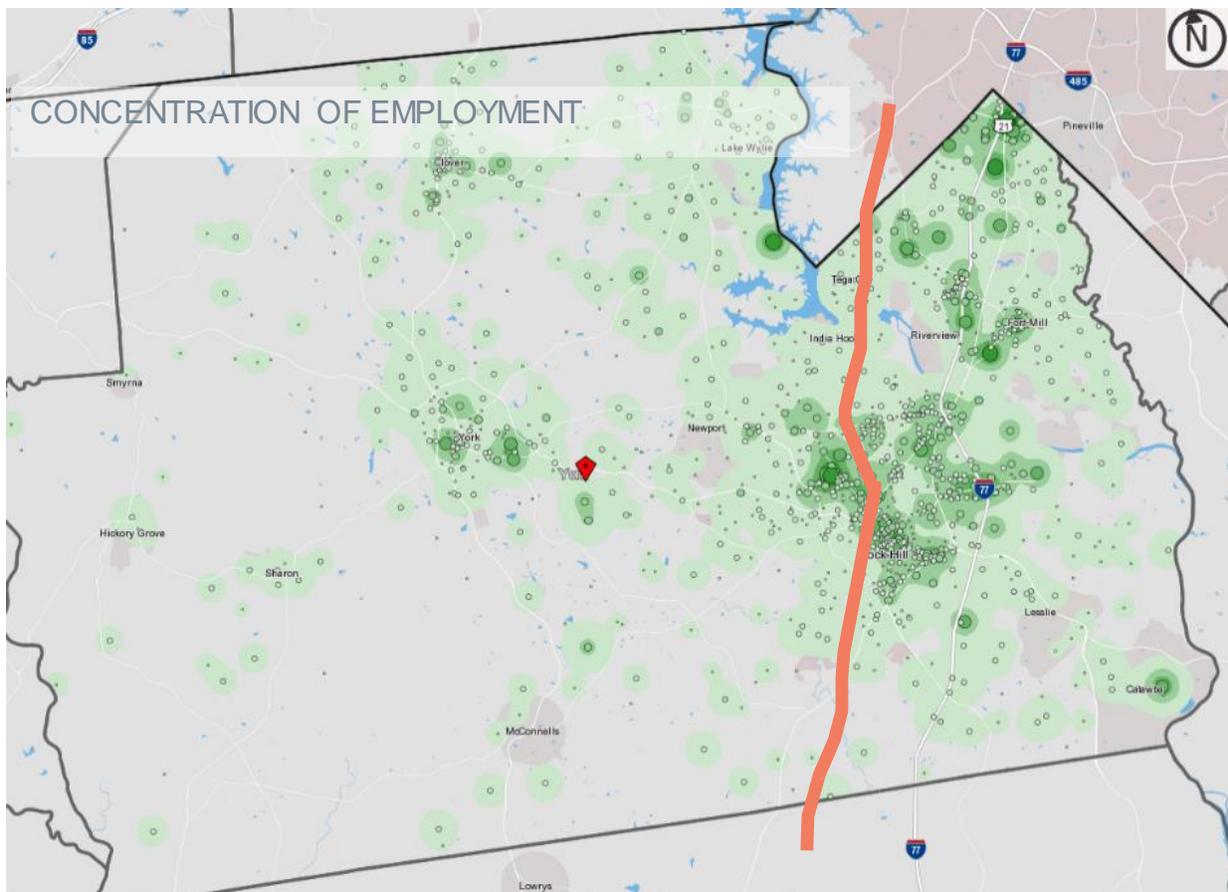
Table 18: Companies Locating to York County

Company	New or Expanding	Number of Jobs
LPL Financial	New	3,000
The Lash Group	New	2,400
Ross Distribution	New	600
Shutterfly	New	416
Physicians' Choice	New	364
Britax	New	240
Coroplast	New	153

points for economic development efforts, including (auto, plastics, aviation/aerospace and machinery manufacturing, distribution and financial services processing). All represent moderately to middle-income paying jobs and many aim to replace manufacturing jobs lost in past decades.

While not a major employment source in the County, York County's large agricultural base consumes the land of most of the western portion of the County. The County has over 1,000 farms (4.0% of all South Carolina farms, averaging 139 acres per farm), and of these, 96% are small family farms producing less than \$250,000 gross sales per year. The western portion of the County and much of the area west of Lake Wylie lacks major transportation nodes and water and sewer infrastructure. The absence of strong transportation nodes has hampered access to the Charlotte metro, attraction for employment, and growth.

Map 8: Concentration of Employment



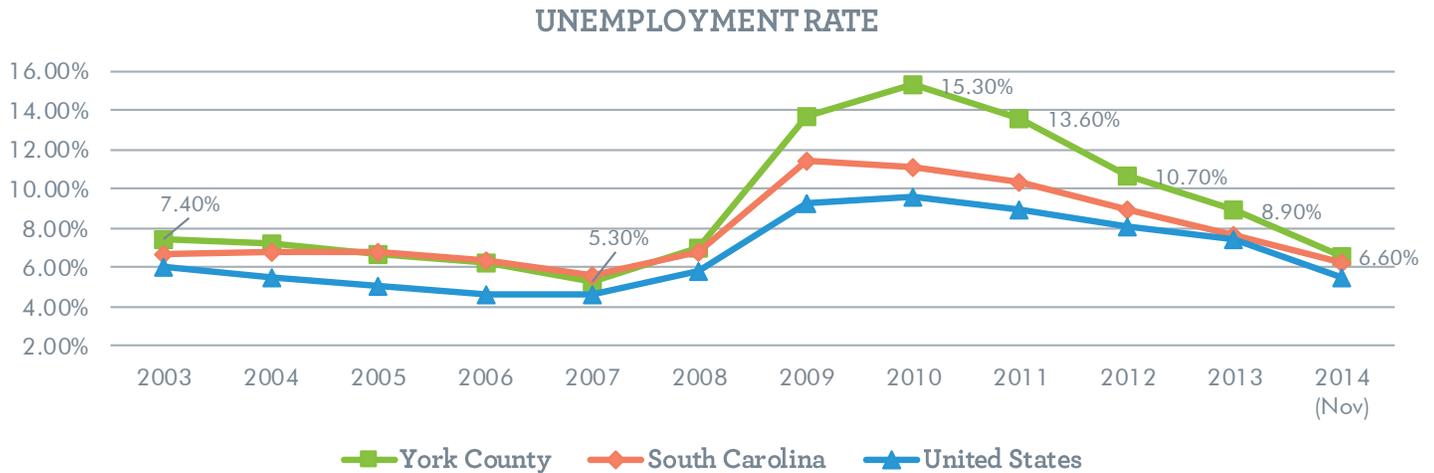
SOURCE: U.S. CENSUS BUREAU. PREPARED BY LEDONTHEMAP

Many of York County's major employment cores can be found in the northeast section of the County and in Rock Hill. As shown in the map to the right, densities of green signify concentrations of jobs in the County. Major concentrations of employers can be categorized into three primary groups: local government, distribution, and corporate services. Interstate 77, the major spine and concentration of these jobs, is the primary area of employment growth and principal foundation for jobs. Interstate 77 allows easy access to Charlotte and other metro regions and serves as the major thoroughfare in the County. Nearly 79.5% of the total jobs in the County are within 5 miles of I-77, where healthcare, retail, and manufacturing are the three biggest industries. This does not include the planned 5,000 jobs moving to the I-77 core with Lash Group and LPL Financial moving into the County. Other areas of the County serve as distribution hubs, local government, and agriculture. While the road investment of I-77 has influenced rapid job expansion, it has increasingly caused congestion and the rise of low density housing around the interstate, fueled by those relocating from other areas of Charlotte and seeking housing. Balancing the residential growth in portions near the interstate, as well as broadening the investment of roads to improve access to other areas of the County, can spur additional economic growth, including areas west of Lake Wylie and areas west of Rock Hill. Indeed, the trend of corporations locating on I-77 will continue into the foreseeable future and should be of great value to the County, but future planning and economic growth should focus on adding industry in strategic locations, attracting smaller businesses, and building for Generation Y, a group that is spurring large growth in Mecklenburg County. As referenced previously, York County's job to housing ratio has not kept up with that of the region (1.48 in the Charlotte Metro, 1.00 in Iredell County, 0.90 in Cabarrus County, .78 in Gaston County and 0.73 in Union County), averaging around .85 jobs to housing. In the coming years this ratio could improve somewhat, considering two major corporate relocations in the County. However, the amount of residential in the pipeline is significant, and maintaining solid job growth as robust household growth returns to the area should be at the forefront of planning exercises.

Unemployment

As of November 2014, the County had 7,449 unemployed people, which equates to an unemployment rate of 6.6%. This is slightly above the South Carolina average of 6.3% and above both the United States average of 5.50% and the Mecklenburg County rate of 6.3%. York felt the impacts of the Great Recession, with some of the highest unemployment figures in the region. Unemployment increased from 5.3% to a high of 15.3% in 2010, but the County has since recovered and has the fundamentals to achieve a much lower rate in the coming years.

Figure 10: Unemployment Rate



SOURCE: S.C. DEPARTMENT OF EMPLOYMENT & WORKFORCE

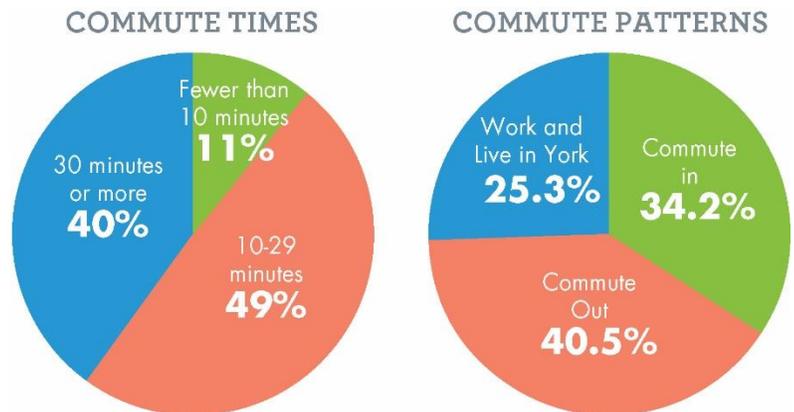
Current Labor Force and Inflow/Outflow

As of November 2014, there were 105,411 people employed in the County. Currently, only 23.3% of the labor force is 29 years old or younger, 57.5% of workers are 30-54 years old, and 19.2% are 55+. To this, only 20.7% have completed a bachelor's degree or higher education levels, reflective of the industries that have historically dominated the County's economy. Of this labor force, roughly 54% are from York County, while the rest commute to York from other counties. This is higher than the other counties in the metro region with 51% living and employed in Mecklenburg County, 49% in Iredell County, and 47.6% in Union County

Top 5 places from which workers commute are:

1. Mecklenburg County: 8,514 workers
2. Lancaster County: 3,470 workers
3. Chester County: 2,927 workers
4. Gaston County: 2,195 workers
5. Richland County: 1,359 workers

Figure 11: Commuting Patterns and Times



SOURCE: U.S. CENSUS BUREAU

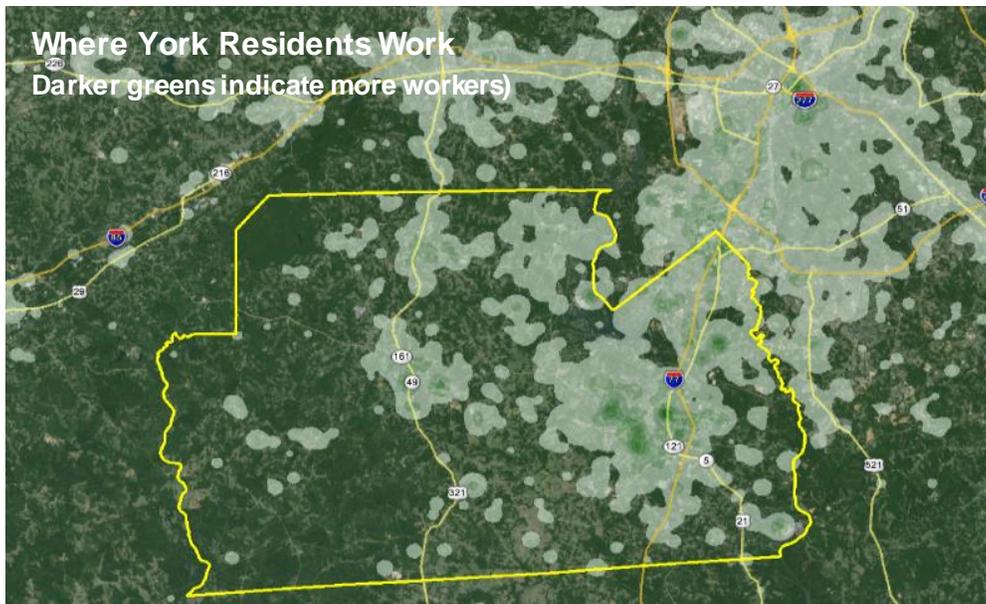
On the other hand, many residents in York County are commuting to Charlotte for work. This number is expected to continue to rise as the residential pace broadens in the coming years. In 1990, 31% of workers commuted to North Carolina counties, and by 2000 the amount of commuters had risen to 36%. As shown in Figure 11, York generally exports more workers than it imports, with 40% of those living in the County commuting out, 34% commuting in, and roughly 25% working and living in the County.

Top 5 counties to which York residents commute to are:

1. Mecklenburg County: 29,013
2. Gaston County: 2,752
3. Chester County: 1,366
4. Lancaster County: 1,174
5. Union County: 682

Approximately 92% of all employed York residents drive to work, of which roughly 10% carpool and an additional 5% work at home. The average inclusive commute time is 26 minutes for all workers.

Map 9: Resident Employer Destinations



SOURCE: U.S. CENSUS BUREAU. PREPARED BY LEDONTHEMAP/GOOGLE EARTH

OFFICE MARKET

South Carolina's aggressive recruiting policies, York County's lower tax rates, and a direct connection to I-77 have helped to propel York County's office market, with a number of major firms moving across state lines into the County. Much of the office inventory is located along the I-77 corridor, attracting national corporate businesses and select smaller service offices. As shown in the table below, York County offers more than 5,300,000 square feet of multi-tenant and owner-occupied office space, or about 5.3% of the total office market in the Charlotte metro area and 6.9% of the total market, excluding Downtown/Uptown Charlotte². In addition, the overall vacancy is only 6.8%, well below the 10.6% vacancy in the Charlotte metro (excluding the Uptown submarket).

Table 19: Office Space by County

OFFICE SPACE BY COUNTY						
COUNTY	BUILDINGS	TOTAL SQUARE FEET	SHARE OF CHARLOTTE METRO	SQUARE FEET PER BUILDING	VACANCY RATE	AVERAGE ASKING RENT
York	506	5,336,798	5.3%	10,547	6.8%	\$18.29
Gaston	669	4,031,287	4.0%	6,026	7.6%	\$14.14
Iredell	379	3,809,451	3.8%	10,051	12.0%	\$16.78
Union	357	2,227,498	2.2%	6,239	10.6%	\$17.82
Airport/SW Mecklenburg	340	13,036,975	13.0%	38,344	14.2%	\$17.59
NC 51/S Mecklenburg	303	8,591,741	8.6%	28,355	13.9%	\$23.36
Charlotte Metro (Total)	5,343	100,103,689	100.0%	18,735	10.2%	\$20.10
Metro Suburban	5,200	77,250,353	77.3%	14,855	10.6%	\$19.39

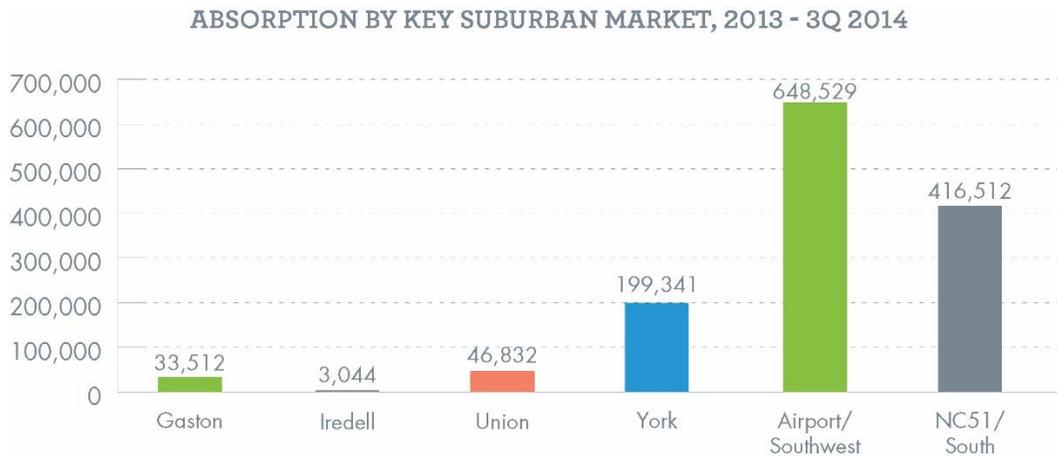
SOURCE: CASSIDY TURLEY MARKET REPORT

The market also boasts the highest lease rates outside of Mecklenburg County (\$18.29/SF), above Gaston, Iredell, and Union Counties. Iredell County, often the County noted as being a solid comparable to York given Charlotte's "hourglass" growth pattern, is similar to York in size of buildings offered, but has a higher vacancy rate and lower asking rent rates, indicating the strength of York's market. Typical asking rents average \$18.29/square foot, below asking rents of \$19.39 in the Charlotte metro and \$23.68/sq. ft. in the Downtown/Uptown. Lower operating costs, lower property taxes, and lower asking rents are alluring tools for many companies seeking to do business in York County. Office fundamentals having been trending upwards in the past year, with asking rents increasing from \$16.96/square foot and vacancy decreasing from 7.1% since the end of 2013.

York has achieved relatively strong absorption rates over the last two years (2013 – 3Q 2014), totaling around 200,000 SF absorbed (100,000 SF annually), far more than other suburban counties shown.

² Via Cassidy Turley's Charlotte Office Market Snapshot, 3Q, 2014

Figure 12: Absorption by Key Suburban Market, 2013 - 3Q 2014



SOURCE: CASSIDY TURLEY MARKET REPORT

Absorption in York is largely being fueled by bigger relocations to the market, such as Wells Fargo, Lash, and LPL, among others. It is secondarily being fueled by smaller tenant growth; tenants that value a convenient, yet lifestyle-driven location such as Baxter or Riverwalk or the potential new town center in Kingsley. Indeed, the large majority of office-using firms in the County are quite small, having fewer than 20 employees (roughly a 10,000 SF or smaller user). Smaller firms are growing rapidly with the improvements in technology as well as many larger companies shedding employees and rehiring them as consultants. The distribution of these firms can be seen in Table 20.

Table 20: Number of Firms by Number of Employees

NUMBER OF FIRMS BY NUMBER OF EMPLOYEES								
INDUSTRY/EMPLOYER	1-4	5-9	10-19	20 – 49	50 – 99	100 – 249	250 – 499	500+
Finance & Insurance	215	65	34	11	3	1	3	2
Prof & Technical Services	336	76	31	10	5	1	0	0
Health Care	191	92	71	53	24	10	2	1
Total	742	233	136	74	32	12	5	3

SOURCE: WOODS & POOLE ECONOMICS

As noted earlier, York County has in part functioned as a price alternative to Charlotte and Mecklenburg County as it's big selling points (particularly with the State's tax incentives for major moves). A key for the County going forward is to focus on that quality of life in the workplace aspect (as opposed to residential quality of life). LPL, in its announced move to York County, provided some insights into this need, with its requirement for the creation of some type of mixed-use town center proximate to its offices, where employees could walk for lunch or dinner, and where employees could live and be within walking distance of the office. Creating these locations, and emphasizing parks and greenways for exercise and relaxing should be a focal point for York and its cities in the coming years.

INDUSTRIAL MARKET

The state of South Carolina has emerged as a major player in industrial land use in recent decades due to strong competitive advantages, including a diverse base of industrial companies, a skilled industrial workforce, international ties, excellent transportation links, a favorable geographic location, tax policies, and access to seaports. York County's highway proximity to Charlotte, access for distribution operations, and large blocks of inexpensive land have attracted many single-tenant users and build-to-suit industrial users seeking to make sizeable investments in the region. Examples include Ross Distribution, U.S. Foodservice, and Northern Tool and Equipment. Sizable investments have been made, including a 1,200,000 square foot Black & Decker Corporation distribution center, a 1,300,000 Ross Stores distribution center (Ross has over 3 million square feet of industrial space in York), and a 423,000 square foot TransPoint distribution

center. Much of the industrial base exists in Rock Hill, where more than 120 industrial companies are based, and in Fort Mill, which is home to more than 50 industrial companies.

York's industrial market has continued to expand and showcase strong fundamentals. According to Cassidy Turley, more than 19,200,000 square feet of space exists in the market (with nearly 300,000 square feet currently under construction), representing 12.5% of all industrial space in the metropolitan area. Vacancy continues to trend down and is currently 4.5%, below the metro average of 5.1%. In addition, asking rents for the County average \$3.44/square foot, well below the \$4.73/square foot asking rent average in the Charlotte metro.

Industrial has represented a significant economic engine and tax basis for the County although, as noted earlier, York's location quotients for both Distribution and Warehousing relative to the Charlotte metro are low, indicating these uses are not yet export industries for the County. York County, with direct access to I-77 (and a location between Charlotte and Columbia) as well as connectivity to I-85 to the west (I-85 being the largest distribution/warehousing corridor in the Southeast), is well-positioned to see significant growth in industrial-using industries. Indeed the Carolinas and the Charlotte metro area have seen a renaissance in industrial demand, driven not only by warehousing and distribution, but increasingly by manufacturing, which has enjoyed a renaissance in the US due to international transportation costs, the need for quicker inventory controls, and a greater importance on quality control.

While traditional loss industries, such as textile-related manufacturing, have continued to decline, several industry types have shown promising growth, focused around computers and electronics. These growing areas are:

- Printing and Related Activities
- Chemical Manufacturing
- Machinery Manufacturing
- Computer and Electrical Products
- Retail distribution

The large majority of space delivered to the market to date has been within a few miles of I-77, largely in and around Rock Hill, where land prices are lower and development feasibility more realistic. Projects like Riverwalk and Waterford have been highly successful in locating new warehouse and industrial facilities. Central and western York County have seen less industrial development given their more removed location relative to regional interstates. This said, the four-lane Highway 5/161 corridor between I-85 in the west and I-77 in the east create opportunities. Tapping into these opportunities and drawing firms further off of the two freeways (York's closest proximity to I-85 is around 7.5 miles) will be the key challenge for these areas.

New innovations, robotics, online retail, and nanotechnology are transforming the industrial sector and will continue to do so in the foreseeable future. These industries are also import industries, bringing outside dollars into the County and providing a strong tax base, which is important to the long-term health of the community. There is significant opportunity for industry and manufacturing in the County, especially in the western portion, where land is abundant and transportation investments can be made. In addition, as noted previously, the location quotients for transportation-related distribution and warehousing are lacking in the County and offer room for improvements relative to the metro.

RETAIL MARKET

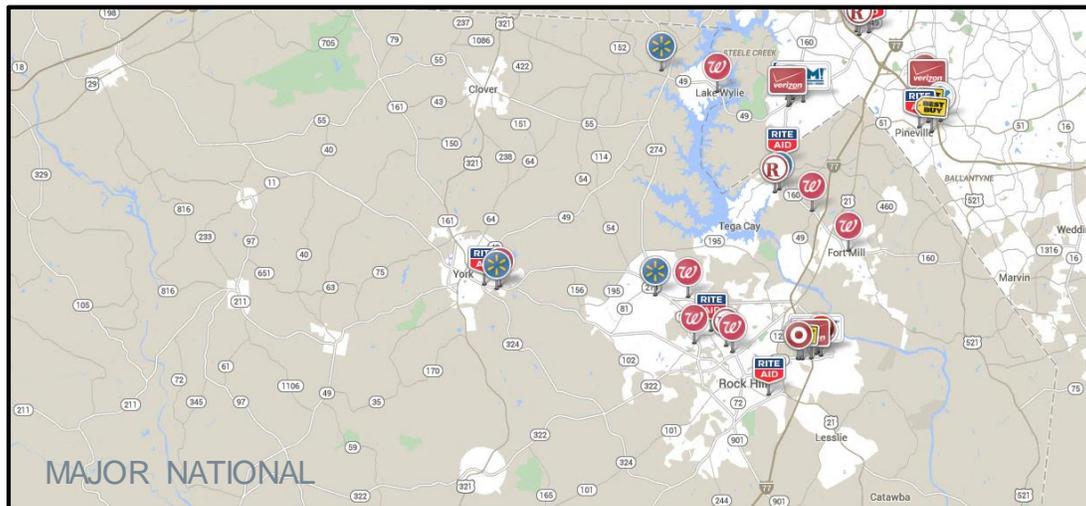
York County's strong residential growth has spurred a greater need and demand for retail uses. Most of the retail development in the County to date has been in the form of smaller neighborhood retail uses as well as stand-alone big box discount retailers such as Walmart. Most retail centers in the County are relatively small, with national grocery-anchored neighborhood centers, small strip centers, or freestanding retailers. Although it is growing, the retail base in the County is lacking in terms of variety compared to Mecklenburg County and there is a general sense that sales are being lost to York's northern neighbor, particularly sales relating to mall-type stores and comparison goods, while convenience retail uses (grocery, drug store, etc.) and discount retailer are being well-captured in the County.

Overall NCG estimates there are around six million square feet of retail space in York County as of 2012, including both multi-tenant space and user-occupied space (build-to-suits). This is based off of the more than 8,200 retail employees and 6,100 restaurant employees in the County (as of 2012). Karnes Research estimates there are around 5.4 million square feet of space in the County in multi-tenant properties, a close match to NCG's estimates. This total places York above Iredell County and Union County, and in line with Gaston, but well below Cabarrus County (Concord Mills) among Charlotte's suburban areas.

Vacancy rates are quite strong in the County, estimated to be around 94%, well below the regional average of 91.4% and indicative of a tight retail market. Rents are also solid, averaging close to \$18/SF in the County, below the regional average of \$19.15, but higher than all of its suburban competitors, again reflective of a strong retail market.

As can be seen from the map below, nationally-represented retail uses are largely focused on discount retailers (Walmart and Target) or convenience based retail, with destination retail uses, including higher-end, Main Street or mall-type tenants being found in Mecklenburg. Indeed, York's market is dominated by convenience-based retail (grocery stores, drug stores) as opposed to more comparison or destination retail. Overall, NCG estimates York is capturing around 65% of its retail expenditure potential, when factoring out car sales and online transactions. Creating these destinations will be a focus going forward, particularly with the County's population showing such strong and affluent growth.

Map 10: Major National Retailers in York County



SOURCE: SQUARE UP

York County has 0.192 grocery stores for every 1,000 people, which is slightly below the 0.199 average in South Carolina and the .214 average in Mecklenburg County. West York County lacks grocery and retail due to the lack of rooftops, while Rock Hill and Fort Mill have a significant number of grocery stores (including Walmart) and continue to increase this number substantially. In 2014, Rock Hill alone announced five more grocery stores, including three Walmart neighborhood markets (in addition to a planned new supercenter) and two Publix stores. In addition, the County offers 117 full service restaurants, a ratio of .561 restaurants for every 1,000 people. This is well below the South Carolina average of .775 and the Mecklenburg average of .931. As the County offers more opportunity to capture comparison goods/regional-type

needs and more rooftops come to the York area, many national companies are realizing the traffic and population can support the dynamics of retail. As York continues to develop and new opportunities emerge, temptations to overdevelop the retail market will appear, creating the potential for retail abandonment along corridors. Safeguarding against this is an important issue for York County going forward and will be addressed in future demand reports. The county will need to capture retail potential while avoiding retail abandonment and focus on national retail trends of experience based and restaurant mix tenant bases. Opportunity appears to exist in the County for smart growth and lifestyle-oriented retail, be it in existing town centers, in newer mixed-use centers, or even in the main street components. These centers can be solely retail endeavors, or they can be mixed with residential and other land uses to create destinations.

POSSIBLE ECONOMIC/MARKET ISSUES FOR STUDY

Against the preceding assessment, we believe there are several key issues that merit further study, beyond understanding demand potential in the County in the coming decades. These issues include:

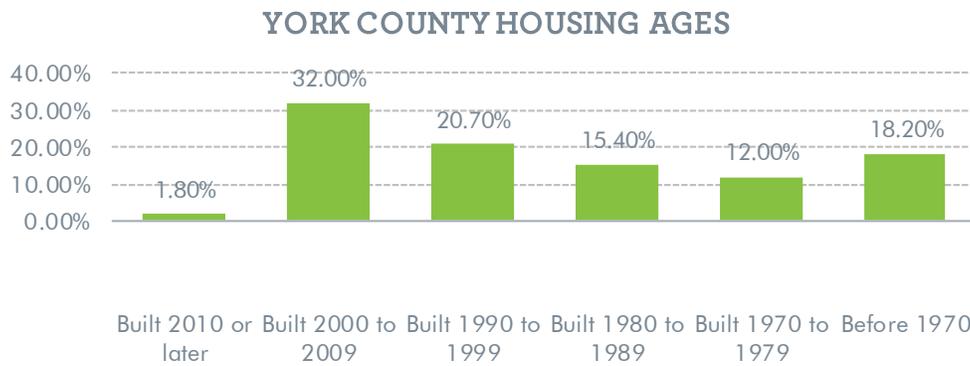
- Ability to attract smaller firms and employment into the County;
- Identifying market potential and strategies to continue to attract a diverse array of companies, one that will allow the County to grow in the foreseeable future;
- Understanding land supply for office and industrial users relative to potential future growth;
- Opportunities and strategies to further growth of key manufacturing and industrial sectors in the County, including locations, infrastructure, and other investments that may increase York's attractiveness for these users;
- Spurring economic development (beyond retail) west of Lake Wylie, western portions of the County, and areas east of Rock Hill;
- Diversifying residential opportunities in the County to accommodate a broader demographic of residents;
 - This includes creating housing opportunities that are attractive to singles and couples without children, who are disinterested in conventional lot single-family product, and younger Gen Y members who are not attracted to the County currently;
- Continuing creation of town centers like developments and fortification of existing town centers to recreational focal points for development;
 - These places could be attractive not only for all types of residential product, but for retail and office users as well; and
- Creating strategies for retail development in the County--based on estimates of demand potential and space needs--and address overall retail needs by time period in the coming years, along with opportunities to capture "leakage" to Mecklenburg County.
- Strategies to attract employers who desire/need higher education requirements which may in turn provide higher wage positions.

HOUSING

HOUSING MARKET

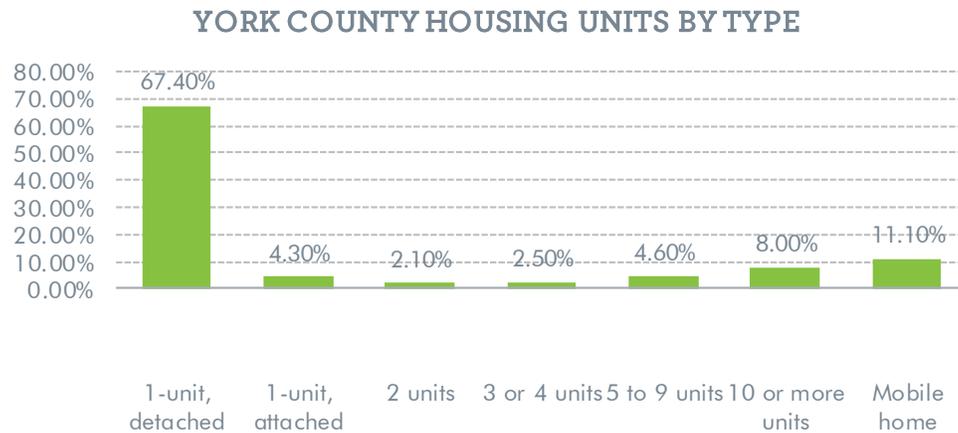
York County's housing market fundamentals are strong, due to the solid lifestyle proposition and growing positive perception of the County. York's housing market is largely comprised of lower-density, for-sale residential homes to a greater extent than that of the Charlotte area overall. Roughly 72% of York County's 87,303 occupied housing units are owned, above the 67% average ownership rates seen at the larger Metro area. This isn't too surprising, as renters tend to accept more convenience-driven and urban locations, while many owners, who are often driven by factors relating to schools and are more apt to "drive for value", accept homes in suburban counties such as York, Cabarrus, and Union. Indeed 67.4% of York County's entire housing stock can be found in single-family units, with an additional 11.1% found in mobile homes. 21.50% of all housing units are found in attached product, including townhouses, duplexes, and rental apartments. All are products that can function as price-alternatives to higher-priced single-family homes, and all are less land-intensive than single-family homes.

Figure 13: York County Housing Ages



SOURCE: U.S. CENSUS BUREAU

Figure 14: York County Housing Units by Type



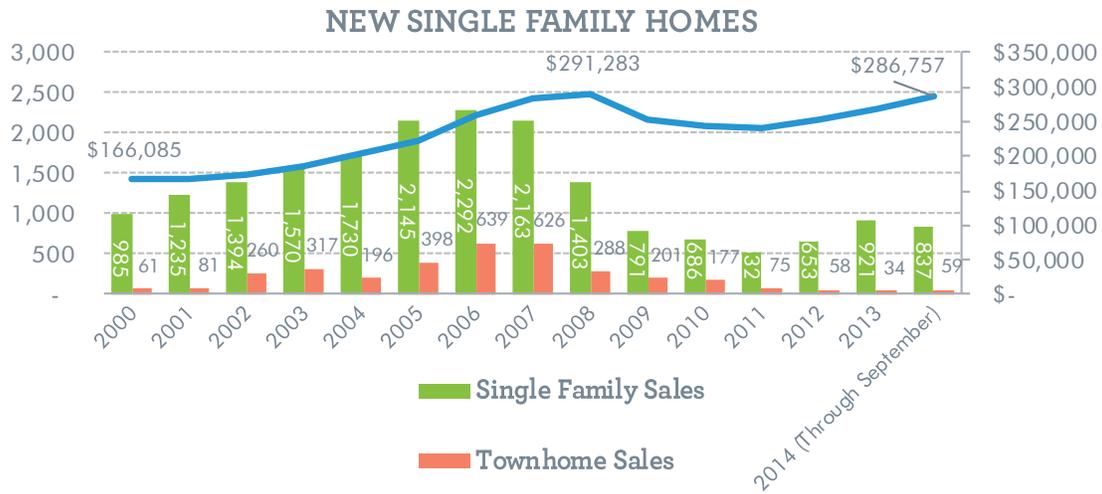
SOURCE: U.S. CENSUS BUREAU

Given York's function as a family and bedroom community, a role that has largely emerged over the last 20 years, it should be no surprise that the majority of York County's housing stock was built after 1990. Nearly one-third has been built since 2000. Given the predominantly new housing stock in the area, issues relating to housing quality should be minimal in the coming years.

York County has seen a significant moderation in housing activity since the last decade, during which single-family new home sales rose to as high as 2,300 units in 2006 and fell to as low as 532 sales in 2011. Home sales are rebounding

from the recession with home prices reaching pre-recession levels. The momentum is expected to continue into 2015 and beyond. The pipeline is expected to grow due to rapidly rising home prices, especially in the Fort Mill area. Price appreciation has been substantial in York County since 2000, with median new home sales prices increasing by over \$120,000 (up 42% over a 14 year period), in spite of a price drop during the Great Recession.

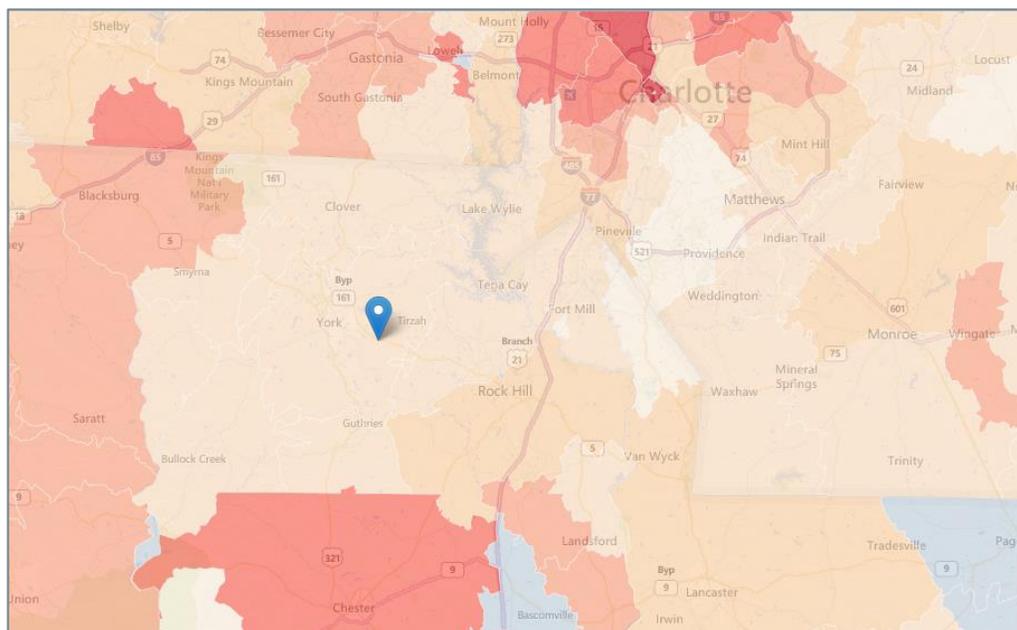
Figure 15: New Single Family Homes



SOURCE: MORE DATA

This strong growth in house prices has helped York to avoid significant issues with foreclosures and homes “under water”, where the amount owed on the house is more than the value of the house itself. As shown in the graphic below, areas within York County range from around 10% of homes under water (around Tega Cay and northeast York County) up to 19% in Rock Hill. As can be seen below (the darker shades being higher percentages of homes under water, the County is in good shape relative to not only parts of Mecklenburg, but also to rural areas in South Carolina to the south and west.

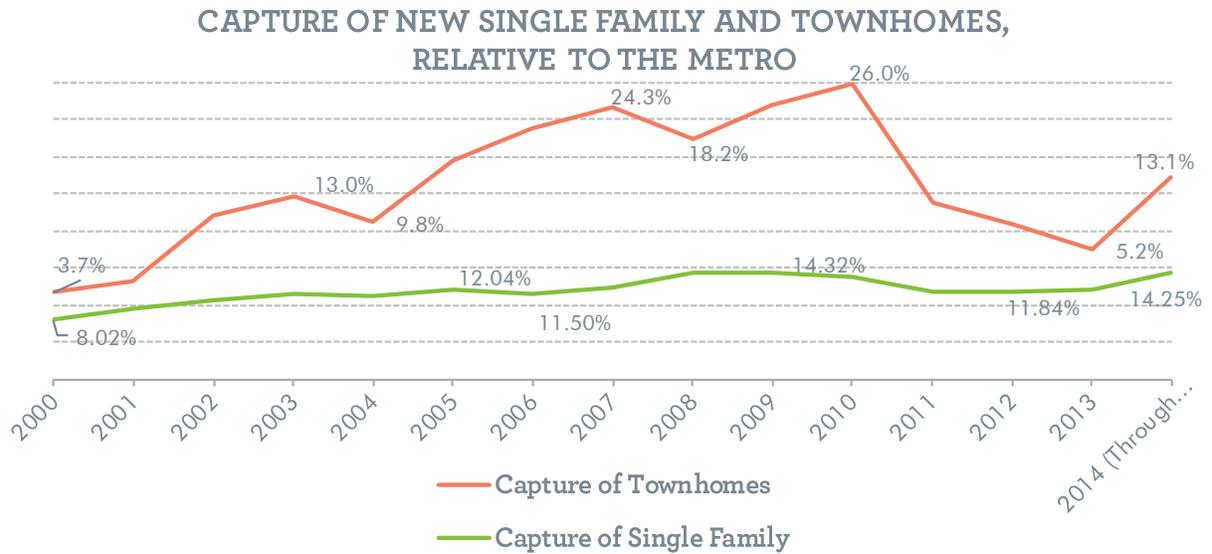
Map 11: Percentage of Homes Under Water



SOURCE: ZILLOW

Rising home prices also create significant opportunities for other housing product types, including townhomes, and condominiums, as residents look for price alternatives to single-family homes. As shown below, York's capture of MSA townhome sales has been significantly higher than its capture of single-family homes, indicative of affordability issues in parts of the county (particularly Fort Mill to Tega Cay) where singles and childless couples, and young families are more likely to be priced out of the single-family housing market.

Figure 16: Capture of New Single Family and Townhomes

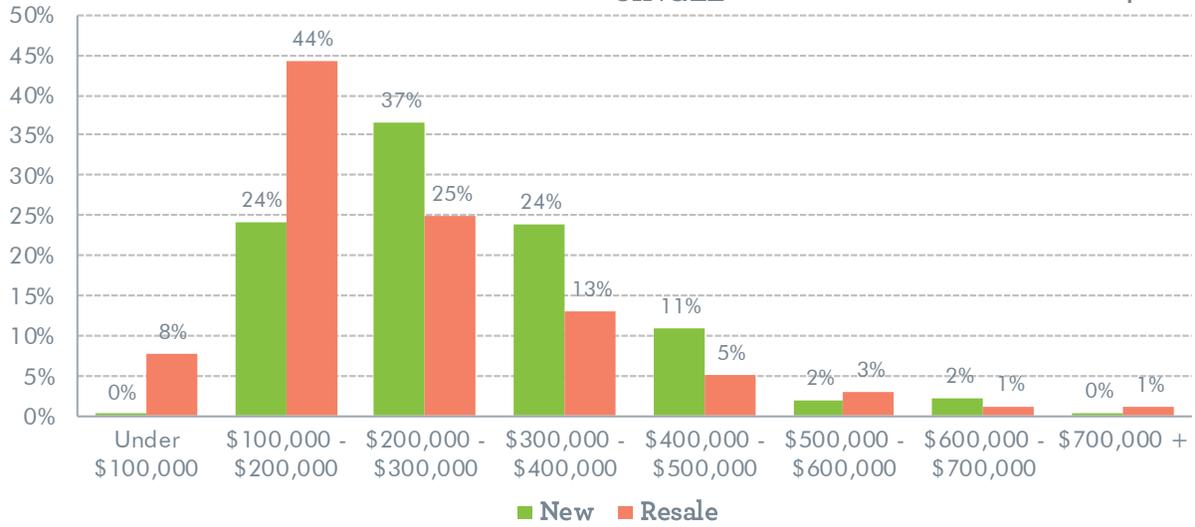


SOURCE: MORE DATA

As shown in the graph below, 75% of York County's new single-family home sale prices were over \$200,000 in 2014, with the majority ranging from \$200,000 - \$300,000. On the resale side, only 48% were over \$200,000, with the majority of resale single family homes being sold in the \$100,000-\$200,000 range. Clearly the County is becoming less affordable over time, creating both a need and opportunity for price alternative products as alluded to earlier.

Figure 17: York County New and Resale Single Family Home Sales 2014

YORK COUNTY NEW AND RESALE SINGLE-FAMILY HOME SALES IN 2014

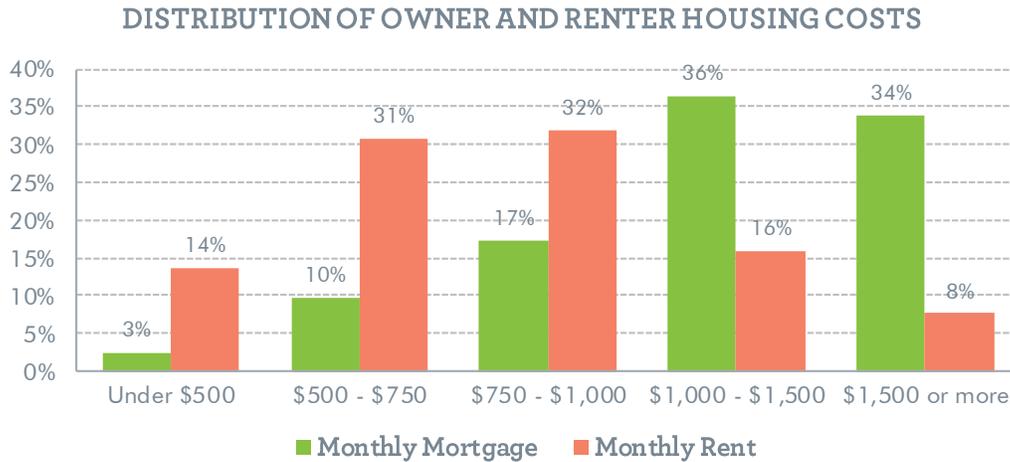


SOURCE: MORE DATA

INDICATORS OF HOUSING OPPORTUNITY AND AFFORDABILITY

Affordability is increasingly becoming a topic of discussion in areas, such as York County, that continue to grow and see price appreciation. Indeed, one can see the differences in value propositions for ownership housing in the County relative to rental housing, shown below. Roughly 70% of all owners in the County are paying more than \$1,000 per month in mortgage, while only 24% of renters are paying the same amount which makes renting a largely affordable proposition in York County.

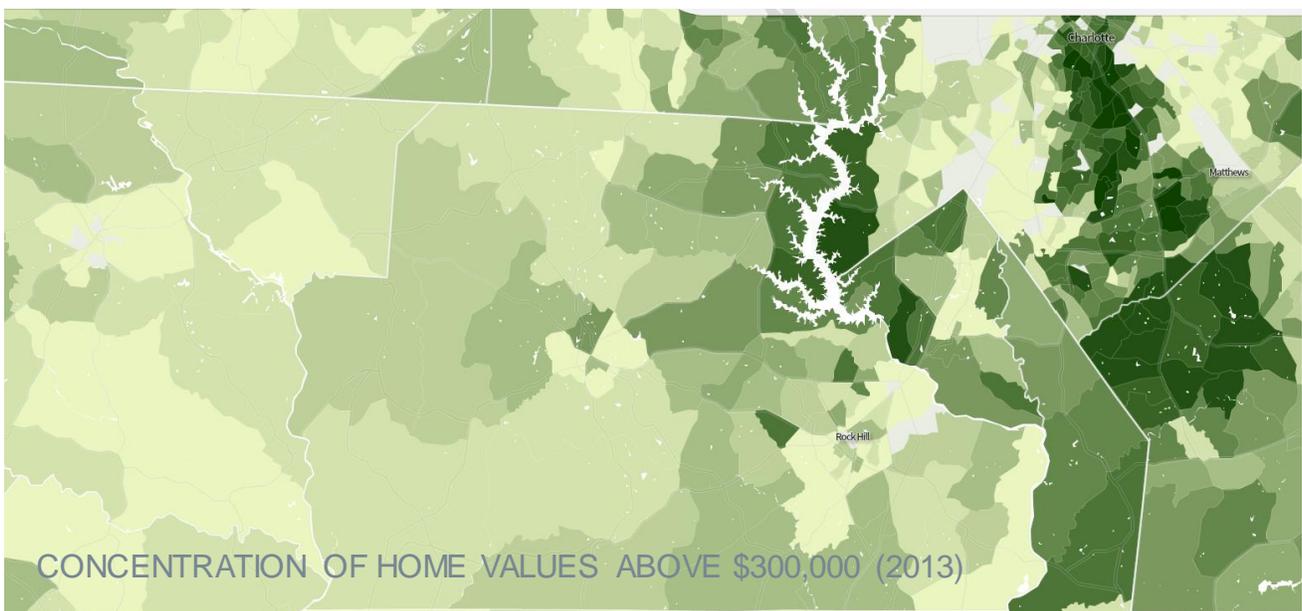
Figure 18: Distribution of Owner and Renter Housing Costs



SOURCE: U.S. CENSUS BUREAU

In addition, interviews with developers revealed that home values are rapidly increasing, with new product in the Town of Fort Mill reaching \$600,000 and above. The map below shows the concentration of home values above \$300,000. Contributing factors include quality walkable neighborhoods, the rapidly improving perception of the County, quality schools, lack of product, and recreational attractions. Planning efforts should focus on creating more areas of the County that are attractive for residential expansion including areas west of Lake Wyle, City of York, and south of Rock Hill.

Map 12: Concentration of Home Values above \$300,000 (2013)



SOURCE: U.S. CENSUS BUREAU. PREPARED BY SOCIAL EXPLORER

The County can make other areas more attractive by increasing the lifestyle proposition, investing in transit nodes, recreational amenities in areas west of Rock Hill, and creating more walkable neighborhoods. The County has experienced tremendous success, as shown in house values and economic development in the northeast portion of the County, where strong investments in recreational amenities, transit nodes, and walkable neighborhoods are proliferate. The Carolinas, like much of the United States, has a growing demand for more walkable interactive "places" in the market, and households are willing to pay to live close to those places. Existing examples include Riverwalk and Baxter Village.

Over the past several years Noell Consulting Group (NCG) has conducted a number of consumer research efforts in the Southeast in order to understand living decisions and preferences among households of varied ages, compositions, and incomes. The following two graphs summarize stated preferences from a recent NCG survey in Raleigh-Durham of nearly 1,000 Research Triangle Park employees: white collar employees who are consistent in many ways with middle-income and affluent households moving into York County.

As can be seen below, nearly 75% of surveyed households indicated that they would be willing to make trade-offs to live in areas that are walkable to stores and restaurants. More than half sought a home within walking distance of work, even if it meant giving up square feet in the home. Similarly, more than half would give up yard space to live within walking distance of a park.

Figure 19: Home/Neighborhood Trade-Offs



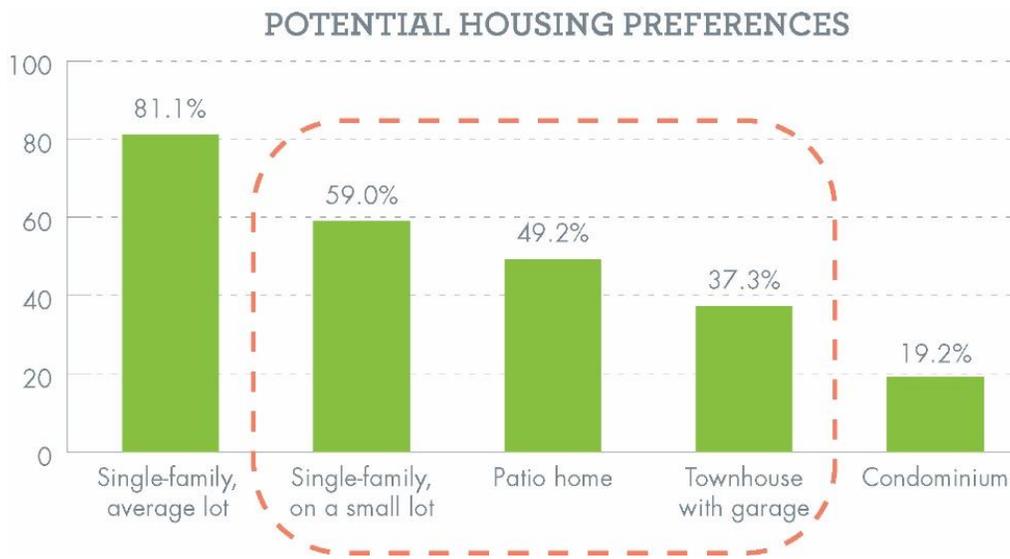
SOURCE: NOELL CONSULTING GROUP

To this conclusion, York County has encouraged successful traditional neighborhood and town center-like neighborhoods like Baxter Village, which should act as a framework for future smart home growth in the area. These environments can be created to maintain and enhance market interest in living in the County and to allow the County to coexist with all land uses, a practice which is becoming much more prevalent in new developments across the nation and region.

The NCG survey also asked about interest in different types of housing, including conventional single-family homes and alternative products. As shown in Figure 20, conventional single-family homes continue to garner the most interest of all products, but detached homes on smaller lots and patio homes--products potentially more attractive to singles, couples without children, empty nesters, and aging households--are also products that half or more of the surveyed households would somewhat or seriously consider. When combined with the previous chart--those willing to make trade-offs for the right location--opportunities for different products and environments in York County become clearer. Finally, it is worth noting that more than 37% of those surveyed expressed interest in living in townhouse units, a growing product in York County.

Creating these environments, including those that appeal to younger singles and couples, as well as maturing households increasingly driven by lifestyle, will be important to York County's continuing residential growth in the long-term and should be understood more thoroughly. York's significant executive housing growth makes possible the creation of these areas and furthers opportunities for alternative products. These include products that not only appeal to people for lifestyle opportunities, but also offer price-alternative options to single-family homes.

Figure 20: Potential Housing Preferences



SOURCE: NOELL CONSULTING GROUP

RENTAL APARTMENTS

York County has been exceedingly proactive in accepting and building Class A apartments. In addition to being the largest apartment market outside of Mecklenburg County, the County has shown strong fundamentals with the lowest vacancy in the metro and 2nd highest average rents.

Nearly all of the product is garden style apartments with surface parking, with the strongest concentration of rental multifamily around Rock Hill (which has recently put a moratorium on apartments). Additionally, much of the product in the County is older, between 6-15 years old and classified as Class B product. Strong demand exists for new rental multifamily as families seek to be in good school districts yet cannot afford the increasing home prices in the area, especially in Fort Mill, which has seen new home prices average in the \$400,000s with some homes exceeding \$600,000.

The apartment market has continued to show strong fundamentals, experiencing strong rent growth and growing from average rents of \$673/month in 2009 to \$875/month today. However, in the past 5 years, the County has only developed 780 units. These units demonstrate the strong demand, currently at a 2.8% vacancy rate and average rents at \$1,034/month.

Table 21: Charlotte Submarket Comparison

CHARLOTTE SUBMARKET COMPARISON						
County	Total Units	Vacant Units	Vacancy Rate	Average Sqft	Average Rent	Average Rent/Sqft
Mecklenburg	90,626	4,759	5.3%	959	\$943	\$0.98
Cabarrus	4,740	188	4.0%	917	\$783	\$0.85
Gaston	3,041	155	5.1%	950	\$685	\$0.72
Iredell	4,725	523	11.1%	963	\$854	\$0.89
Union	1,197	61	5.1%	846	\$750	\$0.89
York	7,354	238	3.2%	990	\$875	\$0.88
Averages/Total	111,683	5,924	5.3%	938	\$815	\$0.87

Table 22: Statistics by Class

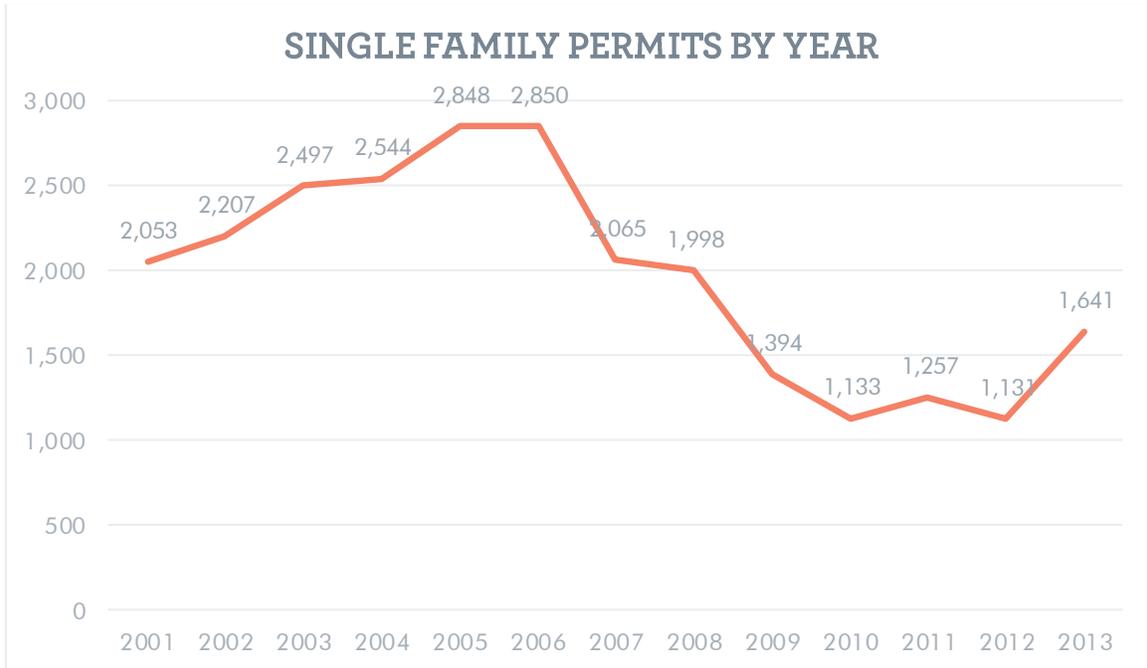
STATISTICS BY CLASS (A, B, C)						
Class	Total Units	% of Market	Vacant Units	Vacancy Rate	Average Rent	Avg Sqft
A	1,520	21%	40	2.6%	\$1,088	1,068
B	4,992	68%	170	3.4%	\$848	977
C	842	11%	28	3.3%	\$647	927
	7,354	100%	238	3.2%	\$876	991

SOURCE: REAL DATA -- APT INDEX REPORT

RECENT DEVELOPMENT

Development in York County has historically been large public serving focused developments, single tenant industrial buildings, large office campuses, and single family lot neighborhoods. The County features large destination recreational amenities such as the Giordana Velodrome and Carowinds amusement park. A majority of the industrial buildings has been built on large tracts for single tenant use, focused around I-77 and commuter routes. Office campuses of large corporations have been built in areas such as Kingsley and focused on staying around the I-77 core. Yet, the York County development landscape is dominated by single family homes. Shown below are recent single family permits by year:

Figure 21: Single Family Permits by Year



SOURCE: U.S. CENSUS BUREAU

As shown, the amount of single family in the County is significant. The substantial amount of smaller neighborhoods built without connectivity has led to a fragmented built environment. From 2001-2013 alone, over 25,000 single family permits were issued and typically followed historic development patterns of large tract single family neighborhoods.

Indeed, the number of residential units ready to come online is significant in the County, a testament to its growing popularity as a place to live. Currently (late 2014), more than 14,600 units are in the pipeline, the majority of which can be found in northeastern portions of the County (Fort Mill, Tega Cay).

Table 23: Pending Housing Units

PENDING HOUSING UNITS	
AREA	PENDING HOUSING UNITS
Fort Mill	8,300
Unincorporated York County	2,953
Rock Hill	2,100
Tega Cay	1,274
Total, York County	14,627

In the past decade a shift has turned and developments have focused on denser and smart mixed used communities. Following national and regional trends, these developments focus on the community and adding value to the County. These highly perceived mixed-use developments should serve as blueprints for future growth in the County. Some of these communities include Baxter Village, Riverwalk, and Kingsley:

Baxter Village

- A built out master planned community featuring large traditional neighborhood design with a retail town center core.
- Regarded as highly successful with walkable components, smaller lot homes, mixture of housing products, community-focused facilities, commercial out parcels, and retail with national and local tenants that serve as the neighborhood core.

Kingsley

- A large corporate office campus development with rental multifamily, Fort Mill High School, and greenspace.
- Successful in attracting corporate jobs including two planned relocations (Lash and LPL) while mixing different land uses including retail and residential.
- A large town center with retail and dining options is in the works to better accommodate newly-relocated office tenants.

Riverwalk

- A highly appealing and innovative master planned community currently under construction.
- Riverwalk features single family homes, apartments, 250 acres of public recreational space, a planned town center with retail and office spaces, restaurants, and a planned river district with boutique dining.
- Through a public-private partnership, Riverwalk and City of Rock Hill have completed construction on the world-class Giordana Velodrome, miles of bike trails, and public green spaces. In addition, a planned YMCA is opening in 2015.
- Riverwalk sets the precedent for mixed use in York County and the region, combining all land uses (including industrial), developing high quality buildings, and creating a destination for the area.