



October 5, 2009

Mr. Bill Meyer
Planning and Development Director
City of Rock Hill Planning and Development Dept.
155 Johnston St.
Rock Hill, SC 29731-1706

RE: THE WOODLANDS DEVELOPMENT

Dear Bill:

I am writing to request that the City consider an additional amendment to the Development Standards Agreement that Woodlands Development, LLC signed with the City on February 27, 2006, and amended in October, 2008. Since the last amendment, the housing market has experienced significant setbacks, and as pointed out in the attached third party articles, the housing market is shrinking: shrinking in total sales, in home size, and sales price. Our area is no exception, and home prices, sales and sizes are falling rapidly in our market.

This shrinking phenomenon is due to several factors:

- 1 The availability of credit to homebuyers continues to shrink
- 2 The deepening recession continues to reduce consumer confidence and thus home sales
- 3 Increasing fears of further job cuts results in delayed home purchase decisions
- 4 Reduced household incomes result in a desire for smaller homes and lower mortgages
- 5 Builders cannot get financing for larger spec homes


The current builder in The Woodlands is Standard Pacific Homes. They have constructed over 20 single family homes and 18 townhomes in the development in the past 24 months. The price range of these homes is in the \$260,000 to \$375,000 range for the singles, and around \$150,000 for the townhomes. These prices are above the levels agreed to in the original Agreement. Sales activity in the Woodlands has continued to decline over the past several months (less than one sale per month). As a result of the declining sales of this type of homes in this market, the original builder has terminated the contract for lots in the Woodlands, and we have had to find another builder to allow the development to continue to progress.

The continued credit crunch has significantly restricted the number of homebuyers that can qualify in this price range, and the factors above have virtually eliminated buyers in the required price range. If Rock Hill is to continue to permit new homes in this market, we need to build homes that people want and can afford, and this means smaller plans at lower price points but with quality features. **We are not talking about a reduction in quality**, but rather in size and amenities that will allow the new builder, D.R. Horton to have a chance to succeed in these difficult times.

We are requesting changes in the agreement that will not impact quality, but that will allow for smaller more affordable homes. Attached you will find photos of the homes built to date, and examples of the plans representing the homes to be built in the future. I am sure that you can see the quality in the construction of the existing homes, and the new ones will be of equal quality but smaller. Good examples of the Horton smaller designs can be seen in the Millwood subdivision on Herlong Ave. where the prices range from the 190's to the mid 200's. In general, when the development is completed, the overall price range will likely run between 200 and 375 thousand, with the higher priced homes concentrated on one area. This is not dissimilar to the spread of the price range in other developments such as Harlinsdale where the prices range from the 300's to the 900's, Heathwood where the prices range from the 200's to the 800's, and Laurel Creek where the prices range from the 300's to well over 1 million.

We appreciate the City's consideration of the need to respond to the changing housing marketplace we are in today. Obviously if we as developers, and Rock Hill as a community, are to continue to compete in the Charlotte region, we must respond to the market conditions driving the decisions of home buyers. Please let me know if you need additional information to consider this amendment, and I will be happy to meet with you to discuss this in more detail at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Skip Tuttle", written over a horizontal line.

Harold P. "Skip" Tuttle, PhD

HPT/rr

Enclosures