

## **Transition Area Paper (Letter to Virginia Beach City Council, dated February 24, 2003)**

Dear Mayor Oberndorf and Members of Virginia Beach Council:

Late last summer, 2002, a resolution establishing the Virginia Beach Transition Area Technical Advisory Committee (hereafter "TATAC") was passed by the Virginia Beach City Council. Section 3 of the resolution sets forth "that the purpose of TATAC shall be to recommend to the Planning Commission technical means of clarifying the portion of the Comprehensive Plan concerning the Transition Area consistent with the views of City Council expressed at the City Council's workshop of 8/20/02". In the second paragraph of the preface to the recommendations, the Committee reaffirmed the Planning Guidelines and expectations for development as expressed in the 1997 Virginia Beach Comprehensive Plan. The Committee also notes that its work and recommendations were built upon the excellent policy framework for open space and recreation established in the Virginia Beach Outdoors Plan. In the third paragraph of the preface, the TATAC addresses its visions for the area and later makes recommendations to achieve these visions. On February 25th, 2003, you will vote to receive the recommendations from the TATAC. We believe that a motion will be made to adopt the TATAC recommendations as interim guidelines for evaluation of residential real estate developments in the Transition Area. We hope that you will **not** vote to adopt these recommendations as interim guidelines for the following reasons:

### **PLANNING ISSUES**

While BBRF appreciates the hard work of the TATAC and agrees that their vision for the area is exemplary, the disparity between the broad recommendations made by the TATAC and the technical means of achieving these goals causes great concern. Another primary concern is the deviation of the TATAC recommendations from the Comprehensive Plan's stated primary objectives of maintaining open space and providing recreational opportunities to a primary use which appears more residential in nature. Some of our concerns are as follows:

1. The Transition Area was proposed to serve as the land use buffer between the urbanizing northern part of the City and the rural area of the south. According to the Comprehensive Plan, "the Transition Area is to be seen as an open space and recreational mecca with residential development present *only to the extent* it supports the primary purpose of advancing open space and recreational uses". Probably the most glaring omissions from the TATAC recommendations are definitions for "open space" and "developable land". Clarification of developable land is critical because the density calculation called for by the TATAC recommendation is "a maximum of one dwelling unit per developable acre". The TATAC recommendation is to "strive for 50% of developable area for open space". These definitions are so basic and so essential to evaluation of development proposals that it seems virtually impossible to make an

evaluation without them. What is developable land? How do wetlands factor into the definition of developable land? What definition and what criteria will be used to define wetlands? What is "open space" and how is it to be considered in evaluating a proposed development? Is it everything with the exception of roadways and the footprint of a building? Does "open space" include stormwater ponds, which are also required to be built as a drainage utility?

2. The TATAC recommendations describe the trail system as being the lynchpin of the recreational system, but closer thought leaves many unanswered questions. Who will bear the responsibility for tying in trail systems between the subdivisions, and how will the responsibility for cost of acquisition and maintenance be divided among a developer, homeowners, and the City? Where will the ownership of the trails begin and end? If a homeowners association owns and/or is paying for maintenance of a trail, will they be able to close it to public use? How will liability issues be divided between homeowners' associations and the City of Virginia Beach? How realistic is it to expect the City to anticipate pockets of development and acquire the necessary easements or fee ownership to link these areas by trails?

The primary trails seem to be proposed to be built along major roadways. Are the trails to be included within the 150 ft to 300 ft buffers? If the roadway width and then an additional 300 to 600 (both sides) feet of buffer is in the proposal, it seems that condemnation of existing homes along the roadways would be required. If not, what other impacts can be expected on presently developed properties along the roadways?

3. The adequacy of public infrastructure support for development proposals also seems to be overlooked. If the infrastructure currently in place is not adequate to serve presently existing and previously approved developments, some sort of plan would be required to service new development in the area. How has the defeat of the regional tax referendum affected the future transportation needs of the Transition Area? The 2/19/02 memo from Public Works Director Dean Block described the success of this area's transportation plan as predicated on the construction of the Southeastern Expressway. Will city water and sewage be provided to new development in this area, and has this cost been taken into account? Are these contemplated in the recommendations of TATAC, and have they been considered in the financial analysis? The TATAC encourages regional stormwater systems to control run off from impervious surfaces and lawns. What will be the cost if rezonings occur before the regional system is developed, and how will these subdivisions be retrofitted to be included in the system and at whose expense?

In the November 4th presentation on infrastructure, it was projected that the additional children from the proposed development would drive the need for a new school and a new high school, in addition to the 2004 elementary school which is already in the Capital Improvement Program (CIP). In the funding strategy established, are the capital costs of operation and maintenance costs for these schools considered a "basic need the City provides to all citizens" or is the need generated by the Transition Area and therefore paid for by the new development? If \$100 million dollars is the right number for needed infrastructure as projected, when is it anticipated that projects will be funded in the CIP?

## FINANCIAL ISSUES

"Fiscally responsible" has replaced the wording "fiscally neutral" as one of the financial criteria used to evaluate a development's financial impact on the other taxpayers in Virginia Beach.

A major issue in making these calculations is the utilization of the average cost of a new home in the City instead of the break even services cost of a new home as the basis for the excess revenue stream to pay for a share of the required improvements in the Transition Area. There can be no excess revenue to pay for costs until a home reaches the break even cost calculated. On that premise, utilizing a \$360,000.00 break even in lieu of \$230,000.00, there is a 76% decrease in excess revenue to pay the bills. Under these conditions the results are a loss over the 42 year period of \$47 million, and not a realization of \$187 million dollar profit as shown in the financial analysis of 2/4/03.

A second weakness in the analysis is the apparently incidental assumptions of inflation rates to be used on the revenue side versus the cost side of computations from page one of **Summary: CIP Program Schedule, Revenue, & Debt Schedule**. Revenue of home value appreciation (positive connotation) is assumed to be 6.5% for the first two years and 4% for the subsequent 40 years. This turns a \$400,000 house into a \$2,178,176 house during the period. However, the inflation of costs attributed to construction and maintenance is at only 3%. A \$400,000 cost would only grow to \$1,384,278 in the 42 years of analysis, so you automatically have a 57% profit there also.

## SUMMARY

Because of these and other unanswered questions, and because of the disparity between the TATAC's recommendations and creation of the technical points, definitions, and details necessary to accomplish these recommendations, at this time there is insufficient criteria and details for a developer, City staff, or City Council to adequately evaluate development proposals within the Transition Area or to serve as interim guidelines for development. City staff should be directed to prepare an addendum to the Comprehensive Plan based on the TATAC's recommendations and analysis, defining a set of development and design guidelines illustrating the planning design and development goals which will be required in the Transition Area along with a project review matrix to analyze as objectively as possible any proposed development. This, on its face, seems simple and reasonable enough. Unfortunately, there are several subdivision projects currently set for hearing by City Council within the next few months, including the Eagle's Nest, Heritage Park, and Victoria Park developments. If any of these subdivision requests are approved by City Council before the TATAC's visions are further refined into standards and criteria, the standards for future rezoning in the area will be set by default, and all of the TATAC's hard work and visionary ideas will have become an exercise in futility. This will become a true case of "the tail wagging the dog".

It needs to be emphasized that BBRF addresses these concerns because it does not want to see the TATAC recommendations go by the wayside. BBRF is concerned that all of

the TATAC's hard work and lofty ideas will disappear if City Council fails to fully think out and comprehensively develop the vision or rushes ahead with approval of subdivisions in the Transition Area prior to completion of these tasks.

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