

2.4 - ECONOMIC VITALITY

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Tanisha Hyman – Assembly / Trimmers Heather Jones – Assembly / Blowers Evens "Mo" Mompremier – Packing Lead

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VISION

Through its visioning process with *Envision Virginia Beach 2040* and its strategic planning, Virginia Beach has chosen to become a place where all citizens and businesses can prosper. We desire to be able to create our own future because we are less dependent than ever before on the state and federal governments. Our goal is for our economy to be vibrant, growing, and sustainable. We desire to have median household incomes that exceed the national average, and for incomes continue to rise. We aspire to attract visitors from around the world throughout the year to enjoy our beautiful natural environment and the various amenities that our hospitality industry provides. We aim to attract, retain, and grown high-caliber companies offering good salaries to employ our young adults and attract creative youth from other markets, and we want this talented workforce to live and thrive in our city. We believe that there are rich opportunities for people of all ages to participate in our

vitality.^{xliii}

In the future, we expect that our new and existing businesses will continue to benefit from a well-trained, diverse and available workforce, particularly from our transitioning U.S. Veterans, even as those businesses' needs continually change. We realize, more than ever, the value of our small businesses and desire to become a leader in the new business growth and development of minority-owned firms. We want to maximize our investment in infrastructure by developing our land so that it preserves our quality of life and physical environment and serves the needs of generations to come. We aspire for all public and private development to be sensitive to the environment, enabling us to attract sustainable businesses. This sensitivity is valued highly by our citizens, the business community, and visitors. To those ends, we must remain committed to a regional international airport, an enhanced regional public transportation system, and continued improvement of state and city road systems to make it easier for people to get to Virginia Beach and more convenient to move around the city and region.^{xliiv} The extension of light rail into Virginia Beach Town Center should optimize development and redevelopment, as well as associated job growth for the Pembroke and Newtown Strategic Growth Areas, in particular.^{xli v}

Defense spending, federal and state aid, and consumer spending are not as strong as we had experienced prior to 2008. To be resilient and a city of choice, new avenues of economic growth are needed. We believe our future growth will depend on the City's ability to focus on greater diversification of its economy, such as a focus on the biomedical, cyber security, and healthcare fields, while growing and retaining our existing tourism industry, as well as our hallmark employers and our base of Small, Women and Minority-Owned (SWaM) businesses.^{xli vi} As an early

leader in fostering strategic partnerships within the fields of Science, Technology, Engineering, Arts, and Mathematics (STEAM), as well as through entrepreneurship innovation opportunities between Virginia Beach City Public Schools, the City's Department of Economic Development, and our institutes of higher education, we hope to yield young students choosing to stay in our city because of the high quality of life we continue to enjoy. Those highly qualified STEAM workers should, in return, serve us well to help Virginia Beach become a national and international hub for the biomedical, cyber security, fiber, alternative energy, and healthcare industries.^{xlvii}



STEM Robotics Demonstration

CURRENT REALITY AND TRENDS

Our current reality in 2016 is that, after many years of prosperity, we now find ourselves slowly climbing out of what has been an uncertain and volatile economic environment. The local economy has been trying to recover from the significant decline of the housing market – the city's primary source of revenue. Property values in Virginia Beach declined beginning in 2009, but are now rising slowly. Similarly, household income has been on the decline since its 2008 peak. However, according to the most recent 5-year forecast, both residential and commercial real estate assessments are expected to grow each year over the forecasted period. Fifty-five percent of our residents are able to live and work in Virginia Beach.^{xlviii}

Pressure is mounting to remain competitive and make it a priority to balance sustainable land use development with economic growth. Maintenance and management of our roads, sanitary sewer, potable water, and stormwater systems have taken on more importance as these systems have begun to show defects consistent with aging infrastructure. This maintenance must be performed continually, yet there is a shortfall of ongoing funding. Additionally, necessary improvements remain unfunded, causing a growing backlog of needs with costs continuing to grow. It is imperative that we work very closely with the Hampton Roads Sanitation District (HRSD) during the development and subsequent implementation of the Regional Wet Weather Management Plan to ensure that the work priorities for rehabilitation of the City's sanitary sewer systems mesh with and support our economic drivers.^{xlix}

The hospitality industry continues to trend upward. Significant future growth requires the ability to compete nationally with such economic development enhancements as a convention center headquarters hotel and major entertainment venue offerings, better access for new domestic and international markets, and higher quality core products (e.g., new hotel development, 19th Street corridor, additional hospitality and sports tourism venues and attractions). Our regional transportation system in its current state will limit our growth, unless the system is substantially improved. The new regional transportation fund is helping to address some of these issues. The strategy of guiding the visitor experience throughout the City's wealth of beachfront communities, as well as to the growing Town Center, has aided in distributing tourism economic benefits.¹

Our highly skilled workforce makes it attractive for companies to choose to locate here. This is a testament to our robust and effective workforce development programs. There are strong STEAM opportunities here, and the partnership between Virginia Beach City Public Schools, the Virginia



Beach Department of Economic Development and our institutes of higher education will provide highly qualified workers for these industries. Additionally, graduation rates from our public schools continue to rise, as do test scores.^{li}

LifeNet Headquarters Building in Princess Anne Commons.

ECONOMIC VITALITY FRAMEWORK

Envision Virginia Beach 2040, prepared by citizen's committee appointed by the Mayor, was endorsed by City Council in 2013. The Committee mission: "To provide a thoughtful vision for Virginia Beach in the Region to achieve by 2040." This vision document describes how our city will look and what people will experience as residents and visitors in 2040. It articulates a high quality of life in Virginia Beach. "Thriving Economy" is one of the vision's 6 major themes, and states:

We have a thriving regional economy that leverages our assets with high employment and dynamic business growth. We educate, attract, and retain a talented and diverse workforce, and provide a broad base of employment with an emphasis on high-paying jobs.

The City's *Economic Development Strategy* is a key tool to help ensure we achieve this vision over time. The 2015 Strategy identifies six priority areas that we should focus on in the coming years:

- Target Industries
- Economic Vitality
- Diversification, Retention, Innovation
- Project Development
- Workforce Development
- Research

This is supplemented by the City's *2015-2017 Strategic Plan*, which presents strategies to help direct our efforts toward making progress in each of these priority areas as follows: ^{liii}

- We desire to be a top quality, year-round destination for domestic and international visitors and our citizens.
- We desire to be a growing, diverse economy that attracts and retains private companies that want to invest.
- We desire our workforce to be highly talented and to have the skills necessary to meet the needs of our targeted businesses.

- We will provide and maintain the infrastructure required to support economic vitality, and develop our resources in a sustainable manner (economically, socially, and financially), so that we are an appealing community for citizens, visitors and businesses.
- Recognizing that defense spending is likely to decline over time, we value and support our military installations and local commands.
- We develop plans, incentive efforts, detailed specific area plans, programs, zoning codes, and projects to implement the Strategic Growth Area Plans and other adopted area plans throughout the city.
- We should complete the planning process and public involvement to secure funding for, and support implementation of, a fully integrated, comprehensive transportation system.

Sunrise over Virginia Beach Oceanfront Resort Area



To realize our economic vitality goals and strategies, our long-range land use planning process should seek to identify a sufficient amount of land area with appropriate zoning, in the most strategic locations. The City's Strategic Growth Areas (SGAs), which are described in Chapter 1, Section 1.1 - Urban Areas (Strategic Growth Areas), and Strategic Economic Growth Areas (SEGAs), which are described below, are the primary focus areas for the City's long-term economic development and efficient land use growth strategy. It is the City's desire to direct the majority of its future growth and development (or redevelopment) into these areas in a manner consistent with the adopted plans, policies, and design guidelines for these areas. To attract private sector partners who want to work with the City to achieve its desired outcomes for these areas, City Council has recently updated its policy, "Guidelines for Evaluation of Investment Partnerships for Economic Development." For assistance with developing in the SGAs and SEGAs or information regarding City Council's policy, visit www.vbgov.com/sga.

Recommended Policies:

- All economic development projects should adhere to the following:
 - land use strategies set forth for each Planning Area of this Comprehensive Plan;
 - adopted area plans (e.g., SGA Master Plans, Historic Kempsville Area Master Plan, Virginia Aquarium & Owl Creek Area Plan, et als.) adopted by reference as part of this Comprehensive Plan;

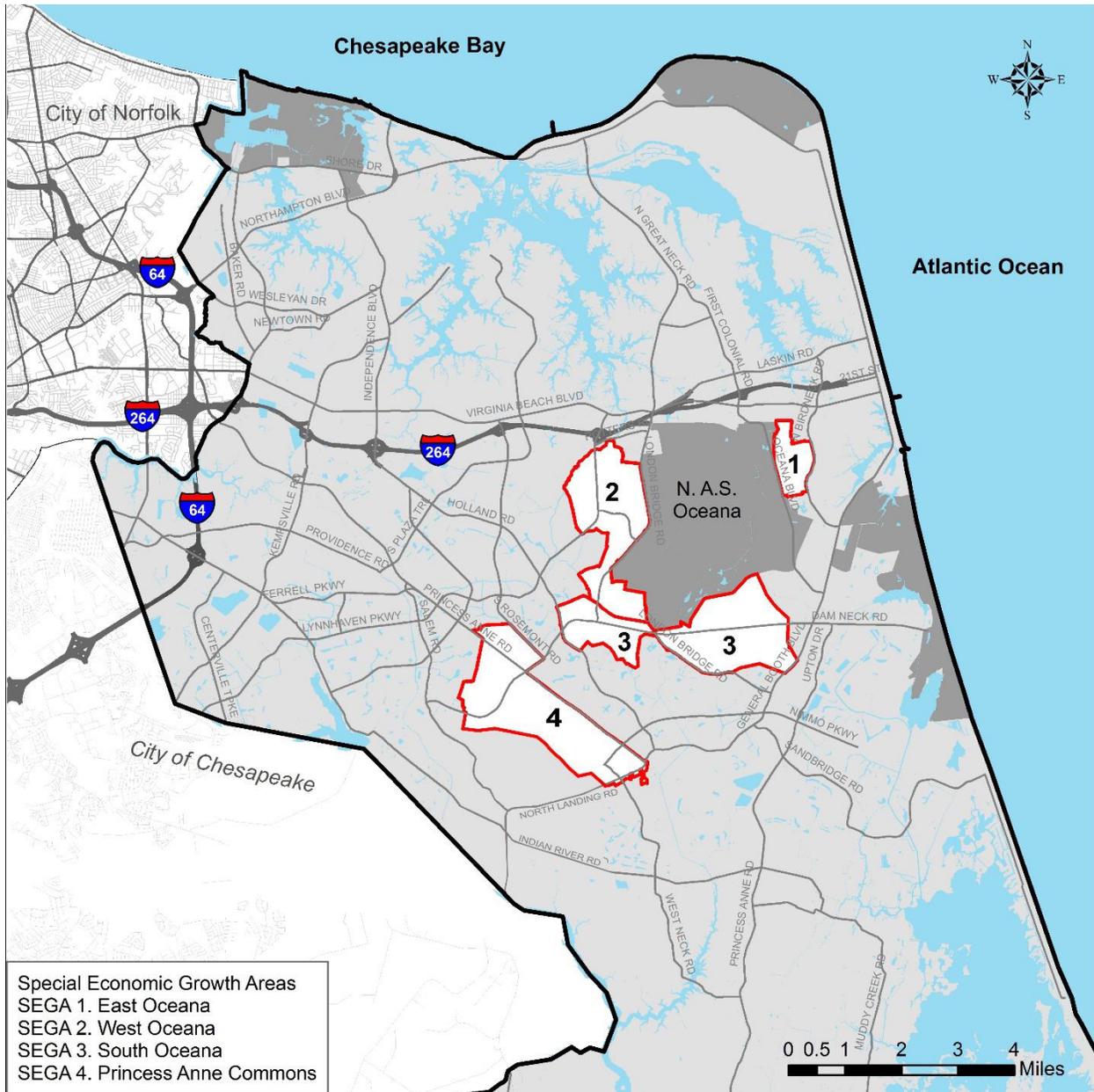
- Suburban Focus Area (SFA) and Special Economic Growth Area (SEGA) recommendations contained in this Comprehensive Plan; and,
- all adopted Design Guidelines adopted as amendments to, or incorporated by reference as part of, this Comprehensive Plan.
- Economic development activity should further the vision for “Economic Vitality” set forth in the Envision Virginia Beach 2040 visioning document. It should also further the strategies set forth in the Economic Vitality Strategy and Quality Physical Environment Strategy in the City’s Strategic Plan.
- Projects should consider how to best incorporate the design principles contained in the City’s Integrated Site Design Manual, once adopted by City Council.

SPECIAL ECONOMIC GROWTH AREAS (SEGAs)

The City has designated 4 Special Economic Growth Area (SEGAs) on the Comprehensive Plan’s “Planned Land Use Map”:

- SEGA 1 – East Oceana
- SEGA 2 – West Oceana
- SEGA 3 – South Oceana
- SEGA 4 – Princess Anne Commons

SEGAs are viewed as special areas with significant economic value and growth potential, with a primary consideration being adjacency to NAS Oceana or within the Interfacility Traffic Area high noise overflight zone. The City supports development and redevelopment of these areas consistent with Air Installation Compatibility Use Zones (AICUZ) ordinance provisions and the City’s economic growth strategy.



SPECIAL ECONOMIC GROWTH AREA (SEGA) LOCATOR MAP

Special Economic Growth Area 1 – East Oceana

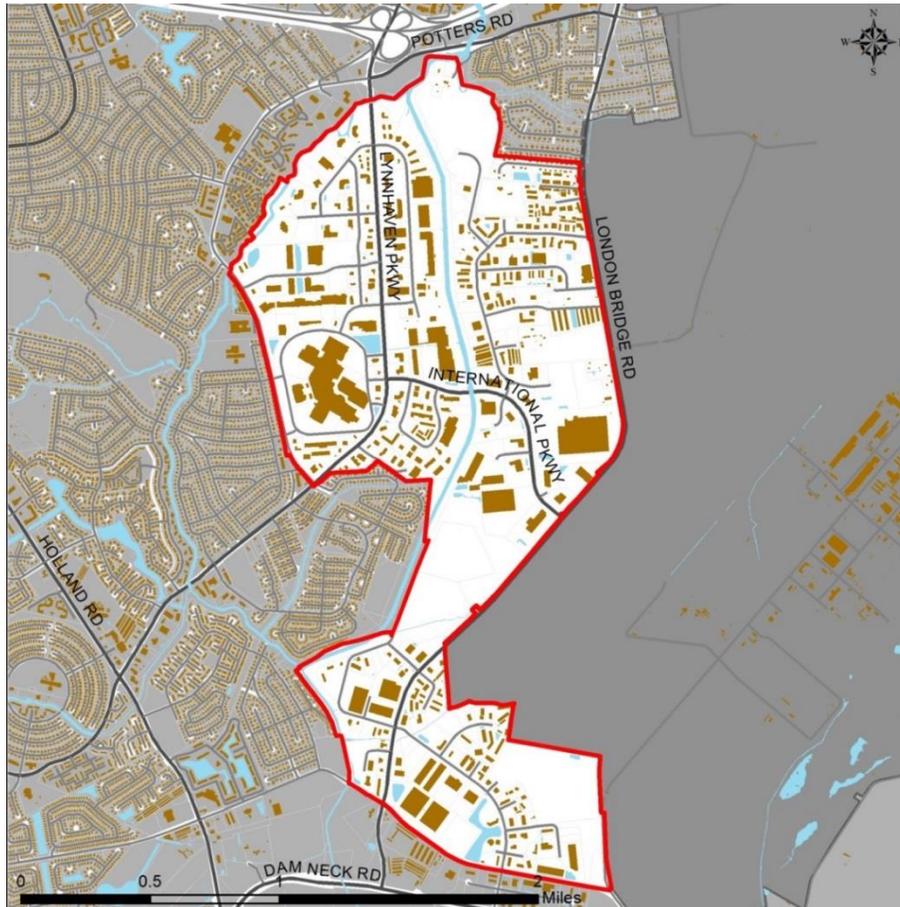


Special Economic Growth Area 1 - East Oceana encompasses the property generally located on both sides of Bells Road between Oceana Boulevard and Birdneck Road. It includes most of the land to the south of Southern Boulevard. As one of the City's Planning Areas, it overlays a portion of the Historic Seatack Community on the west side of Birdneck Road; therefore, sensitivity to the neighborhood context and needs of that community are very important considerations in realizing compatible economic development here. In addition, much of this area is constrained by floodplain or Navy restrictive easements and all of it is within the highest AICUZ noise zone. The southern part of this tract is outside any accident potential zone. The planned Southeastern Parkway and Greenbelt will impact the western part of this area. Modeling efforts are underway to determine whether or not the Southeastern Parkway and Greenbelt should remain as part of the City's Primary Roadway Network Plan to serve this Economic Growth Area and other parts of the City or if an alternative solution is more responsive to the today's needs and those of the future, based on adopted future land use plans.

Recommended Policies:

- In the eastern area- low intensity light industrial uses and limited retail with significant buffers to shield the surrounding Seatack neighborhood from possible intrusive impacts.
- In the western area -medium intensity industrial and other utilitarian activities.
- The southern part of this site is not encumbered by accident potential zones and may accommodate new or relocated commercial and other non-residential uses that are AICUZ compatible.

Special Economic Growth Area 2 – West Oceana

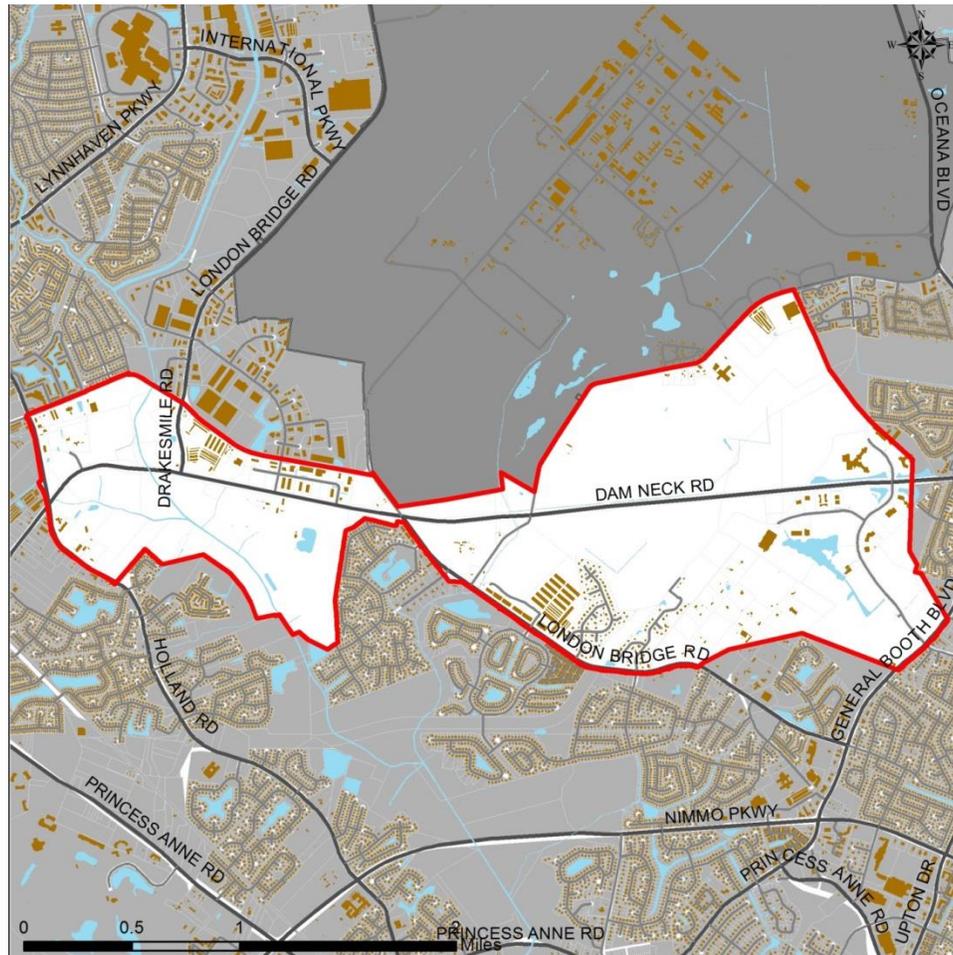


Special Economic Growth Area 2 - West Oceana is generally bound by London Bridge Road, Lynnhaven Creek, South Lynnhaven Road, and Potter's Road. It includes Lynnhaven Mall, surrounding retail and office complexes and Oceana West Industrial Park. Much of this area is subject to Navy restrictive easements and all of this area is inside the AICUZ high noise zone. The majority of this area has been subdivided and is zoned for commercial and industrial uses.

Recommended Policies:

- This entire site is within the 75+ DNL noise zone. All new or improved development proposals must adhere to the City's AICUZ provisions.
- The area west of Lynnhaven Parkway is recommended for corporate office, retail, and other comparable commercial use due to this site's high visibility. Special attention should be given to ensure high quality site, landscape and building designs.
- The undeveloped tract on the southeast corner of Lynnhaven Parkway and Potters Road is an appropriate site for open space acquisition. However, if this does not occur, this site should be developed for low intensity retail and/or office uses. Development must respect the adjoining natural open space area.

Special Economic Growth Area 3 – South Oceana

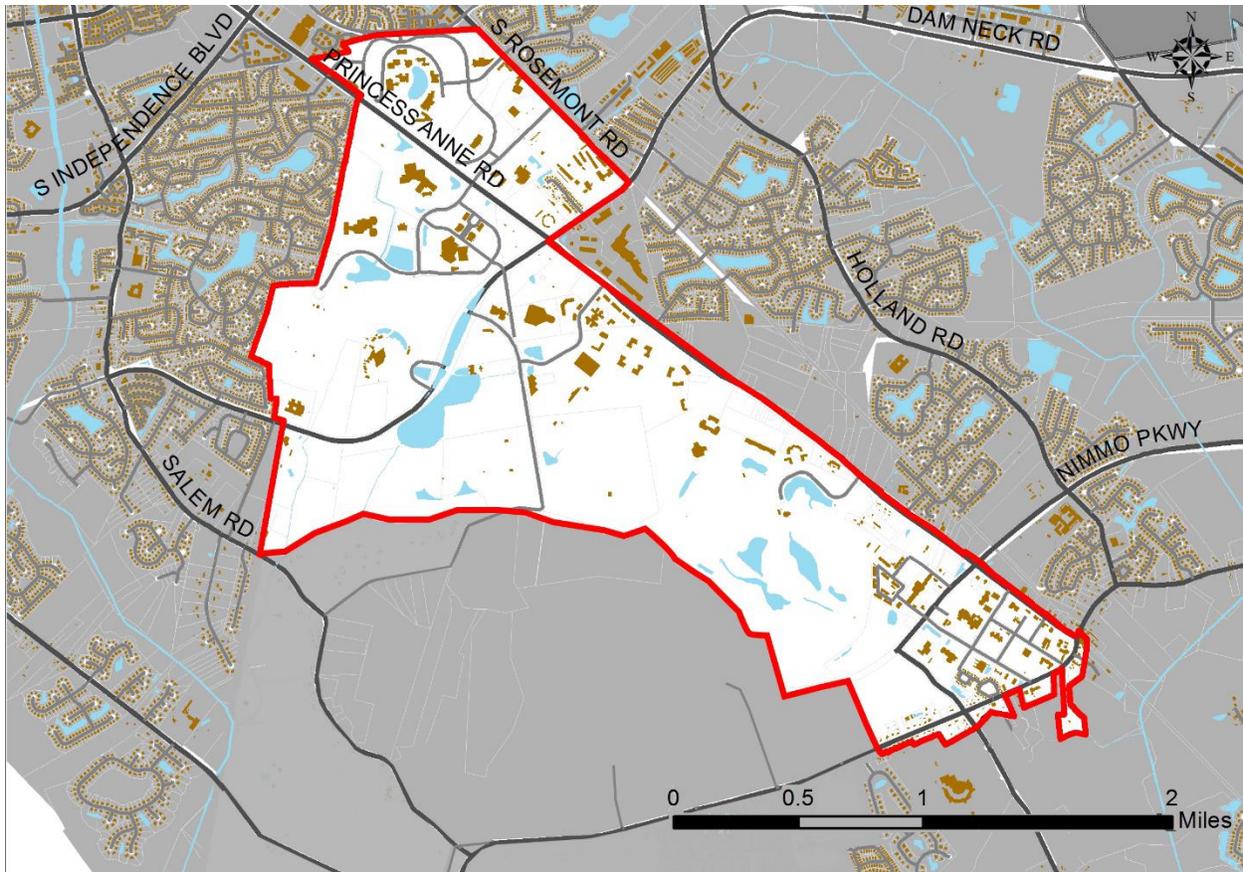


Special Economic Growth Area 3 - South Oceana is a large hourglass shaped tract of land encompassing properties on both sides of Dam Neck Road between Holland Road and Corporate Landing Parkway. There are large tracts of undeveloped land in the area east of London Bridge Road. High quality corporate businesses have developed in the Corporate Landing Business Park. The proposed Southeastern Parkway will traverse the eastern part of this strategic area generally in a northeast to southwest direction and, when built, will provide this area with good regional access.

In the western part of this area, between Drakesmile Road and Holland Road, there are considerable environmental constraints. To varying degrees, portions of this area are impacted by high noise zones, accident potential zones and Navy restrictive easements. Floodplain and other environmental constraints affect the western region of this area south of Dam Neck Road. However, the area located north of Dam Neck Road and east of Holland Road is free of these constraints and, therefore, possesses greater development opportunities.

Recommended Policies:

- No additional residential uses are recommended for any part of this area.
- All proposed land uses in this area must align with the City's AICUZ provisions and Oceana Land Use Conformity program.
- Every effort should be made, where feasible, to consolidate parcels to achieve a more unified development pattern.
- Accesses to London Bridge and Holland Roads should be kept to a minimum.
- Direct private access to Dam Neck Road will not be permitted except when the property in question has no other reasonable access to the circulation system as it is part of the City's Access Controlled Roadway Network (see Chapter 2, Section 2.1 - Master Transportation Plan).
- Build attractive thoroughfares to serve this area.
- Corporate Landing Business Park is located in the eastern part of this site and serves the mid-eastern area of the City. It is reserved for high quality, high wage employment consistent with the City's Economic Development Strategy.
- High quality employment, corporate parks and light industrial uses are recommended for other undeveloped tracts in the eastern part of this SEGA.
- Measures to mitigate negative impacts on adjoining stable residential areas must be part of any development proposal in this area. Mitigation measures should include adequate screening, and light and noise attenuation in building and site design.
- Attractive building designs should be showcased along key arterials and the proposed Southeastern Parkway route.
- The western region of this area is planned for non-residential uses to include a mix of light industrial, low- rise office and limited retail use.



Special Economic Growth Area 4 – Princess Anne Commons

SEGA 4 – The northern portion of Princess Anne Commons was designated in recognition of the land development constraints and economic development opportunities associated with this area’s location within a military aircraft overfly zone. This area will focus on providing locations for:

- Participatory sports
- Entertainment venues
- Tourism
- Biomedical research
- Hospitality uses which can benefit from their proximity to campuses of Tidewater Community College and the Old Dominion University/Norfolk State University.

Proposed developments within SEGA 4 –Princess Anne Commons should adhere to the following general recommendations, unless otherwise addressed in Chapter 1, Section 1.4 - Princess Anne Commons & Transition Area.

Recommended Policies:

- Strive to achieve extensive open space connectivity throughout the Commons.
- Protect the most sensitive land areas where natural resources have been identified.
- Residential development should be limited to areas outside of AICUZ restricted areas.

- Mixed-use town center-style development should be planned within the Municipal Center and Historic/Cultural District.
- The *Design and Development Guidelines Princess Anne Commons* should be adhered to for high quality building types to ensure appropriate quality and character.
- Except as specified in the *ITA and Vicinity Master Plan*, expansion of suburban infrastructure should be designed in northern, but not southern, part of Princess Anne Commons and not south of Indian River Road.
- Development should remain limited along existing unimproved roadways.
- Explore the potential for extension of mass transit service to Princess Anne Commons and the Municipal Center from the Town Center (Pembroke SGA).

Agenda for Future Action Recommendations: Economic Vitality

- Continue to promote Virginia Beach as a year-round destination.
- Develop a Transit-Oriented Development land use and zoning strategy for the SGAs.
- Reshape non-conforming business districts (e.g., Pembroke SGA-Central Village District, etc.) into well-planned and designed commercial nodes that are compatible with adopted plans and design guidelines. Recent examples of this include London Bridge Commerce Center repurposing in the Lynnhaven SGA and various commercial areas in the Resort SGA.
- Update the Master Plan for Corporate Landing Park and the associated design guidelines.
- Inventory the conditions of neighborhood commercial centers and strip shopping centers. Consider incentives for façade improvements (e.g., cost-share grants, etc.). Consider opportunities for repurposing over-parked commercial parking lots for possible permanent or temporary/seasonal infill uses, while adhering to recently updated commercial use parking standards in the Zoning Ordinance.
- Inventory industrial zoning districts to determine if there is a sufficient supply of appropriate zoning for both light and heavy industrial uses, especially for the types of desired compatible land uses within SEGAs.

ENDNOTES

- ⁱ <https://leg1.state.va.us/cgi-bin/legp504.exe?071+ful+CHAP0761>
- ² <http://www.vbgov.com/government/departments/sga/envision%202040/8.23.2012-EnvisionVirginiaBeach2040FinalReport.pdf>
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- ^{iv} <http://www.vbgov.com/government/departments/sga/transportation-planning/Pages/complete-streets.aspx>.
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- ^{vi} <http://hrtpo.org/uploads/docs/070115TTAC-Enclosure%2017-State%20of%20Transportation%20in%20Hampton%20Roads%202015-Draft%20Report.pdf>
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xxxv City of Virginia Beach Department of Housing and Neighborhood Preservation

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xxxviii City of Virginia Beach Real Estate Assessor's Office

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xliii City of Virginia Beach. *2015-2017 Strategic Plan, November 2014 (Economic Vitality Strategy)*.

xliv *Ibid.*

xlv City of Virginia Beach. *Draft 2016-2018 Strategic Plan, November 2015 (Economic Vitality Strategy)*.

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