

Background

Over the course of an 18-month period, the City of Chesapeake has engaged in a series of studies analyzing potential opportunities for future economic development sites. These analyses were conducted in three phases, each of which were presented to City Council during a Council Retreat.

Phase I included an evaluation of the City's development patterns and trends. The findings of the analysis were that:

- The City is dependent largely upon the creation of new economic development opportunities to maintain stable revenue streams.
- Single family residential has been the predominant form of new development.
- Residential development typically costs the City more than it generates in revenue.

The second phase of the analysis took a look at existing opportunities for economic development. An inventory of existing business parks and found that there was only 15% availability remaining in these parks. Existing undeveloped, zoned sites were also inventoried and it was found that most of these sites remained undeveloped because of various site constraints.

The City's new Geographic Information System (GIS) was then used to identify sites that might be suitable for business development, regardless of current zoning. The following criteria were used:

- Sites should be within one mile of an interstate highway and not impeded by a draw bridge constraint.
- Sites should be within one mile of a water and sewer main.
- Sites should not be shown as wetlands on the National Wetlands Inventory.
- Sites should be of an adequate size to support business park development. Sites were identified at both a 20 and 100 acre threshold.

Only a handful of sites were identified through this process, and of these, a significant number were identified as either 1) a known wetland, 2) under contract as school sites (2 instances), or 3) were zoned residential with owner intentions for residential development.

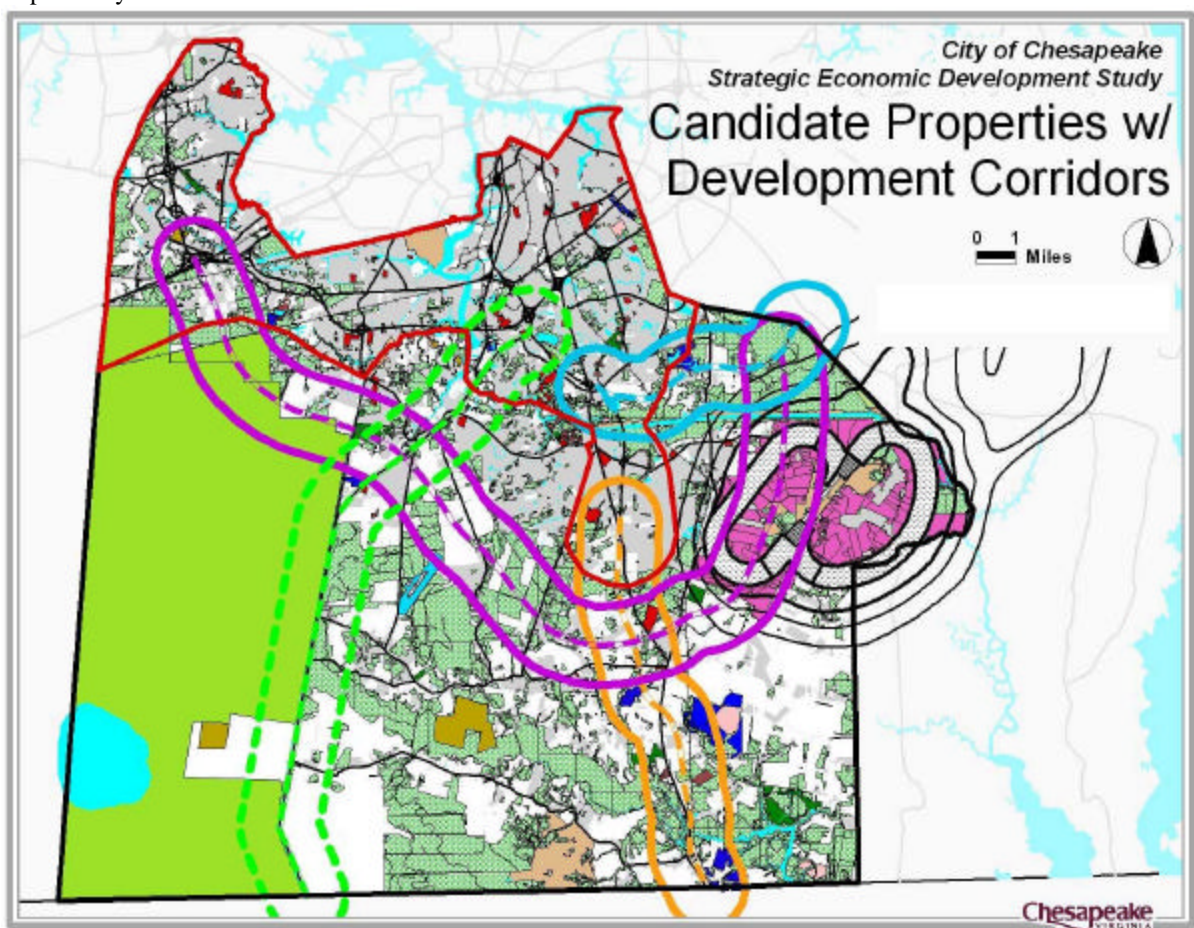
Opportunities for redevelopment were also examined. Certain areas including the Military Highway Corridor, the Southern Branch of the Elizabeth River, and the Crestwood area were identified as having potential for future study in the strategic planning process.

The third phase of the analysis attempted to identify potential future business development sites using the City's GIS. For this analysis, existing constraints such as water and sewer availability, along with immediate interstate access were set aside with the assumption that the City would be able to address these issues at some time in the future.

The analysis began by removing from consideration all properties that were developed. Other constraints were identified include:

- State, federal, and city properties
- Nature Conservancy holdings
- Major wetland mitigation sites
- Restrictions associated with AICUZ areas
- Location of vegetated hydric soils (strong indicator of wetlands)

Since transportation access will ultimately be a significant location factor, future alignments were added to the analysis to identify areas of special opportunity. The finding of this analysis was that significant opportunities existed along two corridors: the Route 104 corridor and the Route 168/ Chesapeake Expressway corridor.



Transportation as a Catalyst for Development

The construction of roadways has been one of the most significant factors in changing the form of any community. Accessibility provides new opportunities for people in terms of where to live, shop, and work. The market has historically met these demands for new opportunities by expanding outward, consuming all available land along a transportation corridor. Historically, this consumption has been on a first come, first serve basis, without much consideration of the overall impact of the consumption. Failure to manage these trends results in further expansion of urban sprawl and creates no assurances for the future fiscal vitality of

a community. These newly emerging corridors are expected to receive the same threats as existing corridors have received.

The Route 104 Corridor is a significant transportation corridor due to its relationship as the primary link between Route 17 (George Washington Highway) and I-464 and I-64. Route 104 is part of the future Raleigh to Norfolk Connector. While the road is currently a two-lane, undivided highway with a draw span at the Southern Branch of the Elizabeth River, improvements are planned. A feasibility study has recently been completed for the corridor with recommendations for improvement to a limited access arterial for part of the road and freeway for the remaining portion. The City is also engaged in a joint study with the City of Virginia Beach, which will be exploring the opportunities to advance funding for this and other projects in the region. A decision on an alignment for Route 17 to the south of this corridor appears to be moving forward and could accelerate the improvements to the south.

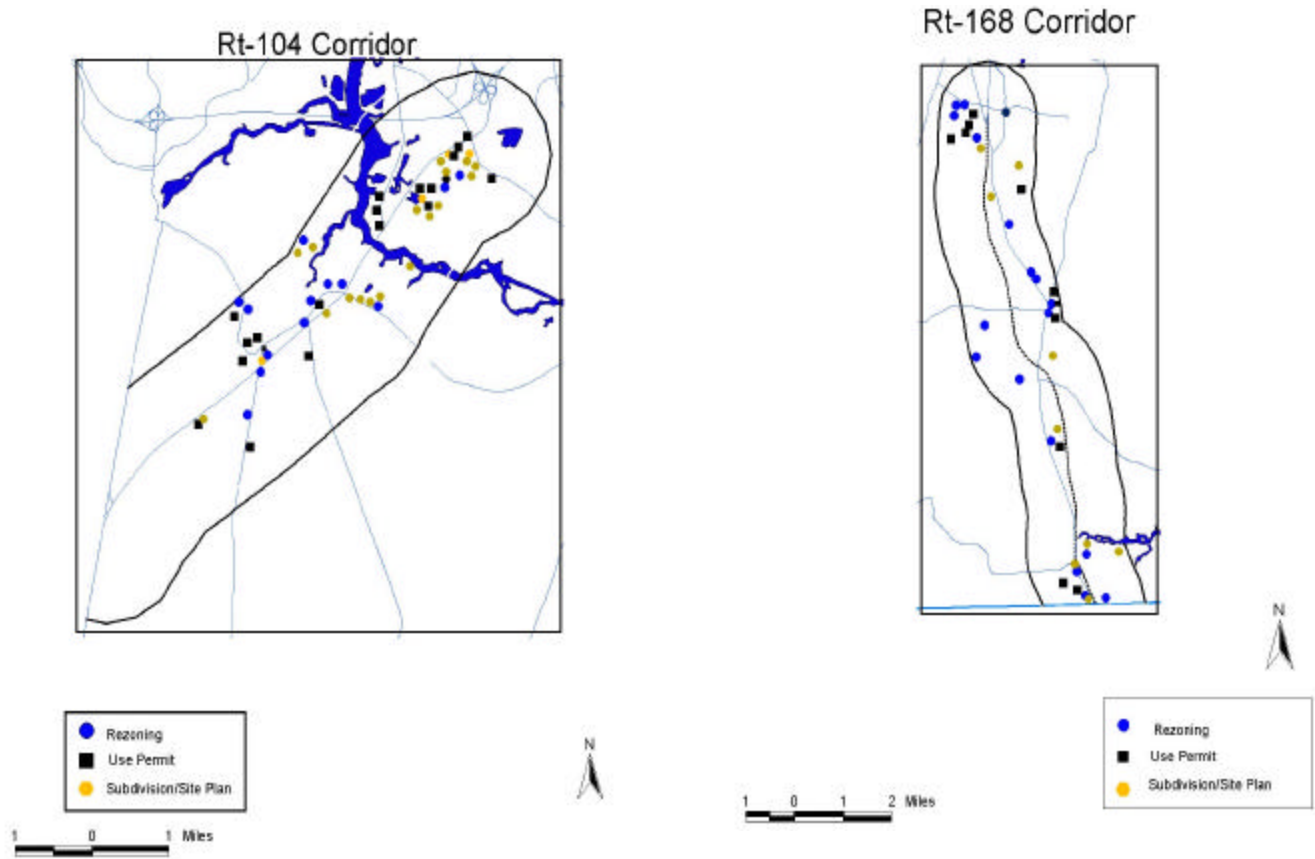
The Route 168 Corridor is on a faster track for completion. Work on the new Route 168, also known as the Chesapeake Expressway, has already begun with completion anticipated in the summer of 2001. New interchanges are planned for Hillcrest Parkway, Indian Creek Road, and Battlefield Boulevard at the Northwest River. The Chesapeake Expressway will be a limited access freeway, with a toll from the Hillcrest Parkway interchange to the Battlefield Boulevard interchange.

Development activity in the City over the past ten years has indicated a market for development opportunities in the newly evolving transportation corridors of Route 104 and Route 168. Much of this activity has been residential, potentially pre-empting opportunities for economic development.

The residential growth in the Route 104 corridor over the past decade has been concentrated primarily in the northern and western portions of the corridor area. This general region represented approximately 95% of the total residential growth in the 104 corridor. Similarly, residential growth along the Route 168 corridor was concentrated primarily to the northern half of the study area. Development in the northern half of the Route 168 corridor represented approximately 78% of the total residential growth within this corridor since 1990.

Since 1990, residential growth in the Route 104 corridor has yielded a net increase of approximately 2,360 new residential units, which translates into nearly 6,775 residents. During that same time period, residential growth in the Route 168 corridor has added approximately 1,195 new residential units and 3,425 new residents to the City's base. The 6,775 new residents to the Route 104 corridor area constitute 14.48% of the City's total population growth (+46,771) since 1990, while the net population growth of 3,425 in the Route 168 corridor represents 7.3% of the City's total growth during that same time period.

Development Activity 1989-1999



The Comprehensive Plan and Land Use Plan for both of these corridors was last amended in 1990 and 1988, respectively. Both corridors were treated as outside the twenty-year planning window and were classified as either Countryside or Rural.

The Need for Action

Given the propensity for development to follow transportation corridors, and the City's need to establish future sites for economic development opportunities, the creation of a strategy to manage and direct growth in these corridors is of great importance. Left alone, the market will drive and direct development down these corridors with little regard for future needs or resources.

With Route 104 improvements being aggressively pursued and construction of Route 168 underway, it is clear that opportunities will be created for increased accessibility to the southern reaches of Chesapeake in the not distant future. Speculation has already begun on properties within the corridors and the City is regularly approached with various proposals.

Once a developer decides to submit a formal proposal for review, the City is required by law to act upon the application within a reasonable period of time. Early approvals in these corridors will go far towards pre-determining the ultimate appearance and function of these corridors by setting a precedent for subsequent applications.