

MEMORANDUM

DATE: April 6, 2009
TO: Steering Committee
FROM: Ellen Cook, Senior Planner II, Jason Purse, Senior Planner
SUBJECT: Economic Opportunity Designation

Prior to the January 29, 2009 Steering Committee meeting, the Economic Opportunity (EO) designation was submitted for Committee consideration by Committee member Tom Tingle. This proposal was discussed at the January 29th meeting, with the majority of members indicating an interest in exploring this concept. Section A lists the EO proposal as put forward by Mr. Tingle, Section B below outlines the use of similar designations in adjacent localities for the sake of comparison, Section C provides staff's thoughts and comments on the application of the proposed text to current land use designation change applications, and Section D concludes with questions for the Steering Committee.

A. Proposed New Designation

Mr. Tingle's Proposal: Create a new designation in Comprehensive Plan: Economic Opportunity (EO) Designation.

Economic Opportunity (EO) would be intended to guide long-term economic development on large parcels of land, encouraging businesses that have the following attributes: quality jobs, community values, fiscal contribution, environmentally friendly and stability.

- EO shall be a "holding" designation, to allow a land owner to invest in regional master planning and site analysis, and to allow JCC to adequately address potential economic development into the county's long term vision (tax base, infrastructure, community character, economic health and cumulative effects of development). The intention would be a public-private effort in master planning, with the realization that the land owner would have to make the majority of the investment.
- EO designation should include safeguards to prevent the designated land from developing in a piecemeal basis, and from developing solely for the "low hanging fruit" uses, such as single family residential and retail.

Lands designated EO should be included in the PSA, in order to incentivize the land owners to make the significant investment required for regional master planning and analysis, and to allow JCSA to plan for long term infrastructure improvements.

- Potential uses include offices, light industrial, research & development, tourism-related businesses, workforce housing, and other uses that support the above attributes.

- Higher density development should be encouraged, if it preserves open space, is part of a transit-oriented development which takes advantage of the rail right-of-way, and/or supports walkable communities and discourages automobile use.
- Retail and market-priced residential development should be discouraged unless it is incorporated into regional master planning and it supports the above business uses.

No development should occur unless incorporated into regional master planning efforts, which shall address environmentally sensitive areas, available infrastructure, public facilities and adjacent land use to include any adjacent jurisdictions.

Area to be designated EO: All lands part of LU-0021, plus contiguous parcels in that area bounded by I-64, Croaker Road, Richmond Road and the York County line.

Note: This designation could be a good land-banking tool to address other regional areas of the county, such as the Barhamsville Interchange and the Eastern State property.

B. Adjacent Localities

1. City of Williamsburg

The City has six commercial comprehensive plan designations:

- Office
- Downtown Commercial
- Corridor Commercial
- General Commercial
- Mixed Use
- Economic Development

The Mixed Use designation is used for a variety of locations throughout the City, and the text provides specific language for the different areas, such as intended residential densities, recommended uses, and recommendations for maintaining character.

The Economic Development designation is used for only two locations, the High Street development, and the Riverside Health System property on the east side of Quarterpath Road. The text states that:

The Economic Development land use category is intended to encourage economic development activities that provide desirable employment and enlarge the City's tax base...The most important concept is that large new developments can contribute to the City's character and economic well-being by having a well designated mix of uses, rather than being a monolithic commercial, office, health care or residential development...To ensure that the majority of the Economic Development land is developed for tax-generating commercial, entertainment, office, and medical uses, areas used exclusively for residential use should be limited to a minority of the land use in each of the Economic Development areas designated by the Plan, and integrated into the overall design of the development. (See the City of Williamsburg Plan for the full text.)

Beyond some general language, the Williamsburg Comprehensive Plan does not specify recommended residential densities or provide recommendations on uses other than the “commercial, entertainment, office and medical uses” categories. The City does have two zoning districts, ED and ED-2, which are intended for implementation of this designation; both of the designated areas have been zoned as one of these districts. The distinction between Economic Development and Mixed Use appears to be relatively slight, with the distinction being that the Economic Development designation appears to allow more flexibility of uses and densities, applies to areas intended for large developments, and specifies a more limited amount of residential use.

The City’s comprehensive plan does not have designations for Limited Industry or General Industry, which James City County does have.

2. York County

York County has five commercial comprehensive plan designations:

- Limited Business
- General Business
- Economic Opportunity
- Limited Industrial
- General Industrial

It also has one overlay designation, which is Mixed Use. The Mixed Use overlay description contains a set of general language and recommendations that are not tailored to any specific location, and states that the balance of residential and commercial uses should generally reflect the underlying land use designation(s) to be compatible with adjacent land uses.

The Economic Opportunity designation is described as follows:

This designation is intended to guide a mix of office, light industrial, commercial, and tourist-related uses to certain portions of the County that have or are planned to have the access and infrastructure necessary to support both capital- and labor- intensive uses. The imposition of open space, landscaping, and buffering requirements that exceed the otherwise acceptable levels may be appropriate in order to foster a superior development character. The employment benefit to the County should be positive and enhance the tax base by increasing the County’s fiscal strength. The unique nature of the Economic Opportunity designation excludes uses that may conflict with or detract from the activities proposed.

The Economic Opportunity designated areas are primarily in locations adjacent to interchange areas such as 199/Mooretown, 199/I-64 (exit 234), and 199/I-64 (exit 243), which have so far resulted largely retail commercial development, such as Marquis Shopping Center. Additional guidance on recommended development patterns is included in a set of sub-area descriptions. York County also has a corresponding Economic Opportunity zoning district. The distinction between the Economic Opportunity designation and the Mixed Use overlay seems to be that the EO designation is for a mix of commercial uses only, and contains language specifying that development should enhance the tax base.

C. Land Use Applications

1. Land Banking or “Holding Designation” Aspect of the Text Discussion

The text in Section A suggests that this designation could be a land banking tool, or a “holding designation”. Land banking is a term that is often used in the context of local government purchase of property in relation to properties that have been abandoned or where foreclosure has occurred. In this context, “land banks” may become actual legal entities, in the form of public authorities created to efficiently acquire, hold, manage, and develop tax-foreclosed property. One description of land banking in this sense of the term is as follows:

Land banking is the process or policy by which local governments acquire surplus properties and convert them to productive use or hold them for long term strategic public purposes. By turning vacant and abandoned properties into community assets such as affordable housing, land banking fosters greater metropolitan prosperity and strengthens broader national economic well-being.¹

The term land banking has also been applied to measures taken on the part of local governments or economic development authorities to create economic development opportunities (generally commercial or industrial in nature) at strategic locations such as interchanges, though purchase, option, or partnership (see below), often followed by measures to put in place certain zoning designations and other improvements consistent with an improvement plan. These actions might apply to abandoned property, but often apply to greenfield sites as well.

In whatever sense the term is used, land banking is fundamentally about ownership or control of a piece of property. Most of the time this takes the form of either purchase or option, either by a local government or an economic development authority. A third ownership option is a public-private partnership situation: in a scenario such as this where a mutually agreeable economic development proposal is envisioned, a private developer might retain ownership of the property, while the local government might agree to build access roads and infrastructure. In these situations, the developer and local government or authority would work together to put the appropriate zoning in place, if needed. (As a side note, these tools have been used in James City County at James River Commerce Park and another opportunity using this tool is currently being investigated for a property near the Croaker Interchange.)

Staff has spoken with the County’s Office of Economic Development and with the Virginia Economic Development Partnership, and neither entity was aware of a comprehensive plan land use designation being used to serve the function of truly “land banking” property in the sense of in some way gaining

¹ “Land Banking as Metropolitan Policy.” Frank S. Alexander, Director, Project on Affordable Housing and Community Development Emory University School of Law. The Brookings Institution.

control over a property that would eliminate a property owner's ability to use it in accordance with current zoning, because this is not a legal approach in Virginia.

2. Designation Language Discussion

In James City County as in many other local governments, the land use planning approach that has been used to provide for economic development and commercial/industrial opportunities has been to have certain designations on the Comprehensive Plan map. In James City County, these are primarily one of five designations:

- Neighborhood Commercial
- Community Commercial
- Limited Industry
- General Industry
- Mixed Use

Descriptions in the Mixed Use designation are specifically tailored to the area in question, including recommendations on appropriate primary and secondary uses, and several of them include language stating that master planning of the area is important prior to development occurring. The Comprehensive plan designations fundamentally are about planning for appropriate and desired future land uses, and the text of the designation describes what those are. Where a property is not already zoned for the uses envisioned by the Comprehensive Plan, the designation provides support for a future zoning change.

The text in Section A is the same or similar in many essential ways to the existing Comprehensive Plan's Mixed Use designation (recommendation of a mix of uses, ideas of open space preservation, walkable communities, being inside the Primary Service Area, etc.), and the text appears to be written in a way that is tailored to the Hill Pleasant Farm area in the same way that other Mixed Use descriptions are tailored to their respective areas.

In staff's reading of the text, the aspects of the description which are somewhat different than the existing Mixed Use designation descriptions are those related to being a designation appropriate for both public and private efforts at regional master plan and site analysis, and allowing time for the County to adequately address potential economic development in the County's long-term vision (tax base, infrastructure, community character, etc.). The Committee may decide that this language is sufficient to warrant the creation of a whole new designation (rather than modify the existing Mixed Use designation), however, it is staff's opinion that the existing Mixed Use description could accommodate such language without the need to create an entirely new designation.

3. The Three Land Use Applications

The Committee has discussed the Economic Opportunity proposal in relation to three of the land use applications: Hazelwood Farms, Taylor Farm, and Hill Pleasant Farm.

i. Hazelwood Farms

These properties are currently designated Mixed Use, as part of the Stonehouse Mixed Use area. The following quotes this mixed use area description in its entirety:

Future development for all of the Mixed Use interchange quadrants should be developed in accordance with a binding master plan, where possible, which maintains the appropriate mixture of principal and secondary uses. The binding master plan shall address how the future development and/or redevelopment of adjacent parcels would be integrated into the overall plan of development for the mixed used area.

For lands within the vicinity of the Barhamsville Interchange, the principal suggested uses are light industrial and office/business park. Commercial uses should be clearly secondary in nature. Commercial development should be limited in scale, comprise a small percentage of the land area of the overall development, and be oriented towards support services that employees and residents in the Stonehouse Area can utilize. The commercial uses should not be developed in a “strip” commercial fashion, but rather should be internally oriented with limited and shared access to Route 30.

Development in the Mixed Use area should also emphasize shared access and parking, consistent treatment for landscaping and architecture, and the preservation of environmental and cultural resources. New residential developments in the Mixed Use area as well as the surrounding existing residential developments should be buffered from the light industrial and office uses through landscaping and architecture treatment, but connected with pedestrian access where possible. Future development in the Stonehouse area will be conditioned on the provision of adequate transportation access.

As discussed in detail at the Steering Committee meetings, two of the three properties involved in this particular application are already zoned B-1, General Business, while the third is zoned A-1, and would need to be rezoned in order to achieve the vision stated in the designation language. As stated above, staff is not aware of any legal approach that would use a designation to “hold” this property in such a way as to preclude development in accordance with the existing zoning. Given this, it is staff’s opinion that the existing Mixed Use designation is appropriate and that the description text could be edited or added to, if appropriate. Should the Committee believe that revisions are necessary in terms of uses, the need for text specifying that a positive fiscal revenue result is expected, or that the language on master planning should be stronger, staff believes that those revisions could be accomplished in the Mixed Use text.

ii. Taylor Farm

This property currently includes three designations: approximately 7 acres of Mixed Use, approximately 39 acres of Low Density Residential (LDR), and approximately 142 acres of Rural Lands. The Mixed Use and LDR designations are within the Primary Service Area, and the Rural Lands portion is outside. The Mixed Use portion is included in the Anderson's Corner Mixed Use area description, which currently states as follows:

For the land in the immediate vicinity of Andersons Corner, the suggested principal uses are a balance of office and commercial. Residential is recommended as a supporting but not dominant use that should be blended into the development of the principal uses for an overall village effect. Andersons Corner is one of the few remaining areas in the Primary Service Area with significant rural agricultural vistas, and contains one of the few remaining rural historic structures in the County, the Whitehall Tavern. Future development should occur in a manner that maintains an appropriate historic setting for the Whitehall Tavern and preserves the rural, historic character of the area. Views from Richmond Road (Route 60) and Route 30 should receive high priority. To accomplish this, significant amounts of open land and farm fields should be preserved along with agricultural and rural structures in a manner that creates a traditional rural village surrounded by permanently protected farm fields. While more urban intensities and uses are anticipated, designs and land use patterns should reflect aspects of both appropriate PSA and Rural Land Use Standards. Buildings and other structures should be small to moderate sized in scale, and of architectural styles that respect local historic traditions. Standardized architectural and site designs should be strongly discouraged. Preservation and adaptive reuse of existing buildings is strongly encouraged as is their integration into plans for new development. Sections of Richmond Road (Route 60) east of Croaker Road are projected to be at or above capacity in the future. The extent to which development of this area contributes to traffic congestion in those sections of Richmond Road (Route 60) should be an important consideration in the review of development proposals.

The Mixed Use-designated portion of the property is zoned B-1. The rest of the property is zoned A-1, which is consistent with the Rural Lands designation; the LDR portion would need to be rezoned in order to achieve the vision stated in the LDR designation language. Taylor farm has existing frontage on Route 60. The proposed text in Section A states “EO shall be a ‘holding’ designation, to allow land owners to invest in regional master planning and site analysis, and to allow JCC to adequately address potential economic development into the County’s long term vision.” It is staff’s opinion that this property does not present the range of outstanding questions and issues that item **iii** below does, which would warrant a period of regional master planning and site analysis. It is staff’s opinion that the Committee should either not change the designations, or should come to consensus on what the alternative appropriate existing land use designation should be (Neighborhood Commercial, Community Commercial, Limited Industrial, General Industrial, Mixed Use, etc.).

iii. Hill Pleasant Farm

The text in Section A is written most specifically in relation to this property and the surrounding area. It is staff’s opinion, as further discussed above, that this is the only area of the three that has characteristics that merit further discussion of some type of EO designation. However, as noted above,

should the Committee wish to change the designation, staff would recommend using the existing Mixed Use designation rather than creating an entirely new designation.

While staff has re-evaluated this proposal in light of the EO designation discussion, staff continues to recommend that the parcels remain designated Rural Lands for the reasons outlined in the staff report previously forwarded to and presented to the Committee.

Should the Committee ultimately wish to change the designation, staff would recommend that the text include language specifically addressing the need for issues and questions related to the adequacy of transportation and other infrastructure, and for issues and questions related to the ability of new development to respect the existing character of this area, to be resolved. Staff has examined the proposed language in Section A, and should the Committee wish to proceed with a change to Mixed Use, would recommend that many of the ideas encapsulated in this language be retained as the designation description; some suggested text is listed below.

In addition, if this area were re-designated Mixed Use, it should be brought into the Primary Service Area (PSA). The area suggested by the proposed text in Section A to be designated EO is “all lands part of LU-0021, plus contiguous parcels in that area bounded by I-64, Croaker Road, Richmond Road and the York County line” (area in red on Map 1). There are a number of parcels that staff has concerns about re-designating to Mixed Use. These areas are shown in blue on Map 2 and are as follows: historic Norge and the Norge Shopping Center, residential lots on Maxton Lane behind the library, residential lots along Rochambeau Drive, and residential lots within Pineridge. Certain properties in the area described above are already inside the PSA, and staff recognizes that if particular Rural Lands properties within this rectangular area which are currently outside the PSA were brought in, then it would make sense to bring the entire area in. Therefore, if areas such as the Rochambeau Drive residential lots or Pineridge were brought inside the PSA, but not designated Mixed Use, the Committee would also have to decide which designation to make these areas and residents would need to be notified. Further, the Committee would need to decide what to do about those properties along Peach Street, and lots fronting on Rochambeau which were not a part of the land use designation change application (areas in pink on Map 3). As a side note, there is past precedent in James City County for showing planned road corridors through areas outside the PSA and designated Rural Lands without changing the land use designation(s) up front.

Possible Mixed Use Language

For the land in the vicinity of (to be determined), the principal uses and development form should be conceived in a manner that will maximize the economic development potential of the area and will encourage development types that have certain attributes, principally that they have a positive fiscal contribution, provide quality jobs, enhance community values, are environmentally friendly, and have a record of industry stability. Principal suggested uses include industrial, light industrial, and office uses. Retail commercial uses should be limited in amount and type to support uses for the principal uses. Higher density residential (with an affordable/workforce component) may be permitted as a secondary

use only in conjunction with a transit system (light rail, commuter rail, etc.) to serve this area; should transit not occur, general higher density residential uses are strongly discouraged. Should transit/higher density residential not occur, mixed-cost housing with a strong emphasis on affordable/workforce meeting any and all applicable County policies may be permitted on site up to 15% of total development area square footage. This shall occur with the existence prior to or concurrent with their approval (a) a regional plan with adjacent localities to balance residential distribution that specifically discusses this Mooretown Road/Lightfoot area; (b) a guarantee through proffers or other mechanisms that the residential units be phased to be built concurrently or after the commercial component.

No development should occur unless incorporated into regional master planning efforts, which shall address environmentally sensitive areas, available infrastructure (roads, water, sewer, transit, etc.), community character and context, public facilities and adjacent land use to include any adjacent jurisdictions. The regional master planning efforts may take the form of public-private or private-private partnerships; if public-private, the land owner(s) would need to make the majority of the investment. These regional master planning efforts should result in a plan for a single master planned development area which specifically phases development to be in step with, and provide for, adequate amounts or capacities of roads, water, sewer, transit, bicycle and pedestrian facilities, fire stations, police and general government services, parks and recreation facilities, schools, and other facilities and service needs generated by the development. The master plan for the area should also demonstrate appropriate variation in uses, intensities, pattern, and design such new development is compatible with the existing character of surrounding areas. Development should be planned for the site in such a way as to encourage trips by foot or bicycle and to discourage automobile use, and should be concentrated on portions of the site such that the sensitive environmental features are avoided; prime agricultural soils, aquifer recharge areas, and/or soils in hydrologic groups A and B are preserved to the extent possible; and viewsheds from historic Norge are respected.

D. Final Thoughts and Questions for Steering Committee Discussion

Certain aspects of the EO designation as written in Section A, are essentially the same or very similar to the County's existing Mixed Use designation. Other aspects, primarily those regarding master planning and additional site analysis are not currently duplicated elsewhere.

1. Is it the sense of the Committee that these differences are of a nature that warrants a new Comprehensive Plan designation?
2. Should the answer to #1 be affirmative, what is the sense of the Committee on how its goals and intentions for EO can best be achieved?
3. Should the answer to #1 be in the negative, what alternatives, such as the Mixed Use designation, would the Committee consider?