An Advisory Services Panel for Norfolk, VA

Norfolk, VA
December 14-19, 2014
About the Urban Land Institute

• The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

• ULI is a membership organization with nearly 33,000 members, worldwide representing the spectrum of real estate development, land use planning and financial disciplines, working in private enterprise and public service.

• What the Urban Land Institute does:
  – Conducts Research
  – Provides a forum for sharing of best practices
  – Writes, edits and publishes books and magazines
  – Organizes and conducts meetings
  – Directs outreach programs
  – Conducts Advisory Services Panels
Thanks to the following sponsors:

Sponsor: City of Norfolk

– Steering Committee:
  • Christine Morris
  • Ron Williams
  • George Homewood
  • Richard Broad
  • Lenny Newcomb
  • Peter Chapman
  • Ray Gindroz
  • Thom White
  • Katerina Oskarsson

And the many members of the community who contributed their time, knowledge, and experience!
The Advisory Services Program

• Since 1947
• 15 - 20 panels a year on a variety of land use subjects
• Provides independent, objective candid advice on important land use and real estate issues
• Process
  • Review background materials
  • Receive a sponsor presentation & tour
  • Conduct stakeholder interviews
  • Consider data, frame issues and write recommendations
  • Make presentation
  • Produce a final report
The Panel

- John McIlwain, Senior Advisor, Jonathan Rose Companies
- John Macomber, Harvard Business School, Cambridge, MA
- Jonathan Miller, Miller Samuel Inc., New York, NY
- Paul Moyer, VHB, Vienna, VA
- Dave Stebbins, Buffalo Urban Development Corp., Buffalo, NY
- Charles Schilke, Johns Hopkins Carey Business School, Washington, DC
- Juvarya Veltkamp, Vancouver Economic Commission, Vancouver, BC
Presentation Outline

I. Intro and Background
II. Market Potential
III. Planning & Design
IV. Economic and Social Resilience
V. Conclusion
Panel Overarching Assignment

A decade has passed since ULI last looked at the Fort Norfolk neighborhood, then known as Atlantic City. Much has changed since that time – the Tide rail line, the real estate market crash, and an increasing focus on the effect of sea level rise on Hampton Roads.

This panel will look at ways to use development opportunities and challenges in the Fort Norfolk neighborhood to improve flood protection for vulnerable locations in the community, but also to build economic opportunity – to use the site as an avenue to broad community strength and resilience.
Panel Questions

- What is the market potential for the Fort Norfolk neighborhood?
- How will coastal flooding impact land and development value in the area and how can impacts be appropriately mitigated and transferred throughout the community?
- What are appropriate techniques for building resilience to flooding in Fort Norfolk?
- How can social equity be addressed when impacts due to climate change impact affect areas in uneven ways?
The Study Area
Three Important Changes Since Previous Studies

• The Tide Transit

• The 2008 Recession

• The Rising Waters
Market Potential: Context and Opportunity
Market Potential: Context and Opportunity

Considerations

- Time scale
  - Short, Medium, Long
- Hampton Roads Region
- City of Norfolk
- Fort Norfolk
Hampton Roads Region: Slower Economic Growth

Performance and Drivers

The Performance & Drivers page outlines the key economic outcomes and drivers of this region, based on over 52 data indicators. Click the link below to view the full set of charts.

Ranks are by percentile from 1-100 among all 917 U.S. metropolitan and micropolitan statistical areas:
- 1-20 (first quintile)
- 21-40 (second quintile)
- 41-60 (third quintile)
- 61-80 (fourth quintile)
- 81-100 (fifth quintile)

Source: US Cluster Mapping Project
Hampton Roads Region: Flooding and Sea Level Rise
## Hampton Roads Region: Increasing Repetitive Flood Loss

### Table 3.7-3: NFIP claims of over $1 million paid on RL

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City of Norfolk: Economy and Jobs

- Jobs in the Region Began to Grow in 2011
- Jobs Statewide Began to Grow in 2010
  (percent change over last year, not seasonally adjusted)

- Unemployment Rates Remain High
  (not seasonally adjusted)

Source: City of Norfolk FY 2012 Resource Guide
City of Norfolk: Lower Tax Revenues, Lower CIP budget

Historical and Approved CIP authority
General Capital

Source: City of Norfolk FY 2012 Resource Guide
City of Norfolk: Individual impact, Regional effects

Insurance Rates

Mortgage Amounts

Housing Values
Fort Norfolk: Water Challenges

Developers and landowners will need to address severe impairment from increasing flood risk

FEMA proposed flood map
Fort Norfolk: Value in the Future

The Fort Norfolk area needs to rely on collaborative and bold development to create value in the future.

Value today is constrained by:
- Lack of demand in the region
- Significant and uncertain flood risk

Value in the future could be enhanced by creating:
- Employment demand: new jobs
- Housing demand: new people
- Housing: taking pressure off the most flood-exposed areas
- Housing demand mixed-use, mixed-income urban coastal lifestyle
- Employers interested in a mixed-use urban coastal environment
- Designs that are flood resistant in the long run
Market Overview

Fort Norfolk Residential Real Estate In Context

- Existing condominium – 40 Rader St. (Pier Condo)
- New and existing residential development - 139 Riverview Ave. (Riverview Lofts)
- New and existing retirement community – 1 Colley Ave. (Harbor’s Edge)
Market Overview

Fort Norfolk Prices Rising Before Financial Crisis
Market Overview

Fort Norfolk Prices Continue to Fall After Financial Crisis

40 Rader Street Sales Price per Sq Ft Trend
Post-Financial Crisis 2008 to 2014

Source: Realtor.com, Zillow, Trulia
Market Overview

Fort Norfolk Prices Down 31.7%

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Average: -31.7%
Market Overview

Norfolk and Hampton Roads 5-Year Trend: In Sync, Flat

Source: Long & Foster
Market Overview

Lagging Behind U.S. and Regional Housing Trends

- S&P/Case-Shiller Home Price Index Change from Market Peak
  - U.S. -15.9%
  - Charlotte, NC -5.1%
  - Washington, DC -16.5%
  - Fort Norfolk, VA -31.9%
Planning and Design
Planning & Design: Site Context

- Near a number of stable and emerging neighborhoods
- Easy access to downtown via Tide
- Waterfront along 3 sides
- Excellent views to surrounding areas
Current Zoning

- Densest development nearer the waterfront
- Institutional near transit station
- No open space provided along the waterfront
Proposed FIRM Map

X Zone

AE Zone (100-year floodplain)

Limit of Wave Action

VE Zone
Physical Opportunities and Constraints

- Medical Center
- Connections to Ghent and Colley Avenue
- Tide Station
- Elizabeth River Trail
- Harbor Edge
- View Corridors
- VE Flood Zone
- 5-minute walk from Tide Station
- Connections to Freemason and Downtown Elizabeth River Trail
- Connections to Freemason and Downtown
Planning & Design

Key Takeaways

- Market Requires Long-Term Time Horizon
- Phased Development Needed
- Make Fort Norfolk a Resilience Demonstration Project
Planning & Design

Setting the Stage

• Focus initial redevelopment at Tide station
• Activate the site
• Conduct feasibility study to validate development thesis
Planning & Design

- Transit-Oriented, Mixed-Use Development
  - Medical Center
  - Tide Light Rail
  - Resilience Itself
Planning & Design

Healthcare/Senior Living Uses

- Medical Center is key economic asset
- Long-term space need in Fort Norfolk
- Employee housing need in Fort Norfolk
- Success of Harbor’s Edge shows appeal to seniors
Planning & Design

Fort Norfolk as Historic Asset

- Historical Asset of National Significance
- Embrace the asset
- Enhanced use leasing
- Engage state and national partners
Leadership Challenges

• Fort Norfolk - transitioning from industrial to mixed use
• Thus lacks established community institutions
• Fragmented Land ownership
• Without community institutions, no consensus
• Community institutions create resilience
Planning & Design

Building Leadership

– Community Development Authority (CDA)
– Business Improvement District (BID)
– Civic League
Planning & Design

Land Use Techniques

- Transactional
- Control
- Zoning
- Environmental
Physical Site Development Concept

Focus Development Near Tide Station

Connect Elizabeth River Trail thru Site

Establish Public Space / Waterfront Resilience Zone

Create visual connection to the water

Emphasize views to the water and incorporate bio-retention in streetscape

Implement Living Shoreline

Improve connections and visibility of Ft Norfolk

Raise Front Street to support site resilience
Development Framework

- Pedestrian Connection Through Medical Center
- Tide Station
- Development / Reuse Parcels
- Potential connection to Ghent
- Improve connections and visibility of Ft Norfolk and Plum Point Park
- Waterfront Resilience Park
- Incorporate Bio Retention in open space and streetscape
Near Term Actions

- Encourage use of existing facilities for appropriate uses
- Create connections to and activation of the waterfront
- Focus Development Near Tide Station
- Improve connections and visibility of Ft Norfolk and Plum Point Park
- Raise Front Street to site resilience
Physical Resilience Techniques

- **Bio-retention** – collecting and treating stormwater runoff
- **Permeable Pavement** – allows stormwater to pass through and be collected and treated below the surface
Physical Resilience Techniques

• **Cisterns** – receptacle for holding water from the roof or other impervious surface

• **Underground Water Reservoir** – system for collecting, treating and releasing stormwater
Physical Resilience Techniques

- **Living Shoreline** - shoreline that incorporates as many natural elements as possible to create more effective buffers in absorbing wave energy and protecting against shoreline erosion.
Physical Resilience Techniques

- **Green Roofs** – roof that is partially or completed covered by vegetation to help absorb rainwater and provide insulation
Physical Resilience Techniques

- Resilient Waterfront Park – park that incorporates features such as a living shoreline, floodable zones, bio-retention, and habitat areas

Yards Park, Washington DC

Beale Street, Landing Memphis
Social & Economic Resilience

• Social Resilience:
  – Community connections
  – Social capital

• Economic resilience
  – Diversity
  – Adapt to economic disruptions
Social Capital

- Building community networks
- Thriving resilient communities
- Harbor’s Edge storm procedures

“Network theory has discovered that … a few nodes stand out as extraordinarily better connected than average nodes. These nodes are called hubs. A healthy network has multiple hubs, all well connected to each other.”
Ft. Norfolk Resilience District

- Housing choice
- Job choices
- Multi-modal transportation options
- Waterfront access
- Emergency preparedness training
Coastal Urban Resilience Institute

• Become global leader on coastal resilience
• Norfolk as a resilience laboratory
• Demonstration technologies and incubator support
• Partnership with local universities, NGO, and government
• Create opportunity from adversity
Social Resilience

Housing Options

- Market & workforce
- Multi-generational
- Storm safe new construction
- Proximate to critical institutions at EVMC
Social Resilience

Employment

- Diversity
  - Skilled
  - Low-barrier to entry
- Skill development
- Entrepreneurial support
Social Resilience

Transportation

MULTI-MODAL

• Transit
• Major road access
• Bicycle trails
Social Resilience

Access & Recreation

- Passive and active recreation options
- Accessible
- Affordable
- Water-oriented
- Benefits everyone
Social Resilience

Emergency Preparedness Training

Partners

- City Office of Emergency Preparedness
- Red Cross
- U.S. Army Corps of Engineers
- NOAA

- Key organizations on site
- Prepares residents
- Builds social capital
Innovation Check In

What is your competitive advantage?
“Don’t Believe Your Own Press Release”

Do you have entrepreneurial culture?
How do you identify commercializing opportunity?

Do you have availability of capital and early stage financing?
Where does it come from?
INNOVATION & ECONOMIC RESILIENCE

START UP GENOME

- Resilience comes from diversity, the ability to regenerate and being grounded in the local context.
Create a Global Presence

- Build on Anchors
- Program for business and capital attraction
- Use network approach (social physics)

Vancouver’s Hydrogen Fuel Cell industry
- 77% of world’s R+D in Vancouver
- Stimulated by $20M National Research Council grant 2002
- 2,000 FTEs + $211M sales in 2011
- Mercedes Benz $50M 3,300sf manufacturing plant ships fuel cells to Germany
Program for Local Growth

- Train and retain human capital
- Generate and export ideas
- Demonstration + leadership
“Industrial land is where the most interesting things happen – where ideas, innovation and experimentation happens. It is also where culture is produced and attracted to.”

Bruce Katz
Tell the Story

- Arts, culture + design appeal to young people, show mature industries how to innovate and provide ingredients to create innovative spaces
The people, places, and things to see and do in the Dogpatch and surrounding neighborhoods of San Francisco Map.
Set Aside the Space

- Flex-, Maker-, Prototyping spaces
- Community space
- Connections to Chelsea, Ghent businesses
Activate with Events

- Congregate
- Recreate
- Create
- Live with the water
Key Themes

• Transit-Oriented Development
  – Grow from the Tide station
  – A place for All Residents

• Activate the Site
  – Programming and Policies for activity, innovation, commerce: energy

• Water’s Edge
  – Open space; public amenity; temporary, low-Intensity uses
  – Soft infrastructure for shore protection
Monday Morning Agenda

Key Actions

- Conduct a thorough Feasibility Study
- Create a Ft. Norfolk Community Development Association
- Create a local Economic Development plan
- Create a Coastal Urban Resilience Institute
- Develop workforce housing / mixed use near Tide Station
Thank you to our stakeholder interviewees…


And everyone else!
Questions?