

ULI

EAST OCEAN VIEW NORFOLK, VIRGINIA



AN ADVISORY SERVICES PANEL REPORT
ULI—the Urban Land Institute
1025 Thomas Jefferson Street, N.W.
Suite 500 West
Washington, D.C. 20007

**East Ocean View
Norfolk, Virginia**

**A Plan for the Development of
East Beach and the Revitalization of
Surrounding Areas**

November 1-6, 1998
An Advisory Services Panel Report

ULI—the Urban Land Institute
1025 Thomas Jefferson St., N.W.
Suite 500 West
Washington, D.C. 20007-5201

ABOUT ULI—THE URBAN LAND INSTITUTE

ULI—the Urban Land Institute is a nonprofit research and education organization that promotes responsible leadership in the use of land in order to enhance the environment.

The Institute maintains a membership representing a broad spectrum of interests and sponsors a wide variety of educational programs and forums to encourage an open exchange of ideas and sharing of experience. ULI initiates research that anticipates emerging land use trends and issues and proposes creative solutions based on that research; provides advisory services; and publishes a wide variety of materials to disseminate information on land use and development.

Established in 1936, the Institute today has some 14,000 members and associates from 50 countries, representing the entire spectrum of the land use and development disciplines. Professionals

represented include developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academicians, students, and librarians. ULI relies heavily on the experience of its members. Through member involvement and information resources, ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of America's most respected and widely quoted sources of objective information on urban planning, growth, and development. This Advisory Services panel report is intended to further the objectives of ULI and to make authoritative information generally available to those seeking knowledge in the field of urban land use.

Richard M. Rosan
President

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Suite 500 West
Washington, D.C. 20007

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ULI Catalog Number: ASN 005

ABOUT ULI ADVISORY SERVICES

The goal of ULI's Advisory Services Program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled more than 400 ULI-member teams to help sponsors find creative, practical solutions for such issues as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. Numerous public, private, and nonprofit organizations have contracted for ULI's Advisory Services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the topic of the panel and are screened to ensure their objectivity. ULI panel teams are interdisciplinary. Teams typically include several developers, a landscape architect, a planner, a market analyst, a financial expert, and others with niche expertise needed to address the project. ULI teams provide a holistic look at development problems. Each panel is chaired by a respected ULI member who has previous panel experience.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day

composed of a tour of the site and meetings with sponsor representatives, a day and a half of hour-long interviews of typically 80 to 100 key people within the community, and a day and a half of formulating recommendations. Many long nights of discussion precede the panel's conclusions. On the final day, the panel makes an oral presentation of its findings and recommendations to the sponsor. At the request of the sponsor, ULI then prepares and publishes a written report.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and with stakeholders in the project under consideration, participants in ULI's five-day panel assignments are able to make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A key strength of the program is ULI's unique ability to draw upon the knowledge and expertise of its members, including land developers and owners, public officials, academics, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services report is intended to provide objective advice that will promote the responsible use of land to enhance our environment.

ULI PROJECT STAFF

Marta Goldsmith
Vice President
Land Use Policy

Mary Beth Corrigan
Director
Advisory Services

Nancy H. Stewart
Director, Book Program

Betsy Van Buskirk
Art Director

Joanne Nanez
Layout

Kim Rusch
Graphics

Diann Stanley-Austin
Associate Director for Publishing
Operations

ACKNOWLEDGMENTS

Both personally and on behalf of the Urban Land Institute, the panel members and staff would like to thank Mayor Paul Fraim, Councilman Randy Wright, and the entire Norfolk City Council; City Manager James Oliver and the staff of the city manager's office; David Rice, executive director of the Norfolk Redevelopment and Housing Authority (NRHA); the NRHA staff members and the NRHA Board of Commissioners; Ernest Freeman, director of City Planning, and the City Planning staff; the Willets, for hosting Monday evening's reception; and the Ocean View Baptist Church, for use of its facilities for the panel's

presentation. The panel members would also like to extend appreciation to Mary Miller and Brian Hurd of the City Department of Planning and Codes Enforcement and to Pat Gomez and Tom House of NRHA, who provided valuable and tireless assistance to the panel as it worked to develop the report and recommendations.

The panel would also like to thank all the interviewees and concerned citizens of Ocean View for their time and commitment to this process.

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ULI PANEL AND PROJECT STAFF

PANEL CHAIR

Daniel C. Van Epp
Executive Vice President
The Howard Hughes Corporation
The Rouse Company
Las Vegas, Nevada

PANELISTS

Charles E. Adams
Partner
Celebration Associates, Inc.
Charlotte, North Carolina

David H. Bennett
Senior Associate
EDAW, Inc.
Alexandria, Virginia

Thomas H. Brown
President
The Brown Organization
Cincinnati, Ohio

David Dishy
Principal
Hamilton, Rabinovitz &
Alschuler, Inc.
New York, New York

Leigh M. Ferguson
President
Chattanooga Neighborhood
Enterprise
Chattanooga, Tennessee

Richard M. Gollis
Principal
The Concord Group
Newport Beach, California

Christopher B. LoPiano
Senior Vice President
NationsBank CDC
Washington, D.C.

David S. Pandoli
Project Manager
Woolpert LLP
Miami, Florida

ULI PROJECT STAFF

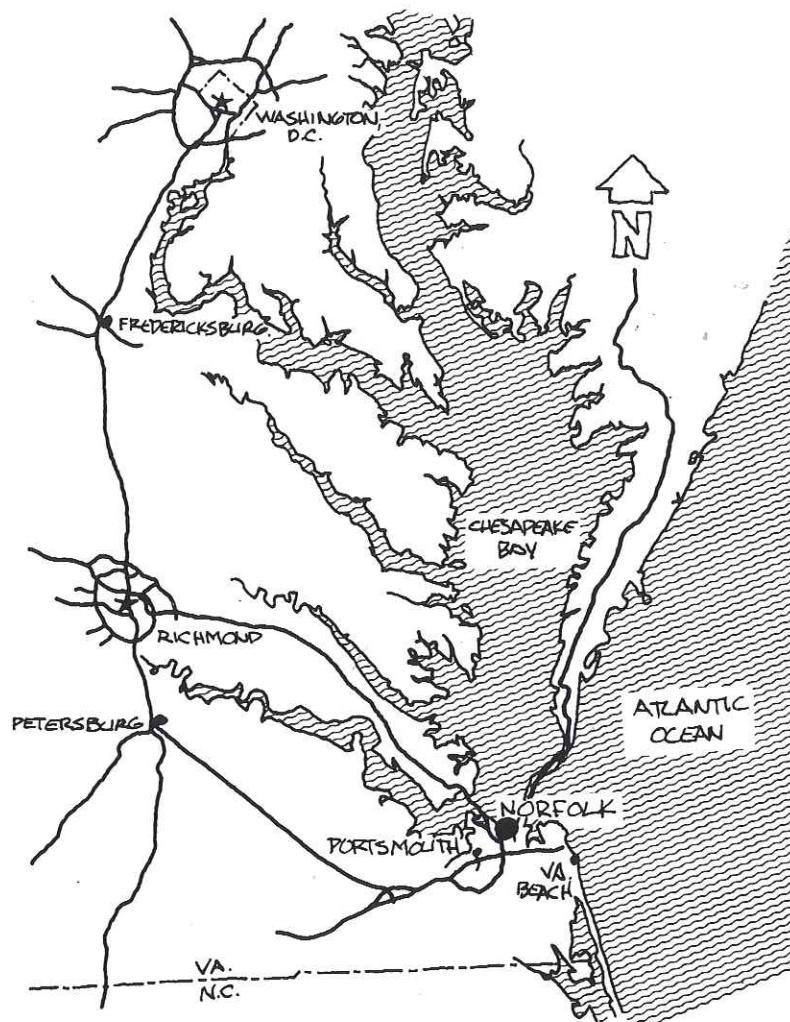
Mary Beth Corrigan
Director, Advisory Services
ULI—the Urban Land Institute
Washington, D.C.

Marta Goldsmith
Vice President, Land Use Policy
ULI—the Urban Land Institute
Washington, D.C.

Jennifer Coggins
Executive Assistant to the
President
ULI—the Urban Land Institute
Washington, D.C.

Rose Kim
Events Manager
Temple Hills, Maryland

OVERVIEW OF THE AREA AND THE PANEL'S ASSIGNMENT



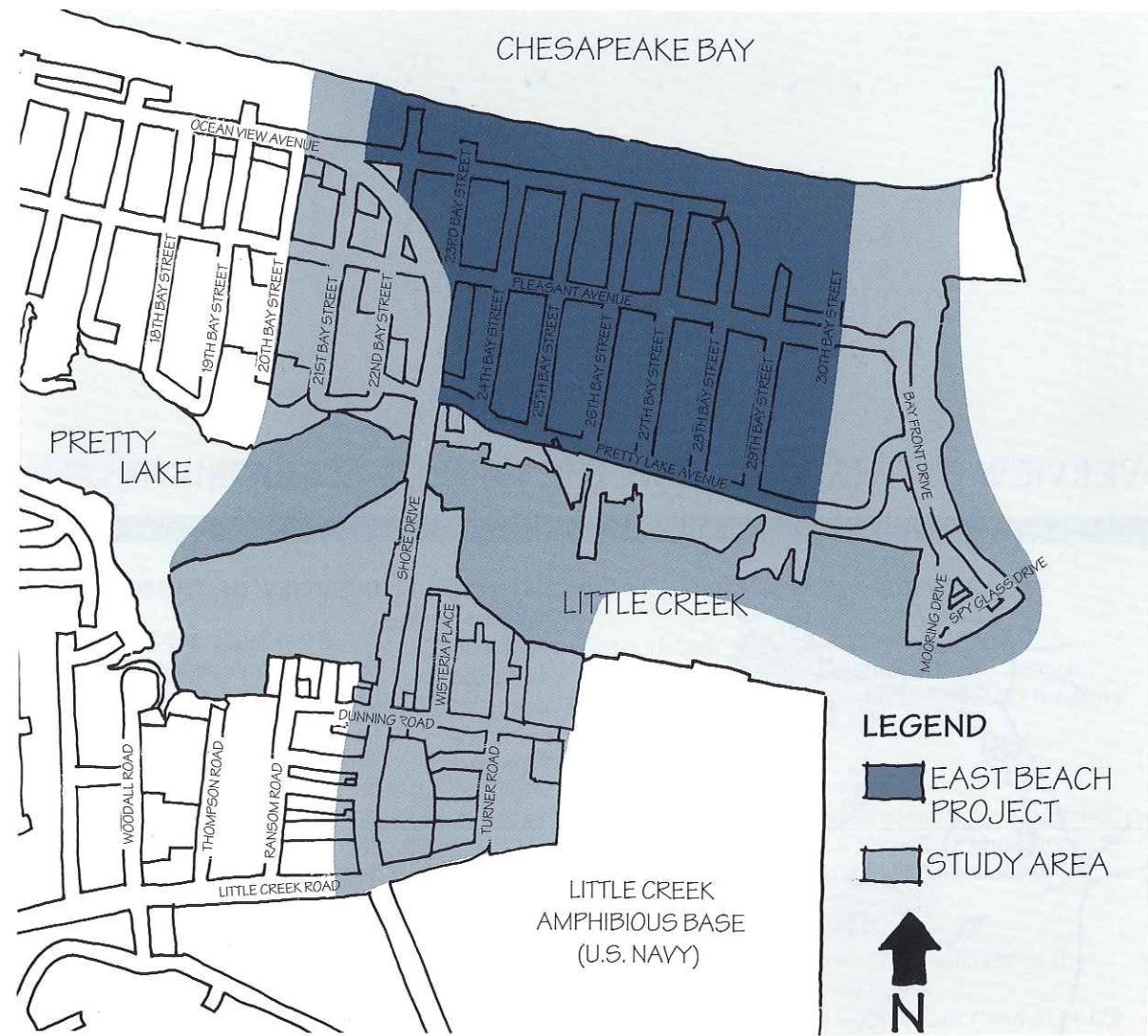
OVERVIEW OF THE AREA

Founded in 1682, Norfolk is the historic, educational, cultural, medical, and financial center of the Hampton Roads region of Virginia, which includes the cities of Norfolk, Portsmouth, Virginia Beach, Chesapeake, Suffolk, Hampton, Newport News, Williamsburg, and Poquoson. The region is the 27th largest metropolitan statistical area in the nation and the fourth largest region in the southeastern United States. The Hampton Roads region is a major attraction and is often referred to as "The Virginia Waterfront." Part of this waterfront can be found in the Ocean View area of Norfolk.

In 1923, the city annexed 24 square miles of Norfolk County, including part of Ocean View. At that time, the area had a family resort character. During the 1930s, negative environmental and economic impacts caused a decline in the area; however, the area had a resurgence in population in the 1940s as a result of World War II

Norfolk is in the Virginia tidewater at the mouth of the Chesapeake Bay.

The panel's study area encompasses East Ocean View and the Shore Drive Gateway.



and the presence of the military. A major influx of transient residents during the war years resulted in the conversion of large summer homes into rooming units and in the development of smaller dwellings. In 1959, East Ocean View was annexed from Princess Anne County. During the 1960s, a year-round residential community began to develop, made up primarily of military personnel who began to settle in the area. Because of this sudden growth, much of Ocean View developed without zoning

controls. Another factor influencing the development of Ocean View was the 1957 completion of the Hampton Roads Bridge-Tunnel, which connected the peninsula—made up of Hampton, Newport News, and Poquoson—to Ocean View. In 1968, changes to Norfolk's zoning classification allowed for the construction and development of high-density hotels in areas that were formerly zoned residential. This high-density residential development and transient population has led to the

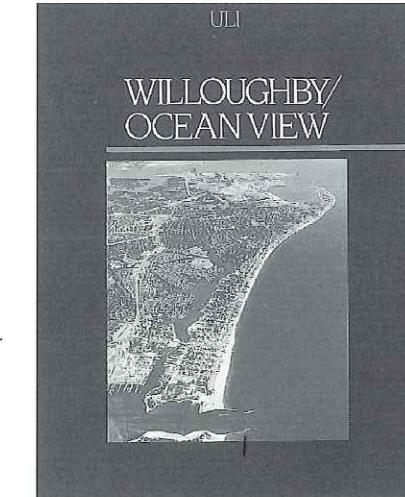
decline of Ocean View. However, because of inadequate land use controls and small lot sizes, much of the area has had problems with development and redevelopment opportunities.

Ocean View includes approximately 7.5 miles of beach along the southern end of the Chesapeake Bay. There are five primary areas in Ocean View: Willoughby, Bayview, Cottage Line, West Ocean View, and East Ocean View.

1987 ULI STUDY AND SUBSEQUENT STUDIES AND ACTIVITIES

In 1987, a ULI Advisory Services panel went to Norfolk to evaluate the development and redevelopment opportunities in the Willoughby/Ocean View area. The study area included all of Willoughby/Ocean View, and the panel provided general recommendations and implementation strategies to help the community become a viable waterfront community in terms of quality of life, image, and property values. The city embraced the panel's recommendations and has been successful in implementing several of the recommendations, making Ocean View a better place than it was in 1987. This report presents an evaluation of the city's progress since 1987.

When the panel went on site in 1987, panel members found an area that held a lot of promise, even though it had come on hard times in recent years. The panel developed several recommendations for the area, and a lot of progress has been made. The 1987 study was also an impetus for more study in the area and for some very aggressive action on the part of the city. In 1990, Urban Design Associates completed a master plan for the East Ocean View area. In 1994, a public forum was held to develop a master plan for the end of East Ocean View, the area now known as East Beach. Commonly referred to as the Duany Plan, this effort helped form a consensus as to the future of East Ocean View.



Since these plans and studies have been completed, the Norfolk Redevelopment and Housing Authority (NRHA) has completed some visionary activities, such as its infill development and redevelopment efforts, that have led to some major improvements in the area. NRHA has initiated several development projects, including Pinewell-by-the-Bay, Bay Oaks, Cottage Place, and the 17th/19th Bay site; has provided strategic funding for replacing blighted properties with strategically placed infill development; and has provided funds for aesthetic improvements to properties, which in turn spurred additional neighborhood revitalization.

The city also has begun to purchase the properties in the 90-acre tract that will be referred to in this report as East Beach. This area was associated with the Duany Plan and is a strategic redevelopment area for all of East Ocean View. The southern gateway to East Beach and East Ocean View is Shore Drive, where it crosses over Little Creek. The Virginia Department of Transportation will be replacing the Shore Drive bridge with a new elevated bridge that will provide an "entrance" to the East Ocean View area.

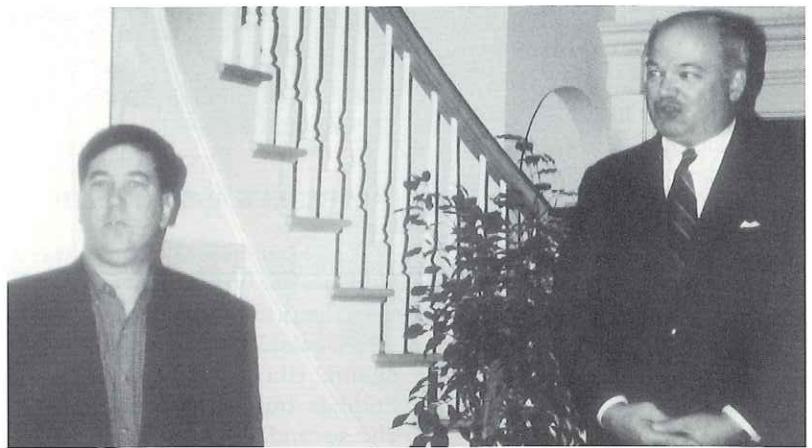
East Ocean View is remarkable and unique. East Beach has some of the most spectacular views to be found in the Hampton Roads area and, in its natural state, is one of the most precious assets of Norfolk. Its redevelopment as a vibrant residential area should be of high priority to the city because it will also stimulate revitalization throughout the Ocean View community.

THE PANEL'S ASSIGNMENT

The panel's assignment was twofold. The first task was to evaluate the progress in Willoughby and Ocean View as measured against ULI's 1987 panel study findings and recommendations. The second task was to make recommendations for the continued redevelopment of a more specific study area—East Beach and its immediate surroundings. The city sought input on the best way to proceed with the redevelopment of the East Beach area, as well as recommendations on how the areas immediately adjacent to East Beach (including the Shore Drive and Ocean View Avenue gateways) should be redeveloped to ensure the success of the East Beach project and the continued revitalization of Ocean View.

SUMMARY OF RECOMMENDATIONS

Norfolk City Council Member Randy Wright (left) and Norfolk Mayor Paul Fraim welcome panel members during a reception in East Ocean View.



GENERAL FINDINGS AND RECOMMENDATIONS

After the interviews and focus groups that were held to meet with concerned citizens, the panel concluded that there is a consensus on the issues and solutions. The people in East Ocean View are very interested in their area and want to see it improved. They realize the area's potential and feel that—for this potential to be realized—there needs to be an effort to move ahead quickly on revitalization and redevelopment. Therefore, the common theme recurring throughout this report is "Just Do It." Three priorities emerged during the interview process and the panel's evaluation of information. The city needs to do the following:

- Find funding and move quickly to acquire remaining parcels in East Beach.
- Privatize development of East Beach by selecting a master developer from the private sector for the project.
- Refocus NRHA's efforts on finishing the acquisition process in East Beach and then continuing to stabilize adjacent areas through "spot" acquisitions.

The following general recommendations are grouped into four categories: market potential, planning and design, development strategies, and implementation. Detailed discussion of each category can be found later in this report

MARKET POTENTIAL

- The East Beach project can be successful if it is well executed and positioned to meet market demands. Its success will be enhanced by providing a program that will maximize early sales to create the momentum needed to complete the entire project. East Beach's success undoubtedly will have an important impact on the adjacent areas in Ocean View.
- The proposed target markets for East Beach are young couples and singles without children, empty nesters, preretirees, and retirees.
- The commercial parcel on the northeast corner of Shore Drive and Pretty Lake Avenue should be converted to apartment units and designed so that the bottom floor of the building can be converted to retail or office space when demand exists. The 90 apartment units proposed in the Duany plan fall short of the optimum number of units typically required for economies of scale when managing an apartment development. An additional 48 units can be added by converting the commercial parcel, while not giving up the potential for commercial use in the future.



Richard Gollis, right, interviews Norfolk Mayor Paul Fraim.

PLANNING AND DESIGN

- An open space and pedestrian system, architectural treatment of gateways, and landmark structures (such as civic buildings, towers, and pavilions) are recommended to provide neighborhood character and orientation to the waterfront and other key places in the neighborhood.
- Alternative stormwater systems, such as infiltration structures, should be explored.
- Traffic calming devices (e.g., speed humps, islands, and shifts in alignment) are recommended to preserve the tranquility of the neighborhoods.
- Nonconforming land uses adjacent to the East Beach area should be purchased, and the land should be banked for future redevelopment.
- A Gateway Overlay District should be considered for the gateway areas, especially the Shore Drive gateway, to establish design criteria for future development to enhance the image of East Beach.
- An "urban forest" (tree nursery) should be created as an interim landscape feature that will be partially retained when redevelopment occurs. A series of shade trees (bosques, live oak, linden, mahogany) should be planted, along with a variety of evergreens, to screen and enhance the visual character of the corridor. A street tree-planting program could extend into the vacant sites as part of this plan. The "urban forest" can also be considered as a source nursery for the East Beach project.



- The area east of Shore Drive directly south of Little Creek is currently a large parking lot for Taylor Landing. Consideration should be given to relocating this large parking lot to the open space west of Cobb's Marina, east of the commercial frontage on Shore Drive. The parking area can then be used for a waterfront/marina development site.
- The commercial frontage east of Shore Drive should be acquired, cleared, and held. The urban forest landscape treatment should be incorporated in this area.
- General opinion is that the trailer park is an underutilized land use for its location. As the largest parcel of land that anchors the eastern edge of the Pretty Lake basin, the site is key in setting the redevelopment tone of the Pretty Lake basin area. Boat traffic into Pretty Lake will then become a reality, and facilities for these boats whether private, semi-public, or public must be addressed. As the site is one of the gateway parcels, any proposed land use for it should be consistent with the image and character being established in the East Beach project.
- As new and redeveloped residential units come on line, the shopping center on Shore Drive and Pretty Lake Avenue should be redeveloped to support the nearby communities.
- Redevelopment opportunities on the north shore of Pretty Lake include new marine-themed waterfront and mixed-use retail from the new Shore Drive bridge to 21st Bay Street and new waterfront residential development from 21st Bay to 16th Bay streets. Waterside pedestrian access to semipublic and private boat slips is recommended. This area should be redeveloped in conjunction with the trailer park parcel.
- The existing lakefront ball field and recreation center should be relocated off the waterfront, and the recreation center should be expanded. New recreation facilities should be located in a north-south corridor extending from the current recreation center to the intersection of Pleasant Avenue and 21st Bay Street. This new open-space and recreation center should be integrated with the East Ocean View residential neighborhood between Pleasant Avenue and the new Pretty Lake Avenue West.
- Visual images need to be improved in the vicinity of the Pretty Lake Avenue marinas. Options to improve view corridors to the marina and water should be explored.

- Recommendations for Pretty Lake Avenue include cleaning it up, new fencing or screen walls, landscaping, lighting, and graphics. A new Pretty Lake shoreline should include a combination of pedestrian paths, recreational trails, and boardwalks that link to existing and proposed pedestrian sidewalks and greenways with the Shore Drive bridge underpass. This new access will enhance the area.

DEVELOPMENT STRATEGIES

- The city should develop and commit a funding or financing vehicle that would allow NRHA to immediately acquire or commit to acquire all of the remaining land necessary to complete the 90-acre East Beach project. This financing plan should also provide for the related site-clearing costs, removal of overhead power and telephone cables, and other costs associated with cleanup of the site.
- The displacement of existing residents that will occur as a result of redeveloping East Beach should be viewed as an opportunity to create affordable infill new home or rehabilitation projects in the adjoining neighborhood north of Pretty Lake.
- The East Beach area is so important to the future of East Ocean View, in particular, and Norfolk, in general, that its development should be entrusted only to a developer with proven experience in successfully completing communities of this type and quality. For this reason, the panel recommends that the city select such a developer through the request for qualifications (RFQ)/request for proposals (RFP) process to complete the project.

- The city should engage a professional marketing firm to prepare materials expressly designed to promote the development opportunity of East Beach. The city should then embark on an aggressive calling and marketing program to promote the opportunity to targeted prospective community developers, soliciting their expression of interest in being considered as the master developer of the site.

- In creating the master plan for East Beach, the developer should focus on zones of housing types that reflect market demand while creating an environment that fosters open exchange among the various socioeconomic levels that will be living in this community.

- NRHA should concentrate its attention and expertise on the critically needed conservation needs and the housing and community rehabilitation needs in the portion of the East Ocean View community from Shore Drive to the west and particularly to the south of East Ocean View Avenue.

- The most urgent concerns along the Shore Drive gateway could be addressed by the negotiated acquisition of the frontage along each side of Shore Drive from Dunning Road across the reconstructed bridge over Pretty Lake all the way to the Ship's Cabin Restaurant.

- The city should explore various incentives to motivate property owners in the areas adjacent to East Beach to redevelop and upgrade their properties.

- The development pace and activity level contemplated by these recommendations will be intense and complicated. The success of the East Beach project and the future of all of Ocean View will depend on the expeditious and orderly execution of this work. While certain significant pressures are expected to be borne by the master developer of the East Beach project, there undoubtedly will be other new and nonstandard issues that NRHA will be required to address while continuing to maintain its standards of performance in its many other responsibilities throughout the city. For this reason, it is recommended that a dedicated staff position be allocated within the Office of the Executive Director of the Housing Authority or the Deputy Director of Development to manage these items.

IMPLEMENTATION

- The city should use a variety of strategies and financing options either to acquire or commit to acquire the property in East Beach by June 30, 2000. It is critical to the success of the East Beach project that the city appropriates the full cost of acquisition (not necessarily demolition) in fiscal years 1999 (FY99) and 2000 (FY00) to enable NRHA to commit to all remaining acquisition by June 30, 2000. The following sources of financing should be explored:
- Request a qualified redevelopment bond (QRB) allocation in FY00 to fund the full cost of the remaining acquisition, which may entail the raising of the debt limit in the short term.
- Borrow Section 108 funds for acquisition.
- Place purchase options on properties to be exercised beyond 2000 with future QRB proceeds.
- Dedicate proceeds of the disposition of any NRHA asset to acquisition.
- If necessary, supplement the acquisition funds with general revenues.
- The city should explore with various property owners associations the possibility of bulk purchases from multiple owners.
- The East Beach master developer should be hired through the RFO/RFP process.
- The planning, phasing, and constructing of infrastructure should be the responsibility of the developer. Options for financing infrastructure improvements include general obligation bonds, builder financing, and establishment of a Community Development Authority.
- The city should secure as many regulatory approvals as possible as it progresses through the acquisition process.
- Beach stabilization funding for the beach in East Beach should be secured, and the beach should be stabilized.

RESPONSE TO THE 1987 ULI PANEL RECOMMENDATIONS

INTRODUCTION

In 1987, the city of Norfolk invited a ULI Advisory Services panel to prepare a development opportunity analysis and implementation strategy for the Willoughby/Ocean View area. As part of the 1998 panel assignment, the city asked for an evaluation of the progress in four key areas:

- development of strategic sites;
- reduction of residential densities;
- community consensus; and
- public image.

It is the panel's opinion that the city, NRHA, and the Willoughby/Ocean View community have made significant progress in moving the redevelopment of the area forward. Visually, economically, and spiritually, there seems to be a general impression that things are better, things are happening, and progress is being made. However, there is also the feeling that, especially at the East Beach project site, things are going too slowly. For some, frustration is mounting. The panel spent most of its time concentrating on this project and has come up with what it hopes will be valuable recommendations. The following is the panel's evaluation on the progress to date on the 1987 recommendations in the four key areas.

DEVELOPMENT OF STRATEGIC SITES

The 1987 ULI panel identified four strategic sites that it believed could offer key opportunities for development or redevelopment:

- amusement park site—Ocean View Center;
- Sarah Constant site;
- Little Creek aggressive conservation district; and
- Navy spoils site.

AMUSEMENT PARK SITE—OCEAN VIEW CENTER

The city has done an excellent job creating a cultural and recreation center in the newly developed Ocean View Beach Park. This center, on the site of a former amusement park, serves as an important resource for the neighborhood and the entire city. It offers beach access and a venue for festivals and concerts. Another part of the amusement park site was redeveloped as part of the Pinewell-by-the-Bay development, which has helped spur other redevelopment efforts in the area.

SARAH CONSTANT SITE

At a second strategic site, the Sarah Constant Beach Park, the 1987 panel recommended the creation of a community recreation center. Because of the central location of this site, the panel believed that this addition could serve as a community recreation and commercial center for the area. It recommended relocating the library to this site and re-aligning the intersection of Ocean View Avenue and Tidewater Drive to improve traffic flow and, more important, to open more land for commercial development. These other recommendations remain to be done.

LITTLE CREEK AGGRESSIVE CONSERVATION DISTRICT

Through creation of the East Ocean View Redevelopment Project, the city and the NRHA have made significant progress on the panel's recommendations to establish an aggressive conservation district between Shore Drive and Little Creek Harbor. By assembling and clearing the land, creating a plan for a residential beach community, and creating opportunities for private development, the city has taken important steps toward implementing this recommendation.



The panel recommends that this development project move as quickly as possible to stem the decline of the area, improve public perception, and create momentum for the revitalization of the east end of Ocean View. This project will serve as a catalyst for redevelopment throughout the beach and should be perceived as an important asset to the entire community. While notable progress has been made, it is evident that the project needs to move faster. Many of the 1998 panel's recommendations address ways to speed up improvements.

NAVY SPOILS SITE

The 1987 panel recommended that the city of Norfolk and the Navy work together to develop this site. It recommended refurbishing and expanding the Norfolk information center, developing a commercial hotel catering to business travelers, and adding a mix of uses including the expansion of the marina and office development. To date, no development has occurred other than improvements in the information center including the wetlands walk. The current federal legislation, which defines how the site can be used, appears to be an obstacle to development and should be reviewed. This site remains an important development opportunity for the west end of Ocean View, which has yet to be tapped.

REDUCTION OF RESIDENTIAL DENSITIES

In 1987, the panel recognized that to make significant improvements in the living environment in Ocean View, residential densities would need to be reduced. The panel recommended taking several steps to reduce density such as revising and enforcing the zoning code, designating special districts, amassing several acres to promote well-planned projects, requiring site plan review, and requiring use permits in all multiple dwelling zones.



The city of Norfolk has been buying and clearing property in the East Beach project area since the 1987 ULI panel made recommendations to do so.

In 1987, a ULI Advisory Services panel recommended clearing blighted, high-density properties such as this one.

East Ocean View property owners share their concerns with panel members.



With regard to special districts, two conservation districts—East Ocean View and Willoughby—have been designated. In these areas, low-interest loans, infrastructure improvements, and other incentives can be targeted to spur revitalization. In addition, the city now is able to target for acquisition and demolition properties that fall below minimum standards. These properties also are eligible to receive city loans to make improvements.

In several locations throughout Ocean View, the NRHA has also assembled parcels for redevelopment—Pinewell-by-the-Bay, Bay Oaks, Cottage Place, 17th/19th Bay, and now East Beach—are examples of how this strategy has been put into place effectively to foster private redevelopment throughout Ocean View.

Within weeks of the panel's 1987 visit, the city developed criteria for the site plan review and a process for implementation. Changes in the city's 1992 General Plan and Zoning Ordinance now require special use permits for expansion of nonconforming uses above a certain threshold. For historic properties, any change in nonconforming uses requires such a permit. The city may want to consider applying this standard to conservation districts.

The 1998 panel congratulates the city and NRHA for taking these important steps to reduce residential densities. The panel encourages the NRHA to pursue these strategies aggressively in the next few years, especially in the area west of Shore Drive and north of Pretty Lake. By concentrating its efforts here, NRHA can make a significant impact and maximize the positive spin-off effects of the substantial investment in East Beach and the new bridge. Furthermore, this approach can serve as a model to be applied to other areas in Ocean View and beyond.

COMMUNITY CONSENSUS

The 1998 panel was asked to consider whether community consensus in Ocean View had coalesced to the point where public and private intervention could be effective. The panel found that—because of the work of the Mayor's Task Force on Ocean View and the efforts of the city and the NRHA—a strong community consensus has emerged with regard to the needs and opportunities in the Willoughby/Ocean View area. Much of this consensus has come about as a result of the public improvements and private investments throughout the areas. Local residents, especially those who have recently moved to the area or improved their properties, say that "things are happening" and parts

of Ocean View are becoming a more attractive place to live. Unfortunately, some of the community consensus and motivation for action has come from concern on the part of other East Ocean View residents or property owners who feel that the quality of life has deteriorated because of the slow pace of redevelopment of the East Beach project.

These mixed messages indicate that residents and property owners harbor some distrust and dissatisfaction with the way the NRHA and the city are going about the redevelopment, especially of the East Beach project. There seems to be a general lack of up-to-date knowledge about the city's plans for the area, which, in turn, leads to the feeling that the city does not always listen to the concerns of or care about the residents and property owners. The panel recommends that the city and NRHA reach out to community residents and property owners in the following ways: hold neighborhood meetings, publish regular updates, solicit citizen input, and regularly use many approaches to share information about their plans for and progress in the area.

The charrette organized by the firm of Duany Plater-Zyberk several years ago seemed to be a good example of how this community involvement can occur. However, according to its interviews, the panel does not see much evidence that this kind of community notification and involvement has occurred since 1994.

PUBLIC IMAGE

The panel spoke with almost 100 local resource people, some of whom live in Ocean View, and some of whom live in other areas of the city and the region including Ghent, River View, Chesapeake, Virginia Beach, and others. The general agreement is that Ocean View can offer a high-quality "beach community" lifestyle that is less formal, more relaxed, and, to many, more appealing than other parts of the city. Many people referred to Ocean View, especially the East Beach project, as a "diamond in the rough"—an underdeveloped asset and one of the last opportunities in an almost built out city to create a completely new planned community. Residents, potential residents, and others are enthusiastic about the opportunity that the East Beach project, as well as other Ocean View developments like Pinewell-by-the-Bay and Bay Oaks, offers.

However, the public image of the area today is somewhat mixed. Generally, the communities at the west end of the beachfront—Willoughby, West Ocean View—are perceived, as they were in 1987, as attractive, stable communities. There is some concern that incompatible uses, especially along Ocean View Avenue, bring the wrong element into the neighborhood and that, while progress has been made, the problem has not gone away.

Moving east along Ocean

View, the image of the community becomes somewhat more problematic. Nuisance and incompatible land uses increase and street improvements become more spotty. New developments, residential and commercial rehabilitations, creation of parks and recreational open space, and clearance of blighted properties have all helped improve the neighborhood image. The assemblage and clearance of land for the East Beach project, as well as other actions, all help to create the sense that something important and positive is happening on the beach and that—someday—it will be the place to be.

According to the City of Norfolk Police Department, there has been a general decrease in crime in the area as a result of activities such as the Planning District 7 Initiative, Healthy Apartment Communities Initiative, and restructure of the NEAT teams (groups of officers that investigate environmental and code enforcement violations). Also, decreasing the number of properties where crime can occur (a result of demolition) has had an impact on crime in the area.

The study area has seen a decrease in crime since the 1987 study for a variety of reasons, including an increased police presence in the area.



Besides a continuation of the programs already under way, several of the 1987 recommendations not yet implemented could be put into place. While infrastructure improvements have been made, they are widely dispersed and not always located most strategically. There does not appear to be an overall plan for where and when these infrastructure improvements will be made. The limited funds for infrastructure improvements need to be put where they will create synergy with other investments, be the most visible, and have the most impact for attracting private investment. For example, the ULI 1987 panel recommended themed signage to create a sense of place and identity throughout Ocean View, especially along the Ocean View and Tidewater avenues. This strategy is even more important today to leverage the momentum of other investments and to enhance the area's image to potential investors and residents.

In summary, the 1998 panel believes a great deal of progress has been made since 1987, but more still needs to be done.

This next four sections of this report present the panel's findings and recommendations, which were developed after the panel completed a tour of East Ocean View, interviewed more than 100 citizens who were interested in the fate of East Ocean View, and reviewed data and previously completed plans and studies. Each section was developed in conjunction with the others to ensure consistency and feasible recommendations.

MARKET POTENTIAL

STUDY AREA ANALYSES: OCEAN VIEW AND THE EAST BEACH PROJECT AREA

The people of Norfolk have an unparalleled opportunity to reclaim highly marketable property for redevelopment. From a marketing perspective, the characteristics of Ocean View and the East Beach project area set the stage for new development that, if carefully planned and professionally executed, will become a special niche in the region.

The panel assessed the critical factors that define the market potential of the development opportunities in the community. Areas of analysis included study area characteristics, economic and demographic trends, housing supply and demand, and market positioning strategies. These categories form the framework for redefining the community's image, for evaluating marketing assets and liabilities, and for developing a marketing plan that leverages the community's strengths. In total, Ocean View has the market potential to become the region's "rediscovered" waterfront recreation area and beachfront living environment.



The city hopes that incentives offered in the East Beach project area will attract new development, such as that shown at left and below, and will provide a catalyst for the revitalization of East Ocean View.

The Ships Cabin restaurant is one of East Ocean View's longstanding businesses.



STUDY AREA CHARACTERISTICS

PHYSICAL CHARACTERISTICS

More than seven miles of waterfront on the bay side, plus the frontage on the Little Creek and Pretty Lake inlets, are Ocean View's strongest marketing assets. The presence of the Chesapeake Bay is felt throughout the community. The bay offers a wide sandy beach and sweeping views of Navy vessels, cargo ships, and pleasure boats—a panorama rivaling the best in the region. East Beach enjoys the best of these conditions, presenting the opportunity to offer prime residential sites.

The inconsistent quality of residential, commercial, and hotel properties has a severe impact on the community's ability to compete as a beachfront destination. Therefore, the continued removal of blighted conditions is a precursor to Ocean View and East Beach meeting their full market potential.

The East Beach site is located on a narrow peninsula that can convey a sense of privacy and security critical to the marketing success of such development. Opening the community to the waterfront—bringing the bay front edge inward—is a marketing orientation that will enhance the plan's ability to compete in the region for new home sales. Land uses (Bay Breeze Pointe and Spyglass to the east and the marinas on the southern edge) are compatible and positive adjacencies that add to the marketing imagery of East Beach as an emerging, quality community.

IMAGE IN THE REGION

Interviews conducted by the panel and supported by focus groups commissioned by NRHA clearly indicate that Ocean View has not shaken the negative image identified in the 1987 ULI panel study. Perceptions of high crime rates, transience, poor schools, and widespread blight continue as significant marketing barriers to overcome.

A long-term comprehensive marketing strategy for Ocean View, in addition to the physical improvement plans under way, will be required to change perceptions of the community. The marketing program for East Beach must be viewed as just one component of an overall campaign to remake Ocean View.

LOCATION AND ACCESS

The community is well located between the employment and housing markets of the Peninsula (Hampton and Newport News), Virginia Beach, and Chesapeake, which provide the opportunity for a wide geographic draw. Major employment centers at the naval bases, downtown and central Norfolk, parts of Virginia Beach, and the Peninsula are all within a 20- to 30-minute commute. Access via Highway 64, the Hampton Roads Bridge-Tunnel, and Shore Drive link Ocean View to adjacent cities, while local arterial roads and surface streets provide access from local Norfolk neighborhoods.

Water access to the Willoughby Bay and Little Creek marina facilities is a special marketing opportunity that advances Ocean View's strong nautical orientation. Marina operations in Ocean View appear to be achieving high occupancies and strong operating performances.

For East Beach, the planned dredging of Pretty Lake and the new raised bridge on Shore Drive create new access from the water and additional convenient marina opportunities that enhance the community's marketability for residential and commercial development.

VISIBILITY

"Gateways"—the distinct physical and visual windows—into Ocean View and East Beach are important marketing tools to define the community and set the theme for residents and visitors. Opportunities for using marketing focal points and gateways along Ocean View Avenue include the transition from the Hampton Roads Bridge-Tunnel and the intersections at Tidewater Drive, Granby Street, and Chesapeake Boulevard. All of these areas can be improved with consistent signage and landscaping.

The new Shore Drive bridge over Little Creek is a critical element in setting the marketing appeal for East Ocean View and East Beach. In the long run, reclaiming the marketing window along Shore Drive south of Little Creek is crucial, because it is the primary entry point to the community. Over the next several years, the enhanced visibility provided by the raised bridge will help create the marketing transition.

ECONOMIC AND DEMOGRAPHIC TRENDS

Since the ULI panel was held in 1987, southeastern Virginia—Norfolk in particular—has borne the brunt of severe converging economic conditions: the contraction of defense spending, which began in 1989, coupled with a protracted national recession through the early 1990s.

The Hampton Roads Planning District Commission estimates the total cumulative job losses in the past decade reached 74,000, resulting in a regional economic impact loss of \$4 billion annually. Only in the past few years has the economy fully regained the employment losses—however, with a shift to lower paying retail and service sector jobs that constrain the home price affordability in the region.

With a base of 240,000 jobs (including more than 70,000 military), the city of Norfolk captures approximately 39 percent of the region's employment. However, the city is a net importer of jobs with a civilian labor force of fewer than 90,000 people. Clearly, there is an identifiable demand for new housing in Norfolk. The challenge faced by homebuilders throughout the city (and by extension in Ocean View) is to recapture the residential market share by aligning new housing products with the market's demographic and affordability patterns.

Positive trends notwithstanding, the ULI panel's findings indicate that Norfolk is losing its share of valuable new employment growth to outlying suburban areas, and Norfolk has been unable to maintain its base of middle- and upper-middle-income households.

The region supports 4,000 to 5,000 new home sales per year, with the peninsula capturing approximately 30 percent, and Virginia Beach and Chesapeake capturing 50 percent. Virtually no new inventory is offered in Norfolk. Of the 13,000 to 16,000 residential resales annually, the peninsula captures 24 percent of the market, Virginia Beach and Chesapeake gain 55 percent, and Norfolk gets only 12 percent (1,500 to 2,000 units).

The city of Norfolk has, through revitalization of downtown, successfully captured urban-oriented households looking for proximity to the waterfront, the arts and cultural institutions, and the central business district. MacArthur Center, a \$270 million retail shopping center, and the Heritage at the Free Mason Harbor upscale apartments are examples of further investment in downtown. Market segments attracted to downtown include young singles and couples (with no children), older singles and couples, empty nesters, and some retirees. Rental units as well as condominiums serve these groups. Income levels and affluence tend to be high, and housing products are obtaining rents and prices not reached in suburban locations.

Ocean View and East Beach can attract only the market segments that desire the lifestyle afforded by an urban beachfront community. At the same time, the limitations to the community's broad appeal, which are caused by persistent negative perceptions of public schools and security (and resulting price and absorption constraints), must be recognized, acknowledged, and countered in the development and marketing plan.

As part of the redevelopment of East Ocean View, the Norfolk Redevelopment and Housing Authority has assembled land that is being sold for residential development.



THE COMPETITIVE MARKET—SUPPLY AND DEMAND ASSESSMENT

The city of Norfolk is a supply-constrained market for new housing stock, particularly in the middle-to upper-price range. It is difficult for executives commuting daily or relocating to the city of Norfolk for employment to find new housing within a short distance of the central business district. This difficulty is evidenced by data showing that fewer than 100 new construction closings occurred in the city of Norfolk between January and October 1998. As a consequence, Norfolk has experienced significant migration of residents to Virginia Beach, Chesapeake, and other Hampton Roads communities. A common theme throughout the interviews was that the city of Norfolk would likely fail to stop this migration if it tried to "out-suburb the suburbs." Finding housing in Norfolk is even more of a challenge if buyers are looking for new houses with bay-front or beachfront amenities. It has been reported that when waterfront lots are placed on the market in some NRHA projects, those lots are sold quickly, with one of the most recent projects being sold in a lottery fashion.

Cottage Place is one of NRHA's successful infill projects.

CURRENT HOUSING PRODUCT AND MARKET SEGMENTS

The types of housing product currently found in the Norfolk and Ocean View market area range from rental apartment to condominiums, townhouses, duplexes, and single family dwellings. The pricing distribution for resale closings of single-family detached homes in Norfolk during 1998 is as follows:

Less than \$100,000	55%
\$100,000-\$160,000	10%
\$160,000-\$250,000	10%
More than \$250,000	25%

Ocean View is dominated by rental housing with only a small percentage of homeownership. NRHA has made strides to achieve more of a balance between ownership and rental. The tenant and homeowner base in Ocean View is currently composed of younger singles and couples with and without children, empty nesters, and senior adults in the preretirement and retirement stages.



The Ocean View area has gained moderate to upscale for-sale housing in the past several years with projects undertaken by NRHA, such as Pinewell-by-the-Bay, Bay Oaks Place, Cottage Place, and 17th/19th Bay. These projects have new homes priced from \$200,000 to more than \$500,000.

In addition to NRHA projects, private developers have met with recent success, as evidenced by the development of Spy Glass, an attached for-sale housing project located immediately adjacent to the East Beach. Townhouse residences sold from \$155,000 for interior units to \$230,000 for waterfront units. In a 14-month period, 61 units were sold. The same developer recently has begun pre-marketing and construction efforts on an adjacent property, Bay Breeze, for 128 single-family residences that will be priced from \$250,000 to \$450,000. The developer has put together a builder program and is projecting an absorption pace of 30 to 40 units per year.



MARKET POSITIONING

While the target market segments for East Beach will be similar to the existing Ocean View resident in age, those people will be dramatically different in terms of income, education level, interests, and employment. The panel believes that people in the proposed target market are as follows:

- singles and young couples without children;
- empty nesters;
- preretirees; and
- retirees.

These groups should be specifically targeted in the marketing campaign, and little effort should be exerted to attract either families with children or second-home buyers. Nonetheless, there will be some interest from families with children when they

RETAIL

Service retail will be needed to serve the needs of existing and projected residents in the East Ocean View—East Beach area. Currently, retail needs are served at nearby Little Creek Road, which has grocery stores, fast food restaurants, pharmacies, and service retailers. In the early years of the East Beach project, it will be difficult to make a case for destination retail. However, neighborhood-oriented retail should be provided as quickly as possible to support the East Beach project and to support the vision of neighborhood development. Examples of the types of services appropriate for the project include convenience markets, pharmacies, video rental stores, copy and small business services, dry cleaners, coffee shops, and bookstores. If planners consider these uses, it is unlikely that there would be an aggregate demand for more than 10,000 to 15,000 square feet of retail space in the near future. With the eventual success of East Beach, opportunities may arise for redeveloping its existing commercial space and attracting new tenants. Potential for new development opportunities associated with the Bay or marina frontage that is found on the south side of East Beach near the Shore Drive bridge should also materialize.

Other projects in the area, such as the Bay Point development, are part of the overall revitalization efforts in East Ocean View.

The Spy Glass condominiums at the east end of the study area will provide an anchor for the East Beach project.



RECOMMENDED PRODUCT MIX

The East Beach project can be successful if it is well executed and positioned to meet market demands. Success will be enhanced by providing a program that will maximize early absorption and create critical mass and momentum that will result in the build-out of the project. East Beach's success undoubtedly will have an important effect on the adjacent areas in Ocean View.

The preliminary assessment has led to a proposed product mix of residential and commercial properties that are similar to the program recommended by Zimmerman and Associates for the Duany plan. While the unit types and overall mix are fairly consistent with the Duany plan, the panel has adjusted the unit size and proposed pricing for these homes and lots. Another recommendation is to convert the commercial parcel on the northeast

corner of Shore Drive and Pretty Lake Avenue to apartment units whose ground floor can be converted to retail or office space should the demand arise. The 90 apartment units proposed in the Duany plan fall short of the optimum number of units typically required for economies of scale for managing an apartment development. Conversion of the commercial parcel will add 48 units with no loss of the potential for commercial use in the future.

PROPOSED PRODUCT MIX FOR THE EAST BEACH PROJECT

PRODUCT TYPE	UNIT MIX	TOTAL UNITS
For Sale—Attached	33%	198
Condo Apartments (1,100–1,400 s.f.)	18%	108
Townhouse/Duplex (1,300–1,700 s.f.)	8%	48
Luxury Townhouse/Duplex (1,800–2,350 s.f.)	7%	42
For Sale—Detached	52%	312
Small (1,400–1,850 s.f.)	19%	114
Medium (1,800–2,400 s.f.)	21%	126
Large (interior lot) (2,400–3,000 s.f.)	6%	36
Large (water view) (2,500–4,000 s.f.)	5%	31
Estate (3,000–5,000 s.f.)	1%	5
Rental Apartments (900–1,400 s.f.)	15%	90
Total Residential Uses	100%	600
Commercial Uses		2.4 acres

An absorption schedule indicating the buildout for the East Beach project over an eight-year period has also been prepared.

This product mix and pricing should produce gross land sales revenue of approximately \$18.5

million over the eight-year period. Net proceeds from land sales operations will be substantially less after accounting for development costs, general and administrative expenses, sales and marketing costs, community operations

subsidy, amenity development, financing costs, taxes, and project management. The success of the East Beach project should serve as a catalyst for adjacent properties.

RESIDENTIAL PRODUCT ABSORPTION FOR THE EAST BEACH PROJECT

PRODUCT TYPE	ANNUAL POTENTIAL ABSORPTION	ABSORPTION (UNITS BY YEAR)									
		2001	2002	2003	2004	2005	2006	2007	2008	2009	
For Sale—Attached		54	18	36	16	36	12	36	0	30	12
Condo Apartments (1,100–1,400 s.f.)	24	—	24	—	24	—	24	—	24	—	12
Townhouse/Duplex (1,300–1,700 s.f.)	18	18	—	18	—	12	—	—	6	—	—
Luxury Townhouse/Duplex (1,800–2,350 s.f.)	12	—	12	—	12	—	12	—	6	—	—
For Sale—Detached		73	34	62	66	50	49	24	18	9	0
Small (1,400–1,850 s.f.)	24	12	24	24	24	24	6	—	—	—	—
Medium (1,800–2,400 s.f.)	18	9	18	18	18	18	18	18	18	9	—
Large (interior lot) (2,400–3,000 s.f.)	18	8	12	16	—	—	—	—	—	—	—
Large (water view) (2,500–4,000 s.f.)	8	—	8	8	8	7	—	—	—	—	—
Estate (3,000–5,000 s.f.)	5	5	—	—	—	—	—	—	—	—	—
Rental Apartments (900–1,400 s.f.)	90	90	—	—	—	—	—	—	—	—	—
Total Residential Units		217	142	98	84	86	61	60	18	39	12

Tom House (right) of the Norfolk Redevelopment and Housing Authority explains NRHA's activities to panel members David Dishy (center) and David Bennett.

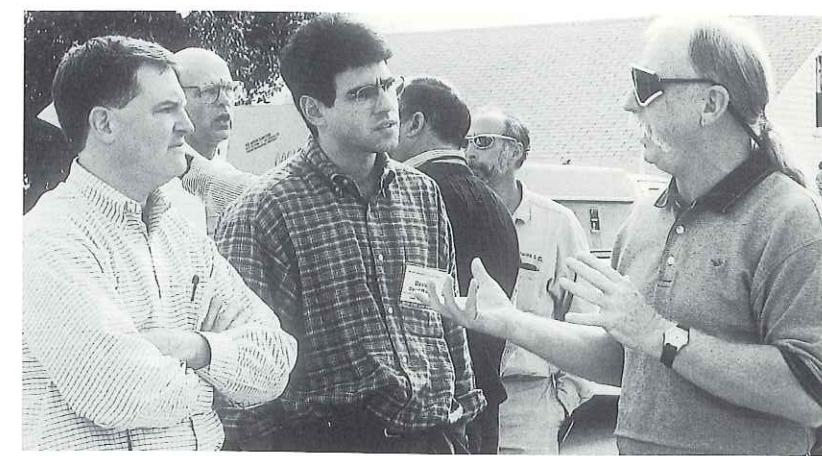
PLANNING AND DESIGN

THE EAST BEACH SITE

The master-planned community of East Beach should be developed to the highest standards as a premiere urban neighborhood with the broader goal of revitalizing East Ocean View and the entire bayfront. East Beach should serve as an outstanding prototype for revitalization of waterfront communities in the Hampton Roads region and the nation.

Creating and promoting public open space and pedestrian linkages to amenities and land uses; improving access for all residents to the beach, Pretty Lake, and Little Creek; preserving the existing mature tree canopy; and placing overhead electrical lines underground are all signatures of premiere development, for which East Beach should be known.

Shore Drive is the southern approach and Ocean View Avenue



is the western approach to East Beach, with the latter continuing eastward into the project site up to the public parking lot of City Beach between 28th Bay and 30th Bay streets. The neighborhood's east-west central spine is Pleasant Avenue, which forms the spine of East Beach and, in fact, most of East Ocean View. Pretty Lake Avenue is the southern boundary and extends in segments east of Shore Drive to the Cottage Line neighborhood.

Creating and promoting public open space and pedestrian linkages to amenities and land uses; improving access for all residents to the beach, Pretty Lake, and Little Creek; preserving the existing mature tree canopy; and placing overhead electrical lines underground are all signatures of premiere development, for which East Beach should be known.

The north-south local streets, which are 21st through 30th Bay

streets, link the beach on the north to Pretty Lake Avenue on the south. The typical East Ocean View residential block is 300 feet wide. Existing utilities include water, sewer, overhead electric, and a minimal stormwater collection system. In 1990, water distribution and sewer mains were upgraded in conjunction with the reconstruction of Pleasant Avenue and Pretty Lake Avenue.

The bayfront beach and dunes and the hilly terrain between Pleasant Avenue and Pretty Lake Avenue, where the largest clumps of live oaks and other trees are found, afford the waterfront views of the Chesapeake Bay and Pretty Lake that are the site's most extraordinary natural features. Preserving significant clumps of the existing live oaks and other trees, similar to the process used by NRHA in other East Ocean View properties, should be a general policy for East Beach.

Since 1995, NRHA has acquired several East Beach properties, cleared the existing commercial and residential structures, and cleaned up and maintained the land. Several private properties remain to be acquired, especially on the eastern half of the site, including small houses and apartment buildings. As with the trees, NRHA should preserve any significant existing structures and reusable infrastructure, as feasible.

Redevelopment of the Shore Drive bridge will create a new gateway for the East Beach project.



THE DUANY PLAN FOR THE EAST BEACH SITE

The painted brick wall on the east side of 30th Bay Street was built by the original developer of Bay Point as a physical and symbolic barrier between his new waterfront condominiums and the blighted East Ocean View blocks west of 30th Bay Street. Removal of the Bay Point wall is recommended to help integrate the East Beach and Bay Point neighborhoods into a broader revitalized community. The planned construction of an elevated Shore Drive bridge will afford new vistas of East Beach, East Ocean View, Chesapeake Bay, Pretty Lake, and Little Creek. On-site views are mostly confined to the existing north-south and east-west street corridors and are generally uninterrupted and featureless, or have minimal character. These corridors provide people with little sense of orientation. An open space and pedestrian system, architectural treatment of gateways, and landmark structures such as civic buildings, towers, and pavilions are recommended to provide neighborhood character and orientation to the waterfront and to other key places in the neighborhood.

The Duany plan recognized the Shore Drive and the new Shore Drive bridge as the "true gateway to East Ocean View." The panel observed that Ocean View Avenue is an equally important western gateway to the site, and this gateway needs to be addressed.

Also mentioned in the 1995 master plan is the need for as much as three acres of stormwater retention, possibly in ponds located off site, east of Shore Drive. The panel cautions against reliance on off-site stormwater facilities for reasons of ownership, cost, and remoteness. In its interviews, the panel learned that wet pond facilities, while potential amenities, would have to be lined to retain water because of local sandy soil conditions. The panel supports studies and evaluations of alternative stormwater systems, such as infiltration devices.

The 1995 master plan features neighborhood squares as sites for two civic buildings, a boat yard with a fish market, and a restaurant south of Pretty Lake Avenue. Adjacent to the Shore Drive bridge, signature towers, fountains, benches near shops, churches with parking lots at the rear of buildings, a combination of private and public frontage on the Bay, a bayside inn and restaurant, and a community center complete the design.

The Duany team based the proposed street layout on East Ocean View's characteristic street patterns of rectilinear beachfront streets and curvilinear streets that conform to the natural wooded terrain between Pleasant and Pretty Lake avenues. A nearby model for the proposed street layout is the block pattern between 1st Bay and 13th Bay streets. North of Pleasant Avenue, angular streets are proposed to preserve trees, provide windbreaks, and afford views of the Bay from more interior lots.

Panel Chair Dan Van Epp (right) and Norfolk City Council member Randy Wright discuss the issues facing East Ocean View.

Current land uses along Shore Drive, the southern gateway to the East Beach project, do not provide the image the city would like for the new development.

South of Pleasant Avenue, existing trees would dictate the curvilinear alignment of roads and the shapes and locations of new parks. To reduce speed on neighborhood streets, traffic-calming devices, such as islands and horizontal and vertical shifts in road alignment, were recommended by the police.

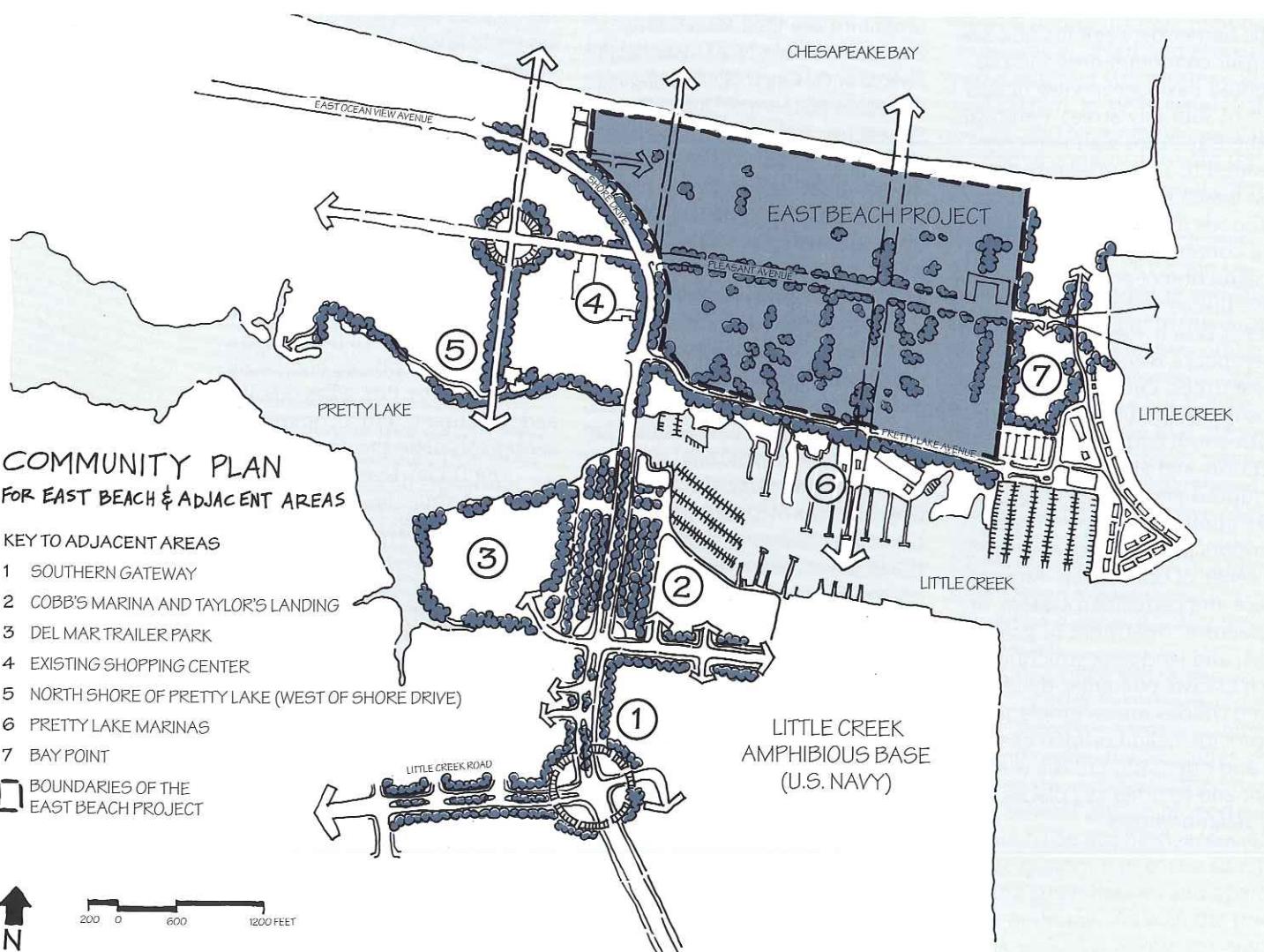
The amenities package of the Duany plan includes a saltwater pool complex, clubhouse, tennis courts, children's play areas, a restaurant-snack bar, beach pavilions, boardwalks and paths, use of natural materials, street light-



ing and nighttime pedestrian experiences, traffic-calming devices, a potential marina, features to emphasize the natural beauty of the site, preservation and enhancement of clusters of live oaks and other existing trees, and devices other than security gates to discourage nonresident auto traffic.

ADJACENT AREAS

The redevelopment of the areas surrounding East Beach is critical to the success of the East Beach project. The following is a discussion of seven areas in East Ocean View that are not part of East Beach.



PLANNING AREAS ADJACENT TO THE EAST BEACH PROJECT

AREA 1—SOUTHERN GATEWAY

The southern gateway is the major gateway into the East Beach project site. This gateway starts at the intersection of Shore Drive and Little Creek Road, west of the U.S. Navy Amphibious Base. The gateway includes the Little Creek Shopping Center and the Shore Drive corridor between Little Creek Road and the Shore Drive bridge. Commercial frontage between Little Creek Road and the Shore Drive bridge consists of mixed commercial land uses, such as motels, gas service stations, restaurants, nightclubs, bookstores, and marine supply stores. A church and a mix of residences are also in this corridor.

The existing land uses are not compatible with the gateway image that needs to be created at the entrance to East Beach. Limited opportunities exist today to upgrade the image because of these established uses. The reconstruction of the bridge will eliminate access to Shore Drive property close to the new bridge approach, thereby placing increased pressure on traffic access to development parcels on both the east and west sides of Shore Drive south of Pretty Lake.

The city and NRHA should aggressively obtain and land bank these nonconforming parcels. A gateway overlay district should be considered for the southern gateway, as well as other gateways, to establish design criteria for future development that will enhance the image of East Beach. An "urban forest" (tree nursery) could be created as an interim landscape feature that would be partially retained when redevelopment occurs. A series of shade trees (bosques, live oaks, linden, and mahogany trees) should be planted along with various evergreens to screen and enhance the visual character of the corridor. A street tree-planting program can be enhanced and extended into vacant sites as part of this plan.

The "urban forest" can be considered as a nursery source for the East Beach project. The character of the Shore Drive core can be maintained with the street tree program, and selected trees could be removed as nursery stock from pre-identified building pads. The gateway overlay district could then allow favorable consideration in the site plan review process for developers whose design and development plans respected the "urban forest" project, or who contributed funds or trees to the East Beach common areas or parks.

AREA 2—COBB'S MARINA AND TAYLOR'S LANDING

This area consists of land south of Pretty Lake, east of Shore Drive, north of Dunning Road, and west of the Amphibious Base.

Adjacent land uses include mixed residential products that are not compatible and are declining. Most of the residential buildings in the area currently are for sale. Open space between the repair facilities and the rear of the Shore Drive commercial area is underutilized. Waterfront open space is underutilized primarily because of the lack of direct access to Shore Drive.

The area east of Shore Drive and directly south of Little Creek is currently a large parking lot for Taylor's Landing. Consideration should be given to relocating this parking area to the open space west of Cobb's Marina and east of the commercial frontage on Shore Drive. The parking area could then be used for a waterfront/marina development site.

The commercial frontage east of Shore Drive should be acquired, cleared, and held. The same "urban forest" landscape treatment should be incorporated in this area as was mentioned in the gateway concept.



Cobb's Marina and Taylor's Landing are two existing businesses in the study area that should be incorporated into the redevelopment of East Ocean View.



The Del Mar trailer park, on the shores of Pretty Lake, is one area the panel targeted for redevelopment.



AREA 3—DEL MAR TRAILER PARK

The Del Mar Trailer Park is on the west side of the Shore Drive commercial strip, north of Dunning Drive, and south and east of Pretty Lake. General opinion is that the trailer park is an underutilized land use for this location. As the largest parcel of land that anchors the eastern edge of the Pretty Lake basin, the site is key in setting the redevelopment tone of the Pretty Lake basin area.

The rebuilding of the Shore Drive bridge will affect this site. The site will become more visible with the elevation change and the

offset of the new span constructed to the west of the existing location. Boat traffic into Pretty Lake will become a reality as a result, and facilities for these boats—whether private, semipublic or public—must be addressed. As one of the gateway parcels, any new or proposed land use should be consistent with the image and character being established in the East Beach project.

The commercial frontage west of Shore Drive should be acquired, cleared, and held. The same “urban forest” landscape treatment should be incorporated in this area as was mentioned in the gateway concept.



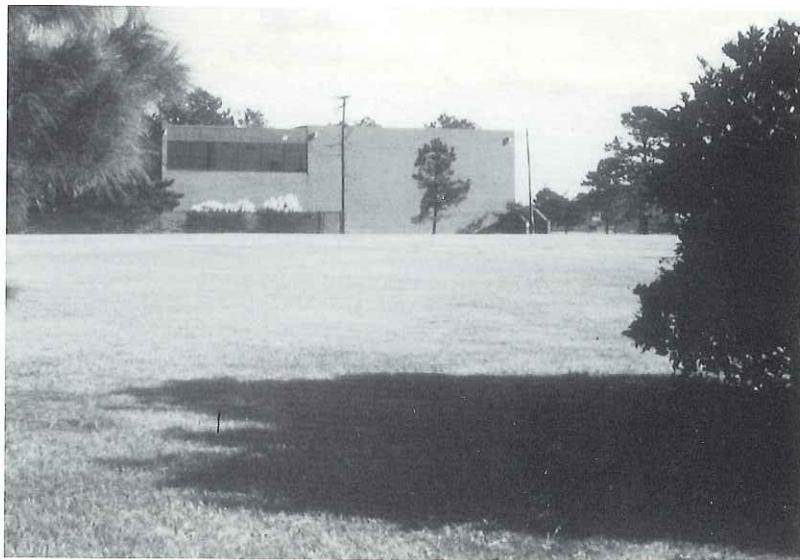
The shopping center at the intersection of Shore Drive and Pleasant Avenue, which is only partially occupied, would be redeveloped as part of East Ocean View's revitalization.

AREA 5—NORTH SHORE OF PRETTY LAKE (WEST OF SHORE DRIVE)

This area is between Pretty Lake Avenue and the north shore of Pretty Lake, which extends west of Shore Drive to 16th Bay Street. This site includes the existing recreation center and athletic field, as well as the existing residential units along the north shore of Pretty Lake.

As a result of the new elevated Shore Drive bridge, approximately 1.5 acres of land and some existing buildings located west of the existing bridge and north of Pretty Lake will be taken. The new bridge and related traffic improvements will reestablish the Pretty Lake Avenue intersection approximately 150 feet north of the existing location. Redevelopment opportunities on the north shore include new marine-themed waterfront and mixed-use retail from the new bridge to 21st Bay Street, along with new waterfront residential development from 21st Bay to 16th Bay streets. Water-side pedestrian access to semi-public and private boat slips is recommended.

The existing lakefront athletic field and recreation center should be relocated off the waterfront. The recreation center should be expanded. New recreation facilities should be located in a north-south corridor and should extend from the current recreation center to the intersection of Pleasant Avenue and 21st Bay Street. This new open space and recreation center should be integrated with the East Ocean View residential neighborhood between Pleasant Avenue and the new Pretty Lake Avenue West.



AREA 6—PRETTY LAKE AVENUE MARINAS

The pedestrian link from the west would connect this site, as well as all sites to the east, to East Beach. This link could initiate building of the image to be created along the Pretty Lake corridor. Landscape elements, pedestrian lighting, screen walls, graphics, and pavement materials could be used to suggest this image. Because the area borders the water, marina slips also could be developed.

- The second area is located between the newly created site along Shore Drive and parcels controlled by private investors. The area includes marina slips.
- The third area includes the marina slips located between 25th Bay and 27th Bay streets. All of the improvements being proposed for this area will be incorporated into the edge treatment concept for the north shore of Little Creek.

The East Ocean View Community Center and surrounding recreational fields provide a place for the community to gather.

One of the challenges for revitalizing East Ocean View is incorporating vital existing land uses into the overall plan for the area.



- The fourth area is the boat repair and dry rack storage facility with an active marina. This existing, established, and active facility supplies boat storage and maintenance, including dry rack storage and boat slips. The visual image of this parcel should be addressed relative to its proximity to the proposed adjacent residential neighborhood. Efforts should be explored to improve view corridors to the marina and water.
- The fifth area, wedged between the active boat repair area and the Spy Glass marina, is south of the southern end of 30th Bay Street. This vacant site comprises approximately 3.5 to four acres and is characterized by a large boat scuttled at the water's edge. Expansion of marina slips that can handle large boats would be effective.

Current uses in the area consist of older waterfront industrial facilities with chain-link fencing and minimal aesthetic quality. Consequently, the unattractive views and traffic negatively affect the proposed residential community north of Pretty Lake Avenue. However, the active maritime use of the boat yard by numerous types of pleasure boats, the views of the water and of related landside and waterside uses, and the nearby naval facilities and vessels present exciting opportunities for improved vistas, recreational activity, amenities, and convenient marina services for the residential community.

The panel recommends the cleanup of the Pretty Lake Avenue streetscape, including new fencing or screen walls, landscaping, lighting, and graphics. It also recommends the design and implementation of a new Pretty Lake shoreline area with pedestrian paths, recreational trails, and a boardwalk linking existing and proposed sidewalks and greenways with the Shore Drive bridge underpass.

AREA 7—BAY POINT DEVELOPMENT

This site is located east of 30th Bay Street along the north end of a peninsula on the Chesapeake Bay and east of the Little Creek inlet. The site runs along the eastern edge of the East Beach project.

The site plan consists of single-family residences north of the existing condominium projects that are currently built along the southeastern shore of East Ocean View. Access to the project is by Pleasant Avenue through the East Beach project. A six-foot painted brick wall separates the project from the Bay Point development on the eastern end of the peninsula. Water and sewer service are provided within the Pleasant Avenue right-of-way.

The East Beach plan calls for 30th Bay Street to be converted into an alley with units oriented to the west and away from the Bay Point project. This orientation with a wall for an edge will essentially turn the community inward away from East Beach. This existing wall should be removed to allow for integration of the Bay Point project into East Beach.

DEVELOPMENT STRATEGIES



LAND ACQUISITION AND CLEARING

After numerous interviews with elected and appointed officials, area residents, local developers, and landowners within the study area, the panel concluded that the delay in land acquisition and site cleanup due to lack of financial resources has begun seriously to jeopardize the credibility of the otherwise widely supported redevelopment plan for this site. This delay reportedly has led to significant escalations in the acquisition budget for the project as well. Any further delay in the land acquisition and cleanup process will seriously undermine community support for the project.



Norfolk Redevelopment and Housing Authority staff share their views with the panelists.

tures, and reusable infrastructure would be recognized during this phase of work. Any displacement of existing residents that occurs as a result of this process should be viewed as an opportunity to create affordable new homes or complete housing rehabilitation projects in the adjoining neighborhood north of Pretty Lake.

PROJECT DEVELOPMENT

The East Beach project involves a fairly large, complex, mixed-use community that will provide its developer with a series of challenges. Among these challenges are changing economic and market conditions during the life of the project, balancing the product mix with market segmentation and multiple builder competition (while at the same time managing a cooperative builder marketing program), and developing and managing newly formed homeowners associations. Other challenges include concep-

tualizing a market position for a project whose location gives a negative impression, along with determining the appropriate mix of builders and of product type, size, and price. An appropriate mix of uses and the right developers can move the property to the target position needed for the success not only of the East Beach project, but also of the entire redevelopment of East Ocean View as a highly desirable residential community. The most significant of these challenges involve the following actions:

- Develop a master plan with various types of uses that will instill a sense of community while bringing together an appropriate mix of building types.
- Allow for open spaces to reinforce the feeling of community.
- Overlay this plan with market demand and economic reality.

PROPOSED RESPONSIBILITY MATRIX

ACTION	PRIMARY RESPONSIBILITY OF NRHA	JOINT RESPONSIBILITY	PRIMARY RESPONSIBILITY OF MASTER DEVELOPERS
Acquire land	✓		
Clear land	✓		
Remove overhead utilities	✓		
Relocate existing residents			✓
Conduct market research			✓
Develop economic module and business plans			✓
Project visioning		✓	
Develop master plan	✓		
Develop detailed engineering plans			✓
Complete micro-site planning			✓
Establish architectural design standards	✓		
Establish construction standards		✓	
Secure project funding (per development agreement)	✓		
Sales and marketing		✓	
Identify and select builder(s)		✓	
Refine master plan		✓	
Develop and implement phasing plan		✓	
Coordinate and supervise builders		✓	
Overview development	✓		
Apply design standards		✓	
Form homeowners association		✓	

- Attract and select from a wide geographical area the best possible builders of various product types.
- Market not just regionally but nationally to prospective buyers.
- Continually test the plan against the reality of the marketplace.
- At any given time in the process, coordinate multiple builders with greatly different logistical needs.
- Create a homeowners association that will withstand the test of an economically diverse community, as well as put in place for that association the many operating contracts needed to operate and maintain the project.

To achieve these actions to the best and highest degree, the developer of East Beach should have in place, at a minimum, the following:



SELLING THE OPPORTUNITY

NRHA should engage a professional marketing firm to prepare a set of marketing materials that are expressly designed to promote the development opportunity for this site. The city and NRHA should then embark on an aggressive marketing program soliciting Requests for Qualifications/Requests for Proposals (RFQ/RFP) from targeted community developers interested in being the master developer. During the negotiation of the development agreement with the selected developer, it would be helpful to include a responsibilities matrix to clarify the many complex interrelationships (see example on page 34). This proposed matrix—presented as a general guide—reflects the panel's thoughts on how best to establish the responsibilities of all parties involved.

ADDRESSING ADJACENCIES WITHIN EAST BEACH

The Duany plan was heavily slanted toward a lot-by-lot mosaic approach to planning for various types of dwelling units across the entire project area. This approach may introduce more architectural diversity than the traditional block layout approach, which has been used in many planned communities across the nation. However, this methodology is feasible only when small pieces of the project area are being developed by a handful of builders at any given time. The panel recommends that when creating the master plan, the developer focus on zones of housing types that reflect market demand while creating an environment that fosters open exchange among potential residents of various socioeconomic levels. The panel believes that this development strategy will be most attractive to potential developers of the site.

ADDRESSING ADJACENCIES TO EAST BEACH

By selecting a master developer for the East Beach project, NRHA would then be able to concentrate its attention and expertise on critically needed conservation and on housing and community rehabilitation needs in the areas surrounding the East Beach site, especially the area from Shore Drive to the west and the south of East Ocean View Avenue. A tremendous potential exists for preserving a significant amount of reasonably affordable housing stock in this area—if the residents can be encouraged and enabled through the technical and financial resources of NRHA to make the transition from being rental tenants in solid but poorly maintained homes to being owners of cottages in the attractively renovated beach community. NRHA already has the programmatic and financial capacity for this work, which is a natural complement to the new housing development planned for more expensive property closer to the beach. This effort would also provide new infill housing opportunities.

NRHA also should undertake in the area south of East Ocean View the systematic acquisition of many small blocks of inappropriate, high-density apartments and the redevelopment of those sites into more suitable structures.

These homes are part of NRHA's "spot redevelopment" efforts to help stimulate revitalization of East Ocean View.

GATEWAY STRATEGIES

The approach to the East Beach site and to all of Ocean View along Shore Drive from Little Creek desperately needs attention. The most urgent concern could be addressed by the negotiated acquisition of the frontage along each side of Shore Drive from Dunning Road across the reconstructed bridge over Pretty Lake and extending to the Ship's Cabin Restaurant. This area should be cleared and heavily planted to provide an attractive gateway to the community. As plants mature and require thinning, they can provide stock for later stages of development within the remainder of the project. This landscaping, combined with the Bay views provided by the elevated design of the new Shore Drive bridge, will offer a truly exciting entrance and sense of arrival to anyone approaching the revitalized beachfront community. As development progresses and a consumer market is created, the city and the NRHA should be sensitive to opportunities to encourage private developers to create higher-level and more compatible retail opportunities in these parcels.

COLLABORATION

Various incentives should be explored to motivate property owners in the remaining adjacencies to redevelop and upgrade their properties. Among these incentives might be partial or temporary tax abatement or financial incentives such as low-interest economic development loans, housing loans, and other proven devices. For example, the trailer park on the south shore of Pretty Lake seems to be an underutilization of the site, especially in view of the bridge and other neighborhood improvements proposed for there. The property owner or a private developer might well be motivated by this type of incentive to redevelop the site to a higher and better use.

The development pace suggested by these recommendations will be intense and complicated. The success of the East Beach project and the future of all of Ocean View will depend on the expeditious and orderly execution of this work. While certain pressures are expected to be borne by the master developer of the East Beach project, the NRHA most likely will be required to address new and nonstandard issues, as well as to maintain its standards of performance in its myriad other responsibilities throughout the city. For this reason, the panel strongly recommends that a dedicated staff position be set up in the Office of the Executive Director of the Housing Authority or the Deputy Director of Development to manage such responsibilities.

IMPLEMENTATION STRATEGY

Ultimately, the ideas presented in this report are only useful if they can be effectively and successfully implemented. Accordingly, the panel has set realistic implementation as its guiding principle. Long-term success will require the city's leadership during the many months and years that it will take for East Beach to be fully developed. Over these years, elements of this plan and the recommended strategy will inevitably change. Nevertheless, a series of immediate steps can be taken, which the panel believes will establish a strong foundation for the future development of this important and valuable site.

Based on the major recommendations set forth in previous sections of this report, the following implementation strategy is recommended. Key implementation issues are addressed in the general order in which they are likely to occur. The key steps to implementation are then presented as a summary time line at the end of this section.



Chris LoPiano (right) and David Dishy (center) interview City Council Member Randy Wright.

ACQUISITION

The panel recommends the NRHA use various strategies and financing options to acquire 100 percent of the East Beach property as soon as possible, but in no event later than June 30, 2000. It is critical to the success of the East Beach redevelopment that the city government appropriates the full cost of acquisition (not necessarily demolition) in FY99 and FY00 to enable NRHA to commit to any remaining purchase by June 30, 2000. The following sources of financing should be explored.

- Dedicate proceeds of the disposition of any NRHA asset to acquisition.
- If necessary, supplement acquisition funds with general revenues.

In addition to committing the necessary funds for acquisition, NRHA should use other strategies to quicken the pace of attaining site control of the whole East Ocean View Conservation District. As noted above, NRHA should begin negotiating purchase options with sellers. The options should have exercise dates that are consistent with the availability of acquisition funds. This approach will enable NRHA to continue to negotiate purchase agreements with willing sellers despite having obligated all currently available funds. Thus, NRHA will lock in prices, speed settlements once funds are available, and remove uncertainty from the market and for the property owners.

- Request a qualified redevelopment bond (QRB) allocation in FY00 to fund the full cost of the remaining acquisition, which may entail raising the debt limit in the short term.
- Borrow Section 108 funds for acquisition.
- Place purchase options on properties to be exercised beyond 2000 with future QRB proceeds.

NRHA should also explore the potential for bulk purchases from multiple owners through negotiations with the various property owners associations in East Ocean View. Many smaller acquisitions (duplexes and four- and eight-plexes) remain to be negotiated and settled. A negotiated bulk sale would benefit both NRHA and sellers by consolidating negotiations and property appraisals. This approach would shorten the negotiating time, eliminate repetitive administrative procedures (e.g., single procurement of appraisal services), reduce per-unit transaction costs, and eliminate lengthy and expensive legal proceedings. For this approach to be worthwhile, a substantial number of existing property owners would have to agree to be subject to an agreed-upon evaluation process. A typical approach would be for each side to select an appraisal firm with specified accreditation standards. For properties in which the two appraised values were within a specified variance, the purchase price would be the average of the two appraisals. Those properties with appraised values greater than the specified variance would be appraised by a third appraiser approved by each side, and the sales price would be the middle value. The panel understands that this will be a truly challenging task given some of the past history, but both sides would stand to benefit significantly from the time savings.

To accurately project acquisition costs and remove uncertainty that may inhibit investment, NRHA should immediately identify those few properties, primarily on the periphery of East Beach, that are in very good condition and that it does not intend to acquire.

THE SELECTION OF A DEVELOPMENT PARTNER

The success of the East Beach initiative will depend largely on identifying and selecting a top-quality development team. As with countless public-private efforts across the nation, the East Beach team should be brought on board through a formal RFP process. The quality of this process will have a dramatic impact on the type of development partner that is found, and, in turn, on whether East Beach truly becomes a national model of innovative urban revitalization.

The RFP process, including the RFP document itself and all related materials and statements, plays two important roles, each of which will need to be closely considered as East Beach efforts move forward.

First, the RFP is a marketing tool. From the initial public notice in magazines or newspapers, to the text and photographs in the document, to the manner in which site visits are handled, every action that the city takes conveys a message about Norfolk and about the East Beach opportunity. Development capital is fluid. East Beach is likely to be competing for the investment focus of developers whose alternative focus may be elsewhere in Hampton Roads, the mid-Atlantic region, or the nation. With every communication, it is essential that these messages are conveyed: (1) East Beach is an outstanding development opportunity and (2) the NRHA and the city of Norfolk make a serious, disciplined, and professional partner intent on ensuring the creation of a world-class product.

Second, the RFP is the opening position of a complex negotiation. Within the basic framework, a financial offer, a transactional structure, and development agree-

ments are all part of the RFP process. Too often during project negotiations, a development team will invoke some aspect of an RFP, only to have the RFP sponsor explain "well ... that wasn't what we meant in that section." Clarity as to expectation is essential. Developers are far more wary of indecisive municipalities than of ones with a clear, albeit tough, sense of purpose. Of course, there will be aspects of the RFP, particularly related to financial issues that

the city may want to leave unresolved or even vague. The key is simply that the RFP be recognized as the opening phase of extended negotiations and that all decisions or actions be made in that strategic context. As with any large-scale transaction, there will be the inevitable challenge of balancing marketing objectives with negotiating objectives.

The panel recommends that the East Beach RFP process be managed in two stages. The first stage could be a Request for Qualifications (RFQ), in which potential respondents can be identified through outreach, networking, and public notices.

The panel recommends that the city select no more than four, or ideally three, teams to continue with a formal RFP process. The narrow list of "qualified" RFQ achieves several goals: first, it makes the RFP process worth the development team's time because of the limited pool of competitors. Second, by stating clearly (as part of the RFQ) the intention to select no more than three or four qualified respondents, the city increases respondent incentive to provide top-quality RFQ responses.

In the second stage, the qualified development teams will be invited to participate in a detailed RFP process. As part of their responses, teams will be asked to present a comprehensive business plan for how they will turn the East Beach vision into a reality.



FINANCIAL CONSIDERATIONS

Capital improvements. Financial negotiations may focus on the allocation of capital improvement responsibility. The extent to which the developer takes on increased burden to pay for infrastructure and other capital improvements will affect land prices. The city will need to continually weigh what form of economic benefit is best (e.g., forgoing some land revenues in exchange for additional infrastructure investment could prove an effective way to finance infrastructure).

Land Sales. The primary form of payment will be in the purchase of lots. The terms of these purchases could all be established up front and could include some escalation factors based on inflation or value of "retail" sales. The extent to which the city obligates the developer to draw down or buy parcels, regardless of market demand, will also affect pricing.

Participation. Given the city's substantial investments, as well as the likelihood that land sales revenues will not cover all acquisition costs, it may be appropriate to include some form of participation payments in the profits from development. Participation components can require considerable oversight, and those components need to be structured in as simple and straightforward a manner as possible (e.g., as a percentage of gross proceeds). This approach can ensure that the city has a reasonable opportunity to participate in the upside of its investment, while not unduly constraining the development team.

After selecting the developer, NRHA will prepare and send a draft letter of intent as an attachment to the notice of selection. At a minimum, the development agreement should include the following:

- A schedule for the drawdown of development parcels that the developer will be obligated to execute, perhaps with allowances to request and receive a hiatus in the schedule on the basis of adverse market conditions;
- Formulae for determining prices the developer will pay for development parcels;
- The structure of the land transactions. (The panel recommends a structure similar to the one used by NRHA in its recent Bay side developments, in which

NRHA assumed the land risk while the developer assumed the marketing risk. NRHA then took back a note, which was fully subordinated to all construction financing and which would be repaid on a par basis at the settlement of the homeowners' purchase.);

- Provision for the developer to prepare design standards and covenants and submit them to NRHA for review and approval before recordation;
- Provision for periodic inspections by NRHA to monitor compliance with design standards;
- Incorporation of the agreed-upon site plan and subdivision and of procedures to amend the plan in response to changing market demand;
- Criteria that the developer will use in selecting builders;
- Specification of the range of product types, square footages, and price points with procedures for amendment in response to market demand;
- Specification of the number of speculative units, including models, required for each product type;
- Specification of the common amenities and a schedule for their construction; and
- Provisions for coordination between the developer and the appropriate city agencies in marketing the East Beach community.

INFRASTRUCTURE

Planning, phasing, and constructing the infrastructure should be the developer's responsibility. Several options should be considered for financing the infrastructure improvements:

- The city of Norfolk should issue general obligation bonds.
- The builders should finance the infrastructure improvements and receive a credit toward land purchase.
- A community development authority should be established, as permitted under Virginia law.

The panel suggests that the city and NRHA seriously consider establishing a community development authority. These districts have the authority to finance the acquisition and construction of infrastructure by issuing tax-exempt revenue bonds, which will reduce the financing costs of infrastructure construction. The bonds are secured by special taxes that are based on value and on assessments that are based on benefit. There is no financial exposure to the local government, and the bond issue does not count against the city's millage cap. The debt is retired by tax payments based on each property's assessment. There may be flexibility in how the use assessment is allocated among the various development parcels. Such flexibility would allow higher-priced products to bear a greater proportion of the allocation. Developers and builders may be permitted to pay a portion of the infrastructure cost up front, thereby reducing the property assessments and increasing product affordability.

Beach access is an important consideration in the revitalization of East Ocean View.

FINANCING

The city should finance the land acquisition and the demolition of existing improvements and infrastructure as described previously. The city should also finance the developer's acquisition of development parcels as described in the preceding section. The security interest that any lender has in the land will have to be fully subordinated to the anticipated construction financing.

The developer or its building agents, or both, will be fully responsible for arranging the construction financing, for providing any needed credit enhancement, and for repaying the debt. NRHA should be aware that the construction loan repayment structure (e.g., an acceleration over par repayment) may require an accrual of a portion of the repayment of the NRHA loan until the final units of the development parcel are sold.

The city and NRHA should begin to plan now for special mortgage products. With the currently favorable interest rate environment, the city may want to

consider issuing tax-exempt bonds to raise below-market mortgage money. These mortgages could be targeted to East Beach, or the larger Ocean View community or could be generally available. The city should market the purchase of these bonds to area banks. With the more stringent investment test now required under the Community Reinvestment Act, many banks are in need of qualified investments, and purchase of these bonds is a qualified investment.

NRHA should also consider providing a second mortgage product with community development block grant or similar funding mechanisms that would assist buyers with downpayment and closing costs. Second mortgages would not require monthly payments and would be forgiven pro rata over a period of five or ten years. This kind of program is a strong marketing tool and would greatly enhance absorption of the attached and cottage units (more than 250 units to be absorbed) by reducing the cash needed to purchase and by acting as a cash gift over time.



TIMETABLE FOR IMPLEMENTATION

The following table summarizes the key steps that will need to be taken to implement the development of East Beach in the manner proposed. Although this timetable is, of course, subject to modification as the city moves ahead, the panel has outlined what it believes is a realistic and achievable timetable for action. The panel believes that an aggressive schedule is necessary to help move the East Beach project ahead. The schedule is meant as a guide for the city, which may wish to modify the timetable if it is not feasible in meeting some deadlines. Several key milestones must be considered as part of implementation.

ADJACENT SITES

As addressed earlier in this report, the strategic sites adjacent to East Beach offer an excellent opportunity both to support and to be supported by the proposed East Beach redevelopment. The

REGULATORY CONSIDERATIONS

NRHA should secure as many regulatory approvals as possible as it progresses through acquisition. Securing these approvals would add value to the land and would enable the developer to begin construction sooner. Amendments to the master plan and any environmental reviews and approvals are examples of regulatory approvals that NRHA should secure. Subdivision of the lots and the establishment of any easements or land covenants should be the responsibility of the developer, not NRHA.

PROPOSED TIMETABLE

ACTION	TO BE COMPLETED
City adopts proposed development strategy	12/98
City takes necessary legal action to secure commitment of financing for accelerated acquisition	1/99
RFO for development team released	2/99
Short list of RFP respondents selected	4/99
Development partner conditionally selected	6/99
Ground broken on first homes under master development	9/99
Entire East Beach property acquired	6/00

The panel discusses recommendations for the East Ocean View area.



The panel tours Pinewell-by-the-Bay, one of the city's many successful infill projects.

DEL-MAR TRAILER PARK

This site offers a tremendous opportunity for long-term redevelopment. Given the single ownership of the site, however, this opportunity is likely to be achievable without significant public intervention. The city should consider and, if appropriate, recommend a range of preferred uses for this site (e.g., single-family homes with a small retail and office corridor along Shore Drive). Furthermore, the city should work closely with the current landowner to market this site and, where appropriate, should assist in negotiations with prospective developers by helping to streamline the approvals process and by making financial incentives available.

SHORE DRIVE CORRIDOR

The existing series of strip clubs along the east side of Shore Drive just south of the bridge presents a major symbolic and actual obstacle to the successful renaissance of East Ocean View. A range of actions, with varying degrees of aggressiveness, could be taken to remove these uses. Although reasonable arguments suggest that the market will take care of these uses over time, the panel agrees that more intense efforts should be taken as soon as possible to remove this blight at the gateway to East Beach. There may also be statutory approaches that could be used to preclude future undesirable uses. Recent progress in this realm, within Norfolk and elsewhere in the nation, is encouraging, but further legal exploration is warranted. A statutory approach offers a more fiscally prudent solution. In addition to removing these uses, the city should review existing zoning along the Shore Drive corridor from Little Creek to the bridge with an eye toward creating an aesthetic environment along this corridor consistent with its role as the gateway.

TAYLOR'S LANDING/COBB'S MARINA

The area behind Taylor's Landing offers another important long-term development opportunity for the East Beach gateway area. As with the trailer park, assembled ownership provides an enhanced possibility for private investment to drive redevelopment. The city should work closely with the Taylor's Landing team to identify ways, both financial and regulatory, to assist in promoting mixed-use development of this area.

BEACH STABILIZATION

Without a beach, the whole concept of "East Beach" may fall a little flat. Accordingly, it is imperative that beach stabilization funding be secured for the eastern edge of East Ocean View specifically and for the entirety of the bayfront more generally.

OTHER KEY IMPLEMENTATION ACTIONS

Other implementation actions have been noted in this report for the area outside the East Beach project, which, taken together, will help to ensure the successful revitalization of the entire East Ocean View community.

- Pursue expanded revitalization efforts throughout the East Ocean View neighborhood (e.g., lowering the density and implementing intensive homeownership and rehabilitation efforts). It may also be appropriate to create an Ocean View community development corporation to promote affordable homeownership along the peninsula.
- Expand a series of cultural offerings to further bolster Ocean View's regional image.
- Continue and increase, as feasible, a quality-of-life improvement campaign, including security, code enforcement, and sanitation.

ENSURING CONTINUED SUCCESS

The key to long-term success often rests less with the original plan itself than with the implementing entity's capacity and willingness to constantly evaluate progress and, where necessary, to modify actions to achieve the long-term mission. In conjunction with the proposed East Beach effort, the panel recommends that an evaluation program be established whereby monthly progress can be monitored. Progress against the target dates set forth in the project timetable should be reviewed, and additional actions recommended where necessary.

It is imperative that the communications strategy highlighted earlier in this report be pursued in conjunction with the regular monitoring of project efforts. There are few more effective ways to build credibility and support than through clear, ongoing communications with community residents as to what is happening. Marketing must extend to the entire Hampton Roads region, and ultimately, as East Beach becomes a national model of urban revitalization, the marketing of the site and the city should be broadcast across the nation.

CONCLUSIONS

- Refocus NRHA's efforts on finishing the acquisition process in East Beach and then on continuing to stabilize adjacent areas through "spot" acquisitions.

The recommendations in this report can help the city of Norfolk meet these priorities and can make East Ocean View an area of which it can be proud.

Progress has been made in Ocean View since 1987, although it has not been made as quickly or as extensively as some would like. But it is important to remember that 1989-1994 were recession years. Approximately 74,000 jobs were lost in the region, and still progress was made. The city is to be commended.

Three priorities emerged during the panel study.

- Find funding and move quickly to acquire remaining parcels in East Beach.
- Privatize development of East Beach by selecting a master developer from the private sector for the project.

THE PANELISTS

DANIEL C. VAN EPP PANEL CHAIR Las Vegas, Nevada

Daniel C. Van Epp is executive vice president of the Howard Hughes Corporation, an affiliate of the Rouse Company of Columbia, Maryland, of which he is vice president. He is responsible for the Rouse Company's West Coast community development. The Howard Hughes Corporation is engaged in developing and managing office and industrial buildings and large-scale land development in southern Nevada and southern California.

Also serving as president of the Howard Hughes Corporation's Summerlin Division, Van Epp joined the company in March 1995. He directs the continued development of Summerlin, a 22,500-acre master-planned community in northwest Las Vegas. Summerlin has been the best-selling master-planned community in the nation for five of the past six years.

Van Epp has more than 20 years' experience in all aspects of real estate development. Before joining the Howard Hughes Corporation, he served as president of community development for HHunt (formerly Snyder Hunt Corporation), where he was responsible for the inception, development, and management of its master-planned communities. He was also vice president of development, vice president of construction and development, director of construction, and a project manager during 14 years with Hunt.

Earning a bachelor of science degree in building construction from Virginia Tech, Van Epp graduated first in his class cum laude. He founded Van Epp Construction, a residential and light commercial construction company, during his sophomore year at Virginia Tech.

Van Epp is a trustee of the Urban Land Institute, serves as Las Vegas District Council chair, serves on the Policy and Practice Committee, and is vice chairman of the Forum on Regionalism.

CHARLES E. ADAMS Charlotte, North Carolina

Charles Adams is a founding partner and president of Celebration Associates, Inc., a real estate advisory and development firm based in Celebration, Florida, with offices in southern California and in Charlotte and Chapel Hill, North Carolina. In addition, Celebration Associates is pursuing niche vertical development opportunities, including seniors housing and small office development. Until

May 1997, he served as vice president of Community Business Development for the Celebration Company and Walt Disney Imagineering. He was responsible for Celebration Education, Celebration Network, Celebration Health, and Celebration Foundation, as well as for new business development, strategic alliances, retail sales and leasing, commercial sales and leasing, and development of Little Lake Bryan and Celebration. Before focusing on these cornerstones of Celebration, Adams was responsible for the initial residential, amenity, sales and marketing, consumer research, and master-planning efforts. In addition, he played an instrumental role in planning for residential development at EuroDisney at Paris.

A founding member of the Celebration School Board of Trustees, Adams serves as president and founding member of the Celebration Foundation Board of Directors. He is a founding member of the Health Magic Steering Committee and a council member of the Recreation Development Council of the Urban Land Institute.

Before joining the Walt Disney Company in 1990, Adams worked with Trammell Crow Residential, developing luxury apartment communities in the Orlando area. He received a master's degree in business administration from the Harvard Graduate School of Business and a bachelor's degree in business administration from Northeast Louisiana University.

DAVID H. BENNETT, AIA, ASLA Alexandria, Virginia

David H. Bennett is a landscape architect and an architect with more than 20 years of design experience on large- and small-scale urban projects, both nationally and internationally. As a senior project manager at EDAW, Inc., his responsibilities include project design, client communication, presentations, and coordination of in-house staff members and consultants. He brings to clients a wide breadth of expertise in waterfront planning, urban design, mixed-use development, and new community planning. He is currently working on the Downtown Action Plan for Washington, D.C., and on urban

design and community planning projects in Alexandria, Virginia; Tuxedo, New York; and Louisville, Kentucky. Other projects include serving as project manager and landscape architect for the South Boston Master Plan (Massachusetts Port Authority), as well as project manager for the Widewater Community Master Plan (Stafford County, Virginia).

Bennett's professional affiliations include Alliance for Historic Landscape Preservation, American Society of Landscape Architects, American Institute of Architects, National Trust for Historic Preservation, Alliance for Historic Landscape Preservation, and Preservation Roundtable. Bennett has a master's degree in landscape architecture from Harvard University, and a bachelor's degree in architecture from Cornell University. He also studied at the Urban Design Studio of the Architectural Association, London, England.

THOMAS H. BROWN Cincinnati, Ohio

Thomas H. Brown is president of the Brown Organization, a construction management and consulting firm. He has more than 30 years of experience in commercial, retail, and office planning, design, and construction involving more than 40 projects representing more than 50 million square feet of space. His experience includes commercial planning, design, and development; cost forecasting and budgeting; scheduling; labor relations; value engineering; contract negotiations; site selection and acquisition; public sector approvals, permits, and relations; brokerage relations; and litigation avoidance.

Prior to forming the Brown Organization in 1991, he was executive vice president for JMB, where he managed the development of retail and mixed-use projects and the planning design and construction of major regional shopping centers. Brown also held high-level positions with Federated Realty Stores and the Rouse Company.

A full member of ULI, Brown earned a bachelor's degree in agricultural engineering from the Agricultural and Technical State University in Greensboro, North Carolina.

DAVID DISHY New York, New York

David Dishy is a principal at the New York City office of Hamilton, Rabinovitz & Alscher (HR&A), a real estate, financial, and policy consulting firm. Dishy specializes in matters relating to urban development and to public and private partnerships. He has managed many of the firm's large-scale feasibility analyses, including military base reuse strategies and downtown residential conversion efforts. His work has included a number of projects with challenges similar to those faced at East Ocean View. Dishy recently led HR&A's efforts in preparing a market-based redevelopment strategy for a 260-acre waterfront site along New York's Rockaways Peninsula. He also managed the firm's efforts to revitalize a series of seaside communities along the coast in New Jersey.

Before joining HR&A, Dishy was a senior project manager at the New York City Economic Development Corporation (EDC), where he worked on corporate retention transactions involving more than 10,000 jobs. He also served as the city's project manager for the \$250 million Commodities Exchange Center plan and managed a series of retail development initiatives put forth by EDC to enhance downtown and community shopping districts.

Dishy received a bachelor's degree in American Urban Environment from Harvard College and a master's degree in real estate development from Columbia University. He is a member of the Board of the Friends of the High School for Environmental Studies in New York City.

LEIGH M. FERGUSON
Chattanooga, Tennessee

Leigh M. Ferguson became president and chief executive officer of Chattanooga Neighborhood Enterprise, Inc. (CNE), in 1991. His experience in planning and developing both residential and commercial properties made him especially qualified to lead CNE. When he joined CNE, Chattanooga had concluded phase one of Vision 2000, the community-wide collaborative planning process for the rejuvenation of downtown. His experience helped CNE increase production of affordable housing by leveraging scarce government and charitable resources with conventional capital.

During the 1970s and 1980s, Ferguson served as president of John Laing Homes and as vice president of Winkler Company and the Van Metre Company in Virginia, for-profit real estate development companies. His years at Laing provided extensive experience as a production home-builder. His accomplishments at Van Metre added experience in land acquisition, planning, zoning, land use approvals, and development. Projects included a planned community of 2,300 home sites and 2 million square feet of office and retail space. Similarly, for the Winkler Company, Ferguson was responsible for developing built-to-suit and speculative office buildings, as well as for arranging financing, leasing, design, construction, and management operations. His accomplishments included planning and developing a 30-story luxury hotel and conference center, plus developing, leasing, and operating several million square feet of build-to-suit and speculative office buildings.

Ferguson is on the Advisory Council of the Federal Home Loan Bank of Cincinnati and is a full member of the Urban Land Institute, where he serves on the Inner City Forum and is vice chair of the Inner City Council. He is a director of the Tennessee Housing Development Agency and a member of the City of Chattanooga Community Development Block Grant Advisory Committee.

RICHARD M. GOLLIS
Newport Beach, California

Richard M. Gollis is a founder and principal of the Concord Group, which is based in Newport Beach and San Francisco, California. A real estate advisory firm, the Concord Group provides vital strategic advice for land use issues and development of residential, commercial, retail, and industrial real estate projects. Clients include land developers, homebuilders, institutional investors, family landowners, public agencies and universities throughout the nation. His responsibilities at the Concord Group include all phases of strategic analysis such as market analysis, financial analysis, consumer focus groups, and economic feasibility. He is also responsible for overall company operations of both offices and for development of new business opportunities.

Gollis has gained a wide range of experience in analyzing residential and commercial development. In particular, his work with product program development for large-scale, master-planned communities and for urban multiuse projects has positioned him as a leading authority in the field. He also has expertise in highly specialized senior housing development types, such as assisted-living communities and active adult master-planned communities.

Gollis is an active member of the Urban Land Institute where he serves as cochair of the Program Committee for the Orange County District Council, creating programs on topics of interest to the local real estate community. He has volunteered his advisory services to the Urban Design Assistance Team of the American Institute of Architects for various redevelopment projects in Santa Ana, Garden Grove, and the Balboa Peninsula. He is a member of the Orange County Young Entrepreneurs' Organization, which is a forum for select business owners under the age of 40.

A native of Boston, Gollis graduated from Brown University with a degree in international relations, focusing on political science, economic development, and history.

CHRISTOPHER B. LOPIANO
Washington, D.C.

Christopher B. LoPiano is development manager for the NationsBank Community Development Corporation (CDC) Mid-Atlantic region. In this capacity, he is responsible for NationsBank CDC development efforts in Maryland, Virginia, and Washington, D.C. He also manages the NationsBank CDC office in Washington, D.C.

The NationsBank CDC is a wholly owned subsidiary of NationsBank and was chartered by the Office of the Comptroller of the Currency for the purpose of investing in community development projects. The NationsBank CDC is an equity partner with community-based developers and is an active owner/developer of real estate properties. While the NationsBank CDC invests primarily in affordable housing (both rental and for-sale) it also invests in commercial and industrial projects whose purpose is job creation.

Before joining NationsBank in January 1994, LoPiano served as deputy director of the Marshall Heights Community Development Organization (MHCDO), which is a nationally recognized community development corporation in Washington, D.C., and which focuses primarily on rental and for-sale affordable housing and retail and industrial development. At MHCDO, he was responsible for the housing and economic development program and served as chief financial officer. Before joining MHCDO in 1985, LoPiano worked for a community development corporation in Baltimore, Maryland, where he was responsible for commercial real estate and small business development.

DAVID S. PANDOLI, ASLA
Miami, Florida

David S. Pandoli is a land planner and registered landscape architect with 20 years of experience in projects ranging from large-scale planning projects to multidisciplinary, large-scale private development work. He has extensive hotel and resort development experience in the Caribbean and in South America and has also participated in resort planning in the Middle East and the Pacific Rim. He has been responsible for managing multidisciplinary design teams, including architects, engineers, and market consultants, while acting as the developer's agent in implementing the majority of those projects.

Pandoli has extensive experience in large-scale urban planning projects, land use zoning, and corridor redevelopment projects. Besides working with the Development of Regional Impact process in the state of Florida, he has participated in numerous growth management assignments. His experience covers commercial development projects and mixed-use residential/golf course community work, as well as design-build projects. He has worked as a construction administrator and has an extensive background in site systems construction.