The military is an integral part of life in the City of Virginia Beach, Virginia. The roar of the jets, the annual air show, and the defense contracting industry all contribute to making Virginia Beach a great resort city with a patriotic edge. Even more than that, Naval Air Station (NAS) Oceana, the East Coast Master Jet Base, serves as an economic engine for the community, generating 16,000 jobs with a total payroll of more than $1.18 billion, and produces more than $400 million each year in goods and services. In 2005 NAS Oceana, for the first time ever, was included in the Base Realignment and Closure (BRAC) Commission's list of recommended base closures. The BRAC Commission's solution was to condemn all property in the area adjacent to NAS Oceana, an effort that would destroy the fabric of Virginia Beach, the region and the Commonwealth. It also would not have effectively reduced encroachment, even if pursued for decades.

Instead, Virginia Beach developed an innovative plan to roll back encroachment in the area surrounding NAS Oceana, which is also known as Accident Potential Zone 1 (APZ-1). The City worked closely with the Navy as it created a plan to meet not only the BRAC Commission's mandates, but also the needs of the military and the local community. The plan focuses on three components – zoning changes, property acquisition, and a conformity program, which reduces incompatible development while promoting conforming uses in APZ-1. In a unique arrangement, the city and the Commonwealth of Virginia contribute a combined total of $15 million per year to make sure the plan has the necessary funding to accomplish its mission.

In late 2005 and early 2006, with full support of the Navy, the city adopted a series of policies and ordinances to provide immediate relief from future incompatible development within areas most affected by potential aircraft accidents. One of these new land use measures immediately froze incompatible development in APZ-1. This zoning change prevented the development of more than 900 residential units and 400 incompatible commercial units.

In 2007, the City of Virginia Beach and the Commanding Officer of NAS Oceana entered into a Memorandum of Understanding (MOU) which enables the city and the Navy to jointly evaluate land use applications during the early stages of the development review process to ensure such applications comply with the Air Installation Compatible Use Zones (AICUZ) footprint.

The City of Virginia Beach also established the Oceana Land Use Conformity Committee (OLUCC) to guide and oversee various aspects of the conformity program. The committee is comprised of the Mayor, City Council members, City Manager, City Attorney, and business and residential property owners located within APZ-1. The Commanding Officer of NAS Oceana sits as a nonvoting member of the committee to provide the Navy's perspective on the committee's actions.

A component of the conformity plan includes a voluntary residential property acquisition program, which reduces density in neighborhoods as it keeps them intact and avoids the use of eminent domain. To date, the City of Virginia Beach has acquired or reached agreement to acquire 1,236 dwelling units through its residential property acquisition program, and has eliminated 653 potential residential dwelling units in APZ-1 and the Clear Zones. By doing so, the city preserves the integrity and economic stability of surrounding neighborhoods while also reducing density and incompatible development.

In an effort to recruit and retain conforming businesses, such as wholesale trade, distribution and manufacturing operations to APZ-1, the city launched YesOceana.com, an aggressive incentive program geared specifically for commercial business. The program also helps relocate nonconforming businesses from APZ-1 to other areas of the city. Incentive examples include: a 90 percent rebate of the business licenses tax for a period of 15 years for any new compatible use in APZ-1 and/or real estate tax abatement for nonconforming properties that are rehabilitated, renovated or improved to a conforming use and Economic Development Investment Program (EDIP) incentive funds for qualifying properties. Conforming businesses may also be reimbursed for fees associated with building permits, site plan applications, and water and sewer connections.

Through fiscal year 2015, 53 non-conforming commercial properties have been eliminated, and the city has committed a total of $2.4 million to 31 businesses to promote compatible uses within the district. That total includes $2.1 million in Economic Development Investment Program grants for projects under YesOceana, leveraging more than $27 million in new private investment. Enhanced building and site design features are required in order for businesses to qualify for the incentives. By providing financial encouragement, the city is able to spur economic development in a way that is compatible with the mission of the base. Because of these efforts, Virginia Beach received the 2014 Gold Excellence Award for Real Estate Redevelopment & Reuse from the International Economic Development Council (IEDC). Additionally, Mayor William D. Sessoms was named the 2012 Elected Official of the Year by the Association of Defense Communities (ADC). Virginia Beach was previously named Active Base Community of the Year by the ADC in 2010.

The program has also become a catalyst for redevelopment of several major corridors in Virginia Beach. For example, the city purchased and demolished several incompatible businesses such as restaurants, bars and nightclubs and resold the property for new compatible development.

The program has become so successful that the cities of Hampton and Chesapeake, VA, are in the process of establishing programs modeled after YesOceana and OLUC program to help curb the issues they are facing around air installations in their areas, Langley Air Force Base and Fentress Landing Field, respectively. Virginia Beach will start to split its funds from the state with the City of Chesapeake to help support its program.

The commitment demonstrated by the Commonwealth of Virginia, the City of Virginia Beach, and their partnership with the Navy continues to be successful in reducing and reversing incompatible development around NAS Oceana. This program serves as a model for other localities grappling with the problem of encroachment around military bases and for communities facing future BRAC Commission closure/relocation rounds.

The 3 Phase Virginia Beach Plan to Stop and Roll Back Encroachment Around NAS Oceana

ACQUISITION PLAN

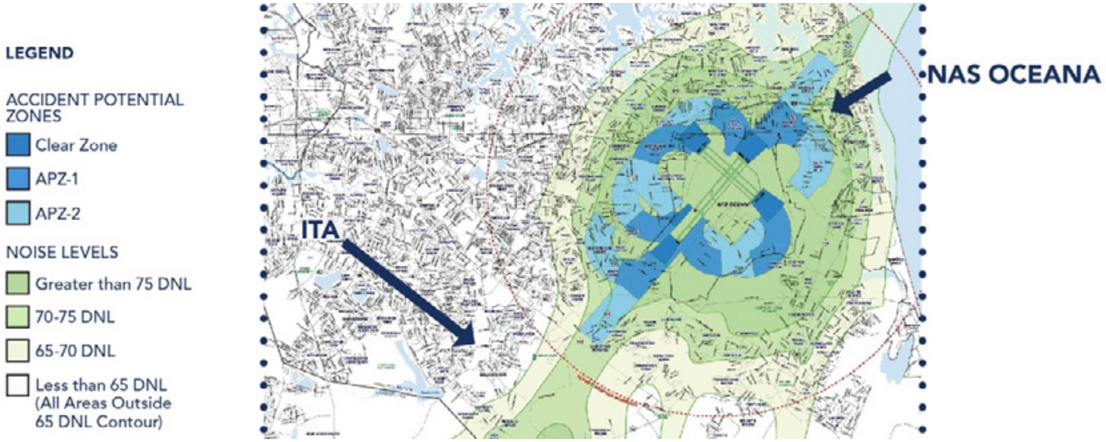
- APZ-1/Clear Zone Use and Acquisition Plan
- ITA Property Acquisition Plan
- RAA Property Acquisition Plan
- Disposition of Acquired Properties

LAND USE PLAN

- APZ-1/Clear Zone Ordinance
- The AICUZ Overlay Ordinance
- The Resort Area Ordinances
- Creation of and regulation of the ITA and RAA
- MOU: City/Navy Review of Land Use Applications
- Legal Defense of the Land Use Ordinances

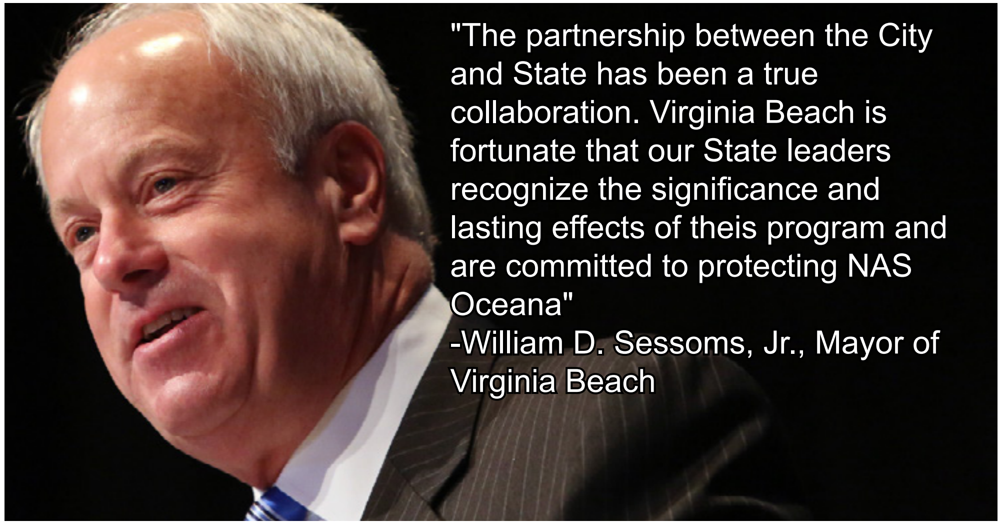
ROLL BACK PLAN

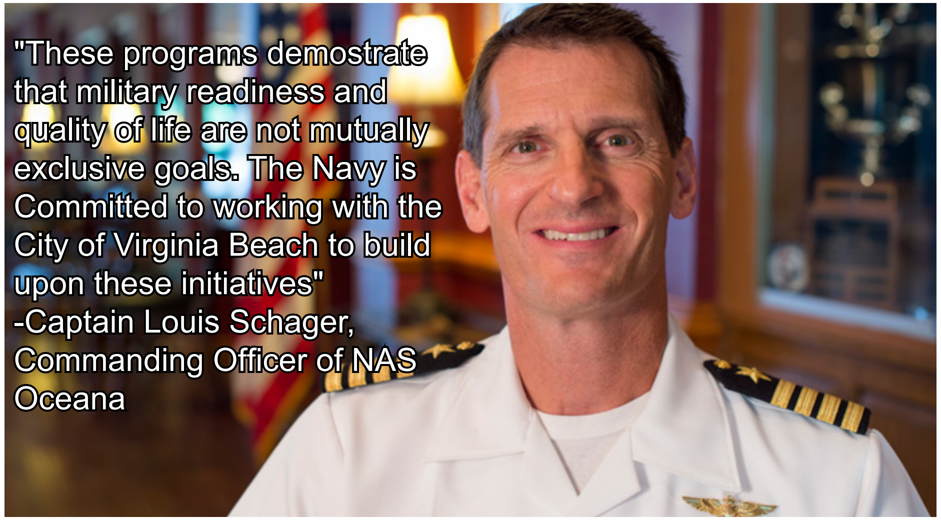
- Amending the City's Comprehensive Plan and Adding an APZ-1/Clear Zone Master Plan and an ITA Master Plan
- The OLUCC: A Committee to Guide and Oversee the Roll Back Process
- The Relocation Incentives
- Staffing the Program: The Business Development Manager



$2.4 Million in Incentives = $27 Million in New Capital Investment

Examples of New Buildings Built in APZ-1 areas using the Enhanced Design Criteria





Helping Build A Better City

5 Awards won since 2008 including 2014 International Economic Development Council (IEDC) Gold Excellence Award

53
Incompatible
Commerical Units
Rollback since 2007


The Virginian-Pilot

Vote gives Oceana costly last chance to survive, for now

SAVING BASE MEANS BUYING OUT HOMES, BUSINESSES

Officials say it would take hundreds of millions to meet requirements

Fort Monroe falls quietly

August 2005


Bring on BRAC, state report says

COMMISSION'S RECOMMENDATIONS

1 Lobby Congress for a new round of base closures to help Virginia gain military assets.

2 Exempt lower-ranking service members from having to pay tolls in Hampton Roads.

3 Consider letting the Navy acquire Camp Pendleton for training of an unnamed unit.

The Virginian-Pilot

Wednesday

March 2014