Atlantic City Norfolk, Virginia

A Redevelopment Plan

March 3–8, 2002
An Advisory Services Panel Report

ULI–the Urban Land Institute
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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 total 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 more than 17,000 members and associates from 60 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, academics, students, and librarians. ULI relies heavily on the experience of its members. It is through member involvement and information resources that 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 the Institute 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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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 well over 400 ULI-member teams to help sponsors find creative, practical solutions for issues such 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. A wide variety of 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 panel topic and screened to ensure their objectivity. ULI panel teams are interdisciplinary and typically include several developers, a landscape architect, a planner, a market analyst, a finance expert, and others with the niche expertise needed to address a given project. ULI teams provide a holistic look at development problems. Each panel is chaired by a respected ULI member with 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 community representatives; and a day and a half of formulating recommendations. Many long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. At the request of the sponsor, a written report is prepared and published.

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

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The City of Norfolk Department of Development, under the leadership of Rod Woolard, director, and with the assistance of Randi Brown Ferraro, business development manager, provided the support and assistance that the panel needed to respond effectively to the issues. Their invaluable assistance throughout the course of the study helped ensure the success of the panel's efforts. Many other public officials, representing all of the city agencies that might be involved in the redevelopment effort, also offered their valuable time and expertise.

The panel is particularly indebted to the more than 75 community residents, government and business leaders, and property owners who provided unique and valuable insights during the interview process. The individual perspectives gained from these interviews were crucial to the planning process. These stakeholders are a major asset in advancing the interests of the city.

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Foreword: The Panel's Assignment

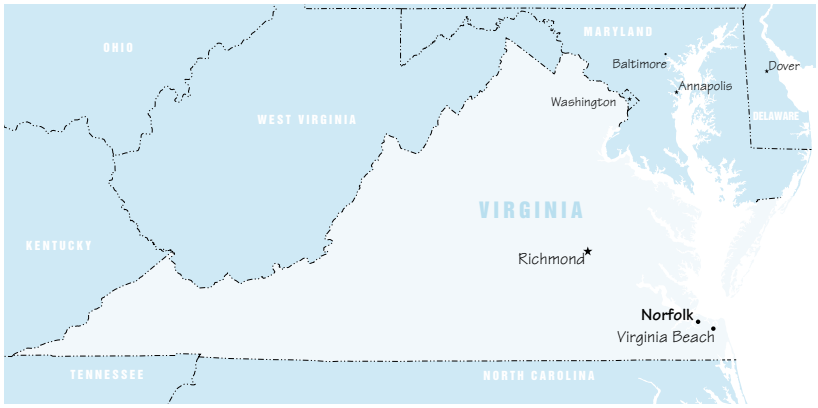
The city of Norfolk requested the assistance of a ULI panel of experts to determine best practices for the redevelopment of the Atlantic City neighborhood. This 30-acre site is the last significant portion of land along the waterfront available for redevelopment near downtown Norfolk.

The district was rezoned in 1998 for "waterfront mixed use." The city is interested in fostering "a living downtown," and would like Atlantic City to become a signature residential and commercial address in an exciting waterfront setting.

Atlantic City enjoys a strategic location. The city believes that redevelopment can capitalize on its significant locational advantages. The area sits along the waterfront with access off a major corridor and in close proximity to downtown and the region's premier medical complex and shopping mall.

Significant constraints to redevelopment also exist. The city does not own any of the strategically located properties and thus has no direct control over redevelopment. The area's infrastructure requires a combination of upgrading, replacement, and expansion if development is to occur, but the current capital improvement program does not designate any funds for infrastructure improvements.

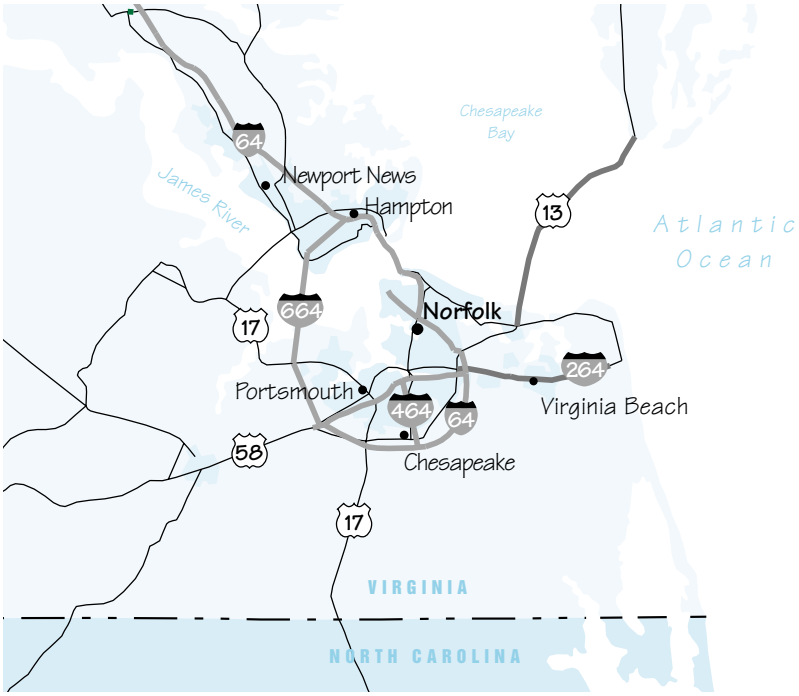
The panel was charged with two primary tasks. First, it was asked to develop a conceptual master plan for the Atlantic City waterfront district and to consider specific proposals for strategically located parcels that could serve as catalysts in stimulating redevelopment. The panel's second main task was to propose an implementation process for redeveloping Atlantic City. Public and private ownership interests and potential partnerships, together with methods to overcome constraints imposed by limited financial resources, are among the development strategy components that the panel considered.



Location map.

Following its assessment of the area's market potential, the creation of some conceptual plans, and a discussion of short- and long-term financing tools, the panel was asked to propose a phasing plan for both redevelopment and infrastructure improvement. The strategies suggested by the panel should help Atlantic City make the transition from an industrial area to a mixed-use district. The types of land uses that the city hopes to continue to promote—including residential, office, retail, and institutional uses—are consistent with the mixed-use plans of other successful downtowns.

The panel was made aware of how much the city values protecting views of the Elizabeth River. The panel also was informed about a proposed light-rail transit system, which would have its western terminus in Atlantic City, and about the Elizabeth River Trail, which, when completed, will link downtown with the West Ghent neighborhood due west of the site. An historic property —Fort Norfolk, one of the oldest forts in Hampton Roads, which is thought to be the most original and best-preserved War of 1812 site in the United States—lies within the site and requires special consideration.



Regional map.

General Background

Norfolk is the historic, business, financial, educational, medical, and cultural heart of the Hampton Roads area. The metropolitan region includes the south Hampton Roads cities of Norfolk, Portsmouth, Chesapeake, Virginia Beach, and Suffolk; the peninsula cities of Hampton, Newport News, Williamsburg, and Poquoson; and the Virginia counties of Gloucester, York, James City, and Isle of Wight.

With a 2000 population of 1.5 million, the region is ranked as the 27th largest metropolitan statistical area (MSA) in the United States. According to U.S. Census Bureau 2000 data, Norfolk's population is 235,000. The city constitutes 15 percent of the region's total population and is the second-largest city in the state.

Norfolk is located approximately 90 miles from Richmond, 215 miles from Washington, D.C., and 350 miles from New York City. The city is known for the many amenities that contribute to its quality of life. These include the Chrysler Museum, the Virginia Symphony, the Virginia Opera, the Virginia Stage Company, the Virginia Ballet, Chrysler Hall, Roper Theater, the Norfolk Scope arena, MacArthur Center (the region's newest shopping mall), and the regional medical center complex, which includes Sentara Norfolk General Hospital, Eastern Virginia Medical School, and Children's Hospital of the King's Daughters.

Other cultural amenities include the Virginia Zoological Park, the Norfolk Botanical Gardens, and the nearby Ocean View beaches on the Chesapeake Bay. The area often is referred to as the Virginia Waterfront, a tourism and marketing designation to promote the area. In addition, Norfolk recently became an embarkation/debarkation site for several cruise ship companies, including Carnival Cruise Lines.

Looking east from the Eastern Virginia Medical School, one sees a large surface parking area bordered by Colley and Brambleton avenues. The Hague and the WVEC-TV tower can be seen in the background.

Atlantic City Background

Atlantic City is an example of a commerce-driven community that developed around the area in which most of its residents were employed. Strategically located near the mouth of the Chesapeake Bay, it was ideally situated for regional and national commerce, but also was vulnerable to attack. Fort Norfolk, which was constructed along the banks of the Elizabeth River during the 1700s, was damaged severely during the Revolutionary War. President George Washington commissioned the fort for reconstruction in 1794, but the reconstruction was not completed until the War of 1812, when the fort was needed to defend the coastal United States. In the 1850s, the U.S. Navy assumed control of Fort Norfolk from the Army, but it abandoned the site around 1880. The Atlantic City area was annexed to Norfolk in 1890. In 1923, the U.S. Army Corps of Engineers reno-

vated Fort Norfolk for its district headquarters, which later were relocated to a modern building nearby.

The Norfolk Redevelopment and Housing Authority (NRHA) was the first agency in the nation to receive funds under the 1949 Federal Housing Act, and Norfolk's program became a nationwide model for urban renewal. The NRHA razed many of the Atlantic City area's early structures in the 1950s to help replace substandard neighborhoods with federally funded low-cost housing. During that time, much of Atlantic City was torn down and other areas of the original neighborhood became the regional medical center complex of today.

As currently configured, Atlantic City is bounded by Brambleton Avenue on the north, Smith Creek Inlet on the east, and the Elizabeth River on the west and south. The area of Ghent, also annexed in 1890, was developed as the first planned community in Norfolk and lies just north of Atlantic City across the tributary known as The Hague.

Today's Atlantic City has been described as the "stepchild" of the development that has occurred north of Brambleton Avenue. On the periphery of the district, along Brambleton Avenue, are the Strelitz Diabetes Center and the Children's Hospital of the King's Daughters (CHKD) Centers for Developmental Medicine and Pediatric Research, the Norfolk Public Health Administration facility, and the American Red Cross regional headquarters. On the east side of Atlantic City are an office building and residential condominiums situated along the waterfront; the U.S. Army Corps of Engineers regional headquarters and Fort Norfolk sit along the waterfront at the western end of the district. The interior of the district contains a mix of run-down Civil War–era warehouse buildings and miscellaneous uses, including a television station and small business operations. Part of a 13-acre waterfront tract is leased for ship repair operations.

The American Red Cross regional headquarters building is located off Brambleton Avenue.

The Strelitz Diabetes Center (foreground) is shown with views of Plum Point and the Elizabeth River in the distance and Brambleton Avenue to the east.

In assessing the options for the redevelopment of Atlantic City, the panel considered all facets of the area, including its history, in relation to the unique potential for completing development along the waterfront. The panel's charge was to propose a conceptual plan that the city can use as a guide in its redevelopment efforts.

Overview and Summary of Recommendations

The Atlantic City study area is an asset for the city of Norfolk and for the entire Hampton Roads region. The proposed plan for this area along the city's last open stretch of waterfront will—when fully developed over the next 15 to 20 years—complete the redevelopment of Norfolk's waterfront from Harbor Park Baseball Stadium on the east to the Midtown Tunnel on the west. Redevelopment would culminate with the signature hotel/marina complex proposed for completion over the long term in the westernmost section of Atlantic City.

The spirit of Norfolk is captured by the new development that recently has taken place downtown and along the waterfront. This has resulted in more people moving back into the city, a trend that is continuing with the construction of additional downtown housing. The Atlantic City site offers the last major tract of land, approximately 30 acres, available for new development near the urban core. To help create a new identity for this area, the panel has suggested that it be renamed. Fort Norfolk has been proposed—by both the panel and some residents—as the new name, since this would help showcase the historic property located within it.

The redevelopment effort faces numerous challenges. The city does not own any large parcels of land in the area. There is a diversity of ownership, with certain existing and incompatible uses that must remain, inadequate infrastructure, and a deteriorated waterfront. The panel believes, however, that a market for housing exists that can help recreate a renewed sense of place. Developing a mixed-use community at a neighborhood scale can provide a coherent and attractive environment that will integrate existing and proposed businesses and medical facilities.

Implementing the proposed approach to development will require the various stakeholders to work together for their own good and for the good of the city—perhaps acting as a civic group consisting of business and property owners—to market the opportunities inherent in Atlantic City. The panel warns against "patchwork ownership leading to patchwork visions." The panel further believes that development *will* occur and, therefore, that the city should take charge of the process and not simply follow market forces. The city can achieve long-term value by establishing a partnership between the public and private sectors.

The redevelopment of Atlantic City can be self-financing in the mid to long term. Bridge loans can be used as development occurs. Major infrastructure improvements can be financed from the growth and increasing value of the development. The panel anticipates that the public/private partnership will be able to finance its own development over the years.

The Conceptual Plan

The panel presented a concept for redevelopment of the area based on design principles that provide linkages among land uses. The concept also employs a layering effect, with a massing of buildings that increase in height toward the interior of the property to safeguard views of the waterfront. Residential structures no higher than five stories (preferably three to five stories) would be developed along the waterfront, with taller, higher-density residential buildings incorporating a mix of neighborhood services located behind them.

Farther north, toward Brambleton Avenue, office and medical facilities would be constructed, which should incorporate some existing businesses. Medical uses would be concentrated primarily north of Southampton Avenue and oriented toward the main campus of the regional medical center complex. The panel supports development of the proposed continuing care retirement community

(CCRC) as an early stimulus and anchor for future development.

The plan includes open spaces that protect and enhance views of the Elizabeth River. The Elizabeth River Trail would enter the area from downtown and follow Front Street or the waterfront promenade to Plum Point and beyond. The panel proposes a strong streetscape and circulation pattern that extends the grid pattern of existing roads into areas of new development. Both the street pattern and the graduated building heights are important design elements that should be employed to offer and protect view corridors of the water from the interior of the site.

Circulation considerations begin with improving the image of Brambleton Avenue and defining three access points into the site. The intersection of Brambleton and Colley avenues has significant visual importance as the main access to both Atlantic City and the regional medical center complex. An entry/gateway here should be reconfigured and include a view south to the water.

A second entry should be located at Brambleton and Second avenues, leading into the residential neighborhood at the east end of the area and defined by an extended-stay hotel that would provide a transition into the area. At the opposite end of Atlantic City, the conceptual plan culminates with a destination hotel and a large public marina, effectively completing the redevelopment of the waterfront.

A third improved access from Riverview Avenue should be constructed in conjunction with the long-term development of a major hotel/marina at the west end of the property. Fort Norfolk serves as a magnet for development in this area, and the potential exists for an additional cultural facility nearby. The panel recommends that the proposed development authority or some other entity consider installing a trolley system to serve the new community and connect it to downtown.

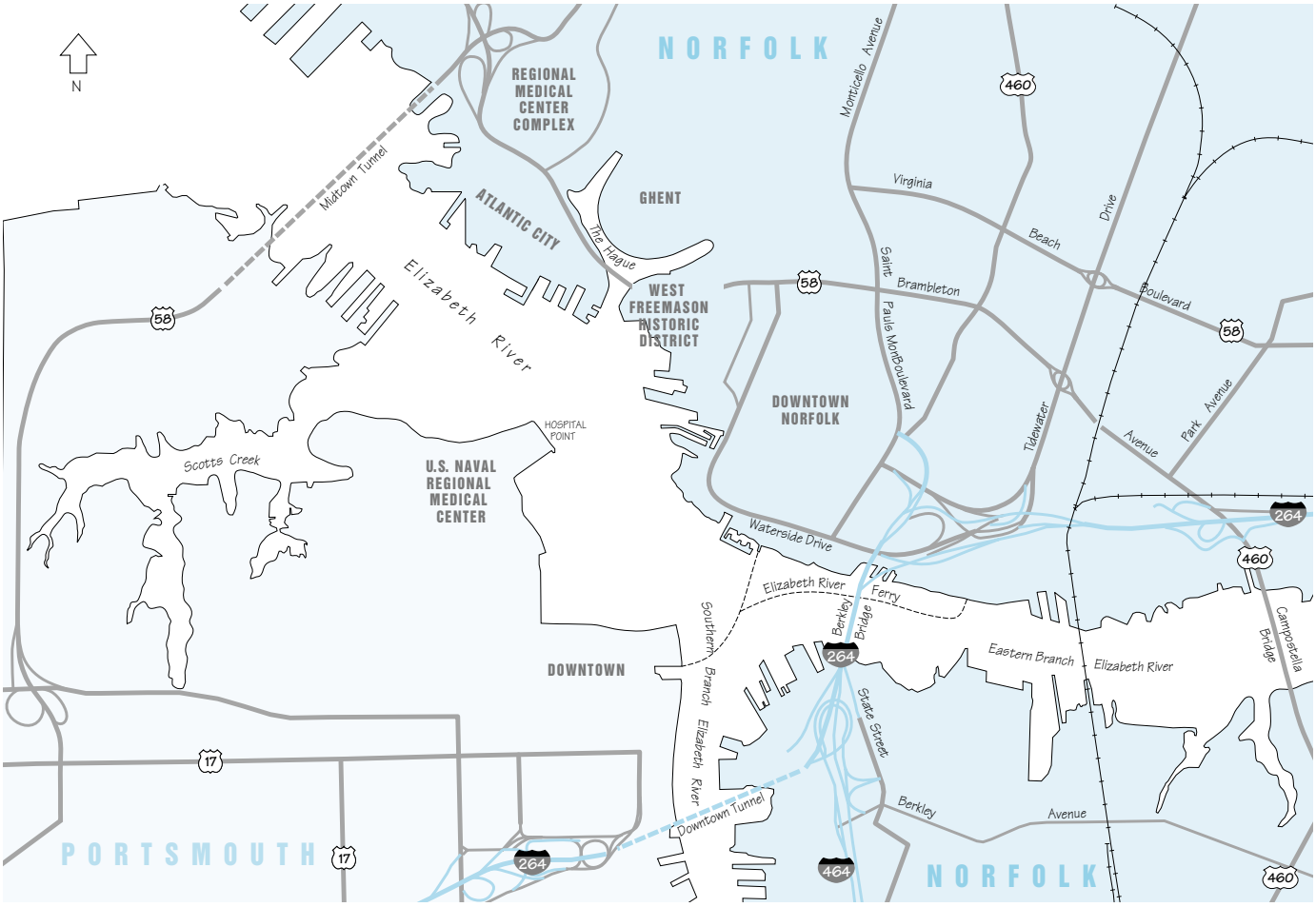
While design themes can be defined in a design overlay district (DOD), a development authority will be needed to finance the recommended improvements and oversee a special tax district. The panel recommends that the designated au-

This view of the pier—and the river beyond—is framed by the old warehouses on the McLeskey property.

The Elizabeth River Trail (right) runs alongside Norfolk Boat Works and connects with Plum Point.

To the east, beyond the intersection of Colley and Brambleton avenues, sit the Pembroke Tower condominiums.

The bus used for the panel's site visit is parked by the old warehouses along Front Street.



Vicinity map.

thority agree to finance only projects that are consistent with the design concepts defined by the DOD. The panel anticipates that this can be a self-financing project that has the potential to create an estimated $300 million in assessed value within 15 to 20 years. The panel recognizes that additional legal review may be required and that current Virginia law may need to be amended in order to implement these recommendations.

The panel also proposed a phasing plan to serve as a road map for development. It is meant to be a "living document" that will be affected by changing market conditions. Phasing begins with the public process of planning and organization, followed by predevelopment and financing, then development implementation, and concluding with development of the west end opportunities.

This plan is conceptual in nature, meaning that it is designed to illustrate how linkages can be provided among various land uses to create a cohesive area plan. The plan also is a useful tool that can be used to formulate "next steps" in realizing the redevelopment potential of Atlantic City.

Market Potential

The subject property is one of the last developable waterfront sites close to downtown Norfolk. The movement of people back to downtown housing is a growing trend in many U.S. cities, and Norfolk is no exception.

Recent residential development in the adjacent West Freemason Historic District and experiences in analogous waterfront communities elsewhere in the nation demonstrate that a segment of the market is interested in living in an urban mixed-use environment and that a portion of this market is willing to pay a premium for properties that offer waterfront views and/or access. While the panel expects residential uses to lead development efforts in the initial stages of redevelopment, potential near- and mid-term market opportunities also exist for hospitality uses, convenience retail, marina, and institutional/medical office uses.

The site is located immediately adjacent to the regional medical center complex, which contributes a significant concentration of employment and visitation to the marketplace. The site also is close to the upscale Ghent neighborhood, which has experienced a significant renaissance over the past several years with residential improvements and the addition of retail services, including shops and restaurants.

Housing Opportunities

Atlantic City represents a very clear opportunity to meet two important public goals. The first is to add significantly to the supply of in-town housing, as articulated in the "Come Home to Norfolk Now" initiative. A well-executed new residential community can draw residents from the region at large and capture demand for both executive and workforce housing. Second, housing at appropriate densities can be a critically important and lasting source of property tax growth, providing a leveraged return on the required initial public investments.

Recent development experience indicates a significant demand for both rental and for-sale new moderate-density housing. Urban housing demand tends to be driven somewhat by supply, and recent projects indicate that demand is strong among traditional urban housing market segments, which include young professionals (singles and dual-income childless couples) and empty nesters (retired professionals and those approaching their retirement years). Both groups typically are looking for the stimulation of living in a diverse urban neighborhood and the ease of maintenance-free living.

As has been demonstrated locally, those who want to live downtown likely will pay a premium for waterfront views and access. Demographic trends suggest that with the aging of the baby boomers and the maturing of the echo boomers (the baby boomers' children), these two market segments will continue to grow. The shortage of housing at prices affordable to the entry-level workforce also should drive demand for in-town housing.

The recent projects developed in downtown Norfolk by Collins Enterprises, LLC—the PierPointe and the Heritage at Freemason Harbour, which offer for-sale and rental housing, respectively—indicate substantial market depth at higher values than anticipated by experienced real estate developers in the local market. The values achieved by these projects give reason for optimism about what might be achieved on the Atlantic City site.

The regional medical center complex immediately adjacent to the site offers a unique opportunity for any new housing, especially rental housing, to capture a significant number of the complex's 10,000 employees as residents. With their long and irregular work hours, medical professionals tend to value the convenience of close-to-work living. Considerable demand also should exist for for-sale housing targeted to higher-income med-

ical professionals, as well as for-rent or for-sale housing for other staff.

Market Challenges

The downtown Norfolk housing market is small and relatively affordable by national standards, and the city does not have a history of new market-rate housing concentrations close to downtown employment. Thus, the depth of the market for high-end residential development downtown, while growing, is limited.

With respect to commercial land uses, currently there are insufficient demand generators to support multiple concentrations of office and/or destination retail space that would, in turn, increase demand for more housing. Furthermore, since downtown has ample existing capacity to accommodate current and likely future demand, there is no strong push out of downtown for retail and office space in Atlantic City. Thus, the panel has determined that the near-term focus for development in Atlantic City should be housing that distinguishes itself from the existing downtown residential offerings. Any demand for commercial space at the site likely will include a limited amount of convenience and/or support retail and services, as well as office space that is directly or indirectly related to the existing medical and educational institutions at the regional medical center complex.

The site currently is somewhat isolated from downtown; while it is located only a short drive away, it is perceived as rather remote. This is both a challenge and an opportunity from a market perspective. On the plus side, the opportunity exists to create a waterfront mixed-use village. The challenge will be to improve linkages so that the site functions and feels like a part of downtown Norfolk. Atlantic City relates more easily to the regional medical center complex and the Ghent neighborhood than to downtown. It does not enjoy the same convenient pedestrian connection to downtown employment, retail, and entertainment opportunities as do the West Freemason Historic District or the eastern end of Ghent. With this in mind, improving existing connections to both the medical center and the Ghent neighborhood is essential. Making better connections—both vehicular and bicycle/pedestrian—to downtown also is important.

There are few existing land uses, buildings, or markers upon which to build a community identity/theme. The Atlantic City village thus will have to be developed largely from scratch. The historic Fort Norfolk—which is not well known among either residents or tourists—presents an opportunity to tie the property into the legacy and history of the city of Norfolk. Unfortunately, there are no significant waterfront-oriented warehouse/loft buildings on the site that could be easily converted to residential or commercial uses. Although some brick warehouse shells are located along Front Street and in the interior area on Colley Avenue, these are unlikely to provide any adaptive use opportunities. Some portions or elements of these existing facades might be incorporated into new construction.

The predominantly industrial character of the existing land uses in the site's interior poses challenges for residential development along the waterfront. This can be mitigated by providing a residential gateway, improving streetscapes, and focusing initial development on waterfront-oriented projects that are segregated—as much as possible—from the existing industrial/commercial land uses.

Demographic and Economic Overview

Employment

The Atlantic City site is adjacent to the regional medical center complex, which includes Sentara Norfolk General Hospital, Children's Hospital of the King's Daughters (CHKD), Eastern Virginia Medical School (EVMS), the Jones Institute for Reproductive Medicine, and other institutions and has approximately 10,000 employees. In addition, various institutions and associated medical uses—including the American Red Cross, the Norfolk Public Health Administration, EVMS, and Sentara—each have facilities located along the northern boundary of the Atlantic City site. This represents a significant base of employment from which to draw potential residents.

The Atlantic City site also is located near three significant regional higher education institutions:

Old Dominion University, Norfolk State University, and Tidewater Community College. While the site is not close enough to these schools to be considered for "campus-adjacent" housing, it is reasonable to assume that some students, professors, and staff would be interested in living in a waterfront village located just a short commute from campus.

Downtown Norfolk and the Atlantic City enhanced study area (ESA), which consists of census tracts 36–40 and 49 and extends beyond Atlantic City, have a higher concentration of employment than resident population. The employment-to-population ratio in the Atlantic City ESA is 2.5 jobs/person. This area accounts for 14 percent of the total employment in the city of Norfolk, with an estimated 30,700 jobs. Yet the area houses only 5 percent of Norfolk's population, approximately 12,500 people. Therefore, the Atlantic City ESA is considered a net importer of jobs.

Similarly, the city of Norfolk also is a net importer of jobs from the region. The city of Norfolk, with 225,297 employees, accounts for 24 percent of the total employment in the Norfolk MSA. Yet, Norfolk is home to only 15 percent of the region's population. This comparison shows that the Atlantic City ESA has significant potential to attract households interested in urban housing that will place them close to their jobs and other amenities.

Households and Income

One of the most significant demographic and socioeconomic factors influencing the economy and real estate markets is the aging of the baby boomer generation, the oldest members of which are just beginning to reach retirement age. This is one of the largest—and certainly the most affluent—age cohorts that the U.S. economy and housing markets ever have seen, and their choices will have a significant influence on housing and employment trends for decades to come. In addition, the echo boomers—the baby boom generation's children, who are now in their 20s—represent a significant age cohort and, in fact, a larger generation than the baby boomers.

Many baby boomers and a significant segment of the echo boomers are interested in urban living. This interest has contributed to the renaissance of nearly every major primary and many second-tier central cities in the United States.

While smaller in size than either of the two previously described generations, the seniors' market (those age 65 and older) is one of the fastest-growing age groups in the Norfolk market. This group will increasingly generate demand for seniors' housing, including congregate care, assisted living, nursing care, and/or continuing care retirement facilities.

Older and more affluent residents generally populate the Atlantic City ESA, as compared with the city of Norfolk overall. In 2001, there were an estimated 6,400 households in the Atlantic City ESA, with a median household income of $42,200 and a median home value of $165,100. Approximately 34 percent of these households lived in owner-occupied homes.

This compares with a homeownership rate of 41 percent, a median income of $34,300, and a median home value of less than $75,000 for the city of Norfolk overall. Approximately 12 percent of the Atlantic City ESA's households have incomes of $100,000 or more, compared with only 6.5 percent in the city of Norfolk and 10.2 percent in the Norfolk MSA overall.

Nearly 30 percent of the population in the Atlantic City ESA has a bachelor's degree and nearly 20 percent has a graduate degree, compared with only 14 percent and 7 percent, respectively, for the city of Norfolk. These statistics point to a demographic and socioeconomic profile that is

Panelists confer before their presentation. Standing, from left to right, are David Spillane, Jim Lawson, Charlie Hewlett, David Scheuer, and Bruce Hazzard.

much more inclined to rent and/or purchase homes at the upper end of the price spectrum.

Real Estate Market Overview

The Residential Market

Residential permit trends in the city of Norfolk have indicated a relatively low level of new construction activity in recent years, compared with suburban locations. Within the past two years, however, activity has increased significantly, particularly in the Freemason Harbor submarket, with the introduction of new rental apartment and pier condominium projects.

The rental apartment market in downtown Norfolk is very healthy. Occupancies at the most relevant rental apartment communities near Atlantic City are in the mid to high 90 percent range and rents have been increasing steadily at a rate of 3 to 6 percent annually. Although these figures reflect data collected before September 11, 2001, current anecdotal evidence suggests that rents in downtown Norfolk have continued to escalate, contrary to trends in most U.S. downtown markets.

Most older rental apartment communities in the competitive market area are achieving value ratios below $1.00 per square foot per month. However, the newest rental apartment community, the Heritage at Freemason Harbour in the West Freemason Historic District, developed by Collins Enterprises, LLC, has demonstrated that demand exists for new-construction rental apartments at a significant premium.

Rents at this project range from $900 to $1,750 per month, averaging approximately $1.20 per square foot per month. The project leased up quickly and has remained near full occupancy since reaching stabilization; it is now 100 percent occupied and has a 13-person waiting list. While the Heritage is attracting predominantly younger professional singles and couples, a strong secondary market segment includes empty nesters/preretirees who are looking for urban living in a location convenient to downtown.

New condominium and townhome construction activity, as well as condominium conversions, also has increased significantly in the West Freemason Historic District. Perhaps the most exciting and relevant of these projects for Atlantic City has been the introduction of the PierPointe at Freemason Harbour condominium project (also a Collins development). The community consists of 76 units in three buildings on a pier with extensive water/harbor views.

This project began selling units at around $165 per square foot; prices increased to more than $200 per square foot for the most recent sales, with unit sales price in the $300,000 to $500,000 range. Only three units at this development remain unsold. The target market consists of a mix of affluent empty nesters, preretirees and retirees, and dual-income couples typically moving down from larger single-family homes in the Norfolk area. These people are attracted by water views and proximity to downtown retail cultural and entertainment venues.

The Pier—an older condominium project developed from a converted warehouse building in the mid-1980s at the eastern end of Atlantic City—has experienced strong price appreciation over the past several years. This building offers extensive water views but is somewhat isolated from downtown and is surrounded by office and industrial uses. Despite these challenges, the project experienced ten sales transactions in 2001, with prices ranging from $108,000 to $250,000. Nearly 80 percent of the building is owner occupied, and many of the rented units are owned by building residents who also own the units in which they live.

All of these developments—and other recent condominium conversions in the area—demonstrate that there is both strong market demand for waterfront/view properties and a limited supply of well-executed product to satisfy this demand.

A Continuing Care Retirement Community

One housing-related use that has been proposed for Atlantic City is a continuing care retirement community (CCRC). Such facilities are targeted to active seniors who still are largely independent, but who recognize that they will require increasing levels of assistance with daily living and, ultimately, nursing care. The CCRC concept enables seniors to pay an endowment entry fee

for an independent living unit that typically provides one to two meals a day, congregate activities, transportation, and other services. This entitles them to a certain level of assisted living and skilled nursing services, as needed, depending upon the level of service that they purchase.

The city of Norfolk currently has no true endowment CCRCs. There is considerable anecdotal evidence that Norfolk is losing many qualified and interested residents—to CCRCs in Virginia Beach, Williamsburg, and other places—who might have chosen to live in a high-quality CCRC in the city if one was available. Demographic evidence also points to potential market support for a CCRC, depending upon the level of endowment/monthly fees.

The panel did not conduct a site-specific CCRC analysis for Atlantic City and did not have detailed information regarding the proposed CCRC. Based on anecdotal evidence, however, the panel believes that demand currently exists for a moderately priced CCRC offering both independent and assisted living units in the city of Norfolk.

As a sense of place is created over time, a demand for higher-priced units can be anticipated. Atlantic City is a particularly appropriate location for such a facility, given its proximity to the regional medical center complex and the cultural, shopping, and entertainment venues in Ghent and downtown.

A CCRC at the site could be a substantial catalyst for property tax growth and would enhance Atlantic City's physical and community image. It also might afford an opportunity to develop a parking garage that could be shared with adjacent facilities.

A Hotel

The panel believes there is an opportunity for an extended-stay hotel at the site in the near term, regardless of whether a similar facility is built—as currently proposed—on the Federal Square site downtown. Long-term market potential also may exist for a full service hotel, particularly one that would tap into the transient boating market associated with the Intracoastal Waterway.

The Pier condominium project is located at the eastern end of Atlantic City.

As with a CCRC and other real estate uses contemplated at the site, the panel recommends a detailed site-specific market analysis to validate recommended land uses. However, based on its interviews with knowledgeable hotel developers/operators, the panel concludes that there appears to be an underserved market niche in the vicinity of the site for extended-stay hotel rooms tapping into sources of demand emanating from the medical center, including visitors, contractors and short-term employees, patients and their families, university event/visitor traffic, business travelers, and government and military personnel. Anecdotal evidence from extended-stay facilities located outside of the city of Norfolk indicates that demand potential from various market segments is leaking out of the city because of a lack of high-quality facilities close to employment concentrations.

An extended-stay facility typically contains between 125 and 165 rooms. Although the climate for financing new hotels is currently under stress, the extended-stay segment is the least overbuilt and healthiest portion of the market. Furthermore, an appropriately sited and designed extended-stay/limited service hotel would be attractive and compatible with other proposed uses, particularly residential ones.

The Office/R&D Market

Some potential mid-term and long-term market demand exists for medical-related and biotech office and R&D space at the site. Such space would benefit from activity emanating from the regional medical center complex, EVMS, and other facilities. In addition, a potential mid-term market opportunity exists for professional and

Randi Brown Ferraro, business manager for the Norfolk City Department of Development, reviews the panel's proposal.

medical office space. However, the panel estimates this to represent a relatively limited amount of space. There likely will not be any mid- or even long-term market demand for Class A multitenant space targeting professional service firms and/or corporations, which typically have demanded space in the downtown submarket.

Institutional, Medical, and Educational Uses

The site is well positioned to capture additional potential spillover based on expansion plans from both Sentara and EVMS, as indicated by their master plans. The panel recommends that, if possible, expansion into a designated medical/institutional zone within Atlantic City consist of administrative office and R&D space rather than patient care uses.

The Retail Market

Some market potential exists for convenience retail, particularly service retail (such as dry cleaning, banking, and so forth) and restaurants (such as a delicatessen, coffee shop, or limited service restaurant) that tap into demand generated by the site's residents and employees, medical center employees and visitors, and drive-by traffic on Brambleton Avenue. Because the site's residents and employees alone are unlikely to support significant amounts of retail space, such space should be located near the heavily trafficked intersection of Brambleton and Colley avenues.

A possible market opportunity also exists for a mid- to upper-level destination restaurant at the waterfront, possibly in association with a marina. To succeed in drawing diners to a buried location within the site, however, this must be a destination restaurant with a well-recognized name (such as Legal Seafood or Chart House).

The market potential for specialty, soft goods, or entertainment retail at the site likely will be limited in the near and mid terms. Given the depth of the market for these types of uses in greater Norfolk, it would not be advisable for Atlantic City to compete with established retail and entertainment destinations in downtown Norfolk or Ghent. Over the long term, as this area evolves and the character of the neighborhood changes, it is possible to envision a destination waterfront restaurant and entertainment complex tied to a marina and possibly a hotel.

The Marina/Cruise Ship Market

A strong market opportunity exists for marina and related uses in the Hampton Roads area in general, and the site is conveniently located to capture local market demand for slips leased on an annual basis (particularly for motor-driven yachts). In addition, there is significant demand potential for transient slips along the Elizabeth River emanating from traffic along the Intracoastal Waterway.

Anecdotal evidence from a recently developed marina in Portsmouth (Ocean Marine) supports the conclusion that there is significant pent-up demand. This recently opened marina leased nearly all 122 of its slips immediately and has maintained a high level of occupancy. Poor occupancy of the slips at the Pier condominiums is not an indication of low demand for slips, but rather of poor wave protection and administrative complications (including restrictions on use) there.

Any marina to be developed as part of Atlantic City must be large enough to support the cost of the infrastructure necessary to produce a well-executed and protected facility. As there is no existing well-located natural basin at the site, one would have to be created by excavating or reconfiguring the shoreline. While cost estimates need to be refined before a minimum marina size can

be recommended, preliminary estimates indicate that at least 100 annual slips would be necessary for the marina to approach financial feasibility.

Transient vessel traffic is attracted by a good location and high-quality facilities and amenities (such as top-quality docks, electricity, showers, restaurants, Internet access, and so forth). Some of the interviewees indicated that immediate adjacency to downtown also was critical to the success of transient slips. A shuttle service to downtown could overcome the perceived remoteness of the Atlantic City site from downtown amenities, but transportation alone—without the amenities and services outlined above—would not ensure success.

Although Norfolk's current cruise ship terminal at Nauticus functions well as a port-of-call facility, it does not work as well for home port embarkation/debarkation activities, which require more significant and well-executed landside support facilities (including passenger processing, parking, baggage handling, and so forth). Developing a facility to accommodate embarkation/debarkation activities more effectively would be fairly land intensive. While deep water and pier protection are good waterside attractions, it would be difficult to incorporate cruise ship operations with more intense, mixed-use, predominantly residential development in Atlantic City.

It is important to note that the panel did not interview representatives from the cruise lines. The panel also notes that a city-commissioned study—the "City of Norfolk Cruise Homeport and Port-of-Call Study and Operations Plan"—was prepared by Bermello, Ajamil & Partners in May 2001. Given the limited time the panel had to research the cruise ship market, the panel defers to this more comprehensive study. However, in considering potential uses for Atlantic City, particularly given its deep water access, the panel was compelled to consider cruise ship operations as a potential—though not recommended—alternative use along its waterfront.

The Industrial Market

Limited market potential exists for additional industrial land uses in Atlantic City, given the transportation network, the greenfield opportunities available elsewhere in the region, and the cost of land and remediation. In addition, there likely will be demand for higher-value uses at the site (including residential, hotel, and office/R&D) that would preclude industrial uses (marine and otherwise) that may have a reason or desire to be there. Nevertheless, some existing industrial uses at the site could continue if they are segregated from other uses. Ideally, truck traffic also should be separated from traffic generated by other uses at the site.

Transportation

The proposed light-rail transit system could be a positive addition to the development of the Atlantic City site. Although it might produce marginally higher prices or speed absorption at properties located directly adjacent to transit stations, such a system is not necessary to support the redevelopment of Atlantic City.

Community Place Making

The appeal of living in Atlantic City is in many ways similar to the appeal of living in the West Freemason Historic District. Both neighborhoods offer attractive waterfront locations. Whereas residents of the Freemason neighborhood have an easy walk to downtown, the appeal of Atlantic City likely will be the easy walk to the regional medical center complex and the Ghent neighborhood.

Unlike the new PierPointe condominiums and Heritage at Freemason apartments—which are traditional urban infill projects within a developed, close-in neighborhood setting—Atlantic City offers the opportunity to create a new urban neighborhood in an area designated for rapid transition from industrial to mixed uses. This will require attention to neighborhood building and place making efforts. The city must provide appropriate supportive land uses, street patterns, and connections that will facilitate residential appeal and absorption. These characteristics—including moderate densities and scale, pedestrian-friendly streets, and access to community amenities—already can be found in adjacent neighborhoods such as Ghent.

Initially, the panel expects residential buildout for both for-sale and rental housing to be in three- to

Figure 1
Atlantic City Real Estate Market Potential

Land Use		Near Term (Years 1–5)	Market Op Mid Term (Years 6–10)
Residential			
For-Sale, Moderate Density	(30 dwelling units per acre)	2	3
For-Sale, High Density	(75 dwelling units per acre)	–	–
For-Sale, Single-Family Detached	(6 dwelling units per acre)	3	3
Rental, Moderate Density	(40 dwelling units per acre)	3	3
Rental, High Density	(75 dwelling units per acre)	–	–
Seniors' Housing/CCRC	(high rise)	2	3
Hospitality			
Full Service		–	–
Limited Service		–	1
Extended Stay/Suites		2	3
Destination Resort/Marina		–	–
Retail			
Regional/Power Center		–	–
Community/Neighborhood Center		–	–
Convenience Center		2	3
Destination/Entertainment/Specialty		–	–
Restaurants			
Limited Service/Convenience		2	3
Mid-Level Chain		–	1
Specialty/Theme/Destination		–	–
Office			
Class A		–	–
Class B/Back Office		–	1
Flex/Research and Development; High-Tech/Biotech		1	2
Professional/Medical		2	2
Institutional/Federal/Build to Suit		2	3
Industrial			
Heavy Industrial/Manufacturing		–	–
Clean Warehouse/Distribution		–	–
Manufacturing/Light Assembly		–	–
Office/Service		–	1
Marine			
Marina		3	3
Cruise Ship Terminal		1	2
Recreation/Amenity			
Open Space/Park		3	3
Trails/Waterfront Access		3	3
Cultural/Museum		1	2
Transportation			
Light Rail		–	–
Electric Trolley		–	1

Key: No market opportunity = –; limited market opportunity = 1; moderate market opportunity = 2; strong market opportunity = 3.

portunity Long Term (Years 11–15+)	Overall	Comments
3	3	Strong demand for waterfront/luxury housing
1	–	Near-/mid-term prices insufficient to justify cost of construction
3	–	Land/infrastructure costs do not support low-density housing
3	3	Strong near-term market demand at viable rents
1	–	Near-/mid-term prices insufficient to justify cost of construction
3	3	Strong demand for moderately priced seniors' housing
–	–	No demand outside of downtown
2	–	Mid-/long-term potential as market matures
3	2	Extended stay has strong tie-in with regional medical center
1	–	Potential long-term opportunities tied in with marina/retail complex
–	–	No demand—do not compete with downtown or other regional centers
–	–	Grocery anchors spoken for in market
3	2	Need support from adjacent communities
1	–	No demand—do not compete with downtown/Ghent
3	2	Need support from adjacent communities
1	–	Limited demand
1	–	Tenant-driven decision, possible local interest
–	–	Requires spillover demand from downtown
1	1	Affordable option to downtown
2	1	Moderate demand emanating from regional medical center
2	2	Moderate demand emanating from regional medical center
3	3	Strong demand from regional medical center, others
–	–	Limited market potential for marine-dependent uses
–	–	Limited market potential based on transportation network
–	–	Redevelopment to discourage this use
2	1	Moderate demand for medical-/marine-related quasi-retail uses
3	3	Strong opportunity for annual and transient recreational boating
2	–	Growing demand for embarkation/debarkation cruise market
3	3	Critical to support housing
3	3	Essential to support concept of waterfront village
2	1	History of Norfolk–oriented cultural center (nonmarket use)
1	–	Not necessary for site development
2	1	Cost effective alternative/substitute for light rail

five-story buildings at a density of about 35 units per acre, with a somewhat higher density for the smaller-unit rental component. The panel believes this intensity of development is achievable within the time frame of the project's second phase, given today's market conditions.

Existing site characteristics generally are inhospitable to new housing development. Current industrial and commercial land uses clearly will require mitigation. Physical access to the interior of the site and to the waterfront portions being considered for housing development are confusing, illegible, and circuitous. Accordingly, the panel recommends that a new entrance to the site, scaled to and focusing on the residential development, be created near the existing intersection of Second Street and Brambleton Avenue to provide a new gateway to the east end of Atlantic City. This recommendation is absolutely key to a successful initial residential absorption.

Planning and Design

The Atlantic City waterfront has the potential to become another one of the distinctive new public places and destinations that have been added to the Norfolk area waterfront over the last decade. These waterfront developments have enriched the region's historic relationship with the Elizabeth River and confirmed downtown Norfolk's strength as the region's business, cultural, and entertainment center. In conjunction with these other destinations—which include Town Point Park, the Waterside festival marketplace, Nauticus, Harbor Park, downtown Portsmouth, and Hospital Point (also in Portsmouth)—the Atlantic City waterfront has the potential to become part of a network of places. The site offers one of the last opportunities for the incorporation of new marina facilities as well as the potential public use of the existing pier.

Atlantic City is unique among these various destinations in its potential to be redefined and redeveloped as a new mixed-use residential neighborhood linked to other locations by land and water. Distinct in its own right, this waterfront site also has the potential to connect the regional medical center complex with the regional waterfront and to support downtown development goals through the development of complementary uses. Successfully capturing this potential will require a conceptual plan that provides a vision and a framework for initiatives to be undertaken by multiple landowners and other stakeholders.

Existing Conditions

The Site

Atlantic City lacks a clear identity as a standalone neighborhood or development site. Although most Norfolk residents see it as an industrial area with primarily maritime uses, the site also houses limited office space, a 67-unit mid-rise condominium building (the Pier), and government agency uses. The 30-acre riverfront site has an image that is strongly influenced by these fragmented and somewhat underutilized existing land uses.

The historic Fort Norfolk facility and the U.S. Army Corps of Engineers district headquarters anchor the site to the waterfront. Some large parcels of land are used for surface parking; others contain abandoned warehouselike structures, some of which date to just after the Civil War. Newer structures—predominantly office buildings—have been constructed by the regional medical center complex. People for the Ethical Treatment of Animals (PETA) and the National Oceanic and Atmospheric Administration (NOAA) occupy office space in other buildings at the eastern edges of the property, while the American Red Cross occupies office structures adjacent to Brambleton Avenue. Miscellaneous other office uses include the Seafarers Union building and the local television affiliate WVEC-TV.

Ingress and Egress. A single full access point from the north, along Colley Avenue, connects the site to the regional medical center complex and the Ghent neighborhood. Secondary access points provide limited traffic flow to and from the site onto Brambleton Avenue. Right-in- and right-out-only access points occur at Riverview Avenue and to the east of Second Street. Over the years, the site's internal streets have seen few improve-

The panel visits a potential development site. Across the river is Portsmouth's Hospital Point.

Above: Developers plan to build a continuing care retirement community (CCRC) on the former Dixie Jute Manufacturing property. Right: This large parking area is a potential development site. Fort Norfolk and the U.S. Army Corps of Engineers regional headquarters building can be seen in the background. Below right: Looking southeast across Atlantic City, one can see the Pier condominiums, the WVEC-TV tower, downtown Norfolk (in the distance), and Portsmouth (across the river).

ments—other than some limited resurfacing—because of a lack of new development. Any new development therefore will require significant upgrades and improvements to existing streets and utilities. The city of Norfolk plans to develop the Elizabeth River Trail as a continuous trail system that will tie together portions of the waterfront. The first phase of this trail, which runs from Clarement Avenue in West Ghent through the northwest corner of the site from Plum Point to the corner of Riverview and Southampton avenues, recently has been constructed.

Utilities. The site's existing utilities are undersized and will require major repairs and upgrades to support any new development. Storm drainage systems are not very extensive, because of existing elevations and the surrounding receiving bodies of water. Most of the existing water mains were installed before 1920. Sewer capacity, while adequate for the existing low levels of use, will require new lift stations and force mains to accommodate new development.

Riverfront/Bulkheads. While deep water generally is found all the way to the shore of the Atlantic City site, the existing bulkheads along the perimeter of the site are in poor condition. Significant improvements will be required to facilitate waterfront use and the general stability of the adjacent land areas designated for redevelopment.

Floodplain. Located along the Elizabeth River, the site is subject to the periodic flooding and risk from catastrophic weather encountered by all waterfront properties. The 100-year flood level indicates that flood waters could rise to the 8.5-foot mark—which would affect approximately 30 percent of the Atlantic City site—once every 100 years. Strategies to develop Atlantic City will need to recognize this constraint and plan accordingly.

Cultural Resources. Fort Norfolk, located within the boundaries of the site, is on the state's Civil War Trail and is the most significant historic element that could be affected by any proposed redevelopment. From a tourism perspective, however, it currently is underutilized and is somewhat hidden from direct public view and access. It also offers some potential for incorporation into a larger public identity for the area. (Some residents have suggested renaming the area Fort Norfolk.) Several adjacent parcels—including the former Dixie Jute Manufacturing property and the former Jonathan Corporation parcel (also known as the Wayne McLeskey property)—contain post Civil War–era brick warehouse structures representative of the historical uses associated with maritime activities in and around Norfolk. These structures appear to be in very poor condition and most have had no roof for a number of years. While this does not rule out the potential adaptive use of portions of these struc-

tures into new development, creative architectural design would be required to do so.

Opportunities and Challenges

Redevelopment Opportunities

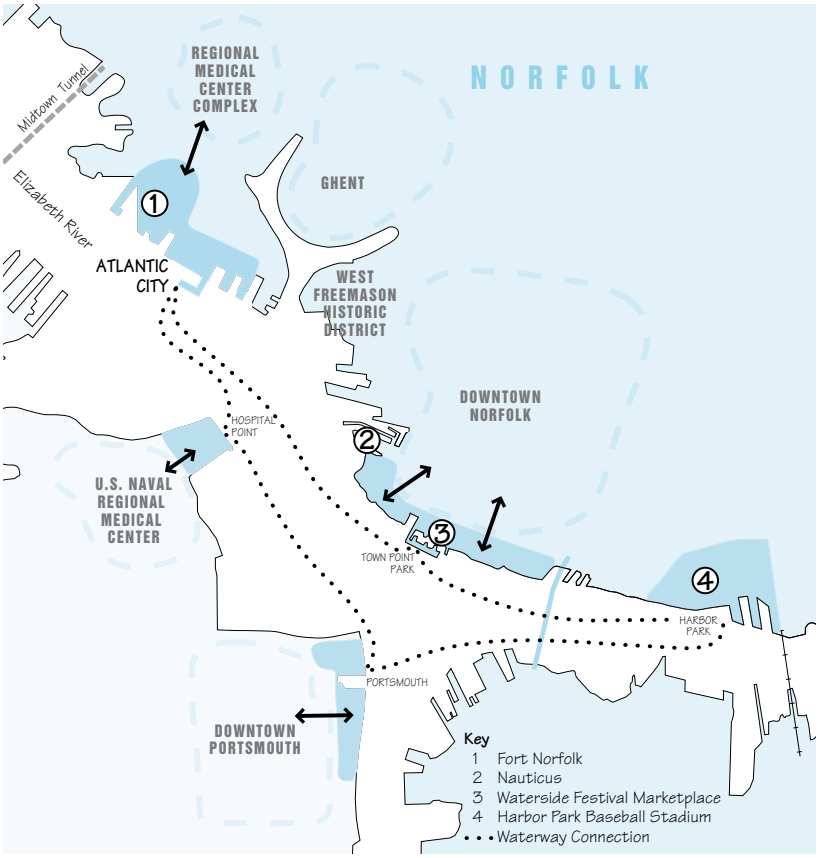
Numerous factors make Atlantic City a desirable development area. It offers:

- Proximity to downtown Norfolk;
- Proximity to the regional medical center complex and its employment base;
- Extensive waterfront exposure along the Elizabeth River;
- Proximity to relatively deep water and the Intracoastal Waterway's Norfolk Harbor Channel Mile Marker Zero;
- Direct access to the Elizabeth River Trail;
- Adjacency to a future light-rail transit line;
- Stable adjacent neighborhoods and land uses;
- Access to outlying areas, via Brambleton Avenue;
- Existing zoning that is conducive to redevelopment;
- A municipality that supports infill development;
- The ability to achieve a cohesive design concept and identity; and
- The opportunity to create a framework for public infrastructure planning.

Development Constraints

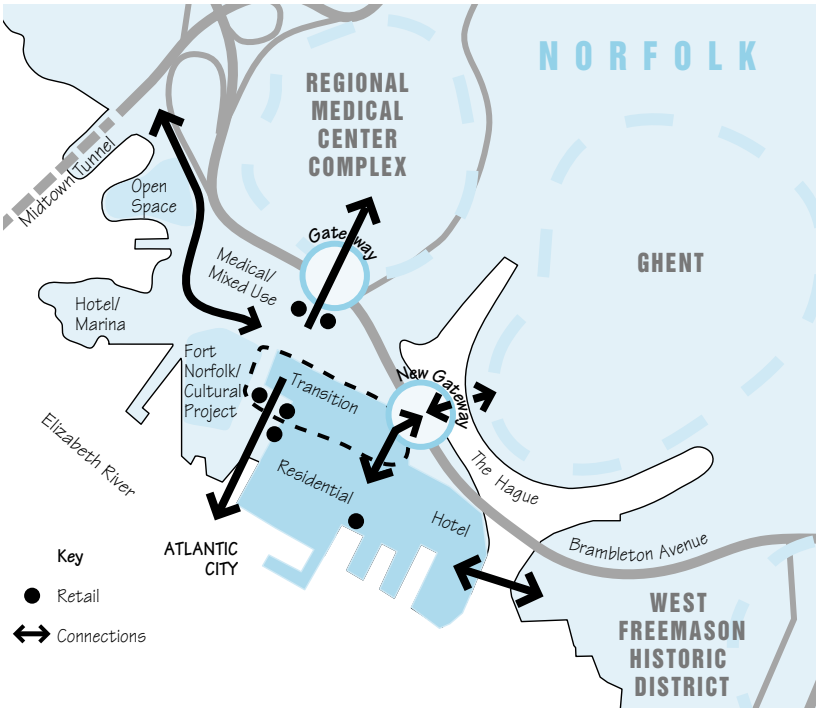
Although the site presents numerous challenges to development, the panel does not believe that they are insurmountable. These constraints include:

- The complicated nature of landownership, with multiple small parcels that could inhibit the implementation of a cohesive development plan for the area and result in potential lost opportunities;
- A single primary access point;



Creating a new waterfront: building connections on land and water.

- The physical separation from adjoining areas of the city by Brambleton Avenue;
- The poor condition of existing roads and utilities;
- The lack of identity from Brambleton Avenue;
- The poor condition of the majority of the bulkhead along the waterfront;
- The difficulty in way-finding for existing cultural resources (Fort Norfolk);
- Industrial uses at the western end of the site;
- Traffic congestion along Brambleton Avenue at peak periods;
- The 100-year floodplain;
- Chesapeake Bay Preservation Overlay District regulations;
- Long-term uses that may not be relocatable (such as the WVEC-TV transmission tower); and
- The regional medical center complex's encroachment into the fabric of the site.



Creating a new place.

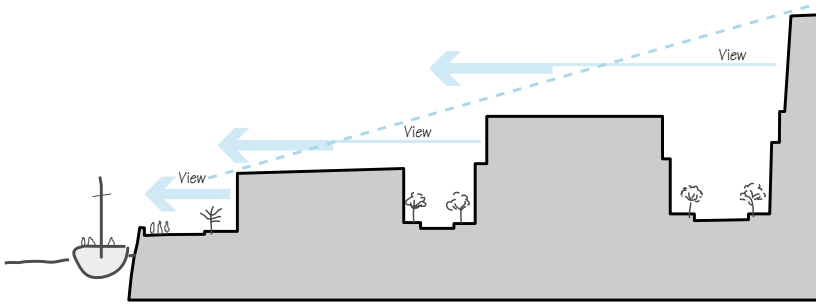
Plan Recommendations

Planning and Design Principles

The panel has identified a number of actions that it deems necessary to ensure good design and planning. These actions range from establishing an identity for the area to determining the mix of proposed land uses and the linkages among them. They include the following:

- Establish the Atlantic City waterfront as a mixed-use urban residential village with extensive public access and open space, plus a distinct identity that will unify the site and create a strong sense of place;
- Establish clear gateways to the site and the waterfront from the land and the water;
- Provide public access along the waterfront;
- Encourage water access and waterside connections to other community locations through the use of water taxis/ferries;
- Create a coherent network of pedestrian-oriented streets and open spaces that will support the overall cohesiveness and sense of place throughout the site;
- Provide for enhanced public access and visibility for Fort Norfolk (and, perhaps, other historic resources, such as the warehouses);
- Establish view corridors that will preserve and enhance views of the water from the site's interior;
- Step building heights down to the water, with tall buildings set back from the water looking over lower buildings located at the water's edge;
- Facilitate the future development of transit service to the area by designing and planning appropriate rights-of-way to support transit (light-rail or electric bus) service over time; and
- Focus housing and open space along the waterfront south of Front Street and mixed office and residential space toward Brambleton Avenue.

Stepping buildings down to the water.



Key Elements of the Development Proposal

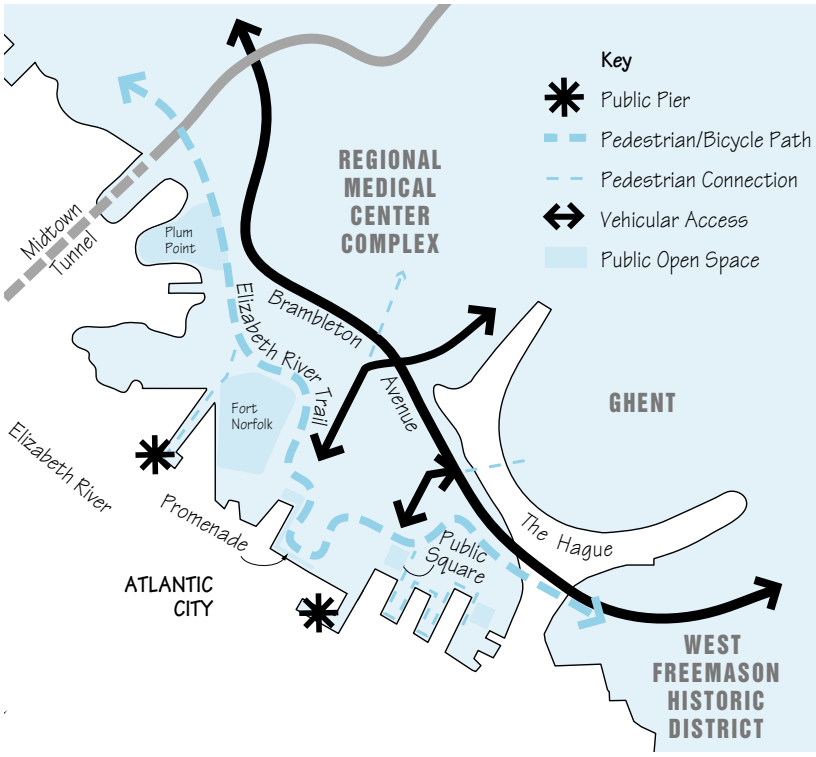
The panel has identified the following design elements as ones that should be included in the conceptual plan:

- Landscape enhancements along Brambleton Avenue, to improve the area's image and make it more appealing;
- The redesign and realignment of the Colley and Brambleton intersection as the main gateway entrance into Atlantic City;
- A new gateway entrance at Second Street, to serve residential development at the eastern end of the site near the waterfront;
- Improvements to Colley Avenue south of Brambleton Avenue, including street widening, landscaping, and walkways;
- Public access and amenities along the majority of the available waterfront;

- Views from the intersection of Colley Avenue and Front Street of the Elizabeth River and the far shore of Portsmouth;
- Opening up north/south roadways to views of the Elizabeth River;
- Strategically located structured parking to support the proposed development;
- Small, scattered concentrations of fully landscaped surface parking, where necessary;
- A full mix of land uses, including residential, public, hotel, office, civic, and government space;
- A public/civic/cultural center near Fort Norfolk;
- A public marina;
- Streetscape improvements throughout the site;
- Open space/park and trail improvements throughout the site, but primarily along the waterfront;
- Enhanced wetland improvements in and/or near Plum Point;
- The elimination of secondary access/service roads parallel to Brambleton Avenue; and
- Improved stormwater control and minimal pollution discharge.

According to the city, as mitigation for up-river shipyard expansion and improvements occur, the Virginia Port Authority is proposing substantial improvements to Plum Point that would create open space for a park. Wetlands would be enhanced and the site would remain a park in perpetuity.

The drawing on page 28 illustrates how the existing street pattern can be filled in and extended into a more complete grid that could strengthen the urban fabric of the community. It shows, for example, how the street pattern could follow the water's edge and thereby allow for housing construction along an urban waterfront street. Alternatively, the proposed conceptual plan shows pedestrian-only access along the waterfront.



Access and open space.

Planning and Design Recommendations

Residential Uses

Approximately 500 to 700 residential units can be accommodated within the property in the areas designated for residential use. These units should be located in mid-rise structures ranging from three to five stories in height. When market demand calls for additional residential development, it should be accommodated in taller buildings on the north side of Front Street supported by structured parking.

Medical/Office Uses

Further development of medically oriented uses south of Brambleton Avenue consistent with the medical area master plan is supported to a certain degree. The panel feels, however, that the continued expansion of the regional medical center complex to the southeast of Brambleton Avenue would be detrimental to the proposed development's urban waterfront village character. It therefore recommends that medical facilities be restricted to the area bounded by Brambleton, Colley, Southampton, and Riverview avenues.

A Continuing Care Retirement Community

Developers with an option to purchase the former Dixie Jute Manufacturing site have proposed the construction of a 14- to 16-story CCRC that would contain 300 independent care apartments, a parking structure, and common areas. Residents

A network of new and existing streets for Atlantic City.

would pay a one-time entrance fee as well as ongoing monthly fees in exchange for the lifetime use of an apartment with excellent amenities and on-site security. The development of this CCRC would provide the critical mass needed to initiate additional projects in Atlantic City.

Hotels

The panel's proposed conceptual development plan designates hotels on two sites. The panel recommends that the first of these—a 150-room, three-story extended-stay hotel—be located on the NOAA property along Brambleton Avenue. A hotel on this site would help solidify the eastern end of Atlantic City. The hotel would serve the medical community and also would accommodate overflow hospitality demand from downtown.

Current market conditions support the development of an extended-stay hotel. This hotel should be built early in the redevelopment process, soon after the new gateway at Second Street is completed. The panel recognizes that the timing of such a development in this location and the necessary approvals and exchanges with NOAA are significant—but not insurmountable—issues.

The second hotel would be developed much later, should the J.H. Miles Company industrial facilities at the western end of Atlantic City cease operations. At that time, the site is expected to offer the last major waterfront promontory close to downtown. This could be a five-story destination hotel with approximately 300 rooms and limited meeting facilities. The panel also suggests that a signature restaurant with impressive views across the Elizabeth River be developed at this site, which then would become the major public anchor for Atlantic City, particularly when it is developed in conjunction with a new parking garage, a cultural center, an extensive public marina, and the historic Fort Norfolk.

Parking

The panel recommends incorporating sufficient parking to meet the needs of new development with a combination of off- and on-street parking for the area's residents, workforce, and visitors. (Enough parking should be supplied to meet de-

mand, which typically is 1.5 to 2.0 spaces per unit for residential use.) Consolidating many of the area's surface parking lots into public/private parking structures in strategic locations will be critical to the image of the proposed urban village. On-street parking will contribute to the area's character and identity as an urban village and will support the creation of an active street life. Although the panel is promoting the consolidation of surface parking, several existing surface lots will remain for a period of time. Any new surface lots should be small, in scattered locations, and well landscaped.

Support Retail and Service Uses

The panel recommends the integration of a modest level of support/convenience retail services in residential areas and other strategic locations. These uses will serve the on-site population as an amenity, along with other proposed uses, such as the Elizabeth River Trail and the public square and marina. The panel suggests concentrating these retail services at the intersection of Colley and Woodis avenues and along Colley Avenue between Front Street and the proposed Atlantic City promenade.

Open Space and Trails

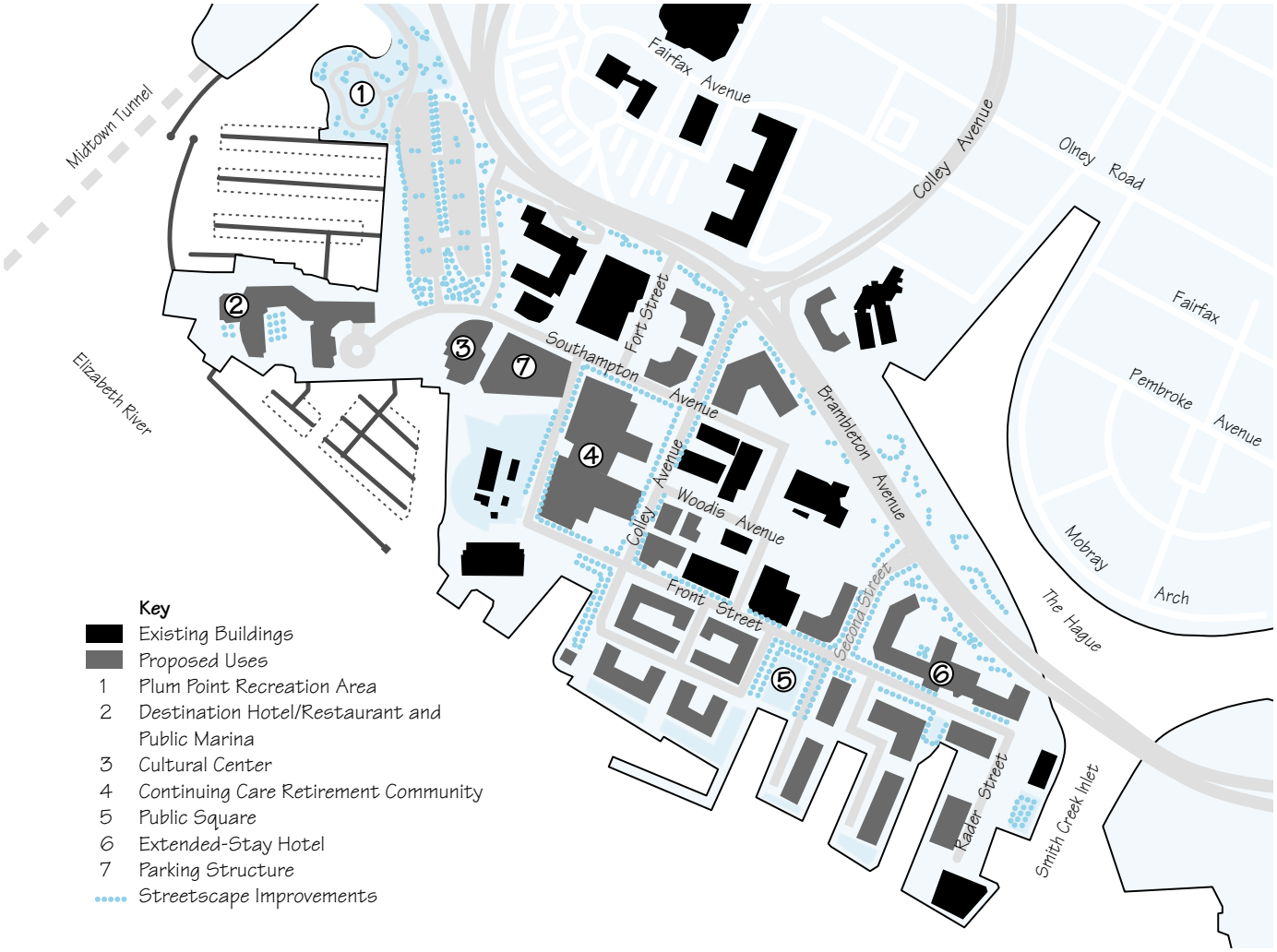
The proposed conceptual plan includes a system of open spaces incorporating the Elizabeth River Trail to provide linkages throughout the Atlantic City area and connections to adjacent portions of the city of Norfolk. The plan proposes improvements to Plum Point as an open space and passive park, as well as a strategy for integrating portions of the adjacent waterfront into the park as habitat and wetland mitigation receiving areas that ultimately could be incorporated into an interpretive educational experience.

Starting with the extension of the Elizabeth River Trail from Plum Point, the primary pedestrian systems should pass adjacent to the public marina and into a centralized public square on the waterfront. This major space could serve several functions: as a public gathering place and an icon for the Atlantic City waterfront, as well as a setting for a cultural arts center, offices for the Norfolk Historical Society (which oversees the care and operation of Fort Norfolk), and an interpretive center for Fort Norfolk and the U.S. Army Corps of Engineers.

Above: The J.H. Miles Company operates a seafood packing plant located at the westen end of Atlantic City. The panel identified this site as a potential location for a hotel and marina. Left: Panel Chair John McIlwain (left) discusses the proposed conceptual development plan with community representatives.

The public trail system should continue around Fort Norfolk with new sidewalks along improved streets, proceeding to the southern edge of the waterfront properties and continuing along the waterfront, thus providing public access to almost 80 percent of the waterfront. This public routing also respects the requisite security needs of the Corps of Engineers. Secondary walkways near the future public marinas would provide continuous access around the hotel that the panel suggests be developed in the future on the J.H. Miles Company parcel at the western end of Atlantic City.

A variety of spaces of differing sizes and uses designed to provide interest for residents and visitors should be set along the waterfront promenades. A centrally located, larger public open space along this promenade should be placed at the terminus of the new entry from Brambleton Avenue at Second Street. This multifunctional space should be proportioned to ac-



Conceptual plan with proposed urban village along the waterfront.

commodate temporary as well as permanent activities. It would benefit greatly from a strong outdoor arts program that would enhance the pedestrian experience and support regional artists.

Additional Elizabeth River Trail connections will be needed beneath the Brambleton Avenue bridge at the eastern abutment, to connect to the walkway created along the linear open space area across from the Ghent neighborhood. Another critical connection will be walkway alternatives for pedestrians headed downtown. Options for this connection include either an eight-foot walkway adjacent to the Brambleton Avenue bridge or a new pedestrian bridge aligning with Front Street and crossing the Smith Creek Inlet.

The nature and character of this pedestrian bridge would be similar to the existing bridge connection from downtown to Ghent near Drummond Street and The Hague. Finally, the improvement schedules for all internal streets should include adequate sidewalks for pedestrian movement throughout Atlantic City.

Cultural Facilities

Fort Norfolk is a significant historic resource, and the city should promote greater public use of it. The conceptual development plan identifies an opportunity to expand on this cultural offering by creating a cultural center at a future date. This cultural center could house the Norfolk Historical Society offices, as well as exhibits about Fort Norfolk and the history of the U.S. Army Corps of Engineers, and administrative offices for other cultural organizations.

Industrial Uses

The J.H. Miles Company is a successful clam processing business employing approximately 80 people. Its operations at the site are expected to continue for the foreseeable future. Should this business cease operations at some later date, however, its site will offer an opportunity for the development of a signature hotel and public marina,

once environmental constraints have been addressed.

Light-Rail Transit

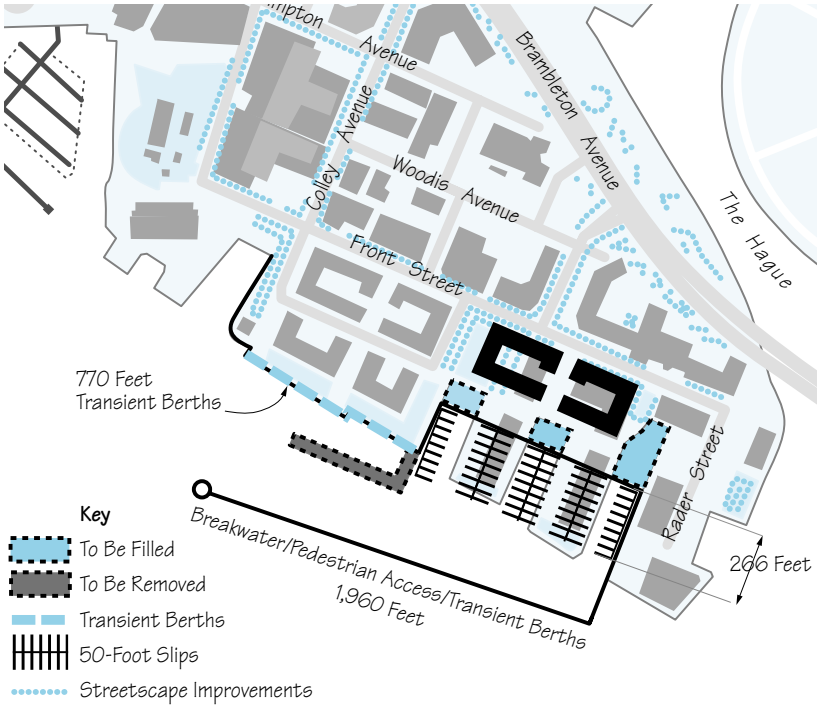
The city of Norfolk, in conjunction with Hampton Roads Transit (HRT), has studied the feasibility of incorporating a light-rail transit (LRT) system within the fabric of the city. The western terminus of the proposed LRT would be located in Atlantic City or at the regional medical center complex. The panel's conceptual plan does not preclude LRT, but the panel does not find it to be critical to the successful development of Atlantic City.

The proposed alignments studied by HRT are problematic in that they do not anticipate the level of overall development that the panel believes could occur on the site. The proposed LRT alignment is detrimental to the creation of the second gateway at Second Avenue. This new entry will be critical to positioning the properties for successful development. The panel feels strongly that LRT should connect or terminate at either a major employment center or a public facility.

If a light-rail transit system is developed, the panel recommends that it follow Brambleton Avenue (preferably on the north side) and be routed more directly into the core of the regional medical center complex, thus bypassing the Atlantic City area. Alternatively, the LRT alignment could enter Atlantic City from the east along Brambleton Avenue and follow Southampton Avenue to a terminus near the intersection of Riverview Avenue. (For further discussion of the LRT, see the appendix.)

Phase I Marina Option

The panel presents a Phase I marina option as an alternative to its preferred conceptual plan. This alternative provides for residential development consistent with the panel's vision but also includes a marina element in the first phase of development. Compared with the proposed plan, the initial residential development in this alternative would contain 50 to 100 fewer units, to accommodate the marina basin and the slightly enhanced open space surrounding the marina.



Phase I marina option.

The panel supports this option only if the city makes the economic development decision to include a marina in the initial development phase. Including a marina will require the construction of a breakwater, reconfiguration of the shoreline, and minor restructuring of the proposed residential development. The basic elements are described as follows.

The marina would require wave protection from wind-generated waves and wakes produced by vessel traffic. This option thus must include the construction of a new breakwater that would stretch from the Pier condominiums to the beginning of the property owned by the U.S. Army Corps of Engineers. The new breakwater likely would be of sheet pile construction. The breakwater crown or cap would be wide enough to accommodate public pedestrian access along its entire length and thus would provide enhanced public access along the riverfront. The interior side of the breakwater would accommodate a long dock, with gangway access for the berthing of transient boaters. The exterior of the breakwater could be designed to accommodate water taxis, harbor excursion vessels, or temporary moorage during fair weather.

The existing water areas that form the largely abandoned berths would be partially filled and excess land areas excavated to create a new shoreline edge completely parallel to the river. The newly configured shoreline edge would be stabilized with a bulkhead wall, a revetted slope, or a combination of the two. The reconfiguration of the shoreline would replace the reconstruction of the existing bulkhead walls that would be required to stabilize the existing shoreline for the proposed redevelopment. It is important to point out that if the existing shoreline edges are stabilized for the proposed landside redevelopment, the resulting water areas will have limited usefulness other than their visual appeal.

The illustration on page 31 shows a marina layout that easily would accommodate approximately 100 50-foot slips. The final marina configuration, including the quantity and sizes of slips, would be determined during the preliminary design phase, with the help of supporting market demand analyses. Planners also should consider transient boater demand, permanent slip rentals, and the potential inclusion of slips for the adjacent condominiums. The configuration of the long docks for transient or special-purpose berthing is very flexible and can be extended along the remaining shoreline edge as shown in the site plan.

The landside support requirements for the marina alternative include a nominal supply of parking; office space for marina operations; restroom, shower, and laundry facilities for boaters; and connections to landside transportation systems. These facilities can be incorporated easily into the residential development and can be designed to serve the general public as well as boaters. Boaters also would enjoy easy access to marine-related retail and repair services, fueling services, and shops and restaurants as ancillary land use opportunities.

The keys to the implementation of this alternative include:

- The city's desire to include a marina and waterfront open-space element and its ability to participate in funding the marina infrastructure (including the breakwater, the promenade, and the shoreline reconfiguration);
- The property owners' desire to include a marina and to allow their properties to be reconfigured;
- The willingness of all parties to work with a marina operator and to facilitate the use of and public access to the marina;
- An agreement among the city and the landowners regarding ownership or leasehold issues, marina operations, and revenues; and
- A more active waterfront experience and additional opportunities for public access.

The panel presents this option for the landowners and the city to consider if they identify a marina as a valuable amenity to be included in the early phases of redevelopment. This alternative will become viable if the city is able to participate in funding the relatively expensive infrastructure with long-term, low-interest financing. Marina revenue streams then could be directed to the retirement of this debt.

Implementation

Implementation of the proposed plan will be challenging. The panel believes that the best way to manage the site's constraints is with a deliberate and open process through which a partnership is formed among landowners and the public sector.

As noted earlier, the study area's major constraints include multiple property ownership, limited infrastructure, the need for shoreline reconstruction, the potential need for environmental remediation, the need to develop a sense of place and a market for the improvements, and the lack of financing mechanisms to fund the necessary infrastructure improvements. The panel believes that a committed public/private partnership can overcome these challenges over time. To create this partnership, the panel recommends that the city of Norfolk create a series of redevelopment tools.

Create the Conceptual Plan

The Fort Norfolk Business Improvement District

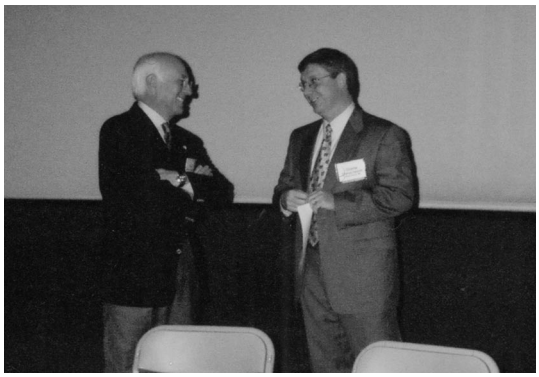
The panel recommends that the various stakeholders in the study area form a voluntary civic association. Because the panel has suggested that the area be renamed Fort Norfolk, in this report it will refer to this association as the Fort Norfolk Business Improvement District (FNBID). Members would include landowners and tenants of properties in the study area as well as other interested parties, such as representatives of the city of Norfolk, residents of Ghent, representatives of the Norfolk Historical Society, and so forth.

The FNBID would operate like other business improvement districts around the country. It would raise limited funds through assessments of its members, enabling it to support a limited staff. Among the services the FNBID could provide would be marketing the site and its urban village concept to the larger Norfolk and Hampton Roads community as a desirable place to live and work. It could undertake various improvements that would enhance the area's quality of life and raise its profile in Norfolk. These actions could include installing signage along Brambleton Avenue and within Atlantic City, cleaning up the waterfront, and promoting Fort Norfolk as a cultural and historic center for the city. The FNBID also could provide ways for stakeholders to support the redevelopment of the study area in partnership with the city and landowners.

As an alternative to the creation of a business improvement district, city staff has suggested the possibility of forming a property owners committee or association that would include the participation of city staff and Norfolk Redevelopment and Housing Authority (NRHA) officials. This group's initial marketing of the study area could utilize the "Come Home to Norfolk NOW" program.

The Fort Norfolk Development Authority

The panel recommends the creation of an independent authority for the redevelopment of the study area, which it will refer to here as the Fort Norfolk Development Authority (FNDA). The FNDA could be a subsidiary of the NRHA or an independent authority. The panel recommends that the FNDA have a small but dedicated board to provide vision and oversee its functions, as well



Panel members Arthur Sonnenblick (at left) and Charlie Hewlett discuss the panel's recommendations.

as a small (one- or two-person) staff. Initial funding would come from revenues raised from a special tax district (see below) and, later, from the authority's financing activities.

One of the FNDA's first tasks should be to conduct one or more public hearings (perhaps in partnership with the FNBID) to gain input on the recommendations contained in this report. The panel recommends that the FNDA hire a consulting team to review the panel's report and the results of the public hearing(s), and to provide additional details regarding matters such as the cost of infrastructure improvements, design standards, the costs of environmental remediation, and so forth. As redevelopment proceeds, the FNDA's role will be to review and oversee property owners' plans for development, to finance infrastructure improvements, and to provide gap financing where appropriate.

A Special Tax District

The panel recommends that the city create a special tax district for the study area. This would enable the use of property taxes assessed within the district to fund improvements within it. (The city will need to explore its legal authority to create this and any other suggested funding vehicles.)

Initial additional revenues would be used as startup funding for the FNDA. Thereafter, the FNDA would determine how revenues would be used. For instance, they could be used to fund required infrastructure improvements, such as laying new water and sewer lines, redirecting streets, installing streetscape improvements, and conducting environmental remediation and installing bulkheads along the Elizabeth River shorefront.

The panel recommends that the FNDA be given the power to use several tax-oriented financing tools. These would include tax increment financing (TIF) and tax incentives or abatements. As development proceeds, TIF will be able to finance substantial improvements to the study area through incremental tax increases.

In 2001, the assessed value of the study area was $11,115,170 and the area produced tax revenues of $155,612. The panel anticipates that the assessed value of the real estate in the study area upon completion of all redevelopment could exceed $300 million (in current dollars), which, at the current mill rate, would produce over $4.2 million of tax revenue each year.

The panel estimates that the revenues from redevelopment of the study area (over and above current property tax revenues) could support at least $20 million of TIF bonds. The proceeds then could be used to pay for infrastructure improvements and to support the redevelopment of properties in the study area. The panel notes, however, that the city can and should explore other financial support options.

The Fort Norfolk Design Overlay District

The panel believes that the value of the study area's redevelopment will be heavily dependent on the creation of an overall, coherent design context. If individual properties are developed without reference to an overall design, the value of each property will be significantly less than it would be if the area is developed with a coherent theme and feel. Overall presentation adds perceived value, both in real dollars and in the sense of community that is created.

Furthermore, the panel strongly believes that the study area is an important asset to the entire Norfolk community, and recommends that it be developed in a manner that supports both the maximum value of the individual properties and the value of the area as a whole to the entire community. The panel believes that these goals are largely consistent and, in fact, support each other.

To achieve these twin goals, the city must take a holistic approach. To closely control development in the study area, the panel recommends the creation of a Fort Norfolk Design Overlay District (FNDOD) or a careful rezoning in accordance with an overall design and use plan. Overlay districts generally are established for one or more of the following reasons:

- To maintain a consistent character throughout a neighborhood or district;
- To preserve an area's historic character;

- To maintain property values and public investment;
- To control height, bulk, and scale, which affect neighboring land uses; and/or
- To reduce concentrations of high-traffic generators in areas where the transportation system may be overwhelmed.

The design and use standards set out in the FNDOD would be mandatory.

The FNDOD (or a carefully structured rezoning at the block level) will allow for the establishment of design and use standards to create a central design theme for the study area that will promote orderly development. The use and design of each property will affect other properties in the study area, and changes from the adopted overall plan should be discouraged. Individual properties must work as a unit if the district is to be transformed from its current land use configuration and function as an industrial area to a cohesive new mixed-use community.

The value of a design overlay district is that it can be defined in a document that paints a clear picture of how the area ultimately will be developed. The district should set design and use standards —in addition to those set out in the current D-5 zoning district—to bring about the desired results. (The term "overlay" means a series of standards that are added to or overlay the current standards.) The panel notes that the existing D-5 zoning district covers many of the following items but should be refined once a detailed development plan is established.

The FNDOD's critical design standards should address the following issues:

- Bulk, mass, and height;
- Shadowing;
- Density;
- Visual references;
- Parking;
- Public access;
- Pedestrian access and flow;
- Landscaping;
- Relationships with the waterfront and the regional medical center complex; and
- Resonance with the site's historic past.

These standards should work in harmony to create an overall desirable environment. Regardless of the design control approach taken, the design standards adopted should address the following elements (some of which are currently restricted by the D-5 zoning):

- *Off-Site Parking.* The best way to maximize parking efficiencies in a shared-use district is by allowing off-site parking to satisfy at least some of a project's parking requirement.
- *Eating/Drinking Establishments.* While the district will not support large investments in restaurants and bars, some such uses may be desirable for the community.
- *A Community Garage/Lot/Deck.* Provisions should be made for structured parking for multiple users.
- *An Amphitheater.* While the panel does not envision a full amphitheater in the area, some type of outdoor venue for small concerts or events may be desirable, making the current restriction on such uses problematic.
- *Commercial Recreation and Commercial Outdoor Recreation.* Some small recreational facilities, such as boat tours or children's play areas, may be desirable.
- *Parks/Playgrounds.* The need for open space, passive recreation, the pedestrian promenade, and the eventual use of Plum Point may require these land uses to be permitted outright.
- *A Continuing Care Retirement Community.* This should be included as a permitted use.

Develop the Site

Partnership Agreements

The panel recommends that the redevelopment of the study area proceed in phases over the next 15

Figure 2
Atlantic City Redevelopment Phasing Program

Organization	Planning
Phase I: Organizational/Planning/Public Process	
• Create business improvement district (BID) • Form development authority • Create special tax district • Create design overlay district	• Obtain shoreline improvement permits • Complete site master plan • Conduct needed environmental reviews
Phase II: Predevelopment and Financing	
• Review development proposals • Update parking and master plan as needed	• Plan for future cultural center • Create outdoor/public arts program for district
Phase III: Development	
• Update master plan as needed for west end sites • Update BID as needed for west end projects • Modify design overlay district as needed • Review parking supply and demand for district	• Complete programming for cultural center and Fort Norfolk • Plan for Plum Point uses
Phase IV: West End Site Opportunities	

Public Improvements	Private Improvements
• Reconstruct intersection at Brambleton and Colley avenues • Begin shoreline improvements • Improve Colley Avenue and Front Street • Construct signalized intersection at convergence of Brambleton Avenue, Second Street, and Woodis Avenue • Construct infrastructure to sites as development plans proceed	• Develop continuing care retirement center
• Complete shoreline improvements (except for west end properties)	• Construct initial residental development • Construct extended-stay hotel
• Complete shoreline improvements for west end properties • Construct roadway improvements on Southampton Avenue • Construct cultural center • Complete pedestrian promenade and Elizabeth River Trail through site • Reconstruct Riverview Avenue • Construct parking garage for shared use (U.S. Army Corps of Engineers, Fort Norfolk, cultural center, CCRC), possibly with private sector	• Construct additional residential units • Construct medical office/biotech facilities
• Complete any additional internal roadway improvements • Construct interpretive center near Plum Point	• Construct infill developments in center of site • Construct high-end hotel, marinas, and recreational open space at Plum Point

years. The panel believes that this can be accomplished only by a committed and proactive public/private partnership of local landowners, the city of Norfolk, and the city's agencies. The panel recommends that the primary agent for the city of Norfolk in this partnership be the FNDA, which would oversee both the special tax district and the design overlay district and provide financing for infrastructure and other improvements. (The city will review all development proposals for compliance with the zoning ordinance.)

The FNDA will be only one half of the partnership; the owners of the various parcels of land in the study area will make up the other half. Each landowner will need to be responsible for the development of his or her own parcel, in accordance with the overall design for the area. To enhance this partnership, the panel recommends that the FNDA review each proposed development for conformity with the FNDOD.

When these proposals are in accordance with the approved design concept set out in the FNDOD, the FNDA would finance and build the required infrastructure improvements. Landowners who undertake improvements that are consistent with the overall design concept, to the extent that they are developing by right, would be able to proceed with development.

For example, the landowner might submit a proposal for a continuing care retirement community on the Dixie Jute Manufacturing property. If, upon review, the FNDA determines that this proposal is consistent with the overall plan, the FNDA would fund the necessary infrastructure improvements. These might include widening roads and bringing water and sewer services down Colley Avenue to the site. For projects proposed along the waterfront, the FNDA might fund bulkheads and other water edge improvements.

Financing

The panel recommends that the initial infrastructure improvements be financed in several ways. The FNDA could raise the tax rate for the special tax district sufficiently to support either the direct funding of the improvements or the issuance of bonds. (The panel anticipates that, at least initially, the city of Norfolk may need to credit enhance bonds issued by the FNDA.)

An alternative method for funding initial improvements would be for the FNDA to borrow from the city of Norfolk, which could use its community development block grant (CDBG) funds. (Or the city could sell bonds under Section 108, so as not to have to alter its current use of CDBG funds. For Section 108 loan approvals requiring an alternative primary source of funds for repayment, that source would be the developer.) The FNDA would be able to repay the city from future property tax revenues that would result from the study area's redevelopment. Other available financing tools include industrial development and municipal revenue bonds.

The panel believes that after the first improvements are in place, property tax revenues will be sufficient to finance all additional infrastructure improvements, although the city will need to review all current statutory constraints. To reiterate, however, the panel strongly believes that the FNDA should pay for only those infrastructure improvements that support development that is consistent with the land use plan and the design concept, and the standards and uses set out in the Fort Norfolk Design Overlay District (or as stated in the rezoning of the study area).

Conclusion

The panel believes that the redevelopment of Atlantic City can be a self-financing project within 15 to 20 years. The necessary and extensive infrastructure improvements can be financed from the growth and value of the development of a mixed-use urban village.

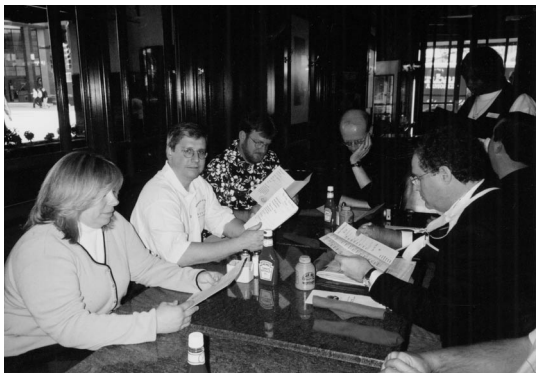
The opportunity exists to build an urban waterfront community that draws upon its unique locational advantages. This property is the last significant waterfront development opportunity close to downtown and will complete the waterfront improvements extending from Harbor Park Baseball Stadium to Plum Point.

The vision of a mixed-use urban village can be achieved if the community works together. Since most of the land is privately owned and the existing infrastructure requires significant public investment, the panel has proposed a public/private partnership and the establishment of a designated authority that will finance only projects that are consistent with the concept represented by a design overlay district.

The panel recommends development at a neighborhood scale. Buildings along the waterfront should not exceed five stories. Housing should be integrated with other existing and proposed land uses, including convenience retail and other businesses. Medical services should be located near the regional medical complex and Brambleton Avenue. Housing concentrated along the waterfront should increase in density toward the center of the site, creating a layering effect. Areas of open space and view corridors should safeguard river views.

The panel proposes the use of a well-defined streetscape and an extension of the existing grid pattern of streets to create a sense of place and an urban village environment. It proposes new and improved entrances to the site that will serve as gateways. One gateway should lead into the more residential area to the east; a second should be located in the center of the site, near the medical facilities; and a third should serve longer-term development in the western portion of the site.

Mayor Paul Fraim introduces the panel at the presentation.



Panelists meet to relax after the presentation. Seated, from left to right, are Linda Walchli, Charlie Hewlett, Tim Bazley, David Spillane, Jim Lawson, and David Scheuer.

The panel believes that the market will force development of Atlantic City, with or without the city's leadership. For this reason, the panel advises the city to take charge of the development process. The panel further advises landowners to work with the city to achieve a cohesive development plan for a new Atlantic City community, both for their own financial benefit and for the benefit of the entire city of Norfolk.

About the Panel

John K. McIlwain

Panel Chair
Washington, D.C.

McIlwain is the senior resident fellow, ULI/J. Ronald Terwilliger chair for housing at ULI–the Urban Land Institute. His responsibilities include leading ULI's research efforts to seek and promote affordable housing solutions, including development and housing patterns designed to create sustainable future environments for the nation's urban areas.

Before joining the ULI staff, McIlwain served as senior managing director of the American Communities Fund, a venture fund founded by Washington, D.C.–based Fannie Mae that is dedicated to investing in hard-to-finance affordable housing and retail development. In this capacity, he was responsible for structuring, underwriting, and closing equity investments in more than $700 million of residential and neighborhood retail developments in lower-income communities around the country. He also structured, negotiated, and closed more than $100 million in historic tax credit and inner-city equity investments funds with Lend Lease, AEW Capital Management, and the Community Development Trust. Before taking that position, he was president and chief executive officer of the Fannie Mae Foundation.

Prior to joining Fannie Mae, McIlwain was the managing partner of the Washington law offices of Powell, Goldstein, Frazer and Murphy, where he represented a broad range of clients in the single-family and multifamily housing areas. McIlwain also served as executive assistant to the assistant secretary for housing/federal housing commissioner at the U.S. Department of Housing and Urban Development. He began his career in housing as assistant director for finance and administration and deputy director of the Maine State Housing Authority.

McIlwain is a past president of the National Housing Conference, a Washington, D.C.–based umbrella organization for low-income and affordable housing issues. He also is a past president of the National Housing and Rehabilitation Association. McIlwain currently is vice president of the Center for Housing Policy and a member of the editorial advisory board of *Affordable Housing Finance* magazine. He serves on the boards of the Community Preservation and Development Corporation, the National Institute for Community Empowerment, and the Children's National Hospital Foundation.

McIlwain received a law degree from New York University, where he worked for the *New York University Law Review* and was a John Norton Pomeroy Scholar. He received a bachelor of arts degree, cum laude, from Princeton University, where he majored in philosophy.

Tim Bazley

San Pedro, California

Bazley is a senior civil engineer at the BlueWater Design Group. He is experienced in the planning and design of civil and public works engineering projects—including both new construction and rehabilitation—and in the management of large-scale, multifaceted waterfront development projects. Bazley's professional responsibilities have included the management and technical development of privatization projects, urban master plans and environmental impact reports, and construction documents. Bazley provides specialized knowledge of design considerations for infrastructure, marina, and resort facilities. He has completed numerous projects involving the planning, design, and management of marinas and complex waterfront public works projects.

Bazley's responsibilities have included multidisciplinary planning and technical supervision, overall

project planning, project team organization, directing subconsultants, project budget, and schedule control. He is noted for his project scheduling and monitoring expertise for the design of major facilities, and is experienced in the preparation of planning documents, design plans, specifications, and cost estimates.

Bruce Hazzard

Asheville, North Carolina

Hazzard, a principal with Design Workshop, has more than 20 years of experience in project management and consultant coordination. He typically is responsible for contract administration, project coordination, and personnel management. Hazzard also directs Design Workshop's quality management program.

While he specializes in construction drawings, contract administration, and observation, his expertise also includes overseeing projects from planning through construction, with a focus on firmwide quality control and contracts management. Hazzard currently is serving as principle-in-charge of the Aspen Springs Ranch project.

Hazzard is a registered landscape architect in Texas, Arizona, Illinois, Indiana, North Carolina, and California. He also is a nationally certified construction document technologist, specifier, and construction contracts administrator.

Charles A. Hewlett

Washington, D.C.

A senior vice president in the Washington, D.C., office of Robert Charles Lesser & Co., LLC, Hewlett has more than 20 years of experience in real estate. He has consulted on a broad spectrum of commercial and residential properties, including rental apartments, condominiums, and single-family dwellings; master-planned residential communities and resorts; public housing, low-income tax credit, and other assisted housing developments; hotels; urban redevelopment and mixed-use complexes; and retail projects, office buildings, and business/industrial parks. Hewlett's consulting activities include a full range of strategic planning and consumer research, market and financial feasibility, demographic and economic forecasting, product planning, and market opportunity analysis.

Hewlett has managed and conducted assignments in most major real estate markets in the Northeast, Mid-Atlantic, South, Midwest, Southwest, and southern California. His areas of specialization include corporate strategic planning; multifamily housing market analysis; urban core development theory; metropolitan economic and market opportunity overview analysis; market analysis for large-scale residential, mixed-use, office, and industrial developments; fiscal impact modeling; financial analysis and valuation; product program positioning and market feasibility; consumer research and product program refinement for commercial and residential developments; strategic planning for homebuilders and diversified real estate companies; and privatization of public housing. As project director and analyst, Hewlett's role in consulting engagements involves the management of market research efforts and consultant teams, public policy research and analysis, real estate product programming, market positioning and strategy recommendations, and client relations and presentations.

Before joining Robert Charles Lesser & Co., Hewlett was president of Lofty Builders, Inc., a real estate service company concentrating on the renovation, rehabilitation, and management of investment real estate properties in the Boston metropolitan area. He is a graduate of Brown University and has conducted training seminars on metropolitan development trend analysis methodology for regional branch offices of major national commercial developers.

Hewlett has served on past ULI Advisory Services panels, including one that examined the redevelopment of the Southeast Federal Center in Washington, D.C. He is the author of articles published in the *Corridor Real Estate Journal*, *Urban Land* magazine, and publications of the National Multi Housing Council (NMHC). He is a member of NMHC and the National Association of Housing and Redevelopment Officials (NAHRO).

Jim Lawson

Little Rock, Arkansas

Lawson is director of planning and development for the city of Little Rock, Arkansas. As director of the department—which has a staff of more than 50 people and an annual budget of over $2 million—he oversees the planning of newly developing areas as well as the redevelopment of older areas of the city. Lawson's significant tasks include zoning and subdivision activities, downtown planning and redevelopment, neighborhood planning, annexations, growth management, and building code review and approval. He also serves as secretary of the planning commission. Some of the notable projects on which Lawson has worked recently include the development of the River Market Entertainment District and the William Jefferson Clinton Presidential Riverfront Park.

Lawson has been with the city of Little Rock for over 28 years. He has held many positions there, including senior planner, advance planning manager, director of the office of comprehensive planning, director of neighborhoods and planning, and interim assistant city manager. Lawson also has served as a private consultant to many cities in Arkansas. He has written comprehensive master plans and master street plans, has testified as an expert in many court cases, and has conducted workshops for planning commissions throughout the state.

Lawson is a member of the American Planning Association and has held many offices, including president in the state chapter. He has a BA degree from Arkansas State and a master of urban and regional planning from Texas A&M University.

David Scheuer

Burlington, Vermont

Scheuer has more than 20 years of experience in the real estate and construction industry. He has developed several award-winning residential, mixed-use, and commercial projects. He founded the Retrovest Companies in 1978 and is responsible for providing the leadership and expertise that have resulted in Retrovest's strong reputation and success.

Scheuer attended the University of Colorado, where he majored in U.S. History and was an All-American Skier. He was a member of the U.S. Alpine Ski Team from 1970 through 1975. Scheuer did graduate work in resource and land economics at the University of Vermont. He formerly served as vice president of the Home Builders' Association of Northern Vermont; national director of the National Association of Home Builders; board director and vice-chair of the building committee of the Flynn Theatre for the Performing Arts; board member and chair of the public affairs committee of the Preservation Trust of Vermont; and vice president of Washington, D.C.–based Preservation Action, Inc. He currently serves on the board of the Fund for Vermont's Third Century.

Scheuer is an active member of both the Urban Land Institute and its Public/Private Partnership Council, and a founding member of the Congress for the New Urbanism. He is a member of Lambda Alpha, the international land economics honorary society, and also serves as an adviser to Vermont Governor Howard Dean on housing and land use issues.

Arthur Sonnenblick

New York, New York

Sonnenblick is currently a senior managing director of the Sonnenblick-Goldman Company. He served as the firm's president from 1978 through 1987 and as its CEO from 1978 through 1995. He is a member of the Urban Land Institute and the International Council of Shopping Centers. Prior to joining Sonnenblick-Goldman in 1959, he was a homebuilder in Pompano Beach, Florida. He has lectured at the Urban Land Institute, the Practicing Law Institute, the International Council of Shopping Centers, the National Association of Home Builders, the New York chapter of the American Institute of Appraisers, Columbia University, Fordham University, and New York University. From 1979 through 1983, Sonnenblick was a partner and member of the board of Lehman Brothers. He is a past president of the Mortgage Bankers Association of New York and a past

member of the board of governors of the Real Estate Board of New York. He also is a member of the board of directors of Alexanders, Inc. Sonnenblick is chairman of the board of trustees of the Educational Alliance. He holds a bachelor of science in economics from the Wharton School of Finance and Commerce of the University of Pennsylvania and served in the U. S. Navy as a lieutenant, junior grade, from 1953 through 1957.

David Spillane

Boston, Massachusetts

Spillane is director of planning and urban design at Goody, Clancy & Associates, a 110-person architecture and planning firm based in Boston. His work focuses on the reuse and redevelopment of urban waterfronts and downtowns, major development projects, and heritage planning. Spillane has led projects on behalf of federal, state, and municipal governments as well as institutions, public/private partnerships, developers, and community groups. His work places considerable emphasis on community-based visioning and public workshops as tools for shaping consensus on planning goals and priorities.

Spillane's recent waterfront work includes diverse efforts ranging from communitywide master plans to specific development proposals and water transportation strategies. Major projects on which he has worked within Boston and throughout New England have combined tourism and recreational uses with the renewal of traditional waterfront industries and uses. He wrote about his work on the New Bedford, Massachusetts, waterfront for the November/December 2000 issue of *Urban Land* magazine. Spillane presented this work at the 19th International Waterfronts Conference in October 2001.

He prepared a vision for the Quonset Point waterfront in Rhode Island that contributed to winning voter support for a major program of infrastructure improvements. Spillane also prepared a master plan for the New Hampshire Port Authority's facilities in Portsmouth's historic downtown. He has been responsible for several major studies related to water transportation, ferry services, and recreational piers. His firm's recent waterfront work also includes projects in Waikiki, Hawaii; Boston's Charles River Basin; and Concord, New Hampshire's riverfront. Spillane currently is working on a plan for the renewal of Boston's Fort Point Channel, a mile-long former industrial waterway at the edge of the downtown that was featured in the September 2001 issue of *Urban Land*.

Spillane has worked on major projects involving the reuse and redevelopment of large former industrial properties and military facilities, including reuse planning for the 30-acre Watertown Arsenal site near Boston, a proposal for redevelopment planning for the 5,000-acre former Fort Devens property in Massachusetts, a reuse plan for the 1450-acre South Weymouth Naval Air Station property, and a reuse plan for the Stratford Army engine plant in Connecticut. On behalf of the Richard E. Jacobs Group, he prepared the plan for the Chagrin Highlands corporate community in Cleveland involving master planning, site design permitting, and development of design guidelines for a 600-acre site. The project will support over 4 million square feet of new uses and a new highway interchange, and involved consensus building and permitting in four Ohio communities.

Spillane's work has been recognized with multiple awards from the American Planning Association and the American Institute of Architects.

Linda K. Walchli

Seattle, Washington

Walchli is a senior associate with TDA, Inc. Her project experiences span a variety of specialty transportation issues. She has been involved with master planning for two planned-unit developments that include commercial and recreational facilities and planned populations of more than 10,000 people. Walchli has extensive experience with environmental and growth management law issues in Washington and California.

Walchli's work includes studies for the Central Waterfront Project and Pier 48 in Seattle (two projects that considered areawide parking, traffic, access, and truck circulation issues as well as cruise ship activities, pedestrian circulation, and

staging and customs for vehicle ferries). She also has conducted transportation planning for various resort and recreational facilities—including access, parking, transit, and pedestrian concerns for Denali National Park, Alaska; Pro Player Stadium in Miami, Florida; Copper Mountain Ski Resort, Colorado; Crystal Mountain Ski Resort, Washington; and a luxury resort area on the east coast of Malaysia.

Walchli has collected parking demand and utilization data for major retail shopping centers in Washington, California, and Hawaii. She also has reviewed parking demand related to special events, such as baseball and football games. Other special parking studies she has undertaken considered demand for parking at golf driving/education centers, IKEA stores, art museums, and universities. Walchli has conducted detailed reviews and monitoring of project mitigation rules and fee requirements, studying jurisdictional rules and requirements, legal issues, political implications, payment amounts, mitigation costs, fair share amounts, and collection schedules for accuracy.

Walchli received a BA from the Jackson School of International Studies at the University of Washington and has undertaken coursework for an MS in transportation there.

Appendix

The information contained herein is provided as further detail and elaboration on previous statements, conclusions, and recommendations contained in this report. This appendix deals with transportation-related issues and includes discussions of the nearby traffic system, regional traffic pressures, characteristics of a proposed cruise ship terminal, the light-rail system currently being considered by Hampton Roads Transit, and alternatives to light-rail transit.

The Nearby Traffic System: Brambleton Avenue

Brambleton Avenue serves as the primary east/west connection for regional traffic crossing Norfolk. The recent reduction in capacity along Waterside Drive and Boush Street has pushed higher volumes of traffic onto Brambleton Avenue.

This road serves several important user groups in the vicinity of Atlantic City:

- Regional traffic;
- EVMS/regional medical center complex traffic;
- Local traffic (those already living and working in Atlantic City); and
- Local Norfolk traffic.

As the area is redeveloped, new users will travel to and along Brambleton Avenue to reach work, shopping, recreation, education, and other sites. These new users will include:

- New residents;
- New office/medical office workers;
- The general public (to access the promenade and the Elizabeth River Trail);
- Visitors to Fort Norfolk and the cultural center; and
- Hotel guests and employees.

Today, Brambleton Avenue acts somewhat like a barrier, insulating and cutting off Atlantic City from the rest of the region. Travel along the street typically is at high speeds, with some reduction in speed at Colley Avenue.

The following actions could reduce future traffic concerns along Brambleton Avenue in the area near Atlantic City:

- Reconfigure the intersection and signal at Brambleton and Colley avenues as needed to serve Atlantic City development projects.
- Add a second signalized intersection along Brambleton Avenue, near Second Street and Woodis Avenue, to provide sufficient turning capacity.
- Improve the existing right-in/right-out access at the intersection of Brambleton and Riverview avenues.
- Directly connect the existing pedestrian bridge to buildings and garages to reduce at-will pedestrian crossings of Brambleton Avenue (which are dangerous, but common).
- Consider the use of brick and cobblestones—which reduce vehicular speeds—on Atlantic City streets.
- Allow on-street parking within Atlantic City, to reduce the perceived width of roads and reserve street capacity for special event needs.
- Provide sufficient parking to meet realistic needs. Those in Atlantic City have nowhere else to park, and will continue to own cars whether or not they use them for all of their daily trips. The parking supply also will affect residential values and project financing.
- Provide shared parking where feasible.

Regional Traffic Pressures

Congestion in the Midtown Tunnel, through downtown, on I-264, and along Hampton Boulevard affects conditions on Brambleton Avenue. The proposed light-rail transit (LRT) system may further reduce vehicular capacity on the road. Some drivers have no other viable east/west travel choice. Others travel the route by habit. Traffic and congestion therefore will continue to grow along Brambleton Avenue, with or without the redevelopment of Atlantic City. Widening Brambleton probably will not help; at some point, providing additional lanes just creates more weaving problems and choke points.

To provide sufficient access to the Atlantic City area—and to identify traffic relief avenues away from Brambleton Avenue—the city must conduct a citywide transportation study and aggressively pursue funding for east/west roadway improvements. It also must pursue transportation demand management measures with major institutions to provide their employees, students, and visitors with alternatives to driving to work alone. These efforts already have begun. Participation may come from the regional medical center complex, companies located downtown, public employees, Old Dominion University, Norfolk State University, and military, shipyard, and port employees.

The Proposed Cruise Ship Terminal

When Norfolk is ready to move forward with major investment in a home-port cruise terminal, it should consider seriously the costs and operational requirements of such a facility. A review of these requirements leads to an understanding of why such a facility is not compatible with the other uses planned in Atlantic City. As mentioned previously, the panel is aware of the 2001 Bermello, Ajamil & Partners study, which offered the city suggestions about how to allocate resources for maintaining and expanding cruise ship activities in the city and the region. In contrast, the panel considered cruise ship activities only as a potential component of the redevelopment plan for Atlantic City. Some general discussion provides a context for the panel's consideration of this potential use.

The panel estimates that the landside facilities necessary to support a home-port cruise ship program could require ten to 15 acres, which is one third to one-half the land area of Atlantic City. The following discussion of a typical home-port call day explains why so much land is needed and why this is not an appropriate use for Atlantic City.

Fifty or more trucks begin visiting the site early in the morning, often off-loading their goods onto the dock and then departing. These trucks require access to the dock. To allow for adequate turning, a minimum dock and pier width would be about 55 to 60 feet. (Some cruise terminals have narrower piers. Some of these terminals have two access points, so that trucks can drive straight onto and off of the site. Others have storage space for goods in a terminal separate from the one used by passengers.) Much of this trucking activity occurs before 7:00 a.m., resulting in an industrial-type noise zone around the cruise terminal. Fuel bunkering, which requires certain environmental reviews and approval from the fire marshal, typically takes place at the pier. Not surprisingly, considerable baggage and goods must be loaded onto and off of ships, with the use of on-dock cranes and/or forklifts.

Today's average cruise ship holds more than 2,500 passengers; some hold many more, and a ship that will hold up to 10,000 passengers is planned. The employee/passenger ratio typically is around 0.5:1 to 1:1. These small floating cities can result in significant landside transportation requirements. Given Norfolk's geographic location, many home-port passengers likely will drive to the terminal. Preferably, these passengers will drop off their traveling companions and baggage curbside at the terminal before parking. With an average party size of a little over two people, a ship with a large drive-in market could require 500 or more parking spaces per sailing. (Few crew members require long-term parking, because they tend to remain on board all season and either are dropped off or shuttle to their ships at the beginning and end of the season.) With several cruise ships operating out of the port each week, the long-term parking requirement could include acres of land or major parking structures. Some cruise termi-

nals offer valet parking for cars away from the terminal and shuttle passengers. Although this is a good approach if there is enough open land or unused cargo terminal space, it creates additional costs and another layer of management for the terminal operator.

The terminal itself needs to accommodate about two-thirds of the sailing passengers at a time, with separate embarkation and debarkation areas required by customs and immigration restrictions. The debarkation space typically is quite large, as passengers must carry their baggage through customs and immigration checkpoints.

Finally, an organization must be in place to build, maintain, and operate the cruise terminal. A terminal's day-to-day operations can require a significant employment base, including—at times—longshoremen and stevedores, traffic direction, passenger assistance, and check-in and baggage assistance.

While Norfolk may well serve as a good home port, the panel does not advise this land use option for Atlantic City, in spite of its deep-water access and length of water frontage.

Light-Rail Transit

The panel did not have time to conduct a full, engineering-level review of the light-rail transit (LRT) system studies. Rather, the panel conducted an overview analysis of the system. The following discussion presents the panel's concerns about light-rail transit.

The System's Relationship to Atlantic City

As currently described, the LRT system would make access into and egress out of the study area more difficult. The redevelopment will need an additional, signalized intersection east of the Colley Avenue intersection; the LRT program includes closing the existing Second Street and Woodis Avenue exit.

The LRT system will require some dedicated signal time to cross through the intersection; during this time, cars would not be able to move through the intersection. The LRT system thus would increase the delay for vehicles at all of the intersections it crosses. This increased delay could be relatively short or long, depending on the frequency of trains, station locations, and the overall intersection configuration.

The LRT system may gain some riders from Atlantic City, but not in appreciable numbers. The development simply would not support the density needed to create significant ridership. Only those whose destinations are located along the route could use the system.

Local sources of funding for transportation are limited. The Atlantic City redevelopment project will require some financial investment by the city to be successful. The return to the city on this investment would be much greater than any investment it might make in LRT. Yet the LRT system may divert funds from needed transportation improvements for Atlantic City.

Investment Comparison

First and foremost, it should be understood that an LRT system would not reduce traffic congestion. It has not done so in any city with an LRT system to date. The projected ridership for the currently proposed system is quite modest, and likely represents less than 1 percent of daily person trips in the area. LRT systems also have little effectiveness for large employment centers, such as the regional medical center complex or, later, the naval base, since the systems can handle only a small fraction of the tens of thousands of people who generally begin work at the same time.

The LRT system has been presented as a "starter system" for a larger regional system. The panel acknowledges the value that a regional LRT system would offer the Hampton Roads region, and applauds the city of Norfolk's willingness to be a leader in the development of such a system. The panel believes, however, that developing the city of Norfolk's portion of the regional system before all other parts of the region have committed to participating in the system and its funding presents a significant risk for the city, particularly since other parts of the region may never approve or support the complete system.

The desire to provide LRT to fulfill civic pride or for other local reasons is understandable, as long

as the city recognizes the full cost burden of building and supporting the system. The LRT system will divert substantial city and regional funds from other projects, including existing bus and needed roadway improvements. Since even the full regional system will never become self-sufficient, an ongoing operational subsidy must be added to debt service on capital costs. The city must be prepared to fund operations and management costs in perpetuity.

An LRT system requires approval by the federal government. The U.S. Department of Transportation's Federal Transit Administration (FTA) considers up to several hundred proposals for new rail systems nationwide each year. Only a few gain funding. The Norfolk LRT project is competing with cities and regions that propose more extensive systems and significantly higher potential ridership levels. Any federal approval will be contingent on gaining local and state matching funds. And Congress has been moving strongly away from providing funding support for operations and management, thereby imposing the operational burden on local jurisdictions.

The Commonwealth of Virginia has little or no money for any transportation improvements at the present time, and a new 1 percent sales tax currently is being considered to deal with existing congestion. The panel believes that any application for such approval and funding by the city of Norfolk is problematic, given the level of competition for the necessary funding. The panel doubts that the LRT system will obtain federal approval and the necessary funding.

Should the LRT system go forward, however, the city will need to provide substantial public parking at key stations, especially at system termini. Otherwise, people will park in residential neighborhoods or pay to park in relatively cheap off-street lots, rather than pay higher fees to park downtown. The Atlantic City project likely would not be able to sustain this additional parking demand.

Alternatives to LRT

Rather than supporting the development of a light-rail transit system, the panel proposes two alternative means of transportation that it believes will be sufficient to serve the future population of the Atlantic City redevelopment area. The panel recommends the use of more affordable transit options that it believes can serve the future community adequately.

Expanded Electric Bus Service

The current electric bus service provides comfortable, frequent rides to key retail and employment areas downtown. Its quiet ride, smooth acceleration, and small size all make the system attractive and easy to use. The panel recommends expanding the electric bus network to include more frequent service—with buses arriving every seven to nine minutes—between the regional medical center complex/Atlantic City area and downtown, with stops near popular tourism interest areas. This system could be expanded relatively inexpensively and quickly.

Local Trolley Service

A short trolley system could be an attractive alternative to LRT for the core area of desired service. The trolley could be funded through local sources, removing the need to obtain other governmental approvals. Attractive, historically themed vehicles and excellent routing could support relatively high fares. Many riders would be tourists, who generally are willing to pay higher fares than local residents/workers.

This system could connect the regional medical center complex/Atlantic City area with cultural and historical attractions, including the Chrysler Museum, Nauticus, Town Point Park, key points on the Cannonball Trail, MacArthur Center, and possibly other points of interest.