

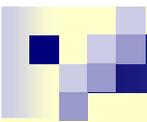


CITY OF COLONIAL HEIGHTS  
APPOMATTOX RIVER CORRIDOR DEVELOPMENT PLAN

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# Staff Review of ARCDP and Recommendations for City-Owned Dimmock Parkway Property

August 16, 2011



## ➤ **The Concept-**

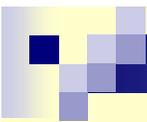
- 100+ acres of land vacant or in transition in area along Appomattox River, west of Charles Dimmock Parkway and south of Temple Ave, only 3 property owners, including City.
- “An economic development strategy for the entire corridor is necessary to maximize the assets of the area and create the best long term vision. This concept needs to be created, tested out and analyzed to determine the best course of action.”

## ➤ **Study funding from VHDA Grant**

## ➤ **Consultant selection-RFP interviewed 3 firms**

## ➤ **Report development- LPDA**

## ➤ **Findings and Conclusions –presentation by LPDA**



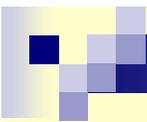
## Staff Review of ARCDP and City-Owned Dimmock Property

### ***Requested Council Direction/Action***

- A.** Endorsement of Appomattox River Corridor Development Plan
- B.** Inclusion of elements of ARCDP into the City Comprehensive Plan
- C.** Policy consensus - development goals for city-owned land
- D.** Policy consensus – expectations of land sale
- E.** Endorsement of Phase I

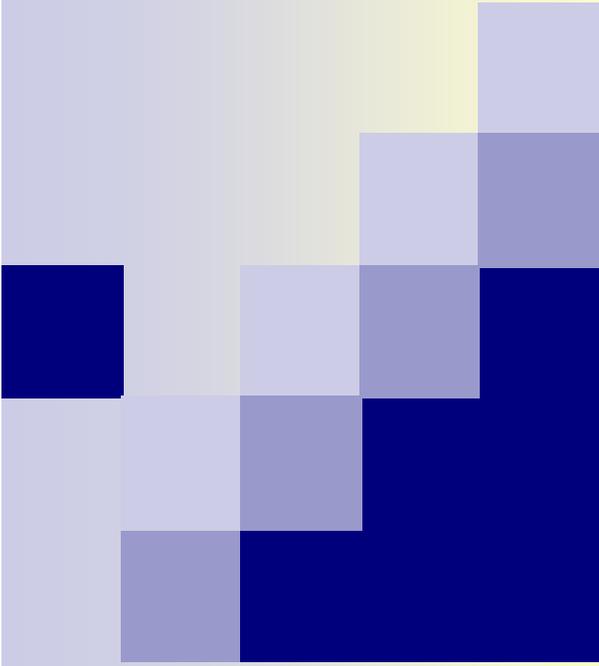


- ARCDP Presentation



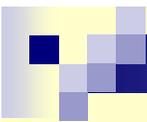
## **Staff Review of ARCDP and City-Owned Dimmock Property**

- **Return on Investment Analysis of ARCDP Scenario 1 and Scenario 2**
  - *George Schanzenbacher, Director of Planning and Community Development*
- **Economic Development Perspective of ARCDP Scenario 1 and Scenario 2**
  - *Bonnie Kirby, Retail Development Coordinator*
- **Q&A and Council Discussion of ARCDP**
- **Staff Recommendation – ARCDP “Phase 1”**



# Return on Investment Analysis of ARCDP Scenario 1 and Scenario 2

- *George Schanzenbacher, Director of  
Planning and Community Development*



# Staff Review of ARCDP and City-Owned Dimmock Property

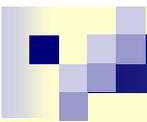
## ■ Return On Investment- ROI

- **A performance measure used to evaluate the efficiency of an investment or a number of different investments**

## ■ ROI Calculation

- **The benefit (return) of an investment is divided by the cost of the investment. The result is expressed as a percentage or ratio**

$$\text{ROI} = \frac{\text{Gain from Investment} - \text{Cost of investment}}{\text{Cost of Investment}}$$



## **Staff Review of ARCDP and City-Owned Dimmock Property**

- **Gains from Investment**
  - **Real Property tax revenue**
  - **Sales tax**
  - **Business license revenue**
  - **Meals tax**
  - **Other**
  
- **Cost of investment**
  - **Capital Improvements (roads, infrastructure, parks etc)**

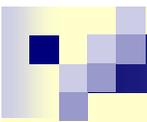


## Staff Review of

# ARCDP and City-Owned Dimmock Property

### **ROI - Basic Assumptions – Gains**

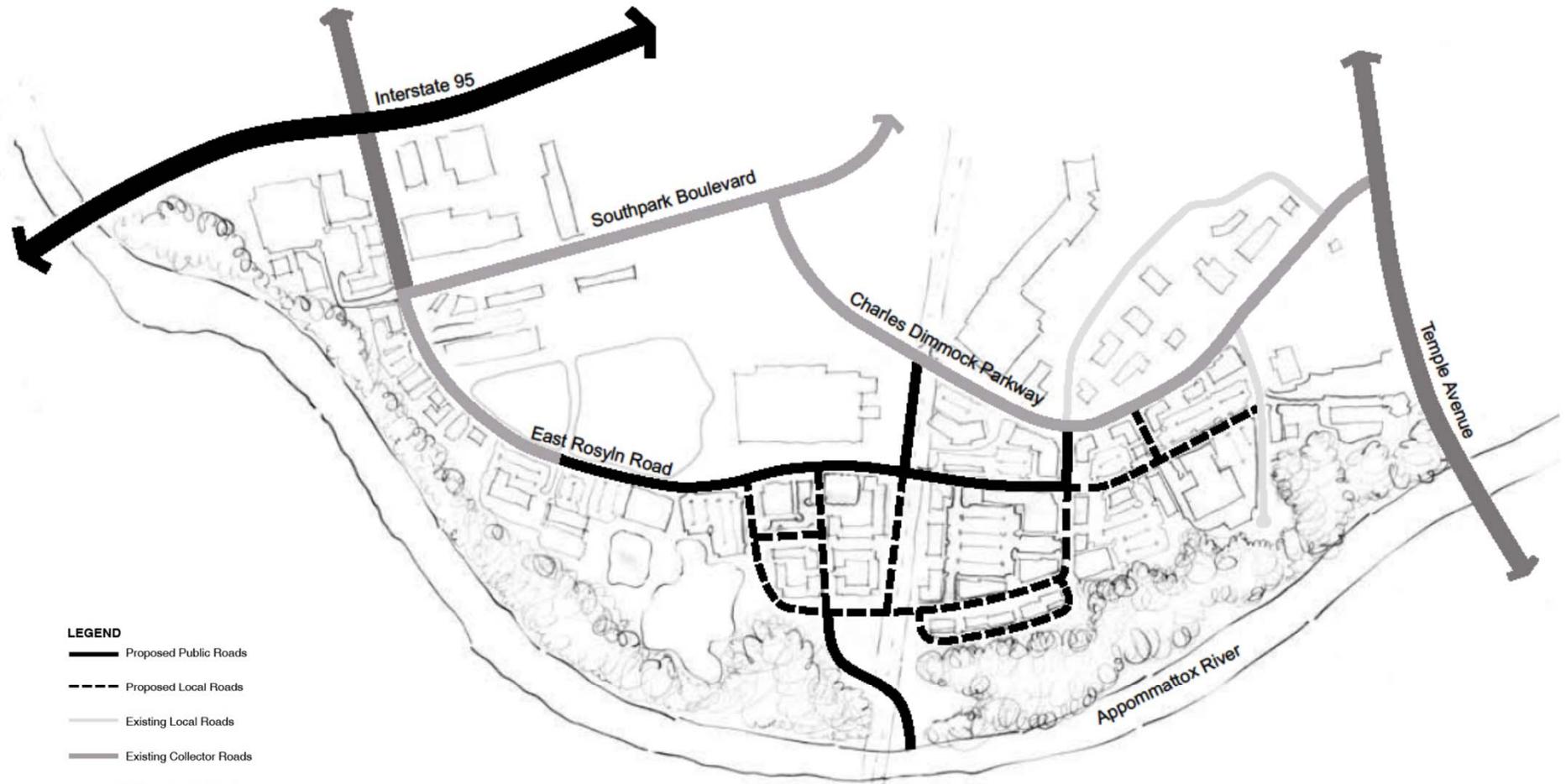
- **Real Property Tax**- 90% of full value of real estate improvements x \$1.10/\$100 assessed valuation
- **Sales Tax** - Average sales per square foot of development x 20%
- **Business License** -
  - Retail - Rate of \$.20/100 of gross receipts +\$15,000
  - Other - Rate of \$.35/100 of gross receipt +\$15,000
- **Meals Tax** - Average sales per square foot X .05%
- **Lodging Tax** - Average sales /room x Number of rooms x.08%



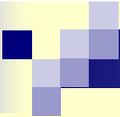
## Staff Review of ARCDP and City-Owned Dimmock Property

### ***ROI - Basic Assumptions – Costs***

- **Roads:** \$500-\$1,000/LF
- **Other Infrastructure**
- **Parks**
- **Other Items** - as per LPDA estimates
- **Debt Service** - 20 years-4% interest rate



- LEGEND**
- Proposed Public Roads
  - - - Proposed Local Roads
  - Existing Local Roads
  - Existing Collector Roads
  - Existing Arterial Roads
  - Existing Freeways



## Staff Review of ARCDP and City-Owned Dimmock Property

- **Roads - \$2,068,500**
- **Intersection Improvements - \$800,000**
- **Parks - \$450,000**
- **Animal Shelter Relocation - \$500,000**
- **Landfill Cleanup - \$1,500,000**

**TOTAL - \$5,318,500**

**Bonding-20 yr @4%=\$400,000/yr**

# *Development Scenario 1 - "Mixed Use"*



# *Development Scenario 1 - "Mixed Use"*

(Figure 10) and Table 2 Development Yields

- **Retail- 110,000 sq. ft.** (Ex: Target - 116,795 sq. ft.)  
( Best Buy - 30,000 sq. ft.)
- **Restaurant- 10,000 sq. ft.** (Olive Garden - 7,441 sq. ft.)  
(Applebees - 4,912 sq. ft.)
- **General/Commercial - 55,000 sq. ft.**
- **Office - 50,000 sq. ft.**
- **Residential-75 Units (Townhomes) - 1200 sq. ft.**

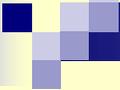
# *Development Scenario 1 - "Mixed Use"*

## ***At Full Development***

- **Total Projected Gains/Year - \$1,110,000**
- **Summary of Gains**
  - Property tax-\$793,930
  - Sales tax-\$210,986
  - Business license-\$64,423
  - Meals tax-\$40,895
- **Total Projected Costs/Year - \$400,000**

# *Development Scenario 2 - "Big Box"*

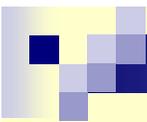




## *Development Scenario 2 - "Big Box"*

(Figure 11) and Table 2 Development Yields

- **Retail- 170,000 sq. ft.**
- **Restaurant- 5,000 sq. ft**
- **General Office - 65,000 sq. ft.**
- **Residential-270 Units (Apartments) - 1000 sq. ft.**



## *Development Scenario 2 - "Big Box"*

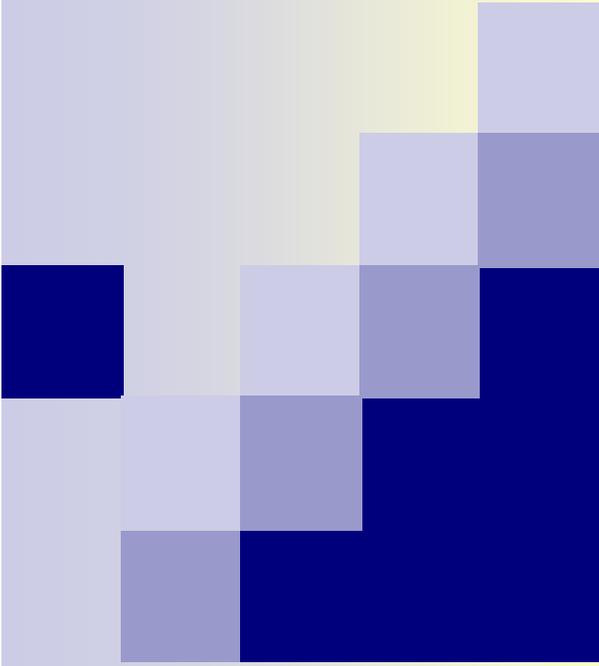
### ***At Full Development***

■ **Total Projected Gains/Year - \$1,400,000**

➤ **Summary of Gains**

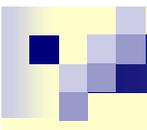
- Property tax-\$988,256
- Sales tax-\$306,889
- Business license-\$77,885
- Meals tax-\$20,448

■ **Total Projected Costs/Year - \$400,000**



# Economic Development Perspective of ARCDP Scenario 1 and Scenario 2

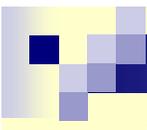
- *Bonnie Kirby, Retail Development  
Coordinator*



## **Staff Review of ARCDP and City-Owned Dimmock Property**

### **General Economic Development Environment**

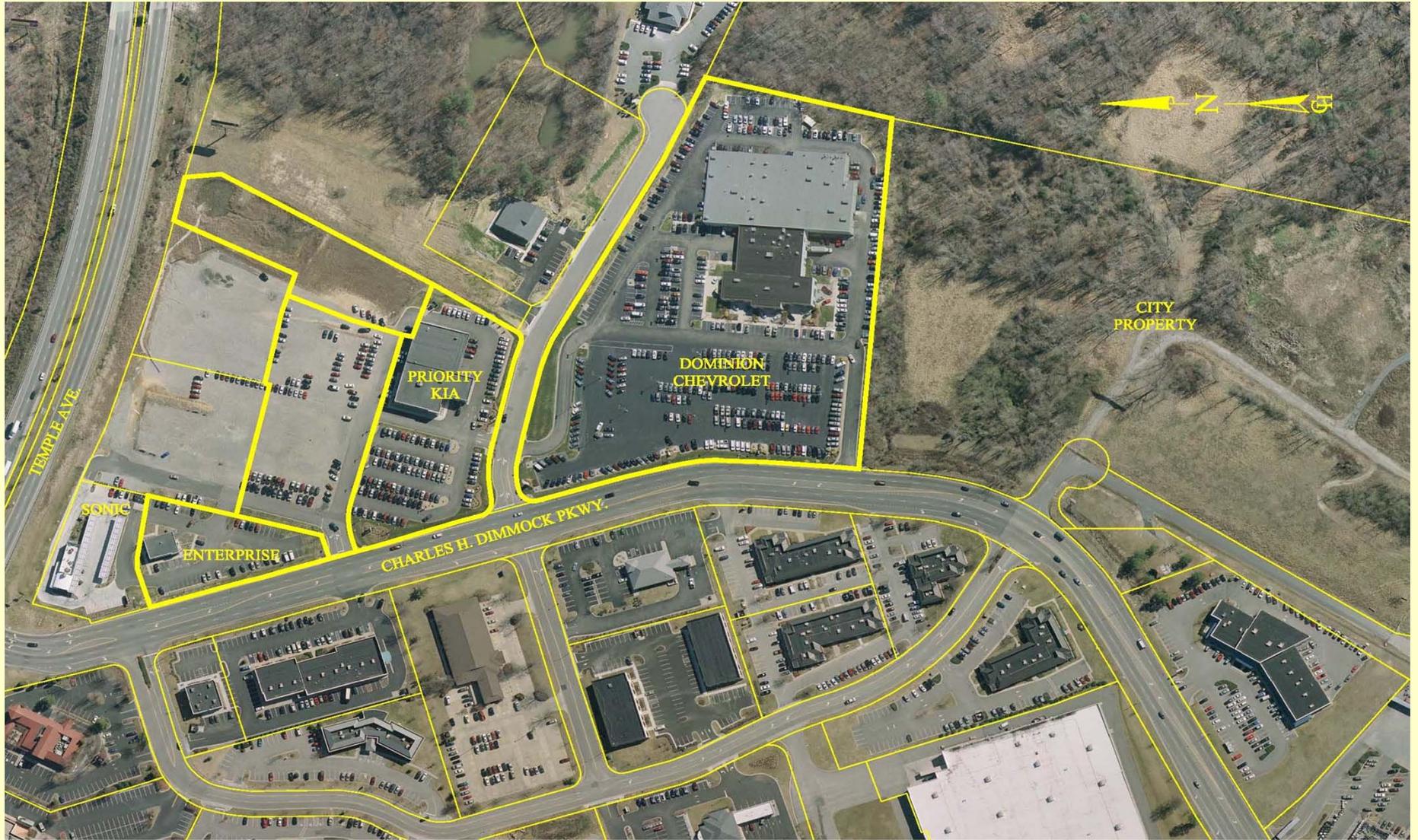
- Colonial Heights in a “safe place” now
- Adjacent parcels are in play
- Longer term planning and initiatives are key
- Trends and shopping habits are changing
- Store footprints are changing
- Retail can be volatile (Consumers are fickle)

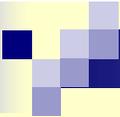


## Staff Review of ARCDP and City-Owned Dimmock Property

### ***Challenges***

- Limited resources
- Adjacent parcels are in play
- Location is a double-edged sword - *Desirable for its riverfront; Not as desirable for its visibility in the big box world*
- Perceived environmental issues/concerns magnify its marketability
- CH a 3rd-tier market “attached” to major metro
- Limited market demand/directing traffic patterns

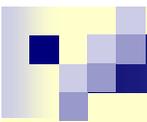




## Staff Review of ARCDP and City-Owned Dimmock Property

### ***ARCDP Scenario 1 and Scenario 2***

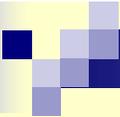
- A basis to the true intrinsic value of the land
- Place high value on creative development
- A competitive position
- Clear Marketing Package
- Improves quality of life for the region.
- Protects sales leakage
- Offers a ***sense of place***
- New project may set a precedence



## Staff Review of ARCDP and City-Owned Dimmock Property

### ***ARCDP Scenario 1 and Scenario 2***

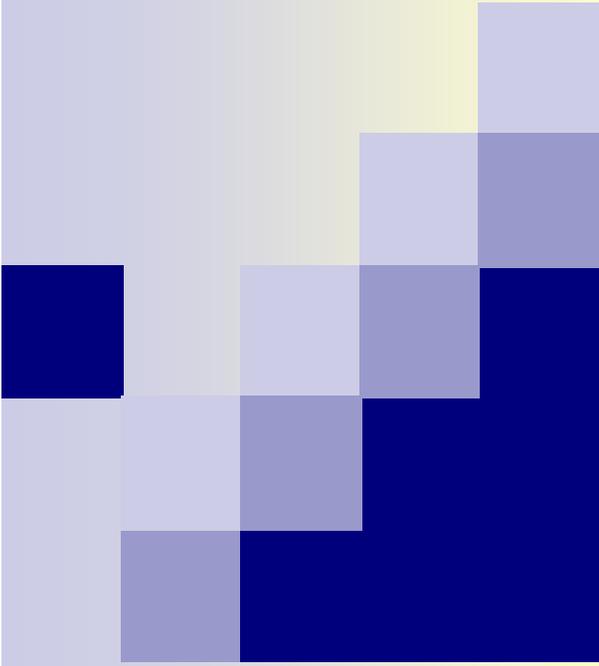
- Mixed-use allows maximization of development
- Builds out a more unique, destination-specific business environment
- More \$\$ per Square Foot coming back
- Chance to vie for office space near shopping/dining amenities
- Creates public space for citizens, workers and visitors
- Positive PR engine



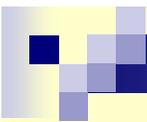
## **Staff Review of ARCDP and City-Owned Dimmock Property**

### ***ARCDP Scenario 1 and Scenario 2***

- Strengthens our retail center
- Creates a more visible potential project
- Aligns us with recreation and public-space we currently don't offer
- Office workers need to eat lunch/run errands
- River Trail offers visitors & residents activities
- May spring entrepreneurship
- Stronger marketing position



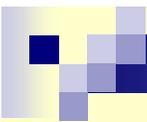
# Q&A and Council Discussion of ARCDP



## Staff Review of ARCDP and City-Owned Dimmock Property

### ***Recognizing what is possible for the city-owned land and adjacent area.....***

- What is the view of the “highest and best” for the property?
- What is the primary objective in the sale of the land?
  - \$\$ windfall from sale of the land?
  - Tax revenue generation?
  - Job creation?
  - Improved public access or recreation amenities?

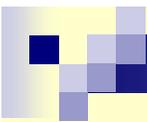


## Staff Review of ARCDP and City-Owned Dimmock Property

- Are there specific financial expectations solely from the sale of the raw?

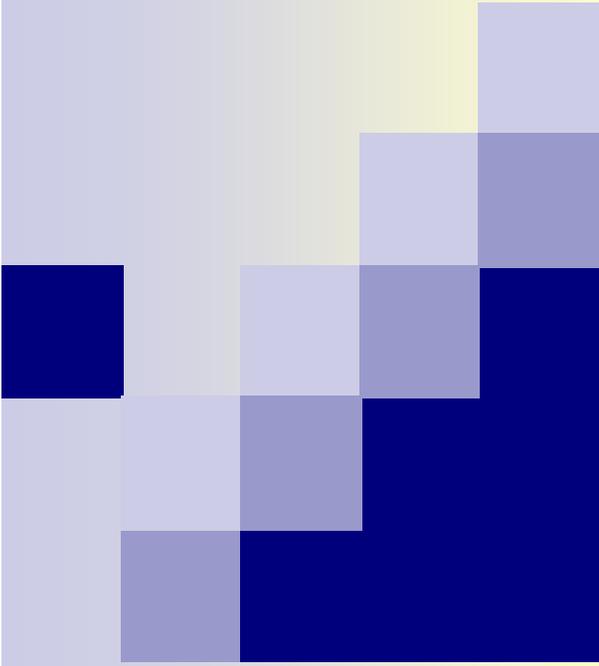
*\*\*The city's real estate agent (utilizing cost approach) estimates the land value at*

**\$3,350,000**



## **Staff Review of ARCDP and City-Owned Dimmock Property**

- **Should the City consider becoming a development partner in a project?**
- **To what degree would the City be supportive of incentivizing a development agreement?**
- **Is there support for a concept that includes a significantly reduced sale on the land in exchange for specific development plan?**
- **Control over the other/adjacent land in play?**



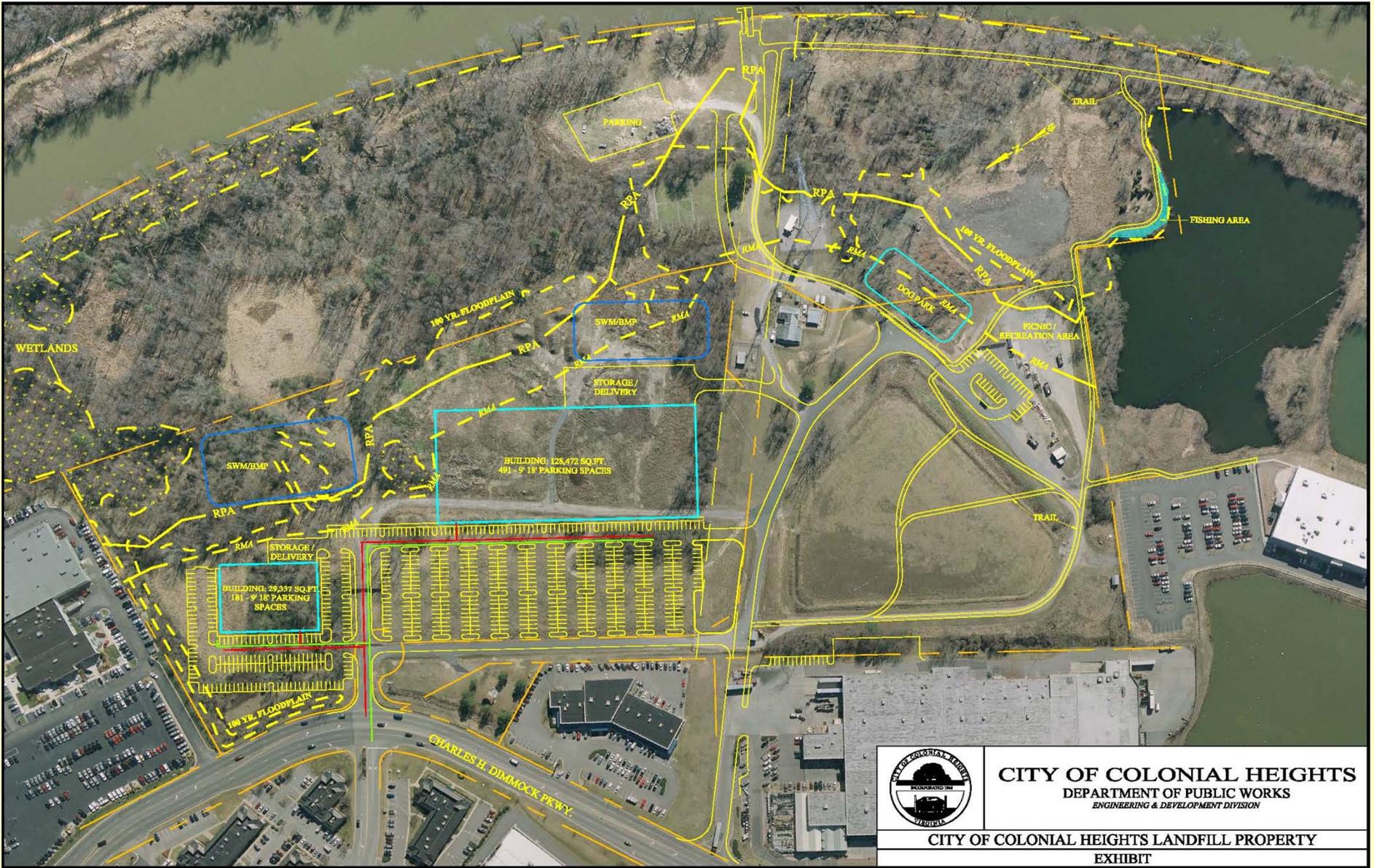
# Staff Recommendation – ARCDP “Phase 1”



# Staff Recommendation

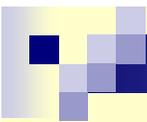
## – ARCDP “Phase 1”

- A.** Segregate Parcel No. 1 and focus primary economic development efforts on this site
- B.** Construct New Access Road – Extension of “Wal Mart Drive”
- C.** Initiate study/analysis of Resource Protection Area (RPA)
- D.** Convert Surface Landfill area to the south to “temporary” recreational use
- E.** Continue review/discussion of options for remaining land areas



**CITY OF COLONIAL HEIGHTS**  
 DEPARTMENT OF PUBLIC WORKS  
 ENGINEERING & DEVELOPMENT DIVISION

CITY OF COLONIAL HEIGHTS LANDFILL PROPERTY  
 EXHIBIT



# Staff Recommendation

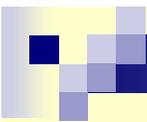
## – ARCDP “Phase 1”

### ***A. Segregate Parcel No. 1 (19 acres) and focus primary economic development efforts on this site***

- It is the “cleanest” portion of the property and has been cleared for development by the DEQ
- Provides greater confidence in initial negotiations as to commercial development opportunities for both buyer and seller
- Recognized as the easiest and/or most readily available site for immediate development
- Large enough to allow a variety of retail development options



- 
- Private development plan

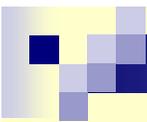


## Staff Recommendation

### – ARCDP “Phase 1”

#### ***B. Construct New Access Road – Extension of “Wal Mart Drive”***

- Infrastructure investments needed
- Most effective access for multiple uses of property
- Roadway will be important access regardless of the ultimate development of the property
- Even with the possibility of full commercial development, access must be retained to animal shelter-gas substation-radio tower area

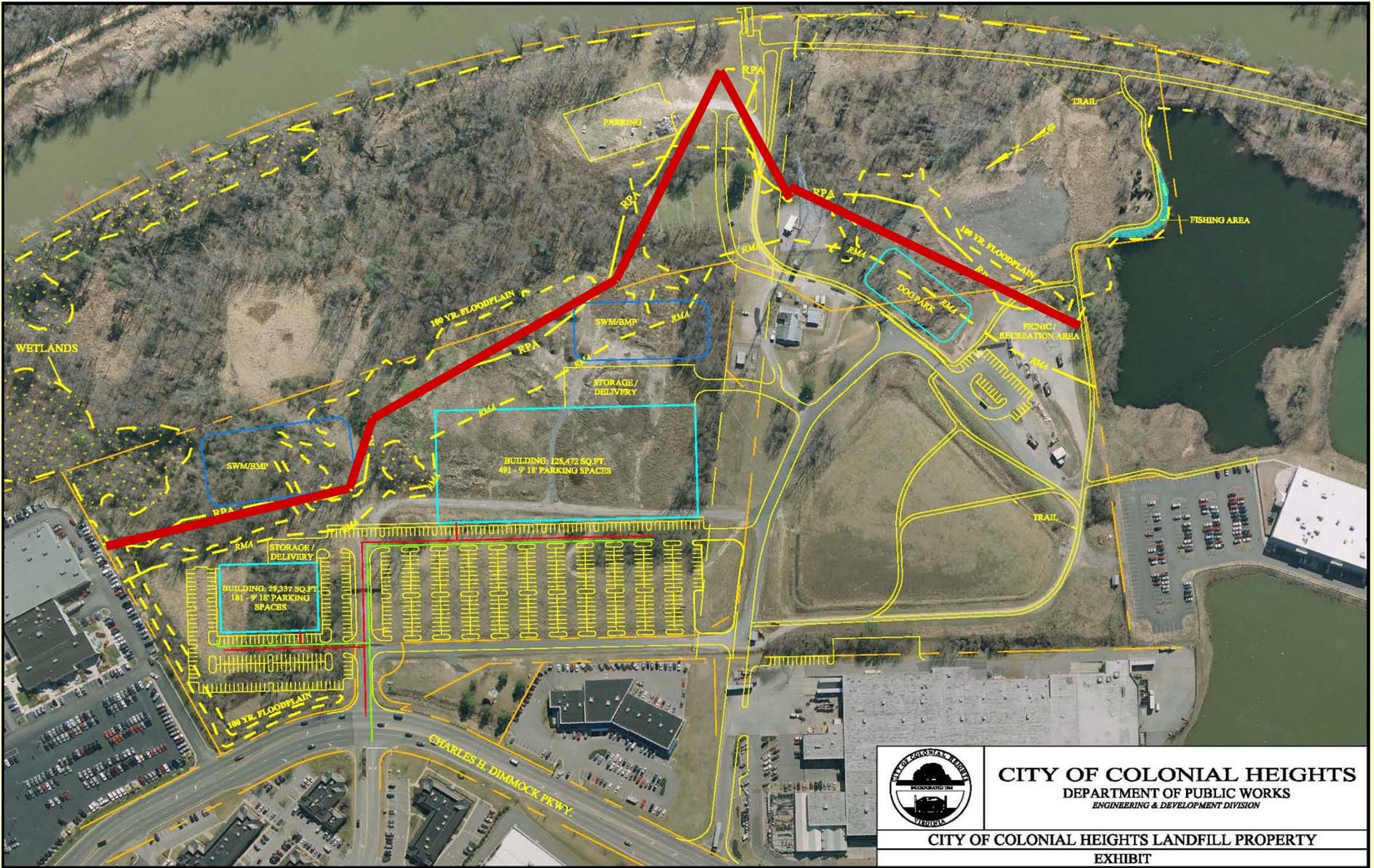


# Staff Recommendation

## – ARCDP “Phase 1”

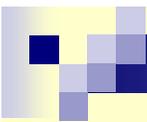
### ***C. Initiate study/analysis of Resource Protection Area***

- Staff assessment is that the currently-designated RPA on the city’s property may be much greater than required
- Analysis by outside consultant should result in smaller RPA, thereby creating additional developable land
- Helps to address apparent need for more site-specific data relative to the city-owned property



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 DEPARTMENT OF PUBLIC WORKS  
 ENGINEERING & DEVELOPMENT DIVISION

**CITY OF COLONIAL HEIGHTS LANDFILL PROPERTY**  
 EXHIBIT

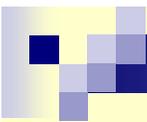


# Staff Recommendation

## – ARCDP “Phase 1”

### ***D. Convert Surface Landfill area to the south to “temporary” recreational use***

- Land area immediately south of access road/east of Wal-Mart converted to natural, green space area with hiking/biking trails and dog park
- Economic development opportunities for this particular area currently compromised by known and “unknown” landfill/solid waste issues
- Would require minimal funding and all work regarding conversion could be accomplished by city forces



# Staff Recommendation

## – ARCDP “Phase 1”

### ***D. Convert Surface Landfill area to the south to “temporary” recreational use***

- Would connect Appomattox River Greenway Trail and could be integrated with American Family Fitness and Hotels
- Conversion would not include significant investment/permanent changes to land
- Conversion would serve to “warehouse” the land area and future opportunities for commercial development



# ***Recreation Area Components***

## **Trail System & Dog Exercise Area**

- ❖ Installation of a passive “fair weather” trail that would include approx. 2,300 linear feet of new trail and 2,500 linear feet of current pedestrian-ready trail.
- ❖ Trail amenities would include connection to the Appomattox River Greenway Trail, fishing outlook and proposed dog exercise area.



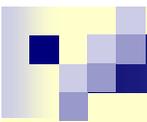
- ❖ Both the Trail System and Dog Exercise Area would require minimal funding and most work regarding conversion and maintenance could be accomplished by city forces.

## ***Recreation Area Components***

### **Trail System & Dog Exercise Area**



- Installation of a 100' x 100' fenced Dog Exercise Area adjacent to the Animal Shelter.
- Amenity not currently available to Colonial Heights residents.
- Would compliment the Animal Shelter as an exercise area for sheltered animals and assisting shelter staff in their Adopt-A-Pet program.
- While both the Trail System and Dog Exercise Area would serve as temporary use components, permanent status and enhancements would be possible with minimal funding should either grow in popularity.

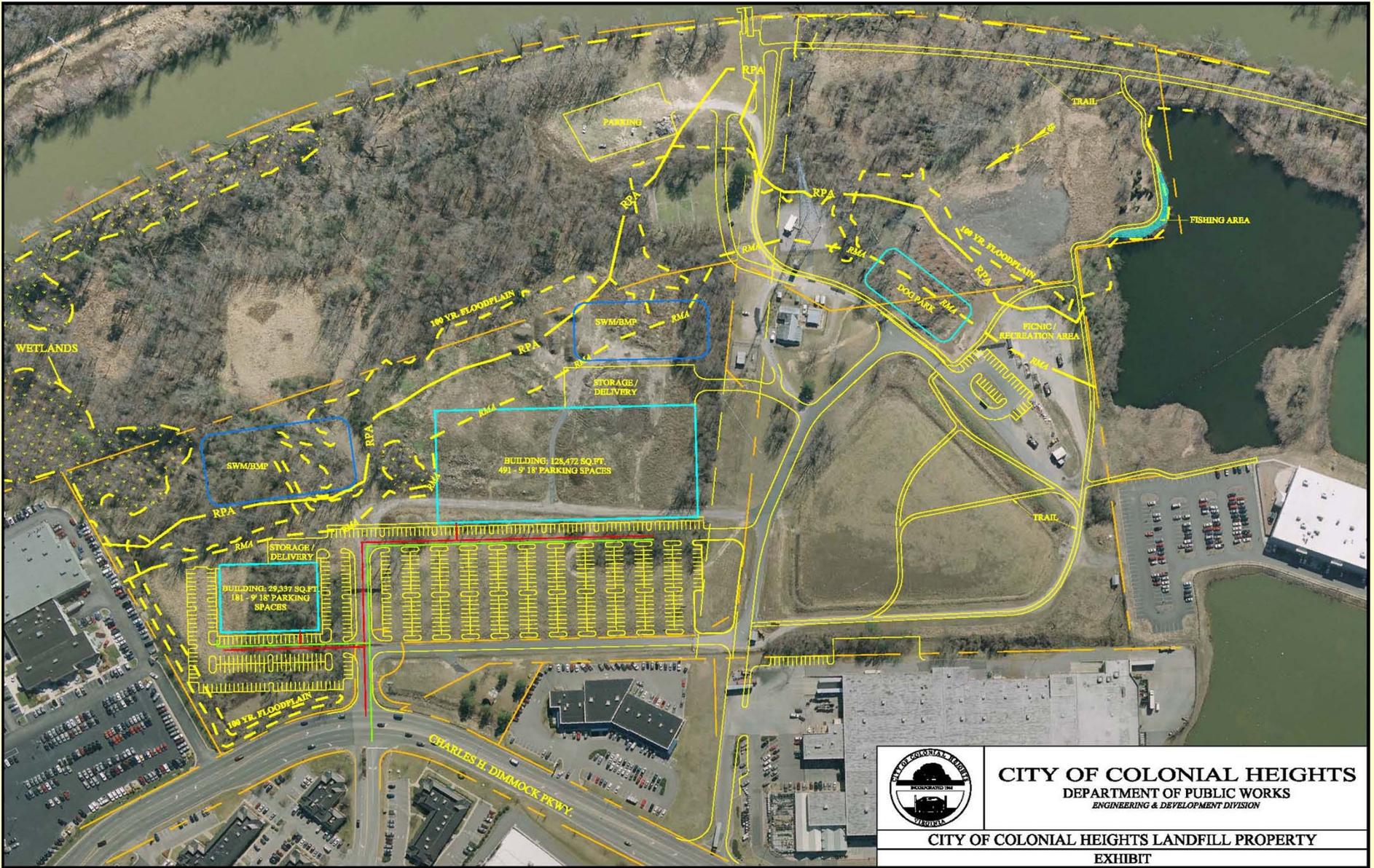


# Staff Recommendation

## – ARCDP “Phase 1”

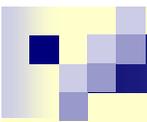
### ***E. Continue review/discussion of options on remaining land areas***

- Phase I describes a “first-phase” approach to achieving highest and best use of entire property
- Discussions as to appropriate and effective use of the remainder of the land and would be on-going, simultaneous to implementation of “Phase 1”



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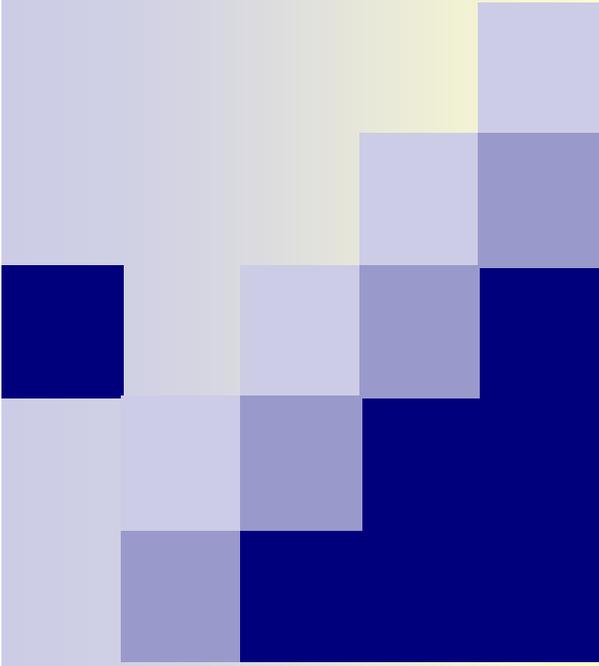
CITY OF COLONIAL HEIGHTS LANDFILL PROPERTY  
 EXHIBIT



## Staff Recommendation

### – ARCDP “Phase 1”

- Enhance public confidence by citizenry as a project will be perceived as at starting to “clean up the dump”
- Provide a reasonable/achievable goal or opportunity for some commercial development in short timeframe
- Make a public use/recreation project affordable and something that can be developed in a short timeframe?



# Q & A