

Development Strategies  
for an  
Economically Healthy Community

Prepared for:

City of Chesapeake  
Planning Department

August 18, 2023



## Table of Contents

<b>Development Strategies for an Economically Healthy Community.....</b>	<b>1</b>
The Case Against Sprawl.....	1
Smart Growth Principles .....	3
Impacts of Alternative Development Patterns .....	3
Recommended Development Strategies to Achieve and Sustain an Economically Healthy Community.....	9
Focus the Comprehensive Plan on Creating Distinctive Places.....	9
Constrain the Limits of Development .....	10
Diversify the City’s Housing Offerings .....	10
Provide Additional Transportation Options .....	11
Improve Chesapeake’s Economic Development Potentials .....	11

## Development Strategies for an Economically Healthy Community

This report is the third in a series addressing local demographics, housing, economics and markets.<sup>1</sup> Focusing on land use issues important to the Comprehensive Plan update, this analysis first explores the impacts of sprawl and the advantages of smart growth, then projects land demand and evaluates alternative development scenarios, and ends with specific recommendations to improve Chesapeake’s development patterns and set the stage for long-term economic vitality.

### The Case Against Sprawl

The post-World War II patterns of lightly-regulated suburban expansion have revealed a number of sprawl-related costs across the country. For this discussion, sprawl is defined as hopscotch development in isolation without connections to existing development, particularly as it extends into agricultural lands and rural open spaces. This is distinguished from incremental extension of development without major gaps.

Most critical economically is the impact of low-density, dispersed development on Chesapeake’s appeal for business location and expansion. A recent survey of office occupiers conducted by Cushman & Wakefield found that Talent Sourcing and Retention is American companies’ first priority in making real estate decisions.<sup>2</sup> Given that priority, businesses are increasingly seeking out locations in mixed-use, walkable environments with quality public spaces. Such settings allow workers to live, work and play in the same area, walk to lunch or get a drink after work and reduce their reliance on using a car for every errand. Recognizing the appeal of such areas to knowledge workers, particularly Millennial and Generation Z workers, and other employees, many businesses are prioritizing more urban, mixed-use locations. Mixed-use developments typically have higher property values than do conventional single-use developments by virtue of higher density, rents and occupancy levels. During the 2008 recession, these mixed-use offerings held their value much better than freestanding office and apartment buildings.

Sprawl is characterized by almost total reliance on automobiles for mobility as uses are separated, often by large distances. In addition to commuting to work, most every shopping trip, medical appointment, lesson, errand and playdate require driving a private vehicle.

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<sup>1</sup> See “Demographic and Housing Needs Assessment for City of Chesapeake, Virginia”. August 30, 2023 and “Economic and Market Analysis for the City of Chesapeake, Virginia,” August 7, 2023.

<sup>2</sup> Cushman & Wakefield. “What Occupiers Want: 2023 Survey Results.” Accessed at [https://www.cushmanwakefield.com/en/insights/what-occupiers-want?utm\\_source=sfmc\\_gmc&utm\\_medium=email&utm\\_campaign=GLBL\\_Newsletter-Weekly-Digest\\_Email\\_6\\_13\\_23&utm\\_term=https%3a%2f%2fwww.cushmanwakefield.com%2fen%2finsights%2fwhat-occupiers-want&utm\\_id=390318&sfmc\\_id=31334127&utm\\_campaign=](https://www.cushmanwakefield.com/en/insights/what-occupiers-want?utm_source=sfmc_gmc&utm_medium=email&utm_campaign=GLBL_Newsletter-Weekly-Digest_Email_6_13_23&utm_term=https%3a%2f%2fwww.cushmanwakefield.com%2fen%2finsights%2fwhat-occupiers-want&utm_id=390318&sfmc_id=31334127&utm_campaign=)

Few people live near their jobs, and schools are typically beyond walking distance, requiring school buses to transport students. Businesses often locate on individual lots along major thoroughfares that take on the sameness of commercial strips everywhere. Multiple academic studies have documented the impact of sprawl on auto travel, demonstrating much higher levels of travel than in more compact communities. The result is increased congestion in accommodating the travel demand on streets impacted by multiple curb cuts on each block, greater demand for new roads, and higher levels of air pollution. The potential for transit service is undermined by the dispersed development which does not allow the aggregation of ridership demand to fixed routes and bus stops.

The practice of “drive till you qualify” with households seeking out housing on the edges of the community where prices are lower often leaves them paying much more in transportation costs due to longer commutes, particularly when gas prices increase. As a result, best practices now consider the combination of Housing + Transportation<sup>3</sup> costs as a more accurate measure of housing affordability.

The fiscal costs of sprawl to the local government can be significant. Strip commercial and low-density residential developments typically support lower property values per acre than higher-density uses with more building space per acre.

The infrastructure required to service dispersed development involve many more miles of roadways and water and sewer lines. Developers may pay the initial costs of installing roads through a single-family or townhouse subdivision, but those roads are typically then dedicated to the local government, which takes on the cost of maintenance. Future property taxes may cover some of the maintenance but not the costs of periodic repaving and then rebuilding those streets over the future decades. By contrast, multi-family developments typically retain the responsibility for long-term maintenance of their internal roads. When housing is developed on private well and septic, a portion of those units will fail and require links to the public utility systems. Though the homeowners may pay a connection fee, the fee rarely covers the full public cost of utility extensions. The costs of maintaining additional miles of water lines and sewer mains are recouped through water fees, increasing all users’ fees, not just those of residents in far-flung locations.

Compact development is more efficient for a local government to serve than dispersed development, which has school buses, police cars, fire engines, emergency medical ambulances and trash collection vehicles driving more miles to serve the same number of households. Multi-family developments typically consolidate trash into common dumpsters, which are easier and cheaper to service than individual homes’ trash cans.

By locating further away, leapfrog development can affect response times for fire and police service until the response times become unacceptable and a new fire station is built or a new patrol car is added with corresponding increases in staffing and costs. Demands for

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<sup>3</sup> A key measure of affordability that combines housing costs with transportation costs incurred in commuting to work.

recreation centers, parks and libraries in close proximity to new communities in formerly rural areas can boost capital costs for duplicative facilities.

Finally, exurban housing developments and the strip commercial uses they attract can cause these rural areas to lose the very character that made them attractive.

## Smart Growth Principles

For more than a quarter-century, recognizing the environmental, land use, and economic costs of sprawl, the planning profession has coalesced around the Smart Growth approach. Smart Growth seeks to accommodate growth in patterns that use land more efficiently, protect open space and the environment, diversify transportation options, provide living opportunities for all people, and create better places that are “healthy, prosperous, and resilient.”

Smart Growth America, a national advocacy organization, and the U.S. Environmental Protection Agency have worked together to develop and refine a set of 10 principles to guide development:

1. Mix land uses.
2. Take advantage of compact building design.
3. Create a range of housing opportunities and choices.
4. Create walkable neighborhoods.
5. Foster distinctive, attractive communities with a strong sense of place.
6. Preserve open space, farmland, natural beauty, and critical environmental areas.
7. Strengthen and direct development towards existing communities.
8. Provide a variety of transportation choices.
9. Make development decisions predictable, fair, and cost effective.
10. Encourage community and stakeholder collaboration in development decisions.<sup>4</sup>

The Comprehensive Plan should embrace these principles in shaping the city’s future development.

## Impacts of Alternative Development Patterns

To illustrate the impact of alternative growth patterns for Chesapeake to the year 2045, this analysis considers four scenarios based on two different growth rates – one that reflects recent trends and one that assumes much more rapid growth. A rapid growth scenario could develop with the attraction of major companies, such as the major manufacturer that considered the Coastal Virginia Commerce Park, a major military build-up or relocation of military activities from other locations, or significant sea level rise impacts that cause residents from nearby locations to relocate to higher ground in Chesapeake. The second key variable is the pattern of development – current trends and development policies versus

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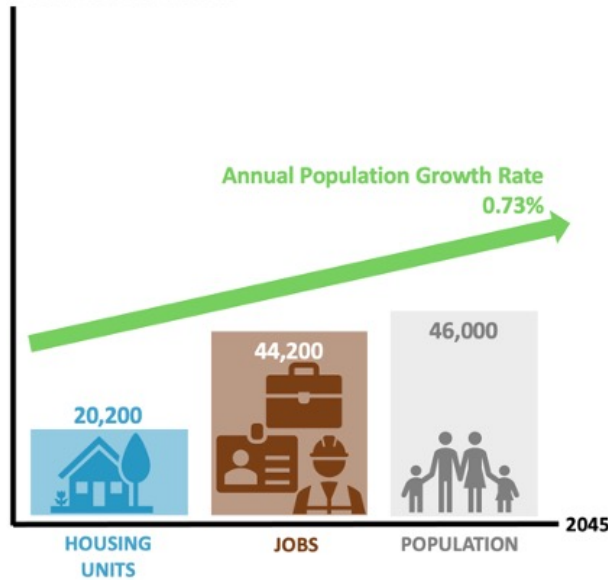
<sup>4</sup> Accessed from <https://smartgrowthamerica.org/what-is-smart-growth/>

a more compact pattern of development and redevelopment with new zoning and other policies. The four different alternatives include:

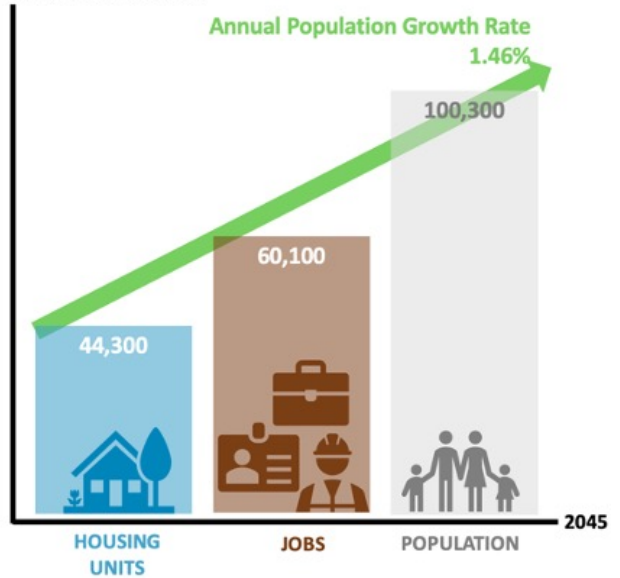
1. **Business as Usual** – Development driven by existing patterns and policies, growing at the baseline growth rate of 0.73 percent annual population growth documented in the Demographic and Housing Analysis for a 2022-2045 increase of 46,100 residents for a 2045 population of 299,578. It continues urban/suburban policies with Greenbrier becoming more “urban” and development expanding into the Rural Overlay district at the periphery of the Suburban Overlay district.
2. **Rapid Growth** – Development at twice the anticipated growth rate with 1.46-percent annual population growth for a 2022-2045 increase of 100,300 residents for a 2045 total population of 353,835. This alternative also continues with urban/suburban policies with Greenbrier becoming more “urban” and development expanding into the Rural Overlay district at the periphery of the Suburban Overlay district. This alternative includes additional commercial and industrial development that is related to the size of the local population.
3. **Reinvest and Preserve** – Development at the projected annual population growth rate of 0.73 percent while adopting more compact development patterns supported by Smart Growth policies, expanding the Urban Overlay district, densifying Greenbrier, the Chesapeake Square Mall area, and the Dominion Boulevard corridor, and constraining expansion of the Suburban Overlay district.
4. **Grow and Safeguard** – Development at the rapid growth rate of 1.46-percent annual population growth while adopting more compact development patterns supported by Smart Growth policies, expanding the Urban Overlay district, densifying Greenbrier, the Chesapeake Square Mall area, and the Dominion Boulevard corridor, and constraining expansion of the Suburban Overlay district. This alternative includes additional commercial and industrial development that is related to the size of the local population.

The basic growth parameters for the Business as Usual and Rapid Growth alternatives are shown in the following graphic:

**BUSINESS AS USUAL**



**RAPID GROWTH**



These development projections have direct implications for land demand. The Economic Profile and Market Analysis report provided land demand projections for the Business as Usual alternative. Those baseline projections are shown in Table 1 with the Rapid Growth alternative using the same housing mix and density assumptions.

**Table 1. Land Demand Projections by Growth Alternative, 2022-2045**

	Growth Alternative			
	Business as Usual	Rapid Growth	Reinvest and Preserve	Grow and Safeguard
<b>New Units Mix by Housing Type</b>				
Single-Family Detached	13,820	30,310	10,180	22,340
Single-Family Attached	1,940	4,250	2,950	6,470
Duplex	400	880	1,410	3,090
Triplex, Fourplex	290	630	890	1,950
Multi-Family	3,750	8,230	4,770	10,450
<b>Total</b>	<b>20,200</b>	<b>44,300</b>	<b>20,200</b>	<b>44,300</b>
<b>Acres of New Development</b>				
Residential	7,541	16,498	5,918	12,756
Office	70	72	42	43
Industrial	553	652	553	652
Self-Storage	38	61	17	27
Flex	109	195	96	146
Retail	94	168	78	140
Hotel	11	13	9	10
Mixed-Use	43	137	20	62
<b>Total</b>	<b>8,459</b>	<b>17,795</b>	<b>6,733</b>	<b>13,836</b>

Source: Partners for Economic Solutions, 2023.

The compact development alternatives – Reinvest and Preserve and Grow and Safeguard – assumes zoning changes to allow a wider range of housing and shifts in the housing mix to include more townhouses, duplexes, triplexes, fourplexes, and multi-family units. The assumed average dwelling units per acre are as follows:

<b>Land Use</b>	<b><u>Average Units per Acre</u></b>	
	<b>Business as Usual</b>	<b>Compact Development</b>
Single-Family Detached	1.95	2.54
Single-Family Attached	10.0	14.0
Duplex	5.0	6.0
Triplex/Fourplex	16.0	16.0
Multi-Family	19.5	32.5

The assumed Floor Area Ratios<sup>5</sup> (FAR) are as follows:

<b>Land Use</b>	<b><u>Average FAR</u></b>	
	<b>Business as Usual</b>	<b>Compact Development</b>
Office	0.3	0.5
Industrial	0.25	0.25
Self Storage	0.45	1.50
Flex	0.15	0.20
Retail	0.25	0.30
Hotel	0.25	0.30
Mixed-Use	0.50	1.10

The compact development alternatives show a 1,726-acre or 20.4-percent reduction in land demand relative to the Business as Usual alternative. Under Rapid Growth, the land savings associated with compact development increases to 3,959 acres or 22.2 percent.

The following matrix evaluates the two density options of sprawl (Business as Usual) and compact development (Reinvest and Preserve).

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<sup>5</sup> A measure of density calculated as the ratio of building square feet to land square feet.



**Table 2. Comparative Evaluation of Growth Alternative Impacts**

	Development Pattern	
	Sprawl - Business as Usual	Compact - Reinvest and Preserve
<b>Ability to Compete for Knowledge Workers</b>	Moderate due to competitive jurisdictions with walkable, mixed-use neighborhoods with a greater range of housing options	Enhanced by mixed-use walkable environments and opportunities for lower-cost housing
<b>Ability to Compete for New Businesses</b>	Moderate due to competitive jurisdictions having greater appeal for knowledge workers	Enhanced by greater appeal to knowledge workers and better locations for retail and service businesses
<b>Ability of Greebrier Mall, Chesapeake Square Mall to Compete and Diversify</b>	Enhanced by policies to help "urbanize" and focus development in Greenbrier area	Significantly enhanced by greater appeal to retailers, the addition of new uses and densities creating a larger nearby customer base
<b>Property Values</b>	Continuation of existing trends	Higher due to potential for greater density
<b>Housing Opportunities</b>	Unserved markets due to continued dominance of single-family detached units on larger lots	Greater diversity of unit/lot size and type to serve a greater variety of households. More options for seniors to remain in their neighborhoods as they age
<b>City Operating Costs</b>	Upward cost pressure due to inefficiencies in services to dispersed locations	Smaller cost increases due to fewer miles traveled for trash collection, street sweeping, police and fire
<b>School Operating Costs</b>	Upward cost pressure due to more students traveling longer distances by bus and possibly more schools	Smaller cost increases due to fewer school bus miles traveled, more opportunities to walk to school and possibly fewer schools
<b>Capital Costs for Utility Extensions and Roads</b>	Continued high roadway use and construction needs due to automobile-dominated patterns forcing residents to drive longer distances for work, retail and services	Smaller capital costs due to compact development in areas already served by utilities and roads, more opportunity for non-automotive travel
<b>Capital Costs for Schools</b>	Continued pressure for new schools as new students are added in more distant locations	Reduced need for new schools due to compact development in areas served by existing schools
<b>Capital Costs for Fire, Police Stations, Libraries</b>	Continued pressure for new stations as dispersed development and greater congestion impact response times	Reduced due to compact development in areas already served by fire and police stations and libraries

The land demand projections in Table 1 compare to the estimates of the amount of undeveloped land with appropriate zoning shown in the following Table 3. The scale of future land demand suggests that the updated Comprehensive Plan will need to revisit the Future Land Use Map to ensure that sufficient land is available and designated appropriately to accommodate the anticipated demand. The current supply of land identified as undeveloped should be examined in more detail to exclude properties not suitable for development due to environmental or other constraints. The review should also consider whether the available properties have the characteristics to be competitive for new development (e.g., accessibility, utility service).

<b>Table 3. Estimated Acreage of Undeveloped Property by Zoning Category, 2023</b>		
<b>Land Use</b>	<b>Zoning Category(ies)</b>	<b>Acres</b>
<b>Single-Family Residential</b>	RE-1	221
	R-6	13
	R-8	143
	R-10	769
	R-12	107
	R-15	1,931
	R-25	7
	<b>Subtotal</b>	<b>3,191</b>
<b>Townhouse</b>	R-SFA, R-TH-1	124
<b>Multi-Family/Apartments</b>	R-MF-1, R-MF-2	621
<b>Commercial</b>	B-1, B-2, B-3, B-4, B-5	479
<b>Industrial</b>	M1, M2, M3, PUD	2,693
<b>Office</b>	O-I	229
<b>Total Undeveloped Acreage<sup>1</sup></b>		<b>7,336</b>
<p>Note: <sup>1</sup>Excludes agricultural and conservation lands. Includes some properties known to be undevelopable due to wetlands and other environmental constraints. Some properties may be associated with developed parcels (e.g., buffers, common open space amenities or parking) and therefore not available for new development.</p>		
<p>Source: City of Chesapeake, 2023; Partners for Economic Solutions, 2023.</p>		

Underutilized properties present additional opportunities for redevelopment to a higher and better use. In many cases, redevelopment will be more desirable than greenfield development, as discussed earlier, due to redevelopment properties' proximity to existing economic activity, development, roads and infrastructure. In analysis, underutilized properties can be considered those where the land is more valuable than the improvements that sit upon it. Detailed review of existing properties to identify underutilized properties should help to guide the Comprehensive Plan update and the new Future Land Use Map.

## Recommended Development Strategies to Achieve and Sustain an Economically Healthy Community

The development strategies recommended based on the preceding analyses include:

- focus the Comprehensive Plan on creating distinctive places;
- constrain the limits of development;
- diversify the city’s housing offerings;
- provide additional transportation options; and
- improve the city’s economic development potentials.

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### Focus the Comprehensive Plan on Creating Distinctive Places

Today’s households have choices among a range of lifestyles, housing, and workplaces. Many now prefer locations that allow them to walk or bike to retail and services, gather in lively people places, enjoy outdoor recreation, spend less time driving, and access transit options. To remain competitive and resilient, Chesapeake needs to become more competitive with other jurisdictions and other regions to meet households’ expectations. Many communities are finding the most effective way to do that is developing a series of places with intense activity, each with a unique character, function or purpose.

Effective placemaking strategies create public spaces where community members can gather for shopping, eating, recreation, arts and entertainment, and other elements of community life. The places can be shaped through building placement, art, architecture, landscape architecture, and community icons as well as active programming to bring people out to small and large events.

In particular, Greenbrier, the Chesapeake Square Mall area, and Grassfield offer opportunities to create competitive mixed-use environments with the addition of more development of different types. These three areas have a focal point of community activity and the potential for a walkable center with a solid population base to support local businesses. Densifying and diversifying land uses will increase the number of people in close proximity, and good connections will encourage greater patronage of local businesses, pedestrian activity, and vitality. Strategies such as zoning and development policy changes, targeted public investments, incentive policies, public/private partnerships, and other actions will be important in helping the regional malls reinvent themselves and emerge as stronger activity centers and economic generators.

This strategy of creating unique places demands a shift from the patterns of continual strip commercial zoning along major corridors. A more effective approach would limit new strip retail zoning to “pulse” development in nodes at major intersections, with residential, open space, and other non-retail uses between the clusters. Developing with pedestrian and bike connections to nearby neighborhoods can provide customer support with less automotive traffic for a more resilient business cluster.

Developing a series of dynamic, active people-oriented environments can be a strong magnet for workers who have choices on where to live. Because the most important locational factor for many businesses is access to skilled workers, development strategies that help the city retain and attract workers are critical to improving the city's ability to compete for economic opportunities.

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### **Constrain the Limits of Development**

The Urban and Suburban Overlay Districts serve as a key organizing principle within the Comprehensive Plan and Zoning Ordinance. Allowable uses and densities vary among the urban, suburban, and rural districts. Control of the location of public water and sewer service is a critical tool for guiding and controlling growth. In accordance with the Comprehensive Plan, the Public Utilities Franchise Area (PUFA) defines the geographic limits of water and sewer service. Refusal to extend utilities into rural areas not designated for development can be a powerful tool in restraining sprawl. Failure to control PUFA expansions undercuts the City's ability to protect agricultural lands and to funnel development into the urban and suburban districts.

When unique economic development opportunities and other unusual circumstances justify utility line extensions beyond the PUFA, the City should consider tight limits on taps into the new lines for other development outside the PUFA. Strict criteria should guide any decisions to expand the PUFA beyond the limits designated in the Comprehensive Plan.

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### **Diversify the City's Housing Offerings**

The business focus on hiring and retaining qualified workers makes the availability of attainable housing a key business location criterion. Expanding and relocating businesses pay close attention to the availability of housing their workers can afford. Too many have seen labor costs increase as qualified workers move away to find more affordable housing and shortages develop.

The overwhelming dominance of single-family detached housing in large-lot subdivisions limits Chesapeake's ability to accommodate changing demographics. Today, only 45 percent of Chesapeake households and 38 percent of the region's households have more than two people. Smaller households do not need and often cannot afford large single-family houses. The city needs to offer a wider range of housing types including more smaller units, rental units, starter homes, intergenerational living, independent living, and assisted living to accommodate households at all stages of their lives and incomes. Availability of smaller housing units close to employment centers will provide opportunities for families to reduce their Housing + Transportation costs by reducing their commuting costs.

Strategies to support housing diversification can include:

- increase the amount of land with multi-family and mixed-use zoning
- revise zoning codes to allow development of Missing Middle housing and Accessory Dwelling Units in multiple locations;

- provide incentives for voluntary inclusion of affordable units within new developments; and
- adopt provisions that support seniors as they seek to age in place such as modifying existing units, incorporating universal design into new units to better serve residents with mobility and other limitations, allowing new small units in their current neighborhoods, and building new supportive communities.

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### **Provide Additional Transportation Options**

The traditional traffic engineering focus on moving cars efficiently leads to unfortunate consequences that can undermine the quality of the local setting. Major arterials with high traffic speeds create a hostile environment for pedestrians and inhibit walking. With signalized crosswalks, pedestrians are typically willing to cross a four-lane road, allowing it to act as a seam between two developments. In contrast, a six-lane road is more often seen as an edge or a barrier to pedestrian crossings.

Pedestrian fatalities when hit by a car increase from 4.4 percent at speeds of 25 miles per hour to 22.9 percent at 45 miles per hour. Pedestrians recognize the potential threat and are reluctant to cross wide thoroughfares, reducing their willingness to visit sites on both sides of the road. Instead, they get in their cars to access nearby businesses, even those just across the street. Those local movements across busy arterials complicate traffic patterns and worsen congestion.

Resilience and quality of place are much enhanced by good connectivity among uses with trails and sidewalks that provide access to cyclists and walkers, reducing local dependence on cars for short trips. Internal road connections among properties also reduce the need for multiple curb cuts, which impact roadway efficiency and pedestrian movements. Connectivity should be a priority in development designs and review.

Options should be explored that provide better transit options for local residents to reduce auto dependence and commuting costs. Seniors, youth, and others who cannot drive need alternative means of transport, and many residents could benefit from a lower-cost option than driving alone. Greater transit usage can also reduce the environmental impacts of commuting by private vehicle and improve the area's resiliency.

One of the key factors inhibiting the effective provision of transit in Chesapeake is the current pattern of development. The pattern of geographic dispersion undermines the efficiency of fixed-route bus transit that depends on riders being able to walk to a nearby bus stop. The recommendation to create higher-intensity mixed-use clusters with a concentration of new housing has the benefit of creating nodes that can be served by transit more easily.

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### **Improve Chesapeake's Economic Development Potentials**

Chesapeake offers a number of key strengths that allow it to attract businesses and encourage business expansions. However, two of its key competitive weaknesses are the supply of prepared industrial sites and the availability of trained skilled workers.



The availability of shovel-ready industrial sites suitable for immediate construction of new facilities can be a major factor in corporate locational decisions. Most industrial and business site searches prioritize existing buildings and/or sites where new construction can be expedited within a few months. Recognizing Chesapeake's limited supply of shovel-ready sites, the Economic Development Department has prioritized actions to improve potential sites. These improvements should continue within the confines of the Comprehensive Plan and the PUFA expansion policies discussed above.

As in other regions across the United States, Chesapeake's supply of trained, skilled workers has not kept pace with demand. In part, this is a function of demographics as baby boomers retire and fewer young workers consider jobs in the trades. More workers should be trained with the skills needed for the advanced manufacturing companies Chesapeake is seeking to attract. Additional training programs are needed to help retail and service workers to develop specialized skills. Also impactful are customized training programs tailored to help individual companies address specific labor needs, often in collaboration with the local community college.

To support other targeted industries of cyber security, national defense, and logistics, Chesapeake will need to retain and/or attract more workers with strong math, science, and technology training. The large number of military personnel exiting the military locally represent an invaluable resource as do recent graduates from colleges and universities throughout Hampton Roads. The development strategies that emphasize mixed-use development and a diversified housing stock should aid in helping Chesapeake to retain these workers.

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