



CITY OF VIRGINIA BEACH AGENDA ITEM

ITEM: A Resolution to Direct the City Manager to Undertake an Economic Impact Study and Infrastructure Cost Analysis for the Capstone Proposal for the Virginia Beach Sports and Convention District (the "District") and to Provide Further Direction Regarding the Land Use Plan that Includes the District

MEETING DATE: January 16, 2024

■ **Background:** The City issued a Request for Letter of Interest and Qualifications (RLIQ) for a Mixed-use Development Adjacent to the Convention Center and Sports Center in May 2022. The RLIQ is attached hereto. The City received one response to the RLIQ, from Capstone Development ("Capstone"). The City Council received a presentation from the CEO of Capstone at its October 3, 2023 Informal Session, and a copy of that presentation is attached hereto.

Additionally, the City Council adopted its Focused Action Plan on October 17, 2023, and this plan directs preparation of a land use plan for the portion of the City that includes the District, and the ViBE, and the City Manager and staff are pursuing such land use plan based on the direction provided by the adoption of the Focused Action Plan.

After discussion, the City Council believes having additional information regarding the economic impact – residential, retail, and hotel – of the Capstone Proposal would assist the City in reviewing the desirability of such proposal and whether the project would provide a net positive return on the City's potential investment. Also, the City Council believes an infrastructure cost analysis for the property that was the subject of the RLIQ will assist the City in understanding the costs associated with public improvements including stormwater infrastructure, public utilities, parking, and roads needed to support development on the property. The estimated cost for the economic impact study is approximately \$25,000 and the estimated cost for the infrastructure cost analysis is \$50,000.

The City Council discussed a draft resolution at its Workshop Session on January 9, 2024. That discussion resulted in an additional section in the resolution that provides further detail about the land use study scope, input from the Historic Seatack Community, and further public input.

■ **Considerations:** The attached resolution directs the City Manager to undertake the economic impact study and infrastructure cost analysis of the Capstone Proposal. The results of the study and analysis will be provided to the City Council and the public. The additional direction regarding the land use study provided by the City Council on January 9th is included in the resolution.

■ **Public Information:** Normal Council Agenda process.

■ **Attachments:** Resolution; RLIQ; October 3, 2023 Presentation

Requested by Mayor Dyer

REQUESTED BY MAYOR DYER

1 A RESOLUTION TO DIRECT THE CITY MANAGER
2 TO UNDERTAKE AN ECONOMIC IMPACT STUDY
3 AND INFRASTRUCTURE COST ANALYSIS FOR
4 THE CAPSTONE PROPOSAL FOR THE VIRGINIA
5 BEACH SPORTS AND CONVENTION DISTRICT
6 (THE "DISTRICT") AND TO PROVIDE FURTHER
7 DIRECTION REGARDING THE LAND USE PLAN
8 THAT INCLUDES THE DISTRICT
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10 WHEREAS, the City issued a Request for Letter of Interest and Qualifications
11 (RLIQ) for a Mixed-use Development Adjacent to the Convention Center and Sports
12 Center in May 2022;
13

14 WHEREAS, the City received one response to the RLIQ, from Capstone
15 Development ("Capstone");
16

17 WHEREAS, the City Council received a presentation from the CEO of Capstone
18 at its October 3, 2023 Informal Session;
19

20 WHEREAS, the City Council adopted its Focused Action Plan on October 17,
21 2023, and this plan directs preparation of a land use plan for the portion of the City that
22 includes the District and the ViBE, and the City Manager and staff are pursuing such
23 land use plan based on the direction provided by the adoption of the Focused Action
24 Plan;
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26 WHEREAS, the City Council believes having additional information regarding the
27 economic impact – residential, retail, and hotel – of the Capstone Proposal would assist
28 the City in reviewing the desirability of such proposal and whether the project would
29 provide a net positive return on the City's potential investment;
30

31 WHEREAS, the City Council believes an infrastructure cost analysis for the
32 property that was the subject of the RLIQ will assist the City in understanding the costs
33 associated with public improvements including stormwater infrastructure, public utilities,
34 parking, and roads needed to support development of the property;
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36 WHEREAS, the estimated cost for the economic impact study is approximately
37 \$25,000 and the estimated cost for the infrastructure cost analysis is \$50,000;
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39 NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
40 VIRGINIA BEACH, VIRGINIA:
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42 The City Manager is hereby directed to undertake the aforementioned economic
43 impact study and infrastructure cost analysis for the Capstone proposal for the District.
44 The results of such study and analysis shall be presented to the City Council in a public

45 meeting. Subsequent to such presentation, the City Council desires to provide an
46 opportunity for public comment to allow the Council to receive the input of the residents
47 and other interested parties.

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49 BE IT FURTHER RESOLVED, THAT:

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51 For the land use study, the City Manager shall include the Virginia Museum of
52 Contemporary Art, the Visitor's Center, and the 17th Street Corridor. The study shall
53 review compatible uses for the District including uses that are compatible with the
54 Virginia Beach Sports Center and possible action sports uses. The land use study shall
55 include input of the Historic Seatack Community. The City Manager is authorized to
56 transfer funds from available appropriations to support the costs of the land use study.
57 Such land use plan shall be presented to the City Council and the public for review and
58 comment.

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60 Adopted by the City Council of the City of Virginia Beach, Virginia, this _____
61 day of _____, 2024.

APPROVED AS TO LEGAL SUFFICIENCY:



City Attorney's Office

CA-16394
R-3
January 9, 2024