Report

Cost of Land Uses Study

Northampton County,
Virginia

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Table of Contents

Executive Summary: Cost of Land Uses Study

Background and Purpose

This analysis addresses the economic impacts of the changes in the proposed Zoning Ordinance of Northampton County based on the public hearing draft of the revised ordinance of February, 2009. The amendments would bring changes to the Zoning Code, the text that sets forth the system of regulations, and the Zoning Map that delineates parcels by zoning category. In this analysis we estimate the impacts as costs to the County and its citizens.

Zoning Categories and New Terminology

The proposed code provides a new structure of primary and secondary zoning categories. It increases the number of primary districts from 8 to 12; four existing districts are unchanged (in name) and there are eight new names. In some cases the changes indicate significant differences in land uses, in others the changes are in terminology.

The Zoning Map: Reallocation of Land

The Zoning Map translates the various changes into specific locations and relates the changes to parcels. The major changes from the existing to the proposed code, ranked in terms of the amount of land affected, are the following:

- Creation of a group of subcategories under the heading “Existing Subdivision” (8,426 acres).
- Reclassification from two residential categories (“Rural Village Res.” and “Community Development Single-Family Res.”) to “Agriculture” (4,240 acres).
- Creation of the new “Town Edge” Zone (2,001 acres) from the “Community Development” subcategories.
- Creation of the new “Waterfront Village” (2,023 acres) from “Rural Waterfront Village” (Residential and Agricultural) and “Agriculture.”
- Creation of the “Hamlet” (1,337 acres), mostly from “Rural Village Residential” and “Rural Village Rural Residential.”
- Reclassification of acreage from commercial to non-commercial, and a net reduction of 470.2 acres in the commercial land total.

Impacts on Assessments

We reviewed each of the types of zoning changes and found economic impacts related to assessed values in three types of changes. The largest impact was the result of changes in the commercial zoning categories, amounting to -$33,024 in annual tax payments. Changes in classifications of residential to agricultural and residential to Town Edge were relatively minor, estimated at -$2,146.29 and -$2,456.62 on an annual basis, respectively.

There is also a potential economic impact to the County from changes in agricultural land classifications, since owners may be eligible for reductions in tax payments through the Land Use Valuation or the Agricultural & Forestal District programs that are designed to keep land in agricultural use. There was insufficient data to analyze this potential impact.

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The Special Use Permit ("SUP") Process

The proposed code follows the same general framework as the existing code but changes would be significant. Under the existing code there are 575 situations that require "special use permit" (SUP) review. This would increase to 777 occasions for SUP's and 673 occasions for the new category of "Minor" SUP. In either case the review requirements are expanded, hearings are required and the Board of Supervisors may impose conditions. We estimated annual additional costs to applicants of $30,400 associated with submissions and hearings in the SUP and Minor SUP process.

Potential Loss of Revenues from Commercial Activity

The County collects revenues from various sources associated with the operation of commercial establishments. We focused on three of these taxes, retail sales, hotel/motel occupancy and food and beverage sales, and estimated potential tax impacts if a typical establishment locates outside the County, in one of the Towns or in another location altogether, as a result of the proposed reduction in commercial property. We estimated a potential loss of $195,930 from these sources, in the sixth projected year.

The net present value of the stream of lost income from the property and commercial taxes, discounted at a 5% rate over a ten-year period, could amount to -$1,144,600.

Conclusions

In summary, one important impact on the County would relate to income from property taxes. In our view the rezoning would affect assessed values in several specific types of rezoning situations, the most significant being the reclassification of commercial land.

There are situations where specific properties may increase or decrease in value as a result of the rezoning, and owners may experience a real gain or loss as a result. The evaluation of this type of economic impact would require a specific accounting analysis of income and expenses over the history of the property.

The second set of County impacts would be in the taxes collected from retail sales, accommodations and restaurant sales. By reducing the amount of commercial land and directing commercial development to the Towns, the County could be limiting its potential for commercial development.

The complexity of the proposed Code itself raises potential financial impacts. Property owners would face additional costs as a result of the expanded requirements associated with special use permits. Moreover, the creation of the "Existing Subdivision" classification means that there would be two codes applicable in parallel to different properties at the same time, suggesting more complex management requirements.

The proposed Zoning Code reflects the Comprehensive Plan. While the amount of land available for commercial and residential development under the proposed rezoning appears to be sufficient for many years into the future, there are potential losses in tax income and costs to residents associated with the proposed changes and the loss of commercial land at locations that have strong potential for commercial development.

1. Introduction

1.1 Background and Purpose

Northampton County has in place a "Zoning Ordinance" (Chapter 154 of Title XV, Land Usage, of the Northampton County Code of Ordinances). The County Board of Supervisors ordained, enacted and published this Ordinance, pursuant to the provisions of Virginia Code Title 15.2, Chapter 22, Article VIII, on December 28, 2000 and as subsequently amended. This Ordinance, along with the associated Zoning Map, identifies the uses that may be placed on all the 15,841 parcels of land in the County.

In 2006, the County began a process of substantially revising the Zoning Ordinance. The Northampton County Joint Local Planning Commission, assisted by staff of the County's Planning Department, prepared a draft document and there have been several public hearings to obtain comments. The Planning Commission has forwarded to the Board of Supervisors a report outlining substantial revisions to the public hearing draft in response to public input.

This analysis addresses the economic impacts of the changes in the proposed Zoning Ordinance, from the December 2000 version as amended to the draft of the revised ordinance as it existed in February, 2009. In this analysis we estimate the impacts as costs and benefits to the County and its citizens, based on the amendments as presented in the public hearing draft.

1.2 Methodology

The work included the following activities:

- Review of existing and proposed codes.
- Onsite familiarization with the County and the areas most affected by proposed changes.
- Interviews with County staff and citizens.
- Discussions with land development professionals (lawyers, engineers, appraisers and others) who work in Northampton County.
- Survey of parcels affected by changes and analysis of a sample selection.

1.3 Organization of This Report

This document contains the following sections:

2. Summary of Changes: a brief overview of the proposed changes as a framework for identification of those changes that are most likely to have a significant economic impact.
3. Economic and Market Background: analysis of economic development measures as a reference point for evaluating the impact of changes in zoning on growth.
4. Economic Impacts: analysis of public and private impacts of proposed changes, estimated over a ten-year period.
5. Conclusions.

1.4 Caveats

There are several important caveats about the findings presented in this report.

First, the focus of this work is on those changes in the Ordinance that are expected to have a significant economic impact. There will be many other economic effects that are less important to most County residents than those discussed in this report although they will certainly be significant to the individuals affected. There are also other proposed changes that will have important impacts that are not primarily economic in nature.

Second, the data used in this analysis are adequate to support the conclusions, but the data base is imperfect. The County has excellent geo-coded map capabilities and County staff can make good estimates of parcel sizes in relation to zoning designations. However the databases lack a connection between zoning and assessments. The figures used in this analysis were estimated based on sizes of groups of parcels. We estimate, based on the analysis described in Section 2, that the margin of error that results from this situation is on the order of +/-5%.

Third, there are significant changes affecting the local economy in Northampton County and the entire nation at the time of this writing. Many residents who have strong views about the impact of changes in the zoning code may be reacting to some extent to the decline in real estate values from the “bubble” that existed just two years ago. The emotion is particularly acute as property owners are experiencing values set at the peak of the bubble.

Finally it is important to recognize that the Towns within Northampton County (Cape Charles, Exmore, Cheriton, Eastville, Nassawaddox and Belle Haven, in part) are independent of the County and have their own governments. The relationships between the County and the Towns are complex:

- The Joint Local Planning Commission includes the County and most Towns but does not include Cape Charles and Exmore.
- The County provides some services to some Towns.
- Some of the Towns have special taxes.
- Some Towns provide water, some provide water and sewer.

In this report we focus on the County separately from the Towns.

1.5 Conclusion

The proposed changes would have many effects on land development in the County. In this analysis we address the most important changes that have measurable economic impacts.

2. Proposed Changes in the Zoning Code

2.1 Overview

The proposed Zoning Ordinance Amendments are intended to implement the land use goals and strategies of the adopted Comprehensive Plan and its Future Land Use Map. The Amendments would bring changes to the Zoning Code, the text that sets forth the system of regulations, and the Zoning Map, the delineation of parcels by zoning category.

There are many changes proposed and there is no way to summarize all of them here; only a close comparison of the two documents can reveal every change and issue. The summary that follows identifies the areas where changes have significant economic impact. There is no substitute for actually reading the proposed document and comparing it with the current code.

2.2 Zoning Categories and New Terminology

The proposed code provides a new structure of primary (i.e., the general type of activity or land use---e.g., agriculture) and secondary (referring to subcategories under the primary heading---e.g., under the primary Waterfront Village category, Waterfront Village Neighborhood Business) zoning categories. It increases the number of primary districts from 8 to 12; four existing districts are unchanged (in name) and there are eight new names.

In some cases the changes indicate significant differences in land uses, in others the changes are in terminology. The most significant changes in categories and organization are the following:

- Addition of six new primary zoning districts (154.081):
    - Hamlet (2 dwelling units/acre).
    - Waterfront Hamlet (2 dwelling units/acre).
    - Existing Cottage Community (2 dwelling units/acre).
    - Town Edge: this district replaces the Community Development District.
    - Existing Industrial.
    - Existing Subdivision (designated areas retain current zoning).

- Change of “Rural Village” to “Village” and corresponding changes to secondary districts.

- Change of “Rural Waterfront Village” (RWV) to “Waterfront Village” (WV) and corresponding changes to secondary districts:
    - Addition of WV-Waterfront Commercial to protect working waterfront for uses required to be directly on the water.
    - Expansion of Waterfront Village District to include the community of Oyster as well as Willis Wharf, formerly RWV.

In addition to primary and secondary districts, the proposed code retains two other types of zones, Overlay Districts and Floating Zones that apply in special situations.

The five Overlay Districts (154-160) in the existing code (Historic Preservation; Chesapeake/Atlantic Preservation; Airport Protection; Floodplain; and US 13 Corridor District, previously called the Highway Corridor District) would be continued. The amended US 13 Corridor District proposes some new standards that would affect specific properties, including provisions about highway access and setbacks.

The three Floating Zone Districts (154.175) (Mobile Home Park; Planned Industrial; and Existing Planned Rural Village) would be continued. There are important but relatively minor changes proposed in two of the Districts:

- Mobile Home Park District: the minimum area would be decreased from 10 to 5 acres; and maximum coverage of buildings, streets and parking would be reduced from 80% to 50%.
- Planned Industrial District: as proposed, the developer of a PID would be required to allocate space for all public facilities and improvements; and required setbacks would be reduced by 50 feet.

2.3 The Zoning Map: Reallocation of Land

The Zoning Map translates these various changes into specific locations and relates the changes to parcels. In Exhibit 2-1 on the following page we summarize the changes to the allocation of land under the existing code compared to the proposed code.

The major changes from the existing to the proposed code, ranked in terms of the amount of land affected, are the following:

1. The "Existing Subdivision" Classification.

The creation of a group of subcategories under the heading "Existing Subdivision" results in a very large group (8,400 acres). The six subcategories are Agriculture, Rural Village Residential Mixed, Rural Village Rural Residential, Rural Village Residential, Community Development Single-Family Residential, Community Development Rural Residential. The biggest single change measured in acreage is the shift from the Agriculture to the "Existing Subdivision Agriculture" classification (5,597 acres). These are changes in name only, since the regulations from the existing zoning ordinance will remain in effect in the Existing Subdivisions.

Exhibit 2-1

Comparison of Existing and Proposed Zoning Districts, Northampton County, Va

Existing District		Acres	Proposed District		Acres
Agriculture		76,714.0	Agriculture		72,679.0
Rural Waterfront Village-Comm.	RW-VC	49.4	Waterfront Village Neighborhood Bus	WVNB	5.6
			Waterfront Village Waterfront Comm	WVWC	60.9
Rural Waterfront Village-Res.	RW-VR	373.8	Waterfront Village - 2	WV2	340.0
Rural Waterfront Village-Ag.	RW-VA	1,030.2	Waterfront Village - 1	WV-1	1,616.5
Rural Village Rural Residential	RVRR	1,864.3	Existing Cottage Community	ECC	173.6
Rural Village Residential	RVR	5,547.4	Hamlet	H	1,337.4
			Village - 2	V-2	1,043.3
			Village - 1	V -1	414.2
			Waterfront Hamlet	WH	139.3
Rural Village Commercial	RVC	212.3	Village Neighborhood Buisness	VNB	41.7
Ex. Business Comm. Waterfront	EB-CW	237.5	Existing Business	EB	526.0
Ex. Business Comm. Neighborho	EB-CN	13.4			
Ex. Business Comm. General	EB-CG	32.3			
Comm. Dev. Rural Residential	CD-RR	2,787.4	Town Edge	TE	2,001.3
Comm. Dev. Family Residential	CD-R1	1,032.7			
Comm. Dev. Commercial Genera	CD-CG	291.9			
Comm. Dev. Residential Mixed	CD-RM	73.7			
Comm. Dev.Comm. Neighborhoo	CD-CN	23.7			
Comm. Dev.Mfg. and Ind.	CD-M1	359.9	Existing Industrial	EI	260.6
Ex. Business Ind. General	EB-IG	26.3			
Ex. Business Ind. Limited	EB-IL	14.1			
Rural Village Residential Mixed	RV-RM	26.0	Ex. Subdiv. Rural Village Res. Mixed	ESD - R	6.2
			Ex. Subdiv. Rural Village Rural Res.	ESD - R	998.1
			Ex. Subdiv.Rural Village Residential	ESD - R	843.6
			Ex. Subdiv. Comm. Dev. Family Res	ESD - C	405.9
			Ex. Subdiv. Comm. Dev. Rural Res.	ESD - C	575.8
			Ex. Subdiv. Agriculture	ESD - A	5,596.7
Planned Rural Village	PUD-PR	166.1	Planned Rural Village	PUD-PR	155.2
Mobile Home Park	MHP	65.4	Mobile Home Park	MHP	62.4
Total Acres 1/		90,710.3			89,283.3

Source: Northampton Co. Planning Dept.; Thomas Point Associates, Inc.

1/ Excludes Conservation Land.

2. Shift from Residential to Agriculture

A significant reclassification from two residential categories (Rural Village Residential and Community Development Single-Family Residential) to Agriculture (4,240 acres) is proposed. Taken with other changes in residential and agricultural properties there would be a net reduction of 1,740 residential acres. The proposed reallocation would reduce the density of residential development. The change from 2 units per acre to one unit per twenty acres, at a site coverage ratio of .85, would result in a reduction in potential yield from 2,958 units (2*1,740*.85) to 74 units (1,740*.85/20).

3. The Town Edge Zone

The third largest change is the creation of the new Town Edge Zone (2,001 acres) from the "Community Development" subcategories. Most of this change relates to parcels around Exmore, Cheriton and Cape Charles and, to a lesser extent, Eastville and Nassawaddox. The purpose of the Town Edge Zone is to enhance future development around the Towns where there may be extensions of public water and sewer to support mixed commercial and residential development. In the creation of the Town Edge classification the two changes that may initially have significant economic impacts are the rezoning of residential (CD-RR and CD-R1) and commercial (CD-CG and CD-CN) properties. The residential change involves the rezoning of 843 acres. The commercial change affects 166 acres. It must be noted, however, that the impacts may be offset to an extent by commercial and residential rezonings that are possible in the Town Edge District.

4. The Waterfront Village

The fourth biggest change is the creation of the new "Waterfront Village" (in four subcategories totaling 2,023 acres) from "Rural Waterfront Village" (Residential and Agricultural) and "Agriculture." In addition to the expansion of this category in Willis Wharf, the proposed code would extend the designation to the Oyster community. The intent of the new category is to provide for a mix of uses that are compatible with the waterfront communities. The Waterfront Village-1 subcategory comprises 80% of the land in the WV category. It is essentially no different from farmland (Agriculture) except that owners may have an easier time in rezoning WV-1 to WV-2 at some point in the future. WV-2 allows a density of 2 units per acre and lot coverage of 25%. Land in this subcategory would come mostly from the Rural Waterfront Village-Residential (in Willis Wharf) and Rural Village Residential (in Oyster).

5. The Hamlet

The fifth largest change in terms of acreage is creation of the Hamlet (1,307 acres), mostly from "Rural Village Residential" and "Rural Village Rural

Residential," in places that have historic or cultural significance. There are two principal changes that would result.

First, the new category provides opportunities for certain types of commercial development in the designated rural settlements. Focusing only on the "Commercial" Category of "Use Regulations" (Appendix B in the Code), Exhibit 2-2 summarizes the differences between existing and proposed systems.

Exhibit 2-2

Comparison of Regulation of Uses, Hamlet and RVR Categories

	No. of Uses	
Review Requirement	Hamlet	RVR
Special Use Permit	16	12
Minor Special Use Permit	36	
By Right	4	1
Zoning Clearance	4	4

Source: Northampton County, Dept. of Planning

The four "by right" uses in the Hamlet are: barber shop, landscape contractor, plein aire event and yard sale (not longer than three days). Home office use requires a fairly simple approval by the Zoning Administrator under both systems; home business use requires a special use permit under the existing code and a "minor" special use permit under the proposed.

The second significant change is the application of lot coverage (defined as total lot area minus open space) ratios in some situations where there are none under the existing code.

6. Commercial Acreage

The sixth largest change in terms of acreage is a reclassification of a significant amount of acreage from commercial to non-commercial, and a smaller amount from non-commercial to commercial, categories. This change works across many of the existing and proposed zoning categories since there is no single commercial zone but various types of commercial uses are permitted in various zones. Exhibit 2-3 summarizes changes from commercial to non-commercial categories.

Exhibit 2-3

Proposed Changes in Commercial Zoning by Category: From Commercial to Non-Commercial Categories

Current Zoning Category	***Total Amount of Commercial Acreage*** Existing	Reallocated 1/	***Acres Transferred to Proposed Zoning Category :*** Agriculture	Hamlet	Town Edge	Other
CDCG	291.9	114.5	88.6	5.3	82.9	0.6
CDCN	23.7	20.3	3.4	0	0	0
EBCN	13.4	10.2	3.2	0	0	0
EBCW	237.5	230.5	0	0	0	7
CDM1	359.9	207.3	66.7	0	83.5	2.4
EBCG	32.2	27.2	5	0	0	0
EBIG	26.3	15.2	10.8	0.3	0	0
EBIL	14.1	0	0	0	0	14.1
RWVC	49.4	35.7	0	0	0	13.7
RVC	212.3	86	58	33.6	0	34.7
Total	1,260.7	746.9	235.7	39.2	166.4	72.5

Source: Northampton Co. Planning Department; Thomas Point Associates, Inc.

1/ This acreage remains zoned for commercial use but under a different zone name.

This would be offset to an extent by the reclassification of some parcels from non-commercial to commercial categories, summarized in Exhibit 2-4:

Exhibit 2-4

Proposed Changes in Commercial Zoning: From Non-Commercial to Commercial Categories

Current Zoning Category	***Acres Transferred to Proposed Zoning Category :*** EI	EB	VNB	WVWC	Total
CDRR	7.8	0	0	0	7.8
A	41.9	44.9	0	0	86.8
RVR	0	2.3	27.6	16	45.9
MHP	0	8.4	0	0	8.4
Total	49.7	55.6	27.6	16	148.9

Source: Northampton Co. Planning Department; Thomas Point Associates, Inc.

The net loss in commercial land from the perspective of the assessment process will be the difference between existing and proposed commercial acreage in Exhibit 2-3 minus the additional commercial acreage in Exhibit 2-4, excluding from that figure the amount of land that would be shifted to the "Existing Industry" and "Existing Business" categories (since assessments would already reflect commercial development potential). This yields a net reduction of 470.2 acres of commercially zoned land.

2.4 Changes in the Review Process

The existing code has a review process (Appendix A in the code) that involves several levels of review depending on the action proposed. While many specific types of activity may occur "by right," meaning that there is no zoning action required on the part of the landowner, tenant or the County, there are also many actions that require a relatively simple "Zoning Clearance" by which the County Zoning Administrator reviews the conformity of the action with the ordinance, but without any hearing or staff review. Other than rezoning, the special use permit ("SUP") is the most extensive review action, requiring the submission of extensive technical information, often requiring consultants, and two public hearings.

Exhibit 2-5 summarizes the use of this review in Northampton County in recent years.

Exhibit 2-5

Disposition of Special Use Permits, Northampton County, 2004-2008

		Disposition				
Year	***No.***	Approved	Denied	Withdrawn	Tabled	Void
2004	10	6		3		1
2005	14	12	1		1	
2006	8	8				
2007	13	11		1		1
2008	12	8	2	2		
Total	57	45	3	6	1	2

Source: Northampton County, Dept. of Planning

As the figures indicate:

- 79% of SUP submissions resulted in approvals.
- The average annual number of submissions was 11.4.

The proposed code follows the same general framework but changes (154.042) would be significant: a special use permit is required in many more types of situations and the application of two (2) levels of SUP's would depend upon character and intensity of use and potential impacts on adjacent and nearby properties.

- o **Special Use Permit (S) –** submissions include a certified plat, including engineer/architect drawings, and the accompanying statement which must also include information about buffers, preservation of significant features, traffic generation and management, and functional soil capacity for sewage disposal; two public hearings are held to assess impacts to adjacent and neighboring properties.
- o **Minor Special Use Permit (M/S) –**submissions include a description and drawing showing the property, a completed permit application form describing the proposed use, and a statement addressing conformity of the use with the county's Comprehensive Plan and Zoning Ordinance, protection of county water resources, compatibility with surrounding area

and mitigation if necessary; two public hearings are held to assess impacts to adjacent and neighboring properties.

In either case the review requirements are expanded, hearings are required and the Board of Supervisors may impose conditions associated with approval.

2.5 Other Changes

There are many other changes that are more specific in their applications and impacts, and each one has some potential financial and economic impact. Under their general headings in the Zoning Code, they include the following:

Use Regulations (154.125) (Refer to Appendix A of the Code)

Substantial revisions to uses include the following:

- Increase in maximum height of residential structures from 35 to 40 feet.
- Expansion of square footage of a dwelling unit which may be devoted to a home occupation from 25% to 45%.
- Expansion of the list of rural businesses for which existing buildings may be used (e.g., adult daycare, animal grooming, antique shop, barber shop, beauty shop, bed and breakfast, boat building and repair, catering, country store.)
- Creation of commercial opportunities in Hamlets, Waterfront Hamlets, Villages, and Waterfront Villages.

Performance Standards (154.100)

Revisions to the Agriculture District may be significant:

- Elimination of sliding scale bonus lots (154.103).
- Replacement of “A-2 option” (1 unit per 5 acres) with Open Space Density Bonus Option (1 unit per 15 acres; 30,000 square foot minimum lot size if 85% base parcel is left in open space).
- Denial of any bonus option provision to parcels subdivided after Dec. 28, 2000 and for which the subdivider received the maximum density bonus available.
- Reduction of setbacks.

The proposed code adds a maximum lot coverage requirement for all districts (except Existing Subdivision) to limit impervious surface and retain open space. (Section 154.104 and Exhibit A).

There are proposed changes in the perimeter screening of agricultural lands (154.105) that may be significant. “Level B” screening requires a 25 foot wide semi-opaque screen around agricultural land.

Signage (154.190)

Many types of commercial signs would require a permit from the Zoning Administrator; a fee may be required. Prohibited types of signs include:

- Most billboards and off-premise signs.
- A sign located anywhere other than on the property or structure to which it calls attention.

Parking (154.205)

There are many changes proposed in use-specific parking requirements (154.213): for example, the proposed requirement for office space is 1 space per 100 square feet (vs. 1 space per 200 sf); for theaters, one space would be required for each 2 seats plus 1 space for each employee on the shift with the maximum number of employees (vs. 1 space per 4 seats). These examples illustrate increased parking requirements but some proposed changes would have the opposite effect. For example, the bank parking requirement would be reduced from 1 space per 150 square feet to 1 space per 250 square feet, and a bowling alley would require 3 spaces per lane vs. 6.

2.7 Conclusion

From this analysis of the existing and proposed codes, the areas where the largest impacts will occur are the following:

Land use changes:

- Commercial to non-commercial uses.
- Residential to agricultural.
- Residential to Town Edge.

Administration:

- Special Use Permitting

While we focus on these types of changes in Section 4, we recognize that there are many other changes that will have an economic impact on the County and its residents and property owners arising from specific parcel and location issues, the interaction of various requirements and other factors that are too numerous to identify at this level of analysis.

3. Economic Development and Market Background

3.1 Overview

Growth pressures that result in land development arise from changes in demographic and economic conditions, usually indicated by changes in population and jobs. The primary purpose of the Zoning Code and Map is to align development with the Comprehensive Plan. The Comprehensive Plan drives the rezoning process. It provides the visionary framework for all the specific changes.

This analysis presents a brief summary of economic development goals of the Comprehensive Plan and principal measures of economic development in Northampton County. It is provided as a reference point for evaluating growth issues and potentials and as a framework for understanding the effects of changes in the zoning code in relation to recent and current conditions.

3.2 The Comprehensive Plan Vision of Economic Development and the Proposed Zoning Code

The proposed rezoning is related in some important ways to the County's economic development objectives, as presented in the Vision in the Comprehensive Plan and the draft Economic Plan element. The proposed Code reflects the County's economic development objectives in terms of overall economic development goals and three industry sectors targeted for growth. The goals and strategies summarized here are included in the draft Economic Plan on which public hearings were conducted in December 2008. At the time of this writing, the Board of Supervisors has received the Planning Commission recommendations but has not yet taken action.

Overall Economic Development

Goal: Create a "business friendly" environment in Northampton County while preserving the county's unique assets.

Strategies:

- Evaluate county signage regulations with consideration for potentially different requirements based on location, size, and seasonal needs of varying businesses.
- Work with the towns to facilitate infrastructure development.
- Encourage the reuse of existing buildings and use of undeveloped sites zoned, or which may be rezoned, for business development.
- Provide for small businesses and home occupations, such as those related to the arts, regional crafts, artisanal foods, personal services, etc., through appropriate zoning.

Goal: Ensure that an adequate water supply is maintained and that water quality protection is considered an economic development tool.

Strategies:

- Protect through zoning the sole-source aquifer recharge area along U.S. Route 13.

The three targeted industry sectors are:

1. Agriculture

"Agriculture remains a mainstay of the county's economy… nevertheless, the loss of farmland is a disturbing trend voiced by members of the local farming community. While some of the land converted to other uses has been acquired by conservation organizations and state and federal agencies, much of it has been acquired for residential development purposes. As this development has occurred, there are increasing conflicts between agricultural activities which generate dust, noise, and chemical applications and the desires of residents for quiet open space. In addition to complaints from residents, concerns persist about environmental impacts of some farming practices, particularly storm water runoff associated with tomato plasticulture, although recent studies have been inconclusive about the relationship between tomato cultivation and impaired waters."

Goal: Ensure that farming remains a viable livelihood and that farmland continues to be an available resource.

Strategies:

- Ensure that rezoning does not include productive farms in areas designated for hamlets, villages, and dense residential development.
- Promote niche farming by ensuring through zoning that small lots (approximately one acre) remain available for agricultural activities.

2. Seafood

"The seafood industry is one of Virginia's and Northampton County's oldest and most successful industries. Aquaculture, along with the fresh tomatoes industry, has been cited by a September 2008 Weldon Cooper Center for Public Service report, as one of Virginia's most rapidly growing agricultural commodities in recent years in percentage terms, and hard-clam aquaculture is the fastest growing industry in Northampton County. Local sources indicate that Northampton County is now the largest hard-clam producer in the world." (pp.3-5)

Goal: Preserve water access for recreational fishing and working watermen.

Strategies: Protect working waterfront areas from encroachment of other uses through zoning.

3. Tourism

"Tourism is increasingly becoming an important economic factor in Northampton County. Bird enthusiasts have been enjoying the Eastern Shore for years, but the attraction is now expanding to other groups in search of other treasures that have been discovered here…The region is home to one of the last remaining undeveloped stretches of coastline along the East coast of the United States. Its traditional, aquatic and rural lifestyle offers visitors a rare opportunity to relax, experience local, southern hospitality, fish, cruise the pristine barrier islands, bird watch, and savour some of the country's best, local seafood."

Goal: Support tourism activities in appropriate locations through land use planning.

Strategies: Provide for activities that are tourist-draws, such as festivals, wineries, tours, non-motorized recreational trails, arts and agritourism events and activities, bed and breakfast inns, etc., through zoning.

3.3 Economic Overview

Population

The County population has declined and increased at different times in recent years when measured by the ten-year census figures. Overall it is less now than it was in 1970. State projections indicate that the County's population will grow over the next 20 years, exceeding its 1970 level by 2020. The figures show a growth of almost 2,000 residents between 2010 and 2030. (Exhibit A-1 in the Appendix provides detailed demographic information).

Exhibit 3-1

Population and Rates of Change, Northampton Co., 1970-2030, Actual and Projected

Year	Population			Annual Change (%)
	Census	Claritas, Inc.	Weldon Cooper Ctr.	
1970	14,442			-
1980	14,625			0.13%
1990	13,061			-1.07%
2000	13,093			0.02%
2008		13,541		
2010			13,990	0.69%
2013		13,789		
2020			14,932	0.67%
2030			15,931	0.67%

Source: US Census; Weldon Cooper Ctr., University of Virginia; Thomas Point Assocs.

The pattern in the past is in sharp contrast to state and national trends. According to the Virginia Employment Commission, Northampton County grew by 2.2% from 1997 to 2007, while the State rate of growth was 12.9% and the US rate was 10.6% over the same period.

Employment

Jobs are the most basic measure of economic condition at the local level. Exhibit 3-2 summarizes the distribution of employment by industry in Northampton County in 2008; the figures are annual averages that adjust seasonal highs and lows. The category of "health care and social assistance" accounts for the largest share of employment (19.9%) followed closely by government (19.2%); local and county government are 88% of the total government figure. Other major industry sectors include:

- Retail trade.
- Agriculture, fishing.
- Tourism (accommodations and food services).

Exhibit 3-2

Employment by Industry, Northampton Co., 2008

	No.	%
Agriculture, Forestry, Fishing, Hunting	713	13.7%
Mining	-	0.0%
Utilities	Note 1/	
Construction	228	4.4%
Manufacturing	522	10.0%
Wholesale Trade	89	1.7%
Retail Trade	611	11.8%
Transportation and Warehousing	25	0.5%
Information	Note 1/	
Finance and Insurance	84	1.6%
Real Estate	45	0.9%
Professional and Technical	77	1.5%
Mamagement	33	0.6%
Administrative	28	0.5%
Educational Services	Note 1/	
Health Care and Social Assistance	1,032	19.9%
Arts, Entertainment and Recreation	Note 1/	
Accommodation and Food Services	487	9.4%
Other Services, Exc. Public Admin	113	2.2%
Government, Total	1,000	19.2%
Federal	43	0.8%
State	74	1.4%
Local	883	17.0%
Unclassified	-	0.0%
Total	5,197	100.0%

Source: Virginia Employment Commission

Note 1: Not disclosed.

Viewed since 1990 (Exhibit 3-3), employment peaked in 2004. It has been declining since then and 2008 represents the low point of the past ten years. It is interesting that the number of business establishments has grown steadily. Small businesses seem to be a growing force in the County. There may be more entrepreneurs filling gaps left by larger companies.

Exhibit 3-3
Jobs and Establishments, Northampton Co., 1990-2008

Year	Jobs	Ests.	Year	Jobs	Ests.
1990	4,515	322	2000	5,580	364
1991	4,301	331	2001	5,614	363
1992	4,098	331	2002	5,645	376
1993	4,405	341	2003	5,419	380
1994	4,531	339	2004	6,138	388
1995	4,647	341	2005	5,643	403
1996	4,773	354	2006	5,654	406
1997	4,828	350	2007	5,530	417
1998	5,006	357	2008	5,197	421
1999	5,258	369			

Source: Virginia Employment Commission

Since 2000 the average annual rate of unemployment has ranged from 4.0% in 2001 to 5.9% in 2002. The current (December 2008) is 7.9%; the State figure is 5.9%, the US rate is 7.2%.

Income

There has been real growth in per capita income in the County when income is measured in constant (i.e., inflation adjusted) dollars. Exhibit 3-4 indicates that there was growth in the period 2000-2003 and a slight decline after 2004. Overall the 7-year period shows a 10% increase in real per capita income. Like the jobs trend (Exh. 3-3) income peaked in 2004. It seems likely that the trend is the result of residential development and growth in the higher-income population of retirees moving to the County.

Exhibit 3-4
Per Capita Income, Northampton Co., 2001-2006

Year	Income	
	Actual	Constant
2000	20,867	24,078
2001	22,835	25,620
2002	23,884	26,380
2003	24,105	26,360
2004	24,943	26,761
2005	25,501	26,571
2006	26,481	26,481

Source: Bureau of Economic Analysis

The US Census data on annual median household income also show growth: an 18% increase from 1997 to 2005 and an income peak in 2004. Figures from this source are not available after 2005 and it is not clear that the downturn has continued.

Assessments

Total assessed value in Northampton County amounted to $2.7 billion in 2008.

Exhibit 3-5 shows the impact of the reassessment that took effect last year. Total assessed value doubled as a result of the reassessment.

Measured in constant dollars, there was some real growth---approximately 1% per year in 2005-2007. However, the figures in 2008 reflect two different situations. First, assessed values were catching up with market values in this reassessment, growing from 41% of market value in 2004 to nearly full market value in 2008. Second, the appreciation in real estate values that occurred nationwide was affecting Northampton County, creating the same kind of real estate “bubble” that occurred in many other locations.

Exhibit 3-5

Total Assessed Value, Current and Constant Dollars, Northampton County, 2004-2008 1/

	Value (in Millions of $'s) by Year				
	2004	2005	2006	2007	2008
Current $'s	1,188	1,250	1,307	1,378	2,744
Constant 2008 $'s	1,349	1,378	1,383	1,394	2,744
Percent Ch. From Previous Year	-	2.18%	0.35%	0.77%	96.86%

Northampton Co., Commissioner of Revenue; Thomas Point Associates, Inc.

1/ Data includes Towns.

Measured by class of property (Exhibit 3-6), the two residential classes make up 73% of total assessed value. If one excludes the Towns from these figures, the residential component declines slightly to 70% of the tax base, agricultural property becomes 27% and commercial is 2.5%. According to the County Budget Office, residential property taxes increased from 64% of tax revenue in FY 2000 to 79% in FY 2009.

Exhibit 3-6

Assessed Value by Class of Property. Northampton County, 2004-2008 1/

		Total Assessed Value (in Millions) By Year				
Class		2004	2005	2006	2007	2008
1	Residential, Urban SF	232	268	297	325	620
2	Residential, Suburban SF	611	639	662	706	1,382
3	Residential, Multi-Family	16	16	16	17	28
4	Commercial/Industrial	92	95	108	109	164
5	Agriculture (20-99 acres)	113	114	118	116	301
6	Agriculture (99+ acres)	124	118	106	105	249
	Total	1,188	1,250	1,307	1,378	2,744

Northampton Co., Commissioner of Revenue; Thomas Point Associates, Inc.

1/ Data includes Towns.

It is important to note that the County has a significant amount of land that is tax-exempt, thus increasing the share of the tax burden carried by those properties that pay taxes.

3.4 Market Evaluation

The County Building Department keeps records on construction. Exhibit 3-7 summarizes construction by type of development from 2001-2008. It is notable that the construction value figures in the Exhibit and in the more detailed summary (Appendix A-3) are applicant estimates and probably understate actual construction value.

The peak year in terms of total value of permits was 2006 ($36 million).

- In residential construction, the peak was in 2005 ($17 million).
- In commercial construction, the peak year was 2008 ($6.2 million)

Total number of homes permitted from 2001 to 2008 was 769, indicating an average annual figure of 85 units. These included new homes, substantial renovations and replacement of existing structures.

There was virtually no industrial development over this period.

Exhibit 3-7

New Construction, Number and Value ($000's) of Permits, Northampton Co., Va, 2001-2008

	No. and Value ($000's) of Permits by Year					
	Total			**Average**		
Type	***No.***		***Value***	***No.***		***Value***
Homes	769	$	110,473	85	$	13,809
Mobile Homes	82	$	873	9	$	109
Apartments	11	$	7,290	1	$	911
Commercial	74	$	18,781	8	$	2,348
Industrial	1	$	36	0	$	5
Community Facs.	16	$	18,426	2	$	2,303
Piers, Bulkheads	200	$	3,056	22	$	382
Total	1,153	$	158,935	128	$	19,867

Source: Northampton County Building Department; Thomas Point Associates, Inc.

At a development cost of $90 per square figure, the $18.8 million commercial development figure equates to 208,700 square feet. This indicates a very rough estimate of the annual pace of development of commercial space of 23,200 square feet, a figure that includes office, retail and service commercial development. As with the residential category the figure includes construction of new space and renovation.

Exhibit 3-8 summarizes retail sales and retail potentials. It is a brief overview of the more detailed data on retail sales in Appendix A-2.

Exhibit 3-8

Retail Opportunity Gap, Northampton County, Va., 2008

Retail Stores	Demand (Expenditures)	Supply (Retail Sales)	Opportunity Gap/Surplus
Motor Vehicle and Parts Dealers	39,127,244	2,062,986	37,064,258
Furniture and Home Furnishings Stores	5,016,751	559,992	4,456,759
Electronics and Appliance Stores	4,409,490	283,968	4,125,522
Building Material, Garden Equip Stores	22,954,972	9,713,128	13,241,844
Food and Beverage Stores	26,844,395	45,831,004	(18,986,609)
Health and Personal Care Stores	13,375,621	11,839,489	1,536,132
Gasoline Stations	26,502,441	39,618,997	(13,116,556)
Clothing and Clothing Accessories Stores	8,499,122	1,527,985	6,971,137
Sporting Goods, Hobby, Book, Music Stores	2,964,455	237,656	2,726,799
General Merchandise Stores	24,866,612	24,584,998	281,614
Miscellaneous Store Retailers	5,154,220	3,700,170	1,454,050
Non-Store Retailers	12,654,272	2,443,864	10,210,408
Foodservice and Drinking Places	20,039,202	18,784,999	1,254,203
Total Retail Sales Incl Eating/Drinking Places	212,408,797	161,189,236	51,219,561

The difference between demand and supply represents the opportunity gap or surplus available for each retail outlet in the specified area. When the demand is greater than (less than) the supply, there is an opportunity gap (surplus)

Source: Claritas, Inc.; Thomas Point Associates, Inc.

The figures indicate a retail "gap" (i.e., a level of demand greater than the actual supply) of $51 million. In terms of space, this would equate to a commercial space "deficit" of 146,000 square feet (at sales of $350/square foot). The deficit is most significant in motor vehicles and parts ($37 million) and building materials ($13 million), categories in which most residents of Northampton County probably travel north to Accomack County to meet their needs. In some retail store categories, Exhibit 3-8 indicates an "opportunity gap" and yet there may be, in that same category, actual stores with low sales or stores that have closed. The most important factor that explains this situation is that shoppers travel outside the County to "superstores" where they expect to find lower prices and a greater variety of merchandise.

In summary there is modest commercial development, about 20,000 square feet per year, new housing in the range of 50-60 units per year and no industrial development.

3.5 Conclusion

The Comprehensive Plan in Northampton County attempts to balance a "business friendly" environment with preservation under the general theme of "community asset-based economic development." Population, jobs and income have shown slow and intermittent growth in recent years. Residential development has been modest while there has been little commercial activity and no industrial development. With respect to the proposed zoning, at the current rate of growth there is enough land zoned in commercial categories to support 143 years of future development. For residential development, the County Planning Department has identified 7,495 vacant parcels in the County that are suitable for residential development. At the present growth rate this represents a significant inventory of residential sites. However, the locations of development sites are much more important than raw acreage in both the commercial and residential markets.

4. Impacts

4.1 Overview

Based on our review of the proposed changes in the Zoning Code (Section 2) and the County's Economy/Market (Section 3) we conclude that the principal economic impacts will be in three areas:

1. Changes in assessed values and real estate tax income.
2. Costs associated with the special use permit process.
3. Loss of commercial tax revenues.

The fiscal impacts of these changes are discussed below.

4.2 Potential Impacts of Rezonings on Assessments

Changes in the regulation of land uses can result in changes in the assessed value of the land. The reassessment of 2008 affected most of the nearly 16,000 individual parcels in Northampton County and the proposed rezoning would affect a significant number.

The assessment/reassessment process takes zoning into account in the value of a property to the extent that land sales transactions reflect development potential as well as current use. Most buyers and potential buyers make their own calculations about what can be done with a property and this estimate becomes part of the overall valuation process. Most but not all buyers are aware of the zoning classification of a property and this factor is usually an important part of their analysis.

Comparable sales are the core measure, especially in "mass assessments" which do not consider specific properties and issues. In most cases comparable sales reflect potential as well as actual use. It is noteworthy that values are estimated separately for land and existing structures. In this way the value of land for future development may be captured in the assessment.

The amount of land in a given zoning category clearly affects the value of any specific parcel in that category. If there is a perception that there is an excessive amount of land in a category, then the value of a specific parcel in the category will be reduced. Conversely, scarcity of land in a category increases the value of a specific parcel. The scarcity could be perceived as 5 to 10 years or longer into the future, a perception that may or may not prove to be correct.

We reviewed each of the types of zoning changes that are summarized in Exhibit 2-1. As discussed in Section 2-3, we evaluated the principal changes and discussed potential impacts on land values with County officials and staff (Master Commissioner of the Revenue, County Administrator and Department Heads) and various individuals in the business community (realtors, developers, lawyers and others who have had direct experience with the Zoning Code).

Based on this analysis we expected to find economic impacts related to assessed values in three general types of changes:

1. Commercial to Agriculture and other non-commercial zones.
2. Residential to Agriculture.
3. Residential to Town Edge.

For each type of change the consultant identified several properties in different parts of the County that could be seen as representative in that class in terms of size, location, configuration, access or some combination of these qualities, but without knowledge of property value or ownership. Exhibit 4-1 summarizes characteristics of the selected properties and the difference in assessed value and annual tax bill under existing and proposed zoning classifications.

Exhibit 4-1

Selected Property Assessments:
Projected Impact of Proposed Rezoning on Assessed Values, Northampton County, 2009

				Zoning		***Assessed Value/Acre***		
Case no.	***Prop. ID***	***Location***	***Size (acres)***	Current	Proposed	Current	Projected	***Change In Annual Tax Payment****
1	068-0A-032	Eastville	29.36	CD CG	Ag	$ 15,000	$ 6,000	(1,294.78)
2	84-A-59A	Kings Crk.	19.5	CD CG	Ag	$ 40,000	$ 6,000	(3,248.70)
3	10-A-54	Franktown	9	CD-MI	Ag	$ 3,000	$ 3,000	-
4	105-A-94-A	Near Kip. SP	75	RVR	Ag	$ 6,933	$ 6,000	(342.88)
5	31-A-93	Birdsnest	175.6	RVR	Ag	$ 5,317	$ 5,317	-
6	40B-9-44A	Treherneville	4	RVR	Ag	$ 3,750	$ 3,750	-
7	7-A-5	Jamesville	13.79	RVR	Ag	$ 4,786	$ 4,786	-
8	38-A-4	Vaucluse	9.58	RVR	Ag	$ 28,789	$ 28,789	-
9	91-A-11	Cape Charles	101	CD-RR	TE	$ 6,383	$ 6,383	-
10	68-A-1	Eastville	10	CD-R1	TE	$ 15,000	$ 10,000	(245.00)
11	58-A-120A	Eastville	4.3	CD-R1	TE	$ 17,107	$ 17,107	-
12	10-A-76	Exmore	50.93	CD-RR	TE	$ 3,573	$ 3,573	-
13	85-A-23	Oyster	896	Ag	WV-1	$ 1,369	$ 1,369	-
14	20-A-65	Franktown	14.97	RVR	Hamlet	$ 9,812	$ 9,812	-
15	30-A-117	Birdsnest	5	RVR	Hamlet	$ 7,800	$ 7,800	-

Source: Thomas Point Associates, Inc.; Tax Assessor, Northampton County.

*Based on assessment of $0.49 per thousand dollars of assessed value.

Commercial Zoning

The most significant changes were in the commercial zoning categories (case nos. 1-3 in Exhibit 4-1). Two of the three properties would decline significantly in assessed value given the change in zoning from CD-CG to Agriculture. One of the three shows no change, probably reflecting the fact that it is located in the northern part of the County where soil types are generally unsuitable for farming. Taking the three properties as representative of the change, the average change in annual tax payment per acre is -$70.23. Applying this figure to the total number of acres proposed for rezoning from commercial (470.2 acres, from Section 2.3) yields a total annual change of -$33,024 in tax payments.

Residential to Agricultural

With respect to changes associated with rezoning residential properties to the agricultural category, we identified five properties (case nos. 4-8 in Exhibit 4-1) in different parts of the County that are zoned as RVR and would be reclassified to Ag. It seemed likely that in one of these cases the property would be reduced in value to the value of agricultural land, while in the others the values would remain unchanged. Taking these five properties together, the average change in annual tax payment per acre is $1.23. Applying this figure to the total number of acres proposed for rezoning from residential to agricultural (1,740 acres, from Section 2.3) yields a total annual change of -$2,146.29 in tax payments.

There is also a potential economic impact to the County from changes in agricultural land classifications, since owners may be eligible for reductions in tax payments through the Land Use Valuation or the Agricultural & Forestal District programs that are designed to keep land in agricultural use. Some large parcels that would be reclassified into the Existing Subdivision-Agriculture District (5,597 acres) may be eligible for the land-use program. These are “remainder” parcels that can’t be further subdivided, are over 5 acres and are certified to be used for agriculture, forestry, or horticulture. The number of acres that could qualify in this way is not known but could be significant. Overall, with the amount of agricultural land reduced under the proposed reclassification (Exhibit 2-1), the economic impact over the long-term will be positive but impacts in the short-term may reduce income to the County, especially if these “remainder” parcels become a significant factor.

Residential to Town Edge

With respect to the change from Residential to Town Edge, the impact of the change is difficult to calculate since the Town Edge category is an intermediate situation: the zoning of land in that category may change once a plan for development is prepared. There are various factors that will affect its potential value including the growth of the adjacent Town and the development of infrastructure to support higher densities. With these variables in mind we evaluated four properties (case nos. 9-12 in Exhibit 4-1) and concluded that the change in zoning from residential to Town Edge would affect the assessed value of one of the four. Projected to the total of 926 acres that would be rezoned in this way, we estimate an annual change of -$2,456.62.

In two other situations we expect that there would be no change:

- RVR to Hamlet (case nos. 13-14)
- Agricultural to Waterfront Village-1 (case no. 15)

In each of these cases the development potential of the land will be essentially unchanged after the proposed rezoning.

In summary, while there will specific cases where other types of impacts are likely to occur, we believe that the sum of the changes in the three rezoning situations described above (i.e., $37,627), will represent the net annual impact of the proposed action on the County's property tax income.

4.3 The Special Use Permit ("SUP") Process

Changes in regulations bring changes in costs of compliance and enforcement. Here we focus on the "special use permit" process as it will be affected by the proposed changes in zoning. Under the existing code there are 575 situations that require SUP review. This would increase to 777 occasions for SUP's and 673 occasions for the new category of "Minor" SUP (Exhibit 4-2). Overall this is an increase of 152%.

Exhibit 4-2

Comparison of Codes By Review Requirement

	Occasions	
Review Requirement	Existing Code	Proposed Code
Special Use Permit	575	777
Minor Special Use Permit	-	673
S/Z	11	-
S/W	56	-
Total	642	1,450

Source: Northampton County, Dept. of Planning

With respect to the Special Use Permit Process there are two significant procedural changes that will have economic effects.

The first significant change is the increase in the number of situations that trigger the SUP requirement.

As an example, the permit requirements associated with development of a church are quite different under the two systems. Under the existing code there are two situations that trigger the SUP requirement and seven where the development is "by right." The proposed code distinguishes between two different sizes of church and identifies six "by right" situations and 20 that require SUP's, including 13 that require Minor SUP's.

A second example is the home occupation/home office use. Both the existing and proposed codes have four situations that allow this use "by right," including, as an example, the development of a home office/home business in an RVR (existing) or VNB (proposed) zone. However, while the existing code has 4 SUP situations, the proposed code has 10 Minor SUP situations. To illustrate, the home occupation/home office use in an Agricultural zone under the current system requires a "Zoning Clearance," described as a "sign-off" by the Zoning Administrator on the building permit or site plan. Under the proposed code this use would require a Minor SUP in the Ag zone.

The second significant change is that the application process itself would be more complicated and expensive. Under the proposed code the SUP requires (in ten copies):

- A certified plat (vs. a plat drawn to scale);
- A "tabulation chart" that summarizes zoning, building sizes, open space, area used to calculate density/intensity of the use, vehicle trips per day and by peak hour and other factors.

- A written “statement of Justification” that addresses, among other factors, how the proposed use will affect the County’s aquifer, buffering and preservation of topographic, physical, natural, scenic, archaeological and/or historic features.
- The seal and signature of the professional that prepared the plat as well as a statement that it complies with all applicable Zoning Ordinance regulations...”Such professional must be licensed in the Commonwealth of Virginia to prepare and submit such plats/plans.”

The Minor SUP (four copies) has the same requirements but with lesser detail and without the need for professional certification. Both types of SUP’s require two hearings. In most respects the proposed Minor SUP is similar to the existing SUP, and the proposed SUP is a more detailed and professionally prepared document.

There are requirements in place now that require preparation of many of the component elements of the SUP and Minor SUP. There are some elements in the SUP submission that are already required by other review authorities for project approval, such as architectural drawings (Building Dept.) and soils information (Health Dept.). The site plan review process which is required in many development situations brings many of the same requirements as the SUP, as does the subdivision process required to record new lots. In fact, if a proposal involves a recently-recorded lot, most of the certified plat requirements proposed for an SUP will be satisfied by supplying the record plat and accompanying site plan. However, the site plan review process does not in all cases address some specifics such as traffic generation and historic preservation and does not require two public hearings. In addition, projects involving older lots recorded without an accompanying site plan review will necessitate more work to satisfy the proposed new submission requirements.

Cutting across these various considerations it is apparent that the proposed code would bring an expansion of regulatory requirements in terms of professional participation, level of detail and hearing requirements.

If the situations that require an SUP increase by 152%, then the number of SUP applications may be expected to increase in the same way. This would indicate that there would be an additional 4 applications (note that this includes only the class of “major” SUP’s). At an average cost of $2,400 per application attributed to the SUP (based on three days’ professional time for assembly of application, hearing participation and follow-up), this would result in additional costs to applicants of $9,600. We believe that the “Minor” SUP’s also involve costs to both applicant and County, and estimate the applicant costs at roughly $1,600 per application. With the same proportion of applications in the “Minor SUP” category, we would expect 13 applications per year. This would yield a total annual cost of $20,800.

On the County side there are the costs associated with staff time in the review of an application. The Zoning Administrator reviews applications for completeness. Other Department personnel including the Planning Director review the substance of the application, prepare a staff report and participate in the two required hearings. The

County staff represents a fixed cost and the Planning Director believes that the existing staff could handle additional review requirements associated with the proposed changes.

4.4 Potential Loss of Revenues from Commercial Activity

The County collects revenues from various sources associated with the operation of commercial establishments. Here we focus on three of these sources and estimate the potential tax impacts if a typical establishment locates outside the County, in one of the Towns or in another location altogether, as a result of the significant reduction in commercial property that is proposed. While a large amount of commercial land would still be available in the County after the proposed rezoning, some of the properties that are best located, from a commercial development perspective, would no longer be available. It is important to note that these are illustrations of the impact rather than projections but they are reasonable and realistic in relation to the market and economy:

- Retail sales tax: The County collects 1.25% of retail sales. Its projected collections from this source in the "Approved 2009 Budget" are $1,164,737, representing 4.7% of projected County revenue. As noted in Section 2, retail development has been limited in Northampton County but there is an opportunity to construct additional retail space. For purposes of this analysis we estimate that there would be developed an additional 20,000 square feet of retail space over the next decade. The annual sales tax that the County would collect on this space (at retail sales of $350 per square foot) would amount to $87,500. This is 7.5% of the retail sales tax in the 2009 budget.
- Hotel/motel occupancy tax: The County collects 5% of hotel/motel/B&B/transient motor home lodging sales. Its projected collections from this source in the "Approved 2009 Budget" are $254,000, representing 1.0% of projected County revenue. This total includes $16,400 collected from Cape Charles, the only town from which the county collects transient occupancy tax, as a condition of the annexation agreement. While there is no apparent excess room demand at this time (there may be excess rooms), one of the properties proposed to be rezoned from commercial to agricultural has been regarded as a hotel site. For purposes of this analysis we estimate that an 80-room hotel with a room rate of $70 and an annual occupancy of 65%, paying an occupancy tax of 5%, would generate annual tax revenue of $66,400. This is 26% of the comparable figure in the 2009 budget.
- Food and beverage sales tax: The County collects 4% of food and beverage sales. Its projected collection from this source in the "Approved 2009 Budget" is $299,300, representing 1.2% of projected County revenue. There is a restaurant opportunity in the County. We estimate that a 3,000 square foot restaurant with sales of $350 per square foot would generate an annual tax payment to the County of $42,000.

The sum of these commercial tax payments ($195,930, in Year 6), represents the potential income loss from commercial businesses in the County.

4.5 Summary of Financial Impacts

We summarize the impacts described above and project them over a ten-year period in Exhibit 4-3. The principal impact is a decline in property tax income of $37,600 per year. The second effect would be a potential loss of other local taxes from the operation of commercial establishments; we estimate an impact of -$43,750 in the first year, increasing to -$195,930 in the sixth year. The net present value of theses changes to the County is -$1,144,600. This figure represents the current value of the stream of lost income discounted at a 5% rate over the ten-year period.

Exhibit 4-3

Projection of Net Fiscal Impact on Northampton Co. of Proposed Zoning Code: Value by Year and Net Present Value (10-Year Projection)

		Value By Year (Constant Dollars)					
		1…	...6	7	8	9	10
Change in Property Tax Income	1/						
Commercial Development		$ (33,024)	$ (33,024)	$ (33,024)	$ (33,024)	$ (33,024)	$ (33,024)
Residential to Agricultural		$ (2,146)	$ (2,146)	$ (2,146)	$ (2,146)	$ (2,146)	$ (2,146)
Residential to Town Edge		$ (2,457)	$ (2,457)	$ (2,457)	$ (2,457)	$ (2,457)	$ (2,457)
Total		$ (37,627)	$ (37,627)	$ (37,627)	$ (37,627)	$ (37,627)	$ (37,627)
Additonal Costs to Applicants from Special Use Permitting 2/							
SUP		$ 9,600	$ 9,600	$ 9,600	$ 9,600	$ 9,600	$ 9,600
Minor SUP		$ 20,800	$ 20,800	$ 20,800	$ 20,800	$ 20,800	$ 20,800
Total		$ 30,400	$ 30,400	$ 30,400	$ 30,400	$ 30,400	$ 30,400
Change in Local Taxes							
Retail Sales	**3/**	$ (43,750)	$ (87,500)	$ (87,500)	$ (87,500)	$ (87,500)	$ (87,500)
Occupancy	**4/**		$ (66,430)	$ (66,430)	$ (66,430)	$ (66,430)	$ (66,430)
Food and Beverage	**5/**		$ (42,000)	$ (42,000)	$ (42,000)	$ (42,000)	$ (42,000)
Total		$ (43,750)	$ (195,930)	$ (195,930)	$ (195,930)	$ (195,930)	$ (195,930)
Total Annual Impact							
County		$ (81,377)	$ (233,557)	$ (233,557)	$ (233,557)	$ (233,557)	$ (233,557)
Private Sector		$ 30,400	$ 30,400	$ 30,400	$ 30,400	$ 30,400	$ 30,400
Net Present Value of Annual Impact to County							
Property Tax Income Only		$ (290,546)					
Total: Property and Other Taxes		$ (1,144,605)					
Net Present Value of Impact to Residents							
		$ 234,741					

1/ Real estate tax at $0.49 per thousand assessed value.
2/ See text.
3/ Sales at $350/sf; 10,000 sf in year 1 and 10,000 sf added in year 6..
4/ Based on operation of an 80-room motel beg. in year 6; sales at $70/room at65% occupancy.
5/ Sales at $350/sf for a restaurant of 3,000 sf. Developed in sixth year.

Source: Thomas Point Associates, Inc.

The principal cost to property owners comes from the additional costs associated with the SUP process; we estimate this cost at $30,400 per year. The net present value of this cost over ten years at a 5 percent discount rate is -$234,700

4.6 Potential Loss of Property Value

There are situations where individual properties may increase or decrease in value as a result of the rezoning, and owners may experience a real gain or loss as a result. In our view the evaluation of this type of economic impact would require a specific accounting analysis that identifies the cost basis, carrying costs, income over the history of the property and discounted value at time of projected sale for each affected property. The assessed value compared at different dates that we have used to estimate the fiscal impact to the County is not sufficient to determine whether a real gain or loss to the owner has occurred. Moreover, the reassessment effective in 2008 and the intense speculation in real estate that preceded it created a measure of value that now appears to be highly inaccurate. Viewed over the long-term, assessed values in Northampton County have been increasing slowly and the proposed changes in zoning are consistent with the framework that the Comprehensive Plan provides for future development. Changes in actual value of specific parcels can only be evaluated on a case by case basis.

4.7 Other Impacts

There are other costs and benefits that are somewhat speculative at this time although we expect that the following would take place as a result of the proposed changes:

- From the perspective of tax collections, the Towns would grow stronger and the County weaker as development is redirected to concentrated locations around the Towns, and if the Towns annex development areas that surround them. This change will eventually shift tax collections to the towns. However, the Towns will have responsibility for water and sewer to serve concentrated development.

- There may be a reduction in vehicle miles traveled as shopping and other trips become more concentrated. This would have benefits in terms of time saved, fuel economy and reduced miles traveled.

- There may be some reduction in maximum daily load on wetlands, streams, lakes and the Chesapeake Bay as a result of clustered development in locations that could more easily be served by community sewer and water.

4.8 Conclusions

Based on our review of the proposed changes in the Zoning Code (Section 2) and the County's Economy/Market (Section 3) we conclude that the principal economic impacts will be in three areas:

- Changes in assessed values and real estate tax income: we project economic impacts related to assessed values in three general types of changes:
    1. Commercial to Agriculture and other non-commercial zones.

2. Residential to Agriculture.
3. Residential to Town Edge.

While there will specific cases where other types of impacts are likely to occur, we believe that the sum of the changes in the three rezoning situations described above (i.e., -$37,627), will represent the net annual impact of the proposed action on the County's property tax income.

- Costs associated with the special use permit process: additional costs to applicants associated with the preparation of "major" and "minor" SUP applications and costs associated with the review process, including hearings, would amount to $30,400 annually.

- Loss of retail sales and hotel/motel occupancy tax revenues: based on projected development that would be lost to the County with the elimination of a significant amount of commercially zoned land, we project potential annual tax losses associated with retail (-$87,500), hotel/motel occupancy (-$66,400) and food and beverage taxes (-$42,000). The sum of these commercial tax payments (-$195,930) represents the potential annual income loss from commercial businesses in the County.

The net present value of these changes to the County is -$1,144,600 (income discounted at a 5% rate over ten years). The net present value of the cost to property owners of preparing applications for special uses over ten years at a 5 percent discount rate is
-$234,700.

There will be other economic impacts, both general and specific in nature, but we believe that most effects of the proposed changes will fall within these three areas.

5. Conclusions

In most fiscal impact work on zoning changes, costs associated with population changes have the greatest fiscal impact. The most important consideration is usually the impact of population change on schools, and there is typically a disparity between taxes that residents pay and the costs of providing educational and other services. In Northampton County we believe that the proposed Code would not affect population, either positively or negatively, and it would have little if any impact on government operations.

However, there will be fiscal effects on both the County and property owners. The principal impacts on the County would be on income from property taxes. In our view the rezoning would affect assessed values in several specific types of rezoning situations. The annual impact on property tax income would amount to -$37,672.

The second set of County impacts will be in the taxes collected from retail sales, accommodations and restaurant sales. By reducing the amount of commercial land and directing commercial development to the Towns, the County will be limiting its potential for development. While our projection is based on a conceptual level of development, the impact is no less real. We project the potential loss of a hotel/motel, retail space and a restaurant, and a fiscal impact of -$195,930 per year beginning in year 6.

The net present value of these changes to the County could amount to -$1,144,600 (income discounted at a 5% rate over ten years).

Property owners would also experience a financial impact as a result of the complexity of the proposed Code and the expanded requirements associated with special use permits. We project an additional annual cost of $30,400 to applicants. The net present value of the cost to property owners of preparing applications for special uses over ten years would amount to $234,700.

There are situations where specific properties may increase or decrease in value as a result of the rezoning, and owners may experience a real gain or loss as a result. In our view the evaluation of this type of economic impact would require a specific accounting analysis of income and expenses over the history of the property.

The greater complexity of the proposed Code is more than the expansion of the SUP process. With the creation of the “Existing Subdivision” Classification there would be two codes at the same time, the existing and the proposed, in parallel. The existing code will apply to roughly 8,426 acres and the proposed to all the rest.

The proposed Zoning Code reflects the County’s Comprehensive Plan. The Plan attempts to balance preservation and “community asset-based economic development.” While the amount of land available for commercial and residential development under the proposed rezoning appears to be sufficient for many years into the future, there are potential losses in tax income and costs to residents associated with the proposed changes.

Appendices

A-1: Demographics

A-2: Building Permits

A-3: Retail Sales and Opportunities

Exhibit A-1

Census Demographic Overview Report
Northampton County, Virginia

Description	No.	%
Population		
2013 Projection	13,789	
2008 Estimate	13,541	
2000 Census	13,093	
1990 Census	13,061	
Growth 1990-2000	0.25%	
2000 Population by Single Race Classification	13,093	
White Alone	6,977	53.29
Black or African American Alone	5,634	43.03
American Indian and Alaska Native Alone	22	0.17
Asian Alone	26	0.20
Native Hawaiian and Other Pacific Islander Alone	3	0.02
Some Other Race Alone	278	2.12
Two or More Races	153	1.17
2000 Population Hispanic or Latino by Origin	13,093	
Not Hispanic or Latino	12,639	96.53
Hispanic or Latino:	454	3.47
Mexican	331	72.91
Puerto Rican	31	6.83
Cuban	4	0.88
All Other Hispanic or Latino	88	19.38
2000 Hispanic or Latino by Single Race Class.	454	
White Alone	99	21.81
Black or African American Alone	32	7.05
American Indian and Alaska Native Alone	1	0.22
Asian Alone	1	0.22
Native Hawaiian and Other Pacific Islander Alone	0	0.00
Some Other Race Alone	269	59.25
Two or More Races	52	11.45
2000 Population by Sex	13,093	
Male	6,126	46.79
Female	6,967	53.21
Male/Female Ratio	0.88	
2000 Population by Age	13,093	
Age 0 - 4	724	5.53
Age 5 - 9	806	6.16
Age 10 - 14	948	7.24
Age 15 - 17	570	4.35
Age 18 - 20	452	3.45
Age 21 - 24	481	3.67
Age 25 - 34	1,215	9.28
Age 35 - 44	1,881	14.37
Age 45 - 49	959	7.32
Age 50 - 54	845	6.45
Age 55 - 59	741	5.66
Age 60 - 64	700	5.35
Age 65 - 74	1,502	11.47
Age 75 - 84	917	7.00
Age 85 and over	352	2.69
Age 16 and over	10,423	79.61
Age 18 and over	10,045	76.72
Age 21 and over	9,593	73.27
Age 65 and over	2,771	21.16
2000 Median Age	42.18	

2000 Average Age	41.79	
2000 Male Population by Age	6,126	
Age 0 - 4	383	6.25
Age 5 - 9	371	6.06
Age 10 - 14	477	7.79
Age 15 - 17	305	4.98
Age 18 - 20	244	3.98
Age 21 - 24	229	3.74
Age 25 - 34	578	9.44
Age 35 - 44	883	14.41
Age 45 - 49	437	7.13
Age 50 - 54	395	6.45
Age 55 - 59	312	5.09
Age 60 - 64	323	5.27
Age 65 - 74	708	11.56
Age 75 - 84	380	6.20
Age 85 and over	101	1.65
2000 Median Age, Male	40.39	
2000 Average Age, Male	40.18	
2000 Female Population by Age	6,967	
Age 0 - 4	341	4.89
Age 5 - 9	435	6.24
Age 10 - 14	471	6.76
Age 15 - 17	265	3.80
Age 18 - 20	208	2.99
Age 21 - 24	252	3.62
Age 25 - 34	637	9.14
Age 35 - 44	998	14.32
Age 45 - 49	522	7.49
Age 50 - 54	450	6.46
Age 55 - 59	429	6.16
Age 60 - 64	377	5.41
Age 65 - 74	794	11.40
Age 75 - 84	537	7.71
Age 85 and over	251	3.60
2000 Median Age, Female	43.76	
2000 Average Age, Female	43.20	
2000 Population Age 15+ by Marital Status	10,588	
Total, Never Married	2,675	25.26
Married, Spouse present	5,053	47.72
Married, Spouse absent	833	7.87
Widowed	1,162	10.97
Divorced	865	8.17
Males, Never Married	1,383	13.06
Previously Married	668	6.31
Females, Never Married	1,292	12.20
Previously Married	1,359	12.84
2000 Population Age 25+ by Educational Attainment	9,112	
Less than 9th grade	1,462	16.04
Some High School, no diploma	1,515	16.63
High School Graduate (or GED)	2,669	29.29
Some College, no degree	1,572	17.25
Associate Degree	479	5.26
Bachelor's Degree	961	10.55
Master's Degree	303	3.33
Professional School Degree	143	1.57
Doctorate Degree	29	0.32
Households		
2013 Projection	5,815	
2008 Estimate	5,637	

2000 Census	5,321	
1990 Census	5,129	
Growth 1990-2000	3.74%	
2000 Households by Household Type	5,321	
Family Households	3,546	66.64
Nonfamily Households	1,775	33.36
2000 Group Quarters Population	367	
2000 Households Hispanic or Latino	79	1.48
2000 Households by Household Size	5,321	
1-person household	1,565	29.41
2-person household	1,886	35.44
3-person household	830	15.60
4-person household	604	11.35
5-person household	260	4.89
6-person household	106	1.99
7 or more person household	70	1.32
2000 Average Household Size	2.39	
2000 Households by Household Income	5,319	
Income Less than $15,000	1,422	26.73
Income $15,000 - $24,999	984	18.50
Income $25,000 - $34,999	755	14.19
Income $35,000 - $49,999	857	16.11
Income $50,000 - $74,999	720	13.54
Income $75,000 - $99,999	269	5.06
Income $100,000 - $149,999	144	2.71
Income $150,000 - $249,999	134	2.52
Income $250,000 - $499,999	31	0.58
Income $500,000 or more	3	0.06
2000 Average Household Income	$39,980	
2000 Median Household Income	$28,360	
2000 Per Capita Income	$16,591	
2000 Household Type, Presence of Own Children	5,321	
Single Male Householder	641	12.05
Single Female Householder	924	17.37
Married-Couple Family, own children	827	15.54
Married-Couple Family, no own children	1,585	29.79
Male Householder, own children	78	1.47
Male Householder, no own children	127	2.39
Female Householder, own children	462	8.68
Female Householder, no own children	467	8.78
Nonfamily, Male Householder	116	2.18
Nonfamily, Female Householder	94	1.77
2000 Households by Presence of People	5,321	
Households with 1 or more People under Age 18:		
Married-Couple Family	933	17.53
Other Family, Male Householder	104	1.95
Other Family, Female Householder	609	11.45
Nonfamily, Male Householder	13	0.24
Nonfamily, Female Householder	4	0.08
Households no People under Age 18:		
Married-Couple Family	1,479	27.80
Other Family, Male Householder	101	1.90
Other Family, Female Householder	320	6.01
Nonfamily, Male Householder	744	13.98
Nonfamily, Female Householder	1,014	19.06
2000 Households by Number of Vehicles	5,321	
No Vehicles	672	12.63
1 Vehicle	1,988	37.36
2 Vehicles	1,898	35.67
3 Vehicles	572	10.75

4 Vehicles	145	2.73
5 or more Vehicles	46	0.86
2000 Average Number of Vehicles	1.57	
2000 Families by Poverty Status	3,558	
Income At or Above Poverty Level:		
Married-Couple Family, own children	902	25.35
Married-Couple Family, no own children	1,400	39.35
Male Householder, own children	86	2.42
Male Householder, no own children	102	2.87
Female Householder, own children	284	7.98
Female Householder, no own children	223	6.27
Income Below Poverty Level:		
Married-Couple Family, own children	92	2.59
Married-Couple Family, no own children	89	2.50
Male Householder, own children	41	1.15
Male Householder, no own children	14	0.39
Female Householder, own children	273	7.67
Female Householder, no own children	52	1.46
2000 Population Age 16+ by Employment Status	10,412	
In Armed Forces	15	0.14
Civilian - Employed	5,177	49.72
Civilian - Unemployed	389	3.74
Not in Labor Force	4,831	46.40
2000 Civilian Employed Pop. Age 16+ by Occupation	5,177	
Management, Business and Financial Operations	513	9.91
Professional and Related Occupations	888	17.15
Service	1,033	19.95
Sales and Office	1,032	19.93
Farming, Fishing and Forestry	341	6.59
Construction, Extraction, and Maintenance	520	10.04
Production, Transportation, and Material Moving	850	16.42
2000 Pop. Age 16+ by Occupation Classification	5,177	
Blue Collar	1,370	26.46
Service and Farm	1,465	28.30
White Collar	2,342	45.24
2000 Workers Age 16+, Transportation To Work	5,069	
Drove Alone	3,603	71.08
Car Pooled	816	16.10
Public Transportation	109	2.15
Walked	200	3.95
Motorcycle	0	0.00
Bicycle	15	0.30
Other Means	88	1.74
Worked at Home	238	4.70
2000 Workers Age 16+ by Travel Time to Work	4,831	
Less than 15 Minutes	1,972	40.82
15 - 29 Minutes	1,725	35.71
30 - 44 Minutes	626	12.96
45 - 59 Minutes	276	5.71
60 or more Minutes	232	4.80
2000 Average Travel Time to Work in Minutes	22.73	
2000 Tenure of Occupied Housing Units	5,321	
Owner Occupied	3,649	68.58
Renter Occupied	1,672	31.42
2000 Occ Housing Units, Avg Length of Residence	14	
2000 Tenure By Age of Householder	5,321	
Owner Occupied	3,655	
Householder 15 to 24 Years	31	0.85

Householder 25 to 34 Years	164	4.49
Householder 35 to 44 Years	568	15.54
Householder 45 to 54 Years	678	18.55
Householder 55 to 59 Years	329	9.00
Householder 60 to 64 Years	278	7.61
Householder 65 to 74 Years	838	22.93
Householder 75 to 84 Years	600	16.42
Householder 85 and over	169	4.62
Renter Occupied	1,666	
Householder 15 to 24 Years	79	4.74
Householder 25 to 34 Years	325	19.51
Householder 35 to 44 Years	360	21.61
Householder 45 to 54 Years	270	16.21
Householder 55 to 59 Years	101	6.06
Householder 60 to 64 Years	107	6.42
Householder 65 to 74 Years	220	13.21
Householder 75 to 84 Years	151	9.06
Householder 85 and over	53	3.18
2000 Pop 65 and over by HH Type and Relationship		
Total for Pop 65 and over	2,828	
In Households:	2,713	
In Family Households:	1,822	64.43
Householder	1,022	36.14
Male	727	25.71
Female	295	10.43
Spouse	635	22.45
Parent	89	3.15
Other Relatives	74	2.62
Nonrelatives	2	0.07
In Non-Family Households:	891	31.51
Male householder	281	9.94
Living Alone	273	9.65
Not Living Alone	8	0.28
Female Householder	589	20.83
Living Alone	565	19.98
Not Living Alone	24	0.85
Nonrelatives	21	0.74
In Group Quarters:	115	
Institutionalized population	115	4.07
Noninstitutionalized population	0	0.00
2000 All Owner-Occupied Housing Values	3,655	
Value Less than $20,000	379	10.37
Value $20,000 - $39,999	450	12.31
Value $40,000 - $59,999	523	14.31
Value $60,000 - $79,999	596	16.31
Value $80,000 - $99,999	478	13.08
Value $100,000 - $149,999	521	14.25
Value $150,000 - $199,999	234	6.40
Value $200,000 - $299,999	253	6.92
Value $300,000 - $399,999	99	2.71
Value $400,000 - $499,999	60	1.64
Value $500,000 - $749,999	54	1.48
Value $750,000 - $999,999	8	0.22
Value $1,000,000 or more	0	0.00
2000 Median All Owner-Occupied Housing Value	$75,946	
2000 Housing Units by Units in Structure	6,547	
1 Unit Attached	172	2.63
1 Unit Detached	5,116	78.14
2 Units	119	1.82
3 to 19 Units	214	3.27

20 to 49 Units	26	0.40
50 or More Units	9	0.14
Mobile Home or Trailer	889	13.58
Boat, RV, Van, etc	2	0.03
2000 Housing Units by Year Built	6,547	
Housing Units Built 1999 to March 2000	165	2.52
Housing Unit Built 1995 to 1998	427	6.52
Housing Unit Built 1990 to 1994	327	4.99
Housing Unit Built 1980 to 1989	776	11.85
Housing Unit Built 1970 to 1979	910	13.90
Housing Unit Built 1960 to 1969	676	10.33
Housing Unit Built 1950 to 1959	789	12.05
Housing Unit Built 1940 to 1949	603	9.21
Housing Unit Built 1939 or Earlier	1,874	28.62
2000 Median Year Structure Built **	1960	
2000 Average Contract Rent	$214	

Claritas, Inc.; Thomas Point Associates, Inc.

Exhibit A-2

New Construction, Number and Value ($000's) of Permits, Northampton Co., Va, 2001-2008

	No. and Value ($000's) of Permits by Year																			
	2001		**2002**		**2003**		**2004**		**2005**		**2006**		**2007**		**2008**		**Total**		**Average**	
Type	***No.***	***Value***	***No.***	***Value***	***No.***	***Value***	***No.***	***Value***	***No.***	***Value***	***No.***	***Value***	***No.***	***Value***	***No.***	***Value***	***No.***	***Value***	***No.***	***Value***
Homes	59		88	10,140	124	15,596	115	13,885	103	17,200	78	14,936	77	16,301	45	12,047	769	110,473	85	13,809
Mobile Homes	4		14	116	15	96	15	134	5	39	1	3	6	83	6	25	82	873	9	109
Apartments	1		3	90	-	-	-	-	-	-	6	4,800	-	-	-	-	11	7,290	1	911
Commercial	2		12	3,081	5	961	7	3,128	6	2,395	7	206	2	205	9	6,622	74	18,781	8	2,348
Industrial	-		-	-	-	-	-	-	-	-	1	36	-	-	-	-	1	36	0	5
Community Facs.	-		-	-	-	-	-	-	2	540	6	16,258	5	470	3	1,158	16	18,426	2	2,303
Piers, Bulkheads	11		26	312	30	394	50	545	14	221	24	464	14	311	10	523	200	3,056	22	382
Total	77	-	143	13,739	174	17,047	187	17,692	130	20,395	123	36,703	104	17,370	73	20,375	1,153	158,935	128	19,867

Source: Northampton County Building Department; Thomas Point Associates, Inc.

Exhibit A-3

Retail Opportunity Gap, Northampton County, Va., 2008

Retail Stores	Demand (Expenditures)	Supply (Retail Sales)	Opportunity Gap/Surplus
Total Retail Sales Incl Eating and Drinking Places	212,408,797	161,189,236	51,219,561
Motor Vehicle and Parts Dealers-441	39,127,244	2,062,986	37,064,258
Automotive Dealers-4411	33,801,152	1,596,000	32,205,152
Other Motor Vehicle Dealers-4412	2,204,108	191,000	2,013,108
Automotive Parts/Accsrs, Tire Stores-4413	3,121,984	275,986	2,845,998
Furniture and Home Furnishings Stores-442	5,016,751	559,992	4,456,759
Furniture Stores-4421	2,774,217	272,996	2,501,221
Home Furnishing Stores-4422	2,242,534	286,996	1,955,538
Electronics and Appliance Stores-443	4,409,490	283,968	4,125,522
Appliances, TVs, Electronics Stores-44311	3,366,627	277,003	3,089,624
Household Appliances Stores-443111	791,510	33,002	758,508
Radio, Television, Electronics Stores-443112	2,575,117	244,001	2,331,116
Computer and Software Stores-44312	876,028	6,965	869,063
Camera and Photographic Equipment Stores-44313	166,835	0	166,835
Building Material, Garden Equip Stores -444	22,954,972	9,713,128	13,241,844
Building Material and Supply Dealers-4441	21,090,272	3,059,129	18,031,143
Home Centers-44411	8,334,838	2,015,136	6,319,702
Paint and Wallpaper Stores-44412	505,019	0	505,019
Hardware Stores-44413	1,662,112	402,002	1,260,110
Other Building Materials Dealers-44419	10,588,303	641,991	9,946,312
Building Materials, Lumberyards-444191	3,560,949	218,921	3,342,028
Lawn, Garden Equipment, Supplies Stores-4442	1,864,700	6,653,999	(4,789,299)
Outdoor Power Equipment Stores-44421	301,775	0	301,775
Nursery and Garden Centers-44422	1,562,925	6,653,999	(5,091,074)
Food and Beverage Stores-445	26,844,395	45,831,004	(18,986,609)
Grocery Stores-4451	24,496,393	43,375,003	(18,878,610)
Supermarkets, Grocery (Ex Conv) Stores-44511	23,321,945	40,822,002	(17,500,057)
Convenience Stores-44512	1,174,448	2,553,001	(1,378,553)
Specialty Food Stores-4452	768,994	402,001	366,993
Beer, Wine and Liquor Stores-4453	1,579,008	2,054,000	(474,992)
Health and Personal Care Stores-446	13,375,621	11,839,489	1,536,132
Pharmancies and Drug Stores-44611	11,704,964	11,245,997	458,967
Cosmetics, Beauty Supplies, Perfume Stores-44612	479,246	247,491	231,755
Optical Goods Stores-44613	344,211	0	344,211
Other Health and Personal Care Stores-44619	847,200	346,001	501,199
Gasoline Stations-447	26,502,441	39,618,997	(13,116,556)
Gasoline Stations With Conv Stores-44711	19,792,246	0	19,792,246
Other Gasoline Stations-44719	6,710,195	39,618,997	(32,908,802)
Clothing and Clothing Accessories Stores-448	8,499,122	1,527,985	6,971,137
Clothing Stores-4481	6,103,296	977,987	5,125,309
Men's Clothing Stores-44811	408,240	0	408,240
Women's Clothing Stores-44812	1,471,060	0	1,471,060
Childrens, Infants Clothing Stores-44813	377,325	683,988	(306,663)
Family Clothing Stores-44814	3,327,993	0	3,327,993
Clothing Accessories Stores-44815	138,248	58,998	79,250

Other Clothing Stores-44819	380,430	235,001	145,429
Shoe Stores-4482	1,139,056	261,999	877,057
Jewelry, Luggage, Leather Goods Stores-4483	1,256,770	287,999	968,771
Jewelry Stores-44831	1,160,595	287,999	872,596
Luggage and Leather Goods Stores-44832	96,175	0	96,175
Sporting Goods, Hobby, Book, Music Stores-451	2,964,455	237,656	2,726,799
Sportng Goods, Hobby, Musical Inst Stores-4511	2,147,780	161,005	1,986,775
Sporting Goods Stores-45111	1,031,805	72,003	959,802
Hobby, Toys and Games Stores-45112	724,869	58,002	666,867
Sew/Needlework/Piece Goods Stores-45113	193,050	31,000	162,050
Musical Instrument and Supplies Stores-45114	198,056	0	198,056
Book, Periodical and Music Stores-4512	816,675	76,651	740,024
Book Stores and News Dealers-45121	551,338	0	551,338
Book Stores-451211	515,324	0	515,324
News Dealers and Newsstands-451212	36,014	0	36,014
Prerecorded Tapes, CDs, Record Stores-45122	265,337	76,651	188,686
General Merchandise Stores-452	24,866,612	24,584,998	281,614
Department Stores Excl Leased Depts-4521	11,515,294	20,564,001	(9,048,707)
Other General Merchandise Stores-4529	13,351,318	4,020,997	9,330,321
Warehouse Clubs and Super Stores-45291	11,535,170	0	11,535,170
All Other General Merchandise Stores-45299	1,816,148	4,020,997	(2,204,849)
Miscellaneous Store Retailers-453	5,154,220	3,700,170	1,454,050
Florists-4531	388,233	382,160	6,073
Office Supplies, Stationery, Gift Stores-4532	1,902,622	428,006	1,474,616
Office Supplies and Stationery Stores-45321	1,085,455	108,000	977,455
Gift, Novelty and Souvenir Stores-45322	817,167	320,006	497,161
Used Merchandise Stores-4533	393,515	578,000	(184,485)
Other Miscellaneous Store Retailers-4539	2,469,850	2,312,004	157,846
Non-Store Retailers-454	12,654,272	2,443,864	10,210,408
Electronic Shopping, Mail-Order Houses-4541	8,742,450	1,031,990	7,710,460
Vending Machine Operators-4542	539,916	665,875	(125,959)
Direct Selling Establishments-4543	3,371,906	745,999	2,625,907
Foodservice and Drinking Places-722	20,039,202	18,784,999	1,254,203
Full-Service Restaurants-7221	9,205,347	10,050,000	(844,653)
Limited-Service Eating Places-7222	8,214,043	8,593,000	(378,957)
Special Foodservices-7223	1,684,967	0	1,684,967
Drinking Places -Alcoholic Beverages-7224	934,845	141,999	792,846
GAFO *	47,659,052	27,622,605	20,036,447
General Merchandise Stores-452	24,866,612	24,584,998	281,614
Clothing and Clothing Accessories Stores-448	8,499,122	1,527,985	6,971,137
Furniture and Home Furnishings Stores-442	5,016,751	559,992	4,456,759
Electronics and Appliance Stores-443	4,409,490	283,968	4,125,522
Sporting Goods, Hobby, Book, Music Stores-451	2,964,455	237,656	2,726,799
Office Supplies, Stationery, Gift Stores-4532	1,902,622	428,006	1,474,616

The difference between demand and supply represents the opportunity gap or surplus available for each retail outlet in the specified area. When the demand is greater than (less than) the supply, there is an opportunity gap (surplus)

* GAFO (General merchandise, Apparel, Furniture and Other) represents sales at stores that sell merchandise normally sold in department stores. This category is not included in Total Retail Sales Including Eating and Drinking Places.

Source: Claritas, Inc.; Thomas Point Associates, Inc.