



FISCAL IMPACT ANALYSIS

An Element of the New Kent County Comprehensive Plan

October 2002

EXECUTIVE SUMMARY

This report estimates future public service demands based on projected County build-out scenarios and attempts to quantify the amount of acreage that should be designated for non-residential, income-producing uses in order to balance the costs of providing public services.

There are approximately 5,000 occupied housing units in the County, with an existing vacant lot inventory of approximately 5,000 more lots.

Depending on the ultimate density of development on properties presently zoned A-1, the ultimate County build-out could range from 45,000 to 80,000, or more.

The following is an estimate of the County's population and household growth over the next 30 years:

<u>Year</u>	<u>Est. Households</u>	<u>Est. Population.</u>
2010	6,900	18,000
2020	9,400	23,500
2030	12,400	31,000

Assuming the current County average of 0.48 children per household, the County essentially breaks even on new custom home¹ development before capital expenditures.

Assuming 0.48 children per household, the County loses approximately \$1,000 per household on new, tract single family² development before capital expenditures.

Assuming a ratio of new home construction that is 70% tract home and 30% higher-end custom homes, the County could be faced with the following operating deficits in the absence of any new economic development:

¹ See page 12 for definition

² See page 12 for definition

Year	Projected, Annual Operating Deficit (before debt service)
2010	\$2,300,000
2020	\$4,100,000
2030	\$6,200,000

These projected operating deficits can be significantly reduced by any combination of the following:

- Increasing the amount of new, non-residential development
- Increasing retail sales opportunities
- Increasing the ratio of custom-to-tract homes
- Increasing the amount of age-restricted housing

Retail sales clearly represent the largest gain to the County per acre of land consumed, based on the importance of the local share of retail sales taxes.

In order to increase retail sales tax collections, the County must do one or more of the following:

- Attract retailers of those goods that are under-represented in the County, including general merchandise, clothing and furniture
- Attract retail development in close proximity to neighboring jurisdictions
- Attract visitor and tourist-related development

The attraction of retail sales requires the presence of a critical mass of purchasing power.

By simply increasing per capita retail sales in the County to a level commensurate with the statewide average, the projected operational deficit could be trimmed by approximately 37-60 percent.

Even if per capita retail sales can be increased to the state average, it is estimated that the County must still see the development of approximately 40-50 acres of mixed-use land **per year** to balance the fiscal demands of the projected residential growth. These uses include:

- Office
- Light Industry
- Warehousing
- Heavy Industry

There is a growing trend toward mixed-use business parks that combine light industry, warehousing, services, and even hotels and restaurants in one master-planned complex. Such parks necessarily require access to an interstate interchange, and the vacant land in close proximity to the Route 155 and Route 106 interchanges should be carefully considered for this type of use.

The County's success in this arena will depend largely on its ability to provide fully developed industrial sites.

It is recommended that the County designate—and then zealously protect from encroachment—the following acreage, at a minimum, in the Comprehensive Plan:

- Retail 750-1,000 acres
- Heavy Industry 1,000 acres (on Route 33 corridor)
- Mixed-Use Business 1,000 acres

The retail estimate may include existing commercial nodes as well as new villages.

Non-residential development must necessarily be combined with residential growth management that will encourage:

- Manageable density levels
- Higher value housing (though not at the expense of home ownership opportunities for all)
- Housing oriented to age-in-place adults and the elderly
- Resort-type development

In order for the County to realize any significant retail sales from the residents of neighboring jurisdictions, it will be necessary to have public infrastructure in place in locations such as:

- Eltham

- Providence Forge
- Bottoms Bridge

If public sewer were made available to designated commercial and industrial areas, the land that is set aside for these uses could be more efficiently utilized resulting in higher per-acre tax revenues to the County.

INTRODUCTION AND METHODOLOGY

The purpose of this report is to estimate the future public service demands based on estimated County build-out scenarios and to attempt to quantify the amount of acreage that should be designated for non-residential uses. These non-residential uses can provide a positive fiscal impact to the County; thus offsetting the financial demands of continued residential growth.

The following is an overview of the methodology that was employed in this study:

1. An estimate of the number of potential residential lots presently existing in the County was developed utilizing existing tax records and available subdivision data.
2. An estimate was prepared of the amount of land currently zoned R-1 and R-2 in parcels of 10 acres or more. An ultimate build-out of this land at 2 dwelling units per acre was assumed based on the current zoning ordinance.
3. An estimate was prepared of the amount of agricultural-zoned land in the County to determine the potential for future residential lot creation.
4. Ultimate residential build-out projections were developed based on existing A-1 property being developed under the following alternative densities: 1 unit per 5, 10, 15 and 20 acres.
5. Interim household and population projections were developed for the years: 2010, 2020 and 2030.
6. Future local government operating costs were estimated based on current per-household expenditures expressed in 2002 dollars.
7. Future, local residential tax revenues were estimated based on current per-household collections and expressed in 2002 dollars.
8. Potential operating deficits from future, single-family residential development were estimated assuming a ratio of 70 percent new tract homes and 30 percent new custom homes.
9. The potential positive fiscal impacts of various types of non-residential development were estimated based on a selected sample of current businesses. Per-acre local tax revenues were then estimated.
10. The above estimates were then utilized to provide a quantifiable basis for the amount of land needed for economic development activities.

While this methodology necessarily involves a great deal of estimation and forecasting, it can nonetheless be utilized as a quantitative tool by local decision makers in contemplating future land use policy decisions.

EXISTING RESIDENTIAL LOT INVENTORY

Based on records provided by the Commissioner of the Revenue's office, the following figures represent the number of existing residential-zoned lots in New Kent County as of March, 2001:

PUD lots	290
R-1 lots	2,025
R-2 lots	831
ROA lots	238
Subtotal	3,384
Lots recorded 3/1/01 – 12/31/01	100 (approx.)
A-1 lots of less than 10 acres	4,060
A-1 lots of 10 acres or more	1,425
PUD lots approved since 1-1-02	
Preliminary	482
Final	176
Non-PUD lots approved since 1-1-02	
Preliminary	44
Final	48
Family	36
Parent	82
Exempt	20
TOTAL LOTS	9,857
Less: Occupied Housing Units	(4,925) (2000 Census)
ESTIMATED VACANT LOT INVENTORY	4,932*
ROUNDED TO:	5,000

* does not include approximately 2,350 lots that are part of Kentlands master plan, but are not in Brickshire development

PROJECTED COUNTY BUILD-OUT UNDER VARIOUS DENSITY SCENARIOS

Estimated vacant lot inventory, August, 2002	5,000 lots
Approved lots in Kentlands (non-Brickshire)	2,350 lots
Acreage in R-1 parcels of 10 acres or more	1,200 acres
Build-out of R-1 at 2 units per acre	2,400 lots
Acreage in A-1 parcels of 10 acres or more	90,200 acres
Less: Estimate of 30 percent unbuildable due to environmental constraints, roads and utilities	(27,200) acres
Potentially developable A-1 acreage in parcels of 10 acres or more	63,000 acres
Possible lots in A-1 parcels of 10 acres or more at:	
1 unit per 5 acres	12,600
Plus: existing lot inventory	5,000
Plus: Kentlands (non-Brickshire)	2,350
Plus: Potential R-1 build-out	2,400
Total	22,350 lots
1 unit per 10 acres	6,300
Plus: existing lot inventory	5,000
Plus: Kentlands (non-Brickshire)	2,350
Plus: Potential R-1 build-out	2,400
Total	16,050 lots
1 unit per 15 acres	4,200
Plus: existing lot inventory	5,000
Plus: Kentlands (non-Brickshire)	2,350
Plus: Potential R-1 build-out	2,400
Total	13,950 lots
1 unit per 20 acres	3,150
Plus: existing lot inventory	5,000
Plus: Kentlands (non-Brickshire)	2,350
Plus: Potential R-1 build-out	2,400
Total	12,900 lots

The following table utilizes the above projections to estimate the potential for an ultimate County build-out, both in terms of total residential lots and total population. ***It must be noted that the following estimates do not assume any more rezonings from A-1 to more intensive residential districts.***

	Potential New Lots	Existing Vacant Lots	Approved Lots-Kentlands	Projected R-1 Buildout	Potential Total Lots	Plus: Estimated Existing Dwellings	Total Potential Lots at Build-Out	Population at 2.5/household
Build-out of A-1 @ 1 du/5 ac	12,600	5,000	2,350	2,400	22,350	5,300	27,650	69,125
Build-out of A-1 @ 1 du/10 ac	6,300	5,000	2,350	2,400	16,050	5,300	21,350	53,375
Build-out of A-1 @ 1 du/15 ac	4,200	5,000	2,350	2,400	13,950	5,300	19,250	48,125
Build-out of A-1 @ 1 du/20 ac	3,150	5,000	2,350	2,400	12,900	5,300	18,200	45,500
Build-out of A-1 @ 1 du/25 ac	2,520	5,000	2,350	2,400	12,270	5,300	17,570	43,925

Note: Estimated existing dwellings were increased from the 2000 census figures to account for new single family building permits issued since 2000.

HOUSEHOLD AND POPULATION PROJECTIONS

Utilizing the data above, the following is an estimate of household and population for the County. These estimates are based on an increasing number of new residential permits in each decade to reflect the expected growth pressures that will occur as land in neighboring jurisdictions becomes increasingly scarce.

Recent years have seen new residential permits in the County increase from the low 100s per year in the early 1990s to approaching 200 per year in 2001. For this reason, it is estimated that the County will average approximately 200 new permits per year during the next decade with increases in each succeeding decade as noted in the table below:

Household and Population Projections

Decade ending:	2010	2020	2030
Households at beginning of decade	4,925	6,900	9,400
Estimated household growth			
@ 200 households per year	2,000		
@ 250 households per year		2,500	
@ 300 households per year			3,000
Estimated households at end of decade	6,900	9,400	12,400
Estimated average household size	2.6	2.5	2.5
Estimated population	17,940	23,500	31,000
Rounded to	18,000	23,500	31,000

FISCAL IMPACT OF NEW RESIDENTIAL DEVELOPMENT

Given the above projections of future household and population growth in the County, the next step in this analysis is to estimate the projected fiscal impact of this number of dwelling units in the County for each specified time period.

The following is an estimate of the local tax revenues, in constant 2002 dollars, that can be expected to accrue to the County from three types of new residential development: custom single-family homes, tract single-family homes and multi-family units.

Real property projections estimate average dollar per square foot valuations which are based on current market conditions and which have been compared to current County assessments.

Personal property tax projections are based on total, current residential property valuations of \$80 million divided by approximately 5300 occupied dwelling units, for an average valuation of approximately \$15,000 per household. This figure was then adjusted to account for the higher per household valuations that can be expected from custom homes, and the lower valuations that can be expected from multi-family dwellings.

It must be cautioned that these estimates are based on the assumption that the Commonwealth of Virginia will continue to reimburse and keep the County whole with regard to the phased elimination of the motor vehicle tax. If the state mandates the elimination of this tax while backing off from its commitment to fully reimburse the localities, a significant source of local revenue will be lost, and will have to be replaced from other sources.

Estimated Residential Valuations and Property Tax Revenues

	Custom Single Family	Tract Single Family	Multi-Family
Value per sq. ft. (incl. lot value)	\$95-100	\$75-85	\$60
Avg. real estate value	\$250,000	\$160,000	\$60,000
Avg. annual RE taxes	\$1,975	\$1,264	\$474
Avg. personal property valuation	\$25,000	\$15,000	\$8,000
Avg. annual personal property taxes	\$938	\$563	\$300

FISCAL IMPACT OF NEW, SINGLE FAMILY RESIDENTIAL DEVELOPMENT

Utilizing the above property tax estimates and the approved 2002 County budget, the following calculations estimate the net fiscal impact on the County for each new single family dwelling constructed. These figures assume constant 2002 dollars. These figures are reflective of average, per household operating costs, and **do not** estimate new capital expenditures.

	CUSTOM	TRACT
ESTIMATED TAX REVENUES		
Real Property Tax	\$1,975	\$1,264
Personal Property Tax	938	563
Utility Tax	50	50
Motor Vehicle Licenses	40	40
Retail Sales Taxes	120	120
Estimated Total Annual Taxes (per household)	\$3,123	\$2,037
LOCAL, PER CAPITA OPERATING COSTS		
<i>(before education cost; based on rounded estimate of 5,000 existing households)</i>		
General Fund Expenditures	\$1,503	\$1,503
Social Services	29	29
Human Services	90	90
Airport	18	18
Total, local per household costs	\$1,640	\$1,640
Estimated Gain Per Household		
Before Schools and Capital Costs	\$1,483	\$397
Estimated Cost of Public Education		
At one child per household	\$3,030	\$3,030
At two children per household	\$6,060	\$6,060
At County average of .48	\$1,454	\$1,454
Estimated Loss Per Household*		
At one child per household	(1,547)	(2,633)
At two children per household	(4,577)	(5,663)
At County average of .48	29 gain	(1,057)

PROJECTED OPERATING SHORTFALLS WITHOUT NEW ECONOMIC DEVELOPMENT

Assuming a ratio of tract-to-custom homes of 70:30, and a continuation of the present County average of .48 school children per household, one can assume a net operating loss to the County of \$700 per new single family home. Based on this estimate, the following projections of future County operating shortfalls can be derived:

	2010	2020	2030
Estimated County Population	18,000	23,500	31,000
Estimated Number of Households	6,900	9,400	12,400
Estimated Operating Deficit per Household (in 2002 dollars)	-700	-700	-700
Estimated Operating Deficit from Residences	4,800,000	6,600,000	8,700,000
Less: Estimated Existing Non-Residential Tax Revenues ³	2,500,000	2,500,000	2,500,000
Est. Annual Operating Deficit	-2,300,000	-4,100,000	-6,200,000

These projected operating deficits are based on high projections for new household creation and do not assume any additional non-residential development. This projected operating deficit can be significantly reduced by any combination of the following:

- Increasing the amount of new, non-residential development
- Increasing retail sales opportunities
- Increasing the ratio of custom-to-tract homes
- Increasing the amount of age-restricted housing

³ Real estate tax: \$ 700,000*
 Personal property tax: \$ 320,000*
 Public service corporations: \$ 464,000
 Business license tax: \$ 450,000
 Bank stock tax: \$ 35,000
 Horse racing: \$ 500,000

* estimates of business real estate and business personal property taxes based on 10 percent of total County collections in 2002

FISCAL IMPACT OF NON-RESIDENTIAL DEVELOPMENT

A selected sample was taken of various types of non-residential developments and businesses in New Kent County in an attempt to estimate the local tax generation from non-residential enterprises.

Given the uncertain future of the Business, Professional and Occupational (BPOL) tax and the privileged nature of gross receipts data, no attempt was made to include this revenue source in these calculations.

Non-residential development is not without public service costs. Local costs primarily involve police and fire protection. Since no attempt was made to include new business license tax receipts in these calculations, and given the fact that the County presently realizes approximately \$450,000 in business license fees, it was assumed that new business license fees and fees for services (planning review fees, etc.) would largely offset the police and fire operating costs associated with new non-residential development. This assumption does not account for capital needs such as a ladder truck to protect large commercial structures.

Retail sales tax data is not available by establishment. In the absence of such data, retail sales were based on average square footage of building per acre with average sales per sq. ft. estimated as follows:

- Grocery-anchored retail based on 7,000 sq. ft. per acre @ sales of \$200 per sq. ft.
- Free-standing retail based on 4,000 sq. ft. per acre @ sales of \$150 per sq. ft.
- Gas stations/convenience stores based on 3,000 sq. ft. per acre @ sales of \$200 per sq. ft.

TYPE OF PROJECT	AVG. RE TAX PER ACRE	AVG. BUS PERS PROP TAX /ACRE	AVG. SALES TAX/ACRE	AVG. TOTAL TAX/ACRE
Ind./Whse	\$850	\$1,450	\$0	\$2,300
Grocery Retail	3,150	2,000	14,000	19,150
Free Retail	1,900	650	6,000	8,550
Office	1,850	1,250	0	3,100
Gas/Conv. store	2,700	4,450	6,000	13,150

Based on the importance of the local share of retail sales taxes, retail sales clearly represent the largest gain to the County per acre of land.

ESTIMATE OF AMOUNT OF LAND NEEDED FOR ECONOMIC DEVELOPMENT ACTIVITIES

Retail Sales

Typical retail development is driven by local demand. Exceptions to this rule may include retail “destinations” as outlet malls and recreational centers; however, they too are developed because of their proximity to concentrations of purchasing power and/or drive-by traffic.

The most conservative way to estimate future demand for retail space would be to base these estimates on the level of per capita retail sales that already exist in the community. Since all of the projections in this report are based on constant 2002 dollars, available retail sales data can be projected forward as follows:

Year	2010	2020	2030
Estimated Population	18,000	23,500	31,000
Retail Sales Per Capita In 2002 dollars	4,111	4,111	4,111
Est. Sales at Current Per Capita Level	\$74,000,000	\$96,600,000	\$127,400,000
Less: 2001 Sales	(55,340,000)	(55,340,000)	(55,340,000)
Est. New Demand In 2002 dollars	\$18,660,000	\$41,260,000	\$72,000,000
Required acreage ⁴	19	41	72

While this level of new retail development may prove sufficient to serve County needs based solely on existing levels of retail sales, this level of sales and development will **not** help to close the projected operating deficit. This is due to the fact that this level of per capita sales and the resultant local sales tax collections were already calculated in the projected local tax collections from new residential development.

⁴ Based on average retail sales of \$1M per acre

If the projected fiscal gap is to be narrowed, it will be necessary to do one or more of the following:

- Attract retailers of those goods that have been previously identified as being under-represented in the County, specifically:
 - General merchandise
 - Clothing
 - Furniture
- Attract retail development in close proximity to neighboring jurisdictions in the hope of attracting retail sales dollars from County citizens and non-County residents alike.
- Attract visitor and tourist-related development that will also attract non-resident spending as well as providing viable shopping options for County residents. These may include:
 - Hotels and motels
 - Bed and breakfast establishments
 - Restaurants
 - Specialty shops
 - Golf courses and resorts

In order for the County to increase its proportional sales of general merchandise, clothing and furniture, a critical mass of purchasing power must exist so retailers in those categories will be attracted. In the case of free-standing, general merchandise retailers, this critical mass would equate to a minimum of 30-35,000 residents within a 10-12.5 mile radius of the site.

Some smaller clothing retailers may be attracted to locate in grocery-driven neighborhood centers. Examples may include retailers such as A&N, Fashion Bug, etc.

Major clothing retailers are typically located in regional malls and shopping centers. The International Council of Shopping Centers defines Regional Centers as providing, "...general merchandise (a large percentage of which is apparel) and services in full depth and variety. Its main attractions are its anchors: traditional, mass merchant, or discount department stores and fashion specialty stores." (Source: ICSC "Shopping Center Definitions": 1999)

In Southeastern Virginia, these regional malls and shopping centers usually depend on a trade area of in excess of 100,000 persons. Obviously, the only way the County can expect to provide access to this critical mass of purchasing power is to provide locational opportunities in close proximity to population centers in neighboring jurisdictions. An excellent example of this phenomenon is Southpark Mall in Colonial Heights. The presence of this mall has helped Colonial Heights rank first in Richmond-area regional per capita retail sales, in spite of ranking eighth (of 13 jurisdictions) in per capita household income.

If the County's per capita retail sales figures can be expanded to equal the current average in the Commonwealth of Virginia, the table above could be revised as follows:

YEAR	2010	2020	2030
Estimated Population	18,000	23,500	31,000
Per Capita Retail Sales Based on 2001 State Avg.	9,709	9,709	9,709
Estimated Sales at Current Per Capita Ave. in Virginia	\$175,000,000	\$228,000,000	301,000,000
Less: 2001 Sales	(55,340,000)	(55,340,000)	(55,340,000)
Estimated New Demand (in 2002 dollars)	\$119,660,000	\$172,660,000	245,660,000
Required acreage ⁵	120	173	246

If this level of new retail development can be attracted to the County, the County's share of the additional retail sales taxes that would be generated could be expected to have the following impact on the projected operating deficit:

⁵ Based on average retail sales of \$1M per acre

YEAR	2010	2020	2030
Estimated Sales at State Per Capita Average	175,000,000	228,000,000	301,000,000
Less: Estimated Sales at Current Per Capita Levels	74,000,000	96,600,000	123,330,000
Estimated Increase Over Current Per Capita Levels	101,000,000	131,400,000	177,670,000
Est. Increase in Local Sales Tax Collections	1,010,000	1,314,000	1,776,700
Est. Increase in Other Local Taxes @ 40% of Sales Tax	400,000	526,000	710,000
Total Est. Local Tax Increase: Increase in Retail Sales to State Per Capita Average	1,400,000	1,800,000	2,500,000
Projected Operating Deficit	2,300,000	4,100,000	6,200,000
Projected Adjusted Deficit	900,000	2,300,000	3,700,000

Based on this scenario, by simply increasing per capita retail sales in the County to a level commensurate with the statewide average, the projected operation deficit could be trimmed by approximately 40-60 percent. To the extent that non-County resident and visitor spending can be enhanced, this projected deficit shrinks even further.

The total County build-out, even at the relatively low density of 1 unit per 5 acres in the remaining A-1 land, with no assumption of higher-density rezonings would exceed 60,000. If higher-density developments come to the County, the ultimate build-out could spiral even higher. Therefore, it is recommended that approximately 750-1000 acres of land be designated for ultimate development as retail, though probably not all at once to avoid the temptation of "leap-frog" development.

In a very dated (1989) article in Urban Land, entitled "A Community's Commercial Land: Is 'How Much' a Matter of Standards?" David B. Van Horn, a planning and economic consultant, estimated that the average

amount of commercially-developed land approximated 12.4 acres per 1,000 residents. Applying this standard to a projected ultimate County build-out of 60,000 – 80,000 residents, (depending on future land use decisions), the amount of land to be set aside for retail development would also approximate 750-1,000 acres.

Industrial and Office Development

Unlike retail sales, industrial location decisions are not necessarily guided by pent-up demand in the local market. While proximity to markets certainly plays a large role in such locational decisions, other factors assume increased importance. Some of these other determining factors include, but are not necessarily limited to:

- Proximity to Interstate highway system, ports and rail
- Availability of public water and sewer and natural gas
- Proximity to raw materials
- Labor cost, availability and skill levels
- Quality of life
- Quality of public education

While New Kent County has a very modest share of the region's population, it does enjoy more than its proportional share of vacant land with close proximity to Interstate 64. For this reason, it can be expected to garner a larger percentage of new industrial growth than could be expected based on population size alone.

There is a growing trend toward mixed-use business parks that combine light industry, warehousing, services, and even hotels and restaurants in one master-planned complex. Such parks necessarily require access to an Interstate interchange, and the vacant land in close proximity to the Route 155 and Route 106 interchanges should be carefully considered for this type of use. It is also not unusual for this type of mixed-use business park to be co-located with a golf course or other recreational amenities. This is very much in keeping with recent development patterns around Colonial Downs and Kentland.

Given the intensely competitive nature of industrial development activity, the County's success will ride largely on its ability to provide fully developed industrial sites. This particularly emphasizes the need for public water and sewer at these interchanges.

Heavy industry differs from other types of economic development activity in that it does not have to be, and in fact prefers not to be in close proximity to a jurisdiction's most heavily-populated areas. The potential for conflict between these greatly different land uses mandates that care be taken to buffer County residents from the negative impacts of industry and to buffer industry from the inevitable complaints of its residential neighbors.

Even if per capita retail sales are increased to the statewide average, balancing the projected operating deficit will still require the following:

YEAR	2010	2020	2030
Projected Adjusted Annual Operating Deficit	\$900,000	\$2,300,000	\$3,700,000
Average Local Tax Revenues: Per Acre Avg: Industry/Office (in constant 2002 dollars)	\$2,700	\$2,700	\$2,700
Total Acres Needed to Close Projected Annual Deficit	333	852	1370
Annual Acres Needed to Be Absorbed	42 (8 yrs)	47	49

Based on the foregoing, it is estimated that the County must see the development of 40- 50 acres per year (total) of the following land uses in order to balance the fiscal demands of the projected residential growth over the next 30 years:

- Office
- Industry (both heavy and light)
- Warehousing and Distribution

This suggests that the County should designate a minimum of 1,500 – 2,000 acres of land for this combination of uses to provide for its needs over the next 30-plus years. Incidental development such as gas stations, convenience stores, small service operations, etc. should serve to close the remaining fiscal gap. Once designated, the County must protect these areas from encroachment by residential and other inappropriate uses.

CONCLUSIONS

Based on the foregoing analysis, it is recommended that the County designate, at a minimum, the following acreage in the Comprehensive Plan:

Retail	750-1000 acres
Heavy Industry	1000 acres
Mixed-Use Business	1000 acres

The retail estimate may include both existing commercial nodes, as well as new village concepts such as in the Courthouse area. Land areas set aside for industrial development in particular should be viewed as what it truly is—a scarce resource to be zealously protected from encroachment and inappropriate development. Other areas designated for retail and business use also need protection from the sorts of residential encroachment that may set up potential conflicts between residents and business interests. Effective planning and use of various site development standards can assist in this effort.

Non-residential development must necessarily be combined with residential growth management that will encourage:

- Manageable density levels
- Higher value housing in the context of an overall community plan to include home ownership opportunities for all
- Housing oriented to the elderly and age-in-place adults
- Resort-type development

To the extent that residential development can be effectively managed, the demands on the County to meet the rather aggressive goal of 40-50 acres per year of office, industrial and mixed-use development will be greatly relieved.

In order for the County to realize any significant retail sales from the residents of neighboring jurisdictions, it will be necessary to have public infrastructure in place at key locations that can draw shoppers from outside the County. These locations include Eltham, Providence Forge

and Bottoms Bridge. If significant shopping opportunities first develop in locations in other communities near the New Kent line, the County's ability to reverse this negative flow of sales tax dollars will be seriously damaged.

Finally, it should be pointed out that the County currently reflects a relatively low ratio of building space-to-acreage in the commercial and industrial sectors. This is due to the need to provide land for both a primary and a reserve sewage drainfield. If public sewer were made available to designated commercial and industrial areas, the land that is set aside for these uses could be more efficiently utilized resulting in higher per-acre tax revenues to the County.