

# Recurrent Flooding: Perspectives from the Commercial Real Estate Industry

Presented to:  
Joint Subcommittee to Study Recurrent Flooding

Presented by:  
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On Behalf of:  
VACRE/HRACRE

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# Recurrent Flooding: Perspectives from the Commercial Real Estate Industry

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Environmental & Water Resources Engineering

- Federal, State, Local Government & Private Development

Offices in Virginia Beach & Richmond



Kerr Environmental  
Services Corp.

# Virginia Association For Commercial Real Estate



- Promotes Ownership, Use and Development of Commercial Real Estate in the Commonwealth
- Members from Urban Crescent of Virginia
  - Northern Virginia
  - Greater Richmond
  - Hampton Roads
- 800 Member Companies
- 2,000 Individual Members

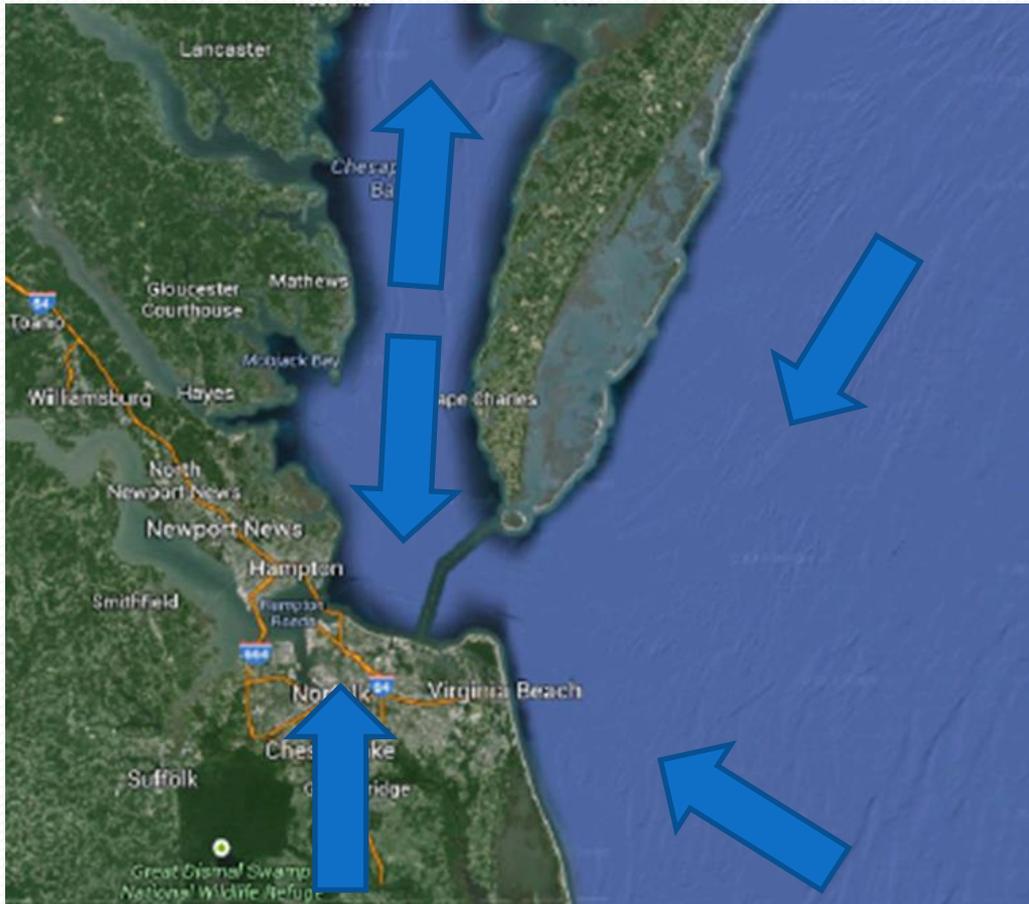


# Organizations Contacted:

- VACRE
  - HRACRE
  - GRACRE
  - NAIOP Northern Virginia
- ICSC Hampton Roads
- Hampton Roads Chamber of Commerce
- Virginia Peninsula Chamber of Commerce
- Williamsburg Chamber of Commerce
- Virginia Beach Central Business District Association
- CREW Hampton Roads
- Urban Land Institute, Hampton Roads Chapter
- Design Build Institute, Hampton Roads Chapter
- Associated Builders and Contractors, Virginia Chapter
- Associated General Contractors of Virginia
- Tidwater Builders Assoc.
- Peninsula Home Builders Assoc.

# Recurrent Flooding (RF)

## Perspective from Hampton Roads



- RF has many causes
- RF comes from all directions:

- Oceanside
- Bayside
- Major Rivers
- Internal Tributaries
- Streams
- Ditches

→ And Effects ...  
Almost Everything and  
Everyone

# General Observations

- Localities
  - Actively Responding, Planning, Designing, Retrofitting, Building
- State
  - Actively Responding & Planning
- Commercial Real Estate
  - Issue is “On the Radar”
  - Those Most Aware Today:
    - Shoreline Exposure
    - Surface Transportation Dependent
    - Poor Drainage/Flood Risk

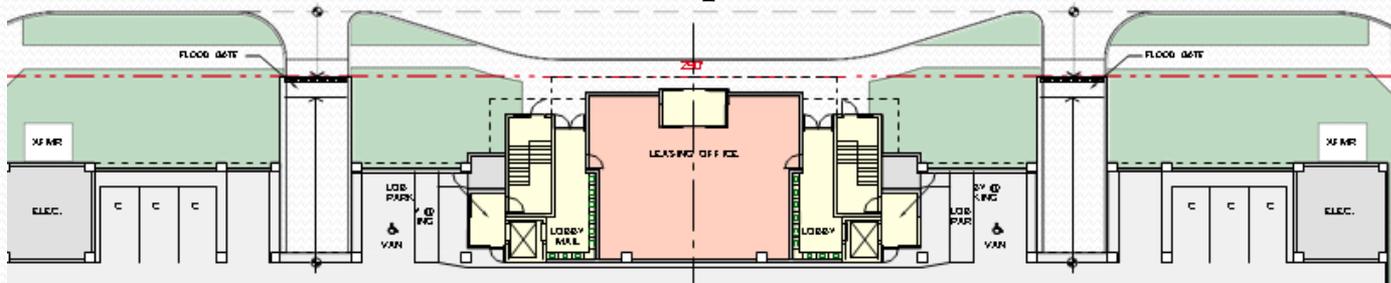


Evaluation of Proposed Roadway elevation: Flood levels, Sea Level Rise, Environmental Impacts and Costs

**Sandbridge Road, Virginia Beach  
Engineering Study (Ongoing)**

# Issues “on the Radar”

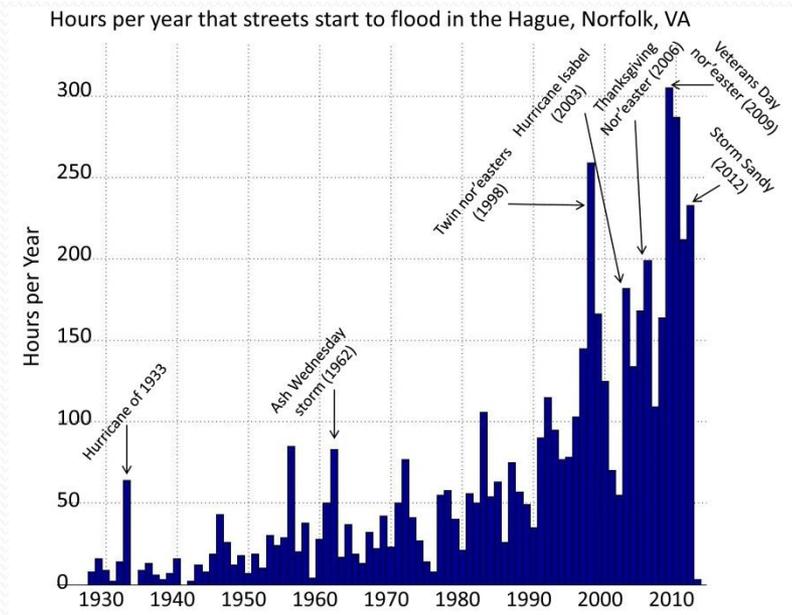
- “Now”
  - Stormwater Regulations – State/Local Govn’t
  - Finished Floor Elevations Increased– Local Govn’t
  - FIRM Mapping – Federal Govn’t
  - Floodgates within Structured Parking – Local Govn’t
    - The Green at Ghent Apartments, Norfolk
- 3-5 Years
  - Commercial Lending
  - Commercial Insurance
  - State/Local Government Requirements



Cox, Klierer & Company, Spy Rock Real Estate Group, The Holladay Corp.

# Biggest Ally for Now... Time

- But...Lack of planning now
  - Limits available options in the future
  - Costs increase significantly for remaining options



Sea Level Rise and Flooding Risk in Virginia,  
Sea Grant Law & Policy Journal, Atkinson, Ezer  
& Smith, Winter 2013

# How will Businesses Assess Risk of Recurrent Flooding?



- Quantifying Risks: Effects Business Decisions on:
  - Existing Facilities & Re-investment
  - Expansions
  - Proposed Facilities

# Three Challenges for the Joint Subcommittee:

1. Policies Can Effect National & Regional Competitiveness
2. Clarify Commonwealth Authority and that Delegated to Local Government
3. How to Fund Recurrent Flooding Requirements & Projects

# Issue No. 1: Policies Can Effect National & Regional Competitiveness

- Lack of Planning
  - Ever-greater Development/ Infrastructure Challenges over Time
  - Loss of Confidence from Military Partners → Economic Loss
- Poorly Executed Strategies
  - Shifts in Development Patterns, Lost Opportunities, Reduced Real Estate Tax Income
- Well Executed Strategies
  - Clearly Articulated Vision & All Stakeholders Engaged
  - Seen as Pro-Active by Business Community
  - Allows for Incremental Change, Flexibility
  - Goals Reached Synergistically
  - Easier to Secure Federal Funds

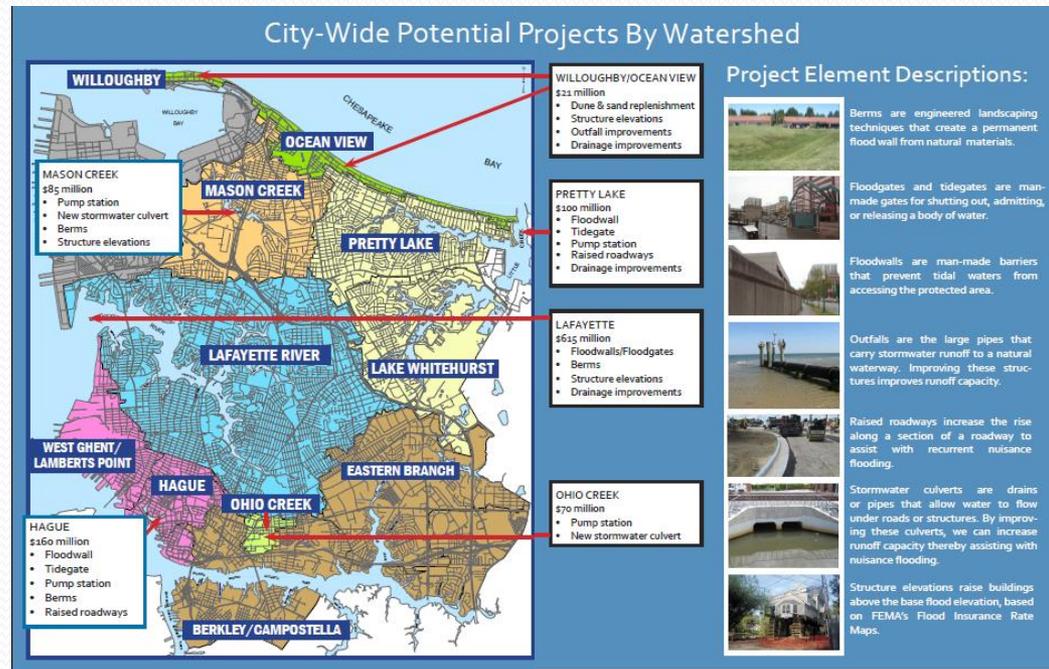
# Example of Well Executed Strategy Development



## COASTAL RESILIENCE STRATEGY

*Resilience: the capacity to adapt to stress and change*

CREATING AWARENESS AND ENCOURAGING ACTION



# Issue No. 2: Clarify Commonwealth Authority and that Delegated to Local Government

- What type of Authority is available Now?
- What Level of Government has been delegated that Authority Now?
  - Was it intended for the use being applied re: RF?
- Which level of government is best suited articulating various new standards/requirements/options?
- Goals
  - Maintain property right protections
  - Minimize unintended consequences
  - Minimize economic disincentives between jurisdictions

# Issue No. 2 Example

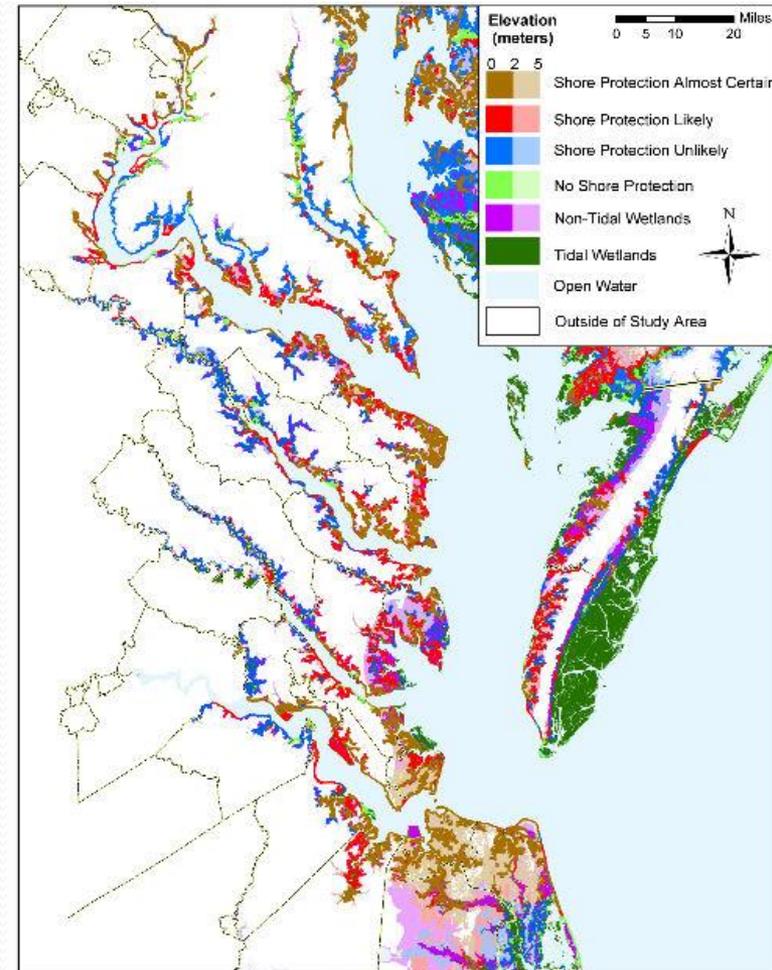
- Construction/Building Codes & Unintended Consequences
  - Question:
    - Is it in Commonwealths' best interest to keep decision-making at State level or local level?
    - Local variations can create economic disincentives
  - Example: Finished Floor Elevations Are Increasing
    - Q1: They are different in Tidewater localities – should they be?
    - Q2: Does it reduce insurance costs or simply increase economic burden?
  - Recommendation:
    - Utilize *Virginia's Board of Housing Processes*
    - Identify: benefits of uniformity, needs for flexibility

# Issue No. 3 How To Fund Recurrent Flooding Requirements and Projects?

- Simultaneously with Other Challenges:
  - New Stormwater Regulations
  - New TMDL standards
  - DoD Sequestration
  - Restrained Economic Growth

Answer: Judiciously

VIRGINIA SEA LEVEL RISE PLANNING MAP



# Issue No. 3 How To Fairly Fund Recurrent Flooding Requirements/Projects?

- State & Federal Funding:
  - Identify Local, Regional, State Needs & Time Horizons
  - Prioritize those with Multiple Benefit Solutions
  - Protect Economic Development & Property Values = Long Term Revenue Sources
- Federal Funding –
  - Unified Voice/Goals
  - Demonstrate Multiple Benefits
  - Work with Our Military Partners
- Likely an “All of the Above” Approach – Seek Best Fit Solutions
  - Enterprise Utility Rates • Local/Regional Taxes
  - TIF • Special Service Districts • Private Sector
  - State Funds / Revolving Funds
  - Federal Funds

# What Are Other States Doing?

- Those with Recurrent Flooding and/or Large Flooding Events
  - Tropical Storms - Coastal
  - Precipitation driven – Mid-western states
- Commonality of Successes/Failures?
  - What do they wish they had done before x, y, z?
- Reaction of Business Community



Shore Drive, Virginia Beach Flood Potential



Downtown Norfolk, Prior to arrival of Hurricane Sandy.

Thank you for this opportunity to be of service to the  
Joint Subcommittee  
and the  
Commonwealth of Virginia

