

January 12, 2009

The Honorable William D. Sessoms, Jr.
The Honorable City Council
City of Virginia Beach
2401 Courthouse Drive
Municipal Center
Virginia Beach, VA 23456

Dear Mayor Sessoms, Vice Mayor Jones and City Council Members:

On City Council's agenda for Tuesday, January 13, 2009 are two items that have been the subject of Virginia Beach Vision task force meetings over the past several months: 1) The Northampton Boulevard Corridor Strategic Growth Area Implementation Plan; and 2) Town Center – Phase IV Development Agreement. By vote of the membership, Virginia Beach Vision encourages City Council to support the continued development of both these projects.

Northampton Boulevard Corridor Strategic Growth Area Implementation Plan Statement of Support:

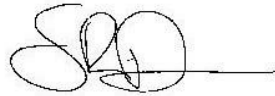
Virginia Beach Vision encourages City Council's endorsement of the conceptual plan as presented and recommends the establishment of an implementation committee, inclusive of private sector representatives, to address phased implementation and financing options. We further suggest that the implementation planning committee consider, among other things, the feasibility and advisability of developing a Tax Increment Financing (TIF) District to support the public infrastructure development and the potential use of a Community Development Authority to allow creation of a multi-city TIF district in partnership with the City of Norfolk. Initial implementation efforts should include the development of a cooperative agreement with the City of Norfolk for the plan and pursuit of phased infrastructure and related right-of-way acquisitions. Throughout the implementation process, we believe the existing Burton Station community must continue to be actively engaged and their support of the plan development be viewed as a priority.

Town Center – Phase IV Development Agreement Statement of Support: Virginia Beach Vision recommends City Council's adoption of the Town Center - Phase IV Development Agreement. Acknowledging the current economic climate, Virginia Beach Vision recognizes that financing of the project will not impact the current City budget or future City budgets until sometime in 2011 after the facilities have been built and tenants have begun paying the taxes levied by the TIF. At that time, the TIF revenues will be sufficient to cover public expenditures.

We further believe that the commercial marketplace will dictate the timing of the development with bank financing approval a key ingredient to ultimate development, helping to ensure market viability. It is important to acknowledge that the financing will not impact the City's debt financing ratio or its bond rating. All these factors help to mitigate any public sector financial risk.

In conclusion, we believe the historic success of Town Center will be continued with Phase IV and it will add to the City's tax base enhancing the commercial to residential tax ratio. It therefore deserves the support of City Council and the community.

Respectfully,

A handwritten signature in black ink, appearing to read 'SRD', with a horizontal line extending to the right.

Stephen R. Davis
President
Virginia Beach Vision, Inc.

Cc: James K. Spore, City Manager