



April 22, 2025

The Honorable Robert M. “Bobby” Dyer  
The Honorable City Council  
City of Virginia Beach

Honorable Mayor, Vice Mayor and Council Members,

Thank you for your dedication and service to our great City. Virginia Beach Vision and our 130 members share the commitment to making Virginia Beach the premier coastal city with the highest quality of life on the east coast. The following represents our thoughts and recommendations on the proposed FY26 Operating Budget and Capital Improvement Program.

We commend the City Manager and his professional staff for their diligent work in balancing the competing interests and critical needs of our community.

The proposed budget clearly reflects the direction you provided during the reconciliation process for the current year budget:

- Fund the second class of 30 Firefighter recruits
- Annualize the successful “Parks After Dark” program at all three locations
- Determine the feasibility of the ITA development proposal
- Conduct a Market Salary Survey and bring forth options for consideration
- Provide a workable EMS Sustainability Plan
- Study tax and fee diversification options
- Review and make recommendations on the Town Center SSD.

It is a well-known reality in public budgeting that resources are never sufficient to meet all needs. Thoughtful prioritization is required to balance community demands with taxpayers’ capacity.

This year, the challenge is particularly difficult due to uncertainty at the federal level and broader concerns about the future of the national and global economy. The revenue estimates contained in the proposed budget and C.I.P. have, not since the COVID pandemic, ever been more uncertain. Processes and plans are needed to carefully monitor revenues throughout the fiscal year for shortfalls and recommend compensating actions.

In our view, the City has done a remarkable job of continuing to provide exceptional service levels in the Operating Budget. However, the C.I.P. lacks sufficient funding for critical projects and facilities.



This challenge is not unique to Virginia Beach. Most communities are struggling with inflation-driven cost increases that make it difficult to maintain or replace essential infrastructure. These impacts are making it impossible to even keep up with maintaining current facilities and fleets, not to mention replacing aging schools and upgrading inadequate roadways.

Virginia Beach faces two added challenges 1) the long-term consequences of sea level rise including flooding, drainage problems, and stormwater management; and 2) the scarcity of developable land.

The first of these two issues speaks to resiliency. The community's support for the drainage bond referendum is encouraging, but cost escalations on recent projects suggest adjustments are needed. The City has implemented a strong process to manage this.

The second of these issues, the shortage of developable land is in the process of study with the upcoming update to the comprehensive plan. Since new land cannot be created, we must prioritize smart, intentional development and redevelopment while protecting assets like the green line and addressing housing affordability. For our economy to continue to prosper we must solve this issue in positive ways, while balancing the increasing threats caused by sea level rise. This reinforces the need to maintain the green line, as an example. We also recognize that both our region and the nation face ongoing challenges in meeting the growing demand for affordable housing.

School replacements are clearly another section of the C.I.P. that the community is failing to adequately address. However, we believe that the City has put in place a process to attempt to address this issue. The joint City/Schools modernization committee is working to develop options to meet these needs. Virginia Beach Vision suggests, as school enrollments continue to decline, that consolidation of schools where practical be actively considered. State support to all school districts throughout the Commonwealth needs to be urgently advocated. The School District has done an admirable job of maintaining the physical plant, but at the current rate of school replacements we will have schools that are 200 years old by the time they can be replaced.

Finally, we are not able to keep up with roadway needs as evidenced by the deletion of four previously proposed needed projects—Ferrell Parkway, Princess Anne Road (phase VII-A), Indian River/Anne Intersection improvements, and Centerville Turnpike (phase III). Further evidence of our inability to adequately meet reasonable roadway needs is the effort to delay and/or explore the rescoping of partially funded projects including Elbow Road (phase II-D), Rosemont Road (phase V), Indian River Road (phase VII A&B), and Burton Station Road improvements III.

Two specific C.I.P. projects warrant mentioning—the Rudee Loop Park and the Virginia Aquarium. The pairing of these two projects illustrates what appears to be a contradiction of the City's own policies. The policy that logically states "Take care of what you've got before taking on



new projects”. Clearly the Aquarium is an existing facility and yet its needed upgrades are listed as requested but not funded at \$78 million, while the Rudee Loop Park, a new project is recommended for inclusion in the first year of the C.I.P. at \$60 million, is suggested to move ahead. Virginia Beach Vision recommends that the \$60 million for Rudee Loop Park be moved to the capital reserve, thereby increasing the Council’s flexibility in future C.I.P.’s. We also question if the structural analysis of the Aquarium’s tanks has been completed or funded.

Concluding BIG PICTURE thoughts: Over the past four fiscal years, the City has lowered the real estate tax rate the equivalent of 8.85 cents – through a 4.75 cent reduction and a 4.10 cent increase tied to the Drainage Bond referendum, which was specifically designated to retire related debt.

Additionally, tax relief programs—mandated both by the State through the Constitutional amendment for veterans and locally through our elderly and disabled tax relief program—are important and well-justified. However, these programs have a combined projected cost of \$52 million for the FY26 budget, equivalent to 6.3 cents on the tax rate.

While these initiatives are undoubtedly valuable, they are also putting increased pressure on the City’s general fund, amounting to a total impact of nearly \$123 million annually (8.85 + 6.3 cents). It may be time, not in FY26, for the community to thoroughly think through from a strategic long-term perspective, whether a modest increase in the tax rate should be considered to begin to close the \$1.3 billion gap in the C.I.P.

The recommended budget and associated revenue sources are reasonable and necessary to continue to provide the continued delivery of essential services and to preserve Virginia Beach’s exceptional quality of life. Virginia Beach Vision urges the City Council to adopt the proposed FY26 budget with minimal adjustments.

Respectfully,

Scott D. Miller, Ph.D.  
Chair, Board of Directors

Laura Chalk  
Executive Director and CEO

Cc: Patrick Duhaney, City Manager  
Kevin Chatellier, Director of Budget & Management Services