

**Albemarle County Planning Commission
Final Minutes Work Session
May 24, 2022**

The Albemarle County Planning Commission held a work session on Tuesday, May 24, 2022, at 4:00 p.m. in Lane Auditorium, Albemarle County Office Building, 401 McIntire Road, Charlottesville, Virginia.

Members attending: Karen Firehock, Chair; Julian Bivins; Fred Missel; Daniel Bailey

Members absent: Luis Carrazana, Corey Clayborne

Other officials present were Charles Rapp, Deputy Director Community Development - Operations; Candice Perkins, Director of Planning; Rachel Falkenstein; Tori Kanellopoulos; Jodie Filardo Andy Herrick, County Attorney's Office; and Carolyn Shaffer, Clerk to the Planning Commission.

Call to Order and Establish Quorum

Ms. Shaffer called the roll.

Ms. Firehock established a quorum.

Work Session

a. CPA202100002 Comprehensive Plan Land Use Buildout Analysis

Ms. Falkenstein introduced herself as Rachel Falkenstein, Planning Manager of Long-Range Planning. She said she was joined this afternoon by Tori Kanellopoulos, and they were joined virtually by Jessica Rossi from Kimley-Horn Associates, who was part of a consultant team they worked with to complete this analysis. She said their agenda for this afternoon would first be an overview of the buildout analysis, and they would talk about how the study would be used, talk about the methodology and a summary of the findings. She said they would then share some constraints and considerations, and then the conclusion and question for the Commission to consider before the next steps.

Ms. Falkenstein said the purpose of their analysis was, as she mentioned, was to support the comprehensive plan update process, which they were calling AC44. She said the first phase was Plan for Growth, where they were evaluating the current growth management policy. She said they were using the theoretical maximum buildout of the County's development area based on the current land use plan from the 2015 plan to determine what the maximum buildout could be of those development areas, and they wanted to consider if that maximum buildout would be sufficient to accommodate the 20-year population growth of the County and the associated needs for housing and businesses.

Ms. Falkenstein said in addition to evaluation of the current growth management policy, the findings of this analysis could be used in a variety of other ways. She said there were economic development purposes they could use this information for, and they had been collaborating with the Economic Development Office as part of this effort. She said they would also see a dynamic data set at the conclusion of this analysis that could be used to test future scenarios. This data

set would also be useful if the County wanted to make changes to land use designations, as they could plug those numbers in and see what the output could be of their development areas. She said they could also update this data set in the future if they wanted to do this analysis again. She further noted that the County has been running this analysis about every two years in the past.

Ms. Falkenstein said there were some limitations of this analysis that she wanted to point out. She said the forecasting in the analysis was based on assumptions that use historic development patterns and existing market conditions. She said also, the assumptions in this analysis were applied to the whole County, and this was not a parcel-by-parcel investigation.

Ms. Falkenstein said factors that could not be accurately predicted included environmental constraints on a property, economic constraints, and property owner or developer preferences such as whether or not to develop or how to develop the property. She reiterated that this was County-wide, they applied a set of assumptions, but did not dive down into a parcel-by-parcel study.

Ms. Falkenstein said the last thing she would mention was that since some of the members were not on the Planning Commission in 2019, which was the last time they had completed an analysis, she wanted to point out a couple of differences. She said in 2019, they did this study in house and used a different set of assumptions based on the GIS model, but this time, they contracted out with consultants with Kimley-Horn who applied a different set of assumptions, so it was not the exact same way they did it before.

Ms. Falkenstein said she would also point out that this time around, they looked at non-residential uses, and in 2019 they only looked at residential. She said this study included information about commercial/retail office, industrial, and hotel, as well as residential. She said she would now turn the presentation over to Jessica Rossi, who was joining them through Zoom, who would be taking them through the methodology and findings of the study.

Ms. Rossi said she would lay out the methodology for the buildout analysis component of this project. She said it was a four-step process, and it was applied and intended to be applied holistically across all the development areas. She said this was not a parcel-by-parcel assessment, so the whole process was designed to be holistically applied, and it may not be perfect on every single property, but the assumptions were identified and laid out in a way that they felt very confident in the overall buildout of the County. She said their first step in the methodology started with high-level assumptions.

Ms. Shaffer said she was not sharing her screen.

Ms. Rossi apologized.

Ms. Shaffer said it was okay.

Ms. Firehock said they could see the screen now.

Ms. Rossi continued that the first step for the methodology was to identify parcels that may have development or redevelopment potential. She said the way they did this was looking at a very high level the value of land and value of improvements. She said if the land value of a parcel was greater than the improvement value of the parcel, they identified that as something that had development or redevelopment opportunity. She said if the inverse was the case, so if the

improvement value, which was any structure of infrastructure on the property, was greater than the value of the land, that was when they identified there was no development opportunity.

Ms. Rossi said it became clear when they reviewed the results of the first step that the assumptions that required some additional refinement to ground truth the properties identified for future development opportunities. She said they added in additional refinements based on property location, parcel size, ownership, environmental constraints, and current and future land use to better refine the model and home in on the properties they referred to as right to receive future growth.

Ms. Rossi said their next step was incorporating that residential pipeline project component that Ms. Falkenstein mentioned. She said what they did in this case was remove the properties that were either approved or under review from their model and inputted what they knew the maximum buildout yields of those projects were to first avoid double counting of those projects, and also to use the total buildouts that they knew had been approved.

Ms. Rossi said their next step was to create a standardized set of assumptions that resulted in a maximum theoretical buildout of the development areas. She said these assumptions were based off of the current comprehensive plan's future land use designations. She said they reduced buildable acreage to account for environmental constraints, infrastructure requirements, and open space preservation.

Ms. Rossi said they identified reasonable land use mixes as described by the separate land use designations, and also applied density and intensity assumptions that were described by the future land use classifications. She noted that when a range was provided, their study used maximum numbers for density and heights, because again, they were speaking to theoretically build out the County at its maximum amount.

Ms. Rossi said at the same time they were creating the buildout model, they also created market demand forecast for housing, commercial and retail, office, industrial, and hotel uses over a 20-year period. She said these forecasts took into consideration, as Ms. Falkenstein mentioned, the past 10 years of development activity, which was the pace and momentum of growth that had been historically demonstrated, and combined that with the recent real estate performance, including vacancy rates and sales data, price points, and also incorporated some population projections that they put together.

Ms. Rossi said was important to note the demand in their forecast was not necessarily constrained, but this was something that definitely could happen, and the factors that may lead to constraint in demand could be availability of land, the cost to develop, access to infrastructure, and environmental factors. She said Ms. Falkenstein and Ms. Kanellopoulos would discuss this further later. She said additionally, the amount of developable land could continue to further constrain future growth potential, especially as the easier-to-develop sites had become less and less common.

Ms. Rossi said they wanted to start quickly with the population forecasts that were prepared for this. She said their forecasts utilized three sources to create Albemarle County population projections for both 2030 and 2040. She said it was important to recognize that 2040 was their horizon year, and the reason that was the case was that they were preparing 20-year forecasts and they wanted to start with the 2020 census results, because it provided a great baseline of information.

Ms. Rossi said these forecasts could be extrapolated to further project to 2044 to better align with the planning horizon for AC44. She said one thing to note was that in the chart displayed on the screen the three sources they utilized for forecasting were relatively consistent in the end result. She said when they looked at the 2040 numbers, the total population for Albemarle County ranged anywhere from 138,210 people to 142,702. She said these were not very wide-ranging; all of the three sources that they looked at were very consistent with each other.

Ms. Rossi said from a pipeline perspective, they would review what they included in the model. She said for approved projects, they focused explicitly on the remaining approved lots. She said of the entire buildout of the approved projects, they only focused on those units that could still be built, and they excluded the ones that had already been built. She said they then also looked at the maximum units under review, which totaled 5,504 across all the development areas, which led to a buildable unit total in the pipeline of 14,881.

Ms. Rossi said the other thing that was very interesting from this graph was that every development area was not created equally, and there was a great amount of variability in the development pipeline that could go as low as Neighborhood 6, which had nothing in the pipeline, up to Hollymead, which had 6,350 units in the pipeline comprising 42.6% of the total. She said one other thing to note was that the development areas ranged in the amount of acreage, so their size was varied as well as the recommended future land uses in there.

Ms. Rossi said she would step through the 20-year demand forecast by each real estate sector. She said from a residential standpoint, the forecast looked at historic delivery, residential sales closing prices, multi-family leasing rates, and occupancy. She said the population forecasts that she previously shared were also used to gauge how new population growth would generate demand for housing units. She said each of these slides would look relatively similar, and the graphic on the left indicated long-term trends.

Ms. Rossi said when they looked across the development areas, residential closings had generally been up. She said the closing price of that sales price had generally increased. She said it was not year-over-year perfectly, but they had seen a general increase. She said monthly rental rates had increased, and residential occupancy rates had also increased. She said these factors together had indicated that the general trajectory for housing had been very positive and there was strong demand moving forward. She said one thing to note was that housing costs were rising quickly, which could certainly impact affordability.

Ms. Rossi said from a historic trend perspective, the average since 2010 was about 650 units delivered or completed each year, but in recent years, that number had often been higher. She said it was 665 in 2019, over 1,100 new units in 2020, and 960 units last year. She said the other thing that could be seen in this graph was that multi-family completions had been more prominent in recent years. She said their demand forecast when looking at a 20-year horizon ranged from 11,500 units to 13,500 units.

Ms. Rossi said their theoretical maximum buildout for the residential units incorporated both the known development pipeline as well as the theoretical land use buildout. She said when they put these two numbers together, that total exceeded 24,000 residential units. She said if they thought back to the previous slide, their 20-year demand forecast was ranging from 11,500 units to 13,500 units. She said in theory, the theoretical maximum buildout of the County's development areas was greater than the 20-year residential demand. She said the one other note they had was that

while the rural areas were not a focus of their analysis, some limited additional residential growth should also be included there.

Ms. Rossi said from a commercial and retail standpoint, retail completions had been very inconsistent over time, ranging from 350,000 square feet added in 2016 to several years when completions were very low. She said this averaged just under 70,000 square feet built per year since 2010. She said over the last decade or so, retail space completions had generally been on the decline. She said retail occupancy rates had also been on the decline, however, retail lease rates had increased slightly. She said their 20-year forecast in the commercial and retail sector was between 1 and 1.3 million square feet over 20 years.

Ms. Rossi said they saw some similarities in office findings. She said the year-over-year completions, while it had averaged just over 40,000 square feet per year, had been very inconsistent with periods of very high deliveries coupled with periods of very low deliveries. She said overall, the long-term trajectory had shown a decline in office space completions, and office occupancy rates had also been on the decline. She said part of this was likely a function of Covid-19 and shifting office dynamics on where people lived, where they worked, and their ability to telecommute. She said however, similar to retail, office lease rates had been on the rise. She said their 20-year demand for office space was between 750,000 and 1 million square feet of new space.

Ms. Rossi said industrial was also a very interesting case. She said when looking back over a longer period of time, completions had been slightly less than what they were in the past, however, industrial occupancy rates were very high. She said there was not a lot of available space out there today. She said industrial lease rates had also been on the rise, so this analysis identified between 950,000 and 1.1 million square feet for demands for new industrial space over the next 20 years.

Ms. Rossi said finally, on the hotel front, hotel completions had been on the rise. She said hotel occupancy rates were down from long-term historic trends, and the daily rates, or what one would pay for a hotel room per day, was also down. She said the last two figures were largely a function of continued recovery from the Covid-19 pandemic. She explained that the data on the slide had been cited back in February. She said hotels, of all the sectors, was incredibly sensitive to the time of year, and they had seen the occupancy and daily rate numbers improve even more from where they were in February in the last one to two months. She said based on these findings, they forecasted a 20-year demand for 700 to 900 new hotel rooms.

Ms. Rossi said a summary of the non-residential findings was that for all non-residential categories, the theoretical maximum buildout exceeded the 20-year market demand forecast, so the buildouts ranged from about 1.7 million square feet of retail up to 5.5 million square feet of industrial space, and an addition of 1,992 hotel rooms. She showed a slide that compared the 20-year demand forecast, the low and the high for each non-residential sector with the maximum buildout, which further demonstrated that generally, the 20-year demand forecast was lower than the maximum buildout estimate.

Ms. Rossi showed a slide that was similar information for the residential findings, showing the 20-year demand forecast of between 11,500 units and 13,500 units, compared to the total theoretical maximum buildout, which included the pipeline and the land use buildout from the model at 24,146 units.

Ms. Rossi said the last slide demonstrated a summary of all the findings by each individual development area. She said similar to the pipeline, the distribution of non-residential uses varied by development area. She said for example, some development areas appeared to have no capacity for industrial or hotel, and some did not have capacity for offices as well.

Ms. Rossi said they would now transition to thinking about constraining variables and other considerations from a buildout perspective. She said as she previously mentioned, their buildout analysis was unconstrained. She said they took into consideration how they needed to net out some lands that needed to be available for infrastructure construction, environmental constraints, and open space, but both their market demand forecasts, and their buildout analysis were weighted more on the non-constrained side.

Ms. Rossi said to introduce the conversation, the land use buildout analysis was based on a theoretical maximum focusing on vacant and underdeveloped land and the current comprehensive plan land use designations. She said while there had been some additional factors taken into consideration, like she had mentioned with infrastructure and environmental open space, there were a lot of other variables and constraints that would affect the actual buildout.

Ms. Rossi said a few of these could be misalignment between existing zoning and future land use, the rezoning process and final buildout decisions, site location and access to infrastructure, physical site constraints such as slopes or streams or wetland floodplain that could render the property difficult to develop, local and state ordinance requirements, and cost of land. She said with that, the County staff was going to begin talking through these specific challenges in a bit more detail.

Ms. Kanellopoulos thanked Ms. Rossi. She said she would discuss some of the constraining variables in more detail. She said the theoretical maximum buildout was focused on future land use designations, meaning that rezonings would be needed for most properties to reach that potential maximum. She said as with the 2019 analysis, the estimated residential buildout by by-right zoning compared to future land use designations was much lower.

Ms. Kanellopoulos said the zoning buildout estimate used the parcels identified as development opportunity in the land use buildout analysis, and then applied assumptions based on each parcel's zoning district. She said this estimate did not include the pipeline. She said as shown on the righthand side of the screen, an estimated 2,505 to 4,361 units could be built in the development areas on properties with potential for development and redevelopment that were not in the pipeline and based on current zoning, compared with about 9,265 units based on future land use designation.

Ms. Kanellopoulos said across the development areas, future land use designations and existing zoning districts did not always align. She said for example, a section of Hollymead had over 160 acres designated as light industrial for future land use, however, the land was currently zoned rural area, and would need to be rezoned to allow for industrial development. She said the rezoning process was uncertain and could be time consuming, with some rezonings taking over two years from initial submittal to approval.

Ms. Kanellopoulos said proposed and approved densities were often lower than densities recommended in the comprehensive plan. She said looking at rezonings approved from 2016 through 2021, the total density approved was approximately 58% of the maximum density

recommended for future land use designations. She said even when projects were approved at higher densities, sites often did not build out to the maximum approved density.

Ms. Kanellopoulos said for example, the Rio Point rezoning in Neighborhood 2 was approved for 328 units, while the comprehensive plan recommended a maximum of 624 units, and the previous by-right zoning allowed up to 110 units. She said this rezoning took about 2.5 years from initial submittal to approval. She said the Old Trail Village development in Crozet was approved for a minimum of 1,600 units and a maximum of 2,200 units in 2005.

Ms. Kanellopoulos said in 2015, the applicant requested a reduction of the minimum required units down to 1,000 units, and the expected final buildout of the development was 1,200 units, which was 1,000 units less than the maximum. She said it should be noted that in the development pipeline that was included in this report, all of the approved and under review projects were currently unadjusted, meaning that developments that were expected to build out lower than their maximum approvals, were still fully counted.

Ms. Kanellopoulos said where a parcel was located and what it was surrounded by could affect potential buildout. She said for example, adjacent residential uses may be helpful for certain businesses such as restaurants, but less desirable for others, such as heavy industrial uses. She said some businesses needed access to major highways, which limited where they could locate, and availability of public infrastructure and the ability to connect to it were important factors as well.

Ms. Kanellopoulos said while assumptions for environmental constraints were applied across the development areas, each parcel would vary individually. She said two parcels may have designated steep slopes, however one parcel may be more difficult to develop than the other due to the location of the slopes on the site. She said generally, the easier-to-develop sites were developed first, meaning that remaining sites may become increasingly challenging and more expensive to develop.

Ms. Kanellopoulos said local and state ordinance requirements regulated how a property could be developed. She said the County zoning ordinance was an especially important set of regulations, and zoning requirements affected the form and density of development. She said zoning requirements included minimum lot sizes, setbacks, building height, and requirements for parking, landscaping, and open space. She said rezoning to planned districts generally allowed more flexibility compared to developing by-right under general residential or commercial districts, however, rezoning added more time to the development process.

Ms. Kanellopoulos said Kimley-Horn also gathered feedback from local stakeholders and found that the cost of land in the County had increased rapidly in recent years. She said the sales price per acre of vacant properties increased about 38% from 2018 to 2021. She said increased land costs were usually cast onto homebuyers and renters for residential developments, and for non-residential uses it was more difficult to absorb these costs, especially for industrial uses.

Ms. Kanellopoulos said the high cost of housing in this area reflected the cost of land among other factors, including supply and demand, and the cost of materials and labor. She said compared to Charlottesville and surrounding Counties, Albemarle had the highest median for home sale price in the last quarter of 2021. She said the high cost of housing could also constrain the ability for local employers to find employees who may be priced out of Albemarle County.

Ms. Kanellopoulos said based on the draft land use buildout analysis, there appeared to be sufficient land available for residential and non-residential growth in the development areas. She said however, that was predicated on a number of assumptions, including development at the higher end of recommended ranges based on future land use, significant redevelopment and infill, updates to zoning to match future land use, and incentives for affordable housing and economic development.

Ms. Kanellopoulos said the lower ends of recommended densities and uses were not sufficient to accommodate future growth, and development under current by-right zoning may not be sufficient to accommodate future growth. She said they had one question for the Planning Commission to consider, which was "Does our current Growth Management Policy provide opportunities to meet housing and non-residential needs for growth over the next 20 years?" She said they were happy to take questions, comments, and feedback from the Commission as well.

Ms. Firehock thanked staff and Kimley-Horn. She said there was a member of the public who wanted to make a comment. She said she would like for the Commission to ask staff questions and then they would take the comment, although a work session was not technically a public hearing, they would listen to the stakeholders. She said it would then come back before the Commission for discussion. She asked if there were questions for staff for the methodologies or assumptions or anything else in the presentation.

Mr. Missel thanked staff and Kimley-Horn for the work. He said obviously land use and planning for growth was one of the most important considerations, and he was glad it was the starting point because it would be built upon as they went forward. He said he appreciated the project phase slide as well and it was a helpful resource. He said a lot of this was prediction and using their best logic. He said they touched on open space, and he believed he understood what they used for their assumptions on open space, but he would like them to clarify what their assumptions were and if they took into any consideration sustainability initiatives that might be longer term where keeping more open space might be part of a bigger sustainability plan.

Ms. Falkenstein asked if Ms. Rossi could field the question about the open space.

Ms. Rossi said their open space assumptions were guided by the future land use categories, so they read through the intent of those categories. She said generally, the reduction for open space, and by reduction she meant the reduction in buildable acres for open space, ranged anywhere from 10% to 15% to 20% depending on the land use category. She said there were some categories that they elevated that reduction even further, and of course anything that had to do specifically with designated public green space was very, very high. She said there were also some institutional uses that they elevated the open space because from a campus perspective, there would be more than a traditional development.

Mr. Missel said that was great. She asked Ms. Kanellopoulos to handle the sustainability piece.

Ms. Falkenstein said the short answer was no, and that only those assumptions were utilized.

Ms. Firehock said to clarify, the places that were already identified in the future land use plan as green space were kept as green space.

Ms. Falkenstein said that was correct.

Mr. Missel said in terms of infrastructure, they mentioned the need to be aware that there were infrastructure needs and capacities, he wanted to know if they assumed any capital plan, such as RWSA's improvement plan, and if they assumed that infrastructure would be available for this future growth or if they limited their projection of future growth based on availability of infrastructure.

Ms. Rossi said they did not yet get into that level of detail. She said the infrastructure reduction of area that was applied was somewhat general things needed on the site like parking, roads, and the space for that. She said that yes, a future next step for them would be to get into more of that detail.

Mr. Missel thanked Ms. Rossi. He said in terms of the development impacts, especially under office and hotel, did they take into consideration any of the City's growth plans, for example if they were planning a hotel, and did any of that factor into their numbers.

Ms. Rossi said their numbers were very focused on the County. She said for any of their historic deliveries or completions year over year, that was solely for Albemarle County, so both their historic trends and current metrics were looking specifically at what was happening in the County, and even more specifically what was happening in the development area of the County. She said she thought that was a really astute question, because the reality was that there would be demand that was captured in the city and the County, because demand did not stop at a municipal boundary. She said overall, they did try to separate those two entities, but there would certainly be some blending.

Mr. Bivins said they knew in Crozet there was an anticipation of a hotel going on the downtown square. He asked if they would have used that number as a project number, or possibly that event could occur as a projected number for a hotel space.

Ms. Rossi said no. She said that was one piece of the analysis that would be an interesting next step. She said they had wonderful pipeline information for residential uses, the different developments, how much had been built, what was remaining, and what was being approved or under review right now. She said they did not have the same depth of information for non-residential standpoint, and she thought a great next step would be to better balance what they knew about the non-residential pipeline with the demands forecast and the buildout forecast.

Mr. Bailey said they talked about Charlottesville, and he would like to know if they looked at the boundary effects with the surrounding Counties. He said there was a lot of transport in from Greene and the Lake Monticello area, and there had been development up Route 29 and around Augusta. He said he did not mean the whole County, but the boundary effects right on that municipality. He asked if that was included in any of this analysis and the gross rate of those boundary areas.

Ms. Rossi said not specifically, but what they did was look at for a lot of their different figures, whether that be population growth that had occurred or an understanding of land costs or how different real estate sectors had performed, they at least made sure to acknowledge the other surrounding Counties and try to better understand Albemarle County's position in a larger area.

Ms. Firehock said they mentioned they did not have a good data source for the non-residential, and she remembered years ago that Steve Allshouse with the County did an analysis of retail that said they were overbuilding, and they ran the risk of the shiny new mall making the old mall not

as desirable, so everyone flocked to the new one, so it was a series of boom and bust with the mall situation and retail.

Ms. Firehock said she thought it would be important to not just take past demand and project it out, but to get a better sense, and Mr. Allshouse definitely had the skills to do that work of finding how much retail they really needed, and if they were overbuilding it. She said there were then projections of County revenues based on that tax base from commercial and retail that may not be true. She said she did not know if there were any plans to do more nuanced analysis about the retail needs and what could actually be supported by the population projections.

Ms. Falkenstein said they had not planned to do that, but if that were a desire of the Commission and thought it was important, they could look at what the scope of that project would look like. She said right now, they had not made specific plans for retail.

Ms. Firehock said she knew it was difficult, but she would appreciate it, because they had places that had "C" for commercial center or center, and there was a question of if they needed those centers or if they were in the right places. She said she thought getting a better hand on the retail and commercial piece was very important. She asked if Mr. Missel had another question.

Mr. Missel added that it included office space as well as commercial and retail. He said in terms of the trends, he believed the mentioned 750,000 to 1 million square feet was the demand over a 20-year period. He said they had seen a huge decrease in office space and did not know what the trend was going to be, if it was partly because of Covid-19 or what they were looking at. He asked if they changed some of their assumptions based on Covid-19 or if they normalized it across a longer period and flatlined it across the Covid-19 dip. He asked how they approached that.

Ms. Rossi said they certainly took Covid-19 into consideration. She said they could very clearly see in the performance numbers the impact Covid-19 had on offices. She said whether that was a long-term trend was unknown right now, so to some extent, they did normalize what they had seen over the last 10 to 15 to 20 years, assuming there would be continued recovery, but certainly office and retail were two sectors that the pandemic had either instantly changed or accelerated changes that were already taking place. She said to the extent that they could, they tried to take those performance metrics and build them into the demand forecast, but from a conservative standpoint, they mostly normalized things out.

Mr. Missel said that was good to know.

Ms. Firehock noted that because they began the meeting 15 minutes late, she would like them to go to 5:15. She said she understood it was only an hour work session, but she did not want to be unfair to the discussion or people who still wanted to comment.

Mr. Missel asked if or how they accounted for a large property owner adding density through rezoning when looking at the remaining approved lots within a parcel, he supposed they had to pick a time in history, so that did not include or anticipate a large developer adding density through a rezoning.

Ms. Falkenstein said if she understood what Mr. Missel was asking, this was an undeveloped property that the property owner wanted to rezone to add densities.

Mr. Missel said for example, it was a 500-acre property, and 1 million square feet was currently allowed and entitled, and a few years from now that same developer came back and said they wanted to add two million square feet to that, he guessed that was not included in their assumptions, because they would not know.

Ms. Kanellopoulos said if it was a vacant property and met the criteria to get picked up in that four-step analysis, then it would have just been applied whenever the land use designation was to it.

Mr. Missel thanked Ms. Kanellopoulos.

Mr. Bailey said he wanted to review the theoretical versus actual. He said there were a lot of numbers he was trying to keep up with. He said it sounded like about 60% was what they were seeing, and it was not really packaged in this, but for the remaining approved units versus the maximum units, was the 60% for the approved units or the maximum units. He said they used an example of 2,200 being the maximum and only 1,200 were built, and there was another example of 638 versus 328 units in Rio. He said he wanted to get a sense of where the historical view of what the 60% as what they were actually seeing and not the numbers in there. He asked where they applied that 60% adjustment factor to.

Ms. Kanellopoulos said they had not applied it yet. She said they looked at rezonings that were approved from 2016 through 2021 and looked at what was the absolute density that was recommended on those properties based on the comprehensive plan and what it got approved at, then added them all up and calculated the difference. She said it was about 58%, and some of them had still been approved over the recommended density, but that was the result, so that could be a consideration as well, but they had not actually applied that to the numbers yet.

Mr. Bailey said he appreciated it. He asked if it was more of the maximum density for the comprehensive plan of how to adjust it. He thanked Ms. Kanellopoulos. He said on Slide 14, where they had remaining approved units and maximum units under review, he would like to know if there was any adjustment factor, they should be thinking about for those numbers, because that was somewhat different from the comprehensive plan numbers they put out.

Ms. Kanellopoulos said she thought they could consider that, but those numbers had not been applied yet. She said all the under-review pipeline units was based on what the applicants were requesting in their application, so if there was a rezoning that was asking for 350 units, then for those properties they used 350 and did not go into whatever the comprehensive plan was recommending since there was an active application they were asking for a certain number, that was what they used, but they did not do any decreases to it.

Mr. Bailey asked if Ms. Kanellopoulos could explain the units that were actual and what was on Slide 14 and what was presented. He asked if those applicants asked for the maximum units there and actually build less, and if that was a trend or a couple of examples.

Ms. Kanellopoulos said they would have to look into it further, but it was a big mix. She said they had rezonings come in where they asked for maybe not the maximum, but a higher amount, and through the public hearings and resubmittals it went down over time. She said they had ones that just started asking for a certain number and kept it the whole time and that was what was approved, and some that had asked for more units, which seemed especially common on smaller

sites, where just doing the math on density and acreage, when they had less acreage, it ended up being a higher density number.

Mr. Bailey thanked Ms. Kanellopoulos. He said he was seeing if there was a pattern they should be thinking about. He said he could understand why an applicant, given the length of time it took to apply would ask for the maximum units, because there was more flexibility for them without reapplying, but he was wondering how that squared with what they were actually seeing.

Mr. Bivins said not having that explicit data, following up on the site review emails they received, it often looked like they were going to the site review with fewer units than they came to them for if they had to come before them. He said it looked like they came here and said they wanted something, and it was contingent upon whatever their situation was with financing and project pace.

Ms. Firehock said site plan constraints they found when they got to the more detailed plan. She said they were getting a more conceptual plan.

Mr. Bivins said that was true. He said sometimes in the notation it would look as if it was not that. He said it looked more like it had been a market decision or development decision to say they were going to reduce the capacity they were going to go forward with, which was what he thought they were getting. He said that made him wish they had just asked them for that, because it would have been easier for them to deal with.

Ms. Firehock said she wanted to open the item up briefly for public comment so people had a chance to say something if they would like to. She asked Ms. Shaffer if there was anyone online who wished to speak on this item.

Ms. Shaffer said not for this item.

Ms. Firehock asked if there was anyone from the gallery who wished to comment. She asked the speaker to please state their name and address for the record.

Mr. Hunter said he was with United Land Corporation in Charlottesville. He said his address was 135 Somerset Farm Drive. He said the biggest thing he wanted to discuss was cost. He said he had personally been in the land development business in Albemarle County and his father had been doing it for more than 60 years. He said costs had gone through the roof, a lot of that cost was two years of rezonings to go through the County. He said to start off at 500 units and to come in here and get whipped and beaten and walk out with 250. He said infill sites got done. He said they were infill sites for a reason, because they were not economical 10, 15, 20 years ago, and it was hard to make them economical now.

Mr. Wood said he liked some of the slides he saw up there today showing Hollymead. He said if he could get 6,000 units, which he thought he saw up there, he would be happy. He said he did not think there were going to approve 6,000 units, but he would be willing to work with Albemarle County 44 to try to solve some things. He said he personally was probably a little biased and thought the growth area needed to be expanded. He said he had some property that had water and sewer 100 feet away, yet he had a road that was a boundary that no one wanted to cross.

Mr. Wood said he thought they needed to open their minds a little bit more to try to get costs down. He said they needed affordable housing in the community and did not have affordable

housing. He said he would love if Ms. Falkenstein or anyone working on this would invite him in to talk to them. He said he was willing to give his input on it and try to move forward, because they, United Land, were pretty big stakeholders in Hollymead, and he saw the numbers on there and he would like to try to see if they could not find some common area to get something done.

Ms. Firehock said they were just at the beginning of this process, so they were not making any big decisions this evening.

Mr. Wood said he knew that, but he wanted to be thoroughly involved in it.

Mr. Williamson introduced himself as Neil Williamson with the Free Enterprise Forum. He said he loved math. He said this report was a great report. He said there was a lot of data in here, and the last part, the constraints, he thought was the most telling. He said one of the reasons he loved math was that they found a couple of ways to get to the same number. He said they took the density denied report that they did last year. He said they did three case studies, and he probably placed the blame for density reductions elsewhere than the applicant coming forward with doing less.

Mr. Williamson said those three case studies proposed lower than the comprehensive plan 439 units, and those three case studies got 191 units approved and lost 248 units. He said the loss was actually 56.5%. He said that was a small study of three case studies, and all the stuff this report called for was looking at rezonings. He said the question for them was what was their comprehensive plan going to do. He said if they used the 56.5 density loss number, they were 1,000 units short on the short end of the demand in 2044. He said they were 3,000 short on the long end.

Mr. Williamson said should their comprehensive plan be this aspirational document that did not recognize in order to get rezonings approved, someone had to stand there and get four votes, or should it recognize reality, that they lost 56.5% of their density every time they came forward for a rezoning. He said the staff came up with 58%, which were pretty close numbers for him. He said he thought that was a good number to work with, and he encouraged them to use density lost formula in calculating the carrying capacity for the development area. He thanked the Commission.

Ms. Firehock asked if there was anyone else who wishes to speak from the public. Hearing none, she ended the public comment of the work session. She stated that they would go to at least 5:15 p.m. because they did not yet get to have their discussion. She said they had not answered the big question, although perhaps they had partially answered it. She said she would like to lead off with something that did not need an answer, but it was her chief concern with the report; when she looked at, to the point that was just made about why they reduced densities or why they denied rezoning requests, a lot of times it had to do with schools and traffic. She said she could not answer this question without knowing what kind of traffic demand that would put on their roads, how many schools would be needed to realize that number.

Ms. Firehock said for example, with no math done on this, but for argument's sake, the numbers required the building of six to ten new schools, and that came at a price tag of \$1 billion. She said she was not sure if that cost was realistic. She said the point was, in order to say what was reasonable, the County had to come to reckon with what it was actually willing to fund, because they did not have enough schools and they did not necessarily have the right transportation infrastructure that comes with a price tag.

Ms. Firehock said to her, they were not charged to make these decisions, and neither was anyone on this dais, because they did not control the purse strings of the County, and she was not asking for that. She said she could not really weigh in on this without knowing that any of this was sustainable. She said to harken to some comments that Tom Olivier sent in by email because he had a conflict and would like to have spoken this evening, he spoke about sustainability which Mr. Missel alluded to when he talked about green space and if they would have those spaces in mind.

Ms. Firehock said one of the other types of analysis that she was not saying Kimley-Horn should do, but the reason the County had this method instead of doing what Charlottesville did to rezone to what they wanted, they wanted everyone to come in and ask for a rezoning, so they were hoping by doing that they were going to get proffers of parks and whatnot, but what she saw them tending to get tot lots that were private to the development. Even when a new development came in, the development next door would make it clear they could not use their amenities in their development because it was a private park. She said there was a huge investment the County needed to make in parks, roads, buses, and as they had discussed, bus stops, which was coming up in the Rio plan this evening with unshaded bus stops. She said they did not even have a good transportation service for their County for public transportation yet.

Ms. Firehock said that was not necessarily the answer that was desired, but that was her take on this. She said they needed that other piece and could not just look at units and say it was great. She said the other comment that was just made about how long it takes to get through the rezoning process, so what they did see and had seen, and again she did not have the numbers to make a chart out of this comment, was that people looked at how long the rezoning process took and decided to go with what they could do by-right. She said density was desired, but they may be making it too hard to get. She said that was where she was coming down on this. She apologized but said she could not see how she could answer the question.

Mr. Bivins said the answer was no. He said sort of aligned with this was some demographic analysis of what that growth looked like, because if that growth continued to look like senior citizens, they had enough of everything. He said what they probably did not have was enough ways to get people around who were not car centric. He said they did not need any more bike paths, because seniors did not use bikes unless they were in the villages. He said they could become the villages of the Blue Ridge, and he did not have a problem with that, but if that was the direction they were going in, then all of these accessories and all of these amenities that people came and talked to them about, they did not need them, because they were turning into an aging population.

Mr. Bivins said the reason he said that was because if someone told him they did not have enough retail space, he thought they should be aware of the market decisions that were made in a place like Fashion Square Mall. He said Fashion Square Mall pivoted from families to teenagers and young college students. He said that was a market decision, and they paid the price for that. He said the new thing was happening at Barracks Road and Stonefield was that they had stores that were for older consumers, not teenagers and not pre-college. He said their numbers looked pretty good. He said basically, some of it was about the mix of retail they had, and they could not control that and was not their issue. He said he wanted to be careful about that.

Mr. Bivins said if they were talking to Economic Development, which he knew they were going to do, because this was a deep connection to Economic Development and the Supervisors, he would like to know what kind of community they were trying to establish here. He said every single time

they had anything with any kind of creative density to it, they got hammered and had people come out and say they did not want to walk their dog next to people and did not want to get run over when they crossed the street. He said the whole idea was that the community had to get better with density, and if that did not happen, then they had all they needed.

Mr. Bivins said if they could pretend and have discussions that density was not the third head of devils, then they could go someplace that he would like them to go. He said for office space, he would like the industrial and office space to go to something that was like a mixed research space that could be either one or the other. He said he thought the days of having heavy industry were over. He said they would no longer have an Aquivis or the Avionics place near the airport, but they were going to have labs and places that people would come and build things with their intellectual property that either came here or came from other places, and for that, they needed space that could be both office and what he would call light research. He said if they were looking at the blending of those things, that was where he thought they had possibilities of looking at those kinds of work.

Ms. Firehock said there was a huge lack of startup space, and when they looked for space for small businesses, they did not start out with 20,000 square feet.

Mr. Bivins said thinking what they were as a community and how they were going to evolve as a community, that would let them know what the demographics looked like 10 or 20 years later. He said that most of them were aware that when they went through the last census and the redistricting that because of the population shifts, certain places that viewed themselves as being more rural actually had to accumulate land mass, but because they needed bodies, and the Commonwealth's constitution said that all districts had to have within 2% or 3% the same number of people.

Mr. Bivins said that would only become more intense in this kind of little to no-growth environment, so they would start seeing the more rural parts of their community who claimed that the rural lifestyle was the only lifestyle for them to be a bit more engaged with being dense, because they had hard rural and development boundaries, so that land mass was going to shift over, and when that happened, they by default had softer boundaries. He said this was about growth management, and he would like them to have some serious conversations about transition zones and soft boundaries.

Ms. Firehock said transition zones instead of urban or rural.

Mr. Bivins said yes. He said they had a rural suburban area, where it was rural, but there were probably a good 1,000 or 2,000 houses sitting in the rural part of the County, and that was not really where the rural life really was, and it was people with five or six acres around their houses, but the acres happened to be in the rural part of the County. He said the thing that came to them three weeks ago about increasing the setbacks in the development area was the antithesis of having more space. He said that was the antithesis of it.

Ms. Firehock said she agreed and thought they had expressed that.

Mr. Bivins said it could not be presented to them with setbacks 50 feet, 40 feet, and 30 feet, and make the setbacks like this and tell him they were interested in growth. He said it did not work. He said it was possible, but he would not support that, because he did not know how to reconcile that in his mind, because they were telling him they had to have smaller houses on bigger lots,

and they could not do taller things. He said they had a perfect situation with the Rio Road property, and the people across the road came and beat the hell out of them.

Mr. Bivins said that was a perfect place they could have had some height on, as it was sitting in a place where no one could see it, and easily could have been a five- or six-story building. He said because people came and they were so against people paying \$2,000 a month in rent, which was not workforce housing for most people, it was hard to say that was affordable housing under the normal framework. He said that kind of disconnect and pushing on them meant they would not win on this.

Ms. Firehock said some of that had to do with people's perception of density.

Mr. Bivins said they would not even see it.

Ms. Firehock said there were some examples of good density around here, but other places have done it better, so she thought there would be a lot of education, because density was not a four-letter word.

Mr. Bivins said it was not a four-letter word.

Ms. Firehock said in some people's minds, if they have not seen it done well, then it was a knee-jerk reaction against it.

Mr. Bivins recalled that Ms. Falkenstein worked on looking at the two corners on the east side of Rio Road. He said he hoped if that ever did get developed that they were a bit freer in what they allowed to happen there, which was maybe where the form-based worked. He said that was the place where he thought they could get the kind of hallmark development that would allow people to see that density was not a four-letter word, it was a sheep killing dog.

Mr. Bailey said he had a hard time trying to understand this, because as they tried to say yes or no to this, as they alluded to, they looked at growth and the boundary effects. He said he knew that he had employed many people who lived in Lake Monticello and drove down, and would love to live in Charlottesville or Albemarle, but it was too expensive. He said he did not know how they got to that understanding, but it was hard to understand how might those numbers change if there was availability and cost, and he knew those things were tied and it was a confounder, but would they not be.

Mr. Bailey said if they were looking at the boundary effects, that would be helpful to understand what they were forgoing by pushing people to the surrounding Counties and other areas where they could get the economics and everything, and how that was related to their growth management policy that might be promoting that effect over how many years, and what that growth had been. He said in the last 10 years, could they have grown higher than the numbers presented, but they pushed it to Augusta, Greene, Ruckersville, and the surrounding area.

Ms. Firehock thought that was an excellent point, especially because it talked in the presentation about the costs of housing going way up, and it was happening across the country but happening really fast here. She said they could put more units in, but would they only be for the wealthy.

Mr. Bivins said he looked at the CAARS website and looked at the 2022 first quarter, and the average house, median price of housing sales here, was \$476,750.

Ms. Firehock said that was the question, and that related to people being willing to come here and employ people, because if there was no housing for people, at a certain point the offices became undesirable because everyone had an hour commute, and one may as well live in D. C. if they had to do that and ride the metro.

Mr. Bailey said they really did not know, and Ms. Rossi put it out there, what the long-term effects of Covid-19 would be, and the biggest feeder of people he knew that had moved to Charlottesville and would love to move to Charlottesville would be coming from Northern Virginia where they were used to higher prices if they could keep the Northern Virginia salaries. He said one of the questions they did not know yet was to say the government might be going back to work, the associated people might.

Mr. Bailey said he knew that a lot of other high-tech people and others in this space were not being returned to work, so they did not know yet what the impact was and how that might change the growth projections. He said it could go on the uptick if they could become a better community for Northern Virginia, because Covid-19 allowed more remote work, and the world changed and allowed more remote work. He said that impacted their office space consideration. He said finally, there was a ton of office space had come online in Charlottesville. He said as they had established, that had not been factored into this to know what of their office space projections should be revised.

Ms. Firehock apologized for not answering the question directly.

Mr. Bivins said he directly answered it. He said he said no.

Ms. Firehock said she thought not as well.

Mr. Missel asked if he could follow up with staff because he had some thoughts and comments. He said he knew they were out of time.

Ms. Firehock said she thought they would have another work session on this topic. She knew they could not put the topic to bed. She said she did not think that was staff's intention, and this was only the first discussion.

Ms. Falkenstein said that was right. She said they would all collectively work on this question over the next several months. She said tentatively, they were coming back next month to talk more about growth management if they could stay on track.

Ms. Firehock said they challenged them with a lot of considerations they would like to have.

Mr. Bivins said he was asked to be on the AC44 first working group committee. He said that Ms. Falkenstein and Ms. Kanellopoulos did an excellent job with the opening meeting. He said they should also know they diplomatically but firmly outlined that they were simply sharing their expertise and were not making policy.

Ms. Firehock said they understood that. She said she thought they all understood they were not the Board of Supervisors.

Mr. Bivins said they were not the Board, and they were diplomatic.

Ms. Firehock said they were not in charge of all taxpayers or anything else.

Mr. Bivins said they smiled as they were doing it, and he heard people appreciate that. He said he was sure they would continue to ask the question, but he wanted to say that that message was given, and it was really well done.

Ms. Firehock said she would now close the work session.

The work session concluded at 5:13 p.m.



Candice Perkins, Director of Planning

(Recorded by Carolyn S. Shaffer, Clerk to Planning Commission & Planning Boards; transcribed by Golden Transcription Services)

Approved by Planning Commission
Date: 06/14/2022
Initials: CSS