This is a new section of the Public-Private Partnership Resource Center website and is currently in draft form. Your feedback is welcome: If you would like to comment on the content of this section of the website or if you have suggestions for links or materials that could be included please contact us at ppp@worldbank.org.

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beach

Mixed Use Development, Virginia Beach, Virginia, United States

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On this page: *A case study on Mixed Use Development, Virginia Beach, Virginia, United States. Find more at the Municipal Public-Private Partnership Framework - Project Summaries section for brief summaries of around 100 projects from around the world, examples of successes and challenges, as well as innovative ideas on solutions, or visit the Guidelines on Innovative Revenues for Infrastructure section.*

Project Summary:

Background

Virginia Beach's oceanfront resort area is a popular vacation destination for people on the East Coast of the United States and was among the City's highest priorities for redevelopment. In particular, the area immediately west of the resort strip at Virginia Beach had struggled to become a premier, year-round destination for either tourists or locals. It was limited mainly to surface parking lots and one-story commercial buildings.

Project Structure

In September 2011, the City of Virginia Beach received an unsolicited proposal from the Breeden Company to convert a little-used, 244-space surface parking lot into 147 residential apartments, a unique 743m2-indoor sky diving facility, approximately 233 m2 of commercial space, and a public parking garage with 377 spaces.

After the proposal was accepted and went through all of the required processes, both parties entered into a Comprehensive Agreement, as required by the Virginia Public-Private Education Facilities and Infrastructure Act. Under the agreement, Breeden was allowed to purchase the site for a price of nearly USD 8 million and develop it. Related public streetscape and utility infrastructure costs were shared. The private developer assumed the financial and construction risks. The City would reimburse a portion of the cost covering the design and installation of a stormwater feature for the parking garage.

The new parking facility increased the stock of public parking spaces by over 50 percent. Upon completion of construction, the developer would sell the parking garage back to the City together with the real property on which the structure is located. Under the contract, once the new parking is conveyed to the City, it will be subject to a longterm lease in favor of the developer, which will be used to provide 221 parking lots exclusively for the newly built apartments. The Developer installed the parking garage's revenue collection equipment and, following completion of the facility's construction, the City would be responsible for the acquisition and installation of the equipment within the parking garage, at the City's sole cost and expense. Installation of the equipment was not an obligation of the Developer as a condition of transferring the parking

garage to the City.

Lessons Learned

The project was awarded an annual Vision Award from the Urban Land Institute of Virginia in December 2016, based on its recognition as one of the best PPPs in mixed-used development.[1]

Footnote 1: https://www.vbgov. com/government/ departments/sga/ projects/Pages/25th- Street-Unsolicited-PPEA-Proposal.aspx

https://pilotonline.com/ business/real-estate/ article_d026452c- 7706-5998-9e4b- 721551283ff4.html

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The Guidelines on Innovative Revenues for Infrastructure (IRI) is intended to be a living document and will be reviewed at regular intervals. They have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific transactions.

To find more, visit the Innovative Revenues for Infrastructure section and the Content Outline, or Download the Full Report. For feedback on the content of this section of the website or suggestions for links or materials that could be included, please contact the Public-Private Partnership Resource Center at ppp@worldbank.org.

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