

## FEATURE

### Naval Air Station Oceana Future Base Design Options and Opportunities: Recommendations

Recommendations by the  
CRE® Consulting Corps

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*The Counselors of Real Estate's Consulting Corps delivered strategic guidance and an action plan to Naval Air Station Oceana. The fourth in this 4-part series provides a Hybrid Analysis for implementation of Enhanced Use Leasing, Shared Services Agreement, and City-Base transaction, as well as Recommendations, including the Critical Path and Performance Criteria.*

#### Watch: City of Virginia Beach

Hear from Brian Solis, Special Projects Manager, City of Virginia Beach, on March 31, 2021. The City is a key partner in this initiative. Watch at <https://www.cre.org/real-estate-issues/naval-air-station-oceana-future-base-design-options-and-opportunities-recommendations/>.



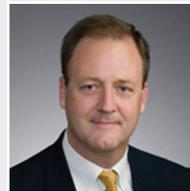
#### HYBRID ANALYSIS

Naval Air Station (NAS) Oceana desires to show immediate progress through Future Base Design. Furthermore, a looming opportunity with Dominion Energy will require a decision quickly. If selected,



The CRE® Consulting Corps tours Brooks City Base in San Antonio.

#### ABOUT THE AUTHORS



**Jerry Turner, CRE®**, specializes in real estate and financial services, including transaction assistance, mediation assistance, financial analysis, preparation of expert testimony regarding real estate and financial disputes, operations review and analysis, contract examination, and valuation analysis. His clients include financial institutions, domestic and international governmental entities, law firms, and public and private businesses. He is a member of the Royal Institute of Chartered Surveyors (Fellow - Emeritus), a licensed Real Estate Broker (Texas), Member of the Appraisal Institute (MAI), and participant in the National Council of Real Estate Investment Fiduciaries.



**Kirklan King, CRE®**, holds many designations and certifications including LEED Accredited Professional for the U.S. Green Building Council, CCIM, EDFP, and is a retired U.S. Army Reserve Officer. In his current position on a 7-person team, Kirk is responsible for USAA's industrial development projects as investments for the Company's private REITs, funds and for the Company's internal balance sheet. He also works on the execution of build-to-suit and speculative industrial projects and administration of Industrial Revenue Bond financing and coordinating loan financing for projects when 3<sup>rd</sup> party debt is utilized. He became a 2009 Superstar - a company award given to only two employees.

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completing a Master Lease with the City will require at least 90 days to negotiate, and even longer for a City-Base Transaction. Assuming the Navy desires to proceed with a ground lease to Dominion Energy, the only way to accommodate Dominion Energy’s timeline is through an EUL. Executing an EUL with Dominion Energy does not preclude the Navy from entering into a Master Enhanced Use Lease with the City of Virginia Beach, nor does it preclude subsequently entering into a City-Base/EFI Transaction with the City.

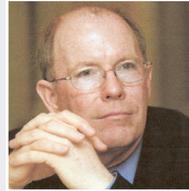
If the Navy proceeds to execute Enhanced Use Leases (EULs) with both the City (up to 5 years) and Dominion Energy (+5 years) and elects to continue exploring a City-Base/EFI transaction with the City, a hybrid approach would be appropriate. The steps in a hybrid approach might be as follows.

1. Begin Negotiating the EUL transaction with Dominion Energy immediately.
2. Develop an RFP for a Master Tenant for the remaining portions of the Installation that can be leased (we recommend you include as much of the installation as possible).
3. If the City of Virginia Beach (or its assign) is selected, enter into negotiations for a lease not to exceed 5 years.
4. Make the development of a Master Plan for a City-Base/EFI Transaction, transaction facilitation support, and a shared services agreements (10 USC 2679) part of the compensation.
5. When the lease is executed, the first steps in the City-Base/EFI Planning process, described previously, begin.

The benefits of a Hybrid process include the following.

- The Navy’s Future Base Design Initiative achieves immediate results on two fronts.
- The terms of the City’s EUL may substitute for the non-binding letter of intent with the City, as the lease terms will be binding and address all the elements of the letter of intent.

**ABOUT THE AUTHORS (CONTINUED)**



**William Norton, CRE®**, has been the President and Principal of Norton Asset Management, Inc. for 30 years. He holds many real estate licenses and designations and is a part of a wide variety of associations. Before his highly successful career in the real estate industry, Bill served as a Project Manager in the U.S. Army Corps of Engineers. He was an Interim Instructor at the Engineer School in Fort Belvoir, VA. Impressively, he received a bachelor's degree from Harvard University and continued on to receive both an MA and MBA from the University of South Carolina, Charlotte and Southern New Hampshire University, respectively.



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**Reid Wilson, Esq., CRE®**, Founder and Chairman of Wilson Cribbs + Goren, is recognized as southeast Texas's preeminent land use attorney. With board-certification in both commercial real estate and homeowner's association law, Reid has built a valuable reputation among local and state government representatives. He has received Texas Lawyer magazine's Lifetime Achievement Award, recently served as the President of the Real Estate, Probate and Trust Law (REPTL) Section of the State Bar of Texas, and one of few practicing real estate attorneys holding The Counselors of Real Estate (CRE) designation.

- Lease compensation can include funding for not only the Master Plan but also many of the First Steps and the Initial Concept Stage of the Critical Path, plus the financial benefits of a shared services agreement.

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- As part of the City-Base/EFI Transaction, the City would assume responsibility for administering both of the Dominion Energy leases through an Estoppel (an agreement that both parties will honor the existing terms of the lease).
- With up to a 5-year term, the timeline would support any additional time needed to secure approvals and special legislation for a City-Base/EFI Transaction.
- The consideration under the lease could be credited to the FMV consideration for the City-Base/EFI Transaction.

Other benefits, not contemplated previously, will likely manifest under a hybrid approach. Regardless, if the Navy desires both early success and the ability to execute a City-Base/EFI transaction, the CRE® Consulting Corps team recommends a Hybrid option.

.....  
*Immediately begin negotiating  
 an EUL with Dominion Energy*  
 .....

*Critical Elements for Success*

The elements critical for success of a hybrid approach are very similar to those listed in a City-Base/EFI transaction with a few antecedents.

1. Immediately begin negotiating an EUL with Dominion Energy (consider including the EDA in your discussions as an advisor).
2. Develop a solicitation for a master developer with the attributes outlined in the CRE® Consulting Corps Out-Briefing on 7 August, plus the recommendations in this report.
3. If selected, negotiate an EUL with the City of Virginia Beach for up to 5 years.
4. Ensure the terms of the lease compensation include a shared services agreement (10 USC 2679), plus the first steps, initial concepts and planning phases in the critical path table (detailed previously) as lease compensation under a City-Base/EFI transaction.

5. Study, question and take appropriate steps in accordance with the SAF/IEI Lessons Learned document.
6. Finally, jointly hire a facilitator(s) familiar with the City-Base/EFI transaction, Commercial Real Estate Metrics, City Government, and Installation BOS Operations, tasked to guide both parties through the critical path.

The CRE® Consulting Corps team believes these critical elements will afford the best options for success under a hybrid approach beginning with the Navy’s existing authority under 10 USC 2667 and culminating with a City-Base/EFI transaction. The result of this approach would generate an initial win and ensure the long-term benefits the Navy desires under its Future Base Design Initiative.

*Benefits & Difficulty Matrix*

The CRE® Consulting Corps have explored several options that would relieve NAS Oceana of cost burdens and/or revenue offsets to Base Operating Support (BOS). Each option carries some measure of long-term benefit and difficulty that can be summarized the following way.

Options	Benefit	Difficulty	Rating
Shared Services Agreement	2.0	3.0	5.0
Enhanced Use Lease	2.0	2.5	4.5
City-Base/EFI Transaction	4.0	1.5	5.5
Hybrid Approach	4.5	2.0	6.5
<b>Best Score (Highest Benefit/ Lowest Difficult)</b>	5.0	5.0	10.0

*Shared Services Agreement (10 USC 2679)*

Shared services agreements offer the Navy the ability to negotiate directly with a municipal entity to transfer responsibility for some DPW activities (i.e., fire, police, emergency services, roads maintenance, etc.) to the local municipality.

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The benefits of a shared services agreement are associated with the Navy’s ability to tap into municipal economies of scale to provide manpower and other resources at a lower cost. Furthermore, the City is not subject to Federal Acquisition Rules and can provide equipment and materials using their acquisition procedures. The primary difficulty is the time required to negotiate agreements with municipal governments for various services, quantifying the true cost to the Navy for comparison purposes and bureaucratic resistance to change. Fortunately, there are examples of successful shared services agreements across the spectrum of military installations that suggests these agreements can be achieved.

Our rating suggests while a shared services agreement can be financially beneficial to NAS Oceana, the impact of such an agreement may not result in a substantial reduction of BOS costs over time.

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*Enhanced Use Lease (10 USC 2667)*

Enhanced Use Leases afford NAS Oceana the ability to enter into a lease with a non-DoD entity in exchange for cash lease payments, or payments in-kind. In-kind payments can result in direct funding for services, projects, equipment or even paying BOS bills (utilities, grounds keeping, etc.), and are preferred over cash payments that must be shared equally with headquarters and may not be reinvested at the installation.

EULs have a positive impact in two ways: They generate revenue and relieve NAS Oceana of some portion of BOS responsibility (i.e. grounds maintenance). Over time as more land is leased, revenues and BOS relief can grow to a significant sum. The challenges associated with these revenue streams include the time required to lease portions of the installation. Furthermore, the land

development work required of the tenant is significant. There are very few “development ready” sites. That suggests the tenant will incur significant development costs that could take years to accomplish before the site could be developed for profitable use. Hence, the tenant will require a significant discount to market value for leasing “raw,” or poorly located, land versus leasing “finished” parcels with zoning, utilities, roads, etc. in place.



*View of Central Campus, an area that could be redeveloped with help from the private sector.*

The CRE® Consulting Corps team’s rating reflects the likelihood that the absorption of the sites under consideration for an EUL will require a significant absorption period (at least 10 to 20 years). Hence, financial benefits may accrue only slowly over time. While entering into a master lease may shorten the absorption period and eliminate the need to interface with the private sector, the best parcel will already be spoken for (Dominion Energy) the remaining sites will require significant planning and/or improvement to be marketable. We believe the most shovel-ready parcels with the greatest opportunity for broader market interest may be under existing structures within the installation’s Central Campus, and on either side of the Commissary.

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*City-Base/EFI Transaction*

The City-Base/EFI Option has been proven to generate significant BOS relief almost immediately upon implementation. However, it will require special legislation to obtain the authority to execute. The transaction entails a transfer and leaseback of all or portions of the installation. While it takes time to execute, the results will accrue quicker than they might under a shared services agreement or an EUL.

Our rating accounts for the immediate benefit realized when the Navy is relieved of payroll burdens and the Federal Acquisition Regulation (FAR) to procure BOS services. Additional benefits accrue when compatible development spreads costs to private sector tenants. Also, if land is sold or leased, the proceeds are used in-kind to further reduce the cost to the Navy. The implementation rating reflects the need for strong, capable leadership, and support at all levels inside the Navy; plus, similar leadership from stakeholders, municipal, state and federal representatives. Essentially, this will require an all hands effort to obtain the authority to execute. Normally something of this magnitude would be extremely challenging to achieve. Fortunately, there is a precedent and model to follow in the Brooks City-Base/EFI Case Study.

*Hybrid Approach*

The CRE® Consulting Corps team believes this approach affords NAS Oceana the best opportunity to achieve meaningful results without being forced to select a single direction. This approach would entail moving forward with an EUL with Dominion Energy and a Master Lease RFP. Should the City be awarded a Master Lease, Oceana should obtain from the City a shared services agreement, master planning services, a commitment to developing a City-Base/EFI transaction for NAS Oceana, and project funding assistance for the first steps, and initial concepts and planning stage.

Our rating reflects the belief a Hybrid approach would result in near-term financial success from the lease with Dominion Energy and negotiating a Shared Services Agreement. The difficulty rating is only slightly less than an EUL alone as it incorporates existing authorities

and working jointly with stakeholders to obtain congressional authority to enter into a City-Base/EFI transaction. A Hybrid approach provides the greatest flexibility to NAS Oceana without delaying progress.

*A Hybrid approach provides the greatest flexibility to NAS Oceana without delaying progress.*

**RECOMMENDATIONS**

The CRE® Consulting Corps team recommends the Navy undertake the following at NAS Oceana:

- Future Base Design will require a coalition of participants and should be viewed as campaign versus a battle.
  - A critical partner will be the City of Virginia Beach.
  - NAS Oceana should align closely with the City of Virginia Beach throughout this process and develop a joint communication plan to stakeholders.
- NAS Oceana should execute an EUL for the former Horse Stables parcel with Dominion Energy.
- NAS Oceana develop an RFP for a master tenant for all or most of the installation (under 10 USC 2667) that can provide the following:
  - Master planning,
  - Tax-exempt project and infrastructure financing,
  - Installation-support services (2679),
  - Shared services, and
  - The capacity to execute a City-Base/EFI Transaction.
- If the City is selected, work with them to bring in an independent facilitator with subject matter

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experts familiar with EULs, shared services agreements, and City-Base/EFI transactions.

- The facilitator should be tasked to guide the parties through the process with the ultimate goal to execute an agreement that achieves the parties’ objectives.
- Encourage the City/Community to explore funding options for an updated Joint Land Use Study that would aid master planning efforts and benefit a Future Base Design Project through the DOD Office of Economic Adjustment.

*Critical Path & Timeline*

The critical path for these recommendations is described previously for each option. If a hybrid approach is selected results could accrue immediately with a lease to Dominion Energy. However, if that approach is selected, more meaningful results could be achieved within 12 months of securing the authority to execute at City-Base/EFI transaction.



*Future Base Design should incorporate industry best practices to ensure NAS Oceana remains the Navy's Master Jet Base.*

*Performance Criteria*

The CRE® Consulting Corps team recommends NAS Oceana use the Cost Baseline study described previously as the benchmark to measure performance. The cost baseline allows the Navy to compare its true and total cost for installation management against the expense

reimbursement lease payments to the Landlord under a City-Base/EFI Scenario. In addition, if any other option is selected, the financial benefits of cash or in-kind services can be evaluated against total cost for comparison.

*Funding*

Future Base Design, like most initiatives, requires analysis, coordination and resources. If the Navy elects to partner with the City of Virginia Beach Economic Development Authority in any fashion, neither party will escape the reality that federal and municipal budgets are under pressure. It may be difficult for any tenant, let alone the EDA, to directly fund rent payments, and asking local taxpayers to contribute to the cause will be equally daunting. However, the Office of Economic Adjustment or OEA is a likely funding source for various types of actions that could be counted as in-kind services, including:

- Compatible Use Studies
- Community Investment
- Military Installation Sustainability
- Industry Resilience

The OEA’s website encourages defense communities to “complete a Compatible Use Study” if it has not been updated in the last five years. The Consulting Corps team encourages the Navy to work with the EDA to identify funding sources for services that would ultimately benefit both the EDA and the Navy.

**SUMMARY**

The Counselors of Real Estate Consulting Corps greatly appreciates the opportunity to support and serve the U.S. Navy at NAS Oceana. After more than three months of analysis, research, physical inspection, and interviews with the Navy and key stakeholders, we believe the Navy has a rare opportunity to make a bold move that will benefit this and other Navy installations as well as the other services within the Department of Defense.

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We believe the key components for success are present in this instance. NAS Oceana has strong leadership in place. The local community and State of Virginia stand ready to support any initiative the Navy wishes to propose, and requisite federal representatives are not opposed to working with their constituents to benefit the community. We found no roadblocks to any creative ideas the Navy wishes to advance. We find this situation to be extremely rare as there is nearly always opposition to change within communities facing such significant amendments to the status quo.

For these reasons we believe it would be in the best interest of NAS Oceana to proceed with its plan for executing EULs with Dominion Energy and an entity that can provide a master planning services like the City of Virginia Beach. We also believe the Navy is in an excellent position to take advantage of its broad stakeholder support and simultaneously pursue shared services agreements and City-Base/EFI transaction authority following the steps outlined previously.

The CRE® Consulting Corps believes the Navy has nothing to lose and everything to gain by expanding the ambitious moves it started through its Future Base Design Initiative. •

*The Consulting Corps is The Counselors' public service initiative. Members of The Counselors volunteer their time and expertise to help nonprofit and government entities by providing objective analysis, adaptive reuse strategies, and realistic action plans to leverage and maximize performance of real estate assets. For more information or to suggest a project that could benefit from Consulting Corps assistance, contact Samantha DeKoven ([sdekoven@cre.org](mailto:sdekoven@cre.org)). To learn more, visit [cre.org/initiatives/consulting-corps](http://cre.org/initiatives/consulting-corps).*

## Appendix I: Summary of Material Provisions of Grand Forks AFB Master EUL

- Term - 50 years with one 25-year renewal option
  - Rent - lump sum payment paid upon possession, subject to in-kind consideration agreed to in the interim. The site requires compliance with the National Environmental Policy Act (NEPA), which might require remediation. NEPA satisfaction is a Navy requirement and possession is delayed until complete.
  - Permitted in-kind consideration:
  - Repair or alteration to existing facilities or improvements (including environmental remediation)
    - New facilities or improvements
    - Utility services
    - Maintenance
    - Other services (approved by Assistant Secretary of the Navy for Energy, Installations and Environment)
- Services incidental to the tenant's use are excluded from in-kind consideration.
- If the tenant elects in-kind consideration, then
    - The Navy shall provide the tenant a proposed list of in-kind projects.
    - Tenant shall notify the Navy which, if any, of the proposed in-kind projects it selects, and the estimated cost (detailed).
    - The Navy shall select any projects it desires. The local Real Estate Contracting Officer (RECO) then manages a detailed process for a formal detailed bid for the project and when that bid is accepted, an amendment to the EUL is executed and a rent credit provided for the cost of the selected projects.
  - The project is completed, subject to audit and a final inspection. A final approval is provided by the RECO.
  - The tenant may use 3rd party contractors to provide the in-kind services, must provide payment/performance bonds, must maintain adequate records suitable for auditing, permit RECO oversight (for Navy purposes), and obtain warranties including the Navy as additional beneficiary.
  - Upon early termination, the tenant owes rent for due in-kind services not yet provided.
  - Other significant provisions:
    - Notice and opportunity to cure any defaults.
    - Subleases are permitted, subject to Navy approval, not to be unreasonably withheld, conditioned or delayed, and to be provided within 45 days of request. Approval is reasonable if for national security purposes.
    - First right to buy if the lease is terminated to allow the premises to be sold.
    - Navy approval of improvements to the premises, not to be unreasonably withheld, conditioned or delayed, and to be deemed provided if not response within 60 days of request.
    - Extensive disclaimers of warranties and representations of any kind, including environmental.

## Appendix II: Summary of Land Use Constraints at Oceana

The use of land around Oceana is subject to both public and private restrictions, which eliminate the “highest and best uses” as that term is used in the real estate industry. The remaining land uses are not in demand. If a broader array of land uses were permitted, the land around NAS Oceana would be in greater demand.

### PUBLIC REGULATIONS

#### *Local:*

City land use regulations are designed to protect NAS Oceana from further encroachment of incompatible uses. These regulations are contained in the Zoning Code of the City of Virginia Beach, Virginia, which has land use jurisdiction over all land around NAS Oceana. These regulations were substantially modified in 2005-6, as an accommodation to NAS Oceana and the Navy. The origin of these regulations and their intent is described in the follow excerpt from the City Zoning Ordinance:

“The city council hereby finds that:

- (a) Naval Air Station (NAS) Oceana was first established as an auxiliary airfield in 1943 and was designated as a major Navy jet air base in the 1950s. It is now one of the largest Navy air bases in the country and is the Master Jet Base for the Navy's Atlantic Fleet. NAS Oceana is a vital component in the architecture of the Defense Department's joint service method of operational planning and execution and in the newly-emerging inter-agency approach to meeting homeland defense requirements;
- (b) NAS Oceana is the single largest employer in the City of Virginia Beach. In 2003, it had a gross annual payroll of over seven hundred fifty million dollars (\$750,000,000.00) and spent another four hundred million dollars (\$400,000,000.00) for goods and services. In that year, over twelve thousand (12,000) personnel, comprised of nearly nine thousand eight hundred (9,800) military and over two thousand five hundred (2,500) civilian employees, were employed there. Most of those employees live within the

community, infusing additional benefits into the local economy, primarily through spending and spousal employment salaries. When considering the personal impact of the military in the community, the economic benefit exceeds one billion dollars (\$1,000,000,000.00) annually;

- (c) There are more than thirty thousand (30,000) acres of land in areas within the 70-75 dB DNL or >75 dB DNL Noise Zones and approximately 16,500 acres of land within the 65-70 dB DNL Noise Zone. Approximately four thousand, three hundred (4,300) acres of this land is encumbered by easements or restrictive covenants that limit the uses of the land to those that are not incompatible with flight operations arising out of NAS Oceana;
- (d) Since the installation's inception, development of a type deemed incompatible under the Navy's AICUZ Program has occurred, such that the Navy has voluntarily modified flight arrival and departure procedures, thereby resulting in flight procedures and training that do not replicate actual aircraft carrier operating procedures.
- (e) In August 2005, the Base Realignment and Closure (BRAC) Commission added to the list of installations to be closed or realigned the recommendation to realign NAS Oceana by relocating the Atlantic Fleet's East Coast Master Jet Base to Cecil Field in Jacksonville, Florida if, among other things, the cities of Virginia Beach and Chesapeake fail to enact and enforce legislation to prevent further encroachment of NAS Oceana by the end of March 2006 by adopting zoning ordinances that require the governing bodies to follow Air Installations Compatibility Use Zone (AICUZ) guidelines in deciding discretionary development applications for property in noise level 70 dB day night average noise level (DNL) or greater;
- (f) The closure or realignment of NAS Oceana would have serious adverse economic consequences to the city and the region; and

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(g) In 2004 and 2005, the City of Virginia Beach, along with the cities of Norfolk and Chesapeake, joined with the Navy and the Hampton Roads Planning District Commission to craft a regional joint land use study (JLUS). Among the recommendations of the JLUS was that the city adopt an ordinance applicable in all noise zones greater than 65 dB DNL to help prevent encroachment at NAS Oceana. The JLUS was accepted by resolution of the city council in May of 2005 and the city council directed that appropriate ordinances implementing the recommendations of the JLUS be brought forward for its consideration.”

The regulations create two types of land use zones (with sub-zones), which are depicted on land use maps. The Accident Protection Zones (APZ) are just what it seems, an area when the potential for aircraft crashes is elevated, therefore congregation of people should be discouraged. Clear Zones are areas at the end of runways or near runways where no new building is permitted, and the only permitted use is agricultural (no livestock). The APZ is divided into APZ-1 which has greater restriction and APZ-2 with less restriction. APZ-2 is a relatively small area; most of the APZ is in APZ-1. There are 5 APZ areas and each has its own level of regulation, dependent on the applicable assessed risk. A list of permitted uses in APZ-1 is available at <https://www.vbgov.com/government/departments/planning/areaplans/Documents/Oceana/APZ1-CompUses-NAICS-Final.pdf>.

The permitted uses which have current market demand in the area are few and exclude all residential uses, all hospitality uses, hospitals, assembly uses, most retail uses and high employee count manufacturing uses.

The Department of Defense implemented the Air Installations Compatible Use Zones (AICUZ) Program in response to the Noise Control Act of 1972 in order to protect the public from noise and hazards around air installations, and to insulate those important facilities from incompatible encroaching development. The goal is to provide guidelines (not federal regulation) which local governments may use to prevent noise sensitive uses (particularly, residential, hospitality and assembly areas), or required special noise attenuation

building methods in high noise areas. AICUZ maps provide noise information helpful to land use regulation decisions. The zones are separated by decibel levels, such as less than 65db, 65-75db, 75-80db, 80-85db and 85+db.

A Hampton Roads Joint Land Use Study (JLUS) was issued by a joint committee of the Hampton Road Planning District Commission and the cities of Virginia Beach, Chesapeake and Norfolk. A brochure issued by this group provides excellent information of land use issues and contacts, which includes a detailed map showing noise zones and APZs, and is available at <https://www.vbgov.com/government/departments/planning/areaplans/Documents/Oceana/JLUSAICUZPlanningMap.pdf>.

The City established and maintains the Oceana Land Use Conformity Committee (OLUCC) to make recommendation to the City Council and Economic Development Authority and land use regulations, generally, as well as specific zoning requests.

### PRIVATE REGULATIONS

During the 1970-80's, the federal government bought private restrictive easements from area land owners which limit the type of permitted uses on that land. Restrictive easements are private contractual agreements in which one land owner agrees, usually for compensation, to restrict future uses (otherwise legally permitted) for the benefit of another area land owner. The agreement is documented in a written agreement signed by the parties and recorded in the public records. Under law, any subsequent buyer of the restricted land is on constructive (legally implied) notice. In fact, when a buyer purchases the restricted land, the title commitment report issued by the title insurance company for the purchase transaction will cite to the restrictive easement. Most current title commitments have electronic links to all recorded documents referenced in the title commitments, so a buyer could easily review the restrictive easements. However, some buyers of restricted land are reported to have not checked the title to their land and were ignorant of these restrictive easements.

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Reportedly, the Navy spent almost \$58,000,000 purchasing these development rights, primarily from area farmers. They are reported to cover over 12,000 square miles in area. Within this area, residential development, plus business development of the types which attract groups of people (such as retail), are prohibited. The private restrictive easements are legally independent of the City zoning and would restrict the affected land even if City zoning did not exist. The Navy has periodically enforced these rights and required land owners to cease non-conforming uses.

These restrictions are perpetual.

## Appendix III: Acknowledgements

The CRE® Consulting Corps team was privileged to talk to a wide variety of stakeholders. Some of those people are listed below, and we thank them for their time.

### NAS OCEANA PERSONNEL

RADM Charles Rock, CAPT John Hewitt, CAPT Robert Holmes, CMDR Lakeeva Gunderson, CIV John Lauterbach, CIV Paul Moomaw, CIV Rich Riker, LT Burrell, CIV Bobby Worley, LTCD David Sare, CIV Brian Payne, CIV Michael Wright, CIV Terra Fisher, CIV Blake Waller, CIV Bobby Whirley, CIV Brent Brown, CIV Mark Outman, CIV Ken Snyder, CIV Andrew Porter, CIV Ed Garner, CIV Brent Brow, CIV Bob Crane, CIV Noel Manalo, CIV Hector Gortaire, CIV David Yaw, CIV Scott George, CIV Jamee Martocci, CIV Elizabeth Dietzmann, CIV Debbie Vanbuskirk, CIV Alex Plascencia, CIV Dean Williams, CIV Sarah Ringo, CIV Kenny Steen, CIV Norm Aurland, CIV Rick Butler

### CITY OF VIRGINIA BEACH PARTICIPANTS

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### REAL ESTATE AND END USER PARTICIPANTS

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Estate, Steve Brennan – Boeing, Terrie Suit – Virginia REALTORS® Association, Rob Sult - Harvey Lindsay, David Phillips - Apple Moving & Storage

### OTHER COMMUNITY STAKEHOLDER PARTICIPANTS

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**Thanks also to the following individuals who helped with this assignment.**

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**Appendix IV: Resources**

CoStar. Capital One. 7/8/2020.

CoStar. USAA. 7/1/2020.

Esri and Infogroup. Esri 2019 Updated Demographics. Retrieved June 24, 2020.

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