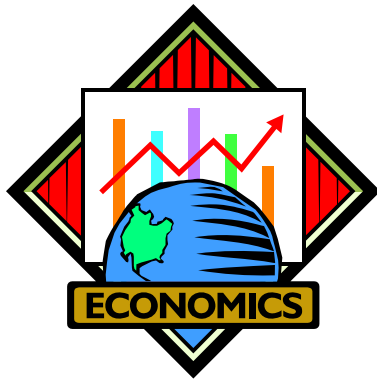


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OVERVIEW

The Economics Element provides an overview of the regional economic situation, the financial status of the City, a discussion of two recent economic development studies commissioned by the Poquoson Industrial Development Authority (PIDA) and associated recommendations for economic development. Poquoson continues to have the highest median income in Hampton Roads, indicative of certain stability and buying power that can sustain the community. However, in order to relieve upward pressure on residential real estate tax rates, it is imperative that the City seeks to increase its ratio of commercial real estate.

The City of Poquoson faces a complex set of opportunities and challenges in its economic development future. The primary market area for the City is growing in population and a recent analysis of Poquoson's retail market found there to be a significant sales gap, with considerable opportunities for new retail development. However, certain hindrances exist for any new economic development that includes environmental restraints, the City's remote physical location and its small population. Given that the City is currently dependent on real estate taxes to provide the majority of its operating budget, any broadening of the tax base will contribute significantly to its future fiscal integrity.

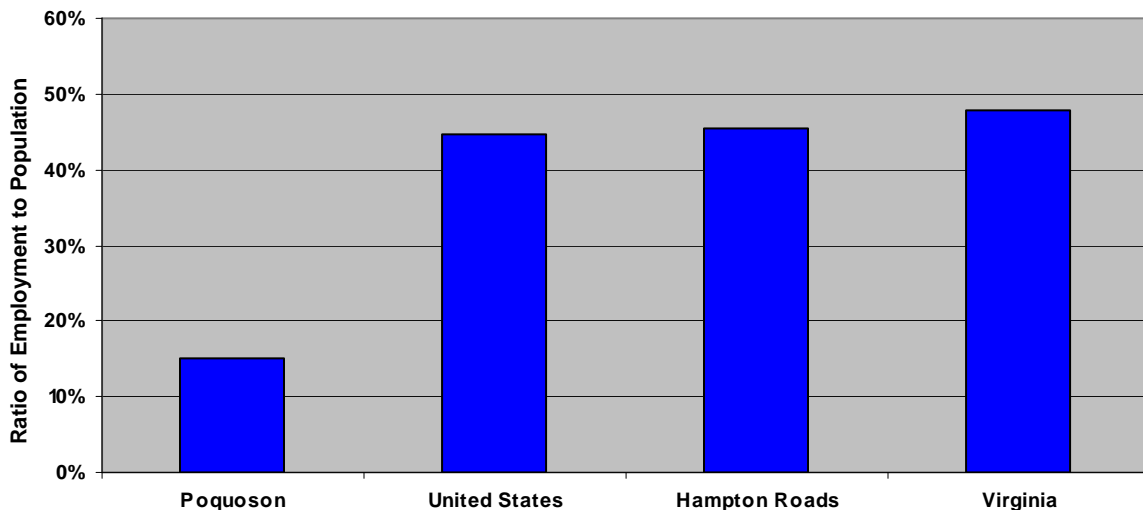
'Broadening the tax base' means developing new commercial properties to diversify the City's sources of revenue. As previously stated the City of Poquoson's main source of revenue is real estate taxes and, in consequence, places much of the financial burden on the individual citizens. Commercial properties broaden the tax base because they are assessed at higher values, due to the inherent use by businesses, and demand less government services than residential properties. Without any diversification of the tax base, real estate taxes will continue to be the main source of revenue for the City. Therefore, tax rates will have a direct correlation with the City's costs of operation and the costs of operation will certainly rise before they fall. It is presumed the citizens have not yet realized the burden of cost due to the higher incomes.



Both Poquoson and the Tabb area of York County have enjoyed steady population growth at rates above the Peninsula average. The majority of this population growth has occurred in the Tabb area, which, due to its proximity to the Big Woods, represents approximately half of the city's potential retail service radius. City retail sales are presently under represented in the areas of restaurant sales, apparel, general merchandise, gifts and novelties. However, the smaller population of this service area is a drawback that forces businesses into York County close to the city boundaries of Hampton and Newport News.

Figure 4-1 provides a comparison of the employment to population ratio in Poquoson to that in Hampton Roads, Virginia and the United States. The significant difference highlights the need for broadening the economic base in the City.

Figure 4-1: Comparison of Employment to Population Ratio for 2003



Sources: U.S. Census Bureau and the Virginia Employment Commission

REGIONAL ECONOMIC SETTING

The Hampton Roads economy has been expanding since the last recession in 1991. The expansion continued through the end of 2000, but slowed in 2001 and 2002. Regional economic activity began accelerating again in 2003 and through 2004. A strong, but slightly reduced growth rate is expected through 2005. The following section compares data on various economic indicators across regional, state and/or national scales.

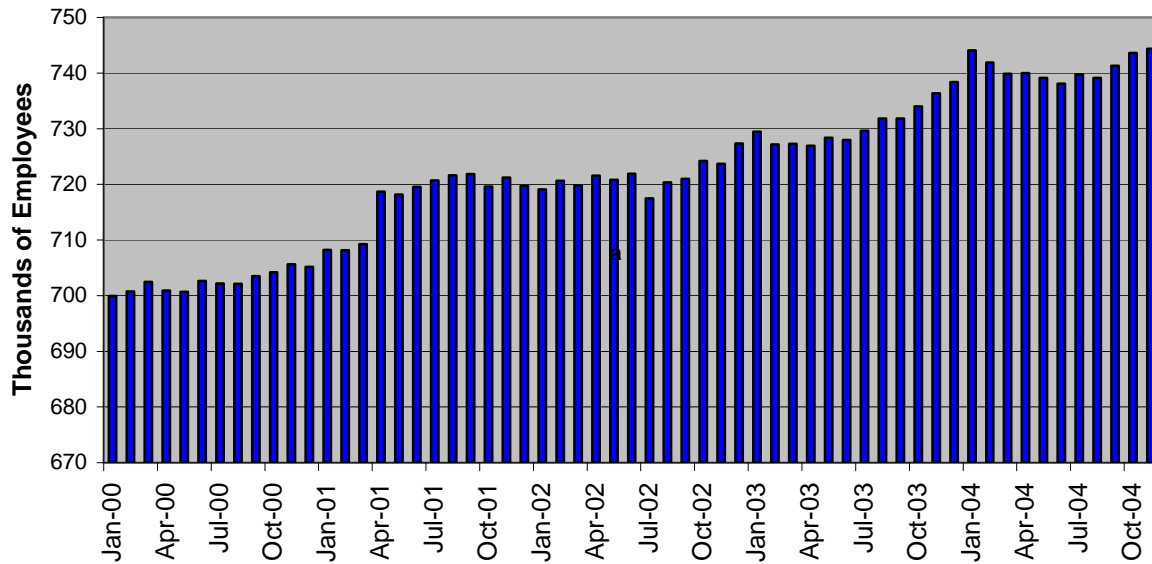


Employment

From 1990 through 2004, National employment grew at an annual average rate of 1.32%. Employment growth in Virginia and Hampton Roads both out-performed the Nation, growing at 1.53% and 1.50% respectively. Virginia’s higher employment growth was due in large part to Northern Virginia’s economic boom, which realized an annualized growth rate of 2.71%. Annualized employment growth in Virginia’s other MSAs was as follows: Bristol, 1.06%; Charlottesville, 1.43%; Danville, 0.52%; Lynchburg, 0.68%; Richmond, 1.30%; Roanoke, 0.83%.

While annual employment figures are valuable in explaining broad economic trends, monthly employment statistics offer a more dynamic view of the regional economy. Deseasonalized employment figures, as illustrated in Figure 4-2, provide a detailed account of how Hampton Roads has fared over the last few years.

Figure 4-2: Deseasonalized Monthly Employment for the Hampton Roads MSA

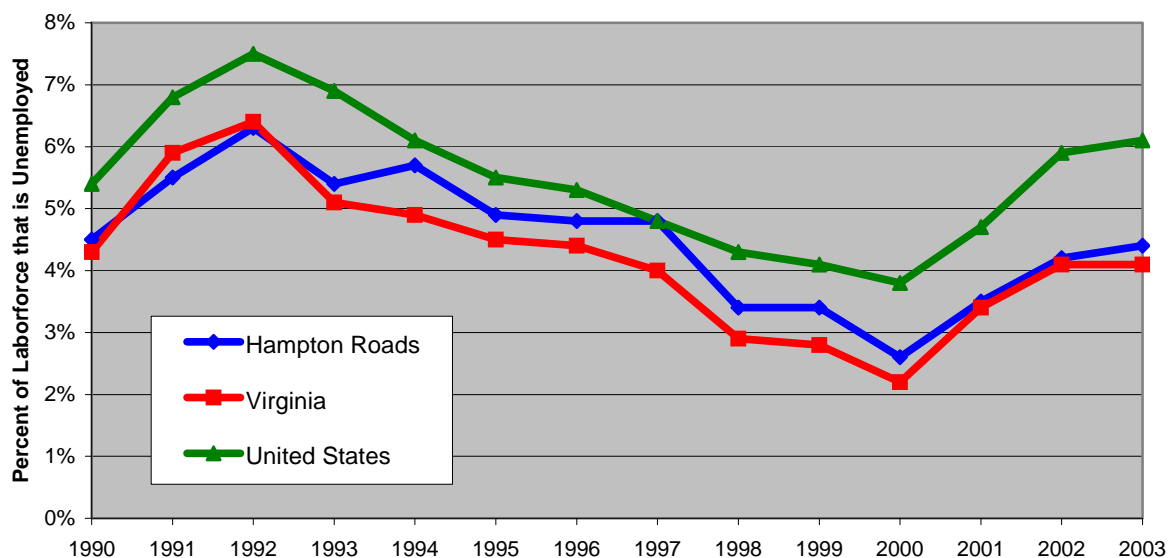


Source: Bureau of Labor Statistics



The unemployment rate in Hampton Roads has historically been lower than the national average. Unemployment figures released by the Bureau of Labor Statistics do not include military employment numbers and, as a result, over-estimate the already low unemployment rate in Hampton Roads. Figure 4-3 illustrates the unemployment rates on the local, state, and national levels. As is clearly evident in the graphic, state and local unemployment rates tend to reflect the national unemployment trends.

Figure 4-3: Local, State, and National Unemployment Rates

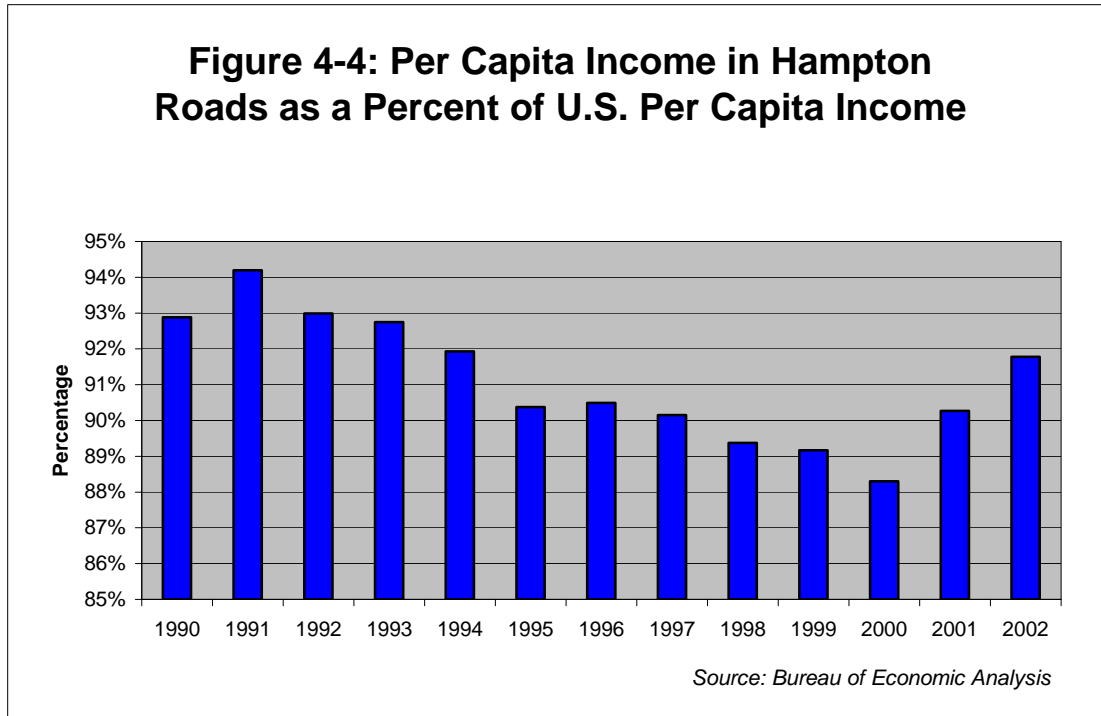


Source: Bureau of Labor Statistics

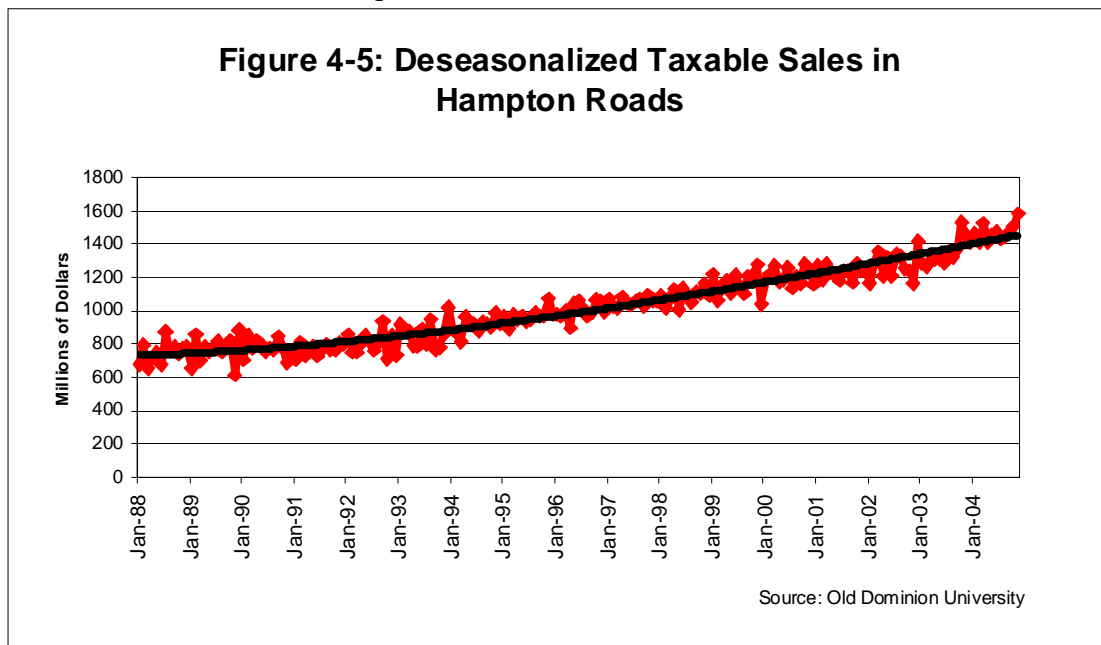
Income, Retail Sales and Real Estate

Per capita incomes in Hampton Roads have historically been lower than the national average, as is shown in Figure 4-4. Relative to the nation, per capita incomes in Hampton Roads were on a downward trend from 1991 through 2000. The recent increase in military spending coupled with a soft national economy has helped to decrease the income gap over the past couple of years. Despite the recent increase, incomes in Hampton Roads remain much lower than the national average. In 2002 Hampton Roads per capita income was \$28,365 as compared to the national per capita income of \$30,906.



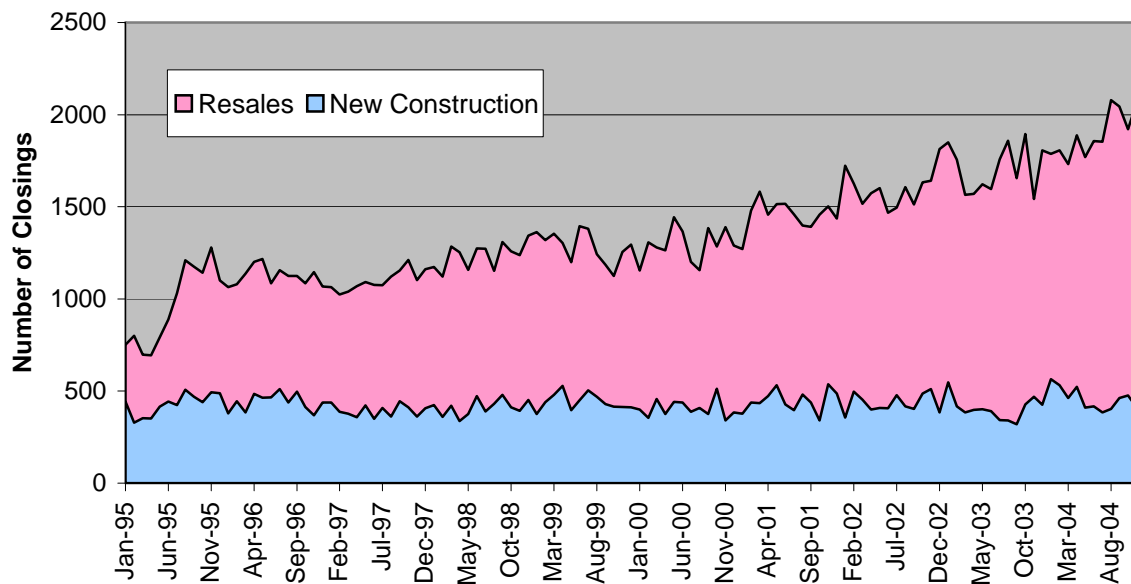


Regional retail sales continue to grow in Hampton Roads, as shown in Figure 4-5. Over the past ten years, regional taxable sales have increased by an average of 5.12% per year. Local sales now account for 20.3% of the state total, sixty-six percent of which comes from the Southside. Taxable sales figures for 2004 are as follows: Hampton Roads - \$16.5 billion, Peninsula - \$5.2 billion, Southside - \$11.3 billion, Poquoson - \$39 million.



Home sales in Hampton Roads have been steadily increasing over the past few years, growing at an annual average rate of 6.5%. This strong growth rate is a direct result of the escalating number of housing re-sales, as is illustrated in Figure 4-6. Low interest rates have played an important role in the high number of housing re-sales, by lowering the mortgage rates and increasing the value of real estate, providing a stimulus for both housing sales and purchases. While new home sales have remained relatively constant, they continue to play an important role in the economy by providing a strong and consistent employment base.

Figure 4-6: Home Sales in Hampton Roads



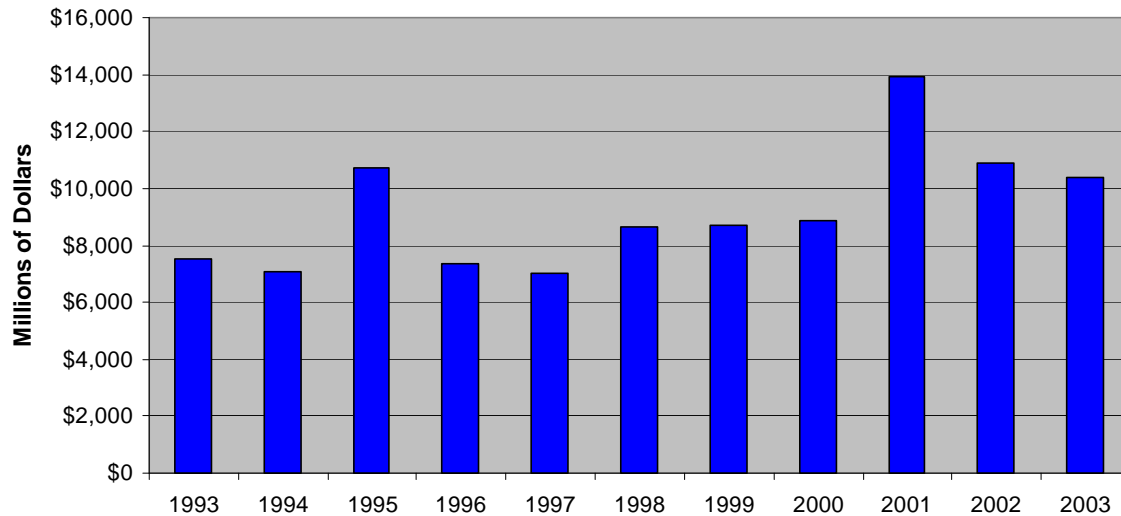
Source: Rose and Womble Realty

Military

The military plays a central role in the Hampton Roads economy, comprising more than 11.7% of the region's employment. With 114,992 people employed in the military, Hampton Roads has one of the largest concentrations of military personnel in the world. Figure 4-7 shows Department of Defense expenditures in Hampton Roads for the period 1993 – 2003. These strong ties to the Department of Defense make Hampton Roads especially sensitive to changes in the defense budget. The decline in defense expenditures from 1987 through 1998 softened the local economy, while the more recent increase in military expenditures helped to shield Hampton Roads from the last recession. While forecasting future defense expenditures in Hampton Roads is made especially difficult by the nature of the federal budget process, there is general consensus that the region will likely experience cuts in defense spending in the near term.



Figure 4-7: Department of Defense Expenditures in Hampton Roads



Source: Consolidated Federal Funds Report

Tourism

Tourism in the United States is a multi-billion dollar industry with foreign and domestic tourist expenditures comprising 5.9 percent of gross domestic product. Tourism is the third largest employer in Virginia, making it a critical component of the state's economy. The industry has expanded more than 47% from 1994 to 2002. In 2002, the economic contribution of tourism was \$14.1 billion, one of the largest travel markets in the nation. On an average day in Virginia, travelers spend \$35.3 million on lodging, meals, gasoline, shopping, transportation, admissions, and other services. Travelers contribute \$652 million in taxes to the state coffers and \$413 million to local governments.

With five of the top ten State attractions, the local economy relies heavily on the tourism industry. In Hampton Roads, local travel taxes totaled \$85.3 million in 2001. These tax revenues have helped to finance the construction of local schools, libraries, roads, parks and other public facilities. Travel expenditures in area communities in 2001 were as follows: Virginia Beach, \$708.8 million; Norfolk \$446.0 million; Williamsburg, \$368.0 million; James City County, \$249.3 million; Newport News, \$164.5 million; Chesapeake, \$153.1 million; Hampton, \$136.3 million; Gloucester County, \$27.4 million; Isle of Wight County, \$19.5 million; Franklin, \$8.8 million; Southampton County, \$8.7 million; Surry County, \$7.3 million; and Poquoson, \$2.4 million. These numbers are expected to increase respectively for each locality in FY 2007 due to the Jamestown 400-year celebration of the settling of America.



Regional Summary

After experiencing a slight recession and a mild recovery, the U.S. economy appears settling into a period of moderate, yet solid growth. Interest rates are expected to rise, cooling off the housing market; however, increasing employment will reduce the jobless rate. Historically, the regional business cycle tends to follow that of the nation. The largest threat to the local economy is with respect to potential changes in defense spending. If current defense expenditures are maintained, the local economy will continue to grow.

POQUOSON TRENDS AND CURRENT STATUS

Several trends can be identified from the 2000 U.S. Census data. Total population and the total number of housing units within the City of Poquoson are steadily increasing. About 62 percent of the population is in the working age cohort of 15 years to 59 years old. Over 78 percent of Poquoson residents are traveling outside of Poquoson to work. On average, Poquoson residents are commuting 24 minutes. Poquoson claims the highest median household income in Hampton Roads (\$60,920), York County has the second highest median income (\$57,956) and James City County has the third highest (\$55,594).

The following data begins to provide some insight into the economy in and around Poquoson. Additional employment opportunities are needed within the city limits to provide employment for current citizens as well as attract new residents to the City.

Current Status

Population

When analyzing Poquoson's economic development potential, it is important for the City to include the demographic impacts of surrounding communities. Political boundaries have little or no impact on economic markets. For this reason, Poquoson's Economic Development market includes the Tabb area of York County. Tabb has been the fastest growing area on the Peninsula and the area's immediate proximity to the Big Woods make it a natural part of Poquoson's potential retail service area.

Income

Poquoson's population, while small, is the most affluent in the entire Hampton Roads region as previously stated in Chapter 2: Population. As can be noted in Tables 2-14 & 2-15 in Chapter 2, Poquoson and York County's median family incomes exceed that of the Hampton Roads region by 70 and 73 percent, respectively. This suggests a market for a range of upscale commercial activity that can be supported by an affluent population with significant discretionary income.



Retail Development

Both Poquoson and the Tabb area of York County have enjoyed steady population growth at rates above the Peninsula average. The majority of this population growth has occurred in the Tabb area, which, due to its proximity to the Big Woods, represents approximately half of the city's potential retail service radius. City retail sales are presently under represented in the areas of restaurant sales, apparel, general merchandise, and gifts and novelties. These opportunities, combined with Poquoson's and Tabb's high median family incomes, suggest a market for upscale, "niche" retail development. Such upscale development can be supported by relatively affluent populations with sizable discretionary income such as is found in Poquoson and Tabb. However, the smaller population of this service area is a drawback that forces businesses into York County close to the city boundaries of Hampton and Newport News.

The challenge for Poquoson is how to capture a share of this market, preferably by complementing, rather than competing with the retail mega-centers. Poquoson is too far from main thoroughfares to compete directly with adjacent areas, and must seek a way to establish its own niche as a high-end, specialty retail market while attempting to plug the leak of resident retail sales outside of the City.

Fiscal Considerations

Residential real estate taxes, while the largest source of revenue to Virginia localities, are but one potential revenue source. A community's relative ratio of commercial real estate tax revenues is significant in that it is commercial enterprises that typically return local tax revenues to the community in excess of the cost of the business's public service demands. This becomes particularly clear when one looks at the cost of public education that is necessitated by residential development as discussed above. A clear challenge to the City of Poquoson is to increase the ratio of commercial real estate tax revenues in order to partially offset the intense service demands of the residential sector.

Military and Department of Defense

The federal government is a significant employer for residents in the City of Poquoson as well as other localities on the Peninsula and in the Hampton Roads region as a whole. The Hampton Roads region is one of the largest areas of military buildup on the east coast. Not only does the Hampton Roads region house military personnel, but the bases also employ government contractors and civil servants. NASA and Langley Air Force Base are approximately 3 miles outside of the City's corporate limits.



Transportation Network

The City of Poquoson is connected to Interstate 64 by Virginia Route 171 (Victory Boulevard) via a new interchange in the Kiln Creek area that was opened in 1990. This road is a four-lane, divided highway from the Interstate to Route 134. As noted in the Transportation Element of this Plan, the Virginia Department of Transportation has designated Route 171 as limited access through York County and proves to be a hinderance to access to the Big Woods property because it is located on Route 171 (Victory Boulevard), 4 miles from I-64. The City is connected to the City of Hampton, NASA and Langley Air Force Base via Wythe Creek Road. NASA and the Langley Research and Development Park are located approximately 3 miles from the Big Woods property. Virginia Route 134 (Magruder Boulevard) is also a four-lane divided highway that connects York County to Interstate 64 in Hampton.

Clearly, the City's location off the interstate is an obstacle that must be considered in any economic development effort. This location, combined with the residential character of much of the City suggests that companies that rely on a large amount of heavy truck traffic, such as large manufacturers and wholesale trade and distribution establishments are not likely to be attracted to the City. Along with the fact that Victory Boulevard is only a two-lane road from Route 134 (Magruder Boulevard) to Rt. 172 (Wythe Creek Road); the City's accessibility is reduced especially during peak traffic hours due to congestion.

Waterways

Messick Point is located on the Back River. Channel depths in what is known as the Front Cove average approximately 2-3 feet at mean low water. Channel depths in Back Cove average less than 2 feet at mean low water. Without additional dredging, these channel depths are insufficient to handle anything but shallow draft vessels. The City recently had the U.S. Army Corps of Engineers dredge a portion of Messick Point to a depth of six feet, primarily to benefit the local seafood industry. Redevelopment of the City's marinas would greatly benefit the area and hopefully encourage economic growth. Poquoson's waterways are an asset and should be protected, maintained and accessible for both commercial and recreational uses.

Airports

The City of Poquoson shares a disadvantage with the entire Hampton Roads region with its lack of first class air service. Even with the new terminal at Newport News/Williamsburg International Airport, direct air service is unavailable to all but a few East Coast markets. This lack of first class air service has been documented as a primary impediment in the attraction of new, white-collar employers to the region. Obviously, there is little the City of Poquoson can do to rectify this situation, and this must be viewed as a development constraint.



Utilities

Newport News Waterworks has constructed a new 16-inch public water main along Victory Boulevard simultaneously with the construction of the new City Hall/Library Complex in the Big Woods area. This completed water line has sufficient capacity to serve all of the Big Woods property, including the General Commercial and Research and Development Zoning Districts. The City of Poquoson has constructed a new 16-inch sanitary sewer gravity line along Victory Boulevard from the new pump station located near the McDonalds restaurant to the new City Hall/Library Complex. This sewer line has sufficient capacity and depth to service the entire Big Woods property, though it stops just short of the Research and Development Zoning District.

Environmental Constraints

As with the entire Lower Peninsula, the presence of non-tidal wetlands may serve as a development constraint within the City. These wetland and Chesapeake Bay Preservation issues will likely be less of a concern in the Messick Point area where most of the uses contemplated are waterfront-dependent.

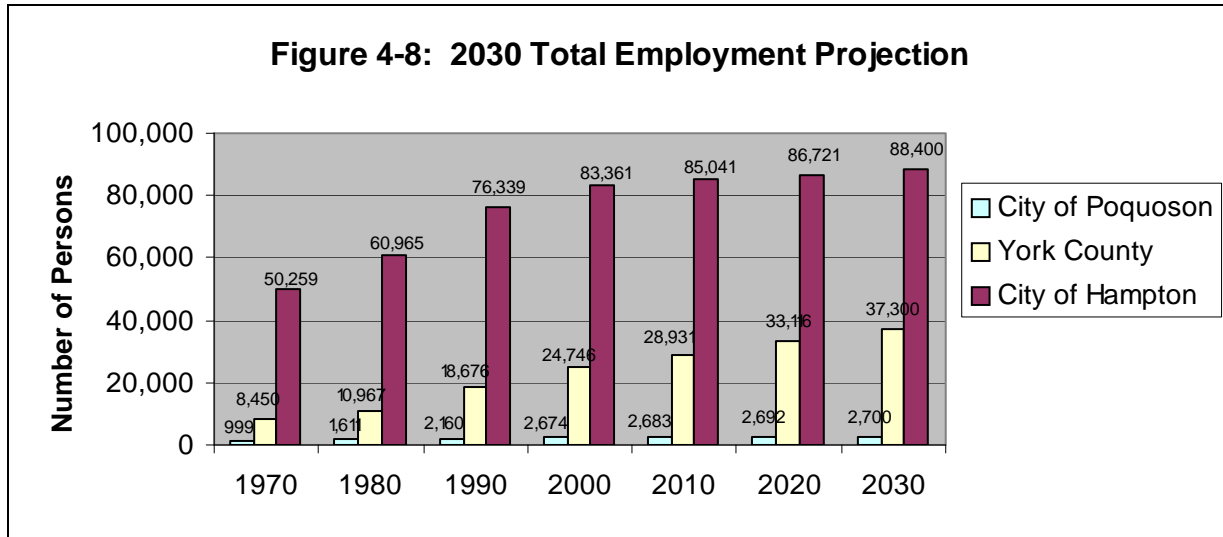
With regard to the Big Woods area, it is likely that the presence of non-tidal wetlands will serve as a development constraint. These wetland areas have not been mapped, and an accurate wetlands inventory needs to be completed to determine the extent to which development will be constrained. With proper site planning, much of these wetland areas can be incorporated into required open space, thus minimizing the amount of acreage actually lost to development.

Employment, Unemployment & Industry

Employment Projections

As shown in Figure 4-8, sustained employment growth was experienced in Poquoson and adjacent localities between 1970 and 2000. The Hampton Roads Planning District Commission (HRPDC) predicts that this trend will continue for each locality, albeit on different scales. Employment in York County is predicted to increase by 51 percent, from 24,746 employees to 37,300. The City of Hampton is projected to increase by nearly 6 percent, from 83,361 to 88,400 employees. In contrast, employment within the City of Poquoson is projected to increase by less than 1 percent, from 2,674 employees to 2,700 in 2030.





Sources: Bureau of Economic Analysis, Hampton Roads Planning District Commission, 2030 Economic Forecast

Employment by Industry

Figure 4-9 identifies employment by industry for 2003 within the City of Poquoson. Employment is accounted for by place of work regardless of place of residence. (Table 2-19 in Chapter 2 describes the occupations of Poquoson residents working both within and outside of the City.)

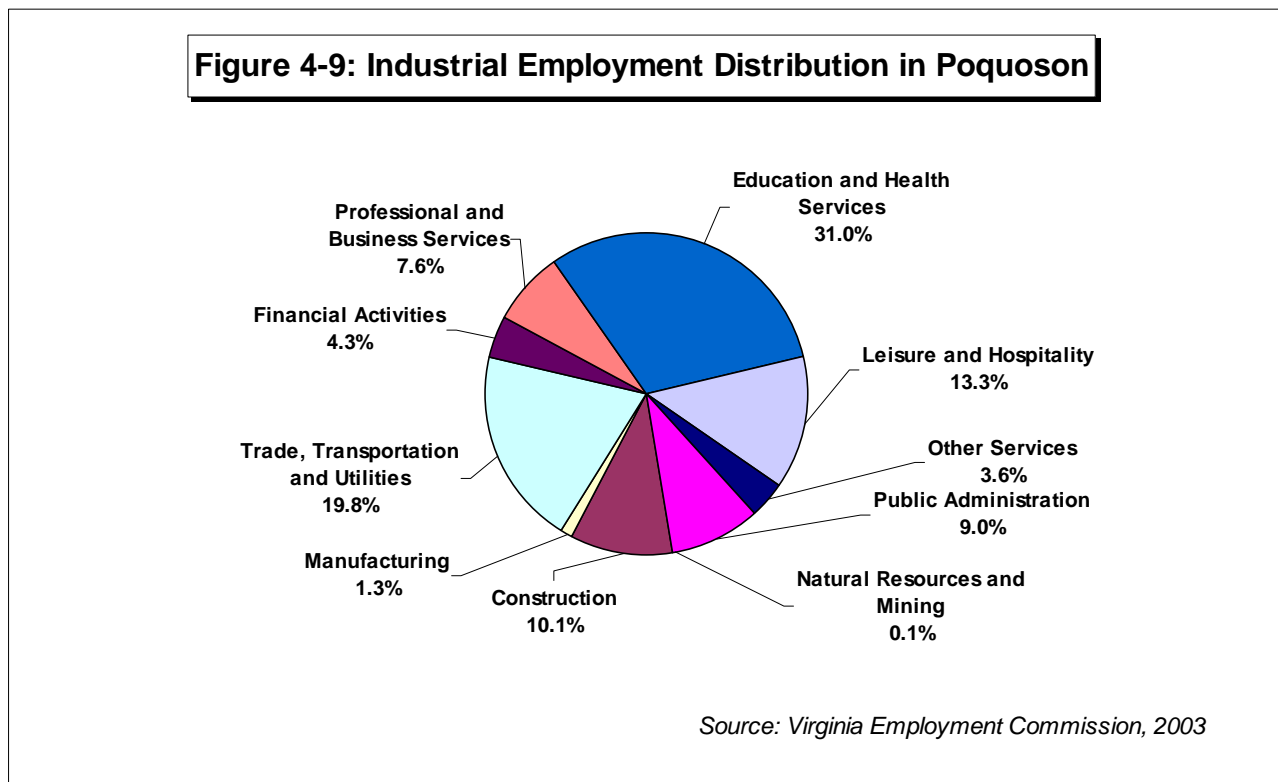
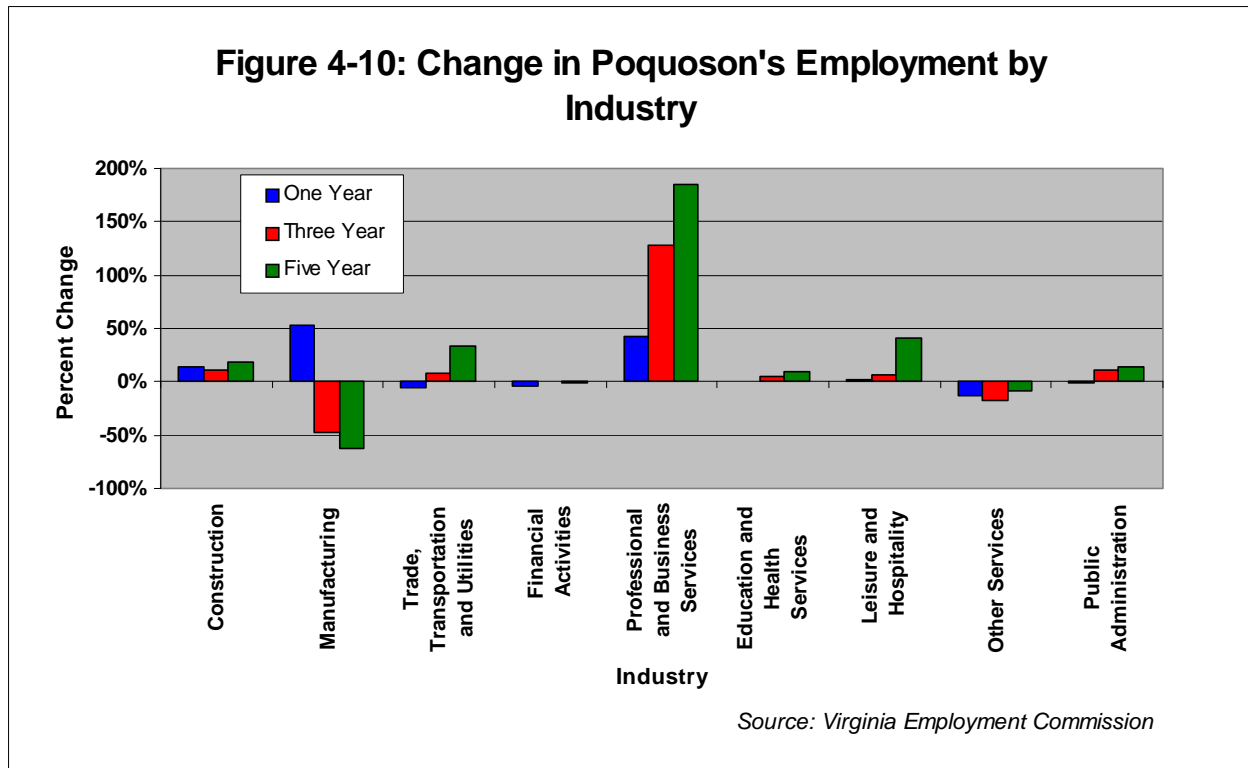


Figure 4-10 illustrates the percent change in employment by industry between 1998 and 2003. The service industry has grown significantly in the past decade while manufacturing has declined considerably. According to data provided by the Virginia Marine Resources Commission, the fishing industry is also declining. Total commercial landings of finfish and shellfish have decreased about 11% in Virginia, down from 84,126,039 pounds in 1998 to 75,084,658 pounds in 2003.



Unemployment

One indicator of a region's economic health is unemployment. Table 4-1 shows unemployment trends in Poquoson between 1999 and 2004. The table also presents the 2004 figures for the State of Virginia.

Table 4-1: Labor Force and Unemployment							
	City of Poquoson						Virginia
	1999	2000	2001	2002	2003	2004	2004
Civilian Labor Force	6,112	6,135	6,145	6250	6398	6,516	3,843,394
Employed	5,977	6,030	6,003	6108	6222	6,360	3,711,336
Unemployed	136	105	142	142	176	157	132,058
Unemployment Rate	2.22%	1.71%	2.30%	2.28%	2.75%	2.41%	3.44%

Source: Bureau of Labor Statistics



Table 4-2 reflects unemployment rates over the past ten years for the City of Poquoson as compared to that of the Peninsula, Hampton Roads and the state as a whole.

Table 4-2: Unemployment Rates, Years 1996-2006				
Year	Poquoson	North HR	HR MSA	Virginia
1996	3.0	4.6	4.8	4.3
1997	2.9	4.2	4.5	3.7
1998	2.2	3.3	3.4	2.8
1999	2.1	3.3	3.3	2.7
2000	1.8	2.4	2.5	2.3
2001	2.4	3.2	3.3	3.2
2002	2.7	4.3	4.2	4.2
2003	3.1	4.4	4.3	4.1
2004	2.9	4.2	4.2	3.7
2005	2.8	4.1	4.0	3.5
2006	2.3	3.3	3.3	3.0

Source: Virginia Employment Commission (VEC) 1996-2006.

Clearly shown in Table 4-2, unemployment has not been a problem in Poquoson. The unemployment rate for the City of Poquoson’s residents has consistently been significantly below that of the region and state, maintaining almost a one percent (1%) difference at all times with the region and state. Data from 1996-2006 shows an unemployment rate consistently at or below three percent (3%). With this data, Poquoson can be considered to be essentially at full employment.

Major Employers

The majority of Poquoson residents (78%) do not work within the City of Poquoson. It is likely that many Poquoson residents work at the NASA Langley Research Center that is adjacent to the City’s border and employs nearly 2,500 people according to the Hampton Roads Economic Development Alliance (HREDA). Langley Air Force Base is also in close proximity to the City and likely employs many Poquoson residents. Northrop Grumman/Newport News Shipyard is located on the Peninsula and employs approximately 18,000 workers. A significant number of residents likely work at the shipyard also.

The Virginia Employment Commission (VEC) has a list of the top employers in Poquoson from the 2003 Covered Employment and Wages. However, the exact number of employees working at each establishment is not disclosed, only a range is provided. Table 4-3 details the top 20 employers according to the VEC.



Table 4-3: Top Employers in Poquoson

Employer	Range of Employees	Employer	Range of Employees
1. Poquoson City Public Schools	250 to 499	11. Eckerd Corporation	20 to 49
2. City of Poquoson	100 to 249	12. Playtime Child Care	20 to 49
3. Farm Fresh	50 to 99	13. Poquoson Veterinary Hospital	20 to 49
4. Food Lion	50 to 99	14. McLellan Builders	20 to 49
5. McDonald's Restaurant	20 to 49	15. After 5 Plumbing Inc.	20 to 49
6. Dominion Village at Poquoson	20 to 49	16. The Crabcake House	20 to 49
7. Pizza Hut	20 to 49	17. Islander Hardware & Sporting Goods	20 to 49
8. Poquoson Discount Pharmacy	20 to 49	18. BriarPatch	10 to 19
9. Stephen's Office Supply	20 to 49	19. Mare's Exterminating Co LLC	10 to 19
10. J & J Kids & Company	20 to 49	20. Resurfaced By US Inc	10 to 19

Source: Virginia Employment Commission, 3rd Quarter 2006, Top 50 employer listing for City of Poquoson.

Gross City Product

Gross City Product (GCP) is a measure used to evaluate municipal economic growth. GCP can be defined as the value added (gross output) in production by the labor and property located within a city. In 2002, the total GCP of Poquoson was estimated to be \$106.5 million. In comparison, York County's GCP was \$1.207 billion and Hampton's GCP was \$4.80 billion. As noted in Table 4-4, real estate was the largest contributor to the Poquoson's GCP.

Table 4-4: Poquoson's Top 10 Industries

Industry	Total Value Added*
Real Estate	\$10.37
Food and Beverage Stores	\$5.06
Monetary Authorities and Depositories	\$3.25
Wholesale Trade	\$3.17
Food Service and Drinking Places	\$2.80
New Residential 1-unit structures	\$2.51
Doctors and Dentists	\$2.17
Commercial and Institutional Building	\$1.96
Miscellaneous Store Retail	\$1.75
Automotive Repair	\$1.73
Others	\$71.78
Total	\$106.55
*Millions of dollars	

Source: Implan



Retail Sales

Retail establishments are typically the highest generators of local tax revenues of any type of commercial activity on a per acre basis. This is because 1 percent of all retail sales within a community revert to the locality as its share of the 4.5 percent state sales tax. Restaurants and hotels are even more significant local tax generators due to the ability of cities in Virginia to levy meals and lodging taxes above and beyond the state sales tax. The rationale for these types of taxes is that the burden of taxation typically falls upon tourists and other non-residents, rather than on the City’s populace. While clearly the case with hotels and motels, this case can only be made for meals tax revenues in areas that cater to a large number of tourists or non-residents. An example would be the entertainment districts of Ghent in Norfolk or the greater Williamsburg market.

The under-representation in restaurant sales is particularly noteworthy in light of the affluent nature of Poquoson’s populace and the potential impact of the meal tax referenced above. Given Poquoson’s location, the City must create for itself an image as a destination point that will draw residents of neighboring jurisdictions as well as Poquoson residents.

Compared to adjacent localities, Poquoson has a relatively low level of retail sales. Table 4-5 details the historical patterns of retail sales in each locality on the Hampton Roads Peninsula.

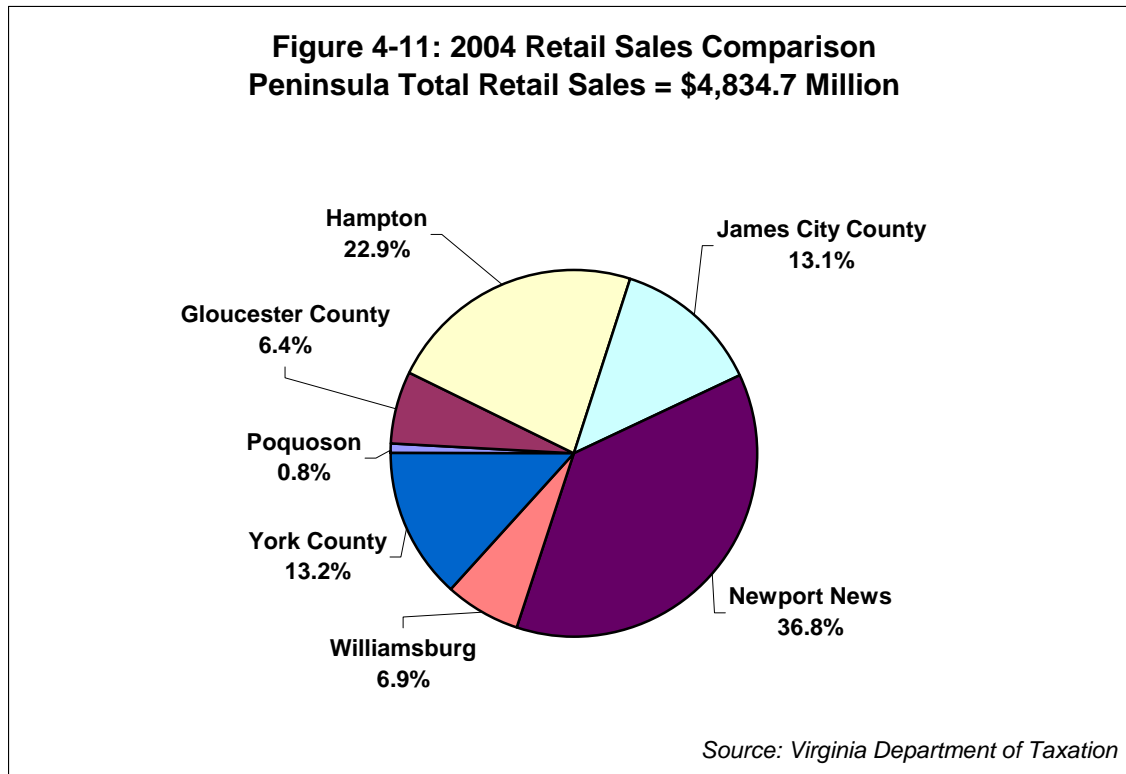
Table 4-5: Retail Sales on the Peninsula (millions of dollars)

	1980	1990	1999	2000	2001	2002	2003	2004
Poquoson	6	24.2	31.4	32.2	34.6	37.8	38	39.0
Gloucester County	57.3	126.5	201.8	220.8	223.9	243.8	275.1	330.9
Hampton	501.9	937.7	1,107.40	1,072.20	1,062.60	1,072.40	1,105.90	1179.7
James City County	118.9	328.3	607.3	644.1	638.7	644.3	639	677.8
Newport News	430.9	873	1,419.70	1,585.50	1,618.10	1,724.90	1,808.90	1897.1
Williamsburg	153	300.7	336.3	326.8	335.1	353.6	349.5	354.1
York County	78.4	227.6	441.1	456.9	461.4	500.6	618.2	683.1
PENINSULA	1,346.40	2,818.00	4,145.00	4,338.40	4,374.30	4,577.60	4,834.70	5161.5

Source: Virginia Department of Taxation



Poquoson's \$39 million in retail sales accounted for less than 1% of the retail sales on the Peninsula in 2004 as shown in Figure 4-11. Residents generally shop in the surrounding cities and counties.



CITIZEN COMMENT

During the Comprehensive Plan Planning Process, two (2) surveys were conducted by the City of Poquoson in 2004 and 2006. Of those questions pertaining to economic development and commercial land use; the following statements summarize citizen comments received during the public input sessions and citizen opinion surveys:

2004 Survey

- 64% of the respondents stated that 10% or less of their family purchases were made in Poquoson.
- The tax rate was the top answer as a reason to move from Poquoson.
- Office/professional land use was the 2nd highest priority behind single family homes.



- Top 3 responses for types of retail shops desired for Poquoson were:
 - Upscale restaurants
 - Clothing
 - Larger Hardware store
 - Variety/ Department store was a close 4th place
- Top 3 responses for types of services desired for Poquoson were:
 - Doctors
 - 24 Hour Emergency Clinic
 - Indoor Recreation/Exercise facilities were the top 3, 4, and 5 answers.
- The respondents of the survey were unsure of whether research & development/light industrial uses were needed splitting their responses equally.
- The number 1 answer for types of development & redevelopment along waterfront properties was restaurants, followed by marinas and boardwalks, respectively.

2006 Survey

- 61% of the respondents stated that 10% or less of their family purchases were made in Poquoson.
- The number 1 answer for types of development & redevelopment along waterfront properties was restaurants, followed by boardwalks and marinas, respectively.
- The tax rate was the top answer as a reason to move from Poquoson.
- 75% of the respondents did not want an increase in taxes (real estate or personal property) to fund improvements to public facilities or city services.

GOALS, OBJECTIVES, AND STRATEGIES

Goals

1. Promote economic development in order to enhance the quality of life for all citizens of Poquoson.
2. Reduce upward pressure on tax rates by diversifying tax and employment base.
3. Encourage the diversification of the City's tax and employment base through the attraction and retention of clean, environmentally sensitive professional and commercial land uses.



Objectives

1. Expand white collar and technical employment in order for our highly educated and trained citizens, including recent graduates, to find employment in the City.
2. Expand the City's base of capital-intensive business and industry both to create higher-paying jobs and to generate the tax revenues to help meet the public service needs of the City's growing population.
3. Work toward the ultimate goal of providing a real property tax ratio of 40% non-residential property to 60% residential property in order to provide a desirable balance at the eventual build-out of the city.
4. Provide increased shopping opportunities for City residents.
5. Enhance Poquoson's commercial development image throughout the region.
6. Foster a business friendly climate.

Strategies

1. Encourage property owners in the Big Woods to jointly market their property for commercial and professional development opportunities.
2. Ensure commercial and professional business developments are consistent with the City's Comprehensive Plan.
3. Consider creating a consortium of local business owners to promote the local, existing business community in Poquoson.
4. Analyze and revise zoning districts to promote efficient mixed-use commercial and professional business developments where appropriate.
5. Support the development of necessary telecommunications facilities in the City to serve both the educational and professional/commercial communities.





INTRODUCTION

Prior to developing strategies regarding economic development, it's important to assess the City's financial trends. Each year the City of Poquoson Finance Department prepares a five-year financial trend analysis. This report contains a series of multi-year trends that depict the current financial health of the City of Poquoson. The system used in assessing financial health is based upon the Financial Trend Monitoring System, developed nationally by the International City Management Association, the Government Finance Officers Association, and the accounting firm of KPMG Peat Marwick. The Financial Trend Monitoring System is a practical approach for monitoring the ability of a locality to pay its way on a continuing basis by identifying the factors that affect financial conditions and arranging them in a rational order so that they can be more easily analyzed. By pulling together pertinent information from the City's financial reports, mixing this information with the appropriate economic and demographic data, a series of indicators can be generated that, when plotted over time, can be used to monitor and predict changes in financial conditions.

FINANCIAL TREND ANALYSIS

The *Financial Trends Analysis 1996 - 2005* is presented here to show some of the trends over time. Much of the following data is presented in 1996 dollars as well as current dollars. The intent is to take inflation out of the numbers in order that the real change, if any, will be more apparent. No single statistical index precisely measures inflation in a given locality. The report uses the National Consumer Price Index (CPI) because it is the index most widely understood by the public at large and because it is historically consistent from year to year. Due to the date of the information used in this section, it is recommended that this chapter be updated with current numbers.

Similarly, data is also presented on a per household basis because as revenues grow and additional expenditures become necessary as a result of population growth, the underlying trend is most important. Household estimates from year to year are not precise, but are derived from a combination of U. S. Bureau of Census information, the University of Virginia Center for Public Service and the City of Poquoson Planning Department. Therefore, as is the case with the estimates for inflation, no single year's data should be viewed in isolation. The numbering for the tables and figures shown have been modified from the original Financial Trends Analysis document to remain consistent with the Comprehensive Plan format. The factors used in the analysis are shown below:

Table 4-6: Factors Used in Analyzing Trends

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Year	Consumer Price Index	Annual Increase in CPI	Population	Housing Units
1996	100.0	3.3%	11,341	4,113
1997	103.3	1.7%	11,397	4,159
1998	105.1	1.6%	11,453	4,207
1999	106.7	2.7%	11,509	4,246
2000	109.6	3.4%	11,566	4,300
2001	113.3	1.6%	11,694	4,349
2002	115.2	2.4%	11,845	4,418
2003	117.9	1.9%	12,076	4,489
2004	120.2	3.3%	11,600	4,534
2005	124.1	3.4%	11,900	4,568
% Change	24.1%		4.9%	11.1%

CPI Change is December - December. 2005 change estimated by the Kiplinger Washington Letter. 2000 Population and housing unit's figures from U.S. Census. 2001 - 2005 Population estimated by the City of Poquoson's Planning Department.

Population and Growth

Population and number of households have increased at a steady pace since 1996. Population changes can affect governmental revenues since many taxes are collected on a per capita basis. Population change can also create pressures for new capital outlay and higher levels of service.

The following table indicates Poquoson's building permit activity over the past several years. As indicated in Table 4-7, the majority of building permits issued have been residential. The number of residential building permits increased at a steady pace from 1999 to 2003. The years of 2004 to 2006 represents a dynamic real estate market that produced only 6 residential building permits in 2004 and then a staggering increase in 2005 and 2006, with 126 and 103 residential permits respectively.

Table 4-7: Building Permits Issued in Poquoson

Year	Residential	% Change from Previous Year	Nonresidential	% Change from Previous Year
1999	42	45.7%	0	+33.3%
2000	46	+9.5	5	+500.0
2001	27	-41.3	6	+20.0
2002	66	+144.4	0	-100.0
2003	54	-18.2	3	+300.0
2004	6	-88.9	2	-33.0
2005	126	+2,000.0	5	+150.0
2006	103	-18.3	6	+20.0

Household Income



Household Income is an important measure of a community's ability to pay for the services provided by the local government. The higher the income, the greater the ability to generate revenue to pay for the desired level of services. For example, a higher income can translate into greater spending power within the community, which translates into greater local sales tax, and meals tax revenue, as well as a greater base of personal property value. In addition, if income is evenly distributed, a higher-than-average household income will usually mean lower dependency upon governmental services, particularly in the health and welfare area. Bond rating firms also use such an indicator as an important measure of a locality's ability to repay debt.

The following table indicates that Poquoson has the highest median household income in the Hampton Roads area for 2003, at \$67,664, which is 35% above the Virginia average of \$50,028.

Table 4-8: Median Household Income

	2001	2002	2003
Poquoson	\$64,011	\$66,985	\$67,664
York County	\$60,729	\$62,965	\$65,302
James City County	\$57,352	\$59,483	\$62,271
Chesapeake	\$50,692	\$52,336	\$53,996
Virginia Beach	\$49,742	\$50,317	\$50,257
Gloucester County	\$45,640	\$46,247	\$47,137
Suffolk	\$41,623	\$43,875	\$46,352
Hampton	\$39,005	\$39,078	\$39,795
Newport News	\$36,850	\$37,323	\$38,334
Williamsburg	\$36,463	\$36,123	\$34,495
Portsmouth	\$32,858	\$33,354	\$34,413
Norfolk	\$24,640	\$30,648	\$31,933
Virginia	\$48,130	\$48,224	\$50,028

Source: University of Virginia Center for Public Service, *County & City Estimates for Median Household Income for Virginia*: 2003. Latest date available.

The above noted factors suggest the following:

- Population and households have been increasing at a manageable pace for the last several years.
- Building permits have primarily been residential and the majority of building permits are for new construction. The biggest impact that new residential construction has on City services is in the School system as many of the new residents have school age children.
- The growth has had little strain on infrastructure and sewer systems since developers have paid for the improvements.



- Poquoson continues to have the highest median income in Hampton Roads. This indicates certain stability and buying power that can sustain the community in the present and short-term future. The addition of commercial properties are critical for future costs and services.

Total Revenues

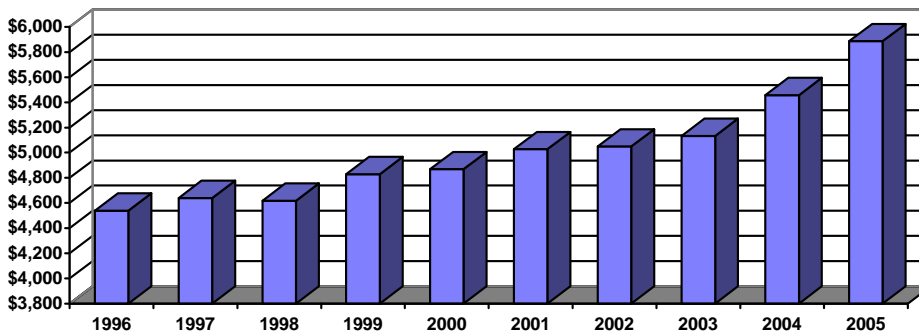
After adjusting for inflation, total revenue received per Poquoson household has increased 29.7% since 1996, or an average of 3.0% per year.

Table 4-9: Total Revenue Per Household- Poquoson

Year	Revenue in Current Dollars	Revenue Per Household	Revenue in 1996 Dollars	Revenue Per Household
1996	\$18,669,553	\$4,539	\$18,669,553	\$4,539
1997	\$19,930,849	\$4,792	\$19,294,142	\$4,639
1998	\$20,410,930	\$4,852	\$19,428,601	\$4,618
1999	\$21,879,704	\$5,153	\$20,498,707	\$4,828
2000	\$22,944,724	\$5,336	\$20,931,358	\$4,868
2001	\$24,783,411	\$5,699	\$21,865,284	\$5,028
2002	\$25,687,323	\$5,814	\$22,305,870	\$5,049
2003	\$27,172,586	\$6,053	\$23,042,593	\$5,133
2004	\$29,733,770	\$6,558	\$24,744,357	\$5,458
2005	\$33,377,932	\$7,307	\$26,889,659	\$5,887
% Change	78.8%	61.0%	44.0%	29.7%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*, includes General, Special Revenue, Debt Service and Capital Projects Funds.

Figure 4-12: Total Revenue Per Household- Poquoson



In the mid 1990's, a greater percentage of the total revenue was raised from local sources as a result of decreases in receipts from the State and Federal governments. This trend changed in 1999 when the State implemented the Personal Property Tax Relief Act (PPTRA).

Table 4-10: Sources of Revenue - Poquoson

Year	Local	State	Federal	Total
1996	57.8%	39.4%	2.8%	100.0%
1997	58.3%	39.4%	2.3%	100.0%
1998	58.1%	39.5%	2.4%	100.0%
1999	56.4%	41.1%	2.5%	100.0%
2000	54.3%	43.2%	2.5%	100.0%
2001	53.5%	43.3%	3.2%	100.0%
2002	52.8%	43.8%	3.4%	100.0%
2003	54.8%	42.1%	3.1%	100.0%
2004	49.5%	39.8%	10.7%	100.0%
2005	52.6%	43.5%	3.9%	100.0%

Source: Annual edition of the *Comparative Report of Local Government Revenues and Expenditures*, Auditor of Public Accounts.

When compared with the following data, Poquoson still relies less upon local revenue sources and more upon State revenue, than does the typical Virginia locality. This is primarily due to Schools receiving approximately 55% of their revenue from the State.

Table 4-11: Sources of Revenue - All Virginia Localities

Year	Local	State	Federal	Total
1996	61.3%	31.3%	7.4%	100.0%
1997	60.9%	32.0%	7.1%	100.0%
1998	60.6%	32.1%	7.3%	100.0%
1999	58.4%	34.1%	7.5%	100.0%
2000	56.8%	35.6%	7.6%	100.0%
2001	55.6%	36.9%	7.5%	100.0%
2002	56.2%	36.1%	7.7%	100.0%
2003	56.2%	35.1%	8.7%	100.0%
2004	56.3%	33.9%	9.8%	100.0%
2005	56.3%	35.0%	8.7%	100.0%

Source: Annual edition of *Comparative Report of Local Government Revenues and Expenditures*, Auditor of Public Accounts.



It is also useful to consider the various sources from which local revenue is raised. As can be seen from the following table, 84.9% comes from General Property Taxes (Real Estate and Personal Property) and Other Local Taxes (Local Sales Tax and Consumer Utility Tax, etc.). This percentage has fluctuated between 82% and 88% since 1996.

Table 4-12: Sources of Local Revenue - Poquoson

Year	General Property Taxes	Other Local Taxes	Permits & Fees	Fines	Charges For Services	Interest and Rent	Misc.
1996	73.9%	14.0%	0.8%	0.3%	7.9%	1.6%	1.5%
1997	74.3%	13.6%	0.7%	0.3%	8.1%	1.7%	1.3%
1998	74.0%	13.6%	0.8%	0.2%	8.2%	2.0%	1.2%
1999	73.2%	14.2%	0.9%	0.3%	7.8%	2.3%	1.3%
2000	70.4%	14.4%	0.7%	0.3%	11.2%	1.7%	1.3%
2001	71.9%	14.3%	0.8%	0.2%	9.9%	1.7%	1.2%
2002	67.8%	16.7%	1.0%	0.2%	11.9%	0.9%	1.5%
2003	68.4%	15.4%	0.7%	0.2%	11.0%	0.8%	3.5%
2004	67.1%	15.1%	1.0%	0.2%	10.8%	0.4%	5.4%
2005	70.2%	14.7%	1.0%	0.2%	11.2%	0.7%	2.0%

Source: Annual edition of *Comparative Report of Local Government Revenues and Expenditures*, Auditor of Public Accounts.

As one would expect in a community that does not have an extensive commercial and industrial base, property taxes generate more revenue than in the typical Virginia locality. Poquoson's local revenue sources are compared to the statewide figures in the following table.

Table 4-13: Sources of Local Revenue Poquoson Compared to State Average

	1996		2005	
	Poquoson	All Cities	Poquoson	All Cities
General Property Taxes	73.9%	54.2%	70.2%	52.8%
Other Local Taxes	14.0%	29.4%	14.7%	30.7%
Permits & Fees	0.8%	0.7%	1.0%	0.9%
Fines	0.3%	0.8%	0.2%	0.9%
Charges for Services	7.9%	9.6%	11.2%	10.0%
Interest and Rent	1.6%	2.3%	0.7%	1.8%
Miscellaneous	1.5%	3.0%	2.0%	2.9%

Source: Annual edition of *Comparative Report of Local Government Revenues and Expenditures*, Auditor of Public Accounts.



Real Estate Tax Revenue

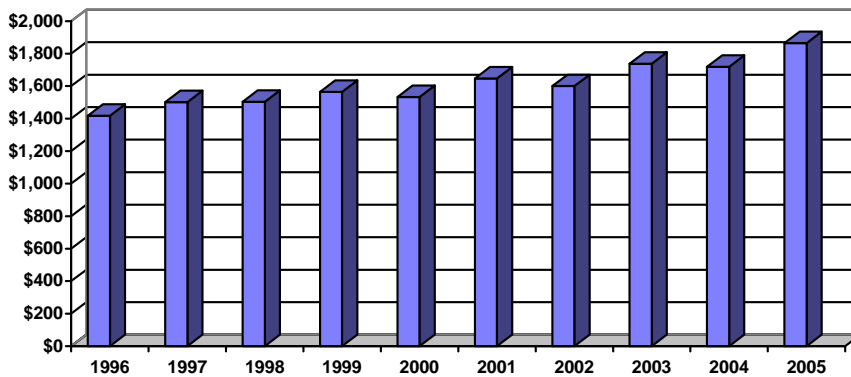
After adjusting for inflation, real estate tax revenue per Poquoson household has increased by approximately 31.5% since 1996, or an average of 3.2% per year.

Table 4-14: Total Real Estate Property Tax Revenue Per Household- Poquoson

<i>Year</i>	<i>Revenue In Current Dollars</i>	<i>Revenue Per Household</i>	<i>Revenue in 1996 Dollars</i>	<i>Revenue Per Household</i>
1996	\$5,833,365	\$1,418	\$5,833,365	\$1,418
1997	\$6,451,606	\$1,551	\$6,245,504	\$1,502
1998	\$6,648,708	\$1,580	\$6,328,722	\$1,504
1999	\$7,093,100	\$1,671	\$6,645,400	\$1,565
2000	\$7,224,688	\$1,680	\$6,590,732	\$1,533
2001	\$8,120,847	\$1,867	\$7,164,656	\$1,647
2002	\$8,142,010	\$1,843	\$7,070,204	\$1,600
2003	\$9,200,578	\$2,050	\$7,802,171	\$1,738
2004	\$9,368,376	\$2,066	\$7,796,335	\$1,720
2005	\$10,573,098	\$2,315	\$8,517,813	\$1,865
% CHANGE	81.3%	63.2%	46.0%	31.5%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

Figure 4-13: Real Estate Tax Revenue Per Household- Poquoson



In 1995, the City's nominal tax rate was slightly above the average rate for all cities within the State.



In considering Real Estate Tax Revenue, the locality's assessments must also be considered. The Assessment/Sales Ratio, computed by the State Department of Taxation, compares assessed values and selling prices of all residential property sold within a locality during a given year. Poquoson's ratio almost mirrors the State average, although during non-assessment years, it tends to drop below the average.

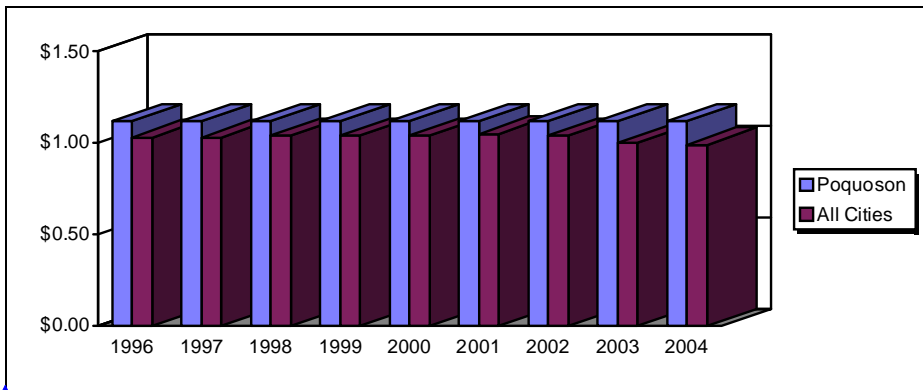
Table 4-15: Median, Nominal and Effective Real Estate Tax Rates

Year	Median Ratio		Nominal Tax Rates		Effective Tax Rates	
	Poquoson	VA Cities/ Counties	Poquoson	VA Cities/ Counties	Poquoson	VA Cities/ Counties
1996	91.5%	91.5%	\$1.12	\$1.03	\$1.02	\$0.94
1997	96.0%	91.7%	\$1.12	\$1.03	\$1.08	\$0.95
1998	94.6%	91.1%	\$1.12	\$1.04	\$1.06	\$0.94
1999	96.1%	88.9%	\$1.12	\$1.04	\$1.08	\$0.92
2000	91.7%	85.6%	\$1.12	\$1.04	\$1.03	\$0.89
2001	93.8%	76.8%	\$1.12	\$1.05	\$1.05	\$0.80
2002	87.5%	76.4%	\$1.12	\$1.04	\$0.98	\$0.79
2003	85.8%	77.8%	\$1.12	\$1.00	\$0.96	\$0.78
2004	94.1%	73.2%	\$1.12	\$.99	\$1.05	\$0.72

Source: The Virginia Assessment/Sales Ratio Study, Virginia Department of Taxation. Latest date available.

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Figure 4-14: Nominal Real Estate Tax Rate



The City remains overwhelmingly dependent upon the single-family residential taxpayer base. The Commissioner of the Revenue has furnished the assessed values for single-family, multi-family residential property, commercial and agricultural property for each of the years shown below.



Although there has been a slight increase since 1996 in the percentage of the tax base represented by commercial property, the category still accounts for only 6.7% of total assessments.

Table 4-16: Real Property Assessments by Category and Percent of Total-Poquoson

Year	Residential		Other		Total
	Single Family	Multi-Family	Commercial	Agriculture	
1996	93.3%	1.4%	5.1%	0.2%	100.0%
1997	93.7%	1.3%	4.8%	0.2%	100.0%
1998	93.5%	1.3%	5.0%	0.2%	100.0%
1999	91.9%	1.3%	6.5%	0.3%	100.0%
2000	91.6%	1.3%	6.8%	0.3%	100.0%
2001	91.6%	1.3%	6.8%	0.3%	100.0%
2002	91.8%	1.4%	6.6%	0.2%	100.0%
2003	91.8%	1.4%	6.6%	0.2%	100.0%
2004	92.0%	1.2%	6.6%	0.2%	100.0%
2005	91.9%	1.2%	6.7%	0.2%	100.0%

Source: Assessment data furnished by the City of Poquoson's Assessor.

Finally, any analysis of real estate revenue must consider the percentage of taxes actually collected by the Treasurer. Poquoson's record is as follows:

Table 4-17: Uncollected Current Property Taxes as a Percent of Net Levy-Poquoson

Year	Percent
1996	1.7%
1997	0.7%
1998	0.8%
1999	1.9%
2000	1.7%
2001	3.0%
2002	3.8%
2003	3.1%
2004	2.5%
2005	3.2%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.



Bond rating firms consider that a municipality will normally be unable to collect about two or three percent of its current and back property taxes each year. If uncollected property taxes rise to more than five to eight percent, rating firms consider this a negative factor because it signals potential problems in the stability of the property tax base. Rating firms also consider it a negative factor if the rate of delinquency significantly rises for two consecutive years.

Personal Property Tax Revenue

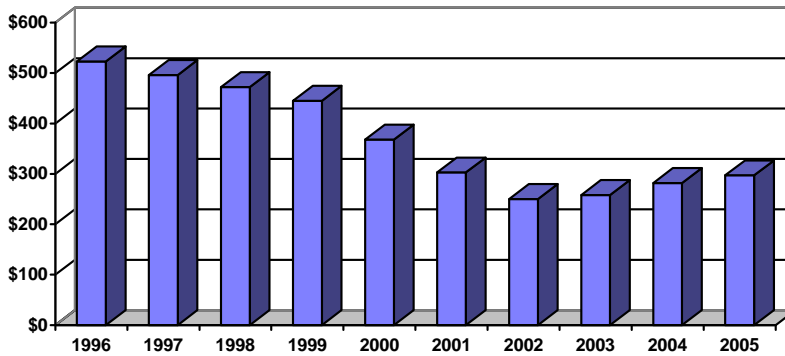
Assessments on personal property have been increasing. In 1999, the State implemented the Personal Property Tax Relief Act, where the State reduced the percentage of personal property tax the citizen paid on vehicles. The State reimbursed localities for the reduced personal property taxes.

Table 4-18: Total Personal Property Tax Revenue Per Household- Poquoson

Year	Revenue in Current Dollars	Revenue Per Household	Revenue in 1996 Dollars	Revenue Per Household
1996	\$2,151,495	\$523	\$2,151,495	\$523
1997	\$2,128,861	\$512	\$2,060,853	\$496
1998	\$2,086,271	\$496	\$1,985,864	\$472
1999	\$2,017,181	\$475	\$1,889,861	\$445
2000	\$1,735,218	\$404	\$1,582,955	\$368
2001	\$1,495,673	\$344	\$1,319,565	\$303
2002	\$1,271,261	\$288	\$1,103,914	\$250
2003	\$1,367,354	\$305	\$1,159,528	\$258
2004	\$1,538,520	\$339	\$1,280,352	\$282
2005	\$1,682,524	\$368	\$1,355,461	\$297
% CHANGE	-21.8%	-29.6%	-37.3%	-43.3%

Source: Annual edition of the City of Poquoson's Comprehensive Annual Financial Report.

Figure 4-15: Personal Property Tax Revenue Per Household- Poquoson



Other Local Sales Tax Revenue

Other Local Tax Revenue consists of revenue received from three general sources: revenue received from the local sales tax of 1% on taxable retail sales, revenue received from the Consumer Utility Tax imposed on electrical, gas and telephone bills, and revenue from other local taxes such as meals tax, business licenses, motor vehicle licenses, E-911 tax, taxes on recordations and wills, etc.

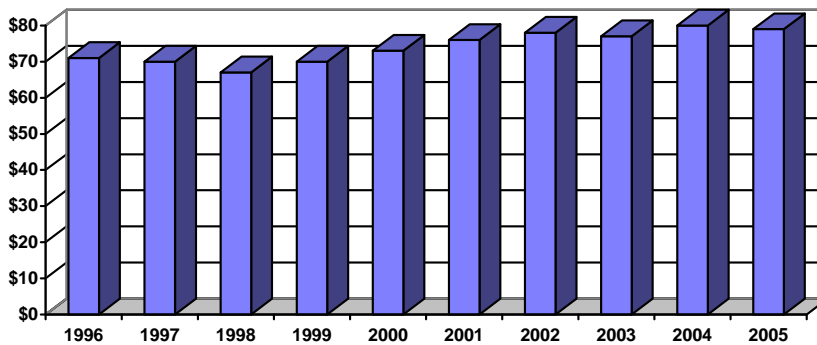
In current dollar terms, revenue received from the local 1% sales tax has increased by 53.4% since 1996. However, when viewed on a per household basis and after adjustment for inflation, revenue has increased by 11.3%. This particular source of revenue, like personal property tax revenue, tends to follow general economic conditions.

Table 4-19: Local Sales Tax Revenue Per Household

Year	Revenue in Current Dollars	Revenue Per Household	Revenue in 1996 Dollars	Revenue Per Household
1996	\$291,028	\$71	\$291,028	\$71
1997	\$301,752	\$73	\$292,112	\$70
1998	\$296,954	\$71	\$282,662	\$67
1999	\$319,236	\$75	\$299,087	\$70
2000	\$343,158	\$80	\$313,046	\$73
2001	\$375,179	\$86	\$331,003	\$76
2002	\$395,630	\$90	\$343,550	\$78
2003	\$407,006	\$91	\$345,145	\$77
2004	\$435,253	\$96	\$362,216	\$80
2005	\$446,435	\$98	\$359,653	\$79
% CHANGE	53.4%	38.1%	23.6%	11.3%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

Figure 4-16: Local Sales Tax Revenue Per Household



Revenue from the Consumer Utility Tax has declined when viewed on a per household basis.

Table 4-20: Consumer Utility Tax Revenue Per Household

Year	Revenue in Current Dollars	Revenue Per Household	Revenue in 1996 Dollars	Revenue Per Household
1996	\$373,725	\$91	\$373,725	\$91
1997	\$382,232	\$92	\$370,021	\$89
1998	\$358,490	\$85	\$341,237	\$81
1999	\$421,374	\$99	\$395,059	\$93
2000	\$436,602	\$102	\$398,059	\$93
2001	\$416,631	\$96	\$367,575	\$85
2002	\$419,694	\$95	\$364,446	\$82
2003	\$440,543	\$98	\$373,584	\$83
2004	\$439,998	\$97	\$366,165	\$81
2005	\$447,622	\$98	\$360,610	\$79
% CHANGE	19.8%	7.8%	-3.5%	-13.1%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

When viewed on a per household basis after adjusting for inflation, Other Local Tax Revenue has kept pace with residential development. In 1998, the City had new restaurants open which increased both meals tax and sales tax. In 2002, meals tax increased from 4.0% to 5.5% and a 10 cent cigarette tax was instituted.

Table 4-21: Other Local Tax Revenue

Year	Revenue in Current Dollars	Revenue Per Household	Revenue in 1996 Dollars	Revenue Per Household
1996	\$903,512	\$220	\$903,512	\$220
1997	\$948,580	\$228	\$918,277	\$221
1998	\$1,016,366	\$242	\$967,451	\$230
1999	\$1,084,665	\$255	\$1,016,203	\$239
2000	\$1,110,667	\$258	\$1,013,208	\$236
2001	\$1,192,544	\$274	\$1,052,127	\$242
2002	\$1,587,462	\$359	\$1,378,490	\$312
2003	\$1,594,936	\$355	\$1,352,520	\$301
2004	\$1,649,713	\$364	\$1,372,886	\$303
2005	\$1,741,665	\$381	\$1,403,106	\$307
% CHANGE	92.8%	73.6%	55.3%	39.8%

Source: Annual edition of the City of Poquoson's *Adopted Annual Financial Plan*.



Expenditures

Total expenditures supported by Local, Federal and State funding, in current dollar terms, have grown from \$19 million in 1996 to over \$33 million in 2005, an increase of 74.8%. However, after adjustment for inflation and growth in households, the increase has been approximately 2.7% per year.

Total expenditures supported by Local, Federal and State funding, in current dollar terms, have grown from \$11 million in 1987 to a little over \$18 million in 1995, an increase of 66.5%. However, after adjustment for inflation and growth in households, the increase has been only 12.1%, or approximately 1.3% per year.

The operating budget, which funds recurring expenses, has shown a slight increase as new services have been added to meet the needs of a growing community and more mature services have been improved. However, this increase has been extremely small at an average of 0.67% per year. Capital expenditures declined steadily from 1989 to 1993, then increased in 1994 as a result of a grant from the Virginia Port Authority to purchase land in the Messick Point area of the City along with the use of a one time tax windfall to address long standing capital needs. In 1994 the City issued general obligation bonds to fund some long delayed capital projects. In 1995 the City built a Middle School cafeteria with part of the bond funds. The remaining bond funds were spent in 1996 and 1997 for the new municipal building and library.

The tables demonstrate in more detail these points. Total expenditures are shown on this page, with a further breakdown between operating and capital expenditures being given on the following pages.

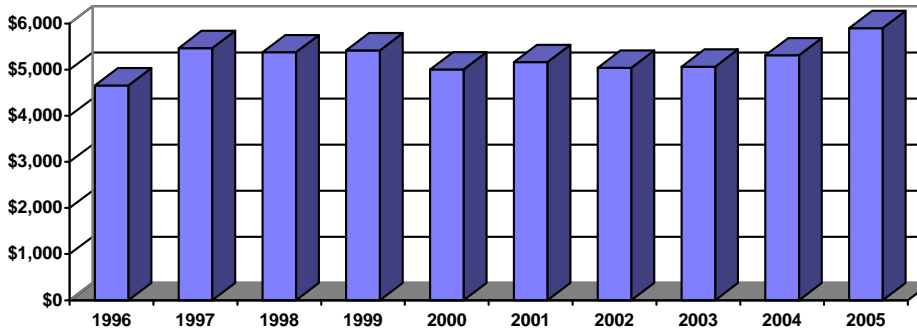
Table 4-22: Total Expenditures Per Household

Year	Expenditures in Current Dollars	Expenditures per Household	Expenditures in 1996 Dollars	Expenditures per Household
1996	\$19,157,965	\$4,658	\$19,157,965	\$4,658
1997	\$23,487,977	\$5,648	\$22,737,635	\$5,467
1998	\$23,764,843	\$5,649	\$22,621,098	\$5,377
1999	\$24,576,933	\$5,788	\$23,025,693	\$5,423
2000	\$23,596,725	\$5,488	\$21,526,147	\$5,006
2001	\$25,570,167	\$5,880	\$22,471,177	\$5,167
2002	\$25,665,657	\$5,809	\$22,287,056	\$5,045
2003	\$26,816,117	\$5,974	\$22,740,304	\$5,066
2004	\$28,944,097	\$6,384	\$24,087,193	\$5,313
2005	\$33,484,255	\$7,330	\$26,975,314	\$5,905
% CHANGE	74.8%	57.4%	40.8%	26.8%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*, includes General, Special Revenue, Debt Service and Capital Projects Funds.



Figure 4-17: Total Expenditures Per Household



The operating budget, which funds recurring expenses, has shown a slight increase as new services have been added to meet the needs of a growing community and existing services have been improved. However, this increase has been extremely small at an average of 3% per year.

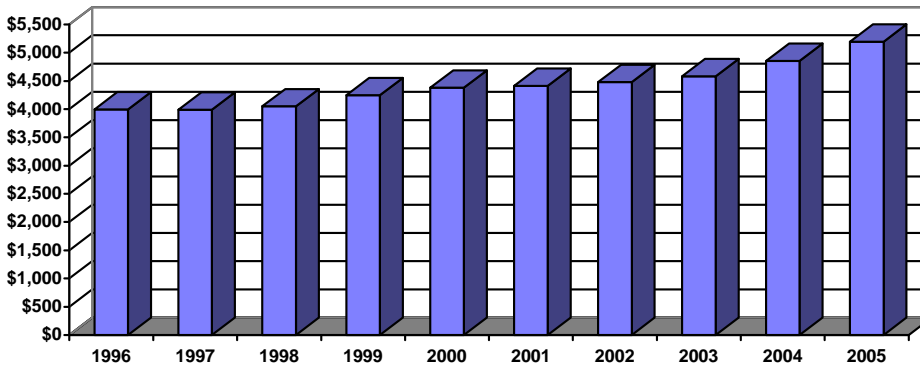
Table 4-23: Total Operating Expenditures Per Household

Year	Expenditures in Current Dollars	Expenditures per Household	Expenditures in 1996 Dollars	Expenditures per Household
1996	\$16,437,759	\$3,997	\$16,437,759	\$3,997
1997	\$17,148,987	\$4,123	\$16,601,149	\$3,992
1998	\$17,900,325	\$4,255	\$17,038,825	\$4,050
1999	\$19,248,993	\$4,533	\$18,034,040	\$4,247
2000	\$20,645,634	\$4,801	\$18,834,010	\$4,380
2001	\$21,742,499	\$4,999	\$19,182,424	\$4,411
2002	\$22,785,888	\$5,158	\$19,786,377	\$4,479
2003	\$24,262,997	\$5,405	\$20,575,236	\$4,583
2004	\$26,448,517	\$5,833	\$22,010,379	\$4,855
2005	\$29,461,311	\$6,449	\$23,734,382	\$5,196
% CHANGE	79.2%	61.4%	44.4%	30.0%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.



Figure 4-18: Total Operating Expenditures Per Household



Capital expenditures were low in the early 1990's, as there were no large City projects. In the mid-nineties, the City started to address many long delayed capital projects. In 1995, the City built a new cafeteria for the Middle School and in 1996 started building a City Hall and Library. In 1998 the City started a major renovation and addition to Poquoson High School. This work was completed in 1999. In 2000 to 2002, the City addressed smaller projects including renovations to the Police Station and Parks and Recreation complex, replaced some larger Public Works equipment, built a second Fire Station, replaced a fire aerial/pumper truck, and dredged Messick Point area. In late 2004, the City began several projects located at Messick Point. The first two projects, a pier and boat ramp, were completed in 2005.

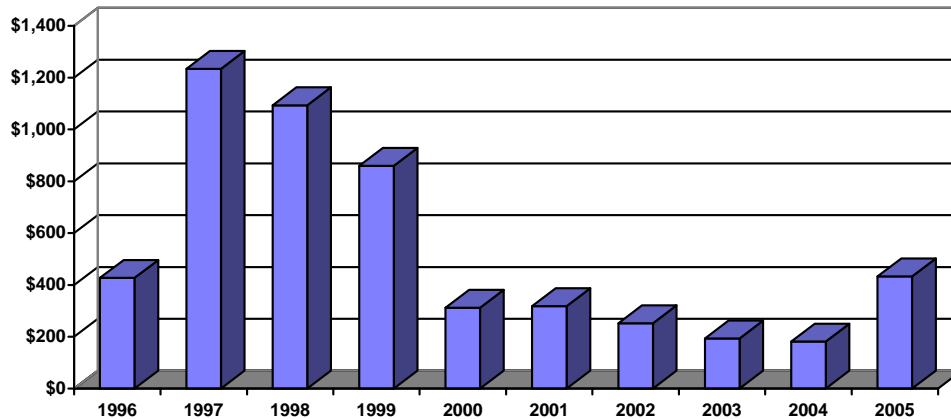
Table 4-24: Total Capital Expenditures Per Household

Year	Expenditures in Current Dollars	Expenditures per Household	Expenditures in 1996 Dollars	Expenditures per Household
1996	\$1,755,324	\$427	\$1,755,324	\$427
1997	\$5,299,946	\$1,274	\$5,130,635	\$1,234
1998	\$4,832,525	\$1,149	\$4,599,947	\$1,093
1999	\$3,898,984	\$918	\$3,652,889	\$860
2000	\$1,471,535	\$342	\$1,342,410	\$312
2001	\$1,567,339	\$360	\$1,382,792	\$318
2002	\$1,282,450	\$290	\$1,113,630	\$252
2003	\$1,021,949	\$228	\$866,622	\$193
2004	\$987,539	\$218	\$821,827	\$181
2005	\$2,457,918	\$538	\$1,980,128	\$433
% CHANGE	40.0%	26.1%	12.8%	1.6%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.



Figure 4-19: Total Capital Expenditures Per Household



The table below depicts the growth in operating expenditures by function of government, on a per-household basis and after adjustment for inflation.

While education, public safety, parks, recreation and culture, and debt service categories have increased since 1996, total expenditures are still about 11% under the average level of expenditures incurred by other Virginia localities, as shown on the following table. Poquoson residents fund their school system at 119% of the average local expenditures, while other areas of government are generally under the average expenditures level prevailing throughout the State.

Table 4-25: Operating Expenditures Per Household In 1996 Dollars

Year	Education	Public Safety	Public Works	Parks, Recreation and Culture
1996	\$2,810	\$508	\$175	\$113
1997	\$2,790	\$528	\$198	\$123
1998	\$2,794	\$549	\$187	\$131
1999	\$2,922	\$598	\$192	\$141
2000	\$3,002	\$625	\$209	\$141
2001	\$3,063	\$627	\$180	\$148
2002	\$3,058	\$645	\$202	\$142
2003	\$3,080	\$713	\$191	\$144
2004	\$3,290	\$736	\$207	\$140
2005	\$3,511	\$783	\$226	\$147
% CHANGE	24.9%	54.1%	29.6%	30.1%



Table 4-26: General Administration and Debt Service

Year	General			Total
	Administration	Debt Service	All Other	
1996	\$261	\$235	\$130	\$4,231
1997	\$211	\$242	\$126	\$4,217
1998	\$225	\$233	\$165	\$4,284
1999	\$234	\$315	\$161	\$4,563
2000	\$244	\$314	\$160	\$4,694
2001	\$238	\$438	\$154	\$4,849
2002	\$247	\$314	\$185	\$4,793
2003	\$241	\$289	\$214	\$4,873
2004	\$245	\$277	\$237	\$5,131
2005	\$272	\$276	\$256	\$5,472
% CHANGE	4.4%	17.7%	97.6%	29.3%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

**Table 4-27: Operating Expenditures
 City of Poquoson Compared to State Average
 by Per-Capita Expenditures**

	1996			2005		
	Poquoson	All Cities	% of Avg.	Poquoson	All Cities	% of Avg.
Education	\$990.29	\$924.30	107.1%	\$1,712.23	\$1,435.40	119.3%
Public Safety	\$181.87	\$312.44	58.2%	\$379.09	\$525.29	72.2%
Public Works	\$91.58	\$188.03	48.7%	\$145.23	\$248.78	58.38%
Parks, Recreation and Cultural	\$59.81	\$86.34	69.3%	\$115.91	\$131.16	88.4%
General Administration	\$93.21	\$81.85	113.9%	\$131.16	\$128.08	102.4%
Judicial Administration	\$5.54	\$30.27	18.3%	\$15.14	\$54.09	28.0%
Health & Welfare	\$60.97	\$212.72	28.7%	\$124.52	\$369.92	33.7%
Community Development	\$17.18	\$56.29	30.5%	\$52.71	\$105.34	50.0%
TOTAL	\$1,500.45	\$1,892.24	79.3%	\$2,675.99	\$2,998.06	89.3%

Source: Annual edition of the *Report of Local Government Revenues and Expenditures*, Auditor of Public Accounts.



Debt Service

Debt Service is defined as the amount of interest and principal that must be paid on long-term debt. As the amount decreases, it lessens obligations and increases expenditure flexibility. Credit industry standards provide for a 20% ratio of total operating expenditures before debt service is considered to be a potential problem.

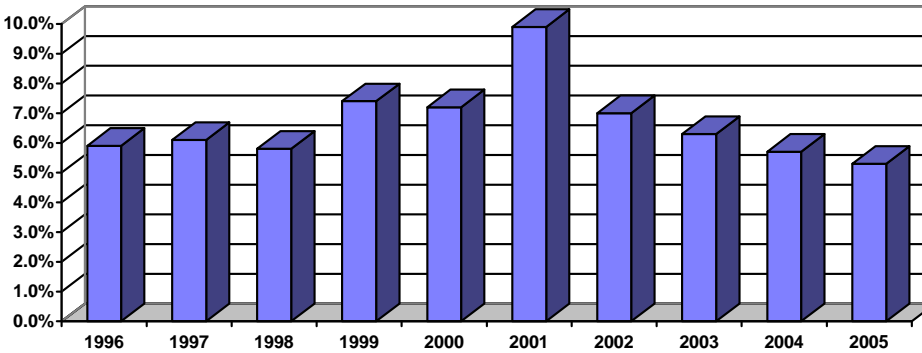
As shown in the table below, the City's 5.3% ratio of debt service to total operating expenditures is acceptable. In 1999, the City started paying for debt on the new wing at the high school. In 2001, the City started paying on the new Fire Station.

Table 4-28: Ratio of Debt Service to Total Operating Expenditures

Year	Debt Service	Operating Expenditures	Percent of Expenditures
1996	\$964,882	\$16,437,759	5.9%
1997	\$1,039,044	\$17,148,987	6.1%
1998	\$1,031,993	\$17,900,325	5.8%
1999	\$1,428,956	\$19,248,993	7.4%
2000	\$1,479,556	\$20,645,634	7.2%
2001	\$2,160,329	\$21,742,499	9.9%
2002	\$1,597,319	\$22,785,888	7.0%
2003	\$1,531,171	\$24,262,997	6.3%
2004	\$1,508,041	\$26,448,517	5.7%
2005	\$1,565,026	\$29,461,311	5.3%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

Figure 4-20: Ratio of Debt Service to Total Expenditures



There is also a legal limit for cities in Virginia whereby the amount of bonded long-term debt cannot exceed 10% of the cities total assessed value or real property. As the table below shows, the city's ratio of bonded debt to assessed valuation amounts to 2.5%.

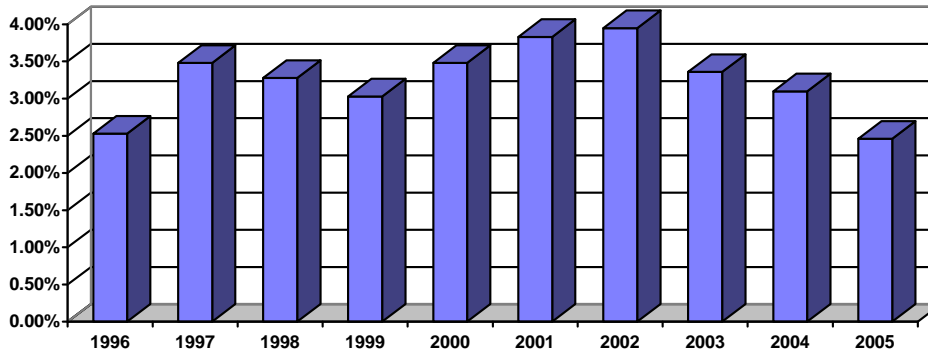
Capacity is therefore available should City Council decide to undertake additional long-term borrowing to fund infrastructure and capital improvements.

**Table 4-29: Ratio of Bonded Debt to Assessed Value
 Bonded Debt**

Year	Assessed Value of Taxable Real Estate	General Fund Supported	Enterprise Funds	Total	Ratio Debt to Assessed Value
1996	\$526,576,600	\$8,389,503	\$4,909,000	\$13,298,503	2.5%
1997	\$573,426,552	\$15,244,732	\$4,698,000	\$19,942,732	3.5%
1998	\$586,329,508	\$14,758,832	\$4,502,000	\$19,260,832	3.3%
1999	\$634,147,446	\$14,631,049	\$4,560,591	\$19,191,640	3.0%
2000	\$647,091,321	\$13,818,890	\$8,699,313	\$22,518,203	3.5%
2001	\$721,546,098	\$14,536,070	\$13,108,140	\$27,644,210	3.8%
2002	\$732,405,108	\$14,145,971	\$14,779,335	\$28,925,306	4.0%
2003	\$814,646,831	\$13,233,807	\$14,131,490	\$27,365,297	3.4%
2004	\$832,002,644	\$12,269,134	\$13,506,624	\$25,775,758	3.1%
2005	\$1,002,511,357	\$11,914,942	\$12,791,016	\$24,705,858	2.5%
%	90.4%	42.0%	160.6%	85.8%	0.0%
CHANGE					

Source: Annual edition of the City of Poquoson's Comprehensive Annual Financial Report.

Figure 4-21 Ratio of Bonded Debt to Assessed Value



Undesignated Fund Balance

In accordance with good financial practices, it has been a goal of City Council to use as little fund balance as possible to balance the annual operating budget. This procedure helps to ensure that there are sufficient ongoing operating revenues available to meet ongoing expenditures.

The City’s policy is that the General Fund undesignated fund balance should not go below 15% of current year budgeted expenditures. The fund balance also provides a contingency so those emergencies can be funded during the forthcoming fiscal year, whether they arise from revenue shortfalls or unanticipated expenditures. In addition, the undesignated fund balance provides operating cash so that short-term borrowing prior to the receipt of tax collections in December and June can be avoided.

While it is the City’s goal not to use undesignated fund balance to balance the annual operating budget, when the balance grows above 15% it is often used to fund needed capital projects in the Capital Improvements Budget and other one-time expenditures.

As shown in Table 4-30 and Figure 4-23, the City’s fund balance in 2004 was at 19.3%, which is over the target range. Although the balance as a percent of the current year expenditure budget has declined over the years, the level is still well within the City’s fund balance reserve policy of 15%.

**Table 4-30: General Fund
 Undesignated Fund Balance**

<i>Year</i>	<i>Amount of Balance</i>	<i>Operating Cash on Hand as of 6/30</i>	<i>Amt Used to Balance Operating Budget</i>	<i>Balance as a Percent of Current Year Budget</i>
1996	3,192,406	4,056,200	0	30.2%
1997	3,460,593	3,967,022	325,530	31.0%
1998	3,149,859	4,948,914	90,380	26.7%
1999	4,058,440	4,916,805	0	32.4%
2000	3,957,859	3,630,646	516,259	30.4%
2001	3,946,030	3,722,173	541,900	27.7%
2002	3,861,831	2,475,106	395,220	25.6%
2003	4,239,425	4,001,786	279,800	25.4%
2004	4,015,477	4,006,482	194,611	19.3%
% CHANGE	25.8%	(1.3%)	100.0%	(36.1%)



**Figure 4-22: General Fund
 Undesignated Fund Balance**

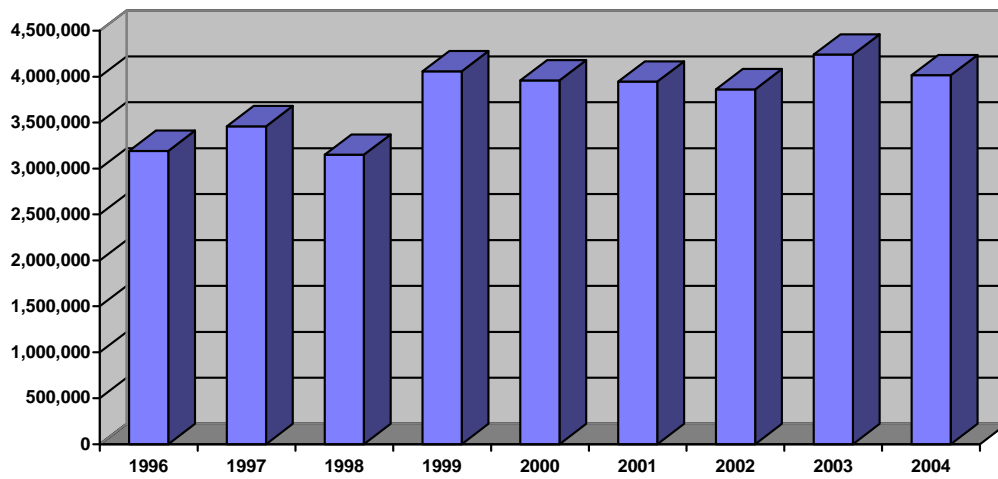
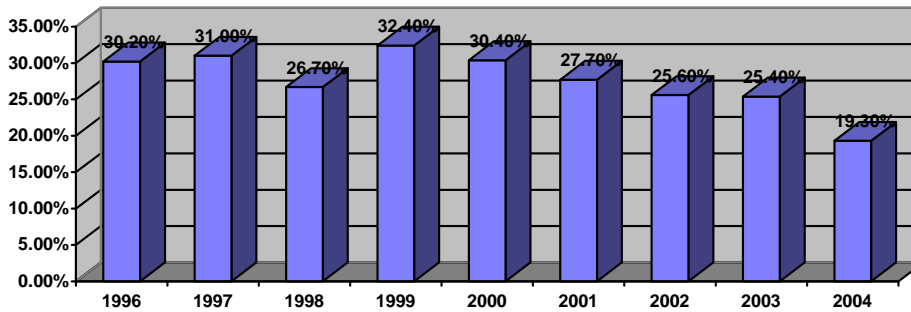


Figure 4-23: Undesignated Fund Balance As Percent Of Current Years Budget



Poquoson’s fund balance position is strong and has been relatively stable over the last few years. There are currently enough excessive reserves that the City could consider using some of the fund balance to fund economic development or other one-time projects. The City should have sufficient fund balance to withstand financial emergencies.



GOALS, OBJECTIVES, AND STRATEGIES

Goals

1. Continue to provide budget information to allow for informed decisions concerning the allocation of available resources to deliver goods and services to meet demands of the City citizens in an efficient and effective manner.
2. Continue to provide financial information to meet the needs and legal requirements of management, financial institutions and citizens in an efficient and effective manner.

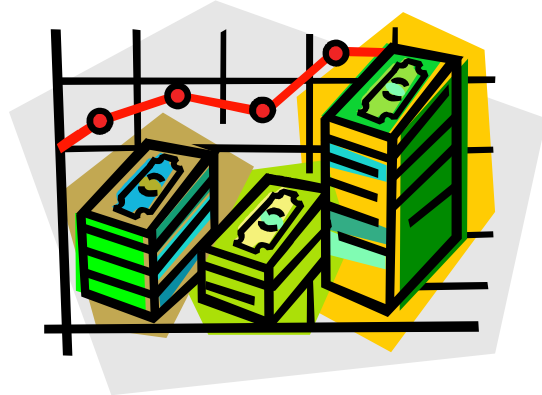
Objectives

1. Strive to maintain the tax rates and fees as low as possible while addressing the needs of the City's and Schools' operations.
2. Continue to maintain responsible, accurate financial accountability of the City's records and monitor operating and capital spending.

Strategies

1. Prepare the annual operating budget within the guidelines adopted by City Council and to qualify for a Distinguished Budget Presentation Award given the Government Finance Officers Association.
2. Prepare the City's Comprehensive Annual Financial Report (CAFR) to meet the requirements to qualify for a Certificate of Achievement for Excellence in Financial Reporting given by the Government Finance Officers Association.
3. Continue to implement new standards issued by the Government Accounting Standards Board to be in conformity with accounting principles generally accepted in the United States of America and to enhance the understandability and usefulness of the City's financial reports.





INTRODUCTION

Business and industry make positive contributions to the fiscal health of a community both by providing employment opportunities for the residents of the community and by contributing local tax revenues that exceed the cost of providing public services to such development. These tax revenues can then be used to assist in funding the public services required by the City's residents while helping to keep residential taxes at an acceptable level.

The following are economic studies commissioned by the Poquoson Industrial Development Authority.

ECONOMIC DEVELOPMENT STUDIES

City of Poquoson Business Development Analysis

The Poquoson Industrial Development Authority commissioned a study of business development opportunities by Landmark Design Group and Thomas Point Associates in 2004. The study provides an analysis of undeveloped and underutilized land in the City and provides specific recommendations for a mixed-use development along Victory Boulevard. Key findings from the analysis are as follows:

- The primary market area for Poquoson (a three mile radius from City Hall) is the fastest growing and has the highest median income, highest educational level and highest median age of residents on the Peninsula.
- Retail development is an important economic development option for Poquoson. A retail trade potential analysis showed a significant sales gap and opportunity.
- Poquoson could support a tailored version of a "lifestyle retail" center based on demand and demographics, anchored by a specialty grocery store.



- There is no immediate speculative market for office space in Poquoson, but Poquoson is well-positioned for capture of office / flex space over the next 10 to 20 years, particularly for professional offices, technology companies, and specialized military contractors.
- The Big Woods area should be the focus of a mixed-use commercial development for the City.
- It will be necessary to assemble land through purchase or cooperative agreements to provide a site large enough for an initial specialty center development of 100,000 square feet or more.
- Commercial development will need to be supported by public investments.

Section III of the study contains an analysis of the economic development potential of several sites within the City. Several of the sites are recommended for residential development due to their proximity to existing residential development or other limiting factors. A portion of the Big Woods adjacent to Victory Boulevard is identified as having the greatest potential as a site for the previously mentioned lifestyle center. Several issues must be addressed prior to any large-scale development at this site including wetlands delineation and cooperation of existing landowners to consolidate undeveloped sites. The lifestyle center proposal calls for the creation of a pedestrian friendly destination featuring mixed retail, restaurants, a hotel and office space.

Messick Point Revitalization Feasibility Study

A second economic development study deals with the Messick Point area. Landmark Design Group and Thomas Point Associates completed the Messick Point Revitalization Feasibility Study in February of 2004. According to the study “Messick Point provides an excellent opportunity to the City of Poquoson to increase their tax base and to provide a site for the development of a high-quality mixed-use program, taking advantage of the unique and dynamic waterfront.”

Key Elements

The study lists the following important elements for the revitalization of Messick Point.

- Messick Point must become a destination for visitors in order to support business development.
- Provision of increased public access to the waterfront is an essential part of the development plan.
- The Plan is intentionally crafted to maintain and possibly expand the waterman industry.



The study also lists the following potential benefits to the City of Poquoson.

- New development of approximately \$18 million
- Annual tax and fee payments of \$310,000
- Annual net income of \$68,000
- Additional jobs (80-100) in professional, sales and services categories
- Attraction of tourists to site and restaurant

The recommended development program for the site includes maritime commercial and residential components including the following:

- Marina Sport Commercial Complex: A small commercial center that mixes fishing and boating uses,
 - Possibly a combination of dry stack storage and wet slips. Storage for 100 boats and 50 equipment lockers
 - 3,000 square feet of retail space
 - Boat Yard: a one-acre boat yard
- Marina Flex Office Center: Possible combination of boat sales, boating equipment manufacturing, boat management and maintenance: 10,000 square feet of Marine Flex/Office
- Restaurant: 5,000 square feet of restaurant space
- Residential: 50 attached condo units
- Yacht Club: 10,000 square feet

Finally the study states that further refinement of the plan will be required to move to implementation.

REDEVELOPMENT OPPORTUNITIES IN POQUOSON

Locations for new economic development projects in Poquoson are limited by several factors including the presence of jurisdictional wetlands and the fact that the City is approaching build-out. Given this situation and the fact that the previously mentioned economic development studies have identified significant opportunities for new retail businesses in Poquoson, it is



important to consider the redevelopment of existing commercial areas as a component of economic development. Wythe Creek Road is currently the City's retail and service center. Given the high average income of the citizens of Poquoson it may be possible in the future to better tailor the range of business in the City to cater to the citizens. As redevelopment takes place, it will also be possible to address urban design concerns.

Waterfront Redevelopment Master Plan

As discussed later in Chapter 5- Natural Resources and Chapter 8- Land Use, the City of Poquoson possesses some rare waterfront property that has previously been developed. Said properties are listed in the aforementioned chapters and are reiterated here for consistency and clarification. They are: Amory's Wharf, Messick Point, York Haven Marina, Poquoson Marina, Islander Marina, and Owens Marina.

Currently these properties are underutilized and have attained minimal maintenance by the property owners which has led to lower quality facilities and pose environmental impacts due to the age of such sites. The City should prepare a *Waterfront Redevelopment Master Plan* that would include these waterfront areas in dire need of redevelopment, address the needs and services of the community as a whole, and provide property owners a prosperous return on their investment. Such a plan will require collaboration on the part of many parties, to include the property owners, real estate professionals, City staff, State agency staff, and citizens within the community. Once prepared and adopted, the Comprehensive Plan should be amended to include the Waterfront Redevelopment Master Plan.

In addition to the Waterfront Redevelopment Master Plan, certain land use categories should be enhanced to designate these areas targeted for redevelopment in the Future Land Use Plan. The areas should be clearly identified on the map with a general description of what is envisioned for these areas. Currently, the Future Land Use categories that encompass these areas are *Waterfront Mixed-Use* and *Waterfront Commercial*. While both of these categories define what is desired for the future land use of these areas, the Zoning Ordinance doesn't necessarily provide the means for these types of development. Therefore, the Zoning Ordinance should be revised to include provisions that would allow the uses projected for the "waterfront" categories.

COMMERCIAL DEVELOPMENT IMPACTS

On a relative basis, it is apparent that retail development generates the greatest returns to the City in terms of tax revenues while retail and office development return the most in the way of job creation. However, several other factors must come into consideration in this regard:

- Retail development will be guided by demand which, with the exception of tourist-related retail, is largely generated by residential growth.



- Retail development also generates a great deal of vehicular traffic and, as such, should be concentrated in those areas best equipped to handle such traffic, such as the Central voting district.
- Retail jobs are generally low paying jobs of any category; however, these jobs would be ideal for the workforce 16 to 19 years of age or retirees.

Office development generates higher tax revenues and job creation than does light industry and does so in a much more aesthetically pleasing environment. However, with the exception of management and scientific/technical jobs, office development generally lags behind manufacturing in average wage rates for less-skilled workers.

All of these considerations lead to the conclusion that a balanced approach must be taken with regard to land-use and real estate development. In essence, the high tax-paying attributes of retail development can be balanced against the aesthetic appeal of office development and the typically higher wages associated with industry. Each of these types of non-residential development has its place in an overall economic development strategy. Consequently, great care must be taken to ensure that the land made available for each type of development is, in fact, suited to such development with regard to such considerations as visibility, access, availability of utilities, environmental sensitivity, and proximity to residential neighborhoods.

PROPERTY OWNERSHIP OF TARGETED AREAS

The Big Woods

The Big Woods is comprised of 230 acres of undeveloped property, all of which is in disparate private ownership. Access to the larger parcels in the rear is restricted by a number of smaller parcels with frontage on Victory Boulevard. Due to Big Woods rezoning criteria, access to new commercial development in this area will have to be from a new public street that must be constructed into the interior of the site from Victory Boulevard. This disparate ownership may require the City to play some role in bringing these property owners together. The Research and Development district is also under disparate ownership, however, the City owns a significant 18-acre parcel with extensive frontage on Victory Boulevard. While the City may choose to play a role in bringing the other private property owners together in this area, the City's existing holdings do, in and of themselves, represent significant development opportunity.

Messick Point

Unlike the Big Woods, the City of Poquoson already owns the vast majority of the developable land at Messick Point, 14 acres in all. The ownership gives the City maximum flexibility and leverage to attract only the type of development to this area that serves the public purpose. The Messick Point area is located at the end of Messick Road, a two-lane road approximately 10 miles from Interstate 64. Messick Road is a two-lane roadway that is not suited to heavy truck traffic. Messick Point is served with both an 8-inch water line and an 8-inch sewer line. These



lines are sized sufficiently to service the low intensity types of commercial and recreational uses envisioned for Messick Point.

City Owned Property

In 1995, the City of Poquoson purchased several parcels of land in the Big Woods to foster additional economic development. One piece was used primarily for the construction of a new Municipal Building/Library complex but this development had dramatic impacts on potential future commercial development as all needed infrastructure improvements were made available to the Big Woods for the first time.

The City also owns an eighteen-acre parcel of land along the northside of Victory Boulevard. This property will be used primarily to create roadway access and to extend utilities into the General Commercial District of the Big Woods. City Council also purchased an 18.5-acre tract in the Research and Development District of the Big Woods with the idea of attracting a light industrial or office park type business.

TELECOMMUNICATIONS INFRASTRUCTURE

A necessity for economic development in the United States is the need for new businesses to have an adequate communication infrastructure. The following communication needs are most often cited by new businesses:

- High bandwidth communication capabilities.
- Strong alliances with local communication service providers in connectivity to global networks. (ISDA service, Cellular service, fiber optics networks).
- Research and Development/Office Parks with ample capacity for office utilization and communication connectivity.

With the above needs in mind, the City of Poquoson should develop strategies to foster a robust communication infrastructure, both at the commercial and residential level. These strategies should be incorporated in the Infrastructure Improvements Master Plan.

MARKETING PLAN

If the City of Poquoson is to attract any significant commercial real estate initiatives, it is critical that a specific, marketing plan be developed. Such a plan should consider the factors outlined above in the economic development profile; the results of the 1996 market survey; while remaining conscious of the financial constraints upon the Poquoson municipal government. In addition, the final plan must have input from local officials, regional economic development agencies and successful real estate developers.



ECONOMIC DEVELOPMENT INITIATIVES & INCENTIVES

Economic Development Fund

As part of its 1995-2000 Capital Improvements Program, the City of Poquoson created its first Economic Development Fund. This fund will be used to enhance economic development initiatives in the City via land purchase and infrastructure improvements.

Economic Development Enterprise Fund

One of the greatest impediments to commercial developments is the enormous start-up cost related to infrastructure, specifically: roadways, parking and stormwater management facilities. Many commercial development initiatives do not get started due to the staggering cost of providing such improvements. Considering this constraint, the City of Poquoson should consider creating an “economic development enterprise fund” in order to construct needed commercial development improvements in the Big Woods such as parking lots, plazas and stormwater management facilities. The City of Poquoson could finance the construction of these projects with low interest loans and repay the debt using developer contributions that would pay for the right to use such facilities. Such provision of infrastructure is clearly a more economical and efficient method when compared to relying solely on each individual developer to provide their improvements.

Existing Business Promotion

While promoting new economic development initiatives; the City should also promote and enhance existing businesses. The City should consider creating a consortium of local business owners to foster their needs and future objectives.

ECONOMIC DEVELOPMENT CONCLUSIONS

The City of Poquoson has a number of locational advantages, specifically its exceptional quality of life, immediate proximity to NASA/Langley, outstanding public school system and high level of disposable income with its market area, which includes the Tabb area of York County. However, Poquoson’s location also poses a disadvantage as the City’s primary obstacle is its distance from Interstate 64. The challenge is how to capitalize on the City’s natural advantages by attracting those commercial and research and development companies that realize the benefits of an attractive, affluent, low-crime environment. Inter-jurisdictional competition for economic development is intense, and for the City to be a viable player it must make conscious commitment to what is necessarily a long-term effort. City Council and Administration must build consensus regarding the specific types of firms that the City wants to target and to develop specific strategies to best ensure the success of this most important effort.



GOALS, OBJECTIVES, AND STRATEGIES

Goals

1. Promote economic development in order to enhance the quality of life for all citizens of Poquoson.
2. Capitalize on the City's reputation for an excellent quality of life, including education, security, and suburban atmosphere.
3. Capitalize on Poquoson's natural advantages by attracting those commercial businesses that realize the benefits of an attractive, affluent, low-crime environment.

Objectives

1. Provide additional white collar and technical employment in order for our highly educated and trained citizens, including recent graduates, to find employment in the City.
2. Ensure that all new business activity in the City is environmentally sensitive.
3. Ensure commercial and professional business developments are consistent with the City's Comprehensive Plan.
4. Provide increased shopping opportunities for City residents.
5. Enhance Poquoson's commercial development image throughout the region.
6. Foster a business friendly climate.
7. Continue to enhance the City's economic environment by ensuring that sufficient land and infrastructure exists, or can be provided, and that public actions support and promote desirable commercial and professional services development.

Strategies

1. Create a marketing plan effective at attracting the following businesses to the City of Poquoson: architectural and engineering firms, banking, hotels and conference facilities, NASA support contractors, family entertainment, personal services, restaurants, medical and professional offices, specialty retail, communications facilities, insurance and finance companies, and an upscale grocery market.



2. At Messick Point, encourage the development of local seafood industry and support services including the possible development of specialty retail, aqua-culture, fish markets, marine support services, restaurants, pleasure craft facilities, wildlife refuge tours, general store, watercraft rentals and charters, and other compatible recreational uses.
3. Utilize the City's Industrial Development Authority to purchase land for additional economic development.
4. Encourage property owners in the Big Woods to jointly market their property for commercial and professional development opportunities.
5. Encourage shared land development needs among developers including shared roadway entrances, parking facilities, signs and stormwater management facilities.
6. Support the development of necessary telecommunications facilities in the City to serve both the educational and professional/commercial communities.
7. Continue to participate and assist the Poquoson Industrial Development Authority in jointly marketing and developing privately owned, non-residential properties.
8. Consider widening and improving access and infrastructure along Victory Boulevard (from Wythe Creek Road to Yorktown Rd/Cary's Chapel Rd intersection) to encourage economic development in the Big Woods.

