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June 20, 2003

Financial and Management Services
James City County, Virginia
101-A Mounts Bay Road
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To Whom It May Concern:

This letter accompanies the rezoning application submitted to James City County, Virginia for Section 9 land from the centerline of New Town Avenue east to Section 4, part of which is developable as part of Block 12. The purpose of this letter is to update the fiscal impact estimates for Sections 2 and 4 to include the subject parcel. The initial fiscal impact estimates were prepared by *The Wessex Group, Ltd.* for New Town Associates, LLC and submitted to the county in September of 2001 (*New Town Sections 2 & 4 Mixed Use Plan: Fiscal Impact in James City County, Virginia - Revised: September 2001*). The 2001 report showed that Sections 2 and 4 would generate an estimated \$1.5 million in net fiscal impact for James City County.

At one time during the ongoing development of New Town, part of Block 12 was used by VDOT as a temporary sediment basin. This basin has since been filled and in conjunction with adjacent land, totals approximately three acres and is now developable. Block 12 is located at the northeast corner of Monticello Avenue and New Town Avenue and fronts on Monticello Avenue. A concept plan for Block 12 shows a parking area with a building on each end of the site. Current plans are to develop up to 20,000 square feet, half of which would be a retail operation and the other half office space.

The office and retail square footage proposed for the subject parcel *does not represent an increase in the density of retail, commercial and office* planned for Sections 2 and 4 of New Town. The overall density planned for Sections 2 and 4 would remain at 602,500 square feet of retail and 122,500 square feet of office/commercial space as approved in 2001. Therefore, it is the opinion of *The Wessex Group* that there would be no significant change in fiscal impact from the development of Block 12.

The only foreseeable effect that the development of Block 12 might have on the county's cash flow could be a slight increase in the total value of land developed and, therefore, a slight increase in real property tax revenue. For example, if the inclusion of Block 12 adds two developed acres to Sections 2 and 4 with a value of \$500,000 (excluding buildings but taking into account frontage on Monticello Avenue), this would generate an additional \$4,350 annually for the county in real property tax revenue. However, it is just as likely that other acreage in Sections 2 and 4 might be left as a conservation area instead of being improved, eventually resulting in a net change in fiscal impact of \$0.

Please contact us if there are any questions about the statements or assumptions described in this letter. We would be happy to explain any issues in greater detail.

Cordially,



Suzanne Huddleston
Vice President - Market Research

consultants to business and government.