BLUFF POINT HOLDINGS, LLC
P.O. BOX 8336
Charlottesville, VA 22906

February 4, 2011

Mr. Kenneth D. Eades
Northumberland County Administrator
P.O. Box 129
Heathsville, VA 22473

RE: Comparison of the Bluff Point By-Right Subdivision Development and the Bluff Point Planned Unit Development

Dear Mr. Eades:

Per your request, attached is Bluff Point Holdings, LLC's ("BPHLLC") comparison of its By-Right Subdivision Development ("BRSD") of 626 +/- acres and two other parcels in the Wicomico District of Northumberland County (898 acres in total) and the Bluff Point Planned Unit Development ("PUD") submitted on February 8, 2010 which is still under consideration by the Northumberland County Board of Supervisors ("Board"). The BRSD, which has received preliminary approval from Northumberland County, along with the existing plan for the Bluff Point Bay front and Barnes Creek parcels owned by BPHLLC, allows for the development of 542 lots. By submitting and seeking approval of the BRSD plan, BPHLLC is not withdrawing its PUD submittal; in fact, BPHLLC shall withdraw the BRSD plan if the PUD is approved as submitted.

This letter and attachments are intended to assist the Board and staff in their evaluation of the plans. While our team diligently prepared the BRSD to ensure it would be successful and would provide a great subdivision development for its residents, it is our sincere belief that the PUD proposal is a significantly better plan that will benefit the larger community. However, should the Board decide the BRSD is the best alternative for the County; we will follow its guidance and develop that subdivision.

Enclosed is the site plan of the approved BRSD, the plat of the 13.3 acre parcel on Barnes Creek, and the plat of an existing 22 lot subdivision plan (with the allowance for an additional 11 lots) for the 260 acre Bluff Point Bay front parcel. Also provided, is a summary of the BRSD and a comparison of the BRSD and the PUD. In addition, we are preparing an analysis of the two plans addressing the specific questions raised in the RFP dated November 17, 2010.

When the parcels were acquired in 2005 and 2006, there were approximately 885 by-right development lots. In 2007, after the Board down rezoned C-1 parcels, BPHLLC applied for approval of a by-right subdivision plan on the parcels which were zoned R-2, A-1, and a portion of its C-1 parcels. After BPHLLC received preliminary approval of the by-right plan, the Board passed a down rezoning of R-2 and A-1 parcels. The combined impact of these decisions was a reduction of approximately 343 lots on the parcels held by BPHLLC.

Despite losing additional lots, BPHLLC decided not to pursue the approved subdivision plan because it did not satisfy our aspiration to honor a higher commitment to Northumberland County to responsibly develop this special property in a manner that can restore and conserve its unique environmental characteristics. Thus, we began in earnest to create an alternative plan that would allow development with the highest and best use of the property while achieving substantial, sustainable environmental conservation and significant economic benefit for the County and its citizens. The resulting plan is the Bluff Point PUD. Even though no limitation exists on the number of requested lots for planned unit developments, the PUD does not seek more than the present by-right density.

The PUD was the result of a multi-year undertaking with the best team possible to ensure that the plan was feasible and would be a model waterfront community. Bluff Point can be, if the PUD is approved, a community that will create significant employment (141 fulltime construction jobs annually during a 15 year build-out, 210 fulltime jobs at completion with an additional 105-157 jobs to service the community), provide solid economic stimulus and tax base (projected net revenue of $1,710,000 after a full allocation of all estimated additional expenses to the county), honor the Maritime Heritage of Northumberland County, (working waterman's dock, oyster house and crab sheds), honor local architecture (Tavern and Reedville captain's homes), promote tourism for all of Northumberland County (as part of marketing to establish Bluff Point as a destination), provide educational programs to school children and all residents (education and nature center), provide services to the retirement population and other residents of the county (art and cultural activities and events) and provide needed waste water capacity to some neighbors (Indian Creek Yacht and Country Club). All of the parcels have been forested several times and are highly disturbed. The PUD requires Best Management Practices with great sensitivity to environmental concerns and needs which will protect an eroding shoreline; which erosion if unchecked, will likely result in the loss of a pristine salt marsh, and a reduction in the tax base of the county, as some land will be lost forever. The type of community proposed in the PUD will permit the highest possible environmental stewardship because it will generate the revenue required to cover the extensive costs of such stewardship.

When any plan, the nature and size of the PUD is presented, there will be those who will vehemently and vocally oppose it due to a variety of concerns. Some motivated because of the proximity to their homes, others who have a caring concern for the environment, and some due to various other concerns, such as property values and boat traffic.

However, by virtue of the Board's ability to place conditions on the PUD, Northumberland is in a strong position to safeguard the rights of all interested parties versus the absence of controls on the BRSD, no matter how thoughtfully prepared. Moreover, BPHLLC has submitted its own recommended conditions to best ensure the success of the PUD as a good neighbor of the community and as a responsible steward of the land and water.

The BRSD will certainly meet every regulatory obligation; however, the economics simply do not allow for the environmental stewardship of the PUD. The BRSD may result in greater ground water withdrawal and stormwater runoff and timbering operations will continue. The traffic impacts will be very similar even though the PUD has a resort, marina and more commercial space. The number of residences under the BRSD is 536 versus 530 under the PUD; however, most residents of the BRSD will be permanent versus second home residents of a resort community under the PUD. The interior roadways in the BRSD will be taken into the VDOT system with no privately funded road improvements versus private interior roads in the PUD with funds dedicated for specific public roadway improvements. Boating traffic which is a concern to some area residents will quite possibly be greater from the BRSD with more personal watercraft and smaller boats in Barnes Creek. The BRSD homes will be lower in value than the PUD since they will be mostly modular with some mobile homes, probably resulting in reduced property values for the surrounding properties and a lower tax base for the County. Only 14 permanent fulltime jobs and 7-11 outside service jobs are anticipated to be created by the BRSD. The number of construction jobs is projected to be 22 due to the anticipated number of pre-fabricated homes. Finally, the BRSD's projected total revenue to the County is $450,000, which after allocation of expenses, including the estimated cost of an anticipated additional 194-556 public school children (A significant increase in public school children will occur from the BRSD as families move to Bluff Point and Northumberland because of the amenities provided in an affordable housing community.) results in a fiscal deficit of $1,440,000 (negative $965,000 – negative $2,840,000) as compared to the positive projected fiscal stimulus of $1,710,000 for the PUD. Both plans will take many years to be fully developed and the changes will be gradual, even though the number of residences and ultimate traffic will likely be the same under both plans.

These facts and considerations are the key reasons why BPHLLC believes the PUD is a significantly more beneficial plan for Northumberland County and her citizens than the BRSD. Additionally, concept plans for the Nature and Education Center at Bluff Point are being formulated and will hopefully involve a consortium of Commonwealth of Virginia colleges and universities allowing for environmental research and education as well as enrichment programs for the school children of Northumberland County. The attached letters from James Madison University and William and Mary, which will lead the program, sets forth the possibilities for this Center at Bluff Point. Discussions with George Mason University and the Smithsonian Institution are anticipated in the near future. We will keep you informed as these discussions advance.

The vision video for Bluff Point is included in this folder. While aware you previously have been provided this, I ask that you once again watch it. Bluff Point will be unlike any community on the Chesapeake Bay and will set a high standard for all communities to aspire in the future. The exceptional amenities within Bluff Point along with Bluff Point's waterfront, water access, proximity to a hospital, additional shopping and restaurants, multiple golf courses and historical sites all make Bluff Point unique and thus unlikely that the County will receive similar planned unit development submittals. You and your family will be able to enjoy the amenities available to all County residents and you will be proud to say Bluff Point is in Northumberland County, the Mother County of the Northern Neck, for the jobs created, positive tax base impact, and strong environmental commitment; all of which will make Bluff Point a model of waterfront communities.

Thank you for the time and energy you have spent meeting with interested parties and reviewing our plans. I am available to meet with you to discuss the PUD, the BRSD and this package.

Respectfully submitted,

Thomas A. Dingledine
Manager