

# **Bond Case Briefs**

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## **Virginia Beach Confronts Inescapable Costs of Rising Seas.**

VIRGINIA BEACH, Va. (AP) — Voters in the sprawling coastal city of Virginia Beach will decide whether to approve one of the larger municipal bonds in the U.S. that would be used to protect against rising seas and intensifying hurricanes.

If it passes Tuesday, the \$568 million would fund anything from elevating roads to closing a 100-acre city golf course to collect stormwater.

If it fails, economists said the city could lose billions of dollars in the next half-century as recurrent flooding inundates roads, businesses and homes.

The referendum underscores the mounting costs of adapting to climate change for U.S. cities. However, it will also be a measure of Americans' willingness to approve such bonds as more communities seek funding.

"I'm not confident that it will pass," said Virginia Wasserberg, whose Virginia Beach home was among 1,400 houses and businesses flooded by heavy rains from the remnants of Hurricane Matthew in 2016.

Wasserberg, 41, is a conservative Republican who home-schools her children and supports the bond. She's campaigned for more flood protections ever since her neighborhood's drainage systems were overwhelmed by weeks of rain that culminated with Matthew.

Homes that are miles from the city's beaches on the Atlantic Ocean and Chesapeake Bay were inundated for the first time. Wasserberg said she and her family fled to the second floor and called 911 — only to be told that responders couldn't reach them.

"I like to say it took a disaster to wake me up," Wasserberg said.

Voter approval is far from guaranteed in this city of nearly half a million people, which some political observers said can lean libertarian. If the bond passes, property taxes would rise by \$115 to \$171 a year for a home of median assessed value, city officials said.

The need for money to protect communities against climate change is growing across the globe, particularly in the world's poorest countries. It will be an area of discussion at an upcoming UN Climate Change Conference, which starts Sunday in Glasgow.

In the U.S., 26 percent of ZIP codes are "highly exposed to floods," according to Moody's ESG Solutions, which tracks climate risks and sustainable finance.

"As climate change becomes a greater threat, more governments will focus on climate adaptation and resilience projects," said Matt Kuchtyak, the group's vice president of outreach and research.

Several cities have already approved significant bonds. For instance, Miami residents voted in 2017 to fund a \$400 million bond, nearly half of which would pay for such things as storm drain upgrades

and sea walls.

San Francisco voters passed a \$425 million bond to pay for the first phase of strengthening a sea wall that protects against earthquakes and rising oceans. The same year, Houston-area voters supported \$2.5 billion in bonds for flood-control projects in the wake of Hurricane Harvey.

Bonds could emerge as the principal vehicle for funding, said Richard Wiles, executive director of the Center for Climate Integrity, which argues that oil companies should cover such costs because of fossil fuels' link to climate change.

"None of these cities has hundreds of millions of dollars hanging around," Wiles said, adding Virginia Beach has proposed one of the biggest bonds.

The city could prove to be an interesting testing ground.

A 2021 telephone survey of 400 residents found just more than half were willing to pay more in taxes for flood-protection projects, according to a report by Old Dominion University. However, half also agreed people who do not experience flooding on their properties should not have to pay for such projects.

And yet, the land in Virginia Beach is sinking and the seas are rising at an alarming rate. Since 1960, sea levels have risen by nearly a foot. And they're likely to rise by 1.5 feet to 3 feet over the next half-century.

Much of Virginia Beach sits on low coastal plains. Water can drain slowly into tidal rivers and tributaries, sometimes with nowhere to go during heavy rains and high tides.

The bond-funded projects could help the city avoid up to \$8 billion in losses to flooding as well as associated economic impacts in the coming decades, according to the Old Dominion University report. The losses are equivalent to about a quarter of Virginia Beach's gross domestic product — or its total output of goods and services.

"As flooding becomes more prevalent, insurers will raise premiums, refuse coverage and at some point exit Virginia Beach entirely," economics professor Robert McNab said. "Businesses will have more difficulty in moving goods to market and, of course, residents will have more problems moving around the region."

John Moss, a city councilman who's been a large force behind the referendum, said Virginia Beach could still complete the flood-protection projects if the referendum fails. However, he said it would take 25 years instead of about a decade.

And even if the bond passes, the projects will make up about a third of what's needed overall protect to against 1.5 feet of sea-level rise, Moss said.

"It's a big ask," Moss said of the bond. "But the threat is real."

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