

Hampton Roads Planning District Commission
Executive Committee Meeting
Minutes of December 15, 2010

The Executive Committee Meeting of the Hampton Roads Planning District Commission was called to order at 9:30 a.m. at the Regional Boardroom, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

EXECUTIVE COMMITTEE:

Stan D. Clark, Chairman (IW)
Thomas Shepperd, Vice Chairman (YK)
James O. McReynolds, Treasurer (YK)
Alan P. Krasnoff (CH)*
Brenda Garton (GL)*
Greg McLemore (FR)*
Mary Bunting (HA)
Bruce Goodson (JC)

Stanley Stein (NO)
McKinley Price (NN)*
J. Randall Wheeler (PQ)
Kenneth Wright (PO)
Selena Cuffee-Glenn (SU)
Tyrone Franklin (SY)
William D. Sessoms (VB)*
Jackson C. Tuttle, II (WM)

EXECUTIVE COMMITTEE (ABSENT)

June Fleming (FR)
Molly Joseph Ward (HA)
Paul D. Fraim (NO)

Michael W. Johnson (SH)
Clyde Haulman (WM)

OTHER COMMISSIONERS:

William E. Harrell (CH)
Ella P. Ward (CH)
Clifton Hayes (CH)
Gregory Woodard (GL)*
Douglas Caskey (IW)
Robert Middaugh (JC)
Sharon Scott (NN)*
Neil Morgan (NN)*

Gordon C. Helsel, Jr. (PQ)
Kenneth Chandler (PO)
John Seward (SY)
Louis R. Jones (VB)
James K. Spore (VB)*
Harry E. Diezel (VB)
Barbara Henley (VB)*

*Late arrival or early departure.

OTHERS RECORDED ATTENDING:

John Gergely, Henry Ryto, (Citizens); Ellis James, (Sierra Club Observer); Earl Sorey (CH); Keith Cannady (HA); Steven Hicks (JC); Bryan Pennington, Jeff Raliski, (NO); Sherry Neil (PO); Bob Matthias (VB); Eric Nielson (SU); Michael King (NN); Jim Oliver (HRCCE); Dana Dickens (HRP); Cale Jaffe (Southern Environmental Law Center); W. Dewey Hurley & Parker Mills (Branscome Inc); Bob Burnley & Kayti Wingfield (Wise Energy of VA); Mike McCoy (Appalachian Voices); L. Frank Mach (Mid-Atlantic Gateway); Mark A. Geduldig-Yatrofsgof (Portsmouth City Watch Org.); Peter Huber (Willcox & Savage); Germaine Fleet (Biggs & Fleet); Staff: Dwight Farmer, James Clary, Jennifer Coleman, Nancy Collins, Natalie Easterday, Kathlene Grauberger, Greg Grootendorst, Richard Flannery, Lisa Hardy, Julia Hillegass, Frances Hughey, Jim Hummer, Rob Jacobs, Whitney Katchmark, Sara Kidd, Mike Long, Jay McBride, Benjamin McFarlane, Kendall Miller, Keith Nichols, Kelli Peterson, Camelia Ravanbakht, John Sadler, Tiffany Smith, Joe Turner, Jenny Tribo, Chris Vaigneur.

Chairman Clark called the Hampton Roads Planning District Commission Executive Committee meeting to order.

PUBLIC COMMENT

Three people requested to address the Hampton Roads Planning District Commission.

Ellis W. James

Thank you Mr. Chairman, members of the Commission. My name is Ellis W. James I am a life long resident of Hampton Roads, and proudly of Norfolk. There is something that occurred yesterday in terms of the release of this new study as it pertains to the bay. I think it is extremely important and I want to be sure that each of you had an opportunity to pay attention to it or at least take a look at it. The question of land conservation is one of the least talked about issues as it comes to our concern about what we are going to do to restore the bay. However, it is now front and center thanks to Scott Harper in the Virginian-Pilot because he did address this and I would like to invite your attention to it when you have time. It is on page three in the Virginian-Pilot, December 14. Land conservation is one of the critical issues which is a part of the effort to restore the bay and I think most everyone around this table has an interest in that, and would like to see us move forward on that. I would invite your attention to it, and the staff attention to it. Mr. Farmer, because I think this is a critical part of it. Thank you very much Mr. Chairman.

Cale Jaffe

Thank you all very much. My name is Cale Jaffe. I want to briefly address unit coal plant for Surry County and a point that was raised by ODEC at the last meeting here. As you already heard by now, this power plant would be 1,500 megawatts, the single coal power plant in Virginia. The last meeting ODEC said they needed this power plant because of the need of 7,200 megawatts of new power by 2020, the assertion of 7,200 megawatts is a little misleading and also wrong. It is misleading because more than 90% of that claim is not to serve any of ODEC service territory. According to Governor McDonnell, Virginia Energy Plan ODEC accounts for less than ten percent of Virginia's energy consumption most of that need is Dominion Power. To the extent OPEC is relying on that 7,200 number is what they are telling you is that they are not building this power plant to serve their own customers, they are building it to sell to Dominion Power or other utilities. But more importantly, the 7,200 megawatts figure frankly is grossly exaggerated. The economic downturn led to historic drops in electricity demand. U.S. Department of Energy reported

electricity use fell both in 2008 and 2009. That is the first time DOE has recorded back to back negative growth years in more than 60 years of data collection. Part of energy predicts over the next 25 years and electricity demand will grow one percent per year. While Virginia might grow more quickly than nations as the whole State Corporation Commission has testified that even at two percent growth rate it would be unrealistically high for our state. That's all said, the forecaster supports 7,200 megawatts that is based on a growth rate of 2.2% percent more than double what DOE predicts. Now ODEC said it would like to bring this plan online 2020 or 2022, this gives Hampton Roads great opportunity over the next ten years Hampton Roads can invest in efficiency programs, which have much stronger jobs per Kilowatt hour ratio than coal power plant. Insulating office buildings, upgrading heating and installing new appliances in homes all that puts people to work now and help meet future energy needs without putting Hampton Roads in the Chesapeake Bay. So as PDC considers ways in which the Army Corps of Engineers which is actively processing the application for ODEC. I would encourage you to consider these facts in your deliberations. Thank you all very much.

Bob Burnley

Thank you Mr. Chairman and members of the Commission, my name is Bob Burnley. I am an environmental advisor from Richmond here today on behalf of Wise Energy for Virginia. I was here in October to speak to you about the human health and environmental dangers and the cost of the Cypress Creek Power Plant to Hampton Roads PDC localities and I want to continue the discussion for a moment this morning with emphasis on cost. Later in this morning you will receive a report on watershed implementation revisions made since your last meeting. On the surface, some of these changes may appear positive for local governments, but if we look a little deeper I do not believe that they are that attractive. What they are doing is moving the cost for compliance from one segment of the population to another segment of the population. In many of your localities, agriculture is the large component of the economy. If the revised Watershed Improvement Plan depends more heavily on reduction of nutrients from agricultural hands, than from urban stormwater, as I said the burden is just being shifted from one segment of the population to another. Now, if we consider this power plant and we know that the ozone is an impediment to the development of many crops. If the dock plant is built then crop yields potentially decreased and cost for controlling nutrients from the stormwater discharges because of these charges in the wip, these cost on farms increases. Because this power plant is depositing tons of nitrogen every year on land all across PDC. Then if crop development decreases and cost increases, then income is reduced and cost rises. What happens to the agricultural component of the economy. What happens to the people who make a living farming and supporting farmers? I think the outcome is obvious. Much more burden on agriculture, fewer people involved in it because of the lack of return on their efforts. One more point on these Watershed Improvements Plan revisions. The new wip also depends more heavily on nitrogen removal from waste water treatment plants again shifting that burden from urban stormwater to points where discharges from the waste water treatment systems. Those reductions are going to be outrageously expensive because the old limits were at or near the limits of technology and again your citizens will pay for those costs as well. So if these thousands of tons of nitrogen coming from this plant every year entering the bay you may very well see no improvement in water quality for all the hundreds of millions of dollars you will spend to comply with TMDL. As I said to you in October, I hope you will think individually and collectively about the down side of this plan and I think you will find again the burden far out weighs any of the benefits.

APPROVAL/MODIFICATION OF AGENDA

Chairman Clark stated under old/new business there is one item to be addressed Historic Preservation.

Chairman Clark asked for a motion to accept the agenda with the modification.

Commissioner Shepperd Moved to approve the agenda; seconded by Commissioner Krasnoff. The Motion carried.

CONSENT AGENDA

The Consent Agenda contained the following Items:

Minutes of November 17, 2010 Meeting

Treasurer's Report

Regional Reviews

A. PNRS Items Review

B. Environmental Impact Assessment/Statement Reviews

U. S. Department of Housing and Urban Development – Riverview Lofts

Authorizing Resolution and Certifications for FY 2010 Metropolitan Medical Response System Grant Application

Urban Area Security Initiative Contract Addendum for WebEOC Technical Support

Urban Area Security Initiative Contract Addendum for Target Capabilities Assessment

Authorizing Resolutions and Certifications for FY 2010 Urban Areas Security Initiatives Grant Applications

Hazard Mitigation Planning Contract

Agreement with James City County for Bandwidth Reimbursement Using UASI Funds

Hampton Roads Watershed Roundtable Grant

Chairman Clark asked for a motion to approve the Consent Agenda.

Commissioner Goodson Moved to approve the Consent Agenda; seconded by Commissioner McReynolds. The Motion carried.

(Commissioner Morgan arrives.)

HRPDC MEETING SCHEDULE

Mr. Farmer stated there is a long standing conflict between the meeting date of TPO meeting and the meeting date of the Commonwealth Transportation Board. At the November HRTPO meeting, the board approved meeting on the third Thursday at 10:30 a.m. of each month, beginning January 2011. There were some who expressed some concern about meeting on two separate days. Mr. Farmer stated if HRPDC decides to change its meeting, there are two steps; the first is each month the HRPDC must vote during the meeting to change the meeting date and time; the second is to change the bylaws to make a permanent change in the meeting date and time. There must be two readings of the proposed amendment to the bylaws and it must occur during the Quarterly Commission meetings. The first reading of the amendment will occur at the January 20, 2011 HRPDC Quarterly Commission meeting and the second reading will be held in April 2011.

Chairman Clark stated the intent is to keep the two meetings on the same date and asked for a motion to meet on January 20, 2011 at 9:30 a.m.

Commissioner Shepperd asked why HRPDC meetings are being held on Thursdays.

Mr. Farmer stated a Committee lead by Mayor Krasnoff reviewed the availability of the board room on a regular basis and compared it with other municipalities' availability. The third Thursday was the date that did not conflict with any council or board meeting from the localities.

Commissioner Shepperd asked if Thursday at 10:30 a.m. is the date and time for the HRTPO to meet. Chairman Clark indicated yes.

Commissioner Goodson stated his concern was for those who live in the Williamsburg area committing to two full days to coming to meetings in Chesapeake.

Commissioner Shepperd stated he understood having both meetings on the same day but when it came to the HRPDC meetings it was his experience that the Commissioners come to listen and had not debated before the meetings occur. There is no time to debate or to have any substantive discussion.

Mr. Farmer stated he would not characterize the agenda as being full. Historically, there has been a fair amount of discussion on HRPDC issues. There is the option of starting the meeting at nine o'clock.

Commissioner Shepperd asked if the HRPDC Bylaws state the Commission could meet at an earlier time.

Chairman Clark stated the HRTPO could give HRPDC extra time, or a special meeting can be called when needed.

Commissioner Shepperd stated with the flexibility, it makes sense to have the meetings on the same day.

Mayor Krasnoff Moved to schedule the January HRPDC Quarterly meeting on January 20, 2011 at 9:30 a.m. and conduct the first reading to amend the bylaws to change the date of the HRPDC meeting to the third Thursday at 9:30 a.m. of each month and the second reading to be in April 2011; seconded by Commissioner Garton. The Motion Carried.

(Commissioners Sessoms, Spore, Woodard and Price arrive.)

HAMPTON ROADS REGIONAL BENCHMARKING STUDY

Chairman Clark introduced Greg Grootendorst to present the Hampton Roads Regional Benchmarking Study.

Mr. Grootendorst stated this is the sixth addition of the Regional Benchmarking Study. This document provides multiple angles and perspectives. In response to requests from the city and county staff, jurisdictional snapshots are included to provide some perspective of how the locality measured up. Included in the report are rankings from the Census Bureau and the American Community Survey. Hampton Roads was compared against 100 most populous metropolitan areas in the United States. In some of the areas, Hampton Roads ranked high, and in terms of percentage of population Hampton Roads ranked second.

Mr. Grootendorst stated unemployment rates reflect both the general well-being of the labor force to meet the needs of the employers. Comparing the regional unemployment rates to the national rates enables one to assess the condition of the regional labor market over time. Hampton Roads has historically had low unemployment rates, though the unemployment rate has climbed recently on both the national and regional levels.

Hampton Roads competes with other metro areas at a number of levels. When comparing employment and income statistics, it is important to consider the employment to population ratios. A small increase or decrease in this ratio can drastically alter other benchmarking indicators. Hampton Roads' employment to population ratio is 62.6%, slightly below the average of some metro areas. If Hampton Roads' unemployment rate increased to the national rates, it would be equivalent to approximately 18,000 additional persons becoming unemployed which would equal the number of people who work at Oceana Naval Air Station.

Mr. Grootendorst indicated Hampton Roads is a young metropolitan area and ranks 77th in this respect. In Hampton Roads, 63.2% of housing units are owner-occupied because Hampton Roads is somewhat of a transient population. Hampton Roads has a relatively low poverty rate when comparing it to 100 of the most populous metropolitan areas.

Mr. Grootendorst indicated for 40 years, the Bureau of Economic Analysis has been tracking metropolitan area incomes and not once has Hampton Roads been above the national average until 2009. In 1985 and 1986, Hampton Roads almost topped the national average and in 2000, Hampton Roads started getting more military income in the area. Hampton Roads has increased defense expenditures and that sent the region to the top. The purchasing power of per capita income in Hampton Roads does not compare favorably with other metro areas. What Hampton Roads does with its income has not kept up with other areas and is one of the reasons why the cost of living has not changed. Shipbuilding

and repair in Hampton Roads looks positive. Hampton Roads had an increase in concentration and decrease in market.

Mayor Sessoms stated he did not understand what purchasing power per capita income was because income increases the cost of living and health-care would be higher.

Mr. Grootendorst indicated that a lot of those costs are much higher in other areas and it equates the amount of income to how much it costs to purchase. If the cost is 10% more, health-care income is 12% higher.

Mayor Krasnoff asked if is there another document that indicated how Hampton Roads compares with Baltimore, San Antonio, or Jacksonville.

Mr. Grootendorst stated in the Benchmarking Study there is a page that compares Hampton Roads to other areas. There is also the Data Book which has information about the metropolitan areas.

Mayor Krasnoff stated he appreciated the reference to Vietman, but when it comes to other areas that are experiencing growth, he would like to know how Hampton Roads compares in job creation with other areas such as San Antonio, Texas.

Mr. Grootendorst indicated there is a page that compares Hampton Roads to the 100 most populous areas. Looking at San Antonio and other metro areas that are experiencing strong growth is something that can be added.

Commissioner Hayes inquired about the recent changes in the purchasing power.

Mr. Grootendorst stated if you look back ten years, Hampton Roads would still be in the same position. The only thing that has changed is Hampton Roads' incomes have increased dramatically relative to other regions, but so have cost. Housing cost have risen since 2003. Hampton Roads prices had a significant increase and the costs rose elsewhere and during that time there was a substantial increase in regional income.

Commissioner Shepperd stated two parts that were of interest was how Orlando is a big tourist area, and the Peninsula has been pushing tourism, and Charleston, which is not a tourist area, is more of a naval type operation like Jacksonville and they have experienced unbelievable growth in the last 30 years. How do you take in to account the growth of a community and its affect?

Mr. Grootendorst stated the high growth pushed up prices and increased demand and as demand increases the prices go up. Also, high growth areas typically have adjustment in prices along with income increase when you have a growth area. Hampton Roads had strong income growth, but its prices keep the region on the lower end.

Commissioner Shepperd stated does it not reflect tax rates because of the effects on purchasing power.

Chairman Clark asked for a motion to approve the report for distribution.

Commissioner Goodson Moved to approve the Hampton Roads Regional Benchmarking Study; seconded by Commissioner Garton. The Motion carried.

Chesapeake Bay Total Maximum Daily Load (TMDL) Recommended Local Government Actions

Chairman Clark introduced Ms. Jenny Tribo to present an update on the Chesapeake Bay TMDL.

Ms. Tribo stated the comment on the Virginia Watershed Implementation Plan was well received. Virginia submitted an improved Implementation Plan to EPA last month on time and they have addressed EPA's major concerns with the Plan. The new plan only requires stormwater treatment for 23% of impervious lands compared to the 65% required by EPA backstops. The plan requires HRSD to reduce an additional two million pounds of nitrogen from their treatment plants that discharge to the James River. Virginia also included stronger reasonable assurances for the reductions required from agriculture which includes a pledge to pursue regulations if tracking indicates two years of milestones are not being met.

Ms. Tribo indicated the most significant change the State made to the plan was to hold James River load reductions to a level consistent with tributary strategies pending an examination of the chlorophyll-a criteria. If the chlorophyll-a criteria do not change, the waste water treatment plant permits will be adjusted in 2017 to meet the remaining three million pound reduction needed by 2023.

Ms. Tribo stated if EPA deems this plan is sufficient to avoid implementation of their proposed backstops, then stormwater costs in Hampton Roads will decrease by 75%. If EPA announces whether or not they will approve Virginia's plan prior to the publication of the final TMDL on December 31, and if Virginia's plan is accepted, the localities will be able to focus on planning efforts to determine how EPA can achieve their allocations on existing development. Also, localities can provide support for state and federal legislation that may provide funding for implementation actions.

Ms. Tribo stated due to the difference in costs of nutrient controls for each sector, Virginia's plan is more cost effective than EPA's backstop. The savings for Hampton Roads localities is \$7.2 Billion. The additional reductions required by point sources could cost as much as \$1 Billion but still results in significant cost savings to Hampton Roads. Virginia will first encourage voluntary management before pursuing legislation in 2017. In order to put these fees in perspective, localities with existing stormwater fees from \$50 to \$100 per year. If the total cost of achieving stormwater was passed onto residents it would triple the fees paid per household.

Ms. Tribo stated there are numerous federal grants available for watershed planning and innovative stormwater controls. HRPDC staff will work with localities to help find funding for Hampton Roads. Proposed federal legislation could authorize additional funding for state and local governments. Virginia also offers small grants through the Water Quality Improvement Fund and last year the General Assembly made stormwater utilities eligible

for revolving loan funds. Nutrient reductions in Virginia's plan will only be met if adequate funding is made available to all sectors.

Local governments can improve the likelihood of meeting their stormwater reductions by effectively communicating needs with the Hampton Roads General Assembly and Congressional Representatives. Last month, HRPDC distributed a statement of principles that outlined the region's position regarding potential legislation and requests consistent and adequate funding for agriculture, waste water and stormwater control.

HRPDC staff will monitor proposed legislation over the next few months and recommends meeting with the General Assembly and Congressional Representatives to discuss locality needs and concerns.

Commissioner Wheeler stated this simply reduces the size of an unfunded mandate in Hampton Roads from \$9.7 billion to \$2.5 billion. The projected expense requirements for Poquoson from \$90 million to \$27 million is still \$63 million it does not have, and a 25% reduction of an unachievable number is still a really large number.

Commissioner Shepperd stated even though we do not have to pay \$42 million a year, stormwater alone is over \$800 per household per year and this still applies to the fourteen years basis. York County's cost would add about twelve cents to the tax rate. This is still an issue of funding in a reasonable manner if we want to clean the bay. This should have taken more time and should have been done over a longer period of time. The industry, the nation, and the state need to be involved.

Commissioner Seward asked if HRPDC could send this report to the taxpayers and when they meet with members in their localities, the citizens would know where this information came from.

Commissioner Ward asked if the meetings will be open to board members and when the meeting is schedule, will Commissioners be notified about the alternate meeting time and place.

Mr. Farmer asked for volunteers to participate in the discussion. Having Commissioners attend makes more of an effective dialogue.

Commissioner Shepperd stated there needs to be some type of document or form to take forward and also have a schedule time and format for information.

Mr. Farmer stated he will make contact and find out if the General Assembly or Congressional Representatives are willing to meet and we will submit to the Board when they are available and who is available to meet. Mr. Farmer stated he would like to recommend the January meeting have a resolution and take a strong position officially on the record.

Commissioner Shepperd stated it is important for the group to understand these milestones. It was his understanding phase one ends at the end of December and phase two ends next year. The Board members should know what is happening so when its input goes in, they know things are progressing.

Mayor Sessoms asked if the plan have an option to address the General Assembly or Congressional Representatives in order to be supportive. He suggested that the meeting should occur. Hampton Roads should have a plan that can be addressed because sooner or later localities will get a bill.

Mr. Farmer stated this is a state-wide issue and Hampton Roads should not have to handle this alone; it needs some help from the state.

Mr. Farmer asked for volunteers for the Committee.

The Committee consists of Stain Clark (IW), Thomas Shepperd (YK), Bruce Goodson (JC), J. Randall Wheeler (PQ), Gordon Helsel, Jr. (PQ)

Mayor Krasnoff Moved to recommend meeting with General Assembly and Congressional Representatives to discuss localities needs and concerns; seconded by Commissioner Wheeler. The Motion carried.

HRPDC Action Items: Three Month Tentative Schedule

Mr. Farmer stated the HRPDC staff has developed a tentative schedule of issues that will come before the Commission for action over the next three months. These issues are the primary items the Commission will consider for action. Other items may be added depending on priority requests from the Commission.

Project Status Reports

No questions or comments were noted.

Correspondence of Interest

No questions or comments were noted.

Old/New Business

There was one item for discussion under new business.

Mr. Farmer stated Mayor Krasnoff asked HRPDC staff to do research on Historic Preservation Commission Training. The research revealed several options which will require further research and discussion before pursuing them if there was an interest.

Adjournment

With no further business to come before the Hampton Roads Planning District Commission, the meeting adjourned at 10:25 a.m.

Stan D. Clark
Chairman

Dwight L. Farmer
Executive Director/Secretary