

Hampton Roads Planning District Commission Minutes of January 16, 2025 Meeting

The January 16, 2025 meeting of the Hampton Roads Planning District Commission (HRPDC) was called to order by the Chair at 12:32 p.m. in the Regional Board Room located at 723 Woodlake Drive in Chesapeake, Virginia with the following in attendance:

Commissioners in Attendance:

Douglas Pons, Chair (WM)	Steven Carter (PO)
Randy Keaton, Treasurer (IW)*	David Hux (PQ)
Christopher Price (CH)	Brian Thrower (SH)
Debbie Ritter (CH)	Albert Moor (SU)
Brian Solis (CH)	Walter Hardy (SY)
Paul Kaplan (FR)	Melissa Rollins (SY)
Rosylen Oglesby (FR)	Stacy Cummings (VB)
Steven Brown (HA)	Patrick Duhaney (VB)
Mary Bunting (HA)	Bobby Dyer (VB)
Joel Acree (IW)	Barbara Henley (VB)*
Michael Hipple (JC)	Joash Schulman (VB)
Scott Stevens (JC)	Worth Remick (VB)
Courtney Doyle (NO)	Andrew Trivette (WM)
Patrick Roberts (NO)*	Sheila Noll (YK)

Commissioners Absent:

Shannon Glover, Vice-Chair (PO)	Randy Wheeler (PQ)
Ella Ward (CH), excused	William Gillette (SH)
Phillip Bazzani (GL)	Steven Bowman (SM)
Carol Steele (GL)	Michael Stallings (SM)
Alan Archer (NN)	Leroy Bennett (SU)
Phillip Jones (NN)	Amelia Ross-Hammond (VB)
Cleon Long (NN)	Mark Bellamy (YK)
Kenneth Alexander (NO)	

Executive Director:

Robert A. Crum, Jr., Secretary

Other Participants:

Jimmy Gray (HA)
Mark Hugel (PO)

**Late arrival or early departure*

Others Recorded Attending:

Jim Icenhour (JC); Angela Hopkins (NN); Rhonda Russell (PO); Ben Green and Natalie Guilmeus (VB); Todd Nichols (HRMFFA); Brenda Roberts (U.S. Representative Jen Kiggans' Office); Angela Effah-Amponsah (VDOT); Brett Hall (WAVY-TV 10); and Greg Grootendorst, Kelli Arledge, Shernita Bethea, Robert Cofield, Emma Corbitt, Katie Cullipher, KC Filippino, Markay Hall, Tealen Hansen, Nikki Johnson, Teresa Johnson, Whitney Katchmark, Sara Kidd, Matt Klepeisz, Andrew Margason, Ben McFarlane, Quan McLaurin, Cynthia Mulkey, Ivy Ozmon, Pavithra Parthasarathi, John Sadler, Tammy Sommer, Jill Sunderland, Tho Tran, Joe Turner, Christopher Vaigneur, and Eric Walberg (HRPDC/HRTPO Staff)

Chair Douglas Pons welcomed and introduced recently appointed Commission members Franklin Mayor Paul Kaplan, Gloucester County Board of Supervisors Member Phillip Bazzani, James City County Board of Supervisors Member Michael Hipple, and Virginia Beach City Council Members Stacy Cummings and Worth Remick.

Chair Pons also announced incoming Commission members Hampton Mayor Jimmy Gray and Norfolk City Council Members Carlos Clanton and Jeremy McGee.

Approval/Modification of Agenda

Chair Pons called for a motion to approve the January 16, 2025 agenda as presented.

Motion: Commissioner Randy Keaton Moved to approve the agenda as presented; seconded by Commissioner Michael Hipple. The Motion Carried.

Public Comments

Mr. Robert Crum, HRPDC Executive Director, stated that there were no submitted public comments. He invited members of the public to address the Commission. There were no requests to provide public comment.

Executive Director's Report

Mr. Crum referenced his monthly report in the agenda packet and reported that he will attend the Hampton Roads Caucus meeting next Thursday in Richmond to present the Regional Legislative Agenda.

Mr. Crum invited Ms. Emma Corbitt, HRPDC Resilience Planner, to brief the Commission members on recent work conducted by the HRPDC Resiliency Program regarding regional support for the Community Rating System (CRS).

Ms. Corbitt began her presentation by providing background information on the CRS, a voluntary National Flood Insurance Program (NFIP) incentive program that recognizes and encourages community floodplain management practices. Communities earn points by participating in various flood mitigation activities. These points translate to a class rating

that ranges from nine to one and will earn the communities a discount on flood insurance for their residents.

In Hampton Roads, 11 communities are participating, earning between 5% and 25% discounts. Collectively, Hampton Roads residents saved approximately \$5.8 million in 2023.

In cooperation with consultants and local staff, HRPDC conducted a study to identify opportunities to provide more credit for CRS communities through the development of regional resources. The four major opportunities were identified as follows:

- Enhancement of the elevation certificate database
- Update of the Regional Hazard Mitigation Plan
- Creating new resources, such as a Program for Public Information (PPI)
- Development of a Substantial Damage/Substantial Improvement Plan

Once established, CRS communities can use these resources to earn points and increase their CRS class rating, ultimately increasing the discounts available for residents. In addition to flood insurance savings, local and regional resilience will be enhanced.

Ms. Corbitt's CRS presentation is available on the HRPDC website using the following link: https://www.hrpdcva.gov/DocumentCenter/View/14049/011625-PDC-04_Presentation-Regional-CRS-Support-PDF?bidId=

**Commissioner Barbara Henley arrived*

Employee Recognition

Mr. Crum recognized two employees for their service to the HRPDC and for reaching a milestone anniversary in 2024. He and the Commission members applauded Mr. Andrew Margason, General Services Manager, for five years of service, and Ms. Jillian C. Sunderland, Senior Water Resources Planner, for ten years of service.

Community Advisory Committee Report

Mr. Crum reported that the Community Advisory Committee (CAC) met at the Norfolk International Airport on December 12, 2024 and received a briefing from Mr. Mark Perryman, President and Chief Executive Officer, regarding recent developments.

Election of Officers

The HRPDC Bylaws provide that, at its Annual Meeting in January, the Commission will elect a Chair, Vice-Chair, Secretary, and Treasurer to serve during the upcoming year. During the Commission meeting held on November 21, 2024, Chair Pons requested that the Nominating Committee prepare recommendations for nominees for the officer positions for the upcoming year.

On behalf of the Nominating Committee, Commissioner Sheila Noll reported the following members were recommended to serve as officers for the Commission for 2025:

- Portsmouth Mayor Shannon Glover as Chair
- Hampton Mayor Jimmy Gray as Vice-Chair
- Williamsburg City Manager Andrew Trivette as Treasurer
- HRPDC Executive Director Bob Crum as Secretary

Chair Pons asked if any Commission Members present wished to make further nominations. Hearing none, he closed nominations.

Motion: Commissioner Noll Moved to elect the officers as recommended by the Nominating Committee; seconded by Commissioner Bobby Dyer. The Motion Carried.

Mr. Crum stated that as Mayor Glover could not attend the meeting, Chair Pons agreed to chair the remainder of the meeting, and the new Chair and Vice-Chair will preside over the February meeting.

Mr. Crum thanked Chair Pons for his service as Chair of the HRPDC and presented him with a gavel as a sign of appreciation.

Chair Pons stated that it was an honor to serve as Chair. He added that before taking on the role, he did not know the full extent of the regional impact of the HRPDC, but he now recognizes the collaborative efforts that make the region so special.

Consent Agenda

Mr. Crum reported that the Personnel and Budget Committee held a meeting in the morning and requested revisions be made to the HRPDC Personnel Manual; therefore, he recommended that the Commission consider approval of the Consent Agenda as modified to exclude the HRPDC Personnel Manual Update.

Mr. Crum explained that the modified Consent Agenda would include the following items for consideration and approval:

- Meeting Minutes – November 21, 2024 Commission Meeting
- Treasurer's Report – November 2024
- Fiscal Year 2025 Budget Amendment
- PROTECT Grant Application
- Calendar Year 2025 Regional Meeting Schedule
- Executive Director's Contract

Motion: Commissioner Hipple Moved to approve the Consent Agenda as modified; seconded by Commissioner Mary Bunting. The Motion Carried.

Resilient Design Standards

Mr. Benjamin J. McFarlane, HRPDC Chief Resilience Officer, briefed the Commission on the proposed design standards, including updates made since the November 21, 2024 Commission Meeting.

Mr. McFarlane stated that design standards are being developed to reduce the current and future risk of flooding in Hampton Roads. The current standards are based on historic observations that are out of date. The new guidelines are built on both observations and future projections. They also consider the risk tolerance for different types of decisions and the life span of those projects.

The resilient design guidelines are divided into three categories: observations, projections, and applications. Observations include sea level trends and historic rainfall. Climate projections are based on the best available science from federal and state agencies and academic partners regarding sea level rise and future rainfall. This information is used to develop applications, including tailwater elevations, rainfall design storms, and joint storm pairs.

Mr. McFarlane elaborated that tailwater elevations represent the water surface elevation for tidally influenced areas. A regional analysis was conducted to cover all tidal watersheds in Hampton Roads. These water surface elevations have been provided to local engineers to use in their models and ensure the infrastructure is designed for projected conditions.

Rainfall design storms consider how climate change affects the intensity and amount of rainfall. Multipliers were developed for each community based on climate projections and impervious cover. These multipliers are then used to calculate various design storm values.

Joint storm pairs were also developed that incorporate both rainfall depths and tidal conditions since these events often occur concurrently.

Different types of development decisions require different types of standards. Therefore, project lifespan and criticality are taken into account during the decision-making process.

The climate is changing with increased sea level rise and increased rainfall. By providing better information and higher standards to reduce the risk, resilient designs can be incorporated into development decisions for the public and the private sector.

Mr. McFarlane stated that it is recommended local governments include the following design standards in their policies:

- Sea level rise scenarios

- Tailwater elevations with sea level rise
- Future precipitation levels
- Joint tidal/rainfall design storms

Commissioner Hipple asked if the design standards were the same across the region or different for coastal areas.

Mr. McFarlane responded that the sea level rise projections are regional. The rainfall predictions are tailored for the individual localities, and the tailwater elevations are on the watershed level, which is even smaller than the localities. The design standards are as targeted as possible depending on the available data.

Commissioner Paul Kaplan noted that the City of Franklin experienced a thousand-year flood in 1999 that devasted the entire downtown area. Additionally, a 500-year flood in 2006 caused considerable damage. He stated that the city favors taking steps to mitigate flooding.

Commissioner Randy Keaton asked if the standards would be included and considered across organizations.

Mr. McFarlane stated that HRPDC worked alongside the Virginia Department of Transportation (VDOT) throughout the development process. Although the recommended standards would not necessarily apply to VDOT, VDOT is developing a resilience plan that includes higher standards, which have already been adopted in some of its divisions.

Commissioner Hipple added that bridges also require attention regarding flooding and that the Hampton Roads Bridge Tunnel (HRBT) was raised to elevate the concrete above the water level and make it more resilient.

Commissioner Joash Schulman noted that projects will cost a considerable amount of money. He asked how likely state funding for coastal storm risk management will be and how to ensure that Virginia Community Preparedness Fund (CFPF) money will be available.

Mr. Crum stated that he would discuss this with the Caucus members. The issue occurs both on the Southside and the Peninsula, and these project costs are enormous. Oftentimes, a 35% local match is required to receive federal money. He stated that these issues are included in the legislative agenda, and the HRPDC will advocate for either receiving state funding to help with the non-federal match or reducing the match.

Commissioner Debbie Ritter stated that the governor released his proposed budget, and amendments have been filed. She inquired about the status of the program.

Mr. Crum stated that they are hopeful that the funds might be considered during the budget negotiation process.

Motion: Commissioner Keaton Moved to approve proposed Resolution 2024-05 recommending that local governments in Hampton Roads incorporate resilient design standards into their local plans and policies; seconded by Commissioner Kaplan. The Motion Carried.

The resilient design standards presentation is available on the HRPDC website using the following link: <https://www.hrpdcva.gov/DocumentCenter/View/14050/011625-PDC-09-Presentation-Regional-Resilient-Design-Standards-PDF?bidId=>.

Hampton Roads 2025 Economic Forecast

Ms. Nikki Johnson, HRPDC Regional Economist, briefed the Commission on the 2025 Hampton Roads Economic Forecast.

Ms. Johnson stated that the national economy continued to show incredible resilience over the last few years. The U.S. inflation-adjusted Gross Domestic Product (GDP) remained well above pre-pandemic trends, but over the past year, a slight slowdown in the inflation-adjusted GDP has occurred. This is signaling a normalization of pre-pandemic trends rather than an impending downturn.

Inflation moderated significantly over the past year. In June 2022, prices were up 8% year-over-year, which marked the highest rate in decades. By December 2023, the inflation rate was around 3%. In the past year, there was a stall, in December 2024 the rate of inflation was 2.9%.

On a national level, wage gains have outpaced inflation for the last year and a half, which boosted consumer spending. While consumers are more selective in their buying as inflation remains elevated, the retail sales in Hampton Roads are up year-over-year.

Job growth on the national level slowed down and the monthly job gains were 170,000, which was slightly below the previous year with 210,000. The job gains are signaling a slowdown to pre-pandemic trends rather than an impending downturn. In Hampton Roads, a similar trend is noticeable. All the jobs lost during the pandemic recovered in 2023, but there has been a slowdown during the past year. Prior to the pandemic, the region tended to lag the national average in job growth, some of which was due to the federal budget sequestration in 2013, which slowed the recovery from the Great Recession. Hampton Roads took an extra six months to recover compared to the nation. However, over the past year, national job growth has decelerated at a faster rate.

Labor force and employment also made a full recovery in 2023 with a slowdown in the past year. This trend reflects a general cooling of the labor market conditions. On a national level, in this elevated interest rate environment, firms are more hesitant regarding hiring and expansion, and they are also more hesitant about layoffs. This caused a slowdown in hiring.

The main contributors to job growth in the past year were construction, followed by business services, and government jobs. Leisure and hospitality jobs made a full recovery in 2023 and

are up year-over-year; however, in general, there has been a slowdown in the tourism industry. Hotel revenues declined over the past year, which might be related to the bifurcation in the hotel performance market. In the initial aftermath of the pandemic, Hampton Roads benefited more than other areas from the drive-in leisure travelers. Over the past year, however, lower-income and middle-income households have slowed in their demand for travel, while the upscale luxury market is still showing stronger growth.

Defense spending in Hampton Roads increased to \$14.6 billion in 2024. This marked the third year of rising defense spending, and the 2019 level was outpaced. Military pay raises are expected through the National Defense Authorization Act for next year, which will help boost the economy.

Ms. Johnson stated that the Bureau of Economic Analysis discontinued the military employment tables, which was the only public source. Therefore, no updated numbers related to military employment can be provided at this time.

Despite the strikes and slower global growth rates, the Port of Virginia continued to show robust performance. On a fiscal year basis, containers were up year over year, and continued growth is expected.

Home sales have declined significantly from the initial surge in 2021 and 2022. However, the decline did slow down compared to 2023. The driver of the slower growth in home sales is the historic rise in mortgage rates. In 2023, mortgage rates peaked at 7.6%. While federal rate cuts are expected, it will take some time to have lower rates again.

While home sales slowed down, inventory has yet to reach their pre-pandemic levels. At the current pace of sales, it would take 2.2 months to sell a home. While sales have slowed, with insufficient supply, home values remain stubbornly high. When comparing home values in Hampton Roads from January to November, the values are up 48%. The national average is 53%. High housing costs are a driver of inflation since they are the largest single payment that all households make.

Rent prices in Hampton Roads have accelerated faster than the national average in the past year. The current housing market environment has exacerbated the housing affordability crisis. The number of households spending more than 30% of their income on housing increased over 2023 for the region and nationally.

Overall, the economy's fundamentals remain strong. The 2025 outlook is steady growth with a clouded horizon. GDP is expected to moderate in 2025. Defense spending will continue to provide a boost to the regional economy. Inflation remains elevated but continues its gradual movement toward the 2% target. Further federal cuts will ease mortgage rates, which will boost home sales. Elevated uncertainty around policy direction and geopolitical risks casts a shadow over the 2025 outlook.

Chair Pons asked if there is a prediction of how house prices will change over the next few years. Ms. Johnson stated that the trend from the past four years showed a spike in housing

prices due to the pandemic. Going forward, the trend is expected to make slow improvements and will likely reach pre-pandemic levels.

Commissioner Ritter asked why food and energy are the biggest drivers of inflation and if there is a way to evaluate the costs that residents are spending on food and energy.

**Commissioner Patrick Roberts departed*

Ms. Johnson responded that when considering inflation, it is important to consider wage gains. The average American received a raise in the past years. However, often times, raises are deposited in bank accounts and are not necessarily visible to the consumer, whereas food prices are more noticeable. Therefore, when the economy is doing well, it means that the average person receives larger wage gains than consumables increased in price.

Commissioner Ritter asked if there is data regarding food and energy available on a regional level.

Ms. Johnson responded that there is no regional data available. The center of research measures the cost of living for the region, which shows how the regional cost of living compares to the national average, but there is no data available to track how prices within the region are changing.

Commissioner Ritter added that it would be beneficial to improve people's confidence.

**Commissioner Randy Keaton departed*

Ms. Johnson agreed and stated that the initial shock when prices increased from 2% to 8% caused a disconnect.

Commissioner Dyer stated that the cost of government has increased significantly due to inflation. Projects are more expensive and have gone up 99% since 2018. He added that it is difficult to reduce the costs of high housing prices due to the increasing costs of government.

Ms. Johnson stated that supply and demand factors drive much of the inflation. Construction costs have increased drastically, and there will be continuing issues regarding government costs and how to address these issues.

Mr. Crum stated that Ms. Johnson had been invited to Virginia Beach to report on economic trends and is scheduled to present in Williamsburg. He encouraged the Commission members to contact Ms. Johnson to request information or invite her to present during budget planning season.

The Hampton Roads 2025 Economic Forecast presentation is available on the HRPDC website using the following link:

https://www.hrpdcva.gov/DocumentCenter/View/14051/011625-PDC-10_Presentation-Hampton-Roads-2025-Forecast-PDF?bidId=

Regional Legislative Agenda

Mr. Crum briefed the Commission on items emerging at the General Assembly relative to the Regional Legislative Agenda.

State funding for Planning District Commissions (PDCs) is currently \$190,943, while 20 years ago, the funding was \$365,000. Budget amendments to ask for an additional \$190,000 have been submitted to both the Senate and the House. Senator Christie New Craig and Delegate Cliff Hayes are advocating for additional funding for the HRPDC specifically by submitting these budget amendments.

House Bill (HB) 2126 would impact the HRPDC and local governments. It requires PDCs to develop regional energy plans by July 2026. These plans should address energy generation, storage, and use that demonstrates a meaningful contribution to the Commonwealth's energy goals. The bill also establishes a Virginia Energy Facility Review Board to provide oversight and report to the state level on how PDCs are progressing with their energy plans. The bill would provide \$190,000 per PDC to develop their plan. Additionally, it includes provisions that impact local zoning and permitting for energy facilities. Mr. Crum added that the Regional Legislative Agenda includes a position statement that the region wants the protection of local land use authority so that local governments can decide what projects to implement and where.

Mr. Crum noted that HB 2059, the Virginia Great Outdoors Act, provides a potential opportunity for trail funding as requested in the Regional Legislative Agenda. The bill states that beginning July 1, 2026, no less than \$200 million of remaining recordation revenues shall be distributed for land protection and preservation purposes. Additionally, \$30 million would be made available each year for infrastructure improvements and other capital projects for state parks.

HB 1982 Light Rail created a new allocation from the Commonwealth Mass Transit Fund for the Hampton Roads Transit (HRT) Light Rail System (Tide). It is the only Light Rail System in Virginia and is currently in funding programs with other conventional transit systems, such as buses. HB 1982 would place the Tide in the Commonwealth Mass Transit Fund, the same funding stream as the Washington Metropolitan Area Transit Authority (WMATA) in Northern Virginia. This funding stream also supports maintenance and component replacement of the system.

Commissioner Rosylen Oglesby stated that the Hampton Roads Caucus discussed this bill earlier today, and the members suggested addressing it regionally to counter Northern Virginia opposition.

Mr. Crum continued his presentation by noting that HB 2466 Transportation Funding would increase the regional sales tax from 7/10 of a penny to a full penny to fund primary and secondary roads connecting to the interstate system. Currently, sales and gas taxes are used to finance almost \$6 billion of interstate highway improvements in Hampton Roads. There

are no federal monies for these projects, and with the exclusion of Surry County and Gloucester County, the residents are paying for these interstate highway projects. HB 2466 would create the Hampton Roads Interstate Highway Corridor Improvement Program and the Hampton Roads Highway Coastal Resilience Fund. This increase would generate approximately \$84 million per year. Two-thirds of the funding would support improvements to new and existing highway connections to surrounding or paralleling interstate highways. The remaining one-third would support transportation infrastructure that is at risk due to recurrent and coastal flooding.

Mr. Crum invited Mr. John A. Sadler, HRPDC Emergency Management Administrator, to brief the Commission on an emerging issue related to shelter capacity and evacuation enhancements in Hampton Roads.

Mr. Sadler stated that the region has just passed through a difficult hurricane season, leading to questions about what can be done regarding hurricane preparedness on a regional level. Traditionally, these efforts were led primarily by the localities and the state, but the HRPDC has been asked to get involved. A study conducted by the Virginia Department of Emergency Management (VDEM) shows that the sheltering capacity for the region needs to be increased. He suggested asking for funding to help build shelters and augment pre-existing structures. Additionally, it would be beneficial to have financial independence from VDEM as a substantial portion of its efforts are driven by grant funding, which has requirements and restrictions. Furthermore, he recommended asking the state to help with staffing issues. Staffing is one of the most significant shortcomings in terms of operating a shelter, and qualified and trained personnel need to be identified.

Mr. Crum recommended presenting this item to the Chief Administrative Officers (CAOs) to discuss strategy and tactics, determine a path forward, and report back to the Commission in February.

Commissioner Hipple stated that local governments would rather not involve the HRPDC in local land use decisions. Many governments have solar policies and would prefer to determine the type and location of projects. James City County, for example, has policies in place that preserve farmland and do not allow the use of the land for solar. Each jurisdiction is different and already has to comply with policies from the state. It would also be unfavorable to have the HRPDC involved in these decisions.

Mr. Crum agreed and stated that the PDCs, in unison, agreed that the idea of energy planning is beneficial, but involvement in local permitting and land use decision-making should be avoided.

Chair Pons agreed that land use decisions are better handled by the local jurisdictions as every community is different.

Mr. Crum's Regional Legislative Agenda presentation is available on the HRPDC website using the following link:

https://www.hrpdcva.gov/DocumentCenter/View/14052/011625-PDC-11_Presentation-General-Assembly-Update-PDF?bidId=

Upcoming Meetings

Mr. Crum noted that the next Commission meetings are scheduled for February 20, 2025 and April 17, 2025. There is no HRPDC meeting scheduled for March 2025.

Advisory Committee Minutes

Mr. Crum stated that links to HRPDC/HRTPO Community Advisory Committee (CAC) meeting minutes approved since the last Commission meeting were provided in the agenda packet for Commission member information.

Technical Committee Meeting Summaries

Mr. Crum indicated that summaries of HRPDC Technical Committee meetings held since the last Commission meeting were included in the agenda for Commission member information.

For Your Information

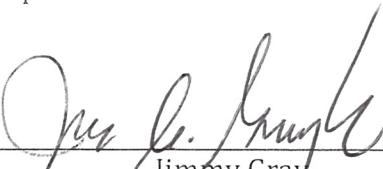
Mr. Crum referenced the correspondence of interest included in the agenda packet for Commission member information.

Old/New Business

There was no old or new business.

Adjournment

With no further business to come before the Commission, the meeting was adjourned at 1:54 p.m.



Jimmy Gray
Vice-Chair



Robert A. Crum, Jr.
Executive Director / Secretary