

Investment Promotion Strategy established the plan for the new Alliance, and the revised bylaws reflect the new structure. The IBM Study included four headline initiatives that changed the Alliance's mission. Those recommendations were to advance competitiveness priorities through regional collaboration, implement process improvements to advance target industry development, promote Hampton Roads through strategic media and digital technology, and strengthen regional competitiveness by organizing around market intelligence.

The Alliance implemented the IBM recommendation to advance competitiveness priorities through regional collaboration through multiple programs, including the 757 Recovery & Resilience Action Framework, Hampton Roads Infrastructure Coalition, Build Back Better Regional Challenge, and Regional Energy Master Plan Grant from GO VA as well as the return of the Greater Williamsburg Partnership and the rejoining of James City County, Williamsburg, and York County.

The IBM recommendation to implement process improvements to advance target industry development was implemented through enhanced business recruitment and retention, industry feasibility analyses, a lead generation program, and business retention and expansion. Throughout 2021, the marketing consultant PM&P deployed communication to a total of 32,744 companies in target industries through direct marketing and trade shows. This broad outreach led to 685 qualified meetings and 801 requests from companies to reengage at a later date. In 2021, PM&P approached 13,900 companies from defined target sectors in connection with participation in 27 trade shows, resulting in 240 qualified meetings. Furthermore, 286 additional companies with concrete potential for mid- and long-term expansion plans requested to be contacted again in the future. The expansion of PM&P's lead generation activities, coupled with the offshore wind industry development activities, resulted in new project leads doubling compared to the previous two years. Additionally, many companies that had been unable to make travel arrangements to visit the region in 2020 were finally able to tour Hampton Roads sites in person. Through its Business Retention and Expansion program, the Alliance strives to market the region effectively, grow existing industries and positively influence new job creation, and collect data to identify trends and challenges in the private sector.

Since the Alliance opened the Virginia Offshore Wind Landing in 2021, 20 offshore wind energy and supply chain development companies from around the world have joined as members. Other Alliance offshore wind activities in 2021 included a regional supply chain study, business readiness, matchmaking activities, meetings with high-level elected leaders and officials interested in learning about Virginia's leadership in offshore wind, a VIP weekend that brought leading national and international companies to Hampton Roads, trade shows and a trade mission to Europe.

Dominion Energy has partnered with the Alliance to host Workforce Wednesdays and Friday Forums. These Coastal Virginia Offshore Wind (CVOW) information sessions are geared toward businesses and potential suppliers. A panel of representatives from Dominion Energy's major CVOW project team participate in these webinars to discuss the supply chain, contracting requirements, and the available opportunities for Virginia businesses. Mr. Smith urged Commission members to attend these forums.

The Alliance has implemented the IBM recommendation to promote Hampton Roads through strategic media and digital technology through rebranding and targeted advertising. The Alliance hired Sway Creative Labs, a full-service advertising, marketing, and digital media firm. Sway is a local firm with significant experience in the region. For example, a few of Sway's clients include Sentara, Ferguson Enterprises, and Port of Virginia.

The Alliance implemented the IBM recommendation to strengthen regional competitiveness by organizing around market intelligence through site readiness; a diversity, equity, and inclusion economic review; a Mangum Study for Offshore Wind Impact; a PM&P Study for Offshore Wind; WDCG Office Study; a SIR Survey regarding COVID impacts; a Robotics Hub Capacity Study, and a Regional Energy Assessment. The Alliance's goal for 2021 was to complete 150 total Business Intelligence Team assists of requests from localities, investors, stakeholders, or regional, and state partners for information. The 2021 goal was exceeded with 176 total assists, or 117% of the goal, by the end of the year.

The Alliance will focus future efforts around four pillars, including regional collaboration, target industry development, promoting Hampton Roads, and market intelligence. The Alliance will continue to advance and facilitate the 757 Framework and drive progress on maritime pillars from the Build Back Better Regional Challenge. Industry development will include engaging businesses related to priority clusters, including unmanned systems, robotics, cybersecurity, and renewable energy. In terms of promoting the region, the Alliance will continue their Every Business Needs an Ally campaign as well as work with the CAOs on submitting a regional marketing plan proposal. Market intelligence will include continued efforts on a Regional Energy Assessment and a Regional Industrial Site Development strategy.

The Offshore Wind Supply Chain and Workforce Development Fund was not included in Governor Northam's proposed budget. Senator L. Louise Lucas, Delegate Terry Kilgore, and Delegate Robert S. Bloxom, Jr. are each putting forward budget amendments regarding the supply chain component. There are many opportunities for potential workforce funds and efforts are underway to augment those existing items. For example, the Hampton Roads Workforce Council has a program in the budget named HR Strong, which is about maritime training but includes an offshore wind component.

**Commissioner Debbie Ritter departed*

Chair McClellan thanked Mr. El Koubi, Mr. Edwards, and Mr. Smith for their presentations.

Chair McClellan announced that the 2022 Leadership Exchange is scheduled to be held June 22 to June 25 in Charlotte, North Carolina. She asked that Commission members mark their calendars.

**Ms. Terry Danaher departed*

Chair McClellan asked Mr. El Koubi if he had any comments regarding lessons learned in Louisiana as it relates to flood mitigation.

Mr. El Koubi said there are significant opportunities to develop distinctive coastal adaptation capabilities in Hampton Roads that can then be exported to other markets around the country and ultimately potentially around the world.

Mr. Crum referenced the congestion at the west coast ports and asked Mr. Edwards what percentage of cargo from the west coast migrates east of the Mississippi River.

Mr. Edwards answered that at least 50% of the cargo arriving in Los Angeles and Long Beach ends up east of the Mississippi River. He said winning only a few percentage points of this market would present an enormous opportunity. He stated that compared to New York and Savannah, Virginia has the best maritime advantage in terms of the best harbor, soon-to-be deepest and widest channels, and the best possible neighbor in the United States Navy. However, he indicated that landside development needs improvement.

Commissioner Sheila Noll asked Mr. Edwards to expand upon the improved railroad opportunities he mentioned in his presentation.

Mr. Edwards responded that the transit freight opportunity carries from POV into the Ohio Valley and Midwest.

Mr. Crum commented that Surry County is looking for ways to generate job creation interests. He asked Mr. Edwards if there are potential opportunities for Surry County, and other localities with strategic sites available along the river, to serve as smaller ports where goods can be delivered.

**Commissioner Randy Wheeler departed*

Commissioner Robert Elliott added that one of the resources that Surry County can offer is land. Positioned between POV and Richmond Marine Terminal, Surry County could potentially be used to secure cargo. He referenced connections to Interstate 64, Interstate 95, and U.S. Route 460 as well as strategic planning conversations with James City County regarding workforce and transportation.

Mr. Edwards indicated that in order to succeed, any additional river terminals would need to be part of an integrated plan based on the proximity of the potential facility to an existing surrounding distribution supply chain. He added that there are many places in Hampton Roads where integrated barge operations could succeed.

Dedicated Funding Source for Flood Mitigation Projects

Mr. Crum stated that funding for flood mitigation projects is going to continue to be a substantial challenge not only for the Hampton Roads region but for the entire Commonwealth of Virginia.

Mr. Crum reported that at the January Chief Administrative Officers (CAO) Committee meeting, the CAOs discussed the threat that flooding presents for the Hampton Roads region and the need for the Commonwealth to ensure a reliable funding source to assist local governments with their efforts to invest in flood prevention projects. The CAOs noted the tremendous assets in Hampton

Roads that are threatened by this flooding, including nationally significant military facilities, the Port of Virginia, and the region's tourism industry. The Committee also noted the importance of having a dedicated funding source at the state level to leverage potential funding opportunities that are anticipated from the federal infrastructure package. The cost to address needed flood prevention projects is substantial and beyond the funding means of local governments. In addition, recent experiences continue to demonstrate that these flooding challenges are being experienced across the Commonwealth. At the conclusion of this discussion, the CAOs reached a consensus recommending that the HRPDC take action to request that the Commonwealth of Virginia establish an adequate, reliable, and continuous funding source to address flood prevention projects in the Commonwealth of Virginia.

Mr. Crum presented the following guiding principles of the request:

- The challenge of flooding is a statewide issue that is threatening the economic prosperity and quality of life for urban and rural communities across the Commonwealth of Virginia.
- Preliminary cost estimates for projects to address this statewide challenge are as high as \$40 billion and are beyond the financial means of local governments.
- Failure to fund and advance these projects has the potential to threaten the bond ratings of local governments thereby impacting their ability to borrow money and finance needed public services, facilities, and projects.
- Flooding also poses substantial threats to our military facilities, Port of Virginia, supply chain network, and tourism industry.
- The criticality of this issue was recently demonstrated in the City of Virginia Beach, where 75% of voters approved a bond referendum to provide over \$500 million of funding in support of flood mitigation projects in this city.
- A dedicated funding stream is needed to support the process through the continuum of project development, from planning, project identification/prioritization, design, and construction
- A dedicated statewide funding source, with a process that ensures accountability and oversight, can be used to match/leverage federal infrastructure funding resulting in cost savings for state and local governments.
- But we must act now, the cost of these projects will continue to escalate over time.
- The HRPDC unanimously requests that the Commonwealth of Virginia establish an adequate, reliable, and continuous funding source to support flood prevention projects in the Commonwealth of Virginia.

Mr. Crum asked if the CAOs in attendance had any additional comments.

Commissioner Mary Bunting added that characterizing this request as flood prevention efforts allows the inclusion of the entire state into the endeavor. While other parts of the state may not have coastal resiliency issues, many have flooding issues.

Chair McClellan agreed. She indicated that the Commission could not take action as a quorum was not present and asked Mr. Crum for a suggestion on how to proceed.

Due to the time-sensitive nature of the request, Mr. Crum suggested he and Chair McClellan co-sign the letter. He requested that the Commission members in attendance express any concerns with this approach.

Commissioner John McGlennon stated he did not have a concern and considers this a worthwhile project to move forward with, but he asked if there was a suggested source of revenue.

Mr. Crum responded that the CAO Committee suggested that the HRPDC identify the need, distribute the guiding principles, and express openness to state proposals regarding the approach.

Commissioner Chris Price added that the CAO Committee did not want this request to come across as adversarial.

Chair McClellan advised moving forward with the request.

Mr. Crum said this appeal will be presented from an overall regional perspective but requested that the CAOs also submit more specific locality requests that reference the guiding principles.

**Commissioner Courtney Doyle departed*

General Assembly Update

Mr. Crum updated the Commission on the current General Assembly session and stated that the HRPDC is monitoring approximately 15 different bills between transportation and HRPDC items. He highlighted a few of these bills for Commission member information.

As part of the regional legislative priorities, the Commission requested the Commonwealth of Virginia form a Commonwealth Flood Board. Mr. Crum reported that Delegate Cliff Hayes submitted House Bill (HB) 602, which would create the Commonwealth Flood Board. Mr. Crum commented that some details are still being considered but requested that all HRPDC localities offer support of the bill.

Mr. Crum referenced weekly calls with the local Legislative Liaisons and commended their efforts.

Mr. Crum reported that Delegate David Bulova and Senator David Marsden introduced budget amendments seeking a one-time increase of \$30,000 per Planning District Commission in next year's budget for technical support related to the American Rescue Plan Act (ARPA) and the

infrastructure program funds. Mr. Crum stated that once these budget amendments are assigned numbers, HRPDC localities will be asked to offer support.

In 2020, the General Assembly created a series of taxes to generate approximately \$30 million per year as the first dedicated transit funding source for Hampton Roads. Two bills have been introduced, HB 978 and Senate Bill (SB) 363, that remove \$20 million to \$30 million provided through the statewide recordation tax. The region is opposing HB 978 and SB 363.

In addition, HB 297 and HB 1059 would suspend the regional gas tax. The regional gas tax is one of the funding streams being used to fund over \$5.8 billion of regional transportation projects. VDOT relies on HRTAC funding to construct and deliver the regional priority projects, and the primary effect of a one-year interruption is the shortfall in a vital funding stream that supports HRTAC's funding plan and key debt issuances. He noted that if the regional fuels tax revenue is not replaced during the suspension period with an uninterrupted alternate funding source, HRTAC's credit ratings may be adversely affected. The region is opposing HB 297 and HB 1059.

**Commissioner Carol Steele departed*

Chair McClellan added that the City of Norfolk is supporting SB 520, which deals with the motion picture production tax credit. There is currently a tax credit that is set to expire in 2026. This bill would essentially eliminate the expiration, increase the amount available yearly from \$6.5 million to \$15 million, and extend the credit to a wide variety of production content.

Three-Month Tentative Schedule

Chair McClellan noted that the next Commission meeting was scheduled for February 17, 2022.

Advisory Committee Minutes

Minutes of the HRPDC Advisory Committee meetings approved since the last Commission meeting were provided for information purposes.

Technical Committee Summaries

Summaries of the HRPDC Technical Committee meetings held since the last Commission meeting were provided for information purposes.

For Your Information

The following item was included in the agenda for information purposes:

- **HRPDC Receives Grant from DEQ** – The Chesapeake Bay Preservation Area (CBPA) Designation and Management Regulations were amended to specifically allow climate change adaptation measures within the CBPA and require climate change impacts to be considered for land development within the Resource Protection Area. The Department of

Environmental Quality (DEQ) has awarded a \$10,200 grant to the HRPDC to develop tools to support local governments as they incorporate the new coastal resilience provisions into their programs.

Old/New Business

There was no old or new business.

Adjournment

With no further business to come before the Commission, the meeting adjourned at 2:09 p.m.

Andria P. McClellan
Chair

Robert A. Crum, Jr.
Executive Director/ Secretary