

Hampton Roads Planning District Commission Summary Minutes of October 19, 2018

The October 19, 2018 Meeting of the Hampton Roads Planning District Commission was called to order by the Chair at 12:30 p.m. in the Regional Boardroom, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

Commissioners in Attendance

Michael Hipple, Chair (JC)	Courtney Doyle (NO)
Andria McClellan, (Vice Chair)	Mamie Johnson (NO)
Randy Keaton, Treasurer (IW)	Lydia Pettis-Patton (PO)
James Baker (CH)	David Hux (PQ)
Stephen Best (CH)	Randy Wheeler (PQ)
Robert Geis (CH)	Brian Thrower (SM)
Dr. Ella P. Ward (CH)	Michael Johnson (SH)
Barry Cheatham (FR)	Barry Porter (SH)
Brent Fedors (GL)	Leroy Bennett (SU)*
James Gray (HA)	Patrick Roberts (SU)
William McCarty (IW)	Dave Hansen (VB)
Scott Stevens (JC)	Rosemary Wilson (VB)
David H. Jenkins (NN)	Andrew Trivette (WM)
Cynthia Rohlf (NN)*	Neil Morgan (YK)
	Thomas Shepperd, Jr. (YK)*

Commissioners Absent:

Debbie Ritter (CH)	John Seward (SY)
Phillip Bazzani (GL)	Sanford Wanner (SY)
Donnie Tuck (HA)	Ben Davenport (VB)
Mary Bunting (HA)	Robert Dyer (VB)
McKinley Price (NN)	Barbara Henley (VB)
Kenneth Alexander (NO)	Louis R. Jones (VB)
Doug Smith (NO)	John Uhrin (VB)
John Rowe (PO)	James Wood (VB)
T. Carter Williams (SM)	Paul Freiling (WM)

Executive Director:

Robert A. Crum, Jr.

Other Participants:

Clarence Monday (FR)	Ray Smith (PO)
Brian DeProfio (HA)	

*Late arrival or early departure.

Others Recorded Attending:

Jen Hayes (CH); Paul Holt (JC); Britta Ayers, Bridget Parker, (NN); Morgan Whayland (NO); Sherri Neil, (PO); Randolph Cook (SH); Bob Matthis (VB); Andy Geissbuehler (BVG Associates); Rhena Hicks (Delegate Kelly Fowler's Office); Steve Cook (Hampton Roads Workforce Council); Herman L. Ward (NCMPEF); Mark Geduldig-Yatrofsky (Portsmouth City Watch); Hayes Framme (Orsted); Jim Spore (Reinvent Hampton Roads); Eileen Woll (Sierra Club); Joe Hines (Timmons Group); Ellis W. James (Sierra Club); Barbara Nelson, Chris Gullickson (The Port of Virginia); Will Payne (Virginia Department of Mines, Minerals, and Energy); Art Moyer (Virginia Maritime Association); Zane Harens (Virginia Sea Grant/Clark Nexsen); Peter Coutu (Virginian Pilot); Drew Lumpkin (US Senator Mark Warner's Office) Diane Kaufman (US Senator Tim Kaine's Office); Citizens: Dianna Howard; Staff: Keith Cannady, Kelli Arledge, Shernita Bethea, Rob Case, Rob Cofield, Shirley Core, Katie Cullipher, KC Filippino, Andrea Gayer, Ashley Gordon, Greg Grootendorst, Whitney Katchmark, Sara Kidd, Mike Kimbrel, Sharon Lawrence, Mike Long, Ben McFarlane, Matt Smith, Jill Sunderland, Joe Turner, Elizabeth Vandell, Chris Vaigneur, Sheila Wilson.

Approval/Modification of Agenda

Chair Ward requested modifications or additions to the agenda. Hearing none Commissioner Michael Hipple Moved to approve the agenda; seconded by Commissioner Barry Cheatham. The Motion Carried.

Submitted Public Comments

Mr. Robert Crum, HRPDC/HRTPO Executive Director, indicated there were no Submitted Public Comments and asked to proceed to the Public Comment period.

Public Comment

Mr. Mark Geduldig-Yatrofsky expressed concern about the report the New York Times released on August 5, 2018 regarding sea level rise. The New York Times reported that there will be sea water from the current bounds of the Atlantic to the foot of the Appalachian Mountains by 2035. This will happen because the current buildup of carbon monoxide in the atmosphere will cause the temperature to rise across the planet three degrees centigrade.

Ms. Eileen Woll spoke about the offshore wind program stating that Hampton Roads leaders have an immediate opportunity to strengthen the economy for working families and create safer healthier communities. She presented information from a report that was released by BVG Associates, and noted that offshore wind will eliminate three million tons of carbon pollution each year which would address the issue of global warming.

Commissioner Thomas Shepperd arrives

Best Practices Spotlight – Chesapeake Water Sharing Agreement

Mr. David Jurgens and Ms. Erin Trimyer briefed the Commission on the Chesapeake Water Sharing Agreement. Mr. Jurgens provided an overview of the previous contract that was

executed in 1990 and amended in 1996. The contract allowed for the City of Chesapeake to purchase water from the City of Portsmouth to service the Western Branch and Cavalier areas. In the contract the cities agreed that:

- Chesapeake purchases 4 million gallons/day (mgd)
- Purchase increases to 5 mgd in 2020
- Take-or-Pay contract
- Expired December 31, 2026

Price Based on Residential Rates, Highest of

- 150% of Portsmouth's residential rate
- 100% of Chesapeake's residential rate

Both cities decided that the contracts needed to be renegotiated. In the previous contract, the rates paid to Portsmouth were based off of residential retail rates from both cities, so the charges could not be structured based on the actual cost of providing service. The new contract leaves room to improve the rates without large cost increases which gives predictability for the future.

Ms. Erin Trimyer stated that previously, the City of Chesapeake was paying 150% of Portsmouth's customer rates for the first three million gallons and then five million gallons for the term of the contract which was 120% of the rate. At the previous rate, Portsmouth received around \$10 million in revenue yearly that accounted for about 22% of the annual rate. Renegotiating the contract allowed them to review their CIP plan and make adjustments financially. By reviewing the rate structure internally, they were able to make the duration of the contract four years instead of a twenty year period to account for the potential loss of any sudden stops. It also allowed for the City of Portsmouth to look for other sources of revenue in terms of long-term contracts. She noted that the City of Portsmouth also has a long-term contract with the City of Suffolk.

With the renegotiated contract, the City of Chesapeake gained stability for water supply and the City of Portsmouth gained stability in revenue. Looking at how partnerships work among the different localities, it also stabilizes the water supply for the region. The cities are interrelated in the water business within the region, and it is critical to residential security, commercial security, and future industrial capability. The more the region negotiates contracts that are beneficial to the region, the better off the region will be.

Executive Director's Report

Mr. Crum recapped the unmanned systems proposal that was funded by GO Virginia. He stated that the Peninsula has put together a revenue sharing agreement that has been signed by the five localities. That information will be shared with the Southside localities in order to expand the revenue sharing initiative regionally. He also summarized the regional broadband initiative, and briefed the Commission on an event held at Virginia Wesleyan University on September 5th where several Commission members, along with HRPDC staff, celebrated the first interconnection of the regional fiber ring between the cities of Virginia Beach and Norfolk. Mr. Crum reported that Commissioners Andria McClellan of Norfolk and

Ben Davenport of Virginia Beach were invited to Columbus, Ohio to pursue funding opportunities for Hampton Roads through the Smart Infrastructure challenge. As that project expands during the next phase, such information will also be shared with the Peninsula localities.

Election of Officers

Chair Ward stated that the Nominating Committee recommends the following individuals for officers: Commissioner Hipple as Chair, Commissioner McClellan as Vice Chair, Commissioner Keaton as Treasurer, and Mr. Crum as Secretary.

There being no additional nominations from the floor, Commissioner Thomas Shepperd Moved to approve the slate of officers; seconded by Commissioner William McCarty. The Motion Carried.

Approval of Consent Items

The following items were on the Consent Agenda for approval:

- a. Meeting Minutes – July 19, 2018 Commission Meeting
- b. Transcribed Public Comments – July 19, 2018 Commission Meeting
- c. Treasurer’s Report of September 2018
- d. askHRgreen Annual Report

Chair Hipple called for a motion to approve the Consent Agenda. Commissioner Ward Moved to approve the Consent Agenda; seconded by Commissioner Shepperd. The Motion Carried.

Acknowledgements

Mr. Crum acknowledged Dr. Ward for serving as Chair for the last two and half years. He noted that she has been very supportive in her role as Chair, and thanked her for all she has done for the region during her tenure.

Recognition of Staff

Mr. Crum recognized the following staff members for the time that they have been at the HRPDC. Ms. Rebekah Eastep, Environmental Education Planner III, Ms. Danetta Jankosky, Accounting Manager, and Felecia Williams, have been with the HRPDC for five years. Ms. Sharon Lawrence, Administrative Assistant II, Mr. Ben McFarlane, Senior Regional Planner, Mr. John Sadler, Emergency Management Administrator, and Chris Vaigneur, Assistant General Services Manager, have been with HRPDC for ten years. Ms. Sara Kidd, Senior Regional Planner, has been with the HRPDC for fifteen years, and Ms. Kelli Arledge, Human Resources Administrator, has been with the HRPDC for twenty years.

Virginia's Offshore Wind Supply Chain and Service Industry Opportunity

Mr. Will Payne of the Department of Mines, Minerals and Energy presented information from a report relating to Virginia's readiness for the offshore wind supply chain service industry. There are collaborations from the executive and legislative branches with the passage of the Grid Transformation and Security Act of 2018 relating to offshore wind. The legislation declares five gigawatts of utility-owned and operated solar and wind resources to be in the public interest. Governor Northern is committed to advancing clean energy resources statewide by the end of his administration. The State Corporation Commission is currently considering Dominion's Coastal Virginia Offshore Wind application, and by 2028, there will be five gigawatts of solar and wind deployed, including two gigawatts of offshore wind in Virginia's commercial lease area. Earlier this month, Governor Northam released the Virginia Energy Plan reaffirming the commitment to development off the coast of Virginia, as well as an aggressive pursuit of the supply chain and service industry. This supply chain project is a follow up to the Commonwealth's 2015 inventory of port assets and their readiness to accommodate offshore wind manufacturing and construction activities. The current study goes beyond waterfront infrastructure to also identify how the Commonwealth can best leverage its existing maritime workforce training programs and package its economic development incentives to enhance Virginia's already favorable business climate. The final report will serve as a partnership tool to connect offshore wind industry prospects from Europe and the Gulf of Mexico with Virginia's maritime businesses. It also will reconfirm Virginia's unique advantages and communicate offshore wind targeted workforce development and business incentive efforts underway. Mr. Payne encouraged the Commission to visit VaOffshoreWind.org to stay informed on their progress.

Mr. Andy Geissbuehler with consulting firm BVG Associates provided a brief history of his time working in the offshore wind business. He presented slides of charts that provided an overview of federal lease areas under the control of wind farm developers. He noted that those sites alone will allow the construction of about thirty gigawatts of offshore wind.

The vision is a collaborative multi-state concept. Virginia has the best logistics. By forming a cluster with Maryland, Delaware, and North and South Carolina, Virginia will evolve as the natural leader.

Mr. Geissbuehler concluded the presentation summarizing the competitive advantages Virginia offers for offshore wind:

- Pro-business climate
- Strategic geographic location
- Unmatched port infrastructure
- Congestion-free navigation
- Progressive energy policy stance
- Zero air draft restrictions
- High-quality maritime workforce
- Abundant waterfront land and infrastructure
- America's largest shipbuilding industry

Commissioner Rosemary Wilson asked how offshore wind will be affected by hurricanes. Mr. Geissbuehler stated that Virginia has a different environment from Europe from which the technology has been transferred. The blades can be pitched in a way where there will be minimum impact from the wind blowing through.

Mr. Crum asked if there is anything that the 17 member localities could do collectively to leverage this opportunity as a job creator. Mr. Geissbuehler stated that enthusiasm from the leaders would help move the project forward. He also stated that any financial support of targeted infrastructure investments in terms of economic development partnerships between the states, the Port of Virginia and the 17 member localities would be beneficial and productive.

Commissioner McClellan asked if there has been a resolution of support for the project in terms of economic development. Mr. Crum stated a resolution of support can be drafted for consideration at the November meeting. Commissioner McClellan stated that in recognizing Go Virginia's purpose to create high paying jobs, this would be an opportunity to form a subcommittee and look at what can be done regionally. She asked if there would be an opportunity to submit a GO Virginia grant application for a center of excellence for offshore wind in Hampton Roads. Mr. Crum suggested sending the recommendation to the Chief Administrative Officers (CAO) Committee at an upcoming meeting. He also recommended working with them to determine if this could be an opportunity for a GO Virginia application.

Proposed Sea Level Rise Planning Policy and Approach

Mr. Ben McFarlane, HRPDC Senior Regional Planner, briefed the Commission on a proposed sea level rise planning and policy approach. The approach has been developed by staff based on research from the Virginia Institute of Marine Science (VIMS) and the National Oceanic and Atmospheric Administration (NOAA). It has also been vetted by both the Coastal Resiliency Committee and CAO Committee. He noted that working together as a region on coastal resiliency issues is important in terms of moving forward.

Approaching this issue regionally would provide support for localities, make regional coordination simpler, create a default position for state and federal entities on policies and projects, and demonstrate to the public that the region is working together on this issue. The proposal has two components, planning scenarios and engineering recommendations. Mr. McFarlane presented a list of recommendations:

- Utilize best available sea level rise projections
- Explicitly account for construction timeline, project lifespan, criticality, and vulnerability to flooding
- Utilize U.S. Army Corps of Engineers calculator and 2017 NOAA sea level rise curves to determine possible sea level rise impacts
- Perform benefit-cost analysis of options to determine cost-effective approach to sea level rise adaptation

The recommended scenarios are:

- For near-term decisions (2018-2050): 1.5 feet of sea level rise above current Mean Higher High Water (MHHW)
- For medium-term decisions (2050-2080): 3 feet of sea level rise above current MHHW
- For long-term decisions (2080-2100 and longer): 4.5 feet of sea level rise above current MHHW

The next steps for implementation are local guidance policies, public facilities manuals, local ordinances, local comprehensive plans and regional plans. The proposed action for the Commission is to adopt a resolution recommending that local governments in Hampton Roads incorporate the recommended policy and approach into their local plans and policies.

The second component of this recommended approach consists of the most recent NOAA sea level rise projection curves, which have been modified to account for local vertical land movement. The recommended approach is for local governments to utilize these curves during the planning and design process to determine, based on the requirements of a specific project, how to account for sea level rise in a cost-effective manner.

Mr. Crum stated the proposal presented by Mr. McFarlane came from the Coastal Resiliency Committee and the CAO Committee with a recommendation of approval. Chair Hipple asked what the 1.5 feet in Virginia Beach would equal to in James City County. Mr. McFarlane stated that there is a bit of variation throughout the region that gets more significant when you go into the tidal inlets. Basically there are areas in James City County that would be vulnerable to that same amount of sea level rise in Virginia Beach.

Commissioner Dave Hansen urged the Commission to contribute to being a smart and resilient region through the application of science, modeling and engineering and to fund solutions that preserve economic vitality. Regionally, everyone is connected by water and when the wind blows and the water rises, it requires mandatory evacuation in some cities. How do you engineer a solution that will preserve the livelihood of citizens? One of the benefits in the State of Virginia is the importance of the United States Department of Defense for National Security. Virginia has the ability to leverage three tiers of financial support through state, local and federal funds. The cost that it takes to fund this project is less than it would take to recover after a disaster if it occurs. The region has to balance between building roads and schools, and keeping economic vitality incentives in place. This is a critically important issue, and the region needs to ban together. He urged the Commission to support the proposal before them today.

Chair Hipple called for a motion to approve the proposed sea level rise policy resolution. Commissioner Hansen Moved to approve the resolution; seconded by Commissioners Mamie Johnson and Andria McClellan. The Motion Carried.

Commissioners Cindy Rohlf and Leroy Bennett depart

Hampton Roads Regional Economic Benchmarking Study

Mr. Greg Grootendorst, HRPDC Chief Economist, presented an overview of the Hampton Roads Regional Benchmark Study. The original study was funded by the Office of Economic Adjustment with the purpose of providing quality indicators for socioeconomic variables in Hampton Roads to help inform the decision making process. The report includes information on demographics, transportation, education, quality of life, local comparisons, etc. He presented a graph to demonstrate how Hampton Roads ranks compared to other Metropolitan areas. While civilian employment has recovered, the military is still suffering a substantial loss in personnel. Among similar sized regions, Hampton Roads ranks among the lowest in terms of employment growth within the economy over the past three years.

Mr. Grootendorst also presented charts and graphs on measures of income, noting that median family income (MFI) is indicative of economic wellbeing, and that Hampton Roads MFI compares favorably to that of the nation. In terms of the unemployment rate, there has been a steady decline, much in line with national and state trends. In recent years, cuts to defense contracts have exacerbated the cuts to military personnel, causing the region to have a difficult time recovering from the recession.

As international trade increases, so does the incoming cargo through the Port of Virginia. Tourism expenditures in Hampton Roads have increased 13.2% from the prerecession peak, in spite of declines in hotel revenue. He noted that tourism is a relatively mature component of the region's economy. Retail sales revenues have increased by 11.8% since the prerecession peak, but have only increased at an annualized growth rate of 1.2% since 2006. When adjusted for inflation, retail sales have actually declined by 1.1% since 2006, reducing the spending power on a year-over-year basis. The housing market is local so the experience across the jurisdictions and neighborhoods can differ substantially from the region. The region is unlikely to realize substantial growth in housing prices because there are a lot of foreclosures still on the market, interest rates are going up, and tax policy changes are reducing incentives to purchase more expensive houses. In reviewing the market in terms of sales and the number of days it takes to sell a home, the housing market in the region appears to be healthy.

Mr. Grootendorst stated that Hampton Roads has 37th largest metropolitan population in the United States. He presented a histogram that revealed the school population is declining because the Next Generation is smaller. In terms of education, Hampton Roads ranks 91.5% on high school equivalence compared to the US average of 88%. He also presented charts and graphs on graduation rates and per pupil school spending in Hampton Roads.

Inflation-adjusted, per capita government expenditures have declined since the Great Recession. In the categories of public works, parks and recreation, judicial administration, public safety, general government administration and community development, regional expenditures are above the state average. However, expenditures on education and health and welfare are below the state average. Overall, the quality of life in Hampton Roads is above the national average. He concluded by encouraging the Commissioners to review the report. He also offered to present this information to individual localities.

HRPDC Three Month Tentative Schedule

Mr. Crum noted the three month tentative schedule.

Advisory Committee Summaries

Mr. Crum highlighted the Advisory Committee Summaries section of the agenda.

For Your Information

Mr. Crum noted correspondence from the Lieutenant Governor's Office, Department of the Navy, and letters from the cities of Franklin, Norfolk, Chesapeake, Newport News, Williamsburg and the Town of Smithfield appointing and reappointing voting members to the Hampton Roads Planning District Commission.

Old/New Business

There was no old or new business

Adjournment

With no further business to come before the Hampton Road Planning District Commission, the meeting adjourned at 2:15 p.m.

Michael Hipple
Chair

Robert A. Crum, Jr.
Executive Director

**Transcribed Public Comments of the
October 19, 2018 HRPDC Commission Meeting**

Mr. Mark Geduldig-Yatrofsky: *Good Afternoon; Madam Chair, Honorable Commissioners, and fellow interested parties. If you were present for the meeting that ran over, I have some good news for you. You need not worry about the trestles, if the New York Times special incident of August 5, 2018 is correct, because there will be sea water from the current bounds of the Atlantic to the foot of the Appalachian Mountains by 2035 or thereabouts. The prediction is based on the current buildup of carbon dioxide in the atmosphere. The expectation is that the current rate, and it's an accelerated rate, that by 2035, the mean temperature across the planet will be three degrees centigrade higher than the level at the beginning of the industrial revolution. Now, that forecast is even more dire than the one that the UN issued within the last week. So my purpose in standing here and sharing this with you is first of all, I want to share the burden because that report in the New York Times has interfered with my sleep since August. The other thing is I want to underscore the urgency of doing things that will stop the temperature from rising to those levels. That means basic things for many people. Don't sit in your car and eat your lunch while running the motor because you are needlessly spewing carbon dioxide into the atmosphere. Those of you who are responsible for the management of cities, don't let your vehicles idle. That's really a small change, but it all contributes to the buildup, doesn't it? There are dramatic changes that have to happen and the UN climate change report indicated that. We are talking about massive investments, but the consequences of doing nothing are just unimaginable. As somebody who has grandchildren, I am really concerned about the impact on them. With any luck, I will be gone before the worst effects occur, but we can't sit here and do nothing. Thank you.*

Ms. Eileen Woll: *Good Afternoon. My name is Eileen Woll, and I'm the offshore wind program director of the Sierra Club. I live and work in Norfolk. With offshore wind, Hampton Roads leaders have an immediate opportunity to strengthen the economy for working families and create safer healthier communities here by tapping into our vast offshore wind resources. Last month, BVG Associates produced and released a report, and I have some copies in the back entitled, A Vision for Offshore Wind. The report reinforces the critical role that Virginia's key decision makers play in positioning the Commonwealth as a national leader in the growing US offshore wind industry during the next decade. The vision report specifically points to Hampton Roads' unique infrastructure and geographical advantages as key to developing two gigawatts of offshore wind; enough to power 500,000 homes all by 2028. Quoting from the report, "by immediately leveraging its competitive advantages, Virginia can already supply key components to the first wave of offshore wind projects under development in New England. As a result, Virginia will derive immediate economic benefits while maturing its offshore wind supply chain ensuring development of its own offshore wind by 2028, and providing the tipping point for a second wave of projects notably off the Kitty Hawk area in North Carolina". At the time of heightened alarm of global climate challenges. Our construction of two gigawatts, offshore wind will eliminate three million tons of carbon pollution each year; the equivalent of taking 642,000 cars off the road. It would also reduce our reliance on dirty out-of-state electricity by 30 percent. The economic opportunities of offshore wind would also prove transformative to our regional economy. Offshore wind has the potential to create thousands of jobs with construction, manufacturing, maintenance, and*

logistics that can never be outsourced overseas. As Jim Spore from reinvent Hampton Roads noted at our recent offshore wind town hall, the Hampton Roads area is the second most vulnerable in the United States of sea level rise and the impacts of climate change. We have an opportunity, almost the moral responsibility, as Jim put it, to confront that massive issue with just as massive of a solution. Offshore wind provides us with an opportunity to re-brand ourselves, if you will, not as a victim to the climate crisis, but instead as a beacon of a clean energy future and as a forward thinking sustainable community. Leaders in Hampton Roads play an important role in making this clean energy future a reality. DMME and others will outline a few of those roles. It's all really great stuff, and I encourage you each to roll up your sleeves and get involved. I also want you to keep your mind open to the big picture in your work here. As pointed out in Sunday's Virginian Pilot editorial, despite dire predictions about what will take place should global temperatures continue to rise offshore, the IPCC concludes that change is still possible. Be that change in Hampton Roads. Please make offshore wind happen. Thank you.