

Hampton Roads Planning District Commission Summary Minutes of May 17, 2018

The May 17, 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

Dr. Ella P. Ward, Chair (CH)

Randy Martin, Treasurer (FR)

Barry Cheatham (FR)*

James Baker (CH)*

Roland Davis (CH)

Robert Geis (CH)*

Debbie Ritter (CH)

Brent Fedors (GL)

Donnie Tuck (HA)*

James Gray (HA)

Mary Bunting (HA)

Randy Keaton (IW)*

William McCarty (IW)

Andria McClellan (NO)

Doug Smith (NO)*

Sharon Scott (NN)*

David Hux (PQ)*

Randy Wheeler (PQ)

Michael Johnson (SH)

Barry Porter (SH)

Peter Stephenson (SM)

Patrick Roberts (SU)*

Dave Hansen (VB)

Louis R. Jones (VB)

Robert Dyer (VB)*

Barbara Henley (VB)

Rosemary Wilson, (VB)

Neil Morgan (YK)*

Thomas Shepperd, Jr. (YK)

Commissioners Absent:

Michael Hipple, Vice Chair (JC)

Phillip Bazzani (GL)

William Porter (JC)

McKinley Price (NN)

Cynthia Rohlf (NN)

Kenneth Alexander (NO)

Mamie Johnson (NO)

Thomas Smigiel (NO)

John Rowe (PO)

Lydia Pettis-Patton (PO)

T. Carter Williams (SM)

Linda Johnson (SU)

Tyrone Franklin (SY)

John Seward (SY)

Ben Davenport (VB)

John Uhrin (VB)

Paul Freiling (WM)

Executive Director:

Robert A. Crum, Jr.

Other Participants:

Vincent Jones (PO)

Wynter Benda (NO)

*Late arrival or early departure.

Others Recorded Attending:

Brian DeProfio (HA); Britta Ayers, Bridget Parker, Brian Stilley, Jerri Wilson (NN); Morgan Wayland, (NO); Carl Jackson (PO); Randolph Cook (SH); Bryan Stephens (Hampton Roads Chamber); Rick Weddle, Greg Scifres, Gene Deprez (HREDA); Cathie Vick (Port of Virginia); Jim Spore (Reinvent Hampton Roads); Jo Hartst (VDSS Eastern Region); George Faatz (Virginia Natural Gas); John Reinhart (Virginia Port Authority); Andy Fox (WAVY TV 10); Ellis W. James (Sierra Club); Citizens: Donna Sayegh; Staff: Keith Cannady, Kelli Arledge, Shernita Bethea, Rob Case, Shirley Core, Rob Cofield, Katie Cullipher, Andrea Gayer, Greg Grootendorst, Whitney Katchmark, Mike Kimbrel, Sharon Lawrence, Mike Long, Ben McFarlane, Jenny Redick, Matt Smith, Joe Turner, Chris Vaigneur, Sheila Wilson.

Approval/Modification of Agenda

Chair Ward requested modifications or additions to the agenda. Hearing none Commissioner Thomas Shepperd Jr., 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

Ms. Donna Sayegh provided comments on the Sanitary Sewer Overflow Reporting System Support (SSORSS), consultant services contract and regional economic competitiveness in Hampton Roads. She suggested that the marketing, communication and tourism departments communicate with the Economic Development Authority and HREDA so that the citizens of Portsmouth could be informed on how such organizations can be used as a resource to help Portsmouth coordinate activities that promote economic growth.

Mr. Ellis James expressed concern about sea level rise and off-shore drilling. He informed the Commission that there are cities and agencies that have expressed their concern and opposition to the off-shore drilling issue. He trusts that the Commission will maintain its position of opposition to off-shore drilling.

Commissioner Sharon Scott arrives

Personnel and Budget Committee Report

Commissioner James Baker reported that the Personnel and Budget (P&B) Committee unanimously recommended that the HRPDC FY19 budget be approved. On behalf of the P&B Committee, Commissioner Baker expressed his gratitude to all the Commissioners that participated in the Executive Director's annual evaluation process. The P&B Committee is recommending that the HRPDC approve the contract extension for Mr. Robert A. Crum, Jr. for an additional three years.

Chair Ward called for a motion to approve the Executive Director's contract extension for a three year period. Commissioner Baker Moved to approve the Executive Director's contract extension for a three year period; seconded by Commissioner Dave Hansen. The Motion Carried.

Commissioner Bob Dyer arrives

Executive Director's Report

Mr. Crum reported that as a recipient of federal dollars for both the HRPDC and HRTPO, there are Title VI requirements that need to be met by the HRPDC in terms of community participation. In order to meet such requirements, the agency has created a Department of Community Affairs and Civil Rights which will serve both the HRPDC and HRTPO. The department will be led by Ms. Kendall Miller, Principal, Office of Community Affairs and Civil Rights.

Mr. Crum pointed out a letter in the Agenda signed by Commissioner Andria McClellan of the City of Norfolk, inviting the Commissioners to participate in a Local Government Advisory Committee meeting of the Chesapeake Bay Executive Council to discuss protecting and restoring local waterways. Commissioner McClellan explained that she serves on the Chesapeake Bay Local Government Advisory Committee which consists of six states and the District of Columbia. The committee meetings are held quarterly and focus specifically on local elected officials' concerns regarding TMDL and water quality. She stated that the meeting will be held on June 18th at 9:30 a.m. in the City of Virginia Beach at a location that is to be determined.

Mr. Crum recapped the HRPDC proposal to create a subcommittee that will collect information and strategize on the issues of sea level rise. Commissioner McClellan noted that sea level rise is one of the top issues facing the Hampton Roads region today. While economic development is a very important and critical issue within the region, such developments will be limited in a decade if the issue of flooding and sea level rise is not addressed. She encouraged the Commissioners to consider participating on the subcommittee with hopes that the PDC could draft legislative priorities for the next General Assembly session. Mr. Crum asked those that are interested to contact him and he will provide their names to Chair Ward.

Mr. Crum invited Mr. Bryan Stephens, President/CEO, Hampton Roads Chamber, to inform the Commission of the upcoming interregional visit coordinated by the Hampton Roads Chamber. Mr. Stephens acknowledged Andy Fox for the outstanding series presented on WAVY 10 in regards to the business environment in Hampton Roads. In the series, Mr. Fox talks about the economy, where it is in relation to other regions, and what needs to be done to make the economy more economically viable. In the latest series, Mr. Fox illuminated the fact that Reinvent Hampton Roads, 757, and other organizations are doing a lot to address the challenges in the Hampton Roads economy. He also informed the Commission that the Hampton Roads Chamber is conducting inter-region visits to regions similar to Hampton Roads that are succeeding at a greater extent in terms of enhancing the economy. Mr. Stephens noted that the Chamber will visit Pittsburgh next as their economy was suffering before coming together as a community. Now, Pittsburgh is a successful region because

they diversified their economy and revitalized Pittsburgh's downtown area. Mr. Stephens stated that the reason for the visit is to talk to their leaders and find out what they did to revitalize their economy. He noted that the information for the trip can be found on the Chamber's website at: www.hamptonroadschamber.com and encouraged city managers and elected officials to attend or send someone on their behalf. He informed the Commission that once he returns to the region, he would like to brief the HRPDC on the facts and data collected from Pittsburgh during the visit.

Approval of Consent Items

The following items were on the Consent Agenda for approval:

- a. Meeting Minutes – March 15, 2018 Commission Meeting
- b. Transcribed Public Comments March 15, 2018 Commission Meeting
- c. Treasurer's Report of March 2018
- d. Consultant Services Contract Task Order – Sanitary Sewer Overflow Reporting System (SSORS) Support
- e. Consultant Services Contract Task Order – Hampton Roads Fats, Oils, And Grease Online Certification (HRFOG.com) Support
- f. Urban Area Security Initiative (UASI) Contracts
- g. Department of Environmental Quality (DEQ) Chesapeake Bay TMDL Phase III Watershed Implementation Plan (WIP) Contract – Locality Coordination

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

Annual HRPDC Work Program

Mr. Keith Cannady, Deputy Executive Director, HRPDC, briefed the Commission on the HRPDC Work Program for FY2019. The work program is updated and published annually by the Commission. It describes the work the HRPDC will undertake in the coming year, and serves as a good source of information for the public about who we are, our departments, projects, and committees, and how the agency engages with the community throughout the region. The Work Program is also a part of the annual report the HRPDC provides to the Virginia Department of Housing and Community Development. The report is organized by HRPDC department and it identifies the staff and committees that support each of the core programs. Some examples include public communication, community engagement, compliance with Title VI and environmental justice requirements, support for the region's advisory committees, and administration of State Homeland Security and Urban Area Security Initiative (UASI) programs. Other core programs include efforts to promote water conservation, water quality, and recycling. The HRPDC implements a number of homebuyer assistance programs and also provides data on regional GIS, economic benchmarking and forecasting. The Work Program also supports municipal drinking water programs, stormwater management, and programs to protect the Chesapeake Bay. Mr. Cannady informed the Commission that the agency is about to complete the Joint Land Use Study (JLUS) for Norfolk and Virginia Beach, and is preparing a similar JLUS for Chesapeake and Portsmouth. There is also work in progress to research

coastal resiliency programs, and the agency is about to proceed on the 30 percent design of a regional broadband initiative that will include five Southside cities and eventually expand to include the region. In August, the HRPDC will begin to prepare legislative priorities for the upcoming year. He noted that the HRPDC staff will be focusing on the competitiveness of the Hampton Roads economy and will be seeking funding from the Economic Development Administration (EDA) to prepare a Comprehensive Economic Development Strategy (CEDS) in the upcoming year.

Chair Ward called for a motion to approve the FY19 HRPDC Work Plan. Commissioner Peter Stephenson Moved to approve the Consent Agenda; seconded by Commissioner Hansen. The Motion Carried.

Fiscal Year 2019 Budget

Ms. Nancy Collins, Chief Financial Officer, HRPDC, briefed the Commission on the FY2019 Budget. She stated that the HRPDC has maintained the 80 cents per capita membership dues that have been in place since 2013. The budget allows for a 2.5% salary increase for staff. The budget also includes additional pass-through funding of over half a million dollars that the HRPDC continues to receive in order to serve the localities in terms of hosting projects such as the broadband initiative. There is also an 8.2 % healthcare premium increase. Ms. Collins pointed out several reports in the agenda packet depicting the various historical trends of the revenue sources, expenditures, and reserved balances. In comparing the total budget for 2019 to the current fiscal year's budget, the HRPDC is anticipating an 8.1% increase in revenues. The majority of the increase is due to JLUS, Homeland Security grants and the new broadband initiative. Ms. Collins noted that the report indicates how local membership dues have increased over the years while the state allocation to the HRPDC has decreased significantly over the same time period. These funding sources cover the federally mandated matching funds for certain federal government grants, administrative staff support, building cost, maintenance, etc. In conclusion, Ms. Collins noted that there are future budget considerations that affect the HRPDC financial future such as incurring more maintenance costs of the Regional Building which is now 32 years old. Health care costs continue to rise, several of the IT systems such as computer networks, the main operating software system, and telephone system are no longer under warranty and replacement parts are no longer available. The HRPDC also needs to provide competitive wages to retain staff. There are plans to modernize meeting rooms D/E to provide additional boardroom space.

Chair Ward called for a motion to approve the Fiscal Year 2019 Budget. Commissioner Louis Jones Moved to approve the Fiscal Year 2019 Budget; seconded by Commissioner Barry Cheatham. The Motion Carried.

Regional Economic Competitiveness

Mr. Crum informed the Commissioners that the primary topic for the HRPDC meeting is to discuss strategies to improve the economic competitiveness of the Hampton Roads region. He noted that economic competitiveness is a premier challenge in the entire region. He presented a chart which reveals that Hampton Roads is not comparing well economically to other regions. The goal of the conversation is to strategize on how to improve economic

competitiveness as a region. The HRPDC has created journey to work maps for each locality and Mr. Crum demonstrated how those maps work. He pointed out that when you put all of the maps together, it reveals how interconnected and reliant the 17 individual government units as a region are on each other.

Hampton Roads Economic Development Authority (HREDA) Update

Mr. Grig Scifres, Chair, Hampton Roads Economic Development Alliance (HREDA), provided an overview of business growth in Hampton Roads. He presented slides that revealed how the region has been performing for the last ten years. What was discovered is that Hampton Roads' job market has not experienced any growth, and that has caused college students and workers within key age groups to leave the region in order to find work. It has also restricted business growth and expansion. Mr. Scifres also noted that uniformed military employment has declined by 25% since 2003. Hampton Roads ranked 95th out of the top 100 metro areas in job growth from 2015-2016. The region currently ranks 89 out of 100, and household income is lower than it was 20 years ago.

Mr. Rick Weddle, HREDA, President and CEO, informed the Commission that the IBM Plant Location International Group assisted HREDA with creating a path forward for the Hampton Roads region. That plan was built off a cluster-based economic development strategy created by Virginia Economic Development Partnership (VEDP) and IBM for the Commonwealth of Virginia. IBM's work with HREDA includes evaluating and selecting the best business and industry sectors for diversified growth, analyzing economic competitiveness, developing an aggressive national best practice go-to-market strategy, and identifying needed competitiveness improvement actions that will make Hampton Roads a more formidable competitor for economic growth and success within the next ten years. Mr. Weddle noted that the go-to-market strategy would increase their organization's output by 50% generating about 2000 new jobs over the next decade. Working together with the 17 localities would allow them to implement business environment improvement recommendations that can create between 60,000 to 120,000 thousand new jobs over the next decade creating a one percent increase in overall employment.

Mr. Gene Deprez, IBM, provided a brief overview of IBM and the process used for Hampton Roads in terms of how investors see Hampton Roads compared to all other competitors. He noted that his presentation is an objective assessment of Hampton Roads from an investor's perspective. They were able to define the industry sectors that could be used for the competitiveness analysis: shared services, IT, logistics, food and drink, advanced manufacturing, life sciences, and data centers. These sectors were compared to likely competitors using a cost quality map which determines the region's value in terms of strengths, weaknesses, main competitors, and priority areas for business improvement. The main focus of the evaluation process is to determine what the region offers competitively. The report determined that the key improvement needs for Hampton Roads are talent, cluster, infrastructure, real estate, and cost. Mr. DePrez noted that this analysis spans across the region and is a combination referred to as the economic development ecology map of different elements such as talent, innovation, finance, infrastructure, etc. He noted HREDA's role includes investment promotion, advocating policy with partner organizations, and networking partnerships.

Mr. Weddle reported that over the next few years, it is very important to begin to transform the role of HREDA to be able to enhance business growth. In order to do that, the focus needs to be shifted from a lead generation and referral service to a more comprehensive and proactive economic development branch at a regional level to represent the communities and function as a prime point of contact for companies looking to locate to the region. HREDA would be a policy advocate for things that will improve the competitive position of the region overall. Mr. Weddle recommended that HREDA become more proactive in the area of economic development across the broad spectrum.

Commissioner Donnie Tuck asked Mr. Weddle what HREDA originally felt their mission was to serve the region, and where that guidance came from. He also asked if they ever suggested to their board how they could best serve the region versus what they are doing to serve the region. Mr. Weddle stated that HREDA has been very consistent from the beginning about the need and the ability to add value and partner in that value for economic development. Progress has been made; however ranking last out of 100 metro areas suggests that work still needs to be done, and he has discussed the problem with the board. Some of the changes that need to be made are revealed in the best practice analysis that IBM has done globally around the world. Mr. Scifres stated that if you want to transform your approach to the economic development business whether on a local or regional level, you have to get a call to action. People must understand the scope of the problem and then reach consensus around a path forward solution. If an effort is not put forth, the economic results will continue on a downward trend, and the region will continue to underperform against competitive regions.

Mr. Scifres reported that HREDA's Board of Directors governing structure changed in 2017. The current board structure is made up of an equal number of elected officials or representatives from the 11 jurisdictions that participate in HREDA and an equal number from the private sector. Eventually, there will need to be discussion about what it takes to finance this regional effort. The discussion today is a preliminary attempt to give an idea of what types of resources it is going to take to fund this regional effort.

Commissioner Shepperd asked out of the metro areas being compared to Hampton Roads, how many of those regions have 17 different localities, major rivers and the Chesapeake Bay. He also asked what the motivation is for cities such as Virginia Beach and York County to work together regionally. Each locality is held accountable to their constituency. Tax dollars have to be monitored and the land has to be used correctly. Commissioner Bob Dyer asked what efforts are being taken to marshal and utilize a consortium of academic and university resources that may be attractive as a driver for economic development in terms of companies locating their businesses in the region, allowing students to have internships within their companies, and having inducements to stay. Mr. DePrez stated that business decisions made by investors are made on a regional basis, and then they decide where they want to be. To address competitiveness, the factors will include talent and infrastructure compared to cost. The process would be similar to the cost quality map presented earlier. In terms of university presence, when Netscape was searching for a second location outside of Silicon Valley, they used the same process outlined in the IBM presentation. They decided to locate in Pittsburgh because the city had students graduating from Carnegie Mellon University that wanted to remain in the area but were all under-employed.

Mr. Weddle stated that the consultant has not been tasked with the broader issue of engaging the universities, which is one of the things that the report recommends. Regarding the industries of the future, the report suggests that the region should be doing a better job with the industries of today. Once that is accomplished, Hampton Roads would be much better positioned for the industries of the future because the main focus would be on talent, workforce, and the ability to staff those facilities.

Commissioner Roland Davis stated that when the study was done, the linkage between the continued military dependence and the regional performance is probably the closest thing that has caused the decline. He asked if regional broadband was a part of the study. Mr. DePrez stated that there was an extensive stakeholders' series of meetings in which military and defense was discussed, and the analysis was adjusted to include such information. However, companies are going to be focused on what the region has to offer today in terms of attracting the kind of talent they scout for and what the future of their company would be in the region.

Commissioner Doug Smith stated that you cannot run a city with a lack of economic growth. HREDA is doing what has been asked of them, which was to bring in new leadership, figure out a successful model, and how to grow the economy. He stated that the report is very informative and it will take time to make it work. We can continue the conversation about the quality of life, beaches, and an improved transportation system, but businesses are not even looking to locate in the region. He pointed out a slide that suggests HREDA is starting to get more involved in the economic growth of businesses in the region. With hard work, improvements can be made.

Commissioner Tuck pointed out an article in the Raleigh News and Observer which talks about Apple opening a branch in Wake County which is a rural area. It was a \$1 million investment that employs 50 people. He noted regional broadband and data centers are some of the attributes the region has. He asked what the findings were on shovel-ready sites as well as talent, and what is it the region lacks in terms of competitiveness. Mr. Weddle acknowledged the City of Virginia Beach for improving competitive positions on data centers, which is more competitive in terms of cost structure than any other location in Virginia. He stated that he ran the Research Triangle Park in the Raleigh, Durham, Chapel Hill areas of North Carolina. The original data centers were placed there mainly because of cheap power and aggressive incentive packages. He noted that the research for that project was founded in 1959, and their long history has contributed to the rich talent pool. Commissioner Rosemary Wilson stated that HREDA has put forth a plan for which she would be in support of but with the assurance of results and performance measures.

Commissioner McClellan stated that one of the biggest issues in Hampton Roads is lack of regionalism. Companies are not considering moving here just to be in a city within the region, but businesses come here because of the region, so this plan needs to be thought about regionally. For example, if a company comes into one city, they will more likely hire talent from the surrounding cities. This move takes political courage, and if this is not a regional effort, Hampton Roads will continue to be in the 95th percentile.

Commissioner Fedors stated it seems everything is fragmented, and economic development is not just an issue in Hampton Roads, but in Virginia overall. Business

development is thought of more than economic development in this instance. He asked who is generating business leads, why they are separate, and why is there an overlap. If Hampton Roads is the biggest area in the state, why is VEDP not more involved? It appears there might be some opportunity to get an understanding and alignment of everyone's responsibilities. He suggested considering VEDP regional offices consisting of participation from all of the jurisdictions, and leveraging EDA for best knowledge of localities focusing on infrastructure and resources such as sites, talent, logistics and infrastructure. That would clarify who is held accountable for what.

Mr. Scifres pointed out information about Omaha, who has completed a five year plan. They raised \$25 million, generated over 300 projects, \$4.2 billion in capital expenditures, and 13,000 new jobs. That led them to start another five year plan with a budget of \$35 million. Hampton Roads can achieve the same goals if everyone works collectively. He asked that they review the report, and it will give them an idea of IBM findings and recommendations. Commissioner Debbie Ritter stated that it would be important to have a conversation with policy makers within each individual city. The loss of Joint Forces was difficult because losing one ship reduces the opportunity for people with higher incomes. She suggested coming back with specifics because a more detailed pathway would be extremely helpful. Mr. Scifres stated that measuring progress is essential to making progress. It also says that you may be doing the wrong things. Any kind of business plan is going to have a rigorous set of metrics. He noted that the full plan has a very detailed set of recommendations. Ms. Ritter suggested presenting the information to any locality that would like a more detailed analysis, or provide a copy of the report to the localities through email so they can read it. More knowledge allows for better decisions. Mr. Weddle stated that the full slide deck will be made available to each locality.

Mr. Crum deferred his report on the Regional Economic Development Sites Inventory.

Commissioners James Baker, Bob Dyer, Donnie Tuck, Neil Morgan and Randy Keaton depart

Virginia Economic Development Partnership (VEDP) Update

Mr. Stephen Moret, President and CEO, VEDP, presented an overview of the competitive position of the State of Virginia and each region in terms of potential opportunities and specific suggestions for Hampton Roads. Mr. Moret pointed out the positive findings for the Commonwealth:

- Top 10 for educational attainment, higher education, and K-12
- Attractive small sites (<25 acres) in some regions
- Mid-Atlantic location contiguous to Washington, D.C.
- Below-average state/local tax burdens for existing firms
- Impressive Port of Virginia, Northern Virginia airports, and spaceport
- Diverse range of high-quality employers and Housing Quality Standard
- Impressive range of federal labs, higher education research

Mr. Moret also pointed out the areas where there is a significant set of weaknesses:

- Lack of customized workforce incentive program offerings

- Meager inventory of large sites (especially 100+ acres) and certified sites
- Site development timeline/cost challenges due to lack of investment and topography
- Uncompetitive state/local tax burdens for new investment
- Metro, traffic congestion challenges in Northern Virginia; road limitations in rural Virginia
- High reliance on federal government-related activities
- Limited commercialization of intellectual property relative to our assets

There is a limited inventory of prepared medium-size and large-size sites, and the most common reason that the Commonwealth loses manufacturing projects is because of the lack of prepared sites. There is also a high tax burden for new firms and the expansion of particular firms. All of the things presented have collectively resulted in negative rankings. Currently, the Commonwealth was 36th in employment growth, 42nd in gross state product, and 46th in growth of median earned income. Both the Commonwealth and Hampton Roads have been underperforming, but Hampton Roads has been underperforming for a longer period. That underperformance has caused the state to experience domestic migration. There are more people moving out of Virginia than into the state that are highly educated. Ten years ago, Virginia was regularly considered the best state for business. Today, the state ranks lower in every national ranking including North Carolina and Georgia who trailed Virginia in 2009. He noted that Virginia is one of the only states in the country that does not market itself for business investments. As a consequence, Virginia has dropped six places in National Business Climate Rankings, which is below the Commonwealth's most aggressive competitor states, and has also fallen out of the Top 10 states for Business in every National Survey of Executives.

He presented slides that reveal how consultants view the state in particular categories such as prepared sites, workplace development, incentives, etc. The state trails our top competitors in nearly every category. However, Virginia is relatively viewed well, but viewed behind the competing states for business investments and jobs. The three biggest reasons that the State falls behind in the major business climate ranking is due to business cost, economic climate and growth, and perceptions of CEOs. Tens of thousands of jobs per year need to be added to the job market in order to get back into the top five to ten states. VEDP worked with a variety of business executives, legislative officials, administration leaders, and local regional partners on a strategic plan with hopes to get Virginia back in a more leadership position in terms of economic development. There were five big goals that all the leaders embraced:

- Over the next several years, position Virginia to achieve a growth rate among that of the top 5-10 states in the U.S.
- Ensure that every region participates in the growth of the Commonwealth
- Restore Virginia to its previous leadership position near the top of the national business climate rankings
- Reestablish VEDP as America's premier state economic development organization
- Exhibit collaboration and coordination as hallmarks of VEDP (i.e. place a central focus on the "P" in VEDP)

VEDP also worked with their Economic Growth Strategy Group and IBM to determine if such goals are achievable and if so, how can they be accomplished. The group determined the goals are achievable, but not on the current trajectory that Virginia and the region are on. They were able to come up with a detailed strategic plan. He pointed out three types of strategies: improve economic competitiveness, assemble strategies of project ready sites, and expand broadband into rural areas. VEDP will begin the creation of a world-class customized solution in July. The biggest growth opportunities in the region are technology, onshore delivery centers, software development, world-class transportation logistic hub, manufacturing, and operations centers of excellence such as unmanned systems. Mr. Moret stated that there needs to be a balance on marketing across Virginia in order to strengthen trade development programs. Efforts will also be put forth to improve special national trade efforts. In the Hampton Roads region, federal government concentration with the historic lack of investment is a key challenge. He commended HREDA for their report that creates a more detailed path to success. He suggested prioritizing sites for growth targets and not just objectives that are strategic for the region. He noted that economic development in Virginia is small compared to competing states in terms of funding and resources. He also noted that Virginia lacks awareness in terms of standing out like competitive markets, and suggested working with university and state leaders to expand the pipeline to key technology drivers.

Commissioner Shepperd commended Mr. Moret for his report and asked what is the greatest thing inhibiting the region. Mr. Moret stated that there is a term that is called a resource curse which applies to places that have incredible agriculture and mineral wealth. In order to attract certain manufacturing projects, there need to be shovel ready sites. If shovel ready sites are not available, then businesses are going to where they are located. He noted that there are states that are zoned properly, have completed the environmental work, and have the infrastructure. He also stated that incentives are a challenge because the state has not chosen to compete on that level in which other states have.

Commissioner Ritter stated that the vast majority of workforce development funding went to Northern Virginia. She asked how Mr. Moret sees himself positioning his group in keeping all of the regions in Virginia competitive, as well as help the region receive state grant funding in order for Hampton Roads to become more competitive. Mr. Moret stated that Commissioner Ritter's comment has given him an action item to take a look at. There are aspects of economic development VEDP can control or directly influence. The workforce program is more project specific, where those projects go is where the support will go. He also offered to come back throughout the year to assist the region with producing an economic growth plan.

Mr. Crum recommended that this information be reviewed by the CAO Committee. The Committee could recommend the appropriate next steps to compete as a region. Commissioner Bunting stated that the CAOs will review the report and strategize on ideas to bring back to the Commission. She stated that the excellent reports produced by HRPDC staff on an ongoing basis have revealed that our performance against other regions is not where it should be. She stated that there are a lot of positive findings in the IBM report the CAOs could work together to address. Mr. Crum suggested partnering with staff, CAOs, and HREDA in terms of next steps, and come back to the Commission with action recommendations.

Commissioners Robert Geis, David Hux, Barry Cheatham, Patrick Roberts, and Rosemary Wilson depart.

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 Local Advisory Committee to the Chesapeake Bay Executive Council to discuss protecting and restoring local waterways, and background information on Virginia Economic Development Partnership.

Old/New Business

Adjournment

With no further business to come before the Hampton Road Planning District Commission, the meeting adjourned at 2:27 p.m.

Ella P. Ward
Chair

Robert A. Crum, Jr.
Executive Director

**Transcribed Public Comments of the
May 17, 2018 HRPDC Commission Meeting**

Ms. Donna Sayegh: *Good Afternoon. My name is Donna Sayegh and I live in Portsmouth. On today's agenda 7d talks about consultant services contract task order regarding Sanitary Sewer Overflow Reporting System (SSORS) support This system is a spill reporting and tracking system that helps localities with the notification and reporting requirements for sanitary sewer overflows. This consultant services contract is with CH2M to provide professional services on a task order basis and funded by the localities through the Regional water waste program for \$25,000. Portsmouth has a planning department, and since the city is helping fund this project, our city needs to have a method of having For Your Information notes with contact information so we the people can stay informed on our Planning Commission meetings. On item number 10, there is information regarding Regional Economic Competitiveness. Hampton Roads Economic Development Authority (HREDA) has worked with a consultant team and regional stakeholders to analyze the Hampton Roads economy and make recommendations to improve regional economic performance and create jobs. Some of the findings include we are very weak in job creation and collaboration with local and state economic development staff, and we need to expand business and regional assets like the Port of Virginia and the military. What Donna has learned recently is that a Memorandum of Understanding was created on May 10th with the military without the citizens' knowledge or participation. This action needed to have been done through the regional board. Another observation is the city is doing business to get people in the city to spend money to support the restaurants and hotels. The citizens get the invitation but are not part of the planning process to know the financial ramifications of these events. The people need to know in advance why these events are occurring and assess the financial reports after the events. How can we the people be informed through our Economic Development Authority about this HREDA program? Next, we have a Portsmouth Port and Industrial Commission that needs updates on what is being planned in the Port. How can we the people learn how the HREDA can help Portsmouth? There are so many communication lines down within Portsmouth as well as with the regional resources. Our marketing, communication, and tourism department needs to be communicating with our Economic Development Authority as well as with the HREDA program. How can we use this resource to help Portsmouth coordinate activities to promote our economic growth? Thanks for listening.*

Mr. Ellis James: *My name is Ellis W. James. I reside in the City of Norfolk and occasionally dabble in lots of other issues up and down the coast. We are now in the midst of trying to deal with the question of sea rise and off-shore drilling. At the same moment, our friends in Virginia Beach are struggling trying to hold the green line. I don't mean the word struggling to be disrespectful. The fact of the matter is that the farmers and those persons in Virginia Beach who have decided to help slow down the development in a reasonable way are having problems, and I think our acting mayor would be the first one to acknowledge the existence of that situation. The effort to high jack the effort to stop the off-shore drilling is not something that I appreciate. There are cities and agencies and governments up and down the East Coast who have now expressed their concern and opposition to the off-shore drilling issue. I hope that this Commission, which expressed strong opposition to the off-shore drilling will maintain its position and pay close attention to what's going on. The recent reports from the*

Navy especially are very disturbing. The reports that are dealing with the possibility of the United States being tied up and involved in several wars and in several locations around the world is certainly not going to play into the help that we need in Hampton Roads to be able to protect our shoreline as we have discussed previously. Madam Chair, thank you.

FISCAL YEAR 2018
5/31/18
STATEMENT OF REVENUES AND EXPENDITURES
92% OF FISCAL YEAR COMPLETE

REVENUES	Annual Budget	Previous YTD	Current Month	YTD	% Received /Expended
STATE PDC REVENUE	\$ 151,943	\$ 151,943	\$ -	\$ 151,943	100%
DEQ	65,600	71,980	29,001	100,981	154%
HOUSING DHCD/ PORTSMOUTH/ CHESAPEAKE	342,292	254,476	-	254,476	74%
WATER QUALITY ASSESSMENT	749,902	439,674	91,318	530,993	71%
VDEM	394,460	122,993	117,882	240,875	61%
Local Jurisdiction Membership Dues	1,380,621	1,238,573	99,743	1,338,315	97%
Local Jurisdiction Programs	2,533,227	1,538,546	197,928	1,736,474	69%
HRMFFA	43,732	17,500	-	17,500	40%
JLUS	753,000	164,125	-	164,125	22%
GO Virginia	-	29,919	5,081	35,000	0%
SALES, INTEREST & MISC	140,333	77,771	10,302	88,073	63%
VDOT-PL SEC 112	2,378,624	1,015,789	481,969	1,497,758	63%
HRTAC	106,500	39,590	25,991	65,581	62%
HRTAC - SEIS Feasibility Study	3,000,000	57,913	46,130	104,043	3%
VDRPT 5303	693,944	211,859	155,775	367,634	53%
SP&R	58,000	25,581	17,051	42,632	74%
SPECIAL CONTRACTS/ DEFERRED	196,824	14,033	-	14,033	7%
Total Revenue	<u>12,989,002</u>	<u>5,472,265</u>	<u>1,278,171</u>	<u>6,750,436</u>	52%
EXPENDITURES					
PERSONNEL	\$ 4,792,100	\$ 2,986,598	\$ 296,926	\$ 3,283,524	69%
STANDARD CONTRACTS	175,525	19,728	1,805	21,534	12%
SPECIAL CONTRACTS/PASS THROUGH	7,486,737	1,752,945	350,600	2,103,546	28%
OFFICE SERVICES	534,640	179,382	21,855	201,236	38%
INDIRECT COSTS	-	1,430,105	142,183	1,572,288	0%
Total Expenses	<u>12,989,002</u>	<u>6,368,759</u>	<u>813,369</u>	<u>7,182,127</u>	55%
TOTALS	<u>\$ -</u>	<u>\$ (896,494)</u>	<u>\$ 464,802</u>	<u>\$ (431,692)</u>	



**HAMPTON ROADS PLANNING DISTRICT COMMISSION
RESOLUTION 2018-01**

**A RESOLUTION OF THE
HAMPTON ROADS PLANNING DISTRICT COMMISSION
AUTHORIZING SHEILA S. WILSON, INCOMING CHIEF FINANCIAL OFFICER
TO SERVE AS SIGNATORY ON ALL HRPDC FINANCIAL ACCOUNTS
EFFECTIVE OCTOBER 1, 2018**

WHEREAS, the Hampton Roads Planning District Commission's (HRPDC) current Chief Financial Officer (CFO) will retire effective September 30, 2018; and

WHEREAS, Sheila S. Wilson, the HRPDC's current Senior Accounting Manager, will be promoted to the CFO position effective October 1, 2018; and

WHEREAS, to ensure all agency financial transactions continue seamlessly upon this transition and to allow Ms. Wilson to perform the duties of the CFO position, it is necessary for the Commission to authorize Ms. Wilson to perform these duties.

NOW THEREFORE, BE IT RESOLVED that the HRPDC hereby authorizes Sheila Wilson to perform the duties of the HRPDC Chief Financial Officer position and serve as signatory on all HRPDC financial accounts effective October 1, 2018.

APPROVED and ADOPTED by the Hampton Roads Planning District Commission at its meeting on the 19th day of July, 2018.

Ella P. Ward
Chair

Robert A. Crum, Jr.
Executive Director/Secretary