

**Hampton Roads Planning District Commission
Summary Minutes of January 17, 2019**

The January 17, 2019 Meeting of the Hampton Roads Planning District Commission was called to order by the Chair at 12:45 p.m. in the Regional Board Room, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

Commissioners in Attendance

Michael Hipple, Chair (JC)	Randy Wheeler (PQ)
Andria McClellan, Vice Chair (NO)	John Rowe (PO)
Randy Keaton, Treasurer (IW)	Brian Thrower (SM)
James Baker (CH)	Michael Johnson (SH)
Stephen Best (CH)*	Barry Porter (SH)
Debbie Ritter (CH)*	Leroy Bennett (SU)
Ella Ward (CH)	Patrick Roberts (SU)
Barry Cheatham (FR)	Sanford Wanner (SY)
Brent Fedors (GL)	Bob Dyer (VB)*
Donnie Tuck (HA)	Dave Hansen (VB)
James Gray (HA)	Barbara Henley (VB)
Mary Bunting (HA)	Rosemary Wilson (VB)
William McCarty (IW)	Sabrina Wooten (VB)
McKinley Price (NN)	Andrew Trivette (WM)
Courtney Doyle (NO)	Neil Morgan (YK)*
Mamie Johnson (NO)	Sheila Noll (YK)
David Hux (PQ)	

Commissioners Absent:

Robert Geis (CH)	Lydia Pettis-Patton (PO)
Phillip Bazzani (GL)	T. Carter Williams (SM)
Scott Stevens (JC)	John Seward (SY)
David Jenkins (NN)	Louis Jones (VB)
Cynthia Rohlf (NN)	Paul Freiling (WM)
Kenneth Alexander (NO)	
Doug Smith (NO)	

Executive Director:

Robert A. Crum, Jr.

Other Participants:

Wynter Benda (NO)

*Late arrival or early departure.

Others Recorded Attending:

Brian DeProfio (HA); Jim Icenhour (JC); Angela Hopkins (NN); Bridjette Parker (NN); Bryan Stilley (NN); Bob Baldwin (PO); Bill Mann (Greater Peninsula Workforce Board); Shawn Avery (Hampton Roads Workforce Council); Judith Brown (League of Women Voters); Michael Giardino (Peninsula Airport Commission); Kimberly Pierceall (The Virginian-Pilot); Drew Lumpkin (US Senator Mark Warner's Office); Diane Kaufman (US Senator Tim Kaine's Office); Citizens: Mark Geduldig-Yatrofsky; Zane Havens; Chris Stone; Staff: Keith Cannady, Kelli Arledge, Shernita Bethea, Rob Case, Rob Cofield, Shirley Core, Katie Cullipher, Rebekah Eastep, KC Filippino, Andrea Gayer, Ashley Gordon, Logan Grimm, Greg Grootendorst, Whitney Katchmark, Sara Kidd, Mike Kimbrel, Mike Long, Benjamin McFarlane, Cynthia Mulkey, John Sadler, Matt Smith, Jill Sunderland, Joe Turner, Elizabeth Vandell, Chris Vaigneur, Sheila Wilson.

Approval/Modification of Agenda

Chair Michael Hipple asked for modifications or additions to the agenda. Hearing none, he asked for a motion.

Motion: Commissioner Ella Ward Moved to approve the agenda; seconded by Commissioner McKinley Price. The Motion Carried.

Submitted Public Comments

Chair Hipple indicated there were no Submitted Public Comments and asked to proceed to the Public Comment period.

Public Comment

Mr. Mark Geduldig-Yatrofsky appealed to the Commission to encourage residents to purchase flood insurance and cited the devastation of recent hurricanes to highlight its regional importance. To increase the number of insured citizens, he also urged the Commission to petition the federal government to allow incremental flood insurance payments, because in many cases, the high annual lump sum premiums are prohibitive.

Executive Director's Report

Mr. Robert Crum, HRPDC/HRTPO Executive Director, reported on a few handouts passed out prior to the meeting. First, a brochure entitled *Hampton Roads Regional Legislative Priorities* represents the regional priorities adopted by the HRTPO and the HRPDC and will serve as the 2019 Regional Legislative Agenda for this General Assembly session.

Mr. Crum informed the Commission that the HRPDC/HRTPO have been invited to Richmond on January 31, 2019 to address the Hampton Roads Caucus. He will coordinate with members of the Commission and the HRTPO to express priority items of regional importance.

The second handout Mr. Crum directed the Commission's attention to was askHRGreen's *Green Learning Guide*. Over 20,000 copies were printed allowing every third grader in Hampton Roads public schools to receive a copy. The guide attempts to reach third-grade children with a user-friendly environmental education message. Mr. Crum commended HRPDC's Katie Cullipher and Rebekah Eastep as well as the staff of the localities on a great job creating fantastic education material.

The third handout Mr. Crum described was a one-page document on offshore wind entitled *Not If, But When*. He stated the Commission will shift focus going forward to how the Hampton Roads region can create job generation related to this opportunity.

Wrapping up the Executive Director's Report, Mr. Crum acknowledged two newly appointed Commission members. Chair Hipple introduced and welcomed Ms. Sabrina Wooten of Virginia Beach and Ms. Sheila Knoll of York County. He also welcomed James City County's new Board of Supervisor's Chairman Jim Icenhour who plans to attend and observe several Commission meetings.

Team Up 2 Clean Up

Chair Hipple briefly described a letter inviting Mayors and Chairs to serve on a Team Up 2 Clean Up Honorary Board. Military commanding officers will also be invited to join, and Governor Ralph Northam and his wife, Mrs. Pamela Northam, will be asked to serve as the honorary board's co-chairs. This spring, Hampton Roads will be the national kick-off location for the 2019 Great American Clean Up, and this symbolic board is a group that can generate interest. The event, May 3, 2019 and May 4, 2019, will include multiple half-day community beautification projects with the engagement of hundreds of volunteers. Chair Hipple asked for confirmation of support and participation by February 15, 2019.

Approval of Consent Items

The following items were on the Consent Agenda for approval:

- a. Meeting Minutes – November 15, 2018 Commission Meeting
- b. Treasurer's Report – October 2018
- c. Treasurer's Report – November 2018
- d. Fiscal Year 2019 Budget Amendment
- e. Proposed Resolution Recognizing the City of Portsmouth's Comprehensive Plan for Addressing Resiliency
- f. Approval of 2019 Regional Meetings Schedule

Mr. Crum briefly referred to the proposed meeting schedule and went on to highlight the proposed resolution to recognize the City of Portsmouth's Comprehensive Plan for Addressing Resiliency. The Code of Virginia requires localities in Hampton Roads to incorporate provisions to address sea level rise, and the City of Portsmouth's new comprehensive plan, Build One Portsmouth, includes several strategies and tactics to address sea level rise and recurrent flooding. He congratulated Mayor Rowe and the City of Portsmouth and recommended the Commission approve and adopt the proposed resolution as part of the consent agenda. Chair Hipple called for a motion.

Motion: Commissioner John Rowe Moved to approve the Consent Agenda; seconded by Commissioner Barry Cheatham. The Motion Carried.

Commissioner Debbie Ritter departed

Workforce Development Update

Mr. Crum introduced presenters Shawn Avery, President and CEO of the Hampton Roads Workforce Council in South Hampton Roads and Bill Mann, Executive Director of the Greater Peninsula Workforce Development Board.

Shawn Avery thanked the Commission for inviting them to provide an update on regional efforts around workforce and talent development. He began by summarizing the relationship between the two Workforce Development Boards and the creation of the Southeastern Virginia Workforce Regional Collaborative which focuses on the two boards working seamlessly as one cohesive unit to better serve the community.

Mr. Avery outlined the Hampton Roads Workforce Council's product lines including a one-stop system for individuals, a business services division for employers; a youth division for the emerging workforce; programs that work with library systems, a veteran's employment center, and a 501(c)(3) organization. Current collaboration efforts include rebranding and aligning similar product lines within the organizations to offer a unified brand for the system. Particular areas of focus include:

- Virginia Career Works – With the help of the state, the one-stop career centers across the Commonwealth of Virginia have been rebranded into Virginia Career Works. It is the first of its kind in the state with only a handful in the nation.
- Hampton Roads Veterans Employment Center – Many localities offer veteran's services. The Hampton Roads Veterans Employment Center is a regional effort focused on connecting veteran's resources and services to offer unified career centers solely focused on helping veterans, transition service members, and their families get connected with education and to the local workforce.
- Hampton Roads Veteran's Career Compass – Hampton Roads Workforce Council received a grant from the Hampton Roads Community Foundation to establish a website component connecting employment opportunities with military transcripts of veterans and transition service members. The free service will launch to individuals once a base capacity of employers has been established. This regional effort at some point will include expansion to the state.
- NextGen – Coordination between the two organizations' youth workforce centers to better serve the emerging workforce generation by connecting the available regional opportunities such as with internships, summer employment, and mentoring.

- Hampton Roads Talent Alignment Strategy – Focus groups help identify skill sets in demand now and in the future to determine possible product offering gaps in our education systems. The final report, with projected completion in May, will offer a road map for funding sources to help fill those gaps by coordinating with educational partners.
- Hampton Roads Coalition for Talent Development – A new component that brings together educational partners to discuss regional workforce needs and investing in efforts to attract and develop regional talent.
- Steve Cook with the Hampton Roads Workforce Council will serve as the single regional point of contact for business and employer engagement.
- Streamlining policies and forms and combining labor market information to offer a seamless process for the employers regarding internships, work experience, incumbent worker training, on-the-job training, and customized training.
- Newport News Shipbuilding and Virginia Ship Repair Association need a lot of skilled workers and need them quickly to meet the Navy’s 355-ship proposal. The two organizations are supporting this initiative and America Builds and Repairs Great Ships together by investing \$150,000 in training funds.
- Virginia Offshore Wind Industry Advantage – The Hampton Roads Workforce Council served as the workforce component of the study released by the governor that convened all the partners in the K-12 system to make sure the region will have the workforce necessary for this emerging industry.

Mr. Avery concluded the presentation by sharing with the Commission that for the first time in 20 years, the two organizations are having a joint executive committee meeting in February and a joint board meeting in March. He stated it is an exciting time for workforce, talent, and economic development.

Chair Hipple asked for questions.

Commissioner Andria McClellan thanked Mr. Avery and Mr. Mann for their presentation and for working together. She shared with the Commission that while she greatly appreciates identifying workforce specific skill sets, she feels strongly that we need to focus on how to sell Hampton Roads’ quality of life in order to attract talent. The convention and tourist bureaus do a great job, but not on a regional or statewide level. She also indicated a target demographic to capitalize on may be “boomerang kids” moving back to the area. Ms. McClellan stressed that as the regional thinkers and leaders, the Commission needs to do a better job of selling the region.

Commissioner John Rowe commented that the two organizations working as one is quite an accomplishment and should be celebrated.

Motion: Commissioner Rowe introduced a motion to commend Shawn Avery and Bill Mann; seconded by Commissioner Ella Ward. The Motion Carried.

Commissioner Courtney Doyle expressed her excitement about the two boards coming together, acting as one, and using the resources to help all the cities within Hampton Roads. She shared that she views their efforts as an important start to regionalism, and she personally thanked and commended Mr. Avery and Mr. Mann for their efforts.

Mr. Crum asked Mr. Avery for additional information regarding the current number of participants in the youth workforce centers.

Mr. Avery stated the youth career center had 7,000 participants throughout the programs. He described that while there is a physical center located at Tidewater Community College Virginia Beach campus, much of the efforts of both organizations consist of offsite visits to schools and within communities. Mr. Avery asked Mr. Mann to share details with the Commission regarding the Peninsula's youth expo.

Mr. Mann described the Greater Peninsula Workforce Development Board's cooperation with the Virginia Peninsula Chamber of Commerce to host a youth career expo on an annual basis. The expo serves all the school divisions within the Peninsula, as well as a couple outside the region, and about 2,500 to 3,000 students attend. Offerings include mock interviews, workshops, and displays illustrating various occupations within demand industries and businesses. The expo is designed to connect high school education with post-secondary education and career pathways and generate excitement about the opportunities that the greater Hampton Roads region has to offer.

Mr. Crum requested additional information regarding workforce development training for the disciplines that can support the offshore wind industry.

Mr. Avery described their role of workforce development convener during the study for the governor by bringing together community representatives to discuss needs. He stated that the offshore wind industry is similar to the shipbuilding and ship repair industry centered on technicians. The K-12 system and community colleges are looking into developing pathways for those areas. As the industry expands, so will the program offerings.

Chair Hipple thanked Mr. Avery and Mr. Mann for their presentation and all their hard work.

Commissioners Bob Dyer, Steve Best, and Neil Morgan departed

Hampton Roads 2019 Economic Forecast

Mr. Crum introduced Mr. Greg Grootendorst, HRPDC Chief Economist. Mr. Grootendorst began briefing the Commission on the current economic landscape by providing a review of national and local trends. He referenced the past recession and stated that due to the Ford plant closing in Norfolk, the Hampton Roads region entered the recession before the Commonwealth and the United States and struggled to rebound. Nationally, all of the lost jobs have been regained, and the unemployment rate is nearing full employment; although, the regional jobs were not regained until four years after the state and the nation. While jobs rebounded, the regional gross domestic product declined 2.1 percent since 2007. Over

the past three years, Hampton Roads has compared poorly to other metropolitan regions. Employment has not been consistent across industries. Healthcare and Leisure and Hospitality, which is vitally important to the regional economy, are showing tremendous growth at the local and federal level. Federal Government, Scientific, and Technical have also seen solid growth over the past decade, but Local Government has had a difficult time, along with the Construction, Information, and Wholesale Trade industries.

Unemployment numbers in Hampton Roads dropped 55 percent, since its peak in 2009 and 2010. The region is below the long-term average rate and the long-term average number, so Hampton Roads is essentially at full employment. Hampton Roads compares poorly to the U. S. in terms of average wages and salaries, but the combination of low unemployment with a rising labor force should put upward pressure on wages in the region.

Commissioner Dave Hansen expressed concern with the cost to talent ratio. He stated that the region has enjoyed low salary ranges to provide government in the HRPDC jurisdictions, but the cost of government must increase to compete for necessary talent. Managers are already struggling with recruitment and retention standards, and as the economy improves, there will be more competitive employment opportunities with better benefits than what the government can offer. Eventually, the jurisdictions are going to see an impact on budgets to support quality of service.

Mr. Grootendorst responded that Commissioner Hansen made a good point. Although it is great for businesses to experience low-cost hiring, it makes competition for talent incredibly tough when you pay much lower wages than other places across the Commonwealth, the nation, and the globe. However, median family incomes and quality of life in Hampton Roads do track well.

Mr. Grootendorst noted that the DOD is a large part of the region's economy, but they have been shifting emphasis to contracting rather than personnel. The shift to defense contract, sequestration, budget pressures in D.C., and losing military personnel are why Hampton Roads has had such a difficult time recovering from the great recession. Military personnel exacerbated by increased defense contracting means the private sector in Hampton Roads has to struggle against an outflow of federal dollars, which makes it very difficult for the economy to move ahead.

The port is a healthy and vital component of Hampton Roads. Regional exports and imports match global trade almost perfectly. While the number of ships is down, the number of containers is up significantly due to the increased size of ships. The East Coast ports have done well, remain competitive, and are maintaining against other ports making significant investments.

Tourism is another large component of the region's economy and very diverse in nature. Across the region, the experience is not always similar, but overall tourism is up 13.2 percent since pre-recession. Although hotel revenues are down 2.9 percent, tourism expenditures are up. People are coming into the region through other means, and it is crucially important to expand on that.

Mr. Grootendorst also gave a brief overview on retail sales, which are consistently underperforming. An annualized growth rate of 1.2 percent in retail sales adjusted for inflation is a decrease of 1.1 percent a year in retail sales since 2006. The trend in retail sales shows people are spending less on goods and more on services, yet the Commonwealth does not tax services.

National and regional housing markets continue to slow. Hampton Roads housing market in terms of sales shows a healthy market with significant growth, but housing permits in Hampton Roads tell a different story of a significant drop in construction. Essentially, a cut in supply helped revive the market in terms of sales, and Hampton Roads foreclosures increased, which holds down housing prices. However, it also increases rent making housing less affordable.

Mr. Grootendorst concluded his presentation with the 2019 economic forecast for Hampton Roads. There is an expectation for an increase in civilian employment with the unemployment rate remaining stable. He also expects strong defense and consumer spending, increased wages, and continued high corporate profits, low energy prices, and national growth with federal funds flowing into Hampton Roads. He noted potential concerns include a growing risk of recession, national home price deceleration, global trade tensions, the European slowdown, rising interest rates, and the divided government. Mr. Grootendorst concluded his presentation by offering to answer any questions that the Commission might have.

Chair Hipple thanked Mr. Grootendorst for the informative presentation and asked the body for questions.

Mr. Crum described regional initiatives that serve as economic development opportunities to promote sustainable economic growth and expansion such as the regional fiber ring network, the regional economic development site inventory, restructuring HREDA as a regional economic development organization, a revenue sharing model, and the offshore wind industry. He mentioned the Work Program discussion scheduled for May, and he encouraged the Commission to take a leadership role in these and other potential initiatives to ensure longer-term economic growth.

Commissioner Andria McClellan reiterated the importance of marketing and urged the Commission, in conjunction with its partners, to consider a regional initiative to develop a brand and collectively market the quality of life in Hampton Roads.

Commissioner McKinley Price expressed the potential for a tremendous regional economic impact by Jefferson Lab and suggested the Commission consider support.

Commissioner Sanford Wanner suggested action on the Economic Forecast provided by Mr. Grootendorst, and Chair Hipple asked for a motion.

Motion: Commissioner John Rowe Moved to authorize the release of the economic forecast; seconded by Commissioner Barry Cheatham. The Motion Carried.

General Assembly Update

Chair Hipple indicated that Mr. Crum briefed the Commission with a General Assembly Update as part of the Executive Director's Report.

HRPDC Three Month Tentative Schedule

Chair Hipple noted the three-month tentative schedule.

Advisory Committee Summaries

Mr. Crum referenced the attached Advisory Committee Summaries.

For Your Information

Mr. Crum noted the following items in the For Your Information Section:

- City of Franklin Resolution in Support of Offshore Wind Energy Development off the Coast of Virginia
- Letter from the City of Virginia Beach appointing Mayor Robert M. Dyer to the Hampton Roads Norfolk and Virginia Beach Joint Land Use Study Policy Committee
- Hampton Roads Help to Others (H2O) Program Donation
- East Coast Offshore Wind "Not If, But When"
- Hampton Roads 2019 Regional Legislative Priorities

Old/New Business

There was no old or new business

Adjournment

With no further business to come before the Hampton Roads Planning District Commission, the meeting adjourned at 1:55 p.m.

Michael Hipple
Chair

Robert A. Crum, Jr.
Executive Director