

**Hampton Roads
Chief Administrative Officer (CAO) Meeting**

**MARCH 6, 2019
11:45 am
(Lunch served beginning at 11:30 am)**

**Franklin Business Center
601 N Mechanic St
Franklin, VA 23851**

I. Call to Order

II. Meeting Minutes

The summary meeting minutes from the February 6, 2019 CAO Committee meeting are attached for the Committee's review and consideration.

III. Approval of Agenda

IV. Hampton Roads Metropolitan Medical Response System

Mr. David Long, Executive Director of the Tidewater Emergency Medical Services Council, will provide the CAO Committee a briefing on the Hampton Roads Metropolitan Medical Response System (MMRS), which will include the following information:

- Background information on the history of the MMRS and the value it provides to the region's localities
- Current funding challenges
- Proposed strategy for consideration

It is anticipated that several emergency management professionals from the region's localities will also attend this discussion. Staff requests that the CAO Committee receive the presentation on the MMRS program and provide direction on how to proceed.

V. Regional Industrial Facility Authority

At the February 21, 2019 HRPDC meeting, the Commission received a presentation on the Regional Economic Development Sites Inventory. Following this presentation and discussion, the HRPDC unanimously approved the following action:

“The HRPDC supports a regional approach to site readiness and directs staff to explore funding opportunities to advance site readiness in Hampton Roads.”

During this discussion, HRPDC members also expressed support for considering joint site development and revenue sharing. As part of this discussion, it was noted that the Peninsula localities have developed a Regional Industrial Facility Authority (RIFA), which operates under guidelines set by the Code of Virginia and allows multiple localities to work together as a region. This RIFA supports revenue sharing and serves as a mechanism for sharing resources, and was developed to support the Unmanned Systems Testing Facility in York County (one of the HRPDC’s GO Virginia Applications).

The initial member localities of the Eastern Virginia Regional Industrial Facility Authority (EVRIFA) are the Cities of Hampton, Newport News, Poquoson and Williamsburg and the Counties of Gloucester, James City and York. The EVRIFA may be expanded to any locality within the region that would have been eligible to be an initial member.

Background information will be provided to the CAO Committee on the EVRIFA. As a follow up to the February 21 HRPDC meeting, staff requests that the CAO Committee discuss the potential to expand this RIFA to include joint site development and revenue sharing opportunities among any localities in the region that may have interest in this approach.

VI. Update on Hampton Roads Economic Development Alliance (HREDA) Memorandum of Agreement

CAO Committee members will be asked to provide an update on any discussions within their localities related to the HREDA Memorandum of Agreement.

VII. Other Business/Future Agenda Items

VIII. Adjournment

**Hampton Roads Planning District Commission (HRPDC)
Chief Administrative Officers Meeting
Summary Minutes of February 6, 2019**

The Chief Administrative Officers (CAO) Committee Meeting was called to order at 11:45 a.m. by James Baker, CAO Committee Chair and Chesapeake City Manager at the Center Street Grill (New Town) at 5101 Center Street in Williamsburg, Virginia. The following members were in attendance

James Baker, Chesapeake
Mary Bunting, Hampton
Brent Fedors, Gloucester County
Dave Hansen, Virginia Beach
Amanda Jarratt, Franklin
Michael Johnson, Southampton County
Randy Keaton, Isle of Wight County
Neil Morgan, York County
Lydia Pettis Patton, Portsmouth
Patrick Roberts, Suffolk
Cynthia Rolf, Newport News
Doug Smith, Norfolk
Michael Stallings, Windsor
Scott Stevens, James City County
Brian Thrower, Smithfield
Andrew Trivette, Williamsburg
Sandy Wanner, Surry County
Randy Wheeler, Poquoson

Others Recorded Attending

Robert Crum, HRPDC
Keith Cannady, HRPDC
Greg Grootendorst, HRPDC
Diane Kaufman, Senator Kaine's Office
Drew Lumpkin, Senator Warner's Office
Steve Herbert, HREDA
Mark Geduldig-Yatrofsky, Portsmouth Resident

Mr. Baker opened the meeting by thanking Mr. Stevens for hosting today's CAO meeting in James City County. He also noted his appreciation for the excellent attendance today and for everyone's continued participation in these monthly meetings.

Mr. Baker asked if there were any additions or revisions to today's agenda. There being none, the agenda was accepted as distributed by consensus of the CAO Committee.

Hampton Roads Economic Development Alliance (HREDA)

Mr. Crum provided background information on this item noting that over the past several months, the CAO Committee members have discussed the restructuring of a regional economic development program through HREDA. He noted that the provisions of a proposed Memorandum of Agreement (MOA) between HREDA's public sector partners and HREDA was discussed in detail at the CAO Committee's December meeting which was held in Portsmouth. The consensus expressed by the CAO Committee in December was that there was general agreement regarding the MOA. Mr. Crum distributed the MOA that was discussed at the December meeting to the CAO Committee.

Mr. Crum proceeded to introduce Steve Herbert, Interim President and Chief Executive Officer of HREDA. Mr. Herbert noted that he appreciated the opportunity to address the CAO Committee and described the work that has been advanced at HREDA since he assumed the duties of this position. Mr. Herbert noted that he recently convened a meeting of the Regional Economic Development Directors (RED Team), and he was very impressed with the attendance from the localities and the participation of each locality's economic development professionals in this meeting. He noted that Hampton Roads has many assets and qualities to promote to potential investors and that he and the HREDA staff are excited about working on behalf of the region to enhance our regional economy. He thanked the CAO Committee for its work on the MOA and asked CAOs to contact him if there are questions regarding the MOA. He also offered to attend meetings of local governments to explain the MOA and answer questions as the localities proceeded through the budget approval process. It was noted that the goal was to include the HREDA funding request for a \$1.00 per capita locality contribution in the budget year which begins July 1, 2019. The proposal also calls for an increase from HREDA's private sector partners.

The CAO Committee proceeded to have a roundtable discussion regarding the HREDA MOA and approach, sharing information on ongoing discussions in each locality.

Elizabeth River Crossing Agreement

Mr. Crum introduced this item noting that at the Hampton Roads Transportation Planning Organization's (HRTPO) January 17, 2019 meeting, the HRTPO received a staff briefing on the Elizabeth River Crossings (ERC) Agreement. This presentation included information on tolls at the Midtown and Downtown Tunnels and financial compensation events that may impact other projects in Hampton Roads. Following a discussion of this information, the HRTPO appointed a Task Force to study and provide recommendations related to this Agreement and directed the HRPDC/HRTPO Executive Director to provide staff support to this Task Force.

Mr. Crum handed out the presentation from the January 17th HRTPO meeting and reviewed it with the CAO Committee. On April 5, 2005, the VDOT Commissioner recommended that VDOT pursue procurement for:

- Development and operation of a new 2-lane tunnel at the Midtown Tunnel
- Maintenance, safety, and operational improvements to the Existing Midtown Tunnel, Existing Downtown Tunnels, and extension of Martin Luther King Freeway from London Boulevard to I-264

From May 2008 to January 2010, the State completed the following:

- Solicitation for Conceptual Proposals
- Independent Review Panel (IRP)
- Five Public Meetings
- CTB adoption of IRP's findings
- Interim Agreement signed by VDOT and ERC

On December 5, 2011, the Comprehensive Agreement for the Downtown Tunnel/Midtown Tunnel/Martin Luther King Freeway Extension was executed. A summary of this agreement is as follows:

- Project Cost - \$2.1 Billion
- Parties to Agreement:
 - VDOT
 - Elizabeth River Crossings (ERC) OPCO LLC
- Term - 58 Years
- ERC - Finance, build, operate, and maintain facilities during the Term
- VDOT - Retain ownership and oversight of tunnels

The Agreement noted that ERC has the exclusive right to impose, charge, collect, use and enforce the collection and payment of Toll Revenues in accordance with the terms of the Agreement:

- Toll rates set in accordance with Toll Rate Schedule
- Vehicle Classifications:
 - Light: Up to two axles and six tires
 - Heavy: Three or more axles
- Tolling Periods:
 - Peak Period: Monday - Friday
5:30 a.m. - 9:30 a.m. and 2:30 p.m. - 7:00 p.m.
 - Off-Peak Period: All other times
- ERC sets toll rates per the formula, instructions, and table included in the Toll Rate Schedule (Exhibit J of Agreement)
- Annual rates are reviewed by VDOT to ensure compliance with the Agreement

In accordance with the Agreement, ERC has the right to receive compensation for financial damages resulting from improvements to Alternate Facilities:

- ERC damages based on the difference in the projected cost and revenue related to the Project immediately prior to the occurrence of the Compensation Event and after taking into account the impact of the Compensation Event
- ERC damages determined by completing:
 - Traffic and Revenue Analysis
 - Net Cost Impact or Net Revenue Impact Analysis

Alternative Facilities are defined in the Agreement as those that are built and open to traffic during the Term as a result of:

- Construction of Patriots Crossing/Hampton Roads Third Crossing or any other crossing of the James River between the HRBT and MMMBT
- Construction of additional general purpose lanes on I-64, including the High Rise Bridge, between I-464 and Bowers Hill
- Expansion of the HRBT
- Construction or capacity expansion of any other facility owned or operated by VDOT that crosses the Elizabeth River or the Southern Branch of the Elizabeth River north of I-64

The CAO Committee discussed the terms of the ERC Agreement. It was noted that should a compensation event occur due to the construction of one of the “Alternate Facilities” mentioned in the Agreement, the compensation event would be the responsibility of the Commonwealth. Members noted concern that the proposed HOT lane network being evaluated by VDOT seems to be expanding in size and scope. It appears that the reason HOT lanes are being proposed, rather than general purpose lanes, is to avoid a compensation event rather than maximum traffic throughput. Members noted the need to monitor these discussions and provide assistance and support to the ERC Task Force.

Discussion of Upcoming Budget Process – Anticipated Salary Adjustments for Locality Staffs

Mr. Baker noted that at previous CAO Committee meetings, members indicated that it would be helpful for localities to share information on anticipated salary adjustments for locality staffs early in the budget planning process. The CAO Committee members held a roundtable discussion, exchanging information on the upcoming budget preparation process and potential salary adjustments for each locality’s staff based on local budget situations.

Adjournment

There being no future business to come before the CAO Committee, the meeting was adjourned at approximately 1:40 pm.

Respectfully submitted,
Robert Crum
Recording Secretary