

**Comprehensive Economic Development
Strategy (CEDS) Leadership Meeting –
Creating a Vision for Hampton Roads**
July 17, 2009

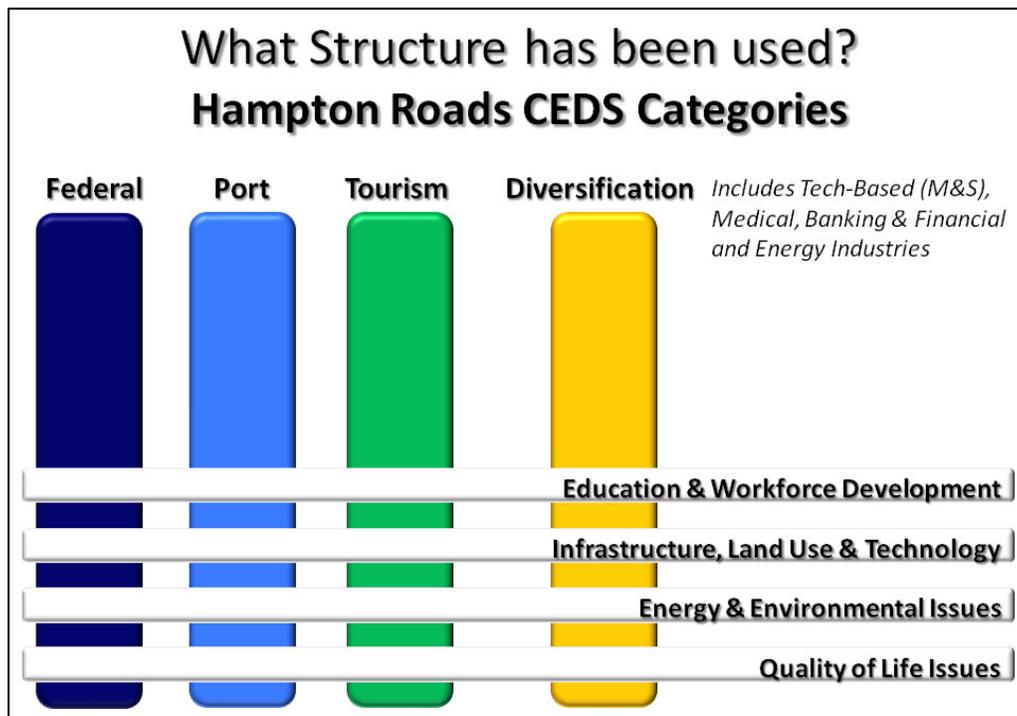


1. **Welcome and introduction of participants** – Dana Dickens
 - a. Attendance:
 - i. Kaufman & Canoles Contractors Doug Smith and Larry Malone
 - ii. HR Research Partnership representatives Lee Beach and Doug Dwoyer
 - iii. Subcommittee Leads Art Collins, Rob Cross
 - iv. HRPDC representatives Dwight Farmer and Greg Grootendorst
 - v. ODU Economist Larry “Chip” Filer
 - vi. HRP staff Dana Dickens, Jamie Atkinson (Intern), Donna Morris, Missy Schmidt
 - b. CEDS is a long-term economic development (ED) strategy establishing common goals and objectives for all ED-related organizations and municipal governments of the region. While having a CEDS in place allows the region access to potential federal EDA funding, it is not the sole or even the most important reason for this exercise.
 - c. For marketing purposes, the CEDS will be referred to as “*Vision Hampton Roads.*”
2. **Background** – Doug Smith & Larry Malone (Kaufman & Canoles Consulting)
 - a. The contractor’s role (KC) is to manage the project, guide the process and to provide a consistent format and form for the final document.
 - b. The region’s role is to use the methods developed with this first CEDS to maintain an on-going collaboration and to not leave the plan “on the shelf.” The process can be more important than the plan itself.
 - c. KC was chosen as the contractor due to their intimate knowledge of the region and experience with the CEDS process in other areas of the country.
 - d. HRPDC and HRTPO participation in the process is important. HRP serves as a regional “umbrella” for this work.
 - e. Enhancing economic development does not follow geo-political boundaries. Mobility, workforce competence, intellectual capital, public and private infrastructure and regional polices are all important factors in ED.
 - f. First step is to gather data already available to analyze the regional economy and use that data to create a prioritized action plan for the region to include consideration for financial and human capital, cross-cutting issues and flexibility for competition.
 - g. Second, a broad base of support from the public as well as the private sector is needed.
 - h. HamptonRoadsPerforms.org will provide good performance measures and help Hampton Roads communities better evaluate opportunities.

- i. The priorities addressed in the final document are important as EDA grants would be awarded based on these identified priorities.

3. **Committee Structure** – Dana Dickens

- a. Subcommittees have been formed to examine specific sectors of the regional economy:
 - i. Serve as forum for subject matter experts (SME) in economic sectors to discuss, review, analyze and understand how their sector is likely to change over the next 5-15 years and how performance of their sector affects performance of the entire regional economy, an on-going function of subcommittees in the future too.
 - ii. Generate individual reports summarizing information about the nature and anticipated performance of the sector; reports will form the basis of the CEDS document to be submitted to the Federal EDA.
- b. Structure has been developed to guide subcommittee discussions and to facilitate the process of preparing a meaningful CEDS document.
 - a) **Drivers of the regional economy** (vertical *Subcommittees*) are:
 - 1) Federal (including Military)
 - 2) Port (including Maritime Logistics)
 - 3) Tourism (including Arts & Culture)
 - 4) Diversification, maximizing assets of the 3 major economic engines of the region (including, but not limited to, Tech-Based/M&S, Medical, Banking & Financial and Energy Industries)
 - b) **Cross-cutting issues of the regional economy** (horizontal *Issues*) are:
 - 1) Education & Workforce Development
 - 2) Infrastructure, Land Use & Technology
 - 3) Energy & Environmental issues
 - 4) Quality of Life Issues



4. **Economic Analysis** – Greg Grootendorst (HRPDC) & Larry “Chip” Filer (ODU)

| <i>SWOT Draft</i> | | Data Sources |
|----------------------|---|---------------------------------------|
| Strengths | | |
| | Educated Workforce | Census 2000 or ?? |
| | Health Care Access | SOR 2000, 2003 and U.S. News recent |
| | Port/Harbor | |
| | Openness to Tourism / ROI | SOR 2008 Y-A study |
| | Income Distribution | SOR 2002 |
| | Access to Higher Ed | |
| | Open Spaces/Parks | SOR 2008 |
| | Location | |
| | Logistics | |
| | Stability of Military | |
| | Port (ice-free, deep, etc.) | |
| Weaknesses | | |
| | Mass Transit Miles | SOR 2008 |
| | Affordable Housing | SOR 2008,2007 |
| | Brain Drain | |
| | Crime | |
| | Lack of corporate HQs/local decision-making | |
| Opportunities | | |
| | M&S | New Study? |
| | Alternative Energy | |
| | Affordable Office/Commercial Space | |
| | BRAC job inflows | ODU's BRAC study |
| | Stimulus Money? | |
| Threats | | |
| | Flat/Slow Port Growth | forecast |
| | Flat DOD Spending | forecast |
| | BRAC of Oceana | study |
| | Traffic Congestion | |
| | Deterioration of Infrastructure | |
| | Loss of Carrier | |
| | | <i>SOR=State of the Region Report</i> |

- a. Greg and Chip will identify and pull together existing resources and condense the data for the SWOT. After discussion of format of the SWOT analysis, it was decided that region-wide “Strengths & Weaknesses” would be provided to each subcommittee (since

this is data-driven information) with which they may conduct the “Opportunities & Threats” portion for their specific category. Chip will then work with subcommittees on the “OT” portion of their work.

- b. It was noted there will be some overlap and some things for which we will not have data for this generation of CEDS. Additional data or new research required may be listed in an appendix to this CEDS document for future study, i.e. “Next Steps.”
- c. Links may be provided in the CEDS document for deeper data sources. The CEDS, referred to as “Vision Hampton Roads,” will have a related website for public information and comment. Beta site is <http://HRP.org/Site> (see “Strategic Plans”). The website will serve as a data repository as well (see “Resource Library”).
- d. May need “shift-share analysis.” Example: 75 cents of every dollar spent in Hampton Roads originates from the Dept. of Defense.

5. **Review questions for each subcommittee to consider /address [*]** – Doug Smith, Larry Malone

- a. **Background** – outline the importance of and the role of the “driver” in the regional economy. Information from the economists (Greg, Chip) will be available to draw upon for this section.
 - i. Number of employees relative to total number of employees in regional economy
 - ii. Total “driver” wages relative to total wages in region
 - iii. How have total “driver” numbers of employees and total wages changed since 1990 relative to the regional economy – is the “driver” becoming more or less important to the regional economy?
 - iv. Outline how operation of the “driver” is related to the operation of the other drivers and the overall regional economy; specifically address:
 - a) “Multiplier effect” of the driver in the local economy, i.e. how many other jobs in the region are generated relative to spending in the “driver”
 - b) Wages and skill level in the “driver” relative to wages and skill levels in other sectors of the regional economy

EXAMPLE: What do we look like without the military? It may be counter-intuitive; do we actually look better with the military separated out from the rest of the economy? Or are related industries here because of the military?

- b. **Major Issues** – project the likely performance of the “driver” in the regional economy over the next 5 and 15 years (2015 and 2025) particularly addressing economic health and how that economic health is affected by factors beyond the control of governments and businesses in Hampton Roads; specifically address:
 - i. Consumer spending and consumer confidence
 - ii. State and federal government spending and policies
 - iii. Energy availability
 - iv. National trade policies
 - v. Competition from other regions
 - vi. Technology changes and availability
 - vii. Credit and capital availability

EXAMPLE: *Has the economy naturally diversified from the military over the years? Are we more/less diversified than peer regions? Are we comparing against the right peers? (Compare Pensacola, Fort Collins, San Diego in terms of economic make-up rather than population or size) Should we compare ourselves to other nations (perhaps European port cities)?*

- c. **Financial Needs** – discuss overall financial needs of the “driver” over the next 5 and 15 year periods; the factors affecting those needs and the typical financing sources. Existing infrastructure will need to be reviewed.

EXAMPLE: *The medical industry is an important employer in the regional economy; what is the physical condition, age of facilities? Will significant capital investments be needed? If so, what are the sources? NOTE: original research is not required; subcommittees should draw on existing knowledge and expertise of subcommittee members.*

- d. **A. Role of Local Governments** – outline possible decisions that local government will be making over the next 5 and 15 years that are likely to impact the “driver.” How can decisions be influenced?

- i. Infrastructure decisions and/or policies
- ii. Tax decisions and/or policies
- iii. Land Use decisions and/or policies
- iv. Provision of public services decisions and/or policies

B. Role of State Governments – be cognizant of the fact that local government is relatively powerless except for land use decisions; the state holds most decision-making power.

EXAMPLE: *The City of Chesapeake’s decision to replace the Jordan Bridge in a public-private partnership. Also consider policy decisions such as hiring or spending on elementary education. Sewer rates are going to explode due to state and federal regulations; how does this influence local government decisions?*

- e. **Impact of Cross-Cutting Issues** – outline how each “driver” will be affected from two perspectives, by:

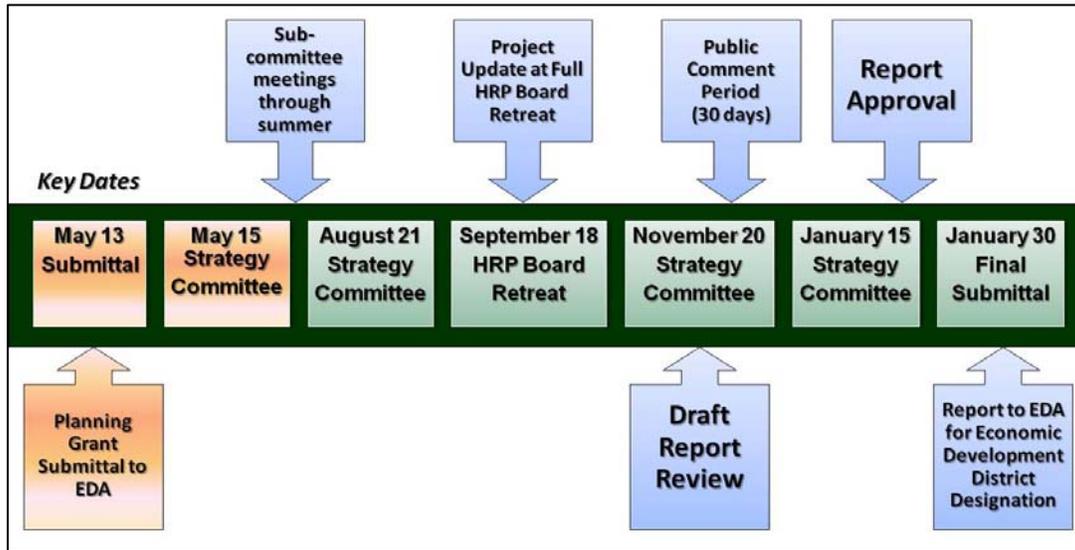
- i. Local government decisions and
- ii. The economic performance of the “driver” itself.

EXAMPLE: *Port activity over the next 5 and 15 year periods will have an impact on regional land use. Regional land use decisions and policies will have an impact on the operation of the Port. Both relationships need to be explored.*

Cross-cutting issues of the regional economy are:

- 1) Education & Workforce Development
- 2) Infrastructure, Land Use & Technology
- 3) Energy & Environmental issues
- 4) Quality of Life Issues

6. **Timeline and logistics** – Doug Smith and Larry Malone



- a. Subcommittees will need to meet several times prior to Labor Day.
- b. Subcommittee chairs should plan to attend the HRP Board retreat on September 18th.

7. **[*] Final CEDS Plan Document Format**

**EDA Specified Outline
Hampton Roads
Comprehensive Economic Development Strategy
Document Outline**

- A. Background
- B. Analysis of Economic Development Problems and Opportunities
- C. CEDS Goals and Objectives – Defining Regional Expectations
 - a. Goal A
 - i. Objective a. 1
 - ii. Objective a. 2
 - iii. Objective a. 3
 - b. Goal B
 - c. Goal C
- D. Community and Private Sector Participation
- E. Strategic Projects, Programs, and Activities
- F. CEDS Plan of Action
- G. Performance Measurers

8. **Hampton Roads Partnership Board Retreat** – Dana Dickens
 - a. By the HRP Retreat on Friday, September 18th, we should have a substantive framework in place.
 - b. Subcommittee chairs will present their work in break-out work sessions and get feedback from the full HRP Board and CEDS Strategy Committee members.
 - c. This will be the start of the “Vision” Goals and Objectives.
 - d. Subcommittees can then digest the feedback to finalize their portion of the plan.

9. **Next Steps**
 - a. Dana to send email to proposed subcommittee members as soon as possible explaining CEDS, inviting participation as SMEs, elaborating as to the benefit of their participation and advising that subcommittee lead will be contacting them for meeting(s).