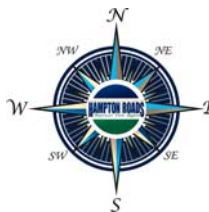


# ANNUAL IMPACTS

*The Hampton Roads Partnership's program of work is a journey, not a destination.*



If you only have time to read one thing produced by the Partnership this year, the complete **Annual Impact Statement** is it. It is the culmination of our busiest year yet ... with more initiatives, more actions and more participants than ever.

The Partnership has come a long way in its 14 years. At our inception, localities accounted for 40% of our annual funding. For Fiscal Year Ending June 30, 2010 (FY10), funding by business members provided 61% of financial support while municipalities contributed 23%; 7% of funding comes from higher education members and the balance from other sources including grants and interest income. In consideration of the negative impacts of the Great Recession, the Partnership has readjusted local governments' contribution to less than 20% of the total budget for Fiscal Year Ending June 30, 2011 (FY11).

## ***Why is Regionalism so important?***

Some regions are more successful than others in global competition. *Why?* The problem is rarely a lack of sufficient assets, it's the lack of the ability to think globally, strategize regionally and act locally.

Community-wide collaborations across the globe are drawing praise from those responsible for corporate relocation when the public sector, private sector and academia are working together for a better quality of life for all. A regional approach, working together for a common cause, is essential today.

Any discussion of "regionalism" almost immediately becomes controversial because the word means different things to different people. In Hampton Roads, regionalism is more about a natural sharing of services and cooperation among local governments, building the region's capacity, exactly the purpose of acting like a region. It's what we mean when we talk about leveraging and aligning regional assets to drive prosperity and quality of life.

The localities in Hampton Roads work together well. Unfortunately, successful collaborations do not always make news, because there is no public conflict. There are numerous success stories, and we should be encouraged by the work that has been done in our region to date.

The work of the Hampton Roads Partnership provides opportunities that move our communities forward, working together to address the key issues facing our citizens. Ways to help speed the pace of regionalism include:

- Reviewing state laws and work to remove roadblocks or provide incentives for regionalism;

- Fostering support for regionalism in the public and private sectors by focusing on true collaboration and partnerships as opposed to “consolidation”; and
- Promoting regionalism by private sector leadership; the business community has the influence and expertise to help localities become leaner, cost-effective and efficient.

Geo-political boundaries mean little in the global economy, and Hampton Roads today is defined as a region where we eat, shop, play, work and live, unrestricted by locality or maritime borders. Hampton Road’s economic influence has a profound effect on the entire Commonwealth, the nation and the world, and capitalizing on our region’s economic interdependence is critical to our individual successes, too.

We’ are stronger by cooperating and collaborating, therefore, the Partnership continues to promote *interdependence* among its seventeen member jurisdictions. We do not compete with each other, we depend on each other. HRP acts as a convener, a facilitator and an influencer on issues of regional concern.

**If the health of a single community is in jeopardy, we all suffer.**

Without inter-regional, *interdependent* cooperation, spanning the traditional boundaries of geographical and political jurisdictions, focusing on our common problems and developing cost-effective collective solutions, Hampton Roads *WILL* fall behind the rest of the nation and the rest of the world.

Hampton Roads must continue to practice the “art of the possible” and commit to the principle that the attraction, expansion or retention of a business to any part of our regional economy is a win for that area as well as the entire region.

According to the *Council on Competitiveness*, a non-partisan/non-governmental organization of CEOs, university presidents and labor leaders working to ensure U.S. prosperity, there are Three “C’s” of Regional Collaboration: Conversation, Connection and Capacity. In a knowledge-based economy, the ability to talk and think together is a vital source of competitive advantage and organizational effectiveness. The point is to focus on the future of the region and build regional awareness into the culture.

Regional awareness is a continuous process of embedding a regional approach. Since regions, which are essentially one workforce, do not often have an independent identity, a concerted effort is required to keep both leaders and citizens aware of their importance. Building regional awareness requires constant attention.

Building the culture of regional collaboration in Hampton Roads requires a number of ingredients, not the least of which is time.

***Where has the Hampton Roads Region been?***

The Partnership’s basic mission is the same today: to provide leadership to focus on the strategic issues that will improve Hampton Roads’ competitive position in the global economy. Over the years, HRP has made a significant impact by convening, collaborating and facilitating work with others. The key strategic issues remain: Gross Regional Product, Per Capita Income and Defense Spending Dependency.

The collaborative efforts of the region have led us to positive gains:

- **Gross Regional Product** – Few MSAs can boast the same steady growth as Hampton Roads can with an average of 3.4% over the past thirty-five years. The first negative growth was posted in 2009, albeit much smaller than the national average. During the Great Recession, Hampton Roads was among the country's 20 strongest metro areas in economic performance due to an economy stabilized by federal funds flowing in, according to analysis by the Brookings Institution.
- **Per Capita Income** – In 1996, Hampton Roads stood at 85-87% of competitor regions in this indicator. In 2009, the region saw the highest increase among the nation's largest metros with personal income rising 1.2%; other large metros dropped 2.3% on average. Per capita income is now just over 100% of the nation's per capita income levels and back to (or slightly exceeding) pre-Great Recession levels.
- **Defense Spending Dependency** – ODU's Economic Forecasting Project estimated the sum of defense spending in 2009 accounted for roughly 45% of gross economic activity in Hampton Roads, up from 28% when HRP was founded. This defense spending in the region has shielded us from Recession. Going forward, indicators are that defense spending in the region will not continue to rise, but decrease. Non-military federal spending has increased as well in the region since 2000.

### ***How has the Hampton Roads Partnership made a difference?***

**Hampton Roads has a lot to celebrate.** Other regions bemoan the difficulties in working together while Hampton Roads takes its place as one of the great regions of this country and this globe. Our individual communities do so much in their physical development and redevelopment; we truly work together as we ...

... **Think globally, strategize regionally and act locally.**

Some of our most recent regional successes focus on communication:

- Providing dialogue between "grass tops" and "grass roots" with the Hampton Roads Regional Blog <http://SmartRegion.org>, the answer to the call from citizens and local elected leaders, for one reliable regional source of information, a portal to connect Hampton Roads' organizations, citizens and civic leaders; and
- Providing information, a repository of links, documents and presentations essential to the economic health and quality of life in Hampton Roads via the website's Resource Library <http://HRP.org>.

### ***Where are the Hampton Roads Partnership – and the Region – headed?***

Much of HRP's time and effort in FY10 was devoted to helping partner municipalities and other regional organizations, institutions, industries and individuals to harness their collective energy toward the mission of improving Hampton Roads' competitive position in the global economy. HRP is where these tough "grass tops" discussions are held. Today, all jurisdictions are connecting with a *Vision* of the future and a roadmap of how to get there.

*Vision Hampton Roads*, the first region-wide Comprehensive Economic Development Strategy, is a plan based on the collective strengths of all localities of Hampton Roads. It is/was:

- Created with the input of over 150 volunteers from business, academia, nonprofits, government, military and nearly 500 citizens via public comment;

- A five-year roadmap of objectives, strategies and actions to cultivate our region to be **the** place where people want to live, learn, work, visit, play and raise families; and
- An action plan to guide state and local governments in decision-making toward common goals and objectives that are regionally viable, and enable us to measure our progress in terms of better, high-paying jobs, a highly educated workforce, increased per capita incomes, and enhanced entrepreneurial supports for new business.

What began as an exercise to obtain an Economic Development District designation from the U.S. Dept. of Commerce's Economic Development Administration (EDA) to make localities and organizations in the region eligible for federal grants has become much more.

This transformational planning exercise has brought people and priorities together like never before to create a dynamic *Vision*, an economic roadmap, for regional development. The final document with its addenda was submitted to EDA on April 1, 2010. All components may be downloaded and the implementation process followed at <http://VisionHamptonRoads.com>.

*Vision Hampton Roads* is not just a plan of the Hampton Roads Partnership. The alignment of many other regional organizations and local governments is the lubricant needed to keep this engine, this *Vision*, running smoothly and moving our community of communities forward, successfully. *Vision* is about hanging onto assets we have, growing and leveraging them for other opportunities. Without alignment of people, organizations, energies and resources to achieve these common goals and objectives, this becomes just another plan sitting on a shelf.

A significant feature of *Vision Hampton Roads* is the number of HRP members and community volunteers engaged through work on *Vision* Task Forces as we move toward a more Board-driven organization.

Performance matters and *Vision* has performance measures. The *Vision* Dashboard currently tracks ten economic indicators on the website, *Hampton Roads Performs* (<http://HamptonRoadsPerforms.org>):

- |                           |                           |
|---------------------------|---------------------------|
| 1. Business Start-ups;    | 6. Port / Maritime;       |
| 2. Employment Growth;     | 7. Poverty;               |
| 3. Modeling & Simulation; | 8. Research & Technology; |
| 4. Net Migration;         | 9. Unemployment; and      |
| 5. Personal Income;       | 10. Workforce Quality.    |

And, due to the preponderance of public comment focus on Transportation, metrics for Public Transit and Traffic Congestion will also be tracked.

The true test of *Vision Hampton Roads* will be if we can act on it effectively as a region.

### ***What impacts have been made this fiscal year in Hampton Roads?***

#### **Some highlights:**

- HRP initiated the Communicators Regional Roundtable, a group of the region's senior communication, public information and public affairs professionals from government,

military, businesses, colleges and universities, meeting semi-quarterly to discuss and collaborate more efficiently on issues of regional importance.

- HRP continues to work closely with the Hampton Roads Military and Federal Facilities Alliance (HRMFFA), especially providing administrative support. As we implement and expand upon the objectives and strategies outlined in *Vision*, the region will build upon the efforts and activities of HRMFFA to: proactively protect and defend the current range of military and federal capabilities. Other components of *Vision Hampton Roads* include proactively identifying and pursuing opportunities and activities to grow military and federal capabilities in Hampton Roads; and, to the extent possible through rigorous pro-activity, avoid being forced into crisis response and crisis management operations.
- HRP continues to work closely with *Vision* leads on the Port & Maritime Task Force strategies to become the premier East Coast port of call: Virginia Port Authority, Virginia Ship Repair Association and Virginia Maritime Association. The Port of Virginia is a tremendous economic engine for Hampton Roads and the entire Commonwealth. If Virginia can make the necessary investments to support anticipated growth, then the Port may very well reach *Vision's* objective by the time the Panama Canal expansion is completed in 2014.
- HRP worked with the Federal Reserve Board, at their request, to facilitate their visit learning about the Hampton Roads economy; the trip featured a maritime roundtable.
- HRP continues to work closely with *Vision* leads on the Tourism/Arts & Culture Task Force strategies: Virginia Arts Festival and Southeast VA Tourism Alliance. Tourism impacts practically all area businesses, contributing to quality of life through the influx of tax revenue, creation of jobs and rise of services and attractions that add to the vibrancy of life in Hampton Roads. The economic impact of arts and cultural organizations in Hampton Roads acts as a magnet for businesses wishing to locate here.
- HRP had modest success with the Commonwealth of Virginia's use of "Tidewater" in place of the proper regional name, Hampton Roads, but we have a long way to go to change these improper references to Hampton Roads on websites and within the departments themselves.
- HRP closed the Hampton Roads Film Office on June 30, which created over 750 jobs annually to taxpaying citizens in Hampton Roads, due to lack of funding despite Virginia's new incentives: approx. \$2.5M tax credit fund and \$2M Motion Picture Opportunity Fund which would have provided Hampton Roads the best chance in many years of landing major productions to bring in additional jobs and create even more economic impact. There will no longer be a proactive single point of contact to bring those dollars to the region.
- HRP leads the *Vision* Opportunities Task Force and continues to work closely with community volunteers, institutions and organizations focused on energy, environment and healthcare seeking opportunities fueled by an innovative culture. These sub-groups are led by HRP members with significant expertise, Earl Industries, Hampton Roads Sanitation District and Eastern Virginia Medical School, respectively.

- HRP co-sponsored a Leadership Forum with former U.S. Senator John Warner and the Pew Environment Group's Project on National Security, Energy, and Climate highlighting significant expertise on global climate change and the impacts to not only Hampton Roads but the nation.
- HRP worked with Virginia Offshore Wind consortium to align disparate alternative energy organizations under *Vision's* Opportunities strategy for "Coastal Energy" and lay the groundwork for the region's legislative agenda on energy.
- HRP leads the Public - Government Awareness & Policy Task Force and works to enhance and coordinate political engagement among local elected leaders, the Hampton Roads Caucus of the General Assembly, the Governor and his staff and the Virginia Congressional Delegation on behalf of *Vision Hampton Roads* and its Task Forces. From citizens during the *Vision* public comment period, we heard: "The old expression 'United we stand, divided we fall' comes to mind. So does 'Greater than the sum of its parts.' Except, right now, from where I stand, we feel like stray parts strewn across a garage. What I like about the Hampton Roads Partnership is they feel like the organization trying to put it all together."
- HRP worked with regional leadership, public and private, to collaborate on potential solutions in the wake of International Paper's closing announcement, including meeting with U.S. EDA officials on the status and to discuss economic and educational assistance available.
- HRP presented the comprehensive 2010 Hampton Roads Legislative Agenda developed in concert with the goals of the region to the Hampton Roads Caucus.
- HRP held the first regional Elected Officials Orientation to discuss ways of taking a more regional approach to business-related affairs within each city with co-hosts: HRPDC/HRTPO, both Hampton Roads and Virginia Peninsula Chambers, both workforce development boards (Opportunity, Inc. and Peninsula Council for Workforce Development), HRMFFA and Hampton Roads Economic Development Alliance.
- HRP works closely with the organizations leading the Infrastructure Task Force: the Hampton Roads Transportation Planning Organization (HRTPO) on transportation matters and on Water, Climate Change/Sea Level Rise, and Energy with the Hampton Roads Planning District Commission (HRPDC). Transportation is **the** regional issue that most impacts us on a day-to-day basis. This is no longer a quality of life issue; it is a readiness issue. It is also a funding issue, as we have aging and inadequate infrastructure, escalating costs and declining revenues as well as awareness/appreciation issues for the region's citizens.
- HRP participated with the Transit Vision Plan Phase II Steering Committee, focused on land use, including assistance to the study team with evaluating transit corridor proposals; analyzing future land use patterns along the corridors given market expectations; making recommendations for policies or strategies to guide coordinated short and long-term transit and land use planning; facilitating the Marketing Framework Development Workshop with the Communicators Regional Roundtable to provide important insights into development of marketing efforts and community outreach.
- HRP leads the Innovation Task Force and continues to work closely with community volunteers, institutions and organizations especially focused on the transformation of the Hampton Roads Research Partnership (HRRP) into ***Innovate!HamptonRoads*** (I!HR) in order to establish an innovation and entrepreneurship system for Hampton

Roads as outlined in *Vision*. HRP will be **the** place where technology comes together in the region as we work towards becoming a region of excellence for clusters of cutting edge technology-based business innovation and education.

- HRP continued to devote a Program Manager to focus on the modeling & simulation cluster who also serves annually as Deputy Chair of MODSIM World. The 2009 event had over 1000 attendees from 22 states and countries, a 30% increase over 2008, and featured a heavy focus on student outreach (nearly 300 attended), interaction with local colleges and universities with M&S programs, and a serious games kiosk.
- HRP hosted a T. Boone Pickens' meeting with the Partnership and community environmental activists during his visit to the region.
- HRP facilitated, with VMASC and the Hampton Roads M&S Leadership Council, the M&S Strategy 2020 plan which launched in January 2010 with U.S. Congressman Randy Forbes who founded and co-chairs the Congressional M&S Leadership Caucus, also supported by HRP.
- HRP submitted the first EDA grant application under *Vision Hampton Roads* for the **i6 Challenge**, a multi-million innovation competition with monetary awards for the most innovative regional ideas to drive technology commercialization and entrepreneurship. This grant would be used for on-going financial support to create *Innovate!HamptonRoads* and its related support system, *IdeaWorksHamptonRoads*.
- HRP continues to work closely with the Intellectual & Human Capital Task Force leads on these strategies, i.e., the region's major non-college workforce development boards: Opportunity Inc. (Opp-Inc) and Peninsula Council for Workforce Development (PCFWD). Employers demand workers who can think critically and solve problems. As a result, future prosperity will require greater worker investment in post-secondary education and training. Talent and supply support cutting edge technology-based business. The importance regionally of entrepreneurship, exiting military personnel and sectors of port, transportation and warehouse has been identified. Innovation is an important unique competitive advantage for the region. Very simply, if we increase productivity, we increase wealth and quality of life. Innovation is about products, processes and organizations **and people**.
- HRP continues to work with multiple regional organizations on Sense of Place, the important over-arching awareness and appreciation issue.
- HRP convened regional organizations to develop an annual "Regional Day" designed to bring elected, business and civic leaders together with citizens to learn more about the region's *Vision*, build relationships, and nurture ideas on how to best leverage opportunities.
- HRP developed the first regional compact, i.e., "Declaration of Interdependence," under the direction of the Regional Stewards. At the inaugural Regional Day, the Governor and the region's Mayors/Chairs or their appointed representative participated in the signing of the compact. The first sentence of the Preamble tells the story: "We, the elected officials of Virginia's Hampton Roads, realize that competition is no longer between cities or counties but rather between metropolitan regions in the global economy."

**Collaboration is a competitive advantage.**

Hampton Roads is unlike any other region of the United States and the world. While most regions have a center city, or perhaps two cities or even tri-cities, there is no other region that can boast having seven diverse, distinct and large core, yet interdependent cities, like Hampton Roads ... ten when including the outer cities of Franklin, Poquoson and Williamsburg.

**To download the complete Annual Impact Statement, visit:**

**<http://HRP.org/Site/programs/annual-impacts>**



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