

Hampton Roads Partnership

Annual Board Meeting

Virginia Modeling, Analysis and Simulation Center
June 17, 2011



I. Welcome and Call to Order by Jack Ezzell, Chair

The annual meeting of the Hampton Roads Partnership was called to order, including members of the *Vision Hampton Roads* Strategy Committee as well as Board members. Today's is the last meeting for Jack Ezzell as Board Chair.

May 15, 2011, marked the 15th anniversary of HRP. Formed in 1996 with 49 members, a budget of \$335,000 and a staff of three, a commitment was made to promote regional cooperation by bringing public and private leaders together to harness the region's resources to effectively address the most significant strategic issues of Hampton Roads; and to promote the expansion of Hampton Roads as a global destination by improving regional economic diversification that will stimulate employment growth of high quality jobs. Planned work included Port development, Privatization, Economic development with an emphasis on high technology, Transportation, Tourism, Professional sports, and to support implementation of Plan 2007.

Today, HRP has 117 members, a budget of \$830,000, and a staff of six in addition to a receptionist shared with the Hampton Roads Military & Federal Facilities Alliance. Although some of work activities have changed, the mission has not.

Vision Hampton Roads is a prime example of how we continue to fulfill that mission.

II. Vision Hampton Roads by Dana Dickens, President & CEO

HRP's relationship-building work is still evident fifteen years later. Per capita income grew from 89% in the early 90s to 99.8% in 2011 and growing faster than our peer regions. Major league sports may have eluded us; however, the United Football League starts playing in Virginia Beach this fall as the Virginia Destroyers. In 1996, the military represented 26% of the region's economy. Today, it has grown to nearly 45%. Defense cuts have begun and will continue. Startup business numbers must grow exponentially to diversify our economy.

In the beginning, HRP was incentivized with state Regional Competitiveness funds. We no longer have program monies and must look at opportunities to generate funding. Current lack of program money makes some very important projects unsustainable, which will be addressed at the September Board retreat. Projects cannot be maintained with grants alone.

A. Innovate!HamptonRoads™ (IHR) by Rick Lally, Program Director

Rick holds a BSME from Clarkson University, MSME from Univ. of Cincinnati and Executive MBA from the Simon Business School at the University of Rochester. He is co-founder of Oceana Sensors and past President & CEO of the region's Tech Council.

IHR is the region's strategy for technology based economic development that endeavors to diversify the regions heavy reliance on military spending and specifically drive new business creation and growth by creating a real culture of entrepreneurship in Hampton Roads. IHR involves the broad collaboration of economic development entities, research institutes, K-20 workforce development, angel/VC investors and business leadership.

Economic gardening (EG) will be discussed more fully at the June 21 IHR/Innovation Task Force meeting. It is important to leverage business opportunities outside the region versus

only circulating the same monies within. Community leaders must “pay it forward” for economic gardening to be successful in Hampton Roads. A Pilot program is under consideration with about 20 companies to test the EG concept and obtain some early wins. Second stage companies are the real growth potential in the region. HRP is working with the Edward Lowe Foundation, the pioneer of the concept of economic gardening. Growth in jobs numbers are impressive

See the EG presentation attached for details.

B. Opportunities by Roy Whitney, Jefferson Lab

Energy will become more important to the economic competitiveness of Hampton Roads and for growth and retention of military assets.

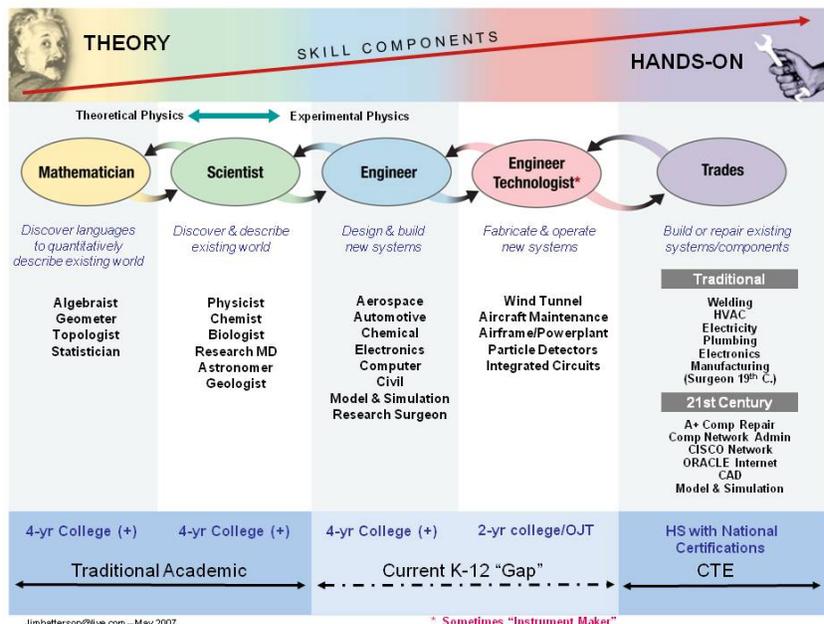
We have some very exciting opportunities to develop a public-private Hampton Roads Energy Corridor, providing a competitive advantage for retaining federal and military facilities with a long-term, sustainable energy plan with security and surety as the utmost priority.

There are more small modular reactors here in Hampton Roads than anywhere else on the planet. These much more efficient reactors provide more power than military bases can use, so the excess is used in the commercial energy grid

The Savannah River Nuclear Solutions project and Hampton Roads Energy Corridor could be up and running 2020-2021 with reactors. Hampton Roads can get started sooner on the Corridor with wind and other alternative energy sources such as biofuels. The military is supportive. Reprocessed waste can be used to make fuel for jets and other military vehicles, a major strategic issue for military. A base with its own power source is also BRAC-proof.

C. Intellectual & Human Capital by Jim Batterson on STEAM (Science, Technology, Engineering and Applied Math)

Batterson gave a brief overview of the need in Hampton Roads and the commonwealth for a Governor's School that embraces the three left-hand columns on the figure below (full-size version attached). It addresses an economic-need component of being attractive to new industry both for employee's children's education options and for developing future workforce. The need to provide an engineering component arises from



national policy-makers' strong interest in a workforce capable of innovation and from a 2007 panel co-sponsored by NASA and Virginia's Secretary of Education.

D. Public Policy by Dana Dickens

- 1. Legislative Agenda** - For years HRP and all local governments have developed a legislative agenda of “we support/we oppose” items. Last year, HRP provided our delegation with a two-page executive summary of legislative items regional in nature but focused on just two initiatives.
 - a. Obtaining a revenue stream for operating expenses for passenger rail in VA. In 2013, Amtrak stops paying operating expense for non-corridor trains which includes NN-Richmond and the future Norfolk-Richmond trains. We were successful in getting Passenger Rail Operating and Capital Fund to administer the funds and will go after the revenue stream this session, perhaps targeting the rental car tax.
 - b. Obtaining a budget amendment to garner funds to promote medical modeling and simulation. That effort was coordinated effort between HRP, Don Combs of EVMS and John Sokolowski of VMASC. While it may have started with a \$2 million request, the measure was still successful and brought the region \$250K.

This year, the Task Force wants to develop a Regional Legislative Agenda with assistance from localities’ legislative liaisons, take the completed agenda to localities for vote and deliver our Agenda to the Caucus after it is approved by every locality in Hampton Roads. The Agenda will have more strength if it is approved and supported by the entire region. Goal is to have it completed and approved by HRP membership at the September Retreat and by local governments soon thereafter. Then, we can begin working with our Caucus for bills, amendments, etc. With redistricting, state representation has changed in the General Assembly dramatically and a regional approach is important.

2. Shared Services Initiative by Dana Dickens for Wick Moorman

The region’s Fortune 500 CEOs have met to discuss regional efficiencies and tasked HRP with exploring shared services with Management Partners to work with local governments.

City managers see the inherent challenges but recognize the hard work must be done to generate efficiency in this economic climate.

A Steering Committee will be formed composed of business leadership, CAOs and elected officials. Currently, three cities on the Southside – Chesapeake, Norfolk and Virginia Beach and 2 cities on the Peninsula – Hampton and Newport News would be part of the pilot study by Management Partners to suggest targeted opportunities. If other localities want to join, they can. The Steering Committee will then decide on six to eight items to be analyzed. During the entire process, the Steering Committee will always be engaged and will be reporting to the localities.

Long-term benefits should include lower tax rates and more efficient and productive services for our communities. Norfolk Southern Corporation is committing financial resources to this project and Wick Moorman will take the lead in asking other major corporations in Hampton Roads to participate in the cost share.

III. Partnership Business

- A. Financial statements for the month ended May 31, 2011 were included in the Agenda package.
- B. Nominating Committee Report/Recommendations by David Tynch, Chair
 - 1. Motion was made and passed to appoint the following directors to a 3-year term to commence July 1, 2011:

New

Kurt W. Taves (Cherry, Bekaert & Holland)
Dave Edwards (WR Systems)

Incumbents

Daniel W. Aston
Edward E. Brickell
J. William Cofer
Deborah DiCroce
Herb Haneman
Maurice Jones
Michael Kerner
Angelica Light
Vince Mastracco
Wick Moorman
Don Seale
Richard Pearce (William B. Downey will assume position effective 1/1/2012)
Don Perry
Bert Schmidt
Edward Snyder
Digby Solomon
John O. "Dubby Wynne
Greg Stillman

- 2. Motion was made and passed to appoint the following Directors to a 1-year term as Corporate Officers to commence July 1, 2011:

Officers

Deborah DiCroce, Chair
Digby Solomon, Vice Chair
David Tynch, Secretary
Treasurer, open (post meeting: appointed Gary McCollum)

- 3. Motion was made and passed to appoint the following Directors to a 1-year term on the Executive Committee to commence July 1, 2011:

Officers (automatic if appointed as Corporate Officers)

Deborah DiCroce, Chair
Digby Solomon, Vice Chair
David Tynch, Secretary
Treasurer, open (post meeting: appointed Gary McCollum)

General Directors

David Bernd
Bob Boyd
Jerry Bridges
John Broderick
Bill Cofer
Jack Ezzell
Hon. Paul Fraim
Tom Frantz
Lou Haddad
Tommy Johnson
Maurice Jones
Harry Lester
Vince Mastracco
Gary McCollum
Wick Moorman
Rick Pearce (William B. Downey 1/1/2012)
Hon. McKinley Price
Hon. Will Sessoms
Donald Seale
Deborah Stearns
Hon. Molly Ward
Alan Witt
Joe Witt
Hon. Kenny Wright

IV. Other Business – Let’s cut the cake! Happy 15th Anniversary HRP!

The founding leaders of the Hampton Roads Partnership were recognized: Bobby Bray, Ed Brickell, Bill Butler, Josh Darden, Paul Fraim, Alan Krasnoff, Harry Lester, Vince Mastracco, Robin Ray and Dubby Wynne. Jim Council was added to the founding leader list as he was elected Mayor of Franklin in May, 1996, but did not assume the office until July.

Bill Butler: *“The founding of HRP was about building relationships, the major benefit of which has been the level of appreciation we’ve come to realize needed to be a competitive region in today’s world. We were a fragmented region in the 80s and 90s. We got to know each other and, more importantly, trust each other. Progress has been made as a reflection of how we’ve come together thanks to the Partnership.”*



NEXT FULL BOARD MEETING: Annual Retreat

Friday, September 16, 2011

Tidewater Community College, 7000 College Drive, Portsmouth, VA

Times will be forthcoming

Meeting in Building A, through the entrance to the left. (Driving directions will be provided.)