



Annual Report

September 30, 2013

Prepared by
Hampton Roads Partnership



The Hampton Roads Partnership (HRP) is a public private organization that was formed on May 15, 1996. The Partnership represents ten cities, six counties and one town, equaling approximately 1.7 million citizens of Virginia. Its mission is to provide leadership on those strategic issues that will improve Hampton Roads' competitive position in the global economy.

The Hampton Roads Partnership Board of Directors approved a resolution to dissolve in June 2013 and will be closing operations September 30, 2013. The Hampton Roads Planning District Commission will assume the oversight responsibility for *Vision Hampton Roads* going forward.

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Introduction

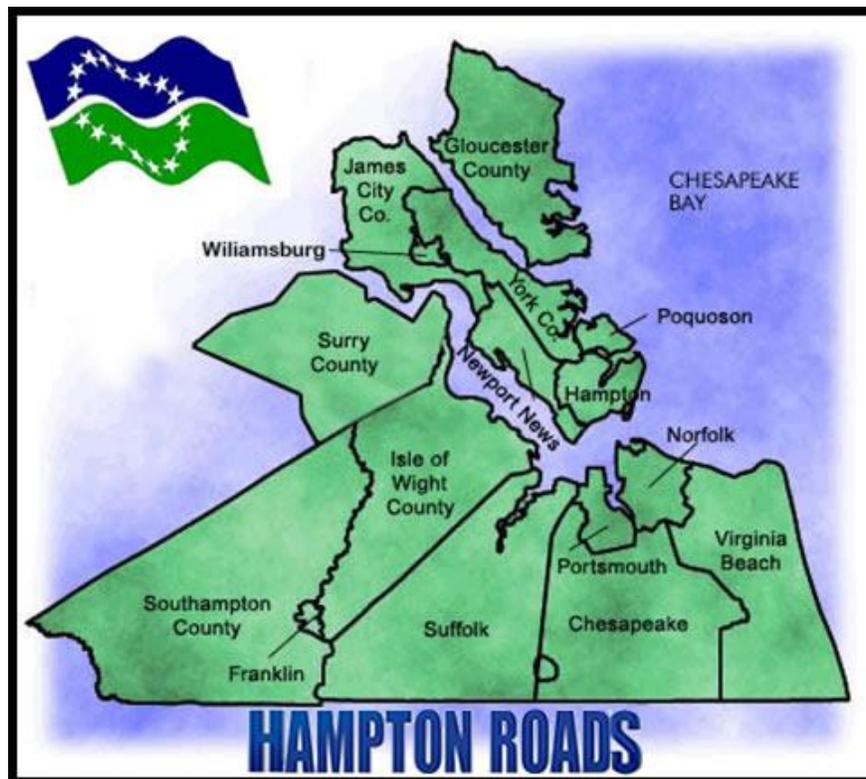
The 2013 Annual Performance Report on the regional Comprehensive Economic Development Strategy (CEDS) also known as *Vision Hampton Roads* fulfills the requirement set by the Economic Development Administration (EDA) to report on the progress in achieving goals of the plan.

Vision Hampton Roads was adopted by the Strategy Committee on February 19, 2010 and approved by the EDA on November 23, 2010. *Vision* is a regional plan that includes broad strategies and specific actions of prioritized importance that will position Hampton Roads as an impactful leader in the global economy. *Vision* is an economic development planning tool intended to aid local governments as well as regional and local organizations in decision-making.

This report is a supplement to the *Vision Hampton Roads* document which is available for download at: <http://VisionHamptonRoads.com>

Hampton Roads Region

The Hampton Roads region is located in Southeastern Virginia and is roughly contiguous with the Virginia Beach-Norfolk-Newport News Metropolitan Statistical Area (MSA). Specifically, Hampton Roads, as defined by the Hampton Roads Partnership, includes the ten (10) cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg; the six (6) counties of Gloucester, Isle of Wight, James City, Southampton, Surry and York; and the town of Smithfield. Hampton Roads is a diverse region of 1,663,070 citizens that includes urban, suburban and rural communities, prosperous as well as distressed areas.



Regional Performance

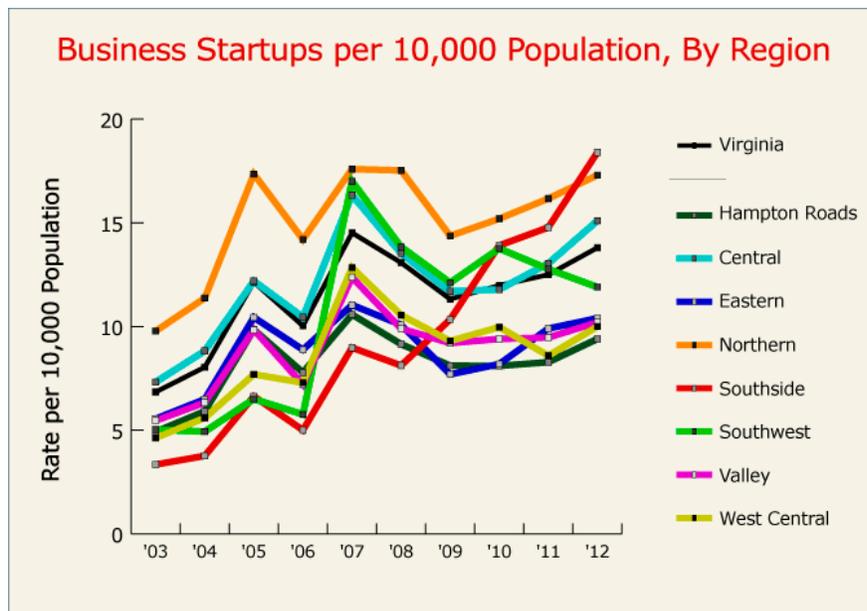
Hampton Roads Performs (<http://hamptonroadspersforms.org>) tracks progress and provides insight into those aspects of life that will ensure the region's competitive position in the global economy. The measures that follow comprise the “dashboard” used to track specific indicators we hope to improve through the successful implementation of Vision Hampton Roads.

Business Startups: Maintaining ➔

The number of new businesses in the Hampton Roads region (relative to the size of the population) has risen over the last two years, in recovery from declines due to the recent recession.

Why is This Important? Entrepreneurship is often viewed as an engine of economic growth. While the number of new business startups typically corresponds with economic expansions, the role of entrepreneurship in job creation is less clear. One view of the relationship between startups and economic growth is that entrepreneurs breed innovation. However, low rates of survival and the limited growth of most small businesses suggest that business startups do not significantly contribute to [employment growth](#).

How is Hampton Roads Doing?



Within Virginia, the Hampton Roads region again had the lowest rate of business startups per 10,000 population in 2012, although the trend is still positive overall. The number of business startups per 10,000 residents increased from 5.0 in 2003 to 9.4 in 2012 -- with a peak of 10.7 during pre-recession 2007. As the data shows, startups experienced peaks in most regions in 2005 and again in 2007 before falling to a recent low of 8.0 in 2010.

What Influences Business Startups? Low cost of capital and high [unemployment](#) rates can serve as catalysts for new business startups. Lower cost of capital reduces the expense and risk involved with starting a business. Higher rates of unemployment encourage jobless individuals to opt for self-employment. Additional factors that influence the rate of business startups are the [educational attainment level](#) of the population, physical infrastructure and access to finance, the business climate, and the existence of networks that may encourage clusters of similar startups.

Data Definitions and Sources:

Population estimates: U.S. Census

[Virginia Employment Commission](#)

New small business startups were firms that had at least one employee and matched the following criteria:

*Setup Date and Liability Date occurred during the same year and quarter.

*Establishment had no Predecessor UI Account Number.

*Business is privately owned.

*Average employment is less than 250.

*No other accounts with the same UI Account Number existed that did not match the above criteria.

[The fifth criterion ensures that there were no other previous establishments by the same enterprise.]

Mata, Jose, Small Firm Births and Macroeconomic Fluctuations, Review of Industrial Organization 11, (1996): 173-182.

Audretsch and Acs, New-Firm Startups, Technology, and Macroeconomic Fluctuations, Small Business Economics 6, (1994): 439-449.

Schumpeter, J., The Theory of Economic Development, Oxford: Oxford University Press, 1934.

Popkin, Joel and Company, [Small Business During the Business Cycle](#), (PDF) Small Business

Administration, Washington, D.C., 2003

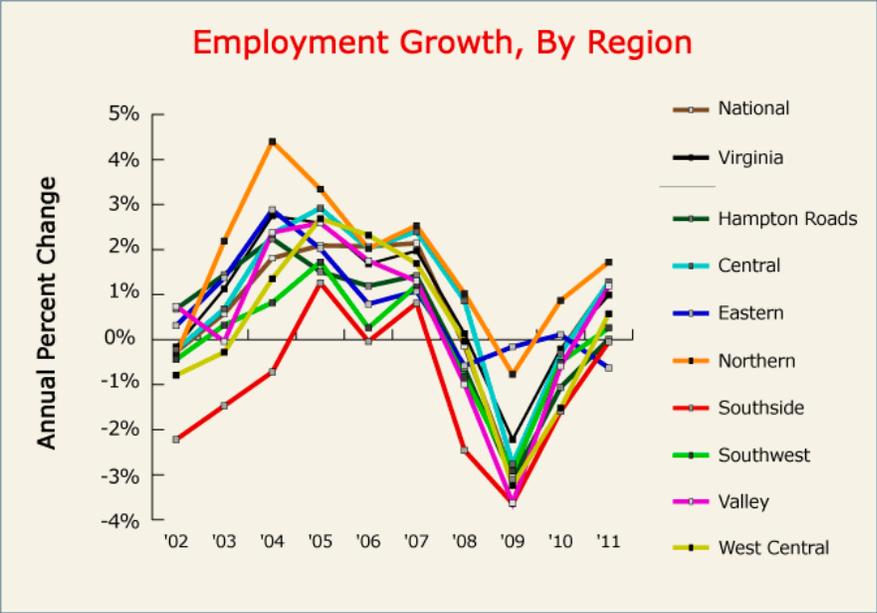
Firm Startups, Technology, and Macroeconomic Fluctuations, Small Business Economics 6, (1994): 439-449.

Employment Growth: Maintaining ➔

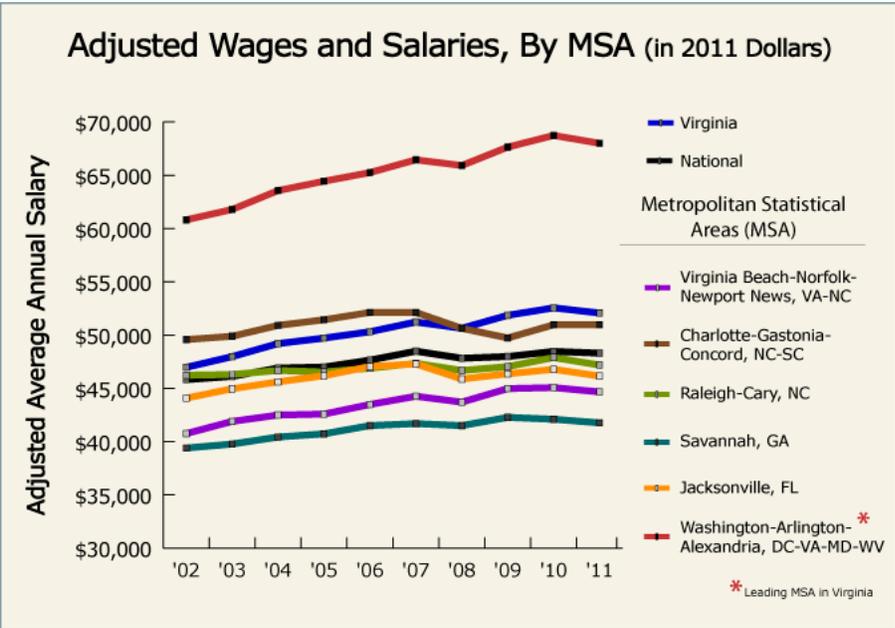
Employment growth reflects the speed at which the economy can create and fill new jobs. Although no longer negative, the rate of employment growth in the Hampton Roads region was flat in 2011 after three years of losses during the recent recession.

Why is this important? Employment growth is an indicator of expansion in the economy that represents an increase in the economic opportunities available to the citizens of a region or the state. Employment growth is generally tracked as a percentage change from a previous year.

How is Hampton Roads Doing? All regions in Virginia have seen employment growth shrink since 2007. The Hampton Roads region had the third lowest rate of employment growth at -0.01 percent in 2011; the northern region saw the most growth at 1.72 percent. The statewide rate of employment growth was 0.99 percent.

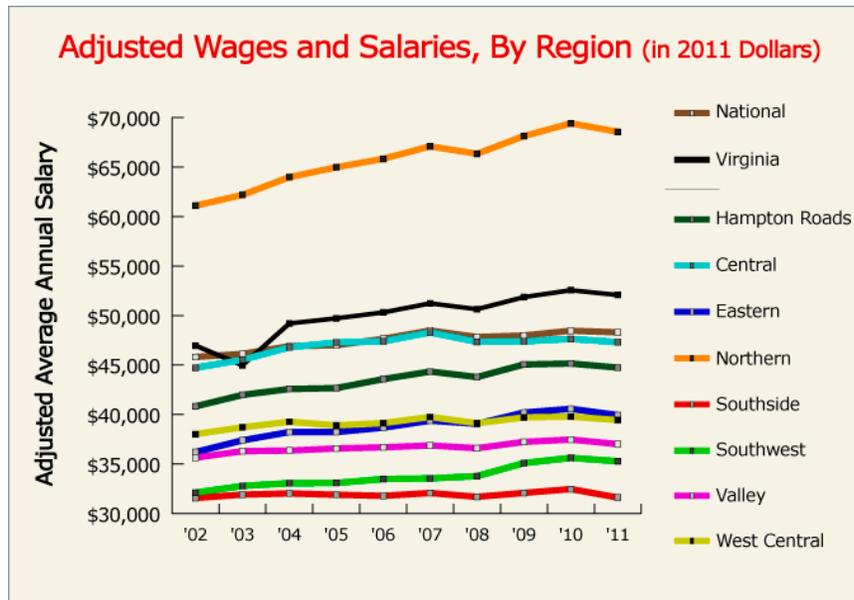


Among peer Metropolitan Statistical Areas (MSAs), the Hampton Roads MSA (Virginia Beach) had the lowest employment growth rate in 2011 at -0.02 percent. The highest employment growth rate -- 2.44 percent -- occurred in Raleigh, NC MSA, followed very closely by Charlotte-Gastonia-Concord, NC-SC MSA (2.43%).



Wages and Salaries

Average wages and salaries, coupled with employment growth give an even better measure of a region's economic health. In 2011, the Hampton Roads area (both MSA and region) continued to have average salaries and wages -- \$44,743 -- that fell below both the Virginia and national averages. The Virginia Beach MSA (which contains Hampton Roads) ranked second lowest among peer MSAs. The Washington-Arlington-Alexandria, DC-VA MSA – with average wages and salaries at \$66,682 – was again the leading MSA; its regional counterpart in Northern Virginia again led among the state's regions as well.



What Influences Employment Growth? Factors influencing employment growth in a region include the national business cycles and the mix of industries in the area. Expansions and contractions in the national economy influence employment growth due to the fluctuations in private and federal spending. The mix of industries directly affects the magnitude of business cycle fluctuations in a region. For example, the U.S. military is a major employer in the Hampton Roads region and so U.S. military spending is an important influence on the region's employment growth.

Data Definitions and Sources: [U.S. Department of Commerce, Bureau of Economic Analysis](#)

Modeling and Simulation: Maintaining →

Why is This Important? Modeling and Simulation (M&S) refers to the process of developing a mathematical model of a real world process for applications such as the flow of containers through a port facility, manufacturing, financial risk assessment, training, virtual reality for education, and health care research, training, and product development. The models

can then be run to gain insights into the process being modeled and to anticipate the outcomes of alternative decisions.

How is Hampton Roads Doing? The total economic impact of the M&S cluster is estimated at \$3.9 billion annually which can support 26,409 jobs in the Hampton Roads MSA. Results of a survey of the industry in 2012 indicated that:

Modeling and simulation has generated more revenue than has been invested in it via R&D. M&S products and services accounted for 65% of respondents' companies' revenue, but only 42% of R&D expenditures at these companies were related to M&S.

Over the next three years, respondents expected 717 new hires of M&S-related employees due to growth. About 60% of these are engineers including the anticipated hiring of 427 M&S engineers.

Sixty-four percent of M&S respondents rated the supply (both quantity and quality) of M&S-related workers in the region above average to very good.

What Influences Modeling and Simulation? When asked about issues facing their organizations, survey responders identified the slowdown in Department of Defense spending as the top issue. They also identified leadership problems, lack of venture capital, the region's orientation toward government work as opposed to private sector projects, problems with the region's image, and the region's poor transportation as the main barriers to future growth and development in the region.

Data Definitions and Sources: Chmura Economics and Analytics, *Modeling and Simulation in Hampton Roads*, October 2012

ANGLE Technology, *The Economic Impact of Modeling, Simulation and Visualization in Hampton Roads (Virginia) Update* December 2007

Hampton Roads Planning District Commission, *Modeling, Simulation & Visualization Economic Impact and Cluster Analysis Study for Hampton Roads Virginia* March 2005 and *Hampton Roads Regional Benchmarking Study* December 2007

Net Migration: Worsening ↓

More than one million people live in the Hampton Roads metropolitan statistical area (MSA), but over the last decade Hampton Roads has seen lower population growth than its peer MSAs.

Why is This Important? Net migration is a measure of people moving into and away from an area and is usually expressed as a change in value from a previous year. The total net migration for an area is comprised of two parts: internal migration and international migration. Simply stated, internal migration is the number of people moving from one area in a country to another, while international migration tracks the movement of the foreign born as well as the emigration of the native born.

Because people move to areas that offer the jobs they need and the quality of life they desire, population flow from one place to another can be a useful tool in assessing the strengths and weaknesses of a region, both economically and socially.

How is Hampton Roads Doing? The Virginia Beach-Norfolk-Newport News, VA-NC MSA (Hampton Roads MSA) again experienced a net migration gain of 12,948 residents between 2011 and 2012 thanks to natural population growth and external migration gains that almost completely offset internal migration losses. Natural population growth has slowed from the previous period but still accounted for the bulk of population changes.

Recent Changes in Net Migration, by MSA, April 2011 to July 2012

Geographic area	Total Population Change		Natural Increase (Births / Deaths)	Total Net Migration	Inter-national Migration	Internal Migration
	Total Change					
	Number*	Percent				
Virginia	81,483	1.0	40,599	40,844	33,468	7,376
United States	2,326,224	0.7	1,440,420	885,804	885,804	
Virginia Beach-Norfolk-Newport News, VA-NC	12,948	0.8	9,479	3,422	8,435	-5,013
Charlotte-Gastonia-Concord, NC-SC	39,435	1.7	13,084	26,152	5,671	20,481
Jacksonville, FL	16,852	1.2	6,079	10,832	4,040	6,792
Raleigh-Cary, NC	25,876	2.2	15,437	16,588	3,627	12,961
Savannah, GA	6,097	1.7	2,475	3,603	972	2,631
Washington-Arlington-Alexandria, DC-VA-MD-WV -- leading VA MSA	89,129	1.5	46,895	42,281	37,597	4,684

**See Data Note Below:*

The rate of population growth from 2011-2012 in the Hampton Roads MSA is a slight increase over the previous period. However, its growth rate continues to lag behind the population growth rate of the state overall.

What Influences Migration? Economic factors, such as employment opportunities and costs of living, are influential in choosing a place of residence but they are by no means the only forces at work. A host of personal factors also influence migration such as age, family ties and aspirations, opinions on rural and urban lifestyles, and even climate preference.

Data Definitions and Sources: Migration and Population Change Data - [Population Division](#), U.S. Census Bureau: Tables 2-5, 9, &10.

For further definitions or explanations of migration terms consult the [U.S. Census Bureau](#). Note: County and independent city population estimates from the U.S. Census Bureau explicitly account for overseas military movement, an important component of the Hampton Roads population change.

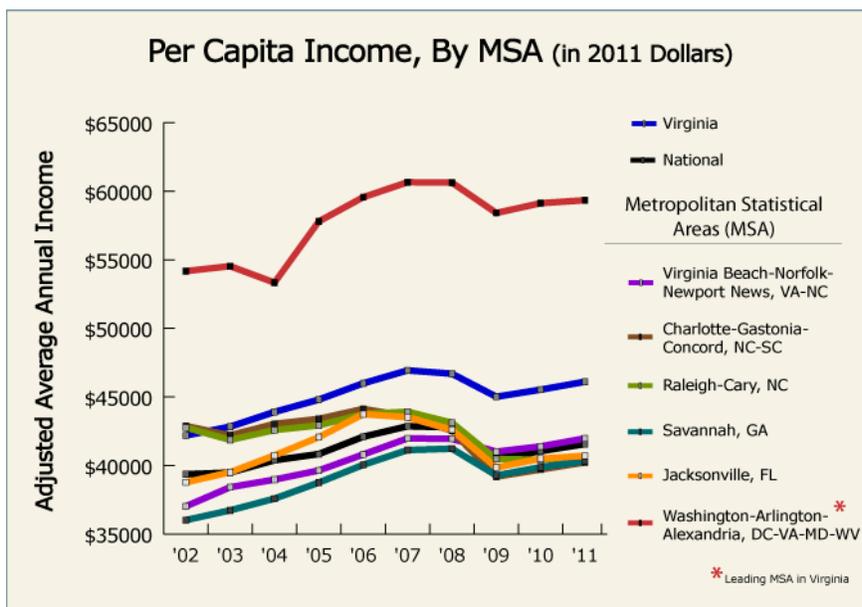
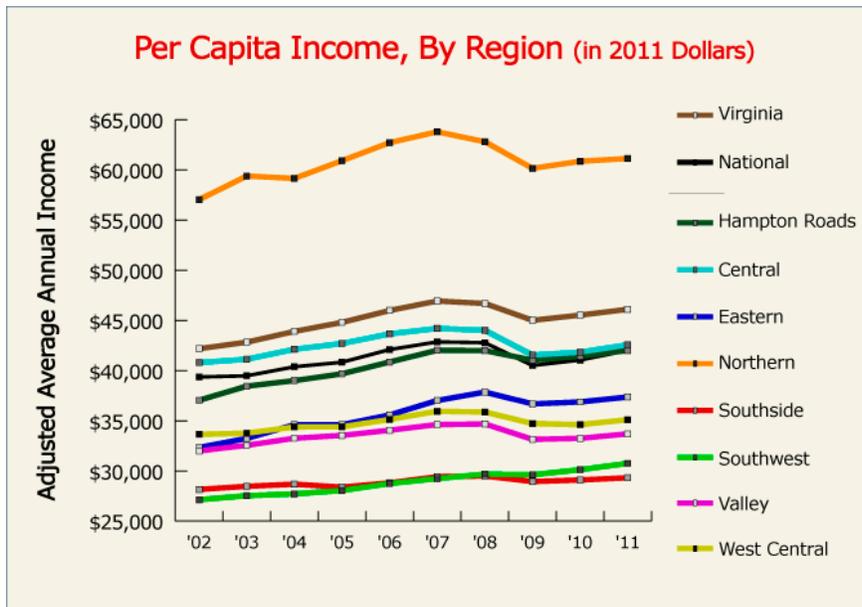
**NOTE: Population change also includes a residual estimated by the Census Bureau that results from the incorporation of additional information. This residual is not reflected in the table of population change. Therefore, the components of population change will not sum up to the total population change.*

Personal Income: Improving

A strong economy is characterized by prosperity that is reflected in improving standards of living. Per capita income in the Hampton Roads region decreased during the 2007-2009 recession, but resumed growth in 2010. The region's per capita income is also increasing a bit faster than the rates for Virginia and the United States as a whole.

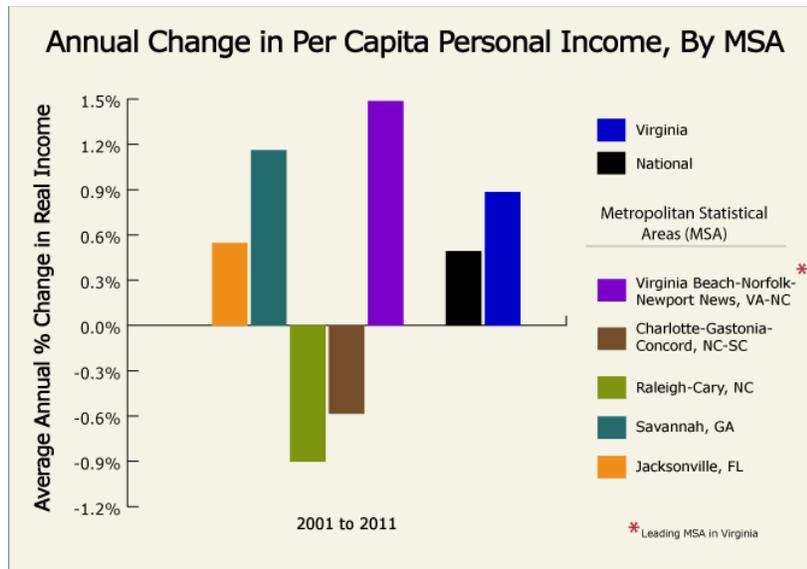
Why is This Important? Per capita personal income, which includes wages and salaries, transfer payments, dividends, interest, and rental income, is used as the broadest indicator of the magnitude of improvement in an economy. Rising income levels enable individuals to purchase homes, provide for their families, and improve the quality of their lives.

How is Hampton Roads Doing? Relative to other regions in Virginia, the Hampton Roads region ranked third highest (\$42,006) in per capita income in 2011, exceeded only by the Northern (\$61,136) and Central (\$42,571) regions.



In 2011, the Virginia Beach-Norfolk-Newport News, VA-NC MSA (Hampton Roads MSA) enjoyed the fastest income growth rate -- 1.5 percent when adjusted for inflation -- from 2002 to 2011. The MSA with the highest actual per capita income was the Washington-Arlington-Alexandria, DC-VA-MD MSA, at \$59,345.

What Influences Personal Income? In the short run, personal income is affected by the strength of the local, state and national economy. In the long run, factors that may influence personal income include tax burdens, public infrastructure, rates of business failure, industry structure, and the availability of skilled workers. Given the importance of the military bases in the region, Hampton Roads is also influenced by U.S. military expenditures.



Average wages and salaries reflect the productivity and demand for workers and the types of industries in a region. Workers who are better skilled or have relatively more education generally have higher wages. Economic upturns and downturns can influence the demand for workers and, consequently, the wages and salaries employers must offer to attract workers.

Data Definitions and Sources: U.S. Department of Commerce, Bureau of Economic Analysis.

The growth rate in income is computed using a compound interest formula.

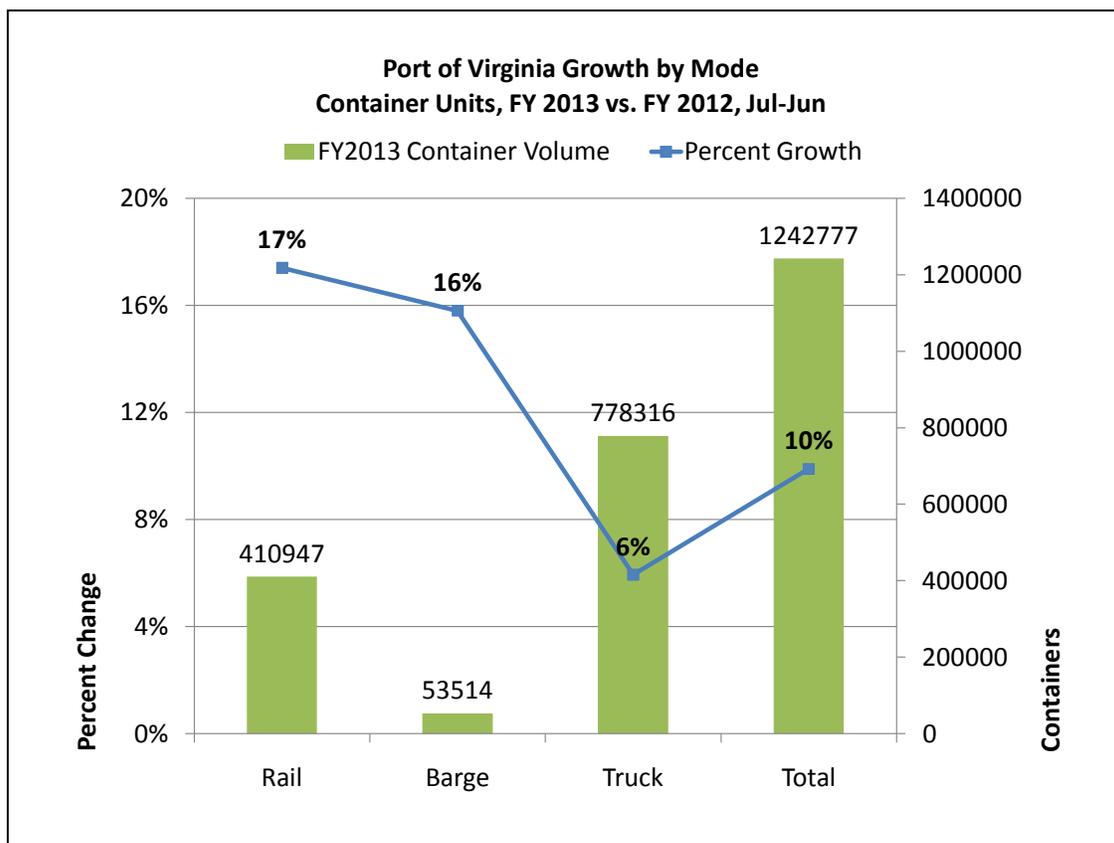
Bauer, Paul, Mark Schweitzer, and Scott Shane, State Growth Empirics: The Long-Run Determinants of State Income Growth, Federal Reserve Bank of Cleveland Working Paper 06-06, May 2006.

Port/Maritime: Improving ↑

The Port of Hampton Roads is widely regarded as one of the top deepwater harbors on the East Coast. With channels reaching 50 feet in depth and year-long freedom from ice, the Port of Hampton Roads can accommodate ships of all sizes and purposes, from the largest of container ships to the cruise ships that dock at the Norfolk Terminals. Currently the Port of Virginia sees interaction with over 300 different ports in more than 100 countries.

Why is This Important? Economic activity related to the Port of Virginia currently employs more than 343,000 Virginians, with \$13.5 billion in compensation, and generates \$41.1 billion in revenues and \$1.2 billion in taxes. As port capacity increases, growth in trade-related businesses will spur further growth in local businesses, creating more jobs, economic activity, and opportunities for a prosperous Commonwealth of Virginia and Hampton Roads region.

How is Hampton Roads Doing? The Port of Hampton Roads Virginia has seen record growth since January of 2012. Calendar year 2012 saw general cargo tonnage grow to 17.53 million tons, an increase of 12.2% and container growth of 9.8%. Fiscal year 2013 container volume grew 10%, setting a fiscal year volume record of 2,165,435 TEUs. Over this eighteen month time period, the Port of Hampton Roads was the fastest growing port on the East Coast and second fastest in the U.S. During this growth period both imports and exports grew at nearly the same pace and domestic freight distribution modes, truck, rail and barge all experienced volume growth, with rail growing at the fastest percentage.



Activity in the port is managed principally by the Virginia Port Authority, the state’s leading agency for maritime commerce. The VPA owns or leases four maritime cargo facilities in Hampton Roads and oversees the terminal operator, Virginia International Terminals which operates, Norfolk International Terminals, Portsmouth Marine Terminal, APM Terminals in Portsmouth and Newport News Marine Terminal. The Port of Hampton Roads ranks as the seventh largest port in the U.S. and third largest on the East Coast.

Deep channels, dozens of weekly ocean carrier services, a variety of inland transportation options a vibrant Foreign Trade Zone and a pro business attitude – Combine these strengths with an established practice of port investment and you will recognize the sustainability and growth potential of the region’s greatest maritime asset. With immediate

expansion opportunities available at APM Terminals (Phase II) and a long term plan to execute Craney Island's Eastward Expansion, the Port of Hampton Roads stands ready to accommodate continued growth in world trade.

Data Definitions and Sources:

A short ton is a unit of mass equal to 2,000 pounds, common in measuring freight

Twenty-foot equivalent units (TEU) is a measurement based on the volume of a twenty-foot long shipping container

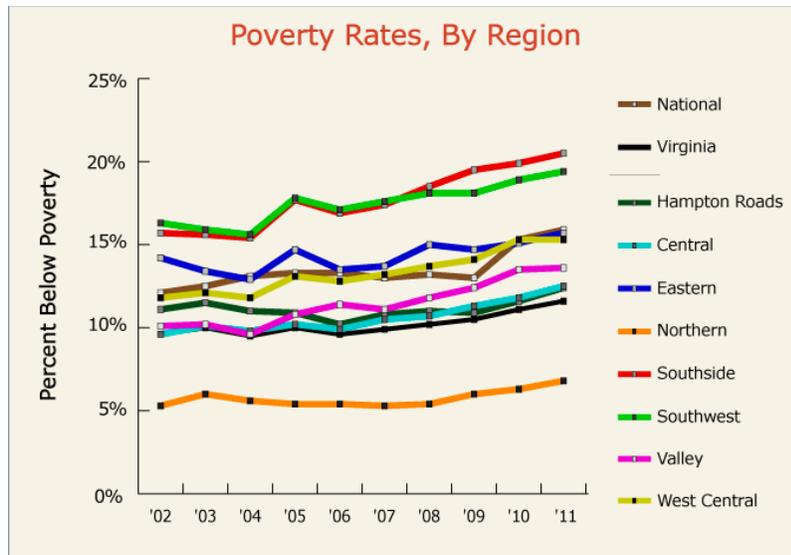
[Virginia Port Authority](#) -- Freight Data and Port Comparisons

Poverty: Worsening ↓

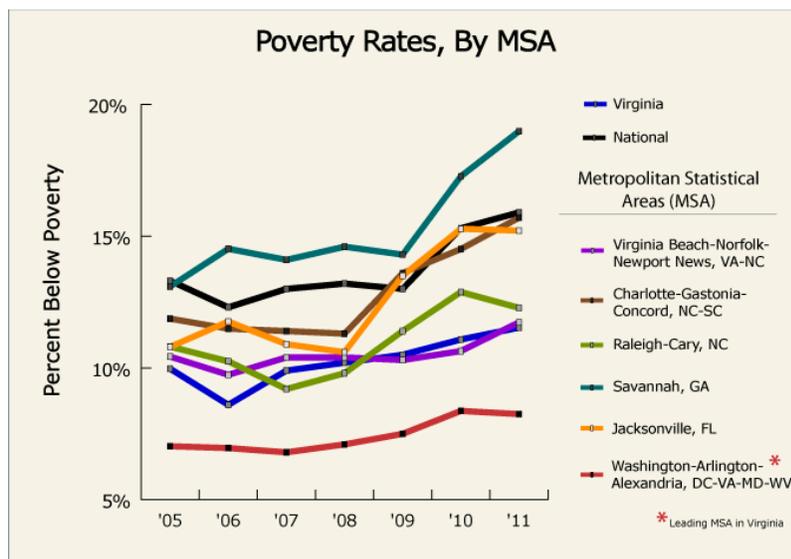
Poverty imposes far-reaching hardships, not only on the poor but also on all who share their communities. The poverty rate in the Hampton Roads region is the second lowest among the regions but is slightly higher than the state average.

Why is This Important? Poverty has a significant impact on individuals and society at large. Children who live in poverty are more likely to suffer from poor nutrition during infancy, experience emotional distress, and are at an increased risk for academic failure and teenage pregnancy. Adult men and women who live in poverty are at a high risk of violence. Poverty can also affect senior citizens' ability to obtain health care and prescription medications or to care for themselves.

How is Hampton Roads Doing? The Hampton Roads region ranked second lowest among the regions in Virginia for the percent of residents whose income was below the federal poverty level in 2011, which was \$11,484 for an individual. The poverty rate in the Hampton Roads region (12.4 percent) was higher than the Northern (6.8 percent) region, as well as the Virginia rate overall (11.5 percent).



The Virginia Beach-Norfolk-Newport News (Hampton Roads) metropolitan statistical area has shown an increase in poverty levels between 2005 and 2011. Among peer MSAs, Hampton Roads ranks lowest. Its poverty rate is higher than the leading MSA in Virginia (Washington-Arlington-Alexandria, DC-VA-MD-WV) and the state average, but considerably below the national average of 15.9 percent.



What Influences Poverty? Poverty is strongly influenced by both [educational attainment](#) and the economy. Education generally makes workers more knowledgeable and productive, which increases average wages and employment levels. In the short run, the local, state, and national economy can affect poverty through fluctuations in wages, job availability, and prices. During an economic downturn, there may be less demand for workers; and with fewer jobs and possibly lower wages, poverty can be expected to increase. Inflation may also increase poverty rates due to the unexpected costs of everyday consumption. Specifically, in

the Hampton Roads region, the U.S. military and its related activities have a strong influence on the poverty rates in the area.

Data Definitions and Sources: Poverty Data by locality (2000-2011), State and U.S. (2000-2004), U.S. Census Bureau: [Small Area Income & Poverty Estimates](#).

Poverty Data by MSA, State and U.S. (2005-2011), U.S. Census Bureau: [American Communities Survey](#).

The Census Bureau defined the poverty level for an individual as \$11,484 in 2011 and \$11,139 in 2010.

Beginning with the estimates for 2005, data from the American Community Survey was used to estimate poverty rates for states and metro areas; all prior years used data from the Annual Social and Economic Supplements of the Current Population Survey.

Research and Technology: Maintaining →

Research and technology are key components in the continued economic growth of the Hampton Roads area. As home to 11 colleges and universities, as well as an active business community, the Hampton Roads region has the potential to stay on the forefront of technology-based business and industrial activity.

Why is This Important? An active research and technology base is important in attracting both the type of people and firms that can compete in US and global markets and spur growth in the Hampton Roads economy. The benefits, however, go beyond economic growth. Research and technology can also help to improve the quality of life in the region. Through initiatives seeking to improve education, communication among organizations, health care, transportation, and environmental quality, the public at large can also benefit.

How is Hampton Roads Doing? In a field of 912 educational institutions ranked by data on research and development expenditures compiled by the National Science Foundation, rankings of Hampton Roads universities ranged from 154 to 519. The data for 2011 (latest available) show Virginia Tech in Blacksburg and Old Dominion University in Norfolk have increased their rank from 2009-2011, but the others have declined.

Research and Development Expenditures (in thousands)

Institution	Rank 2009	Rank 2011	2005	2006	2007	2008	2009	2010	2011
Virginia Tech -- Leading in Virginia	44	41	318,558	342,367	379,694	371,953	396,681	398,169	450,058
Old Dominion University	154	146	51,636	53,172	53,943	66,301	71,909	97,176	102,192
William & Mary	174	186	55,085	55,364	51,584	54,894	51,169	57,461	58,919
Eastern Virginia Medical School	193	224	37,043	35,131	32,544	30,668	36,678	44,420	36,569
Hampton University	265	307	47,201	30,547	24,850	21,014	12,824	14,455	12,414
Norfolk State University	318	364	7,424	5,474	6,716	7,865	6,878	5,944	7,140
Christopher Newport University	519	561	2,132	840	734	802	1,038	1,110	1,669

Science and Engineering Expenditures for FY 2011 (in thousands)						
Institution	Rank	Environmental Science	Math / Computer Science	Physical Science	Engineering	Life Science
VT-- Leading in Virginia	41	8,795	16,609	23,209	194,811	185,871
Old Dominion University	146	8,542	5,777	10,268	32,825	15,125
College of William and Mary	186	30,071	1,834	8,508	0	3,326
Eastern Virginia Medical School	224	0	0	0	0	36,569
Hampton University	307	3,079	534	6,912	534	1,233
Norfolk State University	364	17	2,005	1,202	3,402	304
Christopher Newport University	561	0	0	761	0	892

Hampton Roads research centers cover a wide variety of fields as shown in the following table.

Institution	Research Centers
Old Dominion University	Advanced Engineering Environments Modeling and Simulation System of Systems Engineering Mid-Atlantic Regional Spaceport Transportation Research Applied Technology & Professional Development Instrumentation
Eastern Virginia Medical School	Medical Modeling and Simulation Radiation Risks of Aviation and Space
National Institute of Aerospace	Atmospheric Science Airspace Research Computational Science Exploration Systems Materials Science Planetary Science
Hampton University	Aero propulsion Atmospheric Sciences Laser Science and Spectroscopy The Study of the Origin and Structure of Matter Cloud Aerosol Lidar and Infrared Pathfinder Satellite Observations Quid Pro Quo Validation Data Conversion and Management Laboratory Eastern Seaboard Intermodal Transportation Applications Center International Coordination Group for Laser Atmospheric Studies Virtual Parts Engineering Research Center Virtual Parts Engineering/Modeling and Simulation

The commitment of the Hampton Roads region to research and technology stretches beyond the classroom and the laboratory. There are a number of organizations in the area dedicated not only to research, but also to the integration of businesses, research centers, and institutions of higher education for the economic and social benefit of the Hampton Roads region. Innovate Hampton Roads (IHR) and Technology Hampton Roads (THR) are two such organizations.

The mission of *Innovate!HamptonRoads*[™] (<http://innovatehamptonroads.com/>) is to promote locally-grown business, technology-based economic development in Hampton Roads, Virginia, so the region is recognized internationally for clusters of excellence, fuelled by a culture of innovation, entrepreneurship and economic and educational opportunities.

The Goals of *Innovate!HamptonRoads*[™] are to:

- Stimulate high growth-potential new business formation,
- Accelerate the growth of our existing tech businesses, and
- Ignite the commercialization of research innovation.

Partners include higher education and institutional research, federal facilities such as NASA Langley Research Center and the Department of Energy's Jefferson Lab, the non-profit National Institute of Aerospace, technology businesses and the region's technology council, *Technology Hampton Roads*, economic development organizations and workforce investment boards.

Technology Hampton Roads (<http://www.hrtc.org/>) is a member-based association of technology organizations and technology resource companies that network to connect purchasers and providers, locate and build synergistic relationships, and collaborate on various topics, initiatives, and programs in an effort to advance technology in Hampton Roads – one day making Hampton Roads a national leader in research achievements, technology commercialization, innovative companies, innovative individuals, and innovative thought.

Both organizations, and others like them, are involved in the [Hampton Roads Economic Development Alliance](#) that attracts both US and foreign companies to the region. The cooperation of such organizations, colleges, universities, businesses and governmental organizations alike is vitally important in harnessing the potential gains from research and technology.

What Influences Research and Technology? A significant portion of research takes place at colleges, universities, and two federal laboratories. The availability of funding from federal, state, local and private sources influences the level and effectiveness of research and technology in producing tangible gains for the region.

In addition, the ties among local government, businesses, and research institutions are vitally important for maintaining regional competitiveness. Networking across these sectors can provide support and guide research efforts along lines that make them more applicable to the needs of the region.

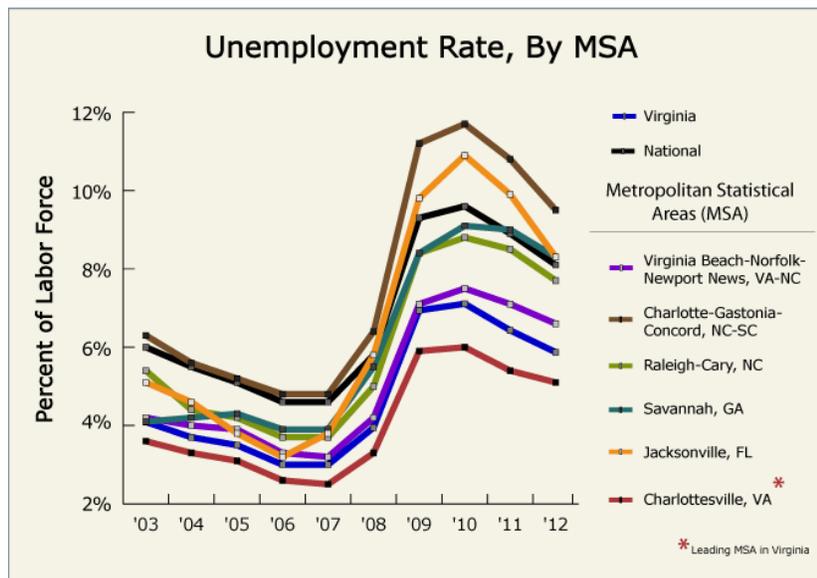
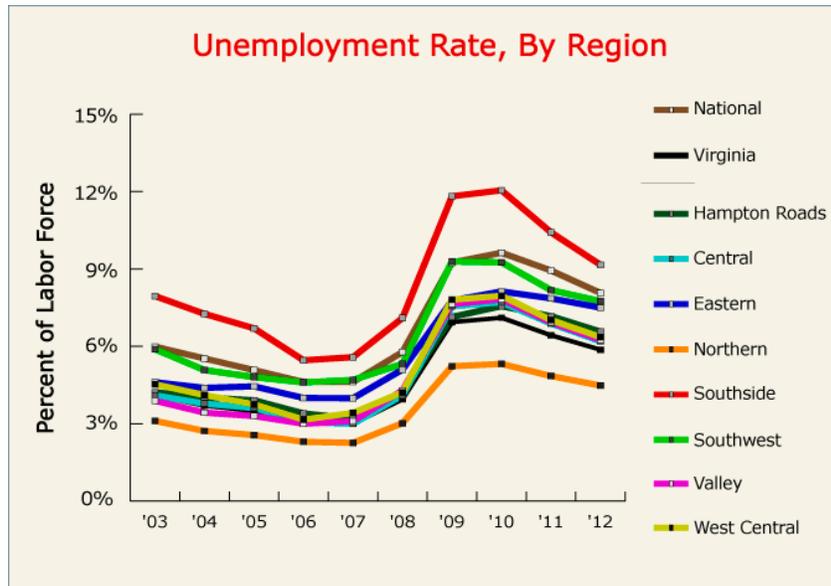
Data Definitions and Sources: National Science Foundation, National Center for Science and Engineering Statistics (NCSES). 2011. [WebCASPAR.Integrated Science and Engineering Resources Data System](#), [Innovate Hampton Roads](#), and [Technology Hampton Roads](#)

Unemployment: Maintaining →

As the nation continued to recover from recession in 2011, unemployment rates fell in nearly every state. The unemployment rate in the Hampton Roads region remained higher than the Virginia average, but lower than the national average. A strong military presence in the region has helped stabilize unemployment rates.

Why is This Important? Unemployment is a measure of how many people without jobs are actively seeking employment and is a vital indicator of the health of a region's economy. Since most people earn a living from a job, the unemployment rate indicates how well the economy is providing opportunities for individuals to support themselves and their families. Unemployment not only hurts the personal finances of those without jobs, but also reduces their participation in the overall economy. The inability to find work is also associated with psychological stress, health problems, and stress on family relationships.

How is Hampton Roads Doing? As the national economy continued to recover from recession in 2012, unemployment rates fell across the state and the country. The Hampton Roads region saw a drop in its unemployment rate from 7.2 percent in 2011 to 6.6 percent in 2012. This rate was higher than the state average of 5.9 percent. Unemployment rates were lowest in the Northern region (4.5%) and highest in the Southside region (9.2%).



A 6.6 percent unemployment rate in the Virginia Beach-Norfolk-Newport News, VA-NC MSA (Hampton Roads MSA) was considerably lower than both its peer MSAs and the national average (8.1%) in 2012. However, the leading MSA in Virginia -- Charlottesville -- had just a 5.1 percent unemployment rate.

What Influences Unemployment? In the short-term, the rate of unemployment fluctuates with the national business cycle. Federal spending within Virginia also influences the economy. The long-term factors that affect the unemployment rate in Virginia and the Hampton Roads region also affect the area's overall competitiveness: education, infrastructure investments, tax rates, and the regulatory environment. Any changes that improve the region's attractiveness as a place to live or do business will, over longer periods of time, tend to reduce the unemployment rate.

Data Definitions and Sources: [U.S. Bureau of Labor Statistics](http://www.bls.gov)

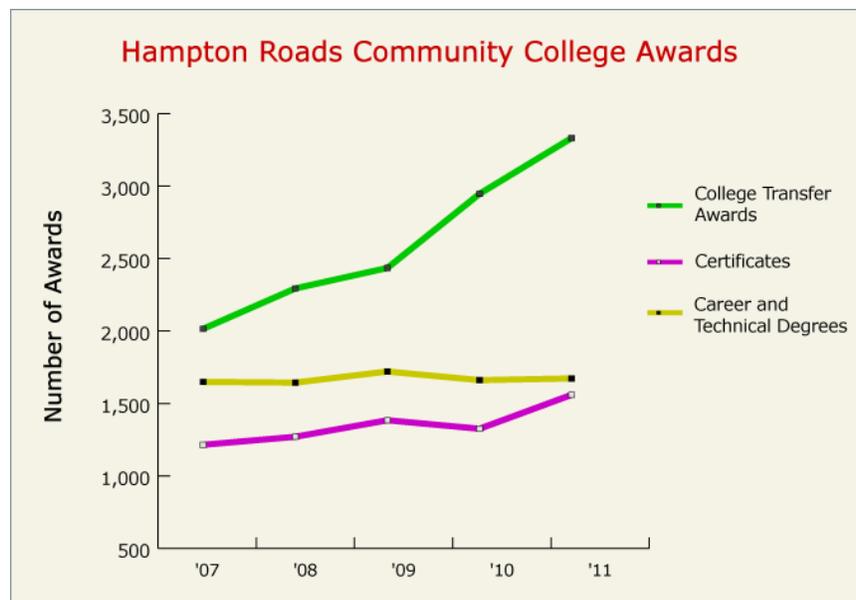
Workforce Quality: (this indicator has not been updated since the 2012 annual report)

The quality of Hampton Roads' workforce is highly correlated with the region's educational attainment. Hampton Roads has been successful both in providing educational opportunities to its population and in attracting educated workers from other regions. Factors such as proximity to D.C., 15,000 military retirees annually, and 27 colleges, universities and other post-secondary institutions contribute to the educational levels of the workforce.

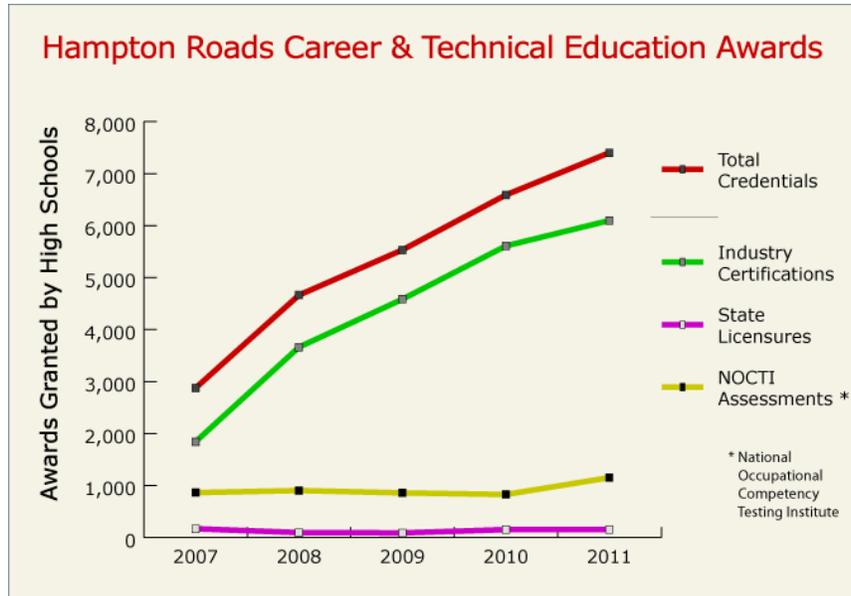
Why is This Important? According to the U.S. Census Bureau, in 2010 almost 89 percent of adults in the Hampton Roads region had at least a high school diploma. However, in today's dynamic economy, jobs increasingly require education beyond high school. Whether it is a university or college degree, a degree or certificate from a community college, or a technical education certificate earned while in high school, additional education not only prepares individuals for the tasks required by a job, but it also enhances their ability to adapt to new working environments.

How is Hampton Roads Doing? More than 28 percent of the residents of the Virginia Beach-Norfolk-Newport News, VA-NC metropolitan statistical area (Hampton Roads MSA) hold at least a Bachelor's degree. In addition, the Hampton Roads region has increased the number of community college graduates in recent years, growing from a total of 2,822 graduates in 2002 to 4,922 graduates in 2011. Awards in 2011 also included 3,265 college transfer awards, 1,317 career and technical degrees, and 1,184 certificates.

Many of the high schools in the Hampton Roads region offer students the chance to prepare for a career by completing career and technical education programs before they graduate. Students can earn state licenses, industry certifications, or pass National Occupational Competency Testing Institute (NOCTI) assessments. In the 2010-11 school year, the high schools in the Hampton Roads region granted a total of 7,401 such awards, up from 6,561 the previous year.



What Influences Workforce Quality? The existence of a skilled workforce in a region is an indicator of both the presence of industries that demand such workers and a measure of a region's ability to educate or attract skilled workers. Workforce quality can be strengthened by investing in education and by creating a business-friendly environment that attracts companies with high-skill requirements.



Data Definitions and Sources: Career and technical education programs are, on average, two-year programs designed to train technicians, semiprofessional workers, apprentices and skilled crafts persons for employment in industry, business, the professions and government. Such programs are offered in a number of fields from agriculture to health and medicine. For more information on the types of programs and awards offered by the Hampton Roads community colleges, visit the [Virginia Community Colleges website](#).

U.S. Census Bureau, [2010 American Community Survey Educational Attainment For The Population 25 Years And Over](#)

Virginia Department of Education, [Office of Career and Technical Education](#)

Vision Hampton Roads

There have been many accomplishments associated with *Vision Hampton Roads* this year – enhanced rail connections; port growth; new funding for transportation infrastructure improvements; new jobs created within the region’s existing second stage, high growth potential companies; military veteran outreach through our Workforce Investment Boards; emphasis on science, technology, engineering, and math (STEM) education; and expanded efforts to attract tourists to the region.

The Inception of Your Vision was released in May 2013 as a follow-up to the *Reality Check Hampton Roads Game Day* sponsored by the Urban Land Institute (ULI) Hampton Roads Council in 2012. As the title suggests, this is the beginning of a regional vision for land use planning. The Hampton Roads Planning District Commission will soon convene key stakeholders to develop a template similar to one Robert Grow used for Envision Utah.



Fostering a culture that supports and nurtures entrepreneurs continues to be a significant part of *Vision Hampton Roads*. Start Norfolk, Start Peninsula, Hatch Norfolk, Peninsula Accelerator, and Ignite Hampton Roads have nurtured ideas and creativity to new business ventures. The Hampton Roads Partnership’s (HRP) entrepreneur-oriented approach to job growth continues demonstrate value through the Hampton Roads Economic Gardening Network. Economic gardening helps existing second-stage, high growth potential companies grow jobs by providing refined, high speed business growth resources thanks to the Edward Lowe Foundation’s National Center for Economic Gardening. Twenty-three companies have gone through the program to date. The cost of growing jobs from existing business is pennies on the dollar compared to incentives paid to attract jobs to the region. HRP has received commitments from private supporters and city economic development departments to sustain the initiative. There is also interest in this program at the state level as a result of the region’s success.



Part of the region’s success in meeting the goals of *Vision Hampton Roads* depends on alignment of multiple stakeholders, resources, and the structure necessary to foster that alignment. An analysis of regional organization assets was completed earlier this year. The results are still being reviewed and will be considered in determining the best model for an effective regional competitiveness organizational structure. Connections between the entities that were part of the analysis will be critical in the execution of and subsequent updates to *Vision Hampton Roads*.

Adjustments, Progress and Achievable Goals in the Year Ahead

No **adjustments** have been made to the *Vision Hampton Roads* plan since the Annual Report was submitted September, 2011.

Under the **progress** heading are projects/initiatives that have either been implemented or underway to advance strategies and actions within the plan.

Achievable goals in the coming year are also noted.

Federal

The Hampton Roads Military and Federal Facilities Alliance (HRMFFA) is the lead organization, overseeing the Federal component of Vision Hampton Roads.

OBJECTIVE 1: Hampton Roads will be the premier region hosting Federal assets critical to the Commonwealth of Virginia and the Nation.

Strategy 1: Retain and grow organizations, capabilities and investments owned, operated or funded by the Federal Government in Hampton Roads.

Action 1: Develop and implement a proactive, action-oriented strategy that addresses stability, viability and growth of Federal entities including:

- All tenant commands, senior staffs and operational forces stationed at regional military installations;
- U.S. Coast Guard;
- Thomas Jefferson National Lab;
- Joint Staff South (former U. S. Joint Forces Command);
- NASA Langley Research Center;
- NATO's Allied Command Transformation;
- All national park and national wildlife refuge properties.

Action 2: Remain aggressively engaged with organizations, capabilities and investments owned, operated or funded by the Federal government and closely monitor all possible opportunities to expand Federal sector presence.

Action 3: Help to maintain and grow the ship building and ship repair industries in the region.

Strategy 2: Attract new organizations, capabilities and investments owned, operated or funded by the Federal government to Hampton Roads.

Action 1: Diversify the types of new Federal activities attracted to Hampton Roads by demonstrating logistical and economic synergy for locating in the region.

Action 2: Leverage the region's proximity to Washington, DC to strengthen the region's attractiveness to host additional Federal assets.

Action 3: Aggressively pursue public-private partnerships, as well as public-public partnerships, as a way of attracting new Federal activities to the region.

Strategy 3: Increase public awareness and appreciation of the economic value of the Federal assets in the region to the Hampton Roads community, the Commonwealth and the nation.

Action 1: Aggressively seek out public speaking engagements, professional forums and other opportunities to inform a variety of audiences about the critical importance of the Federal sector to our regional economy.

Action 2: 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 in order to raise their constituents' awareness of the critical role played by the Federal sector to our regional economy.

Action 3: Build relationships with key regional business leaders in order to highlight the importance of all Federal assets in the region to the economic health of Hampton Roads, the Commonwealth and the nation.

Progress: The Federal presence in Hampton Roads continues to comprise nearly half of the region's economy. The Hampton Roads Military and Federal Facilities Alliance (the LEAD in implementing the Federal component of *Vision Hampton Roads*) has been successful in mitigating the effects of sequestration on the region to the maximum extent possible. The Alliance has also partnered with Virginia and New Jersey officials in submitting a proposal to the FAA to be chosen as one of six UAS test sites.

Achievable goals for the coming year:

- Maintain staffing levels at Joint Staff South (former U.S. Joint Forces Command)
- Work to mitigate adverse effects of expected Federal government budget cuts on the region
- Continue to mature the Hampton Roads Energy Corridor concept
- Establish the VA-NJ Mid-Atlantic Aviation Partnership with partners including NAS Patuxent River, NASA Wallops, NASA Langley, Navy Surface Combat Systems Center Dahlgren and the National Institute of Aerospace
- Advocate for robust ship building and ship repair funding in the Federal budget

- Advocate for relocation of the Military Sealift Command from the Washington Navy Yard to Hampton Roads
- Work to leverage the Navy cyber presence in the region and to grow that discipline into the commercial sector
- Continue advocacy and awareness campaigns among a variety of constituencies to protect and grow the Federal presence in Hampton Roads

Infrastructure

The Hampton Roads Transportation Planning Organization (HRTPO) and Hampton Roads Planning District Commission (HRPDC) are the two lead organizations that address the region's infrastructure challenges and opportunities.

Infrastructure was a cross-cutting issue in the planning process, included in every sub-committee's work plan and recommendations. The sub-committee reference remains in the plan as a reminder of the importance of adequate infrastructure to other strategic areas.

Identified by Tourism, Arts & Culture Sub-committee:

Strategy 4: Achieve an adequate transportation system to enhance regional mobility, facilitate ease of travel from outside the state and allow for full participation in the diversity of the Hampton Roads tourism and arts and culture experience upon arrival.

- **Action 1:** Address transportation by rail with the expansion of the current light rail project and encourage the possibility of higher speed rail to facilitate travel from the Northeastern corridor through to Southside Hampton Roads, along with improvements on the Peninsula.
- **Action 2:** Address transportation by roads and the constant congestion of the area and continue to investigate the possibility of additional Hampton Roads Harbor crossings.
- **Action 3:** Address transportation by ferries by ensuring continued service between Surry and Williamsburg and examine capabilities for crossing the mouth of the James River.
- **Action 4:** Address air service development by monitoring and continuing to cultivate service with major airlines that feed airline service to Newport News/Williamsburg International Airport and Norfolk International Airports.

Identified by Federal Sub-committee:

- **Action 1:** Provide adequate surface connections (road and rail) to enhance regional mobility and access to federal facilities and to Washington, DC, recognizing infrastructure improvements create jobs and wages today and taking into account the safety of navigation, force protection and homeland security concerns of the Navy and other Federal agencies.

- **Action 2:** Enhance the connectivity required to improve telework/telecommuting opportunities in order to retain organizations, capabilities and investments owned, operated or funded by the Federal Government in Hampton Roads.

Identified by Port Sub-committee:

- **Action 1:** Provide adequate surface connections (road and rail) to enhance regional mobility and improve access to inland markets recognizing infrastructure improvements create jobs and wages today in order to maintain the Port as an economic engine for the Hampton Roads region, the Commonwealth of Virginia and the Nation.
- **Action 2:** Meet the present and future needs of the Port of Hampton Roads through the provisions of safe, efficient and environmentally compatible commercial and military navigation systems and related land-based support facilities in order to maintain the Port as an economic engine for the Hampton Roads region, the Commonwealth of Virginia and the Nation.

Progress: The following HRTPO initiatives and accomplishments have been achieved in 2012-2013 through regional transportation planning and programming processes.

Oct 2012 **Regional Active Transportation Research Scan**

This report summarizes the findings of a research scan conducted by the HRTPO staff to review active transportation (bike/pedestrian) plans from within the US and abroad and identify best practices that could be applied to enhance similar efforts in Hampton Roads.

Nov 2012 **HRTPO 2013 Legislative Agenda**

In preparation for the 2013 General Assembly session, the HRTPO Board approved a set of legislative priorities consistent with the region's transportation needs. The unified legislative agenda was distributed to local governments and the Hampton Roads Delegation of the General Assembly with the aim to serve as direction for those persons advocating on behalf of the region.

Nov 2012 **Hampton Roads Regional Bridge Study – 2012 Update**

Bridges are a prominent part of the Hampton Roads landscape. Due to the importance of bridges to the regional transportation system and concerns about the condition and funding of bridges, the HRTPO began analyzing regional bridges in 2007. This update builds on the previous study.

Dec 2012 **FY 2012 Annual Obligation Report**

In accordance with federal regulations, the Annual Obligation Report (AOR) was published on the HRTPO website.

Jan 2013 **HRTPO Public Participation Plan**

This Plan is part of a comprehensive effort to inform, increase awareness, and engage interested parties in the HRTPO transportation planning and programming processes.

The Plan will serve as a blueprint for HRTPO public involvement and outreach activities and will be reviewed and updated periodically.

Jan 2013 **HRTPO Funding Priorities for the FY 2014-2019 SYIP**

The Virginia Department of Transportation requested input from Virginia metropolitan planning organizations on regional funding priorities for the Commonwealth Transportation Board's FY 2014-2019 Six-Year Improvement Program (SYIP).

Mar 2013 **Technical Amendments to HB 2313**

At the recommendation of the Virginia Secretary of Transportation, the HRTPO submitted recommended technical amendments to transportation legislation (HB 2313) that had been recently passed by the General Assembly.

Mar 2013 **Technical Amendment to State Budget Bill**

The HRTPO Board approved a technical amendment to be submitted regarding the State Budget Bill. The technical amendment submitted requested consideration of rewording a section of the budget bill that described an environmental assessment for a project to improve I-64 from I-664/264 to I-464, including replacement of the High Rise Bridge in Chesapeake, Virginia.

Mar 2013 **Hampton Roads Passenger Rail Study: Phase 2A Final Report**

The Phase 2A: Data Collection established the needed databases for developing the Service Development Plan and other analysis needed to apply for USDOT Federal Railroad Administration passenger rail project funding. This report assembles and collects the appropriate databases required for the analysis of the market, routes, technology, and environmental conditions for the Norfolk-Richmond corridor.

Mar 2013 **Hampton Roads Passenger Rail Study: Phase 2B Scope of Work**

The completion of Phase 2A: Data Collection made it possible for work to proceed with developing the financial and business plan evaluation of the Norfolk-Richmond passenger rail corridor. The results of the Phase 2B study may provide feasibility level justification for further developing the case for high-speed rail and provide data needed to develop the assessment required by the Federal Railroad Administration for a Service Development Plan.

Apr 2013 **HRTPO Unified Planning Work Program – FY 2014**

This Unified Planning Work Program describes the transportation planning work and associated funding for the Hampton Roads Metropolitan Planning Area for the period from July 1, 2013 to June 30, 2014.

Apr 2013 **Historical Analysis of Census Transportation Data**

This document contains transportation-related data for Hampton Roads from the U.S. Census Bureau for the years 1970 through 2010. The data is presented individually by locality and collectively for the region.

- Jun 2012* **The State of Transportation in Hampton Roads 2013**
 This report is produced as part of the region’s Congestion Management Process and details the current status of all facets of the transportation system in Hampton Roads – air, rail, water, and highways.
- Jun 2012* **Volumes, Speeds, and Congestion on Major Roadways in Hampton Roads**
 The HRTPO has released the *Average Weekday Traffic Volumes for Major Roadways in Hampton Roads* report on an annual basis since 2006. This document continues that effort by detailing regional traffic volumes for the years 2007–2012. In addition, this report includes, for the first time, speed data collected by INRIX. It also includes congestion levels based on the above volumes and speeds.
- Jul 2013* **Hampton Roads Title VI & LEP Plan**
 This Plan provides an overview of Environmental Justice and Limited English Proficiency (LEP) concepts, definitions of Title VI and associated nondiscrimination acts, and how Title VI, Environmental Justice and LEP are incorporated into the metropolitan transportation planning process.
- Jul 2013* **Hampton Roads Military Transportation Needs Study – Roadways Serving the Military and Sea Level Rise/Storm Surge**
 The *Hampton Roads Military Transportation Needs Study* is comprised of three phases: 1) Highway Network Analysis, 2) Military Commuter Survey, and 3) Roadways Serving the Military and Sea Level Rise/Storm Surge. This report builds primarily on the first phase by estimating the sea level rise and potential storm surge threats to the roadways serving the military.
- Jul 2013* **Hampton Roads Regional Travel Time Reliability Study**
 This report uses INRIX travel time and speed data to examine the travel time reliability – defined as how much travel times vary over the course of time, as measured from day to day or across different times of the day – of the regional roadway network.
- Sep 2013* **Existing and Future Truck Delay in Hampton Roads**
 This study builds on the analysis of existing truck volumes and delays contained in the *Hampton Roads Regional Freight Study* (HRTPO, September 2012) by forecasting truck volumes and delays in Hampton Roads. This report represents the first time HRTPO staff has forecasted truck traffic and delays.
- Sep 2013* **Regional Performance Measures – 2013 Update**
 In 2009, the Virginia General Assembly passed legislation authorizing the Commonwealth Transportation Board (CTB) to require that appropriate regional organizations develop transportation performance measures. In April 2012, the HRTPO Board approved Regional Performance Measures (RPM) targets for Hampton Roads, as well as the 2012 values for the RPMs. This report provides the annual update of RPM values for Hampton Roads.

Sep 2013 **2040 LRTP Visioning Survey Report**

HRTPO staff conducted a visioning survey as part of the development of the Vision and Goals for the 2040 Long-Range Transportation Plan (LRTP). The 20-question survey was widely disseminated and ran from October 10, 2012 through December 31, 2012. There were 1,805 respondents. This report summarizes the findings of the survey and specifies how the findings will be incorporated into the development of the 2040 LRTP.

Apr 2012 – **Technical Support – Urban Crescent Coordination**

Oct 2012 HRTPO staff coordinated communications among and meetings of the localities from Northern Virginia through the Richmond region to Hampton Roads that make up Virginia's Urban Crescent. This effort was focused on identifying critical transportation issues that affect this highly populated and urbanized portion of the state. The coordination among Urban Crescent localities was instrumental in the development and passage of HB 2313.

Achievable goals in the coming year:

- **Long-Range Transportation Plan** – Development and maintenance of the Region's Long-Range Transportation Plan (LRTP). The LRTP is a financially-constrained, multimodal transportation plan that looks at least 20 years into the future. During FY 2014, work will continue on the development of the 2040 LRTP. This work will include: allocation of future year socioeconomic data to Transportation Analysis Zones, update of the HRTPO Project Prioritization Tool, producing cost estimates and revenue estimates for 2040, and beginning the evaluation of candidate projects.
- **Transportation Project Programming** – The HRTPO Transportation Improvement Program (TIP) is a four-year program for the implementation of transportation projects in Hampton Roads. The TIP must be consistent with the LRTP and identifies the near-term programming of federal, state, and local funds. Before any federally-funded and/or regionally significant transportation project can be in Hampton Roads, it must be included in the current, HRTPO Board approved TIP. The TIP is continually maintained to keep it up-to-date and synchronized with the state TIP. During FY 2014, HRTPO staff will provide the support necessary to assist the HRTPO Board in programming Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Regional Surface Transportation Program (RSTP) funds, Transportation Alternatives Program (TAP) funds, and the new transportation funding (Hampton Roads Transportation Fund) resulting from HB2313.
- **Congestion Management Process** – The Congestion Management Process (CMP) is a systematic method of addressing congestion issues in Hampton Roads. Work related to the CMP includes: support of regional operations planning, maintenance of transportation databases, and evaluation of the state of transportation in Hampton Roads. Special efforts under CMP during FY 2014 include production of an annual report showing traffic volume, travel time, and congestion by roadway segment on the CMP network and an update of the CMP master document.

- **Public Participation** – Integrated in all work performed by the HRTPO is an effort to engage the public in regional transportation decision-making. The HRTPO is committed to providing a transparent and accessible transportation planning and programming process and uses a variety of public involvement, outreach, and engagement strategies. During FY 2014, the HRTPO staff will implement outreach strategies for the development of the 2040 LRTP and refine the mechanisms for the ongoing Title VI/Environmental Justice review of the TIP and LRTP.
- **Regional Freight Planning** – The efficient movement of freight is an important component of a region’s transportation system. This is particularly true in Hampton Roads, home to the third largest container port on the East Coast. Of particular concern to the freight community is the effects that tolls will have on freight movement and on the decisions of freight-related businesses to locate in Hampton Roads. The HRTPO allocated funds to the Virginia Port Authority for a study on the effects of future and/or proposed toll rates on retaining or attracting freight related business to the Region. The study is scheduled to be completed during FY 2014. In addition, during FY 2014, HRTPO staff will document the condition and performance of Hampton Roads highways on the national freight network and prepare the local components associated with the National Freight Strategic Plan. These efforts will position Hampton Roads to received MAP-21 funding to improve freight transportation in the region.
- **Safety and Security Planning**—The safety and security of the transportation system for all motorized and non-motorized users must be considered when selecting projects, strategies, and services. The HRTPO produces regular updates of safety-related reports. During FY 2013, HRTPO staff produced an update to *the Hampton Roads Regional Safety Study*, specifically on crash locations and trends. During FY 2014, staff will produce a companion document on crash analysis and countermeasures.
- **Hampton Roads Passenger Rail Consultant Study** – The HRTPO has been working since 2009 to position Hampton Roads to be more competitive regarding passenger rail funding and service. During FY 2013, the HRTPO and its consultant, in coordination with the Virginia Department of Rail and Public Transportation, completed Phase 2A of the passenger rail study, which ensured that the appropriate databases are collected and assembled for the required analysis of the market, routes, technology, and environmental conditions for a service development plan application for the Petersburg to Norfolk passenger rail corridor. During FY 2014, the consultant work will continue with Phase 2B – Alternatives Analysis Study Approach. The scope of Phase 2B consists of conducting an evaluation of higher-speed (110mph) and high-speed (125+ mph) rail options.

Identified by Opportunities Sub-committee:

- **Action 1:** Develop a long-term adaptation strategy for the impacts of climate change and sea level rise on Hampton Roads in order for Hampton Roads to be a region of excellence for environmental distinction.

- **Action 2:** Utilize the strengths of the region’s modeling and simulation industry to develop tools to support regional leaders in developing climate change and sea level rise adaptation strategies in order for Hampton Roads to be a region of excellence for environmental distinction.
- **Action 3:** Support transportation policies including investment in transit and programs that will promote more compact land use in order for Hampton Roads to be a region of excellence for environmental distinction.

Progress:

HRPDC has been engaged in climate change research, education, and outreach since 2008. Most of this work has been funded through collaboration with the Virginia Coastal Zone Management Program, which contributes on average half of the total budget of each grant project awarded. Since 2008, HRPDC has completed two such projects studying the impacts of climate change and sea level rise on the Hampton Roads region.

The first grant project was a three-year focal area grant studying climate change adaptation. This project resulted in three research reports, each focusing on a specific aspect of adaptation. The first report, ***Climate Change in Hampton Roads: Impacts and Stakeholder Involvement*** (February 2010), provided a broad overview of climate change, its projected effects, and its potential impacts on the region. The second report, ***Climate Change in Hampton Roads Phase II: Storm Surge Vulnerability and Public Outreach*** (June 2011), contained an analysis of the region’s exposure to storm surge flooding in terms of land area, population, roads, critical infrastructure, and businesses. The third report, ***Climate Change in Hampton Roads Phase III: Sea Level Rise in Hampton Roads*** (July 2012), contained an analysis of the region’s exposure to sea level rise across a range of sectors, including the built and natural environments, infrastructure, and the economy. Both the second and third reports contained a series of maps showing which areas in the region were vulnerable to flooding or sea level rise under the studied scenarios.

The second grant project funded by the Virginia Coastal Zone Management Program was a one-year grant focused on promoting coastal resiliency in Hampton Roads. This grant resulted in a report, ***Coastal Resiliency: Adapting to Climate Change in Hampton Roads*** (July 2013), that provided a summary of the current science on sea level rise, including projections, descriptions of several planning strategies can be used by local governments to plan for sea level rise, and recommendations on specific planning actions and studies that local governments can undertake to assess the future impacts of sea level rise. This project also resulted in updated sea level rise inundation maps using the best available elevation data, including LIDAR for the majority of the region.

In addition to these reports, HRPDC staff has worked with several local, regional, state, and federal partners on efforts to promote climate change adaptation in Hampton Roads. HRPDC staff worked with the Institute for Environmental Negotiation, Wetlands Watch, and the City of Virginia Beach to organize and hold four listening sessions in Virginia Beach in March 2011. HRPDC also worked with the same group to organize a follow-up stakeholder focus group

discussion in Virginia Beach in May 2012. HRPDC and HRTPO also partnered with a team from the University of Virginia and the Virginia Department of Transportation to study how climate change could affect transportation infrastructure and projects. HRPDC also contributed funding to help acquire new high-resolution LIDAR elevation data for eight localities on the Peninsula and Southside; this new data will help significantly with mapping and assessing the region's vulnerability to sea level rise.

More recently, HRPDC has partnered with Old Dominion University and Virginia Sea Grant to establish the Hampton Roads Sea Level Rise and Flooding Adaptation Forum, a series of meetings where local government staff can meet and hear from researchers, state agencies, federal agencies, and others to learn about and discuss potential responses to flooding and sea level rise. Three meetings have been held since October 2012, with another planned for October 2013. HRPDC staff also assisted the Virginia Institute of Marine Science in the completion of the Recurrent Flooding Study for the General Assembly, which was completed in December 2012.

Achievable goals for the coming year:

Climate change will continue to be a pressing issue for the region to address. In the coming year, HRPDC will continue or begin several projects related to climate change adaptation:

- 1) HRPDC will continue to work with Old Dominion University and Virginia Sea Grant to maintain the success of the Hampton Roads Sea Level Rise and Flooding Adaptation Program.
- 2) HRPDC, with funding from the Virginia Coastal Zone Management Program, will work the City of Virginia Beach to review its code and plans to identify potential changes that could be made to improve the City's resiliency and ability to adapt to sea level rise and climate change. HRPDC will also assist the City in mapping vulnerable areas and infrastructure and analyzing the City's exposure to sea level rise.
- 3) HRPDC, with funding from the Virginia Coastal Zone Management Program, will update regional sea level rise vulnerability maps using LIDAR elevation data that is expected to be delivered by December 2013. HRPDC staff will also establish a regional sea level rise working group with local government staff and continue public education and outreach efforts. HRPDC staff will also demonstrate the use of the various planning techniques discussed in the 2013 Coastal Resiliency report.
- 4) HRPDC will continue to work with local, regional, state, and federal partners, including the region's research institutions, to promote adaptation to climate change and sea level rise by the region's local governments, businesses, and residents.

Intellectual & Human Capital

Opportunity Inc. and the Peninsula Council for Workforce Development represent two Workforce Investment Boards in Hampton Roads. They are the lead organizations responsible for the implementation of actionable items in the plan pertaining to intellectual and human capital, considered another key cross-cutting issue in the planning process.

Identified by Federal Sub-committee:

- **Action 1:** Develop and implement an action plan for job conversion for exiting military personnel to keep them in Hampton Roads, enhancing the skills and attractiveness of our workforce in order to attract and expand organizations, capabilities and investments owned, operated or funded by the Federal government in Hampton Roads.

Identified by Port Sub-committee:

- **Action 1:** Support workforce development programs in the region through annual evaluation of opportunities and threats in order to grow and enhance the Port of Hampton Roads and become the East Coast port of call for all major ship lines.

Identified by Opportunities Sub-committee:

- **Action 1:** Address the inadequate innovation system and support for entrepreneurship in Hampton Roads by providing education and training in entrepreneurship in order for Hampton Roads to be a region of excellence for clusters of cutting edge technology-based business innovation and education.
- **Action 2:** Grow our 21st century workforce by including the knowledge, skills and capabilities of key Hampton Roads technologies in the curriculum of all Region II K-12 school divisions, addressing educational needs for a successful 21st century workforce in order for Hampton Roads to be a region of excellence for clusters of cutting edge technology-based business innovation and education.

Progress:

- **Supporting Exiting Military**

The Peninsula Council was awarded a \$250,000 grant for a Veterans' Employment Initiative through the Virginia Community College System's Rapid Response Assistance Program. The "Jobs for Veterans" Program has a single mission: Training of eligible Veterans (and HEROES) for immediate employment in one of six high-demand Advanced Manufacturing career fields.

Peninsula Worklink will enroll 85 dislocated veterans into skills training, with industry-recognized credentials, and help place them into occupations within targeted high-growth and high-wage industry sectors. Peninsula Council is collaborating with the Virginia Employment Commission and Thomas Nelson Community College on this initiative

In February 2013 Opportunity Inc. was awarded an 18 month, \$250K Veteran Rapid Response grant to provide exiting military and other veterans with workforce services leading to careers in Information Technology and Advanced Manufacturing. This program provides Opportunity Inc. with additional resources to enhance current services to veterans and improve coordination among the various veteran service providers. The program approach is built from partner experience as well as best practices like those identified by the National Association of Workforce Boards and has five components:

- 1) Enhanced, dedicated support - Opportunity Inc. has assigned a Career Developer at its One-Stop workforce Center dedicated to outreach and assistance for exiting military and other veterans.
- 2) Increased veteran and eligible spouse outreach
- 3) Veteran specialized core and intensive services – Opportunity Inc. has added veteran specific workshops to its program mix.
- 4) Training in High Demand Information Technology and Advanced Manufacturing Occupations – A minimum of 22 veterans will receive training directly paid for under the grant. However, since veterans receive priority in obtaining federal workforce assistance, many more will be trained through Opportunity Inc’s traditional funding sources.
- 5) Enhanced Coordination of Services with Community College Partners and other Agencies.

In May 2013, Opportunity Inc. partnered in a veteran hiring and transition event at Scope sponsored by the Virginia Department of Veterans Services and the City of Norfolk. About 300 attendees received information on local labor market opportunities and other transition related assistance.

In October 2012, Opportunity Inc. sponsored and participated in a Virginia Values Veterans Conference (V3) at the Ted Constant Center in Norfolk.

- **Training for high growth occupations**

General

In the program year ending June 30, 2013 (PY 2012), Opportunity Inc. served 8,000 new customers and saw over 50,000 total client visits. Over 500 new customers enrolled in training services and 567 clients entered unsubsidized employment at an average of \$14.77/hour, or about \$30,735 per year.

Of all who began training in the year, about 80% were in Health Care, Information Technology or Transportation/Warehousing related occupations.

The Peninsula Council for Workforce Development, through the Peninsula Worklink One Stop System, provides funds to train hundreds of Hampton Roads residents each year for careers in growing occupations. In the program year ending June 30, 2012, approximately 15% of new clients (53) received training in port (transportation) or maritime (production/ship building) related occupations.

Healthcare Training

The Peninsula Council for Workforce Development, in partnership with Opportunity Inc., was awarded a 4-year, \$5.0 million grant from the US Department of Labor to provide advanced healthcare education, training and job placement assistance. Training will occur across more than 20 specialties including: dental hygiene; health information technology;

lab technology; physical therapy; registered nursing; physician assistance; radiologic technology; and respiratory therapy. Eligible participants can receive up to \$10,000 for training in an approved program of study. The Peninsula Council for Workforce Development enrolled 58 participants in training through June 30, 2013, while Opportunity, Inc. enrolled more than 200 participants, of which 43 have completed training.

Other

On January 30, 2013, Opportunity Inc. along with key partners (Chesapeake Library System and Hampton Roads Society for Human Resource Management (HRSHRM)) hosted a hiring and training event targeting South Norfolk residents and focusing on jobs in the ship repair industry. Interested job seekers were invited to pursue four different positions representing several job openings with Trade Team, the recruitment arm of Colonna's Ship Yard. Positions included Fire Watch, Brush Painter, Hydro Blaster, and Structural Welder.

- Fire and Safety Watch (\$9 - \$10/hour)
- Hydro-Blaster (\$14 - \$17/hour)
- Brush and Roller Painter (\$14 - \$17/hour)
- Structural Welder (\$18 - \$24/hour)

One-hundred-sixty-eight people expressed an interest in one or more of these positions. Job seekers were required to participate in Opp Inc's Orientation Program, one of several Resume Writing Workshops conducted by Opp Inc. staff and broadcast to several Chesapeake Libraries, one of several Interview Skills workshop conducted by HRSHRM volunteers at South Norfolk and Cuffee Libraries and a Mock Interview with immediate feedback also conducted by HRSHRM volunteers at South Norfolk and Cuffee Libraries. A total of 25 candidates completed the entire process and were interviewed by Trade Team recruiters on January 30, 2013.

The outcome:

- 19 candidates are confirmed hires
- 6 candidates were passed over for various reasons and referred elsewhere

Typically, the placement rate for those interviewed by Trade Team recruiters is 20%. The placement rate of those interviewed by Trade Team recruiters during this event hit 72%. A quarter after the event 18 of the 19 people hired were still working.

The South Norfolk project followed a similar program in the previous fiscal year involving Gold Key Report. In each case, Opportunity Inc. worked closely with both the target employer and prospective employees. The results were much higher hiring and retention rates than typically seen by either employer. Although this approach is resource intensive, because of its proven success, it has become a model we plan to continue to use in the future.

- **Business Innovation and Education**

Opportunity Inc. is implementing a \$1.76 million grant for entrepreneurship education through the U.S. Department of Labor's Workforce Innovations Fund as part of a three region consortium. The *SkillSource* Group, Inc., Northern Virginia Workforce Investment Board's non-profit arm and formal grant recipient, and the Capital Region Workforce Partnership in Richmond are the other two grant partners. Lastly, IMPAQ International will complete a formal evaluation of program results. Together, the grant totals \$8,355,590.

All VETEC participants will receive training in a core curriculum that includes: business planning; accounting; finance and credit; and sales and marketing. Additional services include networking, special events, specialized training and entrepreneurship mentoring.

Training began in June 2013 with Roads Old Dominion University providing training and other services.

- **Support for STEM education and entrepreneurship education** -- In the Fiscal Year ending June 30, 2013, Opportunity Inc. served 522 youth ages 16-21 with a variety of STEM-related programs through its Federal Workforce Investment Act funded program. These include:

Science, Technology, Engineering & Math (STEM) Program

Locality Served: Virginia Beach /Operated by Virginia Beach City Public Schools

Students participated in STEM after-school programs and dual-enrollment opportunities that enhanced their knowledge of STEM-fields. During an after-school Robotics Club, the high school juniors and seniors constructed a Level 1 robot via online training modules with a mentor. The students competed in the annual STEM Robotics Club Competition at the Virginia Beach Convention Center. Participants also had the opportunity to complete a 3-credit STEM 101 course broadcasted to their high schools through Norfolk State University. Lastly, the students participated in a STEM seminar with Junior Achievement to network with local and global STEM leaders.

Project Gear Up!

Locality Served: Portsmouth/ Operated by the Urban League of Hampton Roads, Inc.

This program focused on preparing young people for life after high school including college and career preparation. Held at I.C. Norcom High School in Portsmouth, students participated in career immersion activities including vocational assessments, paid internships, presentations by guest speakers in various professions and field trips to local businesses. Students received assistance with the college planning process by exploring post-secondary options and researching financial aid opportunities. In addition to career and college exploration, Project Gear Up! partnered with Junior Achievement to provide financial literacy education to the program participants.

Pathways to Success

Locality Served: Southampton County/ Operated by Southampton County Public Schools

The Pathways to Success program focused on drop-out prevention, alternative secondary school services, summer employment, adult mentoring, drug and alcohol abuse prevention and subsidized work experience. Students obtained SOL tutoring, work readiness training and participated in STEM-related field trips to local employers and higher education institutions. During Virginia Career Week, the students learned how to start their own businesses through the guidance of industry professionals.

The Pruden Center's Youth Program Services

Localities Served: Isle of Wight County and Suffolk/ Operated by The Pruden Center for Industry and Technology

Juniors and seniors of the Pruden Center developed their academic and workplace readiness skills through involvement in paid internships related directly to their specific career and technical programs. Internship placement sites included the City of Suffolk Mosquito Control and the Center of Veterinarian Excellence. In addition to guest speakers, students also attended field trips including a fun visit to the Elizabeth River Project's Learning Barge to learn about sustainability and environmentally friendly design.

Science & Technology Education Preparation (STEP) Program

Locality Served: Norfolk/ Operated by Norfolk State University (NSU)

The NSU STEP Program provided junior and senior students with opportunities to broaden, enhance and develop an increased interest in the science, engineering and technology fields. During NSU STEM Day, the students were exposed to the latest research advances in fields such as nano-technology, building construction and rocket science. They also participated in academic mentorship opportunities while conducting simulated research with faculty. In addition, students visited post-secondary institutions such as James Madison University and Elizabeth City State University.

Project Launch

Locality Served: Portsmouth/Operated by Old Dominion University (ODU)-Virginia Modeling, Analysis and Simulation Center (VMASC)

Located at ODU VMASC, this program allowed Portsmouth High School juniors and seniors to learn about careers that will be in-demand for years to come. They attended a presentation about computer science with ODU's Unmanned Aerial Vehicle Team and took several field trips to places such as the APM Terminals, Lockheed Martin Center for Innovation and the Hampton Roads Sanitation Department. In addition, the participants in this program also completed financial literacy, job preparation and career exploration activities.

The Spartan Prep Academy

Locality Served: Virginia Beach/Operated by Norfolk State University (NSU)

Located at the Virginia Beach Higher Education Center, The Spartan Prep Academy taught students in Virginia Beach Public Schools how to prepare and succeed in college. They attended training sessions in time management, gang awareness, college applications and career options. Students were able to create career portfolios, receive SAT preparation assistance and peer mentoring. The highlight was participating in community service and field trips in the areas of cultural awareness, college visits and career fairs.

Emerging Scholars Program

Localities Served: Isle of Wight County, Franklin, Southampton County, and Suffolk/
Operated by Paul D. Camp Community College (PDCCC)

Located at PDCCC, this program gave qualifying students the opportunity to advance their college education by earning dual enrollment credits and learning leadership skills for the workplace. The students participated in monthly career readiness seminars including a trip to the Youth Career Center of Hampton Roads. Participants also had the opportunity to attend college tours, host a "Dress For Success Fashion Show," and attend a STEM-based summer camp.

Certified Nursing Assistant (CNA) Youth Academy

Localities Served: Norfolk, Chesapeake, Portsmouth, Virginia Beach/ Operated by Tidewater Community College

The CNA Youth Academy was a three-month training program that prepared young professionals for a career in the healthcare field. The program featured job specific curriculum developed with the assistance of industry leaders and employers, workplace readiness training, classroom training that simulated a work environment, internships, and a twelve-month post employment follow-up with the employers and graduates on the job site.

Building Trades Academy, Inc.'s

Pre-Apprenticeship Certificate Training

Localities Served: South Hampton Roads of Virginia/Operated by the Building Trades Academy, Inc.

This training academy located in Chesapeake for aspiring building maintenance professionals was a 10 to 12 week long program for men and women between the ages of 18 and 21 residing in South Hampton Roads. Training took place in the classroom as well as the worksite where participants received hands-on experience working on a project that benefited the community. Pre-employability training, counseling, job placement and follow-up services were also provided.

Spartan Crusade for Academic Success (SCAS) (18-21)

Localities Served: Norfolk and Portsmouth/Operated by NSU

The NSU Bridge Program was established to broaden the participation of at-risk youth in the pursuit of post-secondary education. This program is comprised of three components: a rigorous academic improvement component, a series of student success seminars, and an on-campus work experience model. The academic component offers weekly enrichment coursework designed to improve the student performance level and increase students' likelihood of admission to college. In addition to this, tutoring, cultural, and pre-college enrichment exposure will be provided.

Paul D. Camp Community College (PDCCC) Bridge Program (18-21)

Localities Served: Franklin, Isle of Wight County, Southampton County, and Suffolk/Operated by PDCCC

The PDCCC Bridge Program introduces participants to post-secondary opportunities and enhances their vocational experiences through on-campus employment. This program is centered on meeting participants where they are academically, socially and vocationally, and will provide the remediation and guidance necessary to prepare them for post-secondary education or employment. The goal of this program is to provide learning opportunities that will create an environment for participants to gain life skills, self-confidence, and critical thinking skills that positions them to be successful in their pursuit of post-secondary education.

In the Fiscal Year ending June 30, 2013, the Peninsula Council for Workforce Development supported STEM education and entrepreneurship education through its Youth Career Cafes and Youth Career Expo through special programming that included:

Entrepreneurship Education

The past year, the Peninsula Council hosted the Disney Institute in Hampton Roads, Through the Disney's Approach to Business Excellence seminar, business professionals, including entrepreneurs, were provided with the knowledge to be successful in business. Over 250 professionals attended the event.

Youth Career Café

- Over 10,000 visits to a Youth Career Café related / sponsored event focused on career readiness activities, including STEM focused opportunities.
- Career workshops in Healthcare (general), Modeling and Simulation, Career Exploration Camps, Advanced Manufacturing, Technology (general), and Game Design
- Week long STEM Camps in partnership with ECPI University, a local technical school
- Week long Advanced Manufacturing Camp in partnership with Thomas Nelson Community College
- Hosting of multiple Girls Get IT events in partnership with K12 and ECPI University

Youth Career Expo

- The Peninsula Council for Workforce Development, in partnership with the Virginia Peninsula Chamber of Commerce and the six Peninsula school divisions, hosted the award winning **Youth Career Expo 2013** on Tuesday, March 26, 2013 at the Hampton Roads Convention Center. The event, which received the Virginia Department of Education’s 2011 State and Regional Business and Education Partnership Awards, brought together more than 250 professionals from business, education and industry to prepare the more than 2,200 youth in attendance for the workplace. School divisions participating included Newport News, Hampton, Williamsburg-James City County, York County, Poquoson, Gloucester County and Franklin. The Expo included mock interviews, various workshops and over 55 business exhibitors. Students entered the “World of Opportunities” by exploring 13 different Worlds, including Finance, Healthcare, STEM, Green, Construction, and others. They also partook in interactive workshops ranging from financial literacy to STEM and Healthcare sessions. The mini workshops included lessons in soft skills such as problem-solving, oral communication, and interpersonal and teamwork skills.

- **Growing our 21st century workforce through STEM Career Pathways** – The Peninsula Council for Workforce Development continues to be a leader in the Commonwealth when it comes to Career Pathways. Building on the successes of the Skills to Succeed Inventory and Career Pathway in Advanced Manufacturing, the Peninsula Council developed a *Skills to Succeed in Healthcare Career Pathway* model. The Healthcare Career Pathways model was instrumental in Newport News, Hampton, Gloucester and York County School divisions being designated as Governor’s Academies in Healthcare this past year. In addition, the Peninsula Council is serving on a national taskforce with the goal of developing a successful Career Pathways model for the nation.

The Youth Career Center of Hampton Roads

The Youth Career Center of Hampton Roads (YCCHR), under the general guidance of the Opportunity Inc. Youth Council, provided career exploration, job preparation and financial literacy education to youth between the ages of 14 and 21 living in the localities of Chesapeake, Franklin, Isle of Wight, Norfolk, Portsmouth, Southampton, Suffolk, and Virginia Beach. Currently, the YCCHR has locations in Virginia Beach and a recently opened satellite office in Franklin at Paul D. Camp Community College bringing more intensive services to the surrounding rural communities.

In the 2012-2013 program year the center interacted with over 13,000 youth and another 2,800 parents, teachers and other adults. Services were provided through onsite group tours, scheduled workshops, programs and to individuals on a walk-in basis.

This past year, the Center hosted a number of events including:

- Smart About Credit Month

- Careers in the Visual Arts program
- Go Mad About Science middle school program.

Additionally, the YCCHR hosted recruitment events, such as our 2013 Teen Summer Opportunity Fair that attracted over 1,000 attendees. Others included exclusive hiring events

- Gold Key PHR
- Wells Fargo
- Farm Fresh
- Virginia Beach Parks and Recreation
- Ocean Breeze Waterpark
- Krispy Kreme
- AAA Pools
- Kroger Supermarkets

Youth Career Center staff provided a prescreening process that included application completion, mock interviewing, and resume development.

Actionable goals for the coming year:

- **Continue to advance STEM and entrepreneurship training**

Both Workforce Investment Boards intend to advance STEM and entrepreneurship training in the coming year. Opportunity Inc. will expend \$2.2 million across 10 youth programs in the 2013-2014 fiscal year. The current mix of programming includes: STEM; college prep; high school completion; and high demand job training.

Opportunities

The Hampton Roads Partnership serves as the lead organization with numerous partners that assist in implementing the strategies and actions focused on the environment and healthcare..

Objective 4: Hampton Roads will be recognized internationally as a region for centers of excellence fueled by a culture of innovation and economic opportunities.

Strategy 1: Hampton Roads will be a region of excellence for environmental distinction.

Action 1: Develop and implement the multi-disciplinary systems capabilities to enable critical assessments and tradeoffs between energy, the environment and the economy.

Action 2: Develop a framework for a green economy by connecting all of the public, private, nonprofit and higher education activities aimed at coordinating the regional

green agenda in order for Hampton Roads to be a region of excellence for environmental distinction.

Action 3: Develop and implement a regional campaign for awareness of environmental issues and their implications and methodologies for going “green.”

Action 4: Leverage the strong heavy-industry (primarily shipyard trade) capabilities in Hampton Roads to become a center for the manufacture and maintenance of conventional, nuclear and renewable energy-related infrastructure in order for Hampton Roads to be a region of excellence for developing and implementing offshore wind energy and other coastal energy solutions.

Action 5: Cooperate with regional port facilities in Delaware, Maryland, District of Columbia and North Carolina on transportation and logistics of major offshore energy components in order to establish the Port as the manufacturing and supply chain hub of the East Coast offshore energy industry.

Progress:

Environmental Awareness

- **HR Green** – The Hampton Roads Planning District Commission (HRPDC) has been a leader in building awareness among residents about the importance and value of finding their “inner green.” HRPDC launched HR Green (<http://askhrgreen.org/>), a region-wide public awareness campaign on July 19, 2011. Encouraging environmental stewardship is a key charge of the HRPDC. The idea for askHRgreen.org began a year ago when the HRPDC decided to consolidate its HR CLEAN, HR FOG, HR STORM and HR WET outreach programs into one regional umbrella campaign called HR GREEN. This content-rich website is the go-to place for information about recycling, smart water use, sustainable landscaping practices or anything related to the region environment. To measure the website’s effectiveness and survey was done in the fall of 2012. The results revealed that the askHRgreen.org campaign has proven effective in educating and modifying the behavior of its target audiences. In the coming year survey results will be used to make adjustments to the overall campaign to focus more on showing the connection between negative environmental behaviors and the resulting consequences.
- The full [askHRgreen.org](http://askhrgreen.org/wp-content/uploads/2011/06/askHRgreen-Annual-Report_final_web.pdf) Annual Report for Fiscal Year 2013 can be accessed at http://askhrgreen.org/wp-content/uploads/2011/06/askHRgreen-Annual-Report_final_web.pdf Highlights from the report include:
 - 942 Facebook Likes
 - 32,697 Website Visitors from July 2012 – June 2013
 - Over 65 Million opportunities to see or hear askHRgreen.org in the media
 - 30,000 Green Learning Guides distributed to 6th graders
 - 185,349 Green Living inserts distributed through The Virginia-Pilot & Daily Press
 - \$12,175 Environmental Education Mini-grants awarded to 31 schools/groups in 10 localities

Achievable goals for the coming year:

Environmental Awareness

- Increase knowledge and environmentally responsible actions through multi-media informational campaigns
- Reach and inspire students to be good environmental stewards through the askHRgreen.org Environmental Education Mini-Grant Program
- Encourage homeowners to have their soil tested and know their grass before they fertilize
- Reach out to multi-family properties and community associations to share askHRgreen.org's environmental education resources
- Communicate to residents and businesses the importance of recycling unwanted electronics
- Educate citizens about the proper disposal of fats, oils and grease and discourage use of the garbage disposal
- Inform citizens about the importance and value of our drinking water, wastewater and stormwater systems
- Share water wise tips for outdoor use and other "green" practices for the yard
- Encourage citizens to "recycle more, trash less"
- Engage citizens in the Great American Cleanup

Strategy 2: Hampton Roads will be a region of excellence for healthcare and life sciences.

Action 1: Work to insure quality, cost effective healthcare is available to citizens of Hampton Roads in order that businesses may be more competitive.

Action 2: Address healthcare as a quality of life measure for our region.

Action 3: Reach out to regional leaders in healthcare to determine and address what they need to grow their industry.

Action 4: Leverage the academic, research, and infrastructure capabilities of local colleges, universities and federal labs as well as commercial entities to become a region of distinction for the convergence of life sciences, information technology, photonics, nanotechnology and personalized healthcare.

Progress:

- **Funding for Eastern Virginia Medical School (EVMS)** – EVMS is currently under-funded by the Commonwealth of Virginia when compared to the Schools of Medicine at UVA and VCU – the gap is roughly \$12 million. \$ 7.1 million was added to the state budget during the past General Assembly session to begin filling that gap. EVMS is also part of a feasibility study to explore a possible merger with The College of William and Mary.

- **Medical Modeling and Simulation** – Secured \$250,000 through a state budget amendment to grow the National Center for Collaboration in Medical Modeling and Simulation established by Congress in 2011 in Hampton Roads, including planning with ODU and EVMS.
- **EVMS research project** – The project identified neighborhoods with high infant mortality rates, cancer, diabetes, etc. to begin developing a strategy focused on improving health in under-served neighborhoods.

Achievable goals for the coming year:

- **Seek funding for the medical and health professions education and research programs of Eastern Virginia Medical School (EVMS).** *The Virginia 2012-2014 Budget includes an increase in state funding of \$3.6M for education and includes EVMS in the newly established Virginia Life Sciences Consortium that would largely fulfill this recommendation.*
- **Advocate for funds to support the National Center for Collaboration in Medical Modeling and Simulation** –Expand the activities of local businesses in the medical simulation industry, in an effort to attract new businesses and talent to the region. *The Virginia 2012-2014 Budget includes \$250K in support of this effort. An additional \$250K of core support is needed to ensure the longer-term success of this effort.*
- **Improve the health of the region’s residents** who live in neighborhoods with the highest incidence of poor health. *The concept would be for each of those involved to target at least 25% of their efforts and philanthropy over the next decade in those high need neighborhoods.*
- **Promote effective health programs in the workplace** – Encourage all local businesses to draw on the expertise and experience of the Sentara, Bon Secours and Riverside health systems, other medical and health care providers, and region’s academic institutions to implement effective health promotion programs in their workplaces. *This advocacy is a straightforward way to improve the health and productivity of the region’s workforce.* (Recent article: <http://hamptonroads.com/2012/09/worker-wellness-health>)
- **Encourage investments** in life sciences education and research, coordinated participation of private healthcare providers and free clinics in improving the health of residents, and sustain efforts to recruit new healthcare industries to the region.

Innovation

The Hampton Roads Partnership is serving as the LEAD organization on this component of Vision Hampton Roads using Innovate!HamptonRoads. Innovate!HamptonRoads is the region's grow-your-own economic development strategy and represents the best opportunity to diversity from the region's disproportionate military and federal spending dependence.

Innovate!HamptonRoads is designed to inspire entrepreneurship and accelerate high growth potential businesses by building idea-generating and job-creating industry clusters in Modeling and Simulation (M&S), Sensors, Unmanned Systems and Robotics, Bioscience, Coastal Energy and Aerospace.

A two-year \$500,000 grant from the Economic Development Administration, leveraged with other resources, helped create and develop an incubator network for supporting entrepreneurs and jumpstart Innovate!HamptonRoads.

Strategies identified by the Opportunities Sub-committee:

Strategy 1: Hampton Roads will be a region of excellence for clusters of cutting edge technology-based business innovation and education.

Action 1: Address the inadequate innovation system and support for entrepreneurship in Hampton Roads by providing business incubation and support for early stage companies in order for Hampton Roads to be a region of excellence for clusters of cutting edge technology-based business innovation and education.

Action 2: Continue to grow the technology clusters of Modeling and Simulation, Sensors and Bio Science and embrace new clusters as they develop.

Action 3: Encourage and support Hampton Roads' research universities as focal points of knowledge-led economic development.

Action 4: Work to remove barriers to entrepreneurial activities in order to drive innovation, above average economic growth and above average net incomes for workers.

Strategy 2: Hampton Roads will be a region of excellence for developing and implementing offshore wind energy and other coastal energy solutions.

Action 1: Develop and implement multi-disciplinary systems capabilities to enable critical assessments and tradeoffs among energy resource development, the environment, and the economy.

Action 2: Leverage the strong R&D capabilities developed at local colleges, universities and federal labs as well as commercial entities and Mid-Atlantic coastal location near a power grid connection point to become a Coastal Energy Center of Excellence that studies and develops offshore wind and other renewable energy sources.

Action 3: Support, promote, and expand the Virginia Coastal Energy Research Consortium as a Center of Excellence for the translation of basic alternative energy research into commercial economic development projects; especially in wind, algal biodiesel, and wave energy.

Progress:

- Entrepreneur Support Network-** Collaboration and resource sharing among the Incubator managers of Hampton Roads continues on a quarterly basis. At last count, there were over 80 companies being served by the region’s incubators. Best practices and guest lectures have been shared. Resource funding for teleconference facilities is being pursued. A long range vision has been developed, dubbed the E-64 Project, designed to solicit regional business and economic development support for a cyclical strategy to drive a culture of entrepreneurship and tolerance for failure.

The region is nurturing long-term small-business success by taking deliberate, ordered steps to surround startups with help. Investors, business, universities and economic development agencies have been involved from the start. The Ideation Process begins with entrepreneur clubs, business plan competitions, hackathons and maker faires which are held throughout the year. These lead to startup weekends on both the southside and peninsula where the kernel of a product or service is hashed out further. Entrepreneurs with successful plans earn a spot in regional incubator programs where they are connected with business, management teams built and nurtured into sustainable companies. The new-business track ends several months later with demo days and pitch events involving potential investors. This cycle repeats each in an informal but purposeful manner.

IDEATION
to Commercialization Pipeline



¹(ODU) Old Dominion University ²(W&M) College of William and Mary ³(ECPI) ECPI University ⁴(HU) Hampton University ⁵(CNU) Christopher Newport University
⁶(NS) Norfolk State ⁷(NIA) National Institute of Aerospace ⁸(JLAB) Jefferson Lab ⁹(LaRC) Langley Research Center

The Hampton Roads Fab Lab System – The Fab Lab concept originated in the Media Lab at Massachusetts Institute of Technology (MIT), a collaboration between the Grassroots Invention Group and the Center for Bits and Atoms at MIT, broadly exploring how the content of information relates to its physical representation and how a community can be powered by technology at the grassroots level. The purpose is to have available in the wider community all of the equipment necessary to rapidly prototype ideas at a cost that virtually any startup can afford.

The Peninsula Technology Incubator (a member of The E-64 Project) has access to a 3D printer and its value to entrepreneurs has been well proven. As support is received from various municipalities, the Commonwealth and the Federal Government; the plan is to build at least two Fab Labs in Hampton Roads as the optimal level has been determined by MIT as one lab for every 700,000 of population. What is particularly exciting is that each Fab Lab's equipment can be connected to the Internet and therefore the network of incubators across Hampton Roads can share these assets.

Also important to commercializing the high-tech research results arising from our universities and Federal Laboratories is access to high-performance computing assets. To that end the City of Hampton and the National Institute of Aerospace (NIA) are jointly investing in the acquisition and operation of a high-performance computer to support the efforts of NIA and local innovators in The E-64 Project and others. This investment is being made by the city and NIA as part of the overall effort to improve regional innovation and entrepreneurship independently of other potential investments in The E-64 Project.

Funding for Fab Labs as conceived by the MIT Bits and Atoms Center is being pursued along with two more physical incubator facilities in order to provide uniform community service locations within 20 miles of any entrepreneur in Hampton Roads.

- **Seed and Venture Capital Funds** – First Landing Innovation Partners, a seed stage fund is being developed. Candidate companies are being coached to prepare presentations and business plan overviews and support is being provided to get key management team elements and customer validation in place.
- **2013 MODSIM World Conference & Expo** – Strengthened the region's Modeling and Simulation (M&S) industry cluster (the third largest concentration in the U.S.) through promotion and networking. This year the National Defense Industrial Association (NDIA) took over the production of the event and held a mini conference April 30-May 2. It was well attended and maintains momentum for the full conference in 2014.
- **Ignite Hampton Roads #3**–In 5 minutes, with 20 slides, what would you say? At every **Ignite**, sixteen artists, technologists, thinkers and personalities take the stage to answer this challenge. **Ignite** is an international grassroots effort to rejuvenate creative thought and entrepreneurial passions for local economies around the world. The organizers of **Ignite Hampton Roads** held this unique forum as an opportunity to hear geeks,

designers, technologists, thinkers, poets and artists showcase their ideas for innovation, entrepreneurship, “life-hacks” and community interest.

- **Industry Cluster Development** – Approximately 50 business networking events were held this past year. Monthly events like BioTech at the Beach, Aerospace Connect, UnWined at Innovation Research Park, Critical Mass, and Entrepreneur Meet-ups continue to connect aspiring entrepreneurs, business leaders, venture capitalists, research universities, federal labs, and public officials to develop the region’s growing clusters.

- **Mid-Atlantic Regional Space Port** – In September, 2013 two historic launches from the Mid-Atlantic Regional Spaceport took place. The first was the LADEE mission to the moon, followed by Orbital Sciences Corporation’s launching of their Antares rocket and Cygnus spacecraft to the International Space Station. These historic launches will put Virginia on the map as a leader in space exploration.

- **Economic Gardening**—25 companies completed a pilot program in partnership with the Edward Lowe Foundation (<http://hamptonroads.nationalcentereg.org/>). The program features the Economic Technical Assistance Pilot Program managed by the National Center for Economic Gardening. The program delivers services directly to companies with 10-99 employees and revenue \$1m to \$50m. Funding has been secured for 30 companies annually.

- **Modeling & Simulation industry cluster development** –Chmura Economics and Analytics released a study of the industry in Hampton Roads. (*The study is also referenced in the Regional Performance section of this document under the Modeling and Simulation indicator*). The study included a regional business survey that was conducted to determine M&S business characteristics and growth trends; assess the quantity and quality of the local M&S labor supply; and examine issues facing M&S organizations. Key conclusions from the survey include:
 - Modeling and simulation has generated more revenue than has been invested into it via R&D. M&S products and services accounted for 65% of respondents’ companies’ revenue, but only 42% of R&D expenditures at these companies were related to M&S.
 - Over the next three years, respondents expected 717 new hires of M&S-related employees due to growth. About 60% of these are engineers including the anticipated hiring of 427 M&S and simulation engineers.
 - Sixty-four percent of M&S respondents rated the supply (both quantity and quality) of M&S-related workers in the region above average to very good.
 - When asked about issues facing their organizations, the slowdown in Department of Defense spending was the top issue.

- The main barriers to future growth and development in the region according to survey respondents are leadership problems, lack of venture capital, the region's orientation toward government work as opposed private sector projects, problems with the region's image, and the region's poor transportation.
- **Start Norfolk 3 & 4/Start Peninsula** – Imagine a weekend devoted to seeing if the ideas you have in your head are worth pursuing and if so, how you can launch any one of them into a business in just a weekend (<http://www.startnorfolk.com/>, <http://www.startpeninsula.com/>). Similar events have generated businesses in San Francisco, Chicago and other cities. Two events were held in Norfolk and one in Newport News this year. Hundreds of energetic participants brought their business ideas. Eight to ten finalists were selected to compete at each event. The winning team won approximately \$10,000 in cash, plus startup legal and accounting services and a rent-free work space.
- **Hatch Norfolk/Peninsula Accelerator** (<http://www.hatchnorfolk.com/>) are mentor-based start-up accelerator programs for entrepreneurs who are ready to build a product and launch a company. These initiatives have created 36 companies and over 100 jobs in the past two years.

Goals achieved this past year:

- **Establish the Hampton Roads CEO Roundtable** – The process is underway to engage mentoring and coaching assistance to 25 businesses
- **Business incubation services**– Served more than 80 companies via the five existing incubators
- **Job creation**– Approximately 500 new jobs created
- **Access to capital** – 20 local companies were connected with investors through incubators and the accelerator programs
- **Economic Gardening**– Assisted 25 growth companies with initial counseling and follow-up assistance and obtained a \$15,000 grant from the Bank of America Foundation to support the program.
- **Technology transfer** – Successful commercialization of 4 technology transfer opportunities
- **Networking opportunities** – Over 50 events were held to connect entrepreneurs with resources in the region as well as with each other
- **The Virginia Science Technology Engineering and Applied Mathematics (STEAM) Academy** is a public, statewide initiative aimed at bringing the best inquiry-driven instruction with a STEAM emphasis to students and teachers across the state. The Academy plans to receive its inaugural freshman class in Fall 2015. Summer pilot residential camp was held for middle school aged students this past summer with plans to continue each year. Three components are planned for the Academy:

- A public, residential (boarding) academy for 9th-12th grade students (approximately 1,000 from across the state)
- A summer residential academy for highly able middle school students, grades 6-8
- High quality professional development for K-12 teachers across the state, and digital on-demand classroom instruction for middle and high school students across the state.

Achievable goals in the coming year:

- **Sustain Innovate!HamptonRoads-** as part of a regional alignment initiative the Peninsula and Southside Chambers are being solicited to sustain elements of ***Innovate!Hampton Roads***.
- **Support Clusters-** support regular meetings and events for M&S, Sensors, Unmanned Systems, Coastal Energies and Aerospace Clusters.
- **Economic Gardening-** secure funding and support for 50 companies annually across Hampton Roads
- **Access to Markets-** connect 25 high growth potential businesses to existing business leadership

Public-Government Awareness & Policy

The Hampton Roads Partnership is the LEAD organization, coordinating efforts among local governments, organizations and institutions in the region to address public policy issues relating to components of Vision Hampton Roads.

Identified by Federal Sub-committee:

Action 1: 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 in order to retain organizations, capabilities and investments owned, operated or funded by the Federal Government in Hampton Roads.

Action 2: Enhance and coordinate political engagement to increase the awareness and appreciation of our federal and military assets by local elected leaders, the Hampton Roads Caucus of the General Assembly, the Governor and his staff and the Virginia Congressional Delegation in order to attract and expand organizations, capabilities and investments owned, operated or funded by the Federal government in Hampton Roads.

Action 3: Build relationships with key business and political leadership at Local, State and National levels in order to achieve public awareness and appreciation of the economic value of the Federal assets in the region to the Hampton Roads community, the Commonwealth of Virginia and the Nation.

Action 4: Build Congressional, state and local awareness/engagement of value of non-military Federal assets in order to achieve public awareness and appreciation of the economic value of the Federal assets in the region to the Hampton Roads community, the Commonwealth of Virginia and the Nation.

Identified by Port Sub-committee:

Action1: Ensure government at all levels maintains sound fiscal policies and economic development tools that support the Port in order to maintain the Port as an economic engine for the Hampton Roads region, the Commonwealth of Virginia and the Nation.

Action 2: Build advocacy coalitions of local, state and federal political leadership by focusing on the distinct needs and interests of each level of government in order to gain public support and appreciation of the economic value of the Port of Hampton Roads to the region, the Commonwealth of Virginia and the Nation.

Identified by TAC Sub-committee:

Action 1: Educate the community, including business and political leaders, about the economic impact of tourism, arts and culture in Hampton Roads thereby resulting in additional support for tourism, arts and culture in order to create sustainable regional tourism and a diverse arts and culture experience that is consistently funded, well coordinated and fully appreciated by the community.

Progress:

- **Transportation funding** – Critical legislation passed the 2013 Session of the Virginia General Assembly. The first long-term and sustainable source of funding for transportation passed since 1986 will bring an additional \$880 million into Virginia’s transportation system and \$200 million annually to Hampton Roads.
- **Protection of military and federal assets** – \$6.2 million in state funds will be used to purchase property that will reduce encroachment around Oceana Naval Air Station
- **Higher Education funding** -- \$ 125,000 in state funds appropriated to study a potential partnership between Old Dominion University and Eastern Virginia Medical School to create Virginia's first school of public health.
- **Funding for STEAM Academy** -- \$200,000 planning grant from the state to support a residential boarding academy for 1,000 highly able and motivated students from across the Commonwealth.

Port/Maritime

The Virginia Port Authority, Virginia Maritime Association and the Virginia Ship Repair Association are the LEAD organizations responsible for implementing this component of Vision Hampton Roads.

OBJECTIVE 2: Hampton Roads will be the Premier East Coast Sea Port.

Strategy 1: Maintain the Port as an economic engine for the Hampton Roads region, the Commonwealth of Virginia and the Nation. (#3 Ranked Strategy)

Action 1: Ensure government at all levels is provided reliable and validated data sets as to the economic contribution of the port.

Strategy 2: Grow and enhance the Port of Hampton Roads and become the East Coast port of call for all major ship lines.

Action 1: Prepare to take the next evolutionary step toward becoming a mega port of the future serving as the East Coast port of call for every major ship line by maximizing the competitive advantages of our Port assets resulting in a Port Hub model, including technological advances.

Action 2: Leverage existing and develop new inland connections to capture a larger share of discretionary cargo moving into inland markets.

Action 3: Maintain focus on container cargo and continue to enhance the diversification of the Port (retrograde cargo, break bulk, rolling cargo and energy support services).

Strategy 3: Gain public support and appreciation of the economic value of the Port to the Hampton Roads region, the Commonwealth of Virginia and the Nation.

Action 1: Maximize growth with appropriate local and regional policies and vision that includes acting with environmental responsibility.

Strategy 4: Grow and enhance indirect and induced effects of Port activities including ship building, ship repair and all related businesses.

Action 1: Maintain and grow the Navy presence in the region which sustains ship repair capabilities that support maritime industries including emergency repair for cargo and cruise ships in order to grow and enhance indirect and induced effects of Port activities including shipbuilding, ship repair and all related businesses.

Action 2: Advance the development of logistics parks within mixed use environments, i.e., a business park with combination of land uses centered around port related activities with strategic multi modal transportation access.

Action 3: Determine the needs of ancillary businesses such as maritime insurance, maritime legal services and shipping line offices in order to expand their presence in Hampton Roads.

Action 4: Address the needs of emerging businesses, such as mega yacht repair and maritime construction.

Strategy 5: Establish the Port as the manufacturing and supply chain hub of the East Coast offshore energy industry.

Action 1: Site and develop a large break bulk terminal dedicated to offshore energy shipping, assembly and distribution, including heavy lift capability, inland rail connectivity and deep water staging.

Action 2: Promote governmental policy and economic development support for offshore energy supply chain development at the local, state and federal level.

Progress:

- **Port volume growth** for 2012 was 2.106 million TEUs, a year over year increase of 9.8% and the fastest growth of any East Coast port for the year. Diversification of cargo continued to expand as well with breakbulk tonnage growing 2.9% and vehicle imports growing 28.5%.
- Fiscal year 2013 (July 2012 through June 2013) – The port handled a record high 2,165,435 TEUs, making this the best fiscal year in its history. In fiscal year 2013 the port's TEU volume grew by 10% over FY 2012 which is the best year-over-year percent increase on fiscal year basis the port has seen in eight years.
- The Port of Virginia had its best month ever in July 2013 setting a new volume record handling 205,137 TEUs during the month. For the first time the port crossed the 200,000 TEU mark in a single month.
- **Focus on alternative transportation options** like rail and barge continues to pay dividends. For fiscal year 2013 rail volume was up 17.4% and barge volume increased 15.8%
- Contributing to the port growth has been continued **investment in the region by port users**. In the past 12 months expansion plans were announced by Lipton, Sumitomo, Stihl, Canon, Continental Terminals, Bauer Compressors Lumber Liquidators, Hermes and Liebherr. New investment in the region has been made by Hyosung North America, Artfx, Cosentino, Coastal Logistics Group, and MCO Transport.

- **Foreign-Trade Zone (FTZ) No. 20** has seen an increase in activity over the past year with companies seeking ways to become more competitive with foreign alternatives through FTZ duty reduction and deferral. During CY 2011, FTZ 20's warehouse/distribution operators served 9 zone users.
- In CY 2012, FTZ 20's warehouse/distribution operators were almost able to double their users to 17. Currently, FTZ 20 has 7 active general purpose/single-user sites, 2 subzone sites, and 2 sites undergoing the activation process.
- In order to continue to stimulate FTZ activity, The Virginia Port Authority has applied for Alternative Site Framework (ASF). This is an optional approach to designation and management of zone sites that allows greater flexibility and responsiveness to serve single-operator/user locations. ASF helps to significantly reduce a company's site designation process to 30 days. The Port Authority is on track to receiving this designation by late fall 2013.
- Foreign Trade Zone No. 20 was named "Trade Zone of the Month" for September 2013 by the National Association of Foreign Trade Zones.
- Developed VPA 2040 Master Plan (May 2013) – Link to the plan summary: <http://www.portofvirginia.com/media/11163/vpamasterplan052113.pdf>

Achievable goals in the coming year:

- Increase container volumes 6% in calendar year 2013.
- Increase Achieve Alternative Site Framework status for Hampton Roads Foreign Trade Zone # 20.
- Receive Alternative Site Framework (ASF) designation.
- Double the number of companies using the Hampton Roads Foreign trade Zone.

Sense of Place

The Hampton Roads Partnership, Urban Land Institute Hampton Roads District Council, has taken the lead in developing and implementing an initiative that will help define the characteristics that make Hampton Roads special or unique, as well as foster a sense of authentic human attachment and belonging.

Identified by Federal Sub-committee:

Action 1: Continue to enhance the current culture and movement that reinforces relationships with Hampton Roads communities and organizations in the region to work together on mutual goals in order to achieve public awareness and appreciation of the

economic value of the Federal assets in the region to the Hampton Roads community, the Commonwealth and the Nation.

Action 2: Involve the international community (ports, international science, etc.) in order to achieve public awareness and appreciation of the economic value of the Federal assets in the region to the Hampton Roads community, the Commonwealth and the Nation.

Action 3: Promote Hampton Roads as part of the global economy in order to achieve public awareness and appreciation of the economic value of the Federal assets in the region to the Hampton Roads community, the Commonwealth and the Nation.

Identified by Port Sub-committee:

Action 1: Engage citizens in issues of importance to the Port and benefits to the region's economic health to build public awareness in order to gain public support and appreciation of the economic value of the Port to the Hampton Roads region, the Commonwealth of Virginia and the Nation.

Progress:

- **Hampton Roads Reality Check** – In May 2012, three hundred stakeholders in the Hampton Roads region participated in an unprecedented study of current land use patterns, and options to accommodate future growth. *Reality Check* Hampton Roads participants identified that collaboration as a region will provide the most effective and sustainable solutions to accommodate and promote future population growth. Leaders from the public, private and non-profit sectors indicated their support for regional collaboration to develop sustainable land use strategies and a preferred vision to guide future growth. The desire for collaboration and regional strategies, and the priorities established by the Guiding Land Use Principles, will serve as the mandate for future action. To this end, a collaborative approach to better understand and examine growth scenarios for our region's future development is necessary to carry forward the land use principles and scenarios presented during *Reality Check*.

The lessons learned from the *Reality Check* Game Day planning process demonstrate that there are many organizations working in parallel toward the same regionally-focused goals. The intent of the ongoing *Reality Check* collaboration will be to unite those organizations who contribute to the land use discussion. This discussion may include environmental advocates, agricultural interests, municipal planning departments, military liaisons, modeling, simulation, and GIS technicians, and economic development professionals, among other others. However, the goal of this collaboration is not to circumvent or duplicate any of the efforts of other worthy regionally-focused

organizations. Instead, the work of the *Reality Check* collaboration will be provided to all regional stakeholders as quality, citizen-generated visions for the how Hampton Roads will look in the future.

An immediate and tangible example of *Reality Check's* impact on our region will be the input provided to the Hampton Roads Planning District Commission's Regional Strategic Plan. This Plan is required by Virginia State code and the elected leaders comprising the Board of the Planning District Commission need the tools to create this Plan. The willingness of regional stakeholders to collaborate, as demonstrated by *Reality Check*, will be a critical impetus to beginning this planning process. The Guiding Principles established during *Reality Check* Game Day will be considered during the creation of the Regional Strategic Plan. The initial step in this process is just in the planning stages: a Community Values Survey. This Survey will solicit the values that Hampton Roads residents value the most, and will provide a foundation for future regional planning. The expected completion date of the Survey is summer 2014.

Additional work products of *Reality Check* will include "tool kits" for development industry participants, research reports about land use factors, and further land use visioning exercises focused on smaller micro-regions within Hampton Roads. The tool kits will be educational resources designed to assist municipalities, land owners, and development professionals in the use of their land for re-development, conservation, transportation projects, and others. The creation of these tool kits will come from a collaboration of industry experts, citizens and municipal leadership.

There are inherent limitations to the *Reality Check* process, which will serve to focus the collaboration on its singular purpose of land use. Effective organizations already exist in Hampton Roads to evaluate and promote economic development strategies, military relationships, tourism, and/or port-related business. *Reality Check* will only focus on the place-making elements of the region, defined as the identification of a region through the built environment in coordination with natural land features. The premise of *Reality Check* does not pre-suppose any specific development pattern, nor is there any assumption that current development patterns in Hampton Roads are negative or unsustainable. These types of conclusions will come from the continuous study and analysis by *Reality Check* participants. The only assumption made by this process is the basic foundation of *Reality Check*: a lack of regionally-focused land use visioning will make Hampton Roads non-competitive and undesirable in comparison to other global regions. For more detail go to the website at <http://www.realitycheckhr.org/>

Achievable goals in the coming year:

- **Hampton Roads Reality Check** – Using an initiative-based strategy and relying upon best practices established in other regions of the country, the Urban Land Institute will lead and facilitate a collaboration of regional partners to visualize the future of Hampton Roads and create tools for implementation of that vision. This collaborative will maintain an open exchange of ideas, information and experience among industry leaders and policy makers dedicated to creating a better region. The regional partners in this collaboration will initially include Old Dominion University, the Hampton Roads Planning District Commission and the Hampton Roads Partnership (or its successor organization), but there will be opportunities for collaboration with all organizations that share a regional focus. The Guiding Principles identified during the Reality Check Game Day will serve as a starting point and these Principles will be studied and refined, with input from all citizens of this region.

Tourism/Arts & Culture

The Coastal Virginia Tourism Alliance and the Virginia Arts Festival are two lead organizations responsible for implementing this component of Vision Hampton Roads.

OBJECTIVE 3: Hampton Roads will be the Premier Year-Round Destination of distinction and appeal to travelers while significantly increasing quality of life for residents by leveraging the variety of attractions, arts and culture, venues and performances and recreational opportunities that exist in the region.

Strategy 1: Develop and promote a brand identity to capture the region’s diversity as the gateway to a Virginia vacation.

Action 1: Develop products that extend the tourism season in Hampton Roads.

Action 2: Invest in arts and culture offerings that support travel and tourism, enhance the quality of life for residents of the region and attract creative and entrepreneurial knowledge workers to relocate to the region.

Action 3: Promote the region’s existing and new venues as innovative complements to the Hampton Roads’ tourism, arts and culture experience.

Action 4: Define, develop and promote Hampton Roads as an eco-friendly tourism destination.

Action 5: Develop identification of and a regional awareness of travel and tourism target markets for Hampton Roads, including intraregional.

Strategy 2: Attract economic investment in Hampton Roads by providing an exceptional quality of life made possible by the region’s tourism and arts and culture experience.

Action 1: Ensure existing arts and culture facilities are properly provided with consistent funding and dynamic programming.

Action 2: Determine local populace’s unmet and supportable arts and cultural needs and expand the current programming to encompass those activities and events.

Action 3: Augment marketing strategies for the region’s current tourism, arts and culture opportunities outside the state, both nationally and internationally.

Action 4: Attract new businesses and leverage existing business services and products to help the region tell its “brand identity” story.

Action 5: Quantify, through research, the economic impact of travel and tourism for new, significant investment in Tourism and Arts & Culture.

Strategy 3: Create sustainable regional tourism and a diverse arts and culture experience that is consistently funded, well coordinated and fully appreciated by the community.

Action 1: Quantify and clearly articulate the depth, scope and quality of the economic and lifestyle impact of tourism, arts and culture in Hampton Roads.

Progress:

- **17th Annual Virginia Arts Festival** – the 2013 Festival welcomed over 83,000 Patrons to 93 Events. The Virginia Arts Festival Education Events were host to 32,262 Area Students. The 17th Annual Virginia Arts Festival, which ran from March 19 to June 2, produced 93 events—57 ticketed performances and a record 36 free events. Among the 83,000 plus patrons attending Festival events were visitors from 44 states and 10 countries. The Festival brought artists from around the world to stages throughout the Hampton Roads area, lighting up more than 20 venues in James City County, Newport News, Norfolk, Portsmouth, Virginia Beach, and Williamsburg.

One of the highlights of the Virginia Arts Festival each year is the **Virginia International Tattoo**, one of the world’s largest and most awe-inspiring displays of military music and might. Due to the overwhelming popularity of this annual event, the Festival added a performance to the 2013 Tattoo schedule; in total, more than 33,000 attended the Tattoo, which has been ranked one of the American Bus Association’s Top 100 Events in North America for five consecutive years.

The Festival made headlines with its spectacular staging of Igor Stravinsky’s **Rite of Spring**, performed on the 100th anniversary of this world-changing work and featuring the **Virginia Symphony** and **Richmond Ballet**. The performance drew critical acclaim

including this review from the *Virginia Gazette*: “A spellbinding, chilling rendering of this classic...a memorable event.”

The Festival continued its relationship with one of the jewels in Britain’s ballet crown, the **Birmingham Royal Ballet**, who performed their spectacularly costumed, wittily staged *Coppélia* for delighted audiences. Other international artists included Israeli recording artist **Noa**, Brazilian vocalist **Luciana Souza**, Ireland’s famed **Chieftains**, and Scotland’s **Battlefield Band**.

Jazz flourished in this year’s Festival, with legends like **Arturo Sandoval** and the **Preservation Hall Jazz Band**, along with the gotta-dance rhythms of the **Hot Sardines** and an all-star lineup in the **Attucks Jazz Series**.

Classical music abounded, with a host of performances by soloists and ensembles including organist **Christopher Houlihan**, guitarist **Andrew York**, **Turtle Island Quartet**, **Miami String Quartet**, the Baroque ensemble **Rebel**, and a glorious performance of Bach’s B-minor Mass by the artists of **Juilliard415**, **Yale Schola Cantorum**, and the **Yale Baroque Ensemble**. Of the Bach Mass, one critic wrote: “From the first crisp consonant of the opening *Kyrie* to the last long note of the final *Dona nobis pacem*—which rose like incense in the air—the ensemble and chorus entranced the audience, who seemed to be trying their best not to breathe lest they miss some nuance. Overall, it was just...miraculous” (*Artsong Update*).

One of the most exciting aspects of the 2013 Virginia Arts Festival was its mission of taking performances “**Beyond the Concert Hall**.” The dancer/acrobat/performance artists of **Australia’s Strange Fruit** teetered and waved in the air above audiences lining the “Festival green space” outside the Festival’s headquarters on Norfolk’s Bank Street. “**Art Illuminated**” transformed the Norfolk cityscape with projections that turned the VAF Clay and Jay Barr Education Center into a canvas rich with color and texture. The **Virginia International Tattoo Hullabaloo** provided patrons and passers by the opportunity to interact with international performers while sipping beer in the afternoon sun. And New York dance troupe **Keigwin + Company** organized and trained a mass company of regular folks in an outdoor performance of **Bolero**.

- **Diverse arts and cultural experience** - The Virginia Arts Festival continues to be committed to diverse programming reflective of the entire community they serve. In 2013, The Festival presented Audra McDonald, Arturo Sandoval, Preservation Hall, Jazz Band, Kenny Washington and Byron Stripling. Multicultural artists are always prominently featured during the festival season and have historically drawn audiences that are 40%+ minority.
- **Coastal Virginia Tourism Alliance (CVTA)**
 - Continued to leverage partnership with Virginia tourism Corporation (VTC)
 - VTC has ex-officio seat of the CVTA board

- Aligning CVTA objectives with VTC statewide tourism plan
- Maintained research on the impacts of the travel industry in Coastal Virginia as a key priority
 - The Norfolk Visitor Profile Study with Old Dominion University is scheduled to be completed in December 2013. This is a pilot study for the regional study supported by CVTA in 2014.
 - CVTA Research Committee has developed timelines for implementation of study next year.
- Invited to present at Destination Marketing Association International's Annual Meeting in July in Orlando
 - CVTA representative (Tony DiFilippo) was joined by VTC (Diane Bechamps) and ODU (Dr. Stephen Shapiro) to report on regional cooperation in research.
- Continued to go all in with Virginia Green to enhance the region's environmental sustainability
- Launched the regional interactive map in 2013

Achievable goals in the coming year:

- The **Virginia Arts Festival** will host a Gospel & Jazz Weekend Celebration October 4-6, 2013. The weekend will feature ***Abyssinian: A Gospel Celebration*** featuring Jazz At Lincoln Center Orchestra with **Wynton Marsalis** and Chorale Le Chateau, conducted by Damien Sneed on October 5th. The weekend will also include two Attucks Theatre performances, **Carla Cook with John Toomey Trio** and **Roy Muth Big Band** with special guest **René Marie**.
- The **2014 Virginia Arts Festival** schedule will be released in October, 2013. The 18th Annual Festival will welcome a diverse array of performers from around the world. Of special note, the 2014 ***Virginia International Tattoo*** has been designated as a signature event of the United States of America Vietnam War 50th Commemoration. In partnership with the Commemoration, the 2014 Virginia International Tattoo will recognize and honor our Vietnam veterans and their families. The 2014 Tattoo will be a premier opportunity to join a grateful nation in thanking and honoring our Vietnam Veterans, their loved ones and our allies for their service, valor and sacrifice. Many travelers are expected to come for the April weekend activities.

2010 Vision Hampton Roads Priority Projects – Status Report

Under Section VI of *Vision Hampton Roads* an addendum of prioritized projects, programs and activities were included. The following summary provides a status report of those priorities:

Project: Innovate! Hampton Roads

Objective, Strategy, Action: 4.1.1-5; 4.2.2

Assigned as top priority of *Vision Hampton Roads*, Innovate! Hampton Roads (I!HR) is a system to develop technology clusters and a regional Entrepreneurial Support Network (ESN).

Progress:

Local support, leveraged with a grant from the EDA helped I!HR build momentum. The region's economic recovery remains tenuous in the face of sequestration and reduction in federal budgets. An opportunity to create a Fab Lab System in the region is under development thanks to assistance from the National Institute of Aerospace (NIA) and interest of two local governments in the region. (Refer to pages 48-49 for more information on this project)

Regional Successes for I!HR:

- *First Landing Innovation Partners*, an early seed stage venture capital fund that invests in startup companies in Hampton Roads is created
- I!HR takes twenty-three companies through the Economic Gardening Network with the Edward Lowe Foundation (<http://hamptonroads.nationalcentereg.org/>)

Project: Capital Improvement Plan for the Northampton Boulevard Strategic Growth Area

Objective, Strategy, Action: 1.1.2

Progress:

- **Phase I Burton Station Road Infrastructure Improvements (CIP 9.081.003):**
Plans are 100% complete and right-of-way acquisition is anticipated to be completed by the first week of September. The project is scheduled to be advertised for bids on late October 2013 and construction to begin in late November 2013. This is a one year construction project scheduled to be completed by the end of 2014. This project includes a new sanitary sewer pump station to serve the Burton Station Residential Village and surrounding areas.
- **Baker/Road Burton Station Lake Improvements (CIP 7.036):**
Plans are 90% complete. This project is anticipated to begin construction in the summer of 2013 and will take approximately nine months to complete.

- Phase II Burton Station Village Loop Road 9CIP 9.085):
Plans are 30% complete. This project is anticipated to begin construction in the Fall of 2014 and will take approximately nine months to complete.
- Phase III – Tolliver Road (CIP 9.091):
Plans are nearing 60% completion. A Public Information Meeting was held in June of this year. Construction is anticipated to begin in the fall of 2014 and will take 12 months to complete. This projects include the replacement of sanitary sewer pump station 316 located on Air Rail Drive.

Project: Route 58 transportation infrastructure

Objective, Strategy, Action: 2.1; 2.2.2; & 2.4.2

Progress:

- Public Hearings on the project will begin in October, 2013
- Right of way purchases to begin in December/January, 2014

Project: First Street Extension connecting Crawford Circle to Wavy Street

Objective, Strategy, Action: 2.4.4

Progress: *The city did not qualify for federal funds to subsidize this project. The project is placed on hold indefinitely.*

Project: Shirley T. Holland Intermodal Park

Objective, Strategy, Action: 2.4.2

Progress:

- Isle of Wight County approved the rezoning application for Phase III (900+ acres) of the Shirley T. Holland Intermodal Park from Rural Agriculture to General Industrial.
- Phases II and III are now state designated Enterprise Zones. This designation will bring meaningful state and local Enterprise Zone incentives.

Project: Franklin Southampton Commerce and Logistics Center

Objective, Strategy Action: 4.1.1.

Progress:

- The water lines and sewer lines have been installed.
- The 500,000 gallon elevated water tank has been completed.
- The entrance road is scheduled to be completed by October 2013.
- Improvements to Rose Valley Road will be bid at the end of September with completion in December of 2013.
- Franklin Southampton Economic Development Inc. continues to actively market the remaining 80 acres.

VISION HAMPTON ROADS STRATEGY COMMITTEE

Sector	Name	Affiliation	Position
Public Sector	Jim Batterson	Commonwealth of Virginia, Senior Advisor, Education	Senior Advisor, Education
	Judy Begland	Opportunity Inc. of Hampton Roads	President and CEO
	Rodney Oliver	Virginia Port Authority	Executive Director
	John Broderick	Old Dominion University	President
	Deborah M. DiCroce	Hampton Roads Community Foundation	President
	Anthony J. DiFilippo	VisitNorfolk (rep Coastal VA Tourism Alliance)	President and CEO
	Dwight Farmer	Hampton Roads Planning District Commission	Executive Director
	Larry Filer	Old Dominion University	Director, ODU MBA Program
	Greg Grootendorst	Hampton Roads Planning District Commission	Chief Economist
	Russell Held	Virginia Port Authority	Deputy Executive Director-Development
	Matthew James	Peninsula Council for Workforce Development	President and CEO
	Suzanne Puryear	The Planning Council	President
	James Spore	Hampton Roads Chief Administrative Officers	Chair
	Lesa B. Roe	NASA Langley Research Center	Director
	Capt. Frank Hughlett	U.S. Navy Region, Mid-Atlantic	Commanding Officer, Joint Expeditionary Base (Little Creek-Fort Story)

	Jack Tuttle	City of Williamsburg	City Manager
	Frank W. Wagner	Virginia General Assembly	Senator, District 7
	Roy Whitney	Jefferson Lab	Chief Scientist/ CIO
Private Sector	David L. Bernd	Sentara Healthcare	President
	Joseph F. Bouchard	Cox Communications	Director, Gov't Sales
	William Crow	Virginia Ship Repair Association	President & CEO
	J. William Cofer	Virginia Pilot Association	President
	Arthur L. Collins	HRPDC	retired
	George Crawley	200+ Men, Inc.-Hampton Roads Chapter	Chairman
	Rob Cross	Virginia Arts Festival	Executive and Artistic Director
	E. Dana Dickens	Hampton Roads Partnership	President and CEO
	Doug Dwoyer	Innovate Hampton Roads	Program Manager
	Jack Ezzell	ZEL Technologies	President
	Thomas R. Frantz	Williams Mullen	President and COO
	Darryl W. Gosnell	Hampton Roads Economic Development Alliance	President & CEO
	William M. Grace	Grace Industries	President
	Louis S. Haddad	Armada Hoffler	President & CEO
	Robert R. Harper	Northrop Grumman	retired
	Thomas G. Johnson	Willcox & Savage, PC	Chairman of the Firm
	David Mele	Virginian-Pilot	President & Publisher
	Rick Lally	Innovate!HamptonRoads	Executive Director
	Richard Homan	Eastern Virginia Medical School	President
	Vincent J. Mastracco	Kaufman & Canoles Consulting, LLC	Partner

	Gary T. McCollum	Cox Communications Hampton Roads, LLC	Vice President & Region Manager
	Juan Montero	Mid-Atlantic Shippers' Association	Retired physician
	Art Moye	Virginia Maritime Association	Executive Vice President
	Craig Quigley	Hampton Roads Military and Federal Facilities Alliance	Executive Director
	Donald Seale	Norfolk Southern Corporation	Executive VP & Chief Marketing Officer
	Digby A. Solomon	Daily Press, Inc.	President, Publisher & CEO
	Deborah K. Stearns	Jones Lang LaSalle	Senior Vice President
	David Tynch	Cooper Spong & Davis	Managing Partner
	Alan S. Witt	PBMares	Principle
	Joseph R. Witt	Old Point National Bank	Executive Vice President



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