



IMPROVING THE COMPETITIVENESS OF HAMPTON ROADS

The Hampton Roads Regional Structure Project

Recommendation to create a

Hampton Roads Metropolitan Council

Prepared by the Future of Hampton Roads, Inc.

February, 2007

HAMPTON ROADS REGIONAL STRUCTURE PROJECT

REPORT OF STUDY GROUP 1A

HAMPTON ROADS METROPOLITAN COUNCIL

February, 2007

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1. Study Group Task

Study Group 1A was tasked to develop a structure for a Hampton Roads Metropolitan Council, as proposed in *Report No.2: Transforming the Regional Structure* (see Annex A-1), including mission, membership, authority and functions, decision making procedures, staff, funding, and relationships with other elected officials, Federal and state agencies, and regional organizations.

2. Introduction

A. Summary

1. There are two important reasons for enhancing regional cooperation and coordination in Hampton Roads:

First, the region needs to strengthen its ability to compete – economically and politically – with other metropolitan regions in Virginia and across the United States. Competing as a region with other regions allows Hampton Roads to take a proactive approach: anticipating and averting external threats rather than reacting to them, and identifying and pursuing opportunities early, when regional resources can be applied with greatest effect.

Second, many public policy matters and public services can be handled with greater efficiency and effectiveness on a regional basis than at a strictly local level. Regional approaches to management of many public services offer the promise of economies of scale and elimination of redundant overhead, resulting in tax dollars being spent more wisely and effectively.

2. A broad spectrum of regional organizations has been implemented in various areas around the United States, ranging from modest consultative councils with little or no governance authority to powerful governing bodies directly elected by the citizens of the region and having authority to raise revenue and implement regional projects independent from local jurisdictions.

3. The regional organization proposed for Hampton Roads is not copied from any of these other models, but is based on Virginia's unique system of cities and counties independent of each other and careful selection of attributes best suited for strengthening our region's present institutions of regional cooperation and governance. Regional cooperation in Hampton Roads has been gradually expanding, but with clear recognition of the preeminence of local governments. The recommendations offered here are intended to enhance the already high degree of cooperation among our local governments.

4. The principal recommendation is to strengthen the ability of the Mayors and Chairs Caucus to advance the interests of the region by chartering it as the Hampton Roads Metropolitan Council. This is not a recommendation to merge current political jurisdictions or otherwise alter their status under the Virginia Constitution. It is a recommendation to enhance the ability of individual jurisdictions – cities and counties – to protect and further the well being of their citizens through enhanced regional coordination and, when deemed appropriate by the elected officials of those jurisdictions, expanded regional programs and initiatives.

B. The Need for a Regional Council

1. The Importance of Regional Competitiveness

a. Metropolitan regions in Virginia and across the United States compete with each other incessantly as they seek to grow their economies and improve the quality of life of their citizens. This is well recognized, such as in Virginia's Regional Competitiveness Act¹, yet competition among the local jurisdictions all too often trumps cooperation. When the cities and counties in Hampton Roads are competing with each other, they are not competing with other regions.

b. The economic dimension of this competition is well recognized: metropolitan regions compete with each other domestically and internationally as homes for businesses, particularly those offering high wage employment. Economic globalization, broadband communications and increased mobility of capital and labor define the nature of global competition today. Modern economies are knowledge-based economies and require a mobile, well trained workforce. Regional teamwork, rather than regional fragmentation, is essential to be competitive in the global economy, yet teamwork is easily side-tracked by non-productive, inter-jurisdictional competition. Hampton Roads can no longer rest easy because of its fine port and the many military bases located here. These advantages may have been the basis for sustained regional economic strength in the past, but are no longer sufficient to ensure the region's ability to be successful in the global economy. The factors that make a region competitive, that attract capital investment and business expansion and modernization, include not just viable and expandable core assets such as the port, but also the presence of prominent business headquarters, a positive reputation for superior quality of life, especially social and arts-related activities, educational and training assets and programs that provide the skilled work force needed to compete in the global economy, and robust transportation networks that provide for efficient movement of people and commerce within the region as well as into and out of the region.²

c. Not as well recognized is that the competition with other metropolitan regions is political as well. This political competition is at least as intense as the economic competition, if not more so, and can directly impact how well the region fares in the economic competition. The political competition takes place at multiple levels: at the state level in the General Assembly and state agencies, and at the Federal level in the Congress and Federal agencies. A few examples of political competition will illustrate this point.

i. Transportation. This issue alone should suffice to convince doubters that Hampton Roads needs to enhance its competitiveness in the political area; yet it has proven to be

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¹ Code of Virginia, Sections §15.2-1306 through 1310. The 1996 Regional Competitiveness Act was focused on strengthening the productivity and competitiveness of Virginia's regional economies. This legislation encouraged and provided authority for local creation of broad membership, public-private organizations to support and to engender business and local governmental collaboration. Taking advantage of this authority, the Hampton Roads Partnership (HRP) was created in 1996.

² This discussion was derived from an excellent overview of regional economic competitiveness prepared by Ray Taylor for The Future of Hampton Roads, Inc.

divisive, straining cooperation among the cities and counties as the political environment in Richmond incites competition for limited transportation funding. Whatever level of unanimity may have existed among the mayors and chairs in support of the regional transportation plan developed by the Metropolitan Planning Organization (MPO) clearly was not supported by the positions taken by the Hampton Roads caucus in the Virginia General Assembly. This inability to speak with one voice on behalf of the region leaves Hampton Roads unacceptably weak in state-wide political competition for transportation funding and thus vulnerable to the vagaries of party politics – including politics within each party – and the very different perspectives of the Senate and House of Delegates on transportation and how to fund it.

ii. Homeland Security. From its establishment in January 2003 until 2006 the Department of Homeland Security (DHS) did not view Hampton Roads as a region; it treated us as sixteen individual cities and counties. That view had quantifiable negative impact on Hampton Roads for it made the region ineligible for the Urban Area Security Initiative (UASI) – one of the largest DHS grant programs – and the Transit Security Grant Program. UASI has provided grants to help meet the homeland security and emergency preparedness needs of up to 50 urban areas, with the amount based on the level of risk faced by each. Population has been a significant determinant of eligibility. Based on population, Hampton Roads, which ranks number 31 in size in the nation, should have been eligible for UASI grants from the beginning; but was not because DHS did not view Hampton Roads as a region. Although that was at least partly due to political competition among metropolitan regions across the country to be included on the list, it was also due to Hampton Roads not acting in concert as a region and not being treated as a region by the state government in Richmond. This was ironic, for at the working level emergency managers across the region were pursuing a number of praiseworthy regional emergency preparedness initiatives. In response to heroic efforts by Senator John Warner to have DHS treat Hampton Roads as a region, we were added to the list of urban areas eligible for UASI grants early in 2007; but it quickly became apparent that the region had not, in fact, been working in concert as a region at the level DHS expects of urban areas, not even having the regional governance structure and plans required of urban areas by long-standing DHS emergency preparedness directives. Although those deficiencies are being addressed as this is written, they illustrate the importance of acting in concert as a region in order to be competitive for DHS homeland security funds. Hampton Roads must not assume that it will remain eligible for UASI grants from now on – the competition for those funds is intense and incessant, and the region could be booted off the list as soon as 2008 if it does not further enhance its competitiveness for UASI funds.

iii. Military Bases. The 2005 Base Realignment and Closure Commission (BRAC) was a wakeup call for Hampton Roads. Prior to 2005 the cities that hosted major military bases saw little need to act in concert to protect their bases because they implicitly assumed the region was invulnerable due to its status as a major concentration area for military forces and the protection of Senator John Warner, then Chair of the Senate Armed Services Committee. The region's success in the 1995 BRAC round had reinforced that sense of invulnerability and resulted in what can only be described as complacency toward this issue. Meanwhile, metropolitan regions in other states were competing strenuously, year in and year out, to have military forces transferred from Hampton Roads to their bases. Jacksonville and the state of Florida

launched efforts to protect the Navy port of Mayport in 1997 when the Department of Defense requested another BRAC round. When rumors began circulating in the Pentagon in 2003 that the Navy was considering early retirement of the carrier based at Mayport, Jacksonville and Florida launched vigorous efforts to take a carrier from Norfolk – efforts that may yet be successful. At the same time, California, Washington and Hawaii, paying close attention to Defense Secretary Rumsfeld’s desire to realign the basing of military forces, began lobbying for ships to be taken from Norfolk for their naval ports. Finally, as is well known, the City of Virginia Beach came close to losing the jets at Naval Air Station Oceana in the 2005 BRAC round. Were it not for the quixotic quest by Florida to move Oceana’s jets to Cecil Field in Jacksonville, those jets might have been transferred to Moody Air Force Base in Georgia or Eglin Air Force Base in Florida – a possibility that will remain a serious threat for several years. In response to the lessons learned in BRAC 2005, the region established the Hampton Roads Military and Federal Facility Alliance to provide sustained attention to basing issues and avoid future surprises. That is a step in the right direction, but for the Alliance to be effective the cities and counties of Hampton Roads must be able to act in concert for the region to be competitive in the incessant competition to host military forces.

iv. Port Development. The Port of Hampton Roads, particularly the three container terminals owned by the Virginia Port Authority (VPA) and operated by Virginia International Terminals, its operating company, have been a major economic engine for Hampton Roads and the entire Commonwealth of Virginia. However, the economic importance of the port has not been matched by commensurate support at the state and Federal level for port development and transportation projects essential for continued growth of trade through the port. At the Federal level, VPA has faced significant challenges gaining Army Corps of Engineers support for a fourth container terminal on Craney Island. The first time this project was proposed it was rejected by the Corps. Although the second effort to gain approval for the project has thus far been successful, the level of Federal funding recommended by the Corps is less than ten percent of the level requested by VPA. This is due in part to the intense competition for limited Army Corps of Engineers funds, which places Hampton Roads in competition with every region of the nation seeking funding for Corps projects. At the state level, transportation projects critical for future growth of trade through the port are held hostage by the same state-wide political competition that affects the region as a whole, as described above. The General Assembly risks strangling the Port of Hampton Roads due to congestion on roads and highways vital for the movement of freight to and from the port, which would drive the port’s customers to competitors that offer more efficient transportation systems. The tremendous growth in trade through the port that VPA has achieved over the last decade must not lull the region into a false sense of security: the port industry is highly competitive and the projects required to sustain robust growth in trade through the Port of Hampton Roads in the future are of such great magnitude that the region must be able to work in concert to support one of its greatest economic assets.

d. The foregoing examples suggest three measures of effectiveness for Hampton Roads region’s ability to compete with other metropolitan regions:

- (1) the region’s success in advancing the regional agenda at the state and Federal levels;

(2) the region's ability to secure a "fair" share of state and Federal resources, such as grant allocations, based on the region's population, economic importance to the Commonwealth, strategic importance to the nation as host to a major concentration of military forces, and other critical factor; and

(3) Hampton Roads' reputation for being able to act in concert to pursue regional goals and for having the economic and political leverage that result from unified regional action.

By these three measures Hampton Roads has ample room for improvement.

e. The Hampton Roads Region must enhance its ability to work together in concert to be competitive in the intense economic and political competition with other metropolitan regions across the country. Recent history has shown that the individual cities and counties in the region cannot prevail in that competition acting on their own and that current regional organizations and processes need to be strengthened for the collective benefit of each and every city and county in Hampton Roads.

2. Enhancing the Efficiency and Effectiveness of Public Services

a. Regional approaches to managing specific functions and delivering public services are well established in Hampton Roads. Examples include the Hampton Roads Metropolitan Planning Office (MPO), Hampton Roads Planning District Commission (HRPDC), Hampton Roads Sanitation District, Southeast Public Service Authority, Hampton Roads Regional Jail Authority, Transportation District Commission of Hampton Roads, Hampton Roads Air Quality Committee, Hampton Roads Sports Facility Authority, and the Virginia Port Authority. These several organizations illustrate the simple principle that regional approaches to management of many public services offer the promise of economies of scale and elimination of redundant overhead, resulting in tax dollars being spent more wisely and effectively.

b. Enhancing regional governance will provide opportunities to build on and expand the scope of regional management and delivery of public services in two ways:

(1) Strengthened cooperation and coordination among the region's elected officials can enhance the performance of existing regional authorities and commissions, as well as providing a foundation for establishing additional regional organizations of this type when it would be beneficial to do so.

(2) Enhanced regional governance provides a means of addressing planning, land use and investment issues that overlap multiple authorities and commissions, whose individual boards may not have the broad regional perspective needed to make such judgements.

C. Models of Regional Governance

1. A broad spectrum of regional organizations has been implemented in various areas around the United States, ranging from modest consultative councils with little or no governance

authority to powerful governing bodies directly elected by the citizens of the region and having authority to raise revenue and implement regional projects independent from local jurisdictions. Several examples of these regional organizations were examined to determine which, if any, provided a model of enhancing regional cooperation and coordination in Hampton Roads.

a. Merging multiple municipal governments into a single overall regional metropolitan government, as was done in New York City in the 19th century and more recently in Halifax, Canada. Other cities have consolidated municipal governments through annexation of surrounding jurisdictions, as was the case in Phoenix and Albuquerque. The merger and annexation models clearly are not feasible for Hampton Roads in the near term given the region's political traditions and the Commonwealth's constitution. Additionally, there was no clear evidence that such a merger or annexation would result in more efficient or effective governance in Hampton Roads.

b. A second approach to consolidating municipal governments has been to merge a city's government with that of a surrounding county, as was done in Louisville, Nashville and Charlotte. This also appears not to be a feasible approach for enhancing regional governance in Hampton Roads, given the presence of multiple cities, some of which were established by incorporating what had been counties surrounding the original cities.

c. Some cities have turned to public-private regional partnerships to enhance regional governance. This was done in Austin with the Greater Austin Consortium, Kansas City with "KC-1," and Chicago with the "Chicagoland" regional partnership. The Hampton Roads Partnership could well provide a foundation for pursuing this approach in Hampton Roads, but the limited scope of its charter under the Regional Competitiveness Act, the presence of several regional organizations established by statute to carry out planning and other public services, and the nature of the relationship between local governments and the state government under the Constitution of Virginia combine to make it very difficult to build an enhanced regional governance structure around the Hampton Roads Partnership. That said, the Partnership has a critical role to play as a consultative body and strategic planning organization for the region that should be preserved and enhanced as part of strengthening regional governance in Hampton Roads.

d. Some metropolitan regions have implemented what could be termed a "horizontal division of labor" in which a city and surrounding county agree to divide up responsibility for providing public services in order to eliminate duplicate organizations performing the same functions. The division of labor worked out between Miami and Dade County is a good example of this approach. This model would not appear to be feasible in Hampton Roads due to the number of jurisdictions, including multiple cities, which does not conform to the "city and surrounding county" situation for which the horizontal division of labor model is a good approach.

e. Another model of regional governance that has worked well in other metropolitan regions is the "vertical division of labor" or Federated model in which multiple local jurisdictions agree to form a regional body to carry out specific functions best performed on a regional basis. The Twin Cities Metro and Portland Metro are good examples of this approach. This

vertical division of labor model of regional governance appears to be particularly well suited for Hampton Roads and feasible under the nature of the relationship between local governments and the state government under the Constitution of Virginia. However, the specific approaches taken by Twin Cities Metro and Portland Metro probably are not good models for Hampton Roads because they contain features, such as regionally elected officials, that would be contentious and are not imperative for making near term improvements to regional governance.

2. The regional organization proposed for Hampton Roads is not copied from any of these other models, but is based on Virginia's unique system of cities and counties independent of each other and careful selection of attributes best suited for strengthening our region's present institutions of regional cooperation and governance. Regional cooperation in Hampton Roads has been gradually expanding, but with clear recognition of the statutory authority of local governments. The recommendations offered here are intended to enhance the already high degree of cooperation among our local governments. It will also preserve the very valuable unity of elected leadership and administration already achieved by having the mayors and chairs on the boards of all the main regional organizations - Planning District Commission, Metropolitan Planning Organization, Hampton Roads Partnership - and having the Planning District staff provide administrative support to regional activities.

D. Key Functions of a Regional Council

1. The structure of a regional council would depend in part on the functions it would perform. The first step in our assessment was to ask the question: What functions not being performed on a regional basis now are needed and what regional functions currently being carried out should be strengthened for the common good of the region? Eight such functions were identified:

- a. Developing a regional vision and strategy
- b. Speaking for the region as a whole with a single voice
- c. Regional economic development
- d. Offering regional economic incentives to attract business
- e. Deciding what is good for the region as a whole
- f. Identifying regional priorities and addressing the most pressing regional needs
- g. Making decisions without negotiating with individual cities and counties
- h. Revenue sharing
- i. Overseeing regional public services
- j. Assuring regional public information and participation

2. Enhancing the ability of the jurisdictions in Hampton Roads to work together to carry out these functions collectively on a regional basis would greatly increase their ability to meet the needs of their citizens and advance their prosperity and quality of life. Greater regional cooperation and coordination will not usurp the authority of individual jurisdictions; it will offer them a powerful tool for pursuing their strategic goals – the power of collective action.

3. Rather than proliferating a detailed list of all the functions that conceivably could be performed on a regional basis, which could well encompass the full range of functions performed by the individual jurisdictions³, this report identifies the highest priority functions on which the proposed Metropolitan Council should concentrate at its inception. The four key functions are:

- a. Strategic planning
- b. The single regional voice
- c. Economic development
- d. Improving the effectiveness and expanding the scope of regional cooperation

4. This focus on a small number of high priority functions is not intended to imply that the Metropolitan Council should not address any other potential functions that could be performed on a regional basis. The key functions are those in greatest need of enhanced attention on a regional basis and which would accrue greatest benefit for the region. As will be discussed later in this report, the Metropolitan Council should be given the flexibility to expand the scope of the functions it performs if the elected officials in the region's jurisdictions perceive opportunities for greater regional cooperation and coordination.

E. Terminology

1. Strategic Oversight. The term strategic oversight means high-level review of broad policy and budget issues across a wide range of specific functions, programs and policy areas – in other words, “board of directors” level review as opposed to detailed scrutiny of day-to-day operations. This distinction is important for distinguishing the role of the Metropolitan Council from the roles of existing regional boards and commissions.

2. Hampton Roads. The definition of the region for purposes of these proposals includes the seventeen current members of the Hampton Roads Planning District Commission.

3. Recommendations

A. Key Functions of the Metropolitan Council

1. Regional Strategic Planning

a. The first step in regional strategic planning is to develop a vision for the future of the region and a set of strategic goals for making that vision a reality. The Hampton Roads Partnership should be tasked to develop a regional vision and strategic goals for Hampton Roads for review and adoption by the Metropolitan Council.

b. The Metropolitan Council should publish a Hampton Roads Strategic Plan developed by the Council Staff in consultation with other appropriate regional organizations, such as the

³These functions were covered in detail in the first report of the Regional Structure Project, *Improving the Competitiveness of Hampton Roads*, “Report No. 1: How the Region Works.” Hampton Roads Regional Structure Project, The Future of Hampton Roads, Inc., June, 2005.

Hampton Roads Partnership and the Hampton Roads Economic Development Alliance, and subject matter experts, such as the Old Dominion University Regional Studies Institute. The Hampton Roads Strategic Plan would contain an action plan for achieving regional strategic goals – a prioritized set of tasks with milestones and metrics for measuring progress toward those milestones. This regional strategic plan should be updated periodically on a cycle consistent with state and federal budget cycles, such as the Commonwealth’s biennial budget cycle. This will ensure that the plan remains up to date and provides appropriate guidance for the many agencies involved in policy and budget matters impacting the region.

c. The Metropolitan Council should have the authority and responsibility to exercise strategic oversight over all region-wide planning efforts in Hampton Roads, including those of the Hampton Roads Planning District Commission and the Metropolitan Planning Organization. The board chairs or executive directors of other organizations that conduct regional planning in specific function areas should periodically report to the Metropolitan Council on their planning efforts, particularly before adopting revised region-wide plans. This will enable the Metropolitan Council to identify potential conflicts and opportunities across functional areas, and to ensure that individual planning efforts are consistent with overall regional goals and priorities.

2. Single Voice for the Region

a. The Metropolitan Council should be designated the sole organization empowered to speak for the Hampton Roads Region as a whole. The Chair of the Metropolitan Council would be the principal spokesperson for the region (though he might delegate the task in particular circumstances). The overarching goal is to promote and strengthen Hampton Roads’ identity as a region, which is extremely important for ensuring that Hampton Roads receives the attention it is due in state and Federal policy and budgetary decisions. Experience has repeatedly shown that Hampton Roads suffers when treated as individual local jurisdictions, is divided into sub-regions (such as the Peninsula and the South Side), or is subsumed into larger regions (such as Eastern Virginia). Strengthening Hampton Roads’ identity as a region is also critically important for economic development efforts when dealing with large corporations or national organizations that base their investment decisions in part on the size and degree of regional integration of an area.

b. Specific functions would include:

i. Act as the single point of contact for the region. The Metropolitan Council, its Executive Director and the Council Staff would be designated the “single point of contact” for all regional issues in Hampton Roads when dealing with state and Federal government officials and agencies. In functional areas in which a regional agency or authority already exists, the Metropolitan Council would coordinate with the board chair or executive director of that agency when dealing with state and Federal agencies.

ii. Formulate the regional message. The Metropolitan Council should formulate the regional message on a wide range of public policy and budgetary issues, develop an

action plan for articulating the regional message, and coordinate implementation of that plan. Individual local jurisdictions would be expected to formulate their individual messages in a manner consistent with the regional message. The regional message may have several components, including some directed at Federal policy making and budgeting and others directed at the private sector to attract investment in the region. In every case the regional messages should stress Hampton Roads' regional identity.

iii. Annual legislative program – Virginia General Assembly. The Metropolitan Council should develop an annual legislative program for the Virginia General Assembly before each session convenes. The task of researching and preparing the legislative agenda might appropriately be delegated to the Hampton Roads Partnership. In even years this legislative program would include a regional input for the biennial state budget. When specific legislation is proposed, it would be submitted by the Metropolitan Council per Division of Legislative Services guidelines. This legislative program would be shared with the Hampton Roads Caucus of the Senate and House of Delegates to empower the Caucus to speak with one voice for the region and to identify sponsors for specific legislative proposals.

iv. Annual legislative program – United States Congress. The Metropolitan Council should develop an annual legislative program for the US Congress. This legislative program would be shared with Virginia's two US Senators and the four members of the US House of Representatives representing Hampton Roads to empower them to speak with one voice for the region and to identify sponsors for specific legislative proposals. Additionally, it would be shared with the lobbyists representing individual local jurisdictions and appropriate regional organizations. The Metropolitan Council should have the authority to hire a lobbyist to represent the region as a whole.

3. Regional Economic Development

a. The Metropolitan Council should have the authority to develop coordinated regional plans for economic development, implement programs and initiatives for regional economic development, offer regional economic incentives to attract businesses, and develop and implement plans, programs, and initiatives to protect military bases and federal facilities in the region and attract additional federal agency organizations and personnel to the region. Implementation of these plans and programs would be via regional organizations, such as the Hampton Roads Economic Development Alliance and the Hampton Roads Workforce Development Board, or via the Council staff, as appropriate.

b. When and if the Metropolitan Council concludes that many of the functions of the individual local government development departments should be consolidated regionally, it should have the authority to place the functions either in the Hampton Roads Economic Development Alliance or in a separate regional economic development agency that would collaborate with the Alliance.

4. Expand the Scope of Regional Coordination and Cooperation

a. Establishing regional agencies or authorities.

i. The Metropolitan Council should have the authority to regionalize management of specific public services provided by local governments when doing so would increase the effectiveness of service delivery (such as by standardizing training, making unique skills and experience available on a regional basis, and optimizing deployment or allocation of resources regardless of jurisdictional boundaries), gain regional efficiencies (such as by reduction in management and administrative overhead, and leveraging greater economy of scale by procuring common equipment on a regional basis), or both. (See the Study Group Report “Commission on Local Government Operations.”)

ii. The only constraint on the Metropolitan Council’s authority to regionalize management of specific public services would be the limits on its revenue authority. Absent authority to raise revenue on a regional basis independent of local jurisdictions, the Metropolitan Council would have to fund new regional agencies or authorities from pre-existing revenue sources.

iii. The Metropolitan Council should have the flexibility to select the form of regional agency or authority best suited for carrying out a particular public service function. Examples include:

* Agencies that consolidate agencies or departments in individual jurisdictions into a single, centralized organization serving the entire region. This model is most appropriate when the function entails an integrated regional architecture or a service that need not be delivered from a large number of local offices.

* Agencies that coordinate a public service function on a regional basis, but with each local jurisdiction retaining its own branch of that agency; the local branch formerly having been an agency or department of that jurisdiction. This model is most appropriate when the function does not entail an integrated regional architecture and delivery of the service is intrinsically local and must be spread across all jurisdictions.

* In some cases an independent agency may not be required to coordinate a public service function on a regional basis; establishing a regional director or coordinator within the Council Staff may suffice to effectively regionalize management of that service. Modern information technology would enable that regional director to manage a virtual regional agency consisting of the agencies or departments in individual jurisdictions.

All of these forms of regional agency or authority should have decision making, management and administrative authority commensurate with their individual responsibilities, including planning, budgeting, procurement, contracting, and human resources management.

b. Oversight of Regional Public Services. The Metropolitan Council should exercise strategic oversight of regional public services, focusing on region-wide plans, resolving potential conflicts across functional areas, and seeking opportunities for cross-function initiatives that benefit the region as a whole. This proposed regional services review function would be exercised by Planning District staff, which should examine the published reports of the agencies and periodically report their findings to the Metropolitan Council. (See the Study Group Report: “Regional Services Review.”)

c. Regional Public Information and Participation. The Metropolitan Council should direct development of regional public information and public participation plans, be the approving authority for such plans, and exercise strategic oversight over implementation of these plans. (See the Study Group Reports: “Hampton Roads News Bureau” and “Effective Public Participation.”)

B. Chartering the Metropolitan Council

1. The Mayors and Chairs Caucus could rename itself the Hampton Roads Metropolitan Council and begin expanding the scope of regional coordination and cooperation immediately under existing authorities in the Code of Virginia.⁴ However, there are several important reasons why the Metropolitan Council should be established as a political subdivision of the Commonwealth of Virginia by a statutory charter from the General Assembly:

a. A statutory charter would significantly enhance the status of the Metropolitan Council in the eyes of local, state and Federal government agencies. Other than the Hampton Roads Planning District Commission and the Metropolitan Planning Organization, both of which have narrowly prescribed functions and authority, Hampton Roads currently does not have legal or political status as a region and many government agencies do not treat Hampton Roads as a region. A statutory charter for the Metropolitan Council would be a major step toward Hampton Roads gaining legal and political status as a region.

b. A statutory charter would significantly enhance the ability of the local jurisdictions in Hampton Roads to speak with one voice on regional issues when dealing with state and Federal agencies.

c. By clearly defining the boundaries of the Metropolitan Council’s authority, the statutory charter would allay fears that the Council could evolve into a regional governing body exceeding the authority that local jurisdictions are willing to grant it.

⁴ See Commission on Local Government, Commonwealth of Virginia, “Alternative Approaches to Interlocal Concerns,” at <http://www.vml.org/CONF/06CVaBeach/06ConfMaterials/TwnSectIntergovRela.pdf>.

d. A statutory charter would give the local jurisdictions in Hampton Roads the flexibility to adapt the Metropolitan Council to their collective needs as a region without constantly having to seek authority from the General Assembly to pursue specific initiatives.

The option of establishing the Metropolitan Council under existing authorities in the Code of Virginia should only be considered if standing up the Council prior to seeking a statutory charter would enhance the credibility of the proposed legislation and increase support for the charter in the General Assembly, or if it appears that significant delays are likely before the General Assembly takes action on legislation to charter the Metropolitan Council.

2. Statutory Charter. The local governments in Hampton Roads should collectively develop, agree to and submit draft legislation to the General Assembly seeking statutory authority to establish the Metropolitan Council. The statutory charter for the Metropolitan Council should:

a. Define the mission of the Metropolitan Council and the purposes for which it is being established. Those purposes include enhancing regional planning, coordination and cooperation, serving as the single regional voice and strengthening the region's identity, promoting regional economic development, and expanding the scope of local government functions and services that are performed on a regional basis in order to increase effectiveness and gain regional efficiencies.

b. Delineate the local jurisdictions in Hampton Roads that are members of the Metropolitan Council.

c. Clearly define the Metropolitan Council's authority and powers in order to ensure that the respective roles of state and local governments per the Virginia Constitution will be protected while giving the local jurisdictions the flexibility they need to adapt the Metropolitan Council to best meet their collective needs as a region.

d. Require that all state agencies interact with the Metropolitan Council on matters affecting Hampton Roads regionally, rather than dealing with the local jurisdictions in the region individually.

e. Require that all local jurisdictions in Hampton Roads coordinate policy and financial matters impacting the region with the Metropolitan Council prior to engaging with state and federal agencies on those matters.

Although some provisions in the Code of Virginia require approval of the electorate for certain types of cooperation among local jurisdictions, such as sharing of constitutional, ministerial and executive officers, establishing the Metropolitan Council as described in this report may not require such measures. Thus, there should be no need for a referendum in Hampton Roads to gain voter approval of the Metropolitan Council. However, the referendum path should be followed if deemed necessary or prudent to strengthen the credibility, legitimacy and future effectiveness of the Metropolitan Council.

3. Statutory Authority of the Metropolitan Council. A key purpose of the statutory charter is to clearly define the Metropolitan Council's authority and powers. When established, the Metropolitan Council would be an enhanced coordinating body with limited executive authority residing in the Council itself, supported by an Executive Director and a small staff. In broad terms, the Metropolitan Council's authority would be limited to coordinating and approving plans, policies and financial proposals for specific regional matters, with implementation left to individual jurisdictions or to other regional organizations such as the Planning District Commission, Metropolitan Planning Organization, or Hampton Roads Partnership. Council authority and powers should be specified in the charter.

4. Metropolitan Council Bylaws. The Metropolitan Council should have bylaws that delineate matters of governance and procedure necessary for the legitimacy, credibility and smooth functioning of the Council. The bylaws should be drafted by a committee appointed by the Hampton Roads Mayors and Chairs Caucus, which would approve them. Once established, the Metropolitan Council would have the authority to amend the bylaws. (See par. C.2. below.)

5. Future Evolution of the Metropolitan Council

a. Evolution of the Metropolitan Council would respect the prevailing sentiment that the existing structure of local governments should be preserved while being receptive to opportunities to expand and enhance programs and initiatives that would benefit the entire region. Although the possibility of a major public policy crisis, such as severe budget shortfalls or economic decline, compelling the local governments in Hampton Roads to expand the scope of regional coordination cannot be excluded, planning for the future of Hampton Roads cannot be based on expectation of such a crisis. Absent a major public policy crisis, regional coordination and cooperation are likely to evolve incrementally as local governments perceive common interests in expanding the scope and effectiveness of regional endeavors.

b. The statutory charter of the Metropolitan Council should give it the flexibility – within broad but clearly delineated boundaries – to expand the scope of functions it performs as local governments perceive common interests in enhancing the scope and effectiveness of regional endeavors. Two areas for potential future expansion of the Metropolitan Council's authority should lie within those statutory boundaries:

i. Executive authority. The Metropolitan Council's charter should give it the flexibility to adopt the level and type of executive authority necessary to carry out the functions it deems essential for the well being of the citizens of Hampton Roads. The Metropolitan Council may conclude at some point in the future that its Chair should be a regional chief executive focused exclusively on regional matters, rather than being one of the Mayors or Chairs who also has responsibility within a single jurisdiction. The charter would give the Metropolitan Council authority to prescribe procedures for nominating and selecting a regional chief executive. The Charter also should give the Metropolitan Council flexibility to expand the authority and responsibility of the Executive Director, making that position analogous to a regional-level city manager or county administrator.

ii. Authority to raise revenue. If in the future the Metropolitan Council decides to expand the scope of functions it performs, such as by giving the Council Staff greater program management authority – including contracting, procurement and operations – the Metropolitan Council’s charter should authorize it to raise revenue independent of its member jurisdictions via regional taxes and user fees. Such revenue authority should be limited to revenues required for budget accounts set up for specific projects, initiatives or functions that the Council has decided to manage on a regional basis. Metropolitan Council decisions on expenditure of these revenues within the region should not be constrained by a formula mandating allocations among jurisdictions based on the amount contributed from each. Expenditure decisions should be based on the budget requirements of specific projects offering greatest benefit to the region. The Metropolitan Council should have the flexibility to allocate regional revenues on the basis of greatest return on investment for the entire region, regardless in which jurisdiction the funds are expended.

Clearly delineating the limits of the Metropolitan Council’s leeway to expand the scope of its authority and responsibility ensures that the respective roles of state and local governments per the Virginia Constitution will be protected, while giving the local jurisdictions the flexibility they need to adapt the Metropolitan Council to best meet their collective needs as a region as circumstances change in the future.

C. Governance of the Metropolitan Council

1. Membership and Representation. Membership in the Metropolitan Council would consist of those local governments that are members of the Hampton Roads Planning District Commission whose councils vote to join the Council. Each such member would be entitled to one representative on the Metropolitan Council.

2. Bylaws. The Metropolitan Council’s bylaws will need to address a number of issues related to membership and representation:

a. Primary Representatives. The bylaws should specify that each member government would be represented by its mayor or chair.

b. Alternate Representatives. The bylaws should permit each council member to designate an elected official – City Council or County Board member – as his or her alternate with full voting privileges.

c. Ex Officio Members. The bylaws should grant the Metropolitan Council authority to select additional agencies and regional organizations for *ex officio*, non-voting, membership. For example, there would be value in having the Executive Directors of the Hampton Roads Metropolitan Planning Organization, Hampton Roads Planning District Commission and Hampton Roads Partnership as *ex officio* members.

d. Pro tempore General Assembly Members. The Metropolitan Council should have the authority to invite the Hampton Roads Caucus of the General Assembly to select one Senator and one Delegate from Hampton Roads to serve as voting members of the Metropolitan Council for two-year terms. This would strengthen the region's recognition and voice in the General assembly, as well as helping the Metropolitan Council keep abreast of developments in the General Assembly.

e. Invited Observers. The bylaws should grant Metropolitan Council members (Mayors and Chairs) authority to invite City Managers and County Administrators to attend council meetings. Additionally, the Bylaws should permit other local government officials to attend in an official capacity when invited by the Metropolitan Council; otherwise they would attend as a member of the general public.

f. Quorum. The bylaws should specify the quorum required for its meetings.

g. Voting. The bylaws should give each member one vote for transaction of ordinary business but could provide for weighted voting or super-majority voting on specified matters.

h. Officers. The bylaws would give the organization a chair, vice-chair, and executive director elected by the members. Their duties would be outlined.

i. Committees. The bylaws should authorize the Metropolitan Council to establish permanent committees, *ad hoc* working groups, and advisory committees as necessary to conduct the Council's business.

3. Governance.

a. Chair. The Chair (or vice-chair in his absence) of the Metropolitan Council should preside over meetings, represent the Council in dealings with other organizations, and serve as the Council's spokesperson.

b. Executive Director. The Metropolitan Council should have an Executive Director for management and administration of the Council Staff. The Executive Director should primarily have a supporting, administrative and advisory role, with limited decision-making authority as specified by the Council. The Executive Director of the Hampton Roads Planning District Commission (HRPDC) should be the Metropolitan Council's Executive Director. The council could revise this structure in the future if the Council's workload required expanded staff support so as not to degrade the ability of the HRPDC staff to carry out its primary planning function.

4. Decision Making.

a. Metropolitan Council voting should be on the basis of one vote per local government jurisdiction except where the Council specifies in its bylaws that certain decisions require weighted voting, super majority voting, or unanimous agreement.

b. Local governments should not have veto power over council decisions, but the Metropolitan Council's bylaws should identify certain decisions, such as land use, zoning and exercise of eminent domain, over which the Council does not have authority over local governments. The Metropolitan Council would still be able to address regional matters involving land use, zoning and exercise of eminent domain, but planning would be based on voluntary concurrence of affected local governments.

5. Council Staff.

a. The HRPDC staff would be the Metropolitan Council's staff. The bylaws should give the Metropolitan Council authority to augment the HRPDC staff with the minimum number of persons needed to effectively carry out any additional workload generated by establishment of the Council and subsequent additional duties assigned to the staff by the Council.

b. The structure of the Council Staff should be determined by the Executive Director within the limits of his or her authority, with Metropolitan Council approval of more sweeping changes, particularly those affecting the size and budget of the staff. Depending on the range of policy issues taken on by the Metropolitan Council, the Council Staff may require departments for planning, finance and budgeting, operations, state and federal relations, and public information, as well as departments focused on specific functional issues, such as transportation, economic development, regional public services, and public safety and emergency preparedness.

D. Funding the Metropolitan Council

Metropolitan Council funding would be divided into two major accounts: core budget and program budget.

1. Core Budget. The core budget would include funding for the administrative expenses of the Council itself and the budget for the Council Staff, including personnel, infrastructure and administrative expenses. The core budget would be funded by local governments using an allocation system similar to that used by the Planning District Commission today.

2. Program budget. The program budget would fund specific regional projects and initiatives approved by the Metropolitan Council that are implemented by the Council Staff or other regional organizations using funding provided by the Metropolitan Council. Funds for the program budget would come from a variety of sources, including local government revenues, federal appropriations and grants, state appropriations and grants, and private sector contributions to public-private partnerships.

E. Relationships with Governments

1. Local Governments. The Metropolitan Council would not usurp the constitutional and statutory authority of the cities and counties in Hampton Roads; it would complement their individual efforts with a regional organization that can effectively develop and implement regional plans that are inherently beyond the authority and capacity of any individual jurisdiction to pursue. The purpose of the Metropolitan Council is not to constrain local jurisdictions, but to empower them and enhance their ability to serve their citizens through regional efforts that benefit all the citizens of Hampton Roads.

2. Commonwealth of Virginia Government. The Metropolitan Council, its Executive Director and the Council Staff should be the “single point of contact” for all regional issues in Hampton Roads when dealing with state government officials and agencies. The Metropolitan Council should develop an annual legislative program for the Virginia General Assembly before each session convenes and share it with the Hampton Roads Caucus of the Senate and House of Delegates to empower the Caucus to speak with one voice for the region.

3. Federal Government. The Metropolitan Council, its Executive Director and the Council Staff should be the “single point of contact” for all regional issues in Hampton Roads when dealing with Federal government officials and agencies, including the regional offices of Federal agencies. The Metropolitan Council should develop an annual legislative program for the US Congress and share it with Virginia’s two US Senators and the four members of the US House of Representatives representing Hampton Roads to empower them to speak with one voice for the region.

F. Relationships with Regional Organizations

1. Hampton Roads Planning District Commission. The statutory charter for the Metropolitan Council should stipulate that the Council has oversight and governance authority over the activities of the Hampton Roads Planning District Commission. The Council’s bylaws would be drafted to ensure that its procedures comply with requirements stipulated in state law for oversight and governance of planning district commissions. The Planning District Commission would retain its existing Board of Directors and bylaws. The Executive Director and staff of the Hampton Roads Planning District Commission would serve as the Executive Director for the Metropolitan Council and the Council Staff, respectively.

2. Metropolitan Planning Organization. The statutory charter for the Metropolitan Council should stipulate that the Council has oversight and governance authority over the Hampton Roads Metropolitan Planning Organization. The Council’s bylaws would be drafted to ensure that its procedures comply with requirements stipulated in federal law for oversight and governance of metropolitan planning organizations. The Metropolitan Planning Organization would retain its existing Board of Directors, Executive Director, staff, and operating procedures. (See the Study Group Report: “Metropolitan Planning Organizations.”)

3. Hampton Roads Partnership. The Hampton Roads Partnership should be tasked to develop the region's annual legislative agenda and periodically update the regional vision and strategic goals for Hampton Roads for adoption by the Metropolitan Council. Additionally, the Hampton Roads Partnership should be tasked to lead an effort to implement performance based management and budgeting in a uniform manner across the local jurisdictions.⁵ The Metropolitan Council's relationship with the Hampton Roads Partnership would be analogous to the relationship between the state government and the Council on Virginia's Future.

4. Regional Public Service Providers. The Metropolitan Council should exercise strategic oversight over regional public services organizations via the regional services review function to be performed by the staff of the Planning District Commission. (See the Study Group Report: "Regional Services Review.") The focus of the Metropolitan Council should be not only on individual agency performance but also on coordination across public service functions to ensure that decisions by one regional organization's board do not conflict with those of another regional organization or other regional plans under the cognizance of the Metropolitan Council. This regional oversight would extend to private sector utilities and other private sector operators of critical infrastructures in the region.

5. Other Regional Organizations. The Metropolitan Council and Council Staff will need to work closely with a wide range of existing regional organizations in Hampton Roads, leveraging their specialized expertise and experience to help achieve the region's strategic goals. Potential roles for existing regional organizations include:

- a. Participating in Metropolitan Council meetings as observers.
- b. Serving on permanent committees of the Metropolitan Council as advisors, facilitators or perhaps even voting members.
- c. Leading or participating in regional task forces and study groups.
- d. Carrying out specific tasks on behalf of the Metropolitan Council in lieu of expanding the Council Staff to carry out those tasks. Such tasks could include conducting studies, drafting legislation and budget proposals, and managing programs on behalf of the Metropolitan Council.

⁵ See the Council on Virginia's Future web site at <http://www.future.virginia.gov/>, the Virginia Performs web site at <http://www.vaperforms.virginia.gov/>, and the Virginia Department of Planning and Budget web site at <http://www.dpb.virginia.gov/>.

Annex A-1**Excerpts from *Report No.2: Transforming the Regional Structure*
Relative to a proposed Hampton Roads Metropolitan Council**

From the Summary of Preliminary Proposals (p.4):

The primary recommendation is to empower the Mayors and Chairs, as the elected leaders of our communities and therefore the embodiment of political legitimacy, to function as a **Hampton Roads Metropolitan Council** to make decisions with somewhat more authority than in the present informal structure. The Metro Council would be chartered as a political subdivision by the General Assembly, given defined powers, a suitable funding formula, and, above all, a voting scheme that will allow decisions to be made with a strong, but not necessarily complete, consensus. The Chair of the Council, with perhaps the informal title of Mayor of Hampton Roads, would serve as the regional spokesperson.

From the Additional Comments section (pp 9-10):

1. Create a Stronger Regional Voice.

1.1 Principles. Implementation of effective regionalism in Hampton Roads requires fixing central responsibility for taking decisions on regional issues with public support and for directing the execution of resulting programs.

1.11 The necessary central structure must be legitimate based on appropriate chartering and on direct or indirect election of accountable officials.

1.12 It must have authority to act with respect to its enumerated responsibilities.

1.13 A method for reaching decisions within the central body by some form of voting less stringent than complete consensus should be provided in order to allow for effective action on behalf of the majority of the region's citizens.

1.14 The body must be funded from a sustained source, probably from the member local governments based on a mutually acceptable proportional formula.

1.15 The present basic political structure of cities and counties and their city councils and boards of supervisors, as organized under Virginia law, would not be modified.

1.2 The Mayors and Chairs Caucus, consisting as it does of elected officials, should deem itself the government entity primarily responsible for the welfare and progress of the region as a whole.

1.21 The Mayors and Chairs should formally assume the decision-making functions of a **Hampton Roads Metropolitan Council**.

1.22 In order to clarify and validate its role, the Mayors and Chairs Caucus should seek formal recognition from the Legislature as the responsible regional entity, in the form of a Metropolitan Council charter that enumerates functions and provides for decision-making by some acceptable voting formula other than complete consensus.

1.23 Rather than add considerable staff at the regional level to support its activity, the Metropolitan Council should work through existing organizations:

(a) the **Hampton Roads Partnership** as a sounding board and for engaging the business, education, military, service, cultural and other sectors and the public at large in maintaining the regional vision and developing the regional legislative agenda;

(b) the **Hampton Roads Planning District Commission** for preparation of socioeconomic studies and forecasts; research and planning in support of local governments; regional data collection and assessment studies; regional emergency management planning; physical and infrastructure planning; and technical studies and support for the Metropolitan Planning Organization;

(c) the **Hampton Roads Metropolitan Planning Organization** as the authority responsible for regional transportation planning and programming and for its coordination of related land use, economic development, and environmental matters;

(d) the **local governments, regional authorities, or private organizations**, as appropriate, for implementing programs.

1.24 The Chair of the Council, elected by Council members, should act as the primary spokesperson for the region, using for this purpose the title **Mayor of Hampton Roads**.

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