



IMPROVING THE COMPETITIVENESS OF HAMPTON ROADS

The Hampton Roads Regional Structure Project

Recommendations for the

H.R. Partnership: Board Structure

Prepared by the Future of Hampton Roads, Inc.

January, 2007
SG2A

HAMPTON ROADS REGIONAL STRUCTURE PROJECT

REPORT OF STUDY GROUP 2A

STRUCTURE OF THE HAMPTON ROADS PARTNERSHIP

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October 31, 2006

1. Study Group Task

Study Group 2A was charged with providing detailed recommendations in support of the following proposals in the Hampton Roads Structure Project's draft *Report No.2 – Transforming the Regional Structure* (pp.4-5):

a. "To improve its effectiveness in reaching the entire community, the Partnership board of directors would be refashioned to include not only *ex officio* leaders from government, education, and the military, as at present, but also similar *ex officio* representatives of business organizations, health and social services, the arts, and environmental interests."

b. "In addition to adequate sector representation, it would have a number of regional citizen representatives elected at large. A Regional Citizens Roundtable would augment the board as a vehicle for tapping public views."

c. "To build mutual understanding among members of city councils and boards of supervisors the Partnership could organize a Council Members Roundtable."

d. "A Business Roundtable might also be useful."

Other proposals with respect to the Partnership's mission and activities have been assigned to study groups 2BC-Visioning and Measurement and 2D-Legislative Agenda.

2. Recommendations

a. Mission Statement.

The Partnership's Web site includes the following statements with respect to its mission: "About The Partnership: The Hampton Roads Partnership is a public-private nonprofit committed to pursuing regional competitiveness for Hampton Roads in a dynamic global economy....The Partnership facilitates regional collaboration and action resulting in a better quality of life for all of the region's citizens." This most recent statement of mission, in now broadening the Partnership's focus from economic development to include quality of life, properly recognizes this key regional organization's responsibility to represent all sectors of the regional community.

b. Board Composition.

i. Sector Representation. For the purpose of suggesting which key sectors of the regional community should be represented on the Partnership board, the documents in Annex A-1 analyze current board membership in relationship to (a) the building blocks of a healthy region, (b) the main selection criteria of corporate relocation prospects, and (c) the numbers of jobs in the region's business, government, and non-government service sectors. This analysis suggests that several key sectors do not appear to be represented on the Partnership board of directors.

The 2006-07 board of 97 members and liaison officials may be characterized primarily as a business-government partnership, with 38 representing all the local governments, military commands, and higher education institutions *ex officio*, and 59 members representing businesses in the most important private sector economic clusters. Although the Partnership is a private organization, which affords certain advantages, the active presence of the mayors and chairs lends legitimacy, as does the presence of an outstanding group of leaders from the region's main businesses. Members are required to pay dues and are selected by a nominating committee that uses CEO-level status as a primary criterion. This is clearly a leadership organization.

The Partnership rightly claims to be the most representative organization for the entire Hampton Roads region. In order to improve its character in this regard, it is recommended that several major contributing sectors not currently represented on the board be added by electing CEOs of several leading organizations from those sectors. The sectors are: K-12 Education, Pre-School Education, Workforce Development, Social Services, Arts and Culture, and Environment. Recognition of the quality of the labor force as the most important determinant of a region's economic future together with the increasing focus on early childhood development justifies inclusion of the first three sectors mentioned. The other three sectors are clearly major contributors to the region's quality of life, another of the top criteria of a healthy region. In addition, the major Regional Service Agencies should be represented; these include not only the Hampton Roads Sanitation District and the Hampton Roads Planning District Commission, already on the board directly or *ex officio*, but also several others.

A confidential list of organizations that might be considered for board membership will be transmitted separately to the officers of the Partnership. Having already created a board of 97 that meets only quarterly, the organization will be strengthened rather than disrupted by selective additions from this list in order to complete sector representation. Furthermore, the additions can be accomplished partly in connection with normal annual attrition of other board members.

ii. At-large Elected Members. The proposal to elect at-large members to the board has been suggested as a way to ensure a regional outlook among some members to offset the largely parochial outlook of other members. Aside from the expense of organizing such elections, they might risk politicizing an organization that brings a healthy nonpartisan focus to regional issues. A regional outlook is presumably provided by the numerous business, military, and higher education board members whose own activities are region-wide. Accordingly, the proposal for elected at-large members is not recommended.

c. Roundtables.

In both its strategic and project planning, the Partnership has often assembled groups of practitioners to assist in setting goals and evaluating proposals. Nevertheless, the public is not as widely informed about the activities of the Partnership as would be desirable for assuring public support of its programs and legislative initiatives. As the Partnership develops its regional citizenship program, it is recommended, as suggested in *Report No.2*, that it organize *standing* roundtables as a means of tapping into the thinking of city/county council members, citizens, media, and business leaders. These groups probably need not meet more than once or twice a year, but they would stand ready to be brought into ad hoc discussions of important issues. They would supplement the use of gatherings of economic cluster practitioners to develop strategies for their particular sectors. The networking provided by the roundtables would be useful in building the relationships that support a desired sense of regional citizenship. They would also be helpful in the process of setting or validating overall long range strategic goals for the region. And the use of such groups to help seek the “consent of the governed” in no way diminishes the Partnership’s ability to assemble small groups of leaders with clout to exercise their influence in situations that require rapid action.

i. City-County Council Members Roundtable. Of particular urgency is the creation of some regular forum for bringing together the over one hundred locally elected council members of the region’s cities and counties. The recommendation for such a program is not original with the Structure Project. Building understanding and consensus among these key elected officials for the region’s transportation, land use, resource, and manpower plans is critical to Hampton Roads’ eventual ability to provide unified direction to the region’s legislative caucus. Creation of working relationships through such a vehicle will in no way weaken the responsibilities of the individual councils for their own cities and counties’ activities. The success of the Mayors and Chairs Caucus shows the utility of this recommendation.

ii. Citizens Roundtable. Convened annually, a citizens' roundtable would be a useful adjunct to the Partnership's visioning function. While the setting of specific goals and strategies should involve cluster practitioners, the overall vision statement for the region can benefit from citizen involvement. It would also attract media coverage, thereby helping the Partnership gain wider public understanding of its key role in regional governance.

iii. Media Roundtable. Following the example of the Virginia Council on Economic Education, the Partnership should bring together the region's editors and reporters for an annual review of the state of the region, the Partnership's current strategies, and expected important issues to be reported on. Such a periodic meeting can also provide for healthy feedback on the media's views and questions.

iv. Business Roundtable. The board membership of the Partnership itself constitutes such a business group, but for certain purposes it might be well to assemble those leaders with other non-board business executives annually for a similar review of the overall strategic position of the region with attention to workforce development, entrepreneurial support, development opportunities, and legislative needs. This mechanism would have the advantage of creating relationships among a number of blue ribbon corporate leaders who are not otherwise involved with the Partnership because they are not members of the board.

Although organizing roundtable meetings will require staff time, past experience indicates that the direct cost of the invitations, space rentals, and refreshments can be charged to the participants.

The use of the proposed roundtables is one way in which the Partnership can exercise its role as the primary convener of the citizenry in the region of Hampton Roads.

Annex A-1

Building Blocks of Healthy Regions and Site Selection Criteria of Corporate Relocation Prospects

The Building Blocks of Economic Growth (*Plan 2007, p.2*)

Education
Infrastructure
Quality of Life
Sound Government
Private Leadership
Economic Development

Building Blocks of the Regional Community (*Structure Project SG2A, 2006*)

Concerned Citizens with a Regional Outlook
Involved Private Sector Leaders
Good Government – State and Local
Outstanding Educational System
Strong Economic Clusters
Supportive Environment for Entrepreneurs
Adequate Physical Infrastructure
Sound Environmental Protection
Vibrant Arts-Culture-Recreation Complex
Advanced Health Care System
Adequate Social Services

Corporate Relocation Key Criteria (*per H. Rds. Economic Development Alliance*)

- (1) Labor – quality, availability, education (colleges, universities, training), unemployment, prevailing wages.
- (2) Infrastructure – Road network, railroads, airport (for HQ), port proximity, adequate size sites.
- (3) Cost of doing business – tax rates, unemployment insurance rates, cost of land, incentives to close the deal (tax credits, cash).
- (4) Cost of living, housing cost.
- (5) Quality of Life – lots to do, climate, affordability, water activities, diversity.

Annex A-2

Correlation of Regional Agenda with HRP board membership

The items listed below are taken from the regional agenda as given in the Hampton Roads Structure Project's *Report No. 1*. Note: The elected leaders have responsibility for all public services but are not in the count below, which focuses on direct practitioners.

The agenda is not necessarily exhaustive, and the correlations are only suggestive, but there do appear to be several gaps.

<u>Agenda item</u>	<u>Number of board members directly representing the sector *</u>	
1. Pre-school, K-12	0	(School boards operate independently of their city and county councils.)
2. Higher education	11	Community Colleges and Universities & Jeff Lab
3. Workforce development	0	(Educational institutions are major participants)
4. Environment & resources	0	(Mayors & chairs, but no private sector)
5. Housing	5	Realtors
6. Economic Development	1	HREDA liaison (And a general responsibility of all)
7. Tourism Marketing	2	Colonial Williamsburg & 1 hotelier
8. Public Safety	0	(Mayors & chairs, but no police or security firms)
9. Health Care	5	Hospitals
10. Social Services	0	(Mayors & chairs, but no NGOs)
11. Land Use Planning	17	Mayors and chairs—a primary responsibility
12. Arts, Culture, Rec.	0	(Many HRP members serve on these boards)
13. Community Relations		(A general responsibility of all)
14. Transportation	5	Norfolk Southern plus port services
15. Efficient Government		(A general responsibility of all)
16. Government Relations		(A general responsibility of all)
17. Regionalism		(A general responsibility of all)

* Sector numbers from Annex A-3

Annex A-3

**Correlation of HRP Board Membership with Sector Employment in Hampton Roads
(Virginia Beach-Norfolk-Newport News VA-NC MSA)**

Estimated number of jobs as of April 2006

Source: Regional Economic Information System, Bureau of Economic Analysis,
Provided by the Hampton Roads Planning District Commission

<u>HRP Board + Liaison**</u>	<u>Jobs</u>	<u>Sector</u>
4	107,117	Retail Trade
5	77,152	Health Care and Social Assistance
4	58,434	Manufacturing
0	57,564	Administrative and Waste Services
14	57,445	Professional and Technical Services
5	36,987	Real Estate
9	32,406	Finance and Insurance
4	17,158	Information
-	9,372	Management of companies
-	2,335	Farming
-	<u>48,786</u>	Other Services, incl. U.S. employees of int'l co's.
	<u>504,756</u>	Sector figures provided
2	*	Accommodation and Food Services
6	*	Transportation and Warehousing
1	*	Construction
-	*	Arts, Entertainment, and Recreation
3	*	Utilities
2	*	Wholesale Trade
-	*	Forestry, Fishing, and related activities
-	*	Mining
	<u>216,054</u>	Sector figures not provided
<u>59</u>	<u>720,810</u>	Private Employment
- + 6	111,867	Military
- + 1	45,847	Federal civilian
17 + 3	75,846	Local Government
11	15,374	Educational Services (incl. private schools)
-	<u>30,357</u>	Other, incl. State Government
<u>28 + 10</u>	<u>279,291</u>	Government Employment
<u>97</u>	<u>1,000,101</u>	Total Employment in MSA
	<u>1,641,671</u>	Total Population in MSA

* "Not shown to avoid disclosure of confidential information."

** See details on following pages.

MSA Employment SectorFHR Board + Liaison*Non-Government

4	Retail trade	2	Retail
		1	Auto Dealership
		1	Oil Distributor
5	Health care and social assistance	5	Health Care
		-	Social assistance
4	Manufacturing	2	Manufacturing
		2	Shipbuilding
0	Administrative and Waste Services	0	Waste services
14	Professional and technical services	3	Accounting
		1	Architecture
		2	Consulting
		8	Law
5	Real Estate	5	Real Estate
9	Finance and Insurance	8	Banking
		1	Insurance
4	Information	4	Media & Communications
-	Management of companies	-	(included in other categories)
-	Farming	-	Farming
2	Accommodation & food services	2	Tourism
6	Transportation and warehousing	2	Transportation
		4	Port Services
		1	Labor
1	Construction	1	Construction
3	Utilities	3	Utilities
2	Wholesale trade	2	Wholesale

Government

6	Military	- + 6	Military
1	Federal civilian	1 + 1	Federal Lab & Agencies
20	Local government	17 + 3	Local Govt – Elected & Mgrs
<u>11</u>	Educational services	10	Higher Education
		1	University Lab

97

*See detail on following pages

HAMPTON ROADS PARTNERSHIP BOARD AND LIAISON 2006-07

Business Leadership

Employment Sector

John Stegeman	Ferguson	Retail	Retail trade
E. J. Strelitz	Haynes Furniture Co.	Retail	“
Edward Snyder	Checkered Flag	Auto Dealer	“
John Malbon	PAPCO	Oil Distrib.	“
Mason Andrews	Jones Institute	Health Care	Health care
David Bernd	Sentara	Health Care	“
Richard Hanson	Bon Secours HR Health	Health Care	“
Jeffrey McWaters	Amerigroup Corporation	Health Care	“
Richard Pearce	Riverside Health System	Health Care	“
William Grace	Grace Industries	Manufact.	Manufacturing
Richard Marr	Lockheed Martin IS&S	Manufact.	“
Jennifer Boykin	Northrup Grumman NN	Shipbuilding	“
Jerrold Miller	Earl Industries	Shipbuilding	“
Stephen Evans	KPMG Peat Marwick	Accounting	Professional
Tom Wilson	Goodman and Co.	Accounting	services
Alan Witt	Witt Mares	Accounting	“
Kenneth Stepka	Clark Nexsen	Architecture	“
Jack Ezzell	ZEL Technologies	Consulting	“
John Wynne	John Wynne	Consulting	“
Thomas Frantz	Williams Mullen	Law	“
William Franczek	Vandeventer Black	Law	“
Thomas Johnson	Willcox & Savage	Law	“
Richard Glasser	Glasser & Glasser	Law	“
Vincent Mastracco	Kaufman & Canoles	Law	“
Owen Pickett	Troutman Sanders	Law	“
Gregory Stillman	Hunton & Williams	Law	“
David Tynch	Cooper Spong & Davis	Law	“
Wendy Drucker	Drucker & Falk	Real Estate	Real Estate
Deborah Stearns	Advantis	Real Estate	“
Joshua Darden	Darden Properties	Real Estate	“
Helen Dragas	Dragas Companies	Real Estate	“
Donald Perry	Continental Properties	Real Estate	“
Robert Aston	TowneBank	Banking	Finance &
James Babcock	First Virginia Bank	Banking	Insurance
Robert Boyd	BB&T	Banking	“
William Butler	SunTrust	Banking	“
Jeffrey Dyckman	Wachovia	Banking	“
Charles Henderson	Bank of America	Banking	“
Jon Nystrom	Va. Company Bank	Banking	“
Robert Shuford	Old Point Natl Bank	Banking	“
Ronald Racinowski	USAA	Insurance	“
Franklin Bowers	Cox Communications	Media/Com.	Information

Bruce Bradley	Landmark Publishing	Media/Com.	“
Rondra Matthews	Daily Press	Media/Com.	“
Joseph Widoff	WHRO	Media/Com.	“
Christoph Leemann	Jefferson Lab	Lab	Educational Svcs
Colin Campbell	Colonial Williamsburg	Tourism	Accommod., food
Thomas Lyons	Tidewater Hotels & Resorts	Tourism	Accommod., food
Robert Bray	Va. Port Authority	Port Services	Trans. & Ware-
Charles Brinley	Dominion Terminal Assoc	Port Services	housing
Edward Brown	Intl Longshoreman’s Assoc	Port Services	“
William Cofer	Va. Pilot Association	Port Services	“
C.W. Moorman	Norfolk Southern Corp.	Transportation	“
Donald Seale	Norfolk Southern Corp.	Transportation	“
Thomas Glasgow	Clancy & Theys Constr.	Construction	Construction
Max Bartholomew	Dominion Va. Power	Utilities	Utilities
Henry Linginfelter	Virginia Natural Gas	Utilities	“
Tyler Bland	H. Rds. Sanitation District	Utilities	“
C.S. Hornsby	Wolseley North America	Distribution	Wholesale trade
Robin Ray	Atlantic Dominion Dist.	Distribution	“

Government Leadership

James Champman	Smithfield	Local–Elected	Local Govt
Reginald Harrison	Surry County		“
James Councill	Franklin		“
Gordon Helsel	Poquoson		“
Dalton Edge	Chesapeake		“
James Holley	Portsmouth		“
Paul Fraim	Norfolk		“
Linda Johnson	Suffolk	“	
Joe Frank	Newport News		“
Dallas Jones	Southampton County		“
Bruce Goodson	James City County		“
Ross Kearney	Hampton		“
Myra Oberndorf	Virginia Beach		“
Walter Zaremba	York County		“
Louise Theberge	Gloucester County		“
Jeanne Zeidler	Williamsburg		“
Thomas Wright	Isle of Wight County		“

Government - Ex Officio

Arthur Collins	H.R. Planning District Com.	“
Jones Hookes	H.R. Econ. Devel. Alliance	“
James McReynolds	H.R. Chief Administrative Officers	“

Education Leadership

Douglas Boyce	Paul D. Camp CC	Higher Ed.	Educational Svces
Carolyn Meyers	Norfolk State U		“
Edward Brickell	Eastern Va. Medical		“
Harry Lester	Eastern Va. Medical		“
Gene Nichol	William & Mary		“
Deborah DiCroce	Tidewater CC		“
Roseann Runte	Old Dominion U		“
William Greer	Va. Wesleyan		“
Charles Taylor	Thomas Nelson CC		“
William Harvey	Hampton U		“

Military – Liaison

Robert Blackman	Marine Corps	Liaison – Mil.	Military
William Wallace	Army Tradoc		“
Larry hereth	Coast Guard		“
Ron Keys	Air Force Combat		“
John Nathman	Navy Fleet Forces		“
Frederic Ruehe	Navy Mid-Atlantic		“

Federal – Liaison

Lesa Roe government	NASA Langley	Liaison – Fed.	Federal
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Annex A-4

Participants in Study Group 2A

Volunteers from the Structure Project:

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City of Norfolk

James F. Babcock, Chairman and CEO (ret.)
First Virginia Bank – Hampton Roads

K. Edwin Brown, Director
Hampton Roads Center, University of Virginia

Minette Cooper, Board Member
The Cultural Alliance of Greater Hampton Roads

Robert C. Gibson, Chairman (ret.)
Clark Nexsen, Architects and Engineers

Jay Reist, Senior Scientist
Batelle Memorial Institute

Assisted by representatives from the Hampton Roads Partnership:

Dana Dickens, President
Hampton Roads Partnership

Alan S. Witt, CPA, Partner
Witt Mares