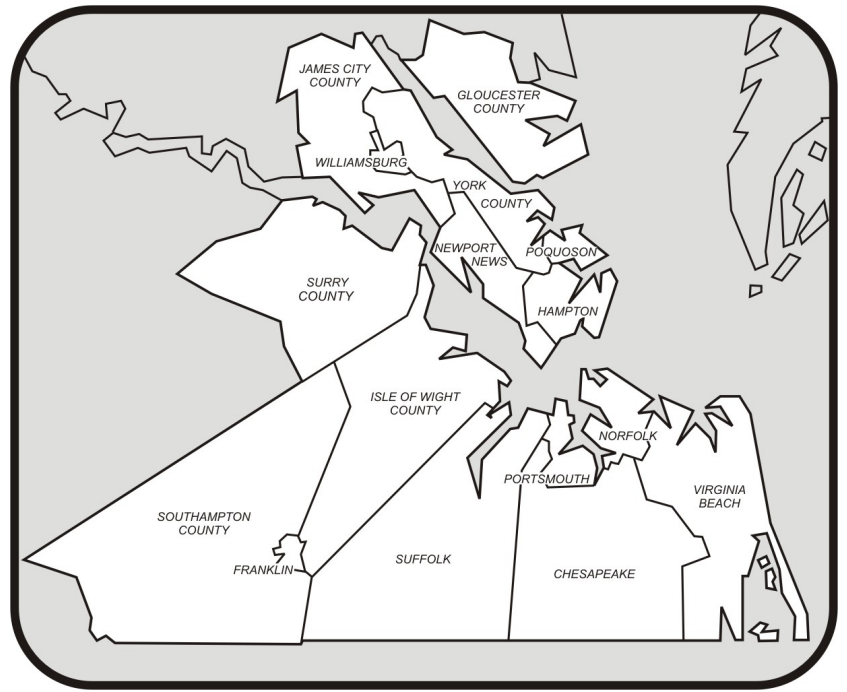


Improving The Competitiveness Of Hampton Roads



Report No. 2: Transforming the Regional Structure

Proposals to
Create a Stronger Regional Voice,
Make Local Governments More Efficient, and
Accelerate Economic Development

Prepared by the Hampton Roads Regional Structure Project

An initiative of The Future of Hampton Roads, Inc.
Hampton Roads, Virginia
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THE HAMPTON ROADS REGIONAL STRUCTURE PROJECT

Report No. 2: Transforming the Regional Structure

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Supporting Research Data (Held in File):

Future of Hampton Roads, *Mission Statement*
Future of Hampton Roads, *Proceedings of the Conference on the
Competitiveness of Hampton Roads, Fall 2003*
Future of Hampton Roads, *Case Statement in Support of the Project
Hampton Roads Regional Structure Project, Report No.1: How the Region Works*
Future of Hampton Roads, *Proceedings of the Conferences on Regional
Structure, January 2006*
Future of Hampton Roads, *The Regionalist Papers*

HAMPTON ROADS REGIONAL STRUCTURE PROJECT

STEERING COMMITTEE PARTICIPATING ORGANIZATIONS

As of February 1, 2006

Chesapeake Alliance
Chief Administrative Officers
CIVIC Leadership Institute
Cultural Alliance of Hampton Roads
Empower Hampton Roads
Entrepreneurs Forum of Hampton Roads
Future of Hampton Roads, Inc.
Greater Norfolk Corporation
Hampton Roads Association for Commercial Real Estate
Hampton Roads Chamber of Commerce
Hampton Roads Health Coalition
Hampton Roads Maritime Association
Hampton Roads Partnership
Hampton Roads Sanitation District Commission
Hampton Roads Transportation Alliance
Leadership Hampton Roads
Leadership Institute of the Virginia Peninsula
League of Women Voters
Mayors and Chairs Caucus of Hampton Roads
Portsmouth Partnership
Region 2 School Superintendents
Senior Services of Southeastern Virginia
Suffolk Tomorrow
The 200+ Men, Inc.
Urban League of Hampton Roads, Inc.
Virginia Beach Taxpayers Alliance
Virginia Beach Vision
Virginia Peninsula Chamber of Commerce
Virginia Ship Repair Association
Virginia Tidewater Consortium for Higher Education
Volunteer Hampton Roads
Williamsburg Area Chamber of Commerce
World Affairs Council of Greater Hampton Roads

Other regional organizations are invited to join this effort.

Preface

Transforming the Regional Structure, the second report issued by the Steering Committee of the Hampton Roads Regional Structure Project, offers preliminary proposals for reforming the structure of regional governance in Hampton Roads. The first report, *How the Region Works*, justified the need for reform by describing the opportunities that comprise the regional agenda, the public and private institutions that handle the agenda, and the legal framework of regionalism in Virginia.

The first report was descriptive. Its message: We do regional cooperation fairly well, but there is room for a more proactive program to enhance our economy and quality of life. While our region has shown a recent growth spurt, based mostly on defense spending, we need to do much better just to bring our per capita income and wealth up to the national average.

While we seek improvement, we do not point fingers of blame. The Future of Hampton Roads believes, and there is support for the notion, that at least some part of the solution involves modifying the structures through which government makes and implements decisions at the regional level. These changes should enable us to work together more effectively. The Structure Project's specific goals are to accelerate economic development, achieve economies in local government by additional sharing of services, and, most importantly, create an effective political voice to advance the region's interests.

Following wide distribution of our first report, the Project organized three conferences in January, 2006, during which some 140 board members of the Steering Committee organizations and other members of the public brainstormed proposals. (The conference Proceedings may be viewed at www.fhrinc.org.) Many useful ideas were offered, and there was notable consensus on fundamental points. Our citizens are not experts on the specifics of local government, but they are both idealistic and practical, and they know what is important. The results of those discussions are reflected in the proposals in this report.

While the report provides an overall blueprint, a number of key questions remain to be resolved, particularly those related to the specific features of the proposed regional Hampton Roads Metropolitan Council. We therefore plan to circulate these preliminary proposals for further public discussion and criticism. The local public and private organizations affected by the proposals also must be involved. Study Groups will be formed to provide necessary research. This process will take time. As finished recommendations emerge, we will invite implementation by the entities concerned and we will seek any necessary authorizing legislation. Meanwhile, public comment is invited.

Another forthcoming publication of The Future of Hampton Roads is *The Regionalist Papers*—a series of essays on regionalism as practiced both in our area and in other metro regions of the U.S and Canada. It is intended to serve as an additional resource for our region's "great conversation," which is the method by which we reach agreement in this country. It will foster commitment to an improved performance of our unique maritime economy and a richer quality of life for all of us in Southeastern Vi

Hon. Vincent J. Thomas, Chairman
The Steering Committee
The Hampton Roads Regional Structure Project

James F. Babcock, Project Manager

Summary of Preliminary Proposals

Our preliminary proposals are illustrated in the organization charts shown on pages 7 and 8.

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 would serve as the regional spokesperson.

Other specific structural changes are recommended to provide strong support for the Metro Council. Several new organizations are proposed, but they would mostly be staffed with present personnel and the overall proposed structure would by no means constitute a full regional government. No large new bureaucracy is proposed and none of the local governments or cities and counties would be merged. Instead, the overall cost of governance should shrink somewhat if an earnest effort is made to tighten up duplicative functions among the local governments. Several suggestions are offered, but the task of finding practical economies will require much additional work by the chief administrative officers. Accordingly, to formalize and supervise this effort, it is proposed that the local governments establish a **Commission on Local Government Operations**. A streamlining of service or overhead functions need not impact the political structure through which citizens maintain close contact with their elected representatives on local governing councils.

A decision to create a Hampton Roads Metropolitan Council will implement a recognition by our leaders that they simply must step out more boldly on issues and opportunities for improving our economy and quality of life. The change will not automatically eliminate differing interests among our cities and counties but it will formalize a process for working together more routinely and more decisively for the benefit of all our citizens. One beneficial result should be a more vital environment for business, social services, and cultural agencies.

To provide an overall sense of direction in a form that captures the aspirations of our citizens and highlights opportunities for the various business and service sectors of our regional economy, the **Hampton Roads Partnership** would be charged with creating and maintaining a comprehensive regional vision. As it does now, it would bring together business clusters and opportunity groups to set strategies and goals, not just for economic development but also for quality of life initiatives. Implementation would be tracked by a broad system of performance measures. The Partnership would also assist the Metro Council to prepare an annual regional legislative agenda for presentation to the Hampton Roads Legislative Caucus.

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. A **Regional Citizens Roundtable** would augment the board as a vehicle for tapping public views. To build mutual understanding among members of city councils and boards of supervisors the Partnership could organize a **Council Members Roundtable**. A **Business Roundtable** might also be useful. The Partnership, though it would continue as a private association, would also adopt a public awareness program for its activities, as it is essential that the regional vision and legislative agenda have documented public support.

Decisions of the Hampton Roads Metropolitan Council will be implemented by existing local governments or private organizations, as is the current practice. Similarly, the **Hampton Roads Planning District Commission** will continue to fulfill its state-chartered functions by serving as the regional socioeconomic, census and mapping data center and by providing research, planning, and technical support for local governments. It will also provide staff support for the Metro Council, as it now does for the Mayors and Chairs Caucus and Chief Administrative Officers Organization.

The **Metropolitan Planning Organization** will continue to fulfill its federal mandate as the regional transportation planning and programming agency, but it is urged that the capabilities of the MPO be used more aggressively. In particular its 1991 charter should be updated to exploit opportunities under evolving federal guidelines for improved funding of multi-modal transportation, land use, environmental preservation, and homeland defense. As at present, the members of the MPO Policy Board, administrative staff, and technical committee support would continue to be drawn from the Planning District Commission.

At present our citizens have little understanding of regional matters, and Hampton Roads suffers from a lack of regional identity externally. Therefore, as an adjunct to our regional marketing, a **Hampton Roads News Bureau** is proposed so that our citizens may track what is going on and we may share our good news with the rest of the world. The need for both internal and external communications on regional issues and events is an essential part of the overall effort to grow our personal wealth, increase the tax base of our cities, and enrich the quality of our social and cultural organizations. It is proposed that this function be administered by the Hampton Roads Partnership while providing service both for the Partnership and for the Metro Council, Planning District, MPO, and other regional institutions.

To improve participation of the public in regional decision making, an independent **Hampton Roads Center for Civic Engagement** should be formed to advise local governments, regional bodies, and other entities on best methods for engaging citizens in dialogue on key issues.

We are already so close to this proposed model that it will be not too difficult to implement, especially as no grandiose expansion of regional bureaucracy is proposed. On the contrary, additional suggestions are offered in this report for streamlining present regional service institutions. The region's various authorities, districts, commissions, and boards would continue to act independently under Virginia statutes and charters, but with appropriate oversight by the Metro

Council through a **Regional Services Review Function** to assist local governments to monitor their effectiveness. This function could be assigned to staff of the Planning District Commission.

The institutional scheme proposed here is based on our present set of institutions, laws, and practices. Under Virginia law, procedures are in place for obtaining the requisite charter for the proposed Hampton Roads Metropolitan Council. We hasten to add that additional work is needed to spell out the precise features of the Metro Council as they would be expressed in the charter. Other features of this plan similarly require further detailed elaboration. For this purpose, the Hampton Roads Regional Structure Project expects to submit this Report as a preliminary blueprint to study groups who will be charged with preparing alternatives for consideration of the elected officials who must finally take in hand the implementation of these proposals through the necessary legislative process.

Among the issues to be addressed by the study groups, for example, are the features of the Metro Council—its precise legal form, its responsibilities and powers, its board membership, voting procedures, and funding sources. Through these details the desired legitimacy and decision-making authority will be established. Another study group will be charged with recommending the exact nature of the proposed changes to the Hampton Roads Partnership, including a description of the proposed process for producing the comprehensive regional vision and regional legislative agenda. Other groups will deliberate on other issues. Members of the present institutions affected by these proposals will be invited to join in this work. All of this will require time and patience.

The proposals in the current report are not particularly radical, but we believe they do address the critical need to improve decision-making at the regional level in Hampton Roads. Other metro areas in the nation have shown the way. Good ideas are not private property. Perhaps those in a position to implement the proposed changes will simply take them up in good spirit and work them into place without further encouragement. Certainly most people in the region believe the need is urgent.

The Steering Committee
The Hampton Roads Regional Structure Project

HAMPTON ROADS REGIONAL STRUCTURE PROJECT

Additional Comments on Preliminary Proposals

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, need 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.

1.3 The Hampton Roads Partnership, in pursuit of its mission to provide leadership on regional issues, should

- (a) propose and maintain a regional vision, with related strategies and goals,
- (b) assist with organizing the implementation of strategic programs through other public or private organizations in the region,
- (c) assist the Hampton Roads Metropolitan Council to prepare its annual regional legislative agendas for Richmond and Washington, and
- (d) advocate action on regional needs at State and Federal levels,
- (e) structure ongoing dialogue with regional citizens,
- (f) compile and publish measurements of regional performance, and
- (g) publicize the activities of regional governance internally and externally.

1.31 While the work plan of the Partnership itself should be focused on its essential functions, the regional vision should be comprehensive in covering all important economic and quality of life matters, especially those where regional cooperation is clearly needed to enhance results.

1.32 To ensure continuity of attention to the goals and strategies of the regional vision, the Partnership should establish performance measures. Tracking of some variables might be delegated to the Planning District Commission, to the universities for others. All the data should be compiled and published in an annual report with interpretive comment that relates the performance results to the vision statement.

1.33 In periodically reviewing and revising the regional vision, the Partnership should seek broad participation of citizens as well as elected officials. A **Regional Citizens Roundtable** and **Business Roundtable** should be organized as vehicles for tapping public opinion.

1.34 The Partnership should foster regional understanding and unity by hosting periodic gatherings of the members of local city councils and boards of supervisors. A **Council Members Roundtable** might be a useful vehicle for discussion of mutual concerns and opportunities.

1.35 As it has done so effectively in the past, the Partnership should bring together working groups to implement strategies in pursuit of the regional vision.

1.36 In order to ensure the validity of the regional legislative agenda, the Partnership should engage in necessary research and public discussion of proposals and, under the direction of the Hampton Roads Metropolitan Council, meet with the **Hampton Roads Legislative Caucus** as well as the region's **U.S. representatives**.

1.37 To foster public understanding and to ensure that it is open and accountable in its work with the public, the Partnership should create a **Hampton Roads News Bureau**. It should publish press releases on the activities of the Metro Council and the Partnership and an annual report to the public that describes the regional vision, programs in support of regional goals, and results as shown by the performance measurement system.

1.38 As its present board represents particular interests, the Partnership might well reinforce its regional perspective by providing for **several board members to be elected at large** from the region as a whole rather than from geographic sections of the region, and these members should serve on the Executive Committee. As the Partnership is a private association, such elections need not be covered by election laws but could be carried out with full public participation through mailings and media ads.

1.39 In addition, the board of directors of the Partnership, which is currently heavily weighted to *ex officio* members from government, education, and the military, should consider broadening representation from the **social services, arts, and environmental interests** and providing for business interests to be represented not by individuals but by representatives selected by **business organizations**.

1.4 The Hampton Roads Legislative Caucus should make itself an effective advocate for a regional legislative agenda.

1.41 The Legislative Caucus should agree to meet with the Hampton Roads Metropolitan Council to consider and adopt the **regional legislative agenda** prepared with the assistance of the Hampton Roads Partnership, subject to its own judgment that the proposals have been adequately researched and subjected to public discussion.

1.42 The Legislative Caucus should create a **united front** within its membership in presenting the region's annual legislative agenda in Richmond.

1.43 The Legislative Caucus should enlist **support from other large urban regions** in the Commonwealth on issues of shared concern.

1.5 In addition to its present functions, the **Hampton Roads Planning District Commission** should be charged with assisting the Hampton Roads Metropolitan Council to monitor the activities of the various independent regional authorities, boards, and commissions.

1.51 The Planning District should perform the oversight function by establishing a **Regional Services Review Function** within its staff to receive and evaluate annual reports and audit reports of regional governance entities.

1.52 The annual review would be summarized in a report to the Metro Council and local city councils and county boards of supervisors. The report would include appropriate recommendations.

1.53 The reports generated by this process would serve as input to the periodic regional visioning process of the Hampton Roads Partnership along with other studies and statistics provided by the Planning District staff.

1.6 A Hampton Roads Center for Civic Engagement should be formed as an independent 501(c)(3) to foster improved forms of public discussion of regional and community issues. The HRCCE would help entities that desire to sample public opinion by using best practices to define issues and problems, perform background research, share information with representative groups of citizens, lead open dialogue, and arrive at shared solutions or at least clear statements of pros and cons. This service should give confidence to decision makers and help restore confidence of the public in those responsible for governance.

2. Make Local Governments More Efficient.

2.1 Principles. The Regional Structure Project did not consider whether any particular local government operates as efficiently as it might, especially since all of them report some measure of fiscal stress, i.e. a shortfall of revenue to meet identified public needs. Intense pressure on governments to provide services combined with public resistance to additional taxation suggests it is time to look at structural alternatives.

2.11 Given automation, telecommunications, and modern forms of organization, there is a presumption that among sixteen separate governments in a region of 1.6 million citizens there must be some functions that could be further combined to achieve better service at less overall cost.

2.12 The proposed review, which should be supervised by the chief administrative officers, is a pragmatic matter of examining specific functions, one by one, and identifying those where some sort of change would be beneficial, either by reducing expense, improving service, or both, or by slowing the growth of expenses as the population grows.

2.13 Changes in operating bureaucracies can be implemented without modifying the basic political structure provided accountability is established properly at the regional level as proposed in Section 1 above.

2.14 Although any effort to achieve real economies implies a reduction of government personnel relative to the population served, such reductions can be achieved humanely through management of turnover.

2.15 Even if the financial results turn out to be relatively modest, the effort of elected officials to examine the possibility of sharing services beyond what is already being done should be politically rewarding as a way of demonstrating concern for the public purse.

2.2 Functional Consolidation. It is proposed that the elected leaders of the sixteen local governments implement this recommendation by directing their administrative staffs to organize a joint examination of the feasibility of consolidating various common functions in addition to those

already handled by regional authorities. The form of any particular functional consolidation might range from a simple coordinating committee to entire bundling of the function in a present or newly-chartered regional authority.

2.21 Given the extent of the necessary review, and to sustain focus, it is proposed that a **Commission on Local Government Operations** be established under the administrative supervision of the Chief Administrative Officers Organization to oversee and evaluate the work of functional study groups.

2.22 The Committee should be adequately funded to draw on the expertise of accountants and other outside experts to assist in the research and preparation of recommendations.

2.23 Where the structure of existing authorities or commissions might be subject to modification, the responsible boards of directors should be involved in the deliberations.

2.3 Specific Suggestions. A sample of specific areas of investigation suggested by citizens who participated in the Regional Structure Project includes the following. No detailed studies have yet been done to validate these suggestions, and some may turn out not to be desirable, but they are recommended to the proposed Committee for consideration.

2.31 Combine established authorities that have similar functions, such as the Southeastern Public Service Authority and the Virginia Peninsula Public Service Authority, both of which process trash. Models exist already in the Hampton Roads Transit Authority and Hampton Roads Sanitation District.

2.32 As Hampton Roads is a single labor market, combine the two separate workforce development organizations. (Also see 3.4.)

2.33 Some of the marketing functions of the local government economic development departments might be assumed by the Hampton Roads Economic Development Alliance, in particular as a means of reducing many separate budgets for external advertising.

2.34 The sixteen city and county treasurers should consider merging the investment function into a single staff with themselves as an oversight committee. Consideration should be given to pooling of funds in the hands of selected investment institutions, much as the universities do, and to the combining of other service functions.

2.4 The Dillon Rule. A careful study of the Dillon Rule indicates that Virginia localities enjoy relatively broader powers than municipalities in many so-called Home Rule states.

2.41 Although Virginia is strict in requiring requests for additional local government authority to be approved by the General Assembly, in fact over 60% of such requests have been routinely approved.

2.42 Therefore, although the Structure Project does not consider that the Dillon Rule impedes regionalism, the local governments might wish to commission a study to determine whether the number of requests to the legislature might be reduced by proposing that a standard list of powers be legislated based on the nature of prior approvals.

2.5 Public Schools. The Structure Project values the traditional decentralization of public schooling, where accountability is placed as closely to parents as possible. Nevertheless, Region 2 School Superintendents might invite an examination of the feasibility of further consolidation of various overhead functions of the seventeen school districts as an extension of the common purchasing policies already in place.

3. Accelerate Economic Development.

3.1 Principles. A metropolitan region maximizes its competitive position by pooling leadership and resources to hire the most professional practitioners and present a unified image to the external world of potential customers.

3.2 Tourism. The local governments should create a **Hampton Roads Convention and Visitors Bureau** with a board that is broadly representative not only of the local governments but also of the various interests in the hospitality industry. Both public and private parties should invest in the budget of this entity as is done with the Hampton Roads Economic Development Alliance.

3.3 Economic Development. The recently merged **Hampton Roads Economic Development Alliance** should raise its sights in preparing development goals that include collaboration with the universities in marketing and commercializing their research, with the Virginia Port Authority in prospect calling programs abroad, and in assuming some development marketing functions of the local governments where duplicate spending is not particularly effective.

3.4 Workforce Development. Given the priority that business gives to the presence of a skilled and creative workforce, and as the available labor pool covers the entire Hampton Roads region, consideration should be given to merging the two separate Workforce Development Boards. As many headquarters of merged institutions have ended up in Southside Hampton Roads over the years, this might be a good one to place on the Peninsula, particularly as there are excellent facilities in Hampton as part of Thomas Nelson Community College.

3.5 Research. The universities should continue to pursue the business plan of the **Hampton Roads Research Institute** to leverage the effort to market their particular research competencies to Federal granting agencies and corporations.