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Reinventing Your Region

James K. Spore
President and CEO

RE INVENT
HAMPTON ROADS
BACKGROUND

Hampton Roads Community Foundation convenes examination of our region’s comparative economic underperformance.

Involved 100+ individuals focused on key areas:

- Leadership
- Industry Clusters
- Entrepreneurship
- Workforce Development

Partners with Brookings Institution’s Metropolitan Policy Program
Hampton Roads has Chronically Underperformed Economically
Road to Recovery – Return to Peak
Nonfarm Payroll Employment

Returning to pre-recession peak employment is one key benchmark of recovery following an economic downturn.

After 138 months, The region of Hampton Roads maintains employment above its 2007 peak level of employment.

Both the Nation and the Commonwealth returned to peak in the 77th month.

132 months = 11 years to return to peak

Source: U.S. Bureau of Labor Statistics, December 2018 seasonally adjusted  Note: Jobs data will be revised March/April 2019
Comparative Job Growth by Metro Area

Job growth by metro since Q2 2009
Data shown through Q4 2017, Seasonally Adjusted

- Nashville, 130.7
- Orlando, 126.3
- Raleigh, 124.9
- Charleston, 124.7
- Charlotte, 123.3
- Jacksonville, 118.3
- Greenville, 118.2
- Richmond, 113.7
- Baltimore, 110.7
- Virginia, 108.7
- Hampton Roads, 102.8
Regional Population Growth: 2016 to 2017

### Regional Growth 2016 to 2017

- **Organic Growth** (Measured by Births-Deaths)
  - 7,762 residents
- **Actual Growth** (After Migration)
  - 2,480 residents

### 2016 to 2017 Population Growth by City/County

- **Currituck:** 2.60%
- **James City:** 1.98%
- **Chesapeake:** 1.17%
- **Suffolk:** 1.06%
- **Poquoson:** 0.89%
- **Isle of Wight:** 0.63%
- **Williamsburg:** 0.53%
- **Gloucester:** 0.51%
- **York County:** 0.00%
- **Virginia Beach:** -0.21%
- **Mathews:** -0.31%
- **Norfolk:** -0.34%
- **Gates:** -0.42%
- **Portsmouth:** -0.45%
- **Hampton:** -0.49%
- **Newport News:** -0.55%
- **Franklin:** -0.63%
- **Southampton:** -1.49%

Communities not within MSA but are represented by the Alliance

Source: U.S. Census Bureau, 2017 Annual Estimates of Resident Population & Estimates of the Components of Resident Population Change
Migration by Metro Areas – 1 to 3 Million

Hampton Roads Trails Similar Sized Metros in Migration In-Flow
Net Migration includes both Domestic and International

Hampton Roads
(5,244) in Net Migration
2016-2017
Military Employment in Hampton Roads

Originally thought to be flattening, 2017 military employment estimates in Hampton Roads witnessed the largest decrease since 2012.

-2,692 from 2016 to 2017

2003 to 2017 - Hampton Roads has lost 32,039 (28%) of its uniformed military personnel

Source: U.S. Bureau of Economic Analysis
Growth in Private Industry GDP

Growth in the value of goods and services (GDP) produced within a metro area serves as a critical indicator of economic well-being.

Current estimates show metro areas with smaller population counts are outpacing the production of private industry goods and services compared to Hampton Roads.

2017 Private Industry GDP

Hampton Roads: $58.12 B – 1.7 million population
Raleigh: $65.66 B – 1.3 million population
Richmond: $60.69 B – 1.3 million population

Source: U.S. Bureau of Economic Analysis
## Industrial Space Absorption for 2018

<table>
<thead>
<tr>
<th>Location</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hampton Roads</td>
<td>300,000 sq. ft</td>
</tr>
<tr>
<td>Greater Richmond</td>
<td>1,400,000 sq. ft</td>
</tr>
<tr>
<td>Baltimore</td>
<td>4,000,000 sq. ft</td>
</tr>
<tr>
<td>Spartanburg/Greensville, SC</td>
<td>5,200,000 sq. ft</td>
</tr>
<tr>
<td>Nashville</td>
<td>5,000,000 sq. ft</td>
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</tbody>
</table>
Vision

➢ We need to fundamentally alter the region’s economic profile and performance over time.

• Create more and higher paying jobs

• Create a culture where entrepreneurship can thrive

• Diversify the economy
Reinvent Hampton Roads

Established January 2016

A frame for game-changing work that will fundamentally alter the region’s economic profile and performance over time

Funded by:
- Hampton Roads Community Foundation
- Go Virginia (Commonwealth of Va.)
- Port of Virginia
- Hampton Roads Business Roundtable
Our mission:

- To create and grow more higher paying jobs in Hampton Roads
- By creating a strategy that embraces both the traditional and emerging employment sectors in Hampton Roads. We will improve the region's economic profile by attracting new entrepreneurs, innovative industries, and high-paying employment opportunities.

Our approach:

- Be comprehensive: Region is a system of systems
- Partner with others: Stress alignment
- Interdependence of GO VA and other efforts
- Focus on actionable solutions
JOB CREATION MODEL

1. Leadership
   - Create More & Higher Paying Jobs, Which Diversify & Strengthen Regional Economy and Create a High Employment Multiplier

2. Workforce Development, Attraction & Retention

3. Sites

4. Entrepreneurial Start-Up Job Growth

5. Scale-Up Small/Mid-Size Company Growth

6. Drivers of Existing Economy
   - Supply Chain Growth

7. Recruitment: Attraction Job Growth
   - 7,10,11 Regional Marketing
   - 7,10,11 Non-Research

8. Regional Culture and Infrastructure
   - 5,8,11,14

9. Potential Cluster Growth
   - 5,6,7,9,12 Existing Sector Job Growth

6,13

4. Start-Ups

4. Commercialized Research

3. Non-Research

Non-Export, Retail & Local Service Job Growth
Previous Initiatives

Hampton Roads Entrepreneurial Eco-System Assessment

Hampton Roads Access to Capital Analysis

U.S. Commerce Department ‘I-6’ Grant

Entrepreneur-In-Residence: NASA

Site Inventory Project

Port of Virginia Opportunity Strategy

Regional Workforce Gap Analysis

Regional Economic Growth and Development Plan

Regional “Dashboard” Project: Greater HR Connects

Regional Industry Cluster Scale-Up Project

Industry Cluster Steering Committees

Virginia Growth and Opportunity Program Regional Administration
Current Initiatives

Next Generation Leadership

Integrated Regional Workforce Development System

Site Inventory: Next Phases

Scale-Up of Small/Medium-Sized Enterprises

Port Opportunity Strategy: Implementation

Future Role of Hampton Roads Economic Development Alliance

Regional Branding

Military/DOD Strategic Initiative

Mega-Region

Broadband/Cyber/Big Data

Alternative Energy

Thomas Jefferson National Lab: Electron ION Collider
Growth and Opportunity

GO VIRGINIA

VIRGINIA INITIATIVE FOR GROWTH & OPPORTUNITY IN EACH REGION

↑

RE INVENT

HAMPTON ROADS
What is GO Virginia?

GO Virginia is a bipartisan, business-led economic development initiative that is changing the way Virginia's diverse regions collaborate on economic and workforce development activities.

This initiative is incentivized and encouraged by the State
Why is GO Virginia Needed?

The Region is the organizing structure of the Economy

Virginia’s unique local government and tax structure (challenges related to independent cities, *Dillon Rule*) encourages competition instead of collaboration

Virginia has been too reliant on federal spending
Virginia is losing high-paying jobs

Virginia has been less effective than other states at encouraging an innovation-based economy
Focused Mission:

Incentivize collaboration for initiatives that create high-paying jobs
GO Virginia Regional Boundaries

<table>
<thead>
<tr>
<th>Region</th>
<th>Weldon Cooper Center Population Estimates 2015</th>
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</thead>
<tbody>
<tr>
<td>1</td>
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<tr>
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<td>9</td>
<td>419,728</td>
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Source: US Census, VA PDC

12/5/2016
Drivers for Economic Growth and higher paying jobs
Conclusion

- Based upon sound research
- Recognition of long-term nature or issues – no “silver bullet” or quick fix
- Collective Impact model
  - Collaboration
  - Communication
  - Alignment of many efforts and initiatives

“Unity is strength…when there is teamwork and collaboration wonderful things can be achieved “
Mattie Stepanek
Thank you!

Questions & Comments

Visit our website www.reinventhr.org

Connect with our network and like our showcase page on Facebook and LinkedIn.