

RICHMOND REGIONAL PLANNING DISTRICT COMMISSION
Minutes of Meeting
April 9, 2015

Members (Alternates) Present

Daniel Arkin	City of Richmond
Timothy M. Davey	Chesterfield County
Steve A. Elswick	Chesterfield County
Evan Fabricant.....	Hanover County
Daniel A. Gecker, Treasurer.....	Chesterfield County
Richard W. Glover	Henrico County
Russell J. Gulley.....	Chesterfield County
Jimmy Hancock.....	Henrico County
James M. Holland.....	Chesterfield County
Angela Kelly-Wiecek	Hanover County
David A. Kaechele	Henrico County
Floyd H. Miles, Secretary.....	Charles City County
Tyrone E. Nelson.....	Henrico County
Patricia S. O'Bannon.....	Henrico County
Ken Peterson, Chairman.....	Goochland County
W. Canova Peterson	Hanover County
Edward W. Pollard	New Kent County
Rodney Poole	City of Richmond
Randall R. Silber (A).....	Henrico County
Frank J. Thornton	Henrico County
David Williams, Vice Chairman	Powhatan County
Robert Witte	Henrico County

Members Absent

Parker C. Agelasto.....	City of Richmond
Jonathan T. Baliles	City of Richmond
Karin Carmack	Powhatan County
Kathy C. Graziano.....	City of Richmond
Dorothy Jaeckle.....	Chesterfield County
Michelle Mosby.....	City of Richmond
C. Harold Padgett	Hanover County
Faye O. Prichard.....	Town of Ashland
C. Thomas Tiller.....	New Kent County
Carson Tucker	Powhatan County
Arthur S. Warren	Chesterfield County

Others Present

John Amos RRPDC Legal Counsel
 Andrew Clark..... Home Building Association
 Cyane Crump Historic Richmond Foundation
 Scott Dunn Chesterfield County
 Jo Gehlback..... Richmond Association of Realtors
 Elizabeth Greenfield Richmond Association of Realtors
 George Hayes..... Chesterfield County
 Todd Kilduff Goochland County
 Heather Mackey Department of Environmental Quality
 Craig Nicol..... Department of Environmental Quality
 Arthur Petrini Henrico County
 Bob Steidel..... City of Richmond
 Tammy Stephenson..... Department of Environmental Quality

Staff Present

Robert A. Crum Executive Director
 Jo A. Evans..... Assistant Executive Director
 Julie H. Fry Executive Secretary
 Billy Gammel Planner
 Chuck Gates Manager, Community Affairs
 Barbara Jacocks..... Director, Planning
 Jin Lee Senior Planner
 Jackie Stewart..... Manager, Special Projects
 Sarah Stewart..... Senior Planner
 Peter M. Sweetland..... Finance and Contracts Administrator

Call to Order

Chairman Peterson called the regularly scheduled April 9, 2015 RRPDC meeting to order at approximately 9:15 a.m. in the RRPDC Board Room. He then led members in the pledge of allegiance to the flag.

I. ADMINISTRATION

A. Certification by Commission Executive Director of Meeting Quorum

Mr. Crum reported that a quorum of members was present.

B. Requests for Additions or Changes to the Order of Business

Chairman Peterson asked if there were any changes to be made to the agenda. There were no changes noted, and Chairman Peterson said the agenda will be accepted as presented.

C. Open Public Comment Period

Chairman Peterson opened the public comment period, noting that if anyone wished to address the members, to please come to a microphone and provide his or her name, locality of residence, and if appropriate the name of any organization being represented. Chairman Peterson asked that any speaker please limit comments to three minutes.

As there were no requests from the public to address members of the Board, Chairman Peterson closed the public comment period.

D. Chairman's Report

Chairman Peterson noted that today's meeting is the next in a series of meetings to explore the economic health of the Region and the Region's capacity to accommodate future economic growth. Today's meeting will feature presentations on the Region's clean water capacity and gaps in affordable housing.

Chairman Peterson said he would like to set aside time during the June meeting to discuss strategic planning and goal setting for the agency during the next fiscal year.

E. Executive Director's Report

Mr. Crum brought members' attention to the staff activity report, which is included in the agenda book under Tab 1 and details work being advanced by staff on behalf of the localities. He said staff will be happy to address any questions on what is included in the report.

Mr. Crum reported that updates to the agency's personnel policy manual are moving forward with assistance from the jurisdictions' human resource managers.

He also reported that Ms. Jacocks has been working with the Comprehensive Economic Development Strategy (CEDS) team and PDC staff to complete an annual update to the document. The update has been submitted to the Economic Development Administration (EDA). Mr. Crum said the CEDS is being used as a regional guidance document.

F. Environmental and Intergovernmental Reviews

Chairman Peterson asked Mr. Crum to provide information on this item.

Mr. Crum said RRPDC staff contacts partner agencies to ask for comments regarding each review and then compiles the comments to return to the appropriate reviewing agency. This report is provided for members' information only and requires no action. He said these are provided to members to inform them of the work being done by RRPDC staff in cooperation with local staffs as part of the statutory requirements for the agency and to let members know about development activities in their neighboring jurisdictions.

II. CONSENT AGENDA

Chairman Peterson asked if there were questions on any of the Consent Agenda items. He noted that the Consent Agenda has been recommended for approval by the Executive Committee.

- A. Meeting Minutes – March 12, 2015
- B. Financial Reports – February 2015
- C. Authorization to File and Execute a Contract with VDOT for RSTP Funds on behalf of the RRTPO and to Execute a Contract for On-Call Travel Demand Modeling with the Selected Consultant
- D. Authorization to File and Execute FY16 Federal and State Grant Applications and Agreements on Behalf of the RRPDC for the Richmond Regional TPO's FY16 Unified Work Program

Chairman Peterson asked if there were any requests regarding the Consent Agenda.

On motion made by Mr. Williams and seconded by Mr. Davey, the Consent Agenda was approved unanimously as presented.

III. UNFINISHED BUSINESS

There was no Unfinished Business to bring before the Board.

IV. NEW BUSINESS

A. Regional Housing Plan Update

Chairman Peterson asked Mr. Crum to introduce the first speaker.

Mr. Crum said he is pleased to welcome Elizabeth Greenfield, who is the Director of Government Affairs and Member Services for the Richmond Association of Realtors (RAR). She will discuss a regional housing study that was just released by RAR and the Partnership for Housing Affordability (PHA). Ms. Greenfield will discuss some of the findings and recommendations from the report.

Ms. Greenfield thanked members for the opportunity to present this information to them this morning. She noted that Laura Lafayette sent her regrets for not being able to attend today's meeting.

Ms. Greenfield began her presentation by providing background information on PHA, noting its membership composition and its goal, which is:

...To help preserve the region's vitality, attractiveness, and economic competitiveness by ensuring that an adequate supply of affordable housing is a public policy priority.

Ms. Greenfield said PHA works toward meeting its goal by:

- awareness efforts (Affordable Housing Awareness Week)
- research and reports
- constructive dialogue with decision makers in pursuit of policy changes

The Affordable Housing study was undertaken as a result of a request made by the Capital Region Collaborative (CRC). The CRC asked PHA to coordinate an analysis of existing housing availability and impediments to achieving the goal “of a community with adequate quality housing for all incomes and circumstances with access to jobs and commerce.” PHA commissioned the Virginia Center for Housing Research at Virginia Tech and the Center for Urban and Regional Analysis at VCU to conduct the study.

Ms. Greenfield said the study includes a gap analysis, stakeholder input, and suggested solutions to close the gap (including case studies).

In order to help members understand the study, Ms. Greenfield provided definitions of the most commonly used terms in the study:

- cost burden
- income categorized by percent of Area Median Family Income (AMI)
- affordability deficit

Ms. Greenfield provided a chart that showed the Region’s annual affordable housing deficit, which is \$862 million (based on 2012 dollars), or an average of \$6,422 per cost-burdened household.

Approximately 35 percent of all households in the RRPDC footprint are cost burdened:

- 136,600 with cost burden greater than 30 percent of AMI
- 74,900 with cost burden 30-49 percent of AMI
- 55,700 with severe cost burden greater than 50 percent of AMI

A chart illustrating changes in real income, wages, and housing costs from 2001 through 2012 was shown. While median household income has been stagnant or shown a decline over this time period, median gross rent, median housing costs for owners, and median housing costs for owners with no mortgage have all risen.

Information was provided to show that affordable housing is a problem for nearly 30 percent of households in each RRPDC member jurisdiction. Half of cost burdened households are home owners. Cost burdened households in the Region are most likely to be people living alone, with seniors and single-person households being the largest segments.

Ms. Greenfield said the study showed that the housing market does not match the affordable supply to those who most need it. Many households prefer to spend much less

for housing (less than 30 percent of income) and, as a result, “crowd out” many lower income households that need more affordable housing. Ms. Greenfield noted that there is a shortage of stock to accommodate extremely low and very low income households. This was illustrated in a chart showing cost burden by income and housing stock by level of affordability.

There is enough stock on the ground now to accommodate the cost burdened households, but households with higher incomes are able to compete more successfully for low-price housing. Households with incomes higher than necessary to comfortably afford their home (without being cost burdened) occupy over 65 percent of the owned housing stock that households with incomes below 100 percent of AMI could afford, and those higher income households rent over 35 percent of the rental stock that households with incomes below 80 percent of AMI could afford.

Ms. Greenfield said the data suggests that the Region could reasonably expect the housing market to absorb at least 30,000 new “workforce housing” units (affordable to incomes between 80-120 percent AMI) for the following reasons:

- at least 50,000 households with moderate or higher incomes could afford higher priced housing but cannot find it
- there are at least 30,000 more households in each lower income category that could afford higher priced housing

There is a need for 15,000 additional low-income housing units to accommodate very low and extremely low income (0-50 percent AMI) cost burdened households. Ms. Greenfield said this shows that a carefully crafted building strategy is required and absorption must be tracked.

Take-aways from the study include:

- the RRPDC footprint faces a big challenge: an annual housing affordability deficit of \$862 million, averaging \$6,422 per cost burdened household
- the challenge is regional and is shared by each RRPDC jurisdiction, by homeowners and renters
- the deficit will continue to grow unless it is addressed

Ms. Greenfield discussed the community engagement portion of the study process. She noted in-depth interviews were conducted with 12 regional experts, including non-profit housing/service providers, local government staffs, and foundations.

Survey responses were received from 162 stakeholders, which included elected officials, non-profit housing/service providers, local government staffs, and for-profit developers.

A workshop was held on November 21, 2014 with 65 local participants from the following sectors:

- government agencies
- for-profit developers
- non-profit developers
- community advocates
- elected officials
- service providers
- realtors
- lenders
- philanthropists

These groups indicated that a housing affordability gap is due primarily to the economy and income inadequacy.

With regard to demand-side solutions, the survey indicated the area that would have the most impact would be improved regional transportation, followed by increased job training resources, minimum wage increases, down payment assistance, and deposit assistance.

Ms. Greenfield pointed out that the study was not suggesting that solutions were solely the responsibility of local governments or that increased building was a way out of the situation.

On the supply-side, solutions suggested include:

- site affordable housing near job centers and transit
- dedicated local funding source for affordable housing
- link affordable housing production to commercial development
- increase density
- reduce or eliminate proffers
- loan guarantees for housing development

Other approaches to housing affordability include:

- develop a flexible, dedicated funding source for affordable housing
- improve access to the regional transit system, including dedicated funding, expansion, or new service
- strengthen local and regional coalitions to provide advocacy at the project and policy levels
- prioritize the preservation of existing federally-assisted housing
- support access to affordable housing through employer-assisted housing programs
- develop a community land trust to support long term affordable housing
- create incentives to site affordable housing near job centers
- expand by right development through zoning to include:
 - mixed-use retail/residential centers
 - accessory dwelling units such as granny flats or alley flats
 - infill multi-family development within the urban core and along commercial corridors

Ms. Greenfield said she would be glad to answer any questions.

Mr. Fabricant said that on page 6 of the study, he wondered if the cost burden information for Charles City and New Kent Counties had been switched. Ms. Greenfield said the data is correct as listed and was supplied by the American Community Survey (US Census). More detailed information is being developed but has not been uploaded to the website yet.

Mr. C. Peterson asked if he was correct in understanding that cost burdened did not necessarily mean low income. Ms. Greenfield said that was correct. There are some higher levels of AMI that are cost burdened for any number of reasons, such as purchasing more home than could be afforded or due to a job loss after the home was purchased.

Ms. O'Bannon asked if boarding houses had been considered as an alternative. Ms. Greenfield said they had not looked at boarding houses. Ms. O'Bannon indicated that some seniors living alone in older houses may not be able to take care of the home any longer. She thought boarding houses might be another option as there would be staff to cook and clean.

Ms. Greenfield said accessory units, such as granny flats, were discussed. Ms. O'Bannon noted that in Henrico County, zoning ordinances prohibit two residences under one roof. Ms. Greenfield said there are many approaches; she was reporting on those suggestions that were raised by the survey. She said it will be up to each local government to determine what their zoning ordinances will allow. The needs of aging baby boomers will also need to be considered by local governments.

Mr. Thornton asked if the impact of previous zoning laws had been considered or the impact of class. Ms. Greenfield said those areas had not been considered. Mr. Thornton said he believed these areas could be helpful in determining how to solve the affordability gap. Ms. Greenfield said PHA considers this document to be the start of an ongoing conversation about housing affordability and will continue to work with partners to address the gaps. She said other components may be considered as the discussions continue.

Mr. Holland thanked Ms. Greenfield for sharing this information. He said he feels that local governments can play a role in addressing the issue through a review of zoning ordinances. He said one option would be for seniors to share living arrangements to help ease living expenses and to provide social interactions. Mr. Holland said helping to alleviate cost barriers for seniors as well as first-time home buyers will also be important. Ms. Greenfield said some of the realtors' data shows that baby boomers want to downsize and have maintenance-free living.

Mr. Elswick said the editorial board from the Times-Dispatch addressed this issue recently. He asked if any follow-up had been made with the Times-Dispatch on the recommendations made in the editorial piece, such as increasing wages. Ms. Greenfield said increase in wages was included in the PHA report. She said ongoing discussions are being held.

Mr. Fabricant said he thought living within one's means needs to be advocated so that other financial obligations can be met, such as education for children, savings, etc. Ms.

Greenfield said she agreed with Mr. Fabricant's point. She said the 30 percent of AMI recommended by the US Department of Housing and Urban Development (HUD) is a good recommendation to ensure financial stability. She said there are those, however, who could move up in their housing choices in order to free up affordable units.

Mr. C. Peterson said he would appreciate additional information on what other regions around the country have done to address this issue. He noted that there are many zoning ordinances that restrict housing size and that this may need to be part of the solution. Ms. Greenfield said that data is currently being developed.

Ms. Kelly-Wiecek said she would appreciate receiving more locality-specific information. She said she was surprised that "not in my backyard" ranked so low as one of the barriers to affordable housing. Only about five percent of elected officials responded to the survey. She said she believed that elected officials may not be understanding the reality of "not in my backyard." Ms. Kelly-Wiecek said the perception that affordable housing is "bad" needs to be changed. She also noted that the "American dream" of owning a home on an acre of land has changed. She said that in many instances, age-restricted communities can have cost barriers as well, such as maintenance fees. Ms. Greenfield said she was also surprised by the "not in my backyard" response. She said a lot of the change will be brought about through engagement and education. Another factor to consider is what type of debt a homeowner may be carrying in addition to a mortgage, such as student loans or healthcare costs.

Mr. Arkin noted everyone agrees affordable housing is a regional problem and it has been a regional problem for many years. He asked if Mr. Crum could provide additional information on how RRPDC could help address this issue within next year's work program.

Chairman Peterson noted that the implications will be jurisdiction-specific and he asked Mr. Crum if this was something RRPDC could address. Chairman Peterson also said that zoning is a local decision. He said perhaps RRPDC could look at other regions and provide some benchmarks.

Mr. Crum said the partnership between the CRC and the PHA is closely coordinated. Ms. Greenfield said RAR will be glad to continue to be part of the discussion.

Chairman Peterson said within the housing market, he sees three different trends – seasonal, cyclical, and systemic shifts. He asked if the differences between the cyclical and systemic shifts could be determined. Ms. Greenfield said as the discussions continue, determining which trend will be the trigger should be able to be identified.

Chairman Peterson thanked Ms. Greenfield for her presentation.

B. Department of Environmental Quality Water Supply Planning

Chairman Peterson asked Mr. Crum to introduce this speaker.

Mr. Crum said a team from the Virginia Department of Environmental Quality (DEQ) is in attendance today. Tammy Stephenson, Program Coordinator in the DEQ's Office of Water Supply, will be providing information on the DEQ's State Water Resource Plan (SWRP). Mr. Crum said DEQ is currently offering a public comment period on the SWRP and he encouraged members and the local staffs to participate in this comment period.

Ms. Stephenson thanked members for the opportunity to speak with them today about the SWRP. She introduced the other team members: Craig Nicol, Program Manager, Groundwater Withdrawal Permitting Program; and Heather Mackey, Water Supply Planner.

Ms. Stephenson said she'll provide information on the following:

- local and regional water supply plans
- State Water Resources Plan
- cumulative impact analysis
- water demand and statement of need
- 2015 General Assembly actions
- path forward

Ms. Stephenson said the SWRP was developed as a result of the drought which occurred in the state during 1999 through 2002. It was determined by state government that a water supply plan should be developed. This was a collaborative effort, involving locality, regional, and state stakeholders. Ms. Stephenson said this is a continuous comprehensive planning process and impacts the permitting process.

The current SWRP includes information from all local water supply plans around the state as well as information from other sources. Ms. Stephenson noted that for the first time, the expected cumulative impacts of future water demands on streamflows and groundwater resources can be analyzed. DEQ will follow up with localities where projected demand is anticipated to impact beneficial uses.

Ms. Stephenson provided a chart showing the state's projected population and water demand trends from 2010 through 2040. Both population and demand are tracking at about 32 percent.

The SWRP shows that approximately 450 million gallons per day (MGD) of water will be needed to meet the 2040 projected demand. Plans predict that approximately 77 percent will be met from use of surface water. It is projected that 97 percent of surface water withdrawals will occur in 25 percent of stream reaches.

Challenges and recommendations in the SWRP include:

- understanding the impact of unpermitted water withdrawals
 - 82 percent of total surface water withdrawn is excluded from permitting (2013)

- not subject to permit conditions that require conservation during times of low flow

Ms. Stephenson said DEQ wants to target those localities that will have the biggest impact on resources.

There are four metrics used in quantifying potential impacts of surface water withdrawals:

- August low flow – biodiversity
- 7Q10 – water quality impacts/waste assimilative capacity
- change in drought of record flow – safe yield
- withdrawal as percentage of September drought warning – overall system stress

Ms. Stephenson provided a map that showed the projected change in daily withdrawal from surface waters in non-tidal watersheds.

Another challenge is quantifying current and future risks to groundwater availability outside of current groundwater management areas. It is expected that 23 percent of total water demand will come from groundwater, and 75 percent of groundwater demand will come from outside established groundwater management areas. All localities east of I-95 are included in the groundwater management area and are required to have a permit to withdraw groundwater. Those localities west of I-95 do not have this requirement. An expansion of the Eastern Virginia groundwater management area was made in January, 2014 to include the Northern Neck and Middle Peninsula.

Ms. Stephenson said there are 400 monitoring wells in the state. Of those, 360 are in the groundwater management area and the remaining wells are west of I-95. She said DEQ would like to expand the monitoring well system.

Ms. Stephenson reviewed permitting requirements:

- any user in a groundwater management area whose groundwater withdrawals exceed 300,000 gallons in any month (well or well system/facility owner)

It was noted that 300,000 gallons equates to approximately one inch of irrigation applied to over 11 acres or the operation of a well with a 125-gpm yield for 40 hours.

Ms. Stephenson provided examples of critical cells in aquifers within the groundwater management area where withdrawals would be made to meet 2040 demands.

Ms. Stephenson reviewed another challenge regarding gaps in water withdrawal reporting, differences in reporting thresholds between water supply planning regulations and annual water withdrawal regulations, in addition to a lack of adequate data. A chart showed information for agriculture, community water systems, and large self-supplied users.

Further challenges and recommendations in the SWRP include:

- reservoir site development
- understanding the impact of consumptive use on water supply
- promoting increased conservation to reduce long term and short term demand
- critical infrastructure deficiencies
- sea level rise, changes in precipitation patterns, and land subsidence
- source water protection

Information was provided by jurisdiction on water usage, current and projected, and water sources including groundwater, wells, and rivers.

Ms. Stephenson reviewed legislation that was passed during the 2015 General Assembly that impacted water use:

- HB1871 Private Wells – registration of wells located in groundwater management area
- HJ595 / SJ272 Virginia’s Water Resource Planning and Management – JLARC study
- HB1924 / SB1341 Eastern Virginia Groundwater Management Advisory Committee – establish the committee and report by 2017

DEQ plans to take the next steps with regard to the SWRP:

- SWRP is now out for public comment
- DEQ will meet with localities, planning regions, and stakeholders to examine cumulative impact analysis
- DEQ will provide analyses of data to localities so informed decisions can be made about water resources

Ms. Stephenson noted that the entire SWRP is on the DEQ website: www.deq.virginia.gov and she invited members to review the SWRP and provide comment prior to the May 8 deadline.

Ms. O’Bannon asked if the presentation was available online. Mr. Crum said staff has a copy of the presentation and will forward it to members.

Mr. Crum confirmed that the deadline for public comment is May 8. Ms. Stephenson said that was correct. Mr. Crum encouraged members to take this information back to their localities for review and to provide comments to Ms. Stephenson.

Chairman Peterson asked how resources can be maintained if the projected future growth occurs. Ms. Stephenson said some of this will be in the groundwater management area and DEQ does have information on this capacity. She said if growth is not projected to take place in the groundwater management area, then DEQ will need to determine if there is a monitoring well in the projected growth area. She said some modeling studies have been done in the area outside of the groundwater management area so some information is available. She said DEQ wants to be as proactive as possible. Chairman Peterson asked if

any Richmond Region specific information could be forwarded to Mr. Crum. Ms. Stephenson said she would be glad to send that information to Mr. Crum.

Mr. Williams asked how the state plans to handle any severe drought conditions, similar to what's happening now in California, in the portion of the state outside of the groundwater management area. Ms. Stephenson said DEQ will meet informally with these localities to explain the issue. If this approach does not work, other options, such as legislation to require permitting for groundwater withdrawals, may be needed. Currently there is no surface water management plan; however, this is something that localities can begin on their own.

Chairman Peterson thanked Ms. Stephenson for her presentation.

C. Virginia Business Rankings

Chairman Peterson asked Mr. Crum to make this presentation.

Mr. Crum reported that Chairman Peterson has asked staff to take a preliminary look at some external evaluations of Virginia's business friendly nature. A few years back, Virginia always ranked first in these evaluations as the best place in which to do business. There has been a downward trend for Virginia in these rankings. Mr. Crum thanked Ms. Sarah Stewart for researching the rankings. Today's presentation will take a look at some of the triggers that have caused Virginia to fall in the rankings.

There are two main ranking entities that receive the most media recognition: Forbes magazine and CNBC. The last time Virginia ranked as number one on both sites was in 2009. From 2009, Virginia has fallen to number four on the Forbes ranking and to number 8 on the CNBC ranking as of 2014. Staff wanted to determine what factors caused the loss in ranking.

Mr. Crum said that CNBC had the most available data so today's presentation will focus on that ranking entity.

In 2014, the top states for business per CNBC are:

- | | |
|-------------|---------------------------------|
| 1. Georgia | 5. North Carolina |
| 2. Texas | 6. Minnesota |
| 3. Utah | 7. Washington |
| 4. Nebraska | 8. Colorado and Virginia (tied) |

Staff looked at the criteria where Virginia lost the most ground.

The first area is Cost of Doing Business, where Virginia fell from 21 in 2011 to 30 in 2014. This area looks at:

- state and local tax

- business and gasoline tax
- utility costs
- rental costs for office, commercial and industrial space

Mr. Crum noted that the Richmond Region is doing better today than Northern Virginia and Hampton Roads. All of the rankings are for the entire state.

Second is Economy, where Virginia dropped from 8 in 2011 to 29 in 2014:

- economic growth
- job creation
- health of residential real estate market
- state fiscal health
- number of major corporations

Mr. Crum said he feels this is the area where reductions in government jobs – state and federal – have the most impact in Northern Virginia and Hampton Roads. It has been noted that the Richmond Region is currently outperforming Northern Virginia and Hampton Roads with regard to economic growth.

Next is Infrastructure and Transportation, where Virginia dropped from 10 in 2011 to 19 in 2014:

- value of goods shipped by air, waterways, roads, and rail
- air travel availability
- quality of roads and bridges
- commute times
- supply of drinking water

Mr. Crum said there are 62 metropolitan areas in North America. The Richmond Metropolitan Statistical Area has the third lowest level of congestion of these 62 areas. Again, the CNBC ranking is for the entire state.

The final area is Capital, where Virginia fell from 10 in 2011 to 19 in 2014:

- venture capital investments by the state
- small business lending

Mr. Crum said this is only a brief overview and asked if there was any feedback or suggestions for future presentations. He stressed that while the Richmond Region is doing well in most of these categories, the Region is tied into the state as a whole with regard to statewide business rankings. This impacts what the global and national business communities think about the Richmond Region.

Mr. Fabricant said local leaders can only control what goes on within the Region. He suggested that local leaders focus on what can be promoted to bring new businesses into

the Region. Mr. Crum said he agreed and reminded members that Secretary Jones indicated the Richmond Region is an example to be held up for the rest of the state. He said he feels the Greater Richmond Partnership is doing a good job in promoting the Region and he feels that members can also promote the Region.

Mr. Glover asked if the state still held a triple A bond rating. Ms. O'Bannon said the state has received an A- from one of the rating entities. She said impacts to the CNBC rating may be caused by the fact that Fairfax recently raised its real estate tax significantly as well as cutbacks in the federal government and military.

Chairman Peterson thanked Mr. Crum for taking a look at the Forbes and CNBC rankings. He said there are areas that can be looked at in more detail with regard to the Region. He said it is important for the Region to understand how it fits into the state's ranking as well as the diversity of the Region's sources of revenue. Chairman Peterson said it also helps to know how and why the Richmond Region is better than the state as a whole.

Mr. Thornton said the Region needs to do a better job in branding itself and telling its story.

Ms. Kelly-Wiecek said that the Greater Richmond Partnership (GRP) recently went through a branding discussion and determined that the Region's prosperity is one of the things that needs to be communicated during business recruitment. She said she appreciates the advocacy of GRP.

Chairman Peterson said this type of information will help in the development of a legislative agenda to move the Region forward.

V. OTHER BUSINESS

Chairman Peterson asked if there were other items to bring before members for discussion. No items were identified.

VI. ADJOURNMENT

As there was no additional business to bring before the Board, Chairman Peterson adjourned the meeting at approximately 10:45 a.m.

Robert A. Crum, Jr.
Executive Director

Ken Peterson
Chairman