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**THE REGIONAL PUBLIC-PRIVATE CIVIC INFRASTRUCTURE OF
HAMPTON ROADS AND ITS IMPACT ON
THE IMPLEMENTATION OF ECONOMIC DEVELOPMENT INITIATIVES**

by

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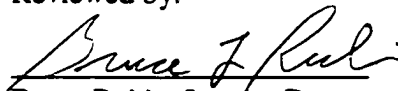
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ABSTRACT

THE REGIONAL PUBLIC-PRIVATE CIVIC INFRASTRUCTURE OF HAMPTON ROADS AND ITS IMPACT ON THE IMPLEMENTATION OF ECONOMIC DEVELOPMENT INITIATIVES

**James Andrew Probsdorfer
Old Dominion University, 2001
Chairman: Dr. Leonard Ruchelman**

This study analyzes the effectiveness of a network of five regional organizations to promote economic development in Hampton Roads, Virginia. Using a case study methodology, data collected from organizational documents, media reports, and personal interviews was categorized and triangulated to determine how many regional economic proposals were implemented from 1990 to 2000. This analysis created a regional timeline from which was produced a regional inventory of economic proposals. This study concluded that the regional economic development organizations in Hampton Roads have a fragmented network and their output has been influenced by regional factors.

Specifically out of a total of nineteen economic proposals considered by the regional network, only eight were actually implemented. The remaining proposals were not implemented or were still under consideration. Efforts like a merger of transportation organizations and creation of a technology incubator were implemented while proposals like a regional sports arena and regional workforce development were not successful. Analysis determined that many proposals were influenced by more than economic considerations. When political, historical, cultural, geographical, or legislative factors influenced the economic proposal, the regional network effectiveness was impacted.

Networking models and network effectiveness criteria from earlier research provided a framework to review the proposals and assess the network.

This study supports earlier research that regional network effectiveness can be evaluated using criteria, such as range of services provided, absence of service duplication, and multiplexity. Furthermore regionalism is strengthened by cooperative networking models and weakened by use of a scattershot network model. Since this study concluded that Hampton Roads regional organizations operated a fragmented network, it appears that neither a growth coalition nor a regime has significantly impacted economic development over the last decade. It appears to be more the case, as Allan Wallis predicted in 1994, that fragmentation of a region does not mean there is too much government, but rather it means that a region cannot perceive, think, and act as a whole.

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To Andrew and Josephine Kubek Probsdorfer:

They would be proud.

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This academic effort fulfills a dream that I have nurtured for thirty years. In the end, it has all been worth it. Since 1995, when I actively began to pursue my dream, this quest has consumed a good portion of my time and energy. As the reality of this achievement sinks in, I am grateful to several individuals who enabled me to reach this personal milestone.

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TABLE OF CONTENTS

	Page
LIST OF TABLES	x
 Chapter	
I. INTRODUCTION TO THE RESEARCH PROBLEM AND THE REGION	1
THE RESEARCH PROBLEM.....	1
RESEARCH QUESTIONS.....	4
SIGNIFICANCE OF THE STUDY.....	5
HAMPTON ROADS REGION.....	6
POPULATION GROWTH SLOWS REGION.....	7
REGION TRYING TO REBOUND.....	11
EMPLOYMENT AVAILABLE IN REGION.....	15
SERVICE SECTOR ANCHORS BUSINESS BASE.....	17
REGIONAL CIVIC INFRASTRUCTURE.....	20
REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS.....	24
II. THEORY	35
THE CONTRIBUTION OF REGIME THEORY.....	35
PLURALIST AND ELITE THEORIES.....	40
GROWTH MACHINES.....	41
THE NEED TO PUT REGIMES IN CONTEXT.....	43
NETWORK THEORY.....	45
NETWORKS.....	46
COOPERATION.....	50
THE RISE OF REGIONALISM.....	55
III. METHODOLOGY.....	62
STUDY DESIGN.....	62
REGIONAL ORGANIZATIONS.....	63
DEFINITIONS.....	66
DATA COLLECTION PROCEDURES.....	68
VALIDITY.....	72
RELIABILITY.....	74

DATA ANALYSIS.....	75
REGIONAL INVENTORY.....	79
IV. ANALYSIS OF DATA.....	83
NEWS MEDIA REPORTS ON REGIONAL ORGANIZATIONS.....	83
REGIONAL TIMELINE.....	88
REGIONAL LEADER INTERVIEWS.....	90
TOP FIVE REGIONAL LEADERSHIP ISSUES	95
REGIONAL INVENTORY.....	113
STUDY FINDINGS.....	116
STUDY FINDING #1.....	116
IMPLEMENTED PROPOSALS.....	118
PROPOSALS NOT IMPLEMENTED.....	129
STUDY FINDING #2.....	143
STUDY FINDING #3.....	146
STUDY FINDING #4.....	148
REGIONAL COOPERATION.....	149
V. CONCLUSIONS.....	154
THE RESEARCH PROBLEM.....	154
NETWORK EFFECTIVENESS CRITERIA.....	155
NETWORK MODELS.....	164
NETWORK ASSESSMENT.....	165
REGIONAL FACTORS.....	169
RELATIONSHIP TO THEORY.....	177
NETWORK THEORY.....	177
PLURALISM, ELITISM, AND REGIME THEORY.....	179
RELATIONSHIP TO REGIONALISM.....	182
REFERENCES.....	184
APPENDICES	
A. INTERVIEW LIST.....	197
B. INITIAL LETTER.....	200
C. ONE-ON-ONE BRIEFING.....	201
D. VISIT PROTOCOL.....	203
E. INTERVIEW PROTOCOL.....	204
F. INTERVIEW QUESTIONS.....	207

G. RESEARCH MATRIX.....	208
H. REGIONAL TIMELINE.....	209
I. REGIONAL INVENTORY.....	210
J. REGIONAL FACTORS.....	211
K. NETWORK EFFECTIVENESS CRITERIA.....	212
VITA.....	213

LIST OF TABLES

Table	Page
1. Hampton Roads Population Trends and Projections.....	9
2. Regional Organizations in Hampton Roads.....	23
3. Total Articles Reviewed by Media and RCI.....	84
4. Number of Media Issues Identified by Category and RCI.....	86
5. Summary of Media Issues by Category and RCI.....	88
6. Regional Timeline	89
7. Interviews	92
8. Regional Leadership Issues from Selected Interviews.....	94
9. Interview Responses to Question #4.....	101
10. Interview Responses to Question #5.....	103
11. Interview Responses to Questions #6 and #7.....	105
12. Interview Response to Question #8.....	108
13. Interview Response to Question #9.....	109
14. Interview Response to Question #10.....	111
15. Regional Inventory.....	114
16. Summary of Regional Inventory Proposals.....	144
17. Summary of Regional Inventory Proposals by Model and Condition.....	145

CHAPTER I

INTRODUCTION TO THE RESEARCH PROBLEM AND THE REGION

The Research Problem

For well over a decade now, Hampton Roads has been promoting itself as a region that is competitive in the global community. Located in southeastern Virginia, Hampton Roads is the 31st largest metropolitan area in the United States. It is a region composed of 1.5 million residents.

Strategically located on the eastern seaboard, Hampton Roads lies within 750 miles of two-thirds of the U.S. marketplace. In addition to its desirable location, Hampton Roads is home to one of the nation's finest seaports, the world's largest military complex, a workforce of 875,000 people, and the nation's second highest per capita concentration of scientists and engineers. As a region with high standards of quality of life, Hampton Roads is second to none (Hampton Roads the New Technology Domain, 1999).

Hampton Roads offers a growth-oriented, "right to work" business environment that is reflected in a stable corporate tax rate of six percent, a rate that has not been raised since 1972. Located in Hampton Roads are cutting edge technology and telecommunications companies, major global manufacturers, and Fortune 500

telemarketing centers and back office support operations. With the U.S. Department of Energy's Jefferson Lab, Applied Research Center, NASA Langley Research Center, Virginia Modeling Analysis and Simulation Center, Virginia Institute of Marine Science and the Jones Institute for Reproductive Medicine, high-technology growth opportunities are very real.

According to the Hampton Roads Planning District Commission, Hampton Roads Region is comprised of sixteen local governments: the Cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and the Counties of Gloucester, Isle of Wight, James City, Southampton, Surry and York. Within the region are located eight colleges and universities, and three community colleges. Key transportation facilities are in place as well. Direct commercial passenger and air cargo services the region. Although becoming increasingly more congested, there is interstate highway access to main east-west and north-south routes. In the center of the region is the Port of Hampton Roads, which is the second busiest seaport on the East Coast.

Yet Hampton Roads seems to be struggling to stay competitive. Hampton Roads average regional annual per capita income is 87.4% of the national average. Economists say that this figure may be indicative of Hampton Road's inability to compete with other regions for high paying jobs. On the other hand, regionalists argue that Hampton Roads is wide open for businesses to relocate to a skilled labor force that doesn't demand top dollar. A 1998 *Money* magazine survey rates Hampton Roads as the best region in the South with a population of at least one million.

In light of this, several regional organizations have been formed to aggressively

promote economic development. While total jobs created in 1999 in Hampton Roads fell short of 1998's accomplishments, the area's economy made a strong showing. Nearly forty percent more jobs were created in 1999, compared to 1997. Additionally, capital investment in 1999 was forty-one percent higher than in 1997. Overall, the region continues to evolve into a technology-oriented economy (Hampton Roads Economic Development Alliance website, 28 July 00).

Like other regions, Hampton Roads may well be entering what some scholars are calling the "Third Wave of Regional Governance". Alan Wallis predicts that regions in the third wave will emerge from networks of private, public, and non-profit organizations. He contends that regions with a well-developed civic infrastructure are more likely to adopt capacity factors, or internal processes, leading to stronger regional governance (Wallis; 1994 c: 290-310).

The basic interest here is to determine how this applies to Hampton Roads? Questions posed in this study are: Does the region have a civic infrastructure that provides leadership and direction to enable the region to be economically competitive in the global environment? If so, how effective has this infrastructure been in promoting regional economic development? To what extent do the regional economic organizations network with each other to promote regional economic development? If so, what have been the important outcomes of regional economic development in Hampton Roads?

While there has been much discussion in the literature on the prospects for regionalism, there exists no standard model for achieving regional development. Each region seems to stand on its own with a unique set of characteristics that describe its degree of success in promoting regional economic development. The basic interest of

this study is to determine the effectiveness of the regional civic infrastructure of Hampton Roads.

The purpose of this study is to examine the historical development of regional organizations in Hampton Roads, to detail the outcomes of their efforts to promote regional economic development, and to assess the effectiveness of a network of regional organizations. This study poses a research problem and several research questions, conceptualizes a theoretical framework, conducts a data analysis using a research methodology, weighs study findings and suggests a conclusion.

The research problem addressed in this study is to determine:

How have regional public-private organizations in Hampton Roads networked to promote regional economic development with what outcomes?

Research Questions

This study seeks to find answers to the following four research questions:

- 1. What proposals have regional economic development organizations promoted to address regional economic issues in Hampton Roads?**
- 2. What are the outcomes of these proposals?**
- 3. To what extent have these regional organizations been able to network to facilitate regional economic development in Hampton Roads and what are the factors influencing their effectiveness?**
- 4. How do government monetary incentives and/or disincentives influence the regional network?**

Significance of the Study

Regions are important to the global competitiveness of the United States.

Regions where economic opportunities are plentiful should experience commensurate growth in population and income levels. Ted Hershberg, in an article on regional cooperation, commented on the importance of regions:

The global economy is demonstrating that regions – not cities or the suburban counties that surround them – are the units of economic competition. Only regions have the necessary scale and diversity to compete in the global marketplace. Only regions have an asset profile capable of projecting overall strength to compensate for the clearly less attractive profiles of individual counties or cities that lack either essential infrastructure or a sufficiently skilled pool of labor.

Regions, moreover, are the geographic units in which goods and services are created. Businesses hire from a regional workforce. Industry depends on a regional transportation system to move people and materials involved in production. Citizens rely on a regional infrastructure to keep the bridges and roads intact and the sewers and pipelines functioning.

If regions are the units of economic competition, then cities and their neighboring suburban counties must embrace strategies of regional cooperation. To compete effectively in the future, regions have to be cohesive. They have to be capable of solving problems and seizing opportunities in a timely fashion. In a nation with precious few examples of regional government, cities and suburbs have to find ways to work together for mutual benefit (Hershberg; 1996: 25).

For the last decade, regionalism has been one of the critical issues addressed by the leadership of Hampton Roads. Several regional organizations have been chartered to promote regionalism. Regional organizations play a critical role in promoting regional economic development that is so important to global competition. How well these organizations network and cooperate is, however, not well documented. There is no inventory of Hampton Roads regional organizations' efforts to promote regional

economic development. There is no measure of how effective this network has been. An interest in this study is to examine network outcomes and determine network effectiveness. This study assesses the extent to which Hampton Roads has instituted a network of regional civic infrastructure that focuses on economic development.

Hampton Roads Region

Hampton Roads is one of the most historic areas of the country. It boasts Jamestown, the country's first permanent English settlement, Williamsburg, Virginia's Colonial capital, and Yorktown, where the final battle of the Revolutionary War took place. While treasuring its memorable past, Hampton Roads likes to think of itself as a progressive region that embraces high-tech industry and strives for a high quality of life.

More than 1.5 million people call Hampton Roads home. It is the 31st largest metropolitan statistical area in the country and the fifth largest in the southeastern United States. This sprawling region along the Atlantic Ocean and the Chesapeake Bay has nine cities and six counties. Among them is Virginia Beach, Virginia's most populous city. The region's many waterways divide the area into two parts – South Hampton Roads (or southside as it is referred to in this study) and the Virginia Peninsula.

Hampton Roads is home to the world's largest Navy base, which anchors a vast military community that includes a headquarters for the North American Treaty Organization (NATO). The region also includes the NASA Langley Research Center and the Jefferson Lab, one of the country's premier physics research laboratories.

Known for its deep harbor and busy port, Hampton Roads is also a major tourist

attraction that draws more than four million visitors annually. The Virginia Beach oceanfront and Colonial Williamsburg head the lineup of attractions that include dozens of historic sites, amusement parks and museums.

The Hampton Roads economy is primarily focused on its seaport, military, service industry and tourism business segments. It also has strong manufacturing and financial service segments. Among the products produced there are Ford trucks, Smithfield hams, Gateway computers, Planters peanut snacks, Stihl chain saws, Lipton tea, Anheuser-Busch beer, and U.S. Navy nuclear aircraft carriers and submarines.

Except where noted, information about Hampton Roads in the following sections – population, economy, employment and business base – was extracted from the Hampton Roads Statistical Digest, Volume # 24, October 2000.

Population Growth Slows Region

As the fifth-largest metropolitan statistical area (MSA) in the Southeast, Hampton Roads is just smaller than San Antonio, Texas MSA and slightly bigger than Las Vegas, Nevada MSA. Hampton Roads dropped from 27th place in the 1990 Census to 31st place in the 2000 Census. San Juan, which wasn't counted at all in the 1990 Census, moved in at #20 and Orlando, Indianapolis, and San Antonio moved ahead of Hampton Roads.

Just ten years ago, Hampton Roads was one of the fastest growing places in the U.S. In 1990, after a decade of Ronald Reagan's military buildup and non-stop growth in Virginia Beach, Hampton Roads leaped to the 27th biggest metro area. But then came the military cutbacks and a decade of sluggish growth. Now, Hampton Roads is back to 31st

place in the nation – just where it was twenty years ago. According to the new census numbers, Hampton Roads' population grew from slightly over 1.4 million to slightly over 1.5 million in the past decade. That's 8.5 percent growth in the decade, or less than one percent a year.

Although Hampton Roads' population grew less than one percent a year, the region's net migration showed a loss of 35,000 people from 1990 to 2000. Population loss has its roots in military downsizing and the lure of better-paying jobs in other regions. What has been occurring in Hampton Roads over the decade is migration within the region. There is movement of population from the core cities to the suburbs. The biggest migration was from Norfolk to Virginia Beach and from Virginia Beach to Chesapeake. On the Peninsula, urban sprawl continued from Hampton and Newport News to York County and James City County.

Virginia Beach, with 425,000 residents, boasts the largest population in Virginia. Norfolk, with more than 234,000 residents, is the commonwealth's next most populous city. However, Norfolk lost more people during the 1990's (10%), than all but six big cities in the U.S. But Chesapeake, with nearly 200,000 residents is rapidly gaining on Norfolk and has now passed Richmond as the state's third most populous city.

The Hampton Roads Planning District Commission (HRPDC) predicts Hampton Roads will have more than 1.8 million residents by 2015. The HRPDC expects Virginia Beach, Chesapeake, Suffolk, Newport News, Hampton, and Isle of Wight County to have the biggest influx of new residents. Chesapeake is expected to pass Norfolk in population before 2010. By then, Chesapeake's population is estimated to reach 254,999 residents. (See Hampton Roads Population Trends and Projections – Table #1, below).

Table #1 – Hampton Roads Population Trends and Projections

Locality	1960	1970	1980	1990	2000
Peninsula					
Gloucester County	11,919	14,059	20,107	30,100	34,780
Hampton	89,258	120,779	122,617	133,800	146,437
James City County	11,539	17,853	22,763	35,000	48,102
Mathews County	7,121	7,161	7,995	8,300	9,490
Newport News	113,662	138,177	144,903	171,400	180,150
Poquoson	4,278	5,441	8,726	11,000	11,566
Williamsburg	6,832	9,069	9,870	11,400	11,998
York County	21,583	27,762	35,463	42,400	56,527
Total	266,192	340,301	372,444	443,400	499,050
South Hampton Roads					
Chesapeake	66,247	89,580	114,486	152,000	199,184
Isle of Wight County	17,164	18,285	21,603	25,100	29,428
Norfolk	302,869	307,951	266,979	261,300	234,403
Portsmouth	122,173	110,963	104,577	103,900	100,565
Suffolk	43,975	45,024	47,621	52,100	63,677
Virginia Beach	85,218	172,106	262,199	393,100	425,257
Total	639,646	743,909	817,465	987,500	1,052,514
Hampton Roads Total					
	905,838	1,084,210	1,189,909	1,431,000	1,551,654
Locality	2010	2015	2020	2030	2040
Chesapeake	254,999	279,000	303,001	351,005	399,005
Gloucester County	41,495	44,250	46,992	52,489	57,986
Hampton	142,999	144,500	145,998	148,999	151,999
Isle of Wight County	34,098	36,400	38,697	43,296	47,895
James City County	60,001	66,000	72,002	84,003	96,004
Mathews County	10,689	11,300	11,888	13,087	14,286
Newport News	189,998	194,500	198,997	207,996	216,995
Norfolk	215,003	210,000	215,003	215,003	215,003
Poquoson	12,608	12,950	13,314	14,020	14,726
Portsmouth	93,999	91,500	93,999	93,999	93,999
Suffolk	74,999	80,500	85,995	96,991	107,987
Virginia Beach	500,003	532,000	564,006	628,009	692,012
Williamsburg	13,402	13,700	14,003	14,604	15,205
York County	78,002	86,500	95,003	112,004	129,005
Hampton Roads Total	1,724,305	1,803,100	1,898,898	2,075,505	2,252,107

Source: Weldon Cooper
Center for Public Service
University of Virginia and
the VA Employment
Commission (2000 U.S.
Census data added by
the author)

The 1990 census estimated that sixty-eight percent of area residents were white, twenty-eight percent were black and six percent were of other races. The 2000 census shows greater diversity for area residents. For every ten white people in Hampton Roads, there are six minorities. More blacks live in Portsmouth than any other race. Whites are no longer a majority in Norfolk. In Virginia Beach, one-third of the population is minority up from one-fifth just ten years ago. In Hampton, the black population grew twenty-five percent while the city's white population decreased by seven percent.

Hampton Roads residents are a cosmopolitan group. Many of them have lived in foreign countries as part of their military service. Since Norfolk is the U.S. Headquarters for the North Atlantic Treaty Organization, foreign military officers routinely come to live in Hampton Roads while serving on the staff. Old Dominion University draws large numbers of foreign students while the Port of Virginia helps foster ties with foreign countries.

The median age of residents is about thirty, compared with the U.S. median age of thirty-three. One factor contributing to the youthful population is the large number of military personnel in the region. Nine percent of area residents are sixty-five or older, while twenty-six percent are under eighteen.

Information in this section on Hampton Roads population was extracted from the Hampton Roads Statistical Digest, Volume # 24, October 2000, and U.S. Census data that was released on April 3, 2001).

Region Trying to Rebound

In 1998, Hampton Roads Region per capita income was just 87.4 percent of the national average. Per capita income in the region has fallen relative to the U.S. average for ten out of the last twelve years. Of the nation's 318 metro areas, 305, or 95.9 percent, raised their income faster than did Hampton Roads from 1987 to 1998. Much of the decline in income can be traced to defense cuts. Those cuts eliminated a large number of high paying defense sector jobs, which have been replaced with lower paying retail and service industry jobs. Hampton Roads lost nearly 59,000 defense sector jobs, including about 32,000 military personnel, since the build-down began in 1987 (HRPDC Fact Sheet, September 2000).

The loss of so many defense sector jobs has caused a loss of other jobs as well. Due to the "ripple effect" on the economy, nearly 30,000 jobs outside of the defense sector were lost. On average, these jobs paid at 126 percent of the average regional wage. The loss of these high paying jobs explains, to a large degree, why incomes in the Hampton Roads Region have declined relative to other metropolitan areas. According to a simulation model developed by the Hampton Roads Planning District Commission, it would take forty years for earnings per worker to reach the U.S. average. In order to reverse this trend, economic development officials need to recruit business that pays at 120% or more of the average regional wage in order for economic development to raise regional incomes (HRPDC Quarterly Newsletter, Fall 2000).

Relying solely on economic development to raise wages is not the only approach. Increasing productivity of the workforce through education and training will help the

region. Increasing private sector investment in economic development projects is critical to long-term growth. Government investment in infrastructure improvements to improve the economic potential of the region serves as another consideration.

In 2000, retail spending rose 5.3 percent. The region's retail spending was aided by a military pay increase mandated by Congress in 2000. Because over 110,000 active-duty military personnel are living in the region, pay increases give a significant boost to the economy. In January, all military personnel received a 4.8 percent raise. They received an additional raise in July. These two increases were expected to increase gross military pay by 5.5 percent and put an extra \$200 million into the region's economy.

The region's unemployment rate was at a forty year low – reaching 2.6 percent in the spring of 2000 but rising to 3.2 percent in September. During the second quarter of 2000, the region had 701,511 civilian jobs – a 1.7 percent increase over the previous year. The Old Dominion University Economic Forecast predicted about 9,000 new jobs for 2000. Most of the growth will come from the business and professional services sector and retail businesses.

Two of the traditional segments of the region's economy are tourism and the port. A strong economy throughout the country in the latter part of the decade meant that families spent more money for vacations. Hampton Roads' aggressive marketing of tourist attractions such as Colonial Williamsburg, Busch Gardens and the beach make it a strong competitor for vacation dollars. Last year, the region's more than four million visitors pumped more than two billion dollars into the regional economy.

The Port of Virginia had its sixth straight year of cargo increases. The port shipped more than 11.8 million tons of general cargo in 1999 – 5.8 percent above the

previous years. During the first months of 2000, shipments were up another 4.5 percent over the same period last year.

After several years of downsizing, the military seems to have stabilized. Base closures in other regions have benefited Hampton Roads. During the past two years, the Navy relocated about 8,300 military and civilian workers and their families to Hampton Roads. Many of them were part of an expansion of Oceana Naval Air Station in Virginia Beach. The financial gain to the region caused by the additional personnel is expected to be \$280 million annually.

Although the military has long been dominant in the region's economy, Hampton Roads economic developers have started to diversify. In 2000, less than thirty percent of the region's workers receive a Department of Defense (DoD) paycheck. Earlier in the decade, about forty-five percent of all paychecks were issued by DoD.

The regional economy consists of seven main sectors. The service sector is the largest and accounts for nearly twenty-nine percent of all civilian jobs, and includes the tourism industry. Trade, which includes wholesale and retail business, ranks second with twenty-four percent of area jobs. The government is third with nearly twenty-one percent of area civilian jobs, many of them Federal Government positions at military bases. Manufacturing, which includes the shipbuilding and repair industry, provides ten percent of regional employment. Construction provides nearly six percent. Finance, insurance, and real estate companies provide five percent of area jobs. The smallest employment segment is public utilities, transportation and communication firms with 4.5 percent of area jobs.

In recent years, new companies have broadened the region's economic base to

include the manufacturing of utility vehicles, synthetic paper, copying machines, roasted coffee and industrial gears. The region has also become a hub of financial services and insurance companies, as well as, businesses providing customer service and telemarketing. Expansions of existing businesses accounted for about 7,000 new jobs last year.

While the regional economy includes traditional industries such a seafood and farming, it also has a number of high-tech industries. Some are the offspring of the NASA Langley Research Center, which has been part of the region since 1917. The region gained a second national research center in 1994, when the \$550 million Thomas Jefferson Accelerator Facility started splitting atoms. That facility, located in Newport News, is the country's premier physics research laboratory and attracts scientists from around the world. Each year, more than one billion dollars in high-tech research and development is invested in Hampton Roads.

The presence of both research centers is helping Hampton Roads gain momentum as a high-tech region. The Hampton Roads Planning District Commission estimates there are about 48,000 private sector high-tech jobs in the region, including e-commerce, aerospace, simulation and telecommunications. A recent influx of regional venture capital and an emphasis at NASA Langley on encouraging private companies to capitalize on space-related technology are two factors promoting Hampton Roads as a high-tech corridor.

Information in this section on the Hampton Roads economy was extracted from the Hampton Roads Statistical Digest, Volume # 24, October 2000.

Employment Available in Region

In 1999, the region gained about 10,000 new jobs. New and expanding employers are doing their part to raise the region's incomes, which typically lag behind the rest of the country. In 1998, Hampton Roads per capita income rose to \$23,771 – a 3.9 percent increase over 1997. Earnings per worker in Hampton Roads in 1999 rose to \$29,993 or 90.6 percent of the U.S. average.

In September 2000, unemployment in Hampton Roads was 3.2 percent. This compares to 3.8 percent for the U.S. and 2.6 percent for Virginia. In 1998, 13.2 percent (approximately 204,000) of all persons between sixteen and sixty-five chose not to work. The comparable number in Richmond is 7.9 percent. The Hampton Roads employment to population ratio was 60.2. If that ratio was as high as Richmond's (67.9), Hampton Roads per capita income would have been increased to ninety-six percent of the U.S. average, or \$26,108.

In the past few years, new companies came to Hampton Roads looking for an available work force. But with demand for workers increasing, companies find that their wages have to be competitive to keep the best workers. The region also seeks to train a steady stream of workers for the region's growing high-tech industry.

Most of the region's new jobs are created by companies that already have operations in the region. One example is Gateway Inc., which built a computer plant in Hampton in 1996, and is Hampton's largest private employer. Gateway's expansion plans will add 1,200 more jobs.

Some expanding companies, such as Ford Motor Co., have long histories in the

region. Ford, which is Norfolk's largest private employer, built a factory in the city seventy-five years ago and today has nearly 2,400 workers making trucks. In 2000, Ford announced plans for a \$450 million expansion that will add 200 jobs. Another 1,300 jobs are expected to come from suppliers who will locate on the expanded Ford site.

Despite these big-name employers, most residents work at firms employing fewer than fifty people or for the Federal Government. There are only two Fortune 500 companies headquartered in the region – Norfolk Southern Corporation and Smithfield Foods. Virginia Employment commission figures show that forty percent of job growth typically comes from small and medium-sided companies.

During the past few decades, economic developers have worked to diversify the region's economy from the military, which once provided forty-five percent of all jobs. Today, the DoD still provides about thirty percent of all paychecks, but other segments also provide significant numbers of jobs.

Telephone call centers are providing job growth. There are more than fifty insurance, finance, transportation, and other operations hiring more than 3,000 workers to handle customer needs. Hampton Roads ranks third nationally among metropolitan areas with a concentration of call centers.

Although call centers provide plenty of jobs, they are not the best paying ones. The region's economic focus has shifted to attracting companies with higher paying jobs. To do that, the Hampton Roads Partnership (HRP), a regional development organization, put Workforce Development at the top of its priority list. HRP encourages area educators to work with industry to tailor training to employer's needs. High-tech companies are the main target for the region. In 1999, high-tech employment in Hampton Roads grew just

over twelve percent. The number of high-tech jobs in the region exceeds 40,000, and the Hampton Roads Technology Council (HRTC) is working to increase those numbers.

The service industry, which employed 193,674 workers in 1999, is the largest provider of jobs in Hampton Roads. Some of the best paying jobs involve manufacturing, which employs 68,208 people, according to the Virginia Employment Commission. Although the number of shipyard workers has dwindled in the past decade, prospects are optimistic for continued contracts at area shipyards.

Information on Hampton Roads employment was extracted from the Hampton Roads Statistical Digest, Volume # 24, October 2000.

Service Sector Anchors Business Base

The region's traditional industries of shipbuilding, the military, and the port remain important to the regional economy. But they share the region with tourism, retail trade, and the service industry, which provide the bulk of jobs for Hampton Roads residents. With each passing year, the region's industry gains a different composition with the addition of foreign companies and high-tech businesses that did not even exist a few years ago.

In the past ten years, Hampton Roads has attracted companies from around the globe who bring diversity to the regional economy. Some of the companies establishing major operations in the area recently include a thirty million dollar plant in James City County to make utility vehicles, two plants in Virginia Beach that supply a chainsaw manufacturer, a fifty million dollar distribution center in James City County, and a

customer service center in Hampton that employs 700 people to serve cellular phone customers.

These diverse manufacturing, service, and distribution businesses were among companies investing in Hampton Roads during 1998-1999. Relocating companies consider workforce, land, taxes and access to transportation as important elements in their relocation decisions.

In 1999, there were about 125 companies that either put new operations in the region or expanded existing facilities. The companies provided nearly 10,000 new jobs – excluding jobs generated by new or expanding retail, government, or construction operations. The 125 companies invested more than \$400 million into operations here.

Much of the region's economic development efforts are coordinated through the Hampton Roads Economic Development Alliance (HREDA) and the Peninsula Alliance for Economic Development (PAED). While the region's economic developers recruit new companies, they realize that the bulk of new jobs come from companies already doing business in the region. Through the decades, the Ford Motor Company plant has grown into the Norfolk's largest private employer. Recently, Ford announced plans for a \$450 million expansion at the plant. Other long-time employers also have continued to grow with the region. Planters Peanuts got its start in Suffolk in 1913. When its plant became outdated a few years ago, Nabisco Corporation built a new plant in Suffolk that makes peanut snacks. Newport News Shipbuilding started building boats in 1886 in its namesake city. Today, it is the sole builder of nuclear aircraft carriers for the U.S. Navy. The shipyard is investing thirty million dollars in an engineering center that will help to build the next class of U.S. Navy submarines and aircraft carriers.

The Port of Virginia – one of the busiest East Coast ports – has helped the region attract large distribution centers. Lillian Vernon and Dollar Tree Stores are among the major retailers whose goods flow through the port. These companies also have operations in the region. Lillian Vernon, the catalog retailer, arrived in Hampton Roads in the 1980's. Lillian Vernon also has a large telephone center here that takes orders and handles customer service. Dollar Tree, a discount retailer that is opening several hundred stores a year nationwide, was founded in Norfolk. In 1999, Dollar Tree built a corporate headquarters and distribution center in nearby Chesapeake.

Since the 1980's, Hampton Roads has gained a concentration of back-office operations for financial services, communications, and other firms that need hundreds of people for customer service. The region ranks third in the country in the number of call centers. United Services Automobile Association (USAA) was among the first financial services firms to establish a center here. Government Employees Insurance Company (GEICO) is building a fifty-five acre site in Virginia Beach. Its 2,000 workers are expected to grow to 4,500 within five years. TWA, MCI Worldcom, AVIS, Bank of America, and Wachovia Bank are among the companies with large operations here.

Counted among the region's businesses are about 140 foreign companies who hail from more than 20 countries. The largest percentages are from Japan, Germany and the United Kingdom. About half of them are manufacturers paying some of the region's highest wages. Chesapeake, with sixty-five companies, has the largest concentration of foreign businesses. Among the diverse products made here by foreign companies are copy machines, industrial gears, synthetic paper, loudspeakers, communications headsets, boat motors, and swimming pool chemicals.

To help diversify the economy, a local venture capital firm, Envest Holding, LLC, has thirty million dollars available for start-up business opportunities. Its first investment of \$1.75 million was in OOP.com, a Chesapeake company that provides Internet solutions. Envest's goal is to give innovative area companies the capital they need to grow. Having both the NASA Langley Research Center and the Thomas Jefferson National Accelerator Facility headquartered here leads to spin-off technology that can be channeled into commercial ventures. The Hampton Road Technology Incubator, a division of the HRTC, was created to spin-off these startup technology companies.

Information in this section on the Hampton Roads business base was extracted from the Hampton Roads Statistical Digest, Volume # 24, October 2000.

Regional Civic Infrastructure

Over the last thirty years, there have been numerous regional organizations created to service the Hampton Roads Region. By their very nature, these organizations are designed to promote regionalism. In Hampton Roads, there are at least twenty regional organizations. Some exist to provide specific services, like the Hampton Roads Sanitation District (HRSD), which provides water and sewage treatment to the region's population. Others, like the Hampton Roads Transit (HRT), provide ground transportation services to the region. Likewise, the Virginia Port Authority provides port terminal services. Others provide for the economic development of Hampton Roads. *Economic development as a primary mission was the criteria used to select the regional organizations examined in this study.*

There are five organizations that have a primary responsibility to promote economic development within Hampton Roads:

- (1) Hampton Roads Planning District Commission (HRPDC),**
- (2) Hampton Roads Partnership (HRP),**
- (3) Hampton Roads Economic Development Alliance (HREDA),**
- (4) Peninsula Alliance for Economic Development (PAED), and**
- (5) Hampton Roads Technology Council (HRTC).**

These five organizations have charters and strategic plans that involve regional economic development. They share a common regional goal and form a common network.

In addition, three of these organizations are involved in economic development information and research – Hampton Roads Planning District Commission, Hampton Roads Economic Development Alliance, and the Peninsula Alliance for Economic Development. Both the Hampton Roads Economic Development Alliance and the Peninsula Alliance for Economic Development engage in national and international advertising and promotion and business recruitment. The Hampton Roads Technology Council joins the two alliances on advertising, promotions and recruiting trips. Three organizations are very much involved in planning for technology transfer in the region: Hampton Roads Planning District Commission, Hampton Roads Technology Council, and the Hampton Roads Partnership. Two organizations – the Hampton Roads Partnership and the Peninsula Alliance for Economic Development – also have workforce development missions.

All regional organizations by definition exist to promote regionalism. However, this study excludes those organizations whose primary mission does not directly involve

efforts to promote regional economic development. Organizations not meeting this criteria are those that provide a single service. Excluded are:

- (1) Center for Innovative Technology (technology ventures),
- (2) Future of Hampton Roads (leadership forum),
- (3) Hampton Roads Maritime Association (commercial port interests),
- (4) Hampton Roads Metropolitan Planning Organizations (transportation planning),
- (5) Hampton Roads Sanitation District (water and sewer),
- (6) Hampton Roads Sports Facility Authority (sports venue),
- (7) Hampton Roads Technology Incubator (technology start-ups),
- (8) Hampton Roads Transit (transportation operations),
- (9) Small Business Development Center of Hampton Roads (business ventures),
- (10) Southeastern Public Service Authority of Virginia (water and sewer),
- (11) Sports Authority of Hampton Roads (sports ventures),
- (12) Virginia Peninsula Public Service Authority (water and sewer), and
- (13) Virginia Port Authority (port operations).

Also excluded are the Chambers of Commerce, which are business organizations that do not accept public funding to promote economic interests. A listing of Hampton Roads' regional organizations and their general areas of responsibility are shown in the table below. Those regional organizations and their missions to be examined in this study are highlighted in bold print. (See Table #2: Regional Organizations in Hampton Roads).

The Hampton Roads Planning District Commission, Hampton Roads Partnership, Hampton Roads Economic Development Alliance, Peninsula Alliance for Economic Development, and the Hampton Roads Technology Council are the subjects of this study.

Regional Organizations in Hampton Roads (partial listing)

	Regional Economic Development	Nat'l & Int'l Advertising & Promotion	Nat'l & Int'l Business Recruitment	Regional Business Associations	Econ Development Info and Research	Regional Sports Development	Regional Planning	Regional Policy/Legislative Issues	Regional Planning for Port/Transportation	Regional Planning for Technology Transfer	Promote Regionalism	Ability to Incur Debt	Receive Local Government Funds	Workforce Planning
Center of Innovative Technology - Hampton Roads										X	X	X		
Future of Hampton Roads						X	X	X	X		X			
Hampton Roads Chamber of Commerce				X		X	X	X			X			
Hampton Roads Economic Development Alliance	X	X	X		X						X		X	
Hampton Roads Maritime Association		X	X	X				X	X		X			
Hampton Roads Metropolitan Planning Organization							X		X		X			
Hampton Roads Partnership	X					X	X	X	X	X	X	X	X	X
Hampton Roads Planning District Commission	X				X	X	X	X	X	X	X	X	X	
Hampton Roads Sanitation District					X		X	X			X	X	X	
Hampton Roads Sports Facility Authority						X					X	X		
Hampton Roads Technology Council	X	X								X	X			
Hampton Roads Technology Incubator				X						X	X			
Hampton Roads Transit							X		X		X	X	X	
Peninsula Alliance for Economic Development		X	X		X						X		X	X
Small Business Development Center of Hampton Roads				X	X						X		X	
Southeastern Public Service Authority of Virginia							X				X		X	
Sports Authority of Hampton Roads			X			X					X	X		
Virginia Peninsula Chamber of Commerce				X		X	X	X			X	X		
Virginia Peninsula Public Service Authority							X				X	X	X	
Virginia Port Authority							X	X			X	X		

Table #2 Regional Organizations in Hampton Roads Source: HRPDC Report, June 2000, as modified by author for this study

Regional Economic Development Organizations

There are five regional organizations in Hampton Roads that promote economic development and they evolved in response to regional pressures. Based on information gathered from strategic plans, fact sheets, newsletters, interviews, websites and other organizational documents, the historical evolution and current mission of the Regional Organizations involved in economic development are:

Hampton Roads Planning District Commission (HRPDC)

The oldest of the five, the HRPDC was created by charter agreement by the state government based on recommendations of the Hahn Commission in 1969. For 21 years, the Southeastern Virginia Planning District Commission and the Peninsula Planning District Commission operated on separate sides of the region. With the retirement of the director of the Peninsula PDC, the opportunity to merge the two organizations presented itself and in 1990, the two planning district commissions were joined to form the HRPDC under the leadership of Arthur Collins, who serves as Executive Director (see Appendix A, Interview List). For the last ten years, the HRPDC has earned the reputation as the region's professional planning organization. The HRPDC has taken the lead in promoting numerous critical regional issues over the last decade, to include a leading role in the development of Plan 2007, the creation of the Hampton Roads Partnership, the approval of a transportation priorities plan, and the focus on improving the region's per capita income level.

Mission:

- **Serve as a forum for local elected officials and chief administrators to deliberate and decide issues of regional importance;**
- **Provide the local governments in Hampton Roads and their citizens, credible and timely planning, research and analysis on matters of mutual concern; and**
- **Provide leadership, and offer strategies and support services to other public and private, local, and regional agencies, in their efforts to improve the region's quality of life.**

Organizational Overview:

The HRPDC was formed in 1990 by the merger of the Southeastern Virginia Planning District Commission and the Peninsula Planning District Commission. The HRPDC includes the Cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg, and the Counties of Isle of Wight, James City, Southampton, Surry, York, and Gloucester, with a combined population of approximately 1.5 million residents. The HRPDC staff gathers and interprets data about the Hampton Roads area regarding transportation, environmental, physical planning and economic issues for the municipalities it serves.

The HRPDC, one of twenty-one Planning District Commissions in the Commonwealth of Virginia, is a regional organization representing sixteen local governments. Planning District Commissions were created in 1969 pursuant to the Virginia Area Development Act and a regionally executed Charter Agreement. Membership of the forty-four member HRPDC is based on population, with each jurisdiction having a minimum of two members. The HRPDC is the only PDC in

Virginia whose board is made of exclusively of elected officials or city managers. The HRPDC is funded through appropriations from local, state, and Federal sources.

(Interview with Arthur Collins, 2/8/01)

In 1999, the HRPDC updated the Region's Long Range Transportation Plan for 2020 and reached a consensus for seven major transportation projects costing \$7.4 billion with \$3.2 billion needed from regional funds.

Hampton Roads Partnership (HRP)

The HRP was created in 1996 as a direct result of a recommendation from Plan 2007. The framers of Plan 2007 saw the need evolve for an organization to serve as the focal point for the region's strategic issues. The majority of the interviewees referred to the HRP as the region's strategic organization. The HRP owns the regional strategic plan, which was developed from input from all sixteen localities. Under the leadership of Barry DuVal and Jimmy Eason (See Appendix A, Interview List), the HRP has been the organization most involved in the leading issues of the last half of the decade – sports, transportation, technology and workforce development. By agreement with the localities, the HRP receives annually funding from the Regional Competitiveness Program and disburses monies according to the strategic plan. The HRP serves more as a regional planning, coordinating and policy development agency rather than a project implementation agency.

Mission:

- **Provide leadership to focus on those strategic issues that will enhance Hampton Roads' competitive position in the global economy.**

Organizational Overview:

For the first time, the leadership representing all elements of the region of over 1.5 million people has voluntarily come together to work to improve the economic prospects of Hampton Roads. In striving to achieve its mission, the HRP demonstrates commitment to the following:

- **Regional Cooperation** by bringing together business, education, military, government, and civic leaders who will harness the region's resources to effectively address the most significant strategic issues of Hampton Roads.
- **Economic Development** by promoting the importance of Hampton Roads as a global destination with a goal of improving regional economic diversification that will stimulate growth of high quality jobs.

The strategic focus areas of the HRP include: port development, transportation, tourism, technology-related economic development, workforce development, regionalism and regional cooperation, plight of the cities, and military partnering.

The HRP has taken advantage of the Regional Competitiveness Act and has received approximately \$2.3 million annually since 1997 for regional activities. In 2000, the HRP funded the following programs: Center for Public Private Partnership, Hampton Roads Healthy Communities, Community Learning Centers, Workforce Development (three programs), Hampton Roads Technology Council, Hampton Roads Technology Incubator, Smart Region Initiative, NASA Defense Fund, Technology Assessment, Tourism, Virginia Waterfront Festival, Hampton Roads Maritime Association Port

Advocate, Port Economic Development, and Sports Initiatives. (HRP New Member Orientation, July, 2000)

One of the most critical projects of the HRP is the Metropolitan Area Projects Strategies (MAPS). This initiative provides a process for Hampton Roads to identify, prioritize, and seek funding for infrastructure projects that benefit the whole region and are beyond a single municipality's ability to fund. The MAPS process provides a unique test of the region's identity and cooperation. Since 1997, the HRP has been coordinating the MAPS process to determine a project list, seek agreement on project location, and secure a funding mechanism. Some of the potential projects include multi-community business parks, school construction, a regional sports facility, and a regional convention center.

Hampton Roads Economic Development Alliance (HREDA)

The HREDA was created in 1997. Its predecessor, Forward Hampton Roads, was established in 1984, as a sub-regional organization under the Hampton Roads Chamber of Commerce. With the Chamber operating as a private sector organization, it became obvious that the southside's economic development organization needed the support of both the private and public sectors if the region's per capita income level was to improve. By 1997, a new capital campaign was initiated and the HREDA was formed from monies pledged by all southside local governments and the private sector. Under the leadership of its President, Jones Hooks, the HREDA is still undergoing a five-year evaluation by the southside's local governments as to its effectiveness. The HREDA does not have a workforce development mission like its counterpart on the Peninsula.

Mission:

The focus of HREDA is to attract businesses, jobs, and investments that will raise the region's per capita income, improving the quality of life in all of Hampton Roads.

Organizational Overview:

The HREDA encourages national and international businesses to locate and invest in Hampton Roads, resulting in new job opportunities for its citizens and an increased local tax base. Previously known as Forward Hampton Roads, the HREDA was reorganized as a private-public partnership in 1997, by the Hampton Roads Chamber of Commerce and the municipalities of Norfolk, Portsmouth, Chesapeake, Suffolk, Virginia Beach, and Isle of Wight County. HREDA receives funding from these local governments, as well as, businesses from the private sector. The chief elected officers of each investor municipality and corporate representatives appointed by a Board of Directors serve as the Executive Committee.

The HREDA's five-year goal is to significantly increase business and prospect inquiries and company size visits to the region through its marketing and business recruitment activities. Expected outcome of the marketing activities include the creation of 20,000 good paying target industry jobs and the attraction of \$1.5 billion in new capital investments to enhance the regional tax base.

As a result of an aggressive capital campaign, the region's public and private sectors pooled financial resources and agreed to market the region nationally and internationally. The eleven million dollars pledged exceeded the fund-raising campaign goal by one million dollars. The marketing strategy includes a focus on value-added prospecting activities, involving investors directly in prospecting, and promoting a

consistent message highlighting the assets, benefits, and strengths of Hampton Roads (HREDA 1999 Annual Report). The HREDA coordinates its marketing and business recruitment efforts with the PAED and HRTC as appropriate.

The HREDA was one of the sponsors of OPSAIL 2000, an international tall-ship visit to Hampton Roads. During 1998, 107 newly located and expanding companies announced the creation of 6,900 jobs in South Hampton Roads. In 1999, sixty-nine new or expanded businesses brought 4,200 more jobs and \$185 million in capital investments. In 2000, 7,758 new jobs were created and companies made capital investments of more than \$490 million. Recent success stories include Mid-Atlantic Terminal's twenty million dollar investment in a bulk products marine terminal in Norfolk, a fifteen million dollar expansion by Southland Corporation in Virginia Beach, and Towers Perrin opening of a 1,000 employee, thirty-two million dollar benefits administration center in Chesapeake.

Peninsula Alliance for Economic Development (PAED)

The PAED was created in 1997 from its predecessor, the Virginia Peninsula Economic Development Council (VPEDC), which was established in 1979. The PAED was created as a result of streamlining the many disparate functions of the VPEDC. Many of the technology functions were given to the Hampton Roads Technology Council and the PAED's workforce mission was strengthened. The VPEDC and the PAED have always enjoyed the support of both the public and private sectors on the Peninsula. The evolution of the PAED has reinforced its focus on the Peninsula and even parts north towards Richmond. Under the leadership of Richard Weigel (See Appendix A, Interview

List), the PAED's strong position on a separate workforce development function puts it at odds with the Hampton Roads Partnership. Both the PAED and the HRP continue to coordinate workforce efforts to ensure a regional approach.

Mission:

PAED is a regional non-profit organization created for the purpose of improving the economic, social, environmental and aesthetic conditions of the Peninsula.

Organizational Overview:

The goal of the PAED is to administer a comprehensive economic development program within the Virginia Peninsula that will increase the existing diversified economic base through the creation of new job opportunities and capital investment. The Alliance is not only dedicated to recruiting new businesses to the Peninsula, but is also committed to assisting member businesses with networking, promotion, and other opportunities. The Alliance's development program is coordinated with the economic development efforts of the cities of Hampton, Newport News, Poquoson, and Williamsburg, and the counties of Gloucester, James City and York.

The PAED was incorporated in October 1997, and represents an evolution from its immediate predecessor, the Virginia Peninsula Economic Development Council (VPEDC). PAED is governed by a forty-two member Board of Directors. The Executive Committee consists of seven private sector representatives with voting privileges and the seven chief elected officials as non-voting ex-officio members.

The PAED focuses on attracting and retaining high quality employment and investment to the region and, commensurate with this effort, ensuring that the region's workforce is prepared to avail itself of these better quality employment opportunities.

The PAED leverages its marketing resources through cooperation with other economic development partners, including the HREDA. The PAED also partners with the HRTC in its efforts to attract technology investments and employment to the region. Whenever appropriate, the PAED will undertake cooperative marketing activities to maximize the ratio of qualified leads per marketing dollar (PAED 1999-2000 Action Plan).

Over the past ten years, the PAED and its predecessor, VPEDC, added 12,900 new jobs and over \$455 million in capital investment to the Virginia Peninsula. Some recent success stories include Wal-Mart with 400 jobs and a fifty million dollar investment, and John Deere with 300 new jobs and a thirty million dollar investment. The PAED also was a prime sponsor of a labor market survey conducted during the fall of 1999. The intent of the survey is to identify gaps in the labor market from the demand side and use that information to set up business clusters to meet workforce training needs (Alliance Report, Winter 2000).

Hampton Roads Technology Council (HRTC)

The HRTC was created in 1997 as a result of the perceived need to have an organization with the primary mission to focus on the development of the region's technology base. One of the early acts of the HRP was to move forward with a recommendation from Plan 2007 to establish a regional technology council. The HRTC, under the leadership of Terry Riley (See Appendix A, Interview List), has a cooperative relationship with both the HREDA and the PAED. Together the three organizations represent the region to the economic development community. Together they advertise, promote and recruit for Hampton Roads Region. The HRTC also works closely with the

HRP and the HRPDC to develop the region's technology infrastructure. As a relatively new regional organization, the HRTC quickly established itself as a focal point for the technology network.

Mission:

HRTC is a regional non-profit corporation created to promote the development, growth, and recognition of technology businesses in Hampton Roads. In addition, HRTC works to promote the regional implementation of technology by business, government, and education to enhance productivity and competitiveness of the region's technology-related companies.

Organizational Overview:

The goal of the HRTC is to accelerate the number, and growth rate, of successful high-tech startups and expansions within the region, and contribute to attracting high-tech firms to the region by cooperating with established economic development organizations. HRTC is industry-driven; it provides programs, networking opportunities, materials, and services that are valued by the region's high-tech industry. HRTC represents the interests of the Hampton Roads high-tech industrial base outside the region, and facilitates the cooperation and coordination of technology support services from a variety of organizations within the region. (HRTC Web-page, 3/30/01)

Funding for the HRTC is provided by the Hampton Roads Partnership, Virginia's Center for Innovative Technology, Old Dominion University, and investor members.

HRTC was established on July 1, 1997. With the creation of the HRTC, twelve sub-regional technology support organizations were dissolved. The HRTC has a direct relationship to Plan 2007, 1997, where on page nineteen, there is a strategic initiative and

action step identified to “Empower a technology development organization for Hampton Roads and secure funding for it.” As such, the July 17, 1997, Certificate of Incorporation states the purpose of HRTC is to serve as an advocate and representative for the interests of the technology business community in the Hampton Roads Region of Virginia; to promote the interests of the technology industry by carrying on education and promotional activities and special projects; to promote the economic development interests of Hampton Roads, and in particular, the development and preservation of the technology industry.

HRTC has a cross-linked board of directors that includes representation from the HRP and PAED. The Executive Director, HRTC, is a member of the Technology Committee of the HRP. A division of the HRTC is the Hampton Roads Technology Incubator (HRTI).

The HRTC’s Strategic Plan includes a strategic focus on creating an entrepreneurial environment. The HRTC is responsible for providing entrepreneurial training programs, networking events, press announcements, skill inventories, public information access, and management mentoring programs. The HRTC is well known for its sponsorship of the annual Tech Nite awards program, monthly Tech Tiger breakfasts, Tech Showcase Conference, CIO Forum, and Legislative Reception. In conjunction with the PAED and HREDA, the HRTC created a joint website and marketing brochure.

These five organizations – HRPDC, HRP, HREDA, PAED and HRTC – constitute the starting point for this study on “The Regional Public-Private Civic Infrastructure of Hampton Roads and Its Impact on the Implementation of Economic Development Initiatives.”

CHAPTER II

THEORY

The Contribution of Regime Theory

Regime Theory provides a conceptual framework for examining the role of public-private partnerships as they affect urban development. “A regime can be defined as an informal yet relatively stable group with access to institutional resources that enable it to have a sustained role in making governing decisions.” (Stone, 1989b: 4) Regime Theory is concerned with the issue of how public purposes are accomplished and, in particular, how governing coalitions are constructed and sustained.

Regime Theory sees business as exercising a privileged position in governmental decision-making. But Regime Theory also acknowledges that political institutions and actors still exert influence through complex and interrelated networks. Complexity is seen to be at the heart of urban governance. Regime Theory focuses on efforts to build more stable and intense relationships in order that governmental and non-governmental actors accomplish difficult and non-routine goals (Judge, Stoker & Wolman, 1995: 6).

Regime Theory emphasizes the interdependence between governmental and non-governmental forces to meet economic and social challenges and it addresses the problem of cooperation and coordination between governmental and non-governmental actors (Judge, Stoker & Wolman, 1995: 54).

Because of its emphasis on the way government and non-government actors work across boundaries, Regime Theory is especially relevant given the shifting role of urban government today. Growing competition between cities for investment, and the role of business interests in local decision-making have increasingly shaped the urban environment. Early contributors to Regime Theory have espoused this theme (Stone, 1986, 1989a; Fainstein and Fainstein, 1986; Jones and Bachelor, 1986; and Elkin, 1987). In Clarence Stone's analysis, a regime is a particular type of long-term stable relationship between government and non-government partners. In the city of Atlanta, Stone observed a single regime that retains a stable means of cooperation and a commitment to an activist agenda of economic growth (1989b).

One of the main features of Regime Theory is its recognition of the complexity of the urban environment. Diverse and extensive patterns of interdependence characterize the modern urban system. Complexity is central to the regime perspective (Stone, 1986). Institutions and actors are involved in an extremely complex web of relationships. Direct causes to events cannot be easily traced and seamless policy implementation is flawed with spillover effects. In many ways, the world is chaotic and yet most processes continue without active intervention by a leadership group (Stone, 1989b: 227).

The real issue is how to bring about cooperation among disparate community elements to get things done (Stone, 1989b: 227). Politics is concerned about government working with and alongside other institutions and interests, and about how in that process certain ideas and outcomes prevail. To be effective, government must blend their capacities with those of non-government actors (Stone, 1993: 6). In responding to social change and conflict, governmental and non-governmental actors are encouraged to form

regimes to facilitate action and empower themselves. This informal yet relatively stable group has access to institutional resources giving it the capability to affect decision-making. The regime is formed on an informal basis for coordination and without an all-encompassing structure of command.

Regimes do not operate on the basis of formal hierarchy. There is no single focus of direction and control. But neither is regime politics governed by the open-ended competitive bargaining characteristic of some pluralist visions of politics. Regimes use a third mode of coordinating – **the network** (Judge, Stoker & Wolman, 1995: 59).

The network approach sees effective action as flowing from the cooperative efforts of different interests and organizations. Cooperation is obtained and subsequently sustained through the establishment of relations promised on solidarity, loyalty, trust, and mutual support rather than through hierarchy or bargaining. Under the network model, organizations learn to cooperate by recognizing their mutual dependency.

Relationships within the regime have a character that is different from the mayor-centered coalitions identified in some pluralist work, especially that of Dahl's study of New Haven (Dahl, 1961). Regime partners are trying to assemble long-running relationships rather than secure for themselves access to immediate spoils: "Governance is not the issue-by-issue process that pluralism suggests... Politics is about the production rather than distribution of benefits... Once formed, a relationship of cooperation becomes something of value to be protected by all of the participants" (Stone, 1993: 8-9). The goal of the regime is to nurture a more stable and intense relationship between public and private organizations so that they can accomplish mutual goals (Judge, Stoker & Wolman, 1995: 59).

Regime Theory takes a given set of governmental institutions subject to some degree of popular control and an economy guided mainly, but not exclusively, by privately controlled investment decisions. A regime is a set of arrangements by which this division of labor is bridged (Stone, 1993:3). Regime theorists see business control over investment decisions and resources as central to societal welfare and give it a privileged position in relation to government decision-making. Clarence Stone calls this 'systemic power'. He acknowledges that systemic power has to do with the impact of the larger socioeconomic system on the predisposition of public officials (Stone, 1980: 979).

David Judge suggests that regime theorists share common ground with the revised statements of pluralists such as Dahl (1961) and Lindblom (1977). In many respects, Regime Theory accepts the privileged position of business and shares a concern with the fragmentation and complexity of governmental decision-making (Dunleavy and O'Leary, 1987).

As a contrast to other pluralists (Yates, 1977; Thomas and Savitch, 1991), who believe that the weakness of government and the scale of social and economic problems led to a process of policy instability and a fragmented and ineffective decision-making process, Regime Theory is about how in the midst of diversity and complexity a capacity to govern can emerge within a political system (Judge, Stoker & Wolman, 1995: 57).

Clarence Stone sees operating in a regime environment less that of domination and subordination as a capacity to act and accomplish goals, but more of gaining and fusing a capacity to act. He sees Regime Theory as 'power to and not power over'. (Stone, 1989b: 229)

Unlike elite theory, Regime Theory recognizes that any group is unlikely to be able to exercise comprehensive control in a complex world. Regime Theory does not regard governments as likely to respond to groups on the basis of their electoral power or the intensity of their preferences as some pluralists do. Rather, governments are driven to cooperate with those who hold resources essential to achieving a range of policy goals.

Clarence Stone acknowledges that for actors to be effective, (1) they must possess strategic knowledge of social transactions and (2) a capacity to act on the basis of that knowledge, and (3) they control resources that make one an attractive coalition partner (Judge, Stoker & Wolman, 1995: 60).

Regime theorists have adopted an 'Iron Law' which governs regime formation. It states that in order for a governing coalition to be viable, it must be able to mobilize resources commensurate with its main policy agenda (Stone, 1993: 21). Three types of regimes have been identified. Pro-growth regimes encourage market-oriented development, using incentives or public subsidies to promote the kind of economic growth favored by downtown interests. Progressive regimes (also referred to as social-reform or growth management regimes) seek to limit downtown expansion in favor of more community-oriented development. Caretaker (or maintenance) regimes tend to avoid development issues altogether, concentrating instead on fiscal stability and improvements in the provision of routine services. A case study of New York City under Mayors Koch, Dinkins, and Giuliani appeared to fit all three of these scenarios (Sites, 1997).

Ultimately, Regime Theory is a model of policy choice in the urban setting. Regime Theory holds that public policy is shaped by three factors: (1) the composition

of a community's governing coalition, (2) the nature of the relationships among members of the governing coalition, and (3) the resources that members bring to the governing coalition. (Stone, 1993: 2)

Pluralist and Elite Theories

Two of the most important counter theories are Pluralism and Elite Theory.

Pluralists see power as fragmented and decentralized. Dispersion of power is a desirable feature in a democracy. However, power is not dispersed equally to all groups. For pluralists, society is fractured into hundreds of small special interest groups with incomplete overlapping memberships, widely diffused power bases, and a multitude of techniques for exercising influence on decisions of importance to them (Polsby, 1980: 118).

Robert Dahl, in his study of New Haven, Connecticut, brought attention to the pluralist view. He examined several key issue areas in New Haven and found that decision-making was stratified. There was not a single power elite – influence was specialized. Different groups wielded different degrees of influence in different policy areas at different times (Dahl, 1986: 189).

Dahl and Polsby rejected the elitist view as identified in Floyd Hunter's Atlanta, where a small group of economically and socially prominent men determined policy informally behind the scenes (Hunter: 1953). Unfortunately, there is no simple model of pluralism. Beyond a basic set of claims about the decentralization of power, pluralism rapidly fragments into many viewpoints depending on the city studied and the timeframe (Dunleavy and O'Leary, 1987; Thomas and Savitch, 1991).

Elite Theory, on the other hand, is based on the hierarchical foundation of society and concerns itself with relations between the rulers and the ruled, the powerful and the powerless (Harding in Judge, Stoker and Wolman, 1995: 35). Elite Theory, as espoused by C. Wright Mills (1956), sees power concentrated within large business corporations, the executive function of government, and the military. There is still much debate whether elites rule by consent or force and whether they evolve over time to reflect wider social change or hang on to power by manipulation (Harding in Judge, Stoker & Wolman, 1995: 37).

Floyd Hunter embraced Elite Theory in his study of Atlanta in 1953. He identified four groups – business, government, civic associations, and society activities as having power connections. What Hunter found was that nothing in the governance of Atlanta moved if it did not originate within or gain the approval of a business dominated elite.

Regime Theory counters the pluralist-elitist debate and changes the focus from social control or ‘power over’ to social production or ‘power to’. It directs attention away from ‘who rules’ to how public purposes are accomplished and how governing coalitions are constructed and sustained

Growth Machines

Later work on growth machines (Molotch, 1976, 1979, 1990; Molotch and Logan, 1984, 1985; Logan and Molotch, 1987) re-energized the community power debate. Growth machine proponents emphasize the power of the business community and argue that the activism of entrepreneurs is, and always has been, a critical force in shaping the

urban system (Logan and Molotch, 1987: 52). They see a business elite that collectively wields power over the pattern of urban development by virtue of its control over substantial material and intellectual resources and its ability to gain access to external investment.

A growth machine perspective argues that city development represents the collective and concerted activities of growth coalitions who deliberately work to develop and change the urban landscape. Either visibly leading the way or, more typically, out of sight, city growth coalitions are viewed as the source of energy and direction for economic development. Articulating that growth is universally beneficial for all, growth coalitions are so much a part of the metropolitan scene that a pro-growth agenda is accepted as common sense. Key players are politicians, local media, developers, financial institutions, and utility companies. Shared networks (e.g., clubs, corporate boards, committees, and civic organizations) provide the opportunity and motivation for collective action (Bingham and Mier, 1993: 179).

The difference between the growth machine approach and Regime Theory may depend on whether political (Regime Theory) or economic (growth coalition) actors play key roles and the degree to which a relatively stable group (Regime Theory) has a sustained role in decision making as opposed to more transient groupings of local economic actors cooperating for mutual gain. A case study of Fort Wayne, Indiana shows that coalitions do develop, and can evolve into regimes, but they are equally likely to become loosely coupled, informal groups with changing membership that unite for collective action when opportunities emerge (Rosentraub and Helmke, 1996). There may be a fine distinction between these two approaches.

Anti-growth movements, or others prepared to tolerate only selective growth, can slow the growth machine momentum. Anti-growth theorists argue that growth is not good for all. Its costs fall disproportionately on low-income communities and marginal local businesses that are often physically displaced by redevelopment. Local economic growth may not necessarily generate, but rather relocate, economic activity. The intense inter-urban competition for development encouraged by growth machines therefore provides questionable net benefits on a regional scale. (Harding in Judge, Stoker & Wolman, 1995; 44; Bingham and Mier, 1993: 180).

The Need to Put Regimes in Context

Urban regime analysis explains that public policies are shaped by the composition, relationships, and resources of the community's governing coalition. It also acknowledges that the socioeconomic environment frames the options open to the governing coalition and Federal grants or state-level policies are necessary to make certain options feasible. There is a problem with the regime model if it exclusively locates causes for policy actions in agents that are too proximate to the action (Jones, 1993: 1). The challenge is to connect local and non-local sources of policy change.

Regimes exist within the broader external regional or national environment, as well as a local environment (Horan, 1991). Acknowledging the wider political context is critical in determining the terms of the relationship. The central state can be oppressive, or it can be a resource allowing localities to escape other forms of dependence... this, in turn, depends on the weight of local elites in the national political system and their ability to forge coalitions to extract resources on their own terms (Keating, 1991: 66).

A crucial dimension to regime formation is the way local communities are able to manage their relationship with higher levels of government and the wider political environment. The argument for putting regimes in context is taken a step further by Jones & Bachelor (1993) and Jones (1993). They argue that in particular areas certain policy ideas become so dominant that urban regimes become locked into that way of seeing the world. Regimes must escape from the localist trap. They must be able to see themselves in a larger context.

Likewise, regimes need to accept continuity and change. Community power needs to be viewed within a dynamic perspective. Stone (1989b), in his study of Atlanta, focuses on the forces of continuity. Yet changes do occur in regimes. DeLeon (1992), for example, analyses a shift in San Francisco from a pro-growth to a progressive to a slow-growth regime.

The stability of a regime is explained by the course of action it adopts. This condition of stability can break down and be punctured by rapid policy development and change (Baumgartner and Jones, 1993). When a regime's favored policy solution falls into disrepute, the promotion of an attractive alternative policy more in tune with the times can rapidly gain supporters and generate considerable positive feedback (Jones, 1993: 3).

Orr and Stoker (1994) proposed a model of regime transition that gives recognition to the influence of non-local forces – reflecting broader shifts in the political and economic environment – as well as the internal dynamics of coalition building.

In a complex society, the crucial act of power is the capacity to provide leadership and a mode of operation that enables significant tasks to be done. This is the power of

social production. Regime Theory suggests that this form of power involves actors and institutions gaining and fusing a capacity to act by blending their resources, skills, and purposes into a long term coalition: a regime.

Network Theory

Regimes use networks to accomplish their goals. In his article "The Third Wave: Current Trends in Regional Governance," Allan Wallis posits that the network represents the third wave of regional governance. The first wave focused on reinforcing the hegemony of the central cities. The second wave saw dominance of the central cities giving way to a polycentric constellation of robust suburbs (Wallis, 1994 b). Wallis states that the past emphasis on structural regionalism has now given way to a third wave, characterized by cross-sectoral alliances (Wallis, 1994 c). Sustained by networks of affiliations among public, private, and nonprofit sector organization, this new approach to regionalism is being acknowledged and nurtured by several state and Federal initiatives (for example, Richman and Oliver, 1997). The new capacity for regional governance has emerged through the application of facilitated decision-making processes, strategic planning, and improved data analysis.

Some regions have a greater concentration of development than other regions. For example, Cleveland and Pittsburgh have aggressively supported development while Detroit and Buffalo show evidence of less regionally organized economic development activity. According to Allan Wallis, the most significant reason for the difference appears to be the presence of a strong regional civic infrastructure. This infrastructure

consists of a mature network of organizational affiliations within each sector – public, private, and nonprofit – as well as networks crossing sectors. The member organizations of a network not only communicate, they also share norms and trust one another (Wallis, 1994 c).

The civic infrastructure as a whole provides a region with important capacities. First, there is the ability to perceive threat and to realize, for example, that its economic base is declining. Second, there is the ability to recognize opportunity; for example, that nonprofit research activity might provide a new economic base. Third, there is the ability to mobilize resources commanded by each of the sectors in order to advance desired regional objectives. *Fragmentation of a region, in this regard, does not focus on the fact that it has too much government, but that it cannot perceive, think, and act as a whole.* Communities with a strong civic infrastructure – comprising local institutions networking with each other, sharing norms, and operating in an environment of mutual trust – are much easier for foundations and government programs to work with than those with a weak or fractured civic tradition (Wallis, 1994 c).

Networks

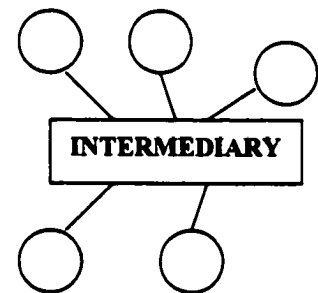
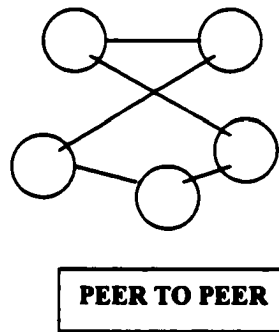
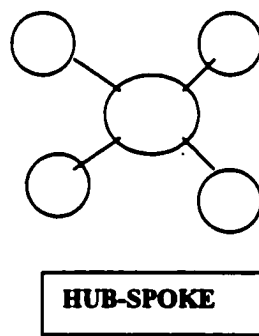
The presence of networks is essential to regimes. Probably the single most important conclusion from the research of Harrison and Weiss is that networking per se ought not to be seen as a substitute for acquiring organizational capabilities but rather as a stimulant or complement to them. Effective networking does not just happen by joining a consortium. Networking requires strategic planning to choose the most appropriate networks to create true ‘win-win’ partnerships. Once appropriate networks have been

chosen, an institution must be prepared to commit considerable resources to reap any benefits. Networking typically takes a sustained commitment before benefits can be realized (Harrison and Weiss, 1998: 6).

There is a strong argument that supports the capabilities and potential of networked organizations. According to Harrison and Weiss, during the past ten years, community-based groups have begun to seek out partnerships, collaborations, and strategic alliances with other community-based organizations, with schools and colleges, and with private companies located within their neighbor hoods, across the city, in the suburbs, and regional borders. In short, these organizations have increasingly entered, or created, inter-organizational and boundary-spanning networks. There are several reasons that an organization might want to network:

- A project is too risky for any one organization to take on alone.
- No single organization has the internal capacity to get the job done.
- Key information that one organization needs is lodged within some other organization.
- For one organization to do business inside someone else's area, it may be asked for representatives to join from that area.
- A single organization is not sufficiently large enough to attract a particular service, but a group of organizations can attract the service.
- Gaining legitimacy requires turning a group into a stakeholder whose sense of ownership is crucial for success (Harrison and Weiss, 1998: 39-40).

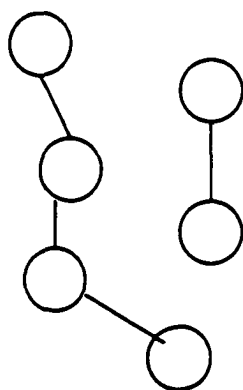
Networks are likely to exhibit structural patterns that are invisible from the perspective of a single organization. To detect overarching structures, one has to rise above the individual organization and analyze the system as a whole. Harrison and Weiss discovered networks operating according to three basic types: (1) hub-spoke, where a community-based organization is dominant and holds the central, initiating position with other agencies responding to it, (2) peer-to-peer, where organizations cooperate together to achieve objectives that no one of the member groups can attain on its own, and (3) intermediary, where a regional organization serves as the focal point to coordinate both internal and external resources (Harrison and Weiss, 1998: 47-49).



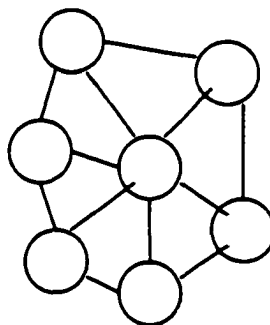
Similarly, William Dodge, in his article “Strategic Intercommunity Governance Networks (SIGNETs),” posits that communities are concluding that the competitiveness of their regional and individual economies is tied directly to the effectiveness of their intercommunity governance practices. Fiscal disparities are growing between cities and suburbs nationally, and are undermining the economic competitiveness of entire regions. This environment is compounded by the added threat that bankrupt state legislatures will not only step up the pace of enacting mandates on local governments, but also leave the

major responsibility for their implementation – and funding – in the hands of local officials (Dodge, 1992; 403-417).

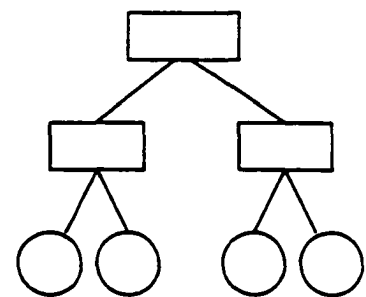
Dodge presents three models of networks – Balkanization (Scattershot), SIGNETs (Honeycomb), and Metropolitanism (Hierarchical Pyramid). The existing balkanization and metropolitanism models focus on how to structure the delivery of local government services. Balkanization refers to independent local government jurisdictions practicing ‘fend for yourself’ behavior and interacting infrequently and often under some duress. Metropolitanism refers to a rigid pattern of integrated local governments jurisdictions with service-delivery well defined. With both models, little consideration is given to non-governmental and citizen interactions. Balkanization contributes the concept of voluntary intergovernmental cooperation and metropolitanism contributes the concept of structured intergovernment relations. One is too permissive and the other too controlling. New models are needed that give equal attention to solving problems, especially those involving multiple communities. SIGNETs are networks of informal and structured intercommunity problem-solving and service-delivery mechanisms.... More likely, regional government in the 1990s and beyond will adopt increasingly effective integrated network of SIGNETs (Dodge, 1992: 403-417).



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Networks can and should be evaluated based on their effectiveness. According to Keith Provan and Brinton Milward, evaluation can be accomplished at the community or regional level, the network level, and the organization level. Effectiveness at one level of network analysis may or may not match effectiveness criteria at another level. The authors suggest using several measures of effectiveness. At the community level, for example, some of the criteria they used were public perceptions that the issue is being solved and building social capital. At the network level, some of the criteria used were network membership growth, absence of service duplication, resource acquisition, and network relationship strength or multiplexity. For the organizational level, some criteria were agency survival and service access (Provan and Milward, 2001). Two organizations are said to have multiplex ties if they are connected in more than one way – through referrals and planning links, for example (Scott, 1991). Such a tie is stronger than a single link and much stronger still when there are three or four links, for example, joint marketing ventures, established protocols, on-site representation, etc.

For a network to work effectively, the needs and interests of the people who work for and support these programs and organizations must be satisfied. At the same time, the goal is to build a **cooperative network** of inter-organizational relationships that collectively provides services more effectively and efficiently than a system based on fragmented funding and services (Provan and Milward, 2001; 442).

Cooperation

What makes networks successful is the degree of cooperation that develops among the organizations. Recent scholarly works point to the importance of cooperation

in promoting regionalism (Peirce, Johnson & Hall, 1993; Rusk, 1993; Downs, 1994; Savitch and Vogel, 1996; Dodge, 1996; and Orfield, 1997). These prominent writers point to the fact that life does go on in cities and suburbs of metropolitan regions. Local governments do cooperate.

Some of these authors posit that regional prosperity is linked to the economic health of the central city. They stress economic interdependency and recognize that sprawling suburbs mandate growth management on a regional scale. To these scholars, the high cost of providing infrastructure and services necessitates regional cooperation. It is through regional organizations that development grows and is nourished. It is through regional organizations that regional governance is achieved. Cooperation is the key. Conversely, the more aggressive regions become, the less power they possess.

James Kadlecek points to the need to accept governance the way it is – autonomous multi-unit metro areas – and concentrate energy and resources on the range of cooperative methodologies (networking, cooperation, coordination, and collaboration). Under a cooperation model, metro areas must fully examine all the factors that will either inhibit or encourage cooperative activity. These factors may be economic, political, historical, sociological, legal, or geographic. The goal is to make governance of these unwieldy metro regions more cost-efficient and effective for the benefit of the citizenry who live and work in them. (Kadlecek, 1997: 179).

Looking more closely at factors that inhibit or encourage regional cooperation, Kathryn Foster concentrates on the internal perspective of regionalism and examines how localities within a region forge relationships to create regional outcomes. She views regionalism in terms of regional impulses and identifies ten factors that may inhibit or

encourage cooperative activity: natural resources, macroeconomics, centrality, growth, social, fiscal, equity, political, legal, and historical. Foster believes that localities with strong impulses tend toward regionalism. She concludes that the greater the similarity between people and places within a region – socially, fiscally, politically, and developmentally – the more apt these people and places are to pursue and forge regional cooperation (Foster, 1997a: 375-399). Foster defines the link between outcomes of effective regional governance, on the one hand, and factors hypothesized as determinants of regional governance effectiveness, on the other hand (Wallis, 2001: 82-83).

Cooperation is also the focus of Robert Putnam's *Making Democracy Work*. He attributes a significant portion of differences in government effectiveness, economic health, and community well being to the presence of social capital, the main elements of which are trust and cooperation. Social capital consists of networks and norms that enable participants to act together effectively to pursue shared objectives (Gittell and Vidal, 1998: 15). The establishment of trust and norms of cooperation requires people to be in contact with each other over a long period of time and to experience firsthand the benefits of social capital. Only with success and continued practice can trust and cooperation be embedded in the local culture (Gittell and Vidal, 1998: 22). In this manner, Putnam calls this effort 'bonding capital' that brings together people and organizations that know each other, and 'bridging capital' that tries to bring together people and organizations that previously did not know each other. The more they meet; the more they trust and cooperate and the network grows stronger.

Community-based partnerships are the vehicles for generating social capital. Community Development Corporations (CDCs) increase the degree of coordination and

collaboration among public, private, and nonprofit organizations. Greater cooperation among government agencies at all levels resulted in faster, more efficient use of public resources, and increased private sector participation, including more private support for community initiatives. By linking bonding and bridging capital, the authors suggest that networks within a community can be measured – size, qualities, extensiveness, and so on (Gittel and Vidal, 1998).

Social capital is a term that Allan Wallis uses in some of his recent work. He also views social capital as a concept consisting of networks and norms of civic engagement (Wallis, 1998a). Integral to the social capital approach is the emphasis on working with and through communities as the most effective way to address the needs of individuals. To be effective, social capital needs to succeed not only at the level of individual communities, but it must also reach across to other communities to form effective alliances, producing bridging capital across them. Hence a network of community builders is created (Wallis, 1998b).

Some regions manage to turn the corner and some just barely get by. What makes the difference is the ability to build strong connections through a network of community organizations. Civic capital – the collective civic capacities of a community – is the currency supporting collaborative strategies that pursue innovative programs and forge new relationships among stakeholders (Potapchuk and Crocker, 1999). Civic capital is what a community produces when it:

- Shares and is motivated by a compelling vision of the future
- Has deep reservoirs of trust among diverse stakeholders that enables inclusive and collaborative decision making

- **Creates an infrastructure of organizations and initiatives that develops the capacity of stakeholders to deepen their work and builds connections among programs**
- **Meaningfully engages the public to build political will that drives community transformation forward**
- **Builds a system of supports that nurtures new leaders, provides training and resources where needed, and catalyzes continued efforts.**

Communities with strong civic capacity have numerous ties to bridge-building organizations and institutions, such as foundations and regional non-profits that can help to plan for the future (Potapchuk and Crocker, 1999: 178). As for organizational infrastructure, in some regions, local government plays a dominant role; in others, a public-private authority may drive the agenda; and in others, citizen-led commissions hold the final vote. Whatever the configuration, the point of the assessment is to ensure that the capacities and structure of organizations in the community integrate in a way that will enable the community to achieve its vision. Successful communities have bridge-building organizations and networks that work across policy arenas, sectors, neighborhoods, and other boundaries to solve problems. An example of this would be the workforce development board that ensures that workforce development programs are linked to economic development activities to ensure that individuals are being trained in skills for which there are jobs (Potapchuk and Crocker, 1999: 195-196).

What is needed is a capacity for collective action to achieve significant results. The network needs to be able to attract participants. It needs to succeed or at least

convince people that it can or is succeeding in obtaining an attractive goal. It needs to offer a range of incentives to keep partners committed to a common sense of purpose. It must manage its relationship with the wider political environment. Its aim is to achieve the strength and mastery of resources to make control of the leadership responsibility difficult for anyone else (Stone, 1988: 102).

The Rise of Regionalism

Regionalism has changed over the last 35 years. The prevailing opinion in the early years was not that America had too much government, but that too many governments made effective governance impossible. One of the trends in those early years was to encourage consolidation of localities. At one time, regional-type government held great promise, but the regional ferment of the 1960's quieted down during subsequent decades.

Studies of the 1960's emphasized reducing government for the sake of efficiency, but those of the 1990's promoted the belief in local interdependence and economic survival. Reports from the National League of Cities (Ledebur & Barnes, 1992, 1993, 1994) and research supported the trend (Voith, 1991, 1993; Savitch, Collins, Sanders, and Markham, 1993; Savitch, Sanders, and Collins, 1992). Big City Mayors backed the idea of regional cooperation (Berkman, Brown, Goldberg, and Mijanovich, 1990). Current literature on the subject of regionalism has drawn public attention (Rusk 1993; Peirce, Johnson and Hall, 1993). The current rationale tries to furnish a way out of central city decline through institutional change. It also holds out the hope of generating policy

solutions to resolve social imbalance through desegregated housing, common investments, and new infrastructure.

Anthony Downs in his book, *New Visions for Metropolitan America*, explores alternative ways to offset the fragmented power of local governments. He acknowledges that, in theory, the simplest way to counteract the adverse effects of fragmentation is to adopt region-wide government structures. However, true metropolitan government in America is rare. Downs suggests some combination of voluntary cooperation among local governments, public-private coordination, functionally specialized regional agencies, Federal incentives for regional institutions, and regional allocation agencies to promote regionalism (Downs, 1994).

How well the urban core, with its central city, inner suburbs, and older metropolitan areas, adapts to Allan Wallis' Third Wave era will depend largely on its ability to strengthen those activities in which it now has a comparative advantage and to overcome constraints to development. Much depends on the quality and organization of public-private leadership in these cities (Ruchelman, 2000: 170-171).

Savitch and Vogel in *Regional Politics* examine how regionalism has evolved and identify the forces that inhibit or encourage cooperation. They see regionalism as intergovernmental, nested by economic linkages between cities and suburbs, and fueled by mobile capital, labor, and culture. Savitch and Vogel look at regionalism as a series of interactions between localities. The precise form of these interactions may vary, ranging from relationships through formal regional institutions, to interactions between elected officials, to informal partnerships and networks. They seek to identify factors that facilitate cooperative regional relations (Ferman; 1999, 281).

The authors also see regionalism located at the point where business joins political power. Regions are held together by natural pressures for decision making and economic development. As a result of these pressures, localities do interact, sometimes through stable institutions (regional councils), at other times through the offices of elected officials (county supervisors, city councils), and more often through less formal channels (development partnerships, regime networks). These relationships provide new roles for cities and present opportunities for collective regional action. Some regions have met those challenges, while others have not (Savitch and Vogel, 1996: 2-4).

In this Post-City Age, as Savitch and Vogel call it, interdependence does not always mean cooperation. While some regions opt to promote inter-local cooperation, others favor limited engagements, and still others would prefer political divorce. The authors examine 10 metropolitan regions in terms of the region's political economy and its political institutions. By political economy, Savitch and Vogel mean interdependence through which public and private sectors interact across local boundaries. By political institutions, they refer to the mechanisms through which regional cooperation takes place.

A region's political economy shapes its political institutions and makes certain forms of cooperation possible. Likewise, regional institutions facilitate economic vitality. This can be done through limited institutions that provide technical assistance (councils of government). It can also be accomplished by specific functional institutions (port authorities, economic development corporations), or it can be achieved by comprehensive institutions that have the power to plan, tax, and allocate (metropolitan governments). These institutions take various forms ranging from formal cooperation to loosely organized partnerships (Savitch and Vogel, 1996: 4).

In a series of case studies, the authors examine New York City, Los Angeles, St. Louis, Washington DC, Louisville, Pittsburgh, Miami, Minneapolis-St. Paul, Jacksonville, and Portland. What they discovered are patterns of institutional inconsistency. While movement towards interdependence presents economic opportunities, resistance to the process stems from disparity, either by affluent suburbs that defensively incorporate or by other factors of disharmony within the region.

Savitch and Vogel identify several responses to regional pressure. The first is formal metropolitan government within a region, which can take the form of a single-tier unification (Jacksonville), or two-tier metropolitan or federated government (Minneapolis-St. Paul, Miami, Portland). Metropolitan government most closely resembles the ideal of consolidators, who see comprehensive government as a solution to urban problems and the best way to achieve efficiency. They believe that metropolitan government can more effectively promote economic development, reduce fiscal inequality, and deliver services across jurisdictional lines.

An opposite response to pressure for regional governance may also include avoidance and conflict (New York, Los Angeles, St Louis). These may be sporadic or predominate. However, this scenario may not be uncommon and accounts for three of the ten cases presented by the authors. More often than not, these responses are couched in racial, social or class differences, reinforced by discrimination and patterns of settlement. Because of this, avoidance and conflict appears more common in older industrial areas rather than newer, less densely packed regions.

The middle ground response is a process of mutual adjustment, which can take the form of inter-local agreements among municipalities, counties, special districts, and

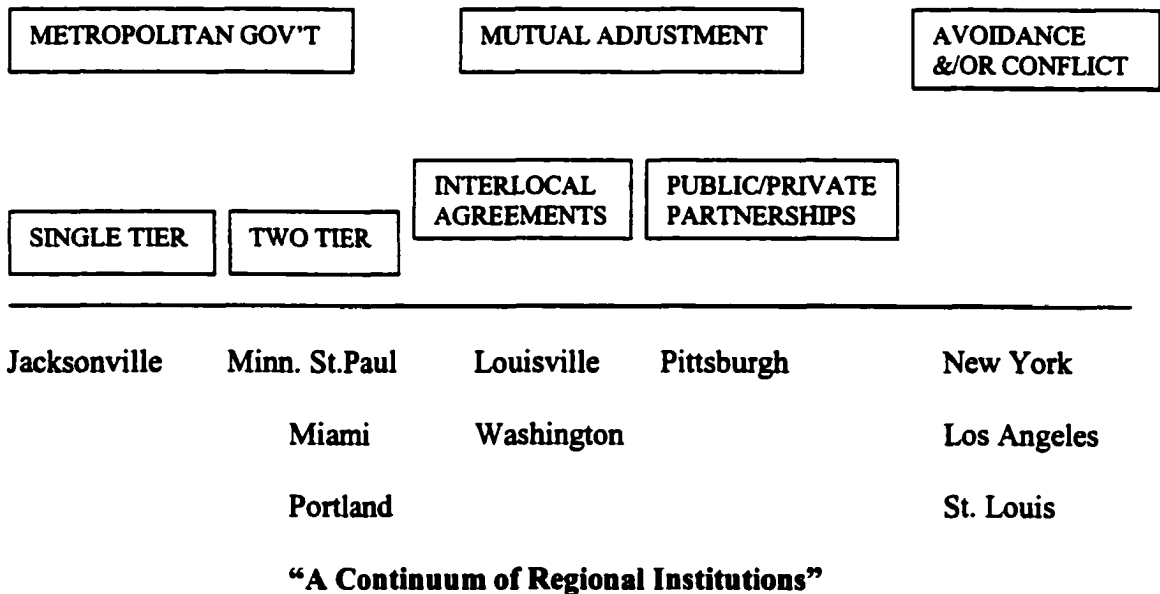
regional authorities within a metropolitan area or region (Louisville, Washington DC), or, public-private partnerships among business, government, and citizens (Pittsburgh).

Under the mutual adjustment scenario, coordination occurs because of informal and formal accords among local government and private actors. These arrangements do not yield formal institutions but are carried out by existing agencies or networks of actors.

Although the emphasis here is on promoting regional cooperation, this is often the exception rather than the rule (Savitch and Vogel, 1996: 12-14).

The mutual adjustment scenario suggests that cities like Louisville, Pittsburgh, and Washington, D.C. have used inter-local agreements and public-private partnerships to address issues of regional concern without resorting to creation of formal metropolitan government. The path of mutual adjustment is based on forging cooperative agreements among local governments and between public and private sector interests. Regions work out cooperative patterns. The process is incremental and based on trial and error (Wallis; 1998 a: 101).

Savitch and Vogel place each of these scenarios on a continuum, ranging from the most comprehensive form of regional cooperation (metropolitan government) to those that are partial (mutual adjustment) and finally to non-cooperative (avoidance and/or conflict) as shown below (Savitch and Vogel, 1996: 13).



Through this analysis, Savitch and Vogel develop several generalizations about regionalism:

- Regions have become economically more differentiated and more complicated, but also more closely coordinated. As industry has become more decentralized, regions are linked through transportation, communication, and functions. Routine phone calls, periodic visits, or instant communication via the information highway connect the region. Economics and technology have joined to produce functional cities that stretch throughout the metropolitan region.
- Localities need their neighbors. Regardless of the scenario – metropolitan, mutual adjustment, or avoidance/conflict, localities extend beyond their borders and cooperate along selective, ad hoc lines.
- Regions cooperate in least controversial ways. Regionalism is politics. The process of cooperation creeps along slowly; it is incremental, and it is based on trial and error. Generally, solutions are negotiated around obstacles, so that thorny problems are avoided.
- Regions are different. One size solutions do not fit all regions. It is hard to generalize.
- Regions may be managerially competent, but they are politically weak. Most regions lack a loyal and dedicated constituent base; therefore they lack the political clout to adopt bold policies.
- The more aggressive regions become, the less power they possess. Regions lack formal authority and must act at the request of others. They work tactfully at the

margins and splice together pieces of authority. More and more, regions cited as viable are those that pursue strategies of mutual adjustment rather than formal metropolitan government.

- Regions are best built on their own momentum and supported from within. Regionalism should start from a process of local persuasion. It should take advantage of existing grants and legislation to encourage regional cooperation. Regionalism is a long term process (Savitch and Vogel, 1996: 287-301).

Summary

Regime Theory and Regionalism have done much to bring awareness to the evolution of localities into regions of economic competition. Regimes involve a complex set of relationships between institutions and actors. Under these conditions, government action is generally limited to the coordination of resources to support economic development. Therefore out of necessity, regimes create networks. Successful regimes use these networks to cooperate. Network effectiveness can be evaluated. As localities recognize that they need their neighbors, they begin to link into a region. Regions that share a common vision are better positioned to promote economic development. Unfortunately, there are factors that can impede the progress of Regionalism. The rise of Regionalism takes time and energy. Given the complex relationship in the urban environment, Regionalism is a long-term process that appears to be most successfully managed in an incremental manner under a mutual adjustment scenario.

CHAPTER III

METHODOLOGY

Study Design

Regionalism advances when an active civic infrastructure participates in promoting regional development. When participation and cooperation is limited, regionalism tends to fragment and dissolve. By forming networks, regional organizations cooperate and concentrate their resources to achieve objectives. Regime Theory and Network Theory provide the theoretical foundations for this study on regional organizations. This study employs a 'network effectiveness criteria' as proposed by Provan and Milward in Chapter II to examine the regional civic infrastructure of the Hampton Roads Region. The basic interest is to determine:

How have regional public-private organizations in Hampton Roads networked to promote regional economic development with what outcomes?

This study seeks to answer four research questions that are related to the research problem above:

- 1. What proposals have regional economic development organizations promoted to address regional economic issues in Hampton Roads?**
- 2. What are the outcomes of these proposals?**

- 3. To what extent have these regional organizations been able to network to facilitate regional economic development in Hampton Roads and what are the factors influencing their effectiveness?**
- 4. How do government monetary incentives and/or disincentives influence the regional network?**

Regional Organizations

The starting point in this study is a review of the creation and development of the regional economic development infrastructure. As discussed in Chapter I, the units of analysis are selected regional organizations with data collected from the Hampton Roads metropolitan area. Hampton Roads was selected as the candidate region because of its standing as a top-fifty U.S. metropolitan area, its strategic location as a potential key East Coast global market, and the availability of data and resources for this study. As one of the major metropolitan areas in the United States, Hampton Roads experienced a slowing population growth rate and a declining per capita income during the decade of the 1990's.

Secondly, regional organizations are examined in Chapter I to determine their participation in supporting the development, approval, and implementation of regional outcomes. Five regional organizations were selected because they are public/private organizations that have been officially chartered to promote regionalism and they share responsibility for the economic development of the Hampton Roads Region. These organizations operate at the regional or sub-regional level and their mission statements and strategic plans indicate that they serve to stimulate the economic growth of the

region. The Chambers of Commerce in the region were excluded from this study because they operate as privately funded organizations. Also excluded were cultural or civic organizations and single purpose regional organizations, such as waterworks or transportation agencies.

This study integrates material from primary and secondary sources, including focused interviews with area officials and other people knowledgeable in the growth of regionalism in the Hampton Roads Region. This study includes information from the following organizations, as discussed in Chapter I, which represent the major regional economic infrastructure in the Hampton Roads Region:

1. Hampton Roads Planning District Commission – one of 21 Planning District Commissions in Virginia chartered by the state to encourage and facilitate local government cooperation and state-local cooperation in addressing, on a regional basis, problems of greater than local significance.
2. Hampton Roads Partnership – a public/private partnership that provides leadership to focus on those strategic issues that will enhance Hampton Roads' competitive position in the global economy. Its primary focus is on regional cooperation and economic development.
3. Peninsula Alliance for Economic Development – a sub-regional not-for-profit public/private organization that serves the Peninsula communities to promote economic development and workforce development.
4. Hampton Roads Economic Development Alliance – a sub-regional public/private organization representing the south Hampton Roads area to

improve the region's economic performance and global competitiveness by implementing an aggressive and proactive external marketing program.

5. Hampton Roads Technology Council – a not-for-profit organization representing the region to foster rapid development of technology-based economic enterprise. It serves to accelerate the growth rate of new high technology, high wage jobs.

These organizations were visited and organizational documents were collected. News media articles on each organization were reviewed and categorized. Interviews were conducted and analyzed. Particular attention was devoted to the evolution of these organizations, particularly since 1990. Next, proposals for regional economic development that were sponsored or endorsed by two or more of the organizations were reviewed and analyzed. The current status of each proposal was determined and the outcome evaluated. Regional outcomes were examined and categorized according to the following criteria: (1) approved and implemented; (2) approved and not implemented; (3) approved and in process; (4) working; and (5) disapproved.

All outcomes were reviewed for their linkage to factors that facilitate or impede regional economic development and their approximation to the two sets of network models proposed by Harrison and Weiss and William Dodge in Chapter II. The outcomes were also analyzed in terms of the strength of the network relationship. A strong relationship existed if all five organizations in the network supported the outcome. Finally, the network was evaluated on the effectiveness criteria proposed by Provan and Milward in Chapter II.

The time period of this study covers the years from 1969 to 2000, with a particular focus on regional events of the 1990's. The rise of regionalism can be traced back to the formation of the planning district commissions created by Charter Agreement in the Commonwealth of Virginia in 1969. The past thirty-one years represent the evolution of regionalism in the Hampton Roads Region.

Interviews were conducted with key individuals who were involved in regional issues during this time period. These individuals are serving or have served in the regional civic infrastructure or the local government structure. These leaders were selected from organizational documents identifying them as directly involved in regional proposals, or from media articles in which their names appeared, or from referrals solicited during the interview process. Accordingly, this selection criteria assumed that these individuals influenced the growth of regionalism during this period, that they were willing to be interviewed about their participation in events, and that they provided their honest perspective about regionalism (see Appendix A – Interview List).

Definitions

The following definitions provide a framework for understanding the basic interest of this study:

- **Regimes** – an informal yet relatively stable group with access to institutional resources that enable it to have a sustained role in making governing decisions. This informal group operates without an all-encompassing structure of command by coordinating activities through a network (Stone, 1989b: 4). Under the

network model, the group learns to cooperate by recognizing their mutual dependency.

- **Regional Civic Infrastructure** – a network of informal affiliations among public, private, and non-profit organizations operating at the regional level to promote a mutual interest. These regional institutions share common goals and operate in an environment of mutual trust (Wallis, 1994 c: 290-309).
- **Economic Development** – the process of creating wealth through the mobilization of human, financial, capital, physical and natural resources to generate marketable goods and services. It is the role of the private sector to create wealth by producing tradable goods and services and engaging in these exchanges. It is the role of the public sector to facilitate and promote the creation of jobs and wealth by the private sector, and to ensure that it does so in a way that serves the short-term and long-term interests of the broad population (Bingham and Mier, 1993: vii).
- **Regionalism** – the coming together of the region’s leadership, resources, and citizens on a shared agenda for improving the economic vitality, the standard of living and quality of life in our region. It is the taking of collaborative actions of regional benefit that cannot be taken as effectively or efficiently within individual jurisdictions (Hampton Roads Partnership Strategic Plan, July 1998).

- **Regional Proposals for Economic Development** – the initiatives championed by one or more organizations of the regional civic infrastructure to promote economic development. Examples might include sports initiatives, transportation projects, tourism ventures, technology enterprises, etc.
- **Regional Outcomes for Economic Development** – the result of an implemented proposal championed by the regional civic infrastructure to promote economic development. Examples might include the purchase of a major league sports franchise, or the merger of transportation organizations, or the establishment of a regional website, etc.

Data Collection Procedures

Data for this study was collected from four major sources: U.S. Bureau of the Census, local newspaper accounts, organizational documents and interviews.

1. The Bureau of the Census data was found in the reference section of the Old Dominion University Library and on the Internet (www.census.gov). Relevant regional data was reviewed for use in this study.
2. Local newspaper accounts that covered the 1990's and earlier were located in the public library and the Old Dominion University Library. Initially, the websites for both the Virginia-Pilot (www.pilotonline.com) and the Daily Press (www.dailypress.com) were accessed and a keyword search extracted key economic development events in the Hampton Roads Region. This produced the dates and titles and summaries of newspaper accounts. As

necessary, the actual newspaper articles were located in the library microfiche section and reviewed for this study.

3. A review of organizational documents, such as, plans, letters, newsletters, progress reports, meeting minutes, and formal studies was conducted with each selected organization. Organizational files were examined for any pertinent newspaper accounts. The process started with an initial letter sent to the potential point of contact at each organization. With approval from the point of contact, an initial visit was conducted. A one-on-one briefing was used to acquaint the organization with the purpose and plan for this study. An initial visit protocol was followed. The points of contact were asked to make themselves or their representative available for a follow-up visit where organizational documents were acquired. Additional meetings were scheduled to complete the document reviews and to answer study related questions (see Appendix B – Initial Letter; Appendix C – One-on-One Briefing; and Appendix D – Visit Protocol).

Note: One regional organization, the Hampton Roads Economic Development Alliance, was reluctant to discuss their activities, citing that they are not subject to the public domain. Nevertheless, their Vice President of Investor Relations provided numerous organizational documents for review. Additionally, the organization had a website with valuable information. Arrangements were made to interview a former Vice President and interim President of the organization.

4. **Information assembled from focused interviews was used to supplement and confirm data collected from other sources. A request for permission to interview human subjects was approved and is on file at Old Dominion University. Interviews with selected regional leaders, past and present, were conducted to determine how well they believe regional organizations performed in promoting regional economic development. Interviews with key individuals were conducted in a focused manner. An interview protocol was used. A list of key interview questions was developed and used during the interviews (see Appendix E – Interview Protocol; and see Appendix F - a list of key interview questions). These questions were expert reviewed by the Chairman of the Dissertation Committee and they were pre-tested during a practice interview. No modifications were made to the questions as a result of the practice interview.**

Using multiple sources of evidence in data collection helps to establish construct validity and reliability (Yin, 1994; 90). Triangulation of data provides an opportunity to address a broader range of historical, attitudinal, and behavioral issues. The most important advantage of using multiple sources of evidence is to develop converging lines of inquiry. By triangulating documents, archival records, media accounts, and interviews, facts can be established and corroborated. The following strategies were used to triangulate sources of evidence in this case study of regional economic development in Hampton Roads:

- **First of all, data from relevant years of the Census of Population and Housing, compiled by the U.S. Bureau of the Census, was extracted for the Hampton Roads Region. Population growth, cost of living indices, median family income, labor force employment and unemployment, and retail employment and sales figures were compiled and analyzed. This data set was useful in developing a regional economic development overview.**
- **Secondly, information from regional civic organization documents was acquired, reviewed, and cataloged. Organizational documents included strategic plans, newsletters, proposals, charters, studies, brochures, etc. This data was used to establish a historical record of regional activity, identify proposals to promote regional economic development, and trace any claims of regional outcomes.**
- **Next, local newspaper accounts of regional economic development highlighting any of the selected regional organizations were identified, reviewed, and cataloged. This data set was then compared to the regional information attained from organizational documents to establish and qualify any claims of regional outcomes. This comparison accounted for the development of a Regional Timeline highlighting the regional issues of the 1990's and the activities of the five regional organizations selected for this study.**
- **Finally, qualitative data collected from interviews with key regional leaders was used to supplement the organizational histories, organization proposals, and regional outcomes. Interviews were accomplished with individuals**

representing each of the regional organizations, as well as, local government officials and prominent citizens. The interviews provided information on proposals and outcomes that was used to validate and finalize the Regional Inventory. The interviews were especially valuable in providing information on regional issues, regional attitudes, network effectiveness and factors that facilitate or impede regionalism.

Validity

To enhance the validity of this study, a data collection protocol was developed and used to standardize information gathering (see Appendix G, Research Matrix). The protocol linked the collection of information directly to the research questions and aided in developing the findings. Data collection was conducted over the course of a year and followed a qualitative procedure (Creswell, 1994: 143). Through triangulation of data from organizational documents, news media, and interviews, the potential problems of construct validity were considered. Using multiple sources of evidence provided multiple measures of the same phenomenon (Yin, 1994: 92). Proposals for economic development had to originate from more than one source.

Internal validity was also strengthened by the use of a pattern matching technique of data collection (Yin, 1994: 106). News media articles were categorized using an open coding technique (Strauss & Corbin, 1998: 101) (Mostyn, 1985: 137). Comparison of an observed pattern of activity (e.g., joint marketing trips) with a predicted activity (e.g., cooperation leads to open communication) provided insight into the ability of a network

to operate effectively. Additionally, the opportunity for interviewees to review, and modify, as appropriate, a transcript of their interview added to the validity of this study. Finally, the technique of analytical generalization provided the opportunity to generalize from a particular set of findings to broader theory.

Any conclusion produced by this study must acknowledge the effect of confounding variables. In program evaluation, any outcome reflects not only the consequence of an intervention but also the effects of other processes occurring at the same time or processes already underway at the time of the intervention (Rossi and Freeman, 1993; 222). The gross outcome of this study includes the effectiveness of the regional organizations plus the impact of any uncontrolled confounding factors. In the case of Hampton Roads, there are numerous extraneous confounding factors that could have influenced the outcomes of the regional economic development proposals and therefore effect the conclusion of this study. For example, the impact of military downsizing during the 1990's and the entrance of lower paying 'back-office' jobs most likely produced a negative effect on per capita income and influenced economic development initiatives.

Any conclusion produced by this study must also acknowledge the effect of self-reported data. Much of the data extracted from organizational documents and, to a large degree, media reports came from information provided by the regional organizations themselves. This data may have been developed to serve a particular agenda and its use in this study is subject to concerns of validity. Every effort was made to avoid drawing conclusions based on self-reported data alone.

Reliability

A database was established to improve the reliability of this study (Yin, 1994: 33). Organizational folders were established for the collection, compilation, and categorization of data by organization, time period, proposals, and outcomes. Organization data was reviewed and placed into a regional timeline by year, focusing on the decade of 1990-2000. Activities from strategic plans, newsletters, and meeting minutes that supported the development of economic development proposals were aligned according to the timeline. Likewise, data from media articles was identified by organization, year, proposal, and outcome and placed into media folders. These folders can be accessed for future use. Interview summaries are maintained individually and categorized by question. This database enabled data to be developed for a regional timeline and regional inventory. The regional inventory and interview summaries subsequently were used to develop findings that linked to the research questions and to the research problem.

By maintaining a chain of evidence study conclusions can be traced back to research questions, as well as, research questions to study conclusions. A chain of evidence increases the reliability of the information. All collected data followed formal procedures and received appropriate attention in the development of the findings and conclusions of this study. Reliability of interview data was further enhanced by the use of an interview protocol (Yin, 1994: 33). This enabled the interviewer to maintain a routine and standard approach to the interview. Data collected corresponded to a series

of open-ended interview questions and transcripts were meticulously completed shortly after the interview.

Data Analysis

The basic intent of this study is to describe the results of regional economic development activities in terms of organizations, proposals, outcomes and factors bearing on network effectiveness. Data concerning the operation of a regional economic development organizational network was collected, categorized, and evaluated. The following data analysis focuses on answering the research questions and research problem posed earlier:

- 1. What proposals have regional economic development organizations promoted to address regional economic issues in Hampton Roads?**

To answer Research Question #1,

- Collect organizational documents relative to organization charter, mission, evolution, meeting agendas, achievements, budgets, recorded decisions, community activities, participation with other regional organizations, and leadership.
- Interview selected regional leaders, past and present, to understand how these organizations developed internally and externally.

- **Review newspaper accounts to confirm creation and development of organizations and their record of achievements.**
- **Categorize organizations by time periods, historical evolution, achievements and economic development agenda (see Appendix H, Regional Timeline).**
- **Examine and compare all organizational documents for emergence of economic issues and concerns leading to development of proposals to affect some regional outcome.**
- **Examine and compare all newspaper accounts for emergence of economic issues and concerns leading to development of proposals by organizations to affect some regional outcome.**
- **Review all interview documents to supplement information on organizational proposals.**
- **Review relevant census data to supplement information on the rationale for an organizational proposal.**
- **Categorize all proposals by organization, time period, and economic issue (see Appendix I, Regional Inventory).**

2. What are the outcomes of these proposals?

To answer Research Question #2,

- **Examine and compare all organizational documents to identify an audit trail from the organizational proposal to the adoption of the proposal to the implementation of a regional outcome.**

- **Examine and compare all newspaper accounts to identify any reporting of an organizational proposal leading to the adoption of the proposal to the resolution of the regional outcome.**
 - **Review all interview documents to confirm and supplement information on regional outcomes.**
 - **Categorize all outcomes by organization, time period, economic issue, impact, and resolution (see Appendix I, Regional Inventory).**
 - **Analyze all outcomes to determine the conditions under which the regional network cooperated to implement the proposal.**
- 3. To what extent have these public-private organizations been able to network to facilitate regional economic development in Hampton Roads and what are the factors influencing their effectiveness?**

To answer Research Question #3,

- **Compare the resolution on all outcomes to the models of network cooperation as discussed by Harrison and Weiss and William Dodge in Chapter II.**
- **Determine if the outcomes involved linkages between regional organizations and evaluate the multiplexity of these linkages as discussed in Chapter II.**
- **Compare the resolution of all outcomes to the factors that facilitate or impede regional economic development as discussed in Chapter II. Look for perceived financial advantage, strong government leadership, common**

demographics, government mandates favoring regional cooperation, lack of historical rivalries, and shared urban development patterns.

- **Align pro-regional or anti-regional factors into appropriate categories, i.e. historical, geographical, legislative, political, cultural, and economic (see Appendix J, Regional Factors).**

4. How do government monetary incentives and/or disincentives influence the regional network?

To answer research question #4,

- **Review the conditions affecting the resolution of all outcomes and determine the participation of local, state, or Federal Government in assisting the development and implementation of the initiative.**
- **Summarize the conditions under which the government will act to provide resources to the region and the type resources provided.**
- **Determine whether the monetary resources that government provides to the regional organizations serves to strengthen the linkage (multiplexity) between organizations.**
- **Determine whether the resources that government provides act as an incentive (pro-regional factor) or disincentive (anti-regional factor) to the region (see Appendix J, Regional Factors).**

How have regional public-private organizations in Hampton Roads networked to promote regional economic development with what outcomes?

To answer the Research Problem posed above,

- Develop study findings as appropriate from the analysis performed for Research Questions 1-4.
- Using the study findings as a guide, perform a network assessment using the network effectiveness criteria discussed by Provan and Milward in Chapter II (see Appendix K, Network Effectiveness Criteria).
- Based upon the network effectiveness assessment, develop a study conclusion.
- Relate the study conclusion to a theoretical foundation.

Regional Inventory

The results of the data analysis are displayed in the form of a regional inventory that identifies and integrates regional organizations by regional issues, proposals, linkage to regional organizations, and outcomes (see Appendix I, Regional Inventory). The regional inventory details the regional organizations and their participation in regional economic development. The regional inventory represents a primary output of this study. The completed inventory is located in Chapter IV. This matrix helps to explain the progress of regional issues over time and the regional organizations that championed the initiatives. Each of the initiatives is further studied to determine the conditions that caused the outcome to be implemented or not implemented. An understanding of the

outcomes of the regional issues provides a linkage to the regional network and to the factors that facilitate or impede regional outcomes (see Appendix J, Regional Factors). It also shows any similarity and overlap in issues pursued by the regional organizations. The presence of similarity and overlap in economic issues shared among public-private organizations indicates the existence of a regional civic infrastructure network. The more numerous the linkages or multiplexity, the stronger the network. The stronger the network, the more effective it becomes. This should lead to increased proposals for economic development. The absence of similarity and overlap indicates the lack of a regional civic infrastructure network on economic development. This analysis identifies relationships that are developed into study findings at the end of Chapter IV and study conclusion that is located in Chapter V.

By comparing data collected from the Regional Civic Infrastructure to Savitch & Vogel's "Continuum of Regional Institutions", as discussed in Chapter II, this study identifies one of the scenarios that best fits the Hampton Roads Region. It also identifies the effectiveness of the Hampton Roads regional economic development network, using the criteria established by Provan and Milward, as discussed in Chapter II and identified at Appendix K. The findings of the data analysis should also lend support to the following regionalism propositions:

- **Localities need their neighbors**
- **Regions cooperate incrementally**
- **Regions lack political clout**
- **Regionalism is a long term process**
- **Regions operate best by mutually adjusting.**

This methodology addresses and answers the research problem of this study:

How have regional public-private organizations in Hampton Roads networked to promote regional economic development with what outcomes?

Data was analyzed for similarities and differences in the way regional public-private organization evolved and networked into a regional civic infrastructure focused on economic development in Hampton Roads. Study findings and conclusion are developed from data relationships and network effectiveness criteria. The findings and conclusions have finally been generalized to broader theory as addressed in Chapter V.

Each of these organizations, proposals, and outcomes have been defined and examined in detail. *Regions evidencing a strong regional civic infrastructure should have more numerous and significant regional economic development than regions evidencing a weak regional civic infrastructure.* According to Yin, descriptive case studies are generalizable to theoretical propositions and not to populations or universes (Yin, 1994: 10). Although a single case study must confront the issue of generalizability and cannot reveal the significance of variation across key variables (except over time), it can appraise human and social interactions and decisions, historical processes and events, and complex organizational issues that defy analysis through natural science models (Sjoberg, et al., 1991).

Finally, this study examines how Regime Theory and Network Theory provide the explanation for regionalism in Hampton Roads. As indicated in Chapter II, regimes

involve a complex set of relationships between public and private institutions and actors. As a result, government action is often limited. To compensate for this, regimes form a network to coordinate activity. Networks can be evaluated for their effectiveness. A strong network can serve to foster cooperation; a weak network impedes cooperation.

CHAPTER IV

ANALYSIS OF DATA

News Media Reports on Regional Organizations

As discussed in Chapter III, local newspaper accounts that covered the 1990's were located in the public library, the Old Dominion Library, and the websites for both the Virginia-Pilot and the Daily Press. The websites were accessed and a keyword search on each of the five Regional Civic Infrastructure (RCI) organizations (HRPDC, HRP, PAED, HREDA, and HRTC) was conducted. This produced numerous dates and titles of newspaper articles broken down by RCI and by day/month/year. Website summary articles were reviewed for this study. The articles were subsequently broken into concepts using an "open coding" technique (Strauss and Corbin, 1998). Here articles were reviewed for concepts and broken down into discrete parts. The events, happenings, and actions that were found to be conceptually similar in nature or related in meaning were grouped into categories.

The total number of articles identified and subsequently reviewed for this study are shown in the table below (See Table #3). These articles are identified by Virginia-Pilot newspaper or Daily Press newspaper and by RCI. The news media articles are further identified based on their applicability to this study and those that were not applicable.

Table # 3: Total Articles Reviewed by Media and by RCI

	Total Articles / Not Applicable Articles	
	Daily Press	Virginia-Pilot
Hampton Roads Planning District Commission	653 / 260	1049 / 322
Hampton Roads Partnership	370 / 140	399 / 85
Hampton Roads Economic Development Alliance	54 / 9	495 / 175
Peninsula Alliance for Economic Development	554 / 174	23 / 7
Hampton Roads Technology Council	43 / 16	86 / 30
Total Articles	1674 / 599	2052 / 619
Applicable Articles	1075	1433
Percent Reviewed	65%	70%

The Virginia-Pilot produced more articles on the five RCI during the ten-year span (1990-2000) than did the Daily Press. The HRPDC had the most articles available for review. The articles available for the PAED and HREDA included articles from their prior organizations, the VPEDC and Forward Hampton Roads, respectively. These three organizations had articles written about them for the ten-year period. The HRP (created in 1996) and HRTC (created in 1997) had articles spanning the latter part of the decade. Numerous articles from both newspapers and for all RCI included articles that were not applicable for this study. Between 30 percent to 35 percent of the articles included subject matter, such as community activities, meeting announcements, personal stories,

political campaigns, letters to the editor, and national information, that was not used in the data analysis.

The open coding of the applicable articles resulted in a categorization of media issues by RCI. According to Holsti (1969), there are several things to remember when selecting categories. First, they must reflect the purpose of the research; second, they must be exhaustive, third, they must be mutually exclusive. The applicable articles were grouped into the following broad categories: transportation, sports, tourism, water/air, workforce, infrastructure issues, business networking announcements, company business (recruitment, expansion, departure/retention), funding issues, regional statistics, leadership appointments/losses, special programs, and legislative/governmental issues. Over 2,500 summary articles were reviewed for coding by category by RCI as shown in Table #4 on the next page.

The HRPDC had by far the largest number of articles available for review (1,134). Two major functions – Transportation and Economic Projections – were responsible for over 50 percent of the HRPDC articles. The HRP was second in number of articles available for review (538). Relative to the other organizations, the HRP number seems high for an organization that had been in existence only since the middle of 1996. In terms of number of articles available, HRP easily outdistanced the PAED and HREDA that were both around for the whole decade.

Table # 4: Number of Media Issues Identified by Category and RCI

Economic Development	HRPDC	HRP	HREDA / Fwd HR	PAED / VPEDC	HRTC	Total
Transportation (#1)	373	42	7	7	0	429
Sports	45	133	6	3	0	187
Tourism	16	0	1	7	0	24
Water/Air	97	5	5	6	0	113
Workforce	22	21	13	12	6	74
Infrastructure (#2)	143	67	90	76	8	386
Networking	24	38	50	42	37	191
Company Business(#4)	110	33	79	130	3	355
Funding	11	31	24	22	5	93
Regional Statistics (#3)	218	50	59	31	11	369
Leadership	20	68	23	54	6	171
Programs	0	16	2	1	7	26
Legislature	55	34	3	0	0	92
Total	1134	538	362	391	83	2508

The issue with the most media visibility is regional transportation with 429 articles. Clearly this category reflects the concern of the region's readership that the region is severely impacted by transportation constraints from both an economic development and a quality of life point of view. The second highest recorded category

was infrastructure with 384 articles. This category contained such informative subjects as: Hampton Roads regional signage and flag, various land and structure acquisition and development activities, regional planning activities, defense base closing issues, technology related events, convention center initiatives, etc. Regional statistics was third with 369 articles. These articles were generally announcements of regional economic statistics, such as the per capita income was either up or down for the period. Company business announcements were the fourth highest category with 355 articles. These articles highlighted some business that was newly arrived to the Hampton Roads Region, or mentioned a business expansion or business departure.

It is noted that one article could produce several hits in this data analysis. For example, an article on Barry DuVal becoming Secretary of Commerce and Trade or Hampton Roads receiving a grant from the Regional Competitiveness Program could appear in both newspapers and apply to multiple RCI.

Summarizing the articles by category and RCI indicates the top five media issues for each organization. As shown in Table #5 below, the HRPDC's most prominent issues were transportation and regional statistics – both of which correlate to the major functions of the organization. HRP was most prominent for the leadership and sports initiatives in Hampton Roads Region. In comparison, the two economic development organizations, PAED and HREDA were very much involved in business recruitment and infrastructure development. These categories are congruent with their assigned missions. The newest organization and regional technology center, HRTC predictably leads the way with the region's networking activities.

Table # 5: Summary of Media Issues by Category and RCI

	#1 Issue	#2 Issue	#3 Issue	#4 Issue	#5 Issue
HRPDC	Transportation	Regional Stats	Infrastructure	Company Bus	Water/Air
HRP	Sports	Leadership	Infrastructure	Regional Stats	Transportation
HREDA	Infrastructure	Company Bus	Regional Stats	Networking	Funding
PAED	Company Bus	Infrastructure	Leadership	Networking	Regional Stats
HRTC	Networking	Regional Stats	Infrastructure	Programs	Workforce

Regional Timeline

One of the products of this study is an integrated timeline highlighting the significant events occurring in each RCI during the decade 1990-2000 (see Table #6 below). This timeline was created by identifying activities and milestones from organization documents and comparing them with activities and milestones reviewed from media accounts. The timeline traces the history of the HRPDC from its merger in 1990 to the end of the decade. Likewise, both the PAED and HREDA evolved from predecessor organizations that were active in 1990 as the VPEDC and Forward HR, respectively. Both current organizations were created in 1997. The HRP's timeline starts in 1996 and the HRTC was created in 1997.

REGIONAL CIVIC INFRASTRUCTURE

REGIONAL TIMELINE

Table # 6

RCI	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
HRPDC	Hahn Com= PDC (1989) PDC merge defense cut toits / trans deployment regional jail recession Dillon Rule	Relief -cities defense cut toits / trans troops r/n lottery sales recession M&M tunnel superairport raceway Seawolf	Diversify defense cut toits dead tunnel open TRT talks recession regional jail airportstudy NNS layoffs	Plan 2007 base closing phone toll off EPA- lost Mercedes 3rd crossing recovery	HRCC-2007 pay freeze Oceana Lobbyist H-S rail study horse track NHL talks NNS layoffs Sevanet	Plan 2007 defense cut BRAC coop QofL - Air service ind HRL name OK CFL talks Area Code Rte 44 toll	Regionalism Technology defense up EPA -air bad HRP created Arena talks light rail talks NHL Rhinos TRT talks SE&Rte 460	Plan 2007 \$ EPA -OK HRP- \$3M Arena talks HS rail study Rhinos dead 3rd crossing SE parkway high tech -P	Regionalism Superport HRT merger economy up workforce high tech vs call centers Sports out Per capita SE parkway	Regionalism trans priority WF study McArthur ctr Sports out gas tax/tolls VB light rail	economy up HRP survey trans #1 people leave Sports out superport OPSAIL 2000 3rd crossing Per capita
HRP							HRP Est 5/96 RCP passed HRP\$HREDA Intermodal Partnership Healthy cmty w/ HRPDC Sports Talks Strategic Plan 3rd crossing	HRTC est7/97 MAPS started Sports Talks WF Dev - P Strat Plan - trans,tourism, tech, port,WF regionalism	HRTI est - HRP/PAED/ HRTC Regional Air Trans study HRT merger light rail spt Sports Talks	Spt Regional Amendments NASA funds Combine Mkt efforts convention center spt Applied Res center spt light rail spt	Amendments defeated RCP=\$2.3M HR, Inc - interactive Smart Region Sports Talks Regional flag
HREDA / FWD HR	CIGNA - VB service ctr Mitsubishi Busch Pumps - VB GE- eng rpr	78 business 1,840 jobs \$270 M Map Mobile Phone Ctr-C	97 business 3,600 jobs	98 business 3,730 jobs	Est -Urban Partnership HR below av Grumman Resear Ctr-C "work against each other"	Plan 2007 5,096 jobs Reservation Center -TWA Motorola lost Valu Jet Canon Svc Center - C AVIS	5,000 jobs \$485 M Sumitomo QVC expand "fail to unite" "squabbling" RCP - \$	HREDA -7/97 \$\$ Campaign \$1.2B/20kjobs 119 investors 12,000 jobs \$391 M video/coop MC direct call "bickering"	107business 6,900 jobs Towers- Perrin FEDEX First Data Resources	69 business 4,200 jobs \$185 M MCI call ctr-C Southland MidAtlantic terminal -N McArthur ctr GEICO	No ED merger Dendrite Int1 102 investors OPSAIL2000 Mkt coop w/ PAED/HRTC
PAED / VPEDC	Takaha Nippon Express Lost United Air	Lucas	1000 jobs \$35 M Greystone Small Stock Exchange Lost Tyroilt Jay Plastics	Plan 2007 Lost Mercedes United Solar	939 jobs \$16.4 M Disney - Lost CEBAF Remarque Manufacture	Harris Select Lost USAIR MCI & UPS US Postal Mitsubishi - Lost NASA/NNS cuts	10 years = 12,900 jobs \$456 M Gateway MTMC	10/97 VPEDC & PATC form PAED w/ 5 core missions	100job/\$20M Protocol w/ HREDA/HRTC merge- CEO? 110 investors Synerjet> Siemens>	VASCIC \$\$ John Deere HighTech-NN JT Brochure Detroit Mkt Long Is. Mkt Nextel	WFsurvey WF Dev Ctr WF clusters/ Wal Mart Ctr Eversel Precision Man 2ED bf/VEDP
HRTC									Tech Tigers Tech Nite ITEC sponsor Tech 2000 HRTI 10/97 legislative	Tech 2000 Showcase-T Tech Tigers ITEC 4600+ HRTC-PAED Tech Nite	HR, Inc Mtg HRTI-12client est website Tech Nite Tech Tigers CIO forum

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Regional Leader Interviews

As discussed in Chapter III, key regional individuals were selected to participate in this study. An initial list of interview candidates was developed and modified during the course of the first several interviews. Individuals were identified from newspaper accounts, organizational documents, referral interviews and personal knowledge. They met the condition of having participated in key regional events and involvement in the economic development of the region. A total of twenty-two interviews were conducted with both strategic level visionaries and tactical level operators. These individuals were selected to represent a balance between being currently on the roll of one of the RCI under study, being involved either in economic development activities at the community level and/or participating as a board member of one of the RCI. The group included executive directors of organizations involved in the day-to-day operations of the region, as well as, some of the regional leadership who developed the strategic plans upon which regional decisions were crafted.

Each potential interviewee was provided a letter of introduction, an interview protocol, and ten interview questions. Interviews were scheduled for one hour and were recorded on tape. Each interviewee was provided with an interview summary approximately one to two weeks after the interview. The interview summary was reviewed and corrected as necessary. Most corrections were editorial in nature. Only one regional leader had slight modifications to the interview summary. None of the 22 participants declined to be interviewed.

Regional Leader Responses to Interview Questions

The following data analysis is a tabulation of the responses from the 22 selected regional leaders to the ten interview questions.

Questions #1 and #2

What is your current occupation and title? How long have you been a resident of Hampton Roads Region? (See Table #7, below.)

In what way are/were you involved in promoting regional economic development in Hampton Roads? (See Table #7, below.)

Table # 7: Interviews - Name, Years in HR, Title, Linkage, Date, Location

Note: This table introduces the twenty-two key regional leaders who provided interview comments. They are identified by name, years residing in Hampton Roads Region, current occupation and linkage to the regional organizations, and the date and location of the interview. Additional information on each regional leader is available at Appendix A.

Table #7

Regional Leader Interviews

Interview	Lived in HR	Linkage	Date	Location
Blandford, Cameron	38 years	NNS> HRP, PAED, HRTI, HRCC	11/14/2000	Newport News
Brinley, Charles	10 years	DTA> Vice Chair HRP, PAED	12/5/2000	Newport News
Brink, Gerald	35 years	RHS> PAED, HRP, VPCC	10/11/2000	Newport News
Budd, Roy	40 years	HR Workforce> TNCC	11/13/2000	Norfolk
Carr, Edward PhD	25 years	New Horizons> PAED, VPCC	10/24/2000	Hampton
Collins, Arthur	35 years	HRPDC> HRP, Future of HR	2/8/2001	Chesapeake
Denton, Bud	17 years	VB Econ Dev> VPEDC-PAED	1/18/2001	Virginia Beach
DuVal, Barry	41 years	VA Secy C/T> HRP, PAED, Mayor	2/3/2001	Newport News
Eason, James	50 years	HRP> VPEDC-PAED, Mayor, RCP	2/14/2001	Hampton
Hornbeck, John	20 years	HRCC> Exec Cmte HREDA	2/15/2001	Norfolk
James, Matthew	14 years	PAED WF>Econ Dev/C/P, HREDA	1/8/2001	Hampton
Kaszubowski, Martin	15 years	HRTI> Venture Capital Board	10/26/2000	York County
Kelly, Herbert	80 years	Law Partner> PAED	2/9/2001	Newport News
Lombard, John PhD	3 years	ODU> HREDA	1/11/2001	Norfolk
Mastracco, Vincent	35 years	Law Partner> HRP Counsel	12/18/2000	Norfolk
Riley, Terry	13 years	HRTC> HRTI, SBDC, HRP	11/2/2000	Virginia Beach
Saunders, Tara	37 years	Chesapeake Econ Dev> HRCC	11/1/2000	Chesapeake
Sharak, Robert	4 years	HRP> HRTC, HRTI	11/15/2000	Norfolk
Townes, Michael	25 years	HRTransit> PAED, HREDA, MPO	12/4/2000	Hampton
Train, Harry Admiral	19 years	Future of Hampton Roads	11/29/2000	Norfolk
Weigel, Richard	3 years	PAED> HRTC, VPCC	1/16/2001	Hampton
Whaley, John	26 years	HRPDC	1/10/2001	Chesapeake

This group of selected interviews involved 22 regional leaders. The interviews occurred at various locations throughout the region during the months of October, 2000 to February, 2001. Most individuals were long time residents of Hampton Roads and had experienced many of the events of the 1990-2000 timeframe. The oldest leader lived in Hampton Roads for over 80 years and the youngest has been a resident for 3 years. Seven individuals were current or former CEO's of the five RCI in this study. Most of the participants enjoyed some linkage to one or more of the five RCI. For example, Mr. Charles Brinley is currently the President of Dominion Terminal Associates. He also serves as the Vice-Chairman of the Hampton Roads Partnership (HRP) and is a member of the Peninsula Alliance for Economic Development (PAED). When asked how they were involved in economic development, most interviewees cited their participation in one or more of the RCI. All of the interviewees were cooperative and appeared to be forthright during the interview.

Question #3

What do you see as the most important regional issues facing Hampton Roads? How would you prioritize these issues? (See Table #8, below.)

Note: Interviews are coded 'A through V' in Table #8, and do not correspond to the same order in Table #7.

Table # 8: Regional Leadership Issues from Selected Interviews

Interview	Issue #1	Issue #2	Issue #3	Issue #4	Issue #5
A	Pro-Bus Attitude	Govt Structure			
B	Infrastructure	Education	Workforce	Pro-Bus Attitude	Environment
C	Technology	Revenue Sharing			
D	Educ / WF	Infrastructure	Regionalism	Mil Transition	
E	Technology	Military	Port Develop	Education	Transportation
F	Regionalism	Per Capita Inc	Port Develop	Govt Structure	
G	Water	Regionalism	Transportation		
H	Govt Structure	Transportation			
I	Regionalism	Workforce	Govt Structure	Transportation	
J	Transportation	Smart Growth	Regionalism	Workforce	
K	Technology	Workforce	Environment		
L	Workforce	Transportation	Smart Growth		
M	Per Capita Inc	Technology	Govt Finance	Education	Transportation
N	Workforce	Smart Growth	Transportation	Pro-Bus Attitude	
O	Regionalism	Transportation	Information	Workforce	
P	Per Capita Inc	Workforce	Transportation	Govt Finance	Technology
Q	Workforce	Regionalism	Pro-Bus Attitude	Transportation	
R	Transportation	Workforce	Venture Capital	Water	
S	Infrastructure	Educ / WF	Revenue Sharing	Research	
T	Transportation	Regionalism	Govt Finance	Workforce	Mil Transition
U	Pro-Bus Attitude	Venture Capital			

The open coding technique used in the categorization of the media articles discussed earlier was again employed to identify the regional leadership issues. Leader issues were grouped into categories and tabulated. Many of the regional leaders identified “infrastructure”, “transportation”, and “technology” in the same concept. These three issues were addressed as related in meaning and as integral to the economic development of the region. Likewise, education and workforce were identified as issues by many of the regional leaders. During the interviews, education and workforce tended to be related in meaning and integral to the economic development of the region.

Many regional leaders also identified issues related to the governance structure of the State of Virginia. State and local government structure, state finances to the cities and counties, and opportunities for revenue sharing were related in meaning and grouped together. Also many of the regional leaders identified the need to raise the per capita income and the need to develop a more entrepreneurial pro-business attitude as issues related in meaning.

Top Five Regional Leadership Issues

The regional leadership identified the most pressing needs of Hampton Roads Region. These needs can be summarized into five board regional leadership issues that are briefly highlighted below:

1. Infrastructure Improvements

The most often mentioned regional issue from Table #8 was infrastructure improvements. Infrastructure is related to the connectedness of Hampton Roads both internally and externally. It is a broad concept that encompasses the physical development of the region to accommodate economic development. Most regional leaders felt that Hampton Roads needed to improve its access to the outside world through strengthening its port facilities, major highway routes, airport, rail, and information technology connections. To prevent what some interviewees referred to as “Hampton Roads becoming a large cul-de-sac,” there is a sense of urgency to the Regional Transportation Priority plan being funded. This \$7.4 billion package includes: widening of I-64, third crossing, high-speed rail, light rail, route 460, the mid-town tunnel, and the southeast parkway.

Solving these particular transportation items will automatically improve the internal infrastructure as well. The “cul-de-sac” reference can be turned into a “gateway” reference with the right influence at the State and Federal levels. The often-studied super-port initiative or the upgrading of current air facilities would further enhance the connectedness of Hampton Roads to national and international locations. Many interviewees also felt that leveraging technology is critical to the region’s long-term economic growth. In order to have Hampton Roads improve its national standing as a high-tech region, the physical infrastructure, particularly broadband telecommunications, was important to recruit and nurture technology companies.

2. Education and Workforce

The second most often mentioned issue from Table #8 was education and workforce. These concepts were presented together by some interviewees and presented singly by others. Some regional leaders referred to the need to develop a seamless K-12 to community college/university system to leverage our intellectual capacity. There was concern that the region was not investing enough in education to make a difference in the economic development of Hampton Roads. There is a high dropout rate in high school. There was also a concern that the region wasn't preparing students for the skill sets necessary to compete for jobs in the region.

Workforce was a regional issue that was mentioned many times in frustration. One interviewee reiterated, "The region will be what the workforce allows it to be." Many regional leaders commented on the fragmentation of the workforce initiative. With a Peninsula workforce effort and a separate southside effort, some thought that the two programs should be combined. Others indicated that it made good sense to have separate programs since the region was split geographically and the Peninsula's manufacturing and technology skill set was different than the southside's service industry skill set. Since workforce received the second most number of responses as a regional issue, this was seen as a serious concern to the selected regional leadership. The ability to resolve this issue seems to lie within the control of the regional leadership.

3. Government Structure

Government structure was the third most often mentioned regional issue. It was said during the interviews that Virginia is still operating under an 18th Century governance model that prohibits power to the cities and counties. Instead, one regional leader said, “We ought to be thinking about merging and consolidating and becoming nimble and competitive.” This comment identifies the frustration felt by many of the regional leaders that Virginia cannot be competitive unless it changes its government structure. One interviewee stated in the first sentence of the interview, “What prevents us from achieving a regional approach to economic development or anything else is the Dillon Rule. The Dillon Rule hangs over our heads.”

Many of the regional leaders felt that Virginia needs to recognize the “plight of the cities” and provide financial resources to the cities and counties. Another regional leader said, “The major problem we are facing is the failure of the General Assembly and the Governor to come to grips with the problems of the cities.” Many feel that the state takes all the tax money and provides insufficient relief to local government. Many also mentioned the need for Virginia to permit regional municipalities to agree to tax itself and therefore share in the revenue. The structure of government prevents regions from playing a role in uniting the citizens. As a group, the state’s regions, cities, and counties have been unsuccessful in mounting a challenge to the authority of the state in local matters.

4. Regional Cooperation

The issue of regional cooperation is complex. There are regional leaders from both the Peninsula and the southside that feel strongly about the prospects for regional cooperation. One interviewee stated, "We haven't been able to come up with one concise, clear compelling reason to join forces." Another key regional leader indicated that the region would consolidate the two economic alliances "over my dead body." Yet others thought Hampton Roads Region was doing well but could do better. All acknowledged that regional cooperation was a long-term process.

Several interviews revealed an under-current of fear and distrust that Peninsula businesses would be at a disadvantage by cooperating with the southside. As expressed by one interviewee, "Those are the ones that are most frequently the most upset by any joining because they think that they are going to lose business... Almost no one from the Peninsula will join anything on a regional level." Others indicated that the region continues to work towards eliminating those kinds of conflicts and doing it in a way that people can see a benefit for them. There is certainly a lot of regional history that has yet to be overcome. One stated, "We are doing fine as a region as far as attracting people and companies... Every six months there is a new issue that surfaces between two cities where the political elements don't seem to agree." The ability to resolve this issue seems to lie within the control of the regional leadership.

5. Per capita Income

As identified in Table #8, several regional leaders thought the most pressing issue that Hampton Roads faces is the need to raise the per capita income. “Not only is the per capita income dropping relative to the U.S. but it seemed to me that the leadership of Hampton Roads did not understand that we are dropping relative to most MSA’s in America,” said one interviewee. Several regional leaders mentioned the defense cuts that took place in the first half of the decade as the catalyst for the drop in per capita income. Others thought that the region’s success in preventing a second and third round of base closures prevented the region from diversifying sooner. Another stated, “If you continue the trend, an area with the reputation of being a blue-collar area, it can only get worse... Your quality of living is going to deteriorate and your infrastructure starts to deteriorate badly.”

Another facet of this issue is the belief that Hampton Roads doesn’t compete because the region lacks a pro-business attitude. One key regional leader stated, “Let me be brutally honest with you. We do not have an entrepreneurial culture in Hampton Roads.... We are low risk and low gain... There is a great reluctance on the part of the citizens to get involved and be supportive because ‘what if it fails’. This is a fear of failure.” It was stated that there was too much military-type thinking in the region, where you can only attack with three-to-one odds in your favor. Another said, “Hampton Roads is a potential, first-tier high tech region with low self-esteem. We are still thinking in terms of peanut manufacturing and call centers.”

Question #4

How has regionalism evolved over the last ten years? (See Table #9, below.)

Summarized Responses:

Table #9: Interview Responses to Question #4

There is a lot of regionalism going on right now -	3 Responses
We are making progress but not fast enough -	7 Responses
We are making slow, steady progress -	2 Responses
There's still a lot of turf protection, but we aren't going backwards -	3 Responses
The leadership is not interested -	6 Responses
No comment to this question -	1 Response

Selected Interview Comments:

"We beat ourselves up a lot nowadays. But the fact of the matter is that we are a lot better at this than we were... The direction is right."

"I am actually encouraged by the support and the strength of the region's activities on regionalism. I would like to see the progress be more brisk."

“We have made some moves forward in the 1990’s – as fast as one might expect given the structural and human nature issues... On one layer, there is a mindset of regionalism. But just below that is the reality that structural and parochial things drive people to look at things differently.”

“I think the silent majority would be pretty supportive of regionalism. But up jumps five or six influential businessmen to bad mouth regionalism and you would think the whole community thought that way.”

“There is a lot of turf protection and no one wants to let go of their identity for a broader, regional identity.”

Question #5

What are the key regional organizations that have promoted economic development in Hampton Roads? Do you feel that they have been successful? (See Table #10, below.)

Table #10: Interview Responses to Question #5

Note: A scale of five to one (5 = very successful; 4 = successful; 3 = no comment; 2 = marginal; 1= unsuccessful) was used to grade this question. Interview responses were divided into total score to get the average score for each organization.

	HRPDC	HRP	PAED	HREDA	HRTC
Interview Responses	19	21	21	20	19
Total Score	83	88	61	59	76
Average Score	4.37	4.19	2.90	2.95	4.00

Of the five regional civic organizations, the 22 interviewees felt that the HRPDC was the most successful. The HRPDC has been in place throughout the decade and most regional leaders saw this organization as very professional and apolitical. The selected regional leadership thought that the HRPDC provided an excellent service to the region. They are viewed as the planning professionals that provide the research and staffing for many of the region's initiatives.

The HRP received the second best score from the regional leadership. They saw this relatively new organization as the catalyst for the initiatives that are most critical to the region. Many felt that the major role the HRP plays is to provide the strategic vision for the region and then secure the funding for regional initiatives. In 1997, the HRP secured an annual grant from the Regional Competitiveness Program. The region's municipalities have all agreed to have the HRP manage the funding and provide the leadership to jump-start regional projects. Many interviewees saw the HRP as the owners of the Region's Strategic Plan and therefore the key RCI.

The HRTC was viewed as a badly needed technology-focused organization that has been relatively successful in a short period of time. It has been viewed as regional

and supporting the efforts of both the PAED and HREDA. The organization is viewed as aggressive about technology developments and securing venture capital to fund them. The HRTC has been instrumental in raising the region's awareness of the potential of technology-based business through numerous networking venues and the creation of the Hampton Roads Technology Incubator.

The two economic development organizations received the lowest rating from the regional leadership. Many leaders saw the PAED and HREDA as doing an excellent job to bring business to Hampton Roads. Almost as many saw the two organizations as canceling each other's efforts out because of the duplication. The two organizations were created in different ways and have different missions yet many leaders saw the growing need to combine them to have a more effective regional approach to economic development. The following selected comments are indicative of this attitude: "You could do away with the two economic development groups." "There are turf issues." "They are frustrated." "Economic development has missed the mark." This is a complex and divisive regional issue.

Question #6 and #7

Are you familiar with any of the proposals for regional economic development that these key regional organizations have promoted?

What has been the outcome of those proposals? (See Table #11, below.)

Note: Most interviewees answered this question by identifying one or more proposals. They indicated whether they thought the outcome of the proposal was a success or failure or still under development.

Table #11: Interview Responses to Questions #6 and #7

Proposals:	Outcomes:			
	Success	Ongoing	Failure	Total
(Two responses or more)				
Hampton Roads Transit	11	0	0	11
Workforce	4	1	6	11
Sports	0	1	7	8
HRTI	8	0	0	8
HRPDC	5	0	0	5
MAPS	0	4	0	4
SEPSA, PPSA, HRSD	2	0	1	3
HR Research Partnership	2	1	0	3
HRTC	2	1	0	3
Healthy Community	2	1	0	3
Smart Region Technology	0	3	0	3
Venture Capital Fund	3	0	0	3
Transportation Priority Plan	3	0	0	3

Tourism	0	3	0	3
Hampton Roads on Map	2	0	0	2
Hampton Roads Flag	2	0	0	2
Technology Council	2	0	0	2
Small Business Dev Ctr	1	1	0	2
Two ED organizations	0	0	2	2

Other proposals receiving one response:

VA Arts Festival, VASCIC, Port Authority, Center for Applied Marine Science and Technology, Hampton Roads Postal Stamp, Telephone Tolls removed, McArthur Mall, Wisconsin, Monitor, Hampton Roads Sports Commission, Regional Competitiveness Program, Convention Center, VA Symphony, EVMS Bio-Medical Research Park, Foreign Trade Zone, and Capital Investment

Of the proposals receiving more than one response above, the regional leadership clearly viewed the Hampton Roads Transit merger as a successful regional proposal. As an infrastructure issue, this proposal supports economic development. Additionally, the Hampton Roads Technology Incubator (HRTI) and the Venture Capital Fund were seen as successfully implemented technology infrastructure proposals. Several regional leaders also viewed symbolic efforts to unify Hampton Roads Region – regional flag and map – as successfully implemented proposals. Whereas, Sports in general was viewed as a failure and Workforce was seen with mixed results from the regional leadership.

Other proposals were viewed as ongoing. The Transportation Priority Plan was viewed as a successful proposal, but, in reality, this effort is still ongoing. While there is a regionally approved plan, efforts to secure funding and ultimately construction are in the future. The regional leadership also viewed tourism to be an ongoing effort. Regarding tourism, OPSAIL 2000 was a one-time successful event for the region and the Virginia Arts Festival is an annual event. Two critical proposals – Smart Region in the technology area, and MAPS in the revenue sharing area – were viewed as still ongoing. In reality, the Metropolitan Area Projects Strategies (MAPS) development and staffing has not progressed very far during the time of this study.

Other responses by the regional leadership do not meet the criteria as a regional proposal. Organizations, such as HRPDC and HRTC were viewed as successes while the two economic development organizations – PAED and HREDA – were identified as failures. However, the existence of a regional organization was not considered an outcome of economic development in this study. The same is true for the Technology Council, Small Business Development Center, SEPSA, PPSA, and HRSD. The Hampton Roads Research Partnership is an agreement that has recently been signed but has not yet produced an outcome. The Healthy Community project is more a health related effort than an economic development undertaking.

Question #8

Do you feel that the key regional organizations cooperate with each other to promote regional economic development? (See Table #12, below.)

Table #12: Interview Response to Question #8

	Strongly Agree	Agree	Somewhat	Disagree	Strongly Disagree
22 Interviews	0	3	10	6	3

Most responses indicated that the regional organizations are fragmented. Almost as many interviewees indicated that they do not cooperate as those that felt they cooperate to a limited degree.

Selected Comments:

“There have been joint marketing trips, a joint marketing brochure, an prospect protocol, quarterly updates to Richmond, etc.... There is no doubt that there is a whole lot of cooperation now... That is good, but you just can’t rush it.”

“The PAED and HREDA are competitors, but more and more recently they have begun to do things jointly. There are still some constraints on how they are funded and how their boards guide them that prevent true regional cooperation.”

“There is a façade of cooperation... There is a dialogue... But there is a lot of bad blood out there. The old leadership needs to be flushed out.”

“I think the two alliances are much too turf conscious. Each of the alliances is too influenced by a handful of persons who are expressing personal views. It’s not only on the Peninsula but it is southside as well. We have two of everything and it is just nonsense.”

Question #9

Do you feel that the Hampton Roads localities follow their own agenda rather than support a broad regional agenda? (See Table #13, below.)

Table #13: Interview Response to Question #9

22 Interviews:	17 = Yes, localities follow their own agenda.
	3 = No, there are some efforts to be regional.
	2 = No comment

The response to this interview question is not surprising. A strong 85% of the interviewees who responded to this question indicated that the local governments look out for their interests first and foremost.

Selected Comments:

“It will always be a natural tendency for cities and counties to look to their own interests.”

“There is internal bickering among our cities. The governance structure in Virginia is not conducive for cities to work together.”

“Yes, they decide what is in the best interest of their city – that’s why they were elected. Serving my city is the foremost goal and if it helps the region so be it.”

“They have supported regional agendas on numerous occasions. They did it recently with the one-stop workforce development center.”

Question #10

What factors have served to either facilitate or impede regional issues in Hampton Roads? (See Table #14, below.)

Table #14: Interview Response to Question #10

	Facilitate	Impede
22 Interviews:	Water (4)	Government Structure (11)
	Technology (2)	Regional History (7)
	Personal	Dillon Rule (5)
	Relationships (2)	Leadership (3)
		Water (3)
		Local Politics (2)
		Geography
		Revenue Sharing
		Transportation

Respondents to this question saw more factors that impede regionalism rather than facilitate regionalism. The clear choice to impede regionalism is the structure of government both state and local. Interestingly water was seen to both impede and facilitate regionalism depending on the viewpoint. The waterway does create distance but it also contributes to the quality of life of the region. Regional history was the second most mentioned impediment. History is an emotional issue and memories go back a long way to cite examples of non-regional cooperation.

Selected Comments:

“Structure – Structure – Structure impedes us! The Virginia system is making us less competitive that we need to be because of the structure issue.”

“History is our biggest impediment. We have a lot of baggage of the past.”

“I think the biggest thing that impedes is local politics. I think the business community is ready to do things on a regional basis.”

“The water divides us. That is the reason we have different agencies on each side of the water. The water represents space. If the space would disappear, you would have much greater contact.”

“The water contributes to the economy here and to the quality of life.”

“There is a hidden network that is essential to making thing happen. What happens on any of these regional relationships is that ‘peers give to peers’. These strategic leaders have influence and can move things with their support.”

“Leadership impedes us. Leadership in Hampton Roads could be a lot better.”

Regional Inventory

The regional inventory (Table #15, below) is the direct output from the data analysis of Chapter IV. The regional inventory represents the triangulation of data from the organizational documents, media articles and interview comments. This inventory identifies the regional proposals that have been sponsored by the regional organizations over the last decade. To ease in proposal identification, the regional inventory groups similar proposals into categories: transportation, defense, professional sports, workforce/ education, legislation, technology, infrastructure, and tourism. Each proposal is identified along with the primary sponsor(s) – HRPDC, HRP, PAED, HREDA, and HRTC – to establish a linkage between and among the RCI. Each proposal also identifies the potential impact of the initiative, the expected outcome and any relevant comments.

The proposal outcomes are coded to reflect the following status:

- A. **Approved proposal / implemented proposal**
- B. **Approved proposal / not implemented**
- C. **Approved proposal / implementation in process**
- D. **Proposal in draft / ongoing effort**
- E. **Proposal disapproved**

Outcome Code:

- A = approved / implemented
- B = approved / not implemented
- C = approved / in process
- D = ongoing
- E = disapproved

HAMPTON ROADS REGIONAL INVENTORY

1990 - 2000
Economic Development
Table #15

Proposal	Linkage	Impact	Outcome	Comment
Transportation				
Superport	HRPDC, HRP	Regional Airport	D	Still being studied - 91, 92, 95, 98
M&M Tunnel	HRPDC	2nd Crossing	A	Vital link opened - 92
High Speed Rail	HRPDC, HRP	Open corridor to NYC	D	On-going issue since 97 (cul-de-sac issue)
HRT Merger	HRPDC, HRP + Localities	Regional Organization	A	Talks started in 92; merger in 99
Trans Priority Plan	HRPDC, HRP, HRTC, &	Regional Package	C	Plan appd '99; needs Federal & State funding
I-64 Improvements	HREDA, PAED			Widen corridor to Richmond
SE Parkway				on again/off again issue between Ches/VB
Light Rail				Peninsula a go; issue between Norfolk/VB
Third Crossing				Studies - 93; 97, 00 - \$5.9M
Route 460				Issue: Will it by-pass Peninsula?
Mid-town Tunnel				Need 2nd tunnel for Norfolk traffic
Gas Tax & Tolls	HRPDC, HRP, HRTC	Transportation Funding	E/D	On-going discussion - 90, 91, 92, 99, 00
Defense				
BRAC Cooperation	HRPDC	Regional Cooperation	A	Lost Repair Facility - 93; saved Oceana - 95
NASA Cuts	HRP, HRPDC, PAED	Regional Cooperation	A	Cuts Taken - 95; Saved Funding - 99
Professional Sports				
NASCAR Raceway	Future of HR, HRPDC	Regional Identity	B	Move from Richmond fell through - 91
Sports Arena	HRPDC, HRP	Regional Identity	E	Talks begin - 96; on-going - 97; failed - 98
NHL Rhinos	HRP, HRPDC	Regional Identity	B	Proposal to get franchise - 96; failed - 97
MLB Team	HRP, HRPDC	Regional Identity	D	Positioning for Expos; ongoing in 00
Workforce/Education				
Workforce Development	HRP, PAED	Regional WF Approach	D	WF Survey 99-00; Efforts to merge under review

Outcome Code:
A = approved / implemented
B = approved / not implemented
C = approved / in process
D = ongoing
E = disapproved

HAMPTON ROADS REGIONAL INVENTORY

1990 - 2000
 Economic Development
 Table #15

Proposal	Linkage	Impact	Outcome	Comment
Legislation				
Dillon Rule	HRPDC, HRP	Regional Cooperation	E	Challenged - 90, 98; Urban Partnership - 94
Reg Competitive Act	Urban Partnership, HRPDC	Regional Cooperation	A	Passed - 96; Funding to HRP annually
	HRP, PAED, HREDA, HRTC			
Regional Amendment	HRP, HRPDC	Regional Cooperation	E	Defeated - 00
Technology				
Sevanet	HRPDC	Regional e-commerce	A	Created to link technology & business - 94
HRTI	HRP, HRTC, PAED, & HREDA	Regional High Technology	A	High-tech incubator - 97; 16 clients - 00
Smart Region	HRP, HRTC	Regional e-government	D	Web-enabler for government transaction
Venture Capital	HRP, HRTC	Regional High Technology	A	Envest Holdings - \$30 M; first client OOP.com
Infrastructure				
Phone Tolls	HRPDC	Regionalism	A	Tolls removed - 94, link Peninsula & Southside
Area Code	HRPDC	Regionalism	A	757 Area Code - 95; link HR Region
Regional Identity	HRPDC, HRP, HREDA, PAED, HRTC	Regionalism	A	HR name OK - 95; Rte signage, License Plate Postal stamp, Regional Flag created - 99 - 00 Joint Marketing Brochure, Regional Video
Tourism				
VA Arts Festival	HREDA, PAED, HRP	Regional Identity	A	Largest cultural event in VA; \$5.8 M in 99
OPSAIL 2000	HREDA, PAED, HRP	Regional Identity	A	Multi-city involvement; \$58 M visitor spending

Study Findings

The findings of this study are generated through the triangulation of data from the organizational documents, media articles, and interview comments. The Regional Timeline (Table #6) identified issues addressed during the evolution of each of the regional organizations. The Regional Inventory (Table #15) established the regional scorecard of multi-organizational proposals and their outcomes. An analysis of this data maps directly to the research questions and subsequently develops the study findings that follow.

Research Question # 1: What proposals have regional economic development organizations promoted to address regional economic issues in Hampton Roads?

Research Question #2: What are the outcomes of these proposals?

Study Finding #1: Less than one-half of the regional proposals were implemented by these organizations from 1990 to 2000.

The analysis of data indicates that no more than eight jointly-supported regional proposals have been implemented in the last decade. Considering all the documents, media articles, and leadership input reviewed for this study, eight regional proposals is less than one-half of the total regional proposals considered for implementation. To be

included in this list, the proposal must have been supported by two or more regional organizations and its outcome must have been implemented with a tangible result. Merely approving a plan or establishing an organization did not meet the criteria. Five additional items from the regional inventory have been dropped from consideration in this finding because they occurred in the early years of the decade and only the HRPDC was available to support the initiative. These items include the Monitor & Merrimac Tunnel, the BRAC cooperation, Sevanet, Phone Tolls, and Area Code.

The eight items remaining on the list as implemented regional proposals and therefore candidates for this finding include: the Hampton Roads Transit Merger, NASA Budget Cuts, Regional Competitiveness Program, Hampton Roads Technology Incubator, Venture Capital Fund, Regional Identity, Waterfront Festival, and OPSAIL 2000. This list includes transportation, defense, technology, and tourism proposals. Noticeable for its absence from this list are any sports or workforce initiatives.

While the list appears to be small when considered against all the regional issues, the successful implementation of these eight proposals has, in its own way, impacted the pace of economic development of the region. Unfortunately, there are numerous proposals that have not been implemented and failure to enact these initiatives has, likewise in its own way, impacted the economic development of the region. Many of these are critical transportation infrastructure issues.

To investigate Finding #1, each of the implemented proposals are briefly summarized and then analyzed against the conditions that supported implementation. The same analysis is then conducted on the proposals that have not been implemented. Conditions for implementation are examined in the context of regional factors as

discussed in Chapter III, and Appendix J: economic, political, cultural, government, historical, and geographical. The interaction of the regional organizations may or may not have played a critical role in the proposal. To aid in this analysis, the regional organization network is compared to the six network models (Hub-spoke, Peer-to-peer, Intermediary, Scattershot, Honeycomb, and Hierarchical) as discussed in Chapter II.

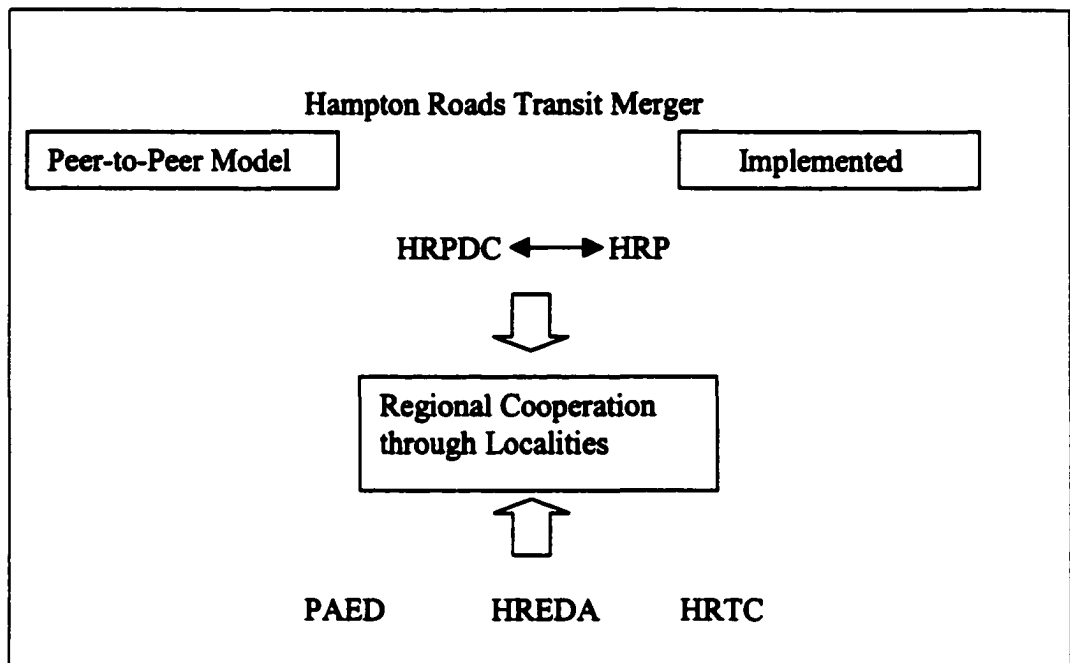
Implemented Proposals

1: Hampton Roads Transit -The merger of the Tidewater Regional Transit (TRT) and the Peninsula Transit (Pentran) is one of the few examples of a successful implementation of a regional proposal. In the making since talks began in 1992, HRT was created on October 1, 1999, by merging the twenty-five year old TRT with the twenty-six year old Pentran. The current budget is \$50 million and the Executive Director is Michael Townes, one of the individuals interviewed for this study. Both the HRPDC and the HRP were instrumental in supporting the merger. In a show of regional cooperation, seven communities approved the deal: Newport News, Hampton, Chesapeake, Virginia Beach, Norfolk, Suffolk, and Portsmouth. HRT was mentioned during the interview process as a successful regional proposal more times (11) than any other initiative.

From the viewpoint of the HRPDC and the HRP, this was a perfect case whereby two sub-regional transportation organizations could be combined to regionalize the flow of public transportation in Hampton Roads Region. Furthermore, the synergy of combining the assets of Pentran and TRT could have a positive effect for the region. The

conditions were favorable that this merger would demonstrate a positive step for regionalism by geographically integrating Hampton Roads and would promote economic development by integrating and facilitating regional travel. In fact, this merger was hailed as the first voluntary merger of transit organizations in the United States. Mayor Joe Frank from Newport News and Mayor Myra Oberndorf from Virginia Beach, who both campaigned on regional and urban issues, combined with Jimmy Eason of the HRP and Arthur Collins of the HRPDC to champion this initiative. Legislation was passed to create the Regional Competitiveness Program and this provided some funding to push the effort along. Some leaders viewed this as an opportunity to facilitate rail transit and the proposal developed momentum and importance. There were turf issues and technical issues but in the end, the vote was “yes” to merge. While this new organization has experienced some recent adjustments to its operations and price structure, HRT continues to provide a low-cost service to the citizens of Hampton Roads. The HRT remains a model for other sub-regional mergers.

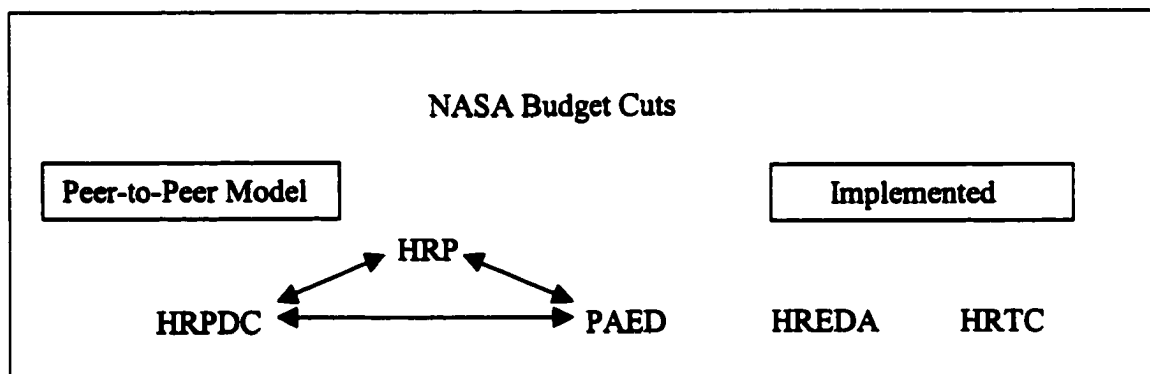
To implement the HRT proposal, the regional organizations functioned in a modified ‘peer-to-peer’ manner, with the economic development organizations working through the vote of their localities to support the proposal. Only the HRPDC with its regional transportation focus and the HRP with its focus on regional cooperation and mergers were directly engaged in the process of influencing the localities to approve and implement the proposal. Both the PAED and HREDA would, in principle, support this effort because their localities, and thus their board members, voted in favor of the merger. Unfortunately, this study collected no data to support their direct involvement.



2: NASA Budget Cuts - Both the HRP and the PAED lobbied hard to preserve funding for the NASA facility at Langley in 1999. The HRPDC and the region's congressional representatives also aided the effort. A first round of NASA budget cuts occurred in 1995, causing a ripple through the region's economy. However, four years later the second congressional attempt to reduce NASA Langley Research Center's budget by almost seventy-five percent failed to materialize and the region was spared the impact. In 1999-2000, a year old community task force spent more than \$1 million of mostly public money to lobby for more aeronautics research funding.

The conditions under which this proposal was implemented are both economic and political. This effort can be traced back to Hampton Road's successful BRAC defense earlier in the decade. The experience gained by the HRPDC in successfully defending Oceana Naval Air Station from closure in 1995 provided a lesson learned on

how to defend the region from the Federal Government's budgetary reductions. Now with the formation of the HRP, the region had a new champion to promote the cause. In 1999, the HRP was joined by the PAED, which saw a direct threat to Peninsula economic development. These three organizations – HRPDC, HRP, and PAED – operated in a peer-to-peer fashion to use their influence to negate the threat of NASA funding reductions. Acting from a pure economic standpoint and using political pressure, the regional network partially mobilized and successfully defended the region from this initiative. Here the majority of the regional network saw a common need to cooperate on an equal basis to negate an economic impact.

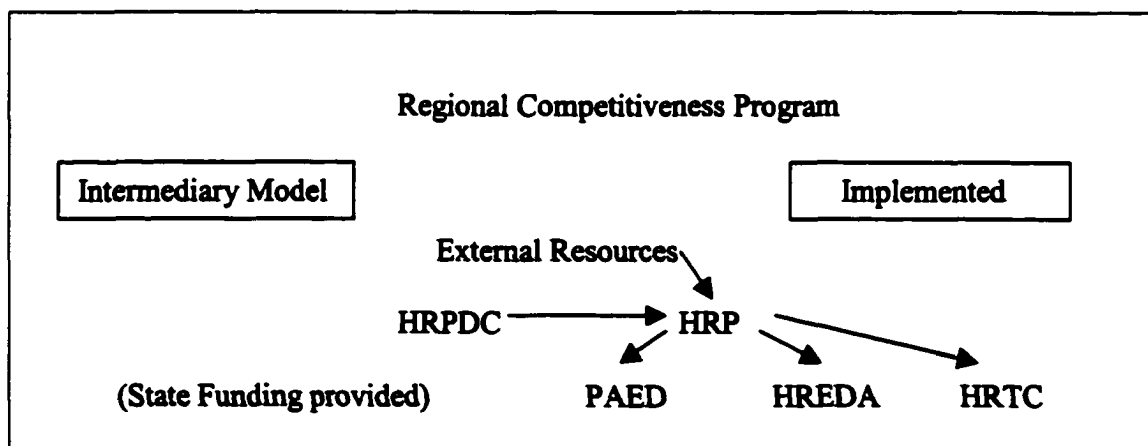


3: Regional Competitiveness Program – This program is Virginia's answer to the plight of the cities. Under the strong recommendation of the Urban Partnership, Virginia approved the Regional Competitiveness Act in 1996, creating a funding mechanism for regional initiatives. Many groups in Hampton Roads supported this initiative, including the HRPDC. Hampton's Mayor Jimmy Eason, one of the individuals interviewed for this study, was co-chair of the Urban Partnership. The newly created HRP was one of the

early recipients of annual funding for Hampton Roads Regional initiatives. Annually, the Hampton Roads Region received approximately \$2.3 million in state funds. The RCP is a key regional proposal with a successful outcome. Without the seed money from the RCP, numerous regional initiatives would languish due to lack of funding. Funding for 2000 supported fourteen different regional initiatives as was discussed earlier in this chapter.

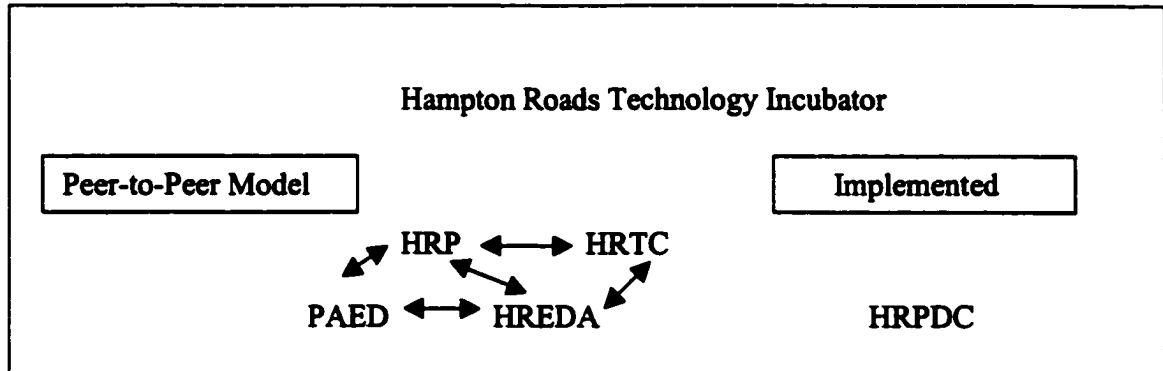
This proposal provided the key legislation that identifies the state's commitment to support regionalism. The conditions under which this proposal was implemented are both legislative and economic. In a legislative sense, the RCP signaled the success of a campaign by the localities of Virginia to put pressure on the state government.

Economically, the RCP would help fund infrastructure needs of the region. The Hampton Roads Region economic development organizations – PAED, HREDA, and HRTC - quickly took advantage of the state's generosity and, through the HRP, began to receive funding for some of their programs. The HRP remains the focal point for the RCP and uses its position to ensure that the region's strategic plan is followed. Only programs supporting the plan are funded. This proposal employs the intermediary model.



4: Hampton Roads Technology Incubator (HRTI) – This high-tech regional proposal has been successfully implemented. Created in 1998, and sponsored by the HRP and HRTC, the HRTI has recently expanded from its Peninsula location near the NASA Research Center to the southside. HRTI is now located in the Interstate Corporate Center in Norfolk. Both Virginia Beach and Norfolk teamed up to make this move possible – a first-ever joint economic development effort by these two cities. HRTI’s Director, Marty Kaszubowski, one of the individuals interviewed for this study, indicates that his organization now has sixteen client high-tech companies on the Peninsula and a recently announced start-up client company on the southside. HRTI was mentioned as a successful regional proposal on eight responses from interviewees.

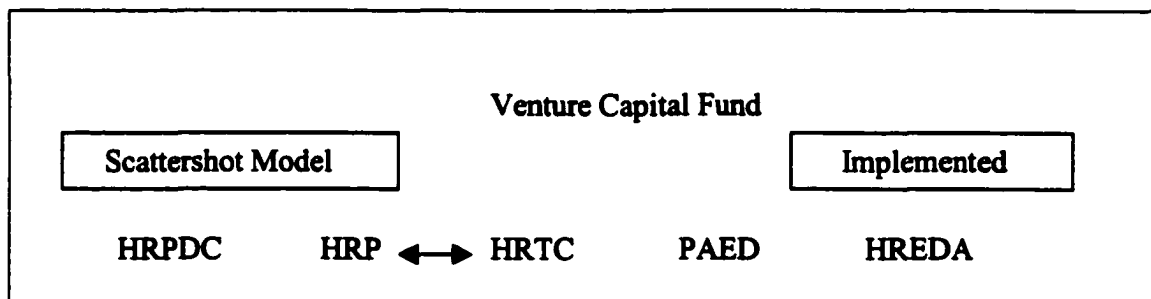
The conditions that made this implementation possible belong to the regional network that recognized the immediate need to grow technology enterprises from within while continuing to pursue the recruitment of outside firms. The success of HRTI on the Peninsula was immediately acknowledged and the model was replicated on the southside. This proposal is an example of peers helping peers to achieve a regional economic goal in accordance with the HRP strategic plan (Technology Related Economic Development: to create a culture supportive of technology entrepreneurs by developing a network of incubators throughout Hampton Roads). Both the PAED and the HREDA are supportive of the proposal as it furthers their objectives to increase economic development and improve the average per capita income base.



5: Venture Capital Fund – One of the key elements of creating an environment for technology related development is a venture capital fund. Without adequate funding to assist start-up technology enterprises, Hampton Roads Region will cease to be a home to those young, entrepreneurial technology companies. A venture capital fund is a critical goal in both the HRTC and HRP strategic plans. In 2000, Envest Holding, LLC, a local venture capital firm moved into the region with a \$30 million fund available for start-up business opportunities. Envest has now invested \$1.75 million in OOP.com a Chesapeake company that provides Internet solutions. A venture capital fund was cited by three interviewees as a successfully implemented regional proposal.

Both Jimmy Eason of the HRP and Terry Riley of the HRTC view a venture capital fund as an essential ingredient for the region's conversion to a high-technology entrepreneur. The conditions that made this goal feasible are economic. This effort is the result of a successful promotion of the region by the HRTC and the establishment of a Research Consortium by the HRP. Both organizations worked diligently to convince investors that there was a good potential return for their investment. This potential was

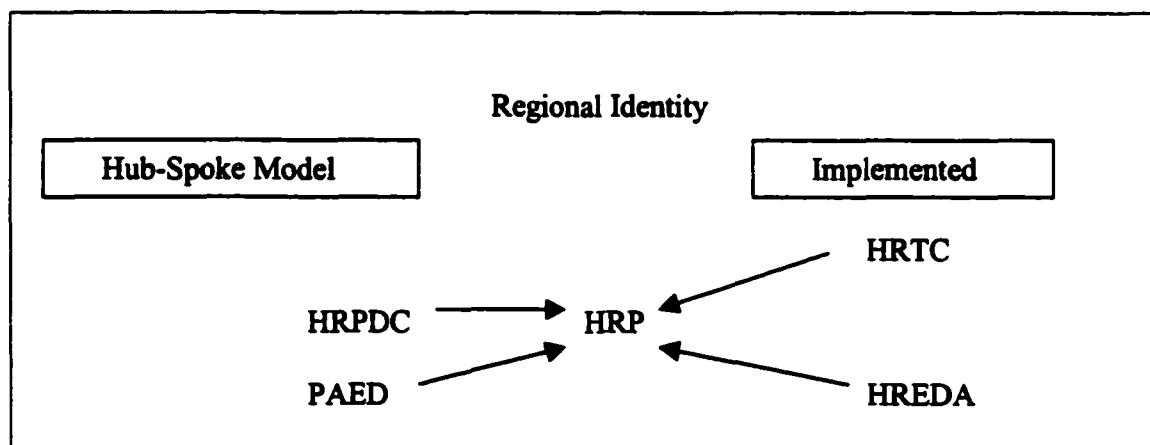
reinforced by the presence of the region's scientific and academic research capability. In this proposal, the network operated in a scattershot fashion with the onus on Mr. Eason and Mr. Riley to make it happen. Their efforts were rewarded when Envest Holding pledged support to the region.



6: Regional Identity – Numerous proposals to enhance Hampton Roads Region's identity have been successfully implemented in 1998, 1999 and 2000. These proposals have generally been supported by all regional organizations. Successful proposals have been the Hampton Roads Region name, route signage, license plates, postal stamp, regional flag, regional video, and joint marketing brochure. These successful outcomes improve the region's self-image and serve to establish a regional identity for the residents. These efforts also provide customer recognition to Hampton Roads.

The condition that made this proposal successful is geographical. These proposals are largely common sense and symbolic of the move towards regionalism. It would be a challenge for the region to show a direct relationship to economic development for any one of these. Nevertheless they represent a regional network consensus that good things will happen if the localities will acknowledge the presence of

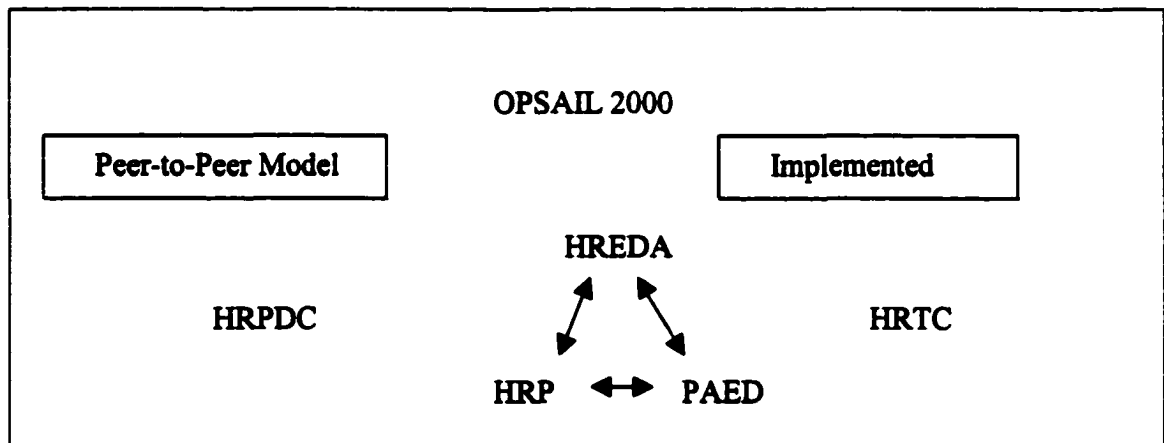
a regional entity if only in name. It would be hard to say that any of the regional organizations were against this proposal with generally the HRP acting as the focal point for the initiative. The regional flag, for example, resulted from a contest in the public schools to get the young children to think in terms of the region. The joint marketing brochure was a welcomed addition to the salesman's tool kit and was supported by the HRTC, PAED and HREDA.



7: OPSAIL 2000 – This first-of-a-kind regional tourism proposal provided international recognition for Hampton Roads Region. OPSAIL was a multi-city effort to host the world's tall ships. This regional proposal was supported by both the HREDA and PAED. This five day event generated over \$58 million in visitor spending. The tall ships and more than thirty-five related events in Norfolk, Portsmouth, Virginia Beach, Hampton, Chesapeake, and Newport News brought in 481,000 out-of-region tourists and over 1,100,000 local residents from June 16-20, 2000. The crews of the tall ships put

about \$5.3 million back into the region with purchases of fuel, supplies, food and other goods. This international event was a huge success (Daily Press article, 08/02/00).

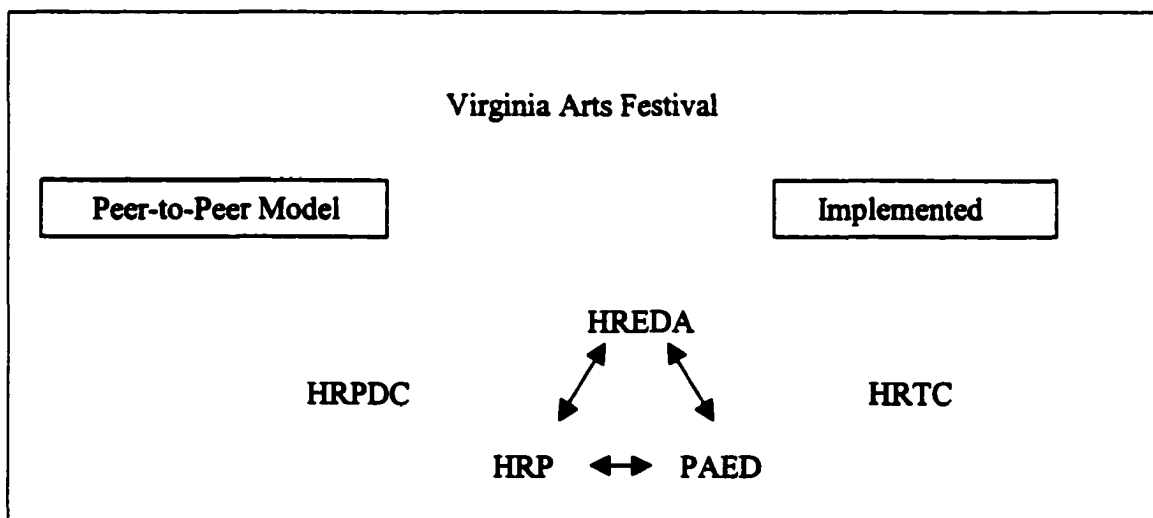
The condition under which this proposal was implemented is economic and includes both the PAED and the HREDA performing in accordance with their missions to promote and increase the economic development of the region. Since this international event benefited the local economies of both sides of the region, it is understandable that both key economic development organizations would agree to put their support behind the proposal. The HRP provided some funding for the event. These three organizations acted very much in a peer-to-peer manner to support this proposal.



8: The Virginia Arts Festival – Formerly, the Virginia Waterfront International Arts Festival, this venue has become widely recognized and in five short years has become the largest cultural event in Virginia. Though the idea for the festival came out of Norfolk’s economic development efforts, this month long spring event has grown into a successful regional event. Both the HREDA and PAED support the effort, which has

generated \$5.8 million in local spending in 1999. Festival events are located in Norfolk, Newport News, Hampton, Portsmouth, Virginia Beach, Williamsburg, Gloucester, and Chesapeake.

The condition of implementation of this proposal is economic. Again the two major economic development organizations, the PAED and the HREDA would understandably be major supporters of this effort. Their support translates primarily into increased promotion of this event while conducting marketing operations in other locations. Again, the HRP provides funding and together the regional economic development network operates in a peer-to-peer fashion to implement this proposal.



These eight implemented proposals represent the successful networking efforts of the regional economic development organizations over the last decade. They show a regional network that operated in a variety of models: Peer-to-peer (4), Intermediary (2),

Scattershot and Hub-spoke. All but the Regional Identity proposal were primarily generated for economic conditions.

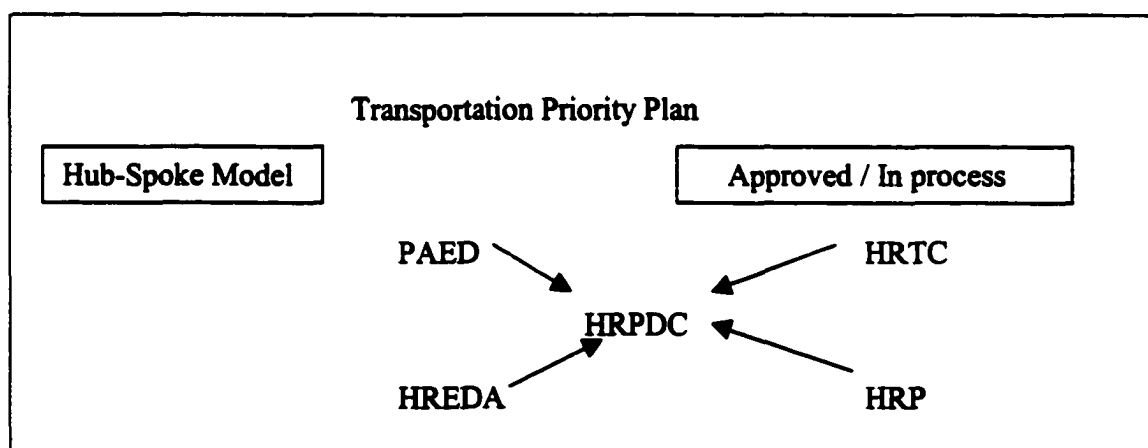
Proposals Not Implemented

What didn't make this list from the Regional Inventory are also projects that are of critical importance to the region. An analysis of the conditions and factors concerning the failed, delayed, or working proposal list provides additional insight into the inner workings of the network.

9: Transportation Priority Plan – The six transportation projects listed under the Transportation Priority Plan have a critical impact on the economic development of the region but these projects have a long maturation process. They include: I-64 improvements, a South East Parkway, Light Rail, a Third Crossing, Route 460, and an improved Mid-Town Tunnel. The region, in a sign of strong regional cooperation, approved the plan and now must lobby for funding at the Federal, State, and local level. Funding at the local level could be in the form of a regional sales, gas, or toll tax. This transportation proposal is the #1 regional issue and, while the region has an approved transportation plan, it is a long way from being funded and implemented. To give a perspective on transportation projects, the Monitor and Merrimac Tunnel that opened in 1992 took almost twenty years to complete from start to finish.

The conditions under which this proposal originated involve legislative, historical, geographic and economic factors. In a legislative sense, the plan must first be approved by the localities of the region; then it must be successfully lobbied for funding at the State

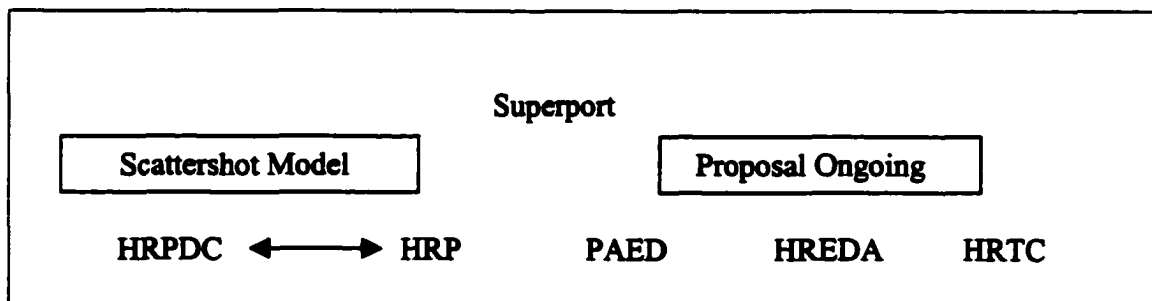
and Federal levels. This is a structure of government issue and the resolution will be a long and protracted effort similar to the development of the Monitor and Merrimac Tunnel. Most importantly, the Transportation Priority Plan provides geographical closure to the region (it offers something for almost everyone) and, in a first-ever historical sense, the whole region voted to endorse the plan. From an economic perspective, the plan has the potential to overcome transportation gridlock in the future. With the HRPDC acting as the focal point, the regional network joined forces to support this effort similar to the hub-spoke network model.



10: Superport – The regional airport, called ‘Superport’, has been one of the most studied projects addressed by Hampton Roads. Studies have been commissioned in 1991, 1992, 1995, and 1998, to determine whether the current regional airports – Norfolk or Newport News/Williamsburg – will be able to accommodate the prospects for air travel through 2035. The Eastern Virginia Airport System Study is the result of about ten years of work and it concluded that the future of air travel in Hampton Roads Region lies in a yet-to-be-built regional airport in open rural land. The study’s best scenario suggests that

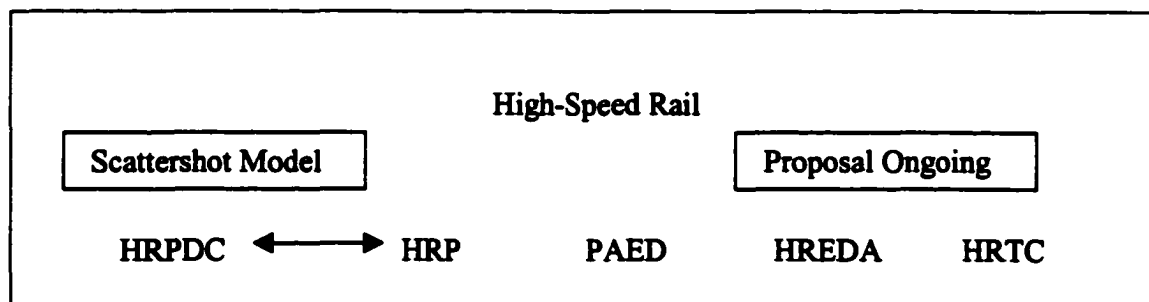
Richmond International Airport remain open for service and that a large regional airport south of the James River be built for an estimated \$1.4 billion. Construction wouldn't start until 2020, with completion estimated for 2025, if it is built at all. The prime location would possibly be on a five square mile site in Isle of Wight County.

As can be imagined, the localities supporting the current two regional airports are not very supportive of the study. Both airports operate at less than full capacity and both have plans to add runways and increase service to the localities. The HRP and HRPDC have been involved in funding the EVASS study and have been instrumental in pushing for a plan to make Hampton Roads an air travel hub in the next decade. The conditions under which this proposal developed, and is still ongoing, demonstrate the necessity of the regional organizations to plan for the future. Since so many regional projects require long lead-time for approval, funding, and construction, there is a strong need for forward thinking. Both the HRPDC, with its ownership of the regional transportation planning mission, and the HRP, with its ownership of the regional strategic plan, have the obligation to push this issue, painful as it might be for the localities. At this point in the process, the condition supporting this project is economic development and the condition opposing this project is geographical. The scattershot model portrays the networking of the regional organizations.



11: High Speed Rail – Viability of high-speed rail becomes increasingly important as the interstate highways and airways become more and more congested. Current plans to bring high-speed rail southward from the northeast corridor are gaining momentum. As it now stands, it seems certain that a high-speed rail corridor will be built south to Richmond, Virginia, along Interstate 95, and probably onward into North Carolina to Raleigh or Charlotte. Another scenario calls for the rail line to connect to Williamsburg in time for the 400th Anniversary in 2007. Southside supporters hope that the rail connection will travel over the Third Crossing into Norfolk and then turn southward. Mr. Brad Face, who heads the Hampton Roads High Speed Rail Coalition indicates that his group of a few business leaders haven't been able to get the region's politicians to rally behind the project. Not only is this project lacking a groundswell of public support, but there isn't any funding in place to pursue the idea either.

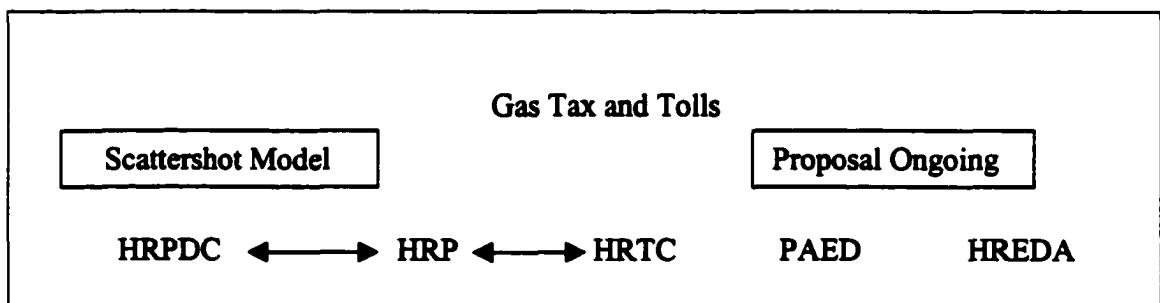
The conditions under which this project is ongoing are both political and economic. From the economic standpoint, high-speed rail promises easy access to markets resulting in new businesses and new jobs. The HRPDC and the HRP are championing the effort to bring attention to the state government that Virginia can not afford to leave Hampton Roads in a cul-de-sac position, cutoff from the northeast-southeast trade corridor. Unfortunately, this project still has the looks of a scattershot regional organization effort. Until the area politicians join forces to promote this in a unified regional approach, similar to the NASA Budget Cuts defense, this effort will run out of time and money.



12: Gas Tax and Tolls – One of the region’s on-again, off-again efforts is the proposal to implement a regional gas tax or toll on transportation. Over the years, it has been suggested and rejected time and time again. Still the initiative persists as regional leaders look towards a way to relieve transportation gridlock in the future. In a poll funded by the HRP and conducted in December 1999, by the DCM Group, a Northern Virginia research firm, over sixty-five percent of the Hampton Roads residents were willing to support a local tax that would be dedicated to helping fix transportation woes. The DCM Group pointed out that it wasn’t a lack of planning that put Northern Virginia into transportation gridlock; it was a lack of doing. The Transportation Priority Plan proposal discussed earlier carries with it an estimated price tag of \$7.4 billion, at a time when the region has been falling behind on highway spending to the tune of about \$400 million a year. Efforts at the Federal, State, and local level will be required to generate the funding necessary to improve the region’s transportation shortage.

The conditions under which this proposal was developed primarily depend upon ensuring the long-term economic development of the region. With transportation gridlock will come economic stagnation. Two regional organizations – HRP and HRPDC – have been very involved in promoting the idea and carrying the message to the

General Assembly. They have been joined by the HRTC that sees technology initiatives suffering from a lack of regional infrastructure improvements. Unfortunately, the structure of government has been slow to respond to the crisis. Again, the inability of the local governments to impose a tax without the approval of the General Assembly has defeated this initiative in the past. At present, without a groundswell of political support in favor of a regional tax, there is little more that can be done to move this forward. Once the political factors are overcome and the taxing process can be implemented, then the residents should fall in line. Although three of the five regional organizations have been supportive of this proposal, earlier efforts have been disapproved. For this reason, this proposal follows the scattershot model.



13, 14, 15: Sports – Another regional initiative that has received significant interest over the years but failed to materialize is sports proposals. Several are identified in the Regional Inventory: NASCAR Raceway, Sports Arena, National Hockey League Rhinos, and Major League Baseball. All of these proposals share a common theme – they were all controversial. In any sports initiative, there seems to be two opposite positions. One side views sports as an economic engine that will generate new jobs and a

tax base. The other side considers sports as an economic drain that will end up costing the taxpayer more than it brings in revenue. In the case of the NASCAR Raceway, a significant effort was expended in 1991 by the HRPDC and the Future of Hampton Roads to conduct a market analysis and engineer a site in Suffolk for the potential relocation of the Richmond NASCAR Raceway. At the last minute, after all regional roadblocks were removed from preventing this initiative from occurring to include state funding authorization, the raceway owner changed his mind, remained in Richmond and the deal fell through. No doubt with the high state of NASCAR racing enthusiasm in this area, this initiative could have been successful.

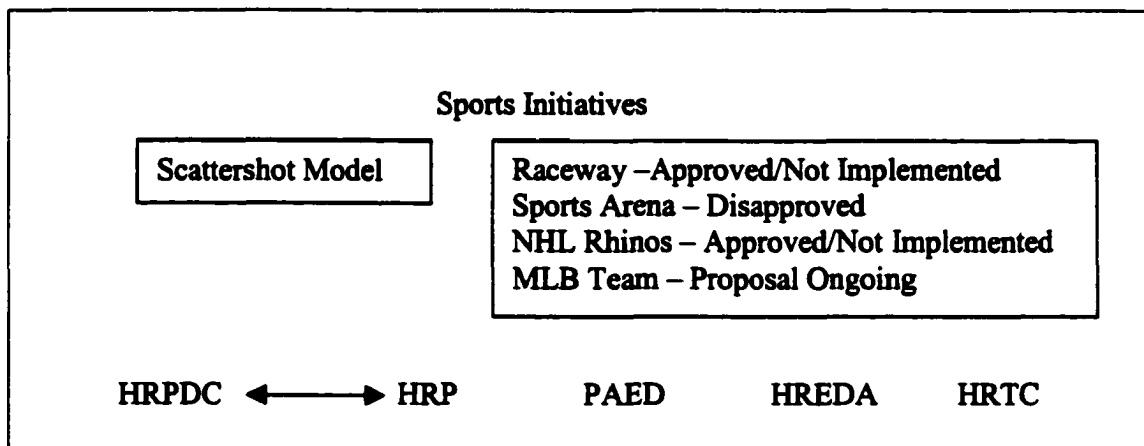
Secondly, several regional organizations thought that the construction of a sports arena in either Virginia Beach or Norfolk would possibly open the way for the location of a professional sports team. This initiative was championed in 1996 - 1998 by the HRPDC, the HRP, and the Sports Council of Hampton Roads, which is an organization of the Chamber of Commerce. Several proposals were developed. Unfortunately, despite some regional support, neither Virginia Beach nor Norfolk could decide the location of this venue without the support of the other and this proposal ended in failure in 1998. This initiative remains a glaring example of the 'who pays, and who benefits' rule in regional cooperation with neither city willing to support an economic advantage to the other.

In its bid for a National Hockey Team, Hampton Roads Region made a short-lived bid to win an NHL franchise and create a team called the 'Rhinos'. The bid was championed by the HRPDC and the HRP and generally supported by the localities. A formal proposal was quickly developed, voted upon and delivered to the NHL in 1997.

Unfortunately, it so happened that the Rhinos and the sports arena were concurrent initiatives and the opposition of Virginia Beach towards the location of the sports arena in Norfolk was so noted. To the NHL, this may have signaled lukewarm regional support. The Rhinos did not make the cut and the NHL moved onto other regions.

After numerous attempts to create a sports venue for the region, the regional leadership is still talking and positioning the region for a major sports franchise. This time it is baseball, which is experiencing major challenges keeping teams in small markets. The HRP has the lead and they have kept open a dialogue with Major League Baseball, with particular attention to the Montreal Expos. To date, nothing on a regional basis has been implemented. At present, on a sub-regional level, Newport News is reviewing a proposal to purchase a Baseball Class A team and house them in a to-be-built stadium on the Peninsula.

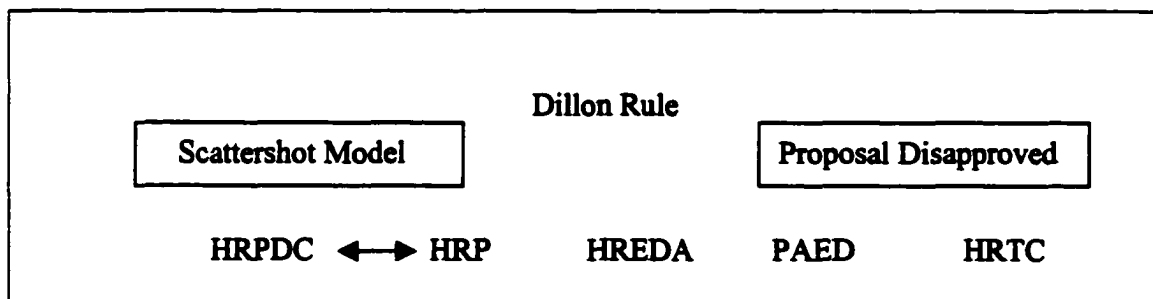
The conditions that made the sports initiatives tempting were the possibility of economic development, at least from the standpoint of spin-off business. The conditions that counteracted these proposals were geographical and historical jealousy between and among the localities. Location of the sports team and sports venue was a major issue. No solid support could be determined from the region, despite the active leadership of the HRPDC and the HRP – a fact that did not go unnoticed by the major league corporate offices. As for the active support of the HRTC, PAED, and HREDA, there is no evidence that they were instrumental in the efforts. The regional sports initiative continues today and Jimmy Eason, President of the HRP, is the predominant champion of the initiative.



16: Dillon Rule (Home Rule) – One interviewee commented, “What prevents us from achieving a regional approach to economic development or anything else is the Dillon Rule. The Dillon Rule hangs over our heads.” The Dillon Rule received the third most interview comments regarding factors that impede the Hampton Roads Region. Virginia’s long-standing tradition of separating cities from counties and its policy to prevent city annexation of adjacent counties has landlocked many of the older cities. In this manner the state severely limits local government’s sources of income. Many cities are at an impasse in revenue growth while the cost of doing business continues to increase. The Dillon Rule prevents localities and regions from assuming powers except those expressly provided to them from the General Assembly. Localities cannot tax or consolidate unless approval is granted from the state. In this manner, the state has kept tight control over activities at the regional or local level. No power can be given to Hampton Roads Region except through the state government. Therefore regional

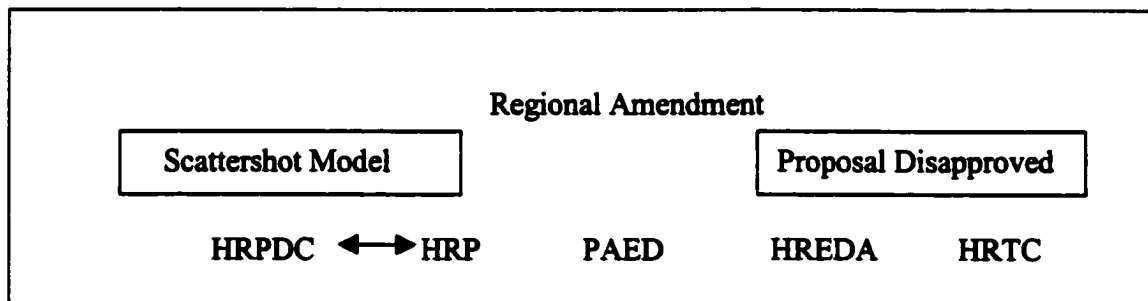
consensus is difficult to achieve without state support and, so far, the state of Virginia has been unwilling to endorse regional approaches.

This position has been challenged statewide in the early 1990's by the Urban Partnership and supported by the HRPDC and an earlier regional organization, Forward Hampton Roads. Despite the desperate plight of the cities, these efforts failed to convince the state to overturn the Dillon Rule and yield power. The challenge was renewed in 1998 by the HRP; again to no avail. The Dillon Rule continues to make coordination and cooperation difficult for the localities and it prevents the region from taking a true leadership role in economic development. The conditions creating this proposal are economic while the conditions preventing its endorsement are political. Two regional organizations, the HRP and the HRPDC, have consistently spoken in favor of taking regional approaches to the critical issues facing Hampton Roads – transportation, economic development, environment, workforce, technology and taxes. Unfortunately, efforts spent to reverse the Dillon Rule mentality have not been successful. The other three regional organizations – HREDA, PAED, and HRTC – have been largely ruled by local interests and have not been as vocal in their support. This has created a scattershot approach.



17: **Regional Amendment – As a corollary to the Dillon Rule (Home Rule) challenge, the proposal to adopt a regional amendment was also a failure. Each year, local governments ask the General Assembly for new powers that would make their jobs easier. They want more control over economic development; they want more sources of revenue; and they want assistance in working together on regional projects. When the idea was proposed as a constitutional amendment in 1998, the opponents of more government campaigned against it and won, largely on fear and emotion. Furthermore these amendments did not have the support of the Governor and the power of his office effectively killed any local support. In 2000, proponents of regionalism asked the legislature to pass a state law to give localities the power to hold a regional referendum to impose a local income tax to raise money for road projects, and the right to create regional authorities to work on economic development projects. These bills passed both the House and the Senate but again met a sudden death on the Governor’s desk.**

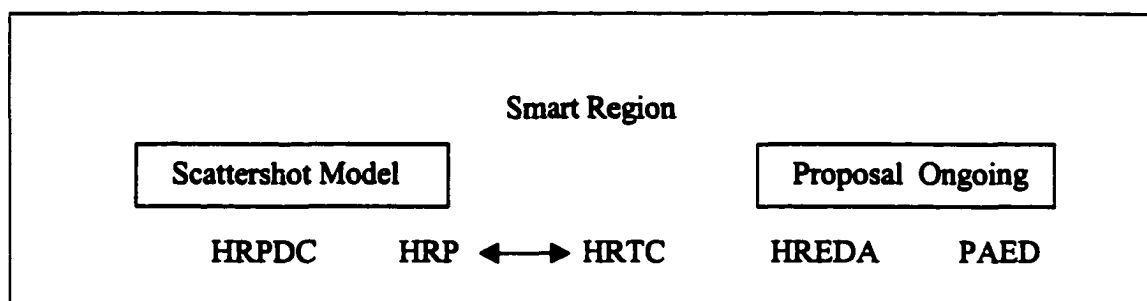
Again, there is the demonstrated lack of support from the state government to encourage cooperation and coordination among the local governments. The conditions under which these amendments were proposed are economic; however their failure to achieve passage is largely political. Again the scattershot model dissipates the regional effort. The HRP, with assistance from HRPDC, spoke with a regional voice on this issue and largely led the charge to increase the power and influence of the region. The other regional organizations, PAED, HREDA, and HRTC, were not fully engaged in supporting this proposal.



18: **Smart Region** – The HRP Strategic Plan includes, “Strong advocacy for the development of the technology infrastructure, including the ‘Smart Region’ concept and broadband telecommunications capability.” The HRP is currently funding the Smart Region initiative at \$250,000. The Smart Region concept encompasses a regional approach to e-government. Working in conjunction with the National Information Consortium (NIC), a private, for-profit company, which has partnered with Virginia in producing the State’s VIPNet site, the HRP has sponsored a conference to address the possibility of moving some government transactions to a web site. The NIC has developed a self-financing e-government model in thirteen states. The NIC web site enables certain government transactions – DMV registration, for example – to take place. Their experience is that citizens will accept a small fee for the convenience of conducting some government transactions online, as opposed to in-person or through the mail. Currently, the Smart Region task force is conducting a critical evaluation and developing a web site with specific applications. In conjunction with the HRTC, the HRP and the

Smart Region are bringing the e-government message to community leaders throughout Hampton Roads in order to build a consensus for public acceptance of the enterprise.

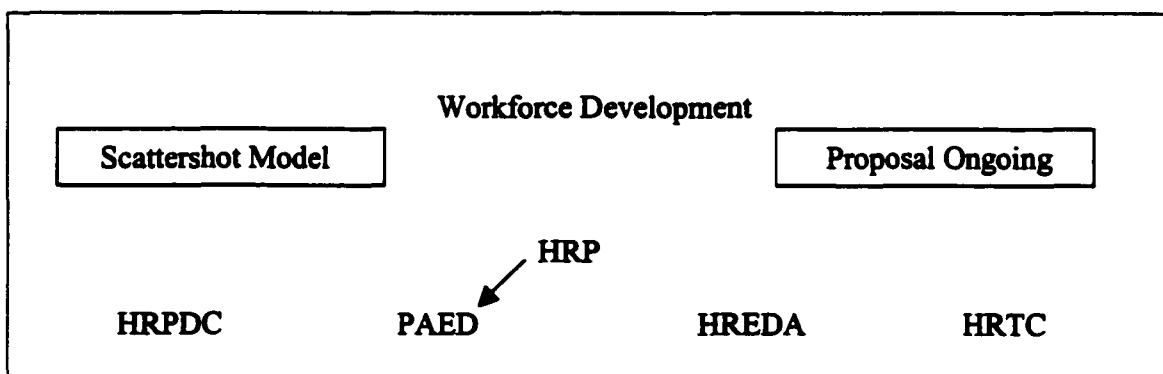
The conditions under which this proposal has been presented are directly related to economic development of the region. At present, both the HRP and HRTC are endorsing this ongoing effort using the scattershot model. Should this proposal be ultimately successful, the regional web site infrastructure would directly support future technology growth.



19: Workforce Development – This effort is a long way from becoming a regional proposal. There are numerous sub-parts to this effort currently being developed. A workforce development center is under construction on the Peninsula. The Workforce Investment Boards from the southside and Peninsula have met in joint session. A workforce survey was funded by HRP, implemented by PAED and supported by HREDA, HRTC and Opportunity, Inc. The survey, conducted by ERISS Corp. of San Diego, was completed in late 1999, by more than 3,000 of the 9,000 regional employers contacted. PAED's Vice President for Workforce Development, one of the individuals interviewed for this study, indicated that the survey data identified gaps in the labor

market from the demand side and alerts the region to what training needs to be developed to meet employer needs. At this point, however, the region is operating a disjointed workforce initiative. There is still a disagreement between the HRP and PAED on how to proceed with a regional approach. Workforce will not fully develop until the Peninsula and southside efforts are united under one organization and one approach.

The conditions under which this proposal is currently ongoing are both economic and political. From an economic standpoint, the region needs to be unified in its approach to workforce. However, regional politics continue to be an obstacle. The HRP continues to fund the PAED, a HRP consultant, and Opportunity Inc. The PAED wants to remain autonomous and the HREDA has no workforce mission. The HREDA defers to Opportunity, Inc. The workforce survey was a rare show of regional support but this effort highlights the difference between understanding the needs of the region and addressing those needs. This survey information will have a positive economic impact for Hampton Roads Region. Nevertheless, the region continues to operate in a scattershot manner in workforce development.



The analysis of the eleven failed, delayed, or working proposals indicates that nearly all were supported by a regional network using the scattershot model. This contrasts with the eight implemented proposals that effectively employed the Peer-to-Peer, Hub-Spoke and Intermediary network models. While the eight implemented proposals were influenced mainly by economic conditions, the eleven failed, delayed or working proposals were largely influenced by political and historical conditions, as well as, economic conditions. Further analysis of these proposals leads to Research Question #3 and Study Finding #2 below:

Research Question #3: To what extent have these regional organizations been able to network to facilitate regional economic development in Hampton Roads and what are the factors influencing their effectiveness?

Study Finding #2: The network of regional organizations is fragmented.

The analysis of data from the 19 proposals identified above indicates that the regional organizations in this study currently employ a fragmented network to promote economic development. The network can be viewed from two distinct perspectives. The eight implemented proposals generally follow a regional cooperative model using Peer-to-Peer, Intermediary, or Hub-Spoke networks. The eleven proposals that have not been implemented generally follow a regional non-cooperative model using a Scattershot network. A summary of the data analysis follows (see Table #16, below).

Table #16: Summary of Regional Inventory Proposals

#	Title	Model	RCI Support	Status	Condition
1.	HRT	Peer-to-Peer	HRP-HRPDC + Localities	A	E, G
2.	NASA	Peer-to-Peer	HRP-HRPDC- PAED	A	E, P
3.	RCP	Intermediary	ALL	A	E, L
4.	HRTI	Peer-to-Peer	HRP-HRTC- PAED-HREDA	A	E
5.	Venture \$	Scattershot	HRP-HRTC	A	E
6.	Region ID	Hub-Spoke	All (HRP)	A	G
7.	OPSAIL	Peer-to-Peer	HREDA- HRP- PAED	A	E
8.	ARTS	Peer-to-Peer	HREDA-HRP- PAED	A	E
9.	Trans Plan	Hub-Spoke	All (HRPDC)	C	L, H, G, E
10.	Superport	Scattershot	HRPDC-HRP	D	E, G
11.	H-S Rail	Scattershot	HRPDC-HRP	D	E, P
12.	Gas Tolls	Scattershot	HRP-HRPDC- HRTC	D	E, P
13.	Sport Arena	Scattershot	HRPDC-HRP	E	E, H, G
14.	Hockey	Scattershot	HRP-HRPDC	B	E, H
15.	Baseball	Scattershot	HRP-HRPDC	D	E, H
16.	Dillon Rule	Scattershot	HRPDC-HRP	E	E, P
17.	Amendment	Scattershot	HRPDC-HRP	E	E, P
18.	Smart Region	Scattershot	HRP-HRTC	D	E
19.	Workforce	Scattershot	HRP-PAED	D	E, P

***Coded Notes:**

Status: A = Approved/ Implemented
 B = Approved/ Not Implemented
 C = Approved/ In Process
 D = Ongoing
 E = Disapproved

Condition: E = Economic
 G = Geographical
 H = Historical
 L = Legislative
 P = Political

Further analysis of this data indicates that the regional network operated more readily in a cooperative model when the prevailing condition was economic. Seven of the eight implemented proposals had strong economic interests that drove the cooperative model. The eighth proposal – Regional Identity – had more of a geographical motivator, providing the network and the localities with the need to associate with a regional location. On the eleven remaining proposals, the economic condition was counterbalanced by other considerations. Many had strong historical or political influences that tended to separate the network along their local jurisdictions. Of the eight implemented proposals, the Peer-to-Peer model was employed most frequently. However, the scattershot model was used in eleven of the nineteen proposals and was clearly the model that produced the least results (See Table #17, below).

Table #17: Summary of Regional Inventory Proposals by Model & Condition

Category/Model	<u>Peer-to-Peer</u>	<u>Hub-Spoke</u>	<u>Scattershot</u>	<u>Intermediary</u>
Appd/Implemented (8)	5	1	1	1
	(3 E, EG, EP)	(G)	(E)	(EL)
Appd/Not Implemented (1)			1	
			(EH)	
Appd/In Process (1)		1		
		(EHGL)		
Ongoing (6)			6	
			(3 EP, E, EG, EH)	
Disapproved (3)			3	
			(2 EP, EGH)	

- **Coded Notes:**

Condition = Economic (E), Geographical (G), Historical (H), Legislative (L),
Political (P)

The analysis of data from the Regional Inventory indicates that the regional organizations in this study currently provide a fragmented network to promote economic development. The data from Table #16 and Table #17 reveal that the majority of the implemented proposals were influenced by economic conditions and the network responded in a cooperative model. When the economic conditions were counter-balanced by other prevailing conditions, then the network operated in a less desirable scattershot model and the proposal was not implemented. This leads to Study Finding #3 below:

Study Finding #3: When confronted by a regional issue that contains more than an economic condition, the network fragments into individual organizations instead of cooperating as parts of a regional organization.

This scenario has a reasonable explanation. Where the regional conditions clearly point to an economic initiative, an economic development organization would be interested in promoting the initiative. After all, in a strict economic sense, whatever is good for the region is good for the parts of the region. Such regional initiatives as the Hampton Roads Technology Incubator, where start-up technology companies can be nurtured, and OPSAIL, where tourism and the region are engaged in a win-win event,

clearly present economic advantages across the region. The regional organizations can identify a direct relationship to their mission to promote economic development. Under economic conditions, the regional organizations see the benefit of cooperating and thus conform to a cooperative model (Peer-to-Peer, Hub-Spoke, or Intermediary).

However, when there is a tendency for other regional conditions, such as geographical or political factors, to influence the initiative, then the regional organizations seek to avoid controversy. They do not want to be seen by their Board of Directors to be supporting economic advantage to another location. Thus, they align with their sub-region or local government and the network fragments. Such is the case with the Superport or Sport Arena initiative, for example. There appears to be no clear economic advantage with either project and plenty of geographical and political risk. Therefore, the regional organizations adopt independent positions that align with their localities. The HREDA, for example, would not support the location of a Superport in Isle of Wight that would take business away from Norfolk International Airport, nor would they support a Sports Arena that is built in Hampton that takes business away from the southside. Again, as this study has frequently addressed, it is a case of 'who pays and who benefits.' No regional organization wants to be seen as paying for an initiative without directly benefiting from it as well. Hence, the geographical and political conditions outweigh the economic benefit.

Based on the analysis of the proposals contained in the Regional Inventory, another phenomenon takes place with regard to the regional organizations. The potential for regional funding presents another scenario and this leads to the last research question and study finding.

Research Question #4: How do government monetary incentives and/or disincentives influence the regional network?

Study Finding #4: Regional organizations will cooperate when there is a potential to receive government funding from outside of the region.

When a government program is available to provide funding to the regional organizations or localities, there is an incentive to employ a cooperative network model. As discussed earlier in this chapter, in the case of Regional Competitiveness Program (RCP), Hampton Roads Region has qualified for state funding for regional initiatives. The regional organizations – HREDA, PAED, and HRTC – look to the HRP to provide some of that funding to support their projects. Annually, the RCP has funded Hampton Roads approximately \$2.3 million. In the case of HREDA, it's money to support OPSAIL 2000 and the Virginia Arts Festival; for HRTC, it's money for the Hampton Roads Technology Incubator; and for PAED, it's money for workforce development. In each instance, HRP acts as an intermediary to funnel money from the State to the regional organizations. Under the RCP initiative, the regional organizations are willing to put history and geography aside and follow a cooperative model in order to receive their share of the available money.

The vertical movement of money – from state to region to locality – has more of a clear-cut benefit to the recipient than money that comes horizontally. From the regional organization perspective, there is little to be gained by giving funding from their locality

or sub-region to another locality or sub-region. There is everything to be gained by receiving money from an outside source, as long as there are few restrictions on the use of the funding. To some degree the horizontal movement of funding occurs. In order to create the PAED and HREDA, the local governments have allocated funds to operate these sub-regional organizations. However, this money and influence goes not further than the Peninsula for the PAED and the southside for the HREDA.

Regional Cooperation

Study Findings #3 and #4 suggest that there would be more benefit in strengthening regional cooperation in Hampton Roads. While it might be visualized that the five regional organizations form a loose hierarchical structure with the strategic organization – HRP – located at the apex and the three economic development organizations – HREDA, PAED, and HRTC – as implementers of the economic development plans, there is little documentation to support this view. Under this scenario, the HRPDC could be considered as the support staff that feeds the regional initiatives. Instead, every regional organization seems to operate independently of the others.

Although there is some degree of cross-fertilization of board members among the organizations, the boards of the five organizations are independent and, in many cases, seem to operate at odds with each other. This appears to be true with PAED and HREDA from a business recruitment standpoint, and certainly is apparent with PAED and HRP from a workforce development standpoint. The HRPDC appears content to stand off to

the side. Some frustration is evident in the HRPDC Executive Director's message in the 2000 Annual Report, where he extols the local governments to persevere in gaining important and necessary consensus on critical regional issues. As far as the HRTC is concerned, they appear to be cooperative and willing to engage any organization where it serves to further their technology mission.

Regional cooperation is not the norm. A supplemental review of regional cooperation articles from the Daily Press and the Virginia-Pilot reveals numerous articles that address regional cooperation. In a negative sense, one article talks about Norfolk dropping out of the tourism consortium where they teamed with Virginia Beach and Hampton. To the detriment of regional cooperation, another article talks about the region's cities still adopting a "me-first" attitude. Yet another article discusses the desire of the localities – Hampton, Virginia Beach, and Williamsburg – to want to develop a convention center on their own and not have to share the benefits. An article in July 1999, revealed that Chesapeake threatened to cut support for Virginia Beach's top priority project if Virginia Beach vetoed the light rail project. Although some articles also put a positive spin on regional cooperation – Norfolk and Virginia Beach teaming for the first-time ever on the HRTI location or Chesapeake and Portsmouth working with the Navy to develop St. Julian's Creek Annex – the trend is clearly there that after all these years, working relationships between cities and, by association, regional organizations are still fragmented. The network is not very effective.

That is particularly true between the Peninsula and the southside. Several media articles, supported by numerous interviews, revealed a strong disconnect between the two

geographic areas. The view from the Peninsula looking south is one of distrust that in any endeavor, the Peninsula will be on the short end of the benefit. The view looking North is one of “well, they need to come to us because we have two-thirds of the region.” There is a persistent belief, expressed during the regional leader interviews, that true regionalism with the southside will not occur as long as a certain powerful individual lives. There is also the view on the Peninsula that the localities can come together as a region in and of themselves and if there is any joining to be done, the Peninsula will look toward Richmond. These views run counter to any effort by regional-minded leaders to think and act a Hampton Roads Region. These views also happen to have been expressed by members of the boards of some of these so-called regional organizations.

Interview question #10 that was addressed earlier identifies several factors that serve to impede regionalism in Hampton Roads. The most often mentioned factor is the government structure that serves to prevent the sharing of resources to promote regionalism. The common view is that the State of Virginia through the Dillon Rule, the state tax structure, and lack of revenue sharing with localities is an ardent opponent of regionalism.

The second most identified factor to impede regionalism is the regional history that goes back to the ‘water wars’ on the southside, and the issue of consolidation of the Virginia Ports that hurt the Peninsula. History may blur over time, but, at present, it is still a reminder of the distance that existed between the Peninsula and the southside. Several interviews expressed evidence of this disconnect over the years. Several still see the region as the ‘water that separates us.’ Historical issues translate into an ‘arms-length’ attitude between the PAED and the HREDA, whose boards of directors seem to

have different views on what regional cooperation is. Both the HRP and HRTC, with little baggage of the past, are trying to work through this fragmentation with both economic development organizations. However, without strong leadership at the regional level and with a continuing sense of competition at the local level, lack of meaningful regional cooperation seems the norm rather than the exception. Mutual trust and a shared vision were not terms seen in text or spoken frequently.

While networking among the five regional organizations in support of regionalism may not yet be very effective, a recent survey on regionalism conducted by the Social Science Research Center at ODU reveals that a random sample of Hampton Roads residents do support regionalism. Over sixty percent of the sample view politics and government, as well as competition among the cities and counties, as impeding regional cooperation. Almost sixty percent of the sample residents also support some form of joint arrangement for economic development (ODU, June 2000). One interviewee stated, "I think the silent majority would be pretty supportive of regionalism. But up jumps five or six influential businessmen to bad mouth regionalism and you would think the whole community thought that way." Clearly, Hampton Roads is still seeking regionalism. *Network effectiveness has not yet been achieved.*

Interview comments support the view that there is dialogue between regional organizations and it is increasing. However, actual regional cooperation seems to be slow to materialize. As one interviewee stated, "I wouldn't say they were working together, but rather they are evolving together." Two factors appear to be influencing regional cooperation or the lack of it.

- (1) There is existence of a shadow network that is entrenched particularly on the Peninsula and in Virginia Beach. This behind-the-scenes network of influential people sees the rise of regionalism as threatening their local benefits. They look at any attempt to share in regional benefits as an opportunity to lose what they already have. They are not risk-takers and every issue is one of ‘who pays, where is it located and who benefits.’**
- (2) Evidence of strong personal relationships among the region’s leadership has not translated into implementation. Despite some noted exceptions, most interviewees spoke highly of other regional leaders. Many indicated that they meet and talk; however, the results of the Regional Inventory would suggest that this discussion has not translated into action and implementation of approved projects. One interviewee felt strongly that ‘peers give to peers.’ Any regional effort, if it is going to be successful, must involve key leaders who want it to happen. When one peer wants something of value, the other peers will join up to make the project successful. While this was cited as a facilitating factor, little evidence was presented that it was occurring to any large degree in Hampton Roads. With the lack of Fortune 500 leadership and the apparent lack of charismatic leadership at the local government level, there is no champion to step forward and make regionalism happen in Hampton Roads.**

CHAPTER V

CONCLUSION

The Research Problem

The basic interest in this study has been to assess the roles of economic development agencies that focus on the entire Hampton Roads area. More specifically, the question posed is:

“How have regional public-private organizations in Hampton Roads networked to promote economic development with what outcomes?”

In drawing conclusions, it is necessary to take note of the many external constraints that serve to limit the reach and scope of economic development. For example, the proliferation of so-called back office operations that are spun off by large corporations from distant locations have served to increase the region’s low wage jobs. Decisions to locate those operations here are generally beyond the control of local jurisdictions. Similarly, the downsizing of military operations in the region tends also to be beyond the control of local institutions. During the decade, per capita income in the region declined and currently ranks the lowest of all metro areas in Virginia. Other constraints include the lack of home rule in Virginia that denies flexibility to localities in devising innovative strategies for promoting investment. To be noted also are the effects of topography where waterways in Hampton Roads pose as barriers to the development of a common regional identity.

Network Effectiveness Criteria

Acknowledging these external constraints, the interest here is to define plausible outcome measures in order to assess internal effectiveness in the delivery of economic development services. In doing this, Keith Provan and H. Brinton Milward have proposed a framework for evaluating network effectiveness from the perspective of inter-organizational operations (Provan and Milward, 2001).

As discussed in Chapter II, at the network level of analysis, the authors proposed eight criteria for measuring effectiveness of a community-based health and human services network's activities. These eight measures of network effectiveness are:

- Network membership growth
- Range of services provided
- Absence of service duplication
- Creation and maintenance of a network administrative organization
- Integration / coordination of services
- Cost of network maintenance
- Member commitment to network goals
- Network relationship strength (multiplexity)

While the authors did not propose a scoring system for the criteria, this framework has application to a regional economic development network. This study compared the network of regional economic development organizations in Hampton Roads against the effectiveness criteria proposed by Provan and Milward. A positive value of effectiveness

was assigned if the criteria described the Hampton Roads regional network and a negative value if it did not.

The assessment of network membership growth is positive. Hampton Roads regional organizations, as defined by the criteria as stated in Chapter I, started the decade with three organizations and ended the decade with five regional organizations. In 1990, the HRPDC, along with the Virginia Peninsula Economic Development Council (VPEDC) and Forward Hampton Roads championed the economic development efforts of the region. By the middle of the decade, regional momentum increased and several new organizations were proposed to help focus services provided to the region. As discussed in Chapter I, the VPEDC reorganized to become the PAED, and Forward Hampton Roads reorganized to become the HREDA. The PAED and the HREDA coordinated economic development efforts on the Peninsula and southside respectively. During this same timeframe, two new regional organizations were created. The HRP and the HRTC joined the network in 1996 and 1997. With reorganized charters, refocused missions and a renewed spirit of regionalism, the regional organization network – HRPDC, PAED, HREDA, HRP, and HRTC – went to work to promote economic development in Hampton Roads. Clearly the network attracted and retained new membership.

The assessment of the range of services provided is positive. As discussed in Chapter I, and outlined in Table #2, this study examined the charters, mission statements, and strategic plans of the regional network. The network of regional organizations offered a more complete range of services to plan, attract, and retain regional economic development. The network added a strategic planning capability, a funding mechanism, a

focused technology component, and increased emphasis on workforce development. This capability is in addition to the already recognized functions of researching economic trends and prospective clients, providing regional information, promoting the region, recruiting new businesses and retention of the business community. The total range of services and regional capability increased with the reorganization and creation of a more robust network. Network-level effectiveness can be evaluated by the extent that these services meet the needs of the community. As highlighted by the interviews with regional leaders, the HRPDC, HRP, and HRTC were viewed as successfully meeting their mission. The PAED and HREDA were not viewed as positively as the others.

The assessment of the absence of service duplication is negative. Service duplication exists with the two sub-regional economic development organizations. HREDA services the southside and the PAED services the Peninsula. Comments from many of the regional leaders indicated that this arrangement diluted the message that Hampton Roads was one region and perpetuated the separation of the two sub-regions. The regional leadership viewed the PAED and HREDA as duplicating business research, information delivery, and business recruitment activities. The regional leadership thought the two staffs could be combined and reduced where practical. There would be synergy gained by combining professional talents while still economizing on duplication of effort.

Although several comments were made about the existing agreements between the two organization regarding joint marketing trips, a joint marketing brochure, and a recruiting protocol, both the PAED and HREDA were seen by several of the regional leaders as unsuccessful regional organizations. Comments like “you could do away with

the two economic development groups” and “there are turf issues” and “we have two of everything”, indicate the presence of a fragmented network.

The assessment of the creation and maintenance of a network administrative organization is negative. Provan and Milward suggest that a network administrative organization (NAO) be used to disseminate funds, handle administration, and coordinate the network activities. In an agency-theory context, the NAO is both the agent of the region and the principal of the network members (Provan and Milward, 2001; 418). Lack of a NAO, according to the authors, is likely to produce weak outcomes in larger networks. Non-NAO networks require a high level of commitment by member organizations that may be difficult to sustain. In Hampton Roads, the HRP serves to partially fill the NAO role with regard to disseminating funding. However with just a three-person operation, the HRP is not able to accommodate the larger role of administration and coordination of the network. In some ways, the HRPDC provides some of the support staff functions necessary to pursue economic development, i.e. economic analysis, regional economic trending data, and meeting and planning coordination. However, since there is no hierarchical structure governing the five regional organizations, there is, in reality, no true administrative linkage connecting the member organizations. Lack of a system-wide administrative structure contributes to the fragmented regional network.

The assessment for the integration/coordination of services is negative. The key business recruitment organizations – PAED, HREDA, and HRTC – indicated that they work well together and integrate/coordinate their efforts, resulting in joint marketing trips, joint literature, and protocols. Interviews with other regional leaders suggested

otherwise. The regional inventory also suggested otherwise. With only eight regional proposals out of nineteen actually implemented, the record suggested that services are not integrated nor coordinated. Only on rare occasions do these three organizations jointly endorse a regional proposal. Without an active, fully functional NAO, the regional economic development network implemented less than one-half of the proposals considered during the decade.

Secondly, the regional workforce development effort is fragmented and not coordinated between the Peninsula and southside. Here we have a fragmented network between the PAED and the HRP. There were strong feelings expressed in the interview process about the direction that the PAED was going with its workforce development agenda vis-à-vis the strategic direction desired by the HRP. The HRP clearly wants the PAED workforce development effort to be aligned with Opportunity, Inc. of Hampton Roads, a Norfolk-based organization. The HRP plans to consolidate workforce development funding that is currently being provided to three programs, including a consultant at HRP, into one program modeled after Opportunity, Inc. The PAED has a serious problem with this. This proposed realignment could further fragment the network.

The assessment of the cost of network maintenance is negative. With little overhead needed to support the Hampton Roads' non-NAO network, the cost of network maintenance is relatively low. Costs to operate the two sub-regional organizations – PAED and HREDA – are borne by the member local governments and businesses on the Peninsula and southside. The HRPDC is funded largely through local and state government resources. Funding for the HRP and its numerous projects comes from

government funding via the Regional Competitiveness Program (RCP) with some additional local government funding. The HRP disburses over \$2.3 million annually in RCP funding to the PAED, HREDA, HRTC and other agencies and contractors to continue work of regional benefit. The network currently operates with the HRP as the intermediary for funding in support of regional projects.

However, the effectiveness criteria relative to the cost of network maintenance should be modified to also include assessing resources necessary to meet the region's most pressing needs. Here regional costs are significant. The HRP Strategic Plan, as approved in June 1999, includes a focus on the Port of Hampton Roads and on technology related economic development. The plan calls for advancing the major port growth issues – channel dredging, fourth terminal expansion at Craney Island, construction of the third crossing and the Virginia Intermodal Partnership Project. The strategic plan also includes support for Hampton Roads' evolution into a major technology center through infrastructure development, technology incubators, technology commercialization, venture capital, and research capabilities. Both of these focus areas require a sufficient amount of funding to keep the momentum going.

Externally, the region has relied on the state's Regional Competitiveness Program to provide funding for these initiatives. The state has been responsive to the region by providing \$2.3 million each year for the last several years. The RCP has been successful in getting the initial regional efforts funded but much more remains to be done. The HRP Strategic Plan includes twenty-five activities that the Partnership participates in a planning and financial capacity. Unfortunately, funding at the state level is insufficient to fully support all initiatives.

Lack of resources to generate the monies – from venture capital to transportation projects – hinders the economic development of the region. The RCP is funded at eleven million dollars for FY 00-01. This amount of statewide assistance is not considered by the regional leadership to be sufficient. Regarding the plight of the cities, the state has so far commissioned study after study to look at the state and local tax structure. As for transportation, the Virginia Transportation Act of 2000 provides a total of \$2.6 billion in state funding over the next six years. Hampton Roads allocation of funding is \$489 million or approximately 20 percent. Unfortunately, the funding needed for Hampton Roads top six transportation projects totals an estimated \$3.2 billion. Furthermore, efforts to establish a long-term funding source to benefit regions was vetoed by Governor Gilmore in 2000, and sustained during the veto session of the General Assembly. At the time of this writing, this action further exasperates the region's inability to fund regional projects with a regional tax and amplifies the growing gap between state structure and regional priorities.

The assessment of the member commitment to network goals is negative. The HRP has developed the Hampton Roads Region Strategic Plan with its six focus areas – transportation, tourism, technology, port operations, workforce, and regionalism. However, member commitment to regional goals is tested whenever a regional proposal supports economic development on the other side of the water.

The regional organizations have certainly contributed to the overall regional economic development but the synergy of a network has not been leveraged. There is no economic breakthrough – like the arrival of a new Fortune 500 company – to galvanize the network. The network is not mature. Coordination and cooperation among the

regional organizations is not seamless. In reality, the current organizations are only a couple of years old. The network is fragmented because the regional organizations lack the pursuit of a common goal. Each organization has a Board of Directors that looks at the region from a slightly different perspective.

On the Peninsula, the PAED is clearly focused on what is good for the Peninsula and may have a strategic vision looking northward towards Richmond instead of southward towards Norfolk. One view mentioned during the interview process was the belief that the localities on the Peninsula were cooperative with each other and they worked well with the PAED. This view maintained that there was no compelling reason to get economically linked to the southside. On the other hand, the HREDA is clearly focused on the southside and may view the Peninsula as a minority member of the team. This view is reinforced by the reluctance of the Peninsula representatives to join in any regional efforts. As several regional leaders pointed out, the Peninsula thinks that it loses business when it turns southward.

The network effectiveness is assessed as weak. The two sub-regional economic development organizations maintain no direct linkage to each other. Although the leaders meet periodically, each organization has a Board of Directors that represents the public and business interests of the sponsoring localities. There is little cross-fertilization among the board members. Only one of the interviewees indicated that he was currently a board member of both organizations. Financing comes from the localities and business investors. It was pretty clear that funding is to be used to benefit the sub-regional localities. Any intention to send the benefit elsewhere is not be favorably viewed.

The assessment of the network relationship strength (multiplexity) is negative.

Provan and Milward suggest that in the early years of the formation of a network, ties among member organizations will be tentative and calculated. The network is new, and organizations that have operated largely independently are now expected to share resources, information, and clients. All organizations are likely to experience a period of transition as they move from informal, casual, and easily broken ties to relationships that are based on trust and commitment built on a history of interactions (Provan and Milward, 2001; 419). One network concept that refers to the strength of ties between network organizations is multiplexity. Two organizations are said to have multiple ties if they are connected in more than one way – through referrals and planning links, for example. Such a tie is stronger than a single link. Furthermore, links with four or five different types of linkages are stronger still.

Linkages between Hampton Roads regional network organizations are still very tentative. While there may be joint marketing trips, joint promotional brochures, and common protocol between the PAED and HREDA, for example, there is not much strength in the relationship. As discussed in Chapter IV, there is an ongoing dialogue between the organizations but when it comes to choose ‘who pays and who benefits’, local interests take control. The common bonds of trust, loyalty, commitment, and mutual dependency have not matured. The multiplexity of the network is a work in progress and will continue to mature as interactions among the network organizations continues to grow.

Network Models

As discussed in Chapter II, regimes use a network to coordinate effective action. Cooperation is obtained and subsequently sustained through the establishment of relations based on solidarity, loyalty, trust, and mutual support. Under the network model, organizations learn to cooperate by recognizing their mutual dependency (Judge, Stoker, & Wolman, 1995; 59). The network models presented in Chapter II (Harrison & Weiss, 1998; Dodge, 1992) served to qualify and categorize the regional outcomes presented in Chapter IV. These network models were viewed from two perspectives: those that facilitated regional cooperation and those that hindered regional cooperation.

The outcomes of nineteen regional proposals were viewed in terms of the network models. Eight of the regional proposals were influenced by a regional cooperative model (Peer-to-Peer, Intermediary, or Hub-Spoke networks). Seven of the eight were implemented and the eighth was approved and in the process of being implemented (See Table #16, Chapter IV). In using these models, the regional network had reasonable success when proposals were primarily influenced by economic conditions. Conversely, the eleven regional proposals that were not implemented overwhelmingly followed a regional non-cooperative model (Scattershot network). These eleven regional proposals were impacted to a greater degree by the other conditions. These other regional factors limited the effectiveness of the network. The use of the network models in this study proved to be helpful in understanding the strength of the relationship among the regional organizations and helped to determine the effectiveness of the network of regional organizations.

Network Assessment

Networks can and should be evaluated on their effectiveness. “For a network to work effectively, the needs and interests of the people who work for and support these programs and organizations must be satisfied, while building a cooperative network of inter-organizational relationships that collectively provides services more effectively and efficiently than a system based on fragmented funding and services” (Provan and Milward, 2001; 422).

Referring to the effectiveness criteria discussed earlier in this chapter, the Hampton Roads economic development network is weak. Only two out of the eight criteria appear to be positive, while the remaining six criteria indicate a need for improvement. Network ineffectiveness results in duplication of services, confusion on leadership structure, poor coordination, regional funding shortfalls, lack of commitment, and a weak organizational relationship. Consequently, poor network effectiveness leads to fewer outcomes as evidenced by the paucity of implemented regional proposals in Hampton Roads.

In conclusion, the regional economic development organizations in Hampton Roads have a fragmented network and their output has been influenced by regional factors.

As discussed in Chapter I, the regional organizations that promote economic development have evolved in response to regional pressures. The five regional organizations – HRPDC, HRP, HREDA, PAED, and HRTC – are a product of the Regional Timeline displayed in Table #6 in Chapter IV. However, as identified in the Regional Inventory (Table #15) in Chapter IV, *less than one-half of the regional proposals were implemented by these organizations from 1990 to 2000 (Study Finding #1)*. This type of output is symptomatic of a fragmented network of regional organizations.

As presented in the Regional Inventory, there are only thirteen out of twenty-five regional proposals that have been implemented in the last ten years. Of these thirteen, five proposals were implemented before the regional reorganization of 1996-97 that created the PAED, HREDA, HRP and HRTC. In fact, five out of six proposals were implemented in those early years as versus eight out of nineteen in the latter half of the decade.

On transportation initiatives, a second crossing tunnel (Monitor & Merrimac, 1992) and a public transportation merger (Hampton Roads Transit, 1999) were implemented. In defense issues, the region successfully opposed base closings in 1995, and cuts to NASA funding in 1999. In the category of professional sports or workforce development, no initiatives have been successfully implemented.

In legislative issues, numerous challenges to the structure of government were undertaken, but only the Regional Competitiveness Program of 1995-96 has been implemented. In the category of technology issues, several proposals have been implemented: Sevanet (1994), HRTI (1997), and Venture Capital (2000). Additionally,

Hampton Roads benefited from infrastructure improvements such as the consolidation of the region under a single area code (1994), the elimination of tolls on regional phone calls (1995), and adoption of regional signage and a regional flag (1996+). Finally, there have been two broad-based tourism successes as represented by the Waterfront Festival (1994) and OPSAIL 2000.

However, some measurements of economic development have eluded the region. Hampton Roads does not have a major league sports team. Nor does it have a regional convention center or a regional industrial park. There is no regional newspaper to read. A traveler cannot take an airline flight from the regional hub airport. Tourists cannot refer to a regional tourism package to entice them to visit. Hampton Roads also has no regional tax, and, currently, no funded regional transportation initiative. The lack of these regional projects underscores the degree of network effectiveness of the five regional organizations to influence the economic development of Hampton Roads.

Hence the second finding presented in this study indicates the lack of a coordinated and integrated network of regional organizations to bring about regional economic change. What is revealed instead is *a fragmented network of regional organizations (Study Finding #2)*. Network effectiveness is limited.

Further analysis of the regional proposals reveals the conditions that cause the regional organizations to fragment. Since most regional initiatives are complex ventures that impact several regional factors, the implementation of regional proposals by five regional organizations and sixteen localities are not routine actions. Many seemingly simple economic regional proposals are also greatly influenced by political, historical, geographical, cultural and legislative factors. When the regional proposal could be traced

directly to its economic roots, the regional organizations found it in their mutual interest to use a cooperative network model (Peer-to-Peer, Hub-spoke, or Intermediary).

However, *when confronted by a regional issue that contains multiple conditions, the network dissolves into separate organizations (Study Finding #3)*. In this case, the regional organizations defaulted to a scattershot network model that made regional cooperation more difficult, limited output, and decreased network effectiveness.

However, monetary incentives did influence the regional network. Many regional initiatives were beyond the resource capability of the region to implement alone.

Therefore, resources must come from outside of the region. In the few cases *where funding from outside of the region was available to implement a proposal, the regional organizations found it in their mutual interest to cooperate to seek the funding (Study Finding #4)*. Such is the current case with state funding from the Regional Competitiveness Program and future state and Federal funding for the Transportation Priority Plan. Government incentives have been used to influence the network to cooperate.

Of interest, as discussed in Chapter I and IV, is the failure of Hampton Roads to implement the Metropolitan Area Projects Strategies (MAPS). This effort is a key proposal currently missing from the Regional Inventory. This initiative provides a process for Hampton Roads to identify, prioritize, and seek funding for infrastructure projects that benefit the whole region and are beyond a single municipality's ability to fund. The MAPS process provides a single test of the region's identity and cooperation. Since 1997, the HRP has been coordinating the MAPS process to determine a project list, seek agreement on project location, and secure a funding mechanism. To date, MAPS

has not been implemented because of the inability of the network to prioritize regional projects. Some of the potential projects include multi-community business parks, school construction, sports facility, and a regional convention center. Successful implementation of the MAPS initiative provides the potential for sixteen local governments to come together as Hampton Roads Region and promote projects that will stimulate economic development throughout the region.

Regional Factors

By virtue of the few proposals that have been implemented and the many proposals that have not been implemented, Hampton Road's economic development organizations have not been able to consistently act as a region. When confronted with proposals that involve complex conditions, the regional organizations have difficulty joining the network to support the proposal. Rather, they tend to give way to political, legislative, or historical pressure. Generally, the network acts in support when the economic condition of the proposal is predominant. From a theoretical standpoint, Hampton Roads does not resemble a regime nor is it strongly supported by elites or growth machines. Hampton Roads simply acts as a region when economic conditions prevail. *In most cases, when the economic conditions are counterbalanced by other regional factors – legislative, political, historical, geographical – then the regional network is fragmented and the proposal is not implemented.* This has happened time and time again in Hampton Roads throughout the decade. As predicted, localities with strong

impulses tend toward regionalism; those with weak impulses have difficulty pursuing regional goals and forging regional cooperation (Foster, 1997: 375-399).

This study revealed several regional factors that impede regional cooperation in Hampton Roads:

1. **Legislative:**

During the interview process, the most often mentioned regional factor inhibiting regional solutions was legislative. The structure of government in Virginia is cumbersome and prevents the state from moving quickly and nimbly on economic matters. Virginia is still operating under an 18th Century governance model that prohibits power to the cities and counties. This home rule concept mandates that all power flows from the state to the local governments. As a result, Virginia has failed to recognize the 'plight of the cities' and provide financial resources to the cities and counties. The state provides insufficient relief to local government for the services it must provide to the residents, prohibits the city or county from adding local taxes, and prevents the municipality from being able to join with other municipalities to increase revenue.

This is the Virginia tradition and it places the state and region at a disadvantage when compared to its neighbors. Legislatively, little provision is made for the existence of regions. The ability to generate and share revenue is a coveted power. The cities and counties play a minor role in this at the state's acquiescence while the regions continue to have no role at all. At present, the state continues to study the issue and deflect challenges by the localities to the Dillon Rule. Meanwhile, local government resources are greatly stressed.

2. Historical:

The second factor influencing regional solutions is history. From the beginning of our nation, Hampton Roads has played a leading role in the making of our American History. The region helped fight and win a war for independence, endured the strife and division of a costly civil war, and then expanded and industrialized through two world wars. While it might be logical to believe that this strong bond with the past has joined the region together, it appears to have done just the opposite. With a body of water lying between the Peninsula and the southside, the region has the history of separation to overcome.

This feeling of separation and difference and distrust goes back to those who remember this region before the Hampton Roads Tunnel was opened. Cross-regional transportation was virtually non-existent. It goes back decades to the time when the Ports of Newport News, Norfolk and Portsmouth were consolidated. One regional leader felt strongly that this event is the root cause for the Peninsula to distrust the southside. He maintains that since that consolidation, the Peninsula has lost business to the southside.

Another example of distrust is the one that exists between many communities in the region. Historically, this feeling goes back to the annexation period in the 1950's and '60's when many counties and cities were created to keep from being swallowed by their nearby larger neighbors. In 1963, Norfolk annexed Janaf Circle and Virginia Beach tried to prevent that from happening. The same historical rift exists between Chesapeake and Norfolk on the issue of annexation when, in 1963, South Norfolk merged with Norfolk County to form Chesapeake.

A third area of distrust between local communities in Hampton Roads Region is drinking water. Several southside regional leaders identified drinking water as the key issue that has sown seeds of distrust between neighbors. In 1995, the news media exposed Norfolk's efforts to hold Virginia Beach hostage by threatening to sell water to the Peninsula unless Virginia Beach paid higher prices. Meanwhile, negotiations for Lake Gaston continued to drag on for Virginia Beach. In 1996, after years of bickering, Portsmouth and Chesapeake amended their water agreement that finally sent ample supplies of water to Chesapeake. In 1998, Suffolk and Isle of Wight finally reached agreement on water and formed the Western Tidewater Water Authority.

3. Geographical:

The regional leaders were divided on the merits of geography as an influence on the economic development of the region. Some viewed the waterway as the region's competitive advantage, while others observed that the waterway creates distance between the Peninsula and southside. For some, the waterway was a revenue generator and a quality of life issue; to others, the waterway was a divider. It was the reason that Hampton Roads seemed to have two of everything. If the region was to be more cohesive, then the space created by the waterway had to disappear. With the rise of electronic commerce and the dramatic impact of other technologies, the distance is shrinking. But many of the older residents remember the difficulty of traversing between the Peninsula and southside. This distance created a cultural divide and continues to inhibit the communication and coordination between the two sub-regions.

The geographical location of the region also promotes the feeling that Hampton Roads Region might be living at the end of a cul-de-sac. While the waterway may create

a competitive advantage and present a global gateway for waterborne cargo to arrive and depart, the location of Hampton Roads does place the region out of the mainstream of interstate commerce. Hampton Roads' location places it east of the main Washington–Richmond-Atlanta connection. This positioning promotes an isolationism viewpoint.

4. Cultural:

Interviews with selected regional leaders revealed what appears to be a cultural factor to consider when analyzing economic development in the Hampton Roads Region. From a work ethic standpoint, several regional leaders described the Peninsula as the haven for blue-collar heavy manufacturing and assembly facilities, where warships are built and automotive parts, computers, and printers are assembled. It is also the location of the high tech industry with the Jefferson Lab leading the way. The technology focus is on mechanical engineering and electronics. On the other hand, the southside is portrayed as concentrating on the white-collar financial services, insurance, and medical area. The technology focus on the southside is in training, multimedia software and biotechnology.

In another perspective, some regional leaders portrayed a mismatch between the southside and the Peninsula in terms of business skills. They saw this cultural mismatch as the reason that the Peninsula views the southside with mistrust. These leaders cited the fact that there were not many companies on the Peninsula that were the equivalent of the ones on the southside. There were no business matches to Norfolk Southern or Landmark Corporation. They noted that, “there were a lot of entrepreneurs on the Peninsula that were owners of small companies, but they don't rise to the same level as the southside. They are not comfortable sitting around with the big guys and talk regional issues. It is a mismatch of business level skills and image.”

Another regional leader saw this regional factor in terms of the people of Hampton Roads lacking an entrepreneurial attitude. He saw an overwhelming dependence on the Federal Government and the mindset that is nurtured in that environment. He said, "We do not have an entrepreneurial culture in Hampton Roads. We are for the most part a community that is Federal Government oriented. Even with NASA, and all their high tech, and the shipyards, with their shipbuilding, the region is very structured with a low risk and low gain mentality.

There is also a portion of the region that professes to dislike growth because of the changes that it brings. This viewpoint is very evident during political campaigns for local elections. As intra-region travel becomes congested, green space gets scarce, and air quality goes down, there are residents who bemoan the loss of their quality of life. They tend to resist economic development – any development – that will change their way of life. They see a certain segment of the population – the bankers, realtors, and developers – wanting more and more buildings to increase the tax base. One regional leader felt that, "we have a lot to offer here. Let's embrace what we are. We are a second to third-tier region and let us be happy about that and revel in the fact that you can get to the beach. Let's be satisfied."

5. Political:

"The biggest thing that impedes us is local politics. I think the business community is ready to do things on a regional basis, but local government is not," said one of the regional leaders during his interview. Most regional leaders felt that the localities look out for their interests first and foremost. As a regional factor, politics

presented a strong influence in the outcomes of the regional proposals. The political factor served to limit the effectiveness of the network of regional organizations.

Upon occasion, the localities come together in a spirit of cooperation and support a regional initiative. The merger of the Hampton Roads Transit is one such occasion. There was general agreement across the localities that this merger was in the best interest of the region. But as earlier discussion of 'water wars' and annexation revealed, there is internal bickering among the cities and counties that manifests itself in defeat for light rail between Virginia Beach and Norfolk, for example. Recently, politics entered into the debate on building a regional convention center. Virginia Beach, Hampton and Williamsburg are all going to build third-tier convention facilities where they will compete with each other for revenue. This development misses the opportunity to pull this regional effort together to build a truly first class facility that could compete with other regions.

In this regard, one regional leader wanted the HRP to step in with the business community and counter these individual localities. "But the HRP backed off because of political implications. The HRP is also up to ninety members now. They are getting too big. When we started, we kept it small and elite. You don't see those people now. Now you see their second and third level person. The second and third-tier folks can't speak for the boss. They can only sit and listen. They can't negotiate or collaborate because they don't have the portfolio to do it."

Another regional leader talked about the politics of personal relationships that develop between leaders. He suggested that there was a hidden network of regional leaders that is essential to making things happen. What happens on any of these regional

relationships is that 'peers give to peers.' These strategic leaders have influence and can move things with their support. Without their support, regional initiatives come to a halt.

6. Economic:

Finally, economic influences themselves become a regional factor. Economic factors that inhibit Hampton Roads Region are both internal and external. Within the region, the lack of an entrepreneurial culture that actively generates a competitive business environment has been discussed earlier. It is that fear of failure that prevents ambitious development projects from being planned, approved and implemented. There is hope that economic development projects like 'McArthur Center' in Norfolk, 'The Power Plant' in Hampton and 'Port Warwick' in Newport News will see success over time and replace this inbred fear of failure.

Hampton Roads Region has two economic development organizations and a technology organization trying to promote the region. Under this arrangement, exactly who speaks for the region on economic development is questionable. This confusing organizational alignment detracts from the message that Hampton Roads Region is good for business and contributes to the on-going competition between the sub-regions. The subject of combining the PAED and the HREDA has been mentioned several times in the news media and during the interviews with regional leaders. They suggest that combining the two sub-regional economic development organizations and leveraging that effort to aggressively promote the region will bring a certain synergy to Hampton Roads. Unfortunately, this merger is several years away. Several regional leaders commented on the merging of the PAED and HREDA by saying, "There will not be a merger until a key Peninsula influence is gone. The majority of businesses would like to see a merger. The

majority of the leadership is not interested.” Another commented, “There are a handful of people that basically control the PAED. They have the attitude that it is Peninsula only. If you take away the HRP, there is very little cooperation among organizations. On a scale of one to ten, I would put it at less than five for the total region. Highways, light rail, and convention centers are all failures to cooperate.”

Relationship to Theory

The conclusion of this study can be related to a theoretical foundation. According to Robert Yin, descriptive case studies are generalizable to theoretical propositions and not to populations or universes (Yin, 1994: 10). Yin advocates using previously developed theory as a template with which to compare the results of a case study. In this manner, the use of theory becomes the main vehicle for generalizing results. This study examined the network of regional organizations and supported some of the theoretical foundations discussed in Chapter II.

Network Theory

As Alan Wallis postulates, some regions have a greater concentration of development than others. The most significant reason for this appears to be the presence of strong regional organizations. He concludes that this regional infrastructure consists of a mature network of organizations. These organizations not only communicate, but

they also share norms and trust one another. Regional organizations that participate in a mature network provide important capabilities. Unfortunately, weak networks tend to fragment regional capabilities. *Fragmentation of a region does not mean there is too much government, rather it means that the region cannot perceive, think, and act as a whole (Wallis, 1994 c). This is the situation in Hampton Roads for many of the economic development proposals considered in this study.*

Fragmentation decreases the effectiveness of the network and inhibits its potential. As discussed by Provan and Milward, networks can be examined at the community, network, and organizational level for linkages that strengthen regional cooperation. Using the authors' own criteria for network effectiveness at the network level, this study concluded that network effectiveness in Hampton Roads is weak. While some linkages exist among the Hampton Roads regional organizations, the multiplexity or strength of the network has not been sufficient to implement many proposals during the last ten years (Provan and Milward, 2001; Scott, 1991). A stronger network increases the probability that regional cooperation will occur and more proposals will be implemented.

Regional cooperation is very important to implement a proposal. Chapter IV identifies the overuse of the scattershot network model in eleven of the nineteen proposals under consideration. As evidence of a strong network, regional cooperation is demonstrated through the use of a peer-to-peer model or a hub-spoke model or an intermediary model. In Hampton Roads, these regional models were identified in only eight out of nineteen instances. Clearly, regional cooperation has been difficult to achieve. As discussed by William Dodge in Chapter II, the Balkanization (Scattershot)

model tends to undermine the economic competitiveness of the region, whereas, the SIGNETs (integrated networks) are more capable of solving problems (Dodge, 1992: 403-417).

Furthermore, Hampton Roads has not used its Social Capital to form effective alliances as outlined by Alan Wallis. Nor has the region developed its Civic Capital to create organizations and initiatives that involve stakeholders and engage the public to build political will as addressed by Potapchuk and Crocker (1999). The network of regional organizations has not multiplexed (Scott, 1991).

Pluralism, Elitism and Regime Theory

As indicated in Chapter II of this study, pluralists see power as fragmented and decentralized. Society is fractured into hundreds of small special interest groups with widely diffused power bases (Polsby, 1980). Pluralists recognize no single power elite, but instead see different groups wielding different degrees of influence in different policy areas at different times (Dahl, 1986). On the other hand, elitists see power concentrated within large business corporations, the executive branch of the government, and the military (Mills, 1956; Judge, Stoker, and Wolman, 1995).

As an alternative to Pluralism and Elitism, Regime Theory emphasizes the interdependence between government and non-government forces to meet economic and social challenges and it focuses attention upon the problem of cooperation and coordination between government and non-government actors (Judge, Stoker & Wolman, 1995:54). As described by Clarence Stone, "A regime can be defined as an informal yet

relatively stable group with access to institutional resources that enable it to have a sustained role in making governing decisions (Stone, 1989b: 4).” The regime is formed on an informal basis for coordination and without an all-encompassing structure of command. This study concurs that the regional economic development organizations of Hampton Roads operate in an informal manner without a chain of command existing among them.

Furthermore, regimes use a communication network to coordinate their activities. The network approach sees effective action as flowing from the cooperative efforts of different interests and organizations. Cooperation is obtained and sustained through the establishment of relations based on solidarity, loyalty, trust, and mutual support rather than through hierarchy or bargaining. Under the network model, organizations learn to cooperate by recognizing their mutual dependency.

One of the key interests of the network is economic development. Regime Theory gives business interests a privileged position and acknowledges that business control over investment decisions and resources are central to societal welfare (Stone, 1980: 979). However, unlike Elite Theory, Regime Theory recognizes that it is unlikely that any one group will be able to exercise comprehensive control in a complex world. While pluralists see power as fragmented and decentralized into many groups and elitists see power concentrated in one group, regime theorists see power as shared among cooperative networks. Regime Theory refers to ‘power to’ rather than ‘power over’ as the process that gets things done.

This study identified a network of regional economic development organizations that had the ‘power to’ promote, approve, and implement regional economic goals. This

power was infrequently used. This network rarely cooperated on regional proposals. Rather than employ a regional cooperative network model, the regional organizations used the less effective scattershot model. The scattershot model is representative of a fragmented network.

This study also revealed that most economic proposals were also influenced by other factors as well – political, legislative, historical, etc. – as discussed in Chapter II (Kadlecek, 1997; Foster, 1997; Ferman, 1999 and Wallis, 2001). When confronted by a regional issue that contained more than an economic condition, the regional organizations fragmented and the proposal was difficult to implement. Regional factors can impede cooperation.

Another theoretical relationship that might be a consideration in Hampton Roads is 'growth machine' theory. The growth machine perspective argues that economic development represents the collective and concerted activities of growth coalitions who deliberately work to develop and change the urban landscape. Articulating that growth is universally beneficial for all, growth coalitions are so much a part of the metropolitan area that a pro-growth agenda is accepted as common sense. Key players are politicians, local media, developers, financial institutions, and utility companies (Bingham and Mier, 1993:179). Perhaps the only difference between growth machine perspective and Regime Theory is whether the group is relatively stable (Regime Theory) and whether political actors (Regime Theory) or economic (growth machine) actors play key roles in decision-making.

This study examined how distinct domains of power – five regional economic development organizations in Hampton Roads, Virginia – combined forces and resources

to actually implement regional proposals. Since this study concluded that Hampton Roads regional organizations operated a fragmented network, the analysis of data indicated that neither a growth coalition nor a regime has significantly impacted economic development over the last decade. Based on the regional proposals that were implemented and those that were not implemented, no elite power structure, no cooperative regime, and no multitude of special interests emerged to strongly influence the implementation of regional-level proposals.

Relationship to Regionalism

Regionalism advances when interactions among localities are frequent and linked economically. However, interview comments indicate that some local officials fear that major structural changes, especially stronger regional decision making powers, might weaken their control or take away their offices entirely. In *New Visions for Metropolitan America*, Anthony Downs views the major shortcoming of local governments in metropolitan areas is that their failure to take account of the welfare of each area as a whole is undermining the long-run viability of American society. Unless Americans confront this reality by creating institutions that operate at the same scale as their major problems, their problems will only get worse (Downs, 1994: 182, 188).

As discussed in Chapter II, Savitch and Vogel see regionalism located at the point where business joins political power. Some regions have it and some do not. In their book, *Regional Politics*, the authors examine ten metropolitan regions and group them according to a 'Continuum of Regional Institutions'. They identify some regions as

lacking harmony and resisting the process of regional cooperation. Savitch and Vogel label this category 'Avoidance and/or Conflict and identify New York, Los Angeles, and St. Louis as examples. In this Post-City Age, as Savitch and Vogel call it, interdependence does not always mean cooperation. While some regions opt to promote inter-local cooperation, others favor limited engagements, and still others prefer political divorce (Savitch and Vogel, 1996: 2-4). Based on the analysis of data in Chapter IV and the findings of this study, Hampton Roads would fit the 'Avoidance and/or Conflict' scenario. Stronger efforts from the regional economic development organizations are needed to promote regionalism in Hampton Roads. Increased use of cooperative network models on a regional basis encourages a mutual adjustment scenario.

Hampton Roads Region is not unique in this aspect. Regions are a relatively new structure that developed in the latter half of the 20th Century. They are a structure that is still evolving. Regions are impacting the relationship between the states and the local governments. As explained by Savitch & Vogel,

"Informally, regions consist of political networks that arise to govern clusters of localities; economic linkages that shape the growth and decline of communities; and a complex web of transportation, human services, and social arrangements that compose America's urban sprawl. Regionalism transcends legal jurisdictions because of the need to promote economic development, protect the environment, rebuild infrastructure, deliver new services, and manage public policy in a competitive world.

But regionalism is hardly neat, clear-cut or explicit. The Constitution makes no mention of regions. With or without regional government, regions do work, though not always effectively. Decisions are made through councils of government, planning commissions, and organizations of business or political elites. Regional economies appear as somewhat interconnected markets." (Savitch and Vogel, pg. 3).

As a region, Hampton Roads was still trying to find its way during the decade of the 1990's. It has not yet arrived.

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See Appendix A.

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APPENDIX A**Interview List**

1. **James Eason**, President and CEO, Hampton Roads Partnership, former Hampton Mayor, former member of Peninsula Alliance for Economic Development and Virginia Peninsula Economic Development Council, former Co-Chair of Urban Partnership
2. **Robert Sharak**, Director, Special Projects, Hampton Roads Partnership, member of Board of Directors of Hampton Roads Technology Council and Hampton Roads Technology Incubator
3. **John Lombard**, PhD, Research Professor in Department of Urban Studies and Public Administration, Director of Economic Development Resource Center, Old Dominion University, former V.P., Research and Interim President, Hampton Roads Economic Development Alliance
4. **Richard Weigel**, President and CEO, Peninsula Alliance for Economic Development, member of Board of Directors of Virginia Peninsula Chamber of Commerce and Hampton Roads Technology Council
5. **Mathew James**, V.P., Workforce, Peninsula Alliance for Economic Development, former Director of Economic Development, City of Portsmouth, Business Development Manager for the City of Chesapeake, and member of the Hampton Roads Chamber of Commerce
6. **Terry Riley**, Executive Director, Hampton Roads Technology Council, member of Board of Directors of Small Business Development Center and Hampton Roads Technology Incubator, Chairman of Technology Committee, Hampton Roads Partnership
7. **Arthur Collins**, Executive Director, Hampton Roads District Planning Commission, member of Board of Directors of Hampton Roads Partnership, Virginia Peninsula Chamber of Commerce, Hampton Roads Chamber of Commerce, Future of Hampton Roads
8. **John Whaley**, Deputy Executive Director for Economics, Hampton Roads Planning District Commission, Economic spokesman for Hampton Roads Region
9. **Michael Townes**, Executive Director, Hampton Roads Transit, member of Board of Directors of Metropolitan Planning Organization of the Hampton Roads Planning District Commission and the Peninsula Alliance for Economic Development, member of Transportation Committee of the Hampton Roads Partnership

10. **Cameron Blandford**, Retired, former Assistant to the Chairman, Newport News Shipbuilding, former Chairman of the Virginia Peninsula Economic Development Council, Chairman of the Center for Public/Private Partnerships, member of Board of Directors of Future of Hampton Roads, Hampton Roads and Virginia Peninsula Chambers of Commerce, Peninsula Alliance for Economic Development and Hampton Roads Partnership, Vice Chairman of the Hampton Roads Technology Incubator, and primary author of Plan 2007
11. **Edward Carr**, PhD, Executive Director, New Horizons Regional Educational Center and Governor's School for Science and Technology, member of Board of Directors of Peninsula Chamber of Commerce and Peninsula Workforce Investment Board
12. **Bud Denton**, Department of Economic Development, City of Virginia Beach, former President and CEO of Virginia Peninsula Economic Development Council
13. **Tara Saunders**, Manager of Economic Development Department, City of Chesapeake, member of Hampton Roads Economic Development Alliance
14. **Roy Budd**, President and CEO of Opportunity, Inc., the Workforce Development initiative of South Hampton Roads, Chairman of Hampton Roads Workforce Investment Board, former Director of Workforce Development for Thomas Nelson Community College, former member of Board of Directors of Williamsburg, Franklin, Hampton Roads and Peninsula Chambers of Commerce
15. **Harry Train**, Admiral, U.S. Navy (Retired), one of the founding fathers and current Treasurer of the Future of Hampton Roads
16. **Gerald Brink**, President of Riverside Healthcare Foundation, member of Committee of 101, Future of Hampton Roads, former Chairman of Peninsula Chamber of Commerce, member of Board of Directors of Peninsula Alliance for Economic Development, member of Transportation Committee of Hampton Roads Partnership
17. **Vincent Mastracco**, Partner in law firm of Kaufman & Canoles, member of Board of Directors and General Counsel to the Hampton Roads Partnership, General Counsel to the Greater Norfolk Corporation, member of Committee of 101 of the Future of Hampton Roads
18. **Herbert Kelly, Sr.**, Senior Partner and founder of the law firm of Jones, Blechman, Woltz, and Kelly, P. C., General Counsel for the Peninsula Alliance for Economic Development, former Rector of College of William and Mary, and State Highway Board, founder of Newport News NOW and People to People
19. **Charles Brinley**, President of Dominion Terminal Associates, Vice Chairman of Hampton Roads Partnership, member of Board of Directors of Peninsula Alliance

for Economic Development, Hampton Roads Maritime Association and Gloucester Industrial Development Authority, former member of Urban Partnership

- 20. Marty Kaszubowski, Director of the Hampton Roads Technology Incubator, member of Board of Directors for Venture Capital**
- 21. John Hornbeck, President and CEO, Hampton Roads Chamber of Commerce, member of Board of Directors of Hampton Roads Economic Development Alliance and Hampton Roads Maritime Association, President of Small Business Development Center and President of the Sports Authority of Hampton Roads**
- 22. Barry DuVal, Secretary of Commerce and Trade for the Commonwealth of Virginia, former President and CEO of Hampton Roads Partnership, Councilman and Mayor of the City of Newport News, former member of the Board of Directors of the Virginia Peninsula Economic Development Council and Peninsula Alliance for Economic Development, former member of the Peninsula Mayors and Chairs organization and Chairman of the Hampton Roads Mayors and Chairs**

APPENDIX B

June 20, 2000

Hampton Roads Partnership
430 World Trade Center
Norfolk, Virginia 23510

Dear Sir:

My name is Jim Probsdorfer and I am a Doctoral Candidate at Old Dominion University in the Urban Services Program. I am starting to gather information on regional organizations and how they impact the economic development of Hampton Roads. My dissertation committee consists of Drs. Leonard Ruchelman (Chair), Roger Richman, and Chris Colburn. The working title of my dissertation is: "The Regional Civic Infrastructure of Hampton Roads and Its Impact on Economic Development."

Your organization, Hampton Roads Partnership, is unquestionably one of our most influential regional organizations. I am most interested in obtaining information that describes the Partnership's origin, development over time, and efforts to achieve regionalism. My goal is to review your relevant organizational documents to identify what proposals you have sponsored for economic development, and what was/is the outcome of the proposal. Then I plan to analyze what factors either facilitated or impeded the outcome of the proposal.

I plan to call your office within the week. I would like to set up an appointment to see you or your representative and explain my dissertation proposal. With your permission, I hope to be able to set up a follow-on opportunity to review some of your organizational documents.

Thank you for helping me with my dissertation.

Sincerely,

James A. Probsdorfer

APPENDIX C - RCI BRIEFING

**The Regional Civic Infrastructure
of Hampton Roads and Its
Impact on Economic Development**

PhD Dissertation
James A. Probsdorfer
June, 2000

Background



- Hampton Roads promotes regionalism
- But HR struggling to stay competitive
- Regions emerge from rich networks
- Regions with well developed civic infrastructure will increase regionalism
- Is this the case for Hampton Roads?

The Research Problem

- How have regional public-private organizations evolved in Hampton Roads and how have they networked their efforts to promote regional economic development?

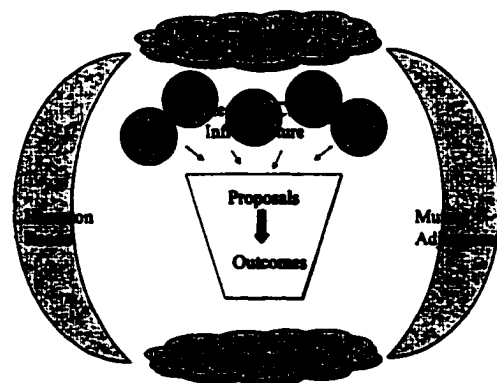


Research Questions

- What are the public-private organizations that promote regional economic development in HR & what has been their historical evolution?
- What proposals have these organizations promoted to address regional economic issues?
- What are the outcomes of these proposals?
- To what extent have public-private organizations served as a network to either facilitate or impede regional economic development in HR?

Significance of the Study

- Regions are units of economic competition
- Localities have to cooperate to compete
- Regionalism is important to HR
- No inventory exists to describe regional efforts to promote development
- Effort to integrate organizations, proposals and outcomes



Research Methods - Design

- Develop historical analysis
 - Hampton Roads regional organizations
- Regional civic infrastructure
 - Organizations, proposals, outcomes
- Time frame: 1960 to 2000; focus on 1990's
- Primary & secondary data including interviews



Regional Civic Infrastructure

- Hampton Roads Planning District Commission
- Hampton Roads Partnership
- Peninsula Alliance for Economic Development
- Hampton Roads Economic Development Alliance
- Hampton Roads Technology Council



Data Collection Procedures

- Collect data
 - Organizational documents, newspaper accounts, census data, interviews
- Categorize data
 - Time period, historical context, achievements, regional development
- Emergence of issues – confirm & categorize
- Compare and explain outcomes



Regional Inventory

- Arrangement: Regional or sub-regional
- Organizations: Five selected from HR
- Proposals: Efforts to promote economic development
- Outcomes: Implemented or not adopted
- Factors: Facilitated or impeded regionalism
 - Explain why proposal was or was not implemented.

What's Next?



- Set date for follow-up visit
- Point Of Contact
- Data available
- Copy service
- Feedback

APPENDIX D PROTOCOL FOR INITIAL VISIT TO RCI

1. **Introduction**
 - a. **Personal Background**
 - b. **Business Card**
 - c. **References**

2. **Purpose of Visit**
 - a. **Dissertation Proposal**
 - b. **Establish Dialogue - Coordination**
 - c. **Understand Organization's Impact**

3. **Review Proposal**
 - a. **Introduction**
 - b. **Research Problem – Research Questions**
 - c. **Significance of the Study**
 - d. **Methodology**

4. **Assistance Sought**
 - a. **Review Organizational Files - Documents - Time Periods**
 - b. **Economic Development Issues – Proposals - Outcomes**
 - c. **Potential Interviewees**

5. **Follow-up Visit**
 - a. **Set Date - POC**
 - b. **Data available**
 - c. **Copy Service**
 - d. **Feedback**

APPENDIX E**Protocol for Interview****Selection Criteria**

The candidate for this interview was involved in regional issues during the time period of this study. This individual served in the regional civic infrastructure or the local government structure. He/she was selected from a wide diversity of communities and businesses representing the region. The selection criteria assumed this individual influenced the growth of regionalism in Hampton Roads, that he/she was willing to be interviewed about participation in the events, and that he/she provided an honest perspective to the interview questions.

Administration

This interview should take no more than one hour. There is no form of participant compensation for the interview. There is no physical or psychological risk to the participant for providing information in this interview. The participant may terminate the interview at any time. There is no deception intended in the use of the interview information.

The selected individuals were called and asked to set an appointment for the interviewer to visit with them. The likely location for the interview is the individual's workplace. In advance of the interview, the participants were mailed a series of questions to be asked in the interview. The participant was be asked to think about their answers to the questions and be prepared to discuss them at the interview.

Participants were identified only by occupation and not by name in the study. The interviewer maintained a record of the interview. The interviewer asked permission to use a tape recorder to record the interview to ensure that the information presented accurately reflects the individual's response to the interview questions. A summary of the interview was made and a copy provided to the participant for comment. Any corrections or clarifications to the interview were noted.

Interview Procedure

1. You are being asked to participate in a study on the Hampton Roads Region. The purpose of this interview is to provide information for possible use in the Ph. D. Dissertation titled, "The Regional Civic Infrastructure of Hampton Roads and its Impact on Economic Development."
2. You were chosen for this study because you were involved in regional issues during the period of this study. Perhaps you were able to influence the growth of regionalism. You are one of approximately twenty participants in this study.
3. I anticipate that this interview will last no more than one hour. You will be asked to answer approximately ten questions and to elaborate on your answers. I would appreciate hearing any perspective you may have. The questions are open ended so feel free to elaborate on any of the answers you provide.

4. **Your acceptance to be interviewed constitutes informed consent. Participation in this interview is voluntary. Refusal to be interviewed or to answer any question will result in no penalty or loss of benefits to you.**
5. **With your permission, I would like to tape record your answers to the interview questions. Shortly after this interview, I will provide you with a summary of your response to the interview questions. The summary will not be a detailed transcript, but it should accurately reflect your dialogue with me. Should you have any clarifications or corrections to the summary, please let me know.**
6. **Please be assured that the information you provide will be treated with the utmost respect and held in strictest confidence.**
7. **If you have any questions or concerns regarding this research, you may contact me or Dr. Leonard Ruchelman at Old Dominion University at 683-3961. Here is my card.**
8. **Are you ready to start? Please state your occupation.....**

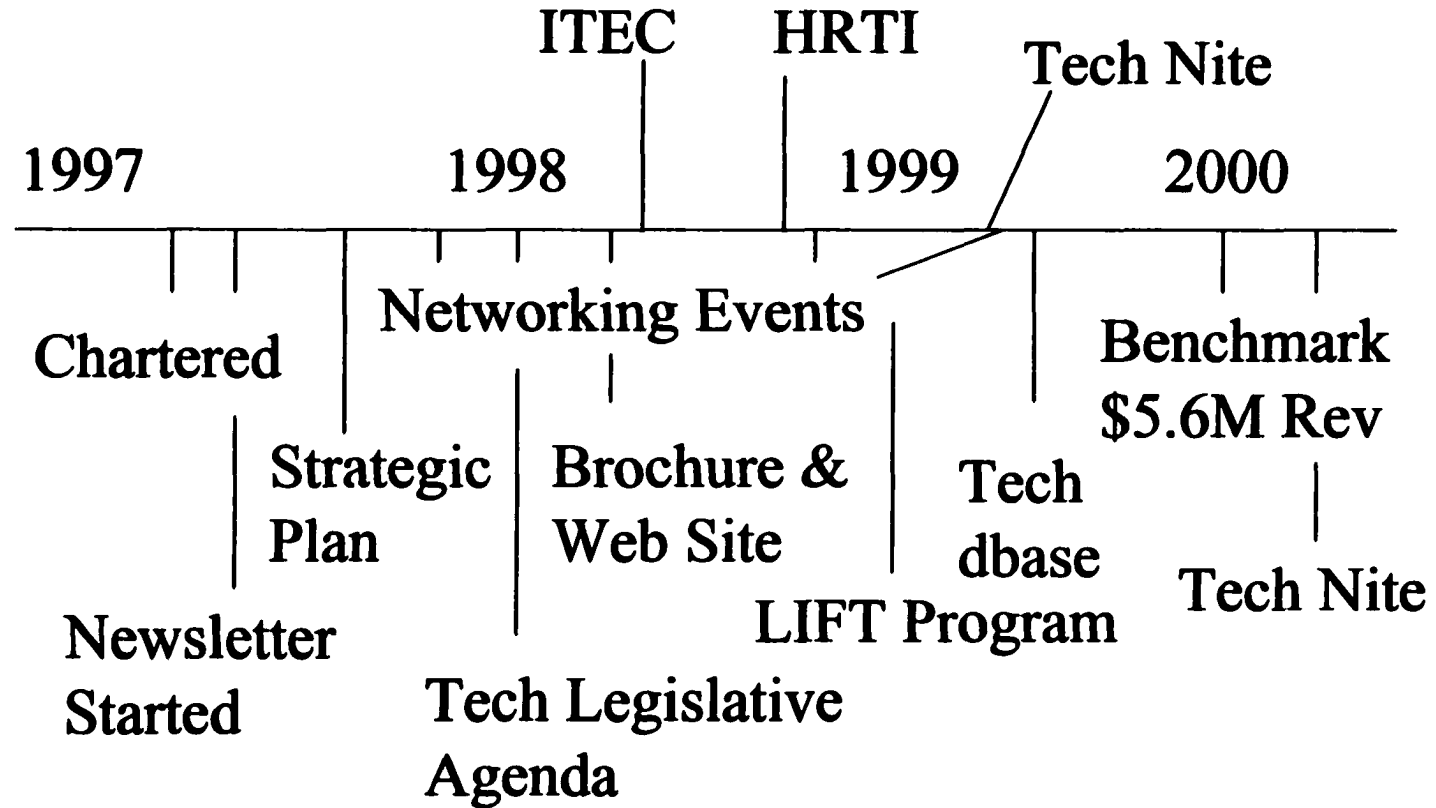
APPENDIX F**Interview Questions**

1. **What is your current occupation and job title? How long have you been a resident of Hampton Roads Region?**
2. **In what way are/were you involved in promoting regional development in Hampton Roads?**
3. **What do you see as the most important regional issues facing Hampton Roads? How would you prioritize these issues and why? How has Hampton Roads addressed these issues?**
4. **How has regionalism evolved over the last ten years? How has regionalism dealt with the issues you identified?**
5. **In your opinion, what are the key regional organizations that have promoted regional economic development in Hampton Roads? How have they evolved over the years? Why were they more successful than other organizations? What about your own organization?**
6. **Are you familiar with any of the proposals for regional economic development that these key regional organizations have promoted? What about your own organization? What about the others? Please elaborate on your answer.**
7. **What has been the outcome of those proposals? How were the issues resolved?**
8. **Do you feel that the key regional organizations cooperate with each other to promote regional economic development? Please elaborate on your answer.**
9. **Do you feel that the Hampton Roads localities follow their own agenda rather than support a broad regional agenda? Please elaborate on your answer.**
10. **What factors have served to either facilitate or impede regional development in Hampton Roads?**

Phase	Data Collection	Data Analysis Method	Expected Outcomes	Relation to Research Questions
One	a. review Bureau of Census information	a. organize data by time and relation to Hampton Roads	a. substantiate organization proposals and outcomes	a. research question # 1 and 2.
	b. collect organizational documents	b. organize documents by time and proposal	b. historical perspective and identification of proposals/issues	b. research questions #1 and 2.
	c. conduct two practice interviews	c. refine interview protocol	c. familiarity with interview techniques	c. none
Two	a. review organization and news media files	a. analyze data for proposals and outcomes	a. resolution of proposals and outcomes; identify networking linkages	a. research questions #1, 2 and 3.
	b. conduct focused interviews	b. analyze data for proposals and outcomes	b. historical perspective, resolution of outcomes, and networking linkages	b. research questions #2 and 3.
	c. Census data, documents, interviews	c. triangulate data and analyze data patterns	c. Identify and develop networking conditions	c. research questions #3 and 4.
Three	a. develop findings	a. determine relationship among organizations, proposals and outcomes	a. evidence of pro- or anti-regional factors	a. research questions #1, 2, 3, and 4
	b. draw study conclusions	b. link findings to research questions and draw conclusions	b. identification of strong or weak regionalism	b. research problem
	c. generalize to theory	c. generalize findings and conclusions to broader theory	c. general support or non-support for theory of regionalism	c. research problem

REGIONAL CIVIC INFRASTRUCTURE TIMELINE

Hampton Roads Technology Council



APPENDIX I**Regional Inventory**

Proposal	Linkage	Impact	Outcomes	Comment
Transportation Issues:				
HRT Merger	HRP & HRPDC	Regional Organization	Implemented	Talks start '92 Merger in '99
Gas Tax & Tolls	HRP & HRPDC	Regional Funding	Disapproved/ Ongoing Talks	Ongoing '90, 91, 92, 99, 00
Defense Issues:				
Professional Sports Issues:				
Workforce Issues:				
Legislation Issues:				
Technology Issues:				
Infrastructure Issues:				
Tourism Issues:				

APPENDIX J**Regional Factors**

Category	Pro-regional Factors	Anti-regional Factors
Economic	Financial advantage perceived throughout metro area	Perceived loss of revenue by local governments
Political	Strong metro leadership and common political affiliation	Weak leadership; mixed political affiliation
Cultural	Strong social culture (e.g. ethnic influence, common demographics)	Weak social culture (e.g. ethnic diversity, mixed local values)
Legislative	Federal/State mandates and funding favors metro cooperation	Federal/State incentives favor local autonomy
Historical	Common historical development; Lack of historical rivalries	Dissimilar growth patterns and strong past rivalries
Geographical	Shared resources and common urban development patterns	Natural barriers within region; Dissimilar urban development

APPENDIX K**Network Effectiveness Criteria***

Level of Network Analysis	Effectiveness Criteria
Community	(Not used in this study)
Network	Network membership growth Range of services provided Absence of service duplication Creation and maintenance of network administrative organization (NAO) Integration / coordination of services Cost of network maintenance Member commitment to network goals Relationship strength (multiplexity)
Organization / participant	(Not used in this study)

* From article by Keith Provan and H. Brinton Milward, "Do Networks Really Work? A Framework for Evaluating Public-Sector Organizational Networks." *Public Administration Review*, July/August, 2001: 416.

VITA

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