Final Report

Eugene P. Trani, *Chair of the Board*, Richmond’s Future
Bob Holsworth, *Research Director*, Richmond’s Future

Richmond Times-Dispatch
TABLE OF CONTENTS

I. Origin and Purpose ........................................................................................................................... 3
II. Report Summary: Eleven Takeaways ............................................................................................. 4
III. Benchmarking Richmond .................................................................................................................. 5
   Peer Comparisons .............................................................................................................................. 5
   Benchmark Measures ......................................................................................................................... 6
   Economic Performance ....................................................................................................................... 7
   Educational Attainment ...................................................................................................................... 8
   Poverty and Housing Affordability ..................................................................................................... 9
   Demographic Change .......................................................................................................................... 10
IV. Four Approaches to Regional Progress ............................................................................................ 11
   Cluster Strategies .............................................................................................................................. 11
   A Logistics Tipping Point .................................................................................................................. 11
   A 21ST Century Port ........................................................................................................................... 12
   The Export Possibility ...................................................................................................................... 12
   Fort Lee: The Home and Lifeblood of Logistics ............................................................................. 13
   CCALS: The Research Underpinning for Logistics ........................................................................ 13
   Human Capital Strategies .................................................................................................................. 14
   The New Focus on STEM-H ............................................................................................................. 14
   STEM-H in RVA ................................................................................................................................ 14
   Placemaking: Building RVA's Identity ............................................................................................... 16
   The Evolving Role of the Arts .......................................................................................................... 16
   A Well Regarded Restaurant Scene ................................................................................................. 17
   Active, Healthy, and Sustainable RVA .............................................................................................. 17
   The YRVA Project ............................................................................................................................... 18
   Race and Richmond ............................................................................................................................ 19
   Interregional Strategies ...................................................................................................................... 20
   Region-State Partnerships .................................................................................................................. 20
   RVA-Hampton Roads ............................................................................................................................ 20
   RVA-NOVA ......................................................................................................................................... 21
   An Education Corridor ....................................................................................................................... 21
V. Regional Cooperation: Past and Future ............................................................................................... 22
   Cooperation and its Limits .................................................................................................................. 22
   Examples of Cooperation .................................................................................................................... 22
   A Future for Regional Cooperation ................................................................................................... 24
   Be Flexible on Scope .......................................................................................................................... 24
   Understand that Leadership (and Politics) Matters .......................................................................... 24
   Make the Commonwealth a Partner ................................................................................................. 24
   Realize That Incentives Count ........................................................................................................... 24
VI. Conclusion: Eleven Takeaways ........................................................................................................... 25
VII. Appendices ....................................................................................................................................... 26

Board Members of Richmond's Future ................................................................................................. 26
Research Council of Richmond's Future ............................................................................................... 26
Council of Advisors of Richmond's Future ........................................................................................... 26
Op Ed: “Leveraging seven transcendent trends to map Richmond's future” By John W. Martin ... 30
**Origin and Purpose**

Richmond’s Future was established in 2011 as an independent, regional “think tank” under the leadership of Dr. Eugene P. Trani, former President of Virginia Commonwealth University. Richmond’s Future filled a gap among local organizations dedicated to regional progress because, although there was a wealth of groups addressing region-wide matters who had supported specific research projects, there was no regional think tank primarily dedicated to producing studies that could be translated into action.

Dr. Trani selected a board that was drawn from leaders of local organizations, CEOs of companies who have been actively engaged in the business and policy arenas, and members of the community who possessed expertise in the content areas that the think tank was to explore. The members of the board became actively engaged in shaping the research agenda, in responding to the studies produced by the research teams, and in pointing to future recommendations. Richmond’s Future also established two advisory boards that met periodically to be briefed on the think tank’s projects and to offer advice about future efforts.

Funding for the think tank was secured for an initial period of three years through generous pledges by local businesses, the Community Foundation, and individual supporters. Dr. Trani received no compensation for his role as Executive Director. The think tank hired three part-time individuals to manage day-to-day operations, to coordinate its research effort, and to manage financial matters. The remaining funds were utilized in direct support of the research initiatives of Richmond’s Future.

Prior to the formation of Richmond’s Future, a preliminary scan of local and regional think tanks across the rest of the nation had been conducted. The examination of how these were organized and operated in other metro areas enabled Richmond’s Future to define its own niche more sharply as an entity that would strive to combine organizational independence with practical relevance.

On one hand, the think tank would be independent of the governmental institutions, organized interest groups, and community organizations that existed in the region in order to ensure that the selection of topics studied, the approaches that would be adopted, the conclusions reached, and the recommendations made would not be unduly influenced or even perceived to be influenced by a direct affiliation of the think tank with an external organization. For this reason, Richmond’s Future was organized from its inception as a separate 501(c)3 nonprofit with elected officials excluded from membership on the board.

At the same time, board members did not want the think tank to be excessively academic in its approach or so visionary in its orientation that it ignored the present needs and current challenges in the region. They wanted the research produced by Richmond’s Future to be a genuine complement to ongoing activities and to result in practical recommendations and action steps that regional organizations, elected officials, governments, and colleges and universities could be encouraged to promote. With the exception of its foundational regional data projects, the think tank’s research studies were invariably linked to practical recommendations that could help translate findings into effective action steps.

At the outset, the board made a number of decisions that established the reach of the think tank’s initiatives and the manner in which it would conduct its research. The first decision was to adopt an expansive conception of the region that went beyond the boundaries of Richmond-Chesterfield-Hanover-Henrico to essentially include the Census Bureau’s definition of the Metropolitan Statistical Area (MSA). The adoption of a broad, region-wide focus rather than a four-county focus was consistent with contemporary thinking about economic development that emphasizes how regional clusters are the building blocks of successful economies. For the think tank, this had the practical effect of channeling significant attention to areas south of the four counties that had not been fully incorporated in previous efforts to envision the future. Assets such as Fort Lee and Route 460 were viewed as integral features of a logistics cluster. The interests that our region shared with Hampton Roads around the Port of Richmond and Route 460 became far clearer to see, with some even envisioning the potential formation of a “mega-region” in which economic and transportation planning would enhance our common interests in a globally integrated economy. The adoption of a broad, region-wide definition also meshed neatly with the RVA branding campaign that had gained significant traction in national tourism marketing and among our young people.

Richmond’s Future made a second decision to commit to utilizing locally based organizations and individuals as the principal investigators for its studies. This commitment was grounded in both practical and financial considerations. By 2011, it was evident that the region had developed a critical mass of talented researchers who were actively contributing to the initiatives of many local organizations. Faculty and centers at local universities and groups such as the Southeastern Institute of Research (SIR), Chmura Analytics, McGuireWoods Consulting, and DecideSmart, had experience working separately and as partners on many important local and regional initiatives and brought their knowledge and experience to the work of Richmond’s Future. The Federal Reserve Bank of Richmond made a signature commitment to the think tank when it volunteered to employ its exceptional research capacity to perform the baseline comparative study of RVAs’s economic position. Other organizations such as the Richmond Regional Planning District Commission, The Crater Regional Planning District Commission, and the Greater Richmond Chamber of Commerce generously contributed their institutional research capacities to the work of Richmond’s Future.

In addition, there was also a sense of frustration with some of the external consultants who had previously been brought to the region, and questions regarding how well they understood the RVA context and what stake they had in translating recommendations into action were common complaints. Finally, the use of locally based consultants provided the opportunity to extend the dollar amounts that had been allocated to Richmond’s Future most effectively. The regional consultants uniformly conducted their work as a public service, discounting normal rates to those that covered basic costs. In fact, as the think tank proceeded, university scholars and other local researchers generously consented to have their work be included in the think tank’s output. The combination of at-cost work along with the contribution of volunteer time enabled the think tank to produce studies at costs far below what it would have had to pay in the outside
marketplace. Richmond’s Future was able to extend the lifetime of its initial funding commitment from three to five years because of the commitment of local researchers to its mission and their willingness to adjust their own costs in light of this commitment.

This report is organized into three main sections. The first, “Benchmarking Richmond,” explains how RVA measures up to similarly sized regions across the country in terms of economic performance, educational attainment, and demographic characteristics. The second section, “Four Approaches to Regional Progress,” examines the major orientations to regional progress that informed the work that Richmond’s Future produced—cluster strategies, human capital strategies, placemaking approaches, and interregional strategies. These approaches framed a wide range of studies examining issues such as the role of logistics and advanced manufacturing, potential regional approaches to STEM education and workforce development, how RVA should brand itself in the growing competition for talent, and what interregional strategies would be most advantageous for the Richmond region to pursue. The final section, “Regional Cooperation: Past and Future,” explores the challenges of regional cooperation and identifies the most promising approaches to fostering it.

Report Summary: Eleven Takeaways

1. Compared to the nine other regions of similar size in the country, the Richmond MSA is a relatively strong economic performer. On measures of personal income, regional GDP, and percentage of the total population in poverty, RVA compares favorably to the majority of peer regions and is only significantly outperformed by Raleigh-Cary, NC. The one major caveat is that growth on key economic measures has been tepid compared to the rest of the peer group.

2. Despite the region’s relatively strong ranking, conditions have worsened for residents at the low end of the economic scale. In the last ten years, overall poverty has ticked upward, the percentage of children in poverty in the region has increased by 15%, and housing affordability for renters has become more problematic. While poverty rates in Richmond (22%) and Petersburg (18%) remain very high, the rate of increase in the more populous counties has expanded at a faster clip. The poverty rate in Henrico increased by 50% between 2000 and 2010, from 6% overall to 9%. The demographic evolution of the region could well exacerbate these trends.

3. RVA’s population ranks 3rd out of the ten peer regions in terms of college degree attainment, yet the Richmond MSA only ranks 8th in terms of the percentage of adults over 25 who have completed high school. The ranking is related to low degree attainment in Richmond, Petersburg, and in a number of the smaller rural counties that comprise the MSA.

4. RVA has a genuine opportunity to become a logistics capital on the East Coast. The region has an extraordinarily favorable location and a unique set of assets. The potential for modernizing the Port of Richmond and creating Virginia’s second inland port, for capitalizing on Fort Lee’s role as the Army Logistics University, for utilizing the research capabilities of the Commonwealth Center for Advanced Logistics Systems, and for strengthening the region’s relationship with Hampton Roads, add up to a remarkable opportunity if a strategy for realizing it can be implemented.

5. The region needs to develop a stronger focus on ensuring that all students acquire the skills that will enable them to flourish in the 21st Century. This has become even more pressing for students who are not likely to pursue a college degree in the years after high school. The region needs to focus on reinventing career and technical education, enabling students to explore a range of possible careers and to develop a game plan regarding potential career pathways. As a first step, a regional portal needs to be brought online that will enable students from throughout the region—and at appropriate grade levels—to learn about career options and to identify career pathways and how they might best prepare for them.

6. RVA could be a leader among mid-sized regions in the fierce competition for talented young professionals. The region’s vibrant arts community, thriving food scene, outdoor recreation possibilities, and diverse population could be a powerful magnet for young people who are seeking a great place to live. However, there is a clear perception among young professionals, within and without RVA, that the region is not a great place for employment options. Addressing and reversing this perception will be essential to building a brand for RVA that can capitalize on the other advantages that the region offers.

7. The business community should sponsor a coordinated outreach and internship program to colleges across Virginia and to students from the region attending out-of-state universities that is designed to showcase the employment options in RVA, its burgeoning entrepreneurial culture, and the area’s vibrant cultural opportunities in order to attract more of our graduates back to the region when they complete their education.

8. Richmond’s troubled history with race as well as its overall political climate impacts the overall perception of the region in a negative manner. Studies by the Southeastern Institute of Research indicated that young professionals do not perceive RVA as a region that values diversity. In addition, RVA has not gained the national reputation that Atlanta and, increasingly, Charlotte has obtained as a metro area that has made substantial progress in bridging the racial divide. RVA’s effort to come to terms with its own history in an inclusive manner is only beginning to be recognized and realized. The demographic shifts that have occurred over the last twenty years clearly indicate that the challenge of becoming a region that is truly inclusive must be addressed by all jurisdictions.

9. In the short and intermediate term, the interregional strategy of RVA should focus on expanding the cooperative activities with Hampton Roads on logistics. It should also seek to capitalize on the extraordinary “education corridor” that exists between Charlotte and Hampton Roads where more than half of the students in Virginia’s public four year colleges and universities attend school and where almost all of the Commonwealth’s advanced medical training occurs. Continuing to build research and teaching collaborations between universities and providing opportunities for graduates to advance their careers should be a key priority. Finally, the region should take advantage of state incentive programs such as the emergent Go Virginia initiative to promote private sector job creation.

10. There is a palpable lack of confidence that the different jurisdictions in the region can work together and successfully execute the kinds of strategic action that will enable RVA to meet the challenges it faces in providing opportunities for all citizens and in realizing the region’s economic, social, and cultural potential.

11. It is unlikely that there is a feasible legal, structural, or organizational reform that will impel regional cooperation to an entirely new level in the near future. At the same time, a “glass half full” approach that learns from the cooperative efforts that have worked or are currently succeeding could be productive. A better understanding of how regional cooperation can be a flexible tool, of the paramount role that leaders have played in overcoming obstacles to regional collaboration, of how the state can be enlisted as a partner, and how incentives must be aligned to keep all participants on the same page could significantly improve the quantity and quality of cooperation.
Benchmarking Richmond

Peer Comparisons

How does RVA stack up to other regions around the country? This is a question that many organizations have asked over the years. The comparisons have typically been posed for aspirational purposes. Richmond has often been compared to other regions that are selected for their success in achieving a particular goal that interested groups would like to achieve for our area: What cities have done downtown arts centers best? What regions have been the most successful in establishing an economy grounded in biotechnology? What places negotiated good deals to bring minor league baseball downtown? What regions had successful MAPS initiatives? Each of these questions has had a similar purpose: How might we adapt what others have done well to the particular context of our region?

This was certainly a sensible way of proceeding for the various groups that wanted to achieve a very specific goal. Richmond’s Future adopted, however, a slightly different approach to the question of “how does RVA stack up?” We began by commissioning a set of baseline studies that benchmarked RVA on a set of economic and demographic characteristics to nine regions across the country that are similarly sized. For this purpose, the benchmark regions were: Birmingham, AL; Buffalo, NY; Hartford, CT; Jacksonville, FL; Louisville, KY; Memphis, TN; Oklahoma City, OK; Raleigh-Cary, NC; and Salt Lake City, UT. Ann Macheras of the Federal Reserve Bank of Richmond and Michaela Zonta of VCU used the same nine regions in producing reports about RVA’s comparative economic performance and demographic profile.

This approach did not prevent Richmond’s Future from asking aspirational questions about what RVA might become as it proceeded, but it enabled the work of the think tank to at least begin with apples to apples comparisons that foster a more balanced assessment of RVA’s relative position that is likely to be evident in aspirational studies. Moreover, the conditions and challenges of mid-sized regions on certain issues may be qualitatively distinct from those arising in larger metropolitan areas.

Consider the challenges that can be associated with public transportation planning. Size and density have an overwhelming impact on the willingness of citizens to use public transportation to get to and from work. In none of the mid-sized regions that we examined did more than 4% of the population utilize public transit in traveling to and from their places of employment. There are certainly significant improvements that RVA could make in our transit situation today and population growth is likely to make transit an increasingly crucial issue in the future. Yet, as we describe in the report’s final section on regional cooperation, practical recommendations for developing a more robust transit system should be relevant to the conditions and density of a mid-sized region.

Benchmarking Peer Group Selection

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<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Jacksonville, FL</td>
<td>1,345,596</td>
</tr>
<tr>
<td>Memphis, TN</td>
<td>1,316,100</td>
</tr>
<tr>
<td>Louisville, KY</td>
<td>1,283,566</td>
</tr>
<tr>
<td>Richmond, VA</td>
<td>1,258,251</td>
</tr>
<tr>
<td>Oklahoma City, OK</td>
<td>1,252,987</td>
</tr>
<tr>
<td>Hartford, CT</td>
<td>1,212,381</td>
</tr>
<tr>
<td>Buffalo, NY</td>
<td>1,135,509</td>
</tr>
<tr>
<td>Raleigh-Cary, NC</td>
<td>1,130,490</td>
</tr>
<tr>
<td>Birmingham, AL</td>
<td>1,128,047</td>
</tr>
<tr>
<td>Salt Lake City, UT</td>
<td>1,124,197</td>
</tr>
</tbody>
</table>

Source: US Census, American Community Survey

Commute To Work, Richmond and Peer Metro Areas, 2000

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Workers 16 years of Age and Older</th>
<th>% Commute by Car</th>
<th>% Commute by Public Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birmingham, AL</td>
<td>468,724</td>
<td>95</td>
<td>1</td>
</tr>
<tr>
<td>Buffalo, NY</td>
<td>520,350</td>
<td>91</td>
<td>4</td>
</tr>
<tr>
<td>Hartford, CT</td>
<td>556,012</td>
<td>91</td>
<td>3</td>
</tr>
<tr>
<td>Jacksonville, FL</td>
<td>536,865</td>
<td>93</td>
<td>2</td>
</tr>
<tr>
<td>Louisville, KY</td>
<td>557,815</td>
<td>93</td>
<td>2</td>
</tr>
<tr>
<td>Memphis, TN</td>
<td>538,679</td>
<td>94</td>
<td>2</td>
</tr>
<tr>
<td>Oklahoma City, OK</td>
<td>515,505</td>
<td>94</td>
<td>1</td>
</tr>
<tr>
<td>Raleigh-Cary, NC</td>
<td>419,525</td>
<td>93</td>
<td>1</td>
</tr>
<tr>
<td>Richmond, VA</td>
<td>536,729</td>
<td>93</td>
<td>2</td>
</tr>
<tr>
<td>Salt Lake City, UT</td>
<td>472,888</td>
<td>89</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Census 2000, Summary File 3
Benchmark Measures

The major indicators in our baseline studies could be grouped around four principal measures: regional economic performance, educational attainment data, family economic conditions, and demographic characteristics. In producing reports about RVA’s comparative economic performance and demographic profile.

Economic Performance

The economic performance indicators in the baseline study included total employment and growth in total employment, per capita personal income and growth in per capita personal income, real GDP and growth in real GDP, median home sale prices, and the percentage of the population in the major occupational segments. The balance of the baseline economic data indicates that RVA performs relatively well when compared to its mid-sized peers. Out of the ten regions, Richmond ranks 2nd in personal income, falling only behind Hartford, CT.

<table>
<thead>
<tr>
<th>City</th>
<th>Per Capita Personal Income, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hartford, CT</td>
<td>$51,291</td>
</tr>
<tr>
<td>Richmond, VA</td>
<td>$41,437</td>
</tr>
<tr>
<td>Jacksonville, FL</td>
<td>$39,840</td>
</tr>
<tr>
<td>Birmingham, AL</td>
<td>$39,368</td>
</tr>
<tr>
<td>Oklahoma City, OK</td>
<td>$39,136</td>
</tr>
<tr>
<td>Raleigh-Cary, NC</td>
<td>$39,090</td>
</tr>
<tr>
<td>Salt Lake City, UT</td>
<td>$38,613</td>
</tr>
<tr>
<td>Memphis, TN</td>
<td>$38,399</td>
</tr>
<tr>
<td>Buffalo, NY</td>
<td>$38,259</td>
</tr>
<tr>
<td>Louisville, KY</td>
<td>$38,081</td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis
RVA ranks 2nd in total employment out of ten regions and 4th in real GDP.

### Total Employment, 2010

<table>
<thead>
<tr>
<th>City</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt Lake City, UT</td>
<td>607,200</td>
</tr>
<tr>
<td>Richmond, VA</td>
<td>601,300</td>
</tr>
<tr>
<td>Louisville, KY</td>
<td>590,900</td>
</tr>
<tr>
<td>Memphis, TN</td>
<td>587,700</td>
</tr>
<tr>
<td>Jacksonville, FL</td>
<td>580,800</td>
</tr>
<tr>
<td>Oklahoma City, OK</td>
<td>556,300</td>
</tr>
<tr>
<td>Buffalo, NY</td>
<td>537,800</td>
</tr>
<tr>
<td>Hartford, CT</td>
<td>532,300</td>
</tr>
<tr>
<td>Raleigh-Cary, NC</td>
<td>496,300</td>
</tr>
<tr>
<td>Birmingham, AL</td>
<td>489,500</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics

### Real GDP, 2010 (millions of chained 2005 dollars)

<table>
<thead>
<tr>
<th>City</th>
<th>GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hartford, CT</td>
<td>$78,880</td>
</tr>
<tr>
<td>Salt Lake City, UT</td>
<td>$60,157</td>
</tr>
<tr>
<td>Memphis, TN</td>
<td>$58,010</td>
</tr>
<tr>
<td>Richmond, VA</td>
<td>$57,284</td>
</tr>
<tr>
<td>Jacksonville, FL</td>
<td>$54,061</td>
</tr>
<tr>
<td>Oklahoma City, OK</td>
<td>$53,671</td>
</tr>
<tr>
<td>Louisville, KY</td>
<td>$52,543</td>
</tr>
<tr>
<td>Raleigh-Cary, NC</td>
<td>$51,629</td>
</tr>
<tr>
<td>Birmingham, AL</td>
<td>$48,358</td>
</tr>
<tr>
<td>Buffalo, NY</td>
<td>$40,091</td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis
Optimism about RVA’s overall economic performance should be tempered, however, by one important cautionary note. On two key measures, the region’s growth rate is worse than its relative position. Despite being 2nd out of ten in per capita income, in terms of per capita income growth, Richmond was 9th out of ten between 1990-2000 and tied for 5th out of ten between 2000-2010. Moreover, our personal income growth rate lagged far behind Raleigh-Cary, the category leader.

A similar picture emerges with real GDP growth, where RVA is 4th out of ten in overall GDP, but was 9th out of ten between 2000-2010.
Educational Attainment

Educational attainment is a measure that is typically highly correlated with a region’s economic prosperity. Regions that succeed in the competition for talent are more likely to be attractive to high-end companies making location decisions and tend to have higher levels of per capita personal income. Indeed, there is a growing belief that this competition is likely to become even stiffer in the next few decades, leading to a further concentration of talent in the most successful regions. In the three largest metropolitan areas in Virginia, for example, educational attainment correlates with economic success. It is highest in Northern Virginia (NOVA) where more than 40% of the adult population over age 25 have college degrees and lowest in Hampton Roads where 22% of the population over 25 holds at least an undergraduate degree. RVA sits in almost the exact middle between NOVA and Hampton Roads with 31% of the population over age 25 having attained an undergraduate degree. The educational attainment data is even bleaker in the rural areas—especially Southwest Virginia—that have not fully shared in the Commonwealth’s prosperity in the last half-century.

Compared to the nine other similarly sized regions in the nation, Richmond again fares relatively well. RVA’s 31% of the population over 25 with at least a bachelor’s degree places it 3rd out of ten. Richmond far outplaces Memphis (25.1%), Louisville (25.8%), Birmingham (26.3%), Jacksonville (26.9%), and Oklahoma City (27.4%). Hartford is second place (34.6%) and Raleigh-Cary is in first (41%), exceeding the other nine mid-sized regions by a wide margin.

At the other end of the educational scale—adults with at least a high school degree—RVAs relative position is more troubling. The Richmond metro area ranks 8th of out ten mid-sized regions, with 86% of the population over 25 holding at least a high school degree or equivalent, only surpassing Birmingham (84.6%) and Memphis (85.6%) on this measure.

Percent of Population over 25 with at least a Bachelor’s Degree

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>2000</th>
<th>Rank</th>
<th>2010</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jacksonville, FL</td>
<td>22.9</td>
<td>8</td>
<td>26.9</td>
<td>7</td>
</tr>
<tr>
<td>Memphis, TN</td>
<td>22.7</td>
<td>9</td>
<td>25.1</td>
<td>10</td>
</tr>
<tr>
<td>Louisville, KY</td>
<td>22.2</td>
<td>10</td>
<td>25.8</td>
<td>9</td>
</tr>
<tr>
<td>Richmond, VA</td>
<td>29.2</td>
<td>3</td>
<td>31.7</td>
<td>3</td>
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<tr>
<td>Oklahoma City, OK</td>
<td>24.5</td>
<td>6</td>
<td>27.6</td>
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<td>Hartford, CT</td>
<td>29.8</td>
<td>2</td>
<td>34.6</td>
<td>2</td>
</tr>
<tr>
<td>Buffalo, NY</td>
<td>23.2</td>
<td>7</td>
<td>28.3</td>
<td>5</td>
</tr>
<tr>
<td>Raleigh-Cary, NC*</td>
<td>39.0</td>
<td>1</td>
<td>41.0</td>
<td>1</td>
</tr>
<tr>
<td>Birmingham, AL</td>
<td>24.7</td>
<td>5</td>
<td>26.3</td>
<td>8</td>
</tr>
<tr>
<td>Salt Lake City, UT</td>
<td>26.5</td>
<td>4</td>
<td>29.0</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: US Census Bureau
*Raleigh-Cary Definition includes Durham MSA in 2000 Census

Percent of Population over 25 with at least a High School Degree or Equivalent

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>2000</th>
<th>Rank</th>
<th>2010</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jacksonville, FL</td>
<td>83.7</td>
<td>4</td>
<td>89.1</td>
<td>3</td>
</tr>
<tr>
<td>Memphis, TN</td>
<td>79.9</td>
<td>10</td>
<td>85.6</td>
<td>9</td>
</tr>
<tr>
<td>Louisville, KY</td>
<td>81.4</td>
<td>8</td>
<td>86.9</td>
<td>7</td>
</tr>
<tr>
<td>Richmond, VA</td>
<td>82.7</td>
<td>7</td>
<td>86.0</td>
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</tr>
<tr>
<td>Oklahoma City, OK</td>
<td>83.8</td>
<td>3</td>
<td>87.5</td>
<td>6</td>
</tr>
<tr>
<td>Hartford, CT</td>
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<td>5</td>
<td>89.0</td>
<td>4</td>
</tr>
<tr>
<td>Buffalo, NY</td>
<td>83.0</td>
<td>6</td>
<td>89.6</td>
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<tr>
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<td>90.9</td>
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<td>84.6</td>
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<td>Salt Lake City, UT</td>
<td>87.5</td>
<td>1</td>
<td>88.4</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: US Census Bureau
*Raleigh-Cary Definition includes Durham MSA in 2000 Census

Poverty and Housing Affordability

Viewed region-wide, RVA compares favorably to its peer regions across the country in the overall level of poverty. With 10% of the region’s population below the poverty line, only Hartford and Salt Lake City, both at 9%, are performing better. RVA clearly performs better than Buffalo (14%), Oklahoma City (15%), and Memphis (18%).

Looking at the percent of children in poverty, RVA (15%) still compares relatively favorably to its peers in overall terms. The Richmond Metro area is 4th out of ten, with Salt Lake City (11%), Hartford (12%), and Raleigh-Cary (13%) performing better. Regions such as Memphis (28%), Oklahoma City (21%), Birmingham (19%), and Louisville (19%) are performing far worse on this measure.
Still, it is important to go beyond a relatively good performance on a region-wide level and understand the significant challenges that exist within these numbers and trends that can have very disturbing implications if these continue unabated.

The 10% region-wide poverty figure can mask the wide disparity that exists between and within localities. Richmond (22%), Hopewell (21%), and Petersburg (18%) all have rates of which about 1 in 5 residents live in poverty. In the City of Richmond, 35% of the children are living in poverty. In addition, a number of the poverty trends are getting worse, not better, in the region. In the metro area as a whole, the percentage of children in poverty increased between the years 2000 and 2010. Moreover, a number of suburban counties have seen poverty increases that, in percentage terms, are substantial. Between 2000 and 2010, the overall poverty rate in Henrico had a 50% increase as the percentage of residents in poverty went from 6% to 9% and the percentage of children in poverty increased from 8% to 13%. Similar percentage increases in the number of children in poverty also occurred in Chesterfield (6% to 9%) and Hanover (4% to 6%).

The persistence of challenges for lower-income residents was also evident in the data on housing and affordability. In 2010, 68% of the housing units in RVA were owner-occupied, a percentage that was only exceeded in the ten-region peer group by Birmingham’s 71%. For those who own homes, RVA housing has been and remains relatively affordable. In 2010, 27% of homeowners were paying more than 30% of household income for housing, a widely used index of affordability. However, affordability conditions were different for renters. More than 45% of renters were paying more than 30% of their income to meet their housing needs, up from 35% in 2000. The increase in RVA was not an aberration: escalating housing costs for renters as a percentage of income was, in fact, relatively similar across the ten-region peer group. This is a vivid example of the growing economic disparities that have been observed across American society.

### Demographic Change

RVAs population growth of 14.7% from 2000 to 2010 placed it 4th among its ten mid-sized region peers. In terms of population growth in the peer group, Raleigh-Cary more than doubled any other location with a 41.8% change. RVA ranked just below Salt Lake City (16%) and Jacksonville (19.8%). RVA far outpaced Buffalo (-3%), Hartford (5.6%), Birmingham (7.2%), and Memphis (9.2%).

Like other peer metropolitan areas, RVA has increasing numbers of foreign-born population. In 2010, 6% of the region’s population was foreign-born, compared to 4% in 2000. Yet RVA is not, by comparison, a magnet for foreign-born populations, ranking 7th in the ten-region peer group in which Hartford (12%), Raleigh-Cary (11%), and Salt Lake City (11%) are at the top.

The racial and ethnic composition of the region is also undergoing a gradual evolution in two notable ways. First, while the African-American population of the region remained steady at 30% between 2000 and 2010, the distribution among the region's jurisdictions is changing, especially in Chesterfield, Henrico, Colonial Heights, and Hopewell. The growth in the African-American population in the two largest suburban counties is particularly striking. In Chesterfield County, the absolute number of African-Americans increased from 46,195 to 69,412 in 2010—a percentage jump of 50%. In fact, in absolute numbers, Chesterfield added many more African-Americans (23,217) than it did Caucasians (16,507) in the same period. In Henrico County, 90,669 African-Americans comprise 30% of the population. The Virginia Employment Commission projects that the next census in 2020 will have more African-Americans in absolute numbers living in Henrico County than in the City of Richmond.

The second major change in the ethnic composition of the region is the growth of new minorities, especially those with Latino and Asian backgrounds. Chesterfield has the largest Latino population in both percentage (7%) and absolute numbers (21,153). The number of people in Chesterfield with Hispanic background doubled between 2000 and 2010. The Latino population also increased from 6% in Richmond and 4% in Henrico during that period. Henrico has the region's largest Asian population in both percentage (7%) and in absolute numbers (20,179), while Chesterfield is the next largest at 3%.

The overall growth of the minority populations in RVA’s largest jurisdictions is more dramatic when the

### Poverty Indicators, Richmond and Peer Metropolitan Areas, 2005-2009

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Percent Population Below Federal Poverty Line</th>
<th>Percent Children in Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birmingham, AL</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>Buffalo, NY</td>
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<tr>
<td>Oklahoma City, OK</td>
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<td>21</td>
</tr>
<tr>
<td>Raleigh-Cary, NC</td>
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<tr>
<td>Richmond, VA</td>
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<td>15</td>
</tr>
<tr>
<td>Salt Lake City, UT</td>
<td>9</td>
<td>11</td>
</tr>
</tbody>
</table>

Sources: American Community Survey, 5 year Estimates, 2005-2009
Four Approaches to Regional Progress

Cluster Strategies

Heavily influenced by the work of Harvard’s Michael Porter, clusters are defined as geographic concentrations of related companies, organizations, and institutions in a particular field that increase productivity, stimulate innovation, and facilitate new business formation. Porter’s work is a signal example of an academic theory that has had enormous practical impact. It has influenced national economic strategies across the globe. Moreover, the cluster approach has become the dominant framework used by regions across the United States to develop a strategic orientation to economic development.

In the Richmond area, cluster analysis has been integral to the Greater Richmond Partnership’s identification of target companies and industries that it has sought to recruit to the area. It was also a key element, albeit not the only framework utilized, of the Comprehensive Economic Development Strategy released in 2014 by the Richmond Regional Planning District Commission, a project done with extensive participation of community leaders on the relevant committees. Most recently, it is at the core of GO Virginia, a long-term initiative to promote private sector job creation by linking state incentives to the establishment of business-led strategies for regional economic development.

In most analyses, the key industries in RVA tend to be financial services, professional services, and construction, with targeted clusters being logistics, advanced manufacturing, health care/life sciences, and creative services. It is worth noting, however, that historically, RVA’s economic strength has been the diversification of its economic base and not necessarily the power of a single dominant cluster. Unlike other parts of Virginia, RVA is not so closely aligned (especially since Virginia banks moved their headquarters to North Carolina) with any particular industry, such as defense or autos, to the obvious exclusion of others. As a result, RVA may have not ridden the growth wave of any single industry or technology, but neither has it, in recent years, experienced the stress that some regions have seen from sequestration and cutbacks in federal spending.

The identification of potential clusters by Richmond’s Future is not intended to recommend that RVA move away from its commitment to a broadly diversified economic base. Instead, it is intended to point out how locational advantages, workforce bases, and educational institutions can be employed to provide more opportunities for our residents and enable the region to be successful in an economic environment where competition is heightened and uncertainty has become the norm regarding the future.

Our studies examined three potential cluster areas that might be advantageous: logistics, advanced manufacturing, and health care/life sciences. Logistics holds the potential of providing employment across the entire spectrum of educational attainment and knitting together the entire metro region around common economic goals. The establishment of the Commonwealth Center for Advanced Manufacturing and the potential development of an accompanying apprentice school could position the region to be a leader in the 21st century revival of manufacturing. Also, the concentration of health care/life sciences industry might enable RVA to become a center for emergency medicine. This section will focus primarily on logistics and will refer to aspects of the work on advanced manufacturing and health care in the sections on human capital strategies and placemaking.

A Logistics Tipping Point

The author Malcolm Gladwell has used the term “tipping point” to describe the moment when various phenomena gain momentum in a way that appears almost unstoppable. The concept is applicable in a wide variety of contexts, from ideas to products and messages. In business, a tipping point might be described as the moment in which a product or a category begins to shoot straight up. When a tipping point does occur, an idea or a product gains widespread acceptance and spreads, epidemic-like, in ways that could have hardly been conceived or imagined a few months or a few years earlier.

It could be said that RVA is approaching a tipping point in logistics. The region has a favorable location for shipping and distribution; it has existing logistics-related businesses from Hanover to Prince George; the region is home to Fort Lee, the Army’s central logistics training university; RVA is within one hundred miles of the East Coast’s deepest water port in Hampton Roads; Richmond International Airport is one of the nation’s top sixty airports for cargo shipments; and there are a set of promising initiatives in an emergent stage that could establish a major research underpinning to the region’s logistics initiatives.

Dr. Keith Miller’s study showed how the recent emergence of a set of complementary logistics initiatives in RVA is indicative of the potential that the industry cluster holds for the region. The development of the Port of Richmond, the creation of the Commonwealth Center for Advanced Logistics, the construction of major Amazon facilities in Chesterfield and Dinwiddie counties, the ongoing work at Defense Logistics Agency: Aviation, and the capacity to utilize the potential of the Army Logistics University at Fort Lee to promote economic development in the wider region all have major positive implications. Logistics also holds the potential for employing large numbers of area residents because job openings range from warehousing and distribution for entry level workers to Ph.D. researchers in operations systems, a possibility that does not always accompany other forms of economic activity in the contemporary world. However, it is a potential that will require collaboration, investment, and detailed execution if the tipping point is actually going to
be reached. Each of these initiatives will require the public and private sectors and all levels of government—federal, state, regional and local—to work together.

A 21ST Century Port

The increase in global cargo has been a major contributor to the appeal and attractiveness of the logistics industry for nations, states, and regions across the world. In 2011 alone, global cargo volumes rose by 11%. This trend is very relevant to Virginia. The Commonwealth is currently positioned as one of the top ports on the East Coast and in the country at large. The Port of Virginia (PoV) has 13% market share of the containerized volume on the East Coast, ranking third only behind New York/ New Jersey and Savannah.

Expert opinion tends to believe that there may well be a further consolidation of winners and losers among American ports in the global trading competition that follows the expansion of the Panama Canal. As ships become larger (often called Post-Panamax) and carry more containers, channels and terminals that can handle these vessels are likely to become far more successful, outpacing ports that do not have the channel depth to handle the newer and larger ships. Virginia is well positioned to be successful in this competition. The deep water around our port allows large ships to regularly call on the PoV. Additionally, our channels and terminals can handle some of the larger containerships fully loaded, unlike any other port on the East Coast.

At the moment, Virginia is the only port with channels that have deep and high enough access to handle the Post-Panamax ships without dredging or infrastructure improvements. To be sure, other ports on both coasts are rapidly engaged in the process of making improvements in order to retain and upgrade their competitive positions. Yet, put simply, logistics is a major economic development emphasis for the Commonwealth of Virginia.

The growing attention paid to international shipping and the increased prominence of the PoV has also drawn increasing attention to the role of inland ports, facilities that transfer goods between truck and rail. The Virginia Inland Port (VIP) in Front Royal is often cited as one of the most successful inland port operations. The VIP is located on 160 acres of siting for transportation, manufacturing, and logistics firms. It also provides direct access to major north-south interstates as well as east-west routes. In 2011, the Virginia Port Authority (VPA) leased the PoR for five years, with options to renew the lease for three additional five-year terms. In 2015, VPA struck an agreement on a forty-year lease that will enable it to make transformative investments at the PoR.

There is presently barge service—the 64 Express—from the PoV to the PoR. The service is operated by James River Barge Line, a Norfolk Tug Holding. It began in December 2008. Early supporters of the barge included MeadWestvaco, Universal Leaf and Tobaco, and Altria. Recently, Mediterranean Shipping and other companies have utilized the service. The service has also been marketed as an integral part of the Green Port sustainability initiative of the PoV. Tugs used in the barge operation burn ultra-low sulfur fuel, and every container moved by barge is said to reduce diesel fuel consumption by 31 gallons and generate 38% less greenhouse gases than trucks and 28% less than rail per ton-mile.

The long-term opportunities for the PoR are similar to and perhaps even larger than those of the VIP. The City of Richmond has engaged consultants to begin consideration of the potential development of a logistics business park, a 600 to 700 acre development district that will be established in the area surrounding the port. The potential for the district is substantial. It could build upon the emerging relationship with the PoV with potential tenants, enhance the broad range of warehousing/distribution initiatives ongoing in the region, increase the competitiveness of existing firms by enhancing their supply chain capabilities, and contribute to positioning the region as a center for global innovation.

The possibility of transforming the PoR into Virginia’s second major inland port should be seriously pursued. It is a logical way of capitalizing on the region’s locational advantages. It provides an explicit linkage to one of the most important economic development initiatives being undertaken in the Commonwealth, the upgrading and marketing of the PoV. It builds upon an existing multi-million dollar investment that the region has made to bring barge service from the PoV to the PoR. While inland ports themselves are not major employers, the private investment that the port can attract could provide thousands of jobs in a variety of areas, including transportation, warehousing, and even advanced manufacturing.

The modernization of the PoR and transforming the surrounding area into a hub for economic activity will have a number of moving parts. The agreement on a 40-year lease was an invaluable first step because it will enable the VPA to make needed infrastructure investments. Outside of the port itself, significant improvements will need to be made in the adjacent road and rail systems to attract the private companies that could drive the growth of the port. These investments will have to be connected to a detailed marketing analysis of what the port’s most favorable niche will be in the competitive environment on the East Coast. All will require ongoing cooperation between the Commonwealth, local and regional economic development offices, the City of Richmond, the Planning District Commissions, and our private sector expertise.

The Export Possibility

To ensure Richmond’s future as an economically competitive and vibrant region with a high quality of life, we should also consider the roles that the Richmond MSA can play in the rapidly growing global economy. A report from John Accordino, Fabrizio Fasulo, and Greg Wingfield at the VCU Center for Urban and Regional Analysis explains the importance of an export strategy to RVA’s logistics focus.

They note that, up to now, Richmond has tapped into the global economy mostly in two ways—as a source of immigrants who have invested their talents here and as a source of foreign-owned companies that have invested their capital here. We must continue to welcome immigrants and foreign capital. Yet the share of global investment entering the United States has been declining for 30 years, and it will continue to do so.

If we are to thrive in the global economy, we must also take fuller advantage of the rapidly growing global demand for goods and services that our region produces or could produce by embracing exporting. Overall, global demand is skyrocketing. Between 2015 and 2020, for example, the Brookings Institute estimates that 81% of global demand for products and services of the sort that American firms produce or could produce will come from other countries, not the United States.

RVA does have a variety of companies significantly involved in exporting: examples include Altria, C.F. Sauer Company, World Art Group, Hamilton Beach, Marooka, Rainbow Station, and many others. However, according to the Brookings Institution, the Richmond metro area as a whole exports below its potential and below the average US metro area. Although exporting is not for everyone, more Richmond-area companies could export than have done so to date, and many of those that export to just one foreign market could expand their reach to more countries.

The Virginia Economic Development Partnership, the Port of Virginia, federal government agencies, and a number of private entities provide excellent services to help companies export, but many companies are unaware of these services, or they incorrectly believe that their products or services cannot be exported, or they fear the exporting process.
As of 2015, the Commonwealth of Virginia, the federal government through the US Commercial Service, and other agencies are providing more resources to help companies increase exporting. With their support and with the support of JP Morgan Chase and the Brookings Institution, Virginia Commonwealth University is working with the Greater Richmond Partnership and Virginia’s Gateway Region on Metro Richmond Exports, an initiative to increase exporting in the Richmond region. This effort involves business groups and local economic development offices from the entire metro area. By June 2016, a formal strategy to increase exports throughout the MSA will be in place. It is important that these efforts be sustained because it will take years for Richmond-area businesses to learn to look outward to the world to grow their businesses, as companies in other export-oriented countries do. If we wish to maximize our potential as an economically competitive region with a high standard of living well into the future, we must engage in the global economy by increasing significantly our export activities.

Fort Lee: The Home and Lifeblood of Logistics

The expansion of Fort Lee during the latest BRAC round is one of the region's most remarkable success stories. Originally slated to be downsized, a coalition that brought together Virginia's congressional delegation, state government leaders, local elected and administrative officials, and the Crater District's business community managed to demonstrate such foresight and community support that Fort Lee ultimately not only avoided downsizing but was significantly upgraded in terms of personnel, facilities, and centrality of its mission to the national security interests of the country.

The consequence of the BRAC 2005 decisions was to “direct realignment of the Transportation and Ordnance Schools to Fort Lee, VA, and to co-locate these schools with the Quartermaster School, Army Logistics Management College (renamed the Army Logistics University), and Combined Arms Support Command Headquarters to create a Center of Excellence at Fort Lee, Virginia. The U.S. Army Ordnance Center and School moved from Aberdeen Proving Ground, Maryland. The headquarters of the U.S. Army Transportation Center and School moved from Fort Eustis, Virginia. And the Air Force and Navy Culinary Schools and the Defense Contract Management Agency also moved to Fort Lee” (Crater District PDC-Report on Fort Lee Expansion). The meaning of this expansion is well captured on Fort Lee’s website, which notes, “Welcome to Fort Lee—The Home of Logistics.” Fort Lee is now the third largest training base of the U.S. Army. It is estimated that 35% of the Army's personnel will, at one time or another, be stationed at Fort Lee.

The Army Logistics University (ALU) is at the heart of the expanded activities at Fort Lee. The ALU’s website notes that it is home to three colleges and an academy for military and civilian logistics leaders. The ALU is organized to provide logistics education across the entire range of service personnel. One college, the Consolidated Logistics Non-Commissioned Officers Academy, is grounded in the recognition that logistics branches comprise 30-40% of the Army's enlisted forces. The Academy includes professional military education for all quartermasters, ordnance, and transportation non-commissioned officers at the staff sergeant and first sergeant levels. The Logistics Leader College is geared toward providing professional education for officers at the lieutenant through colonel level, providing a wide range of courses that are calibrated to the specific responsibilities of officers at various levels, ranging from Basic Officer Leader courses to ones explicitly designed for individuals who will be assuming command of logistics operations. The College of Continuing and Professional Education provides logistics training for both civilian and military personnel in areas of joint, multinational, operational, and strategic level logistics. Besides training U.S. military personnel, the ALU has served personnel from more than 60 countries.

The impact of the growth of Fort Lee continues to diffuse throughout the Richmond region. The expansion of the base's physical plant and the increase in the number of activities and personnel stationed there makes it an important part of the regional community. Fort Lee contributes to employment opportunities, to jobs for civilian contractors, to purchases in the community by individuals and families associated with the base, and to bringing spousal talent to the region. Studies conducted for the base demonstrate the growth in its economic impact.

In Fiscal Year ’03, Fort Lee's estimated impact on the regional economy was $860 million. In Fiscal Year ’12, Fort Lee's estimated impact on the regional economy was $2.4 billion (The Economic Impact of Fort Lee). In Fiscal Year ’03, the estimated tax impact of Fort Lee related business was $57 million. In Fiscal Year ’12, the estimated tax impact of Fort Lee related business was $124 million. In Fiscal Year ’13, employment directly attributable to Fort Lee was estimated to be 12.28% of the total employment in Chesterfield, Dinwiddie, Prince George, Colonial Heights, Hopewell, and Petersburg.

Yet even these economic impacts may not fully capture the promise that the presence of the Army Logistics University at Fort Lee could hold for the region. What has begun to excite people is the prospect that the ALU may be an integral feature of advancing logistics as a key component of the regional economy. For example, how could retired military personnel who have been trained at ALU become, upon retirement, a key feature of the regional workforce? It is generally acknowledged that individuals who have acquired technical expertise in these services and been successful within the military culture possess a skill set that is highly valued by employers in the private sector. Indeed, Virginia's exceptionally large veteran population is often seen by businesses considering expansion or relocation to be a significant competitive advantage for the Commonwealth. In addition, employers also view spouses of individuals who are in the military quite positively. This should be particularly true of individuals who have associated with the ALU as staff, trainees, and faculty. Long-term, focused efforts to assist the military in out-placement of individuals who possess appropriate logistical training and skills could be an important aspect of workforce development in the region, lending RVA a distinctive advantage with employers seeking to relocate or expand.

CCALS: The Research Underpinning for Logistics

The business processes related to logistics are numerous, complex, and inextricably related to the bottom line performance of many companies and organizations and to the effectiveness of military operations.

A presentation that Universal Leaf provided to the leadership of Richmond’s Future offered a detailed and powerful illustration of this point. Universal Leaf has operations in 30 different countries on five continents. It ships to 500 customer locations worldwide and transports 4 million units annually. The company transports raw, semi-processed, and finished tobacco products. It also transports tobacco by-products, plant waste, as well as seeds, fertilizer, wood, crop protection agents, and various packaging materials. In doing this, the company is in regular interaction with governments, customs, forwarders, brokers, agents, and many other third party and regulatory agencies around the world.

The ostensibly simple process of getting tobacco to the factory entails a host of complex activities and arrangements. Universal Leaf contracts with farmers to grow a specific volume and seed of tobacco. Origin technicians have to provide farmers with education about field preparation, growing practices, and child labor laws. Farmers are provided with fertilizer, wood, and crop protection agencies. Origin technicians also provide access to financial assistance such as rural credit loans. Inland freight requires origin technicians to coordinate loading schedules, to arrange for third party trucking transport to the purchasing station, and to coordinate trucking lines to deliver the purchased tobacco to the factory or storage warehouses.

The establishment of the Commonwealth Center for Advanced Logistics Systems (CCALS) is intended to focus academic research on the practical issues that business and large government organizations confront in the logistics space. CCALS brings together the research capabilities of four Virginia universities (Virginia Commonwealth University, the University of Virginia, Virginia State University, and Longwood University) to work with its business and government partners in developing practical solutions to their logistical challenges. CCALS’s founding documents described this as creating “transformational improvements in the design and analysis of logistical systems for military, commercial, consumer, and emergency applications.”
CCALS is being deliberately organized along the model of the Commonwealth Center for Advanced Manufacturing (CCAM), which is intended to make academic research more relevant by bringing industry, government agencies, and academic researchers together under one unit. The CCAM model has been developed with the explicit intention of overcoming the issues that have traditionally limited the practical impact of academic-business partnerships in two major ways. First, CCAM and CCALS are working to build a bridge across the proverbial “valley of death” that has existed between basic academic research and product commercialization. Academic researchers are asked to bring their skill sets to bear on day-to-day challenges that the business partners of CCALS and CCAM describe. Second, CCAM and CCALS have developed a protocol for dealing with the intellectual property issues that have often inhibited fruitful collaborations between the private sector and academia, especially with state-supported universities. A system has been put in place that enables the companies, depending upon the kind of research that is conducted, either to own the intellectual property itself or to retain a nonexclusive license to its use.

In the short period since the idea was incubated, CCALS has made significant progress. The Commonwealth of Virginia provided seed funding that enabled its university partners to hire faculty with nationally and internationally recognized research accomplishments in logistics. Virginia Commonwealth University actually formed a new Department of Supply Chain Management. VCU and Fort Lee then worked together to create a new master’s degree program in supply-chain management in which Army officers enrolled in the theater logistics program at Fort Lee. ALU students are also attending VCU. Faculty at the University of Virginia worked with LMI to produce a study that examined failures of the electric power grid to determine an optimal flow of power that minimizes costs and maximizes the efficiency of the grid. CCALS researchers are working with the Virginia Port Authority to examine vessel berthing and scheduling processes that will enable it to operate more efficiently. The breadth of research expertise that CCALS brings to RVA’s logistics cluster is a feature that few regions can match.

Richmond’s Future has itself worked to foster collaboration through RVA in the logistics arena. Dr. Trani recruited and convened an RVA “Logistics Roundtable” that has brought together the chief logistics officials of almost two dozen companies, the leaderships at Fort Lee, Defense General Supply, the Richmond and Crater Planning District Commissions, and a few elected officials to identify key areas in which they might work together to enhance RVA’s capacities and reputation in the logistics cluster. This was the first time that such a group had been formed, and it allowed various parties to discuss issues and challenges with one another. In fact, the concept underpinning the Roundtable—convening leaders and decision-makers across the wide range of RVA to focus on specific content area challenges—could be a potential model for addressing other areas where collaboration across RVA would be helpful.

### Human Capital Strategies

Many economists have viewed human capital approaches to regional development as the most effective long-term strategy for sustainable growth. Investments in quality education for a greater proportion of the population may not yield immediate results, but those investments will build the foundation upon which growth will occur over the decades. In general, there remains a significant positive correlation between the level of educational attainment in a region and its overall prosperity. From this perspective, a dollar spent on education or an activity that supports education (e.g., an after-school program for at-risk students) may have more reliable outcomes than a dollar spent on a program that attempts to choose industry winners and losers.

Human capital strategies today still focus, at least in part, on long-term educational investments. The demographic data presented earlier in this report highlights the continuing relevance of investment in quality education. The percentage of adults without high school degrees has social and economic consequences that can be costly to the individual, families, and the wider society. Moreover, in terms of higher education, the school-age population in RVA and across the Commonwealth contains a larger percentage of students who come from groups that have traditionally not accessed higher education at the same level as the majority population. If RVA is to maintain and enhance its level of educational attainment, it will be imperative to increase the rates of high school completion, improve the academic preparation for higher education, and then provide the supports that will lead to higher degree completion rates among the groups that are growing most quickly in the population at large.

### The New Focus on STEM-H

More recently, human capital strategies have increasingly been directed at improving the alignment between educational outputs and the technical requirements of an advanced economy, especially in what have been labeled the STEM-H disciplines. A proliferation of reports, for example, has detailed the relatively poor performance of students in the United States in mathematics and science when compared to students in other advanced nations (and sometimes not even the advanced counties). Within the country, there is also a marked disparity in performance between school systems—and often within school systems—based on race, income, and ethnicity. Educational reforms designed to improve student outcomes in mathematics, seen as in the foundation discipline for the STEM-H areas, have been introduced in school systems across the country, often with substantial corporate support and backing by nonprofit foundations. Efforts to close the achievement gap in STEM courses that are related to at-risk students have been an integral feature of these reforms.

Considerable attention has also been paid to aligning career and technical education curricula and workforce development strategies with the marketplace trends in the STEM-H areas. Similar to the situation regarding the STEM disciplines in K-12 education, studies continually point to the weaknesses of the workforce training system, in the nation at large and in the states/regions. The system is typically described as excessively fragmented, in which complicated funding streams support a diverse set of providers who operate without adequate coordination. In addition, there is a general sense that the workforce training system does not meet the emerging needs of industry in which even entry level jobs demand a level of technical sophistication beyond what was previously required. Finally, the workforce system is often described as extremely inefficient in producing job-ready employees, expending too many dollars for outcomes that are unreliable.

The aspiration for a seamless workforce system is unlikely to be realized, if only because it serves so many different constituencies, from the incarcerated who are re-entering society, to those who never acquired a high school education and are beset by addiction, to laid off workers needing retraining to become employable, to young people in community colleges acquiring skills for the new century. Richmond’s Future did not attempt to address the general failings of the workforce system. Instead, we targeted our studies to focus primarily on what might be done regionally to enhance student and parental awareness of the job opportunities in STEM-H related fields and to improve the relevance of career and technical education to the large group of students who are unlikely to pursue a four-year degree immediately upon graduation from high school.

### STEM-H in RVA

Four Richmond’s Future reports addressed various aspects of these challenges. Dr. Chris Chmura provided a longitudinal analysis of the growth in STEM-H related jobs and wages in the Richmond MSA compared to the overall growth in jobs and wages. She also explored measures related to student preparation and student interest in STEM-H fields. Kelli Parmley and Jason Smith presented concrete recommendations for reorienting the popular perception of vocationally directed education, for assisting students in exploring career options, and for developing more effective partnerships between industry and career and technical education programs. Darcy Oman of the Community Foundation spoke to an initiative that is intended to enhance student achievement among at-risk middle schoolers by providing academically oriented after-school support. Finally, Dr. Barry DeRosear presented a vision of workforce development that would include a regional apprentice school run under
the auspices of CCAM in which students would train on the advanced machinery that is actually utilized in the workplace.

Dr. Chmura's study described the current mismatch between the availability of STEM-H positions, the wages that these positions might command, and the expressed career interests of students. The data very clearly showed that nationally, in the Commonwealth, and in the Richmond metro area STEM-H related industries and occupations rank highest in most employment and wage categories. In the Richmond MSA, core growth in STEM related employment has clearly outpaced overall employment. The average annual wage of nearly $80,000 in STEM-related fields ranks above the average wage of slightly less than $50,000. Yet the Commonwealth of Virginia is below the national average in producing students with STEM-H credentials.

Chmura did identify some positive trends occurring in K-12 education. The number of students in the Richmond MSA taking advanced placement tests in STEM-related areas grew by 12.1% and the test scores on these tests also exhibited an increase. The percentage of students who received excellent scores on the PSAT mathematics test grew to a point that more than 1 out of 5 students taking the test received an "Excellent" score. At the same time, however, the number of students taking Dual Enrollment STEM courses actually declined by 1.1%, and the percentage of students receiving advanced scores in the Algebra II Standards of Learning test declined by 2.1%.

The mismatch between students' subjective occupational interests and positions available in the marketplace was notably striking. In occupations followed by Virginia’s Job Wizard, the five top occupations in which students expressed interest were actor, photographer, fashion designer, musician/singer, and writer/author. Only 6.7% of top interests were in STEM-H (primarily nursing and medical assistant), and 1.8% was in core STEM areas.

Kelli Parmley and Dr. Jason Smith’s study, “Is Richmond Ready?” focused on the way that the region might best serve the employment needs of the segment of population that are unlikely to obtain advanced degrees. Their report notes that both the Commonwealth of Virginia and schools in RVA have recognized the importance of career and technical education (CTE) and offer a wide variety of programs. These begin in K-12 and extend to multiple postsecondary opportunities such as apprenticeships, industry recognized credentials, and two and four-year degrees.

They also demonstrated that there are significant obstacles to effective career and technical education. In the first place, traditional vocational education became less valued as it was associated with lower academic skills and the perception grew that vocational education was, as Cohen and Besharov described, “An educational backwater for the disadvantaged.” The college-for-all message that became prominent in the wider society further eroded the value attributed to CTE as a respectable pathway to good jobs. However, the problems of vocationally directed education extend beyond perception. Parmley and Smith noted the emerging national consensus that there is considerable need to retool career and technical education to improve rigor, relevance, real work experience, and alignment with regional business demands. President Obama’s former Secretary of Education Arne Duncan has spoken about the importance of “CTE 2.0,” one that requires higher standards in all high school programs so that students receiving diplomas are ready for some form of post-secondary learning, perhaps a credential or a set of credentials instead of a degree, and better understand how what they have learned relates to successful careers.

Parmley and Smith offer three recommendations for RVA. First, they advocate that a public awareness campaign be initiated that leverages the strength of the media, colleges, and business partners. The campaign would not only be directed at students but also at parents and other adults about the potential value of 21st century technical education. Given how ingrained the negative perceptions about technical education have become, it is important for such a campaign to be organized with creative professional talent. Mobilizing the branding and marketing expertise in RVA around such a project could be a very exciting way to involve Richmond’s young professionals in a project of great value to the community.

Parmley and Smith’s second recommendation calls for a more intentional focus on career exploration, what they define as a part of a continuum of work-based learning and as an opportunity for youth to learn “about” work. Career exploration is a “long, progressive process of choosing education, training, and jobs that fit individual interests and skills.” Key elements of career exploration include assessment, exploring options, gaining skills, and managing a career (Career OneStop, http://www.careerinfonet.org/explore/). The Linked Learning Alliance in California further describes career exploration and distinguishes it from career awareness: “Career Exploration provides students with the opportunity to explore career options in a way that contributes to motivation for learning and informs students’ decisions about further experiences and career and educational options. Compared to Career Awareness experiences, Career Exploration experiences are designed to enable students to learn about targeted careers more deeply, are more personalized to the student’s interests, and give the student a more active role in selecting and shaping the experience” (http://linkedlearning.org/). According to America’s Promise, career exploration provides an opportunity for young people to dream, be inspired, and to “connect the dots” between school and career (http://www.americaspromise.org/why-career-exploration-matters). RVA should develop a Regional Career Exploration Portal accessible to youth and families as early as middle school.

Parmley and Smith also recommend a coordinated approach to developing career pathways for young people, the step that logically follows career exploration. A career pathway is a coherent, articulated sequence of rigorous academic and career/technical courses, commencing in the ninth grade and leading to an associate degree, baccalaureate degree and beyond, an industry recognized certificate, and/or licensure. A career pathway is developed by adapting and adding to existing programs and services. In the process of creating pathways, partnerships between business, education, and other support providers are strengthened (Career Pathways How-to Guide, The Workforce Strategy Center, October 2006). The development of career pathways begins with a labor market analysis to identify and engage regional employers within industry sectors (e.g., healthcare, manufacturing, etc.). Employers focus on shared workforce gaps in high-demand occupations to identify and clarify the knowledge and competencies for success, then engage educational partners to identify specific ways (e.g., improvements to existing curriculum, development of new programs, etc.) to fill those gaps. RVA should develop a regional approach to career pathways, perhaps by starting with key industry-school partnerships on the effort, such as health care or logistics, that could become a model for other industries.

Darcy Oman’s report on the Social Economy in RVA indicates that the effort to improve outcomes among at-risk groups require paying attention not only to what happens inside the classroom but to providing services that can be helpful in the after-school and summer hours. Her report describes “Middle School Renaissance 2020,” a coordinated, data driven after-school program intended to address the drop-off in academic performance that occurs in middle school, even among a number of students who have met reading and math achievement goals in elementary school. While Middle School Renaissance 2020 is not primarily directed at workforce development and training, one can see how career exploration and career pathways would be an extraordinarily helpful component in establishing an ongoing focus for middle school students who can easily be diverted by the other stimuli that compete for their attention and engagement.

Finally, Dr. Barry Johnson and Katherine DeRosear’s work on advanced manufacturing for Richmond’s Future articulated the need for a better integration of workforce training with industry needs. Their report notes that in the current approach to workforce development, the K-12 schools, community colleges, universities, and training centers develop educational and training programs, deliver those programs to the students, and produce graduates that enter the workforce. The organizations perform an excellent job with this model; however, there is not a consistent method used across all organizations to create the curricula and deliver the programs with broad-based input from industry. Similarly, feedback from industry on the quality and effectiveness of the programs is not routinely or consistently available and used to improve the competency and skill levels of the graduates or the instructors delivering the programs. The Commonwealth Center for Advanced Manufacturing (CCAM), where Dr. Johnson served as Board Chair, is working to develop innovative programs through which prospective workers
actually train on the advanced manufacturing equipment that they would use in the workplace. The Commonwealth of Virginia committed $25 million to support the creation of an Apprentice Academy at CCAM that will be grounded in this model.

Placemaking: Building RVA’s Identity

Richmond’s Future commissioned a number of studies that utilized, directly or indirectly, a “placemaking” approach to thinking about the direction in which the region might successfully move. While not as well defined as the notion that regional economic progress depends primarily on developing industry clusters that will be competitive in the national and global economy, some version of placemaking is increasing in prominence among planners and scholars of metropolitan areas. From this vantage point, the basic defining feature of economic development today is not the intentional formation of industry clusters but the national and increasingly international competition for talent, especially the talent embedded in what Richard Florida called the “Creative Class.” Metropolitan areas that succeed in this competition will do well over the long haul. Areas that cannot attract talent will enter a period of secular decline.

A key premise is that the availability of decent jobs is only one component—and perhaps not always the most important one—in attracting talented people to metropolitan areas. Instead of focusing primarily on establishing industry clusters that could provide a competitive advantage, regional leaders must also concentrate on their reputation and brand, ensuring that others see the region as a center of creativity and innovation in which entrepreneurs can thrive. What is perhaps even more striking is that what economic development theorists might have once labeled amenities—good restaurants, a vibrant arts and music scene, outdoor recreational opportunities—are viewed from this vantage point as essential to the competitiveness of a region. Regions and cities with great “vibes” such as Austin, Denver, Nashville, and Portland have become new aspirational models.

The placemaking approach, or at least important elements of it, has gained a significant presence in RVA. While economic development in the region was once almost entirely defined by the effort to attract industries that would be central to the creation of nationally competitive clusters, organizations such as the Greater Richmond Chamber of Commerce have highlighted talent recruitment and building an innovation ecosystem as strategic priorities. In fact, there appears to be a growing sense that RVA holds the potential to be an attractive venue in the placemaking competition. The positive coverage and the expressions of community pride that recently accompanied the UCIS Road World Championships are evidence of this.

One of the major changes that makes RVA a more attractive venue in the placemaking competition is the dramatic development of Virginia Commonwealth University in the last 25 years. VCU has grown from a largely part-time commuter institution of 21,000 students to a major research university with 18,000 employees and 32,000 students, the vast majority of whom are full time. In the time since 1990, VCU has completed the merger of the Medical College of Virginia and the Richmond Professional Institute, which occurred in 1968 but was never really effected; set up the Virginia Biotechnology Research Park, which now has $600 million of completed buildings that house 2,300 employees located immediately adjacent to the VCU Medical Center; established a School of Engineering that is now 20 years old and enrolls more than 2,000 students; established the VCU Health System Authority, which has removed the clinical operations of VCU from being a highly regulated part of state government and given the Authority the ability to compete with the other major hospital systems in RVA; and completed a major capital construction plan of over $2 billion, with a major focus on minority participation. In the most recently completed construction project, the Children’s Pavilion for Outpatient Services, minority contractor participation was 25.2% of the more than $200 million project.

These changes have made VCU a major factor in the economic development of RVA and dramatically affected the downtown Richmond landscape. Downtown Richmond is a lively area with students and faculty all contributing to a sense of the City being “alive” 24-hours-a-day. One specialized area of the effect of VCU has been the growth of the VCU Brand Center, which has built on the important advertising community in RVA, producing graduates that are heavily in demand all over the United States. In sum, VCU’s growth and development have significantly enhanced RVA’s ability to compete with cities that are considered “hot” in the recruitment of talented workers.

Five of the projects sponsored by Richmond’s Future directly addressed specific features of the placemaking approach. Peggy Baggett produced an in depth assessment of the role of the arts in RVAs economy and culture. John Martin and his group at the Southeastern Institute of Research addressed a diverse set of placemaking issues, ranging from the importance of the “food scene” in RVA to the perspective that young professionals have on the region. Dr. Lou Rossiter’s Health Care Task Force recommended that RVA seek to achieve recognition as one of the nation’s twelve healthiest cities. Kelly O’Keefe addressed issues involved in establishing a culture of innovation and creativity. Finally, Dr. Charles Bryan and Brent Glass explored the role of history and heritage tourism in 21st century RVA.

The Evolving Role of the Arts

The arts have often been considered an important element in RVA’s overall attractiveness. Symphonies, theatre and ballet companies, and museums have typically been viewed as factors that contribute positively to a community’s quality of life. Corporate philanthropy has long supported local cultural institutions, at least in part because of the role the arts can play in selling the broader community to current and potential employees.

More recently, however, the contribution of the arts to regional economies has been reimagined and refocused. One way of refocusing the discussion about the social role of the arts is to demonstrate a genuine connection to economic development efforts, especially those that are related to the tourism industry. Museums, for example, now regularly conduct economic impact analyses to demonstrate the financial contribution that first-rate permanent collections and blockbuster exhibits make to the local economy. Arts administrators hire survey firms to interview attendees in order to learn where they came from, how many days they will be in town, and how much they will spend on hotels, meals, and entertainment in general.

The Picasso exhibit at the Virginia Museum of Fine Arts in 2011 was a major event for local cultural tourism. The Virginia Museum of Fine Arts was one of only three museums in the United States to host this traveling exhibition from the Musée National Picasso in Paris. Over 230,000 people from up and down the East Coast came to see the exhibit. A survey of visitors to the Virginia Museum showed that over 94% of people came from out-of-town. A study by Chmura Economics & Analytics showed total spending by these exhibition visitors to be $22,500,000, which resulted in $354,786 in state and local tax revenues. Hotels and restaurants in the region also reported increased revenues during the exhibition.

A second way of reimagining the social role of the arts broadens the definition to include less institutional forms and to assert the crucial importance of the arts to the identity, brand, and reputation of the region. From this perspective, support for museums, arts schools, symphonies, local theater companies, artistic entrepreneurs, popular music venues, and folk festivals are not simply appealing amenities that may enhance tourism, but they are essential strands of the community’s DNA. Austin may be attractive to the creative community because of its concentration of high tech companies, but there is also a “chicken and egg” phenomenon in play. Austin’s standing among young people as a great place to live because of its reputation for having one of the nation’s most vibrant live music scenes preceded its economic boom. Today, it’s all meshed together when its major live music festival, South by Southwest, attracts a national audience and also gets covered by CNBC.

There is little doubt that RVA has the building blocks for succeeding in any competition among mid-sized regions surrounding the arts. On one hand, traditional institutions have been at the forefront of reinvention. The literal reconfiguring of the Virginia Museum as an inclusive, inviting venue that combines internationally compel-
ling exhibits with extraordinary entertainment has been a marvel, transforming a good regional museum into a national treasure. It is the 9th largest comprehensive museum in the country, and since its expansion, attendance has more than doubled to over 630,000 visitors per year. With educational programs, a destination restaurant, and a first class gift shop, it is a bustling center of activity 365 days a year (and, yes, it is open every day).

The Richmond Symphony, Richmond Ballet, the Virginia Historical Society, and The Valentine have each, in their own unique way, played a significant part in the reimagining of the arts. All of these institutions established engagement programs with the community that have been remarkably vital. The Symphony has introduced small scale concerts around the region, has played in venues that attract younger professionals who may not always find their way to the concert hall, and has a large scale program working with the schools. The Valentine has consistently provided a fresh re-visioning of Richmond's history, one that has been rooted in portraying the everyday life of its residents and its neighborhoods. The Richmond Ballet has extended its reach, both locally and globally, working with children in the region's schools and performing in New York and China. Finally, the corporate community has been instrumental in providing financial backing for rehabbing traditional venues, such as CenterStage and the Altria Theater, to support these efforts.

Virginia Commonwealth University is not only the area's major research university, but it also boasts a nationally recognized School of the Arts that, with 3,100 students, is one of the largest art schools in the country. It offers degrees in all of the visual and performing arts disciplines, as well as in creative writing and film. It boasts a host of top ten programs, including the nation's number one ranked Sculpture Department. The creativity of the faculty and students is regularly on display in the region's concert halls, theatre productions, galleries, and through an annual fashion show. The construction of VCU's new Institute for Contemporary Art, designed by the world-renowned architect Stephen Holl and to be located at the intersection of Belvidere and Broad streets, will be a visible symbol of the cultural transformation that the arts can catalyze.

Yet as important as the exhibitions, performances, and buildings are in creating a unique arts community, these may be even surpassed by the less structured contribution that the faculty and critical mass of students and former students make to the region's brand identity. Approximately 30% of the School of the Arts students stay in Richmond after graduation. Graphic designers provide a tremendous employment base that enables Richmond's advertising agencies to compete nationally. Additionally, artists have often been in the forefront nationally of urban revitalization, locating their studios, taking up residence, and otherwise transforming neighborhoods that had been in neglect and decline. This has also been the case in Richmond, where artists have been crucial to the revitalization of Manchester, an older commercial and

A Well Regarded Restaurant Scene

John Martin's work through the Southeastern Institute for Research highlighted the importance of Richmond's food and restaurant culture to the RVA vibe and to young professionals. Regional and national accolades for RVA's chefs and restaurants have come at a rapid clip. Critics from major newspapers in Washington, D.C. and New York have testified to the quality of the region's restaurants. Magazines such as Bon Appétit rank the area's chefs and restaurants among the best in the South and the nation. Local restaurant owners and chefs have become regional celebrities, with their business decisions about locating, relocating, and closing covered as hard news. Furthermore, the opening of restaurants has contributed to the expanded appeal of a neighborhood such as the Fan, to the revitalization of others such as Church Hill, and to emergent Latino and Asian communities in western Henrico and northern Chesterfield.

The recognized vibrancy of Richmond's restaurants has, perhaps more than anything else, been a significant contributor to the rebranding of RVA, both internally and externally. The articles authored by the food and travel writers from outside the region often express a sense of pleasant surprise upon discovering the quality and variety of RVA's culinary possibilities. RVA is portrayed as "a find" and "an unexpected gem," something that people should come and see. In part, this comes from their sense that Richmond had never been known as a place with especially good restaurants—it is not San Francisco, New York, or even Charleston. The sense of surprise also comes from their preconceptions that Richmond values tradition over innovation, a disposition that they fully expected to see but did not find in our restaurants and cultural attractions.

For residents of the region, pride in the restaurant scene is not so much related to how it can attract tourists to RVA, but to what it means for the sense of place and community that has been created by the people who live and work here. The creativity of RVA's chefs and restaurateurs has become a visible symbol of how the region is moving beyond hidebound traditionalism and reinventing itself in innovative ways. It is a sign of a region that is not simply living off the capital of the past—what has happened here—but one that is leading in the cultural competition that gives places appeal and distinctiveness—what is happening now. RVA may not be as large as major metro areas and may not have the extraordinary diversity of restaurants that one could find in New York and Chicago, but it has a quality and spirit that can compete with the food scene anywhere.

Active, Healthy, and Sustainable RVA

We have long understood how a successful major sports team can boost regional pride. In 2011, VCU's run to the Final Four with a charismatic young coach made an indelible impression on RVA. Before then, it was difficult to find any VCU paraphernalia in the local sporting goods stores. However, today, "Ram" gear is widely available and desired. In addition, Richmonders have also often pointed to the variety of recreational choices here as part of the region's appeal, from kayaking and rafting on the James River, to well supported running events like the Richmond Marathon and the Monument Avenue 10K, to the athletic fields that support youth sports and adult leagues. Yet just as we have seen with arts and the food scene, there has been a significant rethinking of what recreational opportunities can mean to the identity of the region.

At one time, it was critical for a region to prove that it was really "big-time" by attracting a major league sports franchise. However, what is happening today is something very different: "hot" regions are less likely to brand themselves by what spectator sports are available and instead market the outdoor and healthy lifestyle activities—bike trails, swimming facilities, hiking clubs, innovative youth programs—that the region supports and promotes. Our studies at Richmond's Future indicated that RVA has the assets to develop such a reputation, although there remains substantial work to be done in this regard.

It is not possible to speak about this issue without mentioning the pioneering and continuing contributions of Jon Lugbill and the Richmond Sports Backers, the driving force in this effort since 1992. The public vision of the Sports Backers has been to "transform greater Richmond into the most physically active community in the nation by leading the area in embracing and celebrating an active lifestyle." The Sports Backers have worked with local communities and corporate groups to expand the number of sporting events held in the region, including the Ukrop's Monument Avenue 10K, Dominion Riverrock, the Anthem Moonlight Ride, and the CarMax Tacky Lights Run. The Sports Backers organize training programs for individuals and groups who wish to participate in one of the running events, ranging from an 8K to a full marathon. The Sports Backers have worked extensively with youth through schools and community organizations. Their Kids Challenge involved more than 10,000 young people in a running/walking program. Moreover, they have focused on outreach to underserved schools in the region, providing grants that would enable participation in their programs.
The Sports Backers have also produced a community scorecard in which it rates the region’s fitness level through individual measures such as obesity rates and levels of physical activity and combines these with region-wide data such as miles of bike trails and bike lanes.

Richmond’s Future commissioned two reports that were relevant to this issue: a Health Care Report by the Richmond’s Future Health Care Task Force, led by Dr. Lou Rossiter at the College of William and Mary; and an Examination of Trends Impacting Communities by John Martin of the Southeastern Institute for Research.

The Health Care Task Force Report ranged over a wide set of issues, from noting how RVA could be a center for emergency medicine to proposing a model for how the major health systems could collaborate more effectively. A key emphasis of the report reinforced and expanded on the themes that the Sports Backers were highlighting on their community scorecard, adding an explicit linkage to the economic costs of unhealthy lifestyles. The task force noted that lifestyle-related chronic illnesses would increase dramatically over the next two decades, affecting health care costs and quality of life. Employer costs are already affected by lost productivity and increasing health insurance premiums. Curtailing these negative outcomes will rely not only on medical care, but also on other behavioral and environmental interventions to prevent disease and foster healthy lifestyles. Improving public health is a strategy communities are increasingly turning to in order to attract workers and employers, increase productivity, and decrease the costs of doing business.

Chronic illnesses currently account for 78% of total health spending, and costs of treatment are only the tip of the iceberg in terms of total economic costs. Modest improvements in prevention and chronic illness treatments are estimated to be capable of saving $1.1 trillion per year nationally by the year 2023, with $905 billion coming from productivity gains and $218 billion in savings from medical treatment. Without additional interventions, rates of chronic conditions are expected to skyrocket along with associated costs.

The American Fitness Index from the American College of Sports Medicine ranks the Richmond Region 20th of 50 large cities on fitness, with a score of 55/100 (top ranked score 78.2 and bottom ranked score 31.2). According to the American Fitness Index, the Richmond Metropolitan Statistical Area has a lower percentage of city land area that is parkland, fewer acres of parkland per capita, lower percentage using public transportation to work, a lower percentage bicycling or walking to work, and fewer golf courses per capita relative to its peers.

The Task Force recommended that the goal should be to move the Richmond Region’s workforce from the current 20th place to one of the top ten healthiest in the country. A rank in the top ten is achievable by expanding existing programs and filling gaps, with a focus on the built environment (parkland, biking/walking paths, public transportation), recreational facilities, chronic health problems, and health behaviors. A healthier region can attract new employers, especially if associated with lower human capital costs.

A number of metropolitan areas have recently begun to link the discussion of creating a healthier community to the broader concept of sustainability. Issues such as fostering walkability, developing bike paths, promoting transit-oriented development, and initiating metro-wide programs to conserve energy and lower carbon footprints are far more prominent today than twenty years ago. RVA has taken a number of steps in this regard: Chesterfield County has recently approved a major decades-long expansion of bike paths; Virginia Commonwealth University has created an Office of Sustainability to nurture green practices university-wide; and community groups have started urban gardening programs to address the challenge of food deserts in the core city.

Still, RVA would not today be considered in the forefront of metro areas in the practice of sustainability. Developing an initiative, such as one begun in Charlotte involving both the public and private sectors to reduce energy consumption in downtown office buildings, could be a highly visible way of jump starting a more intense commitment to sustainability throughout the region.

The YRVA Project

The placemaking approach to economic development draws attention to the implications of the demographic shifts that are occurring nationwide. Changes in the age pyramid that defined American life during the last half century will have important real world implications that will permeate throughout American society. More and more people are aware that social programs predicated on a growing supply of young workers who can support those who have aged out of the workforce will come under increasing stress, especially as advances in medicine, pharmaceuticals, nutrition, and recreation increase life expectancy. Another consequence of the demographic shift is a workplace environment in which there is likely to be a greater number of older workers and an intense competition for a relatively shrinking pool of talented young employees. There will be a clearly defined group of regional winners and losers, and those metro areas that are not able to attract and retain young professionals could suffer irreparable losses.

Richmond’s Future addressed this issue through its YRVA project. The study was designed and conducted by the Southeastern Institute of Research, Inc. (SIR) with the assistance of a special group of research associates – 30 of RVA’s young professionals. The purpose of the study was twofold:

To understand the perceptions and expectations of young professionals regarding cities and urban areas and how RVA compares to emerging “hot spots” for young professionals.

To formulate research-inspired recommendations – specific actions that the RVA region could do today to remain relevant and attractive to young professionals for years to come.

Ultimately, more than 3,500 people participated in the study through a mix of qualitative and quantitative research techniques, including college students, young professionals in RVA, young professionals in selected “hot” cities, and senior human resource executives from local area businesses.

The study’s findings were simultaneously encouraging and sobering. In general, college students and young professionals who live in the region had positive perceptions about RVA. College student respondents, for example, agreed that RVA has a rich history, access to water, excellent higher education options, a great food scene, an active arts scene, embraces creativity, and is diverse. Young professionals who live in RVA shared many of the college student views. Nearly four in five (79%) young professionals agreed RVA is a great place to live (84%), a place for people who love culture (78%), a good place to work (77%), and a good place to raise a family (74%).

Four in five (80%) young professionals feel they can make a difference in RVA, and 78% would choose RVA if they had to make the decision all over again. The most positive attributes about RVA that were regularly cited by college students and young professionals were a great food scene, an urban living environment, and RVAs creativity and innovation.

At the same time, the study revealed RVA’s challenges in becoming a magnet for young professionals. In the first place, the study demonstrated the importance of job opportunities to the decision-making of young professionals (something that the placemaking literature may not sufficiently highlight) and their sense that this is not one of RVA’s major strengths. A majority of young professionals both inside and outside of RVA said that job availability was more important than location itself in their decision-making about where to live. Yet only 26% of the college students in the study said that they believed it was easier to find a job in RVA than outside of the region—a point punctuated by the remark of an alumnus who said, “Even when I graduated from the University of Richmond, I didn’t believe that there were any companies hiring in Richmond.” Additionally, fewer than 50% of the college students who participated in one of the studies felt that the RVA area provided a “variety of employment opportunities.”

A statewide survey of millennials that Professor Quentin Kidd produced for Christopher Newport’s Wason Center for Public Policy reinforced the findings of the SIR report. Kidd’s panel survey of 2004 Virginia millennials is the most comprehensive statewide analysis of millennial opinion produced in the Commonwealth. The overall satisfaction rate of RVA millennials with the region is quite positive, but their concern with job opportunities is striking. In RVA, only 11% of millennials say that there are “more than enough jobs” to go around, while 47% say...
there are too few jobs, and 42% report that there are “just enough jobs.” Of the five major regions in Virginia that Kidd analyzes, only millennials in Southwest Virginia, the most economically distressed area of the state, report a bleaker picture for job opportunity.

SIR’s report for Richmond’s Future focused on ways of addressing the perception about RVA’s job opportunities while heightening awareness and visibility of the region’s features that should be very appealing to young professionals. The first and most important recommendation focused on the disconnect that might exist between the region’s job opportunities and the perception of college students, both inside and outside the Richmond area. RVA needs to be able to better market available job opportunities, promote an entrepreneurial culture as part of that landscape, and track perceptions of the region at Virginia colleges and universities and in selected metro areas outside of the state. There seems to be little organized outreach from RVA businesses and organizations to the students at Virginia’s colleges and universities about the opportunities and benefits of remaining here. Moreover, RVA needs to showcase its commitment to innovation and creativity, perhaps by hosting multi-state and national conferences on innovation that bring creative young people to highlight their own ideas while they learn about the region.

At the same time, strategies for highlighting the multiple areas where RVA holds significant appeal for young professionals should be enhanced. For example, the report suggested the development of an RVA restaurant website, a one-stop online location that would include links to restaurants, video clips from chefs, a food festival calendar, as well as reminders of where popular food trucks might be on weekends. Larger employers could link to the site to highlight the region’s food scene for young professionals that they might be recruiting. It also suggested the creation of a food tourism campaign that would target young professionals within 250 miles and highlight RVA as a “foodie destination” by establishing an RVA food festival that could be a signature event for the region, featuring local farms, breweries, and wineries. The event would be a celebration of local RVA food and drink with competitions, tasting contests, and awards, with participation by invited celebrity and national chefs. Ideally, it would gain the credibility of events like those in larger cities such as Chicago and become a draw for tourists from outside the region.

Race and Richmond

Almost every major social and political institution has been implicated in Richmond’s troubled history on the issue of race. In the 1950’s, practices such as the imposition of the poll tax were intended to prevent African-Americans from exercising their right to vote and from influencing the political process. When the Supreme Court decided that “separate but equal” was inherently unequal and that public school systems had to be desegregated with “all due deliberate speed,” the editor of the Richmond News Leader gained national notoriety for his role in Massive Resistance through his revival of John C. Calhoun’s theory of “interposition.” James J. Kilpatrick argued that it wasthe right of the Commonwealth to “interpose” itself between the dictates of the federal government and local schools. In Richmond, many of the African-American leaders of the period had attended colleges and universities outside Virginia because the public institutions in the Commonwealth were not open to them when they were seeking their degrees.

The civil rights movement was instrumental in bringing legal challenges and raising public consciousness about racial inequality. In the 1960’s, the Supreme Court made landmark decisions that fostered political equality by banning the poll tax and instituting the principle of one-person, one vote in drawing electoral districts. The Voting Rights Act of 1965 provided guarantees of the right to vote and ensured that African-American citizens would have legal redress in the federal courts against the kind of practices that Virginia and other states had to maintain white political supremacy.

In the wake of the court decisions and federal legislation, the social and political environment within the City of Richmond changed dramatically in the late 1960’s. As demographic changes indicated that African-Americans would soon become a majority of the voting age population, blackRichmonders could envision holding independent political power for the first time. At the same time, the City’s white power structure annexed part of Chesterfield County. While the annexation was publicly defended on the grounds that it would help to expand Richmond’s landlocked economy, white anxiety about the ascension of black political power was central to the effort. One member of the House of Delegates recalled that city officials told him “if certain elements...were to take over city government, they would tear down all the monuments on Monument Avenue.”

The fight over the annexation was taken to the judicial system and in 1975 the United States Supreme Court ruled that it was motivated by the “impermissible purpose of denying the right to vote on the basis of race.” Ultimately, the courts did not undo the annexation, but allowed it to proceed when it was coupled with the political reform of instituting ward-based voting in the City, a change that gave black Richmonders the opportunity to become the City’s political majority. In the first election under the new system in 1977, African-Americans obtained five of the nine council seats and selected Henry Marsh as Mayor. For a number of years thereafter, City Council was defined by the political tensions that existed between the new black majority and the white minority. Issues related to the appointment of the City Manager, the extent to which white council members were brought into decision-making, and control of the school system became highly visible points of division.

In many ways, conditions today—midway through the second decade of the 21st Century—are very different than in the 1960’s and 1970’s. In the political realm, Virginia was the first state to elect an African American Governor when Doug Wilder won the 1989 gubernatorial race. Multiple mayors in the cities of Richmond and Petersburg have been African-American as well as numerous chief city administrators and school superintendents. Chesterfield, Hanover, and Henrico counties have elected African-American members of the Board of Supervisors, and Hanover and Chesterfield have appointed African-American school superintendents. Beyond politics, the end of legal segregation provided significant, new opportunities in Virginia higher education and professional schools for African-Americans that have led to successful careers in higher education, the legal profession, health care, and business.

Yet there are a number of ways that race remains central to not only the future of the City, but that of the region as well. First, many of the crucial challenges that face RVA are related to race or have a substantial racial component. Poverty, early childhood education for at-risk children, school achievement disparities, affordable housing, transit to employment, and fair treatment in the criminal justice system are issues that all contain a significant racial dimension. In each of these areas, members of ethnic and racial minorities are most disproportionately impacted in a negative manner. The prospect that a significant portion of the population will not be able to successfully access educational and job opportunities can negatively impact the entire region.

Richmond’s Future examined the way that the “social economy,” RVA’s nonprofit and philanthropic organizations, are working with community organizations, local governments, and businesses to address these issues through a regional approach that relies on data-driven best practices. There is a wide range of activities currently being undertaken. A short list would include: after school initiatives for middle school students intended to ensure that the gains made in elementary school are not dissipated; early childhood coalitions that are building region-wide efforts to provide at-risk children and their parents with the supports that will promote school readiness; and programs designed to identify “food deserts” where fresh food is not readily available and to work with grocery businesses, neighborhood entrepreneurs, and local farmers on rectifying these conditions. Given the unique contributions that these initiatives make, it is important that representatives of the social economy be even more involved in decision-making about the future of the region.

The demographic data compiled in the think tank’s foundational studies highlighted a second element relevant to race in the future of the region. Members of racial and ethnic minorities now comprise a much larger proportion of the population of the two largest suburban counties in the region, Chesterfield and Henrico, than they did even twenty years ago. For example, according to population projections, the absolute number of
African Americans who live in Henrico County will exceed the number in the City of Richmond by 2020. This phenomenon of increased minority presence in the large suburban counties can be seen in pronounced form in the demographics of the school systems. Henrico County, for example, is already a school system where the majority of children are members of official “minority” groups. Schools in Chesterfield County are being rapidly transformed as well.

In essence, the challenges of inclusion are no longer concentrated in the cities but have increasingly become suburban issues as well. We have seen growing evidence in the past years. Issues related to racial disparity in school suspensions and student referrals to special education have become prominent in the counties. Political differences and policy debates related to east-end/west end issues in Henrico County are often debates about fair treatment of the races. Local school systems have an increasing number of students for whom English is not the primary language spoken at home. Issues related to minority inclusion in government contracting that were prominent in the City of Richmond in the 1980’s are likely to become increasingly visible in the surrounding counties. There are always tensions when the balance of political power is unsettled and, as Professor Susan Gooden of VCU has noted, race is often a “nervous area” for governments. It is clear that handling issues of inclusion in a responsible manner will be one of the counties’ major political tasks in the years ahead.

Finally, it is evident that the legacy of Richmond’s past may continue to influence perceptions of the City and the region in a less than desirable manner. The Southeastern Institute of Research’s study noted that young professionals value diversity in a region and that RVA receives low scores in this regard, from inside and outside the region. The study helped to confirm the perspective that RVA is not perceived to have bridged the racial divide in the same way that Atlanta and Charlotte seem to have done. Indeed, it is only in the last five to ten years that RVA has begun to examine ways that it can tell the story of its own history in a more inclusive manner that does not ignore the historical conditions and the contributions of the African-American community. In his study for Richmond’s Future, Dr. Charles Bryan and Brent Glass demonstrated that an inclusive vision of heritage tourism that highlighted the history of African Americans is essential to both telling the region’s story accurately and to reshaping contemporary perceptions about RVA.

**Interregional Strategies**

Regions do not exist in isolation, even when these are relatively large. Within states, regions are part of a larger ecosystem that may include other regions, within the state or a nearby one, that are dependent upon the legal framework of the state in which they operate and that are related to the broader economic development strategies and activities of state government. Successful regions will be attentive to the external parameters that shape their activities. Regional leaders will form partnerships that enhance their internal strategies. They will be attentive to institutions in other regions with which they can collaborate. They will access resources that state government may provide, and their ideas, however visionary, will acknowledge the realities of the political and governmental contexts in which they operate.

There is little doubt that interregional strategies will become more important throughout the 21st century and that this should be a component of RVA’s expressed direction. Richmond’s Future examined four interregional strategies for RVA:

- What is the best way that RVA can partner with the Commonwealth in a Dillon Rule state with independent cities?
- Are there steps that RVA can take to link the region more directly to NOVA’s dynamic economic engine?
- Should our common interests with Hampton Roads on logistics lead to more explicit partnering activity?
- Can RVA capitalize on an education corridor between Charlottesville and Hampton Roads where more than half of Virginia’s four-year public university students attend school and where the vast majority of medical education occurs in the Commonwealth?

**Region-State Partnerships**

Many leaders in RVA’s business community have long lamented the Commonwealth’s commitment to independent cities. They believe this has prevented the region from growing as a single entity, such as Charlotte-Mecklenburg has. They also think this has hindered the development of the kind of regional government and accompanying service delivery that occurred as a result of the merger of Indianapolis and Marion County into UniGov in the 1970’s, or, more recently, in the merger of Louisville and Jefferson County in 2002. From this perspective, the lack of consolidated government results in an inability to cooperate or even prioritize major projects. It also generates unnecessary competition between localities for economic development prospects and occasionally even creates efforts by one locality to cannibalize another. In addition, it is said to create significant inefficiencies that might result from the merging of back office and administrative functions.

A number of scholars believe that the benefits of consolidation are often exaggerated, and some of the challenges, especially as these relate to power dynamics and social equity, are typically understated. However this argument turns out, it is unlikely that either the citizenry or the elected officials in RVA will, in the foreseeable future (the next 10-20 years) support a major consolidation of governments. However, the consolidation of specified services that result in savings, collaboration across jurisdictions on job creation, economic development prospects, capital projects, and regional approaches to workforce development and career/technical education could certainly gain more traction, especially if incentivized by the state.

A burgeoning effort called GO Virginia—The Virginia Initiative for Growth and Opportunity in Each Region—is attempting to respond to the concern that federal cutbacks have exposed the Commonwealth’s overdependence on public sector jobs and that Virginia needs strong private sector growth and job creation. Initiated through the business community, GO Virginia is building a broad coalition of business organizations, educational groups, and governmental associations to promote a plan in which state government will provide strategic job creation incentives to regions that formulate collaborative plans to promote private sector economic development.

In essence, state incentives could be deployed to enhance the cluster strategies that have been agreed upon, such as making a critical step forward on logistics or the human capital investments that the region believes is critical to enhancing RVA’s workforce development efforts. An apprentice academy for advanced manufacturing or a regional STEM academy to provide job-related skills could potentially be part of such a program. At this moment, the actual legislative outcomes that will be associated with GO Virginia are uncertain. However, it certainly represents a strategy with state government that has a reasonable chance of success over time—one far greater than consolidation efforts. RVA’s state strategy should focus on the supporting legislation that continues to provide incentives and support for priority economic development initiatives.

**RVA-Hampton Roads**

Richmond’s Future focused substantial attention on the potential for enhancing RVA’s relationships and collaborative efforts with Hampton Roads. Tom Frantz, CEO of Williams Mullen, presented his concept of a potential mega-region that would merge RVA and Hampton Roads into a “Global Gateway” region to the Board of Richmond’s Future. Frantz maintained that the vast majority of Americans and economic effort by 2050 would be concentrated in large “global gateway” regions. As dollars and people flow to these epicenters, Frantz has said that current mid-sized regions could decline if they simply maintain the status quo. Frantz suggested that with the Port of Virginia serving as a major economic driver, merging the regions would provide more access to funding for transportation improvements such as high speed rail, the widening of I-64, and an improved Route 460. In addition, it would enable a wider region to utilize the workforce capabilities that the military has developed in Hampton Roads, thus keeping more skilled labor in Virginia.

Richmond’s Future was very much intrigued by Frantz’s report, although it did not adopt the mega-region concept...
as a part of its work. There are obviously major differences between the regions, especially with educational attainment, the nature of the labor force, and recent economic performance that accrue to the advantage of RVA. The percentage of the workforce with college degrees is almost 50% higher in RVA than Hampton Roads. Moreover, in the last two years, job creation and job growth in RVA has outpaced the nation while Hampton Roads has lagged far behind the median, impacted much more severely than RVA by sequestration and other cutbacks in federal spending. At the same time, as Frantz described, there is no denying the set of common interests that do exist between the two regions, a fact that is especially true once we begin to define RVA to include the entire Metropolitan Statistical Area, with Petersburg and Prince George.

As we have seen, a key feature of RVA's logistics potential is inextricably related to the Port of Richmond (PoR) and the transportation nexus between Hampton Roads and RVA. The new 40-year lease that was negotiated for the PoR by the Virginia Port Authority (VPA) with the City of Richmond is a direct consequence of the VPAs assessment that improvements to the PoR's infrastructure can significantly increase barge traffic out of Hampton Roads. The decision by VPA to seek a long-term lease rather than simply renewing the previous five-year term is also a strong signal of its interest in developing a long-term partnership. Additionally, while the Commonwealth has prudently pared back a commitment to construct a new Route 460 parallel to the existing roadway, its continued commitment to seeking improvements that can reduce travel time from Hampton Roads to I-95 and I-295 will provide another opportunity to connect the southern part of RVA to the logistics activities in Hampton Roads.

**RVA-NOVA**

Northern Virginia (NOVA) has been the economic engine of the Commonwealth for decades. In almost every measure of economic performance and population growth, it has consistently and significantly outperformed all the other regions in the state. NOVA is itself part of a multi-state region that extends through Washington, D.C. to southern Maryland. Due to the growth of the federal government over the last sixty years, it has become one of the growth capitals in the global economy. The definition of what constitutes NOVA has consistently expanded over the decades as well, as it now extends south to Fredericksburg and west beyond Loudoun. Since much of the NOVA private economy is related directly or indirectly to servicing the federal government, the region has recently underperformed national averages as a result of sequestrations and cutbacks in federal spending. Yet, in any circumstance, the region possesses the state's largest talent base. It has by far the highest concentration of tech companies. It also has by far the largest number of highly educated individuals—more than 50% of the adults over 25 have a bachelor's degree, and NOVA has as many people with post-graduate degrees (22.9%), as, for example, Hampton Roads has with undergraduate diplomas.

Besides the stress that federal cutbacks have caused, NOVA's major challenge has been primarily related to quality of life concerns. Traffic remains a continual sore point as the region always ranks high in time lost due to congestion on the roads. Additionally, the high cost of living is problematic, especially for individuals who may be in public service or nonprofit career tracks. Economic development organizations in RVA have had inquiries from some NOVA-based firms exploring relocation for quality of life purposes. Yet the networks and natural alliances that link Hampton Roads to Richmond are stronger and better developed than the links between NOVA and RVA.

While NOVA has extended south to Fredericksburg over the last thirty years, further southern expansion is limited by road capacity and/or the reliability of train service. If high-speed rail was a reality, it could be a genuine game changer for the Urban Crescent, providing opportunities that are inconceivable today. Yet the financial, political, and technical barriers are so substantial that NOVA may not represent the best interregional linkage for RVA at this time. Higher speed rail that could shorten a trip to the D.C. area to 90 minutes may be the most optimistic scenario for the next five to ten years, though even here the economic barriers are considerable. A long-term RVA vision should take into account the possibilities that technical improvements in rail and perhaps smart car technologies could make in bringing the regions closer together, even if looking north may not be the highest priority interregional strategy for RVA at this time.

**An Education Corridor**

Michael Crow, the President of Arizona State University, noted, “There is a lot of talk about disruption in higher education. We think that the real disruption will come through collaboration. While there are many institutions that have come up with creative solutions to some of our sectors’ most urgent problems, these ideas rarely travel far from where they are hatched.”

Virginia has a relatively decentralized system of higher education that has, on balance, served the Commonwealth very well. Each four-year college has an independent board and the decentralized approach has enabled Virginia to develop a system of higher education where multiple universities have developed a unique brand that has given them a regional, and often national, reputation.

Within this decentralization, there have been significant collaborative initiatives. There are extensive articulation agreements between community colleges and four-year institutions. There are research collaborations, such as the one focused on Conservation Biology that brings together the Rice Center at VCU and VIMS at the College of William and Mary. 4VA is an agreement between four Virginia universities and Cisco Systems to utilize telepresence and other technologies to promote course sharing and research collaborations. Leaders at all levels have lauded CCAM, including the President of the United States, as one of the most innovative efforts to stimulate business-university collaborations.

Proposals have also been made for the Commonwealth to promote incentivized collaboration that could reduce student debt by providing community college students with an incentive to graduate before transferring to a four-year institution and to adjust funding formulas to reward institutions and faculty members for successful cross institution collaborations.

The colleges and universities along the I-64 corridor could potentially become a model of collaboration for higher education. In the fall of 2013, there were 105,579 students enrolled in the seven public four-year institutions (CNU, W&M, NSU, ODU, UVA, VCU, and VSU) on the I-64 corridor between Charlottesville and Norfolk. The I-64 schools had 49% of the total enrollment (214,667) in Virginia’s four-year public colleges and universities and more than 50% of the total graduate enrollment. Four of the state’s five largest community colleges (JSRCC, JTCC, TCC, TNCC) are also located on the corridor. Three of the state’s four largest private schools (Hampton University, University of Richmond, and Regent University) are also located on the corridor as well as four major HBCU’s (VSU, NSU, Virginia Union, and Hampton). The majority of enrollment in advanced health care education occurs in schools along the corridor.

RVA should develop an interregional strategy that takes greater advantage of this educational corridor. In the first place, there should be a more coordinated effort to recruit graduates from the corridor’s universities to the region’s major employment centers. An interesting initiative to do this actually takes place in Martinsville, one of Virginia’s most distressed areas. The New College Institute serves as a coordinating body for an organized summer internship program where students from any Virginia university receive an internship at a local business or nonprofit organization. If the internship is successful, the student is likely to be offered a permanent employment opportunity upon graduation. A public-private project between universities in RVA, Hampton Roads, and Charlottesville-Lynchburg could provide an organized method of talent recruitment and a terrific opportunity to market Virginia’s businesses to our brightest young people.

RVA could also utilize the establishment of the Commonwealth Center for Advanced Logistics (CCALS) as a model for other research collaborations. At CCALS, Virginia Commonwealth University, Longwood University, the University of Virginia, and Virginia State University have combined forces with industry sponsors to conduct industry-wide and business-specific research in an area that is of strategic importance to the region’s long-term business plan. In turn, the creation of CCALS has enabled universities such as VCU to expand its offerings, develop a major in supply chain management, and provide students with practical on-the-job training that will make them more competitive in the market.
COOPERATION AND ITS LIMITS

Virginia provides an array of mechanisms by which regional cooperation can occur. These include authorities, commissions, service agreements, contracts, joint services powers, state initiatives, and planning district commissions. A variety of these tools have been utilized across a broad range of functions in the Richmond metro area. Economic development and tourism, education and the arts, emergency management, health and mental health, law enforcement, jails, recreation, solid waste management, transportation, and social services have all had some aspect fall under the scope of a regional cooperation agreement.

The list of cooperative efforts that local officials can cite is probably far more extensive than most might imagine. Some of the examples of regional cooperation are highly visible to the public, such as the Convention Center, the expansion of the airport (RIC), Route 288, the Diamond, the Virginia Biotechnology Research Park, the Greater Richmond Partnership, the Appomattox and Maggie Walker Governor’s schools, and the Richmond Metropolitan Authority (RMA). Others, such as the Appomattox River Water Authority water/sewer agreements, the integration of law enforcement communications, joint purchasing agreements, and Henricus are less well known to the region's residents.

Still, despite the broad range of cooperative activities, there is also a sense that the region, at the highest levels, does not work very well as a whole. The challenge of moving from idea to execution can still appear daunting. Critics point to a fragmented transit system that cannot effectively connect residents from one jurisdiction to the available jobs in another jurisdiction—or even to a job site in the same jurisdiction—as a paradigm failure of cooperation. They decry the apparent inability of the governments of Richmond, Henrico, and Chesterfield to reach a workable agreement on a stadium for the Flying Squirrels and the subsequent breakdown of the City’s effort to go it alone and build a new facility in Shockoe Bottom. The failure of negotiations between the region’s major philanthropists and two of the principal health systems about the advisability of creating a free standing independent children’s hospital (supported, in this case, by the three governments that could not agree on a stadium) has further reinforced the belief that cooperation on big ideas is harder to come by today.

EXAMPLES OF COOPERATION

One logical way of thinking about how to address the inadequacies of regional cooperation has been to look for models that have been successful elsewhere and explore how these can be tailored to the RVA context. Richmonders who have attended inter-city visits organized by the Chamber to other regions have often been impressed with structures of government where cities are incorporated into counties or with electoral systems that utilize a measure of at-large representation. The takeaway from other visits has been to highlight regional organizations that seem to work better than ours in getting elected officials from different jurisdictions working together or in developing regional capital improvement plans that can actually be approved and executed.

It is always valuable to understand how other regions have become successful and to consider what elements may be relevant to RVA, though it is difficult to see what the impetus would be for further major reforms in the structure of government or electoral systems in the near or intermediate term. Virginia state government is highly unlikely to change the independent city structure in the next decade, and citizens of the region do not appear to be calling for major changes in the form of the county governments where they reside. The City of Richmond is the one jurisdiction where a major structural reform took place when voters endorsed a popularly elected mayor. However, this occurred in response to a very special circumstance, what Doug Wilder labeled the “cesspool of corruption” where a mayor, council members, and staffers in city government were indicted and convicted for sundry crimes and public corruption. In fact, it was the former Governor’s willingness to join with former...
It makes very good sense to examine existing regional organizations and think about how these can work effectively, whether it is the Richmond Metropolitan Authority, the Richmond Regional Planning District Commission, the Capital Region Collaborative, or private sector groups and associations with regional interests such as the Management Roundtable or the Greater Richmond Chamber of Commerce. It might well be possible, for example, to use the RMA to develop a better approach to transit throughout the region. Still, it is unlikely that another organization or a revitalized one, just better than previous ones, will be the primary answer to the challenges of regional cooperation in RVA.

A complementary way of thinking about how to make regional cooperation work better might be to do “home visiting.” Instead of focusing only on what other places have done better, we might complement this analysis by examining the formal and informal regionally cooperative efforts that have been successful and see if there are positive lessons that can be drawn from these experiences. Even if the ultimate goal is to achieve outcomes that have been accomplished elsewhere, we might be able to identify the means and instruments that would enable us to get there.

A “glass half full” approach might begin with a scorecard that provides a balanced view of the successes and failures of regional collaboration. The list of regional successes is more extensive than is commonly thought. These include airport expansion, a new convention center, the Biotech Park, the VCU School of Engineering, the Maggie Walker and Appomattox Governor’s schools, a regional water reservoir, regional public safety communications systems, the Greater Richmond Partnership, and early childhood programs. Less successful efforts would include the effort to develop a regional infrastructure program through the MAPS process, the challenges of creating true regional transit, the inability to find a permanent home for baseball, and the lack of consensus in the community about the advisability of building a regional children’s hospital.

In his work for Richmond’s Future, former Chesterfield County Administrator Lane Ramsey identified four features that were crucial to the cooperative successes of the 1990’s, viewed today as a relative golden age of regional collaboration. In his opinion, the keys were leaders with powerful and well defined visions, the active involvement of the chief administrative officer of each jurisdiction, strong personal relationships between leaders, and engaged elected officials who saw the linkage between local self-interest and regional benefit and were capable and willing to sell the vision to their constituents on this basis.

The construction of the Convention Center in downtown Richmond in the 1990’s is often viewed as a signature example of regional cooperation. At the time, Jack Berry, the leader of the regional convention and tourism bureau, and its Board Chair, John Hager, persuaded the managers of the City of Richmond and the counties of Chesterfield, Hanover, and Henrico, that the entire region would become uncompetitive for convention business if a new facility was not constructed. Berry and Hager were especially persistent leaders, taking the managers to visit other cities that had modernized their convention centers, showing them what was possible and what might happen if the Richmond area did nothing. The personal relationship that had developed between Robert Bobb in the City and the three county administrators—Jack Berry of Hanover, Virgil Hazelet of Henrico, and Lane Ramsey of Chesterfield—was also crucial to the collaboration.

Berry and Hager were successful in making the case for a new facility, but how to fund it remained a significant obstacle as the managers did not have the capacity to find new money in their budgets for the design and construction of the center. The idea then emerged to approach the regional hoteliers and ask them to support a request to the General Assembly to institute/increase the hotel tax in each of the jurisdictions and use this as the funding mechanism for a new convention center. The hotel industry saw that its own self-interest would be furthered by the new facility and supported the tax increase at the General Assembly. In fact, when it became apparent two years later that the original estimates of the dollars required to build the Convention Center had been far too low, the hoteliers went back to the General Assembly with the managers and supported adding an additional two cents to the increase.

The new center enabled Richmond to remain competitive in the national competition for convention business. It helped to stabilize downtown when, unlike today, there was a serious question of whether it could survive and flourish. It also eventually proved to be beneficial to the hoteliers and the member localities. The hotel business is vibrant throughout the region. The tax dollars flowed to the Convention Authority, which then distributed any surplus that occurred back to the localities based on a formula related to the amount of lodging tax dollars each jurisdiction was expected to produce. The localities had to guarantee that any returned dollars would be dedicated to tourism-related initiatives, and at least a couple of the member localities were able to receive the distribution and support their own programs.

The work of the early childhood advocacy group Smart Beginnings is another example of effective regional cooperation. Early childhood advocates have been working in the region for almost 15 years. Originally formed as a joint effort between the philanthropic community represented by United Way and the business sector represented by the Greater Richmond Chamber, the early childhood initiative developed a comprehensive regional approach.

The coalition recruited board members from the major jurisdictions, including elected officials and agency heads that managed offices relevant to youth. The coalition collected and widely disseminated research attesting to the importance of early childhood, including studies sponsored by a branch of the Federal Reserve. They attracted board members from the business community’s largest corporations, such as Dominion Resources, who were willing to serve as public spokespersons for the issue. The coalition was able to obtain expertise from the Martin Agency to design a public relations campaign based on survey data and focus groups. It also established a government relations group drawn from major lobbying firms and trade associations that created and coordinated an outreach effort.

Advocates focused on obtaining local support for programs such as quality rating for daycare centers and home visiting, which research had shown to be especially effective in assisting teen parents. It also prioritized work-
ing with the state umbrella childhood organization to
direct more dollars into early childhood efforts that would
be distributed to local communities. At first, the coalition
struggled to make the issue more visible and more central
to budget and legislative decisions. However, it learned
from its defeats, tweaked its messaging and mode of
delivery, and ultimately did a much better job on outreach
and public awareness, positively influencing both local
government decisions and the state budget. Members of
the coalition would still say today that they have a long
way to go, but they represent a clear example of how a
regional coalition can be constructed and put an issue on
the public agenda that had previously been absent. In the
long term, a better early childhood is a powerful human
capital strategy that could have a significant impact on
educational attainment, poverty reduction, and the health
of the broader community.

**A FUTURE FOR REGIONAL COOPERATION**

The lessons that can be learned from what has worked
and hasn’t worked for RVA cannot be plugged into a
formula that will guarantee a positive outcome. However,
there are a number of themes drawn from the successes
and failures that can be helpful going forward.

**Be Flexible on Scope**

It may be best to view regional cooperation as a flexible
tool and not as an idea that always has to be structured
through specific organizations with a predetermined
framework. Some initiatives, such as the Logistics Round-
table, will function best with representatives from many
organizations and localities throughout the entire metro
area. Others, however, may require participation that is
limited to only the most interested players, perhaps as
few as two. The transit system may turn out to be that ex-
ample. In the short term, it might be best to see a regional
transit “system” as a long-term goal and focus in the next
two to five years on the practical steps in creating more
regional transit with excellent customer service. At the
moment, Chesterfield County has expressed an interest in
only having limited cost-effective transit services. Yet the
possibilities of expanding the connections between the
City of Richmond and Henrico County may be far more
doable and, if successful, convince Chesterfield that there
are substantial benefits in becoming more involved.

**Understand that Leadership (and Politics) Matters**

Regional successes in RVA (and elsewhere) have typi-
cally been driven by effective community leaders and not
just the power of a good idea. To many Richmonders, Jack
Berry and John Hager are the unsung heroes of the Con-
vention Center, working intently to convince the localities
of the need and then developing a strategy for financial

support when it was evident that new dollars would have
to be generated to support it. Denny Morris at the Crater
Planning District Commission was indefatigable in bring-
ing together the community coalition, working with Con-
gressman Randy Forbes and the congressional delegation,
and orchestrating the research that enabled Fort Lee to
ultimately become one of the big winners in the BRAC
process. Sherry Brach, Tom Chewning, and Paul Koonce
embraced early childhood development as a passion,
became public spokespersons for the issue at the General
Assembly, and worked to ensure that it became part of
the state Chamber of Commerce’s Blueprint for Virginia.
Darcy Oman transformed the Community Foundation
into an organization that incentivized community groups
and local agencies into adopting regional approaches to
social challenges that were grounded in evidence
and research.

Besides effective community advocates for regional
causes, the leadership of elected officials is also crucial
to the success of regional cooperation. If the Mayor of
Richmond, council-members, and board of supervisors
members in the counties are uninterested in making
cooperation work, it will be almost impossible for non-
elected officials to overcome their opposition or indiffer-
ence on matters where they exercise a significant
degree of control.

In recent years, advocates for greater degrees of regional
cooperation have routinely deplored the state of politics
throughout the region. They have lamented the fiscal
dysfunction that prevented the City from filing its audit
on time and may have reinforced the negative perceptions
already held of city government in other jurisdic-
tions. They have also pointed to what they believe are the
inward looking tendencies caused by the influence of the
Tea Party in local county elections. Yet all the elected
officials won their elections fair and square. The mayor
is elected by all Richmonders now, not just by a majority
of Council. The Tea Party movement has basically played
by the rules—recruiting candidates, participating in the
electoral process, and striving to implement their ideas. It
is incumbent of those who might want to move in another
direction to become equally involved in the process to
recruit candidates with different views and test these ideas
before the electorate. How many companies, law firms,
and organizations today actively discourage their
employees from becoming personally involved in the
political process?

**Make the Commonwealth a Partner**

Advocates of regional cooperation often decry the role
of the Commonwealth in maintaining legal and statutory
frameworks that inhibit cooperative efforts to address
major problems. At the same time, a number of the most
significant efforts at regional cooperation have required,
at a minimum, leadership from governors, the consent
of the General Assembly, and, on a number of occasions,
financial support from the state. The Governor’s schools
were strongly supported by Governors Wilder and Kaine,
and the VCU School of Engineering had strong back-
ing from Governors Allen and Wilder. The Convention
Center was able to obtain funding because the General
Assembly voted to increase the hotel tax on two separate
occasions. Regional jails have been built across the Com-
monwealth, saving local dollars, because the Assembly
provided financial incentives to get local governments out
of the business of building jails. CCAM and CCALS have
the chance to be successful because advocates in the Cra-
ter District have convinced governors and their legislative
representatives to dedicate significant start-up funding to
each effort. If the advocates of GO Virginia are success-
ful, the state will provide regions with planning money
and grant funding to build coalitions that can jump start
private sector job creation.

Recognizing the important role that the Common-
wealth has played should heighten the attention that RVA
local governments, business associations, and nonprofit
organizations pay to establishing effective relationships
with Virginia’s governors, with their General Assembly
representatives, and working with them on an agenda that
promotes regional collaboration on crucial issues.

**Realize That Incentives Count**

At almost every point in a cooperative process, incen-
tives will matter. There are, of course, multiple kinds of
incentives—power, money, political advantage, etc.—that
may impact individuals, organizations, and localities
differently. In a broad cooperative effort, however, the
participation of localities will almost always be dependent
on the linkages that can be developed between their self-
interest and the regional good that is to be pursued.

In more than a few instances, the incentive is related to
minimizing the fear of harm. Communities in the Crater
District banded together to prevent Fort Lee from being
a loser in the BRAC process, an outcome that would have
economically stressed their own communities. To make
the Maggie Walker Governor’s School possible, advocates
had to address the fear that creaming off the top students
from localities would drive down the average test scores
at multiple schools. Support from the localities was only
given with the agreement that the test scores from the
regional school would “return” to the high school that
the student would have attended if they had been in a
public school in the district. Support for a new downtown
Convention Center was solidified only after a funding
stream—an increased lodging tax—was developed that
held local governments harmless.

In most instances, the primary incentive will be a
possible increase—in resources, in the capacity to meet
expressed citizen needs, in the support that citizens are
likely to express for the leadership. This is the reason that
regional jails have worked in Virginia and it is at the heart
of the ongoing effort of GO Virginia to provide regional
organizations with planning assistance and grants to
enhance private sector job creation.
CONCLUSION: ELEVEN TAKEAWAYS

1. Compared to the nine other regions of similar size in the country, the Richmond MSA is a relatively strong economic performer. On measures of personal income, regional GDP, and percentage of the total population in poverty, RVA compares favorably to the majority of peer regions and is only significantly outperformed by Raleigh-Cary, NC. The one major caveat is that growth on key economic measures has been tepid compared to the rest of the peer group.

2. Despite the region's relatively strong ranking, conditions have worsened for residents at the low end of the economic scale. In the last ten years, overall poverty has ticked upward, the percentage of children in poverty in the region has increased by 15%, and housing affordability for renters has become more problematic. While poverty rates in Richmond (22%) and Petersburg (18%) remain very high, the rate of increase in the more populous counties has expanded at a faster clip. The poverty rate in Henrico increased by 50% between 2000 and 2010, from 6% overall to 9%. The demographic evolution of the region could well exacerbate these trends.

3. RVA’s population ranks 3rd out of the ten peer regions in terms of college degree attainment, yet the Richmond MSA only ranks 8th in terms of the percentage of adults over 25 who have completed high school. The ranking is related to low degree attainment in Richmond, Petersburg, and in a number of the smaller rural counties that comprise the MSA.

4. RVA has a genuine opportunity to become a logistics capital on the East Coast. The region has an extraordinarily favorable location and a unique set of assets. The potential for modernizing the Port of Richmond and creating Virginia’s second inland port, for capitalizing on Fort Lee’s role as the Army Logistics University, for utilizing the research capabilities of the Commonwealth Center for Advanced Logistics Systems, and for strengthening the region’s relationship with Hampton Roads, add up to a remarkable opportunity if a strategy for realizing it can be implemented.

5. The region needs to develop a stronger focus on ensuring that all students acquire the skills that will enable them to flourish in the 21st Century. This has become even more pressing for students who are not likely to pursue a college degree in the years after high school. The region needs to focus on reinventing career and technical education, enabling students to explore a range of possible careers and to develop a game plan regarding potential career pathways. As a first step, a regional portal needs to be brought online that will enable students from throughout the region—and at appropriate grade levels—to learn about career options and to identify career pathways and how they might best prepare for them.

6. RVA could be a leader among mid-sized regions in the fierce competition for talented young professionals. The region’s vibrant arts community, thriving food scene, outdoor recreation possibilities, and diverse population could be a powerful magnet for young people who are seeking a great place to live. However, there is a clear perception among young professionals, within and without RVA, that the region is not a great place for employment options. Addressing and reversing this perception will be essential to building a brand for RVA that can capitalize on the other advantages that the region offers.

7. The business community should sponsor a coordinated outreach and internship program to colleges across Virginia and to students from the region attending out-of-state universities that is designed to showcase the employment options in RVA, its burgeoning entrepreneurial culture, and the area’s vibrant cultural opportunities in order to attract more of our graduates back to the region when they complete their education.

8. Richmond’s troubled history with race as well as its overall political climate impacts the overall perception of the region in a negative manner. Studies by the Southeastern Institute of Research indicated that young professionals do not perceive RVA as a region that values diversity. In addition, RVA has not gained the national reputation that Atlanta and, increasingly, Charlotte has obtained as a metro area that has made substantial progress in bridging the racial divide. RVA’s effort to come to terms with its own history in an inclusive manner is only beginning to be recognized and realized. The demographic shifts that have occurred over the last twenty years clearly indicate that the challenge of becoming a region that is truly inclusive must be addressed by all jurisdictions.

9. In the short and intermediate term, the interregional strategy of RVA should focus on expanding the cooperative activities with Hampton Roads on logistics. It should also seek to capitalize on the extraordinary “education corridor” that exists between Charlottesville and Hampton Roads where more than half of the students in Virginia’s public four year colleges and universities attend school and where almost all of the Commonwealth’s advanced medical training occurs. Continuing to build research and teaching collaborations between universities and providing opportunities for graduates to advance their careers should be a key priority. Finally, the region should take advantage of state incentive programs such as the emergent Go Virginia initiative to promote private sector job creation.

10. There is a palpable lack of confidence that the different jurisdictions in the region can work together and successfully execute the kinds of strategic action that will enable RVA to meet the challenges it faces in providing opportunities for all citizens and in realizing the region’s economic, social, and cultural potential.

11. It is unlikely that there is a feasible legal, structural, or organizational reform that will impel regional cooperation to an entirely new level in the near future. At the same time, a “glass half full” approach that learns from the cooperative efforts that have worked or are currently succeeding could be productive. A better understanding of how regional cooperation can be a flexible tool, of the paramount role that leaders have played in overcoming obstacles to regional collaboration, of how the state can be enlisted as a partner, and how incentives must be aligned to keep all participants on the same page could significantly improve the quantity and quality of cooperation.
An osprey soars above its nest in the James River, near Hopewell.
By Bob Holsworth and Eugene P. Trani

Richmond’s Future was established in 2011 as an independent think tank that would address major issues in the region and offer practical recommendations and action steps that could be adopted by community organizations, local governments, and educational institutions.

Richmond’s Future adopted an expansive conception of the region to go beyond the boundaries of Richmond-Chesterfield-Hanover-Henrico and essentially include the Census Bureau’s definition of the Metropolitan Statistical Area. This had the practical effect of channeling attention to the area south of the four jurisdictions and incorporating assets such as Fort Lee.

We conducted 15 separate studies utilizing local researchers that addressed a broad range of issues. Ultimately, almost all of the studies contributed to answering three basic questions. How does RVA compare to other regions of similar size around the country? What are the most fruitful paths that could move the region forward on the issues that matter the most? What are the action steps that need to be taken in the next few years to realize RVA’s potential more fully?

How Does RVA Stack Up?

How does RVA stack up to other regions around the country? This is a question that many organizations have asked over the years. The comparisons have typically been done by comparing the region to other places around the country that are well known for their success in achieving a particular goal, be that an arts center or a stadium, or a biotech cluster.

At Richmond’s Future, we adopted a slightly different approach because we wanted to compare apples to apples. We started by benchmarking RVA against the nine other regions in the nation that were of similar size in the 2010 census — Birmingham, Buffalo, Hartford, Jacksonville, Louisville, Memphis, Oklahoma City, Raleigh-Cary, N.C., and Salt Lake City.

We found that compared to the nine other regions of similar size, RVA is a relatively strong economic performer. On measures of personal income, total employment, and percentage of the population in poverty, RVA compares favorably to the majority of peer regions. We begin from a position of relative strength among mid-sized regions.

There are, however, two major qualifiers to this picture that should prevent us from becoming complacent. In the first place, RVA’s growth on key economic measures has been tepid compared to the rest of the peer group. And the one region in the 2010 peer group that has significantly outperformed, Raleigh-Cary, is a nearby competitor.
Moreover, despite RVAs relatively strong ranking among peer regions, conditions have declined for residents at the low end of the economic scale. In the past ten years, overall poverty has ticked upward, the percentage of children in poverty has increased by 15 percent and housing affordability for renters has declined. While poverty rates in Richmond (22 percent) and Petersburg (18 percent) remain high, the rate of increase in Chesterfield and Henrico has proceeded at a faster clip. For example, the poverty rate in Henrico increased by 50 percent over the decade from 6 percent overall to 9 percent.

Our baseline studies also indicated that RVA is undergoing a remarkable demographic shift that will have considerable implications for our politics, schools, health-care and transportation systems over the next few decades.

While the African-American population of the region has remained steady at 35 percent from 2000-2010, its distribution among the region's jurisdictions is changing.

In Chesterfield County, the absolute number of African-Americans increased from 46,195 in 2000 to 69,412 in 2010 — a percentage jump of 50 percent. The Virginia Employment Commission projects that in the next census in 2020 there will be, in absolute numbers, more African-Americans living in Henrico than in the city of Richmond.

The percentage of other ethnic and racial minorities in RVAs population, especially those of Hispanic and Asian descent, will continue to grow. The demographic shift in RVA is perhaps most visible in the local school systems. In 2014-15, the Caucasian population in the Chesterfield County Public Schools was 53.1 percent and over the next several years, it is likely to become majority-minority. In Henrico County, Caucasians were slightly more than 41 percent of the district's students in 2014-2015.

Another demographic shift that will have enormous implications for RVA is related to age. The traditional age pyramid in which a very large group of young people supported a much smaller group of pre-seniors and seniors is being transformed into an age rectangle in which the percentage of young people and seniors in the population will be relatively similar. In the next 20 to 30 years, the age distribution of RVAs population will look like Florida does today.

**Four Paths to Regional Progress**

The studies conducted for Richmond's Future examined four major approaches for making regional progress. These included cluster strategies, human capital development, placemaking ideas, and interregional strategies.

Cluster strategies typically look at the industry groups where a region can become nationally competitive. In RVA, information technology, life sciences, and financial services are significant clusters. Our studies also suggested that RVA has a genuine opportunity to become a logistics capital on the East Coast. There is potential to modernize the Port of Richmond and create Virginia's second inland port, to capitalize on Fort Lee's role as the Army Logistics University, and to utilize the research capabilities of the newly established Center for Advanced Logistics Systems.

Human capital approaches to regional progress maintain that developing an educated and skilled population is the best long-term strategy for sustainable growth. Our studies focused on two elements that are crucial for RVA. First, we need to ensure that underperforming schools become more successful in raising achievement levels and providing students with the skills that will enable them to flourish in the 21st century economy.

Second, the region needs to place a greater emphasis on preparing students who are not likely to pursue a college degree in the years after high school. RVA should focus on
reinventing career and technical education, assisting students (and their parents) to understand the range of possible careers, to enable them to identify potential career pathways and to indicate how they might best prepare for the opportunities and challenges of the contemporary economy.

Placemaking approaches suggest that the defining feature of today's economy is the global competition for talent and regions must develop their own distinctive brand as centers of creativity and innovation in which entrepreneurs can thrive. In addition, quality of life components — a vibrant arts and music scene, great restaurants, and outdoor recreational opportunities — have become increasingly important factors in a region's competitiveness.

Our studies revealed that RVA could be a leader among mid-sized regions in the placemaking competition. The region's extraordinary arts community, thriving food scene, and outdoor recreational possibilities could be a powerful magnet. Our studies also showed that there is a perception among young people that while RVA is a great place to live, it is not viewed as a great place to work. We recommended the creation of proactive internship program to Virginia colleges that will showcase the employment options and cultural opportunities of the region.

RVA's troubled history on the issue of race still has an impact on this issue. The Southeastern Institute of Research's study noted that young professionals from outside the region do not associate diversity with RVA. Moreover, the region is not generally thought to have bridged the racial divide in business and politics as well as Atlanta or Charlotte.

RVA is only becoming to come to terms with its own history. In a study for Richmond's Future, Dr. Charles Bryan and Brent Glass noted that there is an opportunity with the planned National Slavery Museum, the Slave Trail and the Black History Museum for RVA to get this right and help redefine both heritage tourism and present-day RVA in a more inclusive manner.

Interregional and inter-organizational strategies examine how RVA should partner with other regions and external organizations to enhance the strategic goals of our area. Opportunities to access state government incentives such as the emergent Go Virginia initiative should be quickly grasped. Our studies also identified the common interests we share with Hampton Roads on logistics in general and especially on the connection between the Port of Virginia and the possibility on an inland port in Richmond.

Moreover, RVA needs to capitalize on the remarkable educational corridor that exists between Charlottesville and Hampton Roads, where more than half of the enrollment in Virginia's public four-year colleges and universities occurs, where the major HBCU's both public and private are located, where much of the advanced medical training in the commonwealth is offered, and where a host of first-tier private colleges attract students from across the country. Breaking down university silos and building research and teaching collaborations should be a high priority.

### Action and Execution

At Richmond's Future, we believe that the time has arrived to focus on action and execution.

Setbacks such as the inability to agree on a location for a ballpark, on the creation of an independent children's hospital, and the development of a less fragmented transit system have increased the pessimism about regional cooperation. But we tend to take a glass half-full approach. We think that we can learn from the region's successful cooperative initiatives — the Convention Center, airport expansion, the creation of the Governor's schools, the decision to grow Fort Lee during the BRAC process, the work of the Sports Backers, and the new emphasis on early childhood — about how we can overcome obstacles to collaboration and move RVA forward.

We are planning to host a meeting of all the region's elected leaders, chief administrators, school superintendents and members of the business community in the spring of 2016 to obtain their responses to the ideas that have been generated and to identify the steps that they hope to take.

Yet first, on Dec. 3, we will be presenting our findings at the Public Square hosted by the Richmond Time-Dispatch. We hope that many of you can attend because we want to hear your reactions and your ideas about what's needed.

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Dr. Bob Holsworth is a managing partner for Decide Smart and the research director of Richmond's Future.

Dr. Eugene P. Trani is VCU's president emeritus and the chair of Richmond's Future.
Leveraging seven transcendent trends to map Richmond’s future

Looking Forward

By John W. Martin

Yogi Berra, the larger-than-life baseball legend, was good at distilling bits of wisdom, often without trying. This skill was evident when he reportedly said, “It’s tough to make predictions, especially about the future.” That Yogi-ism is certainly true in our business, where we use marketing research to help people see what is and what will be.

“Predict the future” is exactly what Dr. Eugene P. Trani asked of scores of corporate, academic, and nonprofit leaders in the Richmond region (RVA) five years ago. Dr. Trani, president emeritus and university distinguished professor of Virginia Commonwealth University, formed an independent think tank in 2011 called Richmond’s Future, and challenged the region’s best and brightest to plot out a course forward for RVA.

The purpose of the think tank was to study and report on the key trends and topics that will drive Richmond’s future. The idea was that knowing what’s ahead would allow leaders across all elements of RVA to determine actions to take now to navigate toward that future. From its inception, the Richmond’s Future agenda was bold and ambitious. A dozen topics were identified, ranging from effective attract and retain highly qualified young people.

A guiding tenet during the think tank’s intentionally short lifespan was to align the topics to be studied with the major trends shaping the future of America’s cities in general, and the future of RVA in particular. The goal was to ensure that the research efforts were focused on finding ways to harness coming changes to RVA’s advantage. To this end, our firm was asked to share our perspective on what’s coming — the major national demographic and societal shifts — and what these trends mean for our region.

Over a five-year period, under Dr. Trani’s leadership, Richmond’s Future produced a variety of compelling studies and reports, all of which are available online at www.richmondfuture.org.

Here’s a quick look at the major trends we identified, and the corresponding work by Richmond’s Future in each area.

1) Population Grows

The U.S. population is projected to increase from 322 million today to 358 million by 2030. Much of this growth will continue to occur along our country’s two coasts. Our central location on the Eastern Seaboard will ensure Virginia’s and RVA’s populations will continue to grow. The commonwealth is expected to grow from approximately 8 million people today to 9.7 million by 2030. The RVA region is projected to grow from 1.2 million people today to over 1.5 million by 2030 (source: Weldon Cooper Center for Public Service, Demographics & Workforce Group).

Richmond’s Future-Related Work

How will 300,000 more people impact and shape the RVA region? A big part of the answer centers on who’s coming. Twenty years of research have established a clear link between human capital, economic growth, and urban development, so the number of new residents matters. But does resident type matter?

Richmond’s Future addressed this question in the report entitled “A Currency of Creativity: How Investing in RVA’s Creativity Will Drive Economic Development,” published in October of 2013. This research quantified the “creative dividend” that young RVA innovators and makers bring to our region. Creative professionals tend to earn higher incomes, plan to remain in the community longer, invest more, start more nonprofits and businesses, and promote RVA more than do those on the other end of the creative spectrum.

Richmond’s Future also addressed the opportunity that population growth outside of the region presents in the report “The Future of Logistics in the Richmond Region: Getting to the Tipping Point,” published in October of 2012.

2) Community Footprint Evolves

For over 100 years, urban areas have been growing faster than rural areas are. Today, 87 percent of Virginia’s population lives in metropolitan statistical areas (MSAs), and this percentage is likely to grow. Eighty percent of Virginia’s future population growth will occur in the “Golden Crescent” — the heavily populated and increasingly congested geographic corridor that runs from metropolitan D.C. through Northern Virginia, Fredericksburg, Richmond, Williamsburg, and Hampton Roads.

Within the Golden Crescent and even within RVA, a growing number of activity centers will emerge and develop into micro-cities where residents can live, work, play, and access services. According to the Richmond Regional Planning District Commission, the RVA region already has 14 activity centers, including downtown, Manchester, the Fan and VCU, Short Pump, Brandermill, and Glenside — with more on the way, like Libbie Mill at Midtown. RVA’s downtown is arguably the best example of the growth of activity centers. Over a thousand apartments have come online from late 2012 to late 2014 (source: Integra Realty Resources), with nearly 20,000 people now living downtown, up from about 10,000 in 2010 (source: Venture Richmond).
As micro-cities grow and connect, they will transform the Golden Crescent into a super-region, similar to what’s happening in North Texas, Southern California, Michigan’s Research Corridor, Boston’s Route 28, South Florida, and North Carolina’s Research Triangle.

**Richmond’s Future-Related Work**

Richmond’s Future investigated the potential value of RVA having a closer alignment with other regions in “Richmond’s Future, Inter-regional Strategies,” published in October of 2014. The think tank also explored how to cultivate regionwide perspectives, priorities, and initiatives, such as regional transit systems that connect activity centers to help us avoid traffic congestion as our population grows.

Two reports focused on this area: “Regional Cooperation: What’s Worked” helped us understand the lessons learned from past successful regional efforts, and the “Richmond/Cooper Region Transportation Overview” reported outlined important transportation needs and opportunities against the backdrop of our growing population and activity centers.

Looking down the road, three related initiatives to watch are the evolution of Main Street Station into RVA’s multimodal high-speed rail station, the regional transit visioning initiative that’s getting underway, and the ongoing work of the Capital Regional Collaborative in advancing regional perspectives.

### 3) Diversity Rules

By 2032, the combined minority will be the majority of children. Even now, combined minority births are greater than majority births. By 2043, the combined minority populations will become the majority, casting America into a truly pluralistic society. The RVA region will mirror the country.

Between now and then, expectations will increase for all organizations — public and private — to reflect the diversity of the community and the people they serve in their leadership, board composition, and workforce.

**Richmond’s Future-Related Work**

Recognizing that the region must do a better job in supporting diversity and inclusion, Richmond’s Future documented RVA’s diversity in “Socio-Demographic Trends of Richmond and Its Peer Metropolitan Areas.” This overview includes statistics on population growth, immigration, race and ethnicity, age, household makeup, education, income, poverty, housing, and transportation.

Moving forward, we must continue to learn from and support people, organizations, and initiatives that advance inclusion and diversity, such as the Virginia Center for Inclusive Communities, the new Black History Museum and Cultural Center of Virginia, and the National Slavery Museum.

### 4) Age Shifts

Thanks to advances in medicine and health care, we are experiencing a longevity revolution, resulting in a greater number of older people than ever before. By 2030, America will have 74 million adults over the age of 65, compared to 46 million today. That’s a 60 percent increase in fewer than 15 years. At the same time, the number of younger people will not change, due to the decline in birthrates in the U.S. starting in the mid-1960s. Today, and well into the future, we will have about equal numbers of youth, young adults, middle-age adults, and older adults. The ratios are changing, permanently. By 2030, we will have one child under 18 for every adult over 65, down from about a two to one ratio today.

This age shift will wash over Virginia and RVA, too. By 2030, the senior population will comprise 20 percent of the state’s and RVA’s populations.

Here’s the rub: tomorrow’s seniors, the Boomer generation, will act differently than today’s seniors. They will transform what it’s like to grow older. Their need to work and a quest for vitality will mean a new wave of senior employees, entrepreneurs, and community volunteers. Older Boomers will result in exploding demand for health-care and well-care services and facilities everywhere. This will create tremendous opportunities for health-care systems, including Bon Secours, HCA, and VCU Health.

**Richmond’s Future-Related Work**

RVA’s companies, organizations, and entire health-care community must become age ready — making RVA one of the most desirable places for people to grow older in their community. This strategy, along with many others, is detailed in “The Future of Health Care in the Richmond Region: Report of the Health Care Task Force of Richmond’s Future,” released in December of 2013.

### 5) Poverty Remains

Since the mid-1970s, the U.S. poverty rate has been relatively constant (between 12 and 15 percent), but this statistic hides the real story. The number of U.S. residents living in poverty has grown from 25 million to now almost 50 million. The figure quickly approaches over half of all Americans when you add in the 50-plus million who live near poverty (100–150 percent of the poverty line), plus those who have experienced a year or more of periodic joblessness or reliance on government aid, or who have had some unexpected event or expense that depleted their savings. Poverty is getting worse, not remaining stable.
In the city of Richmond, one in four live in poverty. In Chesterfield and Henrico counties, about one in ten now live in poverty. Poverty is no longer an island we don’t see. For example, the largest free health-care clinic in the state of Virginia, CrossOver Healthcare Ministry, is located right across the street from Regency Square in western Henrico. In 2014, CrossOver provided compassionate health care to more than 7,000 low-income, uninsured neighbors.

Richmond’s Future-Related Work

Richmond’s Future did not directly study RVA’s poverty-related challenges. However, the pervasiveness of this issue entered Richmond’s Future committee discussions and is addressed in several reports, including the “Is RVA Ready?” report and presentation by Bridging RVA in May of 2014, which addressed concrete steps to ensure that young people understand their range of career options, with a special emphasis on those who would not be attending four-year colleges.

We need to build on the work of the mayor’s Anti-Poverty Commission, on the creation of the Office of Community Wealth Building, and on individual efforts like the Better Housing Coalition’s redevelopment work, by addressing poverty as a regional, multidimensional challenge.

6) Employment Gap Widens

Technology gains have and will continue to disrupt our workforce. Jobs involving routine functions (bank tellers, travel agents, bookkeepers, etc.) are being automated. Many jobs of the future will require cognitive and technical skills, but not necessarily college degrees.

In fact, the demand already exceeds supply for these middle-skill workers — those who have more education than high school, but less than college, and who can learn technical skills to support growing industries like advanced manufacturing and health sciences.

Middle-skill jobs account for 49 percent of Virginia’s labor market, but only 40 percent of the state’s workers are trained to the middle-skill level. Many of the job opportunities in the future will be these middle-skill jobs (source: NSC Analysis of Bureau of Labor Statistics Occupational Employment).

Richmond’s Future-Related Work

Local market data from the Virginia Employment Commission points to this national trend playing out in RVA. They report the number of unemployed at 32,630 and the number of job openings at 52,203 as of May 2015.

7) Millennials Dominate

Millenials, born between 1983 and 2001, are the largest generation in U.S. history at some 83 million strong. With half of Millennials still in school, their collective force has just begun to make its mark on society. Today, Millennials make up 29 percent of the U.S. workforce; by 2025, they will be 40 percent.

Millenials are fast becoming America’s new cultural leaders. Their views of what’s important, what’s fair, and who is responsible differs from the mindsets of older generations. For example, they are more interested in making a difference at work than in making a living. They want to work for a company that’s a force for good. As social libertarians in their outlook, they are comfortable with diversity in race, culture, and sexual orientation. They want to start companies and build a sense of community that engenders a renaissance in civic participation and the rebuilding of social capital.

Cities and regions that fully appreciate and cater to Millennials may be the winners of the future. Because of the age shift, the future growth of regions depends on becoming a Millennial magnet and attracting more Millennials through placemaking activities.

Richmond’s Future-Related Work

Understanding the demographic trends that could potentially shape a future economic development battle for tomorrow’s creative workforce, Richmond’s Future launched the YRVA Study (“Y” for Gen Y, another name for Millennials).

The YRVA study identified key placemaking attributes: a great food and arts scene, access to outdoor recreation amenities, embracing of creativity and innovation, support for startups and entrepreneurship, bikeability and walkability, transit, and more. The study assessed how RVA was performing on these dimensions relative to some of its competitors like Austin, Denver, Washington, D.C., and Charlotte. The study reinforced that we must deliberately market RVA to our local college students to help them see RVA as a job market.

The YRVA Study succeeded in educating senior business leaders about the value of Millennials to our community’s future, and about this group’s needs.

Another Richmond’s Future study provided insight in this topic area as well: “The Arts as a Key Economic and Community Development Driver in the Richmond Region,” released in April of 2013.

By almost any measure, the five-year run of Richmond’s Future has been a huge success. The organization had all the right ingredients: an inspired leader, an engaged leadership board, a research council comprised of national talent who call RVA home, over 100 volunteer experts on various topics and industries, and a generous grant from the Community Foundation.

Now we have a clear sense of what’s coming, and we know some of the things that RVA needs to do. Of course, this is not a “one and done” effort. Dr. Trani’s very large footsteps now need to be followed.

It’s up to all of us to answer: What’s next for Richmond’s Future?

John W. Martin is the president and CEO of the Southeastern Institute of Research Inc. (SIR), a 50-year-old full service marketing research firm headquartered in Richmond. Contact him at JWM@sirresearch.com.