

NORTHERN VIRGINIA REGIONAL COMMISSION

Minutes of the Commission Meeting Held Thursday, October 25, 2012

COMMISSIONERS

(The names of those members present are highlighted.)

Hon. Nader Baroukh	City of Falls Church
Hon. Sharon Bulova	County of Fairfax
Hon. Peter Candland	County of Prince William
Hon. Janet Clarke	County of Loudoun
Hon. John C. Cook	County of Fairfax
Hon. Jay Fiset	County of Arlington
Hon. Willie Toney for Hon. Gerald M. Foreman II	Town of Dumfries
Hon. Libby Garvey	County of Arlington
Hon. Penelope A. Gross	County of Fairfax
Hon. Pat Herrity	County of Fairfax
Hon. Catherine Hudgins	County of Fairfax
Hon. Robert W. Lazaro, Jr., <i>NVRC Vice Chairman</i>	Town of Purcellville
Hon. Fernando "Marty" Martinez	Town of Leesburg
Hon. Jeffrey C. McKay	County of Fairfax
Hon. Lisa C. Merkel	Town of Herndon
Hon. Suhas Naddoni	City of Manassas Park
Hon. Martin E. Nohe, NVRC Chairman	County of Prince William
Hon. Harry J. Parrish II	City of Manassas
Hon. Redella S. Pepper, <i>NVRC Treasurer</i>	City of Alexandria
Hon. Frank J. Principi	County of Prince William
Hon. M. Jane Seeman	Town of Vienna
Hon. R. Scott Silverthorne	City of Fairfax
Hon. Paul C. Smedberg	City of Alexandria
Hon. Linda Smyth	County of Fairfax
Hon. Scott K. York	County of Loudoun

STAFF PRESENT

G. Mark Gibb	<i>Executive Director</i>
Linda M. Tenney	<i>Deputy Director</i>
Linda Summerall	<i>Executive Secretary</i>
Ken Billingsley	<i>Director, Demographics & Information Services</i>
David Schwengel	<i>Director, Regional Business Planning</i>
Michelle Simmons	<i>Director, Human Services</i>
Peggy Tadej	<i>No. Va. Regional BRAC Coordinator</i>
Aimee Vosper	<i>Director, Environmental & Planning Services</i>
Stephen Walz	<i>Director, Regional Energy Planning</i>

OTHERS PRESENT

Hon. Jim Moran	<i>U.S. House of Representatives (8th Dist.)</i>
Dan Scandling	<i>Chief of Staff, Rep. Frank Wolf's Office (10th Dist.)</i>
Jim Zumwalt	<i>Manassas Park City Manager</i>
Kali Schumitz	<i>Fairfax County Times</i>
Katie Boyle	<i>Fairfax Co. legislative staff</i>
LuAnn L. Bennett	<i>Bennett Group</i>
Noelle Dominguez	<i>Fairfax Co. Dept. of Transportation</i>
Bruce Bennett	<i>Hunter Mill Defense League</i>
Sue Rowland	<i>NVRC Legislative Liaison; SR Consulting, Inc.</i>
Tom Biesiadny	<i>Fairfax Co. Dept. of Transportation</i>

CALL TO ORDER Chairman Nohe called the meeting to order at 7:43 p.m.

PLEDGE OF ALLEGIANCE The Pledge of Allegiance was recited by all present.

ROLL CALL The roll was called and all members present or absent were noted for the record.

MINUTES Commissioner Garvey moved the minutes of the September 27, 2012, Commission meeting. The motion was seconded and carried, with Commissioners Clarke, Gross, Smedberg and Merkel abstaining.

NO. VA. Commissioner Bulova welcomed Rep. Jim Moran.

ECONOMIC FORECAST Chairman Nohe welcomed Al Dvoskin back to the Commission, noting that Mr. Dvoskin had first presented his company's forecast on the credit crisis to the Commission in spring 2009. Mr. Dvoskin is the founder and CEO of A.J. Dvoskin and Associates, Inc., a commercial and residential properties management firm in Northern Virginia.

Mr. Dvoskin introduced Michael Cassidy, President and CEO of The Commonwealth Institute for Fiscal Analysis, a nonprofit located in Richmond. Prior to joining the Institute, Mr. Cassidy worked for the Virginia Dept. of Planning and Budget, the U.S. Office of Management and Budget, and PricewaterhouseCoopers, LLP, among others. Mr. Cassidy prepared the economic forecast on behalf of A.J. Dvoskin and Associates.

Al Dvoskin Mr. Dvoskin noted that the credit crisis report prepared in 2009 for his firm benefited Northern Virginia's local governments. The report was widely shared throughout the community. Come January 2013, Mr. Dvoskin said the country will be dealing with a new economic reality. He sees local government's role becoming much more important.

Michael Cassidy Mr. Cassidy stated the depth and length of this recession is unprecedented, with a decrease in revenue for two consecutive years. Unemployment peaked at 120 percent above what it had been before the recession, with increased demand for social services. Virginia's revenue is coming back but is not yet at its pre-recession level. Jobs in Northern Virginia returned to the pre-recession level in 2011. In 2012 there is a jobs gap of 105,636 due to the area's growth in working-age population.

Home prices in Northern Virginia increased in the first half of 2012. Although median sales prices in June 2012 were 22 percent above their June 2009 low, they were still eleven percent below pre-recession levels. Homes sold more quickly in early 2012 compared to a year ago, and foreclosures in the area have also declined by one-third (outer suburbs) to one-half (inner suburbs). However, Mr. Cassidy called the commercial real estate market a "mixed bag."

The Budget Control Act of 2011 has appropriations caps limiting discretionary federal spending starting in calendar year 2013. Across-the-board budget cuts (sequestration) will begin January 2 unless Congress acts. Combined, these two sets of cuts to federal spending would mean a drop of close to ten percent in funding for discretionary federal programs. It is likely federal civil servants would be furloughed.

In Virginia, defense cuts would have a bigger impact than non-defense cuts due to the concentration of Department of Defense and defense contractor jobs in the state. The Budget Control Act-related defense spending cuts would remove over \$5 billion from Virginia's economy in Federal Fiscal Year 2013 compared to FFY 2012 spending. This is over ten percent of the defense spending cuts expected to occur nationwide. By contrast, cuts in aid to the state for delivery of services would be just under \$100 million, or less than two percent of all cuts nationwide in aid to states.

Combined, Virginia faces 9.7 percent of the loss of economic activity, personal earnings, and jobs from the looming defense and discretionary non-defense budget cuts. Mr. Cassidy said the impact will be much deeper than the recession we just went through.

Al Dwoskin

Mr. Dwoskin pointed out that local governments will be asked to do more with less money from both the state and federal governments.

He added that the market is already starting to see negative pressure on both residential and commercial rents.

Hon. Jim Moran

Rep. Moran noted the continuing resolution runs through March 27, 2013.

He believes it likely the president will be re-elected, the House will remain Republican and the Senate will remain Democrat. He expects serious cuts in defense and non-defense spending and an adjustment to Medicare. He believes there is a 50 percent chance of sequestration.

In Rep. Moran's district (8th), there will be \$4 billion in non-defense cuts and \$6 billion in defense. Nationally, there will be 11.1 percent cuts in defense procurement, research and defense, and testing. He expects civil servants to be furloughed rather than laid off.

If Romney is elected, Rep. Moran expects sequestration will be suspended for one year, which he thinks the Democrats will vote for. The biggest cut would be to Medicaid.

Rep. Moran expects public transit funding will be hit hard by both parties' budgets but he expects cyber security will be fully funded.

Dan Scandling

Mr. Scandling stressed the importance of getting entitlements spending under control. He noted that earmarks no longer exist. Funding for the regional gang task force runs through August 2013.

questions & answers

Commissioner Bulova reported the Fairfax County Economic Advisory Board met earlier in the week and heard from economist Stephen Fuller, Gerry Gordon (Director, Fairfax Co. Economic Development) and Doug Koelemay (V.P., SAIC), all of whom stressed the importance of diversification and the fact that state funding cuts are coming.

Commissioner Garvey asked if the impending federal and state spending cuts will cause a deep downward spiral of the economy. Mr. Cassidy said to think about the tools used in 2007/08 (the Recovery Act). He also stated that the state's rainy day fund is tapped out.

Commissioner McKay noted that many companies have headquarters in Northern Virginia and the greater D.C. region and asked if jobs would be transferred to those headquarters. Rep. Moran said that would be speculating. He cautioned the elected officials not to start new transportation projects.

**NVRC NONPROFIT
AFFILIATE**

Chairman Nohe introduced Katherine Waters, attorney with Duling & Compton, LC, a law firm in Woodbridge. Ms. Waters' legal practice involves representation of local, regional and national clients in matters involving real estate, land development, zoning and permitting, business formations, corporate matters, loans and financing, industrial development authority bonds, transactions for churches, commercial leases, tax-deferred exchanges, contracts and environmental issues. Duling & Compton was founded in 1968 and Ms. Waters has been with the firm since 1988.

Mr. Gibb reminded the Commissioners that Ms. Waters has been donating her time on the formation of a nonprofit affiliate for the Commission and has worked with the Operations Committee to answer questions.

Ms. Waters briefly reviewed the draft articles of incorporation and bylaws and explained how to structure board membership.

questions & answers Commissioner Fisette noted he has served on the board of several nonprofits and commented on keeping accurate accounting of staff time. Mr. Gibb assured him NVRC's accounting system can handle this — it is the system that is already being used.

Commissioner Fisette wondered if the proposed bylaws should include representation from all four counties rather than just two. Commissioner Bulova raised concern about creating a new organization requiring elected officials to serve.

Responding to Commissioner Smyth, Ms. Waters said it is unlikely this nonprofit would own property and the provision could be removed.

Members discussed delaying action till after conclusion of the General Assembly session. Mr. Gibb noted that some funding opportunities have already been lost to NVRC.

It was agreed that Ms. Waters will formulate a memorandum on the pros and cons of delaying the formation and that information on the accounting "firewall" will be included. Examples of existing nonprofits that NVRC could possibly partner with will also be examined.

CONSENT AGENDA Commissioner Gross moved approval of the Consent Agenda, consisting of the items outlined below. The motion was seconded and carried unanimously.

- A. Resolution No. P13-03: Recommendation to Designate the Potomac, Anacostia and Occoquan Rivers as the "M-495 Marine Highway Crossing"
- B. Resolution No. P13-05: In Support of Adoption of the 2012 International Energy Conservation Code as Part of the Uniform Statewide Building Code

EXECUTIVE
DIRECTOR'S
REPORT

Printed copies of the report were distributed:

- Review of PDC Boundaries – decennial review following 2010 Census; comments due Dec. 19 to DHCD. If there is sufficient public interest in changing a particular area, a public meeting in the relevant PDC will be scheduled & final recommendation report issued.
- Northern Virginia Training Center — four regional forums held in September.
- HOPWA/ Ryan White — The 2011-1212 Housing Opportunities for Persons With AIDS (HOPWA) grant complete; 2012-13 grant continues the services. VDH has given the No. Va. region an additional \$560,000 in Part B funds, bringing the total to just over \$1.5 million, expanding services to persons with HIV/AIDS through March 31, 2013.
- International Best Practices — delegation to Taipei, Taiwan, in early Oct focused on transportation, technology & economic development. Oct. 11 presentation on high-tech growth in Hessen, Germany, with follow-up scheduled for next year. NVRC staff Dale Medearis attended a forum in Berlin on "internationalization of science & humanities" as a Fellow of the Alexander von Humboldt Foundation.
- No. Va. Military-Community Alliance — NVRC coordinating effort to attract, retain & grow the military & other federal facilities in the region.
- Commuter Ferry Market Analysis — broad reaching stakeholder meetings have begun.
- Potomac Heritage National Trail Workshop – attended by over 30 officials; explored multiple outcomes.
- NVRC Energy Strategy — working with the Virginia Energy Efficiency Council; NVRC a board member. Alternate Fuel Vehicle contract available through the state.
- No. Va. Demographics – Weldon Cooper Center for Public Service now produces the Commonwealth's official population forecasts. Preliminary projection has No. Va. population decreasing over the next two decades: Is this accurate? Shows growth

shift to older population: Will there be sufficient workers to fuel future economic & job growth in No. Va.?

- Regular Outreach & Presentations — numerous NVRC staff made several presentations on changing demographics; environmental quality; & energy policy.

CONSOLIDATION
TASK FORCE
REPORT

The executive summary was distributed. Chairman Nohe reported the recommendation is not to eliminate any of the four regional organizations. The best scenario is co-location of NVTA with NVRC with common meeting dates. The ten members of the Task Force who attended tonight's meeting voted unanimously to accept the recommendations. Chairman Nohe thanked the jurisdictions' staff for their work.

Commissioner Bulova moved that NVRC endorse the recommendations of the Task Force. The motion was seconded and carried unanimously.

FY 2014
PRELIMINARY
BUDGET AND
WORK PLAN

Mr. Gibb pointed out the per capita member dues rate has not increased; it remains the same at 53¢. Staff prepared the budget with the same paltry annual contribution from the state that has not changed in the past three years. The state's contribution to NVRC is lower than to the other planning district commissions.

Commissioner Gross moved adoption of the preliminary FY14 budget and accompanying resolution. The motion was seconded and carried unanimously.

Chairman Nohe suggested confirming receipt of the budget by the member jurisdictions.

OTHER BUSINESS

Commissioner Clarke reported she recently attended the Northern Virginia Aging Network's annual legislative breakfast and learned that 8,000 people a day in Virginia are turning 65.

ADJOURNMENT

Chairman Nohe adjourned the meeting at 9:40 p.m.

Respectfully submitted:

G. Mark Gibb
Executive Director

Approved by:

Martin E. Nohe
Chairman