



The State of the Region

HAMPTON ROADS 2009

REGIONAL STUDIES INSTITUTE | OLD DOMINION UNIVERSITY



October 2009

Dear Reader:

This is Old Dominion University's 10th annual State of the Region report. While it represents the work of many people connected in various ways to the university, the report does not constitute an official viewpoint of Old Dominion, or its president, John R. Broderick. The State of the Region reports maintain the goal of stimulating thought and discussion that ultimately will make Hampton Roads an even better place to live. We are proud of our region's many successes, but realize it is possible to improve our performance. In order to do so, we must have accurate information about "where we are" and a sound understanding of the policy options available to us.

The 2009 report is divided into eight parts:

- **The Regional Economy Contracts:** Defense spending continues to cushion our economic downturn, but two other major drivers, the port and tourism, have contracted. We also report stress tests for our major regional banks.
- **The Hotel Industry:** Stagnant or declining patronage and excess capacity have made this a very challenging time for an industry that is vital to our future.
- **The "Silver Tsunami":** In recognition of our aging population, we present extensive data and ratings concerning 57 nursing home facilities, 104 assisted living facilities and eight continuing care facilities in Hampton Roads.
- **Gasoline Prices, Carbon Emissions and Other Unpleasant Subjects:** Carbon emissions are on nearly everyone's mind. We trace our regional carbon emissions and explore the ways (including higher prices) that we might deal with them.
- **Climate Change, Global Warming and Ocean Levels:** To the extent that global warming occurs, it will bring with it rising sea levels, which, in the absence of new dikes and levees, will cover vast areas of the Peninsula and Norfolk, Chesapeake and the Virginia Beach oceanfront.
- **Traffic Congestion: Identifying and Measuring Our Bottlenecks:** A well-known national analysis of traffic congestion identifies the 15 worst choke points in Hampton Roads. Most of them are connected to our tunnels.
- **The Tunnels That Connect Hampton Roads:** Wonderful Assets or Potential Achilles' Heels? The prosperity of our region depends upon five major bridge/tunnel installations, all of which potentially can be closed either by accidents or terrorism. As we recently have discovered, they are vulnerable to a variety of possible threats.
- **The Chrysler Museum in 2009:** The Chrysler Museum of Art is one of the foremost cultural jewels of our region, but now faces challenges that stem both from significant economic constraints and internal reorganizations.

Old Dominion University, via the president's and provost's offices, and the College of Business and Public Administration, via the dean's office, continue to provide support for this report. However, it would not appear without the vital backing of the private donors whose names appear below. They believe in Hampton Roads and in the power of rational discussion to improve our circumstances, but are not responsible for the views expressed in the report.

The Aimee and Frank Batten Jr. Foundation	Kaufman and Canoles
Frank Batten Sr.	Thomas Lyons
R. Bruce Bradley	Arnold McKinnon (in memoriam)
Ramon W. Breeden Jr.	Patricia W. and J. Douglas Perry
Arthur A. Diamonstein	Anne B. Shumadine
George Dragas Jr.	

I am delighted to announce that Kaufman and Canoles has agreed to provide financial support for all State of the Region presentations subsequent to the traditional Lead Hampton Roads/Chamber of Commerce opening breakfast.

The following individuals were instrumental in the research, writing, editing, design and dissemination of the report:

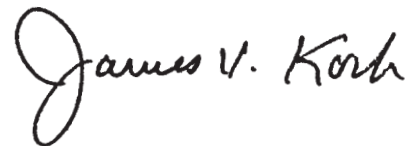
Vinod Agarwal	Elizabeth Janik
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Special recognition is merited for Vinod Agarwal and Gilbert Yochum of the Old Dominion University Economic Forecasting Project, which Professor Yochum directs. Their penetrating analyses of the regional and Commonwealth economies are by consensus the baseline by which numerous economic activities are measured.

My hope is that you, the reader, will be stimulated by the report and will use it as a vehicle to promote productive discussions about our future. Please contact me at jkoch@odu.edu or 757-683-3458 should you have questions.

All 10 of the State of the Region reports may be found at www.odu.edu/forecasting and www.jamesvkoch.com.

Sincerely,



James V. Koch

Board of Visitors Professor of Economics
and President Emeritus

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Cover: Diane Cebula/Daily Press

Page 1: Chris Daniel (top row, center)
Chuck Thomas (bottom row, center)
Norm Shafer/The Virginian-Pilot (bottom row, right)

Page 6: U.S. Navy photo

Page 13: Jake Denton

Pages 45, 49 and 57: Chris Daniel

Pages 59, 103, 115 and 125: Chuck Thomas

Page 119: Steve Earley/The Virginian-Pilot

Page 123: Vicki Cronis-Nohe/The Virginian-Pilot

Page 133: The Chrysler Museum of Art's Joan P. Brock Galleries house many of the permanent collection's finest works by American and English artists.
Photo by Ed Pollard, museum photographer

Page 135: The Chrysler rests at the end of the Hague, a picturesque branch of the Eastern Elizabeth River. Photo by Ed Pollard, museum photographer

Page 137: In 2009, the Chrysler taught more than 18,000 adults and children from Hampton Roads public and private schools through educational tours and gallery talks. Photo by Ed Pollard, museum photographer

Page 138: The Chrysler's Huber Court exudes Italianate influence with its sweeping marble staircase and Romanesque arches. Photo by Ed Pollard, museum photographer

Page 140: Katherine Gray's "Forest Glass" was one of the most popular installations of "Contemporary Glass Among the Classics," one of three "Art of Glass 2" exhibitions at the Chrysler. Photo by Jake Gillespie for the Chrysler Museum of Art

Page 142: The Chrysler's participation in the region-wide celebration "Art of Glass 2" featured live glassblowing at the museum throughout the month of May.
Photo by Jake Gillespie for the Chrysler Museum of Art

Page 143: "Silea" was among 120 of Lino Tagliapietra's works on display during the exhibition honoring his 60-year career in glassblowing. "Lino Tagliapietra in Retrospect: A Modern Renaissance in Italian Glass" was the keynote show for the Chrysler's celebration of "Art of Glass 2." Photo by Jake Gillespie for the Chrysler Museum of Art

Page 145: Stephen Knapp's dancing light painting "Heritage Jitter" heralds the arrival of "Art of Glass 2" to the Chrysler. Knapp was one of four artists featured in the museum exhibition "Contemporary Glass Among the Classics." Photo by Cathy Dixson for the Chrysler Museum of Art

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