



*Clyde A. Haulman, Chairman
Ella P. Ward, Vice-Chair*



*Linda T. Johnson, Chair
George E. Wallace, Vice-Chair*

TO: HRPDC/HRTPO Board Members

FROM: Robert Crum, Executive Director

RE: Executive Director's Report

A brief summary of ongoing work activities is presented below for review by HRPDC/HRTPO Board members.

The HRPDC/HRTPO staff coordinated Regional Day with the Hampton Roads Caucus on January 28th at the Virginia General Assembly Building. Fourteen Hampton Roads Caucus members attended this session to discuss regional legislative priorities with representatives of the HRPDC, HRTPO, and regional partners. Suffolk Mayor and HRTPO Chair Linda Johnson presented information on the significant progress that the Hampton Roads Region is making to allocate Hampton Roads Transportation Funds to advance the Region's priority transportation projects. In addition, Dr. Ella Ward, Chesapeake City Council member and Vice Chair of the HRPDC, presented information on the need for increased state funding for public education purposes.

HRPDC staff continues to coordinate the Urban Crescent Initiative in an effort to secure increased state funding for public education purposes. As part of this effort, staff has worked with the Fairfax County public access network to develop a brief informational video on the Urban Crescent Public Education Funding Initiative. This video will be presented to the HRPDC at its February 18th meeting.

HRTPO staff recently developed and submitted an application under the Intercity Passenger Rail Operating and Capital (IPROC) program requesting monies to complete a Tier II EIS for passenger rail between Hampton Roads and Richmond. This effort was completed in support of the HRTPO's adopted regional legislative agenda. A Tier II EIS must be completed before federal funds can be allocated to improvements to provide for more efficient rail service to Hampton Roads.

The Executive Director met with representatives of Hampton Roads Transit (HRT) to discuss the coordination of transit planning efforts between the HRTPO and HRT.

The HRPDC staff hosted a meeting on January 20th with representatives of the Cities of Norfolk and Virginia Beach and Federal representatives to discuss a potential Joint Land Use Study (JLUS) to address sea level rise around military bases in Norfolk and Virginia Beach.

The HRPDC Coastal Resiliency Committee met on January 29th to discuss the HRPDC's Coastal Resiliency Planning program. This Committee has been reorganized to consist of Deputy CAOs from the Region's jurisdictions.

HRPDC Deputy Executive Director Randy Keaton has been elected Chair of the Hampton Roads Intergovernmental Pilot Project.

The Executive Director provided a presentation to the Portsmouth Partnership on February 8th on the work of the HRTPO and regional transportation planning efforts.

The Executive Director continues to meet with Mr. Jim Spore to discuss the coordination of efforts between Reinvent Hampton Roads and the HRPDC.

The Executive Director continues to participate on a working committee to provide input into the GO Virginia legislative process.

HRPDC/HRTPO staff continues to monitor legislation advancing through this General Assembly session, and provide input on proposals that relate to the HRPDC/HRTPO Legislative Agendas. In addition, staff is coordinating efforts with the Region's legislative liaisons to provide information to the Hampton Roads Caucus. Three information sheets prepared by the HRPDC/HRTPO staff are attached.

HRTPO staff held meetings with representatives of FHWA and VDOT to discuss the HRTPO's Long-Range Transportation Plan update process.

The HRPDC/HRTPO Executive Director has been appointed to the Boards of the Hampton Roads Economic Development Administration (HREDA) and the Hampton Roads Chamber of Commerce.

The HRPDC staff is working with Old Dominion University on a grant proposal to the Blue Moon Foundation to support a Regional Geographic Information System (GIS) program with a focus on coastal resiliency. Staff is working with HRSD and local government staff to develop the project and grant proposal.

The Regional Chief Administrative Officers Committee held its regular monthly meeting on February 3rd. Attendance at these meetings continues to be excellent. Agenda items for this month's meeting included discussion of the HRSD Aquifer Replenishment Study, a review of the HRPDC Regional GIS initiative, discussion of the HRPDC Coastal Resiliency Program and a brainstorming session on the regional consensus building process.

The Executive Director participated in a meeting with the Region's economic development directors to provide input to the Virginia Economic Development Partnership (VEDP) on approaches to improve the work of the VEDP.

HRPDC staff participated in the Winter Meetings of the Virginia Association of Planning District Commissions (VAPDC) held in Richmond on February 11th and 12th.

HRTPO staff participated in the annual FHWA/MPO/VDOT/DRPT Winter Meeting on February 10th in Richmond.

The HRPDC/HRTPO administrative staff is preparing/managing the release of Request for Proposals for the Agency's IT and legal services. Staff will announce the results of the Agency's audit services RFP process at the February HRPDC/HRTPO meetings

HRTPO staff continues to complete preparatory work for the TPO's Quadrennial Review which is scheduled for March 29rd – March 31st.

EDUCATION DRIVES ECONOMIC GROWTH

HRPDC POLICY BRIEF



Regions whose citizens have higher levels of education are more competitive and experience higher levels of growth.

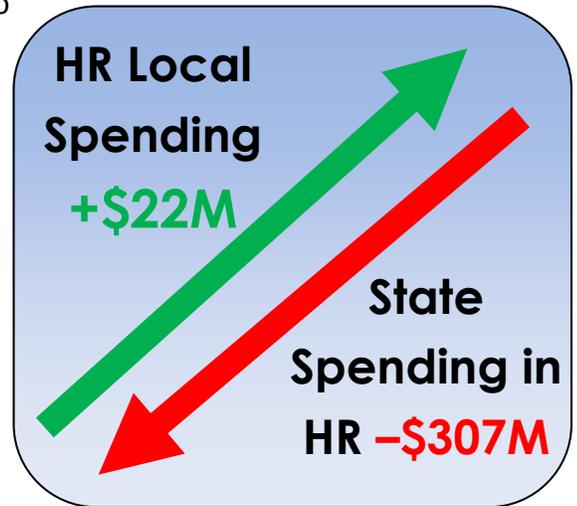
As Hampton Roads and the Commonwealth seek to diversify their economies, improving education outcomes has proven to be the most effective method for driving economic growth.

Higher levels of education in a region lead to:

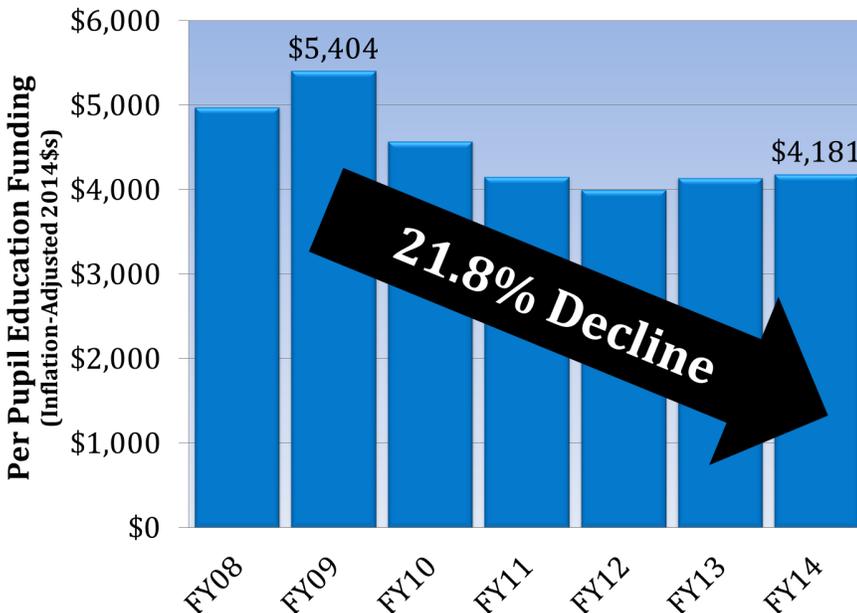
- Increased incomes for all individuals
- Increased population growth
- Increased per capita gross product
- Increased labor force participation
- Reduced unemployment during recession

Furthermore, a failure to ensure that a population achieves at least high school equivalency has been linked to lower home values within a locality, and greater prevalence of urban blight. A failure to improve and invest in education will hold back both home values and prevent economic growth.

Education Spending in Hampton Roads Since '09 (Inflation-Adjusted 2014\$)



Decline in State Per Pupil Education Funding in Hampton Roads



Virginia's Per Pupil Spending in Hampton Roads has declined by 21.8% (inflation-adjusted).

In 2014 dollars, the Commonwealth contributed \$307 million less to Hampton Roads education than it did in FY2009.

Hampton Roads Transportation Funding

TRANSPORTATION REVENUES & COSTS



1999

Hampton Roads engages in regional priority setting of transportation projects

2002

Hampton Roads holds referendum seeking funding for transportation projects

2007

General Assembly passes HB3202 to fund transportation projects in Hampton Roads – later deemed unconstitutional

2013

HB2313 creates the HRTF, providing a funding mechanism for transportation projects

2014

Creation of HRTAC to oversee financing of regional transportation projects

2021

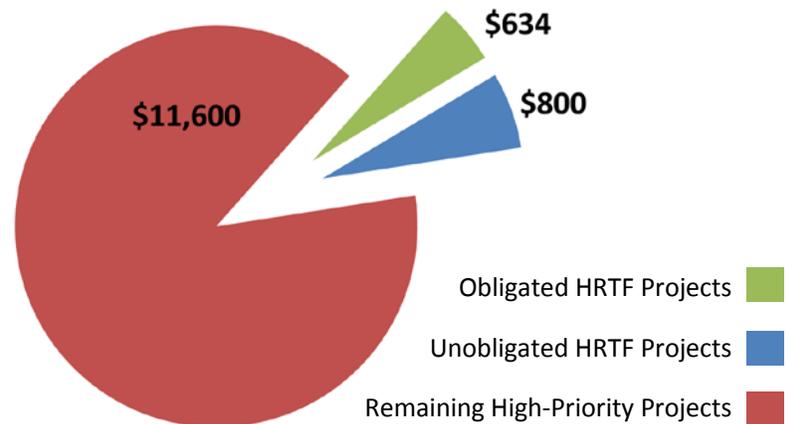
\$1.4 billion in regional transportation projects underway and paid for with HRTF revenues

61 YEARS

2082

Under the current revenue schedule, the remaining high-priority transportation projects identified by the Hampton Roads region would not be completed until 2082

High Priority Transportation Project Costs in Hampton Roads (Millions \$)



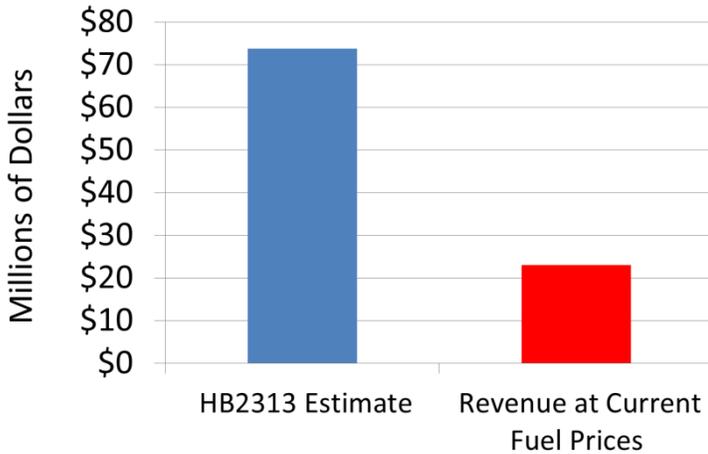
- HRTF revenues are currently obligated to fund \$634 million in transportation projects
- Current revenues will allow for the completion of a further \$800 million in projects over the next 6 years
- Regional transportation revenues cannot address longer-term transportation projects in a timely manner
- Construction and congestion costs will increase as time passes, increasing the burden on Hampton Roads residents
- Pay-as-you-go funding avoids using scarce tax-payer dollars to pay for high cost financing fees

Hampton Roads Transportation Funding

HB2313 – REGIONAL FUEL TAX REVENUES



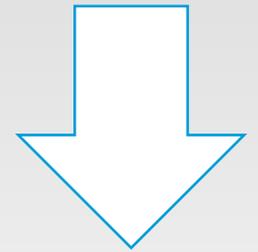
GAS TAX REVENUES IN HAMPTON ROADS



GAS TAX RATES IN HAMPTON ROADS

HB2313 imposed a sales tax on the wholesale price of gas. The legislation set a “floor price” for taxation at the state level, but no floor was set for regional gas taxes. Had the same floor price been applied at the regional level, the effective tax rate would have been 6.7¢ per gallon in HR. At current gas prices, the effective rate would be 2.2¢ per gallon, 67% less.

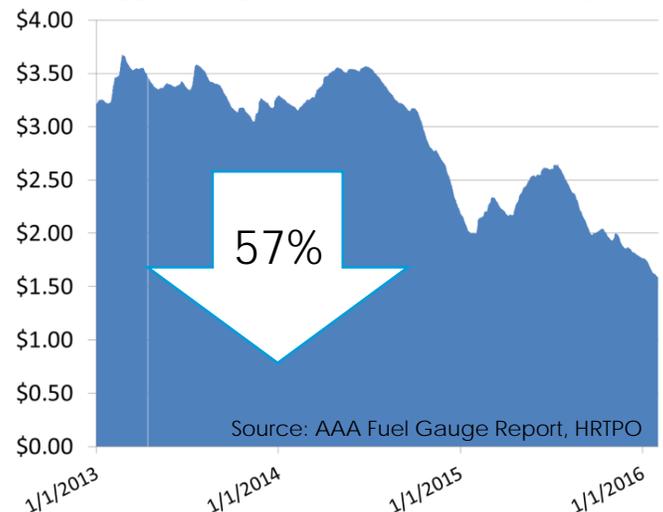
6.7¢ per Gallon



2.2¢ per Gallon

- The General Assembly passed and the Governor signed HB2313 into law in May 2013.
- This legislation created a regional fuel tax of 2.1% placed on the wholesale price of motor fuels sales.
- The motor fuels tax in Hampton Roads was expected to yield \$73.8 million in revenues in FY2016. Due to declining fuel prices, gas tax revenues for the Hampton Roads Transportation Fund (HRTF) have fallen short of the amount needed to adequately pay for necessary transportation projects. At current fuel prices, the region’s motor fuel sales tax would yield annual revenue of \$23 million, 69% less than estimated by HB2313.
- The regional fuel tax cost the average Hampton Roads household approximately \$58 in 2015.

FUEL PRICES IN HAMPTON ROADS



Source: AAA Fuel Gauge Report, HRTPO

Since drafting the legislation to enact HB2313, gas prices have dropped precipitously, falling 57% from their peak price in February of 2013.

Average fuel prices dropped from \$3.36 in 2013 to \$2.21 in 2015, saving households in Hampton Roads approximately \$1,500 a year on the cost of gasoline.



Passenger Rail Service to Hampton Roads

Item 449.3 - Allocates \$10,000,000 in the first year and \$10,000,000 in the second year from the Rail Enhancement Fund (REF) to the Hampton Roads Transportation Planning Organization (HRTPO) to conduct the Richmond/Hampton Roads Tier II Passenger Rail Environmental Impact Study. Such funds shall be administered as Intercity Passenger Rail Operating and Capital Funds (IPROC).

- Conventional (up to 79 mph) passenger rail service to Norfolk began in 2012.
- Richmond to Hampton Roads Tier I study to increase speed on this route is complete.
- Currently, the Commonwealth is engaged in a Tier II study for higher speed service from Richmond to D.C.
- Tier II study from Richmond to Raleigh, NC is complete.
- It is important that service to Norfolk achieve Tier II status in conjunction with these two other areas.
- Federal funding for construction requires that Richmond to Hampton Roads Tier II study be complete.
- Without this completed study in place, when the Federal funds are available for the Southeast High Speed Rail Project, Norfolk would not be included in the upgraded, faster, and more efficient service that Raleigh, Richmond, and D.C. will enjoy.



Item 449.4 - Requires that the Commonwealth's investment in new and increased service to Norfolk and Roanoke be completed prior to the investment of Commonwealth funds to expand rail service to new markets in North Carolina. Completion of Commonwealth projects shall take priority over other rail expansions to other markets. Any REF utilized for this purpose shall be administered as IPROC funds.

Both budget items are legislative priorities for the HRTPO and have been for many years.