

The Honorable Will Sessoms
Mayor, City of Virginia Beach
Address
Virginia Beach, VA 23451

Dear Mayor Sessoms:

On behalf of the Virginia Beach Roundtable (comprised of members of the Central Business District Association, Hampton Roads Association of Commercial Real Estate, Hampton Roads Chamber of Commerce, Hampton Roads REALTORS Association, Virginia Beach Hotel/Motel Association, Retail Alliance, Tidewater Builders Association, and Virginia Beach Vision), I would like to extend our sincere gratitude for the opportunity to present you with the business community's perspective on the priorities on which we think the City Council of Virginia Beach should focus in the coming year. We agree with your approach to work more collaboratively and set definitive measurable goals that will move the City and the region forward and appreciate your consideration again this year of the business community's outlook on these top priorities. We look forward to working with the City Council to achieve success for the City of Virginia Beach.

We applaud the Council's leadership during the past year on many initiatives of importance to the City of Virginia Beach and the region, such as advocating to allow local option "defined contribution" retirement plans under VRS, moving forward in securing the Norfolk Southern Right of Way necessary to support mass transit into the City, progress in advancing the City's resort development initiatives and being a positive voice and advocate for both light rail and high speed rail in Hampton Roads. As you know, it is imperative that our City's leaders serve as regional leaders in key issues that drive our economic advancement such as infrastructure improvement, including critical transportation projects, the retention and growth of the Department of Defense, working with the General Assembly to assign and distribute responsibility and accountability for provision and funding of core services, protection of our assets, tourism and the attraction of new industry to the area.

We have again defined priorities we believe the City Council can achieve in the coming year that will help lead the way in advancing these overarching goals and we stand prepared to help the Council as needed. We ask that you consider assigning a Council liaison to work with the Business Roundtable throughout the year, informing us on progress being made and ways we can assist the Council's efforts.

An outline of the business community's priorities is enclosed. Please do not hesitate to contact me if you have any questions or need anything from us.

Warm regards,

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Transportation:

Specific recommendations:

- **Continue to work with the HRTPO in prioritizing both road projects and alternative modes of transportation**
- **Encourage HRTPO to engage elected, business and community leaders to determine a revenue source to support regional transportation priorities inclusive of a dedicated funding source for roads and a dedicated source of funds for passenger rail.**
- **Integrate light rail into the transportation network with connect to multi-modal links north and south and link to the SE high speed rail corridor.**
- **Pursue through our Congressional delegation federal funding for both light rail and the high speed rail connection.**

Virginia Beach must adapt to the need to work locally and regionally to meet its transportation goals. Transportation is not just a priority; it is a crisis and it is time that local governments started treating it that way. Without improvements to transportation in Hampton Roads, work on the other priorities (military relations, economic development, etc.) is not achievable. In order to provide a safe evacuation route for residents, adequate channels for the distribution of goods coming into our ports, efficient travel to and from work, school and recreational events around the region, to attract new industry to the area and to ensure retention of area military installations, **City Council must focus on how to fund transportation improvements in Hampton Roads. Further, the Council should continue to work with the HRTPO to explore and prioritize both road projects and alternative modes of transportation for the region.**

Since the financing for urban road projects has been eliminated by the Commonwealth, new revenue sources must be identified and adopted to fund this requirement. **Council should actively encourage the HRTPO to engage local elected officials, business leaders and community leaders to determine a firm recommendation for a revenue source to support the region's transportation priorities, including a dedicated revenue source for roads and a dedicated revenue source for rail A strategic plan to advocate for those revenue sources through grassroots initiatives and lobbying the General Assembly must be facilitated.**

The City Council should also move as quickly as feasible to integrate light rail into the transportation network, and to connect it to multi modal links north and south, to facilitate movement within the city. The connection via light rail and a station at Harbor Park to passenger rail to Richmond and thence to the national rail system will open new pathways to intercity access. Therefore, the City Council should continue its efforts to secure federal funding for light rail and high speed rail and work with our Congressional delegation to ensure a Hampton Roads connection to the SE high speed rail corridor.

Working through the HRTPO, Council's strategic vision and leadership must help us deal regionally with the crisis in removing impediments to economic development caused by congestion and bottlenecks at the region's bridges and tunnels.

Inter-governmental Relations:

Specific recommendations:

- **Work with area localities, VML/VACO, the General Assembly delegation and the business community to seek legislation to provide local governments the option to: 1) provide defined contribution plans in lieu of defined benefit retirement plans; 2) give flexibility to modify retirement service and aged qualifications; 3) require employee participation in benefit packages.**
- **Create a City Commission to address the strategic realignment of state and local government obligations and responsibilities and identify legislative, fiscal and governmental actions necessary to address changes.**

In the current economy, a natural tension arises among various levels of government and between governmental entities as needs grow and resources become increasingly scarce. There is also an escalating need for various levels of government and government agencies to work together for better planning, more efficient services, and responsible stewardship of taxpayer dollars. This year, Virginia Beach did a remarkable job of adapting to the recession's effects on local revenue and the cuts made at the last minute by the Commonwealth. As the Commonwealth seeks to transfer increasing responsibilities to local government, but not the funding sources to carry them out, it is incumbent upon the City of Virginia Beach to recognize the need to work with the General Assembly to encourage a better balance of responsibility and funding of core services, especially transportation, education, courts and justice, and human services. An important example of this is defined benefit plans for government employees. Cities all around the nation face the "ticking time" bomb of unfunded liabilities created by the costs of defined benefit plans for employees now and in their retirement. Just for pensions alone, the city's annual contribution to VRS nearly doubled since 2002 from \$24.4 M to \$47.1 M. This year, due to budget challenges, the Governor chose not to make the state's contribution to VRS in order to balance the state budget, increasing state debt and exacerbating the problem. The significant growth in public debt obligations to support the current defined benefits retirement plan is unsustainable and out of sync with private sector practices. The local governments in Virginia are handicapped by the State's failure to provide options and alternatives to our cities and counties to address this unsustainable financial burden.

In addition to the transfer of responsibilities and obligations from the state, Congressional and regulatory action, such as the stormwater runoff regulations, will increasingly require the City to adapt and make changes to current practices to comply with federal requirements. **We advocate the creation of a Commission appointed by City Council to address the strategic realignment of obligations and responsibilities and to identify the legislative, fiscal, and governmental actions needed to address these changed circumstances.**

We also urge City Council to work with other cities/counties in Hampton Roads, the Virginia Municipal League/Virginia Association of Counties, our Delegation to the General Assembly, and the business community to lobby the General Assembly to empower localities to: provide defined contribution plans in lieu of defined benefit plans, give flexibility to modify retirement service and age qualifications, and to require employee participation in benefit packages as may be deemed appropriate by the local governing body.

Military Relations:

Specific recommendation:

- Offer aggressive and creative leadership to negotiate issues impacting the military and homeland security to ensure retention of military commands in Hampton Roads and the economic growth and vitality of the City.

The complex relationships between federal agencies and facilities and local government has continued to develop as new issues challenge us to adapt to new circumstances. Retention of existing military commands, the carrier task forces, the future of additional capacity for practice and training, location of additional radar to mitigate the gaps caused by existing high rise buildings, and the potential partnerships to share the off shore environment so that Naval training and off shore energy exploration and production can co-exist, all are essential issues to be resolved. This will take the ultimate in inter-governmental relations as federal, state, regional, and local partners must seek the best solutions. **The City must continue to offer aggressive and creative leadership as these issues move toward negotiated resolution and remain mindful of the impact of its decisions on other significant issues that affect the quality of life of military personnel and their families and the operational ability of the military installations in the region.**

Investment and Economic Development:

Specific recommendations:

- **Continue to invest in infrastructure**
- **Adopt measures to decrease regulatory burden**
- **Explore partnership with universities and the private sector to create jobs and provide a quality of life that will attract new business and retain existing business**
- **Promote and pursue public-private ventures when studies show they will enhance economic prosperity for the City, broaden its tax base, and serve the interests of the citizens at large.**
- **Establish, in cooperation with the Virginia Beach Development Authority, an Economic Development Task Force to develop a strategic planning document in response to evolving economic and political changes.**

Another priority that has risen to the top during the current economic downturn is the need to invest in infrastructure, decrease regulatory burden and explore partnerships with universities and the private sector in order to create jobs and provide a quality of life that will attract new business and residents and help retain those that live and work here today. Public investment in roads, parking facilities, water/sewer services, public gathering places and access can be, when economic studies project a positive return on the City's investment, an appropriate and essential ingredient in directing and fostering private investment. **City Council should continue to promote and pursue public-private ventures where studies show that joint participation will enhance the economic prosperity of the City, broaden its tax base, and serve the interests of the citizens at large.** This applies to projects in all the strategic growth areas of the city including the Resort, the Town Center, Burton Station, and Newtown, areas where specific implementation plans have recently been adopted and to infrastructure needs throughout the City and the region.

Energy and Environment

Specific recommendations:

- **Implement the recommendations of the Mayor's Alternative Energy Task Force including: 1) conducting a SWOT analysis of the City's energy use; 2) establishing a baseline and identifying ways to reduce consumption by 2025; 3) reduce greenhouse gas emissions; and 4) seek offshore energy development opportunities and related industries.**
- **Seek regional partners to educate consumers about energy efficiency programs**
- **Leverage federal grant funding to improve efficiency of the City's energy use.**

As federal and state energy policy evolves, it is incumbent on the City of Virginia Beach to develop its own energy plan and ensure that the City and its residents and businesses are in the best posture to comply with new standards, increase their energy efficiency, and leverage state and federal programs that may infuse investment into the region for new technologies, energy efficiency programs, research and development of alternative energy sources and/or investment in infrastructure.

We appreciate the work of the City's Green Ribbon Committee and Council's adoption of many of their recommendations, as well as the City's formation of the Joint Energy Committee and the Mayor's Alternative Energy Task Force. **We urge City Council to follow the recommendations of the Mayor's Alternative Energy Task Force, specifically with regard to conducting a SWOT analysis of the City's energy use, establishing a baseline and then identifying ways to reach a target reduction in consumption by 2025, reducing greenhouse gas emissions through the use of alternative fuels, continuing to advocate for offshore energy development and courting industry to support those endeavors. The City should seek regional partners such as the area utilities to educate consumers about energy efficiency programs and leverage federal grant funding to improve the efficiency of the City's energy use.**