



Comments before Virginia Beach City Council
Ordinance regarding Light Rail and
Structural Deficit Mitigation Account
October 20, 2015

Good evening Mr. Mayor and members of City Council. I am Martha McClees and I am speaking on behalf of the Virginia Beach Vision Board of Directors.

In May this City Council voted to include financing mechanisms in the budget to accompany adoption of a light rail extension to Town Center as the locally preferred alternative and to allow the light rail evaluation process to move forward. The proposed ordinance before you tonight will reverse your previous actions of just 5 months ago. I would advise that nothing has changed to warrant a reversal of those actions.

While the ordinance suggests its intent is to mitigate a projected budget shortfall in the next fiscal year, the practical result will be to eliminate Council's ability to further consider bringing the light rail system into Virginia Beach. Such action will leave us with a grossly incomplete project analysis and the assurance of increased costs.

On the one hand, the opponents of a light rail extension indicate that they want a public referendum on the issue in November of next year so that an informed public can vote. Yet, passage of this ordinance would insure that neither the public nor Council will have reliable cost projections nor design analysis on which to base their decisions.

Further, should the public or Council later choose to move forward with a light rail extension, the costs for doing so will have increased significantly because of a projected delay in the project time line of 2 years, associated inflationary costs and the loss of funds now being set aside that will be used to buy down the annual debt service payments. Without these set-aside funds, the real estate tax would have to be increased another 1.2 cents to have the same buying power. Also at risk will be the \$155 million that the state has committed to buying down the project.

The public's interests cannot be served by redirecting the funds essential for completing the cost analysis and design process that are required to put the light rail extension project out for bid. Not until then will we know the true costs, feasibility and advisability of building the next phase of what will ultimately become a regional multi-modal transit system.