

TO: Mayor Sessoms, Vice Mayor Jones and Members of the City Council

DATE: March 17, 2015

RE: Virginia Beach Roundtable Support of a Light Rail Extension to Virginia Beach Town Center

Light Rail Extension to Virginia Beach Town Center – Phase I

Mr. Spore has advised how much of the extension the City and taxpayers can afford. We concur with the city manager that The Tide should be extended to Town Center. Of course, as economics improve over time, light rail can be extended farther, in phases, as the budget reasonably allows.

Voters Have Spoken – 62.7% for the 2012 Referendum

Many business leaders and owners were among the 62.7% who overwhelmingly voted to approve the referendum in 2012. The referendum read, "Should the City Council adopt an ordinance approving the use of all reasonable efforts to support the financing and development of The Tide light rail into Virginia Beach?" This was a clear mandate to review the data, consider the analysis and options, and then make a thoughtful decision about how to have light rail in Virginia Beach. We encourage you to move forward to make light rail a reality in Virginia Beach much sooner than later. The business community stands not behind city leaders, but with them in this decision.

Multiple Studies Indicate Support for Light Rail

HRTPO did a survey of almost 11,000 military commuters in 2012. The number one request was expansion of light rail, almost three times any other suggested transportation solution.

If City Council does not select the Locally Preferred Alternative or LPA as an extension of light rail to Town Center, the project will stop and no further study will be authorized.

Over \$180 million will be in jeopardy; 1) \$155 million in state construction funding; 2) \$8 million in federal funds to complete the 30% preliminary engineering phase; and 3) \$20 million received from the state for the purchase of the Norfolk Southern right-of-way that will have to be reimbursed to the Commonwealth by the city

Eight years of city planning will be compromised. The City has designed 8 SGAs (strategic growth areas) that comprise only 2% of the city's land mass but where 50% of the city's future growth will be located. Six of the SGA plans are contingent on being served by light rail. In addition, extending fixed guide way transit into Virginia Beach has been studied on and off since 1989.

A Once-in-a-Lifetime Opportunity

This will be the only time that the capital expenditure will be 50 cents on the dollar. That opportunity will not likely be seen again in our generation. We have key leadership in place in Richmond who favors light rail in Virginia Beach. Please do not squander this opportunity to leverage the leadership and 50% reduced capital expenditure that is before you.

The Commonwealth of Virginia will share the capital costs of the rail extension 50/50 with the city, up to \$155M in state funds. If the project does not move forward, these funds will be lost. Federal funding support necessary to go beyond Town Center is not currently available. Forty-three rail systems are in the queue already to receive federal funding with just \$2 billion allocated annually across the nation.

The \$324 million cost estimate for the Town Center extension is based on only 5% engineering. It includes a tremendous expansion of a feeder bus system including the purchase of additional buses; and, it carries 50% contingency funds. It is believed the actual cost will be significantly lower. By comparison, the planned improvements to only a portion of the I64/I264 interchange will cost the same as the light rail extension.

It's A Transit System That Includes LRT and Buses.

We have the 3rd highest automobile to population ratio in the United States. Hampton Roads needs a regional transit system to serve all segments of the population. Light rail in Virginia Beach must connect with the existing Tide and the planned expansions to Norfolk Navy Base, the airport, the colleges and universities, and eventually to Chesapeake and the Peninsula. Studies for all of these expansions are already under consideration.

Economic Development

New business development creates new tax revenues through increased property values and jobs. The history of existing light rail projects around the country show that property values increase near the rail line and transit oriented development (TOD) is a significant economic engine. There is currently over \$1 billion in new investment on the sidelines for the Town Center area that is contingent on light rail serving that SGA. Hampton Roads is seeking to grow passenger rail service along the NE corridor and to ensure that plans for high speed rail will include a link to the region. Development of a regional light rail system will significantly improve the region's case for connection to high speed rail.

Stop the Brain Drain

As recent studies have shown, today's college students strongly support the development of transit and passenger rail. If Hampton Roads is to attract and retain the business talent of tomorrow, we must offer a vibrant, alluring community to draw the next generation to the region. Right now we rank in the bottom fifth of metro areas nationwide in this area.

91% of millennials surveyed say investing in public transit is important for job and economic growth. ODU's "Life in Hampton Roads" survey showed 66% wanted light rail extended to Virginia Beach. When asked to rate economic growth that will result from improved public transit, over 13,830 respondents in the Connect HR survey believe there will be very positive impacts (82.6 on scale of 1 to 100).

We Recommend Light Rail Be the Only Technology Under Consideration

To be clear, the Virginia Beach Business Roundtable supports light rail – the only proven mass transit technology used in this country. The Commonwealth's matching capital cost of \$155 million is contingent upon using only light rail technology. We support extension of light rail to Virginia Beach Town Center for this initial phase until funds to extend it farther are available.