

HAMPTON ROADS TRANSPORTATION: ITS PROBLEMS AND ITS FUTURE

**A REVIEW OF SELECTED ISSUES IN
HAMPTON ROADS SURFACE TRANSPORTATION
BY THE
TRANSPORTATION STUDY
COMMITTEE OF THE
LEAGUE OF WOMEN VOTERS OF
SOUTH HAMPTON ROADS**



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The Transportation Study Committee Proposes to The League of Women Voters-SHR the following positions:

- *The future of Hampton Roads - the economy, ports, military, and tourist industries, and our quality of life - is dependent upon adequate transportation facilities. Prompt action at the state level is necessary to provide transportation funding to sustain future growth in this region*
- *The League of Women Voters - SHR supports the need for major improvements to Interstate Highways and Bridge/Tunnel River crossings in the Hampton Roads area to meet the future transportation needs of our region*
- *The League of Women Voters - SHR believes that inadequate funding is the major transportation issue and it supports the need to increase transportation revenues to fund new construction projects*
- *The League prefers a dedicated source of transportation funding instead of general state operating revenue, and believes that a combination of funding sources such as fuel taxes, tolls, and sales tax is necessary and preferable to relying on a large increase in a single funding strategy*
- *Low cost efforts to reduce vehicle trips or miles traveled, such as park and ride and employer based ride sharing incentives, can provide some immediate relief and should be encouraged*
- *The League of Women Voters – SHR supports efforts, such as Norfolk’s light rail project, to increase the level of service and reliability of mass transit and light rail in the Hampton Roads region. This will improve transportation alternatives for people who cannot or prefer not to drive as well as provide better access to high density downtown areas*

Transportation in Hampton Roads

What's the problem with transportation in the Hampton Roads region and how bad is it?

The answer is that there are, in fact, several transportation problems in this region and they are getting worse. There is the daily traffic congestion that commuters face; the limited alternatives for the elderly, disabled and those without access to automobiles; and the dwindling funds for new construction. But most of all there is the negative impact on economic growth that a failure to address our transportation needs will cause. The strength of regional tourism and future port activity depend on a healthy transportation infrastructure.

Solutions to our transportation needs are fairly well known. The principal obstacle appears to be the political and public reluctance to finance the needed improvements.

Current Traffic

When Hampton Roads is ranked among its peers (other large metropolitan areas with populations of one to three million people such as Atlanta, St. Louis and Baltimore) the current traffic situation does not seem too dire.ⁱ Among all 28 large metropolitan areas Hampton Roads ranked 15th in terms of daily vehicle miles traveled (VMT) per capita. From 1993-2002 growth in VMT was 18 percent in Hampton Roads while it averaged 29 percent for the other large metropolitan areas and 24 percent for the nation as a whole.ⁱⁱ

According to a Texas Transportation Institute (TTI) study, Hampton Roads ranked 19 out of 27 in terms of annual hours of traffic delay.ⁱⁱⁱ In 2002 the TTI study estimated that Hampton Roads motorists spent an average of 28 hours stuck in traffic vs. 60 hours for motorists in places such as Atlanta, Georgia. Anyone who has spent time driving in the northern Virginia suburbs knows that our traffic situation could be much worse.

Now for the bad news: Our traffic situation is getting worse. The growth in registered vehicles was 25 percent between 1993 and 2002 and the vehicular travel per capita increased 6 percent per person. Most of this growth occurred on the interstate highway system, which carried 29 percent of all Hampton Roads traffic in 2002. Excluding local roadways, the amount of travel in Hampton Roads grew nearly three times faster than the amount of new roadway capacity between 1993 and 2002. This trend is expected to continue and will result in worse traffic congestion in the region.^{iv}

A major difficulty in the Hampton Roads region is dependence on numerous water crossings, which require very expensive bridge and tunnel facilities. These facilities are difficult to expand and are already congested. It is no accident that two of the most important transportation projects for Hampton Roads are the Third Crossing and the Midtown Tunnel and MLK Freeway Extension.^v

Tourism

A 2005 study by the American Highways User Alliance, AAA, and the American Association of State Highway and Transportation Officials (ASHTO) found that I-64 in Tidewater, Virginia was the second worst bottleneck for summer tourist travelers in the nation. It predicted that “without improvement in these roads and highways it is likely that seasonal traffic congestion on these routes will get worse.”

Seasonal tourism is a major driver of the Hampton Roads economy. Total hotel revenue in Hampton Roads grew over 20 percent from 1999 to 2004, far greater than the 13.7 percent growth nationwide. This important sector of the regional economy will suffer unless the transportation bottleneck is improved.vi

Ports

Hampton Roads ports, another important driver of the regional economy, also face severe constraints unless major highways and tunnels are improved.

The Port of Virginia is the second busiest port on the east coast, right behind the Port of New York/New Jersey. The Port of Virginia consists of marine cargo terminals in Norfolk, Portsmouth and Newport News. Cargo tonnage through the port increased more than 11 percent in the last year and port officials predict that it will double to more than 4 million containers within the next 15 years.vii

The Port of Virginia is about to undertake the development of the Craney Island Terminal, a \$1.6 billion, 26-year project that expands its position in east coast maritime traffic. A significant share of Hampton Roads employment is dependent in one way or another on port traffic. Several shipping lines, including Maersk Sealand, are locating terminals or offices in the Hampton Roads area. Unfortunately, road congestion is becoming an important problem for truck traffic to and from the port. It is quite common to see a backup of trucks on Hampton Boulevard.

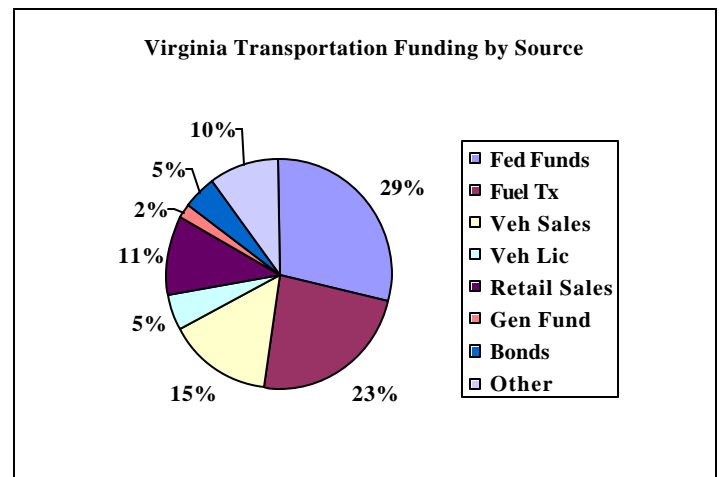
Rail traffic to and from port facilities is an important factor in moving container traffic. The recently passed federal highway bill provides funds for a rail heartland project that will allow the railroad to move double-stacked container traffic. The increase in containers per train will allow the railroad to carry a larger share of port traffic and reduce the share carried by trucks. This, in turn, will reduce the growth in truck traffic on the highways. While this is important, the railroads are unlikely ever to carry more than a 25 to 30 percent of total port traffic. Many shippers and retailers, such as Wal-Mart and Target, have established distribution centers in nearby localities where they break up and redistribute goods shipped to Hampton Roads for delivery to individual stores. This portion of port traffic is dependent on truck delivery.

Port officials and the business community are strong proponents of transportation improvement projects such as the Third Crossing. Interstate highway and bridge/tunnel improvements are also very important to naval operations and are essential if local residents need to evacuate because of a natural disaster.

Transportation Funding

Virginia's transportation revenues come from a number of sources. The largest share (29%) comes from the federal government and requires state matching funds depending on the type of highway; for example, 90 percent federal and 10 percent state for interstate maintenance and 80 percent federal and 20 percent state funding for the national highway road construction.

The next largest share (23%) is derived from the motor fuels tax of 17.5 cents per gallon. The rest comes from vehicle sales and use (15%), vehicle license fees (5%), retail sales and use (11%), general funds (2%), bonds (5%), and other sources (10%).



The state fuel tax was last set in 1987 and is now the ninth lowest gas tax in the nation, lower than any of the neighboring states. The 17.5-cent tax has lost about 40 percent of its value to inflation since 1987.

Not only are transportation revenues failing to keep up with inflation, but they are also being impacted by increased maintenance requirements. Maintenance and debt service have first priority on the state transportation budget. Since 1993, statewide highway maintenance has almost doubled, from about \$700 million to \$1.3 billion (33.2%) of FY 2006 budget allocations. During the same period, construction expenditures remained relatively constant, going from about \$676 million to a little less than \$800 million. Although highway maintenance and construction funding levels were similar in FY 1993, it is expected that by FY 2009 for every dollar spent on maintenance, only 56 cents will be spent on new highway construction.^{viii}

The funding crunch is so severe that many desirable transportation projects have had to be dropped from future transportation planning. The Hampton Roads 2026 Regional Transportation Plan included nearly 300 candidate projects, at a total cost of over \$30 billion. Only 150 of those projects, at a total cost of \$9 billion, were included in the final plan due to a lack of funding. Of the regional roadways that currently experience severe congestion, 66 percent have no improvements planned over the next 20 years due to a lack of funding. Even after spending \$7 billion on transportation improvements over the next 20 years, **over half of all lane miles in Hampton Roads are expected to be moderately or severely congested during the peak travel periods in 2026.**^{ix}

The Code of Virginia dictates the order in which funds are allocated. Debt service, other agencies, and maintenance including local assistance account for about 41 percent of expenditures; Operations/Administration (police) is about 33 percent. Another 10 percent of the budget allocation goes to non-highway trust fund allocations. This leaves about 8.5 percent for interstate construction, 11.6 percent for construction earmarks and set asides, and 18.7 percent for primary/secondary/urban construction expenditures.

The FY 2005-06 transportation budget is about \$4 billion. The state's own VTRANS 2025 report on future needs concludes that an additional \$1 billion per year from various sources is absolutely necessary to resolve the long-term funding problem.^x

In November 2002, voters in Northern Virginia and Hampton Roads voted down a proposed one-cent increase in the sales tax that would have been dedicated to transportation projects. There are a number of possible reasons for the failure of this transportation referendum, including a general opposition to tax increases, distrust of VDOT and politicians, and failure of proponents to get out the message. The recent gubernatorial election, however, showed that the public is concerned about the state of transportation infrastructure. The media devoted as much space and time to transportation as to almost any other topic.

Projects endorsed by the Hampton Roads Metropolitan Planning Organization (MPO)

The MPO, a regional planning agency composed of local officials and transportation experts, has endorsed moving forward with a 2030 Regional Transportation Plan that includes the following major projects:

- The Third Crossing - \$ 4.15 billion
- Southeastern Parkway and Greenbelt - \$931 million
- Midtown Tunnel and MLK Freeway Extension - \$548.8 million
- Route 460 - \$1.468 billion
- Improving I-64 on the Peninsula - \$556 million
- Improving I-64 to Bowers Hill on the Southside - \$1.08 billion

These are all expensive major projects that have not previously been included in Virginia's six-year highway plans because of lack of a reliable funding source (a federal requirement for matching funds). They are the high priority projects, from a much longer list of projects which were considered. None of these projects can be built without some source of additional transportation funding.

Funding Alternatives

Several transportation funding alternatives have been proposed by legislators, transportation planners, and others. These include:

- devoting a share of the state's general operating funds to transportation improvements
- raising the fuel tax
- increasing the sales tax
- placing tolls on new and existing highways, bridges, and tunnels
- increasing the use of public-private partnerships to build new projects

Economists talk about the funding issue in terms of cost-benefit analysis, and place the costs directly on the users or beneficiaries of the transportation system. They then

discuss external costs and benefits to businesses, localities, and the environment from less congestion and better movement. Politicians, on the other hand, focus more on the difficulties of resolving urban and rural conflicts over sharing financial revenues and costs of transportation projects and the well-known public opposition to tax increases. Most elected officials are understandably reluctant to pay personally the political price they know they will endure if they advocate increased taxes for transportation improvements.

Complicating the situation even further for decision-makers is the time frame they must consider when making their decisions. Major new construction projects such as tunnels, highways, and bridges may take a decade or longer from initial planning to final completion. During this time, many things may change. There may be an increase in hybrid vehicles and the use of alternative fuels which would impact the funds available from a gasoline fuel tax. Land use patterns could change with a shift of population back toward urban areas rather than increasing suburban sprawl. Inflation may make even today's most reasonable estimates of project costs obsolete. The transportation solution most likely will rely on a combination of funding alternatives.

Using the state's general funds for transportation projects might allow politicians to avoid the immediate need to raise taxes, but this would place transportation in competition for scarce state dollars with other important priorities such as education, public safety, and health care. In addition, the use of general funds would not provide a reliable source of transportation funding during any down cycles in state revenue.

Increasing the fuel tax is long overdue and would result in direct beneficiaries paying for transportation improvements. Given the recent swing in fuel prices, even a fuel tax increase of ten cents per gallon does not seem excessive. Many politicians, however, have pledged not to raise fuel taxes.

A small increase in the sales tax could be imposed regionally. The revenues would automatically increase with inflation as the price of goods changed. A local referendum in 2002 to raise the sales tax to benefit transportation failed.

Finally, there is the possibility of imposing tolls. A study by the Hampton Roads Planning District Commission found that tolls on new facilities alone would not be sufficient to pay for the costs of the new projects. It would be necessary to also place tolls on existing facilities, such as the downtown tunnel, to avoid traffic diversion and raise sufficient revenues to pay for the new projects. While there may not be too much opposition to tolls on new transportation projects, there is likely to be considerable public opposition to paying tolls on existing facilities where no improvements have been made.

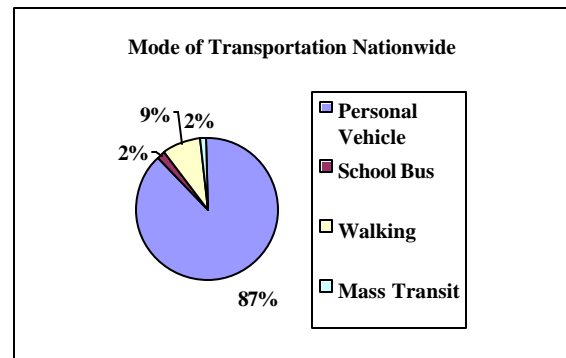
Public-private partnerships have worked well on some projects, such as the Dulles Greenway toll road (the first private toll road in Virginia since 1816). Other toll roads completed under Virginia's Public Private Transportation Act of 1995 include the Pocahontas Parkway - Route 895, and Route 288 in the Richmond area. In general, however, private groups are not going to be interested in projects unless there is the likelihood of profit. This limits the scope for public-private cooperation.

Transportation and Issues and Concerns

Q Won't improved mass transit and light rail in the Hampton Roads area handle more passengers, reduce congestion and provide an alternative to the need for new highway construction?

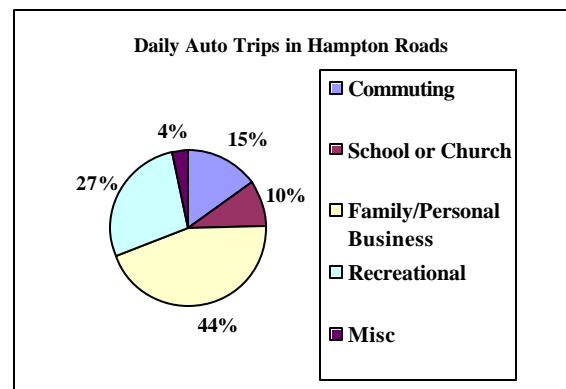
A There are important reasons to support improvements in mass transit and light rail. These include providing better mobility for families without automobiles, the disabled, and the elderly who do not drive or have difficulty driving at night. Mass transit and light rail are also important for moving people in high-density population areas such as downtown Norfolk.

Mass transit, however, is not the major solution to the larger transportation problems. Of all our daily trips, about 86.6% use personal vehicles, 8.6% are by walking, 1.7% use a school bus, and only 1.5% are accounted for by transit. ^{xi} Even a doubling or tripling of transit use would not handle the projected traffic passenger growth or eliminate the need for new highway infrastructure in the region.



Q Isn't most traffic congestion caused by commuters? If I don't commute, why do I need to be worried about traffic congestion?

A Only about 15 percent of daily trips are commuting trips, while 44.6 percent are for family and personal business and 27.1 percent are for social and recreation purposes. Another 9.8 percent of the trips are school- or church-related. Traffic congestion problems are spreading throughout the day. Everyone needs to be concerned about the increase in traffic congestion in the Hampton Roads area. ^{xii}



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Q What about effective land use and zoning policies? New housing developments put pressures on existing roads and create the demand for more transportation. Instead of new roads, why don't we encourage people to get out of their cars and live closer to where they work?

A Effective land use policies and zoning are important and will have an impact on future transportation requirements, but land use policies and zoning aren't a substitute for the transportation improvements that Hampton Roads needs right now. First, changing land use policies and life styles is a very long-term

process. The transportation needs we have been talking about are here already. Much of the projected traffic is freight- or tourist-related and isn't greatly affected by residential zoning. Second, a number of other factors besides transportation influence new residential development. Land in urban areas is quite expensive. Even with high gasoline prices many people may continue to prefer to live in outlying areas and have longer commutes. Prices of houses and condominiums in the urban areas are increasing rapidly. While many people are moving to areas such as downtown Norfolk, a great deal of development is taking place in the suburbs of Chesapeake, Suffolk and nearby areas of North Carolina.

Q The report doesn't mention HOV lanes, telecommuting, parking fees, traffic operation improvements, and a host of other alternatives that can either shift travelers to other modes or reduce the vehicle miles traveled. Isn't the report a bit biased toward increasing highway capacity rather than exploring alternative transportation solutions?

A All the items mentioned, such as traffic operation improvements, are useful and have a role to play in reducing traffic congestion and delaying the need for some new transportation infrastructure. Many of them, such as HOV lanes and traffic signal synchronization, are either currently in place or in the planning stages. Current and projected traffic and funding needs, however, are so great that these improvements alone will not be sufficient. Hampton Roads needs more Interstate highway and bridge and tunnel capacity.

Remember that some transportation solutions that work well in other areas may not work as well in Hampton Roads. The traffic volumes and population density in Northern Virginia make HOV lanes and mass transit more effective than it has been in Hampton Roads, where jobs and housing are not as concentrated. The nature of the work force may also make telecommunicating more practical in Northern Virginia.

Q What is the impact of congestion and traffic on the environment?

A Half of all pollutants in the Hampton Roads area come from mobile sources such as cars and trucks. Any increase in traffic and congestion increases the amount of pollutants released to the area and causes more waste of petroleum.

Q Can Virginia and Hampton Roads really afford the approximate \$9 billion for the six major transportation projects that the MPO (listed above) has recently approved? Many residents are already being pressed by rising real estate

assessments and there are so many other unfunded needs in education and health care.

A This is a very difficult question. On the one hand, the six projects approved by the MPO, while providing significant relief to future traffic congestion, do not solve the problem. Even with these projects, the Downtown tunnel and Dominion Blvd. will still have severe congestion. The Hampton Roads Bridge Tunnel will also have moderate congestion. On the other hand, the proposed sources of funding, including tolls, fuel tax increase, an increase of one-half cent in the sales tax and other fees, will be extremely difficult to enact. Difficult political decisions will have to be made concerning project priorities and funding.

Q Given the recent political aversion to increasing taxes at both the national and state levels, what is the likelihood of any significant increase in taxes for transportation?

A There is some hope. The recent gubernatorial race showed that the transportation issues are important and recognized by the public. In addition, voters in several other states, including Washington and Colorado, have recently voted on ballot initiatives or referendums that resulted in increased spending for transportation.

The Washington State example is particularly interesting. In 2002, voters opposed a referendum that would have increased the per-gallon gas tax by nine cents to pay for transportation projects. In the November 2005 election, just three years later, voters agreed to keep a nine and one-half cents per gallon fuel tax by opposing a referendum. Local newspapers attributed the change in voter sentiment to a reform of the state department of transportation and the growth of congestion on Washington highways.

In Colorado, while voters rejected a referendum authorizing additional bond authority for transportation, they approved a referendum that allowed the state to keep \$3.7 billion instead of refunding this money to taxpayers under the state's Tax Payer Bill of Rights. The Governor's 2006 - 2007 proposed budget allocated a significant portion of the funds to transportation projects.

Transportation Decision-Making Organizations

A number of agencies at the local, state, and federal levels are involved in transportation planning and development. These include:

Local Municipal Officials and Boards of Supervisors - These elected officials are responsible for local roads. They work with the Commonwealth Transportation Board (CTB) for state funding of secondary roads within their jurisdictions.

Local officials also serve on state planning district commissions, such as the Hampton Roads Planning District Commission (HRPDC) and the Metropolitan Planning Organization (MPO) as appropriate.

Hampton Roads Planning District Commission - The HRPDC is one of 21 state planning district commissions. Its urban members are also members of the Hampton Roads MPO. The HRPDC staff conducts studies and prepares plans for state agencies and the MPO.

Metropolitan Planning Organization - The MPO is a federally required, regional policy board for urban areas with a population over 50,000. Membership is designated by local officials and the governor. The MPO is responsible, in co-operation with state and other transportation providers, for carrying out the metropolitan transportation planning requirements of federal highway and transit legislation.

Commonwealth Transportation Board - The CTB is a 17-member board appointed by the governor that oversees the development of the state's six-year highway plan and allocated highway funds to specific projects. The Secretary of Transportation is chairman of the CBT.

Virginia Secretary of Transportation - The Secretary of Transportation is responsible for transportation policy and financial oversight of six state agencies consisting of 12,000 people and an annual budget of \$3.3 billion. These agencies include the Department of Aviation, the Department of Motor Vehicles, the Motor Vehicle Dealer Board, the Port Authority, the Department of Rail and Public Transportation, and the Department of Transportation.

Virginia State Legislature - In addition to the state executive agencies involved in transportation planning and implementation, there are standing committees on transportation in both the Senate of Virginia and the House of Delegates. Martin E. Williams, of Newport News, is currently chairman of the Senate Committee on Transportation and Leo C. Wardrup Jr., of Virginia Beach, is Chairman of the House of Delegates Committee on Transportation.

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- ⁱ Hampton Roads region includes Cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and the Counties of Gloucester, Isle of Wight, James City, Southampton, Surry, and York
- ⁱⁱ Congestion Management System Part 1 page 12, Hampton Roads Planning District Commission 2004
- ⁱⁱⁱ This study does not measure congestion at bridges and tunnels
- ^{iv} Congestion Management System Part 1 page 15
- ^v Hampton Roads Metropolitan Planning Organization/Planning District Commission June 15, 2005 endorsement of Hampton Roads 2030 Regional Transportation Plan
- ^{vi} The State of the Region – Hampton Roads 2005, Regional Studies Institute, Old Dominion Institute
- ^{vii} Virginia Business September 2005 Smooth Sailing Ahead
- ^{viii} Congestion Management System – the State of Transportation in Hampton Roads p35
- ^{ix} Ibid, p37
- ^x Northern Virginia Transportation Alliance
- ^{xi} 2001 National Household Travel Survey, Bureau of Transportation Statistics, U.S. Department of Transportation
- ^{xii} *ibid*