Snapshot of Policy Outcomes

2015
Transportation omnibus bill passed, providing an estimated $40 million in statewide transit capital funding annually, beginning July 1, 2016 (made possible by redirecting existing resources (a fraction of 1.6% gas tax) approved under HB2313); helps offset some of the 62% drop in statewide transit capital that is pending due to the expiration of Capital Project Revenue bonds of 2007 (beginning in FY18); budget amendment for Peninsula Fixed Guideway Corridor Study failed in conference.

2014
A billed passed to stagger terms of future gubernatorial appointments to HRT governing board; budget amendments for Naval Station Norfolk Transit Extension Study (DEIS) and Peninsula Fixed Guideway Corridor Study failed in conference.

2013
HB2313 transportation package, including regional funds for Northern Virginia and Hampton Roads but excluding transit as eligible expense for Hampton Roads Transportation Fund; a billed passed mandating formation of Transit Service Delivery Advisory Committee (TSDAC) and development of performance-based allocation methodology.

2012
Educated legislators on light rail operations; HRT reform initiatives including Mission 31/90 corrective actions addressing VDOT Inspector General report, GoPass365; internal efficiency study and pruning of least productive services.

2011
Established Light Rail Safety Day; bill passed to revise previous statutory language in order to clarify that extending light rail into Virginia Beach along the ROW formerly owned by Norfolk Southern is not a pre-selected outcome but one option, consistent with studies per federal processes; bill passed mandating new study of statewide transit issues, including prioritization, performance, and allocation formulas; bill passed to modify membership on HRT governing board.

2009/10
Funding flexibility; budget amendments allowing temporary dedication of up to 20 percent of transit capital improvement funds to support transit operating grants; use of TPOF funds for acquisition of Norfolk Southern ROW in Virginia Beach to be expended in congruence with FTA requirements for a future transit project; Code amendment to require valid ticket on TDCHR trains; penalties.

2008
Preservation of funding; preserving increase in statewide operating/capital and local revenue options approved by the 2007 General Assembly session was priority that was accomplished.

2007
Approval of capital project revenue bonds including transit funding; special appropriation of $10 to purchase light rail vehicles; $6.1 million for hybrid-electric bus purchase.

2006
Educated legislators to raise awareness of statewide transit funding needs and HRT bus purchase needs.

2015
The TDCHR supports that the Commonwealth of Virginia seek state funding to cover the loss of state transit capital funding that will result from the expiration of Capital Project Revenue bonds.

The TDCHR supports that transit be an eligible use of regional Hampton Roads Transportation Fund revenues.

The TDCHR supports that revenues from an increase in Virginia’s wholesale gas tax from 3.5 percent to 5.1 percent, which will go into effect in the case that Congress does not pass the Marketplace Fairness Act (MFA) by January 1, 2015, should be allocated the same way that MFA revenues would have been allocated under HB2313.

The TDCHR supports increasing transit’s percentage share of the Transportation Trust Fund.

The TDCHR supports the identification of a dedicated source of funding for public transportation for the Hampton Roads region.

The TDCHR supports funding to complete regional fixed-guideway transit studies, to include a Peninsula Local Transit Corridor Study, Chesapeake Local Transit Corridor Study, and future funding to complete a Final Environmental Impact Statement and Engineering for the Naval Station Norfolk Transit Extension Study.

The TDCHR urges Congress to work collaboratively to pass new surface transportation authorization legislation and ensure the long-term solvency of the Highway Trust Fund (HTF) / Mass Transit Fund.

The TDCHR supports Congress protecting and expanding New Starts funding to meet demand. The federal fixed-guideway transit funding program is particularly important as Hampton Roads looks to possible extensions of The Tide light rail system or similar services.
The TDCHR supports Congress maintaining and extending commuter incentive benefits that support Transportation Demand Management by encouraging the use of transit, vanpooling, carpooling, etc., among military and civilian personnel. Vouchers, pre-tax deductions from gross income, shared cost of transit passes, and saving money of FICA supports Transportation Demand Management and reduces congestion associated with commuters driving alone to and from work.

2014

**Federal funding and Surface Transportation Reauthorization**

With Moving Ahead for Progress in the 21st Century (MAP 21) set to expire in September 2014, the TDCHR urges Congress to work collaboratively toward passage of new surface transportation authorization legislation and ensure the solvency of the Highway Trust Fund (HTF) / Mass Transit Fund. Spending cuts to the Highway account and the Mass Transit account to make up for the pending HTF shortfall would jeopardize 3 million jobs nationwide, including 37,000 jobs and $1.08 billion in Virginia.

**Federal State of Good Repair – Bus**

Congress should restore bus capital funding to the pre-MAP 21 level of $984 million.

**New Starts / Small Starts Program (Section 5309)**

Demand for Capital Investment Grant (CIG) funds for New Starts / Small Starts projects exceeds demand. Over 46 projects are in the current project pipeline with only $1.94 billion allocated annually and several larger projects across the country are consuming most of the available resources. Adding Core Capacity projects (e.g., for capital reinvestments in older systems) as eligible expenses under the program in MAP 21 has added additional burdens on the already limited funds available. As a general fund program, New Starts has been vulnerable to sequestration cuts. Congress should protect and expand New Starts funding to meet demand. This is particularly important as Hampton Roads looks to possible extension of The Tide light rail system.

**Commuter benefits and Transportation Demand Management**

Congress should maintain and extend incentive benefits that currently promote transit use and vanpooling among military and civilian personnel. Vouchers, pre-tax deductions from gross income, shared cost of transit passes, and saving money of FICA supports Transportation Demand Management and reduces congestion associated with commuters driving alone to and from work.

**Passage of the Marketplace Fairness Act (S.743)**

The TDCHR urges the 114th Congress to consider passage of the Marketplace Fairness Act (S.743). According to estimates from the Governor’s office, the Marketplace Fairness Act (MFA) would provide between $175 and $222 million annually from 2014-2018, totaling over $1 billion for transit and transportation over a five-year period. The Market Place Fairness Act is not a tax increase but revenue that Virginia should already be collecting, and is an integral part of the historic transportation funding plan – Virginia’s Road to the Future – enacted by the Virginia General Assembly and signed into law May, 13, 2013. In addition to providing funding for the Transportation Trust Fund (TTF), revenues are also targeted to support K-12 public education, local transportation and other local needs. If the
Marketplace Fairness Act does not pass Congress by January 1, 2015, Virginia’s wholesale gas tax is planned to be increased from 3.5% to 5.1% and the increased revenue designated to the Highway Maintenance and Operating Fund. In this case transit would get no additional funding. Instead of this scenario, the TDCHR urges the General Assembly to amend Code language so that revenues from the wholesale gas tax, if increased, will be allocated the same way that MFA revenues would have been allocated.

Regional Transit Funding
Transit funding should be a priority regional policy issue. Transit should be an eligible expense for existing and future regional transportation funding. The inability of traditional funding sources to meet current and future needs requires identification of new, innovative financing techniques. The existing transit funding structure for Hampton Roads Transit – which relies overwhelmingly on local general funds – hinders the planning and delivery of a robust regional transit system to support regional economic competitiveness and mobility. It also limits the ability of local governments to make investments across a broad range of municipal needs including transportation, schools, and public safety. Traditional sources of funding are not expected to permit the region’s transit systems to continue to provide service at current levels, much less make anticipated expansions. Federal cuts in the current fiscal year are adding additional pressures.

Stable Governance and Oversight
The Commission recommends amending the Code of Virginia to better support stable governance and board oversight of the Transportation District Commission of Hampton Roads (TDCHR) by staggering terms of board members, similar to what occurs on other boards and commissions throughout the Commonwealth including the Commonwealth Transportation Board and for Northern Virginia Transportation Commission members who serve on WMATA’s board.

Peninsula Fixed Guideway Corridor Study ($1.9 million)
A study to identify potential high capacity, fixed guideway transit corridors in Hampton and Newport News that could connect major residential and commercial activity centers including Newport News Shipbuilding, Peninsula Town Center in Hampton, City Centre at Oyster Point, and other Peninsula destinations. The study would also examine corridors that could connect with possible fast ferry service across Hampton Roads or future extensions of The Tide light rail on the Southside of Hampton Roads. This study would provide a foundation for streamlined entrance into the formal environmental review process required under the National Environmental Policy Act for major federal actions.

Fixed Guideway (Light Rail) extension to Naval Station Norfolk (DEIS) ($7.7 million)
Naval Station Norfolk (NSN) is a national strategic military asset and the largest employer in Hampton Roads directly supporting over 76,000 military and civilian jobs. A preliminary corridor evaluation is now underway for the Naval Station Norfolk Transit Extension Study (NSNTES) and will be complete by mid-2014. The next step, which is currently unfunded, is to complete a Draft Environmental Impact Statement (DEIS). The DEIS will examine alternatives to extend fixed guideway transit service to Naval Station Norfolk and other destinations between that terminus and the Tide light rail starter line.
Commuters to NSN traveling from within Norfolk and from surrounding cities are inhibited by congested roads with unreliable travel times. A fixed guideway transit system, connecting to the existing Tide light rail starter line, offers a safe and reliable trip that is not subject to roadway conditions and congestion. The major interstate connectors I-64 and I-264 are often congested and potential road improvements are limited by right-of-way width. Interstate 64/564 connects the base with surrounding cities and currently operates at above capacity with excessive delay during the peak hours. Additionally, most of the roadways that provide direct access to the base, including Hampton Boulevard, Terminal Boulevard, and W. Little Creek Road also exceed available capacity with current traffic volumes.

Civilian and military communities are served by enhancing the region’s transportation infrastructure in ways that improve mobility, create jobs and promote economic development, increase energy independence and improve the environment, reduce congestion, and enhance military readiness and quality of life. The Virginia Department of Rail and Public Transportation’s Hampton Roads Regional Transit Vision Plan (2011) identifies a strong need for a balanced, multi-modal transportation system in Norfolk and connected to other municipalities in the Hampton Roads region. Navy Region Mid-Atlantic is on record expressing support for light rail as a means to reduce traffic congestion in Hampton Roads, enhance safety and quality of life, and facilitate military readiness.

**Paratransit core capacity ($8.02M)**
The TDCHR requests support for fleet and technology for paratransit services mandated in accordance with the Americans with Disabilities Act. Current fleet vehicles (11 high top vans, 41 modified gasoline powered light duty buses with 270,000 average miles, and 47 sedans with 115,000 average miles) exceed useful life span as defined by the Federal Transit Administration. With current fleet capacity and equipment failure rates, the TDCHR is not able to meet peak trip demand requirements of 146 trips per hour. IT infrastructure for integrated reservations/scheduling/dispatching provides the agency with the better management control, and new fleet vehicles (cutaway vans/sedans) will enhance service reliability, cost control, and provide services that are suited to customer needs and characteristics.

**Bus Fleet Replacement Program**
Demand for bus service is at an all time high in Hampton Roads, but the TDCHR projects a $38.9 million funding gap in its Bus Fleet Replacement Program and potential shortage of 93 buses through FY17. The TDCHR supports efforts to secure increased federal and state capital funds to match local funds and other agency-generated revenues for ongoing bus fleet needs.

**Replacement of Cedar Grove Transfer Center**
Situated atop fly ash deposits, and since 2008 intended only to be a temporary site, Cedar Grove lacks suitable lighting, pedestrian walkways, space for basic customer amenities including tickets sales, customer information and restrooms, and design for safe and orderly bus circulation patterns. Nevertheless, Cedar Grove remains as HRT’s busiest transfer hub. On an average weekday, 569 bus trips begin or end at Cedar Grove, 50 buses per hour during peak service times. Over 6,500 boardings occur here daily, mostly between connecting routes. 17 routes connect through Cedar Grove, serving 5 of 6 cities, all among
the top ten largest cities in Virginia. The TDCHR requests capital funding to support the much needed replacement of the Cedar Grove Transfer Center.

Dedicated Funding for Transit in Hampton Roads
The TDCHR supports the establishment of a dedicated source of funding for public transportation in Hampton Roads. A dedicated funding source will:

- Enable Hampton Roads to be more competitive in securing federal discretionary dollars that will support bus, ferry, light rail and other transit investments;
- Provide for critical transit investments that cannot be made now since local transit funding is constrained to municipal general fund sources only;
- Establish parity between Northern Virginia (where dedicated funding has been in place since 1980) and Hampton Roads in how public transportation funding is collected and used;
- Once transit needs are met, provide option for localities to use available funds for other local transportation needs, helping address secondary roads maintenance and improvement needs and relieve loss of Urban Allocation;
- Enhance fiscal stability and flexibility that will allow for expanded services and long-term sustainability to improve regional mobility and economic competitiveness.

State Allocations for Public Transportation
As stated in Senate Joint Resolution 297 (2011), which instructed the Department of Rail and Public Transit (DRPT) to study transit-related issues, the TDCHR appreciates the General Assembly’s recognition that “current funding formulas were established in the Code of Virginia about 25 years ago at a time when transit was not as important as today in the overall transportation network.”

The TDCHR agrees that State support – transit’s 14.7 percent allocation from the Transportation Trust Fund and the Code language allowing funding of 95 percent of eligible operating and capital expenses – has not kept pace with demand.

Finally, the TDCHR appreciates the General Assembly’s acknowledgement of the funding predicament that exists due transit’s growth in Virginia – as SJR 297 notes “historically the transit operating expenses match has been 20 percent; it has now been reduced to 15 percent and the new transit systems and the large projects beginning in 2011 (Norfolk Tide) and 2013 (Dulles Rail phase 1) will push down that ratio even more.”

Therefore, any changes to the State’s allocations for public transportation resulting from SJR 297, particularly any changes related to allocations based on performance metrics, should increase State funding for transit. Without increased State funding, any other SJR 297 recommendations are incomplete. Recognizing that public transportation is vitally important (more now than ever), is essential to Virginia’s future, and that state funding must meet both current and future demands, the TDCHR will seek to ensure stability and growth of current and future funding.
December 2016

No formal agenda. Government relations activities focused on information sharing on light rail operations; HRT reform initiatives including corrective actions addressing VDOT Inspector General report, GoPass365; internal efficiency study and pruning of least productive services.

2011

Established Light Rail Safety Day; supported bill to revise previous statutory language in order to clarify that extending light rail into Virginia Beach along the ROW formerly owned by Norfolk Southern is not a pre-selected outcome; no engagement on bill to modify membership on HRT governing board. No formal agenda, but supported transit priorities shared with Virginia Transit Association including:

Protect Transit/TDM Services
Transit/Transportation Demand Management (TDM) is seriously underfunded by the Commonwealth. Transit/TDM should be a top budget priority for existing funds available to the Commonwealth. Existing state transit/TDM funding sources should be protected from encroachment (e.g. diversion of revenues from the Transportation Trust Fund to non-transportation uses or new intercity and high-speed passenger rail initiatives).

Add New Revenue Sources
New transit and transportation revenue sources must be enacted that sustainably keep pace with inflation and do not decline as automobiles become more fuel efficient. Examples include: sales taxes (one percent yields $1 billion), indexed motor fuel taxes (a tax of 10-cents per gallon generates $500 million), vehicle miles traveled fees, state/regional income taxes and tolls. One-time revenue sources are welcome but they are not sufficient to resolve this ongoing funding crisis; immediate, continuous and sustainable funding is essential.

Increase Transit’s Share of Existing and New Revenue Sources
The current share of Transportation Trust Fund revenues dedicated to transit is 14.7 percent. The transit share of recent state bonds authorized for transportation is a minimum of 20 percent. Any new measures should boost those shares to adequately meet rising demand for transit services.

Achieve State Transit Funding Share as Outlined in Code
Whatever the source of state funding, it should, at a minimum, make significant progress toward the 95 percent statutory target for the state’s share of transit operating/capital expenses. For FY 2011, the Commonwealth can only cover about 36 percent of eligible operating expenses and about 54.6 percent of capital, leaving local governments scrambling to raise passenger fares, spend precious property tax revenues or cut transit service. A significant share of any new revenue measures for transportation, energy conservation or climate protection should be dedicated for transit/TDM because transit investments are one of the most effective means to achieve the goals of such legislation. Further, public transit systems need additional state funding to maintain effective service and to leverage the significant past and current investments by local governments.
2010

Funding for Light Rail Extension Studies
In compliance with House Bill 6028, wherein the General Assembly formally 1) determined that expanding light rail is in the public interest and qualifies for public funding and 2) mandated the study of expanding light rail, including to the Virginia Beach oceanfront, the TDCHR requests support for full funding to complete studies required for potential light rail extensions to Virginia Beach and to Naval Station Norfolk. Congress has authorized extension to Naval Station Norfolk in SAFETEA-LU; and the region has partially funded the Virginia Beach study. Fully funding these studies is essential to leveraging the $288 million investment in the Norfolk light rail starter line, as the beginning of a regional fixed guideway transportation system, and other significant state and local investments to acquire the inactive Norfolk Southern right-of-way in Virginia Beach.

Regional Projects in Surface Transportation Authorization Act
The TDCHR requests the following items be included in the federal surface transportation authorization legislation scheduled for debate and passage by Congress in 2009 – 2010: HRT administrative facility; bus replacements; satellite operating facility; multimodal facility; fixed guideway systems for Naval Station Norfolk, and the cities of Chesapeake, Newport News, Portsmouth, and Virginia Beach; light rail system equipment and passenger vehicles; and passenger ferries and related infrastructure.

Protect Bond Revenues Programmed for HRT
Current and planned bond revenues that are programmed for the region’s public transportation capital projects should be spent on those projects. Currently, critical projects, such as Norfolk Light Rail and the replacement of the Southside Facility, are programmed for funding derived from state issuance of bonds for transit capital. These funds must be protected from diversion of revenues from the Transportation Trust Fund to non-transportation uses, failure to issue previously authorized bonds, diversion of scarce and inadequate transit funds for new intercity passenger rail initiatives, or failure to provide state transit grants promised in signed contracts with local transit systems.

Authority for Safe and Secure Light Rail Operations
In 2010, HRT will begin revenue operations of the first light rail system in the Commonwealth of Virginia. In order to ensure a successful launch and provide a model for future investments, the TDCHR must possess the proper authority to safely operate the system, beginning in Norfolk. Thus, the TDCHR supports the establishment of clear definitions and statutes regulating fare enforcement, public safety, and security for services and property under the jurisdiction of the TDCHR.

2009

Southside Facility Replacement
The TDCHR requests support for its longstanding major regional capital initiative - the replacement of the HRT Southside Operations and Maintenance Facility. The current
facility is over 100 years old and is woefully inadequate to support the existing fleet and operation, let alone future expansion, provides an unfavorable working environment and is costly to maintain. HRT has entered into an interim agreement with a private developer under Virginia’s PPEA legislation to build a new facility which will provide operating efficiencies and a sustainable environment. Thirty-five percent of the design has been completed, and HRT anticipates completing the new facility in the next 24 months. The public monies allocated will help HRT execute construction of this project.

**Support for Study of Light Rail Expansion**
In 2008, the Virginia General Assembly passed House Bill 6028, legislation requiring the study of expansion of light rail in Hampton Roads, including extension to the oceanfront at Virginia Beach. Study of extension to Norfolk Naval Station is authorized under Congress’ SAFETEA-LU legislation. The TDCHR requests support for funding to conduct required studies.

**Full Funding for Norfolk Light Rail**
In December of 2007, HRT signed a full funding grant agreement (FFGA) with the federal government for $128 million, its share of the $232 million project. Once signed, the Congress must appropriate funds annually to meet its commitment. To date, HRT has received approx. $76M. For FY09, the President recommended approx. $57M, but Congress has yet to pass a transportation appropriations bill. The TDCHR requests full funding for Norfolk Light Rail in accordance with the FFGA.

**Hybrid Shuttle Expansion**
HRT launched a hybrid-electric shuttle initiative in Hampton Roads through the replacement of the NET fleet in Norfolk, establishment of the Loop service in downtown Portsmouth, and the beginning stage of replacement of the VB Wave trolleys at the Virginia Beach oceanfront. In total, HRT has acquired 24 of these energy efficient shuttles through special appropriations from the Virginia General Assembly and federal grants. HRT aims to expand the regional hybrid shuttle fleet, which includes replacing the remaining trolleys at the oceanfront. The TDCHR requests continued support for the acquisition of hybrid shuttle vehicles for the region.

**Sustainable Funding for Public Transportation**
Public transportation in our community is critical. Ridership in Hampton Roads continues to grow in the face of high gas prices. Not only must public transportation funding be protected during this time of economic instability, but opportunities for growth and increased ridership may be greater today than ever before. The TDCHR requests support for a reliable and dedicated source of funds for the proper planning and implementation of regional services.

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**2008**

*Record not available*

**2007**

There were some very positive efforts made by the General Assembly last Session to address public transportation in Hampton Roads. In 2006, the House of
Delegates provided for a $3.1 million appropriation for NET bus replacement with authorization for a $3.1 million match from the Virginia Department of Rail and Public Transportation. The Virginia Senate provided for a $10 million appropriation for purchase of right-of-way for transit use: $5 million for Norfolk and $5 million for Virginia Beach.

Ultimately, without a resolution on long-term transportation funding in 2006, transportation across the Commonwealth, including these critical public transportation projects in Hampton Roads, suffered. In public transportation, the problem is particularly acute. The FY07 state transit capital funding is at 22 percent, the lowest state share in the history of the program. Compounding the dilemma of historically low levels of state transit capital funding, is the fact that statewide operating assistance is only at 19.7 percent, the lowest level in ten years.

The transportation needs across the Commonwealth and here in Hampton Roads are well documented. The Transportation District Commission of Hampton Roads (TDCHR) urges the Governor and the General Assembly to utilize the $339 million in unappropriated funds from the 2006 Session for a one-time infusion of funds for public transportation to make an immediate and recognizable impact on improving mobility in the region.

$6.2 Million for NET Bus Replacement
In 2006, the House of Delegates provided for a $3.1 million appropriation for NET bus replacement in their original proposed budget with authorization for a $3.1 million match from the Virginia Department of Rail and Public Transportation. The TDCHR requests that the General Assembly fully fund this request in 2007. Since 1997, the Norfolk Electric Transit (NET) shuttle system circulator, which HRT operates and which provides over 30,000 rides per month, has served to connect strategic locations in downtown Norfolk. It provides working commuters access from parking sites to work locations; provides residents and around downtown with connections to services; provides hotel guests and cruise ship patrons with access to attractions; and facilitates continued high quality residential development. The NET fleet has exceeded its useful lifespan and is in need of replacement. Funds would provide for the acquisition of new, clean and energy efficient vehicles to replace the existing fleet and allow for expansion into more neighborhoods and provide a link which connects Norfolk State University, Old Dominion University and Tidewater Community College.

$10 Million for Acquisition of Right-of-Way for Transit Use
In 2006, the Virginia Senate provided for a $10 million appropriation for purchase of right-of-way for transit use in their original proposed budget: $5 million for Norfolk and $5 million for Virginia Beach. The TDCHR requests that the General Assembly fully fund this request in 2007. The Norfolk Light Rail Transit (LRT) Project was recently approved for Final Design by the Federal Transit Administration and is eligible to apply for a Full Funding Grant Agreement. The LRT project is the beginning and hub of an envisioned regional high-occupancy fixed guideway transit system. The City of Norfolk has struck an agreement with Norfolk Southern (NS) Corporation to acquire NS-owned and abandoned railway right-of-way which is needed for the light rail project: Funding
would be used by Norfolk to acquire the property. Separately, the City of Virginia Beach is pursuing acquisition of the NS right-of-way within its jurisdiction for future transit use. Funding to support this effort would be used to acquire the desired property.

95% Capital Match for Transit Projects
The Virginia General Assembly has established a statutory target for financial assistance to the Commonwealth's public transit systems of 95 percent of eligible expenses not covered by fares or federal funding. This target is not as generous as the state share provided for highways and also excludes important transit expenses such as operator wages. But of greatest concern is the commonwealth's failure to provide sufficient funding to meet this target. For FY07 state transit capital funding is at 22 percent, the lowest state share in the history of the program. For FY 2006, the General Assembly enacted several one-time funding initiatives that provided a boost to transit. As a result, for the first time ever the capital-matching ratio reached 62 percent. The TDCHR urges the General Assembly to use a significant part of the $339 million in unappropriated funds from the 2006 Session to boost the transit capital program as a one-time infusion.

Secure the Transportation Trust Fund
The Transportation Trust Fund should be constitutionally protected to prevent the diversion of transportation funds for other uses. This would help restore the public's trust in the budgetary process and ensure that future transportation funding can be reasonably predicted.

2006

The Transportation District Commission of Hampton Roads (TDCHR) urges the Governor and the General Assembly to make transportation the primary focus of the 2006 General Assembly session. Last year in 2005, the General Assembly made some strides toward funding public transportation initiatives in Hampton Roads and Virginia. The General Assembly's earmark of $10 million for a bus rapid transit system in Virginia Beach and the establishment of the Rail Fund were significant steps forward. However, since the 1986 Special Session of the General Assembly, Virginia's Governors and General Assemblies have not substantively addressed the issue of statewide transportation funding. For too long, inadequate temporary fixes have been applied to this growing crisis. Absent a major infusion of new and sustained investment in transportation, Hampton Roads faces the prospect of further congestion and restricted mobility, and a negative impact on our economy and quality of life.

95% Capital Match for Transit Projects
The Virginia General Assembly has established a statutory target for financial assistance to the Commonwealth's public transit systems of 95 percent of eligible expenses not covered by fares or federal funding. This target is not as generous as the state share provided for highways and also excludes important transit expenses such as operator wages. But of greatest concern is the commonwealth's failure to provide sufficient funding to meet this target. In most years, the state's share has been in the range of 30 to 40 percent for capital and less than 30 percent for fuels, tires, maintenance and administration. To meet the target, the funds flowing to transit formula assistance
programs in the Transportation Trust Fund would need to double. For FY 2006, the General Assembly enacted several one-time funding initiatives that provided a boost to transit. As a result, for the first time ever the capital-matching ratio reached 62 percent. But for FY 2007, unless permanent sustainable funding is added by the General Assembly, this ratio will plummet to an all-time low of 25 percent. An additional $200 million is needed in FY 2007 to allow the General Assembly to meet its own target.

If adequate funding could be assured, HRT could serve Hampton Roads' citizens increased frequency of service (15 minutes on key routes) using new buses, which would make using HRT services a much more attractive option for those faced with a choice to ride transit or use their own vehicle. Indeed, with the additional $200 million necessary to meet the General Assembly's own statutory target, transit systems, including HRT, could acquire 500 new buses each seating 45 passengers.

Even if those buses only made one full trip in the morning and one in the afternoon, 45,000 cars would be removed from Virginia's congested urban highways each day.

**Hybrid-Electric Community Connectors**

The recent growth within many Hampton Roads cities has prompted local governments to plan to expand or create altogether new public transit connectors between major centers of employment, entertainment and dense residential developments. A key element of these plans is the pursuit of environmentally friendly hybrid-electric vehicles for use in such transit services. Since 1997, the Norfolk Electric Transit (NET) shuttle system circulator, which HRT operates and which provides over 30,000 rides per month, has served to connect strategic locations in downtown Norfolk. It provides working commuters access from parking sites to work locations; provides residents in and around downtown with connections to services; provides hotel guests and cruise ship patrons with access to attractions; and facilitates continued high quality residential development. The NET fleet has exceeded its useful lifespan and is in need of replacement. Funds would provide for the acquisition of new, clean and energy efficient vehicles to replace the existing fleet and allow for expansion into more neighborhoods and provide a link which connects Norfolk State University, Old Dominion University and Tidewater Community College. A tremendous amount of high quality, dense residential and commercial development has also taken place in the City of Newport News. The City and Hampton Roads Transit are designing high frequency services to connect these centers of activity, such as Oyster Point and Port Warwick, Christopher Newport University and Patrick Henry Mall, using hybrid-electric vehicles. Funds would provide for the acquisition of the vehicles.

**Acquisition of Rights-of-Way for Transit Use**

The Norfolk Light Rail Transit (LRT) Project recently received a rating from the Federal Transit Administration that would qualify the project for Final Design and to receive federal funds to construct it. The LRT project is the beginning and hub of an envisioned regional high-occupancy fixed guideway transit system. The City of Norfolk has struck an agreement with Norfolk Southern (NS) Corporation to acquire NS-owned and abandoned railway right-of-way which is needed for the light rail project. Funding would be used by Norfolk to acquire the property. Separately, the City of Virginia Beach is
pursuing acquisition of the NS right-of-way within their jurisdiction for future transit use. Funding to support this effort would be used to acquire the desired property.

**Hampton Roads Transit Southside Operations-Maintenance Facility Replacement**
HRT's Southside Operations-Maintenance Facility is a conglomeration of buildings which range from 70 to over 100 years old. The age and location of the facility complicates and adds costs to regional transit operations. The area where the current facilities are situated is experiencing tremendous residential and commercial growth; and the land seeks a higher and better use.

Funding would be used to attract and match federal funding. Together, the federal and state funds would be used to facilitate a public-private development partnership under the state's PPEA for the construction of a new facility and the redevelopment of the land on which HRT's current facility is situated.

**Secure the Transportation Trust Fund**
The Transportation Trust Fund should be constitutionally protected to prevent the diversion of transportation funds for other uses. This would help restore the public's trust in the budgetary process and to ensure that future transportation funding can be reasonably predicted.

**Dedicated Funding for Public Transportation in Virginia**
At the request of the Northern Virginia delegation to the General Assembly, to match federal construction dollars for the expansion of Metro in Northern Virginia, the General Assembly established a two percent user fee on fuels in the cities served by the Northern Virginia Transportation Commission (NVTC). Once Metro expansion was completed, the additional revenues were used for operating and capital assistance for transit services. A two percent user fee is levied in the cities served by the Potomac Rappahannock Transportation Commission (PRTC) also located in Northern Virginia.

In FY '05, this regional funding generated $27.5 million for NVTC and $14.8 million for PRTC. This revenue is counted as local contribution to public transportation services; and because the Commonwealth's transit funding structure rewards such contributions, the transit systems in Hampton Roads and the rest of the state are at an inherent disadvantage. For example, the Commonwealth provides 20% of operating costs for all transit authorities in Virginia. So, not only did NVTC have the benefit of $27.5 million for public transportation services in its coverage area in Northern Virginia, but it was also able to leverage those funds for an additional $5.5 million in operating funds provided by the state. The General Assembly should authorize the TDCHR to establish a similar provision for dedicated funding for Hampton Roads Transit services for the cities of Norfolk, Virginia Beach, Chesapeake, Hampton, Newport News, Portsmouth, and Suffolk. These funds would draw down additional state and federal funding and could relieve pressure on the fiscally constrained municipal budgets to provide additional funding for transit.

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