



# Vision Reports



## Fact Sheet on “State of Transportation” in Virginia and Hampton Roads

Provided by Virginia Beach Vision, Inc.

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### What's the problem?

- Abandoned bridges (Kings Highway Bridge and Jordan Bridge in Hampton Roads), closed rest stops, closed maintenance facilities, deferred median and roadway maintenance, increasing congestion.
- Virginia bridges were given a D - rating by the Virginia Section of the American Society of Civil Engineers. Deferred maintenance on bridges alone is estimated at \$3 billion.
- Average interstate speeds have dropped to 25 mph or less during rush hours. ‡
- Average speeds at bridges and tunnels have dropped to 10 mph or less at rush hours. ‡
- Typical traffic back-ups at the Hampton Roads Bridge Tunnel are 5 to 7 miles every day, 2 miles at the Downtown and Midtown Tunnels, 4 miles at the High Rise Bridge on I-64 and 1 to 2 miles at the 1-264 interchanges. ‡

### Ridership trends:

- The number of vehicle miles traveled annually have increased at 2 times the growth in population. ‡
- Roadway demand is growing at 2 to 6 times faster than road capacity has expanded. ‡
- The number of passengers in each vehicle has dropped from 1.25 passengers per vehicle in the 1970's to just 1.09 passengers today. ‡

### Funding trends:

- No change in the state's revenue stream for transportation in 23 years (since 1987).
- Virginia's gas tax would have to be 35 cents per gallon today to have the same purchasing power as in 1987.
- Since 1987:
  - miles of travel have increased 79%,
  - registered vehicles are up by 61%,
  - licensed drivers have increased 36%
  - purchasing power of the transportation dollar has declined by 40%
- Revenues from the gas tax have been flat while miles driven continue to increase due primarily to increase in mpg of vehicles.
- Virginia operates the nation's **3<sup>rd</sup> largest state highway network**, has the **9<sup>th</sup> lowest gas tax** in the country – 17.5 cents per gallon and is **40<sup>th</sup> in gas revenue collections**.

## Financing realities:

- The cost of the 6 or 7 major regional road projects in Hampton Roads is inflating by \$300 million every year; a cost of \$1 million per day. ‡
- To fix the current highway corridors in Hampton Roads with projected “severe” congestion would cost just under \$30 billion over a 24 year period; equal to \$1.1 billion per year. ‡
- All current sources of revenue provide \$3.6 billion for transportation annually statewide.
- Transportation funding shortfall is estimated to be \$4.6 billion over the next 6 years.
- **Just some of the consequences:**
  - \$500 million is being transferred from federal construction funding into highway maintenance funding just to keep up;
  - Six-year transportation construction program received \$10.5 billion in 2002; today it is \$4.6 billion;
  - Construction funds transferred from construction into maintenance \$712.6 million;
  - Deferred costs just for roadway paving statewide exceed \$1.7 billion;
  - \$3 billion in deferred maintenance on bridges;
  - There is no new construction funding available - primary, secondary and urban construction dollars are now ZERO in FY 2010;
  - Public/private partnerships require some level of public funding for seed money and to keep tolls realistic but there is no state source of public funding for such projects;
  - State’s transportation board (CTB) is now considering an abandonment program where roads, bridges and tunnels may be dropped from the state system due to a lack of available funds - Already two bridges in Hampton Roads have been abandoned (Kings Highway Bridge and Jordan Bridge);
  - State lacks funds to draw down federal construction dollars with an 80% federal to 20% state match;
  - State match required for interstate construction is now done through borrowing. The state’s debt capacity ceiling may be reached in less than 3 years and Virginia may lose its federal funding share to other states.

## Taxing, Fees and other options:

- **Gas Tax:**
  - The average driver pays **\$96.25** in state gas tax annually;
  - 1 cent increase in gas tax would generate \$50 million and cost the average driver \$5.50 annually;
  - 10 cents increase would generate \$500 million annually and cost the average driver \$55.00.
- **Carpooling: ‡**
  - If every driver in Hampton Roads would carpool one day every 2 weeks, it would fix today’s severe congestion;
  - If every driver would carpool one day each week, it would fix all severe congestion for 20 years.
- **Public/ Private Partnerships:**
  - Private firms will only build new roads that can make a profit and most transportation projects are not profitable. At best, PPTAs are estimated to be capable of meeting 20% of Virginia’s needs;

- Route 460 Public/Private partnership proposal projected a \$12 one way cost for autos; \$40 one way for trucks and \$50 million annually in state subsidy ‡ (Note: this project review was cancelled last month);
- Downtown/Midtown Tunnel toll would be \$2.00 + one way on both tunnels to build 1 additional 2-lane tube and the MLK Freeway extension. ‡
- **Congestion Mitigation Pricing**
- **Public transit, Light Rail transit and High Speed Rail passenger service**
- **Further VDOT efficiencies:**
  - On-time performance in 2002 was 30%; today it is 86%;
  - On-budget performance in 2002 was 61%; today it is 93%;
  - Total # of employees in 2002 was 10,192; today it is 7,830 with more cuts scheduled.
- **Redirect state general funds from other service areas to transportation**
- **Increase other taxes and dedicate new revenues to transportation funding:**
  - Motor vehicle sales tax, 1% increase = \$190 to \$210 million per year statewide;
  - General sales tax, 0.5% increase = \$500 to \$600 million per year statewide;
  - Vehicle registration fee, \$10 annual fee = \$76.2 million;
  - Income tax, 0.25% = \$591 million;
  - Recordation tax, vehicle license fees, vehicle rental tax, Grantor's tax;
  - Other.

**Virginia Beach Vision is a non-partisan, issue-oriented organization of over 100 CEO- and senior-level business and professional executives established in 1993. Its mission is to provide private sector support for initiatives and ideas that will help the City of Virginia Beach and the region achieve increased economic vitality and an enhanced quality of life for residents and visitors.**

**Among the key areas on which Vision focuses are economic development, education, transportation, tourism, technology, arts and culture, sports development, environmental land use enhancements, and improved regional cooperation.**

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