

**ITEM #12: ELIZABETH RIVER CROSSINGS (ERC) AGREEMENT: OVERVIEW AND DISCUSSION**

*Robert Crum and Michael Kimbrel, HRTPO*

During the HRTPO Board meeting of December 13, 2018, a member noted a December 2, 2018 op-ed article from the Virginian-Pilot (attached) regarding tolls on the Downtown and Midtown Tunnels and their impacts on the City of Portsmouth. It was requested that this topic be included on the January 2019 HRTPO Board agenda for discussion.

Mr. Robert Crum, HRTPO Executive Director, and Mr. Michael Kimbrel, HRTPO Deputy Executive Director, will provide a briefing on the Elizabeth River Crossings (ERC) Agreement with regard to the tolls at the Midtown and Downtown Tunnels, as well as financial compensation events that may impact other projects in Hampton Roads.

Attachment 12

**RECOMMENDED ACTION:**

For discussion and informational purposes.

# Jim Oliver: Solutions needed, and now, for Portsmouth

By Jim Oliver

For The Virginian-Pilot

Dec 2, 2018

THE RECENT announcement that tolls on the Downtown and Midtown tunnels will be going up in January reminds us how poorly Portsmouth, one of Virginia's most historic and productive cities, has fared in state decision-making.

Since its founding in 1752, Portsmouth has helped shape the maritime character of Hampton Roads and Virginia. Its Gosport shipyard, today's sprawling Portsmouth Naval Shipyard, was not only home to many shipbuilding and repair innovations, but also briefly the royal capital of Virginia.

Our nation's first battleship (1892) and aircraft carrier (1922) were built in Portsmouth. More than 6,800 U.S. and Allied ships were repaired and modified there in World War II.

Portsmouth's maritime industry — which in addition to the shipyard includes the Portsmouth Marine Terminal and the Virginia International Gateway — provides many benefits to our region and the state, not the least of which is jobs that generally pay above the regional average. Reports say Portsmouth provides 59,223 jobs to the region.

You would think these jobs contribute to Portsmouth's economy. But that's not always the case.

The city of Portsmouth provides much of the infrastructure — e.g. streets, sewer, water, police, fire, etc. — that support these good jobs. But with jobholders who live in neighboring cities or counties, Portsmouth gets little or no benefit. The income of the longshoreman who makes \$100,000 at a container pier in Portsmouth is counted at his or her place of residence — whether that's in Virginia Beach, Chesapeake, Moyock or Elizabeth City.

In short, Portsmouth pays for many of the things that make the jobs possible but gets little, if any, return on that investment.

If that wasn't enough, many of the good jobs in Portsmouth are at state or federal facilities that are exempt from real estate taxes. So Portsmouth loses that revenue, as well.

And then there are the tolls.

The public-private deal that was made in 2011 to update the old tunnels and add a new one, along with connective highways in Portsmouth, relieved the state of the burden of providing adequate funding for this long-needed project. But it came at the cost of inflicting tolls on tunnel users, and those tolls will continue to increase for decades. January's increase alone will bring the annual cost of regular commuting to and from Portsmouth during peak commuting hours to \$1,200.

You might ask, "Where were Portsmouth's elected leaders and management when this was happening?"

The answer is simple: The state did not make the city of Portsmouth a partner in the deal. Yet, aside from the concern of other elected officials and city managers, who were wary of what could happen in their localities, this mistreatment has aroused little outrage or moral indignation from people outside the city.

Something about this doesn't seem fair or even just. Yet, we hear of little or no help for Portsmouth.

As our region thinks about big and important issues — such as sea-level rise, mass transit and digital broadband opportunities — I keep wondering why our leaders don't take on something that is so overwhelmingly wrong and would be good practice for addressing clear problems together.

Where are the voices and actions of the business and community leaders? A few local leaders have conceded that it's a bad deal but that it was the only way to get the project done. After some considerable complaints from Portsmouth residents and businesses, the administration of then-Gov. Bob McDonnell put more money into the project. But that only brought down toll prices for a short period of time.

The news media regale us each day with personal feature stories of individuals who have been treated badly by someone or some agency or who have overcome odds and injustice or dealt with social inequity or health issues. There have certainly been stories about Portsmouth politics. But where are the stories about why commonwealth officials aren't proposing solutions to this issue?

The daily lives of Hampton Roads residents — where they work, where they live, where they play — are certainly regional. Doesn't Portsmouth deserve better outcomes to match reality?

**Jim Oliver** was a city manager in Norfolk, Portsmouth and Hampton. In 2017, he was selected Norfolk's First Citizen in Civic Affairs by the Cosmopolitan Club.