



# CITY OF SUFFOLK

DEPARTMENT OF PUBLIC WORKS / ENGINEERING DIVISION

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March 24, 2014

Dwight L. Farmer  
Executive Director  
Hampton Roads Transportation Planning Organization  
723 Woodlake Drive  
Chesapeake, VA 23320

RE: US Route 58 Hampton Roads Intermodal Corridor  
Tiger Discretionary Grants Program (FY 14)

Dear Mr. Farmer:

The City of Suffolk is once again planning to make application for funding of the Route 58 Hampton Roads Intermodal Corridor project through the TIGER Discretionary Grants Program and respectfully requests the endorsement of the Hampton Roads Transportation Planning Organization (HRTPO) Board to submit the project for consideration under the Grants Program.

As you are aware, this project has been included in the 2034 Long Range Transportation Plan and is ranked as the **number two** highway project under the Urban Roadway System category. The City of Suffolk continues to identify the project as the city's current transportation project of highest funding priority and plans to seek **\$45 million** in grant funds through the TIGER Program.

I have attached a full description of the project and information regarding the project's funding and progress to date. The attached information also demonstrates how the grant selection criteria have been met. We truly appreciate the HRTPO Board's previous recognition and endorsement of this project as a "unique opportunity to create jobs, foster intermodal solutions and reposition Hampton Roads economy for more international trade" and again respectfully request the board's endorsement as we pursue funding.

Please let me know if I can provide any additional information regarding the project or the grant application and again thank you for your consideration.

Sincerely,

Sherry B. Earley, P.E.,  
Engineering Manager

Cc: Camelia Ravanbakht, Ph.D., HRTPO, Deputy Executive Director  
Patrick Roberts, Deputy City Manager  
Eric T. Nielsen, Jr., P.E., Director of Public Works

## TIGER DISCRETIONARY GRANTS (FY 14)

### US ROUTE 58 – HAMPTON ROADS INTERMODAL CORRIDOR IMPROVEMENTS IN SUFFOLK, VIRGINIA

#### PROJECT DESCRIPTION:

The 3.1-mile widening project will provide for the construction of an additional travel lane both east bound and west bound from Route 58/13/32 bypass to approximately .7 miles west of Manning Bridge Road in Suffolk. The project also will provide for intersection and traffic signal upgrades and incorporate access management measures along the route to improve safety for vehicles entering and exiting businesses. The project includes a raised median throughout the corridor along with separated bikeway or multiuse path to accommodate pedestrians and bicyclists along the corridor.

The project is **included in the 2034 LRTP** and is ranked as **number two** in the highway project category and identified it as a “Recommended Project for Construction”.

#### PROJECT FUNDING:

The 3.1 mile project is estimated at approximately **\$72,000,000**.

The City of Suffolk is **seeking \$45 million** in TIGER Discretionary Grant funds to complete the project.

#### Current funding commitments:

**\$3.5 million** in private funds to complete the design of the project.

**\$12 million** in Revenue Sharing funds

**\$12 million** in local match have been allocated to the project.

**\$30,000** Federal Formula STP Urban funds have also been allocated to the project.

## PRIMARY SELECTION CRITERIA

#### STATE OF GOOD REPAIR

The HRPDC published a study in June of 2008 indicating that the US Route 58 - Hampton Roads Intermodal Corridor will fail to perform at acceptable levels of service based on existing background traffic growth and projected economic development by year 2017. The portion of the facility that currently utilizes a two-way left-turn lane has outlived its service life due to volume and should be converted to a median separated facility to protect pedestrians, bicyclists, and motorists. Throughout the corridor, safety improvements are needed in the areas of stormwater management, lighting, intersection geometry, and access management.

In response to this study, the City of Suffolk is taking steps to ensure that the facility does not fall below the accepted levels of service required by the City's local ordinance as well as suggested by Regional, State, and Federal standards.

The upgraded facility will foster the growth of the region's first off-port intermodal facility, as well as several other port-related logistics developments. If the roadway is not improved, congestion will increase travel times to the point that users will no longer look favorably at these facilities. This will negatively impact the port as logistics development directly supports port growth and throughput. The City and the region need development areas that meet industry needs and criteria with respect not just to the size of the available lot, but access to intermodal means of movement of goods, and most importantly, access to a robust transportation network to attract national and international business to the Port of Virginia.

### **ECONOMIC COMPETITIVENESS**

The US Route 58 - Hampton Roads Intermodal Corridor project is an important part of the economic recovery for the City of Suffolk, the region of Hampton Roads, the Commonwealth of Virginia, and the United States. The completion of this project will have far reaching impacts of economic vitality and the creation of permanent jobs across the Mid-Atlantic region to the Midwest.

The project serves a burgeoning hub of industrial developments along US Route 58 that have far reaching economic development implications. Four of the largest developments that will benefit from the improvements are CenterPoint Intermodal Center, Virginia Commerce Center, Target Import Warehouse, and Westport Commerce Park. These developments represent more than 1,400 acres of concentrated economic activity, with more than 2 million square feet of logistics warehouses constructed, and pipeline development of an additional 9 million square feet. The project will enhance the economic competitiveness of the City of Suffolk and the Hampton Roads region, including communities in Virginia and North Carolina, by providing attractive business sites for development by users seeking to benefit from the close proximity to the Port of Virginia and western interstate and rail routes serving the Southeast and Midwest United States.

CSX rail lines run along the properties of CenterPoint Intermodal Center and Virginia Commerce Center. CSX is currently implementing The National Gateway Initiative, a \$700 million public-private infrastructure initiative that will create a highly efficient freight transportation link between the Mid-Atlantic ports and the Midwest. Improvements to the US Route 58 corridor will spur economic expansion by allowing the full development of these parks including direct intermodal access to the CSX railroad.

In 2015, the Panama Canal is expected to complete its expansion to accommodate the world's largest ships. As a result of this expansion, a shift of some of the distribution of goods is expected to move from Los Angeles, to the eastern seaboard. More shipments from Asia are expected to be taken through the Panama Canal and directly off-loaded into eastern ports where they will be carried by rail and trucks across the eastern half of the United States. The port currently captures some Asian traffic but is

expected to grow with further expansion of goods and materials to support the demographic growth of the Southeast.

The US Route 58 - Hampton Roads Intermodal Corridor project is nationally significant. In order to remain economically competitive, it is imperative that the eastern United States have the necessary infrastructure to support the increase in goods. The Port of Virginia is the only United States port on the Atlantic coast capable of handling next generation "mega container ships," which require drafts of 50 feet or more, therefore it is logical to focus infrastructure investments around projects that provide best access and transfer of goods from the port.

### **QUALITY OF LIFE**

The US Route 58 - Hampton Roads Intermodal Corridor project will improve user mobility and reduce congestion. As shown in the HRPDC Holland Road Corridor Study, currently this project serves on average 30,000 vehicles per day and exhibits a level of service rating B. By 2017, the corridor, with no improvements, is expected to serve more than 53,000 vehicles per day and exhibit an unacceptable level of service rating F. Widening the proposed section of road to six lanes will accommodate the anticipated 53,000 vehicles per day at an acceptable level of service B. Whether or not planned developments are completed, US Route 58 will need to be upgraded within five years to accommodate background growth in the region.

As stated in the Hampton Roads Metropolitan Planning Organization's Regional Travel Delay Study, "In Hampton Roads, the regional economy and quality of life are affected by congestion. The port becomes less competitive when trucks carrying goods to and from the port are stuck in traffic. The tourism industry also can be impacted if tourists decide to travel elsewhere because of the congestion. More time stuck in traffic also means less time at home with family or friends." Between 2000 and 2005, roadways in the City of Suffolk saw a roughly 30 percent increase in travel time delay. The US Route 58 corridor provides one of only three western arterials from Hampton Roads, and so congestion on this roadway is felt regionally by travelers, residents, and commercial interests.

Congestion relief for this project will happen not only in the traditional means of additional capacity, but also through the interaction with the intermodal activities associated with the private development in the corridor. The movement of goods by rail rather than truck can reduce the overall number of trucks that must use the corridor to access the proposed developments.

While congestion reduction positively impacts the largest number of Hampton Roads residents, there are additional local livability interests that will be improved. Sidewalk and multiuse trails are incorporated into the design, availing the local residents to alternative means of travel that are not safely available today. With the advent of large employment destinations spurred by the project, the City will work with Virginia Regional Transit (VRT) to provide bus service to the corridor. No public transportation currently serves the corridor. A multitude of uses occur within the development corridor, including retail, commercial, restaurant, school, church, and business.

Citizen participation in the planning process has been extensive and continues. The US Route 58 (Holland Road) corridor is identified in the City's 2026 Comprehensive Plan and the City's Master Thoroughfare Plan which were adopted in April of 2006. Citizen information meetings provided input into the Comprehensive Plan dating back to 2004. As a result of citizen input during public hearings on development in the area, the City Council commissioned the HRPDC Holland Road Corridor Study in 2007. That transportation study, adopted in June 2008, became a driving factor in accelerating the timeline for developing a strategy to provide improvements to the corridor. Further citizen input was received at public hearings held for zoning cases by stakeholders, CenterPoint Properties and McDonald Development, which occurred through the end of 2008 and into January of 2009, and at public hearings for the City's Capital Improvements Program budget. Studies produced by the private developers confirmed the findings of the earlier HRPDC study. **A design Public Hearing has been scheduled for the project on April 24, 2014.** This hearing will provide project information to affected property and business owners and to receive comment and suggestions from the property owners impacted by the project.

#### ENVIRONMENTAL SUSTAINABILITY

The US Route 58 - Hampton Roads Intermodal Corridor project will provide "green" benefits by decreasing emissions. In 2007, the average idle time along US Route 58 was around 21 seconds per trip with 30,000 vehicles per day. This equates to 27.1 gallons of fuel wasted per day. In 2017, with no improvements to the road, it is estimated that there will be 53,000 vehicles per day with a total idle time of 201 seconds, which would equate to 461.2 gallons of fuel wasted per day. By expanding the road to six lanes the total idle time in 2017 could be reduced to 23 seconds. In one year, this project could save 148,000 gallons of gas and stop 2.8 million pounds of carbon dioxide from being released into the atmosphere.

The design of the project will incorporate multiuse (bike) trails and pedestrian walks as part of a unified trail system throughout the corridor. This will be coordinated with the City-wide trails program to offer citizens a safe and well planned alternative to automobile travel.

The project enables intermodal activities—and rail is a green mode of transportation. One gallon of diesel fuel moves one ton of freight four times further via rail versus truck. Freight rail emits up to four times less greenhouse gases than trucks and a single intermodal train can take 250 to 300 long-haul trucks off local roads and regional highways. With shippers (beneficial cargo owners) seeking to minimize greenhouse gas emissions throughout their supply chains, also while reducing transportation costs, intermodal moves by rail are increasing as a preferred mode of transportation where possible.

The US Route 58 - Hampton Roads Intermodal Corridor project promotes a sustainable future by reducing the number of tractor trailers on the road. CSX shows that one train can carry the load of 280 tractor trailers, and get 423 ton-miles per gallon. This is compared to a tractor trailer which gets only 121 ton-miles per gallon. In one trip from Suffolk, VA, to Chicago, IL, a train can move 6,160 tons of freight 875 miles while only consuming 12,742 gallons of gas. It would take 280 tractor trailers 44,545 gallons of gas to move the equivalent load the same distance. By using trains for transportation 31,803

gallons of fuel could be saved per trip and prevent 604,260 pounds of carbon dioxide from being released into the atmosphere.

**A draft NEPA document has been completed; final approval of the document will follow the April 24<sup>th</sup> public hearing.**

### SAFETY

US Route 58 serves as a main artery for the evacuation of Hampton Roads should there be a severe hurricane threat or other emergency in the region. The 2008 HRPDC Hurricane Evacuation Study shows the expected volumes of traffic per road depending on the strength of storm. The lanes added with the US Route 58 - Hampton Roads Intermodal Corridor project allow for better traffic flow out of the Hampton Roads area, reducing evacuation times.

In addition, the HRPDC Holland Road Corridor Study analyzed collisions for 2005, 2006, and 2007. Their studies showed that 52 percent of the collisions in the corridor were congestion-related rear-end collisions. A recommended countermeasure is to widen the road allowing for more capacity. By adding capacity to the road the level of service rating is increased and allows the driver to have more room for error, giving the driver more time to react which makes the driver feel more comfortable. Around 30 percent of the collisions in the corridor happened during a rainy or misting condition. The proposed countermeasure is to ensure that the road has adequate drainage and also to check the pavement to verify that rutting is not causing rain to collect in vehicle wheel-paths. The US Route 58 - Hampton Roads Intermodal Corridor project proposes the implementation of both safety recommendations.

The City's Master Thoroughfare Plan outlines several safety objectives that are met by the proposed project. These include increasing minimum crossover spacing to decrease right-angle crashes, reducing the number of access points along the arterial (driveway consolidation), traffic signal timing and coordination, and implementation of a bikeway and trail system.

The US Route 58 - Hampton Roads Intermodal Corridor is a designated strategic highway network (STRAHNET) link under the Highways for National Defense program. Continued maintenance of the link is a matter of national security due to the major military presence in Hampton Roads.

### JOB CREATION AND ECONOMIC STIMULUS

It is estimated that the US Route 58 - Hampton Roads Intermodal Corridor project will immediately create more than 200 new construction jobs, and will promote the long-term creation of approximately 5,100 new permanent jobs through directly impacted current pipeline developments. Indirectly, the project will foster the growth of the Port of Virginia, where planned expansions are anticipated to generate 28,000 new jobs.

The US Route 58 corridor directly serves an established and growing hub of industrial developments. Four key current pipeline developments that will benefit are CenterPoint Intermodal Center, Virginia Commerce Center, Target Import Warehouse, and Westport Commerce Park. These developments represent more than 1,400 acres of concentrated economic activity, with more than 2 million square

feet of logistics warehouses constructed, and pipeline development of an additional 9 million square feet. Together, it is estimated that the four developments will create 5,124 new permanent jobs and represent a private sector investment of more than \$630 million.

The industrial park developments enabled by the US Route 58 - Hampton Roads Intermodal Corridor project will provide secondary job benefits not quantified in the above numbers. These “spurred developments” include workforce support such as restaurants, retail shops, grocery stores, and similar service industries. The rich mix of development that this project supports creates an opportunity to provide jobs for workers across the income spectrum.

The TIGER grant guidelines indicate a strong preference for projects that will support job creation in economically distressed areas. The proposed and spurred developments directly supported by this economic development project will directly serve disadvantaged workers in southeast Virginia and northeast North Carolina. Several economically distressed cities and counties are within a 20-mile radius of the project, including the cities of Portsmouth, Newport News, and Franklin, VA; the counties of Surry, Sussex, and Southampton, VA; and the counties of Northampton, Hertford, Gates, Pasquotank, and Camden, NC.

The City of Suffolk, with oversight from VDOT, is scheduled to **begin right-of-way acquisition in July 2014**. Once construction funding is secured, all construction activity on the US Route 58 - Hampton Roads Intermodal Corridor project will be administered by the City of Suffolk. The City upholds strict requirements for bidders that they agree to abide by the requirements under Executive Orders No. 11246 and 11375, as amended, including specifically the provision of equal opportunity clause and submittal of written affirmative action program, and Section 2.2-4311 of the Virginia Public Procurement Act, which prohibits employment discrimination by the contractor. Further, bidders must comply with Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, the Davis-Bacon Act, the Copeland Act, the Contract Working Hours and Safety Standards Act, Section 109 (non-discrimination clause of the Housing and Community Development Act of 1974), and Section 3 of the Housing and Urban Development Act of 1968. Work will be subject to the prevailing wage rates established by the U.S. Department of Labor and The Employment Opportunity requirements.

## INNOVATION

As part of the US Route 58 - Hampton Roads Intermodal Corridor project Intelligent Traffic System (ITS) will be used to monitor and control traffic so that the local traffic signal system is capable of running optimally. The ITS will be capable of making adjustments at a moment’s notice to fit varying traffic patterns. This innovation is key to maintaining acceptable levels of service and marks an improvement over the existing conditions.

The City of Suffolk has adopted a policy on public-private partnership agreements. The policy is based upon the State legislation for Public-Private Transportation Act (PPTA). In order to meet the aggressive design and construction schedule, the City may entertain formal PPTA applications. Other more traditional design-build delivery method guidelines also have been adopted by the City Council and therefore are available to fast-track this project.



## PARTNERSHIP

The US Route 58 - Hampton Roads Intermodal Corridor project is truly a public-private partnership. The project requires creative collaboration between CenterPoint and McDonald Development as private entities that partner with the City of Suffolk, State and Federal environmental protection agencies, VDOT, the Port of Virginia, and other key Local; State; and Federal officials. Governmental commitment and support through zoning, entitlements, permits, road and infrastructure improvements, and economic incentives are what make economic development possible and regional growth a reality.

Funding for the US Route 58 - Hampton Roads Intermodal Corridor project is critical for the locally affected developments as well as the City of Suffolk given the traffic that is expected to be generated by the flow to and from CenterPoint Intermodal Center, Westport Commerce Park, Virginia Commerce Center, and Target Import Warehouse during the life of the projects. While traffic flows in the immediate area will be greater, especially to and from US Route 58 as it will capture park traffic, hundreds of thousands (if not millions) of truck movements can be eliminated from regional and state highways, including roads within the Port of Virginia, from use of the CSX main line connecting to CenterPoint Intermodal Center and Virginia Commerce Center.

CenterPoint Properties and McDonald Development, using their own private capital, have committed to funding significant up front infrastructure costs. CenterPoint has committed \$3.4 million for engineering and design costs along with approximately \$3.5 million in infrastructure improvements within the intermodal park that will benefit the overall functionality of two of the major intersections along the corridor. McDonald Development has committed to approximately \$4.0 million for the project. The project is currently estimated to cost approximately \$72 million, so total project funding from committed private investment may be as high as 15 percent.

Private development's total up-front investment will be substantial, and will be required years in advance of any revenue to be generated by the development projects. If the City and the developers do not receive Federal assistance for the US Route 58 - Hampton Roads Intermodal Corridor, these investments would make the developer projects uncompetitive and ultimately a failure at generating the thousands of new jobs and millions in new taxes for the City of Suffolk and surrounding communities.

The US Route 58 - Hampton Roads Intermodal Corridor project is important for the City of Suffolk as the expansion will mitigate traffic impacts to the local community and implement much needed safety features along the corridor, while enhancing the flow of traffic to and from the parks. Better traffic flow will help attract customers to the park, which benefits the City of Suffolk through new jobs and taxes. Funds for the US Route 58 - Hampton Roads Intermodal Corridor will ensure the private development projects have the public support they require to be successful.

In addition to the collaboration with the City of Suffolk, the developers are working closely with the Port of Virginia since park customers are very likely to be customers of the port, supporting its growth. The proposed private developments facilitate the elimination of truck traffic within the port, through use of CSX short-haul rail running to and from the port, which enhances the flow of goods within port property.

The efficient movement of goods within the port is not only of state importance, but of national importance given the port's position as a leading national gateway.

Lastly, CenterPoint Intermodal Center provides long-haul rail for park customers as well, with CSX linking the port and region to major markets throughout the Midwest, a route which is expected to be improved by CSX's proposed National Gateway that will enable double-stack trains. Moving goods long-haul by rail versus truck between these markets reduces traffic impacts to regional and national roads also while substantially diminishing diesel particle emissions. The efficient movement of goods throughout the country and minimizing greenhouse gas emissions are both of national importance.