

Agenda
Freight Transportation Advisory Committee of the HRTPO
October 1, 2015

The Virginia Port Authority Board Room
600 World Trade Center
Norfolk, VA 23510

- 1:30 pm **1. CALL TO ORDER**
- 1:35 pm **2. PUBLIC COMMENT PERIOD** (Limit 3 minutes per individual)
- REGULAR AGENDA:**
- 3.** Approval of previous meeting's minutes
- 1:40 pm **4.** Economic Assessment of Tolls on Freight Transportation in the Hampton Roads Region
- 2:00 pm **5.** Draft Resolution: Policy Development of Equitable Toll Measures
- 2:15 pm **6.** Update on HRTAC
- 2:25 pm **7.** Update on HB2
- 2:40 pm **8.** Draft 2016 FTAC Goals and Objectives
- 9.** Announcement of Next Meeting Date
- 3:00 pm **ADJOURNMENT**

ITEM #1: CALL TO ORDER

The meeting is scheduled to be called to order by the Chair at 1:30 p.m.

ITEM #2: PUBLIC COMMENT PERIOD

Members of the public are invited to address the FTAC. Each speaker is limited to three minutes.

ITEM #3: APPROVAL OF PREVIOUS MEETING'S MINUTES

Minutes of the FTAC meeting held on June 30, 2015 are attached.

Attachment 3

Recommended Action: Approve the minutes.

**Freight Transportation Advisory Committee of the HRTPO
Meeting Minutes**

June 30, 2015

The Virginia Port Authority
101 W Main St., #600, Norfolk, VA 23510
1:30 pm – 2:30 pm

Co-Chairman Arthur W. Moye, Jr. called the HRTPO Freight Transportation Advisory Committee (FTAC) to order at 1:35 p.m. in the Waterside Conference Room at the Virginia Port Authority, with the following in attendance:

MEMBERS:

Amy Brown (The CrossGlobe Group)
Arthur W. Moye, Jr. (Virginia Maritime Association) – Co-Chairperson
Chris Luebbers (Norfolk Southern Corporation)
Delegate Christopher P. Stolle (Virginia General Assembly) – Co-Chairperson
Keith Helton (Givens Transportation)
Mike Abbott (COSCO Container Lines)
Rick Morris (Canon Virginia, Inc.)

STAFF:

Jeff Florin (Virginia Port Authority)
Karen McPherson (McPherson Consulting)
Rob Case (HRTPO)
Dale Stith (HRTPO)
Michelle Dieges (Port of Virginia)
Paula Dowell (Cambridge Systematics, Inc.)

PUBLIC:

Tom Cosgrove (NNS)
Mack Frost (FHWA)
Ivan Rucker (FHWA)
Frank Papcin

1. CALL TO ORDER

The meeting was called to order by Co-Chairman Moye at 1:35 p.m.

2. PUBLIC COMMENT PERIOD

There were no public comments.

3. APPROVAL OF PREVIOUS MEETING'S MINUTES

Co-Chairman Moye indicated the FTAC Summary Minutes of the March 25, 2015 were included in the agenda. He asked for corrections or amendments to the minutes. Hearing none, Mr. Abbott Moved to approve the minutes as written, seconded by Ms. Brown. The Motion Carried.

4. ECONOMIC ASSESSMENT OF THE IMPACT OF TOLLS ON FREIGHT TRANSPORTATION COSTS IN HAMPTON ROADS REGION

Ms. Dowell with Cambridge Systematics presented the preliminary findings of the findings of the Economic Analysis of Freight Movements in the Hampton Roads study to the FTAC. She provided a study overview that outlined how the benefits of transportation infrastructure investment and tolls as a method to fund transportation projects. Ms. Dowell indicated that the study will summarize the benefits from increased capacity, benefits of the freight community, and will not include benefits realized by the everyday commuter. She also indicated that the study area included the Metropolitan Statistical Area and included freight-related data for the region not solely focused on port-related data.

Ms. Dowell's presentation outlined three major sections of the study:

- **Stakeholder Input**

Ms. Dowell stated that the focus on stakeholder interviews was to identify congestion areas in the region outside of the physical port terminal. Interviewees included shippers, carriers' economic developers and real estate developers. Carriers noted a decrease in the number of turns as well as the increase of dray rates over the last 12 months, which is seen nationally. The Hampton Roads Third Crossing was identified as the biggest regional need. Economic developers noted qualified labor pool as a key factor.

- **Benchmarking Assessments**

Ms. Dowell stated that the study team used manufacturing FAF codes for comparison and further noted the proprietary data evaluated by Parson's was limited and did not provide sufficient number of data points to be used in the analysis. In addition, to commodity data, the benchmarking evaluated distance trip comparison between the Port of Virginia, New York/New Jersey, Baltimore, Charleston, and Savannah.

- **Freight Cost Analysis**

Ms. Dowell indicated that the cost of truck analysis included four types of costs: VOT (Value of Time), VOC (Vehicle Operating Cost), Reliability (predictability of trip), and Tolls. The VOT and VOC costs utilized standards published by American Transportation Research Institute (ATRI) and were summarized in per mile and per hour cost. The future cost were generated using truck miles for the HRTPO regional modal and then applying the ATRI cost to each trip. As with any travel demand model, there are subjective assumptions required in order to perform more subarea assessment on a per truck basis. Ms. Dowell reviewed several key assumptions on toll rates, which trips were tolled and projects included in the future scenario.

Mr. Papcin asked if future truck growth associated with port growth was accounted for in future projects. Ms. Dowell noted that specific growth for the port was not applied but is included as part of the assumptions for land use in the regional 2034 model.

The FWHA representative asked if future cost considered the change in fuel efficiencies and standards anticipated with newer vehicles. Ms. Dowell noted that while a valid benefits that level of detailed was not included in this study.

As part of the fuel efficiency discussion, it was mentioned that natural gas is starting to be an attractive fuel for areas in south Florida and is providing reduced truck cost. Mr. Moye asked Mr. Helton if Givens Transportation is considering switching to this type of fuel in the future. Mr. Helton indicated there had been no discussion of consider to mover to natural gas.

Ms. Dowell provided summaries on two options, with each scenario outlining the four types of cost associated with the regional truck trip and the non-regional truck trip.

- 2040 Business as usual with increase truck traffic and no capacity improvement.
- 2040 with Capacity improvements funded by tolls.

The initial evaluation illustrated a cost saving with the 2040 Capacity improvement funded by tolls. However, under this scenario, the regional trip pays a larger percentage of the cost than the not regional trip. A preliminary “tipping point” was illustrated. Ms. Dowell noted that this is was regional cost per trips and that each user would have their own metric of costs.

Ms. Dowell concluded that the preliminary findings indicated that freight rates for the Port of Virginia are competitive with peer ports. In addition, the cost of nothing is significantly higher than adding capacity funded by tolls. Ms. Dowell also stated that the draft study will be presented to the FTAC in August and that she will be available to address comments on some of the input assumptions.

Based on the questions and assumptions identified during the discussion, Co-Chairman Moye asked if the study was ready to be released. Mr. Florin noted given the dialogue in the FTAC meeting, it would be more appropriate to delay the presentation to the TTAC until the report and supplementary information have been reviewed and approved by FTAC.

5. UPDATE ON DRAFT 2040 LRTP

Ms. Stith provided the FTAC a status update on the HRTPO 2040 Long-Range Transportation Plan (LRTP). The Plan is currently in Year 4 of the four-year processes and is nearing completion. The draft fiscally-constrained list of projects has been submitted to the HRTPO advisory committees a for review and comment as well as the public. Pending direction from the Hampton Roads Transportation Accountability Commission (HRTAC), additional projects will be added with the respecting funding plans.

Ms. Stith indicated that as part of the 2040 LRTP, the HRTPO had assembled a compendium of reports:

- Visioning Survey Report
- 2040 Socioeconomic Forecast and TAZ Allocations
- Committed and Candidate Transportation Projects
- Prioritization of Transportation Projects: Project Evaluation and Scoring
- Candidate Project Evaluation: Title VI and Environmental Justice Methodology
- Transportation Challenges and Strategies

Ms. Stith stated that the remaining 2040 LRTP products included the Funding Plan, Public Outreach, Project Information Guide, Plan Performance Evaluation, and Executive Summary.

Ms. Stith noted the FTAC participation in the review process and that freight is a large component in the System Preservation, Safety and Security section of the Plan. Ms. Stith also indicated that the six FTAC projects have been included in the draft plan:

- Dominion Blvd Phase II [CH]
- J. Clyde Morris Blvd/G.W. Hwy (US 17) [NN]
- G.W. Mem Hwy (US 17) (Dare to Denbigh) [YK]
- Triple Decker Bridge (interchange of US 13, US 460, and NS Rail Line) [CH]
- Hampton Blvd at Terminal Blvd (NO)
- I-64 at Northampton Blvd (study) [NO/VB]

Ms. Stith provided an overview of the funding plan for the LRTP, 2040 forecasted revenues, revenues available for construction, 2040 LRTP draft list of projects, and a summary of Committed Projects, Planned Construction Projects, Planned Studies, and Planned Locally-Funded Construction Projects.

Ms. Stith noted that the HRTAC projects are not currently included in the Draft LRTP fiscally-constrained list of projects, and will be included once the HRTAC develops a funding plan.

Ms. Stith concluded that the next steps in the process include developing a funding plan for HRTAC projects, public outreach and HRTPO advisory committee reviews of the draft fiscally constraint plan, completion of the LRTP documentation, and HRTPO Board approval, which is anticipated by the end of 2015.

6. FREIGHT FACTS REGARDING THE REGIONAL TRANSPORTATION NETWORK

As part of an on-going effort to compile Freight Fact for Hampton Roads, Ms. McPherson provided an update on the committee's projects.

Using data generated by the HRTPO staff in key freight studies, Ms. McPherson presented a Freight Fact sheet, which was developed to illustrate the top 10 freight gateways along with key freight bottlenecks in the area, identified by overall truck delay.

Ms. McPherson presented a second graphic, which illustrated the economic freight generators within the region. This graphic illustrated approximately 20 companies, sorted by industry type (distribution, food, manufacturing, military, shipbuilding, and other). Employment information was also illustrated in ranges and depicted by various size circles.

Ms. McPherson indicated that these graphics are a work in progress and several pieces of information are incomplete. Ms. McPherson requested FTAC members to provide input and/or guidance for the refinement of these graphics, and noted that once the graphics are finalized, they will be presented to the FTAC for final review and approval.

7. POTENTIAL 2015 ACTION ITEMS

Mr. Florin shared the previous goal and resolution (FTAC Resolution 2013-01) approved and adopted by the FTAC in January 2013 and suggested that this be the updated and the focus of the next meeting.

8. ANNOUNCEMENT OF NEXT MEETING DATE

The next meeting was tentatively scheduled for August 2015. A meeting date will be finalized via the coordination between FTAC staff and FTAC members to determine a complementary time.

ADJOURNMENT

With no further business to come before the HRTPO FTAC, the meeting adjourned at 2:45 p.m.

ITEM #4: Economic Assessment of Tolls on Freight Transportation in the Hampton Roads Region

Approved in 2011 by FTAC and funded by RSTP funds, the “*VPA Economic Analysis of Freight Movements in the Hampton Roads Region*” study is currently being conducted by Cambridge Systematics, Inc.

The purpose of this study is to provide the region with data that supports positions on funding new transportation facilities in a manner that generates the highest overall return on the cost of the investment. The total return is defined as optimal conditions for economic growth. By identifying tipping points by industry, the region will be able to consider in tandem where transportation efficiency and increased costs to freight businesses such as toll prices cross. This study is intended to be more specific than simply relying on freight flow and commodity data, and will also include reaching out to representative companies involved in freight movement.

The draft report was presented to the FTAC at its July meeting. Should the FTAC approve the final report, it will then be presented to the HRTPO TTAC and HRTPO Board, followed by a two-week public comment period before final approval by the HRTPO Board in November 2015.

Cambridge Systematics, Inc. will brief the FTAC on the final report.

Recommended Action: Recommend approval of the final report.

ITEM #5: DRAFT RESOLUTION: POLICY DEVELOPMENT OF EQUITABLE TOLL MEASURES

The “*VPA Economic Analysis of Freight Movements in the Hampton Roads Region*” study analyzes the economic trade-offs of the benefits of transportation infrastructure investments and tolls as a way to pay for the investments.

The study recommends:

- The region should consider the impact on the freight industry as they evaluate and prioritize capacity expansion projects. Evaluation of individual projects is required to more completely understand the trade-offs between congestion relief benefits and toll costs accruing to the freight users.
- The analysis indicates that a significant amount of the toll burden will fall on local truck trips. This has the potential to impact if and where businesses locate in the region. As plans move forward and toll rates are examined for each facility, there should be discussion of potential mitigation strategies that may include variable toll prices by type of user, frequency of use, and other local incentives that create equitable toll structure (local versus non-local).

Attached is a draft resolution that recommends that as tolls are considered as a funding source in Hampton Roads, policies be established to create equitable tolls on the regional freight industry.

Mr. Moye will brief the FTAC on this item.

Recommended Action: Discuss, and revise as necessary, then submit resolution to the HRTPO Board.

ITEM #6: UPDATE ON HRTAC

On March 2014, the Virginia General Assembly adopted HB1253/SB513, which provides for the creation of the Hampton Roads Transportation Accountability Commission (HRTAC) in order to manage the Hampton Roads Transportation Fund (HRTF) revenues for the Hampton Roads region. Signed into law in April 2014, the HRTAC become effective on July 1, 2014.

The HRTAC serves as the financial arm for the HRTF. It also provides oversight for key regional projects advanced with the HRTF funds. Since July 2014, the HRTAC has regularly met discussing the eight regional projects being vetted through the HRTPO.

During the December 2014 meeting, the FTAC was briefed on HRTF projects and their impact to the freight industry. Since the last FTAC briefing on the HRTAC, the HRTAC has employed a new Executive Director and taken action on items such as General Assembly legislative priorities, Operating Budget, and Initial Financial Plan of projects and activities.

Dr. Camelia Ravanbakht, Deputy Executive Director, will brief the FTAC on this item.

Recommended Action: For your information and discussion.

ITEM #7: UPDATE ON HB2

House Bill 2 (HB2), signed into law in 2014, directed the Commonwealth Transportation Board (CTB) to develop and use a prioritization process to select transportation projects. The legislation is intended to improve the transparency and accountability of project selection, as well as improve stability in the Six-Year Improvement Program (SYIP). The process is to score projects based on an objective analysis and provide guidance to the CTB for project selection and funding. Following a year of development, the CTB approved the HB2 prioritization process during its meeting on June 17, 2015.

The key goals of HB2 are:

- To promote performance in the selection of projects for the SYIP
- To provide stability to the SYIP
- To establish a project pipeline that links planning to programming

As an eligible applicant, the HRTPO intends to submit several regional priority projects for evaluation under HB2. In addition, as specified in the CTB's *HB2 Implementation Policy Guide*, localities and transit agencies may request resolutions of support from the HRTPO for projects they wish to submit under HB2. HRTPO resolutions of support will be provided in accordance with the *HRTPO Guidance on House Bill 2*, approved by the HRTPO Board on July 16, 2015.

The HRTPO Guidance document may be accessed on the HRTPO website at: [http://www.hrtpo.org/uploads/docs/HRTPO Guidance on HB2.pdf](http://www.hrtpo.org/uploads/docs/HRTPO%20Guidance%20on%20HB2.pdf).

All applicants are reminded to submit their projects via the HB2 online application by the September 30, 2015 deadline.

Dr. Camelia Ravanbakht, Deputy Executive Director, will brief the FTAC on this item.

Recommended Action: For your information and discussion.

ITEM #8: DRAFT 2016 FTAC GOALS AND OBJECTIVES

As an advisory committee of the HRTPO, the FTAC advises the HRTPO Board on regional freight transportation requirements, conducts public outreach activities that help HRTPO efforts to help raise awareness of the importance of freight transportation to the region, and collects region-wide public input on these matters. To this end, the FTAC prepares a list of goals and objectives annually in the form of a resolution submitted to the HRTPO Board.

Attached is a draft list of 2016 FTAC Goals and Objectives for review.

Mr. Jeff Florin, will brief the FTAC on this item.

Recommended Action: Discuss, and revise as necessary, then submit resolution to HRTPO Board.

ITEM #9: ANNOUNCEMENT OF NEXT MEETING DATE

The Chairman will announce the next meeting date of the FTAC.