I-64 Hampton Roads Bridge-Tunnel (HRBT) Expansion
Project Screening Report:
(Additional Information to Economic Development Section)

There are three major economic drivers in the Hampton Roads region of Virginia – defense spending, tourism and the Port of Virginia. Collectively, these account for about 55% of the value of the Hampton Roads regional economic output annually. Both tourism and the Port of Virginia are expanding, with defense spending potentially seeing expansion as well, based on congressional action.

1. Impacts to the Port of Virginia

The Hampton Roads navigation channels (including at the HRBT) are free from overhead restrictions and offer clearance to 50-foot depth – with Congressional authorization obtained to dredge to 55 feet. Over the years, the Port of Virginia has seen an increase in vessel calls. Nearly 30 international shipping lines offer service to and from Virginia, with connections to 200+ countries around the world. On average, more than 40 international vessels are serviced at Virginia marine terminals, facilitating direct and indirect economic activity and jobs. In addition, CSX and Norfolk Southern serve the Port of Virginia via on-dock intermodal container transfer facilities, two of which are located at Virginia International Gateway and Norfolk International Terminals. Overall, the Project will result in an enhanced highway network capable of supporting a sustained increase in container traffic to and from Port of Virginia facilities.

The enhanced highway network of HRBT, High-Rise Bridge and the Intermodal Connector (I-564) will add to the growth of the Port of Virginia and the State’s economy:

1.1 According to an economic impact study conducted by the Mason School of Business at the College of William & Mary, approximately 374,000 Virginia jobs – nearly 10% percent of the state’s resident workforce – are linked to port activity across six terminals. Those jobs generate $17.5 billion in annual compensation and $1.4 billion in state and local taxes.

1.2 The Port of Virginia set a new annual record in 2018 for container cargo volume having handled more than 2.85 million TEUs, a 2.4% increase over 2017 totals.

1.3 The cargo split was 47% exports and 53% imports with 62% of the cargo be transported by trucks using the highways of Hampton Roads.

1.4 In FY 2018, 51 businesses invested a combined $1.4 billion in new buildings or expansions of existing operations, resulting in 3 million additional square feet of space and the creation of 5,000 new jobs across the Commonwealth.

1.5 The Port of Virginia disperses $1 million annually for Aid to Local Ports and $1.2 billion invested in port-related economic development in FY 2018.

1.6 An annual $6.95 million available in Virginia Port Incentives and the Virginia Inland Port has generated investments totaling more than $900 million.
1.7 John F. Reinhart, Port of Virginia CEO & Executive Director, said the FY 2018 success “…we are looking to the future and building a capacity for greatness.” He also noted that “…reducing congestion on city streets by providing better interstate access to motor carriers and diversifying the cargo mix by investing in infrastructure” are all part of the Port of Virginia’s successful future.

2. Impact to the Military

Hampton Roads has been defined as the East Coast epicenter of military activity with a huge naval footprint and host to major Air Force, Army, Marine Corps, Navy, and Coast Guard facilities. The military’s economic development activity accounted for nearly 39% of the value of the Hampton Roads region’s gross output in 2015, according to the most recent Old Dominion University report on the state of the region. The Hampton Roads Chamber of Commerce notes the total military population, including active duty and civilian personnel in the Hampton Roads region is approximately 150,000, with a total population of 1.6 million. And, more than 40,000 civilians are employed in the industry. The Project, with its increased capacity and travel time reliability, will allow greater strategic mobility by military personnel between the installations and greater access for civilian workers. Both will have a significant positive effect on the Hampton Roads region’s economic outlook in the following ways:

2.1. The HRBT Expansion Project will increase the strategic connectivity of the 20+ military installations in Hampton Roads, eight (8) are located on the Peninsula and 13 are located on the Southside.

2.2. Each military branch has facilities in Hampton Roads, with 100,000+/- military and 40,000+/- civilian personnel serving in the area.

Major military units and headquarters in Hampton Roads include NATO’s Allied Command Transformation, U.S. Joint Forces Command, U.S. Fleet Forces Command, the U.S. Air Force’s Air Combat Command, U.S. Marine Corps Forces Command, and the U.S. Army Training and Doctrine Command. The entire State hosts an interconnected network of major bases and training ranges, with over 200,000 active duty military, civilian personnel, ancillary workers, and approximately 5,000 defense-related companies. In fact, Virginia consistently ranks among the top U.S. states in defense spending - - ranked first at $54.7 billion in FY15 or 11.8% of Virginia’s GDP.

2.3. Late in 2009, several local military representatives told the Hampton Roads Transportation Planning Organization (HRTPO) Board that congestion and delays at bridges and tunnels hurt mission performance effectiveness and efficiency. Rear Admiral Byron E. Tobin (Retired U.S. Navy) addressed the HRTPO Board in February 2010, stating: “...we are dependent, in large measure, upon the resources and support of this region for the efficient and successful conduct of our mission. One of the key components of that success is mobility, [which is currently impeded] because our transportation infrastructure is in decline and struggling to meet our needs”.

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2.4. The Project is part of the Strategic Highway Network (STRAHNET) which is required to meet the design standards for the National Highway System established by the FHWA and AASHTO. Therefore, the Project will be built to meet the recommendations of the Hampton Roads Military Transportation Needs Study, which noted, “As the Hampton Roads Bridge-Tunnel is rehabilitated or new tubes are added, ensure that the vertical clearance meets or exceeds the 16-foot threshold, similar to the Monitor-Merrimac Memorial Bridge-Tunnel”.

2.5. In a Military Commuter Survey conducted (September/October 2017) by the HRTPO, the top reported transportation problems by military commuters were traffic congestion (79%), traffic backups at military gates (67%), and poor roadway maintenance (42%).

3. Impact to Hampton Roads Tourism

Major tourism and recreation centers, historic sites and museums, and regional city centers rely on consistent transportation facilities to bring people and goods to their locations. Employment in the Hampton Roads leisure and hospitality industry has grown from 9.8% to 11.4% over the past two decades. According to the Virginia Tourism Corporation, tourism spending rose to $4.23 billion in 2013, or 4.8% of the Hampton Roads regional GDP. Tourism is a significant driver of the regional economy and additional roadway capacity developed as part of the Project will allow for greater access and travel time reliability to key tourist destinations.

3.1 For FY 2014, total tourism expenditures in Hampton Roads equaled approximately $4.36 billion. This $4.36 billion in expenditure represents a 3.9% increase from FY 2013. This equated to roughly 20% of total FY 2014 tourism expenditures in the Commonwealth.

3.2 For FY2014, tourism related activities helped create over 12,500 jobs within the City of Virginia Beach, followed 7,000 new jobs in the City Norfolk.

3.3 For FY2014, Hampton Roads saw total local tax revenues reach over $151 million, a 2.1% increase from FY 2013. Virginia Beach witnesses the largest injection of local tax revenues equaling approximately $52 million, followed by the City of Norfolk at $23 million.

3.4 Employment in the Hampton Roads Leisure and Hospitality Industry has grown over the past 23 years, and has increased from 10% of regional civilian employment to 11% of employment.

3.5 Hampton Roads is a well-established tourism destination. It accounted for over $3.9 billion in travel and tourism expenditures in 2011 (approximately 19% of the state’s overall travel and tourism expenditures), which represents the second largest share among the regions and an increase of 6.3% since 2007.

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1 These problems are illustrated in Maps 10 to 13 for Severely Congested Roadways Serving the Military (2016 AM and PM Peak) – Hampton Roads (https://www.hrtpo.org/uploads/docs/071918%2013%20Enclosure%20Military%20Trans%20Needs%20Study%20-%202018%20Update%20FINAL%20%281%29.pdf; and)
With Interstate 64, which connects the Hampton Roads region with the Shenandoah Valley, and two commercial airports, the region is accessible, yet traffic congestion is recognized as a significant challenge (including congestion on the key I-64 artery running through the region). Traffic congestion impacts visitation within the region and diminishes the potential for cross-visititation among destinations, including other regions in the state. This transportation challenge is a potential limiting factor for future tourism growth in the region.

3.6 The Supplement to the Virginia State Tourism Plan notes that tourism stakeholders should be involved with other regional leaders in transportation planning initiatives, including improvements or expansions of bridges, tunnels, and highways as a means to alleviate traffic. Traffic congestion is a significant issue for the region, including congestion on the key I-64 artery running through the region. It is important for tourism that transportation plans which will improve the visitor experience and resident quality of life are addressed expeditiously and with cohesive support from tourism stakeholders.

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List of References:


https://www.hamptonroadschamber.com/page/our-military/