

Hampton Roads Association for Commercial Real Estate

2012 Legislative Priorities

December 22, 2011

1. **Support** the nine legislative priorities of the *Hampton Roads Transportation Planning Organization* as approved and adopted October 20, 2011, with specific emphasis on the following:
 - Full funding of Highway and Maintenance Operating Fund;
 - Identification of dedicated source of funds to support passenger rail operating costs between Richmond/Petersburg and Hampton Roads including Peninsula and Southside; and
 - Support legislation requiring Commonwealth to pursue federal funding for continuation and expansion of intercity and high-speed passenger rail service in Hampton Roads region
2. **Support** the creation of *Virginia Federal Facilities and Defense Industry Caucus* to increase General Assembly members and state agency awareness and understanding of issues facing Virginia. Legislative districts hosting federal installations or have concentration of private businesses focusing on federal sector.
3. **Oppose** enactment of *Eminent Domain Constitutional Amendment*. Given the potential impact proposed changes may have on the ability to construct and expand essential public infrastructure including roads, utility and stormwater services in the future, HRACRE encourages the legislature to put the Constitutional amendment on hold and instead address the issues of concern through changes to the Code of Virginia only; Virginia Beach Vision agrees with HRACRE. The pending amendment removes the existing authority of the General Assembly to define what constitutes a public use and expands the definition of "just compensation" to include lost profits and lost access, terms that are to be defined at a later time by the legislature and may well result in significant increased claims for damages to adjacent properties. It further requires that compensation include consideration for damages to the residue caused by the taking but does not allow for an offset of those awards resulting from enhancements to the residue. This could result in windfall profits to a property owner at taxpayer expense. Language to be included in the Constitution would restrict the taking to no more private property "than necessary to achieve the stated public use." This language might prohibit the acquisition of right-of-way necessary to the future expansion or phased improvement of public infrastructure resulting in significantly increased future costs or the inability to acquire necessary properties. The Virginia General Assembly wisely developed the legislative practice of requiring that a fiscal impact statement be done on legislation that would impact the cost of government. While the proposed Constitutional amendment will impact the cost of developing public infrastructure, no fiscal impact statement has been provided. A change to the Constitution will make it very difficult, if not practically impossible, to address the type of unintended consequences suggested above. The legislature and the Commonwealth will be better served by putting the desired property rights protections that the Constitutional amendment envisions into the Code of Virginia.
4. **Support** capitalizing the *Intercity Passenger Rail Operating and Capital Fund* by increasing current car rental tax from 10% to 14 or 15%. According to Department of Rail and Public Transportation (DRPT) a 4% increase would generate an additional \$27-\$33 million in annual revenues. This would cover operating costs associated with current service, plus three Norfolk trains through 2021 horizon with a \$29 million surplus for potential capacity expansion.
5. **Support** full funding of *Virginia Enterprise Zone Program* as recommended by *Governors Commission on Economic Development and Job Commission*. The EZ Program is currently only paying 62% of every dollar for each qualifying project. Consistent program underfunding negatively impacts local economic development.
6. **Support** legislation continuing the *Brownfield Restoration and Economic Redevelopment Assistance Fund* for the 2012-2014 biennium. Fund is used to restore land parcels or buildings with environmental problems so they can be marketed to new economic development prospects.
7. **Closely monitor for cost-effectiveness and reasonableness** of one-year study resolution to examine efforts to address relative *sea level rise and coastal flooding* in Virginia's shoreline and coastal communities.