MEETING SUMMARY JOINT NVTC-PRTC LEGISLATIVE BRIEFING DECEMBER 10, 2018 EMBASSY SUITES by HILTON – SPRINGFIELD, VIRGINIA 9:00 A.M.

NVTC Members Present

Sharon Bulova Katie Cristol Libby Garvey Tim Lovain Jeff McKay David Meyer M. David Skiles Paul Smedberg Raul "Danny" Vargas

NVTC Members Absent

John Cook Jim Corcoran Christian Dorsey Adam Ebbin John Foust Catherine Hudgins David LaRock James LeMunyon Matt Letourneau Ron A. Meyer David Snyder

NVTC Staff Present

Kate Mattice, Executive Director Matt Cheng Karen Finucan Clarkson Nobuhiko Daito Joey de St. Aubin Andrew D'huyvetter Allan Fye Rhonda Gilchrest Dan Goldfarb Patricia Happ Scott Kalkwarf Aimee Perron Seibert Andrew Roy Colethia Quarles Melissa Walker Jae Watkins

PRTC Members Present

Ruth M. Anderson George L. Barker Norm Catterton (Alternate) Todd Horsley (Alternate, DRPT) Jeanette Rishell Pamela Sebesky

PRTC Staff Present

Bob Schneider, Executive Director Kasaundra Coleman Tracy Dean Althea Evans Perrin Palistrant

Opening Remarks

Jeff McKay, Fairfax County Supervisor representing the Lee District and a NVTC Commissioner, welcomed everyone to the Lee District and to the fourth annual NVTC-PRTC Joint Legislative Briefing. Mr. McKay thanked NVTC and PRTC staff for organizing this event, with special acknowledgement of Kasaundra Coleman and Althea Evans from PRTC and Karen Finucan Clarkson and Rhonda Gilchrest from NVTC.

Mr. McKay then introduced NVTC's Chairman Paul Smedberg. Mr. McKay thanked Chairman Smedberg for his years of service on the Alexandria City Council, NVTC and the WMATA Board of Directors. Mr. McKay announced that Paul Smedberg will continue to serve as a NVTC Commissioner since he has been selected by Secretary of Transportation Shannon Valentine to serve as the Commonwealth's principal member on the WMATA Board of Directors and NVTC.

NVTC Chairman Smedberg stated that this joint briefing is an annual event and it's designed to update elected officials and others on recent and desired changes in the legislative landscape and how they impact transit in Northern Virginia. Before introducing the keynote speaker, NVTC Chairman Smedberg acknowledged state and local elected officials in the audience:

General Assembly Members in Attendance:

Senator George Barker Senator Scott Surovell Delegate Eileen Filler-Corn Delegate Kathleen Murphy Delegate Danica Roem Delegate Vivian Watts

Local Elected Officials in Attendance:

Ruth Anderson, Prince William County Board of Supervisors/PRTC Chairman Elizabeth Bennet-Parker, Alexandria City Council Member-Elect Sharon Bulova, Fairfax County Board of Supervisors Chair/NVTC Commissioner Norm Catterton, Prince William County Board of Supervisors/PRTC Alternate Katie Cristol, Arlington County Board Chair/NVTC Commissioner Libby Garvey, Arlington County Board Member/ NVTC Commissioner Tim Lovain, Alexandria City Council Member/NVTC Commissioner Jeff McKay, Fairfax County Board of Supervisors/NVTC Commissioner David Meyer, Mayor of the City of Fairfax/NVTC Commissioner Jeanette Rishell, Mayor of Manassas Park/PRTC Commissioner Pamela Sebesky, Manassas City Council Member/PRTC Commissioner Allison Silberberg, City of Alexandria Mayor Paul Smedberg, Alexandria City Council Member/NVTC Chairman

Others Recognized:

John Milliken, Chairman of the Virginia Port Authority Board of Commissioners M. David Skiles, NVTC Commissioner Raul "Danny" Vargas, NVTC Commissioner Chairman Smedberg introduced the keynote speaker, Matt Kelly, CEO of JBG Smith, one of the major players in the deal that will bring Amazon's second headquarters (Amazon HQ2) to Crystal City and the City of Alexandria (National Landing). Mr. Kelly will provide an insider's perspective on the importance of the region's transportation infrastructure in securing the Amazon HQ2 for Northern Virginia and the opportunities for innovation in project implementation.

Mr. Kelly stated that JBG Smith was established in 1946 and is the largest real estate operator in the region, focusing on a local portfolio of almost 40 million square feet of office, apartments, retail and land. About two-thirds of the company is invested in Northern Virginia with much of that being land for new development. JBG Smith's bread and butter business is mixed-use urban development, with a heavy focus on what is called place making and concentration and walkable transit. Transit is core to JBG Smith's strategy with over 98 percent of its portfolio within a half mile of a Metrorail station with an average walk score of 84, one of the highest in the industry. JBG Smith cares about smart growth and about the competitiveness of this great region. By definition that means they care deeply about transit.

Mr. Kelly observed that transit is only half of the equation. People want to locate in high density environments that can accommodate growth and where they can be near amenities, such as retail, restaurants and bars, and small shops serving the neighborhood. This is why it is important for private developers to partner with local and state government to create urban locations with transit options that include amenities and walkability.

Mr. Kelly stated that in the pursuit of Amazon and the success of them choosing the National Landing location, Amazon was attracted to that area in part because of its closein location, access to a deep and educated employee base, and access to transit and the promise for future infrastructure. Amazon was focused on what could be done to accommodate their future growth and how the transit infrastructure already in place could be leveraged by adding connections and improving service for the future. Fortunately, Arlington County shares this vision and has been an indispensable partner.

Mr. Kelly stated that while it required hard choices, particularly in Northern Virginia, the regional agreements to fund WMATA this past year was a powerful demonstration of both the value of the Metro system to our shared economy and also the capacity of our elected leaders to transcend parochial interests in service to the region. He stated that there is no question in his mind that this unprecedented demonstration of regional commitment to transit was a major influence in Amazon's decision to locate here.

Mr. Kelly reviewed several transit projects critical to the success of National Landing. The east entrance to the Crystal City Metro station will leverage the value of one of National Landing's greatest assets. This station can help shift the center of gravity to Crystal Drive, which JBG Smith sees as the neighborhood's true retail Main Street as the focus of a planned multibillion-dollar investment in the submarket. VRE is also planning to relocate its existing commuter rail station in Crystal City. JBG Smith is working closely with VRE

on the design of that station, not just because it will be built in part on JBG property, but also because they see the potential for more robust passenger rail in this corridor and it is important to ensure that investments are made today and to take advantage of those future opportunities down the road. The key to unlocking those opportunities is the Long Bridge project, which JBG Smith strongly supports. It is essential to National Landing's long-term success as a multimodal transit hub.

Mr. Kelly stated that JBG Smith is also thrilled to see the bike and pedestrian connection linked to the Long Bridge project. The pedestrian bridge to Reagan National Airport is also critically important. Amazon has a large percentage of their employees who commute by bike. This is something that is relatively small in scale and scope but has an outsized impact and says a lot about innovation and creativity in our region. Finally, the Potomac Yard Metrorail station will bring new riders and anchor a growing vibrant community around transit and walkability. The combination of existing transit infrastructure and commitments to new improvements are an important part of what gave Amazon confidence to choose this region and the confidence to invest in over \$2 billion in new development at National Landing over the next decade outside of what Amazon will spend on their headquarters buildings.

Mr. Kelly stated that there are still many challenges ahead. The Commonwealth has made an extraordinary commitment to help fund these critical projects. But these investments alone will not solve the region's broader transit funding needs. While it is important to continue to make the case in Richmond on the importance of investing in our transit infrastructure, we must also take steps to deploy the funding we do have as effectively as possible. An important trend that needs to be cultivated is private sector involvement in these initiatives. Private sector involvement can help inform design and functionality, can share risks, can manage costs and timelines, and can drive innovation in the process. This works best when the private sector is a true partner with the public sector and both sides have a stake in a project's success. The Washington D.C. region and Virginia in particular have been leaders in this regard.

Mr. Kelly stated that it is important to reflect and appreciate what a particularly exciting time this is for the region. This region has the third largest economy in the country; seventh largest in the world, with a Gross Domestic Product (GDP) of more than \$650 billion. This region is home to 53 Fortune 500 companies, as well as prestigious universities and a well-educated workforce (#3 in the nation for tech talent). Seventy percent of the world's internet traffic comes through this region. Mr. Kelly observed that as the Wall Street Journal noted last week, Amazon's decision to build its next headquarters in the heart of National Landing reflects the region's emergence as an economic powerhouse. These are phenomenal strengths upon which to build to secure a place as the leading growth economy in the country. JBG Smith looks forward to continuing to build the region with all of you as our partners in this effort. He thanked NVTC and PRTC for inviting him to share his insights.

Mr. Kelly then spent some time answering questions from the audience. Ms. Mattice thanked Mr. Kelly for his remarks.

PRTC Chair Ruth Anderson introduced the panel members, including WMATA General Manager Paul Wiedefeld, VRE Chief Executive Officer Doug Allen, and PRTC Executive Director/OmniRide Bob Schneider. Ms. Mattice will serve as the moderator since DRPT Director Mitchell was unable to attend due to bad weather in Richmond.

Ms. Mattice observed that this past year was a landmark year for legislation on transit for Virginia. She asked the panelists what this has meant for their transit agency, including challenges and opportunities resulting from the legislation.

PRTC Executive Director Schneider talked about the benefits from the gas tax floor. If that legislation did not pass the region would be collecting less revenue for transit right now. This not only impacts PRTC's OmniRide service but also other regional transit systems. When fuel prices dropped back in 2013, PRTC had to cut \$1.7 million of service in a single budget year. With the new gas tax floor, it provides flexibility and the ability to better leverage funding.

Mr. Allen stated that VRE serves the corridors of statewide significance along the I-66 and I-95 corridors. VRE provides a tremendous amount of capacity and it's cost effective because VRE operates all its service during rush hour and takes more people off the roads. VRE carries the equivalent of another lane of traffic. VRE is accessible to high concentration employment areas like Crystal City/National Landing as well as L'Enfant Station, Union Station and Capitol Hill. Unless there is funding, VRE is not able to achieve much. VRE is updating its financial analysis to identify what funding VRE needs moving forward in the future. Fortunately, during the last General Assembly Session, a Commuter Rail Operating Fund (C-ROC) was created that provides \$15 million annually to VRE. This funding can be used for capital and/or operating. He thanked the General Assembly and the Northam Administration for creating this fund for VRE.

Mr. Allen noted that VRE is focused on the final design of the Crystal City VRE station and it is anticipated that some of the C-ROC funding will be used for that. Regarding longterm planning, the Long Bridge project is a tremendous game changer for this region. Both projects will be important to improve access to National Landing.

WMATA General Manager Paul Wiedefeld stated that the legislation that was passed providing dedicated funding to Metro allows WMATA to deal with decades of deferred maintenance. WMATA is focusing on track and station work, the propulsion system, signal systems, and customer service initiatives. Funds are also being used to improve Metrobus service. By using these funds, it results in a safe and reliable system, which is the key to driving future revenues, which in turn can drive down the subsidy from the local governments. It also supports the economic development of this region, congestion relief, environmental quality, and quality of life.

Ms. Mattice asked the panelists to talk about the Amazon HQ2 location at National Landing and what it means to their specific transit agency. Mr. Wiedefeld stated that Crystal City and the Potomac Yard stations are key locations for Metro. WMATA is focused on making sure the Potomac Yards project gets moving quickly so the schedule

will be met. This station offers the entire region access to these new jobs. Metro service was part of the larger equation in Amazon choosing National Landing.

Mr. Allen stated that VRE, as a commuter rail system, brings people from all over the service area. With additional funding VRE can run more trains. VRE worked with Arlington County and the community to get consensus on the new location of the Crystal City station.

Mr. Schneider stated that from a multimodal perspective, it's not just about rail and bus. People also want to carpool, vanpool, slug, etc. PRTC/OmniRide is prepared as an organization to put these all together. He also observed that Amazon has a history of coming in and incentivizing transit use, where they work with transit systems, fund operations and do the legwork. OmniRide has much more flexibility on what it can do compared to WMATA and VRE. One of the big issues in the near term is the Horner Road park-and-ride lot along I-95, which has approximately 2,500 spaces. It currently reaches over capacity at close to 2,800 a day, which includes 300 illegally parked cars. There is a new 1400 space parking garage, but it will be at instant capacity with the number of people coming into the region as result of Amazon HQ2, plus the other technology companies that will follow. The good news is that OmniRide service can be flexible.

For the last question, Ms. Mattice asked what single legislative "ask" each transit agency has at the federal and/or state level that would help their transit agencies in the short or long term. Mr. Schneider responded OmniRide needs capital funding. Federal capital funds of \$350 million flow into the region, but 98 percent goes to WMATA and VRE. Mr. Allen stated that VRE won't have an "ask" for a few years, but after it completes its financial analysis, VRE will begin the process of seeking more funding. The Long Bridge project is a critical project and will be transformational. It is important to think regionally on this project. Mr. Wiedefeld stated that the reauthorization of the Passenger Rail Investment and Improvement Act (PRIIA) funding is a priority since it brings in \$150 million per year in dedicated Metro funding. WMATA needs these funds to keep making improvements to maintain a safe and reliable Metro system.

The panel then took several questions from the audience. Delegate Watts asked that as these three transit agencies make their legislative "asks" they do so in terms of new revenues rather than shifting revenues in regard to capital needs.

Closing Remarks

In closing, Chairman Smedberg stated that there's been an incredible amount of transformation in transit throughout the region. He is proud of the role NVTC has played along with its partners such as PRTC, VRE, WMATA and the Commonwealth to advocate for transit at the local, regional, state and federal levels. These partners helped win major funding from the 2013 transportation funding package to this year's dedicated funding for WMATA and VRE. NVTC oversees new investments for transit along I-66 and soon along the I-395 corridor, expecting more than \$30 million a year for new and expanded transit services. There is work underway to connect Tysons and Alexandria through the creation of a Bus Rapid Transit (BRT) system. New fare technologies and mobile ticketing are

being developed for the region. For the future, there is a framework for a world class transit network and with the arrival of the Amazon HQ2 at National Landing, the region will see increased investment in transit.

NVTC Chairman Smedberg encouraged Virginia General Assembly members to pass a transit package which will be key to fund the expansion of the Metroway, which will connect Amazon HQ2 to Virginia Tech's Innovation Campus in Alexandria; additional entrances to the Crystal City and the Potomac Yard Metro stations; the VRE Crystal City Station; and the pedestrian bridge between National Airport and Crystal City. The Long Bridge project is also key to remove the rail bottlenecks that slow rail service. He agreed with Delegate Watts that the region needs new funding, not just shifted funding.

NVTC Chairman Smedberg thanked everyone for coming.

Approved this third day of January 2019.

Matthew F. Letourneau Chairman

Sharon Bulova Secretary-Treasurer