
Financing the Dulles Metrorail Extension

Rail~Volution 2005

***Salt Lake City
September 9, 2009***

***Richard F. Stevens
Fairfax County DOT***

Financing the Dulles Metrorail Extension

■ **The Project**

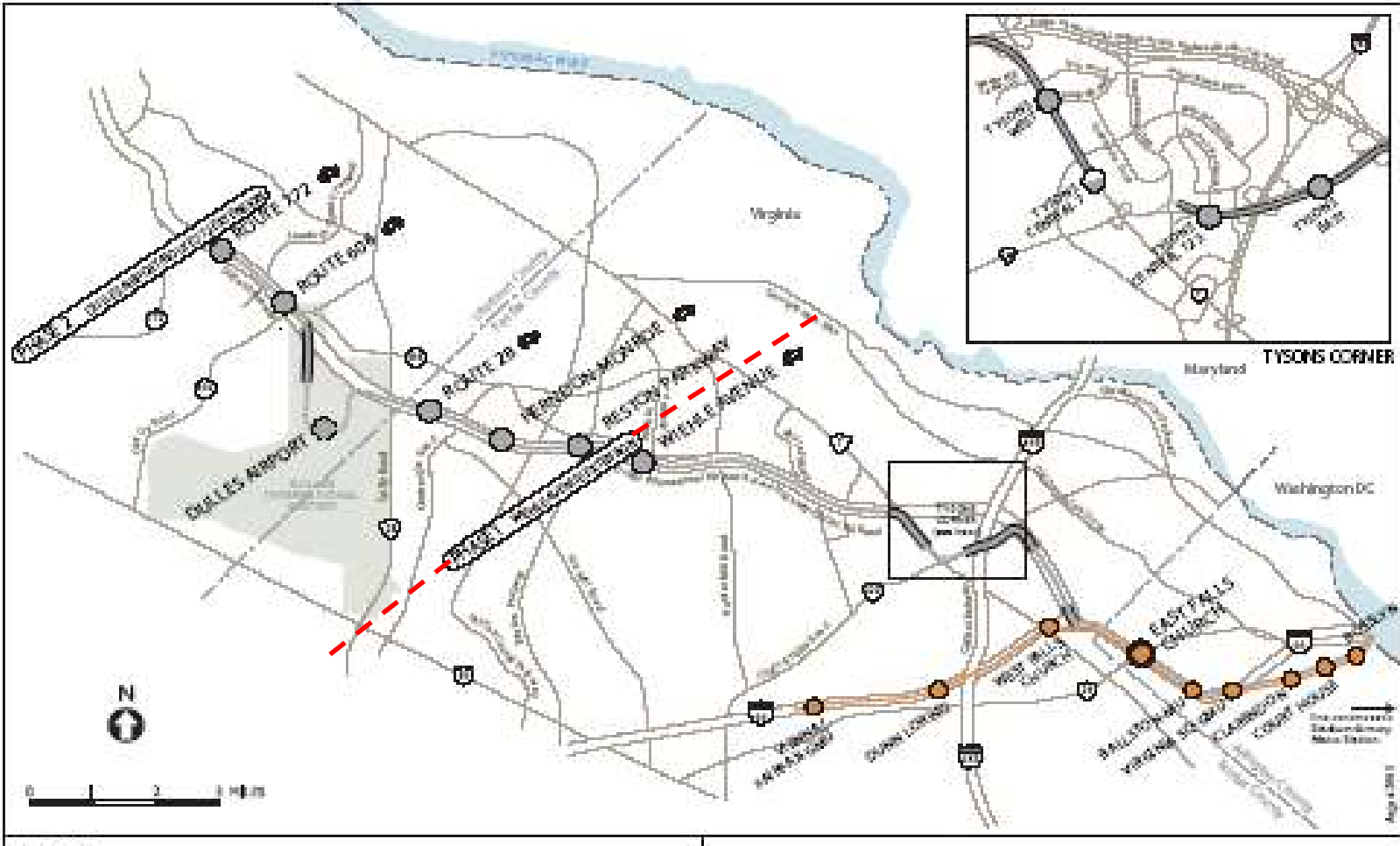
- **23 mile extension of the Washington DC Metrorail system into Northern Virginia**
 - **Fairfax County – 8 stations**
 - **Loudoun County – 2 stations**
 - **Dulles Airport – 1 station**
- **Completed FEIS and obtained ROD from FTA and the FAA**
- **Construction in two phases**
 - **Virginia Public Private Transportation Act (PPTA)**
 - **Design/Build Contract**

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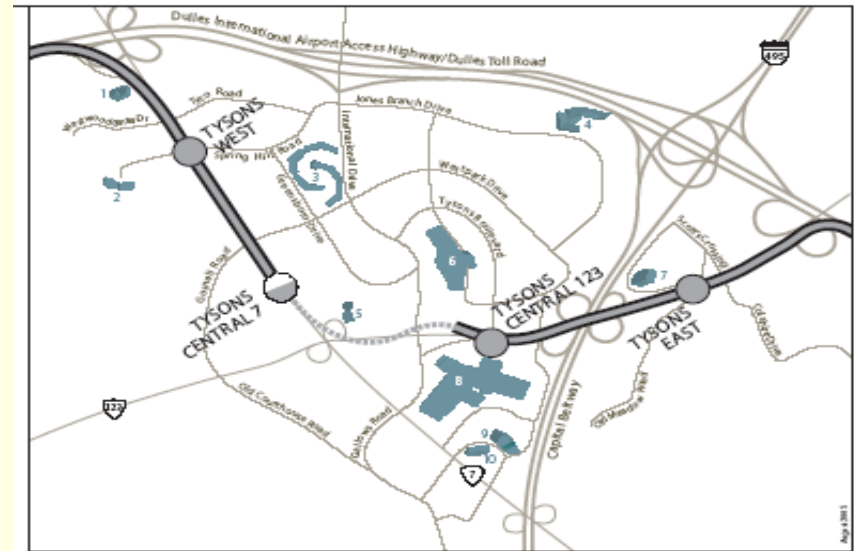
- **The corridor is composed of four major nodes:**
 - **Tysons Corner**
 - 37 million sf of office, commercial and retail space
 - 2nd only to Washington DC
 - **Reston**
 - Planned Community of 60,000 residents and 40,000 jobs
 - **Dulles Airport**
 - One of the fastest growing airports in the nation
 - About 25 million annual enplanements
 - **Loudoun County**
 - Fastest growing county in the nation
 - Population and employment to double in next 10 years

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Dulles Corridor LPA



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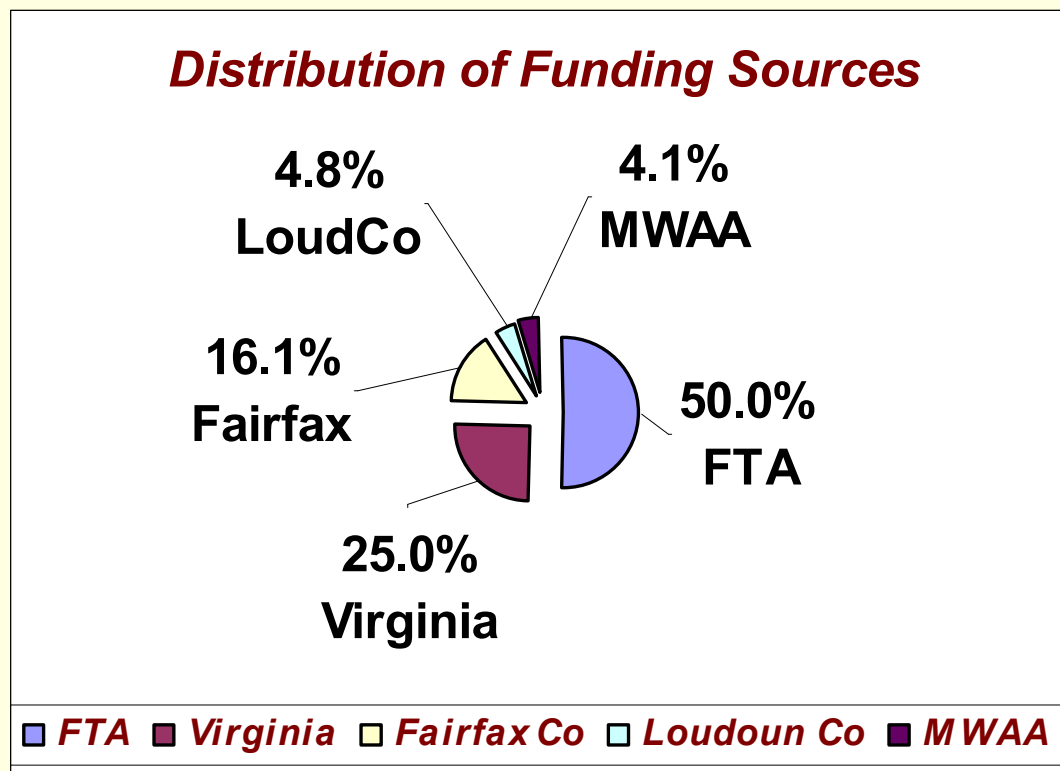


*Tysons Corner
Fairfax County's "Downtown"*



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- Total project cost estimated at \$3.5+ billion
- Project financing through a public-private partnership:



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■ Phase I Funding Approach

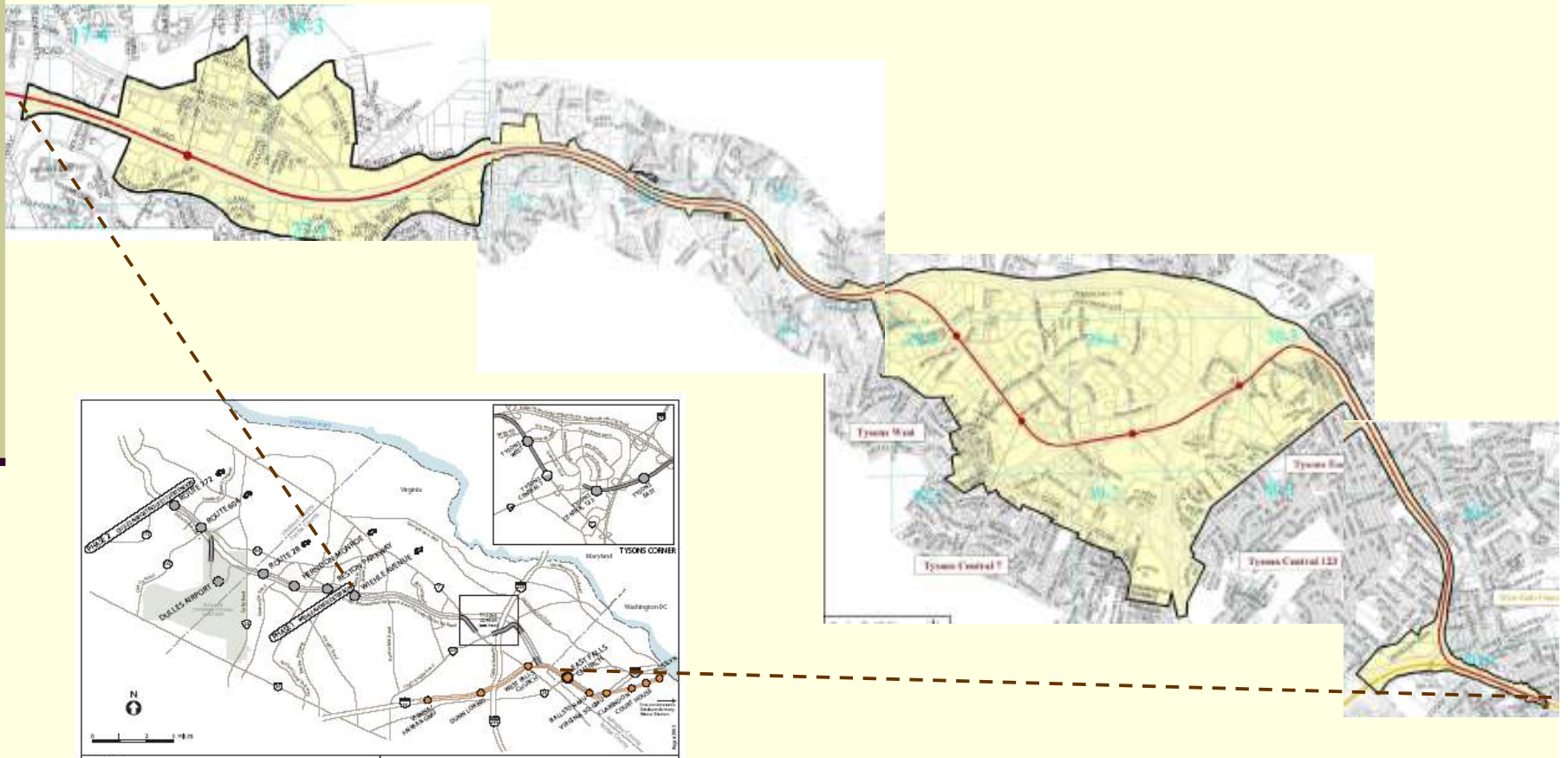
- FTA 'New Starts' – 50%
- Commonwealth of Virginia – 25%
 - Dulles Toll Road
 - 85% of surplus on base tolls funds transit services and transit construction
 - Toll increase implemented on May 22, 2005, 100% of toll funds transit construction
 - Toll increases generates \$19 to \$28 million annually between 2005 and 2030
- Fairfax County – 25%
 - Special Investment District

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- **Special Improvement Districts authorized under Section 33.1 of the Code of Virginia**
 - **Created by petition to County Governing Board by owners of 51% land area or assessed value**
 - **Land zoned commercial or industrial**
 - **Petition must include:**
 - **Boundaries of the district**
 - **Transportation improvements**
 - **Benefits of the transportation improvements**
 - **County Governing Board conducts public hearing**
 - **County Governing Board finds district beneficial and adopts resolution to create the district**
 - **Requires establishment of District Advisory Board (landowners) and District Commission (elected officials) to guide actions of the Special Investment District**

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Dulles Metrorail Extension – Phase I Special Improvement District



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- **Dulles Phase I Special Improvement District**
 - **Encompasses Tysons Corner and Wiehle Avenue**
 - More than 6,600 businesses
 - \$200 million in taxes
 - \$100 million in property taxes
 - **Assessed value ranges from \$6.8 billion in 2004 to a projected value of \$15.3 billion in 2049**
 - **Assessed values increased by 14% between 2004 and 2005**
 - **Tax rate not to exceed \$0.29 per \$100 of assessed land valuation**
 - **Initial tax rate established at \$0.22**
 - **Generates between \$17 and \$27 million annually depending on tax rate and assessed value**

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■ **Dulles Phase I Special Improvement District**

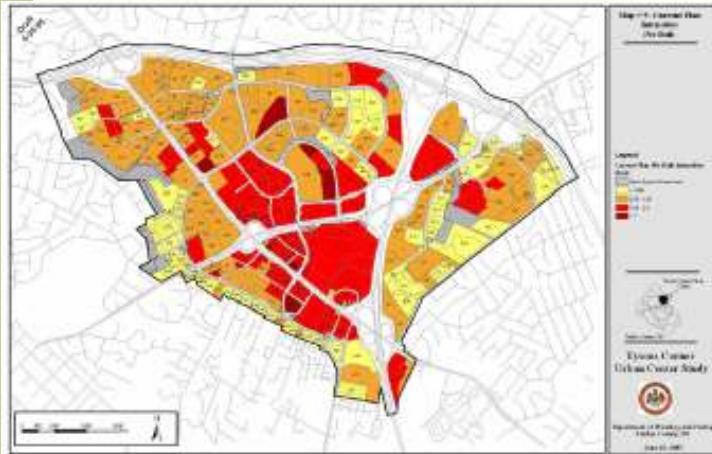
➤ **A number of conditions must be fulfilled to continue the tax district:**

- **Project funding for design and construction must be actively pursued by Fairfax County and Virginia**
- **Tax District currently limited to \$400 million of project construction cost**
- **Phase II of the project is planned, designed and funding is pursued for construction**
- **A Full Funding Grant Agreement (FFGA) for Phase I is received from FTA by December 31, 2006**
 - **The district can be extended beyond this date by mutual agreement of the land owners and the County**

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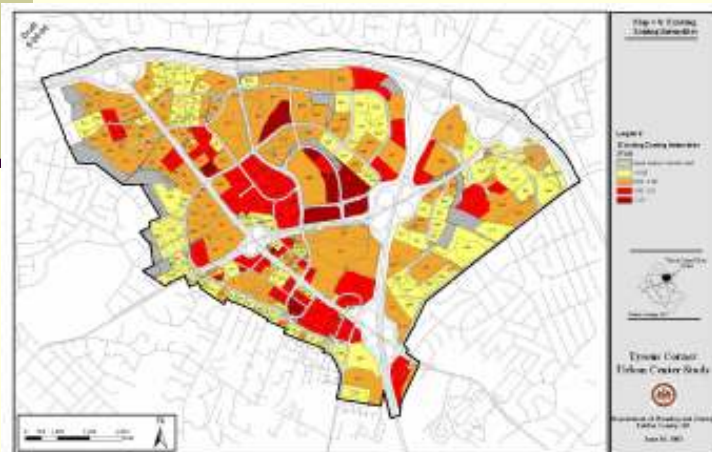
- **Benefits of the Special Investment District**
 - **Allows Tysons Corner and the Dulles Corridor to achieve its economic potential**
 - **Funds Fairfax County's share of Phase I project costs through a public-private partnership**
 - **\$400,000,000**
 - **Achieves land use goals for mix of development and character of Tysons Corner**
 - **7.5 million additional sf of commercial, retail and office space**
 - **4,700 additional residential units**
 - **Enhances regional mobility and accessibility to and within the corridor**
 - **About 63,000 daily transit trips**
 - **Creates additional employment opportunities within the corridor**
 - **More than 40,000 new jobs**
 - **Establishes the basis for a project Phase II Special Investment District**
 - **Initial step of providing a Metrorail connection to Dulles International Airport**

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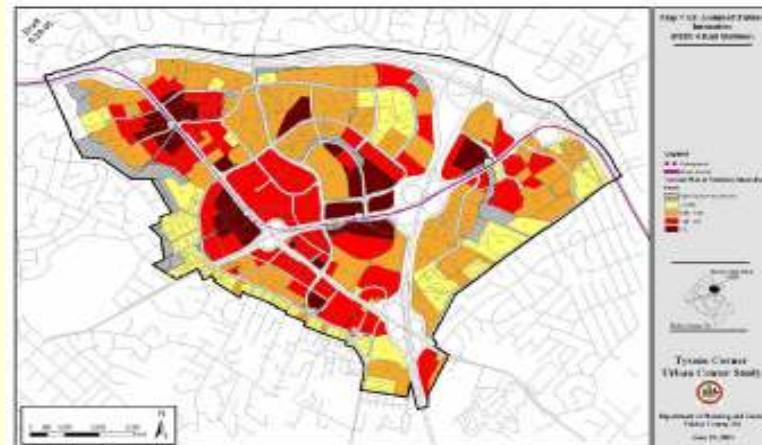


Current Comp Plan

Type Use	Existing	Current Comp Plan	Comp Plan w Rail
Industry/Gov't	1,140,000	240,000	302,000
Hotel	2,260,000	2,875,000	3,362,000
Retail	5,698,000	4,889,000	5,766,000
Office	27,950,000	37,836,000	43,427,000
Residential	9,207,000	17,290,000	23,129,000
Total	46,252,000	63,130,000	75,986,000



"On The Ground"



Proposed FAR With Metrorail Extension

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■ **Phase II Funding Approach**

- **FTA 'New Starts' – 50%**
- **Commonwealth of Virginia – 25%**
 - **Dulles Toll Road tolls**
- **Fairfax County – 9.1%**
 - **Special Investment District through Western Alliance for Rail to Dulles (WARD)**
- **Loudoun County – 8.6%**
 - **Business, Professional, Occupational License (BPOL) fees**
- **Metropolitan Washington Airports Authority (MWAA) – 7.3%**
 - **Passenger Facility Charges (PFCs)**

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■ **Summary**

- **A comprehensive transportation network is a necessity for sustaining 'Economic Vitality'**
- **The cost of transportation system infrastructure improvements far exceed federal, state and local governments' funding ability**
- **Public-private partnerships provide new sources of funds to undertake near term transportation system improvements**
- **Public-private partnerships require**
 - **A strong working relationship among partners**
 - **A full understanding of the need for infrastructure improvements and the benefits for both partners and the general public**