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# ***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***

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## ■ **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**

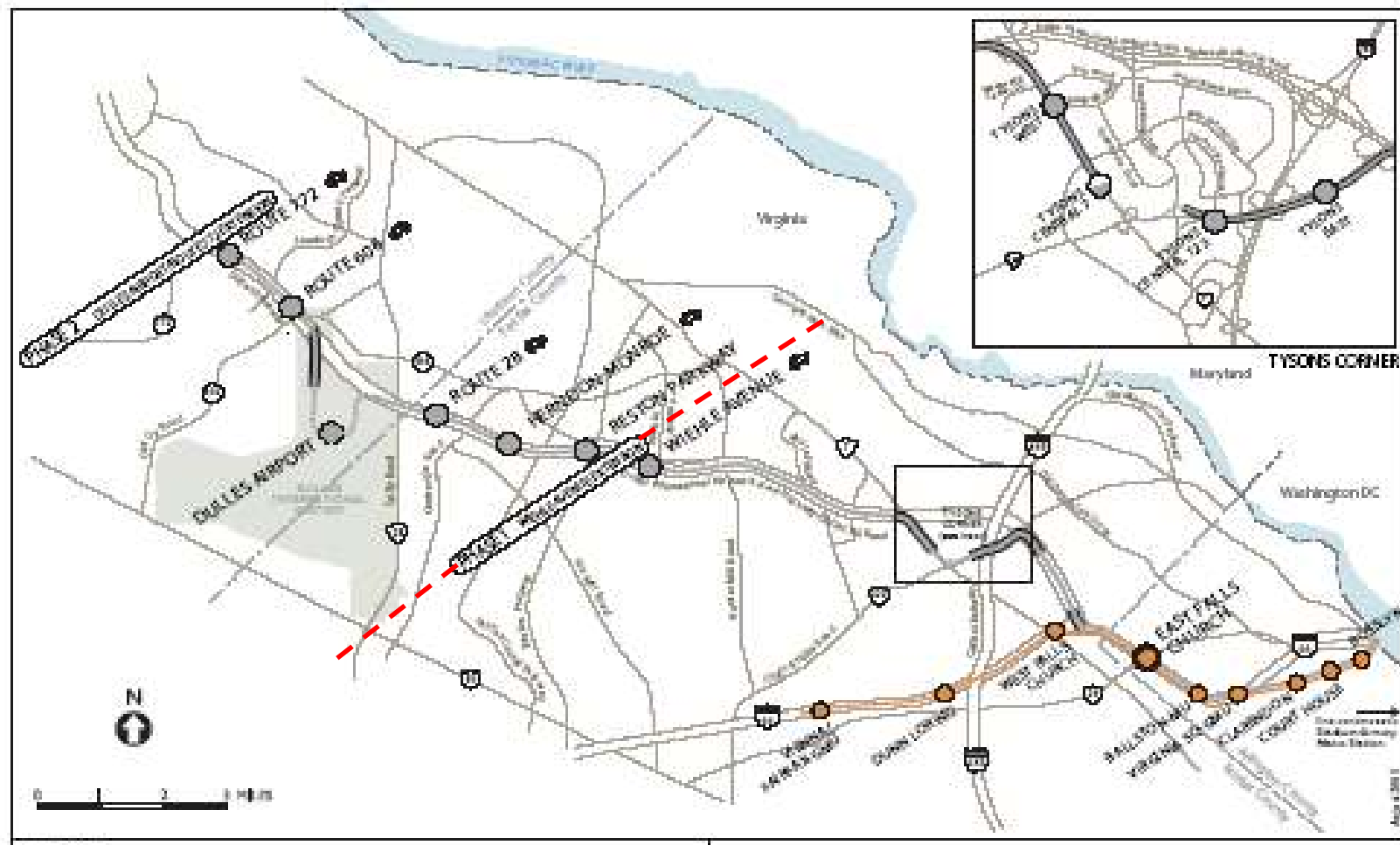
# ***Financing the Dulles Metrorail Extension***

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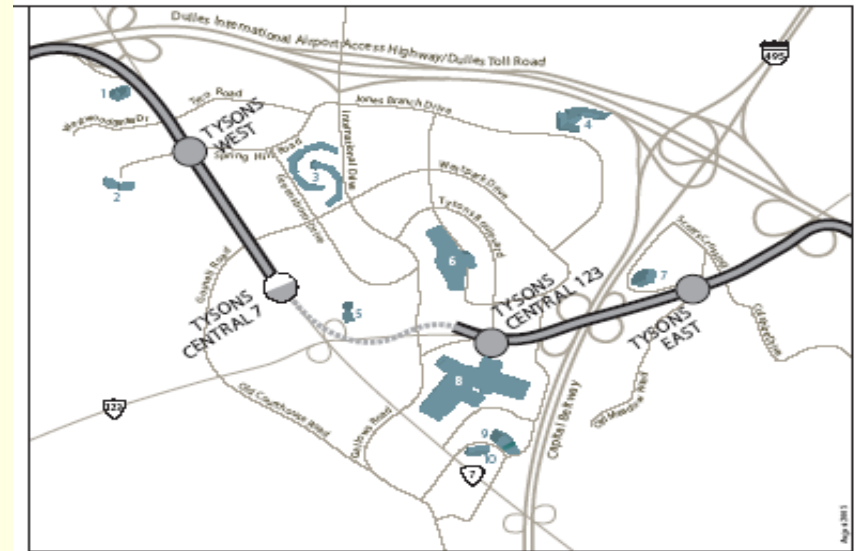
- **The corridor is composed of four major nodes:**
  - **Tysons Corner**
    - 37 million sf of office, commercial and retail space
    - 2<sup>nd</sup> only to Washington DC
  - **Reston**
    - Planned Community of 60,000 residents and 40,000 jobs
  - **Dulles Airport**
    - One of the fastest growing 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

# *Financing the Dulles Metrorail Extension*

## **Dulles Corridor LPA**



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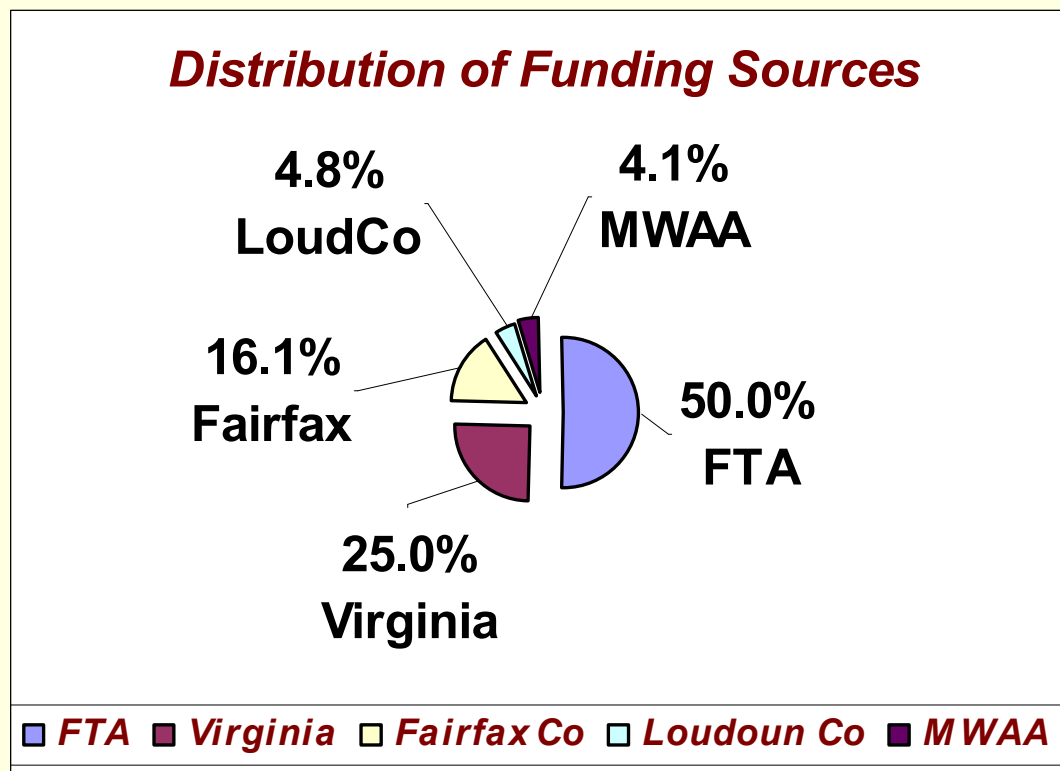


*Tysons Corner*  
*Fairfax County's "Downtown"*



# *Financing the Dulles Metrorail Extension*

- 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

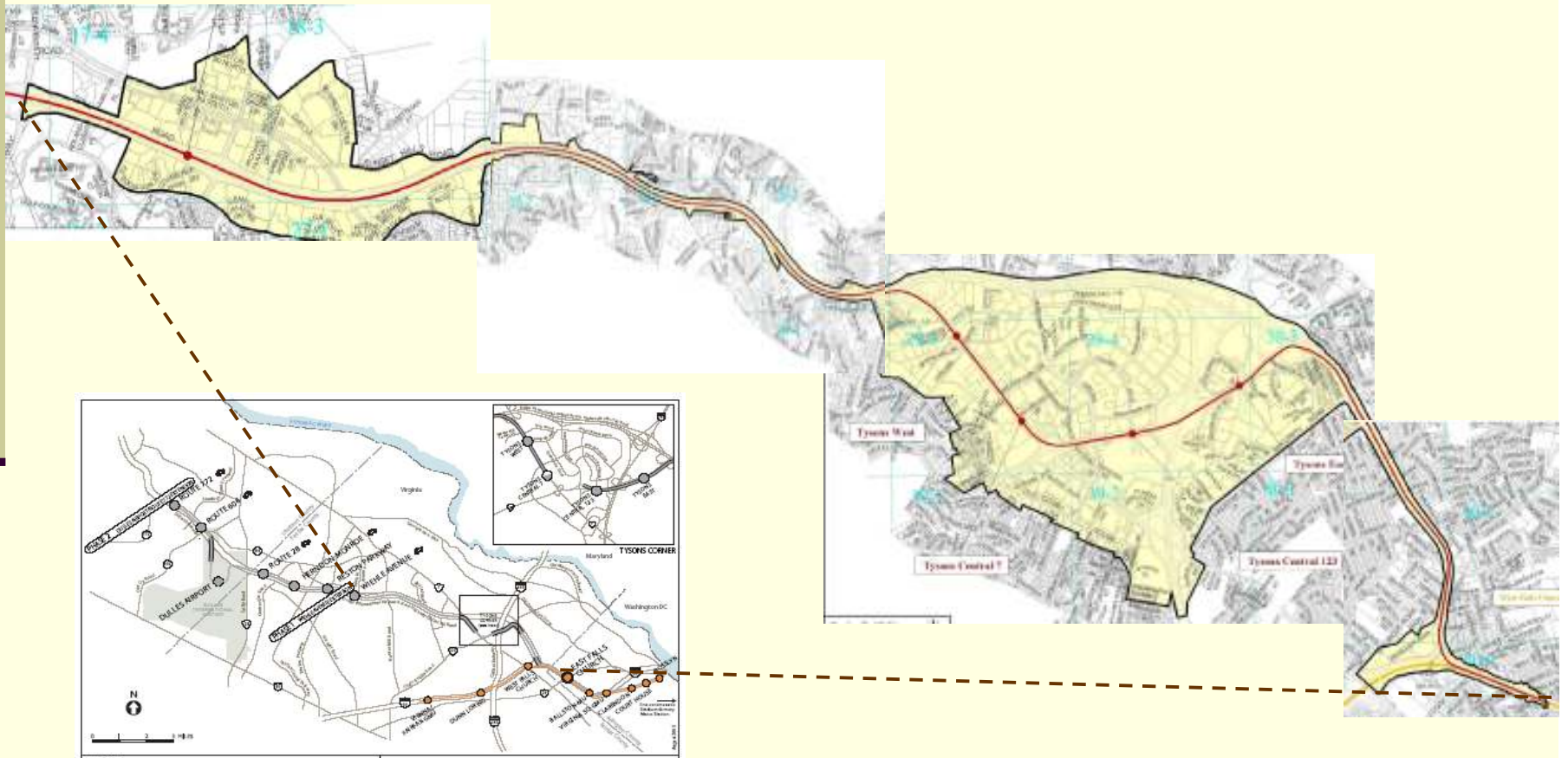
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- **Special Improvement Districts authorized under Section 33.1 of the Code of Virginia**
  - **Created by petition to County Governing Board by owners of 51% land area or assessed value**
  - **Land zoned commercial or industrial**
  - **Petition 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:**

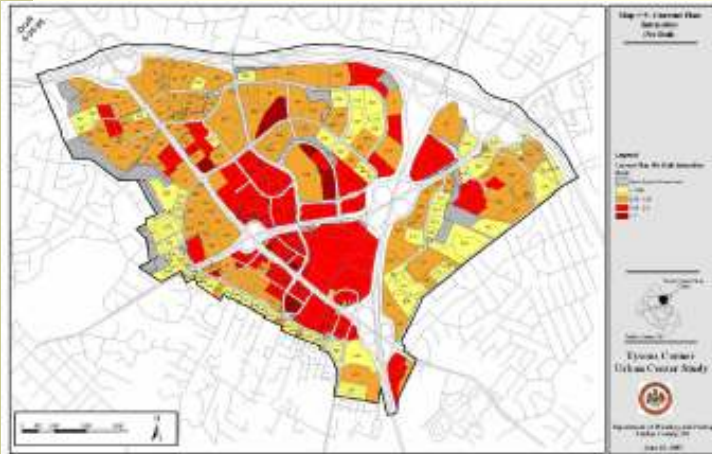
- **Project funding for design and construction must be actively pursued by Fairfax County and Virginia**
- **Tax District currently limited to \$400 million of project construction cost**
- **Phase II of the project is planned, designed and funding is pursued for construction**
- **A Full Funding Grant 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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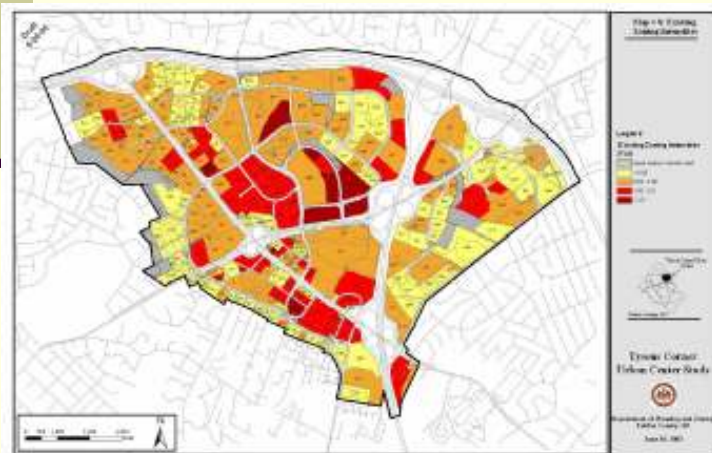
- **Benefits of the Special Investment District**
  - **Allows Tysons Corner and the Dulles Corridor to achieve its economic potential**
  - **Funds Fairfax County's share of Phase I project costs through a public-private partnership**
    - **\$400,000,000**
  - **Achieves land use goals for mix of 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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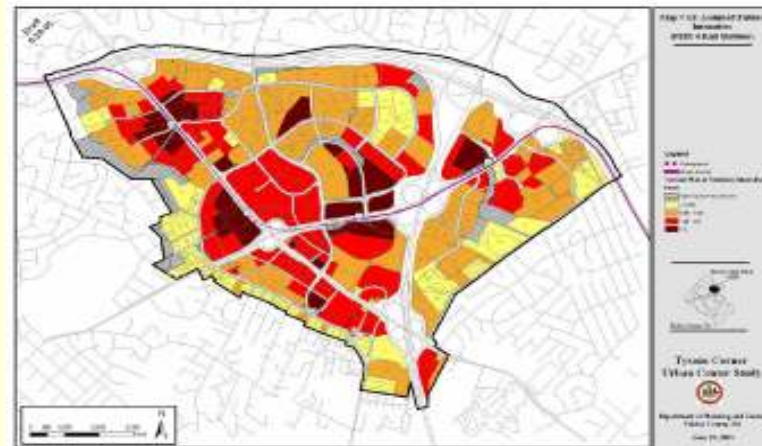


Current Comp Plan

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
<b>Total</b>	<b>46,252,000</b>	<b>63,130,000</b>	<b>75,986,000</b>



"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**