



County of Fairfax, Virginia

Transportation Funding Discussion (Continued)

Board Transportation Committee
February 14, 2012



Background

- On February 7, 2012, the Board discussed transportation funding need and potential revenue options at its retreat.
- The needs were developed based on:
 - 10-Year Transportation Needs/Revenues
 - 20-Year Tysons Transportation Plan
 - Board of Supervisors' Four-Year Transportation Plan
- Updated 10-Year Transportation Needs/Revenues
 - \$8.1 billion in expenditures
 - \$5.1 billion in anticipated revenues
 - \$3.0 billion deficit (10-year total)
 - ~ \$300 million annually





Background (Continued)

- Projects divided into three tiers
- **Tier 1:** Commitments in place. Service and legal agreements in place. (All sources of funding)
 - Examples: Dulles Rail Phases I and II; Beltway HOT Lanes; I-95 HOT Lanes; Jones Branch Connector; Lorton Road Widening; Mulligan Road; Route 7 Widen (Rolling Holly to Reston Avenue); Route 50 Pedestrian Projects
- **Tier 2:** Commitments needed. Planning currently underway.
 - Examples: Route 7 (I-495 to Falls Church; Frying Pan Road (Route 20 to Centreville Road; Frontier Drive Extension; BRAC improvements; Columbia Pike Street Car Operating; Transit Development Plan recommendations.
- **Tier 3:** Commitments desired, but no action yet taken.
 - Examples: Results of Countywide Transit Network Study; Interchanges at Route 123/Braddock Road, Van Dorn Street/Franconia Road; I-66/Route 28; Road widening at Alban Road; Route 29; Hooes Road; Braddock Road



Background (Continued)

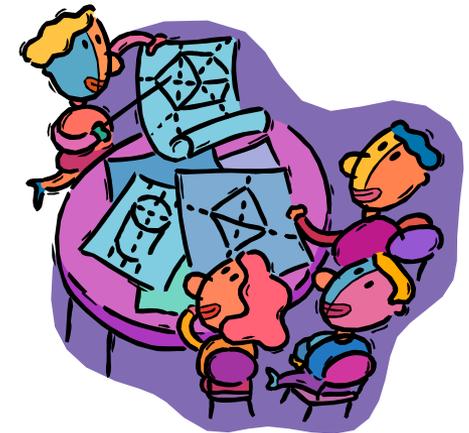
- After maximizing the use of existing County revenue sources (bonding and special taxes), the estimated deficit for each of the tiers was calculated.
- Estimated annual deficit per tier
 - Tier 1: \$ 68.6 million per year
 - Tier 2: \$ 71.7 million per year
 - Tier 3: \$160.0 million per year
 - Total: \$300.3 million per year





Board Discussion at Retreat

- Request for information on various revenue options
- Ensure that estimates of existing revenues are reasonable
- Defined project lists and schedules
- Develop strategy for possible Secondary Road Devolution
- Community Engagement
 - Citizens
 - Business Leaders
 - State and Federal Legislators
 - Other Northern Virginia jurisdictions?
- Assurances that revenue would stay in Fairfax County and/or Northern Virginia
- Consider impact on existing revenue sources
- Timing





Information on Revenue Sources

- Meals Tax
 - 4 % = \$80 million per year
 - Board has authority to impose with referendum
 - April 1992 Referendum (Special Election)
 - Education
 - Failed: 58% opposed
 - Organized opposition from restaurant community
 - Staff compiling meals tax information for other jurisdictions





Info on Revenue Sources (Continued)

- Sales Tax
 - 0.5% = \$83 million
 - Authority needed from General Assembly
 - November 2002 Referendum
 - Transportation
 - List of Projects Identified (mostly corridors)
 - Failed in Fairfax County; 54.4% Opposed
 - Concerns raised by anti-tax advocates, environmentalists, and those concerned that Richmond would not return funds to Northern Virginia





Info on Revenue Sources (Continued)

- HB 3202 (2007)
 - Approved by the General Assembly in April 2007
 - Seven Taxes and Fees
 - Grantor's Tax (\$0.40 per \$100 valuation)
 - Transient Occupancy Tax (2% of total)
 - Vehicle Rental Tax (2% of total)
 - Vehicle Safety Inspection Fee (\$10 per year)
 - Initial Vehicle Registration Fee (1% of value)
 - Regional Vehicle Registration Fee (\$10 per year)
 - Sales Tax on Vehicle Repairs (5% of total)
 - Implemented by Northern Virginia Transportation Authority in July 2007 with initial project list
 - Ruled Unconstitutional in February 2008
 - Authority needed from General Assembly to reinstitute





Info on Revenue Sources (Continued)

- HB 3202 (Continued)
- Estimated Annual Revenue in Fairfax County (2007)
 - Grantor's Tax: \$ 53.9 million
 - Transient Occupancy Tax: 13.3 million
 - Vehicle Rental Tax: 1.3 million
 - Vehicle Safety Inspection Fee: 8.5 million
 - Initial Vehicle Registration Fee: 30.2 million
 - Regional Vehicle Registration Fee: 8.5 million
 - Sales Tax on Vehicle Repairs: \$ 13.8 million
 - ESTIMATED ANNUAL TOTAL \$129.4 million
- Estimates will need to be updated to reflect 2012 situation



Info on Revenue Sources (Continued)

- Income Tax

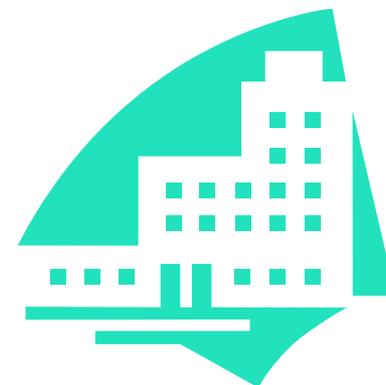
- In 1989, the General Assembly authorized Northern Virginia jurisdictions (and Norfolk and Virginia Beach) to impose a 1% local option individual income tax by referendum
- Only for transportation
- The imposition included a five year sunset provision
- No jurisdiction has taken advantage of this option
- In Fairfax County, it could raise \$420 million per year
- Senate version of the Governor's Transportation Bill currently under consideration removes five year sunset provision.
- Offsets Federal and State income taxes.





Info on Revenue Sources (Continued)

- Other Possible Revenue Sources
 - Federal and State
 - Additional Proffers/Developer Contributions
 - Tysons Corner Landowners/Developers
 - Other
 - Additional Tax Districts
 - Tysons Corner
 - Other Projects in Specific Corridors or Areas
 - Public/Private Partnerships

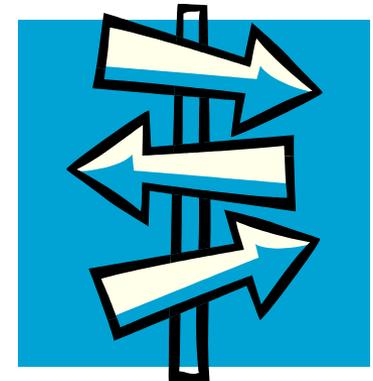




Info on Revenue Sources (Continued)

- Revenue Bonds
 - Parking Garages
- Tolls
 - Additional High Occupancy Toll Projects?
- Other County Options
 - Set aside 50% of carryover budget balances
 - Increase County property tax to fund transportation

- Delay projects to match available revenues





Next Steps

- Board Discussion
 - Direction to Staff
 - Additional Information Requests
 - Public Outreach Strategy
 - Identification of Stakeholders
 - Development of Specific Project Lists
 - Project Identification
 - Project Prioritization
 - Interaction with Board Four Year Transportation Plan (FY 2013 to 2016)
 - Refinement of Cost and Revenue Information
- Timing

