



County of Fairfax, Virginia

---

# Countywide Dialogue on Transportation

Fairfax County Department of Transportation

September - October 2012



## Today's Discussion

Fairfax County's economic health depends on an efficient transportation system. The County strives to improve mobility for all those who live, work, travel or do business in Fairfax County, but funding for transportation has become increasingly limited.

The County has identified several potential new sources of revenue that could be used to fund transportation and is seeking feedback on these and any funding options.

Please share your opinions by completing the Transportation Funding survey online or in person by **4:30 p.m. October 12, 2012.**





# How Transportation is Funded in Fairfax County

**Transportation is funded by a variety of federal, state, regional, local, and private sources.**

**Roads** (construction and maintenance) are owned and maintained by the state, and funded by private, state and federal sources. The County has funded some road improvements, such as Fairfax County Parkway, since the 1980s.

**Transit Services** (Metro, Connector, VRE) are operated by local and regional agencies. Operating costs are funded by state, regional, private and local sources including farebox revenues. Capital costs are funded by state and local sources.

**Bike and Pedestrian** facilities are included in major roadway projects. Stand-alone projects (not included in roadway projects) are typically built by the County and funded by private, local, state and federal sources.



# Current State of Transportation Funding for Fairfax County

**In the past few years, funding for transportation in Fairfax County has become increasingly limited.**





# Current State of Transportation Funding for Fairfax County (cont.)

## The Federal Outlook

- All federal formula funds have been programmed and allocated through FY 2018.
- Federal transportation funds for capital projects have been capped for the next two years with limited prospects for new or additional revenues beyond that.
- The federal government has increased funding available for transportation loans. However, a funding source is required to repay those loans.

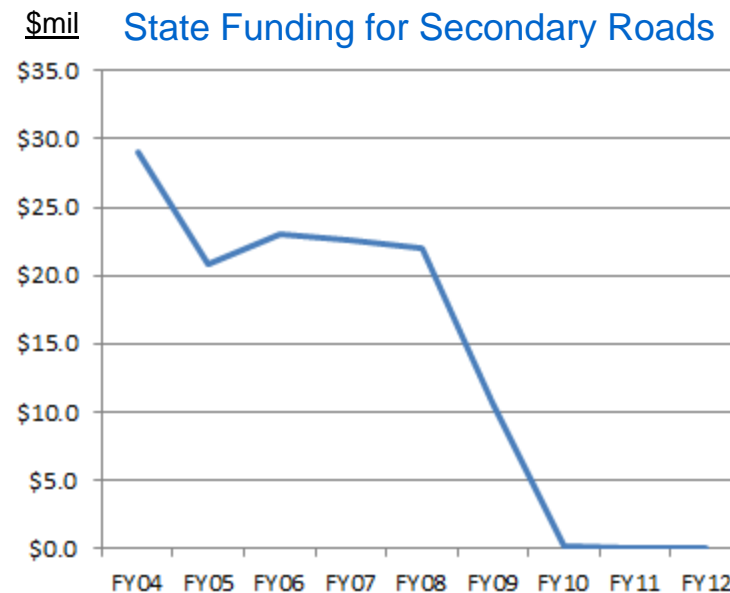




# Current State of Transportation Funding for Fairfax County (cont.)

## The State Outlook

- State funding for secondary roads has decreased from \$29 million in FY2004 to \$0 in FY2010.
- (Secondary roads have a route number above 600; examples include Braddock Road, Old Keene Mill Road, Backlick Road and subdivision streets.)



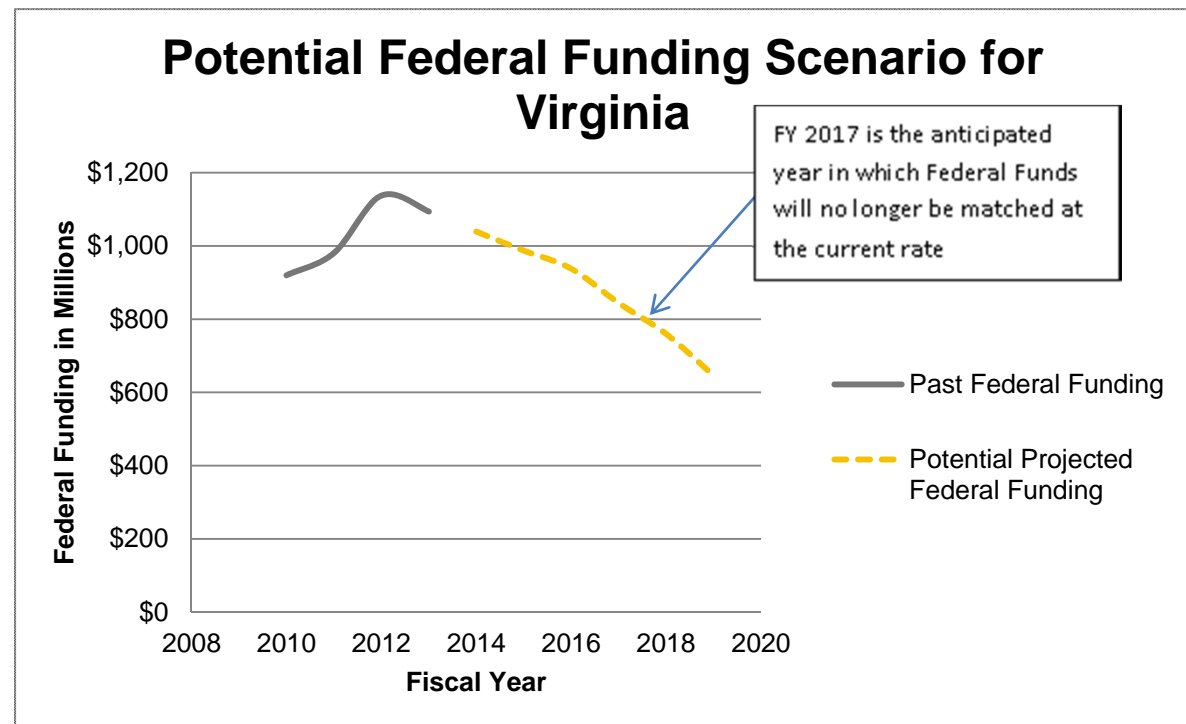
Source: Fairfax County Department of Transportation



# Current State of Transportation Funding for Fairfax County (cont.)

## The State Outlook (cont.)

- By FY 2017, all state transportation funds must be used for highway maintenance, and there will not be enough funding left to match the federal highway construction funds.
- State funding for transit is essentially flat, despite growing needs.



Source: Fairfax County Department of Transportation



# Current State of Transportation Funding for Fairfax County (cont.)

## The Local Outlook

- The County has a Commercial & Industrial tax for transportation that is currently \$0.11 per \$100 of assessed value. There is limited flexibility in this revenue source beyond FY 2014, because of existing commitments.
- The County already spends approximately \$280 million annually from local sources on transportation (general tax revenues, special tax revenues, proffers, bonds, etc.)





# Current Funding Snapshot

Fairfax County's 10-Year Transportation Needs and Revenues for  
FY 2012 – FY 2021:

\$8.1 billion in needs

-- \$5.1 billion in anticipated revenues from existing sources<sup>1</sup>

\$3.0 billion deficit (10-year total)

**Needed: \$300 million per year**

1. See list of funded projects.



# The Funding Problem

**To meet the existing and projected needs of Fairfax County, new sources of revenue must be found or expectations and the number of projects must be reduced even further.**





## Impacts of Reduced Funding

Virginia has been ranked #1 or #2 for Best States for Business the past several years. In 2012, Virginia slipped to #3; and also fell from #10 to #33 in quality of transportation and infrastructure.<sup>1</sup>

Maintaining quality transportation and infrastructure (Dulles Rail, Express Lanes) has helped attract more businesses to Virginia, even during the recession, especially in Northern Virginia.

Failure to improve transportation will lead to longer commutes, reduced productivity, fewer jobs as businesses move out of the county, a weakened economy and more air pollution.

1. Source data: CNBC “America's Top States for Business”.







# PROJECTS





## County Projects Needed

- The County has identified several capital and operating projects to add new road capacity to the transportation network during the next 10 years.
- These projects provide for new capacity and **do not address ongoing maintenance needs.** They are not funded in any existing or ongoing transportation plans and will require new sources of revenue if they are to be completed.
- These projects are in addition to projects that are already in progress (see list of ongoing, Funded Projects).





# Maintenance of County Roads

- Fairfax County roads are owned and maintained by the state
- Mowing, curbs, potholes, storm drains, plowing snow, and repaving the roads are all the responsibility of the state. These types of maintenance and repair are not addressed in the County's project list which focuses on providing new capacity (such as turn lanes, road widening, new walkways and trails, new transit service).
- Additional road maintenance and repair are not funded in any existing or ongoing County transportation plans. New sources of revenue will be required for increased maintenance.
- The cost to improve maintenance of secondary roads is approximately \$60 million per year in Fairfax County. This money is not included in the \$300 million cost for the County's existing transportation needs.







## Examples of Unfunded Projects

- Tysons Corner Redevelopment
- Base Realignment and Closure (BRAC) Improvements
- Comprehensive Plan Improvements (includes Interchanges/Road Widenings)
- Transit service expansions for Dulles Rail, South County, and I-66 corridor





## Examples of Unfunded Projects (cont.)



- Transit operating and capital (Countywide)
- Improvements in activity centers such as Richmond Highway, Annandale, Bailey's Crossroads, Reston, Springfield, McLean, etc.
- Bicycle and Pedestrian Facilities







## County Project List

- The County's list of improvements needed includes these types of projects:
- Improvements to interstate facilities and major new Metrorail expansions have been specifically excluded, because they are beyond the County's capacity to fund them alone.
- In addition, highway maintenance costs have been excluded, since road maintenance is a state responsibility.
- Your feedback on these assumptions is requested in the survey.

### Types of Projects

- 1) Spot/Corridor Projects
- 2) Bus Capital
- 3) Bus Operating
- 4) Interchanges
- 5) Road Widening
- 6) Road Extensions
- 7) Bicycle and Pedestrian



## Benefit-Cost Analysis (BCA)

- The Board of Supervisors tasked the Department of Transportation with creating a benefit cost analysis tool to analyze a future selection of transportation projects for the County
- FCDOT, working with a consultant, has produced a working tool that can be used to analyze projects, based on congestion reduction, air quality improvements, and safety, etc.
- The BCA tool compares road and transit projects based on an over-all benefit/cost ratio.
- Road projects include only construction costs
- Transit project costs include capital and operating cost, but are also offset by fare collections.
- The Bicycle and Pedestrian projects can not be quantified in the same manor as highway and transit projects and are only compared against other bike/pedestrian projects.



# FUNDING





# Finding New Sources of Funding

Additional local revenue sources could:

- Proactively address immediate infrastructure and operating needs
- Provide more options including transit, ridesharing, bicycling, walking
- Develop a safer, more efficient transportation network that connects people and places
- Ensure that transportation improvements are made despite funding challenges at the state and federal level



**Raising revenues within the County assures that the money stays in the County and goes directly to Fairfax County projects.**



## Potential Revenue Sources

- The County has identified several potential revenue sources that could be used to fund transportation needs.
- These revenue sources are being presented for public feedback; there is no preconceived notion as to which types of revenues are preferred.
- More than one revenue source could be used to meet the funding needs.
- Each source is shown in a way that can be adjusted up or down.
- Other ideas for generating revenue are welcome on the survey.

Revenue Sources	
_____	_____
_____	_____
_____	_____
_____	_____

SEE HANDOUT



# Revenue Options Fairfax County Can Authorize

1. Income Tax\* - 0.5%, 1%
2. Meals Tax\*\* - 4%
3. Real Estate Tax - \$0.01 per \$100
4. Personal Property Tax - \$0.10 per \$100
5. Developer Contributions
6. Increased Commercial & Industrial Tax rate
7. Reduce the number of projects rather than adding new sources of revenue

\*Board of Supervisors has authority to initiate a referendum to implement an income tax for a 5 year window. Anything beyond 5 years would require legislative action.

\*\*Board of Supervisors has authority to initiate a referendum for Meals Tax.



# Revenue Options Requiring General Assembly Authorization

1. Sales Tax - 0.5%
2. Gas Tax - \$0.01 per gallon
3. Gas Tax - 1% of sales price
4. Hotel Tax - 2% on room rate
5. Vehicle Rental Tax - 2%
6. Grantor's Tax - \$0.40 per \$100 value
7. Initial Registration Fee on new/newly-located vehicles - 1% of value
8. Regional Vehicle Registration Fee - \$10
9. Vehicle Repair Sales Tax - 5% on labor
10. Safety Inspection Fee - \$10
11. Vehicle Miles Traveled Tax
12. Commercial Parking Fee
13. Sales Tax on Services
14. Tolls



## Format Example – Sales Tax

<b>Definition:</b>	Tax on retail sales in Fairfax County
<b>Current Rate:</b>	There is currently a 1% local option sales tax that goes to the County general fund. The County receives the 1% local option of the 5% state rate.
<b>Example Rate:</b>	0.5% increase to the current tax rate
<b>Potential Annual Revenue at Example Rate:</b>	\$83 million
<b>Requirements:</b>	An increase to the current rate requires General Assembly authorization.
<b>Bond Eligibility?</b>	Could be bonded, depending on how it is implemented.
<b>Who pays?</b>	Businesses, Fairfax County residents, and non-residents who buy things in Fairfax County.
<b>Who doesn't pay?</b>	People who do not buy things in Fairfax County
<b>Effect on Household:</b>	<ul style="list-style-type: none"><li>• \$214 per year per household</li><li>• Assumption: Sales Tax generated in Fairfax County is \$83,438,153 with 390,900 households in the County. This amount may be overstating the impact on Fairfax County households.</li></ul>





## More Resources Available Online

Visit the county's web page at [www.fairfaxcounty.gov/fcdot/cdot/](http://www.fairfaxcounty.gov/fcdot/cdot/) for more information about the Countywide Dialogue on Transportation including:

- Examples of projects that could be funded with new sources of revenue
- List of projects that are already funded or in progress
- Map of transportation projects that are currently funded
- Map of County roads with heaviest traffic congestion
- Detailed information for each of the 20 funding options
- Online survey



## Next Steps

- Nine public meetings throughout the County from now until October 12.
- Survey open until **4:30 p.m. Friday, October 12.**
- Survey results and comments will be presented to the Board of Supervisors on October 23.
- Board will decide whether or not to pursue any of the recommendations.
- If legislation is required to implement any of the recommended funding sources, the Board may decide to include a request in its 2013 legislative package.



## Take the Survey

- Complete the survey to indicate your preferences of funding options and project priorities
- Survey can be completed now, on paper
- Survey can be completed online
- Deadline for accepting surveys is 4:30 p.m., Friday, October 12, 2012

### Community Survey

\_\_\_\_

\_\_\_\_

\_\_\_\_

**SEE HANDOUT**



**For more information, or to complete the survey online, please visit**

**[www.fairfaxcounty.gov/fcdot/cdot/](http://www.fairfaxcounty.gov/fcdot/cdot/)**



# Thank You!

Thank you for participating in this effort to improve transportation in Fairfax County

