



My Stance on Metro

Over the last few weeks, I have been contacted by many constituents regarding the Board of Supervisors' upcoming vote on Metro. I believe this is one of the most important decisions in the history of the county, and there are very strong views on both sides.

I have always believed that in concept, the Silver Line extension to Loudoun would be a good thing for our county. It will provide a major new option for commuters both to and from Loudoun, and spur a great deal of economic development in the areas around the stations. While there is some debate about exactly how much revenue will be generated by Metro, the official analysis done for the county is conservative in its assumptions and still shows a significant economic benefit to having Metro.

My vote in favor or against this project will be based on three criteria: 1) does the project contain a mandatory union labor preference; 2) is it affordable; 3) are there suitable alternatives should the Board “opt out” of Metro.

Given the magnitude of the decision, I believe that each of these areas deserve considerable discussion. I want to share with you my current thoughts on each of the criteria I have set forth for my evaluation.

1. **Mandatory Union Labor Preference:** The Metropolitan Washington Airports Authority (MWAA) was seeking to impose a preference in its evaluation process for contractors whose bid contained a union project labor agreement—effectively making it mandatory. There were a variety of reasons to be concerned about this, not the least of which was that the Commonwealth of Virginia would have withheld its \$150 million commitment to the project. Those funds would have been made up by Toll Road revenue—meaning even higher tolls for Loudoun commuters. As you may have seen, last week the MWAA Board met and voted to abandon this demand. I believe the ultimatum delivered by our Board of Supervisors was the primary factor in that decision, and I’m

pleased with the outcome. Had the PLA still been part of the project, there is no question that Loudoun would have opted out.

2. Is the project affordable? This is the most difficult part of the decision to assess, in part because affordability can be a subjective concept. For me, what it really means is “would the Board have to raise taxes significantly to cover the cost of the project, and do we have the ability to take on the debt necessary to finance it?”

Based on what we have learned through hours of discussions, I believe that the answer to the first part of my question is “no.” The Board is considering a number of different financing options including general revenue, special tax districts, and taxes on commercial and industrial properties. In addition, we are evaluating several different bond options.

From a general revenue standpoint, if there were no other sources of revenue, the impact on our tax rate would be about 3.5 cents per \$100 assessed. 3.5 cents represents about \$98 a year based on the average value of a home in Loudoun. To provide some context, the current tax rate is \$1.235/\$100. During this year’s budget discussions—the first for the newly elected Board conducted over an abbreviated time period—we were able to reduce the tax rate by 5 cents. A portion of that reduction—1.5 cents—came not from budget reductions but from revenue growth during the year. It is reasonable to assume that next year’s budget will see a similar growth in revenue, meaning that the needed adjustment for Metro could be closer to 2 cents. Should we opt into Metro, we’ll likely see an even greater revenue increase because the value of property around the stations will increase, and new commercial development will begin to occur. Given the fiscally conservative nature of our Board, it is my belief that we can find ways to tighten our belts a little more to absorb that minor impact without having to raise taxes.

I do have concerns with some of the special tax districts that have been discussed—which were prepared for the Board by staff for discussion. Metro cannot and should not be paid for solely by those who happen to live in close proximity to the stations. Metro is a countywide project, with countywide benefits. That said, I am open to proposals that will raise additional revenue from new development around the station, as opposed to existing residential owners. Another idea worthy of consideration is an Eastern Loudoun or countywide transportation service district that would provide a dedicated revenue stream for both rail and road improvements. It is readily apparent that relief is not coming from Richmond anytime soon, but traffic isn’t going to improve on its own. Our Board is doing all it can to get road projects paid for by developers, but there are only so many things we can do. By encompassing a broad area, we could potentially fund both rail and road improvements at a low cost to each property and begin road improvements for residents. This proposal is also still on the table.

Another proposal is a commercial and industrial tax. This tax would apply only to businesses and has the support of the Loudoun County Chamber of Commerce and other business groups. Given our desire to attract businesses, I am reluctant to support a significant tax on businesses. However, Fairfax County imposes an eleven cent tax on businesses, in addition to tax districts to support rail, so Loudoun could have a cost

advantage over Fairfax with a commercial and industrial tax at a lower rate. I am still studying how this tax would work and what the impact would be on businesses.

The takeaway from these options, however, is that if we have the will do so, we can pay for rail to Loudoun without having a major impact on our budget and our tax rate. While I believe it makes sense to have a framework in place prior to our vote, it will take longer than that to work out the specifics and implement a plan. That's why the "worst case" scenario of using only general fund revenue is important. Under that scenario, the impact to the budget—depending on bond terms—would still be minimal.

The final component of affordability is tolls on the Dulles Toll Road. Unfortunately, regardless of what Loudoun County does, tolls are going to increase to what I believe are unacceptable levels. Phase I alone—which ends at Wiehle Avenue—will cause tolls to rise significantly. That's why I believe that ultimately the Commonwealth of Virginia is going to have to make a larger investment in the Silver Line project to pay down tolls—even if Loudoun opts out. If the Commonwealth does not, traffic will eventually spill over to state roads like Route 7 and Route 50, which simply can't handle additional volume.

If Loudoun opts out, tolls could be just as bad. MWAA and Fairfax County will seek to build Phase II to Dulles Airport without Loudoun. If they can do it—and it isn't a sure thing—the primary funding mechanism would be tolls. That's the only source of revenue MWAA has. Because the project would be delayed at least 18-24 months, need to be redesigned, and be subject to an entirely new Environmental Impact process, the costs will rise significantly and mitigate the savings that would come from not building the rest of the line into Loudoun. In my view, the worst case scenario for Loudoun would be to have tolls be just as high but have no Metro stations. I'll go into more detail on that in the discussion of my third criteria.

As far as our debt capacity, the answer is yes, we have it. Loudoun enjoys AAA credit ratings across the board as the result of sound financial decisions made over the last several decades. The key to maintaining those credit ratings—which allow for us to receive more favorable terms to finance projects such as schools—is keeping our debt ratios in balance. The Board of Supervisors began reserving room under our debt "cap" for Metro in 2004, a practice which continues to this day. By 2014, Loudoun will have reserved \$315 million in our debt capacity for Metrorail, meaning that we could take on the bonds needed to finance the Metro project while still funding our other needs without jeopardizing our credit ratings. Furthermore, the municipal bond markets are more favorable now than they've been in decades, with interest rates near record lows.

3. Are there suitable alternatives should the Board "opt out" of Metro? I believe the answer to this question is no. One argument is that the money spent on Metro could go toward road improvements. I'm certainly in favor of road improvements, and as I discussed earlier, the Board is looking for ways to potentially include road improvements in our financing for rail. But ultimately, we cannot control road infrastructure outside of Loudoun County. The goal of Metro is to give commuters options in and out of Loudoun. In the long term, we want to attract workers who live in more urban areas closer to DC to

come to Loudoun and work. More immediately, we wish to provide our commuters access to Reston, Tysons, Arlington, and Washington at frequent intervals throughout the day. Loudoun County cannot improve the Dulles Toll Road, I-66, or add a Potomac River crossing—so even if we dedicated our Metro money to road improvements, we can't do anything about the regional choke points which make it tough to get in and out of Loudoun County.

That's also the problem with relying exclusively on expanded bus service. I support the existing LC Transit service. Although some have engaged in scare tactics by telling riders that long haul bus service would end if the Board moved forward with Metro, it is not true. The Board will need to decide how much gas tax revenue—which is currently used to subsidize buses—should be dedicated to Metro, and if there are adjustments to routes and frequencies that should be made in order to better compliment Metro. The population of Loudoun is projected to be 450,000 by 2030. Projections from the Washington Airports Task Force conservatively estimate that the total drive time from Dulles to downtown DC in 2030 will be 91 minutes each way. LC Transit buses will be stuck in that traffic with everyone else. As a daily commuter to DC myself, I'm often sitting behind LC Transit buses on I-66. Again, unless the inside of the Beltway road infrastructure is improved significantly, buses have only so much capacity. As commutes worsen—and there's every indication that they will—buses will become less and less attractive.

Beyond Metro, there aren't other options. The right-of-ways on the Dulles Toll Road have already been dedicated to Metro—so there is no opportunity to use it for Bus Rapid Transit or light rail. Fairfax County has made its decision, and Loudoun can't force a different mode of transportation across our borders. Those decisions were made many years ago. In 2002, the Loudoun Board of Supervisors voted 9-0 in favor of bringing Metro to Loudoun and committed to being a funding partner. The decisions made by previous Supervisors and by other jurisdictions have a profound impact on our options in Loudoun.

That also brings up an important point about opting out. There seems to be an assumption made by some that Loudoun commuters would have access to the Dulles Airport station or other stations in Fairfax County. MWAA CEO Jack Potter sent the Board of Supervisors a letter recently indicating that there will be no opportunity for commuters to park at Dulles Airport. Airport parking rates are much higher than what the parking rate would be at Loudoun's Metro stations, and there is not sufficient capacity. In addition, the station is not designed for significant commuter bus services. Of course, that assumes that rail even gets to Dulles Airport. Any time a major project is delayed 18-24 months, the certainty of it being built lessens. Other factors, such as the Commonwealth of Virginia's support, could change.

In addition, if Loudoun opts out, Fairfax County would have every incentive to *not* accommodate Loudoun commuters at its stations. Once again, those stations are not being designed to receive commuter buses from Loudoun. A jurisdiction's payment into the Metro system is dependent on ridership from that jurisdiction. It is therefore not surprising that the stations are not being designed for Loudoun commuters—why would Fairfax County and the other jurisdictions want to subsidize our riders? Simply put, if Loudoun

opts out, there will be very little benefit to our citizens for having the Silver Line at all—whether it ends at Wiehle Avenue or Dulles Airport. It will not be a commuting option for most of our residents.

The Board's discussions on Metro are still continuing and will likely continue right up until our vote on July 3. The response from the public has been overwhelming. The public input session we had on this topic had about 80 speakers in favor of Metro, with 30 opposed. However, far more significant are the emails we have received, which are now approaching 1,000. The vast majority of those are in favor of Metro as well. I personally knocked on nearly 4,000 doors during my campaign, and this topic came up frequently. Again, the feedback I received was overwhelmingly in favor of Metro—and many people thought (and still do) that it was a done deal to come to Loudoun.

I still welcome any and all input from the public on this topic prior to the Board's vote, but I think it is pretty clear that the vast majority of Loudoun citizens want the Board of Supervisors to find a way to make Metro work. That's what I'm committed to doing. I've personally met with the U.S. Secretary of Transportation and had discussions with the CEO of MWAA. I've asked tough questions of Metro officials, and I've pressed for accountability in the project. I'll continue to do so, especially if we decide to opt in. As your supervisor, I'm committed to protecting the interests of Loudoun and the Dulles District. I'm also committed to making Loudoun County a better place to live and work. I appreciate the engagement of the community on this issue and I look forward to continuing to serve you.

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