

Loudoun County Update

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Chairman, Finance, Government Operations and Economic Development Committee

Presented to the Committee for Dulles
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Loudoun Economic Success



Investment

FY 18 Businesses Recruited, Expanded or Retained 78

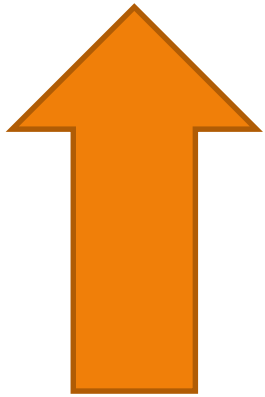
Estimated Investment \$4.73 B

Jobs Created/Retained 3,189



LOUDOUN
VIRGINIA
ECONOMIC DEVELOPMENT

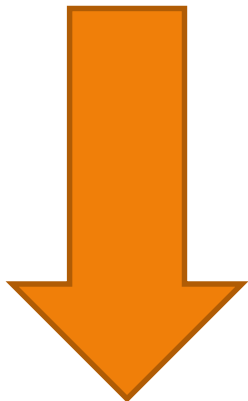
Loudoun By The Numbers



\$1.48 Billion in Retail Sales

\$170.8 Million in Hotel Revenue

1.92 Million Dulles Airport Passengers



10.5% Office Vacancy Rate

4.2% Flex Vacancy Rate

3.8% Retail Vacancy Rate

(Industrial remained the same at 5%)





U.S. Customs and
Border Protection

Customs and Border Patrol

- Consolidating US CBP's Office of Information Technology headquarters operations at Quantum Park.
- Taking over vacant portions of the building. Constructing new space for a total of 445,000 square feet.
- 3,700 agency employees, including engineers, technicians, scientists and support personnel, will be moving to this location.
- Government contractors have already reached out to inquire about nearby office space.



Any other new clients headed our way?

Another Record Year for Dulles Airport

- Dulles Airport serviced a record 7.8 million international travelers last year, its 14th consecutive year of growth, and 22.7 domestic million passengers in 2017, a 4.1 percent increase over 2016.
- Attributed to an expansion of the United Airlines hub at Dulles, along with an increased presence of Frontier and Southwest Airlines.
- Dulles supports 78 destinations in the U.S., including 259 daily departures on seven carriers. The 37 total airlines that operate out of Dulles are more carriers for customers to choose from than Reagan National and BWI-Thurgood Marshall airports combined.
- Dulles currently has 67 daily departures to 57 international destinations on 33 airline carriers.



New Service



In January, Cathay Pacific Airways announced new weekly nonstop service from Dulles Airport to Hong Kong, starting in September of 2018.



In a deal announced in early February, Dulles will be adding five weekly low-cost, nonstop flights to London on Latvian airline Primera. Service is expected to begin in late August of 2018.



In February 2017, Air India launched non-stop service to New Delhi.



Dulles Airport is a major business resource, providing a gateway to global markets.

Ideal Location

Dulles International's Geographic Location Provides for Excellent Market Reach and International Trade Opportunities

■ Market Reach

- Over 56% of the U.S. population resides within an overnight drive from Washington Dulles
 - Excellent road network and access to all major trade markets and regions
- Washington Dulles is centrally located in one of the most important economic regions of the U.S.
 - Region represents 55% of U.S. GDP

Greater Washington D.C. Area

- One of the largest and most diverse international communities in the world
- Home to more than 1,000 foreign-owned firms from 50 countries
- Over 400 International Associations
- More than 1,000 International Institutions and non-government organizations



Airports - Regional Economy Impact

Virginia's commercial service airports account for 95% of the total economic activity of the Commonwealth's airport system.





- Ronald Reagan Washington National and Washington Dulles International airports are major contributors of economic benefits, and together they created **\$16.5 billion** in economic activity in Virginia. Other commercial service airports in Virginia were the source of **\$5.3 billion** of economic activity.
- Virginia's commercial service airports generated **\$32,670** of economic activity for every aircraft take-off and landing.
- In 2016, Virginia's commercial service airports contributed **\$21.8 billion** in economic activity, which supported **140,540 jobs** with an annual payroll of nearly **\$7.4 billion**.



Dulles - Regional Economy Impact

Metropolitan Washington Airports Authority Contributes 4.5% of the Regional Economy

- Economic Impact of Reagan National & Dulles International, Dulles Corridor Toll Road & Silver Line Construction Project =
 - 387,000 Jobs
 - \$15 billion in labor income
 - \$21 billion in business revenue
 - \$1.9 billion in state and local taxes

	Jobs Onsite 	Total Jobs Generated 	Labor Income 	Taxes Generated 
Dulles	19,371	247,706	\$9.95 billion	\$1.2 billion
Reagan	8,166	123,730	\$4.68 billion	\$634.4 million
Toll Road	1,035		\$48.2 million	\$5.0 million
Silver Line	14,597		\$681.3 million	\$76.7 million

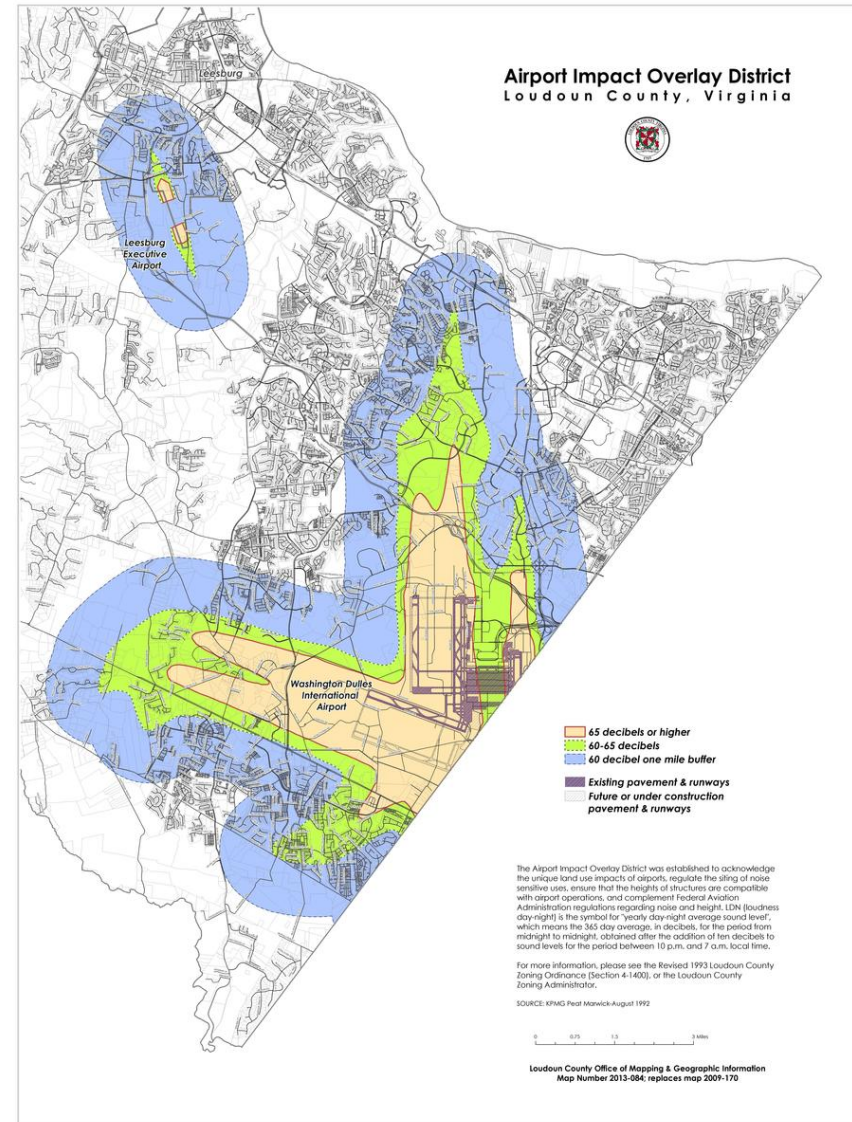


LDN Noise Contours

LDN's exist to ensure a "high-quality aural environment for both existing and **future** residents", and to sustain the economic viability of Washington Dulles and Leesburg Executive Airport.

Additional runways have been planned for Dulles since 1985 – much longer than some of the surrounding development.

Being considered during the Envision Loudoun process.



Future Uses

- Comp Plan Update
- Folded Silver Line CPAM into Envision Process
- Not assigning a specific land use to individual parcels



New Noise Study

- 9 to 16 months to complete
- Working Group Kickoff meeting held yesterday
- NextGen Modernization
- FAA modifying flight procedures to allow for triple simultaneous runway operations in certain conditions – will increase capacity



Protect Dulles Airport



Land Use

- Support non-aviation commercial development
- Western Lands

Access

- Dulles Loop
- Route 606 Widening
- Metrorail

Economic Development

- Expand International Strategy



Surrounding Infrastructure

- Route 50 Small Fixes
- Route 28 Widening
- Northstar Boulevard
– TIGER Grant
- Northern Collector
Road



Metro Tax District

Designed to fund the Metrorail Silver Line extension to Loudoun County.

Help pay for the construction of the Silver Line and for the ongoing costs of providing the Metrorail service at those stations.

An additional real property tax may be levied in the districts for these purposes, at a maximum rate of \$0.20 per \$100 of assessed property value.



Metro Tax District Revenues

Metrorail Service Tax District Revenue and Expenses FY 2013-FY 2018 (Dec 2017)

Fiscal Year	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018**	Total
Revenue							
Budgeted Revenues	-	6,700,000	5,932,000	6,660,000	7,569,000	8,610,000	35,471,000
Actual Revenues	2,459,584	6,087,162	6,142,524	6,913,428	7,099,427	4,099,206	32,801,331
Variance	2,459,584	(612,838)	210,524	253,428	(469,573)	(4,510,794)	(2,669,669)

** FY 2018 data through December 2017

Fiscal Year	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018**	Total
Revenue							
Actual Revenue	2,459,584	6,087,162	6,142,524	6,913,428	7,099,427	4,099,206	32,801,331
Expenses							
TIFIA Loan Closing Costs	-	-	1,321,637	-	-	-	1,321,637
Revenue Stabilization Fund ¹	-	-	11,215,126	-	-	-	11,215,126
US DOT - TIFIA Annual Fee	-	-	-	12,500	13,000	13,000	38,500
Bond Counsel	-	-	-	14,867	13,038	-	27,905
Fitch - Annual Rating	-	-	-	-	7,500	-	7,500
US Bank - Trustee Fees	-	-	-	2,500	2,500	-	5,000
Total Expenses	-	-	12,536,763	29,867	36,038	13,000	12,615,668



Metro Challenges



- Decreased ridership
- Increased Costs
- Continued reliability and safety challenges
- Pension liabilities
- Lack of steady stream of funding for capital improvements.
- WMATA “Reality Check” Budget
 - Increased fares
 - Reduced service
 - Increased contributions from jurisdictions



What Does It Mean For Loudoun?



- Likely increase in annual commitments
- Operational and Capital Budget Impacts
- Moving forward, loss of gas tax revenue, completing parking garages and overall transit plan
- WMATA Compact negotiations



Be ready for Metro's arrival.

Metro Funding

Need a dedicated revenue stream of \$500 million a year for capital projects (between all jurisdictions). Virginia, Maryland and DC are well on their way to providing the funding needed.

General Assembly's "solution" to fund Metro is to simply raid the money that goes to the Northern Virginia Transportation Authority (NVTa) and divert it to Metro.

Worsens our traffic congestion by reducing the amount we have available for road projects.

State Senate's solution increased the transit occupancy tax (hotels) by 1% and the grantor's tax (real estate transactions) by 1% to generate new revenue instead of raiding as much existing revenue.



	New Funding from Jurisdictions	Conference Bill (as written)	SB 856 (as written)	LaRock Proposal
<u>Revenues</u>				
Loudoun NVT A Revenue				
30% Share	\$19,593,000	\$15,741,000	\$18,651,000	\$19,593,000
70% Fair Share	<u>\$45,717,000</u>	<u>\$36,729,000</u>	<u>\$43,519,000</u>	<u>\$45,717,000</u>
Total	\$65,310,000	\$52,470,000	\$62,170,000	\$65,310,000
Impact to NVT A Revenue		(\$12,840,000)	(\$3,140,000)	
Fuel Revenue (NVT C)	<u>\$9,363,000</u>	<u>\$9,363,000</u>	<u>\$9,363,000</u>	<u>\$9,363,000</u>
Total NVT A + NVT C revenue	\$74,673,000	\$61,833,000	\$71,533,000	\$74,673,000
Impact to NVT A + NVT C		(\$12,840,000)	(\$3,140,000)	
<u>Expenditures</u>				
Metro Capital Contribution	\$16,400,000	\$16,400,000	\$16,400,000	\$16,400,000
Increase to Capital Contribution	<u>\$11,550,000</u>	<u>\$2,034,000</u>	<u>\$2,362,500</u>	<u>\$7,625,250</u>
Total Capital Contribution	\$27,950,000	\$18,434,000	\$18,762,500	\$24,025,250
Other Capital	\$53,310,000	\$40,470,000	\$50,170,000	\$53,310,000
Operating Contribution	<u>\$12,500,000</u>	<u>\$12,500,000</u>	<u>\$12,500,000</u>	<u>\$12,500,000</u>
Total Expenditures	\$93,760,000	\$71,404,000	\$81,432,500	\$89,835,250
<u>Additional Funding Gaps</u>				
Capital Funding Required	(\$15,950,000)	(\$6,434,000)	(\$6,762,500)	(\$12,025,250)
Operating Funding Required	(\$3,137,000)	(\$3,137,000)	(\$3,137,000)	(\$3,137,000)



Questions?

