



Loudoun County, Virginia

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Office of the County Administrator

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At a business meeting of the Board of Supervisors of Loudoun County, Virginia, held in the County Government Center, Board of Supervisors' Meeting Room, 1 Harrison St., S.E., Leesburg, Virginia, on Tuesday, July 3, 2012 at 9:00 a.m.

IN RE: DULLES CORRIDOR METRORAIL PROJECT

Mr. York moved that the Board of Supervisors direct staff to begin the process of establishing by January 1, 2013, a "rail service district," a "station development district," and an "airport station district" as outlined in Attachment 1 and also recognizing that the proposed tax rate for each of the districts is not to exceed 20 cents per \$100 of assessed value should the Board proceed with the Dulles Rail Project.

Mr. York further moved that the Chairman work with staff to schedule a Public Hearing by no later than November 1, 2012.

Seconded by Mr. Williams.

Mr. Delgaudio moved that the Board of Supervisors enter into a Committee of the Whole.

Seconded by Mr. Higgins.

Voting on Mr. Delgaudio's FAILED Motion: Supervisors Clarke, Delgaudio and Higgins – Yes; Supervisors Buona, Letourneau, Reid, Volpe, Williams and York - No.

Mr. Delgaudio moved to amend the motion to include a General Obligation vote by the people of Loudoun County for the fall election.

Seconded by Mrs. Clarke.

Voting on Mr. Delgaudio's FAILED Amendment to Mr. York's Motion: Supervisors Clarke, Delgaudio, Higgins and Reid – Yes; Supervisors Buona, Letourneau, Volpe, Williams and York – No.

Mr. Delgaudio moved that the Board of Supervisors adjourn the business meeting.

(This motion to adjourn died due to lack of a second.)

Mr. York accepted Mrs. Volpe's friendly amendment to the main motion to include the following language: "Metro Rail Alternate I Tax District Proposal as presented in the packet received July 2, 2012 from Tim Hemstreet."

Voting on Mr. York's Motion, As Amended: Supervisors Buona, Clarke, Letourneau, Reid, Williams, Volpe and York – Yes; Supervisors Delgaudio and Higgins - No.

Mr. York moved that the Board of Supervisors notify the Metropolitan Washington Airports Authority that Loudoun County **approves** proceeding with its funding participation in Phase II of the Project under the July 19, 2007 "Agreement to Fund the Capital Cost of Construction of Metrorail in the Dulles Corridor" as amended per the Memorandum of Understanding (MOU), executed December 30, 2011.

Mr. York further moved that this agreement to participate be null and void if a mandatory Project Labor Agreement is required of the general contractor for Phase II, or any type of labor preference is used during the procurement process.

Seconded by Mr. Letourneau.

Voting on Mr. York's Motion: Supervisors Buona, Letourneau, Reid, Williams and York – Yes; Supervisors Clarke, Delgaudio, Higgins and Volpe – No.

Mr. Reid moved that the Board of Supervisors direct staff to work with the towns to determine a means to provide increased transportation revenue in the interim from either general fund, bond money or gas tax revenue to support regional road improvements and report back to the Transportation and Land Use Committee in October 2012 on such a plan.

Mr. Reid further moved that staff work with Virginia Regional Transit on a plan to transition their system away from gas tax to other revenue sources to maintain local bus routes.

Seconded by Mr. York.

(Mr. Delgaudio's friendly amendment to include the following language at the end of paragraph one "along with plans for eastern Loudoun County and the top ten projects in the County at-large" was not accepted.)

Voting on Mr. Reid's Motion: Supervisors Buona, Clarke, Higgins, Letourneau, Reid, Volpe, Williams and York – Yes; Supervisor Delgaudio - No.

A COPY TESTE:



DEPUTY CLERK FOR THE LOUDOUN
COUNTY BOARD OF SUPERVISORS

ATTACHMENT1

Date of Meeting: June 29, 2012

BOARD OF SUPERVISORS INFORMATION ITEM

SUBJECT: Dulles Corridor Metrorail Project Briefing/Finance Meeting #5

ELECTION DISTRICT: Countywide

STAFF CONTACTS: Tim Hemstreet, County Administrator
Ben Mays, Acting Director, Management & Financial Services
Andy Beacher, Director, Office of Transportation Services

BACKGROUND:

This work session is the ninth in the series of work sessions that have been held by the Board of Supervisors to discuss the Dulles Corridor Metrorail Project (the Project). It follows the initial introductory work session held on March 7, 2012, the WMATA work session held on April 17th, the Transportation/Transit work session held on May 3rd, the May 15th work session on Robert Charles Lesser & Company's (RCLCO) Updated Market and Fiscal Impact Analysis, the May 16th finance work session held to discuss DESMAN Associates' Metrorail Parking Demand Study and the status of the Metropolitan Washington Airport Authority's efforts to date with respect to the Project, and the finance work sessions held on May 22nd, June 6th and June 18th.

At the June 18, 2012 work session, the Board of Supervisors continued its deliberations with respect to potential financing plans for the Project and associated operations and ongoing capital costs. To that end, during the meeting, Supervisor Williams put forward a proposal for a service district, known as the "Purple Line" district. It is noted that the "Purple Line" District is generally bounded by Ashburn Village Boulevard, Shellhorn Road and Waxpool Road to the north, Route 28, Sterling Boulevard, the Washington and Old Dominion (W & OD) Trail, Old Ox Road and the Fairfax County line to the east, Perimeter Road/the Washington Dulles International Airport (the Airport) boundary to the south, and Loudoun County Parkway, the Airport boundary, Bears School Road, Old Ox Road, the Broad Run and Old Ryan Road to the west (see Attachment 2 for details). The "Purple Line" District contemplates one tax rate for outer parcels further away from the proposed Metrorail stations (referred to hereafter in general as the "rail service district"), and one tax rate for inner parcels within one-half mile of the proposed Metrorail stations (referred to hereafter as the "station development districts"). Board members discussed this proposal at length, including options for the tax rate(s). Subsequently, the Board undertook a series of straw votes to determine which funding sources to retain for further review in support of potential financing plans. As a result of those straw votes, the general fund was removed from consideration at this time, while the options of service districts, including that proposed by Supervisor Williams, and a commercial and industrial (C & I) tax were retained. Following this discussion, the Board directed staff to develop financing plan scenarios that would include these options. The Board also directed staff to provide a list of

parcels and associated property owners that would fall within the “Purple Line” District (Attachment 3).

The agenda for the June 29th work session includes a presentation (Attachment 1) to provide an overview of the financing plan scenario generated by staff per the Board’s direction, to be followed by additional Board deliberations regarding a potential financing plan for the Project (subject to the Board remaining in the Project).

Currently, the critical action date for the Board to act with respect to the Project is July 4, 2012.

Financing Plan Scenario

County staff members have developed one financing plan scenario based on the Board direction from the June 18, 2012 work session. As requested, the scenario explores the use of the service district concept. The scenario presented does not include general funds to support the financing plan options; however, it should be noted that, as with any appropriation-based debt, the general fund will be required to serve as a backstop for the debt. Additionally, it is noted that staff have included “net revenues less expenditures” as estimated in the RCLCO analysis, given that these revenues are directly attributable to the ultimate completion of the Project and its operation. Lastly, it is noted that staff members have not included the use of a C & I tax, given that the funding scenario presented does not require any additional funds beyond what the proposed districts generate, nor have staff members included the use of planning subareas, given that such a scenario would require a district(s) with a geographical size that would, in effect, approximate a general property tax.

The scenario presented below is projected to cover the long-term debt service and WMATA contributions associated with the Project, but does not cover additional transportation (road) projects or replacement of gas tax transportation projects/services. Under the debt service structure used in the modeling exercise, there are brief periods where expenditures exceed revenues by modest amounts. To address those instances, staff would work with the County’s financial advisors to structure the debt service in such a way as to synchronize revenues and expenditures.

The scenario developed by staff uses the “Purple Line” District, as proposed by Supervisor Williams, with suggested tax rates of 20 cents for the station development districts, which again, represent the areas within one-half mile of the proposed Metrorail stations (including the Route 28 Station, the Dulles Airport Station, the Route 606 Station and the Route 772 Station), and variations up to a maximum of 20 cents for the remainder of the rail service district, which as noted, is the area between the station development districts and the purple line (the outer edge of the district). Staff also notes that each of the station development districts half mile circles, as currently analyzed, are for illustrative purposes and subject to change based on actual parcel boundaries. As mentioned above, a map of the “Purple Line” District is included at Attachment 2, including the one-half mile station development districts surrounding the planned Metrorail stations.

During the presentation at the June 29, 2012 work session, staff will cover the scenario in detail, along with additional information as to how the associated tax rates would compare to neighboring jurisdictions. Staff will also be prepared to address questions that the Board may have on the scenario or other Project-related issues.

ATTACHMENTS:

1. June 29, 2012 Staff Presentation
2. "Purple Line" District Map
3. List of Parcels Included in "Purple Line" District

Dulles Corridor Metrorail Project

FINANCE MEETING #5



June 29, 2012

Recap of Discussions from June 18th Work Session

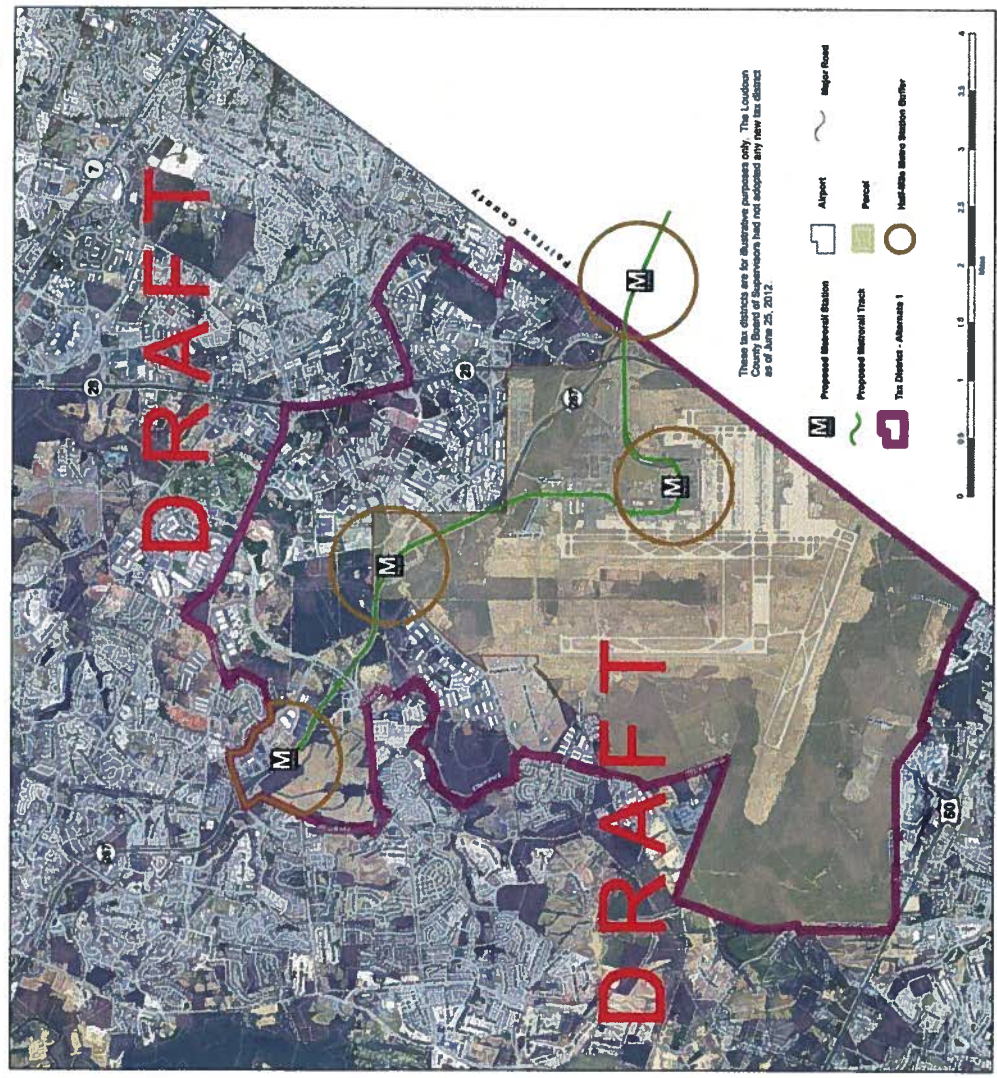
Straw Votes for Developing a Plan of Finance

- 1. Metrorail Alternate 1 Tax District
(aka “Purple Line District”)**
- 2. Funding Sources:**
 - a) Rail Service Districts**
 - b) Commercial & Industrial Tax**





Metrorail Alternate One Tax District Proposal



Loudoun County Office of Mapping and Geographic Information

Date Mapped 06/25/2012
Map Number 2012-249



Alternate District #1 Proposed Financing Scenario

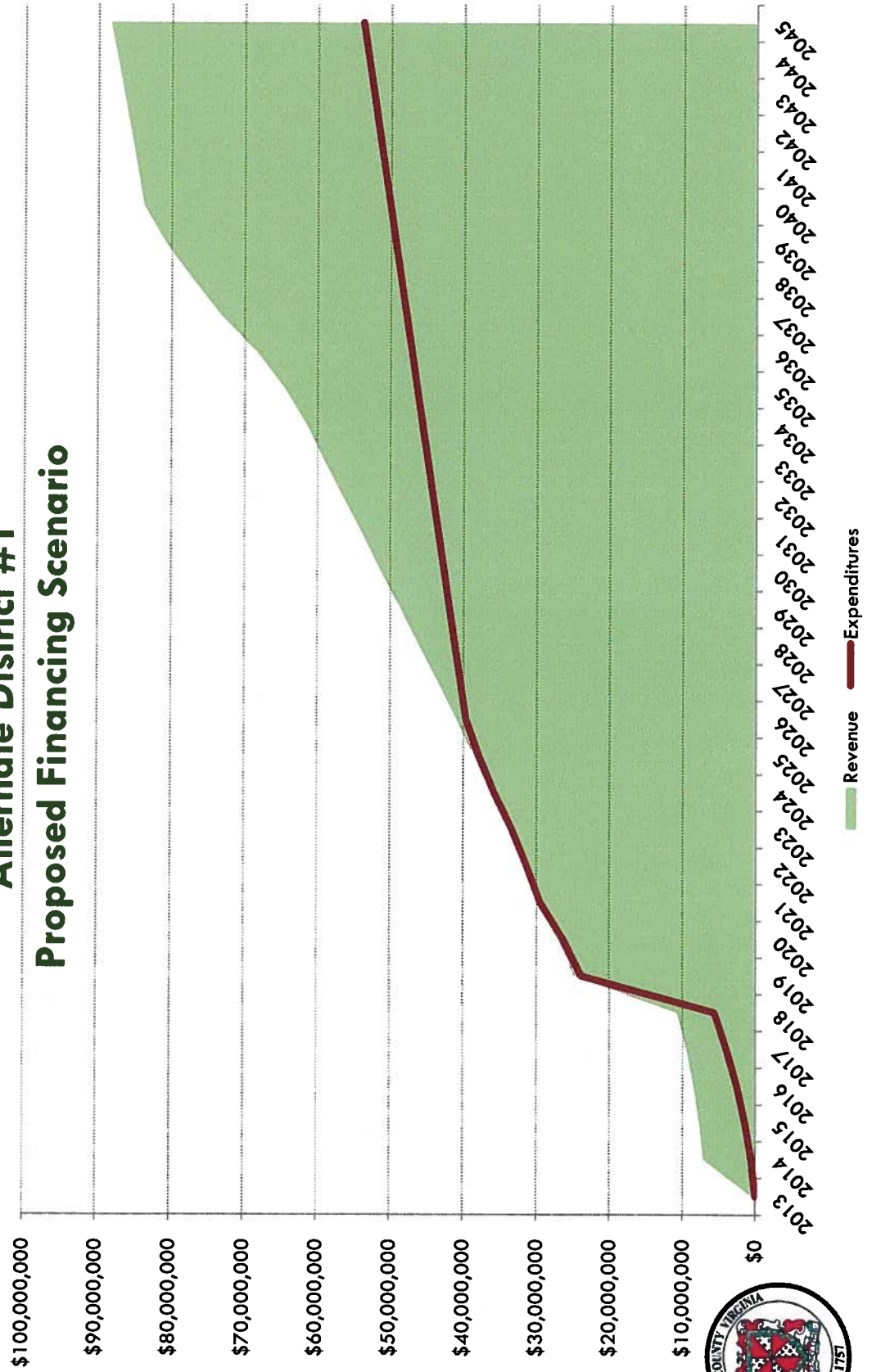
Assumptions:

Revenue Sources	Expenditures
<ul style="list-style-type: none"> -RCLCO Growth -Gas Tax -Rail District: <ul style="list-style-type: none"> Station Development District (within 1/2 -mile radius) @ \$0.20 Rail Service District (Parcels outside of 1/2 -mile radius) @ \$0.20 	<ul style="list-style-type: none"> -Debt Structure: Case 10 Revised: Issuance Schedule ramped up; Current market rates used (2% BANS; 3.85% LT Bonds) -Does Not Include transportation road improvement projects

	2014	2018	2020	2023	2025	2030
Revenues	\$7.2M	\$10.8M	\$27.0M	\$33.8M	\$38.6M	\$51.3M
Expenditures	\$0.6	\$5.6	\$26.3	\$33.4	\$37.9	\$42.7
Net Impact	\$6.6	\$5.2	\$0.7	\$0.4	\$0.7	\$8.6



Alternate District #1 Proposed Financing Scenario



Commercial Real Property Tax Rates by Location

Location	Base Rate	C&I Tax	Rte 28 or PW Pkwy	Phase I	Phase II	Total
Fairfax – Tysons (Tax District 1)	\$1.075	\$0.11	N/A	\$0.22	N/A	\$1.405
Fairfax – Herndon (Tax District 2) ¹	\$1.075	\$0.11	\$0.18	N/A	\$0.25	\$1.615
Loudoun – Station Dev. Districts (within 1/2 -mile radius) ²	\$1.235	\$0.00	\$0.18	N/A	\$0.20	\$1.615
Loudoun – Station Dev. Districts (within 1/2 -mile radius; outside Route 28 Tax District) ²	\$1.235	\$0.00	N/A	N/A	\$0.20	\$1.435
Loudoun – Rail Service District (outside 1/2 -mile radius) ²	\$1.235	\$0.00	\$0.18	N/A	\$0.20	\$1.615
Loudoun – Rail Service District (outside 1/2 -mile radius; outside Route 28 Tax District) ²	\$1.235	\$0.00	N/A	N/A	\$0.20	\$1.435



¹Tax District 2 is scheduled to increase its rate to \$0.20 in 2014 and remain at that level until bonds are sold. Subsequent to that action, the rate are planned to be raised to a maximum of \$0.25

²Rates do not currently exist; for discussion purposes only.

Residential Real Property Tax Rates by Location

Location	Base Rate	Town Rate or Sewer District Rate	Phase II	Total
Loudoun – Station Development District ¹	\$1.235	N/A	\$0.20	\$1.435
Loudoun – Rail Service District ¹	\$1.235	N/A	\$0.20	\$1.435
Loudoun – (Not in Town/SD)	\$1.235	N/A	N/A	\$1.235
Loudoun – Hamilton	\$1.235	\$0.280	N/A	\$1.515
Loudoun – Hamilton (SD)	\$1.235	\$0.300	N/A	\$1.535
Loudoun – Leesburg	\$1.235	\$0.195	N/A	\$1.430
Loudoun – Lovettsville	\$1.235	\$0.210	N/A	\$1.445
Loudoun – Middleburg	\$1.235	\$0.190	N/A	\$1.425
Loudoun – Purcellville	\$1.235	\$0.225	N/A	\$1.460
Loudoun – Round Hill	\$1.235	\$0.215	N/A	\$1.450

¹Rates do not currently exist; for discussion purposes only. As currently proposed, there is limited or no occupied residential in these districts. This rate would apply to future residential development.



Metrorail Alternate One Tax District Proposal

