

5



Financial Plan



5. Financial Plan

In the financial plan, service costs are projected and financial resources are identified over the next ten years. This financial plan covers fiscal year (FY) 2024 through FY 2033 with FY 2023 as a baseline. It reflects a financially constrained plan that represents what can realistically be achieved using the various anticipated funding sources. It is not intended to be a budget document but rather a planning-level financial guide. All figures are presented in year-of-expenditure (YOE) dollars with an assumed escalation factor of three percent per year.

The financial plan was developed in collaboration with the FCDOT Coordination and Funding Division based on forecasts of federal, state, regional, and local revenue projections and past trends for these sources. Fairfax County establishes annual budgets for transit service through a collaborative process involving its Board of Supervisors. Ultimately, the Board votes on the final budget, taking into account community input, financial constraints, and available resources. As the TSP undergoes annual updates and FCDOT and the BOS establishes annual budgets, this financial information will change. Funding is subject to annual appropriation by the Fairfax County Board of Supervisors.

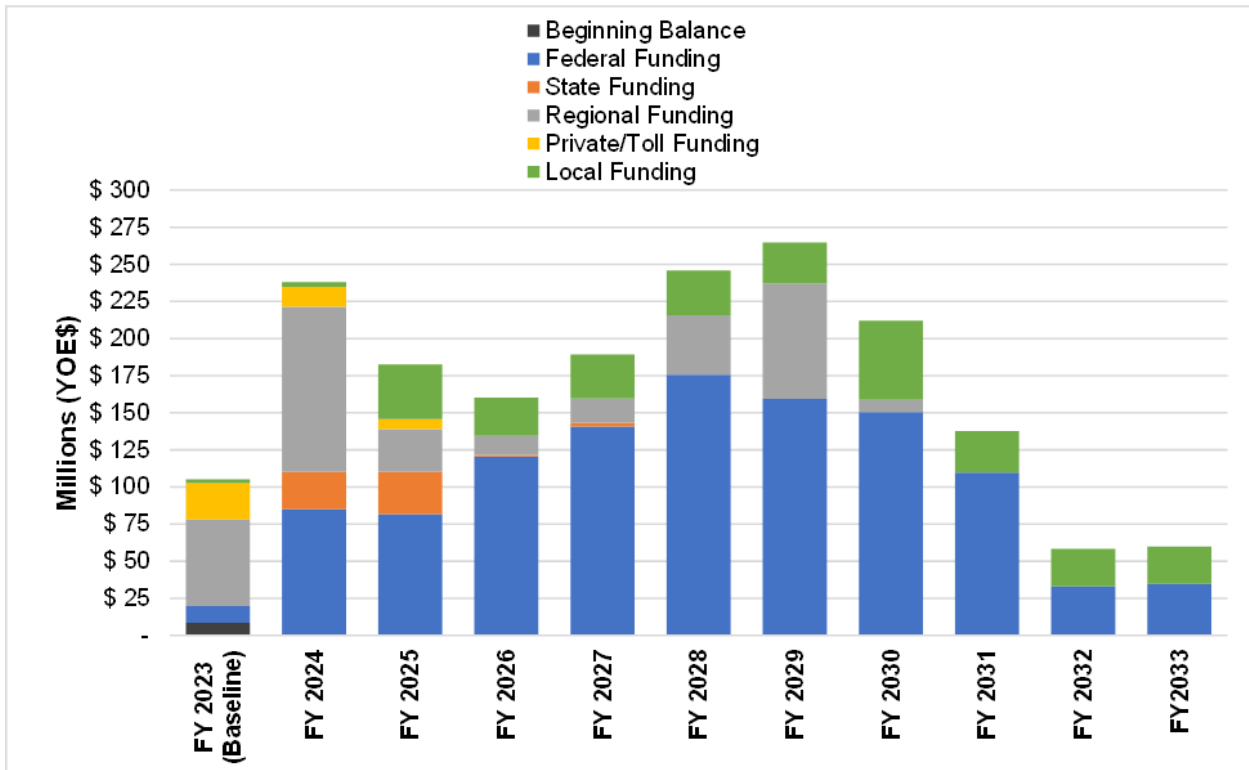
5.1 Capital Cost and Revenue Forecast

The capital cost and revenue forecasts were developed according to the capital implementation plan in **Chapter 4** and in collaboration with the FCDOT Coordination and Funding Division. **Table 5-1** shows a breakdown of capital costs for each implementation category.

A mix of federal, state, regional, private/toll, and local capital funding sources will be used. **Figure 5-1** summarizes year-by-year capital revenue sources, which are generally balanced with the cost forecast each year over the period of the TSP. **Table 5-2** shows a breakdown of capital revenue sources. Revenues were estimated from funds that have already been programmed, grant applications to the state and/or the Federal Transit Administration (FTA), and the recently approved Six Year Improvement Program (SYIP) to estimate future years.



FIGURE 5-1: CAPITAL REVENUE SOURCES



Note: Funding is subject to annual appropriation by the Fairfax County Board of Supervisors.



TABLE 5-1: CAPITAL COST FORECAST

Baseline

Capital Cost Forecast (YOE\$ Millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Vehicles	\$33.3	\$56.2	\$41.4	\$44.4	\$55.0	\$53.7	\$60.1	\$50.5	\$55.4	\$32.0	\$58.3
Bus Replacement ¹	\$25.2	\$39.2	\$32.4	\$35.4	\$45.1	\$42.6	\$47.9	\$37.0	\$40.9	\$16.0	\$41.9
Bus Expansion ¹	\$4.6	\$13.7	\$4.8	-	-	-	-	-	-	-	-
From I-66 ITB Toll Revenue	-	\$5.6	\$4.8	-	-	-	-	-	-	-	-
From I-66 OTB Toll Revenue	\$4.6		-	-	-	-	-	-	-	-	-
From I-395 Toll Revenue	-	\$0.9	-	-	-	-	-	-	-	-	-
From VDOT I-495 ALB		\$7.2	-	-	-	-	-	-	-	-	-
Bus Rehabilitation	\$2.6	\$2.6	\$3.5	\$3.5	\$3.5	\$3.5	\$3.5	\$3.5	\$3.5	\$3.9	\$3.9
Master Lease Financing				\$4.7	\$5.6	\$6.8	\$7.9	\$9.2	\$10.2	\$11.3	\$11.7
Non-Revenue Vehicles ¹	\$0.2	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Third-Party Project Management	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7
Passenger Facilities	\$34.0	\$41.2	\$5.7	\$1.2	\$1.2	\$1.2	\$1.2	\$0.8	\$0.8	\$0.8	\$0.8
Springfield CBC Commuter Parking Garage	\$11.5	\$29.2	\$2.5	-	-	-	-	-	-	-	-
Tysons West*Park Transit Center Reno.	\$1.9	\$1.8	-	-	-	-	-	-	-	-	-
Monument Drive Commuter Parking Garage	\$20.0	\$9.0	\$2.0	-	-	-	-	-	-	-	-
Bus Stop Improvement Program	\$0.6	\$1.2	\$1.2	\$1.2	\$1.2	\$1.2	\$1.2	\$0.8	\$0.8	\$0.8	\$0.8
Operating/Maintenance Facilities	\$0.5	-	\$25.0	\$1.0	-	-	-	-	-	-	-
Huntington Bay Repair Renovation	\$0.2	-	-	\$1.0	-	-	-	-	-	-	-
West Ox Fire Alarm System Replacement	\$0.3	-	-	-	-	-	-	-	-	-	-
West Ox Buyout	-	-	\$25.0	-	-	-	-	-	-	-	-
Tools and Equipment	\$0.5	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7
Tools and Equipment	\$0.5	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7
Technology	\$1.9	\$2.1	\$14.0	-	-	-	-	-	-	-	-
Intelligent Transportation Systems	\$1.9	-	-	-	-	-	-	-	-	-	-
SmarTrip Program Updates	-	\$2.1	\$14.0	-	-	-	-	-	-	-	-
Major Capital Projects	\$35.0	\$108.2	\$91.8	\$113.1	\$132.4	\$190.5	\$202.8	\$160.2	\$80.9	\$25.0	-
Richmond Highway BRT (RH BRT)	\$34.2	\$108.2	\$41.8	\$63.1	\$82.4	\$140.5	\$177.8	\$135.2	\$55.9	-	-
Electric Bus Infrastructure Needs	\$0.8	-	\$50.0	\$50.0	\$50.0	\$50.0	\$25.0	\$25.0	\$25.0	\$25.0	-
Total Capital Costs	\$105.2	\$208.3	\$178.6	\$160.4	\$189.2	\$246.0	\$264.7	\$212.1	\$137.8	\$58.4	\$59.8

¹Vehicle unit costs assumption (FY23 \$): Diesel = \$675,000; Hybrid = \$900,000; Electric = \$1,114,000; Articulated = \$1,300,000; Support = \$25,000



TABLE 5-2: CAPITAL REVENUE FORECAST

Baseline

Capital Revenue Forecast (YOE\$ Millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Beginning Balance											
Carryover Revenue (Spend in FY 2023)	\$8.3										
Federal Funding	\$11.5	\$85.0	\$81.6	\$120.5	\$140.8	\$175.7	\$159.5	\$150.5	\$109.7	\$33.2	\$34.6
CMAQ Springfield CBC	\$11.5	\$29.2	\$2.5	-	-	-	-	-	-	-	-
RH BRT - CMAQ/RSTP	-	\$51.1	\$13.2	\$10.5	\$3.5	\$0.5	-	-	-	-	-
RH BRT - New Starts	-	-	-	\$43.3	\$60.0	\$100.0	\$100.0	\$100.0	\$55.9	-	-
FTA/ARPA BEB Fleet		\$4.7	\$25.9	\$26.7	\$37.3	\$35.2	\$39.5	\$30.5	\$33.8	\$13.2	\$34.6
FTA BEB Infrastructure	-	-	\$40.0	\$40.0	\$40.0	\$40.0	\$20.0	\$20.0	\$20.0	\$20.0	-
State Funding	-	\$25.0	\$28.6	\$1.0	\$2.5	-	-	-	-	-	-
SMART SCALE (RH BRT)		\$17.8	\$28.6	\$1.0	\$2.5	-	-	-	-		
VDOT/DRPT TRIP	-	\$7.2	-	-	-	-	-	-	-	-	-
Regional Funding	\$58.2	\$111.2	\$28.9	\$13.0	\$16.5	\$40.0	\$77.8	\$8.2	-	\$0.01	\$0.02
NVTA 70% (RH BRT)	\$34.2	\$99.1	-	\$8.2	\$16.5	\$40.0	\$77.8	\$8.2	-	-	-
NVTC Cap - Other	-	\$9.6	\$0.0	\$0.0	-	-	\$0.02	-	-	\$0.01	\$0.02
NVTC Cap - Paygo	\$24.0	\$2.6	-	-	-	-	-	-	-	-	-
NVTC Cap - BOA Loan	-	-	\$3.9	\$4.7	-	-	-	-	-	-	-
NVTC Cap - West Ox Buyout	-	-	\$25.0	-	-	-	-	-	-	-	-
Private/Toll Funding	\$24.6	\$13.6	\$6.5	-	-	-	-	-	-	-	-
I-66 Inside the Beltway	-	\$4.0	\$4.5	-	-	-	-	-	-	-	-
I-66 Outside the Beltway	\$4.6		-	-	-	-	-	-	-	-	-
I-395 Express Lanes	-	\$0.6	-	-	-	-	-	-	-	-	-
I-66 Concession Payment	\$20.0	\$9.0	\$2.0	-	-	-	-	-	-	-	-
Local Funding	\$2.5	\$3.3	\$36.9	\$26.0	\$29.5	\$30.3	\$27.4	\$53.4	\$28.1	\$25.2	\$25.2
Commercial & Industrial Tax (C&I)	\$0.6	\$1.2	\$7.3	\$2.2	\$1.2	\$1.2	\$1.2	\$0.8	\$0.8	\$0.8	\$0.8
General Fund		\$0.3	\$13.1	\$7.1	\$2.6	\$2.8	\$2.5	\$3.1	\$2.9	\$4.6	\$3.3
General Fund (BOA loan)					\$5.6	\$6.8	\$7.9	\$9.2	\$10.2	\$11.3	\$11.7
General Fund for BEB Transition			\$10.0	\$10.0	\$10.8	\$10.8	\$5.8	\$5.7	\$5.7	\$5.3	\$0.7
Master Lease			\$6.5	\$6.7	\$9.3	\$8.8	\$9.9	\$7.6	\$8.4	\$3.3	\$8.7
NVTA 30% (RH BRT)		-	-			-	-	\$27.0			
GO Bonds	\$1.9	\$1.8	-	-	-	-	-	-	-	-	-
Total Capital Revenues	\$105.1	\$238.2	\$182.5	\$160.4	\$189.2	\$246.0	\$264.7	\$212.1	\$137.8	\$58.4	\$59.8

Note: Funding is subject to annual appropriation by the Fairfax County Board of Supervisors.



5.2 Operating Cost and Revenue Forecast

The operating cost and revenue forecasts were developed according to the service development plan described in **Chapter 3** and in collaboration with the FCDOT Coordination and Funding Division.

Table 5-3 shows an annual breakdown of operating costs for operating expenses (non-grant funded versus grant-funded service) and Virginia Railway Express (VRE) payments. Grant-funded services are either partially or fully funded through grants such as the Northern Virginia Transportation Commission (NVTC) Commuter Choice for the I-66 and I-395/95 corridors and state agreements for service on Express Lanes corridors. This includes Routes 371, 393, 396, 397, 598, 660, 698, 699, and 798.

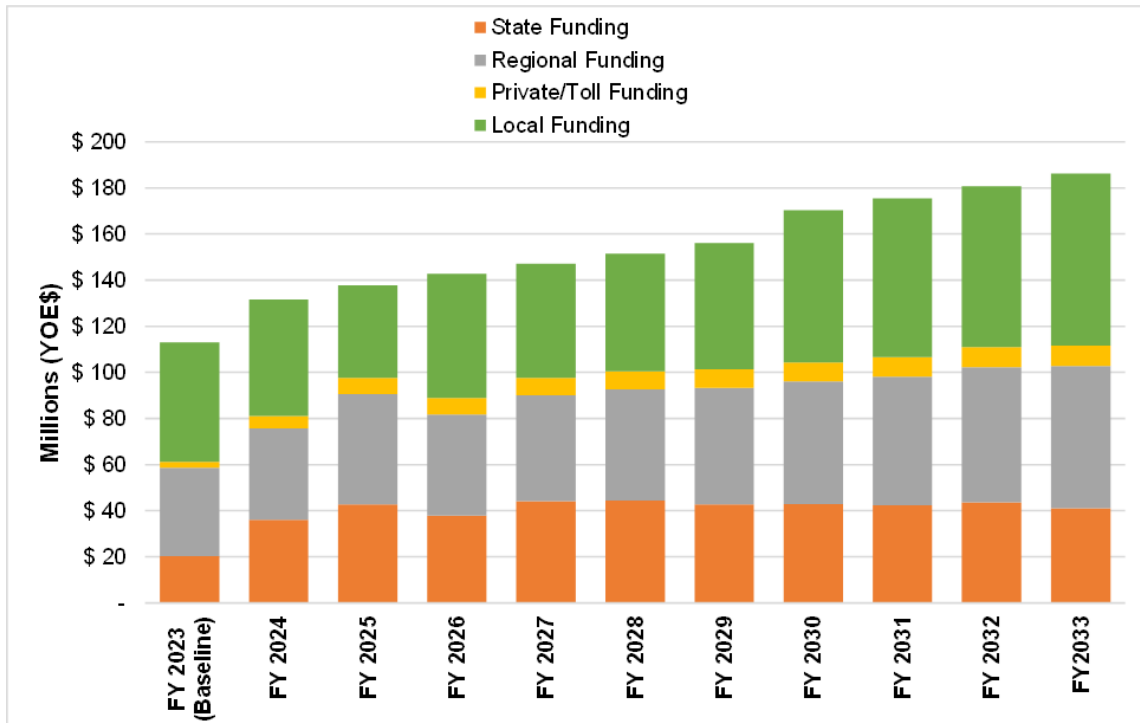
A mix of state, regional, private/toll, and local operating funding sources will be used. **Figure 5-2** summarizes year-by-year operating revenue sources, which are generally balanced with the cost forecast each year over the period of the TSP.

Table 5-4 shows of breakdown of operating revenue sources. Revenues were estimated from funds that have already been programmed, grant applications to the state, and the recently approved SYIP to estimate future years.

There are no planned fare increases for Connector but there were several recent fare policy changes. Fairfax County was awarded a three-year DRPT Transit Ridership Incentive Program (TRIP) grant and launched a reduced fare program in early 2023 that provides a 50% discount on Fairfax Connector for low-income individuals. Also, effective May 1, 2023 children aged 12 and under can ride for free when accompanied by a paying adult. Fares are one of several other local sources used to fund operations.



FIGURE 5-2: OPERATING REVENUE SOURCES



Note: Funding is subject to annual appropriation by the Fairfax County Board of Supervisors.



TABLE 5-3: OPERATING COST FORECAST

Baseline

Operating Cost Forecast (YOE\$ Millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Revenue Hours ¹	863,562	883,502	899,012	905,944	905,944	905,944	905,944	1,020,884	1,020,884	1,020,884	1,020,884
Operating Costs											
Operating Expenses ²	\$108.4	\$115.5	\$119.0	\$122.6	\$126.3	\$130.0	\$134.0	\$147.6	\$152.0	\$156.5	\$161.2
Operating Expenses (Grant Funded Service)		\$10.4	\$12.9	\$14.3	\$14.7	\$15.2	\$15.6	\$16.1	\$16.6	\$17.1	\$17.6
VRE Payments	\$4.7	\$5.6	\$5.8	\$5.9	\$6.1	\$6.3	\$6.5	\$6.7	\$6.9	\$7.1	\$7.3
Total Operating Costs	\$113.1	\$131.5	\$137.7	\$142.8	\$147.1	\$151.5	\$156.1	\$170.4	\$175.5	\$180.7	\$186.1

¹ Revenue hours do not include recommendations dependent on grant funding that has not been obtained yet, such as Route 698 frequency improvement and microtransit service.

² Hourly operating expense assumption (FY24 \$): \$139.68 per hour



TABLE 5-4: OPERATING REVENUE FORECAST

Baseline

Operating Revenue Forecast (YOE\$ Millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
State Funding	\$20.2	\$36.0	\$42.8	\$37.9	\$44.2	\$44.4	\$42.7	\$42.9	\$42.3	\$43.6	\$41.1
NVTC Operating	\$12.0	\$27.1	\$34.6	\$30.3	\$36.4	\$36.4	\$34.4	\$34.4	\$33.6	\$34.6	\$31.8
NVTC Fare Offset (CARES)	\$7.0	\$3.3	\$1.8	-	-	-	-	-	-	-	-
DRPT	\$1.2	\$5.7	\$6.4	\$7.6	\$7.8	\$8.0	\$8.3	\$8.5	\$8.8	\$9.0	\$9.3
Regional Funding	\$38.5	\$39.7	\$47.8	\$43.7	\$45.9	\$48.2	\$50.6	\$53.2	\$55.8	\$58.6	\$61.6
County and Regional Transit	\$38.5	\$39.7	\$47.8	\$43.7	\$45.9	\$48.2	\$50.6	\$53.2	\$55.8	\$58.6	\$61.6
Private/Toll Funding	\$2.5	\$5.4	\$7.1	\$7.3	\$7.5	\$7.7	\$7.9	\$8.2	\$8.4	\$8.7	\$8.9
NVTC (Tolls)	\$1.2	\$4.2	\$5.9	\$6.0	\$6.2	\$6.4	\$6.6	\$6.8	\$7.0	\$7.2	\$7.4
CIA	\$1.3	\$1.2	\$1.2	\$1.2	\$1.3	\$1.3	\$1.4	\$1.4	\$1.4	\$1.5	\$1.5
Local Funding	\$51.8	\$50.4	\$40.1	\$54.0	\$49.5	\$51.2	\$54.8	\$66.1	\$68.9	\$69.8	\$74.5
Miscellaneous, Advertising, Bus Shelter Program, Fares, WMATA	\$5.4	\$4.0	\$4.1	\$5.5	\$5.6	\$5.8	\$6.0	\$6.7	\$6.9	\$7.1	\$7.3
General Fund (also funds Capital)	\$42.9	\$42.7	\$32.2	\$44.5	\$39.7	\$41.0	\$44.4	\$54.8	\$57.2	\$57.7	\$62.0
Transfer from Fund 30040	\$0.1	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
Transfer from Fund 30000	\$3.4	\$3.5	\$3.7	\$3.8	\$4.0	\$4.1	\$4.3	\$4.5	\$4.7	\$4.9	\$5.0
Total Operating Revenues	\$113.0	\$131.5	\$137.7	\$142.8	\$147.1	\$151.5	\$156.1	\$170.4	\$175.5	\$180.7	\$186.1

Note: Funding is subject to annual appropriation by the Fairfax County Board of Supervisors.



5.3 Potential Sources of Funds for Unfunded Needs

While the financial plan demonstrates the financially constrained service improvements of the TSP can be realistically achieved through identified sources of funds, the financially unconstrained improvements developed through the TSP planning process (see **Appendix C**) will require new or additional funding. Fairfax County should continue to pursue discretionary grants at the federal, state, and regional level. This includes DRPT MERIT and TRIP, SMART SCALE, NVTC Commuter Assistance, and NVTa TransAction.