Fund 124
County and Regional Transportation Projects

Focus

New opportunities to improve transportation and pedestrian access were supported by the FY 2009 creation of a new fund, Fund 124, County and Regional Transportation Projects. The FY 2010 budget includes annual funding generated by the prior year establishment of a commercial and industrial real estate tax rate for transportation. This taxing authority was authorized under the Transportation Funding and Reform Act of 2007 (HB 3202), approved by the Virginia General Assembly on April 4, 2007, and implemented by the Board of Supervisors as part of the FY 2009 Adopted Budget Plan. This revenue supports roadway, transit and pedestrian projects. It provides the opportunity for the County to accelerate the implementation of projects on its long-term transportation plan and address transportation requirements that have been long unfulfilled due to funding constraints.

HB 3202 authorized a County commercial and industrial real estate tax for transportation of up to 25 cents, as well as new regional taxes and fees to be collected by the Northern Virginia Transportation Authority (NVTA). These regional taxes and fees would have raised approximately $300 million annually for transportation funding in Northern Virginia. In February 2008, the Virginia Supreme Court ruled that the General Assembly did not have the ability to delegate its taxing authority to NVTA, thus invalidating this source of revenue. However, the County's authority to implement a commercial and industrial real estate tax for transportation was not affected by the Supreme Court decision. During the 2009 General Assembly session, the maximum rate localities can levy for a commercial and industrial real estate tax was temporarily reduced from 25 cents per $100 assessed value to 12.5 cents per $100 assessed value for four years. Discussions will continue at the State level on how best to replace the NVTA regional funding to meet the transportation challenges of Northern Virginia.

As part of its deliberations on the FY 2010 budget, the Board of Supervisors approved a commercial real estate tax for transportation of 11 cents per $100 assessed value, the same rate as in FY 2009. This revenue provides approximately $51 million in new transportation dollars for capital and transit projects in FY 2010.

Approximately $32 million is included in Fund 124, County and Regional Transportation Projects, for FY 2010 capital projects. Funding that is recommended to be appropriated to specific projects is included in the Summary of Capital Projects that follows. The majority of FY 2010 funding remains in the construction reserve project; funds will be moved to priority projects during FY 2010 as projects approach implementation. A small portion of the revenues is anticipated to support debt service on a planned $50 million transportation revenue bond through the Economic Development Authority (EDA) to be issued in FY 2010. FY 2010 projects will be consistent with the commercial and industrial tax revenue project list approved by the Board of Supervisors on May 5, 2008.

A transfer to Fund 100, County Transit of $15.5 million is also included in the FY 2010 budget. This amount will fund the operational costs of expanding service on FAIRFAX CONNECTOR priority overcrowded routes, will provide new mid-day service originating from the new West Ox Bus Operations Center, and will support additional bus service as recommended by the Transit Development Plan study. Funding in support of the CONNECTOR bus system also is consistent with the project list approved by the Board of Supervisors on May 5, 2008.

Continuing in FY 2010, a portion of Fund 124 revenue will be used to manage expanded project workload. This includes funding for 19/19.0 SYE new staff positions, as previously approved by the Board of Supervisors in FY 2009. It also includes funding for office space to accommodate the expanded staff and co-location location of all Fairfax County Department of Transportation (FCDOT) staff and road project staff from the Department of Public Works and Environmental Services (DPWES). The expanded staff and co-location will enable the County to improve and streamline the management of transportation projects. These efforts help the County effectively prioritize, plan, manage and spend current and new transportation funds to improve traffic flow, transit and general mobility of Fairfax County residents and those who travel in and through Fairfax County.

FCDOT also is redesigning the management of transportation capital projects to include the institution of a General Engineering Contract (GEC). The GEC will provide a balance of outside experience and in-house knowledge to swiftly advance the completion of planned projects and provide the necessary coordination with the Virginia Department of Transportation, regional transportation agencies, and local affected communities.

Budget and Staff Resources

Agency Summary					
Category	FY 2008 Actual	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan	FY 2010 Advertised Budget Plan	FY 2010 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	0/ 0	19/ 19	19/ 19	19/ 19	19/ 19
Expenditures:					
Personnel Services	$0	$1,204,386	$1,204,386	$1,775,322	$1,775,322
Operating Expenses	0	0	2,030,622	1,500,000	1,500,000
Capital Equipment	0	0	8,358,889	0	0
Capital Projects	0	110,495,614	62,471,439	32,117,466	32,117,466
Total Expenditures	**$0**	**$111,700,000**	**$74,065,336**	**$35,392,788**	**$35,392,788**

Position Summary			
1	Engineer V	2	Planning Technicians II
4	Engineers IV	1	Senior Right of Way Agent
2	Engineers III	2	Management Analysts III
1	Transportation Planner III	1	Network Analyst I
2	Transportation Planners II	1	Administrative Assistant III
1	Assistant Supervisor Facilities Support	1	Administrative Assistant II
TOTAL POSITIONS			
19 Positions / 19.0 Staff Years			

FY 2010 Funding Adjustments

The following funding adjustments from the FY 2009 Adopted Budget Plan are necessary to support the FY 2010 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the budget on April 27, 2009.

- **Employee Compensation** **$570,936**
  An increase of $570,936 in Personnel Services includes additional funding for staff positions approved by the Board of Supervisors as part of the FY 2009 budget, but not phased in until FY 2010 in order to match staff expansions with associated workload requirements based on project implementation. In addition, it includes the full-year impact of salary increases awarded during FY 2009. It should be noted that no funding is included for pay for performance or merit awards in FY 2010.

- **Operating Expenses** **$1,500,000**
  An increase of $1,500,000 in Operating Expenses, primarily associated with lease costs necessary to support the co-location of existing FCDOT staff, 19 additional positions approved by the Board of Supervisors in the FY 2009 budget, and 18 road design staff of the Department of Public Works and Environmental Services (DPWES). Staff moved into newly leased space in FY 2009. This co-location will streamline transportation project management and advance critical transportation projects. Space at existing FCDOT offices was insufficient to fully accommodate its existing staff, even prior to Fund 124 staff expansions to support new capital projects.

- **Capital Projects** **$32,117,466**
  Funding in the amount of $32,117,466 has been included for FY 2010 priority projects supported by the commercial and industrial tax revenue, consistent with the project list presented for Board approval on May 5, 2008.

Changes to FY 2009 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2009 Revised Budget Plan since passage of the FY 2009 Adopted Budget Plan. Included are all adjustments made as part of the FY 2008 Carryover Review, FY 2009 Third Quarter Review, and all other approved changes through April 20, 2009.

- As part of the *FY 2008 Carryover Review*, the Board of Supervisors made no adjustments to this fund.

- As part of the *FY 2009 Third Quarter Review*, the Board of Supervisors approved a decrease of $37,634,664 in order to transfer appropriation authority to Fund 309, Metro Operations and Construction, to support County bond-funded requirements for the Metro Matters construction program. This adjustment did not impact any active capital projects in Fund 124. The $37.6 million will meet the partial costs of a one-time "opt-out" of the Metro Matters bond issue and long term commitment to the paying of that debt. The execution of this opt out allowed the County to pay its share in the debt in full at the time of closing on the WMATA bonds in June 2009, saving the County an estimated $11.5 million net present value over the life of the bonds.

Fund 124
County and Regional Transportation Projects

FUND STATEMENT

Fund Type G10, Special Revenue Funds | **Fund 124, County and Regional Transportation Projects**

	FY 2008 Actual	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan	FY 2010 Advertised Budget Plan	FY 2010 Adopted Budget Plan
Beginning Balance	**$0**	**$0**	**$0**	**$0**	**$0**
Revenue:					
Fairfax County Share of New Regional Transp. Funds[1]	$0	$60,000,000	$22,365,336	$0	$0
Commercial Real Estate Tax for Transportation[2]	0	51,700,000	51,700,000	50,900,000	50,900,000
Total Revenue	$0	$111,700,000	$74,065,336	$50,900,000	$50,900,000
Total Available	**$0**	**$111,700,000**	**$74,065,336**	**$50,900,000**	**$50,900,000**
Expenditures:					
Personnel Services	$0	$1,204,386	$1,204,386	$1,775,322	$1,775,322
Operating Expenses[3]	0	0	2,030,622	1,500,000	1,500,000
Capital Equipment[4]	0	0	8,358,889	0	0
Capital Projects[1, 5]	0	110,495,614	62,471,439	32,117,466	32,117,466
Total Expenditures	$0	$111,700,000	$74,065,336	$35,392,788	$35,392,788
Transfer Out					
County Transit (100)[6]	$0	$0	$0	$15,507,212	$15,507,212
Total Disbursements	**$0**	**$111,700,000**	**$74,065,336**	**$50,900,000**	**$50,900,000**
Ending Balance	**$0**	**$0**	**$0**	**$0**	**$0**
Tax Rate per $100 of Assessed Value	**$0**	**$0.11**	**$0.11**	**$0.11**	**$0.11**

Fund 124
County and Regional Transportation Projects

[1] The FY 2009 Adopted Budget Plan projected receipt of new Northern Virginia Transportation Authority (NVTA) transportation dollars was contingent on General Assembly action to restore anticipated transportation funding that was eliminated by the February 2008 Supreme Court decision declaring that the new regional taxing authority granted by the General Assembly to NVTA was unconstitutional. The General Assembly did not restore this funding in FY 2009. As part of its deliberations on the *FY 2009 Third Quarter Review*, this revenue projection was decreased by $37.64 million and the Board of Supervisors transferred appropriation authority supported by these funds to Fund 309, Metro Operations and Construction, in support of the County bond-funded requirement for the Metro Matters construction program. This adjustment did not impact any active capital projects in Fund 124. The *FY 2008 Carryover Review* budget will reflect the full elimination of this revenue in FY 2009.

[2] As part of its action on the FY 2010 Budget Plan, the Board of Supervisors approved a rate of 11 cent/$100 assessed value to the commercial real estate tax for transportation, the same level as in FY 2009. The Transportation Funding and Reform Act of 2007 (HB 3202) provided the enabling legislation for this new tax. Revenue projections decline slightly in FY 2010 due to the continuing slowdown in the commercial market.

[3] Operating Expenses funding primarily reflects a new lease supporting the FY 2009 co-location of all of FCDOT staff and DPWES road project staff, including one-time FY 2009 equipment and move-in costs. This co-location will enable the County to effectively prioritize, plan and manage new transportation projects made possible through the commercial and industrial real estate tax.

[4] Capital Equipment provides FY 2009 support for the purchase of 18 new CONNECTOR buses to support an expansion of service on overcrowded high priority routes (Routes 170, 401 and 950).

[5] Capital Projects include roadway, pedestrian and transit funding. The majority of funding is held in a reserve project, and adjustments to reflect project funding under additional individual projects will be made as projects approach implementation.

[6] The FY 2010 transfer of $15,507,212 to Fund 100 is consistent with the use of commercial and industrial real estate tax approved by the Board of Supervisors on May 5, 2008. This annual amount will fund: the operational costs of expanding service on Fairfax CONNECTOR priority and overcrowded routes, increasing service originating from the new West Ox Bus Operations Center to mid-day service, and implementing additional bus service as recommended by the Transit Development Plan study.

Fund 124
County and Regional Transportation Projects

FY 2010 Summary of Capital Projects

Fund: 124 County & Regional Transportation Projects

Project #	Description	Total Project Estimate	FY 2008 Actual Expenditures	FY 2009 Revised Budget	FY 2010 Advertised Budget Plan	FY 2010 Adopted Budget Plan
01240R	Project Construction Reserve		$0.00	$27,959,439.00	$29,767,466	$29,767,466
BUS000	Bus Stop Improvement Program	1,000,000	0.00	500,000.00	500,000	500,000
P0SR01	Sidewalk Replacement/VDOT Participation	600,000	0.00	300,000.00	300,000	300,000
PBFP01	Bicycle Facilities Program	1,000,000	0.00	500,000.00	500,000	500,000
PEMT01	Emergency Maint. Existing Trails		0.00	100,000.00	0	0
PPTF01	Pedestrian Task Force Recommendations	1,000,000	0.00	500,000.00	500,000	500,000
R00701	Rt 7 Widening-Rolling Holly to Reston Ave.	8,000,000	0.00	8,000,000.00	0	0
R123X1	Braddock Rd/Route 123 Interchange	952,000	0.00	952,000.00	0	0
R19301	Georgetown Pike/Walker Rd. RTL	500,000	0.00	500,000.00	0	0
R29212	Route 29 Widening - Centerville to Fairfax City	2,000,000	0.00	2,000,000.00	0	0
R61901	BRAC - Mulligan Road	12,100,000	0.00	12,100,000.00	0	0
R75701	Annandale R-O-W McWhorter Pl.	3,000,000	0.00	3,000,000.00	0	0
RRVP01	Road Viewers Program		0.00	50,000.00	50,000	50,000
RSPI01	Spot Improvements	1,000,000	0.00	500,000.00	500,000	500,000
RZ0001	Eskridge Rd. Extension	1,000,000	0.00	1,000,000.00	0	0
TSP001	Springfield Park and Ride	4,510,000	0.00	4,510,000.00	0	0
Total		**$36,662,000**	**$0.00**	**$62,471,439.00**	**$32,117,466**	**$32,117,466**