

Public Private Partnerships

PROGRAM DESCRIPTION

This new section of the Capital Improvement Program (CIP) consolidates all projects partially or wholly financed through partnership agreements. Most of these partnerships will be with private entities, however, some may include regional, state or federal involvement.

LINK TO THE COMPREHENSIVE PLAN

Public Private Partnerships are a means of accomplishing many of the goals of the Comprehensive Plan including:

- ✓ Provide new public facilities and maintain existing public facilities taking into account financial limitations associated with increased need for public facilities.
- ✓ Provide a high level and quality of public services to the community, within its financial limitations.
- ✓ Maintain a prosperous economic climate and varied employment opportunities by continuing to develop and pursue a broad range of actions, including public/private partnerships, designed to enhance its long term competitive position in regional, national and international economic development.
- ✓ Participate in leadership roles in cooperative regional activities.

Source: 2007 Edition of the Fairfax County Comprehensive Plan, Policy Plan Element, Overview Section, as amended.

CURRENT PROGRAM INITIATIVES

The capital facilities referred to in this section represent multiple program areas, but may not be included in the CIP, as one of the advantages of the Public Private Partnership (P3) process is to accomplish the construction of needed facilities sooner than normal processes and funding availability would allow. This is done by marshalling resources and circumstances unique to that project that allow it to move forward without affecting or detracting from resources available to other projects. Procurements involving some form of partnership with private or public entities have provide great benefit to the County in education, transportation, public safety and other functions. Undertakings that are being funded primarily through such partnerships are collected in this new section to provide a more comprehensive view of partnership activity in the County.

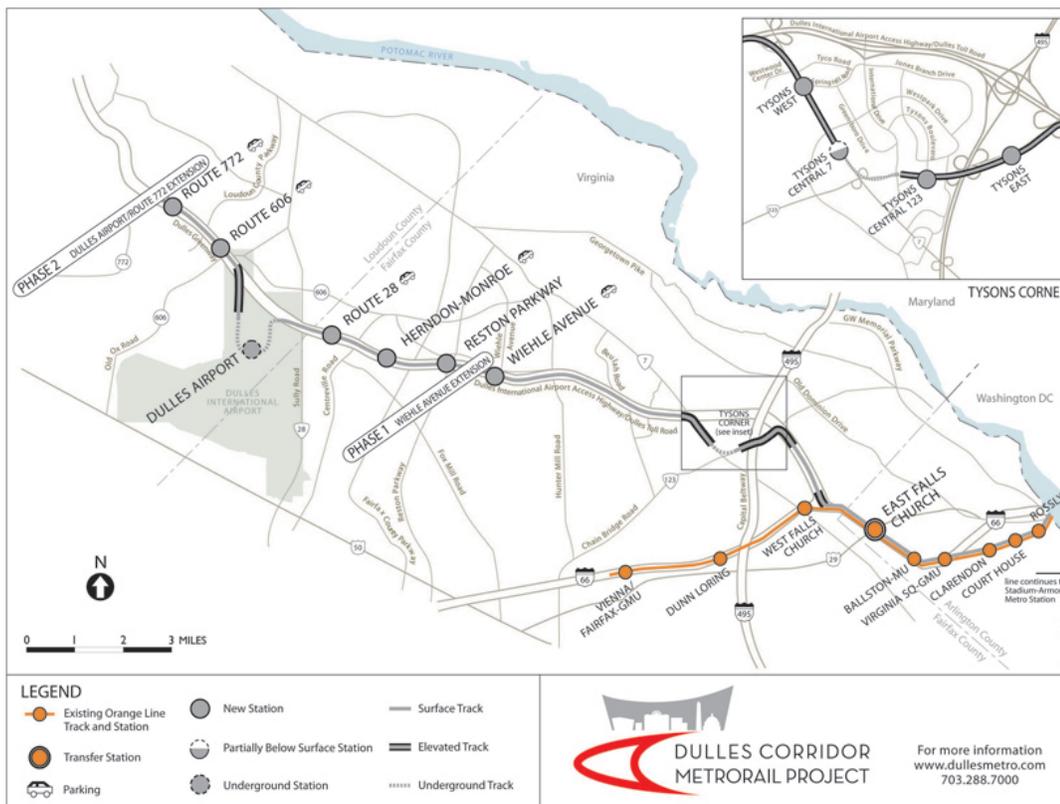
In 1987, the County established a new governmental complex on 100 acres of land in the Fairfax Center area by exchanging land and lease commitments for a new building. The Government Center, and associated Pennino and Herrity buildings, was the first major capital project to be funded and completed through a public private partnership. Since then the County has used this method of financing significant projects to provide for needed facilities that could not be funded through the normal CIP process. In 1999, the County completed the South County Government Center and in 2005 completed the construction of South County Secondary School and Laurel Hill Golf Course through partnership agreements. Other projects recently completed or ongoing through the use of private partnerships, or

partnerships with regional or state entities, include the expansion of State Route 28 and 10 new interchanges, the Public Safety and Transportation Operations Center (PSTOC), the Clemyjontri Park and the Braddock Glen Assisted Living and Adult Day Care facility.

Since the passage of the Public Private Partnership for Educational Facilities and Infrastructure Act (PPEA) in 2002, the County has been engaged in various analyses and negotiations of significant capital projects, both solicited and unsolicited. Currently, the County is engaged in reviewing and negotiating a number of projects that are expected to provide significant benefits when complete. In addition to those listed below, developers of major redevelopment proposals for the Merrifield Town Center and the Springfield Mall have held meetings with staff and made presentations on the benefits of public/private partnerships to effectuate public improvements related to their developments.

CURRENT PROJECT DESCRIPTIONS

- Rail to Dulles:** Completion of a 23 mile extension of the Metro rail line, beginning between the East and West Falls Church station, extending along the Dulles access road extension to Route 123, then through Tyson's Corner to Route 7, turning west to reconnect with the Dulles Access Road and then to Dulles Airport and out to Loudoun County. When complete the new line will have 11 stations, 4 in Tyson's Corner, one each at Wiehle Avenue, Reston Town Center, Herndon, Route 28 and the airport, and two in Loudoun County. The project is currently planned to be constructed in two phases. Phase one, estimated to cost \$2.64 billion, will begin at the Orange line and extend the line to Wiehle Avenue in Reston and construct five stations in Fairfax County. The second phase, currently estimated to cost \$2.56 billion, will complete the line through the airport to its final stop at Route 772 in Loudoun County, including three more stations in Fairfax County, the airport station and the two in Loudoun County.



The current funding agreement anticipates the transfer of the Dulles Toll Road from state control to the Metropolitan Washington Airports Authority (MWAA), which will manage construction of the rail line. The primary source of funding to complete the rail line will be toll road revenues (approximately 57%), with \$900 million or 18 percent expected from the Federal government, 16.1 percent of the total (approximately \$829 million) from Fairfax County, 4.8 percent from Loudoun County and 4.1 percent from MWAA airport revenues. A contract for Phase One has

been approved with Dulles Transit Partners under the state's PPEA authority. Official project start for final design and preliminary construction activities is waiting on final approval and issuance of a Full Funding Grant Agreement (FFGA) by the Federal Transit Administration, expected by the end of 2008. Phase II is expected to be complete by the end of 2013. Design of phase two is expected to begin within one year of the start of phase one, with completion expected no later than 2015.

The Fairfax County share of Phase I is expected not to exceed \$400 million, which will be funded through a special transportation improvement district established in 2004. Landowners petitioned the Board of Supervisors to establish a special district for the express purpose of providing funds for the construction of rail to Dulles and to Wiehle Avenue. The current tax rate is 22 cents per \$100 of assessed value and the collected funds are held until the FFGA is approved, at which time construction funds will be needed.

- 2. Route 28 Interchange Expansion:** Completion of the final four interchanges on State Route 28 in Fairfax and Loudoun Counties through a PPEA contract awarded and administered by the Virginia Department of Transportation (VDOT). The four interchanges include Willard Road and Frying Pan Roads in Fairfax, and the Innovation Avenue and Route 606 in Loudoun. The project is funded through a combination of DOT funds provided through the VDOT 6-year Plan and special tax revenues from a transportation improvement district created in 1987 between Fairfax and Loudoun Counties in response to a petition from landowners. A tax of 20 cents per \$100 of assessed value is assessed on all commercial property in the district to pay for 75 percent of certain improvements to Route 28. Improvements include the original expansion from two to six lanes (completed in 1992), the addition of six new separated grade interchanges (completed in 2008), the final four interchanges (to be completed in 2009) and a final widening from six to eight lanes in the vicinity of the Dulles Toll Road interchange. The current expansion project will cost \$111 million, with \$25 million from VDOT and the balance from bonds supported by the special tax district assessment.
- 3. Wiehle Avenue Garage:** Construction of a 2,300 space parking garage for Metro riders at the proposed Wiehle Avenue Metrorail station to be constructed with Dulles Rail Phase 1. The County has solicited proposals from interested developers to construct the garage in exchange for development rights at the station site in order to encourage Transit Oriented Development in accordance with the Comprehensive Plan. The County is currently reviewing the proposals. It is expected that the value of the development rights will be sufficient to cover the cost of the garage and other required public improvements. The total value of the project is expected to be \$50 to \$80 million depending on the type, mix and size of development finally approved.
- 4. Kingstowne Regional Library, Workforce and Senior Housing:** Construction of a new 46,000 square foot regional library in conjunction with 188 units of workforce and senior housing. The plan includes structured parking for library patrons and residents for approximately 500 vehicles. The combined value of the project is approximately \$80 million.
- 5. Woodburn Mental Health Center:** Proposed construction of a replacement facility for the current Woodburn Mental Health Center. The County has received an unsolicited proposal to move and replace the Woodburn MHC from its current site at the Inova Fairfax Hospital complex to allow Inova to execute plans for expansion of hospital facilities. County and Inova staff have been working to identify a suitable site in the vicinity of the hospital to construct a new, approximately 200,000 square foot, facility that would allow the Fairfax-Falls Church Community Services Board (CSB) to not only replace the existing 38,000 square foot facility, but expand it to include consolidation of numerous mental health and counseling services, currently located in leased space in the vicinity. There presently is a community based task force reviewing the implications of the PPEA proposal. If approved, this will allow creation of a central county service delivery center for CSB services. The total project estimate may exceed \$80 million, and could be funded through a combination of compensation to be received for the current site, savings from lease consolidation, currently approved general obligation bonds and general fund appropriations, if necessary.

6. **East County Human Service Center:** An unsolicited proposal to replace a homeless shelter and construct a new human services center in the Bailey's Crossroads area, in exchange for County owned property. The proposed new center is expected to be approximately 175,000 square feet, modeled on the successful South County Government Center and will include a homeless shelter to replace the current Bailey's shelter. Preliminary review and analysis are underway to determine the feasibility and funding availability for the plan.
7. **Laurel Hill Redevelopment:** Redevelopment of the former Lorton maximum security prison and reformatory site acquired from the Federal government in 2002. A request for proposals was issued and responses are currently undergoing review and evaluation to seek a master developer and a master plan for the site. A citizen's task force has recommended mixed use development for the site and the master plan will help determine the appropriate mix and economic value that will be necessary to attract developers.
8. **Laurel Hill Sportsplex:** Construction of a multi-field indoor and outdoor sports facility of tournament quality to increase the number of playing fields and provide for currently unmet needs for athletic competition venues. An earlier unsolicited proposal was rejected by the Park Authority as economically not feasible. However, the Park Authority continues to pursue the concept and is currently analyzing and reviewing a variety of development and funding options to accomplish this goal. Final project value will be known when the Park Authority has evaluated all options and selected a feasible course of action. Total project value could range as high as \$140 million if all possible uses are developed.
9. **Government Center Residences:** The County is evaluating responses to a solicited proposal to build workforce housing units on approximately nine acres on the County Government Center Complex. Approximately 180 to 250 units could be provided at no net cost to the County except for the use of the property. Final valuation, number of units, income mix and county financing requirement will be known at the completion of negotiations and recommended selection of a preferred developer. Final selection is expected in 2008.