Public Private Partnerships

PROGRAM DESCRIPTION

This 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

Fairfax County's Comprehensive Plan has established a number of objectives and policies in order to:

- ✓ Provide new public facilities and maintain existing public facilities taking into account financial limitations associated with increased needs for public facilities.
- ✓ Affordable housing should be available wherever possible to all who live or work in Fairfax County.
- ✓ Provide a high level and quality of public services and facilities, within its financial limitations, to enable all residents to sustain a secure and productive lifestyle.
- ✓ Maintain the County's 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 the County's long-term competitive position in regional, national and international economic development.
- ✓ Coordinate with local, regional, state and federal governments to provide a balanced regional transportation system that is adequately funded, and encourage and facilitate private sector initiatives to finance new construction, new transportation services and improvements to existing facilities and services.
- ✓ Extend public investments in parkland acquisition and park development through public/private mechanisms and other appropriate means.
- ✓ Participate in leadership roles in cooperative regional activities.

Source: 2007 Edition of the Fairfax County Comprehensive Plan, Policy Plan Element, Preface and Introduction, Economic Development, Transportation, and Parks and Recreations Sections, as amended.

CURRENT PROGRAM INITIATIVES

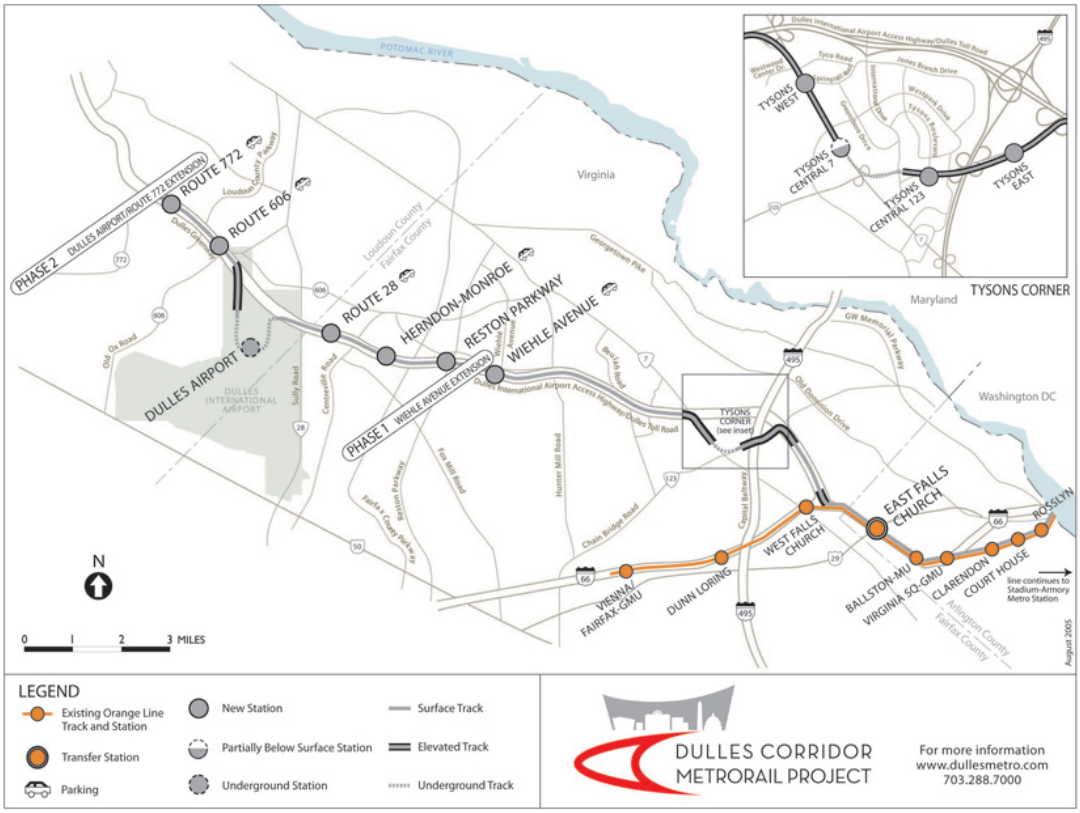
The capital facilities referred to in this section represent multiple program areas, but may not be included in the CIP, as one of the advantages of the Public Private Partnership (P3) process is to accomplish the construction of needed facilities sooner than normal processes and funding availability 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 provided 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 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

1. **Rail to Dulles**: Completion of a 23 mile extension of the Metro rail line, beginning between the East and West Falls Church station located along I-66, extending along the Dulles Connector Road (DCR) to Route 123, then through Tyson's Corner to Route 7, turning west to reconnect with the Dulles International Airport Access Highway (DIAAH) and then to Dulles Airport and into 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; eight of the stations will be located in Fairfax County. The project is being constructed in two phases. Phase I, 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 based on a staff estimate, 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.

In late 2008, the Commonwealth of Virginia completed 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 PPTA authority. Official project start for final design and construction activities began in March 2009 upon approval and issuance of a Full Funding Grant Agreement (FFGA) by the Federal Transit Administration. Phase I is expected to be complete by the end of 2013. Currently, Phase II is in the finals phases of Preliminary Engineering and is expected to begin Final Design in late 2011. Phase II is slated to begin passenger service in late 2016 or early 2017.

The Fairfax County share of Phase I, in the amount of $400 million, 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 Wiehle Avenue, assuming another tax district would be established to fund the portion of the rail line beyond Wiehle Avenue. The current tax rate for the Phase I district is 22 cents per $100 of assessed value.

For Phase II, landowners in the western part of the line petitioned the County to form a special district to provide up to $330 million of project costs to take the project from Wiehle Ave. to Loudoun County. A special tax will be assessed to provide financing for construction at an initial tax rate of 5 cents per $100 of assessed value for FY 2011, with annual increases of $0.05 to a $0.20 per $100 of assessed valuation. The balance of the funds owed by the County, approximately $120 million for both phases of the project, are expected to be paid from future special C&I tax revenues or another source as determined by the Board of Supervisors when needed.

2. **Route 28 Interchange Expansion**: Completion of the final four interchanges on State Route 28 in Fairfax and Loudoun Counties through a Public Private Transportation Act (PPTA) 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 VDOT 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 18 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 are all open to traffic with some construction completion continuing at Frying Pan, and a final widening from six to eight lanes in the vicinity of the Dulles Toll Road interchange. The current expansion project is estimated to cost $124 million, with $28.9 million from VDOT and utility betterment reimbursements and the balance from bonds supported by the special tax district assessment. The Tax District and Counties recently approved, VDOT beginning a limited study of the widening from six lanes to eight lanes. This study is estimated to cost approximately $1.1 million and will be paid from the Route 28 District Project Completion Fund.

3. **Wiehle Avenue Garage**: Construction of an underground 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 awarded a contract to begin development of the garage in conjunction with simultaneously leasing of development rights above the garage. The total value of the County portion of the project is expected to be approximately $90 million depending on the type, mix and size of development finally approved. The public garage is expected to be completed by the start of rail operations in late 2013.

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. This project has been put on hold.

5. **Mid-County Center/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. The current proposal from Inova is to build the Woodburn replacement facility on a site at the Willow Oaks Corporate Center. The County is continuing to work with Inova to evaluate the design and cost of this development proposal. The County also retains the option to construct a new, replacement facility at the existing Woodburn Mental Health Center site at the Inova Fairfax Hospital campus. Required zoning actions for both alternate sites have been approved. This proposed project will allow creation of a central county service delivery center for CSB services. The order of magnitude total project estimate is $90 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 for the plan have been initiated. Negotiations on a development agreement are on hold.

7. **Laurel Hill Redevelopment:** Redevelopment of the former Lorton maximum security prison and reformatory site acquired from the Federal government in 2002. A Master Developer was hired to prepare a Master Plan for the 80-acre adaptive reuse site. This Plan was adopted in December 2009 by the Project Advisory Committee and forwarded to the Board of Supervisors. The second phase of this work will be the implementation of the Plan.

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**: In 2008, Fairfax County, through the unsolicited PPEA process, selected Dallas-based JPI Development Services to build and operate an innovative, high quality, mixed income, 270-unit apartment complex on its Government Center campus. The County, using no cash of its own, will leverage an investment of $47 million by JPI, through a long-term ground lease of the 8.8 acre County-owned site. JPI will build the four-story, LEED certified project, which will provide affordable workforce housing to County households that earn between 50 and 100 percent of the Area Median Income. Situated in a wooded setting and incorporating green building, low impact and sustainable design features, amenities at the project will include garage parking, fitness and children's play areas, swimming pool, conference room and outdoor courtyards, and will be connected to the Government Center by a trail system. Located across the street from Fairfax Corner's restaurants, shopping and movie theaters, the apartment complex will be close to transportation networks and the Fairfax Connector bus system. JPI anticipates completing the County zoning and plan approval process and beginning construction in 2010, with the first apartments available in 2011 and full completion of the project by fall of 2012.

10. **Herndon Fire Station**: County staff is conducting a conceptual design study to determine the suitability of renewing and renovating the Herndon Fire and Rescue Station at its existing location. County and Town of Herndon staffs continue to review options for providing the most responsive fire and rescue services to the residents of the town.