Public Private Partnerships

PROGRAM DESCRIPTION

This section of the Capital Improvement Program (CIP) identifies projects partially or fully financed through partnership agreements. Most of these partnerships are with private entities, however, some include regional, state or federal partners.

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 taking into account financial limitations.
- ✓ Provide affordable housing wherever possible to all who live or work in Fairfax County.
- ✓ Provide a high level and quality of public facilities, within 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 facilities referred to in this section represent multiple program areas, but may not have been originally included in the CIP, as one of the advantages of the Public Private Partnership process is to accomplish the construction of needed facilities sooner than normal processes and funding availability would allow. Marshalling resources and circumstances unique to each project allow them to move forward without affecting or detracting from resources available for 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. Projects that are being funded primarily through such partnerships are presented 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 completed through the use of private partnerships, or partnerships with regional or state entities, include the Public Safety and Transportation Operations Center (PSTOC), the Fairfax City Library, West Ox Bus Operations Center, VDOT Administration Building, Clemyjontri Park and the Braddock Glen Assisted Living and Adult Day Care facility.

Most recently, the County constructed a new community center facility as part of the proposed Metro West development located adjacent to the Vienna Metro Station. The Providence Community Center is approximately 32,000 square feet and includes space for the Providence district supervisor's office. In addition, the Wiehle-Reston East Metrorail station was completed in September 2013 to support the Silver Line Phase I portion of the Rail to Dulles Airport. This station includes an underground 2,300 space parking garage for Metro riders and includes lease rights to develop five buildings and supplemental parking directly above the underground County garage. The project remains an active public-private partnership development site and County staff will continue to provide coordination support into the future. Construction is underway on the first of the five buildings, furthering County objectives of creating Transit Oriented Development and stimulating economic development.

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. Some of these projects are detailed below:

CURRENT PROJECT DESCRIPTIONS

1. **Rail to Dulles** (Providence, Hunter Mill, Dranesville Districts): The Rail to Dulles project includes the 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 eleven stations, including eight in Fairfax County. There will be four in Tysons, and stations at Wiehle Avenue, Reston Town Center, Herndon, and Innovation Center. Outside of Fairfax County, there will be a station at Dulles International Airport, and two stations in Loudoun County.

   The project is being constructed in two phases. Phase 1, estimated to cost $2.9 billion, will begin at the Orange line and extend the line to Wiehle Avenue in Reston, including five stations in Fairfax County. Phase 2 will complete the rail line through Dulles International Airport to its final stop at Route 772 in Loudoun County, including three more stations in Fairfax County, an airport station, two in Loudoun County, and a rail maintenance and storage facility at Dulles International Airport. The Washington Metropolitan Airports Authority (MWAA) has completed the preliminary engineering and awarded the Phase 2 construction contract in May 2014. Phase 2 is estimated to cost $2.8 billion. Fairfax County and Loudoun County are funding the parking garages ($315 million) outside of the project

   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 49 percent), with $900 million, or 15.8 percent, expected from the Federal government, 16.1 percent of the total from Fairfax County, 4.8 percent from Loudoun County, 4.1 percent from MWAA airport revenues, and 10.1 percent from the Commonwealth of Virginia. A design build contract for Phase 1 was approved with Dulles Transit Partners under the

state's PPTA authority. The 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. WMATA began revenue operations for Phase 1 on July 26, 2014.

The County in addition to the other local funding partners approved the Memorandum of Agreement (MOA) in late 2011 to proceed with Phase 2 of the Project. The MOA explicitly recognizes that Fairfax will pay no more than 16.1 percent of the total project cost as previously agreed in the Funding Agreement. Phase 2 is slated to begin revenue operations in late 2018.

A portion of Fairfax County's share of Phase 1, 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. In the fall of 2013, the County completed its $400 million payment for Phase 1 construction costs from the Phase 1 tax district through a combination of tax collections and bond proceeds. The current tax rate for the Phase 1 district is $0.21 cents per $100 of assessed value and will remain in effect until all debt service payments have been paid in full.

For Phase 2, landowners in the western part of the line petitioned the County to form a special district to provide up to $330 million of the County's Phase 2 costs to take the project from Wiehle Avenue to Loudoun County. A special tax will be assessed to provide financing for construction at an initial tax rate of $0.05 per $100 of assessed value beginning in FY 2011, with annual increases of $0.05 up to a maximum of $0.20 per $100 of assessed valuation as incorporated in the FY 2014 and FY 2015 Adopted Budget Plan. Per the petition, the tax rate in FY 2016 will remain at $0.20 per $100 of assessed value until full revenue operations commence on Phase 2, which is expected in late 2018. At that time, the rate may be set at the level necessary to support the District's debt obligations.

The balance of the total project funds owed by the County net of the two tax districts is approximately $185 million for both phases of the project. These funds are expected to be paid from future special Commercial and Industrial (C&I) tax revenues. In addition, the Funding Partners also have closed on a United States Department of Transportation Infrastructure Finance and Innovation Act (TIFIA) loan. This loan offers competitive interest rates, unique financing provisions and will fund a majority of the funding partners remaining project costs. Fairfax County closed on a $403.3 million TIFIA loan in December 2014. This project is further referenced in the Transportation and Pedestrian Initiatives portion of the CIP.

2. **Route 28 Spot Widening** (Sully District): In March 2011, the Route 28 District Advisory Board recommended to approve $6.0 million in Project Completion Funds (PCF) for final design plans for four priority sections of Route 28 widening from six to eight lanes. These design areas include the following: Priority 1 – Route 28 southbound between Sterling Boulevard and the Dulles Toll Road; Priority 2 – the Route 28 southbound bridge over the Dulles Toll Road; Priority 3 – Route 28 northbound between McLearen Road and the Dulles Toll Road; and Priority 4 – Route 28 southbound between the Dulles Toll Road and Route 50. In October 2012, the Commission considered the next steps for completion of the Hot Spot Improvements. County staff recommended the use of a portion of the Route 28 District PCF to construct the Route 28 Southbound Bridge over Dulles Toll Road, as has been designed. The estimated cost of this project is $4,339,500.

   The Commission discussed the importance of constructing the northbound bridge over the Dulles Toll Road. This project was not originally included in the four spot widening projects that had recently been designed. However, discussions between the Route 28 Corridor Improvements contractor and the Metropolitan Washington Airports Authority (MWAA) have highlighted the importance of construction of the bridges over the Dulles Toll Road in a timely manner. MWAA began construction of Phase 2 of the Dulles Corridor Metrorail Project in spring 2014, which will involve construction of facilities in the vicinity of the Route 28/Dulles Toll Road Interchange. MWAA cautioned that construction of these bridge projects would be severely restricted during the Silver Line construction and after it is completed. Route 28 contractors estimate that substantial additional costs to the District would be incurred as a result of the delay and the restrictions. The

Commission members then voted to recommend approval to fund the construction of the southbound bridge and design of the northbound bridge from the Route 28 PCF, in the amount of $5.0 million. The Commission applied for a Transportation Partnership Opportunity Fund (TPOF) grant in the amount of $5.0 million (the maximum allowed under TPOF guidelines) and was formally awarded this request in February 2013 for the construction of the northbound bridge.

As a result of the State Transportation funding plan approved during the 2013 Session by the General Assembly (HB 2313), additional revenues will be available to Northern Virginia jurisdictions pending annual review and approval from the Northern Virginia Transportation Authority (NVTA) for regional transportation projects and transit needs. In July 2013, NVTA approved the FY 2014 total project list of $209.793 million that consisted of funding via Pay-As-You-Go ($116.058 million) and bond financing ($93.735 million). The balance of the District's Hot Spot Widening Projects (excluding the bridge widening over the Dulles Toll Road) were included to receive NVTA funds for construction as follows: $12.4 million for Southbound between Sterling Boulevard and Dulles Toll Road (NVTA bond financing); $20 million for Southbound between the Dulles Toll Toad to Route 50 (NVTA Paygo); and $11.1 million for Northbound between McLearen Road and the Dulles Toll Road (NVTA Paygo). Construction is scheduled to begin in early 2015, with completion expected at the end of 2016. This project is further referenced in the Transportation and Pedestrian Initiatives portion of the CIP.

3. **Herndon Station Garage** (Hunter Mill District): The existing Herndon Park and Ride facility has been designated as the site for the Herndon Station as part of the Phase 2 Dulles Rail project. The Herndon Station Garage is required to accommodate the anticipated parking requirements for the new Metrorail station and is in addition to the existing garage at this site. Fairfax County will design, build, and operate the garage which is required to be operational by the WMATA announced start date of revenue service for Phase 2. The new garage will have a minimum of 1,950 parking spaces, bicycle amenities, pedestrian and vehicular bridges connecting to the existing garage, associated stormwater management, roadwork and transportation improvements. This project is further referenced in the Transportation and Pedestrian Initiatives portion of the CIP.

4. **Innovation Center Station Garage** (Dranesville District): The Innovation Center Station Garage is part of the Phase 2 Dulles Rail project and is required to be operational by the WMATA announced start date of revenue service for Phase 2. The garage will have a minimum of 2028 parking spaces, bicycle amenities, and associated stormwater management, roadwork and transportation improvements. The garage is required to accommodate the anticipated parking requirements for the Metrorail station and is being planned and coordinated in partnership with adjacent property owners as part of a Transit Oriented Development. The project will include a real estate exchange, joint rezoning, and shared public-private site infrastructure. Fairfax County will design, build, and operate the garage. This project is further referenced in the Transportation and Pedestrian Initiatives portion of the CIP.

5. **Laurel Hill Adaptive Reuse** (Mt Vernon District): This project includes redevelopment of the 80-acre former Lorton maximum security prison and reformatory site acquired from the Federal government in 2002. An Adaptive Reuse Master Plan for the site was adopted by the Board of Supervisors in May 2010, and in September 2011, the Board of Supervisors approved an Interim Agreement between Fairfax County and a partner. The Interim Agreement authorized the partner to commence with certain design, engineering, and zoning activities and further determine the financial costs, and financial gap, of the project. In December 2012, the Board of Supervisors approved a Comprehensive Plan Amendment to generally incorporate the recommendations of the Laurel Hill Adaptive Reuse Area Master Plan into the Fairfax County Comprehensive Plan. The Board approved the Planning Commission and staff recommendation. This project is further referenced in the Facilities Management and Capital Renewal portion of the CIP.

6. **Government Center Residences** (Braddock District): In 2008, Fairfax County, through the solicited 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 $56 million by JPI's Assignee, Jefferson Apartment Group, through a long-term ground lease of the 8.2 acre County-owned site. Jefferson Apartment Group will build the four-story project, which will provide affordable and workforce housing to County households. 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. Jefferson Apartment Group has completed the County zoning and plan approval process with construction anticipated to begin in 2015. It is expected that Jefferson Apartment Group will use the Fairfax County Redevelopment and Housing Authority (FCRHA) to issue bonds for a portion of the project. This project is further referenced in the Housing Development portion of the CIP.

7. **Lewinsville Expansion** (Dranesville District): Total development costs are anticipated to be up to $17,725,000 for the redevelopment of the Lewinsville senior housing and services facility in the Dranesville District. The planned project includes the demolition of the current facility and construction of two buildings, which will provide: 1) 82 units or more of “Independent Living” housing for the elderly; 2) space for the Health Department’s Adult Day care facility; 3) two child day care centers; and 4) expansion of services of the existing Senior Center programs operated by the Department of Neighborhood and Community Services. It is anticipated that the project will be developed through a solicited Public Private Educational Facilities Infrastructure Act (PPEA) that was issued by the County. It will consist of two separate and independent facilities; an affordable senior housing building that will be constructed and operated at no cost to the County using Low Income Housing Tax Credits under a long term ground lease and a community support building whose construction costs and operation will be paid for by the County. Resources available for predevelopment of this project include General Fund and the Housing Trust Fund (Fund 40300). During their deliberations on the FY 2011 CIP, the Board of Supervisors approved long term financing for capital project work at Lewinsville as discussed in the context of the Blueprint for Affordable Housing. In July 2014, the Board approved an Interim Agreement with Wesley Hamel, which has filed a Special Exception Amendment application for the property. Wesley Hamel is now in the process of applying for federal Low-Income Housing Tax Credits for the residential portion of the development. The Department of Public Works and Environmental Services is managing the design and construction of the public facility. This project is further referenced in the Housing Development portion of the CIP.

8. **Crescent Apartments** (Hunter Mill District): Redevelopment is being planned for the Crescent Apartments, a 181-unit apartment complex acquired by the County in FY 2006 and located adjacent to Lake Anne in Reston, near the new Metro Silver Line and the Reston Town Center. This development is being closely coordinated with Lake Anne revitalization efforts. The full cost is still to be determined for the redevelopment of the Crescent property. The property is managed by the FCRHA on behalf of the Board of Supervisors. A solicited PPEA (a request for proposals to redevelop the project under the Public-Private Educational Facilities Infrastructures Act – PPEA) was issued by the County. The County has entered into an Interim Agreement with a partner to replace the existing affordable housing units at the site, to result in additional affordable and workforce housing units and assist in generating Lake Anne revitalization efforts through property consolidation and large scale redevelopment. Under the Comprehensive Plan, up to 935 units are allowed at this site. Resources currently available to support predevelopment activities include the FCRHA Revolving Development Fund (Fund 81030) and the Penny for Affordable Housing Fund (Fund 30300). This project is further referenced in the Housing Development portion of the CIP.

9. **The Residences at North Hill** (Mt Vernon District): This project includes the development of 67 units of manufactured housing on a portion of the 33 acres known as "North Hill," owned by the FCRHA. A major portion of the remaining land will be developed by the Fairfax County Park Authority as a passive community park directly north of the new community. An unsolicited proposal for the site, submitted under the Virginia Public-Private Educational Facilities Infrastructure Act (PPEA), was received from a private developer. The unsolicited proposal was reviewed through the Fairfax County Department of Purchasing and Supply Management in conjunction with other County agencies and was accepted for further consideration. Resources available for this project include the Housing Assistance Program (Fund 30310) and federal CDBG funds (Fund 50800). During their deliberations on the FY 2011 CIP, the Board of Supervisors approved long term financing for capital project work at North Hill as discussed in the context of the Blueprint for Affordable Housing. The Board will be asked to review and approve the final scope and financing plan for this project, pending the outcome of the PPEA process. The FCRHA has completed preliminary negotiations with the developer and is entering into an Interim Agreement with the developer. This project is further referenced in the Housing Development portion of the CIP.

10. **Merrifield (Mid-County) Human Services Center** (Providence District): Total costs of $85,092,915 was approved for the design and construction of a 200,000 square foot replacement facility for the current Woodburn Mental Health Center and a consolidation of Community Service Board programs currently located in lease space. The County completed a Contract of Sale with Inova Health Systems for the transfer of approximately 15 acres of land including the Woodburn Mental Health Center and Woodburn Place in exchange for an approximate 5 acre parcel/pad site at Willow Oaks II, a cash payment, and a ten year lease of 40,000 square feet within the new Mid County Center building. Funding for the project was provided through General Obligation bonds in the amount of $7,730,000 approved as part of the fall 2004 Human Services/Juvenile Facilities Bond Referendum, $50,000 from the PPEA proposal, $15,112,915 from Inova, $2,200,000 from the General Fund, and $60,000,000 in Economic Development Bonds. Construction of the building and parking garage is complete and the facility is open to the public. The ten year lease with Inova will be amended to allow for County occupancy of 20,000 square feet for consolidation of additional community health programs within the Mid-County Center building. This project is further referenced in the Human Services portion of the CIP.

11. **East County Human Services Center** (Mason District): $125,500,000 is proposed for a new East County Human Services Center of which $3,625,000 is currently funded for initial design phases, rezoning and developer negotiations. Funding was provided from 2004 Human Services Bonds remaining from completed projects to support initial design work for this project. This facility will provide enhanced service delivery to the residents of the Eastern part of the County. This project supports a consolidation of existing leased facility spaces in the service area to a consolidated Human Services site with the goal to address the residents' needs in an effective and efficient manner by co-locating agencies in this center. This project is being evaluated as a Public Private Partnership project. It is anticipated that EDA bonds will finance the County's share of project. Full design work is projected to begin in 2016 and construction is anticipated to begin in 2018. This project is further referenced in the Human Services portion of the CIP.

12. **Reston Town Center North** (Hunter Mill District): This project currently includes $700,000 to develop an overall master plan that reconfigures and provides integrated redevelopment of various Fairfax County and Inova properties at Reston Town Center North (south of Baron Cameron Avenue between Town Center Parkway and Fountain Drive). The plan maximizes the development potential consistent with the needs of the community and in conformance with the Comprehensive Plan Amendment approved in February 2013. Three facilities impacted by the redevelopment are the Reston Library, the Embry Rucker Shelter, and the North County Human Services Center. Fairfax County plans to solicit an initial PPEA for two County-owned parcels, known as Blocks 7 and 8, on which the library and shelter are currently located The County will solicit a future PPEA for the remaining parcels, including the parcel containing the North County Human Services Center, after a Development Agreement is signed by Fairfax County and Inova. This project is also referenced in the Human Services portion of the CIP.

13. **Southeast Quadrant Redevelopment** (Mason District): This project is directed at providing redevelopment and economic development in this area that encompasses County-owned properties. The goal is to rezone County-owned properties in conjunction with privately owned parcels to increase real estate development value and promote redevelopment. Proposed redevelopment will include private development and will likely also include public facilities. The estimated investment cost for the County is on the order of $18 million to include land acquisition, and economic development investment, including the County's equity investment share. The Bailey's Homeless Shelter is a related project that is included in the Human Services section of the CIP.

14. **Herndon Monroe Area Development** (Hunter Mill District): Funding in the amount of $250,000 is currently available to support the master planning effort associated with County owned property at the Herndon Monroe Park and Ride facility/Herndon Monroe Garage site. The goal of the study is to determine the development potential for a 10 acre site and define possible conceptual design options for its use. The study would include land planners, civil and traffic engineers, wetland and environmental consultants, evaluating opportunities for a Transit Oriented Development on this site. This project is further referenced in the Transportation and Pedestrian Initiatives portion of the CIP.

15. **Tysons Public Facilities**: As part of the redevelopment of Tysons, the Department of Planning and Zoning is working with developers to proffer public facilities. A number of new facilities are proposed including a replacement Tysons Fire Station, new fire station, police station, a 30,000 square foot community center, and 17,000 square foot library. The proffers will fund a portion of the projects with the balance funded by the County. The construction of these facilities is dependent upon the progression of development in the area.

1742