Fund 40180
Tysons Service District

Focus

On June 22, 2010, the Board of Supervisors adopted an amendment to the Comprehensive Plan for Tysons. This action was the culmination of a multi-year effort that created a new vision for Tysons as the walkable, transit-oriented downtown for Fairfax County. This vision reflected the status of Tysons as the County's urban center and the powerful economic engine that Tysons brings to both the County and to the Commonwealth.

On March 29, 2011, the Board of Supervisors requested that the Planning Commission, working with staff, develop a process to address financing the infrastructure in Tysons. In response, the Planning Commission reconstituted its Tysons Committee (Committee). The Committee adopted an inclusive process, which included 24 meetings over a period of seventeen months. During its deliberations, the Committee sought information and input from all stakeholders. Based upon this input, the Committee developed recommendations, which were then approved by the Planning Commission on September 20, 2012. On October 16, 2012, the Board heard public comment on the Planning Commission's recommendations. The Board endorsed the Planning Commission's funding plan and directed staff to come forward with an item for authorization of a public hearing on the proposed Tysons Service District, and on October 30, 2012, the Board authorized the advertisement of the public hearing for December 4, 2012. The Board then voted to establish the District on January 8, 2013.

The funding plan is a multi-faceted approach to funding transportation infrastructure in Tysons. Funding sources are proposed for each of the four major components of the infrastructure: the grid of streets is proposed to be funded primarily by in-kind and per square foot/per unit road fund contributions from developers/landowners; neighborhood and access improvements and transit are proposed to be funded primarily from public sources; and, the Tysons-wide Road Improvements are proposed to be funded primarily by public sources for the projects outside of the boundaries of Tysons and by developer/landowner sources for the improvements inside of Tysons. This fourth category is projected to cost approximately $506 million in 2012 dollars. Funding for that component is proposed to come from two sources in equal amounts: $253 million (50 percent) from per square foot/per unit road fund contributions from developers/landowners and $253 million (50 percent) from a Tysons Service District.

The Service District would have a boundary generally consistent with the Tysons Corner Urban Center, as defined in the Comprehensive Plan. Most of the Tysons-wide Road Improvements are contained within the proposed boundary and the improvements therein would benefit the entire community within Tysons. The Planning Commission also recommended that a Tysons Service District Advisory Board (Advisory Board) be created to aid the Board in developing recommendations related to the annual tax rates for the service district. All Advisory Board members are appointed by the Board of Supervisors.

The Service District would fund projects that benefit all of the residential and non-residential landowners within Tysons. Initial projects are anticipated to be those projects that would provide the most benefit to the most properties. The Planning Commission also made a recommendation that the County conduct a review concerning the status of the initial projects, yearly tax rates, future increments of projects and their timing.

The Tysons Service District Advisory Board held three meetings to discuss a potential FY 2014 rate for the service district. During these deliberations County staff presented several tax rate models whereby the service district could meet its obligation for funding $253 million for Tysons Wide Road Improvements. These models included stable rates of $0.07 and $0.09, as well as alternate step ladder models beginning at $0.04 and peaking at $0.07 and $0.09, respectively.

The Advisory Board requested a final tax rate model be presented which has been referred to as the "Modified Bell Curve." This model calls for a tax rate of $0.04 in FY 2014, $0.05 in FY 2015, and $0.06 in FY 2016, and not increasing to $0.07 until FY 2032. The Advisory Board endorsed this model, and the tax rate of $0.04 was adopted by the Board of Supervisors as part of the FY 2014 Adopted Budget Plan. As part of their FY 2015 meetings, the Advisory Board continued to endorse to the Modified Bell Curve model, but recommended delaying a tax rate increase for a year. As a result, the FY 2015 Adopted Budget Plan for the Tysons Service District reflected no change in the tax rate of $0.04 per $100 of assessed value. The FY 2016 Adopted Budget Plan does, however, reflect a one cent increase in the tax rate from $0.04 to $0.05 per $100 of assessed value, which was recommended by the Advisory Board unanimously on March 19, 2015 and approved by the Board of Supervisors on April 28, 2015.

FY 2016 Funding Adjustments

The following funding adjustments from the FY 2015 Adopted Budget Plan are necessary to support the FY 2016 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 28, 2015.

- FY 2016 funding remains at the same level as the FY 2015 Adopted Budget Plan.

Changes to FY 2015 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2015 Revised Budget Plan since passage of the FY 2015 Adopted Budget Plan. Included are all adjustments made as part of the FY 2014 Carryover Review, FY 2015 Third Quarter Review, and all other approved changes through April 30, 2015.

- There have been no adjustments to this fund since approval of the FY 2015 Adopted Budget Plan.

Fund 40180
Tysons Service District

FUND STATEMENT

Fund 40180, Tysons Service District

	FY 2014 Actual	FY 2015 Adopted Budget Plan	FY 2015 Revised Budget Plan	FY 2016 Advertised Budget Plan	FY 2016 Adopted Budget Plan
Beginning Balance	$0	$2,390,494	$2,362,312	$7,310,865	$7,310,865
Revenue:					
Real Estate Taxes-Current[1]	$2,362,312	$4,948,553	$4,948,553	$6,417,112	$6,417,112
Interest on Investments	0	0	0	0	0
Total Revenue	$2,362,312	$4,948,553	$4,948,553	$6,417,112	$6,417,112
Total Available	$2,362,312	$7,339,047	$7,310,865	$13,727,977	$13,727,977
Expenditures:					
Debt Service	$0	$0	$0	$0	$0
Construction Payments	0	0	0	0	0
District Expenses	0	0	0	0	0
Total Expenditures	$0	$0	$0	$0	$0
Total Disbursements	$0	$0	$0	$0	$0
Ending Balance[2]	$2,362,312	$7,339,047	$7,310,865	$13,727,977	$13,727,977
Debt Service Reserve[3]	$236,231	$733,905	$731,087	$1,372,798	$1,372,798
Pay-As-You-Go (PAYGO) Funding[4]	2,126,081	6,605,142	$6,579,778	12,355,179	12,355,179
Unreserved Balance	$0	$0	$0	$0	$0
Tax rate per $100 Assessed Value	$0.04	$0.04	$0.04	$0.05	$0.05

[1] FY 2016 estimate based on January 1, 2015 assessed values at the Adopted tax rate of $0.05 per $100 of assessed value.

[2] The ending balance will be accumulating in anticipation of the sale of bonds and contributions to fund $253 million toward the District's share of transportation infrastructure improvements in Tysons.

[3] Set-aside of 10 percent of ending balance to cash fund debt service reserves for future bond sale.

[4] Current funds available for ongoing project needs in the service district.