FAIRFAX COUNTY BOARD OF SUPERVISORS

2008 Bond Referendum Information for Residents

Fairfax County voters will be asked to vote YES or NO on a parks and park facilities bond question in the Nov. 4, 2008, general election. If a majority of voters approve the question, Fairfax County would be allowed to issue up to $77 million in bonds to acquire new parks or improve existing parks. Of this total amount, the county plans to use $65 million for parks operated by the Fairfax County Park Authority, and $12 million is expected to be used to fund the county's share of capital improvements for the Northern Virginia Regional Park Authority.

Fairfax County Park Authority — $65 Million

The Fairfax County Park Authority currently administers over 24,000 acres of parkland and 420 individual parks. These include county parks that provide countywide services, such as family playgrounds, picnic facilities, golf, camping, skating, boating, stream valley trails, natural resource areas and historic sites. District parks provide areawide services, such as athletic field complexes, RECenters, dog parks and athletic courts. Local-serving parks offer playgrounds, fields, courts, picnic areas and open space. Approximately one-half of the Park Authority's operating costs are covered by fees charged by revenue-producing facilities, including RECenters and golf courses. The remaining operating funds are appropriated from Fairfax County's combined general fund and constitute approximately 1% of the county's general fund.

The Park Authority's user fees do not cover the cost of developing new facilities or the major renovation of existing facilities. These improvements are mainly funded through general obligation bonds.

According to a survey conducted as part of the 2004 Parks and Recreation Needs Assessment process, 80% of county households visited at least one of the county's parks during the preceding year, and 80% of county residents endorse the renovation of existing facilities, as well as the acquisition and preservation of open space.

The Park Authority plans to spend the bonds on the following areas:

LAND ACQUISITION PROGRAM $14.38 MILLION

This program expects to spend $14.38 million to acquire new parkland through purchase, conservation easements and other mechanisms, such as trail easements. It targets sites that meet established criteria, such as areas where more parkland is needed, areas next to existing parks to expand recreation opportunities, and areas with significant natural and cultural resources. Private sector and community-based cooperation will be sought to leverage the cost-effectiveness of acquisition monies through easements and donations of land and funds. During the past five years, park bond funds have contributed to the acquisition of 588 acres of parkland or conservation easements. Acquisitions included the purchase of the 140-acre Old Colchester Park and Preserve, a 31-acre addition to the Mason Neck West Park, a one-acre Merilee Park in Merrifield, the six-acre Hogge property in Baileys Crossroads, a conservation easement on the Salona historic site, and significant acquisitions of more than 100 acres in the Sully Woodlands region.

PARK DEVELOPMENT PROGRAM $19.23 MILLION

The Park Authority plans to spend a total of $19.23 million to develop new park facilities and infrastructure. These improvements are classified in the following categories:

1. Athletic Fields $6.23 Million

It is planned to add capacity at existing athletic fields by converting four natural-turf rectangular fields to synthetic turf and adding state-of-the art lighting systems to eight fields. Locations for turf improvements include Oak Marr Park, Pine Ridge Park and an oversized field at Greenbriar Park. The 2004 Parks and Recreation Needs Assessment identified a higher shortage of rectangular fields across the county than any other type of field. By converting natural-turf fields to artificial turf, the playing capacity is estimated to increase by approximately 62% without additional land costs. These fields also provide a safer playing surface and require fewer maintenance dollars.

The addition of lights to athletic fields allows for their use into the evening, expanding their capacity. Locations for field lights include two rectangular fields at Oak Marr Park, if a master plan revision is approved, and three diamond fields and three rectangular fields at Pine Ridge Park

Funds are also expected to be used to continue the planning, design and site preparation of a countywide sportsplex at Laurel Hill Park through a public-private partnership. A feasibility study was completed in 2008 to determine under what conditions a sportsplex partnership might be considered.

2. Trails and Stream Crossings $1.48 Million

The Park Authority's goal is to add 75 miles of trails and trail connections by 2013. A total of $1.48 million is planned to further develop a countywide comprehensive trail network and for a substantial stream crossing over Clark's Branch in Riverbend Park. Expanding trail networks, trail connections and stream crossings provides access to highly used recreation facilities that enhance residents' quality of life and health.

The following are some pro and con arguments about financing capital projects through bond funding.

PRO

Some county residents feel that bond referendums are a vital part of the county's comprehensive approach to the problem of funding needed infrastructure and capital facilities and should be passed. Here are the arguments used by proponents of bond funding:

- Bonding spreads the cost of major projects of general benefit to county residents over future years and ensures that both current and future residents and users share in the payment.
- Spreading the cost of major projects permits the county to accomplish more projects sooner than other methods of financing.
- Constructing the proposed parks and park facility improvement projects from current general tax dollars cannot be accomplished without substantial cuts to current programs or increased revenues from taxes and fees.
- Prudent use of long-term debt can be accomplished without having any adverse impact on the county or the tax rate.

CON

Some county residents feel that the issuing of general obligation bonds is neither justified nor a viable solution to the county's capital infrastructure and facility needs. Here are the arguments used by opponents:

- Issuing general obligation bonds results in a long-term future obligation for the county that may create an unmanageable burden on future taxpayers. Pay-as-you-go financing would not create long-term debt.
- Costs for infrastructure and facilities should be carried by those directly using or benefiting from them, not by all taxpayers.
- These facilities could be fully or partially paid for out of the current revenues by cutting or eliminating other programs.
- The funds currently spent on debt service could support a substantial pay-as-you-go program of capital construction adequate to meet the county's needs.

3. Park Facility Development $11.52 Million

A total of $11.52 million is planned to develop new park facilities. Phased development of several new and existing parks throughout the county include passive and active types of recreational facilities. For example, funding is planned for the Mastenbrook Matching Fund Grant Program, creation of a new community skate park at Lake Fairfax Park and expansion of Wakefield Skate Park. Other funded projects include a contribution to the Spring Hill RECenter gymnasium addition; a small rolltop observatory at Observatory Park in Great Falls; infrastructure improvements to support the future Family Recreation Area at Lee District Park; picnic shelters at Lake Fairfax Park; continuation of stable replacements at Frying Pan Farm Park; clubhouse replacement at Burke Lake Golf Course. Site amenities, such as parking, entrances, landscaping and stormwater management, are planned to be completed at Hooes Road Park, Arrowhead Park and Great Falls Nike Park.

PARK AND BUILDING RENOVATIONS $19.74 MILLION

It is planned to replace aging infrastructure at RECenters built in the 1980s and 1990s, such as roofs, HVAC and pool systems. These RECenters include Spring Hill, Lee District, Oak Marr and Providence. Parking and entrance improvements are also planned at Spring Hill RECenter. An engineering study is also planned to assess renewal requirements for Mount Vernon RECenter and Ice Rink built in 1981. Additionally, the 41-year-old train track at Burke Lake and the irrigation system at Jefferson Golf Course are expected to be replaced, and renovations are planned at Ossian Hall Park and Kings Park Park.

STEWARDSHIP PROJECTS $11.64 MILLION

These projects include planning, design and construction of capital and improvement projects that carry out the Park Authority's stewardship mission, support the Natural and Cultural Resource Management Plans or sustain the county's environmental or cultural resource initiatives. Capital projects promote the protection, enhancement and interpretation of natural, cultural and general park resources. Improvement projects are planned to include Phase II of the Huntley Meadows Wetlands restoration and boardwalk replacement; Phase II of the Historic Huntley restoration to allow public accessibility; mandatory dam repairs at Pinecrest and Twin Lakes golf courses; design for the Colvin Run Mill visitor's center; concept design for the Stewardship Education Center and other natural resource protection projects in Sully Woodlands and Laurel Hill; and cultural resource and archaeology projects to protect cultural resource sites across the county.

For more information, contact the Fairfax County Park Authority, 12055 Government Center Parkway, Suite 927, Fairfax, VA 20035, 703-324-8662, TTY 711, or visit www.fairfaxcounty.gov/parks or www.fairfaxcounty.gov/bond.

Northern Virginia Regional Park Authority — $12 Million

The Northern Virginia Regional Park Authority (NVRPA) is a unique park agency. Founded in 1959 with a focus on land conservation, NVRPA is supported by Fairfax, Arlington and Loudoun counties, and the cities of Alexandria, Fairfax and Falls Church. These six jurisdictions have worked cooperatively to develop a regional park system encompassing 21 parks and more than 10,000 acres of land. In Fairfax County, NVRPA owns nearly 8,000 acres — most of which protect environmentally sensitive watersheds along the Potomac, Bull Run and Occoquan rivers.

NVRPA provides a wide variety of recreational and educational opportunities for many Fairfax County and Northern Virginia residents. As a regional agency, NVRPA primarily develops destination sites that serve the public from across the area and complement the parklands and facilities managed by its member jurisdictions. Some of NVRPA's unique regional amenities include the 45-mile W&OD Trail; the scholastic rowing facility at

Sandy Run; the Atrium at Meadowlark Botanical Gardens; the skeet, trap and archery center at Bull Run; Great Waves Waterpark at Cameron Run; the Center for Outdoor Education at Hemlock Overlook; and family campgrounds at Bull Run and Pohick Bay. NVRPA also operates more than 100 miles of trails, three golf courses, five marinas, youth group camping areas, four historic parks, riverfront cottages, public meeting and reception facilities, nature centers and five outdoor pools/waterparks.

NVRPA generates more than 80% of its operating budget through user fees and grants. NVRPA's capital improvement and land acquisition costs are shared by its six member jurisdictions, and each jurisdiction contributes money based upon its population. Fairfax County plans to use $12 million to fund its share of the costs of parks and park facilities to be acquired, constructed, developed and equipped by NVRPA.

The bond funds are planned to be used to expand and improve the regional park system in accordance with NVRPA's Strategic Plan, adopted in 2007. This plan was prepared based upon community input and park needs survey data of NVRPA's six jurisdictions. Goals of the plan include expanding public open space and trails; protecting natural, cultural and historic resources; maintaining and improving existing facilities; and providing additional regional recreational opportunities.

For more information, contact the Northern Virginia Regional Park Authority, 5400 Ox Road, Fairfax Station, VA 22039, 703-352-5900, TTY 711, or visit www.nvrpa.org or www.fairfaxcounty.gov/bond.

What Are Bonds?

Bonds are a form of long-term borrowing used by most local governments to finance public facilities and infrastructure. Bond financing makes it possible to build facilities and infrastructure with capacities based on future population estimates and to spread the cost over the useful life of the facilities. This kind of financing allows the cost of a facility to be spread over a number of years so that each generation of taxpayers contributes a proportionate share for the use of these long-term investments.

Q Why referendums?

A Because bonds constitute a future obligation of the county, Virginia law requires that voters in Fairfax County approve bonds through a referendum. You have the opportunity to vote either YES or NO on the question. If the majority votes YES, then the Fairfax County Board of Supervisors will be authorized to sell bonds in the future to generate the funds for parks and park facility projects as needed. If the majority votes NO, the county cannot issue general obligation bonds to finance these projects, but may seek other forms of financing.

Q What is the cost of borrowing?

A Borrowing always entails interest costs. Since the interest earned by holders of municipal bonds is exempt from federal taxes, interest rates for these bonds generally are lower than the rate charged for private loans. Because of our county's reputation for sound financial management, Fairfax County has the highest credit rating possible for a local government: Triple-A from Moody's Investors Service Inc.; from Standard & Poor's Corp.; and from Fitch Ratings. As of June 21, 2008, Fairfax County is one of only seven states, 22 counties and 23 cities to hold a Triple-A rating from all three rating agencies. For this reason, Fairfax County's bonds sell at low interest rates, even compared with other tax-free bonds.

Q What are the benefits from the county's Triple-A rating?

A The county's Triple-A rating also makes the cost of borrowing very low for the county. The county's policy of rapid debt retirement and strong debt management guidelines serves to keep debt per capita and net debt as a percentage of estimated market value of taxable property at low levels. Since 1978, the county has saved approximately $257.931 million on bond sales due to its Triple-A rating on new public improvement bonds. Including refunding sales, the county has saved more than $358.392 million as a result of the AAA rating.

Q Will these bonds cause a tax rate increase?

A The bond program, as designed, will not contribute to an increase in your tax rate. Fairfax County has adopted a prudent financial management policy designed to protect its Triple-A rating. It calls for the county's net long-term debt to not exceed 3% of the total market value of taxable real and personal property in the county. It also provides that annual debt service (the cost of principal and interest payments) be kept below 10% of annual combined general fund spending, and that bond sales shall not exceed an average of $275 million per year or $1.375 billion over 5 years.

For Fiscal Year 2008, the county's actual net long-term debt as of June 30, 2008, was 0.94% of the market value of all taxable real and personal property. Debt service costs in Fiscal Year 2008 were 8.2% of the combined general fund disbursements. The Fiscal Year 2009-2013 Capital Improvement Program adopted by the Fairfax County Board of Supervisors on April 21, 2008, anticipates issuance of an average of $275 million of bonds per year. The county expects to keep debt service at approximately 8% of general fund disbursements, which will maintain a balance between operating expenses and long-term capital needs.

As long as debt service remains a constant or near-constant percentage of general fund disbursements, the county's debt for acquisition and construction of public facilities would not cause any increase in the property tax rate. If the county were to eliminate or reduce the amount of bonds sold annually and continue to pay off outstanding debts, this ratio would decrease and possibly allow a decrease in tax rates, but it could also necessitate stopping all or most capital construction. If capital construction continued on a pay-as-you-go basis out of current tax revenues, expenditures would be limited to a much shorter time frame, which could necessitate tax rate increases or a significant reduction in other county services.

Q What percentage of my taxes goes toward paying for the bonds?

A Over the past 20 years, the share of taxes used to pay debt service has fluctuated from 7.5% to a high of 9.3%. Currently, the rate is about 8% and is projected to remain as such under current market and revenue forecasts even with passage of this bond referendum.

Q What is the county's total bonded indebtedness?

A As of June 30, 2008, the total of general obligation bond and other tax-supported debt from FY 2009 through FY 2035, or for the next 26 years, is $2.26 billion in principal. The total interest payments on the outstanding debt is $0.79 billion. Over the next five years, $1.4 billion or approximately 45% of the total debt is scheduled to be paid off.

Q Can the bonds on the Nov. 4 ballot be used for projects other than parks and park facility improvements?

A No. Proceeds of the sale of bonds authorized for a specific purpose may not, by law, be used to finance projects for any purpose other than the purpose specified in the referendum question. In other words, the proceeds of the sale of park bonds may not be used to finance other projects, such as libraries or storm drainage projects.

Q Why put forth additional referendums if there are still unsold bonds?

A Fairfax County bond packages are planned to fund specific projects. This means that all previous bond authorizations were planned for or are anticipated to fund specific projects. These projects often take several years to complete, thus leaving outstanding or unissued bonds. Bonds are sold only as the money is needed. Prudent financial management dictates bonds should not be sold until the actual cash is required.

Fairfax County is committed to nondiscrimination in all county programs, services and activities. To request this document in an alternate format, call the Office of Public Affairs at 703-324-3187, TTY 711.

FAIRFAX COUNTY BOARD OF SUPERVISORS

Gerald E. Connolly, Chairman
Fairfax County Government Center
12000 Government Center Parkway, Suite 530
Fairfax, VA 22035-0079
703-324-2321 TTY: 703-324-2319 Fax: 703-324-3955
www.fairfaxcounty.gov/chairman
E-mail: chairman@fairfaxcounty.gov

Sharon Bulova, Vice Chair, Braddock District
Kings Park Library
9002 Burke Lake Road, Burke, VA 22015-1608
703-425-9300 TTY: 703-978-7973 Fax: 703-503-9583
www.fairfaxcounty.gov/braddock
E-mail: braddock@fairfaxcounty.gov

John W. Foust, Dranesville District
McLean Governmental Center
1437 Balls Hill Road, McLean, VA 22101-3415
703-356-0551 TTY: 711 Fax: 703-821-4275
Herndon Office
730 Elden Street, Herndon, VA 20170-4637
703-471-5076 TTY: 711 Fax: 703-437-3210
www.fairfaxcounty.gov/dranesville
E-mail: dranesville@fairfaxcounty.gov

Michael R. Frey, Sully District
Sully District Governmental Center
4900 Stonecroft Boulevard, Chantilly, VA 20151-3808
703-814-7100 TTY: 703-814-7109 Fax: 703-814-7110
www.fairfaxcounty.gov/sully
E-mail: sully@fairfaxcounty.gov

Penelope A. Gross, Mason District
Mason District Governmental Center
6507 Columbia Pike, Annandale, VA 22003-2029
703-256-7717 TTY: 711 Fax: 703-354-8419
www.fairfaxcounty.gov/mason
E-mail: mason@fairfaxcounty.gov

Pat Herrity, Springfield District
West Springfield Governmental Center
6140 Rolling Road, Springfield, VA 22152-1579
703-451-8873 TTY: 711 Fax: 703-451-3047
Fairfax County Government Center
12000 Government Center Parkway, Suite 233
Fairfax, VA 22035-0001
703-324-2500 TTY: 711 Fax: 703-324-3149
www.fairfaxcounty.gov/springfield
E-mail: springfield@fairfaxcounty.gov

Catherine M. Hudgins, Hunter Mill District
North County Governmental Center
12000 Bowman Towne Drive, Reston, VA 20190-3307
703-478-0283 TTY: 703-736-4460 Fax: 703-471-6847
www.fairfaxcounty.gov/huntermill
E-mail: hntrmill@fairfaxcounty.gov

Gerry W. Hyland, Mount Vernon District
Mount Vernon Governmental Center
2511 Parkers Lane, Alexandria, VA 22306-2799
703-780-7518 TTY: 711 Fax: 703-780-1491
www.fairfaxcounty.gov/mountvernon
E-mail: mtvernon@fairfaxcounty.gov

Jeffrey C. McKay, Lee District
Franconia Governmental Center
6121 Franconia Road, Alexandria, VA 22310-2508
703-971-6262 TTY: 711 Fax: 703-971-3032
www.fairfaxcounty.gov/lee
E-mail: leedist@fairfaxcounty.gov

Linda Q. Smyth, Providence District
8739 Lee Highway, Fairfax, VA 22031-2198
703-560-6946 TTY: 711 Fax: 703-207-3541
www.fairfaxcounty.gov/providence
E-mail: provdist@fairfaxcounty.gov

COUNTY OF FAIRFAX 1742 VIRGINIA

Fairfax County Bond Referendum Resident Information
Office of Public Affairs
12000 Government Center Parkway, Suite 551
Fairfax, VA 22035

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