FAIRFAX COUNTY PLANNING COMMISSION
TYSONS CORNER COMMITTEE
WEDNESDAY, MAY 2, 2012

COMMITTEE MEMBERS PRESENT:
Walter L. Alcorn, At-Large, Chairman
Frank A. de la Fe, Hunter Mill District
Jay P. Donahue, Dranesville District
Kenneth A. Lawrence, Providence District
James T. Migliaccio, Lee District

COMMITTEE MEMBERS ABSENT:
None

OTHER COMMISSIONERS PRESENT:
James R. Hart, At-Large
Ellen J. Hurley, Braddock District
Timothy J. Sargeant, At-Large

FAIRFAX COUNTY STAFF PRESENT:
Rob Stalzer, Deputy County Executive, Office of the County Executive
Fred R. Selden, Director, Department of Planning and Zoning
James V. McGettrick, County Attorney, Office of the County Attorney
Len Wales, Debt Manager, Department of Management and Budget (DMB)
Joe LaHait, Debt Coordinator, DMB
Daniel B. Rathbone, Chief, Transportation Planning Division, Fairfax County Department of Transportation (FCDOT)
Ray Johnson, Senior Transportation Planner, Coordination and Funding Division, FCDOT
Barbara A. Byron, Director, Office of Community Revitalization (OCR)
Charles Wu, Deputy Director, OCR
Scott Sizer, Revitalization Program Manager, OCR
Barbara J. Lippa, Executive Director, Planning Commission Office
Kara A. DeArrastia, Clerk to the Planning Commission

OTHERS PRESENT:
Carey Sienicki, Town Council Member, Town of Vienna
Elaine Cox, Hunton & Williams LLP
Elizabeth Baker, Land Use Planner, Walsh, Colucci, Lubeley, Emrich & Walsh, PC
Jill Parks, Esquire, Cooley LLP
Jim Policaro, Managing Director, Lerner Enterprises
Keith Turner, Chairman, Tysons Partnership Board of Directors
Mark Zetts, Co-Chairman, McLean Citizens Association's Planning & Zoning Committee
Michael Caplin, Executive Director, Tysons Partnership
Stu Mendelsohn, Esquire, Holland & Knight LLP

ATTACHMENTS:

A. "Options for Generating Private Share of Tysons-wide Transportation Improvements" matrix
B. "Brief Summary of Various Special Tax District Statutes" chart

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Chairman Walter L. Alcorn called the meeting to order at 7:05 p.m., in Conference Rooms 9/10 of the Fairfax County Government Center, 12000 Government Center Parkway, Fairfax, Virginia 22035.

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Chairman Alcorn provided background information on the Committee's progress thus far on formulating recommendations for allocating responsibility for the Tysons-wide transportation improvements. He said the next step was to assign numbers to these qualitative recommendations and examine the legal issues associated with specific funding mechanisms.

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Commissioner de la Fe MOVED THAT THE TYSONS CORNER COMMITTEE MINUTES OF JANUARY 19, 2012, JANUARY 25, 2012, AND FEBRUARY 15, 2012, BE APPROVED.

Commissioner Donahue seconded the motion which carried unanimously.

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INTRODUCTION OF TYSONS PARTNERSHIP EXECUTIVE DIRECTOR

Keith Turner, Chairman, Tysons Partnership Board of Directors, introduced Michael Caplin, who was recently hired as the Tysons Partnership's Executive Director.

Mr. Caplin said he was proud to be part of such a brave and visionary undertaking. He indicated that he had lived in McLean for the last 15 years. He stated that he planned to work diligently to help redevelop Tysons Corner into a new city. Mr. Caplin noted that he had worked as an attorney representing nonprofit organizations over the last 20 years in an array of civic ventures. He reiterated his appreciation for this opportunity.

Chairman Alcorn welcomed Mr. Caplin and congratulated him on his new position. He commented that this represented an important milestone toward the redevelopment of the Tysons community.

Mr. Caplin emphasized the need for everyone to understand that the new vision for Tysons was a common cause and the Tysons landowners and developers needed to collaborate and cooperate with County staff and Commissioners to help realize this goal.

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UPDATE ON TYSONS PARTNERSHIP EFFORTS ON POTENTIAL FUNDING MECHANISMS FOR TYSONS TRANSPORTATION IMPROVEMENTS

Barbara Byron, Director, Office of Community Revitalization (OCR), noted that staff had previously presented to the Committee all possible financing mechanisms available to Fairfax County to address private sector contributions in addition to a draft cost-sharing proposal. She said staff had been working with Tysons Partnership members to determine ways to pay for the necessary road improvements in Tysons Corner and to test assumptions.

Chairman Alcorn reminded everyone that this process was a work in progress.

Jim Policaro, Managing Director, Lerner Enterprises, stated that the Tysons Partnership members were working to determine a mechanism for financing the private share, now estimated at $506 million, of Tysons road improvements during the next 20 years. He explained that the following tax district structures had been modeled and analyzed:

- Mini-tax district that encompassed all the necessary transportation improvements to be funded;
- Numerous mini-tax districts that were primarily centered around each Metrorail station;
- Singular tax district defined by clusters of development applications; and
- Hybrid of one of the previously-mentioned districts along with a small Tysons-wide tax district.

Mr. Policaro reported that Tysons Partnership members had voted to pursue the establishment of one tax district that would encompass only properties planned for redevelopment at a higher density in accordance with the Tysons Corner Comprehensive Plan, and charge those properties an additional tax that would go into a fund to pay for roads.

In response to questions from Chairman Alcorn, Mr. Policaro confirmed that the financial burden would be borne primarily by applicants of current and future rezoning proposals affecting property within the Planned Tysons Corner Urban District. He noted that the new Tysons tax rate would be capped at 22 cents per $100 of assessed value, inversely proportionate to the Phase I Dulles Rail Transportation Improvement District tax rate, over the next 50 years.

Commissioner de la Fe said he believed that asking only the development applicants in Tysons to pay for transportation improvements that would benefit everyone appeared to be inequitable. Mr. Policaro responded by pointing out that the greater good and greater benefit of people travelling to and through Tysons would recognize the improvements. He explained that the following types of Tysons landowners have objected to joining a Tysons-wide tax district:

- Landowners whose property had been recently developed and were currently paying for the right to maintain that higher density;
- Landowners who did not have additional development intensity under the current Tysons Corner Comprehensive Plan; and
- Landowners who did not intend to redevelop their property for a long time and therefore would not realize the benefits of higher density.

Mr. Turner pointed out that the landowners who preferred not to contribute toward a Tysons-wide tax district acknowledged that they would benefit from the transportation improvements. He said he thought that it would be difficult to get the owners of at least 51 percent of the land, as judged by value, to sign off on a Tysons-wide district's creation. He stated that a tax district that encompassed only properties subject to development applications represented the greatest likelihood of achieving enough support from Tysons landowners.

Replying to questions from Chairman Alcorn, Mr. Turner confirmed that the owners of at least 51 percent of the land, as judged by value, within the boundaries of a Tysons-wide tax district must sign a petition. He said he believed that such an option was unlikely to be successful in this situation. He indicated that the pending rezoning applications in Tysons represented approximately 15 to 20 percent of the total assessed value.

Answering questions from Commissioner Hart, Mr. Turner said he would verify the exact vote count of the Tysons Partnership membership to establish the proposed tax district structure. He explained that Tysons landowners would become part of this tax district upon the approval of their development proposal.

In reply to another question from Commissioner Hart, James McGettrick, County Attorney, Office of the County Attorney, explained that every time the size of the tax district was proposed to be expanded, the owners of at least 51 percent, measured by land area or assessed value, of the real property located within the proposed district boundaries must petition to allow such expansion.

Stu Mendelsohn, Esquire, Holland & Knight LLP, pointed out that it was common for the County to expand service districts for leaf collection or refuse collection upon the vote of the district members.

Responding to questions from Mark Zetts, Co-Chairman, McLean Citizens Association's Planning and Zoning Committee, Mr. Turner noted that Tysons Partnership members had initially performed financial modeling to determine whether they had the capacity to cover their financial obligation of $506 million. He explained that the tax district boundaries would be drawn around the clusters of pending applications located within each of the four transit-oriented development areas by following the appropriate road right-of-way, either Routes 7 or 123. He said this district would encompass a contiguous area similar to the formation of the Phase I Dulles Rail Transportation Improvement District.

Chairman Alcorn pointed out that he, other Commissioners, and staff had been engaged in conversations with the County Attorney's Office regarding its legal analysis about this type of tax district structure and other options.

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UPDATE ON FAIRFAX COUNTY EFFORTS ON POTENTIAL FUNDING MECHANISMS FOR TYSONS TRANSPORTATION IMPROVEMENTS

Ms. Byron noted that at the October 12, 2011 Committee meeting, staff had delivered a presentation assessing the transportation funding options based on criteria ranked according to low impact and/or most beneficial, medium impact and/or of concern, or high impact and/or most difficult. She pointed out that the Tysons Partnership had been discussing a two-tiered approach: 1) Tysons-wide tax district and 2) "Pay to play" tax district comprised of Tysons rezoning applicants. She said staff had examined the available financing options and their associated implications.

Len Wales, Debt Manager, Department of Management and Budget, explained that a successful financing plan must be timely, meaning that funds would be available when construction was needed; reliable, meaning that it would be steady and consistent, especially when used for debt service; and sufficient, meaning that it would be able to fund the capital requirement and any financing costs when used for long-term borrowing.

Ms. Byron noted that staff had distributed a matrix listing eight options for generating the private share of Tysons-wide transportation improvements, as shown in Attachment A. She explained that the matrix also provided information regarding the funding reliability, timing, debt support, enabling legislation, sufficiency, method of establishment, existing examples, and additional comments for each option.

Referring to the footnote next to the "Sufficiency" column heading in the matrix, Chairman Alcorn noted that an option was considered sufficient if it enabled the private sector to provide $506 million toward the construction of Tysons-wide improvements by the year 2050. He said this amount was subject to change as it was a working target. He also pointed out that none of these options alone might work; therefore, combinations of several options might be considered.

Ms. Byron reviewed Option 1, noting that staff had distributed a supplemental chart providing information on the Transportation Improvement District, such as the Phase I and Phase II Dulles Rail districts; Sanitary District (uncodified statutes); and Service District related to their method of formation, taxable property, limitation on use of funds, and limitation on tax rate, as shown in Attachment B. She next described Options 2 and 3, specifically noting their advantages and disadvantages.

Chairman Alcorn cited the McLean Sanitary District where residents who lived in that district were charged a user fee on their real estate tax assessment to receive trash collection and recycling services from Fairfax County. He said these districts existed in other parts of the

County where all owners of real property pay to support capital or operating expenses for certain community activities.

Commissioner de la Fe pointed out that the County had special tax districts that supported facilities like the Reston Community Center or McLean Community Center where residents or employees of that district were able to use the facilities and participate in programs at greatly subsidized rates.

Continuing her presentation, Ms. Byron noted that Option 4 was the preferred option of the Tysons Partnership. She stated that staff was concerned about this approach because it would require new legislation, might be difficult to establish, and might not be sustainable.

Answering a question from Mr. Turner, Ms. Byron explained that Option 4 was considered insufficient due to the length of time required to provide enough money to pay for the construction of the necessary Tysons-wide improvements, the required enabling legislation might not be approved, and the uncertainty of participation by future applicants. She added that the County had never used a financing model that relied solely on the participation of current and future zoning applicants.

In response to a question from Commissioner Donahue, Mr. Turner and Mr. Policaro said they believed that Option 4 would generate the necessary revenue within the next 50 years.

A brief discussion ensued among Mr. Wales, Mr. Turner, and Mr. Policaro regarding how Option 4 would accumulate the private sector's portion of the shared costs with the County by the time construction was needed.

Chairman Alcorn pointed out that discussions between County staff and Tysons Partnership officials to reach a resolution were still ongoing.

Commissioner Lawrence explained that the financing model must allow for flexibility in situations where public funds would be expended upfront for certain improvements to enable the establishment of a catch-up feature to provide backup funding and track the need for compensating action. He said this would provide assurance to County citizens that the public funds would be balanced out with funds contributed by the private sector as it fulfilled its obligation during the specified "buyout" period.

Chairman Alcorn stressed the need for the funding model to be legal and constitutional.

Ms. Byron pointed out that a Tysons-wide Tax District, Tysons-wide Sanitary District, or Tysons-wide Service District, as set forth in Options 1 through 3, would generate the necessary revenue by or sooner than the year 2050.

Concluding her presentation, Ms. Byron described Options 5 through 8, specifically noting their advantages and disadvantages. She explained that staff favored a multi-tiered approach that incorporated a mechanism that would tax all commercial property owners in Tysons, which

could either be imposed through a voluntary petition method in which landowners ask to be taxed at a given rate or through a sanitary or service district, which would be imposed by the Board of Supervisors, and a mechanism that would involve the current and future rezoning applicants. Ms. Byron stated that, without a more reliable funding method, the County might impose a Tysons-wide sanitary or service district to raise the private sector's share of the Tysons-wide transportation improvements. Therefore, she suggested that the landowners might want to reconsider a Tysons-wide tax district as it might be beneficial to them to think about a petition in which they could set the terms and the conditions. Regarding the "pay to play" option, she noted that the County would always have the ability to accept proffers for specific road improvements. Ms. Byron said staff was also exploring more innovative approaches, one of which was implementation of a Tysons-wide parking district, similar to the Bethesda Parking District, to contribute the revenues from parking meters and garages toward enhancement of its transportation system.

Chairman Alcorn indicated that RZ/FDP 2010-PR-021 and PCA 92-P-001-08, submitted by Capital One Bank, were currently scheduled for joint public hearing before the Planning Commission on Wednesday, July 11, 2012.

Responding to questions from Commissioner Sargeant, Mr. Turner said the Tysons Partnership would consider ways to incentivize the Tysons landowners to join a Tysons-wide tax district, noting that only approximately 15 to 20 percent of the landowners by value had expressed support for such an approach. He stated that Tysons Partnership members intended to work with County staff over the next few weeks to achieve consensus on a financial structure that would pay the private sector's fair share of the transportation costs.

Answering questions from Commissioner Hart, Ms. Byron said it would be ideal if the Planning Commission and Board of Supervisors voted on a Tysons transportation funding plan before this July. She noted that if the Committee decided to support Option 4, staff would need to negotiate a fallback position with the proffer system in case the enabling legislation did not pass.

Commissioner Lawrence pointed out that the Federal and State governments would also be involved in helping fund the public sector's share of the transportation costs. He noted that the selected method or composite of methods needed to be practical in light of the necessity to integrate these improvements with the other entities. He added that if a multi-tiered approach was chosen, the tiers would have to be flexible enough so they functioned effectively.

In reply to a question from Chairman Alcorn, Mr. Wales indicated that approximately 85 to 90 percent of Tysons was currently comprised of commercial use.

Chairman Alcorn pointed out that the current commercial-residential ratio in Tysons was expected to change as the proportion of residential use grew over time.

Commissioner Donahue strongly recommended that the Tysons Partnership make every effort to gain enough support for a Tysons-wide tax district (Option 1).

Mr. Mendelsohn pointed out that incentives were not going to matter because the market would drive the pace of development in Tysons. He said he disagreed with staff's assumption that the development applications-only tax district (Option 4) was noncontiguous and required a constitutional amendment, noting that the Tysons Partnership assumed that this district would be contiguous and expanded as new applications were approved. He added that such a district would be petitioned easily and established relatively quickly.

Mr. McGettrick explained that the Virginia law that allowed property owners to voluntarily tax themselves as part of a special tax district to help pay for the construction of road improvements required that all those who would benefit from the improvements were taxed. He said, for example, businesses on one side of the street could not be taxed if those on the other side were not. Mr. Wales also noted that any improvements completed with the additional tax revenue also must be located within the tax district. He explained that a Tysons-wide tax district would be geographically restricted to the Tysons area for both collection and expenditures of funds for improvements located within the defined area. He pointed out that some of the required Tysons-wide transportation improvements were well outside the boundaries of the tax district currently endorsed by the Tysons Partnership (Option 4). Mr. Turner acknowledged that the Option 4 tax district would not include approximately 4 of the 14 Tysons-wide road projects required to support 2030 redevelopment intensity levels.

Mr. Zetts expressed concern that drawing the tax district boundary lines at the border of the properties subject to development applications excluded a lot of right-of-way area. Ms. Byron said staff also shared this concern.

Mr. Zetts indicated that $506 million represented only 33 percent of the total cost to construct all the Table 7 projects in the Tysons Corner Comprehensive Plan and financing $506 million over the next 50 years would generate $500 million or more in interest over that same period of time. Mr. Wales said this would be the case if that entire amount was borrowed. He explained that if the revenue stream was insufficient, untimely, and unreliable, it could not be borrowed against and essentially initiated a "pay-as-you-go, pay-as-you-collect" kind of loan. He noted that the longer the borrowing period, the higher the interest rate plus inflation; therefore, accounting for a three-percent inflation factor, the $506 million (in 2012 dollars) would increase to the $700 million range over the 50-year period, and if this entire amount was financed, it would nearly double or more.

In response to a question from Mr. Zetts, Mr. Wales stated that the law permitted the tax district to encompass right-of-way within its boundaries. He explained that the primary revenue engines for the Phase I Dulles Rail Transportation Improvement District were Tysons Corner and the commercial areas near Wiehle Avenue in Reston, but the district itself was drawn to include the rail right-of-way plus some areas just outside the rail right-of-way to accommodate traction power substations and the West Falls Church rail yard that were located on public property where the improvements would occur but did not produce any revenue. Regarding the Option 4 tax district, Mr. Wales expressed concern that drawing the boundaries to follow the road right-of-way to connect certain parcels together to form the district might leave gaps where one property

owner was taxed but not another owner although their properties abutted the same road and both would benefit from the road improvement.

Replying to questions from Elizabeth Baker, Land Use Planner, Walsh, Colucci, Lubeley, Emrich & Walsh, PC, Ms. Byron said the parking district concept would entail that the developer of a parking garage agree to contribute a specified amount per day from the parking fees toward a Tysons transportation fund to help fund a portion of their share. She noted that the garage could offer public parking spaces but it would likely serve primarily the tenants of the developer's office or commercial building.

Chairman Alcorn pointed out that many of the existing parking garages in Bethesda, Crystal City, and Rosslyn allowed members of the public to pay to park so they could access nearby Metrorail stations. He said that this could be a viable option in Tysons.

Mr. Wales stated that only the first three options (Tysons-wide Tax District, Tysons-wide Sanitary District, or Tysons-wide Service District) guaranteed 100 percent funding. He explained that any of the other options might be able to contribute a portion but would need to be combined with some variant of one of the first three options to guarantee 100 percent funding. Ms. Byron added that this was staff's operating assumption, which also included the question of whether Option 1, 2, or 3 should be chosen and at what level. Mr. Wales pointed out that the extent that the other options were integrated helped reduce the pressure and therefore reduced the tax rate necessary for the first three options.

Answering questions from Chairman Alcorn, Mr. Wales explained that Options 1 through 3 were sufficient, bondable, and able to match the tax rate to the assessed value in a way that always relied upon a particular source of income to guarantee bondholders that they would get repaid. He indicated that if other revenue sources were available, those sources could always be applied first and then the tax would be used as the last resort to make the payments if the funds were bonded by the County. He said he anticipated that some kind of debt support would probably be necessary to ensure that the funds were available when they were needed to construct the necessary transportation improvements concurrent with the pace of development. Mr. Wales noted that if development slowed down or did not occur due to market conditions or a recession, the pace of the construction of improvements would slow down and certain improvements might not be constructed until development was ready. He stated that all of the required funding should not be bonded upfront because it was uncertain whether development would actually build out according to plan. He suggested instead the combination of "pay-as-you-go" financing and perhaps the bonding on a judicious schedule to obtain some of the money immediately.

Commissioner Lawrence said he believed that the core financing model included a variation on a particular version of one of the districts depicted in Options 1 through 3 that addressed the bondability issue and integrated other options.

Responding to a question from Mr. Zetts, Mr. Wales explained that staff was currently exploring one possible way to finance the public share of Tysons infrastructure improvements: double the current $20 million per year in bond funds in the County's Transportation Improvement Program

within the next five to six years and use a portion of that to cover the public sector responsibility for the Tysons neighborhood intersection and access improvements, Table 7 Tysons-wide road projects, and transit service enhancement costs. He pointed out that such an approach was currently in the working stage and had been presented to the Board of Supervisors as a possibility but had not been approved as further discussion, refinement, and planning on how to implement such a plan were still ongoing.

Chairman Alcorn stated that the Committee had agreed that the private sector should be responsible for 90 percent of the cost to construct road improvements inside Tysons and 10 percent of the cost to construct road improvements outside Tysons, and the public sector should be responsible for 90 percent of the cost to construct road improvements outside Tysons and 10 percent of the cost to construct road improvements inside Tysons. He noted that the Committee was now going through the process of determining if the targets and responsibility allocations were legal, fair, and feasible and to receive input on possible funding solutions.

Ms. Byron announced that the Committee would next meet on Wednesday, May 16, 2012, at 7 p.m., in Conference Rooms 2/3 of the Fairfax County Government Center, to receive updates on the following transportation planning studies related to Tysons: Consolidated Transportation Impact Analyses (CTIAs), Dulles Toll Road Ramp Study, Tysons Circulator Study, and Tysons Interim Commuter Parking Study. She said staff also planned to discuss the proposed Tysons Road Club rate adjustment if possible. (*Note: The beginning time of this meeting was subsequently changed to 8 p.m.*) Ms. Byron reiterated that County staff and Tysons Partnership officials would continue to meet and discuss the issues involved to try to reach a resolution.

Chairman Alcorn asked whether it would make sense to engage the applicants of pending Tysons development proposals in this process at some level. Ms. Byron pointed out that at the Tysons Partnership meeting on Monday, April 30, 2012, staff had suggested that the applicants of immediate applications join the discussions between Tysons Partnership members and staff because it would be beneficial to them. Mr. Turner indicated that Tysons Partnership officials intended to notify all Tysons applicants of the next Partnership meeting once it was finalized.

Commissioner Lawrence recommended that a wider group of Tysons Partnership members begin to get involved in drafting proffers regarding smart roads and energy sharing between buildings for the initial applications to act as active placeholders for future development. He mentioned that he had watched an episode of the PBS television series "America Revealed" explaining how the Regional Transportation Commission of Southern Nevada used complex technology to monitor the traffic in Las Vegas 24 hours a day. Ms. Byron pointed out that smart technology would be embedded in the new I-495 HOT lanes. Commissioner Lawrence said he thought that developers should also adopt a policy to not create any intellectual property.

Chairman Alcorn said he expected that there would probably be a series of parallel meetings occurring between applicants and the respective district Commissioners regarding their proffers.

Mr. Turner noted that Tysons Partnership members were aware of the "smart Tysons" and energy conservation initiatives and would continue to be involved in discussing such initiatives.

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The meeting was adjourned at 8:27 p.m.
Walter L. Alcorn, Chairman

An audio recording of this meeting is available in the Planning Commission Office, 12000 Government Center Parkway, Suite 330, Fairfax, Virginia 22035.

Minutes by: Kara A. DeArrastia

Approved: May 24, 2012

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Kara A. DeArrastia, Clerk to the
Fairfax County Planning Commission

Attachment A

Options for Generating Private Share of Tysons-wide Transportation Improvements

	Option	Funding Reliability	Timing	Debt Support	Enabling Legislation	Sufficiency[1]	Method of Establishment	Existing Examples	Comments
1	**Tysons Wide Tax District** (max. amount linked to Phase 1 - Dulles Rail District)	Yes	Generates Revenue Quickly	Yes	In Place	Yes at a rate rising to $0.22 per $100	Petition by 51% of landowners; Established by BOS	Rt. 28 Transportation; Dulles Rail I & II	Tysons Partnership skeptical of achieving 51% threshold; Statute could be changed to lower petition threshold; Separate tax classes possible (i.e. can exclude condos)
2	**Tysons Wide Sanitary District** (max. amount linked to Phase 1 - Dulles Rail District)	Yes	Generates Revenue Quickly	Yes	In Place	Yes at a rate rising to $0.22 per $100	Petition by 50 residents within District; Established by BOS	Leaf Collection; Community Centers	Includes residential properties; Separate tax classes not possible w/o legislative change
3	**Tysons Wide Service District** (max. amount linked to Phase 1 - Dulles Rail District)	Yes	Generates Revenue Quickly	Yes	In Place	Yes at a rate rising to $0.22 per $100	Ordinance or petition; Established by BOS	Insect Control; Stormwater Service District	Typically used for operating costs; Separate tax classes not possible w/o legislative change
4	**Limited, Non-contiguous Tax District** (consisting of the 15 current and future zoning application properties)	?	Uncertain	Limited	Requires new legislation	No	TBD by legislation	None	Tysons Partnership's preferred option; Uncertainty of participation by future applicants - equity concerns; Improvements must be spent within defined area of tax district; Not all Table 7 improvements within district
5	**Proffered Ad Valorem Fee** (proffer to a self imposed fee on assessed value)	No	Paced with rezoning approval	No	Voluntary proffer	No	Proffers	None	Uncertainty of participation by future applicants - equity concerns; Untested - fee vs. tax; Successors may raise legal and equity concerns
6	**Proffered On and Off Site Table 7 Tysons Wide Transportation Improvements**	No	Paced with development	No	Voluntary proffer	Probably not	Proffers	Throughout county	Difficult to manage construction of road projects; Difficult to ensure complete road system vs. segments
7	**Comprehensive Road Fund** (for both grid of street and Table 7 improvements)	No	Paced with building permits	No	Voluntary proffer	Dependent upon amount	Proffers	None at similar scope	Road Club had been proposed to address gaps in grid of streets; Adding Table 7 improvements will result in high per sq. ft. and dwelling unit rate
8	**Phase Development to Transportation Construction**	No	Ability to develop is reliant upon timing of road construction	No	Voluntary proffer	No	Proffers	Few	Full development can only occur after roads are constructed or funded; May constrain development (perhaps to an interim level); Limited private sector contribution to road system

[1] Sufficiency of option to provide $506 million (in 2012 $'s) from the private sector towards construction of Tysons-wide improvements by 2050

Brief Summary of Various Special Tax District Statutes

Virginia law permits certain localities to form various kinds of special tax districts in order to fund public improvements that generally benefit properties located within each particular district, using revenues raised by property taxes and/or fees. There are at least three kinds of districts that might function as a vehicle to help fund the cost of constructing transportation improvements in Tysons Corner. Some elements of each are summarized below.

Type	Method of Formation	Taxable Property	Limitation on Use of Funds	Limitation on Tax Rate
Transportation Improvement District, such as Dulles Rail districts (Va. Code §§ 33.1-430 to 33.1-446)	By Board of Supervisors ("BOS") upon petition by owners of 51% (by land area or assessed value) of taxable property in proposed district	Property zoned or used for commercial or industrial purposes (including apartment buildings)	For improvements as indicated by resolution; petitioners usually specify improvements to be funded	Statutory maximum rate of 40 cents per $100 assessed value; all funds raised must be used for district purposes
Sanitary District (uncodified statutes)	By BOS, usually upon petition of 50+ voters resident in proposed district; for public transportation system improvements, must be certified by NVTC as not inconsistent with local transportation plan	All real property within district	For purposes of district	No statutory maximum rate, but all funds raised must be used for district purposes
Service District (Va. Code §§ 15.2-2400 to 15.2-2413)	By BOS	Real property zoned for residential, commercial, industrial, or other uses, or any combination of such classifications	For purposes of district	No statutory maximum rate, but all funds raised must be used for district purposes