

Fairfax County, Virginia

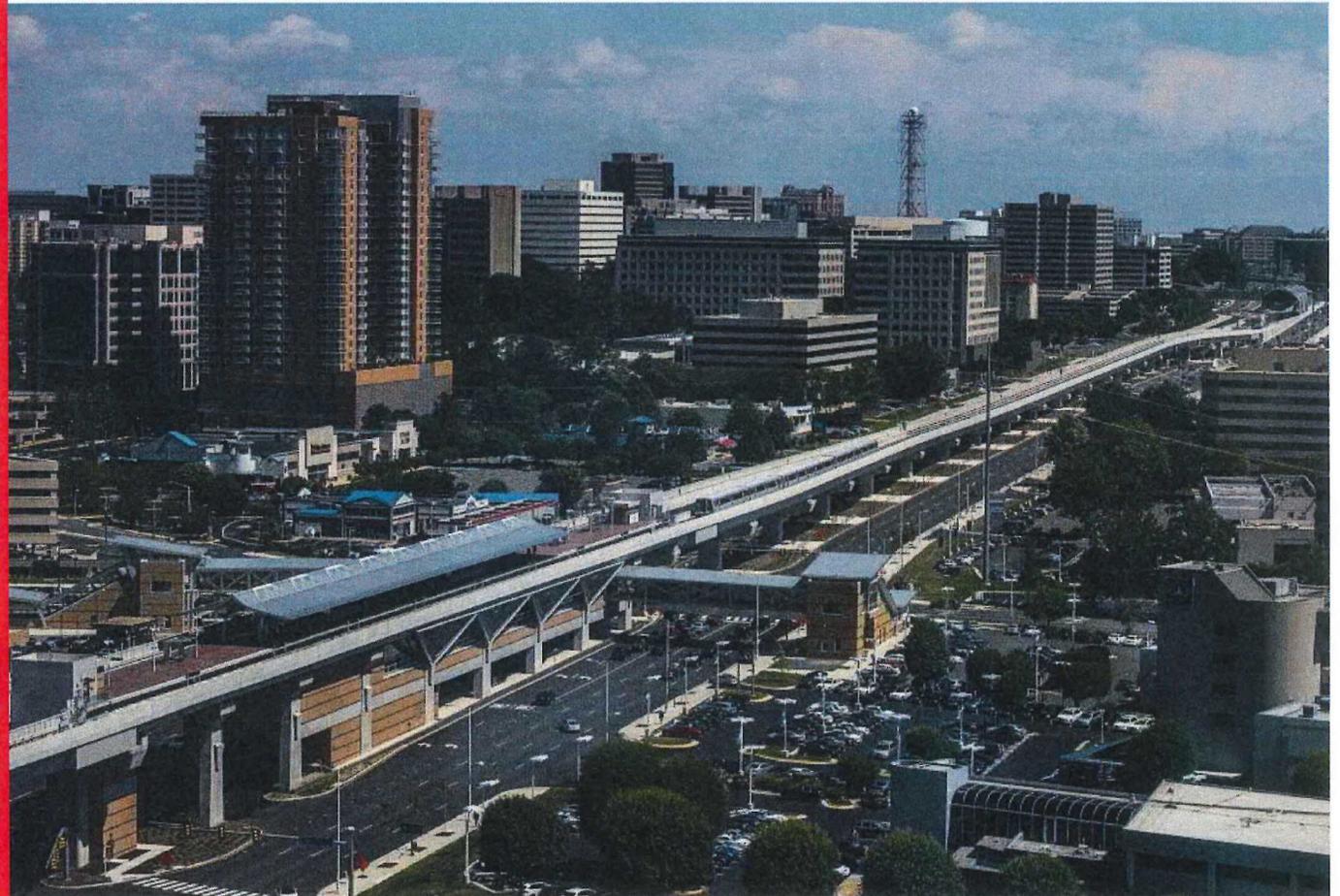


**Fairfax County
Silver Line
Plan of Finance**

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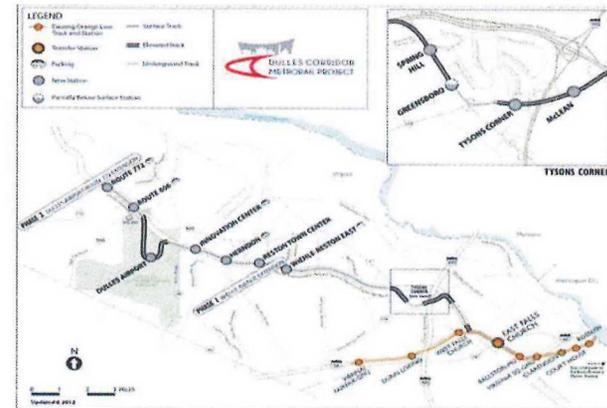
March 9, 2016

*Presentation to the Fairfax County
Planning Commission*



Introduction

- The Metrorail Silver Line Project branches off from the existing Metrorail Orange Line near the West Falls Church Station in the County and will extend to Dulles Airport
- Metropolitan Washington Airports Authority (MWAA) will design and construct the project in two phases
- Washington Metropolitan Area Transit Authority (WMATA) will assume ownership and operation of the Silver Line, also in two phases



Phase 1 (*Project Completed*)

- From Orange line to Wiehle Avenue in Reston (11.5 miles)
- 5 new stations in Fairfax
 - McLean
 - Tysons Corner
 - Greensboro
 - Spring Hill
 - Wiehle –Reston East
- Total Project Cost: \$2.906 billion
- Service commenced July 26, 2014

Phase 2 (*Construction Underway*)

- From Wiehle Avenue to Route 772 (11.6 miles)
- 6 new stations
 - Reston Town Center (Fairfax County)
 - Herndon (Fairfax County)
 - Innovation Center (Fairfax County)
 - Dulles Airport (Loudoun County)
 - Route 606 (Loudoun County)
 - Route 772 (Loudoun County)
- Total Project Cost: \$2.778 billion (Projected)
- Service scheduled to begin late 2019



Aggregate Silver Line Cost Allocation (Phase 1 + Phase 2)

Funding Partner	% Share - Baseline	\$ Share - Baseline
Dulles Toll Road/Federal/State ^(A)	75.0%	\$4,262,948,144
Fairfax County	16.1%	\$915,112,868
Loudoun County	4.8%	\$272,828,681
MWAA - Aviation Funds	4.1%	\$233,041,165
Total	100.0%	\$5,683,930,858

(A) Includes \$900 million from FTA New Starts (15.8%), \$575 million from Commonwealth (10.1%). Net to Dulles Toll Road is 49%.



Fairfax County Share (16.1%) of Silver Line Est. Project Costs

	Phase 1	Phase 2	Total
County Share @ 16.1% of \$5.683 billion	\$400,000,000	\$515,112,868	\$915,112,868
Less Tax Districts	\$(400,000,000)	\$(330,000,000)	\$(730,000,000)
<i>Net County Contribution</i>	\$0	\$185,112,868	\$185,112,868
Garages			
Herndon (A)	N/A	\$56,700,000	\$56,700,000
Innovation Center (A)	N/A	\$57,400,000	\$57,400,000
Total Garages (A)	N/A	\$114,100,000	\$114,100,000
TOTAL (Baseline + Garages)			\$1,029,212,868

(A) Based on County 100% design completion; Garages will be funded with parking system revenue bonds issued by the County, estimated in Spring 2017.



Phase I Tax District Overview

- The Phase I Tax District was created in February 2004 upon the petition of the owners of approximately 53% of the commercial and industrial property in the District by assessed value
- FY 2017 Advertised Budget Plan reflects a tax rate of \$0.19 per \$100 of assessed value. This was a \$0.02 reduction in the tax rate from FY 2016
- Transportation improvements financed by the Phase 2 District are capped at **\$400** million of project capital costs
- Encompasses Tysons commercial submarket and ends at Wiehle-Reston East which will consist of mixed use Transit Oriented Development
- Tax Revenue restricted to pay project costs for Phase 1 and debt service costs (including reserves and coverage requirements) related to the project
- The District will be abolished once all debt is incurred and paid in full



Phase 1 Plan of Finance

- The County has completed its \$400 million obligation for construction to Phase 1 of the Silver Line through a combination of cash (32.9%) and bond proceeds (67.1%)
- Revenues generated annually pay the debt service on the Series 2011 and 2012 bonds

	Phase 1
Uses of Funds	\$400,000,000
Sources of Funds	
Series 2011 EDA Bonds	\$220,000,000
Series 2012 EDA Bonds	\$48,400,000
Phase 1 Tax District Cash Contributions	\$131,600,000
Total Sources of Funds	\$400,000,000



Phase 2 Tax District

- The Phase 2 Tax District was created in December 2009 upon the petition of approximately 60% of the owners of the commercial and industrial property in the District by Assessed Value
- The petition called for an initial tax rate of \$0.05 per \$100 of Assessed Value (FY 2011), increasing in \$0.05 increments on an annual basis up to \$0.20 per \$100 of Assessed Value (FY 2014) and remains at \$0.20 per \$100 of Assessed Value in FY 2017.
- After passenger rail service begins, the tax rate may be increased to \$0.25 per \$100 of Assessed Value
- Transportation improvements financed by the Phase 2 District are capped at **\$330** million of project capital costs
- District runs from just west of Wiehle Avenue to Loudoun County line, contains the three Phase 2 Metrorail stations: Reston Town Center, Herndon, and Innovation Center
- Tax Revenue restricted to pay project costs for Phase 2 and debt service costs (including reserves and coverage requirements) related to the project
- The District will be abolished once all debt is incurred and paid in full



Fairfax County Cash flow – Remaining Dulles Rail Financing

- The County's remaining financing needs for the Silver Line totals \$515,112,868

Total County Share	\$ 915,112,868
Less Phase 1 Tax District	<u>(400,000,000)</u>
Remaining Amount	<u>\$ 515,112,868</u>

- Remaining \$515.1 million to be paid via the following sources:

Source	Amount	Comments
County & Regional Transportation Projects Fund (C&I Revenues) – TIFIA Loan	\$175,440,000	Internal allocation of roughly 44% of the \$403.3 million TIFIA loan repayment of \$175 million, drawn \$51.6 million to date
Northern Virginia Transportation Authority (NVTA) Regional Revenue (70% funding)	\$9,660,000	NVTA has approved funds for the Innovation Station component of the Phase 2 construction totaling \$69 million; Portion is allocable to Fairfax's share of total project costs
Phase 2 Tax District – TIFIA Loan	\$227,860,000	Internal allocation of roughly 56% of the \$403.3 million TIFIA loan repayment and 69% of the \$330 million Phase 2 Tax District Requirement
Phase 2 Tax District – Non-TIFIA Sources	\$102,140,000	Remaining balance of \$330 million Phase 2 Tax District Requirement after TIFIA loan; will come from either public bond sale or tax district revenue on hand

