

**FAIRFAX COUNTY  
BOARD OF SUPERVISORS  
July 16, 2019**

**AGENDA**

9:30	<b>Done</b>	Presentations
10:00	<b>Done</b>	Presentation of the Volunteer Fire Commission Awards and Annual Report
10:10	<b>Done</b>	Items Presented by the County Executive

**ADMINISTRATIVE  
ITEMS**

1	<b>Approved</b>	Approval of Traffic Calming Measures as Part of the Residential Traffic Administration Program (Hunter Mill and Providence Districts)
2	<b>Approved</b>	Extension of Review Period for 2232 Application (Sully District)
3	<b>Approved</b>	Streets into the Secondary System (Dranesville District)
4	<b>Approved</b>	Designation of Plans Examiner Status under the Expedited Land Development Review Program

**ACTION ITEMS**

1	<b>Approved</b>	Approval of a Vacation of a Parking Reduction for Hunter Mill Plaza (Providence District)
2	<b>Approved</b>	Adoption of Proposed Modifications to the Comprehensive Plan Amendment Work Program and Endorsement of the 2019-2020 South County Site-Specific Plan Amendment (SSPA) Process
3	<b>Approved</b>	Endorsement of the Work on the Zoning Ordinance Modernization Consolidated Draft of Use Regulations Dated July 1, 2019
4	<b>Approved</b>	Approval of Changes to the Fairfax County Purchasing Resolution
5	<b>Approved</b>	Approval of a Resolution Requesting the Fairfax County Redevelopment and Housing Authority (FCRHA) to Issue Revenue Refunding Bonds Series 2019A for the Wedgewood Apartments and Other Necessary Documents (Mason District)

**FAIRFAX COUNTY  
BOARD OF SUPERVISORS  
July 16, 2019**

**ACTION ITEMS  
(Continued)**

- |   |                 |   |
|---|-----------------|---|
| 6 | <b>Approved</b> | Approval of a Resolution to Request Authorization of the Sale of Fairfax County Economic Development Authority (EDA) Revenue Refunding Bonds Series 2020 for the Wiehle-Reston East Metrorail Station Parking Garage and Other Necessary Documents (Hunter Mill District)   |
| 7 | <b>Approved</b> | Approval of and Authorization to Execute a Standard Project Administration Agreement with Loudoun County, the Metropolitan Washington Airports Authority, the Toll Road Investors Partnership II, L.P. and the Virginia Department of Transportation for the Implementation of a Study of Route 28 and Dulles Toll Road/Greenway (Dranesville District) |
| 8 | <b>Approved</b> | Adoption of a Resolution Consenting to the Declaration of a Local Emergency   |

**CONSIDERATION  
ITEMS**

- |       |                 |  |
|-------|-----------------|--|
| 1     | <b>Deferred</b> | Appeal of a Notice of Violation of the Chesapeake Bay Preservation Ordinance for 10622 Belmont Boulevard (Mount Vernon District) |
| 10:20 | <b>Done</b>     | Matters Presented by Board Members   |
| 11:10 | <b>Held</b>     | Closed Session   |

**PUBLIC HEARING  
ITEMS**

- |      |                 |  |
|------|-----------------|--|
| 3:00 | <b>Approved</b> | Public Hearing on the Sale of 0.5 Million Gallons-Per-Day of Fairfax County's Unused Capacity at the Upper Occoquan Sewage Authority's Treatment Plant to the City of Manassas |
| 3:30 | <b>Approved</b> | Public Hearing on RZ 2018-BR-026 (Erickson Living at Braddock Road LLC) (Braddock District)  |
| 3:30 | <b>Approved</b> | Public Hearing on RZ 2017-PR-015 (PS Business Parks, L.P.) (Providence District)   |
| 3:30 | <b>Approved</b> | Public Hearing on PCA 2014-PR-004 (Amherst Property, LLC) (Providence District)  |

**FAIRFAX COUNTY  
BOARD OF SUPERVISORS  
July 16, 2019**

**PUBLIC HEARING  
ITEMS**

**(Continued)**

3:30	<b>Approved</b>	Public Hearing on PCA 88-D-005-09 (PS Business Parks, L.P.) (Providence District)
3:30	<b>Approved</b>	Public Hearing on SE 2019-SU-007 (Brookfield Swimming Club Inc and Pleasant Valley Preschool Inc) (Sully District)
3:30	<b>Approved</b>	Public Hearing on SE 2019-MV-001 (7-Eleven, Inc) (Mount Vernon District)
3:30	<b>Approved</b>	Public Hearing on SEA 88-D-008 (VA Electric & Power Co., D/B/A Dominion Energy Virginia) (Providence District)
4:00	<b>Approved</b>	Public Hearing on PCA 82-P-044-02 (GBA Associates Limited Partnership) (Providence District)
4:00	<b>Approved</b>	Public Hearing on Proposed Plan Amendment PA 2013-I-L1(C), Located West of the Fairfax County and City of Alexandria Boundary, Generally Centered Around the Intersection of Little River Turnpike and North Beauregard Street (Mason District)
4:00	<b>Approved</b>	Public Hearing on Proposed Amendments to the Public Facilities Manual (PFM) Regarding Phase 2 of the "PFM Flex Project," a Fairfax First Initiative to Improve the Speed, Consistency, and Predictability of the County's Land Development Review Process
4:00	<b>Approved</b>	Public Hearing on SEA 83-V-076-02 (Fairfax County Board of Supervisors) (Mount Vernon District)
4:30	<b>Approved</b>	Decision Only to Convey Board-Owned Property on Autumn Willow Drive to the Fairfax County Redevelopment and Housing Authority (Springfield District)
4:30	<b>Approved</b>	Public Hearing on PCA 1999-MV-025-06 (Panera, LLC) (Mount Vernon District)
4:30	<b>Approved</b>	Public Hearing on SE 2018-MV-025 (Panera, LLC) (Mount Vernon District)
4:30	<b>Approved</b>	Public Hearing on PCA 2000-HM-044-03/CDPA 2000-HM-044-02 (NVR, Inc) (Hunter Mill District)

**FAIRFAX COUNTY  
BOARD OF SUPERVISORS  
July 16, 2019**

**PUBLIC  
HEARINGS  
(Continued)  
Approved**

4:30

Public Hearing for the Proposed Alterations to the Following Small and Local Sanitary District for the De-creation/Re-creation of Small and Local Sanitary Districts of Vacuum Leaf Collection Service (Mount Vernon District)

4:30

**Approved**

Public Hearing for the Proposed Alterations to the Following Small and Local Sanitary District for the De-creation/Re-creation of Small and Local Sanitary Districts for Refuse/Recycling and Vacuum Leaf Collection Service (Providence District)

# **REVISED**



## ***Fairfax County, Virginia*** ***BOARD OF SUPERVISORS*** ***AGENDA***

**Tuesday**  
**July 16, 2019**

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9:30 a.m.

### **WELCOME**

The Board of Supervisors will introduce Victor Hoskins who has been named as the new President and Chief Executive Office of the Fairfax County Economic Development Authority.

### **PRESENTATIONS**

- PROCLAMATION — To designate August 2019 as Immunization Awareness Month in Fairfax County. Requested by Chairman Bulova.
- PROCLAMATION – To designate August 2019 as Gastroparesis Awareness Month in Fairfax County. Requested by Chairman Bulova.

#### **STAFF:**

Tony Castrilli, Director, Office of Public Affairs  
Bill Miller, Office of Public Affairs  
Austin Hendrick, Office of Public Affairs

Board Agenda Item  
July 16, 2019

10:00 a.m.

Presentation of the Volunteer Fire Commission Awards and Annual Report

ENCLOSED DOCUMENTS:

Attachment I: Volunteer Fire Commission Annual Report

PRESENTED BY:

Shawn Stokes, Secretary, Volunteer Fire Commission



# Fairfax County Volunteer Fire Commission Annual Report

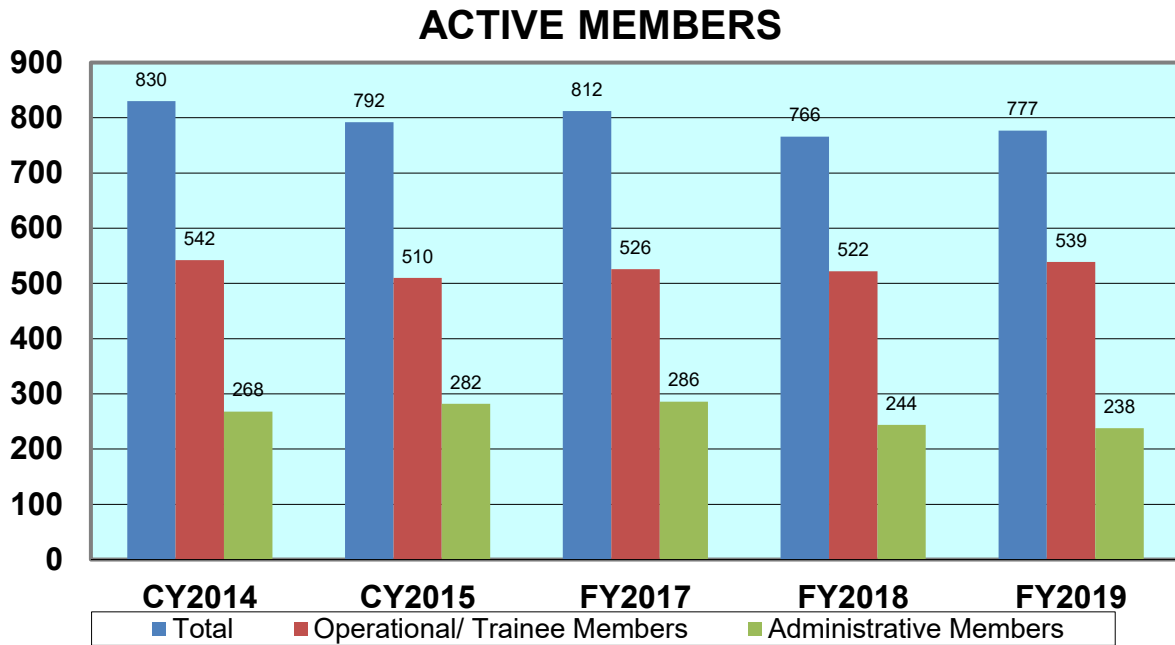


## Highlights

- 224,000 Volunteer Hours
  - 81,100 Operational Hours
  - 54,400 Training Hours
  - 88,500 Administrative Hours
- Contributed to the combination system by placing units in service on 1,562 occasions for 14,400 hours.
- Members rode Supplemental on Career Units 2,722 times for a total of 33,217 hours.

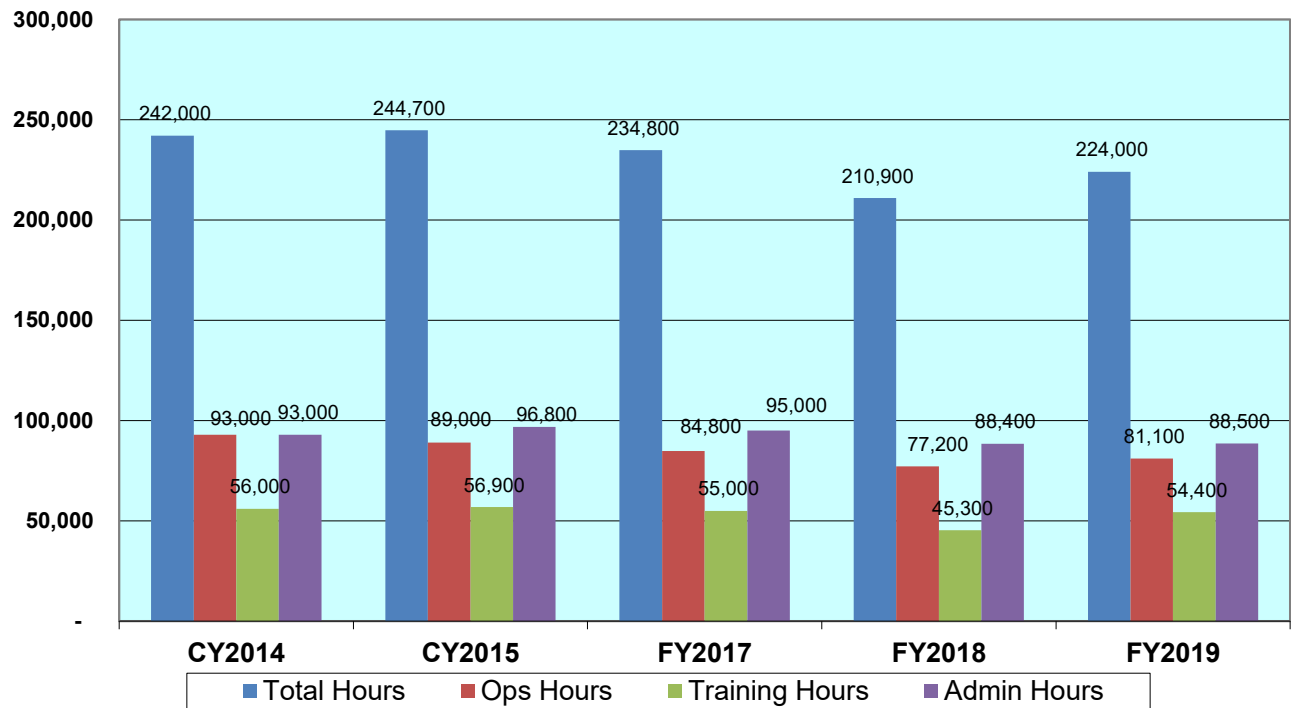


## Personnel



## Statistics

### SERVICE HOURS 2014-2019



## Volunteer Owned Apparatus

Volunteers own 87 vehicles with a replacement cost of nearly \$30,310,000.

- 33 Ambulances
- 18 Engines
- Tower ladder \*
- Ladder truck
- 5 Canteens
- 3 Brush trucks
- 20 other vehicles
- 3 Antique engines

\* In Partnership with Fairfax County



## Capital Purchases

### Placed in Service in FY 2019

- 2 Ambulances valued at \$580,000
- 1 Engine valued at \$718,000
- 1 Utility Vehicles valued at \$40,000

### Scheduled to be placed in service in FY 2020

- 3 Ambulances valued at \$870,000
- 4 Engines valued at \$2,872,000
- 1 Utility Vehicles valued at \$50,000



## Volunteer Facilities

- Eight Volunteer Owned Stations with a 2019 assessed value of nearly \$26,000,000.
- Partners in Seven County Owned Stations.



## Accomplishments

- Supported large scale public events, such as: Viva Vienna, Wolf Trap Farm Park, Herndon Festival, and Celebrate Fairfax.
- Implemented County Wide Ambulance Officer Training.
- Supported the High School Fire Program.
- Provided Support for the Girl's Fire Academy.
- Maintained consistent membership with the help of County financial support of the Recruitment and Retention Program.



## New Qualifications

- 72 New EMTs completed certification at the Academy or joined with a current EMT certificate.
- 12 EMTs certified as Firefighters.
- 14 EMTs were certified as Drivers.
- 16 EMTs were certified as Ambulance Officers.
- 9 EMTs were certified as Bike Team Members.



## CERT Accomplishments

### FY2018 Highlights

- 163 Newly Trained CERTS
- 1807 Members on Active List
- 11 CERT Basic Training Courses
- 77 Continuing Education Classes
- 41 Operational Activities
- 33 Community Outreach Events









Board Agenda Item  
July 16, 2019

10:10 a.m.

Items Presented by the County Executive

Board Agenda Item  
July 16, 2019

ADMINISTRATIVE - 1

Approval of Traffic Calming Measures as Part of the Residential Traffic Administration Program (Hunter Mill and Providence Districts)

ISSUE:

Board endorsement of Traffic Calming measures as part of the Residential Traffic Administration Program (RTAP).

RECOMMENDATION:

The County Executive recommends that the Board endorse the traffic calming plans for Rosedown Drive (Attachment I) and Beverly Drive (Attachment II) consisting of the following:

- Four speed humps on Rosedown Drive (Hunter Mill District)
- Three speed humps on Beverly Drive (Providence District)

In addition, the County Executive recommends that the Fairfax County Department of Transportation (FCDOT) be requested to schedule the installation of the approved traffic calming measures as soon as possible.

TIMING:

Board action is requested on July 16, 2019.

BACKGROUND:

As part of RTAP, roads are reviewed for traffic calming when requested by a Board member on behalf of a homeowners or civic association. Traffic calming employs the use of physical devices such as speed humps, speed tables, raised pedestrian crosswalks, chokers, or median islands to reduce the speed of traffic on a residential street. Staff performed engineering studies documenting the attainment of qualifying criteria. Staff worked with the local Supervisor's office and community to determine the viability of the requested traffic calming measure to reduce the speed of traffic. Once the plan for the road under review is approved and adopted by staff, that plan is then submitted for approval to the residents within the ballot area in the adjacent community.

On May 15, 2019, FCDOT received verification from the Hunter Mill District Supervisor's office confirming community support for the Rosedown Drive traffic calming plan.

Board Agenda Item  
July 16, 2019

On May 28, 2019, FCDOT received verification from the Providence District Supervisor's office confirming community support for the Beverly Drive traffic calming plan.

FISCAL IMPACT:

Funding in the amount of \$56,000 for the traffic calming measures associated with these traffic calming projects is available in Fund 2G25-076-000, General Fund, under Job Number 40TTCP.

ENCLOSED DOCUMENTS:

Attachment I: Traffic Calming Plan for Rosedown Drive

Attachment II: Traffic Calming Plan for Beverly Drive

STAFF:

Rachel Flynn, Deputy County Executive

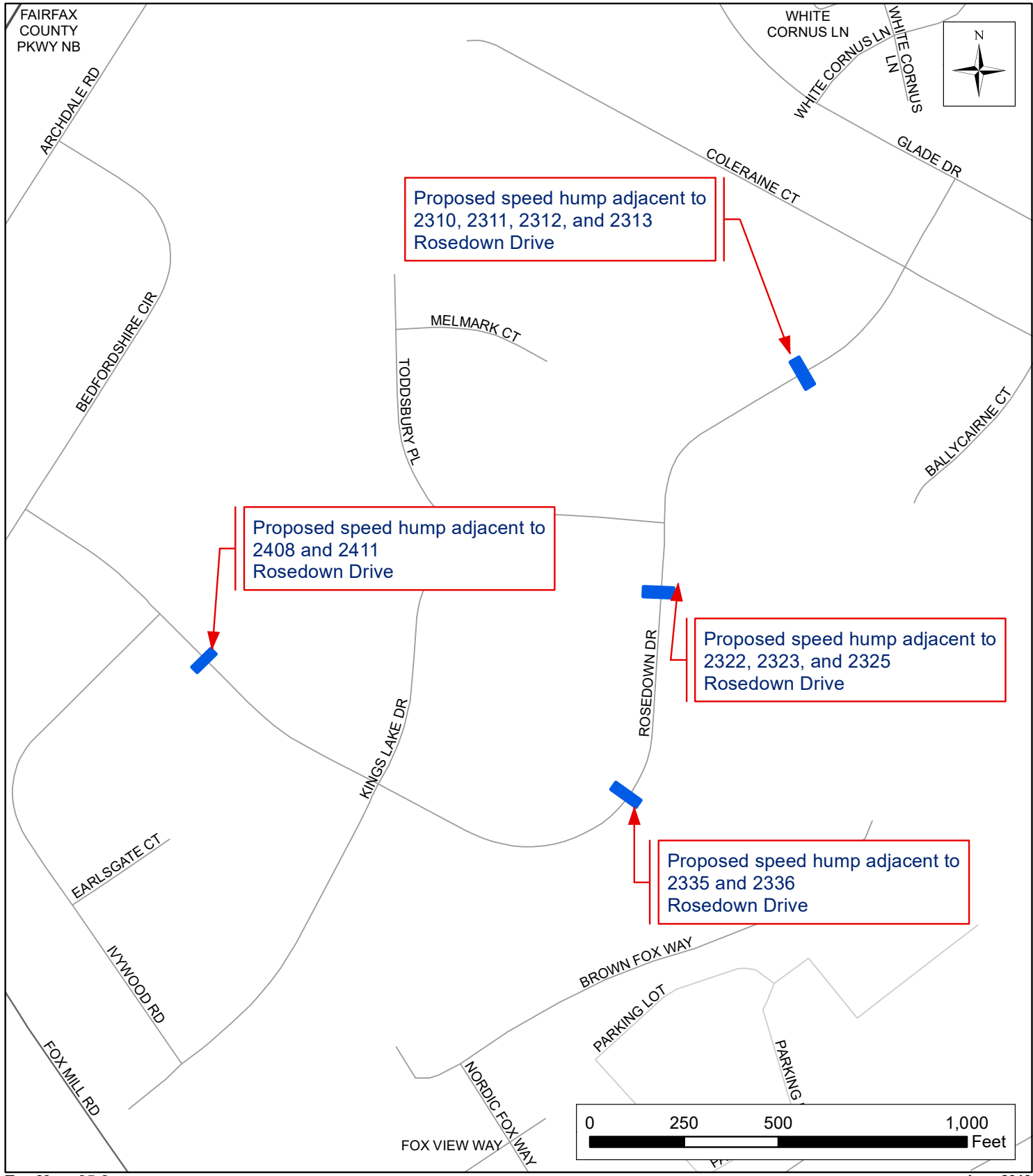
Tom Biesiadny, Director, Fairfax County Department of Transportation (FCDOT)

Eric Teitelman, Chief, Capital Projects and Traffic Engineering Division, FCDOT

Neil Freschman, Chief, Traffic Engineering Section, FCDOT

Steven K. Knudsen, Transportation Planner, Traffic Engineering Section, FCDOT

David Loss, Transportation Planner, Traffic Engineering Section, FCDOT

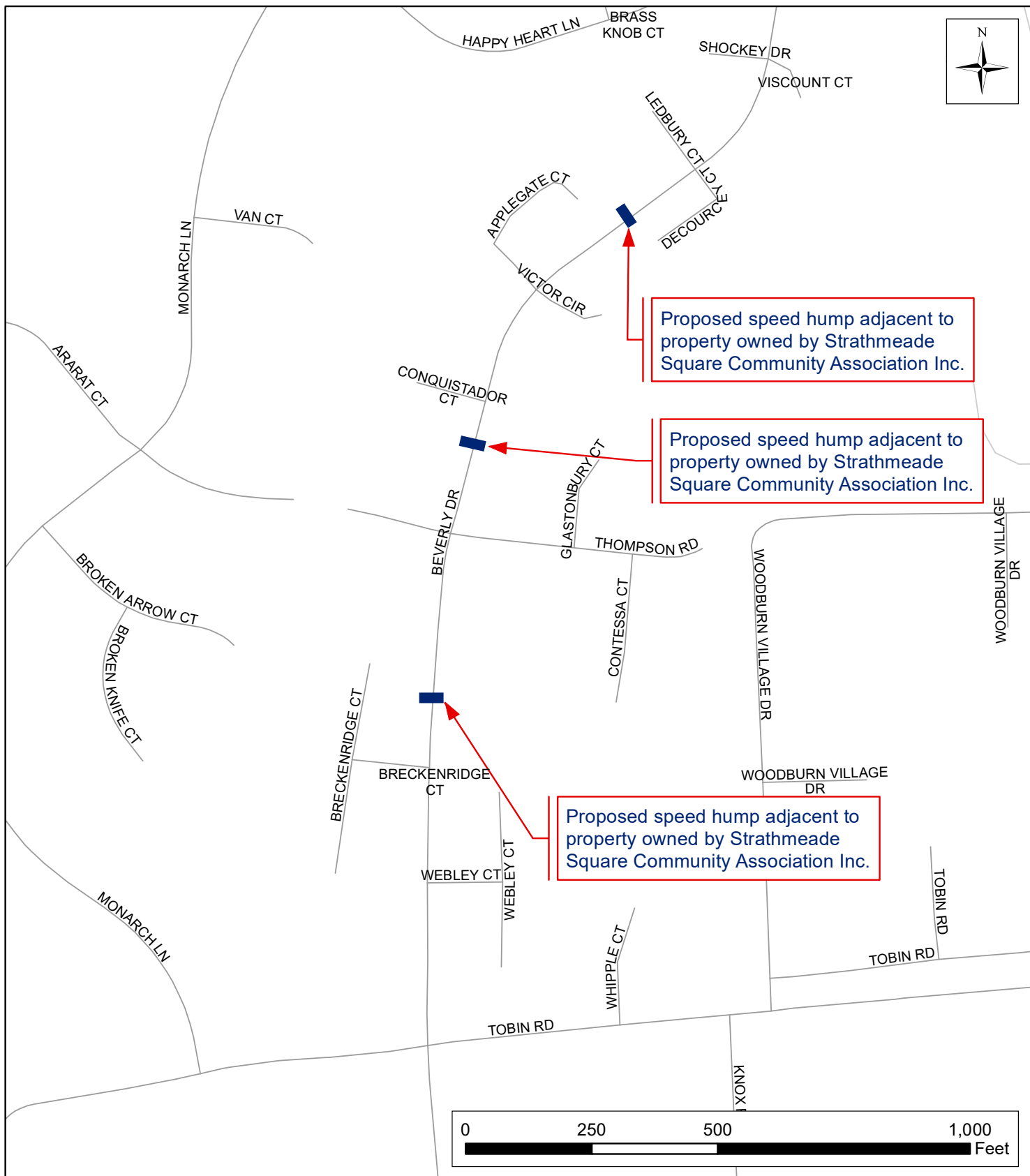


Tax Map: 25-2

June 2019

**Fairfax County Department of Transportation**  
**Residential Traffic Administration Program**  
**Traffic Calming Plan**  
**Rosedown Drive**  
**Hunter Mill District**





Tax Map: 59-1

July 2019

**Fairfax County Department of Transportation  
Residential Traffic Administration Program  
Traffic Calming Plan  
Beverly Drive  
Providence District**



ADMINISTRATIVE - 2

Extension of Review Period for 2232 Application (Sully District)

ISSUE:

Extension of review period for 2232 application to ensure compliance with review requirements of *Section 15.2-2232* of the *Code of Virginia*.

RECOMMENDATION:

The County Executive recommends that the Board extend the review period for the following application: 2232-Y19-4.

TIMING:

Board action is required by July 30, 2019, to extend the review period for the application noted above before its expiration date.

BACKGROUND:

Subsection F of Section 15.2-2232 of the Code of Virginia states: "Failure of the commission to act on any such application for a telecommunications facility under subsection A submitted on or after July 1, 1998, within 90 days of such submission shall be deemed approval of the application by the commission unless the governing body has authorized an extension of time for consideration or the applicant has agreed to an extension of time. The governing body may extend the time required for action by the local commission by no more than 60 additional days. If the commission has not acted on the application by the end of the extension, or by the end of such longer period as may be agreed to by the applicant, the application is deemed approved by the commission." The need for the full time of an extension may not be necessary, and is not intended to set a date for final action.

The review period for the following application should be extended:

2232-Y19-4	New Cingular Wireless PCS, LLC (dba AT&T Mobility) 6400 Old Centreville Road Centreville, VA Sully District Accepted June 3, 2019 Extend to October 31, 2019
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Board Agenda Item  
July 16, 2019

FISCAL IMPACT:  
None.

ENCLOSED DOCUMENTS:  
None.

STAFF:  
Rachel Flynn, Deputy County Executive  
Barbara A. Byron, Director, Department of Planning and Development, DPD  
Michelle K. Stahlhut, Chief, Facilities Planning Branch, Planning Division, DPD  
Bryan D. Botello, Planner, Facilities Planning Branch, Planning Division, DPD

Board Agenda Item  
July 16, 2019

ADMINISTRATIVE - 3

Streets into the Secondary System (Dranesville District)

ISSUE:

Board approval of street to be accepted into the State Secondary System.

RECOMMENDATION:

The County Executive recommends that the street listed below be added to the State Secondary System:

<u>Subdivision</u>	<u>District</u>	<u>Street</u>
The Estates at Leigh Mill Road	Dranesville	Perkins Farm Lane

TIMING:

Routine.

BACKGROUND:

Inspection has been made of this street, and it is recommended for acceptance into the State Secondary System.

FISCAL IMPACT:

None.

ENCLOSED DOCUMENTS:

Attachment 1 – Street Acceptance Form

STAFF:

Rachel Flynn, Deputy County Executive  
William D. Hicks, P.E., Director, Land Development Services

## Street Acceptance Form For Board Of Supervisors Resolution - June 2005

<b>FAIRFAX COUNTY BOARD OF SUPERVISORS FAIRFAX, VA</b> Pursuant to the request to inspect certain streets in the subdivisions as described, the Virginia Department of Transportation has made inspections, and recommends that same be included in the secondary system.		<b>VIRGINIA DEPARTMENT OF TRANSPORTATION - OFFICE OF THE ENGINEERING MANAGER, FAIRFAX, VIRGINIA</b> REQUEST TO THE ENGINEERING MANAGER, FOR INCLUSION OF CERTAIN SUBDIVISION STREETS INTO THE STATE OF VIRGINIA SECONDARY ROAD SYSTEM. <b>PLAN NUMBER:</b> 0466-SD-001 <b>SUBDIVISION PLAT NAME:</b> The Estates at Leigh Mill Road <b>COUNTY MAGISTERIAL DISTRICT:</b> Dranesville	
<b>ENGINEERING MANAGER:</b> Houda A. Ali, PMP <b>BY:</b> <u>Nadia Alphonse</u>		<b>FOR OFFICIAL USE ONLY</b> <b>DATE OF VDOT INSPECTION APPROVAL:</b> <u>05/30/2019</u>	

STREET NAME	LOCATION		LENGTH MILE
	FROM	TO	
Perkins Farm Lane	CL Leigh Mill Road (Route 683) - 570' S CL Georgetown Pike (Route 193)	616' W to End of Cul-de-Sac	0.12
<b>TOTALS:</b>			0.12
NOTES:			

ADMINISTRATIVE - 4

Designation of Plans Examiner Status under the Expedited Land Development Review Program

ISSUE:

Board of Supervisors' action to designate three individuals as Plans Examiners to participate in the Expedited Land Development Review Program, pursuant to the adopted criteria and recommendation of the Advisory Plans Examiner Board (APEB).

RECOMMENDATION:

The County Executive recommends that the Board of Supervisors (the Board) take the following actions:

- Designate the following three individuals, identified with their registration numbers, as Plans Examiners:

Joshua Thomas Reynolds	334
Bel Bahadur Pachhai	335
Behnaz Bagherian	336

TIMING:

Routine.

BACKGROUND:

On August 7, 1989, the Board adopted Chapter 117 (Expedited Land Development Review) of *The Code of the County of Fairfax, Virginia*, (The Code) establishing a Plans Examiner Program under the auspices of an APEB. The purpose of the Plans Examiner Program is to expedite the review of site and subdivision plans submitted by certain specially qualified applicants, i.e., Plans Examiners, to the Department of Land Development Services.

The Code requires that the Board designate an individual's status under the Expedited Land Development Review Program.

Plans Examiner Status: Candidates for status as Plans Examiners must meet the education and experience requirements contained in Chapter 117. After the review of

Board Agenda Item  
July 16, 2019

their applications and credentials, the APEB has found that the three candidates listed above satisfy these requirements. These findings were documented in a letter dated May 13, 2019, from the Chairman of the APEB, James H. Scanlon, P.E., L.S., to Chairman Sharon Bulova.

Staff concurs with these recommendations as being in accordance with Chapter 117 and the Board-adopted criteria.

FISCAL IMPACT:  
None.

ENCLOSED DOCUMENTS:  
Attachment I – One letter dated May 13, 2019, from the Chairman of the APEB to the Chairman of the Board of Supervisors.

STAFF:  
Rachel Flynn, Deputy County Executive  
William D. Hicks, P.E., Director, Department of Land Development Services



## Engineers & Surveyors Institute

"a public/private partnership"

4795 Meadow Wood Lane  
Suite 115 East  
Chantilly, VA 20151  
703-263-2232

**Board of Directors**  
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John Cummings, P.E.  
Rinker Design Associates, P.C.

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Kevin E. Murray, P.E.  
Tri-Tek Engineering

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KJ & Associates

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Fairfax County-DPW&ES

**Directors**  
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Town of Leesburg

Phillip DeLeon, P.E.  
VA Dept. Rail & Public  
Transportation

Heather Diez  
City of Alexandria, T&ES

Ann O. Germain, PE  
christopher consultants, ltd.

Paul B. Johnson, P.E.  
Charles P. Johnson & Associates  
Inc.

Lee Ann Hall, P.E.  
Virginia Department of  
Transportation

David Logan, P.E.  
Bohler Engineering, P.C.

Angela Rassas, P.E.  
ESE Consultants, Inc.

J. Keith Sinclair, Jr., P.E.  
A. Morton Thomas & Associates  
Inc.

Blake A. Smith, P.E.  
Smith Engineering

Ross Stilling  
Fairfax Water

Dennis M. Thomas, P.E.  
Burgess & Niple, Inc.

Anita M. Tierney  
Loudoun County, B&D

Javier I. Vega, P.E.  
Dewberry

Aaron Vinson, P.E.  
Walter L. Phillips, Inc.

Robert W. Walker, P.E., CLA  
Gordon

Susan S. Wolford, CLA, AICP  
Pennoni Associates

**Current Past Chairman**  
R. J. Keller, L.S.  
RC Fields & Associates, P.C.

**EXECUTIVE DIRECTOR**  
Jeffrey L. Blackford, P.E.

May 13, 2019

Hon. Sharon Bulova, Chairman  
Fairfax County Board of Supervisors  
12000 Government Center Parkway  
Fairfax, VA 22035

Dear Chairman, Bulova:

The following named individuals were approved by the Fairfax County Advisory Plans Examiner Board for recommendation as Designated Plans Examiner:

Name	Reg. No
Joshua Thomas Reynolds	334
Bel Bahadur Pachhai	335
Behnaz Bagherian	336

They have been found to meet the qualifications outlined in Chapter 117-1-2 of the Code of Fairfax County is in accordance with the criteria adopted by the Fairfax County Board of Supervisors on February 11, 1991.

Sincerely,

James H. Scanlon, P.E. LS  
Chairman  
Fairfax County Advisory Plans Examiner Board

Board Agenda Item  
July 16, 2019

ACTION - 1

Approval of a Vacation of a Parking Reduction for Hunter Mill Plaza (Providence District)

ISSUE:

Board of Supervisors (Board) approval to vacate a previously-approved parking reduction and terminate the associated agreement for Hunter Mill Plaza Shopping Center located on Tax Map 47-2 ((1)) 27F and 27G, Providence District.

RECOMMENDATION:

The County Executive recommends that the Board vacate the previously-approved parking reduction of 6.9 percent (21 fewer spaces) for the Hunter Mill Plaza Shopping Center and terminate the associated parking reduction agreement.

TIMING:

Board action is requested on July 16, 2019.

BACKGROUND:

On March 14, 2017, the Board approved an amended parking reduction for the Hunter Mill Plaza Shopping Center (#5609-PKS-007-1), located on Chain Bridge Road (Route 123) at Hunter Mill Road (Route 674). This reduction was approved pursuant to Paragraph 4B, Chapter 11, Section 102 of the Zoning Ordinance (Ordinance) which allows shared parking based on the peaking characteristics of the site uses. The County and the shopping center owner executed a parking agreement memorializing the Board-approved amended reduction on April 10, 2017.

On January 24, 2018, the Board amended the Ordinance to modify the parking requirements for restaurant uses in shopping centers. These changes allow restaurant uses that are less than 5,000 gross square feet within shopping centers to provide parking in conformance with the rates associated with the entire shopping center. The restaurant uses in the Hunter Mill Plaza Shopping Center meet this criterion. As shown in Table 1, the 283 parking spaces provided exceeds the 252 spaces currently required. Therefore, the previously approved parking reduction is no longer required; it should be vacated and the associated parking reduction agreement should be terminated. The amount of parking provided and required is shown in Table 1.

**Table 1. Provided and Required Parking**

<b>Land Use</b>	<b>Rate</b>	<b>Number of Parking Spaces Provided</b>	<b>Previous Minimum Required Number of Spaces (Based on 2017 Approved Reduction)</b>	<b>Current Minimum Required Number of Spaces</b>
Shopping Center  40,159 Square Feet of Gross Floor Area (SF of GFA)	4.3 spaces per 1000 SF of GFA	283	303	173
Office  21,218 SF of GFA	3.6 spaces per 1000 SF of GFA			77
Total		283	303	250

FISCAL IMPACT:  
None.

ENCLOSED DOCUMENTS:

Attachment A – Letter from Property Owner Requesting Termination of the Parking  
Reduction Agreement

Attachment B – Approved and Recorded Parking Reduction

STAFF:

Rachel Flynn, Deputy County Executive

William D. Hicks, P.E., Director, Land Development Services (LDS)

Eleanor Ku Coddling, Director, Permitting and Code Administration, LDS

Michael Davis, Parking Program Manager, Site Code Research and Development, LDS

ASSIGNED COUNSEL:

Marc E. Gori, Assistant County Attorney

February 27, 2019

Mr. Michael Davis  
Code Development and Compliance Division  
Land Development Services  
Department of Public Works and Environmental Services  
12055 Government Center Parkway  
Fairfax, Virginia 22035-5503

Re: **Hunter Mill Plaza**  
**Parking Tabulation Revision (5609-PKS-009-1)**  
**2946 & 2952 Chain Bridge Road and**  
**2940-2944 (Even) Hunter Mill Road**  
**Tax Map 47-2 ((01)) 0027F and 0027G**  
**Providence District**  
**Pennoni AJDWX19001**

Dear Mr. Davis:

On behalf of A.J. Dwoskin and Associates, Inc., agents for the Owners, Acorn Associates LP and Acorn Associates LP II, Pennoni has prepared updated Parking Tabulations for Hunter Mill Plaza, located in the Providence District. The updated tabulations are based on the current Fairfax County Zoning Ordinance, Article 11. Changes to use definitions and assigned parking rates approved by the Board of Supervisors in February 2018 have lessened the Ordinance-defined demand for these parcels. The Owners seek to vacate the previously approved Amended Parking Reduction (5609-PKS-007-1, approved March 14, 2017) in favor of Parking Tabulations based on the current Zoning Ordinance. The most recently approved Parking Tabulations, 5609-PKS-008-1, were approved in March 2017 to allow My Fitness to lease space in the shopping center in suite 2946-N.

Since the parking requirements for food uses/restaurants that are under 5,000 sf in shopping centers was amended by the Board in February 2018, we have found that calculating our parking requirement using the current code would result in 30 spaces excess parking spaces for the subject site. **Since the new requirements result in parking requirements that are less than the existing parking provided, we request, on behalf of the agent for the Owners, that the County vacate the previous shared parking approval conditions.**

**Table 1** compares the February 2018 Zoning Ordinance parking amendment to the previous approvals for Hunter Mill Plaza. The revised restaurant parking requirements thus would allow the owner to pursue a currently pending lease, which would allow 2952-H Chain Bridge Road to be converted from the existing vacant office use to a restaurant use within a shopping center.

**Table 1: Hunter Mill Plaza Parking Summary**

Scenario	Parking per Code	Parking Required per Shared Parking Agreement	Reduction from Code	Percentage Reduction from Code
Previous Approvals 5609-PKS-008-1	303.0 spaces	283 spaces	-20 spaces	-6.6%
Revised with Z.O. definition only	249.2 spaces	N/A	N/A	N/A
Revised with 2952-H converted from Office to restaurant (1975 sf) pending with Z.O. definitions	250.5 spaces	N/A	N/A	N/A
Parking Provided	283 spaces	N/A	N/A	N/A

Since the site has not experienced parking occupancy issues as reported through the Property owner's Management office and the existing Zoning Ordinance parking is less than the supply, we request that the County abandon, through administrative approval by the Board of Supervisors, the previous shared parking agreement conditions. The vacation of the shared parking agreement would allow the owners a bit more flexibility in leasing to better react to changing market conditions without processing shared parking condition amendments each time a new tenant is added.

#### **Previous Parking Reduction**

The Board of Supervisors approved Amended Parking Reduction Agreement for Hunter Mill Plaza (5609-PKS-007-1), March 14, 2017, allowing a maximum parking reduction of 6.9% (21 spaces) from the then-existing Zoning Ordinance. The County letter, which lists the approval conditions, is attached, along with the Amended Parking Agreement (DB 25018, PG 0881), recorded April 25, 2017. The amended Zoning Ordinance renders these conditions no longer applicable to the subject site.

#### **Current Parking and Summary of Changes**

The Zoning Ordinance amendment to Article 11, adopted by the Board of Supervisors, February 2018, changed the definition and applicable parking rate for eating establishments. These uses are now defined as *restaurant*, as are former fast food restaurants and any establishment with 8 or more total seats. Restaurant uses less than 5,000 GSF in a shopping center are now parked at the applicable shopping center rate and are permitted a maximum of 20 outdoor seats for each tenant. **Hunter Mill Plaza does not have any restaurant uses that exceed 5,000 GSF and no restaurant has more than 20 outdoor seats.** With the pending tenant change at 2952 H Chain Bridge Road, the application of the existing Z.O. parking standards to Hunter Mill Plaza yields a Z.O.-defined demand of 250.5 parking spaces. This is below the provided 283 parking spaces.

The parking supply is unchanged from the previous approvals, so a new parking designation plan is not required. Pennoni also verified that the parking provided satisfies the ADA requirements for the site, based on the VUSBC Table 1106.1(1) for the existing parking supply.

The locations affected by the parking rate by change in definition are highlighted on the attached **Exhibit**. The 5 existing tenants and 1 pending tenant impacted by the change in definition are listed below for a comparison of changes in required parking with proposed Parking Tabulation Revision:

<u>Location/Business</u>	<u>Parking from 5609-PKS-008-1</u>	<u>Proposed with 5609-PKS-009-1</u>
1946 G Chain Bridge Road Luciano's Italian Restaurant	86 seats/7 employees 25.0 required spaces	2,528 GSF 10.9 required spaces
2946 J Chain Bridge Road Yoko Japanese Restaurant	50 seats/8 counter seats/9 emp. 21.0 required spaces	2,266 GSF 9.8 required spaces
2946 L,M Chain Bridge Road KOBKUN Fine Thai Cuisine	55 seats/5 employees 16.8 required seats	2,013 GSF 8.7 required spaces
2952 A,B Chain Bridge Road Oakton Wine Shop	40 seats/4 employees 12.0 required spaces	1,519 GSF 6.6 required spaces
2952 C Chain Bridge Road Old Peking Restaurant	60 seats/6 employees 18.0 required spaces	1,975 GSF 8.5 required spaces
2952 H Chain Bridge Road Pending Tenant (now Vacant)	1,975 GSF Office 7.2 required spaces	1,975 GSF Restaurant 8.5 required spaces
<b>Total:</b>	<b>100 required spaces</b>	<b>53 required spaces</b>

The locations which previously had outdoor seating in the parking tabs, and which are no longer listed in the tabulations are indicated below:

2946 H,I Chain Bridge Road Chipotle (16 seats)	2946 P Chain Bridge Road Tigris Grill & Kabob (6 seats)
---	--

The total parking by use and by tenant has been updated in the **County parking tabulation form**, as attached, for Hunter Mill Plaza. The total square footage and applicable rates are shown below

• Office uses	21,218 GSF	3.6 spaces/1000 GSF*	77.1 required spaces
• Shopping center uses	40,159 GSF	4.3 spaces/1000 GSF*	173.4 required spaces
• Total	61,377 GSF		250.5 required spaces

\*Minimum, actual parking by tenant rounded up is shown

Note on page 5 of the tabulations that the parking by aggregate use as office and as shopping center as computed with the current Zoning Ordinance would result in 249.1 spaces, or 1.4 parking spaces less than that based on the individual tenants added together. (The above computations reflect the

sum of individual uses.) The 250.5 spaces in the tabs (rounded to 251) were shown based on individual tenants to be conservative, and consistent with previous approved tabulations for the site.

### Conclusion

It is requested that the Hunter Mill Plaza Shared Parking Agreement be vacated in its entirety in favor of the current Zoning Ordinance requirements upon immediate approval of this request. We have attached a confirmation letter from the agent for the Owners as well as the County Parking Checklist for this tabulation submittal.

Thank you, in advance, for your coordination and for your time to review processing with us on Tuesday, February 26, 2019. If you should have any questions, please contact our office at (703) 840-4830.

Sincerely,  
PENNONI



Mr. Douglas R. Kennedy, P.E.  
Associate Vice President

Enclosures: Tenant and Use Change Exhibit (11x17 sheet)  
Amended Parking Reduction (5609-PKS-007-1) approval letter, March 16, 2017 (3 pages)  
Recorded Amended Parking Reduction Agreement, April 25, 2017 (4 pages)  
Approved Parking Tabulations (5609-PKS-008-1), March 2017 (5 pages)  
Proposed Parking Tabulations (5609-PKS-009-1), February 2019 (7 pages)  
Letter of Agency – A.J. Dwoskin and Associates, Inc., February 2019 (1 page)  
Fairfax County Parking Checklist (2 pages)  
County Parking Tabulation Filing fee Check (\$980.40)

Cc: Roni Robins – A.J. Dwoskin and Associates  
R. Scott Leary - Pennoni

U:\Accounts\AJDWX\AJDWX19001 - Hunter Mill Plaza\DOC PREP\Pennoni\_HMP\_Parking Tabulation Revision\_5609-PKS-009-1\_20190227.docx

2017025276.001 BK 25018 0881 04/25/2017 12:10:50

Tax Map Nos. 047-2-01-0027F  
047-2-01-0027G

**AMENDED PARKING REDUCTION AGREEMENT**  
**FOR**  
**HUNTER MILL PLAZA**  
**(PROVIDENCE DISTRICT, OAKTON, VA)**

THIS AMENDED PARKING REDUCTION AGREEMENT ("Agreement") is made this 10th day of April, 2017, by and among (i) ACORN ASSOCIATES LIMITED PARTNERSHIP, a Virginia limited partnership ("Phase I Owner") (Grantor and Grantee for indexing purposes); (ii) ACORN ASSOCIATES II, L.P., a Virginia limited partnership ("Phase II Owner") (the Phase I Owner and Phase II Owner collectively referred to herein as "Owners") (Grantor and Grantee for indexing purposes) and (iii) THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, a body corporate and politic (the "County") (Grantee).

WHEREAS, Phase I Owner is the owner of certain property located in Fairfax County, Virginia and identified as Fairfax County Tax Map No. 047-2-01-0027-F (the "Phase I Property"), having acquired the Phase I Property by deed recorded in Deed Book 6389 at Page 1011 among the land records of Fairfax County, Virginia (the "Land Records"); and

WHEREAS, Phase II Owner is the owner of certain property located in Fairfax County, Virginia and identified as Fairfax County Tax Map No. 047-2-01-0027-G ("Phase II Property"), having acquired the Phase II Property by deed recorded in Deed Book 11466 at Page 438 among the Land Records; and

WHEREAS, the Phase I Property and Phase II Property are collectively referred to herein as the "Property"; and

WHEREAS, the Property is subject to that certain Parking Reduction Agreement for Hunter Mill Plaza (Oakton, Virginia) dated June 7, 2010 and recorded in Deed Book 21092 at Page 2018 among the Land Records whereby the Owners agreed to certain conditions and terms in exchange for a 6.9% parking reduction of the required on-site parking spaces for the Property, as more particularly set forth therein (the "Original Parking Agreement"); and

WHEREAS, the Original Parking Agreement provides that the Original Parking Agreement may be amended by an agreement in writing by the parties; and

WHEREAS, upon the application of the Owners, the County, on March 14, 2017, approved an amended parking reduction of 6.9 percent (21 fewer spaces) of the required on-site parking for the Property subject to certain terms and conditions listed below; and

WHEREAS, the County approval required that such terms and conditions be recorded among the land records in a form acceptable to the County Attorney; and

7. All parking utilization studies prepared in response to a request by the Zoning Administrator or the Director shall be based on applicable requirements of *The Code of the County of Fairfax, Virginia*, and the Zoning Ordinance in effect at the time of any such study.
8. Shared parking with any additional land use(s) beyond those described herein, shall not be permitted without the submission of a new or amended parking study prepared in accordance with the applicable requirements of the Zoning Ordinance and shall be subject to the Board's approval.
9. All parking provided shall comply with the applicable requirements of Article 11 of Zoning Ordinance and the Fairfax County Public Facilities Manual, including the provisions referencing the Americans with Disabilities Act (ADA), and the Virginia Uniform Statewide Building Code.
10. No parking spaces shall be reserved except for those required to meet the parking requirements of the ADA.
11. Notwithstanding Conditions #1, #3 and #8, the Property Owner may implement and the Director may approve, in consultation with Providence District Supervisor's Office, future modifications to the mix of uses between shopping center uses, office and restaurant/eating establishments provided that (a) the total gross square footage of development established on the Property does not increase; and (b) a new parking generation study demonstrates to the satisfaction of the Director that the synergy among the proposed uses is comparable to the approved synergy associated with the parking reduction. The 6.9 percent reduction of the code required parking granted by the Board must not be exceeded. The minimum number of spaces required by Condition #1 shall be maintained unless otherwise approved by the Director. Upon receipt of the modification request, the Director may also require submission of a parking utilization study, if it is determined to be needed to evaluate the existing parking conditions at the time of the request.
12. Unless the Director has approved an extension, the approval of this parking reduction request shall expire without notice six months from the date of Board approval if Condition #5 has not been satisfied.
13. Approval of this parking reduction, including all conditions set forth herein, shall supersede and replace any and all previously approved parking reductions, including the parking reduction that was approved by the Fairfax County Board of Supervisors on February 23, 2010 and memorialized in the Original Parking Agreement.
14. This Agreement is binding upon the parties, their successors, and assigns. It shall be recorded among the Land Records of Fairfax County, Virginia, and the terms, conditions, and covenants stated herein shall not be deemed to be personal but shall run with the land.

BK 25018 0885

WITNESS the following signatures and seals:

**PHASE I OWNER:**

ACORN ASSOCIATES  
LIMITED PARTNERSHIP,  
a Virginia limited partnership,

By: ACORN/AJD CORPORATION,  
a Virginia corporation,  
General Partner

By: Albert J. Dwoskin  
Name: Albert J. Dwoskin  
Title: President

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Fairfax, to wit:

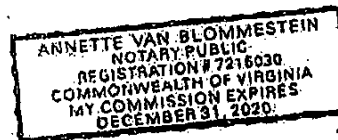
The foregoing instrument was acknowledged before me this 10th day of April, 2017, by Albert J. Dwoskin, as President of Acorn/AJD Corporation, General Partner of Acorn Associates Limited Partnership, on behalf of the partnership.

Witness my hand and official seal, this the 10th day of April, 2017.

Annette Van Blommestein  
Notary Public

Notary Registration #: 7215030

My Commission Expires: 12/31/2020



COUNTY: \_\_\_\_\_

Accepted on behalf of the Board of Supervisors of Fairfax County, Virginia, by authority granted by the said Board.

APPROVED AS TO FORM:

*[Signature]*  
Assistant County Attorney

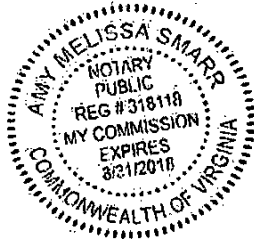
*[Signature]*  
Director, Land Development Services  
Department of Public Works &  
Environmental Services

COMMONWEALTH OF VIRGINIA  
COUNTY OF FAIRFAX, to-wit:

The forgoing instrument was acknowledged before me this 21<sup>st</sup> day of April, 2017, by William D. Hicks, Director, Land Development Services, Department of Public Works and Environmental Services.

*[Signature]*  
Notary Public

Notary Registration #: 318118  
My Commission Expires: 8/31/18



Board Agenda Item  
July 16, 2019

ACTION - 2

Adoption of Proposed Modifications to the Comprehensive Plan Amendment Work Program and Endorsement of the 2019-2020 South County Site-Specific Plan Amendment (SSPA) Process

ISSUE:

In preparation for the 2019-2020 South County Site-specific Plan Amendment (SSPA) process, Board of Supervisors' (Board) action is requested to adopt revisions to the Comprehensive Plan Amendment Work Program. The proposed revisions would rescind two inactive Plan amendments. Board action is also requested to endorse the parameters of the 2019-2020 SSPA process, including the schedule and eligibility criteria.

PLANNING COMMISSION RECOMMENDATION:

On June 12, 2019, the Planning Commission voted 11-0 (Commissioner Strandlie was absent from the meeting) to recommend that the Board of Supervisors adopt the Comprehensive Plan Amendment Work Program as shown in Attachment I of the Board item. The Planning Commission also voted 11-0 to endorse the parameters and timeline of the 2019-2020 South County Site Specific Plan Amendment Process.

RECOMMENDATION:

The County Executive recommends that the Board of Supervisors adopt the Planning Commission recommendation to adopt the revised Comprehensive Plan Amendment Work Program and endorse the revised 2019-2020 SSPA process, as shown in the link to the Planning Commission verbatim and recommendation dated June 12, 2019 under the Enclosed Documents Section.

TIMING:

Planning Commission Land Use Process Review Committee– May 23, 2019  
Planning Commission Recommendation – June 12, 2019  
Board of Supervisors Development Process Committee – June 18, 2019  
Board Action - July 16, 2019

BACKGROUND:

On June 20, 2017, the Board of Supervisors adopted the SSPA process to increase public participation in the development of the Comprehensive Plan Amendment Work Program, a document that schedules Comprehensive Plan amendments and special studies. The SSPA process allows anyone to nominate site-specific land use changes to the Comprehensive Plan. The SSPA process consists of a two-year review of the North County

Board Agenda Item  
July 16, 2019

districts (Dranesville, Hunter Mill, Providence, and Sully) and a subsequent two-year review of the South County districts (Braddock, Lee, Mason, Mount Vernon, and Springfield). The North County review cycle began in 2017, and four plan amendments that were added to the work program as a result of the SSPA process are currently under review.

Consistent with the review schedule, staff from the Department of Planning and Development have begun to prepare for the 2019-2020 South County SSPA process. On May 23, 2019 staff briefed the Planning Commission Land Use Process Review Committee (PC-LUPRC) on the parameters and timeline of the SSPA process and proposed updates to the Comprehensive Plan Amendment (PA) Work Program. The 2019-2020 South County SSPA timeline would replicate the sequence and general timeframes of the North County SSPA. The eligibility and justification criteria for nominations would remain the same as the North County SSPA, except that the eligibility criterion that restricted residential use proposals in areas that are subject to the Proffer Statute VA Code § 15.2-2303.4 for the South County SSPA is proposed to be eliminated.

Further, as was done in preparation for the 2017 North County SSPA, inactive plan amendments on the PA work program that would prevent certain areas within the South County from being eligible for review are proposed to be removed from the work program. Staff has identified PA 2013-III-P1 - Pohick Planning District and PA 2013-IV-LP 1 - Lower Potomac Planning District and Lorton South-Route 1 Suburban Center (both amendments authorized July 9, 2013) as inactive amendments that are recommended to be rescinded. A memo to the Planning Commission dated May 16, 2019 regarding these items is provided as Attachment I.

FISCAL IMPACT:

None.

ENCLOSED DOCUMENTS:

Attachment I: Memo to the Planning Commission dated May 16, 2019

The Planning Commission verbatim excerpt, dated June 12, 2019, is available online at: <https://www.fairfaxcounty.gov/planningcommission/sites/planningcommission/files/assets/documents/pdf/2019%20verbatims/verbatim061219modificationstocompplanamendworkprogram.pdf>

STAFF:

Rachel Flynn, Deputy County Executive  
Barbara Byron, Director, Department of Planning and Development (DPD)  
Marianne Gardner, Director, Planning Division (PD), DPD  
Meghan Van Dam, Chief, Policy & Plan Development Branch, PD, DPD  
Graham Owen, Planner III, Policy & Plan Development Branch, PD, DPD



# County of Fairfax, Virginia

## MEMORANDUM

**DATE:** May 16, 2019

**TO:** Planning Commission

**FROM:** Graham Owen  
Planner III, Policy and Plan Development Branch  
Department of Planning and Zoning, Planning Division (DPZ-PD)

Meghan Van Dam  
Chief, Policy and Plan Development Branch, DPZ-PD

**SUBJECT:** 2019-2020 South County Site-Specific Plan Amendment Process (SSPA) and Comprehensive Plan Amendment Work Plan Update

Preparation for the 2019-2020 South County Site-Specific Plan Amendment Process (SSPA) has begun. Staff from the Department of Planning and Zoning are scheduled to brief the Planning Commission Land Use Process Review Committee (PC-LUPRC) on the parameters and timeline for the 2019-2020 South County SSPA process and proposed updates to the Comprehensive Plan Amendment (PA) Work Program on May 23, 2019. Staff will be asking the committee to forward a recommendation on these items the Planning Commission for its endorsement and transmittal to the Board of Supervisors. The SSPA process is the regular review cycle by which community members may nominate changes to the Comprehensive Plan. The North County SSPA process began in 2017, and three items in the Providence, Dranesville, and Sully Districts remain under review.

### Preparation for the 2019-2020 South County SSPA

The 2019-2020 South County SSPA, affecting the Mount Vernon, Lee, Mason, Braddock and Springfield Districts, would begin in September 2019 and would echo the sequence and timeframes of the North County SSPA (Attachment I). The eligibility and justification criteria would remain mainly the same as the North County SSPA. The primary change would eliminate the eligibility criterion that restricted residential use proposals in areas that are subject to the Proffer Statute VA Code § 15.2-2303.4 for the South County SSPA. Further, as was done in preparation for the 2017 North County SSPA, inactive plan amendments on the PA work program that would prevent certain areas within the South County from being eligible for review should be removed from the work program. Staff has identified PA 2013-III-P1 - Pohick Planning District (authorized July 9, 2013) and PA 2013-IV-LP 1 - Lower Potomac Planning District and Lorton South-Route 1 Suburban Center (authorized July 9, 2013) as inactive amendments that are recommended to be rescinded by the Board of Supervisors.

### Request to Planning Commission

Proposed modifications to the eligibility criteria and the PA Work Program warrant Planning Commission review and recommendation to the Board of Supervisors. In preparation for this recommendation, staff will review the current PA work program, including North County SSPA and additional Board-authorized amendments, and potential changes; highlight major lessons learned from the North County SSPA; and review the proposed changes to the parameters of the South County SSPA on May 23, 2019. Attachment II contains a summary of amendments and proposed modifications to the PA Work Program.

Cc: Jill Cooper  
Fred Selden, Director, DPZ  
Marianne Gardner, Director, PD-DPZ  
Barbara Byron, Director, OCR

**Excellence \* Innovation \* Stewardship**  
**Integrity \* Teamwork \* Public Service**

**Department of Planning and Zoning**  
Planning Division  
12055 Government Center Parkway, Suite 730  
Fairfax, Virginia 22035-5509  
Phone 703-324-1380  
Fax 703-324-3056  
[www.fairfaxcounty.gov/dpz/](http://www.fairfaxcounty.gov/dpz/)



# SITE-SPECIFIC PLAN AMENDMENT 2019 South County Process



Attachment I

## Schedule

DRAFT

### Eligible Supervisor Districts

Braddock, Lee, Mason, Mount Vernon, and Springfield

**Nomination Submission Period** ..... September 3, 2019  
December 3, 2019

### Planning Commission Screening Process

Community Screening Meetings ..... March 2020  
April 2020  
Planning Commission Public Hearings on  
Nominations & Mark-Up of the Work Program ..... June 2020  
Board of Supervisors Action Item on the  
Revised Work Program ..... July 2020

### Work Program Implementation

#### Expedited Track

Task Force Meetings ..... October 2020  
Planning Commission Public Hearings  
on the Nominations ..... January 2021  
Board of Supervisors Public Hearings  
on the Nominations ..... February 2021

#### Standard Track

Task Force Meetings ..... January 2021  
February 2021

#### *Nominations not subject to VDOT Chapter 870 Review*

Planning Commission Public Hearings  
on the Nominations ..... May 2021  
Board of Supervisors Public Hearings  
on the Nominations ..... June 2021

#### *Nominations subject to VDOT Chapter 870 Review*

Planning Commission Public Hearings  
on the Nominations ..... to be determined  
Board of Supervisors Public Hearings  
on the Nominations ..... to be determined

### Staff Contact and More Information:

Graham Owen with Fairfax County Department of Planning & Zoning  
Phone | 703-324-2771 Email | [graham.owen@fairfaxcounty.gov](mailto:graham.owen@fairfaxcounty.gov)

 [fairfaxcounty.gov/planning-zoning/plan-amendments/sspa](http://fairfaxcounty.gov/planning-zoning/plan-amendments/sspa)

 Fairfax County Land Use Planning

## Current Comprehensive Plan Amendment Work Program Schedule (ESTIMATED)

5/17/2019

This is a summary of Comprehensive Plan amendments currently in the work program. The full work program can be viewed at the following link:

[https://www.fairfaxcounty.gov/planning-zoning/sites/planning-zoning/files/assets/documents/complanamend/sspa/workprogram/adopted\\_work\\_program.pdf](https://www.fairfaxcounty.gov/planning-zoning/sites/planning-zoning/files/assets/documents/complanamend/sspa/workprogram/adopted_work_program.pdf).

Amendments shown in ~~strikeout~~ are recommended for rescission due to inactivity.

Comprehensive Plan Amendments		2017	2018				2019				2020				2021
PA Number	PA Name and Board Authorization Date	4	1	2	3	4	1	2	3	4	1	2	3	4	1
DSC-D1-2	Dulles Suburban Center - Jackson Property (7/9/2013)														
2013-I-L1(C)	Lincolnia Planning District - Phase III (7/9/2013)														
2015-IV-RH1	Topgolf Site, Kingstowne Area (10/20/2015)														
2017-CW-2CP	Green Building - Energy Policy Plan Update (6/20/2017)														
2018-IV-MV2	8800 Richmond Highway (3/6/2018)														
2018-II-M1	McLean CBC Study (4/10/2018)														
SSPA 2018-I-MS1	Merrifield SC - Inova / Exxon-Mobil & Fairview Park (7/31/2018)														
SSPA 2018-II-M1	West Falls Church Metro Station (7/31/2018)														
SSPA 2018-III-1BR	Sully Station Shopping Center (7/31/2018)														
2018-II-F2	One University (7/31/2018)														
2018-IV-S2	Terminal Road (7/31/2018)														
2018-IV-MV	North Gateway CBC Sub-units A1-A2-A3 (9/25/2018)														
2018-IV-T1	Huntington Avenue/Richmond Highway Interchange (9/25/2018)														
2018-IV-MV4	Hollin Hills Historic Overlay District (7/31/2018)														
2019-IV-RH1	Oakwood Road Senior Housing (1/22/2019)														
SSPA	South County Site Specific Plan Amendment Process														
<del>2013-IV-LP1</del>	<del>Lorton South Rt 1 Suburban Center &amp; Lower Potomac Planning District &amp; Planning Sectors (7/9/2013)</del>	TBD													
2018-CW-2CP	Natural Landscaping at County Facilities (11/18/2018)	TBD													
2019-III-FC1	Fair Oaks Mall (2/5/2019)	TBD													
2017-CW-4CP	Heritage Resources (Annual, as needed)	TBD													
2018-IV-MV3	Beacon/Groveton and Hybla Valley/Gum Springs Metrorail/BRT Influence (3/20/2018)	TBD													
2013-III-FC1 (C)	Fairfax Center Area, Core Area - Phase III (12/6/2016)	TBD													
S11-CW-3CP(B)	Parks Comprehensive Plan Update (12/6/2011)	TBD													
<del>2013-III-P1</del>	<del>Pohick Planning District &amp; Planning Sectors (7/9/2013)</del>	TBD													
2013-CW-5CP	Public Facilities Plan Map Amendment (7/9/2013)	TBD													
2013-CW-T4	Transportation - County Transit Network Study (7/9/2013)	TBD													
2013-CW-9CP	Coastal Resource Management/Tidal Shoreline Erosion Control (7/9/2013)	TBD													
	Public Schools Plan Map Amendment	TBD													

Board Agenda Item  
July 16, 2019

ACTION - 3

Endorsement of the Work on the Zoning Ordinance Modernization Consolidated Draft of Use Regulations Dated July 1, 2019

ISSUE:

Since January 2018, staff and the County's consultant, Clarion Associates, have researched, drafted, and conducted outreach to prepare the draft of use regulations. A non-binding endorsement of the work completed to date on the zMOD project and direction that staff proceed with further processing of Zoning Ordinance amendments reflects general, non-binding concurrence with the current draft of uses, definitions, permissions, and related standards, as well as the general organization of the draft document.

RECOMMENDATION:

The County Executive recommends that the Board of Supervisors adopt the Resolution set forth in Attachment 1.

TIMING:

Board action is requested on July 16, 2019.

BACKGROUND:

The Zoning Ordinance Modernization (zMOD) project will result in a comprehensive update of the County's 41-year old Zoning Ordinance. Most of the substantive changes will be associated with the modernization and consolidation of land uses with similar impacts. The proposed uses, their definitions, use tables, and use standards have been drafted and revised based on extensive outreach. This represents a major milestone in the project. Given the long timeframe for the overall project, staff requests the Board's endorsement of the work completed to date, as staff and Clarion continue to move forward with other portions of the Zoning Ordinance. Ultimately, staff intends to bring forward the complete draft for public hearings in spring/summer of 2020. The revisions to the Consolidated Draft since the outreach in May are summarized in the cover memo included with the draft text, provided as a link with Attachment 2.

FISCAL IMPACT:

The Zoning Ordinance Modernization project can be continued with existing staff and consultant resources.

Board Agenda Item  
July 16, 2019

ENCLOSED DOCUMENTS:

Attachment 1 - Resolution

Attachment 2 – The Consolidated Draft, dated July 1, 2019, is available online at:

<https://www.fairfaxcounty.gov/planning-development/sites/planning-development/files/assets/documents/zmod/consolidated-draft-july-1-2019.pdf>

STAFF:

Rachel Flynn, Deputy County Executive

Barbara Byron, Director, Department of Planning and Development (DPD)

Leslie B. Johnson, Zoning Administrator, DPD

Carmen Bishop, Senior Assistant to the Zoning Administrator, DPD

Casey Judge, Senior Assistant to the Zoning Administrator, DPD

ASSIGNED COUNSEL:

David Stoner, Deputy County Attorney

Laura S. Gori, Senior Assistant County Attorney

## RESOLUTION

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium in the Government Center Building, Fairfax, Virginia, on July 16, 2019, at which meeting a quorum was present and voting, the following resolution was adopted:

WHEREAS, the Zoning Ordinance is almost 41 years old and warrants a comprehensive review, reorganization, and update as part of the Zoning Ordinance Modernization or zMOD project; and

WHEREAS, completion of the Consolidated Draft of Use Regulations represents a major milestone in the progress toward completion of the modernized Ordinance; and

WHEREAS, the Consolidated Draft includes modernized uses, definitions, use tables depicting how uses are permitted, and associated use standards; and

WHEREAS, extensive and continued outreach and community engagement have taken place to receive feedback on the Consolidated Draft and revisions have been made in response to the feedback; and

WHEREAS, an endorsement expresses nonbinding, general concurrence with the Consolidated Draft; and

WHEREAS, the public necessity, convenience, general welfare, and good zoning practice require consideration of the proposed revisions to Chapter 112 (Zoning Ordinance) of the County Code.

NOW THEREFORE BE IT RESOLVED, for the foregoing reasons the Board of Supervisors endorses the work that has gone into zMOD to produce the proposed Consolidated Draft of Use Regulations dated July 1, 2019, and directs staff to proceed with further processing of zMOD-related amendments to the Zoning Ordinance.

A Copy Teste:

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Catherine A. Chianese  
Clerk to the Board of Supervisors

Board Agenda Item  
July 16, 2019

ACTION - 4

Approval of Changes to the Fairfax County Purchasing Resolution

ISSUE:

Board of Supervisors' approval of changes to the Fairfax County Purchasing Resolution.

RECOMMENDATION:

The County Executive recommends that the Board of Supervisors approve the changes outlined below to the Fairfax County Purchasing Resolution, to become effective on July 16, 2019.

TIMING:

Routine.

BACKGROUND:

The Board of Supervisors adopted the current version of the Fairfax County Purchasing Resolution on June 19, 2018. During the 2019 General Assembly session, eight bills and one budget amendment were approved relating to procurement and/or contracts. Three successful bills contained a change that modified a mandatory section of the Virginia Public Procurement Act (VPPA) or the Code of Virginia. These mandatory changes are proposed for inclusion in the Purchasing Resolution, listed below under the heading "Code Change."

The remaining five bills either:

- Modify requirements specific to state agencies (two),
- Modify a section of the VPPA that is not included in the Purchasing Resolution (one), or
- Make changes to procurement of school facility security and construction and are unrelated to the Purchasing Resolution (two).

The 2019 General Assembly did not introduce many bills related to procurement and contract legislation. Looking forward, the County expects continued interest in legislation related to construction contracting and transparency in the 2020 General Assembly session.

This year, staff recommends 13 administrative amendments to the Purchasing

Resolution, which can be found under the heading “Administrative Changes.” These amendments are clarifications and technical corrections to the Resolution.

#### Code Change

1. House Bill 2071, Code of Virginia §2.2-4303.2. Changes the maximum allowable sum of all jobs performed through a job order construction contract from \$5 million to \$6 million. The bill also permits the use of job order construction contracting for safety improvements or traffic calming measures for individual job orders up to \$250,000. This legislation provides new local authority for the County at page 47.
2. House Bill 2198, Code of Virginia §§2.2-4303, 2.2-4303.1. Increase formal procurement threshold for professional services from \$60,000 to \$80,000. This is a technical correction related to HB 97 (2018 session). No changes to the Purchasing Resolution are required.
3. Senate Bill 1233 Code of Virginia §2.2-5514. Prohibits the use by the County of any hardware, software, or services that have been prohibited by the U.S. Department of Homeland Security for use on federal systems at page 38.

#### Administrative Changes

1. Clarified Purchasing Agent authority to align with authority of other contracting officers (Article 1, Section 3) at page 2.
2. Clarified Purchasing Agent authority over certain construction procurements at page 2.
3. Moved Cooperative Procurement text from Article 1, General Provisions to Article 2, Procurement Policies at pages 5 and 20.
4. Change stated method of advertising procurement opportunities to match current practices. This change is within existing authority at pages 13 and 14.
5. Changed stated method of publishing notice of sole source and emergency procurements to match current practices. This change is within existing authority at pages 21 and 23.
6. Clarified that insurance or electric utility services can be procured through an association following a determination in advance that the action is fiscally advantageous at page 23.
7. Corrected authority to enter into contracts with workshops or employment services organizations without competition at page 24.
8. Clarified that the Ethics provisions of the Fairfax County Purchasing Resolution apply to the purchase of ballots and elections materials at page 24.
9. Established exemption for Fairfax County Public Schools to purchase multidivision online courses and virtual school programs at page 25.

Board Agenda Item  
July 16, 2019

10. Created new Article 3, which accomplishes several things. First, it consolidates mandatory contract terms currently in the Purchasing Resolution into a single Article. Second, it adds other required or prohibited terms that had not previously been included in the Purchasing Resolution. Including the required and prohibited terms in a single Article in the Purchasing Resolution will provide better guidance to County staff and vendors regarding acceptable contract terms.

New

- i. Authority to bind County
- ii. Established no supplier shall establish a limitation of liability in formation of all County contracts
- iii. Established authority for the Purchasing Agent to require compliance with nonvisual access standards.
- iv. Venue for any claim under a contract
- v. Choice of law will be governed by laws of the Commonwealth of Virginia
- vi. Order of precedence for contract / ordering documents
- vii. Indemnification by the County prohibited
- viii. Contracts Subject to Appropriation by Board of Supervisors
- ix. Binding Arbitration or Mediation
- x. Limitation of Rights and Waiver of Remedies
- xi. Confidentiality provisions prohibited
- xii. Unilateral Modification prohibited

Moved

- i. Non-discrimination against a bidder or offeror
  - ii. Immigration Reform and Control Act Compliance
  - iii. Increased minimum contract value from \$10,000 to \$100,000 for right of County to audit contractors accounting and financial records.
  - iv. Authorization to Transact Business in the Commonwealth
  - v. Drug free workplace for the contractor's employees
11. Established prohibition of use vendor rebates for personal use by County employees at page 62.
12. Established that a gift of services pursuant to the Virginia State Government Volunteers Act is not a procurement such that the County is not offering consideration and the person acts of free will and without any financial gain at page 67.
13. Code of Virginia citations and other cross-references have been updated throughout the document where necessary.

Code Changes Not Adopted

Budget Amendment (House Bill 1700), item 80 #1C. Directs the Department of General Services to conduct a review of current law and best practices as it

Board Agenda Item  
July 16, 2019

relates to the statute of limitations on state contracts for construction services.  
No action required of the County.

Update (2018 Session):

Senate Bill 652, Code of Virginia §2.2-1606. Directs the Secretary of Administration to convene a work group of interested stakeholders to examine and make recommendations regarding modifications to state procurement policies and procedures to incentivize the competitive integrated employment of individuals with significant disabilities. *The Secretary of Administration has not yet convened a work group.*

The text changes proposed in the Resolution are presented in “track changes” format and legislative references are provided in highlight. These changes have been coordinated with the Department of Public Works and Environmental Services, the Department of Housing and Community Development, the Fairfax County Park Authority, the Department of Transportation, Fairfax County Public Schools, and the Office of the County Attorney.

FISCAL IMPACT:  
None.

ENCLOSED DOCUMENTS:  
Attachment I - Revised Fairfax County Purchasing Resolution

STAFF:  
Joseph Mondoro, Chief Financial Officer  
Cathy A. Muse, Director, Department of Procurement and Material Management

ASSIGNED COUNSEL:  
Patricia M. McCay, Office of the County Attorney

# FAIRFAX COUNTY PURCHASING RESOLUTION



July 2019

Adopted by the Board of Supervisors on July 16, 2019

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## FAIRFAX COUNTY PURCHASING RESOLUTION

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Article 1 .....	2
GENERAL PROVISIONS.....	2
Section 1. Title. ....	2
Section 2. Organization. ....	2
Section 3. Exclusions from Duties.....	2
Section 4. Rules and Regulations. ....	5
Article 2 .....	12
PROCUREMENT POLICIES .....	12
Section 1. General. ....	12
Section 2. Methods of Procurement.....	13
Section 3. Exceptions to the Requirement for Competitive Procurement. ....	23
Section 4. Exemptions from the Purchasing Resolution. ....	25
Section 5. General Purchasing Provisions. ....	26
Section 6. Compliance with Conditions on Federal Grants or Contract.....	35
Section 7. HIPAA Compliance.....	35
Section 10. Compliance with State Law; Foreign and Domestic Businesses Authorized to Transact Business in the Commonwealth: .....	36
Article 3 .....	37
CONTRACT TERMS AND CONDITIONS .....	37
Section 1. Authority to Bind the County. ....	37
Section 2. Mandatory Terms and Conditions Applicable to All Contracts. ....	37
Section 3. Prohibited Terms and Conditions. ....	39
Article 4 .....	41
CONSTRUCTION CONTRACTING.....	41
Section 1. Authority. ....	41
Section 2. Rules and Regulations. ....	42

---

Section 3. Definitions .....	43
Section 4. Purchasing Policies .....	43
Section 5. Methods of Procurement.....	45
Section 6. Prequalification, Bonds, Escrow Accounts. ....	47
Article 5 .....	56
<b>BIDDER/CONTRACTOR REMEDIES.....</b>	<b>56</b>
Section 1. Ineligibility. ....	56
Section 2. Appeal of Denial of Withdrawal of Bid. ....	57
Section 3. Appeal of Determination of Nonresponsibility. ....	58
Section 4. Protest of Award or Decision to Award. ....	58
Section 5. Contractual Disputes. ....	59
Section 6. Legal Action. ....	60
Article 6 .....	61
<b>ETHICS IN COUNTY CONTRACTING.....</b>	<b>61</b>
Section 1. General. ....	61
Section 3. Disclosure of Subsequent Employment. ....	62
Section 4. Gifts.....	62
Section 5. Kickbacks. ....	62
Section 6. Purchase of Building Materials, etc., from Architect or Engineer Prohibited. ....	63
Section 7. Certification of Compliance; Penalty for False Statements. ....	63
Section 8. Misrepresentations. ....	64
Section 9. Penalty for Violation.....	64
Section 10. Personal Conflicts of Interest .....	64
Article 7 .....	65
<b>PROPERTY MANAGEMENT .....</b>	<b>65</b>
Section 1. County Consolidated Warehouse (Logistics Center). ....	65
Section 2. Inventory Accountability. ....	65
Section 3. Consumable Inventory Property Management. ....	65
Section 4. Accountable Equipment Inventory Property Management. ....	66
Section 5. Excess and Surplus Property Management. ....	66

---

Section 6. Donations. ....67

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## **FAIRFAX COUNTY PURCHASING RESOLUTION**

WHEREAS, a central purchasing system is authorized by §15.2-1543 of the Code of Virginia, and is thus a part of the Urban County Executive Form of Government adopted by Fairfax County in 1951; and

WHEREAS, the Board of County Supervisors is dedicated to securing high quality goods and services at reasonable cost while ensuring that all purchasing actions be conducted in a fair and impartial manner with no impropriety or appearance thereof, that all qualified vendors have access to County business and that no offeror be arbitrarily or capriciously excluded, that procurement procedures involve openness and administrative efficiency, and that the maximum feasible degree of competition is achieved; and

WHEREAS, the Code of Virginia, §2.2-4300 through §2.2-4383 (as amended), enunciate the public policies pertaining to governmental procurement from nongovernmental sources by public bodies which may or may not result in monetary consideration for either party, which sections shall be known as the Virginia Public Procurement Act; and

WHEREAS, the Code of Virginia, §15.2-1236 (as amended) requires all purchases of and contracts for supplies, materials, equipment and contractual services shall be in accordance with Chapter 43 of Title 2.2 of the Code of Virginia; and

WHEREAS, the Code of Virginia, §2.2-4343 (as amended) allows implementation of the Virginia Public Procurement Act by ordinance, resolutions, or regulations consistent with this Act by a public body empowered by law to undertake the activities described by the Act; and

WHEREAS, the Code of Virginia, §15.2-1543, empowers the Board of Supervisors to employ a County Purchasing Agent and set his duties as prescribed by the Code of Virginia, §15.2-831, §15.2-1233 through §15.2-1240, and §15.2-1543;

THEREFORE BE IT RESOLVED that this resolution prescribes the basic policies for the conduct of all purchasing in Fairfax County (except as otherwise stipulated herein) to take effect immediately upon passage, as follows:

## FAIRFAX COUNTY PURCHASING RESOLUTION

### Article 1

#### GENERAL PROVISIONS

##### Section 1. Title.

This resolution shall be known as the Fairfax County Purchasing Resolution.

##### Section 2. Organization.

- A. The Department of Procurement and Material Management is a staff activity of the Fairfax County government, operating under the direction and supervision of the County Executive.
- B. The Director of the Department of Procurement and Material Management shall be the County Purchasing Agent who shall have general supervision of the DPMM. The Purchasing Agent shall be appointed by the Board of County Supervisors upon recommendation of the County Executive.

- C. The primary duty of the County Purchasing Agent is to carry out the principles of modern central purchasing and supply management in accordance with applicable laws and regulations and with generally accepted professional standards in such a manner as to insure the maximum efficiency of governmental operation, and to give to County taxpayers the benefit in savings that such accepted business procedures are known to produce. The County Purchasing Agent, or her designee, has the authority to take any action or fulfill any duty granted by this Purchasing Resolution or by law, including, but not limited to, executing and administering contracts and making findings and addressing remedies as outlined in Article 5 of this Resolution.

##### Section 3. Exclusions from Duties.

- A. The procurement of architectural, engineering and related consultant services for capital construction projects and the contracting for construction projects are excluded from the duties of the County Purchasing Agent for the organizations as specified below:
  - 1. The Department of Public Works and Environmental Services (DPWES), pursuant to §15.2-834 of the Code of Virginia, the Board of Supervisors' Resolution dated September 18,

**Commented [MP1]:** Administrative change to align language regarding Purchasing Agent's authority with language of other contracting officers' authority in Section 3.

**Commented [MP2]:** Administrative change to clarify Purchasing Agent retains authority over certain construction procurements.

## FAIRFAX COUNTY PURCHASING RESOLUTION

1968, and this Resolution, is responsible for Fairfax County construction projects administered by DPWES and the architectural, engineering and consultant services related to those projects. The Director, Department of Public Works and Environmental Services or his designee, has the same authority as the County Purchasing Agent to execute and administer contracts and to make findings and address remedies as outlined in Article ~~4-5~~ of this Resolution regarding contracts assigned under this section in accordance with the mandatory sections of the Code of Virginia and the applicable sections of this Resolution. The Director, Department of Public Works and Environmental Services or his designee has the authority to enter into agreements pursuant to Virginia Code ~~Ann. § 2.2-4366 (2014)~~ (20142017). Any such agreements shall be approved by the County Attorney.

2. The Fairfax County Public School Board is responsible for construction, related architectural and engineering services, related consulting services, maintenance, repair and related services in connection with building, furnishing equipping, renovating, maintaining, and operating the buildings and property of the school division in accordance with §22.1-79 of the Code of Virginia. The school division's Superintendent or his designee has the same authority as the County Purchasing Agent to execute and administer contracts. Execution of contracts under this section shall be conducted under the rules and regulations established by the Fairfax County School Board in accordance with the mandatory sections of the Code of Virginia.
3. The Fairfax County Park Authority is responsible for Fairfax County Park Authority capital construction and related architectural and engineering services per §15.2-5704 of the Code of Virginia and Board of Supervisors' Resolution dated April 6, 1981, governing the relationship of the Fairfax County Park Authority and Fairfax County. The Director of the Park Authority or his designee shall have the same authority of as the County Purchasing Agent to execute and administer contracts and to make findings and address remedies as outlined in Article ~~4-5~~ of this Resolution. Execution of contracts under this section shall be conducted under the rules and regulations established by the Fairfax County Park Authority in accordance with the mandatory sections of the Code of Virginia and applicable sections of this Resolution. The Director, Department of the Park Authority or his designee shall have the authority to enter into agreements pursuant to Virginia Code Ann. § 2.2-4366 (2014). Any such agreements shall be approved by the County Attorney.
4. The Department of Housing and Community Development shall be responsible for capital construction and the architectural, engineering, and consultant services for all programs and projects administered by the Department on behalf of either the Redevelopment and Housing Authority per §36-19 of the Code of Virginia or the Fairfax County Board of Supervisors, The Director of the Department of Housing and Community Development or

## FAIRFAX COUNTY PURCHASING RESOLUTION

his designee shall have the same authority as the County Purchasing Agent to execute and administer contracts and to make findings and address remedies as outlined in Article 4.5 of this Resolution. Execution of contracts under this section shall be conducted under the rules and regulations established by the Department of Housing and Community Development in accordance with the mandatory sections of the Code of Virginia and applicable sections of this Resolution.

5. The Department of Transportation, pursuant to § 33.2-338 of the Code of Virginia, and this Resolution, may be responsible for constructing or improving highways, including related architectural, engineering, and consulting services. Highways may include curbs, gutters, drainageways, sound barriers, sidewalks, and all other features or appurtenances conducive to the public safety and convenience, which either have been or may be taken into the primary or secondary system of state highways. The Director, Department of Transportation or his designee, shall have the same authority as the County Purchasing Agent to execute and administer contracts and to make findings and address remedies as outlined in Article 4.5 of this Resolution regarding contracts assigned under this section in accordance with the mandatory sections of the Code of Virginia and the applicable sections of this Resolution.
  6. The Fairfax County Park Authority, the Department of Housing and Community Development, and the Department of Transportation, may by a Memorandum of Understanding (MOU) delegate construction authority as detailed in sections 3 – 5 above to the Department of Public Works and Environmental Services.
- B. The procurement of goods and services for individual schools using funds generated from school activities for the Fairfax County Public Schools is excluded from the duties of the County Purchasing Agent. Execution of contracts under this section shall be conducted under the rules and regulations established by the Fairfax County School Board in accordance with the mandatory sections of the Code of Virginia.
  - C. The Fairfax County Sheriff shall be the purchasing agent in all matters involving the commissary and nonappropriated funds received from inmates, in accordance with §53.1-127.1 Code of Virginia.

## FAIRFAX COUNTY PURCHASING RESOLUTION

### Section 4. Rules and Regulations.

- A. The County Purchasing Agent shall prepare and maintain the Fairfax County Purchasing Resolution and other rules and regulations consistent with the laws of the Commonwealth of Virginia governing the operations of the County purchasing and ~~supply material~~ management system.
- B. The Agencies designated in Section 3 ~~A-D1-6~~ shall prepare and maintain detailed rules and regulations on the conduct of these contracting actions. Such rules and regulations shall be consistent with this Resolution and the laws of the Commonwealth of Virginia. Such rules and regulations shall be approved by the Purchasing Agent for County staff agencies or the administrative head of the respective public body involved.

Commented [MP3]: Administrative change.

Commented [MP4]: Administrative change.

### Section 5. Cooperative Procurement.

Commented [IP5]: Section moved to Article 2

~~The County or any entity identified in Section 3 may participate in, sponsor, conduct or administer a cooperative procurement agreement on behalf of or in conjunction with one or more other public bodies, or public agencies or institutions or localities of the several states, of the United States or its territories, the District of Columbia, the Metropolitan Washington Council of Governments, the National Association of Counties, or the Virginia Sheriffs' Association for the purpose of combining requirements to increase efficiency or reduce administrative expenses in any acquisition of goods and services. Except for contracts for architectural and engineering services, a public body may purchase from another public body's contract even if it did not participate in the request for proposal or invitation to bid, if the request for proposal or invitation to bid specified that the procurement was being conducted on behalf of other public bodies. Nothing herein shall prohibit the assessment or payment by direct or indirect means of any administrative fee that will allow for participation in any such arrangement.~~

~~Except for contracts for architectural and engineering services, as authorized by the United States Congress and consistent with applicable federal regulations, and provided the terms of the contract permit such purchases, any county, city, town, or school board may purchase from a U.S. General Services Administration contract or a contract awarded by any other agency of the U.S. government.~~

## FAIRFAX COUNTY PURCHASING RESOLUTION

### Section 6. Definitions.

1. Acquisition Function Closely Associated with Inherently Governmental Functions means supporting or providing advice or recommendations with regard to the following activities:
  - 1) Planning acquisitions.
  - 2) Determining what supplies or services are to be acquired by the County, including developing statements of work.
  - 3) Developing or approving any contractual documents, to include documents defining requirements, incentive plans, and evaluation criteria.
  - 4) Evaluating bids or proposals.
  - 5) Awarding County contracts.
  - 6) Administering contracts (including ordering changes or giving technical direction in contract performance or contract quantities, evaluating contractor performance, and accepting or rejecting contractor products or services).
  - 7) Terminating contracts.
  - 8) Determining whether contract costs are reasonable, allocable, and allowable.
2. Best Value, as predetermined in the solicitation, means the overall combination of quality, price, and various elements of required services that in total are optimal relative to a public body's needs.
3. Competitive Negotiation is a formal method of selecting the top rated offeror. It includes the issuance of a written Request for Proposals, public notice, evaluation based on the criteria set forth in the Request for Proposals, and allows negotiation with the top rated offeror or offerors (See Article 2, Section 2 B).
4. Competitive Sealed Bidding is a formal method of selecting the lowest responsive and responsible bidder. It includes the issuance of a written Invitation to Bid, public notice, a public bid opening and evaluation based on the requirements set forth in the invitation (See Article 2, Section 2 A).
5. Complex Project means a construction project that includes one or more of the following significant components: difficult site location, unique equipment, specialized building systems, multifaceted program, accelerated schedule, historic designation, or intricate phasing or some other aspect that makes competitive sealed bidding not practical.

## FAIRFAX COUNTY PURCHASING RESOLUTION

6. Construction shall mean building, altering, repairing, improving or demolishing any structure, building, or highway, and any draining, dredging, excavation, grading or similar work upon real property.
7. Construction Management Contract shall mean a contract in which a party is retained by the owner to coordinate and administer contracts for construction services for the benefit of the owner, and may also include, if provided in the contract, the furnishing of construction services to the owner.
8. Consultant Services shall mean any type of services required by the County, but not furnished by its own employees, which is in its nature so unique that it should be obtained by negotiation on the basis of demonstrated competence and qualification for the type of service required and at fair and reasonable compensation, rather than by competitive sealed bidding.
9. Covered Employee means an individual who
  - 1) Is an employee of the contractor or subcontractor, a consultant, partner, or a sole proprietor; and
  - 2) Performs an acquisition function closely associated with inherently governmental functions.
10. Debarment is an action taken by the County Purchasing Agent, a contracting officer, or their designee, within the scope of their procurement authority, to exclude prospective contractors from contracting with County agencies or organizations for particular types of supplies, services, insurance, or construction, for specified periods of time.
11. Department means the Virginia Department of General Services
12. Design-build contract shall mean a contract between a public body and another party in which the party contracting with the public body agrees to both design and build the structure, roadway or other item specified in the contract.
13. DPMM shall mean the Department of Procurement and Material Management.
14. Emergency shall be deemed to exist when a breakdown in machinery and/or a threatened termination of essential services or a dangerous condition develops, or when any unforeseen circumstances arise causing curtailment or diminution of essential service.
15. Employment Services Organization shall mean an organization that provides community based employment services to individuals and disabilities that is an approved Commission

## FAIRFAX COUNTY PURCHASING RESOLUTION

on Accreditation of Rehabilitation Facilities (CARF) accredited vendor of the Department for Aging and Rehabilitative Services.

16. Excess Property shall mean that property which exceeds the requirement of the department to which the property is assigned.
17. FCPS shall mean Fairfax County Public Schools.
18. Faith-Based Organization shall mean a religious organization that is or applies to be a contractor to provide goods or services for programs funded by the block grant provided pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P. L. 104-193.
19. Firm shall mean any individual, partnership, corporation, association, or other legal entity permitted by law to conduct business in the Commonwealth of Virginia; or any other individual, firm, partnership, corporation, association or other legal entity qualified to perform professional services, non-professional or consultant services.
20. Fixed Asset shall mean a tangible item (not a component) which has an expected useful life of at least one year and a dollar value in excess of \$5,000.
21. Goods shall mean all material, equipment, supplies, printing, and information technology hardware and software.
22. Immediate Family shall mean a spouse, child, parent, brother, sister, and any other person living in the same household as the employee.
23. Independent Contractor shall mean a worker over whom the employer has the right to control or direct the result of the work done, but not the means and methods of accomplishing the result.
24. Ineligibility shall mean an action taken to suspend or debar a prospective contractor from consideration for award of contracts. The suspension shall not be for a period exceeding twelve (12) months and the debarment shall not be for a period exceeding three (3) years.
25. Informality shall mean a minor defect or variation of a bid or proposal from the exact requirements of the Invitation to Bid or the Request for Proposal, which does not affect the price, quality, quantity or delivery schedule for the goods, services or construction being procured.

## FAIRFAX COUNTY PURCHASING RESOLUTION

26. Job Order Contracting is a method of procuring construction by establishing a book of unit prices and then obtaining a contractor to perform work as needed using the prices, quantities, and specifications in the book as the basis of its pricing.
27. Non-public Government Information means any information that a covered employee gains by reason of work under a County contract and that the covered employee knows, or reasonably should know, has not been made public. It includes information that--
  - 1) Is exempt from disclosure under the Virginia Freedom of Information Act; or
  - 2) Has not been disseminated to the general public and is not authorized by the agency to be made available to the public.
28. Nonprofessional Services shall mean any service not specifically identified as a professional or consultant service.
29. Official Responsibility shall mean administrative or operating authority, whether intermediate or final, to initiate, approve, disapprove or otherwise affect a procurement transaction or any resulting claim.
30. Other Authorized Agency is an Agency as designated by the Code of Virginia and the Board of Supervisors authorized to procure architectural, engineering and related consultant services for construction projects and the contracting for construction projects to include public announcement, receipt of bids, recommending selection and award, negotiation, contract preparation and contract administration as more fully defined in Article 1, Section 3 of this Resolution.
31. Pecuniary Interest Arising from the Procurement shall mean a personal interest in a contract, as defined in the State and Local Government Conflict of Interests Act.
32. Personal Conflict of Interest means a situation in which a covered employee has a financial interest, personal activity, or relationship that could impair the employee's ability to act impartially and in the best interest of the County when performing under the contract.

Among the sources of personal conflicts of interest are--

  1. Financial interests of the covered employee, of close family members, or of other members of the household;
  2. Other employment or financial relationships (including seeking or negotiating for prospective employment or business); and
  3. Gifts, including travel.

Financial interests may arise from--

  - a. Compensation, including wages, salaries, commissions, professional fees, or fees for business referrals;

## FAIRFAX COUNTY PURCHASING RESOLUTION

- b. Consulting relationships (including commercial and professional consulting and service arrangements, or serving as an expert witness in litigation);
  - c. Services provided in exchange for honorariums or travel expense reimbursements;
  - d. Investment in the form of stock or bond ownership or partnership interest (excluding diversified mutual fund investments);
  - e. Real estate investments;
  - f. Patents, copyrights, and other intellectual property interests; or
  - g. Business ownership and investment interests.
33. Potential Bidder or Offeror shall mean a person who, at the time the County negotiates and awards or proposes to award a contract, is engaged in the sale or lease of goods, or the sale of services, insurance or construction, of the type to be procured under such contract, and who at such time is eligible and qualified in all respects to perform that contract, and who would have been eligible and qualified to submit a bid or proposal had the contract been procured through competitive sealed bidding or competitive negotiation.
34. Procurement Transaction shall mean all functions that pertain to obtaining of any goods, services or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.
35. Professional services shall mean any type of service performed by an independent contractor within the practice of accounting, actuarial services, architecture, dentistry, land surveying, landscape architecture, law, medicine, optometry, pharmacy, or professional engineering (which shall be procured as set forth in the Code of Virginia §2.2-4301 in the definition of competitive negotiation at paragraph 3 (a), and in conformance with this Resolution).
36. Public Body shall mean any legislative, executive or judicial body, agency, office, department, authority, post, commission, committee, institution, board or political subdivision created by law to exercise some sovereign power or to perform some governmental duty, and empowered by law to undertake the activities described in this resolution. Public body shall include any metropolitan planning organization or planning district commission which operates exclusively within the Commonwealth of Virginia.
37. Public Contract shall mean an agreement between a public body and a nongovernmental source that is enforceable in a court of law.
38. Public or County Employee shall mean any person employed by the County of Fairfax, including elected officials or appointed members of governing bodies.

## FAIRFAX COUNTY PURCHASING RESOLUTION

- 39. Responsible Bidder or Offeror shall mean an individual, company, firm, corporation, partnership or other organization who has the capability in all respects, to perform fully the contract requirements and the moral and business integrity and reliability which will assure good faith performance, and who has been prequalified, if required.
- 40. Responsive Bidder or Offeror shall mean an individual, company, firm, corporation, partnership or other organization who has submitted a bid which conforms in all material respects to the Invitation to Bid or Request for Proposal.
- 41. Reverse Auctioning shall mean a procurement method wherein bidders are invited to bid on specified goods or nonprofessional services, but not construction or professional services, through real-time electronic bidding, with the award being made to the lowest responsive and responsible bidder. During the bidding process, bidder's prices are revealed and bidders shall have the opportunity to modify their bid prices for the duration of the time period established for bid opening.
- 42. SAC shall mean Selection Advisory Committee.
- 43. Services shall mean any work performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, or the rental of equipment, materials and supplies.
- 44. Surplus Property shall mean that property which exceeds the requirement of the entire County.
- 45. Suspension is a type of ineligibility based upon an immediate need when there is evidence that a prospective contractor has committed any of the grounds for debarment.



## FAIRFAX COUNTY PURCHASING RESOLUTION

### Article 2

#### PROCUREMENT POLICIES

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##### Section 1. General.

- A. Unless otherwise authorized by law, all Fairfax County contracts with nongovernmental contractors for the purchase or lease of goods, or for the purchase of services, insurance, construction, or construction management, shall be awarded after competitive sealed bidding or competitive negotiation, except as otherwise provided for in this Resolution or law.
- B. Professional services shall be procured using competitive negotiation, except as otherwise provided for in this Article.
- C. Consultant services may be procured using competitive negotiation, except as otherwise provided for in the Article.
- D. ~~Certification of sufficient funds; orders and contracts in violation of Code of Virginia, § 15.2-1238.~~ Except in emergency, no order for delivery on a contract or open market order for supplies, materials, equipment, professional and consultant services or contractual services for any County department or agency shall be awarded until the Director of Finance has certified that the unencumbered balance in the appropriation concerned, in excess of all unpaid obligations, is sufficient to defray the cost of such order. If any department or agency of the County government purchases or contracts for any supplies, materials, equipment or contractual services contrary to the provisions of §15.2-1238 of the Code of Virginia or the rules and regulations made thereunder, such order or contract is void and of no effect. The head of such department or agency shall be personally liable for the costs of such orders and contracts.
- E. Notwithstanding any other provision of law, ~~the County may, as provided in the Code of Virginia, §2.2-4327, provide by resolution that~~ in determining the award of any contract for time deposits or investment of its funds, the Director of Finance may consider, in addition to the typical criteria, the investment activities of qualifying institutions that enhance the supply of, or accessibility to, affordable housing within the jurisdiction, including the accessibility of such housing to employees of the county, town, or city or employees of the local school board. No more than fifty percent of the funds of the county, calculated on the

## FAIRFAX COUNTY PURCHASING RESOLUTION

basis of the average daily balance of the general fund during the previous fiscal year, may be deposited or invested by considering such investment activities as a factor in the award of a contract. A qualifying institution shall meet the provisions of the Virginia Security for Public Deposits Act (§2.2-4400 et seq.) and all local terms and conditions for security, liquidity and rate of return.

- F. Best value concepts may be considered when procuring goods, nonprofessional and consultant services, but not construction or professional services. The criteria, factors, and basis for consideration of best value and the process for the consideration of best value shall be as stated in the procurement solicitation.
- G. The County may enter into contracts with faith-based organizations on the same basis as any other nongovernmental source subject to the requirements of the Virginia Public Procurement Act (VPPA) §2.2-4343.1.

### Section 2. Methods of Procurement.

- A. Competitive Sealed Bidding is a method of contractor selection that includes the following elements:
  - 1. Issuance of a written Invitation to Bid containing or incorporating by reference the specifications and contractual terms and conditions applicable to the purchase. Unless the County has provided for prequalification of bidders, the Invitation to Bid shall include a statement of any requisite qualifications of potential contractors. When it is impractical to prepare initially a purchase description to support an award based on prices, a solicitation may be issued requesting the submission of unpriced offers to be followed by an Invitation to Bid limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.
  - 2. Public notice of the Invitation to Bid at least five days prior to the date set for receipt of bids by posting on the Department of General Services' central electronic procurement website or in a designated public area, or publication in a newspaper of county wide circulation, or both. Public notice may also be published on a Fairfax County government web site and other appropriate web sites. In addition, bids may be solicited directly from potential vendors.
  - 3. Public opening and posting of all bids received.
  - 4. Evaluation of bids based upon the requirements set forth in the invitation, which may include special qualifications of potential vendors, life cycle costing, value analysis, and

**Commented [MP6]:** Administrative Change to reflect current practice under Virginia Code § 2.2-4302.1.

## FAIRFAX COUNTY PURCHASING RESOLUTION

any other criteria such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose, which are helpful in determining acceptability.

5. Award to the lowest responsive and responsible bidder. Multiple awards may be made when so specified in the Invitation to Bid.
- B. Competitive Negotiation.- is a method of contractor selection that includes the following elements:
1. Issuance of a written Request for Proposal indicating in general terms that which is sought to be procured, specifying the factors which will be used in evaluating the proposal indicating whether a numerical scoring system will be used in evaluation of the proposal, and containing or incorporating by reference the other applicable contractual terms and conditions, including any unique capabilities or qualifications which will be required of the contractor. In the event that a numerical scoring system will be used in the evaluation of proposals, the point values assigned to each of the evaluation criteria shall be included in the Request for Proposal or posted at the location designated for public posting of procurement notices prior to the due date and time for receiving proposals.
  2. Public notice of the Request for Proposal at least five days prior to the date set for receipt of proposals by posting on the Department of General Services' central electronic procurement website, or in a designated public area or by publication in a newspaper of county wide circulation or both. Public notice may also be published on a Fairfax County government web site and other appropriate web sites. In addition, proposals may be solicited directly from potential vendors.
  3. Competitive Negotiation – Consultant Services
    - a. Selection Advisory Committee
      1. When selecting a firm for consultant services where the compensation for such services is estimated to exceed \$100,000, the Director of DPMM or other Authorized Agency, or the FCPS Division Superintendent, or designee shall appoint a Selection Advisory Committee to recommend to the Director of DPMM or other Authorized Agency, those consultant services firms that are to be retained by the County. The SAC will be composed of three or more principal staff personnel and other such individuals as determined by the Purchasing Agent and a member of the DPMM or other authorized agency.

**Commented [MP7]:** Administrative Change to reflect current practice under Virginia Code § 2.2-4302.2.

## FAIRFAX COUNTY PURCHASING RESOLUTION

2. When selecting a firm for consultant services, where the compensation for such consultant services is estimated to be less than \$100,000, the Director of the funded Agency or FCPS Department Head shall appoint a Selection Advisory Committee composed of three or more principal staff personnel to recommend to the Director of the funded Agency or FCPS Department Head those consultant services firms that are to be retained by the County or an agency of the County.

3. Minutes of Selection Advisory Committee deliberations and records or votes taken shall be maintained for at least three years. Minutes shall detail pertinent reasons for committee recommendations and be available for review by the general public upon request.

b. Public Announcement

1. When consultant services are requested to be purchased, the requirement will be announced in a uniform and consistent manner. Requirements where the compensation for consultant services is estimated to be less than \$100,000 may be accomplished without public announcement, but will, whenever possible, utilize available lists and other known sources to make a selection from at least four candidates.

c. Selection, Negotiation and Approval Process.

1. Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the Request for Proposal, including price if so stated in the Request for Proposal. Negotiations shall then be conducted with each of the offerors so selected. After negotiations have been conducted with each offeror so selected, the County shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror. When the terms and conditions of multiple awards are so stated in the RFP, awards may be made to more than one offeror. Should the County determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror.

2. All proposed contracts for consultant services, where the compensation to be paid exceeds \$100,000, the Director of DPMM or other Authorized Agency, after review of the SAC recommendation will recommend to the County Executive, or the FCPS Division Superintendent those consultant services to be retained by the County or an agency of the County. The proposed contracts shall

## FAIRFAX COUNTY PURCHASING RESOLUTION

be submitted to the Board of Supervisors and/or the School Board as an Information Item prior to final execution. Full and adequate explanation of the selection criteria and fee determination shall be presented with the contract in such form as required by the County Executive or the Division Superintendent, FCPS.

3. All proposed contracts for consultant services, where the compensation to be paid is less than \$100,000, shall be approved by the Director of DPMM or Other Authorized Agency. Full and detailed explanation of the selection criteria and fee determination shall be presented with the contract by the using agency.

4. For all cost-plus-a-fixed-fee consultant services contracts, the County shall require the firm receiving the award to execute a truth-in-negotiation certification stating that wage rates and other factual unit costs supporting the compensation are accurate, complete, and current at the time of contracting. Any consultant services contract under which such a certificate is required shall contain a provision that the original contract price and any additions shall be adjusted to exclude any significant sums where the County determines the contract price was increased due to inaccurate, incomplete or noncurrent wage rates and other factual unit costs. All such contract adjustments shall be made within three years following the end of the contract.

### 4. Competitive Negotiation – Professional Services

#### a. Selection Advisory Committee.

1. When selecting a firm for professional services where the compensation for such professional services is estimated to exceed \$80,000, the Director of DPMM or other Authorized Agency, or the FCPS Division Superintendent, or designee shall appoint a Selection Advisory Committee to recommend to the Director of DPMM or other Authorized Agency, those professional services firms that are to be retained by the County. The SAC will be composed of three or more principal staff personnel and other such individuals as determined by the Purchasing Agent and a member of the DPMM or other authorized agency.

2. When selecting a firm for professional services, where the compensation for such professional services is estimated to be less than \$80,000, the Director of the funded Agency or FCPS Department Head shall appoint a Selection Advisory Committee composed of three or more principal staff personnel to recommend to the Director of the funded Agency or FCPS Department Head those

## FAIRFAX COUNTY PURCHASING RESOLUTION

professional services firms that are to be retained by the County or an agency of the County.

3. Minutes of Selection Advisory Committee deliberations and records or votes taken shall be maintained for at least three years. Minutes shall detail pertinent reasons for committee recommendations and be available for review by the general public upon request.

b. Public Announcement and Qualifications for Professional Services.

1. When professional services are requested to be purchased, the requirement will be announced in a uniform and consistent manner. Requirements where the compensation for such professional services is estimated to be less than \$80,000 may be accomplished without public announcement, but will, whenever possible, utilize available lists and other known sources to make a selection from at least four candidates.

2. For architectural or engineering services estimated to cost less than \$80,000, an annual advertisement requesting qualifications from interested architectural or engineering firms will meet the requirements of paragraph (1) above. The County shall make a finding that the firm to be employed is fully qualified to render the required service. Among the factors to be considered in making this finding are the capabilities, adequacy of personnel, past record of performance, and experience of the firm.

c. Selection, Negotiation, and Approval Process

1. Selection of Professional Services: Where the cost is expected to exceed \$80,000, the County shall engage in individual discussions with two or more offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. The offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. In addition, offerors shall be informed of any ranking criteria that will be used by the County in addition to the review of the professional competence of the offeror. The Request for Proposal shall not, however, request that offerors furnish estimates of man-hours or cost for services. At the discussion stage, the County may discuss nonbinding estimates of total project costs, including, but not limited to, life-cycle costing, and where appropriate, nonbinding estimates of price for services. Proprietary information from competing offerors shall not be

## FAIRFAX COUNTY PURCHASING RESOLUTION

disclosed to the public or to competitors. At the conclusion of discussion, outlined in this subdivision, on the basis of evaluation factors published in the Request for Proposal and all information developed in the selection process to this point, the County shall select in the order of preference two or more offerors whose professional qualifications and proposed services are deemed most meritorious. DPMM or other Authorized Agency, with the aid of the Selection Advisory Committee, shall negotiate a proposed contract with the highest qualified firm for the professional services required. The firm deemed to be the most qualified will be required to disclose its fee structure during negotiation. If a contract satisfactory and advantageous to the County can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price. Should the County determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror. Notwithstanding the foregoing, if the terms and conditions for multiple awards are included in the Request for Proposal, the County may award contracts to more than one offeror.

2. Except for construction projects and related architectural, engineering, and consultant services, all proposed contracts for professional services, where the compensation to be paid exceeds \$100,000, the Director of DPMM or other Authorized Agency, after review of the SAC recommendation will recommend to the County Executive, or the FCPS Division Superintendent those professional services to be retained by the County or an agency of the County. The proposed contracts shall be submitted to the Board of Supervisors and/or the School Board as an Information Item prior to final execution. Full and adequate explanation of the selection criteria and fee determination shall be presented with the contract in such form as required by the County Executive or the Division Superintendent, FCPS.

3. All proposed contracts for professional services, where the compensation to be paid is less than \$100,000, shall be approved by the Director of DPMM or Other Authorized Agency. Full and detailed explanation of the selection criteria and fee determination shall be presented with the contract by the using agency.

4. For all cost-plus-a-fixed-fee professional services contracts, the County shall require the firm receiving the award to execute a truth-in-negotiation certification stating that wage rates and other factual unit costs supporting the

## FAIRFAX COUNTY PURCHASING RESOLUTION

compensation are accurate, complete, and current at the time of contracting. Any professional services contract under which such a certificate is required shall contain a provision that the original contract price and any addition thereto shall be adjusted to exclude any significant sums where the County determines the contract price was increased due to inaccurate, incomplete or noncurrent wage rates and other factual unit costs. All such contract adjustments shall be made within three years following the end of the contract.

5. Multiphase professional services contracts satisfactory and advantageous to the County for environmental, location, design and inspection work regarding construction of infrastructure projects may be negotiated and awarded based on qualifications at a fair and reasonable price for the first phase only, when completion of the earlier phases is necessary to provide information critical to the negotiation of a fair and reasonable price for succeeding phases. Prior to the procurement of any such contract, the County shall state the anticipated intended total scope of the project and determine in writing that the nature of the work is such that the best interests of the County require awarding the contract.

6. A contract for architectural or professional engineering services relating to construction projects may be negotiated by the County for multiple projects in accordance with the Virginia Public Procurement Act (VPPA) §2.2-4303.1.

### 5. Competitive Negotiation – Non-Professional Services

#### a. Selection Advisory Committee

1. When selecting a firm for non-professional services where the compensation is estimated to exceed \$100,000, the Director of DPMM or other Authorized Agency, or the FCPS Division Superintendent, or designee shall appoint a Selection Advisory Committee to recommend to the Director of DPMM or other Authorized Agency, those non-professional services firms that are to be retained by the County. The SAC will be composed of three or more principal staff personnel and other such individuals as determined by the Purchasing Agent and a member of the DPMM or other authorized agency.

2. When selecting a firm for non-professional services, where the compensation is estimated to be less than \$100,000, the Director of the funded Agency or FCPS Department Head shall appoint a Selection Advisory Committee composed of three or more principal staff personnel to recommend to the

## FAIRFAX COUNTY PURCHASING RESOLUTION

Director of the funded Agency or FCPS Department Head those non-professional services firms that are to be retained by the County or an agency of the County.

b. Public Announcement

1. When non-professional services are requested to be purchased, the requirement will be announced in a uniform and consistent manner. Requirements where the compensation for non-professional services is estimated to be less than \$100,000 may be accomplished without public announcement, but will, whenever possible, utilize available lists and other known sources to make a selection from at least four candidates.

c. Selection, Negotiation and Approval Process.

1. Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the Request for Proposal, including price if so stated in the Request for Proposal. Negotiations shall then be conducted with each of the offerors so selected. After negotiations have been conducted with each offeror so selected, the County shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror. When the terms and conditions of multiple awards are so stated in the RFP, awards may be made to more than one offeror. Should the County determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror.

2. All proposed contracts for non-professional services shall be approved by the Director of DPMM or Other Authorized Agency. Full and detailed explanation of the selection criteria and fee determination shall be presented with the contract by the using agency.

- C. Cooperative: The County or any entity identified in Article 1, Section 3 may participate in, sponsor, conduct or administer a cooperative procurement agreement on behalf of or in conjunction with one or more other public bodies, or public agencies or institutions or localities of the several states, of the United States or its territories, the District of Columbia, the Metropolitan Washington Council of Governments, the National Association of Counties, or the Virginia Sheriffs' Association for the purpose of combining requirements to increase efficiency or reduce administrative expenses in any acquisition of goods and services. Except for contracts for architectural and engineering services, a public body may purchase from another public body's contract or from the contract of the Metropolitan Washington Council

**Commented [IP8]:** Administrative change to reflect current language of Virginia Code §2.2-4304

## FAIRFAX COUNTY PURCHASING RESOLUTION

of Governments or the Virginia Sheriff's Association even if it did not participate in the request for proposal or invitation to bid, if the request for proposal or invitation to bid specified that the procurement was being conducted on behalf of other public bodies. Nothing herein shall prohibit the assessment or payment by direct or indirect means of any administrative fee that will allow for participation in any such arrangement.

Except for contracts for architectural and engineering services, as authorized by the United States Congress and consistent with applicable federal regulations, and provided the terms of the contract permit such purchases, any county, city, town, or school board may purchase from a U.S. General Services Administration contract or a contract awarded by any other agency of the U.S. government.

- D. Emergency.- In case of an emergency, a contract may be awarded without competitive sealed bidding or competitive negotiation; however, such procurement shall be made with such competition as is practical under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the appropriate contract or purchase order file. In addition, a notice shall be posted on the ~~Department of Procurement and Material Management web site or other appropriate~~ Department of General Services' central electronic procurement website web sites on the day the County awards or announces its decision to award the contract in excess of \$100,000, whichever occurs first.
1. If an emergency occurs during regular County business hours, the head of the using agency shall immediately notify the County Purchasing Agent who shall either purchase the required goods or services or authorize the agency head to do so.
  2. If an emergency occurs at times other than regular County business hours, the using agency head may purchase the required goods or services directly. The agency head shall, however, when practical, secure competitive oral or written bids and order delivery to be made by the lowest responsive and responsible bidder. The agency head shall also, not later than the next regular County business day, submit to the County Purchasing Agent a requisition, a tabulation of the bids received, if any, a copy of the delivery record and a brief explanation of the circumstances of the emergency.
  3. The County Purchasing Agent shall maintain a record of all emergency purchases supporting the particular basis upon which the emergency purchase was made. Such records shall be available for public inspection during regular County business hours in the office of the County Purchasing Agent.
- E. Informal Procurement.- Any Fairfax County contract when the estimated cost is less than \$100,000 in value, shall be deemed an informal procurement and not be subject to the rules governing competitive sealed bidding or competitive negotiation for goods and services

**Commented [IP9]:** Administrative change to reflect current language of Code of Virginia §2.2-4303.F

## FAIRFAX COUNTY PURCHASING RESOLUTION

other than professional services and non-transportation-related construction, if the aggregate or the sum of all phases is not expected to exceed \$100,000; and transportation-related construction, if the aggregate or sum of all phases is not expected to exceed \$25,000. However, such small purchase procedures shall provide for competition wherever practicable.

1. Such purchase procedures may allow for single or term contracts for professional services without requiring competitive negotiation, provided the aggregate or the sum of all phases is not expected to exceed \$80,000. Where small purchase procedures are adopted for construction, the procedures shall not waive compliance with the Uniform State Building Code.
  2. The Purchasing Agent may adopt procedures that establish informal purchase procedures. The rules and regulations adopted pursuant to Section 4 of Article 2 of this Resolution shall prescribe in detail the procedures to be observed in giving notice to prospective bidders, in tabulating and recording bids, in opening bids, in making purchases from the lowest responsive and responsible bidder, and in maintaining records of all informal procurements for public inspection.
- F. Public Private Education Facilities and Infrastructure.- The "Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA)" provides public entities an option for either approving an unsolicited proposal from a private entity or soliciting request for proposals or invitation for bids from private entities. Such projects are exempt from the Virginia Public Procurement Act. The County has developed procedures that are consistent with the principles of the PPEA and adopted by the Board of Supervisors.
- E. Reverse Auctioning.- The purchase of goods, consultant or nonprofessional services, but not construction or professional services, may be made by reverse auctioning. However, bulk purchases of commodities used in road and highway construction and maintenance, and aggregates shall not be made by reverse auctioning.
- F. Small Purchase.- Any purchase or lease of goods, professional, consultant, or nonprofessional services, or for the purchase of insurance, construction, or construction management, when the estimated cost is less than \$5,000, shall be deemed a small purchase and shall not be subject to the rules governing the formal competitive bidding process.
- G. Sole Source.- Upon a determination in writing that there is only one source practicably available for that which is to be procured, a contract may be negotiated and awarded to that source without competitive sealed bidding or competitive negotiation. A written

## FAIRFAX COUNTY PURCHASING RESOLUTION

record documenting the basis for this determination shall be included in the appropriate contract file or other records of the procurement. In addition, a notice shall be posted on the ~~Department of Procurement and Material Management web site or other appropriate web sites~~ Department of General Services' central electronic procurement website on the day the County awards or announces its decision to award the contract in excess of \$100,000, whichever occurs first.

**Commented [IP10]:** Administrative change to reflect current language of Code of Virginia §2.2-4303.E

- H. Auction. - Upon a determination in writing by the County Purchasing Agent that the purchase of goods, products, or commodities from a public auction sale is in the best interests of the County, such items may be purchased at the auction, including online public auctions. The writing shall document the basis for this determination. However, bulk purchases of commodities used in road and highway construction and maintenance, and aggregates shall not be made by online public auctions.

### Section 3. Exceptions to the Requirement for Competitive Procurement.

- A. **Instructional Materials and Office Supplies:** Instructional materials and office supplies which are not stocked or purchased by the Fairfax County School Board pursuant to an existing County contract may be purchased by school principals designated by the School Board. Such purchases shall be conducted in accordance with rules and regulations adopted by the School Board pursuant to §22.1-122.1 of the Code of Virginia. With the exception of textbooks and instructional computer software that have been approved by the State Board of Education and the Fairfax County School Board, no single purchase may exceed the small purchase dollar level (as set forth in Article 2, Section 2. ~~GH.~~). The rules and regulations adopted by the School Board shall prescribe in detail the procedures to be observed in making purchases of instructional materials, establishing accounts for purchases, accounting for the receipt and disbursement of funds, and maintaining records of all transactions. The purchases authorized herein shall be made using funds from accounts established by the School Board solely for such purchases.
- B. **Insurance / Electric Utility Services:** As provided in the Code of Virginia, subdivision 13 of §2.2-4345, the County may enter into contracts without competitive sealed bidding or competitive negotiation for insurance or electric utility services if purchased through an association of which it is a member if the association was formed and is maintained for the purpose of promoting the interest and welfare of and developing close relationships with similar public bodies, provided such association has procured the insurance or electric utility services by use of competitive principles and provided that the public body has made a determination in advance after reasonable notice to the public and set forth in writing that competitive sealed bidding and competitive negotiation are not fiscally advantageous to the public. The writing shall document the basis for this determination.

**Commented [MP11]:** Administrative change to reflect current language of Virginia Code § 2.2-4345(A)(13)

## FAIRFAX COUNTY PURCHASING RESOLUTION

- C. Insurance: As provided in § 2.2-4303(C), upon a written determination made in advance by the County Purchasing Agent that competitive negotiation is either not practicable or not fiscally advantageous, insurance may be procured through a licensed agent or broker selected in the manner provided for the procurement of things other than professional services in §2.2-4302.2(A)(3) of the Virginia Public Procurement Act.
- D. Legal Services: The County (or any public body that has adopted this Resolution) may enter into contracts without competition for (1) the purchase of legal services; and (2) expert witnesses or other services associated with litigation or regulatory proceedings. Any contract for Legal Services may be entered into upon terms established by the County Attorney.
- E. Public Assistance Programs: The County may procure goods or personal services without competition for direct use by a recipient of County administered public assistance programs as defined by §63.2-100 of the Code of Virginia, ~~or the fuel assistance program~~, or community services board as defined in §37.2-100, or any public body purchasing services under the Children's Services Act for At-Risk Youth and Families (§2.2-5200 et seq.) or the Virginia Juvenile Community Crime Control Act (§16.1-309.2 et seq.) provided such good or personal service is delivered by a vendor upon specific instructions from the appropriate employee of the County. Contracts for the bulk procurement of goods and services for use of recipients shall not be exempted from the requirements of competitive procurement.
- ~~Remedial Plan: The purchase of goods and services when such purchases are made under a remedial plan established by the County Executive pursuant to Code of Virginia §15.2-965.1.~~
- G.F. Workshops ~~or Employment Services Organizations~~: The County Purchasing Agent may enter into contracts without competition for the purchase of goods or services which are produced or performed by persons or in schools or workshops under the supervision of the Virginia Department for the Blind and Visually Handicapped ~~Impaired~~; or which are produced or performed by employment services organizations which offer transitional or supported employment services serving individuals with disabilities, ~~provided that the goods or services can be purchased within ten percent of their fair market value, will be of acceptable quality and can be produced in sufficient quantities and within the time required.~~
- G. Other Special Exemptions: Procurement for single or term contracts for goods and services not expected to exceed \$100,000 as identified by the Purchasing Agent.
- H. Ballots and Elections Materials: ~~The provisions of Articles 1, 2, and 45 of the Purchasing Resolution shall not apply to contracts for equipment, software, services, the printing of ballots or statements of results, or other materials essential to the conduct of the election.~~

**Commented [IP12]:** Administrative change to reflect current language in Code of Virginia §63.2-100

**Commented [IP13]:** Administrative change to reflect current language in Code of Virginia §2.2-4344

**Commented [IP14]:** Administrative change to reflect current language in Code of Virginia §2.2-4346

## FAIRFAX COUNTY PURCHASING RESOLUTION

except as stated in §24.2-602. The provisions of Fairfax County Purchasing Resolution, Article 56, shall apply to such contracts.

### Section 4. Exemptions from the Purchasing Resolution.

- A. Retirement Board Investments, Actuarial Services, Disability Determination Services: The selection of services related to the management, purchase, or sale of investments authorized by Virginia Code Ann. §51.1-803, including but not limited to actuarial services, shall be governed by the standard of care set forth in Virginia Code Ann. § 51.1-803(A) and shall not be subject to the provisions of the Purchasing Resolution or the VPPA.
- ~~B. Ballots and Elections Materials: Neither the VPPA or the Purchasing Resolution applies to contracts for equipment, software, services, the printing of ballots or statements of results, or other materials essential to the conduct of the election, except as stated in §24.2-602. The provisions of Code of Virginia §24.2-602 shall apply to such contracts.~~
- ~~C.~~ B. Conference Planning: Acquisition of the use of meeting rooms and lodging rooms in hotels or motels is considered to be short term rentals of portions of real property -real estate transactions. So long as the procurement involves only the use of the facilities, the competitive requirements of the Fairfax County Purchasing Resolution do not apply. However, if the procurement includes the provision of catered meals, audio visual equipment, or other related services, and the value of these other included services exceeds the \$5,000 level for which competition is required, the entire procurement, including the use of the space, shall be procured competitively as a package based on its anticipated value.
- ~~D.~~ C. Virginia Grown Food Products: Neither the VPPA or the Purchasing Resolution applies to the purchase of Virginia-grown food products for use by a public body where the annual cost of the product is not expected to exceed \$100,000, provided that the procurement is accomplished by (i) obtaining written solicitation of a minimum of three bidders or offerors if practicable and (ii) including a written statement regarding the basis for awarding the contract.
- D. Finance Board Investments: Pursuant to Virginia Code Ann. § 15.2-1548, the selection of services related to the management, purchase, or sale of authorized investments, including but not limited to actuarial services, of the local finance board shall not be subject to the provisions of the Virginia Public Procurement Act.
- E. Multidivision Online Providers: Pursuant to Virginia Code Ann. §22.2-212.24, the Fairfax County Public Schools may enter into contracts, consistent with the criteria approved by the

Commented [IP15]: Moved to Section 3 above.

Commented [IP16]: Administrative change to add exception in accordance with Code of Virginia §22.2-212.24

## FAIRFAX COUNTY PURCHASING RESOLUTION

FCPS Board, with approved private or nonprofit organizations to provide multidivision online courses and virtual school programs. Such contracts shall be exempt from the Virginia Public Procurement Act.

- F. Subaward Agreements: Subaward Agreements entered into pursuant to the principles set forth in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. § 200 *et seq.*) are not subject to the Purchasing Resolution. Subaward Agreements and associated documents may, however, be executed by the Purchasing Agent.

**Commented [IP17]:** Administrative change to clarify authority of Purchasing Agent to sign documents associated with Subaward Agreements.

### Section 45. General Purchasing Provisions.

#### A. Competitive Solicitation Process.

1. The County Purchasing Agent shall solicit bids from all responsible prospective vendors who have registered their firm to be included on ~~the County's vendor database and/or~~ the Commonwealth of Virginia's "eVA" central vendor registration system for all solicitations using the competitive sealed bidding and competitive negotiation methods of procurement. Other potential vendors may be solicited at the discretion of the County Purchasing Agent.
2. The County Purchasing Agent shall encourage open and competitive bidding by all possible means and shall endeavor to obtain the maximum degree of open competition on all purchase transactions using the competitive sealed bidding, competitive negotiation, or informal procurement methods of procurement. In submitting a bid or proposal each bidder shall, by virtue of submitting a bid, guarantee that the bidder has not been a party with other bidders to an agreement to bid a fixed or uniform price. Violation of this implied guarantee shall render void the bid of such bidders. Any disclosure to or acquisition by a competitive bidder, in advance of the opening of the bids, of the terms or conditions of the bid submitted by another competitor shall render the entire proceedings void and shall require readvertising for bids.
3. All solicitations shall include the following provisions:
  - a. Each bidder or offeror shall certify, upon signing a bid or proposal, that to the best of his or her knowledge no Fairfax County official or employee having official responsibility for the procurement transaction, or member of his or her immediate family, has received or will receive any financial benefit of more than nominal or minimal value relating to the award of this contract. If such a benefit has been received or will be received, this fact shall be disclosed with the bid or

**Commented [IP18]:** Administrative change to reflect current practices.

## FAIRFAX COUNTY PURCHASING RESOLUTION

proposal or as soon thereafter as it appears that such a benefit will be received. Failure to disclose the information prescribed above may result in suspension or debarment, or rescission of the contract made, or could affect payment pursuant to the terms of the contract.

- b. Whenever there is reason to believe that a financial benefit of the sort described in paragraph a. has been or will be received in connection with a bid, proposal or contract, and that the contractor has failed to disclose such benefit or has inadequately disclosed it, the County Executive, as a prerequisite to payment pursuant to the contract, or at any other time, may require the contractor to furnish, under oath, answers to any interrogatories related to such possible benefit.
4. Unless otherwise provided in the Invitation to Bid, the name of a certain brand, make or manufacturer does not restrict bidders to the specific brand, make or manufacturer named: it conveys the general style, type, character, and quality of the article desired, and any article which the County in its sole discretion determines to be the equal of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted.
5. Prospective contractors may be prequalified for particular types of supplies, services, insurance, or construction, and consideration of bids or proposals limited to prequalified contractors. Any prequalification procedures shall be established in writing and sufficiently in advance of their implementation to allow potential contractors a fair opportunity to complete the process.
6. Prospective contractors may be debarred from contracting for particular types of goods, services, insurance, or construction, for specified periods of time. The debarment procedures are set forth under Article 4, Section 1.
7. The County shall establish procedures whereby comments concerning specifications or other provisions in Invitations to Bid or Requests for Proposal can be received and considered prior to the time set for receipt of bids or proposals or award of the contract.
8. Withdrawal of bids by a bidder.
  - a. A bidder for a contract other than for public construction may request withdrawal of their bid under the following circumstances:

## FAIRFAX COUNTY PURCHASING RESOLUTION

1. Requests for withdrawal of bids prior to opening of such bids shall be transmitted to the County Purchasing Agent in writing.
2. Requests for withdrawal of bids after opening of such bids but prior to award shall be transmitted to the County Purchasing Agent, in writing, accompanied by full documentation supporting the request. If the request is based on a claim of error, documentation must show the basis of the error. Such documentation may take the form of supplier quotations, vendor work sheets, etc. If bid bonds were tendered with the bid, the County may exercise its right of collection.
3. No bid may be withdrawn under this paragraph when the result would be the awarding of the contract on another bid of the same bidder or of another bidder in which the ownership of the withdrawing bidder is more than five percent.
4. If a bid is withdrawn under the authority of this paragraph, the lowest remaining bid shall be deemed to be the low bid.
5. No bidder who is permitted to withdraw a bid shall, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted.
6. If the County denies the withdrawal of a bid under the provisions of this paragraph, it shall notify the bidder in writing stating the reasons for its decision and award the contract to such bidder at the bid price, provided such bidder is a responsible and responsive bidder.
7. Work papers, documents, and materials submitted in support of a withdrawal of bids may be considered as trade secrets or proprietary information subject to the conditions of Article 2, Section 45, Paragraph D.

### B. Contract Award Process.-

1. The County Purchasing Agent shall have the authority to waive informalities in bids, reject all bids, parts of all bids, or all bids for any one or more good or service included in a solicitation when in his judgment the public interest is best served. If all bids are for the same total amount or unit price (including authorized discounts and delivery

## FAIRFAX COUNTY PURCHASING RESOLUTION

times) and if the public interest will not permit the delay of readvertisement for bids, the County Purchasing Agent is authorized to award the contract to the resident Fairfax County tie bidder whose firm has its principal place of business in the County, or if none, to the resident Virginia tie bidder, or if none, to one of the tie bidders by drawing lots in public; or the County Purchasing Agent may purchase the goods or services in the open market except that the price paid shall not exceed the lowest contract bid price submitted for the same goods or services.

2. The County Purchasing Agent shall be responsible for determining the responsibility of a bidder. In determining responsibility, the following criteria will be considered:
  - a. The ability, capacity and skill of the bidder to perform the contract or provide the service required;
  - b. Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
  - c. The character, integrity, reputation, judgment, experience and efficiency of the bidder;
  - d. The quality of performance of previous contracts or services;
  - e. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or services;
  - f. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
  - g. The quality, availability and adaptability of the goods or services to the particular use required;
  - h. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
  - i. Whether the bidder is in arrears to the County on debt or contract or is a defaulter on surety to the County or whether the bidder's County taxes or assessments are delinquent; and
  - j. Such other information as may be secured by the County Purchasing Agent having a bearing on the decision to award the contract. If an apparent low bidder is not awarded a contract for reasons of nonresponsibility, the County

## FAIRFAX COUNTY PURCHASING RESOLUTION

Purchasing Agent shall so notify that bidder and shall have recorded the reasons in the contract file.

3. Pursuant to Virginia Code §15.2-1237, All all contracts shall be approved as to form by the County Attorney or other qualified attorney and a copy of each long-term contract shall be filed with the Chief Financial Officer of the County.
4. Unless canceled or rejected, a responsive bid from the lowest responsible bidder shall be accepted as submitted, except that if the responsive bid from the lowest responsible bidder exceeds available funds, the County may negotiate with the apparent low bidder to obtain a contract price within available funds; however, such negotiations may be undertaken only under conditions and procedures described in writing and approved by the County prior to issuance of the Invitation to Bid.
5. A public contract may include provisions for modification of the contract during performance, but no fixed-price contract may be increased by more than twenty-five percent of the amount of the contract or \$50,000, whichever is greater, without the advance written approval of the Purchasing Agent. In no event may the amount of any contract, without adequate consideration, be increased for any purpose, including, but not limited to, relief of an offeror from the consequences of an error in its bid or offer.

**Commented [IP19]:** Administrative change to provide code reference.

- ~~6. Every contract in excess of \$100,000 shall contain the following: During the performance of a contract, the contractor agrees to (i) provide a drug free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor. For the purposes of this section, "drug free workplace" means a site for the performance of work done in conjunction with a specific contract awarded to a contractor in accordance with this Resolution, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.~~

**Commented [IP20]:** Moved to Article 3

~~Non Discrimination~~

**Commented [IP21]:** Moved to Article 3

## FAIRFAX COUNTY PURCHASING RESOLUTION

~~The County will not discriminate against a bidder or offeror because of race, color, religion, sex, national origin, age, disability, status as a service disabled veteran or any other basis prohibited by state law relating to discrimination in employment in the performance of its procurement activity. In accordance with the policy of the County's Small and Minority Business Enterprise Program, every effort shall be made to actively and diligently promote the procurement of goods and services from small businesses and minority owned and woman owned businesses and service disabled veteran businesses in all aspects of procurement to the maximum extent feasible. Every contract shall include the following provisions:~~

### D.C. Disclosure of Information.-

Except as provided herein, all proceedings, records, contracts and other public records relating to procurement transactions shall be open to the inspection of any citizen, or any interested person, firm or corporation, in accordance with the Virginia Freedom of Information Act.

1. Cost estimates relating to a proposed procurement transaction prepared by or for a public body shall not be open to public inspection.
2. Any competitive sealed bidding bidder, upon request, shall be afforded the opportunity to inspect bid records within a reasonable time after the opening of all bids but prior to award, except in the event that the County decides not to accept any of the bids and to reopen the contract. Otherwise, bid records shall be open to public inspection only after award of the contract. Any competitive negotiation offeror, upon request, shall be afforded the opportunity to inspect proposal records within a reasonable time after the evaluation and negotiations of proposals are completed but prior to award except in the event that the County decides not to accept any of the proposals and to reopen the contract. Otherwise, proposal records shall be open to the public inspection only after award of the contract except as provided in 3. Any inspection of procurement transaction records under this section shall be subject to reasonable restrictions to ensure the security and integrity of the records.
3. Trade secrets or proprietary information submitted by a bidder, offeror or contractor in connection with a procurement transaction or prequalification application submitted pursuant to Article 2, Section F shall not be subject to the Virginia Freedom of Information Act; however, the bidder, offeror or contractor shall (i) invoke the protections of this section prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons why protection is necessary. A bidder, offeror, or contractor

## FAIRFAX COUNTY PURCHASING RESOLUTION

shall not designate as trade secrets or proprietary information (a) an entire bid, proposal, or prequalification application; (b) any portion of a bid, proposal, or prequalification application that does not contain trade secrets or proprietary information; or (c) line item prices or total bid, proposal, or prequalification application prices.

4. Nothing contained in this section shall be construed to require the County, when procuring by competitive negotiation, to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous to the County.

### E.D. Bonds.-

1. The County may, at the discretion of the County Purchasing Agent, require bid, payment or performance bonds for contracts for goods or services if provided in the Invitation to Bid or Request for Proposal.

No forfeiture under a bid bond shall exceed the lesser of:

- a. the difference between the bid for which the bond was written and the next low bid, or
  - b. the face amount of the bid bond.
2. Action on performance bond - No action against the surety on a performance bond shall be brought unless within one year after (1) completion of the contract, including the expiration of all warranties and guarantees or (2) discovery of the defect or breach of warranty, if the action be for such, in all other cases.
  3. Actions on payment bonds:
    - a. Subject to the provisions of subsection (b) hereof, any claimant who has performed labor or furnished material in accordance with the contract documents in the prosecution of the work provided in any contract for which a payment bond has been given, and who has not been paid in full therefore before the expiration of ninety days after the day on which such claimant performed the last of such labor or furnished the last of such materials for which he claims payment, may bring an action on such payment bond to recover any amount due him for such labor or material, and may prosecute such action to final judgment and have execution on the judgment. The obligee named in the bond need not be named a party to such action.

## FAIRFAX COUNTY PURCHASING RESOLUTION

- b. Any claimant who has a direct contractual relationship with any subcontractor but who has no contractual relationship, express or implied, with the contractor, may bring an action on the contractor's payment bond only if he has given written notice to the contractor within 180 days from the day on which the claimant performed the last of the labor or furnished the last of the materials for which he claims payment, stating with substantial accuracy the amount claimed and the name of the person for whom the work was performed or to whom the material was furnished. Notice to the contractor shall be served by registered or certified mail, postage prepaid, in an envelope addressed to such contractor at any place where his office is regularly maintained for the transaction of business. Claims for sums withheld as retainages with respect to labor performed or materials furnished, shall not be subject to the time limitations stated in this subsection.
  - c. Any action on a payment bond must be brought within one year after the day on which the person bringing such action last performed labor or last furnished or supplied materials.
  - d. Any waiver of the right to sue on the payment bond required by this section shall be void unless it is in writing, signed by the person whose right is waived, and executed after such person has performed labor or furnished material in accordance with the contract documents.
4. Alternative forms of security:
- a. In lieu of a bid, payment or performance bond a bidder may furnish a certified check, cashier's check or cash escrow in the face amount required for the bond.
  - b. If approved by the County Attorney, a bidder may furnish a personal bond, property bond, or bank or savings institution's letter of credit on certain designated funds in the face amount required for the bid, payment or performance bond. Approval shall be granted only upon a determination that the alternative form of security proffered affords protection to the County equivalent to a corporate surety's bond.

### F.E. Prequalification. –

- 1. Any prequalification of prospective contractor by the County shall be pursuant to a prequalification process.
  - a. At least thirty days prior to the date established for submission of bids or proposals under the procurement of the contract for which the prequalification

## FAIRFAX COUNTY PURCHASING RESOLUTION

applies, the County shall advise in writing, each contractor who submitted an application whether that contractor has been prequalified. In the event that a contractor is denied prequalification, the written notification to the contractor shall state the reasons for the denial of prequalification and the factual basis of such reasons.

- b. A decision by the County denying prequalification under the provisions of this subsection shall be final and conclusive unless the prospective contractor appeals the decision in writing within ten (10) days after receipt of the notice by instituting legal action as provided in the Code of Virginia. The prospective contractor may not institute legal action until all statutory requirements have been met. If, upon appeal, it is determined that the action taken was arbitrary or capricious, or not in accordance with the Fairfax County Purchasing Resolution, the sole relief shall be restoration of eligibility.
- 2. The County may deny prequalification to any contractor only if the County finds one of the following:
  - a. The contractor does not have sufficient financial ability to perform the contract that would result from such procurement. If a bond is required to ensure performance of a contract, evidence that the contractor can acquire a surety bond from a corporation included on the United States Treasury list of acceptable surety corporations in the amount and type required by the County shall be sufficient to establish the financial ability of the contractor to perform the contract resulting from such procurement;
  - b. The contractor does not have appropriate experience to perform the project in question;
  - c. The contractor or any officer, director or owner thereof has had judgments entered against him within the past ten years for the breach of contracts;
  - d. The contractor has been in substantial noncompliance with the terms and conditions of prior contracts with the County without good cause. If the County has not contracted with a contractor in any prior contracts, the County may deny prequalification if the contractor has been in substantial noncompliance with the terms and conditions of comparable contracts with another public body without good cause. The County may not utilize this provision to deny prequalification unless the facts underlying such substantial noncompliance were documented in writing in the prior file and such information relating thereto given to the contractor at that time, with the opportunity to respond;

## FAIRFAX COUNTY PURCHASING RESOLUTION

- e. The contractor or any officer, director, owner, project manager, procurement manager or chief financial official thereof has been convicted within the past ten years of a crime related to governmental or nongovernmental contracting, including, but not limited to, violation of Article 6 of the Virginia Public Procurement Act (§2.2-4367 et seq.), the Virginia Governmental Frauds Act (§18.2-498.1 et seq.), Chapter 42 (§59.1-68.6 et seq.) of Title 59, or any substantially similar law of the United States or another state;
- f. The contractor or any officer, director or owner thereof is currently debarred pursuant to an established debarment procedure from bidding or contracting by any public body, agency of another state or agency of the federal government; and
- g. The contractor failed to provide to the County in a timely manner any information requested by the County relevant to subdivisions (a) through (f) of this subsection.

### Section 56. Compliance with Conditions on Federal Grants or Contract.

Where a procurement transaction involves the expenditure of federal assistance or contract funds, the receipt of which is conditioned upon compliance with mandatory requirements in federal laws or regulations not in conformance with the policy of full and open competition, the County Purchasing Agent may comply with the federal requirements only upon written determination by the County Executive and/or Board of Supervisors that acceptance of the grant or contract funds under the applicable conditions is in the public interest. Such determination shall state the specific provisions of this section in conflict with the conditions of the grant or contract.

### Section 7. HIPAA Compliance.

Fairfax County Government has designated certain health care components as covered by the Health Insurance Portability and Accountability Act of 1996. The successful vendor may be designated a business associate pursuant to 45 CFR part 164.504(e) and 164.308 (b) of those agencies identified as health care components of the County, including the Fairfax-Falls Church Community Services Board, upon award of contract. The successful vendor must adhere to all relevant federal, state, and local confidentiality and privacy laws, regulations, and contractual provisions of the Fairfax County Business Associate agreement. These laws and regulations include, but are not limited to: (1) HIPAA – 42 USC 201, et seq., and 45 CFR Parts 160 and 164; and (2) Code of Virginia – Title 32.1, Health, § 32.1-1 et seq. The vendor shall have in place appropriate

## FAIRFAX COUNTY PURCHASING RESOLUTION

administrative, technical, and physical safeguards to ensure the privacy and confidentiality of protected health information. Additional information may be obtained by going to the Fairfax County Web site at: <http://www.fairfaxcounty.gov/hipaa>.

### Section 98. Compliance with State Law; Foreign and Domestic Businesses Authorized to Transact Business in the Commonwealth:

- A. Pursuant to competitive sealed bidding or competitive negotiation, the County shall include in the solicitation a provision that requires a bidder or offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 to include in its bid or proposal the identification number issued to it by the State Corporation Commission. Any bidder or offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law shall include in its bid or proposal a statement describing why the bidder or offeror is not required to be so authorized.
- B. Any bidder or offeror described in subsection B that fails to provide the required information may not receive an award unless a waiver of this requirement and the administrative policies and procedures established to implement this section is granted by the County Purchasing Agent.
- C. Any business entity described in subsection A that enters into a contract with the County pursuant to this section shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract.
- D. The County may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

## FAIRFAX COUNTY PURCHASING RESOLUTION

### Article 3

#### CONTRACT TERMS AND CONDITIONS

##### Section 1. Authority to Bind the County.

Only the Purchasing Agent may bind the County to contract terms or conditions. Any term or condition invoked through an "I agree" click box or other comparable mechanism (i.e. "click wrap" or "brows wrap" agreement) does not bind the County or any County authorized end user to such terms or conditions, unless agreed to in writing by or on behalf of the Purchasing Agent.

##### Section 2. Mandatory Terms and Conditions Applicable to All Contracts.

The following terms and conditions, as set forth below, must be included in all contracts for the purchase of goods, services, or both governed by the Purchasing Resolution. These terms and conditions will apply with the same force and effect as if set forth in the contract or ordering document.

**Non-Discrimination:** During the performance of this contract, the contractor agrees as follows: The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.

Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this provision.

The contractor will include the provisions of paragraphs a, b, and c above in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

**Commented [MP22]:** Administrative change. Creation of a separate article to identify and emphasize those contract terms that are either required or prohibited.

**Commented [IP23]:** Administrative change. Restates the authority of the Purchasing Agent to bind the County.

**Commented [IP24]:** New section. Consolidates and establishes mandatory contract terms and conditions.

**Commented [IP25]:** Administrative change. Moved from Section 2

## FAIRFAX COUNTY PURCHASING RESOLUTION

**Immigration Reform and Control Act Compliance:** The contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the Immigration Reform and Control Act of 1986.

**Nonvisual Access:** -All information technology, which is purchased or upgraded by the County, must comply with the following access standards from the date of purchase or upgrade until the expiration of the Contract:

- Effective, interactive control and use of the technology (including the operating system), applications programs, and format of the data presented, shall be readily achievable by nonvisual means;
- The technology equipped for nonvisual access shall be compatible with information technology used by other individuals with whom the blind or visually impaired individual interacts;
- Nonvisual access technology shall be integrated into networks used to share communications among employees, program participants, and the public; and
- The technology for nonvisual access shall have the capability of providing equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired. A covered entity may stipulate additional specifications in any procurement.

Compliance with the nonvisual access standards set out this Section is not required if the Purchasing Agent determines that (i) the information technology is not available with nonvisual access because the essential elements of the information technology are visual and (ii) nonvisual equivalence is not available.

**Prohibition on the Use of Certain Products and Services.** Fairfax County may not use, whether directly or through work with or on behalf of another public body, any hardware, software, or services that have been prohibited by the U.S. Department of Homeland Security for use on federal systems.

**Venue.** Venue for any claim under a contract or arising out of an order is exclusively in the state courts of Fairfax County, Virginia or the United States District Court for the Eastern District of Virginia, Alexandria Division.

**Choice of Law.** Any contract or ordering document will be governed for all purposes by and construed in accordance with the laws of the Commonwealth of Virginia.

**Commented [IP26]:** Administrative change. Moved from Section 2

**Commented [IP27]:** Administrative change. Reflects the requirements of Virginia Code § 2.2-3503, which are currently implemented through the County's standard contract documents.

**Commented [MP28]:** Virginia Code § 2.2-3503 currently requires that the Board make that compliance with this section is not required. This language delegates that determination to the County's Purchasing Agent.

**Commented [IP29]:** SB 1233 Mandatory requirement

**Commented [IP30]:** New requirement. Currently included in standard contract terms.

**Commented [IP31]:** New requirement. Currently included in standard contract terms.

## FAIRFAX COUNTY PURCHASING RESOLUTION

**Order of Precedence.** If a term or condition included in a contract or ordering document (including any addendum, schedule, appendix, exhibit, or attachment) conflicts with the contract terms contained in this Article, this Article will control.

**Commented [IP32]:** New requirement. Currently included in standard contract terms.

### Mandatory Terms Applicable to Contracts (including Amendments) in Excess of \$100,000

**Authorization to Transact Business in the Commonwealth.** A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 or as otherwise required by law.

**Commented [IP33]:** Administrative change. Moved from Section 2

**Audit by the County.** For any contract or amendment in excess of ~~\$10,000~~ \$100,000, the County or its agent has reasonable access to and the right to examine any records of the contractor involving transactions related to the contract or compliance with any clauses thereunder, for a period of three (3) years after final payment. The contractor shall include these same provisions in all related subcontracts. For purposes of this clause, the term "records" includes documents, and papers regardless of whether they are in written form, electronic form, or any other form.

**Commented [IP34]:** Moved from Section 2. Audit threshold changed to match formal procurement threshold.

**Drug Free Workplace:** During the performance of a contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor. For the purposes of this section, "drug-free workplace" means a site for the performance of work done in conjunction with a specific contract awarded to a contractor in accordance with this Resolution, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

**Commented [IP35]:** Moved from Section 2

**Formatted:** Underline

### Section 3. Prohibited Terms and Conditions.

**Commented [IP36]:** New Section

The following terms and conditions are prohibited in any contract or ordering document executed by the County. If a contract governed by the Purchasing Resolution, including any exhibits,

## FAIRFAX COUNTY PURCHASING RESOLUTION

attachments, or other documents incorporated by reference therein, includes a prohibited term or condition then that term or condition is stricken from the contract and of no effect.

**No Indemnification by the County.** ~~The parties agree that u~~nder applicable law the County cannot indemnify or defend the Contractor or any third party.

**Commented [IP37]:** New requirement. Currently included in standard contract terms.

**Contracts Subject to Appropriation by Board of Supervisors.** The County is not bound by any provision in a contract or ordering document that may or will cause the County, its agencies, or employees, to make or otherwise authorize an obligation in excess of the amount appropriated by the Fairfax County Board of Supervisors for such purpose. Such provisions include, for example, automatic renewal of the agreement, penalty payments by the County, indemnification by the County, and payment by the County of taxes or charges not specifically included in the prices of the goods or services.

**Commented [IP38]:** New requirement. Reflects current legal requirements related to County's ability to contract for a debt.

**Binding Arbitration or Mediation.** The County does not agree to submit to any form of binding alternative dispute resolution, including without limitation arbitration or mediation, unless specifically authorized by the Board of Supervisors.

**Commented [MP39]:** New requirement. Reflects the requirements of Virginia Code § 2.2-4366.

**Limitation of Rights and Waiver of Remedies.** The County does not agree to limit its rights or waive its remedies at law or in equity, unless specifically authorized by the Board of Supervisors.

**Commented [IP40]:** New requirement. Reflects that the Purchasing Agent may not waive the legal rights or remedies of the Board.

**Limitation of Liability.** ~~For contracts in excess of \$100,000, t~~here is no limitation on the liability of a contractor for (i) the intentional or willful misconduct, fraud, or recklessness of a supplier or any employee of a supplier or (ii) claims for bodily injury, including death, and damage to real property or tangible personal property resulting from the negligence of a supplier or any employee of a supplier.

**Commented [IP41]:** New requirement. Similar to Virginia Code § 2.2-2012.1(B), this prohibits a vendor from limiting its liability to the County in certain instances.

**Confidentiality.** The County will not be bound by any confidentiality provision that is inconsistent with the requirements of the Virginia Code, including the Virginia Freedom of Information Act.

**Commented [IP42]:** New requirement. Clarifies that County's ability to agree to contractual confidentiality terms is limited by the Virginia Code, specifically VFOIA.

**Unilateral Modification.** Unilateral modification of the contract or ordering document by the contractor is prohibited.

**Commented [IP43]:** New requirement

## FAIRFAX COUNTY PURCHASING RESOLUTION

### Article ~~34~~

#### CONSTRUCTION CONTRACTING

##### Section 1. Authority.

The procurement of architectural, engineering and related consultant services for construction projects and the contracting for construction projects are excluded from the duties of the County Purchasing Agent for the organizations as specified below:

- A. The Department of Public Works and Environmental Services (DPWES), pursuant to §15.2-834 of the Code of Virginia, the Board of Supervisors' Resolution dated September 18, 1968, and this Resolution, is responsible for Fairfax County construction projects administered by DPWES and the architectural, engineering and consultant services related to those projects. The Director, Department of Public Works and Environmental Services or his designee, has the same authority as the County Purchasing Agent to execute and administer contracts and to make findings and address remedies as outlined in Article ~~45~~ of this Resolution regarding contracts assigned under this section in accordance with the mandatory sections of the Code of Virginia and the applicable sections of this Resolution. The Director, Department of Public Works and Environmental Services or his designee has the authority to enter into agreements pursuant to Virginia Code Ann. § 2.2-4366 (2014). Any such agreements shall be approved by the County Attorney.
- B. The Fairfax County Public School Board is responsible for construction, related architectural and engineering services, related consulting services, maintenance, repair and related services in connection with building, furnishing equipping, renovating, maintaining, and operating the buildings and property of the school division in accordance with §22.1-79 of the Code of Virginia. The school division's Superintendent or his designee has the same authority as the County Purchasing Agent to execute and administer contracts. Execution of contracts under this section shall be conducted under the rules and regulations established by the Fairfax County School Board in accordance with the mandatory sections of the Code of Virginia.
- C. The Fairfax County Park Authority is responsible for Fairfax County Park Authority capital construction and related architectural and engineering services per §15.2-5704 of the Code of Virginia and Board of Supervisors' Resolution dated April 6, 1981, governing the relationship of the Fairfax County Park Authority and Fairfax County. The Director of the

## FAIRFAX COUNTY PURCHASING RESOLUTION

Park Authority or his designee has the same authority of as the County Purchasing Agent to execute and administer contracts and to make findings and address remedies as outlined in Article 4-5 of this Resolution. Execution of contracts under this section shall be conducted under the rules and regulations established by the Fairfax County Park Authority in accordance with the mandatory sections of the Code of Virginia and applicable sections of this Resolution. The Director, Department of the Park Authority or his designee shall have the authority to enter into agreements pursuant to Virginia Code Ann. § 2.2-4366 (2014). Any such agreements shall be approved by the County Attorney.

- D. The Department of Housing and Community Development shall be responsible for capital construction and related architectural and engineering services for all programs and projects administered by the Department on behalf of either the Redevelopment and Housing Authority per §36-19 of the Code of Virginia or the Fairfax County Board of Supervisors, including contracts per §36-49.1:1 to carry out blight abatement. The Director of the Department of Housing and Community Development or his designee shall have the same authority as the County Purchasing Agent to execute and administer contracts and to make findings and address remedies as outlined in Article 4-5 of this Resolution. Execution of contracts under this section shall be conducted under the rules and regulations established by the Department of Housing and Community Development in accordance with the mandatory sections of the Code of Virginia and applicable sections of this Resolution.
- E. The Department of Transportation, pursuant to §33.2-338 of the Code of Virginia, and this Resolution, may be responsible for constructing or improving highways, including related architectural and engineering services. Highways may include curbs, gutters, drainageways, sound barriers, sidewalks, and all other features or appurtenances conducive to the public safety and convenience which either have been or may be taken into the primary or secondary system of state highways. The Director, Department of Transportation or his designee, shall have the same authority as the County Purchasing Agent to execute and administer contracts and to make findings and address remedies as outlined in Article 4-5 of this Resolution regarding contracts assigned under this section in accordance with the mandatory sections of the Code of Virginia and the applicable sections of this Resolution.
- F. The Fairfax County Park Authority, the Department of Housing and Community Development, and the Department of Transportation, may by a Memorandum of Understanding (MOU) delegate construction authority as detailed in sections 3 – 5 above to the Department of Public Works and Environmental Services.

### Section 2. Rules and Regulations.

## FAIRFAX COUNTY PURCHASING RESOLUTION

The Agencies designated in Section 1 above shall prepare and maintain detailed rules and regulations on the conduct of these contracting actions. Such rules and regulations shall be consistent with this Resolution and the laws of the Commonwealth of Virginia. Such rules and regulations shall be approved by the Purchasing Agent for County staff agencies or the administrative head of the respective public body involved.

### Section 3. Definitions.

- A. Construction shall mean building, altering, repairing, improving or demolishing any structure, building, or highway, and any draining, dredging, excavation, grading or similar work upon real property.
- B. Construction Management Contract shall mean a contract in which a party is retained by the owner to coordinate and administer contracts for construction services for the benefit of the owner, and may also include, if provided in the contract, the furnishing of construction services to the owner.
- C. Design-build contract shall mean a contract between a public body and another party in which the party contracting with the public body agrees to both design and build the structure, transportation project, or other item specified in the contract.
- D. Other Authorized Agency is an Agency as designated by the Code of Virginia and the Board of Supervisors authorized to procure architectural and engineering design services to include public announcement, receipt of bids, recommending selection and award, negotiation, contract preparation and contract administration as more fully defined in Article 1, Section 3 of this Resolution.

### Section 4. Purchasing Policies.

- A. Construction may be procured by competitive negotiation as set forth in the Code of Virginia, subsection D of §2.2-4303 for the construction of highways and any draining, dredging, excavation, grading or similar work upon real property.
- B. The Purchasing Agent may establish written purchase procedures not requiring competitive sealed bids or competition negotiation for single or term contracts for non-transportation-related construction, if the aggregate or the sum of all phases is not expected to exceed \$100,000; and transportation-related construction, if the aggregate or sum of all phases is not expected to exceed \$25,000. However, such small purchase procedures shall provide for competition wherever practicable.

## FAIRFAX COUNTY PURCHASING RESOLUTION

- C. No contract for the construction of any building or for an addition to or improvement of an existing building for which state funds of \$50,000 or more in the aggregate or for the sum of all phases of a contract or project, either by appropriation, grant-in-aid or loan, are used or are to be used for all or part of the cost of construction shall be let except after competitive bidding or competitive negotiation as provided in this Resolution and law. The procedure for the advertising for bids and letting of the contract shall conform, mutatis mutandis, to the Virginia Public Procurement Act.
- D. A contract for architectural or professional engineering services relating to construction projects may be negotiated for multiple projects provided (i) the projects require similar experience and expertise, (ii) the nature of the projects is clearly identified in the Request for Proposal, and (iii) the contract term is limited to one year and may be renewable for four additional one-year terms at the option of the County. Under such contract, (a) the fair and reasonable prices, as negotiated, shall be used in determining the cost of each project performed, (b) the sum of all projects performed in one contract term shall not exceed \$6 million, (c) the project fee of any single project shall not exceed \$2.5 million. Any unused amounts from the first contract term shall not be carried forward to the additional term(s). Competitive negotiations for such contracts may result in awards to more than one offeror provided (1) the Request for Proposal so states and (2) the County has established procedures for distributing multiple projects among the selected contractors during the contract term.
- E. No County construction contract shall waive, release, or extinguish the rights of a contractor to recover costs or damages for unreasonable delay, in performing such contract, either on his behalf or on behalf of his subcontractor if and to the extent such delay is caused by acts or omissions of the County, its agents or employees and due to causes within their control.
1. Subsection ~~D-E~~ shall not be construed to render void any provision of a County construction contract that:
- Allows the County to recover that portion of delay costs caused by the acts or omissions of the contractor, or its subcontractor, agents or employees;
  - Requires notice of any delay by the party claiming the delay;
  - Provides for liquidated damages for delay; or
  - Provides for arbitration or any other procedure designed to settle contract disputes.
2. A contractor making a claim against the County for costs or damages due to the alleged delaying of the contractor in the performance of its work under any County construction contract shall be liable to the County and shall pay the County for a percentage of all costs incurred by the County in investigating, analyzing, negotiating, litigating and arbitrating the claim, which percentage shall be equal to the percentage of the

## FAIRFAX COUNTY PURCHASING RESOLUTION

contractor's total delay claim which is determined through litigation or arbitration to be false or to have no basis in law or in fact.

3. A public body denying a contractor's claim for costs or damages due to the alleged delaying of the contractor in the performance of work under any public construction contract shall be liable to and shall pay such contractor a percentage of all costs incurred by the contractor to investigate, analyze, negotiate, litigate and arbitrate the claim. The percentage paid by the County shall be equal to the percentage of the contractor's total delay claim for which the County's denial is determined through litigation or arbitration to have been made in bad faith.

### Section 5. Methods of Procurement.

- A. Construction Management/Design Build Services. In addition to competitive bidding and competitive negotiations, the County may enter into a contract for construction on a fixed price or not-to-exceed price design-build or construction management basis consistent with this Resolution and law.
  1. Prior to making a determination as to the use of construction management or design-build for a specific construction project, the County shall have in its employ or under contract a licensed architect or engineer with professional competence appropriate to the project who shall (i) advise the County regarding the use of construction management or design-build for that project and (ii) assist the County with the preparation of the Request for Proposal and the evaluation of such proposals.
  2. A written determination shall be made in advance by the County that competitive sealed bidding is not practicable or fiscally advantageous, and such writing shall document the basis for the determination to utilize construction management or design-build. The determination shall be included in the Request for Qualifications and be maintained in the procurement file.
  3. Procedures adopted by the County for construction management pursuant to this article shall include the following requirements:
    - a. Construction management contracts may be utilized for projects where the project cost is expected to be more than \$10 million;
    - b. Construction management may be utilized on projects where the project cost is expected to be less than \$10 million, provided that (i) the project is a complex project and (ii) the project procurement method is approved by the local governing body. The written approval of the governing body shall be maintained in the procurement file;

## FAIRFAX COUNTY PURCHASING RESOLUTION

- c. Public notice of the Request for Qualifications is posted on the Department's central electronic procurement website, known as eVA, at least 30 days prior to the date set for receipt of qualification proposals;
    - d. The construction management contract is entered into no later than the completion of the schematic phase of design, unless prohibited by authorization of funding restrictions;
    - e. Prior construction management or design-build experience or previous experience with the Department's Bureau of Capital Outlay Management shall not be required as a prerequisite for award of a contract. However, in the selection of a contractor, the County may consider the experience of each contractor on comparable projects;
    - f. Construction management contracts shall require that (i) no more than 10 percent of the construction work, as measured by the cost of the work, be performed by the construction manager with its own forces and (ii) the remaining 90 percent of the construction work, as measured by the cost of the work, be performed by subcontractors of the construction manager, which the construction manager shall procure by publicly advertised, competitive sealed bidding to the maximum extent practicable;
    - g. The procedures allow for a two-step competitive negotiation process; and
    - h. Price is a critical basis for award of the contract.
  - 4. Procedures adopted by the County for design-build construction projects shall include a two-step competitive negotiation process consistent with the standards established by the Division of Engineering and Buildings of the Department for state public bodies.
  - 5. The County shall report by no later than November 1 of each year to the Director, Department of General Services on all completed capital projects in excess of \$2 million, which report shall include at a minimum (i) the procurement method utilized; (ii) the project budget; (iii) the actual project cost; (iv) the expected timeline; (v) the actual completion time; and (vi) any post-project issues.
- C. Job order contracting; limitations. Where the method for procurement of job order construction is professional services through competitive negotiation is used, the following shall apply:
- 1. A job order contract may be awarded by the County for multiple jobs, provided (i) the jobs require similar experience and expertise, (ii) the nature of the jobs is clearly identified in the solicitation, and (iii) the contract is limited to a term of one year or when the cumulative total project fees reach the maximum authorized in this section, whichever occurs first.

## FAIRFAX COUNTY PURCHASING RESOLUTION

2. Such contracts may be renewable for two additional one-year terms at the option of the County. The fair and reasonable prices as negotiated shall be used in determining the cost of each job performed, and the sum of all jobs performed in a one-year contract term shall not exceed \$5.6 million. Subject to the maximum threshold amount, no individual individual job orders shall not exceed \$500,000.
3. For the purposes of this section, any unused amounts from one contract term shall not be carried forward to any additional term.
4. Order splitting with the intent of keeping a job order under the maximum dollar amounts prescribed in subsection 2 is prohibited.
5. No job order contract shall be issued solely for the purpose of receiving professional architectural or engineering services that constitute the practice of architecture or the practice of engineering as those terms are defined in Article 1, Section 6. However, professional architectural or engineering services may be included on a job order where such professional services (i) are incidental and directly related to the job, (ii) do not exceed \$25,000 per job order, and (iii) do not exceed \$75,000 per contract term.
6. Job order contracting shall not be used for construction, maintenance, or asset management services for a highway, bridge, tunnel, or overpass. However, job order contracting may be used for safety improvements or traffic calming measures for individual job orders up to \$250,000, subject to the maximum annual threshold amount established in this section.

Commented [MP44]: HB 2071 Mandatory - Code Change.

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### Section 6. Prequalification, Bonds, Escrow Accounts.

Prospective contractors may be prequalified for particular types of supplies, services, insurance, or construction, and consideration of bids or proposals limited to prequalified contractors. Any prequalification procedures shall be established in writing and sufficiently in advance of their implementation to allow potential contractors a fair opportunity to complete the process.

- A. Any prequalification of prospective contractors for construction by the County shall be pursuant to a prequalification process for construction projects as outlined below.
  1. The application form used in such process shall set forth the criteria upon which the qualifications of prospective contractors will be evaluated. The application form shall request of prospective contractors only such information as is appropriate for an objective evaluation of all prospective contractors pursuant to such criteria. The form shall allow the prospective contractor seeking prequalification to request, by checking the appropriate box, that all information voluntarily submitted by the contractor pursuant to

## FAIRFAX COUNTY PURCHASING RESOLUTION

this subsection shall be considered a trade secret or proprietary information pursuant to Article 2, Section 4, Paragraph ~~DC~~.

2. In all instances in which the County requires prequalification of potential contractors for construction projects, advance notice shall be given of the deadline for the submission of prequalification applications. The deadline for submission shall be sufficiently in advance of the date set for the submission of bids for such construction so as to allow the procedures set forth in this subsection to be accomplished.
  3. At least thirty days prior to the date established for submission of bids or proposals under the procurement of the contract for which the prequalification applies, the County shall advise in writing, each contractor who submitted an application whether that contractor has been prequalified. In the event that a contractor is denied prequalification, the written notification to the contractor shall state the reasons for the denial of prequalification and the factual basis of such reasons.
  4. A decision by the County denying prequalification under the provisions of this subsection shall be final and conclusive unless the prospective contractor appeals the decision in writing within ten (10) days after receipt of the notice by instituting legal action as provided in the Code of Virginia. If upon appeal, it is determined that the action taken was arbitrary or capricious, or not in accordance with the Fairfax County Purchasing Resolution, the sole relief shall be restoration of eligibility.
- B. The County may deny prequalification to any contractor only if the County finds one of the following:
1. The contractor does not have sufficient financial ability to perform the contract that would result from such procurement. If a bond is required to ensure performance of a contract, evidence that the contractor can acquire a surety bond from a corporation included on the United States Treasury list of acceptable surety corporations in the amount and type required by the County shall be sufficient to establish the financial ability of the contractor to perform the contract resulting from such procurement;
  2. The contractor does not have appropriate experience to perform the construction project in question;
  3. The contractor or any officer, director or owner thereof has had judgments entered against him within the past ten years for the breach of contracts for governmental or nongovernmental construction, including, but not limited to, design-build or construction management;

## FAIRFAX COUNTY PURCHASING RESOLUTION

4. The contractor has been in substantial noncompliance with the terms and conditions of prior construction contracts with the County without good cause. If the County has not contracted with a contractor in any prior construction contracts, the County may deny prequalification if the contractor has been in substantial noncompliance with the terms and conditions of comparable construction contracts with another public body without good cause. The County may not utilize this provision to deny prequalification unless the facts underlying such substantial noncompliance were documented in writing in the prior construction file and such information relating thereto given to the contractor at that time, with the opportunity to respond;
  5. The contractor or any officer, director, owner, project manager, procurement manager or chief financial official thereof has been convicted within the past ten years of a crime related to governmental or nongovernmental construction or contracting, including, but not limited to, violation of Article 6 of the Virginia Public Procurement Act (§2.2-4367 et seq.), the Virginia Governmental Frauds Act (§18.2-498.1 et seq.), Chapter 42 (§59.1-68.6 et seq.) of Title 59, or any substantially similar law of the United States or another state;
  6. The contractor or any officer, director or owner thereof is currently debarred pursuant to an established debarment procedure from bidding or contracting by any public body, agency of another state or agency of the federal government; and
  7. The contractor failed to provide to the County in a timely manner any information requested by the County relevant to subdivisions (1) through (7) of this subsection.
    - a. If the County has a prequalification ordinance that provides for minority participation in municipal construction contracts, that public body may also deny prequalification based on minority participation criteria, provided, however, that nothing herein shall authorize the adoption or enforcement of minority participation criteria except to the extent that such criteria, and the adoption and enforcement thereof, are in accordance with the Constitution and laws of the United States and the Commonwealth.
- C. Withdrawal of bids by a bidder.
1. A bidder for a public construction contract, other than a contract for construction or maintenance of public highways, may withdraw his bid from consideration if the price bid was substantially lower than the other bids due solely to a mistake therein, provided the bid was submitted in good faith, and the mistake was a clerical mistake as opposed to a judgment mistake, and was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid, which unintentional arithmetic error or unintentional omission can

## FAIRFAX COUNTY PURCHASING RESOLUTION

be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn. If a bid contains both clerical and judgment mistakes, a bidder may withdraw his bid from consideration if the price bid would have been substantially lower than the other bids due solely to the clerical mistake, that was an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid which shall be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn.

2. The bidder shall give notice in writing of his claim of right to withdraw his bid within two business days after the conclusion of the bid opening procedure and shall submit original work papers with such notice. No bid shall be withdrawn when the result would be the awarding of the contract on another bid of the same bidder or of another bidder in which the ownership of the withdrawing bidder is more than five percent. The lowest remaining bid shall be deemed to be the low bid. No bidder who is permitted to withdraw a bid shall, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted.
3. The County shall notify the bidder in writing within five business days of its decision regarding the bidder's request to withdraw its bid. If the County denies the withdrawal of a bid, it shall state in such notice the reasons for its decision and award the contract to such bidder at the bid price, provided such bidder is a responsible and responsive bidder. At the same time that the notice is provided, the County shall return all work papers and copies thereof that have been submitted by the bidder.

### D. Progress Payments.

1. In any public contract for construction which provides for progress payments in installments based upon an estimated percentage of completion, the contractor shall be paid at least ninety-five percent of the earned sum when payment is due, with not more than five percent being retained to be included in the final payment. Any subcontract for a public project which provides for similar progress payments shall be subject to the same limitations.

### E. Bonds.-

1. Except in cases of emergency, all bids or proposals for nontransportation-related construction contracts in excess of \$500,000 or transportation-related projects

## FAIRFAX COUNTY PURCHASING RESOLUTION

authorized under Article 2 (§ 33.2-208 et seq.) of Chapter 2 of Title 33.2 that are in excess of \$250,000 and partially or wholly funded by the Commonwealth shall be accompanied by a bid bond from a surety company selected by the bidder which is legally authorized to do business in Virginia, as a guarantee that if the contract is awarded to such bidder, that bidder will enter into the contract for the work mentioned in the bid. The amount of the bid bond shall not exceed five percent of the amount bid.

For nontransportation-related construction contracts in excess of \$100,000 but less than \$500,000, where the bid bond requirements are waived, prospective contractors shall be prequalified for each individual project in accordance with §2.2-4317 of the Code of Virginia. The County may waive the requirement for prequalification of a bidder with a current Class A contractor license for contracts in excess of \$100,000 but less than \$300,000 upon a written determination made in advance by the County that waiving the requirement is in the best interests of the County. The county shall not enter into more than 10 such contracts per year.

No forfeiture under a bid bond shall exceed the lesser of:

- a. the difference between the bid for which the bond was written and the next low bid, or
- b. the face amount of the bid bond.

Nothing in this section shall preclude the County from requiring bid bonds to accompany bids or proposals for construction contracts anticipated to be less than \$500,000 for nontransportation-related projects or \$350,000 for transportation-related projects authorized under Article 2 (§ 33.2-208 et seq.) of Chapter 2 of Title 33.2 and partially or wholly funded by the Commonwealth.

2. Performance and payment bonds:

- a. Upon the award of any (i) public construction contract exceeding \$500,000 awarded to any prime contractor, (ii) construction contract exceeding \$500,000 awarded to any prime contractor requiring the performance of labor or the furnishing of materials for buildings, structures or other improvements to real property owned or leased by a public body, or (iii) transportation-related projects exceeding \$350,000 that are partially or wholly funded by the Commonwealth, or (iv) construction contract exceeding \$500,000 in which the performance of labor or the furnishing of materials will be paid with public funds, the contractor shall furnish to the County the following bonds:

## FAIRFAX COUNTY PURCHASING RESOLUTION

1. A performance bond in the sum of the contract amount conditioned upon the faithful performance of the contract in strict conformity with the plans, specifications and conditions of the contract. For transportation-related projects authorized under Article 2 (§ 33.2-208 et seq.) of Chapter 2 of Title 33.2, such bond shall be in a form and amount satisfactory to the public body.
2. A payment bond in the sum of the contract amount. The bond shall be for the protection of claimants who have and fulfill contracts to supply labor or materials to the prime contractor to whom the contract was awarded, or to any subcontractors in furtherance of the work provided for in such contract, and shall be conditioned upon the prompt payment for all ~~such~~ materials furnished or labor supplied or performed in the furtherance of the work. For transportation-related projects authorized under Article 2 (§ 33.2-208 et seq.) of Chapter 2 of Title 33.2 and partially or wholly funded by the Commonwealth, such bond shall be in a form and amount satisfactory to the public body. As used in this subdivision "Labor or materials" includes public utility services and reasonable rentals of equipment, but only for periods when the equipment rented is actually used at the site.
  - b. For non-transportation-related construction contracts in excess of \$100,000 but less than \$500,000, where the performance and payment bond requirements are waived, prospective contractors shall be prequalified for each individual project in accordance with §2.2-4317. However, the locality may waive the requirement for prequalification of a contractor with a current Class A contractor license for contracts in excess of \$100,00 but less than \$300,000 upon a written determination in advance by the local governing body that waiving the requirement is in the best interest of the County. The County shall not enter into more than 10 such contracts per year.
  - c. Each of such bonds shall be executed by one or more surety companies selected by the contractor which are legally authorized to do business in Virginia.
  - d. Such bonds shall be payable to the County of Fairfax and filed with the County or a designated office or official.
  - e. Nothing in this section shall preclude the County from requiring payment or performance bonds for construction contracts below \$500,000 for nontransportation-related projects or \$350,000 for transportation-related projects authorized under Article 2 (§ 33.2-208 et seq.) of Chapter 2 of Title 33.2 and partially or wholly funded by the Commonwealth.

## FAIRFAX COUNTY PURCHASING RESOLUTION

- f. Nothing in this section shall preclude such contractor from requiring each subcontractor to furnish a payment bond with surety in the sum of the full amount of the contract with such subcontractor conditioned upon the payment to all persons who have and fulfill contracts which are directly with the subcontractor for performing labor and furnishing materials in the prosecution of the work provided for in the subcontract.
  - g. The performance and payment bond requirements above for transportation-related projects that are valued in excess of \$250,000 but less than \$350,000 may only be waived by the County if the bidder provides evidence, satisfactory to the County, that a surety company has declined an application from the contractor for a performance or payment bond.
- 3. Action on performance bond - No action against the surety on a performance bond shall be brought unless within one year after (1) completion of the contract, including the expiration of all warranties and guarantees or (2) discovery of the defect or breach of warranty, if the action be for such, in all other cases.
- 4. Actions on payment bonds:
  - a. Subject to the provisions of subsection (b) hereof, any claimant who has performed labor or furnished material in accordance with the contract documents in the prosecution of the work provided in any contract for which a payment bond has been given, and who has not been paid in full therefore before the expiration of ninety days after the day on which such claimant performed the last of such labor or furnished the last of such materials for which he claims payment, may bring an action on such payment bond to recover any amount due him for such labor or material, and may prosecute such action to final judgment and have execution on the judgment. The obligee named in the bond need not be named a party to such action.
  - b. Any claimant who has a direct contractual relationship with any subcontractor but who has no contractual relationship, express or implied, with the contractor, may bring an action on the contractor's payment bond only if he has given written notice to the contractor within 180 days from the day on which the claimant performed the last of the labor or furnished the last of the materials for which he claims payment, stating with substantial accuracy the amount claimed and the name of the person for whom the work was performed or to whom the material was furnished. Notice to the contractor shall be served by registered or certified mail, postage prepaid, in an envelope addressed to such contractor at any place

## FAIRFAX COUNTY PURCHASING RESOLUTION

where his office is regularly maintained for the transaction of business. Claims for sums withheld as retainages with respect to labor performed or materials furnished, shall not be subject to the time limitations stated in this subsection.

- c. Any action on a payment bond must be brought within one year after the day on which the person bringing such action last performed labor or last furnished or supplied materials.
  - d. Any waiver of the right to sue on the payment bond required by this section shall be void unless it is in writing, signed by the person whose right is waived, and executed after such person has performed labor or furnished material in accordance with the contract documents.
5. Alternative forms of security:
- a. In lieu of a bid, payment or performance bond a bidder may furnish a certified check, cashier's check or cash escrow in the face amount required for the bond.
  - b. If approved by the County Attorney, a bidder may furnish a personal bond, property bond, or bank or savings institution's letter of credit on certain designated funds in the face amount required for the bid, payment or performance bond. Approval shall be granted only upon a determination that the alternative form of security proffered affords protection to the County equivalent to a corporate surety's bond.

### F. Escrow Accounts.

1. The County, when contracting directly with contractors for public contracts of \$200,000 or more for construction of highways, roads, streets, bridges, parking lots, demolition, clearing, grading, excavating, paving, pile driving, miscellaneous drainage structures, and the installation of water, gas, sewer lines and pumping stations, where portions of the contract price are to be retained, shall include an option in the bid or proposal for the contractor to use an Escrow account procedure for utilization of the County's retainage funds by so indicating in the space provided in the bid or proposal documents and executing the Escrow Agreement form provided by the County. In the event the contractor elects to use the Escrow account procedure, the Escrow Agreement form shall be executed and submitted to the County within fifteen days after receipt of notification of contract award by the contractor.
2. The executed Escrow Agreement Form shall be submitted to the Office designated in the bid or proposal documents. If the Escrow Agreement Form is not submitted to the

## FAIRFAX COUNTY PURCHASING RESOLUTION

designated office within the fifteen day period, the contractor shall forfeit his rights to the use of the Escrow account procedure.

3. The Purchasing Agent shall promulgate escrow regulations. In order to have retained funds paid to an escrow agent, the contractor, the escrow agent and the surety shall execute the Escrow Agreement form. The contractor's escrow agent shall be a trust company, bank or savings institution with its principal office located in the Commonwealth and shall satisfy escrow agent qualifications promulgated by the Purchasing Agent.
4. This subsection ~~EE~~ shall not apply to public contracts for construction for railroads, public transit systems, runways, dams, foundations, installation or maintenance of power systems for the generation and primary and secondary distribution of electric current ahead of the customer's meter, the installation or maintenance of telephone, telegraph or signal systems for public utilities and the construction or maintenance of solid waste or recycling facilities and treatment plants.
5. Any such public contract for construction with the County which includes payment of interest on retained funds, may include a provision whereby the contractor, exclusive of reasonable circumstances beyond the control of the contractor stated in the contract, shall pay a specified penalty for each day exceeding the completion date stated in the contract.
6. Any subcontract for such public project that provides for similar progress payments shall be subject to the provisions of this section.

This subsection ~~EE~~ shall apply to contracts as provided in the Code of Virginia, §2.2-4334.

## FAIRFAX COUNTY PURCHASING RESOLUTION

### Article ~~4~~5

#### BIDDER/CONTRACTOR REMEDIES

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##### Section 1. Ineligibility.

- A. Debarment as used in this section means any action taken by the County Purchasing Agent to exclude individuals or entities from contracting with County agencies or organizations for particular types of goods for a specified period of time. A prospective contractor may be suspended from participating in County procurements if there is evidence that the prospective contractor has committed an act that would be the basis of a debarment and immediate action is needed to protect the County's interests. Debarment or suspension do not relieve the contractor of responsibility for its existing obligations.
- B. The County Purchasing Agent shall have the authority to suspend or debar a prospective contractor from contracting for particular types of supplies, services, insurance on construction, for specified periods of time for the causes stated below:
  - 1. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
  - 2. Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a County contractor;
  - 3. Conviction under the state or federal antitrust statutes arising out of the submission of bids or proposals;
  - 4. Violation of contract provisions, as set forth below, of a character which is regarded by the County Purchasing Agent to be so serious as to justify suspension or debarment action:
    - a. failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or

## FAIRFAX COUNTY PURCHASING RESOLUTION

- b. a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts, provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for suspension or debarment;
- 5. Any other cause the County Purchasing Agent determines to be so serious and compelling as to affect responsibility as a contractor, such as debarment by another governmental entity for any cause listed herein, or because of prior reprimands;
- 6. The contractor has abandoned performance, been terminated for default on a Fairfax County project, or has taken any actions that inure to the detriment of Fairfax County or a Fairfax County project;
- 7. The contractor is in default on any surety bond or written guarantee on which Fairfax County is an obligee.
- C. Ineligibility Period. Debarment shall be for a period of ninety (90) days to three (3) years, at the discretion of the County Purchasing Agent. The period of suspension shall not exceed one year. A debarment or suspension may be lifted or stayed at any time if the County Purchasing Agent determines that doing so is in the best interests of the County.
- D. Any person or firm suspended or debarred from participation in County procurement shall be notified in writing by the County Purchasing Agent.
  - 1. The Notice of Suspension shall state the reasons for the actions taken and such decision shall be final unless the person or firm appeals within ten (10) days of receipt of the Notice by instituting legal action as provided in the Code of Virginia.
  - 2. The Notice of Debarment shall state the reasons for the actions taken and the decision shall be final unless the person or firm appeals within ten (10) days of receipt of the notice by instituting legal action as provided in the Code of Virginia.
- E. If, upon appeal, it is determined that the action taken by the County Purchasing Agent was arbitrary or capricious, or not in accordance with the Constitution of Virginia, statutes or regulations, the sole relief available to the person or firm shall be restoration of eligibility. The person or firm may not institute legal action until all statutory requirements have been met.

### Section 2. Appeal of Denial of Withdrawal of Bid.

## FAIRFAX COUNTY PURCHASING RESOLUTION

- A. A decision denying withdrawal of a bid submitted by a bidder or offeror shall be final and conclusive unless the bidder appeals the decision within ten (10) days after receipt of the decision by instituting legal action as provided in the Code of Virginia. The bidder or offeror may not institute legal action until all statutory requirements have been met.
- B. If no bid bond was posted, a bidder refused withdrawal of bid under the provisions of Article 2, Section ~~4A5A~~, paragraph 8, prior to appealing, shall deliver to the County a certified check or cash bond in the amount of the difference between the bid sought to be withdrawn and the next low bid. Such security shall be released only upon a final determination that the bidder was entitled to withdraw the bid.
- C. If, upon appeal, it is determined that the decision refusing withdrawal of the bid was not an honest exercise of discretion, but rather was arbitrary or capricious or not in accordance with the Constitution of Virginia, applicable state law or regulation, or the terms or conditions of the Invitation to Bid, the sole relief shall be withdrawal of the bid.

### Section 3. Appeal of Determination of Nonresponsibility.

- A. Any bidder who, despite being the apparent low bidder, is determined not to be a responsible bidder for a particular County contract shall be notified in writing by the County Purchasing Agent. Such notice shall state the basis for the determination, which shall be final unless the bidder appeals the decision within ten (10) days of receipt of the notice by instituting legal action as provided in the Code of Virginia. The bidder may not institute legal action until all statutory requirements have been met.
- B. If, upon appeal, it is determined that the decision of the County Purchasing Agent was arbitrary or capricious and the award for the particular County contract in question has not been made, the sole relief available to the bidder shall be a finding that the bidder is a responsible bidder for the County contract in question. Where the award has been made, the County may declare the contract void upon a finding that this action is in the best interest of the public. Where a contract is declared void, the performing contractor shall be compensated for the cost of performance up to the time of such declaration. In no event shall the performing contractor be entitled to lost profits.

### Section 4. Protest of Award or Decision to Award.

- A. Any bidder or offeror may protest the award or decision to award a contract by submitting a protest in writing to the County Purchasing Agent, or an official designated by the County of Fairfax, no later than ten (10) days after the award or the announcement of the decision to award, whichever occurs first. Any potential bidder or offeror on a contract negotiated

## FAIRFAX COUNTY PURCHASING RESOLUTION

on a sole source or emergency basis who desires to protest the award or decision to award such contract shall submit such protest in the same manner no later than ten days after posting or publication of the notice of such contract as provided in Article 2, Section 2. However, if the protest of any actual or potential bidder or offeror depends in whole or in part upon information contained in public records pertaining to the procurement transaction which are subject to inspection under Article 2, Section 45.D, then the time within which the protest must be submitted shall expire ten days after those records are available for inspection by such bidder or offeror under Article 2, Section 45.D, or at such later time as provided herein. No protest shall lie for a claim that the selected bidder or offeror is not a responsible bidder or offeror. The written protest shall include the basis for the protest and the relief sought. The County Purchasing Agent shall issue a decision in writing within ten (10) days of the receipt of the protest stating the reasons for the action taken. This decision shall be final unless the bidder or offeror appeals within ten (10) days of receipt of the written decision by instituting legal action as provided in the Code of Virginia. Nothing in this section shall be construed to permit a bidder to challenge the validity of the terms or conditions of the Invitation for Bid or Request for Proposal.

- B. If, prior to award, it is determined that the decision to award is arbitrary or capricious, then the sole relief shall be a finding to that effect. The County Purchasing Agent shall cancel the proposed award or revise it to comply with the law. If, after an award, it is determined that an award of a contract was arbitrary or capricious, then the sole relief shall be as hereinafter provided. Where the award has been made but performance has not begun, the performance of the contract may be declared void by the County. Where the award has been made and performance has begun, the County Purchasing Agent may declare the contract void upon a finding that this action is in the best interest of the County. Where a contract is declared void, the performing contractor shall be compensated for the cost of performance at the rate specified in the contract up to the time of such declaration. In no event shall the performing contractor be entitled to lost profits.
- C. Pending final determination of a protest or appeal, the validity of a contract awarded and accepted in good faith in accordance with this article shall not be affected by the fact that a protest or appeal has been filed.
- D. An award need not be delayed for the period allowed a bidder or offeror to protest, but in the event of a timely protest, no further action to award the contract will be taken unless there is a written determination that proceeding without delay is necessary to protect the public interest or unless the bid or offer would expire.

### Section 5. Contractual Disputes.

## FAIRFAX COUNTY PURCHASING RESOLUTION

- A. Any dispute concerning a question of fact as a result of a contract with the County which is not disposed of by agreement shall be decided by the County Purchasing Agent, who shall reduce his decision to writing and mail or otherwise forward a copy to the contractor within ninety (90) days. The decision of the County Purchasing Agent shall be final and conclusive unless the contractor appeals within six (6) months of the date of the final written decision by instituting legal action as provided in the Code of Virginia. A contractor may not institute legal action, prior to receipt of the County Purchasing Agent's decision on the claim, unless the County Purchasing Agent fails to render such decision within the time specified.
- B. Contractual claims, whether for money or other relief, shall be submitted in writing no later than sixty days after final payment; however, written notice of the contractor's intention to file such claim shall have been given at the time of the occurrence or beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment.

### Section 6. Legal Action.

- A. No bidder, offeror, potential bidder or offeror, or contractor shall institute any legal action until all statutory requirements have been met.



## FAIRFAX COUNTY PURCHASING RESOLUTION

### Article ~~5~~6

#### ETHICS IN COUNTY CONTRACTING

##### Section 1. General.

- A. The provisions of this article supplement, but do not supersede, other provisions of law including, but not limited to, the State and Local Government Conflict of Interests Act (§ 2.2-3100 et seq.), the Virginia Governmental Frauds Act (§ 18.2-498.1 et seq.), and Articles 2 (§ 18.2-438 et seq.) and 3 (§ 18.2-446 et seq.) of Chapter 10 of Title 18.2. The provisions of this article apply notwithstanding the fact that the conduct described may not constitute a violation of the State and Local Government Conflict of Interests Act.
- B. No County employee having official responsibility for a procurement transaction (except as may be specifically allowed by subdivisions of B1, B2, and B3 of § 2.2-3112) shall participate in that transaction on behalf of the County when the employee knows that:
  - 1. The employee is contemporaneously employed by a bidder, offeror or contractor involved in the procurement transaction; or,
  - 2. The employee, the employee's partner, or any member of the employee's immediate family holds a position with a bidder, offeror, or contractor such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest of more than five percent; or,
  - 3. The employee, the employee's partner, or any member of the employee's immediate family has a pecuniary interest arising from the procurement transaction; or,
  - 4. The employee, the employee's partner, or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment with a bidder, offeror or contractor.

##### Section 2. Solicitation or Acceptance of Gifts.

No County employee having official responsibility for a procurement transaction shall solicit, demand, accept or agree to accept from a bidder, offeror, contractor or subcontractor any

## FAIRFAX COUNTY PURCHASING RESOLUTION

payment, loan, subscription, advance, deposit of money, services personal use rebates or anything of more than nominal or minimal value, present or promised, unless consideration of substantially equal or greater value is exchanged. The County may recover the value of anything conveyed in violation of this section. No employee shall use rebates provided by any vendor for personal use. All monetary rebates received as the result of a procurement transaction are for the sole use of the County.

**Commented [IP46]:** Administrative change to establish prohibition for personal use of County rebates.

### Section 3. Disclosure of Subsequent Employment.

No County employee or former County employee having official responsibility for procurement transactions shall accept employment with any bidder, offeror or contractor with whom the County employee or former County employee dealt in an official capacity concerning procurement transactions for a period of one year from the cessation of employment by the County unless the County employee, or former County employee, provides written notification to the County prior to commencement of employment by that bidder, offeror or contractor.

### Section 4. Gifts.

No bidder, offeror, contractor or subcontractor shall confer upon any County employee having official responsibility for a procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is exchanged.

### Section 5. Kickbacks.

- A. No contractor or subcontractor shall demand or receive from any of his suppliers or his subcontractors, as an inducement for the award of a subcontract or order, any payment, loan, subscription, advance, deposit of money, services or anything present or promised, unless consideration of substantially equal or greater value is exchanged.
- B. No subcontractor or supplier shall make, or offer to make, kickbacks as described in this section.
- C. No person shall demand or receive any payment, loan, subscription, advance, deposit of money, services or anything of value in return for an agreement not to compete on a County contract.
- D. If a subcontractor or supplier makes a kickback or other prohibited payment as described in this section, the amount thereof shall be conclusively presumed to have been included in the price of the subcontract or order and ultimately borne by the public body and will be

## FAIRFAX COUNTY PURCHASING RESOLUTION

recoverable from both the maker and recipient. Recovery from one offending party shall not preclude recovery from other offending parties.

- E. No person who, for compensation, prepares an invitation to bid or request for proposal for or on behalf of the County shall (i) submit a bid or proposal for that procurement or any portion thereof or (ii) disclose to any bidder or offeror information concerning the procurement which is not available to the public. However, the County may permit such person to submit a bid or proposal for that procurement or any portion thereof if the County determines that the exclusion of such person would limit the number of potential qualified bidders or offerors in a manner contrary to the best interests of the County.

### Section 6. Purchase of Building Materials, etc., from Architect or Engineer Prohibited.

- A. No building materials, supplies or equipment for any building or structure constructed by or for the County shall be sold by or purchased from any person employed as an independent contractor by the County to furnish architectural or engineering services, but not construction, for such building or structure; or from any partnership, association or corporation in which such architect or engineer has a personal interest as defined in §2.2-3101 of the Code of Virginia.
- B. No building materials, supplies, or equipment for any building or structure constructed by or for the County shall be sold by or purchased from any person who has provided or is currently providing design services specifying a sole source for such materials, supplies, or equipment to be used in such building or structure to the independent contractor employed by the County to furnish architectural or engineering services in which such person has a personal interest as defined in §2.2-3101 of the Code of Virginia.
- C. The provisions of this Section shall not apply in the case of emergency.

### Section 7. Certification of Compliance; Penalty for False Statements.

- A. The County may require County employees having official responsibility for procurement transactions in which they participated to annually submit for such transactions a written certification that they complied with the provisions of this section.
- B. Any County employee required to submit a certification as provided in subsection a. of this section who knowingly makes a false statement in such certification shall be punished as provided in §2.2-4377 of the Code of Virginia.

## FAIRFAX COUNTY PURCHASING RESOLUTION

### Section 8. Misrepresentations.

No County employee having official responsibility for a procurement transaction shall knowingly falsify, conceal, or misrepresent a material fact; knowingly make any false, fictitious or fraudulent statements or representations; or make or use any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry.

### Section 9. Penalty for Violation.

The penalty for violations of any of the provisions under Article ~~5-6~~ of this Resolution is provided in the Code of Virginia, §2.2-4377.

### Section 10. Personal Conflicts of Interest

It is County policy to require contractors to:

- 1) Identify and prevent personal conflicts of interest of their employees who perform an acquisition function closely associated with inherently governmental functions; and
- 2) Prohibit employees who have access to non-public County information from using such information for personal gain.

Failure to comply may result in suspension or debarment or termination for cause. The Purchasing Agent may waive, in exceptional circumstances, a personal conflict of interest or waive the requirement to prevent conflict of interest for a particular employee, if he determines in writing that such mitigation is in the best interest of the County.

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## FAIRFAX COUNTY PURCHASING RESOLUTION

### Article ~~67~~

#### ~~MATERIAL PROPERTY~~ MANAGEMENT

The Director of the Department of Procurement and Material Management is responsible for the management of all Fairfax County and Fairfax County Public Schools (FCPS) ~~property~~, supplies and equipment except as excluded by formal agreement between the County and other public bodies. This includes physical accountability of consumable supplies and accountable equipment, as well as, validation of the inventory and accountable equipment values reported in Fairfax County's Comprehensive Annual Financial Report. DPMM shall prescribe the procedures to be used by departments in the acquisition, receipt, storage and management, and issuance of consumable supplies and accountable equipment inventory, and disposition of excess and surplus County property.

##### Section 1. County Consolidated ~~Warehouse~~ (Logistics Center).

The Director of the Department of Procurement and Material Management is responsible for operation of the County ~~Warehouse~~ Logistics Center which provides temporary storage and distribution of the supplies and equipment to all County departments. The ~~Warehouse~~ Logistics Center may be used as the storage point for ~~goods on consignment~~ customer owned inventory from other departments. The Director of the Department of Procurement and Material Management is responsible for space management and logistics coordination at the ~~County Warehouse~~ Logistics Center.

**Commented [IP47]:** Administrative change to formalize site name

##### Section 2. Inventory Accountability.

Departments and Fairfax County Public Schools are required to establish and maintain ~~property~~ accountability of consumable inventories and accountable equipment in their custody, and to conduct periodic physical inventories in accordance with schedules published by the Director of the Department of Procurement and Material Management.

##### Section 3. Consumable Inventory ~~Property~~ Management.

- A. The Director of the Department of Procurement and Material Management shall exercise oversight responsibility over all consumable inventory warehouses and stockrooms. ~~The program shall be administered in accordance with industry standards and best practices.~~

**Commented [IP48]:** Administrative change to reflect current practices.

## FAIRFAX COUNTY PURCHASING RESOLUTION

- B. ~~The Director of the Department of Procurement and Material Management shall administer Fairfax County's perpetual inventory management system through FOCUS, and shall approve the management of perpetual inventories through any system other than FOCUS.~~

### Section 4. Accountable Equipment Inventory Property Management.

- A. The Director of the Department of Procurement and Material Management shall exercise oversight responsibility over all accountable equipment.
- B. The Director of the Department of Procurement and Material Management is responsible for defining items to be capitalized as accountable equipment, and administering the Accountable Equipment Program in accordance with State and County codes, as well as industry standards and best practices.

### Section 5. Excess and Surplus Property ~~and Inventory~~ Management.

- A. The Director of the Department of Procurement and Material Management is responsible for redistribution of serviceable excess property and inventory, to include furniture, ~~office equipment, repair parts,~~ etc.
- B. The Director of the Department of Procurement and Material Management is responsible for the disposal of surplus property and inventory as applicable by law. Disposals will be evaluated in an effort to maximize financial returns to the County and/or minimize environmental impact.
- C. Confiscated or abandoned property in the hands of the police shall be disposed in accordance with Chapter 2, Article 2, Sections 2-2-1 through 2-2-3 of the County Code.
- D. Employees and members of their immediate family are not eligible to acquire property for personal use before such property has been declared surplus and has been made available to the general public. The County may, however, sell any dog specially trained for police work to the handler who was last in control of such dog, at a price deemed by the locality to be appropriate.

**Commented [IP49]:** Administrative change to reflect current practices.

## FAIRFAX COUNTY PURCHASING RESOLUTION

### Section 6. Donations.

#### A. Accepting Donations:

1. Items \$5,000 or more:  
The Director of the Department of Procurement and Material Management or Assistant Superintendent of Financial Services is responsible for approving the acceptance of donated items or services with a fair market value of \$5,000 or more, and ensuring accepted items are properly accounted for.
2. Items under \$5,000:  
Department Heads, Principals, or their equivalents may accept donated items or services with a fair market value under \$5,000.
3. Inasmuch as the County is not offering consideration nor is it purchasing or initiating the provision of services, the County may accept a gift of services pursuant to the Virginia State Government Volunteers Act. Such services must be provided from a person who acts of his own free will and without any financial gain.

**Commented [IP50]:** Administrative change to distinguish volunteer services from donations.

#### B. Making Donations:

1. Items \$5,000 or more:  
When the fair market value of an item exceeds \$5,000, the Board of County Supervisors or FCPS School Board, as appropriate and allowed by law, may offer surplus County or School property to charitable or non-profit organizations or public bodies for sale or donation, where appropriate. The Director of the Department of Procurement and Material Management or Assistant Superintendent of Financial Services shall coordinate all requests to donate items with their respective Board.
2. Items under \$5,000:  
When the fair market value of a surplus item is less than \$5,000, the Director of the Department of Procurement and Material Management or FCPS Chief Financial Services may donate the item directly to charitable or nonprofit organizations as appropriate and allowed by law.

It is further resolved that this resolution shall be effective July ~~16, 2018~~2019.

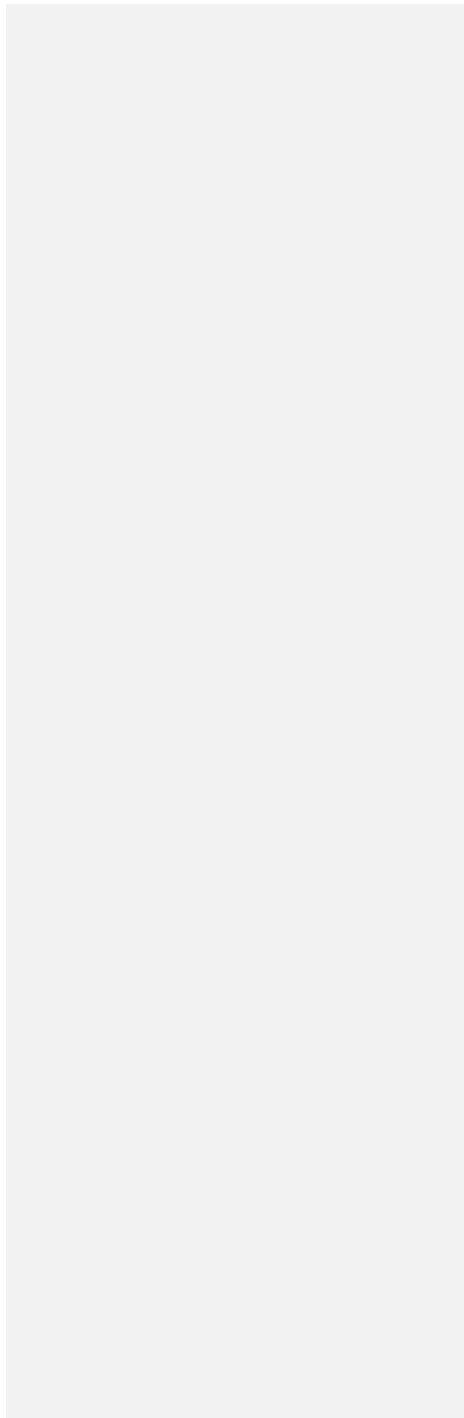
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**FAIRFAX COUNTY PURCHASING RESOLUTION**

Catherine A. Chianese  
Clerk to the Board of Supervisors

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-69-



ACTION - 5

Approval of a Resolution Requesting the Fairfax County Redevelopment and Housing Authority (FCRHA) to Issue Revenue Refunding Bonds Series 2019A for the Wedgewood Apartments and Other Necessary Documents (Mason District)

ISSUE:

Approval by the Board of Supervisors of a resolution (Attachment 1) to request a public bond sale by the FCRHA for Revenue Refunding Bonds Series 2019A for the Wedgewood Apartments.

RECOMMENDATION:

The County Executive recommends approval of the attached resolution (Attachment 1) relating to the issuance of FCRHA Revenue Refunding Bonds Series 2019A for the Wedgewood Apartments per the bond sale timeline shown on Attachment 8. The Board resolution (Attachment 1) authorizes the following actions:

1. Request the FCRHA to issue revenue refunding bonds for the purpose of achieving savings associated with the outstanding debt on the Wedgewood Apartments.
2. Approve the form, execution, and delivery of the Payment Agreement for the property between Fairfax County and the FCRHA. (Attachment 3)
3. Approve the form of the Assignment Agreement for the property from FCRHA and acknowledged by the County. (Attachment 4)
4. Approve the form, execution, and delivery of the Lease Agreement for the property between Fairfax County and the FCRHA. (Attachment 5)
5. Approve the form, execution and delivery of the Continuing Disclosure Agreement for the property. (Attachment 6)
6. Approve the form of the Bonds for the property. (Attachment 7)
7. Approve the form of a Bond Purchase Agreement for the property. (Attachment 8)
8. Approve the form of the Preliminary Official Statement for the property and the delivery of a final Official Statement to the winning bidder of the Bonds. (Attachment 10)
9. Approve the Escrow Deposit Agreement. (Attachment 11)

TIMING:

Approval by the Board is requested on July 16, 2019.

BACKGROUND:

Wedgewood Apartments is a garden-style multifamily rental community located on Little River Turnpike and McWhorter Road in Annandale, Virginia, on 34.8 acres of land. In total, there are 672 units in three phases - Wedgewood Manor – 125 units; Wedgewood West – 424 units; and Wedgewood East – 123 units. Wedgewood Apartments has one, two and three bedroom units and 15 townhomes. Property amenities include tot lots, a swimming pool and a community building. The property is adjacent to Annandale Terrace Elementary School and Ossian Hall Park.

Fairfax County purchased the Wedgewood Apartment complex on November 28, 2007 for \$107,500,000. Financing was provided through the FCRHA issuance of Bond Anticipation Notes (BANs). Fund 30300, The Penny for Affordable Housing Fund, paid for a portion of the acquisition cost and cost of issuance, relocation, and reserves. On October 9, 2008, the FCRHA refinanced the outstanding BANs by issuing new BANs in the amount of \$104,105,000. On July 13, 2009, the Board approved a permanent plan of finance in the amount of \$94,950,000 with a final maturity of October 2039.

There is no new money sale component on this project, and only savings are sought from refunding outstanding debt. Assuming market conditions as of May 2019, the refunding bond sale meets the County's minimum savings threshold and would generate net present value savings of approximately \$13.88 million or 18.59 percent of the refunded par amount. Actual savings and the total amount refunded will be dependent upon bond market conditions leading up to the day of the bond sale. There is no extension of the original final maturity date of FY 2040.

The annual debt service is currently \$5.75 million and is paid from Fund 30300, The Penny for Affordable Housing Fund. The financing documents for the Series 2019A revenue refunding bonds will be structured in a similar manner to the Series 2009. The County and the FCRHA will sign an Amended and Restated Ground Lease Agreement giving the FCRHA the right to lease the land from the County. The County and the FCRHA will execute a Payment Agreement and an Assignment Agreement that provide that the County will pay to the FCRHA from Fund 30300, The Penny for Affordable Housing Fund, subject to annual appropriations, an amount that is sufficient to pay the debt service on the bonds.

The Series 2019A bonds are recommended to be sold on a negotiated basis and the County will select an underwriter from the County's pre-qualified pool of underwriters. A negotiated sale permits more in-depth and targeted marketing of investors prior to the sale of the bonds and will provide further value in gaining market insight. In accordance with the delegation of authority provided for this resolution, staff will select pre-qualified firms with the assistance of the County's Financial Advisor and execute the Bond Purchase Agreement (Attachment 8).

Board Agenda Item  
July 16, 2019

The FCRHA Board will consider the Wedgewood Apartments Revenue Refunding Bonds for approval at its July 18, 2019 meeting.

FISCAL IMPACT:

Based on market conditions as of May 2019, a refunding bond sale for the Wedgewood Apartments is estimated to generate a net present value savings of \$13.88 million or 18.59 percent of the refunded bonds. Annual debt service payments under these projections would be reduced by approximately \$780,000 from \$5.75 million to \$4.97 million and repaid from Fund 30300, The Penny for Affordable Housing Fund. The debt service savings from this transaction will remain in Fund 30300 and will be utilized for affordable housing projects.

ENCLOSED DOCUMENTS:

Attachment 1 – Board of Supervisors Resolution  
Attachment 2 – FCRHA Resolution  
Attachment 3 – Payment Agreement  
Attachment 4 – Assignment Agreement  
Attachment 5 – Lease Agreement  
Attachment 6 – Continuing Disclosure Agreement  
Attachment 7 – Form of Bonds  
Attachment 8 – Bond Purchase Agreement  
Attachment 9 – Bond Sale Timeline  
Attachment 10 – Preliminary Official Statement  
Attachment 11 – Escrow Deposit Agreement

STAFF:

Tisha Deeghan, Deputy County Executive  
Joseph Mondoro, Chief Financial Officer  
Tom Fleetwood, Director, Department of Housing and Community Development (HCD)  
Hosseini Malayeri, Deputy Director, HCD  
Aseem K. Nigam, Director, Real Estate Finance and Grants Management Division, HCD  
Joseph LaHait, Debt Manager, Department of Management and Budget

ASSIGNED COUNSEL:

Patricia McCay, Senior Assistant County Attorney  
Ryan Wolf, Assistant County Attorney

County Resolution

**RESOLUTION REQUESTING THE ISSUANCE BY THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY (FCRHA) OF ITS REVENUE REFUNDING BONDS (WEDGEWOOD AFFORDABLE HOUSING ACQUISITION) IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$75,000,000 AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYMENT AGREEMENT WITH FCRHA, ALL FOR THE PURPOSE OF REFUNDING CERTAIN BONDS ISSUED TO PROVIDE PERMANENT FINANCING FOR THE PAYMENT OF A PORTION OF THE PRINCIPAL AMOUNT OF NOTES ISSUED FOR THE PURPOSE OF REFINANCING NOTES ISSUED FOR THE PURPOSE OF PAYING A PORTION OF THE PURCHASE PRICE OF A MULTI-FAMILY RENTAL HOUSING COMPLEX LOCATED IN FAIRFAX COUNTY; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LEASE AGREEMENT WITH FCRHA FOR THE LEASE OF THE APARTMENT COMPLEX TO FCRHA; APPROVING THE FORM OF THE FCRHA BONDS; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT RELATING TO SUCH BONDS, APPROVING THE FORM OF AND EXECUTION OF A BOND PURCHASE AGREEMENT RELATING TO THE PURCHASE OF THE BONDS; APPROVING THE FORM OF AND EXECUTION OF AN ASSIGNMENT AGREEMENT; APPROVING THE MAKING OF A CONTINUING DISCLOSURE UNDERTAKING AND GRANTING THE AUTHORITY TO EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND AGREEMENTS RELATING TO SUCH TRANSACTIONS AND TO DETERMINE CERTAIN DETAILS OF SUCH TRANSACTION**

**WHEREAS**, the Fairfax County Redevelopment and Housing Authority (“FCRHA”), in furtherance of its goal to preserve existing affordable housing in Fairfax County, requested that the Board of Supervisors of Fairfax County, Virginia (the “County”), contract for the purchase by the County of a multi-family rental housing complex comprised of the 424-unit Wedgewood West Apartments, including its site of approximately 21.9 acres, the 123-unit Wedgewood East Apartments, including its site of approximately 6.9 acres, and the 125-unit Wedgewood Manor Apartments, including its site of approximately 6.0 acres, all located in Annandale, Virginia (collectively, the “Apartment Complex”); and

**WHEREAS**, the County, in October 2007, entered into agreements of purchase and sale with a seller (the “Purchase and Sale Contracts”) for the purchase of the Apartment Complex; and

**WHEREAS**, the County, upon entering into the Purchase and Sale Contracts, requested that FCRHA provide interim financing for a portion of the purchase price of the Apartment Complex and related costs and offered to enter into a payment agreement pursuant to which the

County agreed to make payments, to or for the account of FCRHA, in amounts sufficient, with the proceeds of any permanent financing and renewal notes financing (as herein provided) and any other sources of funds available for the purpose, for FCRHA to pay timely the interest on and the principal of notes to be issued for such interim financing; and

**WHEREAS**, FCRHA, pursuant to the County's request, issued on November 28, 2007, bond anticipation notes (the "Original Notes"), the proceeds of which were used to pay a portion of the purchase price of the Apartment Complex; and

**WHEREAS**, FCRHA, pursuant to the County's request, issued on October 6, 2008, bond anticipation notes (the "2008 Notes") to pay the principal of the Original Notes; and

**WHEREAS**, FCRHA, pursuant to the County's request, issued on August 20, 2009, revenue bonds as a source of long term financing to pay the principal of the 2008 Notes (the "2009 Bonds"); and

**WHEREAS**, FCRHA proposes to issue its Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition) Series 2019 in an aggregate principal amount of up to \$75,000,000 (the "Bonds") pursuant to the Housing Authorities Law, Chapter 1, Title 36, Code of Virginia of 1950, as amended (the "Act"), to refund all or a portion of the outstanding 2009 Bonds and pay certain costs of issuance of the Bonds; and

**WHEREAS**, FCRHA and the County may have the opportunity in the future to sell all or a portion of the Apartment Complex to third parties for purposes of effectuating low income housing tax credit financings, and FCRHA desires to include in the terms of the Bonds and the related documents necessary provisions to allow for such possible sales including provisions relating to the extraordinary mandatory redemption of such Bonds; and

**WHEREAS**, the County proposes to enter into a payment agreement with FCRHA (the "Payment Agreement") by the terms of which the County will agree to make payments to FCRHA, subject to appropriation, in sufficient amounts for FCRHA to pay timely the interest and the principal of the Bonds; and

**WHEREAS**, the County proposes to enter into an amended and restated lease agreement with FCRHA (the "Lease") by the terms of which the County will lease the Apartment Complex to FCRHA; and

**WHEREAS**, there has been presented to the Board a proposed form of a Bond Purchase Agreement between the Authority and the underwriters for the Bonds chosen or to be chosen pursuant to County guidelines and regulations (the "Underwriters"), and approved by the County relating to the purchase of the Bonds (the "Bond Purchase Agreement"); and

**WHEREAS**, there has been presented to the Board a proposed form of an Assignment Agreement (the "Assignment Agreement") pursuant to which FCRHA will assign to the bond registrar and paying agent of the Bonds all of FCRHA's rights under the Payment Agreement, including FCRHA's rights to the County Payments under, and to enforce the terms and provisions of, the Payment Agreement; and

**WHEREAS**, there has been presented to the Board a proposed Preliminary Official Statement describing the Bonds, the sources of payment and security therefor, FCRHA, the County and the Apartment Complex (the “Preliminary Official Statement”); and

**WHEREAS**, the County will undertake responsibility for any annual and other reports, notices or disclosures that may be required under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, and make a continuing disclosure undertaking (the “Continuing Disclosure Agreement”); and

**WHEREAS**, the Board of Supervisors has duly reviewed and considered the forms of the Payment Agreement, the Lease, the Bonds, the Bond Purchase Agreement, the Assignment Agreement, the Preliminary Official Statement and the Continuing Disclosure Agreement and has determined that each is in acceptable form; and

**WHEREAS**, the Board has determined that it is necessary to delegate to appropriate County officials authority to approve the sale of the Bonds including and the details of the transaction but subject to the guidelines and standards established hereby; now, therefore,

**BE IT RESOLVED** by the Board of Supervisors of Fairfax County, Virginia, as follows:

**SECTION 1.** FCRHA is hereby requested to sell the Bonds to the Underwriters in a negotiated sale in an aggregate principal amount not to exceed \$75,000,000 for the purpose of providing funds to refund all or a portion of the outstanding 2009 Bonds and pay costs and expenses associated with the issuance of the Bonds.

**SECTION 2.** The form of the Bonds presented to this meeting is approved.

**SECTION 3.** The form of the Payment Agreement presented to this meeting is approved, and the Chairman or Vice Chairman of the Board or the County Executive or the Chief Financial Officer of the County (each a “Delegate”), as appropriate, is authorized and directed to execute and deliver, in the name and on behalf of the County, and the Clerk or any Deputy Clerk is authorized and directed to impress the County’s seal upon, the Payment Agreement in substantially such form, with such additions and modifications as shall be approved by the Delegate executing the Payment Agreement, such execution being conclusive evidence of such approval.

**SECTION 4.** The form of the Lease presented to this meeting is approved, and a Delegate, as appropriate, is authorized and directed to execute and deliver, in the name and on behalf of the County, and the Clerk or any Deputy Clerk is authorized and directed to impress the County’s seal upon, the Lease in substantially such form, with such additions and modifications as shall be approved by the Delegate executing the Lease, such execution being conclusive evidence of such approval.

**SECTION 5.** The form of the Bond Purchase Agreement (including the County’s Letter of Representation) presented to this meeting is approved, and a Delegate, as appropriate, is authorized and directed to execute and deliver, in the name and on behalf of the County, the Bond Purchase Agreement (including the Letter of Representation), as negotiated with the

Underwriters. Any additions, deletions and modifications to the Bond Purchase Agreement, including those that may result from negotiations with the Underwriters, may be approved by the Delegate executing the Bond Purchase Agreement, such execution being conclusive evidence of such approval.

**SECTION 6.** The form of an Assignment Agreement presented to this meeting is approved, and a Delegate, as appropriate is authorized and directed to execute and deliver, in the name and on behalf of the County an acknowledgement of such Assignment Agreement, the Assignment Agreement in substantially such form, with such additions and modifications as shall be approved by the Delegate executing the Assignment Agreement, such execution being conclusive evidence of such approval.

**SECTION 7.** The form of the Preliminary Official Statement is hereby approved and deemed “final” for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The distribution and use by the Underwriters of a final Official Statement relating to the Bonds (the “Official Statement”) is hereby approved. The Official Statement shall be completed with the pricing and other information in substantially the form of the Preliminary Official Statement approved this day with such other changes, insertions and omissions as may be approved by a Delegate.

**SECTION 8.** The form of the Continuing Disclosure Agreement presented to this meeting is approved, and a Delegate, as appropriate, is authorized and directed to execute and deliver in the name and on behalf of the County, the Continuing Disclosure Agreement in such form and containing substantially the terms and provisions therein contained, with such additions and modifications as shall be approved by the person executing the Continuing Disclosure Agreement, such execution thereof being conclusive evidence of such approval.

**SECTION 9.** The execution and delivery by any Delegate of the Payment Agreement, the Lease, Bond Purchase Agreement, the Assignment Agreement, the Continuing Disclosure Agreement and any other agreements, documents, closing papers and certificates executed and delivered pursuant to this Resolution shall be conclusive evidence of the Delegate’s approval, on behalf of the County, of the changes, if any, in the form and content of the Payment Agreement, the Lease, the Bond Purchase Agreement, the Assignment Agreement and the Continuing Disclosure Agreement.

**SECTION 10.** The Delegates and other members, officers and employees of the Board of Supervisors and the County are hereby authorized and directed to do all acts and things required of them by the provisions of the Bonds, the Lease, the Bond Purchase Agreement, the Assignment Agreement, the Payment Agreement and the Continuing Disclosure Agreement for the full, punctual and complete performance of all the terms, covenants, provisions and agreements of the Bonds, the Lease, the Payment Agreement, the Assignment Agreement and the Continuing Disclosure Agreement and also to do all acts and things required of them by the provisions of this Resolution and the resolution to be adopted by the FCRHA Board of Commissioners relating to the Bonds.

**SECTION 11.** Each of the Delegates is authorized to execute one or more certificates evidencing the determinations made or other actions carried out pursuant to the authority granted

in this Resolution, and any such certificate shall be conclusive evidence of the actions or determinations as stated therein.

**SECTION 12.** All actions taken by any of the Delegates and other members, officers and employees of the County in connection with the transactions authorized and approved hereby are hereby ratified and confirmed.

**SECTION 13.** Any and all resolutions of the Board of Supervisors or portions thereof in conflict with the provisions of this Resolution are hereby repealed to the extent of such conflict.

**SECTION 14.** This resolution shall take effect immediately upon its adoption.

(Seal)      **A Copy Teste:**

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Clerk to the Board of Supervisors

FCRHA Resolution

RESOLUTION NUMBER \_\_\_\_\_

ISSUANCE OF FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY REVENUE REFUNDING BONDS (WEDGEWOOD AFFORDABLE HOUSING ACQUISITION) IN A PRINCIPAL AMOUNT NOT TO EXCEED 75 MILLION TO REFUND CERTAIN BONDS ISSUED AS PERMANENT FINANCING FOR WEDGEWOOD APARTMENTS (BRADDOCK DISTRICT)

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY REVENUE REFUNDING BONDS (WEDGEWOOD AFFORDABLE HOUSING ACQUISITION) SERIES 2019 IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$75,000,000 IN ONE OR MORE SERIES; AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYMENT AGREEMENT AND AN AMENDED AND RESTATED LEASE AGREEMENT WITH FAIRFAX COUNTY AND AN ASSIGNMENT AGREEMENT; APPROVING THE FORM AND THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT RELATING TO THE BONDS; APPROVING THE EXECUTION OF A BOND PURCHASE AGREEMENT RELATING TO THE NEGOTIATED PURCHASE OF SUCH BONDS, AND OTHER DOCUMENTS OR INSTRUMENTS RELATED TO THE ISSUANCE AND SALE OF THE BONDS; DIRECTING THE AUTHENTICATION AND DELIVERY OF SUCH BONDS; AND DELEGATING TO PROPER OFFICERS AUTHORITY TO DETERMINE CERTAIN DETAILS OF SUCH BONDS.

**WHEREAS**, the Fairfax County Redevelopment and Housing Authority (“FCRHA”) is a political subdivision of the Commonwealth of Virginia, established pursuant to the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia, 1950, as amended (the “Act”), and is authorized thereby to issue its notes and bonds from time to time to further its goal of preserving affordable housing in Fairfax County; and

**WHEREAS**, the Board of Supervisors of Fairfax County, Virginia (the “County”), entered into Agreements of Purchase and Sale (the “Purchase Contracts”) for the purchase by the County of a multi-family rental housing complex comprised of the 424-unit Wedgewood West Apartments, including its site of approximately 21.9 acres, the 123-unit Wedgewood East Apartments, including its site of approximately 6.9 acres, and the 125-unit Wedgewood Manor Apartments, including its site of approximately 6.0 acres, all located in Annandale, Virginia (collectively, the “Apartment Complex”); and

**WHEREAS**, FCRHA on November 1, 2007, authorized the issuance of its bonds to provide long-term permanent financing for the Apartment Complex; and

**WHEREAS**, the County, upon entering into the Purchase Contracts, requested that FCRHA provide interim financing for a portion of the purchase price of the Apartment Complex and related costs and offered to enter into a payment agreement pursuant to which the County agreed to make payments, subject to appropriation, to or for the account of FCRHA, in amounts sufficient, with the proceeds of any permanent financing and renewal notes financing (as herein provided) and any other sources of funds available for the purpose, for FCRHA to pay timely the interest on and the principal of notes to be issued to provide for such interim financing; and

**WHEREAS**, FCRHA, pursuant to the County's request, issued on November 28, 2007, bond anticipation notes (the "Original Notes"), the proceeds of which were used to pay a portion of the purchase price of the Apartment Complex; and

**WHEREAS**, FCRHA, pursuant to the County's request, issued on October 6, 2008, bond anticipation notes (the "2008 Notes"), to pay the principal of the Original Notes; and

**WHEREAS**, FCRHA, pursuant to the County's request, issued on August 20, 2009, revenue bonds as a source of long-term permanent financing to pay the principal of the 2008 Notes (the "2009 Bonds"); and

**WHEREAS**, the County has requested FCRHA to refund, subject to favorable financial market conditions, all or a portion of the outstanding 2009 Bonds (the "Bonds to be Refunded") to achieve debt service savings; and

**WHEREAS**, pursuant to and in accordance with the Act, FCRHA desires to issue, sell, and deliver its Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition) Series 2019 (the "Bonds") in an aggregate principal amount not to exceed \$75,000,000 which will be sufficient to refund all or a portion of the outstanding 2009 Bonds and pay certain costs of issuance of the Bonds; and

**WHEREAS**, FCRHA and the County may have the opportunity in the future to sell all or a portion of the Apartment Complex to third parties for purposes of effectuating low income housing tax credit financings, and FCRHA desires to include in the terms of the Bonds and the related documents necessary provisions to allow for such possible sales including provisions relating to the extraordinary mandatory redemption of such Bonds; and

**WHEREAS**, there has been prepared the proposed form of a Payment Agreement between FCRHA and the County (the "Payment Agreement"), pursuant to which the County will agree to make payments, to or for the account of FCRHA, in amounts sufficient for FCRHA to pay timely the interest on and the principal of the Bonds (the "County Payments"); and

**WHEREAS**, the County has approved the form of and authorized the execution of the Payment Agreement to support such financing; and

**WHEREAS**, there has been presented to FCRHA the proposed form of a Bond Purchase Agreement (the "Bond Purchase Agreement") between FCRHA and the underwriters for the Bonds chosen or to be chosen pursuant to County guidelines and regulations (the "Underwriters"), and approved by the County for the purchase of the Bonds; and

**WHEREAS**, the County has approved the form of and authorized the execution of the approval of the Bond Purchase Agreement; and

**WHEREAS**, there has been presented to FCRHA the form of a Preliminary Official Statement describing the Bonds, the sources of payment and security therefor, FCRHA, the County and the Apartment Complex to be distributed for purposes of selling the Bonds (the “Preliminary Official Statement”); and

**WHEREAS**, the County has advised FCRHA that the County will undertake primary responsibility for any annual and other reports, notices or disclosures that may be required under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, and make a continuing disclosure undertaking (the “Continuing Disclosure Agreement”); and

**WHEREAS**, FCRHA will assign pursuant to an Assignment Agreement (the “Assignment Agreement”), to the bond registrar and paying agent for the Bonds all of FCRHA’s rights under the Payment Agreement, including FCRHA’s rights to County Payments under, and to enforce the terms and provisions of, the Payment Agreement; and

**WHEREAS**, there has been presented to FCRHA the proposed form of an escrow deposit agreement (the “Escrow Deposit Agreement”) between FCRHA and an escrow agent providing for the redemption of the Bonds to be Refunded; and

**WHEREAS**, there has been presented to FCRHA the proposed form of an Amended and Restated Lease Agreement between FCRHA and the County (the “Lease”) by the terms of which the County will lease the Apartment Complex to FCRHA; and

**WHEREAS**, there has been prepared the proposed form of the Bonds; and

**WHEREAS**, the Commissioners of FCRHA (the “Commissioners”) have determined that it is necessary to delegate to the Chairman, Vice Chairman, Secretary or an Assistant Secretary of FCRHA and the County Executive or Chief Financial Officer of the County broad powers to approve the issuance and sale of the Bonds including and the details of these transactions, subject to the guidelines and standards established hereby; now, therefore

BE IT RESOLVED BY THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY:

Section 1. **Issuance of the Bonds.** The Commissioners hereby authorize the issuance of the Bonds by FCRHA for the purpose of providing funds to refund all or a portion of the outstanding 2009 Bonds and pay costs and expenses associated with the issuance of the Bonds and the refunding of the Bonds to be Refunded. The aggregate principal amount of the Bonds issued shall not exceed \$75,000,000. The Bonds shall have terms and provisions and be in substantially the form of the Bonds made available at this meeting.

The Chairman, Vice Chairman, Secretary or an Assistant Secretary of FCRHA with the approval of the Chairman or Vice Chairman of the Board of Supervisors of Fairfax County, Virginia, or the County Executive or Chief Financial Officer of the County are hereby authorized to

determine the following relating to the Bonds as long as such determinations conform with the provisions of this Resolution and Bond Purchase Agreement:

- (a) The Bonds to be Refunded;
- (b) The aggregate principal amount of the Bonds, not to exceed the sum of the amount required to provide, with other funds made available for such purpose, the amount necessary to refund the Bonds to be Refunded plus all or any portion of costs of issuance;
- (c) The respective maturity dates and any redemption dates of the Bonds, and the respective principal amounts of the Bonds to mature or be redeemed on such dates, provided that the first maturity date shall occur no later than December 31, 2020 and the final maturity date shall not be later than December 31, 2040;
- (d) The dated date of the Bonds provided, however, the Bonds shall be dated their date of issue or as of a customary date preceding their date of issue;
- (e) The semi-annual interest payment dates, or such other interest payment dates deemed applicable, for the Bonds and the record date for the Bonds provided that the first interest payment date shall be not more than ten (10) months after the dated date of the Bonds;
- (f) The series name and designation of the Bonds;
- (g) Whether to sell the Bonds on a tax-exempt or taxable basis;
- (h) The status of any of the several maturities of the Bonds as serial bonds or term Bonds or a combination thereof; and
- (i) The redemption provisions (including redemption dates and prices) including extraordinary mandatory redemption provisions, extraordinary optional redemption provisions and optional redemption provisions, if any, if deemed necessary including for reasons to maintain flexibility for future refinancing of all or portion of the Bonds.

The Bonds shall be executed on behalf of FCRHA by, and bear the manual or facsimile signature of, the Chairman or the Vice Chairman of FCRHA, and the seal of FCRHA shall be impressed and duly attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of FCRHA or any other person authorized to do same (each an “Authorized Representative”).

Section 2. **Sale of the Bonds.**

- (i) **Sale.** The Bonds shall be offered in a negotiated sale to the Underwriters on such dates as the Chairman, Vice Chairman, Secretary or an Assistant Secretary of FCRHA with the approval of the Chairman or Vice Chairman of the Board of Supervisors of Fairfax County,

Virginia, or the County Executive or Deputy County Executive/Chief Financial Officer of the County shall determine in consultation with the County's Financial Advisor.

(ii) **Sale Delegation.** Each of the Chairman, Vice Chairman, Secretary or an Assistant Secretary of FCRHA with the approval of the Chairman or Vice Chairman of the Board of Supervisors of Fairfax County, Virginia, or the County Executive or Chief Financial Officer of the County, is hereby authorized to approve the sale of the Bonds in a negotiated sale to the Underwriters at a price not less than the par amount thereof on one or more dates not later than June 30, 2020; pursuant to the terms of the Bond Purchase Agreement, subject to the following condition: the aggregate net present value of the debt service savings to be obtained from the refunding of the Bonds to be Refunded is not less than 3.0% of the principal amount of the Bonds to be Refunded.

Section 3. **Bond Purchase Agreement.** The Bond Purchase Agreement is hereby approved in the form made available at this meeting. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Bond Purchase Agreement, as negotiated with the Underwriters. Any additions, deletions and modifications to the Bond Purchase Agreement, including those that may result from negotiations with the Underwriters, may be approved by the Chairman or Vice Chairman, the execution of the Bond Purchase Agreement being conclusive evidence of FCRHA's approval and of the approval of the County.

Section 4. **Limited Obligations.** The Bonds shall be limited obligations of FCRHA payable solely from the sources referred to or described in the preamble to this Resolution and as provided in the form of the Bonds.

Section 5. **Payment Agreement.** The Payment Agreement is hereby approved in the form made available at this meeting. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Payment Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, the execution of the Payment Agreement being conclusive evidence of such approval and of the approval of FCRHA; and the Secretary or an Assistant Secretary of FCRHA, or any Authorized Representative, is hereby authorized and directed to affix the seal of FCRHA to the Payment Agreement and to attest same.

Section 6. **Lease.** The Lease is hereby approved in the form made available at this meeting. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Lease in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, the execution of the Lease being conclusive evidence of such approval and of the approval of FCRHA; and the Secretary or an Assistant Secretary of FCRHA, or any Authorized Representative, is hereby authorized and directed to affix the seal of FCRHA to the Lease and to attest same.

Section 7. **Assignment Agreement.** The Assignment Agreement is hereby approved in the form made available at this meeting. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Assignment Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be

approved by the Chairman or Vice Chairman, the execution of the Assignment Agreement being conclusive evidence of such approval and of the approval of FCRHA; and the Secretary or an Assistant Secretary of FCRHA, or any Authorized Representative, is hereby authorized and directed to affix the seal of FCRHA to the Assignment Agreement and to attest same.

Section 8. **Preliminary Official Statement and Final Official Statement.** The form of the Preliminary Official Statement relating to the Bonds presented at this meeting is hereby approved. The Chairman or Vice Chairman of FCRHA is hereby authorized to approve the terms of and cause publication of a Preliminary Official Statement describing the Bonds in substantially the same form as the Preliminary Official Statement presented to this meeting and deem “final” such Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The distribution and use by the selected underwriter(s) of a final Official Statement relating to the Bonds (the “Official Statement”) is hereby authorized. The Official Statement shall be completed with the pricing and other information in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by authorized representatives of the County and the Chairman or Vice Chairman of FCRHA. The Chairman or the Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Official Statement to the selected underwriter(s) for their use in making public offerings of the Bonds upon the terms set forth in the Official Statement and the Bond Purchase Agreement, as applicable.

Section 9 **Escrow Deposit Agreement.** The Escrow Deposit Agreement is hereby approved in the form made available at this meeting. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Escrow Deposit Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, the execution of the Escrow Deposit Agreement being conclusive evidence of such approval and of the approval of FCRHA.

Section 10. **Bond Counsel.** Norton Rose Fulbright US LLP is hereby appointed Bond Counsel in connection with the issuance and sale of the Bonds.

Section 11. **Other Action.** The Chairman, Vice Chairman, Secretary or an Assistant Secretary of FCRHA or any Authorized Representative is hereby authorized and directed to execute and deliver any and all additional documents, certificates and instruments necessary or proper to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution and the securing and issuance of the Bonds.

Section 12. **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the Payment Agreement, the Lease, the Assignment Agreement, the Bond Purchase Agreement, the Official Statement, the Escrow Deposit Agreement, the Bonds, or in any other agreement, certificate or document executed on behalf of FCRHA shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of FCRHA in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 13. **Action Approved and Confirmed.** All acts and doings of the Commissioners, officers, agents or employees of FCRHA that are in conformity with the purposes and intent of this Resolution and in the furtherance of the issuance of the Bonds and the execution, delivery and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.

Section 14. **Severability.** If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provisions to be invalid, inoperative or unenforceable to any extent whatsoever.

Section 15. **Repealer; Effective Date.** Any resolutions or orders or parts thereof in conflict with this Resolution are to the extent of such conflict hereby repealed. This Resolution shall take effect immediately upon its adoption.

A COPY TESTE:

\_\_\_\_\_  
Date

County & Authority

**PAYMENT AGREEMENT**

This Payment Agreement (this “Agreement”), dated as of \_\_\_\_\_, 2019, by and between the Fairfax County Redevelopment and Housing Authority (the “Authority”) and the Board of Supervisors of Fairfax County, Virginia (the “County”).

**SECTION I. DEFINITIONS**

For purposes of this Agreement, unless the context clearly indicates otherwise, the words and terms defined in this Section I have the respective meanings given to them herein:

“Assignment Agreement” means the Assignment Agreement, dated as of \_\_\_\_\_, 2019, by the Authority pursuant to which the Authority assigns to the bond registrar and paying agent for the Bonds all of the Authority’s rights under the Payment Agreement, including the Authority’s rights to receive County Payments under and to enforce the terms and provisions of this Payment Agreement.

“Bonds” means the \$\_\_\_\_\_ Fairfax County Redevelopment and Housing Authority Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition) Series 2019, dated \_\_\_\_\_, 2019.

“Bond Payment Date” means each Interest Payment Date and Principal Payment Date on the Bonds.

“County Payments” means the payments made or to be made by the County, to or for the account of the Authority, in respect of scheduled interest and principal payments on the Bonds.

“County Payment Date” means a Bond Payment Date.

“Holder of the Bonds” means the registered owners and, if the registered owners are nominees, the beneficial owners of the Bonds.

“Interest Payment Date” means each April 1 and October 1, commencing October 1, 2019, each such date being a date when interest is scheduled to be due and payable on the Bonds.

“Payment Agreement” means this Payment Agreement as the same may be amended by written agreement of the parties with the consent of the Holder of the Bonds as provided in Section 4.02 hereof.

“Principal Payment Date” means each October 1 upon which the principal of any Bond is due and payable (whether at maturity or upon sinking fund redemption).

“Property” means the multi-family rental housing complex, including the sites thereof, located in Fairfax County, Virginia (the “Property”), identified in the Purchase Contracts, that the County acquired from the seller with proceeds of the 2007B Notes to further the mutual goal of the County and the Authority of preserving existing affordable housing in the County.

“Purchaser” means the underwriter or underwriters that shall have purchased the Bonds pursuant to a negotiated sale and shall receive delivery of the Bonds from the Authority on the date hereof.

“Purchase Contracts” means the Agreements of Purchase and Sale made and entered into as of the 4th day of October, 2007 between the County, as purchaser, and the seller named therein, pursuant to which the County purchased the Property from the seller.

“2007B Notes” means the \$105,485,000 Fairfax County Redevelopment and Housing Authority Bond Anticipation Notes (Affordable Housing Acquisition), Series 2007B, dated November 28, 2007, issued for the purpose of providing a portion of the purchase price of the Property.

“2008B Notes” means the \$104,105,000 Fairfax County Redevelopment and Housing Authority Bond Anticipation Notes (Affordable Housing Acquisition), Series 2008B, dated October 6, 2008, issued for the purpose of paying the principal of the 2007B Notes.

“2009 Bonds” means the \$94,950,000 Fairfax County Redevelopment and Housing Authority Revenue Bonds (Affordable Housing Acquisition) Series 2009, dated August 20, 2009, issued for the purpose of paying the principal of the 2008B Notes.

## **SECTION II. ISSUANCE OF THE BONDS BY THE AUTHORITY**

Section 2.01. Issuance of the Bonds. The Authority agrees to issue the Bonds on or before \_\_\_\_\_, 2019. The Purchaser has agreed to buy the Bonds from the Authority on \_\_\_\_\_, 2019.

Section 2.02. Purpose for the Issuance of the Bonds. The Authority agrees to apply the proceeds of the Bonds to refund certain outstanding 2009 Bonds and to pay for certain costs of issuance of the Bonds, all as approved by the County, and for no other purpose.

## **SECTION III. PAYMENT UNDERTAKING BY THE COUNTY**

Section 3.01. County Payments and Bond Debt Service Payments. (a) The County hereby agrees to make County Payments on each Bond Payment Date as set forth on **Exhibit A** hereto subject to the provisions of Sections 3.02 and 3.03 below.

(b) the County may, at its option, prepay the County Payments in whole or in part on less than forty-five (45) days’ written notice to the Authority accompanied by a specific direction to the Authority to apply such prepayment to the redemption of the Bonds in accordance with their terms. Upon such redemption, the Authority shall credit the principal amount of the Bonds so redeemed against the County Payments and reduce the remaining County Payments otherwise payable in an amount equal to the sum of (x) the principal amount of the Bonds redeemed, (y) the interest on the Bonds so redeemed and (z) the interest that would have accrued on such Bonds so redeemed but for such prepayment redemption.

(c) the County will prepay the County Payments in whole or in part at any time on not less than forty-five (45) days’ written notice to the Authority upon the extraordinary

mandatory redemption of Bonds (“Extraordinary Mandatory Redemption”) in whole or in part upon the sale by the County of all or any portion of the Property. Upon the sale of a portion of the Property the Bonds to be redeemed shall be the pro rata portion of the Bonds (rounded up to the next \$5,000 increment) allocable to that portion of the Property, all in accordance with the terms of the Bonds. Upon such redemption, the Authority shall credit the principal amount of the Bonds so redeemed against the County Payments and reduce the remaining County Payments otherwise payable in an amount equal to the sum of (x) the principal amount of the Bonds redeemed, (y) the interest on the Bonds so redeemed and (z) the interest that would have accrued on such Bonds so redeemed but for such prepayment redemption.

Section 3.02. Payments Subject to Appropriation. The obligation of the County to make the County Payments under this Agreement is contingent upon the appropriation for the applicable fiscal year by the Fairfax County Board of Supervisors of funds from which such County Payments can be made. The County shall not be liable for any County Payments that may be payable pursuant to this Payment Agreement unless and until such funds have been appropriated for payment and then only to the extent thereof. This Payment Agreement shall not constitute a pledge of the full faith and credit of the County or a bond or debt of the County in violation of Section 10 of Article VII of the Constitution of the Commonwealth of Virginia.

Section 3.03. County Executive to Request Appropriations.

The Board of Supervisors of the County covenants that it will cause the County Executive in preparing the County’s operating budget for each fiscal year subsequent to fiscal year 2019 so long as the Bonds remain outstanding under the Authority’s bond resolution passed by the Authority on July \_\_, 2019 (the “Authority Bond Resolution”) to include as a separate line item therein the debt service on the Bonds that is scheduled to become due and payable during such fiscal year for which the budget is proposed. In the alternative, the County Executive may include in a line item in the County’s operating budget the debt service on the Bonds that is scheduled to become due and payable during such fiscal year together with other amounts due and payable by the County during such fiscal year under similar arrangements for other projects.

Section 3.04. Consent to Assignment. The County hereby agrees that the Authority shall assign to the bond registrar and paying agent of the Bonds the Authority’s rights under this Payment Agreement, including the Authority’s rights to receive County Payments under and to enforce the terms and provisions of this Payment Agreement.

**SECTION IV. MISCELLANEOUS**

Section 4.01. Third Party Beneficiaries. This Payment Agreement shall inure to the benefit of the Authority, the County and the Holder of the Bonds, and no other persons shall be deemed third party beneficiaries of this Payment Agreement.

Section 4.02. Amendments. This Agreement may be amended or any of its terms modified only by a written document authorized, executed and delivered by the Authority and the County with the prior written consent of the Holder of the Bonds.

Section 4.03. Effective Date. This Agreement shall take effect immediately upon its execution and delivery.

Section 4.04. Termination. This Agreement shall terminate upon the earlier of the retirement and the defeasance of the Bonds.

Section 4.05. Counterparts. This Agreement may be executed in one or more counterparts and when each party hereto has executed at least one counterpart, this Agreement shall become binding on both parties and such counterparts shall be deemed to be one and the same document.

Section 4.06. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

[The rest of this page is left blank intentionally]

IN WITNESS WHEREOF, the Authority and the County have caused this Agreement to be executed by their respective duly authorized officers, all as of the date and year first written above.

**FAIRFAX COUNTY REDEVELOPMENT AND  
HOUSING AUTHORITY**

By: \_\_\_\_\_  
Chairman

[SEAL]

ATTEST:

By: \_\_\_\_\_  
Assistant Secretary

**BOARD OF SUPERVISORS OF  
FAIRFAX COUNTY, VIRGINIA**

By: \_\_\_\_\_  
County Executive

[SEAL]

ATTEST:

By: \_\_\_\_\_  
Clerk to the Board of Supervisors

**Exhibit A**

County Payments

<u>County Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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County  
Payment Date

Principal

Interest

Total

**ASSIGNMENT AGREEMENT  
(Wedgewood Affordable Housing Acquisition)**

THIS ASSIGNMENT AGREEMENT (this “**Assignment**”) is made as of \_\_\_\_\_, 2019, from the FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia, as assignor (the “**Assignor**”) to the Director of the Department of Finance of Fairfax County, as bond registrar and paying agent of the \$\_\_\_\_\_ Fairfax County Redevelopment and Housing Authority Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition) Series 2019 (the “**Assignee**”).

**RECITALS**

The Assignor and Fairfax County, Virginia (the “**County**”) have entered into a Payment Agreement, dated as of \_\_\_\_\_, 2019 (the “**Payment Agreement**”), between the County and the Assignor pursuant to the terms of which the County will agree to make payments to the Assignor in sufficient amounts for the Assignor to pay timely the interest and the principal of the \$\_\_\_\_\_,\_\_\_\_\_,000 Fairfax County Redevelopment and Housing Authority Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition) Series 2019 (the “**Bonds**”). The Bonds are being issued to provide funds, together with other funds, sufficient to refund (i) certain outstanding Fairfax County Redevelopment and Housing Authority Revenue Bonds (Affordable Housing Acquisition) Series 2009 issued to pay the outstanding principal amount of the \$104,105,000 Fairfax County Redevelopment and Housing Authority Bond Anticipation Notes (Affordable Housing Acquisition) Series 2008B due on October 1, 2009, the proceeds of which were applied to pay the principal amount of bond anticipation notes issued in November, 2007, the proceeds of which were used by the County to pay a portion of the purchase price of the 424-unit Wedgewood West Apartments multi-family rental housing complex, including the approximately 21.9-acre site thereof, the 123-unit Wedgewood East Apartments multi-family rental housing complex, including the approximately 6.9-acre site thereof and the 125-unit Wedgewood Manor Apartments multi-family rental housing complex, including the approximately 6.0-acre site thereof all located in Annandale, Virginia and (ii) certain costs of issuance of the Bonds. The Assignor has agreed to assign to the Assignee for the benefit of the owners of the Bonds all of its right, title and interest in and to the Payment Agreement including the Assignor’s right to receive payments and to conform and enforce the provisions of the Payment Agreement.

Unless otherwise defined in this Assignment, all capitalized terms used in this Assignment shall have the same meanings as set forth in the Payment Agreement.

**AGREEMENT**

NOW, THEREFORE, for and in consideration of the premises and One Dollar (\$1) paid by the Assignee, the Assignor hereby conveys, transfers and assigns unto Assignee, its successors and assigns, for the benefit of the owners of the Bonds, all the rights, interest and privileges that Assignor has and may have in the Payment Agreement, including all payments or money due and becoming due therefrom.

This Assignment is made as additional security for the payment of the principal of and interest on the Bonds and all other payments required by, and the performance of the County's and the Assignor's obligations under, the Bonds and the Payment Agreement. Notwithstanding anything contained herein to the contrary, this Assignment is intended to be an absolute assignment from the Assignor to the Assignee of County Payments and not merely a granting of a security interest.

The acceptance of this Assignment and the collection of County Payments under the Payment Agreement hereby assigned shall not constitute a waiver of any rights of the Assignee under the terms of the Bonds, the Payment Agreement or any other agreement or instrument executed in connection therewith. The Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by the Assignor under the Payment Agreement.

The Assignor covenants and represents that no other assignment of any interest in the County Payments assigned has been made, and that Assignor will not hereafter amend, alter, modify, cancel, surrender or terminate the Payment Agreement, exercise any option which might lead to any such amendment, alteration, modification, cancellation, surrender or termination or consent to the release of the County thereunder without the prior written consent of Assignee.

The Assignor hereby authorizes and directs the County to make all payments due under the Payment Agreement directly to the Assignee.

The full performance of the Bonds and the Payment Agreement shall render this Assignment void.

The net proceeds collected by the Assignee under the terms of this instrument shall be applied in reduction of the entire indebtedness from time to time unpaid on the Bonds.

This Assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns.

IN WITNESS WHEREOF, the Assignor has executed this Assignment Agreement as of the date first written above.

FAIRFAX COUNTY REDEVELOPMENT AND  
HOUSING AUTHORITY

By: \_\_\_\_\_  
Chairman

[SIGNATURE PAGE TO ASSIGNMENT AGREEMENT]

COUNTY ACKNOWLEDGEMENT:

Fairfax County, Virginia, as obligor under the aforementioned Payment Agreement, hereby acknowledges and accepts the foregoing Assignment Agreement, as executed and delivered by the Assignor.

FAIRFAX COUNTY, VIRGINIA

By: \_\_\_\_\_

County Executive

[COUNTY ACKNOWLEDGMENT PAGE TO ASSIGNMENT AGREEMENT]

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**LEASE AGREEMENT**

**Between**

**BOARD OF SUPERVISORS OF  
FAIRFAX COUNTY, VIRGINIA**

**Landlord,**

**and**

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**

**Tenant.**

**relating to**

**WEDGEWOOD AFFORDABLE HOUSING ACQUISITION**

\_\_\_\_\_

---

Dated as of \_\_\_\_\_, 2019

## LEASE AGREEMENT

**LEASE AGREEMENT**, dated as of \_\_\_\_\_, 2019 (this “Lease”), by and between the **BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia and having its principal office at 12000 Government Center Parkway, Fairfax, Virginia (the “County”) and the **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia and having its principal office at 3700 Pender Drive, Suite 300, Fairfax, Virginia (the “Authority”).

### W I T N E S S E T H:

**WHEREAS**, simultaneously with the execution and delivery of this Lease, the Authority has issued its \$ \_\_\_\_\_ Fairfax County Redevelopment and Housing Authority Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition) Series 2019 (the “**Bonds**”), which are sufficient to refund (i) [certain] outstanding maturities (the “**Refunded Bonds**”) of the Fairfax County Redevelopment and Housing Authority Revenue Bonds (Affordable Housing Acquisition) Series 2009 (the “Series 2009 Bonds”), which were issued to pay the outstanding principal amount of the \$104,105,000 Fairfax County Redevelopment and Housing Authority Bond Anticipation Notes due on October 1, 2009, the proceeds of which were used to pay the principal amount of bond anticipation notes issued in November, 2007, the proceeds of which were used by the County to pay a portion of the purchase price of a multi-family rental housing complex comprised of the 424-unit Wedgewood West Apartments, including its site of approximately 21.9 acres, the 123-unit Wedgewood East Apartments, including its site of approximately 6.9 acres, and the 125-unit Wedgewood Manor Apartments, including its site of approximately 6.0 acres, all located in Annandale, Virginia (collectively, the “**Property**”) and (ii) certain costs of issuance of the Bonds; and

[**WHEREAS**, certain maturities of the 2009 Bonds will remain outstanding after the issuance of the Bonds; and]

**WHEREAS**, both the County and Authority desire to amend and restate the lease agreement dated as of August 20, 2009, by and between the County and the Authority, relating to the Property entered into upon the issuance of the 2009 Bonds;

**WHEREAS**, simultaneously with the execution and delivery of this Lease, the Authority has partially prepaid the rent due under this Lease by making available the proceeds of the Bonds, together with other funds and has caused the proceeds to be applied to the refunding of the Refunded Bonds; and

**WHEREAS**, simultaneously with the execution and delivery of this Lease, the parties will also enter into a Payment Agreement of even date (the “**Payment Agreement**”) by the terms of which the County will agree to make payments to the Authority in amounts sufficient for the Authority to pay timely debt service on the Bonds and the Authority, with the consent of the County, will assign its rights under the Payment Agreement to the Director of Finance for Fairfax County, as bond registrar and paying agent for the benefit of the holders of the Bonds;

**NOW, THEREFORE**, in consideration of the mutual promises contained herein and the sum of Ten Dollars (\$10) paid by the Authority to the County and receipt of which is hereby acknowledged by the County, the County hereby leases to the Authority the Property, which is hereinafter identified generally and includes the parcel of land described in Exhibit A to this Lease and all improvements thereon, as the same may at any time exist, subject to encumbrances specified in **Exhibit B** to this lease and subject to the following terms and conditions:

1. **Term of Lease.** The term of this Lease commences on \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), and expires on \_\_\_\_\_ 1, 20\_\_. This Lease terminates and replaces the Lease Agreement between the County and the Authority relating to the Property, dated as of August 20, 2009.

2. **Rent.** The County agrees to lease the Property to the Authority for a rental equal to the proceeds of the Bonds, and an annual amount payable by the Authority to the County from the net income derived from the operation of the Property fifteen business days prior to each October 1, commencing on October 1, 2019, and ending on October 1, \_\_\_\_\_, or on any earlier date agreed to by the County and the Authority if this Lease is terminated pursuant to Section 6 hereof.

3. **Purposes for which Property May Be Used.** The Property that is subject to this Lease may be used and occupied, and shall be operated and managed by the Authority, solely for purposes authorized by and in accordance with the provisions of the Housing Authorities Law, Chapter 1, Title 36, of the Code of Virginia of 1950, as amended (the “**Enabling Act**”). To that end, the Authority hereby covenants to implement and comply with the terms of the resolution adopted by the Commissioners of the Authority on November 1, 2007 (as such resolution may be amended from time to time), with respect to the income limits applicable to tenants of the Property and the requirement that the Property be operated and maintained as a “residential building” within the meaning of the Enabling Act.

4. **Compliance with All Laws, Rules and Regulations.** The parties hereto represent that each will comply with all applicable, binding laws, rules and regulations, whether federal, Commonwealth of Virginia or County, relating to the use and occupancy of the Property.

5. **Nonassignability.** This Lease shall not be assigned by either party without the prior written approval of the other party.

6. **Termination.** This Lease may be terminated by the County, at its option, at any time prior to the expiration date after payment, or provision for payment, in full of the principal of and redemption premium, if any, and interest on the Bonds.

7. **Release of a Portion of the Property.** Notwithstanding any other provisions of this Lease, the parties hereto reserve the right at any time and from time to time to amend this Lease and the leasehold estate created hereby to release (i) any portion of the Property, provided the Director of Public Works of the County or any person holding the highest rated engineering position held by the County or an independent engineer or engineering firm if so designated by the Board of Supervisors of the County provides a certificate not more than sixty (60) days prior to the date of the proposed release which states such release will not adversely affect the utility

of the Property as a multi-family rental housing facility, (ii) any unimproved part of the Property, (iii) any part of the Property with respect to which the County proposes to grant an easement or convey fee title to a public utility or public body in order that utility services or roads or other services may be provided for the Property or (iv) any portion of the Property pursuant to a sale of such portion of the Property, provided that the portion of the Bonds issued allocable to such portion of the Property sold are redeemed with the proceeds of such sale; provided further that, if at the time such amendment is made any portion of the Bonds is outstanding there shall be deposited with the bond registrar and paying agent of the Bonds the following:

- (a) A copy of the said amendment as executed;
- (b) A resolution of the Board of Supervisors of the County (i) stating that the County is not in default under any of the provisions of this Lease or the Payment Agreement and the Authority is not to the knowledge of the County in default under any provisions of this Lease or the Payment Agreement, (ii) giving an adequate legal description of that portion of the Property to be released, (iii) stating the purpose for which the County desires the release and (iv) stating approval of the amendment;
- (c) A certificate showing that the Authority has approved such amendment and stating the Authority is not in default under any provisions of this Lease or the Payment Agreement; and
- (d) An opinion of Bond Counsel to the effect that the release of the Property will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

8. **Surrender of Property.** On the expiration date or upon earlier termination of this Lease, the Authority shall quietly and peaceably surrender the Property to the County. The County waives any right to recover from the Authority for any unrepaired damage to the Property upon such surrender.

9. **Limitation of Liability of the Authority.** The obligations of the Authority hereunder are not general obligations of the Authority but are limited obligations payable solely from the proceeds of the Bonds and certain income derived from the operation of the Property..

10. **Limitation of Personal Liability.** No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of any present or future supervisor, commissioner, officer, employee or agent of the County or the Authority in his or her individual capacity, nor shall any supervisor, commissioner, officer, employee or agent of the County or the Authority incur any personal liability with respect to any other action pursuant to this Lease, provided such supervisor, commissioner, officer, employee or agent acts in good faith.

11. **Insurance.** Insurance for the Property will be maintained by the parties for each year that this Lease is effective in accordance with **Exhibit C**.

12. **Governing Law.** The laws of the Commonwealth of Virginia shall govern the validity, interpretation, construction, and performance of this Lease.

13. **Amendments.** This Lease shall not be amended, changed or modified except by a written instrument duly executed by the parties hereto.

14. **Severability.** If any provision of this Lease is declared to be invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

[The rest of this page has been intentionally left blank]

**IN WITNESS WHEREOF**, the parties have executed this Lease under seal as of the day and year first written above.

[SEAL]

**BOARD OF SUPERVISORS OF  
FAIRFAX COUNTY, VIRGINIA**

ATTEST:

\_\_\_\_\_  
Clerk

By: \_\_\_\_\_  
County Executive

[SEAL]

**FAIRFAX COUNTY REDEVELOPMENT  
AND HOUSING AUTHORITY**

ATTEST:

\_\_\_\_\_  
Assistant Secretary

By: \_\_\_\_\_  
Chairman

**Exhibit A**

**LEGAL DESCRIPTION**

Property To Be Leased By

Board of Supervisors of  
Fairfax County, Virginia

to

Fairfax County Redevelopment and  
Housing Authority

**Exhibit B**

**PERMITTED ENCUMBRANCES**

**“Permitted Encumbrances”** shall mean, as of any particular time:

**INSURANCE**

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement, dated \_\_, 2019, is executed and delivered by Fairfax County, Virginia (the “County”) in connection with the issuance by the Fairfax County Redevelopment and Housing Authority (“FCRHA”) of its \$\_\_\_\_\_ Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition) Series 2019 (the “Bonds”) issued pursuant to the provisions of a resolution adopted on July \_\_, 2019 by FCRHA. The proceeds of the Bonds are being used to provide funds, which together with other funds, are sufficient to (i) refund [certain] outstanding maturities of the Fairfax County Redevelopment and Housing Authority Revenue Bonds (Affordable Housing Acquisition) Series 2009 (the “Refunded Bonds”) which were issued to pay the outstanding principal amount of the \$104,105,000 Fairfax County Redevelopment and Housing Authority Bond Anticipation Notes (Affordable Housing Acquisition) Series 2008B, the proceeds of which were used to pay the principal amount of bond anticipation notes issued in November 2007, to pay a portion of the payment price of a multi-family rental housing facility and (ii) pay certain costs of issuance of the Bonds. The County hereby covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the County acting on behalf of itself and the Authority, for the benefit of the holders of the Bonds and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). Under the Rule, the County is an “obligated person.” The County acknowledges that it is undertaking responsibility for any reports, notices or disclosures that may be required under this Disclosure Agreement.

**SECTION 2. Definitions.** In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Dissemination Agent” shall mean the County, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

“Filing Date” shall have the meaning given to such term in Section 3(a) hereof.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the twelve month period at the end of which financial position and results of operations are determined. Currently, the County’s Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

“Holder” or “holder” shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of the Bonds.

“Listed Events” shall mean any of the events listed in subsection (b)(5)(i)(C) of the Rule, which are as follows:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults; if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 570-TEB) or other material notices or determinations with respect to or events affecting the tax status of the Bonds;
- (7) modifications to rights of holders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the County;
- (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional paying agent or the change of name of a paying agent, if material;
- (15) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the County in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County, and (b) the County intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section 2 to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

“MSRB” means the Municipal Securities Rulemaking Board.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of such Bonds.

“Repository” shall mean The Electronic Municipal Market Access (“EMMA”) system administered by the Municipal Securities Rulemaking Board. EMMA is recognized as a National Repository for purposes of the Rule.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### SECTION 3. Provision of Annual Reports.

A. The County shall, or shall cause the Dissemination Agent to, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Such Annual Report shall be filed on a date (the “Filing Date”) that is not later than March 31 after the end of any Fiscal Year (commencing with its Fiscal Year ending June 30, 2019). Not later than ten (10) days prior to the Filing Date, the County shall provide the Annual Report to the Dissemination Agent (if applicable). In such case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement, and (iii) shall include the County’s audited financial statements or, if audited financial statements are not available, such unaudited financial statements as may be required by the Rule. In any event, audited financial statements of the County must be submitted, if and when available, together with or separately from the Annual Report.

B. The annual financial statements of the County shall be prepared on the basis of generally accepted accounting principles and will be audited. Copies of the audited annual financial statements, which may be filed separately from the Annual Report, will be filed with the Repository when they become publicly available.

C. If the County fails to provide an Annual Report to the Repository by the date required in subsection (A) hereto or to file its audited annual financial statements with the

Repository when they become publicly available, the County shall send a notice to the Repository in substantially the form attached hereto as Exhibit B.

SECTION 4. Content of Annual Reports. Except as otherwise agreed, any Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, annual financial information relating to the County, including operating data, updating such information relating to the County as described in Exhibit A, all with a view toward assisting the Participating Underwriters in complying with the Rule.

Any or all of such information may be incorporated by reference from other documents, including official statements of securities issues with respect to which the County is an “obligated person” (within the meaning of the Rule), which have been filed with the Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Repository. The County shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. The County will provide within 10 business days to the Repository notice of any of the Listed Events.

SECTION 6. Termination of Reporting Obligation. The County’s obligations under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance and the final retirement of all the Bonds.

SECTION 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement, if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws, to the effect that such amendment is permitted or required by the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. Any person referred to in Section 11 (other than the County) may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to file its Annual Report or to give notice of a Listed Event. The holders of not less than a majority in aggregate principal amount of Bonds

outstanding may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the County hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the Resolution, or the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the County to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

[Remainder Of This Page Intentionally Left Blank]

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Participating Underwriters, and holders from time to time of the Bonds, and shall create no rights in any other person or entity.

FAIRFAX COUNTY, VIRGINIA

By: \_\_\_\_\_  
Chief Financial Officer

**EXHIBIT A**

**CONTENT OF ANNUAL REPORT**

Respecting Fairfax County, Virginia

(a) **Audited Financial Statements of the County.**

(b) **Financial Information.** Updated information concerning General Fund revenues, expenditures, categories of expenditures, fund balances, assessed value of taxable property, tax rates, major taxpayers, and tax levies and collections.

(c) **Debt Information.** Updated information concerning general obligation bonds indebtedness, including bonds authorized and unissued, bonds outstanding, the ratios of debt to the market value of taxable property, debt per capita, and debt service as a percentage of General Fund disbursements.

(d) **Demographic Information.** Updated demographic information respecting the County, such as its population, public school enrollment and per pupil expenditure.

(e) **Economic Information.** Updated economic information respecting the County such as income, employment, unemployment, building permits and taxable sales data.

(f) **Retirement Plans.** Updated information respecting pension and retirement plans for County employees, including a summary of membership, revenues, expenses and actuarial valuation(s) of such plans.

(g) **Contingent Liabilities.** A summary of material litigation and other material contingent liabilities pending against the County.

In general, the foregoing will include information as of the end of the most recent fiscal year or as of the most recent practicable date. Where information for the fiscal year just ended is provided, it may be preliminary and unaudited. Where information has historically been provided for more than a single period, comparable information will in general be provided for the same number of periods where valid and available. Where comparative demographic or economic information for the County and the United States as a whole is contemporaneously available and, in the judgment of the County, informative, such information may be included. Where, in the judgment of the County, an accompanying narrative is required to make data presented not misleading, such narrative will be provided.

**EXHIBIT B**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT  
[AUDITED ANNUAL FINANCIAL STATEMENTS]**

**Re: FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY  
REVENUE REFUNDING BONDS (AFFORDABLE HOUSING ACQUISITION)  
SERIES 2019**

**CUSIP NOS. \_\_\_\_-\_\_\_\_**

Dated: \_\_\_\_\_, 20\_\_

NOTICE IS HEREBY GIVEN that Fairfax County, Virginia, has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 3 of the Continuing Disclosure Agreement, which was entered into in connection with the above-named bonds. [The County anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

FAIRFAX COUNTY, VIRGINIA

By: \_\_\_\_\_  
Title:

**UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.**

R-1

\$ \_\_\_\_\_

United States of America  
Commonwealth of Virginia

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY  
REVENUE REFUNDING BOND (WEDGEWOOD AFFORDABLE HOUSING  
ACQUISITION)  
SERIES 2019

Interest Rate	Maturity Date	Dated Date	CUSIP
_____ %	_____ 1, 20__	_____, 2019	_____

REGISTERED HOLDER: CEDE &amp; CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ MILLION \_ THOUSAND \_\_\_\_\_ HUNDRED  
\_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_)

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY (the “Authority”) for value received, promises to pay, solely from the sources specifically identified herein to the Holder named above the Principal Amount stated above on the Maturity Date and to pay solely from such sources, interest on such Principal Amount on each April 1 and October 1, commencing October 1, 2019, at the rate per annum specified above. This Bond shall bear interest from their Dated Date. The principal and interest so payable on this Bond will be paid to the Holder, at the office of the Director of the Department of Finance of Fairfax County, Virginia as paying agent and bond registrar for this Bond (the “Bond Registrar”), in Fairfax County, Virginia (the “County”). Both the principal of and the interest, calculated on the basis of a 360-day year consisting of twelve 30-day months, on this Bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof. The interest so payable and punctually paid or duly provided for on any interest payment date will, be paid by wire transfer, at the discretion of the Bond Registrar or by check mailed to the person in whose name this Bond is registered at the close of business on the regular record date for such interest, which shall be the March 15 or September 15 (whether or not a business day) next preceding such interest payment

date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such regular record date, and may be paid to the person in whose name this Bond (or any Predecessor Bond) is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Bond Registrar, notice whereof being given by the Bond Registrar by mail to the registered owners not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds of this series may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Resolution (defined below). Such payment of interest shall be by check mailed to the registered owner at such owner's address as it appears on the bond registration books of the County maintained by the Bond Registrar and shall be made in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts.

This Bond and the bonds of the series of which it is one (the "Bonds") are authorized and issued by the Authority pursuant to the Housing Authorities Law, Chapter 1, Title 36, of the Code of Virginia of 1950, as amended, and other applicable law, and a resolution duly adopted by the Authority on \_\_\_\_\_, 2019 (the "Resolution") to provide funds are sufficient to (i) refund certain outstanding maturities Fairfax County Redevelopment and Housing Authority Revenue Bonds (Affordable Housing Acquisition) Series 2009 which were issued to pay the outstanding principal amount of the \$104,105,000 Fairfax County Redevelopment and Housing Authority Bond Anticipation Notes (Affordable Housing Acquisition) Series 2008B due on October 1, 2009, the proceeds of which were used to pay the principal amount of bond anticipation notes issued in November, 2007, the proceeds of which were used by the County to pay a portion of the purchase price of a multi-family rental housing complex comprised of the 424-unit Wedgewood West Apartments, including its site of approximately 21.9 acres, the 123-unit Wedgewood East Apartments, including its site of approximately 6.9 acres, and the 125-unit Wedgewood Manor Apartments, including its site of approximately 6.0 acres, all located in Annandale, Virginia (collectively, the "Property") and (ii) pay certain costs of issuance of the Bonds.

These Bonds are limited obligations of the Authority and payable from payments made under a Payment Agreement, dated as of \_\_\_\_\_, 2019, between the Authority and the County (the "Payment Agreement") pursuant to which the County has agreed to make payments in amounts sufficient to pay the principal of and interest on the Bonds ("County Payments"). The County's obligation to make payments under the Payment Agreement in any fiscal year of the County is subject to and contingent upon the annual appropriation of funds by the Board of Supervisors of the County for such purpose but is otherwise unconditional. In an Assignment Agreement, dated as of \_\_\_\_\_, 2019, the Authority has assigned to the Bond Registrar its rights under the Payment Agreement, including its rights to receive County Payments and its right to enforce the provisions of the Payment Agreement.

THIS BOND AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM REVENUES, RECEIPTS AND SECURITY PLEDGED THEREFOR UNDER THE PAYMENT AGREEMENT. NEITHER THE COMMISSIONERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THIS BOND

SHALL BE LIABLE PERSONALLY ON THIS BOND BY REASON OF THE ISSUANCE THEREOF. THIS BOND SHALL NOT BE A DEBT OF THE COUNTY, THE COMMONWEALTH OF VIRGINIA (THE "COMMONWEALTH") OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY), AND NEITHER THE COUNTY NOR THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY PLEDGED THEREFOR PURSUANT TO THE RESOLUTION AND PAYMENT AGREEMENT. THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

The Bond Registrar shall keep at its office the books for the registration of transfer of the Bonds. The transfer of these Bonds may be registered only upon such books and upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this Bond, of the same series and maturity and bearing interest at the same rate.

The Bonds are issuable in fully registered form in the denomination of \$5,000 or any multiple thereof. At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, bonds may be exchanged for an equal aggregate principal amount of bonds of the same series and maturity, of authorized denominations and bearing interest at the same rate.

The Bonds which mature on or before \_\_\_\_\_ 1, 20\_\_, are not subject to optional redemption before maturity. Bonds which mature after \_\_\_\_\_ 1, 20\_\_, may be redeemed, at the option of the Authority, before their respective maturities on any date not earlier than \_\_\_\_\_ 1, 20\_\_, in whole or in part (in integral multiples of \$5,000), upon payment of the redemption price of par plus accrued interest to the redemption date.

The Bonds maturing on \_\_\_\_\_ 1, 20\_\_, and \_\_\_\_\_ 1, 20\_\_, are required to be redeemed on in accordance with the sinking fund requirements set forth below. Such redemption shall be at the principal amount set forth below, plus accrued interest to the redemption date, and without premium:

<u>          1</u>	<u>Principal Amount</u>	<u>          1</u>	<u>Principal Amount</u>
20__	\$	20__	\$
20__		20__	
20__*		20__*	

\* Final Maturity

The Bonds are also subject to extraordinary mandatory redemption ("Extraordinary Mandatory Redemption") in whole or in part (in integral multiples of \$5,000) on any date after \_\_\_\_\_, 20\_\_, at a redemption price equal to the principal amount redeemed thereof, together with the interest accrued to the redemption date on the principal amount to be redeemed, within six months from the date of the sale by the County of all or any portion of the Property. Upon the sale of a portion of the Property, the Bonds to be redeemed shall be the pro rata portion of the Bonds (such portion to be rounded up to the next \$5,000 increment) allocable to that portion of the Property.

[If less than all of the Bonds of any one maturity shall be called for Extraordinary Mandatory Redemption, the particular Bonds or portions of Bonds of such maturities to be redeemed shall be selected pursuant to a pro-rata allocation; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Bond Registrar shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If less than all of the Bonds of any one maturity shall be called for optional redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Bond Registrar shall treat each Bond as representing that number of bonds which is obtained by dividing the principal amount of such bond by \$5,000.]

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any bonds to be redeemed, whether such redemption be in whole or in part, the Authority shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each bond to be redeemed in whole or in part at his address appearing upon the registration books of the Bond Registrar, but failure to mail such notice or any defect therein shall not affect the validity of the redemption. If a portion of this Bond shall be called for redemption, a new bond or bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner hereof or his legal representative upon the surrender hereof.

Any notice of optional redemption of the Bonds may state that it is conditioned upon there being available an amount of money sufficient to pay the redemption price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price if any such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit with the Bond Registrar, the corresponding notice of redemption shall be deemed to be revoked.

If the Authority causes the Bond Registrar to give an unconditional notice of redemption, then on the redemption date the Bonds called for redemption will become due and payable. If the Authority causes the Bond Registrar to give a conditional notice of redemption, and the amount of money to pay the redemption price of the affected Bonds shall have been set aside with the Trustee or a depository (either, a "depository") for the purpose of paying such Bonds, then on the redemption date the Bonds will become due and payable. In either case, if on the

redemption date the Bond Registrar holds sufficient money to pay the Bonds called for redemption, thereafter no interest will accrue on those Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Bonds.

Modifications or alterations of the Payment Agreement may be made only to the extent and in the circumstances permitted therein.

This Bonds is issued with the intent that the laws of the Commonwealth of Virginia shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of the Bonds have happened, exist and have been performed as so required.

The Bonds shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution or Payment Agreement until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Fairfax County Redevelopment and Housing Authority has caused this Bond to be executed by the facsimile or manual signature of its Chairman, Vice-Chairman, Executive Director or Deputy Executive Director, its seal to be affixed on this Bond and attested by the facsimile or manual signature of its Assistant Secretary.

FAIRFAX COUNTY REDEVELOPMENT AND  
HOUSING AUTHORITY

By: \_\_\_\_\_  
Chairman,  
Fairfax County Redevelopment and Housing  
Authority

ATTEST:

By: \_\_\_\_\_  
Assistant Secretary,  
Fairfax County Redevelopment and Housing Authority

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds issued pursuant to the within-mentioned Resolution.

**Director of the Department of Finance of  
Fairfax County, Virginia, as Bond Registrar**

By \_\_\_\_\_  
Authorized Signature

Date of authentication:

\_\_\_\_\_, 2019

## ASSIGNMENT

**FOR VALUE RECEIVED**, the undersigned registered owner hereby sells, assigns and transfers unto

Please insert social security or  
other identifying number of assignee

\_\_\_\_\_  
\_\_\_\_\_

(Please Print or Typewrite Name and Address of Transferee)

the within bond, and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to register the transfer of the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed\* by: \_\_\_\_\_

\*Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Bond Registrar which requirements will include membership or participation in STAMP or such other “signature guarantee program” as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

**BOND PURCHASE AGREEMENT**

**\$ \_\_\_\_\_**  
**FAIRFAX COUNTY (VIRGINIA) REDEVELOPMENT AND HOUSING AUTHORITY**  
**REVENUE REFUNDING BONDS**  
**(WEDGEWOOD AFFORDABLE HOUSING ACQUISITION)**  
**SERIES 2019**

\_\_\_\_\_, 2019

Fairfax County Redevelopment and Housing Authority  
3700 Pender Dr., Suite 300  
Fairfax, Virginia 22030

The undersigned, \_\_\_\_\_ (the “Representative”), on its own behalf and on behalf of [\_\_\_\_\_] and [\_\_\_\_\_] (collectively, the “Underwriters” and each an “Underwriter”), hereby agrees to purchase the above-captioned bonds (the “Bonds”) from the Fairfax County Redevelopment and Housing Authority (the “Authority”) pursuant to the terms and conditions of this Bond Purchase Agreement (this “Agreement”).

The Bonds are to be authorized and issued pursuant to the Constitution and laws of the Commonwealth of Virginia (the “Commonwealth”), including the Housing Authorities Law, Chapter 1, Title 36, of the Code of Virginia of 1950 (the “Enabling Act”), and a resolution duly adopted by the Authority on \_\_\_\_\_, 2019 (the “Authority Resolution”). The Board of Supervisors of Fairfax County, Virginia (the “Board of Supervisors”), requested that the Authority issue the Bonds pursuant to a resolution adopted on \_\_\_\_\_, 2019 (the “County Resolution”). Proceeds of the Bonds are to be deposited under an Escrow Deposit Agreement, dated as of \_\_\_\_\_, 2019, between the Authority and U. S. Bank National Association, as Escrow Agent (the “Escrow Deposit Agreement”), and used to defease [certain of] the outstanding Revenue Bonds (Affordable Housing Acquisition), Series 2009 (the “Series 2009 Bonds”) issued by the Authority.

This offer is made subject to (i) the acceptance hereof by the Authority and the approval hereof by Fairfax County, Virginia (the “County”), evidenced by each party’s execution and delivery (manually or by facsimile or electronic (PDF) transmission) of this Agreement (or the signature page) to the Representative or counsel to the Underwriters, at or prior to 11:00 p.m., Eastern Time, today, and (ii) receipt by the Underwriters at or prior to 11:00 p.m., Eastern Time, today, of the Letter of Representation of the County (the “Letter of Representation”) substantially in the form attached hereto as Exhibit B, which must be duly executed and delivered by an authorized official of the County, evidenced as in the case of the execution and delivery of this Agreement. If not so accepted, this offer shall expire upon written notice sent by the Representative to the Authority or the County at any time prior to acceptance.

Capitalized terms used in this Agreement and not otherwise defined shall have the meanings ascribed to them in the Preliminary Official Statement (as defined herein).

**Section 1. Offer and Sale of the Bonds; Public Offering; Good Faith Deposit**

(a) On the basis of the representations, warranties, covenants and agreements contained in this Agreement (including the Letter of Representation), and in the other agreements referred to herein, and subject to the terms and conditions described in this Agreement, the Underwriters agree, jointly and severally, to purchase all, but not less than all, the Bonds for the sum of \$\_\_\_\_\_, representing the aggregate principal amount of the Bonds (\$\_\_\_\_\_), plus net original issue premium of \$\_\_\_\_\_, less an underwriting discount of \$\_\_\_\_\_.

The Bonds shall be dated their date of issuance and shall be payable as to principal and interest in years and amounts and at rates as shown on Exhibit A.

(b) The Underwriters acknowledge that neither the County nor the Authority has authorized or consented to any of the following:

(i) the sale of the Bonds to any purchaser in connection with the initial public offering of the Bonds unless a copy of the Official Statement (as defined herein) is delivered to such purchaser not later than the settlement of such transaction;

(ii) the offer or sale of Bonds in any jurisdiction where any such offer or sale would be in violation of such jurisdiction's securities or "Blue Sky" laws;

(iii) making any representations or providing any information to prospective purchasers of the Bonds in connection with the offering and sale of the Bonds other than the information set forth in the Preliminary Official Statement, the Official Statement and any amendment thereto approved in writing by the County and the Authority; or

(iv) any actions in connection with the offering and sale of the Bonds in violation of applicable requirements of federal and state securities laws and any applicable requirements of the Municipal Securities Rulemaking Board ("MSRB") or the Financial Industry Regulatory Authority. The Underwriters agree that in their offering of the Bonds they will comply with the applicable rules of the MSRB.

(c) On the date hereof, the sum of \$\_\_\_\_\_ being payment in good faith on account of the purchase price of the Bonds (collectively, the "Good Faith Deposit"), shall be delivered by wire transfer from the Underwriters to the account identified by the County. The Good Faith Deposit represents approximately 1% of the aggregate principal amount of the Bonds provided in the Preliminary Official Statement. If the Authority does not accept this offer, such Good Faith Deposit shall be immediately returned to the Underwriters by wire transfer to the account designated by the Underwriters. If the Underwriters fail (other than for a reason permitted herein) to accept and pay for the Bonds on the Closing Date (as defined herein) as herein provided, the amount of such Good Faith Deposit plus any interest earned thereon shall be retained by the Authority as and for liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters, and such retention shall constitute a full release and discharge of all claims by the Authority and the County against the Underwriters arising out of the transactions contemplated hereby. In the event of the Authority's failure to tender delivery of the Bonds on the Closing Date, or if the Authority or the County shall be unable to satisfy the

conditions to the obligations of the Underwriters contained herein (unless such conditions are waived by the Underwriters), or if the obligations of the Underwriters shall be terminated for any reason permitted herein, the Authority shall immediately return to the Underwriters the Good Faith Deposit, plus any interest earned by the Authority on said sum from the date hereof to the date of return of the Good Faith Deposit, by wire transfer of immediately available funds.

***Section 2. Establishment of Issue Price of Bonds***

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Bond Counsel.

(b) The Representative confirms that the Underwriters have offered all of the Bonds to the public on or before the date hereof for purchase at the offering price or prices set forth in Exhibit A attached hereto (the “initial offering price”).

(c) The Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply to each maturity of the Bonds, which will allow the Authority to treat the initial offering price to the public of each maturity of the Bonds as of the date hereof as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell any Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the date hereof and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the date hereof; and
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the Authority when the Underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the date hereof.

Initial disclosure of maturities that have met the 10% test will be made after the signing of the Bond Purchase Agreement, at the earlier of (1) all tickets having been entered by the Representative, and (2) 5:00 p.m. on \_\_\_\_\_, 2019.

The Authority acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to

comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or a dealer that is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, and that no Underwriter shall be liable for the failure of any other Underwriter or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) to comply with the hold-the-offering-price rule in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, (B) to promptly notify the Representative of any sale of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer, or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer, or broker-dealer is a sale to the public, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to comply with the hold-the-offering-price rule if and for so long as directed by the Representative or the Underwriter or dealer and as set forth in the related pricing wires.

(e) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “maturity” means Bonds with the same credit and payment terms; Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate maturities,

(ii) “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,

(iii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public), and

(iv) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

### ***Section 3. Official Statement***

The Authority hereby deems the Preliminary Official Statement, dated \_\_\_\_\_, 2019, relating to the Bonds (the “Preliminary Official Statement”), to be final as of its date within the meaning of Rule 15c2-12 (“Rule 15c2-12”) of the Securities and Exchange Commission (the “SEC”), except for the omission of pricing and other information allowed to be omitted pursuant to Rule 15c2-12. The Authority will take all proper steps to complete the Preliminary Official Statement as an Official Statement in final form, including the completion of all information required pursuant to Rule 15c2-12 (the “Official Statement”). The execution of the Official Statement in final form by the Authority’s Chairman or Vice Chairman shall be conclusive evidence that the Authority has deemed it final as of its date. The Authority shall arrange for the delivery within seven business days of the date hereof and, in any event not later than two business days before the Closing Date, the Official Statement in final form (which need not be manually executed) to the Underwriters for delivery to each potential investor requesting a copy of the Official Statement and to each purchaser to which the Underwriters initially sell the Bonds.

The Underwriters agree that a copy of the Official Statement will be deposited before the “end of the underwriting period” (as defined herein) with the MSRB.

The Authority shall prepare the Official Statement, including any amendments thereto, in word-searchable PDF format as described in MSRB Rule G-32 and shall provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriters no later

than one business day prior to the Closing Date to enable the Underwriters to comply with MSRB Rule G-32.

***Section 4. Authority's Representations, Warranties, Covenants and Agreements***

The Authority hereby represents, warrants, covenants and agrees as follows:

(a) The Authority is, and will be at the Closing Time (as defined herein), (i) a political subdivision of the Commonwealth of Virginia created by the Enabling Act and (ii) authorized to adopt the Authority Resolution and to perform its obligations under the Bonds, the Payment Agreement, dated as of \_\_\_\_\_ 1, 2019, by and between the Authority and the County (the "Payment Agreement"), the Escrow Deposit Agreement, and this Agreement (collectively, the "Authority Documents").

(b) The Authority has complied with all provisions of the Commonwealth's constitution and laws pertaining to the Authority's issuing, adopting or entering into the Authority Documents and has full power and authority to consummate all transactions contemplated by the Authority Documents and the Official Statement and any and all other agreements relating thereto to which the Authority is a party.

(c) As of the date of the Preliminary Official Statement, at the time of the Authority's acceptance of this Agreement and (unless an event occurs of the nature described in Section 4(h) below) at all subsequent times up to and including the Closing Time, the information contained in the Preliminary Official Statement and the Official Statement (except for the information contained under the headings "**THE COUNTY,**" "**THE SERIES 2019 BONDS – Book-Entry Only System**" and "**TAX MATTERS**" and Appendices A, B, C and D) and in any amendment or supplement thereto that the Authority may authorize for use with respect to the Bonds was, is and will be true and correct and did not contain, does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact necessary to make the statements in such document, in the light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to Section 4(h) below, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such Section 4(h)) at all times subsequent thereto up to and including the Closing Time, the Authority shall take all steps necessary to ensure that the Official Statement (excluding the information under the headings "**THE COUNTY,**" "**THE SERIES 2019 BONDS – Book-Entry Only System**" and "**TAX MATTERS**" and Appendices A, B, C and D) as so supplemented or amended does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The Authority has duly adopted and authorized, at one or more public meetings duly called and held at which quorums were present and acting throughout, (i) the distribution and use of the Official Statement; (ii) the adoption or the execution, delivery and due performance of the Authority Documents and any and all such other agreements and documents as may be required to be executed and delivered by the Authority in order to carry out, give effect to and consummate the transactions contemplated by the Authority Documents and by the

Official Statement; and (iii) the carrying out, giving effect to and consummation of the transactions contemplated by the Authority Documents and the Official Statement. Upon the Closing Date, the Authority shall have duly adopted or authorized, executed and delivered each Authority Document and the Official Statement.

(e) Except as and to the extent described in the Preliminary Official Statement and the Official Statement, there is no action, proceeding or investigation before or by any court or other public body pending or, to the Authority's knowledge, threatened against or affecting the Authority or any Authority officer or employee in an official capacity (or, to the Authority's knowledge, any basis therefor), wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the transactions contemplated or described herein or in the Official Statement, or the validity of the Authority Documents or of any other agreement or instrument to which the Authority is or is expected to be a party and which is used or contemplated for use in the consummation of the transactions contemplated or described herein or in or by the Official Statement, or (ii) the condition of the Authority, financial or otherwise.

(f) The Authority's adoption or execution and delivery of the Authority Documents and other agreements contemplated by the Authority Documents and by the Official Statement, and compliance with the provisions thereof, will not constitute on the Authority's part a breach of or a default under any existing law, court or administrative regulation, decree or order or any contract, agreement, loan or other instrument to which the Authority is subject or by which the Authority is or may be bound. No event has occurred or is continuing that, with the lapse of time or the giving of notice, or both, would constitute an event of default under any such agreement, including the Authority Documents.

(g) The Authority will not take or omit to take any action the taking or omission of which will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as described in the Official Statement and as permitted by the Authority Resolution or the Authority Documents or that would cause the interest on the Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes or for Commonwealth income tax purposes.

(h) If between the date of this Agreement and the date that is 25 days after the "end of the underwriting period," as defined below, any event shall occur that might or would cause the Official Statement, as then supplemented or amended (except for the information related to book-entry only), to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall promptly notify the Underwriters and the County. If, in the opinion of the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority shall at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriters.

The "end of the underwriting period" is the time that is the later of (i) the Closing Time and (ii) the time the Underwriters do not retain, directly or as members of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriters shall

otherwise advise the Authority in writing prior to the Closing Date, the Authority may assume that the end of the underwriting period is the Closing Time.

(i) The Authority is not required to obtain any further consent, approval, authorization or order of any governmental or regulatory authority as a condition precedent to its adoption or authorization, execution and delivery of the Bonds, the Authority Documents or the Official Statement, or the Authority's performance hereunder and thereunder (provided no representation or warranty is expressed as to any action required under federal or state securities or Blue Sky laws in connection with the Underwriters' offers or sales of the Bonds).

(j) Any certificate signed by any Authority officer and delivered to the Underwriters shall be deemed a representation and warranty by the Authority to the Underwriters as to the statements made therein.

(k) The Authority agrees to take all reasonable steps as requested to cooperate with the Underwriters and their counsel in order to qualify the Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriters may request, provided that the Authority need not consent to jurisdiction or service of process in any jurisdiction other than the Commonwealth.

(l) The Authority has never defaulted in the payment of the principal of or interest on any indebtedness, and has not exercised any rights of nonappropriation or similar rights. No proceedings have ever been taken, are being taken, or are contemplated by the Authority under the United States Bankruptcy Code or under any similar law or statute of the United States or the Commonwealth.

(m) Other than as described in the Official Statement, the Authority has not entered into any contract or arrangement of any kind that might give rise to any lien or encumbrance on the payments to be received by the Authority from the County pursuant to the Installment Purchase Contract.

### ***Section 5. Delivery of Bonds***

The Bonds shall be delivered to the order of the Underwriters through The Depository Trust Company in New York, New York, by 12:00 noon, Eastern Time, on \_\_\_\_\_, 2019, or such other place, time or date as shall be mutually agreed on in writing by the Authority, the County and the Underwriters. Simultaneously, the Underwriters shall make the payments required pursuant to Section 1 above, in immediately available funds, to the County or at its direction. In this Agreement, the date of such delivery and payment is called the "Closing Date," and the time and date of such delivery and payment is called the "Closing Time."

The Bonds shall be delivered in fully registered form, in the form of one Bond for each maturity, bearing CUSIP numbers (provided neither the inclusion of a wrong CUSIP number on any Bond nor the failure to include a number thereon shall constitute cause to refuse delivery of any Bond).

**Section 6.      *Conditions to Underwriters' Obligations***

The Underwriters' obligation hereunder is subject to the following conditions:

(a) The Authority Documents, the County Documents (as defined in the Letter of Representation) and the Official Statement shall have been duly authorized or adopted and shall be in full force and effect, and, if applicable, executed and delivered in the forms heretofore approved by the Underwriters with only such changes as are mutually agreed on by the Authority or the County, as applicable, and the Underwriters.

(b) The performance by the Authority of its obligations and adherence to its covenants hereunder and the performance by the County of its obligations and adherence to its covenants under the Letter of Representation, to have been performed at or prior to the Closing Time.

(c) The representations and warranties contained in this Agreement by the Authority, and the representations and warranties contained in the Letter of Representation by the County, are true, complete and correct today and as of the Closing Time as if made at the Closing Time.

(d) There is no material adverse change in the County's or the Authority's condition (financial or otherwise) between the most recent dates as to which information is given in the Official Statement and the Closing Time, other than as reflected in or contemplated by the Official Statement, and there are at the Closing Time no material transactions or obligations (not in the ordinary course of business) entered into by the Authority or the County after the date of the Official Statement, other than as reflected in or contemplated by the Official Statement.

(e) All necessary approvals, whether legal or administrative, have been obtained from such federal, state and local entities or agencies as are appropriate and are required in connection with the financing.

(f) At the Closing Time, the Underwriters must receive:

(i) Opinions dated the Closing Date of (A) Norton Rose Fulbright US LLP, Bond Counsel, in substantially the form set forth in Appendix C to the Official Statement, and (B) \_\_\_\_\_, counsel to the Underwriters, in form and substance acceptable to the Underwriters.

(ii) An opinion of Elizabeth D. Teare, Esq., County Attorney, dated the Closing Date and addressed to the Underwriters, to the effect that (A) the County is a political subdivision of the Commonwealth, duly organized and validly existing under the Constitution and laws of the Commonwealth and vested with all the rights, powers and privileges conferred upon it by the Constitution and laws of the Commonwealth, (B) the County Resolution was duly adopted by the Board of Supervisors and is in full force and effect, (C) the County has all the necessary power and authority (1) to execute and deliver, if applicable, the County Documents and (2) to consummate all of the actions contemplated by the County Documents, (D) the County Documents have been duly authorized and, if applicable, executed and delivered by the County and constitute valid and legally binding obligations of the County, enforceable (subject to customary

exceptions) against the County in accordance with their terms, (E) no further approval, consent or withholding of objection on the part of any regulatory body, federal, Commonwealth or local, is required for the County to execute and deliver and perform its obligations under the County Documents, (F) the adoption by the Board of Supervisors of the County Resolution and the execution and delivery by the County of the other County Documents and the consummation by the County of the transactions contemplated by them are not prohibited by, and do not violate any provision of and will not result in the breach of any law, rule, regulation, judgment, decree, order or other requirement applicable to the County, any ordinance or resolution of the County, or any material contract, indenture or agreement to which the County is a party or by which the County is bound, and have not resulted, and will not result, in the creation or imposition of any lien, encumbrance, mortgage or other similar conflicting ownership or security interest in favor of any third person in or to the County's revenues, assets, properties or funds except as contemplated in the County Documents, and (G) to her knowledge, there is no legal action or other proceeding, or any investigation or inquiry (before any court, agency, arbitrator or otherwise), pending or threatened against the County or any of its officials, in their respective capacities, (1) to restrain or enjoin the issuance, sale or delivery of the Bonds or the application of proceeds of the Bonds as provided in the Official Statement or (2) that may reasonably be expected to have a material and adverse effect upon the due performance by the County of the transactions contemplated by the County Documents and the Official Statement or the validity or enforceability of the Bonds or the County Documents.

(iii) An opinion of Ryan A Wolf, Office of County Attorney, dated the Closing Date and addressed to the Underwriters, to the effect that (A) the Authority is a political subdivision of the Commonwealth, duly organized and validly existing under the Constitution and laws of the Commonwealth and vested with all the rights, powers and privileges conferred upon it by the Constitution and laws of the Commonwealth, (B) the Authority Resolution was duly adopted by the Authority and is in full force and effect, (C) the Authority has all necessary power and authority (1) to execute and deliver the Authority Documents and (2) to consummate all of the actions contemplated by the Authority Documents, (D) the Authority Documents have been duly authorized and, if applicable, executed and delivered by the Authority and constitute valid and legally binding obligations of the Authority, enforceable (subject to customary exceptions) against the Authority in accordance with their terms, (E) no further approval, consent or withholding of objection on the part of any regulatory body, federal, Commonwealth or local, is required for the Authority to execute and deliver and perform its obligations under the Authority Documents, (F) the adoption by the Authority of the Authority Resolution and the execution and delivery by the Authority of the other Authority Documents and the consummation by the Authority of the transactions contemplated by them are not prohibited by, and do not violate any provision of and will not result in the breach of any law, rule, regulation, judgment, decree, order or other requirement applicable to the Authority, any ordinance or resolution of the Authority, or any material contract, indenture or agreement to which the Authority is a party or by which the Authority is bound, and have not resulted, and will not result, in the creation or imposition of any lien, encumbrance, mortgage or other similar conflicting ownership or security interest in favor of any third person in or to the Authority's revenues, assets,

properties or funds except as contemplated in the Authority Documents, and (G) to his knowledge, there is no legal action or other proceeding, or any investigation or inquiry (before any court, agency, arbitrator or otherwise), pending or threatened against the Authority or any of its officials, in their respective capacities, (1) to restrain or enjoin the issuance, sale or delivery of the Bonds or the application of proceeds of the Bonds as provided in the Official Statement or (2) that may reasonably be expected to have a material and adverse effect upon the due performance by the Authority of the transactions contemplated by the Authority Documents and the Official Statement or the validity or enforceability of the Bonds or the Authority Documents.

(iv) A supplemental opinion of Bond Counsel, dated the Closing Date and in form and substance acceptable to the Underwriters to the effect that:

(A) (i) the information contained in those portions of the Official Statement entitled **“ESTIMATED SOURCES AND USES OF FUNDS,” “THE SERIES 2019 BONDS,”** (excluding **Book-Entry Only System**), **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS,” “TAX MATTERS,” “LEGAL MATTERS,” “CONTINUING DISCLOSURE UNDERTAKING,”** and **Appendices C and D**, insofar as such information summarizes provisions of the Authority Documents or the County Documents or is a description of opinions rendered by Bond Counsel, is a fair and accurate summary of the information purported to be summarized and (ii) nothing has come to Bond Counsel’s attention that has caused such counsel to believe that the Official Statement (excepting information relating to The Depository Trust Company and any statistical and financial data included in the Official Statement) contains any untrue statement of material fact or omits any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(B) the Bonds do not require registration under the Securities Act of 1933, as amended (the “Securities Act”);

(C) the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”), does not require the qualification of the Authority Resolution; and

(D) this Agreement has been duly authorized, executed and delivered and constitutes a valid and legal obligation of the Authority.

(v) A certificate signed by the Authority’s Chairman or Vice Chairman, dated the Closing Date and in form and substance acceptable to the Underwriters, stating that (A) such officer has reviewed the Preliminary Official Statement and the Official Statement and that, as of the dates of such documents and as of the Closing Date (excluding the information under the headings **“THE COUNTY,” “THE SERIES 2019 BONDS – Book-Entry Only System,” “TAX MATTERS”** and **Appendices A, B, C and D**), such documents do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements in such documents, in the light of the circumstances under which they were made, not misleading, and (B) such officer has

reviewed the Authority's covenants, agreements, representations and warranties hereunder, and further confirming the Authority's compliance with such covenants and agreements and the accuracy of such representations and warranties.

(vi) Evidence satisfactory to the Underwriters that the Bonds have received a rating of “\_\_” from Moody's Investors Service, Inc. and “\_\_” by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, and that each such rating is in effect at the Closing Time.

(vii) Certified copies of all relevant proceedings of the Board of Commissioners of the Authority and the Board of Supervisors.

(viii) Original executed or certified copies of the Authority Documents and the County Documents.

(ix) Evidence satisfactory to the Underwriters that the Authority's issuance of the Bonds has received the County's required approval and that such approval remains in effect.

(x) Signed copies of a certificate or certificates, dated the Closing Date, signed by the Authority's Chairman or Vice Chairman to the effect that (1) the representations and warranties of the Authority contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date; (2) to the best of the knowledge of such officer, the information in the Official Statement, (excluding the information under the headings “**THE COUNTY**,” “**THE SERIES 2019 BONDS – Book-Entry Only System**,” “**TAX MATTERS**” and Appendices A, B, C and D), (the “Authority Information”) does not contain any untrue statement of material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (3) to the knowledge of such officer, no litigation is pending against the Authority or pending against any other entity or person or threatened in any court in any way adversely affecting the legal existence of the Authority or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or materially and adversely affecting the right of the Authority to collect revenues and other moneys pledged or to pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way materially and adversely contesting or affecting the validity or enforceability of the Authority Documents or this Agreement, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the Authority or its authority with respect to the Authority Documents or this Agreement; (4) to the best of the knowledge of such officer, no event materially and adversely affecting the Authority or the transactions contemplated by the Official Statement has occurred since the date of the Official Statement which, in the reasonable opinion of the Authority, is necessary to be set forth in an amendment or supplement to the Official Statement (whether or not the Official Statement shall have been amended or supplemented to set forth such event) to make the statements therein, in the light of the circumstances under which they were made, not misleading; (5) the Authority has the full legal right, power and authority to carry out and consummate the transactions contemplated to be carried

out by the Authority by the Official Statement; and (6) the Authority has complied with all the requirements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date.

(xi) Signed copies of a certificate or certificates, dated the Closing Date, signed by the Chief Financial Officer of the County to the effect that (1) the representations and warranties of the County contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date; (2) to the best of the knowledge of such officer, the information in the Official Statement, (excluding the information under the headings “**THE AUTHORITY**,” “**THE SERIES 2019 BONDS – Book-Entry Only System**” and “**TAX MATTERS**” and Appendix C) (the “County Information”), does not contain any untrue statement of material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (3) to the knowledge of such officer, no litigation is pending against the County or pending against any other entity or person or threatened in any court in any way adversely affecting the legal existence of the County or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or materially and adversely affecting the ability of the County to make payments under the Payment Agreement, or in any way materially and adversely contesting or affecting the validity or enforceability of the Bonds, the County Resolution), this Agreement or the Letter of Representation, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the County or its authority with respect to the County Documents or the Letter of Representation; (4) to the knowledge of such officer, no event materially and adversely affecting the County or the transactions contemplated by the Official Statement has occurred since the date of the Official Statement which, in the reasonable opinion of the County, is necessary to be set forth in an amendment or supplement to the Official Statement (whether or not the Official Statement shall have been amended or supplemented to set forth such event) to make the statements therein, in the light of the circumstances under which they were made, not misleading; (5) the County has the full legal right, power and authority to carry out and consummate the transactions contemplated to be carried out by the County by the Official Statement; and (6) the County has complied with all the requirements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date.

(xii) An executed version of the Verification Report provided by Robert Thomas CPA, LLC.

(xiii) Such additional certificates and other documents in such form and substance as the Underwriters, their counsel or Bond Counsel may request to evidence performance of or compliance with the provisions of the Authority Documents or the Official Statement and the transactions contemplated hereby and thereby, the truth and accuracy as of the Closing Time of the Authority’s and the County’s representations herein and in the Official Statement, and the Authority’s and the County’s due performance at or prior to the Closing Time of all agreements then to be performed by the Authority or the County, as applicable.

The delivery of the above documents shall be made on the Closing Date, at or prior to the Closing Time, at Norton Rose Fulbright US LLP's Washington, D.C., office, or at such other place as the Authority, the County and the Underwriters may hereafter determine.

The Authority and the County shall exercise their reasonable best efforts to fulfill such of the foregoing conditions as may be under their control or direction. In no event shall the failure of any such condition to be met constitute a default on the part of any party (except any party who had such condition under its control or direction). The provisions of Section 1(c) shall apply whether or not the failure of any such condition to be met constitutes a default on the part of any party.

***Section 7. Underwriters' Right to Cancel***

The Underwriters have the right to cancel their obligations hereunder by notifying the Authority or the County in writing of their election to do so between today and the Closing Time, if at any time before the Closing Time:

(a) legislation shall have been enacted by the Congress of the United States, or a decision shall have been rendered by a court of the United States or the Commonwealth, or a ruling, resolution, regulation, or temporary regulation, release, or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or Commonwealth authority, with respect to federal or Commonwealth taxation upon revenues or other income of the general character of that to be derived by the Authority or the County from its operations, or upon interest received on obligations of the general character of the Bonds that, in the Underwriters' reasonable judgment, materially adversely affects the market for the Bonds, or the market price generally of obligations of the general character of the Bonds; or

(b) there shall exist any event or circumstance that, in the Underwriters' reasonable judgment, either makes untrue or incorrect in any material respect any statement or information in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make any statement of material fact therein not misleading in any material respect; or

(c) there shall have occurred (a) an outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war occurs, or (b) the occurrence of any other calamity or crisis or any change in the financial, political, or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (a) or (b), in the reasonable judgment of the Underwriters, materially adversely affects the market for the Bonds; or

(d) there shall be in force a general suspension of trading on the New York Stock Exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by the New York Stock Exchange or by an order of the SEC or any other governmental authority having jurisdiction that, in the Underwriters' reasonable judgment, materially adversely affects the market for the Bonds; or

(e) a general banking moratorium shall have been declared by federal or state authorities having jurisdiction and be in force that, in the Underwriters' reasonable judgment, materially adversely affects the market for the Bonds; or

(f) legislation shall be enacted or be proposed or actively considered for enactment, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation, or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the Bonds or any comparable securities of the Authority, or any obligations of the general character of the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act, or otherwise, or would be in violation of any provision of the federal securities laws or that the Authority Resolution are not exempt from the qualification requirements of the Trust Indenture Act; or

(g) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, the Underwriters established by the New York Stock Exchange, the SEC, any other federal or state agency or the Congress of the United States, or by Executive Order; or

(h) a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering or sale of the Bonds, including all underlying obligations as contemplated hereby or by the Official Statement, or any Authority Documents, County Documents or other documents relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws; or

(i) there shall have been any material adverse change in the affairs of the Authority or the County that, in the Underwriters' reasonable judgment, will materially adversely affect the market for the Bonds; or

(j) there shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the Authority, the County or the Commonwealth (which, in the case of a financial crisis or default of the Commonwealth, causes a material adverse change in the affairs of the Authority or the County) or proceedings under the bankruptcy laws of the United States or of the Commonwealth shall have been instituted by the Authority, the County or the Commonwealth (which, in the case of a bankruptcy proceeding with respect to the Commonwealth, causes a material adverse change in the affairs of the Authority or the County), in either case the effect of which, in the reasonable judgment of the Underwriters, is such as to materially and adversely affect the market price or the marketability of the Bonds; or

(k) any litigation shall be instituted or be pending as of the Closing Date to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Authority Resolution, the Authority Documents and the County Documents or the existence or powers of the Authority or the County with respect to its obligations under the Authority Documents and the County Documents; or

(l) any downgrading, suspension or withdrawal of a rating of the Bonds by a nationally recognized rating service, which downgrading, suspension or withdrawal, in the reasonable judgment of the Underwriters, materially adversely affects the marketability of the Bonds.

***Section 8. Representations, Warranties, Covenants and Agreements to Survive Delivery***

All of the Authority's representations, warranties, covenants and agreements in this Agreement shall remain operative and in effect, regardless of any investigation made by the Underwriters on their own behalf, after delivery of and payment for any Bonds or of termination or cancellation of this Agreement.

***Section 9. Expenses***

The Authority acknowledges that the underwriting fee provided for in Section 1 represents compensation and reimbursement to the Underwriters for their professional services and direct expenses (for such items as travel and postage); provided, however, that nothing in this acknowledgement shall be deemed to make the Underwriters an agent of the Authority.

The Underwriters shall pay (which may be included as an expense component of the Underwriters' discount) their out-of-pocket expenses, which may include the fees and expenses of Underwriters' counsel (including the cost of performing any blue sky surveys), advertising expenses in connection with a public offering of the Bonds, fees of the CUSIP Bureau and any fees of the MSRB or the Securities Industry and Financial Markets Association.

The County shall pay all expenses and costs to effect the authorization, preparation, execution, delivery and sale of the Bonds, including, without limitation, the County's and Authority's fees and expenses (at or prior to closing), the incidental expenses of the employees of the Authority and the County incurred in connection with this financing, the fees and expenses of Bond Counsel, rating agency fees and expenses, the fees and expenses of the bond registrar and paying agent, any registration or similar fees for qualifying the Bonds for sale in various jurisdictions chosen by the Underwriters and the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Bonds and the Official Statement and all other agreements and documents contemplated by this Agreement.

***Section 10. Use of Official Statement***

The Authority hereby ratifies and confirms the use of the Preliminary Official Statement by the Underwriters. The Authority authorizes the use of, and will make available, the Official Statement for use by the Underwriters in connection with the offer and sale of the Bonds.

***Section 11. Miscellaneous***

(a) Any notice or other communication to be given hereunder may be given by mailing or delivering the same in writing as follows:

If to the Underwriters: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Attention: \_\_\_\_\_

If to the Authority: Fairfax County Redevelopment and Housing  
 Authority  
 3700 Pender Dr.  
 Fairfax, Virginia 22030  
 Attention: Director

With a copy thereof sent to:  
 [\_\_\_\_\_  
 12000 Government Center Parkway  
 Fairfax, Virginia 22035-0064]

If to the County: Fairfax County  
 12000 Government Center Parkway  
 Fairfax, Virginia 22035-0064  
 Attention: Department of Management and Budget

(b) The Authority represents and warrants that there are no fees payable by it or on its behalf, other than as described in this Agreement, to any person or party for brokering or arranging (or providing any similar services related to) the transactions contemplated by this Agreement.

(c) This Agreement shall be governed by the laws of the Commonwealth of Virginia, without regard to conflict of law principles.

(d) This Agreement may be executed in several counterparts (including separate counterparts), each of which shall be regarded as an original and all of which shall constitute one and the same document.

(e) This Agreement will inure to the benefit of and be binding on the Authority, the Underwriters and the County and their respective successors and assigns, but will not confer any rights on any other person, partnership, association or corporation other than persons, if any, controlling the Authority, the County and the Underwriters within the meaning of the Securities Act or the Securities Exchange Act of 1934, as amended. The terms “successors” and “assigns” shall not include any purchaser of any Bond from the Underwriters merely because of such purchase.

(f) No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future member, officer, employee or agent of the Authority or the County in such person’s individual capacity, and no officer, member, employee or agent of the Authority or the County shall be liable personally for the performance of any obligation under this Agreement. No recourse shall be had by the Underwriters for any claim based on this Agreement or otherwise against any officer, member, employee or agent of

the Authority or the County in his or her individual capacity, provided such person acts in good faith, all such liabilities, if any, being hereby expressly waived and released by the Underwriters.

(g) The Authority acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Authority and the Underwriters, consented to by the County, (ii) in connection with such transaction, the Underwriters are acting solely as a principal and not as an agent, municipal advisor, financial advisor or a fiduciary of the Authority, (iii) the Underwriters have not assumed (individually or collectively) any advisory or fiduciary responsibility in favor of the Authority with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of any Underwriters, have advised or are currently advising the Authority on other matters) or any other obligation to the Authority except the obligations expressly set forth in this Agreement, (iv) the Authority has consulted with its own municipal, tax, accounting, legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds and (v) the Underwriters have financial and other interests that differ from those of the Authority.

(h) Section headings in this Agreement are a matter of convenience of reference only, and such section headings are not part of this Agreement and shall not be used in the interpretation of any provisions of this Agreement. Terms of any gender used herein shall include the masculine, feminine and neuter.

(i) Notwithstanding any provision herein to the contrary, the Underwriters, in their sole discretion, may waive the performance of any and all obligations of the County or the Authority hereunder and the performance of any and all conditions contained herein for the Underwriters' benefit, and the Underwriters' approval when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by an appropriate officer or officers of the Underwriters, on the Underwriters' behalf, and delivered to the Authority.

(j) This Agreement is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by the parties hereto.

(k) This Agreement is effective on its acceptance by the Authority and approval by the County.

[Counterpart Signature Page to Bond Purchase Agreement]

\_\_\_\_\_,  
as Representative of the Underwriters

By \_\_\_\_\_

[Signatures Continued on Following Pages]

[Counterpart Signature Page to Bond Purchase Agreement]

**Accepted and agreed to:**

**FAIRFAX COUNTY REDEVELOPMENT  
HOUSING AUTHORITY**

By: \_\_\_\_\_  
Title:

[Signatures Continued on Following Pages]

[Counterpart Signature Page to Bond Purchase Agreement]

**Approved by:**

**FAIRFAX COUNTY, VIRGINIA**

By: \_\_\_\_\_  
Joseph M. Mondoro  
Chief Financial Officer

## EXHIBIT A

## SERIES 2019 BONDS

<b>Maturity Date</b>			
<b>(____ 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>
20__	\$	%	%
20__			
20__			
20__			
20__			
20__			
20__			
20__			
20__			
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20__			

**EXHIBIT B**

§ \_\_\_\_\_  
**FAIRFAX COUNTY (VIRGINIA) REDEVELOPMENT AND HOUSING AUTHORITY**  
**REVENUE REFUNDING BONDS**  
**(WEDGEWOOD AFFORDABLE HOUSING ACQUISITION)**  
**SERIES 2019**

**LETTER OF REPRESENTATION**

I am an authorized official of Fairfax County, Virginia (the “County”), and am hereby executing and delivering this Letter of Representation as required under the terms of that certain Bond Purchase Agreement of even date herewith (the “Bond Purchase Agreement”) between \_\_\_\_\_, as representative of the underwriters named therein (the “Underwriters”), and Fairfax County Redevelopment and Housing Authority (the “Authority”), and approved by the County. Terms not otherwise defined in this Letter of Representation shall have the meanings assigned to them in the Bond Purchase Agreement.

**Section 1. *County’s Representations, Warranties, Covenants and Agreements***

The County hereby represents, warrants, covenants and agrees as follows:

(a) The County is, and will be at the Closing Time, (i) duly organized in the urban county executive form of government, a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) with all power and authority granted to counties so organized under the Constitution and laws of the Commonwealth, and (ii) authorized to enter into and adopt and perform its obligations under the County Resolution, the Bond Purchase Agreement, the Payment Agreement, the Continuing Disclosure Agreement delivered by the County, dated the Closing Date (the “Continuing Disclosure Agreement”), and this Letter of Representation (collectively, the “County Documents”) to have been performed at or prior to the Closing Time.

(b) The County has complied with all provisions of the Commonwealth’s constitution and laws pertaining to the County’s adopting or entering into the County Documents and has full power and authority to consummate all transactions contemplated by the County Documents and the Official Statement and any and all other agreements relating thereto to which the County is a party.

(c) As of the date of the Preliminary Official Statement, at the time of the County’s delivery of this Letter of Representation and (unless an event occurs of the nature described in Section 1(i) below) at all subsequent times up to and including the Closing Time, the County Information contained in the Preliminary Official Statement and the Official Statement and in any amendment or supplement thereto that the County may authorize for use with respect to the Bonds was, is and will be true and correct and did not contain, does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact necessary to make the statements in such document, in the light of the

circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to Section 1(i) below, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to Section 1(i) below) at all times subsequent thereto up to and including the Closing Time, the County shall take all steps necessary to ensure that the County Information in the Official Statement as so supplemented or amended does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Except as otherwise described in the Preliminary Official Statement and the Official Statement, the County has complied in all material respects during the last five years with its prior continuing disclosure undertakings with respect to Rule 15c2-12.

(d) The County has duly adopted and authorized, at one or more public meetings duly called and held at which quorums were present and acting throughout, (i) the distribution and use of the Official Statement; (ii) the adoption, execution, delivery and due performance of the County Documents and any and all such other agreements and documents as may be required to be executed and delivered by the County in order to carry out, give effect to and consummate the transactions contemplated by the County Documents and by the Official Statement; and (iii) the carrying out, giving effect to and consummation of the transactions contemplated by the County Documents and the Official Statement. Upon the Closing Date, the County shall have duly adopted or authorized, executed and delivered each County Document.

(e) To the County's knowledge, except as and to the extent described in the Preliminary Official Statement and the Official Statement, there is no action, proceeding or investigation before or by any court or other public body pending or threatened against or affecting the County or any County officer or employee in an official capacity (or, to the County's knowledge, any basis therefor), wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the transactions contemplated or described herein or in the Official Statement, or the validity of the County Documents or of any other agreement or instrument to which the County is or is expected to be a party and which is used or contemplated for use in the consummation of the transactions contemplated or described herein or in or by the Official Statement, (ii) the condition of the County, financial or otherwise, or (iii) the completeness or accuracy of the Official Statement.

(f) The County's adoption or execution and delivery of the County Documents and other agreements contemplated by the County Documents and by the Official Statement, and compliance with the provisions thereof, will not constitute on the County's part a breach of or a default under any existing law, court or administrative regulation, decree or order or any contract, agreement, loan or other instrument to which the County is subject or by which the County is or may be bound. No event has occurred or is continuing that, with the lapse of time or the giving of notice, or both, would constitute an event of default under any such agreement, including the County Documents.

(g) The County will not take or omit to take any action the taking or omission of which will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as described in the Official Statement and as permitted by the Authority Resolution

and the County Resolution and which would cause the interest on the Bonds to be includable in the gross income of the recipients thereof for federal or Commonwealth income tax purposes.

(h) The County Information included in the Official Statement presents fairly the financial information purported to be shown as of the indicated dates. There has been no material adverse change in the financial condition of the County as a whole since June 30, 2018. The County is not a party to any contract or agreement or subject to any statutory or other restriction not disclosed in the Official Statement, the performance of or compliance with which may have a material, adverse effect on the County's or the Authority's financial condition or operations. The audited balance sheets and the related financial statements of the County contained in the Official Statement in Appendix B present fairly the County's financial condition as of the dates indicated, and the County has no reason to believe that, except as stated in the Official Statement, such statements have not been prepared in accordance with generally accepted accounting principles consistently applied.

(i) If between the date of the Bond Purchase Agreement and the date that is 25 days after the "end of the underwriting period," as defined below, any event shall occur that might or would cause the County Information included in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall promptly notify the Underwriters. If, in the opinion of the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will cooperate with the Authority and at the County's expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriters.

The "end of the underwriting period" is the time that is the later of (i) the Closing Time and (ii) the time the Underwriters do not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriters shall otherwise advise the County in writing prior to the Closing Date, the County may assume that the end of the underwriting period is the Closing Time.

(j) The County is not required to obtain any further consent, approval, authorization or order of any governmental or regulatory authority as a condition precedent to its adoption or authorization, execution and delivery of the County Documents or the Official Statement, or the County's performance hereunder and thereunder (provided no representation or warranty is expressed as to any action required under federal or state securities or Blue Sky laws in connection with the Underwriters' offer or sale of the Bonds). The County has obtained as of the date hereof all permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date hereof for the performance and enforcement of the obligations of the County under the County Documents, the acquisition, construction, equipping, occupation, operation and use of the projects to be financed or refinanced with the proceeds of the Bonds. The County knows of no reason why any such required permits or approvals not obtained as of the date hereof cannot be obtained as needed.

(k) Any certificate signed by any County officer and delivered to the Underwriters shall be deemed a representation and warranty by the County to the Underwriters as to the statements made therein.

(l) The County agrees to take all reasonable steps as requested to cooperate with the Underwriters and their counsel in order to qualify the Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States as the Underwriters may request, provided that the County need not consent to jurisdiction or service of process in any state other than the Commonwealth.

(m) The County has never defaulted in the payment of principal or interest on any indebtedness, has not exercised any rights of nonappropriation or similar rights with respect to such indebtedness, and has not borrowed for general fund cash-flow purposes. No proceedings have ever been taken, are being taken, or are contemplated by the County under the United States Bankruptcy Code or under any similar law or statute of the United States or the Commonwealth.

(n) The County will comply with the information reporting requirements adopted by the SEC under Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”) and the Municipal Securities Rulemaking Board with respect to municipal securities such as the Bonds as provided in the Continuing Disclosure Agreement. Except as described in the Official Statement under the caption “Continuing Disclosure Undertaking,” in the five years preceding the date of the Official Statement, the County has materially complied with its undertakings under the Rule.

(o) The County acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to the Bond Purchase Agreement is an arm’s-length commercial transaction between the Authority and the Underwriters as consented to by the County, (ii) in connection with such transaction, the Underwriters are acting solely as a principal and not as an agent, municipal advisor, financial advisor or a fiduciary of the County, (iii) the Underwriters have not assumed (individually or collectively) any advisory or fiduciary responsibility in favor of the County with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of any Underwriters, have advised or are currently advising the County on other matters) or any other obligation to the County except the obligations expressly set forth in the Bond Purchase Agreement, (iv) the County has consulted with its own municipal, tax, accounting, legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds and (v) the Underwriters have financial and other interests that differ from those of the County.

## **Section 2. *Representations, Warranties, Covenants and Agreements to Survive Delivery***

All of the County’s representations, warranties, covenants and agreements in this Letter of Representation shall remain operative and in effect, regardless of any investigation made by the Underwriters on their own behalf, after delivery of and payment for any Bonds or of termination or cancellation of the Bond Purchase Agreement or this Letter of Representation.

**Section 3. *Official Statement***

The County authorizes the use and distribution of, and will cooperate with the Authority to make available, the Preliminary Official Statement and the Official Statement for the use and distribution by the Underwriters in connection with the sale of the Bonds.

The County shall cooperate with the Authority to deliver, or cause to be delivered, to the Underwriters copies of the final Official Statement in sufficient quantity in order for the Underwriters to comply with Rule 15c2-12(b)(2) promulgated under the Securities Exchange Act of 1934, as amended.

**Section 4. *Continuing Disclosure Undertaking***

The County will undertake, pursuant to the Continuing Disclosure Agreement, to provide annual reports and notices to certain events.

**Section 5. *Notice***

Any notice or other communication to be given to the County under the Bond Purchase Agreement or this Letter of Representation may be given by mailing or delivering the same in writing to 12000 Government Center Parkway, Fairfax, Virginia 22035-0064, Attention: Department of Management and Budget.

This Letter of Representation is delivered this \_\_\_\_th day of \_\_\_\_\_, 2019.

**FAIRFAX COUNTY, VIRGINIA**

By: \_\_\_\_\_  
Joseph M. Mondoro  
Chief Financial Officer

**EXHIBIT C**  
**FORM OF ISSUE PRICE CERTIFICATE**  
 \$ \_\_\_\_\_  
**FAIRFAX COUNTY (VIRGINIA) REDEVELOPMENT AND HOUSING AUTHORITY**  
**REVENUE REFUNDING BONDS**  
**(WEDGEWOOD AFFORDABLE HOUSING ACQUISITION)**  
**SERIES 2019**

**SAMPLE ISSUE PRICE CERTIFICATE**  
**(Hold-the-Offering-Price Rule)**

The undersigned, on behalf of {NAME OF UNDERWRITER} (“{SHORT NAME OF UNDERWRITER}”) [and the other members of the underwriting syndicate (together, the “Underwriting Group”)], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of [NAME OF ISSUER] (the “Issuer”).

**1. *Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the [Bond Purchase Agreement], dated \_\_\_\_\_, 201\_, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “**hold-the-offering-price rule**”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

**2. *Defined Terms.***

(a) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(b) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT NAME OF UNDERWRITER][the Underwriting Group] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at

prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is {date of execution of the bond purchase contract}.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Bonds to the Public).

[Final certificate may include standard representations regarding callable premium bonds and computations performed by the underwriter (e.g., yield and weighted average maturity) as may be required by the Issuer.]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents {SHORT NAME OF UNDERWRITER}'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

{NAME OF UNDERWRITER}

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**SCHEDULE A**  
**INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**  
*(Attached)*

**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**  
*(Attached)*



**DRAFT Critical Path Events**  
**Fairfax County, Virginia**  
**FCRHA Revenue Refunding Bonds (Wedgewood Project), Series 2019**

**Attachment 9**

May 2019							June 2019							July 2019							August 2019						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1		1	2	3	4	5	6				1	2	3	
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	31
							30																				

Week of	Activity & Event	Responsible Party
May 6 <sup>th</sup>	Draft Underwriter Letter sent to County (Wedgewood & Wiehle)	PFM
May 13 <sup>th</sup>	First Draft of County Resolution, FCRHA Resolution, Lease Agreement, POS, BPA, CDA, Payment Agreement & Assignment Agreement (collectively "Bond Documents") Distributed	NRF
	<b>Underwriter Letter Distributed to County's Underwriting Pool</b> (Wedgewood & Wiehle)	PFM
May 20 <sup>th</sup>	Date TBD – Tax Call with Patti Wu to discuss Extraordinary Mandatory Redemption Comments due on Bond Documents	FX, PFM, NRF All
May 27 <sup>th</sup>	<i>Monday, May 27<sup>th</sup> – Memorial Day (Markets Closed)</i>	-
	Revised draft of Bond Documents circulated	NRF
	<b>Underwriter Proposals Received</b> (Wedgewood & Wiehle)	PFM
June 3 <sup>rd</sup>	Underwriter Selection	PFM
	Provide draft Bond Documents to Underwriter for review	PFM
	Tuesday, June 4 <sup>th</sup> – County Board Title due (Wedgewood & Wiehle)	FX
	Thursday, June 7 <sup>th</sup> – County Board Item due (Wedgewood & Wiehle)	FX
June 10 <sup>th</sup>	Working Group Kickoff Call	All
June 17 <sup>th</sup>	Rating Slides Updated & sent to County (Wedgewood & Wiehle)	PFM
	Draft Documents sent to Rating Agencies (Wedgewood & Wiehle)	PFM
June 24 <sup>th</sup>	<b>Rating Update Calls</b> (Wedgewood & Wiehle)	<b>FX, PFM</b>
July 1 <sup>st</sup>	Thursday, July 4 <sup>th</sup> – Fourth of July Holiday (Markets Closed)	-
July 8 <sup>th</sup>	Revised draft of POS distributed	NRF
	<b>Wednesday, July 10<sup>th</sup> – FCRHA Finance Committee Meeting</b>	<b>FX</b>
July 15 <sup>th</sup>	<b>Tuesday, July 16<sup>th</sup> – County Board Considers Bond Documents</b> (Wedgewood & Wiehle)	FX
	<b>Thursday, July 18<sup>th</sup> – FCRHA Board Considers Bond Documents</b>	FCRHA
	Due Diligence Call	All
	<b>NLT Friday, July 19<sup>th</sup> – Ratings Received</b>	FX, PFM
July 22 <sup>nd</sup>	<b>NLT Monday, July 22<sup>nd</sup> –Post POS</b>	NRF
	Monday, July 22 <sup>nd</sup> – Apply for CUSIPs	PFM
	Premarket Bonds	UW

**Legend:**

FX = Fairfax County  
FCRHA = Fairfax County Redevelopment & Housing Authority  
PFM = PFM Financial Advisors LLC, County's Financial Advisor  
NRF = Norton Rose Fulbright, Bond Counsel  
UW = TBD, Underwriter  
UWC = TBD, Underwriters Counsel

6/12/2019

***DRAFT Critical Path Events***  
***Fairfax County, Virginia***  
***FCRHA Revenue Refunding Bonds (Wedgewood Project), Series 2019***

**Attachment 9**

May 2019							June 2019							July 2019							August 2019						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1		1	2	3	4	5	6				1	2	3	
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	31
							30																				

Week of	Activity & Event	Responsible Party
July 29 <sup>th</sup>	<b>Negotiated Bond Pricing &amp; Signing of BPA</b>	<b>PFM, FX, UW</b>
August 5 <sup>th</sup>	Finalize OS & Closing Documents	NRF, UWC
August 12 <sup>th</sup>	<b>Tuesday, August 13<sup>th</sup> – Closing &amp; Investment of Proceeds</b>	All
September 30 <sup>th</sup>	<b>Tuesday, October 1<sup>st</sup> – 2009 Wedgewood Bonds Redemption Date</b>	-

**Legend:**

FX = Fairfax County  
FCRHA = Fairfax County Redevelopment & Housing Authority  
PFM = PFM Financial Advisors LLC, County's Financial Advisor  
NRF = Norton Rose Fulbright, Bond Counsel  
UW = TBD, Underwriter  
UWC = TBD, Underwriters Counsel

6/12/2019

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2019****NEW ISSUE****RATINGS: Moody's..... "\_\_\_"****S&P..... "\_\_\_"****(See "RATINGS" herein)****Full Book-Entry**

*In the opinion of Bond Counsel, under current law, assuming compliance with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, and subject to conditions described in "TAX MATTERS" herein, interest on the Series 2019 Bonds will not be included in the gross income of the owners thereof for federal income tax purposes, and interest on the Series 2019 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax. The interest on the Series 2019 Bonds is excluded from Virginia taxable income for purposes of the individual income tax and the income taxation of corporations by the Commonwealth of Virginia under Sections 58.1-322 and 58.1-402 of the Code of Virginia (the "Virginia Code"). See "TAX MATTERS" herein for a description of certain provisions regarding the Code and the Virginia Code that may affect the tax treatment of interest on the Series 2019 Bonds for certain bondholders.*

\$ \_\_\_\_\_ \*

**FAIRFAX COUNTY (VIRGINIA) REDEVELOPMENT AND HOUSING AUTHORITY  
REVENUE REFUNDING BONDS (WEDGEWOOD AFFORDABLE HOUSING ACQUISITION)  
SERIES 2019**

**Dated: Date of Delivery****Due: \_\_\_\_\_ 1, as shown herein**

Interest on the Series 2019 Bonds is payable on each April 1 and October 1, commencing October 1, 2019, at the rates set forth on the inside cover pages herein.

The Series 2019 Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption prior to maturity as more fully described herein.

The Series 2019 Bonds will be issued by the Fairfax County Redevelopment and Housing Authority (the "Authority") pursuant to the Housing Authorities Law, Chapter 1, Title 36, of the Code of Virginia of 1950, as amended (the "Enabling Act"), and other applicable law and a resolution duly adopted by the Authority on \_\_\_\_\_, 2019 (the "Resolution"). The Series 2019 Bonds will be issued as fully registered bonds registered in the name of Cede & Co., as nominee of DTC, The Depository Trust Company, New York, New York, which will act as securities depository for the Series 2019 Bonds. Purchasers will not receive physical delivery of certificates representing their ownership interest in the Series 2019 Bonds purchased. So long as DTC or its nominee is the registered owner of the Series 2019 Bonds, payments of the principal of and interest due on the Series 2019 Bonds will be made directly to DTC. Purchasers may acquire beneficial interests in the Series 2019 Bonds in denominations of \$5,000 or any integral multiple thereof.

The Series 2019 Bonds are payable from payments received from the County pursuant to a Payment Agreement between the County and the Authority in which the County agrees, subject to the appropriation by its Board of Supervisors, for each fiscal year the Series 2019 Bonds are outstanding, of funds for such purpose, to make payments in amounts sufficient to pay the principal of and interest on the Series 2019 Bonds in each applicable fiscal year (the "Payment Agreement"). The obligation of the County to make payments under the Payment Agreements in an applicable fiscal year of the County is absolute and unconditional, but subject to and contingent upon the appropriation of funds by the Board of Supervisors of the County for such purpose.

THE SERIES 2019 BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM REVENUES, RECEIPTS AND SECURITY PLEDGED THEREFOR UNDER THE PAYMENT AGREEMENT. NEITHER THE COMMISSIONERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE SERIES 2019 BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE SERIES 2019 BONDS SHALL NOT BE A DEBT OF THE COUNTY, THE COMMONWEALTH OF VIRGINIA (THE "COMMONWEALTH") OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY), AND NEITHER THE COUNTY NOR THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THE SERIES 2019 BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY PLEDGED THEREFOR PURSUANT TO THE RESOLUTION AND THE PAYMENT AGREEMENT. THE SERIES 2019 BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

*The Series 2019 Bonds are being offered for delivery when, as and if executed and delivered and received by the Underwriters, subject to the approval of legality by Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Ryan A Wolf, Esquire, Office of the County Attorney, for the County by its counsel, Elizabeth D. Teare, Esquire, Fairfax County Attorney, and for the Underwriters by their counsel, \_\_\_\_\_, \_\_\_\_\_. The Series 2019 Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about \_\_\_\_\_, 2019.*

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement for information essential to the making of an informed investment decision.

Dated: \_\_\_\_\_, 2019

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The Series 2019 Bonds may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2019 Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

\$ \_\_\_\_\_ \*

**FAIRFAX COUNTY (VIRGINIA) REDEVELOPMENT AND HOUSING AUTHORITY**  
**REVENUE REFUNDING BONDS (WEDGEWOOD AFFORDABLE HOUSING ACQUISITION)**  
**SERIES 2019**

Base CUSIP<sup>†</sup> Number \_\_\_\_\_

**Dated: Date of Delivery**

**Due: \_\_\_\_\_ 1, as shown below**

**MATURITY, AMOUNTS, INTEREST RATES AND PRICES/YIELDS\***

<b><u>Maturity</u></b> <b><u>(____ 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Yield or</u></b> <b><u>Price</u></b>	<b><u>CUSIP<sup>†</sup></u></b> <b><u>Suffix</u></b>
20__	\$	%	%	
20__				
20__				
20__				
20__				
20__				
20__				
20__				
20__				
20__				
20__				
20__				
20__				
20__				
20__				

\$ \_\_\_\_\_ \* \_\_\_\_% Term Bond due \_\_\_\_\_ 1, 20\_\_\*, Priced to Yield \_\_\_\_%, CUSIP<sup>†</sup> Suffix

\* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only, and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2019 Bonds.

**FAIRFAX COUNTY REDEVELOPMENT AND  
HOUSING AUTHORITY COMMISSIONERS**

Robert H. Schwaninger, *Chairman*

C. Melissa Jonas, *Vice-Chairman*

Matthew Bell

Christopher T. Craig

Kenneth Feng

Kevin Greenlief

Richard Kennedy

Albert J. McAloon

Ezra Rosser

Rod Solomon

Sharisse Yerby

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**FAIRFAX COUNTY, VIRGINIA  
BOARD OF SUPERVISORS**

Sharon Bulova, *Chairman*

Penelope A. Gross, *Vice Chairman*

John C. Cook

John W. Foust

Patrick S. Herrity

Catherine M. Hudgins

Jeffrey C. McKay

Kathy L. Smith

Linda Q. Smyth

Daniel G. Storck

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**COUNTY OFFICIALS**

Bryan J. Hill, *County Executive*

Tisha Deeghan, *Deputy County Executive*

Rachel O'Dwyer Flynn, *Deputy County Executive*

David M. Rohrer, *Deputy County Executive*

Joseph M. Mondoro, *Deputy County Executive/Chief Financial Officer*

Christopher J. Pietsch, *Director, Department of Finance*

**COUNTY ATTORNEY**

Elizabeth D. Teare, Esquire, *County Attorney*

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**FINANCIAL ADVISOR**

PFM Financial Advisors LLC  
Arlington, Virginia

**BOND COUNSEL**

Norton Rose Fulbright US LLP  
Washington, D.C.

**PAYING AGENT**

Christopher J. Pietsch  
Director, Fairfax County Department of Finance

IN CONNECTION WITH THIS OFFERING, \_\_\_\_\_, AS REPRESENTATIVE OF THE UNDERWRITERS (DEFINED HEREIN), MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Series 2019 Bonds described herein, nor shall there be any offer or solicitation of such offer or sale of the Series 2019 Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Neither the delivery of this Official Statement nor the sale of any of the Series 2019 Bonds implies that the information herein is correct as of any date subsequent to the date thereof.

The electronic distribution of this Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2019 Bonds described herein to the residents of any particular jurisdiction and is not specifically directed to the residents of any particular jurisdiction. The Series 2019 Bonds will not be offered or sold in any state unless and until they are either registered pursuant to the laws of such jurisdiction, or qualified pursuant to an appropriate exemption from registration in such jurisdiction.

THE SERIES 2019 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED AND SECTION 304(a)(4) OF THE TRUST INDENTURE ACT OF 1939, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2019 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAW OF THE STATES IN WHICH THE SERIES 2019 BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

All quotations from and summaries and explanations of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE OF THE SERIES 2019 BONDS SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE AUTHORITY OR THE COUNTY SINCE THE DATE HEREOF.

The information set forth herein has been obtained from sources which are believed to be reliable and is in a form deemed final by the Authority and the County for the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information contained herein is subject to change after the date of this Official Statement, and this Official Statement speaks only as of its date.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Authority has provided the following sentence for inclusion in this Official Statement. The Authority does not assume any responsibility as to the accuracy or completeness of the information contained in this Official Statement, under the heading "THE COUNTY," "THE SERIES 2019 BONDS—Book-Entry-Only System," "CONTINUING DISCLOSURE UNDERTAKING," "TAX MATTERS" and Appendices A, B, C and D.

Forward looking statements. Certain statements contained in this Official Statement that are not historical facts are forward looking statements, which are based on the Authority's or the County's beliefs, as well as assumptions made by, and information currently available to, them. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "forecast," "goal," "budget," or similar words are intended to identify forward looking statements. The words "now," "to date," "currently" and the like are intended to mean as of the date of this Official Statement.

## TABLE OF CONTENTS

Attachment 10

INTRODUCTION .....	1
THE AUTHORITY .....	2
THE COUNTY .....	3
General .....	3
Affordable Housing .....	3
THE PROPERTY .....	4
REFUNDING PLAN .....	4
ESTIMATED SOURCES AND USES OF FUNDS .....	5
THE SERIES 2019 BONDS .....	5
General .....	5
Redemption .....	6
Book-Entry Only System .....	8
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS .....	10
The Payment Agreement .....	10
Budget and Appropriation .....	10
Limited Obligations .....	11
No Reserve Fund .....	11
No Mortgage or Property Security .....	11
INVESTMENT CONSIDERATIONS .....	11
Non-Appropriation on the Payment Agreement .....	11
TAX MATTERS .....	11
RATINGS .....	14
LEGAL MATTERS .....	14
LEGALITY FOR INVESTMENTS .....	14
LITIGATION .....	14
FINANCIAL ADVISOR .....	15
UNDERWRITING .....	15
VERIFICATION OF CERTAIN FINANCIAL COMPUTATIONS .....	15
CONTINUING DISCLOSURE UNDERTAKING .....	15
MISCELLANEOUS .....	17
PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL .....	18

APPENDIX A - Information Relating to Fairfax County

APPENDIX B - Financial Statements of Fairfax County for the Year Ended June 30, 2018, and Independent Auditor's Report

APPENDIX C - Form of Bond Counsel Opinion

APPENDIX D - Form of Continuing Disclosure Agreement

## OFFICIAL STATEMENT

### § \_\_\_\_\_<sup>\*</sup> **FAIRFAX COUNTY (VIRGINIA) REDEVELOPMENT AND HOUSING AUTHORITY** **REVENUE REFUNDING BONDS (WEDGEWOOD AFFORDABLE HOUSING ACQUISITION)** **SERIES 2019**

## INTRODUCTION

The purpose of this Official Statement, including the cover page and the Appendices hereto, is to set forth certain information regarding the § \_\_\_\_\_<sup>\*</sup> Fairfax County Redevelopment and Housing Authority Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition) Series 2019 (the “Series 2019 Bonds”) to be issued by the Fairfax County Redevelopment and Housing Authority (the “Authority”). The Series 2019 Bonds are being issued pursuant to the Constitution and laws of the Commonwealth of Virginia (the “Commonwealth”), including the Housing Authorities Law, Chapter 1, Title 36, Code of Virginia of 1950, as amended (the “Enabling Act”), and the provisions of a resolution duly adopted by the Authority on \_\_\_\_\_, 2019 (the “Resolution”). The Board of Supervisors (the “Board of Supervisors”) of Fairfax County, Virginia (the “County”), adopted a resolution on \_\_\_\_\_, 2019, by which it approved the issuance of the Series 2019 Bonds by the Authority.

The Series 2019 Bonds are being issued to provide funds sufficient to refund [certain outstanding maturities of] the Fairfax County Redevelopment and Housing Authority Revenue Bonds (Affordable Housing Acquisition) Series 2009 (the “Series 2009 Bonds”) and to pay costs of issuance of the Series 2019 Bonds. The 2009 Bonds were issued to pay the outstanding principal amount of the \$104,105,000 Fairfax County Redevelopment and Housing Authority Bond Anticipation Notes Series 2008B due on October 1, 2009 (the “Series 2008B Wedgewood Notes”). The proceeds of the Series 2008B Wedgewood Notes were applied to pay the principal amount of bond anticipation notes issued in November 2007 (the “Original Wedgewood Notes”) to pay a portion of the purchase price of, and to enable the County to acquire title to the 424-unit Wedgewood West Apartments multi-family rental housing complex, including the approximately 21.9-acre site thereof, the 123-unit Wedgewood East Apartments multi-family rental housing complex, including the approximately 6.9-acre site thereof, and the 125-unit Wedgewood Manor Apartments multi-family rental housing complex, including the approximately 6.0-acre site thereof all located in Annandale, Virginia (collectively the “Property”). See “THE PROPERTY” and “ESTIMATED SOURCES AND USES OF FUNDS.” The Authority operates and maintains the Property under a lease arrangement with the County.

The Authority and the County have entered into a Payment Agreement (the “Payment Agreement”) for both the Series 2019 Bonds pursuant to which the County has agreed, subject to the appropriation by its Board of Supervisors for such purpose, to make payments to or for the account of Authority, in order for the Authority to pay timely the principal of and the interest on the Series 2019 Bonds (the “County Payments”).

Under an Assignment Agreement (the “Assignment Agreement”), the Authority has assigned all of its rights, interests and privileges (including the right to receive the County Payments) under the Payment Agreement to the Director of the Department of Finance of Fairfax County, as bond registrar and paying agent, for the benefit of the owners of the Series 2019 Bonds. The obligation of the County to make County Payments and any other payments required under the Payment Agreement in any fiscal year is a valid and binding obligation of the County, but is subject to and contingent upon the annual

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<sup>\*</sup> Preliminary, subject to change

appropriation of funds for such purpose by the Board of Supervisors. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS - The Payment Agreement.” There is no mortgage or lien on the Property to secure the Series 2019 Bonds, nor is any lease between the County and Authority relating to the Property assigned or pledged as security for the Series 2019 Bonds.

THE SERIES 2019 BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM REVENUES, RECEIPTS AND SECURITY PLEDGED THEREFOR UNDER THE PAYMENT AGREEMENT. NEITHER THE COMMISSIONERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE SERIES 2019 BONDS SHALL BE LIABLE PERSONALLY ON THE SERIES 2019 BONDS BY REASON OF THE ISSUANCE THEREOF. THE SERIES 2019 BONDS SHALL NOT BE A DEBT OF THE COUNTY, THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY), AND NEITHER THE COUNTY NOR THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THE SERIES 2019 BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY PLEDGED THEREFOR PURSUANT TO THE RESOLUTION AND THE PAYMENT AGREEMENT. THE SERIES 2019 BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

Brief descriptions of the Authority, the County, the Property, the Series 2019 Bonds, the security for the Series 2019 Bonds, the Payment Agreement, and related documents are included in this Official Statement. The descriptions of the documents included in this Official Statement do not purport to be comprehensive or definitive and are qualified in their entirety by reference to such documents.

### **THE AUTHORITY**

The Authority is a political subdivision of the Commonwealth of Virginia created pursuant to the Housing Authorities Law, Chapter 1, Title 36, of the Code of Virginia of 1950, as amended (the “Enabling Act”). The Authority is a “public housing agency” as such term is defined in Section 3(6) of the U.S. Housing Act.

The Authority was created pursuant to the Enabling Act by resolution of the Board of Supervisors, and approved in a referendum of voters in Fairfax County on November 2, 1965. On February 23, 1966, the Board of Supervisors declared the Authority activated and it has been in operation since that date without interruption. The Authority is empowered, among other things, to acquire, construct, improve, maintain, equip, own, lease and dispose of various types of facilities, including facilities for use by the County, and to finance the same by the issuance of its revenue bonds or notes. The Series 2019 Bonds will be limited obligations of the Authority as described in the section “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS.” The Authority has no taxing power.

The Authority’s powers are vested in eleven Commissioners. The officers of the Authority are a Chairman and a Vice-Chairman, chosen from the Commissioners, and a Secretary who is also the Executive Director. The County Executive of the County serves as Secretary and Executive Director for the Authority. In addition, the Authority appoints such other officers, agents and employees as it may require.

The Authority’s offices are located at 3700 Pender Drive, Suite 300, Fairfax, Virginia 22030-7444, and its telephone number is (703) 246-5105.

The Authority has acted as an issuer of bonds and notes other than the Series 2019 Bonds. No such other bonds or notes are secured by the Payment Agreement or any other assets pledged to secure the Series 2019 Bonds under the Resolution or the Payment Agreement, nor are the Series 2019 Bonds secured by any assets pledged to the payment of such other bonds or notes. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS.”

## **THE COUNTY**

### **General**

The County is located in the northeastern corner of Virginia and encompasses an area of 407 square miles. The County is part of the Washington, D.C., metropolitan area, which includes jurisdictions in Maryland, the District of Columbia and Northern Virginia.

The Fairfax County government is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of the County is the Board of Supervisors, which makes policies for the administration of the County. The Board of Supervisors is comprised of ten members: the Chairman, elected at large for a four-year term, and one member from each of nine districts, elected for four-year terms by the voters of the district in which the member resides. The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures and recommends officers and personnel to be appointed by the Board of Supervisors.

In Virginia, cities and counties are discrete units of government and do not overlap. Fairfax County completely surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. Property within these cities is not subject to taxation by the County, and the County generally is not required to provide governmental services to their residents. The County, does, however, provide certain services to the residents of certain of these cities pursuant to agreements with such cities.

In the County, there are located three incorporated towns, Clifton, Herndon and Vienna, which are underlying units of government within the County, and ordinances and regulations of the County are, with certain limitations prescribed by Virginia law, generally effective in them. Property in these towns is subject to County taxation, and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the prior approval of the County.

See Appendix A for further information regarding the County.

### **Affordable Housing**

The Board of Supervisors has made affordable housing in the County a priority. As part of the effort to provide affordable housing in the County, the Board of Supervisors in fiscal year 2006 approved the establishment of a new fund to aid in financing affordable housing. The Penny for Affordable Housing Fund (the “Affordable Housing Fund”) from fiscal year 2006 through fiscal year 2009, produced \$85.3 million for the preservation and production of affordable housing in the County at a rate of \$.01 per \$1,000 of assessed value of real property in the County. As part of the adopted budget for fiscal year 2010 the Board maintained its commitment to appropriate funds, but at a lower rate of one-half of one cent per \$1,000 of assessed value of real property in the County, which was equal to approximately \$10.2 million for fiscal year 2010. The Board continued this commitment in the fiscal year 2011 through 2019 Adopted Budgets, providing a total of \$\_\_\_\_\_ million dedicated to the Affordable Housing Fund. The commitment established in the fiscal year 2020 budget was set in the amount of \_\_\_\_\_ million.

## THE PROPERTY

On October 4, 2007, the County entered into Agreements of Purchase and Sale for a multi-family rental housing property comprised of the 424-unit Wedgewood West Apartments, including its approximately 21.9-acre site, the 123-unit Wedgewood East Apartments, including its approximately 6.9-acre site, and the 125-unit Wedgewood Manor Apartments, including its approximately 6.0-acre site, all located in Annandale, Virginia. Simultaneously with the issuance of the Original Wedgewood Notes, the Series 2008B Wedgewood Notes and the Series 2009 Bonds, the Authority and the County entered into lease agreements pursuant to which the Authority agreed to lease the Property from the County and operate and maintain the Property as “residential buildings” within the meaning of the Enabling Act. Simultaneously with the issuance of the Series 2019 Bonds, the Authority and the County will enter into a similar lease agreement, which will not be pledged as security for the Series 2019 Bonds.

The Enabling Act requires 20% of the units in a residential building operated by the Authority to be occupied by persons of low income and the remainder of the units to be occupied by persons of moderate income, each as determined by the Authority in accordance with the Enabling Act. Pursuant to a resolution passed by the Authority on November 1, 2007 (the “Tenants Income Resolution”), the Authority has reviewed the income of the tenants residing on the Property to ensure compliance with the Authority’s tenant income guidelines. Based on such review, the Authority has taken actions, including aiding the relocation of certain tenants, required under the Tenants Income Resolution in order to ensure that the requirements for the operation of the Property under the Enabling Act are being met.

Based on real estate and financial market conditions and consultation with the County and its Financial Advisor the Authority may in the future sell all or a portion of the Property and redeem all or a portion of the Series 2019 Bonds relating to the Property or portion thereof sold. See “THE SERIES 2019 BONDS - Redemption - Extraordinary Mandatory Redemption.”

## REFUNDING PLAN

The Authority will use a portion of the proceeds of the Series 2019 Bonds to provide funds to refund all or a portion of the Authority’s outstanding Series 2009 Bonds that mature on October 1, 20\_\_\* through October 1, 20\_\_\*, inclusive, and October 1, 20\_\_\* and that are subject to redemption prior to maturity at the option of the Authority (the “Refunding Candidates”). The purpose of the refunding is to achieve present value debt service savings. The Authority and the County’s decision whether to refund any given maturity of the Refunding Candidates is subject to prevailing market conditions at the time of the sale of the Series 2019 Bonds. The Authority and the County may refund only certain maturities of the Refunding Candidates if such refunding permits the County to meet certain savings targets. The Refunding Candidates, if any, that are refunded with proceeds of the Series 2019 Bonds are referred to as the “Refunded Bonds.” The Authority will deposit with [\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_], as escrow agent, pursuant to an escrow deposit agreement, cash and non-callable, direct obligations of the United States of America, the maturing principal of and interest on which, together with such cash, will be sufficient to pay all principal, applicable redemption premium, and interest on the Refunded Bonds to their redemption date. The Refunded Bonds will be called for redemption on October 1, 2019, at the redemption price of 100% of their principal amount. The sufficiency of the cash and securities deposited with the escrow agent to pay the principal of and interest on the Refunded Bonds will be verified by Robert Thomas CPA LLC. See “VERIFICATION OF CERTAIN FINANCIAL COMPUTATIONS” herein. Set forth below are the Refunding Candidates and their original CUSIP numbers.

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\* Preliminary, subject to change.

**Refunding Candidates\***

<u>Refunded Bonds</u>	<u>Maturities</u>	<u>Amount</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP Number</u> <sup>†</sup>
2009 Bonds	October 1, 20__	\$	October 1, 2019	100%	
	October 1, 20__		October 1, 2019	100	
	October 1, 20__		October 1, 2019	100	
	October 1, 20__		October 1, 2019	100	
	October 1, 20__		October 1, 2019	100	
	October 1, 20__		October 1, 2019	100	
	October 1, 20__		October 1, 2019	100	
	October 1, 20__		October 1, 2019	100	
	October 1, 20__		October 1, 2019	100	
	October 1, 20__		October 1, 2019	100	

<sup>†</sup> CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only, and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2019 Bonds.

**ESTIMATED SOURCES AND USES OF FUNDS**

The proceeds of the Series 2019 Bonds and other available funds are expected to be applied as follows:

<u>Sources</u>	
Principal amount of the Series 2019 Bonds.....	\$
Net Original Issue Premium.....	
[County Equity Contribution].....	
Total	\$
<u>Uses</u>	
Deposit in Escrow Account for Refunded Bonds.....	\$
Costs of Issuance of the Series 2019 Bonds.....	
Underwriters' discount.....	
Total	\$

**THE SERIES 2019 BONDS****General**

The Series 2019 Bonds will be dated the date of their delivery, will bear interest and will mature as set forth on the inside cover pages hereof. Interest on the Series 2019 Bonds will be calculated on a

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\*Preliminary, subject to change

30/360 day basis. The Series 2019 Bonds will be issued as fully registered bonds and purchasers may acquire beneficial interests in the Series 2019 Bonds in denominations of \$5,000 or any integral multiple thereof. The Series 2019 Bonds will be dated the date of their delivery, will bear interest from their dated date, payable on each April 1 and October 1, commencing October 1, 2019, at rates, and will mature in amounts on October 1 in each of the years 2020 through 2039, as set forth on the inside cover page of this Official Statement. The Series 2019 Bonds will be issued in a book-entry only system of registration. So long as The Depository Trust Company, New York, New York ("DTC"), or its nominee, is the registered owner of the Series 2019 Bonds, payments of the principal and interest on the Series 2019 Bonds will be payable directly to DTC. See "- Book-Entry Only System" below.

## Redemption

### *Optional Redemption*

The Series 2019 Bonds maturing on or before \_\_\_\_\_ 1, 20\_\_, are not subject to optional redemption before their maturity. The Series 2019 Bonds maturing after \_\_\_\_\_ 1, 20\_\_, are subject to redemption prior to maturity, at the option of the County, from any money available for such purpose on any date not earlier than \_\_\_\_\_ 1, 20\_\_, in whole or in part (in integral multiples of \$5,000) at any time, at a redemption price equal to the principal amount thereof, together with the interest accrued to the redemption date on the principal amount to be redeemed.

### *Extraordinary Mandatory Redemption*

The Series 2019 Bonds are subject to extraordinary mandatory redemption ("Extraordinary Mandatory Redemption") in whole or in part (in integral multiples of \$5,000), on any date after \_\_\_\_\_, 20\_\_, at a redemption price equal to the principal amount redeemed thereof, together with the interest accrued to the redemption date on the principal amount to be redeemed, within six months from the date of the sale by the County of all or any portion of the Property. Upon the sale of a portion of the Property, the Series 2019 Bonds to be redeemed shall be the pro rata portion of the Series 2019 Bonds (such portion to be rounded up to the next \$5,000 increment) allocable to that portion of the Property.

The County and Authority at this time do not know the likelihood that all or any of the portion of the Property will be sold. Any such sale depends on real estate and financial market conditions and consultation and agreement with the County on such sale.

### *[Mandatory Sinking Fund Redemption]*

The Series 2019 Bonds maturing \_\_\_\_\_ 1, 20\_\_, are subject to mandatory sinking fund redemption in part at a price equal to the principal amount thereof, together with interest thereon accrued to the date of redemption, in accordance with the following sinking fund requirements:

<u>Series 2019 Bonds Maturing _____ 1, 20__</u>	
<u>Year</u>	<u>Principal Amount</u>
20__	\$
20__	
20__	(final maturity)

The Series 2019 Bonds maturing \_\_\_\_\_, 20\_\_, are also subject to mandatory sinking fund redemption in part at a price equal to the principal amount thereof, together with interest thereon accrued to the date of redemption, in accordance with the following sinking fund requirements:

Series 2019 Bonds Maturing 1, 20

<u>Year</u>	<u>Principal Amount</u>
20__	\$
20__	
20__	(final maturity)

The Payment Agreement for the Series 2019 Bonds requires funds to be provided sufficient to redeem on the dates indicated above the principal amounts of such Series 2019 Bonds set forth above.]

*Selection of Series 2019 Bonds for Redemption*

Series 2019 Bonds may be redeemed only in increments of \$5,000 or whole multiples thereof. If less than all the Series 2019 Bonds are called for Extraordinary Mandatory Redemption, the Series 2019 Bonds or portions thereof will be redeemed in a pro-rata manner for each maturity of Series 2019 Bonds, each \$5,000 increment being counted as one Series 2019 Bond for such purpose. If less than all of the Series 2019 Bonds are called for optional redemption, the Series 2019 Bonds or portions thereof to be redeemed will be selected by the paying agent and bond registrar in such manner as the paying agent and bond registrar in its sole discretion may determine, each \$5,000 increment being counted as one Series 2019 Bonds for such purpose. If a portion of a Series 2019 Bond is called for redemption, a new Series 2019 Bond in a principal amount equal to the unredeemed portion thereof will be issued to the bondholder upon the surrender thereof.]

*Notice of Redemption*

The paying agent and bond registrar will send notice of any call for redemption by first class mail, postage prepaid, not less than 30 nor more than 90 days prior to the redemption date to all holders of the Series 2019 Bonds to be redeemed, whether as a whole or in part. Failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Series 2019 Bond with respect to which no such failure or defect has occurred. Such notice is to identify the Series 2019 Bond or portions thereof to be redeemed, the date fixed for redemption, the redemption price to be paid, and, if appropriate, the maturities and identifying numbers and letters, if any, of such Series 2019 Bond to be redeemed and, in the case of a Series 2019 Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed.

Any notice of optional redemption of the Series 2019 Bond may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the redemption price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price if any such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit with the bond registrar and paying agent, the corresponding notice of redemption will be deemed to be revoked.

If, on or before the date fixed for redemption, the Authority has deposited with an escrow agent or the paying agent and bond registrar funds sufficient to pay the principal of and interest accrued thereon to the redemption date on the Series 2019 Bonds called for redemption, such Series 2019 Bonds or portions thereof so called for redemption will cease to bear interest from and after the redemption date, will no longer be entitled to benefits provided by the Payment Agreement and shall not be deemed to be outstanding. So long as the Series 2019 Bonds are in book-entry only form, any notice of redemption will be given to the securities depository or its nominee as the sole registered owner of the Series 2019 Bonds.

See “-Book-Entry Only System” below with respect to provision of such notice to the beneficial owners of the Series 2019 Bonds.

### **Book-Entry Only System**

***The following description of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2018 Bonds, payments of principal of and interest on the Series 2019 Bonds to DTC, its nominee, Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in the Series 2019 Bonds and other bond-related transactions by and between DTC, the Direct Participants and Beneficial Owners is based solely on information furnished by DTC.***

DTC will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2018 Bond certificate will be issued for each maturity of Series 2018 Bonds, as set forth on the inside cover pages hereof, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [dtc.org](http://dtc.org).

Purchases of the Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC’s records. The ownership interest of the actual purchasers of the Series 2019 Bonds (the “Beneficial Owners”) is in turn recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmations from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, the Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2019 Bonds with DTC and registration in the name of Cede & Co. or such other nominee does not effect any change in beneficial ownership. DTC has no knowledge of the identities of the actual Beneficial Owners of the Series 2019 Bonds; DTC's records reflect only the identities the Direct Participants to whose accounts the Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults and proposed amendments to the security documents. For example, Beneficial Owners of the Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and payments of principal of and interest on the Series 2019 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the bond registrar and paying agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (or its nominee), the Authority or the bond registrar and paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the bond registrar and paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to the Authority and the bond registrar and paying agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2019 Bond certificates will be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2019 Bond certificates will be printed and delivered.

Neither the Authority nor the bond registrar and paying agent has any responsibility or obligation to the Direct or Indirect Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Direct or Indirect Participant; (b) the payment by any Direct or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Series 2019 Bonds; (c) the delivery or timeliness of delivery by any Direct or Indirect Participant of any notice to any Beneficial Owner that is required or permitted to be given to holders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as holder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

So long as Cede & Co. is the registered owner of the Series 2019 Bonds, as nominee of DTC, references in this Official Statement to the holders of the Series 2019 Bonds mean Cede & Co. and not the Beneficial Owners, and Cede & Co. will be treated as the only holder of Series 2019 Bonds.

The Authority may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Series 2018 Bonds without the consent of Beneficial Owners or holders.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

**The Authority may enter into amendments to the agreement with DTC, or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Series 2019 Bonds without the consent of Beneficial Owners.**

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS**

### **The Payment Agreement**

The County is obligated in accordance with the terms of the Payment Agreement to make County Payments that are sufficient to pay the principal of (including any sinking fund requirements) and interest due on the Series 2019 Bonds. Under the Payment Agreement, the obligation of the County to make the County Payments and any other required payments in the applicable fiscal year of the County is valid and binding, but subject to and contingent upon the annual appropriation by the Board of Supervisors of the County of funds for such purpose for such fiscal year. The County shall not be liable or obligated under the Payment Agreement to pay all or any portion of the County Payments on account of a failure of the Board of Supervisors of the County to appropriate such sums (an "Event of Nonappropriation"). See "INVESTMENT CONSIDERATIONS."

### **Budget and Appropriation**

The County has covenanted in the Payment Agreement that the County Executive shall include in an appropriate line item in the annual budget of revenues and disbursements presented to the Board of Supervisors for each fiscal year that the Series 2019 Bonds are outstanding, an amount not less than an amount sufficient to pay interest and principal (including any sinking fund requirements) on the Series 2019 Bonds during such applicable fiscal year pursuant to the Payment Agreement.

### **Limited Obligations**

The Series 2019 Bonds and the interest thereon are limited obligations of the Authority, payable solely from revenues, receipts and security as provided in the Payment Agreement. Neither the Commissioners of the Authority nor any person executing the Series 2019 Bonds shall be liable personally on the Series 2019 Bonds by reason of the issuance thereof. The Series 2019 Bonds shall not be a debt of the County, the Commonwealth or any political subdivision thereof (other than the Authority), and neither the County nor the Commonwealth or any political subdivision thereof (other than the Authority) shall be liable thereon, nor in any event shall the Series 2019 Bonds be payable out of any funds or properties other than those of the Authority pledged therefor pursuant to the Resolution and Payment Agreement. The Series 2019 Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Authority has no taxing power.

### **No Reserve Fund**

No debt service reserve funds or other similar reserve funds have been established with respect to the Series 2019 Bonds.

### **No Mortgage or Property Security**

Neither the Property nor the lease arrangement between the County and the Authority relating to the Property serve as security or collateral for the Series 2019 Bonds.

## **INVESTMENT CONSIDERATIONS**

The following is a summary of particular risk factors attendant to investment in the Series 2019 Bonds. In order to identify certain additional risk factors and make an informed investment decision, investors should review thoroughly all the information contained in this Official Statement.

### **Non-Appropriation on the Payment Agreement**

The obligation of the County to make County Payments is subject to appropriation of funds for that purpose. The likelihood that the Board of Supervisors will continue to appropriate funds for County Payments during an applicable fiscal year may depend on a number of factors, including, but not limited to, (a) the continuing need of the County for the Property, (b) political, economic and other factors affecting County government, (c) general fund revenues and expenditures, (d) economic conditions in the County, (e) the usefulness or value of the Property and (f) the availability of alternative facilities.

## **TAX MATTERS**

### ***Opinion of Bond Counsel***

The Authority and, the County have covenanted to comply with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion from gross income of the interest on the Series 2019 Bonds for purposes of federal income taxation. In the opinion of Norton Rose Fulbright US LLP, Bond Counsel, under current law and assuming continuing compliance by the County and the Authority with such covenants and requirements of the Code regarding, among other matters, the use, expenditure and investment of Series 2019 Bond proceeds and the timely payment of certain investment earnings to the United States Treasury, interest on the Series 2019 Bonds will not be included in the gross income of the owners thereof for federal income tax purposes. Failure by the County or the Authority to comply with such covenants and requirements may cause interest on the Series 2019 Bonds to be includable in the gross income of the owners thereof retroactive to the date of issue of

the Series 2019 Bonds. No opinion is rendered by Bond Counsel as to the effect on the exclusion from gross income of the interest on the Series 2019 Bonds for federal income tax purposes of any action taken or not taken without the approval of Bond Counsel or in reliance upon the advice or opinion of counsel other than Bond Counsel.

Interest on the Series 2019 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax under the Code. The Code contains other provisions (some of which are noted below) that could result in tax consequences, as to which no opinion will be rendered by Bond Counsel, as a result of ownership of the Series 2019 Bonds or the inclusion in certain computations of interest that is excluded from gross income.

### ***Original Issue Discount***

The excess, if any, of the amount payable at maturity of any maturity of the Series 2019 Bonds purchased as part of the initial public offering over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Series 2019 Bonds with original issue discount (a “Discount Bond”) will be excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2019 Bonds. In general, the issue price of a maturity of the Series 2019 Bonds is the first price at which a substantial amount of Series 2019 Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers), which may not be the same as the prices shown on the inside cover pages of this Official Statement, and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser’s adjusted basis in a Discount Bond is to be increased by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds for federal income tax purposes.

Original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed herein. Consequently, an owner of a Discount Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale, or other disposition of a Discount Bond that is not purchased in the initial offering at the first price at which a substantial amount of such Series 2019 Bonds is sold to the public may be determined according to rules that differ from those described above. Owners of Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount with respect to such Discount Bonds and with respect to state and local tax consequences of owning and disposing of such Discount Bonds.

### ***Bond Premium***

The excess, if any, of the tax basis of Series 2019 Bonds purchased as part of the initial public offering to a purchaser (other than a purchaser who holds such Series 2019 Bonds as inventory, stock in trade, or for sale to customers in the ordinary course of business) over the amount payable at maturity is “Bond Premium.” Bond Premium is amortized over the term of such Series 2019 Bonds for federal income tax purposes (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). Owners of such Series 2019 Bonds are required to decrease

their adjusted basis in such Series 2019 Bonds by the amount of amortizable Bond Premium attributable to each taxable year such Series 2019 Bonds are held. The amortizable bond premium on such Series 2019 Bonds attributable to a taxable year is not deductible for federal income tax purposes; however Bond Premium on such Series 2019 Bonds is treated as an offset to qualified stated interest received on such Series 2019 Bonds. Owners of such Series 2019 Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the treatment of Bond Premium upon sale, redemption or other disposition of such Series 2019 Bonds and with respect to state and local income tax consequences of owning and disposing of such Series 2019 Bonds.

### ***Backup Withholding***

Interest paid on the Series 2019 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. While this reporting requirement does not by itself, affect the excludability of interest on the Series 2019 Bonds from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Series 2019 Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (i) are not “exempt recipients,” and (ii) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the Internal Revenue Service as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner’s federal income tax liability provided the required information is furnished to the Internal Revenue Service.

### ***Other Tax Consequences***

Under current law, the interest on the Series 2019 Bonds is excluded from Virginia taxable income for purposes of the individual income tax and the income taxation of corporations by the Commonwealth of Virginia under Sections 58.1-322 and 58.1-402 of the Virginia Code to the extent that such interest is excludable from gross income for federal income tax purposes.

The Code contains other provisions (some of which are noted below) that could result in tax consequences, upon which Bond Counsel expresses no opinion, as a result of ownership of the Series 2019 Bonds or the inclusion in certain computations of interest on the Series 2019 Bonds that is excluded from gross income for purposes of federal income taxation.

**PROSPECTIVE PURCHASERS OF THE SERIES 2019 BONDS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE APPLICABILITY AND IMPACT OF ANY SUCH COLLATERAL TAX CONSEQUENCES.**

Ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S Corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit.

### ***Future Tax Developments***

Future or pending legislative proposals, if enacted, regulations, rulings or court decisions may cause interest on the Series 2019 Bonds to be subject, directly or indirectly, to federal income taxation or

to state or local income taxation, or may otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Legislation or regulatory actions and future or pending proposals may also affect the economic value of the federal or state tax exemption or the market value of the Series 2019 Bonds. Prospective purchasers of the Series 2019 Bonds should consult their tax advisors regarding any future, pending or proposed federal or state tax legislation, regulations, rulings or litigation as to which Bond Counsel expresses no opinion.

### **RATINGS**

The Series 2019 Bonds have been rated “\_\_\_” by Moody’s Investors Service, Inc. (“Moody’s”) and “\_\_\_” by S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”). The Authority and the County requested that the Series 2019 Bonds be rated and furnished certain information to Moody’s and S&P, including certain information that is not included in this Official Statement. A rating is not a recommendation to buy, sell or hold the Series 2019 Bonds. Generally, a rating agency bases its rating on such materials and information, as well as investigations, studies and assumptions of the rating agency.

The ratings may be changed at any time and no assurance can be given that it will not be revised downward, suspended or withdrawn entirely by, Moody’s or S&P, if, in the judgment of either or both, circumstances so warrant. Such circumstances may include, without limitation, change in or unavailability of information relating to the County or the Authority. Any such downward revision or withdrawal of any of the ratings may have an adverse effect on the market price of the Series 2019 Bonds.

### **LEGAL MATTERS**

Certain legal matters relating to the authorization and validity of the Series 2019 Bonds are subject to the approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel. Such opinion will be furnished without expense to the purchasers of the Series 2019 Bonds. See Appendix C, “FORM OF BOND COUNSEL OPINION” herein.

Certain legal matters will be passed upon for the Authority by Ryan A. Wolf, Esquire, Office of the County Attorney, for the County by Elizabeth D. Teare, Esquire, County Attorney, and for the Underwriters by \_\_\_\_\_.

### **LEGALITY FOR INVESTMENTS**

Under the Enabling Act, the Series 2019 Bonds are legal and authorized investments for banks, trustees, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians for all public funds of the Commonwealth of Virginia or other political subdivisions of the Commonwealth of Virginia, and any and all public funds of cities, towns, counties, school districts or other political corporations or subdivisions of the Commonwealth of Virginia.

### **LITIGATION**

No litigation is pending or, to the Authority’s knowledge, threatened (a) to restrain or enjoin the issuance, sale or delivery of any of the Series 2019 Bonds, the application of the proceeds of the Series 2019 Bonds or the collection or application of revenues pledged under the Payment Agreement, (b) in any way contesting or affecting any authority for the issuance or validity of the Series 2019 Bonds or the validity of the Payment Agreement, (c) in any way contesting the creation, existence or powers of the Authority or (d) that, if determined adversely against the Authority, would have a material adverse effect on the Authority.

No litigation is pending or, to the County's knowledge, threatened (a) to restrain or enjoin the issuance, sale or delivery of any of the Series 2019 Bonds, the application of the proceeds of the Series 2019 Bonds or the collection or application of revenues pledged under the Payment Agreement, (b) in any way contesting or affecting any authority for the issuance or validity of the Series 2019 Bonds or the validity of the Payment Agreement, (c) in any way contesting the creation, existence or powers of the County or (d) that, if determined adversely against the County, would have a material adverse effect on the County.

### **FINANCIAL ADVISOR**

The County has retained PFM Financial Advisors LLC, Arlington, Virginia, as financial advisor (the "Financial Advisor") in connection with the issuance of the Series 2019 Bonds. Although the Financial Advisor assisted in the preparation and review of this Official Statement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Financial Advisor is a financial advisory organization and is not engaged in the business of underwriting municipal securities.

### **UNDERWRITING**

The Series 2019 Bonds are being purchased for reoffering by \_\_\_\_\_ as representative of the underwriters for the Series 2019 Bonds (the "Underwriters"), at a purchase price of \$ \_\_\_\_\_ (which reflects the par amount of the Series 2019 Bonds less \$ \_\_\_\_\_ underwriters' discount and [plus/less] \$ \_\_\_\_\_ net original issue premium/discount). The Underwriters intend to offer the Series 2019 Bonds to the public at the offering prices set forth on the cover page of this Official Statement. The 2019 Underwriters may allow concessions to certain dealers (including dealers in a selling group and the 2019 Underwriters and other dealers depositing Series 2019 Bonds into investments trusts), which may realow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the 2019 Underwriters.

### **VERIFICATION OF CERTAIN FINANCIAL COMPUTATIONS**

The accuracy of (i) the arithmetical computations of the maturing principal and interest earned on the federal securities in the escrow account established in the escrow agreement relating to the Refunded Bonds to pay when due or at their respective redemption dates, the principal of, premium, if any, and interest on the Refunded Bonds and (ii) the mathematical computations supporting the conclusion that the Series 2019 Bonds are not "arbitrage bonds," within the meaning of Section 148 of the Code, has been verified by Robert Thomas, CPA, LLC. Such verification has been based upon information supplied by the Financial Advisor.

### **CONTINUING DISCLOSURE UNDERTAKING**

The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Series 2019 Bonds, and the Authority will not provide any such information. The County has undertaken all responsibilities for continuing disclosure for the benefit of the Owners, and the Authority shall have no liability to the Owners or any other person with respect to such disclosures.

The Securities and Exchange Commission has adopted Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"). In general, the Rule prohibits an underwriter from purchasing or selling municipal securities such as the Series 2019 Bonds, unless it has determined that the

issuer of such securities or other persons deemed to be material “obligated persons” have committed to provide to The Electronic Municipal Market Access (“EMMA”) system administered by the Municipal Securities Rulemaking Board (i) on an annual basis, certain financial information and operating data (“Annual Reports”), and, if available, audited financial statements, and (ii) notice of various events described in the Rule (“Event Notices”).

The County will covenant in the Continuing Disclosure Agreement (the form of which appears in Appendix D), to be dated the date of delivery of the Series 2019 Bonds, for the benefit of the holders of the Series 2019 Bonds, to provide Annual Reports to EMMA, annually, not later than March 31 of each year, commencing March 31, 2020. Similarly, the County will provide Event Notices with respect to the Series 2019 Bonds to EMMA. The County has updated its procedures relating to compliance with its undertakings under the Rule to reflect the recent amendment of the Rule.

In accordance with continuing disclosure undertakings (the “Sewer Undertakings”) relating to the County’s sewer revenue bonds, the County agreed to provide and file certain annual financial and statistical information (“Sewer System Annual Disclosure Reports”) relating to the County’s sanitary sewer system (the “System”) as well as the County’s audited financial statements for the System (“Sewer System Annual Financial Statements”). For the Fiscal Years ended June 30, 2009, and June 30, 2010, the County prepared and filed the Sewer System Annual Disclosure Reports for each year. Such filings, however, inadvertently did not include the prepared Sewer System Annual Financial Statements (the “2009 and 2010 Sewer System Annual Financial Statements”) required to be included in such filings pursuant to the terms of the Continuing Disclosure Undertakings, although the 2009 and 2010 Sewer System Annual Financial Statements were timely posted to the County’s website. As of June 5, 2014, the County filed the 2009 and 2010 Sewer System Annual Financial Statements. In addition, as a condition to the issuance of various series of revenue bonds (“UOSA Bonds”) issued by the Upper Occoquan Service Authority for the benefit of the County and other jurisdictions, the County has agreed pursuant to continuing disclosure undertakings (the “UOSA Undertakings”) to provide and file the Sewer System Annual Disclosure Reports and Sewer System Annual Financial Statements. The 2009 and 2010 Sewer System Annual Financial Statements were filed pursuant to the UOSA Undertakings but not in a timely manner and other filings were complete and timely but were not correctly cross-referenced to the UOSA Bonds. The County has implemented procedures to ensure the inclusion of necessary information in a timely manner in future filings required by the Sewer Undertakings and the UOSA Undertakings.

Pursuant to several continuing disclosure undertakings entered into relating to the Fairfax County Economic Development Authority’s Transportation Contract Revenue Bonds (Route 28 Project), the County provided all required information, except that it inadvertently did not include in its annual information required under such undertakings a description of the twenty largest owners of real property by assessed value in the State Route 28 Highway Transportation Improvement District. The County has implemented procedures to ensure the inclusion of such information in future filings.

It should be noted, however, that while the County has timely filed each annual financial report required by its continuing disclosure undertakings (except as described under this caption), the filings with respect to certain bond issues were not cross-referenced to such bonds. Although such cross-references are not specifically required by the undertakings, the County has implemented procedures to ensure such cross-references in future filings.

In addition, pursuant to the Sewer Undertakings relating to certain sewer revenue bonds defeased on May 12, 2016 (the “Sewer Bonds Defeasance”), the County agreed to provide timely notice of the Sewer Bonds Defeasance. Pursuant to the escrow deposit agreement, dated May 12, 2016, between the County and its Escrow Agent, the Escrow Agent agreed to provide notice to EMMA of the Sewer Bonds Defeasance within two days of the date of the agreement. The Escrow Agent did not provide this notice

within the two-day period. After inquiry from the County, the Escrow Agent did provide such notice, but not within the time periods required by the relevant Sewer Undertakings. The County has strengthened its procedures to ensure that event notices to be provided by outside entities on the County's behalf are done within the required time periods.

Except as described under this caption, in the five years preceding the date of this Official Statement, the County has materially complied with its undertakings under the Rule.

Any failure by the County to perform its obligations under the Continuing Disclosure Agreement will not constitute an Event of Default under the Series 2019 Bonds; rather, the right to enforce the provisions of the Continuing Disclosure Agreement is limited to the right to compel performance. The Underwriters' obligations to purchase the Series 2019 Bonds shall be conditioned upon receipt, at or prior to the delivery of the Series 2019 Bonds, of an executed copy of the Continuing Disclosure Agreement.

#### **MISCELLANEOUS**

All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof, and no guarantee, warranty, or other representation is made concerning the accuracy or completeness of the information herein. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

**PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL**

The distribution of this Preliminary Official Statement has been duly authorized by the Authority. The Board of Supervisors of the County deems this Preliminary Official Statement final as of its date within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, except for the omission of certain pricing and other information permitted to be omitted by Rule 15c2-12.

**FAIRFAX COUNTY REDEVELOPMENT  
AND HOUSING AUTHORITY**

By: \_\_\_\_\_  
Chairman

**APPENDIX A**

**INFORMATION RELATING TO FAIRFAX COUNTY, VIRGINIA**

## TABLE OF CONTENTS

FAIRFAX COUNTY .....	1
GENERAL DESCRIPTION .....	1
Overview .....	1
Population .....	1
Certain County Administrative and Financial Staff Members .....	3
County Employees .....	5
GOVERNMENT SERVICES .....	5
General Government Administration .....	5
Public Schools .....	6
Public Works .....	8
Transportation .....	9
Parks, Recreation and Libraries .....	12
Community Development .....	13
Health and Welfare .....	14
Judicial Administration .....	15
Public Safety .....	15
Water Supply Service .....	16
ECONOMIC FACTORS .....	17
Economic Development .....	17
Employment .....	18
Construction Activity .....	23
Housing .....	23
Colleges and Universities .....	24
Cultural Amenities .....	24
DEBT ADMINISTRATION .....	25
Statement of Bonded Indebtedness .....	25
Limits on Indebtedness .....	25
Bond Referenda Authorization .....	26
Other Tax Supported Debt Obligations .....	26
Lease Commitments and Contractual Obligations .....	30
Debt Service on Tax Supported Debt Obligations .....	31
Sewer Revenue Bonds .....	32
Debt Ratios .....	34
Underlying Bonded Indebtedness .....	36
TAX BASE DATA .....	37
FINANCIAL INFORMATION .....	40
Five-Year Summary of Revenues, Expenditures and Fund Balances for the General Fund .....	40
Financial Policies .....	42
Certain Financial Procedures .....	43
Investment Management Policy .....	44
General Fund Revenues, Expenditures, Transfers and Beginning Fund Balance .....	44
General Fund Summary .....	44
Revenues .....	45
Expenditures and Transfers .....	47
FY 2019 Budget .....	48
FY 2020 Budget .....	49
CAPITAL IMPROVEMENT PROGRAM .....	49
RETIREMENT SYSTEMS .....	49
Fairfax County Employees' Retirement System (ERS) .....	50

Fairfax County Police Officers Retirement Systems (PORS).....	52
Fairfax County Uniformed Retirement System (URS).....	54
Educational Employees' Supplementary Retirement System of Fairfax County (ERFC).....	56
Virginia Retirement Systems (VRS).....	58
Fairfax County Retirement Systems – Plan Revisions from the Board of Supervisors .....	59
Fairfax County - Other Post-Employment Benefits (OPEB) .....	59
Fairfax County Public Schools - Other Post-Employment Benefits (OPEB) .....	62
CONTINGENT LIABILITIES AND CLAIMS .....	63

## FAIRFAX COUNTY

### GENERAL DESCRIPTION

#### Overview

The County is located in the northeastern corner of the Commonwealth of Virginia (the “Commonwealth”) and encompasses a net land area of 407 square miles. Its current estimated population exceeds one million. The County is part of the Washington, D.C., metropolitan area, which includes jurisdictions in Maryland, the District of Columbia and Northern Virginia.

The Fairfax County government is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of Fairfax County is the Board of Supervisors, which makes policies for the administration of the County. The Board of Supervisors is comprised of ten members: the Chairman, elected at large for a four-year term, and one member from each of nine districts, each elected for a four-year term by the voters of the district in which the member resides. The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

In Virginia, cities and counties are discrete units of government and do not overlap. Fairfax County completely surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. Property within these cities is not subject to taxation by Fairfax County, and the County generally is not required to provide governmental services to their residents. The County does, however, provide certain services to the residents of certain of these cities pursuant to agreements with such cities.

In Fairfax County there are three incorporated towns, Clifton, Herndon and Vienna, which are underlying units of government within the County, and the ordinances and regulations of the County are, with certain limitations prescribed by Virginia law, generally effective in them. Property in these towns is subject to County taxation, and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the prior approval of the County (more fully discussed in “DEBT ADMINISTRATION – Underlying Bonded Indebtedness”).

#### Population

Fairfax County’s estimated 2017 population is 1,142,888. In 1980, Fairfax County was the third most populous jurisdiction in the Washington, D.C., primary metropolitan statistical area, as defined by the U.S. Bureau of the Census. By 1990, Fairfax County, with 818,584 residents, had become the most populous jurisdiction in the Washington, D.C. area, having added an average of 22,168 people per year in the 1980s. Population growth during the 1990s and 2000s slowed; on average, the County gained about 10,286 people per year during 2008-2017.

### Fairfax County Population

<u>Calendar Year</u>	<u>Population</u>
1940	40,929
1950	98,557
1960	248,897
1970	454,275
1980	596,901
1990	818,584
2000	969,749
2001	984,366
2002	1,004,435
2003	1,012,090
2004	1,022,298
2005	1,033,646
2006	1,037,311
2007	1,041,507
2008	1,050,315
2009	1,074,227
2010	1,081,726
2011	1,100,692
2012	1,118,602
2013	1,130,924
2014	1,137,538
2015	1,142,234
2016	1,138,652
2017	1,142,888

*Sources:* U.S. Bureau of the Census (1940-2000, 2010) and 2010 Decennial Censuses; FY 2011-2018 Fairfax County Comprehensive Annual Financial Report

The following table reflects the population age distribution of County residents, based on the U.S. Census Bureau's 2010 Decennial Census. The survey estimated the County's total population in 2010 at 1,081,726.

### Household Population Age Distribution Fairfax County

<u>Age Group</u>	<u>2010</u>	
	<u>Number</u>	<u>Percent (%)</u>
Under 20 years	285,405	26.4
20 – 34	218,781	20.2
35 – 54	339,757	31.4
55 – 64	131,493	12.2
65 and Over	<u>106,290</u>	<u>9.8</u>
Total	1,081,726	100.0

*Sources:* U.S. Bureau of the Census, 2010 Decennial Census and Virginia Employment Commission

Based on the latest data released by the U.S. Census Bureau, Fairfax County's median household income was \$117,515 and median family income was \$135,791 in 2017. Approximately 37.2% of the County's households and 44.6% of families had annual incomes of \$150,000 or more. The following table shows the 2017 household and family income distribution in the County.

**2017 Household and Family Income Distribution (by Percentage)<sup>1</sup>**

<b><u>Income Level</u></b>	<b><u>Household</u></b>	<b><u>Family</u></b>
Under \$25,000	7.2%	5.2%
\$25,000 – 49,999	9.8%	8.7%
\$50,000 – 74,999	12.3%	10.1%
\$75,000 – 99,999	12.1%	10.6%
\$100,000 – 149,999	21.4%	20.8%
\$150,000 or more	37.2%	44.6%
 Median Income	 \$117,515	 \$135,791

*Source:* U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

<sup>1</sup> Household Income is defined as that income which is available to all residents of a housing unit, regardless of relationship. Income is from all sources, before taxes and deductions, and includes wages, business, retirement, SSI, alimony, child support, interest, etc. Family Income is derived by including only those households containing two or more persons related by blood, marriage or adoption. Percentages may add to more than 100% due to rounding.

**Certain County Administrative and Financial Staff Members**

Bryan J. Hill, County Executive, was appointed as County Executive by the Fairfax County Board of Supervisors effective January 2, 2018. He was previously the Chief Administrative Officer and Clerk to the Board for James City County from 2014 to 2017; he previously spent seven years with Beaufort County, S.C. as deputy county administrator. At James City County, Hill was responsible for oversight of staff, major infrastructure projects, economic development, transportation initiatives and the development and implementation of that county's first strategic plan. He recently led the realignment of James City County's debt portfolio, which resulted in AAA ratings from each of the three major bond rating agencies. Hill also has served as the vice chancellor for finance and operations at the University of South Carolina's Beaufort/Bluffton Campus, and as the director of finance for the University of Maryland's Office of Information and Technology as well as director of administration for the Department of Aerospace Engineering. He has a bachelor's degree in public administration from Alfred University and a master's degree in public administration from the University of Southern California.

Tisha Deeghan, Deputy County Executive, was appointed in December 2017 as Deputy County Executive for Health and Human Services, which comprises ten agencies serving residents of Fairfax County and the Cities of Fairfax and Falls Church. Ms. Deeghan first joined Fairfax County in September 2014 as the Executive Director of the Fairfax-Falls Church Community Services Board (CSB). Prior to coming to Virginia, Ms. Deeghan worked for thirteen years as the Senior Vice President/Chief Operating Officer for Genesee Health System (GHS) in Flint, Michigan. Ms. Deeghan had responsibility for the agency's behavioral health and managed care operations, as well as integrated health programs, including a directly operated Federally Qualified Health Center, endeavoring to address the often-poor health status of the people served by GHS each year. She has worked in the field of mental health and substance use disorder treatment and prevention for 36 years, more than 30 of them in leadership roles, including 18 years as an accreditation surveyor for CARF and national healthcare consultant in both the public and private sectors. Ms. Deeghan has presented on related topics at numerous state and national conferences, including the American Public Health Association, National Council for Behavioral Health, and NIMH. Ms. Deeghan received her Bachelor of Science in Psychology from the Honors College,

Michigan State University, and Master of Social Work from Michigan State University. She received her Master of Health Services Administration/Public Health from the Department of Health Management & Policy, University of Michigan School of Public Health.

Rachel O'Dwyer Flynn, Deputy County Executive, was appointed on January 22, 2019, by the Board of Supervisors. Ms. Flynn oversees the Department of Public Works and Environmental Services, the Department of Transportation, the Park Authority, the Department of Code Compliance, Land Development Services and a future agency that will combine the Department of Planning and Zoning and the Office of Community Revitalization. Ms. Flynn has 35 years of experience in both private and public organizations as an architect, urban planner, director of planning/building/economic development and real estate development executive. Before her appointment as Deputy County Executive, Ms. Flynn was the director of design management, planning and entitlements at Google, and from 2016-18, she was the vice president of FivePoint Communities. Previously, Ms. Flynn served as the director of the Department of Planning and Building for the City of Oakland, California, from 2013-16; the director of planning for Otak International in Abu Dhabi from 2011-12; the director for the Department of Community Development for the City of Richmond from 2006-11; and the director of the Department of Community Planning and Development for the City of Lynchburg from 1998-2006. Ms. Flynn has led efforts to develop award-winning master plans and city-wide general plans throughout her career. She has been honored with numerous awards from civic and professional organizations for implementing successful and complex plans, progressive environmental initiatives and innovative GIS/technology programs. Ms. Flynn holds a bachelor's in architecture and a master's in engineering management from Catholic University and a master's in public administration from Harvard University. Ms. Flynn is a licensed architect and a member of the American Institute of Architects.

David M. Rohrer, Deputy County Executive, has worked with the Fairfax County Police Department for almost 32 years and was appointed chief in 2004. In addition, Mr. Rohrer has also served as deputy chief for investigations and operations support; Patrol Bureau commander; Special Operations Division and district commander; SWAT first-line supervisor; and first-line patrol supervisor. Mr. Rohrer has served two terms as chairman of the Metropolitan Washington Council of Governments Police Chiefs' Committee, and he is a member of numerous organizations, including the International Association of Chiefs of Police; the Major Cities Chiefs' Association; the Police Executive Research Forum; and the Virginia Association of Chiefs of Police. Mr. Rohrer holds a bachelor's degree in administration of justice from George Mason University.

Elizabeth D. Teare was appointed County Attorney by the Fairfax County Board of Supervisors effective July 1, 2016. Prior to her appointment, Ms. Teare served as the Deputy County Attorney for the Land Use and Environmental Law Section of the Fairfax County Attorney's Office from 2012 through 2016. From 2009 through 2012, she served as a Senior Assistant County Attorney and from 2000 to 2008 as an Assistant County Attorney. Prior to her tenure with the Fairfax County Attorney's Office, Ms. Teare was an associate attorney with a law firm known at that time as Surovell, Jackson, Colten & Dugan, P.C., in Fairfax, Virginia, from 1992 to 2000. She also worked as an Assistant Attorney General in Richmond, Virginia, in a temporary position from 1991 to 1992. Ms. Teare clerked for the Honorable Rosemarie Annunziata, who was then a Fairfax County Circuit Court Judge, from 1990 to 1991. Ms. Teare has been appointed by the Supreme Court of Virginia to serve on the faculty of the Virginia State Bar's Harry L. Carrico Professionalism Course. In addition, she has lectured on land use and environmental law related issues for the Fairfax County Bar Association and the Local Government Attorneys of Virginia. Ms. Teare received a Bachelor of Arts degree from Sweet Briar College, *magna cum laude* with high honors in English, in 1986. In 1990, Ms. Teare received her juris doctorate degree, *cum laude*, from the Washington and Lee University School of Law and was admitted to the Virginia State Bar later that year.

Joseph M. Mondoro is the Chief Financial Officer/Director of the Department of Management and Budget of the County effective September 2015. Prior to assuming the duties of Chief Financial Officer/Director of the Department of Management and Budget, Mr. Mondoro had been Acting Chief Financial Officer/Director of the Department of Management and Budget of the County effective April 2015. From February 2004 until his appointment as Chief Financial Officer/Director of the Department of Management and Budget of the County, Mr. Mondoro served as Deputy Director of the Department of Management and Budget. Mr. Mondoro received his Bachelor's Degree in History and Government and a Masters of Public Policy from the College of William and Mary. Mr. Mondoro worked as an analyst in the Financial Planning Bureau of the City of Norfolk, Virginia from 1993 to 1995. He joined the Fairfax County Department of Management and Budget in July 1995 as a budget analyst.

Christopher J. Pietsch was appointed Director of Finance for Fairfax County effective December 30, 2013. From 2003 until his appointment as Director of Finance, Mr. Pietsch served as the Director of the Fairfax County Internal Audit Office. Prior to that, Mr. Pietsch spent 16 years working in bank auditing as well as governmental auditing with the Commonwealth. Mr. Pietsch is a graduate of James Madison University, Harrisonburg, Virginia, with a degree in Finance. In addition, he is a Certified Public Finance Officer, Certified Internal Auditor and a Certified Bank Auditor.

### **County Employees**

As of July 2018, the School Board of Fairfax County, Virginia (the "School Board"), supported 24,715 full time equivalent positions. The County supported 11,249 full time equivalent positions in activities funded directly or supported by the General Fund and 1,303 full time equivalent positions employed in activities not supported by the General Fund, principally the County's Integrated Sewer System (the "Integrated Sewer System"). Fairfax County employees are not represented by unions. Fairfax County public school employees have, however, organized the Fairfax Education Association and the Fairfax County Federation of Teachers to represent the interests of its members at public hearings and meetings before the School Board and the Board of Supervisors. General County employees' interests are represented at these types of meetings by the Employees Advisory Council and other groups such as police, fire, and sheriff employee organizations. None of these organizations is empowered to serve as negotiating agent for its members for collective bargaining purposes. Collective bargaining by public employees in Virginia is prohibited by law, a restriction upheld by the Supreme Court of Virginia.

## **GOVERNMENT SERVICES**

Reflecting its urban character, Fairfax County provides a comprehensive range of public services characteristic of its form of government under Virginia law and its integral position within the Washington metropolitan area. The following subsections describe principal governmental services and services performed in conjunction with other governmental entities.

### **General Government Administration**

The County government center complex is located in the Fairfax Center area and is accessible by U.S. Routes 50 and 29, near Interstate Highway 66. The 675,000 square foot government center houses core County services and agencies. Three adjacent County office buildings provide an additional 760,000 square feet of space and house primarily human services, community development and public safety agencies and departments of the County. The County also occupies a 135,000 square foot governmental center for delivery of County services in the southeast part of the County, and has six remote governmental centers throughout the County. The centers provide office space for members of the Board of Supervisors, personnel, police, and building inspectors, and provide meeting rooms for community activities.

In July 2018, the International City/County Management Association (ICMA) announced that it had awarded its Certificate of Excellence to Fairfax County for the ninth consecutive year. The County is among only 29 jurisdictions across the nation being recognized for their superior efforts and results in performance measurement and management with this award – the organization’s highest level of recognition – from the ICMA Center for Performance Measurement™ (CPM). The Certificate of Excellence is the highest of CPM’s three levels of recognition, and pays special tribute to the County’s efforts in identifying and reporting to the public key outcome measures and surveying of residents and employees, as well as the pervasiveness of performance measurement in the County’s culture.

Fairfax County’s Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017, received the Certificate of Achievement for Excellence in Financial Reporting for the 41<sup>st</sup> year from the Government Finance Officers Association (GFOA). Fairfax County has also earned GFOA’s Distinguished Budget Presentation Award for the past 34 years. This award represents the highest form of recognition in governmental budgeting and reflects the commitment of the governing body and staff to meet the highest principles of public budgeting. The Association of Public Treasurers of the United States and Canada (“APT”) has awarded the County certification for its investment policy every year since 1998, confirming that the County meets the high public investment standards set forth by the Association. Written investment policies submitted to the APT received vigorous peer team review for conformity with principles of sound investment management, careful public stewardship, and adoption of the profession’s best practices.

## **Public Schools**

Fairfax County Public Schools (“FCPS”) is the largest educational system in the Commonwealth of Virginia and the tenth largest school system nationwide, ranked by enrollment. The system is directed by a twelve-person School Board elected by County residents to serve four-year terms. A student representative with a one-year term participates in the School Board’s discussions but does not vote. Because the School Board is not empowered to levy taxes or to incur indebtedness, the operating costs of FCPS are provided by transfers to the School Board from the General Fund of the County and the federal and Commonwealth governments (see the “FINANCIAL INFORMATION – General Fund Summary” herein). Capital construction funding for public school facilities is provided primarily by the sale of general obligation bonds of the County.

The FCPS system is a high quality system offering a variety of programs. There is a strong academic program for college-bound students. More than 89% of FCPS graduates self-reported plans to enroll in post-secondary educational programs. In addition to the traditional academic curriculum, the Thomas Jefferson High School for Science and Technology provides a four-year college preparatory program for students who have a strong interest and high aptitude in mathematics, science, computer science, engineering, or related professional fields. The school is designated as one of the Governor’s magnet schools for science and technology, and students from other Northern Virginia counties are admitted on a tuition-paying basis.

FCPS also offers an extensive program for students pursuing opportunities in technical careers, with courses in business, health occupations, industrial technology, marketing, trade and industrial, and family and consumer sciences studies. In addition, there are special programs offered for gifted children and for students with disabilities spanning ages 2 through 21. FCPS also provides an extensive adult education program offering basic education courses and general education, vocational, and enrichment programs.

As of FY 2020, the School Board operates 191 schools and 7 special education centers:

### Fairfax County Public Schools

<u>Type of School</u>	<u>Number of Public Schools</u>
Elementary School	141
Middle School	23
High School	22
Secondary Schools <sup>1</sup>	3
Alternative High Schools	2
Special Education Centers	7
Total	198

Source: Fairfax County Public Schools FY 2020 Approved Budget

<sup>1</sup> Grades 7-12.

The number of students attending Fairfax County Public Schools increased overall between FY 2011 and FY 2019. Enrollment for FY 2019 was 187,521, an increase of 12,588 students over the FY 2011 enrollment. FY 2020 approved enrollment is 188,414 students.

### Fairfax County Public Schools Enrollment

<u>Fiscal Year</u>	<u>Number of Public School Students</u>	<u>% Change</u>
2011	174,933	-
2012	177,918	1.71
2013	181,259	1.88
2014	183,895	1.45
2015	185,914	1.10
2016	185,979	0.03
2017	186,842	0.46
2018	188,403	0.84
2019	187,521	(0.47)
2020	188,414	0.48

Source: Fairfax County Public Schools FY 2020 Approved Budget

The average per pupil expenditures based on FY 2020 proposed budget operating costs for several Washington metropolitan area jurisdictions are as follows:

### Washington Metropolitan Area Per Pupil Expenditures

<u>Jurisdiction</u>	<u>Per Pupil Expenditures</u>
Arlington County	\$19,348
Falls Church City	18,544
Alexandria City	17,606
Montgomery County (Md.)	16,281
Fairfax County	15,293
Loudoun County	14,260
Prince George's County (Md.)	14,093
Manassas City	12,855
Prince William County	11,633
Manassas Park	11,113

*Sources:* FY 2019 Washington Area Boards of Education Guide; FCPS FY 2020 Approved Budget

Of the Advanced Placement (AP) tests taken by FCPS students in 2017, 74% rated a score of 3 or above (on a grading scale of 1 to 5). In 2017, 38,599 AP test were given, an increase of 13.6% from 2011. Students who score a 3 or above on at least three AP exams are recognized by the College Board as AP Scholars; the total number of FCPS students recognized as AP Scholars rose from 5,176 in 2011 to 6,428 in 2017.

For the 2017-2018 school year, FCPS' average SAT score was 1212, compared with the Virginia average of 1110 and the national average of 1049.

### Public Works

The Department of Public Works and Environmental Services (DPWES) provides essential management, professional engineering, design, and construction services in support of the construction of roads, sidewalks, trails, storm drainage, sewers, street lights, bus shelters and public facilities (except schools, housing, and parks). DPWES is also responsible for the acquisition of land for, and timely construction of, public facilities projects contained in bond referenda questions approved by the voters of Fairfax County. See "DEBT ADMINISTRATION – Bond Referenda Authorization" herein.

Wastewater generated in the County is treated at one County-owned treatment facility (Noman M. Cole, Jr. Pollution Control Plant), four inter-jurisdictional treatment facilities (District of Columbia Water and Sewer Authority's Blue Plains Facility, and plants operated by the Upper Occoquan Sewage Authority, Arlington County, and the Alexandria Renew Enterprises), and one private treatment facility (Harbor View Wastewater Treatment Plant). The County's treatment capacity in the six facilities totals approximately 157 million gallons per day ("mgd"). In addition, the County has purchased 1.0 mgd from the Loudoun County Sanitation Authority and 0.1 mgd of capacity from the Prince William County Service Authority for future flow needs in the southern portion of the County.

DPWES manages and operates the I-95 Sanitary Landfill located on approximately 500 acres in the southern portion of the County. This facility is operated on a "special fund" basis, which utilizes tipping fees to pay for the operation and capital expenditures of the landfill. Since January 1, 1996, the landfill has been dedicated to the disposal of ash generated primarily by the incineration of municipal solid waste at the Arlington/Alexandria Energy-from-Waste Facility and the I-95 Energy/Resource Recovery Facility ("E/RRF") located in Fairfax County. On older portions of the landfill, the County has initiated closure activities, which involve placing a synthetic or low permeability soil cap over the closed

section of the landfill along with installation of landfill gas extraction wells and leachate collection systems. Capping activity has been completed on approximately 260 acres of the site. The closure project is a multi-phase construction project to continue through the remaining life of the facility. The County has established reserves for this purpose and has met the financial assurance requirements established by the Virginia Department of Environmental Quality regarding closure and post-closure care. Additional landfill requirements, whether debris or municipal solid waste, are met through separate contracts.

The E/RRF, which is operated by Covanta Fairfax, Inc., burns solid waste delivered to the facility from the County, other local governments, and merchants. The facility has a dependable electric capacity rating of 63 megawatts for sale to Dominion Virginia Power, although it has the ability to generate over 80 megawatts. Fairfax County and the Fairfax County Solid Waste Authority, which was created by the County, entered into a service contract in August 1987 with Ogden Martin Systems of Fairfax (now Covanta Fairfax, Inc.), under which Covanta Fairfax, Inc., was obligated to design, construct, operate, and maintain a 3,000 ton per day resource recovery facility at the I-95 Landfill Site. On April 11, 2014, the County and Covanta Fairfax, Inc. entered into a Waste Disposal Agreement (WDA) that became effective on February 2, 2016, and has an initial five-year term. Under the WDA, the County's delivery commitment is 650,000 tons (as may be adjusted under the terms of the WDA).

On February 2, 2017, a fire occurred at the E/RRF and caused significant damage to the facility. As a result, the County diverted all of its waste deliveries from the E/RRF from the time of the fire through the end of 2017. The facility reopened on January 1, 2018. During FY 2018, the E/RRF processed 359,466 tons of material.

## **Transportation**

### *General*

Fairfax County is served by various highway, rail, and air transportation facilities. The Capital Beltway (Interstate Highways 95 and 495), Interstate Highways 395 and 66 and the Dulles Toll Road provide access to all parts of the Washington metropolitan area and major surface transportation corridors along the eastern seaboard. The Washington Metropolitan Area Transit Authority ("WMATA") Metrorail system provides area residents with one of the largest and most modern regional transit systems in the world.

Two major airports serve the County with daily national and international service. Washington Dulles International Airport ("Dulles Airport"), located along the County's western boundary, is also the site of a designated Foreign Trade Zone. Ronald Reagan Washington National Airport, located a few miles east of the County, is accessible by Interstate Highways 66 and 395. In 1987, control of these facilities was transferred by a 50-year lease from the federal government to the Metropolitan Washington Airports Authority ("MWAA"), a public authority created by inter-jurisdictional compact between the Commonwealth and the District of Columbia. In June 2003, the lease was extended to 2067.

Ground transportation receives significant attention from the County, primarily in an effort to relieve traffic congestion along the major arterials leading to Washington, D.C. and also to facilitate cross-County movement, connecting established and developing centers of commerce and industry. Recent efforts have included increased local funding for highway improvements, establishment of transportation improvement districts, creation of County transit systems, continued participation in WMATA, and other improvements which encourage increased use of Metrorail, bus services, and carpooling. The County also participates in a regional commuter rail system to expand transportation services available to County residents. In Virginia, the Commonwealth is generally responsible for

highway construction and maintenance. However, highway improvement needs in Fairfax County far exceed the highway revenues available from the Commonwealth.

Since 1993, funding for County transportation projects has been received from Commonwealth bond financing, Federal Highway Reimbursement Anticipation Notes, Commonwealth general funds, fuel tax collections, County bond financing, Northern Virginia Transportation Authority tax collections and other revenue sources. A few of the many projects supported by these funding sources have included the Fairfax County Parkway, the County's share of capital costs for the WMATA's Metrorail system, the Dulles Toll Road, and improvements to U.S. Route 1, U.S. Route 29, I-66, I-95, I-495, the Fairfax County Parkway, State Route 7 and State Route 28.

#### *Metro Transit System*

Since 1970, Fairfax County and the other major political subdivisions in the Washington, D.C., metropolitan area have contracted with WMATA to finance, construct and operate a 103-mile Metrorail subway and surface rail transit system. Funding for the construction of the Metrorail system has come from direct Congressional appropriations and by direct local contributions. Five Interim Capital Contributions Agreements between WMATA and the participating political jurisdictions were executed to fully fund and complete the 103-mile adopted regional system. By 2020, 23 additional miles are expected to be added to the system with completion of the Silver Line, with new tracks connecting downtown Washington, D.C., to Washington Dulles International Airport. In July 2014, 11.7 miles of the Silver Line were completed and began operation.

WMATA's Board of Directors periodically adopts a Capital Improvement Plan ("CIP"), which prioritizes and maintains the existing capital plant and rolling stock of the Metrobus and Metrorail systems. The regional counter-parties to WMATA periodically agree to updated funding agreements regarding their portion of capital priorities and infrastructure renewal projects. The County issues bonds as the primary source of the County's share of WMATA's CIP.

In 2018, the Virginia General Assembly adopted legislation to provide annual dedicated funding sources to Metro to address long-term capital needs. Revenue sources previously dedicated to the Northern Virginia Transportation Authority for the Transient Occupancy Tax and Grantor's Tax, in addition to redirecting two statewide revenue sources (state recordation tax currently used to pay bonds from the Northern Virginia Transportation District Fund and motor vehicle rental tax revenues), have been redirected to Metro. Also, a price floor on the regional gas tax was established to provide further dedicated funds to Metro.

The County's operating assistance to WMATA is funded from the General Fund, gasoline tax receipts, and State aid. Fairfax County's share of the bus and rail operating subsidies for FY 2011-FY 2020 are shown in the following table:

**Fairfax County WMATA Operating Subsidies**  
(Millions of Dollars)

<u>Fiscal Year</u>	<u>Bus Operations<sup>1,2</sup></u>	<u>Rail Operations<sup>1</sup></u>	<u>ADA Para-transit<sup>1</sup></u>	<u>Less State Aid<sup>3</sup></u>	<u>Less Gas Tax Receipts<sup>4</sup></u>	<u>Adjustments and Interest Applied</u>	<u>Net General Fund</u>
2011	\$45.387	\$15.598	\$11.347	\$44.745	\$21.838	\$0.300	\$5.449
2012	47.458	19.481	12.410	46.252	26.163	2.259	4.675
2013	48.829	26.209	12.424	49.734	28.568	0.056	9.104
2014	52.118	34.952	13.351	63.893	23.274	4.119	9.135
2015	53.349	39.271	13.367	69.971	24.501	1.974	9.541
2016	57.820	46.666	13.661	91.867	17.262	0.168	8.850
2017	63.200	42.186	13.262	91.247	15.841	0.701	10.859
2018	63.732	58.237	13.417	106.977	16.631	0.874	10.904
2019	66.739	66.179	19.384	111.231	16.300	0.300	24.471
2020	71.707	68.589	15.588	100.384	20.000	0.000	35.500

Sources: Fairfax County Department of Transportation and Department of Management and Budget

<sup>1</sup> The amounts shown for operating subsidies represent actual disbursements in those years. Adjustments based on final WMATA annual audited figures are incorporated in the fiscal year in which the credit for an overpayment was applied or a debited amount was paid rather than the fiscal year in which the credit or debit was earned. Fiscal Years 2011-2018 are actual amounts, FY 2019 is the revised budget amount, and FY 2020 is an estimate.

<sup>2</sup> Includes other service enhancements.

<sup>3</sup> Virginia law permits the use of State aid for transportation to fund transit program operating costs in addition to transit program capital costs.

<sup>4</sup> A 2% retail gasoline tax is dedicated to mass transit costs in those Northern Virginia jurisdictions covered by the Northern Virginia Transportation Commission ("NVTC"). The receipts from this tax are paid to NVTC, which then allocates these funds to participating jurisdictions for payment of transit operating, capital and debt service costs.

### *Tax Districts*

Transportation improvement districts provide another source of funding for transportation improvements in the County. The County, together with Loudoun County, a neighboring jurisdiction, formed the Route 28 Highway Transportation Improvement District (the "Route 28 District") in 1987 to accelerate highway improvements proposed by the Commonwealth to State Route 28. State Route 28 runs approximately parallel to the County's western border and connects State Route 7 in eastern Loudoun County to U.S. Route 50 and Interstate Highway 66 in western Fairfax County. The initial improvements, which consisted of expanding State Route 28 from two to six lanes, with additional turning lanes, are now complete. State Route 28 provides access to Washington Dulles International Airport, as do the Dulles Access Road and the Dulles Toll Road, both of which connect the Capital Beltway to Dulles Airport. Such improvements were financed from proceeds of a special improvements tax (the "Route 28 Special Improvements Tax") collected from owners of real property zoned for commercial and industrial use in the Route 28 District and bonds issued by the Fairfax County Economic Development Authority (the "EDA") secured by the Route 28 Special Improvements Tax collections.

In 2001, the Virginia General Assembly enacted legislation permitting the creation of one or more special transportation taxing districts located between the West Falls Church Metrorail station and the Dulles Airport area to provide a means of financing an extension of rail service in the Dulles Corridor. The structure of any such district is modeled after the existing Route 28 District. In February 2004, pursuant to a petition submitted by landowners representing a majority of the assessed value of property zoned for commercial or industrial use in the Tysons and Reston commercial districts, the Board of Supervisors formed the Phase I Dulles Rail Transportation Improvement District (the "Phase I District") to provide funds to support the County's share of Phase I of a proposed expansion of the Metrorail system

to Dulles Airport and beyond (“Phase I”). Funds for financing the County’s \$400 million share of the Phase I expansion of the Metrorail system are provided from a real estate tax levy on all property zoned for commercial and industrial use in the Phase I District (the “Phase I Special Improvements Tax”). In December 2013, the County provided to MWAA its required \$400 million share for the Phase I Project from the proceeds of the Phase I Special Improvements Tax and from bonds issued by the EDA secured by the Phase I Special Improvements Tax collections. Metrorail service for Phase I began in July 2014.

Phase II of the proposed expansion of the Metrorail system (“Phase II”) will complete the 23-mile line to Dulles Airport and beyond into Loudoun County. In October 2009, the County received a valid petition to form another special tax district comprised of the Reston-Herndon-Dulles commercial districts to provide \$330 million toward the County’s portion of the Phase II financing. The Phase II tax district was approved by the Herndon Town Council on November 11, 2009, and by the Fairfax County Board of Supervisors on December 7, 2009. On May 9, 2014, the United States Department of Transportation (“USDOT”) approved an application of the County to receive loans in the aggregate principal amount of up to \$403,274,894 plus capitalized interest to fund County obligated Phase II project costs (the “TIFIA Loan”). The TIFIA Loan closed on December 17, 2014. As of June 30, 2018, the outstanding balance on the TIFIA Loan including accrued interest is \$339,023,513.

#### *County Transit Systems*

Within the County, the Fairfax Connector System provides feeder bus service to Metrorail Stations. The Fairfax Connector operates 84 routes to 13 Metrorail Stations which include the Dunn Loring, Crystal City, Franconia-Springfield, Huntington, McLean, Pentagon, Pentagon City, Spring Hill, Tysons Corner, Van Dorn Street, Vienna, West Falls Church, and Wiehle-Reston East stations. Private contractors operate and maintain the service and have the responsibility to employ and supervise all transit personnel, while the Board of Supervisors maintains control and approves all policies for bus service such as routes and service levels, fare structures, and funding assistance. The Fairfax Connector System is supported from General Fund and fare box revenues. The FY 2019 Revised Budget Plan also includes support of \$13.7 million from State aid. The Fairfax Connector carried approximately 8.3 million passengers in FY 2018, and FY 2019 ridership is projected to be approximately 8.9 million. Fairfax Connector System expenditures totaled approximately \$92.3 million in FY 2018, and are projected to be \$106.0 million in FY 2019, including capital expenditures. The County runs three permanent maintenance and garage facilities for the Fairfax Connector System, with bus operations management provided by a third-party contractor.

#### *Commuter Rail*

Fairfax County is a member of the Northern Virginia Transportation Commission and, in cooperation with the Potomac and Rappahannock Transportation Commission, is a participating jurisdiction in the operation of the Virginia Railway Express (“VRE”) commuter rail service. As of December 2018, the service consisted of eight peak period trips from south of the County in the Spotsylvania County to north of the County in the District of Columbia and six peak trips that run from west of the County in the City of Manassas to north of the County in the District of Columbia. Under a Master Agreement among VRE’s participating jurisdictions, the County is to contribute to capital, operating, and debt service costs of the VRE on a pro rata basis according to its share of ridership. The County’s share of the FY 2020 commuter rail operating and capital budget is \$6.3 million.

#### **Parks, Recreation and Libraries**

Fairfax County provides a variety of recreational, educational, and cultural activities and services. In FY 2018, the Fairfax County Public Library system (the “Library System”) made more than 11.1

million loans and recorded more than 4.5 million visits to its 23 branches, and reported more than 3.2 million user visits to its web site. The Library System offers free events and activities, including puppet shows for toddlers, story time for school-aged children, book discussion groups for teens, author visits for adults, and English conversation classes for English for Speakers of other Languages customers (or new arrivals). The Library System also makes library services available and accessible to people who have disabilities or are homebound.

The Department of Community and Recreation Services provides a variety of recreational, community, and human services for County residents. These services include senior adult programs and centers, therapeutic recreation services for individuals with disabilities, a variety of youth programs including recreational activities at youth centers, community-based recreational opportunities, support for Fairfax County's various volunteer sports councils and leagues, and a variety of volunteer opportunities.

Fairfax County also operates an extensive park system that provides a variety of recreational activities and facilities. Under the direction of a 12-member Park Authority Board appointed by the Board of Supervisors, the Fairfax County Park Authority ("FCPA") works with constituents, government leaders and appointees to implement Park Authority Board policies, preserve and protect natural and cultural resources, and facilitate the development of park and recreation programs and facilities. FCPA oversees operation and management of a 23,512-acre County park system with 427 parks, nine recreation centers, eight golf courses, an ice skating rink, 209 playgrounds, 668 public garden plots, five nature centers, three equestrian facilities, 417 FCPS athletic fields, 42 synthetic turf fields, 262 Park Authority-owned athletic fields, 82 historic sites, two waterparks, a horticultural center, and more than 327 miles of trails. In FY 2018, FCPA welcomed almost 16.3 million visitors to parks, groomed fields for more than 200 youth and adult sports organizations, improved its trail system, and worked to control non-native invasive plants, promote native species and preserve woodlands and green open spaces.

FCPA charges fees for the use of certain park facilities including the recreation and fitness centers, classes, camps, programs and golf courses, which are operated on a cost recovery basis, and represent approximately 65% of FCPA's funding. The remaining operating funds are appropriated by the Board of Supervisors from the County's combined general fund, providing the main operating funds for natural and cultural preservation and protection, administrative tasks, general access parks, planning and development, and park maintenance and operations. User fees do not cover the cost of new development of facilities, land acquisition, or the major renovation of existing facilities. These improvements are funded primarily through revenue bonds and general obligation bonds. General obligation bonds are primarily used for the renovation of existing facilities.

The Northern Virginia Regional Park Authority ("NVRPA"), an independent entity in which the County participates, operates 31 parks covering approximately 12,000 acres throughout Northern Virginia including the County. NVRPA is continually in the process of completing, acquiring, developing, or expanding its regional park facilities.

### **Community Development**

The Fairfax County Redevelopment and Housing Authority ("FCRHA") was established in 1966 to meet low and moderate income family housing needs. It owns or administers housing developments in Fairfax County with staff and funding provided from County, federal, Commonwealth, and private sources. As of June 2018, the FCRHA owns or operates 82 properties, which are comprised of over 3,800 apartments, townhouses, senior retirement homes, assisted living facilities and specialized housing units. The FCRHA also owns other specialized housing such as mobile home pads and beds in group homes. The FCRHA also administers 4,795 federal Housing Choice Vouchers and Project Based Voucher-Rental Assistance Demonstration (PBV-RAD) vouchers. In FY 2018, 18,096 people were served through the FCRHA's major affordable housing programs: the HCV and PBV-RAD programs and

the Fairfax County Rental Program (FCRP). In FY 2018, the average income of households served in these programs plus the local Bridging Affordability tenant subsidy program was approximately \$26,100, or 25% of Area Median Income for a family of three (the average size of the households served). This meets the U.S. Department of Housing and Urban Development's (HUD) definition of "extremely low income."

The FCRHA has provided various financing resources to developers to help create or preserve privately owned multifamily developments. Such developers have used FCRHA's financing along with low-income housing tax credits to create or preserve a total of 2,218 units for lower income tenants. Fairfax County's Workforce Housing policy, adopted by the Board of Supervisors in 2007, is a proffer-based incentive system designed to encourage the voluntary development of new housing affordable to a range of moderate-income workers in Fairfax County's high-rise and high-density areas. The County's Comprehensive Plan provides for a density bonus of up to one unit for every workforce unit provided by a developer, with the expectation that at least 12% of units, and up to 20% depending on location, in new developments be affordable or workforce housing.

In April 2004, the Board of Supervisors adopted its Affordable Housing Preservation Initiative to preserve affordable housing units. The centerpiece of the Initiative was the creation of the "Penny for Affordable Housing Fund." Beginning in FY 2006, the County's budget each year included the equivalent of one penny on the County's real estate tax rate for the preservation and production of affordable housing in the County. In FY 2010, the Penny Fund was reduced to the equivalent of half of one penny. In FY 2019, this funding equates to \$12,200,000 for affordable housing.

Other County services include efforts to increase local employment opportunities by encouraging and retaining business and industrial development through the County's Economic Development Authority. On July 1, 2007, the County established an Office of Community Revitalization and Reinvestment ("OCR"). The mission of the OCR is to facilitate strategic redevelopment and investments within targeted commercial areas of the County that align with the community vision, and improve the economic viability, appearance and function of those areas. Among other initiatives, the OCR is charged with working with property owners and the community to facilitate interest and participation in commercial development activities, and to develop public/private partnerships that further the County's revitalization, redevelopment, and reinvestment efforts.

## **Health and Welfare**

The County provides services designed to protect, promote, and improve the health and welfare of Fairfax County citizens through a decentralized human services program. Based on individual needs, County human service centers define a comprehensive assistance plan that utilizes the services provided by all County departments. The County operates human service centers in locations convenient to residents to provide financial, medical, vocational, and social services. The Fairfax-Falls Church Community Services Board ("CSB") is responsible for planning, organizing, and providing services to individuals who have a mental illness, intellectual disability, or a substance use disorder. The CSB provides state mandated services to assist, improve, and maximize the potential of individuals affected by these conditions and strengthen their capacity for living self-determined, productive, and valued lives. The CSB is part of the Fairfax County Human Services System providing its services at many sites throughout the County, including seven community mental health centers, several outpatient sites, a detoxification center, group homes, consumer-operated drop in centers, and several specialized residential treatment sites.

The County also provides subsidized day care programs for older adults and children of low-income families, two special needs centers that serve emotionally disturbed or physically challenged

children, and group homes for youth with serious emotional disturbances. Residential treatment services are also offered in the areas of substance abuse as well as substance abuse outpatient and specialized day treatment programs. Vocational and residential programs are also available for adults with intellectual disabilities and serious mental illness.

Financial assistance and social services are available to eligible residents. For low-income families and individuals, the Department of Family Services (“DFS”) administers federal, Commonwealth, and local programs, such as public assistance, employment and training, and subsidized child care, as well as programs targeted to at-risk children, such as child abuse prevention, Child Protective Services, Foster Care and Adoption, and services purchased under the Comprehensive Services Act. For older adults, DFS also administers programs that include federal funds granted to localities, Commonwealth funds and additional support from the County. The federal and state governments partially reimburse DFS for the cost of administering the programs based on an annual allocation to the County as well as program costs. DFS operates the County’s School-Age Child Care (“SACC”) program in 139 centers located in 136 Fairfax County Public Schools (“FCPS”), one FCPS community building, one County recreation center, and one County community center. Approximately 11,000 children participate in before-and-after-school SACC programs during the school year and in full-day programs in the summer and during school vacations. Since FY 1986, the County has provided a comprehensive County transportation service, Fastran, for qualified elderly, disabled, and low-income persons. Transportation is provided by bus, van, or cab on a door-to-door basis to County programs, medical care, grocery stores, and other destinations.

### **Judicial Administration**

Fairfax County’s court system is one of the most sophisticated systems in Virginia in its use of advanced case management techniques and rehabilitation programs. The County uses automated systems to support case docketing and record retrieval, electronic filing and imaging in the land recordation process, juror selection, service of notices and subpoenas, and the processing of criminal and traffic warrants and collecting delinquent tax obligations.

The County has undertaken rehabilitation efforts through the Juvenile and Domestic Relations District Court and the Office of the Sheriff. These efforts include work training programs and counseling services for both adult and juvenile offenders. Additionally, residential treatment services are provided for juvenile offenders, and a work release program is provided for offenders confined in the County’s Adult Detention Center.

### **Public Safety**

A number of agencies share responsibility for public safety in Fairfax County. The Police Department, which is responsible for law enforcement, will have an authorized strength of 1,488 police officers, 32 animal control officers, and 325 civilian personnel, with 8 positions supported by grant funding, effective July 1, 2019. The agency is accredited by the Virginia Law Enforcement Professional Standards Commission, which signifies the Department’s compliance with standards that are specific to Virginia law enforcement operations and administration. The commanders of the eight police district stations located throughout the County have considerable latitude to tailor their operations to provide police services in ways most responsive to the needs of their respective communities, including community policing endeavors. The department has specialized units that operate as both standing (staffed full time) and non-standing units (staffed as needed), including the Helicopter Division, which operates two helicopters to provide support to general police operations, traffic monitoring, emergency medical evacuation, and rescue support; the Criminal Intelligence Unit, which provides an effective response to organized criminal activity including terrorist-related, gang, and bias crimes; the Gang Unit,

which provides regional leadership directed at combating gang crime through prevention and enforcement initiatives; and the Language Skills Support Unit, which serves to bridge the gap in the diverse cultures in the community by providing language support for the successful resolution of major criminal investigations.

Over the past 10 years, the County has maintained one of the lowest rates of serious crimes among jurisdictions in the Washington, D.C., metropolitan area and among comparable suburban jurisdictions throughout the United States. Additionally, the Police Department has continually attained a clearance rate for violent crimes such as murder, rape, and robbery far above the national averages for such offenses. At the same time, Fairfax County has maintained one of the lowest per capita costs for police services of all the local jurisdictions in the Washington metropolitan area.

Fire and rescue services are provided by 1,407 paid uniformed personnel, 187 paid civilian support personnel, and approximately 300 operational volunteers as of July 1, 2019. The County operates 38 fire and rescue stations. The department operates various specialty units, including paramedic engine companies, a hazardous materials response unit, a technical rescue operations team, an arson canine unit, and a water rescue team whose members are certified in swift water rescue. The department also supports regional, national, and international emergency response operations through maintaining and supporting the Urban Search and Rescue Team (“US&R”). US&R operates under the auspices of the Department of Homeland Security for domestic responses and is sponsored by the United States Agency for International Development/Office of Foreign Disaster Assistance for international deployments. In addition to emergency response, the department provides various non-emergency services.

In May 2004, the Office of Emergency Management was established as a separate agency serving as the County’s focal point for emergency preparedness and internal and external coordination to respond to natural, technological, and terrorist-related emergencies. Employees provided emergency management services for Fairfax County, including the Towns of Clifton, Herndon and Vienna. The major areas of focus include emergency management planning and policy, the County-wide emergency training and exercise program, public preparedness and education, and enhancement of response and recovery capabilities.

### **Water Supply Service**

Fairfax Water (“FW”) provides retail water service to residents of Fairfax County and the cities of Fairfax and Falls Church. In addition, FW supplies water for resale, principally in the City of Alexandria, Loudoun County, Prince William County, Fort Belvoir, Towns of Vienna and Herndon. The average total retail and wholesale population served by FW is estimated at 2,000,000 persons. FW, which operates the largest water system in the Commonwealth of Virginia, was established by the Board of Supervisors in 1957 to develop a comprehensive, County-wide water supply system through the acquisition of existing systems and the construction of new facilities. FW is an independent body administered by a ten-member board appointed by the Fairfax County Board of Supervisors. FW finances its capital improvements through the issuance of revenue bonds that are not backed by the full faith and credit of the County but principally repaid by revenues derived from charges for services rendered. Effective April 1, 2019, FW’s basic retail water charge was set at \$3.07 per 1,000 gallons, plus a quarterly service charge (currently \$12.20 for most single-family homes and townhouses). To pay for treatment and pumping capacity which is used only during periods of high demand, FW also levies a peak use charge of an additional \$3.80 per 1,000 gallons on customers who exceed their winter quarter consumption by 6,000 gallons or 30%, whichever is greater. There also are fees for initial connection to the system and for opening, closing, or transferring an account.

FW uses three sources of water supply (Occoquan and Potomac Rivers and the Washington Aqueduct), operates associated treatment, transmission, storage, and distribution facilities, and provides service to approximately 281,000 retail accounts in Fairfax County, with an average daily consumption of about 171 million gallons per day (“mgd”). The combined maximum daily capacity of the supply and treatment facilities is 376 mgd, which is sufficient to meet current demand.

Under an agreement with the Board of Supervisors, FW annually submits a 10-year capital improvement program which is reviewed and approved by the Board of Supervisors as part of the County’s total capital improvement program. FW’s 10-year Capital Improvement Program for FY 2019-2028 includes projects totaling \$813,004,000.

## **ECONOMIC FACTORS**

### **Economic Development**

Economic development activities of the County are carried out through the Fairfax County Economic Development Authority (“EDA”), whose seven commissioners are appointed by the Board of Supervisors. EDA promotes Fairfax County as a premier location for business start-up, relocation and expansion, and capital investment. It works with new and existing businesses to help identify their facility and site needs, and assist in resolving County-related issues and provide other business assistance. Pursuant to its enabling legislation, EDA encourages investment in the County with tax-exempt conduit revenue bond financing.

The total inventory of office space in the County was estimated at 117.3 million square feet as of mid-year 2018. At that time, construction activity totaled over 2.9 million square feet. The direct vacancy rate for the office market was 15.5 percent as of mid-year 2018. Including sublet space, the office vacancy rate was 16.1 percent.

The base of technology-oriented companies, particularly in computer software development, computer systems integration, telecommunications, and Internet-related services, has served as a magnet for the expansion and attraction of business and professional services. Government contractors, as well as diversified business and financial services, have added to the demand for prime office space in a number of key employment centers throughout the County.

Federal civilian employment in the County makes up 4.0 percent of the total jobs in the County. Federal jobs increased slightly in 2017 and continued to increase through the middle of 2018. Overall employment rose 1.1 percent in 2017 after increasing 1.4 percent in 2016 and 1.3 percent in 2015. The positive trend continued during 2018. During the first half of 2018, total employment in the County was 608,666, an increase of 1.7 percent compared to the same period of 2017. Employment in the Professional and Business Services sector also increased by 3.1 percent during this time. Federal procurement spending in the County increased 0.5 percent to \$24.2 million in FY 2017, after increasing 4.8 percent in FY 2016. County General Fund revenue rose 2.2 percent in FY 2018. Real estate tax receipts rose by 1.9 percent while current personal property tax receipts rose 1.6 percent. Business Professional and Occupational License (BPOL) revenue increased 4.4 percent. The combined Consultant and Business Service Occupations categories, which represent 42.2 percent of total BPOL receipts and include federal contractors, increased 5.5 percent over the FY 2017 level. The remaining categories rose a combined 3.7 percent. Sales Tax receipts rose 3.1 percent in FY 2018.

There are over 120 hotels in the County, totaling over 19,500 hotel rooms. A 160-room hotel opened in 2016 in the Seven Corners area of the County, and another was delivered in the Tysons area. Hotel development parallels commercial construction in terms of diversity of concept and design with a

variety of product and service mixes (all-suites, business meeting facilities, and leisure facilities) in the marketplace.

Improvements to the County's transportation system, including increased service levels at Washington Dulles International Airport, helped increase corporate activities dependent on immediate access to travel throughout the region, country, and world. The Metrorail service extension (the Silver Line) from the East Falls Church station, through Tysons through Dulles Airport, to Route 772 in Loudoun County will continue to help foster economic growth.

The Board of Supervisors and the County actively support revitalization and redevelopment throughout the County, particularly in its more mature business areas. Many enhancements have been made to the residential and commercial neighborhoods in Annandale, Bailey Crossroads/Seven Corners, the Lake Anne section of Reston, the Springfield and McLean central business districts, Merrifield, and the Richmond Highway corridor in the southeastern portion of the County. A number of capital improvement projects and other construction in process or already completed have improved the appearance and quality of life of these communities.

The most notable area of redevelopment in the County, Tysons—Fairfax County's "downtown"—is undergoing a transformative land-use replanning effort. Spurred by the Metrorail expansion project, the County is working to set the stage for Tysons's evolution into a more urban-scale, pedestrian-friendly environment, with more housing, recreation and open space in addition to more-dense office and retail development. Tysons currently has over 36.6 million square feet of office, retail, and other commercial space and is behind only downtown Washington's Central Business District and the East End submarkets in the entire Washington D.C. metropolitan area in total office inventory, and has 13.9 million square feet of residential space. Now that Phase I of the Metrorail expansion has been completed, it is expected that Tysons will continue to have significant growth in population, employment and commercial, retail and residential space over the next several decades. County staff continues to evaluate potential arrangements for financing the public share of Tysons infrastructure improvements and to facilitate co-operative funding agreements with the private sector. County staff, in cooperation with private participants, created a 501(c)(6) membership organization known as the Tysons Partnership in January 2011. The Tysons Partnership provides a comprehensive approach to tasks that include marketing and branding, transportation, urban design/planning, public facilities and community amenities and finance. On January 8, 2013, the Board of Supervisors established, by ordinance, the Tysons Transportation Service District No. 1 (the "Tysons Service District") to provide transportation infrastructure and transit services within Tysons. As the governing board of the Tysons Service District, the Board of Supervisors is empowered to levy and collect a tax on any property within Tysons Service District's boundaries to finance the transportation infrastructure and transit services projects. The tax rate of \$0.04 per \$100 of assessed value was adopted by the Board of Supervisors as part of the FY 2014 Adopted Budget Plan, and this rate remained unchanged as part of the FY 2015 Adopted Budget. However, in the FY 2016 Adopted Budget, the tax rate increased one cent from \$0.04 to \$0.05 per \$100 of assessed value. The tax rate remained unchanged at \$0.05 per \$100 of assessed value in the FY 2017, FY 2018, FY 2019, and FY 2020 Adopted Budget Plans.

## **Employment**

As of the third quarter of 2018, there were more than 36,000 payroll business establishments (units) including global, corporate and regional headquarters, technology firms, sales and marketing offices, and business services located in Fairfax County, employing over 613,000. Local businesses create employment in diversified areas like computer software development and systems integration, technical services, management consulting, government contracting, Internet-related services, wholesale and retail trade, and financial services. The following table presents data on the average number of

payroll establishments and employment by major industry classification in Fairfax County as of the third quarter of 2018.

**Businesses and Employment by Industry  
Fairfax County, Virginia<sup>1</sup>**

<b><u>Industrial Classification</u></b>	<b><u>Number of Establishments</u></b>	<b><u>Average Payroll Employment for Quarter</u></b>
Agriculture, Forestry, Fishing and Hunting	15	93
Mining, quarrying, and oil and gas extraction <sup>2</sup>	7	Confidential
Utilities	35	1,219
Construction	2,293	24,715
Manufacturing	447	5,716
Wholesale Trade	1,109	14,139
Retail Trade	2,594	53,528
Transportation and Warehousing	414	7,109
Information	831	19,489
Finance and Insurance	1,679	28,396
Real Estate and Rental and Leasing	1,602	9,912
Professional and Technical Services <sup>3</sup>	9,978	159,691
Management of Companies and Enterprises	339	17,847
Administrative and Waste Services	1,953	43,357
Educational Services	685	11,949
Health Care and Social Assistance	3,850	58,252
Arts, Entertainment, and Recreation	407	10,713
Accommodation and Food Services	2,236	45,963
Other Services except Public Administration	5,122	21,251
Unclassified	784	1,477
Federal Government, all industries	138	24,601
State Government, all industries	32	9,708
Local Government, all industries	89	44,318
Total	36,639	613,443

Source: Virginia Employment Commission, Quarterly Census of Employment and Wages, Fairfax County, third quarter of 2018

<sup>1</sup> Excludes self-employed business owners.

<sup>2</sup> This represents non-disclosable data.

<sup>3</sup> The Services category includes professional and technical services, health care and social assistance, management services, educational services, accommodation and food services, arts, entertainment and recreation, administrative and waste services, and membership organizations and trade associations.

The following is a list of the largest private, base sector (non-retail) employers as of March 2019. Companies are alphabetized in their size category.

**Largest Private Employers in Fairfax County  
5,000-10,000+ Employees**

<b><u>Company Name</u></b>	<b><u>Type of Business</u></b>
Booz Allen Hamilton*	Professional, Scientific and Technical Services
Capital One*	Finance and Insurance
Freddie Mac*	Finance and Insurance
Inova Health System*	Health Care and Social Assistance
SAIC*	Professional, Scientific and Technical Services

**1,000-4,999 Employees**

<u>Company Name</u>	<u>Type of Business</u>
Accenture	Professional, Scientific and Technical Services
ADP	Administrative and Support Services
AECOM	Professional, Scientific and Technical Services
Amazon	Information/Transportation and Warehousing
AT&T	Information
BAE Systems	Professional, Scientific and Technical Services
Boeing	Professional, Scientific and Technical Services
CACI International	Professional, Scientific and Technical Services
Catholic Diocese of Arlington	Educational Services/Other Services
CGI	Professional, Scientific and Technical Services
Constellis*	Administrative and Support Services
Deloitte	Professional, Scientific and Technical Services
DXC Technology*	Professional, Scientific and Technical Services
Erickson Living	Health Care and Social Assistance
EY (Ernst & Young)	Professional, Scientific and Technical Services
General Dynamics*	Professional, Scientific and Technical Services
Guidehouse*	Professional, Scientific and Technical Services
HCA Virginia	Health Care and Social Assistance
Hilton Worldwide*	Accommodation and Food Services
IBM	Professional, Scientific and Technical Services
ICF*	Professional, Scientific and Technical Services
Insperty	Administrative and Support Services
Kaiser Permanente	Health Care and Social Assistance
KPMG	Professional, Scientific and Technical Services
Leidos*	Professional, Scientific and Technical Services
ManTech International*	Professional, Scientific and Technical Services
The MITRE Corporation*	Professional, Scientific and Technical Services
Navy Federal Credit Union*	Finance and Insurance
Northrop Grumman*	Professional, Scientific and Technical Services
Oracle	Professional, Scientific and Technical Services
Perspecta*	Professional, Scientific and Technical Services
Quest Diagnostics	Health Care and Social Assistance
Securitas USA	Administrative and Support Services
Sprint	Information
Sunrise Senior Living*	Health Care and Social Assistance
United Parcel Service	Transportation and Warehousing
WGL Holdings	Utilities

**500-999 Employees**

<u>Company Name</u>	<u>Type of Business</u>
Admiral Security Services	Administrative and Support Services
Appian*	Professional, Scientific and Technical Services
The Aerospace Corporation	Professional, Scientific and Technical Services
Associated Building Maintenance	Administrative and Support Services
Avenel Pool Service	Administrative and Support Services
Branch Banking and Trust	Finance and Insurance
Bechtel*	Professional, Scientific and Technical Services
Capgemini	Professional, Scientific and Technical Services
CARFAX*	Information
Carahsoft*	Wholesale Trade
CarePeople Home Health*	Health Care and Social Assistance
Chenega	Professional, Scientific and Technical Services
The College Board*	Educational Services
Command Security*	Administrative and Support Services
ComScore*	Professional, Scientific and Technical Services

Crothall Healthcare	Health Care and Social Assistance
CustomInk*	Wholesale Trade
Cvent*	Professional, Scientific and Technical Services
Dell Technologies	Professional, Scientific and Technical Services
Deltek*	Professional, Scientific and Technical Services
Fairfax Radiological Consultants*	Health Care and Social Assistance
Gannett*	Information
Hexaware Technologies	Professional, Scientific and Technical Services
HITT Contracting*	Construction
Huntington Ingalls Industries	Professional, Scientific and Technical Services
Intelsat	Information
Jacobs Engineering	Professional, Scientific and Technical Services
K12*	Educational Services
KinderCare Learning Centers	Educational Services
Laboratory Corporation of America	Health Care and Social Assistance
Life Time Fitness	Arts, Entertainment, and Recreation
LMI*	Professional, Scientific and Technical Services
Lockheed Martin	Professional, Scientific and Technical Services
Marriott International	Accommodation and Food Services
MAXIMUS*	Professional, Scientific and Technical Services
Metropolitan Health Care Services*	Health Care and Social Assistance
Microsoft	Professional, Scientific and Technical Services
MicroStrategy*	Professional, Scientific and Technical Services
Mount Vernon Ladies' Association	Other Services
MV Transportation	Health Care and Social Assistance
NTT Group	Professional, Scientific and Technical Services
NVPools*	Administrative and Support Services
Parallon	Professional, Scientific and Technical Services
Parsons*	Professional, Scientific and Technical Services
Paychex	Administrative and Support Services
Raytheon	Professional, Scientific and Technical Services
Salesforce	Professional, Scientific and Technical Services
Salient CGRT	Professional, Scientific and Technical Services
Shirley Contracting Company*	Construction
Sodexo USA	Accommodation and Food Services
Unisys	Professional, Scientific and Technical Services
US Fitness Holdings*	Arts, Entertainment, and Recreation
The Washington Post	Information
US Security Associates	Administrative and Support Services
VeriSign*	Professional, Scientific and Technical Services
Volkswagen Group of America	Management of Companies and Enterprises
Wells Fargo	Finance and Insurance
William A. Hazel*	Construction

Source: Fairfax County Economic Development Authority, List of Largest Employers March 2019. Excludes public-sector and retail entities. Employment figures are for company facilities in Fairfax County only. Additionally, these numbers include employees, not independent contractors. Type of Business description for each firm is based on two-digit North American Industry Classification System (NAICS) codes. Companies may have business activities in other two-digit NAICS sectors.

\*Company with headquarters in Fairfax County.

A list of the top ten new or expanded office projects within the County announced in the fourth quarter of 2018 is shown below:

### New or Expanded Commercial Projects

<b><u>Name of Company</u></b>	<b><u>Type of Business</u></b>	<b><u>Projected New/Additional Employment</u></b>
KPMG, LLP (Netherlands)	Financial Services/Banking	173
Securitas (Sweden)	Security	80
1901 Group, LLC	Information technology	75
PSI International, Inc. (Korea)	Information technology	50
WholePoint Systems, LLC	Employment placement services	45
Lifecare Medical Transports	Bio/health sciences/healthcare	40
IDEMIA	Cybersecurity	30
Zantech	Information technology	30
California University of Management and Sciences – Virginia Campus	Education	29
Electrify America (Germany)	Energy	27

*Source:* Fairfax County Economic Development Authority

Unemployment in the County has historically been, and continues to be, well below the national average, even in challenging economic times. The average unemployment rate in Fairfax County in 2019 through March was 2.6%. The average Virginia and U.S. unemployment rates during the same period were 3.1% and 4.1%, respectively. Reflecting a global recession, Fairfax County's average annual unemployment rate rose to a high of 5.1% in 2010, but has since declined, reflecting an overall leveling out of the economic downturn. The following table shows the average annual unemployment rate in Fairfax County as compared to Virginia and national averages over the past decade.

### Average Annual Unemployment Rates

<b><u>Calendar Year</u></b>	<b><u>Fairfax County</u></b>	<b><u>Virginia</u></b>	<b><u>United States</u></b>
2010	5.1%	7.2%	9.6%
2011	4.8	6.6	9.0
2012	4.5	6.0	8.1
2013	4.4	5.7	7.4
2014	4.2	5.2	6.2
2015	3.6	4.4	5.3
2016	3.2	4.0	4.9
2017	3.0	3.8	4.4
2018	2.5	3.0	3.9
2019 <sup>1</sup>	2.6	3.1	4.1

*Sources:* U.S. Bureau of Labor Statistics; data are not seasonally adjusted. Virginia Employment Commission

<sup>1</sup> Through March 2019.

According to the Bureau of Labor Statistics, the average total number of jobs in the County was 619,796 in the second quarter of 2018. Self-employed persons are not included in these counts. The following table presents total covered employment in recent years:

### Covered Employment<sup>1</sup>

<u>Second Quarter</u>	<u>Covered Employment in Fairfax County</u>	<u>% Change</u>
2012	597,533	-
2013	595,638	(0.32%)
2014	588,507	(1.20)
2015	596,878	1.42
2016	603,348	1.08
2017	610,318	1.16
2018	619,796	1.55

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment Wages

<sup>1</sup> Covered employment means employees covered by state and federal unemployment laws.

### Construction Activity

The following table includes data for residential and commercial construction activity in the County:

Fiscal Year	Building Permits				Estimated Housing Units Started
	Residential Properties		Industrial and Commercial Properties		
	Number	Estimated Value (000s)	Number	Estimated Value (000s)	Number
2009	8,780 <sup>1</sup>	327,454	4,361 <sup>1</sup>	413,719	1,361
2010	8,977	428,941	3,946	375,126	1,150
2011	9,371	480,268	4,595	397,435	1,797
2012	9,454	538,307	4,308	602,444	3,023
2013	10,610	509,957	3,907	710,488	1,930
2014	10,469	895,638	5,054	660,063	4,154
2015	10,320	529,104	4,714	475,241	2,580
2016	10,268	616,151	4,844	496,006	2,961
2017	10,885	800,375	4,609	710,078	3,872
2018	11,243	659,928	4,836	743,057	3,982

Sources: Building permits provided by Fairfax County Department of Public Works and Environmental Services, and estimated housing units started provided by the Weldon Cooper Center for Public Service, University of Virginia.

<sup>1</sup> Includes new and alteration/repair permits issued. Does not include trade permits issued.

### Housing

As reported in January 2018, single-family detached housing units represented 46.8% of the total housing units within Fairfax County. Single-family attached housing accounted for 24.1%, and multi-family housing made up the remaining 29.1%. In 2018, the median market value of all owned housing units, including condominiums, in Fairfax County was estimated by the Department of Management and Budget to be \$519,560.

### Housing Units by Type of Structure

	<u>1990</u>		<u>2000</u>		<u>2010</u>		<u>2018</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
Single-Family:								
Detached <sup>1</sup>	163,029	53.9	181,591	50.6	191,873	48.4	195,738	46.8
Attached <sup>2</sup>	67,306	22.3	87,171	24.3	98,972	25.0	100,771	24.1
Multi-Family <sup>3</sup>	<u>72,129</u>	<u>23.8</u>	<u>90,198</u>	<u>25.1</u>	<u>105,541</u>	<u>26.6</u>	<u>121,741</u>	<u>29.1</u>
Total	<u>302,464</u>	<u>100.0</u>	<u>358,960</u>	<u>100.0</u>	<u>396,386</u>	<u>100.0</u>	<u>418,250</u>	<u>100.0</u>

Sources: U.S. Bureau of the Census, U.S. Census of Housing (1990-2000) and 2010 and 2018 data from Fairfax County Department of Management and Budget

<sup>1</sup> Single-Family detached includes all single-family homes and mobile homes.

<sup>2</sup> Single-Family attached includes duplexes, townhouses, and multiplex units.

<sup>3</sup> Multi-Family includes condominiums, apartments and other units in structures with a common entryway.

The average sale price of housing units within the County comparing March 2019 to March 2018 is listed below:

### Average Sale Price Housing Units

<u>Type of Structure</u>	<u>March 2019</u>	<u>March 2018</u>	<u>% change</u>
All Homes	\$581,109	\$557,420	4.2
Detached Homes	755,469	729,465	3.6
Attached Homes	393,453	393,258	0.0

Source: Fairfax County Department of Management and Budget Economic Indicators – April 2019

### Colleges and Universities

Sixteen institutions of higher education are located in Fairfax County: George Mason University, ITT Technical Institute, Marymount University, Missouri State University (Department of Defense Studies), Northern Virginia Community College, Potomac College, Stratford University, Strayer University, University of Fairfax, University of North America, University of Phoenix, University of Virginia-Northern Virginia Center, Virginia International University, Virginia Polytechnic Institute, Washington Bible College – Capital Bible Seminary, and Westwood College. Two campuses of the University of Virginia (both Virginia Tech and the Falls Church campus) are located in the Northern Virginia Graduate Center in Fairfax County. George Mason University, with an enrollment of more than 33,000 students, offers over 200 degree and certificate programs. The Northern Virginia Community College serves more than 76,000 students in credit courses and non-credit workforce and professional development programs at six campuses and two centers throughout Northern Virginia. American University, George Washington University, Catholic University, and Virginia Commonwealth University also operate programs in the County's secondary schools and on military installations within the County.

### Cultural Amenities

Wolf Trap Farm Park for the Performing Arts, a cultural facility internationally renowned for its ballet, symphony, concert, and opera offerings, and the only national park for the performing arts in the U.S., is located in north-central Fairfax County. Nearly 300 cultural organizations – theater and opera companies, music and dance groups, community arts centers, festivals, and other activities – are based in

and around the County. The County also assists in supporting the Fairfax Symphony, an internationally recognized orchestra that provides a variety of musical programs and outreach services to County residents. Other well-known attractions in the County include Mount Vernon, the home of George Washington; Woodlawn Plantation, George Washington's wedding gift to his nephew; and Gunston Hall, home of George Mason, author of the U.S. Bill of Rights and the first Constitution of Virginia. The region also boasts professional baseball, basketball, football, ice hockey and soccer.

## **DEBT ADMINISTRATION**

### **Statement of Bonded Indebtedness**

Pursuant to the Constitution of Virginia and the Act, a county in Virginia is authorized to issue general obligation bonds secured by a pledge of its full faith and credit. For the payment of such bonds, the Board of Supervisors of the County is required to levy, if necessary, an annual ad valorem tax on all property in the County subject to local taxation.

As of June 30, 2018, the County had outstanding the following amounts of general obligation bonds:

<u><b>Purpose</b></u>	<u><b>Total General Obligation Bonds</b></u>
School	\$1,403,790,000
General Government	<u>847,125,000</u>
Total General Obligation Bonded Indebtedness <sup>1</sup>	<u>\$2,250,915,000</u>

Source: Fairfax County Comprehensive Annual Financial Report FY 2018

<sup>1</sup> See "Debt Administration – Debt Service on Tax Supported Debt Obligations" herein for outstanding debt service as of August \_\_, 2019.

The County does not rely upon short-term borrowings to fund operating requirements. The County has never defaulted in the payment of either principal or interest on any general obligation indebtedness.

### **Limits on Indebtedness**

There is no legal limit on the amount of general obligation bonded indebtedness that Fairfax County can at any time incur or have outstanding. However, all such indebtedness must be approved by voter referendum prior to issuance. Since 1975, the Board of Supervisors has established as a financial guideline a self-imposed limit on the average annual amount of bond sales. In May 2018, the Board of Supervisors increased the bond sale target to \$1.5 billion over a 5-year period, or an average of \$300 million annually, with the flexibility to expand to a maximum of \$325 million based on market conditions and/or priority needs in any given year. The actual amount of bond sales will be determined by construction funding requirements and municipal bond market conditions.

The Board of Supervisors also has imposed limits which provide that the County's long-term debt should not exceed 3% of the total market value of taxable real and personal property in the County. The limits also provide that annual debt service should not exceed 10% of annual General Fund disbursements. These limits may be changed by the Board of Supervisors, and they are not binding on future Boards of Supervisors of the County.

### Bond Referenda Authorization

The following chart presents by purpose Fairfax County's authorized but unissued general obligation bond indebtedness as of August \_\_, 2019:

<u>Authorized Purpose</u>	<u>Principal Amount Authorized but Unissued as of August __, 2019</u>
School Improvements	\$453,051,000
Public Safety Facilities	355,510,000
Transportation Improvements and Facilities	127,640,000
Parks and Park Facilities	97,420,000
Human Services Facilities	80,600,000
Library Facilities	11,664,000
Total	<u>\$1,125,885,000</u>

*Source:* Fairfax County Department of Management and Budget

### Other Tax Supported Debt Obligations

The Board of Supervisors of the County directly or indirectly appoints all or a portion of the governing body of several legally independent local and regional authorities that provide services to the County and its constituents. Such authorities include those that issue revenue bonds that are not general obligations of the County and issue debt supported directly or contingently by appropriations of tax revenues by the County. The full faith and credit of the County are not pledged to secure such bonds.

In March 1994, the Fairfax County Economic Development Authority ("EDA") issued \$116,965,000 of lease revenue bonds to finance the County's acquisition of two office buildings occupied by County agencies and departments. In October 2003, EDA issued \$85,650,000 of lease revenue refunding bonds to refund \$88,405,000 of the 1994 lease revenue bonds. The County is obligated by the terms of a lease agreement with EDA to pay amounts equal to debt service on EDA's bonds. The County's obligation to make such payments was subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The bonds and the lease agreement were retired on November 15, 2018.

Beginning in 1996, the Fairfax County Redevelopment and Housing Authority ("FCRHA") has issued \$42,460,000 of revenue bonds in seven series to finance the construction or renovation of five community center buildings, two adult day health care centers, one Head Start facility and one senior center. The County was obligated by the terms of triple net lease agreements or payment agreements with FCRHA to pay amounts equal to debt service on FCRHA's bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of funds for such purpose. The coincidental terms of the various bonds, lease agreements and payment agreements extend to May 1, 2029. On March 10, 2010, EDA issued \$43,390,000 revenue bonds (Six Public Facilities Projects) (the "2010 Bonds") and provided a portion of the proceeds of the 2010 Bonds to the County to enable the County pursuant to its lease agreements with FCRHA to purchase five facilities financed from FCRHA bond issuances in 1996, 1998, 1999 and 2004. FCRHA used the funds provided by the County to redeem or defease the four series of bonds that financed the applicable facilities. On September 13, 2017, the original series issued by FCRHA in 2003 financing a head start facility was fully redeemed. Please see the front part of this Official Statement for a description of the refunding of certain of the 2010 Bonds.

In July 2000, the Fairfax County Board of Supervisors entered into a Master Development Agreement with a private developer to finance and construct a 135,000 square foot government center in the southeastern region of the County. In November 2000, \$29,000,000 of Certificates of Participation (“Certificates” or “COPs”) were issued, secured by a triple net lease on the property between the developer and the County. The County was obligated by the terms of the lease agreement to pay an amount equal to the debt service on the Certificates. The County accepted the government center as substantially complete in February 2002. A portion of the proceeds of EDA’s 2010 Bonds were provided to the County to enable the County to exercise an option to purchase the government center (the “South County Government Center Purchase”). The purchase price provided by the County was used to defease the COPs. The County is obligated by the terms of a contract with the EDA to pay amounts equal to debt service on the EDA’s 2010 Bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of EDA’s 2010 Bonds and the contract extend to April 2032.

In June 2003, EDA issued \$70,830,000 of revenue bonds (Laurel Hill Public Facilities Project), backed by a contract with the County. Approximately \$55,300,000 of the bonds were allocable to the financing of a new public secondary school in the southern part of the County and \$15,530,000 of the bonds were allocable to the financing of a new 18-hole public golf course in the southern part of the County. The County is obligated by the terms of a contract with EDA to pay amounts equal to debt service on EDA’s bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the bonds and the contract extend to June 2033. In April 2012, EDA issued its \$47,745,000 Revenue Refunding Bonds (Laurel Hill Public Facilities Projects) to refund a portion of the bonds issued in 2003.

On January 27, 2005, EDA issued \$60,690,000 of revenue bonds (School Board Central Administration Building Project Phase I) (the “School Board Building Bonds”), backed by a contract with the County. The bonds were issued to finance the purchase of certain property, including an existing office building thereon, the purchase of certain land adjacent thereto and the improvement of the existing building for use by the School Board as an administration building. The County is obligated by a contract with EDA to pay amounts equal to debt service on the School Board Building Bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the School Board Building Bonds and the contract extend to April 2035. In June, 2014, EDA issued \$170,690,000 Fairfax County Facilities Revenue and Refunding Bonds Series 2014 A (County Facilities Projects) to refund a portion of the School Board Building Bonds.

On December 27, 2005, the Fairfax County Park Authority (“FCPA”) issued two promissory notes in the aggregate amount of \$12,900,000 for the purpose of providing a portion of the purchase price of a conservation easement for preservation purposes on an approximately 41-acre parcel of land, and options to purchase certain land. This land is known as “Salona,” a historic site within the County. The County is obligated by the terms of a contract with FCPA to pay amounts sufficient to pay the principal and interest installments on the promissory notes when due. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the promissory notes and contract extend to December 2025.

On February 16, 2006, FCRHA issued a \$40,600,000 Bond Anticipation Note (Affordable Housing Acquisition) Series 2006 (the “Series 2006 Note”). The Series 2006 Note was issued for the purpose of providing a portion of the funds required for the purchase of a multi-family rental housing complex, known as Crescent Apartments, to further FCRHA’s goal of preserving existing affordable housing in Fairfax County. In 2007, 2008, 2011 and 2013 FCRHA issued bond anticipation notes, each time to refinance previous bond anticipation notes issued for the financing or refinancing of the Crescent

Apartments project that were not paid from County money set aside to promote affordable housing. In February, 2015 the County and FCRHA entered into a direct loan agreement with Bank of America, N.A. (the “Crescent Apartments Loan Agreement”), in a principal amount of \$18,260,000, which together with other County funds refinanced the 2013A Notes. The County is obligated by a contract with FCRHA to make payments equal to the debt service on the Crescent Apartments Loan Agreement. The County’s obligation to make such payments is subject to annual appropriation. In February 2018, FCRHA issued its Revenue Bonds (Crescent Affordable Housing Acquisition), Series 2018A (Federally Taxable) (the “Series 2018 Bonds”) in the aggregate amount of \$11,175,000 with a five-year amortization to refinance the loan payment. The County is obligated by the terms of a payment agreement with FCRHA, subject to the appropriation of funds for the purpose, to pay amounts equal to the interest on and the principal of the Series 2018 Bonds. The coincidental terms of the Series 2018 Bonds and the related payment agreement extend to October 2022.

On November 28, 2007, FCRHA issued \$105,485,000 Bond Anticipation Notes (Affordable Housing Acquisition) Series 2007B (the “Series 2007B Notes”). The Series 2007B Notes were issued for the purpose of providing a portion of the funds required for the purchase of a multi-family rental housing complex located in Annandale, Virginia. In 2008, FCRHA issued bond anticipation notes to refinance the Series 2007B Notes. On August 20, 2009, FCRHA issued its Revenue Bonds (Affordable Housing Acquisition) Series 2009 in the aggregate amount of \$94,950,000 (the “Series 2009 Bonds”) to pay a portion of the principal amount of the 2008 outstanding bond anticipation notes. A portion of the principal amount of the 2008 bond anticipation notes, and the interest due on such notes, was paid from money set aside to promote affordable housing. The County is obligated by the terms of a payment agreement with FCRHA, subject to the appropriation of funds for the purpose, to pay amounts equal to the interest on and the principal of the Series 2009 Bonds. The coincidental terms of the Series 2009 Bonds and the related payment agreement extend to October 2039.

In July 2011, EDA issued \$99,430,000 of Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project). The bonds were issued to finance a portion of the costs of construction of a public parking facility to serve the Wiehle Avenue Metrorail Station that was constructed as part of the extension of Washington Metropolitan Area Transit Authority’s Metrorail System in the Dulles Corridor. The County is obligated by contract with EDA to pay amounts equal to debt service on EDA’s bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the bonds and the contract extend to August 2034.

In May 2012, EDA issued \$65,965,000 of Revenue Bonds (Community Services Facilities Projects) (the “2012 EDA Bonds”) backed by a contract between the County and EDA. The bonds were issued to finance the improvement of certain properties to be used by the County as a mental health facility and as a neighborhood community center. The County is obligated by a contract with EDA to pay amounts equal to debt service on such bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the bonds and the contract extend to March 2042. In August 2017, EDA issued its 2017B County Facilities Projects Refunding Bonds (hereinafter defined) to refund certain outstanding maturities of the 2012 EDA Bonds.

In November 2013, the County issued an \$11,085,000 special subfund revenue bond (the “2013 VRA Bond”) to Virginia Resources Authority (“VRA”). In return for issuing the 2013 VRA Bond, VRA provided the County with a portion of the proceeds realized from its autumn 2013 pooled financing bond transaction. The 2013 VRA Bond was issued to finance renovations to a complex that serves as a senior housing and assisted living facility, a senior center and an adult day health care center in the County. The County is obligated by a contract with VRA to pay amounts equal to the debt service on the 2013 VRA

Bond. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the 2013 VRA Bond and the contract extend to October 2033.

In December 2013, EDA and the County entered into a master credit agreement with Bank of America, N.A., pursuant to which a revolving line of credit in an amount of up to \$100,000,000 is made available to the County to provide interim financing for projects within the County's Capital Improvement Program or other similar projects. In December 2016, the termination of date of the revolving line of credit was extended for a one-year period until December 2017. The County did not renew the line of credit after December 2017.

In December 2013, EDA and the County entered into a loan agreement with T.D. Bank, N.A. (the "T.D. Loan Agreement"), pursuant to which the proceeds of the loan in the amount of \$25,000,000 are made available to the County to provide financing for the costs of the planned replacement of County-owned building subsystems such as roofs, electrical systems, HVAC, plumbing systems, carpet replacement, parking lot and garage repairs, fire alarm replacement and emergency generator replacement that have reached the end of their useful life (collectively, "County Building Improvements"). The County is obligated by a contract with EDA to pay amounts equal to the debt service on the loan. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. In March 2015, the County obtained an additional \$10,000,000 pursuant to the T.D. Loan Agreement to finance additional County Building Improvements. The \$25,000,000 loan was retired in January 2019, and the \$10,000,000 loan extends to January 2020.

In June 2014, EDA issued \$170,690,000 of Fairfax County Facilities Revenue and Refunding Bonds Series 2014 A (County Facilities Projects) (the "2014A County Facilities Projects Bonds"). The 2014A County Facilities Projects Bonds were issued to provide funds to finance the costs of the construction of a building to serve as a public safety facility for the County and the construction of a related parking garage, to refund and redeem prior to their respective maturities certain outstanding School Board Building Bonds and to capitalize interest on a portion of the Series 2014A County Facilities Projects Bonds up to and including the October 1, 2016, interest payment date. The County is obligated by a contract with EDA to pay amounts equal to debt service on such bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the Series 2014A County Facilities Projects Bonds and the contract extend to October 2034.

In June 2014, EDA issued \$30,175,000 of Fairfax County Facilities Revenue Bonds Series 2014 B (Federally Taxable) (County Facilities Projects) (the "2014B County Facilities Projects Bonds, and together with the 2014A County Facilities Projects Bonds, the "2014 County Facilities Projects Bonds") to provide funds to permanently finance the leasehold acquisition from LAF, LLC, of the Workhouse Arts Center located in the southeastern corner of the County, for a price sufficient to enable the lessee to retire all of its indebtedness relating to the Workhouse Arts Center. The County leased the 55-acre site and existing historic structures of the Lorton Correctional Complex to the lessee in 2006, and the lessee incurred over \$50 million in debt through EDA to finance improvements to convert the Complex into a center for visual and performing arts. The County plans to provide for the continuation of the existing educational and cultural programs at the Center, while the County conducts a study of the optimum uses of and develops plans for further improvements to the Center. The County is obligated by a contract with EDA to pay amounts equal to debt service on such bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the 2014B County Facilities Projects Bonds and the contract extend to October 2033.

On December 17, 2014, EDA entered into a loan agreement with the United States Department of Transportation and obtained a Transportation Infrastructure Financing and Innovation Act (TIFIA) loan in the principal amount up to \$403,274,894 (plus capitalized interest). Proceeds from the TIFIA loan are being used to finance the County's share of Phase II of the Silver Line Metrorail expansion. The County is obligated by a contract with the EDA to pay amounts equal to debt service on the TIFIA loan. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The terms of the TIFIA loan provide for repayment to begin October 1, 2023, and end April 1, 2046. As of June 30, 2018, the outstanding balance on the TIFIA Loan including accrued interest is \$339,023,513.

In August 2017, EDA issued \$19,060,000 of Fairfax County Facilities Revenue Bonds Series 2017 A (County Facilities Projects) (Federally Taxable) (the "2017A County Facilities Projects Bonds") and \$31,150,000 of Fairfax County Facilities Revenue Refunding Bonds Series 2017 B (County Facilities Projects) (the "2017B County Facilities Projects Refunding Bonds" and together with the 2017A County Facilities Projects Bonds, the "2017 County Facilities Projects Bonds"). The 2017A County Facilities Projects Bonds were issued to finance the costs of the construction and improvement of certain property to be used by the County as an adult day care facility, child day care centers and a senior center or for other County approved purposes. The 2017B County Facilities Projects Refunding Bonds were issued to refund certain outstanding maturities of the 2012 EDA Bonds. The County is obligated by a contract with EDA to pay amounts equal to debt service on the 2017 County Facilities Projects Bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the 2017 County Facilities Projects Bonds and the contract extend to October 2037.

#### **Lease Commitments and Contractual Obligations**

The County leases certain real estate, equipment, and sewer facilities under various long-term lease agreements. In addition, pursuant to contracts with Arlington County, the Alexandria Sanitation Authority, the District of Columbia, and the Upper Occoquan Sewage Authority, the County is obligated to share the capital costs and associated debt service of certain facilities.

In February 1990, the Northern Virginia Transportation Commission ("NVTC") issued \$79.4 million of bonds to finance certain costs associated with the establishment of commuter rail services (the Virginia Railway Express) in the area of Northern Virginia bordering Washington, D.C. Fairfax County has joined with other jurisdictions through a Master Agreement to bear certain costs associated with operating and insuring the rail service as well as servicing the debt issued by NVTC. The Master Agreement requires that the County's governmental officers charged with preparing its annual budget include an amount equal to its share of the costs of the Virginia Railway Express. Each jurisdiction's share is determined by a formula set out in the Master Agreement. Fairfax County's share of this cost was \$5.4 million in FY 2018. An additional \$23 million in NVTC commuter rail revenue bonds were issued in early 1997 to purchase new rail coaches. Debt service on these bonds is being funded predominantly by Commonwealth and federal funds and VRE revenues.

On October 29, 2003, EDA issued \$33,375,000 transportation contract revenue bonds to provide \$30,000,000 to the Commonwealth Transportation Board (CTB) for construction of certain interchanges on Route 28 in the Route 28 Highway Transportation District, which is partly in Fairfax County and partly in Loudoun County. On August 26, 2004, EDA issued \$57,410,000 transportation contract revenue bonds to provide an additional \$60 million for construction of additional interchanges. The bonds issued in 2003 and 2004 financed the construction of six interchanges. In March 2007, EDA issued \$41,505,000 transportation contract revenue bonds to finance a portion of the costs of constructing an additional four interchanges in the Route 28 Highway Transportation District. In July 2008, EDA issued \$51,505,000

transportation contract revenue bonds (the “2008 Bonds”) to finance additional costs of constructing the additional four interchanges on Route 28. See also the discussion of taxes levied by the County in the Route 28 Highway Transportation Improvement District, located partly in the County, to pay debt service on CTB and EDA bonds in “GOVERNMENT SERVICES – Transportation – Tax Districts” herein. In May, 2012, EDA issued bonds to refund a portion of the bonds issued in 2003 and 2004 and in August 2016 EDA issued bonds to refund all of the outstanding bonds issued in March 2007 and a portion of the outstanding bonds issued in July 2008. The 2008 Bonds were redeemed on April 1, 2018.

On May 26, 2011, EDA issued \$205,705,000 Transportation District Improvement Revenue Bonds (Silver Line Phase I Project) Series 2011 which provided \$220 million to provide a portion of the financing for the expansion of Metrorail of approximately 11.5 miles of rail line through the County’s primary urban center, Tysons to Reston. On October 10, 2012, EDA issued an additional \$42,390,000 Transportation District Improvement Revenue Bonds (Silver Line Phase I Project) Series 2012 to provide \$48,400,000 for this purpose. Debt service on the bonds is paid from a special improvements tax levied by the County on commercial and industrial use property located in the Phase I Dulles Rail Transportation Improvement District within the County. On March 16, 2016, EDA issued \$173,960,000 Transportation District Improvement Revenue Refunding Bonds (Silver Line Phase I Project) Series 2016 which refunded a portion of the outstanding bonds issued in 2011 and 2012.

On June 9, 2011, the Mosaic District Community Development Authority (the “CDA”) issued \$46,980,000 Revenue Bonds, Series 2011A, and the CDA issued in July, 2011 an additional \$18,670,000 Revenue Bonds, Taxable Series 2011A-T (collectively, the “CDA Bonds”). Proceeds from the CDA Bonds were used to finance certain public infrastructure improvements within the Mosaic District Community Development Authority District (the “Mosaic District”) to support a mixed-use development to be constructed within the Mosaic District. The CDA Bonds are payable primarily from certain incremental real estate tax revenues collected by the County in the District and certain special assessments imposed and collected by the County within the Mosaic District. The payment of incremental real estate tax revenues and special assessments, as applicable, by the County to the CDA to be used for debt service payments on the CDA Bonds is subject to appropriation by the County.

On March 8, 2017, EDA issued \$69,645,000 Fairfax County Metrorail Parking System Project Revenue Bonds Series 2017 (“Parking System Revenue Bonds”) to provide funds to finance the construction of parking facilities to be owned and operated by the County, that will be located adjacent to WMATA’s Herndon and Innovation Center Metrorail Stations to be constructed as part of Phase II of the Silver Line extension of Metrorail. Debt service on the Parking System Revenue Bonds is payable from the proceeds of net parking revenues collected from customers of parking facilities controlled by the County at certain WMATA Metrorail stations in the County and from certain surcharge revenues collected from customers of certain parking facilities controlled by WMATA.

#### **Debt Service on Tax Supported Debt Obligations**

Total principal and interest payments on the County’s outstanding tax supported debt obligations, including general obligation bonds and other tax supported debt obligations, are presented in the following table as of August \_\_, 2019 [**note: need to update table**]:

<b>Fiscal Year Ending June 30</b>	<b>General Obligation Bonds</b>		<b>Other Tax Supported Debt Obligations<sup>1</sup></b>		<b>Total<sup>3</sup></b>
	<b>Principal</b>	<b>Interest<sup>2</sup></b>	<b>Principal</b>	<b>Interest</b>	
2020	\$203,780,000	\$97,347,786	28,995,000	20,677,797	350,800,583
2021	196,750,000	87,118,390	27,510,000	19,556,034	330,934,424
2022	187,985,000	78,497,725	27,920,000	18,343,716	312,746,441
2023	179,260,000	70,229,310	27,210,000	17,144,238	293,843,548
2024	167,540,000	62,016,465	23,060,000	16,027,148	268,643,613
2025	164,275,000	53,905,465	23,700,000	15,013,326	256,893,791
2026	154,125,000	46,805,285	24,017,500	13,963,828	238,911,613
2027	146,540,000	40,247,475	24,375,000	12,888,150	224,050,625
2028	134,290,000	34,465,635	25,110,000	11,783,584	205,649,219
2029	122,130,000	29,066,065	25,880,000	10,638,536	187,714,601
2030	111,645,000	24,000,208	26,625,000	9,446,311	171,716,519
2031	97,900,000	19,553,205	27,480,000	8,221,445	153,154,650
2032	89,775,000	15,659,790	28,365,000	6,943,024	140,742,814
2033	78,740,000	11,963,938	27,530,000	5,609,347	123,843,285
2034	68,555,000	8,827,700	27,470,000	4,296,905	109,149,605
2035	55,340,000	6,134,000	25,690,000	3,035,315	90,199,315
2036	43,975,000	3,931,900	8,425,000	2,226,251	58,558,151
2037	33,125,000	2,228,350	8,830,000	1,821,426	46,004,776
2038	21,710,000	1,024,350	9,470,000	1,462,914	33,667,264
2039-2049	10,730,000	268,250	24,825,000	2,149,275	37,972,525
<b>Total<sup>3</sup></b>	<b><u>\$2,268,170,000</u></b>	<b><u>\$693,291,291</u></b>	<b><u>\$476,770,000</u></b>	<b><u>\$201,952,654</u></b>	<b><u>\$3,640,183,945</u></b>

Source: Fairfax County Department of Management and Budget

<sup>1</sup>Includes debt service on the Series 2009 Bonds, and does not include debt service on the Series 2019 Bonds.

<sup>2</sup>Does not reflect anticipated payments by the United States Treasury with respect to the County's Public Improvement Bonds Series 2009E (Federally Taxable - Build America Bonds).

<sup>3</sup>Totals may not add due to rounding.

## Sewer Revenue Bonds

Beginning in 1986, the County has issued several series of bonds under the General Bond Resolution for the benefit of the County's sewage collection, treatment and disposal systems (the "System"), including \$104,000,000 Sewer Revenue Bonds, Series 1996 (the "1996 Bonds") issued to provide funds for paying a portion of the costs of certain additions, extensions and improvements to the System. The County also issued \$94,005,000 Sewer Revenue Refunding Bonds, Series 2004 (the "2004 Bonds") on October 14, 2004, to provide funds, with other available funds, to refund the \$91,430,000 of the County's outstanding 1996 Bonds that were scheduled to mature on and after July 15, 2007. On June 17, 2009, the County issued \$152,255,000 Sewer Revenue Bonds, Series 2009 (the "2009 Bonds") to provide funds to finance capital improvements for the benefit of the System as well as for the purchase of additional wastewater capacity for the benefit of the County. On August 8, 2012, the County issued \$90,710,000 Sewer Revenue Bonds, Series 2012 (the "2012 Bonds") to provide funds to pay a portion of capital improvement costs allocable to the County at certain wastewater treatment facilities that are owned by, or that provide service to, the County which were required by the Commonwealth's Department of Environmental Quality to reduce the total nitrogen discharge to newly required limits, the purchase of additional capacity at certain wastewater treatment facilities for the benefit of the County and the costs of certain additions, extensions and improvements to the County's sewage collection, treatment and disposal systems. On April 16, 2014, the County issued \$61,755,000 Sewer Revenue Refunding Bonds, Series 2014 to refund the outstanding 2004 Bonds. In addition, on May 16, 2016, the County

issued \$164,450,000 Sewer Revenue Refunding Bonds, Series 2016A to refund the outstanding 2009 Bonds that were scheduled to mature on and after July 15, 2019, and a portion of the outstanding 2012 Bonds that were scheduled to mature on and after July 15, 2021. On June 28, 2017, the County issued \$85,785,000 Sewer Revenue Bonds to provide funds to pay the costs of certain additions, extensions and improvements to the County's sewage collection, treatment and disposal systems, paying capital improvement costs allocable to the County at certain wastewater treatment facilities that provide service to the County and, if necessary purchasing additional capacity at certain wastewater treatment facilities for the benefit of the County.

Wastewater treatment capacity and services are also provided to the Integrated Sewer System pursuant to contracts with Arlington County, the Alexandria Renew Enterprises ("ARE"), the District of Columbia, and the Upper Occoquan Sewage Authority ("UOSA"), whereby the County is obligated to share the capital costs and associated debt service of certain facilities. The County's obligations to such entities are payable solely from the revenues of the Integrated Sewer System on a basis, under the General Bond Resolution, subordinate to its sewer revenue bonds, and are not general obligations of the County.

The County has entered into a service agreement with ARE that obligates the County for 60% of the cost of capacity of the ARE wastewater treatment plant and a joint use system, including debt service on ARE bonds issued for ARE system improvements where the County does not otherwise provide for its share of the capital cost of such improvements. The County's share of previous upgrades was \$200 million. The County's share of additional upgrades, as estimated by ARE, is approximately \$80 million. The County obtained permanent funding from the Virginia Water Facilities Revolving Fund in FY 2001 and again in FY 2002 for a portion of its share of the initial costs from the proceeds of two loans aggregating \$90 million. In evidence of its obligation to repay the loans, the County issued to the Virginia Water Facilities Revolving Fund the County's \$40 million subordinated sewer revenue bonds, which now bear interest at the rate of 0.95% per annum, and \$50 million subordinated sewer revenue bonds, which now bear interest at the rate of 0.95% per annum. The County expects to provide the balance of its share of the costs of ARE's improvement project from other borrowings and available Integrated Sewer System funds.

UOSA issued regional sewer system revenue refunding bonds in November 2013, May 2013, February 2007, and November 2004 to refund certain of its outstanding bonds. In 2010 and 2007, UOSA issued \$85.2 million and \$119.7 million of Regional Sewer System Revenue Bonds, of which the County's share of the par amount of such debt is \$34.1 million and \$53.9 million, respectively, to finance the cost of certain capital improvements. In fiscal year 2012, UOSA entered into two loans to fund costs related to an energy service project and phase 1 of a nutrient compliance improvement project, respectively. In fiscal years 2014, 2015 and 2016, UOSA refinanced bonds issued in 2007. As of June 30, 2018, the County's share of UOSA's outstanding debt is \$231.8 million.

The debt service on the County's outstanding sewer revenue bonds, its subordinated sewer revenue bonds payable to the Virginia Water Facilities Revolving Fund evidencing loans for a portion of the County's costs associated with the ARE improvement project, and its subordinated obligations payable for capacity under its contract with UOSA, as of June 30, 2018, is reflected in the following table:

<b>Fiscal Year Ending June 30</b>	<b><u>Sewer Revenue Bonds</u></b>		<b><u>Other Sewer Debt Service Obligations</u></b>		<b><u>Total<sup>3</sup></u></b>
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>SRF/VRA<sup>1</sup></u></b>	<b><u>UOSA<sup>2</sup></u></b>	
2019	\$10,145,000	\$14,881,131	\$5,974,892	\$20,270,964	\$51,271,987
2020	10,675,000	14,387,781	5,974,892	20,261,134	51,298,808
2021	11,235,000	13,899,131	5,974,892	19,903,043	51,012,067
2022	11,745,000	13,397,106	3,276,611	22,806,194	51,224,912
2023	12,320,000	12,830,381	-	20,358,950	45,509,331
2024	12,970,000	12,205,856	-	20,344,347	45,520,203
2025	13,645,000	11,540,481	-	20,329,553	45,515,034
2026	14,305,000	10,893,781	-	27,466,317	52,665,099
2027	14,955,000	10,268,231	-	20,898,647	46,121,879
2028	15,580,000	9,641,031	-	20,876,260	46,097,291
2029	16,175,000	9,055,956	-	20,858,973	46,089,929
2030	10,845,000	8,506,981	-	8,379,918	27,731,899
2031	11,400,000	7,950,856	-	8,363,171	27,714,028
2032	11,985,000	7,366,231	-	8,334,280	27,685,511
2033	12,555,000	6,802,806	-	8,234,165	27,591,971
2034	13,050,000	6,303,581	-	7,954,846	27,308,427
2035	13,540,000	5,816,878	-	7,848,611	27,205,489
2036	14,050,000	5,304,538	-	7,818,008	27,172,545
2037	14,610,000	4,743,800	-	7,790,863	27,144,663
2038	15,245,000	4,112,075	-	7,760,545	27,117,620
2039-2049	<u>84,385,000</u>	<u>15,048,738</u>	<u>-</u>	<u>26,314,969</u>	<u>125,748,707</u>
Total <sup>3</sup>	<u>\$345,415,000</u>	<u>\$204,957,353</u>	<u>\$21,201,287</u>	<u>\$333,173,759</u>	<u>\$904,747,399</u>

Source: Fairfax County Department of Public Works and Environmental Services

<sup>1</sup> Debt service on the County's subordinated sewer revenue bonds issued to the Virginia Water Facilities Revolving Fund evidencing the County's obligation to repay \$90 million in loans made to the County by Virginia Resources Authority from the Fund.

<sup>2</sup> Based on the County's share of scheduled UOSA debt service. Does not reflect any anticipated payments by the United States Treasury on outstanding UOSA Build America Bonds.

<sup>3</sup> Totals may not add due to rounding.

## Debt Ratios

The following data show trends in the relationship of the general obligation bond indebtedness of the County to the estimated market value of taxable property in the County and to its estimated population and the trend of general obligation debt service requirements as a percentage of General Fund disbursements.

**Trend of Debt as a Percentage of  
Estimated Market Value of Taxable Property (in 000s)**

<b><u>Fiscal Year Ended June 30</u></b>	<b><u>Bonded Indebtedness<sup>1</sup></u></b>	<b><u>Estimated Market Value<sup>2</sup></u></b>	<b><u>Percentage</u></b>
2011	\$2,554,051	\$204,324,080	1.25%
2012	2,734,135	210,318,077	1.30
2013	2,514,452	211,298,487	1.19
2014	2,766,717	224,369,644	1.23
2015	2,770,822	236,403,666	1.17
2016	2,750,573	244,397,085	1.13
2017	2,766,149	251,724,115	1.10
2018	2,768,103	256,260,725	1.08
2019 <sup>3</sup>	2,922,384	262,158,107	1.11
2020 <sup>3</sup>	3,078,764	271,193,370	1.14

Sources: Fairfax County Comprehensive Annual Financial Report FY 2011-2018 and Department of Finance

<sup>1</sup> Bonded Indebtedness beginning with Fiscal Year 2013 included herein differs from the data shown in Tables 3.1, 3.2 and 3.4 of the Statistical Section of the County's Comprehensive Annual Financial Report based on the treatment of bond premium and discounts. In the Comprehensive Annual Financial Report, beginning with Fiscal Year 2013, Bonded Indebtedness represents principal outstanding plus unamortized premium (minus unamortized discount). In the table above, Bonded Indebtedness is based on outstanding principal without adjustment for unamortized premium or discount. The total includes General Obligation Bonds and other tax supported debt payable from the General Fund including the County's obligation to make payments with respect to "— Other Tax Supported Debt Obligations."

<sup>2</sup> Estimated market value is based on recorded values as of January 1 of the prior fiscal year, and reflects the original book value and does not reflect any adjustments made during the fiscal year.

<sup>3</sup> Estimates per the FY 2020 Adopted Budget Plan per the Fairfax County Department of Management and Budget.

**Estimated Debt Per Capita**

<b><u>Fiscal Year Ended June 30</u></b>	<b><u>Bonded Indebtedness (in 000s)<sup>1</sup></u></b>	<b><u>Estimated Population (in 000s)<sup>2</sup></u></b>	<b><u>Bonded Indebtedness Per Capita</u></b>	<b><u>Fairfax County Per Capita Income<sup>3</sup></u></b>	<b><u>Estimated Debt Per Capita as Percentage of Per Capita Income</u></b>
2011	\$2,554,051	1,101	\$2,320	\$64,637	3.59%
2012	2,734,135	1,119	2,443	68,847	3.55
2013	2,514,452	1,131	2,223	71,607	3.10
2014	2,766,717	1,138	2,431	71,752	3.39
2015	2,770,822	1,142	2,426	75,007	3.23
2016	2,750,573	1,139	2,415	74,923	3.22
2017	2,766,149	1,143	2,420	75,978	3.19
2018 <sup>4</sup>	2,768,103	1,143	2,422	75,978	3.19
2019 <sup>4</sup>	2,992,384	1,143	2,618	75,978	3.44
2020 <sup>4</sup>	3,078,764	1,143	2,694	75,978	3.55

Source: Fairfax County Comprehensive Annual Financial Report FY 2018

<sup>1</sup> Bonded Indebtedness beginning with Fiscal Year 2013 included herein differs from the data shown in Tables 3.1, 3.2 and 3.4 of the Statistical Section of the County's Comprehensive Annual Financial Report based on the treatment of bond premium and discounts. In the Comprehensive Annual Financial Report, beginning with Fiscal Year 2013, Bonded Indebtedness represents principal outstanding plus unamortized premium (minus unamortized discount). In the table above, Bonded Indebtedness is based on outstanding principal without adjustment for unamortized premium or discount. The total includes General Obligation Bonds and other tax supported debt payable from the General Fund including the County's obligation to make payments with respect to "— Other Tax Supported Debt Obligations."

<sup>2</sup> U.S. Census Bureau, 2010 Decennial Censuses, U. S. Census Bureau Annual Estimates of the Resident Population: April 1, 2010, to July 1, 2015. 2018, 2019 and 2020 estimates not yet available.

<sup>3</sup> Source: Bureau of Economic Analysis (BEA), U.S. Department of Commerce, and Fairfax County Department of Management and Budget 2011-2020 Estimates. The Cities of Fairfax and Falls Church were not included.

<sup>4</sup> Estimates per the FY 2020 Adopted Budget Plan per the Fairfax County Department of Management and Budget.

**Debt Service Requirements as a  
Percentage of General Fund Disbursements (in 000s)**

<b>Fiscal Year Ended June 30</b>	<b>Debt Service Requirements<sup>1</sup></b>	<b>General Fund Disbursements</b>	<b>Percentage</b>
2011	\$285,551	\$3,343,689	8.54%
2012	288,302	3,419,953	8.43
2013	289,714	3,533,098	8.20
2014	295,451	3,637,841	8.12
2015	313,969	3,729,625	8.42
2016	323,859	3,860,655	8.39
2017	313,389	4,005,845	7.82
2018	337,077	4,112,554	8.20
2019 <sup>2</sup>	375,832	4,398,873	8.54
2020 <sup>2</sup>	351,862	4,449,430	7.91

*Sources:* Fairfax County Comprehensive Annual Financial Report FY 2018 and Department of Finance

<sup>1</sup> The Debt Service Requirements include total principal and interest payments on the County's outstanding tax supported debt obligations, including all debt listed under the heading "– Other Tax Supported Debt Obligations."

<sup>2</sup> Estimates per the FY 2020 Adopted Budget Plan per Fairfax County Department of Management and Budget. Fiscal year property taxes are levied on prior year assessments.

**Underlying Bonded Indebtedness**

The following table shows the underlying bonded indebtedness of towns within the boundaries of Fairfax County as of June 30, 2018:

Town of Vienna <sup>1</sup>	General Obligation Bonds and Capital Leases	\$29,119,429
Town of Herndon <sup>1</sup>	General Obligation and Public Improvement Notes	<u>11,712,500</u>
Total Underlying Indebtedness	Bonded	<u>\$40,831,929</u>

*Source:* Fairfax County Comprehensive Annual Financial Report FY 2018

<sup>1</sup> Underlying Bonded Indebtedness for Fiscal Year 2018 included herein differs from the data shown in Tables 3.1, 3.2 and 3.4 of the Statistical Section of the County's Comprehensive Annual Financial Report based on the treatment of bond premium and discounts. In the Comprehensive Annual Financial Report, beginning with FY 2013, Bonded Indebtedness represents principal outstanding plus unamortized premium (minus unamortized discount). In the table above, Bonded Indebtedness is based on outstanding principal without adjustment for unamortized premium or discount.

This underlying bonded indebtedness are obligations of the respective towns only and are not obligations of Fairfax County.

The bonds, notes and other obligations of Fairfax Water, the Fairfax County Park Authority, the Fairfax County Industrial Development Authority, the Fairfax County Economic Development Authority, the Fairfax County Redevelopment and Housing Authority, the Northern Virginia Health Center Commission, the Northern Virginia Transportation Commission, and the Mosaic District Community Development Authority are not obligations of the County.

## TAX BASE DATA

Fairfax County annually reassesses over 360,000 parcels of real property employing a computer assisted mass reassessment program for both residential and non-residential properties. The County uses a statistic called the coefficient of dispersion (the “Coefficient of Dispersion”) which measures the uniformity of assessment to sale ratios among properties. The lower the coefficient of dispersion, the more uniform the assessment. The overall Coefficient of Dispersion in Fairfax County for tax year 2017 (FY 2018) was 3.4%, and the assessment to sales price ratio was 0.948. A Coefficient of Dispersion of 15% is considered good by professional assessing standards. The County falls into the excellent category, indicating a high degree of assessment uniformity and equity.

The assessed value for FY 2020 of the real estate tax base, as reported for calendar year 2019 assessments in the main tax book for Fairfax County, increased by 3.6% in value from the prior year.

The data in the following five tables are presented to illustrate trends and characteristics of the assessed value of real and personal property which are major sources of County-derived revenue.

### Assessed Value of All Taxable Property<sup>1</sup>

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>
2011	\$185,755,271,151	\$14,767,968,334	\$200,523,239,485
2012	192,062,068,734	15,265,499,862	207,327,568,596
2013	198,178,754,789	16,053,881,534	214,232,636,323
2014	205,045,008,994	16,420,356,751	221,465,365,745
2015	216,832,912,747	16,518,808,610	233,351,721,357
2016	224,411,716,328	16,895,179,934	241,306,896,262
2017	231,350,805,374	17,451,767,407	248,802,572,781
2018	235,919,724,142	17,592,325,499	253,512,049,641
2019 <sup>2</sup>	244,130,871,357	18,027,235,740	262,158,107,097
2020 <sup>2</sup>	252,923,563,580	18,269,806,386	271,193,369,966

*Sources:* Fairfax County Department of Tax Administration and Department of Management and Budget. All years included figures for the Public Service Corporation. All Public Service Corporation real property assessments are required under Virginia law to be made at 100% of estimated market value annually by the State Corporation Commission.

<sup>1</sup>Figures are net of exonerated assessments and tax relief for the elderly and disabled.

<sup>2</sup>Estimates per the FY 2020 Adopted Budget Plan per Fairfax County Department of Management and Budget. Fiscal year property taxes are levied on prior year assessments.

**Tax Rates per \$100 Assessed Value  
(Fiscal Year)**

Tax Category	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Real Estate – Regular and Public Service	\$1.09	\$1.07	\$1.075	\$1.085	\$1.09	\$1.09	\$1.13	\$1.13	\$1.15	\$1.15
Personal Property – Regular	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property – Public Service	1.09	1.07	1.075	1.085	1.09	1.09	1.13	1.13	1.15	1.15
Personal Property – Machinery and Tools	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property – Development	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property – Mobile Homes	1.09	1.07	1.075	1.085	1.09	1.09	1.13	1.13	1.15	1.15
Personal Property – Special <sup>1</sup>	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01

Sources: Fairfax County Adopted Budget Plans, FY 2011-FY 2020

<sup>1</sup> Includes vehicles specially equipped for the handicapped, privately owned vans used for van pools, vehicles belonging to volunteer fire and rescue squad members, vehicles owned by auxiliary police and reserve deputy sheriffs, certain property of homeowners associations, antique cars, aircraft, including flight simulators, and motor vehicles owned by qualified elderly or disabled individuals, and boats.

**Commercial-Industrial Percentage of the  
Total Assessed Value of Real Property<sup>1</sup>**

<u>Fiscal Year<sup>2</sup></u>	<u>Percent (%)<sup>3</sup></u>
2011	19.70
2012	19.64
2013	20.77
2014	19.96
2015	19.01
2016	18.67
2017	18.89
2018	19.12
2019	19.43
2020	19.66

Source: Fairfax County Department of Tax Administration

<sup>1</sup> Assessed values are reported by State of Virginia Land Use Codes. Vacant land is defined according to zoning classification.

<sup>2</sup> Fiscal year property taxes are levied on prior year assessments.

<sup>3</sup> Includes the Towns of Vienna, Herndon and Clifton.

The following data show the assessed value of real property of the 25 largest holders of real property in the County as of January 1, 2019.

**Top 25  
Holders of Real Property in Fairfax County  
As of January 1, 2019**

<b>Rank</b>	<b>Property Owner</b>	<b>Property Type</b>	<b>Total Assessment<sup>1</sup></b>
1	Tysons Corner Property Holdings LLC	Tysons Corner Regional Shopping Mall	\$1,662,804,320
2	Capital One Bank	Office	744,638,540
3	PR Springfield Town Center LLC	Springfield Town Center	476,869,560
4	Fairfax Company of Virginia LLC	Fair Oaks Mall	462,003,510
5	Ps Business Parks LP	Industrial Parks	404,361,100
6	US Bank National Association	Office	381,499,850
7	Camden Summit Partnership LP	Apartments	370,830,000
8	Reston Town Center Property LLC	Commercial & Retail	369,226,590
9	Tysons Galleria LLC	Commercial & Retail	364,988,930
10	Federal Home Loan Mortgage Corporation	Office	353,567,330
11	Coresite Real Estate 12100	Office	351,792,190
12	Washington Gas Light Company	Public Utility	339,850,653
13	South of Market LLC	Office	329,125,600
14	Tysons Corner Office I LLC	Office	278,686,550
15	Tamares 7950 Owner LLC	Office	262,668,240
16	Exxonmobil Foundation	Office	262,337,160
17	Hyundai Able Patriots Park LLC	Commercial & Industrial	257,780,190
18	Home Properties Mount Vernon LLC	Apartments and Office	242,639,740
19	WashReit Riverside Apartments LLC	Apartments	232,310,930
20	Writ LP	Commercial & Industrial	223,752,290
21	Eskridge (E&A) LLC	Commercial & Retail	209,087,360
22	One Freedom Square LLC	Office	206,617,640
23	Mitre Corporation	Office	205,581,890
24	Dunn Loring Development Company LLC	Commercial & Retail	203,385,630
25	Boro I Office The LLC	Office	202,398,210
<b>Total</b>			<b>\$9,398,804,003</b>

*Source:* Fairfax County Department of Tax Administration, January 1, 2019, tax rolls

<sup>1</sup> As of January 1, 2019, the assessed value of the real property of the 25 largest holders of real property in the County represented 3.72% of the total assessed value of all real property in Fairfax County, excluding tax-exempt properties. January 1, 2019, assessments generate tax revenue in FY 2020.

**Real and Personal Property  
Tax Levies and Tax Collections**

<b>Fiscal Year</b>	<b>Total Levy<sup>1</sup></b>	<b>Current Collections<sup>2</sup></b>	<b>% of Total Levy Collected<sup>3</sup></b>	<b>Collection of Delinquent Taxes</b>	<b>Total Current &amp; Delinquent Taxes<sup>4</sup></b>	<b>% of Total Levy &amp; Delinquent Taxes</b>
2011	\$2,529,322,489	\$2,519,767,097	99.62	\$22,696,208	\$2,542,463,305	100.52
2012	2,578,579,112	2,563,131,721	99.40	22,034,282	2,585,166,003	100.26
2013	2,685,186,192	2,679,668,935	99.79	18,659,978	2,698,328,913	100.49
2014	2,789,010,004	2,776,199,493	99.54	21,735,390	2,797,934,883	100.32
2015	2,932,029,373	2,926,228,317	99.80	23,425,378	2,949,653,695	100.60
2016	3,027,718,274	3,019,636,276	99.73	21,161,598	3,040,797,874	100.43
2017	3,218,263,071	3,206,288,719	99.63	25,396,075	3,231,684,794	100.42
2018	3,274,550,619	3,266,018,208	99.74	25,377,255	3,291,395,463	100.51
2019	3,428,377,740	3,412,497,712	99.54	24,201,494	3,436,699,206	100.24
2020	3,538,815,898	3,522,460,109	99.54	24,201,494	3,546,661,603	100.22

*Sources:* Fairfax County Department of Management and Budget and Department of Tax Administration

<sup>1</sup> The total levy is the levy for General Fund real and personal property taxes and does not include the property tax levy for Special Revenue Funds, e.g. for refuse collection and community centers.

<sup>2</sup> Current collections do not include tax collections for the Special Revenue Funds or payments in lieu of taxes. As a result of revised accounting procedures, the collection of penalty and interest payments for late payments of current taxes is included in the collection of current taxes rather than under the collection of back taxes.

<sup>3</sup> The percentage of levy is not the collection rate since current collections also include penalty and interest payments for late payments of current taxes.

<sup>4</sup> FY 2011 through FY 2018 from Fairfax County Comprehensive Annual Financial Reports; FY 2019 and FY 2020 are estimates per the FY 2020 Adopted Budget Plan via the Department of Management and Budget and Department of Tax Administration.

Section 58.1-3916 of the Code of Virginia authorizes Fairfax County, pursuant to Section 4-10-1 of the County Code, to impose a penalty of 10% for failure to pay taxes when due, with interest to be due on such taxes and penalty following the day such taxes are due at the rate of 10% per annum the first year and at the greater of 10% per annum and the rate established pursuant to Section 6621 of the Internal Revenue Code for the second and subsequent years of delinquency.

**FINANCIAL INFORMATION**

**Five-Year Summary of Revenues, Expenditures and Fund Balances for the General Fund**

The financial data shown in the following table represent a summary for the five fiscal years ended June 30, 2018, of the revenues, expenditures, and fund balances accounted for in the County's General Fund.

## Fiscal Years Ended June 30

	2014	2015	2016	2017	2018
<b>REVENUES</b>					
Taxes	\$3,091,497,604	\$3,233,977,029	\$3,327,545,952	\$3,516,899,229	\$3,589,886,690
Permits, fees, and licenses	39,351,756	45,545,990	48,443,054	52,201,079	52,723,373
Intergovernmental	345,208,093	344,894,850	352,320,212	356,846,491	355,433,536
Charges for services	69,207,776	71,273,201	79,086,734	81,264,762	82,679,276
Fines and forfeitures	16,669,844	16,298,999	14,566,333	15,947,672	15,227,392
Developers' contributions	14,906	5,757	225,101	-	-
Use of money and property	15,033,510	15,701,691	22,679,412	31,325,447	47,076,323
Recovered costs	9,426,879	11,655,234	9,423,456	8,960,041	9,234,813
Gifts, donations, and contributions	<u>771,379</u>	<u>916,287</u>	<u>969,583</u>	<u>890,976</u>	<u>1,221,172</u>
<b>Total revenues</b>	<b><u>\$3,587,181,747</u></b>	<b><u>\$3,740,269,038</u></b>	<b><u>\$3,855,259,837</u></b>	<b><u>\$4,064,335,697</u></b>	<b><u>\$4,153,482,575</u></b>
<b>EXPENDITURES</b>					
Current:					
General government administration	\$163,828,478	\$162,063,387	\$159,574,082	\$158,210,278	\$154,169,910
Judicial administration	49,302,583	52,120,422	54,237,643	56,018,395	57,378,283
Public safety	620,073,326	634,174,750	646,258,835	673,290,385	683,701,748
Public works	86,012,739	84,038,207	88,201,178	90,215,133	93,472,087
Health and welfare	352,430,786	362,016,707	381,760,426	391,618,833	398,899,103
Community development	55,705,696	57,331,723	60,981,469	62,174,038	64,198,596
Parks, recreation, and cultural	35,409,661	34,297,699	36,311,287	36,528,547	38,349,375
Intergovernmental:					
Community development	10,382,091	10,492,636	10,746,095	10,988,449	11,360,629
Parks, recreation, and cultural	31,427,759	31,114,997	31,502,197	33,129,930	34,155,180
Education - for Public Schools	1,717,128,761	1,768,588,028	1,838,341,763	1,926,706,345	1,980,106,487
Capital outlay:					
General government admin.	9,073,520	11,071,093	13,020,325	11,545,792	14,037,641
Judicial administration	54,113	225,921	40,493	5,720	295,988
Public safety	675,118	1,388,288	7,726,916	1,851,101	2,055,229
Public works	106,271	128,823	265,695	247,960	31,250
Health and welfare	213,352	319,412	136,984	483,077	864,435
Community development	27,670	7,318	44,570	7,495	95,076
Parks, recreation, and cultural	3,919,566	4,275,727	4,878,597	3,676,970	4,063,338
Debt service:					
Principal retirement	362,258	314,660	228,213	857,156	866,604
Interest and other charges	<u>38,166</u>	<u>22,987</u>	<u>9,767</u>	<u>68,367</u>	<u>58,919</u>
<b>Total expenditures</b>	<b><u>\$3,136,171,914</u></b>	<b><u>\$3,213,992,785</u></b>	<b><u>\$3,334,266,535</u></b>	<b><u>\$3,457,623,971</u></b>	<b><u>\$3,538,159,878</u></b>
<b>Revenues over (under) expenditures</b>	<b>\$451,009,833</b>	<b>\$526,276,253</b>	<b>\$520,993,302</b>	<b>\$606,711,726</b>	<b>\$615,322,697</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$24,195,595	\$12,473,516	\$14,363,192	\$21,572,105	16,440,411
Transfers out	(501,669,578)	(515,632,051)	(526,388,805)	(548,220,839)	(574,394,290)
Capital Leases	-	-	6,502,955	-	-
<b>Total other financing sources (uses)</b>	<b><u>\$(477,473,983)</u></b>	<b><u>\$(503,158,535)</u></b>	<b><u>\$(505,522,658)</u></b>	<b><u>\$(526,648,734)</u></b>	<b><u>\$(557,953,879)</u></b>
Net change in fund balances	(26,464,150)	23,117,718	15,470,644	80,062,992	57,368,818
Beginning Fund Balance	329,268,249	302,804,099	325,921,817	341,392,461	421,455,453
Ending Fund Balance	\$302,804,099	\$325,921,817	\$341,392,461	\$421,455,453	\$478,824,271

Source: Fairfax County Comprehensive Annual Financial Reports for the fiscal years ended June 30, 2014-2018, Exhibit A-3 - Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds.

## Financial Policies

The Board of Supervisors has been guided by long-standing financial policies and guidelines in the conduct of financial management. The governing statement of financial policy is contained within the Ten Principles of Sound Financial Management (“Ten Principles”). Adopted by the Board of Supervisors in 1975 and amended as needed to address changing economic conditions and management practices, the Ten Principles have been reaffirmed and have guided each succeeding Board of Supervisors to establish strong fiscal management tools and practices. The Ten Principles provide for the integration of land use planning with capital and operating budgets; establish guidelines for the development of annual balanced budgets; stress the importance of maintaining positive cash balances; establish firm not to exceed limits to debt ratios; provide guidance on cash management, internal controls, and performance measurement; provide guidelines restricting the proliferation of underlying debt and use of moral obligation financing; and encourage the development of a diversified economy within the County.

In 1982, the Board of Supervisors adopted a financial policy requiring maintenance of a “managed reserve” in the General Fund beginning on July 1, 1982, at a level not less than 2% of General Fund disbursements. This reserve has been incorporated in the budget each fiscal year. This reserve was implemented to provide for temporary financing of unforeseen needs of an emergency nature and to permit orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. In 1985, the Board of Supervisors adopted a policy on appropriations during quarterly budget reviews, which provides that non-recurring revenues should be used for either capital expenditures or other non-recurring expenditures and that quarterly review adjustments are not to exceed 2% of the General Fund disbursements. In addition, on September 13, 1999, the Board of Supervisors established a Revenue Stabilization Fund with a goal of reaching 3% of General Fund disbursements. As of the FY 2006 Third Quarter Review, the Revenue Stabilization Fund was fully funded at 3% of General Fund disbursements. This reserve is designed to address ongoing requirements in years of significant economic downturn. Criteria for withdrawals from the Revenue Stabilization Fund include (1) projected revenues must reflect a decrease of greater than 1.5% from the current fiscal year estimate, (2) withdrawals must not exceed one-half of the fund balance in any fiscal year, and (3) withdrawals must be used in combination with spending cuts or other measures.

From time to time the Board of Supervisors has amended the Ten Principles in order to address changing economic conditions and management practices. Changes adopted on April 21, 2015, reflect the Board’s commitment to increasing the County’s reserve policies and to continue to strengthen the County’s financial position. The Managed Reserve target was increased from 2% to 4% of General Fund disbursements and the Revenue Stabilization Fund target was increased from 3% to 5% of General Fund Receipts. In addition, an Economic Opportunity Reserve was established to stimulate economic growth and will provide for strategic investment opportunities that are identified as priorities by the Board of Supervisors. When fully funded, this reserve will equal 1% of total General Fund disbursements in any given fiscal year. Funding for this reserve would only occur after the Managed Reserve and the Revenue Stabilization Fund are fully funded at their new levels of 4% and 5%, respectively. Funding of this increase will begin immediately; however, it will take several years to fully fund the new target level. As of June 30, 2018, the Managed Reserve was funded at \$136.9 million, and the Revenue Stabilization Fund was fully funded at \$206.7 million.

Other policies and tools that have been designed to enhance the impact of the Ten Principles include annual adoption of budgetary guidelines, formal establishment of various expenditure, revenue, and special purpose reserves, capital improvement planning guidelines, policies for risk management, guidelines for acceptance of grant awards, and planning for information technology. Various tools in active use by the County include the annual budget, the Capital Improvement Program, revenue and

financial forecasts, and management initiatives such as a performance measurement program, a pay-for-performance management system, workforce planning, and various information technology initiatives.

## **Certain Financial Procedures**

### *Description of Funds*

The County's annual audited financial statements include the funds administered by the Board of Supervisors and the School Board. The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The transactions in each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues, and expenditures.

### *Annual Financial Statements*

The County has no legal authority to borrow in anticipation of future years' revenues, except by the issuance of bonds or bond anticipation notes.

Prior to the beginning of each fiscal year, the Board of Supervisors adopts a budget plan consisting of contemplated expenditures and estimated revenues for such fiscal year. On the basis of the adopted budget plan, the Board of Supervisors appropriates funds for the expenditures, and establishes tax rates sufficient to produce the revenues, contemplated in the budget plan.

The annual budgeting process for a fiscal year begins in the first quarter of the previous fiscal year with the submission by agency directors of budget requests to the Department of Management and Budget. During the second quarter, budget requests are reviewed and meetings between the County Executive, Deputy County Executives, and agency directors are held to discuss agency requests. Upon receipt of the preliminary budget of the School Board in the third quarter, the County Executive prepares an initial budget for submission to the Board of Supervisors and proposes tax rates sufficient to produce revenues needed to meet expenditures contemplated in the initial budget. After work sessions with the Board of Supervisors and public hearings on the proposed budget, changes are made and the final budget is adopted. Tax rates are established prior to the beginning of the fiscal year for which the budget is prepared.

During the fiscal year, quarterly reviews of revenue and expenditures are undertaken by the County Department of Management and Budget. On the basis of these reviews, the Board of Supervisors revises appropriations as needed or desired.

In 1982, the Board of Supervisors adopted a financial policy requiring maintenance of a "managed reserve" in the General Fund beginning on July 1, 1982, at a level not less than 2% of General Fund disbursements. This reserve has been incorporated in the budget each fiscal year. This reserve was implemented to provide for temporary financing of unforeseen needs of an emergency nature and to permit orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. In 1985, the Board of Supervisors adopted a policy on appropriations during quarterly budget reviews, which provides that non-recurring revenues should be used for either capital expenditures or other non-recurring expenditures and that quarterly review adjustments are not to exceed 2% of the General Fund disbursements. In addition, on September 13, 1999, the Board of Supervisors established a Revenue Stabilization Fund with a goal of reaching 3% of General Fund disbursements. As part of the adoption of the FY 2016 Adopted Budget Plan, the Board of Supervisors updated the County's *Ten Principles of Sound Financial Management* to increase the reserve targets for both the Revenue Stabilization Reserve and the Managed Reserve. The target level of the Revenue Stabilization Reserve

was increased from 3% to 5% of General Fund disbursements, and the target level of the Managed Reserve was increased from 2% to 4% of General Fund disbursements. The Revenue Stabilization Fund is fully funded and currently totals \$206.7 million. This reserve is designed to address ongoing requirements in years of significant economic downturn. Criteria for withdrawals from the Revenue Stabilization Fund include (1) projected revenues must reflect a decrease of greater than 1.5% from the current fiscal year estimate, (2) withdrawals must not exceed one-half of the fund balance in any fiscal year, and (3) withdrawals must be used in combination with spending cuts or other measures.

### **Investment Management Policy**

The County's Division of Investments and Cash Management operates under the direction of the Investment Committee comprised of the Chief Financial Officer/Director of the Department of Management and Budget, the Director of the Department of Finance, the Director of the Department of Tax Administration, and the Deputy Director of the Department of Finance. Guided by a formal investment policy, the Committee continually reviews the County's investment policies and strategies and monitors daily investment activity.

During FY 2018, the County's average portfolio size (which includes investments in the General Fund, Special Revenue Funds, and Enterprise Funds) was approximately \$3.4 billion. The funds are invested in U.S. Treasury obligations, obligations of the Federal Home Loan Mortgage Corporation, Federal Home Loan Banks, Federal Farm Credit Bank, and Fannie Mae, bankers' acceptances, commercial paper (rated A1/P1 or higher), negotiable and non-negotiable and insured certificates of deposit, money market mutual funds limited to government obligations, corporate notes, bank notes, and other investments permitted under Virginia law for these purposes.

The County's investment policy, which governs the pooled cash, and general obligation bond proceeds, prohibits investment in instruments generally referred to as derivatives, and the County does not employ leverage in its investments.

The Association of Public Treasurers of the United States and Canada has awarded the County a certification for its investment policy each year since 1998. To achieve certification, an investment policy must establish standards recognized in the profession as fostering prudent management of public funds.

### **General Fund Revenues, Expenditures, Transfers and Beginning Fund Balance**

The General Fund is maintained by the County to account for revenue derived from Countywide ad valorem taxes, other local taxes, licenses, fees, permits, charges for services, certain revenue from federal and State governments, and interest earned on invested cash balances of the General Fund and Capital Project Funds. General Fund expenditures and transfers include the costs of general County government, transfers to the School Operating Fund to pay the local share of operating Fairfax County public schools, and transfers to the Debt Service and Capital Projects Funds to pay debt service on County general obligation bonds and for certain capital improvement projects.

### **General Fund Summary**

Shown below are the County's revenues, expenditures, transfers, and beginning fund balance of the General Fund for FY 2014 through FY 2018.

**General Fund Revenues, Transfers In, and Beginning Fund Balance**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General Property Taxes	\$2,576,653,463	\$2,727,409,751	\$2,818,183,929	\$3,003,139,306	\$3,062,962,780
Other Local Taxes	514,844,141	506,567,278	509,362,021	513,759,924	526,923,910
Permits, fees, and licenses	39,351,756	45,545,990	48,443,054	52,201,079	52,723,373
Intergovernmental	345,208,093	344,894,850	352,320,212	356,846,491	355,433,536
Charges for Services and Recovered Costs	78,634,655	82,928,435	88,510,190	90,224,803	91,914,089
Fines and Forfeitures	16,669,844	16,298,999	14,566,333	15,947,672	15,227,392
Use of money and property	15,033,510	15,701,691	22,679,412	31,325,447	47,076,323
Miscellaneous	786,285	922,044	1,194,684	890,976	1,221,172
Transfers In	24,195,595	12,473,516	14,363,192	21,572,105	16,440,411
Beginning Fund Balance	<u>329,268,249</u>	<u>302,804,099</u>	<u>325,921,817</u>	<u>341,392,461</u>	<u>421,455,453</u>
Total	<u>\$3,940,645,591</u>	<u>\$4,055,546,653</u>	<u>\$4,195,544,844</u>	<u>\$4,427,300,263</u>	<u>\$4,591,378,439</u>

Source: Fairfax County Comprehensive Annual Financial Reports for FY 2014-2018

**General Fund Expenditures and Transfers Out**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Transfer to School Operating Fund	\$1,717,128,761	\$1,768,588,028	\$1,838,341,763	\$1,926,618,902 <sup>1</sup>	\$1,980,019,600
Costs of General County Government	1,529,124,187	1,557,590,972	1,612,168,270	1,657,082,620	1,688,569,596
Transfer to Debt Service Funds	291,165,641	310,883,333	314,950,773	326,622,753	335,166,178
Transfer to Capital Project Funds	27,636,497	37,682,606	42,315,124	37,065,093	50,689,799
Transfer to Metro Construction and Operations Fund	11,298,296	11,298,296	11,298,296	13,557,955	13,557,955
Other Transfers	<u>61,488,110</u>	<u>43,581,601</u>	<u>41,581,114</u>	<u>44,897,487</u>	<u>44,551,040</u>
Total	<u>\$3,637,841,492</u>	<u>\$3,729,624,836</u>	<u>\$3,860,655,340</u>	<u>\$4,005,844,810</u>	<u>\$4,112,554,168</u>

Source: Fairfax County Comprehensive Annual Financial Reports for FY 2014-2018

<sup>1</sup> Excludes the operating contribution of \$87,443 to Northern Virginia Community College.

**Revenues**

The following is a discussion of the General Fund revenue structure.

*General Property Taxes* – An annual ad valorem tax is levied by the County on the assessed value of real and tangible personal property located within the County as of January 1 preceding the fiscal year in which such tax is due. The personal property tax on motor vehicles that acquire situs within the County or have title transferred on or after January 2 is prorated on a monthly basis. Real property and personal property are assessed at 100% of fair market value. Real property taxes are due on July 28 and December 5 of the fiscal year in which they are levied. The payment date for personal property taxes is October 5. The penalty for late payment is 10% of the amount due, and interest on delinquent taxes and

penalties accrues at a rate of 1% per annum for real estate taxes and 5% per annum for personal property taxes. In cases of property on which delinquent taxes are not paid within three years, the County may sell the property at public auction to pay the amounts due. There is no legal limit at the present time on the property tax rates that may be established by the County. Property taxes (including delinquent payments, penalties, and interest) accounted for 73.7% of total General Fund revenues in FY 2018. However, this percentage does not include the reimbursement from the Commonwealth of Virginia for a portion of the personal property tax. Including the reimbursement reflected in Intergovernmental revenue, the percentage of revenue from property taxes in FY 2018 was 78.9%. A description of the Commonwealth's plan to reduce personal property taxes follows.

During its 1998 Special Session, the General Assembly of Virginia enacted legislation to reduce personal property taxes applicable to individually owned motor vehicles. The reduction, which applies to the first \$20,000 in assessed value, was scheduled to be phased in over a five year period. The legislation states that the Commonwealth will reimburse local governments for the revenue lost from the reduction in personal property tax collections. In fiscal years subsequent to the legislation personal property taxes paid by citizens steadily reduced until such reduction equaled 70% in 2002. Due to Commonwealth budget constraints, the 2003 Virginia General Assembly temporarily froze the tax reduction at 70%. The 2005 General Assembly revised this measure further to limit its tax relief payments to all localities to a total of \$950 million per tax year beginning with 2006 (fiscal year 2007). The County's fixed share of the \$950 million is \$211,313,944, as determined by its share of the total payments made to all localities by the Commonwealth during calendar years 2004 and 2005 for tax year 2004 (fiscal year 2005). The County's total personal property tax collections for FY 2018 were \$622.4 million, comprised of \$411.1 million paid by taxpayers and \$211.3 million reimbursed by the Commonwealth of Virginia as Intergovernmental Revenue.

*Other Local Taxes* – The County levies various other local taxes, including a 1% local sales tax (collected by the Commonwealth and remitted to the County), a tax on consumer utility bills based on consumption for gas and electric services and a 5% communications sales tax which is imposed on the charge for or sale of communications services. Also included in this category are a cigarette tax of \$0.30 per pack, property recordation taxes, an automobile license tax, and various businesses, professional, and occupational licenses taxes. These taxes accounted for 12.7% of total General Fund revenues in FY 2018.

*Permits, Privilege Fees, and Licenses* – The County requires that licenses or permits be obtained in order to perform certain activities in the County and that fees be paid for services provided by certain County departments. These revenues represented 1.3% of total General Fund revenues for FY 2018.

*Fines and Forfeitures* – The sources of revenue in this category include court fines and penalties from the Circuit Court and the General District Court and court fines, costs from the Juvenile and Domestic Relations District Court and fines for traffic violations, misdemeanors, and felonies. In addition, the County receives revenues from parking violations as authorized under the County Code. Revenues in this category represented 0.4% of General Fund revenues in FY 2018.

*Use of Money and Property* – The principal sources of revenue to the General Fund from the use of money and property are interest on General Fund and Capital Project Fund investments and minor amounts of revenue from the sale and lease of County equipment and property. These revenues represented 1.1% of General Fund revenues in FY 2018.

*Charges for Services and Recovered Costs* – The principal sources of revenue to the General Fund from charges for services are County Clerk fees, school age child care fees, recreation fees, publication sales and various other services for which the County charges a fee. Revenues in this category represented 2.2% of General Fund revenues in FY 2018.

*Intergovernmental Revenue* – Intergovernmental revenue is comprised of revenue from the Commonwealth, revenue from the federal government, and revenue from local government. Revenues in this category represented 8.6% of General Fund revenues in FY 2018. This percentage includes the revenue that the County receives from the Commonwealth as reimbursement for the County's personal property tax. Each revenue source within intergovernmental revenue is described below.

*Revenue from the Commonwealth* – The County is reimbursed by the Commonwealth of Virginia for a portion of shared expenses, including certain expenditures for social services, the sheriff's office, courts, the Office of the Commonwealth Attorney, and other constitutional offices. Additionally, the County receives a share of the net profits from the State Alcoholic Beverage Control Board's liquor sales and state contributions to assist in meeting law enforcement expenditures. As mentioned in the section concerning General Property Taxes, the Commonwealth also reimburses the County for a portion of its personal property tax on vehicles. Including the reimbursement for the County's personal property tax, revenues from this category represented 7.4% of total General Fund revenues in the fiscal year ended June 30, 2018. Excluding this reimbursement, revenue from this category represented 2.3% of General Fund revenue in FY 2018. The County receives a significant amount of additional State aid in support of public school operations. These revenues are credited directly to the School Operating and School Lunch Funds, however, and are not reflected in the General Fund.

*Revenue from the Federal Government* – The principal sources of categorical federal aid to the General Fund are federal grant money supporting human service programs such as supplemental nutrition, temporary assistance for needy families, foster care, adoption assistance, and medical assistance for clients of the Department of Family Services. This revenue category represented 1.0% of General Fund revenues in FY 2018.

*Revenue from Local Government* – The principal sources of local government revenues are reimbursement from the Public Schools System for school nurses and reimbursement from the Park Authority for the debt service. This revenue category represented 0.1% of General Fund revenues in FY 2018.

*Miscellaneous Revenues* – The sources of revenue in this category include the sale of land and buildings, contract rebates, and other miscellaneous sources. These revenue sources accounted for 0.03% of General Fund revenue in FY 2018.

## **Expenditures and Transfers**

The following is a discussion of the major classifications of General Fund expenditures and transfers.

*Transfer to School Operating Fund* – The County transfers money from the General Fund to the School Operating Fund to pay the County's share of the costs of operating public schools in Fairfax County. This transfer represented approximately 48.1% of total disbursements from the General Fund in the fiscal year ended June 30, 2018. The transfer to the School Operating Fund was approximately 72.3% of total receipts of the School Operating Fund. Other revenues credited directly to the School Operating and School Lunch Funds include revenue from the Federal Government, the Commonwealth of Virginia, the City of Fairfax (representing tuition of students residing in the City of Fairfax who attend Fairfax County schools), and other revenue derived locally from sale of textbooks, school lunches, etc.

*Costs of General County Government* – The County pays the costs of general County government from the General Fund. These costs include expenditures for general government administration, judicial administration, public safety, public works, health and welfare, parks, recreational and cultural programs,

and community development. This classification was approximately 41.1% of total General Fund disbursements in FY 2018.

*Transfer to Debt Service Fund* – The County transfers from the General Fund to the Debt Service Fund amounts sufficient to pay principal and interest on outstanding County and School debt including general obligation bonds and EDA and FCRHA revenue bonds. Transfers to the Debt Service Fund represented 8.1% of total General Fund disbursements in FY 2018. Effective FY 2006, Fairfax County Public Schools (FCPS) transfers from its operating fund to the County’s Debt Service Fund an amount sufficient to pay principal and interest on the applicable portion of the 2014A County Facilities Projects Bonds.

*Transfer to Capital Project Funds* – The County transfers money from the General Fund to the Capital Project Funds to pay the cost of certain capital improvements. The General Fund transfer to the Capital Project Funds (except for the General Fund transfer for Fairfax County’s obligations to WMATA, which is discussed below) represented 1.2% of total General Fund disbursements in FY 2018.

*Transfer to Metro Construction and Operations Fund* – The County is a member jurisdiction of WMATA and as such has agreed to make certain capital contributions in support of the construction by WMATA of a rail transit system to serve the Washington metropolitan area (which includes the County) and to pay a portion of the deficit incurred by WMATA in the operation of its bus system and rail system. The County generally has used bond proceeds to fund its capital contributions to WMATA and has transferred money from the General Fund to pay its share of the bus and rail operating subsidies. The General Fund transfer to the Metro Construction and Operations Fund to pay the County’s share of the system’s operating subsidies represented 0.3% of total General Fund disbursements in FY 2018. See the subsection herein entitled “GOVERNMENT SERVICES – Transportation” for a more complete discussion of the County’s obligations with respect to WMATA.

*Other Transfers* – The County transfers money from the General Fund to other funds for a variety of purposes. The General Fund transfer to other funds includes transfers to the County Transit Systems, Information Technology, Aging Grants and Programs, Community-Based Funding Pool, Housing Programs for the Elderly, Health Benefits Trust, and Equipment Management and Transportation Agency. Transfers to other funds were 1.1% of total General Fund disbursements in FY 2018.

*Transfer to Revenue Stabilization Fund* – Beginning in FY 2000, the County began setting aside money in the General Fund for a Revenue Stabilization Fund to address significant revenue reductions during severe, prolonged economic downturns. The Revenue Stabilization Fund represented 43.2% of the total fund balance in the General Fund as of June 30, 2018.

## **FY 2019 Budget**

On May 1, 2018, the Fairfax County Board of Supervisors voted to approve the FY 2019 Adopted Budget Plan. This budget is based on General Fund revenue increasing 4 percent over the FY 2018 Revised Budget Plan. The real estate tax rate of \$1.15 per \$100 of assessed value reflects a two-cent increase over the FY 2018 Adopted Budget Plan. General Fund disbursements total \$4.28 billion, which is an increase of 1.6 percent or \$68.8 million from the FY 2018 Revised Budget Plan. The County transfer to support the operations and debt service requirements for the Fairfax County Public Schools is \$2.2 billion, or 52.4 percent of total County disbursements, and is also an increase of 4.1 percent or \$89 million from the FY 2018 Revised Budget Plan. Additionally, funding is provided for employee compensation as well as additional funding toward the County retirement plans. [Updated budget projections through May 2019 are consistent with the FY 2019 Adopted Budget Plan.]

## **FY 2020 Budget**

On May 7, 2019, the Fairfax County Board of Supervisors voted to approve the FY 2020 Adopted Budget Plan. The FY 2020 budget is based on revenue growth of 3.1 percent over the FY 2019 Revised Budget Plan. The real estate tax rate of \$1.15 per \$100 of assessed value remains level over the FY 2019 Adopted Budget Plan. FY 2020 General Fund Disbursements total \$4.45 billion, which is a 1.2 percent increase above the FY 2019 Revised Budget Plan. County support to Fairfax County Public Schools totals \$2.35 billion, which is a 3.8 percent increase over the FY 2019 Adopted Budget Plan, and 52.8 percent of total FY 2020 Disbursements. Also, funding is provided for employee compensation and additional funds toward reserves and the County retirement plans.

## **CAPITAL IMPROVEMENT PROGRAM**

In connection with the County's adopted comprehensive land use plan, the Fairfax County Planning Commission annually prepares and submits to the Board of Supervisors a capital improvement program ("CIP") for the ensuing five-year period. The CIP is designed to balance the need for public facilities as expressed by the County's land use plan with the fiscal capability of the County to provide for those needs.

The CIP is an integral element of the County's budgeting process. The five-year document serves as a general planning guide for the construction of general purpose, school and public utility projects in the County. The CIP is updated and approved by the Board of Supervisors each year. This annual review process prompts careful attention to the development of reliable capital expenditure and revenue estimates and the timely scheduling of bond referenda.

In connection with the CIP process, the Board of Supervisors has adopted certain policy guidelines for the development and financing of the CIP. These guidelines include self-imposed restrictions on the issuance of general obligation bonds designed to keep General Fund supported debt service expenditures less than 10% of total Combined General Fund disbursements, and to maintain the ratio of bonded indebtedness to the market value of taxable property in the County at a level less than 3.0%.

The Board of Supervisors continues to review the County's debt program in light of current fiscal conditions and capital needs. Currently, general obligation bond sales for new money projects are limited to an average of \$300 million per year with a maximum limit of \$325 million in a single year. The CIP for fiscal years 2020-2024 (along with estimates for fiscal years 2025 to 2029) was approved by the Board of Supervisors on May 7, 2019. The County program includes new construction, renovation and renewal of school facilities, parks, housing development, revitalization, storm water management, public safety and courts, libraries, human services, solid waste, sewers, and transportation. Significant capital construction activity from FY 2019-2028 totaling \$9.6 billion is anticipated for the County, in addition to \$0.9 billion in regional parks and water supply projects that are undertaken within the County to benefit County residents, but is not managed or funded directly by the County. The total capital construction activity to be financed by the County totals \$10.5 billion from FY 2020-2029.

## **RETIREMENT SYSTEMS**

Fairfax County administers four separate public employee retirement systems that provide pension benefits for various classes of County employees: Fairfax County Employees' Retirement System (ERS), Fairfax County Police Officers Retirement System (PORS), Fairfax County Uniformed Retirement System (URS), and the Educational Employees' Supplemental Retirement System of Fairfax

County (ERFC). In addition, professional employees of the Fairfax County Public Schools participate in a plan sponsored and administered by the Virginia Retirement System (VRS).

The Fairfax County retirement systems investments are managed by independent professional investment managers. Investments in derivatives are not made for speculative purposes but may be used by investment managers to gain access to markets, to reduce risk, or to reduce transaction costs.

In fiscal year 2015, the County implemented GASB No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 establishes the standards for accounting and reporting employee pension plans including the recognition and measurement of liabilities, deferred inflows and outflows, expenses and expenditures. The tables below are presented in conformity with GASB Statement No. 68.

Membership in the reporting entity's plans consisted of the following:

Description	Primary Government			Component Unit – Public Schools
	ERS	PORS	URS	ERFC
Retirees and beneficiaries receiving benefits	8,603	1,082	1,309	11,729
Terminated employees entitled to, but not yet receiving, benefits	2,207	63	76	4,759
Deferred Retirement Option Plan participants	745	57	115	N/A
Active employees	13,986	1,329	1,975	21,841
<b>Total number of plan members</b>	<b>25,541</b>	<b>2,531</b>	<b>3,475</b>	<b>38,329</b>

Source: Fairfax County Comprehensive Annual Financial Report for FY 2018

## Fairfax County Employees' Retirement System (ERS)

### Plan Description

The Fairfax County Employees' Retirement System (ERS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia which covers only employees of the reporting entity. The plan covers full-time and certain part-time employees of the reporting entity who are not covered by other plans of the reporting entity or the VRS. This is the only plan that provides pension benefits to both the primary government and component units. The balances have been allocated in the financial statements as follows: County 67.2 percent including business type activities, FCPS 27.1 percent, EDA 0.5 percent, FCRHA 1.7 percent, FCPA 3.5 percent of all totals.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. To be eligible for normal retirement, an individual must meet the following criteria: (a) attain the age of 65 with five years of creditable service, or (b) attain the age of 50 with age plus years of creditable service being greater than or equal to 80. The normal retirement benefit is calculated using average final compensation (i.e., the highest 78 consecutive two week pay periods or the highest 36 consecutive monthly pay periods) and years (or partial years) of creditable service at date of termination. In addition, if normal retirement occurs before Social Security benefits are scheduled to begin, an additional monthly benefit is paid to retirees. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the

unused sick leave period. The benefit for early retirement is actuarially reduced and payable at early termination.

#### *Funding Policy*

All contribution requirements for ERS are established and may be amended by County ordinances, including member contribution rates. Plan A and Plan C require member contributions of 4.0 percent of compensation up to the maximum Social Security wage base and 5.33 percent of compensation in excess of the wage base. Plan B and Plan D require member contributions of 5.33 percent of compensation.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2018, was 25.29 percent. Since the ERS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) fell below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. For fiscal year 2018 the amortization target was increased to 98 percent. Per the County's pension funding policy as approved by the Board of Supervisors as part of the FY 2018 Adopted Budget Plan and incorporated in the Fairfax County Code, the County will continue increasing the amortization target so that, at or before fiscal year 2020, 100 percent of the unfunded actuarial accrued liability is amortized and included in the contribution rate. The employer contribution made during the measurement period of the liability was \$167,311,608. The 2018 employer contribution totaled \$188,578,414.

*Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands)*

CAFR Reporting Year Measurement Date June 30 of prior year		2018
<b>Total Pension Liability</b>		
Service cost		\$93,128
Interest		367,586
Changes in benefit terms		582
Differences between expected and actual experience		74,948
Changes of assumptions		-
Benefit payments, including refunds of member contributions		(284,929)
<b>Net change in total pension liability</b>		251,315
<b>Total pension liability – beginning</b>		5,116,417
<b>Total pension liability – ending</b>		\$5,367,732
<b>Plan Fiduciary Net Position</b>		
Contributions – employer		\$167,312
Contributions – member		35,476
Net investment income		243,496
Benefit payments, including refunds of member contributions		(284,931)
Administrative expense		(2,050)
<b>Net change in plan fiduciary net position</b>		159,303
<b>Plan fiduciary net position – beginning</b>		3,590,082
<b>Plan fiduciary net position – ending</b>		\$3,749,385
<b>Net pension liability – ending</b>		\$1,618,347
Plan fiduciary net position as a percentage of the total pension liability		69.9%
Covered employee payroll		\$730,618
Net pension liability as a percentage of covered employee payroll		221.5%

Source: Fairfax County Comprehensive Annual Financial Report for FY 2018

*Administration*

There are ten members of the ERS Board of Trustees. Four members are appointed by the Board of Supervisors. Three members are elected representing the following groups: County employees, Schools employees, and retired employees. The Fairfax County Director of Human Resources and the Director of Finance serve as ex-officio members of the board, along with an appointee from the Fairfax County Public Schools system.

*Professional Services*

An independent auditor and actuary are hired to provide service to the fund.

**Fairfax County Police Officers Retirement Systems (PORS)***Plan Description*

The Fairfax County Police Officers Retirement System (PORS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia. The plan covers County police officers who are not covered by other plans of the reporting entity or the VRS and former Park Police officers who elected to transfer to the PORS from the Uniformed Retirement System effective January 22, 1983.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. To be eligible for normal retirement, an individual must meet the following criteria: (a) if employed before July 1, 1981, attain the age of 55 or have completed 20 years of

creditable service, or (b) if employed on or after July 1, 1981, attain the age of 55 or have completed 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial years) of creditable service at date of termination. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. To be eligible for early retirement, the employee must have 20 years of creditable service (does not apply if hired before July 1, 1981). The benefit for early retirement is actuarially reduced and payable at early termination.

#### *Funding Policy*

All contribution requirements for PORS are established and may be amended by County ordinances, including member contribution rates. Member contributions were based on 8.65 percent of compensation at June 30, 2017.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2018, was 27.64 percent of annual covered payroll. The decision was made to commit additional funding and a rate of 38.98 percent was adopted for fiscal year 2018. Since the PORS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) fell below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. For fiscal year 2018, the amortization target was set to a 98 percent level. Per the County's pension funding policy as approved by the Board of Supervisors as part of the FY 2018 Adopted Budget Plan and incorporated in the Fairfax County Code, the County will continue increasing the amortization target so that, at or before fiscal year 2020, 100 percent of the unfunded actuarial accrued liability is amortized and included in the contribution rate. The employer contribution made for the measurement period of the liability was \$43,381,151. The 2018 employer contribution totaled \$44,504,675.

*Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands)*

CAFR Reporting Year Measurement Date June 30 of prior year		2018
<b>Total Pension Liability</b>		
Service cost		\$29,052
Interest		112,638
Differences between expected and actual experience		11,638
Changes in assumptions		-
Benefit payments, including refunds of member contributions		(73,175)
<b>Net change in total pension liability</b>		80,153
<b>Total pension liability – beginning</b>		1,560,516
<b>Total pension liability – ending</b>		\$1,640,669
<b>Plan Fiduciary Net Position</b>		
Contributions – employer		\$43,381
Contributions – member		9,632
Net investment income		116,099
Benefit payments, including refunds of member contributions		(73,176)
Administrative expense		(481)
<b>Net change in plan fiduciary net position</b>		95,455
<b>Plan fiduciary net position – beginning</b>		1,270,389
<b>Plan fiduciary net position – ending</b>		\$1,365,844
<b>Net pension liability – ending</b>		\$274,825
Plan fiduciary net position as a percentage of the total pension liability		83.2%
Covered employee payroll		\$111,291
<b>Net pension liability as a percentage of covered employee payroll</b>		246.9%

Source: Fairfax County Comprehensive Annual Financial Report for FY 2018

*Administration*

There are seven members of the PORS Board of Trustees. Three members are appointed by the Board of Supervisors. Two members are active employee elected representatives, and one member is a retiree elected representative. The Fairfax County Director of Finance serves as an ex-officio member of the board.

*Professional Services*

Independent auditor, actuary and investment consultants are hired to provide service to the fund.

**Fairfax County Uniformed Retirement System (URS)***Plan Description*

The Fairfax County Uniformed Retirement System (URS) is a legally separate single-employer defined benefit pension plan. The plan covers uniformed employees including non-clerical employees of the Fire and Rescue Department and Office of Sheriff, Park Police, Helicopter Pilots, Animal Wardens and Game Wardens who are not covered by other plans of the reporting entity or the VRS.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. To be eligible for normal retirement an individual must meet the following criteria: (a) attain the age of 55 with six years of creditable service, or (b) complete 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and

years (or partial years) of creditable service at date of termination. Annual cost of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4.0 percent and the percentage increase in the Consumer Price Index for the Washington Consolidated Metropolitan Statistical Area. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. Those who commenced employment on or after January 1, 2013, may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or DROP entry. To be eligible for early retirement, employees must have 20 years of creditable service. The benefit for early retirement is actuarially reduced and payable at early termination.

#### *Funding Policy*

All contribution requirements for URS are established and may be amended by County ordinances, including member contribution rates. Employees hired before July 1, 1981, were enrolled in Plan A. Plan A members were given the opportunity to enroll in Plan B as of July 1, 1981, and to enroll in Plan C as of April 1, 1997. From July 1, 1981, through March 31, 1997, all new hires were enrolled in Plan B. Plan B members were given the opportunity to enroll in Plan D as of April 1, 1997. From April 1, 1997, through December 31, 2012, all new hires were enrolled in Plan D. From January 1, 2013, forward all new hires are enrolled in Plan E. Plan A requires member contributions of 4.0 percent of compensation up to the Social Security wage base and 5.75 percent of compensation in excess of the wage base. Plan B requires member contributions of 7.08 percent of compensation up to the Social Security wage base and 8.83 percent of compensation in excess of the wage base. Plan C requires member contributions of 4.0 percent of compensation. Plan D and Plan E require contributions of 7.08 percent of compensation.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2018, was 30.35 percent of annual covered payroll. The decision was made to commit additional funding and a rate of 38.83 percent was adopted for fiscal year 2018. Since the URS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) fell below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. For fiscal year 2018, the amortization target was increased to a 98 percent level. Per the County's pension funding policy as approved by the Board of Supervisors as part of the FY 2018 Adopted Budget Plan and incorporated in the Fairfax County Code, the County will continue increasing the amortization target so that, at or before fiscal year 2020, 100 percent of the unfunded actuarial accrued liability is amortized and included in the contribution rate. The employer contribution made for the measurement period of the liability was \$67,410,252. The 2018 employer contribution totaled \$67,895,377.

*Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands)*

CAFR Reporting Year Measurement Date June 30 of prior year		2018
<b>Total Pension Liability</b>		
Service cost		\$39,668
Interest		140,286
Changes in benefit terms		839
Differences between expected and actual experience		6,048
Changes in assumptions		-
Benefit payments, including refunds of member contributions		(93,609)
<b>Net change in total pension liability</b>		93,232
<b>Total pension liability – beginning</b>		1,940,457
<b>Total pension liability – ending</b>		\$2,033,689
<b>Plan Fiduciary Net Position</b>		
Contributions – employer		\$67,410
Contributions – member		12,223
Net investment income		161,014
Benefit payments, including refunds of member contributions		(93,609)
Administrative expense		(477)
<b>Net change in plan fiduciary net position</b>		146,561
<b>Plan fiduciary net position – beginning</b>		1,498,702
<b>Plan fiduciary net position – ending</b>		\$1,645,263
<b>Net pension liability – ending</b>		\$388,426
Plan fiduciary net position as a percentage of the total pension liability		80.9%
Covered employee payroll		\$173,604
<b>Net pension liability as a percentage of covered employee payroll</b>		223.7%

Source: Fairfax County Comprehensive Annual Financial Report for FY 2018

*Administration*

There are eight members of the URS Board of Trustees. Three members are appointed by the Board of Supervisors. Three members are employee elected representatives comprised of two members from the Fire and Rescue Department, and one member from the Sheriff's Department. The Fairfax County Director of Finance and Director of Human Resources serve as ex-officio members of the board.

*Professional Services*

An independent auditor and actuary are hired to provide service to the fund.

**Educational Employees' Supplementary Retirement System of Fairfax County (ERFC)***Plan Description*

Benefit provisions for ERFC and ERFC 2001 are established and may be amended by ERFC's Board of Trustees (ERFC Board) subject to approval by the School Board. All members are vested for benefits after five years of service. The ERFC benefit formula was revised effective July 1, 1988, following changes to VRS, which ERFC has historically supplemented. The benefit structure is designed to supplement VRS and Social Security benefits to provide a level retirement benefit throughout retirement.

ERFC 2001 has a stand-alone structure. Member contributions for ERFC and ERFC 2001 are made through an arrangement that results in a deferral of taxes on the contributions. Further details of member contributions may be found in Article III of the ERFC and ERFC 2001 Plan Documents.

ERFC and ERFC 2001 provide for a variety of benefit payment types. ERFC's payment types include Service Retirement, Reduced Service, Disability, Death-in-Service, and Deferred Retirement. ERFC 2001's payment types include Service Retirement, Death-in-Service, and Deferred Retirement. ERFC's minimum eligibility requirements for receipt of full benefits range from members attaining the age of 55 with 25 years of service to completing five years of service prior to age 65. The minimum eligibility requirements for full benefits for ERFC 2001 members are age 60 with five years of service or any age with 30 years of service. Annual post-retirement cost-of-living increases of 3 percent are effective each March 31. Participants in their first full year of retirement receive a 1.49 percent increase. Participants who retire on or after January 1 receive no cost-of-living increase that first March. Additional details regarding benefit payment types can be found in the actuarial valuation and the Plan Documents.

#### *Funding Policy*

All contribution requirements for ERFC plans are established and may be amended by the ERFC Board with the approval of the School Board. The requirements are based upon a fundamental financial objective of having rates of contribution that remain relatively level from generation to generation of employees. To determine the appropriate employer contribution rates and to assess the extent to which the fundamental financial objective is being achieved, ERFC has actuarial valuations prepared annually. The contribution requirements of members and the employer are established and may be amended by the ERFC Board, subject to School Board approval. Members are required to contribute 3 percent of annual salary. The employer is required to contribute at an actuarially determined rate which was 6.24 percent for FY 2018. Employer contributions to the pension plan were \$91,702,271 and \$80,145,997 for the years ended June 30, 2018, and June 30, 2017, respectively.

*Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands)*

CAFR Reporting Year Measurement Date June 30 of prior year		2018
<b>Total Pension Liability</b>		
Service cost		\$78,926
Interest		209,516
Changes of Benefit Terms		(1,039)
Differences between expected and actual experience		19,857
Changes of assumptions		23,334
Benefit payments, including refunds of member contributions		(173,386)
<b>Net change in total pension liability</b>		<u>157,208</u>
<b>Total pension liability – beginning</b>		<u>2,937,101</u>
<b>Total pension liability – ending</b>		<u>\$3,094,309</u>
<b>Plan Fiduciary Net Position</b>		
Contributions – employer		\$80,094
Contributions – member		43,063
Net investment income		250,982
Benefit payments, including refunds of member contributions		(173,386)
Administrative expense		(4,060)
<b>Net change in plan fiduciary net position</b>		<u>196,693</u>
<b>Plan fiduciary net position – beginning</b>		<u>2,107,588</u>
<b>Plan fiduciary net position – ending</b>		<u>\$2,304,281</u>
<b>Net pension liability – ending</b>		<u>\$790,028</u>
Plan fiduciary net position as a percentage of the total pension liability		<u>74.47%</u>
Covered employee payroll		\$1,430,260
<b>Net pension liability as a percentage of covered employee payroll</b>		<u>55.24%</u>

Source: Fairfax County Comprehensive Annual Financial Report for FY 2018

*Administration*

The Board is composed of seven members: three are appointed by the School Board, and three are elected by active ERFC members. The six combined Board members recommend someone who is not affiliated with FCPS for the seventh position, which is subject to approval by the School Board.

*Professional Services*

An independent auditor and actuary are hired to provide service to the fund.

**Virginia Retirement Systems (VRS)***Plan Description*

FCPS contributes to VRS on behalf of its covered professional employees. VRS is a cost-sharing, multiple-employer retirement system, which administers two defined benefit plans and a hybrid plan that combines the features of a defined benefit plan and a defined contribution plan. These plans are administered by the State and provide coverage for State employees, public school board employees, employees of participating political subdivisions, and other qualifying employees. All full-time, salaried, permanent employees of VRS-participating employers are automatically covered under VRS. All employees hired after January 1, 2014, are automatically enrolled in the Hybrid Plan. Contributions made by members and participating VRS employers are invested to provide future retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

### *Funding Policy*

The contribution requirement for active employees is governed by Section 51.1-145 of the Code of Virginia 1950, as amended, but may be affected by funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.0 percent of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.0 percent member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5.0 percent member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.0 percent member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. Each school division's contractually required contribution rate for the year ended June 30, 2018, was 16.32 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarial rate for the Teacher Retirement Plan was 16.32 percent. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of Section 51.1-145 of the Code, as amended, the contributions were funded at 89.84 percent of the actuarial rate for the year ended June 30, 2017. Employer contributions to the pension plan were \$240,020,797 and \$209,938,736 for the years ended June 30, 2018, and June 30, 2017, respectively.

### **Fairfax County Retirement Systems – Plan Revisions from the Board of Supervisors**

As directed by the Board of Supervisors, the Fairfax County Department of Human Resources contracted with a benefits consultant to conduct a comprehensive retirement study. Based on the results of this study, the Board of Supervisors, as part of their mark-up of the FY 2013 Adopted Budget Plan on April 24, 2012, reaffirmed the County's commitment to a defined benefit plan model for current employees and for new hires. The Board also directed staff to prepare revisions to the Fairfax County Code to incorporate several modifications to the retirement systems, to apply only to new employees who are hired after January 1, 2013. These changes included increasing the minimum retirement age from 50 to 55 in the Employees' system, increasing the rule of 80 to the rule of 85 in the Employees' system, removing the pre-Social Security Supplement from DROP accounts in the Employees' system and the Uniformed system, and placing a cap on the use of sick leave for retirement purposes at 2,080 hours for all three retirement systems.

During 2017 and 2018, the Board of Supervisors again directed County staff to review its retirement plans. A retirement workgroup was established consisting of Board members and employee group representatives that included presentations and group discussions on retirement demographics, trends, potential benefit changes. Following a public hearing on December 4, 2018, the Board of Supervisors approved changes for new employees hired on or after July 1, 2019. These changes included the elimination of the Pre-Social Security supplement for the Employees' and Uniformed systems, and the elimination of a prior provision that increased the annual annuity calculation by 3 percent for the Employees, Uniformed, and Police Retirement plans.

### **Fairfax County - Other Post-Employment Benefits (OPEB)**

#### *Plan Description and Administration*

The Fairfax County OPEB Plan (the Plan) is a single-employer defined benefit plan administered by Fairfax County. The Plan provides the opportunity to continue participation in medical/dental, vision, and life insurance benefits for eligible retirees and their spouses. The plan benefits correspond with benefits available to active employees. The benefit provisions are established and may be amended by

the Board. Fiduciary oversight is provided by the members of the Local Finance Board for OPEB and deferred compensation. The members of this finance board are the CFO/Director of Management and Budget, Director of Finance, Director of Human Resources, and the Executive Director of the Retirement Agency. The Plan does not issue a stand-alone financial report.

Beginning in fiscal year 2006 the amount of monthly medical subsidy provided by the County is based on years of service and ranges from \$30 per month to \$220 per month. Employees who retired prior to July 1, 2003, are eligible for the greater of the amount based on the current subsidy structure and an amount calculated based on the subsidy structure in place prior to July 2003. In addition, the Board has established a program to subsidize the continuation of term life insurance at reduced coverage amounts, for retirees. Retirees generally pay for 50 percent of their coverage amounts at age-banded premium rates, with the County incurring the balance of the cost. In order to receive these subsidies, retirees must be 55 or older and have a minimum of five years of service credit. If participation in any of the benefit areas is discontinued, eligibility is lost and a retiree may not re-enroll into the Plan benefit. Consequently, all inactive employees are considered to be receiving benefits.

Participant data for the current fiscal year and prior year is as follows:

<b>Membership</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Medical Members</b>		
Number of Active Members	13,410	13,520
Average Age	45	45
Average Service	12	12
<u>Number of Inactive Members</u>		
Retirees and Spouses	5,118	4,819
Average Age	67	68
<b>Life Insurance Members</b>		
Number of Active Members	13,410	13,520
Average Age	45	45
Average Service	12	12
<u>Number of Inactive Members</u>		
Retirees and Spouses	5,315	5,502
Average Age	67	68

Source: Fairfax County Comprehensive Annual Financial Report FY 2018

*Statement of Changes in Net Position for the Fiscal Year ended June 30, 2018 – OPEB Trust Fund*

<b>ADDITIONS:</b>	<b><u>2018</u></b>
Contributions:	
Employer	\$23,909,023
Other	<u>458,128</u>
Total Contributions	<u>24,367,151</u>
Investment Income from Investment Activities:	
Net (appreciation) in fair value of investments	26,274,549
Interest	<u>86,016</u>
Total Income from Investment Activities	<u>26,360,565</u>
Less Investment Activities Expenses:	
Management Fees	200,787
Other	<u>75</u>
Total Investment Activities Expenses	<u>201,162</u>
Net Income from Investment Activities	<u>26,159,403</u>
Net investment income	<u>26,159,403</u>
<b>Total Additions</b>	<b><u>50,526,554</u></b>
<b>DEDUCTIONS:</b>	
Benefits	21,670,001
Administrative Expenses	<u>122,532</u>
<b>Total Deductions</b>	<b><u>21,792,533</u></b>
<b>Net Increase</b>	<b>28,734,021</b>
Net Position - July 1, 2017	<u>279,564,002</u>
<b>Net Position - June 30, 2018</b>	<b><u>\$308,298,023</u></b>

*Source:* Fairfax County Comprehensive Annual Financial Report FY 2018

*Net OPEB Liability for the Plan*

The Plan's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability for the Plan are as follows:

Total OPEB Liability	\$400,568,000
Plan Fiduciary Net Position (Market Value of Assets)	<u>(308,298,023)</u>
Net OPEB Liability	<u>\$92,269,977</u>
Plan Fiduciary Net Position as % of Total OPEB Liability	76.97%

*Source:* Fairfax County Comprehensive Annual Financial Report FY 2018

## Fairfax County Public Schools - Other Post-Employment Benefits (OPEB)

### *Plan Description and Administration*

The Fairfax County Public Schools OPEB Trust Fund is a single-employer defined benefit plan administered by the Fairfax County Public Schools (Public Schools). Public Schools' plan provides health benefits to eligible retirees and their spouses. The plan benefits correspond with benefits available to active employees. Benefit provisions are established and may be amended by the School Board. Fiduciary oversight is provided by the members of the Local Finance Board for OPEB. The Plan does not issue a stand-alone financial report.

A retiree and/or spouse who is at least 55 of years of age and participates in a Public Schools administered health insurance plan will receive an explicit subsidy ranging from \$15 to \$175 per month, based on years of service and the retirement plan in which the retiree is covered. In addition, Public Schools provides an implicit subsidy by allowing retirees to participate in the health insurance plans at the group premium rates calculated on the entire universe of active and retired employees. This subsidy occurs because, on an actuarial basis, the current and future claims of the retiree participants are expected to result in higher per person costs to the insurance plans than will be the experience for active employees.

Participant data for the current fiscal year and prior year is as follows:

<b>Membership</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Medical Members</b>		
Number of Active Members	19,834	20,309
Average Age	46	46
Average Service	11	11
<u>Number of Inactive Members</u>		
Retirees and Spouses	9,485	10,037
Average Age	71	72
<b>Life Insurance Members</b>		
Number of Active Members	4,727	4,705
Average Age	52	52
Average Service	11	12
<u>Number of Inactive Members</u>		
Retirees and Spouses	2,312	2,546
Average Age	71	71

Source: Fairfax County Comprehensive Annual Financial Report FY 2018

*Statement of Changes in Net Position for the Fiscal Year ended June 30, 2018 – OPEB Trust Fund*

<b>ADDITIONS:</b>	<b><u>2018</u></b>
Contributions:	
Employer	<u>\$59,806,266</u>
<b>Total Contributions</b>	<b><u>59,806,266</u></b>
Investment Income from Investment Activities:	
Net increase in fair value of investments	<u>11,564,600</u>
<b>Total Income from Investment Activities</b>	<b><u>11,564,600</u></b>
<b>Total Additions</b>	<b><u>71,370,866</u></b>
<b>DEDUCTIONS:</b>	
Benefits payments / refunds	54,806,266
Administrative Expenses	<u>86,550</u>
<b>Total Deductions</b>	<b><u>54,892,816</u></b>
<b>Net Increase</b>	<b><u>16,478,050</u></b>
Net Position - July 1, 2017	<u>118,697,379</u>
<b>Net Position - June 30, 2018</b>	<b><u>\$135,175,429</u></b>

*Source:* Fairfax County Comprehensive Annual Financial Report FY 2018

*Net OPEB Liability for the Plan*

The Public Schools' net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability for the Plan are as follows:

Total OPEB Liability	\$254,269,197
Plan Fiduciary Net Position (Market Value of Assets)	<u>(135,175,429)</u>
<b>Net OPEB Liability</b>	<b><u>\$119,093,768</u></b>
Plan Fiduciary Net Position as % of Total OPEB Liability	53.16%

*Source:* Fairfax County Comprehensive Annual Financial Report FY 2018

For further information regarding the County's retirement systems, see "Basic Financial Statements – Notes to Financial Statements – Notes G and H" in Appendix B.

**CONTINGENT LIABILITIES AND CLAIMS**

The County is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. See Note L in the County's Financial Statements in Appendix B to this Official Statement for details as of the end of fiscal year 2018.

**APPENDIX B**

**FINANCIAL STATEMENTS OF FAIRFAX COUNTY FOR THE YEAR ENDED  
JUNE 30, 2018, AND INDEPENDENT AUDITOR'S REPORT**

**APPENDIX C****FORM OF BOND COUNSEL OPINION**

\_\_\_\_\_, 2019

Fairfax County Redevelopment and  
Housing Authority  
Fairfax, Virginia

We have acted as Bond Counsel to Fairfax County Redevelopment and Housing Authority (the “Authority”) in connection with the issuance by the Authority of its Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition) Series 2019 (the “Series 2019 Bonds”), in the aggregate principal amount of \$ \_\_\_\_\_. The Series 2019 Bonds are being issued pursuant to the Housing Authorities Law, Chapter 1, Title 36, of the Code of Virginia of 1950, as amended (the “Act”), and a resolution adopted by the Authority on July \_\_, 2019 (the “Resolution”), to provide funds, along with other available funds, sufficient (i) to refund certain prior bonds of the Authority, the proceeds of which were used by Fairfax County, Virginia (the “County”), to refinance bond anticipation notes previously issued for refinancing a portion of the purchase price of a multi-family rental housing facility in the County (the “Property”) and (ii) to pay certain costs of issuance of the Series 2019 Bonds.

Simultaneously with the issuance of the Series 2019 Bonds, the Authority and the County will enter into a Payment Agreement, dated as of \_\_\_\_\_, 2019 (the “Payment Agreement”), pursuant to which the County will agree to pay, subject to annual appropriation by the Board of Supervisors of the County (the “Board of Supervisors”) of funds for the purpose, for the account of the Authority amounts sufficient to pay principal of and interest on the Series 2019 Bonds (the “Payments”).

The Board of Supervisors adopted a resolution on \_\_\_\_\_, 2019 (the “County Resolution”), by which it approved the issuance of the Series 2019 Bonds by the Authority and authorized the execution and delivery of (i) a Lease Agreement, dated the date hereof (the “Lease”), pursuant to the terms of which the County leases the Property to the Authority for operation and management for the term of the Series 2019 Bonds and (ii) the Payment Agreement. In the Payment Agreement, the County covenants, among other things, to cause the County Executive in preparing the County’s operating budget for each fiscal year subsequent to fiscal year 2019, so long as the Series 2019 Bonds remain outstanding under the Resolution, to include, as a separate line item therein, the amount of principal of and interest on the Series 2019 Bonds that is scheduled to become due and payable during the fiscal year for which such budget is proposed. the Authority, with the consent of the County, in the Assignment Agreement, dated the date hereof (the “Assignment Agreement”), has assigned to the bond registrar and paying agent for the Series 2019 Bonds all of the Authority’s rights under the Payment Agreement, including the Authority’s rights to Payments under, and to enforce the terms and provisions of, the Payment Agreement.

In our capacity as Bond Counsel, we have examined such documents of the Authority and the County and other instruments as we deemed necessary to enable us to express the opinions set forth below.

As to questions of facts material to this opinion, we have relied upon representations of the Authority and the County, including, without limitation, certifications of public officials furnished to us. We have assumed that all signatures on documents, certificates, and instruments examined by us are genuine, all documents, certificates, and instruments submitted to us as originals are authentic and all documents, certificates, and instruments submitted to us as copies conform to the originals. We have relied on opinion of Ryan A. Wolf, Esq., Office of the County Attorney, to the effect that the Resolution was duly adopted by the Authority and each of the Payment Agreement, the Lease and the Assignment Agreement was duly executed and delivered by the Authority, and the opinion of Elizabeth A. Teare, Fairfax County Attorney, to the effect that the County Resolution was duly adopted by the County and each of the Payment Agreement and the Lease was duly executed and delivered by the County.

Based on the foregoing we are of the opinion that:

1. The Authority, by the terms of the Act, is a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) with authority, under the Act, to adopt the Resolution, to enter into the Payment Agreement, the Lease and the Assignment Agreement and to authorize and issue the Series 2019 Bonds.

2. The County has authority to approve the issuance of the Series 2019 Bonds by the Authority, to enter into the Payment Agreement, to covenant to cause the County Executive in preparing the County’s operating budget, for each fiscal year subsequent to fiscal year 2020, so long as the Series 2019 Bonds remain outstanding, to include, as a separate line item therein, the amount of debt service on the Series 2019 Bonds that is scheduled to become due and payable during the fiscal year for which such budget is proposed, and to consent to the Assignment Agreement.

3. The Resolution has been duly adopted by the Authority and is a legal, valid and binding resolution of the Authority.

4. The County Resolution has been duly adopted by the Board of Supervisors of the County and is a legal, valid and binding resolution of the County.

5. The Payment Agreement has been duly authorized, executed, and delivered by the Authority and the County, constitutes a valid and binding obligation of the Authority and the County and is enforceable against the Authority and the County, in accordance with its terms.

6. The Assignment Agreement has been duly authorized, executed, and delivered by the Authority and consented to by the County and constitutes a valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms.

7. The Series 2019 Bonds have been duly authorized and issued pursuant to the Resolution and constitute valid and binding limited obligations of the Authority, payable solely from the payments received from the County pursuant to the Payment Agreement and the other sources pledged to the Series 2019 Bonds. The Series 2019 Bonds are not a debt of the County, the Commonwealth or any political subdivision of the Commonwealth (other than the Authority), and neither the County, nor the Commonwealth or any political subdivision thereof (other than the Authority) shall be liable thereon. The Series 2019 Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

8. Except as otherwise provided in the following sentences of this paragraph and assuming compliance by the Authority and the County with their respective covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on the Series

2019 Bonds is not includable in the gross income of the owners thereof for federal income tax purposes under current law. Interest on the Series 2019 Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of such Series 2019 Bonds in the event of a failure by the Authority or the County to comply with applicable requirements of the Code and their respective covenants regarding use, expenditure and investment of proceeds of the Series 2019 Bonds and the timely payment by the Authority of certain investment earnings to the United States Treasury. We render no opinion as to the effect on the exclusion from gross income of the interest on the Series 2019 Bonds for federal income tax purposes of any action taken or not taken without our approval or upon the advice or approval of counsel other than us. Interest on the Series 2019 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. The Code contains other provisions that could result in tax consequences, as to which we render no opinion, as a result of ownership of such Series 2019 Bonds or the inclusion in certain computations of interest that is excluded from gross income.

The opinions contained in paragraphs 3, 4, 5, 6 and 7 above are qualified to the extent that the enforceability of the Resolution, the County Resolution, the Payment Agreement, the Assignment Agreement and the Series 2019 Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally and may be subject to judicial discretion.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions are taken or such events occur, and we have no obligation to update this opinion letter in light of such actions or events.

Respectfully submitted,

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

## ESCROW DEPOSIT AGREEMENT

**THIS ESCROW DEPOSIT AGREEMENT**, dated as of August \_\_, 2019, by and between **Fairfax County Redevelopment and Housing Authority, Virginia** (the “Authority”), a political subdivision of the Commonwealth of Virginia, and **U.S. Bank National Association**, a national banking association organized and existing under the laws of the United States of America, and any successor thereto, as escrow agent (in such capacity, the “Escrow Agent”),

### W I T N E S S E T H:

**WHEREAS**, the Authority has issued pursuant to the provisions of a resolution duly adopted by the Commissioners of the Authority on July 23, 2009 (the “Bond Resolution”) its \$94,950,000 Revenue Bonds (Affordable Housing Acquisition), Series 2009, dated August 20, 2009, and issued on August 20, 2009, maturing October 1, 2010 to 2033, inclusive, and on October 1, 2036, and October 1, 2039, and first subject to optional redemption on October 1, 2019 (the “2009 Bonds”); and

**WHEREAS**, the Authority has determined to refund for debt service savings the outstanding 2009 Bonds (the “Refunded Bonds”) and to give the Director of the Department of Finance of Fairfax County, Virginia (the “County”), as bond registrar and paying agent for the Refunded Bonds (the “Paying Agent”) irrevocable instructions to call the Refunded Bonds for redemption on October 1, 2019, at the applicable redemption price of 100% of the principal amount of each Refunded Bond plus accrued interest to the redemption date; and

**WHEREAS**, the Authority has deposited with the Escrow Agent the amount of \$\_\_\_\_\_ (the “Deposit”) derived from a portion of the proceeds of the \$\_\_\_\_\_ Fairfax County (Virginia) Redevelopment and Housing Authority Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition), Series 2019 (the “Refunding Bonds”), and has made arrangements for and has directed the Escrow Agent to purchase from the Deposit the securities listed in Appendix A (the “Escrow Securities”), that, without consideration of any reinvestment of the maturing principal and interest on the Escrow Securities, will provide sufficient moneys to enable the Escrow Agent to pay to the registered owners of the Refunded Bonds, on behalf of the Authority and the Paying Agent, to pay (a) the principal of the Refunded Bonds on October 1, 2019 (the “Redemption Date”), and (b) when due and payable the interest to accrue on the Refunded Bonds to and including the Redemption Date all as set forth in Appendix B; and

**WHEREAS**, in order to insure that the procedures required for the redemption of the Refunded Bonds will be followed, the Authority and the Escrow Agent have agreed to enter into this Agreement;

**NOW, THEREFORE**, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **Receipt of Verification Report.** Receipt of a true and correct copy of the verification report (Appendix D to this Agreement) of Robert Thomas CPA, LLC, dated August \_\_, 2019 (the "Verification Report"), is hereby acknowledged by the Escrow Agent and the Authority.

2. **Creation of and Deposits to Escrow Fund.** There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow fund, designated the "Fairfax County Redevelopment and Housing Authority Revenue Refunding Bonds 2019 Escrow Fund" (the "Escrow Fund"), to be held in the custody of the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds, and separate and apart from other funds of the Authority and the Escrow Agent. The Escrow Agent hereby accepts the Escrow Fund and acknowledges the receipt of, and deposit to the credit of the Escrow Fund, the Deposit, a portion of which has been or is to be used to purchase the Escrow Securities listed in Appendix A.

3. **Investment of Escrow Fund.** The Escrow Agent is hereby directed to and shall on the date hereof it will use \$\_\_\_\_\_ of the Deposit to purchase the Escrow Securities, described in Appendix A, in the principal amount of \$\_\_\_\_\_ at the respective purchase prices indicated in Appendix A and credit such Escrow Securities to the Escrow Fund. The Escrow Agent further is hereby directed to and shall hold \$\_\_\_\_\_ of the Deposit uninvested.

4. **Sufficiency Representation.** (a) In sole reliance upon the Verification Report, the Authority represents and warrants that the interest on and the maturing principal amounts of the Escrow Securities in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest) are sufficient to assure that money will be available to the Escrow Agent in the amounts and on the dates required to pay (i) the principal of the Refunded Bonds on the Redemption Date and (ii) when due and payable, the interest to accrue on the Refunded Bonds, to the Redemption Date, all as described in Appendix B. If the Escrow Securities (hereinafter defined) shall be insufficient to make such payments as they become due and payable, the Authority shall, from available money, timely pay to the Escrow Agent for deposit to the Escrow Fund such additional amounts as may be required to meet fully the amount so due and payable. Notice of any insufficiency in the Escrow Fund shall be given by the Escrow Agent to the Authority as promptly as possible, but the Escrow Agent shall in no manner be responsible for the Authority's failure to make any payments to the Escrow Fund.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Escrow Securities and the Deposit to meet the payment requirements of the Refunded Bonds, nor shall the Escrow Agent be liable for any deficiencies in the amounts necessary to meet the payment requirements.

5. **Escrow Fund.** The Escrow Agent shall hold the cash and the book-entry credits of the Escrow Securities in the Escrow Fund at all times as a special and separate escrow fund for the benefit of the holders of the Refunded Bonds, wholly segregated from other funds and securities on deposit with it, shall never commingle the Escrow Securities with other funds or securities owned or held by it, and shall never at any time use, loan, or borrow the same in any way other than as provided in this Agreement. The Escrow Fund is hereby irrevocably pledged

to the payment of the Refunded Bonds in the amounts and on the dates set forth in Appendix B. Nothing herein contained shall be construed as requiring the Escrow Agent to keep the identical money, or any part thereof, in the Escrow Fund if it is impractical, but money of an equal amount, except to the extent represented by the Escrow Securities, must always be maintained on deposit in the Escrow Fund as an escrow fund held by the Escrow Agent; and a special account for the Escrow Fund evidencing such holdings shall at all times, until the termination of this Agreement in accordance with Paragraph 23 hereof, be maintained on the books of the Escrow Agent, together with the Escrow Securities so purchased and any cash on deposit therein.

6. **Investment Income.** (a) The Escrow Agent shall from time to time collect and receive the interest accruing and payable on the Securities and any Substituted Escrow Securities (as defined in Paragraph 7(b)) (collectively, the “Escrow Securities”) and the maturing principal amounts of the Escrow Securities as the same become due, and credit the same to the Escrow Fund, so that the interest on and proceeds of the Escrow Securities, as the same become due, will be available to meet the payment requirements of the Refunded Bonds, as shown in Appendix B to this Agreement.

(b) The Fairfax County, Virginia, in its capacity as the Paying Agent, hereby irrevocably instructs the Escrow Agent to apply the principal and interest received from the Escrow Securities to the payment, for the account of the Authority, of the interest and premium on and principal of the Refunded Bonds. The Escrow Agent shall make such payments directly to The Depository Trust Company (“DTC”) for Cede & Co., as registered owner of the Refunded Bonds and the partnership nominee of DTC, in the amounts and at the times specified within Appendix B. Specific wire instructions for these payments on the Refunded Bonds are provided below:

Wire Instructions for Redemption Payments:

[Note - Need To Verify Account Information]  
 JP Morgan Chase Bank  
 4 New York Plaza- 15<sup>th</sup> Floor  
 ABA 021 000 021  
 New York NY 10004  
 For Credit of A/C Depository Trust Company  
 Redemption Account -- Principal 066-027306  
 Interest 066-026776

No further direction will be required by the Escrow Agent upon receipt of this wire transfer information.

7. **Reinvestment; Substitution.** (a) Except as otherwise provided in this Paragraph 7, neither the Authority nor the Escrow Agent shall otherwise invest or reinvest any money in the Escrow Fund.

(b) Upon the prior written request of the Authority and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of, or request the redemption of Escrow Securities (or any previously acquired Substituted Escrow

Securities) as shall be specified in such request by the Authority and shall substitute for such Escrow Securities (or Substituted Escrow Securities) direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America designated by the Authority in such written request (the “Substituted Escrow Securities”). The Escrow Agent shall purchase the Substituted Escrow Securities with the proceeds derived from the sale, transfer, disposition or redemption of the Escrow Securities (or previously acquired Substituted Escrow Securities) and moneys, if any, provided by the Authority. No substitution for the Escrow Securities (or previously acquired Substituted Escrow Securities) shall be made by the Escrow Agent unless:

(i) the Escrow Agent shall have received the opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel, or other nationally recognized bond counsel, designated by the Authority, stating that such substitution will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds or on the Refunding Bonds and that such substitution is permitted by this Agreement; and

(ii) the Escrow Agent shall have received a verification report from an independent certified public accountant or firm of independent accountants/financial consultants selected by the Authority, stating that the principal of and interest on the Substituted Escrow Securities, together with any cash or Escrow Securities (or any previously acquired Substituted Escrow Securities) in the Escrow Fund for which substitution is not then being made, will be fully sufficient, without reinvestment, to meet the payment requirements with respect to the Refunded Bonds.

(c) Investments in mutual funds or unit investment trusts are prohibited.

8. **No Liability.** The Escrow Agent shall not be liable or responsible for any loss resulting from any investment or reinvestment made in the Escrow Securities.

9. **Inviolability of Escrow Fund.** In the event of the Escrow Agent’s failure to account for any funds or securities received by it for the Authority’s account under this Agreement, such funds and securities shall be and remain the property of the Escrow Fund, and the Authority and the holders of the Refunded Bonds shall be entitled to such preferred claims, and shall have such first liens, upon such funds and securities as are enjoyed by a trust beneficiary. If for any reason particular Escrow Securities or moneys cannot be identified, the Escrow Agent shall proceed as promptly as possible to make such identification. The moneys and securities received by the Escrow Agent under this Agreement shall not be considered banking deposits by the Authority, and the Authority shall have no right or title with respect thereto. The moneys and securities so received by the Escrow Agent as Escrow Agent under this Agreement shall not be subject to checks or drafts drawn by the Authority.

10. **Statements.** Semiannually on or before the 30th day of each June or December, commencing with December 30, 2019 (or if the Refunded Bonds have been paid in full from the Escrow Fund, or before the last day of the month following the month in which such Refunded Bonds have been so paid) so long as the Escrow Fund is maintained under this Agreement, the Escrow Agent shall forward to the Authority, addressed to the attention of the Director of the Department of Finance, a statement in detail of the Escrow Securities, and the income and

maturities thereof, held and withdrawals of money from the Escrow Fund for the period from the last statement furnished pursuant to this paragraph.

11. **Notice of Establishment of Escrow Fund; Redemption.** (a) The Authority directs the Escrow Agent, and the Escrow Agent agrees, to cause the notice of redemption, to be sent by certified mail, postage prepaid to the registered owners of the Refunded Bonds at least 30 but not more than 60 days prior to the applicable Redemption Date. The Authority agrees to take all other steps necessary for the redemption thereof, as provided in and in accordance with the applicable provisions of the Bond Resolution. Notice of such redemption shall be in substantially the form set forth in Appendix C. The Authority directs the Escrow Agent, and the Escrow Agent agrees, to cause the notice of the redemption to be sent to The Electronic Municipal Market Access system administered by the Municipal Securities Rulemaking Board (“EMMA”) within five (5) days after the date of this Agreement, such notice to be substantially in the form set forth in Appendix C.

(b) The Authority hereby specifically and irrevocably elects to redeem on the Redemption Date the Refunded Bonds at the principal amount of each Refunded Bond plus accrued interest to the Redemption Date, as set forth in Appendix B.

The Escrow Agent shall also take the following actions with respect to such notice of redemption:

(d) Not less than thirty-five (35) days prior to the date of redemption, notice of such redemption shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission or (iii) through EMMA and the following securities depository at the address and transmission number given, or such other address or transmission number as may have been delivered in writing to the Escrow Agent for such purpose not later than the close of business on the day before such notice is given:

The Depository Trust Company  
55 Water Street  
New York, New York 10041  
Telephone: (212) 855-1000  
Facsimile transmission:  
(212) 855-7232  
(212) 855-7233

12. **Duties of Escrow Agent.** The Escrow Agent shall have no responsibility to any person in connection herewith except the responsibilities specifically provided herein, no additional covenants or obligations shall be read into this Agreement against the Escrow Agent and the Escrow Agent shall not be responsible for anything done or omitted to be done by it except for its own negligence or willful misconduct in the performance of any obligation imposed on it hereunder. The Escrow Agent, except as herein specifically provided for, is not a party to, nor is it bound by nor need it give consideration to the terms or provisions of any other agreement or undertaking between the Authority and other persons, and the Escrow Agent assents to and is to give consideration only to the terms and provisions of this Agreement. Unless it is specifically provided, the Escrow Agent has no duty to determine or to inquire into

the happening or occurrence of any event or contingency or the performance or failure of performance of the Authority with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, to exercise reasonable care and diligence, and in the event of material error in making such determination the Escrow Agent shall be liable for its own willful misconduct and its negligence. Notwithstanding any provision herein to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. In determining the occurrence of any such event or contingency, the Escrow Agent may request from the Authority or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency and, in this connection, may inquire and consult with the Authority, among others, at any time. The Escrow Agent shall be entitled to conclusively rely upon such evidence that it in good faith believes to be genuine. The Escrow Agent may consult with legal counsel, and the opinion of such counsel shall be full and complete authority and protection to the Escrow Agent as to any action taken or omitted by it in good faith and in accordance with such opinion. Any payment obligation of the Escrow Agent hereunder shall be paid from, and is limited to funds available, established and maintained hereunder, and the Escrow Agent shall not be required to expend its own funds for the performance of its duties under this Agreement. The Escrow Agent may act through its agents and attorneys. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

13. **Benefits of Agreement.** This Agreement is between the Authority and the Escrow Agent only, and, in connection herewith, the Escrow Agent is authorized by the Authority to conclusively rely upon the representations of the Authority in connection with this Agreement, and the Escrow Agent shall not be liable to any person in any manner for such reliance. The duties of the Escrow Agent hereunder shall only be to the Authority and the owners of the Refunded Bonds. Neither the Authority nor the Escrow Agent shall assign or transfer or attempt to assign or transfer its interest hereunder or any part thereof. Any such assignment or attempted assignment shall be in direct conflict with this Agreement and shall be void and without effect.

14. **Reliance on Instruments.** The Escrow Agent may conclusively rely and act upon any written notice, request, waiver, consent, certificate, receipt, authorization, power of attorney, or other instrument or document that the Escrow Agent in good faith believes to be genuine and to be what it purports to be.

15. **Notices.** Any notice, authorization, request, or demand required or permitted to be given between the parties hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

**to the Authority:**

Fairfax County Redevelopment and Housing Authority  
3700 Pender Drive  
Fairfax, VA 22030

Attention: \_\_\_\_\_

**With a copy to:**

Department of Finance  
Fairfax County, Virginia  
12000 Government Center Parkway  
Fairfax, VA 22035

Attention: Director

**to the Escrow Agent:**

U.S. Bank National Association  
1021 East Cary Street, Suite 1850  
Richmond, VA 23219

16. **Business Days.** Whenever under the terms of this Agreement the performance date of any act to be done hereunder shall fall on a day that is not a legal banking day in Richmond, Virginia, and upon which the Escrow Agent is not open for business, the performance thereof on the next succeeding business day of the Escrow Agent shall be deemed to be in full compliance with this Agreement. Whenever time is referred to in this Agreement, it shall be the time recognized by the Escrow Agent in the ordinary conduct of its respective normal business transactions.

17. **Agreement Binding Upon Assigns.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective personal representatives, successors, and assigns.

18. **Fee of Escrow Agent.** The compensation for the Escrow Agent under this Agreement has been agreed upon by the Escrow Agent and the Authority and is to be paid from funds other than the Deposit and Escrow Securities and the income thereon.

Any legal expenses, or any costs, charges or expenses associated with the mailing of any notice with respect to the Refunded Bonds under this Agreement of the Escrow Agent, shall be paid by the Authority solely from funds of the Authority, and in no event shall such costs, charges or expenses give rise to any claim against the Escrow Fund, the assets of which are solely for the benefit of the holders of the Refunded Bonds. If the Escrow Agent is required by a

governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto (other than due to the Escrow Agent's negligence or willful misconduct), the Escrow Agent shall notify the Authority of the same in writing and the Authority shall, subject to the appropriation by its Board of Supervisors, promptly pay the Escrow Agent for such extraordinary fees, costs and expenses reasonably and necessarily incurred in connection therewith.

19. **Resignation of Escrow Agent.** The Escrow Agent may resign and thereby become discharged from the duties hereby created, by notice in writing given to the Authority not less than sixty (60) days before such resignation shall take effect. The Escrow Agent shall continue to serve as Escrow Agent until a successor is appointed. Such resignation shall take effect immediately, however, upon the appointment of a new Escrow Agent hereunder, if such new Escrow Agent shall be appointed before the time limited by such notice and such new Escrow Agent shall have accepted the trusts hereof.

20. **Removal of Escrow Agent.** The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, executed by the owners of not less than a majority in aggregate principal amount of the Refunded Bonds then outstanding, such instruments to be filed with the Authority. A photographic copy of any instrument filed with the Authority under the provisions of this paragraph shall be delivered by the Authority to the Escrow Agent.

The Escrow Agent may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any material provisions of this Agreement with respect to the duties and obligations of the Escrow Agent, by any court of competent jurisdiction upon the application of the Authority or the owners of not less than a majority in aggregate principal amount of the Refunded Bonds then outstanding.

21. **Appointment of Successor Escrow Agent.** If at any time hereafter the Escrow Agent shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Agent shall thereupon become vacant. If the position of Escrow Agent shall become vacant for any of the foregoing reasons or for any other reason, the Authority shall appoint an Escrow Agent to fill such vacancy. The Authority shall notify the registered owners of any such appointment made by it by mail, postage prepaid within sixty (60) days of such appointment.

At any time after such appointment by the Authority, and prior to the termination of this Agreement in accordance with Paragraph 23, the owners of a majority in aggregate principal amount of the Refunded Bonds then outstanding, by an instrument or concurrent instruments in writing, executed and filed with the Authority, may appoint a successor Escrow Agent that shall supersede any Escrow Agent theretofore appointed by the Authority. Photographic copies of each such instrument shall be delivered promptly by the Authority to the predecessor Escrow Agent and to the Escrow Agent so appointed by the owners of the Refunded Bonds.

If no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within sixty (60) days of the notice of resignation or removal of the Escrow Agent has been delivered, the owner of any Refunded Bond or the retiring Escrow Agent

may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Escrow Agent.

If the Escrow Agent shall merge into another banking or other similar institution with trust powers, or if substantially all of the assets of the Escrow Agent shall otherwise be acquired by any such banking or other similar institution, the surviving or acquiring institution shall be substituted for the Escrow Agent as Escrow Agent and shall succeed to the rights and obligations of the Escrow Agent hereunder without the necessity of execution of any instrument or the taking of any other action by the Escrow Agent, such surviving or acquiring bank, or the Authority and without giving any notice, by publication or otherwise, to anyone other than the Authority.

22. **Amendment.** This Agreement shall be irrevocable and may not be amended, without the consent of all the owners of the Refunded Bonds then unpaid; provided, however, that this Agreement may be amended, without the consent of the owners of unpaid Refunded Bonds, for the following purposes:

- (a) the insertion of unintentionally omitted material or the correction of mistakes or clarification of ambiguities;
- (b) the pledging of additional security to the Refunded Bonds;
- (c) the deposit of additional cash or securities to the Escrow Fund; or
- (d) any other amendment that a rating agency then rating the Refunded Bonds has confirmed in writing will not result in a reduction in its respective ratings on the Refunded Bonds.

The Escrow Agent shall be entitled to receive and conclusively rely upon an opinion of counsel to the effect that any such amendment is authorized or permitted by this Agreement.

23. **Termination.** This Agreement shall terminate on the date upon which the Escrow Agent makes the final payment to DTC in an amount sufficient to pay the balance of the principal of and interest coming due on the Refunded Bonds. Upon the final payment of all of the Refunded Bonds and except as otherwise requested in writing by the Authority, the Escrow Agent shall sell or redeem any Escrow Securities remaining in the Escrow Fund and shall remit to the Authority the proceeds thereof, together with all other money, if any, then remaining in the Escrow Fund.

24. **Subject to Appropriation.** The obligations of the County to make any payments under this Agreement other than from funds in the Escrow Fund are contingent upon the appropriation for each fiscal year by the Board of Supervisors of the County of funds from which such payments can be made. The County shall not be liable for any amounts that may be payable pursuant to this Agreement unless and until such funds have been so appropriated for payment and then only to the extent thereof. It is understood and agreed by the parties hereto that nothing in this Agreement shall be deemed to obligate the Board of Supervisors of the

County to appropriate any sums on account of any payments to be made by the County hereunder.

25. **Identifying Information.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see financial statements, licenses, and identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

26. **Severability.** If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or the Escrow Agent to be performed are determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

27. **Counterparts.** This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

28. **Governing Law.** This Agreement shall be governed by the domestic law of the Commonwealth of Virginia without regard to conflict of law principles.

[Remainder of page intentionally left blank]

**IN WITNESS WHEREOF**, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

**FAIRFAX COUNTY REDEVELOPMENT  
AND HOUSING AUTHORITY, VIRGINIA**

By: \_\_\_\_\_

Name:

Title:

**U.S. BANK NATIONAL ASSOCIATION, as**  
Escrow Agent

By: \_\_\_\_\_

Name: Stephanie E. Haysley

Title: Vice President

**APPENDIX A****ESCROW SECURITIES:**

<b><u>Type</u></b>	<b><u>Maturity Date</u></b>	<b><u>Par Amount</u></b>	<b><u>Coupon</u></b>	<b><u>Price</u></b>	<b><u>Accrued Interest</u></b>	<b><u>Total Cost</u></b>
<b>Total</b>						

**APPENDIX B**

**Fairfax County Redevelopment and Housing Authority  
Revenue Bonds (Affordable Housing Acquisition),  
Series 2009**

Pay to the registered owner of the 2009 Refunded Bonds, the amounts shown in the Total Debt Service column on the corresponding dates.

**Schedule of Debt Service**

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
10/01/2019	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

**APPENDIX C****NOTICE OF REDEMPTION****FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY****REVENUE BONDS (AFFORDABLE HOUSING ACQUISITION), SERIES 2009, Dated August 20, 2009, and maturing October 1, 2020 to 2033, inclusive, and on October 1, 2036, and October 1, 2039**

NOTICE IS HEREBY GIVEN to the owners of the following outstanding Fairfax County Redevelopment and Housing Authority Revenue Bonds, Series 2009 (the “Refunded Bonds”), that such Bonds shall be redeemed on the date at the redemption price (expressed as a percentage of the principal amount of such Bonds) referred to below together with the interest accrued thereon to the redemption date:

**REFUNDED BONDS**

Redemption Date: October 1, 2019

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Price</u>	<u>CUSIP Numbers<sup>1</sup></u>
October 1, 2020	\$2,415,000	4.000%	100%	303835 BV3
October 1, 2021	2,510,000	4.000	100	303835 BW1
October 1, 2022	2,615,000	4.000	100	303835 BX9
October 1, 2023	2,720,000	4.000	100	303835 BY7
October 1, 2024	2,830,000	4.000	100	303835 BZ4
October 1, 2025	2,945,000	4.000	100	303835 CA8
October 1, 2026	3,070,000	4.125	100	303835 CB6
October 1, 2027	3,200,000	4.250	100	303835 CC4
October 1, 2028	3,340,000	4.250	100	303835 CD2
October 1, 2029	3,485,000	4.375	100	303835 CE0
October 1, 2030	3,645,000	4.500	100	303835 CF7
October 1, 2031	3,815,000	4.625	100	303835 CG5
October 1, 2032	4,000,000	4.750	100	303835 CH3
October 1, 2033	4,195,000	4.750	100	303835 CJ9
October 1, 2036	13,845,000	4.750	100	303835 CK6
October 1, 2039	16,025,000	5.000	100	303835 CL4

On their Redemption Date, the Refunded Bonds shall become due and payable at their Redemption Price (together with the interest accrued thereon to the Redemption Date), interest on the Refunded Bonds shall cease to accrue, and from and after the Redemption Date the

<sup>1</sup>The Authority shall not be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of bondholders. This column indicates the CUSIP numbers that were assigned upon the original issuance of the Refunded Bonds and does not reflect subsequent changes, if any.

owners shall have no rights in respect thereof except to receive payment of the Redemption Price plus accrued interest to the Redemption Date.

Payment of the Redemption Price will be made upon presentation and surrender of the Refunded Bonds, on or after October 1, 2019, at the principal corporate trust office of U.S. Bank National Association, as Escrow Agent.

The Refunded Bonds should be presented for payment as follows:

U.S. Bank National Association  
Corporate Trust Services  
111 Fillmore Avenue East  
St. Paul, Minnesota 55107

If bonds are presented by mail, the manner of shipment of bonds is at the bondholder's discretion; however, transmittal by insured, registered mail is suggested.

Under certain provisions of the Internal Revenue Code of 1986, as amended, a beneficial owner of a Refunded Bond may be subject to information reporting and to backup withholding of certain amounts paid to the beneficial owner unless such beneficial owner provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with applicable requirements of the backup withholding rules.

FAIRFAX COUNTY, REDEVELOPMENT  
AND HOUSING AUTHORITY

Dated: August \_\_, 2019

**APPENDIX D**

**VERIFICATION REPORT**

Board Agenda Item  
July 16, 2019

ACTION - 6

Approval of a Resolution to Request Authorization of the Sale of Fairfax County Economic Development Authority (EDA) Revenue Refunding Bonds Series 2020 for the Wiehle-Reston East Metrorail Station Parking Garage and Other Necessary Documents (Hunter Mill District)

ISSUE:

Board approval of a resolution (Attachment 1) to authorize and request the sale of Fairfax County Economic Development Authority ("EDA") Revenue Refunding Bonds Series 2020 for the Wiehle-Reston East Metrorail Station Parking Garage.

RECOMMENDATION:

The County Executive recommends Board action of the following:

1. Approval of a Resolution which requests the EDA to issue revenue refunding bonds for the purpose of achieving debt service savings associated with the outstanding debt on the Wiehle-Reston East Metrorail Station Parking Garage; and
2. Approval of the form of the Second Supplemental Trust Agreement, Bond Purchase Agreement, Preliminary Official Statement, Continuing Disclosure Agreement, Escrow Deposit Agreement, Supplement to the Installment Purchase Contract; and
3. Authorize the execution and delivery of the documents and authorize the Chairman, Vice Chairman, the County Executive or the Chief Financial Officer to determine and approve certain details of the transaction.

TIMING:

Approval by the Board is requested on July 16, 2019, to take advantage of current financial market conditions.

BACKGROUND:

On June 1, 2009, the Board approved a Comprehensive Agreement with Comstock Reston Station Holdings, LC and CRS Construction Services, LC (collectively, "Comstock") providing for Comstock to construct on County-owned real estate on Wiehle Avenue in Reston, Virginia, public parking facilities to include 2,300 public parking spaces, 10 bus bays, 46 kiss and ride spaces and ancillary facilities (the "Project") to serve the Wiehle-Reston East Metrorail Station. In July 2011, EDA bonds were issued to finance the construction of the Wiehle-Metrorail Parking Garage Station.

Board Agenda Item  
July 16, 2019

The County completed this project in advance of the July 2014 Phase I Silver Line opening. Monthly parking garage utilization has been very successful since inception. The average monthly utilization in FY 2018 was 91.6 percent, and it increased to 95.9 percent in FY 2019 through April 2019.

The Tax Cuts and Jobs Act effective January 2018 eliminated the ability to issue Tax-Exempt Advance Refundings. These had historically been a very successful vehicle for the County to refinance its debt when interest rates were low and achieved net present value debt service savings. Several alternatives to capture debt service savings, however, remain. These include: (1) issuing Advance Refunding bonds on a taxable basis (which typically have higher interest rates compared to tax-exempt bonds); (2) waiting until the call date of the bonds (which in this case is August 2020); or (3) a forward refunding conducted on a tax-exempt basis. Forward bond deals can be used to refinance outstanding bonds that are within a year of the call date. The County has previously used a forward refunding to realize savings in 2015 on its general obligation bonds.

Based on market conditions as of May 2019, a forward refunding bond sale to refinance \$77.63 million of bonds would generate net present value savings of \$8.73 million or 11.2 percent of the refunded bonds. Annual debt service would be reduced by approximately \$700,000 from \$7.4 million to \$6.7 million. To allow for potential changes in market conditions between now and pricing, the authorization permits a not to exceed amount of \$79.9 Million.

For this forward bond deal, the County will select an underwriter(s) from its existing underwriter pool and enter into a forward bond purchase agreement with that firm(s). A bond sale is currently anticipated for September 2019 and the bonds would then be placed in escrow. Staff will then schedule a closing date to occur within 90 days of the call date in August 2020. The bond proceeds would then be used to pay off the existing bonds in August 2020. It should be noted that the Bond Purchase Agreement (Attachment 4) may be subject to further changes as part of negotiations with the firm(s) selected for this deal. Any changes will be handled in accordance with the delegation of authority provided in the County resolution (Attachment 1).

The annual debt service expenditures for the Wiehle-Reston East Metrorail Parking Garage are budgeted in Fund 40125, Metrorail Parking System Pledged Revenues. The debt service is offset by parking fees, ground rent from the developer, and a transfer from Fund 40010, County and Regional Transportation Projects. The Metrorail Parking System Pledged Revenues fund also includes the future debt service payments, and operations and maintenance for the remaining County owned parking garages as part of the Silver Line at Innovation Center Station and Herndon.

Board Agenda Item  
July 16, 2019

FISCAL IMPACT:

Based on market conditions as of May 2019, a forward refunding bond sale to refinance \$77.63 million of debt would generate net present value savings of \$8.73 million or 11.2 percent of the refunded bonds. Annual debt service would be reduced by approximately \$700,000 from \$7.4 million to \$6.7 million and repaid from Fund 40125, Metrorail Parking System Pledged Revenues.

ENCLOSED DOCUMENTS:

Attachment 1 – County Board Resolution  
Attachment 2 – EDA Resolution  
Attachment 3 – Second Supplemental Trust Agreement  
Attachment 4 – Bond Purchase Agreement  
Attachment 5 – Bond Sale Timeline  
Attachment 6 – Preliminary Official Statement  
Attachment 7 – Continuing Disclosure Agreement  
Attachment 8 – Escrow Deposit Agreement  
Attachment 9 – Supplement to Installment Purchase Contract

STAFF:

Joseph Mondoro, Chief Financial Officer  
Tom Biesiadny, Director, Fairfax County Department of Transportation  
Joseph LaHait, Debt Manager, Department of Management and Budget

ASSIGNED COUNSEL:

Patricia McCay, Senior Assistant County Attorney  
Ryan Wolf, Assistant County Attorney

**RESOLUTION REQUESTING THAT THE FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY ISSUE ITS REVENUE REFUNDING BONDS (WIEHLE AVENUE METRORAIL STATION PARKING PROJECT) SERIES 2020, APPROVING A FORM OF A SECOND SUPPLEMENTAL TRUST AGREEMENT BETWEEN THE AUTHORITY AND A TRUSTEE; A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT RELATING TO SUCH BONDS; APPROVING THE EXECUTION OF FORWARD DELIVERY BOND PURCHASE AGREEMENT RELATING TO THE PURCHASE OF SUCH BONDS; MAKING A CONTINUING DISCLOSURE UNDERTAKING; AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH OTHER DOCUMENTS AND AGREEMENTS RELATING TO SUCH TRANSACTIONS AS MAY BE NECESSARY OR REQUIRED; DIRECTING THE AUTHENTICATION AND DELIVERY OF SUCH BONDS; DELEGATING TO THE COUNTY EXECUTIVE OR THE CHIEF FINANCIAL OFFICER POWER TO DETERMINE CERTAIN DETAILS OF SUCH TRANSACTIONS**

**WHEREAS**, the Board of Supervisors (the “Board”) of Fairfax County, Virginia (the “County”), approved on June 1, 2009, (i) the form of and execution of a Deed of Lease between the County and Comstock Reston Station Holdings, LC (the “Tenant”), to provide for the development, construction, operation, maintenance and enjoyment of a mixed-use transit oriented development of County-owned property (the “Property”) at the site of the north entrance of the Wiehle Avenue Metrorail Station (“Wiehle Avenue Metrorail Station”) to be constructed as part of the extension of the Washington Metropolitan Area Transit Authority’s Metrorail system project in the Dulles Corridor and (ii) the form of and execution of a Development Agreement (the “Development Agreement”) between the County and the CRS Construction Services, LC, an affiliate of the Tenant, setting forth the agreement for the development of the Property, which includes a public parking facility to provide approximately 2,316 public parking spaces, 49 kiss and ride parking spaces, 22 motorcycle spaces, 12 bus bays and 150 bicycle spaces and ancillary facilities to serve the Wiehle Avenue Metrorail Station (the “Wiehle Avenue Metrorail Station Parking Project”); and

**WHEREAS**, pursuant to the terms of the Development Agreement the County made a commitment to provide the financing for the Wiehle Avenue Metrorail Station Parking Project (the “Financial Commitment”); and

**WHEREAS**, on January 12, 2010 the Board passed a resolution (the “2010 Resolution”) in which the Board requested the Fairfax County Economic Development Authority (“EDA”) to issue bonds (the “Bonds”) and make the proceeds available to pay costs of the Wiehle Avenue Metrorail Station Parking Project in order to fulfill the Financial Commitment; and

**WHEREAS**, pursuant to the 2010 Resolution the Board approved a form of a trust agreement (the “Trust Agreement”) which provides for, among other things, the Bonds to be issued from time to time, in one or more series, bearing interest at fixed or variable interest rates and with federal subsidy payment provisions or tax credit provisions depending upon financial

market conditions, in an aggregate principal amount that will provide proceeds in an amount not to exceed \$110,000,000 for costs of the Wiehle Avenue Metrorail Station Parking Project; and

**WHEREAS**, pursuant to the 2010 Resolution, the Board approved a form of an Installment Purchase Contract (the “Installment Purchase Contract”) by the terms of which EDA sold to the County EDA’s interest in the Wiehle Avenue Metrorail Station Parking Project, and the County agreed to make Basic Payments and Additional Payments (as defined in the Installment Purchase Contract) therefor, on the terms and conditions therein set forth, sufficient to pay the principal of and interest on the Bonds issued by EDA to pay costs of the Wiehle Avenue Metrorail Station Parking Project; and

**WHEREAS**, pursuant to the 2010 Resolution the Board authorized the initiation of the judicial determination of the validity of the Bonds; and

**WHEREAS**, on April 7, 2010 the Fairfax County Circuit Court entered a final order validating the Bonds; and

**WHEREAS**, EDA issued its Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project), Series 2011” (the “Series 2011 Bonds”) to provide financing for the Wiehle Avenue Metrorail Station Parking Project; and

**WHEREAS**, the County is requesting EDA to consider a resolution authorizing the issuance of the Series 2020 Bonds (defined below) to refund, subject to favorable financial market conditions, all or a portion of the outstanding Series 2011 Bonds (the “Bonds to be Refunded”) to achieve debt service savings; and

**WHEREAS**, EDA intends to issue, sell, and deliver its Revenue Refunding Bonds (Wiehle Avenue Metrorail Station Parking Project) Series 2020 (the “Series 2020 Bonds”) in an aggregate principal amount not to exceed \$79,900,000 to refund all or a portion of the outstanding Series 2011 Bonds and pay certain costs of issuance of the Series 2020 Bonds; and

**WHEREAS**, the Board has determined to approve the form of a second supplemental trust agreement (the “Supplemental Agreement”) between EDA and a trustee, that will set forth details of bonds; and

**WHEREAS**, there has been presented to the Board the proposed form of a Forward Delivery Bond Purchase Agreement (the “Bond Purchase Agreement”) between EDA and the underwriters for the Series 2020 Bonds chosen or to be chosen pursuant to County guidelines and regulations (the “Underwriters”) and approved by the County; and

**WHEREAS**, there has been presented to the Board a proposed Preliminary Official Statement describing the Series 2020 Bonds, EDA, the County and the Wiehle Avenue Metrorail Station Parking Project (the “Preliminary Official Statement”); and

**WHEREAS**, the County will undertake primary responsibility for any annual and other reports, notices or disclosures that may be required under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time and make a continuing disclosure undertaking in the form of the

continuing disclosure agreement presented to the Board (the “Continuing Disclosure Agreement”); and

**WHEREAS**, there has been presented to Board the proposed form of an escrow deposit agreement (the “Escrow Deposit Agreement”) between EDA and an escrow agent providing for the redemption of the Bonds to be Refunded; and

**WHEREAS**, there has been presented to Board the proposed form of a supplement to the Installment Purchase Contract (the “Supplement to the Installment Purchase Contract”); and

**WHEREAS**, the Board has duly reviewed and considered the forms of the Supplemental Agreement, the Preliminary Official Statement, the Bond Purchase Agreement, the Escrow Deposit Agreement, the Supplement to the Installment Purchase Contract, and the Continuing Disclosure Agreement and has determined that each is in acceptable form; and

**WHEREAS**, the Board has determined that it is necessary to delegate to the County Executive and the Chief Financial Officer of the County (each a “Delegate”) the power to approve the sale of the Series 2020 Bonds and the details of these transactions but subject to the guidelines and standards established hereby; now, therefore,

**BE IT RESOLVED** by the Board as follows:

**SECTION 1.** EDA is hereby requested to authorize and issue the Series 2020 Bonds in an aggregate principal amount not to exceed \$79,900,000, for the purpose of providing funds to refund all or a portion of the outstanding Series 2011 Bonds and pay costs and expenses associated with the issuance of the Series 2020 Bonds and the refunding of the Bonds to be Refunded through a negotiated sale to the Underwriters for the Series 2020 Bonds to be delivered on a date no later than December 31, 2020.

**SECTION 2.** The form of the Supplemental Agreement presented to this meeting, providing details for the custody, investment and disbursement of the proceeds of the Series 2020 Bonds, is hereby approved in such form and containing substantially the terms and provisions therein set forth. Each of the Chairman, Vice Chairman, President or Treasurer of EDA is hereby authorized and directed to execute and deliver the Supplemental Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman, Vice Chairman, President or Treasurer, the execution of the Supplemental Agreement being conclusive evidence of such approval and of the approval of EDA.

**SECTION 3.** The form of the Bond Purchase Agreement presented to this meeting be and the same hereby is approved for purposes of the sale of the Series 2020 Bonds is hereby approved. Each of the Chairman, Vice Chairman, President or Treasurer of EDA is hereby authorized and directed to execute and deliver the Bond Purchase Agreement, as negotiated with the Underwriters. Any additions, deletions and modifications to the Bond Purchase Agreement, including those that may result from negotiations with the Underwriters, may be approved by the Chairman, Vice Chairman, President or Treasurer, the execution of the Bond Purchase Agreement being conclusive evidence of the Board’s approval and of the approval of EDA.

**SECTION 4.** The form of the Preliminary Official Statement is hereby approved and deemed “final” for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The distribution and use by the underwriters of the Series 2020 Bonds of a final Official Statement relating to the Series 2020 Bonds (the “Official Statement”) is hereby approved. The Official Statement shall be completed with the pricing and other information in substantially the form of the Preliminary Official Statement approved this day with such additions, deletions and modifications as may be approved by a Delegate.

**SECTION 5.** The form of the Continuing Disclosure Agreement presented to this meeting be, and the same hereby is, approved, and the Chairman or Vice Chairman of the Board or a Delegate, as appropriate, be, and the same is hereby authorized, directed and empowered to execute and deliver, under seal, in the name and on behalf of the County, the Continuing Disclosure Agreement in such form and containing substantially the terms and provisions therein contained, with such additions, deletions and modifications as shall be approved by the person executing the Continuing Disclosure Agreement, such execution thereof being conclusive evidence of such approval. The execution and delivery by a Delegate of the Continuing Disclosure Agreement and any other agreements, documents, closing papers and certificates executed and delivered pursuant to this Resolution shall be conclusive evidence of their approval of the changes, if any, in the forms thereof and of their authority to execute and deliver such agreements, documents, certificates and closing papers on behalf of the Board.

**SECTION 6.** The form of the Escrow Deposit Agreement, presented at this meeting, is hereby approved. The Chairman or Vice Chairman, President or Treasurer of EDA is hereby authorized and directed to execute and deliver the Escrow Deposit Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, President or Treasurer, the execution of the Escrow Deposit Agreement being conclusive evidence of such approval and of the approval of EDA.

**SECTION 7.** The form of the Supplement to the Installment Purchase Contract, presented at this meeting, is hereby approved. The Chairman or Vice Chairman, President or Treasurer of EDA is hereby authorized and directed to execute and deliver the Supplement to the Installment Purchase Contract in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, President or Treasurer, the execution of the Supplement to the Installment Purchase Contract being conclusive evidence of such approval and of the approval of EDA.

**SECTION 8.** The members, officers and employees of the Board and the County, EDA and the trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the Series 2020 Bonds, the Trust Agreement, the Supplemental Agreement, the Supplement to the Installment Purchase Contract, the Bond Purchase Agreement, the Escrow Deposit Agreement, and the Official Statement for the full, punctual and complete performance of all the terms, covenants, provisions and agreements of the Series 2020 Bonds, the Trust Agreement, the Supplemental Agreement, the Supplement to the Installment Purchase Contract, the Bond Purchase Agreement, the Escrow Deposit Agreement, and the Official Statement and also to do all acts and things required of them by the provisions of this Resolution and the resolution to be adopted by EDA relating to the Series 2020 Bonds.

**SECTION 9.** The officers of the Board and the County and each delegate are authorized to execute one or more certificates evidencing the determinations made or other actions carried out pursuant to the authority granted in this Resolution, and any such certificate shall be conclusive evidence of the actions or determinations as stated therein.

**SECTION 10.** All actions taken by the Board and the members, officers and employees of the Board in connection with this Resolution, and the authorization, execution and delivery of the agreements, certificates and other documents to be executed by the Board and delivered in connection with this Resolution are hereby ratified and confirmed.

**SECTION 11.** No stipulation, obligation or agreement herein contained or contained in the Bond Purchase Agreement, the Official Statement, the Escrow Deposit Agreement, the Supplemental Agreement, the Supplement to the Installment Purchase Contract, the Series 2020 Bonds, or in any other agreement, certificate or document executed in connection with the Series 2020 Bonds shall be deemed to be a stipulation, obligation or agreement of the Board and its members, officers and employees of the Board or the County, in his or her individual capacity, and no such Board member, officer and employee of the Board or County shall be personally liable on the Series 2020 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

**SECTION 12.** Any and all resolutions of the Board or portions thereof in conflict with the provisions of this Resolution are hereby repealed to the extent of such conflict. All capitalized terms not defined herein shall have the meanings as set forth in the Trust Agreement.

If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provisions to be invalid, inoperative or unenforceable to any extent whatsoever.

**SECTION 13.** This resolution shall take effect immediately upon its adoption.

**RESOLUTION AUTHORIZING FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY REVENUE REFUNDING BONDS (WIEHLE AVENUE METRORAIL STATION PARKING PROJECT) SERIES 2020, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL TRUST AGREEMENT PROVIDING FOR THE ISSUANCE OF SUCH BONDS; APPROVING THE FORM AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT RELATING TO SUCH BONDS; APPROVING THE EXECUTION OF A FORWARD DELIVERY BOND PURCHASE AGREEMENT RELATING TO THE NEGOTIATED PURCHASE OF SUCH BONDS; GRANTING THE AUTHORITY TO EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND AGREEMENTS RELATING TO SUCH BONDS AS MAY BE NECESSARY OR APPROPRIATE; PROVIDING FOR THE AWARD OF AND DIRECTING THE AUTHENTICATION AND DELIVERY OF SUCH BONDS; AND DELEGATING TO THE CHAIRMAN, VICE CHAIRMAN, PRESIDENT AND THE TREASURER POWER TO DETERMINE CERTAIN DETAILS OF SUCH BONDS.**

**WHEREAS**, the Board of Supervisors (the “Board”) of Fairfax County, Virginia (the “County”), approved on June 1, 2009, (i) the form of and execution of a Deed of Lease between the County and Comstock Reston Station Holdings, LC (the “Tenant”), to provide for the development, construction, operation, maintenance and enjoyment of a mixed-use transit oriented development of County-owned property (the “Property”) at the site of the north entrance of the Wiehle Avenue Metrorail Station (“Wiehle Avenue Metrorail Station”) to be constructed as part of the extension of the Washington Metropolitan Area Transit Authority’s Metrorail system project in the Dulles Corridor and (ii) the form of and execution of a Development Agreement (the “Development Agreement”) between the County and the CRS Construction Services, LC, an affiliate of the Tenant, setting forth the agreement for the development of the Property, which includes a public parking facility that, to provide approximately 2,316 public parking spaces, 49 kiss and ride parking spaces, 22 motorcycle spaces, 12 bus bays and 150 bicycle spaces and ancillary facilities to serve the Wiehle Avenue Metrorail Station (the “Wiehle Avenue Metrorail Station Parking Project”); and

**WHEREAS**, pursuant to the terms of the Development Agreement the County has made a commitment to provide the financing for the Wiehle Avenue Metrorail Station Parking Project (the “Financial Commitment”); and

**WHEREAS**, on January 22, 2010, the Fairfax County Economic Development Authority (“EDA”) passed a resolution (the “2010 Resolution”) approving the issuance of bonds (the “Bonds”) and agreed to make the proceeds available to pay costs of the Wiehle Avenue Metrorail Station Parking Project in order to fulfill the Financial Commitment; and

**WHEREAS**, pursuant to the 2010 Resolution EDA approved a form of a trust agreement (the “Trust Agreement”) which provides for, among other things, the Bonds to be issued from time to time, in one or more series, bearing interest at fixed or variable interest rates and with federal

subsidy payment provisions or tax credit provisions depending upon financial market conditions, in an aggregate principal amount that will provide proceeds in an amount not to exceed \$110,000,000 for costs of the Wiehle Avenue Metrorail Station Parking Project; and

**WHEREAS**, pursuant to the 2010 Resolution, EDA approved a form of an Installment Purchase Contract (the “Installment Purchase Contract”) by the terms of which EDA sold to the County EDA’s interest in the Wiehle Avenue Metrorail Station Parking Project, and the County agreed to make Basic Payments and Additional Payments (as defined in the Installment Purchase Contract) therefor, on the terms and conditions therein set forth, sufficient to pay the principal of and interest on the Bonds issued by EDA to pay costs of the Wiehle Avenue Metrorail Station Parking Project; and

**WHEREAS**, pursuant to the 2010 Resolution, the EDA authorized the initiation of the judicial determination of the validity of the Bonds; and

**WHEREAS**, on April 7, 2010, the Fairfax County Circuit Court entered a final order validating the Bonds; and

**WHEREAS**, the County determined to use the proceeds of the Series 2011 Bonds (defined below) to provide financing for the Wiehle Avenue Metrorail Station Parking Project and has requested that EDA issue the Series 2011 Bonds; and

**WHEREAS**, EDA authorized the execution and delivery of a first supplemental trust agreement (the “First Supplemental Agreement”) that supplemented the Trust Agreement and together with the Trust Agreement provided for the issuance of and security for bonds designated “Fairfax County Economic Development Authority Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project), Series 2011” (the “Series 2011 Bonds”); and

**WHEREAS**, the County has requested EDA to refund, subject to favorable financial market conditions, all or a portion of the outstanding Series 2011 Bonds (the “Bonds to be Refunded”) to achieve debt service savings; and

**WHEREAS**, EDA desires to issue, sell, and deliver its Revenue Refunding Bonds (Wiehle Avenue Metrorail Station Parking Project) Series 2020 (the “Series 2020 Bonds”) in an aggregate principal amount not to exceed \$79,900,000 to refund all or a portion of the outstanding Series 2011 Bonds and pay certain costs of issuance of the Series 2020 Bonds; and

**WHEREAS**, EDA has determined to authorize the execution and delivery of a second supplemental trust agreement (the “Second Supplemental Agreement”) that supplements the Trust Agreement and, that together with the Trust Agreement, will provide for the issuance of and security for the Series 2020 Bonds; and

**WHEREAS**, there has been presented to EDA the proposed form of a Forward Delivery Bond Purchase Agreement between EDA and the underwriters for the Series 2020 Bonds chosen or to be chosen pursuant to County guidelines and regulations (the “Underwriters”), and approved by the County for the purchase of the Series 2020 Bonds; and

**WHEREAS**, the County has approved the form of and authorized the execution of the approval of the Bond Purchase Agreement; and

**WHEREAS**, there has been presented to EDA a proposed Preliminary Official Statement describing the Series 2020 Bonds, the security therefor, EDA, the County and the Wiehle Avenue Metrorail Station Parking Project (the “Preliminary Official Statement”); and

**WHEREAS**, there has been presented to EDA the proposed form of a supplement to the Installment Purchase Contract (the “Supplement to the Installment Purchase Contract”); and

**WHEREAS**, the County has advised EDA that the County will undertake primary responsibility for any annual and other reports, notices or disclosures that may be required under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended; and

**WHEREAS**, there has been presented to EDA the proposed form of an escrow deposit agreement (the “Escrow Deposit Agreement”) between EDA and an escrow agent providing for the redemption of the Bonds to be Refunded; and

**WHEREAS**, EDA has duly reviewed and considered the forms of the Second Supplemental Agreement, the Bond Purchase Agreement, the Escrow Deposit Agreement, the Preliminary Official Statement, the Supplement to the Installment Purchase Contract, and the Continuing Disclosure Agreement and has determined that each is in acceptable form; and

**WHEREAS**, EDA has found and determined that the issuance and sale of the Series 2020 Bonds on the terms contemplated hereby and in the 2010 Resolution are in conformity with the purposes of EDA set forth in its Enabling Act (as defined in the Trust Agreement) and are in the public interest and otherwise beneficial to the County; and

**WHEREAS**, Section 209 of the Trust Agreement contemplates that EDA will fix in the Supplemental Agreement the aggregate principal amount of the Series 2020 Bonds, the maturity dates, the interest rates, the redemption provisions and other details of each thereof and provide for the application of the proceeds thereof; and

**BE IT RESOLVED** by the Fairfax County Economic Development Authority as follows:

**SECTION 1.** There are hereby authorized to be issued on a date no later than December 31, 2020, the Series 2020 Bonds in an aggregate principal amount not to exceed \$79,900,000 for the purpose of providing funds to refund all or a portion of the outstanding Series 2011 Bonds and pay costs and expenses associated with the issuance of the Series 2020 Bonds and the refunding of the Bonds to be Refunded through a negotiated sale to the Underwriters.

The Series 2020 Bonds shall be dated and issued on such date and in such principal amount, shall mature on such date or dates, subject to the right of prior redemption, shall bear interest at such rate or rates, payable on such dates and shall have such other details all as shall be specified in the Second Supplemental Agreement, executed and delivered as herein authorized.

**SECTION 2.** The form of Second Supplemental Agreement presented to this meeting is hereby approved and the Chairman or the Vice Chairman of EDA and the Secretary, the Assistant Secretary, the President or the Treasurer of EDA are hereby authorized, directed and empowered to execute and deliver, under seal, in the name and on behalf of EDA, the Second Supplemental Agreement in such form and containing substantially the same terms and provisions, with such additions, deletions and modifications as shall be approved by the officers executing the Second Supplemental Agreement, the execution thereof by such officers being conclusive evidence of such approval.

**SECTION 3.** The form of the Preliminary Official Statement is hereby approved and the Chairman, Vice Chairman, President or Treasurer is hereby authorized to approve the terms of and publish a Preliminary Official Statement describing the Series 2020 Bonds in substantially the same form as the Preliminary Official Statement presented to this meeting and to deem “final” such Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The distribution and use by the Underwriters of a final Official Statement relating to the Series 2020 Bonds (the “Official Statement”) are hereby authorized. The Official Statement shall be completed with the pricing and other information in substantially the form of the Preliminary Official Statement approved this day by the Authority with such additions, deletions and modifications as may be approved by authorized representatives of the County and the Chairman or Vice Chairman of EDA. The Chairman or the Vice Chairman of EDA is hereby authorized and directed to execute and deliver the Official Statement to the Underwriters, as applicable, for their use in making a public offering of the Series 2020 Bonds upon the terms set forth in the Official Statement and Bond Purchase Agreement.

**SECTION 4.** The form of the Continuing Disclosure Agreement, presented at this meeting, is hereby approved.

**SECTION 5.** The form of Bond Purchase Agreement is hereby approved in the form made available at this meeting. The Chairman or Vice Chairman, President or Treasurer of EDA are hereby authorized and directed to execute and deliver the Bond Purchase Agreement, as negotiated with the Underwriters. Any additions, deletions and modifications to the Bond Purchase Agreement, including those that may result from negotiations with the Underwriters, may be approved by the Chairman, the Vice Chairman, the President or the Treasurer, the execution of the Bond Purchase Agreement being conclusive evidence of EDA’s approval and of the approval of the County.

**SECTION 6.** The form of the Escrow Deposit Agreement, presented at this meeting, is hereby approved. The Chairman or Vice Chairman, President or Treasurer of EDA is hereby authorized and directed to execute and deliver the Escrow Deposit Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, President or Treasurer, the execution of the Escrow Deposit Agreement being conclusive evidence of such approval and of the approval of EDA.

**SECTION 7.** The form of the Supplement to the Installment Purchase Contract, presented at this meeting, is hereby approved. The Chairman or Vice Chairman, President or Treasurer of EDA is hereby authorized and directed to execute and deliver the Supplement to the Installment Purchase Contract in substantially the form hereby approved with such additions, deletions and

modifications thereto as may be approved by the Chairman or Vice Chairman, President or Treasurer, the execution of the Supplement to the Installment Purchase Contract being conclusive evidence of such approval and of the approval of EDA.

**SECTION 8.** The aggregate principal amount of the Series 2020 Bonds shall not exceed \$79,900,000, with a final maturity date that will not be later than December 31, 2035. The Series 2020 Bonds shall be subject to the right of prior redemption at the option of EDA, from any money that may be made available for such purpose, either in whole or in part, on any date, the first such date to be not more than 10 1/2 years after the issuance of the Series 2020 Bonds, and at redemption prices no one of which shall exceed 102%. The Chairman, Vice Chairman, President or Treasurer of EDA are hereby authorized, if the Fairfax County Executive or the Fairfax County Chief Financial Officer and the Financial Advisor shall so recommend, to accept an offer from Underwriters, to purchase all the Series 2020 Bonds at a purchase price resulting aggregate net present value savings of at least 3% of the Bonds to be refunded, upon the terms and conditions set forth in the Bond Purchase Agreement, as applicable, and to approve and fix the details of the Series 2020 Bonds that cannot be determined except under the actual market conditions that will obtain when the Series 2020 Bonds are offered at negotiated sale, as herein authorized, but subject to such limitations as set forth herein.

**SECTION 9.** The Series 2020 Bonds shall be executed, under seal, in the manner set forth in the Trust Agreement and the Second Supplemental Agreement, and the Series 2020 Bonds shall be delivered to the Registrar and Trustee under the Trust Agreement for authentication and shall be delivered thereafter to or for the account of the underwriters at the Depository Trust Corporation upon receipt of the purchase price set forth in the Second Supplemental Agreement.

The Bond Registrar is hereby authorized and directed to authenticate, and the Trustee, upon such authentication, is hereby authorized and directed to deliver, such Series 2020 Bonds as provided above upon satisfaction of all conditions precedent to such authentication and delivery contained in the Trust Agreement and the Second Supplemental Agreement.

**SECTION 10.** Each of the Chairman, the Vice Chairman, the President or the Treasurer of EDA is hereby authorized, if the County Executive or the Chief Financial Officer of the County and the Financial Advisor shall so recommend, subject to the limitations contained herein, to determine the dated date of the Series 2020 Bonds, the principal amount of the Series 2020 Bonds, which Series 2020 Bonds, if any, are term bonds and the sinking fund requirements and maturity amounts therefor and the optional, extraordinary optional and mandatory sinking fund redemption provisions of the Series 2020 Bonds.

**SECTION 11.** The execution and delivery by the officers of EDA of the Second Supplemental Agreement, the Official Statement, the Escrow Deposit Agreement, the Supplement to the Installment Purchase Contract, and the Bond Purchase Agreement, if applicable, and any other agreements, documents, closing papers and certificates executed and delivered pursuant to this Resolution shall be conclusive evidence of their approval of the changes, if any, in the forms thereof and of their authority to execute and deliver such agreements, documents, certificates and closing papers on behalf of EDA.

**SECTION 12.** The Chairman or Vice Chairman of EDA and the Secretary, the Assistant Secretary or Treasurer of EDA are authorized to execute one or more certificates, documents or agreements relating to the Series 2020 Bonds and the Wiehle Avenue Metrorail Station Parking Project as may be necessary or required evidencing the determinations made or other actions carried out pursuant to the authority granted in this Resolution, and any such certificates, documents or agreements shall be conclusive evidence of the actions or determinations as stated therein.

**SECTION 13.** All actions taken by EDA and the members, officers and employees of EDA in connection with the authorization, issuance, sale and delivery of the Series 2020 Bonds, and the authorization, execution and delivery of the agreements, certificates and other documents to be executed by EDA and delivered in connection with such authorization, issuance, sale and delivery are hereby ratified and confirmed.

**SECTION 14.** No stipulation, obligation or agreement herein contained or contained in the Bond Purchase Agreement, the Official Statement, the Escrow Deposit Agreement, the Second Supplemental Agreement, Bond Purchase Agreement, the Supplement to the Installment Purchase Contract , the Series 2020 Bonds, or in any other agreement, certificate or document executed on behalf of EDA shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of EDA in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the [Series 2020] Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

**SECTION 15.** Any and all resolutions of EDA or portions thereof in conflict with the provisions of this Resolution are hereby repealed to the extent of such conflict. All capitalized terms not defined herein shall have the meanings as set forth in the Trust Agreement.

If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provisions to be invalid, inoperative or unenforceable to any extent whatsoever.

**SECTION 16.** This resolution shall take effect immediately upon its adoption.

A Copy Teste:

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Secretary

FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY

to

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

Trustee

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SECOND SUPPLEMENTAL TRUST AGREEMENT

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Dated as of May 1, 2020

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## Table of Contents

	<b><u>Page</u></b>
Parties and Preamble.....	1
Section 1. Terms of the Series 2020 Bonds. ....	2
Section 2. Redemption Provisions of the Series 2020 Bonds. ....	3
Section 3. Authentication of Series 2020 Bonds. ....	5
Section 4. Sale and Application of Proceeds of the Series 2020 Bonds. ....	6
Section 5. Request of County to Appropriate. ....	6
Section 6. Tax Covenants. ....	6
Section 7. Recitals, Statements and Representations made by the EDA, not Trustee. ....	7
Section 8. Second Supplemental Trust Agreement as Supplemental Agreement. ....	8
Section 9. EDA, County, Trustee and Bondholders Alone to Have Rights.....	8
Section 10. Trustee to Perform Duties of Bond Registrar. ....	8
Section 11. Identifying Information.....	8
Section 12. Headings Not Part of Agreement; Certain Definitions. ....	8
Section 13. Covenants to Bind Successors. ....	8
Section 14. Electronic Communications.....	8

## SECOND SUPPLEMENTAL TRUST AGREEMENT

This **SECOND SUPPLEMENTAL TRUST AGREEMENT**, dated as of May 1, 2020 (this “Second Supplemental Trust Agreement”), by and between **FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY**, a political subdivision of the Commonwealth of Virginia (the “EDA”), and The Bank of New York Mellon Trust Company, N.A., a banking corporation duly organized and existing under the laws of the United States of America, and having a corporate trust office in Pittsburgh, Pennsylvania, which is authorized under such laws to exercise corporate trust powers and is subject to examination by state authority, trustee under the Trust Agreement hereinafter mentioned (in such capacity, the “Trustee”):

### W I T N E S S E T H:

**WHEREAS**, the EDA has executed and delivered a trust agreement, dated as of July 1, 2011 (the “Trust Agreement”), by and between the EDA and the Trustee, for the purpose of fixing and declaring the conditions upon which bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become holders thereof, and in order to secure the payment of all bonds at any time issued and outstanding thereunder, and the interest thereon, according to their tenor, purport and effect; and

**WHEREAS**, in accordance with the provisions of Section 208 of Trust Agreement, the EDA by resolution, adopted on July 22, 2010, authorized the issuance in one or more series of Revenue Bonds, bearing interest at fixed or variable interest rates and issued with federal subsidy payment provisions or tax credit provisions, that will provide proceeds in an amount not to exceed \$110,000,000 for financing a public parking facility to provide approximately 2,316 public parking spaces, 49 kiss and ride parking spaces, 22 motorcycle spaces, 12 bus bays and 150 bicycle spaces and ancillary facilities (the “Project”) on public lands within Fairfax County, Virginia (the “County”) to serve the Wiehle Avenue Metrorail Station constructed as part of the extension of Washington Metropolitan Area Transit Authority’s Metrorail System in the Dulles Corridor; and

**WHEREAS**, in accordance with Section 208 of the Trust Agreement, the EDA issued its Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project) Series 2011 (the “Series 2011 Bonds”) in the aggregate principal amount of \$99,430,000 to finance a portion of the costs of the Project and to pay costs of issuing the Series 2011 Bonds; and

**WHEREAS**, in accordance with the provisions of Section 209 of the Trust Agreement, the EDA has by resolution, adopted on July \_\_, 2019 (the “2019 authorizing resolution”) determined to authorize the issuance of the EDA’s Revenue Refunding Bonds (Wiehle Avenue Metrorail Station Parking Project) Series 2020 (the “Series 2020 Bonds”) to refund the Series 2011 Bonds and thereby to refinance the Project; and

**WHEREAS**, Section 1101(e) of the Trust Agreement provides that the EDA may enter into a supplement to the Trust Agreement, in form satisfactory to the Trustee, as shall not be inconsistent with the terms and provisions of the Trust Agreement, to provide for the issuance and to fix the details of refunding bonds to be issued under Section 209 of the Trust Agreement; and

**WHEREAS**, the execution and delivery of this Second Supplemental Trust Agreement have been duly authorized by the 2019 authorizing resolution, and the EDA has requested the Trustee to join with it in the execution of this Second Supplemental Trust Agreement; and

**WHEREAS**, all acts, conditions and things required by the Constitution and laws of the Commonwealth of Virginia and by the resolutions of the EDA to happen, exist and be performed precedent to and in the execution of this Second Supplemental Trust Agreement have happened, exist and have been performed as so required; and

**WHEREAS**, the Trustee has accepted the trusts created by this Second Supplemental Trust Agreement and in evidence thereof has joined in the execution hereof;

**NOW, THEREFORE, THIS SECOND SUPPLEMENTAL TRUST AGREEMENT WITNESSETH**, that in consideration of the premises and of the acceptance by the Trustee of the trusts created hereby and by the Trust Agreement, and also for and in consideration of the sum of One Dollar to the EDA in hand paid by the Trustee at or before the execution and delivery of this Second Supplemental Trust Agreement, the receipt and sufficiency of which is hereby acknowledged, it is mutually agreed and covenanted by and between the parties hereto, as follows:

**Section 1. Terms of the Series 2020 Bonds.** The Series 2020 Bonds shall be designated “Fairfax County Economic Development Authority Revenue Refunding Bonds (Wiehle Avenue Metrorail Station Parking Project) Series 2020”. The definitive Series 2020 Bonds issued under the provisions of this Second Supplemental Trust Agreement shall be Current Interest Bonds issued in substantially the form set forth in Exhibit A hereto. The Series 2020 Bonds shall be issued in registered form without coupons, registered in the name of CEDE & Co., as nominee of The Depository Trust Company, and numbered R-1 and upward. The definitive Series 2020 Bonds issued under the provisions of the Trust Agreement as supplemented this Second Supplemental Agreement shall be in substantially the form set forth in the Trust Agreement. The Series 2020 Bonds shall be issued in the aggregate principal amount of \$ \_\_\_\_\_, shall be dated the date of their delivery and shall be issued in denominations of \$5,000 or any multiple thereof. All of the Series 2020 Bonds shall be Current Interest Bonds. \$ \_\_\_\_\_ of the Series 2020 Bonds shall be Serial Bonds maturing in the years, in the principal amounts and bearing interest at the rates per annum (based upon a 360-day year of twelve 30 day months), as follows:

<u>Year</u> <u>August 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2021	\$	%
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		

<u>Year</u> <u>August 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		

and \$\_\_\_\_\_ of the Series 2020 Bonds shall be Term Bonds maturing on August 1, 20\_\_, and bearing interest at the rate of \_\_\_\_% per annum. Interest on the Series 2020 Bonds shall be payable semiannually (based upon a 360-day year of twelve 30 day months) on the 1st day of February and August 1 in each year to maturity, commencing \_\_\_\_\_ 1, \_\_\_\_\_. The Regular Record Date for the Series 2020 Bonds shall be the 15<sup>th</sup> day (whether or not a business day) of the calendar month next preceding the applicable Interest Payment Date.

The Sinking Fund Requirements, defined in Section 101 above and referred to in Section 301 of the Trust Agreement, for the Term Bonds maturing August 1, 20\_\_, herein authorized, shall be the following amounts on August 1st of the following years:

<u>Term Bonds due August 1, 20__</u>	
<u>Year</u>	<u>Principal Amount</u>
20__	\$
20__*	

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\* Final maturity

## **Section 2. Redemption Provisions of the Series 2020 Bonds.**

*Mandatory Sinking Fund Redemption.* The Series 2020 Term Bonds stated to mature on August 1, 20\_\_, shall be called for redemption, in the manner and under the terms and conditions provided in the Trust Agreement and in Section 1 and 2 hereof, in part, on August 1, 20\_\_, and on August 1, 20\_\_, in the principal amounts equal to the respective Sinking Fund Requirements therefor set forth in Section 1 (less the principal amount of any such Term Bonds retired by purchase and otherwise subject to adjustment as provided in this Second Supplemental Trust Agreement) from moneys in the Debt Service Subfund at a Redemption Price equal to par plus accrued interest thereon to the date fixed for redemption.

At its option, to be exercised not less than forty-five (45) days prior to each such applicable Principal Payment Date, the EDA may (a) deposit money with the Trustee to be used to purchase Series 2020 Bonds, or direct the Trustee in writing to cause monies in the Debt Service Subfund to be used for such purchases, at a price not exceeding the principal amount thereof plus accrued interest to such applicable Principal Payment Date, or (b) receive a credit against the Sinking Fund Requirements for Series 2020 Bonds which prior to such date have

been purchased by the EDA and presented to the Trustee for cancellation or redeemed (otherwise than in satisfaction of prior Sinking Fund Requirements) and canceled by the Trustee and, in either case, not theretofore applied as a credit against any Sinking Fund Requirement. Each such Series 2020 Term Bond so purchased, delivered or previously redeemed will be credited by the Trustee at 100% of the principal amount thereof against the current Sinking Fund Requirement with respect to Series 2020 Bonds due on the same date as the Term Bond so purchased, delivered or previously redeemed and canceled. Any excess over such current Sinking Fund Requirement will be credited against the future Sinking Fund Requirements of Term Bonds with the same maturity date in such manner as the EDA shall determine, and the principal amount of such Series 2020 Bonds with such maturity date to be redeemed by mandatory sinking fund redemption will be reduced accordingly.

*Optional Redemption.* The Series 2020 Bonds maturing on or before August 1, 20\_\_, are not subject to redemption prior to their stated date of maturity. The Series 2020 Bonds maturing after August 1, 20\_\_, are subject to redemption at the option of EDA, as directed in writing by the County, in whole or in part, at any time on or after August 1, 20\_\_, at a Redemption Price equal to 100% of the principal amount of the Series 2020 Bonds to be redeemed plus interest accrued thereon to the redemption date.

*Extraordinary Optional Redemption.* The Series 2020 Bonds are subject to extraordinary optional redemption, in whole or in part, on any date at a price equal to the principal amount thereof, together with interest thereon accrued to the date of redemption, upon the exercise by the County of its option to prepay all or a portion of the Purchase Price pursuant to the Contract when the following events occur:

(1) Circumstances Under Which County May Not Repair Damage. In the event that the Project or any portion thereof is destroyed by fire or other casualty, the County may within 90 days after such damage or destruction, elect by written notice to the EDA not to repair, reconstruct or restore the Project or portion thereof, provided that the net proceeds of insurance payable as a result of such damage or destruction together with other moneys held for the payment of or as security for the Series 2020 Bonds and any additional sums paid by the County are sufficient to provide for outstanding principal and interest payments of the Series 2020 Bonds or allocable portion of Series 2020 Bonds relating to the portion of the Project damaged or destroyed. In the event that all Series 2020 Bonds are to be paid the County shall, in its notice of election to the EDA, state that such net proceeds and other moneys, if any, shall be applied to defease the lien of this Second Supplemental Trust Agreement in accordance with its terms and such net proceeds shall be paid to the EDA for the purpose of such defeasance.

(2) Condemnation. If the County shall determine in accordance with the provisions of the Contract that the utility of the Project or portion thereof, cannot be maintained, restored or replaced following a taking, the net proceeds payable as a result of such taking shall be paid for the account of the EDA to the Trustee and the County shall pay to the Trustee for the account of the EDA such additional amount as shall be required, together with such net proceeds and all amounts held under the Trust Agreement and this Second Supplemental Trust Agreement and available for the purpose, for the payment of the Series 2020 Bonds or portion thereof as applicable.

To exercise such option, the County will give written notice to the EDA, and to the Trustee, and shall provide therein a specific direction to the EDA to apply such prepayment to the purchase and cancellation, redemption, or defeasance of Series 2020 Bonds in accordance with their terms. The date provided as to when such prepayment is to occur may not be less than 45 days from the date such notice is mailed, and in case of a redemption of the Series 2020 Bonds in accordance with the provisions of this Second Supplemental Trust Agreement shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. Upon receipt by the EDA of the Purchase Price from the County, the EDA will release the County from its obligation under the Contract or if such prepayment is only a partial amount of the amount owed under the Contract the County's obligations under the Contract will be reduced as provided therein.

*Notice of Redemption.* At least 30 but not more than 90 days before the redemption date of any Series 2020 Bonds, whether in whole or in part, the Trustee will cause notice of any such redemption to be mailed by certified mail, return receipt requested, to all holders of Series 2020 Bonds to be redeemed in whole or in part. Any defect in such notice or the failure to mail such notice, shall not affect the validity of the proceedings for the redemption of any other Series 2020 Bonds. While the Series 2020 Bonds are held in the name of DTC or its nominee, such redemption notices will be sent to Cede & Co., not to the beneficial owners of the Series 2020 Bonds.

Any notice of optional redemption of the Series 2020 Bonds may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the Redemption Price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price if any such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit by the EDA, the corresponding notice of redemption shall be deemed to be revoked.

If the EDA gives an unconditional notice of redemption, then on the redemption date the Series 2020 Bonds called for redemption will become due and payable. If the EDA gives a conditional notice of redemption and if on the redemption date money to pay the Redemption Price of the affected Series 2020 Bonds shall have been set aside in escrow with the Trustee or a depository (either, a "depository") for the purpose of paying such Series 2020 Bonds, then on the redemption date the Series 2020 Bonds will become due and payable. In either case, if on the redemption date the EDA holds money to pay the Series 2020 Bonds called for redemption, thereafter, no interest will accrue on those Series 2020 Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Series 2020 Bonds.

**Section 3. Authentication of Series 2020 Bonds.** Upon their execution in the form and manner set forth in the Trust Agreement and this Second Supplemental Trust Agreement, the Series 2020 Bonds shall be deposited with the Bond Registrar for authentication, and the Bond Registrar is hereby authorized and directed to authenticate and the Trustee shall cause the Bond Registrar to deliver the Series 2020 Bonds for the account of \_\_\_\_\_ (the "Underwriter"), at The Depository Trust Company, New York, New York, against payment therefor in accordance with and subject to the provisions of Sections 209 of the Trust Agreement and Section 4 hereof.

**Section 4. Sale and Application of Proceeds of the Series 2020 Bonds.**

(a) The proceeds of the Series 2020 Bonds in the amount of \$\_\_\_\_\_, shall be deposited by the EDA [in accordance with the Contract and the Trust Agreement,] simultaneously with the delivery of the Series 2020 Bonds as follows:

(1) with the Trustee, to the credit of the Costs of Issuance Account in the Construction Subfund the amount of \$\_\_\_\_\_ as set forth in Section 401(c)(1) of the Trust Agreement; and

(2) with the Trustee, to the credit of the Escrow Deposit Agreement, dated as of \_\_\_\_\_, 2020, between the EDA and The Bank of New York Mellon Trust Company, N.A., related to the Series 2011 Bonds, the amount of \$\_\_\_\_\_ to be applied to the defeasance of the Series 2011 as set forth therein.

**Section 5. Request of County to Appropriate.** The EDA hereby covenants that it shall, through its EDA Representative, request the County annually for each fiscal year following the issuance of the Series 2020 Bonds to budget, appropriate and pay to the Trustee an amount equal to the Basic Payments (as defined in the Contract) payable by the County under the Contract in such fiscal year. EDA also hereby covenants that it shall, through its EDA Representative, request the County annually for each fiscal year following the issuance of the Series 2020 Bonds to budget, appropriate and apply as provided in the Contract, this Second Supplemental Trust Agreement and the Trust Agreement an amount equal to the estimated Additional Payments (as defined in the Contract) payable by the County under the Contract in such fiscal year.

**Section 6. Tax Covenants.** The EDA covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Series 2020 Bonds to become includable in the gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended and regulations promulgated thereunder.

(a) As of a date not later than five years after the issue date of the Series 2020 Bonds (the "Initial Installment Computation Date"), and at least once every five years thereafter, the EDA shall cause the Rebate Liability to be computed by a Rebate Analyst and will deliver a copy of the applicable Rebate Liability calculation to the Trustee (the "Rebate Liability Certificate"). Amounts paid for the purpose of funding the Rebate Liability, or otherwise made available therefor, shall be deposited by the Trustee in the Rebate Subfund.

(1) not later than sixty (60) days after each Initial Installment Computation Date, the EDA shall pay, or direct the Trustee in writing to pay from amounts in the Rebate Subfund, to the United States of America at least ninety percent (90%) of the Rebate Liability as set forth in the Rebate Liability Certificate prepared with respect to such installment computation date;

(2) no later than sixty (60) days after the installment computation date that is the fifth anniversary of the Initial Installment Computation Date and no later than sixty (60) days after every fifth anniversary date thereafter until final payment of the applicable

Series of Bonds, the EDA shall direct the Trustee in writing to pay from amounts in the Rebate Subfund (such amounts constituting Excess Earnings as consistent with the tax certificate delivered in connection with the issuance of the Series 2020 Bonds (as supplemented and amended from time to time, the “EDA Tax Certificate”), transferred from the Construction Subfund, Bond Debt Service Subfund and Bond Improvement Subfund and any of their applicable accounts) to the United States of America not less than the amount, if any, by which ninety percent (90%) of the Rebate Liability set forth in the most recent Rebate Liability Certificate exceeds the aggregate of all such payments theretofore made to the United States of America with respect to the applicable Series of Bonds;

(3) no later than sixty (60) days after final payment of a Series of Bonds, the EDA shall pay, or direct the Trustee in writing to pay from amounts in the Rebate Subfund, to the United States of America the amount, if any, by which 100% of the Rebate Liability set forth in the Rebate Liability Certificate with respect to the date of final payment of the applicable Series of Bonds exceeds the aggregate of all payments theretofore made pursuant to this Section.

(b) The EDA represents that it will instruct the Trustee in writing as to the final application of the amounts in the Rebate Subfund to the make payments to the United States of America of all or a portion of the Rebate Liability on such dates or amounts in order for the EDA to comply with the conditions in this section of the Second Supplemental Trust Agreement and the EDA Tax Certificate.

All such payments shall be made by, or at the written direction of, an EDA Representative from any legally available source, including moneys in the Rebate Subfund.

Notwithstanding any provision of this Section to the contrary, (i) no such Rebate Liability payment need be made if the EDA receives and delivers to the Trustee an opinion of bond counsel to the effect that such payment (1) is not required under the Code to prevent the Series 2020 Bonds from becoming “arbitrage bonds” within the meaning of Section 148 of the Code, or (2) may or should be calculated and paid on some alternative basis under the Code, and the EDA complies with such alternative basis and (ii) an EDA Representative may direct the Trustee in writing to transfer all or any portion of the moneys held for the credit of the Rebate Subfund to any other Subfund or account under the Trust Agreement to which such a transfer may be made under the terms of the EDA Tax Certificate.

The Trustee shall provide or make available to the EDA within ten (10) days after each July 1, or other computation date selected by the EDA, and within ten (10) days after the final payment of a Series of Bonds with such reports and information with respect to earnings of amounts held under the Trust Agreement and this Second Supplemental Trust Agreement as may be requested in writing by the EDA to comply with the provisions of this Section.

**Section 7. Recitals, Statements and Representations made by the EDA, not Trustee.** The recitals, statements and representations contained herein shall be taken and construed as made by and on the part of the EDA and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.

**Section 8. Second Supplemental Trust Agreement as Supplemental Agreement.**

This Second Supplemental Trust Agreement is executed and shall be construed as an agreement supplemental to the Trust Agreement and shall form a part thereof, and the Trust Agreement as hereby and heretofore supplemented is hereby ratified, approved and confirmed.

**Section 9. EDA, County, Trustee and Bondholders Alone to Have Rights.**

Nothing in this Second Supplemental Trust Agreement expressed or implied is intended or shall be construed to give to any person other than the EDA, the County, the Trustee and the holders of the Series 2020 Bonds issued under the Trust Agreement any legal or equitable right, remedy or claim under or in respect of the Trust Agreement, or this Second Supplemental Trust Agreement, or under any covenant, condition or provisions therein or herein or in said Series 2020 Bonds contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the EDA, the County, the Trustee and the holders of said Series 2020 Bonds issued under the Trust Agreement.

**Section 10. Trustee to Perform Duties of Bond Registrar.** The Trustee accepts and agrees to execute the trusts imposed upon it as Bond Registrar under this Second Supplemental Trust Agreement, but only upon the terms and conditions set forth in the Trust Agreement and subject to the provisions of the Trust Agreement, to all of which the parties hereto and the owners of the Series 2020 Bonds agree.

**Section 11. Identifying Information.** To help the government fight the funding of terrorism and money laundering activities, federal law requires the Trustee to obtain, verify and record information that identifies each person who opens an account. The EDA agrees to provide documentation to verify its formation and existence as a legal entity if requested by the Trustee. The Trustee may also ask to see financial statements, licenses, and identification and authorization documents from the EDA or other relevant documentation.

**Section 12. Headings Not Part of Agreement; Certain Definitions.** (a) The title of Sections and any wording on the cover of this Second Supplemental Trust Agreement are inserted for convenience only and are not a part hereof.

(b) All terms not defined herein shall have the meanings given to them in the Trust Agreement.

**Section 13. Covenants to Bind Successors.** All the covenants, stipulations, promises and agreements in this Second Supplemental Trust Agreement contained made by or on behalf of the EDA or for the Trustee shall inure to and bind their respective successors and assigns.

**Section 14. Electronic Communications.** The Trustee shall have the right to accept and act upon directions or instructions delivered using Electronic Means (defined below); provided, however, that the EDA shall provide to the Trustee an incumbency certificate listing Authorized Officers with the authority to provide such directions or instructions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the EDA elects to give the Trustee directions or instructions using Electronic Means and the Trustee in its discretion elects to act upon such directions or instructions, the Trustees'

understanding of such directions or instructions shall be deemed controlling. The EDA understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions or instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The EDA shall be responsible for ensuring that only Authorized Officers transmit such directions or instructions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. The EDA agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

**IN WITNESS WHEREOF**, Fairfax County Economic Development Authority has caused this Second Supplemental Trust Agreement to be executed by its Chairman and its official seal to be impressed hereon and attested by its Secretary, and The Bank of New York Mellon Trust Company, N.A. has caused this Second Supplemental Trust Agreement to be executed in its behalf by an authorized officer, all as of the day and year first above written.

**FAIRFAX COUNTY ECONOMIC  
DEVELOPMENT AUTHORITY**

By \_\_\_\_\_  
Chairman

[SEAL]

Attest:

\_\_\_\_\_  
Secretary

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee**

By \_\_\_\_\_  
Name:  
Title:

**Exhibit A****[Form of Series 2020 Bond]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE EDA OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R-

\$ \_\_\_\_\_

United States of America  
Commonwealth of Virginia

**Fairfax County Economic Development Authority  
Revenue Bonds  
(Wiehle Avenue Metrorail Station Parking Project)  
Series 2020**

Interest RateMaturity DateDated DateCUSIP No.

Holder:

Principal Amount:

Fairfax County Economic Development Authority (“EDA”), a political subdivision of the Commonwealth of Virginia, for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Holder named above, or registered assigns, on the Maturity Date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the corporate trust office of the Bond Registrar (hereafter mentioned), in the City of East Syracuse, New York (the “Bond Registrar”), the Principal Amount set forth above

in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay in like coin or currency interest on said Principal Amount on each February 1 and August 1, commencing \_\_\_\_\_ 1, \_\_\_\_\_ solely from such sources, from the date hereof or the February 1 or August 1 next preceding the date on which this Bond is authenticated unless it is authenticated on February 1 or August 1, in which event from such date, at the Interest Rate set forth above until the principal amount hereof is paid. The interest so payable and punctually paid or duly provided for on any interest payment date will, as provided in the Trust Agreement hereinafter referred to, be paid by check mailed to the person in whose name this Bond (or one or more Predecessor Bonds, as defined in the Trust Agreement) is registered at the close of business on the regular record date for such interest, which shall be the 15<sup>th</sup> day (whether or not a business day) of the calendar month next preceding such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such regular record date, and may be paid to the person in whose name this Bond (or any Predecessor Bond) is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Bond Registrar, notice whereof being given by the Bond Registrar by mail to the registered owners not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds of this series may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Trust Agreement. Such payment of interest shall be by check mailed to the registered owner at such owner's address as it appears on the bond registration books of EDA maintained by the Bond Registrar and shall be made in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts.

This Bond is one of a duly authorized series of revenue bonds of EDA, designated "Revenue Refunding Bonds (Wiehle Avenue Metrorail Station Parking Project), Series 2020" (the "Bonds"), issued under a Trust Agreement, dated as of July 1, 2011 (as amended and supplemented as permitted thereby, being hereinafter referred to as the "Trust Agreement"), by and between EDA and the Trustee (hereinafter mentioned). The Bonds are being issued to provide funds, together with other available funds, to refund the Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project), Series 2011, issued by EDA to pay the cost of development and construction of a public parking facility to provide approximately 2,316 public parking spaces, 12 bus bays, 22 motorcycle spaces, 49 kiss and ride spaces and ancillary facilities (the "Project") on public lands within Fairfax County, Virginia to serve the Wiehle Avenue Metrorail Station constructed as part of the extension of Washington Metropolitan Area Transit Authority's Metrorail System in the Dulles Corridor (the "Project").

The Bank of New York Mellon Trust Company, N.A., a corporation having trust powers, duly organized and doing business under the laws of the United States of America, with a corporate trust office in Pittsburgh, Pennsylvania, has been appointed Trustee, Bond Registrar and Paying Agent for the Bonds under the Trust Agreement.

The Bonds being issued shall be initially held by means of a book-entry system administered by the Securities Depository (as defined in the Trust Agreement). On receipt of the documents referred to in the Trust Agreement, the Trustee shall authenticate one Bond for each maturity registered in the name of the Securities Depository Nominee (as defined in the Trust

Agreement), and issue such Bond to the Securities Depository to be immobilized in its custody; provided that if The Depository Trust Company, New York, New York (“DTC”) is acting as Securities Depository, such Bond shall be issued to Cede & Co. to be immobilized in its custody pursuant to the rules and procedures of DTC. Thereafter, in the event that Bonds are issued to the Owners thereof in bond (physical) form, the Trustee will authenticate and deliver to the Owners new Bonds in the principal amount equal to the aggregate principal amount of Bonds then outstanding (less the principal amount of the Bonds not held by means of a book-entry system), registered in the name of the Owners, in exchange for the Bond then held by the Securities Depository and the Securities Depository shall surrender such Bond then held by it to the Trustee for cancellation and destruction in accordance with the terms of the Trust Agreement.

If any Bonds are held by means of a book-entry system, such book-entry system will evidence beneficial ownership of the Bonds so held (or, as applicable, positions held by the Securities Depository’s participants, beneficial ownership being evidenced in the records of such participants) in Authorized Denominations. Registration and transfers of ownership shall be effected on the records of the Securities Depository (and, as applicable, its participants) pursuant to rules and procedures established by the Securities Depository, and the Bond Registrar will provide the Securities Depository with all information required for such purposes. EDA, the Trustee, the Paying Agent and the Bond Registrar will recognize the Securities Depository Nominee, while the registered owner of the Bonds so held, as the Owner of the Bonds for all purposes, including (i) payments of principal and Purchase Price of, and interest on, the Bonds, (ii) notices and (iii) voting. Transfer of principal, interest and Purchase Price payments to beneficial owners of the Bonds so held will be the responsibility of the Securities Depository (or, as applicable, its participants and other nominees of such beneficial owners). The Issuer, the Trustee, the Paying Agent and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, the Securities Depository’s participants (if any) or persons acting through such participants. While the Securities Depository Nominee is the owner of the Bonds so held, notwithstanding the provisions hereinabove contained, payments of principal and Purchase Price of and interest on such Bonds shall be made in accordance with the Issuer’s Letter of Representations. If, at any time, DTC shall be appointed and act as Securities Depository hereunder, the Paying Agent shall act as “Issuing and Paying Agent” in accordance with DTC’s rules and procedures, with respect to the Bonds.

The Bonds are limited obligations of EDA payable solely from the Pledged Revenues (as defined in the Trust Agreement) and from other money pledged under the Trust Agreement. Neither the faith and credit of the Commonwealth of Virginia nor the faith and credit of any political subdivision thereof (including EDA and the County) are pledged to the payment of the principal of or the interest or premium, if any, on this Bond. The issuance of this Bond shall not directly or indirectly or contingently obligate the Commonwealth of Virginia or any political subdivision thereof (including EDA and the County) to levy any taxes whatever therefor or to make any appropriation for their payment except from the funds pledged therefor. EDA has no taxing power.

EDA has entered into a Installment Purchase Contract, dated as of July 1, 2011, as supplemented to reflect the issuance of the Bonds (the “Contract”), with the County pursuant to which the County, subject to the terms and conditions of the Contract, has agreed to pay Basic

Payments (as defined in the Contract) for the Project in amounts sufficient to pay the principal of and interest on the Bonds. The obligation of the County under the Contract to pay Basic Payments and make other payments required thereby in any fiscal year of the County is subject to and contingent upon the annual appropriation by the Board of Supervisors of the County of moneys for such purpose. Under the Trust Agreement, EDA has assigned to the Trustee as security for the Bonds its rights to receive the payments of Basic Payments and such payments constitute "Pledged Revenues" that are pledged under the Trust Agreement to the payment of the Bonds.

Reference is made to the Trust Agreement for a more complete statement of the provisions thereof and of the rights and duties of EDA, the Trustee, the Paying Agent for the Bonds, the Bond Registrar and the registered owners. A copy of the Trust Agreement is on file and may be inspected at the corporate trust office of the Trustee in Richmond, Virginia. By the purchase and acceptance of this Bond, the Holder hereof signifies assent to all of the provisions of the aforementioned documents.

This Bond is issued and the Trust Agreement was entered into under and pursuant to the Constitution and laws of the Commonwealth of Virginia, particularly in conformity with the provisions, restrictions and limitations of Chapter 643 of the 1964 Acts of the General Assembly of the Commonwealth of Virginia, as amended, and other applicable law.

The Bonds are issuable as fully registered Bonds in the denomination of \$5,000 or any whole multiple thereof. At the principal corporate trust office of the Bond Registrar, in the manner and subject to the limitations and conditions provided in the Trust Agreement, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same series and maturity, of any authorized denomination or denominations and bearing interest at the same rate.

The transfer of this Bond is registrable by the Holder hereof in person or by his attorney or legal representative at the principal corporate trust office of the Bond Registrar, but only in the manner and subject to the limitations and conditions provided in the Trust Agreement and upon surrender and cancellation of this Bond. Upon any such registration of transfer, EDA shall execute and the Bond Registrar shall authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of any authorized denomination or denominations, in an aggregate principal amount equal to the principal amount of this Bond, of the same series and maturity and bearing interest at the same rate. Neither EDA nor the Bond Registrar shall be required to make any exchange or registration of transfer of any Bond after such Bond has been selected for redemption. Prior to any transfer of this Bond outside of the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

The Bonds are subject to redemption, at the option of EDA, in whole or in part, at any time on or after August 1, \_\_\_, at a Redemption Price equal to 100% of the principal amount of the bonds to be redeemed plus accrued interest to the redemption date.

[The Bonds maturing on August 1, \_\_\_\_ are required to be redeemed on August 1, \_\_\_\_ and on August 1, \_\_\_\_ in each year thereafter in accordance with the sinking fund requirements of the Trust Agreement. Such redemption shall be at the principal amount thereof, plus accrued interest to the redemption date, and without premium.]

The Bonds are subject to extraordinary optional redemption in whole or in part at a price equal to the principal amount thereof, together with interest thereon accrued to the date of redemption, upon the exercise by the County of its option to prepay all or a portion of the Purchase Price (as defined in the Contract) in any of the circumstances described in the Second Supplemental Trust Agreement, dated as of \_\_\_\_\_ 1, 2020, by and between EDA and the Trustee. To exercise such option, the County must give written notice to EDA to apply such prepayment in accordance with its terms. The written notice to EDA must make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. Upon receipt by the EDA of all or a portion of the purchase price from the County, the EDA will release the County from all or a portion of its obligations under the Contract as applicable.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Trustee by such method as the Trustee in its sole discretion shall determine.

At least thirty (30) days but not more than ninety (90) days before the redemption date of any Bonds, whether such redemption is in whole or in part, EDA shall cause a notice of any such redemption signed by EDA to be mailed, certified mail, return receipt requested, to all Holders of Bonds to be redeemed in whole or in part, but any defect in such notice or the failure so to mail any such notice to the Holder of any Bond shall not affect the validity of the proceedings for the redemption of any other Bonds. On the date fixed for redemption, notice having been mailed in the manner provided in the Trust Agreement, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date; provided that any optional redemption shall be, and such notice of redemption shall state that such redemption is, conditioned upon there being available under the terms of the Trust Agreement moneys sufficient to pay such redemption price and accrued interest on such redemption date. If a portion of this Bond shall be called for redemption a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to the Holder upon the surrender hereof.

Any notice of optional redemption of the Bonds may state that it is conditioned upon there being available an amount of money sufficient to pay the redemption price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price of any such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit by the County, the corresponding notice of redemption shall be deemed to be revoked.

If EDA gives an unconditional notice of redemption, then on the redemption date the Bonds called for redemption will become due and payable. If EDA gives a conditional notice of redemption, and the amount of money to pay the redemption price of the affected Bonds shall have been set aside with the Trustee or a depository (either, a “depository”) for the purpose of

paying such Bonds, then on the redemption date the Bonds will become due and payable. In either case, if on the redemption date EDA holds money to pay the Bonds called for redemption, thereafter no interest will accrue on those Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Agreement, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Agreement.

Modifications or alterations of the Contract and the Trust Agreement may be made only to the extent and in the circumstances permitted by the Trust Agreement.

This Bond is issued with the intent that the laws of the Commonwealth of Virginia shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Agreement until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

**IN WITNESS WHEREOF**, Fairfax County Economic Development Authority, Virginia has caused this Bond to be executed with the facsimile signatures of its Chairman and its Secretary and a facsimile of its official seal to be imprinted hereon and this Bond to be dated \_\_\_\_ \_\_, 2020.

**FAIRFAX COUNTY ECONOMIC  
DEVELOPMENT AUTHORITY  
VIRGINIA**

By \_\_\_\_\_  
Chairman of the  
Fairfax County Economic  
Development Authority  
Virginia

By \_\_\_\_\_  
Secretary of the  
Fairfax County Economic  
Development Authority  
Virginia

## **CERTIFICATE OF AUTHENTICATION**

This Bond is a bond issued under the provisions of the within-mentioned Trust Agreement.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A.

Bond Registrar

By \_\_\_\_\_  
Authorized Signatory

Date of authentication:

## ASSIGNMENT

**FOR VALUE RECEIVED**, the undersigned registered owner hereby sells, assigns and transfers unto

Please insert social security or  
other identifying number of assignee

\_\_\_\_\_  
\_\_\_\_\_

(Please Print or Typewrite Name and Address of Transferee)

the within bond, and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to register the transfer of the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed\* by: \_\_\_\_\_

\*Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee which requirements will include membership or participation in STAMP or such other “signature guarantee program” as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

**FORWARD DELIVERY BOND PURCHASE AGREEMENT**

**§ \_\_\_\_\_  
FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
REVENUE REFUNDING BONDS  
(WIEHLE AVENUE METRORAIL STATION PARKING PROJECT),  
SERIES 2020  
(Forward Delivery Bonds)**

\_\_\_\_\_, 2019

Fairfax County Economic Development Authority  
8300 Boone Boulevard, Suite 450  
Fairfax, Virginia 22182

The undersigned, \_\_\_\_\_ (the “Representative”), on its own behalf and on behalf of \_\_\_\_\_ (collectively, the “Underwriters”), hereby agrees to purchase the above-captioned bonds (the “Series 2020 Bonds”) from the Fairfax County Economic Development Authority (the “Authority”) pursuant to the terms and conditions of this Forward Delivery Bond Purchase Agreement (this “Purchase Agreement”).

The Series 2020 Bonds are to be authorized and issued pursuant to the Constitution and laws of the Commonwealth of Virginia (the “Commonwealth”), including Chapter 634 of the 1964 Acts of the General Assembly, as amended, and other applicable law (collectively, the “Enabling Act”), a resolution adopted by the Authority on \_\_\_\_\_, 2019 (the “Authority Resolution”), and the Trust Agreement (the “Original Trust Agreement”), dated as of July 1, 2011, as supplemented by the Second Supplemental Trust Agreement (the “Second Supplemental Trust Agreement” and together with the Original Trust Agreement, the “Trust Agreement”), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “Trustee”). The Board of Supervisors of Fairfax County, Virginia (the “Board of Supervisors”), requested that the Authority issue the Series 2020 Bonds pursuant to a resolution adopted on \_\_\_\_\_, 2019 (the “County Resolution”).

The Series 2020 Bonds are being issued for the principal purpose of currently refunding on a forward sale basis the Authority’s Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project), Series 2011 (the “Refunded Bonds”) as more particularly described in the Official Statement (herein defined) and paying certain issuance costs of the Series 2020 Bonds. Proceeds of the Series 2020 Bonds will be applied to the defeasance of the Refunded Bonds pursuant to an Escrow Deposit Agreement, dated as of \_\_\_\_\_ 1, 2020 (the “Escrow Deposit Agreement”), between the Authority and The Bank of New York Mellon Trust Company, as escrow agent (in such capacity, the “Escrow Agent”).

This offer is made subject to (i) the acceptance hereof by the Authority and the approval hereof by Fairfax County, Virginia (the “County”), evidenced by each party’s execution and delivery (manually or by facsimile or electronic (PDF) transmission) of this Purchase Agreement (or the signature page) to the Representative or counsel to the Underwriters, at or prior to 11:00 p.m., Eastern Time, today, and (ii) receipt by the Underwriters at or prior to 11:00 p.m., Eastern

Time, today, of the Letter of Representation of the County (the “Letter of Representation”) substantially in the form attached hereto as Exhibit B, which must be duly executed and delivered by an authorized official of the County, evidenced as in the case of the execution and delivery of this Purchase Agreement. If not so accepted, this offer shall expire upon written notice sent by the Representative to the Authority and the County at any time prior to acceptance.

Capitalized terms used in this Purchase Agreement and not otherwise defined shall have the meanings ascribed to them in the Preliminary Official Statement (as defined herein).

1. Offer and Sale of the Series 2020 Bonds; Good Faith Deposit.

(a) On the basis of the representations, warranties, covenants and agreements contained in this Purchase Agreement (including the Letter of Representation), and in the other agreements referred to herein, and subject to the terms and conditions described in this Purchase Agreement, the Underwriters, jointly and severally, agree to purchase all, but not less than all, the Series 2020 Bonds for the purchase price of \$\_\_\_\_\_, representing the principal amount of the Series 2020 Bonds of \$\_\_\_\_\_, plus original issue premium of \$\_\_\_\_\_, less an underwriting discount of \$\_\_\_\_\_.

The Series 2020 Bonds shall be dated their date of issuance and shall be payable as to principal and interest in the years and amounts and at the rates as shown on Exhibit A.

(b) The Underwriters acknowledge that neither the County nor the Authority has authorized or consented to any of the following:

(i) the sale of the Series 2020 Bonds to any purchaser in connection with the initial public offering of the Series 2020 Bonds unless the Underwriters have complied with Rule G-32 of the Municipal Securities Rulemaking Board;

(ii) the offer or sale of Series 2020 Bonds in any jurisdiction where any such offer or sale would be in violation of the jurisdiction’s securities laws;

(iii) making any representations or providing any information to prospective purchasers of the Series 2020 Bonds in connection with the public offering and sale of the Series 2020 Bonds other than the information set forth in the Preliminary Official Statement, the Official Statement, any Updated Official Statement (as defined herein) and any amendment to them approved in writing by the County and the Authority; or

(iv) any actions in connection with the offering and sale of the Series 2020 Bonds in violation of applicable requirements of federal and state securities laws and any applicable requirements of the Municipal Securities Rulemaking Board (“MSRB”) or the Financial Industry Regulatory Authority. The Underwriters agree that in their offering of the Series 2020 Bonds they will comply with the applicable rules of the MSRB.

(c) On the date hereof, \$\_\_\_\_\_, which amount is the payment in good faith on account of the purchase price of the Series 2020 Bonds (the “Good Faith Deposit”), shall be delivered by wire transfer of immediately available funds from the Underwriters to the account

identified by the County. If the Authority does not accept this offer, such Good Faith Deposit shall be immediately returned to the Underwriters by wire transfer to the account designated in writing by the Representative. If the Underwriters fail (other than for a reason permitted herein) to accept and pay for the Series 2020 Bonds on the Delayed Delivery Closing Date (as defined herein) as herein provided, the amount of such Good Faith Deposit plus any interest earned thereon shall be retained by the Authority and the County as and for liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters, and such retention shall constitute a full release and discharge of all claims by the Authority and County against the Underwriters arising out of the transactions contemplated hereby. In the event of the Authority's failure to deliver the Series 2020 Bonds on the Delayed Delivery Closing Date, or if the Authority or the County shall be unable to satisfy the conditions to the obligations of the Underwriters contained herein (unless such conditions are waived by the Underwriters), or if the obligations of the Underwriters shall be terminated for any reason permitted herein, the Authority shall immediately return to the Underwriters the Good Faith Deposit by wire transfer of immediately available funds to the account designated in writing by the Representative.

2. Establishment of Issue Price of Series 2020 Bonds.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Series 2020 Bonds and shall execute and deliver to the Authority on the Delayed Delivery Closing Date an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority, the County and Bond Counsel.

(b) The Representative confirms that the Underwriters have offered all of the Series 2020 Bonds to the public on or before the date hereof for purchase at the offering price or prices set forth in Exhibit A attached hereto (the "initial offering price").

(c) The Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply to each maturity of the Series 2020 Bonds, which will allow the Authority to treat the initial offering price to the public of each maturity of the Series 2020 Bonds as of the date hereof as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2020 Bonds, the Underwriters will neither offer nor sell any Series 2020 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the date hereof and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the date hereof; and
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2020 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the Authority when the Underwriters have sold 10% of that maturity of the Series 2020 Bonds to the public at a price that is no higher than the

initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the date hereof.

Initial disclosure of maturities that have met the 10% test will be made after the signing of this Purchase Agreement, at the earlier of (1) all tickets having been entered by the Representative, and (2) 5:00 p.m. on \_\_\_\_\_, 2019.

The Authority acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2020 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or a dealer that is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2020 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Series 2020 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, and that no Underwriter shall be liable for the failure of any other Underwriter or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Series 2020 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2020 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) to comply with the hold-the-offering-price rule in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, (B) to promptly notify the Representative of any sale of the Series 2020 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2020 Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer, or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer, or broker-dealer is a sale to the public, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2020 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a

party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2020 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to comply with the hold-the-offering-price rule if and for so long as directed by the Representative or the Underwriter or dealer and as set forth in the related pricing wires.

(e) The Underwriters acknowledge that sales of any Series 2020 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2020 Bonds to the public shall not constitute sales to the public for purposes of this Section 2. Further, for purposes of this Section 2:

(i) “maturity” means Series 2020 Bonds with the same credit and payment terms; Series 2020 Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate maturities,

(ii) “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,

(iii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2020 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2020 Bonds to the public), and

(iv) a purchaser of any of the Series 2020 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

### 3. Official Statement and Other Document Distribution.

(a) Prior to the date hereof, the Authority has provided to the Underwriters a Preliminary Official Statement, dated \_\_\_\_\_, 2019 (the “Preliminary Official Statement”), that the Authority deemed final as of its date in accordance with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “SEC Rule”), except for certain permitted omissions in connection with the pricing of the Series 2020 Bonds. The Authority provided the Underwriters with the opportunity to review such Preliminary Official Statement prior to the execution of this Purchase Agreement.

(b) The Authority will prepare the Official Statement in final form, including the completion of all information required pursuant to such Rule 15c2-12. The execution of the Official Statement in final form by the Chairman of the Authority shall be conclusive evidence that the Authority has deemed it final as of its date. As soon as practicable after the date hereof and, in any event within seven (7) business days of the date hereof, the Authority shall, so as to enable the Underwriters to comply with the provisions of the SEC Rule, deliver to the Underwriters a sufficient number of copies of the Official Statement incorporating the pricing terms of the Series 2020 Bonds, dated the date hereof (the “Official Statement”) together with all supplements and amendments thereto, substantially in the form of the Preliminary Official Statement, with such changes therein as shall have been accepted by the Underwriters, executed on behalf of the Authority by its Chairman and shall also deliver, at its expense, to the Underwriters at such time as may be requested by the Underwriters (but in no event later than 5 days or sooner than 25 days prior to the Delayed Delivery Closing Date), a subsequent updated Official Statement, or a supplement or addendum to the Official Statement (the “Updated Official Statement”), signed on behalf of the Authority by the Chairman.

(c) At or prior to the Delayed Delivery Pre-Closing (as defined herein), the Representative shall file, or cause to be filed, the Official Statement with the MSRB’s Electronic Municipal Market Access System (“EMMA”) and at or prior to the Delayed Delivery Closing (as defined herein), the Representative shall file, or cause to be filed, the Updated Official Statement with EMMA.

(d) The Authority hereby authorizes the Underwriters to use the forms or copies of the Resolution, the Trust Agreement, the Continuing Disclosure Agreement of the County relating to the Series 2020 Bonds (the “Continuing Disclosure Agreement”), the Official Statement and any Updated Official Statement and the information contained therein in connection with the public offering and sale of the Series 2020 Bonds. The Authority ratifies and confirms its authorization of the distribution and use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with such public offering and sale.

4. Representation of the Underwriters to County and Authority. The Representative is duly authorized to execute this Purchase Agreement on behalf of the Underwriters and has been duly authorized to act hereunder in connection with the issuance of the Series 2020 Bonds.

5. Underwriters not Acting as Agents or Fiduciaries.

The County and the Authority acknowledge and agree that (i) the purchase and sale of the Series 2020 Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the Authority and the Underwriters; (ii) in connection with such transaction, the Underwriters are acting solely as principals and not as agents or fiduciaries of the County or the Authority; (iii) the Underwriters have not assumed a fiduciary responsibility in favor of the County or the Authority with respect to the offering of the Series 2020 Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of the Underwriters, has advised or is currently advising the County or the Authority on other matters) nor have they assumed any other obligation to the County or the Authority except the obligations expressly set forth in this Purchase Agreement; (iv) the Underwriters have financial and other interests that differ from those of the County and the Authority; and (v) the County and the Authority consulted with their

own legal and financial advisors to the extent they deemed appropriate in connection with the offering of the Series 2020 Bonds.

6. Authority's Representations, Warranties, Covenants and Agreements.

The Authority hereby represents, warrants, covenants and agrees as follows:

(a) The Authority is (i) a political subdivision of the Commonwealth of Virginia (the "Commonwealth") created by the Enabling Act and (ii) authorized to adopt the Authority Resolution and to perform its obligations under the Trust Agreement, the Series 2020 Bonds, the Installment Purchase Contract, dated as of July 1, 2011, as amended and supplemented, by and between the Authority and the County (the "Installment Purchase Contract"), the Escrow Deposit Agreement and this Purchase Agreement (collectively, the "Authority Documents").

(b) The Authority has complied with all provisions of the Commonwealth's constitution and laws pertaining to the Authority's issuing, adopting or entering into the Authority Documents and has full power and authority to consummate all transactions contemplated by the Authority Documents and the Official Statement and any and all other agreements relating thereto to which the Authority is a party.

(c) As of the date of the Preliminary Official Statement, at the time of the Authority's acceptance of this Purchase Agreement and (unless an event occurs of the nature described in Section 6(h) below) at all subsequent times up to and including the Delayed Delivery Closing Date, the information contained in the Preliminary Official Statement and the Official Statement (except for the information contained under the headings "THE COUNTY," "THE SERIES 2020 BONDS – Book-Entry Only System" and "TAX MATTERS" and Appendices A through F (collectively, the "County Information")) and in any amendment or supplement thereto that the Authority may authorize for use with respect to the Series 2020 Bonds was, is and will be true and correct and did not contain, does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact necessary to make the statements in such document, in the light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to Section 6(h) below, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such Section 6(h)) at all times subsequent thereto up to and including the Delayed Delivery Closing Date, the Authority shall take all steps necessary to ensure that the Official Statement (excluding the County Information) as so supplemented or amended does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The Authority has duly adopted and authorized, at one or more public meetings duly called and held at which quorums were present and acting throughout, (i) the distribution and use of the Official Statement; (ii) the adoption or the execution, delivery and due performance of the Authority Documents and any and all such other agreements and documents as may be required to be executed and delivered by the Authority in order to carry out, give effect to and consummate the transactions contemplated by the Authority Documents and by the Official Statement; and (iii) the carrying out, giving effect to and consummation of the

transactions contemplated by the Authority Documents and the Official Statement. Upon the Closing Date, the Authority shall have duly adopted or authorized, executed and delivered each Authority Document and the Official Statement.

(e) Except as and to the extent described in the Preliminary Official Statement and the Official Statement, there is no action, proceeding or investigation before or by any court or other public body pending or, to the Authority's knowledge, threatened against or affecting the Authority or any Authority officer or employee in an official capacity (or, to the Authority's knowledge, any basis therefor), wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the transactions contemplated or described herein or in the Official Statement, or the validity of the Authority Documents or of any other agreement or instrument to which the Authority is or is expected to be a party and which is used or contemplated for use in the consummation of the transactions contemplated or described herein or in or by the Official Statement, or (ii) the condition of the Authority, financial or otherwise.

(f) The Authority's adoption or execution and delivery of the Authority Documents and other agreements contemplated by the Authority Documents and by the Official Statement, and compliance with the provisions thereof, will not constitute on the Authority's part a breach of or a default under any existing law, court or administrative regulation, decree or order or any contract, agreement, loan or other instrument to which the Authority is subject or by which the Authority is or may be bound. No event has occurred or is continuing that, with the lapse of time or the giving of notice, or both, would constitute an event of default under any such agreement, including the Authority Documents.

(g) The Authority will not take or omit to take any action the taking or omission of which will in any way cause the proceeds from the sale of the Series 2020 Bonds to be applied in a manner other than as described in the Official Statement and as permitted by the Authority Resolution or the Authority Documents or that would cause the interest on the Series 2020 Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes or for Commonwealth income tax purposes.

(h) If between the date of this Purchase Agreement and the date that is 25 days after the "end of the underwriting period," as defined below, any event shall occur that might or would cause the Official Statement, as then supplemented or amended (except for the information related to book-entry only), to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall promptly notify the Underwriters and the County. If, in the opinion of the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority shall at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriters.

The "end of the underwriting period" is the time that is the later of (i) the Delayed Delivery Pre-Closing Date and (ii) the time the Underwriters do not retain, directly or as members of an underwriting syndicate, an unsold balance of the Series 2020 Bonds for sale to the public. Unless the Underwriters shall otherwise advise the Authority in writing prior to the

Delayed Delivery Pre-Closing Date, the Authority may assume that the end of the underwriting period is the Delayed Delivery Pre-Closing Date.

(i) The Authority is not required to obtain any further consent, approval, authorization or order of any governmental or regulatory authority as a condition precedent to its adoption or authorization, execution and delivery of the Series 2020 Bonds, the Authority Documents or the Official Statement, or the Authority's performance hereunder and thereunder (provided no representation or warranty is expressed as to any action required under federal or state securities or Blue Sky laws in connection with the Underwriters' offers or sales of the Series 2020 Bonds).

(j) Any certificate signed by any Authority officer and delivered to the Underwriters shall be deemed a representation and warranty by the Authority to the Underwriters as to the statements made therein.

(k) The Authority agrees to take all reasonable steps as requested to cooperate with the Underwriters and their counsel in order to qualify the Series 2020 Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriters may request, provided that the Authority need not consent to jurisdiction or service of process in any jurisdiction other than the Commonwealth.

(l) No proceedings have ever been taken, are being taken, or are contemplated by the Authority under the United States Bankruptcy Code or under any similar law or statute of the United States or the Commonwealth.

(m) Other than as described in the Official Statement, the Authority has not entered into any contract or arrangement of any kind that might give rise to any lien or encumbrance on the payments to be received by the Authority from the County pursuant to the Installment Purchase Contract.

7. The Delayed Delivery Pre-Closing. At such time and on such date as shall be mutually agreed upon by the County, the Authority and the Underwriters (but in no event later than \_\_\_\_\_, 2019 (such date herein called the "Delayed Delivery Pre-Closing Date"), the Authority shall, subject to the terms and conditions hereof, deliver the documents hereinafter mentioned in Section 8 hereof (the "Delayed Delivery Pre-Closing"). The Delayed Delivery Pre-Closing shall occur at the offices of Norton Rose Fulbright US LLP, Bond Counsel, in Washington D.C., or at such other place as shall have been mutually agreed upon by the Authority, the County and the Underwriters. If the Delayed Delivery Pre-Closing is completed in accordance with the provisions of this Purchase Agreement, the Underwriters shall be obligated to purchase the Series 2020 Bonds and pay the purchase price therefor and the Authority shall be obligated to issue and deliver the Series 2020 Bonds, subject to the Delayed Delivery Closing Conditions and termination provisions set forth in Paragraphs 10 and 11(b), respectively, of this Purchase Agreement.

8. Delayed Delivery Pre-Closing Conditions. The Underwriters are entering into this Purchase Agreement in reliance upon the representations, warranties and agreements of the Authority contained herein and of the County in the Letter of Representation, and in reliance

upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Delayed Delivery Pre-Closing and upon the performance of the covenants and agreements herein, as of the date hereof and as of the Delayed Delivery Pre-Closing Date. Accordingly, the Underwriters' obligation under this Purchase Agreement to purchase, to accept delivery of and to pay for the Series 2020 Bonds shall be conditioned upon the performance of the covenants and agreements to be performed hereunder and under such other documents and instruments to be delivered at or prior to the Delayed Delivery Pre-Closing Date, and shall also be subject to the following additional conditions:

(a) The representations and warranties contained in this Purchase Agreement by the Authority and the representations and warranties contained in the Letter of Representation by the County are true and correct today and as of the Delayed Delivery Pre-Closing Date as if made at the Delayed Delivery Closing Date.

(b) The Authority Documents, the County Documents (as defined in the Letter of Representation), the Preliminary Official Statement and the Official Statement shall have been duly authorized or adopted in the forms heretofore approved by the Underwriters with only such changes as are mutually agreed on by the Authority and the Underwriters and the Official Statement executed and delivered.

(c) The performance by the Authority of its obligations and adherence to its covenants hereunder and the performance by the County of its obligations and adherence to its covenants under the Letter of Representation to have been performed at or prior to the Delayed Delivery Pre-Closing Date.

(d) There has been no material change in the County's or the Authority's condition (financial or otherwise) between the most recent dates as to which information is given in the Official Statement and the Delayed Delivery Pre-Closing Date, other than as reflected in or contemplated by the Official Statement, and there are at the Delayed Delivery Pre-Closing Date no material transactions or obligations (not in the ordinary course of business) entered into by the Authority or the County subsequent to the date of the Official Statement, other than as reflected in or contemplated by the Official Statement.

(e) At the Delayed Delivery Pre-Closing, to the Authority's knowledge, there is no pending or threatened litigation or proceeding of any nature seeking to restrain or enjoin the issuance, sale or delivery of the Series 2020 Bonds, in any way contesting or affecting the validity or enforceability of the Series 2020 Bonds, the Authority Resolution, or the Authority Documents or contesting in any way the proceedings of the County taken with respect thereto, or contesting in any way the due existence or powers of the County and the Authority or the title of any of the officials of the County or the Authority to their respective offices.

(f) All necessary approvals, whether legal or administrative, have been obtained from such federal, state and local entities or agencies as are appropriate and are required in connection with the issuance and sale of the Series 2020 Bonds.

(g) At the Delayed Delivery Pre-Closing Date, the Underwriters shall have received:

(i) The opinion dated the Delayed Delivery Pre-Closing Date of Norton Rose

Fulbright US LLP Bond Counsel, in substantially the form attached hereto as Exhibit D.

(ii) An opinion of Elizabeth D. Teare, Esq., County Attorney, dated the Delayed Delivery Pre-Closing Date and addressed to the Underwriters, to the effect that (A) the County is a political subdivision of the Commonwealth, duly organized and validly existing under the Constitution and laws of the Commonwealth and vested with all the rights, powers and privileges conferred upon it by the Constitution and laws of the Commonwealth, (B) the County Resolution was duly adopted by the Board of Supervisors of the County and is in full force and effect, (C) the County has all necessary power and authority (1) to adopt or execute and deliver, as applicable, the County Documents and (2) to consummate all of the actions contemplated by the County Documents, (D) the County Documents have been duly authorized and upon execution and delivery by the County will constitute valid and legally binding obligations of the County, enforceable (subject to customary exceptions) against the County in accordance with their terms, (E) no further approval, consent or withholding of objection on the part of any regulatory body, federal, Commonwealth or local, is required for the County to execute and deliver and perform its obligations under the County Documents, (F) the adoption by the Board of Supervisors of the County Resolution and the execution and delivery by the County of the other County Documents and the consummation by the County of the transactions contemplated by them are not prohibited by, and do not violate any provision of and will not result in the breach of any law, rule, regulation, judgment, decree, order or other requirement applicable to the County, any ordinance or resolution of the County, or any material contract, indenture or agreement to which the County is a party or by which the County is bound, and have not resulted, and will not result, in the creation or imposition of any lien, encumbrance, mortgage or other similar conflicting ownership or security interest in favor of any third person in or to the County's revenues, assets, properties or funds except as contemplated in the County Documents, and (G) to her knowledge, there is no legal action or other proceeding, or any investigation or inquiry (before any court, agency, arbitrator or otherwise), pending or threatened against the County or any of its officials, in their respective capacities, (1) to restrain or enjoin the issuance, sale or delivery of the Series 2020 Bonds or the application of proceeds of the Series 2020 Bonds as provided in the Official Statement or (2) that may reasonably be expected to have a material and adverse effect upon the due performance by the County of the transactions contemplated by the County Documents and the Official Statement or the validity or enforceability of the Series 2020 Bonds or the County Documents.

(iii) An opinion of Thomas O. Lawson, Esq., P.L.C., Fairfax, Virginia, dated the Delayed Delivery Pre-Closing Date and addressed to the Underwriters, to the effect that (A) the Authority is a political subdivision of the Commonwealth, duly organized and validly existing under the Constitution and laws of the Commonwealth and vested with all the rights, powers and privileges conferred upon it by the Constitution and laws of the Commonwealth, (B) the Authority Resolution was duly adopted by the Authority and is in full force and effect, (C) the Authority has all necessary power and authority (1) to adopt the Authority Resolution and to execute and deliver the other Authority Documents and (2) to consummate all of the actions contemplated by the Authority Documents, (D) the Authority Documents have been duly authorized and by the Authority will constitute valid and legally binding obligations of the Authority,

enforceable (subject to customary exceptions) against the Authority in accordance with their terms, (E) no further approval, consent or withholding of objection on the part of any regulatory body, federal, Commonwealth or local, is required for the Authority to execute and deliver and perform its obligations under the Authority Documents, (F) the adoption by the Authority of the Authority Resolution and the execution and delivery by the Authority of the other Authority Documents and the consummation by the Authority of the transactions contemplated by them are not prohibited by, and do not violate any provision of and will not result in the breach of any law, rule, regulation, judgment, decree, order or other requirement applicable to the Authority, any ordinance or resolution of the Authority, or any material contract, indenture or agreement to which the Authority is a party or by which the Authority is bound, and have not resulted, and will not result, in the creation or imposition of any lien, encumbrance, mortgage or other similar conflicting ownership or security interest in favor of any third person in or to the Authority's revenues, assets, properties or funds except as contemplated in the Authority Documents, and (G) to his knowledge, there is no legal action or other proceeding, or any investigation or inquiry (before any court, agency, arbitrator or otherwise), pending or threatened against the Authority or any of its officials, in their respective capacities, (1) to restrain or enjoin the issuance, sale or delivery of the Series 2020 Bonds or the application of proceeds of the Series 2020 Bonds as provided in the Official Statement or (2) that may reasonably be expected to have a material and adverse effect upon the due performance by the Authority of the transactions contemplated by the Authority Documents and the Official Statement or the validity or enforceability of the Authority Documents.

(iv) Evidence satisfactory to the Underwriters that the Series 2020 Bonds have received ratings of “\_\_\_” from Moody's and “\_\_\_” from S&P, and that such ratings are in effect as of the Delayed Delivery Pre-Closing Date.

(v) Certified copies of the Authority Resolution and the County Resolution and all other relevant proceedings of the Board of Commissioners of the Authority and the Board of Supervisors of the County.

(vi) Signed copies of a certificate or certificates, dated the Delayed Delivery Pre-Closing Date, signed by the President of the Authority to the effect that (1) the representations and warranties of the Authority contained in this Purchase Agreement are true and correct in all material respects on and as of the Delayed Delivery Pre-Closing Date as if made on such date; (2) to her knowledge, the Official Statement does not contain any untrue statement of material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (3) to her knowledge, no litigation is pending against the Authority or pending against any other entity or person or threatened in any court in any way adversely affecting the legal existence of the Authority or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2020 Bonds, or materially and adversely affecting the ability of the Authority to pay principal and interest on the Series 2020 Bonds, or in any way materially and adversely contesting or affecting the validity or enforceability of the Series 2020 Bonds, the Authority Resolution or this Purchase Agreement, or contesting the accuracy of the Preliminary Official Statement or

the Official Statement, or contesting the power of the Authority or its authority with respect to the Authority Documents; (4) to her knowledge, no event materially and adversely affecting the Authority or the transactions contemplated by the Official Statement has occurred since the date of the Official Statement that, in the reasonable opinion of the Authority, is required to be set forth in an amendment or supplement to the Official Statement (whether or not the Official Statement shall have been amended or supplemented to set forth such event) so that the Official Statement will not contain the untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in the light of the circumstances under which they are made, not misleading; (5) the Authority has the full legal right, power and authority to carry out and consummate the transactions contemplated to be carried out by the Authority by the Authority Documents; and (6) the Authority has complied with all the requirements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Delayed Delivery Pre-Closing Date.

(vii) Signed copies of a certificate or certificates, dated the Delayed Delivery Pre-Closing Date, signed by the County Executive to the effect that (1) the representations and warranties of the County contained in the Letter of Representation are true and correct in all material respects on and as of the Delayed Delivery Pre-Closing Date as if made on such date; (2) to his knowledge, the Official Statement does not contain any untrue statement of material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (3) to his knowledge, no litigation is pending against the County or pending against any other entity or person or threatened in any court in any way adversely affecting the legal existence of the County or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2020 Bonds, or materially and adversely affecting the ability of the County to make payments on the Installment Purchase Contract to pay principal and interest on the Series 2020 Bonds, or in any way materially and adversely contesting or affecting the validity or enforceability of the Series 2020 Bonds, the County Resolution or this Purchase Agreement, or contesting the accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the County or its authority with respect to the County Documents; (4) to his knowledge, no event materially and adversely affecting the County or the transactions contemplated by the Official Statement has occurred since the date of the Official Statement that, in the reasonable opinion of the County, is required to be set forth in an amendment or supplement to the Official Statement (whether or not the Official Statement shall have been amended or supplemented to set forth such event) so that the Official Statement will not contain the untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in the light of the circumstances under which they are made, not misleading; (5) the County has the full legal right, power and authority to carry out and consummate the transactions contemplated to be carried out by the County by the County Documents; and (6) the County has complied with all the requirements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Delayed Delivery Pre-Closing Date.

(viii) An opinion of \_\_\_\_\_, counsel to the Underwriters, addressed to the Underwriters substantially to the effect that (1) the Series 2020 Bonds when issued

will not be subject to the registration requirements of the Securities Act of 1933, as amended; (2) based upon their participation and their review of the Official Statement as counsel for the Underwriters and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to their attention causing them to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except for the financial and statistical information contained in the Official Statement and the information related to DTC and its book-entry only system of registration, as to all of which no view need be expressed); and (3) the Continuing Disclosure Agreement, together with this Purchase Agreement, when delivered in connection with the Series 2020 Bonds, will satisfy the requirements contained in the SEC Rule for an undertaking for the benefit of the owners of the Series 2020 Bonds to provide information at the times and in the manner required by such SEC Rule.

(ix) A preliminary verification report, dated the date of the Delayed Delivery Pre-Closing Date, of Robert Thomas CPA, LLC (the "Verification Agent"), to the effect that it has verified the sufficiency of the amount to be deposited with and held in cash and/or invested in government securities by the Escrow Agent on the Delayed Delivery Closing Date from proceeds of the Series 2020 Bonds and other funds to make full and timely payment of all principal of and interest due with respect to the Refunded Bonds through and at the their scheduled redemption date (the "Redemption Date") and to redeem with any applicable premium all of such Refunded Bonds on the Redemption Date.

(x) Such additional certificates and other documents in such form and substance as the Underwriters, their counsel or Bond Counsel may request to evidence performance of or compliance with the provisions of the County Documents, the Authority Documents or the Official Statement and the transactions contemplated hereby and thereby, the truth and accuracy as of the Delayed Delivery Pre-Closing Date of the Authority's representations herein and the County's representations in the Letter of Representation and in the Official Statement, and the due performance by the Authority and the County at or prior to the Delayed Delivery Pre-Closing Date of all agreements then to be performed by the County and the Authority.

The delivery of the above documents shall be made on the Delayed Delivery Pre-Closing Date at the offices of Norton Rose Fulbright US LLP, Washington, D.C., or at such other place as the Authority and the Underwriters may hereafter determine.

All of the evidence, opinions, letters, certificates, instruments and other documents, mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provision hereof if, but only if, they are in the form specified herein or are otherwise in form and substance satisfactory to the Underwriters and their Counsel.

If the conditions of this Paragraph 8 are not satisfied by the Authority and the County and not otherwise waived by the Underwriters, or if an event has occurred under Paragraph 11(b)

permitting the Underwriters to terminate their obligation to purchase, to accept delivery of and to pay for the Series 2020 Bonds, this Purchase Agreement shall terminate, and neither the Underwriters nor the County and the Authority shall be under any further obligation hereunder, except that the respective obligations of the Authority, the County and the Underwriters set forth in paragraphs 1(c) and 12 hereof shall continue in full force and effect.

9. The Delayed Delivery Closing; Intent to Issue. At 12:00 noon, Eastern Daylight Time, on \_\_\_\_\_, 2020 (such date herein called the “Delayed Delivery Closing Date”), or at such later time or on such later date as may be mutually agreed upon by the Authority and the Underwriters, the Authority shall, subject to the terms and conditions hereof, deliver the Series 2020 Bonds to the Underwriters through the offices of The Depository Trust Company (“DTC”) in New York, New York, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriters shall accept such delivery and pay the purchase price of the Series 2020 Bonds as set forth in paragraph 1 hereof in federal funds (such delivery of and payment for the Series 2020 Bonds herein called the “Delayed Delivery Closing”). The Delayed Delivery Closing shall occur at the offices of Bond Counsel in Washington, D.C., or such other place as shall have been mutually agreed upon by the Authority and the Underwriters. The Series 2020 Bonds shall be prepared and delivered as one fully registered certificate for each maturity and will be made available for inspection and checking by the Underwriters not later than the two business days prior to the Delayed Delivery Closing Date.

The Authority acknowledges that the Series 2020 Bonds to be issued on or about the Delayed Delivery Closing Date have been priced on the date hereof and when issued on the Delayed Delivery Closing Date will bear the terms set forth on Exhibit A. The Authority acknowledges and agrees that upon execution and delivery of this Purchase Agreement, the Authority intends to issue the Series 2020 Bonds on the Delayed Delivery Closing Date on the terms specified on Exhibit A.

10. The Delayed Delivery Closing Conditions. The Underwriters are entering into this Purchase Agreement in reliance upon the representations, warranties and agreements of the Authority contained herein and the representations, warranties and agreements of the County in the Letter of Representation, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Delayed Delivery Closing and upon the performance of the covenants and agreements herein, as of the date hereof and as of the Delayed Delivery Closing Date. Accordingly, the Underwriters’ obligation under this Purchase Agreement to purchase, to accept delivery of and to pay for the Series 2020 Bonds shall be conditioned upon the performance of the covenants and agreements to be performed hereunder and under such other documents and instruments to be delivered at or prior to the Delayed Delivery Closing Date, and shall also be subject to the following additional conditions:

(a) The representations and warranties contained in this Purchase Agreement by the Authority and the representations and warranties of the County in the Letter of Representation are true and correct as of this date of this Purchase Agreement and as of the Delayed Delivery Closing Date as if made at the Delayed Delivery Closing Date.

(b) The County Documents, the Authority Documents, the Preliminary Official

Statement, the Official Statement and any Updated Official Statement shall have been duly authorized or adopted and, if applicable, executed and delivered in the forms heretofore approved by the Underwriters with only such changes as are mutually agreed on by the County, the Authority and the Underwriters.

(c) The performance by the Authority of its obligations and adherence to its covenants hereunder and by the County of its obligations and adherence to its covenants in the Letter of Representation to have been performed at or prior to the Delayed Delivery Closing Date.

(d) There has been no material change in the Authority's or the County's condition (financial or otherwise) between the most recent dates as to which information is given in the Official Statement or any Updated Official Statement and the Delayed Delivery Closing Date, other than as reflected in or contemplated by the Official Statement or any Updated Official Statement, and there are at the Delayed Delivery Closing Date no material transactions or obligations (not in the ordinary course of business) entered into by the Authority or the County subsequent to the date of the Official Statement or any Updated Official Statement, other than as reflected in or contemplated by the Official Statement or any Updated Official Statement.

(e) At the Delayed Delivery Closing Date, to the Authority's knowledge, there is no pending or threatened litigation or proceeding of any nature seeking to restrain or enjoin the issuance, sale or delivery of the Series 2020 Bonds, in any way contesting or affecting the validity or enforceability of the Series 2020 Bonds, the Authority Resolution, or the Authority Documents or contesting in any way the proceedings of the Authority taken with respect thereto, or contesting in any way the due existence or powers of the Authority or the title of any of the officials of the Authority to their respective offices.

(f) All necessary approvals, whether legal or administrative, have been obtained from such federal, state and local entities or agencies as are appropriate and are required in connection with the issuance and sale of the Series 2020 Bonds.

(g) At the Delayed Delivery Closing Date, the Underwriters shall have received:

(i) The opinion dated the Delayed Delivery Closing Date of Norton Rose Fulbright US LLP Bond Counsel, in substantially the form of Appendix D to the Official Statement.

(ii) An opinion of Elizabeth D. Teare, Esq., County Attorney, dated the Delayed Delivery Closing Date and addressed to the Underwriters, to the effect that (A) the County is a political subdivision of the Commonwealth, duly organized and validly existing under the Constitution and laws of the Commonwealth and vested with all the rights, powers and privileges conferred upon it by the Constitution and laws of the Commonwealth, (B) the County Resolution was duly adopted by the Board of Supervisors of the County and is in full force and effect, (C) the County has all necessary power and authority (1) to adopt or execute and deliver, as applicable, the County Documents and (2) to consummate all of the actions contemplated by the County Documents, (D) the County Documents have been duly authorized and, if applicable,

executed and delivered by the County and constitute valid and legally binding obligations of the County, enforceable (subject to customary exceptions) against the County in accordance with their terms, (E) no further approval, consent or withholding of objection on the part of any regulatory body, federal, Commonwealth or local, is required for the County to execute and deliver and perform its obligations under the County Documents, (F) the adoption by the Board of Supervisors of the County Resolution and the execution and delivery by the County of the other County Documents and the consummation by the County of the transactions contemplated by them are not prohibited by, and do not violate any provision of and will not result in the breach of any law, rule, regulation, judgment, decree, order or other requirement applicable to the County, any ordinance or resolution of the County, or any material contract, indenture or agreement to which the County is a party or by which the County is bound, and have not resulted, and will not result, in the creation or imposition of any lien, encumbrance, mortgage or other similar conflicting ownership or security interest in favor of any third person in or to the County's revenues, assets, properties or funds except as contemplated in the County Documents, and (G) to her knowledge, there is no legal action or other proceeding, or any investigation or inquiry (before any court, agency, arbitrator or otherwise), pending or threatened against the County or any of its officials, in their respective capacities, (1) to restrain or enjoin the issuance, sale or delivery of the Series 2020 Bonds or the application of proceeds of the Series 2020 Bonds as provided in the Official Statement or (2) that may reasonably be expected to have a material and adverse effect upon the due performance by the County of the transactions contemplated by the County Documents and the Official Statement or the validity or enforceability of the Series 2020 Bonds or the County Documents.

(iii) An opinion of Thomas O. Lawson, Esq., P.L.C., dated the Delayed Delivery Closing Date and addressed to the Underwriters, to the effect that (A) the Authority is a political subdivision of the Commonwealth, duly organized and validly existing under the Constitution and laws of the Commonwealth and vested with all the rights, powers and privileges conferred upon it by the Constitution and laws of the Commonwealth, (B) the Authority Resolution was duly adopted by the Authority and is in full force and effect, (C) the Authority has all necessary power and authority (1) to adopt the Authority Resolution and to execute and deliver the Authority Documents and (2) to consummate all of the actions contemplated by the other Authority Documents, (D) the Authority Documents have been duly authorized and by the Authority will constitute valid and legally binding obligations of the Authority, enforceable (subject to customary exceptions) against the Authority in accordance with their terms, (E) no further approval, consent or withholding of objection on the part of any regulatory body, federal, Commonwealth or local, is required for the Authority to execute and deliver and perform its obligations under the Authority Documents, (F) the adoption by the Authority of the Authority Resolution and the execution and delivery by the Authority of the other Authority Documents and the consummation by the Authority of the transactions contemplated by them are not prohibited by, and do not violate any provision of and will not result in the breach of any law, rule, regulation, judgment, decree, order or other requirement applicable to the Authority, any ordinance or resolution of the Authority, or any material contract, indenture or agreement to which the Authority is a party or by which the Authority is bound, and have not resulted, and will not result, in the creation or imposition of any lien, encumbrance, mortgage or other similar conflicting ownership or

security interest in favor of any third person in or to the Authority's revenues, assets, properties or funds except as contemplated in the Authority Documents, and (G) to his knowledge, there is no legal action or other proceeding, or any investigation or inquiry (before any court, agency, arbitrator or otherwise), pending or threatened against the Authority or any of its officials, in their respective capacities, (1) to restrain or enjoin the issuance, sale or delivery of the Series 2020 Bonds or the application of proceeds of the Series 2020 Bonds as provided in the Official Statement or (2) that may reasonably be expected to have a material and adverse effect upon the due performance by the Authority of the transactions contemplated by the Authority Documents and the Official Statement or the validity or enforceability of the Authority Documents.

(iv) A supplemental opinion of Bond Counsel, dated the Delayed Delivery Closing Date and in form and substance acceptable to the Underwriters to the effect that:

(A) This Purchase Agreement has been duly authorized, executed and delivered by the Authority, and, assuming the due authorization, execution and delivery thereof by the Underwriter, constitutes a valid and binding obligation of the Authority;

(B) (i) the information contained in those portions of the Official Statement entitled "ESTIMATED SOURCES AND USES OF FUNDS," "THE SERIES 2020 BONDS," (excluding Book-Entry Only System), "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS," "TAX MATTERS," "CERTAIN LEGAL MATTERS," "CONTINUING DISCLOSURE," and Appendices C and D, insofar as such information summarizes provisions of the Authority Documents or the County Documents or is a description of opinions rendered by Bond Counsel, is a fair and accurate summary of the information purported to be summarized and (ii) nothing has come to Bond Counsel's attention that has caused such counsel to believe that the Official Statement (excepting information relating to The Depository Trust Company and any statistical and financial data included in the Official Statement) contains any untrue statement of material fact or omits any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(C) The Series 2020 Bonds do not require registration under the Securities Act of 1933, as amended (the "Securities Act"); and

(D) The Trust Indenture Act of 1939, as amended, does not require the qualification of the Trust Agreement, the Authority Resolution or the County Resolution.

(v) An opinion of \_\_\_\_\_, counsel to the Underwriters, addressed to the Underwriters substantially to the effect that (1) the Series 2020 Bonds when issued will not be subject to the registration requirements of the Securities Act of 1933, as amended; (2) based upon their participation and their review of the Official Statement or any Updated Official Statement as counsel for the Underwriters and without having

undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement or any Updated Official Statement, nothing has come to their attention causing them to believe that the Official Statement or any updated Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except for the financial and statistical information contained in the Official Statement or any Updated Official Statement and the information related to DTC and its book-entry only system of registration, as to all of which no view need be expressed); and (3) the Continuing Disclosure Agreement, together with this Purchase Agreement, when delivered in connection with the Series 2020 Bonds, will satisfy the requirements contained in the SEC Rule for an undertaking for the benefit of the owners of the Series 2020 Bonds to provide information at the times and in the manner required by such SEC Rule.

(vi) Evidence satisfactory to the Underwriters that the Series 2020 Bonds have received a public rating from each of Moody's and S&P, which ratings are in effect.

(vii) Certified copies of the Authority Resolution, the County Resolution and all other relevant proceedings of the Board of Commissioners of the Authority and the Board of Supervisors of the County.

(viii) Original executed or certified copies of the Authority Documents and the County Documents in the forms approved by the Underwriters and delivered at the Delayed Delivery Pre-Closing.

(ix) Signed copies of a certificate or certificates, dated the Delayed Delivery Closing Date, signed by the President of the Authority to the effect that (1) the representations and warranties of the Authority contained herein are true and correct in all material respects on and as of the Delayed Delivery Closing Date as if made on such date; (2) to her knowledge, the Official Statement does not contain any untrue statement of material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (3) to her knowledge, no litigation is pending against the Authority or pending against any other entity or person or threatened in any court in any way adversely affecting the legal existence of the Authority or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2020 Bonds, or materially and adversely affecting the ability of the Authority to pay principal and interest on the Series 2020 Bonds, or in any way materially and adversely contesting or affecting the validity or enforceability of the Series 2020 Bonds, the Authority Resolution or this Purchase Agreement, or contesting the accuracy of the Preliminary Official Statement, the Official Statement, or contesting the power of the Authority or its authority with respect to the Authority Documents; (4) to her knowledge, no event materially and adversely affecting the Authority or the transactions contemplated by the Official Statement has occurred since the date of the Official Statement that, in the reasonable opinion of the Authority, is required to be set forth in an amendment or supplement to the Official Statement (whether or not the Official Statement shall have been amended or supplemented to set forth such event) so that the Official Statement will not contain the untrue statement of a material fact or omit

to state a material fact necessary to make the statements contained therein, in the light of the circumstances under which they are made, not misleading; (5) the Authority has the full legal right, power and authority to carry out and consummate the transactions contemplated to be carried out by the Authority by the Authority Documents; and (6) the Authority has complied with all the requirements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Delayed Delivery Closing Date.

(x) Signed copies of a certificate or certificates, dated the Delayed Delivery Closing Date, signed by the County Executive to the effect that (1) the representations and warranties of the County contained in the Letter of Representation are true and correct in all material respects on and as of the Delayed Delivery Closing Date as if made on such date; (2) to his knowledge, the Official Statement and any Updated Official Statement does not contain any untrue statement of material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (3) to his knowledge, no litigation is pending against the County or pending against any other entity or person or threatened in any court in any way adversely affecting the legal existence of the County or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2020 Bonds, or materially and adversely affecting the ability of the County to make payments on the Installment Purchase Contract to pay principal and interest on the Series 2020 Bonds, or in any way materially and adversely contesting or affecting the validity or enforceability of the Series 2020 Bonds, the County Resolution or this Purchase Agreement, or contesting the accuracy of the Preliminary Official Statement, the Official Statement or any Updated Official Statement, or contesting the power of the County or its authority with respect to the County Documents; (4) to his knowledge, no event materially and adversely affecting the County or the transactions contemplated by the Official Statement or any Updated Official Statement has occurred since the date of the Official Statement or any Updated Official Statement that, in the reasonable opinion of the County, is required to be set forth in an amendment or supplement to the Official Statement or any Updated Official Statement (whether or not the Official Statement or any Updated Official Statement shall have been amended or supplemented to set forth such event) so that the Official Statement will not contain the untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in the light of the circumstances under which they are made, not misleading; (5) the County has the full legal right, power and authority to carry out and consummate the transactions contemplated to be carried out by the County by the Official Statement or any Updated Official Statement; and (6) the County has complied with all the requirements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Delayed Delivery Closing Date.

(xi) Receipt by the Underwriters and Bond Counsel of a tax certificate of the Authority and the County that includes the issue price certificate for the Series 2020 Bonds of the Underwriters the form of which appears as Exhibit C to this Purchase Agreement.

(xii) A final verification report, dated the date of the Delayed Delivery Closing Date, of the Verification Agent confirming the accuracy of the information provided in

the preliminary verification report delivered at the Delayed Delivery Pre-Closing. In the event the deposit to the Escrow Fund will not be the same as contemplated at the Delayed Delivery Pre-Closing, the Verification Agent shall provide a new verification report verifying the sufficiency of the cash and securities therein to make full and timely payment of all principal of and interest due with respect to the Refunded Bonds through and at the Redemption Date and to redeem with any applicable premium all of such Refunded Bonds on the Redemption Date.

(xiii) Such additional certificates and other documents in such form and substance as the Underwriters, their counsel or Bond Counsel may request to evidence performance of or compliance with the provisions of the Authority Documents, the County Documents, the Official Statement or any Updated Official Statement and the transactions contemplated hereby and thereby, the truth and accuracy as of the Delayed Delivery Closing Date of the Authority's representations herein and in the Official Statement or any Updated Official Statement, the County's representations in the Letter of Representation and in the Official Statement and any Updated Official Statement and the due performance by the Authority and the County at or prior to the Delayed Delivery Closing Date of all agreements then to be performed by the Authority and the County.

The delivery of the above documents shall be made on the Delayed Delivery Closing Date, at or prior to the Delayed Delivery Closing Date, at the offices of Norton Rose Fulbright US LLP, Washington, D.C., or at such other place as the Authority, the County and the Underwriters may hereafter determine.

All of the evidence, opinions, letters, certificates, instruments and other documents, mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provision hereof if, but only if, they are in the form specified herein or are otherwise in form and substance satisfactory to the Underwriters and their Counsel.

If the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2020 Bonds contained in this Purchase Agreement are not satisfied, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2020 Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriters nor the Authority, nor the County shall be under any further obligation hereunder, except that the respective obligations of the Authority, the County and the Underwriters set forth in paragraphs 1(c) and 12 hereof shall continue in full force and effect.

#### 11. Underwriters' Right to Cancel and Terminate.

(a) The Underwriters have the right to cancel and terminate their obligations hereunder without liability therefor by written notification from the Representative to the Authority and the County of the Underwriters' election to do so in the event that between the date of this Purchase Agreement and the Delayed Delivery Pre-Closing Date:

(i) legislation shall have been enacted or introduced by the Congress of the United States or the legislature of the Commonwealth or legislation shall have been

reported out of committee of either body or be pending in committee of either body, or a decision shall have been rendered by a court of the United States or the Commonwealth or the Tax Court of the United States, or a ruling, resolution, regulation, or temporary regulation, release, or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or Commonwealth authority, with respect to federal or Commonwealth taxation upon revenues or other income of the general character of that to be derived by the County from its operations, or upon interest received on obligations of the general character of the Series 2020 Bonds that, in the Underwriters' reasonable judgment, materially and adversely affects the market for the Series 2020 Bonds, or the market price generally of obligations of the general character of the Series 2020 Bonds; or

(ii) there shall exist any event or circumstance that in the Underwriters' reasonable judgment either makes untrue or incorrect in any material respect any statement or information in the Official Statement or any Updated Official Statement or is not reflected in the Official Statement or any Updated Official Statement but should be reflected therein in order to make any statement of material fact therein not misleading in any material respect; or

(iii) there shall have occurred (A) an outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war occurs; or (B) the occurrence of any other calamity or crisis or any change in the financial, political, or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (A) or (B), in the judgment of the Underwriters, materially and adversely affects the market for the Series 2020 Bonds; or

(iv) there shall be in force a general suspension of trading on the New York Stock Exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by an order of the Securities and Exchange Commission (the "SEC") or any other governmental authority having jurisdiction that, in the Underwriters' reasonable judgment, materially and adversely affects the market for the Series 2020 Bonds; or

(v) a general banking moratorium shall have been declared by federal or state authorities having jurisdiction and be in force that, in the Underwriters' reasonable judgment, materially and adversely affects the market for the Series 2020 Bonds; or

(vi) legislation shall be enacted or be proposed or actively considered for enactment, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation, or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the Series 2020 Bonds or any comparable securities of the Authority or the County, or any obligations of the general character of the Series 2020 Bonds are not exempt from the registration, qualification or other requirements of the Securities Act, or otherwise, or

would be in violation of any provision of the federal securities laws; or

(vii) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, the Underwriters established by the New York Stock Exchange, the SEC, any other federal or state agency or the Congress of the United States, or by Executive Order; or

(viii) a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering or sale of the Series 2020 Bonds, including all underlying obligations as contemplated hereby or by the Official Statement or any Updated Official Statement, or the County Documents, the Authority Documents or other documents relating to the issuance, offering or sale of the Series 2020 Bonds, is or would be in violation of any provision of the federal securities laws; or

(ix) there shall have been any material adverse change in the affairs of the County that, in the Underwriters' reasonable judgment, will materially and adversely affect the market for the Series 2020 Bonds; or

(x) there shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the County or the Commonwealth (which, in the case of a financial crisis or default of the Commonwealth, causes a material adverse change in the affairs of the County) or proceedings under the bankruptcy laws of the United States or insolvency laws of the Commonwealth shall have been instituted by the County in either case the effect of which, in the reasonable judgment of the Underwriters, is such as to materially and adversely affect the market price or the marketability of the Series 2020 Bonds; or

(xi) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, or withdrawal of a rating by any national rating service to the Series 2020 Bonds, which, in the reasonable opinion of the Underwriters, materially and adversely affects the market for the Series 2020 Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2020 Bonds to be purchased by the Underwriters; or any proceeding shall be pending or threatened by the SEC against the County.

(b) The Underwriters may terminate their obligations under this Purchase Agreement without liability therefor by notification to the Authority and the County, if at any time on or after the Delayed Delivery Pre-Closing Date and on or prior to the Delayed Delivery Closing Date either (1) the Series 2020 Bonds are not rated by each of S&P, and Moody's on the Delayed Delivery Closing Date, or (2) there is a Change in Law. A "Change in Law" means:

(i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies;

(ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Delayed Delivery Closing Date);

(iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the Delayed Delivery Closing Date); or

(iv) any judgment, ruling or order issued by any court or administrative body,

which with respect to clauses (i) through (iv) hereof would (A) as to the Underwriters, legally prohibit the Underwriters from (1) accepting delivery of and paying for the Series 2020 Bonds in accordance with the provisions of this Purchase Agreement or (2) selling the Series 2020 Bonds or beneficial ownership interests therein to bona fide purchasers, or, (B) as to the Authority, make the sale or issuance and delivery of the Series 2020 Bonds by the Authority illegal, (C) eliminate the exclusion from gross income for federal income tax purposes of interest on the Series 2020 Bonds, or (D) require the Series 2020 Bonds to be registered under the Securities Act; provided however, that any such change in or addition to law, legislation, rule or regulation, or judgment, ruling or order referred to in clauses (i) through (iv) of this sentence shall have become effective, been enacted, introduced or recommended, or been issued, as the case may be, subsequent to the date of execution of this Purchase Agreement; or

(v) a stop order, ruling, regulation, or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance or sale of the Series 2020 Bonds, or would be, in violation of any provision of the federal securities laws, including the Securities Act or the Securities Exchange Act of 1934, as amended.

## 12. Expenses.

The Authority and the Underwriters acknowledge that the underwriting discount provided for in Section 1 represents compensation and reimbursement to the Underwriters for expenses; provided, however, that nothing in this acknowledgement shall be deemed to make the Underwriters agents of the Authority.

The Underwriters shall pay their out-of-pocket expenses, including the fees and expenses of Underwriters' counsel (including the cost of performing any blue sky and legal investment surveys), including advertising expenses in connection with a public offering of the Series 2020 Bonds, fees of the CUSIP Bureau and any fees of the Municipal Securities Rulemaking Board and any other regulatory fees applicable to the Underwriters.

The Authority shall pay all expenses and costs to effect the authorization, preparation,

execution, delivery and sale of the Series 2020 Bonds, including, without limitation, the fees and expenses of Bond Counsel, rating agency fees and expenses, the fees and expenses of the bond registrar and paying agent, any registration or similar fees for qualifying the Series 2020 Bonds for sale in various jurisdictions chosen by the Underwriters and agreed to by the Authority and the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Series 2020 Bonds and the Preliminary Official Statement, Official Statement and any Updated Official Statement and all other agreements and documents contemplated by this Purchase Agreement.

13. Representations, Warranties, Covenants and Agreements to Survive Delivery.

All of the Authority's representations, warranties, covenants and agreements in this Purchase Agreement and the representatives, warranties, covenants and agreements of the County in the Letter of Representative shall remain operative and in effect, regardless of any investigation made by the Underwriters on their own behalf, after delivery of and payment for the Series 2020 Bonds or of termination or cancellation of this Purchase Agreement.

14. Notices.

Any notice or other communication to be given hereunder may be given by mailing or delivering the same in writing as follows:

If to the Underwriters:

If to the Authority:                      Fairfax County Economic Development Authority  
8300 Boone Boulevard, Suite 450  
Fairfax, Virginia 22182

If to the County:                              Fairfax County  
12000 Government Center Parkway  
Fairfax, Virginia 22035-0064  
Attention: Department of Management and Budget

15. Miscellaneous.

(a) Governing Law. The parties intend that this Purchase Agreement shall be governed by the laws of the Commonwealth of Virginia.

(b) Counterparts. This Purchase Agreement may be executed in several counterparts (including separate counterparts), each of which shall be regarded as an original and all of which shall constitute one and the same document.

(c) Parties In Interest. This Purchase Agreement will inure to the benefit of and be binding on the Authority, the County and the Underwriters and their respective successors and

assigns, but will not confer any rights on any other person, partnership, association or corporation other than persons, if any, controlling the Authority, the County and the Underwriters within the meaning of the Securities Act or the Securities Exchange Act of 1934, as amended. The terms “successors” and “assigns” shall not include any purchaser of any Series 2020 Bond from the Underwriters merely because of such purchase.

(d) No Personal Liability. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future member, officer, employee or agent of the Authority or the County in such person’s individual capacity, and no officer, member, employee or agent of the Authority or the County shall be liable personally for the performance of any obligation under this Purchase Agreement. No recourse shall be had by the Underwriters for any claim based on this Purchase Agreement or otherwise against any officer, member, employee or agent of the Authority or the County in his or her individual capacity, provided such person acts in good faith, all such liabilities, if any, being hereby expressly waived and released by the Underwriters.

(e) Headings. Section headings in this Purchase Agreement are a matter of convenience of reference only, and such section headings are not part of this Purchase Agreement and shall not be used in the interpretation of any provisions of this Purchase Agreement. Terms of any gender used herein shall include the masculine, feminine and neuter.

(f) Waiver of Provisions. Notwithstanding any provision herein to the contrary, the Underwriters, in their sole discretion, may waive the performance of any and all obligations of the Authority or the County hereunder and the performance of any and all conditions contained herein for the Underwriters’ benefit, and the Underwriters’ approval when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by an appropriate officer or officers of the Representative, on the Underwriters’ behalf, and delivered to the Authority and the County.

(g) Entire Agreement. This Purchase Agreement is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by the parties hereto.

(h) Effectiveness. This Purchase Agreement is effective on its acceptance by the Authority and approval by the County.

[Remainder of page intentionally left blank]

Very truly yours,

\_\_\_\_\_  
as Representative of the Underwriters

By: \_\_\_\_\_

Accepted as of the date hereof:

**FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_

[Counterpart Signature Page to Bond Purchase Agreement]

**Approved by:**

**FAIRFAX COUNTY, VIRGINIA**

By: \_\_\_\_\_  
Joseph M. Mondoro  
Chief Financial Officer

**EXHIBIT A**

**\$ \_\_\_\_\_**  
**FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY**  
**REVENUE REFUNDING BONDS**  
**(WIEHLE AVENUE METRORAIL STATION PARKING PROJECT),**  
**SERIES 2020**  
**(FORWARD DELIVERY BONDS)**

**RATE AND MATURITY SCHEDULE**

<b>Maturity</b>		<b>Interest</b>	
<b><u>(August 1)</u></b>	<b><u>Amount</u></b>	<b><u>Rate</u></b>	<b><u>Yield</u></b>

**SERIES 2020 BONDS REDEMPTION PROVISIONS**

**[To Come]**

**EXHIBIT B**

**LETTER OF REPRESENTATION**  
**\$ \_\_\_\_\_**  
**FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY**  
**REVENUE REFUNDING BONDS**  
**(WIEHLE AVENUE METRORAIL STATION PARKING PROJECT),**  
**SERIES 2020**  
**(FORWARD DELIVERY BONDS)**  
**(the “Bonds”)**

**FAIRFAX COUNTY, VIRGINIA**

I am an authorized official of Fairfax County, Virginia (the “County”), and am hereby executing and delivering this Letter of Representation as required under the terms of that certain Forward Delivery Bond Purchase Agreement of even date herewith (the “Bond Purchase Agreement”) between \_\_\_\_\_, as representative of the underwriters named therein (the “Underwriters”), and Fairfax County Economic Development Authority (the “Authority”), and approved by the County. Terms not otherwise defined in this Letter of Representation shall have the meanings assigned to them in the Bond Purchase Agreement.

**Section 1.     *County’s Representations, Warranties, Covenants and Agreements***

The County hereby represents, warrants, covenants and agrees as follows:

(a)     The County is, and will be at the Delayed Delivery Closing Date, (i) duly organized in the urban county executive form of government, a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) with all power and authority granted to counties so organized under the Constitution and laws of the Commonwealth, and (ii) authorized to enter into and adopt and perform its obligations under the County Resolution, the Bond Purchase Agreement, the Tax Certificate, the Installment Purchase Contract, the Continuing Disclosure Agreement delivered by the County, dated the Delayed Delivery Closing Date (the “Continuing Disclosure Agreement”), and this Letter of Representation (collectively, the “County Documents”) to have been performed at or prior to the Delayed Delivery Closing Date.

(b)     The County has complied with all provisions of the Commonwealth’s constitution and laws pertaining to the County’s adopting or entering into the County Documents and has full power and authority to consummate all transactions contemplated by the County Documents and the Official Statement and any and all other agreements relating thereto to which the County is a party.

(c)     As of the date of the Preliminary Official Statement, at the time of the County’s delivery of this Letter of Representation and (unless an event occurs of the nature described in Section 1(i) below) at all subsequent times up to and including the Delayed Delivery Closing Date, the County Information contained in the Preliminary Official Statement and the Official Statement and in any amendment or supplement thereto that the County may authorize for use with respect to the Bonds was, is and will be true and correct and did not contain, does not contain and will not

contain any untrue statement of a material fact and does not omit and will not omit to state a material fact necessary to make the statements in such document, in the light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to Section 1(i) below, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to Section 1(i) below) at all times subsequent thereto up to and including the Delayed Delivery Closing Date, the County shall take all steps necessary to ensure that the County Information in the Official Statement as so supplemented or amended does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Except as otherwise described in the Preliminary Official Statement and the Official Statement, the County has complied in all material respects during the last five years with its prior continuing disclosure undertakings with respect to Rule 15c2-12.

(d) The County has duly adopted and authorized, at one or more public meetings duly called and held at which quorums were present and acting throughout, (i) the distribution and use of the Official Statement; (ii) the adoption, execution, delivery and due performance of the County Documents and any and all such other agreements and documents as may be required to be executed and delivered by the County in order to carry out, give effect to and consummate the transactions contemplated by the County Documents and by the Official Statement; and (iii) the carrying out, giving effect to and consummation of the transactions contemplated by the County Documents and the Official Statement. Upon the Delayed Delivery Closing Date, the County shall have duly adopted or authorized, executed and delivered each County Document.

(e) To the County's knowledge, except as and to the extent described in the Preliminary Official Statement and the Official Statement, there is no action, proceeding or investigation before or by any court or other public body pending or threatened against or affecting the County or any County officer or employee in an official capacity (or, to the County's knowledge, any basis therefor), wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the transactions contemplated or described herein or in the Official Statement, or the validity of the County Documents or of any other agreement or instrument to which the County is or is expected to be a party and which is used or contemplated for use in the consummation of the transactions contemplated or described herein or in or by the Official Statement, (ii) the condition of the County, financial or otherwise, or (iii) the completeness or accuracy of the Official Statement.

(f) The County's adoption or execution and delivery of the County Documents and other agreements contemplated by the County Documents and by the Official Statement, and compliance with the provisions thereof, will not constitute on the County's part a breach of or a default under any existing law, court or administrative regulation, decree or order or any contract, agreement, loan or other instrument to which the County is subject or by which the County is or may be bound. No event has occurred or is continuing that, with the lapse of time or the giving of notice, or both, would constitute an event of default under any such agreement, including the County Documents.

(g) The County will not take or omit to take any action the taking or omission of which will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as described in the Official Statement and as permitted by the Authority Resolution and the County Resolution and which would cause the interest on the Bonds to be includable in the gross income of the recipients thereof for federal or Commonwealth income tax purposes.

(h) The County Information included in the Official Statement presents fairly the financial information purported to be shown as of the indicated dates. There has been no material adverse change in the financial condition of the County as a whole since June 30, 2018. The County is not a party to any contract or agreement or subject to any statutory or other restriction not disclosed in the Official Statement, the performance of or compliance with which may have a material, adverse effect on the County's or the Authority's financial condition or operations. The audited balance sheets and the related financial statements of the County contained in the Official Statement in Appendix B present fairly the County's financial condition as of the dates indicated, and the County has no reason to believe that, except as stated in the Official Statement, such statements have not been prepared in accordance with generally accepted accounting principles consistently applied.

(i) If between the date of the Bond Purchase Agreement and the date that is 25 days after the "end of the underwriting period," as defined below, any event shall occur that might or would cause the County Information included in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall promptly notify the Underwriters. If, in the opinion of the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will cooperate with the Authority and at the County's expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriters.

The "end of the underwriting period" is the time that is the later of (i) the Delayed Delivery Pre-Closing Date and (ii) the time the Underwriters do not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriters shall otherwise advise the County in writing prior to the Delayed Delivery Pre-Closing Date, the County may assume that the end of the underwriting period is the Delayed Delivery Pre-Closing Date.

(j) The County is not required to obtain any further consent, approval, authorization or order of any governmental or regulatory authority as a condition precedent to its adoption or authorization, execution and delivery of the County Documents or the Official Statement, or the County's performance hereunder and thereunder (provided no representation or warranty is expressed as to any action required under federal or state securities or Blue Sky laws in connection with the Underwriters' offer or sale of the Bonds). The County has obtained as of the date hereof all permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date hereof for the performance and enforcement of the obligations of the County under the County Documents, the acquisition, construction, equipping, occupation, operation and use of the projects to be financed or refinanced with the proceeds of the Bonds. The County knows of no reason why any such required permits or approvals not obtained as of the date hereof cannot be obtained as needed.

(k) Any certificate signed by any County officer and delivered to the Underwriters shall be deemed a representation and warranty by the County to the Underwriters as to the statements made therein.

(l) The County agrees to take all reasonable steps as requested to cooperate with the Underwriters and their counsel in order to qualify the Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States as the Underwriters may request, provided that the County need not consent to jurisdiction or service of process in any jurisdiction other than the Commonwealth.

(m) The County has never defaulted in the payment of principal or interest on any indebtedness, has not exercised any rights of nonappropriation or similar rights with respect to such indebtedness, and has not borrowed for general fund cash-flow purposes. No proceedings have ever been taken, are being taken, or are contemplated by the County under the United States Bankruptcy Code or under any similar law or statute of the United States or the Commonwealth.

(n) The County will comply with the information reporting requirements adopted by the SEC under Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”) and the Municipal Securities Rulemaking Board with respect to municipal securities such as the Bonds as provided in the Continuing Disclosure Agreement. Except as described in the Official Statement under the caption “Continuing Disclosure,” in the five years preceding the date of the Official Statement, the County has materially complied with its undertakings under the Rule.

(o) The County acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to the Bond Purchase Agreement is an arm’s-length commercial transaction between the Authority and the Underwriters as consented to by the County, (ii) in connection with such transaction, the Underwriters are acting solely as a principal and not as an agent, municipal advisor, financial advisor or a fiduciary of the County, (iii) the Underwriters have not assumed (individually or collectively) any advisory or fiduciary responsibility in favor of the County with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of any Underwriters, have advised or are currently advising the County on other matters) or any other obligation to the County except the obligations expressly set forth in the Bond Purchase Agreement, (iv) the County has consulted with its own municipal, tax, accounting, legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds and (v) the Underwriters have financial and other interests that differ from those of the County and the Authority.

## **Section 2. *Representations, Warranties, Covenants and Agreements to Survive Delivery***

All of the County’s representations, warranties, covenants and agreements in this Letter of Representation shall remain operative and in effect, regardless of any investigation made by the Underwriters on their own behalf, after delivery of and payment for any Bonds or of termination or cancellation of the Bond Purchase Agreement or this Letter of Representation.

## **Section 3. *Official Statement***

The County authorizes the use and distribution of, and will cooperate with the Authority to make available, the Preliminary Official Statement and the Official Statement for the use and distribution by the Underwriters in connection with the sale of the Bonds.

The County shall cooperate with the Authority to deliver, or cause to be delivered, to the Underwriters copies of the final Official Statement in sufficient quantity in order for the

Underwriters to comply with Rule 15c2-12(b)(2) promulgated under the Securities Exchange Act of 1934, as amended.

**Section 4. *Continuing Disclosure Undertaking***

The County will undertake, pursuant to the Continuing Disclosure Agreement, to provide annual reports and notices to certain events.

**Section 5. *Notice***

Any notice or other communication to be given to the County under the Bond Purchase Agreement or this Letter of Representation may be given by mailing or delivering the same in writing to 12000 Government Center Parkway, Fairfax, Virginia 22035-0064, Attention: Department of Management and Budget.

This Letter of Representation is delivered this \_\_\_\_ day of \_\_\_\_\_, 2019.

**FAIRFAX COUNTY, VIRGINIA**

By: \_\_\_\_\_  
Joseph M. Mondoro  
Chief Financial Officer

## EXHIBIT C

## FORM OF ISSUE PRICE CERTIFICATE

§ \_\_\_\_\_  
**FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY**  
**REVENUE REFUNDING BONDS**  
**(WIEHLE AVENUE METRORAIL STATION PARKING PROJECT),**  
**SERIES 2020**  
**(FORWARD DELIVERY BONDS)**

**SAMPLE ISSUE PRICE CERTIFICATE**  
**(Hold the Offering Price Rule)**

The undersigned, on behalf of {NAME OF UNDERWRITER} (“{SHORT NAME OF UNDERWRITER}”) [and the other members of the underwriting syndicate (together, the “Underwriting Group”)], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the Fairfax County Economic Development Authority (the “Issuer”).

1. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the [Bond Purchase Agreement], dated \_\_\_\_\_, 2019, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “**hold-the-offering-price rule**”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. ***Defined Terms.***

(a) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(b) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT NAME OF UNDERWRITER][the Underwriting Group] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is {date of execution of the bond purchase agreement}.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Bonds to the Public).

[Final certificate may include standard representations regarding callable premium bonds and computations performed by the underwriter (e.g., yield and weighted average maturity) as may be required by the Issuer.]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents {SHORT NAME OF UNDERWRITER}'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

{NAME OF UNDERWRITER}

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**SCHEDULE A**  
**INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**  
*(Attached)*

**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**  
*(Attached)*

**EXHIBIT D**

**FORM OF PRE-CLOSING OPINION OF BOND COUNSEL**

Fairfax County Economic  
Development Authority  
Fairfax, Virginia

Board of Supervisors  
of Fairfax County, Virginia  
Fairfax, Virginia

\_\_\_\_\_,  
As Representative of the Underwriters

§ \_\_\_\_\_  
**FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
REVENUE REFUNDING BONDS  
(WIEHLE AVENUE METRORAIL STATION PARKING PROJECT),  
SERIES 2020  
(Forward Delivery Bonds)**

As bond counsel to the Fairfax County Economic Development Authority (the “Authority”), we have examined (i) the Constitution and laws of the Commonwealth of Virginia (the “Commonwealth”), including Chapter 634 of the 1964 Acts of the General Assembly, as amended, and other applicable law, (ii) a resolution adopted by the Board of Supervisors of the County on \_\_\_\_\_, 2019 (the “County Resolution”), authorizing among other items the expected issuance on \_\_\_\_\_, 2020, of the above captioned bonds (the “Bonds”) and the execution and delivery of the Forward Delivery Bond Purchase Agreement, hereinafter mentioned, (iii) a resolution adopted by the Authority on \_\_\_\_\_, 2019 (the “Authority Resolution”) authorizing the issuance of the Bonds, and (iv) such other proofs, as we have deemed necessary to enable us to express the following opinions.

We have also examined executed copies of (i) the Forward Delivery Bond Purchase Agreement, dated \_\_\_\_\_, 2019 (the “Forward Delivery Bond Purchase Agreement”) between \_\_\_\_\_, as representative of the underwriters named therein (collectively, the “Underwriters”) and the Authority, and accepted by the County, respecting the Bonds and (ii) the Official Statement of the Authority, dated \_\_\_\_\_, 2019, relating to the Bonds (the “Official Statement”). All capitalized terms not otherwise defined herein shall have the meanings given them in the Forward Delivery Bond Purchase Agreement.

From such examination we are of the opinion that:

1. The Authority is a political subdivision of the Commonwealth, duly organized

and validly existing under the laws of the Commonwealth of Virginia, and has all the necessary power and authority to adopt the Authority Resolution.

2. The Forward Delivery Bond Purchase Agreement has been duly authorized, executed and delivered by the Authority, constitutes a valid and binding obligation of the Authority.

3. The Authority has approved the Official Statement and the execution and delivery thereof.

4. If delivery of the Bonds were to occur on the date hereof, we would render a legal opinion on said date relating to the Bonds that the Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Trust Agreement, the County Resolution and the Authority Resolution are not required to be qualified under the Trust Indenture Act of 1939, as amended.

5. (i) The information contained in those portions of the Official Statement entitled "ESTIMATED SOURCES AND USES OF FUNDS," "THE SERIES 2020 BONDS," (excluding Book-Entry Only System), "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS," "TAX MATTERS," "CERTAIN LEGAL MATTERS," "CONTINUING DISCLOSURE," and Appendices C and D, insofar as such information summarizes provisions of the Authority Documents or the County Documents or is a description of opinions rendered by us, is a fair and accurate summary of the information purported to be summarized and (ii) nothing has come to our attention that has caused us to believe that the Official Statement (excepting information relating to The Depository Trust Company and any statistical and financial data included in the Official Statement) contains any untrue statement of material fact or omits any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6. If the delivery of the Bonds were to occur on the date hereof, we would render a legal opinion on said date relating to the Bonds substantially in the form set forth in Appendix D to the Official Statement.

The opinions and advice expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. Such opinions and advice may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions are taken or such events occur, and we have no obligation to update this letter in light of such actions or events.

The opinion contained in paragraph 2 above is qualified to the extent that the enforceability of the Forward Delivery Bond Purchase Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally and may be subject to judicial discretion.

This opinion is rendered in response to the requirements of Section 8(g)(i) of the Forward Delivery Bond Purchase Agreement and is rendered solely to and for the benefit of the persons to

whom it is addressed in connection with the matter described above. It may not be quoted or otherwise delivered to or relied upon by any other person (including, without limitation, any person who acquires the Bonds from or through a person to whom this letter is addressed) or used for any other purpose without our prior written consent.

This letter is furnished to you in our capacity as bond counsel. No attorney-client relationship has existed or exists between the Underwriters and our firm in connection with the Bonds by virtue of this letter.

Respectfully submitted,

**DRAFT Critical Path Events**  
**Fairfax County, Virginia**  
**EDA Revenue Refunding Bonds (Wiehle), Series 2020 (Forward Delivery Bonds)**

**Attachment 5**

May 2019	June 2019	July 2019	August 2019	September 2019	October 2019
S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
5 6 7 8 9 10 11	2 3 4 5 6 7 8	7 8 9 10 11 12 13	4 5 6 7 8 9 10	8 9 10 11 12 13 14	6 7 8 9 10 11 12
12 13 14 15 16 17 18	9 10 11 12 13 14 15	14 15 16 17 18 19 20	11 12 13 14 15 16 17	15 16 17 18 19 20 21	13 14 15 16 17 18 19
19 20 21 22 23 24 25	16 17 18 19 20 21 22	21 22 23 24 25 26 27	18 19 20 21 22 23 24	22 23 24 25 26 27 28	20 21 22 23 24 25 26
26 27 28 29 30 31	23 24 25 26 27 28 29	28 29 30 31	25 26 27 28 29 30 31	29 30	27 28 29 30 31
	30				

Week of	Activity & Event	Responsible Party
May 6 <sup>th</sup>	Draft Underwriter Letter sent to County (Wedgewood & Wiehle)	PFM
May 13 <sup>th</sup>	<b>Underwriter Letter Distributed to County's Underwriting Pool</b> (Wedgewood & Wiehle)	PFM
May 20 <sup>th</sup>	First Draft of County Resolution, EDA Resolution, POS, Forward Delivery BPA, CDA, & Supplemental Trust (collectively "Bond Documents") Distributed	NRF
May 27 <sup>th</sup>	Comments due on Bond Documents	All
	<i>Monday, May 27<sup>th</sup> – Memorial Day (Markets Closed)</i>	-
	<b>Underwriter Proposals Received</b> (Wedgewood & Wiehle)	PFM
June 3 <sup>rd</sup>	Underwriter Selection	PFM
	Revised draft of Bond Documents circulated	NRF
	Tuesday, June 4 <sup>th</sup> – County Board Item due (Wedgewood & Wiehle)	FX
	Thursday, June 7 <sup>th</sup> – County Board Title due (Wedgewood & Wiehle)	FX
June 10 <sup>th</sup>	Comments on Bond Documents	All
June 17 <sup>th</sup>	Rating Slides Updated & sent to County (Wedgewood & Wiehle)	PFM
	Draft Documents sent to Rating Agencies (Wedgewood & Wiehle)	PFM
	Working Group Kickoff Call	All
June 24 <sup>th</sup>	<b>Rating Update Calls</b> (Wedgewood & Wiehle)	FX, PFM
July 1 <sup>st</sup>	<i>Thursday, July 4<sup>th</sup> – Fourth of July Holiday (Markets Closed)</i>	-
	Bond Documents needed for EDA Board	NRF
July 8 <sup>th</sup>	<b>Monday, July 8<sup>th</sup> – Fairfax County EDA Board Meeting</b>	FX
July 15 <sup>th</sup>	<b>Tuesday, July 16<sup>th</sup> – County Board Considers Bond Documents</b> (Wedgewood & Wiehle)	FX
August 5 <sup>th</sup>	Ratings Received	-
August 12 <sup>th</sup>	Finalize Documents	All
August 19 <sup>th</sup>	Due Diligence Call	All
August 26 <sup>th</sup>	Post POS & Apply for CUSIPS	NRF, PFM
September 2 <sup>nd</sup>	<i>Tuesday, September 3<sup>rd</sup> – Labor Day Holiday (Markets Closed)</i>	-
	Market the Bonds	UW
September 9 <sup>th</sup>	<b>Negotiated Bond Pricing</b>	PFM, FX, UW

**Legend:**

FX = Fairfax County  
PFM = PFM Financial Advisors LLC, County's Financial Advisor  
NRF = Norton Rose Fulbright, Bond Counsel  
UW = TBD, Underwriter  
UWC = TBD, Underwriters Counsel

6/12/2019

**DRAFT Critical Path Events**  
**Fairfax County, Virginia**  
**EDA Revenue Refunding Bonds (Wiehle), Series 2020 (Forward Delivery Bonds)**

**Attachment 5**

May 2019							June 2019							July 2019							August 2019							September 2019							October 2019						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S							
				1	2	3	4						1																												
5	6	7	8	9	10	11		2	3	4	5	6	7	8																											
12	13	14	15	16	17	18		9	10	11	12	13	14	15																											
19	20	21	22	23	24	25		16	17	18	19	20	21	22																											
26	27	28	29	30	31			23	24	25	26	27	28	29																											
								30																																	

Week of	Activity & Event	Responsible Party
September 16 <sup>th</sup>	Finalize and mail Official Statement	NRF
	Finalize Closing Documents	All
September 23 <sup>rd</sup>	Pre-closing	All
<b>2020 Schedule of Events:</b>		
March 2020	Ratings affirmation	FX, PFM
April 20 <sup>th</sup> , 2020	Updated OS Finalized & Posted on EMMA	All
April 2020	Structure escrow investments	PFM
May 4 <sup>th</sup> , 2020	<b>Tuesday, May 5<sup>th</sup>, 2020 -- Closing</b>	All
August 3 <sup>rd</sup> , 2020	<b>Monday, August 3<sup>rd</sup>, 2020 – 2011 Wiehle Bonds Redemption date</b>	-

**Legend:**

FX = Fairfax County  
PFM = PFM Financial Advisors LLC, County's Financial Advisor  
NRF = Norton Rose Fulbright, Bond Counsel  
UW = TBD, Underwriter  
UWC = TBD, Underwriters Counsel

6/12/2019

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2019****NEW ISSUE – BOOK-ENTRY-ONLY**

Ratings: Moody's: "\_\_\_\_"  
 S&P: "\_\_\_\_"  
 (See "RATINGS" herein)

*In the opinion of Bond Counsel, assuming compliance with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, and subject to conditions described in "TAX MATTERS" herein, interest on the Series 2020 Bonds will not be included in the gross income of the owners thereof for federal income tax purposes. Under the Enabling Act (as defined herein), the income on the Series 2020 Bonds, including any profit made on the sale thereof, is exempt from all taxation by the Commonwealth of Virginia or any political subdivision thereof. See "TAX MATTERS" herein for certain provisions regarding the Code that may affect the tax treatment of interest on the Series 2020 Bonds for certain bondholders.*

§ \_\_\_\_\_  
**FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY**  
**Revenue Refunding Bonds**  
**(Wiehle Avenue Metrorail Station Parking Project)**  
**Series 2020**  
**(FORWARD DELIVERY BONDS)**

**Dated: Date of Delivery****Due: August 1, as shown on the inside cover**

The Fairfax County Economic Development Authority (the "Authority") will issue its Revenue Refunding Bonds (Wiehle Avenue Metrorail Station Parking Project) Series 2020 (the "Series 2020 Bonds") for the purpose of (i) subject to favorable market conditions, refunding the Authority's Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project) Series 2011, which financed a portion of the costs of the construction of a public parking facility to provide approximately [2,316] public parking spaces, 49 kiss and ride parking spaces, 22 motorcycle spaces, 12 bus bays and 150 bicycle spaces and ancillary facilities (the "Wiehle Avenue Metrorail Station Parking Project") on public lands within Fairfax County, Virginia (the "County"), to serve the Wiehle Avenue Metrorail Station that is part of the extension of Washington Metropolitan Area Transit Authority's Metrorail System in the Dulles Corridor, and (ii) paying certain costs of issuance of the Series 2020 Bonds.

The Series 2020 Bonds are payable from installment purchase payments to be made by the County under an Installment Purchase Contract, dated as of July 1, 2011, as supplemented in connection with the issuance of the Series 2020 Bonds (the "Contract"), between the Authority and the County, pursuant to which the Authority sold to the County the Authority's interest in the Wiehle Avenue Metrorail Station Parking Project. The obligation of the County to make payments under the Contract in each fiscal year of the County is absolute and unconditional but subject to and contingent upon the annual appropriation of funds by the Board of Supervisors of the County for such purpose.

Interest on the Series 2020 Bonds will accrue from the date of delivery and will be payable on \_\_\_\_\_ 1, \_\_\_\_\_, and semiannually thereafter on February 1 and August 1 of each year to and including their respective dates of maturity or redemption. The Series 2020 Bonds are scheduled to be issued and delivered on August \_\_, 2020. For a discussion regarding the forward delivery of the Series 2020 Bonds, certain conditions to the obligation of the Underwriters to purchase the Series 2020 Bonds and certain risks to purchasers of beneficial interests in the Series 2020 Bonds resulting from the forward delivery thereof, see "CERTAIN FORWARD DELIVERY CONSIDERATIONS WITH RESPECT TO THE SERIES 2020 BONDS."

The Series 2020 Bonds will be issued in book-entry form registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form, in the denominations of \$5,000 and integral multiples thereof. Payments of principal, sinking fund installments, if any, and interest on, and the redemption price of, the Series 2020 Bonds will be made when due to DTC in accordance with the Trust Agreement, dated as of July 1, 2011 (the "Original Trust Agreement"), as supplemented by a Second Supplemental Trust Agreement, dated as of May 1, 2020 (the "Supplemental Trust Agreement," and collectively with the Original Trust Agreement, the "Trust Agreement"), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity the "Trustee"). See "THE SERIES 2020 BONDS—Book-Entry Only System" herein.

The Series 2020 Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption prior to maturity as more fully described herein.

**THE SERIES 2020 BONDS ARE NOT A DEBT OF FAIRFAX COUNTY, THE AUTHORITY, THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER, OR STATUTORY DEBT LIMIT OR RESTRICTION, NOR IS THE FULL FAITH AND CREDIT OF FAIRFAX COUNTY, THE AUTHORITY OR THE COMMONWEALTH OF VIRGINIA PLEDGED TO THE PAYMENT OF THE SERIES 2020 BONDS OR THE INTEREST THEREON. THE AUTHORITY HAS NO TAXING POWER.**

*The Series 2020 Bonds are being offered for delivery when, as and if issued and subject to the approval of legality by Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel. Certain legal matters will be passed upon for the Authority by Thomas O. Lawson, Esq., P.L.C., Fairfax, Virginia, for the County by Elizabeth D. Teare, Esquire, County Attorney, and for the Underwriters by \_\_\_\_\_, \_\_\_\_\_. The Series 2020 Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about May \_\_, 2020.*

\_\_\_\_\_, 2019

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The Series 2020 Bonds may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2020 Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY**  
**Revenue Refunding Bonds**  
**(Wiehle Avenue Metrorail Station Parking Project)**  
**Series 2020**  
**(Forward Delivery Bonds)**

**MATURITY SCHEDULE**

**Base CUSIP Number 30382E**

\$ \_\_\_\_\_ \*Serial Bonds

<b><u>Maturity Date</u></b> <b><u>(August 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Price or</u></b> <b><u>Yield</u></b>	<b><u>CUSIP†</u></b> <b><u>Suffix</u></b>
2021	\$	%	%	
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				

\$ \_\_\_\_\_ \* \_\_\_\_\_ % Term Bonds Due August 1, 20\_\_\_\_; Priced at \_\_\_\_\_ % to Yield \_\_\_\_\_ CUSIP\* Suffix \_\_\_\_\_

\* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only, and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2020 Bonds.

**FAIRFAX COUNTY ECONOMIC  
DEVELOPMENT AUTHORITY**

Catherine Lange, Chairman  
James Quigley, Vice Chairman  
Ronald C. Johnson, Secretary  
Christian Deschauer, Treasurer and Assistant Secretary  
Linnie Haynesworth  
Dana Kauffman  
Roderick Mitchell

**COUNSEL FOR AUTHORITY**

Thomas O. Lawson, Esq., P.L.C.

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**FAIRFAX COUNTY, VIRGINIA  
BOARD OF SUPERVISORS**

Sharon Bulova, *Chairman*  
Penelope A. Gross, *Vice Chairman*  
John C. Cook  
John W. Foust  
Patrick S. Herrity  
Catherine M. Hudgins  
Jeffrey C. McKay  
Kathy L. Smith  
Linda Q. Smyth  
Daniel G. Storck

**COUNTY OFFICIALS**

Bryan J. Hill, *County Executive*  
Tisha Deeghan, *Deputy County Executive*  
Rachel O'Dwyer Flynn, *Deputy County Executive*  
David M. Rohrer, *Deputy County Executive*  
Joseph M. Mondoro, *Deputy County Executive/Chief Financial Officer*  
Christopher J. Pietsch, *Director, Department of Finance*

**COUNTY ATTORNEY**

Elizabeth D. Teare, Esquire, County Attorney

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**FINANCIAL ADVISOR**

PFM Financial Advisors LLC  
Arlington, Virginia

**BOND COUNSEL**

Norton Rose Fulbright US LLP  
Washington, D.C.

No person has been authorized by the Authority or the County to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2020 Bonds and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Series 2020 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Authority or the County and the purchasers or owners of any of the Series 2020 Bonds. An electronic reproduction of this Official Statement may contain computer generated errors or other deviations from the printed Official Statement, in which case the printed Official Statement controls.

## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION .....	1
REFUNDING PLAN .....	2
THE WIEHLE AVENUE METRORAIL STATION PARKING PROJECT .....	4
THE AUTHORITY .....	4
THE COUNTY .....	5
ESTIMATED SOURCES AND USES OF FUNDS .....	6
THE SERIES 2020 BONDS .....	6
Description of Series 2020 Bonds .....	6
Redemption of Series 2020 Bonds .....	6
Selection of Series 2020 Bonds for Redemption.....	7
Notice of Redemption .....	7
Book-Entry Only System .....	8
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS.....	10
Pledge of Trust Agreement.....	10
Basic Contract Payments and Additional Contract Payments .....	10
Budget and Appropriation .....	10
Limited Obligations.....	11
Additional and Refunding Bonds .....	11
No Reserve Fund.....	11
Casualty and Liability Insurance .....	11
Casualty, Condemnation.....	11
No Interest in Wiehle Avenue Metrorail Station Parking Project .....	12
DEBT SERVICE REQUIREMENTS.....	12
CERTAIN INVESTMENT CONSIDERATIONS .....	13
Non-Appropriation .....	13
LITIGATION.....	13
CERTAIN LEGAL MATTERS.....	13
LEGALITY FOR INVESTMENTS .....	13
TAX MATTERS.....	14
Opinion of Bond Counsel.....	14
Original Issue Discount .....	14
Bond Premium.....	15
Backup Withholding.....	15
Other Tax Consequences.....	15

Future Tax Developments .....	16
Forward Delivery of the Series 2020 Bonds .....	16
CERTAIN FORWARD DELIVERY CONSIDERATIONS WITH RESPECT TO THE SERIES 2020 BONDS .....	16
Series 2020 Bond Settlement.....	16
Additional Risks Related to the Forward Delivery Period .....	18
CONTINUING DISCLOSURE .....	19
RATINGS .....	20
FINANCIAL ADVISOR .....	21
MISCELLANEOUS .....	21
PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL .....	S-1

Appendix A	Information Relating to Fairfax County, Virginia
Appendix B	Financial Statements of Fairfax County for the Year Ended June 30, 2018, and Independent Auditor's Report
Appendix C	Summary of Certain Provisions of the Trust Agreement, the Second Supplemental Trust Agreement and the Installment Purchase Contract
Appendix D	Form of Bond Counsel opinion
Appendix E	Form of Continuing Disclosure Agreement
Appendix F	Form of Delayed Delivery Contract

## OFFICIAL STATEMENT

\$ \_\_\_\_\_ \*

**FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY**  
**Revenue Refunding Bonds**  
**(Wiehle Avenue Metrorail Station Parking Project)**  
**Series 2020**  
**(Forward Delivery Bonds)**

## INTRODUCTION

This Official Statement, which includes the cover and inside cover pages and the appendices attached hereto, is furnished in connection with the issuance by the Fairfax County Economic Development Authority (the “Authority”) of its \$ \_\_\_\_\_ Revenue Refunding Bonds (Wiehle Avenue Metrorail Station Parking Project) Series 2020 (the “Series 2020 Bonds”). The Series 2020 Bonds are being issued pursuant to the Constitution and laws of the Commonwealth of Virginia (the “Commonwealth”), including Chapter 643 of the 1964 Acts of the General Assembly of Virginia, as amended, and other applicable law (collectively, the “Enabling Act”), and the provisions of a Trust Agreement, dated as of July 1, 2011 (the “Original Trust Agreement”), as supplemented by a Second Supplemental Trust Agreement, dated as of May 1, 2020 (the “Supplemental Trust Agreement,” and collectively with the Original Trust Agreement, the “Trust Agreement”), each between the Authority and The Bank of New York Trust Company, N.A., as trustee (the “Trustee”), for the purpose of (a) providing funds to refund certain outstanding maturities of the Authority’s Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project) Series 2011 (the “Series 2011 Bonds”), and (b) paying costs associated with the issuance of the Series 2020 Bonds. The Series 2020 Bonds, together with any Additional Bonds (as defined below) or Refunding Bonds (as defined below) subsequently issued pursuant to the Trust Agreement, are collectively referred to herein as the “Bonds.”

All capitalized, undefined terms used herein shall have the meanings set forth in Appendix C, “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT, THE SECOND SUPPLEMENTAL TRUST AGREEMENT AND THE INSTALLMENT PURCHASE CONTRACT – Definitions.”

Upon the issuance of the Series 2011 Bonds, the Authority (i) advanced the proceeds of the Series 2011 Bonds to the County and (ii) accepted the County’s interests in the Wiehle Avenue Metrorail Station Parking Project from the County. The Authority then sold the Wiehle Avenue Metrorail Station Parking Project to the County pursuant to the terms of an Installment Purchase Contract (the “Original Contract”) in consideration of the County’s agreement, subject to annual appropriation by its Board of Supervisors of funds for the purpose, to pay the purchase price for the Wiehle Avenue Metrorail Station Parking Project, and interest thereon, in installments sufficient for the Authority to pay timely the debt service on the Series 2011 Bonds. See Appendix C, “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT, THE SECOND SUPPLEMENTAL TRUST AGREEMENT AND THE INSTALLMENT PURCHASE CONTRACT.”

Under the Original Contract (as supplemented to reflect the refunding of the Series 2011 Bonds and the issuance of the Series 2020 Bonds, the “Contract”), the County is to make “Basic Contract Payments” sufficient to pay the principal of and interest on the Series 2020 Bonds. In addition, the County is to make “Additional Contract Payments” (together with “Basic Contract Payments,” “Contract Payments”) in amounts sufficient, among other purposes, to pay the Authority’s expenses allocable to the

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\* Preliminary, subject to change.

Contract and for the Authority to pay timely the compensation and expenses of the Trustee. Under the Trust Agreement, the Authority has assigned its right to receive the Contract Payments (except those Additional Contract Payments required to pay certain Authority expenses) to the Trustee for the benefit of the owners of the Series 2020 Bonds. The obligation of the County to make Basic Contract Payments and Additional Contract Payments and any other payments required under the Contract in each fiscal year is a valid and binding obligation of the County but is subject to and contingent upon the annual appropriation of funds by the Board of Supervisors of the County for such purpose. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS – Basic Contract Payments and Additional Contract Payments” and “CERTAIN INVESTMENT CONSIDERATIONS.”

**The Series 2020 Bonds are not a debt of County, the Authority, the Commonwealth of Virginia or any political subdivision thereof, within the meaning of any constitutional, charter, or statutory debt limit or restriction, nor is the full faith and credit of County, the Authority or the Commonwealth of Virginia pledged to the payment of the Series 2020 Bonds or the interest thereon. The Authority has no taxing power.**

Brief descriptions of the Authority, the County, the Wiehle Avenue Metrorail Station Parking Project, the Series 2020 Bonds, the security for the Series 2020 Bonds, the Trust Agreement, the Contract, and related documents are included in this Official Statement. The descriptions of the documents included in this Official Statement do not purport to be comprehensive or definitive and are qualified in their entirety by reference to such documents.

#### **REFUNDING PLAN**

The Series 2020 Bonds are authorized to be issued to provide funds to refund and to redeem prior to their respective maturities all of the following outstanding Series 2011 Bonds, referred to hereafter as the “Series 2011 Refunding Candidates:”\*

[Remainder of page intentionally left blank]

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\* Preliminary, subject to change.

<u>Maturity</u> <u>(August 1)*</u>	<u>Principal Amount*</u>	<u>Redemption Date</u>	<u>Redemption</u> <u>Price</u>	<u>CUSIP No.†</u>
2021	\$4,190,000	August 3, 2020	100%	30382E FF6
2022	4,365,000	August 3, 2020	100	30382E FG4
2023	4,555,000	August 3, 2020	100	30382E FH2
2024	4,730,000	August 3, 2020	100	30382E FJ8
2025	4,920,000	August 3, 2020	100	30382E FK5
2026	5,120,000	August 3, 2020	100	30382E FL3
2027	5,330,000	August 3, 2020	100	30382E FM1
2028	5,550,000	August 3, 2020	100	30382E FN9
2029	5,790,000	August 3, 2020	100	30382E FP4
2030	6,040,000	August 3, 2020	100	30382E FQ2
2031	6,310,000	August 3, 2020	100	30382E FR0
2032	6,600,000	August 3, 2020	100	30382E FS8
2034	14,130,000	August 3, 2020	100	30382E FT6

† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only, and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2020 Bonds.

The purpose of the refunding is to achieve present value debt service savings. The County's decision whether to refund any given Series 2011 Refunding Candidates is subject to prevailing market conditions at the time of the sale of the Series 2020 Bonds. The County may refund only certain Series 2011 Refunding Candidates if refunding such Candidates permits the County to meet certain savings targets. The Series 2011 Refunding Candidates, if any, that are refunded with proceeds of the Series 2020 Bonds are referred to as the "Series 2011 Refunded Bonds." The final Series 2011 Refunded Bonds will be described in the final Official Statement relating to the Series 2020 Bonds.

Upon delivery and issuance of the Series 2020 Bonds by the County, proceeds thereof will be used to provide for the payment and redemption of the Series 2011 Refunded Bonds by depositing with The Bank of New York Mellon Trust Company, N.A, pursuant to an escrow deposit agreement, cash that will be sufficient to pay all principal, applicable redemption premiums, if any, and interest on the Series 2011 Refunded Bonds to their redemption date. The arithmetical computations of the sufficiency of the cash deposited with The Bank of New York Mellon Trust Company, N.A., to pay the principal of and interest on the Series 2011 Refunded Bonds will be verified by Robert Thomas CPA, LLC.

**The Series 2020 Bonds will not be delivered until on or about \_\_, 2020.** The delay in the issuance and delivery of the Series 2020 Bonds may have significant consequences to the purchasers of beneficial ownership interests therein. The market value of the Series 2020 Bonds on the date of issuance and delivery thereof is unlikely to be the same as, and probably will be greater or less than, the respective initial offering prices thereof, and the difference may be substantial. Several factors may adversely affect the market prices of the Series 2020 Bonds, including, but not limited to, a general increase in interest rates for all obligations and other indebtedness, any threatened or adopted change in federal tax laws affecting the relative benefits of owning tax-exempt securities instead of other types of investments, such as fully taxable obligations, or any adverse development with respect to the County. See "CERTAIN FORWARD DELIVERY CONSIDERATIONS WITH RESPECT TO THE SERIES 2020 BONDS" herein.

## **THE WIEHLE AVENUE METRORAIL STATION PARKING PROJECT**

As part of the first phase of the project expanding WMATA's Metrorail in the Dulles Corridor, Metrorail was expanded from WMATA's Orange Line, between WMATA's East and West Falls Church stations, to Wiehle Avenue in Reston including the construction of a rail station at Wiehle Avenue (the "Wiehle Avenue Metro Station"). In order to enable and encourage the transit oriented development envisioned in the County's Comprehensive Plan, the County issued a solicitation under the provisions of Chapter 22.1 of Title 56, Code of Virginia, Sections 55.575.1 through 56.575.18, entitled "Virginia Public Private Education Facilities and Infrastructure Act of 2002" seeking developers for a Transit Oriented Development (TOD) in conjunction with the opening of the Wiehle Avenue Metro Station on an approximately 9-acre parcel of land owned by the County at the intersection of Wiehle Avenue and the Dulles Toll Road (the "Wiehle Avenue Development Project"), which is the site at the north entrance of the Wiehle Avenue Metro Station (the "Project Site"). Comstock Reston Station Holdings, LC ("Comstock"), was selected to develop, construct, operate and maintain the Wiehle Avenue Development Project.

[Need to update project description] The Wiehle Avenue Development Project consists of the Wiehle Avenue Metrorail Station Parking Project along with a retail, office, housing and related parking development on the Project Site (the "Private Project"). The Wiehle Avenue Metrorail Station Parking Project consists of a public parking facility that provides approximately [2,316 public parking spaces, 49 kiss and ride parking spaces, 22 motorcycle spaces, 12 bus bays, 150 bicycle spaces, internal roadways, entrance pavilions, pedestrian connections, elevators, escalators and walkways to the Wiehle Avenue Metro Station and accommodations for a pedestrian bridge, intended to serve the public using the Wiehle Avenue Metro Station.]

The Wiehle Avenue Metrorail Station Parking Project is not pledged as security for the payment of the Series 2020 Bonds.

## **THE AUTHORITY**

The Authority was created in 1964 pursuant to the Enabling Act to foster and stimulate the development of industry within Fairfax County and is a political subdivision of the Commonwealth. It is governed by seven commissioners appointed by the County's Board of Supervisors. The Authority is empowered by the Enabling Act to, among other things, acquire, construct, own, lease and dispose of various types of facilities, including facilities for use by a county, a municipality, the Commonwealth and its agencies, or other governmental organization, and to finance the same by the issuance of its revenue bonds for such purposes. The Authority has no taxing power. The power of the Authority to issue its revenue bonds for the purposes set forth in the Enabling Act was upheld by the Supreme Court of Virginia in *Fairfax County Industrial Development Authority v. Coyner*, 207 Va. 351, 120 S.E. 2d 817 (1966).

The members of the Board of Commissioners of the Authority and the expiration dates of their respective terms in office are set forth below:

<b><u>Member</u></b>	<b><u>Term Expires</u></b>
Catherine Lange, Chairman	July 1, 2021
James Quigley, Vice Chairman	July 1, 2019
Ronald C. Johnson, Secretary	July 1, 2022
Christian Deschauer, Treasurer and Assistant Secretary	July 1, 2022
Linnie Haynesworth	July 1, 2021
Dana Kauffman	July 1, 2019
Roderick Mitchell	July 1, 2020

Catherine Riley serves as Interim President of the Authority.

The Authority has acted as a conduit issuer of bonds other than the Series 2020 Bonds. Only Bonds outstanding under the Trust Agreement, including the Series 2020 Bonds, are payable from payments made under the Contract.

### **THE COUNTY**

The County is located in the northeastern corner of Virginia and encompasses a net land area of 407 square miles. The County is part of the Washington, D.C. metropolitan area, which includes jurisdictions in Maryland, the District of Columbia and Northern Virginia.

The Fairfax County government is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of the County is the Board of Supervisors, which makes policies for the administration of the County. The Board of Supervisors is comprised of ten members: the Chairman, elected at large for a four-year term, and one member from each of nine supervisor districts, elected for four-year terms by the voters of the district in which the member resides. The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures and recommends officers and personnel to be appointed by the Board of Supervisors.

In Virginia, cities and counties are discrete units of government and do not overlap. Fairfax County completely surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. Property within these cities is not subject to taxation by the County, and the County generally is not required to provide governmental services to their residents. The County, does, however, provide certain services to the residents of certain of these cities pursuant to agreements with such cities.

In the County, there are located three incorporated towns, Clifton, Herndon and Vienna, which are underlying units of government within the County, and ordinances and regulations of the County are, with certain limitations prescribed by state law, generally effective in them. Property in these towns is subject to County taxation, and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the prior approval of the County.

See Appendices A and B for further information regarding the County.

## ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of Series 2020 Bond proceeds are as follows:

### SOURCES:

Principal of Series 2020 Bonds .....	\$
Net Original Issue Discount/Premium .....	
Total .....	<u>\$</u>

### USES:

Refunding of Series 2011 Bonds.....	\$
Deposit to Costs of Issuance Account.....	
Underwriters' Discount.....	
Total .....	<u>\$</u>

## THE SERIES 2020 BONDS

### Description of Series 2020 Bonds

The Series 2020 Bonds will be dated their date of delivery and will bear interest at the rates and mature, subject to the rights of redemption described below, in the amounts and on the dates set forth on the inside cover page of this Official Statement. The Series 2020 Bonds will be issuable as fully registered bonds in authorized denominations of \$5,000 and integral multiples thereof.

Interest on the Series 2020 Bonds is payable on February 1 and August 1 of each year, commencing on \_\_\_\_\_ 1, \_\_\_\_ (each an "Interest Payment Date"). Principal of the Series 2020 Bonds is payable at maturity, subject to prior redemption as described below under "– Redemption of Series 2020 Bonds." The Series 2020 Bonds will be issued in a book-entry only system of registration, and so long as The Depository Trust Company, New York, New York ("DTC") or its nominee is the registered owner of the Series 2020 Bonds, payments of the principal, of, premium, if any, and interest on the Series 2020 Bonds will be payable directly to DTC. See "– Book-Entry Only System" below.

The Series 2020 Bonds are being issued pursuant to a resolution adopted by the Authority on August \_\_, 2019, and pursuant to the Trust Agreement. The Trustee is also the Paying Agent for the Series 2020 Bonds.

### Redemption of Series 2020 Bonds

*Optional Redemption.* Except under the circumstances described in the following paragraph, the Series 2020 Bonds maturing on or before August 1, 20\_\_\*, are not subject to optional redemption prior to their stated date of maturity. The Series 2020 Bonds maturing after August 1, 20\_\_,\* are subject to optional redemption at the option of the Authority, in whole or in part, at any time on or after August 1, 20\_\_,\* at a redemption price equal to 100% of the principal amount of the Series 2020 Bonds to be redeemed plus interest accrued thereon to the redemption date.

*Extraordinary Optional Redemption.* The Series 2020 Bonds are subject to extraordinary optional redemption, in whole or in part, at a price equal to the principal amount thereof, together with interest thereon accrued to the date of redemption, upon the exercise by the Board of Supervisors of the County of its option to prepay all or a portion of the purchase price established in the Contract when proceeds of an

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\* Preliminary, subject to change.

insurance or condemnation award are received and such proceeds are not used to repair, reconstruct or restore the Wiehle Avenue Metrorail Station Parking Project or portion thereof or portion thereof that is subject of such an insurance or condemnation award. See Appendix C, “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT, THE SECOND SUPPLEMENTAL TRUST AGREEMENT AND THE INSTALLMENT PURCHASE CONTRACT – The Second Supplemental Trust Agreement – Redemption Provisions of the Series 2020 Bonds – *Extraordinary Optional Redemption*.”

*Mandatory Sinking Fund Redemption.*

The Series 2020 Bonds maturing August 1, 20\_\_,\* are subject to mandatory redemption in part at a price equal to the principal amount thereof, together with interest thereon accrued to the date of redemption, in accordance with the following Sinking Fund Requirements:

Series 2020 Bonds Maturing August 1, 20 \_\_ \*

Year

Principal Amount

\$

(final maturity)

The Trust Agreement requires funds to be provided sufficient to redeem on the dates indicated above the principal amounts of such Series 2020 Bonds set forth above (after credit, as provided in the Trust Agreement, for any such Series 2020 Bonds previously purchased or redeemed and not credited to the sinking fund obligation). See Appendix C, “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT, THE SECOND SUPPLEMENTAL TRUST AGREEMENT AND THE INSTALLMENT PURCHASE CONTRACT – The Second Supplemental Trust Agreement – Redemption Provisions of the Series 2020 Bonds – *Mandatory Sinking Fund Redemption*.”

**Selection of Series 2020 Bonds for Redemption**

The Series 2020 Bonds are to be redeemed only in the minimum denomination authorized by the Trust Agreement or in whole multiples of such minimum denomination. In selecting Series 2020 Bonds for redemption, the Trustee is to treat each Series 2020 Bond as representing the number of Series 2020 Bonds that is obtained by dividing the principal amount of such Series 2020 Bond by the minimum denomination authorized by the Trust Agreement. If less than all of the Series 2020 Bonds of a particular maturity are called for redemption, the particular Series 2020 Bonds or portions of Series 2020 Bonds, to be redeemed are to be selected by the Trustee by such method as the Trustee in its sole discretion determines.

**Notice of Redemption**

At least 30 but not more than 90 days before the redemption date of any Series 2020 Bonds, whether such redemption be in whole or in part, the Trustee is to cause a notice of any such redemption to be provided to all owners owning Series 2020 Bonds to be redeemed in whole or in part, but any defect in such notice or the failure to mail any such notice to any owner owning any Series 2020 Bonds will not affect the validity of the proceedings for the redemption of any other Series 2020 Bonds. Each such notice is to set forth the Series 2020 Bonds or portions thereof to be redeemed, the date fixed for redemption, the Redemption Price to be paid, and if less than all the Series 2020 Bonds are called for redemption, the maturities of the Series 2020 Bonds to be redeemed and, if less than all of the Series 2020 Bonds of any one maturity then outstanding are called for redemption, the distinctive numbers and letters, if any, of such Series 2020 Bonds to be redeemed and, in the case of Series 2020 Bonds to be redeemed in part only, the

portion of the principal amount thereof to be redeemed. If any Series 2020 Bond is to be redeemed in part only, the notice of redemption is also to state that on or after the redemption date, upon surrender of such Series 2020 Bond, a new Series 2020 Bond in principal amount equal to the unredeemed portion of such Series 2020 Bond and of the same maturity will be issued.

Any notice of optional redemption of the Series 2020 Bonds may state that it is conditioned upon there being available an amount of money sufficient to pay the redemption price, consisting of par plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price if any such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit by the Authority, the corresponding notice of redemption will be deemed to be revoked.

### **Book-Entry Only System**

*The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2020 Bonds, payments of principal of and interest on the Series 2020 Bonds to The Depository Trust Company, New York, New York (“DTC”), its nominee, Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in the Series 2020 Bonds and other bond-related transactions by and between DTC, the Direct Participants and Beneficial Owners is based solely on information furnished by DTC.*

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each principal amount of Series 2020 Bonds of a maturity bearing interest at a specified interest rate, each in the aggregate principal amount of such quantity of Series 2020 Bonds, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC’s records. The ownership

interest of each actual purchaser of the Series 2020 Bonds (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Series 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in the Series 2020 Bonds, except in the event that use of the book entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2020 Bond documents. For example, Beneficial Owners of the Series 2020 Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detailed information from the County, on a payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2020 Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2020 Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

**The Authority may enter into amendments to the agreement with DTC, or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Series 2020 Bonds without the consent of Beneficial Owners.**

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS**

### **Pledge of Trust Agreement**

Under the Trust Agreement, the Authority will pledge and assign to the Trustee, as security for the payment of all Bonds issued under the Trust Agreement, all rights, title and interest of the Authority in and to the Contract, including its right to receive Basic Contract Payments and Additional Contract Payments (reserving its right to receive certain Additional Contract Payments and its rights to receive notices, reports, and other statements) under the Contract.

### **Basic Contract Payments and Additional Contract Payments**

The County is obligated under the Contract to make Basic Contract Payments that are sufficient to pay the principal of and interest due on the Series 2020 Bonds. Under the Contract, the County has agreed also agreed to make Additional Contract Payments in amounts sufficient, among other purposes, to pay the Authority's expenses allocable to the Contract and for the Authority to pay timely the compensation and expenses of the Trustee. Under the Trust Agreement, the obligation of the County to make all Contract Payments and other payments required under the Contract in any fiscal year of the County is valid and binding but subject to and contingent upon the annual appropriation by the Board of Supervisors of the County of funds for such purpose for such fiscal year. The failure of the County to pay all or any portion of the Contract Payments or any other amounts due under the Contract on account of a failure of the Board of Supervisors of the County to appropriate such sums (an "Event of Nonappropriation") will not constitute a default or an event of default under the Contract. See "CERTAIN INVESTMENT CONSIDERATIONS."

### **Budget and Appropriation**

The Authority has covenanted in the Trust Agreement that it will request the County annually for each fiscal year to budget, appropriate and pay to the Trustee an amount equal to the Basic Payments and Additional Payments payable by the County under the Contract, in such fiscal year. The County has covenanted in the Contract that the County Executive shall include as a separate line item in each annual budget of revenues and disbursements presented to the Board of Supervisors of the County an item, appropriately designated, in an amount not less than an amount sufficient, in the judgment of the County

Executive, to pay debt service on the Series 2020 Bonds and all other amounts payable during such fiscal year by the County pursuant to the Contract.

### **Limited Obligations**

The Series 2020 Bonds are limited obligations of the Authority payable solely from the revenues pledged under the Trust Agreement. Neither the faith and credit of the Commonwealth nor any political subdivision thereof (including the Authority and the County) are pledged to the payment of the principal of or the interest or premium, if any, on the Series 2020 Bonds.

### **Additional and Refunding Bonds**

The Authority may issue additional bonds (“Additional Bonds”) for purposes of providing funds to complete the cost of constructing the Wiehle Avenue Metrorail Station Parking Project. In addition, the Authority may issue refunding Bonds (“Refunding Bonds”) on a parity with the Series 2020 Bonds for the purpose of providing funds, together with any other funds available therefor, for refunding all or any part of the Series 2020 Bonds or other Bonds. The Authority may not issue bonds on a parity with the Series 2020 Bonds (other than Refunding Bonds) for any other purpose other than issuing Additional Bonds on a parity for additional costs of constructing the Wiehle Avenue Metrorail Station Parking Project. As a condition to the issuance of Refunding Bonds or Additional Bonds, the County and the Authority must enter into amendments of the Contract required to reflect the issuance of Refunding Bonds or Additional Bonds and make the required adjustments to Basic Payment and Additional Payments. See Appendix C, “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT, THE SECOND SUPPLEMENTAL TRUST AGREEMENT AND THE INSTALLMENT PURCHASE CONTRACT – The Trust Agreement – Additional Bonds and Refunding Bonds.”

### **No Reserve Fund**

No debt service reserve fund or other similar reserve fund has been established with respect to the Series 2020 Bonds.

### **Casualty and Liability Insurance**

The Contract requires that the County maintain in effect at a minimum the following insurance: (i) an “all risks” policy with coverage equal to 100% of the replacement cost value of the Wiehle Avenue Metrorail Station Parking Project, to be determined no less frequently than annually, and (ii) a general liability policy covering all operations and maintenance in connection with the Wiehle Avenue Metrorail Station Parking Project equal to \$5,000,000 combined aggregate limit per occurrence for personal injury and property damage liability. The County may also self insure against such risks under certain circumstances. All such insurance must be issued by companies licensed to do business in the Commonwealth of Virginia with the Best’s Key Rating of at least A:VI. See Appendix C, “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT, THE SECOND SUPPLEMENTAL TRUST AGREEMENT AND THE INSTALLMENT PURCHASE CONTRACT – The Installment Purchase Contract – Insurance.”

### **Casualty, Condemnation**

In the event that all or a portion of the Wiehle Avenue Metrorail Station Parking Project is damaged or destroyed by fire, flood or other casualty or taken by condemnation, the County is obligated either to (a) repair and restore the Wiehle Avenue Metrorail Station Parking Project to substantially the same condition or utility value as existed prior to such event or (b) apply the Net Proceeds resulting from such event,

together with other available money, to the payment in whole or in part of the Series 2020 Bonds if Wiehle Avenue Metrorail Station Parking Project is damaged or destroyed in whole or in part, either through redemption of the Series 2020 Bonds as described herein under “THE SERIES 2020 BONDS – Redemption of Bonds – Extraordinary Optional Redemption” or a defeasance of the Series 2020 Bonds in accordance with the Trust Agreement. See Appendix C, “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT, THE SECOND SUPPLEMENTAL TRUST AGREEMENT AND THE INSTALLMENT PURCHASE CONTRACT – The Installment Purchase Contract – County’s Obligation to Maintain and Repair the Property.”

### **No Interest in Wiehle Avenue Metrorail Station Parking Project**

No interest in the Wiehle Avenue Metrorail Station Parking Project has been pledged as security for the Series 2020 Bonds or for the County’s obligations under the Contract.

### **DEBT SERVICE REQUIREMENTS**

The following tables set forth the debt service requirements for the Series 2020 Bonds:

<u>Fiscal Year*</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service†</u>
2021	\$	\$	\$
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
Total†	<u>\$0</u>	<u>\$</u>	<u>\$</u>

\*Debt service on the Series 2020 Bonds is shown on the basis of the County’s fiscal year, the 12-month period commencing on July 1 of one calendar year and ending June 30 of the subsequent calendar year.

†Totals may not add due to rounding.

See Appendix A, “INFORMATION RELATING TO FAIRFAX COUNTY – Debt Administration” for a description of the other tax-supported debt of the County.

## **CERTAIN INVESTMENT CONSIDERATIONS**

The following is a summary of certain risk factors attendant to investment in the Series 2020 Bonds. In order to identify risk factors and make an informed investment decision, investors should review thoroughly all the information contained in this Official Statement.

### **Non-Appropriation**

The obligation of the County to make Basic Contract Payments and Additional Contract Payments is subject to appropriation of funds for that purpose. The likelihood that the Board of Supervisors will continue to appropriate funds for Basic Contract Payments and Additional Contract Payments during each fiscal year may depend on a number of factors, including, but not limited to (a) the continuing need of the County for the Wiehle Avenue Metrorail Station Parking Project, (b) political, economic and other factors affecting County government, (c) general fund revenues and expenditures, (d) economic conditions in the County, (e) the usefulness or value of the Wiehle Avenue Metrorail Station Parking Project and (f) the availability of alternative facilities.

## **LITIGATION**

There is no litigation of any nature against the Authority now pending or, to the knowledge of the Authority, threatened against the Authority that would (a) restrain or enjoin the issuance, sale, execution or delivery of the Series 2020 Bonds, or the application of proceeds of the Series 2020 Bonds as provided in the Trust Agreement or the collection of revenues pledged under the Trust Agreement, (b) in any way contest or affect the validity of the Series 2020 Bonds or the validity of the Trust Agreement or the Contract, or (c) in any way contest the creation, existence, powers or authority of the Authority.

See Appendix A for a description of litigation affecting the County.

## **CERTAIN LEGAL MATTERS**

Certain legal matters relating to the authorization and validity of the Series 2020 Bonds are subject to the approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel. Such opinion will be furnished without expense to the purchasers of the Series 2020 Bonds.

Certain legal matters will be passed upon for the Authority by Thomas O. Lawson, Esq., P.L.C., Fairfax, Virginia, for the County by Elizabeth D. Teare, Esquire, County Attorney, and for the Underwriters by\_\_\_\_\_.

## **LEGALITY FOR INVESTMENTS**

Under the Enabling Act, the Series 2020 Bonds are legal and authorized investments for banks, trustees, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians for all public funds of the Commonwealth of Virginia or other political subdivisions of the Commonwealth of Virginia, and any and all public funds of cities, towns, counties, school districts or other political corporations or subdivisions of the Commonwealth of Virginia.

## **TAX MATTERS**

### **Opinion of Bond Counsel**

The Authority and, the County have covenanted to comply with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion from gross income of the interest on the Series 2020 Bonds for purposes of federal income taxation. In the opinion of Norton Rose Fulbright US LLP, Bond Counsel, under current law and assuming continuing compliance by the County and the Authority with such covenants and requirements of the Code regarding, among other matters, the use, expenditure and investment of Series 2020 Bond proceeds and the timely payment of certain investment earnings to the United States Treasury, interest on the Series 2020 Bonds will not be included in the gross income of the owners thereof for federal income tax purposes. Failure by the County or the Authority to comply with such covenants and requirements may cause interest on the Series 2020 Bonds to be includable in the gross income of the owners thereof retroactive to the date of issue of the Series 2020 Bonds. No opinion is rendered by Bond Counsel as to the effect on the exclusion from gross income of the interest on the Series 2020 Bonds for federal income tax purposes of any action taken or not taken without the approval of Bond Counsel or in reliance upon the advice or opinion of counsel other than Bond Counsel.

Interest on the Series 2020 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax under the Code. The Code contains other provisions (some of which are noted below) that could result in tax consequences, as to which no opinion will be rendered by Bond Counsel, as a result of ownership of the Series 2020 Bonds or the inclusion in certain computations of interest that is excluded from gross income.

### **Original Issue Discount**

The excess, if any, of the amount payable at maturity of any maturity of the Series 2020 Bonds purchased as part of the initial public offering over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Series 2020 Bonds with original issue discount (a “Discount Bond”) will be excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2020 Bonds. In general, the issue price of a maturity of the Series 2020 Bonds is the first price at which a substantial amount of Series 2020 Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers), which may differ from the price shown on the inside cover page of this Official Statement, and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser’s adjusted basis in a Discount Bond is to be increased by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds for federal income tax purposes.

Original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed herein. Consequently, an owner of a Discount Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale, or other disposition of a Discount Bond that is not purchased in the initial offering at the first price at which a substantial amount of such Series 2020 Bonds is sold to the public may be determined according to rules that differ from those

described above. Owners of Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount with respect to such Discount Bonds and with respect to state and local tax consequences of owning and disposing of such Discount Bonds.

### **Bond Premium**

The excess, if any, of the tax basis of Series 2020 Bonds purchased as part of the initial public offering to a purchaser (other than a purchaser who holds such Series 2020 Bonds as inventory, stock in trade, or for sale to customers in the ordinary course of business) over the amount payable at maturity is “Bond Premium.” Bond Premium is amortized over the term of such Series 2020 Bonds for federal income tax purposes (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). Owners of such Series 2020 Bonds are required to decrease their adjusted basis in such Series 2020 Bonds by the amount of amortizable Bond Premium attributable to each taxable year such Series 2020 Bonds are held. The amortizable bond premium on such Series 2020 Bonds attributable to a taxable year is not deductible for federal income tax purposes; however Bond Premium on such Series 2020 Bonds is treated as an offset to qualified stated interest received on such Series 2020 Bonds. Owners of such Series 2020 Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the treatment of Bond Premium upon sale, redemption or other disposition of such Series 2020 Bonds and with respect to state and local income tax consequences of owning and disposing of such Series 2020 Bonds.

### **Backup Withholding**

Interest paid on the Series 2020 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. While this reporting requirement does not by itself, affect the excludability of interest on the Series 2020 Bonds from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Series 2020 Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (i) are not “exempt recipients,” and (ii) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the Internal Revenue Service as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner’s federal income tax liability provided the required information is furnished to the Internal Revenue Service.

### **Other Tax Consequences**

Under the Enabling Act, the income on the Series 2020 Bonds, including any profit made on the sale thereof, is exempt from all taxation by the Commonwealth or any political subdivision thereof.

The Code contains other provisions (some of which are noted below) that could result in tax consequences, upon which Bond Counsel expresses no opinion, as a result of ownership of the Series 2020 Bonds or the inclusion in certain computations of interest on the Series 2020 Bonds that is excluded from gross income for purposes of federal income taxation.

PROSPECTIVE PURCHASERS OF THE SERIES 2020 BONDS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE APPLICABILITY AND IMPACT OF ANY SUCH COLLATERAL TAX CONSEQUENCES.

Ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S Corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit.

### **Future Tax Developments**

Future or pending legislative proposals, if enacted, regulations, rulings or court decisions may cause interest on the Series 2020 Bonds to be subject, directly or indirectly, to federal income taxation or to State or local income taxation, or may otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Legislation or regulatory actions and future or pending proposals may also affect the economic value of the federal or state tax exemption or the market value of the Series 2020 Bonds. Prospective purchasers of the Series 2020 Bonds should consult their tax advisors regarding any future, pending or proposed federal or state tax legislation, regulations, rulings or litigation as to which Bond Counsel expresses no opinion.

### **Forward Delivery of the Series 2020 Bonds**

Assuming no change in current law, it is expected that Bond Counsel will be able to render the opinion substantially in the form appearing in Appendix D to this Official Statement on the date of delivery of the Series 2020 Bonds.

### **CERTAIN FORWARD DELIVERY CONSIDERATIONS WITH RESPECT TO THE SERIES 2020 BONDS**

The Authority will enter into a forward delivery bond purchase agreement (the “Forward Delivery Purchase Agreement”) for the Series 2020 Bonds with \_\_\_\_\_, on behalf of itself and as representative of \_\_\_\_\_ and \_\_\_\_\_ (collectively, the “Underwriters”). Subject to the terms of the Forward Delivery Purchase Agreement, the Authority expects to issue and deliver the Series 2020 Bonds on \_\_\_\_\_, 2020, or on such later date as is mutually agreed upon by the Authority and the Underwriters (the “Series 2020 Settlement Date”).

The following is a description of certain provisions of the Forward Delivery Purchase Agreement. The following description is not to be considered a full statement of the terms of the Forward Delivery Purchase Agreement and accordingly is qualified by reference thereto and is subject to the full text thereof.

### **Series 2020 Bond Settlement**

The issuance of the Series 2020 Bonds and the Underwriters’ obligations under the Forward Delivery Purchase Agreement to purchase, accept delivery of and pay for the Series 2020 Bonds on the Series 2020 Settlement Date are conditioned upon the performance by the Authority of its obligations thereunder, including, without limitation, the delivery of an opinion, dated the Series 2020 Settlement Date, of Bond Counsel, substantially in the form and to the effect as set forth in Appendix D to this Official Statement. The issuance of the Series 2020 Bonds is further contingent upon the delivery of certain certificates and legal opinions, and the satisfaction of other conditions as of the Series 2020 Settlement Date. The Underwriters have the right to terminate their obligations under the Forward Delivery Purchase Agreement, by notifying the Authority of their election to do so, if:

(a) At any time subsequent to the preliminary closing date (expected to be September \_\_\_, 2019) (the “Preliminary Closing Date”) and on or prior to the Series 2020 Settlement Date, the Series 2020 Bonds are not rated by Moody’s and S&P; or

(b) At any time subsequent to the Preliminary Closing Date and on or prior to the Series 2020 Settlement Date there is a Change in Law. A “Change in Law” means:

(i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; or

(ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date that is on or before the Series 2020 Settlement Date); or

(iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date that is on or before the Series 2020 Settlement Date); or

(iv) any judgment, ruling or order issued by any court or administrative body,

which with respect to clauses (i) through (iv) above would (A) as to the Underwriters, legally prohibit the Underwriters from (1) accepting delivery of and paying for the Series 2020 Bonds in accordance with the provisions of the Forward Delivery Purchase Agreement or (2) selling the Series 2020 Bonds or beneficial ownership interests therein to bona fide purchasers, or, (B) as to the Authority, make the sale or issuance and delivery of the Series 2020 Bonds by the Authority illegal, or (C) eliminate the exclusion from gross income for federal income tax purposes of interest on the Series 2020 Bonds, or (D) require the Series 2020 Bonds to be registered under the Securities Act of 1933 (the “Securities Act”); provided, however, that any such change in or addition to law, legislation, rule or regulation, or judgment, ruling or order referred to in clauses (i) through (iv) of this sentence have become effective, been enacted, or been issued, as the case may be, subsequent to the date of execution of the Forward Delivery Purchase Agreement; or

(v) a stop order, ruling, regulation, or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter has been issued or made or any other event occurs, the effect of which is that the issuance or sale of the Series 2020 Bonds is, or would be, in violation of any provision of the federal securities laws, including the Securities Act or the Securities Exchange Act of 1934, as amended.

During the period of time between the date of this Official Statement and the Series 2020 Settlement Date (the “Forward Delivery Period”), certain information contained in this Official Statement could change in a material respect. The Authority has agreed to amend or supplement this Official Statement with an updated Official Statement not more than 25 days nor less than five days prior to the Series 2020 Settlement Date. The Underwriters may not refuse to purchase the Series 2020 Bonds, and the purchasers may not refuse to purchase the Series 2020 Bonds from the Underwriters pursuant to the hereinafter referred to Delayed Delivery Contract, by reason of “general market or credit changes,” including, but not limited to, (a) changes in the ratings of the Series 2020 Bonds, or (b) changes in the financial condition, operations, performance, properties or prospects of the County prior to the Series 2020 Settlement Date. All purchasers of the Series 2020 Bonds are required to execute and deliver to the Underwriters a “Delayed Delivery Contract” substantially in the form included in Appendix F hereto. The Underwriters have advised the Authority that the Series 2020 Bonds will be sold only to investors who execute the Delayed Delivery Contract in substantially the form included in Appendix F. The proposed form of Delayed Delivery Contract is attached as Appendix F at the request and for the convenience of the Underwriters. The

Authority will not be a party to the Delayed Delivery Contracts, and the Authority is not in any way responsible for the performance thereof or for any representations or warranties contained therein. However, the Authority is a third-party beneficiary of the Delayed Delivery Contracts. The rights and obligations under the Forward Delivery Purchase Agreement are not conditioned or dependent upon the performance of any Delayed Delivery Contract.

### **Additional Risks Related to the Forward Delivery Period**

During the Forward Delivery Period, certain information contained in this Official Statement could change in a material respect. Any changes in such information will not permit the Underwriters to terminate the Forward Delivery Purchase Agreement or release the purchasers from their obligation to purchase the Series 2020 Bonds pursuant to the Delayed Delivery Contracts unless the change reflects an event described in items (a) or (b) under “– Series 2020 Bond Settlement” herein. In addition to the risks set forth above, purchasers of the Series 2020 Bonds are subject to certain additional risks, some of which are described below.

*Ratings Risk.* The Series 2020 Bonds are currently rated “\_\_\_” and “\_\_\_” by Moody’s and S&P, respectively. See “RATINGS” herein. No assurance can be given that the ratings assigned to the Series 2020 Bonds on the Series 2020 Settlement Date will not be different from those currently assigned to the Series 2020 Bonds. Issuance of the Series 2020 Bonds and the Underwriters’ obligations under the Forward Delivery Purchase Agreement are not conditioned upon the assignment of any particular ratings for the Series 2020 Bonds or the maintenance of the initial ratings of the Series 2020 Bonds.

*Secondary Market Risk.* The Underwriters are not obligated to make a secondary market in the Series 2020 Bonds, and no assurances can be given that a secondary market will exist for the Series 2020 Bonds during the Forward Delivery Period. Purchasers of the Series 2020 Bonds should assume that the Series 2020 Bonds will be illiquid throughout the Forward Delivery Period.

*Market Value Risk.* The market value of the Series 2020 Bonds as of the Series 2020 Settlement Date may be affected by a variety of factors including, without limitation, general market conditions, the ratings then assigned to the Series 2020 Bonds, the financial condition of the County and federal income tax and other laws. The market value of the Series 2020 Bonds as of the Series 2020 Settlement Date could therefore be higher or lower than the price to be paid by the initial purchasers of the Series 2020 Bonds and that difference could be substantial. Neither the County or the Underwriters make any representation as to the expected market prices of the Series 2020 Bonds as of the Series 2020 Settlement Date. Further, no assurance can be given that the introduction or enactment of any future legislation will not affect the market prices for the Series 2020 Bonds as of the Series 2020 Settlement Date or thereafter or not have a materially adverse impact on any secondary market for the Series 2020 Bonds.

*Tax Law Risk.* Subject to the additional conditions of settlement described under “– Series 2020 Bond Settlement” above, the Forward Delivery Purchase Agreement obligates the Authority to deliver and the Underwriters to purchase the Series 2020 Bonds if the Authority delivers an opinion of Bond Counsel with respect to the Series 2020 Bonds substantially in the form and to the effect as set forth in Appendix D hereto. During the Forward Delivery Period, new legislation, new court decisions, new regulations, or new rulings may be enacted, delivered or promulgated, or existing law, including regulations adopted pursuant thereto, may be interpreted in a manner that might prevent Bond Counsel from rendering its opinion or otherwise affect the substance of such opinion. Notwithstanding that the enactment of new legislation, new court decisions, the promulgation of new regulations or rulings or reinterpretations or existing law might diminish the value of, or otherwise affect, the exclusion of interest on the Series 2020 Bonds for purposes of federal income taxation payable on “state or local bonds,” the Authority might be able to satisfy the requirements for the delivery of the Series 2020 Bonds. In such event, the purchasers would be required to

accept delivery of the Series 2020 Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any changes in tax law and the consequences of such changes to such purchasers.

*Termination of Forward Delivery Purchase Agreement.* The Underwriters may terminate the Forward Delivery Purchase Agreement by notification to Authority on or prior to the Series 2020 Settlement Date if any of the events described above in items (a) and (b) under “– Series 2020 Bond Settlement” occurs.

## **CONTINUING DISCLOSURE**

The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Series 2 Bonds, and the Authority will not provide any such information. The County has undertaken all responsibilities for continuing disclosure for the benefit of the Owners, and the Authority shall have no liability to the Owners or any other person with respect to such disclosures.

The Securities and Exchange Commission has adopted Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”). In general, the Rule prohibits an underwriter from purchasing or selling municipal securities such as the Series 2020 Bonds, unless it has determined that the issuer of such securities or other persons deemed to be material “obligated persons” have committed to provide to The Electronic Municipal Market Access (“EMMA”) system administered by the Municipal Securities Rulemaking Board (i) on an annual basis, certain financial information and operating data (“Annual Reports”), and, if available, audited financial statements, and (ii) notice of various events described in the Rule (“Event Notices”).

The County will covenant in the Continuing Disclosure Agreement (the form of which appears in Appendix E), to be dated the date of delivery of the Series 2020 Bonds, for the benefit of the holders of the Series 2020 Bonds, to provide Annual Reports to EMMA, annually, not later than March 31 of each year, commencing March 31, 2021. Similarly, the County will provide Event Notices with respect to the Series 2020 Bonds to EMMA. The County has updated its procedures relating to compliance with its undertakings under the Rule to reflect the recent amendments to the Rule.

In accordance with continuing disclosure undertakings (the “Sewer Undertakings”) relating to the County’s sewer revenue bonds, the County agreed to provide and file certain annual financial and statistical information (“Sewer System Annual Disclosure Reports”) relating to the County’s sanitary sewer system (the “System”) as well as the County’s audited financial statements for the System (“Sewer System Annual Financial Statements”). For the Fiscal Years ended June 30, 2009, and June 30, 2010, the County prepared and filed the Sewer System Annual Disclosure Reports for each year. Such filings, however, inadvertently did not include the prepared Sewer System Annual Financial Statements (the “2009 and 2010 Sewer System Annual Financial Statements”) required to be included in such filings pursuant to the terms of the Continuing Disclosure Undertakings, although the 2009 and 2010 Sewer System Annual Financial Statements were timely posted to the County’s website. As of June 5, 2014, the County filed the 2009 and 2010 Sewer System Annual Financial Statements. In addition, as a condition to the issuance of various series of revenue bonds (“UOSA Bonds”) issued by the Upper Occoquan Service Authority for the benefit of the County and other jurisdictions, the County has agreed pursuant to continuing disclosure undertakings (the “UOSA Undertakings”) to provide and file the Sewer System Annual Disclosure Reports and Sewer System Annual Financial Statements. The 2009 and 2010 Sewer System Annual Financial Statements were filed pursuant to the UOSA Undertakings but not in a timely manner and other filings were complete and timely but were not correctly cross-referenced to the UOSA Bonds. The County has implemented procedures to ensure the inclusion of necessary information in a timely manner in future filings required by the Sewer Undertakings and the UOSA Undertakings.

In addition, pursuant to the Sewer Undertakings relating to certain sewer revenue bonds defeased on May 12, 2016 (the “Sewer Bonds Defeasance”), the County agreed to provide timely notice of the Sewer Bonds Defeasance. Pursuant to the escrow deposit agreement, dated May 12, 2016, between Fairfax County and its Escrow Agent, the Escrow Agent agreed to provide notice to EMMA of the Sewer Bonds Defeasance within two days of the date of the agreement. The Escrow Agent did not provide this notice within the two-day period. After inquiry from the County, the Escrow Agent did provide such notice, but not within the time periods required by the relevant Sewer Undertakings. The County has strengthened its procedures to ensure that event notices to be provided by outside entities on the County’s behalf are done within the required time periods.

Pursuant to several continuing disclosure undertakings entered into relating to the Fairfax County Economic Development Authority’s Transportation Contract Revenue Bonds (Route 28 Project), the County provided all required information, except that it inadvertently did not include in its annual information required under such undertakings a description of the twenty largest owners of real property by assessed value in the State Route 28 Highway Transportation Improvement District. The County has implemented procedures to ensure the inclusion of such information in future filings.

Except as described under this caption, in the five years preceding the date of this Official Statement, the County has materially complied with its undertakings under the Rule.

Any failure by the County to perform its obligations under the Continuing Disclosure Agreement will not constitute an Event of Default under the Trust Agreement or the Series 2020 Bonds; rather, the right to enforce the provisions of the Continuing Disclosure Agreement is limited to the right to compel performance. The Underwriters’ obligations to purchase the Series 2020 Bonds shall be conditioned upon receipt, at or prior to the delivery of the Series 2020 Bonds, of an executed copy of the Continuing Disclosure Agreement.

## **RATINGS**

Moody’s Investors Service, Inc. (“Moody’s”), and S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”) (collectively, the “Rating Agencies”), have assigned to the Series 2020 Bonds ratings of “\_\_\_” and “\_\_\_”, respectively to the Series 2020 Bonds. An explanation of the significance of each rating may be obtained from the appropriate rating agency.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The County has furnished information to the Rating Agencies, including information not contained in this Official Statement. There is no assurance that a rating on the Series 2020 Bonds will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency if in its judgment circumstances so warrant. Any downward revision or withdrawal of any such rating could have an adverse effect on the market price of the Series 2020 Bonds. Such ratings should not be taken as a recommendation to buy, sell or hold the Series 2020 Bonds.

## **FINANCIAL ADVISOR**

PFM Financial Advisors LLC, Arlington, Virginia, is serving as financial advisor (the “Financial Advisor”) in connection with the issuance of the Series 2020 Bonds. Although the Financial Advisor assisted in the preparation and review of this Official Statement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Financial

Advisor is a financial advisory organization and is not engaged in the business of underwriting municipal securities.

#### **MISCELLANEOUS**

All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof, and no guarantee, warranty, or other representation is made concerning the accuracy or completeness of the information herein. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

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**PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL**

The distribution of this Preliminary Official Statement has been duly authorized by the Authority. The Board of Supervisors of the County deems this Preliminary Official Statement final as of its date within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, except for the omission of certain pricing and other information permitted to be omitted by Rule 15c2-12.

The execution and delivery of this Official Statement have been duly authorized by the Authority.

**FAIRFAX COUNTY ECONOMIC  
DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Chairman

**APPENDIX A**

**INFORMATION RELATING TO FAIRFAX COUNTY, VIRGINIA**

## TABLE OF CONTENTS

FAIRFAX COUNTY .....	1
GENERAL DESCRIPTION .....	1
Overview .....	1
Population .....	1
Certain County Administrative and Financial Staff Members .....	3
County Employees .....	5
GOVERNMENT SERVICES .....	5
General Government Administration .....	5
Public Schools .....	6
Public Works .....	8
Transportation .....	9
Parks, Recreation and Libraries .....	12
Community Development .....	13
Health and Welfare .....	14
Judicial Administration .....	15
Public Safety .....	15
Water Supply Service .....	16
ECONOMIC FACTORS .....	17
Economic Development .....	17
Employment .....	18
Construction Activity .....	23
Housing .....	23
Colleges and Universities .....	24
Cultural Amenities .....	24
DEBT ADMINISTRATION .....	25
Statement of Bonded Indebtedness .....	25
Limits on Indebtedness .....	25
Bond Referenda Authorization .....	26
Other Tax Supported Debt Obligations .....	26
Lease Commitments and Contractual Obligations .....	30
Debt Service on Tax Supported Debt Obligations .....	31
Sewer Revenue Bonds .....	32
Debt Ratios .....	34
Underlying Bonded Indebtedness .....	36
TAX BASE DATA .....	37
FINANCIAL INFORMATION .....	40
Five-Year Summary of Revenues, Expenditures and Fund Balances for the General Fund .....	40
Financial Policies .....	42
Certain Financial Procedures .....	43
Investment Management Policy .....	44
General Fund Revenues, Expenditures, Transfers and Beginning Fund Balance .....	44
General Fund Summary .....	44
Revenues .....	45
Expenditures and Transfers .....	47
FY 2019 Budget .....	48
FY 2020 Budget .....	49
CAPITAL IMPROVEMENT PROGRAM .....	49
RETIREMENT SYSTEMS .....	49
Fairfax County Employees' Retirement System (ERS) .....	50

Fairfax County Police Officers Retirement Systems (PORS).....	52
Fairfax County Uniformed Retirement System (URS).....	53
Educational Employees' Supplementary Retirement System of Fairfax County (ERFC).....	55
Virginia Retirement Systems (VRS).....	57
Fairfax County Retirement Systems – Plan Revisions from the Board of Supervisors .....	58
Fairfax County - Other Post-Employment Benefits (OPEB) .....	58
Fairfax County Public Schools - Other Post-Employment Benefits (OPEB) .....	61
CONTINGENT LIABILITIES AND CLAIMS .....	62

## **FAIRFAX COUNTY**

### **GENERAL DESCRIPTION**

#### **Overview**

The County is located in the northeastern corner of the Commonwealth of Virginia (the “Commonwealth”) and encompasses a net land area of 407 square miles. Its current estimated population exceeds one million. The County is part of the Washington, D.C., metropolitan area, which includes jurisdictions in Maryland, the District of Columbia and Northern Virginia.

The Fairfax County government is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of Fairfax County is the Board of Supervisors, which makes policies for the administration of the County. The Board of Supervisors is comprised of ten members: the Chairman, elected at large for a four-year term, and one member from each of nine districts, each elected for a four-year term by the voters of the district in which the member resides. The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

In Virginia, cities and counties are discrete units of government and do not overlap. Fairfax County completely surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. Property within these cities is not subject to taxation by Fairfax County, and the County generally is not required to provide governmental services to their residents. The County does, however, provide certain services to the residents of certain of these cities pursuant to agreements with such cities.

In Fairfax County there are three incorporated towns, Clifton, Herndon and Vienna, which are underlying units of government within the County, and the ordinances and regulations of the County are, with certain limitations prescribed by Virginia law, generally effective in them. Property in these towns is subject to County taxation, and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the prior approval of the County (more fully discussed in “DEBT ADMINISTRATION – Underlying Bonded Indebtedness”).

#### **Population**

Fairfax County’s estimated 2017 population is 1,142,888. In 1980, Fairfax County was the third most populous jurisdiction in the Washington, D.C., primary metropolitan statistical area, as defined by the U.S. Bureau of the Census. By 1990, Fairfax County, with 818,584 residents, had become the most populous jurisdiction in the Washington, D.C. area, having added an average of 22,168 people per year in the 1980s. Population growth during the 1990s and 2000s slowed; on average, the County gained about 10,286 people per year during 2008-2017.

**Fairfax County Population**

<u>Calendar Year</u>	<u>Population</u>
1940	40,929
1950	98,557
1960	248,897
1970	454,275
1980	596,901
1990	818,584
2000	969,749
2001	984,366
2002	1,004,435
2003	1,012,090
2004	1,022,298
2005	1,033,646
2006	1,037,311
2007	1,041,507
2008	1,050,315
2009	1,074,227
2010	1,081,726
2011	1,100,692
2012	1,118,602
2013	1,130,924
2014	1,137,538
2015	1,142,234
2016	1,138,652
2017	1,142,888

*Sources:* U.S. Bureau of the Census (1940-2000, 2010) and 2010 Decennial Censuses; FY 2011-2018 Fairfax County Comprehensive Annual Financial Report

The following table reflects the population age distribution of County residents, based on the U.S. Census Bureau's 2010 Decennial Census. The survey estimated the County's total population in 2010 at 1,081,726.

**Household Population Age Distribution  
Fairfax County**

<u>Age Group</u>	<u>2010</u>	
	<u>Number</u>	<u>Percent (%)</u>
Under 20 years	285,405	26.4
20 – 34	218,781	20.2
35 – 54	339,757	31.4
55 – 64	131,493	12.2
65 and Over	<u>106,290</u>	<u>9.8</u>
Total	1,081,726	100.0

*Sources:* U.S. Bureau of the Census, 2010 Decennial Census and Virginia Employment Commission

Based on the latest data released by the U.S. Census Bureau, Fairfax County's median household income was \$117,515 and median family income was \$135,791 in 2017. Approximately 37.2% of the County's households and 44.6% of families had annual incomes of \$150,000 or more. The following table shows the 2017 household and family income distribution in the County.

**2017 Household and Family Income Distribution (by Percentage)<sup>1</sup>**

<u><b>Income Level</b></u>	<u><b>Household</b></u>	<u><b>Family</b></u>
Under \$25,000	7.2%	5.2%
\$25,000 – 49,999	9.8%	8.7%
\$50,000 – 74,999	12.3%	10.1%
\$75,000 – 99,999	12.1%	10.6%
\$100,000 – 149,999	21.4%	20.8%
\$150,000 or more	37.2%	44.6%
 Median Income	 \$117,515	 \$135,791

*Source:* U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

<sup>1</sup> Household Income is defined as that income which is available to all residents of a housing unit, regardless of relationship. Income is from all sources, before taxes and deductions, and includes wages, business, retirement, SSI, alimony, child support, interest, etc. Family Income is derived by including only those households containing two or more persons related by blood, marriage or adoption. Percentages may add to more than 100% due to rounding.

**Certain County Administrative and Financial Staff Members**

Bryan J. Hill, County Executive, was appointed as County Executive by the Fairfax County Board of Supervisors effective January 2, 2018. He was previously the Chief Administrative Officer and Clerk to the Board for James City County from 2014 to 2017; he previously spent seven years with Beaufort County, S.C. as deputy county administrator. At James City County, Hill was responsible for oversight of staff, major infrastructure projects, economic development, transportation initiatives and the development and implementation of that county's first strategic plan. He recently led the realignment of James City County's debt portfolio, which resulted in AAA ratings from each of the three major bond rating agencies. Hill also has served as the vice chancellor for finance and operations at the University of South Carolina's Beaufort/Bluffton Campus, and as the director of finance for the University of Maryland's Office of Information and Technology as well as director of administration for the Department of Aerospace Engineering. He has a bachelor's degree in public administration from Alfred University and a master's degree in public administration from the University of Southern California.

Tisha Deeghan, Deputy County Executive, was appointed in December 2017 as Deputy County Executive for Health and Human Services, which comprises ten agencies serving residents of Fairfax County and the Cities of Fairfax and Falls Church. Ms. Deeghan first joined Fairfax County in September 2014 as the Executive Director of the Fairfax-Falls Church Community Services Board (CSB). Prior to coming to Virginia, Ms. Deeghan worked for thirteen years as the Senior Vice President/Chief Operating Officer for Genesee Health System (GHS) in Flint, Michigan. Ms. Deeghan had responsibility for the agency's behavioral health and managed care operations, as well as integrated health programs, including a directly operated Federally Qualified Health Center, endeavoring to address the often-poor health status of the people served by GHS each year. She has worked in the field of mental health and substance use disorder treatment and prevention for 36 years, more than 30 of them in leadership roles, including 18 years as an accreditation surveyor for CARF and national healthcare consultant in both the public and private sectors. Ms. Deeghan has presented on related topics at numerous state and national conferences, including the American Public Health Association, National Council for Behavioral Health, and NIMH. Ms. Deeghan received her Bachelor of Science in Psychology from the Honors College, Michigan State University, and

Master of Social Work from Michigan State University. She received her Master of Health Services Administration/Public Health from the Department of Health Management & Policy, University of Michigan School of Public Health.

Rachel O'Dwyer Flynn, Deputy County Executive, was appointed on January 22, 2019, by the Board of Supervisors. Ms. Flynn oversees the Department of Public Works and Environmental Services, the Department of Transportation, the Park Authority, the Department of Code Compliance, Land Development Services and a future agency that will combine the Department of Planning and Zoning and the Office of Community Revitalization. Ms. Flynn has 35 years of experience in both private and public organizations as an architect, urban planner, director of planning/building/economic development and real estate development executive. Before her appointment as Deputy County Executive, Ms. Flynn was the director of design management, planning and entitlements at Google, and from 2016-18, she was the vice president of FivePoint Communities. Previously, Ms. Flynn served as the director of the Department of Planning and Building for the City of Oakland, California, from 2013-16; the director of planning for Otak International in Abu Dhabi from 2011-12; the director for the Department of Community Development for the City of Richmond from 2006-11; and the director of the Department of Community Planning and Development for the City of Lynchburg from 1998-2006. Ms. Flynn has led efforts to develop award-winning master plans and city-wide general plans throughout her career. She has been honored with numerous awards from civic and professional organizations for implementing successful and complex plans, progressive environmental initiatives and innovative GIS/technology programs. Ms. Flynn holds a bachelor's in architecture and a master's in engineering management from Catholic University and a master's in public administration from Harvard University. Ms. Flynn is a licensed architect and a member of the American Institute of Architects.

David M. Rohrer, Deputy County Executive, has worked with the Fairfax County Police Department for almost 32 years and was appointed chief in 2004. In addition, Mr. Rohrer has also served as deputy chief for investigations and operations support; Patrol Bureau commander; Special Operations Division and district commander; SWAT first-line supervisor; and first-line patrol supervisor. Mr. Rohrer has served two terms as chairman of the Metropolitan Washington Council of Governments Police Chiefs' Committee, and he is a member of numerous organizations, including the International Association of Chiefs of Police; the Major Cities Chiefs' Association; the Police Executive Research Forum; and the Virginia Association of Chiefs of Police. Mr. Rohrer holds a bachelor's degree in administration of justice from George Mason University.

Elizabeth D. Teare was appointed County Attorney by the Fairfax County Board of Supervisors effective July 1, 2016. Prior to her appointment, Ms. Teare served as the Deputy County Attorney for the Land Use and Environmental Law Section of the Fairfax County Attorney's Office from 2012 through 2016. From 2009 through 2012, she served as a Senior Assistant County Attorney and from 2000 to 2008 as an Assistant County Attorney. Prior to her tenure with the Fairfax County Attorney's Office, Ms. Teare was an associate attorney with a law firm known at that time as Surovell, Jackson, Colten & Dugan, P.C., in Fairfax, Virginia, from 1992 to 2000. She also worked as an Assistant Attorney General in Richmond, Virginia, in a temporary position from 1991 to 1992. Ms. Teare clerked for the Honorable Rosemarie Annunziata, who was then a Fairfax County Circuit Court Judge, from 1990 to 1991. Ms. Teare has been appointed by the Supreme Court of Virginia to serve on the faculty of the Virginia State Bar's Harry L. Carrico Professionalism Course. In addition, she has lectured on land use and environmental law related issues for the Fairfax County Bar Association and the Local Government Attorneys of Virginia. Ms. Teare received a Bachelor of Arts degree from Sweet Briar College, *magna cum laude* with high honors in English, in 1986. In 1990, Ms. Teare received her juris doctorate degree, *cum laude*, from the Washington and Lee University School of Law and was admitted to the Virginia State Bar later that year.

Joseph M. Mondoro is the Chief Financial Officer/Director of the Department of Management and

Budget of the County effective September 2015. Prior to assuming the duties of Chief Financial Officer/Director of the Department of Management and Budget, Mr. Mondoro had been Acting Chief Financial Officer/Director of the Department of Management and Budget of the County effective April 2015. From February 2004 until his appointment as Chief Financial Officer/Director of the Department of Management and Budget of the County, Mr. Mondoro served as Deputy Director of the Department of Management and Budget. Mr. Mondoro received his Bachelor's Degree in History and Government and a Masters of Public Policy from the College of William and Mary. Mr. Mondoro worked as an analyst in the Financial Planning Bureau of the City of Norfolk, Virginia from 1993 to 1995. He joined the Fairfax County Department of Management and Budget in July 1995 as a budget analyst.

Christopher J. Pietsch was appointed Director of Finance for Fairfax County effective December 30, 2013. From 2003 until his appointment as Director of Finance, Mr. Pietsch served as the Director of the Fairfax County Internal Audit Office. Prior to that, Mr. Pietsch spent 16 years working in bank auditing as well as governmental auditing with the Commonwealth. Mr. Pietsch is a graduate of James Madison University, Harrisonburg, Virginia, with a degree in Finance. In addition, he is a Certified Public Finance Officer, Certified Internal Auditor and a Certified Bank Auditor.

### **County Employees**

As of July 2018, the School Board of Fairfax County, Virginia (the "School Board"), supported 24,715 full time equivalent positions. The County supported 11,249 full time equivalent positions in activities funded directly or supported by the General Fund and 1,303 full time equivalent positions employed in activities not supported by the General Fund, principally the County's Integrated Sewer System (the "Integrated Sewer System"). Fairfax County employees are not represented by unions. Fairfax County public school employees have, however, organized the Fairfax Education Association and the Fairfax County Federation of Teachers to represent the interests of its members at public hearings and meetings before the School Board and the Board of Supervisors. General County employees' interests are represented at these types of meetings by the Employees Advisory Council and other groups such as police, fire, and sheriff employee organizations. None of these organizations is empowered to serve as negotiating agent for its members for collective bargaining purposes. Collective bargaining by public employees in Virginia is prohibited by law, a restriction upheld by the Supreme Court of Virginia.

## **GOVERNMENT SERVICES**

Reflecting its urban character, Fairfax County provides a comprehensive range of public services characteristic of its form of government under Virginia law and its integral position within the Washington metropolitan area. The following subsections describe principal governmental services and services performed in conjunction with other governmental entities.

### **General Government Administration**

The County government center complex is located in the Fairfax Center area and is accessible by U.S. Routes 50 and 29, near Interstate Highway 66. The 675,000 square foot government center houses core County services and agencies. Three adjacent County office buildings provide an additional 760,000 square feet of space and house primarily human services, community development and public safety agencies and departments of the County. The County also occupies a 135,000 square foot governmental center for delivery of County services in the southeast part of the County, and has six remote governmental centers throughout the County. The centers provide office space for members of the Board of Supervisors, personnel, police, and building inspectors, and provide meeting rooms for community activities.

In July 2018, the International City/County Management Association (ICMA) announced that it

had awarded its Certificate of Excellence to Fairfax County for the ninth consecutive year. The County is among only 29 jurisdictions across the nation being recognized for their superior efforts and results in performance measurement and management with this award – the organization’s highest level of recognition – from the ICMA Center for Performance Measurement™ (CPM). The Certificate of Excellence is the highest of CPM’s three levels of recognition, and pays special tribute to the County’s efforts in identifying and reporting to the public key outcome measures and surveying of residents and employees, as well as the pervasiveness of performance measurement in the County’s culture.

Fairfax County’s Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017, received the Certificate of Achievement for Excellence in Financial Reporting for the 41<sup>st</sup> year from the Government Finance Officers Association (GFOA). Fairfax County has also earned GFOA’s Distinguished Budget Presentation Award for the past 34 years. This award represents the highest form of recognition in governmental budgeting and reflects the commitment of the governing body and staff to meet the highest principles of public budgeting. The Association of Public Treasurers of the United States and Canada (“APT”) has awarded the County certification for its investment policy every year since 1998, confirming that the County meets the high public investment standards set forth by the Association. Written investment policies submitted to the APT received vigorous peer team review for conformity with principles of sound investment management, careful public stewardship, and adoption of the profession’s best practices.

## **Public Schools**

Fairfax County Public Schools (“FCPS”) is the largest educational system in the Commonwealth of Virginia and the tenth largest school system nationwide, ranked by enrollment. The system is directed by a twelve-person School Board elected by County residents to serve four-year terms. A student representative with a one-year term participates in the School Board’s discussions but does not vote. Because the School Board is not empowered to levy taxes or to incur indebtedness, the operating costs of FCPS are provided by transfers to the School Board from the General Fund of the County and the federal and Commonwealth governments (see the “FINANCIAL INFORMATION – General Fund Summary” herein). Capital construction funding for public school facilities is provided primarily by the sale of general obligation bonds of the County.

The FCPS system is a high quality system offering a variety of programs. There is a strong academic program for college-bound students. More than 89% of FCPS graduates self-reported plans to enroll in post-secondary educational programs. In addition to the traditional academic curriculum, the Thomas Jefferson High School for Science and Technology provides a four-year college preparatory program for students who have a strong interest and high aptitude in mathematics, science, computer science, engineering, or related professional fields. The school is designated as one of the Governor’s magnet schools for science and technology, and students from other Northern Virginia counties are admitted on a tuition-paying basis.

FCPS also offers an extensive program for students pursuing opportunities in technical careers, with courses in business, health occupations, industrial technology, marketing, trade and industrial, and family and consumer sciences studies. In addition, there are special programs offered for gifted children and for students with disabilities spanning ages 2 through 21. FCPS also provides an extensive adult education program offering basic education courses and general education, vocational, and enrichment programs.

As of FY 2020, the School Board operates 191 schools and 7 special education centers:

### Fairfax County Public Schools

<u>Type of School</u>	<u>Number of Public Schools</u>
Elementary School	141
Middle School	23
High School	22
Secondary Schools <sup>1</sup>	3
Alternative High Schools	2
Special Education Centers	7
Total	198

*Source:* Fairfax County Public Schools FY 2020 Approved Budget

<sup>1</sup> Grades 7-12.

The number of students attending Fairfax County Public Schools increased overall between FY 2011 and FY 2019. Enrollment for FY 2019 was 187,521, an increase of 12,588 students over the FY 2011 enrollment. FY 2020 approved enrollment is 188,414 students.

### Fairfax County Public Schools Enrollment

<u>Fiscal Year</u>	<u>Number of Public School Students</u>	<u>% Change</u>
2011	174,933	-
2012	177,918	1.71
2013	181,259	1.88
2014	183,895	1.45
2015	185,914	1.10
2016	185,979	0.03
2017	186,842	0.46
2018	188,403	0.84
2019	187,521	(0.47)
2020	188,414	0.48

*Source:* Fairfax County Public Schools FY 2020 Approved Budget

The average per pupil expenditures based on FY 2020 proposed budget operating costs for several Washington metropolitan area jurisdictions are as follows:

### Washington Metropolitan Area Per Pupil Expenditures

<u>Jurisdiction</u>	<u>Per Pupil Expenditures</u>
Arlington County	\$19,348
Falls Church City	18,544
Alexandria City	17,606
Montgomery County (Md.)	16,281
Fairfax County	15,293
Loudoun County	14,260
Prince George's County (Md.)	14,093
Manassas City	12,855
Prince William County	11,633
Manassas Park	11,113

*Sources:* FY 2019 Washington Area Boards of Education Guide; FCPS FY 2020 Approved Budget

Of the Advanced Placement (AP) tests taken by FCPS students in 2017, 74% rated a score of 3 or above (on a grading scale of 1 to 5). In 2017, 38,599 AP test were given, an increase of 13.6% from 2011. Students who score a 3 or above on at least three AP exams are recognized by the College Board as AP Scholars; the total number of FCPS students recognized as AP Scholars rose from 5,176 in 2011 to 6,428 in 2017.

For the 2017-2018 school year, FCPS' average SAT score was 1212, compared with the Virginia average of 1110 and the national average of 1049.

### Public Works

The Department of Public Works and Environmental Services (DPWES) provides essential management, professional engineering, design, and construction services in support of the construction of roads, sidewalks, trails, storm drainage, sewers, street lights, bus shelters and public facilities (except schools, housing, and parks). DPWES is also responsible for the acquisition of land for, and timely construction of, public facilities projects contained in bond referenda questions approved by the voters of Fairfax County. See "DEBT ADMINISTRATION – Bond Referenda Authorization" herein.

Wastewater generated in the County is treated at one County-owned treatment facility (Noman M. Cole, Jr. Pollution Control Plant), four inter-jurisdictional treatment facilities (District of Columbia Water and Sewer Authority's Blue Plains Facility, and plants operated by the Upper Occoquan Sewage Authority, Arlington County, and the Alexandria Renew Enterprises), and one private treatment facility (Harbor View Wastewater Treatment Plant). The County's treatment capacity in the six facilities totals approximately 157 million gallons per day ("mgd"). In addition, the County has purchased 1.0 mgd from the Loudoun County Sanitation Authority and 0.1 mgd of capacity from the Prince William County Service Authority for future flow needs in the southern portion of the County.

DPWES manages and operates the I-95 Sanitary Landfill located on approximately 500 acres in the southern portion of the County. This facility is operated on a "special fund" basis, which utilizes tipping fees to pay for the operation and capital expenditures of the landfill. Since January 1, 1996, the landfill has been dedicated to the disposal of ash generated primarily by the incineration of municipal solid waste at the Arlington/Alexandria Energy-from-Waste Facility and the I-95 Energy/Resource Recovery Facility ("E/RRF") located in Fairfax County. On older portions of the landfill, the County has initiated closure activities, which involve placing a synthetic or low permeability soil cap over the closed section of the

landfill along with installation of landfill gas extraction wells and leachate collection systems. Capping activity has been completed on approximately 260 acres of the site. The closure project is a multi-phase construction project to continue through the remaining life of the facility. The County has established reserves for this purpose and has met the financial assurance requirements established by the Virginia Department of Environmental Quality regarding closure and post-closure care. Additional landfill requirements, whether debris or municipal solid waste, are met through separate contracts.

The E/RRF, which is operated by Covanta Fairfax, Inc., burns solid waste delivered to the facility from the County, other local governments, and merchants. The facility has a dependable electric capacity rating of 63 megawatts for sale to Dominion Virginia Power, although it has the ability to generate over 80 megawatts. Fairfax County and the Fairfax County Solid Waste Authority, which was created by the County, entered into a service contract in August 1987 with Ogden Martin Systems of Fairfax (now Covanta Fairfax, Inc.), under which Covanta Fairfax, Inc., was obligated to design, construct, operate, and maintain a 3,000 ton per day resource recovery facility at the I-95 Landfill Site. On April 11, 2014, the County and Covanta Fairfax, Inc. entered into a Waste Disposal Agreement (WDA) that became effective on February 2, 2016, and has an initial five-year term. Under the WDA, the County's delivery commitment is 650,000 tons (as may be adjusted under the terms of the WDA).

On February 2, 2017, a fire occurred at the E/RRF and caused significant damage to the facility. As a result, the County diverted all of its waste deliveries from the E/RRF from the time of the fire through the end of 2017. The facility reopened on January 1, 2018. During FY 2018, the E/RRF processed 359,466 tons of material.

## **Transportation**

### *General*

Fairfax County is served by various highway, rail, and air transportation facilities. The Capital Beltway (Interstate Highways 95 and 495), Interstate Highways 395 and 66 and the Dulles Toll Road provide access to all parts of the Washington metropolitan area and major surface transportation corridors along the eastern seaboard. The Washington Metropolitan Area Transit Authority ("WMATA") Metrorail system provides area residents with one of the largest and most modern regional transit systems in the world.

Two major airports serve the County with daily national and international service. Washington Dulles International Airport ("Dulles Airport"), located along the County's western boundary, is also the site of a designated Foreign Trade Zone. Ronald Reagan Washington National Airport, located a few miles east of the County, is accessible by Interstate Highways 66 and 395. In 1987, control of these facilities was transferred by a 50-year lease from the federal government to the Metropolitan Washington Airports Authority ("MWAA"), a public authority created by inter-jurisdictional compact between the Commonwealth and the District of Columbia. In June 2003, the lease was extended to 2067.

Ground transportation receives significant attention from the County, primarily in an effort to relieve traffic congestion along the major arterials leading to Washington, D.C. and also to facilitate cross-County movement, connecting established and developing centers of commerce and industry. Recent efforts have included increased local funding for highway improvements, establishment of transportation improvement districts, creation of County transit systems, continued participation in WMATA, and other improvements which encourage increased use of Metrorail, bus services, and carpooling. The County also participates in a regional commuter rail system to expand transportation services available to County residents. In Virginia, the Commonwealth is generally responsible for highway construction and maintenance. However, highway improvement needs in Fairfax County far exceed the highway revenues

available from the Commonwealth.

Since 1993, funding for County transportation projects has been received from Commonwealth bond financing, Federal Highway Reimbursement Anticipation Notes, Commonwealth general funds, fuel tax collections, County bond financing, Northern Virginia Transportation Authority tax collections and other revenue sources. A few of the many projects supported by these funding sources have included the Fairfax County Parkway, the County's share of capital costs for the WMATA's Metrorail system, the Dulles Toll Road, and improvements to U.S. Route 1, U.S. Route 29, I-66, I-95, I-495, the Fairfax County Parkway, State Route 7 and State Route 28.

#### *Metro Transit System*

Since 1970, Fairfax County and the other major political subdivisions in the Washington, D.C., metropolitan area have contracted with WMATA to finance, construct and operate a 103-mile Metrorail subway and surface rail transit system. Funding for the construction of the Metrorail system has come from direct Congressional appropriations and by direct local contributions. Five Interim Capital Contributions Agreements between WMATA and the participating political jurisdictions were executed to fully fund and complete the 103-mile adopted regional system. By 2020, 23 additional miles are expected to be added to the system with completion of the Silver Line, with new tracks connecting downtown Washington, D.C., to Washington Dulles International Airport. In July 2014, 11.7 miles of the Silver Line were completed and began operation.

WMATA's Board of Directors periodically adopts a Capital Improvement Plan ("CIP"), which prioritizes and maintains the existing capital plant and rolling stock of the Metrobus and Metrorail systems. The regional counter-parties to WMATA periodically agree to updated funding agreements regarding their portion of capital priorities and infrastructure renewal projects. The County issues bonds as the primary source of the County's share of WMATA's CIP.

In 2018, the Virginia General Assembly adopted legislation to provide annual dedicated funding sources to Metro to address long-term capital needs. Revenue sources previously dedicated to the Northern Virginia Transportation Authority for the Transient Occupancy Tax and Grantor's Tax, in addition to redirecting two statewide revenue sources (state recordation tax currently used to pay bonds from the Northern Virginia Transportation District Fund and motor vehicle rental tax revenues), have been redirected to Metro. Also, a price floor on the regional gas tax was established to provide further dedicated funds to Metro.

The County's operating assistance to WMATA is funded from the General Fund, gasoline tax receipts, and State aid. Fairfax County's share of the bus and rail operating subsidies for FY 2011-FY 2020 are shown in the following table:

**Fairfax County WMATA Operating Subsidies**  
(Millions of Dollars)

<u>Fiscal Year</u>	<u>Bus Operations<sup>1,2</sup></u>	<u>Rail Operations<sup>1</sup></u>	<u>ADA Para-transit<sup>1</sup></u>	<u>Less State Aid<sup>3</sup></u>	<u>Less Gas Tax Receipts<sup>4</sup></u>	<u>Adjustments and Interest Applied</u>	<u>Net General Fund</u>
2011	\$45.387	\$15.598	\$11.347	\$44.745	\$21.838	\$0.300	\$5.449
2012	47.458	19.481	12.410	46.252	26.163	2.259	4.675
2013	48.829	26.209	12.424	49.734	28.568	0.056	9.104
2014	52.118	34.952	13.351	63.893	23.274	4.119	9.135
2015	53.349	39.271	13.367	69.971	24.501	1.974	9.541
2016	57.820	46.666	13.661	91.867	17.262	0.168	8.850
2017	63.200	42.186	13.262	91.247	15.841	0.701	10.859
2018	63.732	58.237	13.417	106.977	16.631	0.874	10.904
2019	66.739	66.179	19.384	111.231	16.300	0.300	24.471
2020	71.707	68.589	15.588	100.384	20.000	0.000	35.500

*Sources:* Fairfax County Department of Transportation and Department of Management and Budget

<sup>1</sup> The amounts shown for operating subsidies represent actual disbursements in those years. Adjustments based on final WMATA annual audited figures are incorporated in the fiscal year in which the credit for an overpayment was applied or a debited amount was paid rather than the fiscal year in which the credit or debit was earned. Fiscal Years 2011-2018 are actual amounts, FY 2019 is the revised budget amount, and FY 2020 is an estimate.

<sup>2</sup> Includes other service enhancements.

<sup>3</sup> Virginia law permits the use of State aid for transportation to fund transit program operating costs in addition to transit program capital costs.

<sup>4</sup> A 2% retail gasoline tax is dedicated to mass transit costs in those Northern Virginia jurisdictions covered by the Northern Virginia Transportation Commission ("NVTC"). The receipts from this tax are paid to NVTC, which then allocates these funds to participating jurisdictions for payment of transit operating, capital and debt service costs.

### *Tax Districts*

Transportation improvement districts provide another source of funding for transportation improvements in the County. The County, together with Loudoun County, a neighboring jurisdiction, formed the Route 28 Highway Transportation Improvement District (the "Route 28 District") in 1987 to accelerate highway improvements proposed by the Commonwealth to State Route 28. State Route 28 runs approximately parallel to the County's western border and connects State Route 7 in eastern Loudoun County to U.S. Route 50 and Interstate Highway 66 in western Fairfax County. The initial improvements, which consisted of expanding State Route 28 from two to six lanes, with additional turning lanes, are now complete. State Route 28 provides access to Washington Dulles International Airport, as do the Dulles Access Road and the Dulles Toll Road, both of which connect the Capital Beltway to Dulles Airport. Such improvements were financed from proceeds of a special improvements tax (the "Route 28 Special Improvements Tax") collected from owners of real property zoned for commercial and industrial use in the Route 28 District and bonds issued by the Fairfax County Economic Development Authority (the "EDA") secured by the Route 28 Special Improvements Tax collections.

In 2001, the Virginia General Assembly enacted legislation permitting the creation of one or more special transportation taxing districts located between the West Falls Church Metrorail station and the Dulles Airport area to provide a means of financing an extension of rail service in the Dulles Corridor. The structure of any such district is modeled after the existing Route 28 District. In February 2004, pursuant to a petition submitted by landowners representing a majority of the assessed value of property zoned for commercial or industrial use in the Tysons and Reston commercial districts, the Board of Supervisors formed the Phase I Dulles Rail Transportation Improvement District (the "Phase I District") to provide funds to support the County's share of Phase I of a proposed expansion of the Metrorail system to Dulles

Airport and beyond (“Phase I”). Funds for financing the County’s \$400 million share of the Phase I expansion of the Metrorail system are provided from a real estate tax levy on all property zoned for commercial and industrial use in the Phase I District (the “Phase I Special Improvements Tax”). In December 2013, the County provided to MWA its required \$400 million share for the Phase I Project from the proceeds of the Phase I Special Improvements Tax and from bonds issued by the EDA secured by the Phase I Special Improvements Tax collections. Metrorail service for Phase I began in July 2014.

Phase II of the proposed expansion of the Metrorail system (“Phase II”) will complete the 23-mile line to Dulles Airport and beyond into Loudoun County. In October 2009, the County received a valid petition to form another special tax district comprised of the Reston-Herndon-Dulles commercial districts to provide \$330 million toward the County’s portion of the Phase II financing. The Phase II tax district was approved by the Herndon Town Council on November 11, 2009, and by the Fairfax County Board of Supervisors on December 7, 2009. On May 9, 2014, the United States Department of Transportation (“USDOT”) approved an application of the County to receive loans in the aggregate principal amount of up to \$403,274,894 plus capitalized interest to fund County obligated Phase II project costs (the “TIFIA Loan”). The TIFIA Loan closed on December 17, 2014. As of June 30, 2018, the outstanding balance on the TIFIA Loan including accrued interest is \$339,023,513.

### *County Transit Systems*

Within the County, the Fairfax Connector System provides feeder bus service to Metrorail Stations. The Fairfax Connector operates 84 routes to 13 Metrorail Stations which include the Dunn Loring, Crystal City, Franconia-Springfield, Huntington, McLean, Pentagon, Pentagon City, Spring Hill, Tysons Corner, Van Dorn Street, Vienna, West Falls Church, and Wiehle-Reston East stations. Private contractors operate and maintain the service and have the responsibility to employ and supervise all transit personnel, while the Board of Supervisors maintains control and approves all policies for bus service such as routes and service levels, fare structures, and funding assistance. The Fairfax Connector System is supported from General Fund and fare box revenues. The FY 2019 Revised Budget Plan also includes support of \$13.7 million from State aid. The Fairfax Connector carried approximately 8.3 million passengers in FY 2018, and FY 2019 ridership is projected to be approximately 8.9 million. Fairfax Connector System expenditures totaled approximately \$92.3 million in FY 2018, and are projected to be \$106.0 million in FY 2019, including capital expenditures. The County runs three permanent maintenance and garage facilities for the Fairfax Connector System, with bus operations management provided by a third-party contractor.

### *Commuter Rail*

Fairfax County is a member of the Northern Virginia Transportation Commission and, in cooperation with the Potomac and Rappahannock Transportation Commission, is a participating jurisdiction in the operation of the Virginia Railway Express (“VRE”) commuter rail service. As of December 2018, the service consisted of eight peak period trips from south of the County in the Spotsylvania County to north of the County in the District of Columbia and six peak trips that run from west of the County in the City of Manassas to north of the County in the District of Columbia. Under a Master Agreement among VRE’s participating jurisdictions, the County is to contribute to capital, operating, and debt service costs of the VRE on a pro rata basis according to its share of ridership. The County’s share of the FY 2020 commuter rail operating and capital budget is \$6.3 million.

### **Parks, Recreation and Libraries**

Fairfax County provides a variety of recreational, educational, and cultural activities and services. In FY 2018, the Fairfax County Public Library system (the “Library System”) made more than 11.1 million loans and recorded more than 4.5 million visits to its 23 branches, and reported more than 3.2 million user

visits to its web site. The Library System offers free events and activities, including puppet shows for toddlers, story time for school-aged children, book discussion groups for teens, author visits for adults, and English conversation classes for English for Speakers of other Languages customers (or new arrivals). The Library System also makes library services available and accessible to people who have disabilities or are homebound.

The Department of Community and Recreation Services provides a variety of recreational, community, and human services for County residents. These services include senior adult programs and centers, therapeutic recreation services for individuals with disabilities, a variety of youth programs including recreational activities at youth centers, community-based recreational opportunities, support for Fairfax County's various volunteer sports councils and leagues, and a variety of volunteer opportunities.

Fairfax County also operates an extensive park system that provides a variety of recreational activities and facilities. Under the direction of a 12-member Park Authority Board appointed by the Board of Supervisors, the Fairfax County Park Authority ("FCPA") works with constituents, government leaders and appointees to implement Park Authority Board policies, preserve and protect natural and cultural resources, and facilitate the development of park and recreation programs and facilities. FCPA oversees operation and management of a 23,512-acre County park system with 427 parks, nine recreation centers, eight golf courses, an ice skating rink, 209 playgrounds, 668 public garden plots, five nature centers, three equestrian facilities, 417 FCPS athletic fields, 42 synthetic turf fields, 262 Park Authority-owned athletic fields, 82 historic sites, two waterparks, a horticultural center, and more than 327 miles of trails. In FY 2018, FCPA welcomed almost 16.3 million visitors to parks, groomed fields for more than 200 youth and adult sports organizations, improved its trail system, and worked to control non-native invasive plants, promote native species and preserve woodlands and green open spaces.

FCPA charges fees for the use of certain park facilities including the recreation and fitness centers, classes, camps, programs and golf courses, which are operated on a cost recovery basis, and represent approximately 65% of FCPA's funding. The remaining operating funds are appropriated by the Board of Supervisors from the County's combined general fund, providing the main operating funds for natural and cultural preservation and protection, administrative tasks, general access parks, planning and development, and park maintenance and operations. User fees do not cover the cost of new development of facilities, land acquisition, or the major renovation of existing facilities. These improvements are funded primarily through revenue bonds and general obligation bonds. General obligation bonds are primarily used for the renovation of existing facilities.

The Northern Virginia Regional Park Authority ("NVRPA"), an independent entity in which the County participates, operates 31 parks covering approximately 12,000 acres throughout Northern Virginia including the County. NVRPA is continually in the process of completing, acquiring, developing, or expanding its regional park facilities.

## **Community Development**

The Fairfax County Redevelopment and Housing Authority ("FCRHA") was established in 1966 to meet low and moderate income family housing needs. It owns or administers housing developments in Fairfax County with staff and funding provided from County, federal, Commonwealth, and private sources. As of June 2018, the FCRHA owns or operates 82 properties, which are comprised of over 3,800 apartments, townhouses, senior retirement homes, assisted living facilities and specialized housing units. The FCRHA also owns other specialized housing such as mobile home pads and beds in group homes. The FCRHA also administers 4,795 federal Housing Choice Vouchers and Project Based Voucher-Rental Assistance Demonstration (PBV-RAD) vouchers. In FY 2018, 18,096 people were served through the FCRHA's major affordable housing programs: the HCV and PBV-RAD programs and the Fairfax County Rental Program (FCRP). In FY 2018, the average income of households served in these programs plus the

local Bridging Affordability tenant subsidy program was approximately \$26,100, or 25% of Area Median Income for a family of three (the average size of the households served). This meets the U.S. Department of Housing and Urban Development's (HUD) definition of "extremely low income."

The FCRHA has provided various financing resources to developers to help create or preserve privately owned multifamily developments. Such developers have used FCRHA's financing along with low-income housing tax credits to create or preserve a total of 2,218 units for lower income tenants. Fairfax County's Workforce Housing policy, adopted by the Board of Supervisors in 2007, is a proffer-based incentive system designed to encourage the voluntary development of new housing affordable to a range of moderate-income workers in Fairfax County's high-rise and high-density areas. The County's Comprehensive Plan provides for a density bonus of up to one unit for every workforce unit provided by a developer, with the expectation that at least 12% of units, and up to 20% depending on location, in new developments be affordable or workforce housing.

In April 2004, the Board of Supervisors adopted its Affordable Housing Preservation Initiative to preserve affordable housing units. The centerpiece of the Initiative was the creation of the "Penny for Affordable Housing Fund." Beginning in FY 2006, the County's budget each year included the equivalent of one penny on the County's real estate tax rate for the preservation and production of affordable housing in the County. In FY 2010, the Penny Fund was reduced to the equivalent of half of one penny. In FY 2019, this funding equates to \$12,200,000 for affordable housing.

Other County services include efforts to increase local employment opportunities by encouraging and retaining business and industrial development through the County's Economic Development Authority. On July 1, 2007, the County established an Office of Community Revitalization and Reinvestment ("OCR"). The mission of the OCR is to facilitate strategic redevelopment and investments within targeted commercial areas of the County that align with the community vision, and improve the economic viability, appearance and function of those areas. Among other initiatives, the OCR is charged with working with property owners and the community to facilitate interest and participation in commercial development activities, and to develop public/private partnerships that further the County's revitalization, redevelopment, and reinvestment efforts.

## **Health and Welfare**

The County provides services designed to protect, promote, and improve the health and welfare of Fairfax County citizens through a decentralized human services program. Based on individual needs, County human service centers define a comprehensive assistance plan that utilizes the services provided by all County departments. The County operates human service centers in locations convenient to residents to provide financial, medical, vocational, and social services. The Fairfax-Falls Church Community Services Board ("CSB") is responsible for planning, organizing, and providing services to individuals who have a mental illness, intellectual disability, or a substance use disorder. The CSB provides state mandated services to assist, improve, and maximize the potential of individuals affected by these conditions and strengthen their capacity for living self-determined, productive, and valued lives. The CSB is part of the Fairfax County Human Services System providing its services at many sites throughout the County, including seven community mental health centers, several outpatient sites, a detoxification center, group homes, consumer-operated drop in centers, and several specialized residential treatment sites.

The County also provides subsidized day care programs for older adults and children of low-income families, two special needs centers that serve emotionally disturbed or physically challenged children, and group homes for youth with serious emotional disturbances. Residential treatment services are also offered in the areas of substance abuse as well as substance abuse outpatient and specialized day treatment programs. Vocational and residential programs are also available for adults with intellectual disabilities

and serious mental illness.

Financial assistance and social services are available to eligible residents. For low-income families and individuals, the Department of Family Services (“DFS”) administers federal, Commonwealth, and local programs, such as public assistance, employment and training, and subsidized child care, as well as programs targeted to at-risk children, such as child abuse prevention, Child Protective Services, Foster Care and Adoption, and services purchased under the Comprehensive Services Act. For older adults, DFS also administers programs that include federal funds granted to localities, Commonwealth funds and additional support from the County. The federal and state governments partially reimburse DFS for the cost of administering the programs based on an annual allocation to the County as well as program costs. DFS operates the County’s School-Age Child Care (“SACC”) program in 139 centers located in 136 Fairfax County Public Schools (“FCPS”), one FCPS community building, one County recreation center, and one County community center. Approximately 11,000 children participate in before-and-after-school SACC programs during the school year and in full-day programs in the summer and during school vacations. Since FY 1986, the County has provided a comprehensive County transportation service, Fastran, for qualified elderly, disabled, and low-income persons. Transportation is provided by bus, van, or cab on a door-to-door basis to County programs, medical care, grocery stores, and other destinations.

### **Judicial Administration**

Fairfax County’s court system is one of the most sophisticated systems in Virginia in its use of advanced case management techniques and rehabilitation programs. The County uses automated systems to support case docketing and record retrieval, electronic filing and imaging in the land recordation process, juror selection, service of notices and subpoenas, and the processing of criminal and traffic warrants and collecting delinquent tax obligations.

The County has undertaken rehabilitation efforts through the Juvenile and Domestic Relations District Court and the Office of the Sheriff. These efforts include work training programs and counseling services for both adult and juvenile offenders. Additionally, residential treatment services are provided for juvenile offenders, and a work release program is provided for offenders confined in the County’s Adult Detention Center.

### **Public Safety**

A number of agencies share responsibility for public safety in Fairfax County. The Police Department, which is responsible for law enforcement, will have an authorized strength of 1,488 police officers, 32 animal control officers, and 325 civilian personnel, with 8 positions supported by grant funding, effective July 1, 2019. The agency is accredited by the Virginia Law Enforcement Professional Standards Commission, which signifies the Department’s compliance with standards that are specific to Virginia law enforcement operations and administration. The commanders of the eight police district stations located throughout the County have considerable latitude to tailor their operations to provide police services in ways most responsive to the needs of their respective communities, including community policing endeavors. The department has specialized units that operate as both standing (staffed full time) and non-standing units (staffed as needed), including the Helicopter Division, which operates two helicopters to provide support to general police operations, traffic monitoring, emergency medical evacuation, and rescue support; the Criminal Intelligence Unit, which provides an effective response to organized criminal activity including terrorist-related, gang, and bias crimes; the Gang Unit, which provides regional leadership directed at combating gang crime through prevention and enforcement initiatives; and the Language Skills Support Unit, which serves to bridge the gap in the diverse cultures in the community by providing language support for the successful resolution of major criminal investigations.

Over the past 10 years, the County has maintained one of the lowest rates of serious crimes among jurisdictions in the Washington, D.C., metropolitan area and among comparable suburban jurisdictions throughout the United States. Additionally, the Police Department has continually attained a clearance rate for violent crimes such as murder, rape, and robbery far above the national averages for such offenses. At the same time, Fairfax County has maintained one of the lowest per capita costs for police services of all the local jurisdictions in the Washington metropolitan area.

Fire and rescue services are provided by 1,407 paid uniformed personnel, 187 paid civilian support personnel, and approximately 300 operational volunteers as of July 1, 2019. The County operates 38 fire and rescue stations. The department operates various specialty units, including paramedic engine companies, a hazardous materials response unit, a technical rescue operations team, an arson canine unit, and a water rescue team whose members are certified in swift water rescue. The department also supports regional, national, and international emergency response operations through maintaining and supporting the Urban Search and Rescue Team (“US&R”). US&R operates under the auspices of the Department of Homeland Security for domestic responses and is sponsored by the United States Agency for International Development/Office of Foreign Disaster Assistance for international deployments. In addition to emergency response, the department provides various non-emergency services.

In May 2004, the Office of Emergency Management was established as a separate agency serving as the County’s focal point for emergency preparedness and internal and external coordination to respond to natural, technological, and terrorist-related emergencies. Employees provided emergency management services for Fairfax County, including the Towns of Clifton, Herndon and Vienna. The major areas of focus include emergency management planning and policy, the County-wide emergency training and exercise program, public preparedness and education, and enhancement of response and recovery capabilities.

## **Water Supply Service**

Fairfax Water (“FW”) provides retail water service to residents of Fairfax County and the cities of Fairfax and Falls Church. In addition, FW supplies water for resale, principally in the City of Alexandria, Loudoun County, Prince William County, Fort Belvoir, Towns of Vienna and Herndon. The average total retail and wholesale population served by FW is estimated at 2,000,000 persons. FW, which operates the largest water system in the Commonwealth of Virginia, was established by the Board of Supervisors in 1957 to develop a comprehensive, County-wide water supply system through the acquisition of existing systems and the construction of new facilities. FW is an independent body administered by a ten-member board appointed by the Fairfax County Board of Supervisors. FW finances its capital improvements through the issuance of revenue bonds that are not backed by the full faith and credit of the County but principally repaid by revenues derived from charges for services rendered. Effective April 1, 2019, FW’s basic retail water charge was set at \$3.07 per 1,000 gallons, plus a quarterly service charge (currently \$12.20 for most single-family homes and townhouses). To pay for treatment and pumping capacity which is used only during periods of high demand, FW also levies a peak use charge of an additional \$3.80 per 1,000 gallons on customers who exceed their winter quarter consumption by 6,000 gallons or 30%, whichever is greater. There also are fees for initial connection to the system and for opening, closing, or transferring an account.

FW uses three sources of water supply (Occoquan and Potomac Rivers and the Washington Aqueduct), operates associated treatment, transmission, storage, and distribution facilities, and provides service to approximately 281,000 retail accounts in Fairfax County, with an average daily consumption of about 171 million gallons per day (“mgd”). The combined maximum daily capacity of the supply and treatment facilities is 376 mgd, which is sufficient to meet current demand.

Under an agreement with the Board of Supervisors, FW annually submits a 10-year capital

improvement program which is reviewed and approved by the Board of Supervisors as part of the County's total capital improvement program. FW's 10-year Capital Improvement Program for FY 2019-2028 includes projects totaling \$813,004,000.

## **ECONOMIC FACTORS**

### **Economic Development**

Economic development activities of the County are carried out through the Fairfax County Economic Development Authority ("EDA"), whose seven commissioners are appointed by the Board of Supervisors. EDA promotes Fairfax County as a premier location for business start-up, relocation and expansion, and capital investment. It works with new and existing businesses to help identify their facility and site needs, and assist in resolving County-related issues and provide other business assistance. Pursuant to its enabling legislation, EDA encourages investment in the County with tax-exempt conduit revenue bond financing.

The total inventory of office space in the County was estimated at 117.3 million square feet as of mid-year 2018. At that time, construction activity totaled over 2.9 million square feet. The direct vacancy rate for the office market was 15.5 percent as of mid-year 2018. Including sublet space, the office vacancy rate was 16.1 percent.

The base of technology-oriented companies, particularly in computer software development, computer systems integration, telecommunications, and Internet-related services, has served as a magnet for the expansion and attraction of business and professional services. Government contractors, as well as diversified business and financial services, have added to the demand for prime office space in a number of key employment centers throughout the County.

Federal civilian employment in the County makes up 4.0 percent of the total jobs in the County. Federal jobs increased slightly in 2017 and continued to increase through the middle of 2018. Overall employment rose 1.1 percent in 2017 after increasing 1.4 percent in 2016 and 1.3 percent in 2015. The positive trend continued during 2018. During the first half of 2018, total employment in the County was 608,666, an increase of 1.7 percent compared to the same period of 2017. Employment in the Professional and Business Services sector also increased by 3.1 percent during this time. Federal procurement spending in the County increased 0.5 percent to \$24.2 million in FY 2017, after increasing 4.8 percent in FY 2016. County General Fund revenue rose 2.2 percent in FY 2018. Real estate tax receipts rose by 1.9 percent while current personal property tax receipts rose 1.6 percent. Business Professional and Occupational License (BPOL) revenue increased 4.4 percent. The combined Consultant and Business Service Occupations categories, which represent 42.2 percent of total BPOL receipts and include federal contractors, increased 5.5 percent over the FY 2017 level. The remaining categories rose a combined 3.7 percent. Sales Tax receipts rose 3.1 percent in FY 2018.

There are over 120 hotels in the County, totaling over 19,500 hotel rooms. A 160-room hotel opened in 2016 in the Seven Corners area of the County, and another was delivered in the Tysons area. Hotel development parallels commercial construction in terms of diversity of concept and design with a variety of product and service mixes (all-suites, business meeting facilities, and leisure facilities) in the marketplace.

Improvements to the County's transportation system, including increased service levels at Washington Dulles International Airport, helped increase corporate activities dependent on immediate access to travel throughout the region, country, and world. The Metrorail service extension (the Silver Line) from the East Falls Church station, through Tysons through Dulles Airport, to Route 772 in Loudoun

County will continue to help foster economic growth.

The Board of Supervisors and the County actively support revitalization and redevelopment throughout the County, particularly in its more mature business areas. Many enhancements have been made to the residential and commercial neighborhoods in Annandale, Bailey Crossroads/Seven Corners, the Lake Anne section of Reston, the Springfield and McLean central business districts, Merrifield, and the Richmond Highway corridor in the southeastern portion of the County. A number of capital improvement projects and other construction in process or already completed have improved the appearance and quality of life of these communities.

The most notable area of redevelopment in the County, Tysons—Fairfax County’s “downtown”—is undergoing a transformative land-use replanning effort. Spurred by the Metrorail expansion project, the County is working to set the stage for Tysons’s evolution into a more urban-scale, pedestrian-friendly environment, with more housing, recreation and open space in addition to more-dense office and retail development. Tysons currently has over 36.6 million square feet of office, retail, and other commercial space and is behind only downtown Washington’s Central Business District and the East End submarkets in the entire Washington D.C. metropolitan area in total office inventory, and has 13.9 million square feet of residential space. Now that Phase I of the Metrorail expansion has been completed, it is expected that Tysons will continue to have significant growth in population, employment and commercial, retail and residential space over the next several decades. County staff continues to evaluate potential arrangements for financing the public share of Tysons infrastructure improvements and to facilitate co-operative funding agreements with the private sector. County staff, in cooperation with private participants, created a 501(c)(6) membership organization known as the Tysons Partnership in January 2011. The Tysons Partnership provides a comprehensive approach to tasks that include marketing and branding, transportation, urban design/planning, public facilities and community amenities and finance. On January 8, 2013, the Board of Supervisors established, by ordinance, the Tysons Transportation Service District No. 1 (the “Tysons Service District”) to provide transportation infrastructure and transit services within Tysons. As the governing board of the Tysons Service District, the Board of Supervisors is empowered to levy and collect a tax on any property within Tysons Service District’s boundaries to finance the transportation infrastructure and transit services projects. The tax rate of \$0.04 per \$100 of assessed value was adopted by the Board of Supervisors as part of the FY 2014 Adopted Budget Plan, and this rate remained unchanged as part of the FY 2015 Adopted Budget. However, in the FY 2016 Adopted Budget, the tax rate increased one cent from \$0.04 to \$0.05 per \$100 of assessed value. The tax rate remained unchanged at \$0.05 per \$100 of assessed value in the FY 2017, FY 2018, FY 2019, and FY 2020 Adopted Budget Plans.

## **Employment**

As of the third quarter of 2018, there were more than 36,000 payroll business establishments (units) including global, corporate and regional headquarters, technology firms, sales and marketing offices, and business services located in Fairfax County, employing over 613,000. Local businesses create employment in diversified areas like computer software development and systems integration, technical services, management consulting, government contracting, Internet-related services, wholesale and retail trade, and financial services. The following table presents data on the average number of payroll establishments and employment by major industry classification in Fairfax County as of the third quarter of 2018.

**Businesses and Employment by Industry  
Fairfax County, Virginia<sup>1</sup>**

<b><u>Industrial Classification</u></b>	<b><u>Number of Establishments</u></b>	<b><u>Average Payroll Employment for Quarter</u></b>
Agriculture, Forestry, Fishing and Hunting	15	93
Mining, quarrying, and oil and gas extraction <sup>2</sup>	7	Confidential
Utilities	35	1,219
Construction	2,293	24,715
Manufacturing	447	5,716
Wholesale Trade	1,109	14,139
Retail Trade	2,594	53,528
Transportation and Warehousing	414	7,109
Information	831	19,489
Finance and Insurance	1,679	28,396
Real Estate and Rental and Leasing	1,602	9,912
Professional and Technical Services <sup>3</sup>	9,978	159,691
Management of Companies and Enterprises	339	17,847
Administrative and Waste Services	1,953	43,357
Educational Services	685	11,949
Health Care and Social Assistance	3,850	58,252
Arts, Entertainment, and Recreation	407	10,713
Accommodation and Food Services	2,236	45,963
Other Services except Public Administration	5,122	21,251
Unclassified	784	1,477
Federal Government, all industries	138	24,601
State Government, all industries	32	9,708
Local Government, all industries	89	44,318
<b>Total</b>	<b>36,639</b>	<b>613,443</b>

Source: Virginia Employment Commission, Quarterly Census of Employment and Wages, Fairfax County, third quarter of 2018

<sup>1</sup> Excludes self-employed business owners.

<sup>2</sup> This represents non-disclosable data.

<sup>3</sup> The Services category includes professional and technical services, health care and social assistance, management services, educational services, accommodation and food services, arts, entertainment and recreation, administrative and waste services, and membership organizations and trade associations.

The following is a list of the largest private, base sector (non-retail) employers as of March 2019. Companies are alphabetized in their size category.

**Largest Private Employers in Fairfax County**

**5,000-10,000+ Employees**

<u>Company Name</u>	<u>Type of Business</u>
Booz Allen Hamilton*	Professional, Scientific and Technical Services
Capital One*	Finance and Insurance
Freddie Mac*	Finance and Insurance
Inova Health System*	Health Care and Social Assistance
SAIC*	Professional, Scientific and Technical Services

**1,000-4,999 Employees**

<u>Company Name</u>	<u>Type of Business</u>
Accenture	Professional, Scientific and Technical Services

ADP	Administrative and Support Services
AECOM	Professional, Scientific and Technical Services
Amazon	Information/Transportation and Warehousing
AT&T	Information
BAE Systems	Professional, Scientific and Technical Services
Boeing	Professional, Scientific and Technical Services
CACI International	Professional, Scientific and Technical Services
Catholic Diocese of Arlington	Educational Services/Other Services
CGI	Professional, Scientific and Technical Services
Constellis*	Administrative and Support Services
Deloitte	Professional, Scientific and Technical Services
DXC Technology*	Professional, Scientific and Technical Services
Erickson Living	Health Care and Social Assistance
EY (Ernst & Young)	Professional, Scientific and Technical Services
General Dynamics*	Professional, Scientific and Technical Services
Guidehouse*	Professional, Scientific and Technical Services
HCA Virginia	Health Care and Social Assistance
Hilton Worldwide*	Accommodation and Food Services
IBM	Professional, Scientific and Technical Services
ICF*	Professional, Scientific and Technical Services
Insperty	Administrative and Support Services
Kaiser Permanente	Health Care and Social Assistance
KPMG	Professional, Scientific and Technical Services
Leidos*	Professional, Scientific and Technical Services
ManTech International*	Professional, Scientific and Technical Services
The MITRE Corporation*	Professional, Scientific and Technical Services
Navy Federal Credit Union*	Finance and Insurance
Northrop Grumman*	Professional, Scientific and Technical Services
Oracle	Professional, Scientific and Technical Services
Perspecta*	Professional, Scientific and Technical Services
Quest Diagnostics	Health Care and Social Assistance
Securitas USA	Administrative and Support Services
Sprint	Information
Sunrise Senior Living*	Health Care and Social Assistance
United Parcel Service	Transportation and Warehousing
WGL Holdings	Utilities

### 500-999 Employees

Company Name	Type of Business
Admiral Security Services	Administrative and Support Services
Appian*	Professional, Scientific and Technical Services
The Aerospace Corporation	Professional, Scientific and Technical Services
Associated Building Maintenance	Administrative and Support Services
Avenel Pool Service	Administrative and Support Services
Branch Banking and Trust	Finance and Insurance
Bechtel*	Professional, Scientific and Technical Services
Capgemini	Professional, Scientific and Technical Services
CARFAX*	Information
Carahsoft*	Wholesale Trade
CarePeople Home Health*	Health Care and Social Assistance
Chenega	Professional, Scientific and Technical Services
The College Board*	Educational Services
Command Security*	Administrative and Support Services
ComScore*	Professional, Scientific and Technical Services
Crothall Healthcare	Health Care and Social Assistance
CustomInk*	Wholesale Trade
Cvent*	Professional, Scientific and Technical Services
Dell Technologies	Professional, Scientific and Technical Services

Deltek*	Professional, Scientific and Technical Services
Fairfax Radiological Consultants*	Health Care and Social Assistance
Gannett*	Information
Hexaware Technologies	Professional, Scientific and Technical Services
HITT Contracting*	Construction
Huntington Ingalls Industries	Professional, Scientific and Technical Services
Intelsat	Information
Jacobs Engineering	Professional, Scientific and Technical Services
K12*	Educational Services
KinderCare Learning Centers	Educational Services
Laboratory Corporation of America	Health Care and Social Assistance
Life Time Fitness	Arts, Entertainment, and Recreation
LMI*	Professional, Scientific and Technical Services
Lockheed Martin	Professional, Scientific and Technical Services
Marriott International	Accommodation and Food Services
MAXIMUS*	Professional, Scientific and Technical Services
Metropolitan Health Care Services*	Health Care and Social Assistance
Microsoft	Professional, Scientific and Technical Services
MicroStrategy*	Professional, Scientific and Technical Services
Mount Vernon Ladies' Association	Other Services
MV Transportation	Health Care and Social Assistance
NTT Group	Professional, Scientific and Technical Services
NVPools*	Administrative and Support Services
Parallon	Professional, Scientific and Technical Services
Parsons*	Professional, Scientific and Technical Services
Paychex	Administrative and Support Services
Raytheon	Professional, Scientific and Technical Services
Salesforce	Professional, Scientific and Technical Services
Salient CGRT	Professional, Scientific and Technical Services
Shirley Contracting Company*	Construction
Sodexo USA	Accommodation and Food Services
Unisys	Professional, Scientific and Technical Services
US Fitness Holdings*	Arts, Entertainment, and Recreation
The Washington Post	Information
US Security Associates	Administrative and Support Services
VeriSign*	Professional, Scientific and Technical Services
Volkswagen Group of America	Management of Companies and Enterprises
Wells Fargo	Finance and Insurance
William A. Hazel*	Construction

Source: Fairfax County Economic Development Authority, List of Largest Employers March 2019. Excludes public-sector and retail entities. Employment figures are for company facilities in Fairfax County only. Additionally, these numbers include employees, not independent contractors. Type of Business description for each firm is based on two-digit North American Industry Classification System (NAICS) codes. Companies may have business activities in other two-digit NAICS sectors.

\*Company with headquarters in Fairfax County.

A list of the top ten new or expanded office projects within the County announced in the fourth quarter of 2018 is shown below:

### New or Expanded Commercial Projects

<u>Name of Company</u>	<u>Type of Business</u>	<u>Projected New/Additional Employment</u>
KPMG, LLP (Netherlands)	Financial Services/Banking	173
Securitas (Sweden)	Security	80
1901 Group, LLC	Information technology	75
PSI International, Inc. (Korea)	Information technology	50

WholePoint Systems, LLC	Employment placement services	45
Lifecare Medical Transports	Bio/health sciences/healthcare	40
IDEMIA	Cybersecurity	30
Zantech	Information technology	30
California University of Management and Sciences – Virginia Campus	Education	29
Electrify America (Germany)	Energy	27

*Source:* Fairfax County Economic Development Authority

Unemployment in the County has historically been, and continues to be, well below the national average, even in challenging economic times. The average unemployment rate in Fairfax County in 2019 through March was 2.6%. The average Virginia and U.S. unemployment rates during the same period were 3.1% and 4.1%, respectively. Reflecting a global recession, Fairfax County's average annual unemployment rate rose to a high of 5.1% in 2010, but has since declined, reflecting an overall leveling out of the economic downturn. The following table shows the average annual unemployment rate in Fairfax County as compared to Virginia and national averages over the past decade.

#### Average Annual Unemployment Rates

<b>Calendar Year</b>	<b>Fairfax County</b>	<b>Virginia</b>	<b>United States</b>
2010	5.1%	7.2%	9.6%
2011	4.8	6.6	9.0
2012	4.5	6.0	8.1
2013	4.4	5.7	7.4
2014	4.2	5.2	6.2
2015	3.6	4.4	5.3
2016	3.2	4.0	4.9
2017	3.0	3.8	4.4
2018	2.5	3.0	3.9
2019 <sup>1</sup>	2.6	3.1	4.1

*Sources:* U.S. Bureau of Labor Statistics; data are not seasonally adjusted. Virginia Employment Commission

<sup>1</sup> Through March 2019.

According to the Bureau of Labor Statistics, the average total number of jobs in the County was 619,796 in the second quarter of 2018. Self-employed persons are not included in these counts. The following table presents total covered employment in recent years:

**Covered Employment<sup>1</sup>**

<u>Second Quarter</u>	<u>Covered Employment in Fairfax County</u>	<u>% Change</u>
2012	597,533	-
2013	595,638	(0.32%)
2014	588,507	(1.20)
2015	596,878	1.42
2016	603,348	1.08
2017	610,318	1.16
2018	619,796	1.55

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment Wages

<sup>1</sup> Covered employment means employees covered by state and federal unemployment laws.

**Construction Activity**

The following table includes data for residential and commercial construction activity in the County:

Fiscal Year	Building Permits				Estimated Housing Units Started
	Residential Properties		Industrial and Commercial Properties		
	Number	Estimated Value (000s)	Number	Estimated Value (000s)	
2009	8,780 <sup>1</sup>	327,454	4,361 <sup>1</sup>	413,719	1,361
2010	8,977	428,941	3,946	375,126	1,150
2011	9,371	480,268	4,595	397,435	1,797
2012	9,454	538,307	4,308	602,444	3,023
2013	10,610	509,957	3,907	710,488	1,930
2014	10,469	895,638	5,054	660,063	4,154
2015	10,320	529,104	4,714	475,241	2,580
2016	10,268	616,151	4,844	496,006	2,961
2017	10,885	800,375	4,609	710,078	3,872
2018	11,243	659,928	4,836	743,057	3,982

Sources: Building permits provided by Fairfax County Department of Public Works and Environmental Services, and estimated housing units started provided by the Weldon Cooper Center for Public Service, University of Virginia.

<sup>1</sup> Includes new and alteration/repair permits issued. Does not include trade permits issued.

**Housing**

As reported in January 2018, single-family detached housing units represented 46.8% of the total housing units within Fairfax County. Single-family attached housing accounted for 24.1%, and multi-family housing made up the remaining 29.1%. In 2018, the median market value of all owned housing units, including condominiums, in Fairfax County was estimated by the Department of Management and Budget to be \$519,560.

### Housing Units by Type of Structure

	<u>1990</u>		<u>2000</u>		<u>2010</u>		<u>2018</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
Single-Family:								
Detached <sup>1</sup>	163,029	53.9	181,591	50.6	191,873	48.4	195,738	46.8
Attached <sup>2</sup>	67,306	22.3	87,171	24.3	98,972	25.0	100,771	24.1
Multi-Family <sup>3</sup>	<u>72,129</u>	<u>23.8</u>	<u>90,198</u>	<u>25.1</u>	<u>105,541</u>	<u>26.6</u>	<u>121,741</u>	<u>29.1</u>
Total	<u>302,464</u>	<u>100.0</u>	<u>358,960</u>	<u>100.0</u>	<u>396,386</u>	<u>100.0</u>	<u>418,250</u>	<u>100.0</u>

Sources: U.S. Bureau of the Census, U.S. Census of Housing (1990-2000) and 2010 and 2018 data from Fairfax County Department of Management and Budget

<sup>1</sup> Single-Family detached includes all single-family homes and mobile homes.

<sup>2</sup> Single-Family attached includes duplexes, townhouses, and multiplex units.

<sup>3</sup> Multi-Family includes condominiums, apartments and other units in structures with a common entryway.

The average sale price of housing units within the County comparing March 2019 to March 2018 is listed below:

### Average Sale Price Housing Units

<u>Type of Structure</u>	<u>March 2019</u>	<u>March 2018</u>	<u>% change</u>
All Homes	\$581,109	\$557,420	4.2
Detached Homes	755,469	729,465	3.6
Attached Homes	393,453	393,258	0.0

Source: Fairfax County Department of Management and Budget Economic Indicators – April 2019

### Colleges and Universities

Sixteen institutions of higher education are located in Fairfax County: George Mason University, ITT Technical Institute, Marymount University, Missouri State University (Department of Defense Studies), Northern Virginia Community College, Potomac College, Stratford University, Strayer University, University of Fairfax, University of North America, University of Phoenix, University of Virginia-Northern Virginia Center, Virginia International University, Virginia Polytechnic Institute, Washington Bible College – Capital Bible Seminary, and Westwood College. Two campuses of the University of Virginia (both Virginia Tech and the Falls Church campus) are located in the Northern Virginia Graduate Center in Fairfax County. George Mason University, with an enrollment of more than 33,000 students, offers over 200 degree and certificate programs. The Northern Virginia Community College serves more than 76,000 students in credit courses and non-credit workforce and professional development programs at six campuses and two centers throughout Northern Virginia. American University, George Washington University, Catholic University, and Virginia Commonwealth University also operate programs in the County's secondary schools and on military installations within the County.

### Cultural Amenities

Wolf Trap Farm Park for the Performing Arts, a cultural facility internationally renowned for its ballet, symphony, concert, and opera offerings, and the only national park for the performing arts in the U.S., is located in north-central Fairfax County. Nearly 300 cultural organizations – theater and opera companies, music and dance groups, community arts centers, festivals, and other activities – are based in

and around the County. The County also assists in supporting the Fairfax Symphony, an internationally recognized orchestra that provides a variety of musical programs and outreach services to County residents. Other well-known attractions in the County include Mount Vernon, the home of George Washington; Woodlawn Plantation, George Washington's wedding gift to his nephew; and Gunston Hall, home of George Mason, author of the U.S. Bill of Rights and the first Constitution of Virginia. The region also boasts professional baseball, basketball, football, ice hockey and soccer.

## **DEBT ADMINISTRATION**

### **Statement of Bonded Indebtedness**

Pursuant to the Constitution of Virginia and the Act, a county in Virginia is authorized to issue general obligation bonds secured by a pledge of its full faith and credit. For the payment of such bonds, the Board of Supervisors of the County is required to levy, if necessary, an annual ad valorem tax on all property in the County subject to local taxation.

As of June 30, 2018, the County had outstanding the following amounts of general obligation bonds:

<b><u>Purpose</u></b>	<b><u>Total General Obligation Bonds</u></b>
School	\$1,403,790,000
General Government	<u>847,125,000</u>
Total General Obligation Bonded Indebtedness <sup>1</sup>	<u>\$2,250,915,000</u>

Source: Fairfax County Comprehensive Annual Financial Report FY 2018

<sup>1</sup> See "Debt Administration – Debt Service on Tax Supported Debt Obligations" herein for outstanding debt service as of August \_\_, 2019.

The County does not rely upon short-term borrowings to fund operating requirements. The County has never defaulted in the payment of either principal or interest on any general obligation indebtedness.

### **Limits on Indebtedness**

There is no legal limit on the amount of general obligation bonded indebtedness that Fairfax County can at any time incur or have outstanding. However, all such indebtedness must be approved by voter referendum prior to issuance. Since 1975, the Board of Supervisors has established as a financial guideline a self-imposed limit on the average annual amount of bond sales. In May 2018, the Board of Supervisors increased the bond sale target to \$1.5 billion over a 5-year period, or an average of \$300 million annually, with the flexibility to expand to a maximum of \$325 million based on market conditions and/or priority needs in any given year. The actual amount of bond sales will be determined by construction funding requirements and municipal bond market conditions.

The Board of Supervisors also has imposed limits which provide that the County's long-term debt should not exceed 3% of the total market value of taxable real and personal property in the County. The limits also provide that annual debt service should not exceed 10% of annual General Fund disbursements. These limits may be changed by the Board of Supervisors, and they are not binding on future Boards of Supervisors of the County.

### **Bond Referenda Authorization**

The following chart presents by purpose Fairfax County's authorized but unissued general

obligation bond indebtedness as of August \_\_, 2019:

<u>Authorized Purpose</u>	<u>Principal Amount Authorized but Unissued as of August __, 2019</u>
School Improvements	\$453,051,000
Public Safety Facilities	355,510,000
Transportation Improvements and Facilities	127,640,000
Parks and Park Facilities	97,420,000
Human Services Facilities	80,600,000
Library Facilities	11,664,000
Total	<u>\$1,125,885,000</u>

Source: Fairfax County Department of Management and Budget

### **Other Tax Supported Debt Obligations**

The Board of Supervisors of the County directly or indirectly appoints all or a portion of the governing body of several legally independent local and regional authorities that provide services to the County and its constituents. Such authorities include those that issue revenue bonds that are not general obligations of the County and issue debt supported directly or contingently by appropriations of tax revenues by the County. The full faith and credit of the County are not pledged to secure such bonds.

In March 1994, the Fairfax County Economic Development Authority (“EDA”) issued \$116,965,000 of lease revenue bonds to finance the County’s acquisition of two office buildings occupied by County agencies and departments. In October 2003, EDA issued \$85,650,000 of lease revenue refunding bonds to refund \$88,405,000 of the 1994 lease revenue bonds. The County is obligated by the terms of a lease agreement with EDA to pay amounts equal to debt service on EDA’s bonds. The County’s obligation to make such payments was subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The bonds and the lease agreement were retired on November 15, 2018.

Beginning in 1996, the Fairfax County Redevelopment and Housing Authority (“FCRHA”) has issued \$42,460,000 of revenue bonds in seven series to finance the construction or renovation of five community center buildings, two adult day health care centers, one Head Start facility and one senior center. The County was obligated by the terms of triple net lease agreements or payment agreements with FCRHA to pay amounts equal to debt service on FCRHA’s bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of funds for such purpose. The coincidental terms of the various bonds, lease agreements and payment agreements extend to May 1, 2029. On March 10, 2010, EDA issued \$43,390,000 revenue bonds (Six Public Facilities Projects) (the “2010 Bonds”) and provided a portion of the proceeds of the 2010 Bonds to the County to enable the County pursuant to its lease agreements with FCRHA to purchase five facilities financed from FCRHA bond issuances in 1996, 1998, 1999 and 2004. FCRHA used the funds provided by the County to redeem or defease the four series of bonds that financed the applicable facilities. On September 13, 2017, the original series issued by FCRHA in 2003 financing a head start facility was fully redeemed. Please see the front part of this Official Statement for a description of the refunding of certain of the 2010 Bonds.

In July 2000, the Fairfax County Board of Supervisors entered into a Master Development Agreement with a private developer to finance and construct a 135,000 square foot government center in the southeastern region of the County. In November 2000, \$29,000,000 of Certificates of Participation

(“Certificates” or “COPs”) were issued, secured by a triple net lease on the property between the developer and the County. The County was obligated by the terms of the lease agreement to pay an amount equal to the debt service on the Certificates. The County accepted the government center as substantially complete in February 2002. A portion of the proceeds of EDA’s 2010 Bonds were provided to the County to enable the County to exercise an option to purchase the government center (the “South County Government Center Purchase”). The purchase price provided by the County was used to defease the COPs. The County is obligated by the terms of a contract with the EDA to pay amounts equal to debt service on the EDA’s 2010 Bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of EDA’s 2010 Bonds and the contract extend to April 2032.

In June 2003, EDA issued \$70,830,000 of revenue bonds (Laurel Hill Public Facilities Project), backed by a contract with the County. Approximately \$55,300,000 of the bonds were allocable to the financing of a new public secondary school in the southern part of the County and \$15,530,000 of the bonds were allocable to the financing of a new 18-hole public golf course in the southern part of the County. The County is obligated by the terms of a contract with EDA to pay amounts equal to debt service on EDA’s bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the bonds and the contract extend to June 2033. In April 2012, EDA issued its \$47,745,000 Revenue Refunding Bonds (Laurel Hill Public Facilities Projects) to refund a portion of the bonds issued in 2003.

On January 27, 2005, EDA issued \$60,690,000 of revenue bonds (School Board Central Administration Building Project Phase I) (the “School Board Building Bonds”), backed by a contract with the County. The bonds were issued to finance the purchase of certain property, including an existing office building thereon, the purchase of certain land adjacent thereto and the improvement of the existing building for use by the School Board as an administration building. The County is obligated by a contract with EDA to pay amounts equal to debt service on the School Board Building Bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the School Board Building Bonds and the contract extend to April 2035. In June, 2014, EDA issued \$170,690,000 Fairfax County Facilities Revenue and Refunding Bonds Series 2014 A (County Facilities Projects) to refund a portion of the School Board Building Bonds.

On December 27, 2005, the Fairfax County Park Authority (“FCPA”) issued two promissory notes in the aggregate amount of \$12,900,000 for the purpose of providing a portion of the purchase price of a conservation easement for preservation purposes on an approximately 41-acre parcel of land, and options to purchase certain land. This land is known as “Salona,” a historic site within the County. The County is obligated by the terms of a contract with FCPA to pay amounts sufficient to pay the principal and interest installments on the promissory notes when due. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the promissory notes and contract extend to December 2025.

On February 16, 2006, FCRHA issued a \$40,600,000 Bond Anticipation Note (Affordable Housing Acquisition) Series 2006 (the “Series 2006 Note”). The Series 2006 Note was issued for the purpose of providing a portion of the funds required for the purchase of a multi-family rental housing complex, known as Crescent Apartments, to further FCRHA’s goal of preserving existing affordable housing in Fairfax County. In 2007, 2008, 2011 and 2013 FCRHA issued bond anticipation notes, each time to refinance previous bond anticipation notes issued for the financing or refinancing of the Crescent Apartments project that were not paid from County money set aside to promote affordable housing. In February, 2015 the County and FCRHA entered into a direct loan agreement with Bank of America, N.A. (the “Crescent Apartments Loan Agreement”), in a principal amount of \$18,260,000, which together with other County funds refinanced the 2013A Notes. The County is obligated by a contract with FCRHA to make payments

equal to the debt service on the Crescent Apartments Loan Agreement. The County's obligation to make such payments is subject to annual appropriation. In February 2018, FCRHA issued its Revenue Bonds (Crescent Affordable Housing Acquisition), Series 2018A (Federally Taxable) (the "Series 2018 Bonds") in the aggregate amount of \$11,175,000 with a five-year amortization to refinance the loan payment. The County is obligated by the terms of a payment agreement with FCRHA, subject to the appropriation of funds for the purpose, to pay amounts equal to the interest on and the principal of the Series 2018 Bonds. The coincidental terms of the Series 2018 Bonds and the related payment agreement extend to October 2022.

On November 28, 2007, FCRHA issued \$105,485,000 Bond Anticipation Notes (Affordable Housing Acquisition) Series 2007B (the "Series 2007B Notes"). The Series 2007B Notes were issued for the purpose of providing a portion of the funds required for the purchase of a multi-family rental housing complex located in Annandale, Virginia. In 2008, FCRHA issued bond anticipation notes to refinance the Series 2007B Notes. On August 20, 2009, FCRHA issued its Revenue Bonds (Affordable Housing Acquisition) Series 2009 in the aggregate amount of \$94,950,000 (the "Series 2009 Bonds") to pay a portion of the principal amount of the 2008 outstanding bond anticipation notes. A portion of the principal amount of the 2008 bond anticipation notes, and the interest due on such notes, was paid from money set aside to promote affordable housing. The County is obligated by the terms of a payment agreement with FCRHA, subject to the appropriation of funds for the purpose, to pay amounts equal to the interest on and the principal of the Series 2009 Bonds. The coincidental terms of the Series 2009 Bonds and the related payment agreement extend to October 2039.

In July 2011, EDA issued \$99,430,000 of Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project). The bonds were issued to finance a portion of the costs of construction of a public parking facility to serve the Wiehle Avenue Metrorail Station that was constructed as part of the extension of Washington Metropolitan Area Transit Authority's Metrorail System in the Dulles Corridor. The County is obligated by contract with EDA to pay amounts equal to debt service on EDA's bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the bonds and the contract extend to August 2034.

In May 2012, EDA issued \$65,965,000 of Revenue Bonds (Community Services Facilities Projects) (the "2012 EDA Bonds") backed by a contract between the County and EDA. The bonds were issued to finance the improvement of certain properties to be used by the County as a mental health facility and as a neighborhood community center. The County is obligated by a contract with EDA to pay amounts equal to debt service on such bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the bonds and the contract extend to March 2042. In August 2017, EDA issued its 2017B County Facilities Projects Refunding Bonds (hereinafter defined) to refund certain outstanding maturities of the 2012 EDA Bonds.

In November 2013, the County issued an \$11,085,000 special subfund revenue bond (the "2013 VRA Bond") to Virginia Resources Authority ("VRA"). In return for issuing the 2013 VRA Bond, VRA provided the County with a portion of the proceeds realized from its autumn 2013 pooled financing bond transaction. The 2013 VRA Bond was issued to finance renovations to a complex that serves as a senior housing and assisted living facility, a senior center and an adult day health care center in the County. The County is obligated by a contract with VRA to pay amounts equal to the debt service on the 2013 VRA Bond. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the 2013 VRA Bond and the contract extend to October 2033.

In December 2013, EDA and the County entered into a master credit agreement with Bank of America, N.A., pursuant to which a revolving line of credit in an amount of up to \$100,000,000 is made available to the County to provide interim financing for projects within the County's Capital Improvement Program or other similar projects. In December 2016, the termination of date of the revolving line of credit was extended for a one-year period until December 2017. The County did not renew the line of credit after December 2017.

In December 2013, EDA and the County entered into a loan agreement with T.D. Bank, N.A. (the "T.D. Loan Agreement"), pursuant to which the proceeds of the loan in the amount of \$25,000,000 are made available to the County to provide financing for the costs of the planned replacement of County-owned building subsystems such as roofs, electrical systems, HVAC, plumbing systems, carpet replacement, parking lot and garage repairs, fire alarm replacement and emergency generator replacement that have reached the end of their useful life (collectively, "County Building Improvements"). The County is obligated by a contract with EDA to pay amounts equal to the debt service on the loan. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. In March 2015, the County obtained an additional \$10,000,000 pursuant to the T.D. Loan Agreement to finance additional County Building Improvements. The \$25,000,000 loan was retired in January 2019, and the \$10,000,000 loan extends to January 2020.

In June 2014, EDA issued \$170,690,000 of Fairfax County Facilities Revenue and Refunding Bonds Series 2014 A (County Facilities Projects) (the "2014A County Facilities Projects Bonds"). The 2014A County Facilities Projects Bonds were issued to provide funds to finance the costs of the construction of a building to serve as a public safety facility for the County and the construction of a related parking garage, to refund and redeem prior to their respective maturities certain outstanding School Board Building Bonds and to capitalize interest on a portion of the Series 2014A County Facilities Projects Bonds up to and including the October 1, 2016, interest payment date. The County is obligated by a contract with EDA to pay amounts equal to debt service on such bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the Series 2014A County Facilities Projects Bonds and the contract extend to October 2034.

In June 2014, EDA issued \$30,175,000 of Fairfax County Facilities Revenue Bonds Series 2014 B (Federally Taxable) (County Facilities Projects) (the "2014B County Facilities Projects Bonds, and together with the 2014A County Facilities Projects Bonds, the "2014 County Facilities Projects Bonds") to provide funds to permanently finance the leasehold acquisition from LAF, LLC, of the Workhouse Arts Center located in the southeastern corner of the County, for a price sufficient to enable the lessee to retire all of its indebtedness relating to the Workhouse Arts Center. The County leased the 55-acre site and existing historic structures of the Lorton Correctional Complex to the lessee in 2006, and the lessee incurred over \$50 million in debt through EDA to finance improvements to convert the Complex into a center for visual and performing arts. The County plans to provide for the continuation of the existing educational and cultural programs at the Center, while the County conducts a study of the optimum uses of and develops plans for further improvements to the Center. The County is obligated by a contract with EDA to pay amounts equal to debt service on such bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the 2014B County Facilities Projects Bonds and the contract extend to October 2033.

On December 17, 2014, EDA entered into a loan agreement with the United States Department of Transportation and obtained a Transportation Infrastructure Financing and Innovation Act (TIFIA) loan in the principal amount up to \$403,274,894 (plus capitalized interest). Proceeds from the TIFIA loan are being used to finance the County's share of Phase II of the Silver Line Metrorail expansion. The County is obligated by a contract with the EDA to pay amounts equal to debt service on the TIFIA loan. The County's

obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The terms of the TIFIA loan provide for repayment to begin October 1, 2023, and end April 1, 2046. As of June 30, 2018, the outstanding balance on the TIFIA Loan including accrued interest is \$339,023,513.

In August 2017, EDA issued \$19,060,000 of Fairfax County Facilities Revenue Bonds Series 2017 A (County Facilities Projects) (Federally Taxable) (the “2017A County Facilities Projects Bonds”) and \$31,150,000 of Fairfax County Facilities Revenue Refunding Bonds Series 2017 B (County Facilities Projects) (the “2017B County Facilities Projects Refunding Bonds” and together with the 2017A County Facilities Projects Bonds, the “2017 County Facilities Projects Bonds”). The 2017A County Facilities Projects Bonds were issued to finance the costs of the construction and improvement of certain property to be used by the County as an adult day care facility, child day care centers and a senior center or for other County approved purposes. The 2017B County Facilities Projects Refunding Bonds were issued to refund certain outstanding maturities of the 2012 EDA Bonds. The County is obligated by a contract with EDA to pay amounts equal to debt service on the 2017 County Facilities Projects Bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the 2017 County Facilities Projects Bonds and the contract extend to October 2037.

### **Lease Commitments and Contractual Obligations**

The County leases certain real estate, equipment, and sewer facilities under various long-term lease agreements. In addition, pursuant to contracts with Arlington County, the Alexandria Sanitation Authority, the District of Columbia, and the Upper Occoquan Sewage Authority, the County is obligated to share the capital costs and associated debt service of certain facilities.

In February 1990, the Northern Virginia Transportation Commission (“NVTC”) issued \$79.4 million of bonds to finance certain costs associated with the establishment of commuter rail services (the Virginia Railway Express) in the area of Northern Virginia bordering Washington, D.C. Fairfax County has joined with other jurisdictions through a Master Agreement to bear certain costs associated with operating and insuring the rail service as well as servicing the debt issued by NVTC. The Master Agreement requires that the County’s governmental officers charged with preparing its annual budget include an amount equal to its share of the costs of the Virginia Railway Express. Each jurisdiction’s share is determined by a formula set out in the Master Agreement. Fairfax County’s share of this cost was \$5.4 million in FY 2018. An additional \$23 million in NVTC commuter rail revenue bonds were issued in early 1997 to purchase new rail coaches. Debt service on these bonds is being funded predominantly by Commonwealth and federal funds and VRE revenues.

On October 29, 2003, EDA issued \$33,375,000 transportation contract revenue bonds to provide \$30,000,000 to the Commonwealth Transportation Board (CTB) for construction of certain interchanges on Route 28 in the Route 28 Highway Transportation District, which is partly in Fairfax County and partly in Loudoun County. On August 26, 2004, EDA issued \$57,410,000 transportation contract revenue bonds to provide an additional \$60 million for construction of additional interchanges. The bonds issued in 2003 and 2004 financed the construction of six interchanges. In March 2007, EDA issued \$41,505,000 transportation contract revenue bonds to finance a portion of the costs of constructing an additional four interchanges in the Route 28 Highway Transportation District. In July 2008, EDA issued \$51,505,000 transportation contract revenue bonds (the “2008 Bonds”) to finance additional costs of constructing the additional four interchanges on Route 28. See also the discussion of taxes levied by the County in the Route 28 Highway Transportation Improvement District, located partly in the County, to pay debt service on CTB and EDA bonds in “GOVERNMENT SERVICES – Transportation – Tax Districts” herein. In May, 2012, EDA issued bonds to refund a portion of the bonds issued in 2003 and 2004 and in August 2016 EDA

issued bonds to refund all of the outstanding bonds issued in March 2007 and a portion of the outstanding bonds issued in July 2008. The 2008 Bonds were redeemed on April 1, 2018.

On May 26, 2011, EDA issued \$205,705,000 Transportation District Improvement Revenue Bonds (Silver Line Phase I Project) Series 2011 which provided \$220 million to provide a portion of the financing for the expansion of Metrorail of approximately 11.5 miles of rail line through the County's primary urban center, Tysons to Reston. On October 10, 2012, EDA issued an additional \$42,390,000 Transportation District Improvement Revenue Bonds (Silver Line Phase I Project) Series 2012 to provide \$48,400,000 for this purpose. Debt service on the bonds is paid from a special improvements tax levied by the County on commercial and industrial use property located in the Phase I Dulles Rail Transportation Improvement District within the County. On March 16, 2016, EDA issued \$173,960,000 Transportation District Improvement Revenue Refunding Bonds (Silver Line Phase I Project) Series 2016 which refunded a portion of the outstanding bonds issued in 2011 and 2012.

On June 9, 2011, the Mosaic District Community Development Authority (the "CDA") issued \$46,980,000 Revenue Bonds, Series 2011A, and the CDA issued in July, 2011 an additional \$18,670,000 Revenue Bonds, Taxable Series 2011A-T (collectively, the "CDA Bonds"). Proceeds from the CDA Bonds were used to finance certain public infrastructure improvements within the Mosaic District Community Development Authority District (the "Mosaic District") to support a mixed-use development to be constructed within the Mosaic District. The CDA Bonds are payable primarily from certain incremental real estate tax revenues collected by the County in the District and certain special assessments imposed and collected by the County within the Mosaic District. The payment of incremental real estate tax revenues and special assessments, as applicable, by the County to the CDA to be used for debt service payments on the CDA Bonds is subject to appropriation by the County.

On March 8, 2017, EDA issued \$69,645,000 Fairfax County Metrorail Parking System Project Revenue Bonds Series 2017 ("Parking System Revenue Bonds") to provide funds to finance the construction of parking facilities to be owned and operated by the County, that will be located adjacent to WMATA's Herndon and Innovation Center Metrorail Stations to be constructed as part of Phase II of the Silver Line extension of Metrorail. Debt service on the Parking System Revenue Bonds is payable from the proceeds of net parking revenues collected from customers of parking facilities controlled by the County at certain WMATA Metrorail stations in the County and from certain surcharge revenues collected from customers of certain parking facilities controlled by WMATA.

#### **Debt Service on Tax Supported Debt Obligations**

Total principal and interest payments on the County's outstanding tax supported debt obligations, including general obligation bonds and other tax supported debt obligations, are presented in the following table as of August \_\_, 2019 [**note: need to update table**]:

<b>Fiscal Year Ending June 30</b>	<b>General Obligation Bonds</b>		<b>Other Tax Supported Debt Obligations<sup>1</sup></b>		<b>Total<sup>3</sup></b>
	<b>Principal</b>	<b>Interest<sup>2</sup></b>	<b>Principal</b>	<b>Interest</b>	
2020	\$203,780,000	\$97,347,786	28,995,000	20,677,797	350,800,583
2021	196,750,000	87,118,390	27,510,000	19,556,034	330,934,424
2022	187,985,000	78,497,725	27,920,000	18,343,716	312,746,441
2023	179,260,000	70,229,310	27,210,000	17,144,238	293,843,548
2024	167,540,000	62,016,465	23,060,000	16,027,148	268,643,613
2025	164,275,000	53,905,465	23,700,000	15,013,326	256,893,791
2026	154,125,000	46,805,285	24,017,500	13,963,828	238,911,613
2027	146,540,000	40,247,475	24,375,000	12,888,150	224,050,625
2028	134,290,000	34,465,635	25,110,000	11,783,584	205,649,219
2029	122,130,000	29,066,065	25,880,000	10,638,536	187,714,601
2030	111,645,000	24,000,208	26,625,000	9,446,311	171,716,519
2031	97,900,000	19,553,205	27,480,000	8,221,445	153,154,650
2032	89,775,000	15,659,790	28,365,000	6,943,024	140,742,814
2033	78,740,000	11,963,938	27,530,000	5,609,347	123,843,285
2034	68,555,000	8,827,700	27,470,000	4,296,905	109,149,605
2035	55,340,000	6,134,000	25,690,000	3,035,315	90,199,315
2036	43,975,000	3,931,900	8,425,000	2,226,251	58,558,151
2037	33,125,000	2,228,350	8,830,000	1,821,426	46,004,776
2038	21,710,000	1,024,350	9,470,000	1,462,914	33,667,264
2039-2049	10,730,000	268,250	24,825,000	2,149,275	37,972,525
<b>Total<sup>3</sup></b>	<b><u>\$2,268,170,000</u></b>	<b><u>\$693,291,291</u></b>	<b><u>\$476,770,000</u></b>	<b><u>\$201,952,654</u></b>	<b><u>\$3,640,183,945</u></b>

Source: Fairfax County Department of Management and Budget

<sup>1</sup>Includes debt service on the Series 2011 Bonds, and does not include debt service on the Series 2020 Bonds.

<sup>2</sup>Does not reflect anticipated payments by the United States Treasury with respect to the County's Public Improvement Bonds Series 2009E (Federally Taxable - Build America Bonds).

<sup>3</sup>Totals may not add due to rounding.

## Sewer Revenue Bonds

Beginning in 1986, the County has issued several series of bonds under the General Bond Resolution for the benefit of the County's sewage collection, treatment and disposal systems (the "System"), including \$104,000,000 Sewer Revenue Bonds, Series 1996 (the "1996 Bonds") issued to provide funds for paying a portion of the costs of certain additions, extensions and improvements to the System. The County also issued \$94,005,000 Sewer Revenue Refunding Bonds, Series 2004 (the "2004 Bonds") on October 14, 2004, to provide funds, with other available funds, to refund the \$91,430,000 of the County's outstanding 1996 Bonds that were scheduled to mature on and after July 15, 2007. On June 17, 2009, the County issued \$152,255,000 Sewer Revenue Bonds, Series 2009 (the "2009 Bonds") to provide funds to finance capital improvements for the benefit of the System as well as for the purchase of additional wastewater capacity for the benefit of the County. On August 8, 2012, the County issued \$90,710,000 Sewer Revenue Bonds, Series 2012 (the "2012 Bonds") to provide funds to pay a portion of capital improvement costs allocable to the County at certain wastewater treatment facilities that are owned by, or that provide service to, the County which were required by the Commonwealth's Department of Environmental Quality to reduce the total nitrogen discharge to newly required limits, the purchase of additional capacity at certain wastewater treatment facilities for the benefit of the County and the costs of certain additions, extensions and improvements to the County's sewage collection, treatment and disposal systems. On April 16, 2014, the County issued \$61,755,000 Sewer Revenue Refunding Bonds, Series 2014 to refund the outstanding 2004 Bonds. In addition, on May 16, 2016, the County issued \$164,450,000

Sewer Revenue Refunding Bonds, Series 2016A to refund the outstanding 2009 Bonds that were scheduled to mature on and after July 15, 2019, and a portion of the outstanding 2012 Bonds that were scheduled to mature on and after July 15, 2021. On June 28, 2017, the County issued \$85,785,000 Sewer Revenue Bonds to provide funds to pay the costs of certain additions, extensions and improvements to the County's sewage collection, treatment and disposal systems, paying capital improvement costs allocable to the County at certain wastewater treatment facilities that provide service to the County and, if necessary purchasing additional capacity at certain wastewater treatment facilities for the benefit of the County.

Wastewater treatment capacity and services are also provided to the Integrated Sewer System pursuant to contracts with Arlington County, the Alexandria Renew Enterprises ("ARE"), the District of Columbia, and the Upper Occoquan Sewage Authority ("UOSA"), whereby the County is obligated to share the capital costs and associated debt service of certain facilities. The County's obligations to such entities are payable solely from the revenues of the Integrated Sewer System on a basis, under the General Bond Resolution, subordinate to its sewer revenue bonds, and are not general obligations of the County.

The County has entered into a service agreement with ARE that obligates the County for 60% of the cost of capacity of the ARE wastewater treatment plant and a joint use system, including debt service on ARE bonds issued for ARE system improvements where the County does not otherwise provide for its share of the capital cost of such improvements. The County's share of previous upgrades was \$200 million. The County's share of additional upgrades, as estimated by ARE, is approximately \$80 million. The County obtained permanent funding from the Virginia Water Facilities Revolving Fund in FY 2001 and again in FY 2002 for a portion of its share of the initial costs from the proceeds of two loans aggregating \$90 million. In evidence of its obligation to repay the loans, the County issued to the Virginia Water Facilities Revolving Fund the County's \$40 million subordinated sewer revenue bonds, which now bear interest at the rate of 0.95% per annum, and \$50 million subordinated sewer revenue bonds, which now bear interest at the rate of 0.95% per annum. The County expects to provide the balance of its share of the costs of ARE's improvement project from other borrowings and available Integrated Sewer System funds.

UOSA issued regional sewer system revenue refunding bonds in November 2013, May 2013, February 2007, and November 2004 to refund certain of its outstanding bonds. In 2010 and 2007, UOSA issued \$85.2 million and \$119.7 million of Regional Sewer System Revenue Bonds, of which the County's share of the par amount of such debt is \$34.1 million and \$53.9 million, respectively, to finance the cost of certain capital improvements. In fiscal year 2012, UOSA entered into two loans to fund costs related to an energy service project and phase 1 of a nutrient compliance improvement project, respectively. In fiscal years 2014, 2015 and 2016, UOSA refinanced bonds issued in 2007. As of June 30, 2018, the County's share of UOSA's outstanding debt is \$231.8 million.

The debt service on the County's outstanding sewer revenue bonds, its subordinated sewer revenue bonds payable to the Virginia Water Facilities Revolving Fund evidencing loans for a portion of the County's costs associated with the ARE improvement project, and its subordinated obligations payable for capacity under its contract with UOSA, as of June 30, 2018, is reflected in the following table:

<b>Fiscal Year Ending June 30</b>	<b><u>Sewer Revenue Bonds</u></b>		<b><u>Other Sewer Debt Service Obligations</u></b>		<b><u>Total<sup>3</sup></u></b>
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>SRF/VRA<sup>1</sup></u></b>	<b><u>UOSA<sup>2</sup></u></b>	
2019	\$10,145,000	\$14,881,131	\$5,974,892	\$20,270,964	\$51,271,987
2020	10,675,000	14,387,781	5,974,892	20,261,134	51,298,808
2021	11,235,000	13,899,131	5,974,892	19,903,043	51,012,067
2022	11,745,000	13,397,106	3,276,611	22,806,194	51,224,912
2023	12,320,000	12,830,381	-	20,358,950	45,509,331
2024	12,970,000	12,205,856	-	20,344,347	45,520,203
2025	13,645,000	11,540,481	-	20,329,553	45,515,034
2026	14,305,000	10,893,781	-	27,466,317	52,665,099
2027	14,955,000	10,268,231	-	20,898,647	46,121,879
2028	15,580,000	9,641,031	-	20,876,260	46,097,291
2029	16,175,000	9,055,956	-	20,858,973	46,089,929
2030	10,845,000	8,506,981	-	8,379,918	27,731,899
2031	11,400,000	7,950,856	-	8,363,171	27,714,028
2032	11,985,000	7,366,231	-	8,334,280	27,685,511
2033	12,555,000	6,802,806	-	8,234,165	27,591,971
2034	13,050,000	6,303,581	-	7,954,846	27,308,427
2035	13,540,000	5,816,878	-	7,848,611	27,205,489
2036	14,050,000	5,304,538	-	7,818,008	27,172,545
2037	14,610,000	4,743,800	-	7,790,863	27,144,663
2038	15,245,000	4,112,075	-	7,760,545	27,117,620
2039-2049	<u>84,385,000</u>	<u>15,048,738</u>	<u>-</u>	<u>26,314,969</u>	<u>125,748,707</u>
Total <sup>3</sup>	<u>\$345,415,000</u>	<u>\$204,957,353</u>	<u>\$21,201,287</u>	<u>\$333,173,759</u>	<u>\$904,747,399</u>

Source: Fairfax County Department of Public Works and Environmental Services

<sup>1</sup> Debt service on the County's subordinated sewer revenue bonds issued to the Virginia Water Facilities Revolving Fund evidencing the County's obligation to repay \$90 million in loans made to the County by Virginia Resources Authority from the Fund.

<sup>2</sup> Based on the County's share of scheduled UOSA debt service. Does not reflect any anticipated payments by the United States Treasury on outstanding UOSA Build America Bonds.

<sup>3</sup> Totals may not add due to rounding.

## Debt Ratios

The following data show trends in the relationship of the general obligation bond indebtedness of the County to the estimated market value of taxable property in the County and to its estimated population and the trend of general obligation debt service requirements as a percentage of General Fund disbursements.

**Trend of Debt as a Percentage of  
Estimated Market Value of Taxable Property (in 000s)**

<b>Fiscal Year Ended June 30</b>	<b>Bonded Indebtedness<sup>1</sup></b>	<b>Estimated Market Value<sup>2</sup></b>	<b>Percentage</b>
2011	\$2,554,051	\$204,324,080	1.25%
2012	2,734,135	210,318,077	1.30
2013	2,514,452	211,298,487	1.19
2014	2,766,717	224,369,644	1.23
2015	2,770,822	236,403,666	1.17
2016	2,750,573	244,397,085	1.13
2017	2,766,149	251,724,115	1.10
2018	2,768,103	256,260,725	1.08
2019 <sup>3</sup>	2,922,384	262,158,107	1.11
2020 <sup>3</sup>	3,078,764	271,193,370	1.14

Sources: Fairfax County Comprehensive Annual Financial Report FY 2011-2018 and Department of Finance

<sup>1</sup> Bonded Indebtedness beginning with Fiscal Year 2013 included herein differs from the data shown in Tables 3.1, 3.2 and 3.4 of the Statistical Section of the County's Comprehensive Annual Financial Report based on the treatment of bond premium and discounts. In the Comprehensive Annual Financial Report, beginning with Fiscal Year 2013, Bonded Indebtedness represents principal outstanding plus unamortized premium (minus unamortized discount). In the table above, Bonded Indebtedness is based on outstanding principal without adjustment for unamortized premium or discount. The total includes General Obligation Bonds and other tax supported debt payable from the General Fund including the County's obligation to make payments with respect to "— Other Tax Supported Debt Obligations."

<sup>2</sup> Estimated market value is based on recorded values as of January 1 of the prior fiscal year, and reflects the original book value and does not reflect any adjustments made during the fiscal year.

<sup>3</sup> Estimates per the FY 2020 Adopted Budget Plan per the Fairfax County Department of Management and Budget.

**Estimated Debt Per Capita**

<b>Fiscal Year Ended June 30</b>	<b>Bonded Indebtedness (in 000s)<sup>1</sup></b>	<b>Estimated Population (in 000s)<sup>2</sup></b>	<b>Bonded Indebtedness Per Capita</b>	<b>Fairfax County Per Capita Income<sup>3</sup></b>	<b>Estimated Debt Per Capita as Percentage of Per Capita Income</b>
2011	\$2,554,051	1,101	\$2,320	\$64,637	3.59%
2012	2,734,135	1,119	2,443	68,847	3.55
2013	2,514,452	1,131	2,223	71,607	3.10
2014	2,766,717	1,138	2,431	71,752	3.39
2015	2,770,822	1,142	2,426	75,007	3.23
2016	2,750,573	1,139	2,415	74,923	3.22
2017	2,766,149	1,143	2,420	75,978	3.19
2018 <sup>4</sup>	2,768,103	1,143	2,422	75,978	3.19
2019 <sup>4</sup>	2,992,384	1,143	2,618	75,978	3.44
2020 <sup>4</sup>	3,078,764	1,143	2,694	75,978	3.55

Source: Fairfax County Comprehensive Annual Financial Report FY 2018

<sup>1</sup> Bonded Indebtedness beginning with Fiscal Year 2013 included herein differs from the data shown in Tables 3.1, 3.2 and 3.4 of the Statistical Section of the County's Comprehensive Annual Financial Report based on the treatment of bond premium and discounts. In the Comprehensive Annual Financial Report, beginning with Fiscal Year 2013, Bonded Indebtedness represents principal outstanding plus unamortized premium (minus unamortized discount). In the table above, Bonded Indebtedness is based on outstanding principal without adjustment for unamortized premium or discount. The total includes General Obligation Bonds and other tax supported debt payable from the General Fund including the County's obligation to make payments with respect to "— Other Tax Supported Debt Obligations."

<sup>2</sup> U.S. Census Bureau, 2010 Decennial Censuses, U. S. Census Bureau Annual Estimates of the Resident Population: April 1, 2010, to July 1, 2015. 2018, 2019 and 2020 estimates not yet available.

<sup>3</sup> Source: Bureau of Economic Analysis (BEA), U.S. Department of Commerce, and Fairfax County Department of Management and Budget 2011-2020 Estimates. The Cities of Fairfax and Falls Church were not included.

<sup>4</sup> Estimates per the FY 2020 Adopted Budget Plan per the Fairfax County Department of Management and Budget.

**Debt Service Requirements as a  
Percentage of General Fund Disbursements (in 000s)**

<b>Fiscal Year Ended June 30</b>	<b>Debt Service Requirements<sup>1</sup></b>	<b>General Fund Disbursements</b>	<b>Percentage</b>
2011	\$285,551	\$3,343,689	8.54%
2012	288,302	3,419,953	8.43
2013	289,714	3,533,098	8.20
2014	295,451	3,637,841	8.12
2015	313,969	3,729,625	8.42
2016	323,859	3,860,655	8.39
2017	313,389	4,005,845	7.82
2018	337,077	4,112,554	8.20
2019 <sup>2</sup>	375,832	4,398,873	8.54
2020 <sup>2</sup>	351,862	4,449,430	7.91

*Sources:* Fairfax County Comprehensive Annual Financial Report FY 2018 and Department of Finance

<sup>1</sup> The Debt Service Requirements include total principal and interest payments on the County's outstanding tax supported debt obligations, including all debt listed under the heading "– Other Tax Supported Debt Obligations."

<sup>2</sup> Estimates per the FY 2020 Adopted Budget Plan per Fairfax County Department of Management and Budget. Fiscal year property taxes are levied on prior year assessments.

**Underlying Bonded Indebtedness**

The following table shows the underlying bonded indebtedness of towns within the boundaries of Fairfax County as of June 30, 2018:

Town of Vienna <sup>1</sup>	General Obligation Bonds and Capital Leases	\$29,119,429
Town of Herndon <sup>1</sup>	General Obligation and Public Improvement Notes	<u>11,712,500</u>
Total Underlying Bonded Indebtedness		<u>\$40,831,929</u>

*Source:* Fairfax County Comprehensive Annual Financial Report FY 2018

<sup>1</sup> Underlying Bonded Indebtedness for Fiscal Year 2018 included herein differs from the data shown in Tables 3.1, 3.2 and 3.4 of the Statistical Section of the County's Comprehensive Annual Financial Report based on the treatment of bond premium and discounts. In the Comprehensive Annual Financial Report, beginning with FY 2013, Bonded Indebtedness represents principal outstanding plus unamortized premium (minus unamortized discount). In the table above, Bonded Indebtedness is based on outstanding principal without adjustment for unamortized premium or discount.

This underlying bonded indebtedness are obligations of the respective towns only and are not obligations of Fairfax County.

The bonds, notes and other obligations of Fairfax Water, the Fairfax County Park Authority, the Fairfax County Industrial Development Authority, the Fairfax County Economic Development Authority, the Fairfax County Redevelopment and Housing Authority, the Northern Virginia Health Center Commission, the Northern Virginia Transportation Commission, and the Mosaic District Community Development Authority are not obligations of the County.

## TAX BASE DATA

Fairfax County annually reassesses over 360,000 parcels of real property employing a computer assisted mass reassessment program for both residential and non-residential properties. The County uses a statistic called the coefficient of dispersion (the “Coefficient of Dispersion”) which measures the uniformity of assessment to sale ratios among properties. The lower the coefficient of dispersion, the more uniform the assessment. The overall Coefficient of Dispersion in Fairfax County for tax year 2017 (FY 2018) was 3.4%, and the assessment to sales price ratio was 0.948. A Coefficient of Dispersion of 15% is considered good by professional assessing standards. The County falls into the excellent category, indicating a high degree of assessment uniformity and equity.

The assessed value for FY 2020 of the real estate tax base, as reported for calendar year 2019 assessments in the main tax book for Fairfax County, increased by 3.6% in value from the prior year.

The data in the following five tables are presented to illustrate trends and characteristics of the assessed value of real and personal property which are major sources of County-derived revenue.

### Assessed Value of All Taxable Property<sup>1</sup>

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>
2011	\$185,755,271,151	\$14,767,968,334	\$200,523,239,485
2012	192,062,068,734	15,265,499,862	207,327,568,596
2013	198,178,754,789	16,053,881,534	214,232,636,323
2014	205,045,008,994	16,420,356,751	221,465,365,745
2015	216,832,912,747	16,518,808,610	233,351,721,357
2016	224,411,716,328	16,895,179,934	241,306,896,262
2017	231,350,805,374	17,451,767,407	248,802,572,781
2018	235,919,724,142	17,592,325,499	253,512,049,641
2019 <sup>2</sup>	244,130,871,357	18,027,235,740	262,158,107,097
2020 <sup>2</sup>	252,923,563,580	18,269,806,386	271,193,369,966

*Sources:* Fairfax County Department of Tax Administration and Department of Management and Budget. All years included figures for the Public Service Corporation. All Public Service Corporation real property assessments are required under Virginia law to be made at 100% of estimated market value annually by the State Corporation Commission.

<sup>1</sup>Figures are net of exonerated assessments and tax relief for the elderly and disabled.

<sup>2</sup>Estimates per the FY 2020 Adopted Budget Plan per Fairfax County Department of Management and Budget. Fiscal year property taxes are levied on prior year assessments.

**Tax Rates per \$100 Assessed Value  
(Fiscal Year)**

Tax Category	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Real Estate – Regular and Public Service	\$1.09	\$1.07	\$1.075	\$1.085	\$1.09	\$1.09	\$1.13	\$1.13	\$1.15	\$1.15
Personal Property – Regular	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property – Public Service	1.09	1.07	1.075	1.085	1.09	1.09	1.13	1.13	1.15	1.15
Personal Property – Machinery and Tools	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property – Development	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property – Mobile Homes	1.09	1.07	1.075	1.085	1.09	1.09	1.13	1.13	1.15	1.15
Personal Property – Special <sup>1</sup>	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01

Sources: Fairfax County Adopted Budget Plans, FY 2011-FY 2020

<sup>1</sup> Includes vehicles specially equipped for the handicapped, privately owned vans used for van pools, vehicles belonging to volunteer fire and rescue squad members, vehicles owned by auxiliary police and reserve deputy sheriffs, certain property of homeowners associations, antique cars, aircraft, including flight simulators, and motor vehicles owned by qualified elderly or disabled individuals, and boats.

**Commercial-Industrial Percentage of the  
Total Assessed Value of Real Property<sup>1</sup>**

<u>Fiscal Year<sup>2</sup></u>	<u>Percent (%)<sup>3</sup></u>
2011	19.70
2012	19.64
2013	20.77
2014	19.96
2015	19.01
2016	18.67
2017	18.89
2018	19.12
2019	19.43
2020	19.66

Source: Fairfax County Department of Tax Administration

<sup>1</sup> Assessed values are reported by State of Virginia Land Use Codes. Vacant land is defined according to zoning classification.

<sup>2</sup> Fiscal year property taxes are levied on prior year assessments.

<sup>3</sup> Includes the Towns of Vienna, Herndon and Clifton.

The following data show the assessed value of real property of the 25 largest holders of real property in the County as of January 1, 2019.

**Top 25  
Holders of Real Property in Fairfax County  
As of January 1, 2019**

<b>Rank</b>	<b>Property Owner</b>	<b>Property Type</b>	<b>Total Assessment<sup>1</sup></b>
1	Tysons Corner Property Holdings LLC	Tysons Corner Regional Shopping Mall	\$1,662,804,320
2	Capital One Bank	Office	744,638,540
3	PR Springfield Town Center LLC	Springfield Town Center	476,869,560
4	Fairfax Company of Virginia LLC	Fair Oaks Mall	462,003,510
5	Ps Business Parks LP	Industrial Parks	404,361,100
6	US Bank National Association	Office	381,499,850
7	Camden Summit Partnership LP	Apartments	370,830,000
8	Reston Town Center Property LLC	Commercial & Retail	369,226,590
9	Tysons Galleria LLC	Commercial & Retail	364,988,930
10	Federal Home Loan Mortgage Corporation	Office	353,567,330
11	Coresite Real Estate 12100	Office	351,792,190
12	Washington Gas Light Company	Public Utility	339,850,653
13	South of Market LLC	Office	329,125,600
14	Tysons Corner Office I LLC	Office	278,686,550
15	Tamares 7950 Owner LLC	Office	262,668,240
16	Exxonmobil Foundation	Office	262,337,160
17	Hyundai Able Patriots Park LLC	Commercial & Industrial	257,780,190
18	Home Properties Mount Vernon LLC	Apartments and Office	242,639,740
19	WashReit Riverside Apartments LLC	Apartments	232,310,930
20	Writ LP	Commercial & Industrial	223,752,290
21	Eskridge (E&A) LLC	Commercial & Retail	209,087,360
22	One Freedom Square LLC	Office	206,617,640
23	Mitre Corporation	Office	205,581,890
24	Dunn Loring Development Company LLC	Commercial & Retail	203,385,630
25	Boro I Office The LLC	Office	202,398,210
<b>Total</b>			<b>\$9,398,804,003</b>

*Source:* Fairfax County Department of Tax Administration, January 1, 2019, tax rolls

<sup>1</sup> As of January 1, 2019, the assessed value of the real property of the 25 largest holders of real property in the County represented 3.72% of the total assessed value of all real property in Fairfax County, excluding tax-exempt properties. January 1, 2019, assessments generate tax revenue in FY 2020.

**Real and Personal Property  
Tax Levies and Tax Collections**

<b>Fiscal Year</b>	<b>Total Levy<sup>1</sup></b>	<b>Current Collections<sup>2</sup></b>	<b>% of Total Levy Collected<sup>3</sup></b>	<b>Collection of Delinquent Taxes</b>	<b>Total Current &amp; Delinquent Taxes<sup>4</sup></b>	<b>% of Total Levy &amp; Delinquent Taxes</b>
2011	\$2,529,322,489	\$2,519,767,097	99.62	\$22,696,208	\$2,542,463,305	100.52
2012	2,578,579,112	2,563,131,721	99.40	22,034,282	2,585,166,003	100.26
2013	2,685,186,192	2,679,668,935	99.79	18,659,978	2,698,328,913	100.49
2014	2,789,010,004	2,776,199,493	99.54	21,735,390	2,797,934,883	100.32
2015	2,932,029,373	2,926,228,317	99.80	23,425,378	2,949,653,695	100.60
2016	3,027,718,274	3,019,636,276	99.73	21,161,598	3,040,797,874	100.43
2017	3,218,263,071	3,206,288,719	99.63	25,396,075	3,231,684,794	100.42
2018	3,274,550,619	3,266,018,208	99.74	25,377,255	3,291,395,463	100.51
2019	3,428,377,740	3,412,497,712	99.54	24,201,494	3,436,699,206	100.24
2020	3,538,815,898	3,522,460,109	99.54	24,201,494	3,546,661,603	100.22

*Sources:* Fairfax County Department of Management and Budget and Department of Tax Administration

<sup>1</sup> The total levy is the levy for General Fund real and personal property taxes and does not include the property tax levy for Special Revenue Funds, e.g. for refuse collection and community centers.

<sup>2</sup> Current collections do not include tax collections for the Special Revenue Funds or payments in lieu of taxes. As a result of revised accounting procedures, the collection of penalty and interest payments for late payments of current taxes is included in the collection of current taxes rather than under the collection of back taxes.

<sup>3</sup> The percentage of levy is not the collection rate since current collections also include penalty and interest payments for late payments of current taxes.

<sup>4</sup> FY 2011 through FY 2018 from Fairfax County Comprehensive Annual Financial Reports; FY 2019 and FY 2020 are estimates per the FY 2020 Adopted Budget Plan via the Department of Management and Budget and Department of Tax Administration.

Section 58.1-3916 of the Code of Virginia authorizes Fairfax County, pursuant to Section 4-10-1 of the County Code, to impose a penalty of 10% for failure to pay taxes when due, with interest to be due on such taxes and penalty following the day such taxes are due at the rate of 10% per annum the first year and at the greater of 10% per annum and the rate established pursuant to Section 6621 of the Internal Revenue Code for the second and subsequent years of delinquency.

**FINANCIAL INFORMATION**

**Five-Year Summary of Revenues, Expenditures and Fund Balances for the General Fund**

The financial data shown in the following table represent a summary for the five fiscal years ended June 30, 2018, of the revenues, expenditures, and fund balances accounted for in the County's General Fund.

## Fiscal Years Ended June 30

	2014	2015	2016	2017	2018
<b>REVENUES</b>					
Taxes	\$3,091,497,604	\$3,233,977,029	\$3,327,545,952	\$3,516,899,229	\$3,589,886,690
Permits, fees, and licenses	39,351,756	45,545,990	48,443,054	52,201,079	52,723,373
Intergovernmental	345,208,093	344,894,850	352,320,212	356,846,491	355,433,536
Charges for services	69,207,776	71,273,201	79,086,734	81,264,762	82,679,276
Fines and forfeitures	16,669,844	16,298,999	14,566,333	15,947,672	15,227,392
Developers' contributions	14,906	5,757	225,101	-	-
Use of money and property	15,033,510	15,701,691	22,679,412	31,325,447	47,076,323
Recovered costs	9,426,879	11,655,234	9,423,456	8,960,041	9,234,813
Gifts, donations, and contributions	<u>771,379</u>	<u>916,287</u>	<u>969,583</u>	<u>890,976</u>	<u>1,221,172</u>
<b>Total revenues</b>	<b><u>\$3,587,181,747</u></b>	<b><u>\$3,740,269,038</u></b>	<b><u>\$3,855,259,837</u></b>	<b><u>\$4,064,335,697</u></b>	<b><u>\$4,153,482,575</u></b>
<b>EXPENDITURES</b>					
Current:					
General government administration	\$163,828,478	\$162,063,387	\$159,574,082	\$158,210,278	\$154,169,910
Judicial administration	49,302,583	52,120,422	54,237,643	56,018,395	57,378,283
Public safety	620,073,326	634,174,750	646,258,835	673,290,385	683,701,748
Public works	86,012,739	84,038,207	88,201,178	90,215,133	93,472,087
Health and welfare	352,430,786	362,016,707	381,760,426	391,618,833	398,899,103
Community development	55,705,696	57,331,723	60,981,469	62,174,038	64,198,596
Parks, recreation, and cultural	35,409,661	34,297,699	36,311,287	36,528,547	38,349,375
Intergovernmental:					
Community development	10,382,091	10,492,636	10,746,095	10,988,449	11,360,629
Parks, recreation, and cultural	31,427,759	31,114,997	31,502,197	33,129,930	34,155,180
Education - for Public Schools	1,717,128,761	1,768,588,028	1,838,341,763	1,926,706,345	1,980,106,487
Capital outlay:					
General government admin.	9,073,520	11,071,093	13,020,325	11,545,792	14,037,641
Judicial administration	54,113	225,921	40,493	5,720	295,988
Public safety	675,118	1,388,288	7,726,916	1,851,101	2,055,229
Public works	106,271	128,823	265,695	247,960	31,250
Health and welfare	213,352	319,412	136,984	483,077	864,435
Community development	27,670	7,318	44,570	7,495	95,076
Parks, recreation, and cultural	3,919,566	4,275,727	4,878,597	3,676,970	4,063,338
Debt service:					
Principal retirement	362,258	314,660	228,213	857,156	866,604
Interest and other charges	<u>38,166</u>	<u>22,987</u>	<u>9,767</u>	<u>68,367</u>	<u>58,919</u>
<b>Total expenditures</b>	<b><u>\$3,136,171,914</u></b>	<b><u>\$3,213,992,785</u></b>	<b><u>\$3,334,266,535</u></b>	<b><u>\$3,457,623,971</u></b>	<b><u>\$3,538,159,878</u></b>
<b>Revenues over (under) expenditures</b>	<b>\$451,009,833</b>	<b>\$526,276,253</b>	<b>\$520,993,302</b>	<b>\$606,711,726</b>	<b>\$615,322,697</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$24,195,595	\$12,473,516	\$14,363,192	\$21,572,105	16,440,411
Transfers out	(501,669,578)	(515,632,051)	(526,388,805)	(548,220,839)	(574,394,290)
Capital Leases	-	-	6,502,955	-	-
<b>Total other financing sources (uses)</b>	<b><u>\$(477,473,983)</u></b>	<b><u>\$(503,158,535)</u></b>	<b><u>\$(505,522,658)</u></b>	<b><u>\$(526,648,734)</u></b>	<b><u>\$(557,953,879)</u></b>
Net change in fund balances	(26,464,150)	23,117,718	15,470,644	80,062,992	57,368,818
Beginning Fund Balance	329,268,249	302,804,099	325,921,817	341,392,461	421,455,453
Ending Fund Balance	\$302,804,099	\$325,921,817	\$341,392,461	\$421,455,453	\$478,824,271

Source: Fairfax County Comprehensive Annual Financial Reports for the fiscal years ended June 30, 2014-2018, Exhibit A-3 - Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds.

## Financial Policies

The Board of Supervisors has been guided by long-standing financial policies and guidelines in the conduct of financial management. The governing statement of financial policy is contained within the Ten Principles of Sound Financial Management (“Ten Principles”). Adopted by the Board of Supervisors in 1975 and amended as needed to address changing economic conditions and management practices, the Ten Principles have been reaffirmed and have guided each succeeding Board of Supervisors to establish strong fiscal management tools and practices. The Ten Principles provide for the integration of land use planning with capital and operating budgets; establish guidelines for the development of annual balanced budgets; stress the importance of maintaining positive cash balances; establish firm not to exceed limits to debt ratios; provide guidance on cash management, internal controls, and performance measurement; provide guidelines restricting the proliferation of underlying debt and use of moral obligation financing; and encourage the development of a diversified economy within the County.

In 1982, the Board of Supervisors adopted a financial policy requiring maintenance of a “managed reserve” in the General Fund beginning on July 1, 1982, at a level not less than 2% of General Fund disbursements. This reserve has been incorporated in the budget each fiscal year. This reserve was implemented to provide for temporary financing of unforeseen needs of an emergency nature and to permit orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. In 1985, the Board of Supervisors adopted a policy on appropriations during quarterly budget reviews, which provides that non-recurring revenues should be used for either capital expenditures or other non-recurring expenditures and that quarterly review adjustments are not to exceed 2% of the General Fund disbursements. In addition, on September 13, 1999, the Board of Supervisors established a Revenue Stabilization Fund with a goal of reaching 3% of General Fund disbursements. As of the FY 2006 Third Quarter Review, the Revenue Stabilization Fund was fully funded at 3% of General Fund disbursements. This reserve is designed to address ongoing requirements in years of significant economic downturn. Criteria for withdrawals from the Revenue Stabilization Fund include (1) projected revenues must reflect a decrease of greater than 1.5% from the current fiscal year estimate, (2) withdrawals must not exceed one-half of the fund balance in any fiscal year, and (3) withdrawals must be used in combination with spending cuts or other measures.

From time to time the Board of Supervisors has amended the Ten Principles in order to address changing economic conditions and management practices. Changes adopted on April 21, 2015, reflect the Board’s commitment to increasing the County’s reserve policies and to continue to strengthen the County’s financial position. The Managed Reserve target was increased from 2% to 4% of General Fund disbursements and the Revenue Stabilization Fund target was increased from 3% to 5% of General Fund Receipts. In addition, an Economic Opportunity Reserve was established to stimulate economic growth and will provide for strategic investment opportunities that are identified as priorities by the Board of Supervisors. When fully funded, this reserve will equal 1% of total General Fund disbursements in any given fiscal year. Funding for this reserve would only occur after the Managed Reserve and the Revenue Stabilization Fund are fully funded at their new levels of 4% and 5%, respectively. Funding of this increase will begin immediately; however, it will take several years to fully fund the new target level. As of June 30, 2018, the Managed Reserve was funded at \$136.9 million, and the Revenue Stabilization Fund was fully funded at \$206.7 million.

Other policies and tools that have been designed to enhance the impact of the Ten Principles include annual adoption of budgetary guidelines, formal establishment of various expenditure, revenue, and special purpose reserves, capital improvement planning guidelines, policies for risk management, guidelines for acceptance of grant awards, and planning for information technology. Various tools in active use by the County include the annual budget, the Capital Improvement Program, revenue and financial forecasts, and management initiatives such as a performance measurement program, a pay-for-performance management

system, workforce planning, and various information technology initiatives.

## **Certain Financial Procedures**

### *Description of Funds*

The County's annual audited financial statements include the funds administered by the Board of Supervisors and the School Board. The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The transactions in each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues, and expenditures.

### *Annual Financial Statements*

The County has no legal authority to borrow in anticipation of future years' revenues, except by the issuance of bonds or bond anticipation notes.

Prior to the beginning of each fiscal year, the Board of Supervisors adopts a budget plan consisting of contemplated expenditures and estimated revenues for such fiscal year. On the basis of the adopted budget plan, the Board of Supervisors appropriates funds for the expenditures, and establishes tax rates sufficient to produce the revenues, contemplated in the budget plan.

The annual budgeting process for a fiscal year begins in the first quarter of the previous fiscal year with the submission by agency directors of budget requests to the Department of Management and Budget. During the second quarter, budget requests are reviewed and meetings between the County Executive, Deputy County Executives, and agency directors are held to discuss agency requests. Upon receipt of the preliminary budget of the School Board in the third quarter, the County Executive prepares an initial budget for submission to the Board of Supervisors and proposes tax rates sufficient to produce revenues needed to meet expenditures contemplated in the initial budget. After work sessions with the Board of Supervisors and public hearings on the proposed budget, changes are made and the final budget is adopted. Tax rates are established prior to the beginning of the fiscal year for which the budget is prepared.

During the fiscal year, quarterly reviews of revenue and expenditures are undertaken by the County Department of Management and Budget. On the basis of these reviews, the Board of Supervisors revises appropriations as needed or desired.

In 1982, the Board of Supervisors adopted a financial policy requiring maintenance of a "managed reserve" in the General Fund beginning on July 1, 1982, at a level not less than 2% of General Fund disbursements. This reserve has been incorporated in the budget each fiscal year. This reserve was implemented to provide for temporary financing of unforeseen needs of an emergency nature and to permit orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. In 1985, the Board of Supervisors adopted a policy on appropriations during quarterly budget reviews, which provides that non-recurring revenues should be used for either capital expenditures or other non-recurring expenditures and that quarterly review adjustments are not to exceed 2% of the General Fund disbursements. In addition, on September 13, 1999, the Board of Supervisors established a Revenue Stabilization Fund with a goal of reaching 3% of General Fund disbursements. As part of the adoption of the FY 2016 Adopted Budget Plan, the Board of Supervisors updated the County's *Ten Principles of Sound Financial Management* to increase the reserve targets for both the Revenue Stabilization Reserve and the Managed Reserve. The target level of the Revenue Stabilization Reserve was increased from 3% to 5% of General Fund disbursements, and the target level of the Managed Reserve was increased from 2% to 4% of General Fund disbursements. The Revenue Stabilization Fund is fully funded

and currently totals \$206.7 million. This reserve is designed to address ongoing requirements in years of significant economic downturn. Criteria for withdrawals from the Revenue Stabilization Fund include (1) projected revenues must reflect a decrease of greater than 1.5% from the current fiscal year estimate, (2) withdrawals must not exceed one-half of the fund balance in any fiscal year, and (3) withdrawals must be used in combination with spending cuts or other measures.

### **Investment Management Policy**

The County's Division of Investments and Cash Management operates under the direction of the Investment Committee comprised of the Chief Financial Officer/Director of the Department of Management and Budget, the Director of the Department of Finance, the Director of the Department of Tax Administration, and the Deputy Director of the Department of Finance. Guided by a formal investment policy, the Committee continually reviews the County's investment policies and strategies and monitors daily investment activity.

During FY 2018, the County's average portfolio size (which includes investments in the General Fund, Special Revenue Funds, and Enterprise Funds) was approximately \$3.4 billion. The funds are invested in U.S. Treasury obligations, obligations of the Federal Home Loan Mortgage Corporation, Federal Home Loan Banks, Federal Farm Credit Bank, and Fannie Mae, bankers' acceptances, commercial paper (rated A1/P1 or higher), negotiable and non-negotiable and insured certificates of deposit, money market mutual funds limited to government obligations, corporate notes, bank notes, and other investments permitted under Virginia law for these purposes.

The County's investment policy, which governs the pooled cash, and general obligation bond proceeds, portfolios prohibits investment in instruments generally referred to as derivatives, and the County does not employ leverage in its investments.

The Association of Public Treasurers of the United States and Canada has awarded the County a certification for its investment policy each year since 1998. To achieve certification, an investment policy must establish standards recognized in the profession as fostering prudent management of public funds.

### **General Fund Revenues, Expenditures, Transfers and Beginning Fund Balance**

The General Fund is maintained by the County to account for revenue derived from Countywide ad valorem taxes, other local taxes, licenses, fees, permits, charges for services, certain revenue from federal and State governments, and interest earned on invested cash balances of the General Fund and Capital Project Funds. General Fund expenditures and transfers include the costs of general County government, transfers to the School Operating Fund to pay the local share of operating Fairfax County public schools, and transfers to the Debt Service and Capital Projects Funds to pay debt service on County general obligation bonds and for certain capital improvement projects.

### **General Fund Summary**

Shown below are the County's revenues, expenditures, transfers, and beginning fund balance of the General Fund for FY 2014 through FY 2018.

**General Fund Revenues, Transfers In, and Beginning Fund Balance**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General Property Taxes	\$2,576,653,463	\$2,727,409,751	\$2,818,183,929	\$3,003,139,306	\$3,062,962,780
Other Local Taxes	514,844,141	506,567,278	509,362,021	513,759,924	526,923,910
Permits, fees, and licenses	39,351,756	45,545,990	48,443,054	52,201,079	52,723,373
Intergovernmental	345,208,093	344,894,850	352,320,212	356,846,491	355,433,536
Charges for Services and Recovered Costs	78,634,655	82,928,435	88,510,190	90,224,803	91,914,089
Fines and Forfeitures	16,669,844	16,298,999	14,566,333	15,947,672	15,227,392
Use of money and property	15,033,510	15,701,691	22,679,412	31,325,447	47,076,323
Miscellaneous	786,285	922,044	1,194,684	890,976	1,221,172
Transfers In	24,195,595	12,473,516	14,363,192	21,572,105	16,440,411
Beginning Fund Balance	<u>329,268,249</u>	<u>302,804,099</u>	<u>325,921,817</u>	<u>341,392,461</u>	<u>421,455,453</u>
Total	<u>\$3,940,645,591</u>	<u>\$4,055,546,653</u>	<u>\$4,195,544,844</u>	<u>\$4,427,300,263</u>	<u>\$4,591,378,439</u>

Source: Fairfax County Comprehensive Annual Financial Reports for FY 2014-2018

**General Fund Expenditures and Transfers Out**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Transfer to School Operating Fund	\$1,717,128,761	\$1,768,588,028	\$1,838,341,763	\$1,926,618,902 <sup>1</sup>	\$1,980,019,600
Costs of General County Government	1,529,124,187	1,557,590,972	1,612,168,270	1,657,082,620	1,688,569,596
Transfer to Debt Service Funds	291,165,641	310,883,333	314,950,773	326,622,753	335,166,178
Transfer to Capital Project Funds	27,636,497	37,682,606	42,315,124	37,065,093	50,689,799
Transfer to Metro Construction and Operations Fund	11,298,296	11,298,296	11,298,296	13,557,955	13,557,955
Other Transfers	<u>61,488,110</u>	<u>43,581,601</u>	<u>41,581,114</u>	<u>44,897,487</u>	<u>44,551,040</u>
Total	<u>\$3,637,841,492</u>	<u>\$3,729,624,836</u>	<u>\$3,860,655,340</u>	<u>\$4,005,844,810</u>	<u>\$4,112,554,168</u>

Source: Fairfax County Comprehensive Annual Financial Reports for FY 2014-2018

<sup>1</sup> Excludes the operating contribution of \$87,443 to Northern Virginia Community College.

**Revenues**

The following is a discussion of the General Fund revenue structure.

*General Property Taxes* – An annual ad valorem tax is levied by the County on the assessed value of real and tangible personal property located within the County as of January 1 preceding the fiscal year in which such tax is due. The personal property tax on motor vehicles that acquire situs within the County or have title transferred on or after January 2 is prorated on a monthly basis. Real property and personal property are assessed at 100% of fair market value. Real property taxes are due on July 28 and December 5 of the fiscal year in which they are levied. The payment date for personal property taxes is October 5. The penalty for late payment is 10% of the amount due, and interest on delinquent taxes and penalties

accrues at a rate of 1% per annum for real estate taxes and 5% per annum for personal property taxes. In cases of property on which delinquent taxes are not paid within three years, the County may sell the property at public auction to pay the amounts due. There is no legal limit at the present time on the property tax rates that may be established by the County. Property taxes (including delinquent payments, penalties, and interest) accounted for 73.7% of total General Fund revenues in FY 2018. However, this percentage does not include the reimbursement from the Commonwealth of Virginia for a portion of the personal property tax. Including the reimbursement reflected in Intergovernmental revenue, the percentage of revenue from property taxes in FY 2018 was 78.9%. A description of the Commonwealth's plan to reduce personal property taxes follows.

During its 1998 Special Session, the General Assembly of Virginia enacted legislation to reduce personal property taxes applicable to individually owned motor vehicles. The reduction, which applies to the first \$20,000 in assessed value, was scheduled to be phased in over a five year period. The legislation states that the Commonwealth will reimburse local governments for the revenue lost from the reduction in personal property tax collections. In fiscal years subsequent to the legislation personal property taxes paid by citizens steadily reduced until such reduction equaled 70% in 2002. Due to Commonwealth budget constraints, the 2003 Virginia General Assembly temporarily froze the tax reduction at 70%. The 2005 General Assembly revised this measure further to limit its tax relief payments to all localities to a total of \$950 million per tax year beginning with 2006 (fiscal year 2007). The County's fixed share of the \$950 million is \$211,313,944, as determined by its share of the total payments made to all localities by the Commonwealth during calendar years 2004 and 2005 for tax year 2004 (fiscal year 2005). The County's total personal property tax collections for FY 2018 were \$622.4 million, comprised of \$411.1 million paid by taxpayers and \$211.3 million reimbursed by the Commonwealth of Virginia as Intergovernmental Revenue.

*Other Local Taxes* – The County levies various other local taxes, including a 1% local sales tax (collected by the Commonwealth and remitted to the County), a tax on consumer utility bills based on consumption for gas and electric services and a 5% communications sales tax which is imposed on the charge for or sale of communications services. Also included in this category are a cigarette tax of \$0.30 per pack, property recordation taxes, an automobile license tax, and various businesses, professional, and occupational licenses taxes. These taxes accounted for 12.7% of total General Fund revenues in FY 2018.

*Permits, Privilege Fees, and Licenses* – The County requires that licenses or permits be obtained in order to perform certain activities in the County and that fees be paid for services provided by certain County departments. These revenues represented 1.3% of total General Fund revenues for FY 2018.

*Fines and Forfeitures* – The sources of revenue in this category include court fines and penalties from the Circuit Court and the General District Court and court fines, costs from the Juvenile and Domestic Relations District Court and fines for traffic violations, misdemeanors, and felonies. In addition, the County receives revenues from parking violations as authorized under the County Code. Revenues in this category represented 0.4% of General Fund revenues in FY 2018.

*Use of Money and Property* – The principal sources of revenue to the General Fund from the use of money and property are interest on General Fund and Capital Project Fund investments and minor amounts of revenue from the sale and lease of County equipment and property. These revenues represented 1.1% of General Fund revenues in FY 2018.

*Charges for Services and Recovered Costs* – The principal sources of revenue to the General Fund from charges for services are County Clerk fees, school age child care fees, recreation fees, publication sales and various other services for which the County charges a fee. Revenues in this category represented 2.2% of General Fund revenues in FY 2018.

*Intergovernmental Revenue* – Intergovernmental revenue is comprised of revenue from the Commonwealth, revenue from the federal government, and revenue from local government. Revenues in this category represented 8.6% of General Fund revenues in FY 2018. This percentage includes the revenue that the County receives from the Commonwealth as reimbursement for the County's personal property tax. Each revenue source within intergovernmental revenue is described below.

*Revenue from the Commonwealth* – The County is reimbursed by the Commonwealth of Virginia for a portion of shared expenses, including certain expenditures for social services, the sheriff's office, courts, the Office of the Commonwealth Attorney, and other constitutional offices. Additionally, the County receives a share of the net profits from the State Alcoholic Beverage Control Board's liquor sales and state contributions to assist in meeting law enforcement expenditures. As mentioned in the section concerning General Property Taxes, the Commonwealth also reimburses the County for a portion of its personal property tax on vehicles. Including the reimbursement for the County's personal property tax, revenues from this category represented 7.4% of total General Fund revenues in the fiscal year ended June 30, 2018. Excluding this reimbursement, revenue from this category represented 2.3% of General Fund revenue in FY 2018. The County receives a significant amount of additional State aid in support of public school operations. These revenues are credited directly to the School Operating and School Lunch Funds, however, and are not reflected in the General Fund.

*Revenue from the Federal Government* – The principal sources of categorical federal aid to the General Fund are federal grant money supporting human service programs such as supplemental nutrition, temporary assistance for needy families, foster care, adoption assistance, and medical assistance for clients of the Department of Family Services. This revenue category represented 1.0% of General Fund revenues in FY 2018.

*Revenue from Local Government* – The principal sources of local government revenues are reimbursement from the Public Schools System for school nurses and reimbursement from the Park Authority for the debt service. This revenue category represented 0.1% of General Fund revenues in FY 2018.

*Miscellaneous Revenues* – The sources of revenue in this category include the sale of land and buildings, contract rebates, and other miscellaneous sources. These revenue sources accounted for 0.03% of General Fund revenue in FY 2018.

## **Expenditures and Transfers**

The following is a discussion of the major classifications of General Fund expenditures and transfers.

*Transfer to School Operating Fund* – The County transfers money from the General Fund to the School Operating Fund to pay the County's share of the costs of operating public schools in Fairfax County. This transfer represented approximately 48.1% of total disbursements from the General Fund in the fiscal year ended June 30, 2018. The transfer to the School Operating Fund was approximately 72.3% of total receipts of the School Operating Fund. Other revenues credited directly to the School Operating and School Lunch Funds include revenue from the Federal Government, the Commonwealth of Virginia, the City of Fairfax (representing tuition of students residing in the City of Fairfax who attend Fairfax County schools), and other revenue derived locally from sale of textbooks, school lunches, etc.

*Costs of General County Government* – The County pays the costs of general County government from the General Fund. These costs include expenditures for general government administration, judicial administration, public safety, public works, health and welfare, parks, recreational and cultural programs,

and community development. This classification was approximately 41.1% of total General Fund disbursements in FY 2018.

*Transfer to Debt Service Fund* – The County transfers from the General Fund to the Debt Service Fund amounts sufficient to pay principal and interest on outstanding County and School debt including general obligation bonds and EDA and FCRHA revenue bonds. Transfers to the Debt Service Fund represented 8.1% of total General Fund disbursements in FY 2018. Effective FY 2006, Fairfax County Public Schools (FCPS) transfers from its operating fund to the County's Debt Service Fund an amount sufficient to pay principal and interest on the applicable portion of the 2014A County Facilities Projects Bonds.

*Transfer to Capital Project Funds* – The County transfers money from the General Fund to the Capital Project Funds to pay the cost of certain capital improvements. The General Fund transfer to the Capital Project Funds (except for the General Fund transfer for Fairfax County's obligations to WMATA, which is discussed below) represented 1.2% of total General Fund disbursements in FY 2018.

*Transfer to Metro Construction and Operations Fund* – The County is a member jurisdiction of WMATA and as such has agreed to make certain capital contributions in support of the construction by WMATA of a rail transit system to serve the Washington metropolitan area (which includes the County) and to pay a portion of the deficit incurred by WMATA in the operation of its bus system and rail system. The County generally has used bond proceeds to fund its capital contributions to WMATA and has transferred money from the General Fund to pay its share of the bus and rail operating subsidies. The General Fund transfer to the Metro Construction and Operations Fund to pay the County's share of the system's operating subsidies represented 0.3% of total General Fund disbursements in FY 2018. See the subsection herein entitled "GOVERNMENT SERVICES – Transportation" for a more complete discussion of the County's obligations with respect to WMATA.

*Other Transfers* – The County transfers money from the General Fund to other funds for a variety of purposes. The General Fund transfer to other funds includes transfers to the County Transit Systems, Information Technology, Aging Grants and Programs, Community-Based Funding Pool, Housing Programs for the Elderly, Health Benefits Trust, and Equipment Management and Transportation Agency. Transfers to other funds were 1.1% of total General Fund disbursements in FY 2018.

*Transfer to Revenue Stabilization Fund* – Beginning in FY 2000, the County began setting aside money in the General Fund for a Revenue Stabilization Fund to address significant revenue reductions during severe, prolonged economic downturns. The Revenue Stabilization Fund represented 43.2% of the total fund balance in the General Fund as of June 30, 2018.

## **FY 2019 Budget**

On May 1, 2018, the Fairfax County Board of Supervisors voted to approve the FY 2019 Adopted Budget Plan. This budget is based on General Fund revenue increasing 4 percent over the FY 2018 Revised Budget Plan. The real estate tax rate of \$1.15 per \$100 of assessed value reflects a two-cent increase over the FY 2018 Adopted Budget Plan. General Fund disbursements total \$4.28 billion, which is an increase of 1.6 percent or \$68.8 million from the FY 2018 Revised Budget Plan. The County transfer to support the operations and debt service requirements for the Fairfax County Public Schools is \$2.2 billion, or 52.4 percent of total County disbursements, and is also an increase of 4.1 percent or \$89 million from the FY 2018 Revised Budget Plan. Additionally, funding is provided for employee compensation as well as additional funding toward the County retirement plans. [Updated budget projections through May 2019 are consistent with the FY 2019 Adopted Budget Plan.]

## **FY 2020 Budget**

On May 7, 2019, the Fairfax County Board of Supervisors voted to approve the FY 2020 Adopted Budget Plan. The FY 2020 budget is based on revenue growth of 3.1 percent over the FY 2019 Revised Budget Plan. The real estate tax rate of \$1.15 per \$100 of assessed value remains level over the FY 2019 Adopted Budget Plan. FY 2020 General Fund Disbursements total \$4.45 billion, which is a 1.2 percent increase above the FY 2019 Revised Budget Plan. County support to Fairfax County Public Schools totals \$2.35 billion, which is a 3.8 percent increase over the FY 2019 Adopted Budget Plan, and 52.8 percent of total FY 2020 Disbursements. Also, funding is provided for employee compensation and additional funds toward reserves and the County retirement plans.

## **CAPITAL IMPROVEMENT PROGRAM**

In connection with the County's adopted comprehensive land use plan, the Fairfax County Planning Commission annually prepares and submits to the Board of Supervisors a capital improvement program ("CIP") for the ensuing five-year period. The CIP is designed to balance the need for public facilities as expressed by the County's land use plan with the fiscal capability of the County to provide for those needs.

The CIP is an integral element of the County's budgeting process. The five-year document serves as a general planning guide for the construction of general purpose, school and public utility projects in the County. The CIP is updated and approved by the Board of Supervisors each year. This annual review process prompts careful attention to the development of reliable capital expenditure and revenue estimates and the timely scheduling of bond referenda.

In connection with the CIP process, the Board of Supervisors has adopted certain policy guidelines for the development and financing of the CIP. These guidelines include self-imposed restrictions on the issuance of general obligation bonds designed to keep General Fund supported debt service expenditures less than 10% of total Combined General Fund disbursements, and to maintain the ratio of bonded indebtedness to the market value of taxable property in the County at a level less than 3.0%.

The Board of Supervisors continues to review the County's debt program in light of current fiscal conditions and capital needs. Currently, general obligation bond sales for new money projects are limited to an average of \$300 million per year with a maximum limit of \$325 million in a single year. The CIP for fiscal years 2020-2024 (along with estimates for fiscal years 2025 to 2029) was approved by the Board of Supervisors on May 7, 2019. The County program includes new construction, renovation and renewal of school facilities, parks, housing development, revitalization, storm water management, public safety and courts, libraries, human services, solid waste, sewers, and transportation. Significant capital construction activity from FY 2019-2028 totaling \$9.6 billion is anticipated for the County, in addition to \$0.9 billion in regional parks and water supply projects that are undertaken within the County to benefit County residents, but is not managed or funded directly by the County. The total capital construction activity to be financed by the County totals \$10.5 billion from FY 2020-2029.

## **RETIREMENT SYSTEMS**

Fairfax County administers four separate public employee retirement systems that provide pension benefits for various classes of County employees: Fairfax County Employees' Retirement System (ERS), Fairfax County Police Officers Retirement System (PORS), Fairfax County Uniformed Retirement System (URS), and the Educational Employees' Supplemental Retirement System of Fairfax County (ERFC). In addition, professional employees of the Fairfax County Public Schools participate in a plan sponsored and administered by the Virginia Retirement System (VRS).

The Fairfax County retirement systems investments are managed by independent professional investment managers. Investments in derivatives are not made for speculative purposes but may be used by investment managers to gain access to markets, to reduce risk, or to reduce transaction costs.

In fiscal year 2015, the County implemented GASB No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 establishes the standards for accounting and reporting employee pension plans including the recognition and measurement of liabilities, deferred inflows and outflows, expenses and expenditures. The tables below are presented in conformity with GASB Statement No. 68.

Membership in the reporting entity's plans consisted of the following:

Description	Primary Government			Component Unit – Public Schools
	ERS	PORS	URS	ERFC
Retirees and beneficiaries receiving benefits	8,603	1,082	1,309	11,729
Terminated employees entitled to, but not yet receiving, benefits	2,207	63	76	4,759
Deferred Retirement Option Plan participants	745	57	115	N/A
Active employees	13,986	1,329	1,975	21,841
<b>Total number of plan members</b>	<b>25,541</b>	<b>2,531</b>	<b>3,475</b>	<b>38,329</b>

Source: Fairfax County Comprehensive Annual Financial Report for FY 2018

### Fairfax County Employees' Retirement System (ERS)

#### Plan Description

The Fairfax County Employees' Retirement System (ERS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia which covers only employees of the reporting entity. The plan covers full-time and certain part-time employees of the reporting entity who are not covered by other plans of the reporting entity or the VRS. This is the only plan that provides pension benefits to both the primary government and component units. The balances have been allocated in the financial statements as follows: County 67.2 percent including business type activities, FCPS 27.1 percent, EDA 0.5 percent, FCRHA 1.7 percent, FCPA 3.5 percent of all totals.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. To be eligible for normal retirement, an individual must meet the following criteria: (a) attain the age of 65 with five years of creditable service, or (b) attain the age of 50 with age plus years of creditable service being greater than or equal to 80. The normal retirement benefit is calculated using average final compensation (i.e., the highest 78 consecutive two week pay periods or the highest 36 consecutive monthly pay periods) and years (or partial years) of creditable service at date of termination. In addition, if normal retirement occurs before Social Security benefits are scheduled to begin, an additional monthly benefit is paid to retirees. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. The benefit for early retirement is actuarially reduced and payable at early termination.

### *Funding Policy*

All contribution requirements for ERS are established and may be amended by County ordinances, including member contribution rates. Plan A and Plan C require member contributions of 4.0 percent of compensation up to the maximum Social Security wage base and 5.33 percent of compensation in excess of the wage base. Plan B and Plan D require member contributions of 5.33 percent of compensation.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2018, was 25.29 percent. Since the ERS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) fell below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. For fiscal year 2018 the amortization target was increased to 98 percent. Per the County's pension funding policy as approved by the Board of Supervisors as part of the FY 2018 Adopted Budget Plan and incorporated in the Fairfax County Code, the County will continue increasing the amortization target so that, at or before fiscal year 2020, 100 percent of the unfunded actuarial accrued liability is amortized and included in the contribution rate. The employer contribution made during the measurement period of the liability was \$167,311,608. The 2018 employer contribution totaled \$188,578,414.

### *Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands)*

CAFR Reporting Year Measurement Date June 30 of prior year	2018
<b>Total Pension Liability</b>	
Service cost	\$93,128
Interest	367,586
Changes in benefit terms	582
Differences between expected and actual experience	74,948
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(284,929)
<b>Net change in total pension liability</b>	251,315
<b>Total pension liability – beginning</b>	5,116,417
<b>Total pension liability – ending</b>	\$5,367,732
<b>Plan Fiduciary Net Position</b>	
Contributions – employer	\$167,312
Contributions – member	35,476
Net investment income	243,496
Benefit payments, including refunds of member contributions	(284,931)
Administrative expense	(2,050)
<b>Net change in plan fiduciary net position</b>	159,303
<b>Plan fiduciary net position – beginning</b>	3,590,082
<b>Plan fiduciary net position – ending</b>	\$3,749,385
<b>Net pension liability – ending</b>	\$1,618,347
Plan fiduciary net position as a percentage of the total pension liability	69.9%
Covered employee payroll	\$730,618
Net pension liability as a percentage of covered employee payroll	221.5%

Source: Fairfax County Comprehensive Annual Financial Report for FY 2018

### *Administration*

There are ten members of the ERS Board of Trustees. Four members are appointed by the Board of Supervisors. Three members are elected representing the following groups: County employees, Schools employees, and retired employees. The Fairfax County Director of Human Resources and the Director of Finance serve as ex-officio members of the board, along with an appointee from the Fairfax County Public

Schools system.

### *Professional Services*

An independent auditor and actuary are hired to provide service to the fund.

## **Fairfax County Police Officers Retirement Systems (PORS)**

### *Plan Description*

The Fairfax County Police Officers Retirement System (PORS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia. The plan covers County police officers who are not covered by other plans of the reporting entity or the VRS and former Park Police officers who elected to transfer to the PORS from the Uniformed Retirement System effective January 22, 1983.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. To be eligible for normal retirement, an individual must meet the following criteria: (a) if employed before July 1, 1981, attain the age of 55 or have completed 20 years of creditable service, or (b) if employed on or after July 1, 1981, attain the age of 55 or have completed 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial years) of creditable service at date of termination. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. To be eligible for early retirement, the employee must have 20 years of creditable service (does not apply if hired before July 1, 1981). The benefit for early retirement is actuarially reduced and payable at early termination.

### *Funding Policy*

All contribution requirements for PORS are established and may be amended by County ordinances, including member contribution rates. Member contributions were based on 8.65 percent of compensation at June 30, 2017.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2018, was 27.64 percent of annual covered payroll. The decision was made to commit additional funding and a rate of 38.98 percent was adopted for fiscal year 2018. Since the PORS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) fell below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. For fiscal year 2018, the amortization target was set to a 98 percent level. Per the County's pension funding policy as approved by the Board of Supervisors as part of the FY 2018 Adopted Budget Plan and incorporated in the Fairfax County Code, the County will continue increasing the amortization target so that, at or before fiscal year 2020, 100 percent of the unfunded actuarial accrued liability is amortized and included in the contribution rate. The employer contribution made for the measurement period of the liability was \$43,381,151. The 2018 employer contribution totaled \$44,504,675.

*Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands)*

CAFR Reporting Year Measurement Date June 30 of prior year		2018
<b>Total Pension Liability</b>		
Service cost		\$29,052
Interest		112,638
Differences between expected and actual experience		11,638
Changes in assumptions		-
Benefit payments, including refunds of member contributions		(73,175)
<b>Net change in total pension liability</b>		80,153
<b>Total pension liability – beginning</b>		1,560,516
<b>Total pension liability – ending</b>		\$1,640,669
<b>Plan Fiduciary Net Position</b>		
Contributions – employer		\$43,381
Contributions – member		9,632
Net investment income		116,099
Benefit payments, including refunds of member contributions		(73,176)
Administrative expense		(481)
<b>Net change in plan fiduciary net position</b>		95,455
<b>Plan fiduciary net position – beginning</b>		1,270,389
<b>Plan fiduciary net position – ending</b>		\$1,365,844
<b>Net pension liability – ending</b>		\$274,825
Plan fiduciary net position as a percentage of the total pension liability		83.2%
Covered employee payroll		\$111,291
<b>Net pension liability as a percentage of covered employee payroll</b>		246.9%

Source: Fairfax County Comprehensive Annual Financial Report for FY 2018

*Administration*

There are seven members of the PORS Board of Trustees. Three members are appointed by the Board of Supervisors. Two members are active employee elected representatives, and one member is a retiree elected representative. The Fairfax County Director of Finance serves as an ex-officio member of the board.

*Professional Services*

Independent auditor, actuary and investment consultants are hired to provide service to the fund.

**Fairfax County Uniformed Retirement System (URS)***Plan Description*

The Fairfax County Uniformed Retirement System (URS) is a legally separate single-employer defined benefit pension plan. The plan covers uniformed employees including non-clerical employees of the Fire and Rescue Department and Office of Sheriff, Park Police, Helicopter Pilots, Animal Wardens and Game Wardens who are not covered by other plans of the reporting entity or the VRS.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. To be eligible for normal retirement an individual must meet the following criteria: (a) attain the age of 55 with six years of creditable service, or (b) complete 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial

years) of creditable service at date of termination. Annual cost of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4.0 percent and the percentage increase in the Consumer Price Index for the Washington Consolidated Metropolitan Statistical Area. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. Those who commenced employment on or after January 1, 2013, may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or DROP entry. To be eligible for early retirement, employees must have 20 years of creditable service. The benefit for early retirement is actuarially reduced and payable at early termination.

#### *Funding Policy*

All contribution requirements for URS are established and may be amended by County ordinances, including member contribution rates. Employees hired before July 1, 1981, were enrolled in Plan A. Plan A members were given the opportunity to enroll in Plan B as of July 1, 1981, and to enroll in Plan C as of April 1, 1997. From July 1, 1981, through March 31, 1997, all new hires were enrolled in Plan B. Plan B members were given the opportunity to enroll in Plan D as of April 1, 1997. From April 1, 1997, through December 31, 2012, all new hires were enrolled in Plan D. From January 1, 2013, forward all new hires are enrolled in Plan E. Plan A requires member contributions of 4.0 percent of compensation up to the Social Security wage base and 5.75 percent of compensation in excess of the wage base. Plan B requires member contributions of 7.08 percent of compensation up to the Social Security wage base and 8.83 percent of compensation in excess of the wage base. Plan C requires member contributions of 4.0 percent of compensation. Plan D and Plan E require contributions of 7.08 percent of compensation.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2018, was 30.35 percent of annual covered payroll. The decision was made to commit additional funding and a rate of 38.83 percent was adopted for fiscal year 2018. Since the URS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) fell below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. For fiscal year 2018, the amortization target was increased to a 98 percent level. Per the County's pension funding policy as approved by the Board of Supervisors as part of the FY 2018 Adopted Budget Plan and incorporated in the Fairfax County Code, the County will continue increasing the amortization target so that, at or before fiscal year 2020, 100 percent of the unfunded actuarial accrued liability is amortized and included in the contribution rate. The employer contribution made for the measurement period of the liability was \$67,410,252. The 2018 employer contribution totaled \$67,895,377.

*Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands)*

CAFR Reporting Year Measurement Date June 30 of prior year		2018
<b>Total Pension Liability</b>		
Service cost		\$39,668
Interest		140,286
Changes in benefit terms		839
Differences between expected and actual experience		6,048
Changes in assumptions		-
Benefit payments, including refunds of member contributions		(93,609)
<b>Net change in total pension liability</b>		93,232
<b>Total pension liability – beginning</b>		1,940,457
<b>Total pension liability – ending</b>		\$2,033,689
<b>Plan Fiduciary Net Position</b>		
Contributions – employer		\$67,410
Contributions – member		12,223
Net investment income		161,014
Benefit payments, including refunds of member contributions		(93,609)
Administrative expense		(477)
<b>Net change in plan fiduciary net position</b>		146,561
<b>Plan fiduciary net position – beginning</b>		1,498,702
<b>Plan fiduciary net position – ending</b>		\$1,645,263
<b>Net pension liability – ending</b>		\$388,426
Plan fiduciary net position as a percentage of the total pension liability		80.9%
Covered employee payroll		\$173,604
<b>Net pension liability as a percentage of covered employee payroll</b>		223.7%

Source: Fairfax County Comprehensive Annual Financial Report for FY 2018

*Administration*

There are eight members of the URS Board of Trustees. Three members are appointed by the Board of Supervisors. Three members are employee elected representatives comprised of two members from the Fire and Rescue Department, and one member from the Sheriff's Department. The Fairfax County Director of Finance and Director of Human Resources serve as ex-officio members of the board.

*Professional Services*

An independent auditor and actuary are hired to provide service to the fund.

**Educational Employees' Supplementary Retirement System of Fairfax County (ERFC)***Plan Description*

Benefit provisions for ERFC and ERFC 2001 are established and may be amended by ERFC's Board of Trustees (ERFC Board) subject to approval by the School Board. All members are vested for benefits after five years of service. The ERFC benefit formula was revised effective July 1, 1988, following changes to VRS, which ERFC has historically supplemented. The benefit structure is designed to supplement VRS and Social Security benefits to provide a level retirement benefit throughout retirement.

ERFC 2001 has a stand-alone structure. Member contributions for ERFC and ERFC 2001 are made through an arrangement that results in a deferral of taxes on the contributions. Further details of member contributions may be found in Article III of the ERFC and ERFC 2001 Plan Documents.

ERFC and ERFC 2001 provide for a variety of benefit payment types. ERFC's payment types include Service Retirement, Reduced Service, Disability, Death-in-Service, and Deferred Retirement. ERFC 2001's payment types include Service Retirement, Death-in-Service, and Deferred Retirement. ERFC's minimum eligibility requirements for receipt of full benefits range from members attaining the age of 55 with 25 years of service to completing five years of service prior to age 65. The minimum eligibility requirements for full benefits for ERFC 2001 members are age 60 with five years of service or any age with 30 years of service. Annual post-retirement cost-of-living increases of 3 percent are effective each March 31. Participants in their first full year of retirement receive a 1.49 percent increase. Participants who retire on or after January 1 receive no cost-of-living increase that first March. Additional details regarding benefit payment types can be found in the actuarial valuation and the Plan Documents.

#### *Funding Policy*

All contribution requirements for ERFC plans are established and may be amended by the ERFC Board with the approval of the School Board. The requirements are based upon a fundamental financial objective of having rates of contribution that remain relatively level from generation to generation of employees. To determine the appropriate employer contribution rates and to assess the extent to which the fundamental financial objective is being achieved, ERFC has actuarial valuations prepared annually. The contribution requirements of members and the employer are established and may be amended by the ERFC Board, subject to School Board approval. Members are required to contribute 3 percent of annual salary. The employer is required to contribute at an actuarially determined rate which was 6.24 percent for FY 2018. Employer contributions to the pension plan were \$91,702,271 and \$80,145,997 for the years ended June 30, 2018, and June 30, 2017, respectively.

*Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands)*

CAFR Reporting Year Measurement Date June 30 of prior year		2018
<b>Total Pension Liability</b>		
Service cost		\$78,926
Interest		209,516
Changes of Benefit Terms		(1,039)
Differences between expected and actual experience		19,857
Changes of assumptions		23,334
Benefit payments, including refunds of member contributions		(173,386)
<b>Net change in total pension liability</b>		<u>157,208</u>
<b>Total pension liability – beginning</b>		<u>2,937,101</u>
<b>Total pension liability – ending</b>		<u>\$3,094,309</u>
<b>Plan Fiduciary Net Position</b>		
Contributions – employer		\$80,094
Contributions – member		43,063
Net investment income		250,982
Benefit payments, including refunds of member contributions		(173,386)
Administrative expense		(4,060)
<b>Net change in plan fiduciary net position</b>		<u>196,693</u>
<b>Plan fiduciary net position – beginning</b>		<u>2,107,588</u>
<b>Plan fiduciary net position – ending</b>		<u>\$2,304,281</u>
<b>Net pension liability – ending</b>		<u>\$790,028</u>
Plan fiduciary net position as a percentage of the total pension liability		<u>74.47%</u>
Covered employee payroll		\$1,430,260
<b>Net pension liability as a percentage of covered employee payroll</b>		<u>55.24%</u>

Source: Fairfax County Comprehensive Annual Financial Report for FY 2018

*Administration*

The Board is composed of seven members: three are appointed by the School Board, and three are elected by active ERFC members. The six combined Board members recommend someone who is not affiliated with FCPS for the seventh position, which is subject to approval by the School Board.

*Professional Services*

An independent auditor and actuary are hired to provide service to the fund.

**Virginia Retirement Systems (VRS)***Plan Description*

FCPS contributes to VRS on behalf of its covered professional employees. VRS is a cost-sharing, multiple-employer retirement system, which administers two defined benefit plans and a hybrid plan that combines the features of a defined benefit plan and a defined contribution plan. These plans are administered by the State and provide coverage for State employees, public school board employees, employees of participating political subdivisions, and other qualifying employees. All full-time, salaried, permanent employees of VRS-participating employers are automatically covered under VRS. All employees hired after January 1, 2014, are automatically enrolled in the Hybrid Plan. Contributions made by members and participating VRS employers are invested to provide future retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

### *Funding Policy*

The contribution requirement for active employees is governed by Section 51.1-145 of the Code of Virginia 1950, as amended, but may be affected by funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.0 percent of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.0 percent member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5.0 percent member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.0 percent member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. Each school division's contractually required contribution rate for the year ended June 30, 2018, was 16.32 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarial rate for the Teacher Retirement Plan was 16.32 percent. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of Section 51.1-145 of the Code, as amended, the contributions were funded at 89.84 percent of the actuarial rate for the year ended June 30, 2017. Employer contributions to the pension plan were \$240,020,797 and \$209,938,736 for the years ended June 30, 2018, and June 30, 2017, respectively.

### **Fairfax County Retirement Systems – Plan Revisions from the Board of Supervisors**

As directed by the Board of Supervisors, the Fairfax County Department of Human Resources contracted with a benefits consultant to conduct a comprehensive retirement study. Based on the results of this study, the Board of Supervisors, as part of their mark-up of the FY 2013 Adopted Budget Plan on April 24, 2012, reaffirmed the County's commitment to a defined benefit plan model for current employees and for new hires. The Board also directed staff to prepare revisions to the Fairfax County Code to incorporate several modifications to the retirement systems, to apply only to new employees who are hired after January 1, 2013. These changes included increasing the minimum retirement age from 50 to 55 in the Employees' system, increasing the rule of 80 to the rule of 85 in the Employees' system, removing the pre-Social Security Supplement from DROP accounts in the Employees' system and the Uniformed system, and placing a cap on the use of sick leave for retirement purposes at 2,080 hours for all three retirement systems.

During 2017 and 2018, the Board of Supervisors again directed County staff to review its retirement plans. A retirement workgroup was established consisting of Board members and employee group representatives that included presentations and group discussions on retirement demographics, trends, potential benefit changes. Following a public hearing on December 4, 2018, the Board of Supervisors approved changes for new employees hired on or after July 1, 2019. These changes included the elimination of the Pre-Social Security supplement for the Employees' and Uniformed systems, and the elimination of a prior provision that increased the annual annuity calculation by 3 percent for the Employees, Uniformed, and Police Retirement plans.

### **Fairfax County - Other Post-Employment Benefits (OPEB)**

#### *Plan Description and Administration*

The Fairfax County OPEB Plan (the Plan) is a single-employer defined benefit plan administered by Fairfax County. The Plan provides the opportunity to continue participation in medical/dental, vision, and life insurance benefits for eligible retirees and their spouses. The plan benefits correspond with benefits available to active employees. The benefit provisions are established and may be amended by the Board. Fiduciary oversight is provided by the members of the Local Finance Board for OPEB and deferred

compensation. The members of this finance board are the CFO/Director of Management and Budget, Director of Finance, Director of Human Resources, and the Executive Director of the Retirement Agency. The Plan does not issue a stand-alone financial report.

Beginning in fiscal year 2006 the amount of monthly medical subsidy provided by the County is based on years of service and ranges from \$30 per month to \$220 per month. Employees who retired prior to July 1, 2003, are eligible for the greater of the amount based on the current subsidy structure and an amount calculated based on the subsidy structure in place prior to July 2003. In addition, the Board has established a program to subsidize the continuation of term life insurance at reduced coverage amounts, for retirees. Retirees generally pay for 50 percent of their coverage amounts at age-banded premium rates, with the County incurring the balance of the cost. In order to receive these subsidies, retirees must be 55 or older and have a minimum of five years of service credit. If participation in any of the benefit areas is discontinued, eligibility is lost and a retiree may not re-enroll into the Plan benefit. Consequently, all inactive employees are considered to be receiving benefits.

Participant data for the current fiscal year and prior year is as follows:

<b>Membership</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Medical Members</b>		
Number of Active Members	13,410	13,520
Average Age	45	45
Average Service	12	12
<u>Number of Inactive Members</u>		
Retirees and Spouses	5,118	4,819
Average Age	67	68
<b>Life Insurance Members</b>		
Number of Active Members	13,410	13,520
Average Age	45	45
Average Service	12	12
<u>Number of Inactive Members</u>		
Retirees and Spouses	5,315	5,502
Average Age	67	68

Source: Fairfax County Comprehensive Annual Financial Report FY 2018

*Statement of Changes in Net Position for the Fiscal Year ended June 30, 2018 – OPEB Trust Fund*

<b>ADDITIONS:</b>	<b><u>2018</u></b>
Contributions:	
Employer	\$23,909,023
Other	<u>458,128</u>
Total Contributions	<u>24,367,151</u>
Investment Income from Investment Activities:	
Net (appreciation) in fair value of investments	26,274,549
Interest	<u>86,016</u>
Total Income from Investment Activities	<u>26,360,565</u>
Less Investment Activities Expenses:	
Management Fees	200,787
Other	<u>75</u>
Total Investment Activities Expenses	<u>201,162</u>
Net Income from Investment Activities	<u>26,159,403</u>
Net investment income	<u>26,159,403</u>
<b>Total Additions</b>	<b><u>50,526,554</u></b>
<b>DEDUCTIONS:</b>	
Benefits	21,670,001
Administrative Expenses	<u>122,532</u>
<b>Total Deductions</b>	<b><u>21,792,533</u></b>
<b>Net Increase</b>	<b>28,734,021</b>
Net Position - July 1, 2017	<u>279,564,002</u>
<b>Net Position - June 30, 2018</b>	<b><u>\$308,298,023</u></b>

*Source:* Fairfax County Comprehensive Annual Financial Report FY 2018

*Net OPEB Liability for the Plan*

The Plan's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability for the Plan are as follows:

Total OPEB Liability	\$400,568,000
Plan Fiduciary Net Position (Market Value of Assets)	<u>(308,298,023)</u>
Net OPEB Liability	<u>\$92,269,977</u>
Plan Fiduciary Net Position as % of Total OPEB Liability	76.97%

*Source:* Fairfax County Comprehensive Annual Financial Report FY 2018

## Fairfax County Public Schools - Other Post-Employment Benefits (OPEB)

### *Plan Description and Administration*

The Fairfax County Public Schools OPEB Trust Fund is a single-employer defined benefit plan administered by the Fairfax County Public Schools (Public Schools). Public Schools' plan provides health benefits to eligible retirees and their spouses. The plan benefits correspond with benefits available to active employees. Benefit provisions are established and may be amended by the School Board. Fiduciary oversight is provided by the members of the Local Finance Board for OPEB. The Plan does not issue a stand-alone financial report.

A retiree and/or spouse who is at least 55 of years of age and participates in a Public Schools administered health insurance plan will receive an explicit subsidy ranging from \$15 to \$175 per month, based on years of service and the retirement plan in which the retiree is covered. In addition, Public Schools provides an implicit subsidy by allowing retirees to participate in the health insurance plans at the group premium rates calculated on the entire universe of active and retired employees. This subsidy occurs because, on an actuarial basis, the current and future claims of the retiree participants are expected to result in higher per person costs to the insurance plans than will be the experience for active employees.

Participant data for the current fiscal year and prior year is as follows:

<b>Membership</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Medical Members</b>		
Number of Active Members	19,834	20,309
Average Age	46	46
Average Service	11	11
<u>Number of Inactive Members</u>		
Retirees and Spouses	9,485	10,037
Average Age	71	72
<b>Life Insurance Members</b>		
Number of Active Members	4,727	4,705
Average Age	52	52
Average Service	11	12
<u>Number of Inactive Members</u>		
Retirees and Spouses	2,312	2,546
Average Age	71	71

Source: Fairfax County Comprehensive Annual Financial Report FY 2018

*Statement of Changes in Net Position for the Fiscal Year ended June 30, 2018 – OPEB Trust Fund*

<b>ADDITIONS:</b>	<b><u>2018</u></b>
Contributions:	
Employer	<u>\$59,806,266</u>
<b>Total Contributions</b>	<b><u>59,806,266</u></b>
Investment Income from Investment Activities:	
Net increase in fair value of investments	<u>11,564,600</u>
<b>Total Income from Investment Activities</b>	<b><u>11,564,600</u></b>
<b>Total Additions</b>	<b><u>71,370,866</u></b>
<b>DEDUCTIONS:</b>	
Benefits payments / refunds	54,806,266
Administrative Expenses	<u>86,550</u>
<b>Total Deductions</b>	<b><u>54,892,816</u></b>
<b>Net Increase</b>	<b><u>16,478,050</u></b>
Net Position - July 1, 2017	<u>118,697,379</u>
<b>Net Position - June 30, 2018</b>	<b><u>\$135,175,429</u></b>

*Source:* Fairfax County Comprehensive Annual Financial Report FY 2018

*Net OPEB Liability for the Plan*

The Public Schools' net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability for the Plan are as follows:

Total OPEB Liability	\$254,269,197
Plan Fiduciary Net Position (Market Value of Assets)	<u>(135,175,429)</u>
<b>Net OPEB Liability</b>	<b><u>\$119,093,768</u></b>
Plan Fiduciary Net Position as % of Total OPEB Liability	53.16%

*Source:* Fairfax County Comprehensive Annual Financial Report FY 2018

For further information regarding the County's retirement systems, see "Basic Financial Statements – Notes to Financial Statements – Notes G and H" in Appendix B.

**CONTINGENT LIABILITIES AND CLAIMS**

The County is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. See Note L in the County's Financial Statements in Appendix B to this Official Statement for details as of the end of fiscal year 2018.

**APPENDIX B**

**FINANCIAL STATEMENTS OF FAIRFAX COUNTY FOR THE YEAR ENDED  
JUNE 30, 2018, AND INDEPENDENT AUDITOR'S REPORT**

**APPENDIX C**

**SUMMARY OF CERTAIN PROVISIONS OF THE  
TRUST AGREEMENT, THE SECOND SUPPLEMENTAL  
TRUST AGREEMENT AND THE  
INSTALLMENT PURCHASE CONTRACT**

The following is a summary of certain provisions of the Trust Agreement, the Second Supplemental Trust Agreement and the Installment Purchase Contract not otherwise summarized in the forepart of this Official Statement. Reference is made to the respective sections in the applicable documents that contain a complete recitation of such provisions.

**DEFINITIONS**

The following are definitions of certain terms used in the Trust Agreement, the Second Supplemental Trust Agreement and the Installment Purchase Contract and not otherwise defined in this Official Statement:

**“Accountant”** means the firm of independent public accountants or other financial consultants experienced in the evaluation of Rebate Liability and so designated by the EDA Representative.

**“Additional Bonds”** means any Bonds authorized and issued pursuant to the provisions of the Trust Agreement to pay the Cost of Construction of the Project in excess of the sum of the sum of the proceeds of the Series 2011 Bonds, any Additional Bonds theretofore issued and the investment income thereon available for the purpose.

**“Additional Payments”** means the amounts payable by the County to or for the account of EDA for all amounts (other than Basic Payments) payable by the County to EDA under the Contract.

**“Basic Payments”** means the amounts payable by the County in installments to or for the account of EDA and defined as such by the terms of the Contract, as adjusted as provided therein to pay the Purchase Price of the Projects.

**“Bond Registrar”** means the Bond Registrar at the time serving as such under the Trust Agreement and performing the duties set forth in the Trust Agreement and in the applicable Supplemental Trust Agreement, whether the original or a successor Bond Registrar.

**“Bond Year”** means the period commencing on the second day of July of any calendar year and ending on the first day of July of the following calendar year or such other annual period commencing and ending on the dates specified in a Supplemental Trust Agreement.

**“Bonds”** means the Series 2011 Bonds, the Series 2020 Bonds, and all Additional Bonds and all Refunding Bonds issued under the Trust Agreement.

**“Business Day”** means any day on which the New York Stock Exchange is open, other than a Saturday or Sunday and other than a day on which commercial banks (including the Trustee, the Bond Registrar, any Credit Bank, any Insurer and any Paying Agent) are authorized to close in the Commonwealth of Virginia or in New York, New York.

**“Chairman”** means the Chairman or Vice Chairman of the Commission or any person succeeding to the principal functions thereof or temporarily designated by the Board to serve *pro tempore* as the Chairman.

**“Commission”** means the governing body of EDA or any successor entity assuming the functions thereof.

**“Commonwealth”** means the Commonwealth of Virginia.

**“Construction”** means the development, acquisition, construction, improvement, equipping, furnishing and placing into operation of the Project in accordance with the plans and specifications therefor on file with the Department of Public Works and Environmental Services, or successor department, of the County.

**“Contract”** or **“Installment Purchase Contract”** shall mean the Installment Purchase Contract, dated as of July 1, 2011, between EDA and the County, as supplemented in connection with the issuance of the Series 2020 Bonds.

**“Cost”** as applied to the Projects means, without intending thereby to limit or restrict any proper definition of such word under the Enabling Act, all items of cost set forth in the Trust Agreement.

**“County Executive”** means the County Executive of the County, or any person succeeding to the principal functions thereof.

**“County Representative”** means each of the persons at the time designated to act on behalf of the County in a written certificate furnished to the Trustee, any Paying Agent and the Bond Registrar, which certificate is to contain the specimen signature(s) of such person(s) and is to be signed on behalf of the County by the County Executive.

**“Credit Bank”** means as to any particular series of Bonds, the person (other than an Insurer) providing a letter of credit, a line of credit, a guaranty or another credit- or liquidity-enhancement facility, as designated in the Supplemental Trust Agreement providing for the issuance of such Bonds. To the extent provided by law, the County or EDA may be a Credit Bank.

**“Credit Facility”** means as to any particular series of Bonds, a letter of credit, a line of credit, a guaranty or another credit- or liquidity-enhancement facility (other than an insurance policy issued by an Insurer), as approved in the Supplemental Trust Agreement providing for the issuance of such Bonds. To the extent provided by law, the County or EDA may provide a self credit-or liquidity-enhancement facility.

**“Debt Service Subfund”** means the Debt Service Subfund created and so designated by the Trust Agreement.

**“[D]efault,”** when used with respect to the Contract, means any condition or event which constitutes or would, after notice or lapse of time, or both, constitute an Event of Default.

**“Defaulted Interest”** means any interest on any Bond that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date.

**“Defeasance Obligations”** means Government Obligations and the obligations described in clause (C) of the definition of “Investment Obligations.”

**“Deposit Day”** means the last Business Day of each July and January (or for any series of Bonds any other day that may be designated in the Supplemental Trust Agreement as a “Deposit Day”), on which day a deposit is required in order that the sum of the available moneys on deposit on the next Interest Payment or Interest and Principal Payment Date will be equal to the principal of and interest and redemption premium, if any, due and payable on the Bonds on such Date.

**“EDA”** means the Fairfax County Economic Development Authority.

**“EDA Liabilities”** means all expenses and obligations of EDA under the Trust Agreement (other than the Bonds and the principal, interest and any redemption premiums thereon and amounts paid or provided for from the proceeds of the Bonds) including, without limitation: (i) fees and expenses of the Trustee, Paying Agents and Bond Registrar as Trust Agreement Expenses and (ii) any amount payable by EDA to the United States of America as Rebate Liability.

**“EDA Representative”** means each of the persons at the time designated to act on behalf of EDA in a written certificate furnished to the Trustee, any Paying Agent and the Bond Registrar, which certificate is to contain the specimen of notice(s) of such person and is to be executed on behalf of EDA by the Chairman.

**“Effective Date”** means the date of delivery of the Series 2011 Bonds.

**“Enabling Act”** means Chapter 643 of the 1964 Acts of the General Assembly of the Commonwealth of Virginia, as amended, and other applicable law.

**“Engineer”** means the one or more persons holding engineering positions in the County’s Department of Public Works and Environmental Services, or successor department, and so designated by the County Executive from time to time in a certificate filed with the Trustee, or an independent engineer or engineering firm if so designated by the Board of Supervisors of the County.

**“Event of Default”** means with respect to the Trust Agreement any of those events described herein under “THE TRUST AGREEMENT – Defaults and Remedies,” and with respect to the Contract shall mean any of those events described herein under “THE INSTALLMENT PURCHASE CONTRACT – Events of Default.”

**“Event of Non-Appropriation”** means the event described herein under “THE INSTALLMENT PURCHASE CONTRACT – Non Appropriation.”

**“First Supplemental Trust Agreement”** means the First Supplemental Trust Agreement, dated as of July 1, 2011, between EDA and the Trustee authorizing and securing the issuance of the Series 2011 Bonds, as the same may be supplemented and amended as permitted thereby.

**“Government Obligations”** means direct obligations of, or obligations the timely payment of the principal of and the interest on which are fully and unconditionally guaranteed by, the United States of America, or evidences of indirect ownership of such obligations.

**“Holder”** means a person in whose name a Bond (or one or more Predecessor Bonds) is registered on the registration books provided for in the Trust Agreement.

**“Improvement Subfund”** means the Bond Improvement Subfund so created and designated by the Trust Agreement.

**“Insurer”** means, as to any particular maturity or any particular Series of the Bonds, the person undertaking to insure such Bonds, as designated in the Supplemental Trust Agreement providing for the issuance of such Bonds.

**“Interest”** means interest on the Purchase Price of the Project. Such interest includes interest at the same rates payable on the same dates as the interest payable by EDA on the Bonds.

**“Interest Payment Date”** means for purposes of the Series 2020 Bonds each February 1 and August 1, commencing \_\_\_\_\_, 20\_\_.

**“Interest Requirement”** means for any Bond Year, as applied to Bonds of a Series, means the total of the sums that would be deemed to accrue on such Bonds during such Bond Year if the interest on the current interest Bonds of such series were deemed to accrue daily during such year in equal amounts; provided, however, that interest expense will be excluded from the determination of Interest Requirement to the extent that such interest is to be paid from the proceeds of Bonds or from investment (but not reinvestment) thereof if such proceeds will have been invested in Defeasance Obligations and to the extent such earnings may be determined precisely. EDA may provide in a Supplemental Trust Agreement that interest expense on Credit Facilities drawn upon to purchase but not to retire Bonds, to the extent such interest exceeds the interest otherwise payable on such Bonds be included in the determination of Interest Requirement. If interest is not payable at a single numerical rate for the entire term of such Bonds, then “Interest Requirement” is to have the appropriate meaning assigned thereto by the applicable Supplemental Trust Agreement permitted by the Trust Agreement.

**“Investment Obligations”** means Government Obligations and, to the extent from time to time permitted by the laws of the Commonwealth, (A) the obligations of (i) Export-Import Bank, (ii) Government National Mortgage Association, (iii) Federal Housing Administration, (iv) Farmers Home Administration, (v) United States Postal Service and (vi) any other agency or instrumentality of the United States of America now or hereafter created, which obligations are backed by the full faith and credit of the United States of America; (B) the obligations of (i) Federal National Mortgage Association, (ii) Federal Intermediate Credit Banks, (iii) Federal Banks for Cooperatives, (iv) Federal Land Banks, and (v) Federal Home Loan Banks; (vi) Federal Financing Bank, (vii) Federal Farm Credit System and (viii) Federal Home Loan Mortgage Corporation; (C) obligations of state or local government bond issuers, provision for the payment of the principal of and interest on which shall have been made by deposit with an escrow agent or trustee of Government Obligations the principal of and interest on which when due will be sufficient to pay the principal of and interest on such state or local government obligations when due, which obligations have been rated by Moody’s, S&P and Fitch (or any two of the three if the third such rating agency does not provide a rating) in one of two highest rating categories (without regard to gradations such as “plus” or “minus” or numerical modifiers of such categories); (D) investments pursuant to the Government Non-Arbitrage Act, Chapter 47, Title 2.2, Code of Virginia, 1950, as amended; (E) certificates of deposit or time deposits of (i) any bank, any branch of any bank, trust company or national banking association (including any Trustee, Bond Registrar, Paying Agent and their affiliates) that has a combined capital, surplus and undivided profits not less than \$50,000,000; provided, however, that such certificates of deposit or time deposits shall be fully secured to the extent not secured by the Federal Deposit Insurance Corporation, by Government Obligations or by obligations described in (A) or (C) above; or (ii) a subsidiary trust company under the Trust Subsidiary Act, Title 6.1, Article 3.1, Code of Virginia, 1950, as amended, whose parent state bank or bank holding company has undertaken to be responsible for the acts of such subsidiary trust company pursuant to the provisions of Section 6.1-32.7(a) of the Trust Subsidiary Act, or any successor provision of law, and whose combined capital, surplus and undivided profits, together with that of its parent state bank or bank holding company, as the case may be, is not less than \$50,000,000 (“a subsidiary trust company”); provided, however, that such certificates of deposit or time deposits shall be fully secured, to the extent not secured by the Federal Deposit Insurance Corporation, by Government Obligations or by

obligations described in (A) or (C) above; (F) any repurchase agreement that is with (i) a bank or trust company (including any Trustee, Bond Registrar, Paying Agent and their affiliates) that has a combined capital, surplus and undivided profits not less than \$50,000,000, or (ii) a subsidiary trust company described in item (E)(ii) above, or (iii) a government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York for Government Obligations or obligations described in (A) and (B) above and having on the date of the repurchase agreement a fair market value equal to at least 102% of the amount of the repurchase obligation of the bank or trust company; provided, however, that such obligations purchased must be transferred to the Trustee or a third party agent by physical delivery or by an entry made on the records of the issuer of such obligations; (G) subject to the ratings requirements set forth below, shares in any money market mutual fund (including those of the Trustee or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated “AAAm-G” or “AAAm” by S & P or “Aaa” by Moody’s so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations, obligations in (A) and (B) above, and agreements to repurchase obligations in (A) or (B) above and (H) any and all investments authorized by the Investment of Public Funds Act (Chapter 45, Title 2.2, Code of Virginia, 1950, as amended). Any investment in a repurchase agreement shall be considered to mature on the date the bank or trust company providing the repurchase agreement is obligated to repurchase the Investment Obligations. Any investment in obligations described in (A), (B) and (C) above may be made in the form of an entry made on the records of the issuer of the particular obligation.

**“Late Charge Rate”** means the true interest cost rate on the Bonds plus one percent (1%).

**“Net Proceeds,”** when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after the payment of all out-of-pocket expenses of the parties to the Contract incurred in the collection of such gross proceeds.

**“[O]utstanding”** means all Bonds that have been authenticated and delivered by the Bond Registrar under the Trust Agreement, except:

- (i) Bonds paid or redeemed or delivered to or acquired by the Bond Registrar for cancellation;
- (ii) Bonds for which the Bond Registrar or any Trustee or Paying Agent holds sufficient moneys or Defeasance Obligations the principal of and the interest on which, when due and payable, will provide sufficient moneys to pay the principal of, and the interest and redemption premium, if any, on such Bonds to their maturity date or dates or dates fixed for redemption pursuant to the Sinking Fund Requirements or to the date or dates fixed for their optional redemption; and
- (iii) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Trust Agreement;

provided, however, that in determining whether the Holders of the requisite principal amount of outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver under the Trust Agreement, Bonds owned by EDA or any other obligor upon the Bonds will be disregarded and deemed not to be outstanding, except that the term “obligor upon the Bonds” does not include any Insurer or any Credit Bank and except that, in determining whether the Bond Registrar shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds that the Bond Registrar actually knows to be so owned will be so disregarded. Bonds so owned that have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of

the Bond Registrar the pledgee's right so to act with respect to such Bonds and that the pledgee is not EDA or any other obligor upon the Bonds except a Credit Bank or an Insurer.

**"Parcel"** means the parcel of land a portion of which shall be the site of the Project.

**"Paying Agent"** means, for any Series of Bonds, the paying agent designated as such and performing the duties set forth in the Supplemental Trust Agreement providing for the issuance of such Bonds.

**"Payment of the Bonds"** means payment of the principal of and interest on all the Bonds in accordance with their terms, whether through payment at maturity or purchase and cancellation or redemption or provision for such payment in such a manner that the Bonds shall be deemed to have been paid under the applicable provisions of the Trust Agreement.

**"Payments"** shall mean the amounts designated as Basic Payments and Additional Payments, payable by the County to or for the account of EDA pursuant to this Contract.

**"Pledged Revenues"** means (a) all payments of Basic Payments, (b) all payments of Additional Payments, (c) certain Net Proceeds, (d) any proceeds of use and occupancy or business interruption insurance paid to or for the account of EDA and (e) the income from the investment under the provisions of the Trust Agreement of the moneys held for the credit of the various subfunds and accounts created under the Trust Agreement. Pledged Revenues does not include the proceeds of any insurance, other than as mentioned above, or any capital gifts, grants, donations or contributions or borrowed funds. Payments by an Insurer or Credit Bank with respect to debt service on the Bonds will not constitute Pledged Revenues. Any lump sum payment or prepayment received by the Trustee and not accompanied by instructions from the EDA Representative to the contrary is to be reserved by the Trustee in the Wiehle Avenue Metrorail Station Parking Project Fund, disbursed to the Debt Service Subfund, and recognized as Pledged Revenues, semi-annually over the appropriate accrual period; provided, however, that if the EDA Representative directs, such lump sum payment or prepayment is to be applied to the redemption or defeasance of the Bonds in accordance with such direction.

**"Predecessor Bonds"** of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond. For purposes of this definition, any Bond authenticated and delivered under the Trust Agreement in lieu of a mutilated, destroyed, stolen or lost Bond will be deemed to evidence the same debt as the mutilated, destroyed, stolen or lost Bond.

**"Principal and Interest Requirements"** for any Bond Year means the sum of the Principal Requirement and the Interest Requirement for such Bond Year.

**"Principal Payment Date,"** for purposes of the Series 2020 Bonds, shall mean an August 1<sup>st</sup> upon which the principal of any Series 2020 Bonds is stated to mature or upon which the principal of any Term Bond is subject to sinking fund redemption.

**"Principal Requirement"** means for any Series of Bonds and for any Bond Year the sum of the principal scheduled to become due in such Bond Year whether at stated maturity or by mandatory sinking fund redemption.

**"Project"** means the development and construction of a public parking facility providing approximately 2,316 public parking spaces, 49 kiss and ride parking spaces, 22 motorcycle spaces, 12 bus bays and 150 bicycle spaces and ancillary facilities as described in "THE WIEHLE AVENUE METRORAIL STATION PARKING PROJECT" in the front part of this Official Statement.

**“Property”** means the applicable portion of the Parcel containing the Project and all other improvements at any time situated on the parcel specifically relating to the Project.

**“Purchase Price”** with respect to the Project means an amount equal to the principal amount of the Series 2020 Bonds.

**“Rebate Liability”** means the amount or amounts periodically determined by an Accountant selected by the EDA Representative to be set aside in the Improvement Subfund and the amount or amounts to be paid to the United States of America pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended.

**“Redemption Price”** means, with respect to Bonds or a portion thereof, the principal amount of such Bonds or portion thereof plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with their terms and the Trust Agreement.

**“Refunding Bonds”** means Bonds authorized by the Trust Agreement to refund Bonds.

**“Second Supplemental Trust Agreement”** means the Second Supplemental Trust Agreement, dated as of \_\_\_\_ 1, 2020, between EDA and the Trustee, authorizing and securing the issuance of the Series 2020 Bonds, as the same may be supplemented and amended as permitted thereby.

**“Series”** means Bonds identified as a separate series which are authenticated and delivered on original issuance and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to any Supplemental Trust Agreement.

**“Serial Bonds”** means the Bonds that are stated to mature in consecutive annual installments and that are so designated in a Supplemental Trust Agreement.

**“Sinking Fund Requirements”** means, with respect to Term Bonds of each maturity, the principal amount fixed or computed for the retirement of such Term Bonds by purchase or redemption, as contemplated in the Trust Agreement.

**“Supplemental Trust Agreement”** means an amendment or supplement, executed by EDA and the Trustee, to the Trust Agreement, and in conformity with the provisions of the Trust Agreement, providing for the issuance of a Series of Bonds and setting forth the provisions and details thereof not inconsistent herewith including any amendments and supplements thereto permitted thereby and any other such agreement permitted by the Trust Agreement.

**“Term”** means the period of time commencing on the Effective Date and ending upon the Payment of the Bonds.

**“Term Bonds”** means all or some of the Bonds of a Series, other than Serial Bonds, stated to be payable by their terms on one or more dates and so designated in a Supplemental Trust Agreement.

**“Trust Agreement”** means the Trust Agreement authorizing the Series 2011 Bonds and Series 2020 Bonds and providing for the issuance of Additional Bonds and Refunding Bonds, as supplemented and amended as permitted thereby.

**“Trust Agreement Expenses”** means those fees and expenses of the Trustee contemplated by the Trust Agreement and the fees and expenses of any Paying Agent and the Bond Registrar that shall be approved in writing by the EDA Representative.

**“Trustee”** means the trustee at the time acting as such under the Trust Agreement whether the original or a successor trustee.

**“Variable Rate Indebtedness”** means any Bonds the interest rate on which is not established at the time of incurrence of such Bonds at a single numerical rate for the entire term of such indebtedness.

**“Wiehle Avenue Metrorail Station Parking Project Fund”** means the discrete enterprise fund of EDA created by the Trust Agreement.

## **THE TRUST AGREEMENT**

### **Granting Clause**

EDA (a) assigns all rights, title and interest of EDA in and to the Contract, including, without limitation, its rights to receive Basic Payments and, to the extent required to pay EDA Liabilities, Additional Payments (reserving the rights of EDA to receive certain other Additional Payments and the rights to receive notices, reports and other statements to be given to EDA thereunder), and (b) pledges the Basic Payments and Additional Payments received pursuant to the Contract, all moneys and securities in the Debt Service Subfund and, until applied in payment of any Cost of Construction of the Project or otherwise applied as permitted under the Trust Agreement, all moneys and securities in the Construction Subfund to the Trustee, and unto its successors and assigns, in trust, forever.

### **Additional Bonds and Refunding Bonds (Section 209)**

Series of Additional Bonds and Refunding Bonds of EDA may also be issued from time to time subject to the conditions described under this heading for (i) in the case of Additional Bonds, completing payment of the Cost of Construction of the Project and (ii) in the case of Refunding Bonds for refunding all or any part of any Bonds then outstanding, including the payment of any redemption premium and interest that will accrue on such Bonds to the redemption date or stated maturity date or dates and any expenses in connection with such refunding. Before any such series of Additional Bonds or Refunding Bonds shall be issued, EDA is to enter into a Supplemental Trust Agreement authorizing the issuance of such Bonds, fixing the amount and details thereof and in the case of Refunding Bonds, describing the Bonds to be refunded.

Such Additional Bonds or Refunding Bonds are to be deposited with the Bond Registrar for authentication, but before such Additional Bonds or Refunding Bonds are delivered by the Bond Registrar, the following are to be filed with the Bond Registrar:

- (a) an executed counterpart, or a copy, certified by the Secretary of EDA, of the Supplemental Trust Agreement entered into by EDA providing for the issuance of such Additional Bonds or Refunding Bonds, approving the sale of such Bonds, and directing the delivery of such Bonds to or upon payment of the purchase price therein set forth; and
- (b) an executed counterpart, or a copy, certified by the Clerk of the Board of Supervisors of the County and by the Secretary, of an amendment to the Contract required to reflect the issuance of the Additional Bonds or Refunding Bonds and adjustments of the Basic Payments;
- (c) in the case of (i) Additional Bonds, a certificate of the Engineer to the effect that the proceeds of the Additional Bonds available for the purpose and any additional funds contributed by the County or other entity will be sufficient to complete payment of the Cost of Construction of the Project, taking into account the additional amount, in excess of the sum of the proceeds of the Series 2011 Bonds, available investment income derived therefrom and any capital contributions the County or, other entity has made required in his estimation to complete and place in service the Project or (ii) Refunding Bonds, where more than 60 days will elapse between the delivery of the Refunding Bonds and the final payment or final redemption of the Bonds being refunded, an escrow deposit agreement providing for the custody of the proceeds of the Refunding Bonds and any other funds intended to be applied to the payment or redemption of Bonds;
- (d) an opinion or opinions of the counsel for EDA to the effect that 1.the issuance of such Bonds has been duly and validly authorized and all conditions precedent to the delivery of

such Bonds have been fulfilled, (ii) each of the Supplemental Trust Agreement referred to in clause (a) above and the amendments to the Contract referred to in clause (b) above has been duly authorized, executed and delivered and is valid and binding on EDA in accordance with its terms, (iii) no provision of such Bonds or the Supplemental Trust Agreement authorizing such Bonds results in or constitutes a default under any material agreement, indenture or other instrument to which EDA is a party or by which EDA is or may be bound, and in the case of Refunding Bonds, the Bonds refunded by the Refunding Bonds are no longer outstanding under the terms of this Trust Agreement; and

(e) an opinion or opinions of counsel for the County to the effect that the amendment to the Contract referred to in clause (b) above has been duly authorized, executed and delivered and is valid and binding on the County in accordance with its terms.

When (i) the required items shall have been filed with the Trustee, and (ii) the Additional Bonds or Refunding Bonds have been executed by EDA and authenticated by the Bond Registrar upon the request of EDA, as required by the Trust Agreement, the Trustee is to deliver such Bonds, at one time to or upon the order of the purchasers thereof, but only upon payment to EDA of the purchase price of such Bonds and any accrued interest thereon.

The proceeds of such Bonds (including accrued interest, if any) and any other funds made available by EDA shall be paid to the Bond Registrar for the account of EDA and applied simultaneously with the delivery of such Bonds or at the time the refunded Bonds is no longer deemed to be outstanding, as appropriate, as follows:

(1) the accrued interest, if any, received as part of the proceeds of such Bonds is to be paid to the Trustee for deposit to the credit of the Debt Service Subfund;

(2) in the case of Additional Bonds, the amount of Bond proceeds described in an Engineer's certificate will be credited to a special account in the Construction Subfund;

(3) in the case of Refunding Bonds, an amount that, together with the interest that will accrue on the Defeasance Obligations acquired pursuant to this clause, will be sufficient to pay the principal of and redemption premium, if any, and the interest on the Bonds to be refunded hereunder is to be paid to the Trustee or another suitable financial institution as escrow agent, for deposit to the credit of a special account, appropriately designated, to be held in trust by the Trustee or such other institution for the sole and exclusive purpose of paying such principal, redemption premium and interest; and money held for the credit of such account, as nearly as may be practicable and reasonable, is to be invested and reinvested by the Trustee, as directed in writing by EDA, in Defeasance Obligations that will mature or be subject to redemption by the holder thereof at the option of such holder, at such time or times as shall be necessary or desirable to effectuate the purpose of such Refunding Bonds as stated in the applicable Supplemental Trust Agreement;

(4) to the credit of a separate account with the Trustee, the estimated amount of the cost of issuing such Bonds;

(5) any balance of such proceeds shall be paid to the Trustee for deposit to the credit of the Debt Service Subfund.

If the Trustee determines that the balance of the credit of such subfund or account created pursuant to the Trust Agreement exceeds the amount required to be on deposit therein on account of all Bonds

outstanding after the issuance of Refunding Bonds, the excess is to be transferred to the Debt Service Subfund.

### **Redemption Date and Price (Section 301)**

The Bonds issued under the provisions of the Trust Agreement may be made subject to mandatory, extraordinary mandatory, extraordinary optional and optional redemption by EDA, either in whole or in part, and at such times and prices and on such terms and conditions as may be provided in the respective Supplemental Trust Agreements.

In addition, the Term Bonds are required to be redeemed to the extent of the Sinking Fund Requirements, if any, therefor established by the Supplemental Trust Agreement providing for the issuance thereof.

### **Construction Subfund (Section 401)**

The Trust Agreement establishes a special subfund within the Wiehle Avenue Metrorail Station Parking Project Fund designated “Wiehle Avenue Metrorail Station Parking Project Construction Subfund” to be held in trust by the Trustee. Payment of the Cost of the Construction of the Project is to be made from the Construction Subfund.

### **Payments from Construction Subfund (Section 402)**

Payment of the Cost of the Project is to be made from the Construction Subfund. All payments from the Construction Subfund will be subject to the provisions and restrictions set forth in the Trust Agreement, and EDA covenants that it will not cause or agree to permit to be paid from the Construction Subfund any sums except in accordance with such provisions and restrictions.

The Trustee is authorized and directed to apply the moneys in the Construction Subfund in accordance with the Trust Agreement but only upon receipt of the requisitions required by the Trust Agreement.

As contemplated by the Contract, (i) the County, acting through a County Representative, may withdraw money to the credit of the Costs of Issuance Account in the Construction Subfund for the purpose of paying, or reimbursing the County for prior or simultaneous payment of the Cost, or any item thereof, of the costs of issuance of the Series 2011 Bonds payable by the County or EDA, by filing with the Trustee a requisition for such payment or reimbursement in substantially the form attached to the Trust Agreement, (ii) the County, acting through a County Representative, may withdraw moneys to the credit of the Project Construction Account in the Construction Subfund for the purpose of paying, or reimbursing the County for prior or simultaneous payment of the Cost, or any item thereof, of the Project, whether such Costs be payable by or to the County or EDA, by filing with the Trustee a requisition for such payment or reimbursement in substantially the form attached to the Trust Agreement.

All requisitions and all other statements, orders, certifications and approvals required by the Trust Agreement as conditions of payment from the Construction Subfund, may be conclusively relied upon by the Trustee making such payment, and shall be retained by such officer, subject at all reasonable times to examination by the Holders.

**Cost (Section 403)**

For the purpose of the Trust Agreement, the Cost of the Construction of the Project is to embrace such costs as are eligible costs within the purview of the Enabling Act and, without intending thereby to limit or restrict any proper definition of such Cost, will include the following:

- (a) the cost of acquiring by purchase and the amount of any deposit in court or award or final judgment in, or any settlement or compromise of, any proceeding to acquire by eminent domain, such lands, property, property rights, rights of way, easements, franchises and other interests as may be deemed necessary or convenient for, options and partial payments thereon, the cost of demolishing or removing or relocating any buildings or structures or land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, and the amount of any damages incident to or consequent upon, the Projects and all other costs as certified by the County which have been incurred by it;
- (b) preparation of surveys, cost estimates, appraisals, plans and specifications for, and fees for architectural, engineering, supervisory and consulting services, the costs of obtaining governmental or regulatory permits, licenses, franchises and approvals for the Construction, and any other fees or expenses necessary or incidental to determining the feasibility or practicability of the Construction of the Project;
- (c) all costs related to the Construction of the Project, including, without limitation, EDA Liabilities, initial or acceptance fees of the Trustee, the Bond Registrar or of any Trustee, Paying Agent, legal, accounting and financial advisory fees and expenses, underwriting or private placement fees, fees of any Insurer or Credit Bank, filing and rating agencies' fees and printing and engraving costs incurred in connection with the authorization, sale and issuance of the Bonds, the validation of the Bonds, the preparation, execution and filing of the Trust Agreement and the Contract and any financing statements and all other documents in connection therewith, and payment of all fees, costs and expenses for the preparation of the Contract, the Trust Agreement and the Bonds, including recording fees and documentary stamp taxes, if any, and any other fees, intangible taxes and expenses necessary or incident to the issuance and sale of the Bonds; and
- (d) repayment of all temporary borrowings made by and advances to EDA or the County in connection with the Project.

**Disposition of Construction Subfund Balance (Section 404)**

- (a) When requisitions have been made for the payment of all obligations that are payable from the Costs of Issuance Account in the Construction Subfund, any balance in such account not reserved by the County for the payment of any remaining part of the Cost of the Construction of the Project payable from such Account is to be transferred to the Project Construction Cost Account.
- (b) When requisitions have been made for the payment of all obligations that are payable from the Project Construction Cost Account in the Construction Subfund, any balance in such account not reserved by the County for the payment of any remaining part of the Cost of Construction of the Project payable from such account is to be transferred to the Debt Service Subfund.
- (c) Any balance transferred to the Debt Service Subfund from the Construction Subfund as described in subsection (a) or (b) is to be applied to the payment, purchase or redemption

of Bonds in accordance with the provisions of the Trust Agreement. Any such application is to be accompanied by an opinion of counsel nationally recognized as expert in tax matters relating to obligations of states and their political subdivisions to the effect that such proposed application of such balance will not adversely affect any exclusion of interest on any Bonds from gross income for federal income tax purposes.

### **Establishment of Fund and Subfunds (Section 501)**

The Trust Agreement establishes the Wiehle Avenue Metrorail Station Parking Project Fund as a discrete enterprise fund of EDA. In addition to the Construction Subfund, the Trust Agreement establishes within the Wiehle Avenue Metrorail Station Parking Project Fund the Bond Debt Service Subfund (the “Debt Service Subfund”) and the Bond Improvement Subfund (the “Improvement Subfund”). The money in each of said subfunds is to be held in trust by the Trustee.

### **Funds Received (Section 502)**

Except as provided in the Trust Agreement, all Pledged Revenues received by the Trustee are to be credited to the Wiehle Avenue Metrorail Station Parking Project Fund and will be subject to a lien and charge in favor of the Holders. Semi-annually, on or before each Deposit Day, the Trustee is to, from moneys to the credit of the Wiehle Avenue Metrorail Station Parking Project Fund: first, set aside in the Debt Service Subfund, after first taking into account any accrued interest and capitalized interest deposited from the proceeds of any Bonds and any transfer from the Improvement Subfund, an amount equal to the interest due on the Bonds on the next Interest Payment Date, and an amount, if applicable, equal to the principal due on the Bonds on the next Principal Payment Date; and second, transfer into the Improvement Subfund the balance of such Pledged Revenues.

If on the Business Day next preceding an Interest Payment Date or a Principal Payment Date moneys to the credit of the Debt Service Subfund or any special account created therein are not sufficient to pay the principal and interest, due the Trustee is to transfer from the Improvement Subfund, if and to the extent moneys in the Improvement Subfund are available for such purpose, an amount equal to the deficiency in the Debt Service Subfund or special account therein.

All Additional Payments received by Trustee from the County pursuant to the Contract with respect to Rebate Liability and Trust Agreement Expenses and late charges and any other moneys received by the Trustee pursuant to the Contract (other than Pledged Revenues and amounts received pursuant to insurance claims relating to certain irreparable damage to or condemnation of the Project as specified in the Contract) are to be deposited in the Improvement Subfund.

Any moneys transferred to the Trustee from the Construction Subfund as set forth under the heading “Disposition of Construction Subfund Balance” are to be deposited to a special account in the Debt Service Subfund and applied by the Trustee to the payment, purchase or redemption of Bonds in accordance with the written instructions of an EDA Representative.

### **Application of Moneys in Debt Service Subfund (Section 503)**

Except as set forth in the Trust Agreement, money in the Debt Service Subfund is to be used solely for the payment of the principal of and premium, if any, and the interest on the Bonds. On each Interest Payment Date the Trustee is to withdraw from and transfer such moneys to the Bond Registrar or Paying Agent who is to transfer to each registered owner the amounts required for paying the interest on such Bonds. On each Principal Payment Date the Trustee is to withdraw from and transfer such moneys to the

Bond Registrar or Paying Agent, the amounts required for paying the principal of and premium, if any, on the Bonds.

The Trustee may purchase Bonds prior to maturity at prices not to exceed the principal amount of such Bonds. No such purchase is to be made within forty-five (45) days immediately preceding any Interest Payment Date on which the Bonds are subject to call for redemption except from moneys other than moneys set aside or deposited for the redemption of Bonds.

In the case of Bonds secured by a Credit Facility, amounts on deposit in the Debt Service Subfund may be applied as provided in the applicable Supplemental Trust Agreement to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of and premium, if any, and interest on Bonds.

#### **Application of Money in the Improvement Subfund (Section 504)**

Money held in the Improvement Subfund is to be set aside and disbursed by the Trustee for the following purposes and, except as otherwise provided in the Trust Agreement, in the following order of priority: (i) for paying EDA's Rebate Liability; (ii) for paying Trust Agreement Expenses; (iii) for transfer and deposit to the Debt Service Subfund; (iv) for paying or discharging any other EDA Liabilities not otherwise paid or provided for; and (v) for paying, in connection with the Project, the cost of unusual or extraordinary or extraordinary maintenance or repairs, repairs or maintenance not recurring annually, renewals, replacements and repairs resulting from any emergency caused by some extraordinary occurrence, all in accordance with the Contract.

#### **Disposition of Subfund Balances (Section 507)**

After provision is to be made for the payment of all outstanding Bonds issued under the Trust Agreement, including the interest thereon, and for the payment of all other obligations, expenses and charges required to be paid under or in connection with the Trust Agreement, the Trustee is to pay all amounts in any Subfund then held by it under the Trust Agreement to the County.

#### **Investment of Moneys (Section 602)**

Money held for the credit of the Improvement Subfund and the Construction Subfund, as nearly as may be practicable, be invested and reinvested in Investment Obligations that mature, or are subject to redemption at the option of the holder thereof.

Money held for the credit of the Debt Service Subfund, as nearly as may be practicable, is to be invested and reinvested in Investment Obligations that mature, or that are subject to redemption at the option of the holder thereof, not later than the respective dates when the money held for the credit of such Subfund will be required for the purposes intended.

#### **Valuation (Section 603)**

For the purpose of determining the amount on deposit to the credit of any Subfund or account, obligations in which money in such Subfund or account have been invested will be valued at amortized cost.

The Trustee is to value the Investment Obligations in the Subfunds and accounts held by it at least once in every Bond Year and report such balances to EDA and the County. In addition, the Investment Obligations are to be valued by the Trustee at any time requested by an EDA Representative on reasonable

notice (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee will not be required to value the Investment Obligations more than once in any calendar month.

#### **Payment of Principal, Interest and Premium (Section 701)**

EDA covenants to cause to be paid, when due, the principal of and the premium, if any, and the interest on the Bonds at the places, on the dates and in the manner provided in the Trust Agreement and in the Bonds.

The Bonds are payable solely from Pledged Revenues derived by EDA from the Contract and other money pledged under the Trust Agreement. The Bonds shall not be deemed to constitute a pledge of the faith and credit of the Commonwealth or of any political subdivision thereof, including EDA and the County. Neither the faith and credit of the Commonwealth nor the faith and credit of EDA or the County are pledged to the payment of the principal of or premium, if any, or interest on the Bonds, and the issuance of the Bonds shall not directly, indirectly or contingently obligate the Commonwealth or the County to levy any taxes whatever therefor or to make any appropriation for their payment except from the revenues and receipts provided for their payment under the Trust Agreement.

#### **EDA's Covenant to Perform (Section 702)**

EDA covenants to faithfully perform at all times all of its covenants, undertakings and agreements contained in the Trust Agreement and in any Bond executed, authenticated and delivered under the Trust Agreement.

#### **Covenants with Credit Banks, Insurers, etc. (Section 703)**

EDA may make covenants as it may in its sole discretion determine to be appropriate with any Insurer, Credit Bank or other financial institution that agrees to insure or to provide for Bonds of any one or more series credit- or liquidity-support that shall enhance the security or the value of such Bonds.

#### **Further Instruments and Actions (Section 705)**

At the request of the Trustee, the Bond Registrar or any other Trustee, EDA is to execute and deliver such further instruments or take such further actions as may be required to carry out the purposes of the Trust Agreement.

#### **Request of County to Appropriate (Section 706)**

EDA covenants that it shall, through its EDA Representative, request the County annually for each fiscal year following the issuance of the Bonds to budget, appropriate and pay to the Trustee an amount equal to the Basic Payments payable by the County under the Contract in such fiscal year. EDA also covenants that it shall through its EDA Representative, request the County annually, for each fiscal year following the issuance of the Bonds to budget, appropriate and pay to the Trustee or otherwise an amount equal to the estimated Additional Payments payable by the County under the Contract in such fiscal year.

#### **Event of Default (Section 801)**

Each of the following is an "Event of Default" under the Trust Agreement (i) failure to pay any installment of interest on any Bonds when due; (ii) failure to pay principal or redemption premium, if any, of any Bonds when due; (iii) an event of default under the Contract as specified therein; (iv) default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions

contained in the Trust Agreement or any Supplemental Trust Agreement for ninety (90) days after receipt by EDA of a written notice from the Trustee or Holders of a majority in aggregate principal amount of Bonds then outstanding specifying such default and requiring the same to be remedied. No Event of Default shall be deemed to have occurred under (i) or (ii) above where no event of default shall have occurred and be continuing under the Contract.

If EDA is unable in whole or in part to carry out any of its agreements contained in the Trust Agreement due to any cause, circumstance or event that is not reasonably foreseeable and that is not within the control of the EDA including, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the Commonwealth or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; war; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; droughts; floods; washouts; arrests; restraint of government and people; explosions, breakage, malfunction of or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; or shortages of or inability to obtain labor, materials, supplies or transportation., then such failure by EDA shall not be deemed an Event of Default during the continuance of such inability, including a reasonable time for the removal of the effect thereof.

#### **Acceleration of Maturities (Section 802)**

Upon the happening and continuance of any Event of Default specified in (i) or (ii) under the heading “- Event of Default” above, the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding must, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same will become and be immediately due and payable, subject to the right of EDA to cure such default as provided in the Trust Agreement.

#### **Enforcement of Remedies (Section 803)**

Upon the happening and continuance of any Event of Default specified in the Trust Agreement, then and in every such case the Trustee may proceed and upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then outstanding must proceed to protect and enforce its rights and the rights of the Holders under the laws of the Commonwealth or under the Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Trust Agreement or in aid of execution of any power granted in the Trust Agreement or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel chosen by the Trustee or by such Holders, deems most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Trust Agreement, the Trustee will be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming and remaining due from EDA for principal, interest or otherwise under any of the provisions of the Trust Agreement or of the Bonds, together with interest on overdue payments of principal at the rate or rates of interest payable on any Bonds outstanding and all costs and expenses of collection and of all proceedings under the Trust Agreement, without prejudice to any other right or remedy of the Trustee or of the Holders and to recover and enforce any judgment or decree against EDA, but solely as provided in the Trust Agreement, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from money available for such purposes), in any manner provided by law, the money adjudged or decreed to be payable.

**Control of Proceedings by Holders (Section 806)**

The Holders of a majority in aggregate principal amount of Bonds then outstanding will have the right by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Trust Agreement, provided that such direction is to be in accordance with law and the provisions of the Trust Agreement.

**Notice of Default (Section 811)**

The Trustee is to provide to the Bond Registrar to mail to all Holders at their addresses as they appear on the registration books written notice of the occurrence of any Event of Default within thirty (30) days after the Trustee has actual notice of the same, that any such Event of Default has occurred.

**Rights of Credit Bank and Insurer (Section 813)**

Until EDA has reimbursed a Credit Bank or any Insurer for amounts paid under a Credit Facility or under an insurance policy to pay the interest on or the principal of any Bonds, such Bonds will be deemed to be outstanding and such Credit Bank or Insurer will succeed to the rights and interests of the Holders to the extent of the amounts paid under the Credit Facility or insurance policy until such amount has been reimbursed, and upon presentation to the Bond Registrar, such Bond is to be registered in the name of the Credit Bank or Insurer or its nominee.

**Supplemental Agreements Without Consent of Holders (Section 1101)**

EDA may enter into such supplements and amendments to the Trust Agreement as are consistent with the terms and provisions of the Trust Agreement: (a) to cure any ambiguity or formal defect or omission, or to correct or supplement any provision that may be inconsistent with any other provision of the Trust Agreement; or (b) to grant to or confer upon the Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders; or (c) to add to the conditions, limitations and restrictions thereafter to be observed by EDA under the provisions of the Trust Agreement; or (d) to add to the covenants and agreements of EDA in the Trust Agreement other covenants and agreements thereafter to be observed by EDA or to surrender any right or power reserved to or conferred upon EDA in the Trust Agreement; or (e) to provide for the issuance of Additional Bonds or Refunding Bonds and to provide for such other related matters as may be required or contemplated by or appropriate under the Trust Agreement; or (f) to make change necessary to comply with the requirements of any rating agency rating the Bonds, or (g) to make any other change that, in the judgment of EDA, would not materially adversely affect the security for the Bonds.

**Modification of Agreements with Consent of Holders (Section 1102)**

All other supplemental agreements require the written consent of Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding that will be affected thereby. Provided, however, that no supplemental agreement shall permit (a) an extension of the maturity of the principal of or the interest on any Bonds issued under the Trust Agreement, or (b) a reduction in the principal amount of any Bonds or the redemption premium or the rate of interest thereon, or (c) the creation of a pledge or lien on the moneys credited to the Debt Service Subfund or the Construction Subfund other than the pledge and lien created by the Trust Agreement, or (d) a preference or priority of any Bonds over any other Bonds, or (e) a reduction in the aggregate principal amount of Bonds required for consent to such supplemental agreement.

### **Supplements and Amendments to the Contract Not Requiring Holders Consent (Section 1201)**

EDA may enter into supplements and amendments to the Contract as it deems not adverse to the interests of the Holders after thirty (30) days' prior notice to, but without the consent of, the Trustee. From time to time and at any time, EDA may enter into other supplements and amendments to such agreements, and the Trustee may consent to such amendments and supplements to such agreements as are not materially adverse to the interests of the Holders, (a) to cure any ambiguity or formal defect or omission in of such agreements or in any supplement or amendment thereto, or (b) to grant to or confer upon EDA or the Trustee, for the benefit of the Holders, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders or EDA or the Trustee, or (c) to make any other change in either of such agreements, provided only that no such change is to be made to the Contract that would, in the judgment of the Trustee, be materially adverse to the interests of the Holders. Amendments or supplements to the Contract pursuant to this paragraph may be made without the consent of the Holders.

### **Supplements and Amendments to the Contract Requiring Holders' Consent (Section 1202)**

All other supplements or amendments to the Contract require the consent of the Holders of more than a majority in aggregate principal amounts of the Bonds then outstanding in the same manner as provided for in the case of supplements and amendments to the Trust Agreement.

### **Defeasance (Section 1301)**

Any outstanding Bonds shall be deemed to have been paid for the purposes of the Trust Agreement when, among other things, (i) the whole amount of the principal and the interest and premium, if any, so due and payable upon all Bonds shall be paid or if the Trustee, the Bond Registrar or any Paying Agent hold sufficient moneys or Defeasance Obligations the principal of and the interest on which, when due and payable, will provide sufficient moneys to pay the principal of, and the interest and redemption premium, if any, on all Bonds then outstanding to the maturity date or dates thereof, (ii) if Bonds are to be called for redemption in accordance with the provisions of the Trust Agreement prior to their maturity, EDA shall have given, irrevocable instructions to call the Bonds for redemption, and (iii) sufficient funds have been provided or provision made for paying all other obligations payable by EDA in connection with the defeasance of said indebtedness. Together with the deposit of Defeasance Obligations there shall also be given to the Trustee either (i) a verification report satisfactory to the Trustee to the effect that such securities and/or cash, together with earnings thereon, will be sufficient to pay interest and principal (and applicable premium, if any) on the Bonds to redemption or maturity or (ii) an opinion of Counsel satisfactory to the Trustee to the effect that all conditions precedent to the defeasance of the Bonds have been satisfied; provided however, that no such verification report or opinion shall be necessary in the event of a gross defeasance (where the cash and Government Obligations alone are sufficient to pay the debt service on the Bonds without relying on interest earnings) or a current refunding (where the Bonds are to be redeemed within ninety (90) days of the funding of the escrow).

## THE SECOND SUPPLEMENTAL TRUST AGREEMENT

### Application of the Proceeds of the Series 2020 Bonds (Section 4)

The proceeds (including any premium) of the Series 2020 Bonds are to be applied by the Trustee simultaneously with the delivery of the Series 2020 Bonds as follows:

(A) with the Trustee, to the credit of a special subaccount account in the Costs of Issuance Account in the Construction Subfund (the “2020 Costs of Issuance Subaccount”), the amount of \$ \_\_\_\_\_; and

(B) with the Trustee, to the credit of the Escrow Deposit Agreement, the amount of \$ \_\_\_\_\_.

### Redemption Provisions of the Series 2020 Bonds (Section 3)

*Mandatory Sinking Fund Redemption.* The Series 2020 Term Bonds stated to mature on August 1, \_\_\_\_\_, are to be called for redemption, in the manner and under the terms and conditions provided in the Trust Agreement and in the First Supplemental Trust Agreement, in part, on the dates and in the principal amounts equal to the respective Sinking Fund Requirements therefor set forth in the forepart of this Official Statement under “THE SERIES 2020 BONDS – Redemption of Series 2020 Bonds – *Mandatory Sinking Fund Redemption*” (less the principal amount of any such Term Bonds retired by purchase and otherwise subject to adjustment as provided in the Second Supplemental Trust Agreement) from money in the Debt Service Subfund at a Redemption Price equal to par plus accrued interest thereon to the date fixed for redemption.

At its option, to be exercised not less than forty-five (45) days prior to each such applicable Principal Payment Date, EDA may (a) deposit money with the Trustee to be used to purchase Series 2020 Bonds, or direct the Trustee to cause money in the Debt Service Subfund to be used for such purchases, at a price not exceeding the principal amount thereof plus accrued interest to such applicable Principal Payment Date, or (b) receive a credit against the Sinking Fund Requirements for Series 2020 Bonds which prior to such date have been purchased by EDA and presented to the Trustee for cancellation or redeemed (otherwise than in satisfaction of prior Sinking Fund Requirements) and canceled by the Trustee and, in either case, not theretofore applied as a credit against any Sinking Fund Requirement. Each such Series 2020 Term Bond so purchased, delivered or previously redeemed will be credited by the Trustee at 100% of the principal amount thereof against the current Sinking Fund Requirement with respect to Series 2020 Bonds due on the same date as the Term Bond so purchased, delivered or previously redeemed and canceled. Any excess over such current Sinking Fund Requirement will be credited against the future Sinking Fund Requirements of Term Bonds with the same maturity date in such manner as EDA shall determine, and the principal amount of such Series 2011 Bonds with such maturity date to be redeemed by mandatory sinking fund redemption will be reduced accordingly.

*Optional Redemption.* The Series 2020 Bonds that are stated to mature after August 1, 202\_, are subject to redemption, in the manner and under the terms and conditions provided in the Trust Agreement, at the option of EDA, from any moneys that may be made available for such purpose, either in whole or in part, as determined by the EDA, on any date not earlier than August 1, 202\_, at a Redemption Price equal to 100% of the Series 2020 Bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption.

*Extraordinary Optional Redemption.* The Series 2020 Bonds are subject to extraordinary optional redemption, in whole or in part, on any date at a price equal to the principal amount thereof, together with

interest thereon accrued to the date of redemption, upon the exercise by the County of its option to prepay all or a portion of the Purchase Price pursuant to the Contract when the following events occur:

(1) Circumstances Under Which County May Not Repair Damage. In the event that the Project or any portion thereof is destroyed by fire or other casualty, the County may within 90 days after such damage or destruction, elect by written notice to the EDA not to repair, reconstruct or restore the Project or portion thereof, provided that the net proceeds of insurance payable as a result of such damage or destruction together with other moneys held for the payment of or as security for the Series 2020 Bonds and any additional sums paid by the County are sufficient to provide for outstanding principal and interest payments of the Series 2020 Bonds or allocable portion of Series 2020 Bonds relating to the portion of the Project damaged or destroyed. In the event that all Series 2020 Bonds are to be paid the County shall, in its notice of election to the EDA, state that such net proceeds and other moneys, if any, shall be applied to defease the lien of the Second Supplemental Trust Agreement in accordance with its terms and such net proceeds shall be paid to the EDA for the purpose of such defeasance.

(2) Condemnation. If the County shall determine in accordance with the provisions of the Contract that the utility of the Project or portion thereof cannot be maintained, restored or replaced following a taking, the Net Proceeds payable as a result of such taking are to be paid to the Trustee for the account of EDA for the payment of the Series 2020 Bonds or portion thereof as applicable. In the event that the utility of the entire Project cannot be maintained, restored or replaced following a taking, the County shall pay to the Trustee for the account of EDA such additional amount as shall be required, together with the Net Proceeds and all amounts held under the Trust Agreement and Second Supplemental Trust Agreement and available for the purpose, for the payment of the Series 2020 Bonds.

#### **Request of County to Appropriate (Section 5)**

EDA covenants that it shall, through the EDA Representative, request the County annually for each fiscal year following the issuance of the Series 2020 Bonds to budget, appropriate and pay to the Trustee an amount equal to the Basic Payments payable by the County under the Contract in such fiscal year. EDA also covenants that it shall, through the EDA Representative, request the County annually for each fiscal year following the issuance of the Series 2020 Bonds to budget, appropriate and apply as provided in the Contract, the Second Supplemental Trust Agreement and the Trust Agreement an amount equal to the estimated Additional Payments payable by the County under the Contract in such fiscal year.

#### **Tax Covenants (Section 6)**

EDA covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Series 2020 Bonds to become subject to federal income taxation pursuant to the provisions of the Internal Revenue Code of 1986, as amended and regulations promulgated thereunder.

## **THE INSTALLMENT PURCHASE CONTRACT**

### **Agreement to Issue the Bonds (Section 2.01)**

At the request of the County, the EDA agreed that it will use its best efforts to issue, sell and deliver to the purchasers thereof at one time or from time to time (i) the Series 2011 Bonds pursuant to the Trust Agreement for the purpose of providing financing for the Cost of the Construction of the Project, (ii) Additional Bonds pursuant to the Trust Agreement for the purpose of paying any additional Cost of the Construction of the Project or (iii) Refunding Bonds issued pursuant to the Trust Agreement for the purpose of refunding any Series 2020 Bonds or Additional Bonds issued under (ii) above or a combination of such purposes. The proceeds of the Series 2020 Bonds will be delivered to the Trustee for application in accordance with the Trust Agreement.

### **No Sufficiency Warranty by EDA; Limited Liability of County (Section 2.03)**

The EDA does not make any warranty, either express or implied, that the moneys which will be paid into the Construction Subfund or any account therein will be sufficient to pay the Cost of the Construction of the Project. The obligation of the County under the Contract to pay the Cost of the Construction of the Project will be limited to the proceeds of Bonds deposited to the credit of the Construction Subfund, the investment earnings thereon and any other investment earnings on the funds and accounts held by the Trustee under the Trust Agreement and transferred to the Construction Subfund. The County agrees, however, that if, after exhaustion of the moneys in the Construction Subfund, the County should pay or cause to be paid any portion of the Cost of Construction of the Project, it shall not be entitled to any reimbursement therefor from EDA or from the Trustee (other than from the proceeds of any such Additional Bonds), or diminution or postponement of the payments to be made pursuant to the Contract.

### **Sale of the Project (Article III)**

EDA agreed to sell to the County, and the County agreed to purchase from EDA, on the date the Series 2011 Bonds were issued, the Project.

### **Payments (Section 4.01)**

The County agreed to pay to EDA the Purchase Price of the Project in installments, with Interest thereon, in accordance with the provisions of the Contract. The Purchase Price and Interest thereon is to be paid as Basic Payments in the amounts and manner that will allow EDA to pay timely the debt service on the Series 2020 Bonds.

The County, at its option, may prepay the Purchase Price, in whole or in part, on not less than forty-five (45) days' written notice to EDA, accompanied by a specific direction to EDA to apply such prepayment to the purchase and cancellation, redemption or defeasance of Bonds in accordance with their terms. Upon such purchase and cancellation, redemption or defeasance, EDA is to credit the principal amount of the Bonds so cancelled, redeemed or defeased against the Purchase Price and reduce the Basic Payments otherwise payable by an amount equal to the sum of the principal amount of the Bonds so purchased and cancelled, redeemed or defeased, the interest on the Bonds so purchased and cancelled, redeemed or defeased and as a result of such prepayment and the interest that would have accrued on such Bonds so redeemed or defeased but for such prepayment and redemption or defeasance.

EDA is to credit appropriately against the Purchase Price and Interest and reduce the Basic Payments otherwise payable on each Deposit Date the amount of any investment income (a) realized from the investment and reinvestment of Bond proceeds and Basic Payments or other amounts or reserves derived

from Bond proceeds or Basic Payments and set aside or pledged to the Bonds and (b) applied, or to be applied, to the payment of principal or interest and any redemption premiums on Bonds.

The County is to also pay to or for the account of EDA as Additional Payments for the Project all other amounts (other than Basic Payments) payable by the County to EDA under the Contract, including fees and expenses of the Trustee, the Bond Registrar, any Depository, any Paying Agent, and the EDA.

#### **Net Contract (Section 4.04)**

The County is to pay to EDA all Payments payable to EDA free of any abatement, charges, counterclaims, assessments, set-offs, offsets, impositions or deductions. Under no circumstances or conditions shall EDA be expected or required to make any payment of any kind with respect to the Project except as provided in the Contract and the Trust Agreement. The County shall pay directly all costs of operating, maintaining and repairing the Property, including the costs and expenses for sewer, water, gas, electric, telephone, fuel and other utilities used or consumed in or at the Property.

#### **Late Charges (Section 4.05)**

In the event that payment of any (i) Basic Payment becomes overdue for one business day beyond the date on which it is due or (ii) Additional Payments become overdue for forty-five (45) days, the sums so overdue is to be payable with interest at the Late Charge Rate (computed on a 360 day year).

#### **Obligations of County Subject to Appropriation (Section 4.06)**

The obligations of the County to make any payments under the Contract are contingent upon the appropriation for each fiscal year by the Board of Supervisors of the County of funds from which such payments can be made. The County shall not be liable for any amounts that may be payable pursuant to the Contract unless and until such funds have been so appropriated for payment and then only to the extent thereof. The County and the EDA understand that nothing in the Contract shall be deemed to obligate the Board of Supervisors of the County to appropriate any sums on account of any payments to be made by the County under the Contract. The Contract shall not constitute a pledge of the full faith and credit of the County or a bond or debt of the County in violation of Section 10 of Article VII of the Constitution of the Commonwealth.

#### **County Budget (Section 4.07)**

The County Executive is to include as a separate line item in each annual budget of revenues and disbursements presented to the Board of Supervisors an item designated "Wiehle Avenue Metrorail Station Parking Project Payments" in an amount not less than an amount sufficient, in the judgment of the County Executive, to make the Payments and pay all other amounts payable during such fiscal year by the County pursuant to the Contract.

#### **County's Obligation to Maintain and Repair Property (Section 5.01)**

The County, at its sole cost and expense, throughout the Term, shall keep and maintain the Property in good and safe order and condition in accordance with industry standards and shall use all reasonable precaution to prevent, waste, damage, or injury to the Property.

In the event the Property or any portion thereof is damaged or destroyed by fire, flood or other casualty the County shall, except as otherwise provided in the Contract, repair, reconstruct and restore the damaged Property as and to the extent the County shall deem appropriate under the circumstances. Net

Proceeds of any insurance relating to such damage or destruction shall be paid directly to the County and the County is to apply such Net Proceeds received solely to, and is to complete, the repair, reconstruction and restoration of the Property.

In the event that the Property or portion thereof is destroyed by fire or other casualty the County may, within 90 days after such damage or destruction, elect by written notice to EDA not to repair, reconstruct or restore the Property or portion thereof, provided that the Net Proceeds of insurance payable as a result of such damage or destruction together with other moneys held for the payment of or as security for the Bonds and any additional sums paid by the County are sufficient to provide for payment of the bonds allocable to the portion of the Property not repaired, reconstructed or restored or in the case of the destruction of the entire Property the Payment of the Bonds. In such event of the Payment of the Bonds the County is to, in its notice of election to EDA, state that the Net Proceeds and other moneys, if any, is to be applied for the purpose of defeasing the lien of the Trust Agreement.

Upon completion of the repair, reconstruction and restoration pursuant to the Contract, any excess moneys from the Net Proceeds of insurance is to be paid by the County to EDA and is to be applied as a credit to Basic Payments. In the event that the Bonds are defeased, any remaining Net Proceeds shall be paid to or retained by the County.

In the event that the Property or any portion thereof is condemned or taken for any public or quasi-public use and title vests in the party condemning or taking the same, the County shall determine in writing whether the Property can be repaired, reconstructed and restored to such an extent that the utility of the Project, can be largely maintained, restored or replaced. If the County determines that the utility of the Project can be maintained, restored or replaced, it shall restore the Project with the Net Proceeds resulting from such taking as nearly as practicable to substantially the same or an improved condition or utility as existed prior to the taking. The County shall complete restoration of the Property regardless of whether or not the Net Proceeds of the condemnation award received by the County for such purposes are sufficient. If the County shall determine that the utility of the Project or portion thereof cannot be maintained, the Net Proceeds payable as a result of such taking shall be used for the payment of the allocable portion of the Bonds in the event of a partial condemnation or taking or in the case of complete condemnation or taking the Payment of the Bonds.

Any excess moneys from the Net Proceeds of a taking over and above the costs of repair, reconstruction and restoration prosecuted to completion in accordance with the Contract shall be paid by the County to EDA and applied as a credit against the Purchase Price and reduce the Basic Payments becoming due thereafter as designated in writing by the County. In the event of Payment of the Bonds any remaining Net Proceeds shall be retained by or paid to the County.

#### **County's Assumption of the Maintenance and Management of the Property (Section 5.02)**

EDA shall have no duty or obligation to make any alteration, change, improvement, replacement, restoration or repair to, or to demolish, the whole or any part of the Property. Except as otherwise provided in the Contract, as between the County and EDA, the County assumes the full and sole responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Property.

#### **Insurance (Article VI)**

The County is to procure and pay the requisite premiums for and maintain during the Term of the Contract the insurance described in the Contract. The insurance policies required by the Contract shall name the EDA and the Trustee as an additional named insureds. The Contract requires that the County

carry as a minimum, (i) an “all risks” policy with coverage equal to 100% of the replacement cost value of the Project, to be determined no less frequently than annually; and (ii) a general liability policy covering all operations and maintenance in connection with the Project equal to a \$5,000,000 combined aggregate limit per occurrence for personal injury and property damage liability. The County may self-insure against such risks under certain circumstances.

All such insurance is to be issued by companies licensed to do business in the Commonwealth of Virginia with the Best’s Key Rating of at least A-:VI.

#### **Title (Section 7.01)**

As between the County and EDA, fee title to the Project is to vest in the County.

#### **No Impairment of EDA’s Interests (Section 7.02)**

Except for the conveyances described in the Contract and permitted encumbrances described in the Contract, the County is not create or cause or suffer to be created, any lien, encumbrance or charge upon the Contract, the Project, or EDA’s income derived from the Contract.

#### **County Representations (Section 8.01)**

Except as expressly provided in the Contract, the County warrants that no representations, statements or warranties, express or implied, have been made by or on behalf of EDA in respect of the Project, and EDA shall in no event whatsoever be liable for any latent or patent defects in the Project.

The County represents that it shall not use, or permit the use of, any portion of any Project by any person or entity for any private business use, other than a state or local governmental unit. The County may use, or permit the use of, any portion of the Project by any person or entity that is not a state or local governmental unit or other “exempt person” as defined in the Code for any private business use; provided that (i) the County shall not more than sixty (60) nor less thirty (30) days prior to the effective date of such proposed use, furnish or cause to be furnished to EDA a written description of the nature, scope and duration of such proposed use, and (ii) a nationally recognized bond counsel shall have delivered to EDA an opinion that such proposed use will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

#### **Release of Portions of the Property (Section 10.03)**

The County and the EDA reserve the right to amend the Contract for the purpose of effecting the release of and removal from the Contract of any part of any Project with respect to which the County or a transferee of the County proposes to convey fee title to a public utility or public body in order that utility services or roads or other services may be provided for such Property. If at the time any such amendment is made, any of the Bonds is outstanding and unpaid there shall be deposited with the Trustee the following: (i) a copy of the amendment or easement as executed; (ii) a resolution of the Board of Supervisors of the County stating that the County is not in default under any of the provisions of the Trust Agreement and EDA is not to the knowledge of the County in default under any of the provisions of the Contract, giving an adequate legal description of that portion of the Property to be released, and stating the purpose for which the County desires the release; (iii) a certificate showing that EDA has approved such amendment and stating that EDA is not in default under any of the provisions of the Contract; and (iv) a certificate dated not more than sixty (60) days prior to the date of the release of an appropriate County Representative stating that the proposed release will not impair the usefulness of the related Project and will not destroy the means of ingress to and egress therefrom.

**Granting of Easements (Section 10.04)**

The County may grant or release easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges, so long as such grant or release will not materially adversely affect the usefulness of the related Project.

**Assignment, Leasing and Subleasing (Section 10.05)**

Neither the Contract nor the rights and obligations of the County under the Contract shall be assigned in whole or in part without the consent of EDA. However, no assignment is to relieve the County from primary liability for any of its obligations under the Contract.

**Assignment of Contract by EDA (Section 10.06)**

EDA is to assign its interest in and pledge all moneys receivable under the Contract, other than the Additional Payments, to the Trustee pursuant to the Trust Agreement as security for payment of the Bonds. The County agrees to make all Basic Payments and payments to be credited against Basic Payments directly to the Trustee for the account of EDA.

**County Options to Terminate (Section 10.07)**

The County may terminate the Term by paying to the Trustee, for the account of EDA, an amount that will be sufficient to purchase, redeem or defease all the Bonds outstanding under the Trust Agreement and in case of redemption, making arrangements satisfactory to the Trustee for giving the required notice of redemption.

**Permitted Use (Section 11.01)**

There shall be no occupation or use of the Property by the County or anyone else for any purpose other than as authorized by the Contract, without the written consent of EDA.

**No Illegal or Hazardous Use (Section 11.02)**

The County shall not use or permit the Property or any part thereof to be used for any unlawful or illegal business, use or purpose, or in such manner as to constitute a nuisance of any kind (public or private).

**Events of Default (Section 12.01)**

Except in an Event of Non-Appropriation as described in the following caption, each of the following events is an "Event of Default" under the Contract: (a) if the County fails to make any Basic Payment or any part thereof on the due date thereof and such failure shall continue for one business day; (b) if the County fails (i) to maintain or cause to be maintained the insurance required by the Contract, or (ii) to make any Additional Contract Payment, or any other payment under the Contract, required to be paid by the County under the Contract for a period, after notice thereof from EDA to the County, of forty-five (45) days; (c) if the County fails to observe or perform one or more of the other material terms, conditions, covenants or agreements of the Contract or any representation, and such failure or misrepresentation shall continue for a period of ninety (90) days after written notice thereof; (d) if the County admits, in writing, that it is unable to pay its debts as such become due or makes an assignment for the benefit of creditors; (e) if the County files a voluntary petition in bankruptcy or the County is adjudicated a bankrupt or insolvent; or (f) if a bankruptcy or dissolution proceeding brought against the County has not been dismissed, or the

appointment of a trustee has not been vacated or stayed within ninety (90) days, or if, within thirty (30) days after the expiration of any such stay, such appointment has not have been vacated.

**Non Appropriation (Section 12.03)**

Anything to the contrary notwithstanding elsewhere in the Contract, the failure of the County to pay all or any portion of any amount otherwise due and payable under the Contract to or for the account of EDA or the Trustee on account of the failure of the Board of Supervisors of the County to appropriate such sum (an “Event Of Non-Appropriation”) does not, to the extent of such failure, constitute a Default or an Event of Default under the Contract.

**Remedies (Section 12.04)**

If an Event of Default has occurred and is continuing, EDA may, at its option, declare all installments of Basic Payments for the remainder of the Term to be immediately due and payable.

In an Event of Default, EDA may take whatever action at law or in equity may appear necessary or desirable to collect the Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the County under the Contract.

**No Remedy Exclusive; Agreement to Pay Attorneys’ Fees and Expenses (Sections 12.05 and 12.06)**

No remedy is intended to be exclusive of any other remedy. If any Event of Default shall occur or in the event the County should default under the Contract, and in any such case, EDA or the Trustee should employ attorneys or incur other expenses for the collection of Payments or the enforcement of performance or observation of any obligation or agreement on the part of the County contained in the Contract, the County agrees that it will on demand pay to the EDA or the Trustee the reasonable fees, costs and expenses of such attorneys and such other costs and expenses so incurred.

**APPENDIX D****FORM OF BOND COUNSEL OPINION**

\_\_\_\_\_, 2020

Fairfax County Economic  
Development Authority  
Fairfax, Virginia

We have acted as Bond Counsel to Fairfax County Economic Development Authority (the “Authority”) in connection with the issuance of

\$ \_\_\_\_\_  
Fairfax County Economic Development Authority  
Revenue Refunding Bonds  
(Wiehle Avenue Metrorail Station Parking Project) Series 2020  
(the “Series 2020 Bonds”)

The Series 2020 Bonds are being issued pursuant to Chapter 643 of the 1964 Acts of the General Assembly of the Commonwealth of Virginia, as amended, and other applicable law (collectively, the “Enabling Act”), and the proceeds will be used, together with other available funds, to provide funds to Fairfax County, Virginia (the “County”), (i) to refinance costs of a public parking facility providing approximately [2,316 public parking spaces, 49 kiss and ride parking spaces, 22 motorcycle spaces, 12 bus bays and 150 bicycle spaces and ancillary facilities] (the “Project”) on public lands within the County to serve the Wiehle Avenue Metrorail station constructed as part of the extension of Washington Metropolitan Area Transit Authority’s Metrorail System in the Dulles Corridor, by refunding all of the Authority’s outstanding Revenue Bonds (Wiehle Avenue Metrorail Station Project) Series 2011 (the “Series 2011 Bonds”), and (ii) paying certain costs of issuing the Series 2020 Bonds.

Simultaneously with the execution and delivery of the Original Trust Agreement (as defined below) and delivery of the Series 2011 Bonds, (i) the net proceeds of the Series 2011 Bonds were made available to the County for the purpose of the development and construction of the Project and (ii) the Authority sold its interest in the Project in consideration of the County’s agreement to pay a purchase price for the Project in installments, subject to annual appropriation by its Board of Supervisors of funds for the purpose, sufficient for the Authority to pay timely debt service on the Series 2011 Bonds, all pursuant to an Installment Purchase Contract, dated as of July 1, 2011, between the Authority and the County (the “Original Installment Purchase Contract”). In connection with the issuance of the Series 2020 Bonds, the Original Installment Purchase Contract will be supplemented (as so supplemented, the “Installment Purchase Contract”) so that such installment payments (as so adjusted, the “Payments”) will reflect the debt service on the Series 2020 Bonds.

The Series 2020 Bonds are being issued under and secured by a Trust Agreement, dated as of July 1, 2011 (the “Original Trust Agreement”), as supplemented by a Second Supplemental Trust Agreement, dated as of \_\_\_\_ 1, 2020 (the “Second Supplemental Trust Agreement” and the Original Trust Agreement, as so supplemented, the “Trust Agreement”), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), pursuant to which the Authority has assigned to the Trustee substantially all of its rights under the Installment Purchase Contract, including its right to

receive the Payments. Under and subject to the requirements of the Trust Agreement, the Authority may issue additional bonds for additional cost of construction of the Project and refunding bonds for refunding the Series 2020 Bonds or other additional bonds as permitted by the Enabling Act, and such additional bonds and any refunding bonds issued under the Trust Agreement will rank on a parity with the Series 2020 Bonds (together with any such additional and refunding bonds, "Bonds") as to the revenues pledged under the Trust Agreement ("Pledged Revenues"), including the Payments to be made by the County pursuant to the Installment Purchase Contract.

The Series 2020 Bonds are dated, bear interest, and are stated to mature, subject to optional redemption and extraordinary optional redemption, all as provided in the Trust Agreement.

In our capacity as Bond Counsel, we have examined such documents, records of the Authority and the County and other instruments, including counterparts or certified copies of the Trust Agreement and the Installment Purchase Contract, as we deemed necessary to enable us to express the opinions set forth below.

Based on the foregoing, we are of the opinion that:

1. The Authority is by the terms of the Enabling Act a political subdivision of the Commonwealth of Virginia (the "Commonwealth") and a public instrumentality of the County duly created pursuant to the laws of the Commonwealth with full authority to enter into the Trust Agreement and the Installment Purchase Contract and to issue and sell the Series 2020 Bonds.

2. The County is a political subdivision of the Commonwealth with full authority to acquire the Project and to enter into the Installment Purchase Contract.

3. The Installment Purchase Contract has been duly authorized, executed and delivered by the Authority and the County and constitutes a legal, valid and binding obligation of the parties enforceable in accordance with its terms. The obligation of the County to make the Payments under the Installment Purchase Contract is expressly therein made subject to the annual appropriation by the Board of Supervisors of funds for such purpose.

4. Each of the Original Trust Agreement and the Second Supplemental Trust Agreement has been duly authorized, executed and delivered by the Authority and the Trustee and constitutes a legal, valid and binding obligation of the parties, enforceable in accordance with its terms. Under the Trust Agreement, the Authority has validly assigned substantially all of its rights under the Installment Purchase Contract (including its rights to receive Payments) to the Trustee for the benefit of the holders of the Bonds.

5. The issuance and sale of the Series 2020 Bonds have been duly authorized by the Authority, and the Series 2020 Bonds have been duly executed and delivered by the Authority and constitute legal, valid and binding limited obligations of the Authority payable under the Trust Agreement in accordance with their terms solely from Pledged Revenues and other money pledged therefor to the extent provided in the Trust Agreement. The Series 2020 Bonds shall not be deemed to constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof. Neither the Commonwealth, nor any political subdivision thereof, nor the Authority shall be obligated to pay the Series 2020 Bonds or the interest thereon or other costs incident thereto, except from the revenues and money pledged therefor. Neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the County, is pledged to the payment of the principal of the Series 2020 Bonds or the interest thereon or other costs incident thereto.

6. Except as otherwise provided in the following sentences of this paragraph and assuming compliance by the Authority and the County with their respective covenants to comply with the

requirements of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on the Series 2020 Bonds is not includable in the gross income of the owners thereof for federal income tax purposes under current law. Interest on the Series 2020 Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of such Series 2020 Bonds in the event of a failure by the Authority or the County to comply with applicable requirements of the Code and their respective covenants regarding use, expenditure and investment of proceeds of the Series 2020 Bonds and the timely payment by the Authority of certain investment earnings to the United States Treasury. We render no opinion as to the effect on the exclusion from gross income of the interest on the Series 2020 Bonds for federal income tax purposes of any action taken or not taken without our approval or upon the advice or approval of counsel other than us. Interest on the Series 2020 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. The Code contains other provisions that could result in tax consequences, as to which we render no opinion, as a result of ownership of such Series 2020 Bonds or the inclusion in certain computations of interest that is excluded from gross income.

7. The income on the Series 2020 Bonds, including any profit made on the sale thereof, is exempt from all taxation by the Commonwealth or any political subdivision thereof.

The opinions contained in paragraphs 3 and 5 above are qualified to the extent that the enforceability of the Installment Purchase Contract, the Original Trust Agreement, the Second Supplemental Trust Agreement and the Series 2020 Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors’ rights generally and may be subject to judicial discretion. For purposes of our opinions in paragraphs 1, 3, 4 and 5, we have relied upon the opinion of Thomas O. Lawson, Esq., P.L.C., respecting the existence and organization of the Authority and its due authorization and execution of the Installation Purchase Contract, the Original Trust Agreement, the Second Supplemental Trust Agreement and the Series 2020 Bonds. For purposes of our opinions in paragraphs 2 and 3, we have relied upon the opinions of the County Attorney of Fairfax County respecting the existence and organization of the County and its due authorization and execution of the Installment Purchase Contract.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions are taken or such events occur, and we have no obligation to update this opinion in light of such actions or events.

Respectfully submitted,

**APPENDIX E**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**APPENDIX F**

**FORM OF DELAYED DELIVERY CONTRACT**

## FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by Fairfax County, Virginia (the “County”), in connection with the issuance by the Fairfax County Economic Development Authority (the “Authority”) of its \$\_\_\_\_\_ Revenue Refunding Bonds (Wiehle Avenue Metrorail Station Parking Project) Series 2020 (the “Series 2020 Bonds”) pursuant to the provisions of resolution (the “Authorizing Resolution”) adopted by the Authority on \_\_\_\_\_, 2019, and under a Trust Agreement, dated as of July 1, 2011, as supplemented by a Second Supplemental Trust Agreement, dated as of May 1, 2020 (collectively the “Trust Agreement”), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “Trustee”).

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the County acting on behalf of itself and the Authority, for the benefit of the holders of the Series 2020 Bonds and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). Under the Rule, the County is an “obligated person.” The County acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Disclosure Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Dissemination Agent” shall mean the County, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

“Filing Date” shall have the meaning given to such term in Section 3(a) hereof.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the twelve month period at the end of which financial position and results of operations are determined. Currently, the County’s Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

“Holder” or “holder” shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of the Series 2020 Bonds.

“Listed Events” shall mean any of the events listed in subsection (b)(5)(i)(C) of the Rule, which are as follows:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults; if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 570-TEB) or other material notices or determinations with respect to or events affecting the tax status of the Series 2020 Bonds;
- (7) modifications to rights of holders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Series 2020 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the County;
- (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional paying agent or the change of name of a paying agent, if material;
- (15) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal

agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the County in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County, and (b) the County intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section 2 to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

“MSRB” means the Municipal Securities Rulemaking Board. “Participating Underwriters” shall mean any of the original underwriters of the Series 2020 Bonds required to comply with the Rule in connection with the offering of such Series 2020 Bonds.

“Repository” shall mean The Electronic Municipal Market Access (“EMMA”) system administered by the MSRB. EMMA is recognized as a National Repository for purposes of the Rule.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### SECTION 3. Provision of Annual Reports.

A. The County shall, or shall cause the Dissemination Agent to, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Such Annual Report shall be filed on a date (the “Filing Date”) that is not later than March 31 after the end of any Fiscal Year (commencing with its Fiscal Year ending June 30, 2020). Not later than ten (10) days prior to the Filing Date, the County shall provide the Annual Report to the Dissemination Agent (if the County is not acting as Dissemination Agent at such time). In such case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement, and (iii) shall include the County’s audited financial statements or, if audited financial statements are not available, such unaudited financial statements as may be required by the Rule. In any event, audited financial statements of the County must be submitted, if and when available, together with or separately from the Annual Report.

B. The annual financial statements of the County shall be prepared on the basis of generally accepted accounting principles and will be audited. Copies of the audited annual financial statements, which may be filed separately from the Annual Report, will be filed with the Repository when they become publicly available.

C. If the County fails to provide an Annual Report to the Repository by the date required in subsection (A) above or to file its audited annual financial statements with the

Repository when they become publicly available, the County shall send a notice in a timely manner to the Repository in substantially the form attached hereto as Exhibit B.

SECTION 4. Content of Annual Reports. Any Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, the following: (i) audited financial statements of the County, and (ii) updated operating data, as described in Exhibit A, all with a view toward assisting Participating Underwriters in complying with the Rule.

Any or all of such information may be incorporated by reference from other documents, including official statements of securities issues with respect to which the County is an “obligated person” (within the meaning of the Rule), which have been filed with the Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. The County will provide within 10 business days to the Repository notice of any of the Listed Events.

SECTION 6. Termination of Reporting Obligation. The County’s obligations under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of all the Series 2020 Bonds.

SECTION 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement, if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws, to the effect that such amendment is permitted or required by the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. Any person referred to in Section 11 (other than the County) may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to file its Annual Report or to give notice of a Listed Event. The holders of not less than a majority in aggregate principal amount of Series 2020 Bonds outstanding may take such actions as may be necessary and appropriate, including

seeking mandate or specific performance by court order, to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the County hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the Authorizing Resolution, the Trust Agreement or the Series 2020 Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the County to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

[Remainder of Page Intentionally Left Blank]

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Participating Underwriters, and holders from time to time of the County's bonds and notes, and shall create no rights in any other person or entity.

Date: May \_\_, 2020

FAIRFAX COUNTY, VIRGINIA

By: \_\_\_\_\_  
Chief Financial Officer

**EXHIBIT A**

**CONTENT OF ANNUAL REPORT**

Respecting Fairfax County, Virginia

- (a) audited financial statements of the County.
- (b) **Financial Information.** Updated information concerning General Fund revenues, expenditures, categories of expenditures, fund balances, assessed value of taxable property, tax rates, major taxpayers, and tax levies and collections.
- (c) **Debt Information.** Updated information concerning general obligation bond indebtedness, including bonds authorized and unissued, bonds outstanding, the ratios of debt to the market value of taxable property, debt per capita, and debt service as a percentage of General Fund disbursements.
- (d) **Demographic Information.** Updated demographic information respecting the County, such as its population, public school enrollment and public expenditures.
- (e) **Economic Information.** Updated economic information respecting the County such as income, employment, unemployment, building permits and taxable sales data.
- (f) **Retirement Plans.** Updated information respecting pension and retirement plans for County employees, including a summary of membership, revenues, expenses and actuarial valuation(s) of such plans.
- (g) **Contingent Liabilities.** A summary of material litigation and other material contingent liabilities pending against the County.

In general, the foregoing will include information as of the end of the most recent fiscal year or as of the most recent practicable date. Where information for the fiscal year just ended is provided, it may be preliminary and unaudited. Where information has historically been provided for more than a single period, comparable information will in general be provided for the same number of periods where valid and available. Where comparative demographic or economic information for the County and the United States as a whole is contemporaneously available and, in the judgment of the County, informative, such information may be included. Where, in the judgment of the County, an accompanying narrative is required to make data presented not misleading, such narrative will be provided.

**EXHIBIT B**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT  
[AUDITED ANNUAL FINANCIAL STATEMENTS]  
Re: FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
REVENUE REFUNDING BONDS  
(WIEHLE AVENUE METRORAIL STATION PARKING PROJECT )  
SERIES 2020**

**CUSIP NOS.** \_\_\_\_-\_\_\_\_

**Dated:** \_\_\_\_\_, 20\_\_

NOTICE IS HEREBY GIVEN that Fairfax County, Virginia has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 3 of the Continuing Disclosure Agreement, which was entered into in connection with the above-named bonds. [The County anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

FAIRFAX COUNTY, VIRGINIA

By: \_\_\_\_\_

## ESCROW DEPOSIT AGREEMENT

**THIS ESCROW DEPOSIT AGREEMENT**, dated as of May \_\_, 2020 (this “Agreement”), by and between **Fairfax County Economic Development Authority** (the “Authority”), a political subdivision of the Commonwealth of Virginia, and **The Bank of New York Mellon Trust Company, N.A.**, a national banking association organized and existing under the laws of the United States of America, and any successor thereto, as escrow agent (in such capacity, the “Escrow Agent”),

### W I T N E S S E T H:

**WHEREAS**, the Authority issued on July 28, 2011, pursuant to the provisions of resolutions duly adopted by the Commissioners of the Authority on January 22, 2010, and on June 21, 2011 (the “Bond Resolutions”), and the Trust Agreement, dated as of July 1, 2011, between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “Trustee”), Supplemented (the “Trust Agreement”), its \$99,430,000 Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project), Series 2011, maturing August 1, 2015 to 2032, inclusive, and on August 1, 2034, and first subject to optional redemption on August 1, 2020 (the “2011 Bonds”); and

**WHEREAS**, the Authority has determined to refund for debt service savings the outstanding 2011 Bonds (the “Refunded Bonds”) and to give to The Bank of New York Mellon Trust Company, N.A., as bond registrar and paying agent for the Refunded Bonds (in such capacity, the “Paying Agent”), irrevocable instructions to call the Refunded Bonds for redemption on August 1, 2020, at the applicable redemption price of 100% of the principal amount of each Refunded Bond plus accrued interest to the redemption date; and

**WHEREAS**, the Authority has deposited with the Escrow Agent the amount of \$\_\_\_\_\_ (the “Deposit”) derived from a portion of the proceeds of the \$\_\_\_\_\_ Fairfax County Economic Development Authority Revenue Refunding Bonds (Wiehle Avenue Metrorail Station Parking Project), Series 2020 (the “Refunding Bonds”), and has made arrangements for and has directed the Escrow Agent to purchase from the Deposit the securities listed in Appendix A (the “Escrow Securities”), that, without consideration of any reinvestment of the maturing principal and interest on the Escrow Securities, will provide sufficient money to enable the Escrow Agent to pay to the registered owners of the Refunded Bonds, on behalf of the Authority and the Paying Agent, to pay (a) the principal of the Refunded Bonds on August 1, 2020 (the “Redemption Date”), and (b) when due and payable the interest to accrue on the Refunded Bonds to and including the Redemption Date all as set forth in Appendix B; and

**WHEREAS**, in order to insure that the procedures required for the redemption of the Refunded Bonds will be followed, the Authority and the Escrow Agent have agreed to enter into this Agreement;

**NOW, THEREFORE**, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **Receipt of Verification Report.** Receipt of a true and correct copy of the verification report (Appendix D to this Agreement) of Robert Thomas CPA, LLC, dated May \_\_, 2020 (the “Verification Report”), is hereby acknowledged by the Escrow Agent and the Authority.

2. **Creation of and Deposits to Escrow Fund.** There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow fund, designated the “Fairfax County Economic Development Authority Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project) 2011 Escrow Fund” (the “Escrow Fund”), to be held in the custody of the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds, and separate and apart from other funds of the Authority and the Escrow Agent. The Escrow Agent hereby accepts the Escrow Fund and acknowledges the receipt of, and deposit to the credit of the Escrow Fund, the Deposit, a portion of which has been or is to be used to purchase the Escrow Securities listed in Appendix A.

3. **Investment of Escrow Fund.** The Escrow Agent is hereby directed to and shall on the date hereof it will use \$\_\_\_\_\_ of the Deposit to purchase the Escrow Securities, described in Appendix A, in the principal amount of \$\_\_\_\_\_ at the respective purchase prices indicated in Appendix A and credit such Escrow Securities to the Escrow Fund. The Escrow Agent further is hereby directed to and shall hold \$\_\_\_\_\_ of the Deposit uninvested.

4. **Sufficiency Representation.** (a) In sole reliance upon the Verification Report, the Authority represents and warrants that the interest on and the maturing principal amounts of the Escrow Securities in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest) are sufficient to assure that money will be available to the Escrow Agent in the amounts and on the dates required to pay (i) the principal of the Refunded Bonds on the Redemption Date and (ii) when due and payable, the interest to accrue on the Refunded Bonds, to the Redemption Date, all as described in Appendix B. If the Escrow Securities (hereinafter defined) shall be insufficient to make such payments as they become due and payable, the Authority shall, from available money, timely pay to the Escrow Agent for deposit to the Escrow Fund such additional amounts as may be required to meet fully the amount so due and payable. Notice of any insufficiency in the Escrow Fund shall be given by the Escrow Agent to the Authority as promptly as possible, but the Escrow Agent shall in no manner be responsible for the Authority’s failure to make any payments to the Escrow Fund.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Escrow Securities and the Deposit to meet the payment requirements of the Refunded Bonds, nor shall the Escrow Agent be liable for any deficiencies in the amounts necessary to meet the payment requirements.

5. **Escrow Fund.** The Escrow Agent shall hold the cash and the book-entry credits of the Escrow Securities in the Escrow Fund at all times as a special and separate escrow fund for the benefit of the holders of the Refunded Bonds, wholly segregated from other funds and

securities on deposit with it, shall never commingle the Escrow Securities with other funds or securities owned or held by it, and shall never at any time use, loan, or borrow the same in any way other than as provided in this Agreement. The Escrow Fund is hereby irrevocably pledged to the payment of the Refunded Bonds in the amounts and on the dates set forth in Appendix B. Nothing herein contained shall be construed as requiring the Escrow Agent to keep the identical money, or any part thereof, in the Escrow Fund if it is impractical, but money of an equal amount, except to the extent represented by the Escrow Securities, must always be maintained on deposit in the Escrow Fund as an escrow fund held by the Escrow Agent; and a special account for the Escrow Fund evidencing such holdings shall at all times, until the termination of this Agreement in accordance with Paragraph 23 hereof, be maintained on the books of the Escrow Agent, together with the Escrow Securities so purchased and any cash on deposit therein.

6. **Investment Income.** (a) The Escrow Agent shall from time to time collect and receive the interest accruing and payable on the Securities and any Substituted Escrow Securities (as defined in Paragraph 7(b)) (collectively, the “Escrow Securities”) and the maturing principal amounts of the Escrow Securities as the same become due, and credit the same to the Escrow Fund, so that the interest on and proceeds of the Escrow Securities, as the same become due, will be available to meet the payment requirements of the Refunded Bonds, as shown in Appendix B to this Agreement.

(b) The Authority hereby irrevocably instructs the Escrow Agent to apply the principal and interest received from the Escrow Securities to the payment, for the account of the Authority, of the interest and premium on and principal of the Refunded Bonds. The Escrow Agent shall make such payments directly to The Depository Trust Company (“DTC”) for Cede & Co., as registered owner of the Refunded Bonds and the partnership nominee of DTC, in the amounts and at the times specified within Appendix B. Specific wire instructions for these payments on the Refunded Bonds are provided below:

Wire Instructions for Redemption Payments:

[Note - Need To Verify Account Information]

JP Morgan Chase Bank

4 New York Plaza- 15<sup>th</sup> Floor

ABA 021 000 021

New York NY 10004

For Credit of A/C Depository Trust Company

Redemption Account -- Principal 066-027306

Interest 066-026776

No further direction will be required by the Escrow Agent upon receipt of this wire transfer information.

7. **Reinvestment; Substitution.** (a) Except as otherwise provided in this Paragraph 7, neither the Authority nor the Escrow Agent shall otherwise invest or reinvest any money in the Escrow Fund.

(b) Upon the prior written request of the Authority and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of, or request the redemption of Escrow Securities (or any previously acquired Substituted Escrow Securities) as shall be specified in such request by the Authority and shall substitute for such Escrow Securities (or Substituted Escrow Securities) direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America designated by the Authority in such written request (the “Substituted Escrow Securities”). The Escrow Agent shall purchase the Substituted Escrow Securities with the proceeds derived from the sale, transfer, disposition or redemption of the Escrow Securities (or previously acquired Substituted Escrow Securities) and moneys, if any, provided by the Authority. No substitution for the Escrow Securities (or previously acquired Substituted Escrow Securities) shall be made by the Escrow Agent unless:

(i) the Escrow Agent shall have received the opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel, or other nationally recognized bond counsel, designated by the Authority, stating that such substitution will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds or on the Refunding Bonds and that such substitution is permitted by this Agreement; and

(ii) the Escrow Agent shall have received a verification report from an independent certified public accountant or firm of independent accountants/financial consultants selected by the Authority, stating that the principal of and interest on the Substituted Escrow Securities, together with any cash or Escrow Securities (or any previously acquired Substituted Escrow Securities) in the Escrow Fund for which substitution is not then being made, will be fully sufficient, without reinvestment, to meet the payment requirements with respect to the Refunded Bonds.

(c) Investments in mutual funds or unit investment trusts are prohibited.

8. **No Liability.** The Escrow Agent shall not be liable or responsible for any loss resulting from any investment or reinvestment made in the Escrow Securities.

9. **Inviolability of Escrow Fund.** In the event of the Escrow Agent’s failure to account for any funds or securities received by it for the Authority’s account under this Agreement, such funds and securities shall be and remain the property of the Escrow Fund, and the Authority and the holders of the Refunded Bonds shall be entitled to such preferred claims, and shall have such first liens, upon such funds and securities as are enjoyed by a trust beneficiary. If for any reason particular Escrow Securities or moneys cannot be identified, the Escrow Agent shall proceed as promptly as possible to make such identification. The moneys and securities received by the Escrow Agent under this Agreement shall not be considered banking deposits by the Authority, and the Authority shall have no right or title with respect thereto. The moneys and securities so received by the Escrow Agent as Escrow Agent under this Agreement shall not be subject to checks or drafts drawn by the Authority.

10. **Statements.** Semiannually on or before the 30th day of each June or December, commencing with June 30, 2020, so long as the Escrow Fund is maintained under this Agreement, the Escrow Agent shall forward to the Authority, addressed to the attention of the

Director of the Department of Finance, a statement in detail of the Escrow Securities, and the income and maturities thereof, held and withdrawals of money from the Escrow Fund for the period from the last statement furnished pursuant to this paragraph.

11. **Notice of Establishment of Escrow Fund; Redemption.** (a) The Authority directs the Escrow Agent, and the Escrow Agent agrees, to cause the notice of redemption, to be sent by first-class mail, postage prepaid to the registered owners of the Refunded Bonds at least 30 but not more than 60 days prior to the applicable Redemption Date. The Authority agrees to take all other steps necessary for the redemption thereof, as provided in and in accordance with the applicable provisions of the Trust Agreement. Notice of such redemption shall be in substantially the form set forth in Appendix C.

(b) The Authority hereby specifically and irrevocably elects to redeem on the Redemption Date the Refunded Bonds at the principal amount of each Refunded Bond plus accrued interest to the Redemption Date, as set forth in Appendix B.

(c) The Escrow Agent shall also take the following actions with respect to such notice of redemption:

Not less than thirty-five (35) days prior to the date of redemption, notice of such redemption shall be given by (i) first-class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission or (iii) through EMMA and the following securities depository at the address and transmission number given, or such other address or transmission number as may have been delivered in writing to the Escrow Agent for such purpose not later than the close of business on the day before such notice is given:

The Depository Trust Company  
55 Water Street  
New York, New York 10041  
Telephone: (212) 855-1000  
Facsimile transmission:  
(212) 855-7232  
(212) 855-7233

Notwithstanding anything to the contrary herein, the Authority acknowledges and agrees that the Escrow Agent is not acting as the disclosure/dissemination agent for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934 in connection with any notice required to be sent to EMMA.

12. **Duties of Escrow Agent.** The Escrow Agent shall have no responsibility to any person in connection herewith except the responsibilities specifically provided herein, no additional covenants or obligations shall be read into this Agreement against the Escrow Agent and the Escrow Agent shall not be responsible for anything done or omitted to be done by it except for its own negligence or willful misconduct in the performance of any obligation imposed on it hereunder. The Escrow Agent, except as herein specifically provided for, is not a party to, nor is it bound by nor need it give consideration to the terms or provisions of any other agreement or undertaking between the Authority and other persons, and the Escrow Agent

assents to and is to give consideration only to the terms and provisions of this Agreement. Unless it is specifically provided, the Escrow Agent has no duty to determine or to inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Authority with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, to exercise reasonable care and diligence, and in the event of material error in making such determination the Escrow Agent shall be liable for its own willful misconduct and its negligence. Notwithstanding any provision herein to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. In determining the occurrence of any such event or contingency, the Escrow Agent may request from the Authority or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency and, in this connection, may inquire and consult with the Authority, among others, at any time. The Escrow Agent shall be entitled to conclusively rely upon such evidence that it in good faith believes to be genuine. The Escrow Agent may consult with legal counsel, and the opinion of such counsel shall be full and complete authority and protection to the Escrow Agent as to any action taken or omitted by it in good faith and in accordance with such opinion. Any payment obligation of the Escrow Agent hereunder shall be paid from, and is limited to funds available, established and maintained hereunder, and the Escrow Agent shall not be required to expend its own funds for the performance of its duties under this Agreement. The Escrow Agent may act through its agents and attorneys. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

13. **Benefits of Agreement.** This Agreement is between the Authority and the Escrow Agent only, and, in connection herewith, the Escrow Agent is authorized by the Authority to conclusively rely upon the representations of the Authority in connection with this Agreement, and the Escrow Agent shall not be liable to any person in any manner for such reliance. The duties of the Escrow Agent hereunder shall only be to the Authority and the owners of the Refunded Bonds. Neither the Authority nor the Escrow Agent shall assign or transfer or attempt to assign or transfer its interest hereunder or any part thereof. Any such assignment or attempted assignment shall be in direct conflict with this Agreement and shall be void and without effect.

14. **Reliance on Instruments.** The Escrow Agent may conclusively rely and act upon any written notice, request, waiver, consent, certificate, receipt, authorization, power of

attorney, or other instrument or document that the Escrow Agent in good faith believes to be genuine and to be what it purports to be.

15. **Notices.** Any notice, authorization, request, or demand required or permitted to be given between the parties hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

**to the Authority:**

Fairfax County Economic Development Authority  
8300 Boone Boulevard, Suite 450  
Vienna, VA 22182  
Attention: \_\_\_\_\_

**With a copy to:**

Department of Finance  
Fairfax County, Virginia  
12000 Government Center Parkway  
Fairfax, VA 22035

Attention: Director

**to the Escrow Agent:**

The Bank of New York Mellon Trust Company, N.A.  
BNY Mellon Corporate Trust  
500 Ross Street, 12th Floor  
Pittsburgh, PA 15262

Attention: Corporate Trust

16. **Business Days.** Whenever under the terms of this Agreement the performance date of any act to be done hereunder shall fall on a day that is not a legal banking day in [Pittsburg, Pennsylvania,] and upon which the Escrow Agent is not open for business, the performance thereof on the next succeeding business day of the Escrow Agent shall be deemed to be in full compliance with this Agreement. Whenever time is referred to in this Agreement, it shall be the time recognized by the Escrow Agent in the ordinary conduct of its respective normal business transactions.

17. **Agreement Binding Upon Assigns.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective personal representatives, successors, and assigns.

18. **Fee of Escrow Agent.** The compensation for the Escrow Agent under this Agreement has been agreed upon by the Escrow Agent and the Authority and is to be paid from funds other than the Deposit and Escrow Securities and the income thereon.

Any legal expenses, or any costs, charges or expenses associated with the mailing of any notice with respect to the Refunded Bonds under this Agreement of the Escrow Agent, shall be paid by the Authority solely from funds of the Authority, and in no event shall such costs, charges or expenses give rise to any claim against the Escrow Fund, the assets of which are solely for the benefit of the holders of the Refunded Bonds. If the Escrow Agent is required by a governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto (other than due to the Escrow Agent's negligence or willful misconduct), the Escrow Agent shall notify the Authority of the same in writing and the Authority shall, subject to the appropriation by its Board of Supervisors, promptly pay the Escrow Agent for such extraordinary fees, costs and expenses reasonably and necessarily incurred in connection therewith.

**19. Resignation of Escrow Agent.** The Escrow Agent may resign and thereby become discharged from the duties hereby created, by notice in writing given to the Authority not less than sixty (60) days before such resignation shall take effect. The Escrow Agent shall continue to serve as Escrow Agent until a successor is appointed. Such resignation shall take effect immediately, however, upon the appointment of a new Escrow Agent hereunder, if such new Escrow Agent shall be appointed before the time limited by such notice and such new Escrow Agent shall have accepted the trusts hereof.

**20. Removal of Escrow Agent.** The Escrow Agent may be removed at any time, but not less than thirty (30) days from the date of notice for removal, by an instrument or concurrent instruments in writing, executed by the owners of not less than a majority in aggregate principal amount of the Refunded Bonds then outstanding, such instruments to be filed with the Authority. A photographic copy of any instrument filed with the Authority under the provisions of this paragraph shall be delivered by the Authority to the Escrow Agent.

The Escrow Agent may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any material provisions of this Agreement with respect to the duties and obligations of the Escrow Agent, by any court of competent jurisdiction upon the application of the Authority or the owners of not less than a majority in aggregate principal amount of the Refunded Bonds then outstanding.

**21. Appointment of Successor Escrow Agent.** If at any time hereafter the Escrow Agent shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Agent shall thereupon become vacant. If the position of Escrow Agent shall become vacant for any of the foregoing reasons or for any other reason, the Authority shall appoint an Escrow Agent to fill such vacancy. The Authority shall notify the registered owners of any such appointment made by it by mail, postage prepaid within sixty (60) days of such appointment.

At any time after such appointment by the Authority, and prior to the termination of this Agreement in accordance with Paragraph 23, the owners of a majority in aggregate principal amount of the Refunded Bonds then outstanding, by an instrument or concurrent instruments in writing, executed and filed with the Authority, may appoint a successor Escrow Agent that shall supersede any Escrow Agent theretofore appointed by the Authority. Photographic copies of

each such instrument shall be delivered promptly by the Authority to the predecessor Escrow Agent and to the Escrow Agent so appointed by the owners of the Refunded Bonds.

If no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within sixty (60) days of the notice of resignation or removal of the Escrow Agent has been delivered, the owner of any Refunded Bond or the retiring Escrow Agent may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Escrow Agent.

If the Escrow Agent shall merge into another banking or other similar institution with trust powers, or if substantially all of the assets of the Escrow Agent shall otherwise be acquired by any such banking or other similar institution, the surviving or acquiring institution shall be substituted for the Escrow Agent as Escrow Agent and shall succeed to the rights and obligations of the Escrow Agent hereunder without the necessity of execution of any instrument or the taking of any other action by the Escrow Agent, such surviving or acquiring bank, or the Authority and without giving any notice, by publication or otherwise, to anyone other than the Authority.

22. **Amendment.** This Agreement shall be irrevocable and may not be amended, without the consent of all the owners of the Refunded Bonds then unpaid; provided, however, that this Agreement may be amended, without the consent of the owners of unpaid Refunded Bonds, for the following purposes:

- (a) the insertion of unintentionally omitted material or the correction of mistakes or clarification of ambiguities;
- (b) the pledging of additional security to the Refunded Bonds;
- (c) the deposit of additional cash or securities to the Escrow Fund; or
- (d) any other amendment that a rating agency then rating the Refunded Bonds has confirmed in writing will not result in a reduction in its respective ratings on the Refunded Bonds.

The Escrow Agent shall be entitled to receive and conclusively rely upon an opinion of counsel to the effect that any such amendment is authorized or permitted by this Agreement.

23. **Termination.** This Agreement shall terminate on the date upon which the Escrow Agent makes the final payment to DTC in an amount sufficient to pay the balance of the principal of and interest coming due on the Refunded Bonds. Upon the final payment of all of the Refunded Bonds and except as otherwise requested in writing by the Authority, the Escrow Agent shall sell or redeem any Escrow Securities remaining in the Escrow Fund and shall remit to the Authority the proceeds thereof, together with all other money, if any, then remaining in the Escrow Fund.

24. **Identifying Information.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify

and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see financial statements, licenses, and identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

25. **Severability.** If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or the Escrow Agent to be performed are determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

26. **Counterparts.** This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

27. **Governing Law.** This Agreement shall be governed by the domestic law of the Commonwealth of Virginia without regard to conflict of law principles.

[Remainder of page intentionally left blank]

**IN WITNESS WHEREOF**, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

**FAIRFAX COUNTY ECONOMIC  
DEVELOPMENT AUTHORITY, VIRGINIA**

By: \_\_\_\_\_  
Name:  
Title:

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Escrow Agent**

By: \_\_\_\_\_  
Name:  
Title:

**APPENDIX A****ESCROW SECURITIES:**

<b><u>Type</u></b>	<b><u>Maturity Date</u></b>	<b><u>Par Amount</u></b>	<b><u>Coupon</u></b>	<b><u>Price</u></b>	<b><u>Accrued Interest</u></b>	<b><u>Total Cost</u></b>
<b>Total</b>						

**APPENDIX B**

**Fairfax County Economic Development Authority  
Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project),  
Series 2011**

Pay to the registered owner of the 2011 Refunded Bonds, the amounts shown in the Total Debt Service column on the corresponding dates.

**Schedule of Debt Service**

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
08/01/2020	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

## APPENDIX C

## NOTICE OF REDEMPTION

## FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY

**REVENUE BONDS (WIEHLE AVENUE METRORAIL STATION PARKING PROJECT), SERIES 2011, Dated July 28, 2011, and maturing August 1, 202[0] to 2032, inclusive, and on August 1, 2034**

NOTICE IS HEREBY GIVEN to the owners of the following outstanding Fairfax County Economic Development Authority Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project), Series 2011 (the “Refunded Bonds”), that such Bonds shall be redeemed on the date at the redemption price (expressed as a percentage of the principal amount of such Bonds) referred to below together with the interest accrued thereon to the redemption date:

**REFUNDED BONDS**

Redemption Date: August 1, 2020

[Note – Information in table to be confirmed]

Maturity Date	Principal Amount	Interest Rate	Redemption Price	CUSIP Numbers <sup>1</sup>
[August 1, 2021	\$4,190,000	3.250%	100%	30382E FF6
August 1, 2022	4,365,000	5.000	100	30382E FG4
August 1, 2023	4,555,000	3.500	100	30382E FH2
August 1, 2024	4,730,000	4.000	100	30382E FJ8
August 1, 2025	4,920,000	4.000	100	30382E FK5
August 1, 2026	5,120,000	4.000	100	30382E FL3
August 1, 2027	5,330,000	4.000	100	30382E FM1
August 1, 2028	5,550,000	4.125	100	30382E FN9
August 1, 2029	5,790,000	4.250	100	30382E FP4
August 1, 2030	6,040,000	4.250	100	30382E FQ2
August 1, 2031	6,310,000	4.500	100	30382E FR0
August 1, 2032	6,600,000	4.500	100	30382E FS8
August 1, 2034	14,130,000	4.500	100	30382E FT6]

On their Redemption Date, the Refunded Bonds shall become due and payable at their Redemption Price (together with the interest accrued thereon to the Redemption Date), interest on the Refunded Bonds shall cease to accrue, and from and after the Redemption Date the owners shall have no rights in respect thereof except to receive payment of the Redemption Price plus accrued interest to the Redemption Date.

<sup>1</sup>The Authority shall not be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of bondholders. This column indicates the CUSIP numbers that were assigned upon the original issuance of the Refunded Bonds and does not reflect subsequent changes, if any.

Payment of the Redemption Price will be made upon presentation and surrender of the Refunded Bonds, on or after August 1, 2020, at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., as Escrow Agent.

The Refunded Bonds should be presented for payment as follows:

The Bank of New York Mellon Trust Company, N.A.  
Corporate Trust Services

\_\_\_\_\_  
\_\_\_\_\_

If bonds are presented by mail, the manner of shipment of bonds is at the bondholder's discretion; however, transmittal by insured, registered mail is suggested.

Under certain provisions of the Internal Revenue Code of 1986, as amended, a beneficial owner of a Refunded Bond may be subject to information reporting and to backup withholding of certain amounts paid to the beneficial owner unless such beneficial owner provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with applicable requirements of the backup withholding rules.

THE BANK OF NEW YORK  
MELLON TRUST COMPANY, N.A.

Dated: May \_\_, 2020

**APPENDIX D**

**VERIFICATION REPORT**

**SUPPLEMENT TO  
INSTALLMENT PURCHASE CONTRACT**

between

**FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY**

and

**BOARD OF SUPERVISORS OF  
FAIRFAX COUNTY, VIRGINIA**

relating to

**WIEHLE AVENUE METRORAIL STATION PROJECT**

---

Dated as of \_\_\_\_\_, 2020

This is a Supplement, dated \_\_\_\_\_, 2020 (this “Supplement”), to the Installment Purchase Contract, dated as of July 1, 2011 (the “Contract”), by and between the Fairfax County Economic Development Authority, a political subdivision of the Commonwealth of Virginia (“EDA”), and the Board of Supervisors of Fairfax County, Virginia, a political subdivision of the Commonwealth of Virginia (the “County”).

#### **RECITALS:**

**WHEREAS**, the County and EDA entered into the Contract in connection with EDA’s issuance of \$93,430,000 aggregate principal amount of its Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project), Series 2011 (the “2011 Bonds”), for the purpose of financing the cost of the acquisition of the Project, as defined in the Contract;

**WHEREAS**, the County and EDA have determined that they may obtain debt service savings by refunding the 2011 Bonds;

**WHEREAS**, EDA has, on the date hereof, issued \$\_\_\_\_\_ aggregate principal amount of its Revenue Refunding Bonds (Wiehle Avenue Metrorail Station Parking Project), Series 2020 (the “2020 Bonds”), and applied proceeds thereof to the refunding of the 2020 Bonds;

**WHEREAS**, Schedule 1 to the Contract sets out the Basic Payments (as defined in the Contract) payable by the County in connection with the 2011 Bonds;

**WHEREAS**, in connection with the issuance of the 2020 Bonds, Section 4.02(a)(ii) of the Contract requires the County and EDA to revise Schedule 1 to reflect the refunding of the 2011 Bonds and the Basic Payments to be made by the County in connection with the 2020 Bonds;

**NOW THEREFORE**, the County and EDA hereby supplement the Contract as set forth herein.

**SECTION 1.01. Supplement to Schedule 1.** Schedule 1 to the Contract is hereby amended, commencing the date hereof, as set forth in Schedule 1 to this Supplement.

**SECTION 1.02. Non-Appropriation.** ANYTHING TO THE CONTRARY NOTWITHSTANDING ELSEWHERE IN THIS SUPPLEMENT OR IN THE CONTRACT, THE FAILURE OF THE COUNTY TO PAY ALL OR ANY PORTION OF ANY AMOUNT OTHERWISE DUE AND PAYABLE UNDER THE CONTRACT, AS SUPPLEMENTED HEREBY, TO OR FOR THE ACCOUNT OF EDA OR THE TRUSTEE ON ACCOUNT OF THE FAILURE OF THE BOARD OF SUPERVISORS OF THE COUNTY TO APPROPRIATE SUCH SUM SHALL NOT, TO THE EXTENT OF SUCH FAILURE, CONSTITUTE A DEFAULT OR AN EVENT OF DEFAULT UNDER THE CONTRACT, AS SUPPLEMENTED HEREBY.

**SECTION 1.03. Definitions of Certain Terms.** Capitalized terms in this Supplement that are not otherwise defined shall have the same meaning as in the Contract.

**IN WITNESS WHEREOF**, EDA and the County have duly executed this Contract as of the day and year first above written.

**FAIRFAX COUNTY ECONOMIC  
DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Title:

**BOARD OF SUPERVISORS OF  
FAIRFAX COUNTY, VIRGINIA**

By: \_\_\_\_\_  
Chief Financial Officer

**SCHEDULE 1**

**BASIC PAYMENTS**

To be made at least five business days prior to each February 1<sup>st</sup> and August 1<sup>st</sup>  
in the amounts set forth on the attached.

**Date**

**Basic Payment**

Board Agenda Item  
July 16, 2019

ACTION - 7

Approval of and Authorization to Execute a Standard Project Administration Agreement with Loudoun County, the Metropolitan Washington Airports Authority, the Toll Road Investors Partnership II, L.P. and the Virginia Department of Transportation for the Implementation of a Study of Route 28 and Dulles Toll Road/Greenway (Dranesville District)

ISSUE:

Board of Supervisors' approval of, and authorization for, the Director of the Department of Transportation to execute a Project Administration Agreement (PAA) with Loudoun County, the Metropolitan Washington Airports Authority (MWAA), the Toll Road Investors Partnership II, L.P. and the Virginia Department of Transportation (VDOT), substantially in the form of Attachment 2, for the implementation of the Route 28 and Dulles Toll Road/Greenway Study.

RECOMMENDATION:

The County Executive recommends that the Board of Supervisors approve funding in the amount of \$100,000, and a resolution (Attachment 1), authorizing the Director of the Department of Transportation to execute a PAA with Loudoun County, MWAA, the Toll Road Investors Partnership II, L.P. and VDOT, substantially in the form of Attachment 2, for the implementation of the Route 28 and Dulles Toll Road/Greenway Study.

TIMING:

The Board should act on this item on July 16, 2019, so that a study of proposed solutions to congestion at the Route 28 and Dulles Toll Road interchange can commence to correspond with ongoing improvements to Route 28.

BACKGROUND:

Over the past several years a number of improvements in the Route 28 corridor and surrounding roadway network have been completed. In August 2017, VDOT completed a project that added one lane to southbound Route 28 from Sterling Boulevard to Route 50. In addition, in February 2017 the Innovation Avenue Interchange partially opened to traffic (right-in/right-out), with complete opening in spring 2017. Prior to these projects, southbound Route 28 experienced congestion in the morning peak period. While the widening increased capacity of the southbound Route 28 through movements, the

interchange area continues to experience reoccurring congestion during the morning and afternoon peak periods.

In addition to these roadway changes, land development and traffic continues to grow in areas around the Route 28 corridor in both Fairfax and Loudoun counties. The extension of Metrorail's Silver Line to points west of the Dulles Airport in Loudoun County is expected to be completed in 2020. The provision of multi-modal improvements, such as Metrorail line and transit service to the new Metrorail stations, is expected to attract new development to the Dulles Toll Road/Dulles Greenway and Route 28 corridors.

Figure 1. Project Study Area



Board Agenda Item  
July 16, 2019

Roadway users and stakeholders have requested that Loudoun and Fairfax Counties, MWAA, and VDOT assess the traffic and safety conditions at this interchange area and identify solutions to address identified issues.

FISCAL IMPACT:

The Project Administration Agreement indicates that the parties to the agreement will contribute the following amounts:

Fairfax County - \$100,000  
Loudoun County - \$100,000  
Metropolitan Washington Airports Authority - \$100,000  
Toll Road Investors Partnership II, L.P. - \$100,000  
Virginia Department of Transportation - \$450,000.

Funding for Fairfax County's portion of the agreement will come from Fund 40010, County and Regional Transportation Projects, construction reserve (G40-001). There is no impact to the General Fund.

ENCLOSED DOCUMENTS:

Attachment 1: Resolution Authorizing the Execution of a Project Administration Agreement with Loudoun County, the Metropolitan Washington Airports Authority, the Toll Road Investors Partnership II, L.P. and the Virginia Department of Transportation

Attachment 2: Project Administration Agreement (including Related Appendices) with Loudoun County, the Metropolitan Washington Airports Authority, and the Toll Road Investors Partnership II, L. P. and the Virginia Department of Transportation

STAFF:

Rachel Flynn, Deputy County Executive  
Tom Biesiadny, Director, Fairfax County Department of Transportation (FCDOT)  
Eric Teitelman, Chief, Capital Projects and Traffic Engineering Division (CPTED), FCDOT  
John King, Transportation Planner, FCDOT  
Todd Wigglesworth, Chief, Coordination and Funding Division (CFD), FCDOT  
Brent Riddle, Senior Transportation Planner, Funding Section, CFD, FCDOT

ASSIGNED COUNSEL:

Joanna Faust, Assistant County Attorney

## **Fairfax County Board of Supervisors Resolution**

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium in the Fairfax County Government Center in Fairfax, Virginia, on Tuesday, July 16, 2019, at which meeting a quorum was present and voting, the following resolution was adopted:

### **AGREEMENT EXECUTION RESOLUTION**

#### **A RESOLUTION FOR THE BOARD OF SUPERVISORS OF THE COUNTY OF FAIRFAX, VIRGINIA AS AN ENDORSEMENT OF THE**

#### **Route 28 & Dulles Toll Road/Greenway Study Project**

**WHEREAS**, in accordance with the Commonwealth Transportation Board construction allocation procedures, it is necessary that a resolution be received from the sponsoring local jurisdiction or agency requesting the Virginia Department of Transportation (VDOT) to establish a project(s), if not already established, in the County of Fairfax.

**NOW, THEREFORE, BE IT RESOLVED**, that the County of Fairfax requests the Commonwealth Transportation Board to establish a project(s), if not already established, for the implementation of the Route 28 & Dulles Toll Road/Greenway Study (“Project”).

**BE IT FURTHER RESOLVED THAT**, the County of Fairfax hereby agrees to provide its share of the local contribution, in accordance with the Project Administration Agreements (“PAA”, attached) and associated financial documents (Appendix A), executed pursuant to this Resolution.

**BE IT FURTHER RESOLVED THAT**, the Board of Supervisors of Fairfax County, Virginia, authorizes the Director of Fairfax County’s Department of Transportation to execute, on behalf of the County of Fairfax, the PAA with Loudoun County, the Metropolitan Washington Airports Authority, the Toll Road Investors Partnership II, L.P., and VDOT for the implementation of the Project to be administered by VDOT.

Adopted this 16th day of July 2019, Fairfax, Virginia

ATTEST \_\_\_\_\_  
Catherine A. Chianese  
Clerk to the Board of Supervisors

**VDOT ADMINISTERED – LOCALLY and PRIVATELY FUNDED  
PROJECT ADMINISTRATION AGREEMENT**

PROJECT NUMBER 43844-15-27    UPC 106141

THIS AGREEMENT, made and executed in quintuple on this the \_\_\_\_ day  
of \_\_\_\_\_, 2019, by and among the following Parties:  
COMMONWEALTH OF VIRGINIA DEPARTMENT OF  
TRANSPORTATION, (hereinafter referred to as the "DEPARTMENT"),  
the COUNTY OF FAIRFAX, and the COUNTY OF LOUDOUN,  
(hereinafter collectively referred to as "COUNTIES"), the  
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY  
("MWAA") and TOLL ROAD INVESTORS PARTNERSHIP II, L.P.  
(hereinafter collectively referred to as "OPERATING AGENCIES")

WITNESSETH

WHEREAS, the COUNTIES and OPERATING AGENCIES have expressed their desire to have the DEPARTMENT administer the work, the scope and description of which are set out in Appendix B (hereinafter referred to as the "Project") and the DEPARTMENT has agreed to perform such work; and

WHEREAS, the funds as shown in Appendix A have all been allocated by the DEPARTMENT, each of the COUNTIES and each of the OPERATING AGENCIES, for purposes of financing the Project; and

WHEREAS, all Parties have concurred in the DEPARTMENT's administration of the Project in accordance with this Agreement and including associated Appendices A and B, and with applicable federal, state, and local law and regulations; and

WHEREAS, each of the governing bodies of the COUNTIES and the OPERATING AGENCIES has, by its respective resolutions or other authorizing documentation, set forth in Appendix C, authorized each of their authorized representatives to enter into and execute this Agreement; and

WHEREAS, section 33.2-338 of the *Code of Virginia* authorizes both the DEPARTMENT and the COUNTIES to enter into this Agreement; and

WHEREAS, the Commonwealth Transportation Board has, pursuant to section 33.2-214, the power and duty to enter into contracts with local districts, commissions, agencies, or other entities created for transportation purposes and has delegated authority to the Commissioner of Highways or his designee to enter into and execute this Agreement; and

NOW THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein, the Parties hereto agree as follows:

A. The DEPARTMENT shall:

1. Complete said work as identified in Appendix B, advancing such diligently, and in accordance with all applicable laws and regulations and all work shall be completed in accordance with the schedule established by all Parties.
2. Perform or have performed, and remit all payments due to third parties for, all work performed for the Project as set out in Appendix A and Appendix B.
3. Provide a summary of Project expenditures to the COUNTIES and OPERATING AGENCIES for charges of actual DEPARTMENT cost.
4. Notify the COUNTIES and OPERATING AGENCIES of additional Project expenses resulting from unanticipated circumstances and provide detailed estimates of additional costs associated with those circumstances and use best efforts to provide such notification to the COUNTIES and OPERATING AGENCIES prior to performing any activities which would incur the estimated additional costs.
5. Return any unexpended funds to the COUNTIES and OPERATING AGENCIES in shares pro rata to each such Party's contribution no later than 90 days after the Project has been completed and final Project expenses have been paid in full.

B. The COUNTIES and OPERATING AGENCIES shall:

1. Provide funds to the DEPARTMENT for the work to be performed by or on behalf of DEPARTMENT, in accordance with the payment schedule outlined in Appendix A.
2. Collectively work together to identify additional funding needed in the event of unforeseen circumstances which require additional funding, recognizing that all work will cease once funding has been exhausted, and to enter into an amendment to this Agreement to reflect such additional funding.

C. Funding provided by the COUNTIES shall be subject to annual appropriation or other lawful appropriation by the Board of Supervisors of the COUNTIES and funding provided by the DEPARTMENT shall be subject to appropriation by the Virginia General Assembly and allocation by the Commonwealth Transportation Board.

D. The Parties mutually agree and acknowledge, in entering into this Agreement, that (i) the individuals acting on behalf of the Parties are acting within the scope of their

official authority and (ii) no Party will bring a suit or assert a claim against any official, officer, director, partner, agent or employee of any other Party, in such individual's or entity's individual or personal capacity for a breach or violation of the terms of this Agreement or to otherwise enforce the terms and conditions of this Agreement. The foregoing notwithstanding, nothing in this subparagraph shall prevent the enforcement of the terms and conditions of this Agreement by or against any Party in a competent court of law.

- E. The Parties mutually agree that no provision of this Agreement shall create in the public, or in any person or entity other than the Parties, rights as a third party beneficiary hereunder, or authorize any person or entity, that is not a Party hereto, to maintain any action pursuant to the terms of this Agreement or otherwise for, without limitation, personal injury, property damage, breach of contract, return of money, property, or deposit(s); or, cancellation or forfeiture of bonds, or financial instruments. Notwithstanding any other provision of this Agreement to the contrary, the Parties agree that neither the COUNTIES, OPERATING AGENCIES nor the DEPARTMENT shall be bound by any agreement between any Party and other persons or entities concerning any matter that is the subject of this Agreement, unless and until the COUNTIES, OPERATING AGENCIES and the DEPARTMENT have received a true written copy of such agreement and have all affirmatively agreed, in writing, to be bound by such agreement.
- F. Nothing in this Agreement shall be construed as a waiver of the COUNTIES', MWAA'S, or the Commonwealth of Virginia's sovereign immunity.
- G. Should the funding set out in Appendix A be insufficient, for any reason, the COUNTIES and OPERATING AGENCIES shall collectively work together with the DEPARTMENT in accordance with subsection B(2) of this Agreement to provide the additional funding necessary to complete the work in Appendix B and if such additional funding from the COUNTIES and OPERATING AGENCIES is unavailable, all Parties will review all available options for moving the Project forward, including but not limited to, halting work until additional funds are allocated, or revising the Project scope to conform to available funds.
- H. Subject to paragraph C, should the Project be cancelled by the COUNTIES and OPERATING AGENCIES, the COUNTIES and OPERATING AGENCIES shall be responsible for any costs, claims and liabilities associated with the early termination of any contract(s) issued pursuant to this Agreement.
- I. All Parties agree that, in the event additional funds are required to complete the Project over and above the funds identified in Appendix B, any Party may terminate its participation in the Project and shall not be responsible for contributing additional funds by providing 60 days advance written notice to all other Parties. The terminating Party shall nevertheless remain responsible for its original contribution to the Project as set forth in Appendix A and shall be responsible for reimbursing the DEPARTMENT for its pro rata share of any additional expenses it has agreed to fund and that have been incurred by the DEPARTMENT through the date the termination of its participation becomes effective.

J. All notices and other communications to be given under this Agreement shall be directed to:

For the DEPARTMENT:  
Abraham Lerner  
Associate Manager of Special Project Development  
4975 Alliance Drive  
Fairfax, VA 22030  
703-259-3345

For the COUNTY OF FAIRFAX:

John King  
Transportation Planner  
4050 Legato Road  
Fairfax, VA 22033  
703-877-5840

For the COUNTY OF LOUDOUN

Susan Glass  
Program Manager  
101 Blue Seal Dr SE, Suite 102  
Leesburg, VA 20175  
703-777-0251

For the METROPOLITAN WASHINGTON AIRPORTS AUTHORITY:

Michael Hewitt  
Airport Planner Engineer  
1 Aviation Circle  
Washington, DC 20001  
703-572-0264

For TOLL ROAD INVESTORS PARTNERSHIP II, L.P

Don Cohrs  
Chief Operating Officer  
45305 Catalina Court, Suite 102  
Sterling, VA 20166  
703-668-0032

or to such other recipients or addresses as may be requested by the Parties in writing at least one week prior to the date of such notice. Any notice given shall be deemed given when delivered, if personally served, or if delivered by mail, three (3) days after being posted with the U.S. Post Office, first class postage pre-paid.

THE COUNTIES and OPERATING AGENCIES and DEPARTMENT acknowledge and agree that this Agreement has been prepared jointly by the Parties and shall be construed simply and in accordance with its fair meaning and not strictly for or against any Party.

THIS AGREEMENT shall be governed in all respects by the laws of the Commonwealth of Virginia.

THIS AGREEMENT, when properly executed, shall be binding upon all Parties, their successors and assigns.

THIS AGREEMENT may be modified in writing upon mutual agreement of all Parties.

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be executed by its duly authorized representative as of the day, month, and year first herein written.

**COUNTY OF FAIRFAX, VIRGINIA:**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed or Printed Name of Signatory

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Date

NOTE: The official signing for the FAIRFAX COUNTY must attach a certified copy of his or her authority to execute this Agreement.

**COUNTY OF LOUDOUN, VIRGINIA:**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed or Printed Name of Signatory

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Date

NOTE: The official signing for the LOUDOUN COUNTY must attach a certified copy of his or her authority to execute this Agreement.

**METROPOLITAN WASHINGTON AIRPORTS AUTHORITY:**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed or Printed Name of Signatory

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Date

NOTE: The official signing for the METROPOLITAN WASHINGTON AIRPORTS AUTHORITY must attach a certified copy of his or her authority to execute this Agreement.

**TOLL ROAD INVESTORS II, L.P. a Virginia limited partnership:**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed or Printed Name of Signatory

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Date

NOTE: The official signing for TOLL ROAD INVESTORS II must attach a certified copy of his or her authority to execute this Agreement.

**COMMONWEALTH OF VIRGINIA, DEPARTMENT OF TRANSPORTATION:**

\_\_\_\_\_  
Commissioner of Highways or his designee  
Commonwealth of Virginia  
Department of Transportation

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed or Printed Name of Signatory

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Date

Attachments: Appendix A (106141)  
Appendix B (106141)  
Appendix C – Authorities for execution

## VDOT Administered, Locally Funded Appendix A

Date: 5/17/2019

Fairfax and Loudoun Counties,  
MWAA, Toll Road Investors  
Partnership II, L.P.

Project Number: 43844-15-27

UPC: 106141 CFDA# N/A

Parties: Partnership II, L.P.

<b>From:</b> Route 665 Frying Pan Road (Fairfax County) <b>To:</b> Route 846 S. Sterling Boulevard (Loudoun County)	<b>Locality DUNS #</b> Fairfax County: 074837626 Loudoun County: 831900704 Metropolitan Washington Airports Authority: 197136690 Toll Road Investors Partnership II L.P.: 197136690	<b>Locality Address (incl ZIP+4):</b> Fairfax County 4050 Legato Road, Suite 400, Fairfax, VA 22033-2895 Loudoun County 1 Harrison Street, Leesburg, VA 20175-3102 Metropolitan Washington Airports Authority 1 Aviation Circle, Washington, DC 20001-6000 Toll Road Investors Partnership II L.P. 45305 Catalina Ct., 102, Sterling, VA 20166-2369
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Scope: Conduct an assessment of Route 28 traffic operations and safety and develop mitigation measures to address the traffic operations and safety issues.

From: Route 665 Frying Pan Road (Fairfax County)

To: Route 846 S. Sterling Boulevard (Loudoun County)

John King (Fairfax Co.), john.king2@fairfaxcounty.gov, 703-877-5840  
 Susan Glass (Loudoun County), susan.glass@loudoun.gov, 703-777-0251  
 Michael Hewitt (MWAA), michael.hewitt@mwaa.com, 703-572-0264  
 Don Cohrs (TRIP II), dcohrs@dullesgreenway.com, 703-688-0032

Locality Project Manager Contact info:

Department Project Coordinator Contact Info: Abraham Lerner abraham.lerner@vdot.virginia.gov (703) 259-3345

## Project Estimates

Phase	Estimated Project Costs
Preliminary Engineering	\$850,000
Right of Way & Utilities	\$0
Construction	\$0
Total Estimated Cost	\$850,000

## Project Cost

Phase	Project Allocations	Funds type (Choose from drop down box)	Local % Participation for Funds Type	Local / Private Share Amount
Preliminary Engineering	\$450,000	State Funds	0%	\$0
	\$400,000	Local / Other Funds	100%	\$400,000
Total PE	\$850,000			\$400,000
Right of Way & Utilities				
Total RW				
Construction				
Total CN				
Total Estimated Cost	\$850,000			\$400,000

## Total Maximum Reimbursement / Payment by Locality to VDOT

\$400,000

## Project Financing

State Funds	Local Funds (Fairfax)	Local Funds (Loudoun)	Other Funds Metropolitan Washington Airports Authority	Other Funds Toll Road Investors Partnership II, L.P.	Aggregate Allocations
\$450,000	\$100,000	\$100,000	\$100,000	\$100,000	\$850,000

## Payment Schedule

FY 2019			
\$850,000			

## Program and Project Specific Funding Requirements

- This agreement/appendix is for **PE STUDY ONLY**. If this later becomes a full project to include Right of Way and/or Construction phases, a separate UPC and agreement/appendix will be executed.
- All local funds included on this appendix have been formally committed by the counties government's board and/or operating agencies resolution subject to appropriation.
- This is a limited funds project. The COUNTIES / OPERATING AGENCIES shall be responsible for any additional funding in excess of \$450,000.
- VDOT has billed the COUNTIES / OPERATING AGENCIES \$0.00 for this project as of 05/17/2019
- VDOT has received \$0.00 from the COUNTIES / OPERATING AGENCIES for this project as of 05/17/2019
- **Fairfax County, Loudoun County, Metropolitan Washington Airports Authority, and Toll Road Investors Partnership II, L.P. each shall make one (1) payment to VDOT in the amount of \$100,000 no later than 60 days after execution of this agreement.**

This attachment is certified and made an official attachment to this document by the parties to this agreement

Fairfax Authorized County Official and Date

Toll Road Investors Partnership II, L.P. Authorized Official and Date

Typed or printed name of person signing

Typed or printed name of person signing

Loudoun Authorized County Locality Official and Date

VDOT Authorized Official and Date

Typed or printed name of person signing

Typed or printed name of person signing

Metropolitan Washington Airports Authority Authorized  
Official and Date

Typed or printed name of person signing

Revised: August 13, 2018

## Appendix B

Project Number: 43844-15-27 (UPC 106141)

**Parties: Fairfax and Loudoun  
Counties, MWAA, Toll Road Investors  
Partnership II, L.P.**

Project Scope	
<b>Work Description:</b>	<b>Conduct an assessment of Route 28 traffic operations and safety and develop mitigation measures to address the traffic operations and safety issues.</b>
<b>From:</b>	<b>Route 665 Frying Pan Road (Fairfax County)</b>
<b>To:</b>	<b>Route 846 S. Sterling Boulevard (Loudoun County)</b>
<p>Fairfax County Project Coordination Contact Info: John King - <a href="mailto:john.king2@fairfaxcounty.gov">john.king2@fairfaxcounty.gov</a> – 703-877-5840</p> <p>Loudoun County Project Coordinator Contact Info: Susan Glass - <a href="mailto:susan.glass@loudoun.gov">susan.glass@loudoun.gov</a> - 703-777-0251</p> <p>MWAA Project Coordinator Contact Info: Michael Hewitt - <a href="mailto:michael.hewitt@mwaa.com">michael.hewitt@mwaa.com</a> – 703-572-0264</p> <p>TRIP II Project Coordinator Contact Info: Don Cohrs – <a href="mailto:dcohrs@dullesgreenway.com">dcohrs@dullesgreenway.com</a> – 703-668-0032</p> <p>Department Project Coordinator Contact Info: Abraham Lerner – <a href="mailto:abraham.lerner@vdot.virginia.gov">abraham.lerner@vdot.virginia.gov</a> – 703-259-3345</p>	

Detailed Scope of Services
<ul style="list-style-type: none"> <li>• Review information obtained from previous studies/analyses</li> <li>• Hold coordination meetings with Stakeholders.</li> <li>• Collect traffic and safety data <ul style="list-style-type: none"> <li>▪ One week volume counts at 22 locations on Route 28 and Route 267</li> <li>▪ One week volume counts at six interchanges and ramps</li> <li>▪ Conduct AM and PM peak period turning movement counts at ten intersections</li> <li>▪ Collect origin destination data for AM and PM peak periods (6:30 AM – 9:30AM and 4:00 PM -7:00PM) on a typical weekday (Tuesday, Wednesday or Thursday)</li> <li>▪ Collect Toll booth transaction data for Dulles Toll Road and Dulles Greenway</li> <li>▪ Collect travel time data for AM and PM peak periods</li> <li>▪ Collect information on roadway widths and bridge clearances</li> </ul> </li> <li>• Develop existing conditions VISSIM models for AM and PM peak periods and calibrate the models.</li> <li>• Use the VISSIM models to conduct operational analysis for weekday AM peak period and weekday PM peak period</li> <li>• Develop an existing conditions technical memorandum.</li> <li>• Develop No-Build future year models and assess No-Build conditions <ul style="list-style-type: none"> <li>▪ Collect information on projects in the study area which are being designed and/or constructed to be used as baseline conditions (Dulles Greenway/Dulles Toll Road widening from the Dulles Greenway Toll Plaza to Centreville Road and the widening of northbound Route 28 from the Dulles Toll Road to Sterling Road plus any other relevant projects, if significant).</li> <li>▪ Use the Metropolitan Washington Council of Governments (MWCOG) Model to develop 2025 and 2045 future year traffic forecasts. Refine the model if necessary. Validate the MWCOG model.</li> </ul> </li> </ul>

- Develop travel demand forecasts for specific time periods, AM peak period and PM peak period, for:
  - Base Year
  - 2025 No-Build conditions
  - 2045 No-Build conditions
- Develop 2025 and 2045 No-Build VISSIM models
- Use VISSIM to evaluate No-Build scenarios
- Use VISSIM to conduct a “sensitivity analysis” for 2025 and 2045 conditions without the widening of the Dulles Greenway/Dulles Toll Road from the Dulles Greenway Toll Plaza to Centreville Road.
- Develop a technical memorandum with assessment of future No-Build conditions
- Develop Alternative Improvement Options and Select Concept for Further Evaluation
  - Collect available GIS right-of-way and topographic data for the study area
  - Collect information on planned improvements to roadway infrastructure in the study area
  - Develop up to ten mitigation measures to address operations and safety issues identified for the No-Build conditions
  - Combine mitigation measures into up to four mitigation alternatives
  - Run AM Peak and PM peak VISSIM models for the 2025 and 2040 conditions for up to four mitigation alternatives
  - Evaluate the future year alternatives
  - Prepare a Technical Memorandum summarizing the evaluation of alternatives and recommendation
- Develop Concept Layout and Planning Level Cost Estimate for Selected Alternative
- Prepare Final Report (Draft and Final)
- Any additional tasks agreed to by all parties, if necessary to complete the study

This attachment is certified and made an official attachment to this document by the parties of this agreement

\_\_\_\_\_  
**Fairfax** Authorized County Official and Date

\_\_\_\_\_  
**Toll Road Investors Partnership II, L.P.** Authorized Official and Date

\_\_\_\_\_  
 Typed or printed name of person signing

\_\_\_\_\_  
 Typed or printed name of person signing

\_\_\_\_\_  
**Loudoun** Authorized County Official and Date

\_\_\_\_\_  
**VDOT** Authorized Official and Date

\_\_\_\_\_  
 Typed or printed name of person signing

\_\_\_\_\_  
 Typed or printed name of person signing

\_\_\_\_\_  
**Metropolitan Washington Airports Authority** Authorized  
 Official and Date

\_\_\_\_\_  
 Typed or printed name of person signing

ACTION – 8

Adoption of a Resolution Consenting to the Declaration of a Local Emergency

ISSUE:

Board of Supervisors adoption of a resolution consenting to the declaration of a local emergency.

RECOMMENDATION:

The County Executive recommends that the Board consent to the declaration of a local emergency retroactive to July 8, 2019. The County Executive recommends the Board waive fees associated with residential and commercial building permits need for the repair of storm damage.

TIMING:

Board action is requested on July 16, 2019.

BACKGROUND:

On July 8, 2019, the County experienced a torrential rainstorm that caused substantial damage to both public and private property. Because recovery efforts are still ongoing, the County Executive, in his capacity as the Director of Emergency Management, has requested consent from the Board of Supervisors to declare a local emergency retroactive to July 8, 2019. The declaration officially activates the County's Emergency Operations Plan and authorizes the furnishing of aid and assistance under the Plan in order to mitigate the results of the severe weather event.

The Commonwealth of Virginia Emergency Services and Disaster Law of 2000, codified at Virginia Code §§ 44-146.13 through 44-146.28.1, authorizes the Director of Emergency Management to declare the existence of a local emergency with the consent of the governing body. Va. Code Ann. § 44-146.21(A) (2016).

As a result of the damage caused by July 8, 2019 weather event and in an effort to speed recovery and a return to normalcy, the County Executive recommends that the Board of Supervisors waive the fees associated with residential and commercial building permits needed for the repair of storm damage. As a temporary waiver of all fees related to all building permits, including trades, for all repairs to correct damages arising from and directly associated with the July 8, 2019, weather event. This temporary waiver of fees, for a period not to exceed

Board Agenda Item  
July 16, 2019

90 days from the date of the declaration of local emergency, in no way removes the requirement for adherence to all federal, state, and local building codes

FISCAL IMPACT:

The declaration of a local emergency by the governing body is necessary for the County to seek funds for such actions as recovery, clean-up and evaluation should such funds become available. The declaration will also allow County residents to seek aid under the Virginia Disaster Relief Fund.

ENCLOSED DOCUMENTS:

Attachment 1: Resolution

Attachment 2: Declaration of a Local Emergency retroactive to July 8, 2019.

STAFF:

Bryan J. Hill, County Executive

## ATTACHMENT 1

### Resolution

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Government Center at Fairfax, Virginia on Tuesday, July 16, 2019, at which a quorum was present and voting, the following resolution was adopted:

**WHEREAS**, on Monday, July 8, 2019, Fairfax County, Virginia experienced a severe weather event including torrential rainfall resulting in substantial damage to private and public property; and,

**WHEREAS**, this severe weather event created conditions of a magnitude requiring coordinated recovery efforts for public and private property; and,

**WHEREAS**, circumstances associated with this severe weather event necessitate a declaration of local emergency retroactive to July 8, 2019; and.

**WHEREAS**, the Commonwealth of Virginia Emergency Services and Disaster Law of 2000, as amended, and set forth in Chapter 3.2 of Title 44 of the Code of Virginia, authorizes the Director of Emergency Management to declare the existence of a local emergency with the consent of the governing body; and,

**WHEREAS**, the Board of Supervisors of Fairfax County seeks to consent to the declaration of a local emergency, now therefore be it

**RESOLVED** that the Board of Supervisors of Fairfax County consents to the declaration of a local emergency by the Director of Emergency Management retroactive to July 8, 2019.

A Copy Teste:

---

Catherine A. Chianese  
Clerk of the Board of Supervisors

## **DECLARATION OF LOCAL EMERGENCY FAIRFAX COUNTY, VIRGINIA**

**WHEREAS**, on July 8, 2019, Fairfax County Virginia experienced a severe weather event, including torrential rainfall resulting in substantial damage to private and public property; and,

**WHEREAS**, a weather event of this magnitude presented dangerous conditions of sufficient severity and magnitude to warrant coordinated local government action to prevent or alleviate the damage, loss, hardship, or suffering caused by the existence of this emergency; and,

**WHEREAS**, this severe weather event created conditions of a magnitude requiring coordinated recovery efforts for public and private property and necessitates the proclamation of the existence of an emergency; and,

**WHEREAS**, the Fairfax County Board of Supervisors consented to the declaration of a local emergency at a regular meeting on July 16, 2019; it is hereby,

**DECLARED**, that, retroactive to July 8, 2019, a local emergency exists throughout Fairfax County because this severe weather event has created an emergency of sufficient severity and magnitude to warrant coordinated local government action to prevent or alleviate the damage, loss, hardship, or suffering threatened pursuant to Virginia Code §§ 44-146.16 and 44-146.21(A); and it is

**FURTHER DECLARED** that the Fairfax County Emergency Operations Plan is now in effect.

---

Bryan J. Hill, County Executive  
Director of Emergency Management

Board Agenda Item  
July 16, 2019

## CONSIDERATION - 1

### Appeal of a Notice of Violation of the Chesapeake Bay Preservation Ordinance for 10622 Belmont Boulevard (Mount Vernon District)

#### ISSUE:

Board Consideration of an appeal of a Notice of Violation (NOV) for vegetation removal and placement of fill in a Resource Protection Area (RPA) without an approved Water Quality Impact Assessment in violation of Chesapeake Bay Preservation Ordinance (CBPO) §§ 118-3-2(a) and 118-4-2.

#### TIMING:

Board action is requested on July 16, 2019.

#### BACKGROUND:

On August 29, 2018, Land Development Services (LDS) issued a Notice of Violation of the CBPO (NOV) to Charles Hooff (Owner), owner of 10622 Belmont Boulevard, the Belmont Bay Farm (Property) for conducting land-disturbing activities of approximately 11.7 acres in the RPA. The NOV stems from an investigation by County and Northern Virginia Soil and Water Conservation District (NVSWCD) staff in response to complaints dating back to October 2017 of tree removal and construction. The NOV was issued after the Owner and operator of the farm took no corrective action in response to numerous emails and in-person meetings detailing the measures necessary to comply with the CBPO. On September 13, 2018, the Owner appealed the NOV. Attachment 1 contains the NOV, including a map showing the RPA and the approximate area of land disturbance.

The Chesapeake Bay Preservation Act requires the County to designate and protect the RPA. The Property contains RPA located along Belmont Bay, the Occoquan River, and Massey Creek. The RPA includes wetlands and floodplain, which filter pollutants and sediment before they are discharged by stormwater into these water bodies. When planned properly in accordance with the CBPO performance criteria, vegetation removal and placement of fill in the RPA should cause minimal impact to adjacent water bodies. If such activity is unplanned and uncontrolled, environmental harm and damage to ecosystems will result, from which recovery is uncertain and indefinite.

The NOV requires, among other things, the Owner to submit and implement a Water Quality Impact Assessment (WQIA) to mitigate the impacts of the land disturbance,

which will demonstrate how the uses will comply with the performance criteria of the CBPO.

JUSTIFICATION FOR NOTICE OF VIOLATION:

The land-disturbing activities on the Property are not exempt from regulation under the CBPO, despite the fact that the Property is a Statewide Agricultural and Forestal District on which agriculture and silviculture occurs. The activity was unrelated to silviculture, and best management practices for water quality established by the Virginia Department of Forestry (DOF) were not followed. Encroachments into the RPA for agriculture are permissible, subject to management practices approved by the NVSWCD. The Owner did not follow the Soil and Water Quality Conservation Plan (SWQCP) prepared by the NVSWCD or implement approved best management practices.

PROPERTY DESCRIPTION AND SITE HISTORY:

The Property is zoned R-E, is 287.65 acres in size, and contains three parcels, Tax Map Nos. 117-2 ((1)) Parcels 2Z, 4Z, and 15Z (Attachment 2 – Vicinity Map). Together they compose the Belmont Bay Farms Statewide Agricultural and Forestal District (AR 92-V-001-02), which was renewed by the Board on April 7, 2015 (Attachment 3). Parcel 15Z is not subject to the NOV, because it was not disturbed. The principal uses of the Property are agriculture and silviculture, with a few acres set aside for the owner's residence.

As part of the agricultural and forestal district application, a SWQCP and Forestry Plan were prepared for the Property by the NVSWCD and the DOF, respectively. Attachment 3 contains a copy of the plans. These plans were formulated based on the Owner's intended silvicultural and agricultural use of the Property. The Forestry Plan divides the Property into several parcels, each with a distinct management plan. The land-disturbing activity occurred primarily in the parcels identified as Field 1 (10.8 acres), Parcel E (8.2 acres), Parcel F (3.3 acres), and Parcel G (7.1 acres). Field 1 is where the most significant filling activities occurred. For this area, the Forestry Plan advises the Owner to follow the SWQCP. For Parcel E, the plan recommends that the Owner allow "regeneration [of tree volunteers] . . . to a mature stand." Finally, DOF advises the Owner to do nothing with Parcel G, and if any management is to be undertaken, it must be conducted in accordance with "Forestry Best Management Practices for Water Quality in Virginia Technical Guide." There is no recommendation to add fill or grade the land, as these are not practices associated with silvicultural activities.

The land-disturbing activities in the RPA were not covered by the SWQCP. In fact, it states that RPAs are “required to be kept vegetated.” By letter dated May 9, 2017 (Attachment 4), the NVSWCD notified the farm operator to “refrain from further clearing of permanent vegetation within the RPAs.” Since their approval, the Owner has not requested a revision to the plans. Also, the mandatory best management practices for water quality protection prescribed by the DOF were not followed.

Investigation of Land-Disturbing Activities and Issuance of Notice of Violation:

In October 2017, LDS, NVSWCD, and Supervisor Storck’s office, received numerous complaints regarding land-disturbing activity on the Property. On October 27, 2017, County and NVSWCD staff, escorted by the farm operator, assessed the land-disturbing activities on the Property. Mature trees and other vegetation had been completely removed from areas, and dozens of truckloads of fill material appeared to have been brought in from offsite. The fill material was being placed in natural drainage features, wetlands, and other environmentally sensitive areas, including the RPA, to create a level area. Attachment 5 contains aerial photography from 2015 to 2018 showing the placement of fill in the RPA and confirming that over half of the parcel has been clear-cut with associated land disturbance. The photograph in Attachment 6 shows the disturbance and fill in Field 1.

Silvicultural activities are exempt from CBPO requirements *if* “operations adhere to water quality protection procedures prescribed by the DOF”. 9 Virginia Admin. Code § 25-830-130(9) and CBPO § 118-5-3(c). DOF does not consider grading of land and adding of fill to be a silvicultural activity. Therefore, the exemption is inapplicable to the activity observed on the Property. Even if the activity were related to silviculture, following the DOF guidance for best management practices to avert water quality impacts from the land-disturbing activities is a necessary condition of the exemption for silviculture. The Forestry Best Management Practices for Water Quality in Virginia Technical Guide states that the Streamside Management Zone (SMZ) must be left intact, subject to limited timber harvesting. Failure to do so is a violation of the Chesapeake Bay Preservation Act. Forestry Best Management Practices for Water Quality in Virginia Technical Guide, p. 35 (2011). The SMZ is defined to include, at a minimum, the 50 seaward-feet. *Id.* The Owner’s activities appear to have been conducted within the SMZ. Therefore, the land-disturbing activities would not qualify for the exemption even if they were related to silviculture.

Agricultural activity is subject to regulation under the CBPO. CBPO § 118-3-2(h) requires a SWQCP to be prepared for agricultural activities, and encroachments into the RPA must be conducted in accordance with CBPO § 118-3-3(e). That section requires owners to implement NVSWCD-approved best management practices for encroachments into the RPA. The observed activities (i.e., vegetation removal and

filling) are not included in the current SWQCP, and no best management practices were implemented during land-disturbing activities.

For these reasons, no use of the RPA is permitted without an approved WQIA. CBPO § 118-3-3. The owner has not submitted a WQIA.

EFFORTS BY STAFF TO OBTAIN VOLUNTARY COMPLIANCE:

For years, County Staff and representatives of NCSWCD cautioned the Owner and the farm operator against clearing in the RPA on Field 1 and Parcels E, F, and G. Attachment 7 compiles correspondence from 2017 to present, not including the May 2017 letter from NVSWCD in Attachment 4, showing staffs' efforts to achieve voluntary compliance. Also, County staff and NVSWCD representatives met with the Owner and farm operator several times to discuss how to bring the Property into compliance. The Owner can resolve the NOV and come into compliance with Chapter 118 by completing the following:

- Submitting a survey showing the extent of the fill.
- Submitting a WQIA including a planting plan.
- Establishing vegetative cover in the areas cleared.
- Working within and amending the 2015 Soil and Water Quality Conservation Plan.
- Scheduling a follow-up site visit to confirm the activities are complete.

APPEAL:

Issue 1. The Owner states that under AR 92-V-001-02 land disturbance is permitted in the Environmental Quality Corridor, which overlaps and extends beyond the area designated as RPA, if the work is related to agricultural and silvicultural uses.

The NOV was issued for failure to comply with provisions of the Chesapeake Bay Preservation Ordinance. The agricultural and forestal district designation does not relieve the Owner from compliance with the provisions of any other applicable ordinance. Whatever may or may not be permissible under AR-V-001-02 is not relevant to the NOV.

Issue 2. The Owner states that the land disturbance in the RPA was related to a silvicultural activity which is exempt under 9 Virginia Admin. Code § 25-830-130(9) of the Chesapeake Bay Preservation Area Designation and Management Regulations (Regulations) and the parallel County Code provisions in § 118-5-3(c). 9 Virginia Admin. Code § 25-830-130(9) states that:

*Silvicultural activities in Chesapeake Bay Preservation Areas are exempt from this chapter provided that silvicultural operations adhere to water quality protection procedures prescribed by the Virginia Department of Forestry in the Fifth Edition (March 2011) of "Virginia's Forestry Best Management Practices for Water Quality Technical Manual." The Virginia Department of Forestry will oversee and document installation of best management practices and will monitor in-stream impacts of forestry operations in Chesapeake Bay Preservation Areas.*

When County and NVSWCD staff inspected the Property, mature trees and other vegetation had been completely removed from areas, and dozens of truckloads of fill material appeared to have been brought in from offsite. The fill material was being placed in natural drainage features, wetlands, and other environmentally sensitive areas, including the RPA, to create a level area. These activities are not considered silviculture by DOF, because timber is not harvested nor is land prepared for planting in this manner. Also, the activity was not performed according to the Forestry Best Management Practices for Water Quality Technical Manual, because the SMZ appeared to have been disturbed. Because the Owner's land disturbance and filling of areas of the Property was not silviculture and did not adhere to the requisite water quality protection procedures, the exemption does not apply, and the Owner is in violation of the state regulation and the CBPO.

Staffs' conclusion that the activities were not related to silviculture or agriculture is consistent with their and the DOF's representative's interactions with the Owner and farm operator. The Owner never notified DOF that he intended to use Field 1 for silviculture, even though he has for other sections of the Property, as documented in Attachment 8. In fact, in a meeting on May 4, 2018, with County and NVSWC staff and a DOF representative, the Owner and farm operator claimed that the activities were being conducted to convert the area for use as a pasture.

Also, during meetings on October 27 and December 18, 2017, and on March 7, 2018, the Owner and operator never claimed that the land-disturbing activities were done in preparation for silviculture (see Attachment 7 for meeting documentation). Rather, the Owner stated his intent to provide a WQIA and comply with the requirements of the CBPO. Therefore, this appeal stands as the first time silviculture has been cited as a justification for the activities on the Property.

Issue 3. The Owner states that the agricultural and silvicultural uses are long-standing and vested under § 118-1-12 of the County Code, which states that:

*The provisions of this chapter shall not affect vested rights of any landowner under existing law.*

Board Agenda Item  
July 16, 2019

No vested right of the Owner is at stake. The NOV requires the Owner to submit a WQIA to demonstrate how the Owner will comply with the performance criteria of the CBPO, which does not preclude the Owner from engaging in agricultural or silvicultural activities.

SUMMARY AND CONCLUSION:

The appeal should be denied and the NOV should be upheld because the land-disturbing activities are not exempt silviculture and, to the extent they are agriculture, no best management practices were implemented.

FISCAL IMPACT:

None.

ENCLOSED DOCUMENTS:

Attachment 1 – NOV

Attachment 2 – Vicinity Map

Attachment 3 – A&F Renewal 2015, including the 2014 Forestry Management Plan and the 2015 Soil and Water Quality Conservation Plan

Attachment 4 – Letter from NVSWCD informing farm operator not to clear in RPA

Attachment 5 – Aerial Photography from 2013 – 2018

Attachment 6 – Photographs showing areas of clearing and apparent fill

Attachment 7 – Additional Correspondence

Attachment 8 – Notes from the 2016 meeting with NVSWCD and DOF where Owner and farm operator inform of areas where logging to occur

STAFF:

Rachel Flynn, Deputy County Executive

William D. Hicks, P.E., Director, LDS

ASSIGNED COUNSEL:

Marc Gori, Assistant County Attorney



# County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

## NOTICE OF VIOLATION OF THE CHESAPEAKE BAY PRESERVATION ORDINANCE

**VIOLATION ISSUED TO:** Charles R. Hooff, III  
1707 Duke Street  
Alexandria, Virginia 22314

**LOCATION OF VIOLATION:** 10622 Belmont Boulevard  
Lorton, Virginia 22079

**COMPLAINT NUMBER:** 201707192 and 201803367

**MAP REFERENCE:** 117 2 ((1)) 0002Z, 0004Z

I inspected the above sites on October 27, 2017, and observed the following violation in a **Chesapeake Bay Preservation Area**: Conducting land disturbance in the Resource Protection Area (RPA) without an approved Water Quality Impact Assessment in violation of Fairfax County Code, Sections 118-3-2(a) and 118-4-2. The land disturbance in the RPA consists of approximately 11.7 acres.

Under Fairfax County Code Section 118-1-6(m), land disturbing activity is defined as any land change which may result in soil erosion from water or wind and movement of sediments into state waters or onto lands in the Commonwealth, including but not limited to, clearing grading, excavating, permanent flooding associated with impoundment of water, and filling of land.

Furthermore, Fairfax County Code, Section 118-9-1, provides as follows:

*Any building erected or improvements constructed contrary to any provisions of this Chapter and any land disturbing activity regardless of area contrary to any of the provisions of this Chapter and any removal of vegetation in Chesapeake Bay Preservation Areas contrary to any provisions of this Chapter shall be and the same is hereby declared to be unlawful (emphasis added).*

You are directed to correct this violation within the time frame outlined below.

### Corrective Work Required:

1. The required elements are as follows:

---

Department of Land Development Services  
12055 Government Center Parkway, Suite 659  
Fairfax, Virginia 22035-5503  
Phone 703-324-1780 • TTY 711 • FAX 703-653-6678  
[www.fairfaxcounty.gov](http://www.fairfaxcounty.gov)



Charles R. Hooff, III

Notice of Violation - 10622 Belmont Blvd. Lorton, Virginia 22079

Page 2 of 3

<b>Compliance Measure</b>	<b>Due Date</b>
Cease all clearing and placement of fill in the RPA	Immediately
Provide a survey showing the extent of fill. Include the current RPA and floodplain delineation on the survey.	September 29, 2018. Attachment 1 shows the area requiring survey.
Submit to the County for approval a (WQIA) Water Quality Impact Assessment.	September 29, 2018
As part of the WQIA, provide a planting schedule to reestablish permanent native vegetation in areas of the RPA that have been cleared per 118-3. The planting plan must provide the level of detail specified in the email from Ricky Cook, Fairfax County, to Mr. Kobus, dated June 8, 2018, included as Attachment 2.	September 29, 2018. Confirmation inspection is needed to confirm permanent native vegetation.
Place topsoil, re-seed, straw, and water as needed in Fall 2018 at the start of the growing season. Continue placing straw and watering the areas until Spring 2019 or until native vegetation has established 80% cover of the cleared area.	Beginning of fall growing season 2018 and continue through Spring 2019.
Perform the above-listed compliance measures in accordance with the approved Soil and Water Quality Conservation Plan dated March 2015.	Throughout and work with the Northern Virginia Soil and Water Conservation District (NVSWCD) to update the March 2015 Soil and Water Quality plan as needed.
Schedule a site visit with county and NVSWCD staff	September 29, 2018

Section 118-9-2, Criminal Violations and Penalties, states:

- (a) Violators of this Chapter shall be guilty of a Class 1 misdemeanor.
- (b) Each day any violation of this Chapter shall continue shall constitute a separate offense.
- (c) In addition to any criminal penalties provided under this Article, any person who violates any provision of this Chapter may be liable to the County in a civil action for damages, or for injunctive relief. (32-03-118.)

Section 118-9-3, Civil Penalties, reads as follows:

- (a) Any person who violates any provision of this Chapter or who violates or fails, neglects, or refuses to obey any local governmental body's or official's final notice, order, rule, regulation, or variance or permit condition authorized under this Chapter shall, upon such finding by an appropriate circuit court, be assessed a civil penalty not to exceed \$5,000 for each day of violation.

Section 118-8-1, Procedures, states in relevant part as follows:

- (a) An applicant aggrieved by any decision of the Director of Land Development Services ... in the administration of this Chapter may, within 15 days of such decision, appeal the decision to the Board of Supervisors.  
and ...

Charles R. Hooff, III

Notice of Violation - 10622 Belmont Blvd. Lorton, Virginia 22079

Page 3 of 3

- (c) Such appeal shall be filed with the Clerk to the Board of Supervisors and shall state with specificity the provisions of this Chapter which the applicant alleges to have been violated by the decision and the reasons therefore. A copy of the appeal shall also be delivered to the Director of the Department of Land Development Services within such 30-day period.

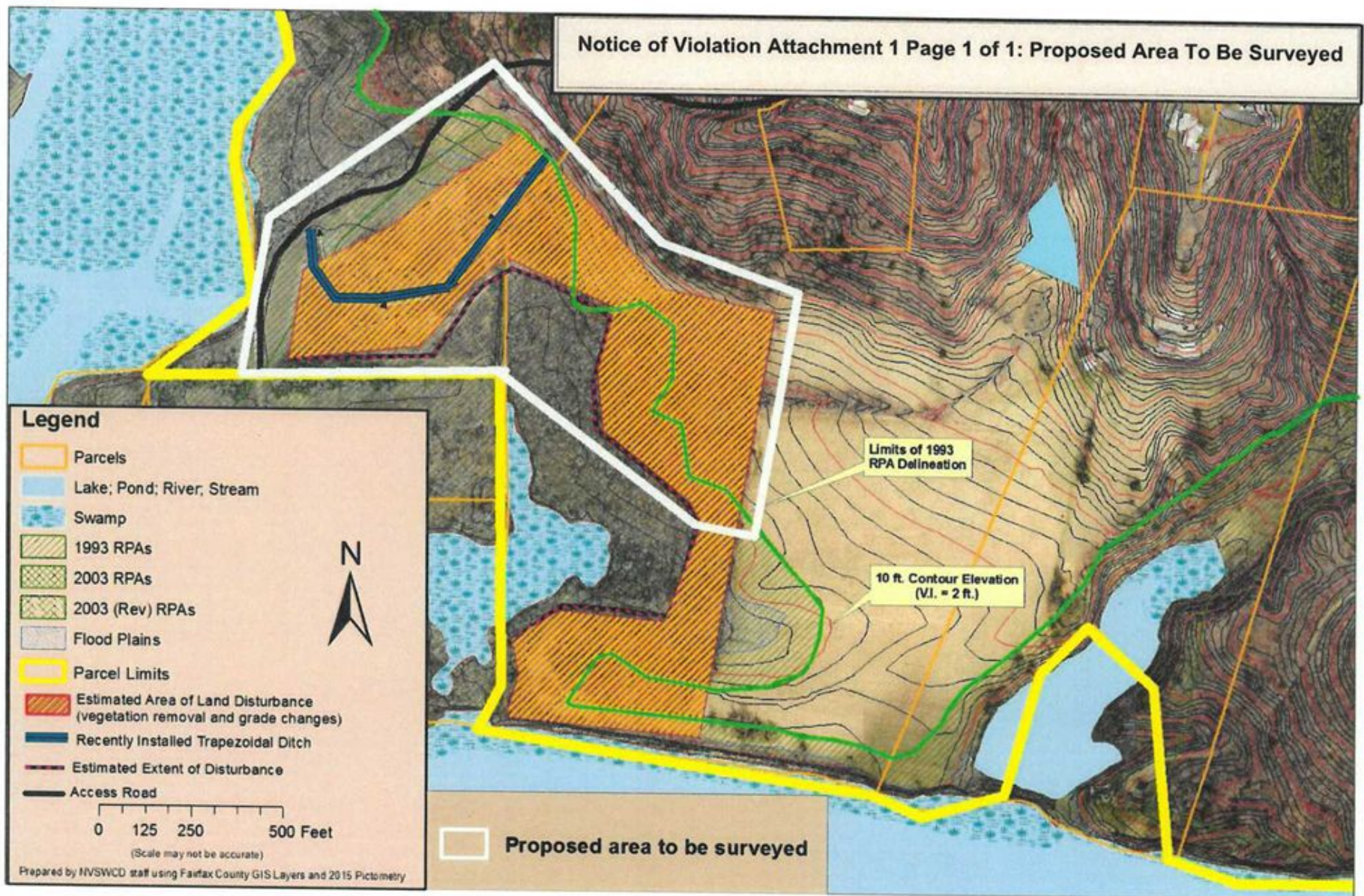
Failure to correct this violation may result in legal action under applicable state and county codes.

**ISSUED BY:**

  
Eleanor Ku Coddling, Division Director  
Code Development and Compliance Division  
Land Development Services  
12055 Government Center Parkway  
Fairfax, Virginia 22035-5503  
Phone: 703-324-1695  
Email: [Eleanor.Coddling@fairfaxcounty.gov](mailto:Eleanor.Coddling@fairfaxcounty.gov)  
Authorized agent of the Director of LDS

**DATE ISSUED:** 8-29-2018

**Attachments:** 1. Map showing area requiring survey  
2. Email dated 8 June 2018 from Mr. Cook detailing planting plan requirements



**Codding, Ellie**

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**From:** Cook, Ricky  
**Sent:** Friday, June 8, 2018 3:19 PM  
**To:** Charles Hooff; louk@fox-run.net; Codding, Ellie; Grape, Laura T.; Woode, Willie; Morin, Christine A  
**Cc:** Smarr, Melissa; Cook, Ricky  
**Subject:** Belmont Bay Farm Compliance Schedule update  
**Attachments:** Bel pic.jpg

Good morning Mr. Hooff and Mr. Kobus,

Thank you for the email with planting information. Unfortunately this is not enough information for the required planting plan. You need to at least provide the following details for a planting plan:

- Location, identification, and respective sizes (in acres) of sections to be replanted (or a map to scale would show this),
- Plant categories (e.g. understory trees, over story trees, shrubs and grasses). This should also list -specific plant species within each category that are naturally adapted to prevailing conditions within the sections identified for replanting,
- Numbers and sizes (nursery plants or bare rooted plants) of each species. These should be based on the county's recommendation (i.e., minimum number of plants per acre) for Reforestation of the Resource Protection Areas.

To assist you with the planting plan, I've provided the attached Map. You can mark required elements above on this map and return it to me. To assist you with the number and sizes of plants, please see the following sections of Chapter 118 as well as the publication available at this link:

[https://www.fairfaxcounty.gov/publicworks/sites/publicworks/files/assets/documents/rpa\\_tree\\_and\\_shrub\\_list\\_9-24-07.pdf](https://www.fairfaxcounty.gov/publicworks/sites/publicworks/files/assets/documents/rpa_tree_and_shrub_list_9-24-07.pdf):

118-3-3 (f) Buffer area establishment: Where buffer areas are to be established, they shall consist of a mixture of over story trees, understory trees, shrubs and groundcovers. The density of over story trees shall be a minimum of 100 trees per acre. The density of understory trees shall be a minimum of 200 trees per acre. The density of shrubs shall be a minimum of 1089 plants per acre. If seedlings are used instead of container plants, the density of trees shall be doubled. Large caliper trees shall not be planted on slopes steeper than 2:1. Plant materials shall be randomly placed to achieve a relatively even spacing throughout the buffer. The Director may approve the use of a seed mixture as a supplement to or in lieu of individual plants for shrubs and groundcovers. Plants shall be native to the degree practical and adaptable to site conditions. Wetland plantings (including herbaceous plantings) and/or wetland seed mix shall be used where site conditions warrant. Plant materials and planting techniques shall be as specified in the Public Facilities Manual.

118-9-1 (d) Restoration of Chesapeake Bay Preservation Areas shall be performed as necessary to meet the intent of this Chapter, the requirements herein, and the requirements of the Public Facilities Manual. In addition to the plantings required by Section 118-3-3(f) and the Public Facilities Manual, the Director may

require that trees illegally removed from Chesapeake Bay Preservation Areas be replaced by other trees of the same or comparable species of equal value and/or be replaced 2 for 1 with 2 inch caliper trees. The value of the replacement trees shall not exceed the value of those illegally removed as determined by the formula in the latest revision of the "Guide for Plant Appraisal" prepared by the Council of Tree and Landscape Appraisers and published by the International Society of Arboriculture.

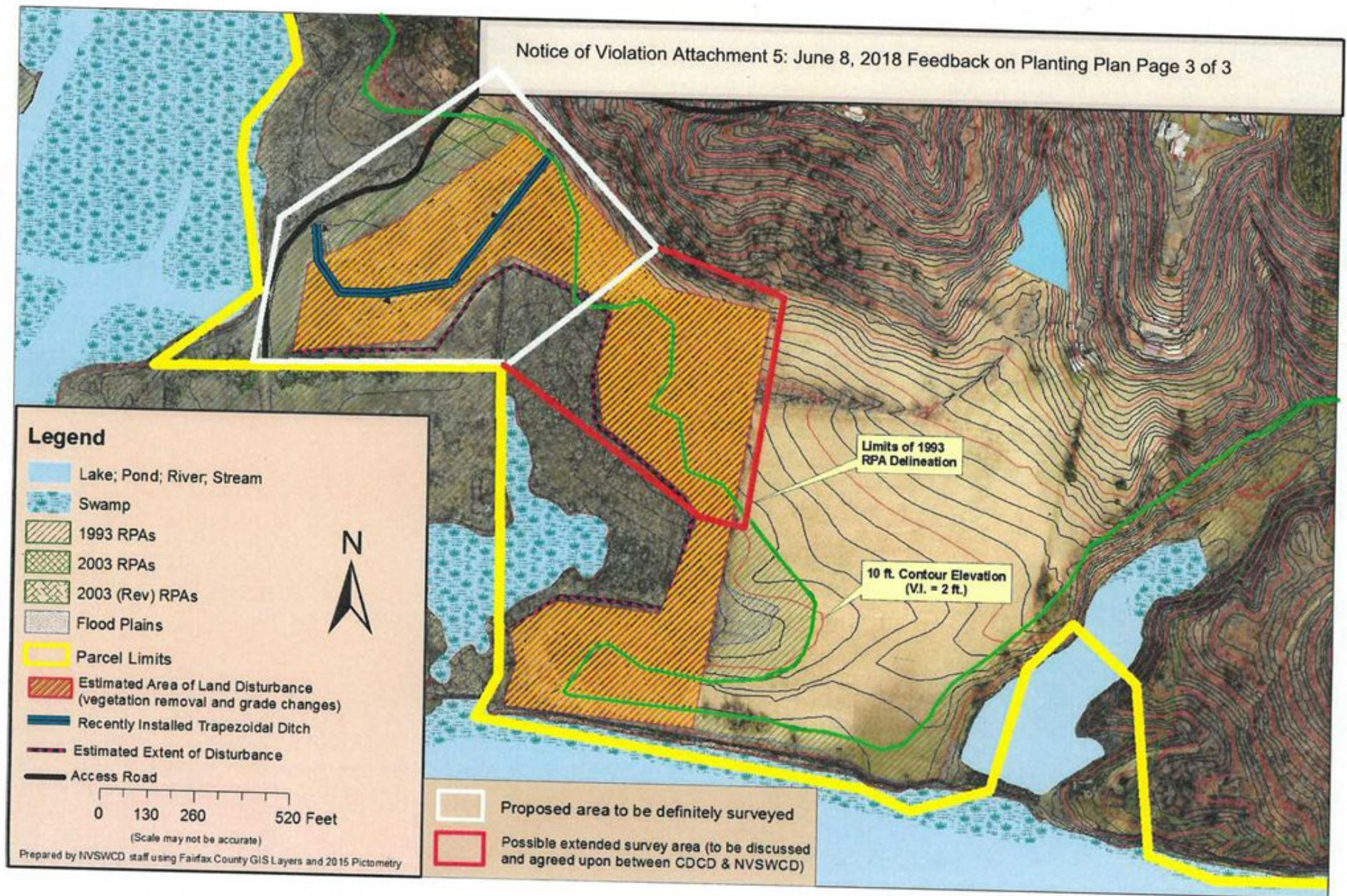
Also, I still need to hear from you about when the survey will be completed. If I do not hear from you by 6/15/18 with a date for survey submittal, I will re-issue a new compliance schedule with the dates we have discussed as well as a survey due date that we will assign.

Addition to the items above please provide and update on the WQIA submittal that was due on 5-30-18 as well .

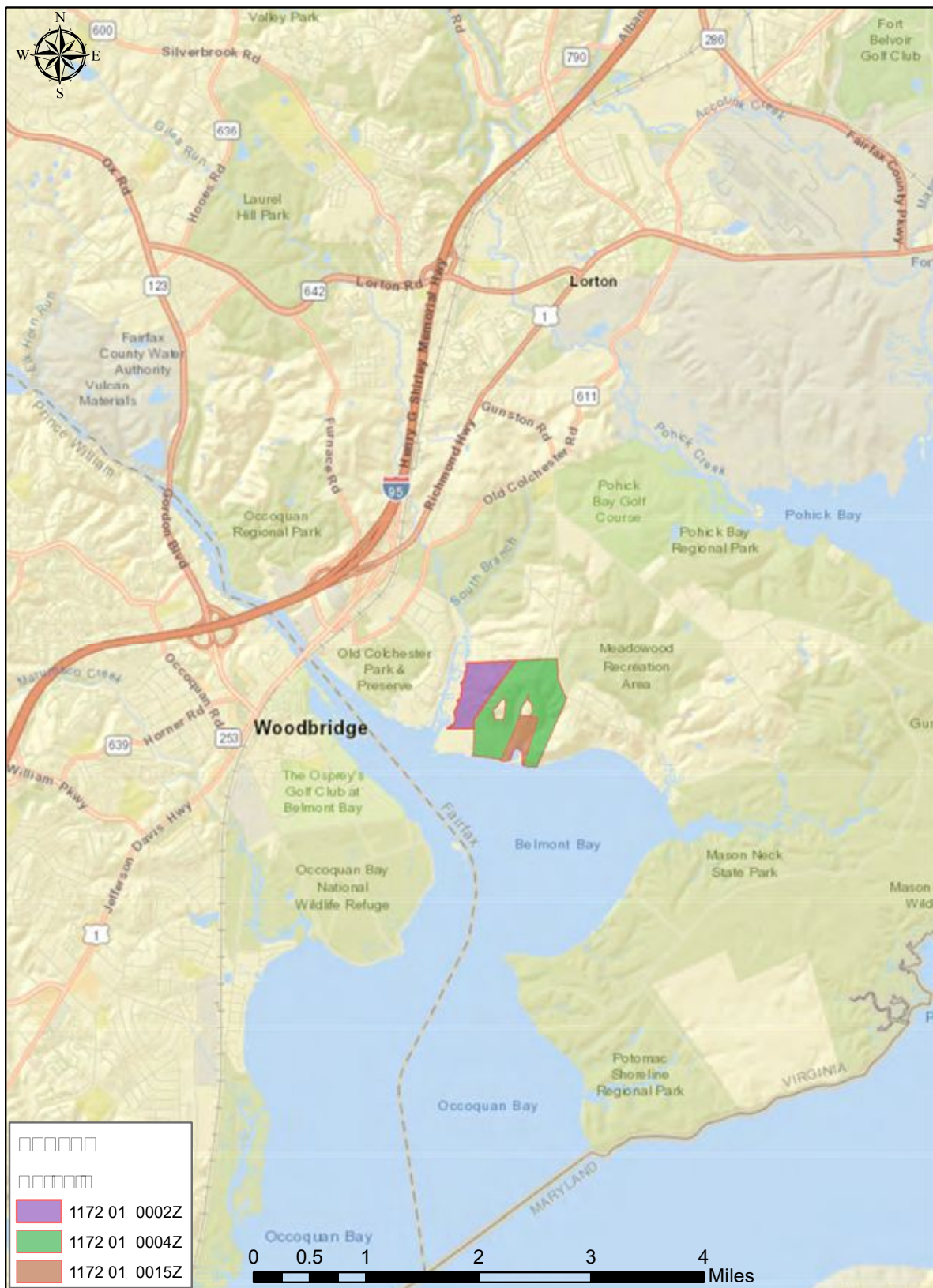
If you have any questions feel free to give me a call.

Thank you,  
Ricky Cook

**Ricky Cook**  
**Senior Engineer Inspector**  
**Code Development & Compliance Division**  
**E-mail – [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)**  
Main # 703-324-1300  
Direct # 703-324-2714



## Attachment 2: Vicinity Map



Fairfax County  
Land Development Services





## ATTACHMENT 3: A&F Renewal 2015

**APPLICATION ACCEPTED:** October 10, 2014

**PLANNING COMMISSION:** February 18, 2015

**BOARD OF SUPERVISORS:** March 24, 2015 @ 4:00 pm

# County of Fairfax, Virginia

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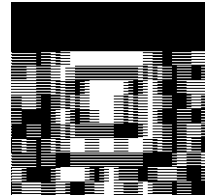
February 4, 2015

## STAFF REPORT

### BELMONT BAY FARMS STATEWIDE AGRICULTURAL AND FORESTAL DISTRICT RENEWAL

APPLICATION AR 92-V-001-02

MOUNT VERNON DISTRICT



**APPLICANT:** Belmont Bay Farms, Ltd.

**ZONING:** R-E

**PARCEL:** 117-2 ((1)) 2Z, 4Z and 5Z

**LOCATION:** 10622 Belmont Boulevard, Lorton, VA

**SITE AREA:** 287.65 acres

**PLAN MAP:** 0.1 to 0.2 du/ac

**PROPOSAL:** Renewal of Statewide Agricultural and Forestal District

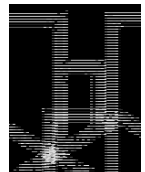
### STAFF RECOMMENDATIONS:

Staff recommends that Appendix E of the Fairfax County Code be amended to renew the Belmont Bay Statewide Agricultural and Forestal District subject to the proposed Ordinance Provisions contained in Appendix 1.

Michael H. Lynskey, ASLA

Excellence \* Innovation \* Stewardship  
Integrity \* Teamwork \* Public Service

Department of Planning and Zoning  
Zoning Evaluation Division  
12055 Government Center Parkway, Suite 801  
Fairfax, Virginia 22035-5509  
Phone 703-324-1290 FAX 703-324-3924  
[www.fairfaxcounty.gov/dpz/](http://www.fairfaxcounty.gov/dpz/)



## ATTACHMENT 3: A&F Renewal 2015

It should be noted that approval of an agricultural and forestal district application does not automatically qualify a property for land use value assessment. Upon application to the Department of Tax Administration (DTA) for taxation on the basis of land use assessment, DTA must independently determine if the subject property meets the definition of either agricultural and/or forestal use, as well as the appropriate guidelines, including minimum acreage, for either use, as required by Title 58.1 of the Code of Virginia, which is found in Appendix 10.

It should be noted that it is not the intent of the staff to recommend that the Board, in adopting any Ordinance provisions, relieve the applicant/owner from compliance with the provisions of any other applicable ordinances, regulations, or adopted standards.

It should be further noted that the content of this report reflects the analysis and recommendation of staff; it does not reflect the position of the Board of Supervisors.

The approval of this application does not interfere with, abrogate or annul any easements, covenants, or other agreements between parties, as they may apply to the property subject to this application.

For information, contact the Zoning Evaluation Division, Department of Planning and Zoning, 12055 Government Center Parkway, Suite 801, Fairfax, Virginia 22035-5505, (703) 324-1290.

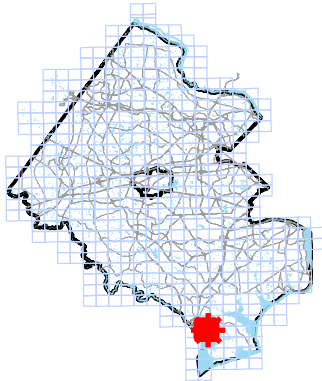
<http://ldsnet.fairfaxcounty.gov/ldsnet/ZAPSMMain.aspx?cde=AR&seq=4191270>



Americans with Disabilities Act (ADA): Reasonable accommodation is available upon 48 hours advance notice. For additional information on ADA call (703) 324-1334 or TTY 711 (Virginia Relay Center).

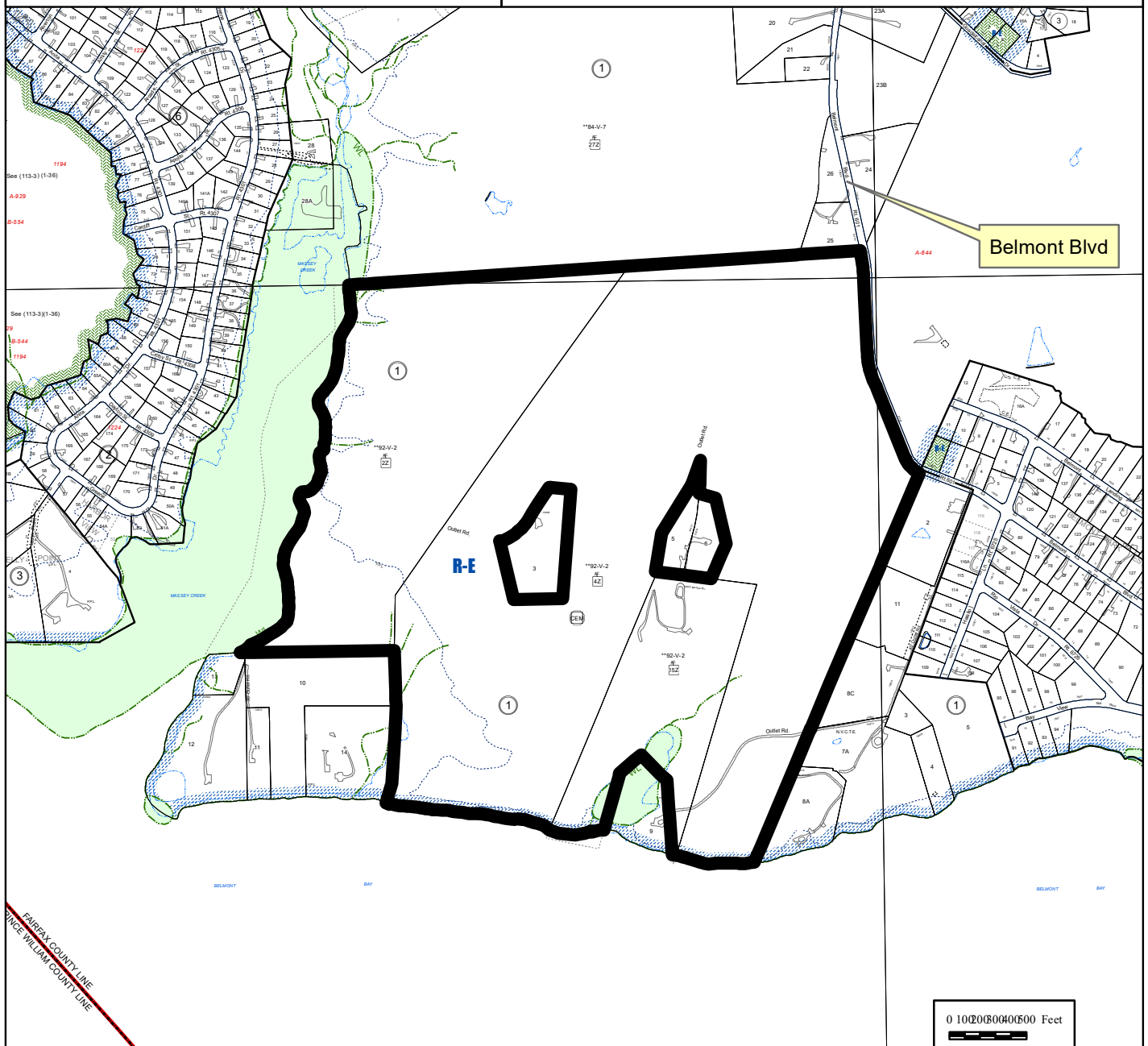
# A&F District Renewal

AR 92-V -001-02



## Attachment 3: A&F Renewal 2015

Accepted: 10/10/2014  
 Proposed: RENEWAL OF AGRICULTURAL AND FORESTAL DISTRICT AF 92-V-001  
 Area: 287.65 AC OF LAND; DISTRICT - MOUNT VERNON  
 Zoning Dist Sect: 10622 BELMONT BOULEVARD, LORTON, VA 22079  
 Located:  
 Zoning: R- E  
 Overlay Dist:  
 Map Ref Num: 117-2- /01/ /0002Z /01/ /0004Z /01/ /0015Z



**A GLOSSARY OF TERMS FREQUENTLY  
USED IN STAFF REPORTS WILL BE  
FOUND AT THE BACK OF THIS REPORT**

**DESCRIPTION OF APPLICATION**

A2 92-V-001-02 is a request to renew the Belmont Bay Statewide Agricultural and Forestal (A & F) District for an additional 10-year term (under the provisions of Chapter 114 of the Fairfax County Code). A & F Districts encourage the preservation of significant tracts of agricultural and forested land throughout the County by providing a reduced real estate tax assessment in exchange for a commitment to preserve the land for the length of the term. While certain exceptions are permitted, the land is expected to remain at its present use and development intensity for the extent of the 10-year term. Removal of the district before the conclusion of the term is subject to payment of roll back taxes, per Section 58.1-3237 of the Code of Virginia.



Figure 1: District location map.

A copy of the applicant's application is contained in Appendix 2; Staff's Proposed Ordinance Provisions are contained in Appendix 1.

### **ZONING BACKGROUND**

The 287.65-acre Belmont Bay Farms Local Agricultural and Forestal District was established by the Board of Supervisors for an eight-year period on October 29, 1984, as AF 84-V-002. When the district was first renewed, on February 22, 1993, it was converted to a statewide district (AF 92-V-001), for an additional 10-year period. The statewide district was again renewed (AR 92-V-001) on February 23, 2004, for a ten-year period. The acreage of the district has remained unchanged and there has been no change to the uses within the district during the previous ten-year term. Agricultural production (lambs, wool) and logging have been practiced on this site for most of the past 100 years. Logging actions occurred in 1984 and 1991, with a forestry management plan in place since 1984.

### **LOCATION AND CHARACTER**

The subject property is located on Mason Neck, and is bounded by Belmont Bay to the south, Massey Creek to the west, and Belmont Boulevard to the east.

*Figure 2: Aerial view of District.*

**Surrounding Area Description:**

The property and surrounding areas consist of forested land and agricultural uses, zoned R-E (Residential Estate) and planned for low-density residential use. The Belmont Bay II Local A & F District (also owned by the applicant) is located directly adjacent to the north, and large-lot residential lots exist to the east and west. The subject district is contiguous, though several residential properties not owned by the applicant are surrounded by the district, and are not included in the application.

**Property Description:**

**Applicant:** Belmont Bay Farms, Ltd.

**Acreage:** 287.65 acres

**Uses:** Active agricultural uses – 49 acres  
 Forested or undeveloped – 233 acres  
 Residential – 5 acres

The 287.65-acre property is primarily forested, with approximately 49 acres used for agricultural use (primarily the raising of sheep for wool and the sale of lambs); approximately 5 acres are in use for two residences. Three ponds exist on the site, as well as several unnamed tributary streams which drain to Belmont Bay. Approximately 57 acres of the site have been identified as Chesapeake Bay Resource Protection Areas (RPAs).

<b>Figure 3: Structures on the Property</b>		
<b>Structure</b>	<b>Year Built</b>	<b>Use</b>
House and Garage	1907	Residential
House	1907	Residential – tenant
Barn	1907	Agricultural
Miscellaneous agricultural and storage buildings	1990	Storage, shelter for livestock.

*Figure 4: Existing structures on the property.*



*Figure 5: View of Belmont Bay from main residence.*



*Figure 6: The upper pond on the property.*



*Figure 7: The low-lying pasture area, used for sheep grazing.*

**COMPREHENSIVE PLAN PROVISIONS**

<b>Plan Area:</b>	Area IV
<b>Planning District:</b>	Lower Potomac
<b>Planning Sector:</b>	LP3 – Mason Neck
<b>Plan Map:</b>	Residential use at a density of 0.1 to 0.2 dwelling unit per acre (du/ac).

**STAFF ANALYSIS****Land Use Analysis** (Appendix 6)

The Mason Neck area is planned for very low-density single-family residential use and public lands. The Comprehensive Plan encourages the retention of existing forest cover, and the protection of sensitive natural areas and water resources. The renewal of this Agricultural and Forestal District would continue to be compatible with the existing and planned low density residential character for the site and the surrounding area, and is in conformance with Plan goals of preserving the rural and scenic character of the area.

**Environmental Analysis** (Appendix 6)

The subject property is located in the Mill Branch and Kane Creek Run watersheds of the Occoquan River and contains several tributary creeks. Approximately 57 acres of the site have been identified as Resource Protection Areas (RPAs), according to the County's Chesapeake Bay Preservation Ordinance, and an Environmental Quality Corridor (EQC), as defined by the County Policy Plan, is also located on the subject property. Identified RPA/EQC areas are delineated on a map included in Appendix 6.

The applicant is encouraged to protect and enhance the RPA/EQC areas, and an ordinance provision is proposed that would require designated EQC areas to remain undisturbed, with the exception of routine forest maintenance activities. Renewal of this district would be consistent with Comprehensive Plan goals to preserve and protect this environmentally sensitive area of the County.

**Transportation Analysis** (Appendix 7)

This application does not represent any conflict with the Countywide Plan transportation recommendations and would have no traffic impact. No projects that would affect the site are included in current construction programs. There are no transportation-related concerns with the application.

**Parks Analysis**

The Park Authority supports the establishment of A&F districts as they further goals of the FCPA policy manual.

**Forestry Analysis** (Appendix 5)

The Area Forester inspected the property and found conditions largely the same as during the previous renewal, although the previous Stewardship Management Plan (dated July 8, 2003) was updated with a revised Forestry Management Plan (now dated December 10, 2014). The plan includes a detailed description of the forest conditions on the property and reflects the landowner's objectives of managing the timber on the site, as well as protecting wildlife habitat and unique natural areas. Detailed forest-management recommendations for each portion of the property are included in the report, as guidance to the landowner to achieve the desired objectives while protecting the overall environmental resources of the district.

An Ordinance Provision is proposed that requires the applicant to conform with the recommendations of the Forest Management Plan for the life of the district.

**Soil and Water Conservation Analysis** (Appendix 4)

A Soil and Water Conservation Plan was prepared by the Northern Virginia Soil and Water Conservation District for the subject property on January 8, 2015, finding the property mostly forested with the exception of the pasture fields (which were in good condition) providing the only agricultural use on the site (grazing of sheep). Two of the ponds on the site were found to contain excessive siltation and were recommended for maintenance measures, which would require permits from the appropriate authorities due to their location in RPA areas. Typical recommendations for nutrient management, pest management, and RPA/floodplain management are also included in the report.

A proposed Ordinance Provision is included requiring that the applicant follow the recommendations of the revised plan, which may be amended if deemed necessary by the Soil and Water Conservation District.

**Agricultural and Forestal District Criteria Analysis**

Article 1 of Chapter 114 of the Fairfax County Code contains a set of criteria which is designed to serve as a guide in the evaluation of proposed State Agricultural and Forestal Districts. It is important to note that these criteria are a guide to establishing a District; they are not prerequisites. The following is an evaluation of the proposed district's conformance with these criteria:

- (a) *All district acreage should be currently devoted to agricultural use or forestal use or should be undeveloped and suitable for such uses, except that a reasonable amount of residential or other use may be included.*

Of the subject parcels in this renewal application, approximately 49 acres are currently devoted to agricultural use; 233 acres to forestal use; and 5 acres to residential use. The residential uses consist of two historic homes, a barn and several outbuildings, which have all been renovated. Staff believes this is reasonable, given the large size of the proposed district, and therefore, believes that this criterion is satisfied.

- (b) *All lands in the district should be zoned to the R-P, R-C, R-A, or the R-E District.*

The property is zoned R-E; therefore, this criterion is satisfied.

- (c) *The district should be consistent with the Comprehensive Plan. The following land uses identified in the Plan are appropriate for a district: .1-.2 dwelling units per acre; .2 dwelling units per acre; .2-.5 dwelling units per acre; .5-1 dwelling units per acre; Private Recreation; Private Open Space; Public Park; Agriculture; Environmental Quality Corridor.*

The property is planned for residential use at a density of 0.1 to 0.2 dwelling unit per acre (du/ac). Therefore, this criterion has been satisfied.

- (d) *A majority of the surrounding land within one-quarter mile of the district should be planned according to the Comprehensive Plan for uses identified in (c) above.*

All of the land located within one-quarter mile of the proposed district is planned for either residential use, at 0.1 to 0.2 du/acre or private open space. Therefore, this criterion has been satisfied.

- (e) *A majority of the existing surrounding land uses within one-quarter mile of the district should be agricultural, forestall, outdoor recreational, conservation or low-density residential (.5 dwelling unit per acre or less).*

A majority of the land within one-quarter mile of the district is in agricultural or forestal uses, or low-density residential uses (R-E District). Directly to the north is the Belmont Bay II Local A & F District, consisting of approximately 115 acres. To the northeast is the former Meadowbrook Farm A & F District, now the property of the U.S. Bureau of Land Management. Large residential lots (5 to 7 acres) adjoin the property to the east and west. Therefore, staff believes this criterion has been satisfied.

- (f) *Approximately 2/3 of the land (66%) in agricultural use in the district should contain Class I, II, III, or IV soils as defined by the USDA Soil Conservation Service. Districts having more than 1/3 of the land in agricultural use containing Class V-VIII soils may be considered if such lands have been improved and are managed to reduce soil erosion, maintain soil nutrients, and reduce non-point pollution.*

Although the Conservation Plan does not contain a new soil capability analysis, a previous analysis stated that approximately 45 percent of the soils located within the district were within agricultural capability classes II-IV; all of the soils within that area used for agricultural production were within capability classes of II-IV. Staff believes that this analysis is still applicable. Staff believes that this criterion has been satisfied.

- (g) *There should be evidence of a history of investment in farm or forest improvements or other commitments to continuing agricultural or forestal use(s) in the district. In particular, districts with no history of investments in farm or forest improvements must evidence a firm commitment to agricultural or forestal uses for at least the life of the district.*

The applicants acquired this property, which has a long history of agricultural and forestal uses, in the 1940s. The site has been logged for most of the past 100 years, including a selective timber cut in 1984 and a partial clear-cut logging operation in 1991. The areas which were clear-cut have been reforested, and trees in those areas are regenerating. The property has been in the Agricultural and Forestal District program since 1984, and has had a forest management plan and a soil and water conservation plan since that time. Cattle have been raised on the property since the 1950s; prior to cattle the site was used to raise agricultural products, including corn and wheat. Currently, the forestal portions of the property are regenerating and are not yet mature enough for harvest, while the agricultural portions of the property are being used to raise sheep - producing wool (approximately 200 lbs per year) and market sheep/lambs (averaging 15 per year). Property investments in recent years include fencing and extensive repair of the barn and agricultural buildings. Staff believes this criterion has been met.

- (h) *The district should not unreasonably hinder acquisition and construction of public roads, utilities, and facilities needed to serve other areas of planned growth.*

This application does not represent any conflict with planned improvements to public roads, utilities, or facilities in the area.

- (i) *The district's core acreage should be reasonably compact in shape and should not contain within its perimeter a large number of parcels not included in the district.*

There are four residentially-developed parcels of five acres or less located within the district that are not owned by the applicants and are not included in the district. The core of the district, however, is compact in shape. Staff believes this criterion is satisfied.

- (j) *All noncontiguous parcels in the district should contain at least five (5) acres of land in agricultural use or twenty (20) acres in forestall use.*

There are no non-contiguous parcels in the proposed district; therefore, this criterion does not apply.

Based upon staff analysis, this renewal application for the Belmont Bay Farms Statewide Agricultural and Forestal District meets all applicable criteria established in Chapter 114 of the Fairfax County Code as a guide for the review of the renewal of the district.

#### **AFDAC RECOMMENDATION** (Appendix 8)

On January 27, 2015, The Agriculture and Forestal District Advisory Committee (AFDAC) voted unanimously to recommend that the Board of Supervisors approve this renewal application, subject to the Ordinance Provisions included as Appendix 1 of this report.

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **Staff Conclusions**

Staff believes that the renewal application of the Belmont Bay Statewide Agricultural and Forestal District meets the applicable criteria contained in Chapter 114 of the County Code; exceeds the minimum acreage requirement; and is in conformance with the Comprehensive Plan.

#### **Staff Recommendations**

Staff recommends that Appendix E of the Fairfax County Code be amended to renew the Belmont Bay Farms Statewide Agricultural and Forestal District subject to the proposed Ordinance Provisions contained in Appendix 1.

It should be noted that approval of an agricultural and forestal district application does not automatically qualify a property for land use value assessment. Following Board action on an application, the Department of Tax Administration must independently determine if the subject property meets the definition of either agricultural and/or forestal use, as well as the appropriate guidelines for either use, as required by Title 58.1, Chapter 32 of the Code of Virginia, which is found in Appendix 10.

It should be noted that it is not the intent of staff to recommend that the Board, in adopting any Ordinance Provisions associated with this case, relieve the applicant/owner from compliance with the provisions of any other applicable ordinances, regulations, or adopted standards.

It should be further noted that the content of this report reflects the analysis and recommendations of staff; it does not reflect the position of the Board of Supervisors.

## **APPENDICES**

1. Proposed Ordinance Provisions
2. Application Form / Statement of Justification
3. AR 89-S-004-02 Approved Ordinance (previous renewal)
4. Soil and Water Quality Conservation Plan
5. VA Department of Forestry Memo (2014) and Plan (2006)
6. Land-Use/Environmental Analysis
7. FCDOT Transportation Memo
8. Agricultural and Forestal District Advisory Committee Recommendation
9. Fairfax County Code, Chapter 114 *"Agricultural and Forestal Districts of Statewide Significance"*
10. State of Virginia Code, Title 58.1, Chapter 32
11. Glossary of Terms

**ORDINANCE PROVISIONS**

**February 4, 2015**

**AR 92-V-001-02**

If it is the intent of the Board of Supervisors to renew the Belmont Bay Farms Statewide Agricultural and Forestal District, as proposed in Application AR 92-V-001-02, pursuant to Chapter 43 of Title 15.2 of the Code of Virginia and Chapter 114 of the Fairfax County Code, on Tax Map Parcels 117-2 ((1)) 2Z, 4Z and 5Z, the staff recommends that the approval be subject to the following Ordinance Provisions:

Standard Provisions (From Chapter 114)

- (1) That no parcel included within the district shall be developed to a more intensive use than its existing use at the time of adoption of the ordinance establishing such district for ten years from the date of adoption of such ordinance. This provision shall not be construed to restrict expansion of or improvements to the agricultural or forestal use of the land.
- (2) That no parcel added to an already established district shall be developed to a more intensive use than its existing use at the time of addition to the district for ten years from the date of adoption of the original ordinance.
- (3) That land used in agricultural and forestal production within the agricultural and forestal district of statewide significance shall automatically qualify for an agricultural and forestal value assessment on such land pursuant to Chapter 4, Article 19 of the Fairfax County Code and to Title 58.1, Section 32 of the Code of Virginia, if the requirements for such assessment contained therein are satisfied.
- (4) That the district shall be reviewed by the Board of Supervisors at the end of the ten-year period and that it may by ordinance renew the district or a modification thereof for another ten-year period. No owner(s) of land shall be included in any agricultural and forestal district of statewide significance without such owner's written approval.

Additional Provisions

- (5) The boundaries of those areas delineated as Environmental Quality Corridors (EQCs) shall be the permanent limits of clearing and grading for the life of the Belmont Bay Farms Statewide Agricultural and Forestal District (see attached map). EQC areas shall be left undisturbed, with the exception of:
  - a) Existing residential and agricultural uses, including all pasture land, farm-related buildings, residential structures, and surrounding yards. Additional

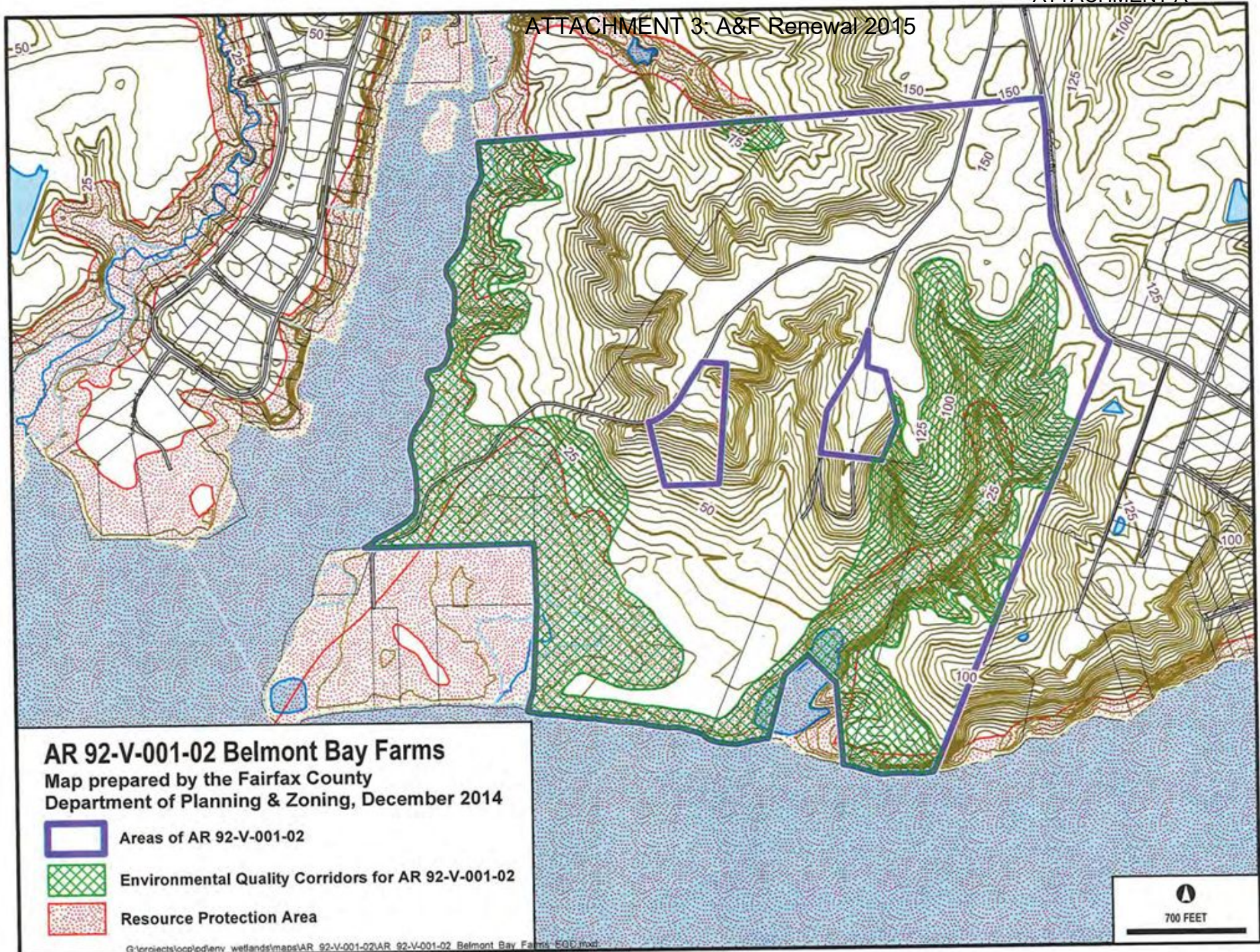
residential and agricultural activities may be added, provided that no clearing of the EQC is associated with such expansion;

- b) Forest management activities, including selective thinning operations and removal of noxious weeds and invasive species performed to enhance existing vegetation, and the removal of dead, dying, or diseased vegetation, in accordance with the Forest Management Plan, the Virginia Department of Forestry (DOF) guidelines for best management practices (BMPs) for water quality, and as reviewed and approved by DOF and the County's Urban Forestry Division.
- (6) The applicants shall implement and abide by the recommendations of the Forest Management Plan, dated December 10, 2014, for the life of the Belmont Bay Farms Statewide Agricultural and Forestal District. The Forest Management Plan may be updated from time to time as determined necessary by the Area Forester.
- (7) The applicants shall implement and abide by the recommendations of the Soil and Water Conservation Plan, which was prepared by the Northern Virginia Soil and Water Conservation District on January 8, 2015, for the life of the Belmont Bay Farms Statewide Agricultural and Forestal District. The Soil and Water Conservation Plan may be updated from time to time as determined necessary by the Northern Virginia Soil and Water Conservation District.
- (8) The Cultural Resource Management and Protection (CRMP) Section of the Fairfax County Park Authority shall be permitted to survey the property and recover artifacts from the property for the life of the Belmont Bay Farms Statewide Agricultural and Forestal District. CRMP shall be notified prior to any land disturbance that requires a permit or prior to any forest-management activities requiring DOF approval. Surveys and other similar activities of CRMP shall be conducted only with the prior permission of the owners of the property and at terms mutually acceptable to both parties established before each occurrence. All surveys and other archaeological activities shall be conducted in a manner which protects the privacy of the sites and the property within the District. All prehistoric and historic artifacts which are found on the property may be loaned to the County for cataloging and study for a period of up to five years, and shall be returned to the property owner at the end of the five year period. The applicant shall adhere to all applicable Federal and State Regulations (including the 1973 Endangered Species Act, as amended) regarding the protection of any endangered species which may be present on-site, as determined by the United States Fish and Wildlife Service and/or the Virginia Department of Game and Inland Fisheries. Should these agencies differ, the U.S. Fish and Wildlife Service shall take

precedence.

- (9) The establishment and continuation of this district depends upon the continuing legality and enforceability of each of the terms and conditions stated in this ordinance. This district may, at the discretion of the Board of Supervisors, be subject to reconsideration and may be terminated if warranted in the discretion of the Board of Supervisors upon determination by a court or any declaration or enactment by the General Assembly that renders any provisions illegal or unenforceable. The reconsideration/termination shall be in accordance with the procedures for the establishment, renewal, or amendment of an A & F District as outlined in Section 114 of the County Code and shall include an opportunity for the property owner(s) to demonstrate that the determination by a court or the declaration or enactment by the General Assembly does not apply to the conditions of this district.

## ATTACHMENT 3: A&amp;F Renewal 2015



# ATTACHMENT 3: A&F Renewal 2015 APPENDIX 2

Application No. AR 92-V-001-02

## APPLICATION FOR THE ESTABLISHMENT OF A AGRICULTURAL AND FORESTAL DISTRICT

### FAIRFAX COUNTY

1. Type of application: Local ☐ Statewide ☒  
Initial ☐ Amendment ☐ Renewal ☒
2. Please list the Tax Map number, the name and address of each owner and other information for each parcel proposed for this district:

Owner's Name & Address	Tax Map Number	Year Acquired	Zoning District	Acres	
Belmont Bay Farm, Ltd.	117.2-01-0002V&Z	1982	RE	79.4450	(1)
Belmont Bay Farm, Ltd.	117.2-01-0004V&Z	1982	RE	181.7000	(1)
Charles R. Hooff III &					(2)
Gudrun K. Hooff	117.2-01-015V&Z	1986	RE	26.5060	

(1) Transferred to Belmont Bay Farm, Ltd. from Charles R. Hooff, Jr. & Elizabeth D. Hooff in 1982

(2) Transferred to Charles R. & Gudrun K. Hooff III from Charles R. Hooff, Jr. & Elizabeth D. Hooff in 1986

3. Total acreage in the proposed district: 287.6510 acres.

4. Using the definitions on the instruction sheet, indicate the number of properties included in this application: farm 1 forest 2

ATTACHMENT 3: A&F Renewal 2015 APPENDIX 2

5. Name, address and telephone number of the property owner or representative who will act as a contact person for this application:

Name: William M. Baskin, Jr.  
Address: Baskin, Jackson & Duffett, PC  
301 Park Ave., Falls Church, VA 22046  
baskinjack@aol.com  
Telephone: (703) 534-3610

6. Signature of all property owners:

Belmont Bay Farm Ltd  
by Charles R. Hooff III, President

Charles R. Hooff, III

Gudrun K. Hooff

TO BE COMPLETED BY THE COUNTY

Date application accepted: October 10, 2014

Date of action by Board of Supervisors: \_\_\_\_\_

☐ Approved as submitted ☐ Denied

☐ Approved with modifications

Dorothy Lester  
Sanburton

ALL APPLICANTS

1. List all structures on the property, the year the structure was built and the present use of the structure:

Structure	Year built	Use
House & garage (rehabbed 1986 & 2013)	1907	residential dwelling for Charles Hooff III
House	1907	residential tenant building
Barn	1907	storage and stock shelter
other buildings	1990	stock buildings & storage

use additional page(s) if necessary

2. List any historic sites, as listed on the Fairfax County Inventory of Historic Sites, located on the subject property:

An historic site/sites may located on the property. The County Archeologist will need to opine on this. Both historic and pre historic areas have been explored under the supervision of the County Archeologist.

3. List any improvements made to the property in the past 10 years, including buildings, fencing, equipment, drainage projects, and conservation measures:

Fencing, extensive repair of barn and appurtenant agriculture buildings.

This is an ongoing process.

# ATTACHMENT 3: A&F Renewal 2015 APPENDIX 2

1. is a Soil and Water Conservation Plan on file with the Northern Virginia Soil and Water Conservation District (NVSWCD): ☒ yes ☐ no

If yes, date prepared: 1983

If no, has an application been filed with NVSWCD: ☐ yes ☐ no

If yes, date submitted: \_\_\_\_\_

3. List the products and yields from this farm or forest property:

Product	Past year's yield	Average yield for previous 4 years
Forest products	none timber immature	10 cords (1)
Wool	<input checked="" type="checkbox"/> none in past year	200 lbs
Live lambs	none in past year	
live rams	15	15/year

1. Forest products are in an immature stage currently, so there is no activity.
2. Sheep are being sold to a vendor who has a religious market for the animals.

FARM PROPERTY

1. Please check the appropriate description of the farm:

☐ Owner-operated, full-time.  
☒ Owner-operated, part-time.  
☐ Farm manager operated.  
☐ Rented to another farmer  
 Portion of farm rented: \_\_\_\_\_ all \_\_\_\_\_ acres.  
 Other. Please describe: \_\_\_\_\_  
 \_\_\_\_\_

2. List the acreage of the property which is in the following uses:

Active agricultural uses	49.0000	acres.
Forested or undeveloped	233.0000	acres.
Residential uses	5.0000	acres.
Total acreage	287.6517	acres.

3. Does the farm operation require that tractors or other slow moving vehicles use public roads: ☒ yes ☐ no

If yes, which roads will be used:

Belmont Blvd

4. Please estimate the number of vehicles entering or leaving your farm each day:  
 \_\_\_\_\_ cars, vans and pickup trucks \_\_\_\_\_ heavy trucks.

FOREST PROPERTY

1. List the acreage of the property which is in the following uses:

Future timber or pulpwood harvesting	233.0000	acres
Christmas tree production and harvesting	0.0000	acres
Firewood production and harvesting	0.0000	acres
Conservation	0.0000	acres
Residential uses	0.0000	acres
Other: _____		acres
Total acreage	233	acres

2. If tree harvesting is planned, what roads or rights-of-way will be used for access:

Belmont Blvd.

### Statewide Agricultural and Forestal District Criteria Justification

Criteria (a): All of the district acreage is devoted to forestall and agricultural uses except for land immediately surrounding the residence and appurtenant buildings.

Criteria (b): All of the land in the district is zoned R-E.

Criteria (c): The land in the district is shown on the Comprehensive Plan for residential development @ .2 to .5 dwelling units to the acres.

Criteria (d): A majority of the surrounding land located within a quarter of a mile of the district is also shown on the Comprehensive Plan for residential development @ .2 to .5 dwelling units per acre. The area located to the west of the district across Massy Creek is planned or developed 2 .5 to 1 dwelling units per acre. The shore of Massey Creek opposite the district is designated on the Comprehensive Plan as Private Open Space. The parcel to the north and east of the district has been in prior years a Statewide A&F district. The site has been procured by the U.S. Government, and is currently undergoing a zoning change to open space.

Criteria (f): all of the land in the district devoted to agricultural use is either Class II, Class III or Class IV as defined by USDA.

Criteria (g): there has been a long and continuous history of agricultural and forest applications on the site. The site has been logged for most of the 20<sup>th</sup> century. A selective timber harvest was carried out in 1984, and a clear cut was carried out in 1991. The site has been reforested on a 50-acre tract, which now has timber in the 4" to 8" caliber trees. There is a Forest Management Plan in effect since 1984. The district has had been used as a cattle farm since 1950's. Prior the site had commodity crops. There has been substantial investment in new fencing, barn repairs, and reforestation during the past 10 years. The district is currently a sheep farm. Products are wool, and market lambs.

Criteria (h): The applicants have no knowledge of any impending need for roads, utilities, or

facilities needed to serve other areas of planned growth.

Criteria (i): The district is contiguous. There are seven small developed residential parcels imbedded within the perimeter that are not owned by the applicant nor part of the application. The core of the district is substantial and compact in shape.

Criteria (j): All of the parcels in the district are contiguous.

Belmont Bay Farm Ltd.

By

Charles R. Hooff III  
President

Date:

Charles R. Hooff III

Date:

Gudrun K. Hooff

Date:

**10-04-F**

**ADOPTION OF AN AMENDMENT TO  
APPENDIX F (LOCAL AGRICULTURAL AND FORESTAL DISTRICTS)  
OF THE 1976 CODE OF THE COUNTY OF FAIRFAX, VIRGINIA**

*At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Government Center at Fairfax, Virginia, on Monday, February 23, 2004, the Board after having first given notice of its intention so to do, in the manner prescribed by law, adopted an amendment regarding Appendix F (Local Agricultural and Forestal Districts) of the 1976 Code of the County of Fairfax, Virginia, said amendment so adopted being in the words and figures following, to-wit:*

**BE IT ORDAINED BY THE BOARD OF SUPERVISORS OF FAIRFAX  
COUNTY, VIRGINIA:**

*Amend Appendix F (Local Agricultural and Forestal Districts), as follows:*

E-4. Belmont Bay Farms Statewide Agricultural and Forestal District  
(AR 92-V-001)

(a) The following parcel of land situated in the Mt. Vernon District, and more particularly described herein, is hereby included in the Belmont Bay Farms Statewide Agricultural and Forestal District:

Owner	Fairfax County Tax Map Parcel Number	Acreage
Belmont Bay Farms Ltd.	117-2 ((1)) 2	79.44 acres
Belmont Bay Farms Ltd.	117-2 ((1)) 4	181.70 acres
Charles R. Hooff, III & Gudrun K. Hooff	117-2 ((1)) 15	26.51 acres
Total		287.65 acres

(b) The Belmont Bay Farms Local Agricultural and Forestal District is established effective February 23, 2004, pursuant to Chapter 44, Title 15.2 of the Code of Virginia and Chapter 114 of the Fairfax County Code and is therefore subject to the provisions of those Chapters and the following provisions:

(1) No parcel included within the district shall be developed to a more intensive use than its existing use at the time of adoption of the ordinance establishing such district for ten (10) years from the date of adoption of such ordinance. This provision shall not be construed to restrict expansion of or improvements to the agricultural and forestal use of the land, or to prevent the construction of one (1) additional house within the district, where otherwise permitted by applicable law, for either an owner, a member of the owner's family, or for a tenant who farms the land;

(2) No parcel added to an already established district shall be developed to a more intensive use than its existing use at the time of addition to the district for ten (10) years from the date of adoption of the original ordinance;

(3) Land used in agricultural and forestal production within the agricultural and forestal district of statewide significance shall qualify for an agricultural or forestal value assessment on such land pursuant to Chapter 4, Article 19 of the Fairfax County Code and to Section 58.1-3230 et seq. of the Code of Virginia, if the requirement for such assessment contained therein are satisfied;

(4) The district shall be reviewed by the Board of Supervisors at the end of the ten-year period and it may, by ordinance renew the district or a modification thereof for another ten-year period. No owner(s) of land shall be included in any agricultural and forestal district of local significance without such owner's written approval;

(5) As determined by the Virginia Department of Forestry (DOF) after consultation with the County's Urban Forestry Division of the Department of Public Works and Environmental Services, the boundaries of the Environmental Quality Corridor (EQC) shall be the permanent limits of clearing and grading for the life of the District. (map on file with Department of Planning and Zoning) No activities may be permitted in the EQC except for the following as determined by the DOF after consultation with the County's Urban Forestry Division:

- (a) Existing residential and agricultural uses including all pasture land, farm related buildings, residential structures, and surrounding yards as delineated on the 2003 Conservation Plan. Additional residential and agricultural activities may be added provided that no clearing of the EQC is associated with such expansion;
- (b) The removal of dead, dying, or diseased vegetation; and
- (c) Mixed age forest management in accordance with the DOF guidelines for best management practices (BMPs) to provide water quality benefits and to minimize erosion may be performed provided that: (1) no disturbance or removal of any trees shall be permitted within the required area of undisturbed open space surrounding any bald eagle's nest as required by State and Federal regulation; (2) Any tree removal on steep slopes (15% or greater) shall be limited to the removal of dead and dying vegetation.

This provision does not relieve the applicant from compliance with the Chesapeake Bay Preservation regulations. Prior to any removal of any vegetation within the EQC, the applicant shall submit to the DOF and the County's Urban Forestry Division for review and approval of the following information: (1) a plot sample timber cruise (inventory) for the area of tree removal which depicts the species and diameter distribution of existing marketable trees and identifying the portion thereof which is proposed to be removed; (2) the proposed access to the area of tree removal; and (3) forestry BMPs which provide water quality benefits and include erosion and sedimentation controls. The owner shall submit to inspections by the Virginia DOF and the County's Urban Forestry Division to ensure compliance with this provision;

(6) The applicant shall implement and abide by the recommendations of the Forest Management Plan which was prepared by the State Forester in August 1992 and amended on December 8, 1992, for the life of the Belmont Bay Farms Statewide Agricultural and Forestal District. The Forest Management Plan may be updated from time to time as determined necessary by the State Forester.;

(7) The Heritage Resources Branch of the Fairfax County Park Authority shall be permitted to survey the property and recover artifacts from the property for the life of the Belmont Bay Farms Statewide Agricultural and Forestal District. Surveys and other similar activities of the Heritage Resources Branch shall be conducted only with the prior permission of the owners of the property and at terms mutually acceptable to both parties established before each occurrence. All surveys and other archaeological activities shall be conducted in a manner

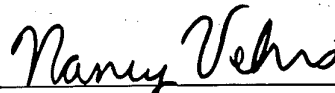
which protects the privacy of the sites and the property within the District. All prehistoric and historic artifacts which are found on the property may be loaned to the County for cataloging and study for a period of up to five years, and shall be returned to the property owner at the end of the five year period;

(8) The applicant shall adhere to all applicable Federal and State Regulations (including the 1973 Endangered Species Act, as amended) regarding the protection of the known bald eagle nest on-site, and any other endangered species which may be present on-site as determined by the United States Fish and Wildlife Service and/or the Virginia Department of Game and Inland Fisheries. Should these agencies differ, the U.S. Fish and Wildlife Service shall take precedence;

(9) The establishment and continuation of this district depends upon the continuing legality and enforceability of each of the terms and conditions stated in this ordinance. This district may, at the discretion of the Board of Supervisors, be subject to reconsideration and may be terminated if warranted at the discretion of the Board of Supervisors upon determination by a court or any declaration or enactment by the General Assembly that renders any provisions illegal or unenforceable. The reconsideration shall be in accordance with procedures established by the Board of Supervisors and communicated to the property owner(s) to demonstrate that the determination by a court or the declaration or enactment by the General Assembly does not apply to the conditions of this district.

This amendment shall become effective upon adoption.

GIVEN under my hand this 23<sup>rd</sup> day of February, 2004.



NANCY VEHRS

Clerk to the Board of Supervisors



**Northern Virginia Soil and Water Conservation District**

12055 Government Center Parkway, Suite #905

Fairfax, VA 22035

<http://www.fairfaxcounty.gov/nvswcd/>

Tel: 703-324-1460

Fax: 703-423-1421

**---Soil and Water Quality Conservation Plan---**

**Property Owner/Operator:**

Belmont Bay Farm, LTD.  
(Charles R. Hooff III)  
Agricultural & Forestal District – AF 92-V-001-02  
10622 Belmont Boulevard  
Lorton, VA 22079  
Contact: William M. Baskin, Jr.  
Baskin, Jackson & Duffett, PC  
703-534-3610; Baskinjack@aol.com

**Plan Prepared by:**

Willie Woode, Senior Conservation Specialist, NVSWCD

**Date:**

January 8, 2015

**Summary of operation:**

This property is pending renewal of its agricultural and forestal district status. It is approximately, 288 acres in size, located at 10622 Belmont Boulevard in Lorton. The tract is kept mainly forested for purposes of timber harvesting, as wildlife preserve, and has sectional fields for grazing sheep. Only a few sheep were grazing the fields at the time of my visit. A few chickens and guinea hens are also kept onsite.

The property is located in the Lower Occoquan River Watershed (P-48). A total of 12,870 linear feet of Chesapeake Bay Resource Protection Area (RPA) is delineated within the property limits, bordering Massey Creek and other unnamed tributaries that drain into Belmont Bay. Additionally, three ponds (1, 2 & 3) exist on site.

The pasture fields are the only active form of agricultural land use on site. Approximately two acres of the six-acre portion of field #1 is being planned to be seeded for Millett and/or Sunflower, for purposes of attracting birds for hunting.

**Assessment:** The stand of grass in the pasture fields does not show signs of over-grazing or active erosion. However, farm owner is concerned about a unique invasive grass that grows tall, with its stems in a ring formation. At the time of my visit, the grass had gone into its winter hibernation state and could not be identified.

Pond # 1 was observed to be in good shape, although vegetation around the edges was scanty. Enhancing vegetative growth around the edges will minimize erosion, and also reduce pond siltation to some degrees.

Ponds 2 & 3 showed signs of needing some overhaul measures, mainly due to siltation. Considering the environmentally sensitive areas in which those two ponds 2 & 3 are located, permits must be obtained from the appropriate agencies before dredging commences.

**Practices:**

**1) Nutrient Management (590):**

Nutrients will be applied to pasture fields based on soil test results and recommended applications to provide balanced nutrition for healthy growth.  
This plan was developed and signed by a Nutrient Management Planner, certified by the Commonwealth of Virginia's Nutrient Management Program.

Fields	Planned Amount	Month	Year	Applied Amount	Date
Field #1	6.0 acs.	8	2015		
Field #2	13.0 acs.	8	2015		
Field #3	3.5 acs.	8	2015		
Field #4	4.5 acs.	8	2015		
Total	27.0 acs.				

**2) Pest Management (595)**

Pest Management will be carried out to control agricultural pest infestation (weeds, insects, diseases) according to current recommendations from the Cooperative Extension Service. The Pest Management Guide is updated annually.

During the next growing season of the weed of concern, samples of the grass with its inflorescence should be sent to the Fairfax County Extension service for identification and management recommendations.

Fields	Planned Amount	Month	Year	Applied Amount	Date
Field #1	6.0 acs.	5	2014		
Field #2	13.0 acs.	5	2014		

Field #3	3.5 acs.	5	2014		
Field #4	4.5 acs.	5	2014		
Residential	7.0 acs.	5	2014		
Wooded, Wildlife Reserve	247.65acs.	5	2014		
Pond 1	0.5 ac.	5	2014		
Pond 2	1.5 acs.	5	2014		
Pond 3	4.0 acs.				
Total	287.65 acs.				

**3) Chesapeake Bay Resource Protection Area (RPA) Management:**

The green shaded area on the map is the county delineated Chesapeake Bay Resource Protection Area (RPA). The RPA is the final barrier through which pollutants contained in runoff from adjacent land areas are filtered. RPAs are required to be kept vegetated to enhance surface filtration and soil infiltration of pollutants. The use of pesticides and nutrient within this zone is not recommended. If any such chemicals must be utilized, it is recommended that the application must be done by a qualified and experienced applicator, under ideal weather conditions.

Fields	Planned Amount	Month	Year	Applied Amount	Date
Field #1	1330 Ln. ft.	1	2015		
Field #2	430 Ln. ft.	1	2015		
Wooded Wildlife Reserve	11,110 Ln. ft.	1	2015		
Total	12,870 Ln. ft.				

**4) Upland and Flood Plain Riparian Forest Management**

Natural resource preservation practices for trees, wildlife and their habitats within these zones must be implemented. The forest management plan provided by the Virginia Department of Forestry provides most of the basic practices to protect and enhance forested areas.

Regarding riparian zone management, stream corridors must be inspected at frequent intervals; especially after major storm events to be sure fallen trees or other drifted objects are not lodged such that they enhance erosive conditions within the channel. If such an occurrence is observed, the fallen tree or lodged object should be removed as soon as possible before the next major storm event. Prompt measures should be taken to address any actively eroding bank area. The NSWCD has training staff to provide basic bank stabilization techniques upon request.

Area	Planned Amount	Month	Year	Applied Amount	Date
Wooded Wildlife Reserve	247.65 acs.	1	2015		
Total	247.65 acs.				

**5) Pond Maintenance:**

Manage existing ponds and their adjacent vegetated buffer areas for water quality improvement and wildlife enhancement purposes. Maintain vegetation stand in buffer areas to improve filtration of pollutants before runoff enters the water body, and to reduce erosion. Additional pond maintenance information can be provided upon request.

Areas	Planned Amount	Month	Year	Applied Amount	Date
Pond 1	0.5 ac.	1	2015		
Pond 2	1.5 acs.	1	2015		
Pond 3	4.0 acs.	1	2015		
Total	6.0 acs.				

**6) Record Keeping:**

A system of records indicating the dates and applications of nutrients, or pesticides should be developed and maintained. A specimen record sheet is included.

Fields	Planned Amount	Month	Year	Applied Amount	Date
Field #1	6.0 acs.	5	2014		
Field #2	13.0 acs.	5	2014		
Field #3	3.5 acs.	5	2014		
Field #4	4.5 acs.	5	2014		
Residential	7.0 acs.	5	2014		
Wooded, Wildlife Reserve	247.65acs.	5	2014		
Pond 1	0.5 ac.	5	2014		
Pond 2	1.5 acs.	5	2014		
Pond 3	4.0 acs.				
Total	287.65 acs.				

SIGNATURES OF PARTICIPANTS of the BELMONT BAY FARM, LTD

A&F District AR 92-V-001-02 (Charles R. Hooff)

Landowner/Operator:

-----  
**Charles R. Hooff**

-----  
**Date**

Planner:

-----  
**Wilfred D. Woode**

-----  
**Date**

District Authority:

-----  
**Chairman**










-----  
**Date**

**BELMONT BAY FARMS, LTD**  
**10622 Belmont Boulevard**  
**Lorton, VA 22079**

Ag. & Forestal District  
 AF 92-V-001

287.65 acres

**Legend**

-  1993 RPAs
  -  2003 RPAs
  -  2003 (Rev) RPAs
  -  Resource Management Areas (RMAs)
  -  Existing fence line
  -  Parcel limits
  -  Property Limits
  -  Change in vegetation type (planned)
  -  Soil types
- 74B - Lunt Marumsco Complex  
 48A - Gunston Silt Loam  
 91C - Sassafras Marumsco Complex  
 71C - Kingstowne - Sassafras - Marumsco Complex



500 250 0 500 Feet  
 (Scale may not be accurate)



Bettina Ring  
State Forester



# COMMONWEALTH of VIRGINIA

DEPARTMENT OF FORESTRY  
12055 Government Center Parkway  
Suite 904  
Fairfax VA 22035  
703-324-1489

December 10, 2014

Charles Hooff III  
1707 Duke St  
Alexandria, VA 22314

Dear Mr. Hooff,

I am sorry our schedules did not permit us to meet and look at your property. As we discussed on the phone, there has not been much change since I last visited your property when I wrote your Stewardship Management Plan. The attached Belmont Bay Farms Forestry Plan is derived from the Stewardship Plan, but reflects some modifications based on the realities of conducting active management in 21<sup>st</sup> century Fairfax County.

For your convenience I have provided the County Department of Planning and Zoning and Mr. Baskin with a copy of this letter and the plan I have prepared.

If you have any questions, please do not hesitate to contact me.

Respectfully,

A handwritten signature in black ink, appearing to read "James McGlone".

James McGlone  
Urban Forest Conservationist

cc:DPZ; WMB, file

## **Belmont Bay Farms Forestry Plan**

**Owner:**

Charles Hooff III  
1707 Duke St  
Alexandria, VA 22314  
703-549-6103

**Location:**

10622 Belmont Blvd  
Lorton VA 22079  
South of Belmont Blvd and West of Belmont Blvd.

**Landowner Objectives:**

1. Managing Timber for Income/ Commercial Production
2. Protect Rare, Unique Natural Areas
3. Real Estate Involvement
4. Wildlife Habitat
  - a. Water Fowl
  - b. Bobwhite Quail
  - c. Rare, Threatened or Endangered Species
  - d. Deer/Turkey
  - e. Songbirds
5. Wildlife for Hunting

**General Description:** This property consists of rolling upland that falls steeply to a flood plain terrace above Belmont Bay, which is connected to the fresh water tidal portion of the Potomac River. The upland portion is hardwood forest and loblolly pine (planted in 1993). Variations in harvest practices have resulted in mixed hardwood stands; areas that were select cut maintain an oak component along with beech and poplar; areas that were clear cut are now largely poplar and sweet gum, with some beech and maple. Most of the flood plain terrace is an open field where sheep are pastured. There is one section of the terrace, which was clear cut in 1993 and has re-grown as an early successional forest of mostly sweet gum and locust. There is a house and several out buildings on the property.

There are three out parcels embedded in the property. These belong to other land owners and are labeled Bozarth, Cave and Edgar on the property map.

Much of this property consists of either steep slopes or areas that are still in recovery from select cut harvests in 1983 or 92 and/or gypsy moth damage. Unless otherwise noted in the parcel descriptions below, these stands should be allowed to continue to recover and be reevaluated in ten years under consideration of future market conditions and management options.

**Areas of Special Concern:** The entire western boundary of the property is designated a Resource Protection Area (RPA) under the Fairfax County Chesapeake Bay ordinance. There is also an RPA along a small stream in the eastern part of the tract (see attached RPA map). RPAs are lands designated by Fairfax County along perennial streams to protect water quality in the Chesapeake Bay. The purpose of the RPA designation is to protect forested riparian buffers and county code prohibits the removal of any vegetation within an RPA. However, section 9VAC10-20-120 of the Virginia Administrative Code specifically exempts silvicultural activities from restrictions in RPAs, provided they adhere to the January 1997 edition of "Forestry Best Management Practices for Water Quality in Virginia Technical Guide."

The area west of the pasture that is overgrown with sweet gum is also designated as an RPA and the county soil map lists the soils as wetland. This area is a freshwater tidal forested wetland and may be subject to regulation by the Army Corps of Engineers and/or the Virginia Department of Environmental Quality as jurisdictional wetlands. Section 404 of the Clean Water Act provides for nationwide permits for disturbance of wetlands and such a permit exists for silviculture, again provided forestry BMPs are adhered to during any silvicultural practice.

**Deer Management.** The most pressing problem of sound forest management in Fairfax County is managing deer herds. Due to deer browsing we are missing an entire age class of trees throughout the County and the youngest canopy trees in most forest parcels are about 30 years old. That equates to more damage than gypsy moths (and probably all other mortality sources combined) have been able to inflict. While the deer do not threaten our existing trees, they do make regeneration of the forest impossible and lead to the prospect that forests will disappear from Fairfax County over the next hundred years.

I note that you are hunting the property and are getting regeneration of beech and holly. I also noted no significant browse on the holly and mountain laurel. These are starvation foods for deer, and the absence of browse means either the deer are finding enough other food in the area or your efforts have succeeded in lowering the herd below the biological carrying capacity of the property. However there is still no regeneration of oak, which means the herd is still above the sustainable level for oak forest. The forest resource here would benefit from additional deer management effort focused on removing does.

**Water Quality:** The generally forested nature of the property provides excellent water quality protection to Belmont Bay, the Potomac River and the Chesapeake Bay. One area of concern, however, is the small stream in the eastern portion of the property. Channel incision and head cuts were observed in this stream. Both of these problems are associated with increased storm flow. If incising and head cutting are active, they are most likely the result of off-site land use. The channel incision and head cuts may also have been the result of the temporary increase in storm water flow associated with the 1993 harvest operation. In either event, extra care should be taken to reduce storm flows following harvest operations. This can best be accomplished by leaving slash in place during and after the harvest.



Virginia Department of Forestry  
Protecting and Developing Healthy, Sustainable Forest Resources

## Belmont Farms

Stewardship Map for Charles Hooff III



The Stewardship Property encloses 3 other properties labeled Cave, Edgar and Bozarth. Tract Name: Belmont Farms Tract #FAX93006

Map By:

Report Date: Thursday, May 24, 2007

Generated by the Integrated Forest Resource Information System - Copyright 2006 Virginia Department of Forestry

**Parcels A-1 and A-2 (Loblolly Plantation)**

**Acres:** 31.3 Total

**Forest Type:** Loblolly Pine plantation with poplar and sweet gum intrusion.

**Species Present:** Loblolly Pine, Sweet Gum, Tulip Poplar

**Age:** 15 years

**Size:** Pole to chip and saw (8 to 14 inches in diameter)

**Quality:** Good

**Trees/acre:** Over stocked (Basal area of 120 to 160 square feet per acre)

**Growth Rate:** Fair to good

**Height:** 40 to 50 feet

**History:** This area was clear cut and bulldozed in 1992, with slash piles burned. It was then planted at a prescribed 550 stems per acre. Based on field measurements the pines appear to have been planted on 9' by 6' centers yielding approximately 864 trees per acre. There is no record of release being performed on the parcel, though it was recommended.

**RECOMMENDATIONS:**

The parcel has the opportunity to produce good quality timber, but needs to be thinned to realize this potential. Although the Loblolly trees are in good condition with over one-third their height in canopy, they are overcrowded. By reducing basal area to 50 to 60 square feet per acre, or removing one half to two thirds of the trees, the remainder will have more room and resources to grow. Thinning will also maintain tree health and resistance to insects and disease and may improve wildlife habitat.

Thinning should be done from the bottom up, preferentially taking smaller trees by removing every third row of trees and selectively removing trees from the remaining rows. Hardwoods should also be removed at this time. If commercial thinning cannot be done, fuel management should be undertaken to reduce the risk of wildfire after thinning. Note, however, that small fuels decompose rapidly in Virginia and return nutrients to the soil. Some of the cut material, particularly the tree tops and branches can be left on the site to act as a time release fertilizer. Fuel reduction could also be accomplished with a prescribed burn.

**Parcels B-1 and B-2**

**Acres:** 29.3 Total

**Forest Type:** Mixed hardwood

**Species Present:** Poplar, Sweet Gum, Red Maple, Virginia Pine, Beech

**Age:** 15 years

**Size:** Pole (4 to 8 inches in diameter)

**Quality:** Fair

**Trees/acre:** Over stocked

**Growth Rate:** Fair to good

**History:** This area was clear cut and bulldozed in 1991-2, with slash piles burned. It was not planted and has grown up mostly in volunteer poplar and sweet gum with some red maple and Virginia pine mixed in. There is a bald eagle nest in or near the SW corner of parcel B-2.

**RECOMMENDATIONS:**

This stand is starting to sort itself out and shows promise as an eventual poplar-sweetgum stand. Allow this stand to continue to evolve on its own.

**Parcel C**

**Acres:** 5.5

**Forest Type:** Mixed hardwood

**Species Present:** Poplar, Sweet Gum, Red Maple, Locust

**Age:** 24 years

**Size:** Pole to small saw timber

**Quality:** Fair

**Trees/acre:** Over stocked

**Growth Rate:** Fair to good

**History:** This area was part of the 1983 select cut. The area was apparently cut harder or suffered more gypsy moth damage than other parts of the 1983 harvest. It consists of small to medium diameter trees generally under 15 inch DBH.

**RECOMMENDATIONS:**

This area shows some potential for producing poplar timber; however it will need to have a crop tree release performed on the parcel to realize that potential. As with the Loblolly Pine parcel, fuel management should be considered after crop tree release.

Unlike parcels B-1 and B-2, it has a relatively small poplar component and release at this time will leave it under stocked. There are some larger trees in the stand and it might be better to allow this stand to grow for five or more years and then perform a shelterwood or seed tree cut. Shelterwood cuts remove 40% to 60 % of the basal area of the stand and leave behind mature trees to act a seed source and provide protection for natural regeneration of the stand. Once regeneration is advanced the mature trees left at the time of the initial cut are removed. A seed tree cut is similar but more trees are removed in the initial harvest and only a few are left behind as a seed source. Both are good practices for regenerating hardwood stands.

One issue with managing this parcel is its small size. Its management should be coordinated with parcels G and H

**Parcel D**

**Acres:** 24.3

**Forest Type:** Oak

**Species Present:** Chestnut Oak

**Age:** 50+ years

**Size:** Saw timber (20+ DBH)

**Quality:** Good

**Trees/acre:** Slightly under stocked

**Growth Rate:** Fair

**History:** This area was select cut in 1983 and later suffered from heavy gypsy moth damage.

**RECOMMENDATIONS:**

On the north and the west the area is bounded by abrupt changes in topography, soils and vegetative community. The chestnut oak is in good shape and should be allowed to grow.

**Parcel E**

**Acres:** 8.2

**Forest Type:** Hardwood

**Species Present:** Poplar, Sweet Gum, a few oaks and red maple

**Age:** 15 years

**Size:** Pole size

**Quality:** Fair

**Trees/acre:** Over stocked

**Growth Rate:** Good

**History:** This area was clear cut in 1992. It was not planted and intended to be open field. The stumps were too high to maintain as field by mowing and it has grown up as mostly sweet gum with a major poplar component and a few red maple and oaks in the higher ground. This area is bordered on the south by a fresh water tidal forested wetland.

**RECOMMENDATIONS:**

This parcel borders a swamp and is designated as an RPA. The boundaries of this parcel, and the swamp and locust parcels to the south are based on topographical map data. Like stands B-1 and B-2, the volunteer regeneration here should be allowed to progress to a mature stand.

**Parcel F**

**Acres:** 3.3

**Forest Type:** Hardwood

**Species Present:** Locust

**Age:** 15 years

**Size:** Pole size

**Quality:** Fair

**Trees/acre:** well stocked

**Growth Rate:** Fair

**History:** This area was clear cut in 1992. It was not planted and intended to be open field. The stumps were too high to maintain as field by mowing and it has grown up as mostly locust. This area is bordered on the north by a fresh water tidal forested wetland.

**RECOMMENDATIONS:**

This area should be cleared of the locust. It has the potential to be marketed as firewood, but it should be a complete harvest of the entire area, rather than a truck load at a time. It could also be marketed for fence posts; cut locust is rot resistant and has long survivability in contact with the soil.

**Parcel G****Acres:** 7.1**Forest Type:** Hardwood**Species Present:** Sweet Gum**Age:** 15 years**Size:** Pole size**Quality:** Fair**Trees/acre:** Over stocked**Growth Rate:** Fair

**History:** This area was clear cut in 1992. It was not planted and intended to be open field. The stumps were too high to maintain as field by mowing and it has grown up as mostly sweet gum. This area is a fresh water tidal forested wetland and is subject to regulation by the Army Corps of Engineers, the Virginia Department of Environmental Quality, and is designated as an RPA by the Fairfax County Government.

**RECOMMENDATIONS:**

The regulatory hurdles combined with the physical limitations, economic considerations and the wildlife value suggests that the best thing to do in this area is nothing. This area has considerable wildlife value. The deeper permanent pools can serve as a secure breeding habitat for amphibians. American sweet gum seeds are eaten by eastern goldfinches, purple finches, mourning doves, northern bobwhites, and wild turkeys. Small mammals such as chipmunks and gray squirrels also enjoy the fruits and seeds

Cypress and water oak are the only commercial species that might grow here and they would be in constant competition with the established sweet gum. Management here would require many years of herbicidal and/or mechanical control of sweet gum until the crop trees reached sufficient size to shade out the sweet gum. Additionally sweet gum does have some commercial value as furniture, veneer, and flooring wood.

This area is both a county RPA and a jurisdictional wetland. Although there is a Federal Clean Water Act Section 404 Nationwide Permit for on going silviculture, there is some question about whether this site will automatically qualify for the Section 404 permit, since it has not been actively managed for 15 years. Should you choose to engage in management here remember: both exemptions make the January 1997 edition of "Forestry Best Management Practices for Water Quality in Virginia Technical Guide" mandatory.

**Parcel H**

**Acres:** 63.2

**Forest Type:** Hardwood

**Species Present:** Beech, Tulip Poplar, Black Gum, and some Oak along southern boundary.

**Age:** 50+ years

**Size:** Mostly saw timber

**Quality:** Good

**Trees/acre:** Slightly under stocked

**Growth Rate:** Fair

**History:** This area was select cut in 1988. It was later infested by gypsy moth and lost most of its oak component.

**RECOMMENDATIONS:**

This area is still recovering from the harvest operations and gypsy moth infestation. This parcel has some potential to be managed for tulip poplar. However, at this time it is recommended that nothing be done and the parcel be reevaluated in 10 years for future management. The species present are not of high commercial value and 10 years more growth will increase the total value of the stand. Continued efforts to reduce the deer population will help foster regeneration of this stand and the rest of the forest resources on this property.

**Parcel I**

**Acres:** 48.5

**Forest Type:** Hardwood

**Species Present:** Beech, Tulip Poplar, Black Gum, White Oak

**Age:** 50 years

**Size:** Mostly saw timber

**Quality:** Good

**Trees/acre:** Slightly under stocked

**Growth Rate:** Fair

**History:** This area was lightly select cut in 1993. It was more lightly affected by gypsy moth than parcel H and retained more of its oak component, especially in the southern uplands.

**RECOMMENDATIONS:**

This area is still recovering from the harvest operations and gypsy moth infestation. This parcel has some potential to be managed for Oak. However, at this time it is recommended that nothing be done and the parcel be reevaluated in 10 years for future management. Continued efforts to reduce the deer population will help foster regeneration of this stand and the rest of the forest resources on this property.

**Field 1**

**Acres:** 10.8

**Forest Type:** Open Field

**Species Present:** Grasses, Sweet Gum, Phragmites

**Age:** 15 years

**History:** This area was clear cut in 1992. It has been maintained as an open field since then. The main grass is fescue. The field is being invaded by sweet gum, *Phragmites australis*, black berries, and is threatened by the bamboo planted by the neighbor.

**RECOMMENDATIONS:**

Follow the soil conservation plan prepared by the Northern Virginia Soil and Water Conservation district or continue to allow colonization by sweetgum. Note that cutting only encourages sweetgum by releasing stem buds in the roots system. If you wish to remove sweetgum from the field you must either burn repeatedly or apply herbicides.

**Field 2**

**Acres:** 25.7

**Forest Type:** Open Field

**Species Present:** Grasses

**Age:** Unknown

**History:** This area has been open field at least since 1983. The north portion is fenced from the southern portion and there is a drainage that runs along the fence line. The southern portion is or has been hayed or mowed.

**RECOMMENDATIONS:**

Follow the recommendations of the soil conservation plan prepared by the Northern Virginia Soil and Water Conservation District.



# County of Fairfax, Virginia

## MEMORANDUM

**Date:** January 5, 2015

**TO:** Barbara C. Berlin, Director  
Zoning Evaluation Division, DPZ

**FROM:** Pamela G. Nee, Chief *PAN*  
Environment and Development Review Branch, DPZ

**SUBJECT:** Land Use Analysis & Environmental Assessment for: AR 92-V-001-02  
Belmont Bay Farms, Ltd. Agricultural & Forestal District

This memorandum, prepared by Brenda Cho, includes citations from the Comprehensive Plan that list and explain land use recommendations and environmental policies for this property. The extent to which the application conforms to the applicable guidance contained in the Comprehensive Plan is noted.

### DESCRIPTION OF THE APPLICATION

The applicant seeks approval to renew an approximately 288-acre Statewide Agricultural and Forestal (A & F) District, which encompasses three parcels [Tax Map Parcels 117-2 ((1)) 2Z, 4Z and 15Z]. The application site is located in the LP3 – Mason Neck Community Planning Sector in the Lower Potomac Planning District within the Mount Vernon Magisterial District. The parcels are owned by the Hooft family, and there are residential structures and stock and storage related buildings on site. Agricultural activities include forest products, wool production and live lambs and rams.

### LOCATION AND CHARACTER

The subject property is located in the southeast quadrant of the county in the Mill Branch and Kane Creek Run watersheds of the Occoquan River and zoned R-E (Residential Estate District). Generally, this Agricultural and Forestal District is surrounded by land which is also zoned R-E and planned for residential use at .1-.2 dwelling unit per acre (du/ac). There is another A & F District to the north. The site is bounded by Massey Creek to the west, Belmont Bay to the south, and Belmont Boulevard to the east. The subject property is mostly forested with slopes throughout the site. There are a couple of

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Planning Division  
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Barbara C. Berlin  
AR 92-V-001-02  
Page 2

streams on site, and the stream areas have been identified as Resource Protection Areas (RPA), which cover approximately 57 acres of the site.

## **COMPREHENSIVE PLAN MAP**

Residential use at .1-.2 dwelling unit per acre (5-10 acre lots)

## **COMPREHENSIVE PLAN CITATIONS**

The Comprehensive Plan is the basis for the evaluation of this application. The assessment of the proposal for conformity with the land use and environmental recommendations of the Comprehensive Plan is guided by the following citations from the Plan:

### **Land Use**

In the Fairfax County Comprehensive Plan, 2013 Edition, Area IV, Lower Potomac Planning District, Amended through June 3, 2014, LP3-Mason Neck Community Planning Sector, Pages 108 - 118:

#### “Land Use

Figure 37 indicates the geographic location of land use recommendations for this sector. Where recommendations are not shown on the General Locator Map, it is so noted.

1. This sector is planned for very low-density single-family residential use at up to .1 dwelling unit per acre. As an option, a density of up to .2 dwelling unit per acre may be appropriate if it is clustered and results in the preservation of EQC and other sensitive lands, provides substantial land in privately protected open space or public ownership, and contributes to maintaining the rural character of Mason Neck. Development at the baseline and optional levels should only occur where suitable soils allow for septic systems.

Most new development on Mason Neck will occur on lots of two acres or larger. On lots of this size it is possible to preserve features of ecological value and to minimize the impacts of development on wildlife and water quality. These practices are known collectively as minimum impact development techniques. New large lot development on Mason Neck should:

- Limit site disturbance for individual lots;
- Site homes on the least sensitive portion of each lot;
- Maintain open space in an undisturbed state or actively manage it to enhance habitat value;

## ATTACHMENT 3: A&amp;F Renewal 2015

Barbara C. Berlin  
AR 92-V-001-02  
Page 3

- Link open space within lots to adjacent park land and EQCs;
- Minimize the amount of new impervious surface on individual lots;
- Discourage the building of fences and other barriers in identified wildlife corridors;
- Retain existing forest cover and encourage re-vegetation of cleared areas with native plant species that have a high value as a food source for desirable species of wildlife; and,
- Encourage the use of small on-lot bioretention facilities for stormwater management.

Any additional residential development above the planned density range may undermine the rural character of the sector and exacerbate septic system problems which are being experienced on some properties.”

### Environment

In the Fairfax County Comprehensive Plan, 2013 Edition, Policy Plan Volume, Environment, as amended through July 1, 2014, on pages 7-9:

**“Objective 2: Prevent and reduce pollution of surface and groundwater resources. Protect and restore the ecological integrity of streams in Fairfax County.**

Policy a. Maintain a best management practices (BMP) program for Fairfax County and ensure that new development and redevelopment complies with the County’s best management practice (BMP) requirements.

Policy d. Preserve the integrity and the scenic and recreational value of stream valley EQCs. . . .

Policy l. In order to augment the EQC system, encourage protection of stream channels and associated vegetated riparian buffer areas along stream channels upstream of Resource Protection Areas (as designated pursuant to the Chesapeake Bay Preservation Ordinance) and Environmental Quality Corridors. To the extent feasible in consideration of overall site design, stormwater management needs and opportunities, and other Comprehensive Plan guidance, establish boundaries of these buffer areas consistent with the guidelines for designation of the stream valley component of the EQC system as set forth in Objective 9 of this section of the Policy Plan. Where applicable, pursue

Barbara C. Berlin  
AR 92-V-001-02  
Page 4

commitments to restoration of degraded stream channels  
and riparian buffer areas.

Development proposals should implement best management practices to reduce runoff pollution and other impacts. Preferred practices include: those which recharge groundwater when such recharge will not degrade groundwater quality; those which preserve as much undisturbed open space as possible; and, those which contribute to ecological diversity by the creation of wetlands or other habitat enhancing BMPs, consistent with State guidelines and regulations.”

In the Fairfax County Comprehensive Plan, 2013 Edition, Policy Plan Volume, Environment, as amended through July 1, 2014, on page 10:

**“Objective 3:           Protect the Potomac Estuary and the Chesapeake Bay from the avoidable impacts of land use activities in Fairfax County.**

Policy a.           Ensure that new development and redevelopment complies with the County's Chesapeake Bay Preservation Ordinance.  
                          ...”

In the Fairfax County Comprehensive Plan, 2013 Edition, Policy Plan Volume, Environment, as amended through July 1, 2014, on pages 14 and 15:

**“Objective 9:           Identify, protect and enhance an integrated network of ecologically valuable land and surface waters for present and future residents of Fairfax County.**

Policy a:           Identify, protect and restore an Environmental Quality Corridor system (EQC). . . . Lands may be included within the EQC system if they can achieve any of the following purposes:

- Habitat Quality: The land has a desirable or scarce habitat type, or one could be readily restored, or the land hosts a species of special interest. This may include: habitat for species that have been identified by state or federal agencies as being rare, threatened or endangered; rare vegetative communities; unfragmented vegetated areas that are large enough to support interior forest dwelling species; and aquatic and wetland breeding habitats (i.e., seeps, vernal pools) that are connected to and in close proximity to other EQC areas.
- Connectivity: This segment of open space could become a part of a corridor to facilitate the movement of wildlife and/or conserve biodiversity. This may include natural corridors that are wide enough to

Barbara C. Berlin  
AR 92-V-001-02  
Page 5

facilitate wildlife movement and/or the transfer of genetic material between core habitat areas.

- Hydrology/Stream Buffering/Stream Protection: The land provides, or could provide, protection to one or more streams through: the provision of shade; vegetative stabilization of stream banks; moderation of sheet flow stormwater runoff velocities and volumes; trapping of pollutants from stormwater runoff and/or flood waters; flood control through temporary storage of flood waters and dissipation of stream energy; separation of potential pollution sources from streams; accommodation of stream channel evolution/migration; and protection of steeply sloping areas near streams from denudation.
- Pollution Reduction Capabilities: Preservation of this land would result in significant pollutant reductions. Water pollution, for example, may be reduced through: trapping of nutrients, sediment and/or other pollutants from runoff from adjacent areas; trapping of nutrients, sediment and/or other pollutants from flood waters; protection of highly erodible soils and/or steeply sloping areas from denudation; and/or separation of potential pollution sources from streams.

The core of the EQC system will be the County's stream valleys. Additions to the stream valleys should be selected to augment the habitats and buffers provided by the stream valleys, and to add representative elements of the landscapes that are not represented within stream valleys. The stream valley component of the EQC system shall include the following elements . . . :

- All 100 year flood plains as defined by the Zoning Ordinance;
- All areas of 15% or greater slopes adjacent to the flood plain, or if no flood plain is present, 15% or greater slopes that begin within 50 feet of the stream channel;
- All wetlands connected to the stream valleys; and
- All the land within a corridor defined by a boundary line which is 50 feet plus 4 additional feet for each % slope measured perpendicular to the stream bank. The % slope used in the calculation will be the average slope measured within 110 feet of a stream channel or, if a flood plain is present, between the flood plain boundary and a point fifty feet up slope from the flood plain. This measurement should be taken at fifty foot intervals beginning at the downstream boundary of any stream valley on or adjacent to a property under evaluation."

Barbara C. Berlin  
AR 92-V-001-02  
Page 6

In the Fairfax County Comprehensive Plan, 2013 Edition, Policy Plan Volume, Environment, as amended through July 1, 2014, on page 18:

**“Objective 10: Conserve and restore tree cover on developed and developing sites. Provide tree cover on sites where it is absent prior to development.**

Policy a: Protect or restore the maximum amount of tree cover on developed and developing sites consistent with planned land use and good silvicultural practices.”

### LAND USE ANALYSIS

The proposed renewal of this Agricultural and Forestal District is compatible with the existing and planned very low density residential character of this site and the surrounding area.

### ENVIRONMENTAL ANALYSIS

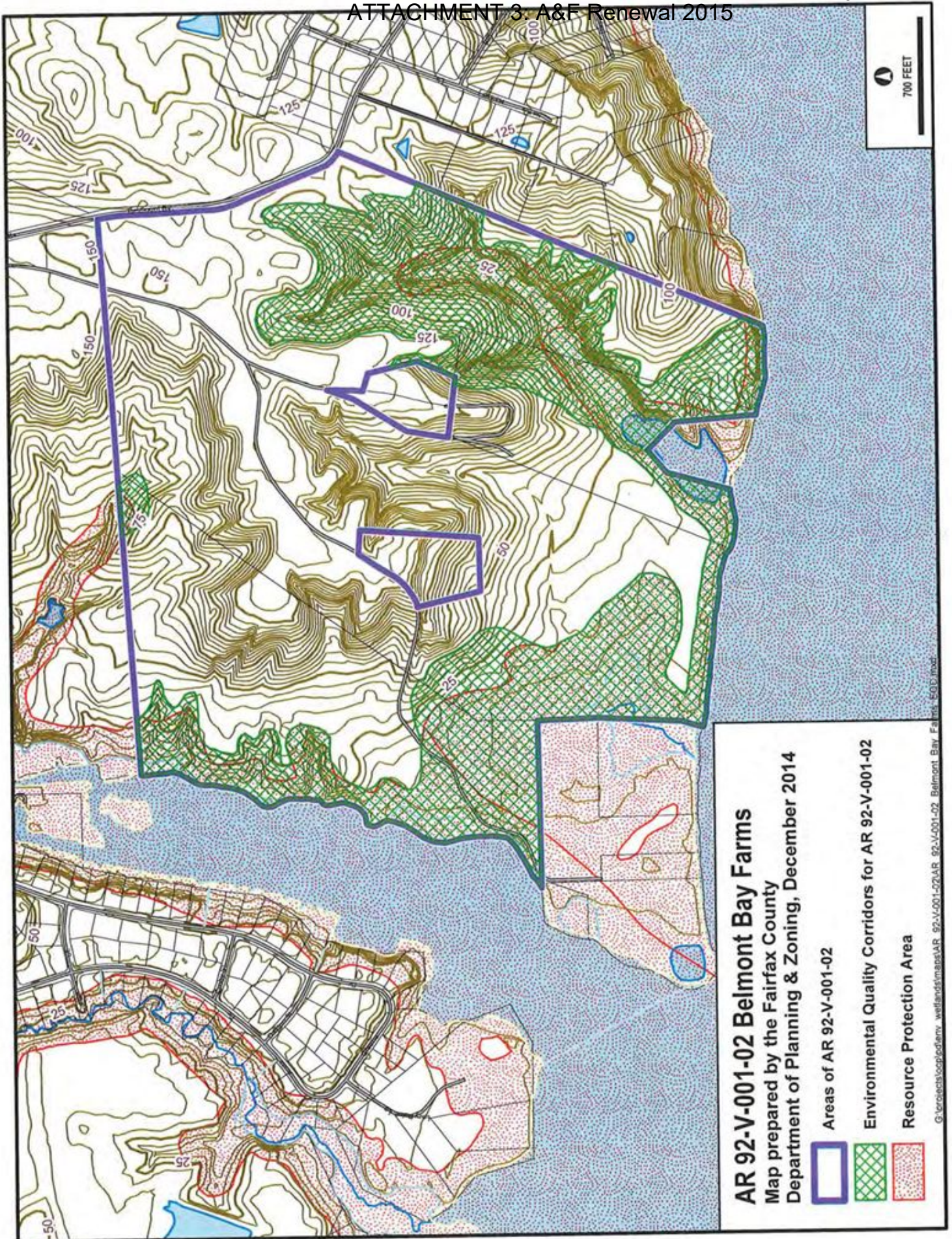
The property is subject to the County’s Chesapeake Bay Preservation Ordinance (CBPO), and a portion of the site contains a RPA as defined under the CBPO and is depicted on the attached map. An Environmental Quality Corridor (EQC) as defined under the Policy Plan is also located on the subject property and depicted on the attached map. The RPA/EQC is associated with tributaries on site. The EQC extends beyond the RPA and includes areas with steep slopes near the stream channels. The applicant should protect and enhance the EQC in order to be consistent with Comprehensive Plan guidance. Specifically, any agricultural and silvicultural activities should be conducted outside the limits of the EQC. If any prior disturbance has occurred in the EQC, the applicants are encouraged to restore this area in accordance with guidelines for restoration of the RPA established by the Northern Virginia Soil and Water Conservation District.

The application indicates that a Soil and Water Conservation Plan was filed with the Northern Virginia Soil and Water Conservation District in 1983. The applicant should provide a current Water Quality Management Plan for the renewal of this district.

While it does not appear that any significant changes are proposed with this application, staff would strongly encourage the applicant to implement recommendations in the Belmont Bay Farms Forestry Plan, as developed by Fairfax County’s Department of Forestry for the subject property, which is sensitive to the RPA areas designated on the property. EQC areas should also be incorporated into any implementation plan.

PGN: BJC

Attachment





## County of Fairfax, Virginia

### MEMORANDUM

**DATE:** December 16, 2014

**TO:** Barbara Berlin, Director  
Zoning Evaluation Division  
Department of Planning and Zoning

**FROM:** Angela Kadar Rodeheaver, Chief  
Site Analysis Section  
Department of Transportation *MAK for AKR*

**FILE:** 3-4 (AF 2014-MV-001)

**SUBJECT:** Transportation Impact

**REFERENCE:** AF 2014-MV-001; Jim Stokes  
Land Identification Map: 113-3 ((1)) 12, 13, 14

This application would have no traffic impact. The Comprehensive Plan does recommend that Old Colchester Road be a two-lane road improved for sight distance and shoulders; however, no projects that would affect the site are included in current construction programs.

Therefore, this department has no objections to approval of this application.

AKR/lah

Fairfax County Department of Transportation  
4050 Legato Road, Suite 400  
Fairfax, VA 22033-2895  
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Fax: (703) 877-5723  
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**FAIRFAX COUNTY, VIRGINIA**

**MEMORANDUM**

**DATE:** January 27, 2015

**TO:** Members, Planning Commission  
Members, Board of Supervisors

**FROM:** Agricultural and Forestal Districts Advisory Committee

**SUBJECT:** Recommendations on the Belmont Bay Farms Statewide Agricultural and Forestal District; Application AR 92-V-001-02

The Agricultural and Forestal Districts Advisory Committee met on January 27, 2015 to review the application to renew the Belmont Bay Farms Statewide Agricultural and Forestal District (Application AR 92-V-001-02). The Committee found the following:

- The Belmont Bay Farms Statewide Agricultural and Forestal District meets the minimum district size contained in Section 114-1-3;
- The Belmont Bay Farms Statewide Agricultural and Forestal District conforms with the Policy and Purpose of Chapter 114 of the Fairfax County Code;
- The Belmont Bay Farms Statewide Agricultural and Forestal District fulfills all of the applicable criteria found in Chapter 114 of the Fairfax County Code.

The Agricultural and Forestal Districts Advisory Committee unanimously recommends that Appendix E of the Fairfax County Code be amended to renew the Belmont Bay Farms Statewide Agricultural and Forestal District. The Advisory Committee further recommends that the establishment of this district be subject to the Ordinance Provisions which are contained in Appendix 1 of the staff report.

**Fairfax County Code, Chapter 114, Statewide A & F District provisions. For the full County Code please visit the Fairfax County website or view a copy in person at the Fairfax County Office of the Clerk to the Board of Supervisors.**

**ARTICLE 1 - In General**

**Section 114-1-1. Short title.**

This chapter may be referred to as the "Agricultural and Forestal Districts of Statewide Significance Ordinance" of the County of Fairfax and is to become effective June 30, 1983. (12-83-114.)

**Section 114-1-2. Policy and purpose.**

It is the policy of Fairfax County to conserve and protect and to encourage the development and improvement of its important agricultural and forestal lands for the production of food and other agricultural and forestal products. It is also Fairfax County policy to conserve and protect agricultural and forestal lands as valued natural and ecological resources which provide essential open spaces for clean air sheds, watershed protection, wildlife habitat, as well as for aesthetic purposes. It is the purpose of this chapter to provide a means by which agricultural and forestal lands of statewide significance may be protected and enhanced as a viable segment of the State and local economy as an economic and environmental resource of major importance.

**Section 114-1-3. Establishment of districts.**

The Fairfax County Board of Supervisors may establish, modify, renew, continue and terminate agricultural, forestal or agricultural and forestal districts of statewide significance, which shall be at a minimum two hundred (200) acres in size, in accordance with the provisions of Chapter 36 of Title 15.1 of the Code of Virginia. (12-83-114; 42-88-114.)

**Section 114-1-4. Criteria for the Establishment, Modification, Renewal, Continuation or Termination of a District.**

The following criteria shall be used as a guide in recommendations and decisions on whether to establish, modify, renew, continue or terminate agricultural and forestal districts.

- (a) All district acreage should be currently devoted to agricultural use or forestal use or should be undeveloped and suitable for such uses, except that a reasonable amount of residential or other use related to the agricultural or forestal use may be included.
- (b) All lands in the district should be zoned to the R-P, R-C, R-A, or R-E District.

- (c) The district should be consistent with the Comprehensive Plan. The following land uses identified in the Plan are appropriate for a district: .1—.2 dwelling unit per acre, .2 dwelling unit per acre, .2—.5 dwelling unit per acre, Private Recreation, Private Open Space, Public Park, Agriculture, Environmental Quality Corridor.
- (d) A majority of the surrounding land within one-quarter mile of the district should be planned according to the Comprehensive Plan for uses identified in (c) above.
- (e) A majority of the existing surrounding land uses within one-quarter mile of the district should be agricultural, forestal, outdoor recreational, conservation or low density residential (.5 dwelling unit per acre or less).
- (f) Approximately two-thirds of the land in agricultural use in the district should contain Class I, II, III or IV soils as defined by the USDA Soil Conservation Service. Districts having more than one-third of the land in agricultural use containing Class V—VIII soils may be considered if such lands have been improved and are managed to reduce soil erosion, maintain soil nutrients, and reduce nonpoint source pollution.
- (g) There should be evidence of a history of investment in farm or forest improvements or other commitments to continuing agricultural or forestal use in the district. In particular, districts with no history of investments in farm or forest improvements must evidence a firm commitment to agricultural or forest use for at least the life of the district.
- (h) The district should not unreasonably hinder acquisition and construction of public roads, utilities and facilities needed to serve other areas of planned growth.
- (i) The district's core acreage should be reasonably compact in shape and should not contain within its perimeter a large number of parcels not included in the district.
- (j) All noncontiguous parcels in the district should contain at least five (5) acres of land in agricultural use or twenty (20) acres in forestal use. (12-83-114.)

**Section 114-1-5. Requirements for agricultural and forestal value assessment.**

Land used in agricultural and forestal production within an agricultural and forestal district of statewide significance shall automatically qualify for an agricultural and forestal use value assessment on such land pursuant to Chapter 4, Article 19, of the Fairfax County Code and Section 58-769.4 et seq. of the Code of Virginia, if the requirements for such assessment contained therein are satisfied. (12-83-114.)

**ARTICLE 2 – Districts Established Under this Chapter**

**Section 114-2-1. District ordinances.**

Ordinances establishing specific agricultural and forestal districts of statewide significance are listed in Appendix E. (12-83-114.)

**APPLICABLE SECTIONS OF THE CODE OF VIRGINIA,**  
**TITLE 58.1, CHAPTER 32 – REAL PROPERTY TAX**  
 (current as of September 12, 2013 –  
 refer to online version of the Code for up-to-date information)

**§ 58.1-3230. Special classifications of real estate established and defined.**

For the purposes of this article the following special classifications of real estate are established and defined:

"Real estate devoted to agricultural use" shall mean real estate devoted to the bona fide production for sale of plants and animals useful to man under uniform standards prescribed by the Commissioner of Agriculture and Consumer Services in accordance with the Administrative Process Act (§ [2.2-4000](#) et seq.), or devoted to and meeting the requirements and qualifications for payments or other compensation pursuant to a soil conservation program under an agreement with an agency of the federal government. Prior, discontinued use of property shall not be considered in determining its current use. Real estate upon which recreational activities are conducted for a profit or otherwise shall be considered real estate devoted to agricultural use as long as the recreational activities conducted on such real estate do not change the character of the real estate so that it does not meet the uniform standards prescribed by the Commissioner. Real property that has been designated as devoted to agricultural use shall not lose such designation solely because a portion of the property is being used for a different purpose pursuant to a special use permit or otherwise allowed by zoning, provided that the property, excluding such portion, otherwise meets all the requirements for such designation. The portion of the property being used for a different purpose pursuant to a special use permit or otherwise allowed by zoning shall be deemed a separate piece of property from the remaining property for purposes of assessment. The presence of utility lines on real property shall not be considered in determining whether the property, including the portion where the utility lines are located, is devoted to agricultural use. In determining whether real property is devoted to agricultural use, zoning designations and special use permits for the property shall not be the sole considerations.

"Real estate devoted to horticultural use" shall mean real estate devoted to the bona fide production for sale of fruits of all kinds, including grapes, nuts, and berries; vegetables; and nursery and floral products under uniform standards prescribed by the Commissioner of Agriculture and Consumer Services in accordance with the Administrative Process Act (§ [2.2-4000](#) et seq.), or real estate devoted to and meeting the requirements and qualifications for payments or other compensation pursuant to a soil conservation program under an agreement with an agency of the federal government. Prior, discontinued use of property shall not be considered in determining its current use. Real estate upon which recreational activities are conducted for profit or otherwise shall be considered real estate devoted to horticultural use as long as the recreational activities conducted on such real estate do not change the character of the real estate so that it does not meet the uniform standards prescribed by the Commissioner. Real property that has been designated as devoted to horticultural use shall not lose such designation solely because a portion of the property is being used for a different purpose pursuant to a special use permit or otherwise allowed by zoning, provided that the property, excluding such portion, otherwise meets all the requirements for such designation. The portion of the property being used for a different purpose pursuant to a special use permit or otherwise allowed by zoning shall be deemed a separate piece of property from the remaining property for purposes of assessment. The presence of utility lines on real property shall not be considered in determining whether the property, including the portion where the utility lines are located, is devoted to horticultural use. In determining whether real property is devoted to horticultural use, zoning designations and special use permits for the property shall not be the sole considerations.

"Real estate devoted to forest use" shall mean land, including the standing timber and trees thereon, devoted to tree growth in such quantity and so spaced and maintained as to constitute a forest area under standards prescribed by the State Forester pursuant to the authority set out in § [58.1-3240](#) and in accordance with the Administrative Process Act (§ [2.2-4000](#) et seq.). Prior, discontinued use of property shall not be considered in determining its current use. Real estate upon which recreational activities are conducted for profit, or otherwise, shall still be considered real estate devoted to forest use as long as the recreational activities conducted on such real estate do not change the character of the real estate so that it no longer constitutes a forest area under standards prescribed by the State Forester pursuant to the authority set out in § [58.1-3240](#). Real property that has been designated as devoted to forest use shall not lose such designation solely because a portion of the property is being used for a different purpose pursuant to a special use permit or is otherwise allowed by zoning, provided that the property, excluding such portion, otherwise meets all the requirements for such designation. The portion of the property being used for a different purpose pursuant to a special use permit or otherwise allowed by zoning shall be deemed a separate piece of property from the remaining property for purposes of assessment. The presence of utility lines on real property shall not be considered in determining whether the property, including the portion where the utility lines are located, is devoted to forest use. In determining whether real property is devoted to forest use, zoning designations and special use permits for the property shall not be the sole considerations.

"Real estate devoted to open-space use" shall mean real estate used as, or preserved for, (i) park or recreational purposes, including public or private golf courses, (ii) conservation of land or other natural resources, (iii) floodways, (iv) wetlands as defined in § [58.1-3666](#), (v) riparian buffers as defined in § [58.1-3666](#), (vi) historic or scenic purposes, or (vii) assisting in the shaping of the character, direction, and timing of community development or for the public interest and consistent with the local land-use plan under uniform standards prescribed by the Director of the Department of Conservation and Recreation pursuant to the authority set out in § [58.1-3240](#) and in accordance with the Administrative Process Act (§ [2.2-4000](#) et seq.) and the local ordinance. Prior, discontinued use of property shall not be considered in determining its current use. Real property that has been designated as devoted to open-space use shall not lose such designation solely because a portion of the property is being used for a different purpose pursuant to a special use permit or is otherwise allowed by zoning, provided that the property, excluding such portion, otherwise meets all the requirements for such designation. The portion of the property being used for a different purpose pursuant to a special use permit or otherwise allowed by zoning shall be deemed a separate piece of property from the remaining property for purposes of assessment. The presence of utility lines on real property shall not be considered in determining whether the property, including the portion where the utility lines are located, is devoted to open-space use. In determining whether real property is devoted to open-space use, zoning designations and special use permits for the property shall not be the sole considerations.

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**§ 58.1-3233. Determinations to be made by local officers before assessment of real estate under ordinance.**

Prior to the assessment of any parcel of real estate under any ordinance adopted pursuant to this article, the local assessing officer shall:

1. Determine that the real estate meets the criteria set forth in § [58.1-3230](#) and the standards prescribed thereunder to qualify for one of the classifications set forth therein, and he may request an opinion from the Director of the Department of Conservation and Recreation, the State Forester or the Commissioner of Agriculture and Consumer Services;
2. Determine further that real estate devoted solely to (i) agricultural or horticultural use consists of a minimum of five acres; except that for real estate used for purposes of engaging in aquaculture as defined in § [3.2-2600](#) or for the purposes of raising specialty crops as defined by local ordinance, the governing body may by ordinance prescribe that these uses consist of a minimum acreage of less than five acres, (ii) forest use consists of a minimum of 20 acres and (iii) open-space use consists of a minimum of five acres or such greater minimum acreage as may be prescribed by local ordinance; except that for real estate adjacent to a scenic river, a scenic highway, a Virginia Byway or public property in the Virginia Outdoors Plan or for any real estate in any city, county or town having a density of population greater than 5,000 per square mile, for any real estate in any county operating under the urban county executive form of government, or the unincorporated Town of Yorktown chartered in 1691, the governing body may by ordinance prescribe that land devoted to open-space uses consist of a minimum of one quarter of an acre.

The minimum acreage requirements for special classifications of real estate shall be determined by adding together the total area of contiguous real estate excluding recorded subdivision lots recorded after July 1, 1983, titled in the same ownership. However, for purposes of adding together such total area of contiguous real estate, any noncontiguous parcel of real property included in an agricultural, forestal, or an agricultural and forestal district of local significance pursuant to subsection B of § [15.2-4405](#) shall be deemed to be contiguous to any other real property that is located in such district. For purposes of this section, properties separated only by a public right-of-way are considered contiguous; and

3. Determine further that real estate devoted to open-space use is (i) within an agricultural, a forestal, or an agricultural and forestal district entered into pursuant to Chapter 43 (§ [15.2-4300](#) et seq.) of Title 15.2, or (ii) subject to a recorded perpetual easement that is held by a public body, and promotes the open-space use classification, as defined in § [58.1-3230](#), or (iii) subject to a recorded commitment entered into by the landowners with the local governing body, or its authorized designee, not to change the use to a nonqualifying use for a time period stated in the commitment of not less than four years nor more than 10 years. Such commitment shall be subject to uniform standards prescribed by the Director of the Department of Conservation and Recreation pursuant to the authority set out in § [58.1-3240](#). Such commitment shall run with the land for the applicable period, and may be terminated in the manner provided in § [15.2-4314](#) for withdrawal of land from an agricultural, a forestal or an agricultural and forestal district.

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**§ 58.1-3232. Authority of city to provide for assessment and taxation of real estate in newly annexed area.**

The council of any city may adopt an ordinance to provide for the assessment and taxation of only the real estate in an area newly annexed to such city in accord with the provisions of this article. All of the provisions of this article shall be applicable to such ordinance, except that if the county from which such area was annexed has in operation an ordinance

hereunder, the ordinance of such city may be adopted at any time prior to April 1 of the year for which such ordinance will be effective, and applications from landowners may be received at any time within thirty days of the adoption of the ordinance in such year. If such ordinance is adopted after the date specified in § [58.1-3231](#), the ranges of suggested values made by the State Land Evaluation Advisory Council for the county from which such area was annexed are to be considered the value recommendations for such city. An ordinance adopted under the authority of this section shall be effective only for the tax year immediately following annexation.

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**§ 58.1-3233. Determinations to be made by local officers before assessment of real estate under ordinance.**

Prior to the assessment of any parcel of real estate under any ordinance adopted pursuant to this article, the local assessing officer shall:

1. Determine that the real estate meets the criteria set forth in § [58.1-3230](#) and the standards prescribed thereunder to qualify for one of the classifications set forth therein, and he may request an opinion from the Director of the Department of Conservation and Recreation, the State Forester or the Commissioner of Agriculture and Consumer Services;
2. Determine further that real estate devoted solely to (i) agricultural or horticultural use consists of a minimum of five acres; except that for real estate used for purposes of engaging in aquaculture as defined in § [3.2-2600](#) or for the purposes of raising specialty crops as defined by local ordinance, the governing body may by ordinance prescribe that these uses consist of a minimum acreage of less than five acres, (ii) forest use consists of a minimum of 20 acres and (iii) open-space use consists of a minimum of five acres or such greater minimum acreage as may be prescribed by local ordinance; except that for real estate adjacent to a scenic river, a scenic highway, a Virginia Byway or public property in the Virginia Outdoors Plan or for any real estate in any city, county or town having a density of population greater than 5,000 per square mile, for any real estate in any county operating under the urban county executive form of government, or the unincorporated Town of Yorktown chartered in 1691, the governing body may by ordinance prescribe that land devoted to open-space uses consist of a minimum of one quarter of an acre.

The minimum acreage requirements for special classifications of real estate shall be determined by adding together the total area of contiguous real estate excluding recorded subdivision lots recorded after July 1, 1983, titled in the same ownership. *However, for purposes of adding together such total area of contiguous real estate, any noncontiguous parcel of real property included in an agricultural, forestal, or an agricultural and forestal district of local significance pursuant to subsection B of § [15.2-4405](#) shall be deemed to be contiguous to any other real property that is located in such district.* For purposes of this section, properties separated only by a public right-of-way are considered contiguous; and

3. Determine further that real estate devoted to open-space use is (i) within an agricultural, a forestal, or an agricultural and forestal district entered into pursuant to Chapter 43 (§ [15.2-4300](#) et seq.) of Title 15.2, or (ii) subject to a recorded perpetual easement that is held by a public body, and promotes the open-space use classification, as defined in § [58.1-3230](#), or (iii) subject to a recorded commitment entered into by the landowners with the local governing body, or its authorized designee, not to change the use to a nonqualifying use for a time period stated in the commitment of not less than four years nor more than ten years. Such commitment shall be subject to uniform standards prescribed by the Director of the Department of Conservation and Recreation pursuant to the authority set out in § [58.1-3240](#). Such commitment shall run with the land for the applicable period, and may be terminated in the manner provided in § [15.1-1513](#) for withdrawal of land from an agricultural, a forestal or an agricultural and forestal district.

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**§ 58.1-3234. Application by property owners for assessment, etc., under ordinance; continuation of assessment, etc.**

Property owners must submit an application for taxation on the basis of a use assessment to the local assessing officer:

1. At least sixty days preceding the tax year for which such taxation is sought; or
2. In any year in which a general reassessment is being made, the property owner may submit such application until thirty days have elapsed after his notice of increase in assessment is mailed in accordance with § [58.1-3330](#), or sixty days preceding the tax year, whichever is later; or
3. In any locality which has adopted a fiscal tax year under Chapter 30 (§ [58.1-3000](#) et seq.) of this Subtitle III, but continues to assess as of January 1, such application must be submitted for any year at least sixty days preceding the effective date of the assessment for such year.

The governing body, by ordinance, may permit applications to be filed within no more than sixty days after the filing deadline specified herein, upon the payment of a late filing fee to be established by the governing body. An individual who is owner of an undivided interest in a parcel may apply on behalf of himself and the other owners of such parcel upon submitting an affidavit that such other owners are minors or cannot be located. An application shall be submitted whenever the use or acreage of such land previously approved changes; however, no application fee may be required when a change in acreage occurs solely as a result of a conveyance necessitated by governmental action or condemnation of a portion of any land previously approved for taxation on the basis of use assessment. The governing body of any county, city or town may, however, require any such property owner to revalidate annually with such locality, on or before the date on which the last installment of property tax prior to the effective date of the assessment is due, on forms prepared by the locality, any applications previously approved. Each locality which has adopted an ordinance hereunder may provide for the imposition of a revalidation fee every sixth year. Such revalidation fee shall not, however, exceed the application fee currently charged by the locality. The governing body may also provide for late filing of revalidation forms on or before the effective date of the assessment, on payment of a late filing fee. Forms shall be prepared by the State Tax Commissioner and supplied to the locality for use of the applicants and applications shall be submitted on such forms. An application fee may be required to accompany all such applications.

In the event of a material misstatement of facts in the application or a material change in such facts prior to the date of assessment, such application for taxation based on use assessment granted thereunder shall be void and the tax for such year extended on the basis of value determined under § [58.1-3236](#) D. Except as provided by local ordinance, no application for assessment based on use shall be accepted or approved if, at the time the application is filed, the tax on the land affected is delinquent. Upon the payment of all delinquent taxes, including penalties and interest, the application shall be treated in accordance with the provisions of this section.

Continuation of valuation, assessment and taxation under an ordinance adopted pursuant to this article shall depend on continuance of the real estate in a qualifying use, continued payment of taxes as referred to in § [58.1-3235](#), and compliance with the other requirements of this article and the ordinance and not upon continuance in the same owner of title to the land.

In the event that the locality provides for a sliding scale under an ordinance, the property owner and the locality shall execute a written agreement which sets forth the period of time that the property shall remain within the classes of real estate set forth in § [58.1-3230](#). The term of the written agreement shall be for a period not exceeding twenty years, and the instrument shall be recorded in the office of the clerk of the circuit court for the locality in which the subject property is located.

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**§ 58.1-3235. Removal of parcels from program if taxes delinquent.**

If on April 1 of any year the taxes for any prior year on any parcel of real property which has a special assessment as provided for in this article are delinquent, the appropriate county, city or town treasurer shall forthwith send notice of that fact and the general provisions of this section to the property owner by first-class mail. If, after the notice has been sent, such delinquent taxes remain unpaid on June 1, the treasurer shall notify the appropriate commissioner of the revenue who shall remove such parcel from the land use program. Such removal shall become effective for the current tax year.

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**§ 58.1-3236. Valuation of real estate under ordinance.**

A. In valuing real estate for purposes of taxation by any county, city or town which has adopted an ordinance pursuant to this article, the commissioner of the revenue or duly appointed assessor shall consider only those indicia of value which such real estate has for agricultural, horticultural, forest or open space use, and real estate taxes for such jurisdiction shall be extended upon the value so determined. In addition to use of his personal knowledge, judgment and experience as to the value of real estate in agricultural, horticultural, forest or open space use, he shall, in arriving at the value of such land, consider available evidence of agricultural, horticultural, forest or open space capability, and the recommendations of value of such real estate as made by the State Land Evaluation Advisory Council.

B. In determining the total area of real estate actively devoted to agricultural, horticultural, forest or open space use there shall be included the area of all real estate under barns, sheds, silos, cribs, greenhouses, public recreation facilities and like structures, lakes, dams, ponds, streams, irrigation ditches and like facilities; but real estate under, and such additional real estate as may be actually used in connection with, the farmhouse or home or any other structure not related to such special use, shall be excluded in determining such total area.

C. All structures which are located on real estate in agricultural, horticultural, forest or open space use and the farmhouse or home or any other structure not related to such special use and the real estate on which the farmhouse or home or such other

structure is located, together with the additional real estate used in connection therewith, shall be valued, assessed and taxed by the same standards, methods and procedures as other taxable structures and other real estate in the locality.

D. In addition, such real estate in agricultural, horticultural, forest or open space use shall be evaluated on the basis of fair market value as applied to other real estate in the taxing jurisdiction, and land book records shall be maintained to show both the use value and the fair market value of such real estate.

**§ 58.1-3237. Change in use or zoning of real estate assessed under ordinance; roll-back taxes.**

A. When real estate qualifies for assessment and taxation on the basis of use under an ordinance adopted pursuant to this article, and the use by which it qualified changes to a nonqualifying use, or the zoning of the real estate is changed to a more intensive use at the request of the owner or his agent, it shall be subject to additional taxes, hereinafter referred to as roll-back taxes. Such additional taxes shall only be assessed against that portion of such real estate which no longer qualifies for assessment and taxation on the basis of use or zoning. Liability for roll-back taxes shall attach and be paid to the treasurer only if the amount of tax due exceeds ten dollars.

B. In localities which have not adopted a sliding scale ordinance, the roll-back tax shall be equal to the sum of the deferred tax for each of the five most recent complete tax years including simple interest on such roll-back taxes at a rate set by the governing body, no greater than the rate applicable to delinquent taxes in such locality pursuant to § [58.1-3916](#) for each of the tax years. The deferred tax for each year shall be equal to the difference between the tax levied and the tax that would have been levied based on the fair market value assessment of the real estate for that year. In addition the taxes for the current year shall be extended on the basis of fair market value which may be accomplished by means of a supplemental assessment based upon the difference between the use value and the fair market value.

C. In localities which have adopted a sliding scale ordinance, the roll-back tax shall be equal to the sum of the deferred tax from the effective date of the written agreement including simple interest on such roll-back taxes at a rate set by the governing body, which shall not be greater than the rate applicable to delinquent taxes in such locality pursuant to § [58.1-3916](#), for each of the tax years. The deferred tax for each year shall be equal to the difference between the tax levied and the tax that would have been levied based on the fair market value assessment of the real estate for that year and based on the highest tax rate applicable to the real estate for that year, had it not been subject to special assessment. In addition the taxes for the current year shall be extended on the basis of fair market value which may be accomplished by means of a supplemental assessment based upon the difference between the use value and the fair market value and based on the highest tax rate applicable to the real estate for that year.

D. Liability to the roll-back taxes shall attach when a change in use occurs, or a change in zoning of the real estate to a more intensive use at the request of the owner or his agent occurs. Liability to the roll-back taxes shall not attach when a change in ownership of the title takes place if the new owner does not rezone the real estate to a more intensive use and continues the real estate in the use for which it is classified under the conditions prescribed in this article and in the ordinance. The owner of any real estate which has been zoned to more intensive use at the request of the owner or his agent as provided in subsection E, or otherwise subject to or liable for roll-back taxes, shall, within sixty days following such change in use or zoning, report such change to the commissioner of the revenue or other assessing officer on such forms as may be prescribed. The commissioner shall forthwith determine and assess the roll-back tax, which shall be assessed against and paid by the owner of the property at the time the change in use which no longer qualifies occurs, or at the time of the zoning of the real estate to a more intensive use at the request of the owner or his agent occurs, and shall be paid to the treasurer within thirty days of the assessment. If the amount due is not paid by the due date, the treasurer shall impose a penalty and interest on the amount of the roll-back tax, including interest for prior years. Such penalty and interest shall be imposed in accordance with §§ 58.1-3915 and 58.1-3916.

E. Real property zoned to a more intensive use, at the request of the owner or his agent, shall be subject to and liable for the roll-back tax at the time such zoning is changed. The roll-back tax shall be levied and collected from the owner of the real estate in accordance with subsection D. Real property zoned to a more intensive use before July 1, 1988, at the request of the owner or his agent, shall be subject to and liable for the roll-back tax at the time the qualifying use is changed to a nonqualifying use. Real property zoned to a more intensive use at the request of the owner or his agent after July 1, 1988, shall be subject to and liable for the roll-back tax at the time of such zoning. Said roll-back tax, plus interest calculated in accordance with subsection B, shall be levied and collected at the time such property was rezoned. For property rezoned after July 1, 1988, but before July 1, 1992, no penalties or interest, except as provided in subsection B, shall be assessed, provided the said roll-back tax is paid on or before October 1, 1992. No real property rezoned to a more intensive use at the request of the owner or his agent shall be eligible for taxation and assessment under this article, provided that these provisions shall not be applicable to any rezoning which is required for the establishment, continuation, or expansion of a qualifying use. If the

property is subsequently rezoned to agricultural, horticultural, or open space, it shall be eligible for consideration for assessment and taxation under this article only after three years have passed since the rezoning was effective.

However, the owner of any real property that qualified for assessment and taxation on the basis of use, and whose real property was rezoned to a more intensive use at the owner's request prior to 1980, may be eligible for taxation and assessment under this article provided the owner applies for rezoning to agricultural, horticultural, open-space or forest use. The real property shall be eligible for assessment and taxation on the basis of the qualifying use for the tax year following the effective date of the rezoning. If any such real property is subsequently rezoned to a more intensive use at the owner's request, within five years from the date the property was initially rezoned to a qualifying use under this section, the owner shall be liable for roll-back taxes when the property is rezoned to a more intensive use. Additionally, the owner shall be subject to a penalty equal to fifty percent of the roll-back taxes due as determined under subsection B of this section.

The roll-back taxes and penalty that otherwise would be imposed under this subsection shall not become due at the time the zoning is changed if the locality has enacted an ordinance pursuant to subsection G.

F. If real estate annexed by a city and granted use value assessment and taxation becomes subject to roll-back taxes, and such real estate likewise has been granted use value assessment and taxation by the county prior to annexation, the city shall collect roll-back taxes and interest for the maximum period allowed under this section and shall return to the county a share of such taxes and interest proportionate to the amount of such period, if any, for which the real estate was situated in the county.

G. A locality may enact an ordinance providing that (i) when a change in zoning of real estate to a more intensive use at the request of the owner or his agent occurs, roll-back taxes shall not become due solely because the change in zoning is for specific more intensive uses set forth in the ordinance, (ii) such real estate may remain eligible for use value assessment and taxation, in accordance with the provisions of this article, as long as the use by which it qualified does not change to a nonqualifying use, and (iii) no roll-back tax shall become due with respect to the real estate until such time as the use by which it qualified changes to a nonqualifying use.

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**§ 58.1-3237.1. Authority of counties to enact additional provisions concerning zoning classifications.**

A. Albemarle County, Arlington County, Augusta County, James City County, Loudoun County, and Rockingham County may include the following additional provisions in any ordinance enacted under the authority of this article:

1. The governing body may exclude land lying in planned development, industrial or commercial zoning districts from assessment under the provisions of this article. As applied to zoning districts, this provision applies only to zoning districts established prior to January 1, 1981.

2. The governing body may provide that when the zoning of the property taxed under the provisions of this article is changed to allow a more intensive nonagricultural use at the request of the owner or his agent, such property shall not be eligible for assessment and taxation under this article. This shall not apply, however, to property that is zoned agricultural and is subsequently rezoned to a more intensive use that is complementary to agricultural use, provided such property continues to be owned by the same owner who owned the property prior to rezoning and continues to operate the agricultural activity on the property. Notwithstanding any other provision of law, such property shall be subject to and liable for roll-back taxes at the time the zoning is changed to allow any use more intensive than the use for which it qualifies for special assessment. The roll-back tax, plus interest, shall be calculated, levied and collected from the owner of the real estate in accordance with § [58.1-3237](#) at the time the property is rezoned.

B. Goochland County may include additional provisions specified in subdivisions A 1 and 2 in any ordinance enacted under the authority of this article, but only in service districts created after July 1, 2013, pursuant to Article 1 (§ [15.2-2400](#) et seq.) of Chapter 24 of Title 15.2.

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**§ 58.1-3238. Failure to report change in use; misstatements in applications.**

Any person failing to report properly any change in use of property for which an application for use value taxation had been filed shall be liable for all such taxes, in such amounts and at such times as if he had complied herewith and assessments had been properly made, and he shall be liable for such penalties and interest thereon as may be provided by ordinance. Any person making a material misstatement of fact in any such application shall be liable for all such taxes, in such amounts and at such times as if such property had been assessed on the basis of fair market value as applied to other real estate in the taxing jurisdiction, together with interest and penalties thereon. If such material misstatement was made with the intent to defraud the locality, he shall be further assessed with an additional penalty of 100 percent of such unpaid taxes.

## ATTACHMENT 3: A&F Renewal 2015<sup>APPENDIX 10</sup>

For purposes of this section and § [58.1-3234](#), incorrect information on the following subjects will be considered material misstatements of fact:

1. The number and identities of the known owners of the property at the time of application;
2. The actual use of the property.

The intentional misrepresentation of the number of acres in the parcel or the number of acres to be taxed according to use shall also be considered a material misstatement of fact for the purposes of this section and § 58.1-3234.

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### **§ 58.1-3239. State Land Evaluation Advisory Committee continued as State Land Evaluation Advisory Council; membership; duties; ordinances to be filed with Council.**

The State Land Evaluation Advisory Committee is continued and shall hereafter be known as the State Land Evaluation Advisory Council. The Advisory Council shall be composed of the Tax Commissioner, the dean of the College of Agriculture of Virginia Polytechnic Institute and State University, the State Forester, the Commissioner of Agriculture and Consumer Services and the Director of the Department of Conservation and Recreation.

The Advisory Council shall determine and publish a range of suggested values for each of the several soil conservation service land capability classifications for agricultural, horticultural, forest and open space uses in the various areas of the Commonwealth as needed to carry out the provisions of this article.

On or before October 1 of each year the Advisory Council shall submit recommended ranges of suggested values to be effective the following January 1 or July 1 in the case of localities with fiscal year assessment under the authority of Chapter 30 of this subtitle, within each locality which has adopted an ordinance pursuant to the provisions of this article based on the productive earning power of real estate devoted to agricultural, horticultural, forest and open space uses and make such recommended ranges available to the commissioner of the revenue or duly appointed assessor in each such locality.

The Advisory Council, in determining such ranges of values, shall base the determination on productive earning power to be determined by capitalization of warranted cash rents or by the capitalization of incomes of like real estate in the locality or a reasonable area of the locality.

Any locality adopting an ordinance pursuant to this article shall forthwith file a copy thereof with the Advisory Council.

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### **§ 58.1-3240. Duties of Director of the Department of Conservation and Recreation, the State Forester and the Commissioner of Agriculture and Consumer Services; remedy of person aggrieved by action or nonaction of Director, State Forester or Commissioner.**

The Director of the Department of Conservation and Recreation, the State Forester, and the Commissioner of Agriculture and Consumer Services shall provide, after holding public hearings, to the commissioner of the revenue or duly appointed assessor of each locality adopting an ordinance pursuant to this article, a statement of the standards referred to in § [58.1-3230](#) and subdivision 1 of § [58.1-3233](#), which shall be applied uniformly throughout the Commonwealth in determining whether real estate is devoted to agricultural use, horticultural use, forest use or open-space use for the purposes of this article and the procedure to be followed by such official to obtain the opinion referenced in subdivision 1 of § [58.1-3233](#). Upon the refusal of the Commissioner of Agriculture and Consumer Services, the State Forester or the Director of the Department of Conservation and Recreation to issue an opinion or in the event of an unfavorable opinion which does not comport with standards set forth in the statements filed pursuant to this section, the party aggrieved may seek relief in the circuit court of the county or city wherein the real estate in question is located, and in the event that the court finds in his favor, it may issue an order which shall serve in lieu of an opinion for the purposes of this article.

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### **§ 58.1-3241. Separation of part of real estate assessed under ordinance; contiguous real estate located in more than one taxing locality.**

A. Separation or split-off of lots, pieces or parcels of land from the real estate which is being valued, assessed and taxed under an ordinance adopted pursuant to this article, either by conveyance or other action of the owner of such real estate, shall subject the real estate so separated to liability for the roll-back taxes applicable thereto, but shall not impair the right

of each subdivided parcel of such real estate to qualify for such valuation, assessment and taxation in any and all future years, provided it meets the minimum acreage requirements and such other conditions of this article as may be applicable. Such separation or split-off of lots shall not impair the right of the remaining real estate to continuance of such valuation, assessment and taxation without liability for roll-back taxes, provided it meets the minimum acreage requirements and other applicable conditions of this article.

B. 1. No subdivision, separation, or split-off of property which results in parcels that meet the minimum acreage requirements of this article, and that are used for one or more of the purposes set forth in § [58.1-3230](#), shall be subject to the provisions of subsection A.

2. The application of roll-back taxes pursuant to subsection A shall, at the option of the locality, also not apply to a subdivision, separation, or split-off of property made pursuant to a subdivision ordinance adopted under § [15.2-2244](#) that results in parcels that do not meet the minimum acreage requirements of this article, provided that title to the parcels subdivided, separated, or split-off is held in the name of an immediate family member for at least the first 60 months immediately following the subdivision, separation, or split-off.

For purposes of this subdivision, an "immediate family member" means any person defined as such in the locality's subdivision ordinance adopted pursuant to § [15.2-2244](#).

C. Where contiguous real estate in agricultural, horticultural, forest or open-space use in one ownership is located in more than one taxing locality, compliance with the minimum acreage shall be determined on the basis of the total area of such real estate and not the area which is located in the particular taxing locality.

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**§ 58.1-3242. Taking of real estate assessed under ordinance by right of eminent domain.**

The taking of real estate which is being valued, assessed and taxed under an ordinance adopted pursuant to this article by right of eminent domain shall not subject the real estate so taken to the roll-back taxes herein imposed.

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**§ 58.1-3243. Application of other provisions of Title 58.1.**

The provisions of this title applicable to local levies and real estate assessment and taxation shall be applicable to assessments and taxation hereunder mutatis mutandis including, without limitation, provisions relating to tax liens, boards of equalization and the correction of erroneous assessments and for such purposes the roll-back taxes shall be considered to be deferred real estate taxes.

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**§ 58.1-3244. Article not in conflict with requirements for preparation and use of true values.**

Nothing in this article shall be construed to be in conflict with the requirements for preparation and use of true values where prescribed by the General Assembly for use in any fund distribution formula.

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**GLOSSARY**

This Glossary is provided to assist the public in understanding the staff evaluation and analysis of development proposals. It should not be construed as representing legal definitions. Refer to the Fairfax County Zoning Ordinance, Comprehensive Plan or Public Facilities Manual for additional information.

**ABANDONMENT:** Refers to road or street abandonment, an action taken by the Board of Supervisors, usually through the public hearing process, to abolish the public's right-of-passage over a road or road right-of way. Upon abandonment, the right-of-way automatically reverts to the underlying fee owners. If the fee to the owner is unknown, Virginia law presumes that fee to the roadbed rests with the adjacent property owners if there is no evidence to the contrary.

**ACCESSORY DWELLING UNIT (OR APARTMENT):** A secondary dwelling unit established in conjunction with and clearly subordinate to a single family detached dwelling unit. An accessory dwelling unit may be allowed if a special permit is granted by the Board of Zoning Appeals (BZA). Refer to Sect. 8-918 of the Zoning Ordinance.

**AFFORDABLE DWELLING UNIT (ADU) DEVELOPMENT:** Residential development to assist in the provision of affordable housing for persons of low and moderate income in accordance with the affordable dwelling unit program and in accordance with Zoning Ordinance regulations. Residential development which provides affordable dwelling units may result in a density bonus (see below) permitting the construction of additional housing units. See Part 8 of Article 2 of the Zoning Ordinance.

**AGRICULTURAL AND FORESTAL DISTRICTS:** A land use classification created under Chapter 114 or 115 of the Fairfax County Code for the purpose of qualifying landowners who wish to retain their property for agricultural or forestal use for use/value taxation pursuant to Chapter 58 of the Fairfax County Code.

**BARRIER:** A wall, fence, earthen berm, or plant materials which may be used to provide a physical separation between land uses. Refer to Article 13 of the Zoning Ordinance for specific barrier requirements.

**BEST MANAGEMENT PRACTICES (BMPs):** Stormwater management techniques or land use practices that are determined to be the most effective, practicable means of preventing and/or reducing the amount of pollution generated by nonpoint sources in order to improve water quality.

**BUFFER:** Graduated mix of land uses, building heights or intensities designed to mitigate potential conflicts between different types or intensities of land uses; may also provide for a transition between uses. A landscaped buffer may be an area of open, undeveloped land and may include a combination of fences, walls, berms, open space and/or landscape plantings. A buffer is not necessarily coincident with transitional screening.

**CHESAPEAKE BAY PRESERVATION ORDINANCE:** Regulations which the State has mandated must be adopted to protect the Chesapeake Bay and its tributaries. These regulations must be incorporated into the comprehensive plans, zoning ordinances and subdivision ordinances of the affected localities. Refer to Chesapeake Bay Preservation Act, Va. Code Section 10.1-2100 et seq and VR 173-02-01, Chesapeake Bay Preservation Area Designation and Management Regulations.

**CLUSTER DEVELOPMENT:** Residential development in which the lots are clustered on a portion of a site so that significant environmental/historical/cultural resources may be preserved or recreational amenities provided. While smaller lot sizes are permitted in a cluster subdivision to preserve open space, the overall density cannot exceed that permitted by the applicable zoning district. See Sect. 2-421 and Sect. 9-615 of the Zoning Ordinance.

**COUNTY 2232 REVIEW PROCESS:** A public hearing process pursuant to Sect. 15.2-2232 (Formerly Sect. 15.1-456) of the Virginia Code which is used to determine if a proposed public facility not shown on the adopted Comprehensive Plan is in substantial accord with the plan. Specifically, this process is used to determine if the general or approximate location, character and extent of a proposed facility is in substantial accord with the Plan.

**dBA:** The momentary magnitude of sound weighted to approximate the sensitivity of the human ear to certain frequencies; the dBA value describes a sound at a given instant, a maximum sound level or a steady state value. See also Ldn.

**DENSITY:** Number of dwelling units (du) divided by the gross acreage (ac) of a site being developed in residential use; or, the number of dwelling units per acre (du/ac) except in the PRC District when density refers to the number of persons per acre.

**DENSITY BONUS:** An increase in the density otherwise allowed in a given zoning district which may be granted under specific provisions of the Zoning Ordinance when a developer provides excess open space, recreation facilities, or affordable dwelling units (ADUs), etc.

**DEVELOPMENT CONDITIONS:** Terms or conditions imposed on a development by the Board of Supervisors (BOS) or the Board of Zoning Appeals (BZA) in connection with approval of a special exception, special permit or variance application or rezoning application in a "P" district. Conditions may be imposed to mitigate adverse impacts associated with a development as well as secure compliance with the Zoning Ordinance and/or conformance with the Comprehensive Plan. For example, development conditions may regulate hours of operation, number of employees, height of buildings, and intensity of development.

**DEVELOPMENT PLAN:** A graphic representation which depicts the nature and character of the development proposed for a specific land area: information such as topography, location and size of proposed structures, location of streets trails, utilities, and storm drainage are generally included on a development plan. A development plan is a submission requirement for rezoning to the PRC District. A GENERALIZED DEVELOPMENT PLAN (GDP) is a submission requirement for a rezoning application for all conventional zoning districts other than a P District. A development plan submitted in connection with a special exception (SE) or special permit (SP) is generally referred to as an SE or SP plat. A CONCEPTUAL DEVELOPMENT PLAN (CDP) is a submission requirement when filing a rezoning application for a P District other than the PRC District; a CDP characterizes in a general way the planned development of the site. A FINAL DEVELOPMENT PLAN (FDP) is a submission requirement following the approval of a conceptual development plan and rezoning application for a P District other than the PRC District; an FDP further details the planned development of the site. See Article 16 of the Zoning Ordinance.

**EASEMENT:** A right to or interest in property owned by another for a specific and limited purpose. Examples: access easement, utility easement, construction easement, etc. Easements may be for public or private purposes.

**ENVIRONMENTAL QUALITY CORRIDORS (EQCs):** An open space system designed to link and preserve natural resource areas, provide passive recreation and protect wildlife habitat. The system includes stream valleys, steep slopes and wetlands. For a complete definition of EQCs, refer to the Environmental section of the Policy Plan for Fairfax County contained in Vol. 1 of the Comprehensive Plan.

**ERODIBLE SOILS:** Soils that wash away easily, especially under conditions where stormwater runoff is inadequately controlled. Silt and sediment are washed into nearby streams, thereby degrading water quality.

**FLOODPLAIN:** Those land areas in and adjacent to streams and watercourses subject to periodic flooding; usually associated with environmental quality corridors. The 100 year floodplain drains 70 acres or more of land and has a one percent chance of flood occurrence in any given year.

**FLOOR AREA RATIO (FAR):** An expression of the amount of development intensity (typically, non-residential uses) on a specific parcel of land. FAR is determined by dividing the total square footage of gross floor area of buildings on a site by the total square footage of the site itself.

**FUNCTIONAL CLASSIFICATION:** A system for classifying roads in terms of the character of service that individual facilities are providing or are intended to provide, ranging from travel mobility to land access. Roadway system functional classification elements include Freeways or Expressways which are limited access highways, Other Principal (or Major) Arterials, Minor Arterials, Collector Streets, and Local Streets. Principal arterials are designed to accommodate travel; access to adjacent properties is discouraged. Minor arterials are designed to serve both through traffic and local trips. Collector roads and streets link local streets and properties with the arterial network. Local streets provide access to adjacent properties.

**GEOTECHNICAL REVIEW:** An engineering study of the geology and soils of a site which is submitted to determine the suitability of a site for development and recommends construction techniques designed to overcome development on problem soils, e.g., marine clay soils.

**HYDROCARBON RUNOFF:** Petroleum products, such as motor oil, gasoline or transmission fluid deposited by motor vehicles which are carried into the local storm sewer system with the stormwater runoff, and ultimately, into receiving streams; a major source of non-point source pollution. An oil-grit separator is a common hydrocarbon runoff reduction method.

**IMPERVIOUS SURFACE:** Any land area covered by buildings or paved with a hard surface such that water cannot seep through the surface into the ground.

**INFILL:** Development on vacant or underutilized sites within an area which is already mostly developed in an established development pattern or neighborhood.

**INTENSITY:** The magnitude of development usually measured in such terms as density, floor area ratio, building height, percentage of impervious surface, traffic generation, etc. Intensity is also based on a comparison of the development proposal against environmental constraints or other conditions which determine the carrying capacity of a specific land area to accommodate development without adverse impacts.

**Ldn:** Day night average sound level. It is the twenty-four hour average sound level expressed in A-weighted decibels; the measurement assigns a "penalty" to night time noise to account for night time sensitivity. Ldn represents the total noise environment which varies over time and correlates with the effects of noise on the public health, safety and welfare.

**LEVEL OF SERVICE (LOS):** An estimate of the effectiveness of a roadway to carry traffic, usually under anticipated peak traffic conditions. Level of Service efficiency is generally characterized by the letters A through F, with LOS-A describing free flow traffic conditions and LOS-F describing jammed or grid-lock conditions.

**MARINE CLAY SOILS:** Soils that occur in widespread areas of the County generally east of Interstate 95. Because of the abundance of shrink-swell clays in these soils, they tend to be highly unstable. Many areas of slope failure are evident on natural slopes. Construction on these soils may initiate or accelerate slope movement or slope failure. The shrink-swell soils can cause movement in structures, even in areas of flat topography, from dry to wet seasons resulting in cracked foundations, etc. Also known as slippage soils.

**OPEN SPACE:** That portion of a site which generally is not covered by buildings, streets, or parking areas. Open space is intended to provide light and air; open space may function as a buffer between land uses or for scenic, environmental, or recreational purposes.

**OPEN SPACE EASEMENT:** An easement usually granted to the Board of Supervisors which preserves a tract of land in open space for some public benefit in perpetuity or for a specified period of time. Open space easements may be accepted by the Board of Supervisors, upon request of the land owner, after evaluation under criteria established by the Board. See Open Space Land Act, Code of Virginia, Sections 10.1-1700, et seq.

**P DISTRICT:** A "P" district refers to land that is planned and/or developed as a Planned Development Housing (PDH) District, a Planned Development Commercial (PDC) District or a Planned Residential Community (PRC) District. The PDH, PDC and PRC Zoning Districts are established to encourage innovative and creative design for land development; to provide ample and efficient use of open space; to promote a balance in the mix of land uses, housing types, and intensity of development; and to allow maximum flexibility in order to achieve excellence in physical, social and economic planning and development of a site. Refer to Articles 6 and 16 of the Zoning Ordinance.

**PROFFER:** A written condition, which, when offered voluntarily by a property owner and accepted by the Board of Supervisors in a rezoning action, becomes a legally binding condition which is in addition to the zoning district regulations applicable to a specific property. Proffers are submitted and signed by an owner prior to the Board of Supervisors public hearing on a rezoning application and run with the land. Once accepted by the Board, proffers may be modified only by a proffered condition amendment (PCA) application or other zoning action of the Board and the hearing process required for a rezoning application applies. See Sect. 15.2-2303 (formerly 15.1-491) of the Code of Virginia.

**PUBLIC FACILITIES MANUAL (PFM):** A technical text approved by the Board of Supervisors containing guidelines and standards which govern the design and construction of site improvements incorporating applicable Federal, State and County Codes, specific standards of the Virginia Department of Transportation and the County's Department of Public Works and Environmental Services.

**RESOURCE MANAGEMENT AREA (RMA):** That component of the Chesapeake Bay Preservation Area comprised of lands that, if improperly used or developed, have a potential for causing significant water quality degradation or for diminishing the functional value of the Resource Protection Area. See Fairfax County Code, Ch. 118, Chesapeake Bay Preservation Ordinance.

**RESOURCE PROTECTION AREA (RPA):** That component of the Chesapeake Bay Preservation Area comprised of lands at or near the shoreline or water's edge that have an intrinsic water quality value due to the ecological and biological processes they perform or are sensitive to impacts which may result in significant degradation of the quality of state waters. In their natural condition, these lands provide for the removal, reduction or assimilation of sediments from runoff entering the Bay and its tributaries, and minimize the adverse effects of human activities on state waters and aquatic resources. New development is generally discouraged in an RPA. See Fairfax County Code, Ch. 118, Chesapeake Bay Preservation Ordinance.

**SITE PLAN:** A detailed engineering plan, to scale, depicting the development of a parcel of land and containing all information required by Article 17 of the Zoning Ordinance. Generally, submission of a site plan to DPWES for review and approval is required for all residential, commercial and industrial development except for development of single family detached dwellings. The site plan is required to assure that development complies with the Zoning Ordinance.

**SPECIAL EXCEPTION (SE) / SPECIAL PERMIT (SP):** Uses, which by their nature, can have an undue impact upon or can be incompatible with other land uses and therefore need a site specific review. After review, such uses may be allowed to locate within given designated zoning districts if appropriate and only under special controls, limitations, and regulations. A special exception is subject to public hearings by the Planning Commission and Board of Supervisors with approval by the Board of Supervisors; a special permit requires a public hearing and approval by the Board of Zoning Appeals. Unlike proffers which are voluntary, the Board of Supervisors or BZA may impose reasonable conditions to assure, for example, compatibility and safety. See Article 8, Special Permits and Article 9, Special Exceptions, of the Zoning Ordinance.

**STORMWATER MANAGEMENT:** Engineering practices that are incorporated into the design of a development in order to mitigate or abate adverse water quantity and water quality impacts resulting from development. Stormwater management systems are designed to slow down or retain runoff to re-create, as nearly as possible, the pre-development flow conditions.

**SUBDIVISION PLAT:** The engineering plan for a subdivision of land submitted to DPWES for review and approved pursuant to Chapter 101 of the County Code.

**TRANSPORTATION DEMAND MANAGEMENT (TDM):** Actions taken to reduce single occupant vehicle automobile trips or actions taken to manage or reduce overall transportation demand in a particular area.

**TRANSPORTATION SYSTEM MANAGEMENT (TSM) PROGRAMS:** This term is used to describe a full spectrum of actions that may be applied to improve the overall efficiency of the transportation network. TSM programs usually consist of low-cost alternatives to major capital expenditures, and may include parking management measures, ridesharing programs, flexible or staggered work hours, transit promotion or operational improvements to the existing roadway system. TSM includes Transportation Demand Management (TDM) measures as well as H.O.V. use and other strategies associated with the operation of the street and transit systems.

**URBAN DESIGN:** An aspect of urban or suburban planning that focuses on creating a desirable environment in which to live, work and play. A well-designed urban or suburban environment demonstrates the four generally accepted principles of design: clearly identifiable function for the area; easily understood order; distinctive identity; and visual appeal.

**VACATION:** Refers to vacation of street or road as an action taken by the Board of Supervisors in order to abolish the public's right-of-passage over a road or road right-of-way dedicated by a plat of subdivision. Upon vacation, title to the road right-of-way transfers by operation of law to the owner(s) of the adjacent properties within the subdivision from whence the road/road right-of-way originated.

**VARIANCE:** An application to the Board of Zoning Appeals which seeks relief from a specific zoning regulation such as lot width, building height, or minimum yard requirements, among others. A variance may only be granted by the Board of Zoning Appeals through the public hearing process and upon a finding by the BZA that the variance application meets the required Standards for a Variance set forth in Sect. 18-404 of the Zoning Ordinance.

**WETLANDS:** Land characterized by wetness for a portion of the growing season. Wetlands are generally delineated on the basis of physical characteristics such as soil properties indicative of wetness, the presence of vegetation with an affinity for water, and the presence or evidence of surface wetness or soil saturation. Wetland environments provide water quality improvement benefits and are ecologically valuable. Development activity in wetlands is subject to permitting processes administered by the U.S. Army Corps of Engineers

**TIDAL WETLANDS:** Vegetated and nonvegetated wetlands as defined in Chapter 116 Wetlands Ordinance of the Fairfax County Code: includes tidal shores and tidally influenced embayments, creeks, and tributaries to the Occoquan and Potomac Rivers. Development activity in tidal wetlands may require approval from the Fairfax County Wetlands Board.

#### Abbreviations Commonly Used in Staff Reports

A&F	Agricultural & Forestal District	PDH	Planned Development Housing
ADU	Affordable Dwelling Unit	PFM	Public Facilities Manual
ARB	Architectural Review Board	PRC	Planned Residential Community
BMP	Best Management Practices	RC	Residential-Conservation
BOS	Board of Supervisors	RE	Residential Estate
BZA	Board of Zoning Appeals	RMA	Resource Management Area
COG	Council of Governments	RPA	Resource Protection Area
CBC	Community Business Center	RUP	Residential Use Permit
CDP	Conceptual Development Plan	RZ	Rezoning
CRD	Commercial Revitalization District	SE	Special Exception
DOT	Department of Transportation	SEA	Special Exception Amendment
DP	Development Plan	SP	Special Permit
DPWES	Department of Public Works and Environmental Services	TDM	Transportation Demand Management
DPZ	Department of Planning and Zoning	TMA	Transportation Management Association
DU/AC	Dwelling Units Per Acre	TSA	Transit Station Area
EQC	Environmental Quality Corridor	TSM	Transportation System Management
FAR	Floor Area Ratio	UP & DD	Utilities Planning and Design Division, DPWES
FDP	Final Development Plan	VC	Variance
GDP	Generalized Development Plan	VDOT	Virginia Dept. of Transportation
GFA	Gross Floor Area	VPD	Vehicles Per Day
HC	Highway Corridor Overlay District	VPH	Vehicles per Hour
HCD	Housing and Community Development	WMATA	Washington Metropolitan Area Transit Authority
LOS	Level of Service	WS	Water Supply Protection Overlay District
Non-RUP	Non-Residential Use Permit	ZAD	Zoning Administration Division, DPZ
OSDS	Office of Site Development Services, DPWES	ZED	Zoning Evaluation Division, DPZ
PCA	Proffered Condition Amendment	ZPRB	Zoning Permit Review Branch
PD	Planning Division		
PDC	Planned Development Commercial		

## Attachment 4: Letter from NVSWCD

### Board of Directors

John W. Peterson, Chairman  
George W. Lamb, Vice Chairman & Treasurer  
Gerald O. Peters, Secretary  
Elaine V. Tholen, Director  
Adria C. Bordas, Director-Extension  
  
Laura T. Grape, Executive Director



### Contact

703-324-1460, TTY 711  
Fax: 703-324-1421  
ConservationDistrict@fairfaxcounty.gov

### *Working for Clean Streams and Protected Natural Resources in Fairfax County*

May 9, 2017

Dear Mr. Kobus,

Thank you for your interest in participating in the Virginia Agricultural Cost-Share Best Management Practice (BMP) Program to construct a stream exclusion fencing practice at Belmont Bay Farm.

On March 20, 2017, Roger Flint (NRCS District Conservationist) and I visited with you, to start ground-proofing the path of the fencing. We took with us, a map of Belmont Bay Farm based on Fairfax County's 2015 Ortho-photography and Geographic Information System (GIS) layers, showing environmentally sensitive features, including the Chesapeake Bay Resource Protection Area (see map 1). That map was to be used as guide in determining the path of the proposed stream exclusion fencing. The ground-proofing phase of the project was not completed on the day of our visitation, because you expressed concerns that the map details were inaccurate.

The purpose of this letter is to share some background on the Chesapeake Bay Preservation Ordinance, and to provide information on your rights to reclassify the existing RPA delineation if you find it necessary. This letter also includes recommendations on ongoing tree removal activity within the existing Resource Protection Area west of field #2 (see map 1). This is outside the area of the recent Department of Forestry approved logging and tree planting project.

In 1993, the Fairfax County Board of Supervisors adopted the Chesapeake Bay Preservation Ordinance, establishing Resource Protection Areas around environmentally sensitive features, such as, perennial streams, wetlands (tidal and non-tidal), and major floodplains. The RPA limits within Belmont Bay Farm were established at this time. The Northern Virginia Soil and Water Conservation District (NVSWCD) agrees with the current RPA delineation. The Virginia Agricultural Cost-Share Program requires that Best Management Practices, including the stream exclusion fencing, respect the presence of the RPA to protect local water quality, as the program intends.

Since you do not agree with the existing delineation of the RPA, you reserve the right to pursue a reclassification of environmentally sensitive features on the property at your own expense. Conditions for reclassifying RPA limits are specified in Fairfax County's Chesapeake Bay Preservation Ordinance, Section 118-1-9, under **Chesapeake Bay Preservation Area Boundaries**. Until such reclassification is approved, NVSWCD will use the county mapped features as a guide to ground-proof the proposed BMPs.

## Attachment 4: Letter from NVSWCD

As you know, NVSWCD is a non-regulatory and advisory body. We do not have enforcement authority. However, we want to make sure you are aware of a possible issue on the property so you can take appropriate steps to avoid complaints by neighbors or concerned individuals. During our farm visit it was evident that wooded areas (mainly on the western side of field #2 (see map 1)) were in the process of being cleared. You mentioned that you intend to create a road along the west side of field #2, and conduct further clearing to establish approximately 40 acres of additional pasture. The current clearing was observed to have encroached into portions of the existing RPA that had been preserved. Under certain conditions and with approval from the Director of Public Works and Environmental Services, roads/driveways may be constructed through an RPA (See Section 118-2-1 of Fairfax County's Chesapeake Bay Preservation Program). However, clearing vegetation within an RPA to establish farming operations may not be allowed. Specific agricultural land use practices that may have been in operation prior to 1993, and had been continuously maintained for that land-use purpose are grandfathered, and may be allowed to continue with appropriate BMPs in place.

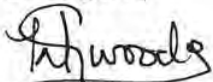
A 1953 aerial imagery (see map 2) suggests that a tree line which had been established along the west side of field #2 had been maintained until as recent as 2015 (see map 1). Additionally, vegetative stand within a section of the southern-western area adjacent to field #2 which had been cleared, by 1997 had been allowed to start growing back into an undisturbed vegetative stand (see map 3), and had remained that way until as recent as 2015 (see map 1). Therefore, such areas may not be allowed to revert back into agricultural land use.

Based on those findings, NVSWCD recommends that you refrain from further clearing of permanent vegetation within the RPAs as depicted on map 1 until an approved RPA reclassified document that may allow agricultural activities within those mapped sensitive areas are provided to us, either by you or the property owner.

Please know that Roger and I are eager to move forward with plans for the fencing project. However, we want to be certain that each step meets your approval, as well as, the guidelines of both the regulatory restrictions that govern Belmont Bay Farm and the conditions of the Virginia Agricultural Cost-Share BMP Program.

Do let us know if you would like us to proceed with the preliminary step of ground-proofing the path for the fence-line using the existing information. Alternatively, we can wait until you provide us with an approved reclassified RPA map. We are also willing to meet with you for a more in-depth discussion to help all parties determine the next step forward.

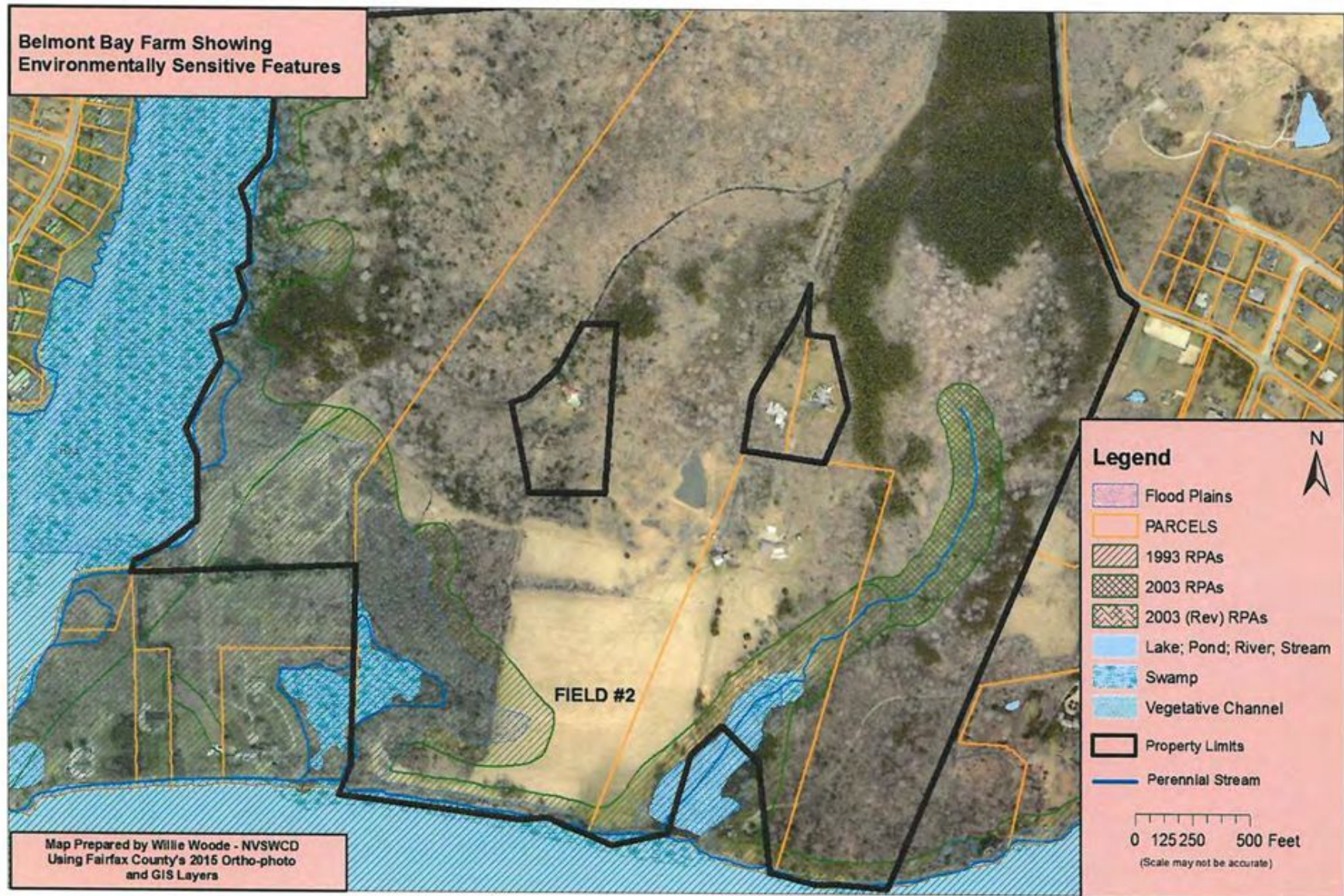
Best regards,



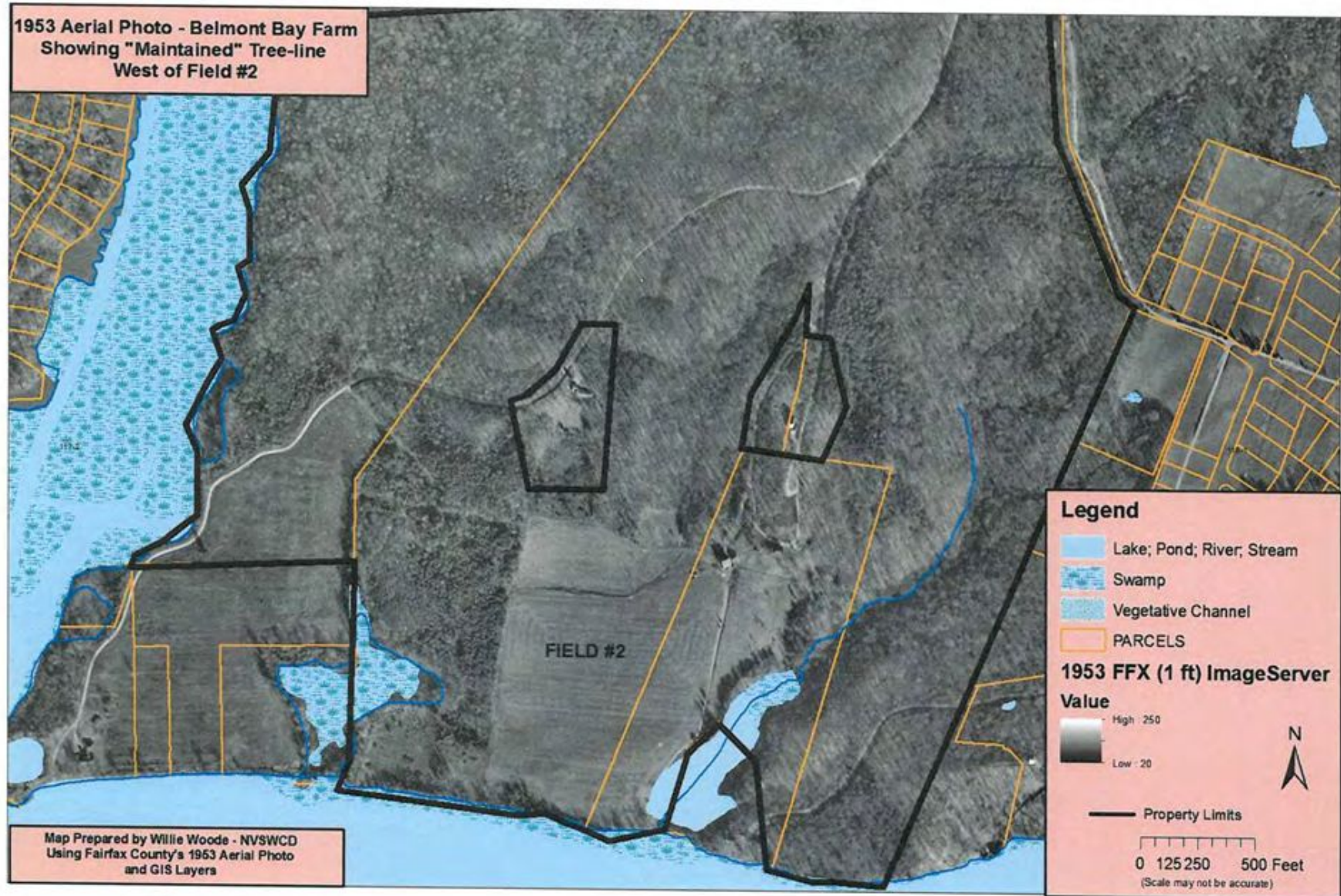
Willie Woode, Senior Conservation Specialist, 703-324-1430

Cc: Laura Grape, Executive Director, NVSWCD  
Roger Flint, District Conservationist, USDA-NRCS

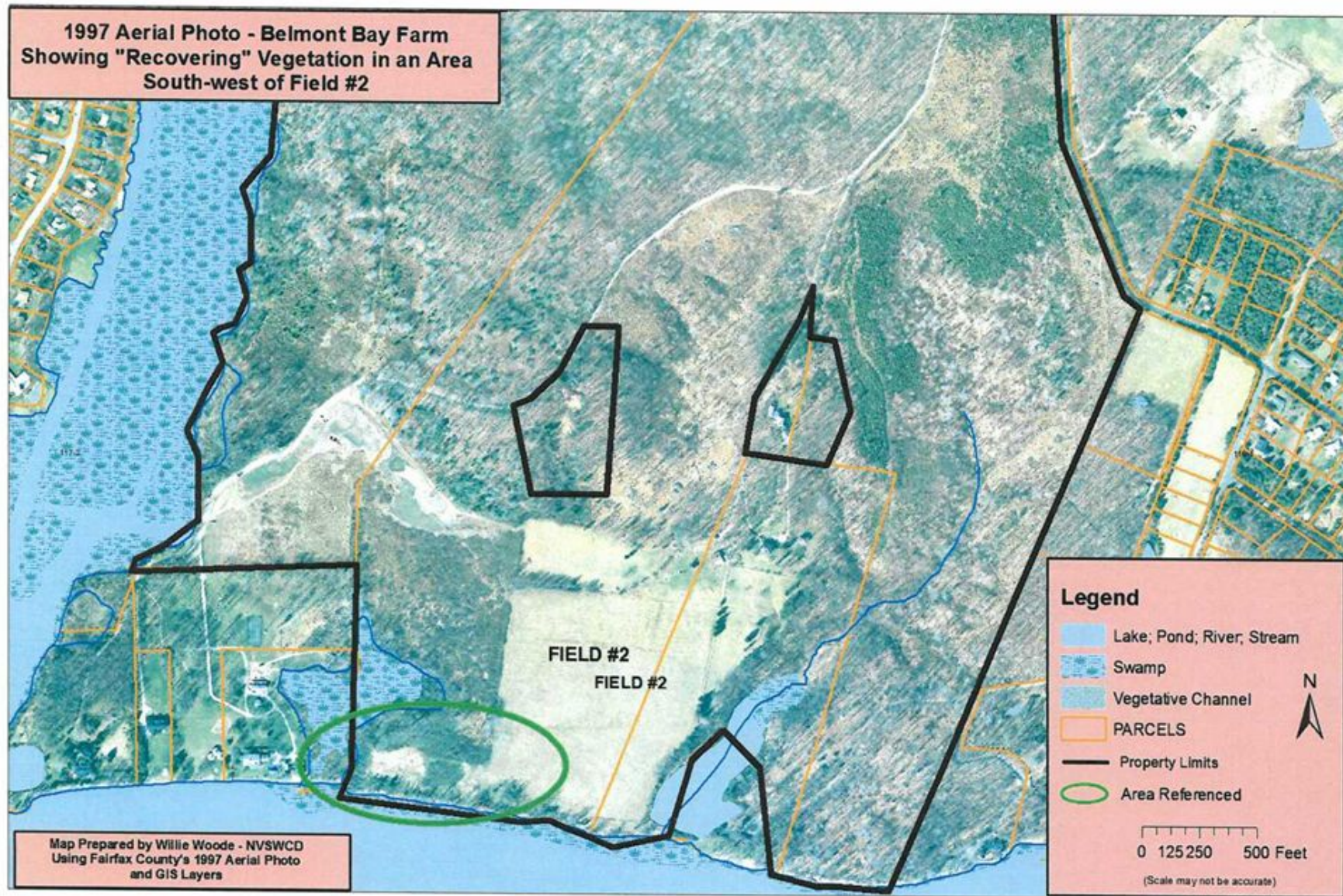
Attachment 4: Letter from NVSWCD



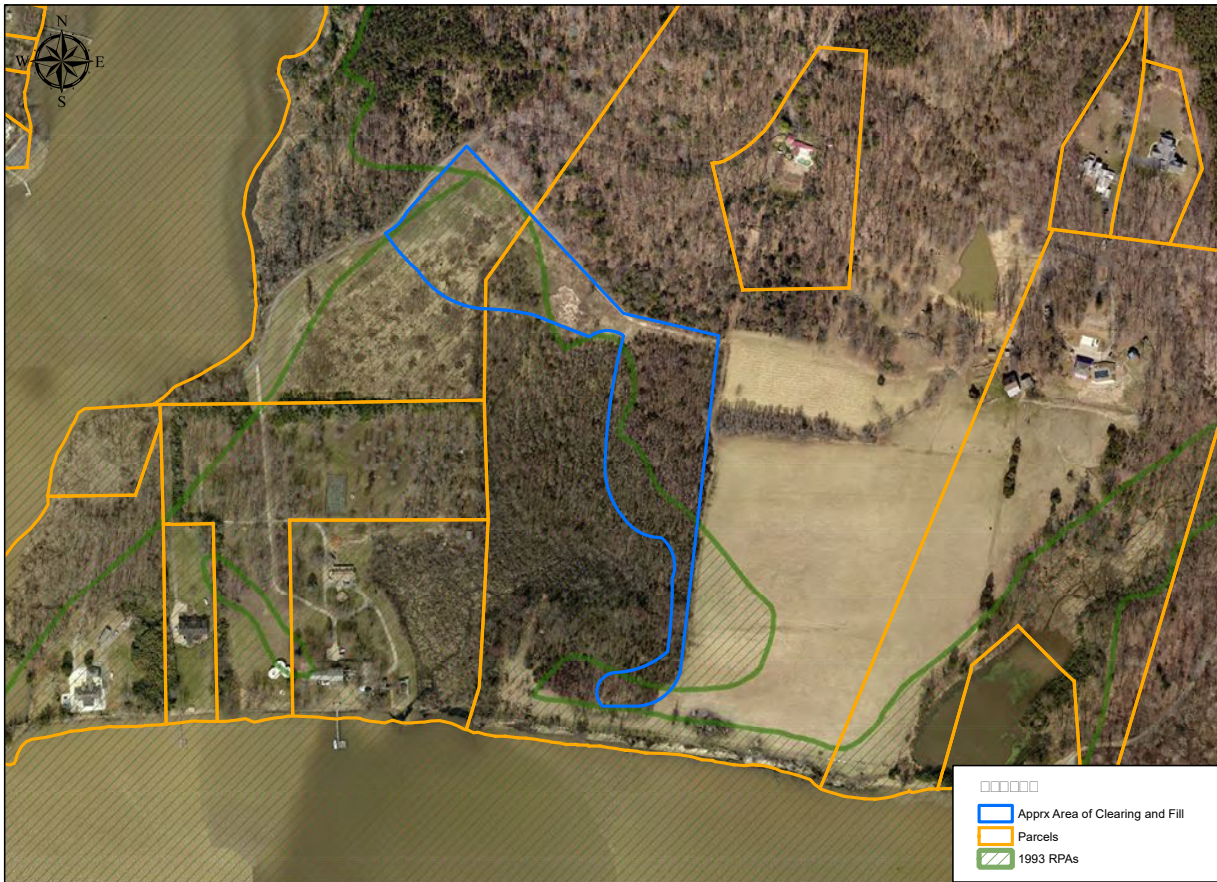
Attachment 4: Letter from NVSWCD



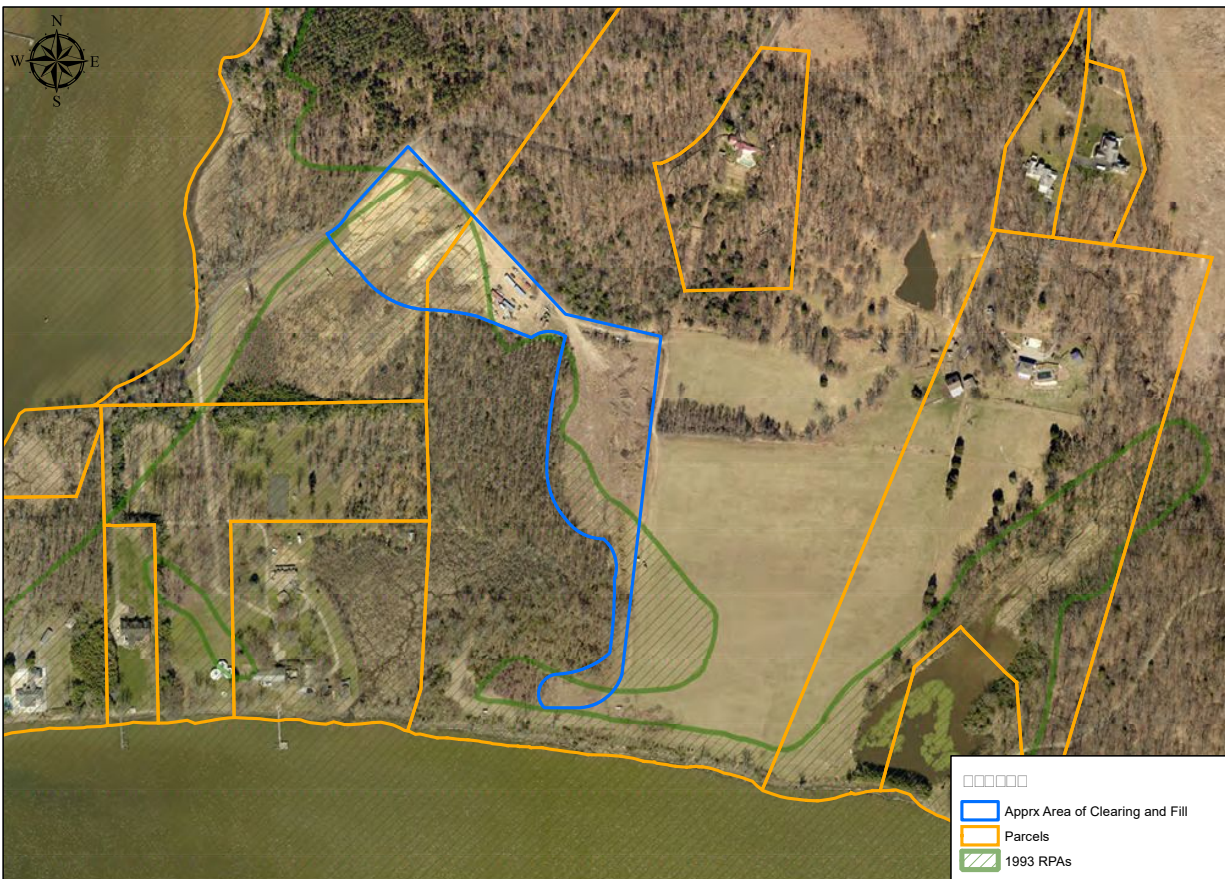
Attachment 4: Letter from NVSWCD



# Belmont Bay Farm 2013 Aerial Imagery



# Belmont Bay Farm 2017 Aerial Imagery



0 130 260 520 Feet

Fairfax County  
Land Development Services



# Attachment 5 Belmont Bay Farm 2018 Aerial Imagery with Forestry Plan

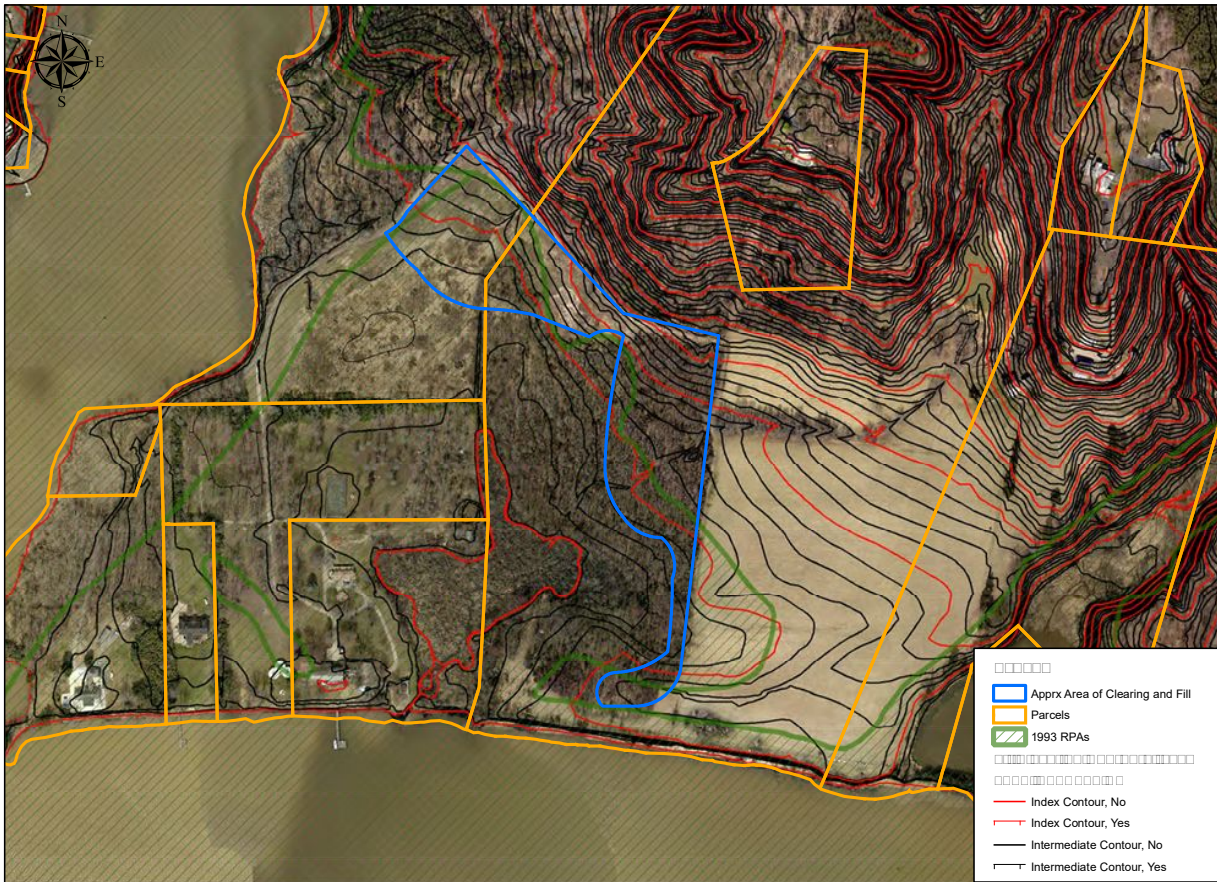


Fairfax County  
Land Development Services

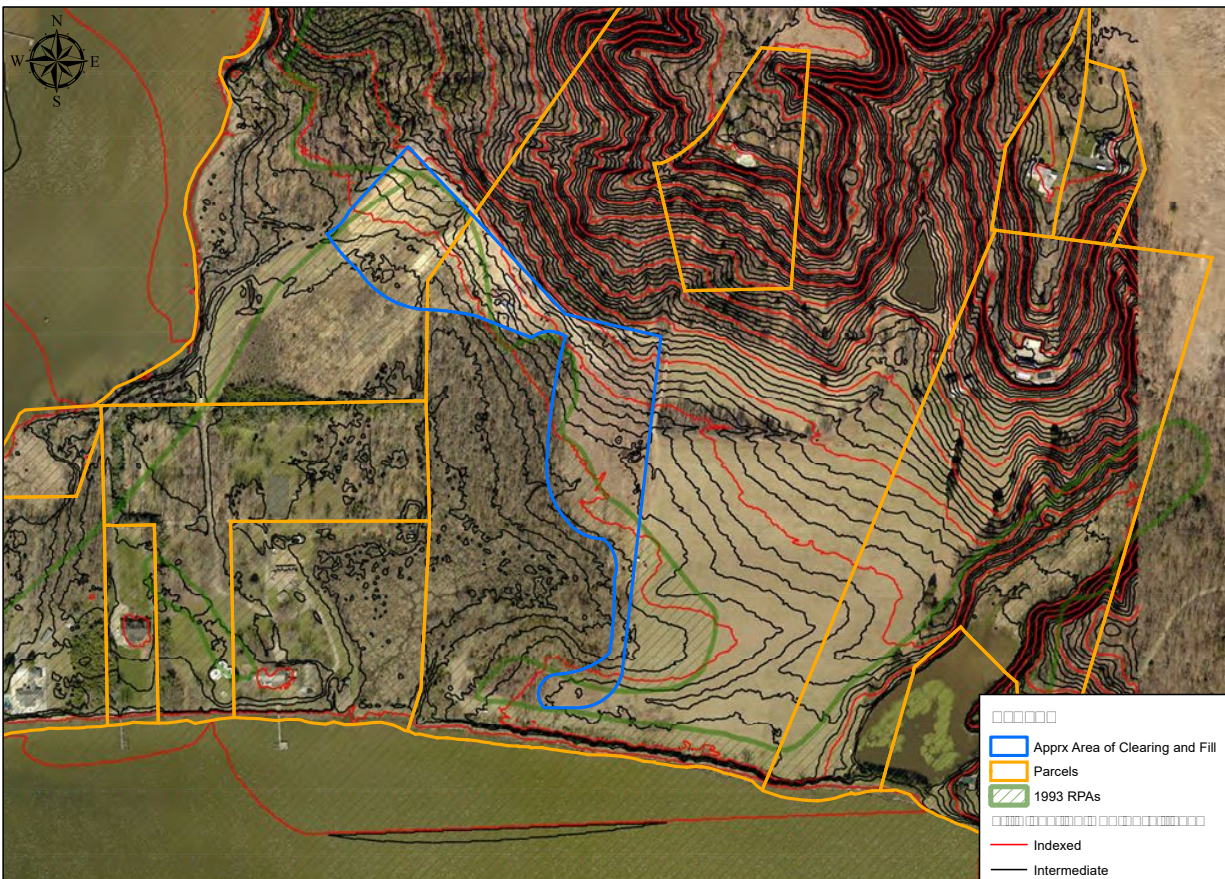
Source: <https://www.google.com/maps>



# Attachment 5 Belmont Bay Farm 2013 Aerial Imagery and 2009 Contours



## Belmont Bay Farm 2017 Aerial Imagery and 2014 Contours

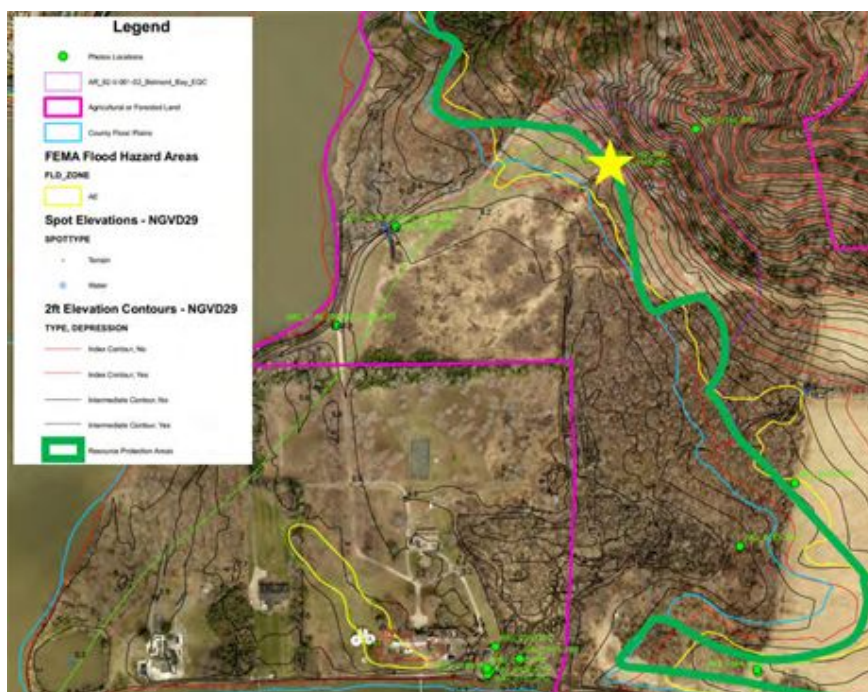


0 130 260 520 Feet

Fairfax County  
Land Development Services



Image 145 from file: 10/27/17 photograph taken from the edge of the RPA, looking into the RPA, with Massey Creek straight head. This image shows the clearing in the RPA, as well as the drainage channel that was recently constructed. The young grass shows the recent activity. Photograph location is denoted by the star in the image below.



## ATTACHMENT 7: Additional Correspondence

### Codding, Ellie

---

**From:** Codding, Ellie  
**Sent:** Friday, May 4, 2018 8:19 PM  
**To:** Cook, Ricky; Charles Hooff; Grape, Laura T.; Woode, Willie; Fox Run Nurseries  
**Cc:** McGlone, Jim; Morin, Christine A  
**Subject:** Compliance Schedule - notes from today  
**Attachments:** 2018-05-04-Meeting-on-Compliance-Schedule.docx

Please see the attached Word document for my notes on the revised compliance dates and respond to acknowledge receipt.

Thank you, - Ellie Codding

---

Eleanor Ku Codding, P.E.  
Director, Code Development and Compliance Division  
Department of Land Development Services  
12055 Government Center Pkwy, Suite #213  
Fairfax, VA 22035  
<http://www.fairfaxcounty.gov/land-development/>  
703-324-1695

---

**From:** Cook, Ricky  
**Sent:** Thursday, May 3, 2018 7:07 AM  
**To:** Charles Hooff <crhooff@BelmontBayFarm.com>  
**Cc:** Codding, Ellie <Eleanor.Codding@fairfaxcounty.gov>; Grape, Laura T. <Laura.Grape@fairfaxcounty.gov>; McGlone, Jim <jim.mcglone@dof.virginia.gov>; Woode, Willie <Willie.Woode@fairfaxcounty.gov>; Fox Run Nurseries <louk@fox-run.net>; Morin, Christine A <Christine.Morin@fairfaxcounty.gov>  
**Subject:** RE: Final Email for verification of Meeting for Friday

Good morning Everyone,

This email is to confirm that the meeting for Belmont Bay Farm is scheduled for MAY 4<sup>th</sup> at 1530 Hours per Mr Hooff Request at the Board Of Supervisors Office the time has adjusted from his original email. If you have any questions prior to meeting please send me an email . If the meeting does not take place or the parties do not attend we will be sending out the 118 Violation for the RPA as previous emails have stated as the compliance schedule has not been met. The meeting agenda for Belmont Bay Farm will be about the following items listed below.

## ATTACHMENT 7: Additional Correspondence

1. Compliance schedule timeline and reason for it.
2. How to come in compliance with the timeline and the requirements.
3. Requirements after compliance is met.
4. Questions ?

Thank you ,  
Ricky Cook

**Ricky Cook**  
**Senior Engineer Inspector**  
**Code Development & Compliance Division**  
**E-mail – [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)**  
Main # 703-324-1300  
Direct # 703-324-2714

## ATTACHMENT 7: Additional Correspondence

All – here are my notes on the schedule from today’s discussion. Let me know if there is any disagreement on the dates. Please also respond to confirm that you received this. For clarity please include everyone on this email when submitting items (the county will do the same).

Finally, as discussed during the meeting, I will consider this case to be in the compliance schedule phase as long as the dates are met below and the communication continues.

Recommended Compliance Measure	Agreed Upon Date of Submission
1. Cease all clearing and placement of fill in the RPA	Mr. Hooff and Mr. Kobus state that this item is complete. They will submit photos by 5/11/18 demonstrating compliance with this item.
2. Provide a topographic survey showing the extent of fill. Include the current RPA and floodplain delineation on the survey.	Mr. Hooff and Mr. Kobus state that there was no fill. Mr. Woode and Ms. Coddington agreed that there was regrading in the RPA that appeared to be fill. Mr. Hooff and Mr. Kobus agreed to the following: 1) Ms. Coddington will email them names of surveying companies to consider, 2) the county and Mr. Woode will email Mr. Hooff the extent of the area to be surveyed, and 3) Mr. Hooff and Mr. Kobus will contact the county by 5/14/18 to state when they will submit the survey. This will allow them to contact surveying companies to get a better estimate of when one can be completed.
3. Provide a (WQIA) Water Quality Impact Assessment for tree removal within the RPA.	Mr. Cook will provide Mr. Hooff and Mr. Kobus with the required elements of a WQIA on Monday, 5/7/18. Mr. Kobus will submit a WQIA by 5/30/18.
4. Place temporary mulching or other surface stabilization measures (such as seed and straw).	Mr. Hooff and Mr. Kobus state that this item is complete. They will submit photos by 5/11/18 demonstrating compliance with this item.
5. Provide a planting schedule to reestablish permanent native vegetation in areas of the RPA that have been cleared per 118-3, as denoted in Figure 2.	Mr. Hooff and Mr. Kobus will submit a planting plan by 5/30/18. As part of the planting plan, Mr. Kobus will include planting of shrubs to re-establish the RPA buffer, using the DCR-approved list of plants for RPA buffers.
6. Place topsoil, re-seed, straw, and water as needed in Spring 2018 at the start of the growing season. Continue placing straw and watering the areas until Fall 2018 or until native vegetation has established 80% cover of the cleared area.	This will be included along with Item 5 above.
7. Perform the above-listed compliance measures in accordance with the approved Soil and Water Quality Conservation Plan dated March 2015.	Mr. Hooff and Mr. Kobus will schedule a meeting with the Northern Virginia Soil and Water Conservation District this summer to discuss the update of the Soil and Water Quality Conservation Plan.

## ATTACHMENT 7: Additional Correspondence

### Codding, Ellie

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**From:** Codding, Ellie  
**Sent:** Monday, May 7, 2018 5:01 PM  
**To:** Cook, Ricky; Charles Hooff; Grape, Laura T.; Woode, Willie; Fox Run Nurseries  
**Cc:** McGlone, Jim; Morin, Christine A  
**Subject:** Compliance Schedule - notes from today  
**Attachments:** 2018-05-04-Meeting-on-Compliance-Schedule.docx

Hello, as outlined in the attached Word document, here are the requirements for a WQIA. If you have any questions or would like clarification on this, please contact Ricky Cook, who will coordinate with the reviewers that approve WQIAs. – Ellie Codding

Section 118-4-3. - Water Quality Impact Assessment Components.

The Water Quality Impact Assessment shall:

- (a) Display the boundaries of the RPA;
- (b) Display and describe the location and nature of the proposed encroachment into and/or impacts to the RPA, including any clearing, grading, impervious surfaces, structures, utilities, and sewage disposal systems;
- (c) Provide justification for the proposed encroachment into and/or impacts to the RPA;
- (d) Describe the extent and nature of any proposed disturbance or disruption of wetlands;
- (e) Display and discuss the type and location of proposed best management practices to mitigate the proposed RPA encroachment and/or adverse impacts;
- (f) Demonstrate the extent to which the proposed activity will comply with all applicable performance criteria of this Chapter; and
- (g) Provide any other information deemed by the Director to be necessary to evaluate potential water quality impacts of the proposed activity. (32-03-118.)

---

**From:** Codding, Ellie  
**Sent:** Friday, May 4, 2018 8:19 PM  
**To:** Cook, Ricky <Ricky.Cook@fairfaxcounty.gov>; Charles Hooff <crhooff@BelmontBayFarm.com>; Grape, Laura T. <Laura.Grape@fairfaxcounty.gov>; Woode, Willie <Willie.Woode@fairfaxcounty.gov>; Fox Run Nurseries <louk@fox-run.net>  
**Cc:** McGlone, Jim <jim.mcglone@dof.virginia.gov>; Morin, Christine A <Christine.Morin@fairfaxcounty.gov>  
**Subject:** Compliance Schedule - notes from today

Please see the attached Word document for my notes on the revised compliance dates and respond to acknowledge receipt.

Thank you, - Ellie Codding

---

Eleanor Ku Codding, P.E.  
Director, Code Development and Compliance Division

## ATTACHMENT 7: Additional Correspondence

Department of Land Development Services  
12055 Government Center Pkwy, Suite #328  
Fairfax, VA 22035  
<http://www.fairfaxcounty.gov/land-development/>  
703-324-1695

---

**From:** Cook, Ricky  
**Sent:** Thursday, May 3, 2018 7:07 AM  
**To:** Charles Hooff <[crhooff@BelmontBayFarm.com](mailto:crhooff@BelmontBayFarm.com)>  
**Cc:** Coddling, Ellie <[Eleanor.Coddling@fairfaxcounty.gov](mailto:Eleanor.Coddling@fairfaxcounty.gov)>; Grape, Laura T. <[Laura.Grape@fairfaxcounty.gov](mailto:Laura.Grape@fairfaxcounty.gov)>; McGlone, Jim <[jim.mcglone@dof.virginia.gov](mailto:jim.mcglone@dof.virginia.gov)>;  
Woode, Willie <[Willie.Woode@fairfaxcounty.gov](mailto:Willie.Woode@fairfaxcounty.gov)>; Fox Run Nurseries <[louk@fox-run.net](mailto:louk@fox-run.net)>; Morin, Christine A <[Christine.Morin@fairfaxcounty.gov](mailto:Christine.Morin@fairfaxcounty.gov)>  
**Subject:** RE: Final Email for verification of Meeting for Friday

Good morning Everyone,

This email is to confirm that the meeting for Belmont Bay Farm is scheduled for MAY 4<sup>th</sup> at 1530 Hours per Mr Hooff Request at the Board Of Supervisors Office the time has adjusted from his original email. If you have any questions prior to meeting please send me an email . If the meeting does not take place or the parties do not attend we will be sending out the 118 Violation for the RPA as previous emails have stated as the compliance schedule has not been met. The meeting agenda for Belmont Bay Farm will be about the following items listed below.

1. Compliance schedule timeline and reason for it.
2. How to come in compliance with the timeline and the requirements.
3. Requirements after compliance is met.
4. Questions ?

Thank you ,  
Ricky Cook

**Ricky Cook**  
**Senior Engineer Inspector**  
**Code Development & Complaine Division**  
**E-mail –** [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)  
Main # 703-324-1300  
Direct # 703-324-2714

## ATTACHMENT 7: Additional Correspondence

**Codding, Ellie**

---

**From:** Cook, Ricky  
**Sent:** Wednesday, May 9, 2018 6:39 AM  
**To:** 'Charles Hooff'  
**Subject:** RE: confirmation on email received

Ty Sir ,  
Have a good day.  
Ricky Cook

**Ricky Cook**  
**Senior Engineer Inspector**  
**Code Development & Compliance Division**  
**E-mail – [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)**  
Main # 703-324-1300  
Direct # 703-324-2714

---

**From:** Charles Hooff [mailto:crhooff@BelmontBayFarm.com]  
**Sent:** Wednesday, May 9, 2018 6:38 AM  
**To:** Cook, Ricky <Ricky.Cook@fairfaxcounty.gov>  
**Cc:** Codding, Ellie <Eleanor.Codding@fairfaxcounty.gov>; louk@fox-run.net  
**Subject:** Re: confirmation on email received

Received

Sent from my iPhone

On May 9, 2018, at 06:35, Cook, Ricky <[Ricky.Cook@fairfaxcounty.gov](mailto:Ricky.Cook@fairfaxcounty.gov)> wrote:

Good morning Mr Hooff,  
Could please confirm that you received the email regarding the new timeline for the compliance schedule .So I can mark this off as one of the items done so we can keep going with this new timeline . If you have any questions please give me a call . Have a good day.  
Thank you,  
Ricky Cook

**Ricky Cook**  
**Senior Engineer Inspector**  
**Code Development & Compliance Division**  
**E-mail – [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)**  
Main # 703-324-1300  
Direct # 703-324-2714

## ATTACHMENT 7: Additional Correspondence

## ATTACHMENT 7: Additional Correspondence

**Codding, Ellie**

---

**From:** Cook, Ricky  
**Sent:** Wednesday, May 9, 2018 5:53 AM  
**To:** 'louk@fox-run.net'  
**Subject:** RE: Confirmation Needed

Good morning Lou,  
The WQIA requirements I believe were attached to her notes please let me know again if you did not get them . I believe they were sent to you.  
Thank you,  
Ricky Cook

**Ricky Cook**  
**Senior Engineer Inspector**  
**Code Development & Compliance Division**  
**E-mail – [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)**  
Main # 703-324-1300  
Direct # 703-324-2714

---

**From:** louk@fox-run.net [mailto:louk@fox-run.net]  
**Sent:** Tuesday, May 8, 2018 5:03 PM  
**To:** Cook, Ricky <Ricky.Cook@fairfaxcounty.gov>  
**Cc:** 'Charles Hooff' <crhooff@BelmontBayFarm.com>  
**Subject:** RE: Confirmation Needed

Mr. Cook,

I have received a copy of Mrs. Codding's notes. Although I believe Mrs. Codding's noted time table is very aggressive, specially for farmers in Spring season planting, I will try to complete the noted items in a reasonable time frame. If I run into projected delays, I will inform you of the problem and expected new delivery dates. Mr. Cook I believe you are capable to come on site, but because of the Farm's operational spring tempo there is no one available to escort you around.

According to Mrs. Codding's notes you were to provide me the required elements of a WQIA as of the close of business yesterday, Monday 7 May 2018. I did not receive them. I understand, since Spring is a busy time of all concern.

Mr. Hooff, and all of the Belmont Bay Farm Family, are looking forward to answering the County's inquiries about our Farm operation.

---

**From:** Cook, Ricky <[Ricky.Cook@fairfaxcounty.gov](mailto:Ricky.Cook@fairfaxcounty.gov)>

**Sent:** Tuesday, May 8, 2018 8:26 AM

**To:** Coddling, Ellie <[Eleanor.Coddling@fairfaxcounty.gov](mailto:Eleanor.Coddling@fairfaxcounty.gov)>; Cook, Ricky <[Ricky.Cook@fairfaxcounty.gov](mailto:Ricky.Cook@fairfaxcounty.gov)>

**Cc:** Fox Run Nurseries <[louk@fox-run.net](mailto:louk@fox-run.net)>; Charles Hooff <[crhooff@BelmontBayFarm.com](mailto:crhooff@BelmontBayFarm.com)>

**Subject:** Confirmation Needed

Good morning Mr Hooff , Lou

Thank you again for meeting with us friday to go over the compliance schedule . Could you please confirm by email or call that you received the attached document that Ellie sent out friday and I am also sending as well . Please keep me updated on all of the timeline items and the changes since I am unable to come onsite to verify as previously discussed so we can keep the compliance schedule going and on track. If you have any questions please let me know.

Thank you,

Ricky Cook

**Ricky Cook**

**Senior Engineer Inspector**

**Code Development & Compliance Division**

**E-mail –** [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)

Main # 703-324-1300

Direct # 703-324-2714

**Codding, Ellie**

---

**From:** Cook, Ricky  
**Sent:** Wednesday, May 9, 2018 1:10 PM  
**To:** 'louk@fox-run.net'  
**Cc:** Codding, Ellie; Ricky Cook (Ricky.Cook@fairfaxcounty.gov)  
**Subject:** Surveyors List that have Recently Supplied plats.

Good afternoon Lou,

Below you will find a list of Surveyors that have recently submitted plats to the Fairfax County.

1. Land Design Consultants
2. Charles P Johnson & Associates Inc.
3. Professional Design Group, Inc.
4. Walter L. Phillips Inc.
5. Urban, Ltd.
6. BC Consultants
7. Dewberry
8. Tri-Tek Engineering

If you have any questions please let me know.

Thank you,  
Ricky Cook

**Ricky Cook**  
**Senior Engineer Inspector**  
**Code Development & Compliance Division**  
**E-mail – [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)**  
Main # 703-324-1300  
Direct # 703-324-2714

## ATTACHMENT 7: Additional Correspondence

### Codding, Ellie

---

**From:** Cook, Ricky  
**Sent:** Friday, May 11, 2018 5:07 PM  
**To:** Codding, Ellie  
**Subject:** Fwd: pictures of field

Ty for the photos . I received 5 of them if that is all please let me know .  
Thank you,  
Ricky Cook

Ricky L. Cook  
Senior Engineering Inspector  
Code Development & Compliance Division  
[www.FairfaxCounty.gov](http://www.FairfaxCounty.gov)

[Ricky.Cook@fairfaxcounty.gov](mailto:Ricky.Cook@fairfaxcounty.gov)  
Direct-703-324-2714

Begin forwarded message:

**From:** <[louk@fox-run.net](mailto:louk@fox-run.net)>  
**Date:** May 11, 2018 at 2:16:22 PM EDT  
**To:** "'Cook, Ricky'" <[Ricky.Cook@fairfaxcounty.gov](mailto:Ricky.Cook@fairfaxcounty.gov)>  
**Cc:** 'Charles Hooff' <[crhooff@BelmontBayFarm.com](mailto:crhooff@BelmontBayFarm.com)>  
**Subject:** pictures of field

Mr. Cook,

Attached are the photos requested. If there are any questions or concerns, please contact me at the info below or my cell phone.

Lou Kobus  
Lou Kobus CLP  
Fox Run Nurseries  
P. O. Box 8010  
Alexandria, Virginia 22306

Ph (703) 360 – 0199

Fx (703) 360 – 4499

*A Service Disabled Veteran Owned Small Business*

## ATTACHMENT 7: Additional Correspondence











## ATTACHMENT 7: Additional Correspondence

**Codding, Ellie**

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**From:** Cook, Ricky  
**Sent:** Wednesday, May 23, 2018 12:31 PM  
**To:** Codding, Ellie; Grape, Laura T.; Morin, Christine A; Woode, Willie  
**Cc:** Cook, Ricky; louk@fox-run.net; Charles Hooff  
**Subject:** Belmont Bay Farm Updated Compliance Schedule  
**Attachments:** Surveyors List that have Recently Supplied plats.

Good morning Lou,

Per the revised compliance schedule that you received via email on 5-4-2018, the following items still need to be addressed and one item is past due.

**Past Due:**

Per item #2 on the revised compliance schedule, by 5/15/2018, you were to notify the county of the date that you will provide the topographic survey showing the extent of grading, also to include the current RPA and floodplain delineation on the survey. Attached to this email is the list of surveyors that you requested.

**Items due by 5/30/2018:**

The WQIA and Planting Schedule described in Items 3, 5, and 6 of the revised compliance schedule are due on 5/30.

Please respond by the end of the week (5-25-2018) with when you will be submitting the topographic survey . If you have any questions please let me know.

Thank you,  
Ricky Cook

**Ricky Cook**  
**Senior Engineer Inspector**  
**Code Development & Compliance Division**  
**E-mail – [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)**  
Main # 703-324-1300  
Direct # 703-324-2714

## ATTACHMENT 7: Additional Correspondence

### Codding, Ellie

---

**From:** Cook, Ricky  
**Sent:** Thursday, July 26, 2018 9:15 AM  
**To:** Codding, Ellie  
**Subject:** FW: Belmont Bay Farm  
**Attachments:** Map For Lou.jpg

**Ricky Cook**  
**Code Specialist II**  
**Code Development & Compliance Division LDS**  
**E-mail – [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)**  
Main # 703-324-1300  
Direct # 703-324-2714

---

**From:** Cook, Ricky  
**Sent:** Friday, June 1, 2018 10:56 AM  
**To:** Codding, Ellie <[Eleanor.Codding@fairfaxcounty.gov](mailto:Eleanor.Codding@fairfaxcounty.gov)>  
**Cc:** Smarr, Melissa <[Amy.Smarr@fairfaxcounty.gov](mailto:Amy.Smarr@fairfaxcounty.gov)>  
**Subject:** Belmont Bay Farm

Good morning Mr. Hooff and Mr. Kobus,

Thank you for the email. Please provide a date when the survey will be completed. If I do not hear from you by 6/6/18 with a date for survey submittal, I will re-issue a new compliance schedule with the dates we have discussed as well as a survey due date that we will assign. Lou, also I believe this is what Ellie quoted you in the meeting: for a typical quarter acre lot, we were seeing surveys in the \$300 to \$700 range. If you have any questions please feel free to give me a call. Also Attached are the a Map and replies from Willie Woode about the planting that you had forwarded. Please follow Willie Woodes direction for the attached map areas. Below you will find his response.

For a [PLANTING PLAN](#), I would in the least, expect to see the following details:

- Location identification and respective sizes (in acres) of sections to be replanted,
- Plant categories (e.g. understory trees, over story trees, shrubs and grasses). This should also include list of specific plant species within each category that are naturally adapted to prevailing conditions within the sections identified for replanting,

## ATTACHMENT 7: Additional Correspondence

- Numbers and sizes (nursery plants or bare rooted plants) of each species. These should be based on the county's recommendation (i.e., minimum number of plants per acre) for Reforestation of the Resource Protection Areas.  
If you have any questions feel free to give me a call.

Thank you,

Ricky Cook

**Ricky Cook**  
**Senior Engineer Inspector**  
**Code Development & Compliance Division**  
**E-mail – [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)**  
Main # 703-324-1300  
Direct # 703-324-2714

## ATTACHMENT 7: Additional Correspondence

### Codding, Ellie

---

**From:** Cook, Ricky  
**Sent:** Friday, June 8, 2018 3:19 PM  
**To:** 'Charles Hooff'; 'louk@fox-run.net'; Codding, Ellie; Grape, Laura T.; Woode, Willie; Morin, Christine A  
**Cc:** Smarr, Melissa; Ricky Cook (Ricky.Cook@fairfaxcounty.gov)  
**Subject:** Belmont Bay Farm Compliance Schedule update  
**Attachments:** Bel pic.jpg

Good morning Mr. Hooff and Mr. Kobus,

Thank you for the email with planting information. Unfortunately this is not enough information for the required planting plan. You need to at least provide the following details for a planting plan:

- Location, identification, and respective sizes (in acres) of sections to be replanted (or a map to scale would show this),
- Plant categories (e.g. understory trees, over story trees, shrubs and grasses). This should also list specific plant species within each category that are naturally adapted to prevailing conditions within the sections identified for replanting,
- Numbers and sizes (nursery plants or bare rooted plants) of each species. These should be based on the county's recommendation (i.e., minimum number of plants per acre) for Reforestation of the Resource Protection Areas.

To assist you with the planting plan, I've provided the attached Map. You can mark required elements above on this map and return it to me. To assist you with the number and sizes of plants, please see the following sections of Chapter 118 as well as the publication available at this link: [https://www.fairfaxcounty.gov/publicworks/sites/publicworks/files/assets/documents/rpa\\_tree\\_and\\_shrub\\_list\\_9-24-07.pdf](https://www.fairfaxcounty.gov/publicworks/sites/publicworks/files/assets/documents/rpa_tree_and_shrub_list_9-24-07.pdf):

118-3-3 (f) Buffer area establishment: Where buffer areas are to be established, they shall consist of a mixture of over story trees, understory trees, shrubs and groundcovers. The density of over story trees shall be a minimum of 100 trees per acre. The density of understory trees shall be a minimum of 200 trees per acre. The density of shrubs shall be a minimum of 1089 plants per acre. If seedlings are used instead of container plants, the density of trees shall be doubled. Large caliper trees shall not be planted on slopes steeper than 2:1. Plant materials shall be randomly placed to achieve a relatively even spacing throughout the buffer. The Director may approve the use of a seed mixture as a supplement to or in lieu of individual plants for shrubs and groundcovers. Plants shall be native to the degree practical and adaptable to site conditions. Wetland plantings (including herbaceous plantings) and/or wetland seed mix shall be used where site conditions warrant. Plant materials and planting techniques shall be as specified in the Public Facilities Manual.

## ATTACHMENT 7: Additional Correspondence

118-9-1 (d) Restoration of Chesapeake Bay Preservation Areas shall be performed as necessary to meet the intent of this Chapter, the requirements herein, and the requirements of the Public Facilities Manual. In addition to the plantings required by Section 118-3-3(f) and the Public Facilities Manual, the Director may require that trees illegally removed from Chesapeake Bay Preservation Areas be replaced by other trees of the same or comparable species of equal value and/or be replaced 2 for 1 with 2 inch caliper trees. The value of the replacement trees shall not exceed the value of those illegally removed as determined by the formula in the latest revision of the "Guide for Plant Appraisal" prepared by the Council of Tree and Landscape Appraisers and published by the International Society of Arboriculture.

Also, I still need to hear from you about when the survey will be completed. If I do not hear from you by 6/15/18 with a date for survey submittal, I will re-issue a new compliance schedule with the dates we have discussed as well as a survey due date that we will assign.

Addition to the items above please provide and update on the WQIA submittal that was due on 5-30-18 as well .

If you have any questions feel free to give me a call.

Thank you,

Ricky Cook

**Ricky Cook**

**Senior Engineer Inspector**

**Code Development & Compliance Division**

**E-mail – [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)**

Main # 703-324-1300

Direct # 703-324-2714

## ATTACHMENT 7: Additional Correspondence

**Codding, Ellie**

---

**From:** Cook, Ricky  
**Sent:** Friday, June 15, 2018 8:09 AM  
**To:** Charles Hooff; louk@fox-run.net; Codding, Ellie; Grape, Laura T.  
**Cc:** Woode, Willie; Smarr, Melissa; Cook, Ricky  
**Subject:** Update Needed

Good morning Mr. Hooff, Mr. Kobus,

Could you please provide us with an update on when the following items will be completed per my last email that was sent out on June the 8<sup>th</sup> 2018 .

1. Planting schedule date .
2. Topographic Survey .
3. WQIA Submittal.

I just wanted to remind you that you only have 45days left remaining before the RPA violation will be sent out as the items have not been completed . If you have updated information that would be great so we can continue making progress to close out the compliance items . If you have any questions please feel free to give me a call.

Thank you,  
Ricky Cook

**Ricky Cook**  
**Senior Engineer Inspector**  
**Code Development & Compliance Division**  
**E-mail – [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)**  
Main # 703-324-1300  
Direct # 703-324-2714

## ATTACHMENT 7: Additional Correspondence

### Codding, Ellie

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**From:** Cook, Ricky  
**Sent:** Tuesday, June 26, 2018 6:16 AM  
**To:** Codding, Ellie  
**Subject:** FW: E mail dated 15 June 2018

Good morning Ellie ,

Below is the email that I received from Lou , regarding the farm . I am unaware of any different form for farming. Is this something we should have April Kellum look into. Please let me know as I thing I will get ready to prepare the 118 violation. Also regarding the planting and revegetation comment do you think we should have Willie go out and do an inspection and go from there.

Thank you,

Ricky Cook

**Ricky Cook**  
**Code Specialist II**  
**Code Development & Compliance Division LDS**  
**E-mail – [Ricky.Cook@FairfaxCounty.gov](mailto:Ricky.Cook@FairfaxCounty.gov)**  
Main # 703-324-1300  
Direct # 703-324-2714

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**From:** louk@fox-run.net [mailto:louk@fox-run.net]  
**Sent:** Monday, June 25, 2018 3:04 PM  
**To:** Cook, Ricky <Ricky.Cook@fairfaxcounty.gov>; 'Charles Hooff' <crhooff@BelmontBayFarm.com>  
**Subject:** E mail dated 15 June 2018

Mr. Cook

I apologize for not returning your e mail earlier, but it has taken me a considerable amount of time to research the internet to find a Water Quality Impact Assessment (WQIA) template / outline for Farms. After searching the internet on multiple occasions, over a period of days, I only found WQIA templates from developers with no information concerning Farms. (i.e. Fairfax County w/ Van Meter (2014)). If you or the County Staff can locate a WQIA template for Farms that reflect the removal of invasive plant material and replant with native plant material along with environmentally enhancing plants which also provide wildlife food sources, please send it to me so that I can complete the form.

In reference to the Topographic Survey, the companies we contacted asked about the location of the “ Benchmark “. I have asked Mr. Hooff about this and he does not remember a benchmark ever being located. If the County has this information, I would appreciate you providing the location.

## ATTACHMENT 7: Additional Correspondence

Concerning the planting schedule, I send you a copy of DEQ's suggested plant list for developing a RPA, since we are not developing an RPA and the actual location is still to be determined, I am not sure what you are expecting. We have already planted Egyptian Wheat and the area in discussion is now returning to native vegetation.

As Farmers, being stewards of the Land, we look forward to continue working with you and the County Staff to address all of the County's concerns. You can always contact me at the info below or my personal mobile (703) 501 – 0724.

Lou

Lou Kobus CLP  
Fox Run Nurseries  
P. O. Box 8010t  
Alexandria, Virginia 22306  
Ph (703) 360 – 0199  
Fx (703) 360 – 4499  
*A Service Disabled Veteran Owned Small Business*

## Attachment 8: Prior Notice of Intended Silviculture

**Date:** August 24, 2016

**Memo to self:** Details of meeting requested by Lou Kobus, Farm Manager, Belmont Bay Farm regarding update on proposed logging activity.

**Present were:** Lou Kobus, Farm Manager, Belmont Bay Farm  
Rachel Habig-Myers, Urban Forester II, Department of Urban Forestry  
Jim McGlone, VDOF  
Michael Lynskey, A&F District Staff Coordinator, DPZ  
Willie Woode, NVSWCD

**Background:**

Lou informed the group that Belmont Bay Farm has the mandate to conduct "By-Right" logging activities. He said the last time logging was done at that farm was in the 1990's. With the help of DOF there are plans to conduct another logging operation in the near future. With logging comes new opportunities to implement improved forest management practices.

Overall, the property is well managed, and is home to a wide variety of wildlife such as Bald Eagles (whose nesting areas will remain undisturbed), Coy-wolf (a cross between coyote and wolf), foxes, deer, etc.

Deer is being actively hunted to manage the population. The farm has a hunting permit, and the head-hunter happens to be the head of Fairfax County's Animal Control Department. Due to hunting activities going on, it is highly recommended that if any agency employee needs to get on to the property, he/she should Lou know, so that he can make all arrangements to ensure safety.

Belmont Bay Farm works hand-in-hand with county, state and federal authorities in all of its activities.

**Logging Details:**

- Two weeks ago, Belmont Bay Farm offered an 18-month long contract to "Top Scott Brothers Logging Company" from Charlottesville. They have access to conduct logging operation on a defined 100-acre portion of the property.
- Logging can be conducted anytime during the 18-month period, depending on weather and market demands.
- The main species of interest will be the loblolly pine trees, and "Clear-cutting" will be the method of logging to be done.
- No RPA is within the proposed area of logging.
- Silt fences will be installed, as well as temporary vehicle channel-crossing (if necessary).
- Pre- and Post-emergent herbicide will be used to suppress re-growth until new trees are planted.
- An additional 15-ft wide swath of trees along the west side of the private access road will be cleared for easy truck ingress and egress.
- Lou will be out of town during the period of September 15 – October 15, 2016; so there will be no logging activity during that period. He believes that actual logging may not start until the winter months (may be January or February 2017), depending on market demands and weather.
- Before the logging activity starts, the contractor will inform and get the necessary road permits and traffic control assistance from VDOT. They will also inform Jim McGlone, who promises to inform staff present at this meeting.

## Attachment 8: Prior Notice of Intended Silviculture

### Other issues discussed:

- Although all arrangements seem to be in place for the logging operation, it was agreed that there will be many phone calls after the activity starts. Therefore, it was suggested that:
  - Supervisor Stork's office be informed of the permitted activity once a start date is set.
  - Signs be posted in the vicinity a few days before and during the logging period as a move towards good public relations.
- Mr. Kobus informed us that as part of its 10-year plan, Belmont Bay Farm will be:
  - Conducting two more sets of mixed hardwood logging operations in the northern portion of Belmont Bay Farm – Outside of any RPA. These will be in 50-acre portions. Following replanting, the staggered approach will provide opportunity for trees to mature in batches, so that future logging activities can be conducted in a more planned and scheduled manner.
  - As a result of the farm land being lost due to waves and tidal actions, Mr. Kobus will investigate the possibility of the county establishing a wetland that will reduced the rate of erosion.
- Asked about the activities going on at another area of the property, Lou informed the group that they plan to build two 30' x 100' "propagation houses" for vegetables. In addition to sheep rearing, the farm plans on getting into vegetable production - a lucrative farming operation. The structures should be ready by fall of this year.

He mentioned that in preparation for construction of those structures, Belmont Bay Farm had to "fill some holes" with soil. In doing so, neighbors called both county (Code Compliance) and federal (DEQ) agencies suspecting violation of some county/state laws. The project was delayed for six months while investigations were being conducted. At the end, both entities decided there was no violation.

Michael advised him that since the property is listed under Fairfax County's A&F District, and as a requirement of the Ches. Bay Preservation Program, he (Lou) would need to consult with NVSWCD to have his existing SWQCP updated to indicate the new/proposed farming practices.

I informed the group that while district staff can help with the plan preparation, we do not have to be the plan preparer. However, the district's Technical Advisory Committee (TAC) has to review the plan and based on its recommendation, our board usually approves it.

Lou was open to taking any steps necessary to do the right thing. He expressed interest in meeting with the district staff as well, but would rather embark on those issues when he returns in October.

## Attachment 8: Prior Notice of Intended Silviculture



# Attachment 8: Prior Notice of Intended Silviculture



... Rachel; Tim, Michael, Lisa  
 last logged in 1990

Head Hunter is f/c head of animal control.

wildlife: coy-wolf (coyote wolf hybrid)

bald eagles etc. foxes.

work w/ county / state / Fed. agencies.

Tapsco<sup>Pro</sup> At loggers out of Charlottesville

Contract is for 18 months. So any time

can be achieved. determination is

weather + market. contract started

2 weeks ago.

Working with VDOT for T/P assistance

By right logging option - clear cut logg.

Loblolly pine. Pre + post emergent herbicide

will be used after logging.

7/501 - 0724 (m)

(9/15 - 10/15) (early town)

100 acres of activity (50 acres / time)  
 15' road side clearing mixed hardwood



Board Agenda Item  
July 16, 2019

10:20 a.m.

Matters Presented by Board Members

11:10 a.m.

CLOSED SESSION:

- (a) Discussion or consideration of personnel matters pursuant to Virginia Code § 2.2-3711(A) (1).
- (b) Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Virginia Code § 2.2-3711(A) (3).
- (c) Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, and consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel pursuant to Virginia Code § 2.2-3711(A) (7).
  - 1. *In re: January 10, 2018, Decision of the Board of Zoning Appeals of Fairfax County, Virginia; Blake D. Ratcliff and Sara B. Ratcliff v. Board of Supervisors of Fairfax County, Virginia*, Case No. CL-2018-0001836 (Fx. Co. Cir. Ct.) (Mason District)
  - 2. *Kenneth Henderson v. Fairfax-Falls Church Community Services Board and Fairfax County*, Case No. 19-1040 (U.S. Ct. of App. for the Fourth Cir.)
  - 3. *Joseph A. Glean v. Board of Supervisors, Michael J. McGrath, and Christopher J. Pietsch*, Case No. CL-2019-0001067 (Fx. Co. Cir. Ct.); *Joseph A. Glean v. Board of Supervisors*, Case No. CL-2019-002450 (Fx. Co. Cir. Ct.); *Joseph A. Glean v. Board of Supervisors, Michael J. McGrath, and Christopher J. Pietsch*, Case No. CL-2019-002360 (Fx. Co. Cir. Ct.)
  - 4. *Andrew Cooper, Rebecca Cooper, Blake Ratcliff, Sara Ratcliff, Cecilia Gonzalez, Cindy Reese, Donald Walker, Debra Walker, Carmen Giselle Huamani Ober, Amjad Arnous, John A. McEwan, Mary Lou McEwan, Kevin Holley, Laura Quirk Niswander, Lori Marsengill, Gary Marsengill, Margaret Wiegenstein, Melinda Norton, Nagla Abdelhalim, Nhung Nina Luong, Quan Nguyen, Robert Ross, Helen Ross, Sanjeev Anand, Anju Anand, Sarah Teagle, Sofia Zapata, Svetla Borisova, Nickolas Ploutis, Melinda Galey, Travis Galey, and Victoria Spellman v. Board of Supervisors of Fairfax County, Virginia*, Case No. CL-2018-0012818 (Fx. Co. Cir. Ct.)
  - 5. *K2NC LLC v. Board of Supervisors of Fairfax County, Virginia; Exception Review Committee, Chris Koerner, Amy Gould, Anne S. Kanter, James C. Chesley, Edward W. Monroe, Jr., Ken Lanfear, Elizabeth Martin, Sue Kovach Shuman, Monica Billger, and David W. Schnare*, Case No. CL-2019-0006521 (Fx. Co. Cir. Ct.) (Braddock District)

6. *Leslie B. Johnson, Fairfax County Zoning Administrator, and Elizabeth Perry, Property Maintenance Code Official for Fairfax County, Virginia v. Dinos, LLC*, Case No. CL-2019-0008283 (Fx. Co. Cir. Ct.) (Dranesville District)
7. *Elizabeth Perry, Property Maintenance Code Official for Fairfax County, Virginia v. Mishal H. Al-Thani*, Case No. CL-2018-0001769 (Fx. Co. Cir. Ct.) (Dranesville District)
8. *Leslie B. Johnson, Fairfax County Zoning Administrator, and Elizabeth Perry, Property Maintenance Code Official for Fairfax County v. Martina Simpkins and Anthony Simpkins*, Case No. CL-2018-0002496 (Fx. Co. Cir. Ct.) (Lee District)
9. *Elizabeth Perry, Property Maintenance Code Official for Fairfax County, Virginia v. Michael L. Lewis and Sonja B. Lewis*, Case No. CL-2017-0013219, and *Leslie B. Johnson, Fairfax County Zoning Administrator v. Michael L. Lewis and Sonja B. Lewis*, Case No. CL-2018-0015823 (Fx. Co. Cir. Ct.) (Lee District)
10. *Leslie B. Johnson, Fairfax County Zoning Administrator v. Suwarti Ishak and Rahmad B. Ishak*, Case No. GV19-014866 (Fx. Co. Gen. Dist. Ct.) (Lee District)
11. *Leslie B. Johnson, Fairfax County Zoning Administrator v. Matthew O. Neyland*, Case No. CL-2018-0017117 (Fx. Co. Cir. Ct.) (Mason District)
12. *Leslie B. Johnson, Fairfax County Zoning Administrator v. John A. McEwan and Mary Lou McEwan*, Case No. CL-2019-0008365 (Fx. Co. Cir. Ct.) (Mount Vernon District)
13. *In re: December 5, 2018, Decision of the Board of Zoning Appeals of Fairfax County, Virginia*; Case No. CL-2018-0018063; *Leslie B. Johnson, Fairfax County Zoning Administrator v. Nickolas A. Ploutis*, Case No. CL-2019-0007336 (Fx. Co. Cir. Ct.) (Mount Vernon District)
14. *Eileen M. McLane, Fairfax County Zoning Administrator v. Chau Ly*, Case No. CL-2011-0002187 (Fx. Co. Cir. Ct.) (Providence District)
15. *Leslie B. Johnson, Fairfax County Zoning Administrator v. Delfin Farfan and Mary I. Farfan*, Case No. CL-2011-0002183 (Fx. Co. Cir. Ct.) (Providence District)
16. *Leslie B. Johnson, Fairfax County Zoning Administrator v. Mauricio Castro and Maritza Castro*, Case No. GV19-013339 (Fx. Co. Gen. Dist. Ct.) (Providence District)
17. *Elizabeth Perry, Property Maintenance Code Official for Fairfax County, Virginia v. Mauricio Castro and Maritza Castro*, Case No. GV19-013338 (Fx. Co. Gen. Dist. Ct.) (Providence District)
18. *Leslie B. Johnson, Fairfax County Zoning Administrator v. Harry Martin*, Case No. CL-2008-0008078 (Fx. Co. Cir. Ct.) (Sully District)

19. *Board of Supervisors of Fairfax County, Virginia, and William Hicks, Director, Fairfax County Department of Public Works and Environmental Services v. Calvin Gaskins, Clarence L. Duncan, Mattie Jones, Christopher Robinson, and Richard Gaskins, Trustees of Cub Run Memorial Gardens Cemetery, Case No. CL-2018-0011820 (Fx. Co. Cir. Ct.) (Sully District)*

Board Agenda Item  
July 16, 2019

3:00 p.m.

Public Hearing on the Sale of 0.5 Million Gallons-Per-Day of Fairfax County's Unused Capacity at the Upper Occoquan Sewage Authority's Treatment Plant to the City of Manassas

ISSUE:

Sale of 0.5 million gallons-per-day (MGD) of Fairfax County's (County) unused capacity at the Upper Occoquan Sewage Authority's (UOSA) treatment plant to the City of Manassas to meet its growing need for additional treatment plant capacity.

RECOMMENDATION:

The County Executive recommends that the Board authorizes the sale of 0.5 million MGD of County's unused capacity at the UOSA treatment plant to the City of Manassas by adopting the attached resolution (Attachment I).

TIMING:

Board action is requested on July 16, 2019.

BACKGROUND:

The UOSA owns and operates a wastewater treatment plant that receives wastewater from its four member jurisdictions of Fairfax and Prince William counties, and the cities of Manassas and Manassas Park. The UOSA treatment plant has a total capacity of 54 MGD. The County's allocated capacity at the plant is 27.5999 MGD. The County has previously sold a total of 5 MGD of its unused capacity to Prince William County (4 MGD) and the City of Manassas (1 MGD). Therefore, 22.5999 MGD of the County's capacity remains at UOSA. The County's current average daily flow to UOSA is 16.8 MGD. The County's projection for future flows in the portion of the County served by UOSA is 21.3 MGD. Our current unused capacity is 5.8 MGD ( $22.6 - 16.8 = 5.8$  MGD). After the sale of 0.5 MGD, our unused capacity will be 5.3 MGD. Staff believes this unused capacity will be enough to meet the County's future growth needs in the UOSA service area. Should at any time in the future the County's projected treatment capacity needs exceed its allocation, the treatment plant capacity can be expanded to meet the County's needs. Selling the unused capacity at this time recovers the County's cost of constructing this capacity and avoids paying for the up-coming upgrades at the plant for the capacity that is not projected to be used by the County.

Board Agenda Item  
July 16, 2019

FISCAL IMPACT:

The sale price per 0.5 MGD of capacity at UOSA is \$13.1 million. The City of Manassas will initially pay the County \$8.2 million, which is the County's investment to date for constructing this capacity. Then the City will pay the outstanding debt service on the balance of the cost of constructing this capacity from 2020 to 2043, as outlined in the sale agreement. The proceeds from the sale of this capacity will go into the County's Integrated Sewer Fund and will be used in accordance with the terms of the Sewer Bond Resolution.

ENCLOSED DOCUMENTS:

Attachment I: Resolution

Attachment II: Wastewater Capacity Sale and Purchase Agreement between the Board of Supervisors of Fairfax County and the City of Manassas, Virginia

STAFF:

Rachel Flynn, Deputy County Executive

Randolph W. Bartlett, Director, Department of Public Works and Environmental Services (DPWES)

Shahram Mohsenin, Director, DPWES, Wastewater Planning and Monitoring Division

ASSIGNED COUNSEL:

Emily H. Smith, Assistant County Attorney

## RESOLUTION

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium in the Fairfax County Government Center of Fairfax, Virginia on Tuesday, July 16, 2019, at which a quorum was present and voting, the following resolution was adopted.

**WHEREAS**, pursuant to the Upper Occoquan Sewage Authority Service Agreement, dated as of 15th day of May, 1972, as amended, restated, or modified from time to time, Fairfax County has been allocated 27.5999 million gallons per day (MGD) of wastewater delivery and treatment capacity for the delivery and treatment of wastewater at the Millard H. Robbins, Jr. Regional Water Reclamation Plant (“Allocated UOSA Capacity”); and

**WHEREAS**, Fairfax County wants to offer 0.5 MGD of its unused Allocated UOSA Capacity to the City of Manassas to assist Manassas in meeting the wastewater capacity needs of its respective service area; and

**WHEREAS**, the Board has determined that the sale of 0.5 MGD of its Allocated UOSA Capacity will not materially adversely affect the operating efficiency of the Fairfax County Sewer System;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Supervisors of Fairfax County, Virginia, hereby authorizes the sale of 0.5 MGD of the County’s Allocated UOSA Capacity to the City of Manassas in accordance with the terms and conditions of the Wastewater Capacity Sale and Purchase Agreement (the “Sale Agreement”) presented to the Board at this meeting and that the Chairman of the Board (“Delegate”) is hereby authorized to execute the sale agreement in substantially such form, with such additions and modifications as shall be approved by the Delegate, such execution being conclusive evidence of such approval.

This Resolution shall take effect immediately.

A Copy Teste:

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Catherine A. Chianese  
Clerk to the Board of Supervisors

**WASTEWATER CAPACITY SALE  
AND PURCHASE AGREEMENT**

**between**

**THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY**

**and**

**THE CITY OF MANASSAS, VIRGINIA**

**Dated \_\_\_\_\_, 2019**

## **Wastewater Capacity Sale and Purchase Agreement**

THIS AGREEMENT is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2019, by and between the BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, a body politic and corporate, hereinafter referred to as "Fairfax" and the CITY OF MANASSAS, VIRGINIA, a body politic and corporate, hereinafter referred to as "Manassas" (collectively referred to as the "Parties").

### **WITNESSETH:**

WHEREAS, Fairfax, Prince William County, Manassas, and the City of Manassas Park are, as of the date of this Capacity Agreement, the current Participants to the UOSA Service Agreement, which provides for the delivery and treatment of wastewater at the UOSA Millard H. Robbins, Jr. Regional Water Reclamation Plant ("UOSA Plant"); and

WHEREAS, the UOSA Service Agreement provides, among other things, for the wastewater delivery and treatment capacity allocable to each respective Participant; and

WHEREAS, Fairfax has contracted with UOSA pursuant to the UOSA Service Agreement for 27.5999 million gallons per day of wastewater delivery and treatment capacity in the UOSA System; and

WHEREAS, Fairfax has determined that it has an available and unused wastewater Capacity Allocation in the UOSA Delivery System and the UOSA Plant that can be made available and used by the Participants using such facilities to meet the wastewater service area flow demands of such respective Participants; and

WHEREAS, Fairfax wants to offer a portion of its available unused wastewater delivery and treatment capacity to Manassas to assist Manassas in meeting the wastewater capacity needs of its respective service area; and

WHEREAS, the Parties realize the economic benefit of utilizing existing available wastewater treatment capacity to meet the wastewater treatment capacity requirements of the respective Participants' wastewater service areas to defer the construction of new wastewater treatment capacity; and

WHEREAS, in 2007, the Parties entered into a Wastewater Capacity Sale and Purchase Agreement whereby Fairfax sold 1 MGD (the "2007 Purchased Capacity") of its available unused wastewater delivery and treatment capacity to Manassas (the "2007 Capacity Agreement"); and

WHEREAS, the terms of this Agreement, except as to price, are substantially consistent with the terms of the 2007 Capacity Agreement, which UOSA approved in 2007;

WHEREAS, Manassas desires to secure more of the available unused wastewater delivery and treatment capacity that is currently allocated to Fairfax and which is an obligation of Fairfax with respect to the funding or payment of such capacity to UOSA; and

WHEREAS, Fairfax has the authority to enter into an agreement to sell a portion of the available unused wastewater delivery and treatment capacity to Manassas; and

WHEREAS, Manassas has the authority to enter into an agreement to purchase from Fairfax a portion of its available unused wastewater delivery and treatment capacity offered by Fairfax; and

WHEREAS, UOSA has advised the Parties that it will approve a reallocation of capacity consistent with § 2.2 herein;

NOW, THEREFORE, in consideration of the aforementioned premises, and of the mutual benefits to be derived therefrom, and of the respective undertakings, promises, and covenants of the Parties as hereinafter contained, and that the above recitals are true and correct and

incorporated herein by reference, the Parties mutually covenant, undertake, promise, and agree as follows:

ARTICLE I  
SHORT TITLE AND DEFINITIONS

SECTION 1.1      SHORT TITLE. This Agreement between Fairfax and Manassas shall be referred to as the “Capacity Agreement” or this “Agreement”.

SECTION 1.2      DEFINITIONS. The terms in this Section, for all purposes of this Capacity Agreement and any amendments or other changes thereto, shall have the following meanings:

1. “Adjusted Capacity Allocation” means the sum of Manassas’ Capacity Allocation, the Purchased Capacity, and the 2007 Purchased Capacity.
2. “Adjusted Capacity Allocation Percentage” means the Capacity Allocation Percentage adjusted for purposes of this Agreement to recognize the sale and purchase of the Purchased Capacity and the 2007 Purchased Capacity.
3. “Capacity” means the total capacity permitted by DEQ in the Certificate to Operate for the UOSA Plant expressed as the highest average of any 30 consecutive day flow.
4. “Capacity Allocation” means the allocation of Capacity in the UOSA Plant to which each Participant has the exclusive use and entitlement pursuant to the UOSA Service Agreement.
5. “Capacity Allocation Percentage” means the Capacity Allocation expressed on a percentage basis that is calculated using a Participant’s respective Capacity Allocation as the numerator and the Capacity as the denominator.
6. “DEQ” means the Virginia Department of Environmental Quality and / or the State Water Control Board or any other agency or agencies of the Commonwealth of Virginia or the United States that may succeed to their duties.
7. “Excess Flow” means the amount of wastewater flow delivered by Manassas to UOSA as metered at the Point of Delivery by UOSA that is greater than the Adjusted Capacity Allocation, as determined by the highest average of any 30 consecutive day flow.

8. "Fairfax Capacity Allocation" means the Capacity Allocation to which Fairfax is entitled under the UOSA Service Agreement.
9. "Force Majeure" includes, but is not limited to, acts of God, strikes, lockouts, or other industrial disturbances, acts of any public enemy, wars, blockades, riots, acts of armed forces, epidemics, delays by carriers, inability to obtain materials or rights-of-way on reasonable terms, acts or failures to act by public authorities not under the control of any party to this Agreement, or acts or failures to act by regulatory authorities.
10. "Meters", "metering", or "metered" means or refers to any device for measuring the flow of wastewater delivered to the UOSA System by the Participants.
11. "MGD" means millions of gallons per day.
12. "Occoquan Policy" means the DEQ State Water Control Board's Policy for Waste Treatment and Water Quality Management in the Occoquan Water shed, dated July 26, 1971, as the same has been or may be revised from time to time.
13. "Operating Costs" means all costs associated with operating the UOSA System and includes all costs of operation and maintenance, including indirect costs of administration and overhead, all as determined by UOSA.
14. "Participants" means the parties having a Capacity Allocation in the UOSA System in accordance with the UOSA Service Agreement, which parties include Fairfax County, Prince William County, the City of Manassas, the City of Manassas Park, and any other unit of local government which may be added in the future due to amendment, restatement, or modification of the UOSA Service Agreement.
15. "Permitted UOSA Plant Capacity" means the then current capacity permitted by DEQ pursuant to the issuance of a Certificate to Operate.
16. "Point of Delivery" means the location of the connections made by the Participants at any point along the UOSA Delivery System for the Participants' delivery of wastewater to UOSA for treatment and disposal.
17. "Purchased Capacity" means the amount of Fairfax Capacity Allocation that is purchased by Manassas in accordance with this Agreement.
18. "System Capacity" means the Capacity at the UOSA Plant and the Participants' implied capacity in the UOSA Delivery System necessary to deliver wastewater from the Point of Delivery to the UOSA Plant.

19. "Transfer Date" means the date that the Purchased Capacity is sold and made available by Fairfax and purchased by and transferred to Manassas for its exclusive use.
20. "UOSA" means the Upper Occoquan Sewage Authority, a public body politic and corporate duly created pursuant to the Virginia Water and Waste Authorities Act (Virginia Code §§15.2-5100 et seq.) by the Councils of the Cities (then Towns) of Manassas and Manassas Park and the Boards of Supervisors of Fairfax and Prince William Counties and a Certificate of Incorporation issued by the State of Corporation Commission of Virginia on April 1, 1971, as may be amended, restated, or modified from time to time.
21. "UOSA Bonds" means notes, bonds, bond anticipation notes, or other debt obligations of UOSA whether now outstanding or to be issued in the future.
22. "UOSA Delivery System" means the regional delivery system of trunk or interceptor sewers now existing or to be expanded, constructed, or modified that are now or will be owned, operated, and managed by UOSA for the transmission of wastewater from the respective Participant's sewer sheds or service areas to the UOSA Plant including, but not limited to, power supplies, pumping facilities, force mains, flow metering and measuring devices, storage facilities, and other related utility plant that are necessary to convey wastewater. Such facilities are in addition to the facilities that comprise the UOSA Plant that is owned, operated, or managed by UOSA.
23. "UOSA Existing Bonds" means the outstanding principal amount of the Regional Sewerage System Bonds, Series 1995A Bonds, Regional Sewerage System Revenue Bonds, Series 2010B, Virginia Resource Authority Loans 2011A and 2011B, Taxable Regional Sewerage System Revenue Refunding Bonds, Series 2013A, Regional Sewerage System Revenue Refunding Bonds, Series 2013B, Regional Sewerage System Revenue Refunding Bonds, Series 2014, Regional Sewerage System Revenue Bonds, Series 2016A, Regional Sewerage System Revenue Refunding Bonds, Series 2016B, and any other notes, bonds, bond anticipation notes or other debt obligations of UOSA issued prior to the Transfer Date, and any bonds issued to refund any of the bonds included in this definition.
24. "UOSA Existing Bonds Component" means the outstanding principal amount of the UOSA Existing Bonds that is allocable to the Capacity Allocation that is sold by Fairfax to Manassas.

25. "UOSA Liability" means the amount of existing and future UOSA Bonds and other related financial obligations for which the Participants are responsible for payment in accordance with the Capacity Allocation Percentage as referenced in the UOSA Service Agreement.
26. "UOSA Plant" means UOSA's Millard H. Robbins, Jr. Regional Water Reclamation Plant, now existing or as it may be expanded, constructed, re-rated, or modified that is owned, operated, or managed by UOSA, including administration buildings, plant offices, laboratory building, retention and ballast basins, power supplies, and necessary appurtenances and equipment, for the treatment of wastewater and the utilization or disposal of residuals and by-products in conformance with the requirements of the Occoquan Policy and DEQ.
27. "UOSA Service Agreement" means the UOSA Service Agreement dated as of the 15<sup>th</sup> day of May, 1972, as amended, restated, or modified from time to time, which, among other things, contractually obligates UOSA to provide wastewater delivery and treatment capacity and service to the Participants. A copy of the version of the UOSA Service Agreement in effect as of the date of this Agreement is included in Attachment A for reference.
28. "UOSA System" means the combination of the UOSA Plant and the UOSA Delivery System.

## ARTICLE II SALE OF CAPACITY

SECTION 2.1      CAPACITY ALLOCATION TRANSFER. Fairfax agrees to sell and Manassas agrees to purchase 0.5 MGD of the Fairfax Capacity Allocation resulting from expansion of the UOSA Plant from 27.0 to 54.0 MGD, including expansion of the associated UOSA Delivery System, in addition to the 1.0 MGD of the Fairfax Capacity Allocation sold to Manassas under the 2007 Capacity Agreement. As between these Parties, the purchase of the additional 0.5 MGD of the Fairfax Capacity Allocation is considered as being permanent in nature and, as between these Parties, Manassas assumes all future responsibility for the UOSA Liability, including but not limited to the liability associated with the UOSA Existing Bonds Component, as it relates to the acquisition of Purchased Capacity, as of and subsequent to the Transfer Date. As between these Parties, Fairfax will be relieved of all UOSA Liability, including but not limited to the liability associated with the UOSA Existing Bonds Component, with respect to the sale of the Purchased Capacity as of and subsequent to the Transfer Date. As of the Transfer Date, the Parties will request UOSA to bill in accordance with the Adjusted Capacity Allocation Percentages as if the Capacity Allocations had been correspondingly revised in accordance with the UOSA Service Agreement. The Parties agree that for the 0.5 MGD of Capacity Allocation that is transferred from Fairfax to Manassas as of the Transfer Date, the Adjusted Capacity Allocation Percentage will be calculated as follows:

- A. For Fairfax's share of the total Permitted UOSA Plant Capacity:  
(Fairfax Capacity Allocation [27.5999 MGD] minus the Purchased Capacity\* / Permitted UOSA Plant Capacity [54.0 MGD])
- B. For Manassas's share of the total Permitted UOSA Plant Capacity:  
(Manassas Capacity Allocation [7.6893 MGD] plus 1.5 MGD) / Permitted UOSA Plant Capacity [54 MGD]

[\*For purposes of calculating Fairfax's Adjusted Capacity Allocation Percentage, Purchased Capacity will also include 1 MGD purchased by the City of Manassas from Fairfax in 2007, and 2 MGD purchased by Prince William County in each of 2007 and 2011 for a total of 5.5 MGD.]

The parties hereto acknowledge that the purchase and sale of the Purchased Capacity will not affect the Capacity Allocations or Capacity Allocation Percentages under the UOSA Service Agreement.

SECTION 2.2      NOTIFICATION OF TRANSFER. Execution of this Agreement will serve as notification by Fairfax and Manassas to UOSA of the intent to sell a portion of the Fairfax Capacity Allocation to Manassas. Upon execution of this Agreement, the Parties will provide a copy of this Agreement to UOSA and request, pursuant to § 5.4 of the UOSA Service Agreement that UOSA approve the reallocation of capacity set forth herein. Pursuant to § 5.4 of the UOSA Service Agreement (Attachment A), the Parties will further request UOSA to change the UOSA Plant capacity allocations on its books and records for billing purposes and bill in accordance with the transfer of capacity set forth in this Agreement. However, the Parties acknowledge that this Agreement does not in any way alter the Parties' underlying obligations under the UOSA Service Agreement. The Parties affirm that this Agreement is not an assignment or novation of the UOSA Service Agreement and does not reduce, change, or modify either Party's obligations under the UOSA Service Agreement.

SECTION 2.3      BILLING ADJUSTMENT DATE. The Billing Adjustment Date for the Purchased Capacity shall occur on the first day of the calendar year quarter (January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup>, or October 1<sup>st</sup>) subsequent to the execution of this Agreement by all Parties.

SECTION 2.4      ACQUISITION PRICE OF PURCHASED CAPACITY AND PAYMENT OF FUTURE COSTS. The acquisition price to be paid by Manassas for the purchase of 0.5 MGD will be based on all costs incurred by Fairfax with respect to the expansion of the UOSA Plant from 27.0 MGD to 54.0 MGD, including carrying interest cost for five years. The price per 0.5 MGD of the UOSA System Capacity is calculated to be \$ 8.22 million provided the remaining principal component of the debt service owed with respect to Purchased Capacity will be paid in future installments by Manassas as shown on Attachment B, which is made a part of this Agreement.

Manassas agrees the initial payment of \$ 8,220,297 for the Purchased Capacity will be due in total prior to the Transfer Date. Manassas further agrees it will incur a debt repayment obligation associated with the UOSA Existing Bonds Component in accordance with the payment schedule in Attachment B.

Each Party reserves the right to seek a change in the UOSA Service Agreement which reflects the sale of capacity set forth in this Agreement.

Manassas further agrees that it will be responsible for all future costs and charges invoiced by UOSA to Fairfax pursuant to §§ 6.1(b) and (c) and 6.3 and 6.4 of the UOSA Service Agreement, as may be amended from time to time, that are allocable to the Purchased Capacity. Specifically, Fairfax will charge Manassas for, and Manassas agrees to pay, all costs allocated and invoiced to Fairfax by UOSA for the Purchased Capacity. The amount to be charged by Fairfax to Manassas will be based on the following formula:

Capacity Costs multiplied by (Manassas Purchased Capacity / Current Fairfax Capacity Allocation)

Whereby:

Capacity Costs – all costs invoiced by UOSA to Fairfax pursuant to §§6.1(b) and (c) and §§ 6.3 and 6.4 of the UOSA Service Agreement, as may be amended from time to time, that are based on the Capacity Allocation Percentage as referenced in the UOSA Service Agreement;

Manassas Purchased Capacity – 0.5 MGD; and

Current Fairfax Capacity Allocation – the Capacity Allocation that is used by UOSA for the billing of obligations as set forth in §§ 6.1(b) and (c) and §§ 6.3 and 6.4 the UOSA Service Agreement, as may be amended from time to time. As of the date of this Agreement, the Current Fairfax Capacity Allocation is 27.5999

MGD. This capacity figure does not take into account the previous 5 MGD sale of capacity or the sale of 0.5 MGD capacity contemplated by this Agreement.

Unless and until an amendment to the UOSA Service Agreement is executed that recognizes the sale of capacity set forth herein, in addition to all obligations related to the 2007 Purchased Capacity, and based on the cost allocation formula shown above, Manassas will be responsible for 1.81% (0.5 MGD / 27.5999 MGD) of all existing and future costs associated with the issuance of additional bonds that are allocable to such capacity, the payment of the Cost of Replacements and Necessary Improvements (as defined in the UOSA Service Agreement and sometimes referred to and invoiced by UOSA as "reserve maintenance"), and any other costs that are invoiced by UOSA to Fairfax based on the Current Fairfax Capacity Allocation. The Parties expect that no later than the Billing Adjustment Date UOSA will invoice Manassas quarterly for such costs attributable to the Purchased Capacity using the Payment Schedule by Fiscal Year in Attachment B, but until UOSA begins invoicing Manassas for the Purchased Capacity, Fairfax will bill Manassas quarterly for all such future costs invoiced by UOSA to Fairfax that are attributable to the Purchased Capacity.

Manassas agrees that, subsequent to the Transfer Date, it will be liable for all future costs invoiced by UOSA to Fairfax that are attributable to the Purchased Capacity and agrees to pay Fairfax for such costs. Fairfax will invoice Manassas within 30 days after receipt of the quarterly UOSA invoice for such costs attributable to the Purchased Capacity. To the extent that Manassas does not compensate Fairfax for the future costs invoiced to Fairfax for the Purchased Capacity, then Fairfax shall have the right to impose interest on such unpaid amounts, which shall accrue at the highest rate of interest payable by UOSA on any of the bonds then outstanding until such amounts and interest thereon have been paid in full.

**SECTION 2.5      OPERATING COSTS ASSOCIATED WITH CAPACITY ALLOCATION.** Participants are responsible for all Operating Costs based on metered wastewater flow measured by metering at the Point of Delivery. Accordingly, all Operating Costs corresponding to the wastewater flow associated with the Purchased Capacity will be measured by metering at the Point of Delivery by UOSA and will be billed directly by UOSA to

Manassas. As between the Parties, in no event will Fairfax be responsible for the payment of any Operating Costs associated with the Purchased Capacity.

SECTION 2.6      COMPLIANCE WITH UOSA SERVICE AGREEMENT. Subject to § 2.2, and with respect to the Purchased Capacity acquired by Manassas and transferred by Fairfax, Manassas agrees to be in compliance with all its responsibilities as provided for in the UOSA Service Agreement as it relates to the operation and financing of the UOSA System. These compliance provisions include, but are not limited to, the payment of the allocated debt service payments on the UOSA Bonds, payment of rates for service, delivery of wastewater flows in accordance with the capacity and strength limits, and any other requirements as defined in the UOSA Service Agreement. It is acknowledged by the Parties that any default by Manassas with respect to the UOSA Service Agreement relating to the Purchased Capacity shall be, as between Fairfax and Manassas, the sole obligation and responsibility of Manassas. Fairfax retains all legal rights and remedies against Manassas to recover any and all monies Fairfax is obligated to pay to UOSA as a result of such default.

### ARTICLE III EXCESS FLOWS

SECTION 3.1      EXCESS FLOW ABOVE CAPACITY ALLOCATION. As a condition of this Agreement and in order to meet the service area wastewater requirements, Manassas has agreed to purchase a portion of the Fairfax Capacity Allocation for its specific use as discussed in Article II and has agreed not to utilize any additional amount of the Fairfax Capacity Allocation. Manassas and Fairfax recognize that in order to maintain equity and to provide fair compensation among the Participants, any time Manassas has an Excess Flow occurrence, as defined in § 1.2 above, Manassas shall compensate the Participant(s) that has(have) the available and unused Capacity Allocation which is effectively being used to meet Excess Flow demands. Accordingly, when Manassas has an Excess Flow occurrence it shall pay an additional charge as set forth in § 3.2. Manassas' Adjusted Capacity Allocation shall be used to determine whether an Excess Flow has occurred.

SECTION 3.2. PAYMENT FOR EXCESS FLOW. To the extent that Manassas has an Excess Flow occurrence, Fairfax may charge, and Manassas agrees to pay Fairfax, an amount equal to the Fairfax pro rata share of the amount to be calculated in accordance with this § 3.2; provided, however, that Fairfax agrees not to impose charges under this § 3.2 for any period that UOSA imposes charges pursuant to § 6.6 of the UOSA Service Agreement payable to Fairfax for Manassas Excess Flow. Fairfax will rely on UOSA data to determine the Manassas flows. Additional charges imposed by Fairfax, and paid by Manassas, in accordance with this § 3.2 do not purchase any capacity for Manassas in addition to the amounts purchased under this Agreement, nor do they condone such Excess Flows.

The payment for Excess Flow shall be calculated by multiplying the cost per MGD, based on UOSA's total annual Debt Service and Capacity (currently 54 MGD), by the amount of exceedance in MGD. To the extent that other Participants also have available and unused Capacity Allocation, Fairfax would only bill Manassas under this Agreement for the Fairfax pro rata share of the Excess Flow payment. Fairfax will notify Manassas of the amount of the Excess Flow and will invoice Manassas for the share of additional charges required under this § 3.2.

Attachment C further outlines the methodology which UOSA or Fairfax would use to determine whether an exceedance occurred and to calculate applicable additional charges.

#### ARTICLE IV MODIFICATION OF UOSA SERVICE AGREEMENT

SECTION 4.1 COMPLIANCE. Both Fairfax and Manassas, as Participants to the UOSA Service Agreement, shall continue to adhere to all terms, conditions, covenants, and requirements as outlined in the UOSA Service Agreement that are applicable to such Participants. While the Parties between themselves have altered their responsibilities for i) the change in the respective Capacity Allocation in the UOSA System for Fairfax and Manassas and the obligations associated with such changes in Capacity Allocation; and ii) the recognition of Excess Flows and the compensation to all Participants that provide the necessary Capacity

Allocation to meet such Excess Flow conditions, as between each Party and UOSA nothing in this Agreement shall modify, change, or adjust either Party's obligations under the UOSA Service Agreement and the ability to meet the policies and intent as defined in the Occoquan Policy.

## ARTICLE V MISCELLANEOUS PROVISIONS

SECTION 5.1      NO PARTNERSHIP. It is not the purpose or the intention of this Agreement to create, and this Agreement shall not be construed as creating, a joint venture, partnership, or other relationship whereby either Party would be liable for the omissions, commissions, or performance of the other Party.

SECTION 5.2      WAIVER. The failure of either Party to insist on the performance of any of the terms and conditions of this Agreement, or any waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms and conditions of this Agreement, and the terms and conditions of this Agreement shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

SECTION 5.3      ENTIRE AGREEMENT; AMENDMENT. This Agreement including the recitals, which are incorporated by this reference, contains the entire Agreement between the Parties regarding the purchase of 0.5 MGD of the Fairfax Capacity Allocation by Manassas. No change or modification of this Agreement shall be valid unless the same is an amendment, in writing, signed by both Parties.

SECTION 5.4      GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Virginia.

SECTION 5.5      SEVERABILITY. The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any

provision of this Agreement is held to be invalid, the Parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both Parties subsequent to the expungement of the invalid provision.

SECTION 5.6        FURTHER ASSURANCE. The Parties shall execute and deliver such further instruments and do further acts and things as may be required to carry out the intent and purposes of this Agreement as may be reasonably requested by either Party.

SECTION 5.7        HEADINGS. The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

SECTION 5.8        COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

SECTION 5.9        ASSIGNMENT. Neither Party may assign its rights under this Agreement to any person, entity, or other governmental or quasi-governmental body without the prior written consent of the other Party and UOSA.

SECTION 5.10       FORCE MAJEURE. With respect to the matters contemplated by this Agreement, neither Party shall be liable or responsible to the other as a result of any injury to property or as a result of inability to provide capacity, which was caused by any Force Majeure event.

SECTION 5.11       NOTICE. All notices or requests shall be in writing and shall be given by hand delivery or certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Fairfax, to:

Wastewater Planning and Monitoring Division  
12000 Government Center Parkway, Suite 358  
Fairfax, Virginia 22035  
ATTN: Shahram Mohsenin, Director

With a copy to:

Office of the County Attorney  
12000 Government Parkway, Suite 549  
Fairfax, Virginia 22035  
ATTN: Elizabeth D. Teare, County Attorney

Or such persons and places as Fairfax may specify by notice. The date of the notice or request shall be the date of receipt, if delivered by hand, or the postmarked date thereof.

If to Manassas, to:

City of Manassas  
8500 Public Works Drive  
Post Office Box 560  
Manassas, Virginia 20110  
ATTN: Director of Utilities

With a copy to:

City of Manassas  
8500 Public Works Drive  
Post Office Box 560  
Manassas, Virginia 20110  
ATTN: Assistant Director/Water & Sewer

With a copy to:

City of Manassas  
8500 Public Works Drive  
Post Office Box 560  
Manassas, Virginia 20110  
ATTN: Finance Manager

Or such persons or places as Manassas may specify by notice. The date of the notice or request shall be the date of receipt, if delivered by hand, or the postmarked date thereof.

The use of electronic means of notification (e-mail) will not be considered as a method of providing notice for the purposes of this Agreement. Any Party may, by notice in writing given to the other, designate any further or different addresses to which subsequent notices, certificates

or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or three days after the date mailed. Each Party to this Agreement shall have a continuing duty to promptly notify the other Party of any change to any of this information.

SECTION 5.12      EFFECTIVE DATE. This Agreement shall become effective upon the last date of the Parties executing this Agreement, as set forth here below.

**(Remainder of page intentionally left blank)**

IN WITNESS WHEREOF, the Parties hereto have caused this Wastewater Capacity Sale and Purchase Agreement to be executed, and their seals to be affixed and attested by their duly authorized officers, all as of the date appearing next to their signatures.

ATTEST:

BOARD OF SUPERVISORS OF  
FAIRFAX COUNTY, VIRGINIA

\_\_\_\_\_  
Clerk

BY: \_\_\_\_\_

Chairman

Date: \_\_\_\_\_

ATTEST:

CITY OF MANASSAS, VIRGINIA

\_\_\_\_\_  
Clerk

BY: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENT A**

**Upper Occoquan Sewage Authority Restated and Amended UOSA Service Agreement**

(Agreement attached)

**RESTATED AND AMENDED SERVICE AGREEMENT**

THIS AGREEMENT, made as of the 15th day of May, 1972, and restated and amended herein, by and between the UPPER OCCOQUAN SEWAGE AUTHORITY (UOSA), a public body politic and corporate duly created pursuant to the Virginia Water and Waste Authorities Act, and the CITY OF MANASSAS and the CITY OF MANASSAS PARK, municipal corporations of the Commonwealth of Virginia, and the BOARD OF SUPERVISORS OF FAIRFAX COUNTY and the BOARD OF COUNTY SUPERVISORS OF PRINCE WILLIAM COUNTY, acting for and on behalf of said counties and the sanitary districts thereof, which are located in whole or in part within the Service Area (hereinafter defined) (such four parties being called collectively the Political Subdivisions and individually a Political Subdivision), provides that:

WHEREAS, the parties entered into a Service Agreement dated as of the 15th day of May, 1972 (the Service Agreement), providing for the treatment of sewage at a regional sewage treatment plant; and

WHEREAS, the Service Agreement has been amended and restated from time to time; and

WHEREAS, the parties desire to restate and amend their Service Agreement and to change the same as follows:

**ARTICLE I**

**Definitions and Warranties**

Section 1.1. The following words as used in this Agreement shall have the following meanings:

**"Act"** shall mean the Virginia Water and Waste Authorities Act (§15.2-5100, et seq., Code of Virginia of 1950, as amended, and as it may be amended from time to time).

**"Authority"** shall refer to any entity other than UOSA formed in accordance with the Act.

**"Auxiliary Facility"** shall mean any sewage treatment facility other than the UOSA Plant and the UOSA Delivery System, which is 1) limited to the treatment and/or disposal of Industrial Wastewater, 2) sponsored by a Political Subdivision, and 3) to remain at all times under the exclusive operation and control of UOSA.

**"Auxiliary Facility Agreement"** shall mean a written contract between UOSA and a sponsoring Political Subdivision(s) with respect to an Auxiliary Facility as set forth herein.

**"Auxiliary Facility Expense"** shall mean all expenses, obligations, damages, costs of whatever nature, including charges by UOSA for indirect costs of administration and overhead, whether directly or indirectly relating to an Auxiliary Facility, its construction, operation, maintenance, de-mobilization and consequential cost, expenses, and damages.

**"Bonds"** wherever used, shall include notes, bonds, bond anticipation notes or other debt obligations of UOSA whether now outstanding or to be issued in the future.

**"Cost"** when used with respect to the UOSA Plant and the UOSA Delivery System, shall mean the purchase price of any sewage treatment system or the cost of acquiring all of the capital stock of the corporation owning such system and the amount to be paid to discharge all of its obligations in order to vest title to the system or any part thereof in UOSA, the Cost of Replacements and Necessary Improvements, the cost of all lands, properties, rights, easements, franchises and permits acquired, the cost of all machinery

and equipment, financing charges, interest prior to and during construction and for one year after completion of construction, any deposit to any Bond interest and sinking fund reserve account, cost of engineering and legal services, plans, specifications, surveys, estimates of costs and of revenues, other expenses necessary or incident to the determining of the feasibility or practicability of any such acquisition, improvements, or construction, administrative expenses, and such other expenses as may be necessary or incident to the financing herein authorized, to the acquisition, improvements, construction or expansion of the UOSA Plant and the UOSA Delivery System. Any obligation or expense incurred by UOSA in connection with any of the foregoing items of cost and any obligation or expense incurred by UOSA prior to the issuance of Bonds by UOSA for engineering studies and for estimates of cost and of revenues and for other technical or professional services which may be utilized in the acquisition, improvement or construction or expansion of such system, may be regarded as a part of the cost of such system.

**"Cost of Replacements and Necessary Improvements"** when used with respect to the UOSA Plant and the UOSA Delivery System, shall mean the cost of acquiring, installing or constructing replacements and necessary improvements which do not increase the capacity or scope of the UOSA Plant and the UOSA Delivery System, and shall embrace the cost of all labor and materials, the cost of all lands, property, rights, easements, franchises and permits acquired which are deemed necessary for such acquisition, installation or construction, interest during any period of disuse during such acquisition, installation or construction, the cost of all machinery and equipment, financial charges, cost of engineering and legal expenses, plans, specifications, and such other expenses as may be necessary or incident to such acquisition, installation or construction.

**"DEQ"** shall mean the Virginia Department of Environmental Quality and/or the State Water Control Board or any other agency or agencies of the Commonwealth of Virginia or the United States, which may succeed to their duties.

**"Industrial Wastewater"** shall mean any water which, during manufacturing, processing or assembling operations, comes into direct contact with or results directly from the processes of production or use of any raw material, intermediate product or finished product. As used herein, the word sewage shall include Industrial Wastewater.

**"Meters"** shall mean any device for measuring the flow of sewage.

**"mgd"** shall mean million gallons per day based on the highest average of any 30 consecutive day flow.

**"Occoquan Policy"** shall mean the DEQ State Water Control Board's Policy for Waste Treatment and Water Quality Management in the Occoquan Watershed, dated July 26, 1971, as the same has been or may be revised from time to time.

**"Points of Delivery"** shall mean the location of the connections made by Political Subdivisions at any point along the UOSA Delivery System for the delivery of sewage to UOSA. Connections may be added or changed to other locations along the UOSA Delivery System only by agreement between UOSA and the Political Subdivisions making such connection.

**"Political Subdivisions"** shall mean the Cities of Manassas and Manassas Park, as municipal corporations of the Commonwealth of Virginia, and the Counties of Fairfax and Prince William, as counties of the Commonwealth, as they now or may be hereafter constituted.

**"Project"** shall mean UOSA's advanced waste treatment system, consisting of the UOSA Delivery System, the UOSA Plant, and Auxiliary Facilities approved and undertaken at the discretion of UOSA pursuant to the terms of this Agreement, including any replacements, modifications, improvements or authorized expansions.

**"Reserves"** shall mean (unless modified with the approval of all Political Subdivisions) all amounts held by UOSA as reserves which shall not exceed (1) an amount equal to the next year's estimated expenditures for operation and maintenance; (2) depreciation in a minimum amount required by law and the Trust Agreement; (3) funds necessary to pay principal (whether at maturity or by required sinking fund payment), premium, if any, and interest on the Bonds as they become due and payable; and (4) a margin of safety for making debt service payments not to exceed the highest year's payments for principal (whether at maturity or by required sinking fund payment), premium, if any, and interest on the Bonds.

**"Septage Receiving Facility"** shall mean that portion of the UOSA Plant, which accepts septage for treatment.

**"Service Area"** shall mean that portion of the watershed of Occoquan Creek and its tributaries lying above the confluence of Occoquan Creek and Bull Run, save and except the Cedar Run Watershed and that portion of the Occoquan Creek Watershed in Prince William County lying generally to the south of the centerline of Occoquan Creek, and being within the geographic boundaries of the Political Subdivisions. These geographic boundaries of the Service Area shall be determined more exactly from time to time by UOSA.

**"Trust Agreement"** shall mean, collectively, any resolution, trust agreement or indenture authorizing and securing Bonds to which UOSA is a party.

**"Trustee"** shall mean the trustee designated in any Trust Agreement.

**"UOSA"** shall mean the Upper Occoquan Sewage Authority, a public body politic and corporate duly created pursuant to the Act by the Councils of the Cities (then Towns) of Manassas and Manassas Park and the Boards of Supervisors of Fairfax and Prince William Counties and by a certificate of Incorporation issued by the State Corporation Commission of Virginia on April 1, 1971.

**"UOSA Delivery System"** shall mean the regional delivery system of trunk or interceptor sewers now existing or to be expanded, constructed or modified, owned and/or operated by UOSA, including power supplies, pumping facilities, force mains, flow measurement devices and retention basins, to transport sewage from Points of Delivery to the UOSA Plant, all as shown on Exhibit A attached hereto.

**"UOSA Plant"** shall mean the advanced waste treatment plant now existing and as it may be expanded, constructed, or modified, owned and operated by UOSA, including administration buildings, plant offices, laboratory building, retention and ballast basins, power supplies and necessary appurtenances and equipment, for the treatment of sewage and the utilization and/or disposal of residuals and by-products in conformance with requirements of the Occoquan Policy and DEQ.

**"VPDES Permit"** shall mean the Virginia Pollution Discharge Elimination System permit or any permit of a different name which may hereafter authorize what is now permitted by a VPDES permit.

Section 1.2. UOSA and the Political Subdivisions each represent and warrant that they have full power and authority to enter into and perform this Agreement.

## ARTICLE II

### Term of Agreement

Section 2.1. This Agreement shall remain in full force and effect until December 31, 2049, and thereafter as may be provided by concurrent resolution of the member Political Subdivisions, which are then parties thereto. This Agreement may not be terminated by or as to any party until December 31, 2012 and thereafter until all Bonds have been paid or provision made for their payment.

Section 2.2. Subject to the limitation of Section 2.1, and the fulfillment of all conditions therein, any party to this Agreement may withdraw from UOSA and terminate all of its obligations under this Agreement. No sponsoring Political Subdivision of an Auxiliary Facility may withdraw from UOSA so long as the Auxiliary Facility Agreement is in effect. No such termination shall become effective until three years after written notice thereof shall have been given to each of the other parties hereto. Withdrawal and termination by one Political Subdivision shall not terminate this Agreement as to any other Political Subdivision.

## ARTICLE III

### Financing, Construction and Operation of Facilities

Section 3.1. UOSA is authorized and directed to proceed with the expansion of the capacity of the UOSA Plant to 54 mgd and sewerage system improvements identified as Phases I, II, and III of the CH2M HILL Preliminary Engineering Report, dated July 1987

(PER) that are part of the UOSA Delivery System, the CH2M HILL "Cub Run Gravity Delivery System Evaluation", dated March 2004, and the Hazen and Sawyer "Flat Branch Delivery System Study", dated May 2005, and such other improvements as are necessary or beneficial to expand the UOSA Plant and Delivery System to 54 mgd.

Section 3.2. UOSA is authorized and directed to proceed with the expansion of the UOSA Flat Branch Delivery System from 54 mgd to 64 mgd as identified in the Hazen and Sawyer "Flat Branch Delivery System Study", dated May 2005, and such other improvements as are necessary to make related improvements to the UOSA Delivery System.

Section 3.3. UOSA is authorized and directed to proceed with the construction, alterations and improvements required by DEQ to install nutrient reduction facilities and systems in the UOSA Plant and such other improvements as are necessary or beneficial to ensure compliance with DEQ regulations.

Section 3.4 UOSA is authorized and directed to proceed with the construction, alterations and improvements referred to as "hydraulic improvements", which are only those improvements that are specifically identified in the CH2M HILL Technical Memorandum: "Basis for Hydraulic Improvements to the UOSA Regional Water Reclamation Plant", dated July 13, 2006, and such beneficial changes as are necessary to carry out the project identified therein and comply with regulatory requirements.

Section 3.5. UOSA has acquired approximately 210 acres of additional land in anticipation of its future needs. Such acquisition cost and/or debt shall be charged to the Political Subdivisions as may be necessary as an item specified in Section 6.1(c).

Section 3.6. UOSA shall direct the Trustee to deposit any balance of construction funds remaining from any issue of Bonds after completion of the improvements for which such Bonds were issued in a separate account pursuant to the Trust Agreement. Such funds shall be used and credited by UOSA as set forth in Section 6.4 (h).

Section 3.7. A Political Subdivision shall have the right to approve additional locations and capacity of sewer lines forming a part of the UOSA Delivery System, which are located within its boundaries and are not authorized by the expansion referenced in Section 3.1. UOSA shall not construct additional lines within a Political Subdivision without prior authorization of that Political Subdivision.

Section 3.8. UOSA shall expand (as herein authorized), operate and maintain the UOSA Plant and the UOSA Delivery System in an efficient and economical manner, making all necessary and proper repairs, improvements, replacements and renewals, consistent with good business and operating practices for comparable facilities and in accordance with applicable standards of DEQ and the Occoquan Policy.

#### ARTICLE IV

##### Obligations of Political Subdivisions

Section 4.1. The Political Subdivisions shall deliver to UOSA at Points of Delivery all sewage collected by them in the Service Area and, except as expressly permitted by this Agreement, shall not permit or provide for the treatment of sewage collected by them in the Service Area in any other manner. The Political Subdivisions shall be responsible for delivering sewage collected by them in the Service Area to UOSA at Points of Delivery and

for financing, construction, operation and maintenance of all facilities for the collection and delivery of sewage to Points of Delivery.

Section 4.2. The Political Subdivisions recognize that the capacity of the UOSA Plant will be regulated by DEQ and that allocations of UOSA Plant capacity will have to be made to avoid overloading. Each of the Political Subdivisions covenants and agrees not to exceed its UOSA Plant capacity as allocated from time to time. Each Political Subdivision has the primary responsibility for the necessary actions to insure that its wastewater flows to the UOSA Plant remain within such Political Subdivision's allocated share of DEQ certified flow capacity for the UOSA Plant.

Section 4.3. At such time as any Political Subdivision is advised by UOSA that its average flow for any consecutive thirty-day period during the past 48 months has reached 95% of its allocated capacity in the UOSA Plant, such Political Subdivision shall temporarily terminate the issuance of permits which allow start of construction on projects in that portion of the UOSA Service Area in the Political Subdivision until UOSA Plant capacity is increased by reason of reallocation, arrangements are made for sewage from the Service Area in excess of its allocation to be treated outside the Occoquan Watershed, or it is advised by UOSA that it may deliver additional sewage to UOSA.

Section 4.4. Each of the Political Subdivisions covenants and agrees to pay promptly, when due, charges of UOSA as determined pursuant to Article VI and billed to it from time to time; provided, however, that all such charges shall be payable solely from revenues received by each Political Subdivision (or transferee or Authority or other legal entity created thereby as described in Section 4.8) from the charges to be paid by the

users of its sewerage system and available to it for such purposes including availability fees, connection fees, service fees or any other fees, and other system revenues.

Section 4.5. Each of the Political Subdivisions covenants and agrees to fix and collect (or cause to be fixed and collected) from the users of its sewerage system charges sufficient to make the payments required of it under this Agreement. UOSA will provide each Political Subdivision with information as to the minimum charge necessary for such Political Subdivision's required payments.

Section 4.6. Each of the Political Subdivisions will endeavor to observe all applicable administrative and technical requirements contained in the Occoquan Policy or legally required by any authorized regulatory body, including UOSA. Upon receipt of a notice of violation by an authorized regulatory body, the Political Subdivision shall proceed to comply with such rules or regulations within a reasonable time considering the exigencies of the circumstances.

Section 4.7. Each of the Political Subdivisions covenants and agrees (subject to provisions of its charter, if applicable) that it will not enter into any contract providing for sewage treatment with any party having sewage flows originating within the geographic boundaries of other Political Subdivisions that are members of UOSA without the prior approval of such other Political Subdivision; provided, however, that such right of approval shall not be construed to limit the power of DEQ to fulfill its function under the law.

Section 4.8. (a) Each Political Subdivision agrees not to sell, transfer or dispose of its sewerage system unless:

(i) Such transfer is to another governmental unit within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended;

(ii) The transferee agrees to comply with the terms of this Agreement to the extent applicable to sewage delivered to UOSA;

(iii) The transferee agrees to fix and collect rates and charges sufficient to satisfy the obligation of the transferring Political Subdivision under Section 4.5;

(iv) The transferee agrees to make the payments to UOSA required to be made by the transferring Political Subdivision to the extent such payments are not made by the Political Subdivision; and

(v) The sale, transfer or disposition is approved by UOSA.

Notwithstanding the foregoing, no such sale, transfer or disposition will release the transferring Political Subdivision from any obligation or liability under this Agreement or affect any agreement or understanding between the Political Subdivision and the transferee.

(b) In the event that a Political Subdivision creates or has created an Authority or other legal entity to act as its agent, for the purposes of collecting sewage in the Service Area and/or for billing and collecting fees or charges to be paid by the users of a sewerage system located in the Service Area, such Political Subdivision shall not be relieved of its obligations under this Agreement. Such Political Subdivision shall require any Authority or other legal entity it creates to comply fully with this Agreement with respect to all sewage collected within the Service Area and shall nonetheless remain responsible for any noncompliance. The Political Subdivision shall cause such Authority or other entity to covenant and agree to fix and/or collect from the users of its sewerage system charges sufficient to make the payments required under this Agreement. A Political Subdivision

which creates or has created such an entity shall ensure that UOSA has the same rights as that Political Subdivision to enforce the setting and collecting of rates and the payment of charges to UOSA. To the extent that any such Authority or other legal entity agrees to charge, collect and pay all or any part of Political Subdivision's obligations to UOSA, such agreement shall supplement and not be in lieu of the Political Subdivision's covenant and agreement to charge, collect and pay UOSA as provided in this Agreement.

Section 4.9. All parties hereto and any Authority or other entity described in Section 4.8.(b) will pursue diligently the abatement of inflow and infiltration.

Section 4.10. (a) Notwithstanding anything to the contrary in this Agreement, UOSA may contract with a Political Subdivision(s) to undertake the operation and (with the agreement of UOSA and the sponsoring Political Subdivision(s)) ownership of an Auxiliary Facility sponsored by that Political Subdivision(s) pursuant to an Auxiliary Facility Agreement, when authorized and approved by unanimous consent of the UOSA Board, with all eight members present and voting, in its sole discretion after having confirmed by resolution that:

(i) UOSA has determined that such alternative disposal of Industrial Wastewater to the Auxiliary Facility shall not violate the Occoquan Policy; and

(ii) the Auxiliary Facility shall not be detrimental to UOSA, the water supply, the Project or the operation thereof.

(b) Notwithstanding any other provision of this Agreement, all Auxiliary Facility Expenses shall be the sole and full responsibility of the Political Subdivision(s) proposing and sponsoring such Auxiliary Facility. Any payment UOSA is

required to make as a consequence of its undertaking, ownership or operation of the Auxiliary Facility shall be conclusively deemed an expense chargeable to the sponsoring Political Subdivision(s) only and no other Political Subdivisions shall be responsible or required to reimburse UOSA for any expenses, obligations, damages, costs or liabilities whatsoever that are directly or indirectly associated with such Auxiliary Facility.

(c) In addition to such other terms as the Board may decide upon, the Auxiliary Facility Agreement shall include, and if not there set out shall be deemed to include, the following provisions:

(i) that any required VPDES permits shall be issued to UOSA and UOSA shall have all necessary authority to ensure compliance with such permits, relevant laws and regulations and the efficient operation and control of such Auxiliary Facility;

(ii) that the Political Subdivision(s) which sponsor(s) an Auxiliary Facility shall have the sole and full responsibility for all Auxiliary Facility Expenses, and neither UOSA shall be caused a diminution of revenue, nor the other Political Subdivisions be burdened with any Auxiliary Facility Expenses;

(iii) that the Political Subdivision(s) which sponsors(s) such Auxiliary Facility shall, to the full extent permitted by law, provide indemnification to, and hold harmless, UOSA and the other Political Subdivisions for all such expenses, obligations, damages, costs and liabilities, including attorney fees, court costs and litigation expenses in any way associated with claims or causes of actions arising out of the Auxiliary Facility or the enforcement of the hold harmless obligation and the right to indemnification;

(iv) that UOSA, in addition to all other rights by law or contract, shall have the right to terminate the operations of the Auxiliary Facility, upon reasonable notice to the sponsoring Political Subdivision, if any of the requirements of this Agreement or the Auxiliary Facility Agreement are breached by the sponsoring Political Subdivision;

(v) that the Political Subdivision(s) which sponsor(s) an Auxiliary Facility shall be responsible for financing, construction, operation and maintenance of all facilities for the collection and delivery of Industrial Wastewater to that Auxiliary Facility and for the conveyance of the treated effluent to the VPDES permit approved point of discharge.

(d) Any Political Subdivision, whether or not a party to an Auxiliary Facility Agreement, may sue to enforce the terms of such Auxiliary Facility Agreement. The party substantially prevailing in such litigation shall be awarded its reasonable attorneys fees and costs incurred with respect to the issues upon which it prevailed.

(e) Any Authority created by a Political Subdivision may be a party to any Auxiliary Facility Agreement to which the Political Subdivision is a party, with such rights, duties and obligations as the parties shall agree. In no event shall such an Auxiliary Facility Agreement be assignable without the written consent of UOSA and such assignment shall be only to another Political Subdivision.

(f) Delivery of Industrial Wastewater by a Political Subdivision to an Auxiliary Facility pursuant to this Section shall be deemed delivery to UOSA as required in Section 4.1 herein.

## ARTICLE V

### Obligations of UOSA

Section 5.1. Subject to the provisions of this Agreement, UOSA shall accept and treat all sewage delivered by the Political Subdivisions at Points of Delivery up to their respective allocated (or reallocated per Section 5.4) UOSA Plant capacities. UOSA shall also accept and treat septage delivered to the Septage Receiving Facility in accordance with Section 5.7. UOSA shall be under no obligation to treat sewage at the UOSA Plant delivered by any Political Subdivision in excess of its allocated (or reallocated per Section 5.4) UOSA Plant capacity. Subject to the other provisions of this Agreement, UOSA shall accept and treat Industrial Wastewater at any Auxiliary Facility in accordance with the terms of the respective Auxiliary Facility Agreement.

Section 5.2. UOSA shall not request DEQ certification for any additional UOSA Plant capacity for a specific Political Subdivision unless so requested by the governing body of such Political Subdivision. Any increase in certified UOSA Plant capacity shall be subject to UOSA and the Political Subdivisions meeting all applicable requirements of the Occoquan Policy. Any increase in certified UOSA Plant capacity shall be allocated to and paid for by Political Subdivisions requesting such increases in certification (to include reimbursement to the other Political Subdivisions for any capital contributions previously made in excess of the revised percentage allocations).

Section 5.3. Prior to DEQ issuing a Certificate to Operate the UOSA Plant at a capacity greater than 27 mgd, the capacity allocation was as follows:

Fairfax County	9.9149 mgd
Prince William County	8.6781 mgd
City of Manassas	6.6813 mgd
City of Manassas Park	1.7257 mgd
	27.0000 mgd

Section 5.4. Any Political Subdivision may reallocate any portion of its allocated UOSA Plant capacity to any other Political Subdivision on such terms as may be mutually agreeable, subject to approval of UOSA. The Political Subdivisions shall give UOSA written notice of any such transfer and UOSA shall change the UOSA Plant capacity allocations on its books and records. However, these reallocations shall not alter the obligations of each Political Subdivision as set forth in Sections 6.1(b) and (c) and Sections 6.3 and 6.4.

Section 5.5. At such time that DEQ issued a Certificate to Operate the UOSA Plant at a capacity greater than 27 mgd but less than 54 mgd, the allocation of the first 27 mgd was as set forth in Section 5.3 and the allocation of capacity above 27 mgd to 54 mgd was in the following percentages:

	<u>Percentage of Additional Capacity</u>
Fairfax County	65.5%
Prince William County	26.4%
City of Manassas	3.7%
City of Manassas Park	<u>4.4%</u>
	100.0%

Section 5.6 As of January 3, 2005, the date DEQ issued a Certificate to Operate the UOSA Plant at a capacity of 54 mgd, the allocation of capacity became as follows:

	<u>Total Capacity Allocation</u>	<u>Percentage of Total Capacity</u>
Fairfax County	27.5999 mgd	51.1109%
Prince William County	15.7971 mgd	29.2539%
City of Manassas	7.6893 mgd	14.2395%
City of Manassas Park	<u>2.9137 mgd</u>	<u>5.3957%</u>
	54.0000 mgd	100.0000%

Section 5.7. UOSA may, with the consent of the appropriate Political Subdivision and in accordance with rates lawfully established by UOSA, contract with and license any person, corporation or association operating a septic tank cleaning or similar service for the treatment of septage collected in a Political Subdivision. UOSA may also so contract with a Political Subdivision or an Authority which licenses septage haulers for the treatment of septage collected in a Political Subdivision and delivered to the septage Receiving Facility as long as such contract is in accordance with rates lawfully established by UOSA. All such septage shall be counted against the allocated UOSA Plant capacity of the appropriate Political Subdivision. Notwithstanding any provision in this Agreement to the contrary, UOSA shall allocate the costs of operating the Septage Receiving Facility in proportion to the amount of septage received from each Political Subdivision. All revenues derived from the use of the Septage Receiving Facility paid to UOSA from septage hauls originating in a Political Subdivision shall be deducted from that Political Subdivision's costs.

Section 5.8. UOSA covenants and agrees that it will endeavor to observe all applicable administrative and technical requirements contained in the Occoquan Policy or legally required by any authorized regulatory body. Upon receipt of a notice of violation by

any authorized regulatory body, UOSA shall proceed to comply with such rules and regulations within a reasonable time considering the exigencies of the circumstances.

## ARTICLE VI

### Rates and Charges

Section 6.1. UOSA shall fix and determine from time to time charges for the use of the UOSA Plant and UOSA Delivery System. Such charges shall be established by UOSA at such levels as may be necessary to provide funds, together with other available funds, sufficient at all time to pay:

- (a) the cost of operation and maintenance of
  - (1) the UOSA Plant, including reasonable reserves for such purposes, and
  - (2) the UOSA Delivery System, including reasonable reserves for such purposes;
- (b) the Cost of Replacements and Necessary Improvements of
  - (1) the UOSA Plant, including reasonable reserves for such purposes, and
  - (2) the UOSA Delivery System, including reasonable reserves for such purposes; and
- (c) the principal of, premium, if any, and interest on the Bonds, the Cost of the UOSA Plant and UOSA Delivery System not paid with Bond proceeds, or any

other monies due under the Trust Agreement, as the same become due, and required reserves therefore on Bonds issued to finance the Cost of

- (1) the UOSA Plant, and
- (2) the UOSA Delivery System.

Reserves accumulated by UOSA may be used to the extent permitted by the Trust Agreement to meet the reasonable Cost of Replacements and Necessary Improvements, which do not increase the capacity or scope of the UOSA Plant and UOSA Delivery System. The Political Subdivisions recognize that reserves may not be available at all times, and they may be billed for the Cost of Replacements and Necessary Improvements as needed.

Section 6.2. The total charges determined pursuant to Section 6.1(a) shall be paid by each Political Subdivision in proportion to the ratio, which its annual flow as metered through the Points of Delivery bears to the total annual flow received at the UOSA Plant. Indirect costs of administration and overhead shall be allocated on the same basis as Section 6.1(a) charges.

Section 6.3. Prior to the time DEQ issued a Certificate to Operate the UOSA Plant at a capacity greater than 27 mgd, the total charges determined pursuant to Section 6.1(b) were paid by each Political Subdivision in accordance with the following percentages:

Fairfax County	30.83%
Prince William County	33.03%
City of Manassas	21.19%
City of Manassas Park	14.95%

At such time as DEQ issued or will issue in the future a Certificate to Operate the UOSA Plant at a capacity greater than 27 mgd, the total charges determined pursuant to Section

6.1(b) shall be paid by each Political Subdivision in proportion to the ratio its maximum capacity allocation bears to the total maximum capacity allocation of all Political Subdivisions.

Section 6.4. The total charges determined pursuant to Section 6.1(c) shall be paid by each Political Subdivision in accordance with the following percentages:

(a) For all charges due or incurred under 6.1(c) for the construction and expansion of the UOSA Plant and Delivery System up to 27 mgd:

Fairfax County	30.83%
Prince William County	33.03%
City of Manassas	21.19%
City of Manassas Park	14.95%

(b) For all charges due or incurred under 6.1(c) for expanding the UOSA Plant and Delivery System from 27 mgd to 54 mgd:

	<u>I</u> <u>Plant</u> <u>Expansion</u>	<u>II</u> <u>Delivery System</u> <u>Expansion *</u>
Fairfax County	65.5%	51.1109%
Prince William County	26.4%	29.2539%
City of Manassas	3.7%	14.2395%
City of Manassas Park	4.4%	5.3957%

\* Identified as Sewerage System Improvements Phases I, II and III in the CH2M HILL Preliminary Engineering Report dated July 1987 (PER), the CH2M HILL "Cub Run Gravity Delivery System Evaluation", dated March 2004, and the Hazen and Sawyer "Flat Branch Delivery System Study", dated May 2005, and related Costs.

(c) For all charges due or incurred under 6.1. (c) for expanding the UOSA Flat Branch Delivery System from 54 mgd to 64 mgd:

Prince William County	90%
City of Manassas	10%

The Flat Branch Delivery System costs for expanding from 54 mgd to 64 mgd shall be calculated as 9.3 percent of the total costs for the projects identified in the Hazen and Sawyer engineering analysis, dated July 12, 2005. The remainder, or 90.7 percent, of the total costs identified in that analysis are associated with expanding the Flat Branch Delivery System from 27 mgd to 54 mgd and shall be charged based on the UOSA Delivery System percentage shown in Section 6.4. (b).

(d) For all charges due or incurred under 6.1 (c) for incorporating nutrient reduction facilities and systems into the UOSA Plant authorized by Section 3.3:

Fairfax County	45.5554%
Prince William County	32.9576%
City of Manassas	16.0913%
City of Manassas Park	5.3957%

(e) For all charges due or incurred under 6.1. (c) "Hydraulic Improvements" authorized by Section 3.4:

Fairfax County	28.52%
Prince William county	57.13%
City of Manassas	12.44%
City of Manassas Park	1.91%

Pursuant to the CH2M HILL Technical Memorandum: "Basis for Hydraulic Improvements to the UOSA Regional Water Reclamation Plant", dated July 13, 2006, the Section 3.4. Hydraulic Improvements are based on peak flows of 95 mgd from UOSA's Flat Branch Pump Station and peak flows of 68.5 from pump stations within Fairfax County, for a total

peak flow of 163.5 mgd. The Political Subdivisions agree that should additional peak flows necessitate additional hydraulic capacity improvements beyond those identified in the Technical Memorandum, the cost of such additional hydraulic capacity improvements shall be borne by the Political Subdivision(s) which generates the necessity for such additional improvements.

(f) All charges due or incurred under 6.1. (c) for any Cost of Replacements and Necessary Improvements (including repairs and renewals) for which Bonds are issued shall be paid by each Political Subdivision in proportion to the ratio its maximum capacity allocation bears to the total maximum capacity allocation, as set forth in the then current Certificate to Operate, of all the Political Subdivisions.

(g) A Political Subdivision may pre-pay its debt service obligations so long as such pre-payment does not affect adversely the tax status of any Bonds. UOSA, at its option, may apply all or a portion of any such pre-payment and any earnings therefrom (1) to the subsequent debt service obligations of the pre-paying Political Subdivision as they become due, or (2) to effect a redemption of all or a portion of such Political Subdivision's share of outstanding Bonds. In the event of any such redemption, the pre-paying Political Subdivision's share of debt service obligations (with respect to the Bond issue of which the redeemed Bonds were a part) shall be reduced correspondingly by the amount of the redemption.

(h) Subject to the provisions of the Trust Agreement, residual funds from past or future Bond offerings shall be applied to authorized expansions or Costs of Replacements or Necessary Improvements and shall be credited toward each Political

Subdivision's obligation in proportion to the Political Subdivision's obligations in Article VI on the project or projects from which the funds are derived.

Section 6.5. Should DEQ certify additional capacity in the UOSA Plant after a request from a Political Subdivision or Political Subdivisions upon approval by UOSA, the total charges for Section 6.1(c) shall be adjusted as outlined in Section 5.2. The charges determined pursuant to Section 6.1(c) for any additional UOSA Plant capacity added in the future shall be paid in accordance with the maximum capacity allocation specified by the amendment to this Agreement which authorize such additions, or as otherwise provided in such amendments.

Section 6.6. The charges pursuant to Section 6.1(c) to be paid by a Political Subdivision shall be increased for each month the actual quantity of sewage from such Political Subdivision, as determined by the highest average of any 30 consecutive day flow ending during the calendar month, exceeds its UOSA Plant capacity allocation (or reallocation pursuant to Section 5.4 or Section 6.5). In such an event, a Political Subdivision shall pay additional charges ("Additional Charges") pursuant to Section 6.1(c) as if the UOSA Plant capacity had been available and allocated, provided that such Additional Charges shall not purchase any additional rights for the use of the UOSA Plant by such Political Subdivision and in no way condones such excess flows. These Additional Charges shall be applied to the reimbursement, on a pro rata basis, to such other Political Subdivisions to the extent their highest average of any 30 consecutive day flow ending during that calendar month was less than their allocated capacity. To the extent the Additional Charges exceed such reimbursement, they shall be deposited in an escrow account to be used for the purposes of defraying the Cost of expansion, capital

improvements or studies of future expansions of the UOSA Plant and UOSA Delivery System. Any reimbursements under this section shall not alter the Political Subdivision's obligation to pay its share of the charges required by Section 6.1. (c).

Section 6.7. No Political Subdivision shall discharge sewage to UOSA which exceeds its allocated share (or reallocated share pursuant to Section 5.4 or Section 6.5) by weight or concentration of the total design capacity of the UOSA Plant or cause UOSA to exceed any lawful limitations imposed upon its discharge. A Political Subdivision's allocated share of the total designed UOSA Plant loadings shall be the same percentage as its allocated percentage of total UOSA Plant design flow (mgd). At such time as any Political Subdivision is advised by UOSA that its pollutant discharge exceeds its allocated share of total designed UOSA Plant loadings, such Political Subdivision shall proceed to take such measures as may be necessary to bring its discharges into compliance and shall temporarily terminate the issuance of permits which would result in any increase in the excessive loading in that portion of the UOSA Service Area in the Political Subdivision until its allocated share of total UOSA Plant loadings is increased by reason of reallocation or it is advised by UOSA that it may deliver additional sewage to UOSA. During the period of noncompliance, UOSA may assess the Political Subdivision costs for the treatment of the excess loading. All monitoring costs during the noncomplying period shall be borne by the noncomplying Political Subdivision.

Section 6.8. UOSA may present charges (including charges with respect to Auxiliary Facilities) based on budget estimates, subject to adjustment on the basis of an independent audit at the end of each fiscal year. All charges of UOSA shall be payable upon presentation. In the event any Political Subdivision shall fail to make payment in full

within 30 days after presentation, interest on such unpaid amounts shall accrue at the highest rate of interest payable by UOSA on any of the Bonds then outstanding until such amounts and interest thereon have been paid in full. UOSA may enforce payment by any remedy available at law or in equity.

Section 6.9. UOSA shall provide Meters where necessary to determine and record on a continuing basis the quantities of sewage delivered by each Political Subdivision. Meters shall be tested by UOSA for accuracy not less than once every two years. At the request of any Political Subdivision, UOSA shall test any Meter for accuracy at any time; provided, however, that should such Meter prove to be accurate within a range of plus or minus 2%, the cost of the Meter test shall be borne by the requesting Political Subdivision. In the event any Meter shall fail to record correctly the flow of sewage for any period of time, UOSA shall estimate the amount of flow on the basis of prior experience.

Section 6.10. Notwithstanding anything in this Agreement to the contrary:

(a) Industrial Wastewater delivered to and treated at an Auxiliary Facility shall not be considered as flows to the UOSA Plant for the determination of allocated capacity in the UOSA Plant or as annual flows received at the UOSA Plant for the determination of rates and charges under Section 6.2; and

(b) All Auxiliary Facility Expenses, which are the full responsibility of the Political Subdivision(s) proposing and sponsoring such Auxiliary Facility, shall be budgeted, presented and collected by UOSA from the sponsoring Political Subdivision separate from and in addition to the other charges established by this Article VI.

## ARTICLE VII

### Miscellaneous

Section 7.1. This Agreement restates and amends the prior Service Agreement.

Section 7.2. It is recognized by the parties hereto that this Agreement constitutes an essential part of UOSA's financing plan and that this Agreement cannot be amended, modified, or otherwise altered in any manner that will impair or adversely affect the security afforded hereby for the payment of the principal of, premium, if any, and interest on the Bonds, except as provided in the Trust Agreement. The obligations of the Political Subdivisions hereunder or the issuance of the Bonds shall not be deemed to constitute a pledge of the faith and credit of the Commonwealth or of any Political Subdivision thereof. The Bonds shall contain a statement on their face substantially to the effect that neither the faith and credit of the Commonwealth nor the faith and credit of any county, city or town of the Commonwealth are pledged to the payment of the principal of or the interest on such Bonds. The issuance of the Bonds shall not directly or indirectly or contingently obligate the Commonwealth or any county, city or town of the Commonwealth to levy any taxes whatever therefor or to make any appropriations for their payment.

Section 7.3. This Agreement can be modified or amended only with the consent of UOSA, the Political Subdivisions and the Trustee.

Section 7.4. UOSA shall keep proper books and records in accordance with accepted accounting practices which shall be available for inspection at all reasonable times by the Political Subdivisions through their duly authorized agents. UOSA shall cause an annual audit of its books and records to be made by an independent certified public

accountant at the end of each fiscal year and a certified copy thereof to be filed promptly with the governing body of each of the Political Subdivisions.

Section 7.5. The provision of sewer service to the screened area shown on the plat, dated April, 1981, attached hereto as Exhibit B and made a part hereof, by an entity other than UOSA shall not be considered a violation of this Agreement, such area being more particularly described as follows:

Beginning at the southeast corner of the property located on Fairfax County Tax Map 68-1 ((1)) parcel 13, then running along the western right-of-way of Route 123 in a northerly direction approximately 1,900 feet to the centerline of Route 620-Braddock Road, then continuing along the western right-of-way line of Route 123 in a northeasterly direction approximately 2,600 feet to the northeast corner of property located at tax map No. 57-3 ((1)) parcel 7A; then following from said corner for approximately 1,400 feet in a northwesterly direction, then 600 feet in a southwesterly direction and 550 feet in a northerly direction to a corner common to George Mason University [tax map 57-3 ((1)) parcel 7A] and Richlynn Development, Inc. (University Square Subdivision) then along the George Mason University property line as follows: for approximately 1,900 feet in a northwesterly direction, approximately 2,750 feet in a southwesterly direction to the northern right-of-way line of Route 620-Braddock Road, then along said right-of-way line in a southeasterly direction for approximately 1,400 feet to the East Fork of Popes Head Creek; then across Braddock Road in a southeasterly direction along the property line of Hazel [tax map No. 68-1 ((1)) parcel 16] for approximately 2,000 feet; then in a southeasterly direction along the properties of Hazel and others for approximately 2,100 feet to the point of beginning, containing approximately 360 acres.

At such time as the UOSA Delivery System is extended to serve the above-described area, such area shall be served by UOSA.

Section 7.6. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors.

Section 7.7. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not affect any other provision hereof.

Section 7.8. This Agreement shall be executed in several counterparts, any of which shall be regarded for all purposes as one original.

Section 7.9. This Agreement shall become effective upon the last date of the parties executing this Agreement, as set forth here below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be restated, amended and executed, and their seals to be affixed and attested by their duly authorized officers, all as of the date appearing next to their signatures.

UPPER OCCOQUAN SEWAGE AUTHORITY

Date: 12-6-7

BY: Frederick G. Tate

(SEAL)  
ATTEST:

CITY OF MANASSAS

\_\_\_\_\_  
City Clerk

BY: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

Section 7.9. This Agreement shall become effective upon the last date of the parties executing this Agreement, as set forth here below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be restated, amended and executed, and their seals to be affixed and attested by their duly authorized officers, all as of the date appearing next to their signatures.

UPPER OCCOQUAN SEWAGE AUTHORITY

Date: \_\_\_\_\_

BY: \_\_\_\_\_

(SEAL)  
ATTEST:

CITY OF MANASSAS

Antoinette M. Elgart, Deputy  
City Clerk

BY: [Signature]  
Mayor

Date: September 25, 2007

(SEAL)  
ATTEST:

CITY OF MANASSAS PARK

\_\_\_\_\_  
City Clerk

BY: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

(SEAL)  
ATTEST:

Lana A. Conner  
City Clerk

Date: 11-20-07

CITY OF MANASSAS PARK

BY: [Signature]  
Mayor

(SEAL)  
ATTEST:

\_\_\_\_\_  
Clerk

Date: \_\_\_\_\_

BOARD OF SUPERVISORS OF  
FAIRFAX COUNTY, VIRGINIA

BY: \_\_\_\_\_  
Chairman

(SEAL)  
ATTEST:

\_\_\_\_\_  
Clerk

Date: \_\_\_\_\_

BOARD OF COUNTY SUPERVISORS OF  
PRINCE WILLIAM COUNTY, VIRGINIA

BY: \_\_\_\_\_  
Chairman

(SEAL)  
ATTEST:

CITY OF MANASSAS PARK

\_\_\_\_\_  
City Clerk

Date: \_\_\_\_\_

BY: \_\_\_\_\_  
Mayor

(SEAL)  
ATTEST:

BOARD OF SUPERVISORS OF  
FAIRFAX COUNTY, VIRGINIA

*Nancy Velus*  
\_\_\_\_\_  
Clerk

Date: October 29, 2007

BY: *[Signature]*  
\_\_\_\_\_  
Chairman

(SEAL)  
ATTEST:

BOARD OF COUNTY SUPERVISORS OF  
PRINCE WILLIAM COUNTY, VIRGINIA

\_\_\_\_\_  
Clerk

Date: \_\_\_\_\_

BY: \_\_\_\_\_  
Chairman

(SEAL)  
ATTEST:

\_\_\_\_\_  
City Clerk

Date: \_\_\_\_\_

(SEAL)  
ATTEST:

\_\_\_\_\_  
Clerk

Date: \_\_\_\_\_

(SEAL)  
ATTEST:

*Phillip J. Campbell*  
Clerk

Date: 12/04/07

CITY OF MANASSAS PARK

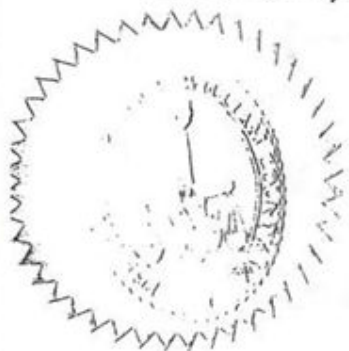
BY: \_\_\_\_\_  
Mayor

BOARD OF SUPERVISORS OF  
FAIRFAX COUNTY, VIRGINIA

BY: \_\_\_\_\_  
Chairman

BOARD OF COUNTY SUPERVISORS OF  
PRINCE WILLIAM COUNTY, VIRGINIA

BY: *Cy Alster*  
Chairman



APPROVED AS TO FORM COUNTY ATTORNEY
<i>Ronald Hester</i>
DATE: <u>12/3/07</u>

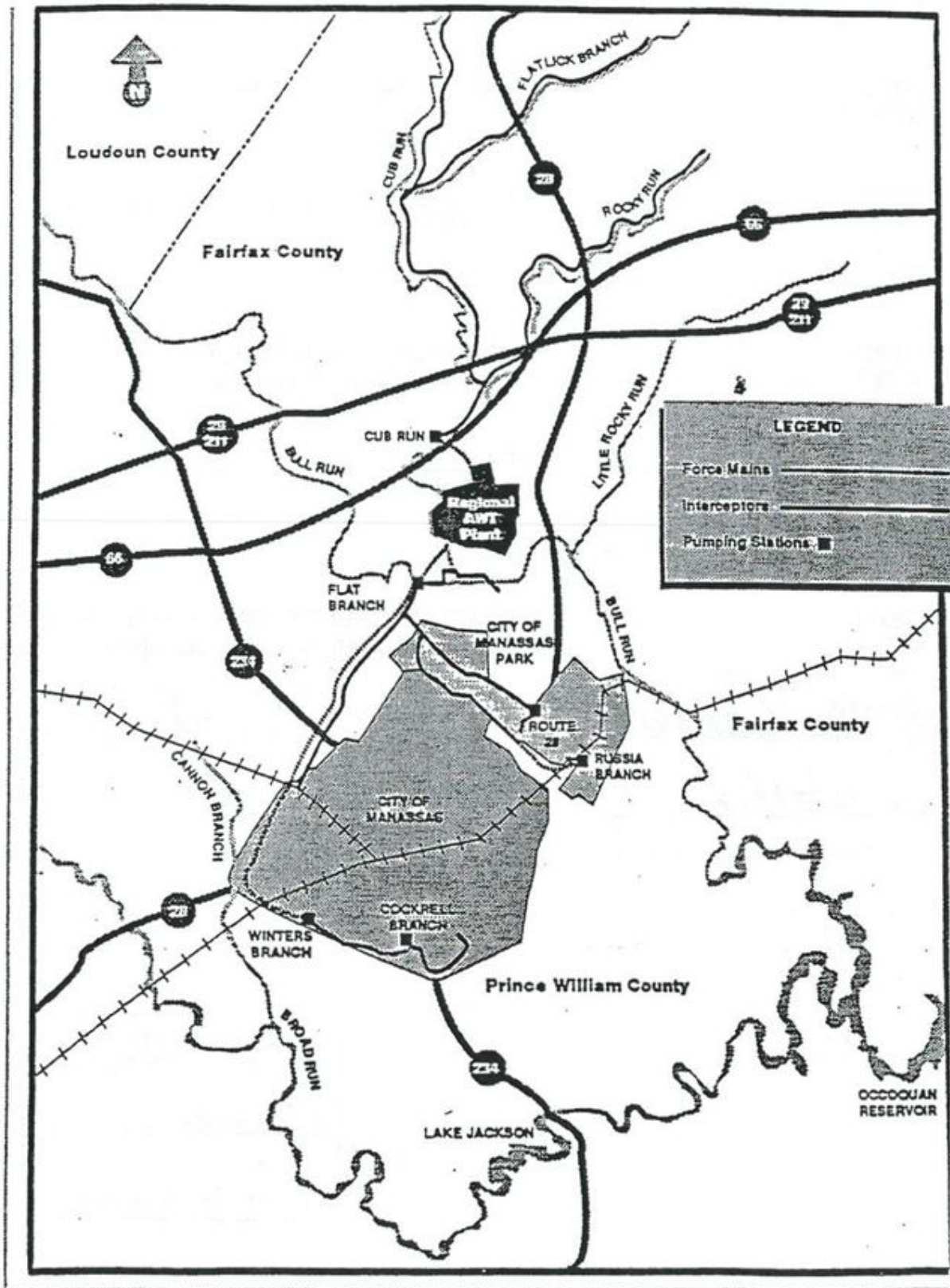
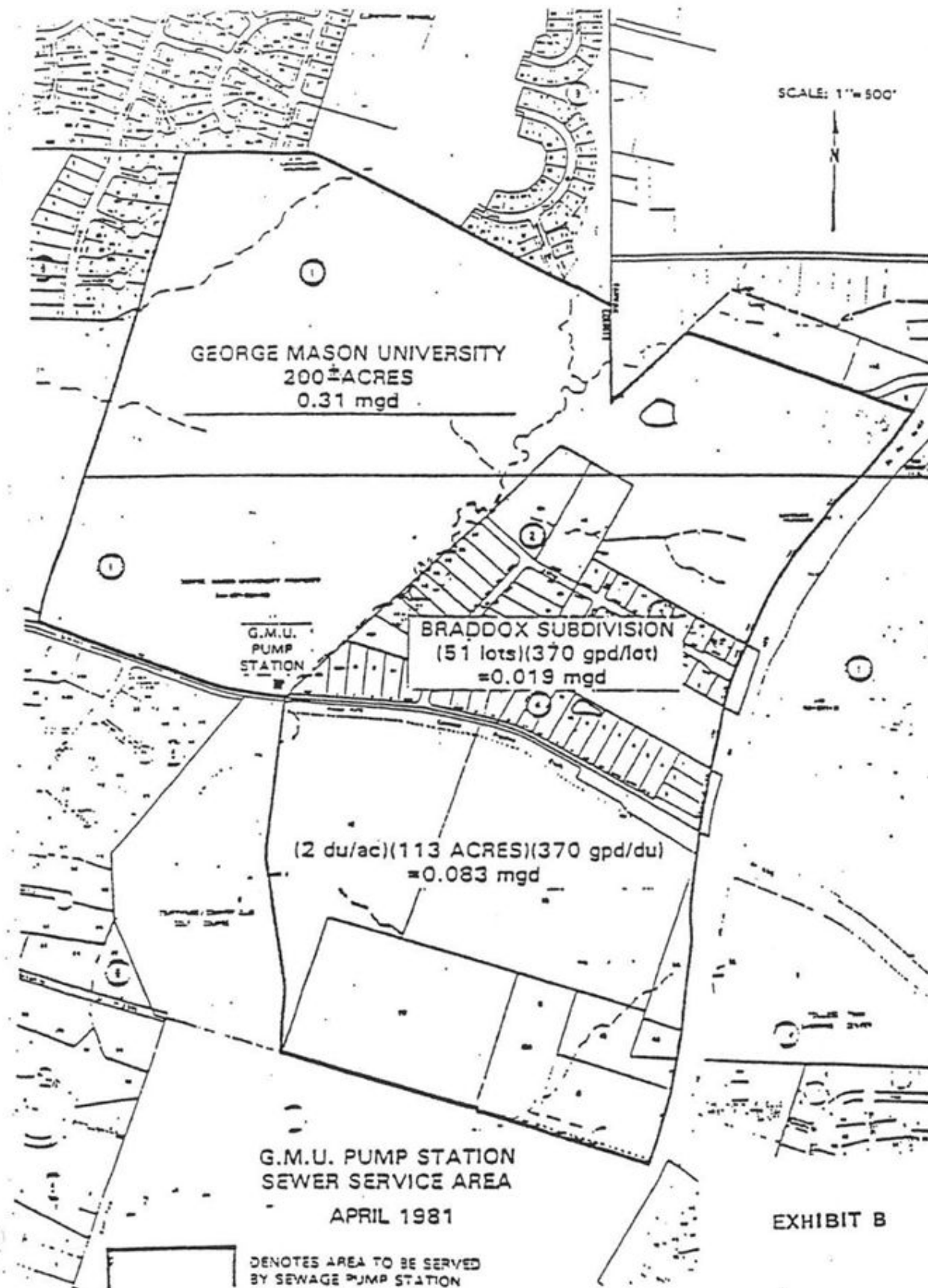


EXHIBIT A

General Location Map  
UOSA Delivery System



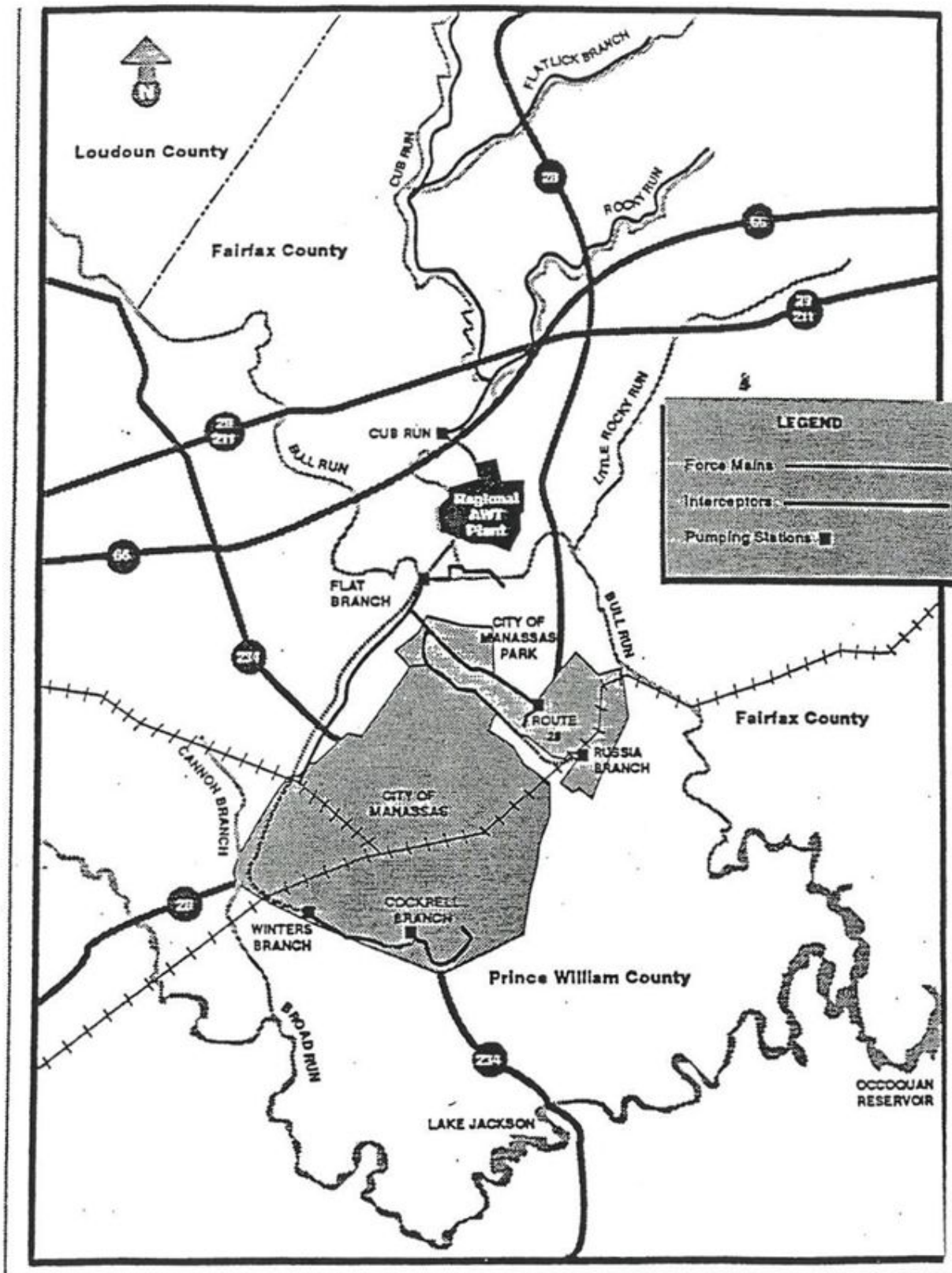
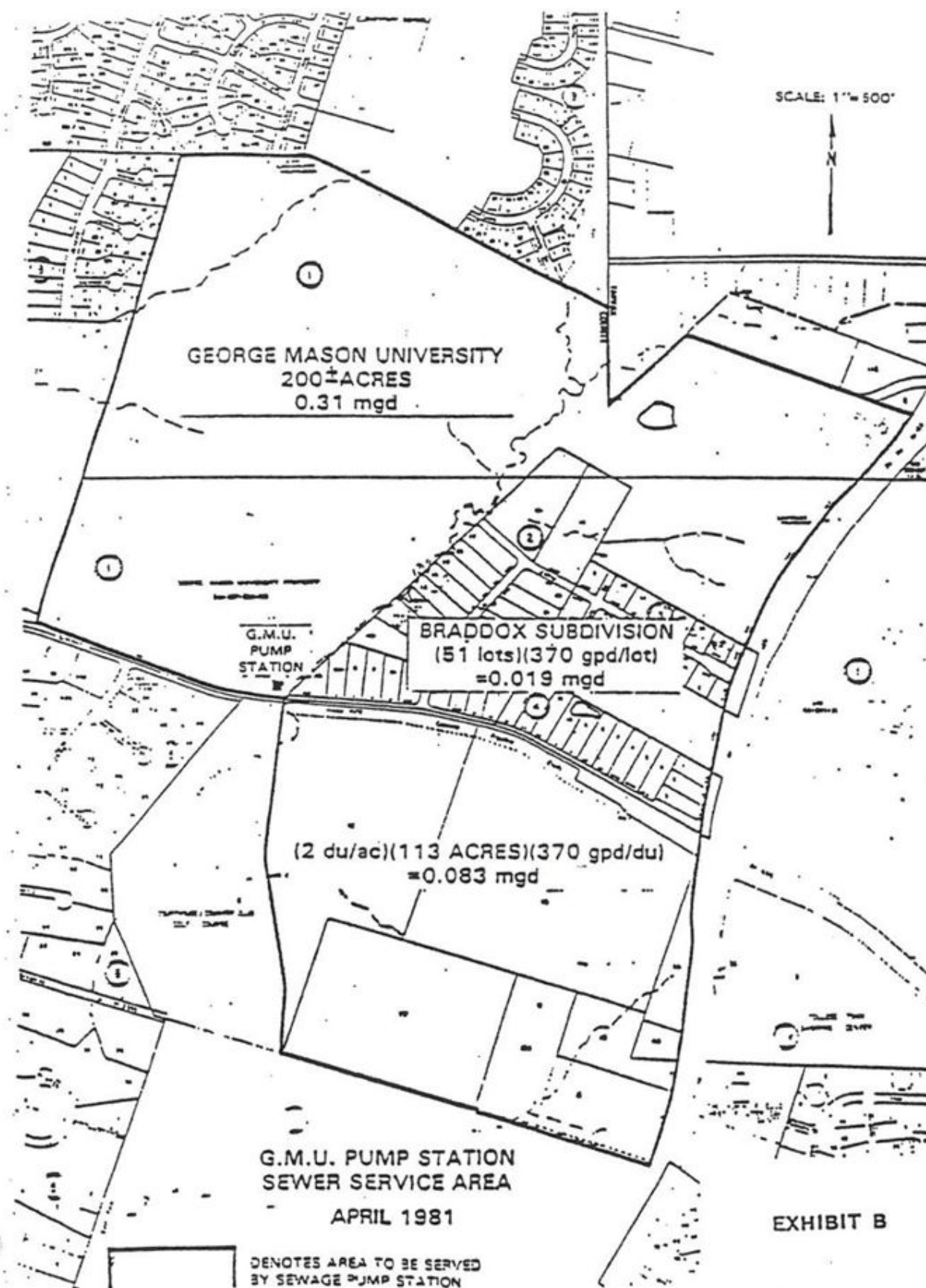


EXHIBIT A

General Location Map  
UOSA Delivery System





## Upper Occoquan Service Authority

*Leader in Water Reclamation and Reuse*

14631 COMPTON ROAD, CENTREVILLE, VIRGINIA 20121-2506 (703) 830-2200

Charles P. Boepple  
Executive Director

Michael D. Reach  
Deputy Executive Director

August 11, 2015

Mr. William Patrick Pate  
City Manager  
City of Manassas  
9027 Center Street  
Manassas, Virginia 20110

Mr. Edward L. Long, Jr.  
County Executive  
Fairfax County  
12000 Government Center Parkway  
Suite 552  
Fairfax, Virginia 22035

Ms. Kimberly L. Alexander  
City Manager  
City of Manassas Park  
One Park Center Court  
Manassas Park, Virginia 20111

Ms. Melissa S. Pecor  
County Executive  
Prince William County  
1 County Complex Court  
Prince William, Virginia 22192

RE: UOSA Service Agreement Amendment

Ladies and Gentlemen:

Enclosed is a fully executed copy of the Amendment to the Revised and Restated Service Agreement which UOSA requested each of your jurisdictions to adopt.

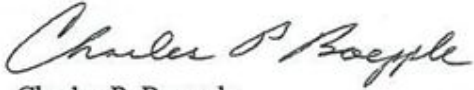
Concisely, the Amendment provides an option for a UOSA member Political Subdivision to cash fund all or a portion of that member's respective costs for a future planned UOSA bond financing. The Amendment requires certain conditions to be met so that the existing bond holders' rights are not impaired as well as making such a financing cost neutral to the jurisdictions that need to borrow funds. In addition, the Amendment permits officers of a Political Subdivision to execute continuing disclosure agreements with respect to series of Bonds without prior governing body action of the Political Subdivision in each instance.

The effort to amend this document has involved the participation of many individuals and organizations over the past eighteen months. On behalf of the UOSA Board of Directors and UOSA Legal Counsel, I would like to extend our appreciation to you, your Attorneys and other staff members for their contributions and participation in this process.

UOSA Service Agreement Amendments  
August 11, 2015  
Page 2 of 2

Please contact me if you have any questions or would like additional information.

Sincerely,



Charles P. Boepple  
Executive Director

Enclosure (1)

CPB/jm

cc: Sally Ann Hostetler, UOSA Legal Counsel  
UOSA Board of Directors  
Jeff Kent, Financial Manager, County of Fairfax DPWES  
Michelle Attreed, Director of Finance, County of Prince William  
Tony Dawood, Acting Director of Utilities, City of Manassas  
Lana Connor, City Clerk, City of Manassas Park

**2014 AMENDMENT TO  
RESTATED AND AMENDED SERVICE AGREEMENT**

**THIS 2014 AMENDMENT AGREEMENT** (this "Amendment"), made as of the 5<sup>th</sup> day of Aug., 2015, amends the Service Agreement dated as of May 15, 1972, as most recently restated and amended as of 2007 (the "Service Agreement"), by and between the UPPER OCCOQUAN SEWAGE AUTHORITY ("UOSA"), a public body politic and corporate duly created pursuant to the Virginia Water and Waste Authorities Act, and the CITY OF MANASSAS and the CITY OF MANASSAS PARK, municipal corporations of the Commonwealth of Virginia, and the BOARD OF SUPERVISORS OF FAIRFAX COUNTY and the BOARD OF COUNTY SUPERVISORS OF PRINCE WILLIAM COUNTY, acting for and on behalf of said counties and the sanitary districts thereof, which are located in whole or in part within the Service Area as defined in the Service Agreement (such four parties being called collectively the "Political Subdivisions" and individually a "Political Subdivision");

**WITNESSETH:**

**WHEREAS**, the Service Agreement provides for the treatment of sewage at an advanced regional wastewater treatment plant and related facilities and for the financing thereof through the issuance, from time to time, of obligations secured by revenues payable to UOSA by the Political Subdivisions under the Service Agreement, such revenues including not only payments for principal of, premium, if any, and interest on such obligations but also operating expenses and amounts to replenish debt service reserve or other reserve funds with respect to such obligations or the facilities financed;

**WHEREAS**, the parties to the Service Agreement desire to provide that when one or more facilities or portions thereof is to be financed by a borrowing secured through revenues under the Service Agreement, one or more of the Political Subdivisions may deposit cash to

fund all or a portion of its or their respective initial costs of such project in lieu of UOSA borrowing such deposited amounts; and

**WHEREAS**, an amendment to the Service Agreement is required to effectuate such option setting forth the requirements for such action and the effects thereof on related matters under the Service Agreement; and

**WHEREAS**, in connection with the issuance of obligations which are publicly offered, since the promulgation of Rule 15c2-12 of the Securities and Exchange Commission, UOSA and the Political Subdivisions have executed continuing disclosure agreements with the underwriters of such obligations with respect to the types of information to be provided to the public thereunder and the timing therefor and, because of the regularity and content consistency of such agreements, UOSA wants to provide an option to its member Political Subdivisions to agree to provide this information through its officers as opposed to requiring a vote of the governing bodies of each Political Subdivision;

**NOW THEREFOR**, the Service Agreement is hereby amended as follows:

**Section 1.** The following definition is hereby added to the definitions of terms provided in Section 1.1 of the Service Agreement:

"Partial Cash Funded Project" shall mean one or more facilities or portions thereof (including replacements or improvements) which is described in and qualified under Sections 4.11 and 4.12 herein.

**Section 2.** New Sections 4.11 and 4.12 are hereby added to the Service Agreement and shall read as follows:

Section 4.11. If one or more of the Political Subdivisions wants to be permitted to deposit cash to fund all or a portion of that Political Subdivision's costs of one or more

projects or a designated portion of an identified UOSA program to be funded by Bonds (or other financing) authorized by this Agreement, then for purposes of this Agreement, such project or projects or portion of a program shall be deemed to be a Partial Cash Funded Project if the additional conditions set forth in this Section and Section 4.12 are met. A request for a Partial Cash Funded Project shall be made in writing at least 90 days prior to the issuance of such Bonds (or other financing) authorized by this Agreement and shall include:

- a) The portion or amount of the desired deposit; and
- b) An acknowledgement that such Political Subdivision shall continue to be obligated under the provisions of Section 6.1(c) to make payments to UOSA to restore the balance in any debt service reserve with respect to the Bonds for such project, even if the entire respective portion of the costs of such project has been deposited by the Political Subdivision and it therefor has no responsibility for regular payments for principal, premium, if any, or interest on such Bonds.

All monies relating to the same project, whether cash or financed funds, shall be maintained and administered in one fund. Any excess monies at the conclusion of the project shall be used for future project costs as may be permitted by the Bond (or other financing) documents in accordance with each member Political Subdivision's allocation of the costs of such project or projects or program.

Section 4.12. Before issuance of the Bonds (or other financing) for the Partial Cash Funded Project shall occur, the following three criteria must be met:

- (a) a unanimous vote by the UOSA Board to allow a project to be a Partial Cash Funded Project;
- (b) evidence satisfactory to it that the ratings on the Bonds for the Partial Cash

Funded Project will be at least as high as the ratings on outstanding (but not defeased) Bonds of UOSA with which the Bonds to be issued will be secured in parity, unless the reduced rating can be attributed wholly to matters not associated with the financing qualifying as a Partial Cash Funded Project; and

(c) from the Political Subdivision or Subdivisions making the request under Section 4.11, the deposit with the trustee for the Bonds financing the Partial Cash Funded Project of cash in an amount equal to the portion of the cost of the Partial Cash Funded Project (not including Bond issuance expenses or initial reserve deposits) identified by the Political Subdivision or Subdivisions as the portion for which it intends to provide cash in lieu of a borrowing. Such Deposit shall include that Political Subdivision's share of the project costs to be financed, as well as that Political Subdivision's proportionate share of the fixed costs of borrowing (such as bond rating agency and financial advisor costs, etc.), but shall not include the variable costs of the borrowing which are calculated as a percentage of the borrowing (underwriting fees and initial reserve deposit). The proportionate share of the fixed costs of borrowing is based on the allocation of project costs (as set forth in Section 6.4) compared to the allocation of total project costs being funded. Project cost allocations and the proportionate share of fixed costs for a project to increase UOSA plant capacity beyond 54 mgd would have to be defined through a future Service Agreement Amendment.

**Section 3.** The following sentence is hereby added as a paragraph at the end of Section 6.1(c):

For purposes of Section 6.4(a) - (f), with respect to any Partial Cash Funded Project, the phrase "all charges due or incurred under 6.1(c)" shall be determined pursuant to Section 6.11.

**Section 4.** A new Section 6.11 is hereby added to the Service Agreement and shall read as follows:

Section 6.11. Political Subdivisions which funded cash deposits for a Partial Cash Funded Project, to the extent such deposits were in lieu of their responsibility for the borrowing, shall not be charged for payment of principal of, premium, if any, and interest on the Bonds for such Partial Cash Funded Project provided such requesting Political Subdivisions shall be responsible in accordance with Section 6.4(a) - (f) (with the specified percentage or other allocation therein determined as if the one or more financed facilities or portions thereof was not a Partial Cash Funded Project) and charged for the related Cost of the UOSA Plant and UOSA Delivery System not paid with Bond or financing proceeds, and other monies due under the Trust Agreement, as the same become due. It is acknowledged by the parties hereto that such deposit shall not reduce or otherwise affect the obligation of the Political Subdivisions under Section 6.1(c) to make payments for any deficiencies in any required reserves for such project or on such Bonds or bonds refunding such Bonds as if the one or more financed facilities or portions thereof was not a Partial Cash Funded Project.

The existence of a Partial Cash Funded Project shall not affect the responsibility of any Political Subdivision under any provision of this Agreement other than Section 6.4 and then only as it relates to a Partial Cash Funded Project. If Bonds which funded a Partial Cash Funded Project are subsequently refunded, the responsibility for the payment of principal of, premium, if any, and interest on the refunding Bonds shall be proportionately the same as for the Bonds for the project, with the responsibility for any deficiencies in the reserves after the initial deposit being allocated in the same percentages as for the refunded Bonds including as to the depositing Political Subdivisions.

November 2014

**Section 5.** A new Section 6.12 is hereby added to the Service Agreement and shall read as follows:

Section 6.12. In connection with the issuance of publicly offered Bonds, unless a member Political Subdivision determines that the obligations under any continuing disclosure agreement to be executed therefor are materially different, either in the actions required or the types of information to be disclosed, from the obligations under agreements executed in connection with prior UOSA Bonds, then such agreements, at the option of the member Political Subdivision, may be executed on behalf of a Political Subdivision by responsible officers thereof without a specific vote of the governing body thereof.

#2528065v1 08847/00716

November 2014

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed, and their seals to be affixed and attested by their duly authorized officers, all as of the date appearing next to their signatures.

Date: 8/3/13

(SEAL)  
ATTEST:

UPPER OCCOQUAN SEWAGE AUTHORITY

BY: [Signature]

CITY OF MANASSAS

\_\_\_\_\_  
City Clerk

Date: \_\_\_\_\_

(SEAL)  
ATTEST:

BY: \_\_\_\_\_

Mayor

CITY OF MANASSAS PARK

\_\_\_\_\_  
City Clerk

Date: \_\_\_\_\_

(SEAL)  
ATTEST:

BY: \_\_\_\_\_

Mayor

BOARD OF SUPERVISORS OF  
FAIRFAX COUNTY, VIRGINIA

\_\_\_\_\_  
Clerk

Date: \_\_\_\_\_

(SEAL)  
ATTEST:

BY: \_\_\_\_\_

Chairman

BOARD OF COUNTY SUPERVISORS OF  
PRINCE WILLIAM COUNTY, VIRGINIA

\_\_\_\_\_  
Clerk

Date: \_\_\_\_\_

BY: \_\_\_\_\_

Chairman

November 2014

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed, and their seals to be affixed and attested by their duly authorized officers, all as of the date appearing next to their signatures.

UPPER OCCOQUAN SEWAGE AUTHORITY

Date: \_\_\_\_\_

BY: \_\_\_\_\_

(SEAL)  
ATTEST:

CITY OF MANASSAS

*Andrea P. Madden*  
City Clerk

BY: *Harry J. Fink*  
Mayor

Date: 5-1-15

(SEAL)  
ATTEST:

CITY OF MANASSAS PARK

\_\_\_\_\_  
City Clerk

BY: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

(SEAL)  
ATTEST:

BOARD OF SUPERVISORS OF  
FAIRFAX COUNTY, VIRGINIA

\_\_\_\_\_  
Clerk

BY: \_\_\_\_\_  
Chairman

Date: \_\_\_\_\_

(SEAL)  
ATTEST:

BOARD OF COUNTY SUPERVISORS OF  
PRINCE WILLIAM COUNTY, VIRGINIA

\_\_\_\_\_  
Clerk

BY: \_\_\_\_\_  
Chairman

Date: \_\_\_\_\_

November 2014

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed, and their seals to be affixed and attested by their duly authorized officers, all as of the date appearing next to their signatures.

UPPER OCCOQUAN SEWAGE AUTHORITY  
Date: \_\_\_\_\_ BY: \_\_\_\_\_  
(SEAL) CITY OF MANASSAS  
ATTEST:

\_\_\_\_\_  
City Clerk BY: \_\_\_\_\_  
Date: \_\_\_\_\_ Mayor

(SEAL) CITY OF MANASSAS PARK  
ATTEST:

*Lena A. Conner*  
City Clerk BY: *[Signature]*  
Mayor

Date: 3-18-15

(SEAL) BOARD OF SUPERVISORS OF  
ATTEST: FAIRFAX COUNTY, VIRGINIA

\_\_\_\_\_  
Clerk BY: \_\_\_\_\_  
Date: \_\_\_\_\_ Chairman

(SEAL) BOARD OF COUNTY SUPERVISORS OF  
ATTEST: PRINCE WILLIAM COUNTY, VIRGINIA

\_\_\_\_\_  
Clerk BY: \_\_\_\_\_  
Date: \_\_\_\_\_ Chairman

November 2014

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed, and their seals to be affixed and attested by their duly authorized officers, all as of the date appearing next to their signatures.

UPPER OCCOQUAN SEWAGE AUTHORITY

Date: \_\_\_\_\_

BY: \_\_\_\_\_

(SEAL)  
ATTEST:

CITY OF MANASSAS

\_\_\_\_\_  
City Clerk

BY: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

(SEAL)  
ATTEST:

CITY OF MANASSAS PARK

\_\_\_\_\_  
City Clerk

BY: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

(SEAL)  
ATTEST:

BOARD OF SUPERVISORS OF  
FAIRFAX COUNTY, VIRGINIA

*Michael A. Cleaver*  
Clerk

BY: *Harmon D. Sullivan*  
Chairman

Date: *6/26/15*

(SEAL)  
ATTEST:

BOARD OF COUNTY SUPERVISORS OF  
PRINCE WILLIAM COUNTY, VIRGINIA

\_\_\_\_\_  
Clerk

BY: \_\_\_\_\_  
Chairman

Date: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed, and their seals to be affixed and attested by their duly authorized officers, all as of the date appearing next to their signatures.

UPPER OCCOQUAN SEWAGE AUTHORITY  
Date: \_\_\_\_\_ BY: \_\_\_\_\_  
(SEAL) CITY OF MANASSAS  
ATTEST:

\_\_\_\_\_  
City Clerk BY: \_\_\_\_\_  
Date: \_\_\_\_\_ Mayor

(SEAL) CITY OF MANASSAS PARK  
ATTEST:

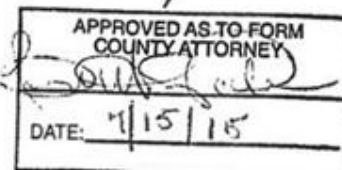
\_\_\_\_\_  
City Clerk BY: \_\_\_\_\_  
Date: \_\_\_\_\_ Mayor

(SEAL) BOARD OF SUPERVISORS OF  
ATTEST: FAIRFAX COUNTY, VIRGINIA

\_\_\_\_\_  
Clerk BY: \_\_\_\_\_  
Date: \_\_\_\_\_ Chairman

(SEAL) BOARD OF COUNTY SUPERVISORS OF  
ATTEST: PRINCE WILLIAM COUNTY, VIRGINIA

*Philip Campbell*  
Clerk BY: *Harmon S. Callahan*  
Date: 7/15/15 Vice Chairman



**ATTACHMENT B**

**Fairfax County Wastewater Management**

**UOSA Capacity Cost Calculation**

(Calculation attached)

Attachment B			
Fairfax County Wastewater Management			
UOSA Capacity Cost Calculation			
Line			
No.	Description		Sale Price
1	Current Value per 1 gallon per day [1]		\$22.887
2	Less Remaining Principal Amount of Bonds as of 6/30/19 [2]		(\$9.766)
3	Plus FFX Carry Costs [3]		\$2.238
4	NPV Value Adjustment [5]		\$1.082
5	Total Sale Price per 1 gallon per day		\$16.441
6			
7	Capacity Reservation, million gallons per day		0.5
8			
9	<b><u>Payment Schedule by Fiscal Year</u></b>		
10	2019 (Initial payment to Fairfax)		\$8,220,297
11	2020 (Future debt service payments to UOSA)		371,967
12	2021		365,706
13	2022		418,536
14	2023		374,456
15	2024		374,464
16	2025		374,487
17	2026		517,614
18	2027		398,963
19	2028		398,892
20	2029		398,944
21	2030		160,351
22	2031		160,456
23	2032		160,348
24	2033		158,666
25	2034		153,045
26	2035		156,191
27	2036		156,121
28	2037		156,142
29	2038		156,145
30	2039		151,457

31	2040		151,438
32	2041		129,370
33	2042		44,407
34	2043		44,394
35	Total		\$14,152,854

## Footnotes:

[1] Amounts shown derived from valuation of Fairfax capacity prepared by UOSA staff based on methodology used in prior transactions (see attached for continuation of Attachment B)

[2] Amounts shown represent the principal amount bonds, issued by UOSA on behalf of the County, expected to be outstanding as of June 30, 2019 and calculated as a rate per gallon of reserved capacity as follows:

Principal Payments 7/1/19 - 6/30/43	\$220,715,722
Fairfax Treatment Capacity (gal. /day)	22,599,900
Calculated Amount per \$/Gallon	\$9.7662

[3] Represents an allowance for the carry or interest expense paid to Fairfax to reserve or hold unused capacity subject to the sale. The allowance was limited to five (5) years since: i) such period of time is recognized as an allowable period of time to recover capital expansion costs by certain public service commissions for private utility rate making; and ii) to provide a reasonable limit to the carry costs as opposed to assuming all historical years of carrying or interest expense incurred by the County.

Interest Payments 7/1/13-6/30/18	\$50,580,733
Fairfax Treatment Capacity (gpd)	22,599,900
Calculated Amount per \$/Gallon	\$2.2381

[4] Represents the necessary increase to the upfront payment to produce an equivalent Net Positive Value to that of the Total Sale Price per 1 gallon of \$16.441.

**ATTACHMENT B CONTINUED**  
**Determination of the Capital Cost per Gallon of UOSA Capacity**

Fairfax County Unit Cost Calculation, confirmed with UOSA  
 Updated September 27, 2018 - Amended for CIP Reconciliation

Bond Funded Projects	Total	Treatment	Delivery
<b>Series 1991 Bonds</b>			
Project Cost	\$ 67,238,640	\$ 56,480,458	\$ 10,758,182
BAN Retirement (Land Purchase)	6,500,000	6,500,000	
Issuance Cost	2,343,582	1,968,609	374,973
Debt Service Reserve	5,866,738	4,928,060	938,678
Total Series 1991 Bonds	\$ 81,948,960	\$ 69,877,127	\$ 12,071,833
<b>Series 1995A Bonds</b>			
Project Cost	\$ 260,000,000	\$ 220,000,000	\$ 40,000,000
BAN Retirement		-	-
Issuance Cost	20,646,103	17,469,779	3,176,324
Debt Service Reserve	-	-	-
Total Series 1991 Bonds	\$ 280,646,103	\$ 237,469,779	\$ 43,176,324
Capacity in MGD		27.0	27.0
Combined Total 1991 & 1995A Series	\$ 362,595,063	\$ 307,346,906	\$ 55,248,157
Capacity Constructed		27.0	27.0
Total of Cost for 1991 & 1995A Series			
Cost Per Million Gallons	\$ 13,429,447	\$ 11,383,219	\$ 2,046,228
<b>Series 2007B Bonds</b>			
Project 54-Plant	\$ 25,910,980	\$ 25,910,980	\$ -
Reserve Maintenance	4,382,004	4,382,004	-
Hydraulic Improvements	1,075,888	1,075,888	-
Nutrient Cap	5,928,594	5,928,594	-
<b>Plant Total</b>	<b>37,297,466</b>	<b>37,297,466</b>	<b>-</b>
Project 54 (Delivery Systems)	74,183,625	-	74,183,625
Project 64 (Delivery Systems)	8,233,909	-	8,233,909
<b>Delivery System Total</b>	<b>82,417,534</b>	<b>-</b>	<b>82,417,534</b>
Total Series 2007B Bonds	\$ 119,715,000	\$ 37,297,466	\$ 82,417,534
Amended - CIP Reconciliation			
Capacity in MGD		Various	Various
Cost Per Million Gallons - 2007B Series	\$ 2,972,401	\$ 948,697	\$ 2,023,704
<b>Series 2010 Bonds</b>			
Project 54-Plant	\$ 9,029,517	\$ 9,029,517	\$ -
Reserve Maintenance	26,583,035	26,583,035	-
Hydraulic Improvements	3,651,567	3,651,567	-
Nutrient Cap	7,191,636	7,191,636	-
<b>Plant Total</b>	<b>46,455,755</b>	<b>46,455,755</b>	<b>-</b>
Project 54 (Delivery Systems)	33,676,107	-	33,676,107
Project 64 (Delivery Systems)	5,048,138	-	5,048,138
<b>Delivery System Total</b>	<b>38,724,245</b>	<b>-</b>	<b>38,724,245</b>
Total Series 2010 Bonds	\$ 85,180,000	\$ 46,455,755	\$ 38,724,245
Amended - CIP Reconciliation			
Capacity in MGD		Various	Various
Cost Per Million Gallons - 2010 Series	\$ 2,079,964	\$ 1,506,989	\$ 572,975

**ATTACHMENT B CONTINUED**  
**Determination of the Capital Cost per Gallon of UOSA Capacity**

Fairfax County Unit Cost Calculation, confirmed with UOSA  
 Updated September 27, 2018 - Amended for CIP Reconciliation

Bond Funded Projects	Total	Treatment	Delivery
<b>Series 2011A Bonds</b>			
Reserve Maintenance	\$ 6,100,000	\$ 6,100,000	\$ -
<b>Plant Total</b>	<b>\$ 6,100,000</b>	<b>\$ 6,100,000</b>	<b>\$ -</b>
Capacity in MGD		Various	Various
Cost Per Million Gallons - 2011A Series	\$ 112,963	\$ 112,963	\$ -
<b>Series 2011B Bonds</b>			
Nutrient Cap	\$ 11,868,251	\$ 11,868,251	\$ -
Reserve Maintenance	2,066,301	2,066,301	-
<b>Plant Total</b>	<b>\$ 13,934,552</b>	<b>\$ 13,934,552</b>	<b>\$ -</b>
Capacity in MGD		Various	Various
Cost Per Million Gallons - 2011B Series	\$ 258,047	\$ 258,047	\$ -
<b>Series 2016A Bonds</b>			
Reserve Maintenance	30,317,871	30,317,871	-
Nutrient Cap	3,122,237	3,122,237	-
<b>Plant Total</b>	<b>33,440,108</b>	<b>33,440,108</b>	<b>-</b>
Project 54 (Delivery Systems)	1,832,843	-	1,832,843
Project 64 (Delivery Systems)	201,616	-	201,616
<b>Delivery System Total</b>	<b>2,034,459</b>	<b>-</b>	<b>2,034,459</b>
<b>Total Series 2010 Bonds</b>	<b>\$ 35,474,567</b>	<b>\$ 33,440,108</b>	<b>\$ 2,034,459</b>
Capacity in MGD		Various	Various
Cost Per Million Gallons - 2011B Series	\$ 653,954	\$ 618,953	\$ 35,001
<b>Total of All Cost Components</b>			
Cost Per Million Gallons	\$ 19,506,776	\$ 14,828,868	\$ 4,677,908
<b>Unit cost w/o project expenses funded with interest earnings.</b>	<b>\$ 19,506,776</b>	<b>\$ 14,828,868</b>	<b>\$ 4,677,908</b>
<b>Interest Earning Spent on Projects</b>			
Interest Earnings	91,268,923	\$ 69,381,778	\$ 21,887,145
<b>Interest Earnings per MG (27MGD)</b>	<b>\$ 3,380,330</b>	<b>\$ 2,569,695</b>	<b>\$ 810,635</b>
<b>Unit Cost w/ expenses funded with interest earnings</b>	<b>\$ 22,887,107</b>	<b>\$ 17,398,564</b>	<b>\$ 5,488,543</b>

**ATTACHMENT C**

**Implementation of Additional Charges for Excess Flow  
(Memorandum dated August 15, 2007 from Charles P. Boepple to UOSA Board of  
Directors)**

**(Memorandum attached)**



## upper occoquan sewage authority

14631 COMPTON ROAD, CENTREVILLE, VIRGINIA 20121-2506 (703) 830-2200

Charles P. Boepple  
Executive Director

Michael D. Reach  
Deputy Executive Director

### MEMORANDUM

**Subject:** Implementation of Additional Charges Pursuant to Section 6.6 of the UOSA Service Agreement

**To:** UOSA Board of Directors

**From:** Charles P. Boepple *Charles P Boepple*

**Date:** August 15, 2007

Section 6.6 of the UOSA Service Agreement provides for additional charges to be assessed for each month in which a Political Subdivision exceeds its allocated capacity. The examples below are intended to provide for the Board's consideration the methodology the staff proposes to utilize to A) determine whether an exceedance has occurred; and B) calculate the applicable additional charges.

#### A. Exceedance Analysis

UOSA's capacity allocations are based on thirty consecutive day average flows. Consistent with past monthly calculations and exceedance determinations, if there are one or more days during a calendar month in which the average of the preceding thirty consecutive days of flow exceeds a Political Subdivision's allocation, that Political Subdivision will be deemed to have exceeded its capacity for that month, and Section 6.6 additional charges may be assessed.

Exhibit 1 provides two sets of flow data for hypothetical Jurisdiction A with a capacity allocation of 10.650 mgd. The two sets of data each have a column containing the average flow for each individual day and a second column showing the thirty day consecutive or "rolling" averages for the preceding thirty day period.

The first set of data depicts with yellow highlights the period (5/13/2007 – 5/24/2007) in which Jurisdiction A exceeded its capacity allocation. The highest thirty consecutive day average flow during the month of May was 10.869 mgd. Consequently, Jurisdiction A's additional charges for an exceedance in the month of May 2007 will be based on the difference between the actual highest

FAIRFAX COUNTY / PRINCE WILLIAM COUNTY / CITY OF MANASSAS / CITY OF MANASSAS PARK

consecutive thirty day flow for the month (10.869 mgd) minus the allocated thirty consecutive day average flow of 10.650 mgd, or 0.219 mgd.

The second set of data also depicts with yellow highlights the period (3/30/2007 – 4/16/2007) in which Jurisdiction A exceeded its capacity allocation. However, this example illustrates that certain wet weather events using the above methodology may generate an exceedance determination for two subsequent months. In this set of data the rolling thirty day average began exceeding 10.650 mgd on March 30, 2007 and reached a high thirty consecutive day average (11.013 mgd) for the month of March on March 31, 2007. Consequently, Jurisdiction A's additional charges for an exceedance in the month of March 2007 will be based on the difference between the actual highest consecutive thirty day flow for the month (11.013 mgd) minus the allocated thirty consecutive day average flow of 10.650 mgd, or 0.363 mgd.

Further, the 30 consecutive day averages continued to exceed the 10.650 mgd allocation during the April 1, 2007 to April 16, 2007 time frame. The highest thirty consecutive day average during April (11.141 mgd) occurred on April 2, 2007. Consequently, Jurisdiction A's additional charges for an exceedance in the month of April 2007 will be based on the difference between the actual highest consecutive thirty day flow for the month (11.141 mgd) minus the allocated thirty consecutive day average flow of 10.650 mgd, or 0.491 mgd.

Consequently, the above methodology for the second data set would generate an additional charge for a 0.363 mgd exceedance in March and a 0.491 mgd exceedance in April.

There are other methodologies that could be considered for purposes of implementing Section 6.6 and these alternative methodologies could be explored if the Board so desires.

#### B. Calculation of Payment for Excess Flow

Below are three examples of the determination of Excess Flow charges and credits. The first two examples correspond to the data sets discussed above. The methodology is based on calculating the cost per mgd based on UOSA's total annual Debt Service. This cost per mgd is then multiplied by the amount of the exceedance in mgd to yield an excess flow charge amount. The charge is then allocated as a credit to the jurisdictions with unused capacity. The billing for the excess flow and the associated credits to other jurisdictions would be noted on each jurisdiction's invoice during the quarterly billing cycle.

### Example 1 – (Dataset 1)

#### Example 1 Assumptions:

1. Jurisdiction A's Excess Flow for a thirty-day period equals 0.219 mgd.
2. UOSA Debt Service is equal to \$24,465,792 (Total annual Debt Service in fiscal year of exceedance)

#### The payment for Excess Flow should be determined as follows:

1. Calculate Monthly Debt      \$24,465,792    /      12 months    =      \$2,038,816
2. Calculate cost per mgd      \$2,038,816    /      54 mgd      =      \$37,756
3. Calculate payment      \$37,756    X      0.219      =      \$8,269 (Cost X excess flow)

#### 4. Allocate credits to jurisdictions

Jurisdictions	Unused Capacity	% Unused Capacity	Payment Allocation
Jurisdiction A	0.0	0.00%	\$0
Jurisdiction B	1.0	71.43%	\$5,907
Jurisdiction C	0.2	14.29%	\$1,181
Jurisdiction D	0.2	14.29%	\$1,181
UOSA Unallocated Exceedances	<u>0.0</u>	<u>0.00</u>	<u>\$0</u>
<b>Total</b>	<b>1.4</b>	<b>100.00%</b>	<b>\$8,269</b>

## Example 2 – (Dataset 2)

### Example 2 Assumptions – March:

1. Jurisdiction A's Excess Flow for March equals 0.363 mgd.
2. UOSA Debt Service is equal to \$24,465,792 (Total annual Debt Service in fiscal year of exceedance)

The payment for Excess Flow should be determined as follows:

1. Calculate Monthly Debt  $\$24,465,792 / 12 \text{ months} = \$2,038,816$
2. Calculate cost per mgd  $\$2,038,816 / 54 \text{ mgd} = \$37,756$
3. Calculate payment  $\$37,756 \times 0.363 = \$13,705$  (Cost X excess flow)
4. Allocate credits to jurisdictions

### Example 2 Assumptions - April:

1. Jurisdiction A's Excess Flow for April equals 0.491 mgd.
2. UOSA Debt Service is equal to \$24,465,792 (Total annual Debt Service in fiscal year of exceedance)

The payment for Excess Flow should be determined as follows:

1. Calculate Monthly Debt  $\$24,465,792 / 12 \text{ months} = \$2,038,816$
2. Calculate cost per mgd  $\$2,038,816 / 54 \text{ mgd} = \$37,756$
3. Calculate payment  $\$37,756 \times 0.491 = \$18,538$  (Cost X excess flow)
4. Allocate credits to jurisdictions

Jurisdictions	March Unused Capacity	% Unused Capacity	March Payment Allocation	April Unused Capacity	% Unused Capacity	April Payment Allocation
Jurisdiction A	0.0	0.00%	\$0	0.0	0.00%	\$0
Jurisdiction B	1.1	78.57%	\$10,768	1.0	71.43%	\$13,242
Jurisdiction C	0.1	7.14%	\$979	0.2	14.29%	\$2,648
Jurisdiction D	0.2	14.29%	\$1,958	0.2	14.29%	\$2,648
UOSA Unallocated Exceedances	<u>0.0</u>	<u>0.00%</u>	<u>\$0</u>	<u>0</u>	<u>0.00%</u>	<u>\$0</u>
<b>Total</b>	<b>1.4</b>	<b>100.00%</b>	<b>\$13,705</b>	<b>1.4</b>	<b>100.00%</b>	<b>\$18,538</b>

NOTE: If the capacity exceedance had been larger than the sum of unused capacity from the jurisdictions that did not exceed their capacity, the proportional charge associated with the same would be deposited in an escrow account pursuant to Section 6.6 of the Service Agreement.

### Example 3

#### Example 3 Assumptions – March:

1. Jurisdiction A's Excess Flow for March equals 1.800 mgd.
2. UOSA Debt Service is equal to \$24,465,792 (Total annual Debt Service in fiscal year of exceedance)

#### The payment for Excess Flow should be determined as follows:

1. Calculate Monthly Debt  $\$24,465,792 / 12 \text{ months} = \$2,038,816$
2. Calculate cost per mgd  $\$2,038,816 / 54 \text{ mgd} = \$37,756$
3. Calculate payment  $\$37,756 \times 1.800 = \$67,961$  (Cost X excess flow)
4. Allocate credits to jurisdictions

#### Example 3 Assumptions - April:

1. Jurisdiction A's Excess Flow for April equals 0.491 mgd.
2. UOSA Debt Service is equal to \$24,465,792 (Total annual Debt Service in fiscal year of exceedance)

#### The payment for Excess Flow should be determined as follows:

1. Calculate Monthly Debt  $\$24,465,792 / 12 \text{ months} = \$2,038,816$
2. Calculate cost per mgd  $\$2,038,816 / 54 \text{ mgd} = \$37,756$
3. Calculate payment  $\$37,756 \times 0.491 = \$18,538$  (Cost X excess flow)
4. Allocate credits to jurisdictions

Jurisdictions	March Unused Capacity	% Unused Capacity	March Payment Allocation	April Unused Capacity	% Unused Capacity	April Payment Allocation
Jurisdiction A	0.0	0.00%	\$0	0.0	0.00%	\$0
Jurisdiction B	1.1	61.11%	\$41,531	1.0	71.43%	\$13,242
Jurisdiction C	0.1	5.56%	\$3,779	0.2	14.29%	\$2,648
Jurisdiction D	0.2	11.11%	\$7,550	0.2	14.29%	\$2,648
UOSA Unallocated Exceedances	<u>0.4</u>	<u>22.22%</u>	<u>\$15,101</u>	<u>0</u>	<u>0.00%</u>	<u>\$0</u>
<b>Total</b>	<b>1.8</b>	<b>100.00%</b>	<b>\$67,961</b>	<b>1.4</b>	<b>100.00%</b>	<b>\$18,538</b>

NOTE: The assumptions for March were amended to create the scenario where Jurisdictions B, C and D did not have enough excess capacity to offset the Jurisdiction A exceedance. In this instance \$15,101 would be deposited in an escrow account as a result of the 0.4 mgd unallocated exceedance.

Jurisdiction A 10.650 mgd Limit			Jurisdiction A 10.650 mgd Limit		
Day	ADF	30-d RA	Day	ADF	30-d RA
4/1/2007	12.870		2/1/2007	8.750	
4/2/2007	10.100		2/2/2007	8.010	
4/3/2007	8.900		2/3/2007	8.021	
4/4/2007	9.230		2/4/2007	8.032	
4/5/2007	8.550		2/5/2007	8.043	
4/6/2007	8.640		2/6/2007	8.054	
4/7/2007	8.460		2/7/2007	8.065	
4/8/2007	8.650		2/8/2007	8.076	
4/9/2007	8.660		2/9/2007	8.087	
4/10/2007	8.980		2/10/2007	8.098	
4/11/2007	7.980		2/11/2007	8.109	
4/12/2007	7.991		2/12/2007	8.120	
4/13/2007	8.560		2/13/2007	8.131	
4/14/2007	8.660		2/14/2007	9.220	
4/15/2007	8.671		2/15/2007	9.231	
4/16/2007	8.682		2/16/2007	9.242	
4/17/2007	8.540		2/17/2007	9.253	
4/18/2007	8.210		2/18/2007	9.264	
4/19/2007	8.030		2/19/2007	9.275	
4/20/2007	8.540		2/20/2007	14.650	
4/21/2007	8.880		2/21/2007	13.550	
4/22/2007	9.250		2/22/2007	12.880	
4/23/2007	9.560		2/23/2007	11.990	
4/24/2007	9.571		2/24/2007	11.550	
4/25/2007	9.582		2/25/2007	10.990	
4/26/2007	9.593		2/26/2007	11.001	
4/27/2007	9.604		2/27/2007	10.990	
4/28/2007	9.615		2/28/2007	9.890	
4/29/2007	9.626		3/1/2007	9.560	
4/30/2007	9.637	9.061	3/2/2007	9.571	9.590
5/1/2007	10.220	8.972	3/3/2007	9.582	9.618
5/2/2007	10.880	8.998	3/4/2007	9.593	9.671
5/3/2007	11.560	9.087	3/5/2007	9.604	9.723
5/4/2007	11.571	9.165	3/6/2007	9.615	9.776
5/5/2007	11.582	9.266	3/7/2007	9.626	9.829
5/6/2007	11.593	9.365	3/8/2007	9.637	9.882
5/7/2007	11.604	9.469	3/9/2007	9.648	9.934
5/8/2007	12.560	9.600	3/10/2007	9.659	9.987
5/9/2007	13.850	9.773	3/11/2007	9.550	10.036
5/10/2007	14.870	9.969	3/12/2007	9.561	10.085
5/11/2007	15.680	10.226	3/13/2007	9.572	10.134
5/12/2007	15.691	10.482	3/14/2007	9.583	10.182
5/13/2007	13.800	10.657	3/15/2007	9.594	10.231
5/14/2007	9.880	10.698	3/16/2007	9.605	10.244
5/15/2007	8.950	10.707	3/17/2007	9.616	10.257
5/16/2007	8.640	10.706	3/18/2007	9.627	10.270
5/17/2007	9.880	10.750	3/19/2007	9.638	10.282
5/18/2007	9.981	10.809	3/20/2007	9.649	10.295
5/19/2007	9.902	10.872	3/21/2007	9.660	10.308
5/20/2007	8.450	10.869	3/22/2007	9.671	10.142
5/21/2007	8.290	10.849	3/23/2007	9.682	10.013
5/22/2007	7.990	10.807	3/24/2007	9.900	9.914
5/23/2007	7.650	10.743	3/25/2007	10.260	9.856
5/24/2007	7.661	10.680	3/26/2007	14.870	9.967
5/25/2007	7.672	10.616	3/27/2007	16.150	10.139
5/26/2007	7.683	10.552	3/28/2007	18.740	10.397
5/27/2007	7.694	10.489	3/29/2007	17.540	10.615
5/28/2007	7.705	10.425	3/30/2007	16.880	10.848
5/29/2007	7.716	10.361	3/31/2007	14.520	11.013
5/30/2007	7.727	10.298	4/1/2007	12.870	11.123
5/31/2007	7.950	10.222	4/2/2007	10.100	11.141
			4/3/2007	8.900	11.118
			4/4/2007	9.230	11.105
			4/5/2007	8.550	11.070
			4/6/2007	8.640	11.037
			4/7/2007	8.460	10.998
Avg ADF	9.651				

← month peak

← month peak

← month and event peak

4/8/2007	8.650	10.964
4/9/2007	8.660	10.931
4/10/2007	8.980	10.912
4/11/2007	7.980	10.859
4/12/2007	7.991	10.807
4/13/2007	8.560	10.772
4/14/2007	8.660	10.741
4/15/2007	8.671	10.710
4/16/2007	8.682	10.679
4/17/2007	7.890	10.621
4/18/2007	8.210	10.574
4/19/2007	8.030	10.520
4/20/2007	8.540	10.482
4/21/2007	8.880	10.456
4/22/2007	9.250	10.441
4/23/2007	9.560	10.430
4/24/2007	9.571	10.407
4/25/2007	9.582	10.231
4/26/2007	9.593	10.012
4/27/2007	9.604	9.708
4/28/2007	9.615	9.444
4/29/2007	9.626	9.202
4/30/2007	9.637	9.039

Avg ADF	9.884
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Key	
ADF	Average Daily Flow
30-d RA	30-day Rolling Average

Board Agenda Item  
July 16, 2019

3:30 p.m.

Public Hearing on RZ 2018-BR-026 (Erickson Living at Braddock Road LLC) to Rezone from R-1 to PCC to Permit a Continuing Care Facility with an Overall Floor Area Ratio of 0.60 and Approval of the Conceptual Plan, Located on Approximately 78.87 Acres of Land (Braddock District)

This property is located on the S. side of Braddock Road at its intersection with Burke Station Road. Tax Map 69-1 ((1)) 34.

PLANNING COMMISSION RECOMMENDATION:

On June 26, 2019, the Planning Commission voted 8-0-3 (Commissioners Clarke, Niedzielski-Eichner, and Strandlie abstained from the vote. Commissioner Carter was not present for the vote) to recommend the following actions to the Board of Supervisors:

- Approval of RZ 2018-BR-026 and its associated CDP, subject to the execution of proffered conditions consistent with those dated June 25, 2019;
- Modification of Par. 4 of Sect. 11-203 of the Zoning Ordinance of the required minimum loading space requirement for the proposed continuing care facility (CCF), in favor of the loading spaces shown on the CDP/FDP;
- Waiver of Sect. 11-302 of the Zoning Ordinance to permit the maximum length of a private street to exceed 600 feet, as shown on the CDP/FDP;
- Modification of the transitional screening requirement along the southern, western, and a portion of the northern property lines as set forth in Sect. 13-303 of the Zoning Ordinance, in favor of the landscaping shown on the CDP/FDP;
- Waiver of Par. 2 of Sect. 17-201 of the Zoning Ordinance of the requirement to construct a sidewalk along Braddock Road, in favor of the proposed ten-foot-wide shared use path, as shown on the CDP/FDP;
- Waiver Par. 3B of Sect. 17-201 of the Zoning Ordinance of the requirement to construct a vehicular travel lane, service drive or other access connection to and from adjacent properties; and

Board Agenda Item  
July 16, 2019

- Modification of Par. 4 of Sect. 17-201 of the Zoning Ordinance of the requirement to provide 59.5 feet of right-of-way dedication along the entire Braddock Road frontage, in favor of the right-of-way shown on the CDP/FDP.

The Planning Commission also voted 8-0-3 (Commissioners Clarke, Niedzielski-Eichner, and Strandlie abstained from the vote. Commissioner Carter was not present for the vote) to approve FDP 2018-BR-026, subject to the development conditions dated June 25, 2019, as corrected, and subject to the Board of Supervisors' approval of the concurrent rezoning application.

ENCLOSED DOCUMENTS:

Planning Commission Verbatim Excerpt and Staff Report available online at:  
<https://www.fairfaxcounty.gov/planning-development/board-packages>

STAFF:

Tracy Strunk, Director, Zoning Evaluation Division, Department of Planning and Development (DPD)  
Kelly Atkinson, Planner, DPD

3:30 p.m.

Public Hearing on RZ 2017-PR-015 (PS Business Parks, L.P.) to Rezone from C-3 to PTC to Permit Mixed Use Development with an Overall Floor Area Ratio of 1.80, Located on Approximately 38.84 Acres of Land (Providence District) (Concurrent with PCA 2014-PR-004 and PCA 88-D-005-09)

and

Public Hearing on PCA 2014-PR-004 (Amherst Property, LLC) to Amend the Proffers for RZ 2014-PR-004 Previously Approved for Residential/Retail Development at a Density of 1.80 Floor Area Ratio with Associated Modifications to Proffers, Located on Approximately 4.15 Acres of Land Zoned PTC (Providence District) (Concurrent with RZ 2017-PR-015 and PCA 88-D-005-09)

and

Public Hearing on PCA 88-D-005-09 (PS Business Parks, L.P.) to Delete Land Area from RZ 88-D-005, Located on Approximately 38.84 Acres of Land Zoned C-3 (Providence District) (Concurrent with RZ 2017-PR-015 and PCA 2014-PR-004)

This property is located on the N.W. and N.E. quadrants of Westpark Drive and Westbranch Drive. Tax Map 29-4 ((7)) C1, C2, 1A2, 7A1, 8 and 11A and 29-4 ((7)) (1) 7C (pt.).

This property is located north of Jones Branch Drive, approximately 400 feet N. of its intersection with Westpark Drive. Tax Map 29-4 ((7)) (1) A, 6A, 6B and 7C (pt.).

This property is located on the N.W. and N.E. quadrants of Westpark Drive and Westbranch Drive. Tax Map 29-4 ((7)) 1A2, C1, C2, 7A1, 8, 11A and 29-4 ((7)) (1) 7C (pt.).

PLANNING COMMISSION RECOMMENDATION:

On July 10, 2019, the Planning Commission voted 7-0-2 (Commissioners Clarke, Murphy, and Tanner were absent from the meeting; Commissioners Cortina and Strandlie abstained from the vote) to recommend the following actions to the Board of Supervisors:

- Approval of PCA 88-D-005-09;
- Approval of RZ 2017-PR-015, subject to the execution of proffered conditions consistent with those dated July 10, 2019 and with the following modifications and waivers:
  - Modification of Section 2-505 of the Zoning Ordinance to permit structures and/or plantings on a corner lot at an intersection as shown on the CDP/FDP and as proffered;
  - Modification of Section 2-506 of the Zoning Ordinance to permit parapet walls, cornices, or similar projections to a maximum of six feet;
  - Modification of Section 10-104.3.E of the Zoning Ordinance to increase the maximum fence height from seven feet to fourteen feet; and
  - Modification of Sections 11-201 and 11-203 of the Zoning Ordinance to permit the minimum number of required loading spaces as shown on the CDP/FDP.
- Approval of PCA 2014-PR-004, subject to the execution of proffered conditions consistent with those dated May 7, 2019

The Planning Commission also voted 7-0-2 (Commissioners Clarke, Murphy, and Tanner were absent from the meeting; Commissioners Cortina and Strandlie abstained from the vote) to approve FDP 2017-PR-015 subject to the development conditions dated July 10, 2019 and subject to the Board of Supervisors' approval of RZ 2017-PR-015.

ENCLOSED DOCUMENTS:

Planning Commission Verbatim Excerpt and Staff Report available online at:  
<https://www.fairfaxcounty.gov/planning-development/board-packages>

STAFF:

Tracy Strunk, Director, Zoning Evaluation Division, Department of Planning and Development (DPD)  
Stephen Gardner, Planner, DPD

Board Agenda Item  
July 16, 2019

3:30 p.m.

Public Hearing on SE 2019-SU-007 (Brookfield Swimming Club Inc and Pleasant Valley Preschool Inc) to Permit a Childcare Center Within an Existing Community Swim Club, Located on Approximately 2.89 Acres of Land Zoned R-3 and WS (Sully District)

This property is located at 13615 Pennsboro Drive, Chantilly, 20151. Tax Map 44-2 ((1)) 15 and 16.

PLANNING COMMISSION RECOMMENDATION:

On June 26, 2019, the Planning Commission voted 12-0 to recommend to the Board of Supervisors approval of SE 2019-SU-007, subject to the development conditions dated June 11, 2019, with the following changes:

- Development Condition No. 7 will be revised to read, “The hours of operation for the child care center are limited to 9:00 a.m. to 3:00 p.m., Monday through Friday. The child care center may operate outside of the pool season only, beginning yearly operations no earlier than the day after Labor Day weekend, and ceasing to operate no later than the day before Memorial Day weekend.”; and
- Development Condition No. 9 will be revised to read, “The fencing and gates enclosing the pools must be secured during hours of operation in order to prevent children from accessing this area, in accordance with Virginia Administrative Code 22 VAC 40-185-470, Pools and Equipment. The shed located within the play area must be locked and secured during hours of operation. In addition, the fencing between the play area and the wading pool must be a minimum of 48 inches tall.”

The Planning Commission also voted 12-0 to recommend to the Board of Supervisors approval of a modification of the transitional screening requirements in favor of existing vegetation, as supplemented in accordance with development conditions.

ENCLOSED DOCUMENTS:

Planning Commission Verbatim Excerpt and Staff Report available online at:  
<https://www.fairfaxcounty.gov/planning-development/board-packages>

STAFF:

Tracy Strunk, Director, Zoning Evaluation Division, Department of Planning and Development (DPD)  
Emma Estes, Planner, DPD

3:30 p.m.

Public Hearing on SE 2019-MV-001 (7-Eleven, Inc) to Permit a Service Station with Quick-Service Food Store in a Highway Corridor Overlay District and Provisions for Modifications/Waivers/Increases and Uses in a Commercial Revitalization District, Located on Approximately 1.38 Acres of Land Zoned C-8, CRD and HC (Mount Vernon District)

This property is located at 8625 and 8629 Richmond Highway, Alexandria, 22309. Tax Map 101-3 ((1)) 104, 101 and 102.

PLANNING COMMISSION RECOMMENDATION:

On July 10, 2019, the Planning Commission voted 9-0 (Commissioners Clarke, Murphy, and Tanner were absent from the meeting) to recommend the following actions to the Board of Supervisors:

- Approval of SE 2019-MV-001, subject to the proposed development conditions dated July 10, 2019;
- Modification of the 20-foot front yard setback in the Richmond Highway Commercial Revitalization District in accordance with Par. 2 of Sect. A7-407 of the Zoning Ordinance to permit a 15-foot front yard setback; and
- Modification of Sect. 13-303 of the Zoning Ordinance for the transitional screening requirement to that shown on the SE Plat.

ENCLOSED DOCUMENTS:

Planning Commission Verbatim Excerpt and Staff Report available online at:  
<https://www.fairfaxcounty.gov/planning-development/board-packages>

STAFF:

Tracy Strunk, Director, Zoning Evaluation Division, Department of Planning and Development (DPD)  
Jay Rodenbeck, Planner, DPD

Board Agenda Item  
July 16, 2019

3:30 p.m.

Public Hearing on SEA 88-D-008 (VA Electric & Power Co., D/B/A Dominion Energy Virginia) to Amend SE 88-D-008, Previously Approved for an Electrical Substation to Allow Site Modifications and an Increase in Fence Height, Located on Approximately 3.29 Acres of Land Zoned R-1 and I-4 (Providence District)

This property is located at 8440 Tyco Road, Tysons, 22182. Tax Map 29-1 ((1)) 50C.

The Board of Supervisors deferred this public hearing from May 7, 2019, until May 21, 2019, at 3:30 p.m., at which time it was deferred to June 25, 2019, at 3:00 p.m.; and deferred once again to July 16, 2019, at 3:30 p.m.

PLANNING COMMISSION RECOMMENDATION:

On April 3, 2019, the Planning Commission voted 9-0 (Commissioner Sargeant recused himself from the vote. Commissioners Strandlie and Tanner were absent from the meeting.) to recommend to the Board of Supervisors the following actions:

- Approval of SEA 88-D-008, subject to the development conditions dated April 3, 2019; and
- Approval of a modification of wall height, as required by Paragraph 3H of Section 10-104 of the Zoning Ordinance, in favor of the 12-foot tall wall shown on the SEA plat.

Concurrently, the Planning Commission voted 9-0 (Commissioner Sargeant recused himself from the vote. Commissioners Strandlie and Tanner were absent from the meeting.) to find that the electric substation proposed under 2232-P18-20 satisfies the criteria of location, character, and extent, as specified in Section 15.2-2232 of the Code of Virginia, as amended, and therefore is substantially in accord with the Comprehensive Plan.

ENCLOSED DOCUMENTS:

Planning Commission Verbatim Excerpt and Staff Report available online at:  
<https://www.fairfaxcounty.gov/planning-development/board-packages>

STAFF:

Tracy Strunk, Director, Zoning Evaluation Division, Department of Planning and Development (DPD)  
Harold Ellis, Planner, DPD

Board Agenda Item  
July 16, 2019

4:00 p.m.

Public Hearing on PCA 82-P-044-02 (GBA Associates Limited Partnership) to Amend the Proffers and Development Plan for RZ 82-P-044 Previously Approved for Office to Permit Modifications to Proffers and Site Design with an Overall Floor Area Ratio of 0.40, Located on Approximately 43.63 Acres of Land Zoned I-3 (Providence District)

This property is located on the N. side of Arlington Boulevard and the E. side of Fairview Park Place. Tax Map 49-4 ((1)) 59A, 59B and 59C.

PLANNING COMMISSION RECOMMENDATION:

On June 12, 2019, the Planning Commission voted 11-0 (Commissioner Strandlie was absent from the meeting) to recommend the following actions to the Board of Supervisors:

- Approval of PCA 82-P-044-02 subject to the execution of proffered conditions consistent with those dated June 12, 2019;
- A modification of Section 13-303 of the Zoning Ordinance for the transitional screening buffer width and plantings along the northern boundary as shown on the Generalized Development Plan;
- A modification and waiver of Sections 13-303 and 13-304 of the Zoning Ordinance for the transitional screening plantings and barrier along the eastern boundary as shown on the Generalized Development Plan; and
- A modification of Section 13-202 of the Zoning Ordinance to allow interior parking lot landscaping as shown on the Generalized Development Plan.

ENCLOSED DOCUMENTS:

Planning Commission Verbatim Excerpt and Staff Report available online at:  
<https://www.fairfaxcounty.gov/planning-development/board-packages>

STAFF:

Tracy Strunk, Director, Zoning Evaluation Division, Department of Planning and Development (DPD)  
Kelly Atkinson, Planner, DPD

4:00 p.m.

Public Hearing on Proposed Plan Amendment PA 2013-I-L1(C), Located West of the Fairfax County and City of Alexandria Boundary, Generally Centered Around the Intersection of Little River Turnpike and North Beauregard Street (Mason District)

ISSUE:

Plan Amendment (PA) 2013-I-L1(C) proposes to amend the Lincolnia Planning District Section of the Comprehensive Plan to establish a vision for redevelopment and placemaking within the Lincolnia Community Business Center (CBC). The amendment adds multiple land use options within the Lincolnia CBC with a mix of uses totaling approximately 3,400 residential dwelling units and 574,200 square feet of office, retail and institutional uses. The amendment also recommends an alternative transportation network within the Lincolnia CBC and introduces a new grid of streets with additional road connections, bike and pedestrian facilities.

PLANNING COMMISSION RECOMMENDATION:

On July 10, 2019, the Planning Commission voted 9-0 (Commissioners Clarke, Murphy, and Tanner were absent from the meeting) to recommend to the Board of Supervisors adoption of the staff recommendation for Plan Amendment 2013-I-L1(C) as found in the staff report dated June 4, 2019, with Plan text modifications shown in Attachment II. The modifications are to:

- Add guidance that reinforces the importance of preserving market affordable housing in Lincolnia; and
- Recommend revisions to the transportation figures to show that Lincolnia Road remains planned for two lanes as a minor arterial roadway and to consistently show the recommended realignment of the North Chambliss Street and Lincolnia Road intersection.

RECOMMENDATION:

The County Executive recommends that the Board of Supervisors adopt the Planning Commission recommendation.

TIMING:

Planning Commission public hearing – June 26, 2019  
Board of Supervisors' public hearing – July 16, 2019

BACKGROUND:

On July 9, 2013, through the approval of the 2013 Comprehensive Plan Work Program, the Fairfax County Board of Supervisors (Board) authorized Plan Amendment (PA) 2013-I-L1 for the Lincolnia Planning District.

Following the designation of Lincolnia as Community Business Center (CBC), land use and transportation network alternatives within the new Lincolnia CBC were evaluated as the ultimate phase of the Lincolnia District study. A task force appointed by Supervisor Gross, county staff, community members, and stakeholders identified appropriate locations for redevelopment, the type, mix and intensity of land uses in redevelopment areas and new multimodal transportation options. The proposed Plan amendment would add Plan options to enable redevelopment with a mix of uses with supporting transportation recommendations.

FISCAL IMPACT:

None.

ENCLOSED DOCUMENTS:

Attachment I: Planning Commission Verbatim Excerpt

Attachment II: Planning Commission recommended Plan text modifications for PA 2013-I-L1(C)

The staff report for PA 2013-I-L1(C) has been previously furnished and is available online at: [www.fairfaxcounty.gov/planning-development/sites/planning-development/files/assets/documents/compplanamend/lincolniaphase3/staff-report-2013-i-l1.pdf](http://www.fairfaxcounty.gov/planning-development/sites/planning-development/files/assets/documents/compplanamend/lincolniaphase3/staff-report-2013-i-l1.pdf)

STAFF:

Barbara A. Byron, Director, Department of Planning and Development (DPD)  
Marianne R. Gardner, Director, Planning Division (PD), DPD  
Clara Johnson, Branch Chief, PD, DPD  
Jennifer Garcia, Planner III, PD, DPD  
Michael Burton, Planner II, PD, DPD  
Tom Biesiadny, Director, Fairfax County Department of Transportation (FCDOT)  
Leonard Wolfenstein, Section Chief, Transportation Planning Section (TPS), FCDOT  
Arpita Chatterjee, Transportation Planner, TPS, FCDOT

## ATTACHMENT I

**County of Fairfax, Virginia  
Planning Commission Meeting  
July 10, 2019  
Verbatim Excerpt**

PA 2013-I-L1(C)- COMPREHENSIVE PLAN AMENDMENT (LINCOLNIA PLANNING DISTRICT STUDY PHASE III: LINCOLNIA CBC LAND USE AND TRANSPORTATION ANALYSIS) – To consider proposed revisions to the Comprehensive Plan for Fairfax County, VA, in accordance with the Code of Virginia, Title 15.2, Chapter 22. This Amendment concerns approx. 169 ac. in the Mason Supervisor District with an irregular border on both sides of Little River Turnpike (Rte. 236) from the City of Alexandria boundary to Chowan Ave. The subject area is coterminous with the boundary of the Lincolnia Community Business Center (CBC) and extends as far north as Lincolnia Road and Wingate Street; south to 8th Street east of Manitoba Drive; and south of Fran Place west of Manitoba Drive. The area is currently planned and developed with predominantly multi-family residential dwelling units and office, retail, and institutional uses. The amendment proposes adding options to encourage a mix of uses with a residential component in the eastern portion of the Lincolnia CBC on the north and south sides of Little River Turnpike. The proposed new development potential for the CBC is approximately 3,400 residential units and 574,200 square feet of office, retail and institutional uses. The amendment also recommends a new transportation network within the Lincolnia CBC. The alternative network would introduce a new grid of streets with additional road connections, bicycle and pedestrian facilities. Other recommendations relating to the transportation network may also be modified. (Mason District)

During Commission Matters  
(Public Hearing from June 26, 2019)

Commissioner Strandlie: Thank you very much, Mr. Chairman. Tonight, we will consider the decision only regarding PA 2013-I-L1, the Comprehensive Plan Amendment for the Lincolnia Planning District Study, Phase III, which is the Lincolnia CBC Land Use and Transportation Analysis. The Planning Commission held a public hearing on this Comprehensive Plan Amendment on June 26, 2019, and we deferred the decision only until tonight to add some clarifying language related to the preservation of affordable housing. I will provide some background regarding the planning process then I will address the proposed language and my motion to recommend approval to the Board of Supervisors. Tonight's vote has been several years in the making and the proposed Comprehensive Plan has been the subject of prolonged community input. On July 9<sup>th</sup>, 2013, through the approval of the 2013 Comprehensive Plan Work Program, the Fairfax County Board of Supervisors authorized the plan amendment for the Lincolnia Planning District. In Phase 1 of the study, new documentation of the existing conditions of the area and primarily editorial revisions were adopted on October 20<sup>th</sup>, 2015, by the Board. In Phase 2, a task force, originally comprised of six local residents and two commercial property owners, was appointed by Supervisor Gross and considered whether a portion of the planning district should be re-designated from a suburban neighborhood to a community business center. The CBC designation was supported but the task force staff, task force staff, and the Planning Commission, and the new CBC was approved by the Board of Supervisors on March 6, 2018. This new CBC allows for the provision of contributions to infrastructure and community amenities, which was put in jeopardy by the proffer law that was enacted. Following the CBC designations, Land Use and – Land Use and Transportation network alternatives within the Lincolnia CBC were evaluated as part of Phase 3 of the study. The task force, County staff, community members, and stakeholders identified appropriate locations for the redevelopment. The type, the mix, and intensity of land uses in the redevelopment areas and

new multi-modal transportation options. The community was extensively involved in all levels of this plan. A total of 34 task force meetings were held between February 2017 and April 2019, with 18 meetings held during Phase 3. For Phase 3 of the study, the portion we are considering tonight, the task force provided feedback and recommendations on the proposed Land Use, Transportation, and Urban Design recommendations for the Lincolnia CBC. All task force meetings were open to the public with the task force Chair inviting public comment at each meeting. I attended several of the meetings, but not all due to some other meeting conflicts, and I observed that members of the public were often engaged in asking quite often – as engaged in asking questions as members of the task force, so this was truly an open process. Additional public outreach efforts included meeting notifications and study updates via social media channels, including Nextdoor and Facebook, as well as postings to the study listserve and webpage. On April 29<sup>th</sup>, 2019, the task force voted 6 to 1 to support the proposed Comprehensive Plan recommendations. In addition to the task force meetings, staff presented the developments and the final plan to the Mason District Land Use Committee and the City of Alexandria, which borders the area on two sides, was also consulted. The resulting proposed Comprehensive Plan offers an opportunity for the Mason District to have its first town center in the Lincolnia Planning District area. A walkable mixed-use community with new housing, shopping, and public area amenities. Mr. Chairman, at the public hearing on June 26<sup>th</sup>, 2019, we expressed an interest in the inclusion of additional Plan guidance addressing the preservation of market affordable housing, which comprises portions of the Lincolnia CBC identified as transitional areas – emphasis on transitional areas. To provide some background, I'd like to mention that with the adoption of the Seven Corner CBC in 2015, the Board made a motion, initiated here at the Planning Commission, that staff review policy relating to the production and preservation of affordable housing. This direction is being addressed in many ways, one of which was the adoption of the County, the Communitywide Housing Strategic Plan, which includes preservation of affordable housing as a principal focus. Among the strategies identified in Phase I of that plan was a short-term action such as the continued use and possible expansion of County funding for private and nonprofit organizations to acquire and fund new affordable housing. Phase 2 of the Housing Strategic Plan was launched in the Fall of 2018 and is developing possible long-term implementation strategies. Recommendations being considered include policy and regulatory changes to housing recommendations in the Policy Plan section of the Comprehensive Plan. The Affordable Housing Resources Panel recently submitted its recommendations to the Fairfax County Board of Supervisors. Page four of the report addresses the need to preserve existing affordable units, including those circumstances where apartments are renovated or repositioned short of a full-scale redevelopment. As Chair of the Planning Commission's Affordable Housing Committee, I would look forward to scheduling a meeting with these groups and the community in the near future. I would also like to clarify that the new plan for Lincolnia does not recommend redevelopment of existing residential neighborhoods. However, keeping in mind the importance of this topic and the goals of the Housing Strategic Plan, I recommend the inclusion of additional text in the Lincolnia CBC that recommends, at a minimum, no net loss of market affordable units if in the future redevelopment is proposed in the transitional areas. This aligns with ongoing community efforts to develop strategies to preserve market affordable housing. Before I move on to the recommendation, I would like to extend our appreciation and gratitude to the staff and the task force members for their excellent work and dedication. First, I recognize the staff, Clara Johnson, Liz Hagg, Jennifer Garcia, Michael Burton, Leonard Wolfenstein, and Arpita Chatterjee, and Kristin Calkins, who was formerly with FDOT. We also have some task force members who attended the public hearing and who are here

this evening. Chair Daren Shumate, Matt Lyttle, who represented the task force at the public hearing. Alan Ackerman, Nazir Bhagat, Fred Cornett, Debi Gerald, and Rita Zimmerman. Therefore, Mr. Chairman, I AM READY TO MOVE THAT THE PLANNING COMMISSION RECOMMEND TO THE BOARD OF SUPERVISORS THE ADOPTION OF THE STAFF RECOMMENDATION FOR PLAN AMENDMENT 2013-I-L1 (C) FOUND IN THE STAFF REPORT DATED JUNE 4, 2019, WITH PLAN TEXT MODIFICATIONS TO ADD GUIDANCE TO REINFORCE THE IMPORTANCE OF PRESERVING MARKET AFFORDABLE HOUSING IN LINCOLNIA. FURTHER, I ALSO RECOMMEND REVISIONS TO THE TRANSPORTATION FIGURES TO SHOW THAT LINCOLNIA ROAD REMAINS PLANNED FOR TWO LANES AS A MINOR ARTERIAL ROADWAY AND TO CONSISTENTLY SHOW THE RECOMMENDED REALIGNMENT OF THE NORTH CHAMBLISS STREET AND LINCOLNIA ROAD INTERSECTION. THESE MODIFICATIONS ARE SHOWN IN MY HANDOUT DATED JULY 10<sup>TH</sup>, 2019.

Commissioner Sargeant: Second.

Chairman Hart: Seconded by Commissioner Sargeant. Any discussion on that motion? Seeing none, we'll move to a vote. All those in favor, please say aye.

Commissioners: Aye.

Chairman Hart: Those opposed? That motion carries.

The motion carried by a vote of 9-0. Commissioners Clarke, Murphy, and Tanner were absent from the meeting.

KAS

## ATTACHMENT II

Planning Commission recommended Plan text modifications for PA 2013-I-L1(C)

**1) Modifications to the proposed Comprehensive Plan text shown in Attachment A of the staff report. Additions shown with double underline or deletions with ~~strike-through~~.**

**MODIFY:** Fairfax County Comprehensive Plan, 2017 Edition, Area I Volume, Lincolnia Planning District, amended through 7-31-2018, Lincolnia Community Business Center, Guiding Planning Principles, as shown in Attachment A of the staff report dated June 4, 2019:

“GUIDING PLANNING PRINCIPLES

...

5. Support the economic success of the area by:

...

- b. Encouraging and maintaining a variety of housing types that are affordable and accessible to residents with a range of income levels, ages and abilities.

...”

**MODIFY:** Fairfax County Comprehensive Plan, 2017 Edition, Area I Volume, Lincolnia Planning District, amended through 7-31-2018, Lincolnia Community Business Center, Land Use – Planning Approach within the CBC, as shown in Attachment A of the staff report dated June 4, 2019:

“LAND USE

Planning Approach within the CBC

The Lincolnia CBC contains three distinct planning areas characterized as Opportunity, Transitional, and Minimal Change Areas (Figure 11). The Opportunity Areas within the CBC are considered the priority redevelopment areas. Redevelopment is primarily recommended using a form-based approach that uses scale, design and function to guide the implementation of the recommended intensity and mix of uses. ~~Transitional areas are expected to maintain their existing use but could support moderate change in the future. Changes to land uses and/or intensity in the Transitional Areas may be contemplated if proposals are consistent with the overall goals and vision of the CBC.~~ Transitional Areas include market affordable housing, and these units are strongly encouraged to be maintained. Any land use change considered in the future should be consistent with the overall goals and vision of the CBC. In addition, any redevelopment proposal in the Transitional Areas should, at a minimum, result in no net loss of market affordable rental units. If change is supported and a Plan amendment is required, the amendment is encouraged to be considered through a concurrent Plan amendment and rezoning process. Minimal Change Areas are recommended to retain their existing uses. In both Transitional and Minimal Change Areas, a FAR or intensity-based planning approach is recommended for the baseline and optional levels.

...”

**MODIFY:** Fairfax County Comprehensive Plan, 2017 Edition, Area I Volume, Lincolnia Planning District, amended through 7-31-2018, Lincolnia Community Business Center, Housing, as shown in Attachment A of the staff report dated June 4, 2019:

“HOUSING

...

Efforts should be made to preserve market rate housing units that are affordable to households earning below 100 percent of Area Median Income (AMI). Transitional areas in the CBC include market affordable housing, and these units are strongly encouraged to be maintained. If redevelopment is considered in the future, proposals in the Transitional Areas should, at a minimum, result in no net loss of market affordable rental units. Land owners may meet their affordable housing objective by purchasing existing units and preserving their affordability as set forth in the Board of Supervisors’ WDU Administrative Policy Guidelines.”

**MODIFY:** Fairfax County Comprehensive Plan, 2017 Edition, Area I Volume, Lincolnia Planning District, amended through 7-31-2018, Lincolnia Community Business Center, Land Unit Recommendations, as shown in Attachment A of the staff report dated June 4, 2019:

“LAND UNIT RECOMMENDATIONS

...

*Sub-unit B-3 (Transitional Area)*

Sub-unit B-3 is approximately 32.3 acres and is developed with the Morningside Towers Apartment Community. The baseline plan is consistent with existing development, which is multifamily residential use up to 16-20 dwelling units per acre. Any potential redevelopment of this sub-unit would require a separate study process. Any redevelopment proposals in the future should result in no net loss of market affordable housing units. Future considerations should follow the Guiding Planning Principles and General Land Use Recommendations for the Lincolnia CBC.

Land Unit C (Transitional Area)

... As a Transitional Area, any potential redevelopment of this sub-unit could be considered in the future through a separate study process. Any redevelopment proposals in the future should result in no net loss of market affordable housing units. Future considerations should follow the Guiding Planning Principles and General Land Use Recommendations for the Lincolnia CBC.

*Sub-unit D-3 (Transitional Area)*

Sub-unit D-3 is approximately 41 acres and consists of the Arbor Park community. The community has a single access point onto Little River Turnpike. The baseline plan is consistent with existing development, which is multifamily and single-family attached residential uses at a density between 12-16 dwelling units per acre closest to Little River Turnpike, and 16-20 dwelling units per acre for the remainder of the property. As a Transitional Area, any potential redevelopment of this sub-unit would require a separate study process. Any redevelopment proposals in the future should result in no net loss of market affordable housing units. Future considerations should follow the Guiding Planning Principles and General Land Use Recommendations for the Lincolnia CBC.”

- 2) **Modifications to the proposed transportation figures shown in Attachment A of the staff report to consistently illustrate the following:** Lincolnia Road as a gray line outside of the CBC; Lincolnia Road as a blue line within the CBC to indicate its functional classification as a minor arterial and that it remains planned for two lanes; the recommended realigned intersection of North Chambliss Street and Lincolnia Road, and the recommended removal of the curved portion of North Beauregard Street.

**Modifications apply to the figures listed below and shown on the following pages:**

Figure 2 – Lincolnia Planning District Overview

Figures 15 – Lincolnia CBC Conceptual Grid of Streets

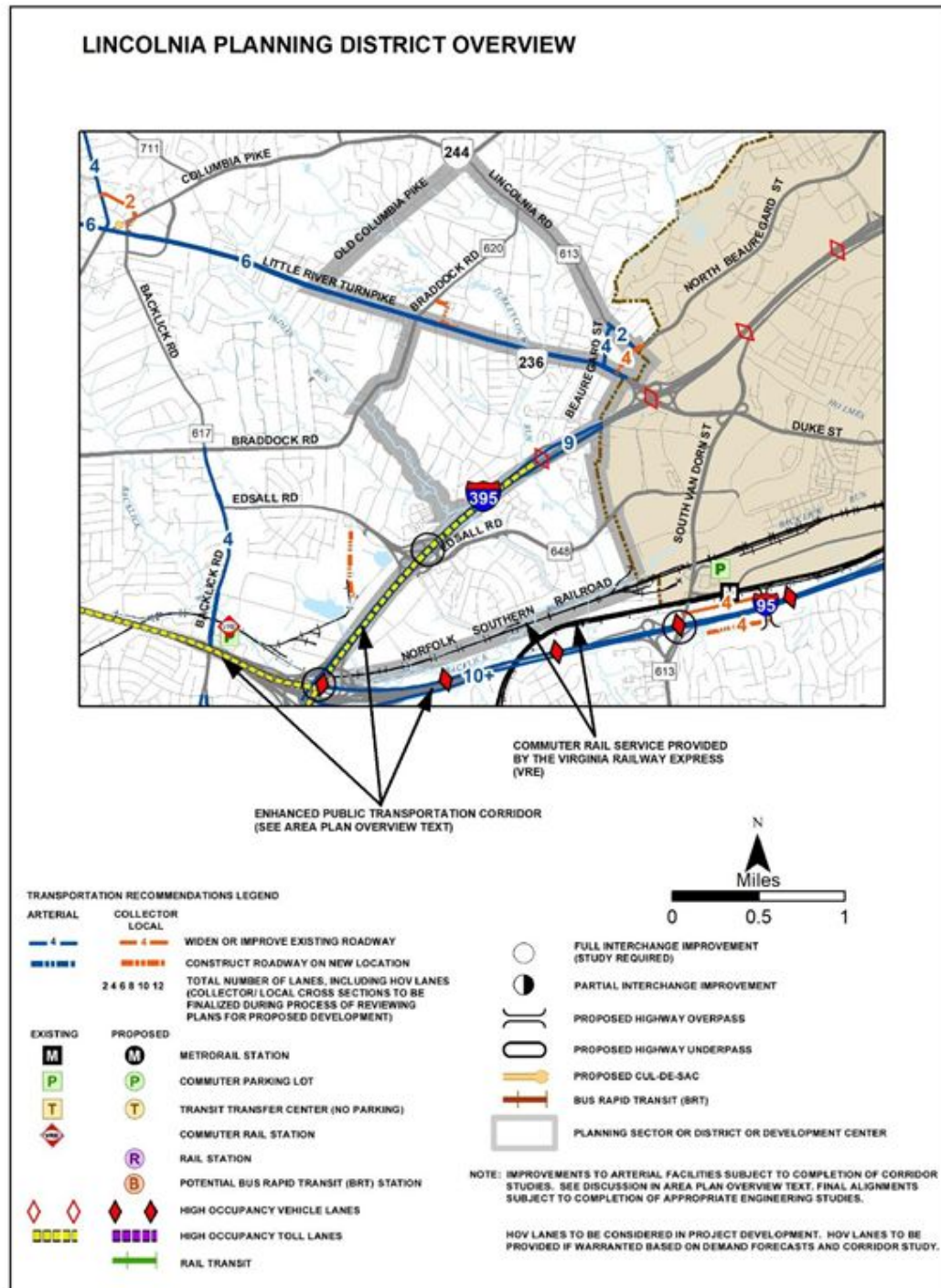
Figure 12 – L1 Pinecrest Community Planning Sector

Figure 14 – L2 Lincolnia Community Planning Sector

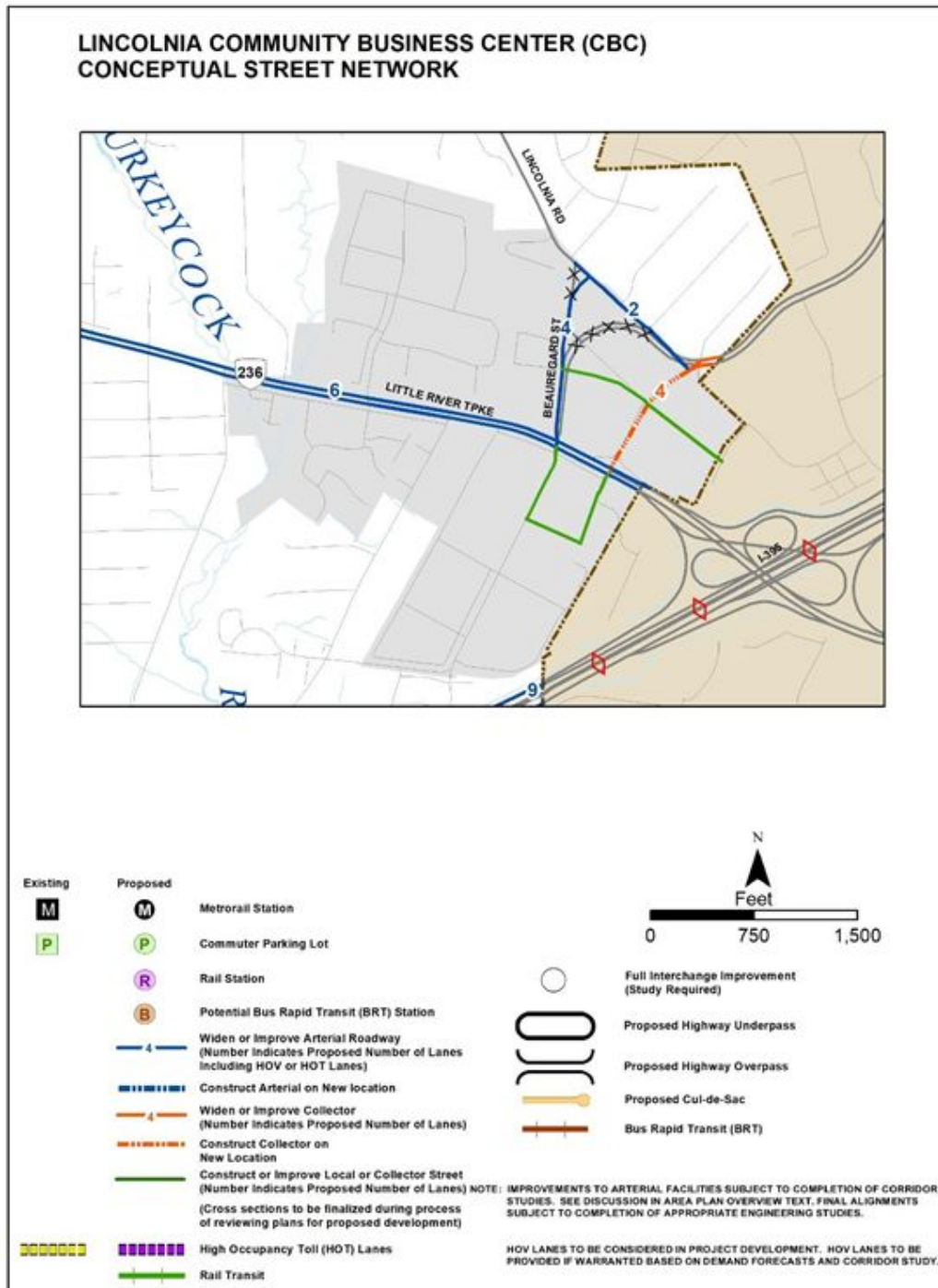
Figure 2 – Baileys Planning District Overview

Figure 59 – B4 Glasgow Community Planning Sector

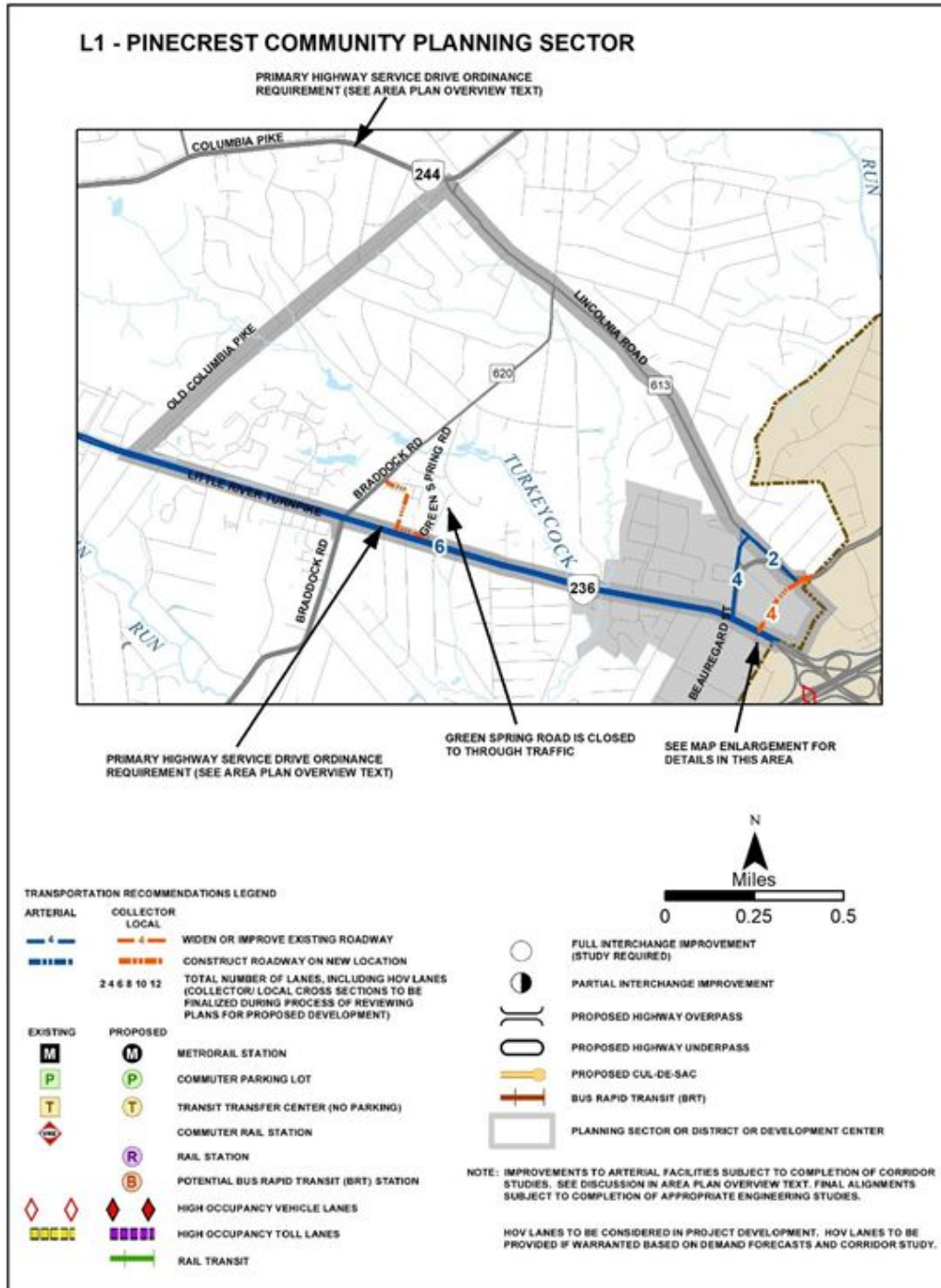
**MODIFY:** Fairfax County Comprehensive Plan, 2017 Edition, Lincolnia Planning District, amended through 7-31-2018, Overview, Countywide Transportation Recommendations, Figure 2, page 23 of the staff report dated June 4, 2019, as shown below:



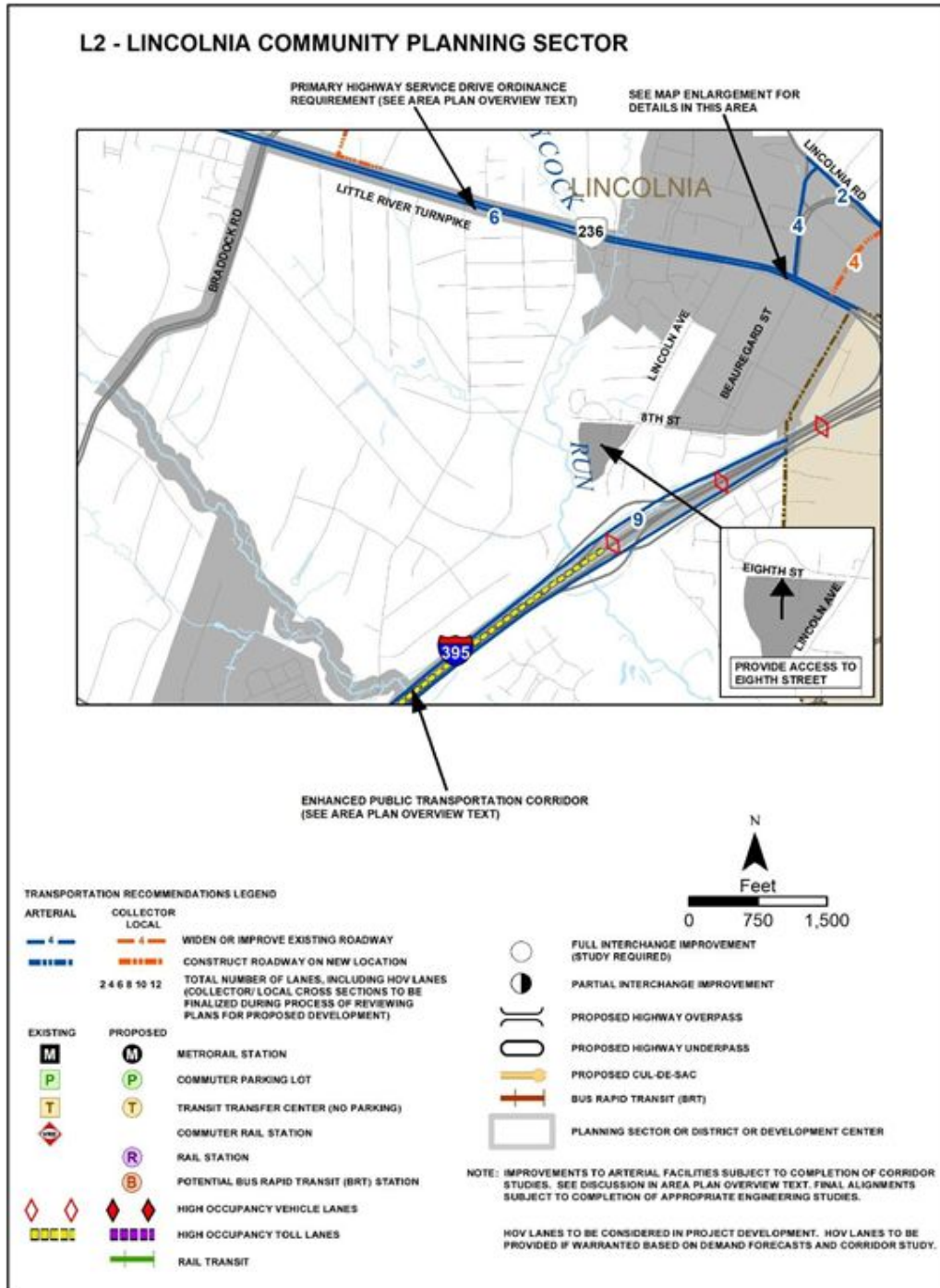
**MODIFY:** Fairfax County Comprehensive Plan, 2017 Edition, Lincolnia Planning District, amended through 7-31-2018, Lincolnia Community Business Center (CBC), Conceptual Grid of Streets, Figure 15, page 52 of staff report dated June 4, 2019, as shown below:



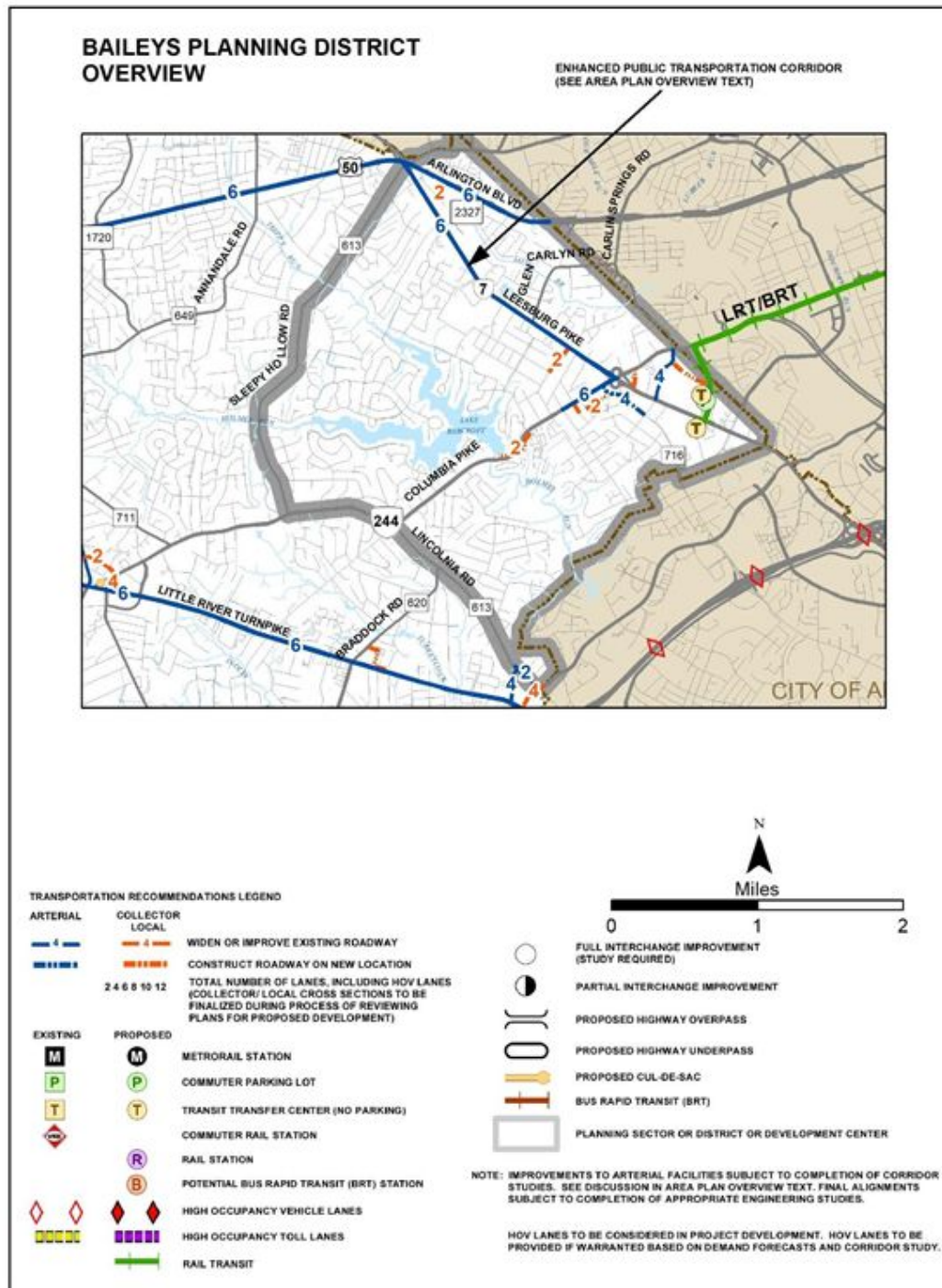
**MODIFY:** Fairfax County Comprehensive Plan, 2017 Edition, Area I, Lincolnia Planning District, amended through 7-31-2018, L1 – Pinecrest Community Planning Sector, Figure 12, page 79 of the staff report dated June 4, 2019, as shown below:



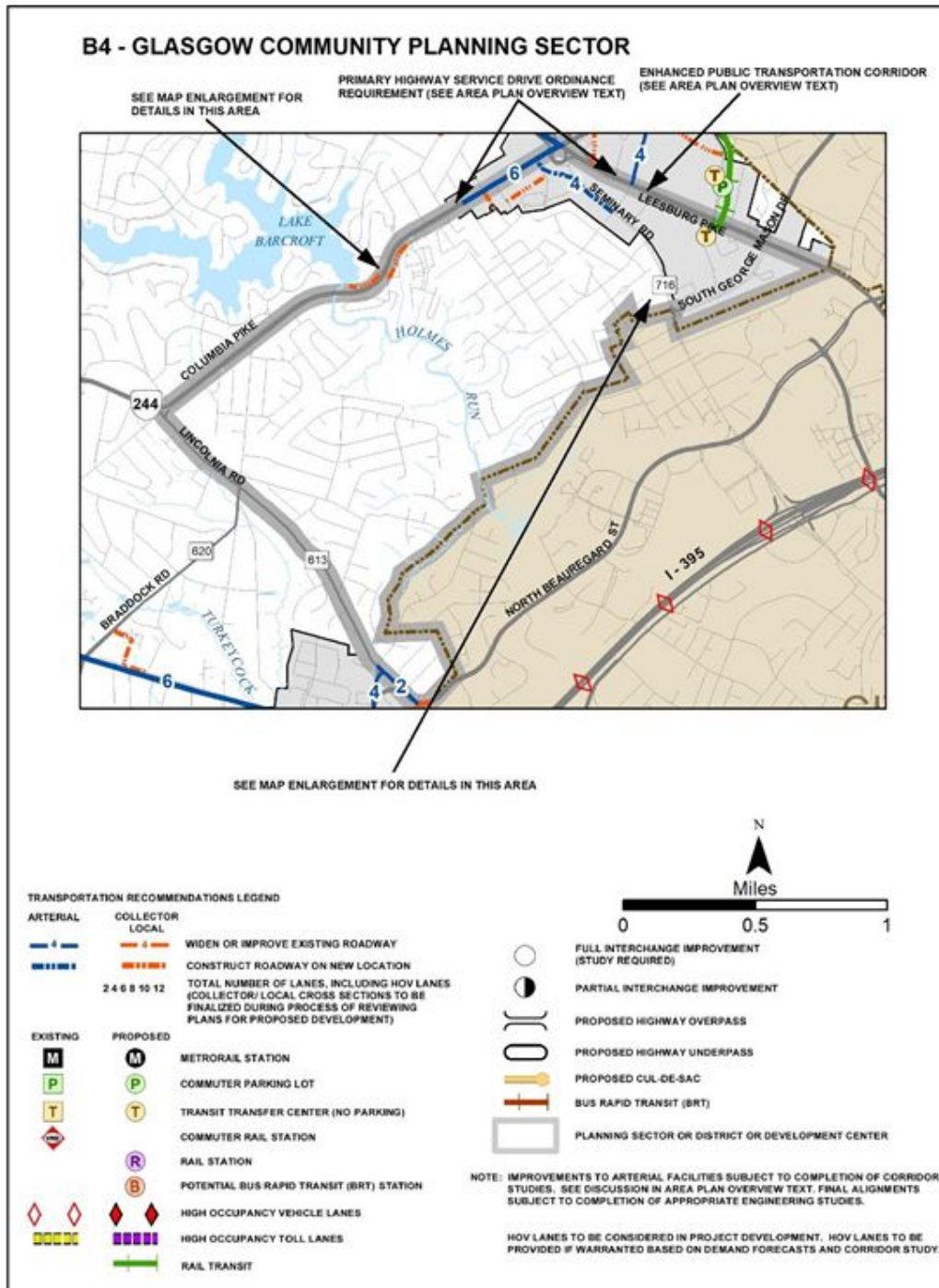
**MODIFY:** Fairfax County Comprehensive Plan, 2017 Edition, Area I, Lincolnia Planning District, amended through 7-31-2018, L2 – Lincolnia Community Planning Sector, Figure 14, page 80 of the staff report dated June 4, 2019, as shown below:



**MODIFY:** Fairfax County Comprehensive Plan, 2017 Edition, Area I, Baileys Planning District, amended through 10-16-2018, Overview, Countywide Transportation Recommendations, Figure 2, page 77 of the staff report dated June 4, 2019, as shown below:



**MODIFY:** Fairfax County Comprehensive Plan, 2017 Edition, Area I, Baileys Planning District, amended through 10-16-2018, B4 – Glasgow Community Planning Sector, Transportation Recommendations, Figure 59, page 78 of the staff report dated June 4, 2019, as shown below:



Board Agenda Item  
July 16, 2019

4:00 p.m.

Public Hearing on Proposed Amendments to the Public Facilities Manual (PFM)  
Regarding Phase 2 of the “PFM Flex Project,” a Fairfax First Initiative to Improve the  
Speed, Consistency, and Predictability of the County’s Land Development Review  
Process

ISSUE:

Board of Supervisors (Board) adoption of proposed amendments to the PFM to modernize street light fixtures to light emitting diodes (LED) and allow an additional pipe material for storm sewer applications.

PLANNING COMMISSION RECOMMENDATION:

On June 12, 2019, the Planning Commission held a public hearing and deferred decision on the proposed amendments to June 19, 2019. At their June 19, 2019 meeting, the Planning Commission voted to recommend that the Board of Supervisors adopt the proposed amendments as set forth in the staff report dated May 21, 2019, with a revision to the footnotes in Tables 7.7 and 7.8. A copy of the revised amendments is included as Attachment 3. The Planning Commission further recommended that these amendments become effective at 12:01 a.m. on July 17, 2019.

RECOMMENDATION:

The County Executive recommends that the Board adopt the proposed amendments as recommended by the Planning Commission (Attachment 3).

The proposed amendments have been prepared by Land Development Services (LDS) and coordinated with the Department of Public Works and Environmental Services (DPWES) and the Office of the County Attorney (OCA). The PFM amendments have been recommended for approval by the Engineering Standards Review Committee.

TIMING:

Board action is requested on July 16, 2019. On May 21, 2019, the Board authorized the advertising of public hearings. The Planning Commission held a public hearing on June 12, 2019, with the decision deferred to June 19, 2019. If adopted, the amendments will become effective on July 17, 2019, at 12:01 a.m.

**BACKGROUND:**

On December 4, 2018, the Board adopted amendments to the PFM as a result of Phase 1 of the “PFM Flex Project,” a Fairfax First Initiative to improve speed, consistency, and predictability of the County’s land development review process. The County has fully implemented the PFM Flex Project Phase 1 amendments. The amendment process for Phase 2 is underway.

This proposed amendment to modernize street light fixtures to LEDs and allow an additional pipe material for storm sewers is part of Phase 2 of the PFM Flex Project, which focuses on technical issues that require additional research and vetting with stakeholders. These amendments are on a fast-track for implementation. Additional PFM Flex Project amendments will be presented at public hearings starting in Spring 2020.

**LED Street Lights:**

In order to further the objectives of the Environmental Vision approved by the Board on June 20, 2017, the Board developed an Operational Energy Strategy (OES) which was adopted on July 10, 2018. It provides goals, targets, and actions in ten focus areas including “energy use and efficiency” and “innovative energy solutions.” Using more energy efficient LED street light fixtures is one way the County can work toward those OES goals. Currently, the PFM requires High Pressure Sodium street lights in new developments. This proposed amendment will require all new development to use LED street light fixtures, which will reduce energy usage and equivalent carbon dioxide emissions. LED lights also have a longer lifecycle, which will reduce the County’s lifecycle operating costs. The new fixtures will also be smart-city-capable, with the ability to add dimming, automatic outage reporting, or other smart-city techniques, as they become available.

**Polypropylene Storm Sewer Pipe:**

Virginia Department of Transportation (VDOT) added the use of polypropylene pipe into its standards and specifications in 2016 for storm sewer applications. This proposed amendment closely aligns with VDOT standards and specifications for this product, while also incorporating recommendations from the manufacturer, the American Association of State Highway and Transportation Officials, and the American Society for Testing and Materials.

PROPOSED AMENDMENT:

The specific changes to the PFM include:

**1. Chapter 2: General Subdivision and Site Plan Information**

The proposed amendment to Chapter 2 (General Subdivision and Site Plan Information) updates the current inspection requirements for high density polyethylene storm sewer pipe in §2-0402.2E to require the same inspection standards for polypropylene storm sewer pipe.

**2. Chapter 6: Storm Drainage**

The proposed amendment to Chapter 6 (Storm Drainage) will add polypropylene pipe to the list of acceptable pipe and culvert materials for storm drain construction and will provide technical specifications for the material itself and the methods used to design and install it.

**3. Chapter 7: Streets, Street Lights, Parking and Driveways**

The proposed amendment to Chapter 7 (Streets, Street Lights, Parking and Driveways) will update §7-0800 to require LED street light fixtures be used for proposed light fixtures and for the replacement of existing High Pressure Sodium, Metal Halide and Mercury Vapor light fixtures where existing street lights are being used to meet lighting requirements for a proposed development. The PFM plates 23-7 through 30-7 are being updated to match amendment text.

REGULATORY IMPACT:

If adopted, the street light amendment will require designers to designate LED light fixtures on all site and subdivision plans requiring street lights. Under the proposed polypropylene pipe amendment, designers will have an additional option for pipe materials to use as storm sewer pipe. Attachment 3 includes the proposed street light and polypropylene amendments.

FISCAL IMPACT:

The fiscal impact to the development community related to the proposed street light amendment is negligible, estimated at less than an additional \$100/fixture. The fiscal impact to the County will be to reduce electric utility costs, as these fixtures consume less energy than comparable High Pressure Sodium fixtures. There is no anticipated fiscal impact to the County related to the proposed polypropylene pipe amendment. This will allow the development community a design alternative for storm sewer applications.

Board Agenda Item  
July 16, 2019

ENCLOSED DOCUMENTS:

Attachment 1 – The Staff Report, dated May 21, 2019, is available online at:  
<https://www.fairfaxcounty.gov/landdevelopment/sites/landdevelopment/files/assets/documents/pdf/pfm/staff-report-phase-2-pfm-flex-project.pdf>

Attachment 2 – The Planning Commission verbatim excerpt, dated June 19, 2019, is available online at:  
<https://www.fairfaxcounty.gov/planningcommission/sites/planningcommission/files/assets/documents/pdf/2019%20verbatim/verbatim61919pfmflexprojectdeonly.pdf>

Attachment 3 – The Planning Commission’s Proposed Amendments to the PFM, dated June 19, 2019, is available online at:  
<https://www.fairfaxcounty.gov/landdevelopment/sites/landdevelopment/files/assets/documents/pdf/pfm/planning-commission-updated-amendment-text.pdf>

STAFF:

Rachel Flynn, Deputy County Executive  
William D. Hicks, P.E., Director, LDS  
Randolph W. Bartlett, Director, DPWES  
Eleanor Ku Coddling, Director, Permitting & Code Administration, LDS  
Chad Crawford, P.E., Director, Maintenance & Stormwater Division, DPWES  
Wayne Kotter, Director, Utilities Design & Construction Division, Capital Facilities

ASSIGNED COUNSEL:

Marc Gori, Assistant County Attorney

Board Agenda Item  
July 16, 2019

4:00 p.m.

Public Hearing on SEA 83-V-076-02 (Fairfax County Board of Supervisors) to Amend SE 83-V-076 Previously Approved for a Public Benefit Association to Permit Site Modifications and Modification of Development Conditions, Located on Approximately 7.66 Acres of Land Zoned R-8 (Mount Vernon District)

This property is located at 9518 Richmond Highway, Lorton, 22079. Tax Map 107-4 ((1)) 34 and 107-4 ((5)) 4.

PLANNING COMMISSION RECOMMENDATION:

On June 12, 2019, the Planning Commission voted 10-0-1 (Commissioner Niedzielski-Eichner abstained from the vote. Commissioner Strandlie was absent from the meeting) to recommend to the Board of Supervisors approval of 83-V-076-02, subject to the development conditions dated June 5, 2019.

Concurrently the Planning Commission voted 10-0-1 (Commissioner Niedzielski-Eichner abstained from the vote. Commissioner Strandlie was absent from the meeting) to find that 2232-V18-25 to construct a new community center facility at 9518 Richmond Highway, is substantially in accord with the provisions of the adopted Comprehensive Plan.

ENCLOSED DOCUMENTS:

Planning Commission Verbatim Excerpt and Staff Report available online at:  
<https://www.fairfaxcounty.gov/planning-development/board-packages>

STAFF:

Tracy Strunk, Director, Zoning Evaluation Division, Department of Planning and Development (DPD)  
William Mayland, Planner, DPD

Board Agenda Item  
July 16, 2019

4:30 p.m.

Decision Only to Convey Board-Owned Property on Autumn Willow Drive to the Fairfax County Redevelopment and Housing Authority (Springfield District)

On June, 25, 2019, the Board of Supervisors deferred decision only to July 16, 2019, at 4:30 p.m.

ISSUE:

Decision only regarding the conveyance of Board-owned property located along Autumn Willow Drive to the Fairfax County Redevelopment and Housing Authority (FCRHA).

RECOMMENDATION:

The County Executive recommends that the Board authorize staff to convey Board-owned property on Autumn Willow Drive to the FCRHA.

TIMING:

On May 7, 2019, the Board authorized the advertisement of a public hearing to convey Board-owned property on Autumn Willow Drive to FCRHA.

BACKGROUND:

The Board of Supervisors is the owner of an approximately 11-acre parcel located near the intersection of Stringfellow Road and Autumn Willow Drive and identified by Tax Map No. 0553 01 0026B (Autumn Willow Property). This vacant parcel is situated within a residential area, and was originally part of a larger parcel that included 17.7 acres of land (Parcel 26C) to the north that are currently improved with recreational fields and 9.6 acres of open space (Parcel 26A) to the south that are located within the non-buildable Resource Protection Area. The fields and open space were conveyed by the Board to the Fairfax County Park Authority in 2013.

The FCRHA is evaluating the possibility of partnering with a private developer pursuant to the terms of the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA) to construct up to 180 affordable senior housing units on the Property. The creation of a new housing community for adults 62 years or older with low to moderate incomes (the Project) anticipates a rezoning and a special exception. These applications would be reviewed at public hearings by both the Planning Commission and the Board. The public will be afforded several opportunities to comment on the design of the Project and its possible impacts on the surrounding communities. Initial public outreach efforts are expected to begin as soon as the PPEA selection process is completed.

Board Agenda Item  
July 16, 2019

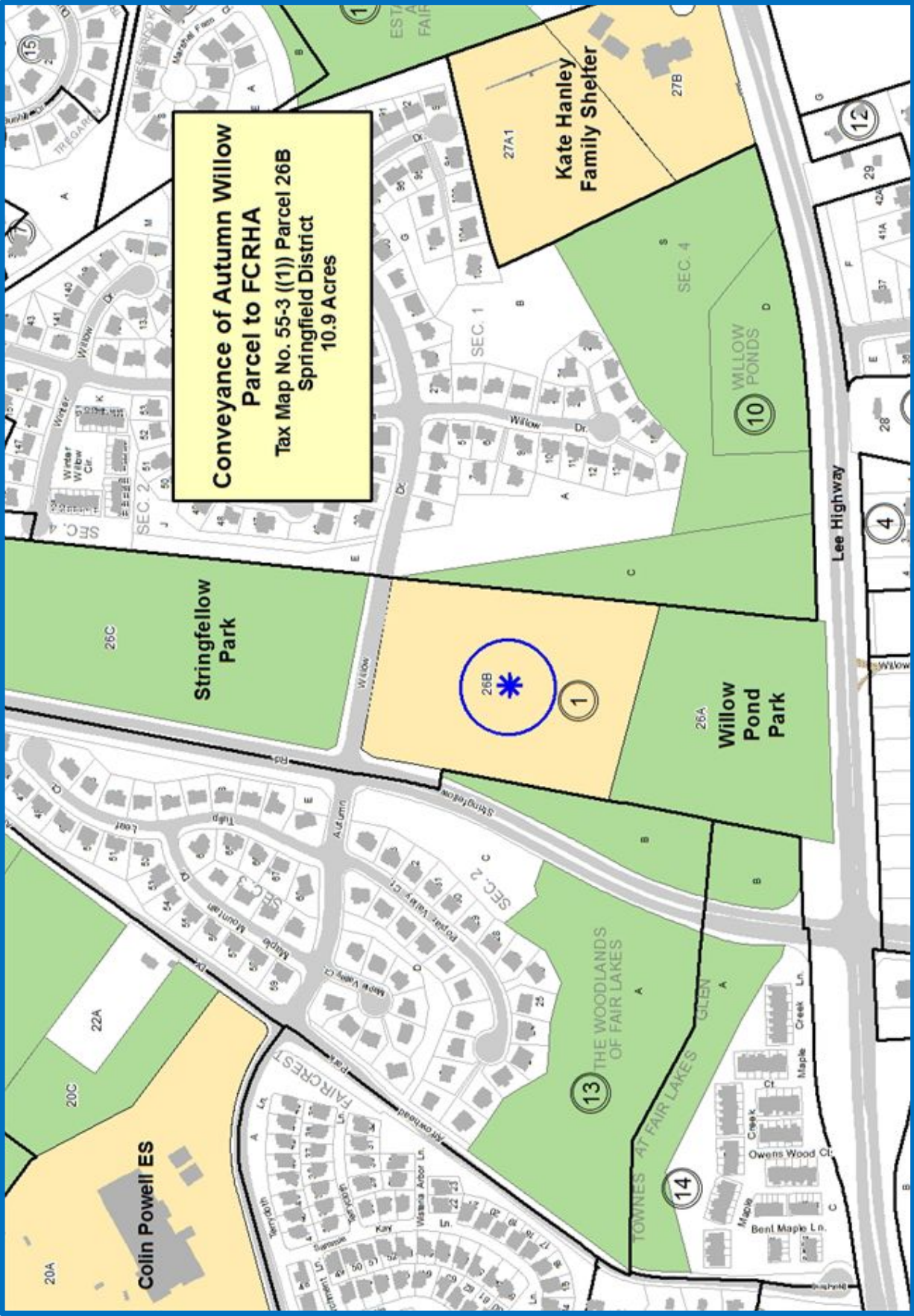
Staff recommends that the conveyance of the Autumn Willow Property to FCRHA be subject to the condition that the parcels must be used in connection with the Project. In the event the FCHRA no longer pursues the Project, the Authority will transfer ownership of the property back to the Board. Staff further recommends that the conveyance be made subject to the County's reservation of the right to assign to public entities, public utilities or telecommunications or cable television providers the right to construct improvements on the property for the purpose of providing utilities and other public services. Staff also recommends that any public utilities located on the property that are owned and maintained by County agencies, such as sanitary sewers and stormwater management facilities and structures, continue to be owned and maintained by the County.

To allow the developer selected through the PPEA process to initiate the rezoning process for the affordable senior housing project, it is necessary for the Board to transfer fee simple ownership of the Autumn Willow Property to FCRHA, which would in turn grant agency to the selected developer for the limited purpose of rezoning and obtaining other necessary governmental approvals for the site.

FISCAL IMPACT:  
None

ENCLOSED DOCUMENTS:  
Attachment 1 – Location Map  
Attachment 2 – Resolution

STAFF:  
Joseph M. Mondoro, Chief Financial Officer  
Rachel Flynn, Deputy County Executive  
Tisha Deeghan, Deputy County Executive  
Thomas E. Fleetwood, Director, Housing and Community Development  
José A. Comayagua, Director, Facilities Management Department  
Mike Lambert, Assistant Director, Facilities Management Department



**RESOLUTION**

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium in the Fairfax County Government Center at Fairfax, Virginia, on Tuesday, July 16, 2019, at which a quorum was present and voting, the following resolution was adopted:

**WHEREAS**, the Board of Supervisors owns approximately 11 acres of land in Springfield District near the intersection of Stringfellow Road and Autumn Willow Drive, identified as Tax Map Parcel No. 0553 01 0026B (the Autumn Willow Property),

**WHEREAS**, the Fairfax County Redevelopment and Housing Authority has requested the Board of Supervisors to transfer the Autumn Willow Property to the FCRHA for incorporation into an affordable senior housing development,

**WHEREAS**, the Board has no current or planned use for the Autumn Willow Property,

**WHEREAS**, the Board finds that it would be in the best interest of the residents of Fairfax County to convey the real property as described above to the FCRHA.

**NOW, THEREFORE**, upon public hearing duly advertised according to law, it is **RESOLVED** that the County Executive is hereby authorized to execute all necessary documents to convey the real property described above to the FCRHA.

A Copy Teste:

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Catherine A. Chianese  
Clerk to the Board of Supervisors

Board Agenda Item  
July 16, 2019

4:30 p.m.

Public Hearing on PCA 1999-MV-025-06 (Panera, LLC) to Amend the Proffers for RZ 1999-MV-025 Previously Approved for Commercial Development to Permit a Fast Food Restaurant with Drive Through and Retail and Associated Modifications to Proffers and Site Design, Located on Approximately 1.47 Acres of Land Zoned C-6 (Mount Vernon District) (Concurrent with SE 2018-MV-025)

and

Public Hearing on SE 2018-MV-025 (Panera, LLC) to Permit a Restaurant with Drive Through, Located on Approximately 1.47 Acres of Land Zoned C-6 (Mount Vernon District) (Concurrent with PCA 1999-MV-025-06)

This property is located on the S.W. quadrant of the intersection of Lorton Road with Lorton Market Street. Tax Map 107-4 ((23)) B.

PLANNING COMMISSION RECOMMENDATION:

On June 12, 2019, the Planning Commission voted 10-0-1 (Commissioner Cortina abstained from the vote. Commissioner Strandlie was absent from the meeting) to recommend the following actions to the Board of Supervisors:

- Approval of PCA 1999-MV-025-06, subject to the execution of proffered conditions consistent with those dated May 28, 2019; and
- Approval of SE 2018-MV-025, subject to the proposed development conditions dated June 12, 2019.

The Planning Commission also voted 11-0 (Commissioner Strandlie was absent from the meeting) to recommend the following actions to the Board of Supervisors:

- Waiver of Sect. 11-203 of the Zoning Ordinance for the minimum number of required loading spaces;
- Modification of Sect. 13-303 of the Zoning Ordinance for the transitional screening requirement along the eastern, southern, and northern property boundaries to that shown on the GDP/SE Plat; and

Board Agenda Item  
July 16, 2019

- Waiver of Sect. 13-304 of the Zoning Ordinance for the barrier requirements along the eastern, southern, and northern property boundaries.

ENCLOSED DOCUMENTS:

Planning Commission Verbatim Excerpt and Staff Report available online at:  
<https://www.fairfaxcounty.gov/planning-development/board-packages>

STAFF:

Tracy Strunk, Director, Zoning Evaluation Division, Department of Planning and Development (DPD)

Jay Rodenbeck, Planner, DPD

Board Agenda Item  
July 16, 2019

4:30 p.m.

Public Hearing on PCA 2000-HM-044-03/CDPA 2000-HM-044-02 (NVR, Inc) to Amend the Proffers and Conceptual Development Plan for RZ 2000-HM-044, to Permit Modifications to Proffers, Site Design and Development Conditions at an Intensity of 1.5 Floor Area Ratio, Located on Approximately 2.82 Acres of Land Zoned PDC (Hunter Mill District)

This property is located in the S.W. quadrant of Woodland View Drive and Woodland Grove Place. Tax Map 16-4 ((27)) 1B.

PLANNING COMMISSION RECOMMENDATION:

On June 12, 2019, the Planning Commission voted 11-0 (Commissioner Strandlie was absent from the meeting) to recommend the following actions to the Board of Supervisors:

- Approval of PCA 2000-HM-044-03 and CDPA 2000-HM-044-02, subject to the execution of proffered conditions consistent with those contained in Appendix 1 of the Staff Report;
- Waiver of Par. 5, Sect. 6-206 of the Zoning Ordinance to permit the gross floor area for residential uses to exceed 50% of the principal uses; and
- Waiver of Sect. 11-203 of the Zoning Ordinance for the loading space requirements.

The Planning Commission also voted 11-0 (Commissioner Strandlie was absent from the meeting) to approve FDPA 2000-HM-044-03, subject to the proposed development conditions dated May 29, 2019 and subject to the Board of Supervisors' approval of the concurrent PCA and CDPA applications.

ENCLOSED DOCUMENTS:

Planning Commission Verbatim Excerpt and Staff Report available online at:  
<https://www.fairfaxcounty.gov/planning-development/board-packages>

STAFF:

Tracy Strunk, Director, Zoning Evaluation Division, Department of Planning and Development (DPD)

William Mayland, Planner, DPD

Board Agenda Item  
July 16, 2019

4:30 p.m.

Public Hearing for the Proposed Alterations to the Following Small and Local Sanitary District for the De-creation/Re-creation of Small and Local Sanitary Districts of Vacuum Leaf Collection Service (Mount Vernon District)

ISSUE:

Board of Supervisors to conduct a public hearing for the de-creation/re-creation of a small and local sanitary district for discontinuing vacuum leaf collection service (Marthas Road area).

RECOMMENDATION:

The County Executive recommends that the Board of Supervisors approve the proposed petitions within the Mount Vernon District.

<u>Sanitary District</u>	<u>Action</u>	<u>Service</u>	<u>Recommendation</u>
Small District within Mt Vernon District (Marthas Road)	De-create/Re- create	Discontinue Vacuum leaf collection	Approve

TIMING:

Board of Supervisors authorized to advertise on May 21, 2019. Public Hearing to be held on July 16, 2019, at 4:30 p.m.

BACKGROUND:

The administrative responsibility for the creation/enlargement/de-creation/re-creation of small and local sanitary districts in the county of Fairfax for refuse/recycling and/or leaf collection is with the Department of Public Works and Environmental Services. The establishment of sanitary districts is accomplished through the action of the Board of Supervisors at public hearings. Prior to any action by the Board of Supervisors on a proposed small or local sanitary district, certain relevant standards and criteria must be met in accordance with the Board of Supervisors' Adopted Criteria for the Creation/Enlargement/De-Creation/Re-Creation of Small and Local Sanitary Districts.

The submitted petition has been reviewed, and it has been determined that the petition

Board Agenda Item  
July 16, 2019

meets the Board of Supervisors' Adopted Criteria. Staff recommends approval for the de-creation/re-creation of small and/or local sanitary districts for discontinuing vacuum leaf collection be approved. If approved, the modification will become permanent on August 1, 2019.

FISCAL IMPACT:  
None.

ENCLOSED DOCUMENTS:  
Attachment 1: Summary Sheet  
Attachment 2: Data Sheet with Resolution and Map

STAFF:  
Rachel Flynn, Deputy County Executive  
Randolph W. Bartlett, Director, Department of Public Works and Environmental Services (DPWES)  
John W. Kellas, Deputy Director, DPWES, Solid Waste Management Program

## SUMMARY SHEET

Proposed alterations to the following small and local sanitary districts for vacuum leaf collection service:

1. De-create/re-create small district within Mt Vernon District for the purpose of discontinuing county vacuum leaf collection service to Marthas Road area.

DATA SHEET  
De-creation/Re-creation  
Small District  
Within the Mount Vernon District

Purpose: De-create/re-create small district within Mount Vernon District for discontinuing county vacuum leaf collection service to the Marthas Road area.

- Petition requesting service received October 18, 2018.
- Petition Area: 164 Properties.
- 110 Property Owners in favor (67%).
- 22 property owners opposed.
- 32 Non-responsive/unable to contact.
- The Department of Public Works and Environmental Services recommends that the proposed action be approved effective August 1, 2019.

ADOPTION OF A RESOLUTION  
TO DE-CREATE/RE-CREATE SMALL DISTRICT  
FOR DISCONTINUING CURBSIDE VACUUM LEAF COLLECTION SERVICE  
WITHIN MOUNT VERNON DISTRICT

TAKE NOTICE that at a regular meeting of the Board of Supervisors of the County of Fairfax, Virginia, held in the Board Auditorium of the Government Center, 12000 Government Center Parkway, Fairfax, Virginia, on Tuesday the 21st day of May, 2019, it was proposed by said Board to adopt a resolution to de-create/re-create a local district known as Small District within Mount Vernon District to include Marthas Road area for the purpose of discontinuing vacuum leaf collection to be effective August 1, 2019, was adopted:

WHEREAS, Virginia Code Section 15.2-858, as amended, provides for, among other things, the de-creation/re-creation by the Board of Supervisors of Fairfax County, Virginia, of a small/local sanitary district by resolution; and

WHEREAS, the Board of Supervisors has been presented with facts and information upon consideration of which said Board, finding the property embraced in the proposed local sanitary district, will be benefited by de-creating/re-creating the local sanitary district for providing refuse/recycling and vacuum leaf collection for the citizens who reside therein.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of Fairfax County, Virginia, de-create/re-create a local sanitary district, pursuant to Virginia Code Section 15.2-858, as amended, to be known as Small District within Mount Vernon District, Fairfax County, Virginia, which said de-creation/re-creation of the local sanitary district shall be described as follows:

The de-creation/re-creation of Small District within Mount Vernon District to include Marthas Road Area located in the County of Fairfax, Virginia, and as shown on the attached map.

AND BE IT FURTHER RESOLVED that the Board of Supervisors of Fairfax County, Virginia declares its intention to implement the purpose for which said Small District within Mount Vernon District is hereby de-created/re-created to wit:

To discontinue curbside vacuum leaf collection service for the citizens who reside therein.

Given under my hand this \_\_\_\_ day of July, 2019

\_\_\_\_\_  
Catherine A. Chianese  
Clerk to the Board



**TAX MAP 93-3**

**MARTHAS ROAD AREA**

Board Agenda Item  
July 16, 2019

4:30 p.m.

Public Hearing for the Proposed Alterations to the Following Small and Local Sanitary District for the De-creation/Re-creation of Small and Local Sanitary Districts for Refuse/Recycling and Vacuum Leaf Collection Service (Providence District)

ISSUE:

Board of Supervisors to conduct a public hearing for the de-creation/re-creation of a small and local sanitary district for the purpose of discontinuing refuse/recycling and vacuum leaf collection service at 2428 Lockett Avenue and 8630 Janet Lane.

RECOMMENDATION:

The County Executive recommends that the Board of Supervisors approve the proposed petitions within the Providence District.

<u>Sanitary District</u>	<u>Action</u>	<u>Service</u>	<u>Recommendation</u>
Small District within Providence District (2428 Lockett Av, 8630 Janet La)	De-create/Re-create	Discontinue Refuse, Recycling and Vacuum leaf collection	Approve

TIMING:

Board of Supervisors authorized to advertise on May 21, 2019. Public Hearing to be held on July 16, 2019, at 4:30 p.m.

BACKGROUND:

The administrative responsibility for the creation/enlargement/de-creation/re-creation of small and local sanitary districts in the county of Fairfax for refuse/recycling and/or leaf collection is with the Department of Public Works and Environmental Services. The establishment of sanitary districts is accomplished through the action of the Board of Supervisors at public hearings. Prior to any action by the Board of Supervisors on a proposed small or local sanitary district, certain relevant standards and criteria must be met in accordance with the Board of Supervisors' Adopted Criteria for the Creation/Enlargement/De-Creation/Re-Creation of Small and Local Sanitary Districts.

Board Agenda Item  
July 16, 2019

The submitted petition has been reviewed, and it has been determined that the petition meets the Board of Supervisors' Adopted Criteria. Staff recommends approval for the de-creation/re-creation of small and/or local sanitary districts for discontinuing refuse/recycling and/or vacuum leaf collection be approved. If approved, the modification will become permanent on August 1, 2019.

FISCAL IMPACT:  
None.

ENCLOSED DOCUMENTS:  
Attachment 1: Summary Sheet  
Attachment 2: Data Sheet with Resolution and Map

STAFF:  
Rachel Flynn, Deputy County Executive  
Randy Bartlett, Director, Department of Public Works and Environmental Services (DPWES)  
John W. Kellas, Deputy Director, DPWES, Solid Waste Management Program

## SUMMARY SHEET

Proposed alterations to the following small and local sanitary districts  
for refuse/recycling and vacuum leaf collection service:

1. De-Create/re-create small district within Providence District for the purpose of discontinuing county refuse, recycling and vacuum leaf collection service to 2428 Luckett Av and 8630 Janet La. These addresses have driveways that are accessed on neighboring streets that are not serviced by Fairfax County collection staff.

DATA SHEET  
De-create/Re-create  
Small District  
Within the Providence District

2. Purpose: De-Create/re-create Small District within Providence District for discontinuing county refuse, recycling and vacuum leaf collection service to 2428 Luckett Av and 8630 Janet La.
- Petition requesting service received April 2, 2019.
  - Petition Area: 2 Properties.
  - 2 Property Owners in favor. (100%)
  - 0 property owners opposed.
  - 0 Non-responsive/unable to contact.
  - The Department of Public Works and Environmental Services recommends that the proposed action be approved effective August 1, 2019.

ADOPTION OF A RESOLUTION  
TO DE-CREATE/RE-CREATE SMALL DISTRICT  
FOR DISCONTINUING CURBSIDE TRASH COLLECTION  
AND VACUUM LEAF COLLECTION  
WITHIN PROVIDENCE DISTRICT

TAKE NOTICE that at a regular meeting of the Board of Supervisors of the County of Fairfax, Virginia, held in the Board Auditorium of the Government Center, 12000 Government Center Parkway, Fairfax, Virginia, on Tuesday the 21st day of May, 2019 it was proposed by said Board to adopt a resolution to de-create/re-create a local district known as Small District within Providence District to include 2428 Lockett Av and 8630 Janet La for the purpose of discontinuing refuse/recycling and vacuum leaf collection to be effective August 1, 2019, was adopted:

WHEREAS, Virginia Code Section 15.2-858, as amended, provides for, among other things, the de-creation/re-creation by the Board of Supervisors of Fairfax County, Virginia, of a small/local sanitary district by resolution; and

WHEREAS, the Board of Supervisors has been presented with facts and information upon consideration of which said Board, finding the property embraced in the proposed local sanitary district will be benefited by de-creating/re-creating the local sanitary district for providing refuse/recycling and vacuum leaf collection for the citizens who reside therein.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of Fairfax County, Virginia, de-create/re-create a local sanitary district, pursuant to Virginia Code Section 15.2-858, as amended, to be known as Small District within Providence District, Fairfax County, Virginia, which said de-creation/re-creation of the local sanitary district shall be described as follows:

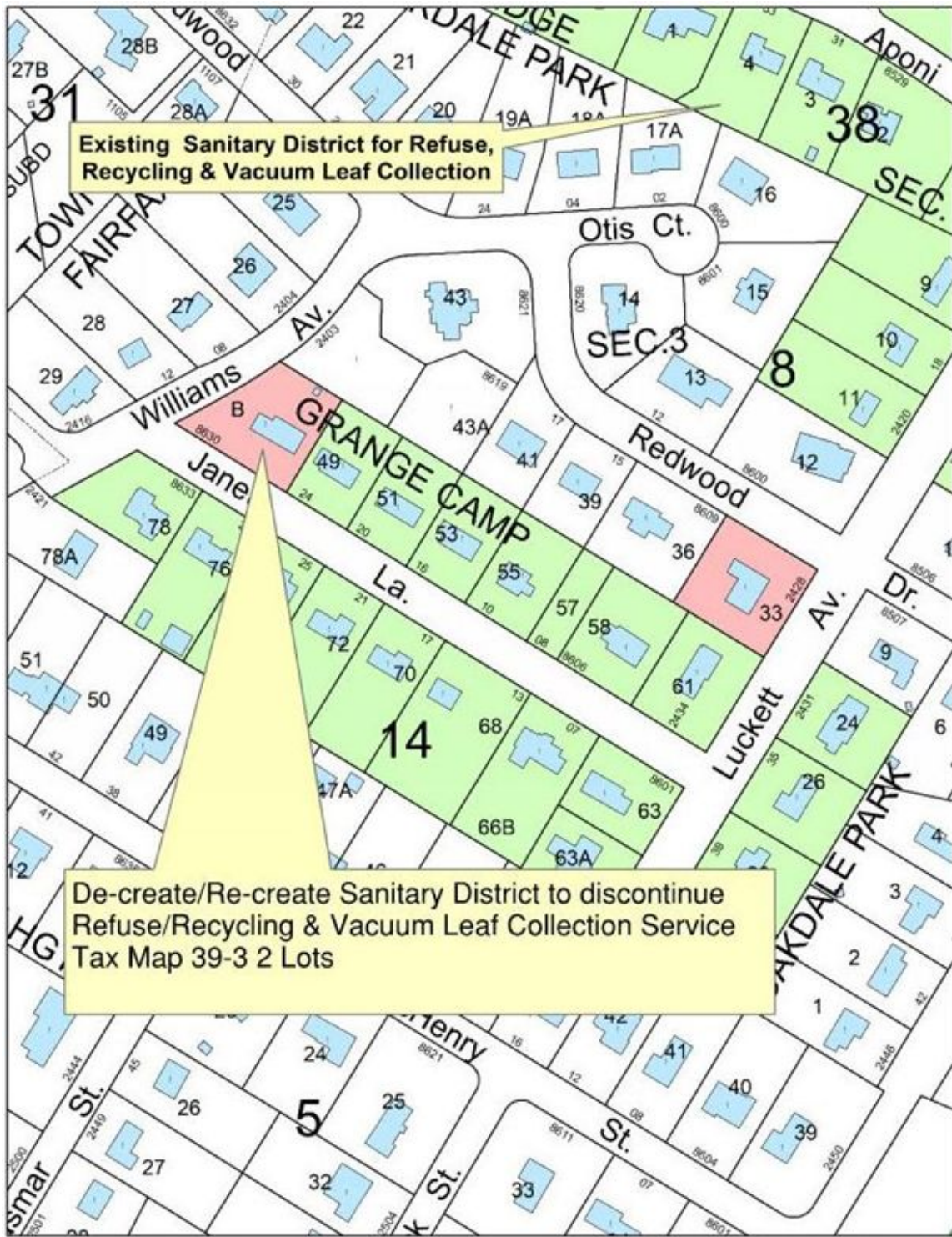
The de-creation/re-creation of Small District within Providence District to include 2428 Lockett Av and 8630 Janet La. located in the County of Fairfax, Virginia, and as shown on the attached map.

AND BE IT FURTHER RESOLVED that the Board of Supervisors of Fairfax County, Virginia, declares its intention to implement the purpose for which said Small District within Providence District is hereby de-created/re-created to wit:

To discontinue refuse/recycling and vacuum leaf collection service for the citizens who reside therein.

Given under my hand this \_\_\_\_ day of July, 2019

\_\_\_\_\_  
Catherine A. Chianese  
Clerk to the Board



**TAX MAP 39-3**

**LUCKETT JANET AREA**