



FAIRFAX COUNTY BOARD OF SUPERVISORS

2024 Bond Referendums Information

Two Bond Referendums on the Ballot on Nov. 5

In the Nov. 5 general election, Fairfax County **voters will be asked to vote YES or NO on two separate bond referendum questions.** If a majority of voters approves a referendum, the county plans to issue general obligation bonds to fund the improvements described in each question.

The county's current plans for the money are set forth in this pamphlet:

- The **\$180 million Transportation Bonds** would be used to finance Fairfax County's share, **under the Washington Metropolitan Area Transit Authority Regional Compact, of the cost of constructing, reconstructing, improving and acquiring transportation improvements and facilities,** including capital costs of land, transit facilities, rolling stock and equipment in the Washington metropolitan area.
- The **\$126 million Public Safety Bonds** would be used to finance, including reimbursement to the County for temporary financing for, **the costs of public safety facilities, including the construction, reconstruction, enlargement, renovation and equipment of civil and criminal justice facilities, police training and operational facilities and stations, fire and rescue training facilities and stations, including fire and rescue stations owned by volunteer organizations,** and the acquisition of necessary land.

Transportation Bond, \$180 Million

If the voters approve the Transportation Bonds, \$180 million in **bonds will be authorized to finance Fairfax County's share of the Washington Metropolitan Area Transit Authority (WMATA) Capital Improvement Program (CIP),** under the WMATA (Metro) Compact. The current six-year CIP provides \$11.1 billion in funding to address the safety of Metro's rail, bus and paratransit system, undertake state of good repair projects, and replace equipment affecting the customer experience. The CIP also includes deployment of mobile fare payment systems and fare gate replacements; and expanding the acquisition of new 8000-Series railcars. Other investment plans include developing the zero-emission bus program; rehabilitating existing railcars and buses; constructing new bus garages; replacing fare boxes; rehabilitating train control equipment; investing in equipment to prepare for an advanced signaling system; and improvements to and rehabilitation of rail stations, tunnels, bridges, track signals and bus system infrastructure.

Public Safety Bonds, \$126 Million

Fire and Rescue - \$56 million

For the Fire and Rescue Department, an amount of \$56 million in bonds is planned for three County fire stations that are included in the FY 2025 - FY 2029 Adopted Capital Improvement Program (CIP) (With Future Fiscal Years to FY 2034).

The County fire stations are all between 41 and 46 years old, and require the replacement of major building subsystems, such as HVAC (Heating, Ventilation and Air Conditioning) and electrical systems, that have reached the end of their useful lives. Funding plans are the result of feasibility studies completed by the Department of Public Works and Environmental Services (DPWES) in spring 2024. This resulted in revisions to original project estimates in the CIP to accommodate additional apparatus bays and traffic circulation requirements based on the current and anticipated future operations of the Fire and Rescue Department. Staff review has resulted in changes to the allocation of funds per station to remain in line with the \$56 million subtotal for the three fire stations.

The renovation/expansion or replacement of the fire stations will expand equipment bays to provide adequate space for apparatus, provide space for current station minimum staffing requirements and provide gender neutral bunkrooms and shower/locker facilities. All station modifications will also be compliant with the collective bargaining terms agreed to by the County and the Fairfax County Professional Fire Fighters and Paramedics, International Association of Fire Fighters (IAFF Local 2068).

Tysons Fire Station - \$25 million

The existing three-bay fire station, constructed in 1978, is due for replacement of major building systems. Plans include construction of a new, larger facility with additional apparatus bays, gender neutral living facilities, a physical fitness area, and storage for personal protective gear and medical supplies. The new fire station is designed to support future increased demand for emergency medical and fire suppression services based on anticipated population growth and high-density development in Tysons. The new fire station is planned to be collocated with a seven-bay transit



facility on the Tysons West Park transit site. The project is currently in the design phase. The current fire station at Spring Hill Road remains in place and operations can continue from that station until the replacement station is constructed.

Fox Mill Fire Station - \$25 million

Funding is planned for renovation or replacement of the existing two-bay fire station originally constructed in 1979. The station is due for replacement of major building systems. The new or renovated station is planned to support gender neutral bunkrooms and shower/locker facilities, space for support functions, and an additional apparatus bay to support future growth. The Fox Mill Fire Station's response area includes Reston and the Route 28 corridor, both targeted for high density development in conjunction with the Metrorail Silver Line, and the planned renovation or replacement will be designed to support increased demand for medical and fire suppression services.

Oakton - \$6 million

The existing facility is a 2 ½ bay fire station built in 1983 and is due for replacement of major building systems, such as HVAC, electrical, and roof repairs that have surpassed their useful life. Funding will also provide for minor improvements to address building deficiencies identified in the feasibility study.

Police Department - \$70 million

For the Police Department, an amount of \$70 million is planned to replace the Criminal Justice Academy as part of a consolidated Police Training Center. As part of the 2018 Public Safety Bond Referendum, an amount of \$18 million was approved to provide for infrastructure upgrades at the existing Criminal Justice Academy. This facility currently provides training for 2,300 annual recruits and incumbents from the Fairfax County Police Department, the Fairfax County Sheriff's Office, and the Town of Vienna Police Department. Plans include facilities addressing training needs for recruits and incumbent officers, and the new building will eliminate the current building's systems and infrastructure that are beyond the end of their life cycle.

A feasibility study has determined that collocating the Criminal Justice Academy with the Emergency Vehicle Operations Center creates spatial and operational efficiencies, thus reducing the overall footprint of the building by utilizing shared spaces between the two training functions. Relocating to the secure drivers' training area will also alleviate security concerns and allow private outdoor training that cannot be accomplished at the current site. The new facility will also be able to meet the County's energy and sustainability goals.

What Are Bonds?

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

Q Why referendums?

A Virginia law generally requires that voters in Fairfax County approve general obligation bonds through a referendum. You have the opportunity to vote either YES or NO on the question. If a majority votes YES on a question, then the Fairfax County Board of Supervisors will be authorized to sell bonds for the purpose described in the ballot question. If a majority votes NO on a question, the county cannot issue general obligation bonds to finance the purpose described in the question unless authorized in another referendum or as otherwise permitted under Virginia law.

Q Will these bonds cause a property tax rate increase?

A The bond program is designed not to contribute to an increase in your property tax rate. Fairfax County has adopted a prudent financial management policy designed to protect its triple-A bond ratings.

Under the program, the county's net long-term debt is not to exceed 3% of the total market value of taxable real and personal property in the county. It also provides that annual debt service (the cost of principal and interest payments) be kept below 10% of annual combined general fund disbursements, and that general obligation bond sales shall not exceed an average principal amount of \$400 million per year or \$2.0 billion over five years.

For FY 2025, the county's projected net long-term debt is 0.96% of the market value of all taxable real and personal property. Debt service costs in FY 2025 are projected to be 6.94% of total general fund disbursements. The FY 2025-2029 Capital Improvement Program, which was adopted by the Fairfax County Board of Supervisors on May 6, 2024, anticipates the issuance of an average of \$400 million of general obligation bonds per year. **Of this amount, approximately \$230 million (57.5%) is for Fairfax County Public Schools, and \$170 million (42.5%) is for the county.**

This policy is expected to keep debt service below 9% of general fund disbursements, which will maintain a balance between current operating expenses and long-term capital needs.

Q Can the bonds on the Nov. 5 ballot be used for other purposes?

A Proceeds of the sale of bonds authorized for a specific purpose may not, by law, be used for any purpose other than the purpose specified in the referendum question. In other words, the proceeds of the sale of parks bonds, for example, may not be used to finance other projects, such as transportation projects. Although this pamphlet describes the county's current plans for the use of the bond proceeds, the county would be permitted to issue general obligation bonds for any purpose described in the ballot questions.

Q What is the cost of borrowing?

A Borrowing always entails interest costs. Since the interest earned by holders of municipal bonds is usually exempt from federal taxes, interest rates for these bonds generally are lower than the rate charged for private loans.

Fairfax County has the highest credit rating possible for any government: triple-A from Moody's Investors Service Inc.; from S & P Global Ratings; and from Fitch Ratings. As of January 2024, Fairfax County is one of only 12 states, 53 counties and 37 cities to hold a triple-A bond rating from all three rating agencies. For this reason, Fairfax County's bonds sell at relatively low interest rates compared to other tax-exempt bonds.

Q Why not pay for capital improvements on a pay-as-you-go basis?

A If capital construction was financed on a pay-as-you-go basis out of current tax revenues, expenditures would be paid for in a much shorter time frame, which could necessitate tax rate increases or a significant reduction in other county services.

Bond financing spreads the cost of major projects of general benefit to the county over future years and ensures that both current and future residents and users share in the payment. Without bond financing, capital improvement budgeting is less predictable.

Q What is the county's total bonded indebtedness?

A As of July 2024, the total of general obligation bond and other tax-supported debt outstanding from FY 2025 through FY 2042 is \$3.18 billion in principal and \$0.87 billion in interest. During the next five years, \$1.53 billion, or approximately 38% of the total debt, is scheduled to be paid off.

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

A During the past 20 years, the share of taxes used to pay debt service has fluctuated from 6.64% to 8.54%. For FY 2025, it is projected to be 6.94% and is projected to remain below 9% based on current market and conservative revenue forecasts while assuming passage of the bond referendums this fall for transportation and public safety.

Q What are the benefits from the county's triple-A bond ratings?

A The county's triple-A bond ratings lower the county's borrowing cost. The county's policy of rapid debt retirement and strong debt management guidelines serves to keep debt per capita and net debt as a percentage of estimated market value of taxable property at low levels.

Since 1978, the county has saved over \$1.03 billion on bond and refunding sales as a result of the triple-A ratings when compared to industry benchmarks of other municipal bond issuers.

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

A Fairfax County bond packages are planned to fund specific projects. This means that all previous bond authorizations were planned for or are obligated to specific projects. These projects often take several years to complete.

Bonds are sold only as the money is needed, resulting in substantial amounts of authorized, but unissued, bonds. Prudent financial management dictates that the proportionate amount of bonds to be sold to coincide with the annual cash flow requirements for construction costs associated with the respective capital projects.

Some pro and con arguments on financing capital projects through bond funding.

PRO

Some people think that bond financing is a vital part of the county's comprehensive approach to the challenge of funding needed infrastructure and capital facilities. Here are some of the arguments used by proponents of bond funding:

- Bonding spreads the cost of major projects of general benefit to county residents over future years and ensures that both current and future residents and users share in the payment.
- Spreading out the cost of major projects permits the county to accomplish more projects sooner than it would with a pay-as-you-go method, using only current tax revenues.
- Constructing the proposed county facility improvement projects from current general tax dollars cannot be accomplished without substantial cuts to current programs or increased revenues from taxes and fees.
- Prudent use of long-term debt can be accomplished without having any adverse impact on the county's bond ratings or the tax rate.

CON

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

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

FAIRFAX COUNTY BOARD OF SUPERVISORS

Jeffrey C. McKay, Chairman At-Large

Kathy L. Smith, Vice Chairman,
Sully District

James R. Walkinshaw, Braddock District

James N. Bierman, Dranesville District

Walter L. Alcorn, Hunter Mill District

Rodney L. Lusk, Lee District

Andres F. Jimenez, Mason District

Daniel G. Storck, Mount Vernon District

Dalia A. Palchik, Providence District

Pat Herrity, Springfield District

For contact information, visit www.fairfaxcounty.gov/boardofsupervisors.

Election Information

Date: Tuesday, Nov. 5, 2024 **Type:** General and Special Elections

Voter Registration Deadlines

Online: By 11:59 p.m., Tuesday, Oct. 15, through the Virginia Department of Elections Citizen Portal: vote.elections.virginia.gov/VoterInformation

By Mail: Postmarked on or before Tuesday, Oct. 15

In-Person: Through October 15 at the Fairfax County Office of Elections, Suite 323, 12000 Government Center Parkway, Fairfax

Same-Day Registration: Oct. 16 to Nov. 2 at any early voting location; on Election Day, available only at your precinct.

Extended voter registration for uniformed service members, their families and those temporarily abroad; contact the Fairfax County Office of Elections for details.

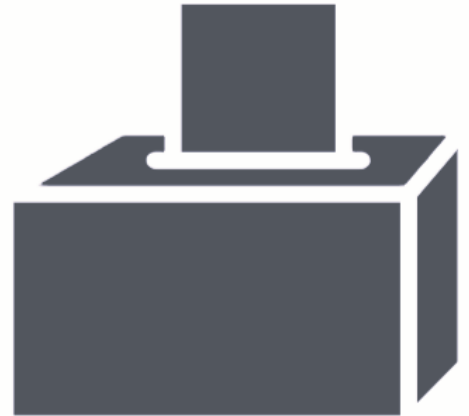
Early Voting

Dates: Friday, Sept. 20 - Saturday, Nov. 2

Locations: Early voting available at Fairfax County Government Center, Mount Vernon Governmental Center, North County Governmental Center, and 13 additional locations beginning Thursday, Oct. 17, ending Saturday, Nov. 2. Scan QR code below for additional locations and details.

ID Requirements: Present an acceptable ID or sign an ID Confirmation Statement; curbside voting is available.

Absentee by Mail: Surrender your mail-in ballot if voting early in person; otherwise, vote a provisional ballot.



Not sure where to vote on Election Day?

Visit the Citizen Portal on the Virginia Department of Elections website, vote.elections.virginia.gov/, or contact the Fairfax County Office of Elections at 703-222-0776 (TTY 711) or voting@fairfaxcounty.gov.