

# Fund 40190: Reston Service District

## Focus

On February 11, 2014, the Board of Supervisors (Board) adopted the Reston Phase I Comprehensive Plan Amendment (CPA). This amendment included revised land use and additional transportation facilities for the three Reston Transit Station Areas (TSAs): Wiehle-Reston East, Reston Town Center, and Herndon. The CPA optimizes development opportunities associated with the availability of mass transit while maintaining the stability of existing land uses outside of the TSAs. The TSA designation allows a mixture of residential, office, retail and other commercial uses and provides opportunities for joint public-private development.

The CPA envisioned that these revised land uses will be served by a multi-modal transportation system. To support that vision, the CPA recommended multi-modal roadway improvements, a grid network, intersection improvements, and supporting transit service. As a result, on February 11, 2014, the Board directed the Planning Commission (PC) and staff to develop an inclusive process to prepare a funding plan for the transportation improvements recommended in the CPA and return to the Board with staff's recommendations. The Board further directed staff that the funding plan should include arrangements for financing the public share of Reston infrastructure improvements and facilitate cooperative funding agreements with the private sector.

Subsequent to the Board's action, the Hunter Mill District Supervisor appointed a Reston Network Analysis Advisory Group (Advisory Group) to refine the transportation network included in the CPA and develop the funding plan. Although the Board directed the PC to work with staff on the funding plan, the Advisory Board served as a diversified stakeholder group representing various interests in Reston, and in that capacity fulfilled the charge of the PC.

The Advisory Group provided a forum for Fairfax County Department of Transportation (FCDOT) staff to receive input and feedback from residents, property owners, and developers on the Reston Network Analysis (analysis of transportation improvements recommended in the CPA) and associated plans. In its feedback, the Advisory Group was most interested in funding options that include both proffer and service district revenue streams. Staff also solicited feedback on the funding plan from the larger community and other stakeholders at a series of public meetings.

In December 2016, consensus was reached on a funding plan after review from the Board of Supervisors, the Planning Commission Transportation Subcommittee, the Advisory Group, and the Reston Association. The following provides the main aspects of the funding plan and entails three categories of improvements: Roadway Improvements, Intersection Improvements, and a Grid of Streets Network. Staff assumed that existing transit resources in Reston and Herndon would be re-allocated to increase feeder and circulation service when Phase II of the Metrorail Silver Line opened. As a result, no additional funding for transit was included in the Reston Transportation Funding Plan.

Primary responsibility for funding of Roadway Improvements would come from public revenue sources allocated by the County for use on countywide transportation projects. These include the following sources:

- Federal: Regional Surface Transportation Program (RSTP) and Discretionary Grant Programs
- State: Smart Scale and Revenue Sharing
- Regional: Northern Virginia Transportation Authority (NVTA) 70 percent Regional Funds
- Local: Commercial & Industrial Tax, General Obligation Bonds, NVTA 30 percent Local Funds

Funding for Intersection Improvements and the Grid Network is expected to come from private revenue sources, such as revenues generated within the Reston TSAs and used exclusively for projects in the Reston TSAs. Private funding encompasses three sources. First, In-kind Contributions from developers would fund the construction of grid segments for their development or redevelopment projects. Second, Road Fund contributions would be paid by developer contributions in the form of pooled cash proffers on a per residential unit or per commercial square foot basis of new development for use on the Grid Network. This money would be deposited in Fund 30040, Contributed Roadway Improvements. Third, Fund 40190, Reston Service District, was reflected as part of the FY 2018 Advertised Budget Plan and included a tax rate of \$0.021 per \$100 of assessed value on commercial and residential properties within the Reston TSAs. The Board approved a Funding Plan and Road Fund for Reston Transportation Projects on February 28, 2017. On April 4, 2017, following a public hearing, the Board of Supervisors established the Reston Service District as well as Board action approving a Service District Advisory Board. The corresponding tax rate of \$0.021 per \$100 of assessed value was included as part of the FY 2018 Adopted Budget Plan. The tax rate remained at \$0.021 per \$100 of assessed value as part of the FY 2024 Adopted Budget Plan.

### **FY 2024 Funding Adjustments**

*The following funding adjustments from the FY 2023 Adopted Budget Plan are necessary to support the FY 2024 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the Budget on May 9, 2023.*

**FY 2024 funding remains at the same level as the FY 2023 Adopted Budget Plan.**

### **Changes to FY 2023 Adopted Budget Plan**

*The following funding adjustments reflect all approved changes in the FY 2023 Revised Budget Plan since passage of the FY 2023 Adopted Budget Plan. Included are all adjustments made as part of the FY 2022 Carryover Review, FY 2023 Third Quarter Review, and all other approved changes through April 30, 2023.*

**Carryover Adjustments** **\$4,332,914**

As part of the FY 2022 Carryover Review, the Board of Supervisors approved an increase of \$4,332,914 based on the carryover of unexpended project balances in the amount of \$832,914 and an adjustment of \$3,500,000. This adjustment included \$1,500,000 to support the Fairfax County Parkway/Sunrise Valley Drive Intersection project and \$2,000,000 to support the Reston Parkway/Baron Cameron Avenue Intersection project.

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### FUND STATEMENT

Category	FY 2022 Actual	FY 2023 Adopted Budget Plan	FY 2023 Revised Budget Plan	FY 2024 Advertised Budget Plan	FY 2024 Adopted Budget Plan
<b>Beginning Balance</b>	<b>\$7,363,411</b>	<b>\$8,898,080</b>	<b>\$9,712,002</b>	<b>\$7,889,882</b>	<b>\$7,889,882</b>
<b>Revenue:</b>					
Real Estate Taxes-Current <sup>1</sup>	\$2,370,807	\$2,510,794	\$2,510,794	\$2,512,421	\$2,512,421
Interest on Investments	7,430	0	0	0	0
<b>Total Revenue</b>	<b>\$2,378,237</b>	<b>\$2,510,794</b>	<b>\$2,510,794</b>	<b>\$2,512,421</b>	<b>\$2,512,421</b>
<b>Total Available</b>	<b>\$9,741,648</b>	<b>\$11,408,874</b>	<b>\$12,222,796</b>	<b>\$10,402,303</b>	<b>\$10,402,303</b>
<b>Expenditures:</b>					
District Expenses	\$29,646	\$0	\$4,332,914	\$0	\$0
<b>Total Expenditures</b>	<b>\$29,646</b>	<b>\$0</b>	<b>\$4,332,914</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Disbursements</b>	<b>\$29,646</b>	<b>\$0</b>	<b>\$4,332,914</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Balance<sup>2</sup></b>	<b>\$9,712,002</b>	<b>\$11,408,874</b>	<b>\$7,889,882</b>	<b>\$10,402,303</b>	<b>\$10,402,303</b>
<b>Tax rate per \$100 Assessed Value</b>	<b>\$0.021</b>	<b>\$0.021</b>	<b>\$0.021</b>	<b>\$0.021</b>	<b>\$0.021</b>

<sup>1</sup> The FY 2024 estimate is based on January 1, 2023 assessed values at the adopted tax rate of \$0.021 per \$100 of assessed value.

<sup>2</sup> The ending balance will be accumulating in anticipation of capital projects to be funded in the service district. The available Pay-As-You-Go (PAYGO) funding will continue to accrue as projects move from design to construction and can span several years until substantial completion. PAYGO funding will also reduce the need for long term district bond financing.

**SUMMARY OF CAPITAL PROJECTS**

<b>Project</b>	<b>Total Project Estimate</b>	<b>FY 2022 Actual Expenditures</b>	<b>FY 2023 Revised Budget</b>	<b>FY 2024 Advertised Budget Plan</b>	<b>FY 2024 Adopted Budget Plan</b>
Fairfax County Parkway/Sunrise Valley Drive Intersection (2G40-151-000)	\$2,000,000	\$0.00	\$1,895,323.98	\$0	\$0
Reston Pkwy/Baron Cameron Ave Int (2G40-174-000)	2,500,000	29,645.70	2,437,590.30	0	0
<b>Total</b>	<b>\$4,500,000</b>	<b>\$29,645.70</b>	<b>\$4,332,914.28</b>	<b>\$0</b>	<b>\$0</b>