

Fund 40125: Metrorail Parking System Pledged Revenues

Focus Fund 40125, Metrorail Parking System Pledged Revenues, was established by the Board of Supervisors on November 18, 2014, to collect and disburse funds related to revenue-generating activities at Metrorail parking facilities owned by and located within the County. These funds are generated from fees paid at these parking facilities and used to pay operating, maintenance, and debt expenses of the County facilities.

In November 2011, the Board of Supervisors agreed to a Memorandum of Agreement (MOA) to participate in Phase II of the Silver Line of the Dulles Metrorail project and to use its “best efforts” to seek funding for the parking garages at Herndon and Innovation Center from sources outside of the shared funding formula agreed to by the funding partners. In that MOA, the Washington Metropolitan Area Transit Authority (WMATA) agreed in principle to changes in the 1999 Surcharge Agreement that would enable the County to use surcharge revenues to finance those parking facilities. The Surcharge Agreement provides a mechanism to collect a base fee and a surcharge fee at the five WMATA-owned/leased parking facilities in Fairfax County and two additional stations (East Falls Church in Arlington County and Van Dorn in the City of Alexandria).

At the June 10, 2014, Board of Supervisors Transportation Committee Meeting, County staff provided an update on staff coordination with WMATA to amend surcharge documents, and an overview of the plan of finance to construct the parking garages at Herndon and Innovation Center. Prior to the opening of Phase I of the Silver Line of the Dulles Metrorail project, WMATA owned or leased all the Metrorail parking garages in Fairfax County.

The parking facilities at the Wiehle-Reston East, Herndon, and Innovation Center Metrorail Stations are owned by Fairfax County. By retaining ownership of the new parking facilities, the County can control future joint development on the sites and retain all revenues generated from those joint developments. The surcharge fee had been used to pay the debt service on revenue bonds sold by the Fairfax County Economic Development Authority (EDA) to finance the prior construction of Metrorail parking facilities in the County. The base parking fee is used by WMATA to operate and maintain WMATA-owned parking facilities.

Since the County owns the new parking facilities within its jurisdiction, the Surcharge Agreement was amended so that the entire parking fee at the new facilities would be retained by the County, and the surcharge from the WMATA-owned facilities could be used by the County for costs associated with the County-owned facilities at the Wiehle-Reston East, Herndon, and Innovation Parking Garages. WMATA and Fairfax County staff worked together to create the Second Amended and Restated Surcharge Implementation Agreement that was approved in October 2014.

As part of the United States Department of Transportation’s (USDOT) Transportation Infrastructure and Finance and Innovation Act (TIFIA) loan for the Dulles Metrorail project, Fairfax County received \$403.3 million toward its baseline share of project costs on December 17, 2014. As a condition to financial closing on the TIFIA loan, a side Letter Agreement between USDOT and the County regarding the County’s construction of the parking garages at the Herndon and Innovation Center Metrorail Stations was established. The County agreed to complete construction of the parking garages by the WMATA-announced start date of revenue service for Phase II of the Silver Line of the Dulles Metrorail project. The parking garage bond sale occurred in February 2017 in the amount of \$90.9 million to fund the following: Herndon Station and Innovation Center Station Parking Garages of \$37.9 million and \$37.1 million, respectively, per final construction bids; and \$15.9 million to fund capitalized interest, funding of a debt service reserve, and costs of issuance. Following the construction period, the Herndon Station Parking Garage was completed in April 2019 and the Innovation Center Station Parking Garage was completed in June 2020. The parking garages

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became fully operational and open to the public when the revenue/passenger service started for Phase II on November 15, 2022.

FY 2025 Funding Adjustments

The following funding adjustments from the FY 2024 Adopted Budget Plan are necessary to support the FY 2025 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 7, 2024.

Operational Expenses Adjustment for Wiehle-Reston East Parking Garage **\$391,818**
An increase of \$391,818 is included for operational expenses for the Wiehle-Reston East Metrorail Parking Garage.

Debt Service Adjustment **(\$2,375)**
A net decrease of \$2,375 is noted for programmed debt service expenses for the Wiehle, Herndon, and Innovation Center Station Metrorail Parking Garages.

Operational Expenses Adjustment for Herndon and Innovation Parking Garages **(\$39,570)**
A net decrease of \$39,570 is included for operational expenses for the Herndon and Innovation Center Station Parking Garages.

Changes to FY 2024 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2024 Revised Budget Plan since passage of the FY 2024 Adopted Budget Plan. Included are all adjustments made as part of the FY 2023 Carryover Review, FY 2024 Third Quarter Review, and all other approved changes through April 30, 2024.

Carryover Adjustments **(\$1,904,508)**
As part of the FY 2023 Carryover Review, the Board of Supervisors approved a decrease of \$1,904,508, including a decrease of \$2,232,434 due to the planned use of outstanding bond proceeds from the Herndon Metrorail Station Parking Garage and the Innovation Center Metrorail Station Parking Garage bond sale to reduce a portion of the FY 2024 debt service associated with these bonds. In addition, a decrease of \$2,302,540 was included due to the project completion of the Herndon Metrorail Station Parking Garage and the Innovation Center Metrorail Station Parking Garage. These projects were funded with Economic Development Authority (EDA) bonds. The remaining bond funding will be used to support a portion of the FY 2024 debt service payment associated with these bonds. This adjustment was partially offset by an increase of \$2,302,540 associated with unexpended Capital Project balances related to the Herndon Metrorail Station Parking Garage and the Innovation Center Metrorail Station Parking Garage projects; \$54,265 associated with encumbrances that will support the operational and maintenance requirements for the Herndon Metrorail Station Parking Garage; \$26,648 associated with encumbrances that will support the operational and maintenance requirements for the Innovation Center Metrorail Station Parking Garage; and \$247,013 associated with encumbrances that will support the operational and maintenance requirements for the Wiehle-Reston East Metrorail Station Parking Garage.

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FUND STATEMENT

Category	FY 2023 Actual	FY 2024 Adopted Budget Plan	FY 2024 Revised Budget Plan	FY 2025 Advertised Budget Plan	FY 2025 Adopted Budget Plan
Beginning Balance	\$15,681,995	\$7,550,091	\$11,058,446	\$11,670,049	\$12,050,669
Revenue:					
Wihle-Reston East Ground Rent ¹	\$3,397,506	\$3,446,262	\$3,446,262	\$3,446,262	\$3,446,262
Interest on Investments ^{2,3}	898,772	0	0	200,000	200,000
Wihle-Reston East Metrorail Parking Garage ⁴	828,081	1,294,881	1,294,881	719,379	719,379
New Garage Revenue ⁵	175,420	3,156,134	3,156,134	350,682	350,682
WMATA Surcharge Parking Fees ⁶	1,033,311	1,985,089	1,985,089	1,134,337	1,134,337
Total Revenue	\$6,333,090	\$9,882,366	\$9,882,366	\$5,850,660	\$5,850,660
Transfers In:					
County and Regional Transportation Projects (40010) ⁷	\$2,717,877	\$0	\$2,354,867	\$2,354,867	\$2,354,867
Total Transfers In	\$2,717,877	\$0	\$2,354,867	\$2,354,867	\$2,354,867
Total Available	\$24,732,962	\$17,432,457	\$23,295,679	\$19,875,576	\$20,256,196
Expenditures:					
Projects ^{3,8}	\$13,674,516	\$13,159,957	\$11,245,010	\$13,509,830	\$13,509,830
Total Expenditures	\$13,674,516	\$13,159,957	\$11,245,010	\$13,509,830	\$13,509,830
Total Disbursements	\$13,674,516	\$13,159,957	\$11,245,010	\$13,509,830	\$13,509,830
Ending Balance	\$11,058,446	\$4,272,500	\$12,050,669	\$6,365,746	\$6,746,366
Debt Service Reserve ⁹	\$4,758,500	\$4,758,500	\$4,758,500	\$4,758,500	\$4,758,500
Unreserved Balance¹⁰	\$6,299,946	(\$486,000)	\$7,292,169	\$1,607,246	\$1,987,866

¹ Revenues associated with ground rent at the Wihle-Reston East Metrorail Station Parking Garage.

² Interest on Investments revenue represents interest revenue associated with the Metrorail Parking System Pledged Revenues projects. An amount of \$898,772 was received in FY 2023.

³ In order to account for revenues and expenditures in the proper fiscal year, audit adjustments were reflected as an increase of \$380,620.20 to FY 2023 revenues in order to record earned interest in the appropriate fiscal year and an increase of \$10,438.79 to FY 2023 expenditures to record adjustments to expenditure accruals. This impacted the amount carried forward resulting in a decrease to expenditures of \$10,438.79 to the *FY 2024 Revised Budget Plan*. The project affected by this adjustment was 2G40-115-000, Wihle Parking Operations and Maintenance. The Annual Comprehensive Financial Report (ACFR) reflected all audit adjustments in FY 2023. Details of the audit adjustments were found in Attachment VI of the FY 2024 Third Quarter Package.

⁴ Parking revenues collected at the Wihle-Reston East Metrorail Station Parking Garage. As ongoing information is available on monthly parking trends, budget updates will be provided as part of a future quarterly review.

⁵ Projected parking revenues to be collected at the Herndon and Innovation Center Station Parking Garages. These parking garages became fully operational and open to the public when the revenue/passenger service started for Phase II on November 15, 2022. As ongoing information is available on monthly parking trends, budget updates will be provided as part of a future quarterly review.

⁶ Projected revenues transferred from the Washington Metropolitan Area Transit Authority (WMATA) for five WMATA owned/leased parking facilities in Fairfax County (Huntington, West Falls Church, Dunn Loring, Vienna, and Franconia) and two additional stations (East Falls Church in Arlington County and Van Dorn in the City of Alexandria). These revenues are used by the County to pay debt service for the Herndon and Innovation Center Station Parking Garages. As further information is available on monthly parking trends, budget updates will be provided as part of a future quarterly review.

⁷ Provides for additional funds required to pay debt service on the Wihle-Reston East Metrorail Station Parking Garage not covered by ground rent and parking fees. Funding needs will be reviewed as part of the annual budget process as well as the annual Carryover Review process.

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⁸ Construction funding from the Fairfax County Economic Development Authority Parking Revenue bond sale in February 2017 for the Herndon Station Parking Garage (\$37,900,000), Innovation Center Station Parking Garage (\$37,100,000), and annual operational and maintenance costs for these parking garages as well as for the Wiehle-Reston East Metrorail Station Parking Garage.

⁹ Debt service reserve fund for the parking garage revenue bonds, which was funded at closing of the bond sale in March 2017.

¹⁰ The FY 2024 Adopted Budget Plan Unreserved Balance was negative due to higher-than-expected estimated expenses in FY 2023. This negative Unreserved Balance was corrected as part of the *FY 2023 Carryover Review* through a Transfer In and unused bond proceeds to offset debt service expenditures.

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SUMMARY OF CAPITAL PROJECTS

Project	Total Project Estimate	FY 2023 Actual Expenditures	FY 2024 Revised Budget	FY 2025 Advertised Budget Plan	FY 2025 Adopted Budget Plan
Hern Innov Pkg Facility Debt Service (2G40-167-000)	\$28,515,899	\$4,756,500.00	\$2,521,648.55	\$4,757,500	\$4,757,500
Herndon Metrorail Parking Facility (TF-000033)	34,990,899	291.28	0.00	0	0
Herndon Pkg Operations and Maintenance (2G40-146-000)	4,860,373	169,690.50	182,264.55	506,230	506,230
Innovation Metrorail Parking Facility (TF-000034)	37,706,562	65,719.23	0.00	0	0
Innovation Pkg Operations and Maintenance (2G40-145-000)	403,417	109,213.63	126,315.97	91,200	91,200
Wiehle Metro Pkg Facility Debt Service (2G40-115-000)	68,406,388	6,185,500.00	6,190,625.00	6,185,500	6,185,500
Wiehle Pkg Operations and Maintenance (2G40-120-000)	16,595,295	2,387,601.05	2,224,156.41	1,969,400	1,969,400
Total	\$191,478,833	\$13,674,515.69	\$11,245,010.48	\$13,509,830	\$13,509,830