

Fund 700

Route 28 Taxing District

<i>FY 2008 Adopted Budget Plan</i>	
<i>Fund 700, Route 28 Taxing District</i>	
Total Expenditures:	\$11,209,526
Revenue:	
General Fund Support	\$0
Bond Revenue	\$0
Other Revenue	\$11,209,526
Total Revenue	\$11,209,526

► Summary of Program

The Route 28 Fund is an agency fund used to account for the collection of assessments on certain industrial and commercial properties for transportation improvements to Route 28 and the subsequent remittances of these funds to the Commonwealth of Virginia.

The Route 28 District (the “District”) is a special tax district formed in partnership with Loudoun County to provide improvements to State Route 28 on December 21, 1987. Under the terms of the agreement with the state, the District will fund 75 percent of defined Phase I and Phase II improvements and the state will fund 25 percent from funds received through the State Primary Road Fund allocation formula. Improvements completed for Phase I included widening the existing road from two to six lanes and upgrading three major intersections. Phase II improvements include ten grade separated interchanges and widening from six lanes to eight. Six of the interchanges are complete or in the final stages of construction to further ease traffic congestion.

In August 2002, Virginia Department of Transportation (VDOT) and the two Counties executed agreements to finance a Public Private Transportation Act (PPTA) construction contract for completion of six interchanges. In March 2006, the Route 28 District Commission was briefed as to an opportunity to extend the PPTA contract to complete the final four interchanges. The availability of the Governor’s Transportation Partnership Opportunity Fund (TPOF) program, a new financing program administered by the Governor, coupled with extraordinary growth in the District Tax Revenues since 2002 created the financial conditions that would permit the proposed financing of the final four interchanges. This proposal represents an acceleration of these planned District improvements by at least five years from the original estimates.

On September 1, 2006, the Route 28 District Commission received notification of an award of a \$5.0 million TPOF grant and an interest free loan not to exceed \$20.0 million to finance construction activities associated with the final four interchange improvements along the Route 28 Corridor in Fairfax and Loudoun Counties. Utilization of \$25.0 million of TPOF grant and loan funds, plus approximately \$86.1 million from the sale of Fairfax County Economic Development Authority Route 28 Tax District revenue bonds and expected contributions from available project completion funds will fund the total project cost of \$111.1 million. This plan of finance will allow for the completion of the final four interchanges: Willard Road (including sidewalks/trails); Nokes Boulevard (including sidewalks/trails and replacement of the W&OD trail parking lot); Frying Pan Road; and CIT/Innovation Drive. After completion of the final four interchanges, only the widening of a portion of Route 28 to 8 lanes will remain to be completed under the original approved scope of the improvements.

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On October 23, 2006 the Board approved and authorized staff to execute documents for a Route 28 Tax District Contract Amendment related to the acceptance of a \$5.0 million grant and a \$20 million interest free loan from the State Transportation Partnership Opportunity Fund (TPOF) and authorization to seek Economic Development Authority (EDA) bond financing to construct the final four interchanges of the Route 28 Highway Improvement Project.

The District, administered by a Commission appointed by the Board of Supervisors of both Counties, may subject the owners of industrial and commercial property within the District to a maximum additional tax assessment of 20 cents per \$100 of assessed value. These funds, in addition to funds received through the State Primary Road Fund allocation formula, are used for the road improvements and for debt service on bonds issued by the state.

► Funding Availability and Future Considerations

Funding is made available through a special assessment ad valorem tax on all real estate within the District. Revenue projections at an average of 3.0 percent growth, as required by the District Contract, are anticipated to be adequate to meet all District debt obligations. All current and future bond issues are anticipated to be fully supported by District tax revenue.

► Status of Program

The final four interchanges are funded and design and engineering activities are nearing completion and construction will begin after design approval and Right of Way acquisition is completed. Only the widening of a portion of Route 28 to 8 lanes will remain to be completed under the original approved scope of the improvements.

► Mandate Information

There is no federal or state mandate for this LOB.