



County of Fairfax, Virginia

Countywide Dialogue on Transportation

Fairfax Federation
November 15, 2012

Fairfax County Department of Transportation



Background

Fairfax County's economic health depends on an efficient transportation system. The County strives to improve mobility for all those who live, work, travel or do business in Fairfax County, but funding for transportation has become increasingly limited.

County's calculated its unfunded transportation needs over the next decade

The County has identified several potential new sources of revenue that could be used to fund transportation and sought initial feedback on these and any funding options.

The County is beginning a dialogue with the community about ways to address the transportation funding problem.





How Transportation is Funded in Fairfax County

Transportation is funded by a variety of federal, state, regional, local, and private sources.

Roads (construction and maintenance) are owned and maintained by the state, and funded by private, state and federal sources. The County has funded some road improvements, such as Fairfax County Parkway, since the 1980s.

Transit Services (Metro, Connector, VRE) are operated by local and regional agencies. Operating costs are funded by state, regional, private and local sources including farebox revenues. Capital costs are funded by federal, state and local sources.

Bike and Pedestrian facilities are included in major roadway projects. Stand-alone projects (not included in roadway projects) are typically built by the County and funded by private, local, state and federal sources.



Current State of Transportation Funding for Fairfax County

In the past few years, funding for transportation in Fairfax County has become increasingly limited.





Current State of Transportation Funding for Fairfax County (cont.)

The Federal Outlook

- All federal formula funds have been programmed and allocated through FY 2018.
- Federal transportation funds for capital projects have been capped for the next two years with limited prospects for new or additional revenues beyond that.
- The federal government has increased funding available for transportation loans. However, a funding source is required to repay those loans.

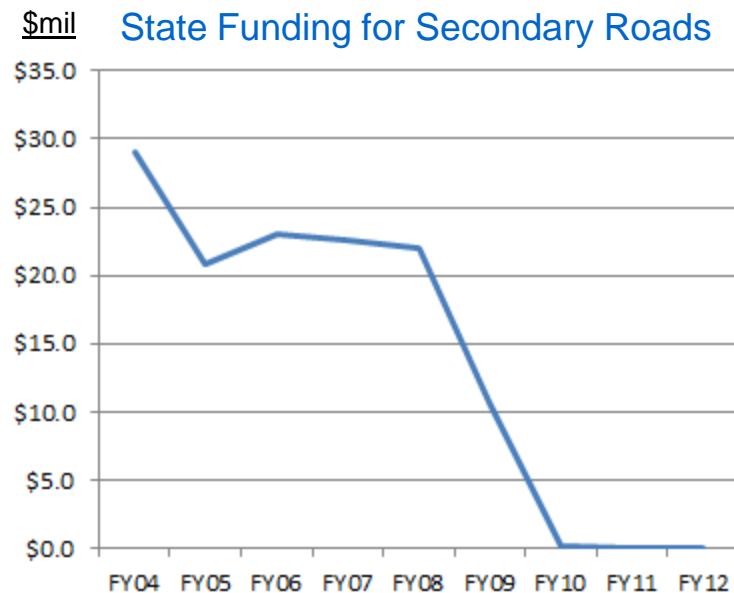




Current State of Transportation Funding for Fairfax County (cont.)

The State Outlook

- State funding for secondary roads has decreased from \$29 million in FY2004 to \$0 in FY2010.
- (Secondary roads have a route number above 600; examples include Braddock Road, Old Keene Mill Road, Backlick Road and subdivision streets.)



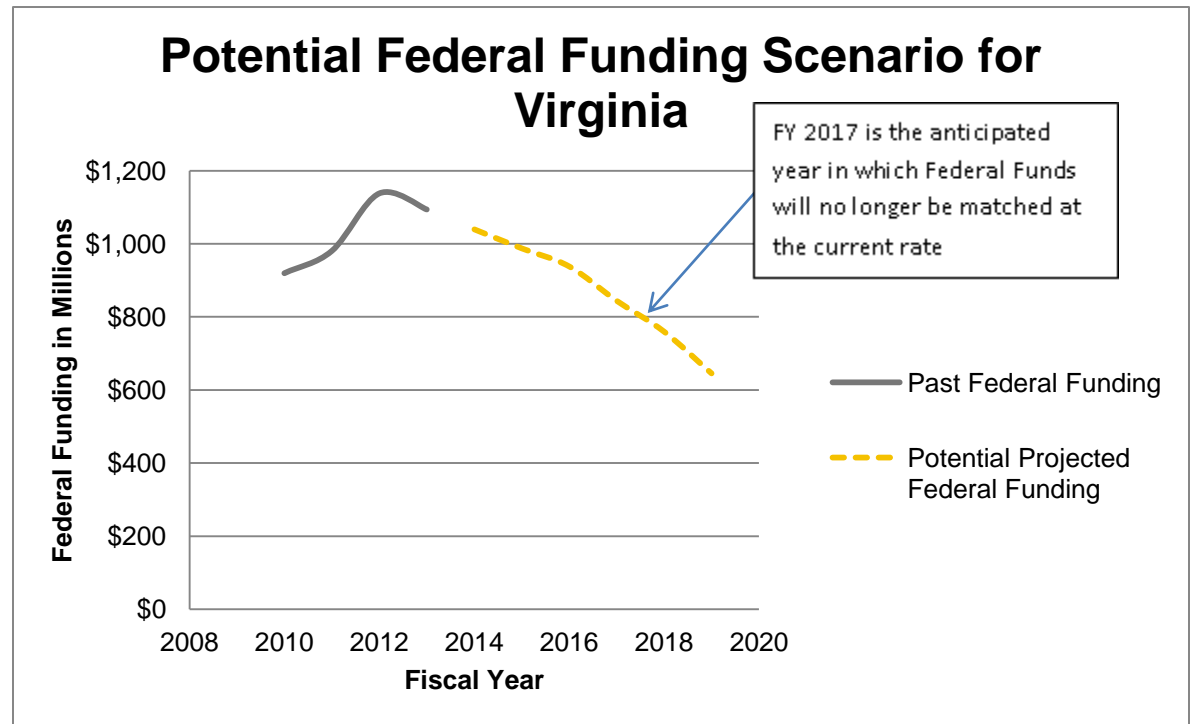
Source: Fairfax County Department of Transportation



Current State of Transportation Funding for Fairfax County (cont.)

The State Outlook (cont.)

- By FY 2017, all state transportation funds must be used for highway maintenance, and there will not be enough funding left to match the federal highway construction funds.
- State funding for transit is essentially flat, despite growing needs.



Source: Fairfax County Department of Transportation



Current State of Transportation Funding for Fairfax County (cont.)

The Local Outlook

- The County has a Commercial & Industrial tax for transportation that is currently \$0.11 per \$100 of assessed value. There is limited flexibility in this revenue source beyond FY 2014, because of existing commitments.
- The County already spends approximately \$280 million annually from local sources on transportation (general tax revenues, special tax revenues, proffers, bonds, etc.)



Current Funding Snapshot

Fairfax County's 10-Year Transportation Needs and Revenues for
FY 2012 – FY 2021:

\$8.1 billion in needs

-- \$5.1 billion in anticipated revenues from existing sources¹

\$3.0 billion deficit (10-year total)

Needed: \$300 million per year

1. See list of funded projects.



Addressing the Funding Problem

To meet the existing and projected needs of Fairfax County, new sources of revenue must be found or expectations and the number of projects must be reduced even further.





Impacts of Reduced Funding

Virginia has been ranked #1 or #2 for Best States for Business the past several years. In 2012, Virginia slipped to #3; and also fell from #10 to #33 in quality of transportation and infrastructure.¹

Maintaining quality transportation and infrastructure (Dulles Rail, Express Lanes) has helped attract more businesses to Virginia, even during the recession, especially in Northern Virginia.

Failure to improve transportation will lead to longer commutes, reduced productivity, fewer jobs as businesses move out of the county, a weakened economy and more air pollution.

1. Source data: CNBC “America's Top States for Business”.





PROJECTS





County Projects Needed

- The County has identified several capital and operating projects to add new capacity to the transportation network during the next 10 years
- These projects provide for new capacity and **do not address ongoing maintenance needs.**
They are not funded in any existing or ongoing transportation plans and will require new sources of revenue if they are to be completed.
- An additional \$60 million per year would be need to address maintenance.
- These projects are in addition to projects that are already in progress (List of ongoing, funded projects is on website with map).





Examples of Unfunded Projects

- Tysons Corner Redevelopment
- Base Realignment and Closure (BRAC) Improvements
- Comprehensive Plan Improvements (includes Interchanges/Road Widenings)
- Transit service expansions for Dulles Rail, South County, and I-66 corridor





Examples of Unfunded Projects (cont.)



- Other transit operating and capital needs (Countywide)
- Improvements in activity centers such as Richmond Highway, Annandale, Bailey's Crossroads, Reston, Springfield, McLean, etc.
- Bicycle and Pedestrian Facilities





County Project List

- The County's list of improvements needed includes these types of projects:
- Improvements to interstate facilities and major new Metrorail expansions have been specifically excluded, because they are beyond the County's capacity to fund them alone.
- In addition, highway maintenance costs have been excluded, since road maintenance is a state responsibility.
- Before any funding source would be pursued, the Board has indicated that they would develop/propose a specific project list and project schedules.

Types of Projects

- 1) Spot/Corridor Projects
- 2) Bus Capital
- 3) Bus Operating
- 4) Interchanges
- 5) Road Widening
- 6) Road Extensions
- 7) Bicycle and Pedestrian



FUNDING





Finding New Sources of Funding

Additional local revenue sources could:

- Proactively address immediate infrastructure and operating needs
- Provide more options including transit, ridesharing, bicycling, walking
- Develop a safer, more efficient transportation network that connects people and places
- Ensure that transportation improvements are made despite funding challenges at the state and federal level



Raising revenues within the County assures that the money stays in the County and goes directly to Fairfax County projects.



Potential Revenue Sources

- The County has identified several potential revenue sources that could be used to fund transportation needs.
- These revenue sources were presented to the public for initial feedback; there is no preconceived notion as to which types of revenues are preferred.
- More than one revenue source could be used to meet the funding needs.
- Each source is shown in a way that can be adjusted up or down.
- Other ideas for generating revenue are welcome.

Revenue Sources

_____	_____
_____	_____
_____	_____
_____	_____

SEE HANDOUT



Revenue Options Fairfax County Can Authorize

1. Income Tax* - 0.5%, 1%
2. Meals Tax** - 4%
3. Real Estate Tax - \$0.01 per \$100
4. Personal Property Tax - \$0.10 per \$100
5. Developer Contributions
6. Increased Commercial & Industrial Tax rate
7. Reduce the number of projects rather than adding new sources of revenue

*Board of Supervisors has authority to initiate a referendum to implement an income tax for a 5 year window. Anything beyond 5 years would require legislative action.

**Board of Supervisors has authority to initiate a referendum for Meals Tax.



Revenue Options Requiring General Assembly Authorization

1. Sales Tax - 0.5%
2. Gas Tax - \$0.01 per gallon
3. Gas Tax - 1% of sales price
4. Hotel Tax - 2% on room rate
5. Vehicle Rental Tax - 2%
6. Grantor's Tax - \$0.40 per \$100 value
7. Initial Registration Fee on new/newly-located vehicles - 1% of value
8. Regional Vehicle Registration Fee - \$10
9. Vehicle Repair Sales Tax - 5% on labor
10. Safety Inspection Fee - \$10
11. Vehicle Miles Traveled Tax
12. Commercial Parking Fee
13. Sales Tax on Services
14. Tolls



Format Example – Sales Tax

Definition:	Tax on retail sales in Fairfax County
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Current Rate:	There is currently a 1% local option sales tax that goes to the County general fund. The County receives the 1% local option of the 5% state rate.
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Example Rate:	0.5% increase to the current tax rate
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Potential Annual Revenue at Example Rate:	\$83 million
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Requirements:	An increase to the current rate requires General Assembly authorization.
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Bond Eligibility?	Could be bonded, depending on how it is implemented.
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Who pays?	Businesses, Fairfax County residents, and non-residents who buy things in Fairfax County.
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Who doesn't pay?	People who do not buy things in Fairfax County
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Effect on Household:	<ul style="list-style-type: none">• \$214 per year per household• Assumption: Sales Tax generated in Fairfax County is \$83,438,153 with 390,900 households in the County. This amount may be overstating the impact on Fairfax County households.
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More Resources Available Online

Visit the county's web page at www.fairfaxcounty.gov/fcdot/cdot/ for more information about the Countywide Dialogue on Transportation including:

- Examples of projects that could be funded with new sources of revenue
- List of projects that are already funded or in progress
- Map of transportation projects that are currently funded
- Map of County roads with heaviest traffic congestion
- Detailed information for each of the 20 funding options



Progress So Far

- Nine public meetings conducted throughout the County.
- On-line survey open for about a month.
- Survey results discussed with the Board of Supervisors on October 23.
- Transportation funding position in the Board's draft 2013 General Assembly legislative program updated to include data from survey.



Snapshot of Outreach

- Survey started 9/24/12 and concluded 10/18/12
- 1,725 survey responses
- 9 public meetings
- 120 attendees
(not including elected officials and staff)





Survey Results

- **What impact does traffic congestion have on your daily commute?**
 - Moderate, Significant or Very Significant Impact 82%
 - Little or No Impact 18%
- **Would you be supportive of a countywide effort to find a source of revenue to address transportation needs?**
 - Yes: 85%
 - No: 15%
- **Should Fairfax County include additional funding to supplement the funding VDOT provides for secondary road maintenance?**
 - Yes 62%
 - No 38%



Survey Results – Revenue Options

Following are the revenue options listed in order by MOST likely to support:

	<u>% of Respondents</u>
1. Developer Contributions	79.0%
2. Vehicle Rental Tax	66.8%
3. Hotel Tax	62.7%
4. Gas Tax (cents per gallon)	59.8%
5. Increased C&I Rate	52.4%
6. Gas Tax (% of sales price)	50.8%
7. Registration Fee on New or Newly Located Vehicles	47.4%
8. Commercial Parking Fee	46.7%
9. Sales Tax	41.8%
10. Regional Vehicle Registration Fee	37.1%



Survey Results – Revenue Options (cont.)

Continued from the previous slide, revenue options are listed in order by MOST likely to support:
% of Respondents

11. Tolls	33.9%
12. Meals Tax	33.2%
13. Safety Inspection Fee	30.5%
14. <u>Make Fewer Improvements</u>	25.4%
15. Vehicle Miles Traveled Fee	24.4%
16. Real Estate Tax	22.4%
17. Real Estate Transfer (Grantor's) Tax	20.8%
18. Personal Property Tax	20.6%
19. Sales Tax on Services	18.2%
20. Income Tax	17.8%
21. Vehicle Repair Tax on Labor	13.3%



Survey Results – Revenue Suggestions

- **Are there any other revenue options that should be considered?**

849 responses, falling into these categories*:

- Cut other county programs, staff, services
- Ask for/demand more State or Federal funding
- “Other” category (Sell naming rights for street names, random others)
- Location-based taxes (Commuter tax, special tax districts, etc.)
- Vehicle-based taxes (by weight, number of vehicles per household, etc.)

* Staff is continuing to analyze responses; percentages are based on the first 329 responses.



Survey Results – Revenue Suggestions

- **Are there any other revenue options that should be considered?**

849 responses, falling into these categories*: *(continued)*

- Tolls
- Fines for traffic violations (Red light & speed cameras, cell phone use, etc.)
- “Sin” taxes (alcohol, cigarettes, gambling, etc.)
- Variations of Developer contributions and gas tax
- Transit & TDM (higher bus or rail fares, proffer enforcement, employer-provided incentives)

* Staff is continuing to analyze responses; percentages are based on the first 329 responses.



Summary

The Countywide Dialogue on Transportation has been effective in raising awareness of the funding issues facing the county.

- There is general support for addressing the problem
- Support for maintaining control of local dollars
- Most of the revenue options favored will require General Assembly action
- Validates County's legislative position on transportation funding
- Effort has been helpful in better informing the public about the transportation funding problem
- Still more work to be done



Next Steps

- Urban Crescent Mayors and Chairs discussion of transportation funding.
- Outreach to the business community through the Virginia Chamber of Commerce and local chambers.
- Board asked for additional ideas of engaging the community more comprehensively.
- Follow up to additional requests for presentation.



Countywide Dialogue on Transportation



Questions?





Benefit-Cost Analysis (BCA)

- The Board of Supervisors tasked the Department of Transportation with creating a benefit cost analysis tool to analyze a future selection of transportation projects for the County
- FCDOT, working with a consultant, has produced a working tool that can be used to analyze projects, based on congestion reduction, air quality improvements, and safety, etc.
- The BCA tool compares road and transit projects based on an over-all benefit/cost ratio.
- Road projects include only construction costs
- Transit project costs include capital and operating cost, but are also offset by fare collections.
- The Bicycle and Pedestrian projects can not be quantified in the same manor as highway and transit projects and are only compared against other bike/pedestrian projects.