



# Route 28 Tax District



## **EDC5 Value Capture Peer Exchange**

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# Route 28 Tax District



- Virginia Route 28 runs through several jurisdictions in Northern Virginia and is a major thoroughfare connecting Virginia residents and employees to various activity centers in the region, including Dulles International Airport, located on the Fairfax County and Loudoun County boundary.
- In the mid-1980s, business owners along Route 28 in Fairfax and Loudoun Counties recognized a need for improved transportation infrastructure along the Route 28 segment that traverses their jurisdictions to support planned and projected growth.
- Virginia Code allows for the creation of independent taxing districts to support the financing of transportation infrastructure improvements, in the form of a property tax increase on Commercial and Industrial properties.
  - Such districts may be formed only upon the joint petition of owners of at least 51 percent of the land area in each county located within the boundaries of the adopted district, and which has been zoned or is used for commercial or industrial purposes.



# Route 28 Tax District – Creation

**December 21, 1987** – Based on a petition from the landowners, Boards of Supervisors from Fairfax and Loudoun Counties created the Route 28 Highway Transportation Improvement District (Route 28 Tax District) to fund improvements to Route 28, including widening from two to eight lanes and construction of ten grade-separated interchanges.

The Route 28 Tax District is required by legislation to contribute 75 percent of the funding for all projects in the district; state funds cover the remaining 25 percent.

The segment incorporated by the Tax District connects State Route 7 in eastern Loudoun County to south of U.S. Route 50 in western Fairfax County.

- *The roadway continues through Fairfax County and further south, though that segment is not included in the Tax District.*



# Route 28 Tax District





# Route 28 Tax District – Governance

**Route 28 District Commission** is comprised of 9 members - 4 elected officials from each of the Loudoun and Fairfax Boards of Supervisors and the Commonwealth of Virginia's Secretary of Transportation (or his/her designee).

**Route 28 District Landowners Advisory Board** is comprised of 12 landowner representatives.

- 6 of the Advisory Board members (3 from each County) are elected by the taxpaying landowners to serve four-year terms.
  - Election process currently underway. Approximately 3,000 property owners will receive nomination forms by the end of September. Ballots will be sent out later in the fall.
- 6 members (3 from each County) are appointed by the Boards of Supervisors to fill a four-year term.

The Advisory Board and the Commission generally meet annually, though additional meetings can be called if necessary.



# Completed Tax District Projects

Numerous project have been completed within the Tax District, including:

## Interchanges -

- Route 28 at Air & Space Museum Parkway – December 2003
- Route 28 at Westfields Blvd – March 2006
- Route 28 at McLearen Road – June 2006
- Route 28 at Sterling Blvd – November 2006
- Route 28 at Innovation Avenue: Right in and Right out Ramps – October 2007
- Route 28 at Nokes Blvd – May 2009
- Route 28 at Frying Pan Road – July 2009

## Widenings –

- Route 28 NB Bridge over the Dulles Toll Road (DTR) – August 2015
- Route 28 SB Bridge over DTR – August 2015
- Route 28 SB Widening, Sterling Blvd to DTR – August 2017
- Route 28 SB Widening, DTR to Route 50 – August 2017
- Route 28 NB Widening, McLearen Road to DTR – August 2017



# Completed Tax District Projects

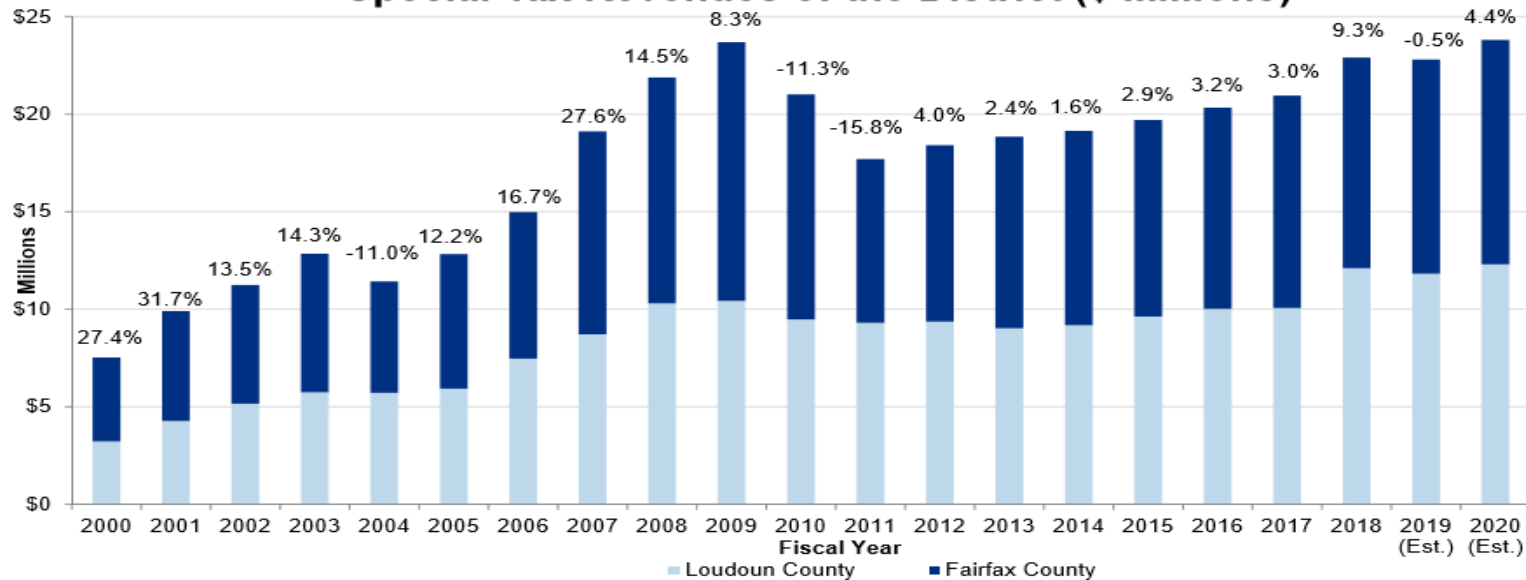




# Route 28 Tax District – Revenue History

- One Penny = \$1.3 million in revenue in FY 2020

**Special Tax Revenues of the District (\$ Millions)**



**Percentage Year-over-Year Growth**

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	10-yr Avg	5-yr Avg
Loudoun	-1.8%	0.6%	-3.7%	1.8%	4.8%	4.1%	0.5%	20.2%	-2.3%	4.1%	2.8%	5.3%
Fairfax	-27.2%	7.7%	8.6%	1.4%	1.2%	2.3%	5.6%	-0.7%	1.6%	4.7%	0.5%	2.7%
Total	-15.8%	4.0%	2.4%	1.6%	2.9%	3.2%	3.0%	9.3%	-0.5%	4.4%	1.5%	3.9%
Tax Rate (per \$100 AV)	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18





# Route 28 Tax District - Implementation

- Route 28 Tax District has worked with Fairfax and Loudoun Counties to issue bonds to support identified projects as prescribed
- Route 28 Tax District revenues and State funds have been collected and used to cover debt service payments.



## Route 28 Tax District – Other Partners

- In 2013, the Virginia General Assembly passed transportation funding package (HR 2313), which began the collection of regional revenues to address local and regional transportation needs in Northern Virginia. The Northern Virginia Transportation Authority (NVTa) allocates 70% of these funds to regionally significant transportation projects – of which Route 28 qualifies.
  - 30% are provided to individual localities where they are collected to be allocated by local governing bodies on eligible transportation projects.
- Fairfax County and Loudoun County have applied and received funding for several projects that would otherwise be funded by the Tax District.
  - Over \$63M has been awarded to projects in the Tax District.
- The funding provided by NVTa, combined with increased Route 28 Tax District tax revenues, has allowed for the completion of the final identified projects.



# Advantages/Lessons Learned

- Utilization of a taxing district can be advantageous for large-scale, high-cost projects
- Taxing districts can be vulnerable to larger economic trends
- The Route 28 Tax District accelerated the pace of roadway improvements and generated economic growth in the corridor
- Use of a Landowners Advisory Committee helps guarantee stakeholder buy-in over the life of the project
  - Balloting process is cumbersome
- Future tax districts put caps on the cost of projects to be funded



# Advantages/Lessons Learned

- Annual meetings to update and seek input from Advisory Committee members are extremely important
- Annual Commission meetings to update, allow for debate, vote, and make executive decisions regarding the policies and operations of the tax district are critical
- Professional staff to both manage the issuance of bonds and other financial strategies and to plan and construct projects, are vital to success.



# Questions?