

MEMORANDUM
COUNTY OF LOUDOUN

DATE: March 15, 2012

TO: Department and Agency Heads

FROM: Tim Hemstreet, County Administrator

SUBJECT: Action Report of the March 7, 2012 Board of Supervisors' Dulles Corridor
Metrorail Project Briefing

Listed below is a summary report of the Board's action taken at its March 7, 2012 Board of Supervisors' Business Meeting. Please work with staff to follow through on the Board action as noted.

1. DULLES CORRIDOR METRORAIL PROJECT BRIEFING (COUNTYWIDE)
Tim Hemstreet, County Administrator, provided the Board with a briefing and associated background information used in the decision to remain in/opt out of the Dulles Corridor Metrorail Project ("the Project").

Andy Beacher, Office of Transportation Services, Mark Adams and Ben Mays of Management and Financial Services, made a detailed powerpoint presentation to the Board. It was anticipated that subsequent discussion(s) on the Project with the Board of Supervisors would be necessary as staff receives additional information and reviews of Project materials are completed. The presentation included information regarding Metropolitan Washington Airports Authority's (MWAA) construction of a planned 23-mile extension of the existing Metrorail system, known as the Dulles Corridor Metrorail Project, which will be operated by the Washington Metropolitan Area Transit Authority (WMATA) from East Falls Church to Washington Dulles International Airport and extending west to Ashburn. Once operational, the Project will be referred to as the "Silver Line."

(To view Dulles Rail Documents go to www.loudoun.gov/dullesrail.)

The Board concurred to move forward with scheduling of a Public Hearing and Outreach Sessions.

Chairman York moved that the Board of Supervisors **NOT** direct staff to do a survey on the County's website. (Seconded by Supervisor Letourneau. The motion passed 5-2-2, Supervisors Clarke and Delgaudio voted no and Supervisors Higgins and Volpe absent for the vote.)

Vice Chairman Clarke moved that the Board of Supervisors submit a letter requesting a 30-day extension for the decision of the project based on the level of investment should the County wish to move forward. (Seconded by Supervisor Reid. The motion passed 4-3-2, Supervisors Buona, York and Williams voted no and Supervisors Higgins and Volpe absent for the vote.)

(Attached to this Action Report are requests/directives from the Board from the March 7, 2012 Board Meeting on Dulles Rail, and questions provided by Supervisor Delgaudio and Supervisor Higgins.)

Staff Contacts: Tim Hemstreet, County Administrator, Mark Adams, Management & Financial Services, Andy Beacher, Office of Transportation Services, Jack Roberts, County Attorney, and Julie Pastor, Department of Planning

Dulles Rail Discussion/Questions/Directives
March 7, 2012 Meeting

Chairman York suggested that the Board hold another meeting once the reports and Parking Garage Study were completed. He said he believed that the Board needed to have a discussion about potentially using the C&I tax as a help. He noted that the landowners who owned land bays should be a part of the funding mechanism. He would like to see a study of what the potential growth revenue would be based on projected build outs of the areas, both in terms of what a special taxing district could potentially create or generate and what would be generated by the C&I tax. He also wanted to look into the future whether or not there was the possibility of this generating enough revenue to pay capital and operating costs vs. whether or not having to go beyond that to pay off the debt service. He suggested doing 2-3 public outreach meetings in a manner similar to VDOT's hearing programs where charts were presented and staff would be available for questions. He asked that he and the Vice Chairman work with staff on a date that the Board could schedule a public input or public hearing solely on a night on this topic for citizens and all to make comment to the Board.

Vice Chairman Clarke asked for a 30-day extension on the project and the noted the need for an online survey.

Supervisor Reid stated he would like to see these discussions in a Committee of the Whole. He said he would like to see comparisons to other rail stations on the red line and orange line in terms of density, what type of tax base they have, primarily the ones that are outside the beltway. He wanted to see the actual density with jobs and housing and tax revenue at the suburban red line stations in Montgomery County and the orange, blue and yellow lines in Fairfax. He would also like to know what we would have to pay for the share of WMATA's debt service. He would like to see the full engineering documents, Phase I and II, or at least the summary of the costs, how much the stations cost, the parking, etc. He also asked for the actual cost for Phase I, the stations, the parking lots, etc. He said he saw no mention of any transportation numbers in the information packet. He asked if there would be any updated transportation numbers, ridership numbers, or information related to boardings. In other words, are they sticking with the numbers provided in the final EIS?

Supervisor Reid asked what would the County pay if the toll revenue did not come in? He believed that the Board needed to know what Loudoun's share of any potential shortfall would be in tolls. He asked if the partners would pick up the slack, do they have to go to Richmond, or what other results may occur? He said he would have more detailed questions.

Supervisor Higgins referred to the slide that showed the Dulles Corridor Metro Rail Project Funding and the briefing paper that talked about Phase I. Phase I was going to cost \$3.2 billion and then later in the document it showed that should Loudoun remain in the project, the County would be responsible for 4.8% of the overall project cost, Phases I and II. He asked for clarification if the money was rolled in for Phase II.

Supervisor Letourneau commented on opting in and opting out. He wanted to make sure that there was a proper legal review of the opt-out, including potential payment of Airport Station

operating costs. He mentioned public input and discussion and felt it could be worthwhile to consider having a session closer to the proposed station locations.

Supervisor Williams stated he would like more information on the opt-out scenario and the liability of the project. He said Dulles Rail was probably the most important economic development mechanism for Loudoun County and noted the value of moving forward with Phase II. He said it was critical to do that in a fiscally prudent manner. He agreed that it would be important to talk to DCRA and other stakeholders about how to set up the public sessions. He supported the commercial industrial tax as an option. He also asked that the possibility of federal TIFIA type funding not be pulled off the table. He said he would like the Board to consider every option possible for how this project could be affordable. He noted his objective would be trying to figure out a way to make this as fiscally prudent as possible.

Supervisor Delgaudio provided a written list of questions. (See attached.)

Supervisor Buona believed that there were two key pieces of data for the Board's decisions. He said one was the updated Lesser Report as the current report was outdated and based on a grossly conservative model. He hoped the report would show a conservative model, a probable model and an optimistic model. He believed the one the Board had received as a very conservative estimate. He said it was key to understand the revenue implications to the County from a commercial tax base perspective. He said that the other item was WMATA negotiations and the Board needed to understand better the timeline for that to occur, where in the 90-day process there would be answers to the WMATA questions and stated that the operating costs were a key portion of this decision. He said the number was \$262 million based on the data the Board received yesterday and that equated to three high schools at 90-95-100 million dollars per high school in this County. He said this should be put in perspective. He said that 160 million dollars of the 262 million in our capital improvement program, the County would be reserving 40 million more in the FY13 budget that what is to be approved in the next 4-5 weeks, and that would be 200 of the 262 million dollars that the County has put against the CIP already. It was 262 million dollars, plus operating costs, and that was why the County needed the WMATA data. He referred to the discussion at the March 6th meeting on the Ashburn Community Outreach program and that the citizens had indicated that the County should spend money on roads and rail. He commented on citizens in his district who commuted to D.C. and shared a few of their horror stories. He said that these would be the people who would be riding the rail. He said this would be the biggest decision in 70 years in this County and Dulles Airport was the last major decision and it just celebrated its 50th anniversary. He stated that the Board had to get this right as there would be no second chances. He asked his colleagues to keep an open mind and look at the real numbers that had been presented to the Board. He said the project was affordable within the County's current tax rate or less.

Supervisor Reid asked if there would be a cost to financing on top of the 262 million dollars? He asked if the above ground station required the EIS to be redone? If so, how long did that take?

Mr. Hemstreet explained that the issue with the delay of the project was part of the record of decision and so that has to be redone if there is no extension going past Dulles Airport. He said the underground station decision was made by the MWAA board to change it sometime last fall

around November. He stated that he was not sure if the full environmental had been completed or not. He said the issue for the time delay was because the funding mechanism for Phase II is through the funding agreement between the partners. He explained that if Loudoun pulled out of the project, the County would no longer be contributing the 4.8% of the project. There was a cost to build the rail from Wiehle Avenue to Dulles Airport and the partners would have to go back through the negotiations which would include the Commonwealth, Fairfax County, and the Airports Authority to figure out how to do that process. He believed that this could take at least a year. The entities would need to renegotiate their funding agreement, make sure whoever was contributing still wanted to contribute whatever needed to be contributed to the project. Those funding agreements would have to be negotiated between the entities and they would have to sign a new agreement. The second piece of it would be the time involved with having to re-do the project plans and that could take at least a year or longer.

Supervisor Reid hoped that staff would not spend time on a survey. He believed that a session where people could come in and look at charts/maps and ask questions would be a good idea. He questioned the Lesser Study and noted that the analysis did not include the capital costs so none of the results in this report reflected the effects of capital costs or proffers. Is that the capital costs of rail or the capital costs of the construction? It does say it does not take into account Phase II extension operating costs. Did the Lesser Report the first time around include the estimated costs for the Phase II extension?

Ben Mays replied no and that the County had not asked them to do that but had tasked them to including information on the demographics. He said we have other consultants who do that work for us, but not them. What we asked them to do is demographic and commercial estimates for growth with rail and without rail. Then their specialty is to take that kind of information and tell us what the net demand for additional County services would be as a result of that and what the net revenue is to the County from those development trends and give us an analysis of that. We, working with our financial advisors, will give you the rest of that analysis. We did not ask Lesser to do that. That is not the proper role for them.

Chairman York said that they were projecting those numbers and the County knows the capital costs if we build it. What was not understand quite yet was the potential of whether it was a plus or minus of what the growth would be with or without it.

Vice Chairman Clarke asked the soonest possible date that a Metro station in Loudoun County would be open for ridership?

Andy Beacher, Office of Transportation Services, said we were looking at late 2017 or early 2018.

Vice Chairman Clarke asked if there any plans or any work being done to look at the road infrastructure around those stations. She believed that the road infrastructure should be addressed, as well as the timing and construction.

Chairman York asked if staff could come back to the Board with the numbers on commercial and residential growth in this area and that it be tied to the capacity of trips.

Chairman York asked staff to move forward and work on public input sessions. He asked Board members to submit questions to County Administration and copy the Board of Supervisors.

Supervisor Letourneau stated it would be prudent for the County to try to get a feel for what capacity that is currently using buses that we could divert to Metro if we had Metro. In order words of the people who were currently using the bus system, what percentage of that group would be likely to use Metro instead? That would indicate of that 8 million, how much of that could be diverted into Metro operating expenses without losing all of the County's bus service. He reminded the Board that a key component of this was actually the capability of others to come to Loudoun County and right now at those two stations, there is nothing there for them to come to. He said that when he spoke to employers and developers, one thing he heard was a concern that access to Loudoun because of tolls, greenway, and traffic was not good and that was a real obstacle to having businesses move to Loudoun. He added that these groups were looking for workforce to be able to get here. There needs to be workforce that is coming. A lot of it does not live in Loudoun at this point to support various kinds of business development. This was certainly a component just to consider as the County was looking at this and as we were making this project. He believed that it would be something that the Board would be looking at in perhaps the Economic Development Committee.

Supervisor Buona suggested that the County needed a work plan which was a critical path to the Board's decision and various things were being done at different times. He said that the Board had the Lesser Report coming later this month and the parking garage study coming soon. He stated the need to lay out a plan as to when the information would be coming in so there could be discussions on that information and the Board could determine whether there were additional questions about that information. He added the importance of laying out the critical path and the work plan and fitting this into the next 80-90 days in the proper way.

Chairman York agreed with Mr. Buona and that a work plan could be put one together for the Board with staff.

Supervisor Reid hoped that the Board discussions would be scheduled after the budget. He said on the bus service, he would vigorously opposed any effort to try to cancel or reroute our buses. For those in western Loudoun County, the citizens had asked that the County's express bus service be maintained. He commented on a previous bus study which showed that the citizens were perfectly willing to give up the subsidy as long as the one seat ride was maintained which says a lot about where transit was going in Loudoun County. He cautioned against getting too much in that area. He again requested to have the Board's next discussion after the first meeting in April and possibly a special session before the Board's public hearing.

Chairman York said he would not guarantee timing, but that this session would be a separate time from the business meeting, because he believed there would be a lot of questions asked. He preferred the Board not feel pressured that if there was only an hour prior to a public hearing to discuss this.

Vice Chairman Clarke thanked Supervisors Letourneau and Reid for bringing up the transportation piece in terms of the bussing and concurred with Supervisor Reid regarding the

need and demand for western Loudoun for the bus transit. She said it was hard to say how things were going to go, but thought that there a large base and that population would continue to grow and it may not be feasible for them all to take Metro. Having said that, she thought it was important to not delay discussions until after the budget, with all due respect to Mr. Reid, because there were some components within the budget that affected this entire project. Specific to the transportation, the buses, she said it was her understanding that there was money allocated in the CIP to purchase additional buses, but the plan indicated that the County was supposed to stop purchasing those buses in preparation for Metro coming. As for the budget, she believed that the County should be looking at leasing buses, if the County was to go down this route of Metro not knowing the ridership rather than investing millions of dollars into purchasing additional buses and facilities for buses. Having said that, she thought it was important part of the Board's budget discussions.

Chairman York agreed with Mrs. Clarke stating that the budget discussions were for expenditures that would not occur until after July 1 and the discussion of whether the County was going to opt in or out would occur before July. He added that the bus issue was another discussion that the Board needed to have because there were a lot of questions that needed to be addressed on how the Board would proceed forward with the bus program in Loudoun County.

Andy Beacher, Office of Transportation Services, suggested that Board members take the opportunity to look at the transit plan. He said that the plan does look at the potential arrival for Metro Rail and it showed a changing service model as Metro arrives and anticipated some decrease in the demand for the express bus service and the County would be very flexible, dependent on what the demand was for the commuter bus service once Metro Rail was here because most of County fleet would be paid off and buses could be sold as necessary to downsize.

Motions:

The Board concurred to move forward with scheduling a Public Hearing and Outreach Sessions.

Chairman York moved that the Board of Supervisors **NOT** direct staff to do a survey on the County's website. (Seconded by Supervisor Letourneau. The motion passed 5-2-2, Supervisors Clarke and Delgaudio voted no and Supervisors Higgins and Volpe absent for the vote.)

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Supervisor Delgaudio's Questions
Regarding Rail To Dulles and Loudoun discussion this Wednesday.

This may be asked by others, or may have already been asked. I want to at least ask or attempt to get an answer during this process. I understand this is a lot and some of it may be answerable in an easy fashion or already answered elsewhere. Thank you.

1. What are the population and employment densities of planned Loudoun County Metro station areas? Provide current and projected one mile, three mile, five mile radius data in 5 year increments to year 2040.
2. Have Dulles Rail ridership projections from the 2004 Environmental Impact Statement (which did not show the projection assumptions made) been updated? If not, why not? Please provide.
3. Why does the Federal Transit Administration only project 10,000 new riders for Dulles Rail and indicate most projected riders are presently bus passengers?
4. What is the current and projected commuting modal travel split for Loudoun County residents? Show shares of single passenger auto, carpool, bus transit, taxi, commuter rail., walk, work at home?
5. What are current and projected **rail ridership** totals by zipcode origin and destination for Loudoun residents who work in Loudoun County and each other jurisdiction accounting for proj**the projected** 5% of the total commuter traffic?
6. What are current and projected **rail ridership** totals by zipcode origin and destination for non-Loudoun County residents who work in Loudoun County?
7. Has anybody ever shown, **with studies, not just broad conclusions**, that Dulles Rail Phase 2 is even remotely feasible -either from an economic or financial perspective? If so, provide report or other evidence to support Phase 2 feasibility.
8. What is the projected proportion of total Dulles Corridor travel demand comprised by Phase 2 rail ridership - in five years, ten years, twenty years etc?
9. How many and what proportion of people living in the Dulles Corridor are projected to use **phase 2 of the** Dulles Rail in five years, ten years, twenty years etc?
10. How many and what proportion of people working in the Dulles Corridor are projected to use **phase 2** of Dulles Rail in five years, ten years, twenty years etc?
11. What proportion of **phase 2** of Dulles Rail ridership will originate from jurisdictions east of Tysons Corner, within Tysons and at stations on the Dulles Corridor in five years, ten years, twenty years etc?
12. What are recent trends in bus transit ridership (by origin in LoCo -Ashburn, Brambleton, Broadlands, Leesburg, Route 606, Sterling, Hamilton, Purcellville, South Riding) -op costs and revenues/
13. What are sources of public funds - federal, state and local to subsidize bus transit - last five years and in six year CIP
14. What is projected number by destination of total new daily rail commuters - from Loudoun County to: Dulles Airport, Herndon, Reston, Tysons, Falls Church, Arlington County, DC, Alexandria, MD?
15. What is projected number by destination daily total new daily rail commuters - to Loudoun County from: Dulles Airport, Herndon, Reston, Tysons, Falls Church, Arlington County, DC, Alexandria, MD **in five years, ten years and 20 years?**
16. What does WMATA project rail fares from LoCo to be to: Dulles Airport, Herndon, Reston, Tysons, Falls

Church, Arlington County, DC, Alexandria, MD? Peak and off peak rates.

17 What does WMATA project for operating and maintenance costs for Silver Line in Loudoun County? **What has WMATA projected for Fairfax County and Arlington County for these costs? and how accurate have WMATA's projection of costs been? What federal subsidy does WMATA predict will be required in addition to the required contributions of its funding partners, ie., Loudoun, Fairfax, etc?**

18. Does WMATA expect Loudoun County to contribute anything to the existing projected \$13.3 billion capital replacement costs of existing 103 mile Metrorail system? **What are the projected contributions for maintenance (not ordinary operations) over the next 5 years, ten years, 20 years? What federal subsidy does WMATA predict will be required in addition to the required contributions of its funding partners, ie Loudoun, Fairfax, etc.**

19. Why does WMATA need a maintenance facility for 184 rail cars at Dulles when only 128 rail cars will be for Silver Line? Will WMATA fund the facility costs for the 100+ cars to be used elsewhere?

20. Will WMATA agree to set fares for Silver Line at or above equivalent costs for driving on Dulles Toll Road? If tolls on DTR are \$6 each way, rail fare for similar journey must be at least \$6 each way.

21 Will WMATA agree to have its riders pay for at least 25% of total capital costs of Dulles Rail by setting a surcharge on all Metrorail fares for next 30 years?

22. Will MWAA consider tolls on the Dulles Access Road instead of tolls on the Dulles Toll Road? Will MWAA consider higher parking fees at Dulles Airport instead of tolls on the Dulles Toll Road? Will MWAA consider hotel or food taxes at Dulles Airport (federal property) instead of tolls on the Dulles Toll Road?

23. Will MWAA drop the ten percent scoring bonus for bids on phase 2?

24. If the DOD puts planned cut backs into place, and 92,000 jobs are lost in metro Northern Virginia, does staff think that vacancies in existing Tysons, McLean and Reston offices will make it more difficult to attract businesses to Loudoun, where projects must be built from the ground up? Does Staff think it is a risk to stay in the contract with MWAA given the uncertainty in these cutbacks planned for December 2012? Does staff think there are other economic uncertainties that the board should consider, that could make staying in the Dulles Rail project a risk for the County?

25. Has Staff analyzed the difference in economic benefit to Loudoun County between rail stopping at Rte 28/Dulles Airport and coming all the way to Rte 772? What is that difference? Does Staff agree with the Lesser Report that the difference is approximately \$50M (before taking into account capital costs, debt service, operational costs, maintenance costs, and other costs)? (See page 41 of the Lesser Report)

26. Does Staff agree with Lesser that metro will cause a shifting of commercial uses to the metro line, not a dramatic increase of economic development? (See page 4 of the Lesser Report).

27. What does staff see as the Risks of the Dulles Rail project? Financial, etc? Does staff see any risk that the Federal Court may find MWAA may not raise tolls to pay for metro expansion? that the tolls are a tax? If MWAA defaults on its bonds, will Loudoun County be a default guarantor?

28. Has Staff looked at the Reston Association analysis of projected toll revenues? prepared by Terry Maynard? Does staff have an opinion on the projected revenues?

29. Has Staff made any analysis to compare the costs and benefits of bus service vs. rail?

30. Has Staff made any analysis to compare building transit centers for buses, limos, taxis instead of the metro stations at 606 and 772?

31. Has Staff considered the revenue from parking garages that may be built to support rail station patrons (or could be built to support bus service)? What would the revenue be?

Supervisor Higgins

Metro to Loudoun questions

1. Have you calculated the cost benefit ratio of Metro to Loudoun?
 2. Do you agree with the RCLCO study (p. 40 and p.41) conclusion that rail will break even in 30 years only if Capital costs and maintenance are ignored?
 3. What will the capital cost including interest, be to Loudoun for construction of Metro to Loudoun?
 4. How much will county taxes increase to pay for Phase I and Phase II construction?
 5. How much would taxes increase to subsidize operations and maintenance of Metro?
 6. How much would Loudoun County be asked to pay into Metro for rail in the next 5 years?
 7. How much would Loudoun County be asked to pay into Metro for rail in the next 10 years ?
 8. How much will Loudoun County be asked to pay into Metro for rail in the next 30 years?
 9. What if any assurance do you have that the mandatory annual Metro assessment to Loudoun would be steady and not be revised to increase Loudoun's proportional share?
 10. What will be Loudoun County's exposure if the Dulles Toll road is not able to collect enough to avoid defaulting on their bonds.
 11. Do you know of any provision for how WMATA intends to address the \$13.3 Billion in deferred maintenance ?
 12. What will Loudoun Loudoun's exposure be if the currently a lawsuit in the federal courts challenging MWAA's ability to toll for metro improvements succeeds. The lawsuit claims the tolls are in essence a tax, and MWAA has no taxing authority?
 13. MWAA is issuing bonds based on projected toll revenues that conclude raising tolls to much greater levels will result in increased revenues. The Reston Association has challenged the revenue projections. (RA study is online, author Terry Maynard.) If the revenue projections are overly optimistic or flawed as alleged, there is a risk of default on MWAA's bonds to pay for 75% of Phase 2. The legal question?

14. As per the current financial agreement, is Loudoun County going to be a default guarantor of the MWAA's bonds used to pay for 75% of Phase 2?
15. What if any incentives will Loudoun likely need to pay to sell bond.
16. What transportation and other infrastructure costs would building Metro to Loudoun bring and who would bear the cost burden of those improvements?
17. How much, if any, would Loudoun be obligated to pay into Metro if it opted out of Phase 2
18. Has anyone seen any studies supporting Stephen Fullers opinions about how Metro will impact Loudoun's economic potential.
19. Would you favor devising a plan that would shift the costs of this project from the public to the private sector.