

Department:

Department of Environmental Services

Recommendation:

Create a Transportation Investment Fund and levy a commercial real estate tax rate of \$0.125 per \$100 of value. This levy would generate \$10.7 million in FY 2008 and \$21.8 million in FY 2009. In late 2007, the County Board created a commercial real estate transportation district pursuant to authority approved by the 2007 General Assembly and signed by the Governor. The district encompasses the entire County and the recommended action would levy the authorized tax on the district. The recommended levy is one-half of the maximum authorized rate of \$0.25 per \$100 of assessed value.

Goal:

To enhance the community's long-term economic and environmental sustainability by enhancing the County's multi-modal transportation system in support of mixed-used development across the County.

Priority Projects

- Details of the transportation investment strategy will be presented in the Capital Improvement Program. Based on the current six-year transportation priorities, the following multi-year projects would receive priority funding:

Tier 1 Priorities:

- Rosslyn Metrorail Station Improvements
- Ballston-MU Metrorail Station Access Improvements
- Columbia Pike Streetcar
- Columbia Pike Street Improvements
- Pentagon City – Hayes Street Corridor Improvements
- Crystal City / Potomac Yard Transitway

Tier 2 Priorities:

- Rosslyn-Ballston Arterial Street Improvements
- Rosslyn Station Area Street Improvements
- Crystal City Clark/Bell and Crystal Drive Arterial Street Improvements
- New Local Transit Connections to Commercial Districts
- Metrorail – Service Enhancements
- Major Non-Metro Transportation Corridor Improvements (e.g. Glebe Road, Lee Hwy.)
- Enhanced Commuter Services
- Wayfinding/Signage

Funding

The priority projects listed on the prior page are multi-year multi-million dollar investments in the County's transportation infrastructure. This proposal is to establish a dedicated source of ongoing funds at a level that can provide enough resources to complete these large transportation projects on a timely basis.

The six-year project cost for tier 1 and tier 2 priorities is estimated to be in excess of \$420 million. Many of these projects will require a combination of funding sources to completely fund the projects. The NVTAs regional funding is anticipated to cover approximately \$120 million, and the local monies required for project completion are estimated to be about \$160 million. Adoption of a real estate tax rate on commercial properties of \$0.125 per \$100 would generate approximately \$145 million over the six-year period.

FY 2009 & FY 2010 Funding Summary	FY 2009	Projected FY 2010
	(\$ millions)	(\$ millions)
Expense:		
Tier I expenses	27.4	33.7
Tier II expenses	12.5	7.8
Program Management	0.7	0.7
Total Expense	\$40.6	\$42.2
Revenue:		
Commercial Real Estate Tax (\$0.125/\$100)	21.8	22.7
NVTA Regional Funding	18.8	19.5
Total Revenue	\$40.6	\$42.2
New FTEs	6.0	

Notes:

- Project details will be presented in Capital Improvement Program.
- Funds may be used as pay-as-you-go or for debt service.
- Project funding will be supplemented by other transportation sources.
- Future staffing levels needed to deliver the capital program beyond FY 2009 will be assessed on an annual basis and will be incorporated in the County's annual budget program.

The numbers displayed in the table above are on a fiscal-year basis. The commercial real estate tax is levied on a calendar-year basis. Adopting a tax rate of \$0.125 per \$100 of assessed value would generate \$10.7 million in FY 2008. These funds have been included in the preliminary six-year planning projection.