



## Route 28 Special Improvements Fund

Loudoun County, in partnership with Fairfax County, formed the Route 28 Highway Transportation Improvement District on December 21, 1987. Under Virginia law, such a district 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 District, and which has been zoned or is used for commercial or industrial purposes. The District was formed to provide improvements to State Route 28, which connects State Route 7 in eastern Loudoun County to U.S. Route 50 and Interstate Highway 66 in western Fairfax County, running approximately parallel to the County's eastern border. State Route 28 provides access to Dulles International Airport, along with the Dulles Access Road, which connects the Capital Beltway to Dulles Airport, and the Dulles Greenway, which provides highway access into central Loudoun County. This District was formed upon landowner petition to accelerate planned highway improvements which relied primarily on slower pay-as-you-go financing from the Northern Virginia region's share of the State Primary Road Fund allocation.

A Commission appointed by the Boards of Supervisors of both Counties administers the District, and the Commission 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 to be used for the road improvements and debt service on bonds issued by the State. The initial debt issue for this project consisted of \$138.5 million in revenue bonds issued by the State in September 1988. In 2002, the County entered into an agreement with the State and Fairfax County to refund the existing debt and issue new bonds to construct six additional interchanges. The total cost of this additional project is estimated at \$190 million and will be completed under the auspices of the State Public Private Transportation Act.

Loudoun County and Fairfax County entered into a contract with the District on September 1, 1988, and agreed to levy additional tax assessments as requested by the District, collect the tax, and pay all tax revenues to the Commonwealth Transportation Board. The contract specified that: (1) the County Administrator shall include in the budget all amounts to be paid by the County under the District Contract for the fiscal year; (2) the County shall provide by February of each year the total assessed fair market value of the district as of January 1 of that year; and (3) the District in turn shall notify the County of the required payment and request a rate sufficient to collect that amount, up to a maximum of 20 cents per \$100 of assessed value. Initially, tax collections at the maximum amount were not sufficient to pay the debt obligation in full. Consequently, the shortfall was made up from the Northern Virginia State Highway allocation. The inter-jurisdictional agreement was subsequently amended to incorporate the revised financing plan for the new work program. Under the revised agreement, Fairfax and Loudoun Counties agreed to transfer funds necessary to pay debt service on the existing debt. The remaining amount will be held in a revenue stabilization fund to protect the counties against any fluctuations in revenue. Expected expenditures can be met in FY 2020 with a rate of 18 cents per \$100 of assessed value.

For FY 2021, the Route 28 Special Improvements Fund is projected to generate \$14,232,800 in current and delinquent tax revenue to offset its estimated \$14,232,800 in expenditures. There is no local tax funding in this fund.

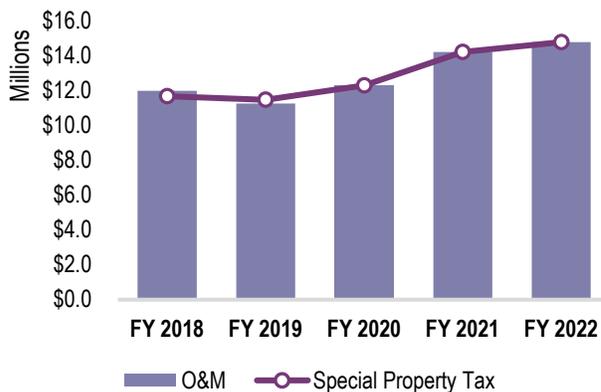


## Route 28 Special Improvements Fund

### Revenues, Expenditures, and Changes in Fund Balance<sup>1</sup>

	FY 2018 Actual <sup>2</sup>	FY 2019 Actual <sup>3</sup>	FY 2020 Adopted	FY 2021 Proposed	FY 2022 Projected
<b>Beginning Fund Balance</b>	<b>\$353,390</b>	<b>\$44,112</b>	<b>\$248,334</b>	<b>\$248,334</b>	<b>\$248,334</b>
<b>Revenues</b>					
General Property Taxes <sup>4</sup>	\$11,691,432	\$11,482,520	\$12,317,000	\$14,232,800	\$14,798,000
Transfer from Public Facilities Fund	8,428	0	0	0	0
<b>Total – Revenues</b>	<b>\$11,699,860</b>	<b>\$11,482,520</b>	<b>\$12,317,000</b>	<b>\$14,232,800</b>	<b>\$14,798,000</b>
<b>Expenditures</b>					
Public Works	\$12,009,138	\$11,278,298	\$12,317,000	\$14,232,800	\$14,798,000
<b>Total – Expenditures</b>	<b>\$12,009,138</b>	<b>\$11,278,298</b>	<b>\$12,317,000</b>	<b>\$14,232,800</b>	<b>\$14,798,000</b>
<b>Estimated Ending Fund Balance</b>	<b>\$44,112</b>	<b>\$248,334</b>	<b>\$248,334</b>	<b>\$248,334</b>	<b>\$248,334</b>

### Revenue and Expenditure History



#### Revenue/Local Tax Funding

The Route 28 Special Improvements Fund is funded entirely by a special levy on commercial and industrial real property in the Rt. 28 District and receives no local tax funding (LTF). The tax rate for the District is \$0.18 per \$100 of assessed value. Revenues for FY 2021 are anticipated to increase largely due to construction of new data centers within the District.

#### Expenditure

All of the expenditures in the Route 28 Special Improvements Fund are dedicated to improvements of Route 28.

<sup>1</sup> Sums may not equal due to rounding.

<sup>2</sup> Source: Loudoun County FY 2018 Comprehensive Annual Financial Report (CAFR).

<sup>3</sup> Source: Loudoun County FY 2019 CAFR.

<sup>4</sup> Includes real property taxes, public service corp. taxes, and penalties and interest for delinquent payments.



## Route 28 Special Improvements Fund

### Revenue Analysis

#### FY 2021 Forecasted C&I Real Property Taxable Base (Forecasted as of January 2020) <sup>1</sup>

2020 Fair Market Value of Real Taxable Property - Route 28	\$7,804,493,475
Add: Reassessment due to Appreciation	\$156,089,870
Add: Estimated Value of New Construction	\$156,089,870
<b>2021 Forecasted Fair Market Value of Real Taxable Property - Route 28</b>	<b>\$8,116,673,214</b>
FY 2021 Forecasted Real Property Tax Base	\$7,960,583,345
Less: Potential Administrative and/or Board of Equalization adjustments <sup>2</sup>	(\$119,408,750)
Less: Land Use Deferrals	\$0
Plus: Partial Value of New Construction	\$31,217,970
<b>FY 2021 Forecasted Real Property Tax Base Total</b>	<b>\$7,872,392,565</b>

	Forecasted Taxable Base	Net Revenue per Penny	Estimated FY 2021 Revenue <sup>3</sup>
Real Property <sup>4</sup>	\$7,872,392,565	\$784,483	\$14,120,700
Public Service Corp	\$31,709,200	\$3,172	\$57,100
Delinquent Penalties and Interest		n/a	\$55,000
<b>Total Revenue</b>			<b>\$14,232,800</b>

<sup>1</sup> Excludes residential properties which, within the District, are not taxable and \$10.2 million in public service corporation properties. Assessed value information provided by the Office of the Commissioner of the Revenue on January 10, 2020.

<sup>2</sup> Resulting from appeals and hearings; estimated at 1.5 percent of fair market value.

<sup>3</sup> Revenue total is rounded to nearest \$1,000 for FY 2021 forecast.

<sup>4</sup> Net of estimated uncollectible accounts, deferred revenues, and refunds (assumed 0.35 percent).