

## **INTRODUCTION/OVERVIEW RECOMMENDED STRATEGIES FOR 114<sup>TH</sup> CONGRESS**

*December 2, 2015*

On November 2, President Obama signed into law the Bipartisan Budget Act of 2015, the result of weeks of high-level negotiations among Congressional leaders and the White House. The agreement, viewed largely as outgoing Speaker John Boehner's (R-OH) attempt to ease the transition for his successor, sets the stage for resolution of the FY 2016 appropriations process, which has been stymied by disputes regarding spending levels under the caps imposed by sequestration.

In a departure from recent Congressional practice, which has frequently defaulted to an unpredictable series of stopgap measures and continuing resolutions rather than larger accords on spending, the recent agreement takes a longer-term approach by setting discretionary spending caps for two years and suspending the debt ceiling for 16 months (until March 15, 2017 – the Treasury Secretary had informed Congress the federal government would reach its debt limit on November 3, 2015, risking default on existing obligations). To alleviate some of the potentially painful effects of impending sequestration cuts, the bill raises discretionary spending by a total of \$80 billion over the course of the bill – \$50 billion in FY 2016 and \$30 billion in FY 2017, split evenly between defense and non-defense spending. It also provides an additional \$16 billion for defense spending in the Overseas Contingency Operations (OCO) account, an area that does not fall within the purview of sequestration. Additionally, the bill contains a number of offsets to raise revenue, including authorizing the auction of wireless spectrum currently owned by the federal government, as well as the sale of oil from the Strategic Petroleum Reserve, and modification of certain Internal Revenue Service (IRS) audit procedures.

While this agreement makes significant progress in smoothing budget negotiations, it only sets the overall spending limits, leaving the actual appropriations amounts for individual agencies and programs to be resolved in separate legislation. The most recent Continuing Resolution, passed on September 30 to avert an October 1 government shutdown, expires December 11. While all twelve of the appropriations bills have been reported out of the Appropriations Committees in both the House and Senate for the first time since 2009, the only bill that has been passed by both the House and the Senate is the Military Construction and Veterans Affairs measure. Five appropriations bills have passed the House but not the Senate, and an additional six bills have not been passed by either chamber. In the interest of time, it is expected that Congress may consolidate the individual appropriations bills into an omnibus package. However, several Republican members of Congress have indicated that they expect to attach certain "riders" aimed at Administration policies to the appropriations bills, raising the specter of another shutdown.

In addition to resolving FY 2016 appropriations, a number of other contentious debates are expected in the coming months, including the proposed Trans-Pacific Partnership Agreement, international climate change negotiations, and the resettlement of refugees fleeing violence in Syria. Successfully navigating these challenges in the weeks ahead will pose the first major test to newly-elected Speaker Paul Ryan's (R-WI) leadership, as he seeks to unite dissenting factions within the Republican caucus.

### **Transportation**

Congress is working to finalize long-term transportation legislation, and at this time it appears that the ultimate product of conference negotiations will be a five-year agreement, which allows for higher levels of funding each year than the six-year proposal previously under consideration. The transportation bill is

currently operating under another short-term extension through December 4, to allow conferees more time to complete negotiations, although it is expected that an additional one-week extension will be necessary to allow time for both chambers to act and for the President to sign the final bill. As of the writing of this memorandum, a conference agreement has been released, and staff are working to analyze its provisions. Floor consideration of the legislation may be delayed in the Senate by attempts to attach “riders” on unrelated controversial issues to the bill.

Prior to the August recess, the Senate passed a six-year, long-term solution for highway funding, known as the Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act. The bill would replenish the annual \$15 billion Highway Trust Fund gap through a variety of offsets, such as improved tax enforcement, indexing customs fees to inflation, and blocking Social Security payments for people with outstanding felony warrants. In addition, the bill would sell oil from the Strategic Petroleum Reserve and cut the interest paid to banks by the Federal Reserve. However, these offsets would fund only the first three years of the six-year bill, or approximately \$45 billion of the estimated \$97 billion funding needed.

On November 5<sup>th</sup>, the House passed the Surface Transportation Reauthorization and Reform Act (STRRA). The House bill would provide funding levels slightly lower than the Senate version, although a key provision included in the STRRA adds an additional net \$40 billion of “pay-fors,” which could allow conferees to negotiate a final bill at a higher funding level. In addition, STRRA would direct \$4.5 billion a year to interstate highways and other roads designated as freight corridors to increase capacity and relieve bottlenecks, including a grant program of more than \$700 million a year for nationally significant highway and freight projects.

Conferees, including Congressman Gerald E. Connolly and Congresswoman Barbara Comstock, have been working to bridge differences between the chambers’ varying approaches to long-term transportation policy and funding mechanisms. Among the issues conferees grappled with is how available highway program dollars will be allocated to local jurisdictions. Though the top line funding levels in the House and Senate bills for FY 2016 are fairly similar, there are significant differences in how those funds are distributed. The Senate bill proposes changes that reduce the amount of Surface Transportation Program (STP) dollars flowing to metro areas (greater than 200,000 in population), as well as to jurisdictions with populations less than 200,000. The House bill restructures both funding programs and project eligibility requirements, the effect of which remains unclear. Numerous state and local stakeholders, including the American Association of State Highway and Transportation Officials, NACo, and the U.S. Conference of Mayors, continue to encourage the House leadership to increase state highway funding allocations and place a renewed emphasis on locally-owned infrastructure. NACo has indicated that it supports the House bill, as it provides a higher percentage of funding and program flexibility for local jurisdictions; however, the complexity of the proposed changes in both bills make it difficult to ascertain which bill might be best for the County.

Despite delays in resolving some issues in conference, there is consensus on the major outlines of the agreement. As stated above, it appears that senior conferees have agreed that the length of the bill will be set at five fiscal years with highway and transit spending levels set at the aggregate levels of those in the Senate-passed DRIVE Act for that period, \$221.5 billion in highway spending and \$48.7 billion in mass transit spending from the Highway Trust Fund. In addition, while only the Senate bill includes rail and rail safety provisions, the conferees have agreed to include a section on this topic in the final conference agreement. It is important to note that both the House and Senate bills contain mechanisms preventing

any funding in the last three years of the bills from being released in the absence of a subsequent funding measure for the Highway Trust Fund; if such a provision is included in the conference agreement, it could significantly shorten the planning certainty provided to states and local governments by a longer-term bill.

Finally, a positive train control extension until 2018 was included in the last transportation reauthorization extension. However, Federal Railroad Administrator Sarah Feinberg has announced that she still expects railroads to submit their positive train control plans to FRA by the December 31, 2015, deadline. The County will continue to monitor such developments, as they are of particular interest to the Virginia Railway Express (VRE), which provides critical transit service to Fairfax County.

### **Federal Defense Relocation and Consolidation**

In both versions of the National Defense Authorization Act (NDAA) bill passed this year (the first was vetoed by the President; the second was signed at the end of November), Congress made clear its feelings about a new Base Realignment and Closure (BRAC) round by including language in the bill prohibiting it. As a result, it is very unlikely that any formal base closures will occur in FY 2016, in spite of frequent testimony from the Department of Defense calling for another base closure round. In pushing for BRAC, the Pentagon has indicated that a new round would cost only \$6 billion upfront, with annual savings of \$2 billion. Legislators, including a leading opponent of BRAC, Senator Kelly Ayotte (R-NH), remain wary, because the 2005 BRAC round was significantly more expensive than originally predicted, costs associated with cleaning up closed bases were much higher than originally estimated, and many proposed personnel reductions that were expected to shrink costs were ultimately not carried out. According to the Government Accountability Office (GAO), the savings of the 2005 BRAC round are likely to be approximately 72 percent less than was estimated at that time.

However, though Congress remains firmly against the idea of a new BRAC round, language was included in an early iteration of the House NDAA bill calling for a military-wide review of “force-structure plans and infrastructure inventory,” which was rumored to be the precursor to another BRAC. As a result, the County should remain vigilant in monitoring Congressional actions in this area. Additionally, it should be noted that the Pentagon can still move forward on closing some facilities without an official BRAC process. As DOD continues to look for other cost savings, communities like Fairfax County could potentially be left vulnerable to the ripple effect of budget cuts, leaving little flexibility to prepare for the outcome.

One proposed recommendation to reduce DOD expenses, which has the endorsement of Secretary of Defense Ashton Carter, would reclassify thousands of civilian workers and place them outside the civil service system, potentially impacting over 50,000 jobs across the country. The proposal would reclassify many civilian employees currently under the Title 5 General Schedule (or GS) personnel system to the Title 10 classification that usually applies to military workers. While the Pentagon has indicated that this proposal provides more control over how it manages its employees, it could also remove civil service protections for many employees, making it easier to downsize personnel as needed. This proposal would likely take years to implement if enacted, and would probably affect only a small percentage of Fairfax County’s 29,826 DOD personnel, but its consideration illustrates the fiscal pressures the Pentagon is grappling with as the long-term effects of federal funding reductions continue.

Both the Commonwealth and Fairfax County have impressively strong connections to the nation's defense infrastructure, which has presented tremendous economic growth opportunities, but also creates a unique vulnerability to fluctuations in defense spending. In a recent Department of Defense Economic Adjustment (OEA) report, the Commonwealth of Virginia ranked first in defense spending, with a total of \$54.7 billion in FY 2014 (including \$38 billion in contract spending and \$16.6 billion in defense payrolls). Within the Commonwealth, Fairfax County is the top defense spending location, with \$19.1 billion in defense expenditures, far outpacing the next-closest recipient of defense dollars (Newport News at \$6.2 billion). Fairfax County ranks second in Virginia for the number of defense personnel at 29,826 (behind Norfolk's 40,296 and ahead of Prince William's 15,349).

While the threat of sequestration-related spending cuts has receded for the next two years, the County's economy remains closely tied to federal spending, leaving it vulnerable to a downturn. Fairfax County should continue to focus on the County's role in the National Capital Region and its connection to the functioning of the federal government, while continuing to closely monitor potential future federal funding cuts that could affect the County and local economy.

### **Cybersecurity**

Fairfax County is home to many government contracting firms that focus on cybersecurity and the protection of valuable information from theft, corruption, or disaster. This industry has been identified as one of the County's key economic growth opportunities, given that the D.C. metro area is widely considered the center of innovation in cybersecurity. Fairfax County has had great success in recruiting and retaining some major technology firms, with more than 300 cyber-related tech firms operating within the County, according to the Fairfax County Economic Development Authority. However, since many of these cybersecurity companies depend heavily on government contracts, the importance of long-term federal funding of cyber initiatives is paramount. Moreover, inter-state battles for these types of companies have begun. For example, Maryland, now home to the U.S. Cyber Command at Fort Meade, is offering more than \$3 million in tax incentives for cybersecurity start-ups that locate operations in the state, putting pressure on the County to remain competitive.

Federal funding for dealing with cybersecurity threats has steadily increased in recent years, reflecting the intensity of threats U.S. companies and government agencies are facing from cyber intruders, both domestic and foreign. The President's budget for FY 2016 proposes \$14 billion in cybersecurity funding for new initiatives and research across multiple agencies, and both the House and Senate Department of Homeland Security (DHS) FY 2016 appropriations bills provide increased funding for cybersecurity over FY 2015 levels. In addition, FY 2016 funding for DHS will likely be significantly higher than the FY 2015 enacted level of \$753 million, particularly in light of the high-visibility Office of Personnel Management cyberattack that occurred this summer, impacting over 22 million federal and civilian workers.

Governor McAuliffe has also made cybersecurity a key issue for the Commonwealth, positioning Virginia as a leader in this area. Last year he established the Virginia Cyber Security Commission in order to enhance Virginia's role in this rapidly growing field. The Commission published its first report in August 2015, identifying key legislative opportunities for Virginia to expand its leadership in this area. As the Commission moves forward with its recommendations, the County should continue to monitor important developments in this area.

## **Opportunities for Economic Success**

There are several pending opportunities for Fairfax County to leverage its strategic location in Northern Virginia by housing federal agencies currently in development or considering relocations. The establishment of such workplaces increases the economic vitality of the County by encouraging business development in the surrounding area, supporting small businesses, and growing the tax base, among other benefits.

The first opportunity that Fairfax is seeking is the relocation of the FBI from its current location in the deteriorating Hoover Building in Washington, D.C. In July 2014, three locations were chosen by the General Services Administration (GSA) to be considered for the new FBI headquarters, including the Springfield GSA site (the other two sites are in Maryland). The GSA, in cooperation with the FBI, is currently in the process of its National Environmental Policy Assessment (NEPA) review on the three sites, releasing its draft Environmental Impact Statement (EIS) in early November. These studies had originally been expected last spring, along with a short list of developers to be selected to compete for the headquarters. The agency has indicated that the delay will not push back the project's ultimate timeline, which calls for a final award in the spring of 2016, but since a Request for Proposals (RFP) has not yet been released, it would appear difficult to meet that deadline.

The environmental impact statement will determine what mitigation measures might need to be put into place to minimize the disruption a new headquarters could create (for traffic, flooding or other similar infrastructure issues), since those concerns will likely impact the overall cost to build a new headquarters. Now that the draft study has been completed, GSA will hold a 45-day public comment period (closing on January 6<sup>th</sup>), which will include a series of meetings similar to when it initiated the process. Staff is working to develop a strategic plan, including a coordinated coalition effort with state and federal legislators, as well as other Virginia stakeholders affected by this decision, emphasizing the united Congressional, state, and local support for the relocation. Based on its proximity to significant transit and highway options, the Springfield GSA site is by far the best of the three locations.

Second, GSA has recommended a consolidated civilian campus for federal cybersecurity operations, which would be staged over at least three phases and would bring together various agencies working to tackle cybersecurity issues, including divisions of the Department of Homeland Security, FBI, and Secret Service, as well as contractors. The project, anticipated to cost between \$450 and \$500 million, had \$35 million allocated for the design and construction in the FY 2015 appropriations bill for the GSA. Though the Obama Administration requested \$227 million in FY 2016 for the project, there has been bipartisan criticism over whether the creation of such a campus is necessary and fiscally responsible, and no appropriations to GSA for the Cyber Campus were included in either the House or Senate Financial Services appropriations bills for FY 2016. However, GSA's interest in this concept could present a significant development opportunity for Fairfax County. The Virginia Economic Development Partnership (VEDP) has put together a list of potential sites (similar to the original list from the FBI search) for the GSA to consider for a possible cyber security campus in Fairfax, and the County should continue to work closely with VEDP on such opportunities in the future.

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- Oppose deficit reduction actions that shift costs, impose unfunded mandates, or pre-empt local programs and taxing authority.
- Support a proactive approach to repositioning the County in anticipation of possible long-term reductions in federal funding.

#### **FEDERAL AGENCY RELOCATION & CONSOLIDATION.....7**

- Provide needed funding for transportation projects essential for DOD relocation and consolidation, as well as other transportation improvements and unfunded project costs.
- Seek legislative language requiring: traffic impact analyses of recommendations in future government relocation and consolidation proposals; greater coordination between military installations and host communities on Transportation Demand Management (TDM); and greater coordination with host community for relocations to existing facilities.
- Support continuation of the Mark Center parking cap.

#### **TRANSPORTATION-RELATED LEGISLATION.....9**

- Continue consultation with localities regarding the implementation of existing Department of Transportation regulations and new regulations suggested in the Senate DRIVE Act and House STRR Act.
- Pursue a longer-term funding solution for surface transportation programs that includes long-range transportation planning and more funding for: the Surface Transportation Program (STP), the Congestion Mitigation and Air Quality (CMAQ) Program, and TIFIA loans.
- Continue to provide dedicated funding support for Dulles Rail Phase 2, the Washington Metropolitan Area Transit Authority (WMATA), and Metro 2025.
- Expand the federal government’s funding partnership with Fairfax County to ensure continuation of the region’s economic vitality, especially as it relates to transit-oriented development.
- Support permanent parity between the level of transportation benefits provided for transit and parking.
- Oppose expansion of the perimeter and slot rules for Reagan National Airport in FAA Reauthorization.
- Support additional federal funding for the TIGER grant program.
- Provide additional support and funding for several priority projects including Route 7 Widening, I-66 Corridor Improvements, Richmond Highway Widening, Soapstone Connector, Fairfax County Parkway Widening, and the Frontier Drive Extension.

#### **OTHER FEDERAL PRIORITIES/LEGISLATION.....14**

- Support relocation of the FBI headquarters to the Springfield GSA site and the construction of the Cyber Campus facility in Fairfax County.
- Support passage of the Marketplace Fairness Act.
- Support the tax-exempt status of municipal bonds as comprehensive tax reform is considered in 2015.
- Maintain funding for and the structure of the Community Development Block Grant (CDBG) program.
- Support federal funding to mitigate the costs of educating federally connected children living in Fairfax County.
- Support the continuation of funding for Department of Justice programs that support local law enforcement, and legislation that assists local governments to develop and implement programs to improve outcomes for individuals with mental illness who are involved in the criminal justice system.

## RECOMMENDED STRATEGIES FOR 114<sup>TH</sup> CONGRESS

December 2, 2015

### OVERALL FEDERAL FUNDING AND SEQUESTRATION

Fairfax County recognizes the challenges posed by a difficult national fiscal climate, and the need to reassess, and perhaps redirect, the allocation of federal resources. However, the County also maintains that federal assistance to state and local governments can help mitigate the effects of state and local budgetary issues, and that those federal investments in state and local infrastructure projects help produce private sector jobs, improve our competitiveness, and generate federal tax revenues. As Congress works to adopt the federal budget, it is essential to avoid significant reductions to high-priority programs affecting the lives of Fairfax County residents. In general, the County opposes federal funding initiatives that shift costs to localities, impose unfunded mandates, or pre-empt local programs and taxing authority.

The County supports a proactive approach to repositioning itself in anticipation of possible long-term reductions in federal funding, leveraging the County's location in the National Capital Region, well-educated workforce and strong business climate to attract additional federal facilities, consolidations of personnel, and increased government contracting and government building opportunities, including the possible relocation of the FBI building at the Springfield site and the possible location of a cybersecurity campus in Northern Virginia.

### FEDERAL AGENCY RELOCATION & CONSOLIDATION

- ***Provide needed funding for transportation projects essential for DOD relocation and consolidation.*** Essential projects remain to mitigate the impacts of BRAC 2005. The County has made efforts to find various sources of funding to improve mobility near Fort Belvoir, including applying for Northern Virginia regional funds for various projects, such as widening US Route 1 from Mount Vernon Memorial Highway to Napper Road.
  - ***US-1 Belvoir Widening Funding:*** The Fort Belvoir Base Realignment relocation of 12,000 personnel to Fairfax County, along with increased transit and traffic patterns at the Mark Center in Alexandria, created an immediate need for infrastructure improvements in the Fort Belvoir area. As a result of these increased transportation requirements, the US Route 1 project received funding of \$180 million, appropriated under the Defense Access Roads program administered by the DOD Office of Economic Assistance (OEA). These funds were necessary to improve road access and traffic flow to the Army Hospital. It is essential that the full \$180 million be targeted to meet the intent of the original legislation, potentially including additional and much needed transportation improvements required to accommodate the enhanced federal presence in the Route 1 corridor. Fairfax County continues to work with the Congressional delegation, federal agencies, and its state partners on efforts to ensure that the full \$180 million is utilized to mitigate impacts on the Route 1 corridor, in order to meet the intent of the original legislation. *(Revised)*
- ***Provide funding for other transportation improvements and unfunded project costs:*** Fairfax County must also continue to work with its federal partners to address the needs around the area affected most directly by the 2005 BRAC actions. As such, the following transportation

improvements are needed to address the BRAC relocation efforts. Total unfunded project costs to address BRAC impacts, above and beyond what is incorporated in existing plans, include, but are not limited to the following project list:

Fairfax County Parkway/Neuman Street Interchange	\$ 50 million
Improvements to Fairfax County Parkway between I-95 to Route 1	\$ 55 million
Transit Center and Ridesharing Facility(s)	\$ 45 million
Implementation of expanded bus service and circulator service	\$ 75 million
Interchange at US Route 1 and Fairfax County Parkway	\$ 55 million
I-395/Route 236 (Duke Street/Little River Turnpike) Interchange	\$ 20 million
I-95/I-395 (Shirley Highway) Transit Service	\$ 10 million

- ***Seek legislative language requiring greater coordination between a federal agency and host communities in any future federal government relocation and consolidation proposal for both new facilities and the use of existing facilities:*** The County requests that, if Congress authorizes another federal government relocation or consolidation, such as a building for the DoD, FBI, or the Cyber Campus, the appropriate federal agency be required to analyze the transportation impacts of such a recommendation, both on the facility and the surrounding community, before final recommendations are made. Coordination should continue following such relocations, as well. For example, these agencies should provide Transportation Demand Management services and strategies, such as providing information on transit options, mandating that employees stationed at the facility telecommute or arrive at work before or after peak rush hour, assigning parking to carpool users, and other options. *(Revised)*
- ***Support continuation of the Mark Center parking cap:*** The County supports a Mark Center parking cap limit of 2,500. Northern Virginia's Congressional Delegation has been actively involved in the establishment of legislation limiting the Mark Center parking for many years. Legislative language instituting a parking cap of 2,000 spaces at the Mark Center was included in the FY 2012 and FY 2013 DOD appropriations bills, because of concerns over increased traffic and the impact of the Mark Center construction on the surrounding region. However, current law allows the Secretary of the Army and the Virginia Department of Transportation (VDOT) to waive the original cap numbers, if the increase is based on traffic monitoring and Congressional committee approval. As a result of increased utilization, the cap was raised to 2,500, and then in the FY 2015 omnibus appropriations measure to 3,000. This year, however, the FY 2016 Senate DOD appropriations bill reduces the Mark Center parking cap to 2,500 (no equivalent provision was included in the House FY 2016 bill, so the House version retains the 3,000 level). Report language from these DOD appropriations bills may be part of an FY 2016 omnibus appropriations bill or a long-term CR, in which case the County would support inclusion of the Senate report language, reducing the cap to 2,500. The HOV ramp is expected to be completed this winter and the parking cap should be retained as the impacts of the project are monitored. *(Revised)*



## TRANSPORTATION-RELATED LEGISLATION

### Surface Transportation Reauthorization

- ***Continue consultation with localities regarding the implementation of Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21) regulations and new regulations suggested in the Senate DRIVE Act and House STRR Act:*** As the Department of Transportation (USDOT) works toward completion of its implementation of MAP-21 and turns toward a new surface transportation reauthorization, Fairfax County supports continued essential coordination and consultation between the USDOT and local governments and regional entities. USDOT should develop rules to establish performance measures and standards in consultation with states, Metropolitan Planning Organizations (MPOs), and other stakeholders. *(Revised)*
- ***Support enactment of a long-term transportation reauthorization bill to allow long-range transportation planning.*** Fairfax County supports a fully funded six-year transportation bill, because of the critical role that the nation's transportation network plays in the movement of people and goods across the United States. A long-term solution with sufficient revenues is needed to maintain and build the multimodal infrastructure that our region and the nation need to remain active and dynamic participants in a 21st century economy. Further, funding must continue to be provided to regions and localities. Both the Senate and House have proposed long-term transportation reauthorization bills, the Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act and the STRR Act, respectively. *(New)*
- ***Urge Congress to provide more funding for the Surface Transportation Program (STP) and increase the portion of STP dollars that are sub-allocated to local areas.*** The STP program receives only 27 percent of the highway funding from MAP-21, though it has to support the vast majority of the highway system. MAP-21 reduced the share of STP funds allocated to local areas (and their decision-makers) by 20 percent. The Senate DRIVE Act, S. 1647, seeks to continue this trend by reducing the amount of STP funding for local areas. The County supports restoring the sub-allocated percentage to 62.5 percent. *(New)*
- ***Urge Congress to fund the Congestion Mitigation and Air Quality (CMAQ) Program, including obligation authority with program funding.*** Support inclusion of such a provision in any final transportation reauthorization bill. *(New)*
- ***Support the full \$1 billion funding level for Transportation Infrastructure Finance and Innovation Act (TIFIA) Loans:*** While the Senate-passed DRIVE Act adds eligibility for transit-oriented development (TOD) projects and lowers the threshold for such projects from \$50 million to \$10 million, it also unfortunately cuts TIFIA to \$300 million per year, from the \$1 billion level included in MAP-21. The House STRR bill reduces the program to \$200 million per year. Fairfax County supports the lower threshold for TOD projects, but maintaining the full \$1 billion TIFIA funding is critically important, particularly for the large projects being considered in this region, such as the I-66 Corridor Improvements, that could benefit from the TIFIA program. *(Revised)*

### **Rail to Dulles Phase 2**

- ***Continued support of Phase 2 of the Rail to Dulles Metrorail:***  
Preliminary construction of Phase 2 began in 2014 and is expected to be completed in late 2019. The design has progressed to approximately 93 percent, with the overall project at 24 percent completion. All Systems, Utilities, and Civil Packages have been completed and submitted for permit or issued for construction (IFC). Fairfax County has advanced the design of the parking garages at Innovation Center Station and Herndon Station, which are scheduled to begin construction in April 2017, with completion expected in mid-2019. As of September 2015, the County has drawn down \$37.6 million of its \$403.3 million TIFIA loan for payments to MWAA. Fairfax County requests that the federal government continue its support of the project through the TIFIA Loan program, combined with additional federal and state funding for Phase 2, while maintaining existing federal oversight.
- In addition to the new Metrorail extension, other projects are needed within the area to support the expanded system. Priority projects include those incorporated within the multimodal access management plans recommended by the Tysons Metrorail Station Access Management Study (TMSAMS), the Reston Metrorail Access Group (RMAG), and Herndon Metrorail Stations Access Management Study (HMSAMS), along with funds for reexamining sound wall requirements at various locations along the corridor. *(Revised)*

### **Transit-Oriented Development**

- ***Expand the federal government's funding partnership with Fairfax County for transit-oriented development to ensure continuation of the region's economic vitality:*** Fairfax County is considering various options for funding the infrastructure to support transit-oriented development throughout the County, in particular the TOD planning opportunities authorized in MAP-21. Priority projects within one such area (Tysons) include the extension of the Route 7 widening from Route 123 to I-495; Route 7 improvements from the Dulles Toll Road to Reston Avenue; design work for other Tysons-wide transportation improvements; and neighborhood improvements outside of Tysons. Additional infrastructure funding is also needed to support TOD in Springfield, Seven Corners, Reston, Richmond Highway, and other areas of the County.
- Nationwide, nearly \$1 trillion in direct tax subsidies and \$4 trillion in loan guarantees to direct new development has been provided by the federal government to the real estate sector and investors over the last five years. As previously discussed, legislation to lower the cost threshold for TOD projects for TIFIA loans is currently being considered, as is legislation that would expand the financing options for TOD railroad projects. Fairfax County supports legislation that promotes transit-oriented growth, along with maintaining funding for TIFIA. *(Revised)*

### **WMATA Funding**

- ***Continue to provide full, dedicated funding for the Washington Metropolitan Area Transit Authority (WMATA):*** Fairfax County urges Congress to include full federal funding of \$150 million for WMATA in FY 2016 appropriations. Such support is particularly critical now, as recent safety and maintenance issues at WMATA have been caused, in part, by aging infrastructure. WMATA is the only major transit provider in the country without a permanent, dedicated revenue source for a significant part of its revenue base. The entire operating budget of \$1.79 billion is derived from passenger fares and contributions from the governments of the District of Columbia, Virginia, Maryland, and the region's local governments. A grant included in the Passenger Rail Investment and Improvement Act of 2008 authorized federal support of \$1.5 billion for WMATA over ten years to address the system's urgent capital and safety needs. That funding was conditioned on adoption of a dedicated funding source(s) by the region, to provide an additional \$1.5 billion to match the federal funds. As these conditions were met, the full \$150 million in federal funding has been appropriated each year through FY 2015. However, while the Senate FY 2016 Transportation appropriations bill maintains full funding at \$150 million, the House Appropriations Committee slashes FY 2016 funding for WMATA by one-third (lowering the amount to \$100 million). These federal funds will provide urgently-needed capital improvements, currently budgeted by WMATA at \$1.3 billion, with the remaining \$1.15 billion contributed by Virginia, Maryland and DC.
- ***Support continued federal funding of Metro 2025:*** Metro 2025 will help Metro and the Washington Metropolitan region grow and thrive in the future, as Fairfax County is projected to grow by 20 percent by 2040, placing more pressure on a Metro system that is already nearing capacity. To address this need, Metro developed a strategic plan that will guide decisions over the next ten years and ensure that the system continues to support the region's competitiveness in the future. Metro has proposed a number of initiatives called Metro 2025, including: enhancement of rush-hour capacity by increasing the use of all eight-car trains; expansion of high-volume rail stations to ease congestion; and completion of the bus Priority Corridor Network, which includes a variety of improvements allowing buses to bypass traffic congestion. Additional resources are critical to ensuring the success of this effort. Further, improvements to the system's core capacity are needed before any future extensions can be considered. While addressing future capacity needs is essential, the region must also focus on safety and state of good repair. The County supports WMATA's efforts to enhance the safety and security of the system and its riders, through adequate funding and oversight. It is important to note that in Virginia, local jurisdictions are directly responsible for funding WMATA. Fairfax County provides approximately \$60 million each year in local and regional funding for WMATA operating and capital costs. In addition, the County transfers approximately \$90 million in state aid to WMATA annually. As such, it is particularly important that Virginia localities, which play such a critical funding role, are included in discussions pertaining to WMATA governance and further funding requirements. *(Revised)*

### **Parity for Transit Benefits**

- ***Support legislation creating permanent parity between the levels of transportation benefits provided for transit and for parking:*** Permanent parity between the level of tax-free transit benefits and parking benefits employers can provide to employees is important in making transit service more attractive to commuters who currently drive alone. In the past several years,

Congress has enacted temporary “patches” that provided parity between transit and parking benefits, but the transit benefit reverted to 2009 levels effective January 1, 2015, with the transit benefit level at \$130 per month, and the parking benefit level at \$250 per month. Due to the large percentage of government employees currently residing in or commuting to Fairfax County, reduction in transit benefits to 2009 levels creates a significantly negative impact on County residents, as well as local and regional transit systems. Further, since the majority of County transit riders have vehicles available, a reduction in these benefits may result in more commuters driving, thereby worsening the already substantial congestion on Northern Virginia’s roads.

The extension of the provision for parity between transit and parking benefits was included in a two-year tax extender bill that was reported out of the Senate Finance Committee in August. The House Ways and Means Committee has passed several piecemeal tax extenders out of committee, but has not included the transit benefit in those bills. Congress may pass a package of tax extenders by the end of the year, but if it runs out of time to do so, it may instead pass a retroactive bill to address that issue at the start of next year, as it did in 2015. The County’s delegation has sought to assist commuters in the Northern Virginia region on this issue, and the County strongly supports any future efforts on the matter. (*Revised*)

**Federal Aviation Administration (FAA) Reauthorization & Dulles Perimeter Rule**

- ***Fairfax County supports preventing further changes to the perimeter and slot rules to protect the balance between the capacities of Dulles International and Reagan National airports.*** The recently-passed six-month FAA reauthorization bill extends the FAA’s current authorization through March 31, 2016, but neither the House nor Senate has yet begun consideration of a long-term bill. Unfortunately, the last three FAA reauthorization bills (2012, 2011, 2003) have added more permitted slots (allowable takeoffs and landings per hour) at Reagan National Airport and allowed more non-stop flights beyond 1,250 miles (perimeter rule), to the potential detriment of Dulles International. By the end of this year, Reagan will overtake Dulles in domestic enplanements. An estimated 22 million passengers are straining Reagan National’s already physically constrained infrastructure, while the shift in flights from Dulles to Reagan is also reducing the competitiveness of Dulles. The interconnectedness of Virginia’s aviation system makes Dulles imperative to the continued success of airports around the state. Further, the region has encouraged air expansion at Dulles as a major economic driving force in Fairfax County and Northern Virginia. As a result, the region, the Commonwealth, and the federal government have made significant investments in transportation projects to further spur the airport’s growth, including the Metrorail Silver Line extension that will provide greater accessibility to Dulles. Maintaining the existing perimeter and slot rules are essential to the success of these efforts. (*New*)

**TIGER**

- ***Support the continuation of the TIGER program, with additional funding.*** The Transportation Investment Generating Economic Recovery (TIGER) program previously received an annual appropriation of \$500 million. The House FY 2016 transportation appropriations bill slashes funding to \$100 million, while the Senate bill maintains the FY 2015 level of \$500 million. Fairfax County supports the continuation of the TIGER program at the \$500 million level, and supports greater consideration of congestion and mobility issues in the TIGER award process. (*Revised*)

**Other projects**

In recent years, federal funding opportunities have not existed in the traditional, project-specific format used in the past. However, should any federal transportation funds or other opportunities become available, the County supports the following key transportation priorities:

- **Route 7 Widening from Reston Avenue to Dulles Toll Road:**

This project will widen Route 7 from four to six lanes, significantly improving the extensive congestion along this and nearby roadways. Route 7 is a major thoroughfare into Tysons, one of the largest employment centers in the nation, and is continually subject to overcrowding and gridlock. Though Fairfax County is working to transform Tysons into a more pedestrian and transit accessible area, vehicle access remains critical, and widening Route 7 is essential to ensuring the movement of people and goods through this congested but economically vibrant area. This project also includes significant safety improvements, including intersection upgrades and multi-use trails on both sides of the roadway, allowing greater access for pedestrians and those on bicycles, creating a truly integrated system for all modes of transportation. *(Revised)*

- **I-66 Corridor Improvements including the I-66/Route 28 Interchange:**

The Commonwealth is currently working on a project along a 25-mile segment of I-66 from U.S. Route 15 in Haymarket to I-495/Capital Beltway, one of the most congested roadways in the region. This project, which provides three regular lanes in each direction, two express lanes in each direction, ramps, interchange improvements, high-frequency bus service, enhanced commuter park and ride lots, and a parallel trail for bicycles and pedestrians, will move traffic and people more efficiently, and provide additional multimodal options. A major component of this project is the I-66/Route 28 Interchange. Currently, the interchange does not fully accommodate all directional movements. In some instances, left-turn signals are required to travel on and off the interstate, which creates substantial traffic impacts. Removing the signalized movements and providing more direct access will greatly improve vehicle flow and significantly reduce traffic congestion on I-66, Route 28, and Route 29. Extensive congestion on both Route 28 and I-66 also creates a disincentive for development in western Fairfax County. This crucial project will benefit commuters and travelers, not only in Fairfax County, but in Prince William and Loudoun Counties as well. *(Revised)*

- **Richmond Highway Widening and Public Transportation Initiatives:**

The Richmond Highway (US Route 1) Corridor is one of the most heavily transit-dependent areas of Fairfax County. It is also one of the most congested and economically disadvantaged. The County is working to create a multimodal six-lane facility from the Prince William County line to I-95/I-495. The County is currently working with VDOT to widen Route 1 between Mt. Vernon Memorial Highway (south) and Napper Road, providing a six-lane facility that will complement the existing Richmond Highway project currently under construction from Telegraph Road to Mt. Vernon Memorial Highway. This project will tie into the section of Richmond Highway north of Napper Road, which is also six lanes, resulting in a six-lane facility from Ft. Belvoir to I-95/I-495 in Alexandria. This project includes both pedestrian and bicycle facilities, and provides capacity for future bus rapid transit, as provided in the Route 1 Multimodal Alternatives Analysis completed in January 2015. That analysis focused on a 15-mile portion of US Route 1 that extends from Huntington Metrorail Station, through Fairfax County, to Route 123 at Woodbridge in Prince William County. The study recommends median-running Bus Rapid Transit (BRT) in the corridor

extending from the Huntington Metrorail Station to Woodbridge, with a future Metrorail extension from the Huntington Metrorail Station to the Hybla Valley Community Business Center. *(Revised)*

- **Soapstone Connector:**

Fairfax County completed a Feasibility Study for the Soapstone Drive Connector/Overpass over the Dulles Toll Road, which would provide connectivity and accessibility to the new Wiehle-Reston East Metrorail Station by connecting major east-west roads (Sunset Hills Road and Sunrise Valley Drive) located north and south of the Toll Road. Fairfax County has selected a consultant to complete the environmental study and begin preliminary engineering, and additional funding is critical to complete final design, acquire right-of-way, and construct the project. *(Revised)*

- **Fairfax County Parkway Widening from Route 123 to Route 29, including the Popes Head Road Interchange:**

This project widens the Fairfax County Parkway from four to six lanes, and provides or improves pedestrian and bicycle amenities. The construction of a grade-separated interchange at Popes Head Road will be designed to accommodate and connect with the future Shirley Gate Road extension. The Parkway is a heavily congested roadway in Fairfax County, particularly the segment between Route 123 and Route 29. Widening this section of the Parkway and improving the intersection at Popes Head Road will serve to reduce congestion, improve safety, and increase travel time reliability, mainly due to eliminating the traffic signal at Popes Head Road. The multimodal improvements will serve to better connect central and southern Fairfax County with travel choices aimed at reducing congestion. *(New)*

- **Frontier Drive Extension:**

This project will extend Frontier Drive from Franconia-Springfield Parkway to Loisdale Road, including access to the Franconia-Springfield Metrorail Station and interchange improvements to and from the Parkway. This project will reduce congestion on I-95 between the Fairfax County Parkway and Old Keene Mill Road/Franconia Road, and in the area around the Springfield Town Center. It also enhances connectivity and access to and from the Franconia-Springfield Metrorail Station, Springfield Town Center, and the Springfield Industrial Park. The project will also create a more walkable, bicycle/pedestrian-friendly environment. The extension of Frontier Drive will also provide significant benefits to the existing Springfield GSA site, already owned by the federal government and currently under consideration for location of the new FBI headquarters (one of three sites being considered, and the only one in Virginia). Though the Springfield GSA site already has substantial and varied transportation and transit options, this project would further increase access, improving the chances for FBI selection and creating benefits for Fairfax County, the Northern Virginia region and the federal government. *(New)*

## **OTHER FEDERAL PRIORITIES/LEGISLATION**

- **Relocation of Federal Bureau of Investigation (FBI) Headquarters to Springfield GSA Site**  
***Continue to support relocation of the FBI headquarters to the Springfield GSA site in Fairfax County:*** As previously mentioned, the FBI is seeking to move its headquarters from the rapidly deteriorating Hoover Building in Washington, DC – recent media reports have highlighted the urgency of that relocation and the increasingly challenging conditions affecting the federal

employees stationed there. As the GSA moves forward with its solicitation to find a new location, the County will continue to advocate for its Springfield site, which is the only site under consideration that is already owned by the federal government. Governor McAuliffe and the County's Congressional and General Assembly delegations have declared their strong support for the Springfield site, and the County will continue to work with state agencies to further improve the site's benefits for such a relocation. The County will collaborate closely with its federal and state partners throughout this process (drafts of the NEPA compliance reviews are available for public comment through January 6, 2016), in addition to working with key community leaders to develop expressions of support for submission to the GSA. Relocation of the FBI headquarters to the Springfield GSA site remains a top County priority. *(Revised)*

- **Cyber Campus**

***The County supports the establishment of a federal Cyber Campus in Fairfax:*** As the GSA begins a search for a site to locate its consolidated civilian campus for cybersecurity operations, the County will remain actively engaged in the Request For Qualifications (RFQ) process. The site will likely require a 500,000 square foot facility. Such a facility could continue to support Fairfax County's status as a nationwide hub for cyber and tech activity, and could be a significant development opportunity for Fairfax County. *(New)*

- **The Marketplace Fairness Act**

***The County supports passage of the Marketplace Fairness Act:*** The County supports the passage of the Marketplace Fairness Act (MFA), which would bring in additional revenue for Fairfax's transportation and education programs by closing a loophole in the current tax code to ensure state and local governments are able to collect sales tax on online and remote sales that they are already owed under current law. The Commonwealth of Virginia's 2013 transportation funding bill noted that if the MFA is enacted, the revenues generated from these sales taxes would largely be allocated to the Commonwealth's Transportation Trust Fund (construction and transit), with the remainder being provided for local needs and public education. On January 1, 2015, the Commonwealth's gas tax increased by 1.6 percent per gallon, because MFA had not been enacted, but these funds are primarily directed toward road maintenance. If MFA is enacted, the Commonwealth can begin collecting taxes on remote sales, allowing the gas tax to revert to its previous level, and resulting in increased funding for construction and transit projects. There are legislative proposals currently pending in both the House and Senate to address this issue. *(Revised)*

- **Tax-Exempt Status of Municipal Bonds**

***The County supports legislation that would maintain the tax-exempt status of municipal bonds:*** As the primary source of funding for local infrastructure projects, municipal bonds serve a vital purpose for strengthening the County's economic development. As fiscal constraints tighten, Congress and the Administration are currently considering repealing or capping the tax-exempt status of municipal bond interest to increase federal revenues. Large counties would be particularly damaged by these proposals, which would raise the debt service burden for counties nationwide by over \$9 billion annually if the tax-exempt status were repealed. As Congress moves to address comprehensive tax reform, the County urges Congress to maintain this critical exemption. *(Revised)*

- **Community Development Block Grant Program (CDBG)**  
***The County supports increased funding for the Community Development Block Grant Program (CDBG):*** CDBG provides flexible funding for counties to address housing needs, support water and infrastructure expenditures, and expand economic opportunities for low and moderate income persons. The President’s FY 2016 budget included a decreased amount (\$2.8 billion for FY 2016) of CDBG funding, compared to the \$3 billion requested for FY 2015. Numerous members of the House and Senate have indicated their support for an appropriation of \$3.3 billion, in part to keep up with inflation, a move supported by NACo and the U.S. Conference of Mayors. While neither the House nor Senate appropriations bills include the \$3.3 billion level of funding, both do include funding levels higher than the President’s request (\$3 billion in the House, \$2.9 billion in the Senate). *(Revised)*
- **Federal Funding for Costs of Educating Federally Connected Students**  
***Fairfax County supports full and appropriate funding for the Impact Aid program:*** Impact Aid serves many federally connected families and provides the well-educated workforce and strong business climate that is so vital to the functioning of the federal government. Serving 19,784 federally connected children places a significant cost on Fairfax County Public Schools (FCPS) (data from 2012-2013 school year). The federal government attempts to compensate localities for these costs through the Impact Aid program, which is designed to assist local school districts that have lost property tax revenue due to the presence of tax-exempt federal property, or that have experienced increased expenditures due to the enrollment of federally connected children. However, this program has been underfunded in recent years, and does not adequately compensate localities for the actual cost of providing a quality K-12 education. In FY 2015, FCPS expected to receive approximately \$3.2 million in Impact Aid, which covers only 10.6 percent of the costs incurred by FCPS to educate such children (if this program were fully funded, FCPS would have received an additional \$19 million in FY 2015).
- ***Fairfax County supports federal reimbursement for federally connected children:*** Significant numbers of federally connected, school-aged children have been placed in Fairfax County through the federal Office of Refugee Resettlement (ORR)—1,177 unaccompanied minors between January 1 and September 30, 2014. Though the County celebrates its diversity, and recognizes that a diverse student population benefits all children in the school system, these placements (and the corresponding financial impacts on FCPS) are often unanticipated, and frequently occur after the adoption of local budgets. It is possible that funding for unaccompanied minors could be included in the omnibus appropriations bill, as this issue has received significant attention in communities across the nation. *(Revised)*
- **Department of Justice**  
***Fairfax County supports reauthorization and full funding (\$50 million) for the Justice and Mental Health Collaboration Program (JMHC):*** JMHC provides funding for state and local governments to develop and implement programs designed to improve outcomes for individuals with mental illness who are involved in the criminal justice system. For many years, police officers have been the first responders when an individual is in the midst of a mental health crisis – the Fairfax County Police Department responds to more than 5,000 calls each year that are mental health related. As a result, many of these calls lead to incarceration for low-level offenses (trespassing, disorderly conduct), precluding the individual from receiving appropriate treatment in the community for the underlying mental health issues with which he or she is grappling. In



fact, nearly four in ten inmates at the Fairfax County Adult Detention Center (ADC) have been identified as needing mental health care, and more than one in four have a serious mental health illness and co-occurring substance use disorder. Though the impacts of mental health challenges on public safety are increasingly receiving national attention, the fact remains that the criminal justice system is ill-equipped to deal with such issues, and substantial changes must be made. (New)

- ***The County supports full funding for Department of Justice programs that provide critical support to County law enforcement:*** These programs include the Byrne/ Justice Assistance Grant Program (Byrne/JAG), the State Criminal Alien Assistance Program (SCAAP), and the COPS Hiring Grant Program. The federal funding from these programs assists the County in fighting crime, managing better outcomes for youth, and achieving the highest level of public safety for its residents. (New)