



Dulles Corridor Proposal

 METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Proposal to Operate the Dulles Toll Road

and

Build Rail to Loudoun County

Updated January 2006

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EXECUTIVE SUMMARY

The Toll Road

The Dulles Toll Road (Toll Road) is located on either side of the Dulles Airport Access Road on a series of easements granted by the Federal Aviation Administration and the Metropolitan Washington Airports Authority (Airports Authority). The land beneath the Toll Road, as well as the rest of the Dulles Transportation Corridor, is owned by the Federal Government and leased until 2067 to the Airports Authority as part of Washington Dulles International Airport.

The Virginia Department of Transportation (VDOT) constructed the Toll Road and continues to operate it. Under a resolution by the Commonwealth Transportation Board, not less than 85 percent of revenues in excess of cost are set aside for transit in the Dulles Corridor.

A unique and critical asset, the Toll Road has since 1984 connected northern Fairfax County with the National Capital Region and the Interstate network via the Capital Beltway, and with the Capital itself via Interstate Route 66. More recently it has provided the same service for points further west, carrying traffic via the connecting Greenway to and from Loudoun County, the Nation's fastest growing county. It consists of four highway lanes in each direction, one of them reserved for high occupancy vehicles and is often filled to capacity during the rush hours, with seriously impaired service levels.

VDOT's Privatization Process

Five firms proposed to VDOT to privatize operation of the Toll Road under the Virginia Public Private Transportation Act (PPTA). Some included a substantial payment to the Commonwealth, generally characterized as supporting transit in the corridor, and commitments to construct some road improvements. VDOT is now considering these proposals.

The Principal Interest is Transit

As the public agency charged with stewardship of the Dulles Transportation Corridor, the Airports Authority, like the FAA before it, has always made access to the airport and construction of a rail transit line to Dulles one of its highest priorities.

With this objective in mind, the Airports Authority reviewed the public portions of the PPTA proposals. All would require permission and additional easements from the Airports Authority. The Authority would have to perform a thorough public

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interest analysis to evaluate their potential implementation considering both the contribution to rail and the use of additional land.

The Airports Authority's conclusion is that the greatest benefit to transit at the lowest overall cost will be obtained if the Airports Authority itself operates the Toll Road and commits all revenues in excess of operating costs to the construction of rail and other corridor improvements. Conservative financial analysis indicates that Phase II of the Metrorail extension from West Falls Church can possibly be funded at the same time as Phase I, without any further contribution from the Commonwealth. Additional cost savings can be recognized from building in earlier construction years.

The Airports Authority Proposal

The Airports Authority accordingly proposes to the Commonwealth that:

- The Airports Authority assumes operational responsibility for the Toll Road, including staff and equipment, and toll rate setting;
- The Commonwealth release its Toll Road easements, which would automatically revert to the Airports Authority;
- The Airports Authority assumes all outstanding debt on the Toll Road;
- All revenues generated in excess of operating expenses will be expended in the corridor;
- The Airports Authority finances and constructs needed projects in the corridor, such as improvements to the Toll Road interchanges and other roads identified as part of the corridor, such as Route 606 around the airport;
- The Airports Authority takes responsibility for the Commonwealth's remaining share of financing for both Phases I and II of the Dulles Metrorail Extension;
- The two Phases of the Metrorail Extension project can be completed earlier, in full accordance with the present alignments, from West Falls Church through Tysons Corner, down the Toll Road median through Dulles Airport to Route 772 in Loudoun County; and
- The Airports Authority assumes responsibility for oversight of design and construction of the transit line.

Benefits of Airports Authority Operation

- The Metrorail extension to Loudoun will be constructed sooner than under any other Toll Road option;
- The Commonwealth will be relieved from all financial and management responsibilities for the corridor, including both the Toll Road and the Metrorail extension;

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- All net toll revenues will remain within the corridor to provide transportation improvements that will benefit the Toll Road's customers;
- Public control of, and accountability for transportation plans and improvements in the corridor will continue; and
- The Airports Authority will rely entirely on tax exempt debt financing, a less expensive source of funding than equity.

Rail Project Delivery

- Much as it has done to rebuild Reagan National Airport and expand Washington Dulles International Airport, the Airports Authority will leverage Toll Road revenues to pay for improvements, both highway and rail. The Authority will sell tax exempt bonds pledged against revenues to raise the necessary capital. The Airports Authority can issue tax exempt bonds that do not impact the Commonwealth.
- The participation of all parties who have agreed to fund the Metrorail project, other than the Commonwealth, will continue. These include Fairfax County, Loudoun County, the special tax districts, and the Airports Authority itself.
- The toll rates are currently among the lowest in the world on a per-mile basis. Tolls will be increased from time-to-time as improvements require and to match inflation.

I. THE METROPOLITAN WASHINGTON AIRPORTS AUTHORITY PROPOSAL

The Airports Authority will operate the Dulles Toll Road which is located on airport property and has been operated by the Commonwealth under an easement with the Airports Authority. The Commonwealth will relinquish to the Airports Authority the remainder of its easement. The Airports Authority will then own and operate the Toll Road as it does other airport property. The Airports Authority will harness the revenue stream from the Toll Road and use it efficiently to accomplish rail to Dulles and, in consultation with other jurisdictions, construct much needed improvements in the Dulles Corridor.

Key components of the Airports Authority plan include the following:

- **Facilitate the construction of rail in the corridor the entire way to Dulles and into Loudoun County.** The Authority will step into the shoes of the Commonwealth and provide the Commonwealth's share of funding for both Phases I and II of the rail project and, subject to a due diligence period, assume a direct relationship with the entities selected by the Commonwealth to construct the Dulles Rail.
- **Reinvest all revenues into the Dulles Corridor**
- **Improve the Dulles Toll Road to expedite travel**
 - **Upgrade** the toll collection and management system for operational efficiency
 - **Improve** the toll plazas
 - **Construct** flyovers from the Access Highway over the Toll Road
 - East-bound to the Capital Beltway, west-bound from the Beltway
 - Centreville Road (both directions)
 - Route 28 (both directions)
 - **Designate** HOT lanes in keeping with regional plans
- **Improve** interchanges
- **Improve other roads within the Dulles Corridor, such as**
 - Completing the partnership to widen Route 606
- **Upgrade the traffic management infrastructure including**
 - Advance signing
 - Dynamic signing
 - Modified striping to promote early lane selection
 - Wider shoulders

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- **Improve sound walls in the corridor**
 - Replace/construct three to five miles of walls
 - Repair/maintain 10 additional miles

The Airports Authority will be able to achieve these improvements by:

- Leveraging the available toll revenues to accelerate delivery of rail and highway transportation improvements;
- Utilizing the established special tax districts and other funding means required for continued participation of Fairfax County, Loudoun County and the Airports Authority;
- Providing capital for the Dulles Corridor Metrorail Project as well as other significant improvements in the Dulles Corridor;
- Improving the facilities to optimize use, increase revenues, and control operating costs;
- Maintaining current average toll rates from an inflation-adjusted standpoint until the capacity of the Dulles Toll Road is reached or as improvements require;
- Providing financial savings through the use of low-interest, tax-exempt financing; and
- Maximizing the financing at the lowest cost through mechanisms such as the Transportation Finance Innovative Act (TIFIA) program.

The Airports Authority shares the Commonwealth's goal of achieving an effective transportation infrastructure system that serves the needs of Dulles Corridor users. Our plan to operate the Toll Road and develop the Dulles Corridor Metrorail program provides the Commonwealth with a solid solution to meet the various transportation demands for this growing region. Our plan provides more public benefits than the private submittals and supports a primary focus on continued transportation corridor improvements and efficient project delivery for both Phase I and Phase II of the rail transit system.

The Airports Authority, in extending Metrorail to Dulles ahead of the current schedule, brings a comprehensive plan to the corridor that:

- Integrates both airport and community transportation needs;
- Maintains flexibility to adapt those needs to meet public transportation demands; and
- Preserves all Toll Road revenues for use in the corridor.

This submittal is based on preliminary assessments and detailed modeling of revenue projections and financial feasibility is still required. Regardless, it is clear

that the most flexible solution to corridor improvements, including rail, is if the Dulles Toll Road asset is not locked into a long-term private concession agreement.

Airports Authority control and operations of the Toll Road will ensure that the public and the Commonwealth's interests are best met. The Airports Authority will focus on delivering transportation improvements for the entire corridor.

II. BENEFITS OF AIRPORTS AUTHORITY CONTROL AND OPERATIONS

The citizens of Virginia, the Airports Authority, and federal interests in this corridor are congruent: the enhancement of the corridor, including rail to Dulles. The Airports Authority believes this can best be achieved by retaining the Toll Road in the hands of a public entity. While the private concession model has merit for some projects, the goal of achieving rail to Dulles and making needed roadway improvements in the corridor will be better achieved if the Toll Road remains in the hands of a public entity. This will retain the flexibility to support the best solutions and will assure that Toll Road revenues are dedicated to improvements in the corridor. The Airports Authority's proposal does not in any way preclude the participation of private entities from partnering or contracting with the Authority in the operation of the Toll Road.

A. VDOT Responsibilities / Assumption of Debt

If the easement is relinquished to the Airports Authority, VDOT will no longer have the responsibility for funding the rail expansion project beyond the transfer date or committing resources to the oversight of the Toll Road. In addition, the Airports Authority expects to assume all outstanding Commonwealth debt associated with the Toll Road.

B. Efficient Completion of Transportation Improvements

Under Airports Authority operation, the priority for the Toll Road asset will be to maximize the overall benefits to transportation, including *the efficient completion of rail* and direct highway improvements for Dulles Corridor travelers. Specifically, the Airports Authority intends to expeditiously proceed with rail to Dulles as a single rail program. The Airports Authority is committed to an aggressive management strategy that will meet the demands of Dulles Corridor users to make improvements in the corridor as soon as possible.

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Under the current plan, the proposed rail extension would be constructed in two distinct phases in order to reduce annual funding needs by distributing the construction costs over a longer period of time. Current plans for the extension would be funded by the Federal Transit Administration (FTA), the Commonwealth of Virginia, Fairfax County, Loudoun County, and the Airports Authority, along with possible private sector funding. Presently, FTA is considering funding only the first phase of construction for "New Starts" from the SAFETEA-LU six-year reauthorization. The Airports Authority would make a solid local contribution and commitment to rail, increasing the project's feasibility for the FTA.

C. Commit All Revenues to Transportation Benefits

All tolls paid by users of the Dulles Toll Road will stay in the corridor. Under Airports Authority operation, all toll revenues will continue to be dedicated to roadway and transit improvements, operation, and maintenance in the rapidly growing Dulles Corridor. Revenues will not be diverted to projects outside of the Dulles Corridor or controlled by private entities. This allows all available funding, including leveraging net revenues, to be maximized for future improvements to the corridor.

D. Allow Flexibility for Prioritization of Future Improvements

Entering into a long-term private concession limits flexibility; therefore, Airports Authority ownership and management is preferred. No public agency or private company has the ability to accurately forecast conditions or technology out more than 20 years. The optimal combination of activities that will create the greatest benefits for Toll Road users and provide the maximum acceleration of rail delivery is not yet clear. By locking into a concession arrangement on the Toll Road today, it is highly likely that alternative paths for future projects will be eliminated or hindered due to commitments under the concession contract, including a fixed flow of funds. Any major changes to the original agreement would require an amended agreement with the Concession holder and likely an extended negotiation.

Often in a comprehensive agreement with the private sector, contract terms such as non-compete clauses limit the amount of capacity improvements that can be made in the corridor during the term of a lease. If an asset is owned or leased through a concession agreement, the future flexibility of any improvements or changes is reduced.

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If the Airports Authority has control, a responsible public agency retains the flexibility to analyze costs and benefits for future projects based on public need and benefit and financial viability rather than profit determination.

E. Enhanced Corridor Mobility

The Commonwealth of Virginia and its citizens can realize tremendous benefits if the Airports Authority assumes responsibility for the Dulles Transportation Corridor.

1. Commitment to Rail

Under the Authority's proposal there will be roadway improvements in the corridor. They are needed. However, currently planned roadway improvements are only expected to maintain existing levels of service in the corridor, and will not be able to meet future demand. Due to right-of-way, financial, and air quality constraints, additional major roadway expansion beyond these planned improvements cannot realistically be accommodated in the corridor. The 2002 Dulles Corridor Rapid Transit Draft Environmental Impact Statement No Build Alternative included projects that were defeated by Virginia voters in the 2002 transportation sales tax referendum. Therefore, these projects remain unfunded. Existing local bus service provides a partial solution to auto travel, but it is hampered by traffic on already congested roadways.

Given these factors and the need to reduce auto emissions in the region to meet federal air quality standards, *a high-capacity rail transit line in the Dulles Corridor* has long been considered the preferred solution.

The Metrorail Extension has been developed over many years. An open and collaborative public discussion of the corridor, its future needs, and potential solutions to transportation demands resulted in a partnership of federal, state, and local entities that advanced the project.

2. Public Demand for Transit

In a public opinion survey conducted by Northern Virginia Transportation Authority in mid-2005, 60% of respondents (a representative sample of citizens of Northern Virginia) indicated that improved public transportation in the corridor is their top priority, compared to just over 32% who chose roadway improvements. This preference for transit improvements is consistent across all of the jurisdictions included in the survey.

F. Air Service Users Benefit from Rail Transit

Airports are, by definition, intermodal centers: air transportation passengers transfer to ground transportation modes. Traditionally, the only ground transportation modes available are cars and buses. However, as regional roadways become limited, transit is a viable complementary system.

- Airports served by regional transit, including Ronald Reagan Washington National, San Francisco, Lambert (St. Louis), Hartsfield (Atlanta), Philadelphia, Minneapolis-St. Paul, and Baltimore/Washington International find this service essential.
- 17.6% of passengers going to Reagan National use the Metrorail, the highest of any airport transit system in the country.
- Newark completed a people mover to connect to regional rail in recent years.
- JFK completed a SkyRide system that connects terminals, parking, and rental car facilities with Jamaica Station, an important heavy rail station for Long Island Rail Road.
- Denver International Airport (DIA) adopted the Dulles Corridor planning model and provided a dedicated access highway and corridor that includes a corridor for rail development. Funding for transit to DIA has now been approved and the project is underway.

Most large hub airports anticipate that roads will be insufficient to meet long-term capacity, and rail service must be provided.

In summary, the region wants and will benefit from rail throughout the corridor to Dulles Airport and the Airports Authority can make it happen.

G. Responsible Public Agency Management

The Airports Authority has been responsible for providing both aviation and ground transportation service to the region, the nation, and the world during its eighteen-year history. Ronald Reagan Washington National and Washington Dulles International Airports serve critical transportation needs, are proven economic generators, and operate as gateways to the world. These airports, and their future, are affected by the regional transportation system in place today and in the future.

A benefit of continued public agency ownership and operation of the Dulles Transportation Corridor is that the agency's sole interest is efficient public transportation.

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The Airports Authority supports the use of public-private partnerships related to development and construction, particularly for new projects in appropriate cases. New projects carry inherent risk for which a private concession could rightly expect to receive compensation. However, entering into a concession or “sale” of the rights to operate the toll road now may encourage a focus on short-term monetary gain, rather than on long-term benefits and stewardship of the corridor. Any such transaction would require significant and detailed requirements for expansion of existing and new facilities.

When the primary focus of a transportation corridor includes only highway improvements, the interests of a private toll road concessionaire and the public are closely aligned—the actions that increase traffic throughput benefit all parties (i.e. profit to the concessionaire and efficiency to the traveling public). The introduction of other priorities, such as the need for rail in the Dulles Corridor, creates a much more complex set of issues that are challenging to address in a public-private partnership.

In the case of the Dulles Corridor, the complexities of developing an appropriate public-private partnership agreement for the Toll Road are exacerbated by the priority of providing rail expansion in the Dulles Corridor. The current plan is to do so through an agreement with a private entity, the Dulles Transit Partners, which the Airports Authority supports. For a private entity, transit competes with toll road revenues. When combined with the many unresolved issues on the Dulles Metrorail extension, the task of negotiating an appropriate concession agreement for the Toll Road is far more daunting. Adding a private concession agreement for the Toll Road also increases the number of parties involved in finalizing terms for completion of transit to Dulles and Loudoun County. In contrast, Airports Authority operation of the Dulles Corridor simplifies the proceeding by reducing the number of parties involved.

Under the Airports Authority guidance, the Dulles Toll Road will be operated and improved to provide efficient service to motorists. Additionally, a rail system will be built and operated to meet the needs of the citizens in Fairfax and Loudoun Counties, as well as customers of Washington Dulles International Airport and visitors to northern Virginia.

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Additional benefits of Airports Authority management include:

- An established full and open competitive procurement process which is mindful of the need to be open to local and disadvantaged businesses in the region.
- Procedures already in place for making policies and adopting regulations with the force of law that ensure that operation of transportation facilities is in the interest of the traveling public.

The Airports Authority will continue to work closely with the Commonwealth and local jurisdictions in making decisions about the improvements to the roadways and the development of the rail system in the Dulles Corridor. We will also work with the jurisdictions to inform their citizens of the scope of the improvements to the corridor, with timely information on projects that may affect the users of the corridor.

III. PROJECT IMPLEMENTATION

A. The Airports Authority's Plan for the Corridor

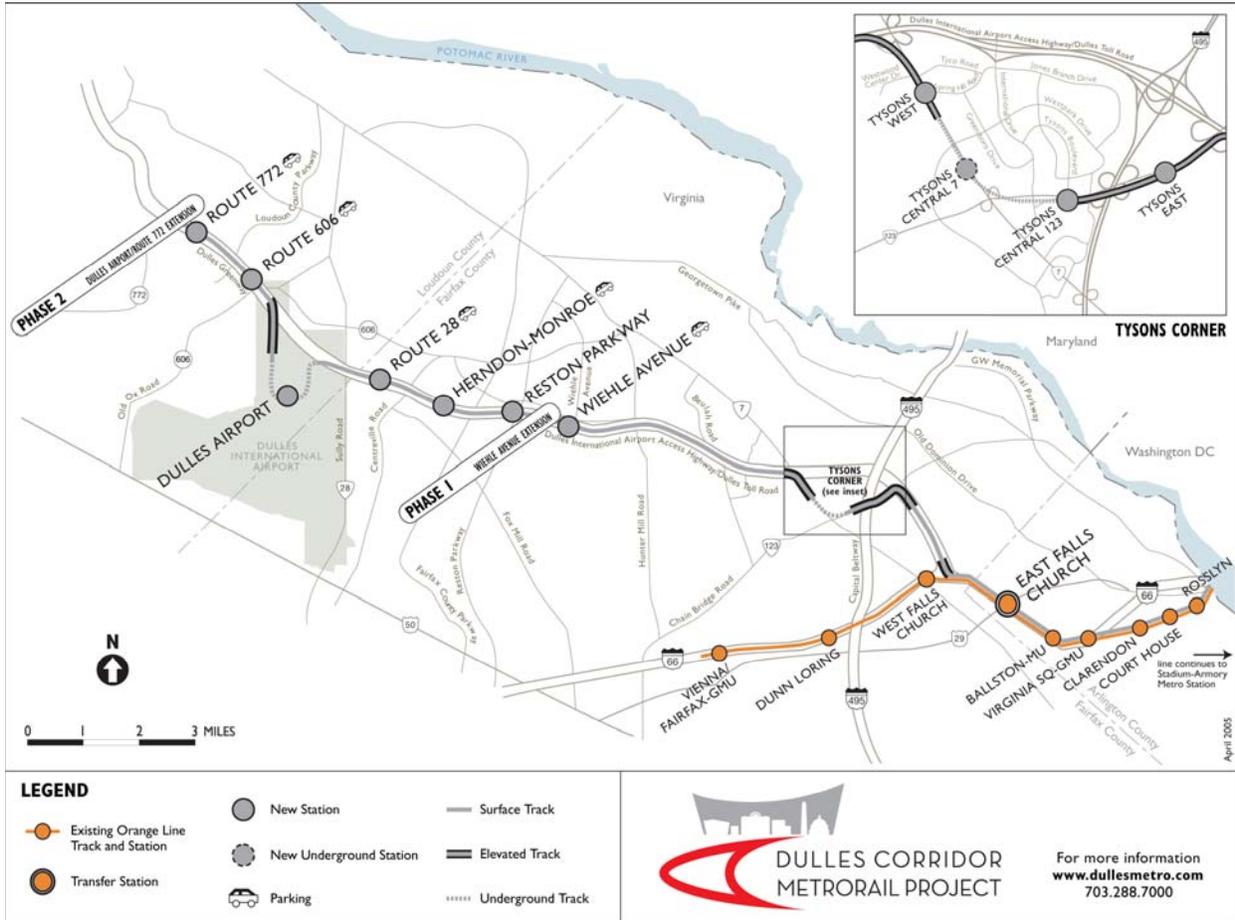
Airports Authority management is structured to provide service and flexibility to meet transportation needs. The Airports Authority has extensive, successful experience implementing and overseeing large projects including major construction contracts, complex roadway systems, revenue collection, and surface and structured parking facilities. Providing smooth transportation mode transitions for passengers, especially at an international airport, is a key objective. The Airports Authority is an established steward of transportation facilities with a strong relationship to the Commonwealth of Virginia and VDOT.

The Airports Authority's view is that the Dulles Corridor should be developed in line with the regional road system. Long-term demands for use will require that it be developed into a "smart corridor" that utilizes variable message signs, automated traffic monitoring, and digital data transmission to drivers.

The Airports Authority is proposing to assure that the much-needed funding is, and remains, available for the Metrorail extension project. Responsibility for operation of the Dulles Corridor Metrorail Project, once constructed, would remain with WMATA. The Airports Authority has worked with WMATA to construct the expansion of the Metro station at Reagan National and is familiar with WMATA construction

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requirements. The status of Dulles Transit Partners remains unchanged from the Airports Authority's perspective except that the Airports Authority would oversee the contract and activities. The Airports Authority will perform responsible due diligence prior to assuming any existing contractual obligations.



B. Role of VDOT

In order for the Airports Authority to assume responsibility for the Dulles Corridor, VDOT would need to release its easement for the Toll Road. This Deed of Easement to the State of Virginia was established in January 1983 by the federal government. All appropriate federal approvals will be obtained.

Review submittals for construction or planned roadways that connect to other state roadways will be in accordance with existing Airports Authority and VDOT procedures.

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C. Federal, State, and Local Permits and Approvals

The Airports Authority will comply with all applicable federal, state and local permit and approval requirements. The Airports Authority will coordinate closely with local jurisdictions, the Commonwealth of Virginia, the Virginia State Police and appropriate federal agencies to implement all necessary approval and review programs. Additionally, the Airports Authority will require its selected contractors to work with local jurisdictions throughout the process.

D. Transition of Workforces

The Airports Authority has experience transitioning a large workforce as it did when Reagan National and Dulles Airports were transferred out of the Federal Aviation Administration and leased to the Airports Authority. Of the original 650 federal employees who transferred in 1987, about 200 are still employed by the Airports Authority 18 years later. Currently the highly skilled workforce has grown to over 1300. The transition and integration of workforces is among the Authority's successful accomplishments. Also, consideration to the workforce would be given in any initiative to outsource operation of the Toll Road.

IV. FINANCIAL CONSIDERATIONS

A. Value of Proposal

The Airports Authority will harness the revenue potential of the Toll Road and couple it with its ability to issue tax exempt bonds to achieve major improvements. The Authority's proposal is:

- To fund the Commonwealth's share of rail to Dulles Airport;
- To assume the responsibility for the Dulles Toll Road and relieve the Commonwealth and Fairfax County of their current debt obligations on the road;
- To operate and maintain the Dulles Toll Road;
- To make the necessary on-going capital improvements to the Toll Road; and
- To make capital improvements to other roads in the corridor.

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This proposal is to make an investment of more than \$3.72¹ billion in transportation improvements for the Dulles Transportation Corridor. This investment includes the following:

Toll Road Revenue for Toll Road operations and Capital Improvements in Corridor

- \$1,050 million: Operating Expenses, Dulles Toll Road
- \$ 321 million: Capital Maintenance, Dulles Toll Road
- \$ 191 million: Repair & rehabilitation, Dulles Toll Road
- \$ 300 million: Capital improvements, Dulles Toll Road
- \$ 92.9 million: Defease outstanding Commonwealth debt for Dulles Toll Road

Toll Road Revenue's contribution to Rail (Phase I and II)

- \$1,770 million: Construction of Metrorail extension

B. Available Financing

The established historic record of toll revenues on the Toll Road greatly benefits the financial feasibility of the project. In addition, the Airports Authority has a proven project management team with a solid reputation in the financial market and local community. Further, additional funding options will be used, such as TIFIA loans from the FHWA, to assist in the financial feasibility of the overall Airports Authority program for rail and highway expansions and improvements. As a stand-alone project from primary airport operations, *no Toll Road revenues would be transferred to airport operations, and no airport revenues would be transferred to the Toll Road project.* The funds from Toll Road operations would be maintained totally separate and apart from the funds from airport operations.

C. Use of Toll Revenues and Airport Contribution

All Toll Road revenues will be directly used for corridor improvements, operations, and maintenance of the Toll Road, and construction of the Dulles Metrorail Project. The Toll Road will be improved, rail will be built and tolls will be set to accomplish these important projects. In addition to the \$3.72 billion toll revenues, the Airports Authority has also committed a contribution of \$137 million for Phase II of Metrorail to Dulles.

¹ Updated to include toll road revenues for Phase I Metrorail extension and clarify source for annual debt service

D. Contributions to Rail

The Airports Authority assumes contributions for construction of the Phase I transit section to Wiehle Avenue as follows:

- \$ 89 million: VDOT
- \$900 million: Federal
- \$450 million: Fairfax County
- \$361 million: Toll Road revenues

The Airports Authority assumes contributions for construction for the Phase II transit section from Wiehle Avenue to Dulles and Route 772 as follows:

- \$159.2 million: Loudoun County
- \$173.1 million: Fairfax County
- \$137.5 million: The Airports Authority
- \$1,409 million: Toll Road revenues

Local contributions are estimated to be slightly less than assumed in the EIS because of using earlier construction for portions of Phase I and Phase II.

E. Toll Rates / Revenue

The Dulles Toll Road generated \$40.9 million in toll revenue in fiscal year 2004. In fiscal year 2005, the Toll Road generated \$43.7² million in toll revenue consisting of \$40.9 million initial revenue and \$2.8 million in toll revenue generated by the toll increase established in May 2005. The May 2005 increase raised tolls from \$0.50 to \$0.75 at the mainline plazas and \$0.35 to \$0.50 at the ramp plazas. The additional tolls are dedicated to rail in the Dulles Corridor.

The Airports Authority's plan would keep average real toll rates flat on an inflation-adjusted basis until capacity constraints are reached or improvements are needed. In the preliminary analysis, toll increases are based on an assumed inflation of 3% compounded per year, starting in 2010 and every three years thereafter through a 50-year period.

F. Risk Factors

- Further analysis is needed of estimated construction costs
- Escalation of construction costs could occur due to factors such as material and labor shortages

² Rounding adjustment

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- Less toll revenue may be collected than anticipated
- Right-of-way costs for rail could increase
- Interest rates could increase beyond current expectations
- Inflation rates could be greater than anticipated
- Local and national economic conditions could be different than anticipated
- An investment grade traffic and revenue study would need to be undertaken to verify revenue assumptions
- The amount and timing of FTA funds for Dulles Rail is not certain
- The availability of TIFIA as subordinate lien debt is not certain
- Analysis of the existing contractual arrangements for preliminary engineering and other phases of rail is needed
- Toll violations above industry average

G. Methods for Mitigating Risks

- Use of value engineering, competitive construction bidding and management
- Revenue enhancement mechanisms such as peak period pricing, toll adjustments in early years, and maximizing use of all-electronic toll collection
- Improvements to the facility to increase throughput
- If traffic should be less than expected, corresponding adjustments can be made in major maintenance or upgrades
- Financing diversification to include
 - Financial tools to hedge future interest rate exposure
 - Mixture of variable and fixed rate financing
 - Maximize use of subordinate loans such as TIFIA
 - Maximize use of cash flow funding in outer years

V. BACKGROUND OF AIRPORTS AUTHORITY AND DEVELOPMENT OF DULLES CORRIDOR

A. Airports Authority Rights over the Dulles Toll Road Right-of-way

Rights retained by the Airports Authority, as the Grantor of the easement to VDOT, include:

- Use of the easement area for its own roads
- Light and air rights
- Use of the property above, beside, or below the easement
- Approval of all modifications, including the installation of any utilities
- Commercial rights for telecommunications easements
- Approval rights for removal of all improvements

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- Entry to the easement without undue interference with the Toll Road
- Preservation of the median for future rail service to Dulles Airport
- Right to move, relocate, or change any facility located within the easement, including pavement
- Right to have the Access Highway operate without interference by Toll Road facilities
- Indemnification

Indeed, given its rights and responsibilities, a concession agreement cannot realistically occur without the approval of the Airports Authority.

As consideration for use of nearly 200 acres of Dulles Corridor property for the Dulles Greenway project, the Commonwealth agreed to spend the net revenues of the Toll Road on projects in the corridor, the Toll Road and the roads feeding it, and that over time, 85% of the surplus revenues will be set aside for rail in the corridor. The Toll Road surplus was pledged to be a principal source of funding for the Commonwealth's share of rail in the corridor, with 100% of the 2005 toll increase pledged to building rail in the corridor. The Airports Authority has no desire to change this agreement, but it is not clear how it would be honored in a PPTA agreement. The Airports Authority has the right and responsibility to carefully review any changes to this agreement proposed by the Commonwealth Transportation Board.

B. History of the Washington Dulles International Airport's Regional Transportation Enhancements

The Airports Authority has a long view for the Dulles Corridor. Nearly 50 years ago, the federal government selected a 10,000-acre site in rural western Fairfax and Loudoun Counties for a new international airport to serve the nation's capital. Officials knew that quick access to this site was essential from a downtown approximately 30 miles away, and subsequently acquired property for a 17-mile-long highway corridor to link to the metropolitan area via two other proposed highways, I-495 and I-66.

These policy-makers and planners knew that such a facility, if successful, would focus future development to a degree that was neither anticipated by the counties nor to which they could reasonably respond without assistance.

By the time Dulles opened in November 1962, the federal government had created the following endowment to regional transportation:

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1. The Dulles Corridor right-of-way, a minimum of 400-feet-wide in a dual-dual configuration for a four-lane (future six-lane) access highway, and a future local highway to be built by the state. This 13-mile-long highway from Route 123 to Route 28 had six interchanges and provided numerous bridges and underpasses to replace otherwise severed connections of local roads.
2. The median of the Dulles Corridor was sized to accommodate future transit, if needed, and was identified in the airport's Master Plan to be so protected.
3. Bridges were built with four full spans to accommodate the future local highway.
4. More than 90% of the land for the interchange between the Dulles Corridor and I-495 had been purchased by the Federal Aviation Agency, the forerunner of the Federal Aviation Administration (FAA), and easements for this interchange had been granted to the Commonwealth.
5. Land for the three-mile connector between the Dulles Corridor and future I-66 was purchased and banked.
6. Two local two-lane roadways were built around Dulles and turned over to the Commonwealth to complete a circumferential route around the airport boundary. The roads also were provided to compensate the counties and the Commonwealth for the local roads which had been acquired and closed for the construction of the airport. These "peripheral roads" today are Route 28 between Routes 50 and 606, and Route 606 between Routes 50 and 28.

That legacy has continued over the years, first by the FAA, then by the Airports Authority. A few examples of the commitment to regional transportation follow:

1. Beginning in 1971, patrons of Wolf Trap Farm Park were permitted use of the Access Highway via special ramps in conjunction with performances at the Park.
2. Since 1973, commuter buses have been permitted to use the Access Highway via special bus ramps.
3. The FAA built the "Connector Road" between I-66 on the east and the Airport Access Highway and Toll Road on the west. This Connector Road was subsequently turned over to the Commonwealth for operation, although FAA/Airports Authority retained the underlying land rights.
4. A right-of-way was provided to the Commonwealth for the construction of the Dulles Toll Road, which opened in 1984.

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- a. To help the Commonwealth save on Toll Road construction costs (to avoid more costly flyovers), slip ramps between the Access Highway and the Toll Road were permitted wherever practical.
- b. Sound wall policies were advocated by the Airports Authority for the benefit of local residents along the Dulles Corridor.
5. In the mid-1980's, FAA and the Airports Authority worked with the two counties, the Commonwealth, and the Route 28 Special Tax District to define and transfer, without fee, easements for an eight-lane, limited-access Route 28. Approximately 5.5 miles of Route 28 are within Dulles property. Seven interchanges along this section have easements involving airport land, including that serving the National Air and Space Museum's *Dulles Center*.
6. From the late 1980s to the mid-1990s, the Airports Authority has worked with the Commonwealth to provide easements for the expansion of the Dulles Toll Road to six-lanes and then to eight-lanes with HOV.
7. Numerous supplemental easements have been provided—at no cost—for the enhancement of the Toll Road including enlarged toll collection plazas, bus ramps to the Herndon-Monroe Park-and-Ride lot, and widened bridges at Wiehle Avenue.
8. In 1993, the Airports Authority provided easements for approximately 200 acres on Dulles Airport proper for the extension of the Toll Road as the Dulles Greenway and, in the process, secured a pledge from the Commonwealth to henceforth dedicate all Toll Road surplus funds (having been previously directed to uses state-wide) to the Dulles Corridor for the betterment of the local users paying these tolls.
9. In 2001, the Dulles North Transit Center opened on Dulles property for local commuter use. This 750-space lot, located at the intersection of Route 606 and the Greenway, is sited at the future location of the Route 606 Station for Dulles Metrorail, also on airport property. The Airports Authority has advocated and participated with other local and state governments for such transit and carpool facilities as a steward of mobility through the corridor and the Dulles vicinity, not only for airport users but for Dulles neighbors as well.
10. The Airports Authority is reserving approximately 70 acres of Dulles property for a maintenance yard for the Dulles Metrorail, respecting the wishes of Loudoun County that this facility not be taken from commercially productive lands within the county's tax base.
11. The Airports Authority continues to support Route 606, has been providing easements for its widening where its alignment crosses Dulles property, and

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has reserved land for an interchange on Dulles property to accommodate the future connection between the Loudoun County Parkway and Route 606.

12. The Airports Authority provided a dedicated right-of-way for a major Virginia Dominion power transmission line and easements for various other utilities in the Route 28 Utility corridor.
13. The Airports Authority provided right-of-way for the utility corridor along Route 606 for LCSA water main and for future utilities.
14. The Airports Authority provided an approximately 30-acre easement to Fairfax County Park Authority for historical preservation of the Sully Plantation.
15. The Airports Authority provided the Smithsonian Air and Space Museum approximately 185 acres for the Hazy Center facility and future expansion.

The Airports Authority recognized the public interest and benefits in all of the public roadway and utility improvement projects and historic sites listed above, and provided the right-of-way free of charge. Only the Greenway, the private, for-profit entity that is benefiting from the use of airport property, is compensating the Airports Authority.

VI. CONCLUSION

From the above proposal, it is clear that Dulles Airport is intertwined with regional transportation and planning. The Dulles Corridor began with the need to provide quality surface transportation facilities to serve the airport. As metropolitan growth has expanded to Dulles and beyond to the west, airport mobility and local traffic mobility are increasingly interrelated. This proposal is an extension of the Airports Authority's commitment to planning for this corridor and providing for this growth with the same concern for regional transportation goals as exhibited during the last 50 years.

The Dulles Transportation Corridor is of great importance to the Metropolitan Washington region. Since Dulles was built the corridor has been preserved for airport automobile traffic, local automobile traffic and for rail. It is time to proceed with rail to Dulles and into Loudoun County. The Metropolitan Washington Airports Authority is prepared as described in this proposal to assume the responsibility for the Dulles Toll Road by accepting it from the Commonwealth, to leverage revenues to support the construction of rail to Dulles and into Loudoun County and to improve the roadways in the Dulles Transportation Corridor.