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Delegate Don Scott, Speaker  
Delegate Charniele Herring, House Majority Leader  
Delegate Todd Gilbert, House Minority Leader  
Senator Scott Surovell, Senate Majority Leader  
Senator Ryan McDougle, Senate Minority Leader

Dear General Assembly Leaders,

Thank you for your service to our Commonwealth. I am writing to reiterate our Board's legislative principles and the relationship of those principles to SB 982. This bill, and its predecessors in previous General Assembly (GA) sessions, have been discussed at length by our Board, most recently at our Legislative Committee meeting on January 17. This letter is a summation of those discussions and is largely similar to the letter I sent on January 26 of last year. As you know, SB 982 would add Fairfax County to the list of localities eligible to hold a referendum to host a casino and would provide that any proposed site for a casino gaming establishment considered by Fairfax County shall be (i) located within one-quarter of a mile of an existing station on the Metro Silver Line, (ii) part of a coordinated mixed-use project development, (iii) within two miles of a regional enclosed mall containing not less than 1.5 million square feet of gross building area, and (iv) outside of the Interstate 495 Beltway.

Some proponents of this legislation have sought to link the proceeds of a potential casino to real estate taxes. I want to be clear that the largest driver of increases in real estate taxes is the more than half billion-dollar deficit in state funding for K-12 education in Fairfax County. If the state fully funded its obligations to Fairfax County Public Schools (FCPS), the County would receive an additional \$568.7 million, allowing us to lower the FY 2025 real estate tax rate by 17.5 cents. This would in turn save homeowners an average of \$1,300 on their tax bill. Any new authority the GA is considering granting the County authority to generate revenue must be considered in this context. Any new proposal for generating local revenue should not be used as a distraction from the landmark analysis the Joint Legislative Audit and Review Commission (JLARC) conducted in 2023 regarding education funding in the Commonwealth – implementing that watershed study is the top priority of Fairfax County and localities throughout Virginia, as it should also be for the state.

Each year, the Fairfax County Board of Supervisors adopts a robust Legislative Program based on the Ten Community Outcome Areas included in our Strategic Plan. This year's program outlines our priorities, initiatives/budget priorities, and position statements on key issues such as education,

health and wellness, human services, and more. A long-standing and fundamental overarching priority and principle for Fairfax County is local authority. Our 2025 program states the following:

Each level of government has unique strengths. However, because Virginia is a Dillon Rule state, local governments are significantly restricted in their authority, which impedes their ability to react quickly and efficiently to emerging problems. In many instances, an overemphasis on statewide uniformity does not adequately consider the particular issues experienced in growing and urbanizing localities in Northern Virginia, limiting the ability of local governments to respond to community standards and priorities.

Existing local government authority must be preserved and expanded, particularly in such key areas as taxation, land use, and the protection of public health, safety, and welfare. Further, local authority should be enhanced to provide localities additional flexibility in the administration of local government. Finally, local government representatives should be included on all commissions or bodies established by the state for the purpose of changing or reviewing local revenue authority or governance.

As such, Fairfax County has not historically opposed legislation that provides local governments with a new option or authority, even if we do not intend to exercise that new option or authority. Similarly, we do not seek or ask the General Assembly to provide a new authority unless we intend to seriously consider implementing such authority.

Unlike other jurisdictions that received the authority to hold a referendum to host a casino, Fairfax County did not seek such authority and has not been substantively involved in the development of the casino concept envisioned by stakeholders and the patrons of SB 982. We made this point last year and nothing has changed. It likely comes as no surprise to you that the location and concept included in the legislation and reported in the media has generated significant community concern and opposition. Furthermore, since a community engagement process was not conducted prior to the bills being introduced in this and previous sessions, as it was in other jurisdictions, we believe the bill in its current form is likely to result in strong community opposition to any future referendum.

While we understand the Commonwealth's desire to collect additional state tax revenue from residents of Northern Virginia, we do not believe our residents would accept the revenue share prescribed in current statute and in the pending legislation. As the law stands today, the Commonwealth would receive over 70 percent of the gaming tax revenue generated by a Fairfax County casino. This is especially relevant given the fact that the location outlined in the bill has the potential to generate significant local tax revenue without a casino. Furthermore, because there has not been an independent analysis of revenue projections specific to this proposal, the County is unable to determine whether or not this proposal presents a good financial deal for Fairfax County residents.

In addition to the impact on real estate taxes, another stated rationale for the legislation is the need to revitalize Tysons. While the COVID-19 pandemic and subsequent shift to remote/hybrid work has, of course, impacted Fairfax County's commercial office market, we feel the need to emphasize that Tysons, and especially the Class A office space in close proximity to Tysons' four Silver Line Metro stations, continues to thrive. Tysons continues to attract new corporations and create new jobs. It has a blossoming entertainment district, anchored by Capital One Hall, a

premier performing arts venue, and a state-of-the-art baseball stadium.

The Tysons Community Alliance, a community improvement organization supported by the Board of Supervisors and local businesses, is engaged in innovative work to enhance placemaking, livability, and economic growth, while our investments in transportation improvements are transforming a maze of asphalt and interchanges into walkable and bikeable communities that continue to attract both new businesses and new residents, joining the nearly 30,000 people who call Tysons home today. In short, we are confident that Tysons is poised for continued success and will remain the economic engine of the Commonwealth for decades to come.

Thank you again for your service to our Commonwealth and for the opportunity to share our perspective on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff McKay". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jeffrey C. McKay