



NEWS RELEASE

Update: Herndon Downtown Redevelopment Project

Herndon, VA (November 8, 2024) – At its public meeting on Tuesday, November 12, 2024, the Herndon Town Council will consider authorizing the town’s pursuit of a financing plan related to its downtown redevelopment project that is designed to lower capital costs related to the project and ultimately increase its viability.

Specifically, the financing plan involves the issuance of revenue bonds, currently expected not to exceed \$30 million, by a conduit bond issuer, the proceeds of which will be loaned to the town to pay capital costs related to the public portion of the parking garage and the arts center, both of which are included in the redevelopment project.

The town is requesting that the City of Fairfax’s Economic Development Authority serve as the conduit bond issuer for the financing plan. The revenue bonds will not constitute general obligation debt of the town; rather, they will be payable from funds appropriated annually by the Town Council for this specific purpose. During the period that the revenue bonds are outstanding, the town will hold title to the entire parking garage (both public and private portions) and will receive lease payments from the project’s developer, Comstock Herndon Ventures LC, in amounts sufficient to repay the bonds. The borrowing costs for the revenue bonds are expected to be lower than those Comstock can secure independently, thereby increasing the overall feasibility of the project.

During their November 12 meeting, the Town Council will consider authorizing the town to enter into an agreement with the City of Fairfax’s Economic Development Authority designating the EDA as the conduit for the financing plan for the public portions of the project. This is an administrative step in order to allow the town to proceed with pursuing this financing plan; additional action by the Town Council will be required to issue bonds further in the process.

As already approved by the Town Council at its September 10, 2024 meeting, the outside satisfaction date by which the town and Comstock are to finalize their Amended and Restated Comprehensive Agreement is set for Tuesday, December 10, 2024. The

agreement will be on the agenda for discussion by the council at its December 3, 2024, work session, and will be presented as a public hearing item on the 10th.

The Herndon Downtown Redevelopment Project is a Public Private Partnership agreement between the town and Comstock that includes the redevelopment of nearly five acres of land in downtown Herndon into a mixed-use development project. For more information, visit Herndon-va.gov/Downtown.

Fairfax City Economic Development is a joint effort of the Fairfax City Economic Development Department and the Fairfax City Economic Development Authority, working to attract and support businesses, foster community connections, and position Fairfax City as a prime location for growth. A founding member of the Northern Virginia Economic Development Alliance. Learn more at gofairfaxcity.com.

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