



Washington Dulles International Airport – Protecting the Commonwealth’s Largest Airport

Prepared for Virginia Housing Commission
Affordable Housing and Landlord - Tenant Law Work Group
June 5, 2024

Why Are We Here?

Overview of MWA and Washington Dulles International Airport

Background - AIOD

Economic Impact of Dulles

Why A Real Estate Disclosure is Necessary

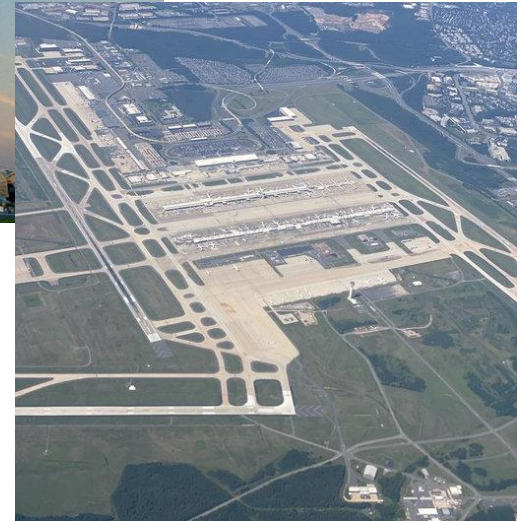
Proposed Solution

Why Are We Here?

- Dulles Airport is the Commonwealth's largest airport and part of a federally-owned airport system that consists of Dulles International Airport, Ronald Reagan Washington National Airport, the Dulles Toll Road, and the Dulles Access Highway. This transportation network operates as a single system under the direction and control of the Metropolitan Washington Airports Authority.
- Dulles was one of the fastest growing airports in 2023 and is the only airport on the East Coast with the ability to grow through the addition of a new runway.
- MWAA projects Dulles to grow significantly over the next several decades. At the same time, residential growth in Loudoun County has only accelerated.
- Without help from the Commonwealth, growth of operations at Dulles Airport could be constrained.
- **We are here to study one tool to protect airport growth: A real estate disclosure requirement that notifies homebuyers that they are buying a home within the noise zone existing around Dulles.**

Case Study – What Happened At DCA?

- After an intense series of noise complaints in the 1980's the FAA imposed nighttime noise restrictions between 10 p.m. and 6:59 a.m., which became known as the DCA Nighttime Noise Rule.
- This rule effectively limits the weights of aircraft that can arrive and depart at night.
- Dulles serves the largest and heaviest commercial airplanes in the country, operating on a 24-hour basis.
- **Restricting large aircraft operations in the evening, night, and early morning would have an immediate and adverse effect on Dulles' long-term economic potential for Virginia and the region.**



Attempts to Restrict Flights at Dulles Already Underway

May 24th, 2024: LoudounNow:

“County Supervisors Advance Two-Work Group Approach to Address Dulles Airport Noise”

- *“Residents near Dulles Airport raising concerns about noise from aircraft overflights might have a chance at some relief after the Board of Supervisors on Thursday voted to move forward with a process to propose mitigation options to the Federal Aviation Administration.”*
- *“Those rule changes would then be reviewed by the regional project group made up of approximately 10 representatives from jurisdictions within a 10-mile radius of the airport. For a proposal regarding a flight rule change to be considered by the FAA, it must have a supportive consensus from the regional group.”*



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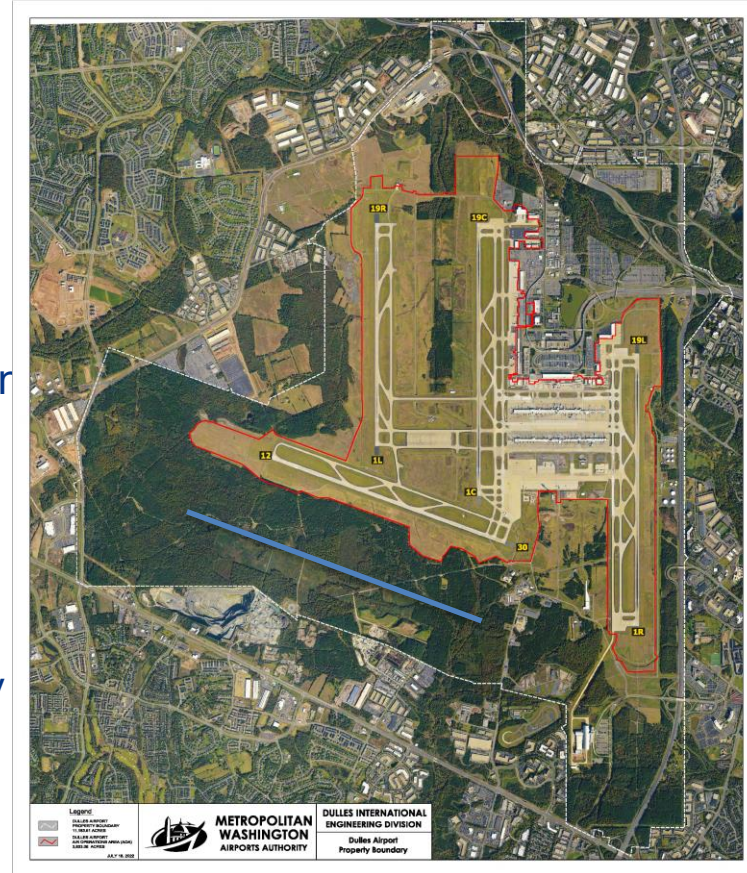
Overview of MWAA and Dulles

- Washington Dulles (IAD) and Reagan National (DCA) are federally owned commercial airports.
- MWAA was created in 1987 to operate and develop DCA and IAD as a balanced two-airport system.
- MWAA operates National, Dulles, the Dulles Toll Road, and oversaw the construction of Metrorail Silver Line extension.



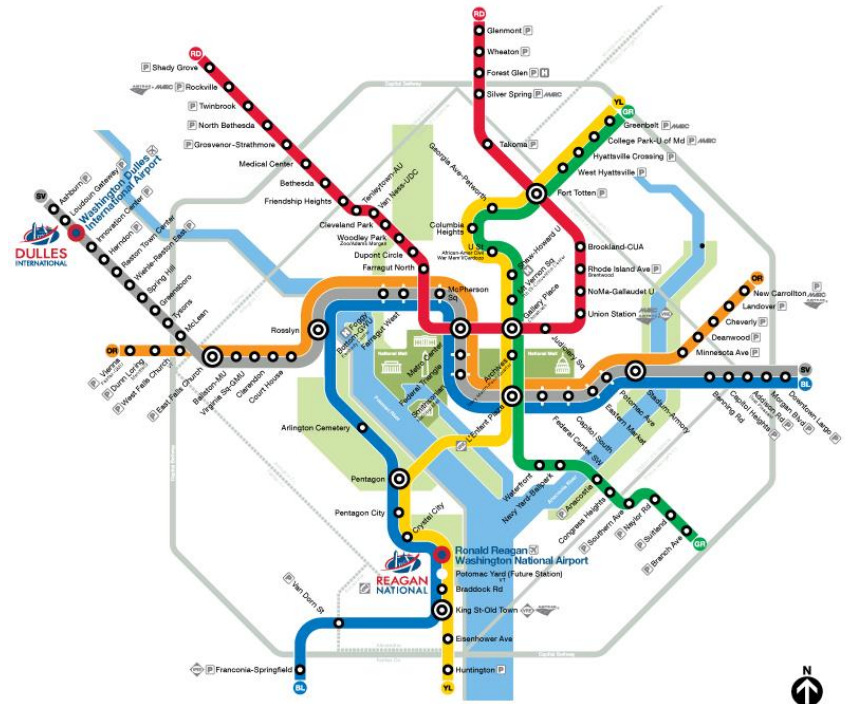
Washington Dulles International Airport - Stats

- ~12,100 total acres
- ~25 million annual passengers currently
- IAD can handle 55 million passengers annually
- 42 airlines serving 140 domestic and 62 int'l destinations
- Approximately 850 aircraft operations per day
- United Airlines represents about 68% of IAD business
- 4th runway built in 2008; Triple Simultaneous Arrivals
- Future 5th runway currently in IAD master plan
- 16 mile Dulles Airport Access Road connecting I-495
- 14 mile Dulles Toll Road built by VA on Airport property
- Largest solar farm on an airport in the U.S. is being built currently by Dominion Energy on Dulles' property.

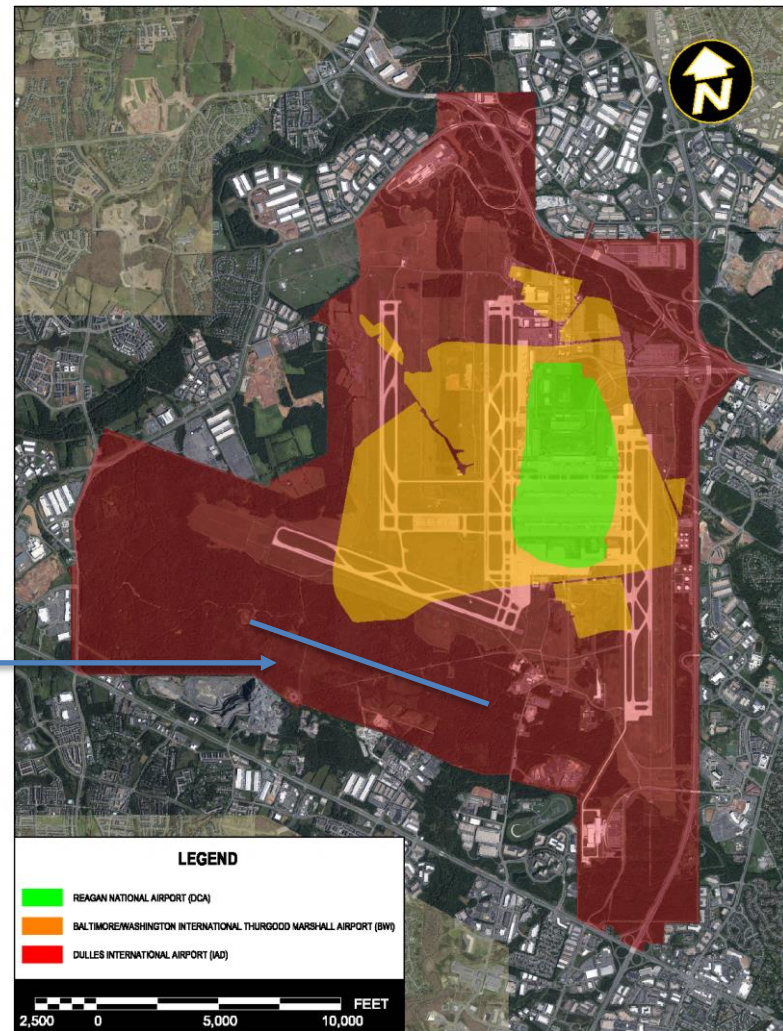


Public Investment at Dulles

- \$6.8B to build the Silver Line to Dulles. Funding provided by the Federal DOT TIFIA loan, MWA, Fairfax and Loudoun counties and DTR users.
- \$50M from Virginia to help lower the “cost per enplanement”, a key metric used by airlines to evaluate cost of operations, grow airline operations, and attract new air carriers.
- \$57M (1984 dollars) from Virginia to construct the Dulles Toll Road (DTR) on Airport property.
- \$300M from Virginia for DTR toll relief



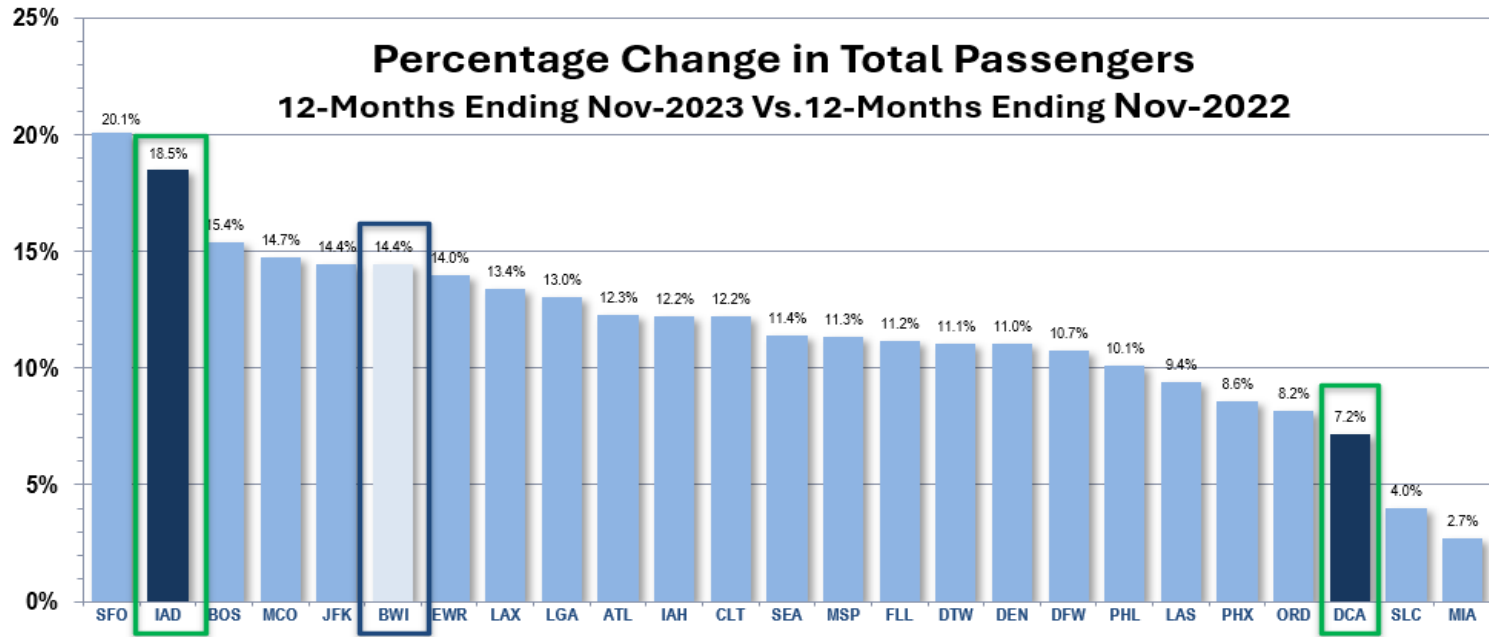
Washington Dulles is the only international airport on the East Coast of the United States with room to grow that includes construction of a new 5th runway.



Record Passenger Activity



Dulles was second fastest growing airport in 2023



America's 25 Largest O&D Passenger Markets

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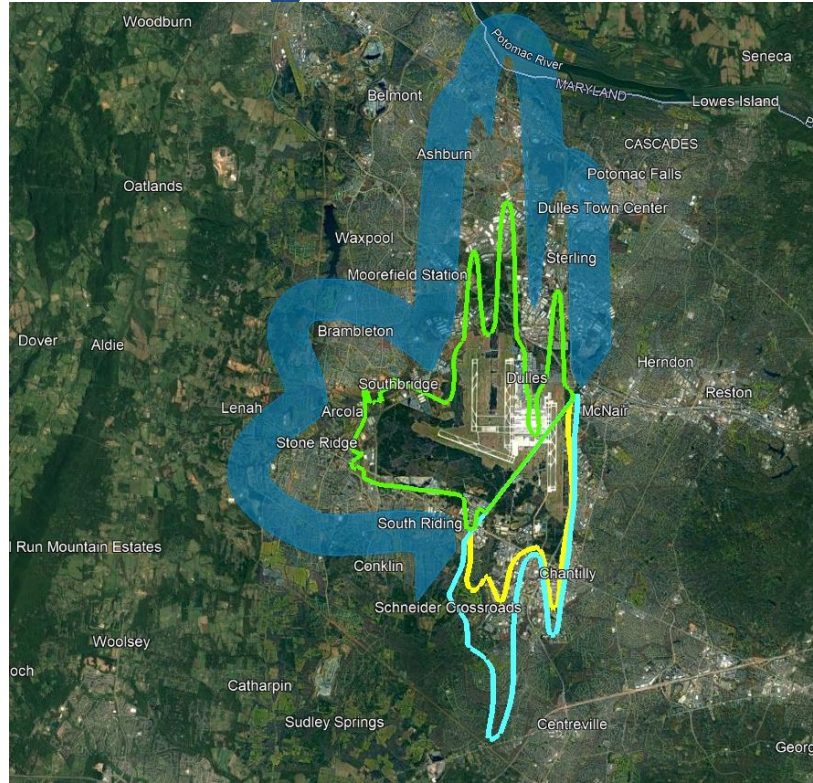
Why A Real Estate Disclosure is Necessary

Proposed Solution

Background - AIOD

- In 1993, with input from officials at Dulles, Loudoun County established an Airport Impact Overlay District (AIOD) noise zone. The AIOD regulations included, among other things, a requirement for disclosure of aircraft noise impacts to prospective home buyers.
- The AIOD was developed pursuant to FAA's established "Part 150" noise zone process to calculate the federally recognized **<65 dB DNL** through **>75 dB DNL** noise modeling standard for identifying aircraft noise levels around airports.
- After extensive public input, Loudoun amended the AIOD regulations in January 2023. In addition to updating the AIOD map -- based upon updated noise contour information provided by Dulles, Loudoun also amended the disclosure provision to explicitly require disclosures to **both** new development and the sale of existing homes.
 - Prior to the 2023 amendments, it is unclear whether, and to what extent, aircraft noise disclosures were to be provided for existing home sales.

Where Disclosure Occurs in Fairfax & Loudoun for New Residents Moving Nearest to Dulles Airport



Background – What Changed in 2024?

- During the 2024 Session, at the request of the VA Realtors, the VA General Assembly passed SB 354 and HB467 (2024). The bills prohibit localities from establishing or enforcing a mandatory disclosure requirement for a real estate licensee or seller of real property unless approved by the VA General Assembly. **MWAA does not object to eliminating local authority to impose real estate disclosures unless such disclosure is approved by the General Assembly.**
- During the 2024 session MWAA led a coalition (Loudoun, United Airlines, VABA, VAOC, and others) raising concerns with the impact of the bill, which was elimination of the existing real estate disclosure requirement around Dulles Airport.
- MWAA offered amendments to the patrons and the VA Realtors that preserved the intent of the bill and moved the Dulles real estate disclosure to the Virginia Residential Disclosure Act. The MWAA amendments were never presented in committee and the issue of protecting Dulles through a real estate disclosure now brings us all to this Housing Commission Workgroup for further consideration.

Background- What Can We Do Now?

- Fortunately, with VA Code the Commonwealth already established a mechanism for protecting existing airport operations and future growth at military airports through a state-mandated real estate disclosure in noise zones around federal military airports.
- Our proposed amendment is to expand the federal military air installation disclosure to include the federal airport at Dulles:

Amend Section 55.1-704:

§ 55.1-704. Required disclosures pertaining to **a military air installations and international airports.** The owner of residential real property located in any locality in which a **(i) military air installation or (ii) federally owned international airport operating on at least 10,000 acres** is located shall disclose to the purchaser whether the subject parcel is located in a noise zone or accident potential zone, or both, if so designated on the official zoning map by the locality in which the property is located. Such disclosure shall be provided to the purchaser on a form provided by the Real Estate Board on its website. Such disclosure shall state the specific noise zone or accident potential zone, or both, in which the property is located according to the official zoning map.

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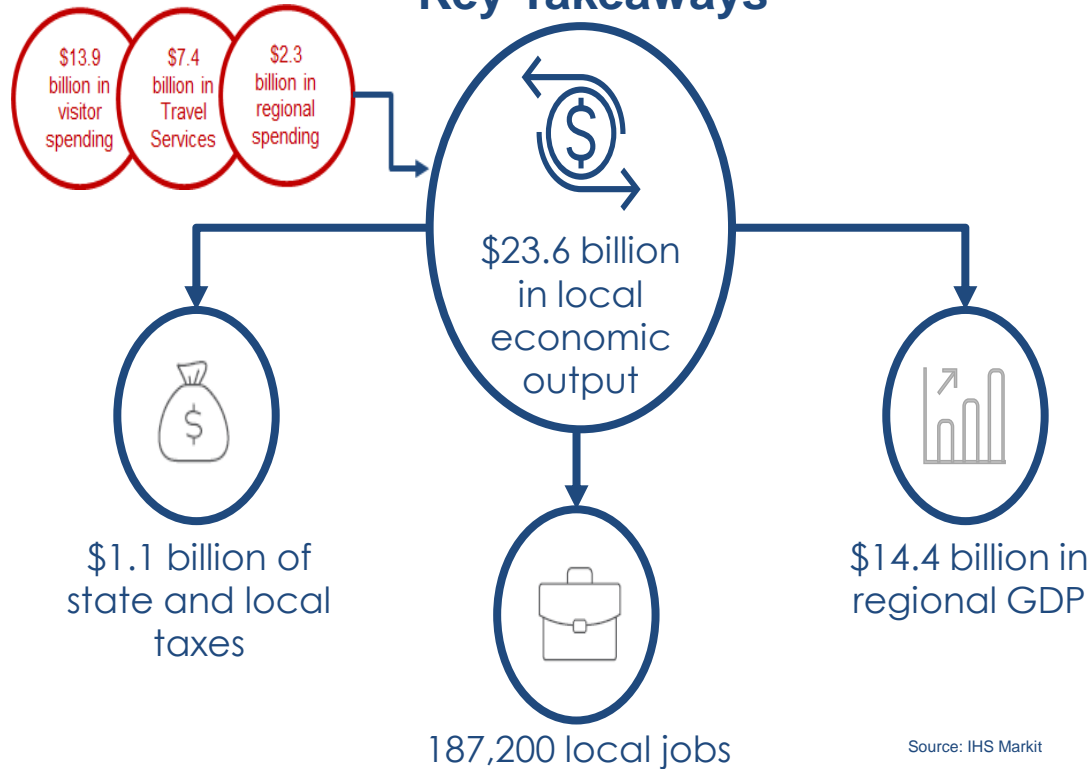
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The Airports Authority's Overall 2017 Economic Contributions to VA-DC-MD & Beyond: Key Takeaways



Overview of Dulles Workforce



• Airlines	8,822
• Other Aviation	5,146
• Tenants	1,620
• Service Comp	8,737
• US Govt	1,916
• Other Govt	876
• Volunteers	484
• MWA	<u>882</u>
• Total Employees	<u>28,483</u>

✈ 763 Companies

✈ United employee trend:

➤ 2022 = 3,604

➤ 2023 = 4,174

➤ 2024 = 6,017

20



New IAD Air Service Local Economic Impact In 2023 & 2024



- 2023: \$189M
- 2024: \$210M (proj)



*7 New Airlines
12 New Routes
9 New Routes with
additional service*



2024 Line up - 42 AIRLINES

U.S. FLAG CARRIERS

Alaska Airlines
Allegiant Air
American Airlines
Delta Air Lines
Southern Airways Express
Southwest Airlines
Sun Country Airlines (Started 2/29)
United Airlines

FOREIGN FLAG CARRIERS

Aer Lingus
AeroMexico (Starts 7/1)
Air Canada
Air China
Air France
Air India
All Nippon Airways
Austrian Airlines
AVIANCA
British Airways

Brussels Airlines
Copa Airlines
EgyptAir
Emirates Airlines
Etihad Airways
Ethiopian Airlines
Iberia Airlines
Icelandair
ITA Airlines
KLM Royal Dutch Airlines

Korean Air
Lufthansa German Airlines
Play Airlines
Porter Airlines
Qatar Airways
Royal Air Maroc
Saudi Arabian Airlines
Scandinavian Air System
Swiss Int'l Airlines (Started 3/28)
TAP Air Portugal

Turkish Airlines
Virgin Atlantic Airways
Volaris
WestJet Airlines





2024 Private Investment Use & Lease Agreement Forecast at Dulles 15 Year Capital Program Summary

(2025 dollars)

Project Categories	IAD (Cost in Millions)
Buildings	\$4,830
Roads	\$499
Parking Facilities	\$150
Airfield Facilities	\$795
IT Software & Systems	\$25
Utility Systems	\$239
Other Projects	\$461
TOTAL 2025 U&L	\$6.9 Billion



Washington Dulles is Home to Virginia Business

70 Companies with \$1 Billion+ in annual revenue have a headquarters presence in the Region



Sources: Uniworld 2018 (Updated August 30, 2018)

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Consumer Transparency

Loudoun's noise disclosures around Dulles are a consumer protection and transparency tool.

New Residents looking to move within Loudoun's airport noise overlay deserve to know exactly what both Loudoun County and the Airport know about current and future aircraft activity occurring near the airport. Loudoun, the airlines and Dulles are supportive of realty disclosures, and these have been successfully occurring on initial home sales for the past 31 years.



Mandate from FAA to Airports

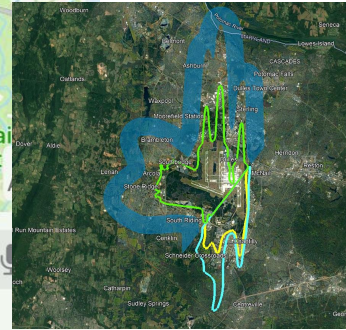
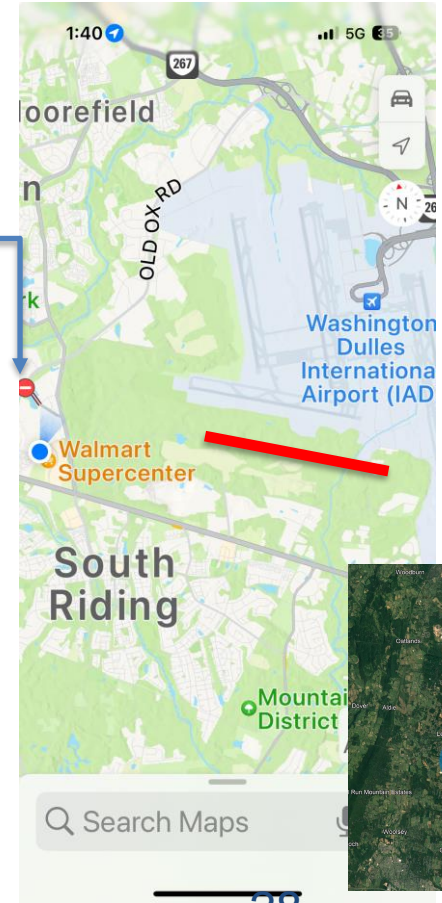
Federal Aviation Administration (FAA) Grant Assurances [Airport Obligations for Funding]

https://www.faa.gov/airports/aip/grant_assurances

Assurance #21, Compatible Land Use: “It [The Airport] will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft...”

FAA’s 14 CFR Part 150 obligation relates directly to noise compatibility planning.

Life in the flight line of the future fifth runway at Dulles



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Proposed Solution: Protect Dulles in same manner as Naval Air Station Oceana

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Questions?

On behalf of the Metropolitan Washington Airports Authority, we would welcome members of this workgroup and the Housing Commission for a tour of Washington Dulles International Airport.