

**Phase 1 Dulles Rail
Transportation Improvement District Commissions**
Fairfax County Government Center Conference Room 232
April 2, 2019

MEETING MINUTES

1. Call to Order

Meeting called to order at 5:11 pm by Chairman Bulova

Phase 1 and 2 Commission members in attendance:

Sharon Bulova – Chairman, Fairfax County Board of Supervisors

Catherine Hudgins – Supervisor, Hunter Mill

John Foust – Supervisor, Dranesville

Phil DeLeon – DRPT

Members absent:

Linda Smyth – Supervisor, Providence

Others present:

Kathy Smith – Supervisor, Sully

Jim Policaro

Joe LaHait

Mark Canale

Mike Coyle

Jeff Fairfield

Martha Coello

Bill McKenna, Town of Herndon

Jesse Herman

Patti McKay

JoAnne Carter

Galena Nedelcheva

Pam Rittenhouse

2. Phase 1 Approval of Minutes, 2018 Annual Meeting, March 13, 2018

Motion by Supervisor Foust, seconded by Supervisor Hudgins, and approved by unanimous voice vote.

3. Dulles Rail Project Update – Mark Canale

Mr. Canale provided an update on Phase 1 noting that it is relatively complete with the only outstanding issues being the Old Meadow Road realignment, which is currently under construction, and VDOT punchlist. The budget for Phase 1 remains at \$2.98 billion. Phase 2 is overall 92% complete. Package A represents the rail line and stations and Package B is the rail yard at Dulles. Package A is 92% complete and Package B is 96% complete. Substantial completion is anticipated August 2019 and revenue service date will be established after that time. The third rail has been energized and testing has commenced. Overall budget for Phase 2 is \$2.778 billion with \$1.868 billion expended. The remaining contingency is \$278.8 million. Construction has shifted to the interior of the stations such as roofing structure, MEP, and finishing details. During interior fit out for ancillary facilities. At Dulles there is work on the station lighting and canopy trim. There is ceramic tile work at Loudoun Gateway and MEP work at Ashburn Station. Modifications to the tracks are being completed as they do dynamic testing. They are running test trains between Dulles Airport and Wiehle. They are working on interior finishes for the Rail Yard and they are testing switches and signals.

Mr. Canale provides an update on the two garages being constructed by Fairfax County. The Herndon garage is almost complete and the certificate of occupancy is expected next week. The County will be opening the new garage to allow for work to occur in the existing garage. The Innovation Center Station garage is 68% complete. Precast operations restarted last week and we anticipate completion for the end of this year. We have committed to have the garage open by the start of revenue service. The current timeframe will meet that commitment.

Discussion of schedule impacts relating to railroad ties and panels at the rail yard.

4. Phase 1 Tax District Implementation Staff Report – Joe LaHait

At present-day the District stands at just below \$17 billion with nine consecutive years of positive growth. About \$344.8 million tax revenue has been collected from the Tax District to date, with \$20 million collected over the last year. A penny represents \$1.6 million dollars of revenue. All debt has been issued for this tax district and reached the \$400 million cap paid to the Airports Authority. The funds were collected via cash contribution and bonds. Moody has rated the District at AAA. Staff will recommend utilizing portions of the residual fund in the future to further pay off and advance outstanding principal on the tax district, approximately \$20 million. The repayment would signify a \$877,000 per year in savings.

Mr. LaHait notes that there is flexibility to reduce the current rate by 2 cents. Reducing the current rate maintains the 1.5 times debt coverage per the established policies. Even with the rate reduction, there are sufficient funds in the reserve fund and does not jeopardize the bond rating. Under 3% and 1.5% growth scenarios the tax district can be paid off around 2031, six years earlier than anticipated.

Over the course of the next year, consider adjustments to the financial policy to allow for more flexibility in rate changes. Would necessitate conversations with the rating agencies to ensure there would be no negative impact to the credit ratings.

Staff recommends reducing the tax rate from 13 cents to 11 cents, completing a \$20 million prepayment using the Residual Fund, and proposes potential changes to the tax district financial policies.

Mr. Policaro informed the Commission that the Tax Advisory Board also recommends the 11 cent tax rate as well as the debt prepayment and financial policy change.

5. Phase 1 Resolution for Tax Year 2019

To request to the Board of Supervisors of Fairfax County to levy and collect an annual special improvements tax for Tax Year 2019 on taxable real estate zoned for commercial or industrial use or used for such purposes and taxable leasehold interests within the District of \$0.11 per \$100 of assessed value.

Motion by Supervisor Foust and seconded by Supervisor Hudgins.

Resolution approved by unanimous voice vote.

6. Phase 1 Other Business

1. Election/Reaffirm Commission Officers for Phase 1

Motion to confirm the slate of officers to the Commission:

Chairman – Sharon Bulova

Treasurer – Joe LaHait

Secretary – Martha Coello

Motion by Supervisor Foust, seconded by Supervisor Hudgins, and approved by unanimous voice vote.

7. Adjourn

Meeting adjourned at 5:35 pm