

Phase 2 Dulles Rail
Transportation Improvement District Advisory Board
Fairfax County Department of Transportation Room 400.06
March 12, 2019
MEETING MINUTES

1. Call to Order

Meeting called to order at 1:02 p.m.; introductions were provided.

Members Present

Kevin Dougherty, Crimson Partners
Peter Johnston, Boston Properties
Jeff Fairfield, Arrowbrook Centre, LLC
Randy Jaegle, Cambridge
Michael Cooper, American Real Estate Partners
Fred Rothmeijer, MRP Realty
Michael Rocks, Rocks Engineering

Others Present

Mark Canale
Joe LaHait
JoAnne Carter
Tom Biesiadny
Patti McCay
Galena Nedelcheva
Jeffrey Kovach
John Harrison
Peter Rosen
Jim Policaro
Pam Rittenhouse
Martha Coello

2. Proof of public notification and advertisement of the meeting was provided by Mr. Canale

3. Approval of Minutes: March 15, 2017 Annual Meeting

There was no quorum for the 3-8-2018 tax district annual meeting so there are no meeting minutes. Motion by Mr. Johnston; second by Mr. Dougherty and adopted by unanimous voice vote to approve the minutes.

4. Election of Officers

Motion by Mr. Rocks to retain Mr. Dougherty as the Secretary and Mr. Fairfield as Chair. Seconded by Mr. Cooper and approved unanimously.

5. Advisory Board Member Expiration Dates and Vacancies

Mr. Rocks, Mr. Rothmeijer, Mr. Jaegle, and Mr. Trimmer terms will expire in 2020. All agree to continue to serve and Mr. Fairfield will handle reappointment letters.

6. Dulles Corridor Metrorail 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. For Phase 2, it 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 August 2019 and revenue service date will be established after that time. Overall budget for Phase 2 is \$2.778 billion with \$1.868 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. 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. The aerial guideway is in place and are doing some dynamic testing on the aerial structure. All the buildings are up for the Rail Yard and they are testing switches and signals.

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Mr. Canale provides an update on the two garages being constructed by Fairfax County. The Herndon garage has a budget of \$44.5 million and is 97.5% complete. Anticipate occupancy of the Herndon garage in April of this year. Mr. Canale explains the features of the new Herndon garage. The Innovation Center Station garage is 68% complete with a project estimate of \$52 million. Anticipate completion for the end of this year. A stop work order was issued last summer because of settlement issues. All caissons have been remediated and a duplicate foundation system and structure has been put in place. Construction has now resumed.

Mr. Cooper inquires about the cracked concrete for Phase 2. Mr. Canale explains that there is no additional cost to the project. All defected panels have been replaced and the contractor is sealing all panels that they manufacture to supplement the replacement. The remediation has been accepted by WMATA and MWAA.

Mr. Johnston inquires about the initial train test run and Mr. Canale comments that it was an issue with coordination of track worker equipment obstructing the track but was quickly resolved.

Discussion of the start of revenue service.

7. Financial/Tax Assessment/TIFIA Updates – Joe LaHait, Fairfax County Debt Coordinator

Mr. LaHait notes that there has been 49% growth since inception of the district. \$100 million has been collected to date. In FY11 the tax district began at a rate of 5 cents. It has increased in 5 cent increments until it reached 20 cents in FY14. Assessed values have grown 8.9% over the prior year. Per the petition, the rate will hold at 20 cents until passenger service begins for Phase 2.

The County has paid out \$400 million towards the Silver Line and \$527 million remains to be paid. The \$527 million will be paid through the TIFIA loan, Phase 2 Tax District, NVTAF funds, and cash or public bond sale. The TIFIA loan debt was split between the C&I Revenues and the Phase 2 Tax District. The Phase 2 Tax District's amount from TIFIA equals \$215 million. The TIFIA loan amount will have been expended shortly. Level debt service for TIFIA becomes due in FY24 at a locked, fixed interest of 2.73%. Mr. LaHait estimates that the debt service would roughly amount to \$14.5 million at that time. The \$114 million needed to complete the \$330 million required to fund Phase 2, per the tax district petition, may be achieved by the Phase 2 Tax District accruals and avoid the need for public bond sale in the future. Mr. LaHait comments that there does not appear to be a need to have the rate exceed 20 cents in the future. Discussion of intent to use accruals for prepayment of the TIFIA loan and draft financial policies similar to Phase 1. The key components of the financial policy would include debt service coverage, reserve levels, parameters for lowering the tax rate.

Mr. LaHait puts forward staff's recommendation that the tax rate remain at 20 cents per the petition, fully draw down the TIFIA loan and once fully drawn down use tax balances to pay capital expenditures. Lastly, once all capital expenditures have been met begin prepayment of TIFIA loan from the Residual Fund.

8. Advisory Board Recommendation on a Proposed Tax Rate for the 2016 Tax Year for FY 2017

Motion by Mr. Rocks to recommend a 20 cent tax rate for the 2017 Tax Year, seconded by Mr. Johnston, and approved unanimously.

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9. Annual Report from the Advisory Board to the Commission

Planned for April 2nd at 5 pm. Location to be determined.

10. Other Business

11. Adjourn

Motion to adjourn by Mr. Johnston and seconded by Mr. Cooper. Motion to adjourn unanimously approved.

Meeting adjourned at 1:44 p.m.