

**Phase 2 Dulles Rail**  
**Transportation Improvement District Advisory Board**  
Fairfax County Department of Transportation Virtual Meeting  
March 15, 2021  
MEETING MINUTES

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**1. Call to Order**

Meeting called to order at 4:07 p.m.; introductions were provided.

Members Present

Peter D. Johnston, Boston Properties  
Michael Cooper, American Real Estate Partners  
Frederick Rothmeijer, MRP Realty  
Michael R. F. Rocks, Rocks Engineering  
Jeffrey J. Fairfield, Arrowbrook Centre, LLC  
Andrew Czekaj, Cambridge

Others Present

Tom Biesiadny  
Gregg Steverson  
Martha Coello  
Joe LaHait  
Patti McCay  
Robin Geiger  
Yuqing Xiong  
Pamela Rittenhouse  
Marwan Mahmoud  
JoAnne Carter  
Matthew Steelberg  
Dong Kim  
Rich Fericola

**2. Proof of public notification and advertisement of the meeting was provided by Ms. Coello.**

Mr. Fairfield announces conference call electronic procedures for the virtual meeting.

Motion by Mr. Johnston for roll call and identification of members' remote locations. Seconded by Mr. Cooper and adopted unanimously by the following Board members in attendance:

- o Mr. Michael J. Cooper; Leesburg, VA
- o Mr. Michael R. F. Rocks; McClean, VA
- o Mr. Frederick Rothmeijer; Great Falls, VA
- o Mr. Andrew Czekaj; Tysons Corner, VA
- o Mr. Peter D. Johnston; Great Falls, VA
- o Mr. Jeffrey J. Fairfield; Town of Herndon, VA

The Board conducted a wholly electronic meeting because the COVID-19 pandemic made it unsafe to physically assemble a quorum in one location or to have the public present. Motion by Mr. Fairfield on the need for an electronic meeting through a dedicated audio-conferencing line. Seconded by Mr. Rothmeijer and adopted unanimously.

Motion by Mr. Fairfield on the Need to dispense with FOIA's Usual Procedures to Assure Continuity in Government and Continue Operations. Seconded by Mr. Rocks and adopted unanimously.

Motion by Mr. Fairfield to adopt agenda seconded by Mr. Johnston and passed unanimously by voice vote.

**3. Approval of Minutes: November 16, 2020 Meeting**

The minutes were distributed electronically before the meeting. Mr. Fairfield notes a correction needed for Mr. Cooper's employer, which should be American Real Estate Partners. Motion to make the correction and adopt the minutes moved by Mr. Cooper. The motion was seconded by Mr.

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Johnston and adopted by unanimous voice vote.

**4. Advisory Board Member Expiration Dates and Vacancies**

Mr. Fairfield notes one current vacancy caused by the resignation of Mr. Trimmer in 2020. An impending vacancy is also noted due to the expected resignation of Mr. Johnston on or about May 14, 2021.

Ms. Coello indicates that the only upcoming reappointment needed by January 31, 2022 is Mr. Dougherty.

Candidates nominated to succeed Mr. Trimmer and Mr. Johnston are Mr. Rich Fernicola and Mr. Pete Otteni representing Brookfield Properties and Boston Properties respectively. Motion by Mr. Cooper for the Advisory Board to support the two nominations. Seconded by Mr. Rothmeijer and adopted unanimously by voice vote. Mr. Fairfield will write letters to the Clerk of the Board of Supervisors requesting the appointments.

Motion by Mr. Johnston to reelect Mr. Fairfield as Chairman and Mr. Dougherty as Secretary. Seconded by Mr. Rothmeijer and adopted unanimously by voice vote.

**5. Dulles Corridor Metrorail Project Update – Martha Coello**

Ms. Coello provides an update on Phase 1 noting that the Old Meadow Road realignment is now complete. Other VDOT punchlist work remains outstanding and is expected to be completed Summer 2021. The budget for Phase 1 remains at \$2.98 billion.

Phase 2 is overall 99% complete. Package A represents the rail line and stations. Package B includes the rail yard at Dulles. Package A remaining work includes dynamic and functional testing as well as interior station finishes and clean up. Package B remaining work includes equipment testing, remedial track work, software programming and punch list work.

The target substantial completion for Package A is Labor Day 2021 as recently announced by MWAA. Package B's target substantial completion is Summer 2021. Revenue service date will be established by WMATA. WMATA will need 6 months after substantial completion to complete testing and open the system for a potential start in early 2022 for Phase 2 revenue service operation. The overall budget for Phase 2 is \$2.778 billion with \$2.420 billion expended to-date. The remaining contingency is \$168.5 million.

Ms. Coello provides details and background information on the remediation work related to the concrete panel deficiencies and concrete ties/cross-level deficiencies. Automatic Train Control and software tie-ins between Phase 1 and Phase 2 systems is ongoing. Proposed revisions were reviewed and commented on by WMATA and field implementation has commenced. Overall, there are 17 outstanding quality issues with 7 items under resolution implementation and 10 items under discussion.

Ms. Coello indicates various quality issues being monitored for resolution. Ms. Coello further notes that WMATA's current budget assumed Phase 2 service while budget adjustments are expected given the recent announcement of substantial completion Labor Day 2021.

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Ms. Coello and Mr. Biesiadny provide updates regarding WMATA's 2022 budget proposal under consideration for approval and adoption in April 2021. The General Manager's original recommendations for bus service cuts and station closings were objected to by the County's Board. The most recent Federal Stimulus legislation provides \$1.2 billion for transit needs in the region which will resolve the General Manager's concerns relative to the FY 2022 Metro budget. Metro's budget will be adjusted to reflect MWAA's recent announcement of target substantial completion September 3, 2021.

Ms. Coello provides an update on the two garages constructed by Fairfax County. Both Herndon Garage and Innovation Center Garage, including the bus loop repaving project were complete. Ms. Coello discusses the Reston Herndon Bus Route Optimization plan which increases access to employment and population relying on public transit. This timeframe to take this matter to the board will be adjusted based on MWAA's recent announcement of substantial completion Labor Day 2021.

Mr. Fairfield asks the likelihood for Phase 2 to be complete by September 3, 2021 as it currently stands. Ms. Coello notes that the quality issues still need to be further monitored and one major factor is the time to manufacture and test the equipment needed for the remaining work. Mr. Biesiadny notes that the established milestone increases the likelihood of September 3, 2021 as a hard date for turnover.

**6. Advisory Board Letter on WMATA Funding - Jeff Fairfield**

Mr. Fairfield and Mr. Rocks indicate that Arrowbrook, Rocks and MRP sent letter to WMATA Board. Mr. Fairfield notes that the public comment period for WMATA's budget ends on March 16, 2021 at 5 PM.

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

Mr. LaHait notes that commercial values were down by approximately 0.53%. Over \$10.2 billion dollars in assessed value. 56% increase since inception in 2011. Tax rate started at \$0.05/\$100 and increased by 5 cents until its current rate of \$0.20/\$100.

Tax district revenue collected through June 30, 2020 totals \$141.5 million. Taxes in the district are collected in two installments due July 28 and December 15. \$112 million will be used to pay cash towards Phase 2 invoices not covered by the TIFIA loan. The remaining funds are used in a combination of setting aside a reserve as mandated for the TIFIA loan by USDOT and excess cash to prepay the TIFIA loan.

As of February 2021, \$90 million of Tax District cash has been used to pay MWAA invoices leaving \$22.6 million remaining to be invoiced.

Phase 2 Tax District non-TIFIA sources of \$112.6 million have been accrued and are available. No additional financing will be needed. Payments to MWAA continue to be made with cash on hand and funding appropriated to process monthly invoices as they are received. The \$403 million TIFIA loan interest rate is locked at 2.73% with final maturity in April 2046. Based on the drawdown of the \$215.6 million in the TIFIA loan at the fixed interest rate. Debt service is estimated at \$14.5 million for the Phase 2 Tax District which would not kick in until FY 2024. Discussion of intent to use accruals for prepayment of the TIFIA loan and draft financial policies similar to Phase 1. The

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key components of the financial policy would include debt service coverage and reserve levels.

Mr. LaHait provides information on comparison of scenarios of 1.5% AV Growth and Draft Debt & Financial Policy. County staff recommends adoption of Phase 2 Tax District Debt & Financial Policy prior to initial debt service payments due on TIFIA loan (October 1, 2023/FY2024) & when unknowns resolved. Recommend debt service coverage threshold at 1.25 times to maintain minimum reserve levels 2.0 times the maximum annual debt service covering the last 2 years of debt at approximately \$30 million.

Mr. LaHait indicates that the County will evaluate options for refinancing the TIFIA loan given current market conditions.

Mr. Fairfield asks about the 1-year of reserves required by the TIFIA loan. Mr. LaHait confirms that another year's worth would be needed which is currently available.

Mr. Fairfield asks about the formality for Tax District Commission Meeting. Ms. Coello notes that a decision is being made regarding whether it will be held virtually or in-person. More information will be provided.

**8. Advisory Board recommendation on a Proposed Tax Rate for the 2021 Tax Year - Proposed Rate 20 cents**

Motion by Mr. Johnston to adopt a resolution recommending the tax rate for 2022 at \$0.20/\$100.

Seconded by Mr. Rocks and adopted unanimously.

**9. Annual Report from the Advisory Board to the Commission**

Ms. Coello notes that a decision is being made regarding whether it will be held virtually or in-person. More information will be provided.

**10. Other Business**

Motion by Mr. Fairfield to recognize Mr. Johnston's leadership and service to Dulles Rail for over 2 decades. Motion seconded by Mr. Cooper and passed unanimously by voice vote.

**11. Adjourn**

Motion to adjourn by Mr. Czekaj and seconded by Mr. Cooper without objection. Adjourned at 4:57 p.m.