

**Phase 2 Dulles Rail**  
**Transportation Improvement District Commission**  
Fairfax County Government Center Conference Room 11  
March 31, 2020  
MEETING MINUTES

**1. Call to Order**

Meeting called to order at 3:50 pm by Chairman McKay

Phase 2 Commission members in attendance:

Jeff McKay – Chairman, Fairfax County Board of Supervisors

Walter Alcorn – Supervisor, Hunter Mill

Kathy Smith – Supervisor, Sully District

John Foust – Supervisor, Dranesville

Members joining remotely:

Cesar del Aguila – Councilmember, Town of Herndon

Members absent:

Vacant – DRPT

Others present:

Joe Mondoro

Joe LaHait

Beth Teare

Tom Biesiadny

Patti McCay

Martha Coello

**2. Approval of Electronic Participation Policy**

Supervisor Smith moves that the Dulles Rail Transportation Improvement District Commission Phase 2 approve the Policy for Participation in Meetings by Electronic Communication. Seconded by Supervisor Alcorn and approved unanimously by the members physically present.

**3. Verification of Remote Participant's Clarity and Volume**

Mr. del Aguila is asked to test his volume and audibility for those present in the room. Supervisor Smith moves that the Commission confirm, for the record, that the voice of each Commission member participating remotely can be heard clearly, audibly, and at an appropriate volume. Seconded by Supervisor Alcorn and unanimously approved by members physically present.

**4. Verification that Physical Absence comports with the Electronic Participation Policy**

Supervisor Smith moves that pursuant to the Commission's Policy for Participation in Meetings by Electronic Communication, I move that Mr. del Aguila be permitted to participate remotely in this meeting because it comports with the policy we just adopted, and a physical quorum is present here in the Government Center. Seconded by Supervisor Alcorn and approved unanimously. Mr. del Aguila joins the meeting from his dwelling.

**5. Approval of Minutes, 2019 Annual Meeting, April 2, 2019**

Motion by Supervisor Smith, seconded by Supervisor Foust and approved by Supervisor Foust and Supervisor Smith. Chairman McKay, Supervisor Alcorn, and Mr. del Aguila abstain from the vote.

**6. Dulles Rail Project Update – Martha Coello**

Phase 2 is 98% complete overall. Package A represents the rail line and stations and Package B is the rail yard at Dulles. The target substantial completion for Package A is mid-2020 and for Package B it is fall 2020. Revenue service date will be established by WMATA. The overall budget for Phase 2 is \$2.778 billion with \$2.295 billion expended to-date. The remaining contingency is \$212.8 million. The remaining construction for civil work is mainly to complete stormwater ponds and finish punch list work. Clean-up at the track continues, including the guideway. All Traction Power Substations (TPSS) were energized and software integration is still ongoing in order to tie in Phase 1 track. Punchlist work for all buildings at the Rail Yard and the installation of the hoist equipment is still ongoing.

Ms. Coello provided details and background information on the remediation work that is still ongoing with concrete panel deficiencies, concrete ties/cross-level deficiencies and fouled ballast. The Fairfax County Board of Supervisors has sent letter to reiterate the concerns to make sure these issues to be addressed properly. There are also other concerns including insulated joints, switches, surge arresters, system integration and Spare parts in the WMATA Office of the Inspector General report. These issues have been discussed and among all parties. Remediation work is in the process and the schedule still needs to be worked out to tie into the project completion.

Ms. Coello provides an update on the two garages being constructed by Fairfax County. The Herndon garage opened in April 2019. The public has been using the new garage, which allowed the renovation work on the existing garage, bus loop, and canopy. The Innovation Center Station garage is 97% complete with a project estimate of \$52 million. The garage has a March 2020 expected completion. The remaining work includes elevator finishes, bioretention pond and landscaping work around the garage. Ms. Coello also included Reston Herndon Bus Route Optimization to show the outreach process and efforts on Fairfax Connector bus route planning for Phase 2 opening. Those outreach efforts are currently delayed due to the COVID-19 situation.

Supervisor Foust asks whether the issue with the Innovation garage concrete foundation has been resolved and if the cost of remediation has been settled. Mr. Biesiadny comments that the foundation issues have been resolved, but the financial impact of the remediation remains in discussion. Supervisor Foust further inquires on the role of the County in approval of the rail project. Mr. Biesiadny comments that we are partners in the project, but WMATA has a more significant role in its acceptance. Supervisor Alcorn comments that WMATA may be more reticent to accept the project because they are responsible for future maintenance. Chairman McKay also notes WMATA staff oversight has improved

and that the County should continue to reiterate that the County will not be responsible financially for the deficiencies.

Discussion takes place on the outcome of any remaining contingency funds once the project is complete.

**7. Tax District Implementation Staff Report – Joe LaHait**

Mr. LaHait notes that there has been 57% growth since inception of the district. District land values stands at \$ 10 billion. 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. Per the petition, the rate will hold at 20 cents until passenger service begins for Phase 2. FY 2021 tax revenue is expected bring in over \$20 million.

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, NVRTA funds, and cash or public bond sale. The Phase 2 Tax District's amount from TIFIA equals \$215 million. Level debt service for TIFIA becomes due in FY24 at a locked, fixed interest. The \$112.6 million needed to complete the \$330 million required to fund Phase 2 from the tax district, per the petition, may be achieved by the Phase 2 Tax District accruals and avoid the need for public bond sale in the future. The TIFIA loan can be prepaid at any time in million-dollar increments. If there is excess cash it can be used to pay down the debt. In FY24 take the \$40 million excess cash to do an early prepayment and reset the debt payments, which gives more flexibility to bring down the tax rate. With this process the TIFIA loan can be paid of in 2038, eight years earlier than anticipated.

Staff proposes to develop financial policies similar to Phase 1 in the fall and send it to the Commission in advance. 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.

**8. Resolution for Tax Year 2020**

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 \$0.20 per \$100 of assessed value. Motion by Supervisor Smith and seconded by Supervisor Foust. Mr. Foust comments that the letter from the Phase 2 Advisory Board has been received and should be submitted for the record. Resolution approved by unanimous voice vote.

**9. Other Business**

**1. Election/Reaffirm Commission Officers for Phase 2**

Motion to reaffirm the following slate of officers to the Commission:

Chairman – Sharon Bulova  
Treasurer – Joe LaHait  
Secretary – Martha Coello

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

**10. Adjourn**

Meeting adjourned at 4:16 pm.