

**Phase 1 Dulles Rail  
Transportation Improvement District Commissions**  
Virtual Meeting  
April 6<sup>th</sup>, 2021

MEETING MINUTES

**1. Call to Order**

Meeting called to order at 4:33 pm by Chairman McKay

Phase 1 and 2 Commission members joining remotely:

Jeff McKay – Chairman, Fairfax County Board of Supervisors

Walter Alcorn – Supervisor, Hunter Mill

John Foust – Supervisor, Dranesville

Dalia Palchik – Supervisor, Providence

Members absent:

Phil DeLeon – DRPT

Others present:

Kathy Smith – Supervisor, Sully

Joe Mondoro

Beth Teare

Tom Biesiadny

Joe LaHait

Rodney Lusk – Supervisor, Lee

Patti McCay

Martha Coello

Yuqing Xiong

**2. Phase 1 Approval of Minutes, 2020 Annual Meeting, March 31, 2020**

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

**3. Phase 1 Dulles Rail Project Update – Martha Coello**

Ms. Coello provides an update on Phase 1 noting that the Old Meadow Road realignment remains substantially completed other than minor paving work. Other VDOT punchlist work remains outstanding and is expected to be completed in summer 2021. The budget for Phase 1 remains at \$2.98 billion.

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

Mr. LaHait provides the historical perspective of growth in the district. At present-day the District stands at approximately \$17 billion. Assessed Value (AV) of Taxable Property is down 5.3% from the prior year. About \$382.3 million tax revenue has been collected from the Tax District to date, with \$15.3 million projected to be collected in FY 2022. A penny represents \$1.7 million dollars of revenue. All debt has been issued for this tax district and reached the \$400 million cap paid to the Airports Authority. Excess cash has been accruing in the district so those additional funds could be used to pay off outstanding debt and provide more flexibility year to year. During FY 2020, the County executed the planned cash pre-payment of \$17.495 million of debt with amounts available in the residual fund. Redeeming debt early reduced annual debt service by approximately \$0.7 million per year. The next opportunity to refinance will be in 2026 for about \$105.2 million.

Recent discussions have examined using the 1.4 times debt service coverage and keeping the 2 cent tax rate reduction policy. Due to the 5.3% decline in AV as of 1/1/2021, debt service coverage at the current tax rate (9 cents) is projected to be 1.32 times in FY 2022. Mr. LaHait notes that it is advisable to maintain the current tax rate at 9 cents for FY 2022 and that a tax rate increase is not required.

Mr. LaHait summarizes the credit ratings for the District and the Residual, Debt Service Coverage and Reserve Policy. The County has \$13 million set up in FY 2021 for an early pre-payment and anticipate to reset the debt service for a savings of \$441,000 per year. Under 3% and 1.5% growth scenarios, the tax district can be paid off around 2031, six or seven years earlier than anticipated.

Staff's recommendation is to maintain the tax rate at 9 cents. Mr. LaHait also notes that the approved tax rate will be included in the FY 2022 budget mark-up to be adopted by the Board of Supervisor on May 4<sup>th</sup>.

Supervisor Alcorn asks staff to coordinate with the chairman on the timing of the meetings to advertise the tax rate. Joe Mondoro says they would make sure all the legal documents would be adhered to.

**5. Proposed Resolution for Tax Year 2021 – Chairman McKay**

To request to the Board of Supervisors of Fairfax County to levy and collect an annual special improvements tax for Tax Year 2021 on taxable real estate zoned for commercial or industrial use or used for such purposes and taxable leasehold interests within the District of \$0.09 per \$100 of assessed value.

Motion by Chairman McKay, seconded by Supervisor Palchik, and approved by unanimous voice vote.

**6. Proposed Resolution for Delegation of Authority – Chairman McKay**

To confirm the delegation of authority to determine the transfer of certain funds held in the revenue stabilization subfund and the residual fund.

Motion by Chairman McKay, seconded by Supervisor Palchik, and approved by unanimous voice vote.

**7. Phase 1 Other Business**

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

Motion to confirm the slate of officers to the Commission:

Chairman – Jeff McKay

Treasurer – Joe LaHait

Secretary – Martha Coello

Motion by Supervisor Alcorn, seconded by Supervisor Palchik, and approved by unanimous voice vote.

**8. Adjourn**

Meeting adjourned at 4:52 pm.