

March 21, 2023

Martha Elena Coello
Secretary
Phase 1 Dulles Rail Transportation Improvement District Commission
4050 Legato Road, Suite 400
Fairfax, VA 22033

RE: Dulles Rail Tax Commission- Phase 1

Dear Ms. Coello:

The Petition and Virginia Code require that the Advisory Board provide you an “annual report on the transportation needs of the district and on the activities of the advisory board...” To that end, accompanying this letter, are the draft minutes of the Phase 1 Advisory Board meeting which was held on March 15, 2023. While these minutes are in draft form, they accurately represent the transportation needs of the district and the Phase 1 Advisory Board’s activities. This letter and draft minutes constitute the Phase 1 Advisory Board’s annual report to the Commission.

The Phase 1 Advisory Board had a quorum at our meeting on March 15, 2023, and therefore we formally endorse County Staff’s recommendation that the tax rate remain at \$0.09/\$100 for FY 2024. The attached draft meeting minutes accurately reflect that those members present at this Phase 1 Advisory Board meeting supported this recommendation.

Sincerely

A handwritten signature in black ink, appearing to read "Thomas Fleury", with a long horizontal flourish extending to the right.

Thomas Fleury
Phase 1 Advisory Board

Phase 1 Dulles Rail
Transportation Improvement District Advisory Board
Fairfax County Department of Transportation; Microsoft Teams Video Conference
March 15, 2023
MEETING MINUTES

1. Call to Order

Meeting called to order at 3:05 p.m.

Members Present

Thomas Fleury, Cityline Partners
Jim Policaro, Lerner Enterprises
Cory Scott, Macerich Corp.
John Harrison, Comstock

Others Present

Tom Biesiadny
Martha Coello
Joe LaHait
Patti McCay
Pam Rittenhouse
Yuqing Xiong
JoAnne Carter
Galena Nedelcheva
Dong H. Kim
Sean Schweitzer
Gregg Steverson
Radwan Idris

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

Ms. Coello presents two policies. One being a virtual meeting policy and explains the State of Emergency previously enacted has ended and that the County has asked the Board members to pass this policy to allow for virtual meetings in the future and explains exceptions. The motion to approve the virtual meeting policy is led by Mr. Scott and seconded by Mr. Harrison. The motion is brought to a vote by the Board and is approved unanimously.

The next policy presented to the Board is a remote participation policy for Board members, which would allow them to participate virtually, with a reasonable excuse due to not being physically present, but a physical quorum would still need to be met by other members. The motion to approve is led by Mr. Policaro and is seconded by Mr. Scott. The motion is brought to a vote and is approved unanimously.

3. Approval of Minutes: March 15, 2021 and March 10, 2022, Annual Meeting

The minutes were distributed. The motion to approve the minutes was led by Mr. Policaro and seconded by Mr. Harrison. The vote to approve the motion was unanimous.

4. Advisory Board Member Expiration Dates and Vacancies

Ms. Coello then states that Mr. Policaro, Mr. Scott, and Mr. Rothmeigher's memberships will be expiring in 2024. Ms. Coello then states that if they are interested in continuing with their role on the Board, they would have to be reappointed by next year's meeting. Mr. Policaro asks what the process is for doing so. Ms. Coello indicates that she just needs email confirmation of their intent to be reappointed.

Mr. Fleury and Mr. Policaro indicate their willingness to continue their roles as Chair and Vice Chair of the Advisory Board, respectively. The motion to keep the existing officers is led by Mr. Scott and is seconded by Mr. Harrison. The motion is brought to a vote and is approved unanimously.

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5. Dulles Corridor Metrorail Project Update – Martha Coello

Ms. Coello states that all work for Phase 1 is now complete. The last item that was completed was the Dulles Connector Road Shoulder and manhole repairs. There has been no change to the Phase 1 budget and it remains at \$2.98 billion.

Phase 2 is 100% complete. There was a revision to the budget for additional funding which covers changes in code requirements, additional administrative costs and paying outstanding invoices. The overall budget for Phase 2 is \$2.778 billion with \$250 million in additional funding brings the total budget to \$3.028 billion. The remaining contingency is currently \$53.3 million.

Ms. Coello states that Silver Line Phase 2 did open November 15, 2022, with approximately 25,000 trips per week with an average of 5,000 trips per day during the week. Ms. Coello goes on to state that Ashburn and Dulles Metrorail station are the busiest new stations and most origin/destination points of those trips occur within downtown Washington D.C. to the new stations. Ms. Coello goes on to provide an update on Fairfax County Connector bus service changes for Reston/Herndon to provide more access to users. The new routes service 579 passenger trips per day.

Ms. Coello provides updates on Fairfax County activities related to Phase 2, which includes the completion of the Herndon and Innovation Station garages, the Silver Line Phase 2 Bus Service Plan approval, verification of punchlist items with MWAA, acceptance of 4 out of 5 of the facilities from MWAA, and the outstanding package K items that consist of sidewalk installation along Sunrise valley Drive approaching Reston parkway and Wiehle South bus bay removal.

Mr. Policaro asks how ridership numbers compare to pre-pandemic/post pandemic levels and if they are above or below. Mr. Biesiadny states that there are many factors that can impact the present level of ridership, one of those being the federal government and whether they will have employees start going back to work more frequently or not. Bus ridership seems to have recovered, but rail has yet to come back to pre-pandemic levels.

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

Mr. LaHait provides the historical perspective of growth in the district. At present-day the district stands at approximately \$17.5 billion. Assessed Value of Taxable Property is approximately .71 percent. About \$413 million tax revenue has been collected from the tax district to date, with \$15.5 million collected over the last year. 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. The funds were collected via cash contribution and bonds. During FY 2022, the County executed the planned cash pre-payment of \$4.78 million of debt with amounts available in the residual fund. Redeeming debt early reduced annual debt service by approximately \$0.2 million per year. Mr. LaHait summarizes the credit ratings for the district. Since coverage in the prior fiscal year (FY2022) cannot be maintained at or above the 1.4x threshold, maintaining the current tax rate is advisable for FY 2024.

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Mr. LaHait notes that it is advisable to maintain the current tax rate 9 cents for FY 2024 and that a tax rate increase is not required.

7. Advisory Board Recommendation on a Proposed Tax Rate for FY 2024

Members present acknowledged support to maintain the tax rate as recommended at \$0.09/\$100 for FY 2024.

8. Annual Report from the Advisory Board to the Commission

Planned for March 28, 2023, at 3:00 pm. The meeting will be held at Fairfax County Government Center, more information will be provided.

9. Adjourn

Meeting ended at 4:00 p.m.