

Phase 1 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 1:47 p.m.; introductions were provided.

Members Present

Michael Cooper, Cooper Consulting
Peter Rosen, GMU
Jim Policaro, Lerner Enterprises
Jeffrey Kovach, Beacon Capital Partners
John Harrison, Macerich

Others Present

Tom Biesiadny
Mark Canale
Joe LaHait
JoAnne Carter
Patti McKay
Galena Nedelcheva
Pam Rittenhouse
Martha Coello

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

3. Approval of Minutes: March 12, 2019 Annual Meeting

Correction noted to revise the minutes to show that Mr. Fleury attended the 2018 meeting. Motion to approve the minutes by Mr. Rosen; seconded by Mr. Harrison and adopted by unanimous voice vote.

4. Election of Officers

Motion by Mr. Rosen to name Mr. Fleury as chair, seconded by Mr. Harrison. Motion by Mr. Harrison to name Mr. Rosen as Secretary, seconded by Mr. Kovach.

5. Advisory Board Member Expiration Dates and Vacancies

Three members have expiring terms: Mr. Kovach, Mr. Policaro, and Mr. Rosen. Mr. Fleury will need to provide a letter to the Board of Supervisors to reappoint the members with terms expiring, however, Mr. Kovach may not request reappointment because Beacon Capital has sold many of their holdings. A suggestion is made to appoint someone from Meridian since they are now a large property owner in Tysons.

6. Dulles Corridor Metrorail Project Update – Mark Canale

Mr. Canale's presentation is waived.

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

Mr. LaHait provided the historical perspective of growth in the district. At present-day the District stands at just below \$17 billion. About \$344.8 million tax revenue has been collected from the Tax District to date, with \$20 million collected over the last year. A penny represents \$1.6 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. Staff will recommend utilizing portions of the residual fund in the future to further pay off and advance outstanding principal on the tax district. Mr. LaHait summarizes the credit ratings for the District and the Residual, Revenue Stabilization, and Debt Service Reserve Funds.

Mr. LaHait notes that there is flexibility to reduce the current rate by 2 cents. Reducing the current rate maintains the 1.5 times debt coverage per the established policies. Under 3% and 1.5% growth scenarios the tax district can be paid off around 2031.

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Ms. Carter discusses financial policy changes to the district that include eliminating the two cent limit on annual rate changes and revise the debt coverage service to 1.4 times, while maintaining the 2.5 maximum annual debt service. Assuming no issue with the credit agencies and approval from the Commission, the new financial policies would be in place for the FY 2021 tax cycle.

The Advisory Board comments that the financial policy changes seem reasonable.

Staff recommends reducing the tax rate from 13 cents to 11 cents, completing a \$20 million prepayment using the Residual Fund, and proposes potential changes to the tax district financial policies.

- 8. Advisory Board Recommendation on a Proposed Tax Rate for the 2019 Tax Year for FY 2020**
Mr. Cooper puts forth a motion for a 11 cent tax rate and endorse the \$20 million debt repayment. It is seconded by Mr. Rosen. The motion is approved unanimously.
- 9. Annual Report from the Advisory Board to the Commission**
Commission meeting will be held April 2nd at 5 pm. Location to be determined.
- 10. Adjourn**
Motion to adjourn by Mr. Harrison and seconded by Mr. Rosen. Motion to adjourn unanimously approved.

Meeting adjourned at 2:12 p.m.