

**Phase 1 Dulles Rail  
Transportation Improvement District Commissions**  
Fairfax County Government Center Room 11  
March 28<sup>th</sup>, 2023  
3:00 pm

MEETING MINUTES

**1. Call to Order**

Meeting called to order at 3:03 pm by Chairman McKay

Phase 1 Commission members joining:

Jeff McKay – Chairman, Fairfax County Board of Supervisors

Walter Alcorn – Supervisor, Hunter Mill

John Foust – Supervisor, Dranesville

Dalia Palchik – Supervisor, Providence

Tim Roseboom – Department of Rail and Public Transportation (Virtual participation from Michigan)

Others present:

Kathy Smith – Supervisor, Sully

Dan Storck – Supervisor, Mount Vernon

Rachel Flynn

Tom Biesiadny

Martha Coello

Yuqing Xiong

Pam Rittenhouse

Patti McCay

Galena Nedelcheva

JoAnne Carter

Joe LaHait

Mike Coyle

Clayton Medford

Amir Abu-El-Hawa

**2. Remote Participation Policy**

Motion to adopt a policy that allows remote participation of members of the Phase 1 Dulles Rail Transportation Improvement District Commission by Chairman McKay, seconded by Supervisor Palchik, and approved by unanimous vote.

Tim Roseboom identifies his location for remote participation for this meeting. Motion to confirm that the remote participation for Tim Roseboom conforms to the remote participation policy by Chairman McKay, seconded by Supervisor Palchik, and approved by unanimous vote.

**3. Phase 1 Approval of Minutes, 2022 Annual Meeting, March 29<sup>th</sup>, 2022**

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

**4. Phase 1 Dulles Rail 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.

**5. 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 \$17.5 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. 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.

Supervisor Palchik asks staff to clarify the earliest schedule to prepay. Mr. LaHait says the earliest can be FY 2024. Supervisor Palchik also asks for the next refinancing opportunity. Mr. LaHait confirms it can potentially be 2026 at the earliest, but staff will need to evaluate the option depending on the market at that time.

Supervisor Foust asks whether the bonds are currently being traded in discounts as interest rates have gone up. Mr. LaHait believes the bonds are traded with 4% or 5% coupons at the secondary market. Ms. JoAnne Carter also notes that the County does not use coupons to prepay the bond but paying interest and par value. Supervisor Alcorn also requests information regarding the difference in value for the bonds in the secondary market to better understand the situation. Mr. LaHait says that the staff will follow up with additional information in Q&A form.

**6. Recommendation by the Phase 1 Dulles Rail Transportation Improvement District Advisory Board for Tax Year 2023**

Ms. Coello indicates that a letter has been provided by the Phase 1 Advisory Board Chair. The Advisory Board met on March 15, 2023, and endorsed the County staff's recommendation.

**7. Proposed Resolution for Tax Year 2023 – Chairman McKay**

“To request to the Board of Supervisors of Fairfax County to levy and collect an annual special improvements tax for Tax Year 2023 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 Supervisory Palchik, and approved by unanimous vote.

**8. 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 vote.

**9. Adjourn**

Meeting adjourned at 3:27 pm.