

Phase 2 Dulles Rail
Transportation Improvement District Advisory Board
Fairfax County Department of Transportation Virtual Meeting
March 10, 2022
MEETING MINUTES

1. Call to Order

The meeting was called to order at 3 p.m.; introductions were provided.

Members Present

Frederick Rothmeijer, MRP Realty
Michael R. F. Rocks, Rocks Engineering
Jeffrey J. Fairfield, Arrowbrook Centre, LLC
Richard Fernicola, Brookfield Properties

Others Present

Martha Coello
Joe LaHait
Patti McCay
Robin Geiger
Yuqing Xiong
Pamela Rittenhouse
JoAnne Carter
St. Clair Williams
Galena Nedelcheva
David Taube
Richard Fernicola
Kristy Choi
Sean Schweitzer

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

The Board conducted a wholly electronic meeting because the COVID-19 pandemic made it unsafe to physically assemble a quorum in one location or to have the public present. A quorum was not present for the meeting.

3. Approval of Minutes: March 15, 2021, Meeting

There is no quorum to approve the meeting minutes.

4. Advisory Board Member Expiration Dates and Vacancies

Ms. Coello notes no expiration of memberships until 2024, but there are two vacancies since Mr. Dougherty and Mr. Cooper are no longer serving on the advisory board.

Ms. Coello recommends that the two vacancies should be filled before the advisory board's next meeting.

5. Dulles Corridor Metrorail Project Update – Martha Coello

Ms. Coello provides an update on Phase 1 noting that the Old Meadow Road realignment is now complete. Other VDOT punch list work remains outstanding and is expected to be completed in 2022. The budget for Phase 1 remains at \$2.98 billion.

Phase 2 is 100% complete. Package A represents the rail line and stations. Package B includes the rail yard at Dulles. Package A announced substantial completion November 4, 2021, and Package B announced substantial completion December 1, 2021. The overall budget for Phase 2 is \$2.778 billion with \$2.551 billion expended to date. The remaining contingency is \$134 million.

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The project is currently in the Operational Readiness Testing phase. The completion of this phase is contingent upon WMATA testing. WMATA will declare operational readiness after satisfaction of the test results and start pre-revenue activities, which will last approximately 90 days. The revenue service date will be announced by the WMATA Board. The heat tape deficiency remains an unresolved issue with MWAA and its contractor.

Ms. Coello provides updates on Fairfax County activities to prepare for Phase 2 opening, which include: two new garages, the ongoing punch list inspection, coordination on maintenance and operations agreement, and the WMATA parking agreement. Ms. Coello discusses the Reston Herndon Bus Route Optimization plan which increases access to employment and provides new connections in the area.

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

Mr. LaHait notes that commercial values were down by approximately 0.53%. There is approximately \$10.8 billion dollars in assessed value, a 64.7% increase since inception in 2011. The tax rate started at \$0.05/\$100 and increased by 5 cents until its current rate of \$0.20/\$100.

Tax district revenue collected through June 30, 2021; totals \$162.3 million. Taxes in the district are collected in two installments due on July 28th and December 5th. To date, \$112.6 million has been used to pay cash towards Phase 2 invoices not covered by the TIFIA loan. The remaining funds are used in a combination of setting aside a reserve as mandated for the TIFIA loan by USDOT and excess cash to prepay the TIFIA loan.

The \$403 million TIFIA loan interest rate is locked at 2.73% with final maturity in April 2046. The TIFIA loan has been drawn with \$215.6 million of the loan allocated to the tax district. Debt service is estimated at \$14.5 million for the Phase 2 Tax District, which would not be required until FY 2024. Discussion ensued regarding the intent to use accruals for prepayment of the TIFIA loan and draft financial policies similar to Phase 1. The key components of the financial policy would include debt service coverage and reserve levels.

Mr. LaHait provides information on comparison of scenarios of 1.5% AV Growth and Draft Debt & Financial Policy. County staff recommends adoption of Phase 2 Tax District Debt & Financial Policy prior to initial debt service payments due on TIFIA loan (October 1, 2023/FY2024). The recommendation is to have a minimum debt service coverage threshold at 1.25 times and maintain minimum reserve levels two times the maximum annual debt service or \$29 million that are to be held in debt service reserve and the residual fund. Mr. LaHait says that the County currently estimates an early prepayment of the TIFIA loan of approximately \$36.5 million. The annual debt service savings are estimated at \$2.1 million per year through FY2046. MADS would decline from \$14.5 million to an estimated \$12.3 million.

Mr. LaHait recommends maintaining the existing tax rate at \$0.20/\$100 AV in FY 2023, per terms of the petition.

Mr. Rothmeijer asks for Mr. LaHait to explain if loans are fixed through the end date. Mr. LaHait states they are fixed through FY2046 at 2.73%.

7. Annual Report from the Advisory Board to the Commission

Ms. Coello notes that the Commission meeting will be held in person with the option to attend virtually.

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8. Other Business

Mr. Rothmeijer makes the advisory board aware that the Reston Comprehensive Plan effort is currently ongoing. Mr. Rothmeijer states that there are certain concepts that might affect development around Metrorail stations.

9. Adjourn

Adjourned at 3:37 p.m.