1. Call to Order
Meeting called to order at 4:52 pm by Chairman McKay

Phase 2 Commission members joining remotely:
Jeff McKay – Chairman, Fairfax County Board of Supervisors
Walter Alcorn – Supervisor, Hunter Mill
Kathy Smith – Supervisor, Sully District
John Foust – Supervisor, Dranesville

Members absent:
Phil De Leon – DRPT
Naila Alam – Councilmember, Town of Herndon

Others present:
Joe Mondoro
Joe LaHait
Beth Teare
Tom Biesiadny
Patti McCoy
Martha Coello
Yuqing Xiong

2. Approval of Minutes, 2020 Annual Meeting, March 31, 2020
Motion by Supervisor Alcorn, seconded by Supervisor Foust and approved unanimously by voice vote.

3. Dulles Rail Phase 2 Update – Martha Coello
Phase 2 is overall 99% complete. Package A represents the rail line and stations. Package B includes the rail yard at Dulles. Package A remaining work includes dynamic and functional testing as well as interior station finishes and clean up. Package B remaining work includes equipment testing, remedial track work, software programming and punch list work.

The target substantial completion for Package A is Labor Day 2021 as recently announced by MWAA. Package B’s target substantial completion is Summer 2021. Revenue service date will be established by WMATA. WMATA will need about 6 months after substantial completion to complete testing and open the system for a potential start in early 2022 for Phase 2 revenue service operation. The overall budget for Phase 2 is $2.778 billion with $2.420 billion expended to-date. The remaining contingency is $168.5 million.

Ms. Coello provides details and background information on the remediation work related to the concrete panel deficiencies and concrete ties/cross-level
deficiencies. Automatic Train Control and software tie-ins between Phase 1 and Phase 2 systems ongoing. Proposed revisions were reviewed and commented on by WMATA and field implementation has commenced. Overall, there are 17 outstanding quality issues with 7 items under resolution implementation and 10 items under discussion. These issues will need to be addressed prior to WMATA continuing to test their system and to adequately operate the system.

Ms. Coello notes that WMATA’s current budget assumed Phase 2 revenue service begins in July 2021. Budget adjustments are expected given the recent announcement of substantial completion on Labor Day 2021. Ms. Coello and Mr. Biesiadny provide updates regarding WMATA’s 2022 budget proposal under consideration for approval and adoption in April 2021. The most recent Federal Stimulus legislation provides sufficient funds for transit needs in the region which will resolve the General Manager’s concerns relative to the FY 2022 Metro budget. There will be no delay to Silver Line service for financial reasons.

Ms. Coello provides an update on the two garages constructed by Fairfax County. Both Herndon Garage and Innovation Center Garage, including the bus loop repaving project were complete. Both garages will be ready to serve the public once the Silver Line Phase 2 revenue service starts. Ms. Coello discusses the Reston Herndon Bus Route Optimization plan which increases access to employment and population relying on public transit. This timeframe to take this matter to the board will be adjusted based on MWAA’s recent announcement of substantial completion Labor Day 2021.

4. Tax District Implementation Staff Report – Joe LaHait

Mr. LaHait notes that there has been 56.2% growth since inception of the district. District land values stands at $10 billion. Mr. LaHait notes that commercial values were slightly down by approximately 0.5% in FY 2022. In FY11 the tax district began at a rate of 5 cents. It has increased in 5 cent increments until it reached 20 cents in FY14. Per the petition, the rate will hold at 20 cents until passenger service begins for Phase 2.

$527 million remains to be paid for Phase 2 and will be paid through the TIFIA loan, Phase 2 Tax District, NVTA funds, and cash or public bond sale. The Phase 2 Tax District’s amount from TIFIA equals $215 million. The $112.6 million needed to complete the $330 million required to fund Phase 2 from the tax district, per the petition, may be achieved by the Phase 2 Tax District accruals and avoid the need for public bond sale in the future.

As of February 2021, $90 million of Tax District cash has been used to pay MWAA invoices leaving $22.6 million remaining to be invoiced.

Mr. LaHait compares scenarios under the assumption of 1.5% AV Growth, which indicates that continuous prepayment on the debt can potentially lower the tax rate and pay off the TIFIA loan in 2038, eight years earlier than anticipated.
County staff recommends adoption of Phase 2 tax district debt and financial policy prior to initial debt service payments due on TIFIA loan, the guidance and thresholds in which are very similar to Phase 1 tax district financial policy. All these policies will also be reviewed annually.

Mr. LaHait recommends to maintain the existing tax rate at 20 cents in FY 2022. Mr. LaHait also notes to evaluate options to refinance the TIFIA loan and in the open market.

Supervisor Foust asks the question for the earnings on the cash accrued in the tax district, Mr. LaHait will follow up with County’s cash and investment office and respond back.

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 $0.20 per $100 of assessed value.

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

6. Other Business
   1. Election/Reaffirm Commission Officers for Phase 2
      Motion to reaffirm the following slate of officers to the Commission:
         Chairman – Sharon Bulova
         Treasurer – Joe LaHait
         Secretary – Martha Coello

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

7. Adjourn
   Meeting adjourned at 5:13 pm.