

**Phase 1 Dulles Rail  
Transportation Improvement District Commissions**  
Virtual Meeting  
March 29<sup>th</sup>, 2022

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 (remote from home)

Members absent:

Tim Roseboom – DRPT

Others present:

Kathy Smith – Supervisor, Sully

Beth Teare

Tom Biesiadny

Naila Alam - Town of Herndon Council

Pam Rittenhouse

Patti McCay

Martha Coello

Joe LaHait

Yuqing Xiong

Sean Schweitzer

Supervisor Palchik identifies her remote location for virtual participation for this meeting. Motion by Chairman McKay, seconded by Supervisor Foust, and approved by unanimous vote.

**2. Phase 1 Approval of Minutes, 2021 Annual Meeting, April 6, 2021**

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

**3. Phase 1 Dulles Rail Project Update – Martha Coello**

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

**4. 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 \$17.4 billion. Assessed Value (AV) of Taxable Property is up 2.18% from the prior year. About \$397.7 million tax revenue has been collected from the tax district to date, with \$15.6 million projected to be collected in FY 2022. All debt has been issued for this tax district and reached the \$400 million cap paid to the Airports Authority. Excess cash has been accruing in the district so those additional funds could be used to pay off outstanding debt and provide more flexibility year to year. During FY 2021, the County executed the planned cash pre-payment of \$11.19 million of

debt with amounts available in the residual fund. Redeeming debt early reduced annual debt service by approximately \$0.4 million per year.

Debt service coverage at the current tax rate (9 cents) is projected to be 1.36 times in FY 2022. Since it is below 1.4 times threshold, Mr. LaHait notes that it is advisable to maintain the current tax rate at 9 cents for FY 2023 and that a tax rate increase is not required.

Mr. LaHait summarizes the credit ratings for the district and the residual, debt service coverage, and reserve policy. Under 3% and 1.5% growth scenarios, the tax district can be paid off around 2031, six or seven years earlier than anticipated.

Staff's recommendation is to maintain the tax rate at 9 cents. Mr. LaHait also notes that the approved tax rate will be included in the FY 2023 budget mark-up to be adopted by the Board of Supervisors on May 10<sup>th</sup>.

Supervisor Alcorn asks staff to clarify whether the additional money will go to the reserves to pay down debts in either scenario where the district gets paid off early. Mr. LaHait confirms and states they will monitor the model as it goes and the options will be narrowed down on the approaches when it gets closer in time to close the debt in the future years.

Supervisor Alcorn also asks to confirm the tax rate only applies to commercial and industrial. Mr. LaHait confirms.

Supervisor Palchik asks whether there will be a decision point for how to spend the reserves before debt closes out. Mr. LaHait confirms and states that the committee will continue meet annually and review the reserves and residual funds before it is spent.

**5. Recommendation by the Phase 1 Dulles Rail Transportation Improvement District Advisory Board for Tax Year 2022**

Ms. Coello indicates that a letter has been provided by the Phase 1 Advisory Board Chair. The letter states that the Advisory Board met on March 10, 2022, and received the update. There was no quorum to vote but they had no objections to the recommendation on the tax rate.

**6. Proposed Resolution for Tax Year 2022 – Chairman McKay**

To request to the Board of Supervisors of Fairfax County to levy and collect an annual special improvements tax for Tax Year 2022 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 Foust, and approved by unanimous vote.

**7. 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 Palchik, seconded by Supervisor Alcorn, and approved by unanimous vote.

**8. Adjourn**

Meeting adjourned at 3:29 pm.