

**DULLES CORRIDOR ADVISORY COMMITTEE
MEETING OF MAY 30, 2014
CENTER FOR INNOVATIVE TECHNOLOGY COMPLEX – HERNDON, VIRGINIA
MINUTES**

(APPROVED DURING DECEMBER 15, 2014 DCAC MTG.)

Attendees:

Hon. Sharon Bulova, Chairman, Fairfax County Board of Supervisors
Ms. Jennifer Mitchell, Director of DRPT, Commonwealth of Virginia (on behalf of VA Secretary of Transportation Aubrey Lane)
Hon. Scott York, Chairman, Loudoun County Board of Supervisors
Mr. Tim Hemstreet, Administrator, Loudoun County
Mr. Ed Long, Executive, Fairfax County
Mr. Gary Garczynski, Commonwealth Transportation Board
Mr. Jack Potter, President/CEO, MWAA
Mr. Anthony H. Griffin, Metropolitan Washington Airports Authority Board of Directors (on behalf of Mr. Rusty Connor, Chairman, MWAA Board of Directors)

I. **Call to Order and Welcome**

Chairman York called the meeting to order at 9:34 a.m. and welcomed all attendees with opening comments. Introductions were completed. Chairman York introduces Ms. Jennifer Mitchell from DRPT, representing Aubrey Lane, Secretary of Transportation for the Commonwealth of Virginia, and Tony Griffin, representing Rusty Connor, MWAA

II. **Approval of Agenda**

No revisions to the agenda requested.

III. **Approval of the meeting minutes from the December 2, 2013 meeting**

On a motion by Chairman Bulova and seconded by Mr. Potter, the minutes from the December 2, 2013 meeting were approved by unanimous vote.

IV. **Rail Project Update**

Ms. Ginger Evans, Acting Project Executive Director and VP for Engineering, MWAA (Former Project Director Pat Nowakowski has retired from MWAA), provided an update on the construction and testing of Phase I, along with a project status of Phase II.

o Phase I Project Update

Substantial completion declared as of April 9, 2014, with revenue service anticipated to start this summer (2014). Ms. Evans showed slides of what Phase I stations will look like. MWAA will provide bus service between the Wiehle – Reston East Station and Dulles International Airport at a cost of \$5.00 per passenger. This means passengers can access Washington Dulles International Airport from anywhere in the Metro system for no more than approximately \$11.00 which includes Metrorail plus bus one-way fare.)

o Phase II Project Update

Construction Package A includes an 11.5 mile extension from the Wiehle – Reston East Station to Loudoun County beyond Dulles Airport, and includes the Reston Town Center Station, Herndon Station, Innovation Center Station, Dulles Airport Station, Route 606 Station and Route 772 Station.

Construction Package B includes the Metrorail Yard and Maintenance facility on Dulles Airport property.

In addition, Phase II will include the construction of five parking garages.

Phase II sequence of construction will start at Dulles Airport and include the Dulles Airport and Innovation Stations. This will be followed by moving to the east to fill in between the Airport and the Wiehle – Reston East Station, and then move to the west to complete the project ending in Loudoun County at the Route 772 Station. The sequencing is specifically designed to allow equipment testing to start as segments are completed.

Mr. Potter indicated that approximately \$23 million of the Phase 1 contingency, which is part of the FTA budget for Phase 1, remains unobligated. He added, however, this is a very small surplus and there would likely be closeout activities related to Phase I ongoing through January of 2015 and beyond.

Mr. Potter also confirmed for Mrs. Bulova that the \$23 million in contingency is part of the budget that over a year ago was increased by \$150 million and no other changes to the budget have been made since then. It was noted by Mr. Garczynski that the \$150 million increase was needed to cover some unexpected cost increases in Phase I, such as new safety equipment.

Mr. York asked for more information regarding to the sizing of the new train yard and maintenance facility that is being built in Phase II. Specifically, Mr. York wanted to know if the sizing of the yard and facilities were needed for just the Silver Line, or would it accommodate other “system” needs. He was concerned that toll road users could possibly be paying for more than just the Silver Line uses. Mr. Potter responded that the Dulles yard was downsized when the Phase 1 West Falls Church yard was expanded. While he could not give a definitive statement as to whether Metro will only service Silver line trains in the Dulles yard, he noted that it is likely Metro will use the yard as an integrated part of their overall maintenance requirements.

Finally, Mr. Garczynski asked if the Route 606 Station parking garage would have the needed capacity to meet projected demand. Mr. Hemstreet answered that based on studies done the garage has been sized to accommodate the projected demand; however, he added that this does not preclude Loudoun County from adding more spaces in the future once the

service starts and there is an opportunity to evaluate the situation based on actual demand.

Ms. Evans presentation has been posted onto MWAA website at http://www.mwaa.com/file/Rail_Project_update_5-30-2014.pdf

V. Dulles Corridor Enterprise Financial Update

o TIFIA Loan Approval / Impact on Tolls

Mr. James Taylor II of Mercator Advisors LLC, one of MWAA's Financial Advisors for the Dulles Corridor Enterprise, provided the financial update, substituting for Andy Rountree.

Mr. Taylor reviewed how the estimated capital costs for the Metrorail project had been allocated among the various funding sources and noted that there has been no change from the previous December 2013 presentation. The total amount eligible for TIFIA credit assistance is \$5.684 billion (\$2.906 billion for Phase 1 and \$2.778 billion for Phase 2). The Federal and Commonwealth contributions are fixed at about 26% of the total project cost, the Counties and MWAA contribute 25% and the remaining 49% is allocated to the Dulles Toll Road.

On the next Chart entitled "Status of Committed Funding," Mr. Taylor showed that approximately \$702 million of \$900 million in federal funding has been appropriated by Congress and explained that \$100 million of the \$300 Million of State funding for Phase 2 would be available on June 30, 2014. Loudoun County expects to fund \$195 million of its \$273 million share from TIFIA and Fairfax County expects to fund \$403 million of its \$915 million share from TIFIA proceeds. With the successful sale of the Dulles Toll Road revenue bonds on May 14, 2014, the Airports Authority expects to finance 100% of its remaining \$1.277 billion DTR funding obligation with a combination of short-term interim financing and TIFIA proceeds.

Mr. Taylor provided an overview of the TIFIA application process. On May 9, 2014, the Airports Authority and the Counties received written confirmation from USDOT that the Secretary of Transportation had approved the TIFIA applications. The TIFIA Loan agreements are expected to be executed in the summer of 2014 after final negotiation of the terms and conditions.

The funding from the Commonwealth for Phase 2 and the TIFIA Loan will enable the Airports Authority to keep the current toll rates on the Dulles Toll Road the same through 2018. There will likely be a need to increase toll rates starting in 2019, but these are only planning level projections based on numerous assumptions, including no future debt restructurings.

- April, 2014 Dulles Toll Road Traffic & Revenue Update

Mr. Taylor provided a chart showing Gross Monthly Toll Revenues for the Dulles Toll Road. Between 2012 and 2013 there was a significant jump in revenue as a result of a 25 cent increase on the main line and ramp locations. In January 2014, only the main line toll rate was increased.

Mr. Taylor concluded with a chart showing Monthly Toll Transactions. He indicated that transactions have been consistent with projections. There have been relatively small diversions from the toll road in this time period.

Mr. York asked what assumptions were being used for trip generation in making projections. Mr. Taylor responded that in the traffic model used to project future conditions, trip generation is an output of the model, not an input, indicating that assumptions regarding land use and economic assumptions are the key factors that impact trip generation. The consultant retained by the Airports Authority uses conservative assumptions and only modest growth is being forecasted.

Mr. Potter indicated that the Airports Authority is looking at options that could raise toll revenues in future, for example studying whether lower off peak tolls might generate additional trips and revenue.

Mr. Taylor's presentation has been posted onto MWAA website at http://www.mwaa.com/file/Financial_Update_5-30-2014.pdf

VI. Other Items

Ms. Mitchell asked how a cost overrun would be absorbed on the project. Mr. Potter indicated that the Federal and State dollars in the budget are in fact fixed and an increase beyond the current budget would be divided by formula between Fairfax County, Loudoun County, MWAA and the Dulles Toll Road.

The next meeting will be held in December 2014.

VII. Adjournment

Mr. York adjourned the meeting at 10:20 a.m.