

FINAL

(DCAC APPROVED DURING OCTOBER 5, 2012 MEETING)

DULLES CORRIDOR ADVISORY COMMITTEE
MEETING OF MARCH 29, 2012
MINUTES

Attendees: Sharon Bulova, Chairman of the Fairfax County Board of Supervisors; Tony Griffin, Fairfax County Executive; Michael Curto, Chairman of the Board of Directors of the Metropolitan Washington Airports Authority; Jack Potter, President & CEO of the Airports Authority; Thelma Drake, Director, Virginia Department of Rail and Public Transportation (representing Virginia Secretary of Transportation Sean Connaughton); Doug Koelemay, Northern Virginia Representative to the Commonwealth Transportation Board; Scott York, Chairman of the Loudoun County Board of Supervisors; and Tim Hemstreet, Loudoun County Administrator

I. Call to Order Welcome

Chairman Bulova called the meeting to order at 10:40 am, and welcomed all attendees.

II. Approval of Agenda

On a motion by Mr. York and seconded by Mr. Potter, the agenda for the meeting was approved.

III. Approval of Minutes from December 20, 2011 meeting

On a motion by Mr. Potter and seconded Mr. Koelemay, the minutes of the December 20, 2011, DCAC meeting were approved

IV. Rail Project Update

Pat Nowakowski, Executive Director of the Dulles Corridor Rail Project, provided an update on the construction status, costs-to-date and schedule of Phase 1 of the rail project (a copy of his power point is attached as Attachment A). Mr. Nowakowski also gave a brief presentation on the status of the procurement process for Phase 2 of the rail project (this presentation is included in Attachment A).

Chairman Bulova noted the Loudoun County Board of Supervisors has requested a 30-day extension of the period in which it and Fairfax County, pursuant to the funding agreement between the two counties and the Airports Authority (Funding Agreement), are to review the Phase 2 preliminary engineering materials prepared by the Airports Authority and decide whether or not to financially participate in Phase 2. Ms. Bulova also noted that the parties to the Funding Agreement have agreed to amend the agreement to provide for this 30-day extension, and that the parties' governing bodies will be considering the amendment in the near future.

Mr. York presented a concern regarding the manner in which the Airports Authority is addressing the subject of project labor agreements in the bidding documents for Phase 2, and stated that this was issue that could affect the some Loudoun County Board of Supervisors members when deciding whether or not to approve the county's financial participation in Phase 2. Mr. York moved that the DCAC submit its recommendation to the Airports Authority Board of Directors that it eliminate any project labor agreement incentive in the Phase 2 bidding documents and that it instead use in those documents language along the lines suggested in a February 29, 2012, letter from himself, Chairman Bulova and Secretary Connaughton to Mr. Curto. The motion was seconded by Chairman Bulova.

There followed a discussion among the committee members that addressed a number of matters related to the utilization of a project labor agreement in Phase 2, including the following:

- the benefits that have been produced by the project labor agreement in Phase 1 of the rail project;
- the reasons why the Airports Authority Board has determined there should be a project labor agreement on Phase 2;
- the impact that a project labor agreement incentive in the Phase 2 bidding documents might have on Loudoun County supervisors who are to vote on the county's financial participation in Phase 2;
- the impact of such a project labor agreement incentive on the rail project's eligibility for additional funding from the Commonwealth of Virginia;
- whether the subject of a Phase 2 project labor agreement is an appropriate issue to be addressed at all by the committee, or whether it is in reality a "red herring";
- the current position of the federal government, represented by a recent executive order, to encourage project labor agreements in major construction projects undertaken by the government; and
- the fact that the Airports Authority had worked closely with the Commonwealth of Virginia, in conjunction with the negotiations over the Phase 2 Memorandum of Agreement, to reach a separate agreement regarding the use of project labor agreements on Phase 2 which, in the view of Mr. Curto and Mr. Potter, but not Ms. Drake, expressly allowed the Airports Authority to require a project labor agreement from Phase 2 prime contractors.

Toward the close of the discussion Mr. Koelemay suggested that the pending motion be rephrased to capture the message that had been conveyed in the February 29, 2012, letter from Mr. York, Chairman Bulova and Secretary Connaughton to Mr. Curto. This was agreeable to maker of the motion, Mr. York, and Ms. Bulova, who had seconded the motion. Accordingly, the motion was amended to provide that the DCAC recommends to the Airports Authority Board of Directors that the bidding documents for Phase 2, in lieu of an express project labor agreement incentive, include language that requires bidders to provide a plan for the management of the workforce and workplace issues that are typically addressed by a project labor agreement. The motion, as amended, passed on a 5 to 3 vote.

V. Dulles Corridor Enterprise Financial Update

Andrew Rountree, the Airports Authority's Vice President for Finance, presented a financial update of the Dulles Corridor Enterprise Fund during which he addressed the work on a new Dulles Toll Road Traffic and Revenue Study, updated construction costs estimates for Phase 2, and the sources of funding these updated Phase 2 costs, including current and projected proceeds from Dulles Toll Road revenue bonds (a copy of Mr. Rountree's power point presentation is attached as Attachment B).

Chairman York asked whether additional funding from Virginia, beyond the \$150 million that is provided in the Phase 2 Memorandum of Agreement, would be used to pay debt service on Dulles Toll Road revenue bonds or would be used in another way. Mr. Rountree indicated that preliminary modeling suggests that not more than \$250 million of additional Virginia funding (including the amount provided in the MOA) should be used to pay outstanding toll road debt service, and that funding over \$250 million should be used to fund directly the capital cost of the rail project.

Mr. Koelemay asked about the process the Airports Authority was using to decide what changes should be made to the method of collecting tolls on the Dulles Toll Road. Mr. Rountree indicated that a consultant, CDM Smith, had been engaged to assist the Authority in this area, and that its initial efforts have been to identify changes that would be relatively easy to implement changes, such as discounts for vehicles using an EZ-Pass and charging a single rate for all motor vehicles larger than 2 axles. Mr. Rountree stated that CDM Smith will later look at more significant changes, including an all electronic toll collection system and distance-based toll pricing. Both of these latter changes, Mr. Rountree indicated, would require alterations in the toll road's current toll collection technology and, consequently, would take time to implement. In addition, prior to undertaking any such changes, CDM Smith would need to model the changes to ensure they would not result in revenue losses. Mr. Potter added that a concern associated with these types of changes is the loss of revenue from out-of-state vehicles, and that, before making these changes, the Authority will need to ensure that appropriate interstate agreements are in place which will enable tolls not paid by non-Virginia vehicles to be collected through the motor vehicles departments of the states where the non-paying vehicles are registered.

VI. Other

Mr. Potter noted that this was Mr. Griffin's last DCAC meeting, and on behalf of the Airports Authority, he thanked Mr. Griffin for all he has done for the rail project and for his unique ability "to always maintain a steady hand on the wheel."

VII. Adjournment

The meeting adjourned at 12:00