

FINAL

(Approved at the May 30, 2014 DCAC meeting)

**DULLES CORRIDOR ADVISORY COMMITTEE
MEETING OF DECEMBER 2, 2013
CENTER FOR INNOVATIVE TECHNOLOGY COMPLEX – HERNDON, VIRGINIA
MINUTES**

Attendees:

Hon. Sharon Bulova, Chairman, Fairfax County Board of Supervisors
Hon. Sean Connaughton, Secretary of Transportation, Commonwealth of Virginia
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, MWA

(absent) Mr. Michael Curto, Chairman, Metropolitan Washington Airports Authority (MWA)
Board of Directors

- I. Call to Order/Welcome
Chairman Bulova called the meeting to order at 2:35 p.m. and welcomed all attendees with opening comments. Introductions were completed. Jack Potter mentioned Frank “Rusty” Conner is replacing Michael Curto as the Chairman of the MWA Board and Mr. Conner would be attending future meetings. Chairman Bulova also recognized Sean Connaughton’s (outgoing Virginia Secretary of Transportation) for his commendable service to the DCAC, the rail project, and the state transportation system.
- II. Approval of the Agenda
No revisions to the agenda requested.
- III. Approval of the meeting minutes from the June 20, 2013 meeting
On a motion by Chairman York and seconded by Mr. Potter, the minutes from the June 20, 2013 meeting were approved by unanimous vote.
- IV. Dulles Corridor Metrorail Project Update
Mr. Pat Nowakowski, Project Executive Director – Dulles Corridor Metro Rail Project, MWA, provided an update on the construction and testing of Phase 1 along with a project status of Phase 2.

Mr. Nowakowski provided a station by station update on the construction along with the major testing programs that are ongoing. He stated that the contractor had anticipated reaching substantial completion by the end of November but due to testing problems the contractor has not declared substantial completion. Ms. Bulova along with Mr.

Connaughton asked questions related to the opening date and what “glitches” are being encountered with the testing. Mr. Nowakowski explained tests were being conducted related to the train control system, traction power system, and communications system. He stated they needed to resolve all issues to insure the safety and reliability of these systems. These issues must be resolved before MWAA would turn the rail line over to WMATA. Mr. Nowakowski also provided information on the process for compiling and closing out the project punch list and closing out permits to receive building occupancy certificates. He noted those were all progressing. Secretary Connaughton asked if any issues with WMATA remained on the conveyance and maintenance of the project outside of the existing testing, Mr. Nowakowski and Mr. Potter stated they had reached agreement in principle on all the issues and drafting the final language was underway .

Mr. Nowakowski provided an outline of the schedule and procurement process for Phase 2. He stated that notice to proceed was issued in July 2013 for a 5 year design build contract. That Phase 2 is in design and about 40% of the 60% design submittals have been received by MWAA. He also stated they anticipate the rail yard construction notice to proceed would be issued in July 2014 and would take 4 years to complete. The Phase 2 schedule would have the rail yard, parking garages, rail stations, rail systems, and rail line/track all completed by the summer of 2018.

Secretary Connaughton asked for the status of the rail car delivery. Mr. Nowakowski stated that 64 cars were purchased for Phase 1 and those are scheduled for delivery beginning April 2014 and through April 2015. He also stated that WMATA plans to use its existing spare ratio to run the service prior to the new cars arriving.

CTB Member Mr. Garczynski along with Chairman Bulova asked questions related to parking. With input from Pat Nowakowski and Mark Canale of Fairfax County information was provided on parking being constructed by the project along with plans in the Tysons Corner area for parking being provided by private entities to meet the demands in Tysons Corner. Mr. Canale stated that at McLean Station a private parking lot would provide approximately 700 spaces and other sites in Tysons Corner area have been identified by the private sector to provide parking.

A copy of the presentation is attached.

V. Dulles Corridor Financial Enterprise Update

Mr. Andrew Rountree, MWAA Chief Financial Officer, provided an update on the finance plan for the Dulles Rail project. Mr. Rountree noted MWAA and the funding partners have successfully executed the Plan of Finance to date, including contributions from the Commonwealth of Virginia, Fairfax County, and Federal government. Mr. Rountree noted the funding partners continue to work closely with USDOT on TIFIA. He also indicated USDOT was still their TIFIA due diligence phase and he estimated by early 2014 USDOT may offer a formal invitation to apply for the TIFIA loan. Mr. Roundtree stated the TIFIA calculations were still capped at 33% of the total project costs and

estimated the size of the TIFIA loan could be in the range of \$1.8-\$1.9B. He mentioned the funding partners had all agreed to a TIFIA allocation.

A question was raised by Mr. Connaughton to address the financing pending the approval of the TIFIA loan. Mr. Roundtree stated that MWAA issued a short term note of \$400M to bridge the gap.

Mr. Roundtree discussed toll rates and stated that in November 2012 the MWAA board had set the toll rates for 2013 and 2014. Based on the continued performance of the toll road, the plans for TIFIA financing and the Commonwealth's commitment of \$300-million in the 2013 state transportation bill, he did not see a need at this time to increase tolls in 2015.

A copy of the presentation is attached.

VI. Dulles Toll Road Toll Collection Overview

Mr. Chris Browne, Vice President and Airport Manager of Washington Dulles International Airport provided an overview of the Dulles Toll Road (DTR). He stated that the DTR is a traditional tolling facility premised on cash collections. The 17 year-old DTR toll collection system the Airports Authority inherited in 2008 from the VA Department of Transportation does not currently accept credit card payments and has highway speed limitations on its' E-Z Pass lanes. During the presentation, he mentioned the toll collection equipment was older; most components relied on proprietary technology, and the system required significant amount of maintenance. MWAA is working to upgrade the collection system. He also stated MWAA is working toward a seamless system with other toll facilities in the region to include the HOT Lanes and the Dulles Greenway.

Mr. Browne discussed the use of EZ Pass and stated that EZ Pass usage increased over 11% during the last three years and approximately 81% of the DTR users have EZ Pass currently. The Airports Authority continues to encourage this method of payment. Industry experience indicates that cash-based facilities transitioning to all-electronic collection systems lose approximately 50% of their cash-based customers; those customers who are lost do not convert to electronic collection and absent a cash-paying option, violations increase resulting in lost revenue and increased violation-enforcement costs. Further industry experience indicates that transitioning from cash-based systems to all electronic tolling can successfully occur when the proportion of existing electronic payment customers averages approximately 95-96% or better. In response to a question posed by Chairman Bulova regarding the profile of DTR cash customers, Mr. Browne indicated that most cash customers are currently out of state users or infrequent users of the DTR.

A copy of the presentation is attached.

VII. Legal Update

Phil Sunderland provided the committee a brief update on the Portsmouth Toll Case and stated the case revolves around the issue, is tolls a tax or a user fee. Because MWAAs cannot impose a tax the outcome of this case has significant impacts on the DTR operations by MWAAs. He stated the case would be argued before the 4th Circuit Court of Appeals during the week of December 9th. He provided some legal background of user fees and taxes and how those issues may be applied in the review of this case, and he noted that the VA General Assembly itself created the Dulles Corridor Metrorail Project. He felt that the legal challenge would recognize a DTR toll is not a tax but a user fee.

VIII. Other Items

Mrs. Bulova stated she has held that Chairmanship of DCAC for the past 2 years and this position is historically rotated among the members of the DCAC. Therefore, Mrs. Bulova made a motion to elect Hon. Scott York as the next Chairman of the DCAC. That motion was seconded by Jack Potter and Ed Long.

The motion passed unanimously.

IX. Adjournment

Chairman Bulova adjourned the meeting at 3:45 p.m.