

SUMMARY MINUTES
DULLES CORRIDOR AND STRATEGIC DEVELOPMENT COMMITTEE
JOINT MEETING OF APRIL 19, 2017

Ms. Hanley called the April 19 Joint Dulles Corridor and Strategic Development Committee Meeting to order at 8:55 a.m. A quorum was present during the Meeting: Mr. Mims, Co-Chair, Dulles Corridor Committee; Ms. Lang, Co-Chair, Strategic Development Committee; Ms. Wells, Co-Chair, Strategic Development Committee; Mr. Griffin; Mr. Lazaro; Ms. Merrick; Mr. Pozen; Mr. Session; Mr. Sudow; Mr. Uncapher; Mr. Williams; and Mr. McDermott, *ex officio*. Mr. Adams, Mr. Speck, and Mr. Tejada were also present.

Recommendation to Approve Lease to Loudoun County of Airports Authority Land Adjacent to Metrorail Loudoun Gateway Station. Phil Sunderland, Vice President and General Counsel, presented the recommendation to approve a lease for 12 acres of Airports Authority land to Loudoun County (Loudoun) in connection with the Loudoun Gateway Station. He stated that if the Board approved the lease, Loudoun will construct a parking garage on the lease site for Metrorail passengers who use the Gateway Station. Mr. Sunderland further stated that Loudoun will operate and maintain the parking garage as well as a variety of station-related transit facilities that will be constructed by the Dulles Corridor Metrorail Project (Project) as part of Phase 2.

Mr. Sunderland provided two graphic presentations detailing the 12-acre site and its connection between Dulles Airport and the Loudoun Gateway Station, including the parking garage that Loudoun will construct at its own cost and the transit facilities that will serve the station built by the Project and turned over to Loudoun. He stated that it will be Loudoun's responsibility to operate, maintain, and replace the transit facilities until 2067.

Since the 12-acre site is located on the land that the Airports Authority leases from the federal government, Mr. Sunderland reported that the lease will convey to Loudoun the right to use the 12-acre site for certain purposes at a one-time cost of \$100 until the expiration of the Airports Authority's federal lease in 2067. He noted that a provision in the lease may allow Loudoun to lease the land beyond 2067. Mr. Sunderland reviewed several conditions that Loudoun is required to undertake at its own expense to ensure the validity of the lease. As previously mentioned, it will construct, operate, and maintain a 1,965-

space parking garage on the lease site to serve Metrorail passengers using the Gateway Station. Loudoun will also construct a pedestrian bridge to transport passengers from the parking garage to a Washington Metropolitan Area Transit Authority (WMATA) pavilion. It will operate and maintain a set of transit-related facilities including a Metrorail kiss-and-ride drop-off area, seven bus bays with passenger shelters, a surface parking lot with almost 150 spaces, and access roads to the garage and to a site off of Lockridge Road. He also reported that Loudoun will have the sole authority for setting the parking rates for the garage and the surface parking lot. The lease states that all parking revenue that Loudoun derives from the site can only be used for constructing, operating and maintaining the parking garage, the pedestrian bridge, and the transit-related facilities and for deposits into a reserve account, and any excess revenue could be used to pay for Loudoun's share of the operating costs of the Metrorail Station at Dulles Airport. He stated that the lease provides that certain WMATA structures will be located on the lease site pursuant to easements, which the Airports Authority will grant to WMATA, and Loudoun will accept those structures on its lease site. Mr. Sunderland noted that the structures, which will be constructed by the Project and operated by WMATA until the lease expires, will consist of passenger pavilions for access to sidewalks, escalators and elevators.

Mr. Sunderland explained that the lease term can be extended beyond 2067 provided that three conditions are met – if the Airports Authority's lease with the federal government is extended beyond 2067; if Loudoun chooses to extend its lease for all or a portion of that federal lease extension period; and if Loudoun continues to use the lease site as it is required. He reported that upon expiration of the lease, the title to all improvements will be passed on to the Airports Authority.

Mr. Sunderland reviewed the reasons that the Airports Authority should approve the lease. He stated that the Airports Authority has continually committed to its Project partners that it would provide land adjacent to the Loudoun Gateway Station for parking and other facilities that were intended to encourage the station's use. Mr. Sunderland further stated that the Airports Authority, along with five other parties, had entered into a Memorandum of Agreement in December 2011 to provide Loudoun the land necessary, at no cost, for the construction and operation of the station. Lastly, Mr. Sunderland stated that the lease to Loudoun represents another collaborative effort to bring Metrorail to western Fairfax, to the Airport, and to Loudoun County.

Ms. Merrick inquired as to whether the scope of the work for the construction of the parking garage included technology for receipt of payments. Mr. Sunderland stated that he was aware that Loudoun and WMATA had talked about integrating the garage fare collection mechanisms with the Loudoun Gateway Station's fare collecting system, but he was unsure if a conclusion had been reached.

Mr. Session recalled when the Airports Authority and its partners had entered into the referenced MOA. He observed that it had been a very tumultuous time as the Airports Authority was faced with deciding whether the Dulles Metro Station should be above or below ground and trying to lower the costs associated with building the Silver Line. Mr. Session stated that reducing costs associated with the Project was instrumental in its moving forward. He announced that he would definitely support the motion.

Mr. Speck observed that decisions are made based on information presently known, which can obviously change over time, especially when there is a long-term lease commitment. He inquired as to the extent of control that the Airports Authority would have over the changing structure or operation of the garage in the event it no longer met the traditional needs or no longer fulfilled the intended purposes. Mr. Sunderland stated that all involved parties would have to agree on the change and then determine the source of revenue to pay for the agreed-upon change. Mr. Speck stated that he had no objection to the recommendation but that he was inquiring only about the Airports Authority's position to control substantive changes in the future. Mr. Sunderland advised that no changes could occur without the Airports Authority's approval. John E. Potter, President and Chief Executive Officer, advised that in accordance with the MOA, Loudoun will be responsible for all risks.

Mr. Sudow stated that although he was not on the Board at the time the MOA was entered into, he had read articles in the newspapers and understood the Airports Authority's challenges. From a real estate question and perspective, Mr. Sudow observed that the Airports Authority is releasing fairly valuable real estate at a time when it is under pressure to utilize its real estate and to generate revenue. Mr. Sunderland noted that the Airports Authority has 65 or 70 other acres nearby that are valuable which are being enhanced by the station. Mr. Sudow inquired as to whether the lease would permit the development of air rights on top of the garage or if it would be strictly limited to garage

utilization. Mr. Sunderland stated that while there are no present intentions to build on top of the garage, the Airports Authority would have to give its permission to Loudoun in the event the county wanted to build above the garage in the future.

The Committee approved the recommendation. Ms. Hanley stated that she would present a resolution later in the day's meeting.

The meeting was thereupon adjourned at 9:13 a.m.