

BOARD OF DIRECTORS ANNUAL MEETING

Minutes of November 14, 2018

The Annual Meeting of the Board of Directors was held in the Fifth Floor Conference Rooms at Two Potomac Yard, 2733 Crystal Drive, Arlington, VA. The Chairman called the meeting to order at 9:30 a.m. Thirteen Directors were present during the meeting:

Warner H. Session, Chairman
Earl Adams, Jr., Vice Chairman
Albert J. Dwoskin
Anthony H. Griffin
Katherine K. Hanley
Robert W. Lazaro, Jr.
Bradley Mims

Thorn Pozen
David G. Speck
William E. Sudow
J. Walter Tejada
Mark E. Uncapher
Joslyn N. Williams

The Secretary and Executive Management were present:

John E. Potter, President and Chief Executive Officer
Margaret E. McKeough, Executive Vice President and Chief
Operating Officer
Jerome L. Davis, Executive Vice President and Chief Revenue
Officer

I. ELECTION OF CHAIRMAN, VICE CHAIRMAN AND SECRETARY

On behalf of the Nominations Committee, Mr. Speck stated that he was pleased to present the following slate of nominees for 2019: Warner H. Session for Chairman, Earl Adams, Jr. for Vice Chairman, and Monica R. Hargrove for Secretary. Consistent with the Airports Authority's tradition and the Bylaws, Chairman Session stated that each nominee would be



offered individually. He then asked if there were other nominations for Chairman. Hearing none, a motion to approve the nomination presented by the Nominations Committee was offered. Mr. Session was elected as the Chairman. Chairman Session then asked if there were other nominations for Vice Chairman. Hearing none, a motion to approve the nomination presented by the Nominations Committee was offered. Mr. Adams was elected as the Vice Chairman. Chairman Session then asked if there were other nominations for Secretary. Hearing none, a motion to approve the nomination presented by the Nominations Committee was offered. Ms. Hargrove was elected as the Secretary.

II. MINUTES OF THE OCTOBER 17, 2018 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the October 17, 2018 Board of Directors Meeting, which were unanimously approved.

III. COMMITTEE REPORTS

a. Executive and Governance Committee – Warner H. Session, *ex officio*

Chairman Session reported that the Executive and Governance Committee had last met October 17. Staff had presented the results of an Audit of Travel and Business Expenses. Staff had also presented a Summary Overview of 2019 Conferences attended by Members of the Board of Directors.

b. Finance Committee – David G. Speck, Co-Chair

Mr. Speck reported that the Finance Committee had last met October 17. Staff had presented the 2019 Draft Budget in addition to the Financial Advisors' Reports and monthly Financial Report for the Aviation and Dulles Corridor Enterprises. The Committee had concurred with the Pre-Solicitation Terms for Underwriting Services for both Enterprises.

c. Risk Management Committee – Anthony H. Griffin, Co-Chair

Mr. Griffin reported that the Risk Management Committee had met briefly that morning and on October 17. In October, staff had presented the results of two Recently-Completed Audit Reports on Construction Contract Administration and Automated Vehicle Identification Tags

Processes in regular and executive sessions. Mr. Griffin advised that pursuant to Article IX, Section 3(c) of the Airports Authority Bylaws, the Board and its Committees are permitted to move into executive session to discuss existing or prospective contracts, business or legal relationships in order to protect proprietary or confidential information of the Airports Authority; any person or company; the financial interest of the Airports Authority; or the negotiating position of the Airports Authority.

d. Strategic Development Committee – William E. Sudow, Co-Chair

Mr. Sudow reported that the Strategic Development Committee had last met October 17. Staff had presented the Airline Business Development Information Report and an update on Project Journey. Turner Construction had presented its Quarterly Update on Project Journey.

IV. INFORMATION ITEMS

a. President's Report

Mr. Potter congratulated Chairman Session, Mr. Adams and Ms. Hargrove on their elections. He stated that staff looks forward to continuing to work with them in the coming year to tackle the Airports Authority's ongoing challenges.

Mr. Potter acknowledged the service of Mr. Griffin, who was attending his last meeting as an Airports Authority Board Member. He advised that during Mr. Griffin's six years on the Board that he had provided exemplary leadership on a broad array of issues, including serving as Co-Chair of the Risk Management and the Dulles Corridor Committees, Chair of the Ad Hoc Labor Committee, where he was instrumental in last year's development and implementation of the Airport Workers Wage Policy, which was a particularly complicated issue that involved a number of very strong viewpoints. Although Board Members were not always in complete agreement, Mr. Griffin provided firm and fair guidance over many weeks of extensive study and consultation with concessionaires and other contractors, the Airports Authority General Counsel staff, labor advocates, and other key parties, and the result was a policy that equitably considers the views of all stakeholders and helps ensure quality services for all passengers. On a personal note, Mr. Potter thanked Mr. Griffin for his unwavering support of the Airports Authority

and the depth of experience and know-how that he contributed to the organization, which he characterized as immeasurable. He stated that Mr. Griffin's background in such important positions as Fairfax County Executive, City Manager of Falls Church, and roles with the Arlington County government and the National Academy of Public Administration had always provided unique knowledge and perspective.

As a member of the original team that worked together to get the Silver Line Project off the ground, Mr. Potter stated that the Airports Authority valued the unique historical perspective that he contributed. Additionally, he stated that Mr. Griffin's wisdom, good humor, sense of duty and spirit of collaboration provided a model for all corporate and government leaders to follow. Mr. Potter thanked Mr. Griffin for his service and wished him the best. He presented him with a photo that included both of the Airports and the Dulles Metrorail system with a message of thanks as a token of appreciation. Mr. Griffin received a round of applause.

Ms. Hanley extended thanks to Mr. Griffin for his dedication to the Metrorail Project over the years. She stated that people throughout the region were likely not aware of how instrumental Mr. Griffin has been in getting Metrorail to Dulles International.

Mr. Potter congratulated Arlington, Alexandria, and the Commonwealth of Virginia on its selection as part of Amazon's new second corporate headquarters. He stated that the Airports Authority shares in the excitement across the national capital area as it was pleased to have had the opportunity to assist the state and local governments of Virginia during Amazon's selection process. Mr. Potter reported that the Airports Authority looks forward to the economic benefits of 25,000 jobs that the new headquarters will bring to Reagan National and Dulles International, as well as to the entire region.

Mr. Potter reported that everyone was reminded of the importance of the Metrorail System and its benefits the prior Friday when the station at Reagan National was closed. He advised that Reagan National has the highest percentage of passengers who use a rail system to get to and from the airport in the nation. With the closure occurring on a holiday weekend, it could not have happened at a worse time and the closure had a negative effect when more than 40,000 passengers from south of the Airport who primarily commute to either the District of Columbia or to Crystal City were forced to use vehicles, which resulted in absolute

gridlock. Passengers were unable to get on or exit from Reagan National because the George Washington Memorial Parkway and Route 1 were completely blocked in both directions. Since the entire community participates in public safety efforts with regard to planning and traffic in the surrounding jurisdictions, Mr. Potter advised that community partners would use the results of the recent Metrorail closure as an opportunity to get together to learn. He publicly apologized for the public's inconvenience and stated that the Airports Authority would work very hard to make sure that it did not occur again. Mr. Potter advised that the few lane closures on the Airport were not the reasons for the November 9 traffic congestion and how everyone is reminded of the importance of carefully planning for the roadway and infrastructure improvements that are underway.

Ms. Hanley inquired about the Airports Authority's role and participation in the coordination with the Washington Metropolitan Area Transit Authority (WMATA) about decisions on station closures, particularly on a holiday weekend. Mr. Potter stated that when WMATA first advised of the Reagan National Airport station closure, it was scheduled for three days - Saturday through Monday; Friday was later added. He advised that Thursday is traditionally the busiest ground traffic day. However, it was recently learned that Friday is an even busier get away day than Thursday during a holiday weekend.

Ms. Hanley inquired as to what the Airports Authority could do to be involved earlier in the planning stages and to enforce with WMATA its desire to be involved. Mr. Potter stated that the Airports Authority was actively involved and communicated with WMATA regularly.

Mr. Sudow observed that the traffic congestion was not the result of only the Metro closure. He stated that he had arrived at Reagan National the prior Thursday. As he exited the Airport, which was somewhat challenging, Mr. Sudow further stated that he was reminded that a lot of the congestion relates to crossing the 14th Street Bridge and traveling through the District of Columbia. He reported that he had been working with the Federal City Council on congestion mitigation measures inside the District of Columbia and that he had discussed the issue with Chairman Session the prior day.

In addition to the Airports Authority coordinating as best it can with WMATA and completing the roadway improvements, Mr. Sudow encouraged staff to work with the District of Columbia Department of

Transportation and Mayor Bowser's Office to consider congestion mitigation measures to facilitate the traffic flow across the 14th Street Bridge.

Mr. Tejada stated that he appreciated the update, noting that the November 9 congestion episode was an epic event. He advised that whenever a snow event or other major problem caused havoc in the region, there is a great deal of discussion afterwards about lessons learned. Mr. Tejada stated that he would be interested in receiving an update once those conversations occurred. He advised that two scenarios relative to Project Journey would likely be a part of the discussion -- its impact on existing traffic and in the future once it is completed. Mr. Tejada noted that he had received numerous calls from those affected by the recent traffic congestion. He suggested that the Airports Authority participate in discussions to improve future occurrences and ensure that similar events never occur again.

Mr. Potter stated that the work involving the roadways at Reagan National would be finished by next summer and the roadways would be completely open; the construction would continue until 2021. He advised that a great deal of planning is currently underway, particularly with the announcement about Amazon's second corporate headquarters. Mr. Potter further advised that changes would be made to Route 1. He reviewed the different routes to exit Reagan National and noted that conversations are underway with Arlington County about the four lanes of roadway for Airport egress, which are responsible for transporting millions of passengers annually, and contribute substantially to the bottleneck. Mr. Potter stated that he believed that a holistic look at traffic will occur and the Airports Authority would be sure to be involved.

Mr. Pozen stated the importance of not losing sight of traffic concerns at Dulles International, especially as the passenger traffic increases. He advised that he had visited Dulles International at 4:00 p.m. the prior Sunday. With numerous flights leaving at that time, Mr. Pozen stated that there was traffic gridlock approaching the Airport very early on the Dulles Access Road until he arrived at Saarinen Circle. Mr. Potter thanked Mr. Pozen for his observation and he advised that a task force has been formed to study the traffic that he described en route to Dulles International.

Ms. Hanley expressed concern about future Metrorail closures and stressed the importance that they not occur on holiday weekends

because it is more convenient for WMATA. She reiterated that the Airports Authority needs to be involved in the conversations about future closures during the planning process.

Mr. Dwoskin advised that he had traveled frequently to LaGuardia Airport and stated that the traffic there was much worse than the traffic congestion that resulted from the recent Metrorail closure. He noted that he had used the Parkway to travel from Alexandria to McLean and that while traffic was slow, the roadway was not totally blocked.

Mr. Potter offered congratulations to all the winners of the prior week's elections. He reported that the Government Affairs team has already begun reaching out to the newly-elected leaders to brief them on the issues affecting Reagan National and Dulles International and other businesses and to advance their understanding of the importance of both Airports, the Dulles Toll Road, and the Silver Line project to the regional economy. Mr. Potter also reported that the Airports Authority looks forward to working with elected officials in the months and years ahead. He stated that staff is continuing its work to keep the political leaders informed about the Airports Authority, noting the October 22 behind the scenes tour of Dulles International when the Airport Management and Government Affairs teams joined him to welcome Virginia General Assembly's Joint Commission on Technology and Science (Commission). Mr. Potter advised that the Commission includes legislators whose districts cover Fairfax and Loudoun Counties, and its mission is to recommend science and technology related policies to the Governor and the General Assembly. He reported that staff believed that the meeting provided an even greater understanding of Reagan National and Dulles International, their economic contribution, and how they work. A briefing had also been held the prior week for the members of the U.S. Secretary of Transportation's senior staff on Project Journey and the significant improvements it will make to the passenger experience at Reagan National, as well as efforts to address traffic flow and other impacts during the construction period. Mr. Potter thanked the Government Affairs and Airport Operations teams for arranging the events.

Mr. Potter reported that late last month a federal appeals court ruled in the Airports Authority's favor in a lawsuit that challenged the legality of using Dulles Toll Road revenues to help finance the construction of the Silver Line Project. He stated that the plaintiffs in the lawsuit were asserting that under the interstate compact that created the Airports

Authority, Toll Road revenues could only be used for airport improvement projects and that building a commuter rail line did not qualify. The appeals court disagreed with that argument and sided with an earlier court decision to dismiss the suit. In upholding that earlier ruling, Mr. Potter advised that the appeals court cited that building the rail line is vital to Airport operations especially given the traffic congestion across the region. He reported that the most recent lawsuit is the fourth one in the past several years to challenge toll-setting. The Airports Authority's legal team has mounted a strong defense each time, and the organization has prevailed. Mr. Potter congratulated Phil Sunderland, Vice President and General Counsel, and his team for another positive outcome in the courts.

With regard to technology, Mr. Potter reported that the Airports Authority's new veriScan product is receiving lots of positive attention from airlines, other airports, and other potential customers. In addition to the airlines using veriScan's facial recognition technology for biometric exit on international flights from Dulles International, the IT team has demonstrated the technology in several other airports. Mr. Potter advised that airlines testing the technology report that it can significantly speed up the boarding process, even cutting the time in half in some instances. He reported that veriScan is far easier and less expensive to use than any competing technologies now on the market. Mr. Potter stated that Dallas-Fort Worth International Airport had just announced that its Board had approved its purchase of veriScan and that it would begin using the system with American Airlines. He further stated that the Airports Authority is confident that it will be able to announce additional sales of veriScan in the months ahead. Mr. Potter congratulated Goutam Kundu, Chief Information Officer and Vice President for Technology, and his team for developing the revolutionary new product that will provide benefits across the industry, resulting in a new source of revenue for the Airports Authority.

Mr. Potter stated that while the Airports get ready for the busiest time of the year with the upcoming holiday travel season, members of the Airports Authority's Marketing and Communications teams decided to do something fun for the passengers at Reagan National and give them a little trick-or-treat celebration at Reagan National. He reported that a small group of employees suited up in dinosaur costumes went frolicking through the Airport. Mr. Potter shared the video clip that showed that passengers were delighted, especially the younger ones. He recognized some of the dinosaurs who were in attendance at the day's Board

Meeting -- Christina Saull, Corporate Communications Manager; Ann Helms, Reagan National Materials Manager; and Brian Kalish, Project Journey Communications Specialist. Supporting cast members included Brian McCoy, Digital Marketing Manager; Amanda Ohbayshi, Digital Marketing Specialist; Danielle Morgan, Reagan National Executive Staff Coordinator; and Ryan Burdick, Multimedia Specialist. He thanked them for giving passengers at Reagan National such a delightful Halloween treat, and they received a round of applause.

b. Executive Vice Presidents' Reports

Ms. McKeough reported that the operations team is preparing for the peak holiday travel season. She stated that the unfortunate experience on November 9 at Reagan National keeps us mindful of how much the traveling public values and depends on the ability to access the Airports, navigate through the facilities and exit the premises with ease at the Airports.

Ms. McKeough also reported 2018 has been a very strong year for passenger activity at both Airports and the activity is expected to increase during the holiday travel season. She advised that David Pekoske, Transportation Security Administration (TSA) Administrator, held a press conference at Reagan National and shared TSA's travel forecast for the upcoming Thanksgiving, which is expected to increase by 5 percent compared to the Thanksgiving 2017. Ms. McKeough reported that initial estimates predict that more than 1.3 million passengers are expected to travel through Reagan National and Dulles International during the 10 days surrounding Thanksgiving. She shared the expected peak travel days when vehicle traffic on the roadways and passenger traffic in the Airports' terminals are expected to be the heaviest.

Ms. McKeough reported that the Office of Communications and digital strategy teams have been sharing holiday travel alerts and tips with passengers on how to best navigate the Airports during the holiday season. She stated that the key messages are to "arrive early" and enjoy some of the Airport's amenities, as well as plan ahead for navigating the traffic in light of the increased passenger activity and construction that continues to evolve at Reagan National. Additionally, customers are encouraged to download the "DC Airports" app to help them to navigate through the Airports.

As a result of the construction underway associated with Project Journey, Ms. McKeough stated that the focus continues to be on Reagan National. She advised that Richard Golinowski, Project Journey Integration Manager, would highlight the communication efforts to get customers on and off Reagan National. Ms. McKeough reported that the number of Travelers Aid volunteers would increase during the holiday season and that commercial curbside taxicab management would increase to help ensure that passengers have safe passage across the lanes. At Dulles International, the Student Ambassadors and mobile lounge drivers will provide additional support during the holiday season.

Ms. McKeough stated that it is the men and women of the Airports Authority that keep operations functioning. As the holiday season approaches, she extended corporate and personal thanks to all the employees who will work and spend time away from their families to keep things running smoothly throughout the holidays.

Ms. McKeough advised that there is a critical need to maintain a readily available, skilled labor force throughout the entire aviation industry. She stated that the importance of having a skilled labor force in operating airports is clearly understood by the talented men and women of the Dulles International maintenance team. Ms. McKeough reported that a group of employees from the Dulles Airport maintenance team had hosted students from the Fairfax County public schools to introduce them to career opportunities in airport operations. At the conclusion of Ms. McKeough's report, she shared a video clip that conveyed the passion that the Airports Authority employees have for their jobs.

Mr. Adams thanked Ms. McKeough for the video presentation and asked if the Airports Authority has a formal relationship with the Fairfax County School System. Ms. McKeough responded that the Airports Authority has different liaisons that support Reagan National and Dulles International. She noted that the liaison relationships are extended throughout the District of Columbia Schools by the Airports Authority's association with the Aero Club of Washington and other avenues that connect the Airports Authority to the school systems. Mr. Adams strongly encouraged the Airports Authority to form a similar relationship with Maryland, especially Prince George's and Montgomery Counties, since the state recognizes that every child is not going to college and the importance of nurturing trades and other training opportunities for career jobs. Mr. Adams offered his support in facilitating discussions

with Prince George's and Montgomery Counties to encourage participation.

Chairman Session shared that he had recently visited Phelps Vocational School in D.C. and remembered that several years ago the Airports Authority had hosted a similar event. He stated that a young man who participated in that event is now an Airports Authority employee and that he would be recognized at a future Board of Directors meeting. Chairman Session reiterated that this type of outreach is a welcomed opportunity for all jurisdictions.

Mr. Sudow advised that the Airports Authority should not limit its outreach and recruiting efforts to the high school level and suggested that community colleges also be included. He stated that schools in Virginia, Maryland and the District of Columbia have strong community college programs that could potentially include internship opportunities at the Airports Authority. Mr. Sudow inquired as to whether similar programs existed with the community colleges. Ms. McKeough stated that the Airports Authority works with community colleges as part of its outreach for new job placement. She advised that the organization promotes its internship opportunities throughout all institutions.

Mr. Davis began his report by sharing a chart that illustrated passenger traffic trends at both Airports. He reported that overall passenger activity for September at Dulles International increased by 4.4 percent or 83,000 passengers to a total of 1.9 million passengers. Mr. Davis advised that September marked the fifth consecutive month that passenger traffic at Dulles International exceeded the number for Reagan National, which reverses the slow decline that occurred at Dulles International in earlier years and it aligns with the Airports Authority's strategy to make Dulles International the region's growth Airport.

Ms. Hanley referenced the Passenger Traffic Trends chart and expressed concern. Although she realized that the trend data used is tied to seasonal traffic patterns, Ms. Hanley observed that the decreased passenger activity could be misinterpreted as a severe decline. She suggested that it either be labeled differently or explained further so that the public is not misinformed. Mr. Davis stated that he appreciated Ms. Hanley's observations. He further stated that he believed that his public comments, in addition to the chart, illustrate a clear perspective of how the passenger traffic is impacted.

Mr. Davis reported that passenger traffic at Reagan National decreased in September by approximately 3.6 percent to 1.8 million passengers for the month, which was mainly attributed to the weather-related flight cancellations.

Mr. Davis also reported that September domestic passenger activity at Dulles International, which has shown the most decline in earlier years increased by 6 percent or 73,000 passengers for a monthly total of 1.3 million over September 2017. International passenger activity increased 1.5 percent or 10,000 passengers to a monthly total of 693,000 in September.

Mr. Davis reported that the Airports Authority was extremely pleased to announce a new international service that would begin in early May 2019. Alitalia Airlines (Alitalia) would begin service between Dulles International and Rome and operate five times per week in the summer and three times per week in the winter using Airbus A330 aircraft. He advised that the aircraft used for this new service can typically accommodate between 230 to 320 passengers and will provide customers with another option for nonstop flights between the U.S. and Italian capitals and tickets are already on sale. Mr. Davis reported that the Airports Authority looks forward to Alitalia joining the Dulles International family along with other new airlines that Yil Surehan, Vice President for Airline Business Development, and his team continue to pursue. The Airports Authority also continues to work to give passengers new and improved amenities to keep its customer satisfaction ratings on an upward trend.

Mr. Davis also reported that the valet parking product at Dulles International is quickly gaining popularity. As he had advised in October, the new offering called Valet Your Way allows passengers to drop off their cars at the departure curb and proceed into the Airport to board their flights. When the return flight lands, passengers can text a number to the Valet Desk and their cars will be waiting for them at the Valet Center. Mr. Davis advised that the early response from customers has been extremely positive. He reported that without any external marketing year-over-year valet revenue increased by 22 percent since the Valet Your Way launch on October 31, noting that approximately 50 percent of the curbside drop offs are occurring with new valet customers, which is very encouraging. Mr. Davis advised that many of the long-time valet customers are switching to the new curbside drop off option and love it. He reminded everyone that dropping off their vehicles in the Valet

Service Center is still an option. Mr. Davis reported that several interesting customer experiences had occurred since the valet launch, including a gentleman wanting to drop off his rental car at the curb, which may potentially offer another alternative revenue stream going forward. He also reported that a young woman was very grateful that she was able to park curbside for a moment, help her grandfather exit the vehicle, and get him to the security checkpoint because he was in a wheelchair. Mr. Davis noted that the young woman's car was taken to the Valet Center and she had no issue with paying the rate that was charged as she was pleased to have the curbside drop off option. He advised that the experience presented the Airports Authority with affirmation of the importance of convenience.

Mr. Davis reported that since the Airports' economy lots are almost always filled during the holiday travel season while the garages still have empty spaces, a promotion is underway that would hopefully encourage some of the customers who use economy parking to park in the garages. He explained that the goal is to get people to see the benefits of parking in the garages instead of choosing some other transportation service that would add to the curbside congestion. Mr. Davis reported that garage parking at Reagan National and Dulles International during the holiday travel season will be 30 percent off for passengers parking four days or longer. With the parking promotion, the cost of garage parking at Reagan National (which reduces the daily rate from \$25 to \$17) is equivalent to economy parking if passengers reserve their spaces in advance and use the promo code. At Dulles International, holiday pricing drops from the current daily rate of \$17 a day to \$12 with the special promotional coupon. Mr. Davis reported that details of the parking promotions are being sent to customers in an e-mail campaign that is currently underway. He stated that the Airports Authority hopes that the promotion helps relieve some roadway congestion during the holidays and provides an economical and convenient option for passengers.

Mr. Davis also reported that another highlight of the Airports Authority's customer service effort is its concessions program and all the new and updated stores and restaurants in both Airports. To keep customer service at the forefront of all concession activities, MarketPlace Development, the Airports Authority's fee manager, held an award ceremony earlier in the month to recognize and honor great customer service displayed by concessionaires at Reagan National and Dulles International. Mr. Davis reported that the awards were given in several

categories at each Airport. He acknowledged the following winners at Reagan National: Best Retail service - Smithsonian Museum Store in National Hall; Best Restaurant Customer Service - Grille District in the South Pier; Best Retail Merchandising Unit (also known as the kiosk) - Capital Image; Best Food Customer Service - Dunkin' Donuts in National Hall; Best Newsstand Customer Service - Hudson News; Most Improved Customer Service - Hudson News; Best Overall Operations - Brooks Brothers; and Merchant of the Year - Matsutake Sushi. The winners at Dulles International were: Best Retail Customer Service - L'Occitane; Best Restaurant Customer Service - Chef's Table by Wolfgang Puck; Best Retail Merchandising Unit - Kids Stop; Best Newsstand Customer Service - Stellar News in Concourse B; Most Improved Customer Service - iTravel 2; and Best Overall Operations and Merchant of the Year - Five Guys Burgers and Fries. Mr. Davis advised that the awards ceremony is held annually and it is a great opportunity to reiterate the importance of customer service. He congratulated the winners and applauded their efforts.

Mr. Davis stated that he had had the opportunity to work with Mr. Griffin for four years and that he had greatly appreciated the experience. He further stated that Mr. Griffin's contributions to the behind the scenes work that led to the outcome of the Airport Workers Wage Program is a testimony to his support.

Chairman Session stated that he was encouraged by the remarks from the executive staff. He reported that he was particularly encouraged by the reception that veriScan has received thus far and that he is hopeful that it will continue to increase as it is an opportunity with great potential. Chairman Session stated that he was also intrigued by the potential opportunity to allow rental cars to be returned using a valet service at the Airport. He shared an experience from his personal travel that involved the return of a rental car and stated that he would be willing to pay for a service that allowed a rental car to be returned by a valet service operator on his behalf. He commented further that he viewed such an offering as a potential revenue generator and strongly encouraged staff to explore the opportunity.

Chairman Session commended Ms. McKeough on her presentation and stated that he looked forward to the outreach being enhanced to all of the jurisdictions to expose student career opportunities at the Airports Authority.

Mr. Speck shared the details of a recent article in the *Wall Street Journal* regarding some rental car companies offering the valet service at airports for a \$25 fee, to which several people that were quoted in the article indicated that they would gladly pay the fee for the benefit of convenience. He inquired as to whether the Airports Authority should encourage the rental car companies to offer such a service or whether it is an offering that would soon gain popularity and begin to be offered throughout. Mr. Davis stated that the Airports Authority would explore whether the offering could be added to complement services already being provided.

Mr. Speck inquired about the Airports Authority's partnership with "1776" as he had learned that it would close its Washington, D.C. presence. He asked if last year's challenge with 1776 was a one-time event or if it would occur again this year. Mr. Speck also inquired about the impact of the closing. Mr. Davis stated that another event would be held. He advised that 1776 had merged with a company in Philadelphia called UNION by 1776, which is comprised of all incubators that 1776 interacts with so the Airports Authority will continue its partnership. Mr. Davis stated that the Airports Authority is working with three companies that it plans to bring to the market, with focus on specific ideas relative to each company instead of the challenge concept.

Mr. Uncapher asked if there is enough flexibility in the rental car Request for Proposals to accommodate a potential business model allowing valet service opportunities for the return of rental cars at the Airport. Ms. McKeough responded affirmatively, stating that the concept could be accommodated if it is in the best interest of the Airports Authority.

Mr. Sudow stated that increasing freight revenue at Dulles International has been a challenge and inquired about a Virginia law or misinterpretation of a Virginia law dealing with freight forwarders who may be adversely impacted if they use Dulles International for shipping goods manufactured in this region. Mr. Sudow requested that the Airports Authority staff explore whether a change of state law is needed or merely a clarification of the manner in which freight forwarders are allowed to ship from Dulles International.

V. NEW BUSINESS

a. Proposed Amendment to the Regulation that Establishes Toll Rates for Use of the Dulles Toll Road

Ms. Hanley moved the adoption of the following resolution, which was unanimously approved:

WHEREAS, The Metropolitan Washington Airports Authority (Airports Authority) operates the Dulles Toll Road (DTR) pursuant to a Permit and Operating Agreement (POA), dated as of December 29, 2006, between the Virginia Department of Transportation (VDOT) and the Airports Authority;

WHEREAS, Under the terms of the POA, responsibility to establish and adjust toll rates for use of the DTR lies solely with the Airports Authority;

WHEREAS, Under the terms of the POA, the Airports Authority is obligated to finance and construct the Dulles Corridor Metrorail Project (Project), an extension of the Washington, D.C., regional Metrorail system running from the West Falls Church Metrorail station on Interstate 66 in Fairfax County, along the Dulles Connector Road and the Dulles Airport Access Highway, through the Tysons Corner area of Fairfax County, to and through Washington Dulles International Airport (Dulles Airport), to a western terminus at Route 772/Ashburn in Loudoun County;

WHEREAS, The Project is being constructed in two phases, with Phase 1 running from Interstate 66 to Wiehle Avenue in Reston, Virginia, and Phase 2 running from Wiehle Avenue through Dulles Airport to Route 772 in Loudoun County;

WHEREAS, In 2014, construction of Phase 1 of the Project was completed in 2014 and revenue operations on this completed phase of the Project were initiated by the Washington Metropolitan Area Transit Authority (WMATA);

WHEREAS, Construction of Phase 2 of the Project is underway and substantial completion is projected for the latter part of 2019;

WHEREAS, Pursuant to a plan for the financing of the Project and capital improvements to the DTR and to its rights and obligations under the POA, in November 2009 the Airports Authority established three sets of new toll rates for the DTR, with the different sets becoming effective on January 1 of 2010, 2011 and 2012; and, in November 2014, the Airports Authority established two sets of new toll rates, with the different sets becoming effective on January 1 of 2013 and 2014;

WHEREAS, Pursuant to the plan of finance for Project and DTR improvements and to its rights and obligations under the POA, the Airports Authority has issued approximately \$1.3 billion in Dulles Toll Road revenue bonds – debt secured entirely by revenues generated by the toll road – to help fund the construction of the Project and capital improvements to the DTR;

WHEREAS, In June 2018, staff presented a set of potential new DTR toll rates, to become effective on January 1, 2019, to the Dulles Corridor and Finance Committees (Committees), along with a recommendation that the Committees authorize staff to initiate the process for amending Part 10 of the Airports Authority Regulations (Regulations) which part establishes toll rates for the DTR, and the Committees provided the authorization;

WHEREAS, On June 22, 2018, notice was published in *The Washington Post* (i) of the proposed amendment to Part 10 of the Regulations, the proposed new DTR toll rates and the effective date of these rates, (ii) of the dates, times and locations of three public hearings on the proposed amendment, and (iii) of the opportunities available to members of the public to submit comments on the proposed amendment during a formal 30-day comment period. The notice also stated four specific questions regarding the proposed toll rate and certain potential operational changes to the DTR (Questions), and invited the public to present comments on them;

WHEREAS, Public hearings on the proposed amendment were conducted on July 11, 2018, in McLean, Virginia, on July 17,

2018, in Reston, Virginia and on July 19, 2018, in Ashburn, Virginia;

WHEREAS, Over approximately 52 members of the public attended these hearings, and 190 comments on the proposed amendment and the Questions were submitted by individuals and organizations during the comment period;

WHEREAS, A report summarizing the public comments (as well as containing the comments themselves) (Report) and a separate staff paper responding to the comments have been submitted to the Committees and the Board of Directors;

WHEREAS, In October 2018, staff presented to the Dulles Corridor Advisory Committee (DCAC) a summary of the comments made during the 30-day public comment period on the proposed new DTR toll rates and the Questions, and a proposed series of actions that staff intended to later submit to the Committees and the Board of Directors for consideration, including adoption of the proposed amendment to Part 10 of the Regulations; and the DCAC concurred in the staff's proposed series of actions and recommended additional actions;

WHEREAS, At its meeting on November 14, 2018, the Committees received and discussed the Report, the staff paper, the public comments, and the recommendations and views of the DCAC adopted during its October 2018 meeting; concluded that it is necessary and appropriate to establish the proposed increased toll rates for the DTR; and voted to recommend to the Board that it (i) approve the proposed increases to the DTR toll rates that had been the subject of the public hearing and comment process and adopt the proposed amendment to Part 10 of the Regulations which would formally establish the new rates, effective January 1, 2019 (as provided in the first resolved paragraph of this Resolution), (ii) reserve an option to the Airports Authority, to be exercised by the Board no later than the end of calendar year 2020, regarding adjustments to toll rates at the entrance/exit ramps at certain DTR interchanges (as provided in the second resolved paragraph of this Resolution), and (iii) that it instruct staff to undertake certain actions in

cooperation with the Virginia Department of Transportation, Fairfax County, Loudoun County and the Northern Virginia Transportation Authority (as provided in the third and fourth resolved paragraphs of this Resolution);

WHEREAS, After considering the Report, the staff paper, the public comments, the recommendations and views of the DCAC, and the recommendations of the Committees, the Board has determined that it is necessary and appropriate and in the best interests of the Airports Authority to authorize and take the following actions; now, therefore, be it

RESOLVED, That Part 10 (Dulles Toll Road) of the Metropolitan Washington Airports Regulations shall be and is hereby amended, effective January 1, 2019, to read as follows:

PART 10 - DULLES TOLL ROAD

§ 10.1. (Effective January 1, 2019) Tolls for Use of the Dulles Toll Road.

- (1) The tolls applicable to the Dulles Toll Road (also known as the Omer L. Hirst-Adelard L. Brault Expressway) shall be as follows:

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$3.25	\$1.50
3-axle	\$6.50	\$3.00
4-axle	\$7.75	\$3.50

5-axle	\$9.00	\$4.00
6 or more axles	\$10.25	\$4.50

(2) Except for persons permitted free use of toll facilities under Virginia Code § 33.1-252, it shall be unlawful for any person operating a vehicle to use the Dulles Toll Road without payment of the tolls set forth in this section.

Note: In Resolution No. 18-18, adopted November 14, 2018, the Airports Authority reserved the option, which may be exercised no later than December 31, 2020, to reduce the toll rate from \$1.50 at one or more of the currently tolled entrance/exit ramps at the Dulles Toll Road’s Springhill Road and Route 7 interchanges, and to establish a toll rate at \$1.50 or less at one or more of the entrance/exit ramps at the Dulles Toll Road’s Route 7 interchange that are currently not tolled. Under Resolution No. 18-18, in the event this option is not exercised by the Airports Authority before the end of 2020, the option shall automatically expire and may not thereafter be exercised.

§ 10.2. Penalty.

Persons violating Section 10.1 shall be liable for a civil penalty, consistent with Virginia Code § 46.2-819.1, as follows:

- (1) for any violation not addressed in paragraphs (2) through (4) of this section, a penalty of \$50;
- (2) for the first violation occurring after, and within 12 months of, the violation described in paragraph (1) above, a penalty of \$100;
- (3) for the first violation occurring after, and within 24 months of, the violation described in paragraph (2) above, a penalty of \$250; and

(4) for each violation occurring after the violation described in paragraph (3), and within 36 months of the violation described in paragraph (2) above, a penalty of \$500;

provided, that, for a first conviction of a person violating Section 10.1, the total amount for the first conviction shall not exceed \$2,200, including civil penalties, unpaid tolls and administrative fees, regardless of the total number of violations the person is convicted of on the date of that first conviction.

§ 10.3. Unpaid Tolls and Administrative Fee.

In addition to the penalty described in Section 10.2, and subject to the limitation in that section pertaining to a person's first conviction for violating Section 10.1, persons violating Section 10.1 shall be liable, in connection with each violation, for the unpaid toll and an administrative fee designed to recover the expense of collecting the unpaid toll;

2. That an option shall be and is hereby reserved, which may be exercised by the Board of Directors no later than the close of calendar year 2020, for the Airports Authority to reduce the toll rate (from \$1.50) at one or more of the currently tolled entrance/exit ramps at the Dulles Toll Road's Springhill Road and Route 7 interchanges, and to establish a toll rate (at \$1.50 or less) at one or more of the entrance/exit ramps at the Route 7 interchange that are currently not tolled. In the event this option is not exercised by the Airports Authority before the end of calendar year 2020, the option shall automatically expire and may not thereafter be exercised;

3. That Airports Authority staff are hereby directed to work with the Virginia Department of Transportation, Fairfax County, Loudoun County and, as appropriate, the Northern Virginia Transportation Authority to identify and evaluate (i) potential new strategies and initiatives for enhancing mobility in the Dulles Corridor (including the potential toll rate actions described above in resolved paragraph 2), and (ii) sources of funding for any such strategies and initiatives;

4. That Airports Authority staff are hereby directed to continue the Airports Authority's ongoing efforts to mitigate future Dulles Toll Road toll rate increases by working with its funding partners to pursue new sources of funding for construction and/or to lower the financing costs of the Metrorail Silver Line Project; and

5. That this Resolution shall be effective upon its adoption.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

VI. UNFINISHED BUSINESS

There was not any unfinished business.

VII. OTHER BUSINESS & ADJOURNMENT

Chairman Session stated that when Governor McDonnell had appointed Mr. Griffin six years ago, his appointment letter stated that he had appointed "Anthony Griffin, whose broad public service and prior experience working on the Dulles Rail Project will be invaluable as we advance this critical project." Governor McDonnell had been correct, and Chairman Session acknowledged others' comments and agreed that Mr. Griffin's service has been critical in advancing the Metrorail Project.

After six years of serving on the Board with Mr. Griffin, Chairman Session reported that he was reminded of a quote by Charles Dickens, "Do all the good you can and make as little fuss about it as possible." He stated that he believed that Dickens' quote described Mr. Griffin as he made very little fuss about anything. Chairman Session further stated that he appreciated Mr. Griffin's thoughtful and measured approach to issues and his contribution to the collegiality of the Board. He shared a glimpse of Mr. Griffin's present and past public service roles: At-Large Board Member of the Fairfax County Water Authority; past Board Member of the District of Columbia Water and Sewer Authority; half-time faculty member at George Mason University's Department of Public and International Affairs (until December 2014); retired in April 2012 after 23 years of service to Fairfax County, including 13 years as County Executive and 10 years as Deputy County Executive; and served in the

Marine Corps for three years as a junior officer, which included a Vietnam tour.

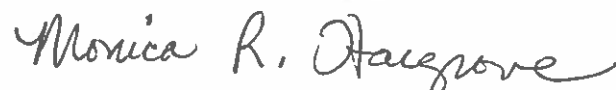
Chairman Session reported that Mr. Griffin's leadership as Chair of the Board's Ad Hoc Labor Committee had allowed him to shepherd the Board through a process of different opinions and ensured that all points of view were heard. He stated that the outcome of the Airport Workers Wage Program benefited the labor workforce. Chairman Session ended his tribute with "May the rest of your life be the best of your life."

Mr. Griffin stated that he believed that the Airports Authority was a good organization when he first joined the Board, but he thinks it is a much better organization now thanks to the efforts of many of the Board Members, Mr. Potter's leadership and management team, and all of the staff at the Airports Authority. He also stated that the misdirection in terms of public perception of former Board Members had been corrected and that he believed that the Airports Authority is moving forward with a very bright future. Mr. Griffin admitted that his only regret, having been involved with the Silver Line Project since 1999, is that he would not be on the Board at the Project's completion. He stated that he expected, and is hopeful that he will receive, an invitation when Phase 2 of the Silver Line is completed and the Metrorail goes to Dulles International.

Mr. Griffin thanked the Directors, Ms. Hargrove and Board Office staff for their support, senior staff, and all other Airports Authority staff. He stated that it had been a real privilege to serve on the Board of Directors. Mr. Griffin received a round of applause.

The Meeting was thereupon adjourned at 10:37 a.m.

Respectfully submitted:



Monica R. Hargrove
Vice President and Secretary

Approved December 12, 2018