

SILVER LINE PHASE 2 COALITION

June 22, 2011

Chairman Charles D. Snelling
Metropolitan Washington Airports Authority
1 Aviation Circle
Washington, DC 20001

Re: Silver Line Phase 2 Coalition letter to the Metropolitan Washington Airports Authority Board of Directors

Dear Chairman Snelling:

The sponsors of this letter represent 5,000 businesses in Northern Virginia employing more than 500,000 employees who are residents and taxpayers in our community. Through the payment of (a) dedicated real estate taxes in Fairfax County (16.1%), (b) the BPOL (or business license) Tax in Loudoun County (4.8%) and (c) tolls on the Dulles Toll Road (75%), Dulles Corridor employers and employees will contribute more than 90% of the capital costs associated with constructing Phase 2 of the Dulles Corridor Metrorail Project. Our collective stake in the final price tag for the completion of Phase 2 could not be greater.

In recognition of these substantial commitments and obligations, the undersigned recommend in the strongest possible terms that the Metropolitan Washington Airports Authority (MWAA) Board of Directors act in good faith to substantially reduce the capital costs for completion of Phase 2. Absent such efforts, the project's financial viability and the likelihood of its completion remain in question.

Specifically, we urge the MWAA Board of Directors to work with Transportation Secretary LaHood and the project's funding partners to:

1. Eliminate the requirement that the primary contractor must implement a Project Labor Agreement (PLA) for Phase 2. A mandatory PLA will discourage competition from the contracting community, particularly Virginia's merit-based shops. Phase 2 demands an open, competitive bidding process among all eligible general contractors in order to achieve the necessary project cost reductions. Also, a mandatory PLA will prevent the vast majority of Virginia's construction workforce, which is 96% non-union, from being able to work on this project, which is overwhelmingly funded by Virginia sources.
2. Move ahead with the aboveground station at Washington Dulles International Airport (Dulles Airport), eliminating more than \$300 million in cost and reducing project risk

without any reduced convenience or utility to the passengers travelling to/from Dulles Airport.

3. Reduce the scope of the Dulles Airport rail yard and seek ways to finance it separately in conjunction with WMATA, possibly using Loudoun County Industrial Development Authority bonds, saving \$50 million to \$100 million.
4. Ask your Fairfax County and Loudoun County partners to assume responsibility for the funding and construction of the parking structures in Phase 2, in a manner similar to the Fairfax County public-private partnership at the Wiehle Avenue/Reston East station, reducing project costs by an estimated \$200 million.

Local governments could then use revenue bonds, or similar financing mechanisms, to fund construction of the parking garages, with the debt repaid through parking fees paid by garage users. Local governments also would retain operational control of the garages for the benefit of their residents and users, as well as retain the ability to pursue joint development opportunities of the type Fairfax County and WMATA have pursued in recent years.

5. Seek additional financial help from the Commonwealth of Virginia and the federal government, whose funding responsibilities were 25% and 50% respectively when the Dulles Corridor Metrorail Project was launched. Today, neither of these governments has any meaningful financial participation in Phase 2. Elected officials at every governmental level say “Rail to Dulles” is the number one transportation priority in the region, yet only Loudoun County and Fairfax County have backed that statement up with direct financial commitments. Given the importance of this rail extension to the federal government and the Commonwealth, we think they have a responsibility to increase their current obligations.

By shifting to an above-grade station at Dulles Airport and reducing the scope of MWAA’s construction responsibilities, MWAA will be better positioned to proceed with near-term funding and construction of its “Tier 2” midfield terminal at Dulles Airport. Tier 2 is required to support Dulles Airport’s growth as an international gateway and as our link to world markets—a link that underpins much of the National Capital Region’s economy.

Nor will airport customers be materially impacted by these changes. The difference in walking distance between the above and below ground stations at Dulles Airport is approximately 260 feet when one takes into account the fact that the entrance/egress to the underground station is at its western end. (Some passengers may have to walk the entire 600-foot length of the station platform to the exit.) Of the seven percent (7%) of Silver Line transit riders who will enter/exit the system at Dulles Airport, only half are projected to be airline passengers.

This project cannot be allowed to fail. It is vital to the National Capital Region’s future, as well as to all of the project’s stakeholders. Dulles Corridor employers and employees have

demonstrated their commitment to complete this project in a financially-responsible way. MWAA and its funding partners must now do the same.

Sincerely,

Tony Howard
President & CEO
Loudoun County Chamber of Commerce

Eileen Curtis
President
Dulles Regional Chamber of Commerce

Mark Ingraio
President & CEO
Greater Reston Chamber of Commerce

Jim Corcoran
President
Fairfax County Chamber of Commerce

Leo Schefer
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Patty Nicoson
President
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Bob Chase
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