

**Meeting Minutes**  
**Mosaic District Community Development Authority**  
**Annual Board Meeting**

March 13, 2023, 3:30 p.m.

3001 Vaden Dr, Fairfax, VA 22031

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The meeting was called to order at 3:33 p.m. by the Mosaic District Community Development Authority (CDA) Chairperson Dalia Palchik.

Board members present: Dalia Palchik, John Foust, Barbara Byron and Joe LaHait and Karen Hammond

Others present: Keenan Rice and Stephanie Blair, MuniCap; Emily Smith, Office of the County Attorney; Joe Mondoro, Providence District Supervisor's Office; Doug Loescher, Department of Planning and Development. In addition, John Cocker, Edens, participated remotely.

**Election of Officers**

Ms. Byron made a motion to elect the following slate of officers:

- Supervisor Dalia Palchik: Chairperson
- Supervisor John Foust: Vice Chair
- Joe LaHait: Treasurer
- Barbara Byron: Secretary
- Karen Hammond: Board Member, Developer's Representative

The motion was seconded by Mr. Foust and passed unanimously.

**Approval of Minutes**

The Board reviewed the minutes of the meeting dated March 14, 2022. Mr. Foust made a motion to approve the minutes. Ms. Byron seconded the motion, and it was approved unanimously.

**Review and Approval of the Report on the Collection of the Annual Payment and Update of the Special Assessment Roll Assessment Year 2023-2024**

Keenan Rice presented a Power Point on the Financial Summary and Debt Service Update for the Mosaic CDA for 2023-2024. Mr. Rice began by mentioning that there would be a surplus of bond revenues in the amount of \$2,699,375 that would be going back to the County General Fund. Mr. Rice then compared the tax increment revenues and debt service coverage of the 2022-2023 assessment year vs. the 2023-2024 assessment year, noting an approximate \$420,000 increase of revenue over the previous year. Mr. Rice then explained that, as in past years, the Annual Revenue Requirement Part A would be \$0, as revenues exceeded expenses.

Mr. Rice continued with a review of the Surplus Fund Transfers, with a recommendation that no deposit to the Surplus Fund is necessary, as the available funds exceeded the required 1.5 coverage ratio. He then

explained that, while the Surplus Fund release amount, (calculated as revenue minus the debt service and coverage requirement), was \$2,729,517, the required balance was \$2,422,011, leaving \$28,011 as surplus funds, which he recommended be release to the County. Mr. LaHait commented that this amount would be in addition to the \$2,699,375 Mr. Rice had stated earlier that would be surplus to the County General Fund.

Mr. Rice reviewed the change in total assessed values over the past 10 years, noting that actual assessed values have consistently exceeded projected values. Likewise, actual tax increment revenues have surpasses projected revenues every year. Finally, Mr. Rice provided projections for tax revenues through 2035, noting that, based on current calculations, the surplus tax incremental revenues after debt service will in future years will be \$50,955,770.

In a general discussion that followed Mr. Rice's presentation, Ms. Byron noted that over the course of this project, no one has defaulted on their taxes, which Mr. Rice confirmed. Mr. Keenan mentioned that retail continues to perform very well, and Mr. Byron added that Mosaic is getting more national tenants. Ms. Hammond then asked if the CDA, as a public-private partnership, would become unlinked in 2035, when the bond funds are paid in full. This discussion prompted Mr. Foust to ask who would then own the public facilities and parking garages. Mr. LaHait responded that he believed they would be privately owned and maintained, and that we will need to confirm this arrangement.

#### Motion to Approve the Mosaic District CDA Budget (Table B)

Ms. Byron moved to approve the Annual Budget as set forth in Table B in the Report on the Collection of the Annual Payment and Update of the Special Assessment Roll Assessment Year 2023-2024. Mr. Foust seconded the motion. The motion passed unanimously.

#### Motion to Approve the Annual Assessment Report and Assessment Roll (Appendices A-1 and A-2) for Assessment Year 2023-2024

Ms. Byron moved that; (1) that the Board approve the methodology contained in the Report on the Collection of the Annual Payment and Update of the Special Assessment Roll Assessment Year 2023-2024; (2) that the Board delegate to Ms. Byron and Mr. LaHait the ministerial duty of adjusting the tax increment revenues and special assessments set forth in the Report based on the approved methodology and the final tax rate approved by the Board of Supervisors; (3) that the Board request that the County pay to the Trustee on behalf of the CDA County Advanced Revenues up to the amount needed to pay debt service on the Bonds for the next year; and (4) that staff be directed to: (i) furnish the Report to the County, confirming that no special assessments for the Mosaic District in Assessment Year 2023-2024 are required; and (ii) notify the County of the requested County Advanced Revenues payment. Mr. Foust seconded the motion. The final motion then passed unanimously.

#### Motion to Request Release of Excess Money on Deposit in the Surplus Fund Account

Ms. Byron moved that the Board authorize the Authority's Treasurer to submit a written request to the Trustee for transfer to the County General Fund an amount equal to the balance of the Mosaic CDA Surplus Fund Account as of the date of such request less one half Maximum Annual Debt Service on the Series 2020 Bonds. Mr. Foust seconded the motion. The motion passed unanimously.

In a final discussion, John Cocker of Edens, (participating remotely), provided a few observations about Mosaic's performance and upcoming developments. Mr. Cocker noted that the project overall is

performing well and that retail has recovered. In addition, the residential and hotel sectors are also doing well. In response to a question about office trends, Mr. Cocker shared that Custom Ink has notified Edens that they will not be renewing their lease which will be expiring in the coming months, as they have shifted to an all remote personnel policy. Edens will consider what to do with the space, which may or may not remain as office use. In addition, Mr. Cocker responded to an inquiry about the theater, saying that his hope is that their numbers will rebound in the next year. In other news, Mr. Cocker mentioned that Pottery Barn will be moving into the old Neiman Marcus space in the coming year. Ms. Palchik noted that this summer the Fairfax County Park Authority and Edens will co- host a series of concerts in Strawberry Park for eight weeks, starting in mid-June.

There being no further business, Ms. Palchik adjourned the meeting at 4:06 p.m.