

March 26, 2026

Martha Elena Coello
Secretary
Phase 1 Dulles Rail Transportation Improvement District Commission
4050 Legato Road, Suite 400
Fairfax, VA 22033

RE: Dulles Rail Tax Commission - Phase 1

Dear Ms. Coello:

The Petition and Virginia Code require that the Advisory Board provide you an “annual report on the transportation needs of the district and on the activities of the advisory board...”. To that end, accompanying this letter, are the draft minutes of the Phase 1 Advisory Board meeting which was held on March 4, 2026. While these minutes are in draft form, they accurately represent the transportation needs of the district and the Phase 1 Advisory Board’s activities. This letter and draft minutes constitute the Phase 1 Advisory Board’s annual report to the Commission.

The Phase 1 Advisory Board did not achieve a quorum at our meeting on March 4, 2026, however the members in attendance were presented with County staff’s recommendation that the tax rate remain at \$0.09/\$100 for FY 2027. Per the draft meeting minutes, the members present at this Phase 1 Advisory Board meeting supported this recommendation.

Thank you for your attention to this matter. If you have any questions, feel free to contact me at 301-692-2375.

Sincerely,



James D. Policaro, P.E.

Vice Chair of the Dulles Rail Phase 1 Tax Advisory Board

Phase 1 Dulles Rail
Transportation Improvement District Advisory Board
Fairfax County Department of Transportation; Microsoft Teams Video Conference
March 4, 2026
MEETING MINUTES

1. Call to Order

Meeting called to order at 1:01 p.m.

Members Present

Jim Policaro, Lerner Enterprises
Donna Shafer, Cityline Partners

Others Present

Martha Coello
Kristy Choi
Radwan Idris
Joe LaHait
Patti McCay
Katie Pifer
Yuqing Xiong
Sean Schweitzer

2. Proof of public notification and advertisement of the meeting was provided by Ms. Coello.

Ms. Coello initiated a round of introductions. She noted that a quorum was not present.

3. Approval of Minutes: March 15, 2023, Annual Meeting

The minutes were distributed. A quorum was not present to approve meeting minutes.

4. Approval of Minutes: February 26, 2024, Annual Meeting

The minutes were distributed. A quorum was not present to approve meeting minutes.

5. Approval of Minutes: March 11, 2025, Annual Meeting

The minutes were distributed. A quorum was not present to approve meeting minutes.

6. Virtual Meeting and Remote Participation Policies

Ms. Coello reviewed the virtual meeting and remote participation policies. Ms. Coello explained that these policies must be approved yearly. A quorum was not present to approve these policies.

7. Advisory Board Member Expiration Dates and Vacancies

Ms. Coello stated that the Chairman appointed someone to the Phase 1 Advisory Board, but documentation had not been received to confirm that the individual represents a commercial/industrial property owner. Ms. Coello noted that until that documentation is provided, there is technically a vacancy. Members were invited to suggest other possible candidates in the event the documentation is not provided. A quorum was not present to elect new officers.

8. Financial/Tax Assessment/TIFIA Updates – Joe LaHait, Fairfax County Debt Coordinator

Mr. LaHait provided an overview of assessed values and financial trends within the district. He noted that assessed values have increased significantly since the district was established, growing from approximately \$6.8 billion to approximately \$16.6 billion.

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Mr. LaHait explained that while the district experienced strong growth in earlier years, assessed values have remained relatively flat or slightly declined in recent years, particularly among office properties.

Mr. LaHait stated that the district tax rate was initially set at \$0.22 per \$100 of assessed value and has gradually been reduced over time to the current rate of \$0.09, which has been maintained for several years.

Mr. LaHait reported that the district has approximately \$92 million in outstanding debt and annual debt service of approximately \$13.5 million. Annual revenues are projected to be approximately \$15 million in FY 2027.

Mr. LaHait explained that the original projected maturity date for the debt was 2037, but due to refinancing and early debt prepayments, the projected payoff date is now expected to occur between 2032 and 2034.

Mr. LaHait also noted that reserves are maintained to meet bond requirements and that funds exceeding the required reserve levels may be used to prepay debt and reduce future debt service obligations.

Mr. Policaro asked about long-term growth assumptions used in the analysis. Mr. LaHait responded that long term growth has historically exceeded 3 percent, largely due to strong growth during the early years of the district.

Mr. Policaro asked what would happen if assessed values decline in the future. Mr. LaHait responded that staff conducts stress testing and monitors changes in assessed values. If values were to decline significantly, adjustments to the tax rate could be considered in order to maintain required debt service coverage levels.

Mr. Policaro also asked whether staff would take action if assessed values declined by approximately 5 to 6 percent. Mr. LaHait stated that staff would likely continue monitoring conditions initially but would advise the Advisory Board if sustained negative growth indicated that a future tax rate adjustment might be necessary.

Mr. LaHait concluded that staff recommends maintaining the current tax rate of \$0.09.

9. Advisory Board Recommendation on a Proposed Tax Rate for FY 2027

Members present acknowledged support to maintain the tax rate as recommended at \$0.09/\$100 for FY 2027.

10. Annual Report from the Advisory Board to the Commission

The Commission meeting is scheduled for April 7, 2026, at 3:00 pm and will be held at the Fairfax County Government Center, 12000 Government Center Parkway, Conference Room 11

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11. Other Business

Ms. Coello provided a Silver Line update and stated that ridership at Phase 1 stations increased by 19% over the last year. She noted that the previous year also showed an increase and that Tysons Station had the highest ridership, with Mclean Station second.

12. Adjourn

Meeting was adjourned at 1:22 p.m.