

# Fairfax County, Virginia



**Presentation to  
Silver Line Phase 1  
Transportation District**

**District Commission  
Meeting**

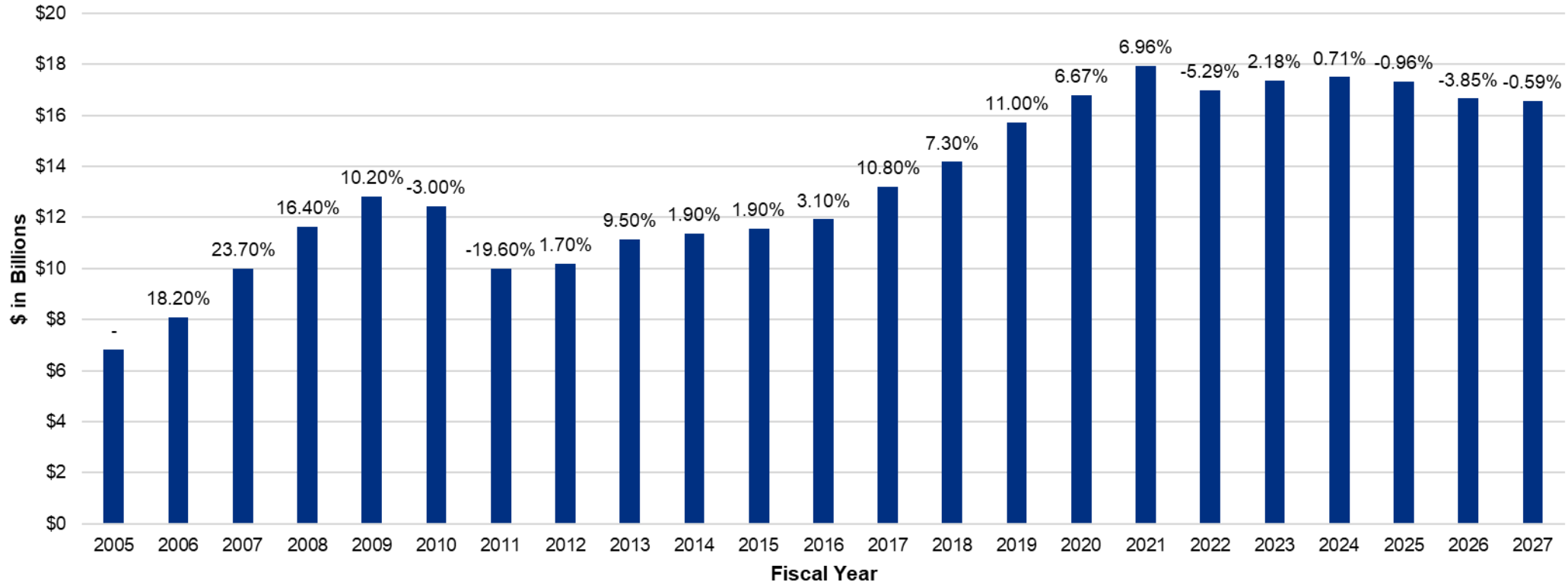
*April 7, 2026*

## Metrorail Silver Line Phase 1



# History of the Tax District

## Assessed Value of Taxable Property in the District (\$ Billions)



Fiscal Year (Valuation Date)	2005 (1/1/04)	2006 (1/1/05)	2007 (1/1/06)	2008 (1/1/07)	2009 (1/1/08)	2010 (1/1/09)	2011 (1/1/10)	2012 (1/1/11)	2013 (1/1/12)	2014 (1/1/13)	2015 (1/1/14)	2016 (1/1/15)	2017 (1/1/16)	2018 (1/1/17)	2019 (1/1/18)	2020 (1/1/19)	2021 (1/1/20)	2022 (1/1/21)	2023 (1/1/22)	2024 (1/1/23)	2025 (1/1/24)	2026 (1/1/25)	2027 (1/1/26)
Assessed Value (\$ in Billions)	6.83	8.08	9.99	11.63	12.82	12.43	9.99	10.17	11.13	11.35	11.56	11.92	13.21	14.17	15.73	16.77	17.94	16.99	17.37	17.49	17.32	16.65	16.56
District Tax Rate in \$ (per \$100 AV)	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.21	0.21	0.19	0.17	0.15	0.13	0.11	0.09	0.09	0.09	0.09	0.09	0.09	0.09
AV Growth	-	18.20%	23.70%	16.40%	10.20%	-3.00%	-19.6%	1.70%	9.50%	1.90%	1.90%	3.10%	10.80%	7.30%	11.00%	6.67%	6.96%	-5.29%	2.18%	0.71%	-0.96%	-3.85%	-0.59%

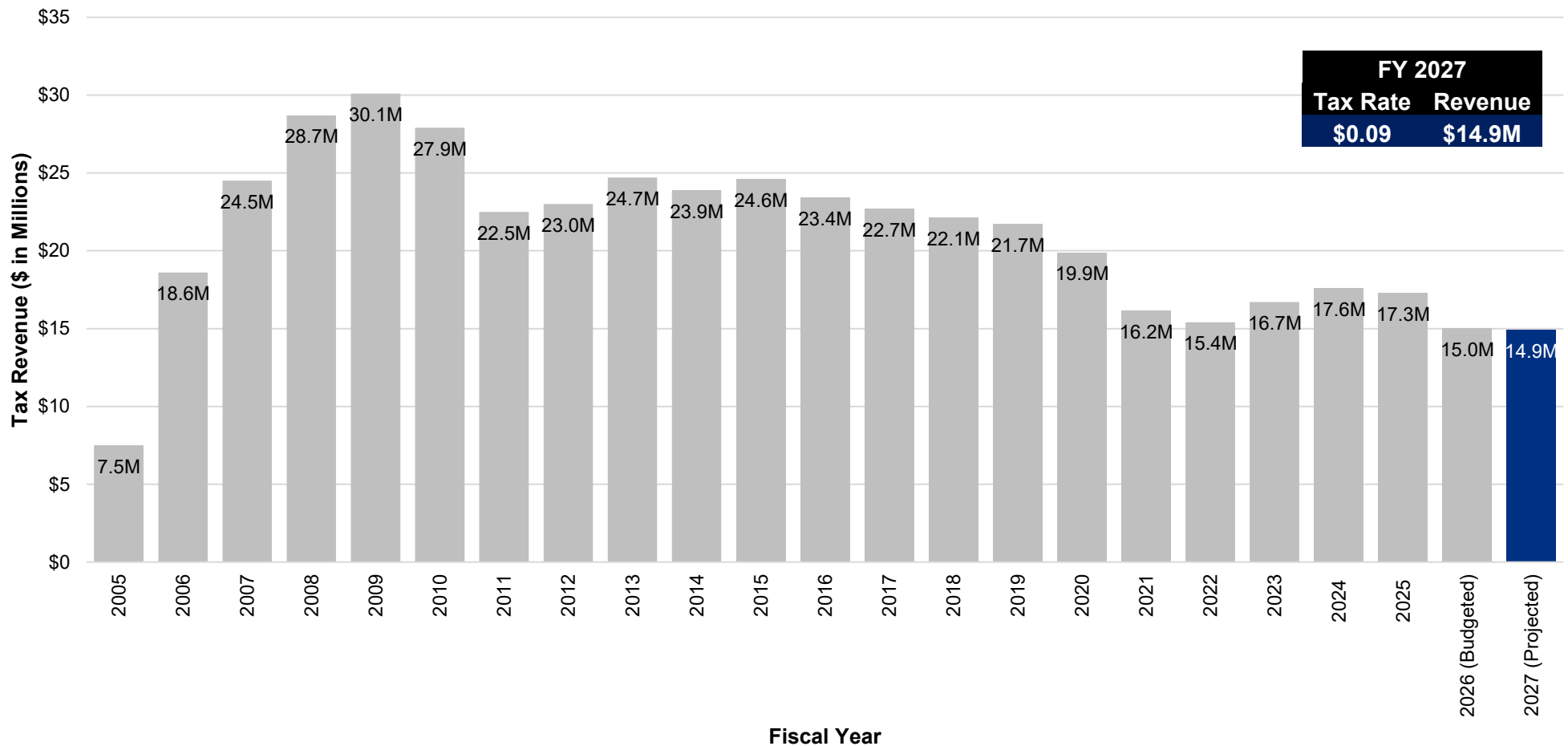


Note: The District was created on June 21, 2004.

# Revenue Trends

- The tax rate is set on an annual basis as part of the County's budget process and in accordance with the Petition and the District's Financial Policies
- Total tax revenue collected since 2005 is approximately \$443.9 million (as of 6/30/2025)

**Annual Phase 1 Tax District Revenues**



Source: Fairfax County's ACFR 2005-2025 & includes interest earnings.

FY 2026 & FY 2027 revenue is an estimate based on the tax year assessed value multiplied by the adopted tax rate.

In 2005, tax was collected for half of the year.

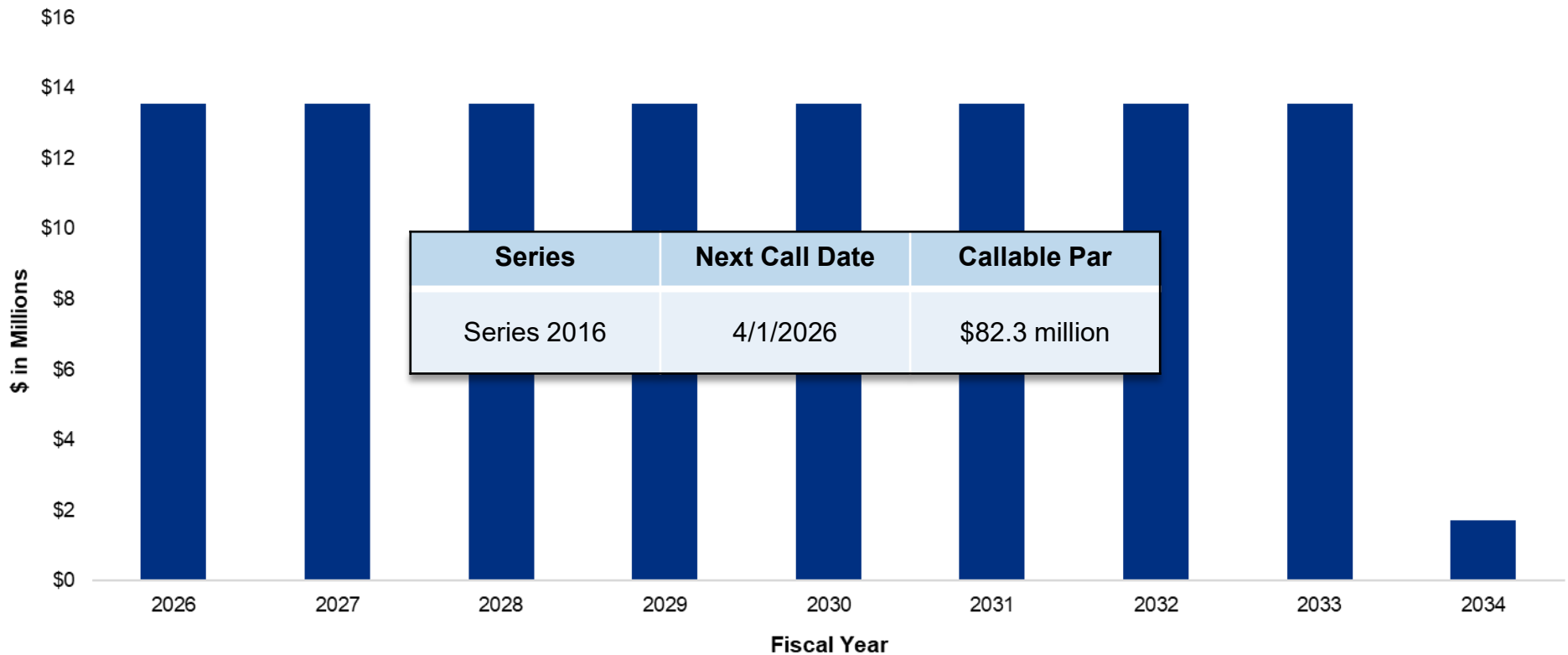


# Debt Profile

***Bonds carry strong ratings of Aa1 /AA+/AA+ from Moody's, S&P and Fitch Ratings.***

- As of 6/30/2025, the District has a total of \$91.9 million of debt outstanding
- Debt service is level with maximum annual debt service (MADS) = \$13.5 million
- Final maturity for the bonds is in 2034, three years earlier than the original debt structure

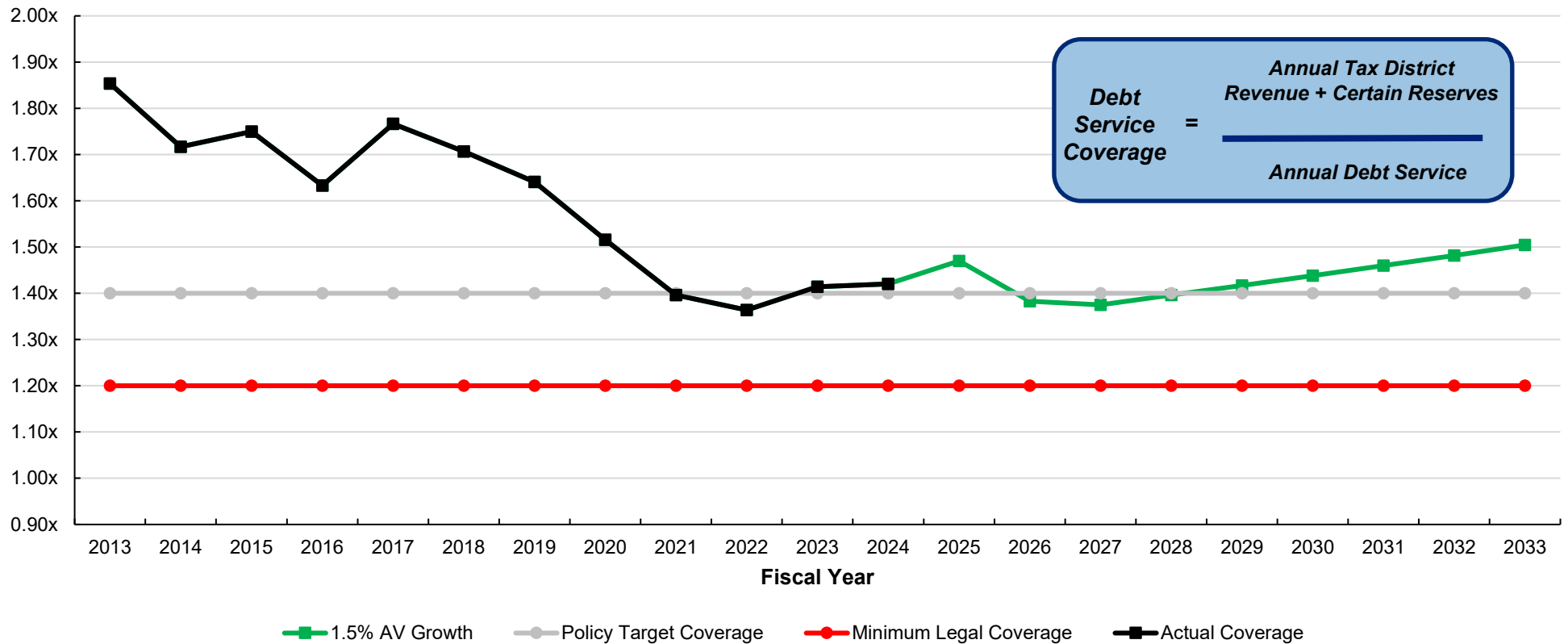
**Annual Debt Service (Fiscal Year)**



# Forecasted Debt Service Coverage

- Debt service coverage was above the policy target of 1.40x during each of the previous two audited fiscal years
  - FY 2024 = 1.42x
  - FY 2025 = 1.60x
- FY 2026 coverage is projected to be 1.38x, below the 1.40x threshold
- FY 2027 coverage is projected to be 1.38x (assuming a 9-cent tax rate), below the 1.40x threshold
- A tax rate reduction would be inconsistent with the District’s policies though a tax rate increase is not required in FY 2026

**Debt Service Coverage  
Assumes 9 cents Tax Rate**



Note: Chart excludes coverage in FY2034 of 2.69x under the 1.5% AV Growth Scenario.



# Projected Tax Rates by AV Growth (With Prepayments)

**Dulles Rail Phase 1 Tax District**  
Tax Rate by AV Growth Scenario (Assuming 9 cents in 2026)



# Reserve Policy

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***In 2013, the Advisory Board and Commission adopted a reserve policy, which indicated:***

1. The Commission will also consider balances in the Revenue Stabilization Subfund and the Residual Subfund when setting the tax rate;
2. The District will maintain all reserves at or above the legally required minimums at all times;
3. The District will target the aggregate reserve balances to equal approximately 2.5x Maximum Annual Debt Service (MADS)
  - A) Debt Service Reserve Fund secures outstanding bonds & is fully funded at MADS
  - B) Revenue Stabilization Fund secures outstanding bonds & is fully funded at MADS
  - C) Residual Fund is fully funded (by policy) at half of MADS
4. When feasible and economically advantageous, the District will consider using excess funds in the Residual Subfund to accelerate the retirement of Bonds in advance of their stated maturity.

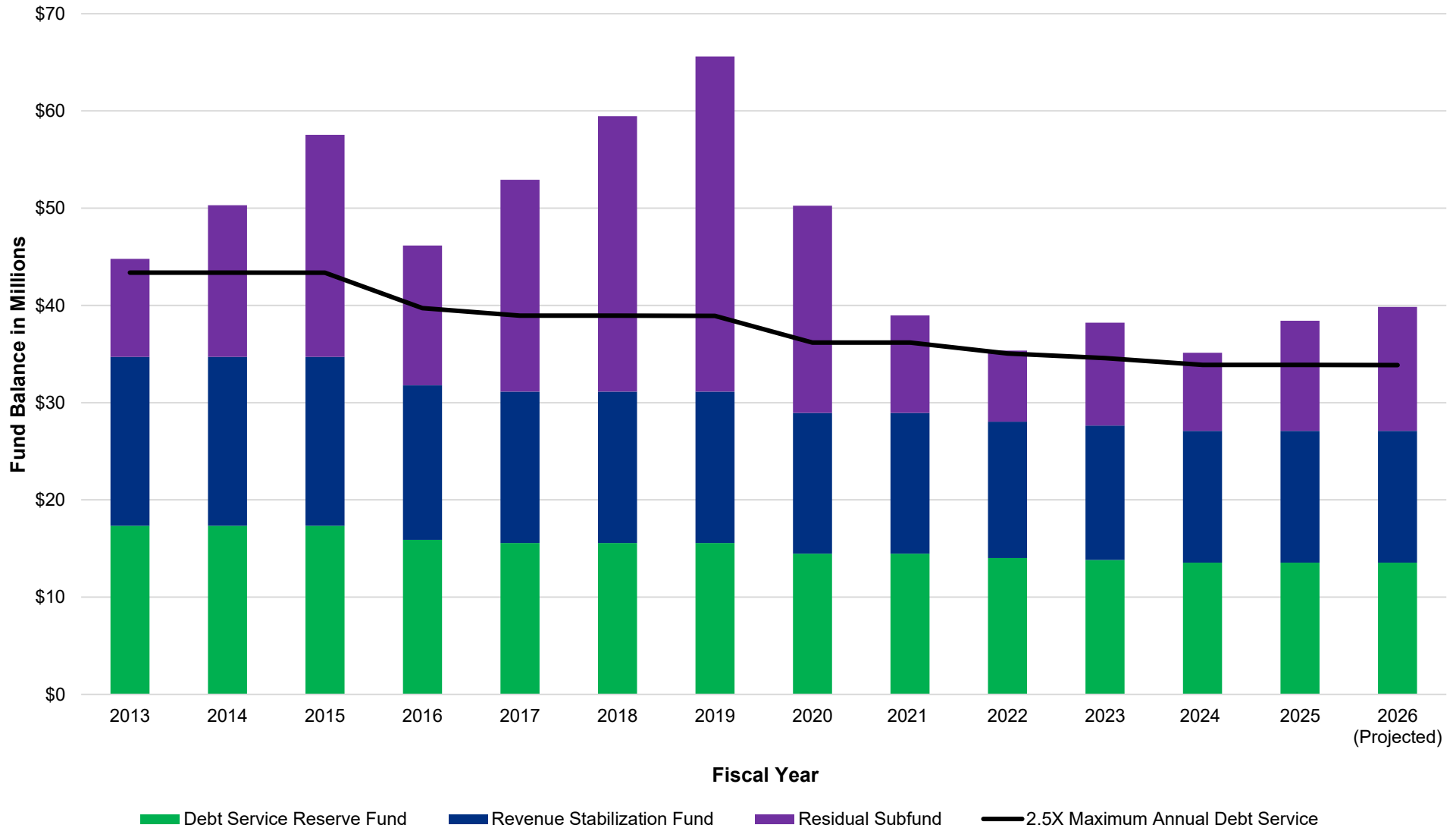
***No changes have been made to this policy.***



# Projected Total Reserves

**Based on slower AV growth in recent years and a flat tax rate, annual revenue exceeds debt service by lower amounts than in prior years, lowering early cash pre-payments of debt.**

## Silver Line Phase I Reserves



Note: Assumes 9 cent tax rate in FY2027.

# Recommendation & Next Steps

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- Maintain tax rate at \$0.09/\$100 for FY 2027
- Complete early prepayment of debt with amounts available from various fund releases during FY 2026, estimated at approximately \$9 to \$9.5 million

Expected Date	Event
3/4/2026	District Advisory Board meeting
4/7/2026	District Commission meeting
4/28/2026	Board of Supervisors FY 2027 Budget Mark-Up
5/5/2026	Board of Supervisors Adopts FY 2027 Budget

