



Arlington Chamber of Commerce
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Arlington Chamber of Commerce 2019 Local Policy Positions

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To the Arlington County Board, School Board, and local government officials,

The Arlington Chamber of Commerce is proud of its members for their role in the recognition that Arlington County has garnered as a world-class community and a premiere location for commercial enterprise. The contributions of a strong and vibrant business community provide the resources necessary to sustain high levels of service and public infrastructure.

Arlington continues to face challenges to our local economy relating to commercial vacancy rates, federal government contractions, housing affordability, and increasing competition within the region for business and workforce attraction and retention. Against this backdrop, it is imperative that Arlington ensure a positive and welcoming business climate. Arlington's policy environment should foster, rather than stifle or discourage, private sector investment and growth.

To this end, the Chamber recommends all of the policy positions contained herein in furtherance of our mission **to strengthen businesses and the economic environment for those who work, live, and do business in Arlington.** We call particular attention to these top priorities for Arlington's economic wellbeing:

- **Continuing to work towards instilling an emphasis on business attraction and accommodation throughout Arlington County's organizational culture**
- **Making economic development a chief policy priority**, through competitive incentives, tied to strong benchmarks, to attract and to retain businesses
- **Funding necessary improvements for transportation infrastructure**, including second entrances at the Crystal City and Ballston Metro stations, improvements to the Memorial and Long Bridges, and a new Rosslyn tunnel
- **Expanding housing development resources**, including increasing allowed density in appropriate locations, to incentivize development of housing stock to meet the demand of Arlington's workforce

The Arlington Chamber's Board of Directors adopted these policy priorities, following their development by the Chamber's Government Affairs & Economic Development Committee. **We thank the many Arlington elected officials and senior government staff members** who visited with our Government Affairs & Economic Development Committee throughout the year to discuss the issues facing Arlington County. Their support and insights assisted our members in preparing this document.

We thank you for your consideration of these proposals and extend our best wishes for a productive 2019.

Best Regards,



Greg Hamilton
2019 Chair



Kate Bates
President & CEO

Cultural and Organizational Reform

The Chamber calls on the County to continue to work **towards instilling an emphasis on business attraction and accommodation throughout its organizational culture**, which is necessary to attracting commercial investment to Arlington. The Chamber supports the initiatives of the Department of Community Planning, Housing, and Development (CPHD) to streamline and to maximize the efficiency of planning and permitting processes. We acknowledge the great strides CPHD continues to make in their response times and permitting processes. The Chamber continues to encourage the Department of Environmental Services (DES) to make similar procedural and cultural shifts, as this department has a significant role in development projects.

The Chamber applauds, and suggests the County continue, the examination and redesign of its regulatory processes to achieve their purpose while minimizing the regulatory and administrative burden placed upon businesses seeking to invest in the County. The Chamber **supports a reasonable approach to the site-plan development process, allowing for flexibility for proposed projects which help the County to achieve strategic goals, including the enhancement of the commercial revenue base**. The Chamber further supports process revisions to incorporate economic impact analyses into staff reports to the County Board, where appropriate, and to engage and to seek the input of affected business sectors at the outset of the policy development timeline.

Additionally, the Chamber urges regular reexamination of regulations, policies, and processes affecting local businesses to identify and streamline procedural chokepoints and to ease regulatory burdens that draw focus away from the unfettered exchange of commerce. The Chamber also **applauds the County Board for increasing the appointment of business community representatives to relevant Boards and Commissions, and encourages the continuation and expansion of this practice**. The Chamber further thanks the Board for reaching out to us as a source of recommendations for prospective Commissioners, and offers its continued service to connect government and the business community. A strong participation by Arlington businesses in our community's civic life ensures that the vital role businesses have as part of this community and the distinct perspective of Arlington businesses are heard during policy formulation.

The Chamber encourages the County to continue to embrace public-private partnerships, like the Business Improvement Districts and public-private partnerships with individual businesses and developers to drive develop goals.

Economic Development

Given the current challenges facing the local economy, and the fiscal strain that these challenges place on the County's budget, the **Chamber calls on the County Board to make economic development a chief policy priority.** Specifically, the Chamber supports a focus on competitive incentives, tied to strong benchmarks, both to attract and to retain businesses.

The Chamber supports increased investment in the expansion of the commercial revenue base through the marketing, business attraction, and business retention efforts of Arlington Economic Development. Business recruitment is investment, not expenditure; money budgeted for business attraction pays for itself for many years in the form of taxes paid by the businesses and employees recruited to Arlington County. The Chamber supports **maintaining all existing budgeted positions for business attraction at Arlington Economic Development, including those targeted at start-ups and small firms.**

The Chamber encourages Arlington Economic Development to take a broad approach in its business attraction and retention efforts to ensure that Arlington's employer base is diverse as possible. While efforts to attract large businesses to locate in Arlington grab the headlines—and the Chamber supports continuing these efforts—the Chamber also emphasizes the importance of supporting small- and medium-sized businesses. Companies with 50-100 employees have growth potential, providing immediate return and continuing returns over time for investments made today. **The Chamber supports creating more tools, such as gazelle grants, which will help startups to grow and create a culture of innovation in Arlington.**

The Chamber encourages the County Board to support the County's incentive proposal for Amazon's new headquarters, as it will have positive benefits for the Arlington community as a whole:

1. The investment of \$360 million in transportation projects to serve the Pentagon City, Crystal City and Potomac Yard neighborhoods within National Landing will support economic development for all businesses and connectivity for workers, residents, and consumers in National Landing, Arlington, and the broader region.
2. The commitment of \$7 million per year of new funds towards the implantation of 1,000 affordable housing units in and around Crystal City, Pentagon City, and Columbia Pike, will help to maintain affordable and workforce housing in Arlington, particularly in the vicinity of National Landing.
3. The application of a portion of new incremental revenue generated by Amazon's arrival within the existing Tax Increment Financing (TIF) area that covers Crystal City, Potomac Yard, and Pentagon City to make strategic infrastructure investments in and around National Landing will ensure that Arlington maintains its competitive edge into the future.
4. The post-performance incentives to Amazon tie directly to the anticipated increase in hotel stays due to Amazon's presence in Arlington. These visitors will have a positive effect on Arlington

through their patronage of local businesses and payment of Transient Occupancy Tax (TOT) and sales taxes. As the incentives would come from a percentage of the new incremental revenue generated by the TOT, they will not divert funds that are already committed.

The Chamber included a similar recommendation in its General Assembly policy positions calling for the passage of the Commonwealth's incentive proposal for Amazon's new headquarters.

The Chamber supports a predictable stream of revenue to support the promotion of tourism by Arlington Economic Development. The Chamber fought hard for the full resurrection of the surcharge on the transient occupancy tax and does not want to see it used merely to send other budgeted funds out of Economic Development. We would also commend the County for its Letter of Intent with the Chamber to ensure hospitality industry input into the efficient use of those funds.

The Chamber supports the GO Virginia initiative as a regional approach to economic development that would lessen competition between Virginia localities. We believe that collaboration is possible and could be beneficial to everyone involved.

Transportation

A strong infrastructure, including a robust transportation network, is essential for businesses to grow. The Chamber supports investments to maintain and to improve Arlington's public infrastructure to sustain our economic engine. The Chamber supports broad-based approaches to selecting and to funding infrastructure projects.

Metrorail in particular serves as the backbone of Arlington County's transportation management program and as a primary driver of economic development in the Washington metropolitan region. The Chamber asks the Arlington County to **endeavor to secure the funding necessary for improvements to address the current and forecasted need for mass-transit services** in the Rosslyn/Ballston, Crystal City/Potomac Yard, and Columbia Pike corridors, and ultimately into Shirlington. **These vital projects include second entrances at the Crystal City and Ballston Metro stations, and a new Rosslyn tunnel.** The Chamber encourages **the addition of mass-transit systems (bus-rapid transit or similar) in the Crystal City/Potomac Yard and Columbia Pike corridors**, and believes that the County should view the transit between Crystal City and Columbia Pike as one corridor when planning transit upgrades.

A road network that functions for all users and all modes, including transit, cyclists, riders of shared mobility devices, pedestrians, and automobiles, is essential for mobility within Arlington County. The Chamber calls for continued partnership among the County, Rosslyn businesses, and residents, in

securing the reconfiguration of the street grid in Rosslyn to ensure the most efficient passage of people to and through Rosslyn.

Moreover, a diverse transportation network includes **support for “green” and sustainable vehicles, and increased infrastructure for cyclists and riders of shared mobility devices (such as electric scooters).** The Chamber further urges the County to take a light-handed approach with any shared mobility device fleet regulations. Such regulations, namely speed and fleet size, should be based on consumer demand and utilization data.

The Chamber also urges Arlington County to work with the Federal government, Commonwealth of Virginia, and District of Columbia to enhance connectivity within the Greater Washington, DC region. Strategic investments that will help realize these connections include **a new Long Bridge, improvements to Memorial Bridge, Amtrak regional service, cross-river MARC/VRE operation, and pedestrian access to Crystal City.**

Business and Community Infrastructure

Vital business infrastructure is not limited to transportation, and robust infrastructure supports economic development. The Chamber supports the implementation of the recommendations produced by the Community Facilities Study Task Force. Both a formal, integrated strategic needs assessment and a public facilities siting process should be a priority for the County in 2019. While spending tax dollars wisely is always a priority, the Chamber would be remiss if we did not mention that infrastructure projects, including recreational ones, benefit businesses and workers in addition to County residents.

The Chamber encourages the County to recognize land swap deals as a community benefit of equal importance to other community benefits. The Chamber urges the County to meet expected timelines outlined in the Capital Improvement Plan or promised by County staff. We understand that doing so might mean more staffing in the general budget to implement capital spending in a timely manner. The Chamber also believes the County should proactively seek out opportunities to advance the interests of Arlingtonians and Arlington businesses on projects run by other jurisdictions such as the proposed rehabilitation of Long Bridge.

To remain competitive in this region, **Arlington County must update its telecommunication infrastructure, including streamlining and standardizing the permitting process for the installation of small cell wireless antennas within the county.** The current network does not have the capacity to handle the new devices that residents and businesses wish to connect. Moreover,

Arlington residents and businesses will expect that our local mobile network will be able to provide the capacity and connectivity that they demand as early adopters of new technologies, such as 5G, Smart Cities, and the Internet of Things (IoT). Finalizing a streamlined permitting and fee structure for small cells will help Arlington create a wireless network that meets these expectations.

The Chamber recognizes the importance of infrastructure to Arlington's vitality both as a community and governing entity but we strongly condemn the use or threat of eminent domain against Arlington property owners.

Housing Affordability and Workforce Housing

Growing and maintaining a diverse housing stock is critical for economic development. Businesses, especially in the service sectors, look for the availability of workforce housing in choosing where to locate, and rely on housing that their employees can afford to grow, further underscoring the need to take measures to ensure that the County's economic development efforts and commercial revenue base are not negatively impacted. Broadly, the Chamber calls on Arlington County to consider the impact of its policies on the cost of homebuilding, and to reduce those policy-driven costs. Policy certainty is an important first step in helping developers to plan and to avoid the cost of planning for multiple contingencies.

The County Board's adoption of the Affordable Housing Master Plan and Implementation Framework set the County on a course to be on the leading edge of addressing this important issue. The Chamber agrees with the direction adopted as part of these two policy documents that **providing developers and property owners with incentives is the best, perhaps only, way to obtain substantial additional units that are affordable to a broad part of the community and to preserve existing housing stock**. Such incentives include, but are not limited to, increased residential density wherever feasible and real estate tax credits or abatements to help alleviate the cost of housing in Arlington.

The Chamber encourages County officials to **consider tax incentives and other solutions in cases where they would help preserve affordable housing**. The Chamber also supports expanding the multifamily residential parking guidelines to reduce the construction costs for affordable housing, and more broadly, initiatives to partner with affordable housing developers to build parking or other improvements that would bring down the per-unit cost of affordable housing.

The Chamber is disappointed in the process that led to the creation of the Housing Conservation Districts. The County's abandonment of the community process and rush to remove certain property

rights in Phase 1 was ill-advised. However, the Chamber remains resolute in working with the County on the development of improvement and preservation incentives in Phase 2 of the process. To be successful, any incentives must have input and support from the entire community, including property owners and developers. **The Chamber calls on the County to write the Housing Conservation District Plan in an open process that includes suggestions and comments from the business community.**

Taxes and Fiscal Policy

The Chamber supports a rational balance of the tax burden among businesses, residents, and users of services. The Chamber strongly urges that the **County government seek and adopt additional savings and economies of scale before the considering any increase in the real estate tax burden**, and urges the County Board and County Manager to make the difficult decisions necessary.

In keeping with the emphasis on economic development and expansion, the Chamber encourages a **local study of comparative tax rates between Arlington and surrounding jurisdictions to discover specific tax rates and impact fees that put the County at a competitive disadvantage** in attracting and retaining certain segments of the business community. Moreover, the Chamber supports exploring changes in how user fees and business taxes are assessed to lessen the burden on small businesses.

The Chamber conditionally supports the real estate tax surcharge on commercial real estate to support the development of transportation infrastructure as authorized by the Virginia General Assembly. The Chamber is pleased by Arlington's willingness to provide information on how funds raised through the surcharge have been spent to date. The Chamber continues to believe that **revenues from the surcharge on commercial and industrial properties should be directed towards projects that directly affect those businesses subject to the tax.**

The Chamber also supports the use of standard accepted appraisal practices in accordance with Virginia law in the generation of real estate tax assessments. The Chamber commends Arlington County's recognition of the importance of increased business representation on the Board of Equalization, and looks forward to continuing to provide recommendations of members of the business community to serve. The Chamber further supports transferring the oversight of the Board of Equalization from the Assessor's office to the Office of the Commissioner of Revenue, to achieve further separation and independence between the Assessor and the Board.

Land Use and Zoning

The Chamber supports the coordination of commercial and residential density in established transit corridors. The Chamber further holds that land use policy and regulations should be flexible in their codification so as to attract the investment of commercial and residential developers in the County. Such policies should incorporate incentives and avoid any undue or unnecessary restrictions, allowing the community process to foster innovative designs and solutions.

Additionally, the Chamber strongly agrees with the Community Facilities Study Task Force that the role of the Business Improvement Districts should be enhanced, including expanding BIDs' authority and ability to be flexible in responding and anticipating changing market environments within their district overlays. The Chamber supports including a strong business voice in the Lee Highway planning process, including existing businesses along Lee Highway. The Chamber welcomes the outreaches by Arlington County staff to recruit business representation in the community forum, and looks forward to remaining engaged.

Signage in Arlington County remains a critical issue impacting County businesses. The Chamber commends the County Board's approval of less restrictive signage regulations over the past several years, but the Chamber continues to urge the Board to prioritize an overall reform to increase signage and evaluate signage for areas across the community, including shopping areas and business districts that are not regional shopping centers.

The Chamber also calls on the Board to take action regarding retail signage that addresses unique situations, including subdivided space, and places less of a burden on businesses trying to open in Arlington County. The Chamber further encourages the Board to work to allow non-commercial wayfinding signs to be updated through an administrative process, which would be increasingly valuable to our residents, as well as our businesses.

Workforce & Education

The local economy is fueled by a highly skilled and educated workforce. The Chamber recognizes that a strong K-12 school system is a key component not only in providing that base of qualified employees, but also in serving as a focal point for businesses looking at Arlington County as a potential site location. But, the whole community has a role to play and so the Chamber supports establishing consistent and ongoing communication and collaboration among all "pre-K through gray" education providers and the private sector.

The Chamber promotes and **supports Arlington Public Schools offering universal quality pre-K**, which is both important for learning development of our children and increasingly being used by states and localities as an enticement to businesses locating there.

The Chamber supports initiatives and programs to maintain the County's school system through efforts to **provide the necessary infrastructure to keep up with growing enrollment, and to align training and educational programs with projected workforce needs**, particularly in the fields of science, technology, engineering, and mathematics (STEM). Moreover, the Chamber encourages **establishing incentives to motivate employers to develop workplace learning opportunities for high school students** to allow school systems to align with the new "Profile of Virginia Graduate".

The Chamber further supports **competitive compensation for educators** at all levels of the public education spectrum, and supports **continuing, collaborative initiatives to provide opportunities for dual-enrollment college credits for all Arlington students** as a part of their high school program of studies.

The Chamber supports the continued presence of a Workforce Investment Board dedicated to Arlington and Alexandria, distinct from other regions of Northern Virginia.

General Policy

The Chamber supports maintaining the integrity of the Dillon Rule. Specifically, the County government should not undertake to coerce businesses, of any size, to provide specific wage levels, benefits, or working conditions, outside of the framework of applicable federal and Virginia law.

The Arlington Chamber of Commerce encourages the County to foster a collaborative dynamic between the public and private sectors, recognizing the importance of the business community in creating and maintaining Arlington as a world-class community with exceptional services and amenities. We encourage the County to view the Chamber and the Arlington business community as a true partner.

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