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

Arlington is recognized as a world-class community and a premiere location in which to live, work, and do business. We look ahead to 2020 with much cause for optimism about Arlington’s future, but we should not take our success for granted. A strong and vibrant business community provides the backbone to respond to the challenges Arlington faces related to commercial vacancy, federal government contractions, housing affordability, and competition for business and workforce.

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**
- **Maintaining economic development as a chief policy priority**, through competitive incentives, tied to strong benchmarks, to attract and to retain businesses of all sizes
- **Expanding housing development resources**, including increasing allowed density, to incentivize development of housing stock to meet the demand of Arlington’s workforce
- **Funding necessary improvements for transportation infrastructure**, including the mass-transit systems in the Richmond Highway and Columbia Pike corridors, a second entrance at the Ballston Metro station, improvements to the Memorial and Long Bridges, and a new Rosslyn tunnel

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 2020.

Best Regards,

Greg Hamilton  
2019 Chair  

R. Scott Ritter  
2020 Chair  

Kate Bates  
President & CEO
The Arlington Chamber of Commerce 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 and retaining commercial investment in Arlington. The Chamber 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.

The creation of the Business Ombudsman role in the County Manager’s Office several years ago was an important first step in improving the County’s approach toward business. The Chamber encourages the County Manager to ensure that the Business Ombudsman position maintains a strong voice and is empowered to be a true advocate within the County government for businesses and commercial interests.

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. 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 impede commerce. The Chamber further supports process revisions to incorporate economic impact analyses into staff reports to the County Board, where appropriate.

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 calls upon County government departments to engage proactively with and to seek the input of affected business sectors from the beginning of policy development processes.

The Chamber 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.
Arlington is in a unique position to build on the high-profile economic development successes of the past year. The Chamber thanks the County Board for supporting the County’s incentive proposal for Amazon’s new headquarters, which we expect will have positive benefits for the Arlington community as a whole for years to come. The Chamber calls on the County Board to continue to prioritize economic development including 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 (AED). Business recruitment is an investment; 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 encourages AED 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. Smaller companies have growth potential, providing immediate return and continuing returns over time for investments made today. The Chamber supports creating and fully utilizing more tools, such as gazelle grants, which will help startups to grow and create a culture of innovation in Arlington.

The Chamber supports a predictable stream of revenue to support the promotion of tourism by AED. 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 Agreement with the Chamber to ensure hospitality industry input into the efficient use of those funds.

The successful experience of regional cooperation in attracting Amazon’s headquarters demonstrates how collaboration in economic development is possible and can be beneficial to everyone involved. The Chamber encourages AED to continue to partner with economic development agencies throughout the region, as appropriate, and supports the GO Virginia initiative as a regional approach to economic development that would lessen competition between Virginia localities.

The Chamber also encourages the County to continue to embrace partnership with the private sector, including public-private partnerships, like the Business Improvement Districts (BIDs), and public-private partnerships with individual businesses and developers, to drive economic and community development goals.
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. Regional solutions will be necessary to meet housing affordability goals, as underscored by the adoption of regional housing targets by the Metropolitan Washington Council of Governments.

Broadly, the Chamber calls on Arlington County to consider the impact of its policies on the cost of residential construction, 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. To increase the affordability of housing, Arlington must remove barriers to the provision of housing supply, including, but not limited to, limitations on density. Furthermore, the County should resist adding requirements and regulatory burdens, which may provide short-term benefits but serve to exacerbate the problem over the long-term.

The Chamber agrees with the direction adopted as part of the Affordable Housing Master Plan and Implementation Framework that providing developers and property owners with incentives is the best way to obtain substantial additional units that are affordable to a broad part of the community and to preserve existing housing stock. The Chamber encourages County officials to consider tax incentives and other solutions in cases where they would help preserve affordable housing. The Chamber encourages the County to focus on reducing these barriers and pursuing these incentives through the Housing Arlington initiative and the upcoming update of the Affordable Housing Master Plan.

The Chamber remains disappointed with the process that led to the creation of the Housing Conservation Districts, and the lack of progress in Phase 2, now two years after the initial action. The Chamber is concerned that the proposed incentives will not successfully accomplish the stated goal of preserving and creating housing. The Chamber calls on the County to refine the draft Housing Conservation District Plan in an open process that includes suggestions and comments from the business community.

Land Use and Zoning

The Chamber supports additional commercial and residential density, especially 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. 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.
Additionally, the Chamber strongly agrees with the Community Facilities Study Task Force that the role of the BIDs 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 maintaining a strong business voice in the Lee Highway planning process, including existing businesses along Lee Highway, and will continue to participate in the Lee Highway working group.

Signage in Arlington County remains a critical issue impacting County businesses. The Chamber continues to urge the County Board to prioritize an overall reform to increase signage and evaluate signage for areas across the community, including for small businesses, business districts that are not regional shopping centers, and unique situations such as subdivided space. Streamlining signage regulations will place 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.

**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 applauds last year’s commitment to improve transportation connections in the Richmond Highway corridor, including funding for a second entrance at the Crystal City Metro station. 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 and Columbia Pike corridors, and ultimately into Shirlington. **These vital projects include a second entrance at the Ballston Metro station and a new Rosslyn tunnel.** The Chamber encourages **the addition of mass-transit systems (bus-rapid transit or similar) in the Richmond Highway and Columbia Pike corridors,** and believes that the County should view the transit from Potomac Yard to Columbia Pike as a single 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. Transportation planning should account for each of these modes and all different use cases. 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 regulations in order to maximize dexterity in managing a dynamic industry.

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, improvements to Richmond Highway and the Crystal City Intermodal Connector to Washington Ronald Reagan National Airport.

While spending tax dollars wisely is always a priority, the Chamber would be remiss if we did not mention that infrastructure projects, 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 new Long Bridge.

To remain competitive in this region, 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). We thank the County Board for approving a streamlined permitting and fee structure for small wireless cells in 2019, as this action 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.
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 considering any increase in the real estate tax burden.

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 believes that service fees, if necessary, should be tied to the services being delivered. Fee increases should align with improved efficiency and a reduction in service response times.

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.

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. 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 and 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.