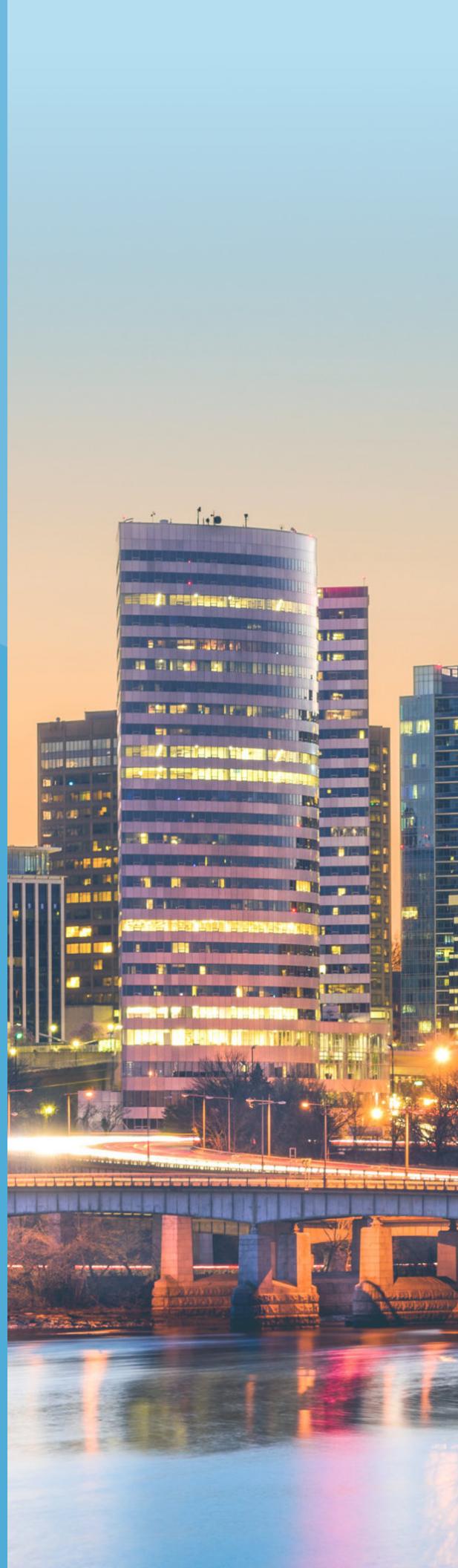


2021

General Assembly Policy Positions

ARLINGTON CHAMBER OF COMMERCE



2021 General Assembly Priorities

To the Virginia General Assembly,

Our Commonwealth has been recognized as the best state in the Union in which to do business, which creates economic opportunity for all Virginians. The unexpected and unprecedented challenges of the past year remind us that we can never take our success for granted. Maintaining and strengthening Virginia's business climate, especially at this critical time, will help Arlington and Virginia to respond to the pandemic and to pre-existing challenges, such as inequity and housing affordability.

The Chamber is pleased to share our legislative priorities for the 2021 General Assembly session in furtherance of our mission **to strengthen businesses and the economic environment for those who work, live, and do business in Arlington**. We recommend all of the policies in this document and call particular attention to these top priorities for Arlington and Virginia's economic wellbeing:

- **Continuing economic development programs for businesses of all sizes**, including support for Small, Women-owned, and Minority-owned businesses
- **Expanding efforts to increase the supply of housing** and to ensure access to safe and affordable housing options for our most vulnerable Virginians
- **Building robust infrastructure** through restoring and securing funds for transportation systems and promoting internet connectivity throughout the Commonwealth
- **Supporting Virginia's workforce** by supporting school divisions, colleges, universities, and the private sector in education and training for all Virginians
- **Maintaining Virginia's longstanding policy framework** including the Right to Work law and the integrity of the Dillon Rule

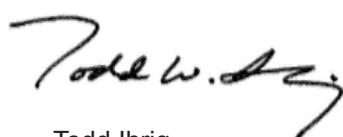
The Arlington Chamber's Board of Directors adopted these policy priorities following their development by the Chamber's Government Affairs & Economic Development Committee. In addition to the priorities outlined herein, the Chamber will respond separately to the legislative packages proposed by the Arlington County Board and School Board. **We thank the members of Arlington's General Assembly delegation** who visited with our Government Affairs & Economic Development Committee to discuss the upcoming session and their priorities. Their support and insights assisted our members in preparing this document.

We thank you for your consideration of these proposals.

Best regards,



R. Scott Ritter
2020 Chair



Todd Ihrig
2021 Chair



Kate Bates
President & CEO

Government and Business Climate

The Commonwealth of Virginia has been recognized as the best state in the Union in which to do business. Building such a strong business climate required the collaborative efforts of our private and public sector, as will maintaining and building on our strengths. The COVID-19 pandemic, and the economic dislocation it caused has created more urgency around the need for governments at all levels to collaborate with and support businesses to rebuild economic activity and preserve jobs for Virginia's workforce.

Maintaining Virginia's policy framework will promote continuity for the Commonwealth's economy. **The Arlington Chamber supports maintaining Virginia's Right to Work law**, which has been one of the key elements that has made the Commonwealth a top destination for business in the United States. **The Chamber supports maintaining the integrity of the Dillon Rule**. Specifically, county governments should not have authority to coerce businesses, of any size, to provide specific wage levels, benefits, or working conditions, outside the framework of applicable federal and state labor law.

The Arlington Chamber supports the Commonwealth simplifying the regulatory process by frequently assessing the need for existing regulations, and **only imposing new regulations that achieve a specific need or goal for the community without imposing an undue burden**. Commonwealth agencies should consider the practical implications of new regulations, such as those implemented by the Department of Labor and Industry for COVID-19 safety, and incorporate feedback from businesses about how to minimize disruption and cost in meeting regulatory goals. **The multitude of ABC laws is an example of where simplification and lessening of specific regulations will benefit the community**. Simplifying the process for securing special event licenses, for example, will help promote locally-produced beverages at community events, benefiting Virginia producers.

The Chamber applauds the General Assembly's actions in 2018 to promote transparency in state government, including broadcasting and making accessible video of legislative committee meetings, and its further action during the 2020 special session to broadcast subcommittee meetings. The ability for Virginians to connect to the General Assembly without having to be present physically in Richmond is even more paramount now, and increasing access promotes engagement in all circumstances. **The Chamber supports continuing the practice of broadcasting and recording legislative committee and subcommittee meetings, including when conventional, in-person meetings resume.**

Economic Development

The Arlington Chamber supports economic development programs to broaden and to diversify our economic base. Development incentives are investments in our economic future, and Arlington and the Commonwealth of Virginia have realized the return on these investments through increased employment and tax revenues.

The Arlington Chamber supports **appropriate incentives for businesses of all sizes**, knowing that smaller businesses grow if supported. The Chamber additionally supports maintaining a range of economic development programs to include support both for new businesses and existing businesses that relocate or expand operations in Arlington and Virginia. The Commonwealth Opportunity Fund and the Virginia Economic Development Initiative Grant are both crucial to Arlington being able reliably to bring and grow businesses looking at the Washington, D.C. area into Virginia.

Economic development is not limited to financial incentives. Governments can help promote business development by making it easier for businesses to start and grow. Moreover, government has a role to play in removing barriers to entrepreneurship for members of our community who are underrepresented in business creation. In particular, the Chamber calls on the General Assembly to **expedite and streamline business permitting processes and to revise the definition of Small, Women-owned, and Minority-owned Business to target procurement and other business opportunities better.**

The continuing dislocation of the COVID-19 pandemic will impact businesses into 2021 and likely beyond. Many businesses will require continuing support to come through the pandemic and related economic slowdown. **The Chamber encourages the General Assembly to provide a range of support for businesses to help through the pandemic, including, but not limited to, direct cash grants, tax abatements, support for health and safety retrofits, support for commercial and residential property owners, and policy flexibility.**

Regional cooperation and collaboration in economic development will continue to be essential and mutually beneficial as we work to recover from the pandemic. The Chamber encourages the General Assembly and Virginia Economic Development Partnership **to continue to foster cooperation among local economic development agencies**, as appropriate, and supports the GO Virginia initiative as a regional approach to economic development that would lessen competition between Virginia localities. **The Chamber further supports increased funding to market Virginia as a business destination.**

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. Addressing our housing affordability challenges will require a multi-faceted approach. **The Chamber supports both efforts to increase the supply of housing and efforts to ensure access to safe and affordable housing options for our most vulnerable Virginians.** The stock, price, and type of affordable housing varies greatly within the Commonwealth and it makes sense to acknowledge that reality.

The Virginia Housing Trust Fund is an important tool to provide support for housing development across the Commonwealth. The Chamber congratulates the Commonwealth for its allocation of additional funding to the Virginia Housing Trust Fund, and encourages the General Assembly to maintain, and increase, such investments to help address our region's pre-existing housing shortage and new housing impacts caused by the COVID-19 pandemic. **The Arlington Chamber supports the creation of a dedicated funding stream for the Virginia Housing Trust Fund, and an increase in its budget** to a level that will provide support to all parts of Virginia, including our higher-cost region.

The Arlington Chamber supports a regional approach to housing affordability, focusing resources where needs are greater. The Chamber also encourages providing some additional tools and local flexibility to address and incentivize affordable housing and to help make it more affordable to live in our communities. Examples of such tools include establishing a Virginia affordable housing tax credit, empowering local governments to provide targeted real estate tax abatements tied to activities that promote affordability, and assessing the value of committed affordable properties based on the affordable rent generated and not on the highest and best use of the property.

Broadly, the Chamber calls on the Commonwealth 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. Furthermore, the Commonwealth should resist adding requirements and regulatory burdens, and should be mindful that regulations not directly tied to housing goals, such as green building regulations, can have the impact of raising the cost of housing construction and exacerbate the housing shortage.

The Chamber opposes continuing a residential eviction moratorium and instead supports funding for a dedicated rent and mortgage relief program. Eviction moratoria leave both housing providers and renters struggling. Property owners will struggle to make their obligations, including mortgage payments, insurance, taxes, utilities, and property maintenance. Renters will struggle to make up back rent when the moratorium ends, which will harm the very people it was meant to protect. By contrast, additional funding which allows tenants and landlords to apply for relief will help tenants keep a roof over their heads, prevent owner foreclosures, keep more rental housing available, and help avoid a major rental housing crisis.

Land Use, Zoning, and Planning

The Arlington Chamber urges the General Assembly to **study the impact of outdated locality plans on economic development** to determine if rewrites to such plans should be required on a regular basis.

The Chamber opposes using site plans and other land use processes as tools for regulating other policy areas, such as labor relations. Local planning and zoning staff who draft and enforce these regulations are not experts in other government disciplines and should not be given enforcement oversight of them. Moreover, tying other regulations to land use could add burdens and uncertainties to projects, making Virginia less competitive than neighboring jurisdictions when competing for economic development projects.

Specifically the General Assembly should serve as a backstop and a safeguard against legislative overreach by local governments in their exercise of eminent domain authority and effective takings of private property rights through the limitation of development and redevelopment options via targeted downzoning.

Transportation

A robust transportation network is vital for Virginia's economic success. The Chamber applauds the General Assembly's action restore some of the funding that was diverted in previous years for multi-modal transportation projects in Arlington and Northern Virginia. Notwithstanding the budget crunch caused by the COVID-19 pandemic, transportation investments will support our region's recovery and growth in the next decade and beyond. Therefore, **the Chamber calls for a full restoration of local and regional funding sources for multi-modal transportation projects in Arlington and Northern Virginia. The sources for revenues dedicated to transportation should be broad-based so that the costs are borne by all who will benefit from the transportation services they fund.**

Building on recent commitments to improve transportation connections in the Richmond Highway corridor, the Chamber asks the General Assembly and Arlington County as well to **provide 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, including such **vital projects as a second entrance at the Ballston Metro stations and a new Rosslyn tunnel.**

Maintaining pre-pandemic service levels on Metrorail and Metrobus is vital to ensure that our transit systems can support passengers' social distancing and the needs of our service workforce. Looking beyond the pandemic, the Chamber supports extending non-traditional operating weekday/weekend hours for public transportation systems to support the travel needs of the 24-hour workforce.

In addition to mass transit, the **Arlington Chamber supports the development and maintenance of aviation, port, and highway facilities** that will promote and enhance domestic and international commerce, encourage tourism, and facilitate the movement of Virginians to work, school, recreation, and other activities. The Chamber further calls on the General Assembly and VDOT to work collaboratively with local stakeholders to deliver transportation infrastructure that meets local needs, and to continue to embrace innovation, leveraging new technological solutions to infrastructure and operational challenges.

Federally-owned facilities, such as Washington Ronald Reagan National and Dulles International Airports, the George Washington Memorial Parkway, and Potomac waterfront, contribute greatly to our region's economic vitality. The Chamber asks the Commonwealth to take a leading role in working with the District of Columbia and federal infrastructure partners, including the Metropolitan Washington Airports Authority (MWAA) and National Park Service, and to be a strong partner in negotiating with the federal government for access to federally-control sites.

The Chamber applauds the significant improvements MWAA is undertaking at Washington Ronald Reagan National Airport and supports leveraging these investments to maintain the level of passenger service there and to enhance multi-modal connections at the airport to the region and the Commonwealth. **Strategic investments that will help realize these connections include the new Long Bridge, improvements to Memorial Bridge, Amtrak regional service, cross river MARC/VRE operation, and the Crystal City Intermodal Connector to Washington Ronald Reagan National Airport, and it is important to maintain planned investments to support a strong, regional recovery.**

Business and Community Infrastructure

A strong infrastructure is essential for businesses to grow. The Chamber supports investments to maintain and to improve Virginia's public infrastructure to sustain our economic engine. The Chamber supports broad-based approaches to selecting and to funding infrastructure projects. While spending tax dollars wisely is always a priority, the Chamber would be remiss if we did not note that infrastructure projects benefit businesses and workers.

The coronavirus pandemic has brought the importance of internet connectivity to the forefront as Virginians have depended on reliable, high-speed internet access to attend work and school remotely. Virginia's economic competitiveness also depends on the capacity of our mobile networks throughout the Commonwealth to serve new technologies, such as 5G, Smart Cities, and the Internet of Things (IoT). We encourage the General Assembly to support the broad deployment of these, and similar technologies, and to support strong public and private infrastructure in Virginia.

Taxes and Fiscal Policy

The Arlington Chamber supports a comprehensive examination and modernization of the Commonwealth's tax structure that recognizes changes in Virginia's economy and promotes prosperity and job creation. The Chamber believes this can be accomplished while maintaining the rational balance of the tax burden in Virginia among businesses, residents, and users of services that has led Virginia to be ranked consistently as one of the top business-friendly states in the nation.

The economic dislocations of the COVID-19 pandemic have impacted many businesses' cash flows, which can create an additional burden to meet tax deadlines. The Chamber encourages the General Assembly to consider providing flexible timelines for remitting taxes due, and other opportunities that can help prevent a tax burden from preventing a business from surviving through the current downturn.

Fair and efficient access to justice for aggrieved taxpayers appealing erroneously high real estate tax assessments is an essential element of a strong local business climate. To this end, the Arlington Chamber asks the General Assembly to **clarify the role of the County Attorney in the real estate tax appeal process and sustain the existing burden of proof on appeal before a local Board of Equalization or Circuit Court** at a preponderance of the evidence standard.

Education and Workforce Development

Advancing locally-flexible education and workforce development policy initiatives will position Virginia as a global leader in workforce readiness, and so we support a forward-looking approach where innovation and creativity foster better outcomes that benefit our community. The Chamber supports funding for teacher professional development and increased efforts by Virginia's community colleges and universities to develop and strengthen undergraduate and graduate teacher-preparation programs in career and technical education and other Science, Technology, Engineering, and Math (STEM) education fields.

Education and workforce development occurs across a lifetime, and so the Chamber encourages establishing consistent and ongoing communication and collaboration among education providers serving students at all stages of life and the private sector. **The Chamber encourages the General Assembly to support school divisions in offering universal, quality pre-K**, which is both important for our children's development and increasingly being sought by businesses that are determining where to locate their headquarters and operations. The Chamber further supports collaborative initiatives to provide opportunities for adults seeking to enter or re-enter the workforce, including skills training, interview preparation, and also childcare support to facilitate participation.

The Chamber supports funding for career and technical education opportunities. **Basic professional skill development opportunities should be integrated into school curricula, as these skills are transferable across jobs and industries.** The Chamber supports funding for collaborative initiatives between Arlington Public Schools and regional higher education partners, including opportunities for dual enrollment college credits. The Chamber supports funding for the Governor's STEM Academies, which prepare students for in-demand, high-wage, and high-skill careers in Virginia. The G3 program is an important tool for helping Virginians pursue an education in the Commonwealth's community college system. School divisions should have support in hiring work-based learning coordinators to increase equitable access to internships, apprenticeships, senior capstone experiences, and similar opportunities for students.

The Chamber encourages providing incentives to the private sector to expand work-based learning, including technical and professional apprenticeships. Continuation of an appropriately funded GO Virginia Initiative will help to foster collaborative innovations in technical and professional education and workforce initiatives. Additionally, the continued presence of a **Workforce Development Board dedicated to Arlington County and Alexandria City, distinct from other regions of Northern Virginia, will help to ensure that we can meet workforce needs specific to our area.**

Arlington and the Commonwealth benefit from the many public and private higher education institutions located in and expanding in our region. The Chamber supports enhancing partnerships for cyber, computer science, and technology education at public and private universities across the Commonwealth, such as the Tech Talent Pipeline, the Commonwealth Cyber Initiative, and George Mason University's Institute for Digital InnovAtion.

Arts, Entertainment, Recreation, and Travel

The Chamber applauds the General Assembly's removal of the sunset provision on Arlington County's Transient Occupancy Tax (TOT) ¼% surcharge designated for the purpose of promotion of tourism and business travel. Having certainty about funding for Arlington Convention and Visitors Service helps Arlington County and our hospitality industry to set marketing plans beyond the immediate horizon. Arlington County and the Chamber have signed a Letter of Agreement to ensure hospitality industry input into the efficient use of these funds.

Prior to the pandemic, travel and tourism accounted for more than 27,000 jobs and \$3.5 billion of commerce in Arlington. The decline in business travel and conference activity has hit Arlington's tourism sector hard in 2020, and the reduction in travel has continuing effects on other hospitality and service businesses in Arlington. **Supporting travel in Virginia is vital for helping our local economy to recover from the COVID-19 pandemic.** Additionally, the Chamber supports actions that will help hospitality workers during the current period of reduced bookings, such as opportunities for training.

Arts and entertainment businesses also account for significant economic impacts in their communities, and they have been particularly hard-hit by social distancing restrictions on groups and gatherings. Arts and entertainment are a source of employment in their own right, and have continuing economic impacts as patrons often support other businesses as part of their recreation activities, for example dining out before or after attending a performance or gallery event. **The Chamber encourages the General Assembly to support arts, entertainment, and recreation organizations and workers as they continue to contend with restrictions from the COVID-19 pandemic.**

Energy and the Environment

The Arlington Chamber recognizes the vital importance of abundant, affordable energy supply to maintain and grow Virginia's economy. To this end, the Chamber supports the energy infrastructure essential to meeting the growing energy needs of Arlington and the Commonwealth. The Chamber supports statewide energy-efficiency objectives and policies, but does not support the delegation of that authority to localities. Moreover, the cost to customers should be a consideration in setting utility regulations and policy.

In the implementation of General Assembly action on energy issues, the Chamber urges the availability to consumers of a diverse range of energy choices in meeting growing energy needs. The Commonwealth should take into account factors including supply, affordability, reliability, resiliency, and the impact on economic development. The Chamber believes adoption of "green" construction codes should occur at the state level and be applied in a uniform manner in all localities. Additionally, **localities should not be delegated the authority to regulate energy consumption and usage**, either through local building and zoning codes, restrictions on the transferability of interests in real estate, or by compelling private building owners to make proprietary and confidential data regarding building energy usage public. The Chamber instead supports voluntary, incentive-based programs to measure and to achieve shared energy efficiency goals.

The Arlington Chamber also acknowledges the need to invest in Virginia's energy system, particularly by modernizing its electric distribution infrastructure. The Chamber supports such investments as a means to improve system safety and reliability. The Chamber welcomes efforts to continue to develop more renewable resources.



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