

# 2022

## Local Policy Positions

ARLINGTON CHAMBER OF COMMERCE



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

Arlington remains a world-class community and a premiere location for businesses and residents, but no locality can ever take such success for granted. A strong and vibrant business community underpins the creation of economic opportunity for all Arlingtonians and will help our community to continue our recovery from the pandemic and to redress pre-existing challenges, such as inequity and housing affordability.

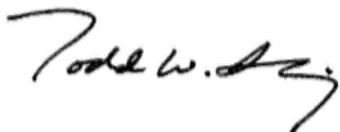
It is therefore imperative that Arlington maintain a positive and welcoming climate for business. To this end, the Arlington Chamber of Commerce is pleased to share our public policy priorities in furtherance of our mission **to strengthen businesses and the economic environment for those who work, live, and do business in Arlington**. We recommend all of the policies in this document and call particular attention to these top priorities for Arlington's economic wellbeing:

- **Building and maintaining strong partnerships** between local government and the business community with a disposition toward leading with "yes," an emphasis on business accommodation, and proactive engagement on policy with affected businesses
- **Continuing to prioritize economic development**, including support for small- and medium-sized businesses, and entrepreneurship by members of our community underrepresented in business creation, whose businesses have strong growth potential
- **Expanding housing opportunity in Arlington** by reducing policy-driven costs on residential construction, providing incentives to obtain additional housing units, and completing studies that will remove barriers to housing development
- **Allowing flexibility in public processes**, reducing the burden of development by streamlining processes and retaining COVID-19 pandemic-era innovations including online feedback gathering as a complement to consultative engagements
- **Sustaining a robust public infrastructure**, focusing on the transit services provided by ART and Metrobus along with Metrorail as key components of Arlington's travel network, and ensuring timely deployment of private infrastructure such as 5G wireless
- **Supporting Arlington's hospitality industry** through its long recovery from the COVID-19 pandemic by assisting hotels during the continuing slow-down in business travel and by adopting permanent outdoor dining rules for restaurants without delay

The 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 have visited with our Government Affairs & Economic Development Committee and who participated in Chamber events throughout the year to discuss the issues facing Arlington. Their support and insights assisted our members in preparing this document.

We thank you for your consideration of these proposals.

Best Regards,



Todd Ihrig  
2021 Chair



Beth Borowski  
2022 Chair



Kate Bates  
President & CEO

## Government and Business Climate

The Chamber calls on Arlington 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 Arlington 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 Arlington County to view the Chamber and the Arlington business community as a true partner.

**Essential to a strong partnership between local government and the business community is a disposition toward leading with “yes.”** Arlington County should continue to examine and to redesign its regulatory processes to achieve their purpose while minimizing the regulatory and administrative burden placed upon businesses seeking to invest in Arlington. 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.

Arlington Economic Development is well-placed within the Arlington County government operation to provide insights into the impact that regulations, policies, and processes may have on businesses. **The Chamber encourages the Arlington County government to include Arlington Economic Development’s viewpoints, and those of the Economic Development Commission, in its policy and process reviews.** The Chamber further supports process revisions to incorporate economic impact analyses into staff reports to the County Board, where appropriate.

Arlington County government was proactive about streamlining development processes when Arlington’s office vacancy rate crested above 20%. After initial successes in the prior decade, the time for review of some development applications has increased in recent years. Although some of that increase is likely due to adjusting to new processes during the pandemic, it nonetheless comes at a time when the commercial vacancy rate has increased once again. **The Chamber cautions Arlington County to take care to preserve its process efficiency gains and to work to pick up projects that have lagged across the past two or three years.**

Arlington County continues to lag in the time it takes to secure permits. The community was told that the shift to the Permit Arlington online platform would speed up permit reviews, and applicants are charged a fee to use the system. But, timelines have not improved, and permit applicants have shared stories of applications being lost in the system and of not receiving e-mail responses or follow-ups to address questions. **Arlington County should ensure timely and complete application responses through Permit Arlington.**

The Business Ombudsperson has been a vital and valuable aide to businesses seeking answers to specific questions or redress for discrete matters particular to their businesses. Inherent in the role of an ombudsperson is that the Business Ombudsperson should be empowered to be a strong, independent voice for the business community and a systemic change agent in the Arlington County government and that the Business and Resident Ombudsperson roles be co-equal within the County Manager’s office. The Chamber encourages the County Manager to **strengthen the Business Ombudsperson position as a systematic problem solver and empowered change agent within the Arlington County government for businesses and commercial interests.**

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 perspectives of Arlington businesses are heard during policy formulation. Bringing proposals to the business community when they are fully-formed or being presented for County Board consideration often limits the ability to offer input. Therefore, the Chamber **calls upon Arlington County departments to engage proactively with and to seek the input of affected business sectors from the beginning of policy development processes**, which provides the greatest opportunity for recommendations to have the greatest impact.

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 County 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.

**The Chamber encourages Arlington County to continue to embrace partnership with the private sector, including with public-private partnerships like the Business Improvement Districts (BIDs) and partnerships and with individual businesses and developers**, to drive economic and community development goals. The role of the BIDs and partnerships should be enhanced, including expanding their authority and ability to be flexible in anticipating and responding to changing market environments within their district overlays. The Chamber encourages Arlington County to source new ideas from its partners and to give partners latitude to determine how best they can contribute to achieving shared goals, rather than trying to press partners to take specific actions for which they may not be well suited. Arlington County has already received considerable community benefits from its businesses and developers, beyond those traditionally included as community benefits in planning conditions, and should account for these benefits in assessing project proposals.

**The Chamber supports maintaining the integrity of the Dillon Rule**. Specifically, the Arlington 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. Moreover, tax and regulatory consistency across jurisdictional boundaries promotes economic growth throughout the Commonwealth.

## Economic Development

Arlington has enjoyed several high profile economic development successes over the past decade, which give our community a strong basis on which to rebound from the COVID-19 pandemic. However, notwithstanding Arlington's successes, the pandemic continues to present new challenges, especially for smaller, service, and retail businesses. 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, and supports for existing and growing businesses in Arlington.

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.

The Chamber encourages AED to take a broad approach in its business attraction and retention efforts to ensure that Arlington’s employer base is as 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 and entrepreneurship by members of our community who are underrepresented in business creation. Smaller companies have growth potential, providing immediate return and continuing returns over time for investments made today. **The Chamber supports creating new tools and fully utilizing existing tools which have become dormant, such as gazelle grants, to help startups grow and create a culture of innovation in Arlington.**

It is now clear that many businesses will require continuing support to recover from the dislocations of the COVID-19 pandemic. **The Chamber encourages Arlington County to apply a sizable portion of its second tranche of American Rescue Plan Act funds 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.** As the pace of recovery will vary considerably across industries, the Chamber further encourages Arlington County to meet different businesses’ needs through a variety of industry-targeted programs, or by allowing flexibility for businesses to apply support in the most effective way for their situations.

The Chamber further encourages Arlington County to continue harnessing relationships with BIDs and partnerships to support community economic development. These organizations were able to provide rapid responses throughout the pandemic, bringing to fruition ideas that they developed in collaboration and consultation with their respective constituents. The BIDs and partnerships can continue to play a similar role in supporting and growing businesses beyond these urgent responses.

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 AED to continue to partner with economic development agencies throughout the region, as appropriate, including through the Northern Virginia Economic Development Alliance. The Chamber further supports the GO Virginia initiative as a regional approach to economic development that would lessen competition between Virginia localities.

## Housing Affordability & 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. Furthermore, Arlington County 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 exacerbating the housing shortage. To increase the affordability of housing, Arlington County should remove barriers to the provision of

housing supply, including, but not limited to, limitations on density. Broadly, the Chamber supports policies that facilitate the construction of more multifamily housing, of varying sizes, in Arlington. The Missing Middle Housing Study will enter its third year in 2022. The Chamber appreciates the work by Arlington County staff to move the study forward notwithstanding the challenges caused by the COVID-19 pandemic. The Chamber encourages Arlington County to continue rapid, focused, and transparent progress to develop plans for implementing all of the housing types identified in Phase 1 of the study. The Chamber will continue to provide feedback and suggestions as Arlington County identifies specific planning tools to increase housing supply.

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 Arlington County officials to consider tax incentives and other solutions in cases where they would help preserve and create new affordable housing at different levels of affordability. The Chamber encourages Arlington County to focus on reducing these barriers and pursuing these incentives through the Housing Arlington initiative.

The Chamber remains disappointed with the process that led to the creation of the Housing Conservation Districts in 2017, and the lack of engagement or progress in Phase 2. The reframing of the second phase as a “Multifamily Reinvestment Study” and the expansion of its scope has delayed the development incentives that were promised to be enacted swiftly upon the creation of the Housing Conservation Districts. Moreover, the manner in which work on the study has become largely staff driven, with few advisory group meetings and little proactive outreach by Arlington County staff to share proposals with the business community, leaves the Chamber concerned that the proposed incentives will not successfully accomplish the stated goal of preserving and creating housing. The Chamber is further concerned that Arlington County will extend the development restrictions imposed in Housing Conservation Districts to other areas in Arlington. The Chamber calls on Arlington County to prepare and to refine the Housing Conservation District Plan/Multifamily Reinvestment Study in an open process that includes suggestions and comments from the business community, and to complete this long-delayed work in 2022.

## Land Use, Zoning, and Planning

The Chamber supports additional commercial and residential density, especially in established bus and rail 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 Arlington. 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 Arlington County to achieve strategic goals, including the enhancement of the commercial revenue base.

**Arlington County will benefit from reducing the burden of its planning processes.** Establishing and using rapid, administrative processes for routine changes will allow planning staff to focus most of their time on major projects without stalling simple applications. A streamlined site plan process will facilitate investment and projects in Arlington. Allowing for flexibility and openness to developer proposals, the Chamber encourages Arlington County to outline its priorities for a site at the start of

the site planning process. Moreover, the design and application of the site planning process should be appropriate for the project, rather than applying the same process to all projects, regardless of size and scope.

The innovations necessitated by the pandemic for online gathering of feedback have allowed Site Plan Review Committees to be more streamlined and to focus on critical questions and differences, and not to spend valuable time discussing areas of broad agreement. The Chamber encourages Arlington County to retain these innovations and to continue adapting the review process to make it less onerous for all participants. However, the Chamber cautions that online feedback gathering is not a substitute for open, consultative processes and direct engagement by Arlington County staff with interested groups, including, but not limited to, the Chamber's Government Affairs and Economic Development Committee.

We continue to anticipate a considerable number of development projects over the next several years in Arlington, as our underlying economic fundamentals remain strong. Notwithstanding the budget pressures facing Arlington County, ensuring that development continues is an investment in Arlington and will secure Arlington County's future fiscal position. As such, the Chamber encourages Arlington County to ensure adequate funding and staffing for the Department of Community Planning, Housing, and Development to process development applications in a timely manner. Moreover, it is vital that the Planning Division's work plan be scoped to include timely reviews of all planning applications and associated studies, such as Special GLUP Studies, and the Chamber encourages the Department of Community Planning, Housing, and Development to explore how to make such studies less time and labor intensive if it is not able to complete them swiftly with current processes.

Allowing flexibility in Arlington's planning documents will support both creative development and streamlined development processes. Replacing the Ground Story Use Table in the Columbia Pike Form Based Code with a restriction on noxious uses will allow novel uses and eliminate the need to update the table as new types of uses are devised. The Chamber encourages similar flexibility in planning reviews, such as the ongoing Clarendon Sector Plan Update and Pentagon City Planning Study, and maintaining a strong business voice in the planning processes for the Langston Boulevard and Richmond Highway corridors. Additionally, as these reviews conclude, the Chamber encourages Arlington County to create streamlined processes to adapt newly adopted flexibility into the plans and permits for existing developments and uses.

Signage in Arlington County remains a critical issue impacting Arlington businesses. The flexibility Arlington County offered during the pandemic has demonstrated that it is possible for Arlington to streamline its signage regulations to be less of a burden on Arlington's businesses, and to apply such streamlined regulations both to new development and to sites planned under older approaches to signage. The Chamber continues to urge the County Board to prioritize an overall reform to increase signage and to 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. The Chamber further encourages Arlington County 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.

Public art contributes to Arlington's vibrancy, and so the Chamber supports the broad goals of the Public Art Master Plan. However, Arlington County's public art policies should not favor County-curated art over privately-curated art or ignore the creative potential of short-term installations, signage, and placemaking, or discount such projects when calculating contributions to public art requirements. Furthermore, Arlington County should work to minimize the cost burden of public art contributions to promote development and investment in Arlington.

## Transportation

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, D.C. metropolitan region. ART and Metrobus are also critical connectors with the Metrorail system and include routes that connect Arlington residents to business and commercial areas within Arlington. **The Chamber encourages Arlington County to work to ensure the strength of these transit services, and to prioritize enhancements that will provide reliable service for riders.**

The Chamber applauds recent commitments to improve transportation connections in the Richmond Highway corridor, and asks 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 Arlington 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.** Transportation planning should account for each of these modes and all different use cases. The Chamber calls for continued partnership among Arlington 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 Arlington County to continue 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 Washington, DC region. 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, improvements to Richmond Highway, and the Crystal City Intermodal Connector to Ronald Reagan Washington National Airport.**

## Business and Community Infrastructure

A strong infrastructure 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. 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 along with Arlington residents. The Chamber encourages Arlington County to work to meet expected timelines outlined in the adopted Capital Improvement Plan or promised by Arlington County staff, and to bring the Capital Improvement Plan back in line with its regular timelines, after the adjustments in 2020 and 2021 due to the COVID-19 pandemic.

To remain competitive in this region, Arlington residents and businesses will expect that our local mobile and fiber networks 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). The collaboration by JBG SMITH and AT&T to install a 5G network in National Landing underpinned by Arlington County's dark fiber is an example of public-private partnership working to deliver these services in Arlington. **We encourage Arlington County to follow through on its streamlined permitting and fee structure for small wireless cells and to approve deployments in a timely manner aligned with partners' expectations**, as these actions will help create a wireless network that meets consumers' expectations in Arlington. Moreover, the Chamber opposes establishing public internet authorities, which could limit the ability of private innovators to serve communities throughout Arlington.

The Chamber encourages Arlington County to recognize land swap deals as a community benefit of equal importance to other community benefits. The Chamber also believes Arlington County should proactively seek out opportunities to advance the interests of Arlington's residents and businesses on projects run by other jurisdictions. While the Chamber recognizes the importance of infrastructure to Arlington's vitality both as a community and governing entity, **we strongly condemn the use or threat of eminent domain against Arlington property owners.**

## Energy and the Environment

The Chamber supports the broad policy goals of the Community Energy Plan. The target of net-zero CO<sub>2</sub> equivalent emission by 2050 is aspirational, and can be an impetus for innovation. But there is also the risk of losing the plan's sensitivity to individual circumstances if its implementation is too prescriptive. **Arlington County should ensure sufficient flexibility in implementing the plan so that it is viable and economically feasible for businesses and residents, including the availability to consumers of a diverse range of energy choices in meeting growing energy needs.**

It is important to take a holistic view of local priorities and the 11 elements of Arlington's Comprehensive Plan, recognizing that sometimes goals can be in tension, and that it is not always possible to achieve an ideal outcome across all objectives. When considering energy and environmental regulations and projects, Arlington County should take into account factors including supply, affordability, reliability, resiliency, equity, and the impact on economic development, as well as reductions in greenhouse gas emissions. Incentives also work best when they are designed in a way that provides a meaningful return for the extra investment they will require on the part of applicants; setting requirements too high or returns too low can discourage use. The Chamber encourages Arlington County to engage stakeholders when increasing any energy or environmental requirements or terms for incentives.

The Chamber further encourages Arlington County to take into account the potential impacts of its environmental policies on housing affordability for all residents. For that reason, the Chamber supports incentive-driven approaches to tree canopy preservation, but is wary of mandates to the same effect. Moreover, the Chamber believes that environmental policies and goals should be neutral in terms of technology and fuel-type.

## 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 Arlington County **seek and adopt additional savings and economies of scale before the considering any increase in the real estate tax burden.** The Chamber also strongly requests that the business community be included in fiscal prioritization conversations.

The economic dislocations of the COVID-19 pandemic continue to impact many businesses' cash flows, which can create an additional burden to meet tax deadlines. The Chamber encourages Arlington County 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 continuing uncertainty.

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 Arlington 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. Arlington County should not use fees to balance its budget or to pay for activities that are priorities for the government, but not for the customers being serviced by the departments charging the fees. Moreover, Arlington County should not charge fees for core services that are essential to any well-functioning government, as those are appropriately funded by tax revenues in the General Fund.

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.

## Education and Workforce Development

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 education providers serving students at all stages of life and the private sector.

Safe and affordable access to early childhood education is critical for parents to participate fully in Virginia's economy, and for children's development. **The Chamber promotes and supports Arlington Public Schools offering universal, quality pre-K.**

The Chamber supports initiatives and programs to maintain Arlington's school system through efforts to **provide the necessary infrastructure to align training and educational programs with projected workforce needs**, particularly in the fields of science, technology, engineering, and mathematics (STEM).

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". Furthermore, filling Arlington Public Schools' planned Partnership Coordinator position will dedicate a staff person to connecting students to workplace learning opportunities. Having such a connection will benefit most students who do not have personal connections to internships and similar opportunities.

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 maintaining a Workforce Investment Board dedicated to Arlington and Alexandria, distinct from other regions of Northern Virginia.

## Hospitality and Tourism

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 since the start of the pandemic, with business travel to our region in 2021 down more than 80% from 2019, and not expected to return to its pre-pandemic level until 2024. The reduction in travel has continuing effects on other hospitality and service businesses in Arlington through reduced hotel employment and less visitor spending at local businesses of all types.

**Supporting travel to Arlington and Arlington's hospitality industry is vital for helping our local economy to withstand the long-term effects of and ultimately to recover from the COVID-19 pandemic.**

The Chamber encourages Arlington County to maintain hospitality-specific programs to support hotels and their workforce through the persistent travel downturn. Hospitality faces unique and persistent challenges, and as such, the most equitable way to address its needs is to address them directly, rather than attempting to serve all businesses with the same terms. Arlington County should remain cognizant of actions by neighboring jurisdictions to provide comparable support for hotels in Arlington, and should take a leadership role in regional hotel support.

Encouraging businesses and travelers to resume their travel to Arlington is of paramount importance in

2022. The Chamber supports a predictable stream of revenue to support the promotion of tourism by Arlington County. The Chamber fought hard for the full resurrection of and the removal of the sunset provision on the surcharge on the transient occupancy tax and does not want to see it used merely to send other budgeted funds out of Arlington Economic Development. The COVID-19 pandemic has reduced dedicated transient occupancy tax revenue at a time when marketing Arlington as a destination has never been more important, and so we encourage Arlington County to continue to apply general funds to make up some of the dedicated tourism revenue to help occupancy return to pre-pandemic level. We also commend Arlington County for its Letter of Agreement with the Chamber to ensure hospitality industry input into the efficient use of those funds.

Arlington County's quick action to establish Temporary Outdoor Seating Areas (TOSAs) for restaurants reopening under Forward Virginia in the summer of 2020 was an example of placing the greatest emphasis on reaching the solution that is most workable and then sorting any problems that arose. The community's overwhelmingly positive experience with TOSAs highlights how adapting TOSA provisions into Arlington's permanent code will contribute to Arlington's vibrancy as it supports restaurants' recovery from the continuing challenges they face as a result of the pandemic. **It is imperative that Arlington not delay in adopting its new, permanent outdoor dining rules to allow restaurants to invest in and to prepare for permanent outdoor service.** Moreover, while some changes will be necessary to existing TOSAs to fit better into their locations, the Chamber encourages Arlington County not to let concerns about possible problems lead to the creation of inflexible, one-size-fits-all restriction.



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