

2023

General Assembly Policy Positions

ARLINGTON CHAMBER OF COMMERCE



2023 General Assembly Priorities

To the Virginia General Assembly,

Our Commonwealth has been recognized twice in a row, both before and during the COVID-19 pandemic, as the best state in the Union in which to do business. Despite this accomplishment, we cannot take our success for granted. As we look ahead to the pressing issues of inflation and cost of living increases, as well as an uncertain future, strengthening Virginia's business climate creates economic opportunity for all Virginians and is critical to ensuring that Arlington and Virginia have the capacity to continue our recovery from the pandemic and to redress pre-existing challenges, such as inequity and housing affordability.

The Arlington Chamber of Commerce is pleased to share our legislative priorities for the 2023 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 support for businesses recovering** struggling with rising costs of living, inflation and labor shortages
- **Removing barriers to entrepreneurship** for members of our community who are underrepresented in business creation, streamlining permitting processes and targeting procurement and other opportunities for Small, Women, and Minority-owned businesses
- **Expanding efforts to increase the supply of housing**, through incentivizing efforts to increase the supply of and access to safe and affordable housing and assistance for housing-burdened Virginians, as well as attainable housing for all Virginians
- **Building and sustaining a robust infrastructure** through funding multi-modal transportation projects, restoring pre-pandemic transit service levels, and connecting mobile and fiber networks throughout the Commonwealth
- **Supporting Virginia's workforce** with training in skills for success in the job market across school divisions, colleges, universities, and the private sector, and ensuring that workers with requisite skills receive the credentials necessary to work
- **Maintaining Virginia's longstanding policy framework** that provides continuity for the Commonwealth's economy, including the Right to Work law and the integrity of the Dillon Rule

The 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,



Beth Borowski
2022 Chair



Tina Leone
2023 Chair



Kate Bates
President & CEO

Government and Business Climate

The Commonwealth of Virginia has recently 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. Inflation, workforce shortages and supply chain issues have created urgency around the needs for governments at all levels to collaborate with and support businesses to encourage economic growth in Virginia.

Maintaining Virginia's policy framework will promote continuity for the Commonwealth's economy.

The 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. Moreover, tax and regulatory consistency across jurisdictional boundaries promotes economic growth throughout the Commonwealth.

The 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, and incorporate feedback from businesses from the start of the regulatory process about how to minimize disruption and cost in meeting regulatory goals.

The Chamber applauds the General Assembly's actions starting in 2018 to promote transparency in state government, including broadcasting and making accessible video of legislative committee and subcommittee meetings. The addition of virtual participation options through video testimony and online comment forms for bills being heard in committee has expanded Virginians' ability to connect to the General Assembly without having to be present physically in Richmond, increasing access and promoting engagement. **The Chamber supports continuing the practice of broadcasting and recording legislative committee and subcommittee meetings, and accepting online testimony and comments.**

The value of being able to engage virtually with government extends to local governments, including for participation in volunteer commissions which play a main role in advising local governing bodies. The Chamber supports extending the authority for local public bodies to include electronic means of meeting, and to offer options for receiving virtual feedback from the public.

Economic Development

The 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.

As the economy evolves beyond the pandemic, many businesses are struggling with inflation, a rising

cost of living, and labor and material shortages. For businesses to weather these economic issues, government support can be necessary. **The Chamber encourages the General Assembly to apply some of its remaining American Rescue Plan Act funds to provide a range of support for businesses, 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 has varied considerably across industries, the Chamber further encourages the General Assembly to meet different businesses' needs through industry-targeted programs, or by allowing flexibility for businesses to apply support in the most effective way for their situations.

The Chamber supports **appropriate incentives for businesses of all sizes**, knowing that smaller businesses grow when 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 to reliably attract 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.** To continue to attract a diverse workforce in order to allow businesses in the Commonwealth to compete on a national level, the Chamber supports a business environment that protects the rights of all individuals, regardless of their race, socioeconomic status, gender identity, or mental or physical abilities or disabilities.

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, 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. **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 Chamber additionally supports efforts to ensure that attainable housing exists for all Virginians. A diversity of housing is crucial for Virginia's workforce and for its ability to attract and retain talent.

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 to increase, such investments to help address our region's pre-existing housing shortage

and the housing impacts caused by the COVID-19 pandemic. Virginia, as elsewhere in the United States, is currently facing a housing shortage along with a rise in the cost of living. **The 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, and position Virginia as ready to help all regions with the current economic situation.

The Chamber supports a regional approach to housing affordability, focusing resources where needs are greater. The Chamber thanks the General Assembly for establishing the Virginia Housing Opportunity Tax Credit and encourages its funding beyond the five-year trial period. The Chamber further encourages providing additional tools and local flexibility to address and to incentivize affordable housing and to help make it more affordable to live in our communities. Examples of such tools include empowering the Commonwealth and 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.** Construction costs are high, particularly in Arlington and in the Northern Virginia region. 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 exacerbating the housing shortage. The General Assembly also has an important role in precluding such regulations at the local level to ensure a robust and even housing construction market throughout the Commonwealth.

The Chamber urges the General Assembly to move beyond temporary procedures adopted to keep Virginians safely housed during the COVID-19 pandemic. The Commonwealth's approach was designed to offer short-term relief to Virginians over what was anticipated to be a confined crisis. However, the COVID-19 pandemic endured far longer than any originally projected and the financial impacts will continue to linger for years to come. This calls for solutions that will be sustainable over the long-term.

The Virginia Rent Relief Program, in particular, was a critical lifeline to thousands of Virginians. However, with federal funding having been depleted and the program having been terminated as a result, we recognize that it is not sustainable over the long-term for the Commonwealth to continue backstopping rent payments of as much as 18 months of assistance per recipient. **The Chamber endorses the creation of a state emergency rental assistance program that would provide one-time assistance to eligible tenants to help them weather a financial emergency and to help ease the transition from long-term federal assistance. The Chamber also advocates for the establishment of a Virginia housing voucher program to supplement the federal housing choice ("Section 8") voucher program to aid chronically housing-burdened Virginians.**

Land Use, Zoning, and Planning

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 in recent years to restore much of the funding that was diverted in previous years for multi-modal transportation projects in Arlington and Northern Virginia. Transportation investments will support our region's recovery and growth in the next decade and beyond. Therefore, **the Chamber calls upon the General Assembly to complete the 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. The existing dedicated revenues have been critical for funding much-needed projects in our region, and the Chamber asks the General Assembly not to cut transportation revenue sources, such as the gas tax, without ensuring that all lost revenue is replaced.

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, Columbia Pike and Langston Boulevard corridors.

Concerns about travel times and delays are a critical barrier to encouraging return to office. **Maintaining pre-pandemic service levels on Metrorail and Metrobus is vital to ensure that our transit systems can support our workforce, including service workers and office workers who have adopted non-traditional hours and commuting patterns.** 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. **It is critical that the General Assembly find solutions to WMATA's structural budget gap** while avoiding major service cuts that would degrade the ability of our transit providing workers feasible and reliable commutes.

In addition to mass transit, the **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 Ronald Reagan Washington 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-controlled sites.

The Chamber applauds the significant improvements MWAA has made at Ronald Reagan Washington 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 Ronald Reagan Washington 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.

Virginians depend on reliable, high-speed internet access to work and to attend school, and for the basics of living in our contemporary economy. Virginia's economic competitiveness also depends on the capacity of our mobile and fiber 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 infrastructure in Virginia. **Moreover, the Chamber opposes establishing public internet authorities, which could limit the ability of private innovators to serve communities across the Commonwealth.**

Energy and the Environment

The Chamber recognizes the vital importance of abundant, affordable energy supply to maintaining and growing Virginia's economy. To this end, the Chamber supports developing 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, including biofuels, hydrogen, solar, and wind. The Commonwealth should take into account factors including energy security, supply, affordability, reliability, resiliency, equity, reduction of greenhouse gas emissions, 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 further opposes legislation requiring incumbent utilities to permit individual retail customers to purchase renewable electricity from any

licensed competitive supplier of electric energy regardless of whether the incumbent utility offers it. The Chamber instead supports voluntary, incentive-based programs to measure and to achieve shared energy efficiency goals. Similarly, the Chamber supports incentive-driven approaches to tree canopy preservation, but is wary of mandates to the same effect.

The Chamber also acknowledges the need to invest in Virginia's energy system, particularly by modernizing its electric and natural gas 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.

Taxes and Fiscal Policy

The 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. Reviewing the tax structure is particularly critical in light of the altered post-pandemic workplace, which projects a significant increase in remote work options and has the potential to change our approach to economic development and to render commercial real estate taxes, which are the primary funding source for local governments, a dwindling resource. The Commonwealth should position itself and its tax structure appropriately to maintain its competitive edge in this new environment. 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. To this end, the Chamber opposes any action to empower localities to set different property tax rates for residential and commercial real estate.

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 Chamber asks the General Assembly to **clarify the role of the County Attorney in the real estate tax appeal process, and to establish an independent counsel or empower the Commonwealth's Attorney to advise the Board of Equalization. Moreover, the existing burden of proof on appeal before a local Board of Equalization or Circuit Court should be sustained at a preponderance of the evidence standard.**

Education and Workforce Development

Virginia, as elsewhere in the United States, is currently facing a labor shortage, and so aligning education and training to areas of workforce need, in a locally-flexible way, will position Virginia as a global leader in workforce readiness. The Chamber supports a forward-looking approach where innovation and creativity foster better outcomes that benefit our entire Commonwealth. 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 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. Furthermore, the Chamber encourages the General Assembly to ensure that workers with the requisite skills and training are not kept out of jobs by credentials that are onerous to obtain, and that the Commonwealth establish streamlined paths to convert analogous credentials from other states and the United States military to the appropriate Virginia licenses.

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 encourages the General Assembly to support school divisions in offering universal, quality pre-K**, and to increase funding for Virginia's child care subsidy program and program changes to reduce the administrative burden on participating providers and to increase families' 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.** Technical education should include skills necessary for positions with small businesses and the service industry, many of which are hourly jobs that offer career growth potential. The Chamber supports funding for collaborative initiatives between school divisions and higher education partners, including opportunities for dual enrollment college credits, lab schools, and for the Governor's STEM Academies and the G3 program, which prepare students for in-demand, high-wage, and high-skill careers in Virginia. 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. The Chamber supports enhancing partnerships for cyber, computer science, and technology education at public and private universities across the Commonwealth. Continuation of an appropriately funded GO Virginia Initiative will help to foster collaborative innovations in technical and professional education and workforce initiatives. Additionally, having a **Workforce Investment Board dedicated to Arlington County and the City of Alexandria helps to ensure that we can meet workforce needs specific to our area.**

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 reduction in travel has continuing effects on other hospitality and related service and entertainment businesses in Arlington and Northern Virginia through reduced hotel employment and less visitor spending at local businesses of all types.

Additionally, the supply chain issues and labor shortages affecting the hospitality industry have made the road to recovery even harder. **Supporting travel in Virginia and Virginia'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.** Additionally, the Chamber supports actions that will help hospitality workers during the current period of reduced bookings, such as opportunities for training.

The Chamber encourages the Commonwealth of Virginia to enact hospitality-specific programs to support hotels and their workforce through the persistent travel downturn. North Carolina, Maryland,

and DC have all prioritized hospitality and tourism in their relief programs, while Virginia has not granted any dedicated relief to these especially hard-hit industries so far. 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. The Chamber further encourages the General Assembly to support local and regional actions and programs to support for hotels in their jurisdictions.

The community will benefit from streamlining the Commonwealth's multitude of ABC laws. The General Assembly took strong steps forward in the past two years simplifying the process for securing designated outdoor refreshment area licenses and permitting the selling of cocktails with takeaway meals, for example, which has supported Virginia's restaurants through the pandemic. The Chamber supports making these provisions permanent, and for considering further actions to simplify and to lessen ABC regulations.



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