



April 2, 2018

Arlington County Board
2100 Clarendon Boulevard
Suite 300
Arlington, Virginia 22201

Dear Chairman Cristol:

The Arlington Chamber of Commerce appreciates the significant efforts by County staff that resulted in the Proposed FY1019 Budget, and applauds the County Manager for presenting a budget that does not increase the tax rate. Echoing the sentiment of the Manager, it is important that County leadership be a good steward of taxpayer funds, which means making tough choices in leaner times.

The Chamber appreciates the increase in the Economic Development Incentive Fund included in the County Manager's proposed budget. This fund is an invaluable tool for Arlington Economic Development as they attract and retain growing businesses, contributing to our overall tax base. The Chamber applauds the program requirements and necessary thresholds that ensure incentives prudently leverage County funds into a significantly higher expected return back to Arlington. We would like to specifically thank the County Manager proposing this increase as part of his proposed budget.

Despite our overall support, there are several areas of concern to the business community in the draft budget that we bring to the Board's attention. Arlington County has long prided itself on both our community engagement and long-term planning. However, in both of these areas, the budget has issues concerning several items outlined below, which continues a worrying trend. A more thorough review and discussion process would help both the County and the larger community.

The Chamber is concerned by the continued tweaking of the Crystal City TIF in order to remove money to support the general fund. The Crystal City TIF was specifically set up to support the realization of the Crystal City Plan as part of a long public process. The reductions to the Crystal City TIF were proposed when the County believed that we could use funds allocated by Northern Virginia Transportation Authority and other state funds over the next decade, somewhat alleviating the financial burden locally for these important solutions.

Given the Metro funding solution that is currently on the Governor's desk (supported both by the County and the Chamber), it is no longer the case that we can rely on regional transportation funds to address the important Crystal City transportation projects moving forward. The Crystal City TIF should be kept at the same level as last year's budget to give the County more options as the CIP is adjusted later this spring.

Another area in which we worry that this budget puts current expedience over long term planning is in the significant reduction of funds for planning on Lee Highway. While the Chamber would like to see this funded in full, we understand that this is a tight budget year, and are most concerned that this may result in the planning being paired back rather than just delayed. As expressed in previous position statements, we support embarking on the Lee Highway planning process as expediently as possible, but not at the cost of an incomplete process.

The Chamber is strenuously opposed to any curtailing of the Lee Highway plan that would only consider "nodes" rather than the planning area as a whole. It seems as though planning could easily be done for the entirety if necessary, given the swiftness with which the Housing Conservation District (HCD) was implemented on parts Lee Highway. If the Lee Highway planning is cut down to just specific nodes, it is entirely likely these HCD areas would become the de-facto planning units for parts of Lee Highway.



Any planning process that merely notifies the owners and allows for a modicum of public comment would be superior to what took place with the HCD.

We are concerned that budget fast tracks two important policy discussions into immediate implementation without appropriate stakeholder outreach. Both of these budget items change policies that were only implemented after significant public discourse.

While it may seem like a quick funding fix, the increase in parking meter fees as well as metered hours is not a decision to be taken lightly, just as it wasn't in 2015. When there became discussion of a staff proposal to extend parking meters hours from 6:00pm to 8:00pm in fall of 2015, the Chamber surveyed our retail and restaurant members for their impact, trusting their guidance as the businesses directly impacted. The responses were unanimous in opposition to the extension, which we articulated in our September 24, 2015 letter to the Board. Listening to the community response, the Board decided to table the issue shortly after. We have received no further outreach on the topic (or requests to help convene take holders for discussion) until being informed of the increase in the draft budget. We respectfully request that the Board keep the hours and rates at current levels, and utilize the next year for the appropriate stakeholder adjustments to determine if any adjustments are in order.

We believed the County Board heard the objection to the implementation of the recycling fee loud and clear from the business community. As articulated in our April 24, 2017 letter, the Chamber supports sustainability efforts and initiatives, but we strongly object to the fee's imposition on all businesses, rather than working with property managers or owners. This was a large change in County practice with little to no outreach to newly affected business. Even several County Board members did not realize was a fee on all businesses until it was already imposed by County staff.

In a follow up meeting with DES staff after the change in policy, the Chamber was informed that all businesses and nonprofit organizations who received the letter regarding the fee and the subsequent imposition of the fee, would receive an outreach regarding their thoughts on the fee and the program before revisions would be made. That outreach did not occur. We were recently informed that a survey went out to some businesses, but the Chamber did not receive it (neither as a convener of businesses nor as an organization that has had to pay the annual fee ourselves). The Chamber remains opposed to the current implementation of the recycling fee. We are also increasingly concerned that rather than being thoughtfully resolved, proposals are being rolled into the budget without addressing the concerns of the both the business and larger community. The Chamber hopes to continue discussions about the ongoing implementation of the recycling fee no matter what is decided as part of the budget.

Again, we commend the Board and the County Manager for keeping the tax rate flat, recognizing that with rising assessments, often times the result is still a tax increase for many individuals and businesses. As with any budgeting effort, difficult decisions need to be made and priorities must be identified. We appreciate your work on this important effort, and your consideration of the items that we have outlined.

Sincerely,

Kate Bates
President & CEO

CC: Arlington County Board members Christian Dorsey, Libby Garvey, John Vihstadt, Erik Gutshall, and County Manager Mark Schwartz