



Friendship Heights

ALLIANCE

FY2023-2024



Business Plan



**FINAL
DECEMBER 2022**



**BRINGING NEW
LIFE & BUILDING
COMMUNITY**

The Friendship Heights Alliance business plan is grounded in the recognition that every place already has a history and a story to tell.

By listening first, the Alliance team heard respondents and stakeholders overwhelmingly express their belief in the possibility of a more vibrant, dynamic, and inclusive future for Friendship Heights, with more diversity in housing opportunities and retail experiences, and a more people-friendly public realm.

The Friendship Heights Alliance is committed to bringing residents, businesses, property owners and nonprofit stakeholders together to advance this vision.

This plan is built around the following objectives:

- Build cross-sector collaboration and partnerships to strengthen the neighborhood
- Create and care for more people-centered public spaces
- Support a vibrant business environment where people and places thrive
- Offer ample and varied community building opportunities
- Create more venues for arts, culture, and local entrepreneurship

A detailed description of the Alliance’s governance, funding structures, and program areas follows, along with data and metrics from the Alliance’s first year of successful programming and engagement.

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The First Year

ABOUT FRIENDSHIP HEIGHTS

Friendship Heights runs along Wisconsin Avenue from Fessenden Street on the DC side to Oliver Street on the Montgomery County side. It is a bustling, mixed-use neighborhood with a dynamic mix of office, retail and residential. Just minutes from the Beltway, downtown DC and Bethesda, Maryland, Friendship Heights is a convenient crossroads for residents, visitors and workers alike. Known for decades as a premier regional shopping destination with affordable premier office space, it's in the process of transitioning to a neighborhood-focused retail mix with a more dynamic, walkable and people-centered built environment.

With multiple sites under redevelopment and 1,400 housing units slated for delivery in the next few years, Friendship Heights is headed toward a bright future.

In seizing the transformational opportunities that lie ahead, a range of public and private sector stakeholders recognize the importance of collaboration and care around the public realm, the quality of place, community building, and neighborhood identity. As the neighborhood's business mix and built environment transform, developers, residents and business owners recognize that for the neighborhood to thrive, coordination is key.



ABOUT THE FRIENDSHIP HEIGHTS ALLIANCE

The Friendship Heights Alliance grew out of the recognition that the success of the neighborhood's redevelopment goes beyond the quality of individual projects. There is a need for focused attention on the public environment and the social aspects of what makes a place thrive. There's broad agreement around the need to strengthen cross-jurisdictional coordination and establish a collaborative organization that will catalyze the needed initiatives. This place management organization will coordinate the community building needed to reinvigorate Friendship Heights and shape its future as a dynamic, inclusive, walkable urban place.



With a grant from the District of Columbia and private contributions from the area's large property owners, the Friendship Heights Alliance was formed in late 2021 as a 501(c)6 nonprofit.

The goal was to demonstrate the value of an integrated, cross-jurisdictional approach to community building, economic development, and revitalization at the neighborhood level, while exploring organizational and funding models to sustain this work into the future. From the outset, the Alliance sought to ground these two work areas in a clear understanding of community and business dynamics, best practices research, and a robust market analysis.

Below is an overview of the Alliance's first year of activities, including both what we learned and what we heard. This work forms the scaffolding of the Alliance's long-term planning effort, informing the organization's funding mechanisms, governance structure, and programmatic approach.

THE FIRST YEAR: A LISTENING TOUR

In its first year, the Friendship Heights Alliance focused on listening and community building. Through focus groups, online surveys, community presentations, and dozens of one-on-one interviews, the Alliance asked what the stakeholders wanted first: then used those hopes and goals to inform placemaking initiatives and research efforts. Jon Stover & Associates spent five months researching the neighborhood and comparable places to assess the area's strengths, biggest challenges, and upcoming opportunities, resulting in a dense market analysis report covering retail trends, residential development, and office transitions.



Using feedback from the community, the Alliance initiated a range of projects – including a pop-up art gallery, community makers markets, and placemaking installations – to demonstrate what is possible in place-focused community building. Simultaneously, the team focused on building the organization's systems, operations and administrative aspects to ensure the nonprofit is capable of shaping a new neighborhood vision with broad community buy-in and support.

WHAT WE HEARD

Friendship Heights has incredible assets. It has incredible transit connectivity, wide sidewalks, and nearby amenities. Though the retail landscape is shifting, it maintains a range of beloved restaurants and retail amenities. From Saks to Rodman's, and from Clyde's to Michaels, Friendship Heights has some enormous strengths.

At the same time, we heard widespread concern about inward-looking retail environments, hard edges, the impact of Wisconsin Avenue on walkability, a sense of stagnation, and a lack of diversity across age, race, and ethnicity. The stakeholders we engaged talked about the lack of social gathering places or venues for local culture and connectivity. Many talked about how, for too long, Friendship Heights has been more a collection of buildings than a place to enjoy. People expressed a desire for more care and focus on the quality of public space and on creating a sense of neighborhood identity. Yet, at the same time, many people – including residents, business owners and visitors – expressed deep appreciation for the neighborhood; and, in fact, were mystified as to why, with so many great assets, it could feel stagnant and left behind. Limited neighborhood promotions also rose to the top, as many stakeholders noted the lack of a marketing platform or business directory.



Community Engagement

THE FIRST YEAR BY THE NUMBERS





In February, 2022, the Friendship Heights Alliance released an online survey to shape programming plans and priorities for the organization. Over 1100 residents and workers shared their hopes and priorities.

Soften the hard edges and introduce delight

- Only 30 percent of respondents rated the quality of public space in Friendship Heights as good or very good. The rest rated it as fair to very poor.
- This was borne out in focus groups and interviews as well. Though it has wide sidewalks, treeboxes, and a generally clean environment, the expanses of concrete, the highway feel of Wisconsin Avenue, and the long, unbroken blocks can feel cold and unwelcoming.
- **Key takeaways:** In the short-term, landscaping and placemaking interventions can help soften these hard edges and create oases of calm and delight along the corridor. Long-term visioning, planning, coordination, and design guidelines can influence drastic improvements.

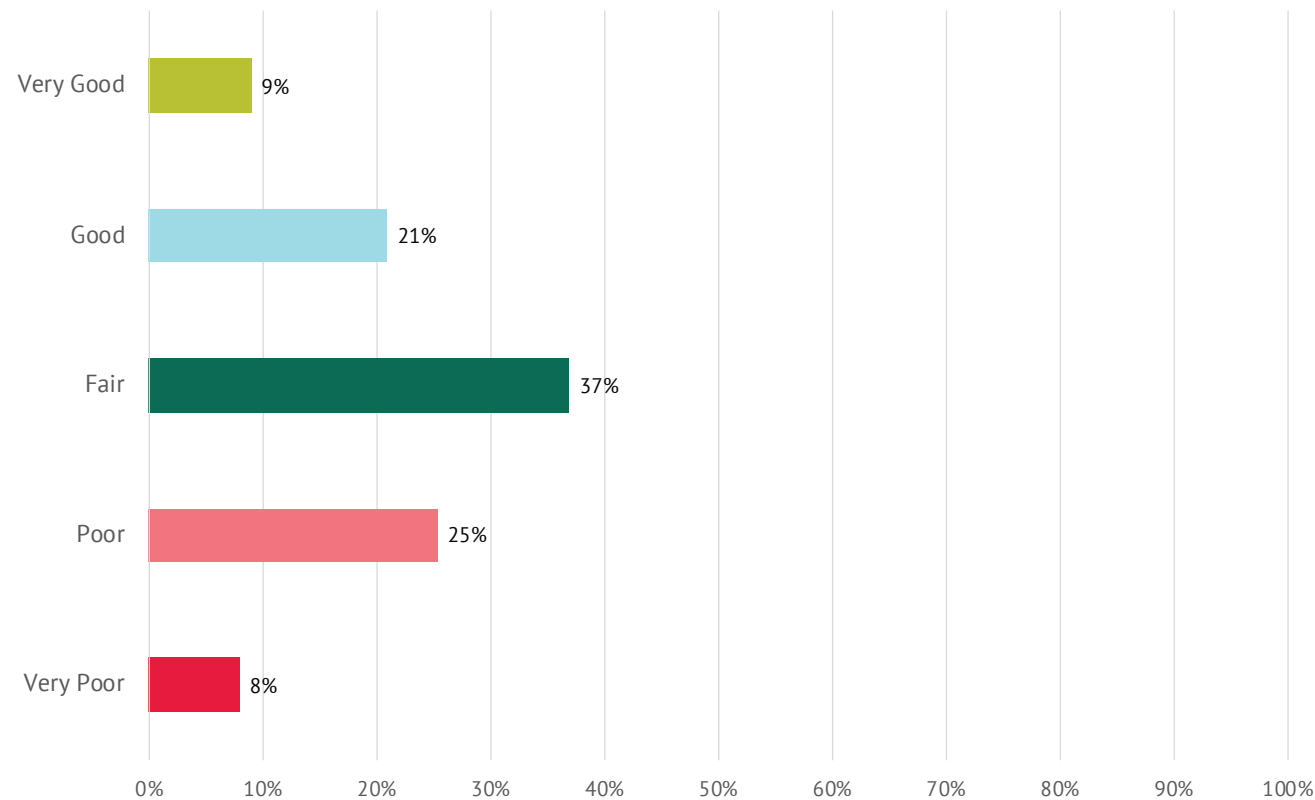


Desire for community building and great places

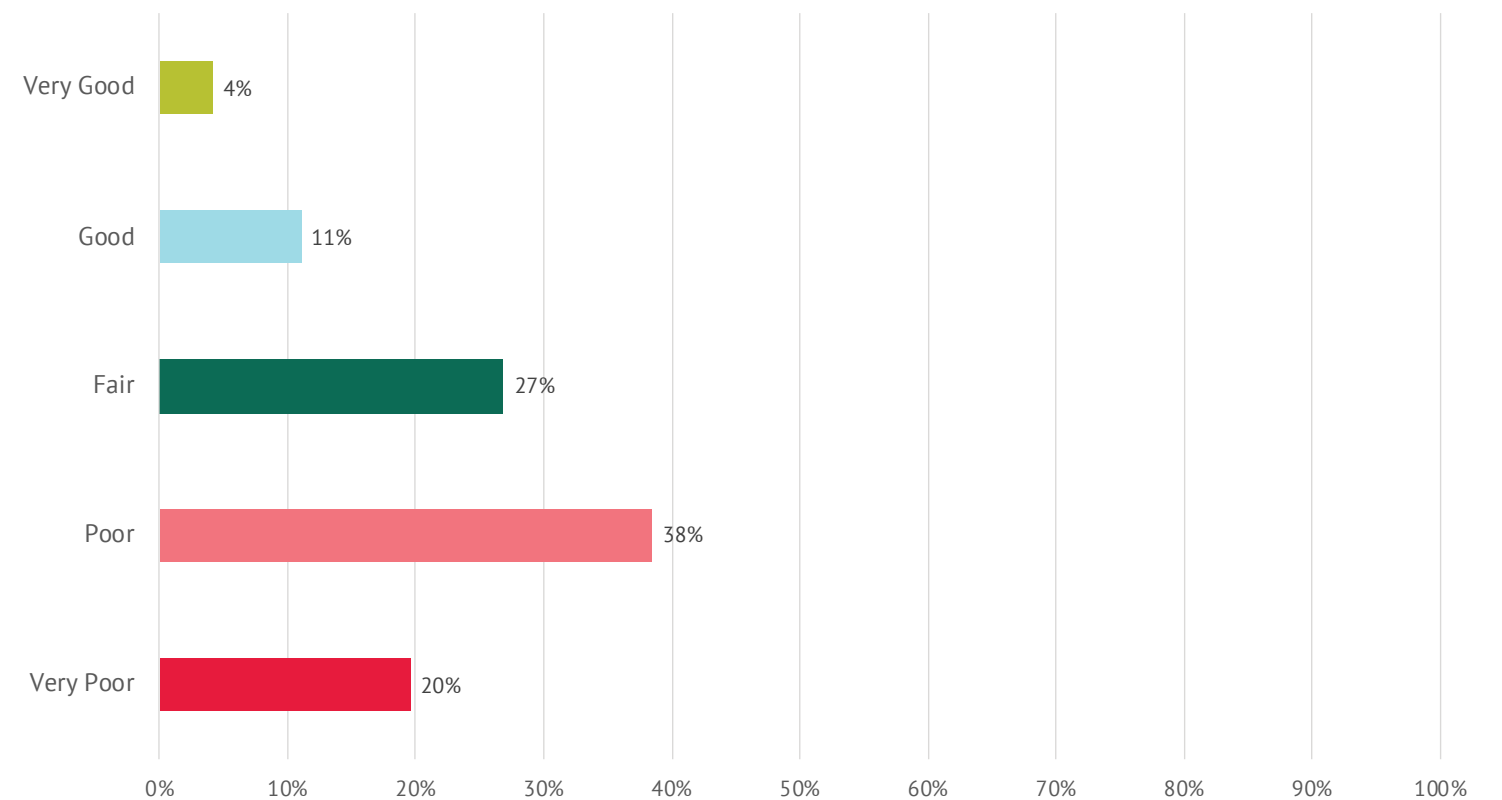
- 58% rated the quality of events and programming poor or very poor.
- Only 18% rated retail and restaurant offerings as good or very good, with most rating these from very poor to only fair. Only 30% expressed satisfaction with the level of diversity in the neighborhood, with most rating this quality as fair or poor.
- **Key takeaways:** For Friendship Heights to thrive, activating places with events and cultural activities that bring more opportunities for community building and gathering is critical. Respondents expressed a desire for more cultural venues and spaces to gather along with more locally focused retail. To attain this vision, there's a need to create more affordable housing, more venues for community building, and more opportunities for diverse local entrepreneurs to invest and thrive.



HOW RESPONDENTS RATED PUBLIC SPACE BEFORE 2022



HOW RESPONDENTS RATED EVENTS & PROGRAMMING BEFORE 2022





WHAT WE DID: ACCOMPLISHMENTS

With funding from property owners (who voluntarily assessed themselves at 5 cents per SF) and a grant from the District government, the Friendship Heights Alliance built a first-year workplan based on the themes and priorities that emerged during extensive outreach:

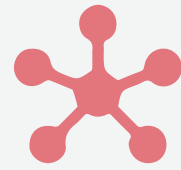
- Build a solid organizational infrastructure;
- Build a brand and marketing framework to support existing businesses and to showcase neighborhood events;
- Gain a solid understanding of market dynamics and demographic shifts impacting Friendship Heights;
- Organize events and placemaking activations guided by community input;
- Create opportunities for stakeholders to share a future vision for Friendship Heights;
- Organize a series of markets with a diverse array of vendors from the neighborhood and beyond;
- Create venues for art and culture through pop-up galleries and public art.

Operations & Administration

From an operational perspective, the Alliance staff also worked to set up a valuable, secure, and safe organization. On the administrative side, the staff developed a database and project management system, established financial controls, and secured and managed funding requirements with DSLBD and Montgomery County.



2022 Accomplishments



Developed organizational infrastructure



Engaged & built relationships with a range of stakeholders



Established a brand, visual identity & on-line presence



Organized two community festivals & pop-up galleries



Produced a market snapshot



Developed a placemaking library & a set of installations



Educated stakeholders about the value of a collective approach to placemaking & management



Placemaking & Events

- Conducted a public space audit to map potential event spaces
- Organized a pop-up gallery and three events in Chevy Chase Pavilion, showcasing the first solo show for the National Park Service's large-format documentary photographer
- Managed and promoted two successful street markets on Wisconsin Avenue with vendors, food, games and music; the events attracted 3,000+ people to shop, dine and enjoy the space.
- Formed a partnership with Georgetown University and the Social Life Project to develop a placemaking strategy to be implemented starting in summer 2022
- Organized workshop and walkthrough to reimagine key nodes within Friendship Heights through landscaping, street furniture, and public art interventions

Marketing & Brand

- Conducted a comparative brand analysis
- Coordinated with property owner marketing directors for insights
- Developed a Creative Brief based on stakeholder engagement
- Hired a photographer to begin building an image library and a social presence, marketing community events



The Brand

The Friendship Heights Alliance brand and marketing materials percolated from stakeholder feedback. The friendly, approachable visual identity centers a tulip, a symbol of vitality and rebirth, with a sophisticated font and bright color palette.

- Secured a website provider and started the initial build-out of a dynamic and interactive website
- Posted on neighborhood listservs, community calendars, and relevant publications about programming in the neighborhood.



The Friendship Heights Business Plan

SUSTAINING THE FRIENDSHIP HEIGHTS ALLIANCE INTO THE FUTURE

After a full year of programming, community engagement, and organization building, the Friendship Heights Alliance has developed a business plan for a robust place leadership organization grounded in deep stakeholder input and lessons learned from the range of placemaking, research, and community building initiatives we undertook.

This organization will be supported by sustainable funding mechanisms representing a unique cross-jurisdictional private/public partnership. It will continue to be managed by an independent nonprofit

organization and governed by stakeholders from both sides of the Maryland and DC borders. The governments of Montgomery County and the District of Columbia will have oversight over this entity through a five-year renewal process.

This is one of a handful of cross-jurisdictional place management programs in the United States, and demonstrates the strong spirit of collaboration among both the public and private sector stakeholders serving Friendship Heights.

Boundaries

The boundaries of the Friendship Heights Alliance include the commercial Wisconsin Avenue corridor from Oliver Street in Montgomery County, Maryland, to Fessenden Street NW in Washington, DC. For a map and full description of the boundaries, please see Exhibit A.

Mission of the Alliance

The mission of the Friendship Heights Alliance is to provide innovative services and programs that lead to a more vibrant urban place, stimulating businesses and residential quality of life. The Alliance will ensure the area is clean, safe, and friendly, and also champion a vision of the area that is dynamic, inviting, and inclusive.



Guiding Vision

The Friendship Heights Alliance envisions a connected, caring and vibrant neighborhood with beautiful public spaces, thriving businesses and a diverse range of residents and housing types.

Goals of the Alliance

- To promote Friendship Heights as the Washington region's most dynamic, and livable urban center, competitively positioned to attract new investment in and recognition for its vibrant shopping, dining, entertainment, and living opportunities
- To foster an engaged community committed to building on Friendship Heights' assets and potential
- To nurture a dynamic, connected, and livable environment through public art, landscaping, and other improvements to the public realm
- To nurture and maintain relationships with a broad cross section of stakeholders by providing Friendship Heights resources and information
- To provide opportunities for meaningful collaboration among Friendship Heights business, government, and community stakeholders to identify issues and solve problems together



- To ensure a positive experience when navigating to, from and within Friendship Heights
- To foster a strong and diverse small business ecosystem and sustain a vibrant retail mix
- To improve the perception of the area for both consumers and investors
- To improve safety and security of the area day and night
- To increase visitation to area attractions and businesses
- To attract and retain more residents

GOVERNANCE OVERVIEW

The Friendship Heights Alliance is a cross-jurisdictional nonprofit organization. It is governed by a board of directors with stakeholders from both Maryland and the District of Columbia. The Alliance will be funded by two separate funding mechanisms: by a business improvement district (BID) in Washington, DC, and by an Urban District in Montgomery County, Maryland.

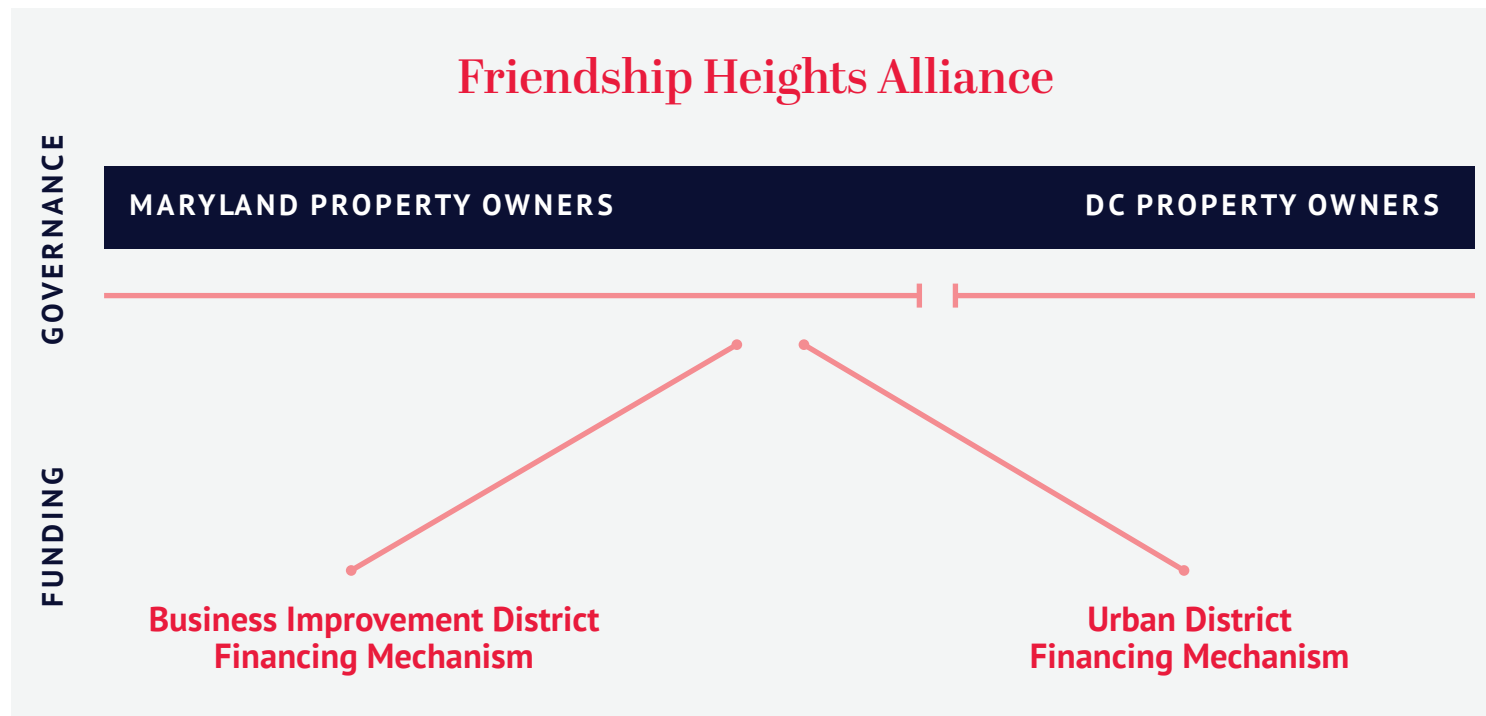
Management

The Friendship Heights Alliance will be managed by a publicly chartered, private nonprofit organization. As a 501(c)6 organization, it will be exempt from federal

income taxes under the code and will also be exempt from local sales tax under DC law. The organization is also registered as a foreign corporation in the state of Maryland.

Governance

The organization will be governed by a board of directors representing both sides of the District of Columbia and Maryland border who will set broad policies and goals. The Board will appoint officers and oversee a chief executive officer who will manage the day-to-day affairs of the organization.



Board Composition

The board of directors will consist of between 15 and 21 voting members including property owners (who will hold over 50% of the board positions) in DC and Maryland, business tenants, and representatives of multifamily buildings and cultural and civic institutions. Members will include non-exempt property owners and commercial tenants. Board members will be elected to the three-year terms with an election held each year at the annual meeting. Approximately one-third of the board will be elected each year.

Members

The Friendship Heights Alliance will hold annual meetings among members to (1) elect the board of directors and (2) adopt the annual budget and business plan.

Funding

As a cross-jurisdictional entity, The Friendship Heights Alliance will leverage two funding streams.

On the Maryland side, an Urban District will be formed in accordance with Chapter 68A. Montgomery County Urban Districts legislation. The Montgomery County tax authority will collect the assessments and enter into a Memorandum of Understanding (MOU) with the Alliance to deliver services on the Maryland side.

On the District side, a Business Improvement District will be formed in accordance with DC code 2-1215.04. The DC BID tax will be paid bi-annually in two payments submitted to the DC Office of Tax and Revenue, similarly to property tax bills. These funds will be transferred to the Friendship Heights Alliance twice per year.

Rates

- Commercial buildings at 16.5 cents per SF
- Hotels at \$120 per room
- Residential units at \$120 per unit

It is the intention of the initial board of directors to attempt to keep the tax rates fixed for the initial five years that the BID and Urban District funding streams are in existence.





Operating Plan

MANAGEMENT TEAM

Executive Director

The Alliance will employ an executive director who will have the overall responsibility for the management of day-to-day programs as well as its financial and operating performance. The director will also provide strategic direction for the organization and ensure that the organization follows the policies and procedures as promulgated by the board of directors. The director will represent the organization to its members, to the community, to the media, and to the government.

Other staff positions will focus on administration and budget, marketing and communications, events and outreach, public space management, clean and safe operations, and economic development.

In the first year of operations, some programs may be organized by consultants, before internal staff can be hired and trained.

MARKETING, COMMUNICATIONS & BRANDING

Promoting the area with a vibrant brand and innovative economic development strategies will be key functions of the Friendship Heights Alliance. The place branding program will work to promote Friendship Heights as greater Washington’s most livable urban center, competitively positioned to attract new investment in and recognition for its vibrant shopping, dining, entertainment, and living opportunities.

In addition to providing consumer marketing and communication activities, it will also focus on showcasing the benefits of opening businesses, developing property, or living in the area. It will employ an integrated marketing strategy to include cultivating relationships with the media and PR outlets, building community partnerships in collaboration, and differentiating the Friendship Heights brand among others.

To carry out the overall program, it will focus on specific areas of attention, including digital and print marketing, social media, and public relations. A key aspect of this program area will be to nurture and maintain relationships with key real estate and development

stakeholders by providing Friendship Heights resources and information. It will also cultivate a strong network of relationships with local businesses, nonprofits, and community groups.

EVENTS

The Friendship Heights Alliance will develop a series of events and programming rooted in stakeholder feedback and guided by economic development and community building priorities. The events programming will be geared toward creating more opportunities for community gathering and for small businesses and entrepreneurs to flourish. The events will also focus on arts, music, and culture.

ECONOMIC DEVELOPMENT & ENGAGEMENT

The Friendship Heights Alliance will have a robust economic development and stakeholder engagement program. This work area includes monitoring and communicating market data and trends while continually gathering input from a broad array of Friendship Heights stakeholders. Potential programs include:

- Annual or biannual updates for the market analysis report
- Regular surveys and touchpoints with stakeholders
- Roundtables or ‘lunch and learn’ events
- Volunteer opportunities
- Community presentations

PLACE MANAGEMENT

Working in conjunction with individual property owners and businesses, the Friendship Heights Alliance will be committed to enhancing the experience of a welcoming and inviting place with a variety of activities and projects. The organization will immediately focus on ensuring that the area is clean, safe, and friendly.

The clean and safe services provided by the Friendship Heights Alliance will coordinate with the existing Clean Team currently under contract with Tenleytown Main Street on the DC side; and with new contracts for cleaning and maintenance on the Maryland side.



The Alliance will work closely with the clean and safe team to ensure a high level of service and coordination around the organization’s key priorities. This will include activities such as:

- Sidewalk cleaning
- Trash collection
- Litter removal
- Tree box maintenance
- Graffiti removal
- Maintenance of elements in the public streetscape needing repair

HIGH-LEVEL COORDINATION

Additionally, as part of the place management program, the Friendship Heights Alliance will engage with District and Montgomery County agencies to ensure that the area receives the highest level of attention for its basic services, concerns, and community priorities. This program will ensure the Alliance staff remain in communication with public agencies, businesses, and property owners.



Special attention will be paid to improving safety in and around parking garages and coordinating with both nonprofit and county homeless service providers to address housing and service needs of un-housed Friendship Heights community members. A major part of this program area will entail ongoing communications with public safety stakeholders including police, public health, and social service agencies.



PLACEMAKING

In addition to ensuring that the public spaces are well maintained and secure, the Friendship Heights Alliance will work to enhance the sense of place by creating a more dynamic and vibrant public realm. This may include but will not be limited to such initiatives as:

- Planting and landscaping services: softening some of the hard edges in the streetscape through plantings and public art;
- Installing or securing funds for additional bike racks;
- Installing public art and using other placemaking strategies to improve the pedestrian experience;
- Providing on-street decorations, signage, and marketing campaigns to promote the neighborhood
- Assisting with storefront façade improvements; and
- Activating public spaces with events and activities in coordination with retail, restaurant, and community stakeholders.
- Creating a high-quality set of voluntary streetscape standards that may be used by all property owners for new construction or redevelopment

The Alliance will work with stakeholders to envision key long-term changes and strategies to improve the public realm; and develop streetscape enhancements and lighting to create a decorative atmosphere and promote retail shopping on a seasonal basis.

The Friendship Heights Alliance will measure its impacts in the following ways:

- Growth in occupancy rates and new investment
- Increased retail sales
- Attendance at events and activities
- Pedestrian counts
- Annual attitudinal surveys of businesses, residents, visitors
- Website visitors
- Social media followers and reach
- Amount of trash collected
- Crime statistics
- Number of media citations using Alliance information

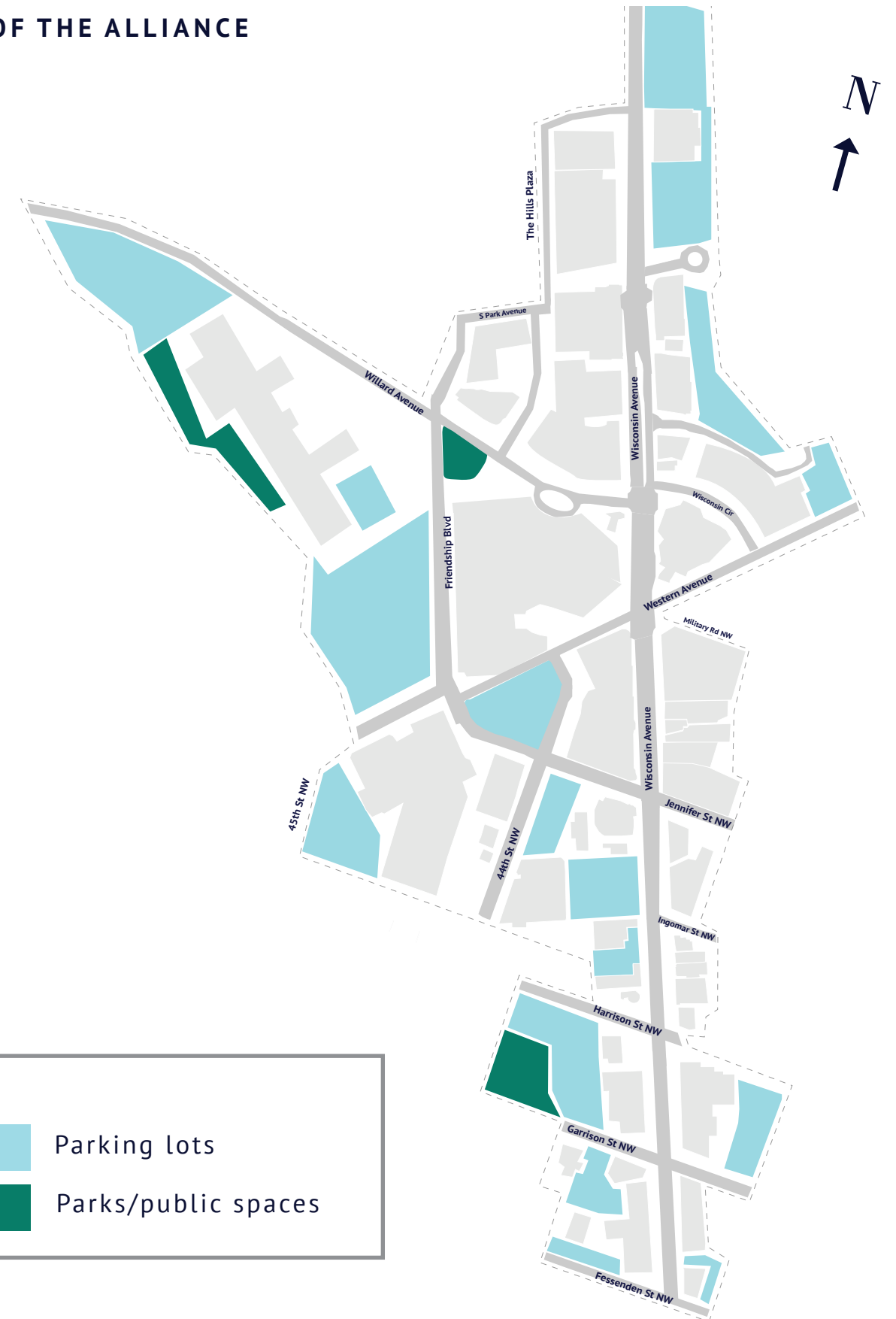
Financials

Proposed Friendship Heights Alliance Budget FY24-FY26			
Revenues			
	FY2024	FY2025	FY2026
District of Columbia Assessment Revenue	\$304,357	\$304,357	\$304,357
Montgomery County Assessment Revenue	\$598,130	\$598,130	\$598,130
Total Revenue	\$902,487	\$902,487	\$902,487
Expenses			
Administrative and Financial Management	\$90,250	\$91,444	\$92,667
Marketing and Community Engagement	\$178,000	\$181,838	\$185,771
Economic Development and Planning	\$56,000	\$56,900	\$50,000
Events and Community Building	\$154,750	\$156,244	\$160,150
Placemaking and Place Management	\$410,000	\$410,900	\$412,823
Total Expenses	\$889,000	\$897,325	\$901,411
Expenses Minus Revenue	\$13,487	\$5,162	\$1,076



Exhibit A

MAP OF THE ALLIANCE



KEY

- Parking lots
- Parks/public spaces

Frequently Asked Questions

What is the Friendship Heights Alliance?

The Friendship Heights Alliance is a place management organization. It is a 501(c)6 nonprofit formed in 2021 to coordinate the place management efforts and programs in the Friendship Heights neighborhood on both sides of Western Avenue.

What do place management organizations do?

Place management organizations typically fund services that are a supplement to those already provided by the government, such as economic development, business support and promotion, public realm cleaning and maintenance, management of capital improvements, placemaking and streetscape enhancements, neighborhood marketing, events and brand management.

Place management organizations have a proven track record around the world of helping urban, mixed-use commercial districts meet these challenges. They are designed to bring private-sector creativity and ground-level expertise to Friendship Heights' evolution in collaboration with District and County partners.

How will the Friendship Heights Alliance be funded?

Since its inception, the Alliance has received grant funding from DSLBD and Montgomery County, as well as proportional private contributions from property owners on both sides of the DC and Maryland border. To create a sustainable and long-term funding stream, the Alliance is beginning a business improvement district formation process on the DC side, and an urban district formation process on the Maryland side.

What is a Business Improvement District (BID) funding model?

A BID is a funding mechanism in which property

owners pay an additional assessment to support place management programs and community building within a defined area. BIDs are 501(c)6 nonprofit organizations with a board of directors and an executive director that are funded primarily through the tax but can also draw upon other public and private funding streams.

What is an Urban District Funding model?

Urban Districts are special taxing districts formed in mixed-use commercial areas of Montgomery County to increase the maintenance of the streetscape and its amenities; provide additional public amenities such as plantings, seating, shelters, and works of art; promote the commercial and residential interests of these areas; and program cultural and community activities.

What are the boundaries of the Friendship Heights Alliance?

The coverage area extends along the Wisconsin Avenue commercial corridor from Fessenden Street on the south to Oliver Street on the north – in other words, from Rodman's to Saks Fifth Avenue.

How will the Alliance be governed?

The Friendship Heights Alliance is a 501(c)6 organization governed by a Board of Directors, elected by members on both sides of the DC and MD border. Property owners from both sides of the DC and MD border will comprise a majority of the board. Remaining members will include a balance of Maryland and DC business, non profit and community stakeholders. The board will shape the organization's programming priorities, provide financial oversight and hire a leaders and staff to carry out a collaboratively defined vision.

What are the benefits of the Alliance for the small business community?

Place management organizations like the Alliance have proven to be remarkably successful in supporting small businesses through collective marketing, networking opportunities, and public space improvements. In addition to supporting small businesses through joint marketing campaigns, economic development research, and placemaking services, these organizations have the nimbleness and flexibility to respond quickly to business

concerns, to provide information and support as they navigate municipal issues, and to create opportunities for small businesses to make their voices heard around key decisions impacting a place.

What are the benefits of the Alliance for residential property owners?

The Friendship Heights Alliance will take a robust role in cultivating Friendship Heights' many overlapping ecosystems. It will help support a unique and thriving small business community and attract the office and retail tenants that are so necessary for creating daytime and nighttime vibrancy. In addition, the Alliance will focus on creating gathering places, creative cultural events, and community building programs to bring people together.

Is there public-sector oversight of the Alliance's activities?

Yes. In DC, the BID funding mechanism must be renewed every five years by a vote of property owners and review of the mayor. In Montgomery County, the Urban District funding model with the Friendship Heights Alliance will undergo annual appropriations reviews and a five-year renewal of the Memorandum of Understanding.

What types of properties will be included in the Friendship Heights Alliance and thereby subject to a special assessment?

In DC: All real property that is not exempt from paying property taxes will be included except: residential condos and coops that exist on or before the establishment of a BID; residential properties with fewer than 4 dwelling units. Government and nonprofit buildings are exempt. In Maryland: all non-exempt commercial properties will be subject to the Urban District assessment.

How many place management organizations are there across the U.S.?

Currently, there are more than 2,500 place management organizations in North America, including more than 70 in New York City, 11 in Washington, D.C., three in Northern Virginia, and several in Baltimore.



WHAT PEOPLE ARE SAYING

The Friendship Heights Alliance's events and placemaking activities over the past year have helped create much-needed energy around our properties. For our company, being part of a place management organization makes business sense. It helps ensure the environment around our buildings is top-notch and amplifies our own marketing and tenant attraction efforts. For us, it's a win-win.

— JOHN ZIEGENHEIN, CHEVY CHASE LAND COMPANY

I see joining the Alliance as an investment in the future of Friendship Heights as one of the region's great places. The Alliance creates a framework for collaboration and information-sharing. As Friendship Heights continues to transform, coordination is more important than ever.

— NOLAN RODMAN, RODMAN'S FOOD & DRUG STORE

Decisions about where to shop, live, or lease an office are not just shaped by the quality of individual buildings or even businesses. It's all about the dynamism of the place, the sense of community, and the vibrancy of the public realm.

By supporting the Friendship Heights Alliance, my company is investing in the future of the neighborhood.

— JAD DONOHOE, THE DONOHOE COMPANIES



Friendship Heights

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