

FY2021 2Q National Landing BID Board Meeting

October 22, 2020, 9:30 am

Video-Enabled Conference Call

Draft Minutes

Members Present: Christer Ahl, Kara Alter Malkovich, Matt Bowyer, Robin Burke, Joe Chapman, Crystal Christmas, Gary Cook, Nora Dweck-McMullen (Vice-Chair), Richard Fernicola, Shannon Flanagan-Watson (Arlington County), Matt Gerber, Brian Grant (Secretary), Freddie Lutz, Glenda MacMullin (Treasurer), Jason Najjoun, Titilayo Ogunmakinwa, Robert Peck, Regina Rees, Rebbecca Rivard, Suzie Sabatier, Harmar Thompson, Andy Vanhorn (Chair), Todd Yeatts

Ex-Officio Members Present: Judy Freshman, Katie Paine (Arlington County Economic Development), Pamela Van Hine

Staff Present: Tracy Sayegh Gabriel (Executive Director), Mai Abdelaziz, Cassie Hurley, Robert Mandle

Others present: Kedrick Whitmore (Counsel), Chris Roemersma (TKR), David Castilleja (TKR), Casey Albino (TKR)

Members Absent: Kingdon Gould III, Ed Virtue

Welcome & Introductions

- Board Chair, Vanhorn, called the meeting to order at 9:35a.m. and a quorum was established
- Acknowledge and welcome meeting attendees that are not on board but represent voting BID members (property owners), non-voting BID members (commercial tenants), and others

Chair's Report

- Approval of minutes from FY2021 1Q Board Meeting, and minutes from August, September and October Executive Committee Meetings
 - Motion made by Chair Vanhorn and seconded by Grant and approved

Audit

- MacMullin, Treasurer and Chair of Audit Committee, introduced the BID's new Auditor, Toole Katz & Roemersma (TKR) selected through a competitive RFP process
- The Draft Audit is available for review in Board folder and is due to the County by November 1
- Roemersma gave a brief overview of audit including:
 - BID's financial statement audit through June 30, 2020

- AU-C 260 Letter
- AU-C 265 letter
 - All transactions experienced no difficulties in performing or completed the audit, and reported no disagreements with the BID's staff over the course of the audit
 - Noted a major internal control deficiency that resulted in an understatement of the accounts payable balance and, as a result, FY2020 expenses by approximately \$100k
 - Error relates to valid vendor payments being incorrectly applied to a previously entered audit adjustment over the course of the year, but not identified and addressed by the BID's contracted bookkeeping service, Your Part-Time Controller (YPTC)
 - The BID is working closely with the Audit Committee and YPTC to learn more about the error, how it occurred and how to ensure procedures are in place to prevent it from occurring again
- Motion made by Chair Vanhorn to approve Audit and seconded by MacMullin and approved

Treasurer's Report

- Audit revealed an underestimation of FY2020 expenses by \$102K
- Resulted in a reduction in FY2020 surplus funds available designated reserves
- Reassessment of unrestricted net assets revealed additional funds
- Net change reduced the COVID-19 Continuity Reserve from \$145K to \$105K
- Q1 spending tracking behind schedule at 18% of total budget due to COVID related delay in hiring and programming
- Forecast tracking at 90% of total budget because of key projects (\$492K) still being defined in the next few months for Q3 and Q4
- Recruitment Reserve of 95K to be expended by end of 2020 calendar year
- No spending yet planned for COVID continuity or operating reserves
- Administration and Management expenses tracking higher due to higher than anticipated depreciation costs related to office build out and furnishings in FY20
- BID Board to receive an updated Forecast Snapshot reflecting these updates at the Q3 Board meeting in January

Draft FY20 Annual Report, FY21 Workplan & Budget

- VanHorn highlighted FY22 Work plan and budget and handed it over to Gabriel to provide an overview
- Gabriel outlined priorities for the upcoming following fiscal year that guided development of the Work Plan & Budget due to Arlington County by Dec 1st
- BID remaining flexible to meet needs of community given current environment
- Key priorities are:
 - Centering on recovery and resilience
 - Cultivating a connected and activated downtown, through programming, transportation advocacy, efforts to enliven the community
 - Building a strong and welcoming organization and business community
- Proposed budget assumes flat assessments
- Note budget will change in January once assessments are updated

- Arlington County representative Flanagan-Watson explained the county's plan and need to be flexible especially that there are a lot of uncertainties – all will be clear after assessment in January.
- Built in safeguards
- Motion made by Chair Vanhorn to approve FY20 Annual Report, FY21 Workplan & Budget, moved by Cook and seconded by Grant and approved with Flanagan-Watson recusing herself

Board Committees

- Chair VanHorn requests a quick overview from each committee chair, committees include: Pentagon City, 23rd Street, Potomac Yard, Crystal City, Equity and Transportation
 - Fernicola presented Pentagon City Committee's current focus is on engagement surrounding County's Pentagon City planning study, to define Pentagon City capacity for future growth
 - Lutz presented 23rd Street Committee's current focus which is the impact of COVID-19 on all business on 23rd street corridor to provide additional financial assistance to support winterization efforts and working on drafting a letter to request support from Arlington County and Arlington Economic Development
 - Bowyer presented Potomac Yard Committe's current focus which initially was member introductions and understanding of committee's needs as it was first time meeting. SWOT analysis being done to understand members neighborhood priorities and needs, which include enhancing connectivity, highlighting new businesses and attracting new businesses and more programming and more membership to committee
 - Burke presented Crystal City'Committee's current focus is to further enhance the connectivity and capacity of area's transportation options, focusing on a vibrant retail, a new and improved National Landing wide wayfinding system, delivering a world class public realm, emphasizing safe return to work messaging
 - Ogunmakinwa presented Equity Committee's current goals and objectives, including how we define equity, how to further refine its charge, committee's areas of impact, setting goals for committee's goals and actions which includes equity training for board and need to have more diverse membership in committee and how to achieve that – Currently Najjoum only male participant
 - Gerber presented Transportation Committee's main focus which is CC2DCA project and Reimagine Route 1

Member Updates

- Shannon Flanagan-Watson – Arlington County
 - County launched new series of virtual committee conversations about equity and urging organization and individuals to become partners – BID is a partner
- Andy Vanhorn – JBG SMITH
 - Delivering retail project (Grocery store/pharmacy/movie theatre) – hoping to launch in Spring

Publications: Reimagine Route 1 Study, National Landing Next

- Chair VanHorn gave an overview of *the Reimagining of Route 1*, a report that aims to start the conversation about the bold vision to transform Route 1 into a multi-modal, pedestrian-friendly, and urban-oriented boulevard that unifies the area into a truly walkable, connected, urban downtown
- The report dovetails with the launch of VDOT's Route 1 Multimodal Feasibility Study
- VDOT now has an active Route 1 survey which will be circulated to the BID Board and BID members
- Gabriel presented National Landing Mobility Next which outlines next generation mobility vision for the area and positioning National Landing well for future
- Vision to be the most connected urban center in the country
- Specifically focus and highlight progress on the seven major priority capital projects and illustrate how they work together to achieve the vision

Other BID Updates

- Organizational growth – goal to be fully staffed (10-12 staff members) early next year and strengthen HR infrastructure for onboarding of new staff
- Looking to find ways to support small businesses during winter while working with County to identify key issues and/or grants
- Entered into partnership with Kennedy Center to bring Pop-Up Opera to National Landing
- Updated and approved Services Agreement with County
 - Formalizes county's administrative fee of 2%
 - Increase in threshold amount for moving BID funds between program areas
 - Expectations for public availability on information and key documents
 - Updated name on services agreement
 - Motion made by Chair Vanhorn to approve Services agreement, moved by Cook and seconded by Burke and approved with Flanagan-Watson abstaining

Other Business

- 3Q Board Meeting – to be pushed back one week to accommodate revised budget

The meeting adjourned at 10:47 a.m.