

FY2021 3Q National Landing BID Board Meeting

January 28, 2021, 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, Robert Peck, Regina Rees, Rebecca Rivard, Suzie Sabatier, Harmar Thompson, Andy Vanhorn (Chair),

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

Staff Present: Tracy Sayegh Gabriel (Executive Director), Robert Mandle, Ashley Forrester, Malaika Scriven, Cassie Hurley, Jasmine Gipson, Mai Abdelaziz

Others present: Kedrick Whitmore (Counsel)

Members Absent: Judy Freshman, Kingdon Gould III, Titilayo Ogunmakinwa, Ed Virtue, Todd Yeatts

Welcome & Introductions

- Board Chair, Vanhorn, called the meeting to order at 9:32a.m. and a quorum was established
- Acknowledged and welcomed meeting attendees that are not on board but represent voting BID members (property owners), non-voting BID members (commercial tenants), and others and briefly went over agenda items

Chair's Report

- Celebration of big wins by the BID:
 - Washington Post exclusive – calls out National Landing as America's most connected downtown
 - Mobility Next – tells the story of \$4B in transportation investments to deliver next generation mobility
 - Hook Hall Helps – 2nd location in the DC area, in collaboration with The Freshman, helps relief for hospitality workers
 - Supporting local restaurants in Winter Restaurant Week
 - Actively participating in Black History Month through community programming to advance work of Equity Committee
- Introduction of new BID team members:
 - Ashley Forrester, Vice President of Marketing and Communications
 - Malaika Scriven, Vice President of Planning and Development

- Chair VanHorn asked for edits or revisions to the minutes from FY2021 2Q Board Meeting, and minutes from November, December and January Executive Committee Meetings
- Hearing none, Chair VanHorn requested a motion to approve the minutes
 - Macmullin moved and seconded by Cook a motion to approve the minutes
 - Motion carried unanimously
- Ongoing By-law review by BID staff and Counsel Whitmore which include:
 - Minor administrative clean up
 - More clearly defining a process for how commercial tenants can register as non-voting members, and addressing committee notice requirements.

Treasurer's Report

- At the end of the second quarter, YTD expenses are tracking at approximately 67% percent of YTD budget/plan
- Second and final portion of disbursement funds were received in December
- FY2021 BID tax revenue declined by 2.6% from what was budgeted through the County's appeals process, the BID's Delinquency Reserve Fund covered the shortfall avoiding need for program cuts
- The County's most recent update suggests that there will be a 3.6% revenue decline in FY2022, more than double the County-wide reduction in commercial properties (1.4%)
- BID's model anticipates full expenditure of funds by end of year. Key changes from last quarter:
 - Adjusted forecast to acknowledge a \$50k reduction in anticipated revenue due to lack of event-related sponsorships and income
 - Reductions in planned events and programs fully cover this revenue shortfall as illustrated by the variance in the Community Events & Outreach Service Area line item
 - Progress on hiring has allowed the BID to focus on needed program work
 - This has resulted in new projects, expanded scopes, and maintenance expenses, especially in the Public Realm and Administration & Management Buckets
 - The resulting additional spending in the Administration & Management and Public Realm service areas will be covered by a planned shift in resources from the Economic Development, Marketing & Communications, and Transportation service areas
 - Recent updates to the BID's Service Agreement with the County enables such shifts so long as they are less than \$50k
 - If a shift in resources in excess of \$50k be required, the BID can request permission directly from the County Manager
- The BID has solicited proposals from two new accounting firms to provide financial services moving forward
- Anticipate a new vendor on board in late February/early March

FY21 Work Plan & Budget

- Gabriel provided update on FY22 work plan & budget submitted to Arlington County in which BID received feedback and accommodated requested changes
- Focused on recovery and resilience while still retaining flexibility due to COVID

- Updated assessments saw a decrease of 3.6% of FY22 budget over projected
- Hotel assessments were most impacted (decline of ~33%) and overall asset classes was (decline of <2%)
- New construction delivered filled some of the lost revenue with the opening of the Sur in Potomac Yard
- Overall change from last year's budget is a decline of 4.6% when taking into account the elimination of anticipated event related income and sponsorship
- Smart administrative cuts will allow BID to fully staff and keep majority of programming, and by removing 50k in sponsorship to be more conservative for events and re-allocating administrative costs across all programmatic areas
- Chair Vanhorn requested a motion to approve revised FY2022 Work Plan & Budget
 - Rivard moved and seconded by Cook a motion to approve the revised FY2022 Work Plan & Budget
 - Motion carried with Flanagan-Watson abstaining

Board Committees

- Chair VanHorn requests a quick report out from each committee chair, committees include: Pentagon City, 23rd Street, Potomac Yard, Equity and Transportation
 - Fernicola provided an update on County's Pentagon City planning study which is to assess PC's capacity to handle density and development by interviewing stakeholders, now seeing results of the study – Next committee meeting on February 23rd to react to county's findings
 - Lutz presented 23rd Street Committee's main focus is to work with county to keep outdoor seating for longer term and to work on 23rd street crosswalk as a permanent feature
 - Bowyer presented Potomac Yard Committee's last meeting which hosted a guest that highlighted the latest project in Potomac Yard's Land Bay C
 - Gerber presented Transportation Committee's report which was focused on presenting Mobility Next and updates to other projects that include CC2DCA and Army/Navy Drive and 12th street projects and County's work study on approved bike facilities on Crystal Drive.
 - Najjoum presented Equity Committee's report on last meeting which included a much more gender diverse meeting. The meeting focused on three pillars for the upcoming meetings – to figure out baseline (survey will be sent out to board) and to identify equity work being done within organizations in district as well as engage in BID wide business inventory, secondly; to provide training for board and finally, to engage in outreach by hosting stakeholder dialogues
 - Crystal City Committee was not able to meet before board meeting but next meeting is set for March
 - All CY2021 Committee meetings have been scheduled in calendar and invites sent out

Board Nominations

- Need to prepare a new board slate for board meeting in June; class 3 directors' term expire end of June 30, BID staff will reach out to directors with expiring terms to check desire to continue with board
- Nominating committee has been established and will prepare slate in March
- An interim Board Meeting will be called to approve the slate (by mid-April) that will be sent with Annual Mailing in preparation for Annual meeting

- Two vacancies are currently open (Derrick Morrow – relocated and Ed Virtue who has left BF Saul)
- Nominating Committee is recommending replacing ED Virtue’s seat with Mark Carrier who also works for BF Saul as he expressed interest
- Chair VanHorn requested a motion to remove Ed Virtue from the board and add Mark Carrier to the Board in is place
 - Dweck-McMullen moved and seconded by Rivard a motion to replace Ed Virtue with Mark Carrier on the Board
 - Motion carried unanimously

Love Local: Small Business Recovery Program

- Previous support to local businesses include Hook Hall Helps, partnership with Restaurant Association of Metropolitan Washington (RAMW) to cover restaurants’ dues, and small business grant program with Arlington County
- Staff and Executive Committee recommend another partnership with RAMW through program called “Love Local”
- \$100k program will distribute funds to operating small retail and restaurant businesses within National Landing for participation in a comprehensive marketing campaign
- Program currently being reviewed by Arlington County for approval

Metro Plaza Enhancements

- The BID has been working with JBGS, WMATA and Arlington county since 2019 to deliver enhancements to beautify the Crystal City Metro Plaza and improve the transit experience at a key gateway for National Landing
- Reviewed by WMATA and will go through Arlington County administrative approval process – planned to go into construction in the Spring and be ready by the Fall when workers are coming back to the area

Winter Light Installations

- BID shared proposed winter light installations – goal to bring fun and safely activate spaces and bring excitement and placemaking to area
- Two locations:
 - 101 12th street (By Long Bridge Park) which is a high foot traffic area to be launched mid-February
 - Virginia Highlands park and other locations being considered as additional sites

Organization Updates

- BID going through organizational growth:
 - Two new staff members hired in November and December (VP of Marketing and Communications and VP of Planning and Development)
 - Three staff members got promotions (Rob Mandle – Deputy Executive Director, Cassie Hurley – Director of Events and Strategic Partnership and Jasmine Gipson – Planning & Economic Development Manager)

- Three active staff searches are currently underway (Brand Marketing Manager, Public Realm Coordinator and Community Engagement and Communications Coordinator)
- Additional posting of Planning & Transportation Manager to be added in the next few weeks
- Total staff members to grow to 11 by end of Spring
- Gabriel expresses appreciation of small BID team for accomplishments
- 15-minute virtual check ins with board members will be scheduled with Tracy as a way to catch up and to meet and greet new staff members, Malaika and Ashley

Member Updates

- Andy Vanhorn – JBG SMITH
 - 1900 Crystal Dr is having construction kick off community meeting next week to start construction next month with Clark Construction – 3 year project
 - Site Plan for old BID office location 2000/2001 Bell St has public meeting in mid-February
- Nora Dweck-McMullen – Dweck Properties
 - Dweck as an organization took over all property management / asset management and investor management in house (10 month process) – after using a third party for over 40 years
 - Seen an uptick in leasing activities with properties in National Landing area starting in December
- Harmar Thompson - LCOR
 - Also saw uptick in leasing activities at Altaire by end of December
- Rebecca Rivard – Kimco Realty
 - Also saw an uptick in leasing at Whitmer but have also been giving concessions and rate reduction, so difficult to track if its being caused by that
 - Noticed a lot of people using fake ID's to get possession
- Brian Grant – Equity Residential
 - Seen uptick in leasing as well – at 96.2% occupancy level
- Robert Peck – Commonwealth Joe
 - Sales going up in January – notice uptick in leasing activity in Bartlett where the store is located
 - Surveyed office corporate customers – about 50% plan on going back to office In 2021
- Pamela Van Hine updated members that Aurora Highlands provides COVID Testing by Arlington County for Arlington residents
- Andy Van Horn explained the Crystal House acquisition by Washington Housing Conservancy and Amazon which will be managed by JBGS (825 units – 619 will be preserved to 80% or below AMI and 200 will be kept at market rate) to provide stable housing

Other BID Updates

- Banner System Approval – Approval of Potomac Yard and Pentagon City banners by Arlington County Board, 1500 banners to be hung by end of February
- National Cherry Blossom Festival to be sponsored by BID, along with Amazon and JBGS – to bring the excitement of Cherry Blossom to the area – through installations

- Route 1 – Reminder to check out Reimagine Route 1 report (on BID website), included in board folder is a collection of talking points to talk to stakeholders and constituents, as well as template letter to be able to use to further
- State of National Landing – Update on annual Market Intelligence over next few months to host a spring program workshop

Other Business

- 4Q Board Meeting – April 22 @ 9:30am

The meeting adjourned at 11:02 a.m.