



NATIONAL LANDING BID

Board Meeting – Q3

Wednesday, January 25, 2023, 9:30-11:00am

In-Person Meeting – AWS Skills Center

Minutes

Members Present: Robin Burke, Mark Carrier, Gary Cook, Kimberly Driggins, Nora Dweck-McMullen, Shannon Flanagan-Watson, Richard Fernicola, Charles Hill, Jack Kelly, Aubrey Dennis-King, Elizabeth King, Glenda MacMullin, Donna Marquez, Abby Oklak, Shyam Patel, Robert Peck, Patrick Phillippi, Regina Rees, Harmar Thompson, Pamela Van Hine, Andy VanHorn

Members Absent: Matthew Bowyer, Kingdon Gould, Sahil Rahman, Freddie Lutz

Staff Present: Mai Abdelaziz, Lucas Fichter, Tracy Sayegh Gabriel, Robert Mandle, Malaika Scriven, Ben Wills, Colleen Rasa

Guests: Ryan Touhill, AED; Cara O'Donnell, AED; Kedrick Whitmore, Venable LLP

Welcome

- Jack Kelly, Chair of the BID Board of Directors, welcomed everyone to the AWS Skills Center and announced an AWS tour following the meeting

Introductions

- Patrick Phillippi, Amazon, introduced himself as a new addition to the BID's Board of Directors
- Shyam Patel, JBG Smith, introduced himself as a new addition to the BID's Board of Directors
- Ben Wills, National Landing BID, introduced himself as the new Director of Marketing and Communications
- Note: Board member from March of Dimes, Katrina Adams, has stepped down as she has started a new role. The BID is grateful for Katrina's contribution to our Equity Committee and direction on the creation of our Equity Forward Action Plan.

Recent Wins

- BID completed the Parklet Pilot at 12th Street and South Fern in November
- Kimco could not get permission from Costco to complete the corresponding mural
- Parklets have hosted some winter programming and there is an opportunity to physically move the parklets in the future to a new site
- BID hosted a sold-out, private grand opening party featuring Wakanda Forever to celebrate the grand opening of Alamo Drafthouse
- Launched Happy NaLaDays campaign, featuring four installations located throughout Pentagon City, Crystal City and Potomac Yard, a Holiday market along 23rd Street, and a collaboration with Melwood on Miracle on 23rd Street.

- Happy Nala Days earned over a million media impressions, and another nearly 100,000 through organic social, and coverage in the Washingtonian, Thrillest, DCist, Washington Post, ARLnow, Arlington Magazine, and Fox

Mobility Next Happy Hour

- Updated Mobility Next report released in December
 - BID Happy Hour hosted in conjunction with the People Before Cars Coalition on Tuesday, January 31st in celebration of the updated [Mobility Next](#) report
 - Board invited and a great opportunity to come out and see the new Alamo Cinema Drafthouse
 - Katie Cristol will be providing a welcome and planning stakeholders and transportation advocates from around the region are expected to attend

AWS Introduction

- Gerry Brooks, AWS Skills Center, gave welcome remarks and introduced himself as the new Program Manager of the space

Approval of Amended Q2 Meeting Minutes

- Gabriel pointed out that Shannon Flanagan-Watson and Judy Freshman were incorrectly marked absent in draft minutes distributed to the Board and that error has been edited and updated
- Moved by Nora Dweck-McMullen
- Seconded by Glenda MacMullin
- Approved Unanimously

Arlington Economic Development: Ryan Touhill

- Kelly introduced guest speaker, Ryan Touhill, new Director of Arlington Economic Development
- Touhill noted current AED priorities:
 - Regaining pre-pandemic levels of economic impact
 - Developing an entrepreneurial bootcamp
 - Focusing on our small business community
 - Commercial market resiliency efforts
- Invites the community to think creatively about new ideas
- Questions from Board Members:
 - *Thinking about changing habits in work from home – are you trying to drive incentives on return to office?*
 - *Touhill: No incentives as of now, but they are thinking about childcare opportunities for employees. Also emphasized BID placemaking initiatives as an important tool*
 - *Has Arlington had any involvement in the Federal Government's Return to Office plans? Touhill: AED is listening and deciding how they can be a voice.*
 - *Shannon Flanagan-Watson: This is at the top of mind for the county. Thinking through a strategy more broadly in terms of how to make a case to the federal government.*

Treasurer's Report

- Glenda MacMullin, BID Treasurer provided the Treasurers Report
- County Assessment Appeals resulted in a pretty substantial reduction in BID Assessment Revenue
- Glenda provided a brief refresher on the BID reserve funds
 - Appeals/Delinquency Reserve
 - Fund mandated by the BID's Service Agreement with the County and capped at 5% of total budget
 - BID provides a maximum annual contribution of 2.5% of budget towards the reserve until it reaches the full 5% cap
 - Fund provides protection against unanticipated assessment reductions and/or delinquent tax payments
 - If appeals result in lower assessments within the Service District, our BID Assessment Revenue is impacted
 - Rather than accept a reduced budget and trigger cuts to planned spending, County will draw from this reserve in order to disburse our fully adopted budget
 - If available Appeals/Delinquency Reserve funds do not fully cover any shortfall, however, the BID must navigate lower assessment revenue and determine how to address an end of year deficit
 - Operating Contingency Reserve
 - Serves as additional protection to avoid cutting BID programs
 - ALLOWED by the Service Agreement, but is not required and has a cap of 5%
 - Use requires County Manager approval for draws greater than \$2500
 - Board refilled the Operating Contingency Reserve in early 2020 at the start of the pandemic to ensure the BID had additional fiscal protection during uncertain times
 - Program Reserves
 - BID Board of Directors has the ability to establish program reserve funds focused on specific programs/projects
 - Funds have been established for programs that might span across fiscal years – (i.e., Downtown Wayfinding, Placemaking Initiative Reserves)
 - Such funds are established with County Manager approval using “carry over” funds that will not be spent in a given fiscal year

Revenue Reduction

- MacMullin outlined how these reserve funds were utilized to address this year's Appeals Driven BID assessment reduction
 - Faced a 5.3% assessment revenue reduction – or a total of about \$244,000 – due to County assessment appeals process
 - After applying Delinquency/Appeals Reserve fund balance, \$140k shortfall remained
 - Rather than make spending cuts, the Executive Committee agreed to utilize the BID's Operating Contingency, which had a balance of approximately \$198,000

- The County Manager approved this request, and we received our revised disbursement in early January

Q2 Financial Close – YTD Overview

- Total YTD spending very close to plan at about 96% of plan though wide variances exist across individual program areas
- Community Events remains far ahead of plan at 147%, but this is an improvement over the previous quarter when it stood at 200% relative to plan
- Spending in Transportation and Economic Development continue to trail plan as several larger consulting engagements will be completed over the second half of the year
- Spending for Marketing, Public Realm, and Administration are all very close to plan
- Spending is also well underway with the Placemaking Initiative Reserve fully expended and the Back to Business Reserve following close behind

Q2 Financial Close – End of Year Forecast

- Year-end projections are looking pretty comfortable with spending at budget but with variances maintained across program areas
- Likely that Community Events & Outreach will exceed the \$50k variance threshold requiring County Manager approval
- Barring any additional surprises, approximately \$57k is anticipated to remain in the Operating Contingency Reserve
- The Downtown Wayfinding Initiative Reserve is also intended to be expended via a consultant engagement but may span across to FY2024
- NOTE - projections DO NOT include much of the anticipated sponsorship revenue and expenditure for the Cherry Blossom Festival, Pink in the Park as we are still finalizing that budget and potential sponsorships
- MacMullen noted that BID staff is managing spending very conservatively and appropriately.
- Additional financial detail on then close has been provided via the board folder and printed packets including Statement of Financial Position, Cash Flows, and Aging Accounts Payable and Receivable Reports

FY 2024 Work Plan

- Gabriel noted additional County engagement with agency heads and staff in work plan development
- Gabriel thanked the work of Shannon Flanagan-Watson and Elizabeth King for their leadership and partnership in this effort
- A number of key changes we would like to highlight include:
 - Updates to the introduction to offer more clarity on the difference between the Service District Boundary and the Organization
 - Added two key priority areas for County coordination focused on our Green Print effort and Hospitality and Destination marketing efforts
 - Included an objective to collaborate with AED on their Tech Talent Program
 - Provided additional clarity around Foundation and the “Friends of the BID” objectives
 - Moved several FY2023 objectives into the FY2024 work plan to align with anticipated timelines

- Simplified the document by eliminating sections summarizing the prior fiscal year's work which will be covered by the Annual Report

Revised FY 2024 Work Plan Budget

- Though BID budget has been in decline the past several years, updated 2023 Assessments brought an increase
 - County projects an increase in the BID Assessment revenue by about 3.9% over the FY2023 adopted budget
 - Notably, this is a 9.7% increase over revised FY2023 collections
 - Important to be prepared for similar assessment reductions next year
 - BID staff recommends that all available new revenue – approximately \$168k be applied to the Operating Contingency Reserve
 - When combined with budgeted FY2024 Appeals Reserve contribution, enables BID to weather an assessment reduction of nearly \$287,000 (previous declines haven't exceeded \$245k)
 - Any unspent funds in our FY2023 operating contingency – we currently have about \$57k – would further provide flexibility as we continue to navigate uncertain economic times
 - Flanagan-Watson outlined next steps following BID Board approval; Work Plan is resubmitted to the County and enters into 2-month County budget approval process with a decision expected at the county board meeting in April

Approval of the Revised FY2024 Work Plan and Budget as outlined in the document mark up and allowing for additional, minor non-substantive edits

- Moved by Robin Burke
- Seconded by Nora Dweck-McMullen
- Approved Unanimously
- Shannon Flanagan-Watson Abstained

Committees Report

- Nominating Committee
 - Katrina Adams of March of Dimes formally resigned from the Board as she has moved on from the organization
 - March of Dimes has requested that Stacey Brayboy take her place on the Board.
 - Brayboy is Senior Vice President of Public Policy & Government Affairs at March of Dimes and has a wealth of experience in high-level positions in state and federal government including in the most recently in the Northam Administration as well as on the Obama transition team. Stacey has great energy and presence
 - Nominating committee consensus agreement to recommend Brayboy be elected to Adams' former Board seat
 - Explorations continue for Boeing's vacated seat as well as the possibility to bring APAH to the Board with their award of the Crystal House infill development RFP and the amending of the bylaws to enable non-voting seats for Virginia Tech and other external partners

Approval to replace Katrina Adams with Stacey Brayboy for the remainder of the fiscal year

- Moved by Nora Dweck-McMullen
- Seconded by Andy VanHorn
- Unanimously Approved

- Transportation (Harmar Thompson)
 - Passenger rail service
 - Discussed county's feedback on phase 2 of Route 1 study
 - In-line with BID's goals, there is concern over 'right of way' on 18th street – may limit future development
- Equity Committee (Malaika Scriven)
 - Committee will meet again to further discuss aligned actions – looking forward to further discussing on March 15. Excited to announce the new co-chair
- Wayfinding (Shyam Patel)
 - Phase 1 has been complete
 - Bringing on consultant to respond to work needed
 - The next meeting will be scheduled when consultant joins
- 23rd Street (Rob Mandle)
 - New "Open Rewards" program was presented by Arlington County, which incentivizes consumers to shop locally and is free for Arlington businesses to join
 - BID gave a 2022 events recap from this past summer, fall, and winter -- highlighting some community favorites, including NaLa Beach Club, Oktoberfest, and the annual Peppermint Mocha Latte competition.
 - The meeting also included some timely information regarding the 23rd Street Pocket Park Mural and TOSA updates for National Landing restaurants
- Planning & Development Committee (Tracy Gabriel)
 - Created at the October Board Meeting
 - Staff recommends appointing Board Director Rich Fernicola as co-chair of this committee and are exploring whether Carmen Romero, head of APAH, would be interested in serving as co-chair (non-board member)

Approval of Rich Fernicola as co-chair of the Planning & Development committee, with the understanding that another co-chair may be selected from outside the Board of Directors and will be approved by Executive Committee

- Moved by Nora Dweck-McMullen
- Seconded by Robbie Peck
- Approved Unanimously

Strategic Plan Update

- Strategic Planning efforts are well underway with the BID's consultant, Brick + Story
- Individual interviews wrapped up last week and had a focus on County leadership including Board Chair Christian Dorsey, Vice-Chair and BID Liaison Libby Garvey, and agency heads at AED, DES, DPR, and CPHD

- Board Member Focus Group scheduled for **February 23rd from noon to 1:30pm**. It will be virtual.
- BID to host Stakeholder Workshop to further refine some of the key elements of the updated plan
- Draft plan to be shared with both the Board and the County for review with a goal of finalizing ahead of our Annual Meeting in June where the plan will be released

Foundation Update

- Tracy noted that the BID has tabled exploration of this to garner more resources among arts and culture, social impact
- BID would like to identify a steering committee to better understand government structure and bring greater depth and vision

Approval of the formation of a Steering Committee to direct exploration of the National Landing Foundation to be chaired by the Board Chair, Jack Kelly and comprised of a broad range of stakeholders

- Moved by Glenda MacMullin
- Seconded by Harmor Thompson and Nora Dweck-McMullen
- Unanimously Approved

Amazon Study Tour

- Tracy provided brief overview of the BID's Amazon Study Tour occurring February 28 – March 2
- *Mark Carrier commented: It would be nice to know how things have changed at HQ1, such as hotel room vacancy, economic impact, etc.*
- *Patrick Phillippi commented that Mark's questions would be touched upon by John with Amazon during the tour*

Member Updates

- *Charles Hill: The Hilton Crystal City has officially transitioned the name to Hilton Arlington National Landing*
- *Shannon Flanagan-Watson: It's been a very busy season. Wanted to share that the County Board adopted the ability to serve alcohol at Long Bridge Park through their County Permitting Process*
- *Kimberly Driggins: WHA was invited to submit an application for their approved developer list which was submitted last week. They have a total to 1600 units. Fast acquisition rate. Will reach goal of 3000 units within the next 3 years. Noted that the National Landing Market will present opportunities for them.*
- *Gary Cook: Lincoln Property Company is doing hard hat tours of the project at the Century Center; delivery expected in the summer of 2023*

Development Update

- Gabriel outlined upcoming development news including:
 - Sage Delivery in January
 - Anticipated opening of Amazon's Phase 1 at Met Park – both the office and open space components
 - Water Park to open in the summer
 - Dining In The Park, Surreal, to open in the summer
- The Milton to begin pre-leasing soon and opening in mid-2023

- Abby Oklak noted that retailers will be announced soon
- Gabriel requested contact information for retail broker contacts to facilitate the BID in directing potential retail leads
- Gabriel encouraged coordination on PR to help amplify messaging
- Next Quarterly Market Snapshot to be issued soon

Other BID Updates

- Cherry Blossom – Pink in the Park
 - Premier event of the National Cherry Blossom Festival
 - Amazon has agreed to be a major funding partner; BID to seek additional sponsorship funds
 - Targeting 2500 attendees
 - *Questions:*
 - *Are there any ways to incorporate biking into the event?*
 - *Gabriel - We are looking at it from a mobility perspective – getting people there by alternative ways*
 - *Are we planning anything in Virginia Highlands Park?*
 - *Relying on DPR to activate Virginia Highlands Park*

Policy Advocacy and Media

- The BID is a strong advocate of the missing middle housing study and recently sent a letter of support to the County Board

Closing Remarks

- The next board meeting is on **Wednesday, April 26th** and will take place at the JBG Smith Experience Center on Crystal Drive
- Annual meeting to take place on **June 6 or 7th**; welcome any suggestions on location