



January 29, 2019

Mr. Mark Schwartz
Arlington County Manager
County Manager's Office
2100 Clarendon Boulevard, Suite 302
Arlington, Virginia 22201
Via e-mail: Mschwartz@arlingtonva.us

Subject: Area-Wide BID Overview

Dear Mr. Schwartz:

In preparation for the January 30th meeting between the Crystal City Business Improvement District (BID) executive committee and the County Manager's Office, this letter provides an overview context for our efforts to pursue changes to the Crystal City BID boundaries as well as specific considerations as it relates to potential future responsibilities in Potomac Yard - Arlington.

In April 2018, the Crystal City BID embarked on a multidimensional strategic planning process to guide the organization's work in continuing the transformation of the area into a lively, walkable urban center. Recognizing Crystal City, Pentagon City, and Potomac Yard – Arlington areas as part of a single downtown, the process embraced an area-wide perspective to defining goals and strategies that would support the economic competitiveness of Crystal City and the County as a whole. As such, the strategic plan's steering committee included representation not only from Crystal City, but also the areas of Pentagon City and Potomac Yard – Arlington.

The Crystal City BID Board concurred with this area-wide perspective by establishing an Area-Wide BID Coordinating Committee by resolution in June 2018. The committee is co-chaired by Nora Dweck-McMullen of Dweck Properties and Brian Grant of Equity, major property owners in both the current and expansion areas. The committee has been charged with exploring the feasibility and process by which to alter the BID's boundaries to formally include Pentagon City, Crystal City, and Potomac Yard - Arlington areas. The group includes major property owners in the expansion areas representing nearly 70% of the total ownership value.

Since June, the Coordinating Committee has met three times and Crystal City BID staff has met or spoken with representatives from all properties in the possible expansion area.

Conversations focused on identifying the value proposition of BID membership for property owners. Virtually all owners agreed with the value proposition as including the ability to:

- Capitalize on momentum to unify the downtown;
- Create market cohesion and area-wide branding;
- Grow amenities and enhance quality of life;
- Establish a collective voice in shaping development;
- Improve connectivity for a seamless district; and

- Deliver core BID services to the entire area.

Based on these key value propositions, Crystal City BID staff initiated a petition drive in early December. The BID has already received signed petitions from 61.5% of the ownership by assessed value in the expansion area alone and expect to receive several others over the course of the next few weeks.

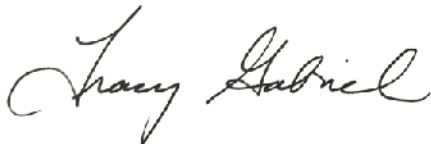
Though nearly all the Potomac Yard – Arlington owners recognized the potential value proposition of an Area-Wide BID, they also expressed concern about the current financial obligation of the Potomac Yard Property Owners Association (POA) assessments and the Transportation Management Program (TMP) outlined in the County Board approved Planned Development Site Plan for the area. For several owners, the BID tax is viewed as an added financial burden while there exists potential overlap in service delivery. Therefore, these property owners have asked the BID to explore taking on those POA responsibilities that align with BID core services as a prerequisite to signing the petition and predicated on some degree of cost reduction in POA assessments enabled by the creation of the Area Wide BID.

Upon review of the POA Master Agreement, the Crystal City BID identified a number of POA activities that align with those outlined in the Crystal City Service Agreement with Arlington County. A number of these activities fall within the “Physical Enhancements” and “Cleaning and Maintenance” service areas of the Service Agreement. Examples include landscaping and other general common area maintenance. To illustrate the BID’s commitment to minimizing the financial burden of the BID expansion on the Potomac Yard Owners, the Crystal City BID board approved a Resolution at the FY 2019 third quarter board meeting on January 24, 2019 expressly directing the BID staff to provide these services and work directly with Arlington County and the POA in furtherance of this effort. A copy of the resolution is included with this letter for your reference. The BID’s goal is to resolve any questions that the County may have on this matter no later than February 28, 2019.

The BID also anticipates collaborating with the Potomac Yard owners and Arlington County to discuss the longer-term possibility of providing the services of the TMP, perhaps through a separate contract. These activities are in line with services other BIDs provide around the country as well as with our Service agreement under the “Transportation, Parking, Pedestrian and Safety Programs” service area.

The Crystal City BID remains committed to attaining a preponderance of support from the properties affected by the expansion. The BID aims to execute the boundary adjustment in the early part of the BID’s fiscal year 2020 with an expectation for new Area-Wide BID budget assessments to be in place by the start of fiscal year 2021 on July 1, 2020. We look forward to continuing this conversation with Arlington County towards a stronger and more fiscally sustainable Crystal City area.

Respectfully Submitted,



Tracy Gabriel
President & Executive Director
Crystal City Business Improvement District

Cc: Glenda MacMullin, Chair, Crystal City BID
Natalie Monkou, Business Development Manager, Arlington Economic Development
Shannon Flanagan-Watson, Deputy County Manager, County Manager's Office