



January 8, 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: Notice of Intent to Expend Reserve Funds

Dear Mr. Schwartz:

The Crystal City Business Improvement District (BID) formally submits this notice of intent to expend reserve funds of approximately \$497,739.

The Crystal City BID's current reserve account has a total value of \$629,544.36. This reserve amount is primarily the result of the cancellation of several uninitiated programs and projects that were formally cancelled, and funds reclassified as reserve funds by the BID Board of Directors in early 2018. The BID also ended FY2018 with a net operating surplus of just over \$73,000.

Per the Service Agreement, the BID intends to maintain a contingency reserve account of five percent of our total approved FY2019 budget (\$2,636,094), equating to approximately \$131,804. The Crystal City BID Board approved the use of the remaining \$497,739 to support for four key program areas: Office Relocation, Branding and Communications Strategy, Public Art, and Public Realm Improvement. Below, please find a brief statement providing a summary and rationale for these expenditures.

Office Relocation (~\$150,000): The Crystal City BID offices have been located at 2001 Jefferson Davis Highway, Suite 505 since 2007. The current lease concludes in late February. The existing office space's layout and aesthetic are no longer compatible with the BID's marketing efforts and does not project the brand or future direction of Crystal City. As such, the BID has been perusing options for new, more contemporary office space. It is anticipated that an office relocation in the spring of 2019 would require an expenditure of between \$125,000 and \$150,000 in moving expenses and office build-out and furnishings.

Public Realm Improvement (\$128,000): Improvement to Crystal City's public realm emerged as a top priority in the BID's recent strategic planning effort. Reserve funds will be utilized to create a full public realm inventory of streetscape elements (including street trees) and develop guidelines for future public realm and open space improvement efforts. The effort will include a comprehensive, one-time clean-up of public realm areas and identify opportunities to improve existing landscaped areas.

Branding and Communications Strategy (~\$120,000): The November announcement that the area would be home to a portion of Amazon's HQ2 has drastically changed the landscape of the area's communication and marketing needs. The Crystal City BID intends to utilize reserve funds to best embrace this new environment through strategic communications support, enhanced marketing efforts and materials, and initiating a new branding and identity effort to build on the work of the strategic plan while incorporating the new realities of National Landing.

Public Art: (~\$100,000): To continue the momentum and excitement derived from the Amazon announcement and the recent success of BID installations like "Impulse" and new activation spaces like "The Grounds", the Crystal City BID plans to bolster its placemaking activities with strategic temporary public art installations and programs throughout the area. These efforts will focus on activation of underutilized outdoor assets and public spaces and support the goals of community dialogue and interaction, visual beautification, and cultural enrichment.

Enclosed with this letter is a budget summary outlining how these reserve funds will be applied to the previously approved Crystal City BID fiscal year 2019 budget. Please do not hesitate to reach out in the event you have any questions about this plan to expend these reserve funds.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Tracy Gabriel".

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