

# Crystal City Business Improvement District

## Business Plan *CONDENSED*

March 2006 (*October 2007*)

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## **I. Letter from the Steering Committee Co-Chairs**

We are excited to introduce the Business Plan for Crystal City's proposed Business Improvement District (BID). Following a series of Steering Committee meetings with property owners, retailers, hotels, restaurants, small businesses and other stakeholders and consultation with The Atlantic Group, we are convinced this Business Plan represents an extremely valuable investment in Crystal City's future. The BID project is ambitious with a focus on marketing/branding, place-making, promotion, and transportation including public improvements. It will deliver \$10 million in additional services and investment in Crystal City over the next five years.

The BID will work to transform Crystal City into Arlington's best downtown area by capitalizing on the area's initial redevelopment efforts and current assets. With a focus on place-making and promotion, the BID will benefit all business constituents by attracting new users to Crystal City including office tenants, consumers, and visitors. This BID is a direct development of the ideas provided during hours of meetings with Crystal City's stakeholders, the community and the BID Steering Committee with the intent to improve Crystal City's attractiveness, customer appeal, marketability, profitability and ultimately its asset values.

The BID will allow the business community to act collectively to generate new ideas and implement meaningful changes to the district in such a way that could only be accomplished with a collaborative effort.

As stakeholders in Crystal City, with a vested interest in the future development of the area, we are committed to ensuring the district achieves its full potential. As a result, we genuinely believe the BID offers a unique opportunity to push Crystal City to the next level and make it a world-class destination. We urge you to carefully consider this Business Plan and take full stock of the impact it will have on our community. We look forward to working with Arlington County to make this BID a reality and a success.

Harmar Thompson  
Steering Committee Co-Chair  
Lowe Enterprises

Mara Olguin  
Steering Committee Co-Chair  
Charles E. Smith Commercial Realty

## II. Executive Summary

**District** The boundaries of the proposed Business Improvement District (BID) are illustrated above. This boundary was revised by the Crystal City BID Steering Committee on 3/27/2006. The district does not include properties designated as condominiums or parcels owned by local and federal government.

**Improvement Activities** The BID activities will focus on:

MARKETING programs and events to enhance the image and perception, and promote the destination appeal of Crystal City.

PHYSICAL ENHANCEMENT programs creating a better sense of place, improving way-finding, directional signage, and movement for a better Crystal City experience.

TRANSPORTATION consulting to Arlington County to improve pedestrian, vehicular and commuter movement in and around Crystal City—including improving connectivity across Route 1 to connect 23<sup>rd</sup> Street restaurants with the rest of the district.

CLEANING AND SECURITY to include landscaping, maintenance, and security in public areas and medians along Route 1, Crystal Drive, and 23<sup>rd</sup> Street.

**Method of Financing** Levy of a BID tax on commercial properties located within the designated area and voluntary contributions from tax exempt properties within the district.

**Cost** Annual BID taxes are calculated for all commercial properties on assessed value at the rate of .045\$ per \$100 of assessed value.

**Budget** A budget of approximately \$1.7 million is established for the first year.

**Governance** The BID will be a non-profit corporation governed by a Board of Directors with no less than 11 and no more than 25 members that represents all business constituencies located within the district. This board will oversee all BID activities. The BID will publish an annual report on its progress to Arlington County and the owners and tenants of commercial properties that are subject to the BID tax.

**Formation Test** The Steering Committee recommends the BID formation be approved by Arlington County based on the following:

- 1) Support of at least 51% of assessed value of commercial properties in district
- 2) Best efforts to inform all commercial property owners of the BID

**Duration** The Crystal City BID will begin upon ratification of Arlington County in July 2006, with a charter for five years of operation. The BID may be re-registered for an additional five years upon the completion of its first five-year operating period.

### **III. Background - Why a BID in Crystal City?**

With more than 10 million square feet of commercial space, thirteen hotels, scores of restaurants and shops, and thousands of residents, Crystal City's scale and diversity of uses makes it the largest downtown in Arlington County, VA, itself an increasingly sophisticated and growing urban area.

Crystal City has evolved over the past few decades from separate buildings and clusters of office, residential buildings, and hotels to a mini-city of over 60,000 workers, residents, and visitors—with significant critical mass of properties and growth ahead.

In addition to its current amenities, the future development of an aquatics center, recreation fields and new technology conference center position Crystal City to become a significant destination.

Situated five minutes from Washington DC, Crystal City overlooks the capital city's monumental skyline and the Potomac River. Crystal City has some of the best transportation infrastructure in the DC region including METRO, VRE, a hub for major Northern Virginia commuter bus lines, adjacency to Reagan National Airport, and even a direct connection to the Mt. Vernon trail.

Over the past two years, Crystal City has begun a transformation into an improved, pedestrian focused "downtown" through:

- Reconfiguration of many one-way streets into two-way streets to reduce the speed of traffic, improve pedestrian crosswalks, and facilitate visitor navigation. The newly configured two-way Crystal Drive has become a new "Main Street" acting as a spine that connects much of Crystal City.
- Re-addressing and renaming most of the office buildings to align with their actual street addresses like most urban grid configurations. These addresses coupled with improved signage were designed to make way-finding intuitive and simple. It also served to decluster and demystify the confusing "Crystal Mall, Crystal Square..." nomenclature by using street addresses that everyone can understand.
- Activating Crystal Drive with destination restaurants, dynamic storefronts and new energy along a pedestrian- oriented streetscape.
- Changing the office tenancy of Crystal City. In addition to the above changes, "business to business" marketing efforts have spurred interest of an increasingly private sector tenant market. This is a distinct departure from the traditional Crystal City base of government and related contractors.

These early steps have provided a strong positive indication about the potential for Crystal City. A BID will allow Crystal City to maximize its competitiveness and truly leverage its resources for the benefit of owners, tenants, and the larger community.

Focused primarily on promotional activities, marketing, transportation, and physical enhancements, the goal of the BID would be to elevate Crystal City as a premier "downtown" experience with great restaurants, shopping, hotels, office space, and residential choices. It will create a place with energy and vitality, and the most convenient and best transportation system in the DC region. The BID would also

unify the east and west sides of Route 1 into a cohesive, traversable urban neighborhood.

The BID formation is particularly timely with the recent announcement of the relocation of over 15,000 employees from Crystal City through the BRAC process over the next six to nine years. Re-inventing Crystal City is critical for its long-term success, benefiting commercial property owners, Arlington County and the greater DC Region.

### **What can a BID do for Crystal City?**

Create more reasons to live, work, visit, shop, dine — more activities, more buzz — to attract more and different customers to the retail, restaurants, hotels, apartments and office space.

Organize ourselves to be more competitive—to create a neighborhood that is competitive with other popular urban neighborhoods like Bethesda Row, Georgetown or Clarendon.

Create a distinctive brand — that expresses/guarantees a memorable experience and a higher level of service.

Create more connectivity through better transportation in Crystal City by connecting amenities and transit to users and visitors. This involves both pedestrian circulation and transit improvements—and could include both existing and future destinations (including Reagan National Airport, the Aquatics Center, 23<sup>rd</sup> Street restaurants, etc).

Breakdown physical and psychological barriers along Route 1 and improve movement across the east and west sides of this major thoroughway—connecting 23<sup>rd</sup> Street restaurants to the rest of Crystal City, thus creating one of the largest restaurant districts in the DC area.

Solve and address issues that impact all of us. For example, the BID can bring the Crystal City community together to develop strategies in anticipation of BRAC relocations to ensure ongoing and increased vitality and economic viability in Crystal City.

Create a strong partnership and unified voice that includes large/small businesses of all types to work with Arlington County to enhance transportation and other services.

### **Existing Conditions**

During the initial stages of the BID formation, The Atlantic Group surveyed Crystal City stakeholders. The Surveys revealed a number of conditions that can and should be improved including:

- Lack of distinct, clear or positive image
- Although convenient, confusing to first time visitors

It was in the spirit of constructive dissatisfaction that the Steering Committee examined Crystal City and began work on the Business Plan.

#### **IV. The Decision Process**

The initiators of the process leading to this BID proposal were major property owners in the proposed district. The initiators built consensus among stakeholders including property owners, business owners, hotels, restaurants and retailers. The Atlantic Group, which has helped more than 60 commercial areas form BIDs and produced the two books on this subject, was retained. The decision process recommended by The Atlantic Group is one that has been applied in Downtown Washington and Rosslyn, VA. It emphasizes the importance of reaching consensus on the BID Business Plan by involving as many economic stakeholders as possible. In this case, Arlington County proposed that an accelerated decision process be applied so that the Business Plan could be part of the annual budget process for FY 2007. This required that all the major decisions be completed by third-quarter 2006. The County also assigned a representative to assure coordination between the Steering Committee and Arlington County.

The BID Business Plan calls for the Steering Committee to make decisions regarding five priorities that must be part of any successful BID. They are:

Services and Improvements – What is needed to make the district attractive to residents, investors, businesses, consumers, and visitors? Includes purchased services, staff actions, advocacy.

Budget – How much needs to be spent on each program area over a multi-year period to make an important difference? Includes one-time costs and continuing programs.

Service Area – What properties need to be included in the designated area?

Cost Sharing – What equitable and affordable assessment formula is required? What other sources of funds can be called upon?

Governance – How should the district be managed? How should the board function? How should interested stakeholders be represented? How should the district relate to the local government and other organizations in the area?

In making these decisions, the Steering Committee held a series of meetings dealing with each of the Business Plan elements, plus a community meeting to which hundreds of economic stakeholders were invited. A number of useful suggestions emerged from these meetings, especially sensitizing the Steering Committee to the needs of small owners and operators.

#### **V. Goals**

Our objective is to create in Arlington County's Downtown one of the Nation's most renowned places to work, live, shop, invest and enjoy oneself. Toward that end, we have adopted the following goals:

**Create measurable value for the stakeholders** through higher occupancy levels for apartment and office owners, more "quality of life" appeal for office tenants, residents and hotel guests, and higher sales for retail and restaurants by virtue of

being in a popular, high-demand neighborhood.

**Regional Image** through creative marketing and image-building, special events and busy sidewalks, Crystal City will be known as a first-class, friendly and lively place for residents, workers, and visitors.

**Unique Benefits for Residents, Tenants, and Visitors** with special services and amenities that help attract and retain users.

**Attractive and User-Friendly** whether from I-95, Route 1, Metro or its sidewalks, we will work to make the physical gateways and spaces inside Crystal City easy to navigate, appealing and memorable.

**Connected, Convenient and Accessible** for all properties within the district through enhanced transportation systems and pedestrian routes.

**Parking** Crystal City will have sufficient parking for its varied needs and different groups plus attractive, clear signs to parking facilities, starting at its gateways.

**Shopping and Dining** we will attract more diverse range of restaurants and both convenience and destination shops.

**Management and Governance** a Board of Directors will employ a staff that is in continual touch with the stakeholders and with opportunities for growth. We will work with our County partners and we will provide abundant opportunities for all stakeholders to help shape and monitor BID programs.

The BID will make Crystal City an even better place to be, one worthy of national attention, and it will have a comprehensive communications program to send that message throughout the region and beyond. It will look and be an exciting, convenient, and prosperous place. The mixed-use economic synergy combined with BID services will result in higher occupancy rates and further incentives for investment and reinvestment.

## **VI. The Service Area**

The boundary for the proposed Crystal City BID is as follows: Beginning in the northwest, at the intersection of Army-Navy Drive and South Eads Street, the District boundary line proceeds south along South Eads Street until it reaches the back lot line of the properties at the corner of South Eads and 22<sup>nd</sup> Street. It then extends west along 22<sup>nd</sup> Street to S. Fern Street, proceeds south along S. Fern to 23<sup>rd</sup> Street, continues east on 23<sup>rd</sup> Street to South Eads and proceeds south down South Eads to Fort Scott Drive, then east to Jefferson Davis Highway (Route 1), then south to Crystal Drive. It then turns north up Crystal Drive to the Route 233 overpass - east to the CSX Railroad tracks. These form the eastern boundary all the way north to where they cross the George Washington Parkway. The boundary then proceeds west along George Washington Parkway to its intersection with I-395, then south along east edge of I-395 and then west along Army Navy Drive back to point of beginning.

The service area includes all commercial properties located within its confines. The BID excludes the following property classes: Parcels owned by local and federal

governments, as well as all current and future properties designated as condominiums. Excluded properties are permitted to make voluntary contributions.

## **VII. Programs and Services**

The Crystal City BID planning process gathered feedback from the community, Steering Committee and other constituents and identified key program areas as follows:

### **a. Marketing**

The primary need identified by the Steering Committee is a professional marketing program that addresses the entire Crystal City area and its various economic constituents.

Before County ratification of the BID, the Board of Directors will solicit guidance from top marketing/branding experts and consultants to allow the very best marketing expertise to be available as soon as the BID is operational. This work will involve agreement on branding and an emphasis on attracting office and retail tenants and residents. In addition, small, regular special events and occasional large events will be held. The BID will monitor progress in part by regular sampling of opinions of those within Crystal City and those we intend to attract here.

Crystal City itself represents a unique market – dense, diverse, compact and with incomes generally well above the regional median. In this primary market area, there are more than 60,000 office employees. Office workers in commercial areas of this size spend more than \$1,500 per year, the amount rising as there is greater selection. Research by the International Council of Shopping Centers says that the more retail and dining there is in an urban commercial area, the higher the proportion who shop and dine there, and the more they spend over the year.

Over 10,000 residents live within a ten-minute walk of 22nd and Bell Streets. Hotel rooms number well above 5,000. When the principal barriers to easy pedestrian movement are eliminated and when a new transit system puts those living and working in the most remote areas within ten minutes of all the shops and dining, the capture rate here should justify a sophisticated marketing program by itself. The opportunities for a twice-a-year “Restaurant Week,” a Farmers’ Market and musicians on the street on warm weekend evenings, can broaden the appeal to employees and residents, and attract visitors from surrounding areas and out of town visitors. Key components of the marketing program will include:

- ♣ A consistent image campaign
- ♣ Activity programming and on-going promotions
- ♣ Marketing and branding of transit systems
- ♣ Cross marketing between uses and customers
- ♣ Build a dynamic interactive web site and web-marketing program
- ♣ Loyalty marketing program – ‘Club Crystal’
- ♣ Ongoing research
- ♣ Website development and maintenance
- ♣ Marketing flyers and other collateral material
- ♣ Annual report

In the short term, the BID will survey residents and employees regarding what retail, services, and entertainment they would most like to see in Crystal City and regarding

their present use of local businesses. Existing spending patterns here will be compared with spending potential of these groups based on national research.

The Crystal City BID will maintain a public website with information for tenants, residents, visitors, owners, managers and County officials. It will act as a means to keep these groups informed on calendars of events, new businesses, new office tenants and other news.

#### Marketing Committee

In the first year, a number of market studies will shape the marketing activities of the BID. First, marketing consultants will develop a deep understanding of the immediate Crystal City market for retail and dining – the residents, office workers, hotel guests and visitors. Second, they will examine the potential for attracting consumers among potential visitors within Arlington and Alexandria and from the balance of the metropolitan area as a “destination”. What do these people want and to what degree can Crystal City produce it over the five-year period? What can be accomplished underground and what must be at grade? The scope of work will include how the marketing experts will work with office, residential, retail and hotel managers.

Small, weekly special events including music and larger occasional events should be part of this Committee’s work. The expert team will propose all elements associated with a district newsletter – mode, content, organization, costs, etc. The Committee’s members should include a diverse range of owners and stakeholders to ensure as wide a “lens” as possible is created in viewing the Crystal City opportunity. An annual report to Arlington County and stakeholders is among this committee’s work.

#### INITIAL MARKETING GOALS

- a. Hire and retain a top tier marketing/branding firm
- b. Develop a loyalty marketing program
- c. Begin a distinct branding campaign for Crystal City
- d. Develop a sustainable event /attraction program
- e. Establish specific metrics to measure performance and perception changes

#### LONG-TERM MEASUREMENTS OF SUCCESS

- a. Improved satisfaction among targeted audiences
- b. Increased occupancy rates
- c. Well attended special events

#### **b. Physical Enhancements**

The Board will employ the nation’s best experts in the field of placemaking and physical enhancements to help define the district, enhance way-finding and connectivity, to help the BID implement recommended improvements. This program will emphasize improved orientation for drivers and pedestrians; additional or improved public spaces; improved lighting at night, including building lighting; upgrading the image of Crystal City from high traffic volume on Route 1 and I-95 and creating additional places for activities and entertainment, identify locations for attractive open spaces that appeal to potential users and create better connectivity between the east and west sides of Route 1. Attention will be given to the underground, improving directional signage and appearance. This program will stimulate busy sidewalks by creating more experience opportunities and more things for people to do and to see. The program will also focus on Crystal City points of

entry such as gateways from Metro, highway, VRE, and parking areas to ensure positive impressions and experiences for visitors to the district.

#### Physical Enhancements Committee

This Committee will engage a design team that can deal with improvements that serve to unify the district as well as improve its functionality for employees, residents, hotel guests, visitors and businesses. The challenge is to make Crystal City an integrated district with first impression appeal for pedestrians, commuters, and visitors.

The committee will address major issues that challenge Crystal City - Where are the best multi-purpose public spaces? How can the Crystal Forum be best redeployed as a public space? What are the natural gateways into Crystal City? Are there good building lighting techniques? What signage improvements are required to clarify motorist routes to parking and other destinations? How do pedestrians understand how to find amenities and transit?

#### INITIAL GOALS

- a. Define the district through banners and other physical enhancements so that it is clear when one has entered the district;
- b. Upgrade the physical image of the district both day and night;
- c. Create ideas for useful, attractive public spaces and work in conjunction with County and property owners to effect positive change to the physical environment;
- d. Propose improved entry points and gateways;
- e. Increase visual connectivity between the east and west sides of Route 1—and the north and south ends of the district; and
- f. Develop Metrics to measure changes in perceived ease and lessened confusion.

#### LONG-TERM MEASUREMENTS OF SUCCESS

- a. Improvement in public satisfaction with the appearance and functionality of Crystal City
- b. Increased pedestrian traffic throughout Crystal City
- c. Decrease in level of confusion associated with navigating Crystal City

#### **c. Transportation**

Crystal City is more than one and a half miles long and a half-mile wide. The objective of this program element is to make it possible for people to move quickly, safely and easily within the district. The BID will plan and create a signage system for drivers and pedestrians that enhance current way-finding to further eliminate confusion and improve parking.

Pedestrians and transit movement are essential to the full economic success of the area. Studies have shown that 80% of office workers will not walk more than nine minutes from their desk to lunch hour or post work destinations where they can eat or shop. Those in parking facilities will not walk more than five minutes to such destinations. We aim to facilitate movement so that those in the farthest office buildings and hotels can easily and quickly reach Metro and immediate destinations; so that the restaurants west of Route 1 can be accessed on foot easily and safely. We anticipate that such convenience will add to the district's appeal to office tenants.

At the same time, Arlington County has begun a major transit initiative to increase

bus service and ultimately create a next generation busway-lightrail system in Crystal City—connecting Potomac Yard, Crystal City—and ultimately Braddock Road with major Metro hubs. The BID will offer a single voice and the input of major landowners to support Arlington County to ensure this project's success.

The BID transportation committee will:

- ♣ Advise Arlington County on business perspectives and refinements to the proposed bus/transit route;
- ♣ Improve ways that people move from and among offices, residences, retail and hotels to various destinations in this elongated district;
- ♣ Improve connectivity of the east and west sides of Route 1 through better pedestrian circulation and mitigation of the Route 1 “barrier” to integrate 23<sup>rd</sup> Street restaurants into the broader Crystal City context.
- ♣ Consider extension of two-way traffic on Crystal Drive;
- ♣ Identify parking requirements as well as work with consultants to develop a solution for parking on the west side of Route 1; and
- ♣ Improve pedestrian safety and convenience.

#### INITIAL GOALS

- a. **Parking.** Work with Arlington County on a Parking Plan for the next five years to cover all users – e.g., visitors, employees, etc. Ideas include trailblazer sign system, and electronic parking capacity signs at gateways indicating number of vacant spots by location. The BID transportation committee will work with Arlington County on all parking plans and implementation.
- b. **Pedestrian Movement.** Create a pedestrian plan integrated with transit and key destinations – improve highway crossings, add crosswalk timers, develop measurements to test progress, including pedestrian counts, identify locations needing pedestrian-scale lighting, create effective pedestrian direction signs, examine the underground to see how it can connect better with at-grade commerce, seek to reduce time required to walk to/from Metro, retail, dining, hotels, etc., improve movement across Route 1 to make access to 23<sup>rd</sup> Street restaurants easy and safe, and mitigate superhighway “barrier” to make Crystal City feel like an inclusive district. This effort will also include improving utilization/effectiveness/maintenance and safety of the Route 1 pedestrian tunnel.
- c. **Transit.** The BID pedestrian committee will work with Arlington County on short-range and long-range projects to provide private sector perspective. What the BID provides is the economic and geographic viewpoint. This includes leveraging existing resources to influence Arlington County's new Bus Loop (bus-to-lightrail).

A bus-rail transit expert should staff the committee that will serve in an advisory role on Arlington County transportation project. No major BID-financed study or BID participation in sharing the costs of capital and labor are anticipated.

#### LONG-TERM MEASUREMENTS OF SUCCESS

- a. Provide an organized, timely, one-stop source of private sector advice to Arlington County in its work to plan improved transit facilities;
- b. Make every part of Crystal City accessible from door to door, within a ten-minute trip from every location, using improved walking conditions and transit;
- c. Clear and concise pedestrian-oriented, directional signage at key points underground and at grade; and
- d. Improve utilization and effectiveness of Route 1 Tunnel.

#### **d. Cleaning and Security**

The goal of the cleaning and security program is to create and maintain consistent and high level of cleanliness and safety throughout the district. Initial cleaning and security efforts will be focused on public areas in the main arteries of Crystal City including Jefferson Davis Highway, 23<sup>rd</sup> Street and Crystal Drive.

#### INITIAL CLEANING AND SECURITY GOALS

- a. Develop cleanliness standards and guidelines for business/property owners
- b. Increase consistency of cleanliness and safety throughout the district
- c. Maintain public areas on Jefferson Davis Highway, 23<sup>rd</sup> Street/Crystal Drive

#### LONG-TERM MEASUREMENTS OF SUCCESS

- a. Uniform levels of cleanliness throughout the district
- b. Increased sense of safety among users

### **VIII. Budget, Cost Sharing and Assessment Formula**

Arlington County will assess all commercial properties in the Service Area with a tax equal to \$0.045/\$100 of assessed valuation. This charge is inclusive, multi-year and compulsory. Because all will pay their fair share, the cost to each property is low. The County will collect the fee as part of its normal property tax levy and all funds will be turned over to the BID. It is lower in its square foot effect on offices and hotels than the Downtown Washington DC BID. This charge will produce an initial revenue stream of approximately \$1.7 million, similar to Rosslyn BID budget and less than the budget in the Downtown Washington BID.

Funds will be applied to these program and management categories:

**Physical Enhancements:** streetscape, design, lighting, pedestrian/driver sign system including trailblazer signs for parking locations; retail signs; logo.

**Marketing:** branding; themes; customer attracting events; image improvement, advertising.

**Transportation:** this involves transit-planning support of County and State capital initiatives which may include transit system improvements; roadway improvements, and directional signs.

**Research:** pedestrian counts, regional surveys, annual surveys of owners, operators, residents, visitors.

**Cleaning and Security:** landscaping, maintenance, and security in public areas and medians along Route 1, Crystal Drive, and 23<sup>rd</sup> Street;

**Management:** Executive Director and staff, insurance, Board of Director expenses, and small business issues.

In the first year, experts will be selected competitively to assist in planning the capital improvements, marketing and transportation programs. Funds not expended in one year may be carried over to the next. The Virginia law permits the BID Board to move funds as circumstances require.

A small research budget will enable the BID to measure progress by regularly sampling the perspectives of office workers, building owners and managers, retail operators, residents, visitors and potential customers in the Washington region.

## **IX. Governance, Management and Incorporation**

The governance of the BID will be transparent and responsive and Board members will be committed to the BID goals. Steps are being taken now to incorporate the BID as a non-profit entity. The corporation will function as if it is an IRS designated 501(c)(3), pending application and approval of that status.

A Board of Directors with no less than 11 and no more than 25 members will govern the BID. The initial Board will be comprised of 21 members, reflecting representation as outlined below:

- Two (2) non-voting County members
- Two (2) members from 23<sup>rd</sup> Street "Restaurant Row"
- Three (3) tenant members
- Three (3) hotel members
- One (1) residential member
- Ten (10) commercial office owner members with no one owner controlling more than 60% of the commercial seats

The Board will have an Executive Committee made up of a President, Vice President, Secretary and Treasurer. The Executive Committee must include members from at least two different member classes above.

The Board will be elected by the Steering Committee at the first Annual Meeting, to take place no later than 120 days after the BID is approved by Arlington County.

The Board will have various working sub-committees to address major areas of concentration. Sub-committees will be chaired by Board members. Additional committee members may or may not be Board members. The Crystal City BID will operate the following sub-committees:

- Sub-Committee on Marketing, Events and Promotion
- Sub-Committee on Physical Enhancements
- Sub-Committee on Transportation

The Board may also create additional committees as necessary to meet the demands of the BID including but not limited to a nominating committee, and/or a committee specifically charged with screening candidates and proposing an Executive Director.

## Exhibit 1 – Steering Committee

First Name	Last Name	Organization
Doug	Abbott	Abbott Development/Gould Property Co.
Andy	Aument	Archstone-Smith
Linda	Cogburn	Equity Office Properties
Jean-Marc	Drizard	Hyatt Regency Crystal City
Alan	Haskel	PBS
Dana	Lenehan	Stars and Stripes
Tom	Newman	Arlington Economic Development
Jerry	Norris	Battlespace, Inc.
Mara	Olguin	Charles E. Smith Commercial Realty
Robin	Graf	GSA, Acting Assistant Regional
Angelo	Mele	Café Italia
Heather	Scarritt	Charles E. Smith Commercial Realty
Harmar	Thompson	Lowe Enterprises
Ben	Timashenka	Hyatt Regency Crystal City
Martin	White	King Street Blues
Steven	Wilder	Boeing
Anotoni	Yelamos	Proximo Restaurants

The BID will incorporate as a State chartered non-profit: “Crystal City Business Improvement District, Inc.” The incorporators will serve as the initial board until the first Annual Meeting. Application for IRS (c)(3) designation will await BID staff.

All committees will be chaired by Board members. Board members may serve on more than one committee. Non-board members are encouraged to serve on committees. Management will consist of an Executive Director, a marketing professional and other support staff as needed. All committees will have support of technical staff and the BID Executive Director.

### X. Looking Forward

Within five years, the stakeholders in the Crystal City community can look forward to:

Evenings in which the well-lighted sidewalks are crowded with residents, hotel guests, office workers and visitors, attracted by the additional and varied dining, interesting shops and entertainment;

Various traffic calming measures will make the walking trip to and from the 23<sup>rd</sup> Street restaurants and shops safer, easier and quicker;

Commuters and others using Metro will appreciate its new look, new retail and a new directory system to help newcomers easily find their destinations;

At directories, maps and signs at grade and underground, visitors will find booklets that display stores and restaurants, and weekly information regarding special events;

Hotel guests and office employees at the District’s periphery will enjoy shorter travel times to Metro and the commercial center;

Retailers and restaurateurs will report that sales are up; hotels will record improved occupancy; as will office space and rental residential owners;

Public parking will be improved on both sides of Route 1 including way-finding, signage, and availability.

The BID staff will record the increased daily pedestrian traffic as well as crowds at events. The BID will publish demographic and real estate data, plus information on leasing. Telephone surveys on alternate years will give the Board a picture of what people in the Metro region like and do not like and what they wish were available in Crystal City. Business operators will be asked regularly for suggested improvements.

The BID Board will announce all of its meetings, open to the public. Stakeholders will be informed regularly of new developments via the website. At the Annual Meeting, elections will be held and the entire Crystal City community will be invited to make suggestions for improvements. The annual report will be sent to each stakeholder and Arlington County.

## **XI. Timetable**

The Crystal City BID is expected to be operational by July 1, 2006. The BID Steering Committee will put all of the pieces in place and identify consultants and experts, prior to the July 2006 start work to allow the BID to “hit the ground” running, with the following timetable to meet this goal:

### First Year Accomplishments

#### Pre-Operational Activities:

1 <sup>st</sup> Q 2006	Initiate property owner petition
1 <sup>st</sup> Q 2006	Gather petition signatures
1 <sup>st</sup> Q 2006	Begin search for Executive Director
March 2006	Submit completed petition to Arlington County Board
March 2006	Advertisement of a public hearing
March 2006	Arlington County Public Hearing
2 <sup>nd</sup> Q 2006	Committee to identify potential transportation consultants
2 <sup>nd</sup> Q 2006	Committee to identify potential branding/marketing firms
2 <sup>nd</sup> Q 2006	Committee to identify potential capital improvements firm(s)

#### Operational Activities:

June 2006	Inclusion in Arlington County approved budget for FY 2006
July 2006	BID becomes operational
July 2006	Hire Executive Director

## **APPENDIX B**

### **What is a Business Improvement District (BID)?**

- A system by which multiple owners can address common economic problems or capitalize on common opportunities
- Principally focused on improving property values and business profitability
- A partnership led by the private sector which may involve government and non-profit stakeholders
- A benefit district adopted by a local government with sustainable funding that is inclusive, multi-year and compulsory
- A professionally managed non-profit corporation providing services to a delineated area

There are more than 1,000 BIDs in North America, Australia, New Zealand, England, South Africa and Austria. The services they provide may include maintenance of the public realm and supplementary security, but virtually all BIDs provide marketing in various forms. No two BIDs are alike; they are designed to fit local needs and opportunities.

Through a levy applicable to all business properties in the designated area, these shared payments are typically very low as a proportion of occupancy costs, CAM charges or local property taxes.

The assumption that has led to the approval of so many BIDs is that the BID charge will produce economic benefits to each assessee that exceed the charge. Typically, BIDs are approved for five years at which point they may be reauthorized by the local governing body.

BIDs are typically administered by state-chartered non-profit corporations whose Boards of Directors principally include private sector members who are required to pay the legally established common charge.

## **APPENDIX C**

### **The Virginia Service District Law**

Almost everywhere in the US, State statutes authorize localities to enable business and property owners to plan and manage systems intended to improve property values and business profitability through cooperative action financed by an assessment that is inclusive of benefiting properties, is multi-year and compulsory.

Virginia and four other Eastern states afford in their BID laws great leeway to both the localities and the private sector BID planners. Virginia is also a state that uses as the basis for its BID law one that permits the creation of a special district for road improvements and a wide variety of outcomes. In all cases, the legal principal is the same – a benefit district is one in which the revenues collected go exclusively to improvements benefiting the properties from which they are assessed. Generally thought of as an “assessment,” none of the collected funds go into the government’s general treasury.