

FY2019 4Q Crystal City BID Board Meeting
JBG Smith Marketing Center, 241 18th Street South
April 25, 2019
11:30-1:00 pm

Minutes

Members Present:

Glenda MacMullin (Chair), Andy VanHorn (Vice-Chair), Suzie Sabatier, Christer Ahl, Josh Lustig, Freddie Lutz, Alan Haskel, Harmar Thompson, Robin Burke, Kara Milkovich Alter, Kingdon Gould III

Ex-Officio Members Present: Shannon Flanagan-Watson, Natalie Monkou, Pamela Van Hine

Members Absent: Doug Abbott, Jay Corbalis, Mark Fallon, Brian Grant, Dave Greenberg, Regan Linke, Mark Rivers, Todd Yeatts, Jim Woods, Steve Taylor, Nora Dweck-McMullen, Derrick Morrow

Staff Present: Tracy Gabriel, Jasmine Gipson, Cassie Hurley, Robert Mandle

Others Present: Brian Coulter (JBG Smith), Kedrick N. Whitmore (Venable LLP, Counsel for BID)

Welcome & Introductions

- Board Chair, MacMullin, called the meeting to order at 11:45 a.m. and a quorum was established.

Chair's Report

- MacMullin gave highlights of Q4 including the completion of the strategic plan business plan, the acquisition of the critical support threshold needed for BID expansion, and the submission of the BID expansion packet to the County Board for approval.
- A motion was made, seconded, and accepted to approve the minutes from the third quarter board meeting.

Treasurer's Report (presented by Mandle in Morrow's absence)

- The BID developed forecasting to more easily project expenses.
- At end of FY, BID currently projects \$196,000 of unencumbered funds, much of which will be spent in Q4 for new projects including events, branding with Pentagonam design consultants, upgrading bookkeeping capacity through a bookkeeping contractor, Route 1 research studies, landscape enhancements and beautification, temporary art installations, short term office upgrades, and office relocation costs. The BID anticipates breaking even by the end of the year.

Member Updates

- Lutz: Fiona's on 23rd street will open the week of April 22nd.
- Thompson: LCOR has officially submitted their site plan for 400 11th St. South site (Verizon).
- VanHorn: JBG SMITH continues to make progress on the demolition of 1851 S. Bell St, and Amazon's future leased space at 1800 South Bell and 1770. Work also underway

on Central District retail including the Alamo Draffhouse Cinema. Several major lobby upgrades have been completed at 2345 and 2451 Crystal Drive.

- Sabatier: Nick Freshman (Mothersauce Partners, The Freshman) is hosting a pop-up in the former Au Bon Pain location to build excitement for the forthcoming The Freshman restaurant at 2451 Crystal Drive.
- Flanagan-Watson: The Arlington County board adopted its 2020 budget on Tuesday, April 23rd. The action approves both the BID tax rate and the FY2020 BID Work Plan and Budget. The county made no changes to the pop-up library budget for the 2020 budget.
- Ahl: CCCRC is contemplating a path to expansion for the purview of CCCRC to run parallel to the BID expansion.

FY 2019 Board Changes and FY 2020 Board Slate

- A motion was made (Gould), seconded (Thompson), and approved unanimously to 1) accept the resignations of Jim Woods of the We Company and Mark Rivers of Lowe; 2) approve the nominations of David Stern of the We Company and Joe Cardone of the Doubletree; 3) formally remove Mark Fallon from the board.
- MacMullin presented the Proposed FY2020 board slate effective July 1 which also included the proposed Officers.
- A motion was made (Thompson), seconded (Lutz), and unanimously approved to accept the Proposed 2020 board slate contingent on ratification by the BID membership at the BID's annual meeting.

Area-Wide BID Update

- Gabriel shared the completed Area-Wide Strategic Plan, the culmination of the strategic plan initiated in April of 2018, which included two major initiatives - (1) creating an Area Wide BID to include Pentagon city and Potomac Yard and (2) implementing a branding strategy for the expanded area.
- Gabriel reported the submission of the draft Area-Wide BID Business to the County. The plan outlines important information such as the basis for bid expansion, goals and principles of BID expansion, and the outreach efforts performed in creating the Strategic Plan and Business Plan.
- A critical threshold of agreeance on expansion was achieved from 84% of total assessed value and 82% of all tax parcels in the proposed expansion area.
- Ahl questioned whether the boundary could be adjusted to follow S. Hayes Street between S. Eads Street and S. Joyce Street in order to better address connectivity issues between Crystal City and Pentagon City.
- Upon approval by the BID board, the draft of the Area-Wide BID Business Plan will be submitted to Arlington County staff. Arlington County Board could vote on the expansion as early as July.
- The BID plans to be prepared to roll out the Area Wide branding initiative pending county approval.
- As a note, Potomac Yard stakeholders were concerned about the costs they would incur in light of existing requirements for the Owners Association and the Transportation Management Program.
- Though the BID expansion may be approved this year, the board composition would remain as approved for FY 2020 until FY 2021(starting July 1, 2020) once the BID is fully functioning in the expanded area.
- Whitmore gave an overview of proposed resolutions to accept the recommendations of the expansion committee, adopt the BID Business Plan and Strategic Plan, and accept changes to bylaws which will make them consistent with the BID's Business Plan and

Strategic Plan as well as associated changes to Articles of Incorporation to the BID, which currently define the boundaries of the BID in a manner inconsistent with the Strategic Plan

- Whitmore noted the changes to bylaws must be approved by the BID board and ratified at the annual meeting which means there will be a gap in timing between the two votes. To address this gap, additions made to the bylaws such that the BID board can take other actions needed to be consistent the law or consistent with actions made by the Arlington County board.
- Bylaws changes include changes to the definition of the boundaries of the BID and changes to the board composition requirements, reducing the requirement for assessed ownership from two-thirds to sixty.
- The board is to be provided a redlined version of the bylaws highlighting changes made following the board meeting.
- Flanagan-Watson requests friendly amendment: include that this is subject to County Board approval.
- Whitmore recommended adding the following to the resolution: "Further resolved that the foregoing shall be subject to approval of the recommended expansion by the Arlington County Board."
- A motion was made (Gould) and seconded (Haskel) to accept the amendment to the resolution. Discussion led to an additional amendment to change the defined term of "expansion" to "recommended expansion". The amendment was accepted unanimously.
- A motion was made (Gould), seconded (Haskel/Burke), and unanimously approved to accept the recommendations of the expansion committee, adopt the BID Business Plan and Strategic Plan, and accept changes to bylaws which will make them consistent with the BID's Business Plan and Strategic Plan as well as associated changes to Articles of Incorporation to the BID.

Office Space/New Lease

- After a competitive process, BID selected 2011 Crystal Drive as the best location for new office space for the organization.
- An LOI has been signed with JBG SMITH.
- Potential conflicts of interests were disclosed on by board members Andy Van Horn, Suzy Sabatier and Kara Alter on behalf of JBG SMITH. Each of these board members is an employee and representative of JBG Smith, the prospective landlord.
- In addition, a potential conflict of interest was disclosed by Kedrick Whitmore of Venable LLP, who represents JBG SMITH and the BID. Venable LLP will represent the BID in the lease negotiation, and represents JBG SMITH in other, unrelated matters. Both JBG SMITH and the Crystal City BID have signed Conflict of Interest waivers acknowledging this.
- BID staff discussed their search process and review of potential office space, and the board, excluding potentially conflicted parties, accepted that the proposed office space met the requirements of the BID in terms of location, office type, and cost.
- The board, excluding the potentially conflicted parties, discussed the potential lease. The board members acknowledged that, given the need for the BID to locate its office space within the service area, any potential landlord would be represented on the board of the BID.
- A motion was made (Thompson), seconded (Gould), and accepted unanimously (JBG SMITH representatives abstained from the vote) to permit the BID to negotiate and execute the lease agreement.
 - For: 8 members (all voting members present)

- Against: none
- Abstained: Andy Van Horn (JBG SMITH), Kara (JBG SMITH), and Suzie (JBG SMITH)

Jefferson Davis Highway renaming

- Attorney General Mark Herring concluded the Commonwealth Transportation Board (CTB) has the authority to change the name of the highway without legislation.
- The Arlington County board will vote to support the name change at the April 25th County Board hearing. The resolution will appear before the CTB in May.
- Gabriel recommends that the BID Board take formal action supporting the name change.
- Whitmore presented the resolution outlining the BID Board's support.
- A motion was made (Gould), seconded by (Lustig/Ahl), and unanimously accepted to approve the resolution for the renaming of Jefferson Davis Highway to Richmond Highway.

Branding update

- The BID selected Pentagram, a design consultant firm, to lead branding strategy work for both the Bid organization and the proposed expanded BID area.
- Area-Wide branding committee, which includes community members and stakeholders across the proposed expansion area, on Friday, April 12, 2019.
- Pentagram is currently engaging in discovery work and interviews and will follow this work with public engagement including surveys. With the goal of having branding ready to implement as soon as/if the county board approves BID expansion.
- Pentagram will produce deliverables such as a brand story that builds on strategic plan, visual identity which can be applied to collateral, signage, street banners.
- The BID has not yet executed a wayfinding creation contract; this will be included in Phase 2 of the branding work.

Other BID Updates

- Jasmine Gipson joined the BID as the Planning and Operations Associate as of April 1, 2019.
- The BID is working with former consultant Rachel Davis to manage the Pentagram Branding Contract.
- The BID hired eight part-time events staff to support events execution.
- Kyle Easter left the BID as of April 12, 2019. The BID intends to hire a temp to take on the office manager responsibilities in the meantime.
- "What's Happening Crystal City" guide is available and will be disseminated to area hotels.

Other business

- None

Key Dates

- FY19 Key Dates
 - Annual Meeting – Monday, June 10, 2019
- FY20 Tentative Dates
 - First Quarter 2020 Board Meeting – Thursday, July 18, 2019
 - Second Quarter 2020 Board Meeting – Thursday, October 24, 2019
 - Third Quarter 2020 Board Meeting – Thursday, January 23, 2020
 - Fourth Quarter FY2020 Board Meeting – Thursday, April 30, 2020

The meeting adjourned at 1:04 p.m.