



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of February 12, 2011**

DATE: January 20, 2011

SUBJECT: Request to advertise the Ballston Business Improvement Service District (“Ballston BID”) tax rate as part of the overall real estate tax rate.

C. M. RECOMMENDATION:

Advertise for the public hearing on March 24, 2011 for a proposed Calendar Year (CY) 2011 tax rate for the Ballston Business Improvement Service District (“Ballston BID”) of \$0.045 that is in addition to the current real estate rate, using the attached resolution (Attachment I).

ISSUES: As part of the regular budget process, authorization from the County Board is being requested to advertise a public hearing to set the tax rate for the Ballston Business Improvement District (BBID) to fund the proposed FY 2012 budget and workplan of the Ballston BID both of which will be presented to the County Board for approval as part of the budget approval. The setting of this additional tax rate requires a public hearing, and this hearing must be publicly noticed.

SUMMARY: The tax rate proposed for the Ballston Business Improvement Service District is \$0.045 per \$100 of assessed value for CY 2011. A CY 2011 tax rate of \$0.045 would fully fund the FY 2012 proposed budget and work plan submitted by the Ballston Business Improvement District, Inc.

BACKGROUND: In December 2010, the County Board approved the Ballston Business Improvement District (“Ballston BID”) to further promote the development of Ballston beginning January 1, 2011. Modeled after the Rosslyn BID created in 2002, the Ballston BID is designed to promote commercial properties in Ballston by providing marketing (branding / promotion / place-making), community events, transportation, public improvements and public safety.

The service district levies an ad valorem property tax on real estate located within the district. The District includes only commercial properties, including residential rental properties, commercial office and retail properties. By law, the extra services provided in the District must

County Manager:

BMD/mjs

County Attorney:

[Signature]

29. E.

Staff: Richard Stephenson, Management and Finance

be directed at properties included within the District. The additional tax levy is established, assessed and collected through the normal County tax billing and collection processes. The County Board, as the governing body, approves the services, appropriation level and management of the District.

DISCUSSION: The business improvement district comprises 130 parcels in Rosslyn-Ballston Metro corridor. The proposed budget and workplan funds enhanced services in the following categories: 1) Marketing, Branding and Promotion; 2) Community Activities and Events; 3) Transportation, Parking, Pedestrian Access and Programs; 4) Public Improvements; and other services benefitting commercial properties as recommended by the Board of Directors and approved by Arlington County. The proposed tax rate of \$0.045 per \$100 of assessed value will generate \$1,273,414 in revenues to fund the proposed Ballston BID Work Plan for their first year of operation. The attached proposed FY 2012 Ballston BID budget and workplan was based on preliminary estimates of real estate assessment growth and will be revised to reflect estimated revenue based on current assessment data.

FISCAL IMPACT: There is no fiscal impact to the County for the additional tax rate imposed on the Ballston Business Improvement District. The County receives 1% of the service district's supplemental tax rate revenue to offset the costs of administering the Ballston Business Improvement District. These funds are included in the County Manager's FY 2012 Proposed Budget.

ATTACHMENT I

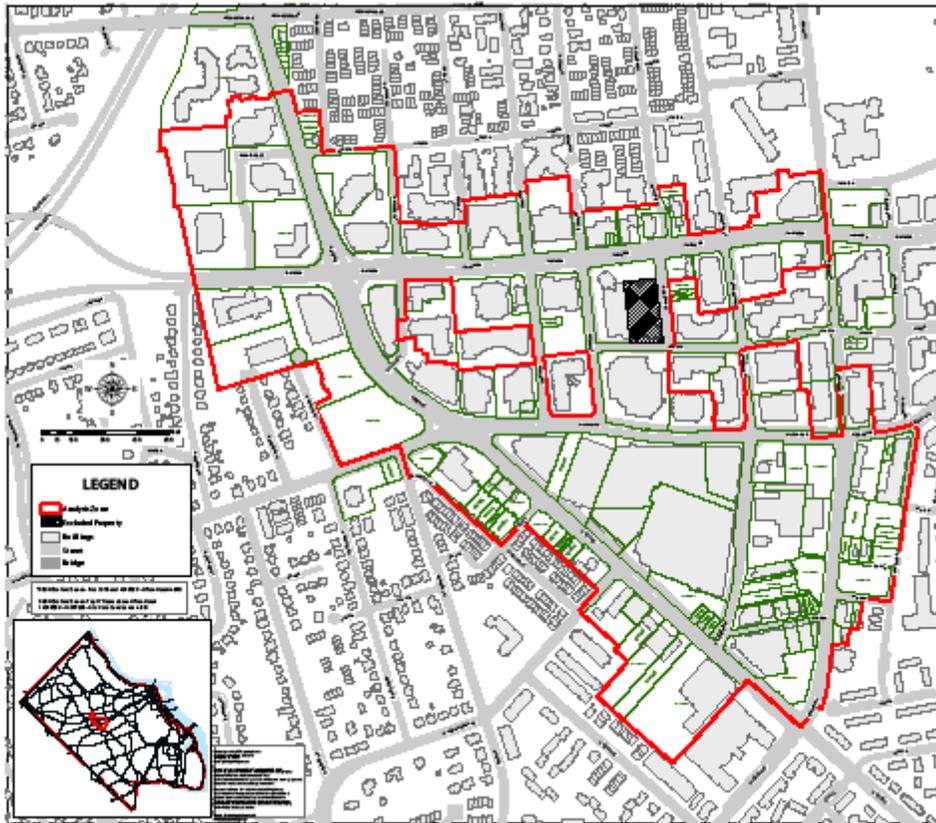
RESOLUTION ESTABLISHING A 2011 TAX LEVY RATE FOR THE BALLSTON BUSINESS IMPROVEMENT DISTRICT (“BALLSTON BID”)

RESOLVED, that the County Board of Arlington County, acting as the governing body of the Ballston Business Improvement Service District (“Ballston BID”), does hereby establish a calendar year 2011 tax levy for the District in the amount of \$0.045 per one hundred dollars of assessed value of all taxable real estate located within the boundaries of the Ballston Business Improvement Service District (“Ballston BID”), and;

BE IT FURTHER RESOLVED, that such taxes, when and if appropriated by the County Board, acting as the governing body of the Ballston Business Improvement Service District (“Ballston BID”), shall be used solely to fund the Budget and Work Program of the District as adopted by the County Board for the purposes of the District.

Hope Halleck, Clerk
Arlington County Board

Ballston Business Improvement District



BALLSTON/BID

Proposed Business Plan

SEPTEMBER 2010

EXHIBIT IV

BALLSTON/BID

BALLSTON BUSINESS IMPROVEMENT SERVICE DISTRICT PROPOSED BUSINESS PLAN

2010

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Attachments

- Attachment 1 – Ballston BID District Map (not included)
- Attachment 2 – Ballston BID Steering Committee Roster
- Attachment 3 – BID Survey Document (not included)
- Attachment 4 – List of Taxable Properties (not included)
- Attachment 5 – Ballston BID Draft By-Laws (not included)
- Attachment 6 – Sample of Petition Letter (not included)



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M. ÓaàaáÖ[] } ^||æ
County Manager
County of Arlington
2100 Clarendon Blvd., Suite 302
Arlington, VA 22201

RE: Ballston Business Improvement Service District Draft Business Plan

Dear T • ÖÖ[] } ^||æ :

The Ballston Business Improvement District Steering Committee is pleased to submit to your offices a proposal to establish the Ballston Business Improvement Service District for the commercial core of Ballston. To that end, we have attached a Draft Business Plan ("Plan") for presentation to the Arlington County Board. The proposed formation of the Ballston Business Improvement Service District ("Ballston BID") is pursuant to the statutory provisions set forth in the Va. Code Ann. § 15.2-2400 *et. seq.*, regarding formation and use by localities of service districts.

This Plan is the result of a great deal of effort and investigation by this Steering Committee and other business leaders, consultant Betsy Jackson, president of The Urban Agenda, Inc., (Ann Arbor, Michigan), and the legal counsel of David W. Briggs, Esq. and Alice Haase, Esq., of Holland & Knight, LLP.

Since our original submission to request a public hearing, we have continued to engage the community in the BID development process. We distributed petitions of support to all commercial property owners and we conducted a publicly noticed informational meeting in conjunction with the Partnership Annual Meeting in 2008. At our March 2010 Board of Directors meeting, the Board of the Ballston Virginia Square Partnership voted to support the BID proposal as we gained additional support from key stakeholders.

The common view is that Ballston is a "good" place but, it is not yet a "great" community – a goal all urban mixed-use communities need to achieve in order to remain competitive, attractive, and sustainable. The Ballston BID Draft Business Plan is designed to help the District become just such a "great" place, by focusing on improving the business climate through branding, marketing and events, wayfinding, and enhancements to public space and transportation. This focus will accomplish the four key goals described in the Plan:

- Move the perception of Ballston from a 'good' place to a 'great' community.
- Enhance the commercial District's competitive advantages in an increasingly competitive region and establish its identity as the area's "Hub of Science and Technology".
- Build on the current investment – both public and private – within the District, and help to *protect* that investment.
- Help the District's commercial stakeholders deliver the highest quality urban, mixed-use experience and help *maintain* that quality.

We believe that a Ballston Business Improvement Service District built on this foundation will enhance and sustain Ballston's image as a premier live-work-play community.

As commercial and community stakeholders, we share a common interest in protecting and enhancing the development of Ballston. We have been hard at work over the past three years and, as you will see in the Proposed Plan, we are committed to doing everything it takes to make the Ballston BID a reality in 2011.

A business improvement district for Ballston is the best vehicle for building on Ballston's assets, positioning it for the future, and managing the process. We believe the County will agree, and we look forward to working

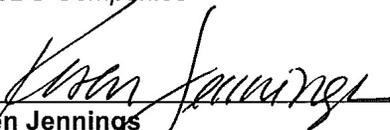
with you and others to make the Ballston Business Improvement Service District a reality.

Sincerely,



Jill Goubeaux

Ballston Business Improvement District Steering Committee
The JBG Companies



Karen Jennings

Ballston Business Improvement District Steering Committee
Gates, Hudson & Associates, Inc.



Kelly Shooshan

Ballston Business Improvement District Steering Committee
The Shooshan Company, LLC

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Enclosures

cc: David W. Briggs, Esq.
Alice G. Haase, Esq.

EXECUTIVE SUMMARY

District Boundary

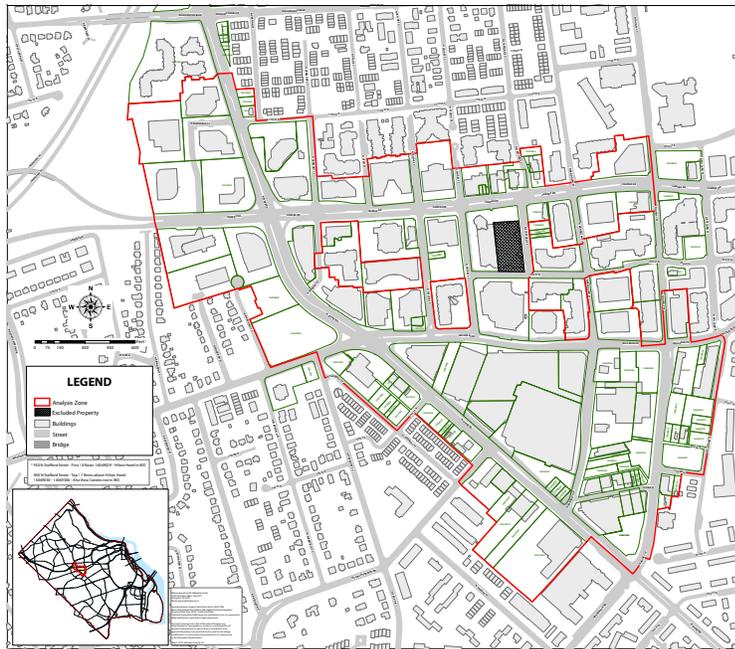


Figure 1 – Proposed Ballston BID Boundary

The Ballston sector of Arlington County ("Ballston") consists of more than twenty five blocks of a mixture of commercial and residential properties, with the residential properties consisting of single-family dwellings and multiple family dwellings, such as condominiums and rental apartments. Within Ballston there is a commercial core, which includes office properties, properties housing retail activities, residential properties, both ownership and rental, and properties owned by non-profit and governmental bodies.

The provisions of Va. Code Annotated, Sec. 15.2-2400 et seq. related to the establishment and operation of service districts in the Commonwealth (the "Service District Statute") permits localities to establish a service district to undertake economic development services, promote business and retail development services, and undertake beautification and landscaping activities within defined boundaries within a locality and directly assess individual property owners that benefit from those enhanced community services.

The commercial core of Ballston is uniquely suited to be recognized as the location of a service district, just so these types of enhanced services can be provided.

The Ballston Business Improvement District Steering Committee (the "Steering Committee") having carefully evaluated the characteristics and current status of Ballston, believe that formation of a business improvement district for the commercial core of Ballston is essential to retaining Ballston's position as a critical and vibrant bookend for the Rosslyn-Ballston Corridor.

The boundary of the proposed Ballston Business Improvement Service District (the "Ballston BID") is illustrated in Figure 1 above (the geographic area within the boundary shall be referred to as the "District") and essentially captures this commercial core of Ballston. This proposed boundary was

adopted by the Ballston BID Steering Committee in August 2008 and recently amended to exclude all residential properties. Within the proposed District are commercial properties as well as those identified on the Arlington County tax rolls as residential condominiums and rental properties, those identified as tax-exempt nonprofit properties, and those owned by local, Commonwealth, or federal government. Only commercial properties will be subject to the Ballston BID assessment levied by Arlington County for Ballston BID activities and operations

Goals

- **Promote Ballston as the hub of Science and Technology in the DC metropolitan area**
- Maintain and enhance Ballston's competitive advantages in an increasingly competitive regional marketplace
- Protect and enhance investment – public and private sector
- Improve on the existing quality of life offered in Ballston
- Strengthen Ballston's performance as the western anchor of the Rosslyn-Ballston Corridor
- Serve as the research and data center for all things Ballston

BID Services and Programs

The Ballston BID will focus on the following:

- *Marketing and Branding* that will better position Ballston within the region
- *Physical Enhancements* that build on the District's sense of place while helping shoppers, visitors, and employees make better use of Ballston's offerings
- *Transportation Enhancements* that improve on the District's strength as an intermodal transportation hub
- *Management* that will help to tie the activities together and create opportunities for further collaboration
- *Supplemental Beautification* that sets the highest standards for the appearance and function of the public realm in Ballston

Method of Financing and Cost

Arlington County will fix an assessment rate for Ballston BID activities for each fiscal year, and then levy an assessment for those activities (the "BID Assessment") based upon the applicable assessed value of each non-residential, commercial properties located within the District. The BID Assessment will be an ad valorem tax against each property. The BID may accept voluntary contributions from tax-exempt properties to show support of the Ballston BID activities and programs. It is expected that the initial assessment rate for Ballston BID activities for the fiscal year commencing July 2011 will be at the rate \$.045 per \$100 of assessed value of each non-residential, commercial property.

Estimated BID Budget

For the first year of Ballston BID operations, the budget is expected to be \$1,€JGI JJ based upon current 2010 assessments of Ballston BID taxable property.

Governance and Management

The Ballston BID will be governed and managed by an independent 501(c)(6) non-profit corporation. Arlington County will enter into a servicing agreement with this corporation for that purpose. This independent corporation, the Ballston Business Improvement Corporation (the "Ballston Corporation") will be governed by a board of directors of no fewer than 19 and no more than 21 members, whose members will be elected by and represent the commercial property owners and various business constituencies located within the District. The board of directors of the Ballston Corporation will oversee all Ballston BID activities and will provide guidance to the Ballston BID's professional and administrative staff. Ballston Corporation will (i) prepare an annual work plan and associated budget for submittal to the Arlington County Board (the "County Board") for consideration and approval, (ii) implement annually the approved work plan, (iii) publish an annual report on its activities, (iv) convene an annual meeting of member property owners, and (v) keep Arlington County, the commercial property owners, and the tenants of properties within the District of Ballston informed about the Ballston BID activities.

Formation Threshold

The Ballston BID Steering Committee recommends that BID formation be approved by County Board based on the support of ~~a~~ ~~a~~ ~~a~~ of the assessed value of all ~~A~~ ~~[~~ ~~]~~ ~~E~~ ~~^~~ ~~a~~ ~~^~~ ~~c~~ ~~a~~ ~~p~~ ~~i~~ ~~t~~ ~~i~~ ~~o~~ ~~n~~ ~~s~~ ~~o~~ ~~f~~ ~~}~~ ~~{~~ ~~^~~ ~~;~~ ~~&~~ ~~m~~ ~~A~~ properties within the District as of January 2010, as evidenced by signed petitions to be submitted with this Business Plan.

Duration

If established by the County Board, the Ballston BID would become approved the date of County Board action. The Ballston BID would then prepare and submit a detailed work plan and proposed budget for funding in FY 2012. The Ballston BID will have an initial effective period of five (5) fiscal years subsequent to its initial funding in July 2011. The Ballston BID may be re-registered for an additional five (5) years upon the completion of its first five-year operating period.

BACKGROUND – WHY A BID IS GOOD FOR BALLSTON

For much of the past quarter century, Ballston has been in a stage of development. Beginning with the Ballston Sector Plan in 1980 – a plan which created a vision for the District and established clear standards for development – and continuing with the opening of Ballston Common in the mid-1980s, Ballston has evolved from a suburban commercial crossroads to a dynamic, high-density, mixed-use community. With Arlington County’s commitment to the development of the Rosslyn-Ballston corridor, and the leadership provided by the Ballston-Virginia Square Partnership (the "Partnership"), developers have transformed the area in ways that continue to reflect the vision of the community. Indeed, for over 20 years the Partnership has helped shape Ballston into the "good place" that it is. But the Partnership has been and is strongly dependent upon volunteer initiatives – including funding - and lacks the financial resources to help make Ballston the "great place" that it can be.

Ballston exists today because the public and private sectors articulated a vision and remained committed to it. Commercial space exceeds 1.5 million square feet. Eight thousand housing units have been built or are approved. The residential population is estimated to be more than 12,400 persons, with the employee base swelling to 32,500 in the next 12-18 months. One-third of all adult Ballstonians hold post-graduate degrees and 74 percent work in professional, management, financial, or business fields. Such a high level of attainment explains Ballston’s estimated average household income of just over \$100,000 per year. In short, the significant investment in Ballston is not in bricks and mortar alone: Ballston has become an economically advantaged community of high achievers. And high achievers have equally high expectations.

As is true with every successful investment, Ballston needs some care and attention. High-density districts, especially popular destinations like Ballston, suffer a lot of wear and tear. Maintenance can slip, and newer commercial and entertainment options can siphon off consumer interest. While Ballston was the first district along the Rosslyn-Ballston Corridor to create a truly mixed-use community, it has been followed by others, including Rosslyn and Clarendon. And with the proposed extension of the Metro transit system to Tyson’s Corner, **Ballston is confronting a future where its distinctiveness may be eroded by newer, better-marketed areas that will also feature Metrorail service.**

Business improvement districts have been in operation in the United States and Canada for more than thirty years and now number more than 1000. Always based on local needs and opportunities, business improvement districts have been instrumental in:

- Increasing customer traffic
- Growing tourism and visitation
- Encouraging downtown residential development
- Increasing property values
- Improving investor confidence
- Helping attract new uses, including education, recreation, and sustainable development

- Creating 'one voice' for the business community in its partnerships with government and community
- Retaining tenants and residents

While no two business improvement districts are exactly the same, most districts share one characteristic in common: they are all created locally, by private-sector leaders, for the benefit of the district as a whole.

The provisions of Va. Code Annotated, Sec. 15.2-2400 et seq. related to the establishment and operation of service districts in the Commonwealth (the "Service District Statute") permits localities to establish a service district to undertake economic development services, promote business and retail development services, and undertake beautification and landscaping activities within defined boundaries within a locality and directly assess individual property owners that benefit from those enhanced community services.

To its credit, the Ballston business community identified a number of years ago the need for Ballston to have available to it many of the types of services permitted to be undertaken by business improvement districts generally and service districts specifically in the Commonwealth, as they engaged in discussions looking for ways to improve Ballston. As business improvement districts were formed in Washington, DC and elsewhere, leaders began to look at the BID model as a tool for Ballston's future. And with the formation in of the business improvement districts for portions of Rosslyn and Crystal City, Ballston's business leaders have refined their priorities that could be appropriately served by the creation of a BID within Ballston.

THE PLANNING PROCESS

In an on-going effort to engage the Ballston community in the possibilities of a business improvement district for the commercial core of Ballston, several business leaders in Ballston have communicated with stakeholders for nearly three years. In one-on-one conversations and articles in "The Buzz" – the Partnership newsletter – these leaders have listened to the concerns of property owners, residents, employees, and local businesses. Their goal is to create a common vision and identify the services that a business improvement district could provide to make that vision a reality.

Three key Ballston property owners – The JBG Companies, The Shooshan Company, and Gates, Hudson & Associates (representing Dweck Properties, Inc.) – pooled their resources to form the Steering Committee, and then to hire consulting and legal assistance to move the BID process forward. Accordingly, The Urban Agenda, Inc., an urban development consulting firm based in Ann Arbor, Michigan, and Holland & Knight, LLP, a law firm well-known to the County, were retained to assist in fine-tuning the work to date into a submission to the County Board and County Manager.

Since January 2007, the Steering Committee and its consultants have focused on refining the goals and services of the proposed BID. By listening to the community through a series of interviews, roundtable discussions, and survey research, the Steering Committee has identified the goals and services of the proposed BID. Along the way, hundreds of stakeholders engaged in the process by offering their views about Ballston's strengths, problems, while identifying ways to capitalize on its assets.

In short, the Ballston business community and the Steering Committee have made great progress:

Summer 2006

- The Partnership voted to research potential for a Business Improvement District for Ballston.

Winter 2007

- Ballston Steering Committee was formed and a monthly meeting schedule established.

Winter-Spring 2008

- Steering Committee members conducted one-on-one meetings with key stakeholders.

Summer 2008

- The Steering Committee retained The Urban Agenda, Inc. for BID consulting services.
- The Steering Committee hosted kick-off stakeholder interviews.

Fall 2008

- Steering Committee hosted stakeholder roundtables and discussions with County officials.
- "Request for Formation of the Ballston Business Improvement Service District" was submitted to the County Board.
- Petitions of support were distributed to all commercial property owners.
- BID presentation was made during Ballston-Virginia Square Partnership Annual Meeting.

Winter 2008

- "Draft Ballston BID Business Plan" was submitted to the County Board.
- A presentation was made to the Ballston-Virginia Square Civic Association.
- Presentation to the Virginia Square Civic Association.
- Request the County Board to set down for advertisement for a public hearing the BID Steering Committee's request for establishment of the Ballston BID.

Spring 2009

- County Manager declines to submit the request to the County Board to approve advertisement for a public hearing regarding establishment of the Ballston BID due to the current economic environment and economic uncertainty.

Spring 2010

- Redefined BID boundaries to include only commercial, non-residential properties.
- Contacted owners and agents of commercial properties within proposed BID boundary and confirmed BID support.
- Gained support from additional key stakeholders within revised BID boundary.

GOALS FOR THE BALLSTON BID

From their interaction with stakeholders, the Ballston community, and Arlington County, the Steering Committee and the BID consultants have identified the following four goals for the Ballston BID:

1. **Move the perception of Ballston from a ‘good place’ to a ‘great community.’**

Live-work-play is the mantra for many urban revitalization efforts. Ballston delivers attractive live and work options, but needs to strengthen its “play” – entertainment, shopping, dining, open spaces, access to recreation, and the like. Helping to create activity – and create a cohesion within the District for its community – is essential to Ballston’s sustainability as a high-quality, preferred destination in the region. To become a ‘great place,’ the Ballston BID will focus on a standard for the District’s environment, its programming, and its management.

2. **Enhance and communicate Ballston's commercial advantages in an increasingly competitive county and region and establish its identity as the area’s hub for science and technology.**

The Ballston BID’s competitive advantages include:

Presence of National Science Foundation (NSF), DARPA, Virginia Tech/IBM’s Center for Community Security & Resilience and the Ballston Science & Technology Alliance.

Arlington has the highest concentration of workers in the science and technology, or creative positions in the Washington, D.C. region, with Ballston as the epicenter of science and technology research. In addition to the National Science Foundation, Ballston is also home to major extramural research agencies such as the Office of Naval Research (ONR), the Air Force Office of Scientific Research (AFOSR), and the Homeland Security Advanced Research Projects Agency (HSARPA). These government agencies attract many nonprofit organizations, think tanks and private sector companies that are engaged in science and technology.

Convenience and access – Ballston is minutes from everywhere, including downtown DC and the growing Northern Virginia suburbs.

Transit options – Ballston is a key stop along the Metro Orange Line, is a bus transit hub, and serves as the commercial intersection of many of Northern Virginia’s major arterials and highways.

Office densities – Ballston is composed of high-rise, high density office uses.

Residential options – The BID boasts nearly 8,000 residential units, both rental and owner occupied, representing a range of market-rate options necessary for a vibrant live-work community. These include rental apartments, mid-price and luxury condominiums, retirement living, and nearby single-family homes.

Access to recreation - Recreation opportunities in the Ballston area include Quincy Park, Arlington Arts Center, and Kettler Capitals Iceplex. Other entertainment venues are The Comedy Spot and a 12-screen Regal Cinema, both located at the Ballston Common Mall.

Upper-middle-class incomes and a professional workforce – Ballston delivers the quality of lifestyle and work environment to attract top corporations and is the preferred location by many of their employees.

But even the most dynamic community needs continual improvement. Ballston finds itself at the intersection of greater commercial competition and a high-density, highly developed district that is beginning to show its age.

The services and programs of the Ballston BID will (1) promote and increase the performance of the Ballston's assets; (2) identify and address issues of wear and tear; and (3) better serve existing consumer groups and attract more customers – residents, visitors, workers, and shoppers – to the District.

3. Increase and protect private and public investment in Ballston.

Hundreds of millions of dollars have been invested in Ballston over the past 25 years to create the community we have today. In the absence of a comprehensive marketing, services, and management strategy, deterioration in the environment will negatively affect those investments. And as properties change ownership, standards of performance need to be in place to insure that Ballston remains a dynamic, engaging place.

4. Create, manage, and sustain Ballston as the premier mixed-use urban environment in the County.

No successful shopping center or mixed-use urban district exists without professional management. To sustain the type of progress envisioned for Ballston, the BID must take a page from the shopping center management play book and create a program of work – and the board and staff support needed to see it through.

BALLSTON BID BOUNDARY

The boundaries of the District can be generally described as: (AED)

- The intersection of North Glebe Road and Washington Boulevard 66 on the north;
- the intersection of North Glebe, Henderson, and North Quincy on the south;
- portions of South Pollard, connecting back to the north via Fairfax Drive on the east; and,
- North Glebe and North Wakefield Street on the west generally form the western boundary (Figure 2).

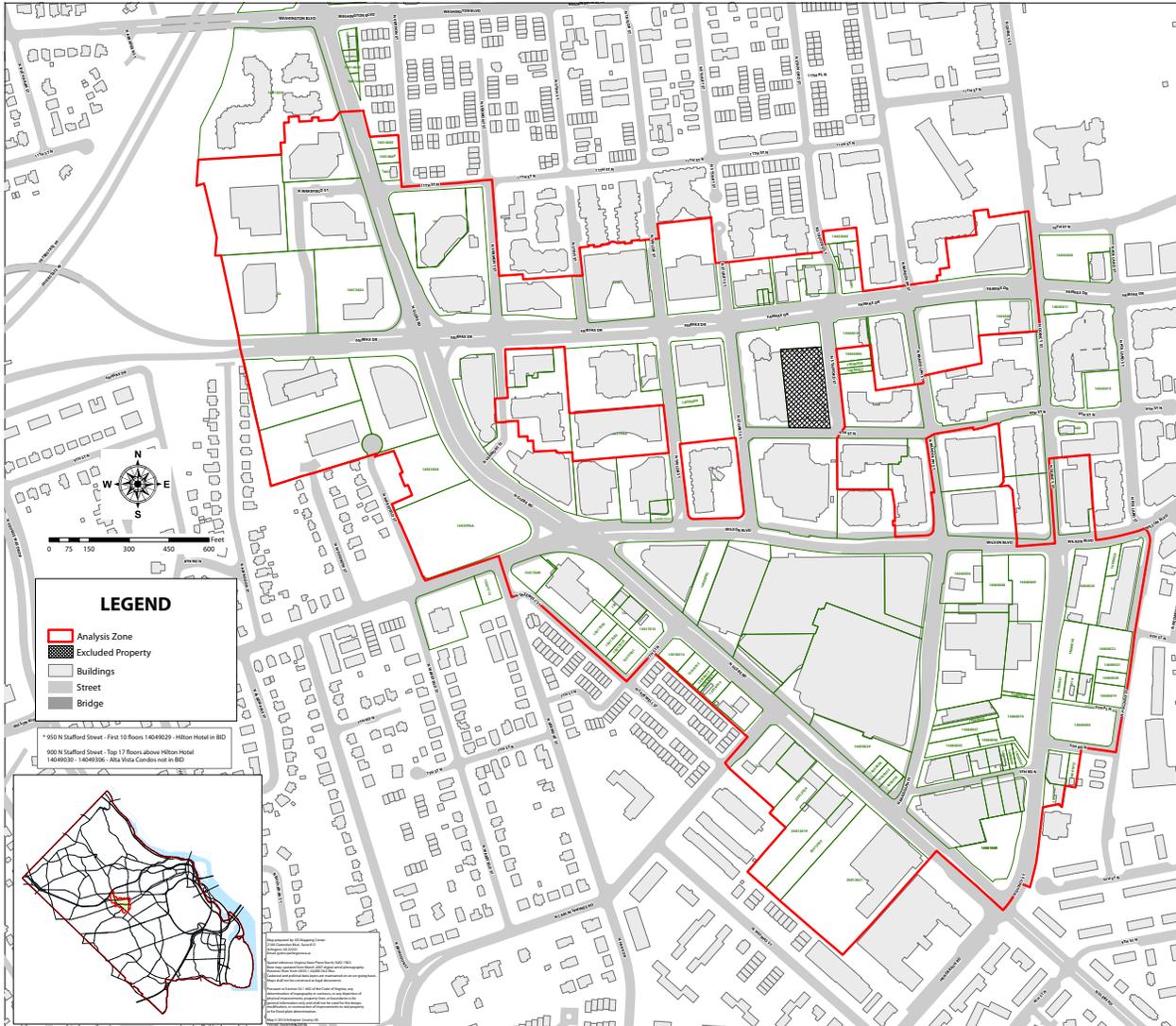


Figure 2 – Proposed Ballston BID Boundary

Within the District the following types of properties will be excluded from assessment: (1) all current and future properties identified on the Arlington County tax rolls as residential, whether single family dwellings or multiple dwellings, such as rental apartments or condominium units; (2) parcels exempt from imposition of real property taxes, and (3) parcels owned by local, Commonwealth, and federal governments and not currently subject to the real property tax.

PROPOSED PROGRAMS AND SERVICES

The Ballston BID, through the activities of the Ballston Business Improvement Corporation, will likely provide the following types of activities:

A. **Branding and Marketing**

To establish, re-establish, or reposition Ballston in an increasingly competitive market place, Ballston needs its own compelling and distinct identity and a brand that explains – day in and day out – what Ballston has to offer.

While choices for *branding and identity* are limitless, the Ballston Business Improvement Corporation will select the best tools based on careful market analysis, consumer research, and asset identification. Branding and identity services are reserved for the promotion of businesses within the Ballston BID; however, individual businesses and property interests are known to incorporate elements of the brand into their corporate marketing.

Marketing and communications products and activities do two key things: (1) they extend Ballston's brand by repeating it in dozens of ways to dozens of target audiences, over time, and (2) they communicate important information about the 'backstage' activities and management of the BID. The BID's *marketing services* and events will focus Ballston's message on the varied needs and interests of its different consumer groups – shoppers, diners, visitors, tenants, employees, residents, etc. And the BID's *communications programs* will keep stakeholders informed about everything from street closings and security measures, to upcoming events and ways for businesses to participate.

Key elements the Ballston Corporation's marketing activities for the Ballston BID's will include:

- A dynamic and flexible *brand strategy* for the Ballston BID.
- An *image campaign* to promote the brand to stakeholders and consumer groups.
- Detailed *market analysis* to pinpoint Ballston's commercial strengths and identify new consumer groups.
- A *public relations/media relations* program.
- A fully *interactive website* that extends the brand and provides opportunities for Ballston BID businesses to link with.
- *Periodicals* (newsletter, calendar, retail guide, etc.) that keep the Ballston BID's offerings in front of its key target markets – district residents, employees, and visitors.
- An *Annual Meeting* to (1) review the progress of the Ballston Business Improvement Corporation and the Ballston BID and (2) solicit ideas for the future.
- Events that synergize the community.

Short-term Goals

1. Hire a brand identity firm to assist in research and development of the Ballston BID brand.
2. Launch the image campaign. The campaign will run in phases over multiple years.
3. Conduct market analysis to direct marketing, communications, and events to strategic target audiences.
4. Design and launch Ballston BID website. The website will be updated regularly and redesigned as necessary.
5. Create events package and launch initial events within the District. Events will also run over multiple years.
6. Create internal communications systems and media relations program, including a quarterly publication.
7. Establish baselines and benchmarks for analyzing program performance.

Long-term Goals

1. Increased participation by key target audiences in Ballston events.
2. Increased patronage of Ballston BID businesses.
3. More retail operations thriving within the District.
4. Increased – and more positive – coverage of Ballston in the media.
5. Universal recognition of the Ballston BID brand in Arlington, Fairfax, and the DC metro region.

B. Physical Enhancements

Physical, visual improvements are needed to help Ballston’s shoppers, visitors, and employees (1) find their way around the District; (2) know when they have entered and exited the District; (3) increase their sense of safety, particularly at night; and (4) direct them to and from public transit and parking.

Ballston BID services will include:

- Design a *wayfinding plan* for the District that enhances, not substitutes for, the program offered by the Arlington County. The plan will include the fabrication and installation of the County-approved identity signs within the District.
- Banners and/or other graphic identity programs to extend the Ballston BID brand throughout the District.
- *Supplemental landscaping*, including the creation of entryways to the District.
- Improvements to the *pedestrian and intermodal areas* around the Ballston Metro entrance.

Short-term Goals

1. Analyze areas of greatest need within the District and create appropriate plans for improvement.
2. Design a wayfinding program in the District. Production and installation of County-approved signs is anticipated to begin in Year Two.

3. Establish landscaping standards for property within the District.
4. Implement first phases of landscaping plans.
5. Create maintenance component.

Long-term Goals

1. Create a physical environment within the Ballston BID.
2. Make navigation and wayfinding seamless throughout the District.
3. Assure that the physical environment reflects the brand identity of the District.
4. Increase and maintain users' sense of safety and ease of use in the Ballston BID, day and night.
5. Increase customer satisfaction with the Ballston shopping experience.

In all cases, the Ballston BID will work with the County to supplement current County activities and build upon plans underway within the County's capital budget. The goal will be to leverage the County's objectives for physical improvements while establishing and communicating Ballston's distinct identity.

C. Transportation Enhancements

One of Ballston's signature strengths is its transportation alternatives. Metro, Metrobus, Zipcar, taxi cabs, lunch shuttle, bike racks – all contribute to Ballston's reputation as an accessible, multi-modal, pedestrian-friendly area.

But these assets need on-going planning, management, maintenance and promotion – all geared to the needs of a dynamic, mixed-use commercial district. The Ballston BID will work with transit operators and other stakeholders to help improve the appearance, function, and management of the District's transportation assets, and will incorporate these improvements into the Ballston BID's marketing and promotion products.

Proposed BID services include:

- Analysis of all modes of transit – identify strengths, weaknesses, and potential for improvement.
- Enhancement plan with buy-in of transit partners.
- Installation of elements in the enhancement plan. Installation is anticipated to begin in Year Two.
- Public relations tools and events that promote the plan and educate the public to transportation improvements.

Short-term Goals

1. Complete market research of transportation users' needs.
2. Assess current strengths, weaknesses, and opportunities for improvement.
3. Create enhancement plan and secure buy-in.
4. Implement the plan in achievable, strategic phases. Communications programs will begin in Year One; physical improvements are expected to begin in Year Two.
5. Keep the public informed throughout the process.

Long-Term Goals

1. Establish District as a safe and efficient transit-oriented community in Virginia.
2. Continue to look for improvements that meet future transportation-related needs.
3. Promote the link between Ballston's transportation enhancements and its shopping, dining, employment, residential, and development opportunities.
4. Educate the community about transit options.

D. Supplemental Beautification

Ballston must maintain the highest possible levels of cleanliness and appearance in order to remain competitive. And the more that the Ballston BID creates visible change, the greater the need to protect those investments with regularly scheduled maintenance. The goal for the Ballston BID is to provide services that create and maintain a consistently high level of cleanliness and safety throughout the District.

Supplemental beautification services will include:

- Analysis of maintenance needs and creation of a maintenance plan for the District.
- Implementation of the beautification plan, including maintenance needs arising from Ballston BID programs (events, Metro plaza improvements, transportation enhancements, and landscaping improvements).
- On-going coordination with County services and private-sector maintenance commitments to avoid duplication and extend the impact of the Ballston BID's supplemental service.

Short-term Goals

1. Assess the current level of maintenance commitments (public and private sector) within the District.
2. Identify areas of need and create supplemental maintenance plan.
3. Create strategy for securing materials, equipment, and labor for the plan.
4. Inaugurate the maintenance plan
5. Promote the plan to Ballston BID stakeholders

Long-term Goals

1. Create a seamless system (County-private sector-BID) that delivers, within the District, the cleanest, safest streets, sidewalks, crosswalks, and parks in Northern Virginia.
2. Monitor future needs and adjust the maintenance plan to meet them.
3. Use the improved quality of public space as a business development and recruitment tool.

Again, the Ballston BID will supplement – not replace – the County’s maintenance responsibilities, as well as those of the private sector, based on a thorough analysis of use patterns, maintenance issues, and current levels of service.

For the Ballston BID to be successful, every program and activity must be designed and executed with the highest level of quality. With each and every service, the Ballston BID will:

- *Establish the baseline of performance* – Knowing where we start is just as important as knowing how well we do in accomplishing our goals. Without baselines, we can not know for sure how well the Ballston BID has performed. The first order of business for the Ballston BID will be to create these baselines with the County and property owners within the District.
- *Create the benchmarks for success* – With baselines identified, each service will require its own set of benchmarks – measurements that will be used to assess progress. The Ballston Business Improvement Corporation will establish benchmarks and optimum deadlines for each service element.
- *Identify partners* – Successful business improvement districts attract the attention and support of partners who see their goals reflected within a business improvement district’s work program. Whether it is a sponsor for an event, a transit operator, a group of restaurateurs, or County government, each of the BID’s services will be designed with an eye toward building partnerships that last.
- *Seek cost efficiency* – Partnerships, competitive bidding, and sponsorships all help keep Ballston BID costs down and will be used to move the Ballston BID work plan forward in the most cost-effective way.
- *Communicate and educate* – Every Ballston BID activity, no matter how mundane, needs to be shared with BID stakeholders and target audiences. Using the Ballston Corporation’s communications, marketing, and events programming, every Ballston BID service will be explained and promoted to the public...and its impact communicated on a regular basis.
- *Evaluate performance* – Baselines and benchmarks are the front-end activities required to assess the effectiveness of the Ballston BID’s activities down the road. Performance measures, timelines, and reporting structure will be an element of planning for every Ballston BID service.
- *Continue to innovate* – We cannot rest on our laurels. The Ballston Business Improvement Corporation will seek to continually understand new challenges to its program of work and enhance its services to capitalize on future opportunities.

ASSESSMENT FORMULA AND BUDGET

Arlington County will assess all non-residential, commercial properties (excluding the real property tax exempt properties) within the District. This BID Assessment will be inclusive, multi-year, and mandatory for all non-residential commercial property owners, thereby making the cost to each property reasonable. For the first year of BID operations, beginning in July 2011, it is anticipated that the BID Assessment rate will be approximately \$.045 per \$100 of assessed valuation. The Arlington County will levy and collect the assessment as an ad valorem tax with its normal property tax levy on a property and all funds will be dedicated to operation of the Ballston BID and its programs. The proposed assessment will produce revenue totaling approximately \$1,105,000 in the first year, based upon the 2011 real property tax assessments of the non-residential commercial properties within the District.

Ballston BID revenue will be applied to the costs of the following programs and management:

Branding & Marketing	
Identity & Branding Campaign	125,000
Marketing & Communication	80,000
Events	186,500
Total Branding & Marketing	391,500
Signage	
Wayfinding design, fabrication & installation	150,000
Banner fabrication, installation & maintenance	100,000
Gateway design, fabrication & installation	50,000
Total Signage	300,000
BID Administration	
Salaries & overhead	210,000
Office rent & equipment	60,000
Total BID Administration	270,000
Reimbursement of start-up costs	90,000
County Fee	12,000
<i>1% of actual assessment</i>	
Delinquency Reserve Fund	28,000
<i>2.5% of assessment</i>	
TOTAL ASSESSMENT	1,092,500

GOVERNANCE AND MANAGEMENT

The services of the Ballston BID will be delivered by a non-profit organization, the Ballston Business Improvement Corporation (aka the "Ballston Corporation"), formed as an IRS 501(c)(6) entity. It will be governed by a board of directors of between 19 and 21 individuals (the "Board of Directors") with the following representation:

- At least 13 of the members will be elected/appointed from the ranks of commercial property owners within the District (also known as the "BID rate-payers").
- Two members will be elected/appointed from the ranks of commercial tenants within the District.
- One member will be appointed by the Board of Directors to represent cultural and/or recreational interests within the District.
- One member will be appointed by the Board of Directors to represent the educational, science, and/or technology interests within the District.
- Two 'at-large' members will be appointed by the County Board.

In addition to the Board of Directors, the Ballston Corporation will establish a Citizen's Advisory Committee that will provide input and recommendations to the Board of Directors regarding various BID activities and services. The Citizen's Advisory Committee will include no fewer than five and no more than nine members, will be appointed by the Board of Directors and will represent (1) residential interests and immediately adjacent to the BID boundary, (2) civic associations from the Ballston community, and (3) non-profit organizations with a mission-related interest in the BID District. The Citizen's Advisory Committee will have no voting authority on the Board of Directors or fiduciary responsibility for the Ballston BID and its operations.

The Board of Directors will also establish various standing and ad hoc committees as needed to accomplish the goals of the organization and deliver the BID services described in this plan.

A set of draft By-Laws of the Ballston Corporation, as the operator and manager of the Ballston BID, appear in Attachment 6.

LOOKING FORWARD

The full potential of a business improvement district is not felt immediately. Business improvement districts are not short-term endeavors; rather, they are management efforts, similar to the management commitments made by shopping centers, condominium and neighborhood associations, and commercial property interests. As a result, it takes time to establish a well-run, effective business improvement district.

The challenge for any business improvement district – and the commitment being made by the Ballston BID in this business plan – is to create immediate, visible change, while the longer-term infrastructure for management is being put into place. The initial Ballston BID efforts have been outlined in “Programs and Services” section of this Business Plan, but what should the community expect from the Ballston BID in the next five years? What will Ballston *be* in the future?

Ballston will be:

- A more vibrant commercial and residential neighborhood with more evening events and commercial offerings
- A safe, well-lit nighttime environment
- A pedestrian-friendly district that is easy to navigate and connects areas on the edges of the District to the core
- A place where visitors and employees will stay longer and enjoy the BID’s after-work and weekend energy
- Reporting increased patronage and sales in the District’s restaurants
- Boasting an increase in both the quantity and quality of retail offerings, as sales increase in existing shops and the Ballston BID’s ‘buying power’ is better understood
- Experiencing increasing occupancy in office, hotel and commercial properties, as well as decreasing rates of turnover
- A less traffic-congested place, with increased transit use, based on better transportation integration, management, and promotion
- A more pleasant destination for the remaining drivers, as congestion is reduced and parking options are better managed, promoted, and signed
- Managed by an organization that is acknowledged as an excellent source for data, information, guidance, and ideas, and that will perform as a superlative, transparent, and inclusive nonprofit management corporation

TIMETABLE

The BID Steering Committee will complete the following items for delivery to the County Manager, the County Board, and the Ballston community in a timely manner that reflects the decision-making calendar of the County Board:

- Update and submit the business for the Ballston BID for the County Board review and approval
- Submit signed petitions of support from affected property owners within the proposed District boundary
- Provide information to and solicit feedback from stakeholders in the community, through e-newsletters, direct mail, public forums and other means of communication
- Enter into a services agreement with Arlington County regarding administration and

operation of the Ballston BID by the Ballston Corporations the County's agent

CONCLUSION

The history of Ballston over the past 25 years is characterized by vision, cooperation, partnerships, and planning. And the results are impressive:

- Ballston is a mixed-use community with 8,000 housing units and 1.5 million square feet of commercial space.
- Ballston is an employment center for more than 30,000 people.
- Ballston is a high-density environment with excellent transit *and* highway access.
- Ballston serves as the western anchor of Arlington's Rosslyn-Ballston corridor.
- Ballston is fast approaching 'build out.'

But as Ballston reaches build out, the rest of the region continues to develop and expand:

- Business improvement districts have been established in each of Rosslyn and Crystal City that are creating strong identities and new opportunities for these communities.
- The model of mixed-use, transit-friendly development is firmly established and is moving further into the outer suburbs and beyond.
- Already strong competitors, like Tyson's Corner, will become stronger as they emulate the Ballston mixed-use model and benefit from planned extension of the Metro system.

For Ballston to (1) remain competitive, (2) protect its private-sector investment and its public-sector infrastructure, and (3) further capitalize on the high-quality, easy-access character of Ballston, a business improvement district should be created. The Ballston BID will:

- Effectively manage the multiple assets that give Ballston its distinct character and quality
- Create an identity for Ballston and the messages required to connect Ballston to its best customers
- Provide the 'big tent' under which many stakeholders can gather and seek consensus

There may be no better time for the Ballston BID than right now. Economic uncertainty makes protection and enhancement of the existing investment critical. And with Ballston approaching build out, it is essential to maximize Ballston's *existing* assets. To go from 'newest' – which Ballston no longer is – to 'best' – which Ballston *can be* – requires the leadership, professional attention, and day-to-day management that the Ballston BID can supply.

ATTACHMENT 2

Ballston BID Steering Committee Roster

Jill Goubeaux

Senior Vice President
The JBG Companies
4445 Willard Avenue, Suite 310
Chevy Chase, MD 20815

Karen A. Jennings

Real Estate Manager
Gates, Hudson & Associates, Inc.
3020 Hamaker Court, Suite 301
Fairfax, VA 22031

Kelly Shooshan

Vice President for Development
The Shooshan Company, Inc.
4075 Wilson Boulevard, Suite 440
Arlington, VA 22203