



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of April 16, 2011**

DATE: March 18, 2011

SUBJECT: Adopt the Crystal City Business Improvement Service District (“Crystal City BID”) tax rate as part of the overall real estate tax rate.

C. M. RECOMMENDATION:

Adopt the proposed Calendar Year (CY) 2011 tax rate for the Crystal City Business Improvement Service District (“Crystal City BID”) of \$0.043 per \$100 of assessed real property value 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 set the tax rate for the Crystal City Business Improvement District (CCBID) to fund the FY 2012 budget and work plan of the CCBID. A public hearing on this item was held and completed on March 24, 2011.

SUMMARY: The proposed tax rate of \$0.043 per \$100 of assessed value for CY 2011 is unchanged from the rate in CY 2010. A CY 2011 tax rate of \$0.043 would fully fund the FY 2012 proposed budget and work plan submitted by the Crystal City Business Improvement District, Inc.

BACKGROUND: In April 2006, the County Board approved the Crystal City Business Improvement District (“Crystal City BID”) to further promote the development of the commercial interests in Crystal City in order to make it Arlington’s best downtown area. Unlike the Rosslyn BID created in 2002, the Crystal City BID was designed to enhance the commercial properties in the district by providing marketing (branding / promotion / place-making), community events, transportation, public improvements and public safety. The district, which began operation on July 1, 2006, was created with a five (5) year term, at which time the County Board will be required to reauthorize the District. The request to advertise to extend the term of the ordinance authorizing the Crystal City BID will be brought before the County Board on May 14, 2011. The service agreement with the Crystal City Business Improvement District, Inc. was created with a five (5) year term and will also expire on June 30, 2011. The request to extend the term of the ordinance authorizing the district as well as the request to renew the service

County Manager:

BMD/mjs

County Attorney:

[Signature]

32. E.

Staff: Krista Bourgon, Management and Finance

agreement will be brought before the County Board on June 11, 2011, along with the final work plan and budget.

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 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 155 parcels in the Jefferson Davis Metro corridor. The proposed budget and work plan funds commercial oriented 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 as deemed desirable by the Board of Directors and as approved by Arlington County. The proposed tax rate of \$0.043 per \$100 of assessed value will generate sufficient revenues to fund the proposed Crystal City BID Work Plan for the sixth year of operation, as included in the FY 2012 budget.

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

ATTACHMENT I

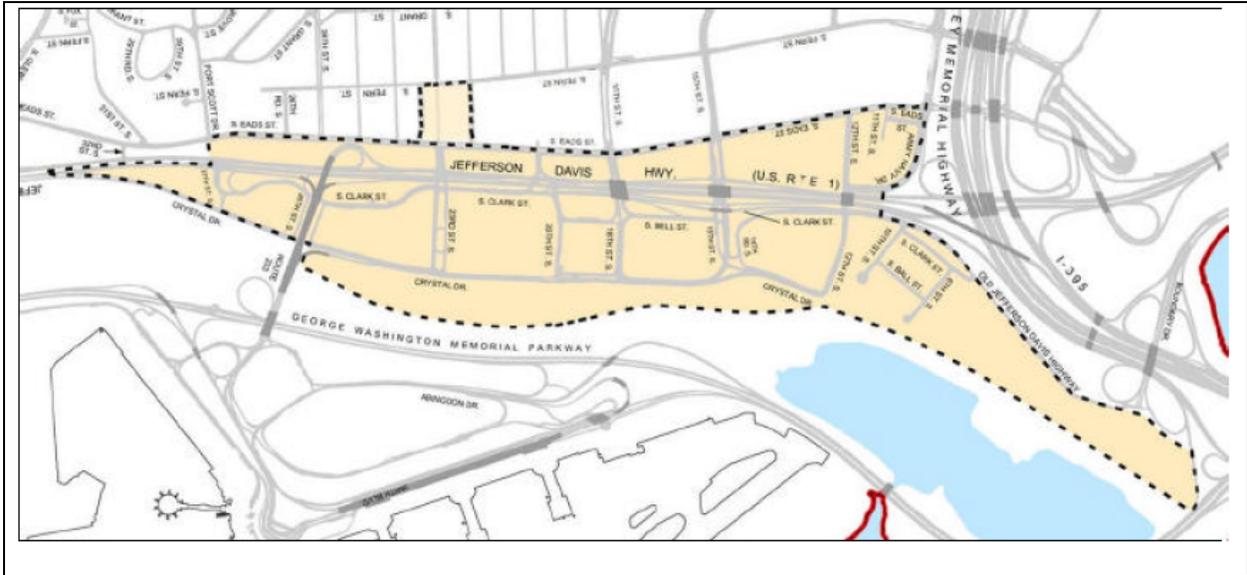
RESOLUTION ESTABLISHING A 2011 TAX LEVY RATE FOR THE CRYSTAL CITY BUSINESS IMPROVEMENT DISTRICT (“CRYSTAL CITY BID”)

RESOLVED, that the County Board of Arlington County, acting as the governing body of the Crystal City Business Improvement Service District (“Crystal City BID”), does hereby establish a calendar year 2011 tax levy for the District in the amount of \$0.043 per one hundred dollars of assessed value of all taxable real estate located within the boundaries of the Crystal City Business Improvement Service District (“Crystal City BID”), and;

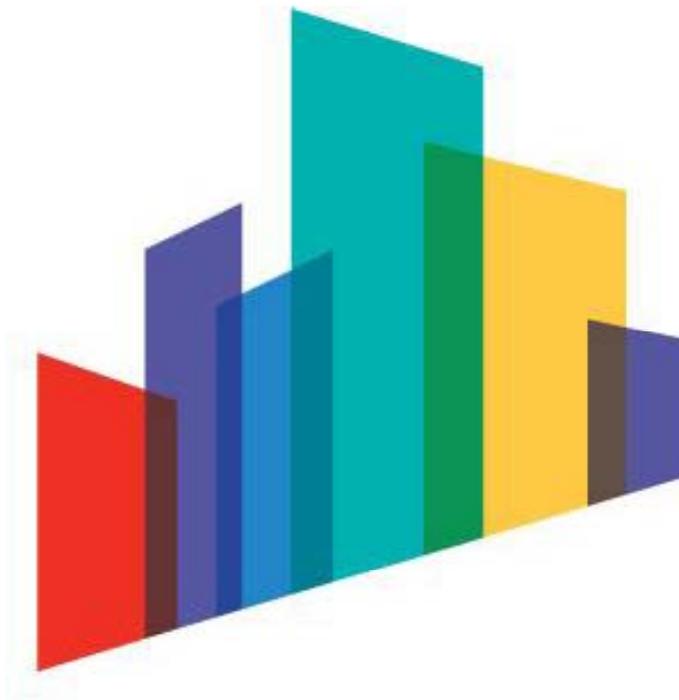
BE IT FURTHER RESOLVED, that such taxes, when and if appropriated by the County Board, acting as the governing body of the Crystal City BID, shall be used solely to fund the Budget and Work Program of the District as adopted by the County Board for the purposes of the District.

Hope Halleck, Clerk
Arlington County Board

Crystal City Business Improvement District



DRAFT



CRYSTAL CITY

Business Improvement District

OVERVIEW

For a long time, Crystal City was considered a “concrete canyon” that no one would visit without an appointment. Thanks to the commitment the business owners have made in forming an organization to serve their collective business interests, the area has shed this negative image for one more worthy of Arlington County’s largest downtown and hotel district. That organization, the Crystal City Business Improvement District (BID), was created to make a measurable difference in the way that Crystal City is seen, perceived, and experienced.

In four years the BID has made significant progress and created momentum for more successes in the future. The BID is driving transformational success through creative partnerships, projects, and opportunities that continue its leadership position and define the area’s competitive advantage. But, the work is not done. Maintaining the momentum is critical to the on-going success of the Crystal City area - as a collective.

The Crystal City BID is a public-private partnership between commercial businesses located within the BID district and Arlington County. Funded solely by and for the businesses within the BID boundary, the BID is tasked to provide a higher level of service to visitors, workers and residents in Crystal City, making it a world-class destination in both Arlington and the greater DC region. The goals for the BID, as outlined in the Business Plan and listed below, govern these activities and plans:

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.

Ensure a 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.

Establish unique benefits for residents, office-workers, and visitors with special services and amenities that help attract and retain users.

Present an attractive and user-friendly face whether from I-395, Route 1, Metro or its sidewalks, the BID will work to make the physical gateways and spaces inside Crystal City easy to navigate, appealing and memorable.

Stay connected, convenient and accessible for all properties within the district through enhanced transportation systems and pedestrian routes.

Provide sufficient parking for the varied needs and different groups in Crystal City plus attractive, clear signs to parking facilities, starting at its gateways.

Expand shopping and dining options by attracting more diverse range of restaurants and both convenience and destination shops.

Ensure effective management and governance from the Board of Directors and staff that are in continual touch with the stakeholders and with opportunities for growth. The BID will work with County partners and will provide abundant opportunities for all stakeholders to help shape and monitor BID programs.

To achieve these goals, the Crystal City BID has created four key program areas -- ACTIVE, ARTFUL, ACCESSIBLE, and GREEN. This Work Plan details each area for FY2012.

Whatever age or ability, Crystal City offers everyone a chance to get active. There are weekly outdoor Zumba and yoga classes, competitive racquetball tournaments, pickup volleyball, and basketball games. From Bike to Work Day to the Air Force Cycling Classic, enthusiasts of all abilities can easily enjoy a great ride. The area hosts numerous running events throughout the year including the Marine Corps Marathon, 5K Fridays, and the Crystal City Twiligher.

Run – Twiligher

The Crystal City Twiligher is one of the area’s premier evening races with a flat course, great runner premiums and perks, and a fabulous after party. With over 2,500 participants, and hundreds of spectators, the race fills the streets of Crystal City, and its restaurants and bars.

Run –Marine Corps Marathon

Hundreds of bright colorful flags line the streets of Crystal City as the runners pass miles 22 and 23 of the Marine Corps Marathon. The area hosts a family friendly festival at the intersection of 18th and Crystal Drive, conveniently located near the Metro. The kid-tastic celebration features music, moon bounces, face paintings, balloon art, arts and crafts with the National Children's Museum, and circus activities.

Run – 5K Fridays

For five weeks in April, runners from across the DC region come to Crystal City to get fit, healthy, and ready for spring. The course is always the same; which allows racers to challenge themselves to better their time over the five weeks and evaluate their progress.

Ride – Bike to Work Week

The Crystal City BID is expanding its support of car-free initiatives and, instead of Bike To Work Day, will host Bike to Work Week. Riders are able to enjoy a light healthy breakfast, learn about commuter shower membership options at Sport & Health Club, and get their bike safety checks and repairs by Revolution Cycles.

Ride – U.S. Air Force Cycling Classic

The U.S. Air Force Cycling Classic begins with a community ride on a 12.5 kilometer circuit course . Participants are challenged to complete as many laps as they can in 3.5 hours. After the community ride, the professionals race on a criterium course, where the riders raced around a 1km circuit in the heart of Crystal City. In addition to the men’s race, the event also features a women’s pro-am, and a men’s amateur race.

Ride – Bike DC

Bike DC is a bicycle ride that begins in Washington, DC and finishes in Crystal City. Riders are able to enjoy car-free streets as tour the region. The finish festival in Crystal City features children’s activities, music, snacks to refuel after the ride, and a bike museum. A complementary bike valet allows participants to enjoy brunch in one of the local restaurants.

Fit - Outdoor Classes

From May through October, the Crystal City BID and Sport & Health Club host free outdoor Zumba and Yoga classes. These classes give residents and employees an easy way to get outside and active. Participants can shower for free in any of the Sport & Health Clubs after the class.

Home to nationally recognized theater, stunning street art, designer cuisine, unique shopping, a fashion extravaganza, an international wine festival, and an outdoor arts market, Crystal City provides a cultural destination that is uniquely accessible and entertaining for all ages. The Crystal City BID has transformed the area's appeal by turning an underpass into a gallery, launching an outdoor statue project, making creative use of available retail space, and decorating and deepening the area's artful side.

Art Walls

In the Art Walls program, the BID takes works from local artists, prints them on dibond aluminum, and mounts them on walls throughout the area. Located throughout the Crystal City, these additions bring color and energy to drab underpasses and building walls - creating stunning views throughout the area.

Screen

The courtyard at 1850 Bell Street serves as a movie theater on Monday evenings in the summer. There is no better place to meet friends, bring a picnic, and enjoy an evening under the stars. Past theme's have included Star Trek, James Bond, Superheroes, Clint Eastwood, and By The Numbers.

Vintage

Held in September, Vintage Crystal is the only "inside the beltway" annual outdoor wine festival. Taking place in the courtyard near 220 20th Street, the festival has a "Latin Twist." With wine supplied by Jaleo Wine Shop, Vintage served up the best in Latin wine, jazz, and salsa dancing; showcasing Crystal City's tasty restaurants and beautiful open spaces.

Couture

Every February, Crystal City becomes the region's fashion capital with Crystal Couture. The area is transformed into a fashion hot spot filled with boutiques, free makeovers, body painting, runway shows, and more. Crystal Couture is a fashion lover's dream.

Theater

In June, 2010, Arena Stage finished a successful three year run in Crystal City. Over the course of those three years, Arena brought hundreds of thousands of visitors to Crystal City and enhanced the area's reputation as an art destination. While the BID is sad to see Arena leave, we are looking forward to welcoming Synetic Theater to the area. As the nation's premier physical theater company, Synetic will continue Arena's tradition of excellent theater in Crystal City.

FOTOWeek DC

Starting in November of 2009, Crystal City brought FOTOWeek DC across the river and into the interior walkways. 150 pictures from the FOTObama exhibit, which captured President Obama's historic campaign and election, and FOTOWeek's award winning pictures, lined the interior walkways.

Crystal City is one of the most accessible areas in the region. Whether flying into Washington National Airport, traveling via train on the Virginia Railway Express (VRE), hopping on the vast Metro Rail/Bus system, driving in your car, or pedaling on the trails, all “roads” lead to Crystal City. The Crystal City BID works to maximize these assets while expanding their use and efficiency throughout the area.

Wi-Fi

Crystal City added another layer of accessibility by offering free internet Wi-Fi Access in its most beautiful courtyards, plazas, and parks. With internet service donated by Atlantech Online, the Crystal City BID installed a wireless network to provide Crystal City residents, tourists, and employees itching to get outside with an opportunity to get online. In 2010, the service was enhanced and made more reliable by Wi-Fi Relativity.

Bike Culture

Already known as a great area for bicycle commuting and recreational riding, Crystal City is a leader in bike culture for the Washington, DC Metropolitan area. With direct access to the Mount Vernon Trail cyclists of all abilities and ages can enjoy a great ride. Commuters will find their ride comparable to driving or taking Metro. The bicycle lanes and simplified traffic in Crystal City help transport riders safely to their destinations where plentiful and convenient bicycle racks make parking easy and safe.

City Hub

In partnership with Revolution Cycles, the Revolution Cycles City Hub opened in Crystal City in 2010. The City Hub offers bicycle accessories, repairs and an innovative bicycle lease program, making bicycles available to area residents, employees, and visitors looking for a quick ride.

Bike Share

In partnership with Arlington County and DDOT, the Crystal City BID helped bring Capital Bikeshare to the region. Capital Bikeshare is a point to point system which allows users to commute to work, run errands, head to a restaurant, etc without the hassles of bike ownership. The system has over 100 stations throughout the Greater Washington DC region, with 14 located in the Crystal City area.

Metro Rail/Bus

Crystal City is centrally located on the yellow and blue lines of the Metro system. The Crystal City metro station is centrally located within Crystal City. In addition, six Metro bus routes, and three commuter buses also service the area.

Car/Parking

With connections to every major highway and interstate in the area, getting to Crystal City is easy and parking is even easier. Crystal City contains a number of parking facilities that make finding a space close to your destination simple and convenient. Many of the facilities offer **FREE** parking after 4PM on weekdays and all day on weekends and holidays

Virginia Railway Express

The Virginia Railway Express (VRE) represents one of the most popular non-Metro systems for Crystal City employees. Located next to the Water Park, the VRE station provides convenient access to suburban Virginia communities, and Washington, D.C.

Crystal City is a transit-oriented, eco-conscious area. The Crystal City BID enhances the area's green assets with environmentally responsible and sustainable landscaping programs, waste-free events, composting, street recycling, and more.

Landscaping

The Crystal City BID manages the central medians that represent the "front door" to the area's businesses, residences, and restaurants. By tending to the medians on Route 1, enhancing the landscaping under the Airport overpass, adding hanging baskets to 23rd Street, and upgrading an existing pocket park at 23rd Street South and South Eads Street, the BID has made the area greener, cleaner, and more user-friendly. All plantings are low-to-no mow and water and environmentally friendly.

Street Recycling

In August, 2009 the BID placed 50 street recycling bins on the streets of Crystal City. Managed by the property owners, these bins bring a much needed service to the area.

Power Purge

The Crystal City BID gives offices, workers, and residents a free opportunity to recycle their electronics and sensitive documents safely and securely at the annual Power Purge & Shred.

Floral Frenzy

At the Floral Frenzy, residents and workers to grab, dig up and take home flowers, bulbs, and other plants from Crystal City's gorgeous landscaping. This model of reuse creates a win-win while keeping Crystal City beautiful and green!

Farms

Located on the sidewalk along Crystal Drive between 18th and 20th Streets, Crystal Farms farmers' market takes place every Tuesday from 3PM to 7PM from the spring through the fall. Over 20 local farmers and producers bring together seasonal fruits and vegetables, fresh-cut flowers, container plants and herbs, farm-raised eggs, all-natural meats, artisan baked goods, coffees and teas, specialty foods and much more.

The Crystal City BID is also proud to offer a Community Supported Agriculture (CSA). Available through a partnership with Great Country Farms, the CSA provides high-quality locally-grown fruits and vegetables to registered CSA members.

Low-To-No-Waste Event Policy

To ensure that Crystal City's festivals and events are not contributing to landfills and environmental over-use, the Crystal City BID established a low-to-no-waste policy in the fall of 2008. On-site recycling and compost bins along with recycled and/or biodegradable products are used for all food and drink samples at Crystal City BID sponsored events.

The BID will continue to meet all of its contract obligations – financial audit, annual report, work plans, disbursement requests, annual meeting, etc – on time and early, operating with the highest standards of work integrity, accountability, professionalism and leadership.

Key Accomplishments - FY2011

Topic/Action	Accomplishment/Action/Status
Audit	Selected/Conducted/Submitted on-time
Annual Report	Designed/Printed/Distributed on-time
Evaluations	Reviewed Staff Performance
Enhance benefits	Offered Competitive/Flexible package
Personnel Manual	Reviewed/Signed
Systems	Continued to evaluate and maximize office efficiencies
Baseline	Re-established for 2011
2011 Work Plan	Revised w/County (on-time)
Tax Assessments	Managed w/FMS
2009 Disbursements	Requested/Filed (on-time)
Annual Meeting	Held 6/22/10

The FY2012 budget plans for normal inflationary increases for administrative support costs. An approximate two percent internal contingency fund is provided in order to meet unexpected program or administrative expenses during the year. Administrative expenses include salaries and personnel legal, accounting, office/rent, parking, travel, training, conference, membership and other basic office support expenses.

HISTORY AND BUDGET

The BID was approved by the Arlington County Board on April 22, 2006 and officially began operations at the beginning of the 2007 Fiscal Year. The organization, which has a five-year term that runs through FY2011, hired its first Executive in 2006 in order to carry out the key mission of the organization and lead the creation and execution of effective programs.

Property tax assessments devoted to the BID are designated to supplement, but not replace, the County's basic public services and property owner responsibilities within the District. The services agreement between Arlington County and the BID provides for supplemental Marketing, Programming, and Operations services to be carried out by the Corporation.

Projects and plans are built based on a short history of operation, by benchmarking with similar organizations, and in consideration of an estimated assessment level for the FY2011 year.

Fiscal Year*	Budget	Tax Rate*
2007	\$1,701,000	.045
2008	\$2,090,055	.045
2009	\$2,173,657	.043
2010	\$2,219,885	.043
2011	\$2,034,115	.043
2012	\$2,407,387	.043

* Fiscal Year is from July 1 through June 30 and the tax rate is per \$100 of assessed property value

	<u>2011 Budget</u>	<u>2012 Budget</u>
Income		
AC Disbursements (Assessments)	2,034,115.00	2,407,387.00
Sponsorship Income (in-kind/cash)	40,000.00	40,000.00
Event Income	50,000.00	50,000.00
Interest Income	10,000.00	10,000.00
Program Reserve Draw Down	500,000.00	50,000.00
Total Income	<u>2,634,115.00</u>	<u>2,557,387.00</u>
Expense		
Administration Expense		
Personnel Expenses	510,000.00	565,000.00
Professional Fees		
Auditor	7,000.00	7,000.00
Accounting	500.00	500.00
Insurance	3,000.00	3,000.00
Legal Fees	5,000.00	5,000.00
Total Professional Fees	<u>15,500.00</u>	<u>15,500.00</u>
Development/Support	57,000.00	73,000.00
Office Expenses		
Licenses/Subscriptions	500.00	500.00
Office Supplies	5,000.00	7,500.00
Office Equipment/Software	5,000.00	16,000.00
Phone/Internet	15,000.00	15,000.00
Postage/Delivery	1,500.00	1,500.00
Rent/Office Space	69,000.00	69,000.00
Depreciation Expense	6,200.00	6,200.00
Total Office Expenses	<u>102,200.00</u>	<u>115,700.00</u>
Total Administration Expense	<u>684,700.00</u>	<u>769,200.00</u>
Program Expense		
Marketing		
Branding/Design	25,000.00	40,000.00
Advertising	189,000.00	220,000.00
Brochures/Stationery/Printing	50,000.00	65,000.00
Photography/Video	15,000.00	20,000.00
Press/Communications	31,000.00	40,000.00
Website/Newsletter/Calendar	10,000.00	30,000.00
Promotional Items/Giveaways	10,000.00	10,000.00
Research	10,000.00	30,000.00
Total Marketing	<u>340,000.00</u>	<u>455,000.00</u>
Operations		
Sponsorships/Partnerships	200,000.00	220,000.00
Talent/Labor	110,000.00	115,000.00
Equipment Rental	50,000.00	50,000.00
Supplies	45,000.00	45,000.00
Permits/Insurance	21,300.00	22,000.00
Banners/Wayfinding/Signage	200,000.00	150,000.00
Landscaping/Infrastructure	500,000.00	350,000.00
Design/Lighting	73,000.00	100,000.00
Transportation	350,000.00	100,000.00
Green/Cleaning/Recycling/Compost	50,000.00	70,000.00
Security	10,000.00	30,000.00
Total Operations	<u>1,609,300.00</u>	<u>1,252,000.00</u>
Total Program Expense	<u>1,949,300.00</u>	<u>1,707,000.00</u>
County Fee		
1% AC Administration fee	20,341.15	24,073.87
Delinquency Reserve Fund	(11,408.00)	18,663.10
Total Expense	<u>2,642,933.15</u>	<u>2,518,936.97</u>
Net Income/Program Reserve	<u>(8,818.15)</u>	<u>38,450.03</u>