

Arlington's Framework for Prosperity

ECONOMIC DEVELOPMENT STRATEGIC PLAN



ARLINGTON
VIRGINIA

VISION

Arlington will be a diverse and inclusive world-class urban community with secure, attractive residential and commercial neighborhoods where people unite to form a caring, learning, participating, sustainable community in which each person is important.

DIVERSE. WORLD-CLASS. URBAN.

These important words from Arlington's vision statement bring meaning and definition to Arlington's distinctive characteristics as a locality and an economy. Arlington's 200,000 residents and 200,000 jobs are integrated in a community where high quality of place and economic sustainability not only currently exist, but where achievements in smart growth, transit-oriented development, quality of life and environmental sustainability are envied and replicated by others in the region and across the nation.

Yes, Arlington has much to be proud of. Arlington's location as a close-in neighbor to Washington, D.C. enables us to benefit both directly and indirectly from the presence of the federal government. Arlington's employment base includes more than 40,000 federal government jobs which fill approximately 19 million square feet of our office space. Numerous other businesses are in Arlington because of their close relationships with the federal government: national associations, federal contractors, and professional service firms are among our largest employers.

Arlington's workforce is also heavily connected to Washington, D.C. More than 36 percent of our residents commute each day to the District for work. Many of our workers are young, tech-savvy and highly educated. The high incomes and low unemployment rates of our residents enable us to attract high quality cultural events, excellent restaurants and varied retail establishments. We have a long tradition of welcoming immigrants and our community is supportive of varied lifestyles. Our community has abundant transit options, as we support thriving bus and rail systems, offer a system of pedestrian and bicycle trails and are fortunate to have a major airport that can be accessed by Metro, auto, or even by walking! Our 10,000 hotel rooms sustain near capacity occupancy rates.

WHY AN ECONOMIC DEVELOPMENT FRAMEWORK?

Aren't we doing all the right things already? Can we really improve upon a great community? The answer is that we must be vigilant to remain successful. The pace of change in our region and the globe continues to accelerate. We are seeing glimpses of our vulnerability as federal defense-related employment must relocate out of leased space due to Base Realignment and Closure (BRAC) actions, and because of the additional federal government mandate that the Department of Defense and other agencies strengthen their security requirements. Increased living costs are impacting our ability to attract younger and lower wage workers. We may lose our competitive advantage in the office market as transit is extended to Tysons Corner and as Washington redevelops the areas north of Massachusetts Avenue and along South Capitol Street. Infill development and redevelopment in our major commercial corridors is also becoming increasingly complex – in some cases stretching the limits of the “Arlington Way” and requiring new approaches and tools to successfully implement our long standing land use plans.

Appointed by the Arlington County Board to “Aggressively formulate and recommend to the County Board a continuing economic development policy for Arlington which utilizes market forces in creative ways”, the 25 members of the Economic Development Commission (EDC) felt it was time to formulate the first ever county-wide economic development strategy for Arlington. Our idea for such a strategy is a straightforward plan with two parts that address long term and short term horizons.

Part I: The Framework for Prosperity has four all-encompassing goals that articulate at the highest level the desired economic development outcomes for a successful community, followed by strategic initiatives that will identify achievable concepts and motivate the community to take action. Compiled into a short, concise and readable document, this strategy will be used to inform and inspire readers to understand the complexities, relationships and benefits of successful economic development and take the necessary steps to advance the determined initiatives.

Part II: The Annual Action Plan will include specific workplan elements that further the goals and strategic initiatives. Further, this annual package generated by the EDC will be used to track and monitor the County's progress with results and recommendations being reported to the County Board in the spring of each year. The action plan will be nimble, responsive and sensitive to resources – enabling the broader goals and strategic initiatives to remain firm and achievable.

Embarking on this effort in October 2006, members of the EDC began by reaching out to business and community organizations to learn their concerns and desires. More than 15 organizations held thoughtful discussions and made meaningful suggestions that were incorporated into the development of the goals and strategies in the framework. Their voices were heard and their ideas are reflected.

In conjunction with the outreach activity, the EDC followed a rigorous process to learn about “best economic development practices” which included researching successful economic development strategies and holding work sessions with prominent national and local experts. Though the topics of the work sessions were initially loosely aligned with the preliminary goals under consideration, because of the wealth of information obtained and the intensity of the discussions generated in these sessions, four goals and 18 strategic initiatives were developed.

GOALS AND STRATEGIC

GOAL ONE:

Arlington will be recognized for its superior business environment which includes world-class facilities, infrastructure and systems.

Economic development is accomplished in a competitive marketplace. Localities that can offer an excellent climate for businesses to grow and prosper will indeed experience that growth and prosperity. The Washington region has definite advantages for certain business sectors and there is significant competition among jurisdictions to be “the” location of choice. Often that location depends on several factors: available and desirable real estate products that meet their business model; an ability to attract the workforce they need by offering them an inviting work community and easy ways to access their work location, and a fair exchange of taxes paid for services rendered. As Arlington’s economy evolves, it will be imperative to have a welcoming and professional public sector that can facilitate its decision-making process by demonstrating an understanding of their specific requirements and delivering on promises. Offering prospective businesses – and existing businesses – a stable and predictable regulatory climate is fundamental to providing world-class service.

88% of business leaders surveyed rate Arlington as a good or very good place to locate a business.

- 2007 Arlington Business Leaders Survey

INITIATIVES

Strategic Initiatives:

1. **Maintain and Improve Important Business Infrastructure**

Business infrastructure includes the systems that support business activity and development: air transportation, wayfinding, transit, hotels and competitive office spaces. Arlington's commercial corridors continue to evolve and experience significant redevelopment. It is vital that the support systems to ensure successful development of these critical business corridors are in place so that corridor expansion can proceed in a timely manner. Maintaining functional operations at Washington National Airport and sustaining effective transportation options with new transit initiatives will keep Arlington the leading Transit Oriented Development (TOD) model for years to come.

2. **Provide Win-Win Incentives**

The judicious, strategic and careful use of incentives to enhance Arlington's competitive position for key business investments can significantly augment the diversity and strength of our business base as well as facilitate the growth of existing businesses and the success of important business locations. Special incentives to maintain the unique character of Arlington's locally based retail shops and entertainment venues can help and should also be considered.

3. **Encourage Desirable Real Estate Development**

Arlington's ability to provide value and quality in a competitive real estate market is vital. Embracing flexibility to changing market demands and resisting the temptation to restrict market responsive building or architectural elements in the planning process should be practices that we employ. They are pivotal in understanding and accepting that agility, adaptability, predictability and speed are competitive advantages.

4. **Continue Efforts to Achieve "Best" Governance**

Often, County planning, permitting or business licensing activities are a businesses' first encounter with local government. Arlington's current steps to streamline the permitting process for real estate development and other business development efforts should be supported and achieved. These efforts will help assure that these critical components of economic development will be offered in a professional, timely and pleasant manner. Development processes should be predictable, efficient and customer driven, encouraging the legitimate involvement of all key stakeholders in the development process. As development decisions are debated, a civic climate conducive to innovation and forward thinking should be fostered.

GOALS AND STRATEGIC

GOAL TWO:

Arlington will support a sustainable and flourishing economy which will contribute meaningfully to a fiscally sound and healthy community.

Arlington's "triple-triple-A" bond rating is no accident – and it is one of only a handful of counties in the entire country that can boast of this rating. The rating is a result of the linkages between Arlington's strong commercial real estate tax base and its responsible fiscal management – a winning combination that greatly benefits Arlington residents and speaks highly of Arlington's fiscal strength and stability. The continuation of this rating requires constant care and attention – it is critical that Arlington's competitive advantages be maintained to ensure a diverse, dynamic and prosperous business base. Clearly understanding the linkages between a diverse economic base, economic development and the fiscal well-being of the County requires vigilance in the evaluation of the long term effects of policy decisions.

Strategic Initiatives:

1. Focus Efforts on a Balanced and Diverse Economy

Many of Arlington's businesses – particularly those in science and technology related sectors – have their roots in the federal government. Arlington's ability to successfully foster and retain these spin-off companies and federal contractors speaks highly of Arlington's attributes as a business location. Diversifying Arlington's business base and our direct reliance on the federal government is critical. Arlington must target compatible industry sectors that will benefit from and further bolster Arlington's knowledge based workforce.

2. Support and Build Partnerships that Enhance

Public-Private Collaboration

There is neither the wherewithal, nor the desire, for government to single-handedly advance economic development; we recognize that mobilizing significant regional resources will require effective partnerships. Improving valued relationships with government agencies and the academic universities, and partnering with businesses and community organizations to facilitate the achievement of County objectives and addressing local needs is a critical strategy.

INITIATIVES

3. Enhance Small Business Support

More than three-fourths of Arlington's businesses have fewer than 10 employees. Many of these businesses offer an opportunity to grow and diversify our business base. Business assistance for start-ups and small businesses should include offering opportunities for small businesses to benefit from goods, services and infrastructure usually available principally to larger organizations. This assistance allows for timelier and easier navigation of regulatory and development processes by providing training and education assistance to enhance understanding of business opportunities, culture and operations. Opportunities to encourage and reward entrepreneurship should be created and can complement other efforts to attract workforce and brand the community.

4. Increase Tourism and Visitor Spending.

Visitors contribute nearly \$22 million in transient occupancy tax (TOT) revenues annually to Arlington coffers. Increasing visitor spending through aggressive destination marketing that highlights Arlington's unique accommodations, dining, shopping and attractions, and expanding visitor services to ensure better information and service delivery will serve to provide even more tax relief to Arlington residents and businesses. Enhancing critical tourism infrastructure such as hotels and wayfinding will ensure that our products maintain market share in an increasingly competitive environment.

5. Maintain Strong Fiscal Health

Understanding the linkages between land use and fiscal well-being includes establishing a clear predictable approach for determining community benefits that achieves articulated County needs based on demand for infrastructure and community goals. This will also ensure that the commercial portion of the real estate tax base remains strong while maintaining a competitive tax rate.

6. Facilitate the Growth of Arlington's Green Economy

Connect economic sustainability and placemaking approaches to ensure the creation of the highest quality environment. Use green development practices, including technology, materials, density, and transit to reduce energy usage. Attract and retain businesses and associations that are part of the Green Economy. Facilitate scientific research and policy development that enhances environmental sustainability.

GOALS AND STRATEGIC

GOAL THREE:

Arlington will be an inclusive and interconnected community that fosters an innovative and creative workforce, supported by effective workforce development programs.

A much sought-after driving force for economic development is the fostering of knowledge workers. This workforce is composed of educated professionals, including scientists and engineers, university professors, poets, health professionals and business managers, and architects/designers, to name a few. Arlington's appeal for them is paramount to a dynamic economy. Research on the preferences and values of this class of worker has shown that they are attracted to places that can meet their cultural, creative, and technological needs. Continued training and career enhancing opportunities for workers in all jobs is also a critical component of a sustainable economy.

In Arlington, scientific and technology organizations thrive on the vitality of the region's most creative and educated workforce. These visionary, innovative and diversely talented thinkers and doers have energized Arlington's growth into a world-class urban community. Thinking how your business could succeed in a more intelligent location to live and work? Think Arlington.

Brainpower: Arlington's Alternative Energy

INITIATIVES

Strategic Initiatives:

1. **Promote Arlington's Message in the Global Marketplace**

Arlington has earned an enviable position within the global marketplace, as companies, investors and workers seek out Arlington as a place where they can be best positioned to succeed. As competition for these valuable assets increases, Arlington must continue to communicate its unique value propositions to the global marketplace. It is Arlington's talented workforce, the character of our urban community and commitment to economic and environmental sustainability that make Arlington a unique and sought-after place to live, work and visit.

2. **Strive for Comprehensive Workforce Development**

Arlington's traditionally low unemployment rate does not tell the full story, as many residents are underemployed and many businesses cannot find the workers they need. It is imperative that specific strategies to advance relationships with educators and businesses and to create career enhancing programs and networks are implemented to serve all citizens and all job levels.

3. **Find Creative Worker Housing Options**

Even with Arlington's high incomes, housing costs are such that it is difficult to attract critical workers in occupations such as public safety, education, child care, health care and other business services. Efforts to mitigate this complex issue should include partnering with employers to implement workforce housing programs that address business needs, and offering a range of diverse housing alternatives to benefit from transit oriented development.

GOALS AND STRATEGIC

GOAL FOUR:

Arlington will enjoy high quality places that ensure an exceptional quality of life and offer amenities that are valued by residents, businesses and visitors.

Buildings, cultural and recreational facilities, plazas, open spaces, community centers, transit facilities, and more, help define a community's identity and should be designed to be mixed-use, inclusive, flexible and adaptable over time. Neighborhoods that reflect their own distinctive and particular character also bring interest and vibrancy and result in significant economic benefits. Opportunities to create complementary development should be a crucial component of the decision making process.

Strategic Initiatives:

1. Encourage Distinctive Urban Villages

High quality places attract people and investment. Opportunities to highlight Arlington's urban villages and promote their local flavor, character and identity are a central element of strengthening our quality of life and promoting authentic experiences that are reflective of our unique community. Arlington's economic development partnerships in Rosslyn, Ballston-Virginia Square, Clarendon, and Columbia Pike; and Business Improvement Districts in Crystal City and Rosslyn, should continue to be an important component of this strategy.

2. Foster a Retail Mix that Creates a Vibrant Place

Exciting urban places have a diverse retail mix of shopping, dining and entertainment that includes a balance of national, regional and local businesses. Arlington has an abundance of special retail with distinctive personalities. These businesses, with their unique products, services, and approaches, help to insure that Arlington's distinctive local character is not lost in its retail offerings. Their inclusion in a balanced retail mix will preserve the rich contribution that Arlington's local businesses make to our economy.

INITIATIVES

3. Build and Partner for Community Amenities

Amenities such as parks, plazas, cultural and entertainment venues and other places that offer comfort, convenience, and enjoyment increase property values and enhance the attractiveness of the community.

Facilities and places to maintain wellness, opportunities for training and education to enhance personal growth, and locations for vibrant retail and entertainment activities should be incorporated into development and redevelopment projects.

Faculty, staff and students, community members, civic organizations, and county representatives came together to envision the future of the public plaza—a gathering place that will build community within the Arlington campus and the community as a whole.

*- George Mason University Public Plaza
Public Workshop Summary*

4. Adopt County Policy that is Environmentally and People Friendly

Environmentally sustainable development and activities with a focus on energy efficiency and green building practices have economic value.

Development projects that consider human scale as a critical design element, and environmentally responsible buildings that ensure energy efficient “green” spaces to live and work should be promulgated.

5. Recognize the Arts as Essential

Community arts and culture are sustainable economic development assets that can aid in the attraction and retention of businesses and workforce.

Arts and cultural programming that creates authentic local experiences and contributes to the community experience, and public art that reinforces a sense of place and defines community identity should be encouraged.

CONCLUSIONS AND NEXT STEPS

This strategic plan will be used by the EDC to strengthen its partnership with the County Board, to create opportunities for regular communication with the County Board regarding the County's progress on current strategies, activities and issues, to assess the need to revise strategies as appropriate, and to guide the EDC's efforts throughout the year.

The EDC, through its work with Arlington Economic Development and County leadership, will be better positioned to effectively communicate with the Arlington community regarding business issues and larger economic development initiatives. This outreach will encourage a greater dialogue between key stakeholders on issues, improve progress on elements of the strategic plan and create successful solutions to critical economic development challenges in Arlington.

The EDC proposes that the *Framework for Prosperity* be used to formally engage business leaders from key sectors in Arlington's economy, creating opportunities for greater understanding and partnerships with Arlington's elected and community leaders. Such a forum would be used to support the County's efforts to identify, evaluate and respond to economic development challenges and opportunities, to develop effective programs and activities, and to enhance Arlington's desirability as a superior place to live, work and visit.

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COMMUNITY OUTREACH

Alexandria/Arlington Workforce Investment Board

Arlington Chamber of Commerce

Arlington Committee of 100

Ballston Virginia Square Partnership

Clarendon Alliance

Columbia Pike Revitalization Organization

Crystal City BID

Rosslyn Renaissance

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Small Business Coordinating Council



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