



CITY BUSINESS ATTRACTION & RETENTION TASK FORCE

The Greater Falls Church Chamber of Commerce created a Task Force to investigate ways in which the City of Falls Church could more effectively attract new business and increase the retention rate of current businesses. The Task Force included 11 Chamber members and was chaired by Korte Realty's Treena Rinaldi (see Addendum).

The group developed an initial list of incentives and ideas (see Addendum), researched and discussed those ideas and developed this final list to be proposed to City Council and the City Manager. The list below is also offered in chart format on the following page. Attachments are included for those requiring further explanation.

Recommendations

Priority I

1. Avoid Increasing Commercial Property Tax Rates Above Residential (as initially recommended in CY 12 CIP)
2. Streamline and Make the Permit and Licensing Process More Business Friendly (Attachment A)
3. Partner with City Businesses in Promotion of Benefits of Doing Business in The City. (Attachment B)

Priority II

1. Tree Lighting by Holidays (Attachment C)
2. Allow for Commercial Parking on All Residential Streets for Limited Time Period. (Attachment D)
3. Provide More Flexible and Visible Signage Options (Attachment E)
 - a. Allow for Signage Above Bottom of Second Story
 - b. Either Trim Trees Blocking Signage or Make Alternative Signage Options Available Free of Charge to Businesses Effected
 - c. Create/Encourage More Visible Parking Signage

Priority III

1. Create a Parking Commission to Investigate Parking Options (Attachment F)
2. Revise & Promote Commercial Property Rehabilitation Tax Abatement Program (Attachment G)
 - a. Rewrite the Criteria to be Easier to Understand and Implement
 - b. Promote the Program to Property Owners and Potential Property Owners
 - c. Consider Doing the Same for the Technology Zone Program

Priority IV

1. Reduce BPOL Tax in "Professional" Category to be More Inline with Other City BPOL taxes and Professional BPOL Taxes in Other Jurisdictions (Attachment H)
2. Consider Conceptual Approval of Community Development Authorities Following Review and Recommendations by EDA/Planning Commission

Priority V - These items are considered important for consideration in long term planning and require considerable research.

1. Arts District Incentives and Promotion Thereof
2. Business Recycling Program

Chart of Chamber Recommendations

Idea	Cost	Impact	Speed	Recommendation (see scale below)
Avoid Increasing Commercial Taxes	No out of pocket costs	High	Immediate	1
Streamline Licensing/Permitting for Businesses (A)	Low	High	Immediate	1
Partner with Business Community to Promote Benefits of Doing Business in the City (B) - New promotional materials with Little City Logo - Involve business leaders in solicitation meetings	Minimal (can post electronically)	Medium	Immediate	1
Tree Lighting (C)	Low/Medium	High	Soon	2
Allow commercial parking up to 2 hrs on residential streets (D)	Medium	Medium	Soon	2
Provide more flexible signage rules (E)	Low Cost to City	High	Soon	2
Create Commission to Explore Parking Changes including public garages, meters, zip cars (F)	High	unknown	Longer	3
Revise and Promote Commercial Property Rehab. Tax Abatement (G)	Medium	Medium	Medium	3
Reduce BPOL Tax (H)	High	Large	Longer	4
Arts District Incentives	TBD	TBD	Future Planning	5
Business Recycling Program	TBD	TBD	Future Planning	5

Recommendation Scale:

- 1 – Strongly advised ASAP
- 2 – Advised to approve + implement soon
- 3 – Advised, but can wait
- 4 – Long term idea
- 5 – Longer term idea for long term planning consideration

Streamline and Make Permit and Licensing Process More Business Friendly
Low Cost/High Impact/Immediate

The City of Falls Church has been considered not business friendly for a number of reasons in recent years but most recently because of confusion regarding business permitting and licensing processes. Customer service does not seem to be a priority in several offices which have direct contact with the business community. It should be noted that some departments (EDO, offices of the Commissioner of the Revenue, Recreation & Parks, and City Manager) and some individuals within other departments are extremely customer service oriented.

The Chamber recommends the following actions be taken to help make the permitting and licensing processes more efficient and the City more business friendly:

- 1) Educate staff about the importance of providing the business community with good customer service. The Chamber has recently been made aware of the new Development Services Mission Statement and staff position. This new focus and position will certainly help the City be and be perceived as more business friendly.
- 2) Educate appointed and elected officials about proper public decorum. There have been several instances during public meetings when business leaders have been treated disrespectfully. The responsible parties are no longer in either appointed or elected positions but the Chamber would like the Council to consider ways in which it can encourage or even ensure that City representatives to behave in a business-like manner while in public meetings.
- 3) While the Commissioner of the Revenue has an exceptional document outlining business tax and licensing requirements, it would be helpful to have a written document and flow chart which includes the key contact person for each area and the time frame and cost required for each step. Thus, each new business entering the City would understand the total costs and the time involved from the very beginning.
- 4) While the EDO serves as an ombudsman program for the business community, the Chamber recommends that they be given the authority to expedite the processes when they deem appropriate.

Partner with Business Community to Promote Benefits of Doing Business in the City & Little City Branding Effort
Short Term/Low Cost/High Impact

The Chamber supports the City's efforts to promote the benefits of doing business in the City and its Little City Branding efforts. The Chamber recommends that the City work more closely with the business community toward that end by:

- 1) **Creating Shared Promotional Materials** – The development of a flyer(s) or brochure(s) for use by the business community, particularly commercial realtors, developers and property owners, as well as City staff to promote the benefits of doing business in the “Little City”.

Such materials could be distributed electronically or via hard copy. Businesses planning to use the hard copies would bear the printing costs themselves. Thus, the costs to the City would be staff time required to develop the materials.

- 2) **Inviting Business Owners to Assist with the Solicitation of Potential New Businesses** – Several Chamber members would like to offer their support in the City's outreach efforts. Should the City find this of interest, the Chamber would be pleased to provide a list of business spokespeople for this purpose.

- 3) **Encouraging usage of Little City Logo by Business Community** – The Chamber will promote usage of the logo and adherence to the guidelines and encourages the City to do the same via its regular communications with the business community.

Tree Lighting Low to Medium Cost/High Impact/Soon

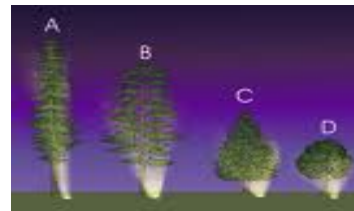
For many years business leaders and residents have been requesting that lights be placed on the trees on the 100 and 200 blocks of W. Broad Street at least for the holidays if not year-round. The City has been hesitant to do this primarily because of the perceived damage that such lighting would do to the trees and secondarily because of the associated costs.

The crossroads section of Broad and Washington can be very dark and drab in the evening hours. Lighting the trees would make a significant impact on the appearance of the downtown area and help attract customers to the local merchants.

Following this overview and recommendation is a report regarding the City of Alexandria's usage and experience in lighting of its trees developed by Barbara Cram. Based on that research, the Chamber recommends that:

- The City consider "up lighting" the trees on the 100 and/or 200 block of W. Broad Street for the upcoming holidays. Up lighting is significantly less expensive and labor intensive than providing twinkle or string lighting. The 100 block of W. Broad has 12 trees on the north side, 7 on the south side while the 200 block has 10 trees on the north side. Because there are no operating businesses on the south side of the 200 block, lighting is not needed. This would have a significant impact on the downtown merchants. The actual light fixtures can be purchased for less than \$50 each.

Up Lighting Examples



Background Report by Barbara Cram

In researching the options for increased visibility of our retail businesses, it has been proposed that lighting of the trees would add substantially to creating a more inviting retail atmosphere and encourage increased visits and sales.

To investigate the options, research was done with the City of Alexandria Arborist clarifying over 20 years of experience in the lighting of the trees in the King and Washington Street corridors. The following information is from John Noltey (sp?) City Arborist, City of Alexandria, Virginia.

The City of Alexandria has been lighting their street trees for as long as the current City Arborist has been working there. Over the years they have expanded the program to extend from the Potomac River to the Metro – over 200 trees. The trees were lighted during the Holidays for some time, but after September 11, 2001 they were asked to leave them on longer till May and then year 'round.

Upon a recent visit (over Labor Day) for a site inspection, the lights were not on in the evening. The extension cords usually are plugged into the street lights and were wrapped to be vertically attached to the tree. These had been removed. The lights were on some of the trees but unlit. The City Arborist indicated that they were taking all of the existing lights out beginning October 1st, as the strings themselves had worn out.

Installation has been the same over the years and has been done by the Arborist crew of two with the assistance of the “bucket” truck operator and an assistant. So essentially with a crew of four they install the lights. The lights they use are from Nobel Lighting in Minnesota.

Lights are the typical mini-lights 100. Depending on the size of the tree crown they use anywhere from 5 to 12 strings of lights per tree. They use extension cords with three outlet receptacles that can hold three strings per each outlet. The amount of available electricity defines the number of lights that can be used based on the ratings for the cord and the lights amps.

Each day of installation is generally 6 hours of production (8 hour work day) per person i.e. 24 man hours per crew of 4. With a pole saw (man on street-level) and bucket (man elevated in bucket) with the assistant on the street (for safety / movement of traffic cones/ and opening lights, etc.) and the bucket operator moving the bucket, they average completion of roughly 5 or 6 trees on an average day. The lights are hung garland or festooned style (draped around the tree) versus wrapped. The technique is to reach into the tree to get the depth of lighting, which creates the best effect.

Another aspect to consider, that the Arborist pointed out, is the electrical cost. The mini lights themselves are not expensive to run compared to other lighting, but the power company asks them to estimate the amount of electricity used as they are on for 24 hours a day. This is very wasteful, but there are no separate switches or sensors to turn the street tree lights on so they burn 24 hours a day. He told the story where the power company had received the estimate for the “festooned lighting” (power company term used) and didn’t bill it for three years, so the City received a bill for \$45,000 all at once just for the electric bill on street lights and the festoon lighting for 200 trees.

Scheduling becomes very difficult and they begin this early (October 1) because if one of the trained crew is unavailable they must postpone, ditto when there is precipitation.

He said that in his opinion it would be better all around to do “up lighting” where the lights are installed to “up light” the crown of the trees (as many public plazas are currently). With “up lights” installed at the base of the trees 2 to 4 give an impressive display and are permanent. The annual cost of labor and lights is eliminated, and the timing of the lighting can be controlled for evening hours only. He proposed this for when King Street is redone.

It is also worth mentioning that the difference between standard mini-lights and LED light sets is negligible inasmuch as the difference in longevity of the bulb is irrelevant. The wear factor on the strings used outside is the UV light on the strings themselves which wear out at same rate. LED sets then are just not worth the added expense as both sets wear out in the same time frame.

Secondly, the use of the bucket truck can present some hazards if the “elbow” of the boom reaches into the street as large trucks can hit it and therefore further precautions would be advisable. For years, the City has sought a contractor to do this work, but to this date they have not been able to contract or even sub-contract with any company to do this either for or with them.

Submitted by: Barb Cram, Falls Church Chamber of Commerce Board 9/8/10

Commercial Parking on Residential Streets
Medium Cost/Medium Impact/Soon

There are several residential streets that require permit parking only despite their proximity to commercial properties with minimal parking availability. It is understood that the purpose for requiring permits is to dissuade commuter parking.

The Chamber suggests that the same goal could be achieved by allowing parking for limited time periods. This could have a significant impact on parking availability for a number of businesses. The Chamber recommends that the City:

- Open all residential parking up to the general public but for no more than a 2 hour period.

Provide More Flexible & Visible Signage Options
Low Cost/High Impact/Soon

The Chamber strongly recommends that the City amend the sign ordinance to provide businesses with a reasonable amount of visible signage in order to attract customers. The Chamber has three specific recommendations regarding signage affecting the business community:

1) Commercial Signage On Buildings – The Chamber strongly recommends allowing signage above the second floor of a building. The City’s office space competes directly with office space in surrounding municipal areas which allow such signage.

In a climate where the City needs additional commercial tax revenue, large commercial office owners need to compete on a level playing field with commercial owners outside the City. Not only that, office tenants and office condo owners should have that same right. Potential large office space tenants, as well as potential small office condo purchasers will naturally be drawn to spaces that allow them to have some name recognition for their businesses. If they cannot get that name recognition in Falls Church City, they will go elsewhere.

Fully occupied office buildings will produce more taxes for the City. It is possible to allow signage at higher levels without marring the face of the City.

2) Retail Signage – The signage for a number of retailers in the City is blocked by trees. The Chamber highly recommends trimming those trees to make the signage visible or, if trimming is not an option, *making alternative signage options available* to those businesses to ensure that they are visible from the street.

In several cases, signage is entirely blocked and thus, one must assume that those retailers are losing business. Visible signage would increase their sales and thus tax revenue to the City. Additionally, because the trees are so dense on the 100 block, it is dark and the awnings and sidewalk are filthy and are in dire need of cleaning.



3) Parking Signage – Parking has long been an issue for the City and while there is some City owned public parking and some new parking built for commercial developments, it is not visible to potential patrons. The Chamber recommends that the City encourage highly visible uniform parking signage to be paid for by commercial property owners.



Create a Parking Commission
High cost/Unknown Impact/Longer Term

The Chamber fully recognizes that the City's parking issues will be expensive and take a significant amount of time to remedy.

- As such, the Chamber recommends that the City create a Commission to look into long term resolutions that can be incorporated into the City's planning efforts. Specific issues to be addressed would include:
 - **Metered Parking** – The Chamber understands that meters have been investigated and that staff has determined that the funds they would generate would not compensate the City for the costs associated. Nonetheless, the Chamber feels this should be considered over the long term and weighed with other potential options.
 - **Public Parking Garages** – The Chamber also understands the challenges such garages post as the costs of building such garages is high and the ability to recoup those costs is almost impossible and because there is no one location for a garage that could accommodate all of the areas in which the City has a parking deficit. It is crucial, however, that significant research be granted to the possibility of developing public parking garages for so that such options can be considered in long term planning.
 - **Zip Cars** – There are 4 Zip Cars in a six mile radius of Falls Church. Two at the Clarendon Metro and two at the W. Falls Church Metro. Well selected zip car designated parking spaces could impact parking and should be considered in the long term planning.

Commercial Property Rehabilitation Tax Abatement Program

The City has an existing tax abatement program to encourage building improvements. Implemented by the City Assessor's Office, the program is not well publicized and thus, it is a benefit relatively unknown by City commercial property owners and potential owners. According to the EDA website *"In November 1996, the City Council adopted an ordinance directing the City Assessor to develop a program "... to provide an exemption for certain rehabilitated, renovated or replacement commercial real estate." By July 1997, that program was in place and operating consonant with state statute, the aforementioned City ordinance, and the forms, rules and regulations attached hereto."* These items are attached.

Commercial properties that are at least 20 years old are eligible. Also according to the EDA website, *"While the program does not apply to all of the ongoing development initiatives in Falls Church, it may be of significant value to eligible projects. The Economic Development Authority (EDA) does not administer this program, but works very closely with the Assessor to ensure that it is considered, if appropriate."*

Only one commercial property owner has taken advantage of this program since its inception. Very few are aware of this program and those who are, find the terms confusing. The Chamber believes this could be a valuable program to help renovate older properties in the City if it were easier to understand and promoted.

Chamber Recommendations

- Rewrite the program to be more easily understood by commercial property owners and staff.
- Incorporate information on marketing materials developed for commercial properties available for sale.
- Include information on the City's listings of properties for sale.
- Make information or a brochure/application visible in the EDA offices, the Commissioner of the Revenue's office and the City Assessor's offices.
- Distribute information via mail/email to the owners of 20+ year old properties in the City.
- Distribute information via commercial property tax bills.
- Consider above recommendations for Technology Zone Program as well (although it is much better known and utilized)

Decrease BPOL Taxes for Professional Services
High Cost/High Impact/Longer Term

The BPOL tax for Professionals is \$.52 which is \$.16 higher than the next highest BPOL category in Falls Church (Business Services & Repair Services) and \$.36 higher than the lowest category (Contractors). It is also \$.16 higher than it is across the Arlington border and \$.21 higher than across the Fairfax border.

While there is no way of knowing how many businesses in this category have opted to set up business elsewhere due to the City's rate, the Chamber is aware of several instances where law firms in particular have decided to go elsewhere because of it. While there would be a loss of revenue to the City if it decreased it, there could be an increase over time should more professional services move into the City.

The Chamber believes that the high BPOL rate for Professional Services is a serious issue that deserves further investigation and serious consideration

Task Force Members

- Treena Rinaldi, Chair – Korte Realty
- Barbara Cram
- Phil Duncan – Civicatalyst Communications
- Kathy Hamor - Curves
- Lindy Hockenberry
- Carol Jackson – FC Housing Corporation
- Gary LaPorta
- Erik Pelton – Erik Pelton & Assoc.
- Joe Wetzel – Jefferson One
- Bob Young – The Young Group
- John Rodock, Legislative Committee Chairman – Ober Kaler Attorneys
- Sally Cole – Staff

Initial List of Ideas and Incentives

Encourage Redevelopment and Building Improvements

- Promote Commercial Improvements Tax Incentives Program Already in Place
- Expedite Permitting Processes
- Grant Approval Authority to Staff for Outdoor Improvements
- Consider Community Development Authorities
- Do Not Raise Commercial Property Tax Rate Above Residential
- Improve Customer Service

Retain & Attract Businesses

- Better Signage for Businesses
- Better Signage for Public Parking
- Increase Public Parking Options
- Consider Meters or Paid Parking Garage
- Control Predatory Towing
- Add More Traffic Lights
- Rather Than Prohibiting Parking Near Business Districts, Limit Time (to allow for parking for commercial but not for use of metro, etc)
- Decrease Professional Services BPOL Taxes
- Develop/Facilitate Business Recycling Program
- Consider Incentives/Formalize Arts District

Attract Customers

- Emphasize City of Falls Church in Promotional Efforts
- Stop Allowing Large Trucks on Broad and Washington and/or Work with Arlington to Allow them on Rte 50
- Four Way Stop Intersection Crossing, particularly at intersection of Broad and Washington
- Lights on Trees
- Develop Marketing Campaign to Encourage City Business Patronage