

CRYSTAL CITY CITIZEN REVIEW COUNCIL
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2018 BIENNIAL REPORT TO THE ARLINGTON COUNTY BOARD

March 30, 2018

Dear Members of the Arlington County Board,

Now, more than ever, Arlington County needs to encourage new, taxable, private development in Crystal City. During several decades, Crystal City acted as an economic growth engine for the County; the success of this then office-heavy area was enabled by public and private investment and the proximity to desirable workers who favored Arlington and nearby areas. Today, Crystal City and Arlington face strong competition from competing jurisdictions which, over the past decade, have continued to make massive efforts to jump-start new development, by choosing to prioritize public investment in areas with potential. Without such fresh investment, Crystal City's occupancy rate will continue to fall—and taxable value along with it—as tenants prefer other jurisdictions. Fortunately, the County benefits from 1) a planning document—the Sector Plan—that is generally supported by residents and landowners, and provides an overall vision for future growth, land use mix, and the public realm; and 2) private landowners who have signaled a strong willingness to reinvest in Crystal City alongside the County. However, the Sector Plan's ambitious projections for steady and badly needed revenue growth will not be realistic in the absence of increased support from the County.

Of course, as discussed during the Crystal City Sector Plan process, there has always been an awareness that Crystal City starts out with the burden of an aging building stock and, particularly, an obsolete infrastructure and a less-than-attractive public realm. It is a challenge to find resources for both the removal of old impediments and, simultaneously, the acute need for capital projects directly supportive of new development initiatives, but it must be done. This does place a burden on both the budget and, especially, the Capital Investment Program, but given the quantity of planned development on the horizon and thus the potential for a quick increase in taxable value in existing space, the payback would allow the County to benefit from new revenue streams to improve its financial situation. **The following three paragraphs outline the key concerns of the CCCRC, both for your upcoming budget and CIP decisions but also for the foreseeable future. We are urging immediate reconsideration on the TIF and budget, and then look forward to a productive dialog on the new CIP.**

- The TIF was specifically created to be a dedicated and reliable resource to support the redevelopment of Crystal City so it can be accelerated and thus also help the County sooner. It would not be logical to view a County budget crunch as the reason and timing for cutting back on the TIF, when instead this is the critical moment to expand both the

resources and permissible scope of the TIF—and leverage it. As a first step, **we urge you to keep the TIF share at 30 percent for this budget cycle** and to work with Crystal City stakeholders to enhance the TIF and other catalytic tools for the years beyond. The CIP needs to be more agile and ready to prioritize new endeavors, in support of a genuine transformation of the urban experience.

- The Crystal City Sector Plan is designed to produce a substantial boost in economic benefits—and thus tax revenue—through redevelopment and gradual increase in density. The Plan also recognizes the urgency in eliminating existing impediments (like one-way or elevated streets) for redevelopment to be viable. However significant delays due to lack of CIP funding and operations staffing in these streetscape and open space projects mean that investors and new tenants are looking elsewhere. As a result, the economic benefits 5, 10 years from now are 'left on the table', which the County cannot afford. **At a time of scarce resources, more emphasis is needed on investment as opposed to consumption, when you now focus on budget and CIP.**
- The timing of funding and staffing for new development projects is critical. In part for reasons of location, Crystal City may have been in a privileged position, but this is changing fast, and the competition—other jurisdictions—is not letting us rest on our laurels. Developers and investors will simply choose nearby attractive locations. What matters is a public realm where the streetscape, generous open space and access to amenities and facilities will make employees and residents want to spend their time. Urgently addressing the lack of earmarked funding for the 18th Street open space is one example: it would send a highly visible signal. **Even in the middle of a budget crunch, the County needs to be bold, and be ready to act now, both to match the competition and to make longer-term yields possible.**

The three key areas above focus on funding, incentives and other forms of direct support for development projects. But there are some other areas which need your attention as they must entail tangible collaboration between the County and Crystal City stakeholders: (1) the need for making the Sector Plan more relevant and reliable through a one-time effort to note implementation up to now and to revise expectations; (2) the need for coordination and synergy in planning and development in Crystal City and Pentagon City, making the established notion of a 'Route 1 corridor' more tangible and effective; (3) the need for increased attention to the 'selling' and leveraging of Crystal City's location and potential for increased connectivity. These points are explained in more detail **in the Attachment.**

Respectfully,



Christer Ahl

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Acting Chair, CCCRC

cc: Mr. Mark Schwartz, County Manager

Attachment

ATTACHMENT

ADDITIONAL ISSUES TO BE PURSUED IN A DIALOGUE BETWEEN COUNTY AND CCCRC

The Sector Plan's near-term guidance is very limited and needs updating

--A 40-year plan naturally offers a long-term framework and illustrates how a broad vision can be fulfilled; but stakeholders, investors and tenants need a more reliable understanding of the early progress and also what would be realistic to expect in the next 5-10 years;

--In a short seven years, certain Plan elements have already been delayed and adjusted, due to market realities and because infrastructure improvements are still lagging; unexpected interim scenarios have become stepping stones toward the long-term vision;

--With the arrival of JBGS as dominant landowner, now would be the ideal time to 'take stock' and to prioritize or refine, in collaboration between the stakeholders and the County; we emphasize that this does not require a revision of the Sector Plan document;

Crystal City's integration with Pentagon City and Potomac Yard can be improved

--The County already recognizes the 'Route 1 Corridor' as one of its high-density areas; new development on both sides at the boundary between Crystal City and Pentagon City, and traffic changes, have tended to make that boundary artificial in many ways;

--While the Crystal City Sector Plan and the Pentagon City PDSP remain the key guidance for each area, it is increasingly important to ensure that the notion of a combined 'corridor' takes on some practical meaning for the planning and development, so that increased coordination and synergy is achieved;

--While much of the current and future development in Potomac Yard is taking place on the Alexandria side, discussions of development in Crystal City and Potomac Yard could both benefit from a joint perspective. This would presumably be facilitated by the role played by JBGS on the Alexandria side;

Promoting and leveraging Crystal City's location for the long term

--It is natural for both the County and Crystal City to mention 'location' as a major advantage for attracting and retaining office tenants, businesses and residents; however, such arguments seem so 'obvious' that they will lead to complacency; but a lack of 'selling' the location will limit its advantage;

--Two key links—to D.C. and to the airport—could benefit from strong County signals of support:

- a new rail bridge needs to include bike/pedestrian lanes, which would benefit commuters and visitors in both directions; this would also be timely support for Long Bridge Park, which is now in itself becoming an even more valuable attraction and selling point, deserving of strong leveraging;
- a really accessible pedestrian connection to the airport would be a long-term advantage, as it is likely to attract more visitors and hotel guests to Crystal City.