



ALEXANDRIA CHAMBER OF COMMERCE

MEMORANDUM

TO: Mark Jinks, Deputy City Manager
City of Alexandria

FROM: Andrew F. Palmieri, Chair
Government Relations Committee
Alexandria Chamber of Commerce

DATE: August 11, 2009

RE: Business Improvement Districts

It was a pleasure to meet with you last week, and on behalf of the Alexandria Chamber of Commerce (the "Chamber"), we very much appreciate your assembling a meeting on short notice to discuss the Chamber's concerns regarding Business Improvement Districts ("BIDs"). Present at this meeting were Tom Gates and Mark Jinks on behalf of the City, Val Hawkins on behalf of AEDP, and Tina Leone, Cathy Puskar and Andrew Palmieri on behalf of the Chamber.

As we discussed, the Chamber maintains that there is a confluence of events in Alexandria that requires a serious investigation by the business community into the efficacy of BIDs. These events include, but are not limited to economic challenges for retail and restaurant businesses, strains on the City budget, impending implementation of the King Street Retail Study, development of a new Waterfront Plan, renewed interest in a Parking Study and resultant program, imposition of ad hoc beautification requirements in connection with SUP approvals and successful marketing efforts by the Old Town Boutique District and the Del Ray Business Association.

Presently, the Chamber has not adopted a formal position regarding BIDs, and in fact, it may not be necessary for the Chamber to adopt a policy on this issue. Given that Alexandria has many distinct centers of commercial activity, it is conceivable that businesses in one commercial district may determine that a BID is an appropriate mechanism to spur increased economic activity, while businesses in another commercial district may conclude that a BID may not achieve their desired result or that such a result may be accomplished through other methods. As a result, there is no single city-wide

solution to this issue. In short, if a majority of businesses in a commercial district wish to act in mutual self-interest through the formation and operation of a BID, they should be free to do so. If businesses in other commercial districts are unable to reach a majority consensus on this issue, then a BID should not be implemented.

Based on the foregoing, the Chamber decided to initiate a respectful dialogue about BIDs, so that business owners may learn more about how BIDs are organized, funded and operated. The Chamber maintains that, in order for business owners to make an informed decision, they should dispense with pre-conceived notions about Bids, become knowledgeable about the positive and negative aspects of BIDs, study models that have succeeded and models that have failed, and then decide for themselves whether a BID would be appropriate for their respective businesses in their specific locality.

Given the response within the various Alexandria constituencies to the Chamber's July 22 Hot Topics Program on BIDs, we have concluded that the Chamber may serve a valuable role in this education process by providing a series of additional information-oriented programs. During our meeting with you, we outlined to you our general idea for proceeding with these programs, which is as follows:

July, 2009. *Raising the BID: An Introduction to Business Improvement Districts.* This program, which was held in the 100 block of King Street in vacant space, was designed to provide a very basic introduction to BIDs so that the Chamber may gauge whether or not there was any interest in the subject. Based on the turnout, media coverage and general "buzz" in the community, the Chamber concluded that additional programming would be appropriate.

September, 2009. *BID Operations.* This program would be held in Del Ray with the specific intent of demonstrating that BIDs are relevant throughout Alexandria, not just in Old Town. This program will feature speakers from BIDs that are operating in the Washington, DC region, such as Georgetown, Bethesda, Roslyn, NoMa (North of Massachusetts Avenue), and Annapolis. Specific speakers will be subject to availability and scheduling. Each panelist will discuss his or her BID's operational structure, mission, funding and interaction with local government.

October, 2009. *BID Forum of Business Organizations.* This program would feature representatives of other business organizations from throughout the City, such as OTBPA, Del Ray Business Association, West End Business Association, etc., each of whom would discuss why a BID may, or may not, be beneficial to their business center and what specific needs are applicable to their locality. Each business center in Alexandria will have unique needs and interests. It is conceivable that each of these regional business associations will serve an important role in the case-by-case determination of whether a BID is appropriate for their respective locality.

November/December, 2009. *Economic Data.* We understand that AEDP is contemplating the commission of a study on BIDs that would generate tangible economic data regarding BIDs, demonstrating both successes and failures. This information would

be very valuable to the business community in evaluating whether BIDs are desirable and under which circumstances. If other organizations, such as ACVA, wish to participate in this program, the Chamber would encourage their input.

January, 2010. Next Steps. Establishing a BID will require appropriate legislation, as well as template documents that would enable interested parties to form the necessary nonprofit entities required to operate a BID. Given that there may be several BIDs developed in Alexandria, a certain degree of uniformity in organization and structure may make sense. If there is continued interest in this subject, a program on this subject may be warranted; however, it would be premature to make such a determination at this time.

In conclusion, the Chamber maintains that a determination to pursue business improvement districts in Alexandria is a subject that should emanate from the business community. To enable the business community to make an informed decision about BIDs, the Chamber is willing to produce the above programming provided that there is interest in the subject from the business community. With respect to BIDs, the Chamber perceives its role as providing a forum for respectful dialogue. Once a sufficient amount of information has been provided, businesses in each commercial district of Alexandria may reach whatever determination is best for them.

Furthermore, we wish to make very clear that the Chamber asserts no “ownership” over this issue. Regional business organizations or leaders are free proceed, or not proceed, with business improvement districts for their respective locality as they deem fit without regard to the Chamber’s timeline of programs. If events become such that the above-outlined programs are not necessary, the Chamber will not dedicate its resources on this subject.

Once again, thank you for meeting with us last week. You may feel free to distribute this document as you deem appropriate, as the Chamber wishes to be transparent about its above-described intentions.