



CITY OF FAIRFAX ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA
Wednesday, March 3rd, 2021 6:00 PM
Via Electronic Participation

Virtual Meeting via Zoom, Fairfax City, VA 22030

Commissioners Present:

Chair Jeff Hermann
Commissioner Soledad Portilla
Commissioner Paula Sorrell
Commissioner Tom Ross
Commissioner Kathleen Paley

Others Present:

Christopher Bruno, Director for Fairfax City's Office of Economic Development
Danette Nguyen, Assistant Director of Economic Development/Programs Manager, Fairfax City
Patricia Lopez, Communications Fellow, Fairfax City
Matthew Easley, Operations Manager, Fairfax City
Nancy Montes, ReConnected Outdoor Program Manager, Fairfax City
Emily West, COVID-19 Relief Program Manager, Fairfax City
Ashley Ward-Willis, Legal Intern, Fairfax City
Gisele Stolz, Business Incubator Director, Mason Enterprise Center - Fairfax
Jennifer Rose, Central Fairfax Chamber of Commerce
Shannon Duffy, Old Town Fairfax Business Association
Andrew Wilson, Project Manager
Heather Manis, Restaurant Week Consultant

1. Call to Order

The meeting was called to order at 6:01 pm by Chair Hermann.

2. Approval of February Meeting Minutes

Commissioner Ross made a motion to approve the minutes from the February meeting. Commissioner Paley seconded the motion. A roll call vote was then initiated. Those who said aye were Commissioner Ross, Commissioner Sorrell, Commissioner Portilla, Commissioner Paley and Chair Hermann.

3. Economic Development Office/Exec. Director Update

a. EDO/A Administrative Update

Bruno provides updates on staff movement and program statuses. Two (2) employees of the EDO will be leaving this week, Nancy Montes and Emily West. It will be West's final week in managing the ReConnected Grant programs but will remain working alongside the EDO in other projects.

Montes managed the Fairfax City Outdoor Program and Winter Preparedness Initiative and will be finalizing her role on both projects this week. Bruno recognizes Montes and her efforts in collecting restaurant participation in programs as well as serving as a conduit in building the relationship of the City with the local restaurant community.

Nguyen also recognizes West and Montes in their effort towards providing COVID-19 relief to businesses. Commissioner Paley states her appreciation for both West and Montes along with Chair Hermann who adds that West and Montes left a positive impact with the business community.

b. EDO/A Budget Request

Bruno provides an overview on budget proposal for FY20 and FY21 as well as providing an update on the budget proposal drafted for FY22. For FY20, proposed budget for EDO/A was \$720,000 with two (2) full-time employees. In FY21, the proposed budget for EDO/A had adjusted to be \$800,000 and was approved along with the addition of the CARES funds, increasing the total spending budget to \$2.5 million. FY22 proposed budget is \$1.1 million with 3.5 employed staff; currently, the EDO staff is functioning on 2.5 employees. Budget proposal has been submitted to City Manager and will be reviewed by City Council in the next coming weeks.

Bruno mentions to the Commissioners that if they agree with proposed budget request, they are encouraged to relay their confidence towards Mayor and City Council to help facilitate a more efficient EDO/A. Proposed budget will allow for EDO/A to expand programs and increase staff, thereby also helping in program expansion.

Commissioner Sorrell adds that in consideration towards budget planning, the Small Business Development Center (SBDC) acquired additional funds to employ expertise. Such expertise will provide business insight on businesses most impacted by COVID; hence, Commissioner Sorrell believes this will help the EDO/A's budget request.

c. Upcoming Programs

a. FCRG Updates

West states that FCRG program is almost finalized with 3% of funds left for distribution. There were 1.5 employees assisting West in reaching 250 businesses throughout the FCRG program. In the division of the CARES funds, the FCRG program had 2 (two) rounds, Series 1 and Series 2. Series 1 and Series 2 served the same purpose in providing economic relief; however, Series 2 expanded eligibility towards non-profit organizations in Fairfax City.

Bruno mentions that the EDO has approximately 1,300 touchpoints with businesses through the FCRG program. Relative to other initiatives by the EDO, 1300 is a large number that will offer more opportunities for future collaborations with Fairfax City businesses. Chair Hermann states that he is interested in learning how to utilize such touchpoints in further business engagement.

b. EDO Program Updates

Nguyen provides additional program updates.

i. Faces of Fairfax City (FoFC)

A social media and blog campaign dedicated to providing more in-depth insights about businesses in Fairfax City and showcase their unique character and charm. A new business is featured on EDO/A's social channels (@fairfaxcityeda) every Friday at 12 pm. Postings include a professional photo series and video along with a blog post on the EDO/A website.

ii. Winter in Fairfax City

Winter in Fairfax City is an extension of the Winter Preparedness Initiative (WPI). Patrons are able to purchase blankets at \$20/each from participating Fairfax City restaurants in order to stay warm while outdoor dining. Patrons receive a free beverage at time of purchase and when they return to use the blanket for outdoor dining; restaurants receive 100% of the proceeds. Blankets were funded using CARES funds; thereby letting restaurants have them at no cost. Press release of program was picked up by USA9, the Patch, newsbreakmsn.com and CW50.

4. Upcoming Restaurant Week Update

Heather Manis, director of Fairfax City Restaurant Week (RW), provides a high-level overview on what's to come for this year's RW. 2021 RW committee is comprised of EDA's Commissioner Portilla, Commissioner Ross, CFCC's Executive Director Jennifer Rose and board member Sharon Ricciardi, as well as restaurant owner Jinson Chan (High Side) and Marketing Director of Capital Ale House, Amy DuFour. Nguyen

recognizes the committee's participation and thanks them for their efforts, insight and leadership for RW. Kickoff meeting with committee occurred on January 28, 2021. Meeting helped in identifying program date(s), pricing structure, enrollment fee(s) and program timeline.

Manis states that RW 2021 will start on Monday, May 24 through May 31, 2021. There will be an online enrollment form with no enrollment fee for restaurants that participate and open to all food establishments, including specialty shops. Program will retain usual price-fixed menu with the cost of a three-course dinner being \$35/person and \$20/person for three-course lunch/brunch. There are three (3) different price tiers all including different meal options for couples, families, etc. For specialty shops, a "buy one-get one free" deal will be implemented.

Manis mentions that charity component for RW will be eliminated for this year due to lack of participation last RW because of the pandemic. Mason Monday deal will still occur during RW; but, it was not a requirement for participating restaurants to honor given that there are already deals occurring for RW. New promotional/branded merchandise will be in this year's program such as picnic blankets, to-go bags and more to encourage more participation. A second week extension will be implemented if first week is a success; however, it is only strongly encouraged for restaurants to participate during the second week, not required.

To date, 13 restaurants are enrolled in RW with recruitment beginning February 18, 2021. Roundtable discussion for interested restaurants will be held on Monday, March 22, 2021 to describe program and display benefits of program. Enrollment closes April 14, 2021 and menus are due April 19, 2021. Photo and video sessions are available for restaurants to help with promotion and will be divided into mini sessions. Restaurants can sign up for a mini session for \$275. Second roundtable discussion for RW will be held May 17, 2021.

Chair Hermann mentions that he is excited for the program and believes it will leave a positive impact for the restaurant community. Commissioner Paley adds that she believes the program this year is innovative and is excited for the changes to come to fruition. Nguyen includes that more restaurant participation is to be expected as the month goes forward.

5. MEC Updates

Stolz provides updates on the Mason Enterprise Business Incubator (MEC). The MEC was able to hire a marketing individual last month to properly run the social media and marketing facet for the MEC. Currently, the MEC is operating at 71% occupancy with 126 clients, 65 of which are virtual. Initial estimated annual losses from operations was \$240,000; however, the current estimated annual losses from operations is \$161,000. At the end of February, net income totaled to -\$98,357.

Survey results for the residential client profiles is as follows:

- Median revenue: \$1 million - \$5 million
- 35% residential clients > 3 years
- Individual offices (+/- \$1,000 - \$500 -> \$2000): 48
- Shared offices (\$350/month): 4
- Hot desks (\$200): 9

MEC's branding and marketing strategy includes an increased focus on creating a marketing funnel leveraging social media and events as well as capture the stories of the members and community in a powerful and relevant way.

Chair Hermann asks Stolz if there was any insight given by new businesses or any trends. Stolz answers that new businesses/startups oftentimes don't commit to a three (3) year lease. Commissioner Sorrell states that the incubator operating at its current occupancy is good news given the economic hardships brought on by the pandemic. Commissioner Ross asks Stolz if she had considered offering a rent reduction for tenants/special promotion for rates. Stolz answers that the results were the opposite of its intent and found that it was not much of an incentive for tenant stability. Commissioner Paley asks Stolz if she is observing virtual clients transition to being physically at the MEC. Stolz replies that there is fluidity amongst clients.

6. Electrical Vehicle Promotion Update

Commissioner Ross presents the ideas behind the plug-in electric car giveaway promotion. Purpose of giveaway is to promote local businesses and City of Fairfax through a high visibility promotion. Grand prize in giveaway will be a one (1) or two (2) year lease of a plug-in electric vehicle (includes property taxes but not registration or insurance). Program duration is to be for 45 days and prize drawing will be conducted by Mayor, City Council, EDO/A and car dealership.

Participation is open to any licensed driver over 18 years of age (one entry only; no purchase required). Participation fee for retailers and businesses will be \$25 with multi-level sponsorships available. Car and/or signage displayed at Old Town Square. Program funded through a promotional partnership between the City of Fairfax, local merchants and corporate sponsors. There will be a centralized data collection, maintained by the City of Fairfax that includes participant information and retailer specific data. Estimated lease and taxes total to \$15,000 with a projected advertising expense being \$5,000-\$10,000.

Commissioner Paley states that the idea is a great one in theory; however, could encounter a lot of problems given that there is so much grey area yet uncovered regarding legal and financial logistics. Chair Hermann states that it is worthy to look into further assistance from the EDO; but, needs to be evaluated to see if there is enough help from EDO to help manage the program.

Bruno comments that he would like to see staff from the EDO to assist future programs for the City; however, he has some reservations about using City staff to move a project forward that provides an individual party with a car lease. Chair Hermann seconds that he has reservations in regard to future challenges that may not be easily perceived at the beginning. Shannon Duffy provides comments on behalf of OTFBA and remarks that the Board thought it was a good idea but agrees there is more discussion needed to figure out logistics.

Commissioner Paley asks what the next step would be in the process. Commissioner Ross replies that it would be to confer with car dealerships. Chair Hermann suggests that Commissioner Ross collect the necessary research and outreach; then, EDA can discuss about the program in further detail. Commissioner Sorrell mentions that seeking financial assistance from GMU may not be an option given their tight budget.

7. Parkview Property Development Update

Project Manager Wilson and Commissioner Portilla provide updates on Parkview property. Currently, there were 17 days lost in construction due to inclement weather. Steel construction almost in place; awaiting one more column to build for the porch. Electrical work and plumbing work will be investigated when working with flooring. Progress is still ongoing and is moving forward on schedule. Need to remediate Verizon issue by getting pedestal moved; however, as of date, Verizon has been unresponsive.

8. Savill's Project for New Incubator/ MEC Lease

Commissioner Paley states that there is progress towards attaining a new lease for the MEC. Committee had released an RFP and have received responses from three (3) buildings. Committee is looking into identifying the focus for MEC 2.0, the needs in a "post-pandemic" world and the idea of engaging a third-party operator to assist in incubator management and maintenance.

9. Comments

a. Public Comments

Jennifer Rose of the CFCC announces that the Central Fairfax Chamber of Commerce (CFCC) has joined the Virginia Chamber of Commerce Small Business Alliance which grants members with ten (10) or fewer employee's additional supportive services. Fred Coddling says that Verizon had cut his phone line in order to resume construction for Parkview; therefore, he requests for this to be further investigated to prevent future interruptions.

b. Chair Comments

No chair comments.

10. Other/New Business

Commissioner Portilla asks if there will be a budget presentation by the City Manager, similar to the one in 2020. Bruno answers that he will look into a formal presentation of budget and can distribute to Commissioners by request.

11. Closed Session

12. Adjourn

The meeting was adjourned at 7:45 p.m.

Next regular meeting of the EDA is scheduled for the 7, of April 2021.