



CITY OF FAIRFAX ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
Wednesday, November 9, 2022 6:00 pm
In Person at Economic Development Facility

10300 Eaton Place, Small Conference Room, Fairfax, VA 22030

Commissioners Present:

Chair Kathleen Paley
Vice-Chair Jeff Hermann
Commissioner Tom Ross
Commissioner and Secretary Beth Young
Commissioner and Treasurer Fred Cornett
Commissioner Dawn McGruder

Others Present:

Christopher Bruno, Director, Economic Development Office
Danette Nguyen, Deputy Director & Programs Manager, Economic Development Office
Matthew Easley, Assistant Director for Finance and Operations, Economic Development Office
Ashleigh Scarborough, EDA Associate, Economic Development Authority
Nicole Merlene, Business Investment Manager, Economic Development Office
Andrew Wilson, Project Manager
Tara Borwey, Program Manager
Crystal Kramer, Interim EDA Counsel

1. Call to Order Chair Paley
2. Adoption of September Meeting Minutes [**VOTE**] Commissioners
 - a. Commissioner McGruder initiates motion to approve and Commissioner Ross 2nds motion.
 - i. Passes unanimously.
3. NoVA Labs Update Jim Sweeney/Commissioner Ross
 - a. Construction Update
 - i. Jim Sweeney, CFO of NoVa Labs, provides an update in regards to the woodshop, multiple walls have been closed up, painting has been done, as well as general beautifications.
 - ii. The woodshop, full laser lab, and CNC electrical have been inspected and are up and running.
 - iii. The metal shop needed power to be monitored for 30 days, this has been complete. Now they are waiting on a revised permit, which is expected to be received within the next 2 weeks.
 - iv. The revised permit also includes a required exterior ramp change, that should enable full occupancy.
 - b. Membership Update
 - i. Membership numbers continue to grow. Mr. Sweeney expresses his excitement with the membership growth.

- c. Financial Update
 - i. The build out costs were a significant amount of money. The full opening of the space will create more revenue.
- d. Innovation Center Update
 - i. Commissioner Ross asks if “The Airo Group” and “DAI” are using NoVa Labs as a headquarters or field offices? Mr. Sweeney responds that they are using them as field offices.
 - ii. Commissioner Ross suggests coming up with the specific numbers of employees within the city regarding NoVa Labs.
 - iii. Mr. Sweeney adds that 120 kids are taking robotics classes. The number of classes that are now offered is at a 50% jump.
- e. Other
 - i. The metal shop is the last portion to open. The metal and wood shop are big drivers for clients and classes.
 - ii. Director Bruno adds that a ribbon cutting will come when there is a final go ahead from all city departments and permits, and the organization is ready to go forward with it.
 - iii. Chair Paley asks if there are any empty spaces at this point. Mr. Sweeney notifies there are no empty spaces.
 - iv. Chair Paley asks if these organizations have city business licenses and Mr. Sweeney notifies her that he will get back to the EDA on that.
 - v. Chair Paley asks the status on grants. Mr. Sweeney states that it is a process being worked.
 - vi. Commissioner Ross states that he was made aware of NoVa Labs working with the Lamb Center and the Chamber of Commerce on creating some training for jobs pathways and asks for updates. Mr. Sweeney states that the Lamb Center is a great source of ways to train people.
 - vii. Sweeney says they have been able to at this point identify businesses within the city of Fairfax that need those skills (provided at NoVa Labs), they are continuing to work with the Chamber to work on this.
 - viii. Treasurer Cornett asks if the shared offices are provided shared services. Mr. Sweeney adds that it is covered in their rent to use the shared services.

4. Mason Enterprise Center

PM Wilson/ Director Eddie Hill

- a. Facility Relocation Update
 - i. PM Wilson provides an update that the bulk of move for the MEC was finished the day after previous meeting.

PM Wilson

- ii. MEC got their connection with Data Watch and the internet got wired to the doors, but during the wiring they found that some of the locks are defective. This will go back to the contractor and be replaced. This is one of the bigger outstanding items.
- iii. PM Wilson updates that everyone was completely out of the previous MEC by Nov. 1. Local Works wanted a fair amount of furniture at the old location, which saved a good amount from disposal costs.
- iv. There is still some Cox and Mason IT equipment at the previous MEC location that should be collected soon.
- v. During the walk through with building management of the previous MEC location, they advised PM Wilson that they wanted the EDA to remove most of the IT wiring, Treasurer Cornett confirmed this is a part of our old lease.
- vi. PM Wilson has notified them that he is taking the 30 days (in lease) that he has to provide that service.

b. Tenant Relocation/ Leasing Status

Director Hill

- i. Director Hill updates the EDA that they are moved in, and expresses his excitement about the position the MEC is currently in.
- ii. There are currently 27 resident clients, the MEC lost a net of 10 from the prior building, they had 10 co-working clients who all came. Currently there are 62 virtual clients, net loss of those was about 8 or 9.
- iii. There is a focus on virtual clients, and their growth.
- iv. Occupancy currently stands at 60% of leasable square footage, pure office count is at 53%.
- v. Chair Paley asks if there is a sense of a pattern for why the 10 clients were lost. Director Hill expresses that Widelity is not sure what their next steps are, and states none of the clients lost, left the City of Fairfax. Others expressed the price was slightly higher, or found that staying at the previous location was necessary.
- vi. Chair Paley asks if there is any potential that virtual clients become residential clients. Director Hill says that they have had that happen with one company, and hope to have more.
- vii. Chair Paley expresses that there is not a big cushion, and asks given where we are what are the next steps to get these spaces marketed to the broader public? Director Hill responds that going forward after the holidays, and at the beginning of next year there will be a focus for Director Hill to be present in the surrounding communities, not just Fairfax City. The marketing will ramp up, because the new space is complete it will be accessible to show the space and get more clients.

- viii. Chair Paley asks if there is a certain timeline of when the MEC will be able to fill more spaces. Director Hill responds that because of the time of year lease signing tends to drop off. And then pick up in January and February.
- ix. Chair Paley asks for an update on what the cash flow and cash coverage is due to the percentages of clients currently. The EDA and Director Hill agree that a quarterly financial update, and a monthly leasing numbers update will be beneficial going forward.
- x. Treasurer Cornett asks PM Wilson if next month we will have the amount of free rent that is accessible, based on final loadout. PM Wilson says yes.
- xi. Director Bruno mentions that Director Hill and his team have been helpful in notifying the EDA on the businesses that did not chose to relocate with the MEC. Director Bruno assures the EDA that there is work being done and communication on making sure to encourage them to stay in the city of Fairfax.
- xii. Commissioner Young asks if any of the 27 clients are new. Director Hill notifies her one has switched from a virtual to a resident client.
- xiii. Chair Paley talks in terms of external marketing if there is a formalized plan for this, Director Hill states that some videos have been done getting people excited about the new MEC, the next event will be an open house for the MEC.
- xiv. Treasurer Cornett asks for an idea of what kind of businesses are populating. Director Hill says a high percentage of the 27 clients are in some sort of government contracting, in different aspects.

5. EDA/O Update

Director Bruno

a. Staffing Update

- i. Director Bruno updates that Deputy Director Danette Nguyen, will be leaving the EDA. Danette Nguyen will be moving on to the Managing Director of the Maryland Women's Business Center.
- ii. Crystal Kramer is in her new capacity with the EDA as Interim EDA Council. She is helping us move a number of our projects forward as well as design incentive agreements. As well as working on the leasing with Director Eddie Hill.
- iii. Michelle Smith will be managing our ARPA Tourism Projects. In the portfolio there is some town gown promotion with our higher education partners, George Mason and Northern Virginia Community College. The development of Explore Fairfax City virtual and printable map of historic and public art instillations. The development and deployment of two murals, one going on the back of Orange Theory Fitness. Lastly over the next 12 months, art light instillation will begin. All of these are designed to bring people to the city.
- iv. Gary Ponder will be working on a number of ARPA Business Incentives Programs, specifically business relocation incentives, and a pop-up program.

- v. Tara Borwey will be stepping up to manage many programs going forward.
 - vi. Tatjana Mara will be the new Accounting Support Specialist.
 - vii. Director Bruno adds that PM Wilson has offered to take on the role of overseeing Seasonal Outdoor Dining Pilot Permit Program. This will launch early in the new year. This will be the permit submission review and issuance process for outdoor dining across the city.
- b. ARPA Programs/ Incentives Overview
- i. Discussed in a.
- c. Ribbon Cutting for EDO Assistant Director Easley
- i. The EDO Ribbon cutting will be happening Wednesday, 11/16.
 - ii. The invitations will be in phases due to capacity constrictions.
- d. Business Investment Update BIM Nicole Merlene
- i. Director Bruno wants to emphasize the new priority of business investment and being strategic plans around that.
 - ii. BIM Merlene begins on how the role of attracting businesses to the city impacts the city's tax revenue.
 - iii. From the perspective of office tendency, which impacts the real estate assessment values, in our budget that is about \$700 million based on the tendency of those buildings, and the income generated from that revenue.
 - iv. Currently engaging with owners and brokers so that they are aware what the city and EDA can provide for them.
 - v. Treasurer Cornet asks if there is a list of tenants and if that is matched up with the people paying a BPOL tax. BIM Merlene notifies that the Commissioner of Revenue does not disclose this information.
 - vi. The most significant tax revenue for Fairfax City is Zeta Associates.
 - vii. Currently, in relationship building phase with businesses, and figuring out how to fill vacancy space in the priority areas. Moving forward, keeping track of plans for development is a priority.
 - viii. ARPA Programs that are being overseen by Gary Ponder, are still in the development phase. Part of this being, office attraction grant that will be developed is a \$300,000 program and the pop-up program.
 - ix. Commission Ross asks if we know the occupancy rate is for the City of Fairfax of commercial office space. BIM Merlene explains that today she found that it is at 9.6%. In totality to the Washington DC Region, that vacancy rate is closer to 14%.
- e. Programs Update Deputy Director Nguyen
- i. Business Openings/Ribbon Cuttings Programs Manager Tara

1. Programs Manager Tara gives an update about several ribbon cuttings coming up.
2. The Jas and Fam Caribbean Flavor ribbon cutting will be on November 17th. Moda Kitchen and Bath's will be on December 8th. Audacious Alework's will be on December 7th, more information to come.

ii. Small Business Saturday

1. Small Business Saturday is held in partnership with the EDO, The Chamber, and the OTFBA. A nationwide program that celebrates the holiday shopping season by highlighting small businesses. There will be a proclamation at the City of Fairfax Council meeting on November 15th, that will make Small Business Saturday an official observed day, on November 26th.
2. The day of, there will be a welcome booth in Old Town Square, as well as many fun activities, treats, and giveaway's There will also be an elf on the shelf scavenger hunt, that 30 business have hid. All participants will have an opportunity to win raffle prizes, while shopping locally. a

iii. Fairfax City Winter Restaurant Week

1. Deputy Director Nguyen adds that there will be a 2022 calendar year report. The fiscal year is split into two, the Commissioner of the Revenue has sent preliminary numbers.
2. The average meals tax was \$89,000 for the month of September, a final report should be coming within the coming days.
3. Chair Paley asks how that number compares to the base line months before. Deputy Director Nguyen will look at those numbers. Not all data has been received.
4. The Restaurant Week Committee has officially been put together, the Chamber and EDO and the participants of the restaurant community, and Fifth and Main make this up.
5. This will take place the second week in March, 6th-12th. Majority of past participants have said they will be participating again. More information to come as meetings from the Restaurant Week Committee continue.
6. Commissioner Ross asks how long the contract with Fifth and Main runs, Deputy Director Nguyen notifies it is through August 2023.
7. Director Bruno adds that they have been happy with Fifth and Main. The program has grown which will require a public RFP.

iv. Other

- a. William Pitchford from City of Fairfax Citizens for Smarter Growth expresses his thanks to Director Bruno and Assistant Director Easley, for sharing the data analysis plan and going through it. He shared it with his group and will get back to the EDA on how they think they can help the plan. He asks how the EDA sees themselves participating in the role of moving the plan forward in terms of redevelopment of Camp Washington.
- b. Chair Paley responds that the EDA was a part of the planning process.
- c. Director Bruno adds that there is a monthly or quarterly implementation meeting for the comprehensive plan, of which the small area plan is rolled up into, that the staff participates in. The EDA is working towards moving the small area plans forward, a lot of those steps have been discussed above.
- d. Mr. Pitchford shares his concerns with the proposed Willow Wood development. They believe the area would be much better served with a much denser development
- e. Mr. Pitchford adds that he took a tour of the new Mason Enterprise Center, and compliments the facility. He adds that despite his years in the City he has not seen the MEC advertised largely.
- f. Chair Paley adds that it is a prime time to get the word out about the MEC, and that it is a priority going forward.
- g. Commissioner Ross states that there have been discussions with Director Hill about adding the MEC to the City Scene.
- h. Doug Church states that his group is looking for other spaces and wants to consider the MEC, now that they know there is a 53% capacity rate.
- i. On the outreach and small area plans, the way they have been developed, proposed and approved is at aiming at city residents, Mr. Church expressed that we should be careful how this is perceived to outside businesses. Marketing out to smaller areas and businesses would be good and how the Fairfax City Chamber of Commerce can help in those aspects.
- j. Doug Church and the Chamber of Commerce express that they their value relationship with EDO and EDA.

7. Adjourn

*****Next Meeting: Wednesday December 7, 2022*****
THIS WILL BE AN IN-PERSON MEETING
Subject to Change. Please check fairfaxcityconnected.com for more information.
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