



CITY OF FAIRFAX ECONOMIC DEVELOPMENT AUTHORITY  
MEETING MINUTES  
Wednesday, January 4, 2023 6:00 pm  
In Person at Economic Development Facility

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

**Commissioners Present:**

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

**Others Present:**

Christopher Bruno, Director, 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, Interim Programs Manager  
Gary Ponder, Programs and Incentive Manager  
Michelle Smith, Tourism Manager

1. Call to Order Chair Paley
2. Adoption of November Meeting Minutes [**VOTE**] Commissioners
  - i. Commissioner Ross initiates motion to approve and Commissioner McGruder 2nds motion.
    - a. 4 Yes, 2 commissioners abstained due to their absence from the last meeting (Vice-Chair Jeff Hermann and Treasurer Fred Cornett).
3. Chair Comments Chair Paley
  - i. Chair Paley begins by acknowledging that the City of Fairfax has a new mayor. She is scheduled to meet with her and give an update on the EDA.
  - ii. Vice-Chair Hermann asks if there will be any meeting or relationship with the new/current council members.
    - a. Chair Paley and Director Bruno agree that more active coordination would be useful.
4. MEC Update: Financial and Operational Director Eddie Hill
  - i. Director Hill begins that with exception to a few virtual clients, most lease agreements are completed.
  - ii. He states that revenue is doing pretty well, the numbers for the first 6 months include: 4 months of revenue at previous location. Revenue for the remaining 6 months is about the same.
  - iii. There should not be a shortfall this year, but in part that is because of the free rent as well as ARPA funds in reserve.

- iv. The MEC lost 10 or so resident clients with the move from the previous location. The current occupancy rate is 50%. 24 companies occupying 26 offices.
- v. Director Hill's budget is completed at 80% occupancy, which he says will get the MEC fairly close to break even. 16 more companies are needed to meet that 80% occupancy rate.
- vi. Director Hill believes his presence outside of the incubator, sharing the MEC's story is key to marketing being successful.
- vii. On the operation side a couple part time employees just started.
- viii. Vice-Chair Hermann asks if most prospective clients are more local/regional or coming from outside of the area.
  - a. Director Hill responds it is not one or the other. George Mason or SBDC are common connections.
- ix. Commissioner Young asks why there is \$0 in the "Lunch and Learn Events Workshops" and if for the next 6 months if they plan for that still being \$0. Commissioner Young adds it would be great to see the next 6 months budget as well for a comparison.
  - a. The workshops were virtual and they did not charge for these. Director Hill adds that it is challenging to get people to pay for virtual events.
- x. Commissioner Young follows up: at what point are you worried?
  - a. Director Hill says when he reaches the bottom of the bucket in ARPA money and still at 65% occupancy then he will worry. But MEC has a good value proposition having a lot to do with the free rent and ARPA money.
  - b. Commissioner Young adds that her experience being in a community of other businesses was great and there's a huge community wanting to use shared office spaces.
    - 1. Director Hill adds that he is not opposed to that.
- xi. Chair Paley mentions Director Hill stating "80% occupancy would bring us fairly close to breakeven". She asks for clarification on this.
  - a. Director Hill says 80% occupancy is a ballpark breakeven number. That is his goal of where he would like to be at any given time.
    - 1. Chair Paley follows up with how close is that actually to breaking even.
      - 1. 16 businesses would be right at the cusp of 80%.
  - b. Chair Paley adds that because of ARPA and free rent being temporary, they can't be relied on.
- xii. Chair Paley asks in terms of prospective marketing efforts, can you explain what some of these are.
  - a. Director Hill says places where current and potential technology entrepreneurs are, as well as people referred to the MEC.
  - b. Chair Paley asks if there are actionable next steps.

1. Director Hill responds that it has not made sense to go before, but because the move being behind them he now has reason to go out into the community to develop a presence.
- xiii. Director Bruno asks what the EDO as an office can do to help supplement the work that the MEC is doing to identify prospects.
- a. Director Hill responds that he and BIM Merlene can have a running conversation, to make more progress together.
  - b. BIM Merlene adds that Paula goes to a lot of these events, and recommends Director Hill to get contact lists forwarded to him from conferences she attends.
- xiv. Treasurer Cornett asks on the budget vs actuals, what the contributions are and where are they coming from.
- a. Director Hill adds the highlighted number is ARPA funds.
  - b. He adds, with regard to other contributions, the City's contribution of \$20,000 for operations is there, and the remainder will be put in the George Mason account for the salaries of 2 new receptionists.
  - c. Treasurer Cornett adds that we should gross this up and show salaries and initial contribution from the city.
- xv. Director Bruno adds that conceptually he is comfortable with the EDA allocation going towards salaries, with that being said we do need to check the MOA to make sure this is ok. Previous versions have required it to be used for marketing and capacity building.
- a. Director Hill needs to check on this.
- xvi. Director Bruno adds that we need to discuss the relationship between the tenant companies and the EDA, and to see if Project Manager Wilson has an update regarding this.
- xvii. Project Manager Wilson begins that realistically it's down to a few details.
- a. Removal of the previous MEC sign was a third of what it was initially quoted: \$650.
  - b. Treasure Cornett asks about excess furniture.
    1. PM Wilson needs to look at what is still in storage, based on what we paid the last time, the rest of it should be about \$1500.
    2. No excess furniture left at the previous MEC.
- xviii. Chair Paley says that the EDA wants to be a resource to MEC clients and their contact information would be helpful for this. This way the EDA can ensure that they are a resource as needed.
- a. Director Bruno adds that there is a contractual need for the contact information of the MEC clients. And adds that there is a lot of interest with the new mayor and council about an event for the opening of the MEC.

1. BIM Merlene says that she has thought about potentially hosting an event that is MEC based but also includes the other resources that are on campus like SPDC and PTEC.

xix. Treasurer Cornett asks if there is an ability to put a pie chart together of the different industry classifications of the tenants, if there is enough commonality to group them.

- a. Director Hill has been asking them to list their industry codes, but do not have this for all clients.

## 5. Business Investment Update

Business Investment Manager Nicole Merlene

### i. NOVA EDA

- a. BIM Merlene begins with notifying the EDA on the renewal of our commitment to being a part of the NOVA EDA, which is a coalition of all the Virginia EDAs.
- b. She adds that they went to Quantum World Congress last month, a successful conference in DC, and a coalition of entire DC/Metro region EDA's.

### ii. VEDP

- a. This is another great resource, with a lot of funding from the state.
- b. In addition to going to these events to attract people, it has helped BIM Merlene understand what we have to offer existing businesses.
- c. International team is coming to town in May, and will be hosting them in their Northern VA tour at Eaton Pl. show them all available tools including MEC and all of our Economic Development partners on campus.

### iii. FedWriters

- a. BIM Merlene updates that FedWriters have renewed their lease with the city.
- b. An MEC success case, FedWriters is approaching their 200<sup>th</sup> employee.
- c. They worked with PTAC, helping them to gain government contracts, FedWriters is up to 40 government agencies that they are contracting with now.
  1. A press release is planned for the future.
- d. FedWriters is also a beneficiary of our technology zone incentive program.
- e. Director Bruno adds that these organizations give us an opportunity to broadcast the city's message and brand nationally.

## 6. ARPA Update

Tourism Manager Michelle Smith

### i. Tourism – VTC

- a. Tourism Manager Smith was hired to oversee ARPA tourism funds that were allocated from the Virginia tourism corporation. These funds followed Covid-19, to help spur economic activity and travel to Fairfax City.
- b. \$150,000 was allocated for 4 different projects.

- c. The first one is a Town and Gown program, \$40,000 was allocated towards that, this was allocated to help improve relationships with the City of Fairfax businesses, George Mason University, and Northern Virginia Community College.
  - 1. Currently in the process with RFP and with procurement to hire a marketing company to help with this. \$30,000 will go towards this.
  - 2. \$10,000 will go towards a mural crosswalk (asphalt art) at the intersection of East and Main Street.
- d. The 2<sup>nd</sup> program is Explore Fairfax virtual and print map. \$25,000 is being allocated towards that.
  - 1. The virtual map will be a walking guide through the old town area, highlighting historical sights, parks, public art and activity centers.
  - 2. The print map will be distributed at visitor centers, that will be an updated version of what we have.
- e. The 3<sup>rd</sup> project is \$25,000 allocated towards 2 murals. 1 will be located at the Regency 50 Shopping Center. The 2<sup>nd</sup> mural has been posted in the business bulletin to seek community input.
- f. The final project is \$60,000 towards an artistic light installation modeled after a smaller Georgetown Glow. One is a projection on a building, one is a hanging light, and one a traditional light installation.
- g. Chair Paley asks if this is temporary or if it is longer term.
  - 1. Tourism's Manager Smith responds it is designed to be temporary through winter months, almost like a light festival. She has spoken to Mitzy in Parks and Recreation about making it a more comprehensive program in the winter.
- h. Director Bruno adds its worth reminding the EDA that the budget is \$150,000 for all of these programs. The EDA voted in support of advancing \$75,000 for that, but this does work on a reimbursement basis from the Virginia Tourism Corporation, it has supported the staff hours for that as well although he has to check. Director Bruno adds that he is glad Michelle emphasized partnerships with some of the sister departments. The reason we are managing this is because these funds are typically directed for destination marketing organizations, of which Fairfax city does not have one. In the absence of one they allow funds to go to Economic Development Authorities
- ii. Pop-up/ Office Vacancy Programs and Incentive Manager Gary Ponder
  - a. PIM Ponder begins, the pop-up goal is to create curated opportunities for small businesses, creatives, and local vendors to promote and sell their goods locally.
  - b. The budget for this is \$100,000.
  - c. Treasurer Cornett asks what the \$100,000 is going to be used for, rent, tenant fit out, advertising things of that nature.

1. PIM Ponder responds that Treasurer Cornett just covered \$65,000 of that. PIM Ponders expresses he wants to emphasize the word curated events.
- d. Commissioner McGruder asks how many vendors he believes will fit in that space and how long do you anticipate having them there.
  1. PIM Ponder responds they've had discussions about using the space for the artist to create the art, sell the art, or a combination of both. For the timing, it can depend on the vendor's intention for how they use the space.
- e. Next PIM Ponder began to discuss the program to incentivize and promote to fill vacant commercial office spaces.
  1. The goal is to promote and incentivize to fill office spaces in the City of Fairfax.
  2. Treasurer Cornett asks what the commercial vacancy rate is in the city?
    1. There are 27 vacant office spaces as of December 21 of last year, and 5 of them indicated that they were negotiating leases for those.
  3. Treasurer Cornett asks if we know the total commercial sq. ft. is in the city for office space and then how much of that is vacant?
    1. Director Bruno interjects that they do know this through CoStar and a number of things.
  4. BIM Merlene suggests she can bring a general report to the EDA every couple of months.
- f. Treasurer Cornett responds are we 75% occupied?
  1. BIM Merlene responds it has increased since the end of Covid and everyone started right sizing their spaces, at about 12.5% vacancy at this point.
  2. The target is a specific group of them that have anywhere from 20% or higher in vacancy. Those will be targeted for this program, and made sure they are aware of it to utilize it. Everyone will be able to apply to this. PIM Ponder will be doing direct outreach to the places with the higher vacancies.
- g. Treasurer Cornett suggests a list of the top 10 as far as total sq. ft would be helpful.
  1. Director Bruno adds that he and BIM can do a quarterly report on this.
- h. Director Bruno expresses that it is important to stress the "twin goals" of this program, to chip away at the barrier to entry for businesses looking to move into office space, maybe they couldn't afford it before and now this is an opportunity for them to consider that. And, to fill some of the vacant office space, which he thinks will be a reoccurring theme once the EDA sees the strategic plan be rolled out over the next couple of months.

## 7. Programs

Interim Programs Manager Tara Borwey

- i. Restaurant Week

- a. Restaurant Week is March 6-12 with the possibility of an extension.
  - b. The deadline for menus is January 20. There will also be our round table discussion on January 20, so that kind of coincides with that.
  - c. IPM Borwey adds that as mentioned previously, the menu pricing has changed this year, it has been officially been announced: \$25 for lunch or brunch, \$40 dinner per person with couple and family meal options. Also, considering the 2 for \$10 option.
  - d. Director Bruno wants to on the record thank the Central Fairfax Chamber of Commerce for their support again, he recognizes this is a program of both the EDA and the CFCC. They have been a partner with the EDA in this program since 2018, the first-year restaurant week came back.
    - 1. Chair Paley seconds the thank you.
  - e. Chair Paley is happy with the continued growth and success of the program.
- ii. Flex
- a. The Fairfax City Flex Card was launched in October, it's a closed loop gift card where 100% of flex card sales stay in Fairfax city.
  - b. Currently there are 29 participating businesses, from business types that range from Artie's Lock and Key, restaurants, retail, salon and nails services.
  - c. On November 26<sup>th</sup> a BOGO promotion started where the EDO put up \$20,000 of our flex card budget towards a gift card matching program. So, gift cards that are purchased are matched at 40%. If you buy \$250 you get \$100 back.
  - d. IPM Borwey states what is new is the progress of that promotion.
    - 1. To date the sales of the flex cards exceeds \$65,000. With over 625 cards sold, the redemptions have surpassed \$38,000. With over 290 cards having been redeemed we have around \$1700 left in the BOGO budget to give you an idea.
  - e. Treasurer Cornett asks where you buy the cards.
    - 1. IPM Borwey answers it is on Yiftee. It's [fairfaxcityconnected.com/flex](http://fairfaxcityconnected.com/flex).
  - f. We have 18 businesses that have actually processed flex card transactions since the launch of the program. Of those 18, there are 6 businesses that have under 100 of redemptions. There are 3 that have over \$1000 worth of redemptions, but the top company has \$34,000 in flex card redemptions to date.
  - g. Commissioner Young asks if you will advertise it like the Chocolate Lovers Festival, when we have so many people from out of town.
    - 1. Borwey adds that is the next phase of the promotions, we have 2 opportunities coming up: Chocolate Lovers Festival and Restaurant Week coming up.
    - 2. There is currently about \$14,000 left in the budget, so, have to be conscious of how that money is spent and how this program will be funded moving forward.
- iii. Ribbon Cuttings

- a. Jas and Fam, McDonalds drive through, Audacious Ale Works, worth mentioning that we supported the ribbon cutting for the Hill Street Connection that opened. It's a connection that has been made that will connect thousands of people to the shopping centers on Fairfax Blvd. 850 households.
- b. Cut the ribbon on Moda Kitchen and Bath.
- c. To wrap up ribbon cutting, at Roots Natural Kitchen, which is at Scout.

8. EDO/EDA Update

Director Bruno

- i. StreetSense Strategic Work Plan
  - a. Director Bruno says the strategic work plan was completed at the end of December.
  - b. It will be distributed to the EDA before the Saturday meeting.
  - c. It's not a spoiler alert, they are recommending a shift from some of our programs, while maintaining some of the important programs that we do like Restaurant Week, to more of a focus on business investment programs.
  - d. This will give us the tools to advocate for the new resources that we need to successfully implement this plan.

9. NOVA Labs Update

Commissioner Ross

- i. Commissioner Ross states that Bradley sent him an update: the electrical permits are done now so the metal shop is open, everything is essentially open with the exception of the welding area. They need to get a special exception from the fire department because it is hot work, so they have to do some work on the ceiling. Essentially, they are 95% up and operational. We talked to them about some resources we could provide, Chocolate Lovers Festival for example, and as of a couple days ago Bradley stated he had not heard anything back.
  - a. Bradley from NOVA Labs sent Commissioner Ross a GMA video clip as one of their incubator businesses is featured, it's a 2-minute clip, it's an inside into what one of their businesses is doing. (plays video)

10. Upcoming Strategy Meeting

EDA Associate Ashleigh Scarborough

- i. EDA Associate Scarborough begins with a quick reminder that the upcoming Strategy Meeting is on January 21, from 9am-1pm at Historic Blenheim.
- ii. In terms of updates she stated they are in the process of finalizing the agenda, and will be coming to you soon. Confirmed a facilitator whose name is Kristi, and she is also finalizing the food that will be provided, she notifies the EDA to stay tuned.

11. Public Comment

Public

- i. Mr. William Pitchford from Smarter Growth would like to welcome Mayor Read, and congratulate all new city council members. He also expresses that he looks forward to working with them to promote walkability and smarter growth development.
- ii. Executive Director Jennifer Rose from the CFCC begins first by thanking the EDA staff for dealing with their print directory person, she adds they are so close to the end.

- a. The CFCC for the first time in 15 years is doing a print directory and community guide.
- b. The most recent article that they have done, the businesses one on FedWriters.  
FedWriters is now a CFCC member.
  1. \$23,000 ad sales for that publication, 29 advertisers and that is more than 10% of CFCC memberships.
- c. It is the CFCC's 65<sup>th</sup> year, there will be much celebration throughout the year, the focus of this particular one is on our history.
- d. ED Rose adds, this year we are offering a new membership type, introductory membership, reduced pricing for extremely reduced benefits.
  1. \$200 one year only, renewal date they come in as a business investor.
- e. The CFCC wants to make sure all commissioners know and understand they are always welcome to attend CFCC events.

12. Adjourn

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**\*\*\*Next Meeting: Wednesday January 21, 2022\*\*\***

**EDA Retreat, 9am-1pm, Historic Blenheim**

**Subject to Change. Please Check [fairfaxcityconnected.com](http://fairfaxcityconnected.com) for more information.**

**THIS WILL BE AN IN-PERSON MEETING**

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