



CITY OF FAIRFAX ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
Wednesday, February 1, 2023 6:00 pm
In Person at Economic Development Facility

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

Commissioners Present:

Vice-Chair Jeff Hermann
Commissioner and Treasurer Fred Cornett
Commissioner Tom Ross
Commissioner and Secretary Beth Young (Virtually Present)
Commissioner Dawn McGruder

Others Present:

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

1. Call to Order Vice-Chair Hermann
2. Consideration on Approval for Electronic Participation for Commissioner Young [**VOTE**] Commissioners
 - a. Motion to approve made by Commissioner Ross, 2nded by Commissioner McGruder.
Passes unanimously.
3. Adoption of January Meeting Minutes [**VOTE**] Commissioners
 - a. Motion to approve made by Commissioner McGruder, 2nded by Treasurer Cornett.
Passes unanimously.
4. NOVA Labs Update Commissioner Tom Ross/ President Bradley Matthews/CFO Jim Sweeney/Vince McCollough
 - a. President Bradley Matthews begins that NOVA Labs is 2 critical items away from full occupancy. He adds an update on all the work and construction that is being performed/completed. He also gave a membership update.
 - b. NOVA Labs is fully up and running from a business license perspective.
 - c. Vince McCollough updates that they plan on having a grand opening on Saturday March 18th. He also adds that they have other events planned going forward.
 - d. Consideration on Authorization of use of funds for hourly-employee for Project Management related to NOVA Labs [**VOTE**]
 - i. Up to \$5000
 - ii. Andrew Wilson will be the designated Project Manager.
 - iii. Motion to authorize made by Commissioner Ross, 2nded by Treasurer Cornett.
Passes unanimously.
5. Old Town Fairfax Business Association - Winter Programs Update Executive Director Tess Rollins

- a. Executive Director Tess Rollins begins with an update on her building relationships with businesses in Fairfax City.
 - i. Connect and collaborate.
- b. She has reached out to different local channels to get more spotlight on the OTFBA.
- c. The board approved a Resident Membership for City of Fairfax residents to join the OTFBA.
- d. The OTFBA is starting a membership drive for people to rejoin and renew. The board recently approved for brand new business in Old Town Fairfax, to have their first-year membership be complimentary.
- e. She added they are working on updating the OTBBA website, and creating a parking page for the convenience of visitors and businesses.

6. MEC Update

Director Eddie Hill/Project Manager Andrew Wilson

- a. Director Eddie Hill presents the EDA with a financial update.
- b. The budget is July of 2022 to June of 2023.
- c. Director Hill added that the MEC picked up 4 new virtual members, 1 new shared office client, 1 person who insisted on renting a zoom room; and in communication with 4 strong candidates to take office space.
- d. Referrals are starting to pick up.
- e. Director Hill explains that a virtual member is someone who pays for a mailbox, they get a mailing address with the MEC, and conference room time: \$150 a month. The MEC had about 55 of those and added 4 more.
 - i. For those that want MEC to answer the phone for them that is an additional \$50 a month.
- f. Based on Commissioner Young's feedback, the MEC will begin promoting coworking. Still figuring out where to office those people and how to handle day passes or monthly memberships.
- g. Hot desk spaces are \$250 each. Shared Desk \$400 a month.
- h. The focus is growing the number of people who take office space. These impact their bottom line the most. These clients are people to work with, grow and function as an incubator.
- i. Director Hill is working on a marketing plan that should be ready by the March EDA meeting.
- j. The events calendar is almost finished (additions need to be made), still need to structure the social media activities for the remainder of the year.
- k. The budget presumes 80% occupancy. About 16 companies away from being at that percentage today.

- l. Director Hill does have the stretch goal of trying to get 10 more office companies by the end of the fiscal year on June 30th.
- m. He adds there might be a shortfall, but the MEC is fortunate that some free rent and ARPA funds are available.
- n. PM Wilson adds that he completed all items that were needed to close out the previous MEC location, and finished up removing telecommunications wiring Friday.
- o. He added, they are wrapping up the work at Willow Wood, finished the contract for AV equipment to go into classroom space.
 - i. Sent to Polinger Company for contract the to go through them. Polinger has submitted an insurance certificate, W-9 and all the other paperwork.

7. Business Investment Update

Business Investment Manager Nicole Merlene

- a. ARPA Business Investment Programs Update
 - i. Commercial Vacancy - LIFFT
 1. Program Overview/ Timeline
 - i. "Lease Incentive for Fairfax Tenants Program"
 - ii. BIM Merlene states this is a direct incentives package that will hopefully be launching the first week in March, for incentivizing tenants to move into the City's office space.
 - iii. What that looks like will be a pre-approval document for building owners and or brokers of office space to fill out and based on the amount of vacancy in the space, sq. ft available and the rent charge. They will fill this out. The request to the EDA is that a review committee will look through all the applications from the building owners to essentially give them a preapproval to pitch to incoming tenants as a direct incentive for them to come to Fairfax City.
 - iv. The incentive agreement will be between the EDA and the incoming tenant directly, not the building.
 - v. She adds, the basic concept of how tax assessments are done, is based on potential rent garnered, sq. ft available, and the quality of the building.
 - vi. Largest ARPA fund worth: \$300,000.
 - vii. She would like them to state their intended rent so that it does not fluctuate based on the grant given.
 - viii. The expiration date would be the end of September.
 - ix. This is a one-time fund upfront to the clients.
 - x. Although not required, the EDA's goal is to have funds dispersed directly to tenants by September.

2. Volunteer Request

- i. BIM Merlene asks that 2 commissioners participate in the review of the applications. The initial opening for applications is for a month between March and April. At the end of the process in April, the team can come to an assessment of whether or not they need to continue to accept new applications, if there is not enough. Or, conduct the review at that point, or do a hybrid and decide to leave a certain amount for future incentives.
- ii. Chair Paley has agreed to participate. This request would be for review starting in April and potential in May.
- iii. Once done, the EDA will give notice to those chosen to move forward with. The hope is to get them to use this incentive to better market their space and fill the vacancies.
- iv. Vice-Chair Hermann volunteers alongside Chair Paley.

ii. Pop-Up

1. \$100,000 ARPA Fund
2. BIM Merlene engaged with a potential operator, she is hopeful an update to come next month with specifics.
3. 50% of the \$100,000 would go towards rent and utilities, 50% to the operator who would be in charge of selecting vendors, staffing the location, marketing, etc.
4. This concept allows nominal fee charges to help out with some costs.
5. Looking for a space between 2000-2500 sq. ft.

b. Current State of the Commercial Market

- i. Full detailed presentation to come next month.
- ii. Retail vacancy about 7%, office vacancy about 9%.

8. Programs

Interim Programs Manager Tara Borwey

a. Restaurant Week

- i. The CFCC and Interim PM Borwey worked this week to get out updated logos in a visible way, to put up in the City entrance signs.
- ii. Parks and Recreation is giving the banner spots the week prior to Restaurant Week.
- iii. Interim PM Borwey adds that the photoshoots have been executed.
- iv. Mayor Read has agreed to make the proclamation on February 28th at the City Council meeting, this is on the agenda.

b. Flex

- i. Interim PM Borwey updates the EDA that the 1st buy one get one promotion has been completed. The \$20,000 gift card matching budget was exhausted.
- ii. She added that promoted and sold over \$69,000 in flex cards. Redemption during that time was a little over \$47,400.
- iii. The EDA has funded the buy one get one promotion again for the month of February, focusing on Chocolate Lover’s Festival as well as Valentine’s Day gift giving and dining.
- iv. She anticipates the budget lasting into the period of Restaurant Week.
- v. About \$5,000 is left in the Flex card budget from the initial funding.
- vi. 32 existing businesses participate with the Flex card program, she is looking to add more.

9. EDO Update

Assistant Director Matthew Easley

a. Staffing Update

- i. The EDA congratulates Director Chris Bruno for receiving a 2023 Economic Development 40 under 40 award.
- ii. The EDO welcomed a new intern Cameron Baker who will work with social media.
- iii. Nicole Merlene has been promoted to Senior Assistant Director.

10. Public Comment

Public

- i. William Pitchford from Smarter Growth shares that Smarter Growth is organizing a development 101 workshop.
 - a. This will be in the April-May timeframe.
 - b. He adds that they will share with residents how the development process works from the perspective of developers and real estate professionals.
 - c. The goal is to encourage residents in the community to participate in the planning and development process. He hopes to work closely with the EDO, EDA and the CFCC with the format and agenda so that the workshop follows the small area plans, encourages strong business development, and promotes smarter growth. More information to come.
- ii. Jennifer Rose from the Central Fairfax Chamber of Commerce shares that the Chocolate lovers this weekend, she is the chair of the committee. She is meeting with members of the EDO staff and a member of the Fairfax County ED to plan an Economic Summit.
 - a. The date set for this is April 19th.
- iii. She adds that there will be a new event on the 16th of February, at Bellissimo. This is designed for business owners, called the BOSS, “business owners’ strategy and support group”, Luncheon series.
- iv. The CFCC had a record 19 new members join the chamber in January, 2 members came back as well.

11. Adjourn

*****Next Meeting: Wednesday March 1, 2023*****

Subject to Change. Please Check fairfaxcityconnected.com for more information.

THIS WILL BE AN IN-PERSON MEETING

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