ACCS 2012 Business Leaders Study

Focus Group Report

January 2011
Overall Study Goals and Objectives
Overall Goals

- Gain an understanding of how the business community perceives the business climate in Arlington County and the impact that transportation has on their perceptions.
- Understand needs of the business community in terms of transportation programs and services.
- Determine satisfaction levels for transportation in general in Arlington County and for ATP services specifically.
Overall Methodology
Methodology

- **Phase 1** - Conduct focus group conversations with members of the Arlington business community.

- **Phase 2** - Conduct a 12-minute online survey with a representative sample of those in the Arlington business community.
Focus Groups

- The following focus groups were held in late November and early December:
  - 2 Retail and small business
  - 2 Hotel
  - 2 C-level executives
  - 1 Developer

- In total, 34 people attended
  - A variety of businesses were represented
  - Representatives from several BIDs attended
Focus Group Goals and Objectives

• Obtain a high level reading of the business climate in Arlington, especially compared to the rest of the region and the country.

• Understand the biggest transportation related benefits and challenges for businesses in Arlington County - What’s on their minds?

• Inform the topics/questions that will be covered in the quantitative survey.
In terms of overall business climate, Arlington may be faring better than other locations, but there are still concerns and uncertainty surrounding the future.
According to Many Business Leaders, Arlington County Is Doing Better Than Other Areas

- This includes other parts of the Washington, DC area as well as the rest of the state and country.
  - “This community hasn’t really been affected too heavily in my industry.” (C-level Group)
  - “I think that Arlington has done a really good job at promoting new business and doing different things to get people in here.” (Hotel Group)
  - “The disparity is not so much between us and the immediate jurisdictions, but between us and the rest of the state.” (Developer Group)

- Right now the county is still creating jobs.
  - “People go where the jobs are.” (Retail and Small Business Group)
  - “The talent wants to be here.” (C-level Group)
Some Feel an Optimism, Despite Current Challenges

• “One of the challenges in Crystal City is BRAC moving people out...but the reality of it is now with the crystal city sector plan in place there is a whole lot of positive attention because here is a really accessible location that is not built out technically according to the sector plan, so we see a lot of interest and investment in building buildings and enhancing the number of units of residential, creating a better balance and fixing the transportation issues.”

(Retail and Small Business)
But Concerns About the Future Are Growing

• Businesses in the county are facing significant challenges.
  - “Things are not necessarily great in the county. There is a lot of vacancy in the county and we project more vacancy.” (Developer Group)

• Businesses are learning to do more with less and this impacts jobs, space, etc. Most are still unsure if this is a cycle or a paradigm shift.

• Arlington is just seeing the first impacts from BRAC and other reductions in government spending. They are aware cuts are coming, but the total is uncertain.
  - “The government has stated that they will not occupy the same amount of space they have in the past.” (C-level Group)
  - “There is less of a demand for them [government contractors] to be in this market.” (C-level Group)
  - “The defense department, which Arlington County is very tied to, is in a point right now where it don’t really know what will take place, whether there are cuts of $1.3 trillion are still unknown.” (C-level Group)
There Is a Large Amount of Uncertainty About the Economic Environment

- Concerns about government cuts are driving some of this uncertainty.

- Many classify it as a “wait and see” business climate - even for those who are not tied to the government.

  - “And jobs for us, while overall they were projecting huge growth - most of it coming from the government - now they say some of it may not happen.” (C-level Group)

- Hotels feel as though reduced government spending will reduce their bottom line.
Many Feel the County Is Not Doing Enough to Attract Private Companies

- With the reduction of government jobs, business leaders want to see Arlington focused on bringing in private companies.

- According to focus group participants, other governments in the area are more flexible with leasing items.

- “The wars are winding down and we have a heavy reliance on the government contracts, and Arlington as a government I think is a little bit arrogant, for lack of a better term, they think that our proximity to the flag pole [DC] will prevail and business will want to be here, but I see Northrup-Grumman leaving and going to Fairfax, I see Volkswagen coming in and going to Fairfax, Hilton going to Fairfax and I would like to see Arlington get some of those.” (Developer Group)
Transportation options set Arlington apart, but may not be available to all Arlington workers.
Transportation Options Set Arlington Apart

- Metro access is an advantage for businesses and properties in the county.
  - This also attracts guests to hotels, because they can stay in Arlington County where hotel rates are lower, but still easily access DC.
  - “The Metro is a huge competitive advantage for people going up and down the Orange line.” (Retail and Small Business Group)
  - “Metro was the key to the development of the R-B corridor and certainly of Crystal City, and the street car will be interesting for Columbia Pike.” (C-level Group)

- Properties close to public transportation demand a premium in rent or purchase price.
  - “People want to live where there is public transportation.” (Retail and Small Business Group)
Capital BikeShare Stands Out as an Asset

- Many praised Capital BikeShare and would like to see it expanded.
  - It is a particularly popular option for hotel guests.
  - “I think the BikeShare is going in the right direction and if that continues to expand, because right now you have the orange line, but if people live in Shirlington, there are lots of other areas in Arlington besides the orange line.” (C-level Group)
Transportation Influences Businesses to Locate in Arlington and Influence When and Where the Business Community Conducts Business

- Businesses choose to locate in Arlington County because of the transportation and the difficulty of driving in the district.

  - “We are a business in Arlington, and one of the reasons we are here is because our employees can reach us from just about anywhere.” (C-level Group)

- Roads are at saturation levels and this impacts business decisions.

  - When you set meetings, where you have meetings, etc.

- Parking impacts those who have to meet clients more than other types of businesses.
Transportation Options Are Not Available to all Arlington Workers

- Workers with non-traditional schedules have limited public transportation options, especially on weekends and holidays.
  - This impacts mostly service industry (hotel, restaurant, etc.) workers.

- Metro access is limited or slow on weekends and some choose to drive because of this.
  - “The Metro to Crystal City on the weekends is pretty terrible sometimes. It takes forever, so when it comes to access, Metro needs to be better.” (Retail and Small Business Group)

- Bus service is limited.
  - “If there is anything that would be useful it would be a little more evening service. WAMATA has sparse evening service, every 45-minutes or every hour there is a 10B bus...if ART could even have one or two sparse buses.” (Retail and Small Business)
Mixed use development gives life to the area and reduces traffic, but business leaders want to make sure transportation is integrated into the development process.
High Density Mixed Use Development Is Key to Business Success

• Some business leaders take pride in the fact that Arlington has areas where young people can live and have easy access to jobs in both DC and Arlington County without needing a car.
  - Ballston, Courthouse and Clarendon were all discussed.
  - “Clarendon is the new Georgetown.” (C-level Group)
• Mixed use developments are a big part of what businesses are looking for.
  - When discussing what they are looking for in a location: “We want mixed use.” (C-level Group)
  - “As outer suburbs become less attractive, communities like Arlington and the mixed use development that is taking place in Arlington is providing a residential resource for young people and families.” (C-level Group)
Focus Group Participants Recognize That Smart Growth Decreases Traffic

• “As you go up and down this corridor here [Rosslyn-Balston] it has worked pretty well because as they build condos and townhouses, the residents don’t use cars and the number of parking spaces they need keeps going down and down.” (C-level Group)
But They Want to Make Sure That Transportation Is Integrated into the Development Process

- Some focus group participants believe there needs to be a better balance between the developers, the county and the community - especially with regard to community benefit packages.

  - “They built a mega-secure building at MARK center and six months before it opened they said ‘oh, we should probably go ahead and integrate the transportation plan,’ and then they delayed the opening of the building; but at the same time we sit on vast sections of land in the Springfield area where we have access to a metro.” (C-level Group)
Some business leaders feel Arlington’s identity is unclear.
Arlington County May Be Facing an Identity Crisis - Is It Urban or Suburban?

- Participants note that a lot of the focus on urban development neglects that a substantial portion of the county is more traditional suburbs.
  - “We are a traditionally residential and small development county, which has suddenly become urban.” (C-level Group)
  - “There needs to be a system or a process or something to help and accept what we are becoming.” (Retail and Small Business)

- The shift between the urban corridor and the more suburban areas is abrupt, and this can lead to tension between the groups.
  - “We need to have a plan that focuses on us as an urban community because that is what we are.” (Retail and Small Business)
  - “The density really helps the county.” (C-level Group)
The Business Community Sees a Division Between North and South Arlington

- There is a significant divide between North and South Arlington County.
  
  - “South Arlington and North Arlington are like two separate entities and nobody wants to cross that line...having some type of tie-in between the two areas would be helpful in creating a more well-rounded community.” (C-level Group)

- There are no non-street bike routes north-south. This would help movement by bike through the county.
Some Business Leaders Feel as Though the Role of Cars in Arlington County is Unclear

- A couple want the county to make a decision if it should be a place where you can drive and park easily or somewhere you don’t need a car.
  - “You need to recognize you are an urban environment and support that urban environment. I think the county board does this, but they don’t do it as openly as it could be.” (C-level Group)

- Questioned if it should be a privilege or a right to be able to own a car and drive in Arlington County.
  - “The car free diet is great if you are generation X or just coming out of college. You don’t need a car, you don’t want a car, you are single and what not. That works great. Go get married and have a couple of kids and all of a sudden you’re going ‘wait a minute I need a car,’ and Arlington is saying we don’t want you to have a car, and we are not going to allow you to build spaces.” (Developer Group)
Smart growth has set Arlington apart, yet the business community recognizes public transportation options and capacity need to grow with population growth.
Smart Growth Has Set Arlington County Apart, but More Must Be Done

- The county has done a good job of effectively managing growth, but focus group participants are not optimistic that this will always be the case.

  - “Arlington is held up as the model, but it also means that we have to live with all of the hiccups that come along with this.” (C-level Group)
  
  - “Arlington has done a great job over the long-term in planning for transit, it is one of the things that has made Arlington successful, but that success has caused what I call creep. It is the constant asking for more, willing to give less and it will eventually have an impact.” (Developer Group)
  
  - “We are not at crisis level right now, but we could get there if these concerns [about transportation and safety] are not addressed.” (Retail and Small Business)
Few Were Aware of Arlington’s Goal of No More Than Five Percent Traffic Growth

- Most were uncertain whether or not this goal is realistic, but most note that changes must be made in order to achieve this goal.

- According to focus group participants, the county may have to be more flexible to sustain continued growth.
  - “Put jobs next to where there are transportation options.” (C-level Group)
  - “The county will have to be more diligent in the way they acquire businesses.” (C-level Group)
The Business Community Recognizes Public Transportation Options and Capacity Need to Grow with Population Growth

- Public transportation options need to increase with increases in population and business.
  - "Arlington is becoming a commuter area. You can tell by the high-rises going up, the businesses coming into this area and there is not currently infrastructure to support all we are attracting." (Retail and Small Business group)

- As more people work from home or have home based businesses, integrating transportation in the neighborhoods is important.
Some Are Not Sure That Metro Has the Capacity for More People and Want to See an Increase in All Types of Infrastructure

- Many note that the orange line is currently very crowded by the time it gets to Arlington County.
  - “If I were to move on the orange line...I am actually concerned about the ability to get into DC or Arlington or anywhere to get on the metro because it is so full and it is going to get worse with the extension.” (C-level Group)

- Business leaders would like to see more Metro options, but are also open to other solutions, such as streetcars, biking, walking, etc.
  - “When you build the infrastructure, people will ride...if you create a bike lane, we begin to see people use it, and they are not existing cyclists.” Retail and Small Business

- Some suggest looking at bike trails as a transportation network, similar to the way you would a road.
Efficiency of Alternative Options Is Key

• Alternatives need to be quick and convenient.
  - “I drove when I had convenient parking and if the amount of time it took to get from my house to my business was shorter by car than it was by transit.” (Retail and Small Business Group)
  - “It is all about the amount of time it takes to do the commute.” (Retail and Small Business Group)

• They also need to be priced to compete with the cost of driving.
  - Several people commented that the Metro is expensive compared to transit systems in other cities.
  - “I don’t have a car and didn’t want a car until I moved here from New York City...Metro is way too expensive.” (Retail and Small Business Group)
According to Some Participants, Future Programs Should Also Focus on Those Who Travel Through the County

• Many people travel through the county to get in and out of DC, and they impact the traffic and congestion but are not touched by ACCS.
  - “66 backs up, or 95 backs up, 395 backs up and all of a sudden all of the side arteries pick up.” (C-level Group)
  - “You can do all these great things in Arlington, but people from Fairfax still need to get to DC and Arlington happens to be in the middle. They got to go through Arlington.” (Developer Group)

• A lot of people have alternative routes.
  - “Everybody has an alternative way because you find that your way is blocked and the cut-throughs are usually through neighborhoods.” (C-level Group)

• Likewise, business leaders see a need for a focus on north-south travel within the county.
Affordable Housing Is a Related Issue

- According to business leaders, those who serve the population of the county (teachers, police, fire, etc.) need to be able to afford to live in the county.

- Currently, these people have to drive from distant counties, causing further traffic problems.

- “Integrate the housing within the whole marketplace, so you can keep people living here.” (C-level Group)
There is a perceived need for better coordination throughout the region.
According to Business Leaders, Transportation Options Need to be Better Coordinated Throughout the Region

• It is easy to get to DC, but not to other economic/business centers in the area such as Tyson’s Corner or Reston.

• Some participants in the hotel focus groups feel the need for greater regional coordination of taxis.
• “This district was designed to bring people into the District of Columbia, so that is what it does.” (Retail and Small Business)

• “The development of the DC metro area has been these hubs - Tysons, Bethesda, Silver Spring - and you have to look at how things are integrated. There is a pretty good integration to downtown [DC] through the mass transit system...but the development around the beltway will become a multi-jurisdictional problem.” (Retail and Small Business)

• “Arlington is not an island... We need to do a better job with COG - or whatever the groups are - to make sure we integrate what we are doing.” (C-level Group)
Respondents express a number of parking needs, including more parking, better signage, and more handicapped accessible parking.
Overall, Views Towards Parking Are Mixed

• Some feel it is too expensive, others feel that prices drive parking turnover.
  - Property managers say they price parking to fill garages.

• Some feel there is not enough, others feel there is enough, but it is difficult to find. It may be an issue of better managing the current parking.
  - “I think we need to do a better job of managing the traffic and parking in the county. We do a terrible job of managing the parking. There is significant private parking available that the county just doesn’t tell anybody about and doesn’t end up getting used.” (C-level Group)

• In some parts of the county, parking is more difficult during times when public transportation options are not available. (e.g., on evenings and weekends)
Retailers and Restaurants Would Like More Parking or at Least Better Signage

- Retailers would like more parking and they enjoy the times on evenings and weekends when parking in the area is free.

- Relaxed signage regulations for both businesses and parking would also be helpful.

  - “I would have to say visibility and signage [is the biggest challenge to my business]. There are so many restrictions in this area where you can’t put a sign up without it having to be taken down or fined for something.” (C-level Group)
Participants See Specific Opportunities in Improving Parking Technology and Bus Parking

- The need for parking technology was brought up in almost every group.
  - Referred to the Park Mobile App used in DC.
  - “Why haven’t we adapted the convenience factor of the parking meters for credit cards, where you can dial in?” (Retail and Small Business Group)

- Bus parking is an issue in the county.
  - This is a challenge for hotels and creates difficulties in attracting tour groups.
Parking Is a Particular Challenge for Older Individuals and Those with Limited Mobility

- A couple business leaders noted that handicapped parking is hard to find and that it impacts their customers being able to get to their location.

- Limited parking makes it difficult for people who are not eligible for handicapped parking, but have limited mobility.
  - “70% of our clientele is 70 plus and there is not even a handicapped spot anywhere around here.” (Retail and Small Business Group)
  - “Think about the elderly when you are putting together your plan.” (Retail and Small Business Group)

- Some focus group participants suggest that municipal garages with reasonable rates could help with this.
Safety is a concern and is seen as a shared responsibility.
Safety Is a Shared Responsibility

- Additional safety education is needed for all groups.
  - Pedestrians, bikers and drivers need to pay careful attention and be aware of those around them.

- Bike lanes in transportation lanes without separation are a concern for both bikers and pedestrians.
  - Bike lanes with parking next to them are also a concern because drivers will open car doors into bikers.

- Most direct north-south routes are not bike friendly.
  - “As a person who is on the street all the time with a bicycle, even though we are taught how much we have in the way of bike lanes, it is not real bike friendly as much as we would like to think it is.” (Retail and Small Business Group)
Transportation Options Need to be Friendly for Everyone

- More transportation options that are friendly for everyone (families, commuters, elderly, teens, etc.) are needed.

- Currently it is difficult for those with mobility challenges or young children.
  - This is a concern for retailers and those businesses that cater to children and families.
Tax policies may be creating a disadvantage to Arlington-based businesses.
According to Some Focus Group Participants, Tax Policies May Be Creating a Disadvantage for Arlington

- Tax policies seem to be competing with transportation and regulatory policies.
  - Need to compete with people coming in from other jurisdictions.
  - "Arlington County Business Property and Machinery Tax, the Arlington County Gross Receipts Tax and the Arlington County Commercial Vehicle Tax structure are all encouraging jurisdictional migrations...the tax policies need to be integrated with their transportation policies." (Retail and Small Business Group)
  - "They are putting an additional burden on local people who are using fewer transportation resources and being punished for having done so." (Retail and Small Business Group)

- Tax structure has a single group paying for community benefits.
  - "We are the ones that are paying the taxes that are allowing them to have all these services that are keeping their real estate taxes as low as possible." (Developer Group)
Some Fear That Commercial Property Taxes May Discourage Businesses from Locating in Arlington

• “It [Commercial Property Taxes] gets passed through to the tenants and has a direct affect on this area. A lot of businesses looking at the metro area come to Arlington because it is cheaper than being in DC, and if we keep raising the pass-throughs, we are going to lose that advantage.” (C-level Group)
There is room for improvement in the relationship between developers and the county.
Some Developers Feel as Though County “Red Tape” Is a Hindrance to Development in Arlington

• Some developers would like the developer/county relationship to be more of a partnership than it is currently.
  - They feel that they are taking on a lot of the risk without much say.
  - Many feel other counties are doing a better job than Arlington on this.

• The transportation portion of the site plan is almost 10 percent of the document and often redundant.
  - It makes it slower and more expensive to get the building from site plan to delivery.
  - A more black and white set of items would be helpful for both developers and businesses.
Costs and Hassles Create Difficulties for Both Developers and Tenants

- Community benefits (art, affordable housing, etc.) are often difficult for developers to actually deliver, so they choose to make a contribution.

- Transportation items in the leases add significant costs and other problems for tenants.
  - You can have an office, but your people cannot drive to work or park.
Summary of Key Findings
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1. In terms of overall business climate, Arlington may be faring better than other locations, but there are still concerns and uncertainty surrounding the future.

2. Transportation options set Arlington apart, but may not be available to all Arlington workers.

3. Mixed use development gives life to the area and reduces traffic, but business leaders want to make sure transportation is integrated into the development process.

4. Some business leaders feel Arlington’s identity is unclear.

5. Smart growth has set Arlington apart, yet the business community recognizes public transportation options and capacity need to grow with population growth.
Summary of Key Findings

6. There is a perceived need for better coordination throughout the region.

7. Respondents express a number of parking needs, including more parking, better signage and more handicapped accessible parking.

8. Safety is a concern and is seen as a shared responsibility.

9. Tax policies may be creating a disadvantage to Arlington-based businesses.

10. There is room for improvement in the relationship between developers and the county.
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