

May 3, 2024

Question 2: Commercial Office Vacancies

What do you think the county should be doing to address the historically high percentage of commercial office vacancies? Is the county taking appropriate steps now? Do you believe the additional revenue to offset loss of commercial office revenue requires the county to emphasize substantial new rental development. If so, what would be the impact on county services, budgets and quality of Life?

James De Vita



I think we should try to temporarily lower business taxes and provide other financial incentives to try to entice new businesses to come to Arlington. I don't think the County is doing enough now. I'm in favor of more business in general and rental business would be fine.

Julia Farnam



Emphasizing substantial new rental development is not the appropriate solution to addressing the historically high percentage of commercial office vacancies.

First, the county needs to attract more businesses. As a small business owner myself, I understand how some of the county's bureaucratic processes can deter a small business from wanting to operate in the county. Arlington has had success in attracting large companies, but not all the vacant real estate is appropriate for companies the size of Amazon or Lockheed Martin or Nestle, among others. But Arlington must do more

to attract those mom-and-pop businesses to fill vacant spaces, especially in places like Columbia Pike where there are a lot of small, vacant commercial spaces.

Arlington must also work with developers and building managers and hold them accountable. JBG Smith has not renewed the leases of the businesses located in the Crystal City underground and has forced viable businesses—like the Synthetic Theatre, Crystal City Eye Care, and Nahid’s Spa and Salon—out of their spaces and have not yet articulated what they plan to do with that vacant space. And no one on the County Board is asking and that’s wrong. Vacant spaces devalue property, which in turn results in building owners paying less taxes. There must be accountability.

Finally, I’d inventory which commercial real estate properties could be converted into housing. At a recent meeting with civic association presidents, the Arlington County Manager stated that approximately nine buildings in Arlington were convertible. We’ve seen this completed successfully in places like Washington, DC and Boston. I’d work to see Arlington take similar steps.

Tenley Peterson



A: Arlington’s office vacancy is an issue I’ve been following and working on since I joined the Fiscal Affairs Advisory Commission in 2011. When the federal government implemented their Base Realignment and Closure (BRAC), many federal agencies left Arlington. On FAAC, I supported AED’s efforts to transform Arlington into an East Coast tech hub. More recently, due to the pandemic, Arlington is once again having to find innovative ways to fill office space. I have again been working on this issue, now as a member of the Planning Commission.

There are a menu of ways we can address office vacancy:

1. **Update our zoning** to make filling this empty office space more feasible. I have already been working on this on the Planning Commission, for example expanding the types of businesses allowed in our commercial space (such as doggy daycares, microbreweries, or R&D companies) and updating outdated parking requirements (which, for example, required more parking for gyms than other retail establishments).
2. **Office to residential conversion.** There are a handful of buildings where this is a viable option, and we should pursue this.
3. **Office to school conversion.** This idea is very expensive and so should be approached

carefully. We will soon have an example of a school in a commercial space with Arlington's Community High School, so we should study the success of that project to see whether this would work similarly well for other schools.

Most importantly, Arlington County has succeeded in attracting commercial tenants, including Amazon, Nestle, Boeing, and CoStar, through our outstanding public schools, public transit, wonderful park system, and exceptional quality of life. Our location, adjacent to the Nation's Capital, offers a strategic advantage for attracting these commercial tenants. We must continue to ensure the high quality of life that has attracted these corporations remains appealing to businesses and their employees.

Natalie Roy



Arlington needs to be more pro-active and take aggressive steps to address the serious issue of commercial space vacancies.

We can learn from our neighbors in DC and Alexandria, to explore converting suitable parts of our vast and record-high empty commercial space into new uses including housing. We need to do this before we allow private developers to randomly densify the County.

In consultation with County Board colleagues, one of my first steps in the first 30 days as a County Board Member will be to start the process of convening a group of

experts from the community to form a high-level Commercial Office Vacancy Task Force. The mission of this community-driven group would be to develop an effective short-term response as well as a long-term strategic plan for the County.

Three Prime Opportunities

Historical & Civic Needs: In the short-term there are numerous creative ideas being explored for repurposing empty commercial space. One major area I will focus on is civic needs with historical significance. A great example is The Black Heritage Museum of Arlington Virginia.

The Black Heritage Museum is a county jewel, that needs a permanent home. Currently it is in temporary quarters on Columbia Pike. I would work with the new Task Force, the museum leadership, community members and fellow Board members and staff, to explore empty prime commercial space to find a centrally located, permanent space for the Museum. Converting

Commercial to Residential: As mentioned earlier, I would also work with the Task Force to develop a priority list of the vacant commercial spaces most attractive for conversion to residential use. In addition, I would ask the Task Force to examine the standards and use permitting guidelines already adopted by other jurisdictions like Alexandria, Fairfax and D.C. to encourage and facilitate office to residential conversions, and recommend those that ought to be adopted in Arlington.

Private-Public Partnerships: Another powerful role of the County is that of a convener. The County should explore additional prime opportunities to partner with the private sector to help alleviate our alarming commercial space vacancy rate. From recruiting new businesses to the area, to coming up with creative solutions to filling empty spaces including recreational and agricultural, we need forward thinking solutions.

J.D. Spain



The County needs to take more decisive actions to address the high percentage of commercial office vacancies so that the undue financial burden doesn't fall on Arlington's residents. This is one of the reasons why economic security is among my top three priorities, and within that, reducing commercial property vacancy rates is a critical tactic. In partnership with the Commercial Vacancy Working Group, identifying incentives to attract in-person heavy industries (e.g., scientific laboratories) will be vital for preparing Arlington for a sound economic future.

We need to critically examine the rules governing what kinds of businesses can be located within our commercial properties and remove any barriers that may stifle innovation and access.

This is a crucial step in empowering our community and positioning the Arlington market to be more competitive, fostering a climate of growth and opportunity.

No, emphasizing new rental development is not required to offset the loss of commercial office revenue. It may be one approach, but many tools at the County's disposal can help address this. I suggest exploring all allowable alternatives and ultimately pursuing what is most effective and feasible so as not to significantly impact county services, budgets, and quality of life.