

What is CMRI 2.0?

Removing Regulatory Barriers to Market-Based Solutions

The Commercial Market Resiliency Initiative is a strategy to modernize Arlington's regulations, practices, and processes to ensure a more nimble response to economic shifts. The County seeks to remove regulatory barriers and constraints to achieve market-based commercial solutions and address building supply, specifically the repositioning and converting obsolete commercial inventory.



WHAT'S GOING ON WITH **OFFICE?**



2014

Vacancy Rate: 20.1%
Share of Tax Base: 49.4%



2019

Vacancy Rate: 15.4%
Share of Tax Base: 48.5%



2023

Vacancy Rate: 21.7%
Share of Tax Base: 45.4%

Arlington has ...

- ✓ Changed the way we use commercial space, expanding allowed uses
- ✓ Continued to attract and retain tenants through the efforts of Arlington Economic Development
- ✓ Improved the permitting process and shifted online with Permit Arlington
- ✓ Streamlined approach for outdoor dining



Shifting Trends

- The COVID-19 pandemic resulted in a new hybrid work model that created a wholesale shift in how office space is used.
- More companies are letting leases expire or downsizing their footprint/square footage.
- **People and businesses are changing the way they work, and Arlington must be prepared to meet that change.**

WHY IT MATTERS



50/50

Historically, Arlington had close to an even split between its residential and commercial tax bases.



Taxes

A decrease in commercial property tax revenue shifts more burden to residential tax revenue.



Services

When these revenues decrease, services and programs that benefit all residents are impacted.