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City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 3, 2023
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES F. PARAION, CITY MANAGER

DOCKET TITLE:

2023 City Council Priorities, Compensation Philosophy and Economic Development Business Plans and Priority Initiatives Updates.

ISSUE: Receipt of the Compensation Philosophy and Economic Development Business Plans and Priority Initiatives Updates.

RECOMMENDATION: That City Council:

- (1) Discuss and consider the Compensation Philosophy and Economic Development Business Plans, in alignment with the City Council Priorities approved on March 22, 2022; and
- (2) Receive updates on the COVID-19, Housing, Youth and Families, and Community Engagement Business Plan Initiatives.

BACKGROUND: On January 29, 2022, the Alexandria City Council held a retreat to develop expectations and priorities for its 2022 work program. On March 22, Council approved the priorities, as follows, and directed staff to develop business plans for each.

1. **Recover from the COVID-19 Pandemic:** We will advance the policies, practices, and resources needed to ensure a healthy, resilient, and equitable recovery for all residents and businesses.
2. **Provide Diverse Housing Opportunities:** We will reconsider our zoning model and pursue other tools to facilitate an Alexandria housing economy with the necessary range of price points, safe and sustainable housing options, and the associated services to meet the needs of a thriving city.
3. **Define our Community Engagement Approach:** We will use both new and traditional outreach methods to ensure that engagement is efficient, effective, and accessible to all stakeholders, creating a clear connection between community input and its impact on policy decision, infrastructure needs, and financial considerations.
4. **Support Youth and Families:** We will explore how to expand academic, social, and emotional services and physical supports to all youth during the out-of-school time hours.
5. **Foster Economic Development:** We will seek out and consider budgetary, land-use, and regulatory tools to foster sustainable and equitable development, diversify revenue, and allow greater investment in our infrastructure.
6. **Develop a Compensation Philosophy:** We will establish a new compensation philosophy to ensure we are the preferred workplace of choice and that our employees feel valued.

City Council expressed that the priorities must be consistently viewed through the lenses of equity, environmental justice, civility, transparency, respect, and service. In developing the initiatives for each goal of the plans, staff has asked:

1. **Equity:** Will these initiatives identify and overcome intentional and unintentional barriers in our City's systems and services?
2. **Environmental justice:** Do these initiatives provide equitable access to a healthy environment and take proactive measures to mitigate and adapt to future climate change?
3. **Civility & Respect:** How do we ensure that all interactions associated with these initiatives are done so in a way in which there is a healthy exchange of ideas and perspectives?
4. **Transparency:** Are we operating in a way that is easy for others to see and understand what is happening in these initiatives?
5. **Service:** Do these initiatives put the public's interest first and make a difference in the community?

Since March, staff have been developing business plans for each of the priorities with the intent to report to Council on two of the six plans per quarter, as follows:

June 2022: COVID-19 Recovery and Housing

September 2022: Community Engagement and Youth and Families

December 2022 (Postponed to January): Economic Development and Compensation Philosophy

The business plans provide the framework for an interdepartmental approach to achieving city goals. By consolidating recommendations and planned initiatives with key indicators, the business plans describe how the City will ensure each priority area is well run and the community receives quality services.

In addition to the business plans, each quarter, for one year, staff will provide an update to Council on the initiatives in the business plans. Attachment 1 shows a report with the status of each initiative identified in the Covid-19 Recovery and Housing business plans.

City Council will continue to hold these six areas as priorities throughout 2023 and will re-evaluate them again December 2023, in anticipation of the year ahead and the FY25 budget. City staff will provide updates on the plans in March, June, September, and December.

DISCUSSION: As shown in Attachments 2 and 3, and below, the business plans for Economic Development and Compensation Philosophy show the initiatives underway to meet city goals. The initiatives are cross-departmental and require alignment across plans to implement.

Foster Economic Development: We will seek out and consider budgetary, land-use, regulatory, and other economic development tools to foster sustainable and equitable development in Alexandria, diversify revenue, and allow greater investment in our infrastructure.

Goal #1: Provide programs and initiatives to attract new businesses to Alexandria and support the growth of existing businesses

- a. Engage companies in emerging, high-growth industries, for relocation to Alexandria that result in new jobs and investment in the city, including defined sub-industries.
- b. Work closely with stakeholders (e.g., organizations, developers, etc.) associated with major catalyst projects, including Virginia Tech Innovation Campus, Inova Medical Campus, and the former Potomac River Generating Station site. This will help identify and bring large anchor businesses to each site.
- c. Meet with existing major employers to build relationships and secure each company's long-term growth in Alexandria through the business retention and expansion program.
- d. Establish and support a Black, Indigenous, People of Color (BIPOC) owned business ecosystem to retain and grow existing businesses and/or assist with start-up activities.
- e. Provide tools and resources to existing business owners and identify strategies to minimize the negative impacts of redevelopment, including through services found at the Small Business Development Center.
- f. Support employers' talent attraction and development needs by offering workforce training programs and initiatives, including workforce housing opportunities that connect workers with employment prospects.
- g. Launch "Expand Your ALX" diverse neighborhoods campaign to extend the benefits of tourism to all parts of the City of Alexandria.
- h. Launch small meetings campaign to expand the conference business, supporting robust tourism, culture, and hospitality sector.

Goal #2: Stimulate economic development through use of financial and regulatory tools

- a. Explore zoning ordinance amendments and find ways to encourage business retention through efforts such as the creation of a legacy business program and other initiatives that mitigate the displacement or closure of businesses due to redevelopment. Since redevelopment may take a property off-site for more than a year, solutions will need to involve relocation strategies.
- b. Activate or fully utilize districts throughout the City, including Tourism, Innovation and Arts & Culture through Zoning for business updates.
- c. Unlock the economic development potential of small area plans through zoning tools, such as in the Eisenhower East and Potomac River Generation Station (PRGS) CDD.
- d. Identify state and federal funding programs for consideration to support the business community and economic development.
- e. Guide proponent groups interested in exploring the formation of business improvement districts by utilizing the adopted Business Improvement District Guidelines.
- f. Evaluate the APEX Permitting & Land Use System upgrade to ensure that the permit and approvals process are timely and adds value.
- g. Work with businesses to promote climate change initiatives, including:

- Lowering implementation barriers and promoting Commercial Property-Assessed Clean Energy (CPACE) to encourage commercial building owners to implement clean energy and efficiency initiatives.
- Supporting the equitable implementation of publicly accessible electric vehicle charging infrastructure.
- Incentivizing use of local technical assistance providers, when possible, to benefit workforce development and attract economic growth opportunities.

Goal #3: Ensure the public infrastructure and services are efficiently delivered and established to support economic development

- a. Preserve and protect tax base from climate change impacts through infrastructure projects such as Flood Action Alexandria.
- b. Ensure development approvals include appropriate actions or contributions toward housing affordability, green building, open space, mass transportation and public arts.
- c. Implement standard project management tools, processes, and training to advance the quality, efficiency, and effectiveness of our capital project delivery.
- d. Leverage state and federal transportation and infrastructure grant opportunities.
- e. Utilize the Joint City-ACPS Facilities Master Plan (JFMP) to make informed and efficient capital investment decisions for community facilities.
- f. Invest in major infrastructure that supports the City's economic viability and growth, including:
 - Stormwater and sanitary sewer system capacity improvements
 - Bus Rapid Transit Corridors
 - 395/Duke Street Access to Landmark/West End
 - Potomac Yard Metrorail Station
 - Waterfront Implementation Project
 - Municipal Broadband

Develop a Compensation Philosophy: We will establish a new compensation philosophy to ensure we are the preferred "Employer of Choice" and that our employees feel valued.

Goal #1: Ensure the City offers compensation and benefits that position us as an Employer of Choice

- a. Implement collective bargaining ordinance and negotiate collective bargaining agreements that promote recruitment and retention.
- b. Establish a routine cycle that benchmarks employee compensation and benefits for 95% of the workforce every three years against the top half of the regional jurisdictions.
- c. Provide work/life balance incentives and a reduction in commute times, including promotion of first-time home-buyers program, transit benefits, hybrid work week for office-based staff, and alternative work schedules.
- d. Identify and evaluate trends on benefits that can be offered as a package and evolve based on an employee's point in life needs.
- e. Build out an expansive employee wellness program, including:
 - Physical Wellbeing-access to fitness classes, nutritional guidance, and sleep resources.
 - Mental/Emotional Wellbeing-access to preventative and treatment-based resources for mental and emotional health.
 - Social Wellbeing-opportunities to create spaces of connectivity based on shared interests.
 - Financial Wellbeing-resources to financial education and programs that assist with financial planning.

- Occupational Wellbeing-mentoring opportunities that empower employees to aspire and reach all of their career goals.
- Intellectual Wellbeing-partnering with Learning & Development to make employees aware of learning opportunities.
- Environmental Wellbeing- Collaborating with the Housing and Transportation and Environmental Services Departments affordable housing and transit opportunities.

Goal #2: Establish an organizational culture, leadership practices, and supervisor skills that attract, retain, and empower employees

- a. Obtain employee feedback about the City of Alexandria’s organizational culture and assess how employees currently relate to those characteristics in order to provide baseline data, set priorities, and measure leadership commitment.
- b. Implement a standardized onboarding process to ensure practices and processes are compliant, equitable, and consistent.
- c. Recruit with an intentional focus on the organizational alignment of mission, vision, values, and leadership principles.
- d. Transform the current annual employee evaluation process into a goal-oriented performance development one, which promotes ongoing conversations and continuous feedback between the employee and their supervisor.
- e. Establish a leadership development culture for City employees that fosters growth opportunities, supports career development, and is consistent with being an “Employer of Choice,” including:
 - Develop and implement a course for supervisors at all levels that would focus on providing meaningful work, ongoing specific feedback, and recognition.
 - Provide the Respect, Integrity, Support and Excellence (R.I.S.E.) program to employees, which identifies the City’s emerging leaders and provides participants with the training and preparation to compete for senior executive positions, both interim and permanent, within the City.
 - Focus on social and racial equity understanding for staff, including in three professional development core courses on advancing racial equity: the role of government, using a racial equity tool, and bias/microaggressions education.
 - Vertical and horizontal pathways for skills-based growth within the organization.
- f. Continue strategic investment in energy performance and greenhouse gas reductions, indoor environmental quality, and comfort for City buildings and operations to ensure a healthy physical environment for employees.
- g. Renovate City Hall and establish a modern workplace with cutting-edge technology standards for all City office-based facilities.
- h. Review, develop and implement practices, policies, and procedures to make the City a more competitive employer in the areas of employee recognition, recruitment, retention, and productivity.

Goal #3: Effectively communicate our public service employer value proposition to include total compensation, leadership opportunities, productive learning and development, and vibrant workplace culture to ensure we attract and retain talent

- a. Work with City leadership and a representative group of employees to identify, demonstrate, and communicate what makes us an “Employer of Choice.”
- b. Implement processes to ensure diversity, equity, and inclusion strategies are at the forefront of recruitments.
- c. Use multiple and various outlets to market our total compensation, including base salary and all benefits, to attract and retain high-performing talent.
- d. Boost awareness and frequent communication about the retirement and savings opportunities that allow

eligible employees to create wealth by working for the City, including: the Alexandria Firefighters and Police Officers Pension Plan, the City's Supplemental Retirement Plan, and Virginia Retirement System (VRS) Plans and optional savings programs like the 457 Deferred Compensation Plan and MissionSquare's Payroll Deduct Roth IRA.

- e. Define, establish, and broadcast our City's commitment to current and prospective employees and tell persuasive stories through videos, social media, and other media outlets, positioning the City of Alexandria as an "Employer of Choice."

Indicators

The impact of these initiatives will be monitored by tracking indicators that ensure we are moving towards an identified target. The indicators will be available, and regularly updated, for the community as part of the City's commitment to public transparency on the City's website located at alexandriava.gov/Performance.

Communications

Throughout the Winter, the Office of Communications and Public Information (OCPI) will promote many of the initiatives listed above to ensure that the community is aware of these services. This will also be an opportunity to demonstrate the work the City is doing, through the lens of those impacted. Testimonials and information about the services will be shared through social media and OCPI will work with local organizations to further distribute information. OCPI also developed a video centered on the impact of an initiative from the Economic Development Business Plan. These will be shared widely in the upcoming weeks.

FISCAL IMPACT: N/A

ATTACHMENTS:

- (1) Status updates from the COVID-19 Recovery, Housing, Youth and Families, and Community Engagement Business Plan
- (2) Compensation Philosophy Business Plan
- (3) Economic Development Business Plan

STAFF:

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