

COMMUNITIES READY FOR GROWTH

ADOPTED COMMUNITY PLANS IN ARLINGTON & ALEXANDRIA ENVISION CONSIDERABLY MORE GROWTH THAN HQ2 REQUIRES

Over the last two decades, Alexandria and Arlington have worked jointly to craft a **collective vision** for these three neighborhoods, transforming them into **one cohesive new district**. Both communities have adopted small area and sector plans, crafted by residents and stakeholders, that outline expectations for growth and investment. *Amazon could move into a mixture of existing buildings and new construction already planned for in the Crystal City Sector Plan and the North Potomac Yard Small Area Plan.*



These plans anticipate more than three times the amount of growth than needed by Amazon.

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EVALUATION OF AMAZON PROJECT

SITE SELECTION PROCESS

As with any economic development project, Arlington evaluates the project parameters to ensure that a company would fit into our community. For Amazon specifically, the initial project specifics included the potential for up to 50,000 new jobs and occupying 8 million square feet. We evaluated the following areas:

- How well the project fit into existing sector plans and phased development plans and if there was enough development capacity to accommodate the project;
- What was the current inventory of existing office vacancies, the effects of BRAC and other federal agency losses, and loss of property tax revenue due to the current vacancy rate;
- What the current levels of capacity existed in our public transportation systems such as metro, bus, train, and bicycle and how would Amazon employees use transit;
- We reviewed school projections for future student enrollment and projections of how many employees would reside in Arlington;
- We reviewed housing capacity and future pipeline in Arlington and the region including market rate and affordable housing.

IMPLEMENTING OUR COMMUNITY PLANS

Amazon will help realize the long-term vision of adopted community plans

The site is well-served by multi-modal transportation services, including Metrorail, VRE commuter rail, Metrobus, local and regional bus lines, bike sharing and car sharing services.

- Metrorail and the Metro & ART bus systems can accommodate an additional 50,000 to 70,000 weekday trips in Arlington
- Metrorail weekday ridership in the area is down 20% from the prior peak
- Local and regional bus service also has unused capacity, with Metro Bus weekday ridership down 20% off the prior peak, while ART bus weekday ridership is down 12.5% off the prior peak



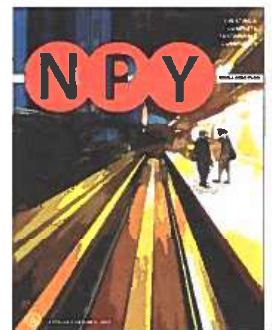
Crystal City Sector Plan/Pentagon City

- 2M SF of vacant office space in Crystal City today (8M in Arlington)
- In Crystal City and Pentagon City, sector plans and development plans envision the future addition of 21.5M SF of mixed-use development
- Immediate implementation of Met Park, Pen Place, Metro Market Square and a new transportation system connecting to workforce housing in Alexandria, Crystal City, Pentagon City and Columbia Pike

North Potomac Yard Small Area Plan:

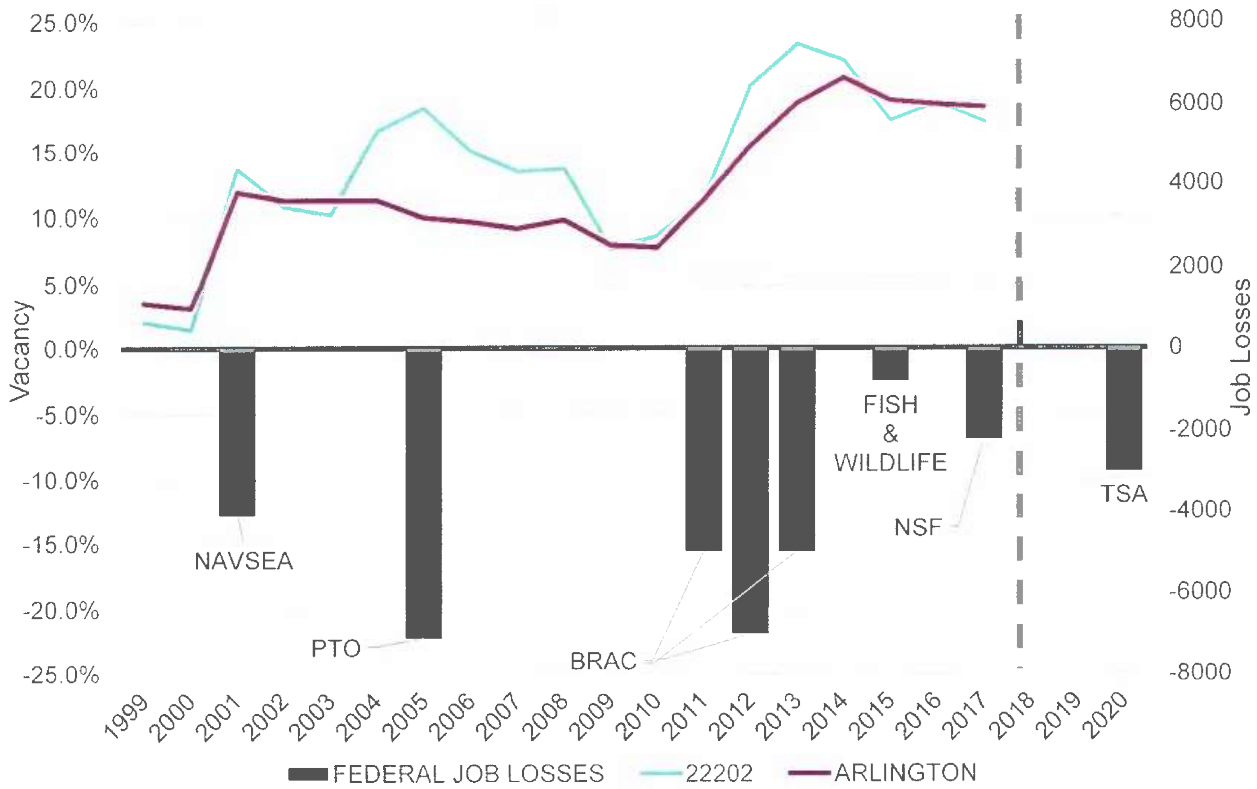
- More than 10M SF of approved mixed-use density, with supporting infrastructure projects required and planned as development occurs
- With a planned new Metro station, density and growth is required to fulfill the community's vision for a transit-oriented, walkable community

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FEDERAL JOB LOSSES

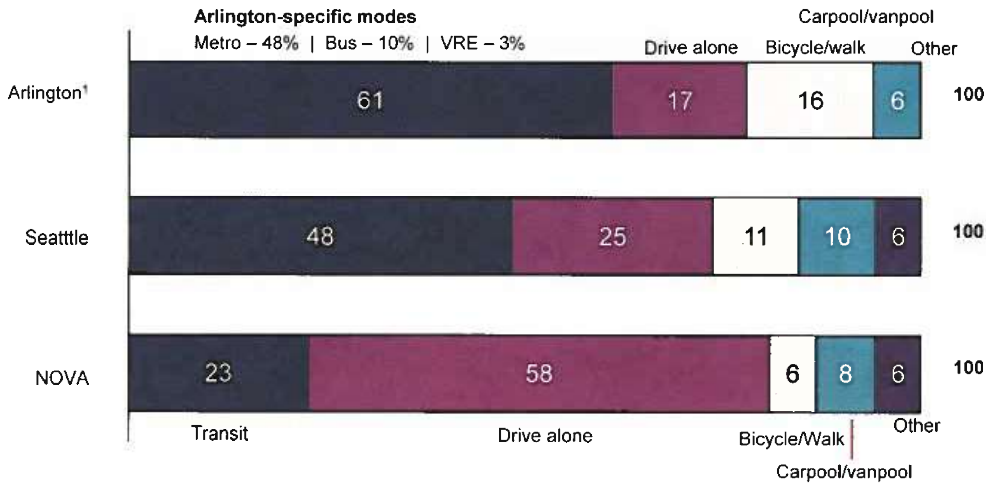
Amazon's 25,000 jobs help offset the more than 34,000 Federal jobs lost over the last 20 years including NAVSEA, PTO, BRAC, Sequestration, NSF, and future TSA job losses



Preliminary Projected Commuting Patterns

77% of Amazon Employees are projected to use public transit, walk, or bike to work in Arlington

Commuting patterns
Share of commuters commuting to work by mode



- ¹ Arlington-only commute trip-making projections based on 50,000 employees; 10M square feet of office; 200 square feet of office per employee; one parking space for every 1,150 square feet of office; 85% daily attendance making 2 trips per day.
- Comparison showing commute patterns with Seattle headquarters and a headquarters that would be located in NOVA
- Source: Seattle (2017 Center City Commuter Mode Split Survey Results); NOVA includes Herndon, McNair, Alexandria, and Arlington (ACS, 2012-2016); Arlington estimates are from the county planner

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Estimated Students and Jobs by Year

Students by Year at 15% and 20% Employees Residing in Arlington



HQ2 ARLINGTON IMPACT – BY THE NUMBERS

-34K New jobs created offset the more than 34,000 Federal jobs lost over the last 20 years including NAVSEA, PTO, BRAC, Sequestration, NSF, and future TSA job losses



Diversifies the industries in Arlington, firmly establishing the region as a technology hub and creates opportunities for indirect and induced jobs

10 YR Accelerates realization of Arlington’s 10-year Capital Improvement Plan (CIP) for Transportation

95% Only 5% of Arlington’s proposed package is direct incentives to the company, 95% are investments in infrastructure and affordable housing

\$32M* Increase of more than \$32M in annual local revenues once 25,000 jobs have been created (by year 12), \$47M once 37,500 jobs have been created (by year 16)

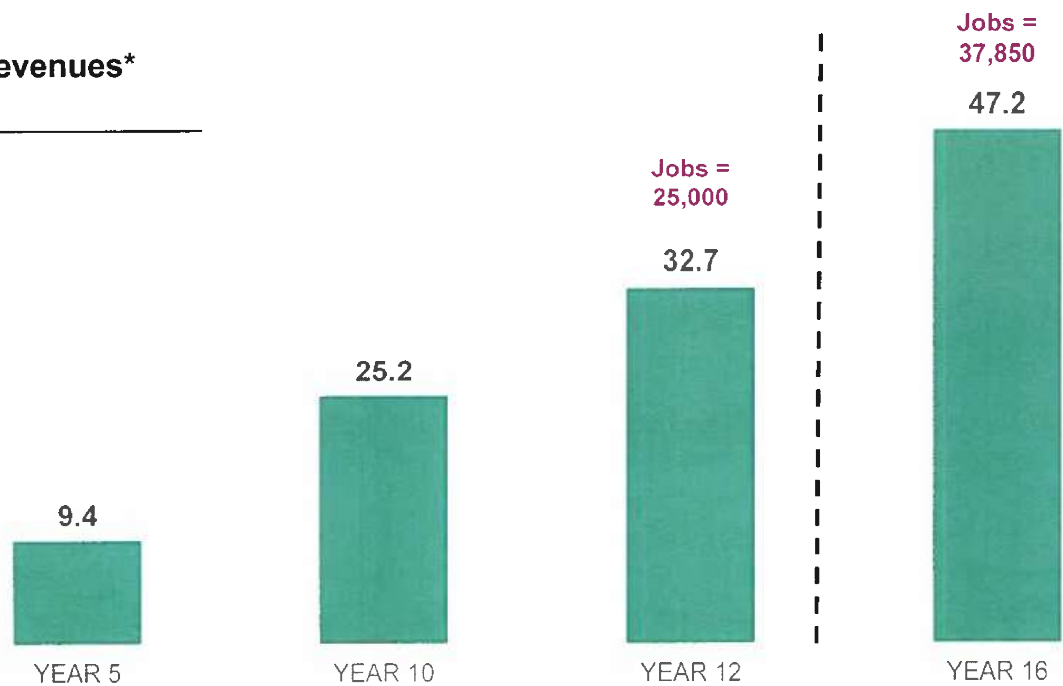
\$174M* \$174M cumulative revenues during the 12-year ramp-up period, \$342M cumulative during the 16-year ramp-up period

~14:1 Nearly a 14-to-1 return on local direct financial incentives to Amazon

*Includes estimates for property tax, business tangible property tax, sales and meals taxes, transient occupancy tax, and BPOL from landlord. BPOL revenue from the company is not included at this time because it is not known which business units and affiliated entities will be located in Arlington and if they will be subject to and/or have transactions exempt from business license taxes. Based on initial project assumptions. As more information becomes available, estimates and projections will be refined.

HQ2 WOULD GENERATE A LARGE AMOUNT OF COUNTY REVENUES OVER THE NEXT 16 YEARS

Annual county revenues*
\$ Millions



Cumulative county revenues*
\$ Millions

21.6 113.3 174.1 342.3

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STATE AND LOCAL INVESTMENTS

ARLINGTON COUNTY

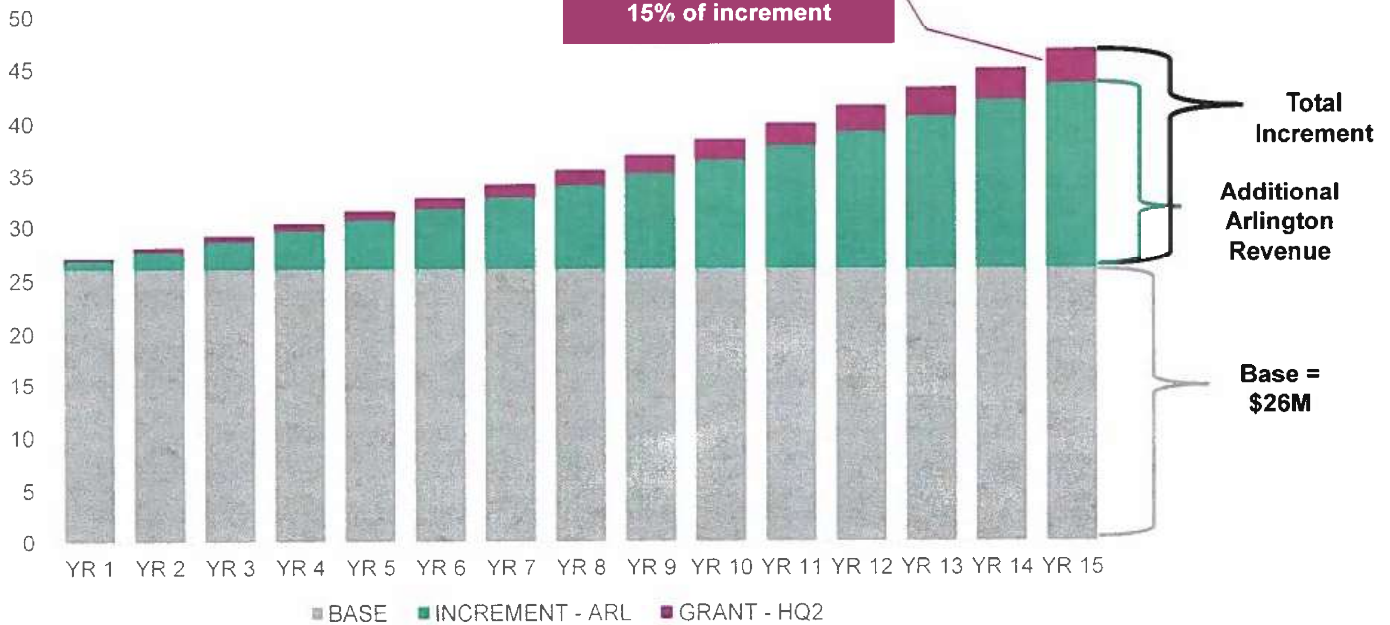
Transient Occupancy Tax (TOT) Grant (\$23m)

- Designed to leverage new revenue resulting from Amazon. No money currently assumed for community priorities like transportation, housing and infrastructure will be used.
- Transient Occupancy Tax (TOT) is a tax on the total cost paid on hotel rooms or other paid lodging. This tax is paid by tourists or business travelers, not Arlington residents.
- Arlington County levies a 5.25% TOT; 5% goes to the general fund, and .25% is separated for tourism promotion.
- Amazon is expected to generate significant additional TOT revenue from business-related travelers who will stay in Arlington to do business with the company.
- Using 2019 as the baseline, Arlington proposed an annual grant equal to up to 15% of the incremental revenue generated for 15 years. The annual grant calculation will not include the 0.25% separated for tourism and promotion.
- The estimated total value of the incentive is \$23M over 15 years.
- After each performance year, the company must provide the County with an annual report for its total occupied square feet and total number of full-time employees. Amazon must also be current on County taxes.
- The annual grant amount is dependent on the achieving an annual square footage target.

TRANSIENT OCCUPANCY TAX GRANT

TOT revenues*

\$ Millions



Cumulative Increment Totals*

HQ2 TOT Grant	2.5	9.7	22.7
Add'l Arlington Revenue	14.0	54.9	128.7
\$ Millions			

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**KEEP
CALM
AND
AMAZ
ON**

