

# Amazon in Arlington

## A case study in community-based economic development

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Joint Planning Directors and Cooperative  
Forecasting Subcommittee Meeting

MWCOG

September 15, 2023



# Amazon HQ2 RFP – Key Preferences and Decision Drivers

**site/building**

**logistics**

**community/quality of life**

**labor force**

**cultural/community fit**

**incentives**

**time to operations**

**quality of life**

**capital and operating costs**



# Amazon Select's NOVA's National Landing for HQ2 Site

**Amazon selects NOVA** for HQ2 site after 14-month search

- \$2.5 billion investment by Amazon in Arlington County
- At least 25,000 new HQ jobs within 12 years

**New Virginia Tech Innovation Campus to locate in Alexandria**

- \$1 billion investment by VT
- 1 million square foot mixed-use campus



**New State investments** in transportation, affordable housing, higher education and K-12 education for National Landing and NOVA

# Anticipated Benefits of HQ2 Selection

## A WIN FOR THE COMMONWEALTH AND NOVA

- A transformational opportunity to drive diversification and innovation throughout Virginia
- Retention of college grads and reversal of out-migration trend
- Doubling of Virginia's tech-talent pipeline, benefiting all tech firms
- Post-performance incentives, with positive General Fund revenues from day one
- Transportation commitments funded by non-General Fund sources
- Non-incentive elements would be good investments even without HQ2
- \$1.2B+ in net new General Fund \$s after all obligations (over 20 years at 25k jobs)
- Scale and character of growth aligned with existing community plans
- Modest impacts on rents and traffic mitigated by investments, long ramp up
- ~\$700 million in new Higher Ed and K12 funding outside of NOVA
- A winning package for far less than many others offered

# Unprecedented Regional Proposal for NOVA

JOINT PROPOSAL BY NORTHERN VA LOCALITIES AND THE COMMONWEALTH



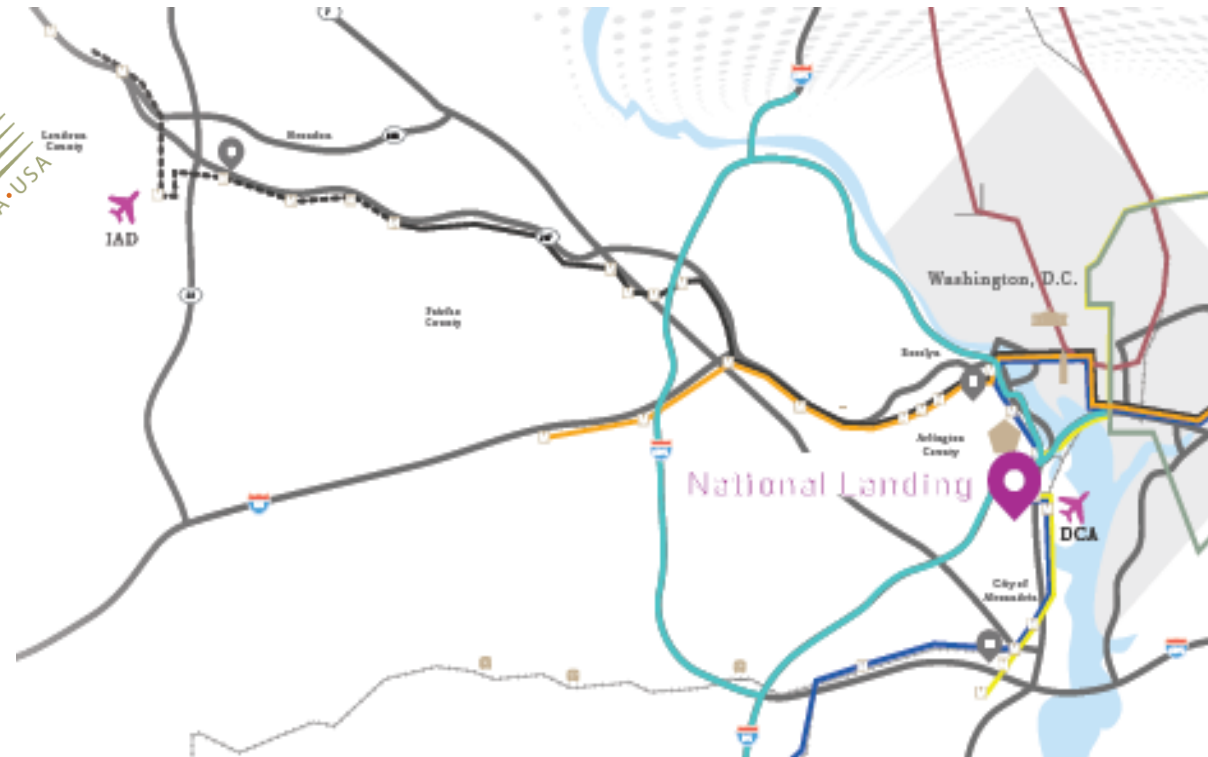
**ALEXANDRIA**  
ECONOMIC  
DEVELOPMENT  
PARTNERSHIP



**LOUDOUN**  
**VIRGINIA**  
ECONOMIC DEVELOPMENT



**FAIRFAX COUNTY**  
ECONOMIC DEVELOPMENT AUTHORITY



# Evaluation of Amazon Project

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## SITE SELECTION PROCESS – ARLINGTON'S SELF-EVALUATION

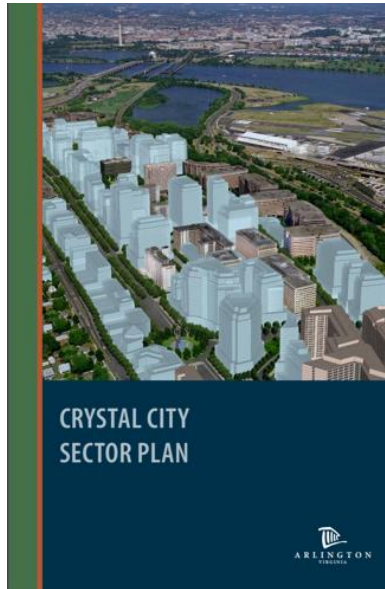
- Fit and growth capacity within existing sector and area plans;
- Inventory of existing office vacancies, the effects of earlier federal agency losses, and loss of property tax revenue;
- Existing and planned public transportation capacity;
- Projections for future student enrollment, and Amazon employees living in Arlington;
- Housing capacity and future pipeline in Arlington and the region (both market rate and affordable housing).

# Implementing our Community Plans

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

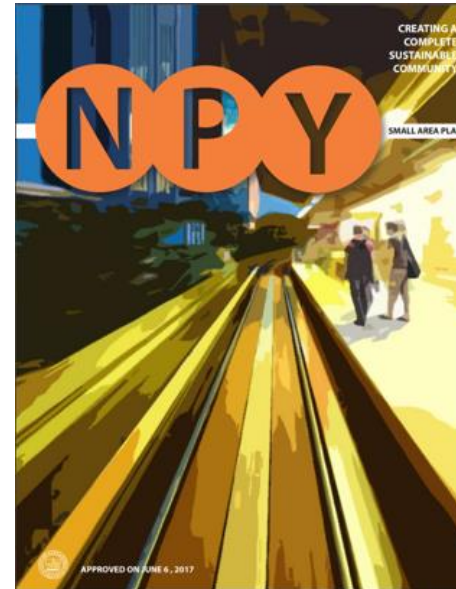
The site is well-served by multi-modal transportation services, including Metrorail, VRE commuter rail, Metrobus, local and regional bus lines, bike sharing and car sharing services.

### Crystal City Sector Plan/Pentagon City:



- **2M SF** of vacant office space in Crystal City today (2018)
- In CC/PC, sector and area plans envision **21.5M SF** of net new mixed-use development
- Immediate implementation of private development and public improvements

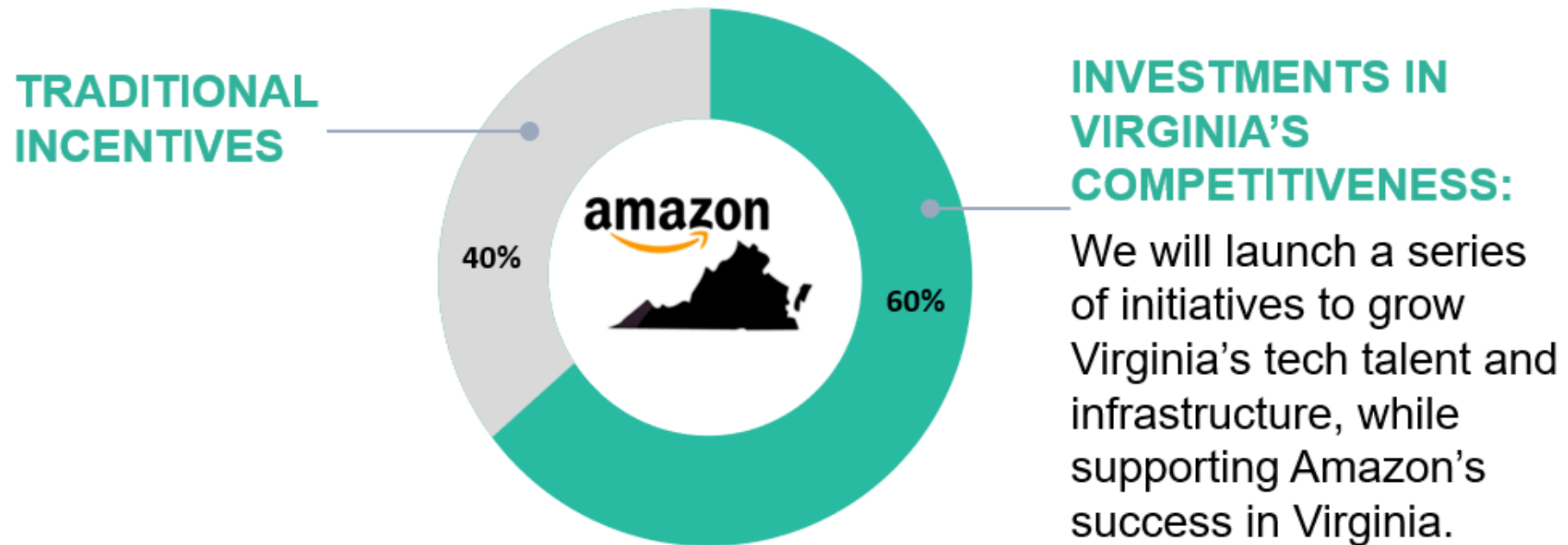
### North Potomac Yard Small Area Plan:



- 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

# Partnership Investment Proposal

VIRGINIA PURSUED A DISTINCTIVE STRATEGY FOR HQ2 THAT WILL POSITION OUR ENTIRE TECH SECTOR FOR SUCCESS



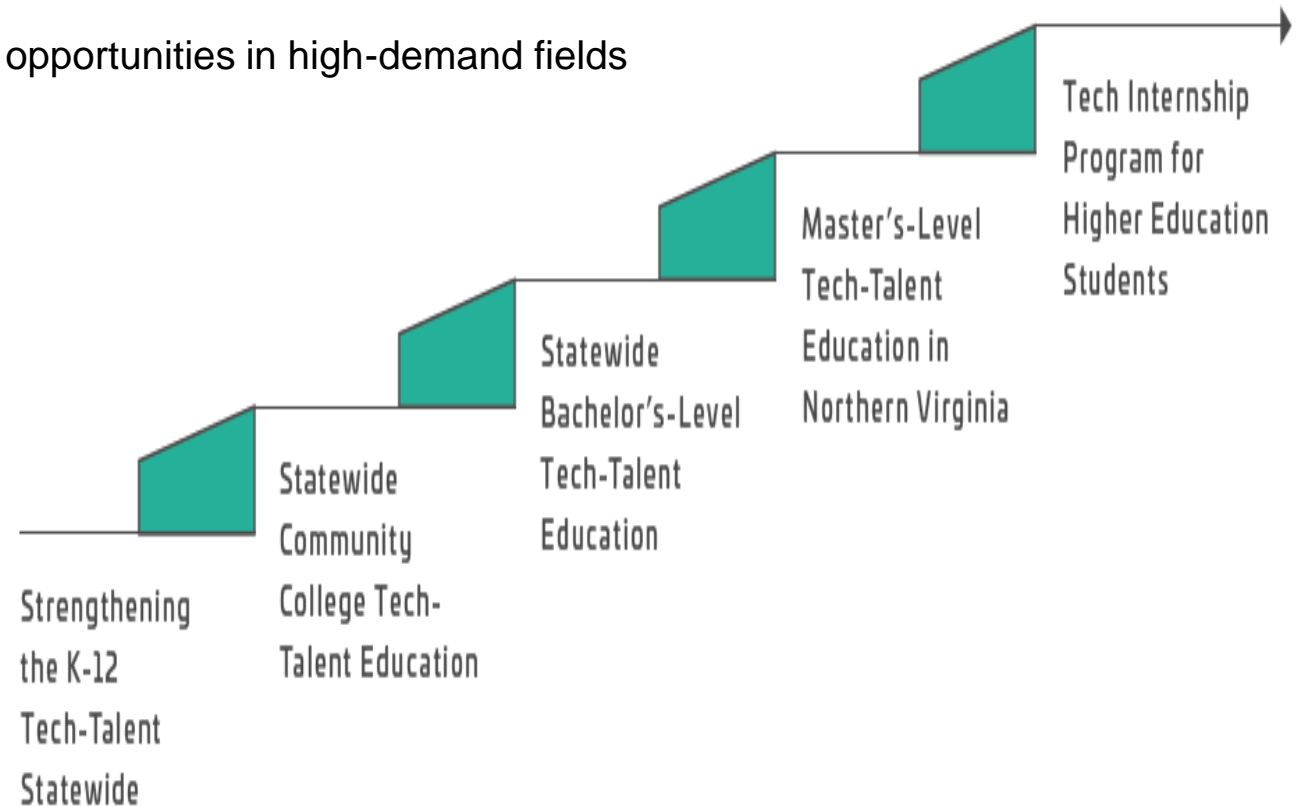


# Strategic Investments in Education

- **\$50 million: K-12 Education** -ongoing professional development for current and future teachers
- high-quality curriculum and related resources
- summer and after-school programming for students; and
- meaningful career exposure and work-based learning opportunities in high-demand fields

## **\$1 billion +: Tech Talent Pipeline**

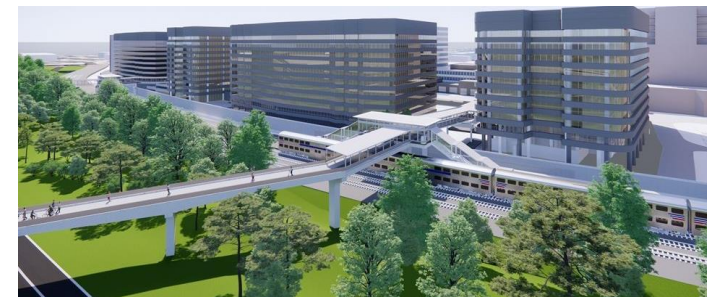
- new investments higher education to produce 25k-35k additional degrees in computer science and related fields
- Dollar-for-dollar matching for Virginia Tech Innovation Campus and the George Mason Campus in Arlington.
- Establish a performance-based tech talent investment fund which higher education institutions across Virginia that can receive startup fund for faculty recruitment, state capital investment, and enrollment



# Strategic Investments in Transportation

Commonwealth of Virginia has committed at least \$195 million (for 25,000 new jobs) to invest in five transportation projects that will provide robust, multi-modal connections.

- New Crystal City Metrorail Station East Entrance
- Construction of Southwest Entrance at the new Potomac Yard Metro
- Pedestrian Connector Bridge from Crystal City to National Airport
- Route 1 improvements in Arlington County
- Transitway Expansions throughout National Landing

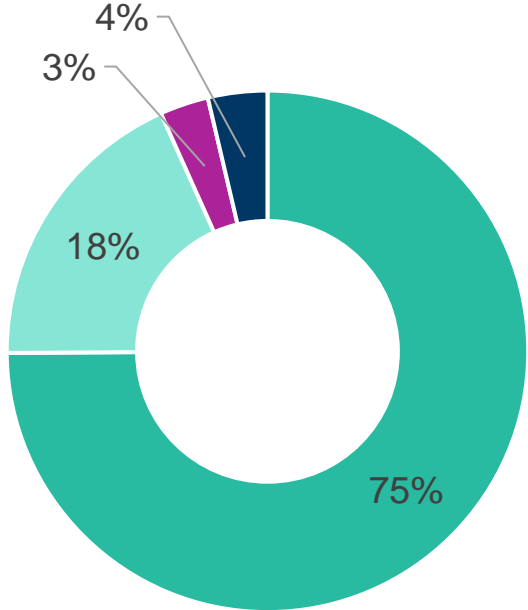


*Up to \$100M in additional funding would be available if Amazon creates more than 25,000 jobs.*

# Proposed Alexandria and Arlington Joint Commitments

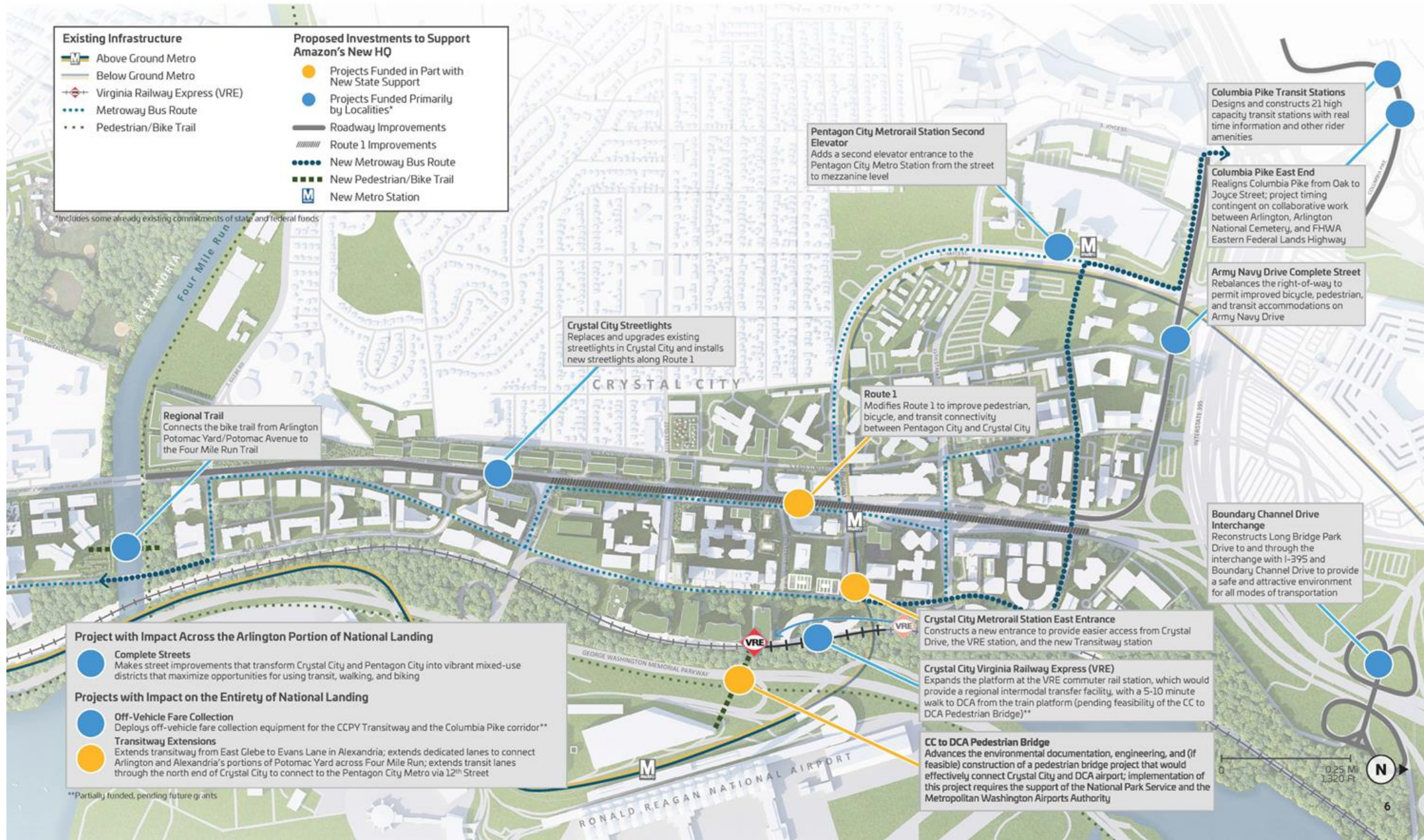
Arlington County and the City of Alexandria proposed the following local incentives as part of this project with 97% of the proposed incentive package investing in the community.

- **\$570M** in new, expedited and/or enhanced transportation infrastructure and transit improvements
- **\$150M** in new, affordable and workforce housing (approximately 2,000+ units)
- **\$28M** in strategic investments in infrastructure (parks, open space and transportation)
- **\$23M** in TOT Grants for Amazon



- Transportation
- Affordable Housing
- TOT Grant
- Strategic Investments in Infrastructure

# Proposed National Landing Infrastructure Projects - Arlington



Existing Infrastructure	Proposed Investments to Support Amazon's New HQ
Above Ground Metro	Projects Funded in Part with New State Support
Below Ground Metro	Projects Funded Primarily by Localities*
Virginia Railway Express (VRE)	Roadway Improvements
Metroway Bus Route	Route 1 Improvements
Pedestrian/Bike Trail	New Metroway Bus Route
	New Pedestrian/Bike Trail
	New Metro Station

\*Includes some already existing commitments of state and federal funds

**Regional Trail**  
Connects the bike trail from Arlington Potomac Yard/Potomac Avenue to the Four Mile Run Trail

**Crystal City Streetlights**  
Replaces and upgrades existing streetlights in Crystal City and installs new streetlights along Route 1

**Route 1**  
Modifies Route 1 to improve pedestrian, bicycle, and transit connectivity between Pentagon City and Crystal City

**Pentagon City Metrorail Station Second Elevator**  
Adds a second elevator entrance to the Pentagon City Metro Station from the street to mezzanine level

**Columbia Pike Transit Stations**  
Designs and constructs 21 high capacity transit stations with real time information and other rider amenities

**Columbia Pike East End**  
Realigns Columbia Pike from Oak to Joyce Street; project timing contingent on collaborative work between Arlington, Arlington National Cemetery, and FHWA Eastern Federal Lands Highway

**Army Navy Drive Complete Street**  
Rebalances the right-of-way to permit improved bicycle, pedestrian, and transit accommodations on Army Navy Drive

**Boundary Channel Drive Interchange**  
Reconstructs Long Bridge Park Drive to and through the interchange with I-395 and Boundary Channel Drive to provide a safe and attractive environment for all modes of transportation

**Project with Impact Across the Arlington Portion of National Landing**

- Complete Streets**  
Makes street improvements that transform Crystal City and Pentagon City into vibrant mixed-use districts that maximize opportunities for using transit, walking, and biking

**Projects with Impact on the Entirety of National Landing**

- Off-Vehicle Fare Collection**  
Deploys off-vehicle fare collection equipment for the CCPY Transitway and the Columbia Pike corridor\*\*
- Transitway Extensions**  
Extends transitway from East Glebe to Evans Lane in Alexandria; extends dedicated lanes to connect Arlington and Alexandria's portions of Potomac Yard across Four Mile Run; extends transit lanes through the north end of Crystal City to connect to the Pentagon City Metro via 12th Street

**Crystal City Metrorail Station East Entrance**  
Constructs a new entrance to provide easier access from Crystal Drive, the VRE station, and the new Transitway station

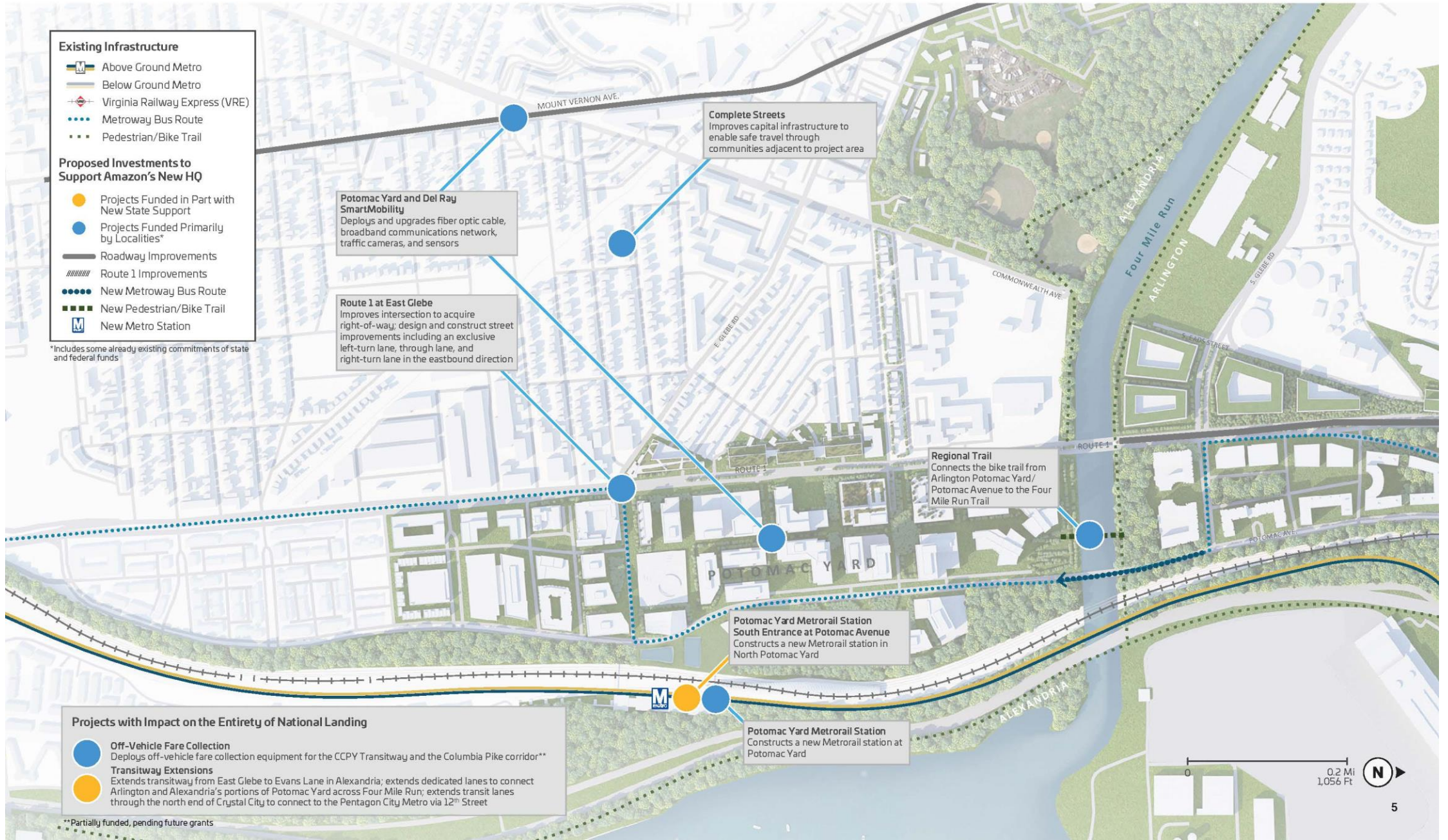
**Crystal City Virginia Railway Express (VRE)**  
Expands the platform at the VRE commuter rail station, which would provide a regional intermodal transfer facility, with a 5-10 minute walk to DCA from the train platform (pending feasibility of the CC to DCA Pedestrian Bridge)\*\*

**CC to DCA Pedestrian Bridge**  
Advances the environmental documentation, engineering, and (if feasible) construction of a pedestrian bridge project that would effectively connect Crystal City and DCA airport; implementation of this project requires the support of the National Park Service and the Metropolitan Washington Airports Authority

\*\*Partially funded, pending future grants



# Proposed National Landing Infrastructure Projects - Alexandria



# Arlington Strategies for Affordable Housing

Beyond plans/policies that support an increase in County's housing supply to help mitigate cost increases (34,000+ units forecast by 2045), the County also has:

- **Capital Resources for Income-Restricted Units (CAFs)** –annual funding resources directed at the creation or preservation of committed affordable units
- **- Affordable Housing Investment Fund**
  - County Board's annual funding appropriations
  - Developer contributions
  - Loan repayments

## Land Use Incentive Tools/Mechanisms

- Zoning Ordinance affordable housing provisions
- Transfer of Development Rights
- Sector Plan/Area Plan-specific goals and strategies

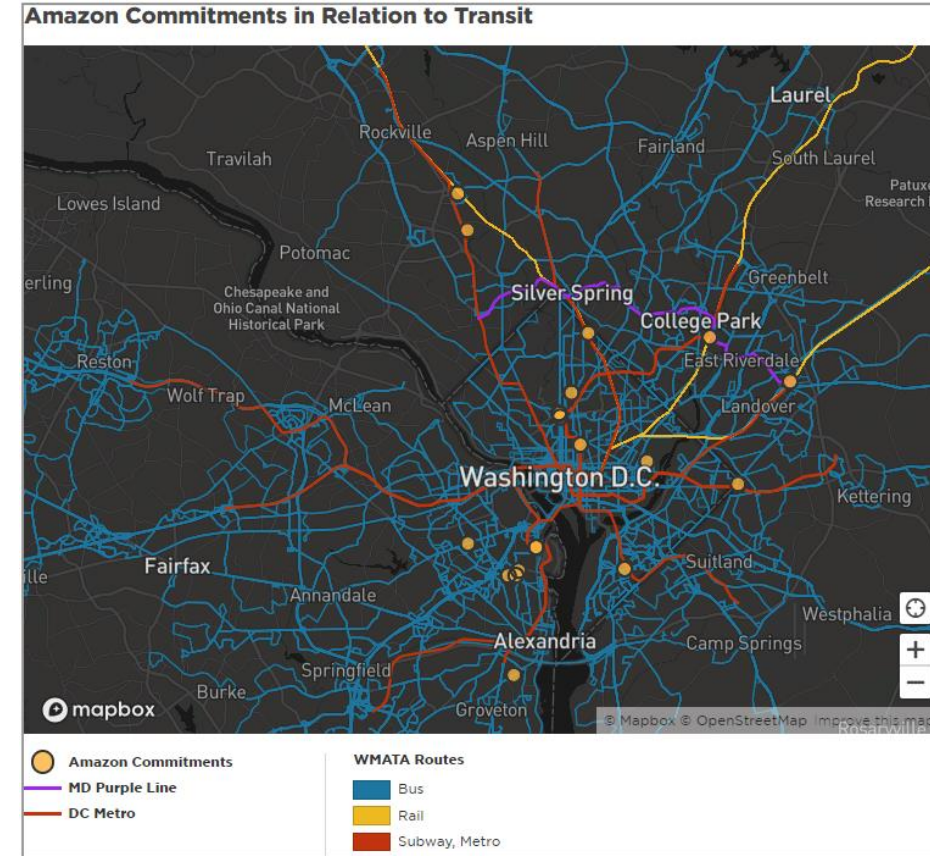
## Current Planning Efforts focused on Housing Affordability / "Missing Middle"

- Housing Conservation District
- Two-family Dwellings
- Accessory Dwelling Units
- Plan Lee Highway

# Amazon and Affordable Housing

## Amazon's Housing Equity Fund

- **\$2 billion+** in below-market loans and grants to preserve/create 20,000+ affordable homes
- **Puget Sound | Greater Washington Region | Nashville, TN**
- **\$992 million in support of 6,200 affordable homes in GWR** (as of September 2022)
  - \$125 million transit commitment (w/ WMATA)
  - Significant focus on partnerships with minority-led organizations
  - New program for “affordable homeownership” opportunities
- **Key Arlington Projects:** 1) Barcroft Apartments and 2) Crystal Houses



# Barcroft Apartments



- Jair Lynch Real Estate Partners acquired the property (Dec. 2021)
- Arlington County (\$150M) and Amazon HEF (\$160M) each provided loans to facilitate purchase
- The affordability of 1,334 units to be preserved for 99 years (60% AMI)
- Property will see a combination of preservation and redevelopment based on (updated) County plans

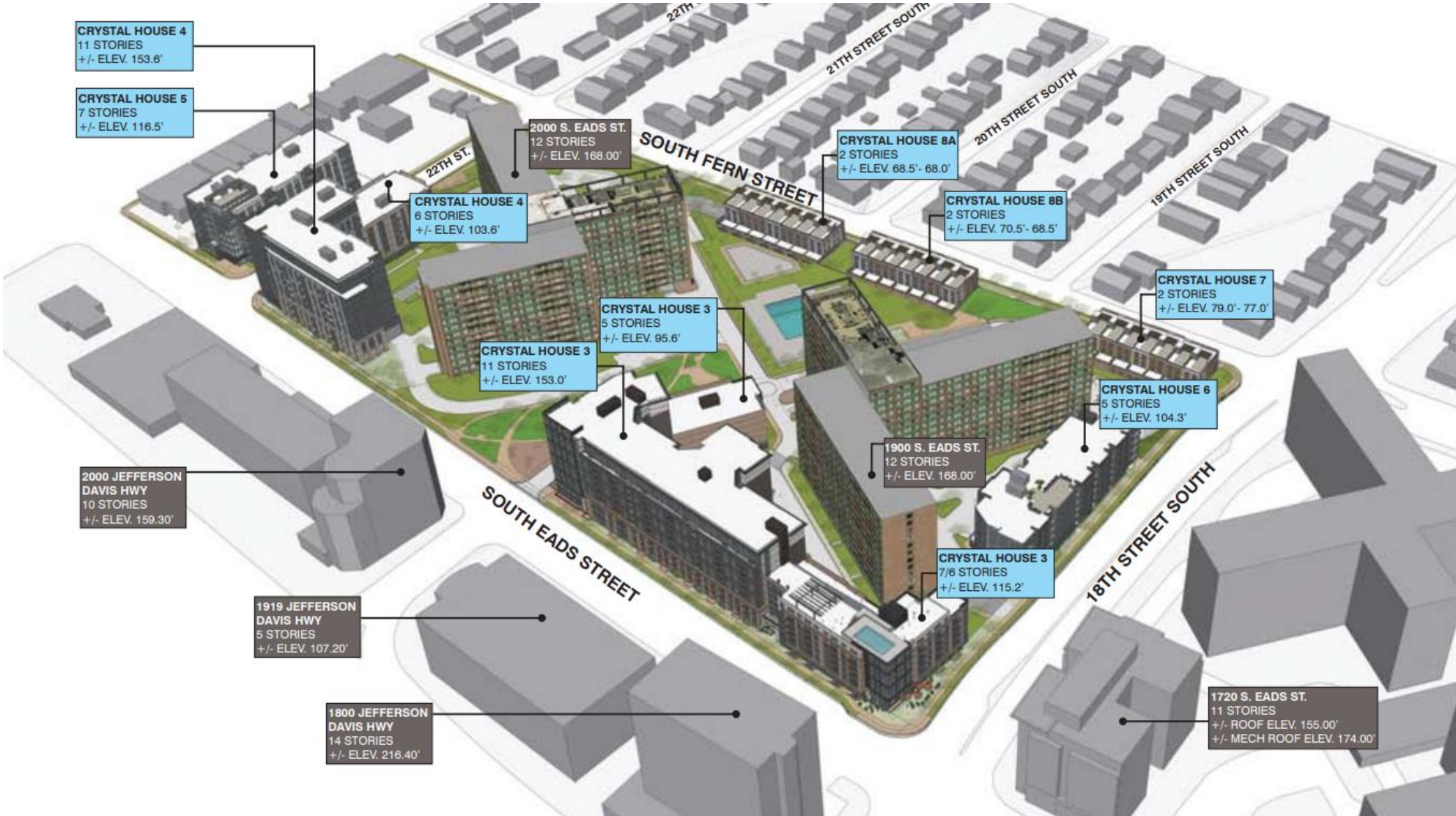


# Crystal Houses Apartments

- 2019 Project entitlement: 819 net new units and 828 existing units
- Washington Housing Conservancy (WHC) acquired property in late 2020
- 99-year affordable housing covenant sets 75% of all units as committed affordable
- WHC assigned rights to infill parcels via Option Agreement to Amazon affiliate (\$40 million)
- Amazon affiliate to convey land rights to County or its Master Developer
- 75% of new infill units must also be CAFs



# Crystal Houses Apartments



# Thank you

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