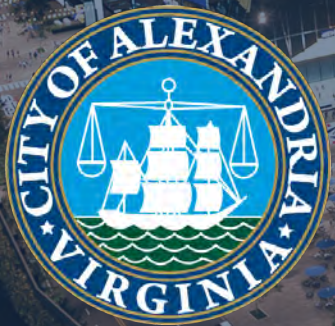




# MONUMENTAL OPPORTUNITY



JBG SMITH



**MONUMENTAL**  
SPORTS & ENTERTAINMENT

For Illustrative Purposes Only

# General Assembly Update

On February 22, 2024 the Virginia House of Delegates passed HB29- the “Caboose Budget” – which includes language that would create the Virginia Sports and Entertainment District.

The House budget bill will now go to conference where the House and Senate will resolve differences between their two budgets.

Previous bills considered:

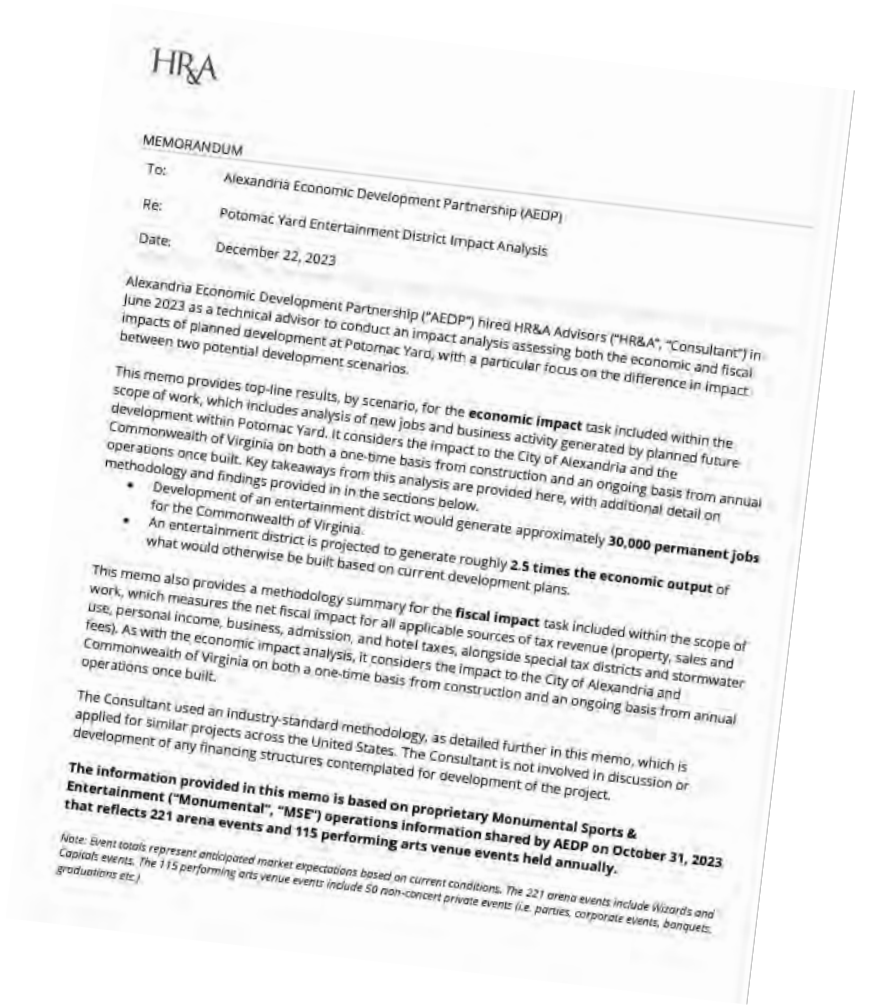
- [House Bill 1514](#)– 2/9– [Substitute bill](#) passed 17–3 by House Appropriations Committee; 2/13– Full House passed substitute bill 59–40; crossed over to Senate
- [Senate Bill 718](#)– 1/19– Referred to Senate Finance Committee; was not docketed for consideration



# Economic & Fiscal Impact Analysis

The project team worked to share more information with the community about the economic and fiscal impact study and related analyses conducted to evaluate and shape the proposed project.

- Summary shared on December 22, 2023
- Created the baseline for financing structure
  - Explanation Video posted online- December 2023
  - Listening Session- 1/18/2024
- FAQ and specific questions continue to be answered and posted online
- Complete report, with limited redactions shared on February 16, 2024



# GMU Technical Review

12-page Executive Summary and report release:

- Analysis of approach and HR&A methodology
- Reasonability of cost and development assumptions
- Discussion of comparator projects and placemaking


## Richmond Times Dispatch OpEd from Dr. Terry Clower

We acknowledge that some academic economists routinely criticize projections of economic and tax benefits derived from sports venues, particularly considering the large amount of public funding that some deals have required. Some of that criticism is valid, especially for projects developed decades ago. However, recent sports arena transactions have largely demonstrated a market shift away from unrecoverable public contributions with a greater focus placed on the venue being combined with broader commercial or residential investments funded through public-private mechanisms.



Terry Clower

**Potomac Yard Entertainment District and Economic Development: An Overview**  
Prepared by:  
**Center for Regional Analysis**  
Schar School of Policy and Government, George Mason University  
January 2024



### Executive Summary

This report offers an overview of how an urban-based sports and entertainment district can enhance local, regional, and state economic development beyond what is captured in an economic or fiscal impact study. Using case studies and review of the relevant professional literature, the following assesses the potential contributions of the Potomac Yard Entertainment District (PYED) to economic development in Alexandria, Northern Virginia, and the Commonwealth of Virginia.

PYED is a unique opportunity for Alexandria, Northern Virginia, and the Commonwealth with potential for multiple contributions to local and state economic development.

- A scale of investment that will promote for regional economic growth:
  - Provide ongoing construction and renovation jobs and business opportunities.
  - New jobs and revenues for taxing jurisdictions.
  - Advance the timeline for Potomac Yards redevelopment by several years.
- The placemaking that will be created by PYED will provide exception economic development marketing opportunities:
  - Show Alexandria as a home for 21<sup>st</sup> century transit focused, high amenity assets.
  - Provide experiential marketing for the city and region.
  - Be a focal point to talent attraction initiatives vital for the region's economic success.
- Contribute to Economic Opportunity and Standard of Living
  - Add thousands of workforce affordable housing units meeting regional worker needs.
  - Housing and job opportunities supporting economic opportunity and inclusion.
  - Support small and historically underutilized businesses that will boost the region's entrepreneurial eco-system and promote overall economic development.
  - The overall project will boost quality of life through entertainment and accessible public spaces that cannot be achieved without substantial private investment.
- Catalyze and Synergize Economic Development Achievements.
  - The investments, activities, facilities, and programming at PYED will be synergistic with two of the most important economic development opportunities in Northern Virginia – the adjacent Virginia Tech technology campus, and Arlington's Amazon HQ2.
  - We expect the synergies created by the placemaking driven economic development at PYED, the VT campus, and HQ2 to catalyze new economic development opportunities for Alexandria, Northern Virginia, and the Commonwealth of Virginia.

# Details on Jobs

Following the economic opportunity listening session, the project team shared more information about the type and number of jobs that will be created with the project.

## New Jobs Generated

### WITHOUT ARENA (2030-2046)

Permanent Jobs	12,330
Construction Jobs	2,380

### WITH ARENA & ACCELERATED DEVELOPMENT (2028-2036)

Permanent Jobs	29,555
Construction Jobs	17,645



## JOBS DETAIL

The proposed Potomac Yard Entertainment District could create close to 30,000 permanent jobs, according to an analysis done by HR&A Advisors for the Alexandria Economic Development Partnership. Monumental Sports & Entertainment's headquarters alone would be responsible for more than 650 full-time staff.

Of the 30,000 jobs, the average wage is \$75,000, and 37% of jobs will pay more than \$90,000. In addition to the permanent jobs, the project is also expected to generate 17,000 construction jobs, most of which are expected to be union jobs.

## New Jobs Generated

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Permanent Jobs	12,330
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Permanent Jobs	29,555
Construction Jobs	17,645

	JOB CATEGORY	DIRECT*	INDIRECT*	INDUCED*	TOTAL	NOTES
ARENA PHASE	Arena/Event Day Operations	941	273	199	1,413	Includes all event/game day activities, including parking, security, food concessions, arena retail sales, players, and other arena event activity.
	Performers	—	—	—	—	Performers do not represent any permanent jobs to Alexandria or the Commonwealth of Virginia since the performers are assumed to be traveling through rather than being based in the city or state.
	All Other Arena Phase Activity	1,184	537	601	2,322	Includes activity associated with MSE HQ, spec office, retail, and remainder of Arena Phase development program.
PHASE I	Retail Employment	242	49	46	337	Includes direct employment associated with all commercial retail space in this phase, inclusive of food & beverage uses.
	Multifamily Employment	72	44	28	144	Includes direct employment associated with residential development such as maintenance/repair, on-site staff of multifamily buildings, etc.
	Mixed Use Employment	830	213	191	1,234	—
PHASE II	Retail Employment	302	50	40	392	Includes direct employment associated with all commercial retail space in this phase, inclusive of food & beverage uses.
	Multifamily Employment	75	47	29	151	Includes direct employment associated with residential development such as maintenance/repair, on-site staff of multifamily buildings, etc.
	Mixed Use Employment	1,113	882	787	2,782	—
PHASE III	Retail Employment	832	201	175	1,208	Includes direct employment associated with all commercial retail space in this phase, inclusive of food & beverage uses.
	Multifamily Employment	104	64	40	208	Includes direct employment associated with residential development such as maintenance/repair, on-site staff of multifamily buildings, etc.
	Mixed Use Employment	7,745	6,143	5,476	19,364	—
TOTAL		13,440	8,503	7,612	29,555	

\*Direct jobs reflect employment generated on-site in Potomac Yard by operations and activity in the new district. Indirect jobs reflect additional employment generated from spending on goods and services by the companies making up direct employment. Induced jobs reflect additional employment generated by the personal spending of direct employees. Indirect and induced jobs together make up the multiplier impact generated by direct jobs.



FIND OUT MORE  
[MonumentalALX.com](https://www.monumentalalx.com)



# Preservation Commitment

JBG SMITH plans to preserve the affordability of **500 units of affordable workforce housing** in Alexandria, Virginia, in conjunction with the development of a new Sports and Entertainment District. Pending legislative approval, JBG SMITH plans to partner with the City of Alexandria to identify and preserve the affordability of 500 or more affordable workforce housing units, prioritizing the Arlandria-Chirilagua neighborhood.

The commitment aligns with Alexandria's goal to create 2,250 committed affordable workforce housing units by 2030. This initiative is part of JBG SMITH's Impact Pool, focusing on preventing displacement and securing affordable housing options for everyday workers.

"JBG SMITH's history and proven track record of working with Alexandria to create committed affordable workforce housing, combined with the transformative catalyst of the new Sports and Entertainment District, provide a tremendous opportunity to strengthen the vibrancy and inclusiveness that make Alexandria exceptional," said AJ Jackson, EVP of Social Impact Investing at JBG SMITH.

**MONUMENTAL OPPORTUNITY HOUSING**

The new arena and entertainment district will not only bring two professional sports teams to Virginia, but will also spur new development to meet Alexandria's housing goals. JBG SMITH has a proven track record of working with the City of Alexandria, its affordable housing community, and state leaders to preserve affordability and prevent displacement in the City and across the region.

The new arena and entertainment district will be a catalyst for new housing and transit-oriented development, including a new commitment from JBG SMITH to partner with the City of Alexandria to proactively identify and preserve the affordability of 500 or more affordable workforce housing units within the City of Alexandria, prioritizing the Arlandria-Chirilagua neighborhood. These units, which will range in affordability from 40% of AMI upwards, are in addition to the new housing that is proposed as part of the sports and entertainment district at Potomac Yard and will further advance Alexandria's goal to create 2,250 committed affordable workforce housing units by 2030.

Today, roughly 80% of Alexandria's Black and Latino residents are renters and most of them are rent burdened (spend more than 30% of income on rent). In 2020, the City of Alexandria set a goal of producing 2,250 workforce affordable housing units by 2030, so far it has produced just 347 (15% of goal). This development will help the city reach its goals and advance housing equity.

The thousands of new rental units at Potomac Yard will also allow students and faculty to live closer to Virginia Tech and reduce pressure on the existing rental stock in Arlandria and Del Ray, helping to prevent the displacement of current residents.

- 5,400+ New Housing Units**  
There are more than 5,400 new multifamily units proposed over three phases which will help to address a regional housing shortage.
- 100-150 Dedicated Affordable Units**  
Part of the plan includes a new school site which could accommodate 100-150 units of dedicated affordable housing.
- At Least 500 Units of Preserved Workforce Housing**  
JBG SMITH has committed to preserving at least 500 additional units of workforce housing. Since 2020, JBG SMITH has helped local non-profits and other mission-driven housing operators to acquire almost 3,000 units of committed affordable workforce housing across the region.
- \$25 Million Affordable Housing Fund Contribution**  
Near-term development is expected to drive \$25 million in Voluntary Monetary Affordable Housing Contribution Fund commitments. These contributions will only be made if development proceeds. Data from RLB, a leading data provider on construction costs, suggests the \$25 million contribution could pay for up to 175 units.
- Nearly 1,800 Units for Families**  
There are almost 1,800 and 200 two- and three-bedroom units in the plan, respectively.
- Increased Supply to Ensure Long-Term Affordability**  
A recent report from the District of Columbia Office of the Chief Financial Officer indicates that rents are nearly 6% lower than they would have been without new supply delivered from 2012-2018. We expect similar benefits of new supply in Alexandria.

For more information: [www.MonumentalOpportunity.com](http://www.MonumentalOpportunity.com)

# Engagement Updates

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Since announcement on December 13, 2023...

## *Newsletter*

12 emails sent  
1,483 subscribers

Average open rate = 66%

## *Website*

Total page views- 64,000+  
As of 2/23/24

## *Engagement Videos*

11 Vimeo posts  
307 unique viewers  
503 views

## *YouTube Video*

Financial background +  
first listening session  
800 views

- City Council Townhall- in person, with hybrid option
- Listening Sessions- 4, one-hour virtual sessions held weekly
- Community Conversation- 1, transportation focused 90 min virtual session
- Pop-up series- 2 in person sessions completed, 2 more scheduled
- City Council Legislative Meeting updates- tonight is #4
- Civic and Business Associations- 40+ held so far, with dozens more scheduled

# Engagement Updates

Since announcement on December 13, 2023...

Questions and Comments received

848 total inquiries

- 134 through online feedback form
- 590 through zoom meetings
- 10 recorded on site at pop-up
- 74 through town hall
- 40 through direct email to City staff

Responses updated regularly at [www.MonumentalALX.com](http://www.MonumentalALX.com)

The screenshot displays a web application interface for managing comments and responses. The title bar reads "Entertainment District Comments & Responses (Web) (View Only)". The interface includes a "Grid View" button and a search icon. The main content area is a table with columns for "Method of Communication", "Comment/Question", "Response", "Feedback Received Date", and "Category".

Method of Communication	Comment/Question	Response	Feedback Received Date	Category
Feedback Form	Will the Performing Arts Center include opportunities for local bands, theater, choirs to perform?	Thank you so much for reaching out. This is a question we look forward to exploring as we develop the operating agreement and design of the venue. The performing arts center will have to generate revenue to be able to recoup its costs, but with the City as a part-owner, we agree that it is important to offer certain community-focused opportunities. We would anticipate the Concert venue provide opportunities for local and community events and performances.	01/09/24	Other Community Benefits
Feedback Form	Generally very optimistic about the plan. I think it could be great! One question about the plan, how late are the concerts at the performing arts venue expected to run? How loud might they be? If it's an open air venue, I'm concerned about late night noise for those of us in the surrounding area that might not be in a concert mood on any particular evening. I'm about a half a mile from the site and can already hear metro trains so I'm concerned about site noise when the .300 events a year are letting out or when people are listening to fun concerts.	Thank you so much for reaching out and your support forward to exploring as part of the design of the facility itself, which is just beginning. We and the project team agree that there are many things to consider to determine whether an indoor/outdoor venue is feasible and how to protect nearby neighborhoods. While we don't have those details at this point in our discussions, current noise standards.	01/09/24	Neighborhood Preserv
Email to staff	What are the ongoing maintenance costs, increased and the events/games, upgrades and improvements that the owner will demand in 10 years time? Provide more information on the debt service costs of the bonds. Where do the existing \$300 million in state and local funds come from and how will they be used? Where does the City's \$560 million backstop to guarantee bonds come from? Are there examples from other jurisdictions for naming rights of an "entertainment district"?	Thanks so much for reaching out. The project cost includes maintenance funds and a schedule to ensure that the arena stays up-to-date over the contract time period (35 years from opening). \$106 million from the City will be used to fund a portion of the parking lot and the performing arts venue. The City's backstop of \$350 million would cover the entire life of the project. That is, if decreases every year and would only ever equal \$350 million if the facilities were fully constructed but never opened for any use over 35 years. We have also modeled revenues conservatively so that they could be off by as much as 50% before the backstop was ever called upon.	01/10/24	Financing / Financial
Feedback Form	A project of this magnitude will be detrimental to the City of Alexandria and the residents. The city is not able to handle the volume of traffic and crime as increase, and result in major problems that could have been easily avoided by not approving this	Thank you for your comment	01/10/24	Infrastructure Neighborhood Preserv Public Health Public Safety Traffic
Feedback Form	I would need to see Alexandria makes a commitment to dedicated resources for traffic and parking enforcement in the nearby neighborhoods. My kids	Thank you for your comment.	01/10/24	Public Safety Traffic, Transit



# Transportation & Transit Community Conversation

The City of Alexandria held a virtual meeting for the community to ask questions of the Commonwealth and Kimley Horn and receive feedback and ideas on neighborhood protection planning:

➤ 2.22.24 at 7:00 PM, virtual via zoom



Analysis and presentations are available online for review at [www.MonumentalALX.com](http://www.MonumentalALX.com) as well as video of the session





# Upcoming Engagement Opportunities

Please visit [MonumentalALX.com](https://www.monumentalALX.com) for a full list of scheduled events. Next week, the calendar includes:

- Pop-Up: 3.2.24 at 10:00 AM – 12:00 PM  
Stop by Beatley Library, 5005 Duke Street to ask questions
- Pop-Up: 3.6.24 at 5:00 – 7:00 PM  
Stop by Potomac Yard Metro Station South Entrance to ask questions





For Illustrative Purposes Only

# Annual Estimates - Alexandria Financial Impact

Potomac Yard Entertainment District

City Council Legislative Meeting - February 27, 2024

# City of Alexandria – Year 1, Calendar Year 2030

## Arena & Phase 1 Built Out

	Expenditures	Revenues	Total
Est. pledged revenue (Alexandria share) (Parking revenue, admissions, other local taxes, etc.)		\$58,900,000	
Arena authority support (Alexandria share)	(\$33,600,000)		
Net revenue			\$25,300,000
Non-pledged revenue		\$8,400,000	
<b>Total new revenue from Arena and Phase 1</b>			<b>\$33,700,000</b>
Estimated fiscal impact costs (Traffic calming, trash/park clean up, public safety, capital improvements)	(\$25,300,000)		
<b>Total net new revenue for City programs and services</b>			<b>\$8,400,000</b>

# City of Alexandria - Year 1, Calendar Year 2030

## Arena & Phase 1 Built Out

- The Entertainment District would generate \$33.7 million in the first year, which allows the City to ensure a safe and enjoyable experience for any residents and visitors
- Costs associated with servicing the district and surrounding areas are fully covered.
- Millions available for new programs and services in Alexandria in year one—and that number is expected to grow each year

# Arena & Phase 1 - 7-Year Impact

	CY 2030	CY 2031	CY 2032	CY 2033	CY 2034	CY 2035	CY 2036
Est. pledged revenue	\$58.9	\$60.2	\$61.6	\$62.9	\$64.3	\$65.7	\$67.2
Arena authority support (Alexandria share)	(33.6)	(34.0)	(34.3)	(34.7)	(35.0)	(35.4)	(35.7)
Net revenue	25.3	26.2	27.3	28.3	29.3	30.3	31.5
Non-pledged revenue	8.4	8.6	8.7	8.9	9.1	9.3	9.4
<b>Total new revenue from Arena and Phase 1</b>	<b>33.7</b>	<b>34.8</b>	<b>36.0</b>	<b>37.1</b>	<b>38.4</b>	<b>39.6</b>	<b>40.9</b>
Estimated fiscal impact costs	(25.3)	(25.8)	(26.3)	(26.9)	(27.4)	(28.0)	(28.5)
<b>Total net new revenue for City programs and services</b>	<b>\$8.4</b>	<b>\$9.0</b>	<b>\$9.7</b>	<b>\$10.2</b>	<b>\$11.0</b>	<b>\$11.6</b>	<b>\$12.4</b>



# City of Alexandria - Year 8, Calendar Year 2037

## Arena and Phases 1-3, Full Build Out

	Expenditures	Revenues	Total
Est. pledged revenue (Alexandria share) (Parking revenue, admissions, other local taxes, etc.)		\$68,700,000	
Arena authority support (Alexandria share)	(\$36,100,000)		
Net revenue (Arena and Phase 1)			\$32,600,000
Non-pledged revenue		\$82,800,000	
<b>Total new revenue from Arena and Phase 1-3</b>			<b>\$115,400,000</b>
Estimated fiscal impact costs (Schools, parks, infrastructure, capital improvements)	(\$68,100,000)		
<b>Total net new revenue for City programs and services</b>			<b>\$47,300,000</b>

# What does **\$33.7 million** in net new revenue mean?

- ▶ 7 cents on the real estate tax rate, or an average of **\$490 more on a residential tax bill**
- ▶ Double the total FY 2023 Meals Sales Tax Revenue (\$30.1M)
- ▶ Almost triple the total FY 2023 Transient Occupancy Tax (\$12.0M)
- ▶ Would allow the City to borrow another \$370 million—enough to fund the entire 10-year school capital improvement plan.

# What does **\$115.4 million** in net new revenue mean?

- ▶ Each \$10M of debt service generates approximately \$115 million of bond proceeds
- ▶ Nearly 24 cents on the real estate tax rate
- ▶ Equates to approximately \$1,680 on the average annual residential tax bill

# Current Residential Tax and Fee Burden

## Average Household in Alexandria

- ▶ Real Estate tax on \$699,000 home - \$7,547
- ▶ Personal Property tax - \$624
- ▶ Trash Removal fee - \$484
- ▶ Stormwater Utility fee - \$309
- ▶ Sanitary Sewer maintenance fee - \$123
- ▶ Utilities and Communications - \$160
- ▶ Total Residential Tax and Fee Burden - \$9,247
- ▶ **Arena and Phase 1 - \$490 offset**
- ▶ **Total Project - \$1,680 offset**

# Potomac Yard Current State vs. Arena and Phases

(29 stores/CPYR Shopping Center LLC)

	CY 2023	CY 2030	CY 2037
Current City Revenues	\$5.9M	\$7.0M	\$8.3M
Arena and Phase 1		\$33.7M	\$42.3M
Arena and Phase 1, 2, 3			\$115.4M

# Real Estate Tax Base Distribution CY 2008 to CY 2024

Including Multi-Family Rental Assessments with Residential Assessments

