

Docket Item #14- Development Special Use Permit #2017-0017

Stephanie Landrum <landrum@alexecon.org>

Mon 6/4/2018 11:00 AM

To: PlanComm <PlanComm@alexandriava.gov>;

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1 attachments (633 KB)

APTA at Potomac Yard Scorecard.pdf;

Good morning, Planning Commissioners-

The AEDP Board has continuous discussions about the role and importance of upcoming development projects in support of our mission to grow the commercial tax base and recruit and retain businesses. In Spring of 2016, we sent the City Council the first of what we hoped would be many scorecards, evaluating projects that we believe are critical in furthering our collective economic development efforts. That scorecard was for the Edens redevelopment project in Old Town North. Unfortunately, while you and City Council approved that project more than two years ago, meaningful commercial development applications before your body since have been few and far between.

With that sobering, revenue-impacting fact in mind, the AEDP Board is pleased to offer a scorecard for your review as you consider the application for *a new office building at the future Potomac Yard metro*. AEDP's comments are intended to be high level- identifying how a particular project contributes to the tax base, helps create amenities that support commercial office tenants and creates or retains jobs.

The attached is an overview of the project's attributes that AEDP believes make this project worthy of Planning Commission's support of docket #14, Development SUP and related improvements for APTA's Headquarters Office Building.

Should you have any questions in advance of your meeting, please feel free to contact me directly.

Best wishes for a productive meeting!

Stephanie

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AEDP Supports the DSUP and related encroachment for:

Project: American Physical Therapy Association (APTA) Office Building

Address: 3030 & 3050 Potomac Avenue

Neighborhood: Potomac Yard

Net New Revenue to the City general fund (annual)*: **\$425,600**

AEDP Analysis: This project represents the second commercial office start in Potomac Yard, retains a valued Alexandria employer within the City, and will also deliver Class A office space at Metro for lease to other users. Completion of this block's infrastructure and public spaces along with the construction of the new building will encourage further commercial investment in the Potomac Yard metro area. As part of this transaction, APTA will be selling their existing buildings in Old Town North, which will result in significant investment from reuse or conversion, and additional direct tax revenue to the City. Important project highlights include:

APTA occupied office space	68,000 SF
Office space available for lease to others	40,000 SF
Total NEW office space	108,000 SF
Job retention- full time employees	150
Estimated Direct Tax Revenue- 20 years	\$8,600,000
<u>Other Items of Interest</u>	
\$20,000 contribution for new Capital Bikeshare station	
LEED silver (or equivalent)	
Supports approximately 2,500 hotel rooms annually	
50-60 meetings held on site each year	

Commercial real estate impact: The existing, undeveloped lot is currently valued at approximately \$250/SF. The construction of a new office building will create more than \$30,000,000 in new taxable building value, where there currently is none, and will bring an anchor office tenant into an area where growth has been almost exclusively residential.

**Net new real estate taxes only*

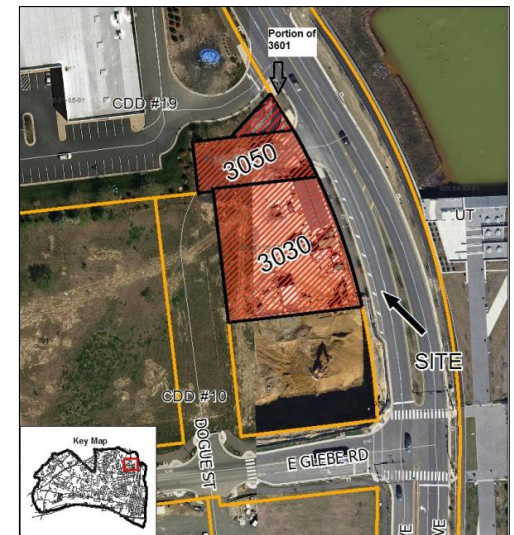
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May 31, 2018



Project Impact- HIGH

- Negative impact
- Low impact
- Medium impact
- High impact



Current conditions- vacant lot



Northern Elevation, featuring stair tower and signage

High impact is calculated based on increase in real estate value and business taxes generated by this project.