



ALEXANDRIA **ECONOMIC** **DEVELOPMENT** **PARTNERSHIP**

2019 ANNUAL REPORT

A LETTER FROM THE CEO



The beginning of a new decade is the perfect time to reflect on the past few years. Five years ago, one of my first projects as the new President & CEO of AEDP was the creation of a new brand and focus for the organization: *Grow Alexandria*. In a time when the benefits of commercial growth were not top-of-mind for most Alexandria residents, *Grow Alexandria* helped change the narrative around economic development. The messaging highlighted the work done through decades of community-built, intentional, strategic plans for development in various neighborhoods across the city and gave a clear message to the business and investment community: Alexandria is a city primed for growth, and the community has planned for and expects that growth!

The fruits of all of that planning labor really began to show in 2019. The National Industries for the Blind Headquarters building set the standard and led the way for several other significant groundbreakings in the Potomac Yard section of National Landing: new offices for the American Physical Therapy Association and the Institute for Defense Analyses, and the long-awaited Metro station. The vision for that neighborhood is coming to life with all of this new commercial activity. And that is all in advance of the most exciting project in the City's pipeline – the Virginia Tech Innovation Campus. As the catalyst to kick-start Phase One of the North Potomac

Yard (NPY) development, Virginia Tech is fully engaged with the community in the planning process for its new tech-focused campus. One of the first visible benefits of landing this anchor-tenant in Alexandria is news that its development partner, JBG Smith, has made adjustments in planned development in NPY to reduce the amount of residential square footage in favor of adding more office space. The delivery of new Class A office space, adjacent to a brand-new Metro station, is exactly the type of growth we have been asking for and will support our ongoing efforts to bring more private sector business growth and jobs to Alexandria.

As 2020 begins, we now have strong evidence that the active implementation of our community plans is great news, as we learn that the City's real estate tax base is experiencing the greatest year-over-year growth in assessments in over a decade. The average property increased in value by 5%, and the overall tax base increased more than 4%, with one full percentage point of that increase directly attributed to new growth.

Economic development and planning are practices that require a significant amount of patience: shovels in the ground and cranes in the air are often newsworthy, but the real accolades should be given to the years of work that precede those milestones. AEDP is doing our part to commemorate and highlight all of that hard work. We are now putting the final touches on a new brand and messaging campaign but do not want to let this moment in time pass without celebrating the successes now being realized because of the support and promotion of growth throughout the city. Our work is not done, though! As we start this new decade, the AEDP staff is inspired to continue facilitating additional commercial growth, making meaningful progress on community goals to balance land uses throughout the city, and increasing the commercial tax base to reduce the tax burden on residents.

The next ten years will be transformational for Alexandria. Plans the community has created are coming to life, and as real estate development continues, we will see more jobs, improvements to the transportation network, and more preservation and development of housing of all shapes and sizes. Combine all of that with a meaningful commitment to work alongside regional neighbors to grow together, and it's impossible not to share my excitement about the decade that lies ahead!

A handwritten signature in black ink that reads "Stephanie H. Fambun". The signature is fluid and cursive, with a long, sweeping underline.



ORGANIZATIONAL UPDATE

2019: AN EXCITING TIME OF TRANSITION AND GROWTH

Thanks to new funding from the City of Alexandria, AEDP finalized a reorganization and added several new staff positions in 2019. The restructuring has aligned staff and resources with core business functions, improving AEDP's ability to compete with other major markets throughout the country for companies and jobs.

For many years, AEDP has competed with larger economic development offices that have significantly more staff dedicated to business development. To address this competitive disadvantage, AEDP's leadership successfully advocated for an infusion of funds to expand the Business Development Team. In August, Jerry T. Sanford joined AEDP as the new Vice President of Business Development. Jerry and his colleagues Tom Colicchio, Marie Spittell, and Kyla Ramdat, the newest addition to the team, have been meeting weekly with Alexandria

businesses to ensure they remain and grow in the city. In 2020, the team has a number of planned marketing missions where they will be calling on companies outside Northern Virginia in efforts to attract new investment to the city.

The other significant organizational change in 2019 was the creation of a new, stand-alone Real Estate Department led by Vice President Christina Mindrup. This new department recognizes AEDP's role working directly with the commercial real estate community to accelerate development and fill vacant commercial space, and creates capacity for Christina to work on these important projects in a full-time capacity. Finally, AEDP gave a boost to its operations and research capabilities by hiring Ashley Bayana as Administrative Services Manager and bringing on Alexander Cline as Project Assistant.

A BIG YEAR FOR **BREAKING GROUND** IN ALEXANDRIA



LAUNCHED

Watermark Condominiums

EST. SPRING 2020

Located at 205 Strand Street, the Watermark features 18 exclusive residences with sweeping Potomac River views and ground-level retail. The Watermark's architectural character reflects Old Town's historic charm and rich maritime history. Located one and a half blocks from King Street and within moments from restaurants, boutiques, and all the vibrant urban amenities that Old Town Alexandria has to offer, this new project from the IDI Group Companies completes an important piece of the Alexandria waterfront.



LAUNCHED

Carlyle Crossing

EST. EARLY 2022

Carlyle Crossing, Stonebridge's latest development, will be located in the East Eisenhower neighborhood. The development is expected to deliver 720 residential units atop 110,000 square feet of retail and an 84,000-square-foot Wegmans grocery store. The project features best-in-class open and green spaces for residents and patrons.



APPROVED

1201 North Royal Street

APPROVED JANUARY 2019

Carr City Centers received approval to convert the 1201 North Royal Street warehouse and retail into 90 condominium units with 6,000 square feet dedicated to The Art League for classroom space and an art walk. This is the second redevelopment that supports the creation of an arts district proposed in the 2017 Old Town North Small Area Plan. Carr is already constructing its first project, converting the Crowne Plaza Hotel to condos and its parking lot into townhomes and building a new black box theater for MetroStage. For both projects, Carr is using bonus density of up to 30% awarded for the inclusion of space for arts anchors.



APPROVED

WMATA Headquarters

APPROVED JULY 2019

Washington Metropolitan Area Transit Authority (WMATA) announced its intent to build one of three regional headquarters on a 3-acre parcel in the East Eisenhower/ Carlyle neighborhood. Approved by Alexandria City Council in fall 2019, the 14-story, 408,000-square-foot office building will house up to 1,000 employees.

A NEW CENTER FOR RESEARCH AND DISCOVERY IS COMING TO ALEXANDRIA

Announced in conjunction with Amazon's November 2018 revelation that its new HQ2 would locate in Northern Virginia, the Virginia Tech Innovation Campus is one of the most exciting projects in the pipeline for Alexandria. The Commonwealth of Virginia's Tech Talent Investment Program (TTIP), which aims to create at least 25,000 new bachelor's and master's degrees in computer science and related fields over the next 20 years, will provide half the project's funding, while Virginia Tech raises the remaining matching funds. When completed, the **\$1 billion, 600,000-square-foot campus will graduate 750 master's degrees and host more than 100 doctoral students and post-doctoral fellows annually**, providing talent to fill crucial job roles throughout Northern Virginia.

The first cohort of students will begin their studies in fall 2020. Virginia Tech will use temporary space while planning continues and construction begins on the permanent campus. The campus will include academic classrooms, incubator space for new startup companies, research and development, offices for industry collaboration, and space for alumni events.

Construction will take place over two phases:

Phase 1:

- > **One academic building:** 15 acres, 300,000 square feet
- > **Concept plans submitted:** November 1, 2019
- > **Est. November 2019-2020:** Planning, zoning, and permitting process
- > **Completion:** scheduled for 2024

Phase 2:

- > **Two academic buildings:** 150,000 square feet each
- > **Timeline:** To be determined

As with any major development project in the City of Alexandria, there are a variety of opportunities for community feedback and input. AEDP is working with Virginia Tech to identify and recruit companies to partner with the university and co-locate on the campus, that are **committed to the type of cutting-edge research and discovery that will be a cornerstone of the new campus.**

**To see vision for the VT Campus, go to pages 8-9.*

THE NEW POTOMAC YARD METRORAIL STATION

On December 19, 2019, the City of Alexandria held a groundbreaking ceremony for the new Potomac Yard Metrorail Station, marking the start of major construction for one of the largest infrastructure projects in the region. The new station will serve the Blue and Yellow lines.

The station is expected to generate billions of dollars in new private sector investment, ultimately supporting 26,000 new jobs and

13,000 new residents. The \$320 million station construction will be paid for with new tax revenue from development in Potomac Yard over the next 40 years, funding from the Northern Virginia Transportation Authority, a special tax district in North Potomac Yard, a low-interest loan from the Commonwealth Transportation Board, and significant developer contributions. **The station is scheduled to open in early 2022.**

“This will be a world-class station that will soon serve new riders. I’m proud of the great work our public transit systems all across Virginia continue to achieve as we work together to connect all Virginians to more job opportunities.”

GOVERNOR RALPH NORTHAM

NEW OFFICE DEVELOPMENT CATALYZED BY THE POTOMAC YARD METRO STATION

National Industries for the Blind Headquarters
COMPLETED MARCH 2019



American Physical Therapy Association Headquarters
UNDER CONSTRUCTION, EST. EARLY 2021



The Institute for Defense Analyses
UNDER CONSTRUCTION, EST. EARLY 2022



The Institute for Defense Analyses (IDA) began constructing a 370,000-square-foot headquarters in North Potomac Yard using \$250 million in Industrial Development Authority tax-exempt bonds. The move was also made possible by the city’s release of IDA’s existing building at 4850 Mark Center Drive for a consolidation of the city’s Department of Community and Human Services and Health Department facilities.





Future Amazon HQ2

Crystal City

Washington Monument

Capitol Building

Metroway Transitway 

 FUTURE HOME OF THE VIRGINIA TECH INNOVATION CAMPUS

 M metro

Future Metrorail Station Entrance



Ronald Reagan Washington National Airport

Amtrak / VRE 

Potomac Avenue

ATTRACTING NEW AND RETAINING EXISTING BUSINESSES IN THE CITY OF ALEXANDRIA

In August 2019, AEDP hired Jerry Sanford as Vice President of Business Development to lead business attraction and retention efforts. Jerry's three-person team will continue to grow in 2020.

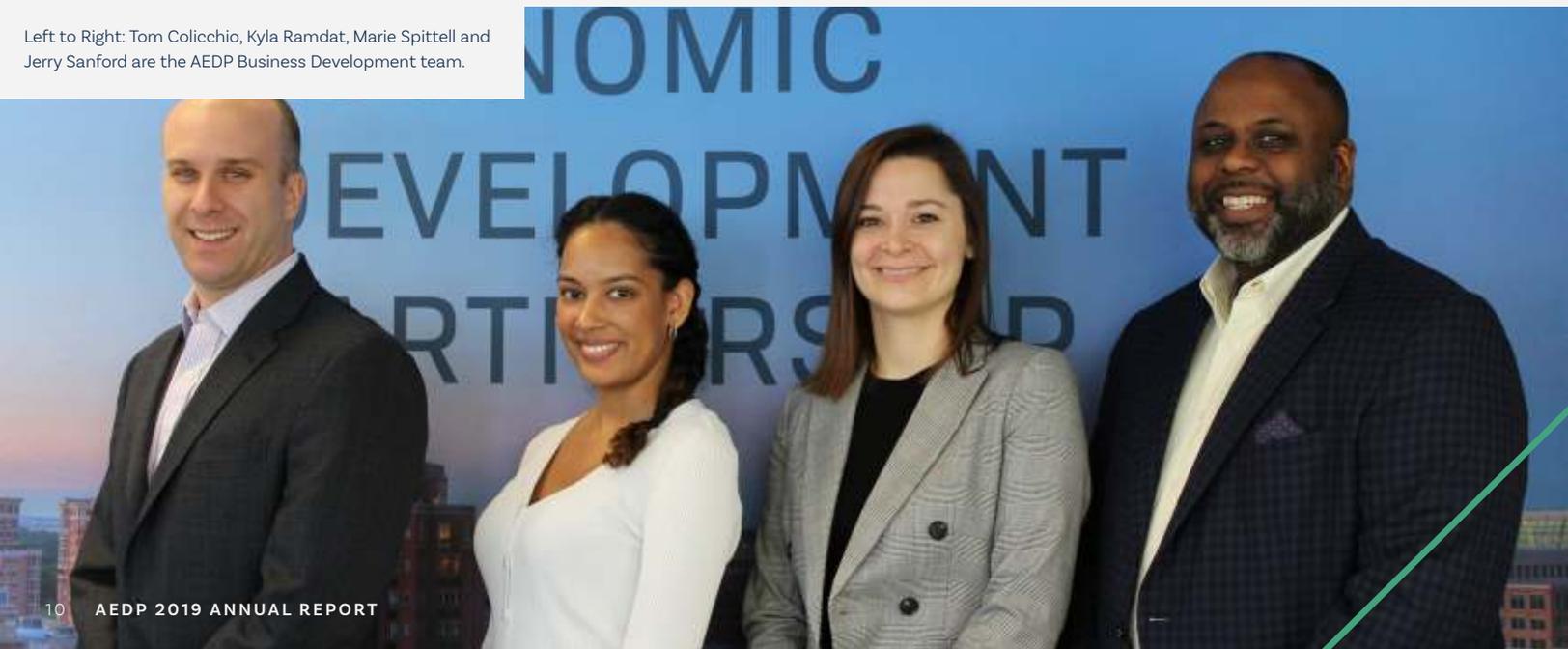
In Q4 2019, the Business Development team launched a robust Business Retention and Expansion (BRE) program and **began meeting with City of Alexandria businesses in four categories:**

- > **Most employees** per industry sector.
- > **Companies with expiring leases.**
- > **Noteworthy companies**, such as those that have reached milestone years in business, been awarded major contracts, or are highly ranked.
- > **Rapidly growing companies.**

The team met with about 20 companies a month. It also focused on business attraction, attending industry-specific conferences, increasing its social media presence and reaching out to site selection and commercial real estate professionals.

The Growing in ALX blog continued to feature local businesses on AEDP's website and in its Monday newsletters. Because of its popularity, AEDP went from featuring one new business every month to profiling a new business weekly. **Growing in ALX has become the most popular section on AEDP's website, and businesses have appreciated the recognition.**

Left to Right: Tom Colicchio, Kyla Ramdat, Marie Spittell and Jerry Sanford are the AEDP Business Development team.



2019 YEAR IN REVIEW — ECONOMIC DEVELOPMENT HIGHLIGHTS

JANUARY	American Physical Therapy Association breaks ground on the second new Class A office building in Potomac Yard. The new headquarters will deliver more than 42,000 square feet of office space available for lease to other tenants.
FEBRUARY	The City of Alexandria hosts its second virtual information session , via live online streaming — a new tool introduced in FY2019 — allowing the public to learn about plans for Virginia Tech’s Innovation Campus directly from the university, city, and AEDP leaders.
MARCH	After decades of waiting, the entire Alexandria community cuts the ribbon on the Interim Waterfront Park at the foot of King Street, creating a long-awaited open space and gathering spot in Old Town, which now hosts special events year-round.
APRIL	Coworking spaces continue to make their mark in the city, with new operator Industrious opening 22,000 square feet at Carlyle Tower, adjacent to the Eisenhower Metro, and Old Town operator ALX Community announcing plans to open a new 25,000-square-foot location on the waterfront. They join Building Momentum’s makers space and coworking offerings at the Van Dorn Metro, giving entrepreneurs of all shapes and sizes options to locate throughout Alexandria.
MAY	NOVA goes North: AEDP joins partners from Arlington and Prince William Counties, and the City of Fairfax at the Collision Conference , North America’s fastest-growing tech conference, held in Toronto. Start-ups from each jurisdiction join the team, display on the tradeshow floor, attend the talks they are most interested in, and take meetings with potential investors.
JUNE	Lost Boy Cider opens at 317 Hooffs Run Drive in the Carlyle community occupying approximately 11,000 square feet, and the City receives its second agriculture grant, for \$30,000, from the Commonwealth to support the opening of Northern Virginia’s first urban cidery.
JULY	More glasses are raised as Aslin Brewery moves its production facility from Herndon to Alexandria’s West End leasing 25,000 square feet at 847 South Pickett Street. This move serves as a catalyst to activate retail in an industrial neighborhood.
AUGUST	The City of Alexandria, along with neighbors Arlington and Fairfax, receives notification that initial funding from the Virginia Housing Development Authority (VHDA) will be concentrated in the three communities to preserve and protect affordable rental housing. These are the first funds disbursed from the Amazon HQ2 investment package addressing housing — also a first for the Commonwealth.
SEPTEMBER	Alexandria joins nine neighbors in forming the Northern Virginia Economic Development Alliance (NOVA EDA) , the first regional agreement to collaborate on marketing and business attraction as a region.
OCTOBER	The Commonwealth’s initiative to connect investors from across the United States to business and real estate opportunities that help to revitalize Opportunity zones in Virginia, Opportunity Virginia , launches. The tool is helping to attract attention and investment in Alexandria’s four zones, located in Arlandria, Landmark and Mark Center.
NOVEMBER	Alexandria marks the one-year anniversary of the Amazon HQ2 and Virginia Tech Innovation Campus announcements with dozens of panels, meetings and interviews. Interest levels from investors, businesses and developers are just as strong 365 days later!
DECEMBER	As the City begins hosting discussions about revisiting plans for the Del Ray and Arlandria neighborhoods, the community ends the year at a gathering to celebrate the groundbreaking of the Potomac Yard Metro , the largest infrastructure and economic development catalyst in the City’s recent history.



FIRST PLACE

Skin Scholars

AUGUST 19 - 24

Skin Scholars pop-up shop offered three Beauty Bars that allowed customers to build custom skin care products to suit their personal needs. The shop also featured legacy handmade Skin Care products for men and woman to purchase, as well as herbal knowledge passed down for more than seven generations of indigenous tribal medicine. The founders, Elaina Bright and Alysia Bright, learned from their ancestors, including their grandmother who is still alive at 93.



SECOND PLACE

Jennifer Allevato Fine Art

JULY 29 - AUGUST 4

Jennifer Allevato is a fine art painter who works in acrylics and mixed media to create colorful post-impressionist inspired still lifes and landscapes. She mostly sells online or in galleries, and has never had her own dedicated retail shop before. Allevato utilized the pop-up space for traditional retail as well as a working art studio. In addition to retail sales throughout the week, she also hosted an evening gallery show event as an opportunity to browse and speak with the artist.



THIRD PLACE

Seyyah

AUGUST 12 - 18

What makes Seyyah unique is that they bring different techniques together and each piece is 100% handmade by a woman artisan in nine hours in Turkey. The founder, Ezgi Kaya, began working with her mom and aunts, and now has expanded to work with 11 women in total. In addition to retail sales, they held two jewelry making workshops plus a social event for members, and Ezgi pledged to donate 6% of her sales to ACT for Alexandria.

POP-UP PROGRAM PROVIDES BUSINESSES WITH A PLACE TO GROW

Pop-up ALX allows small businesses to test the Alexandria market and new business concepts – without making a long-term commitment.

The program got a boost in 2019 when the owner of 121 South Royal Street converted her first-floor retail space into The Seedling Collective, a plug-and-play pop-up studio with furniture, shelving and Wi-Fi. The 500-square-foot storefront, which opened last spring, is hassle-free to lease for one to 90 days. AEDP referred many businesses to The Seedling Collective last year.

To further promote this new amenity and to increase interest in the AEDP Pop-up program, AEDP and The Seedling Collective hosted a summertime contest that awarded three retailers free use of the space for up to one week, each.

50 retail entrepreneurs from around the D.C. area entered the contest. The three winners – Skin Scholars, Jennifer Allevato Fine Art, and Seyyah – each popped-up for a week in Old

Town. They also got access to AEDP and The Seedling Collective social media marketing, signage at the Old Town Farmers Market, and print and radio interviews with local outlets. The contest put Alexandria on the map for online retailers that had previously only been looking for pop-up opportunities in Washington, D.C., or other markets.

The competition runners-up were:

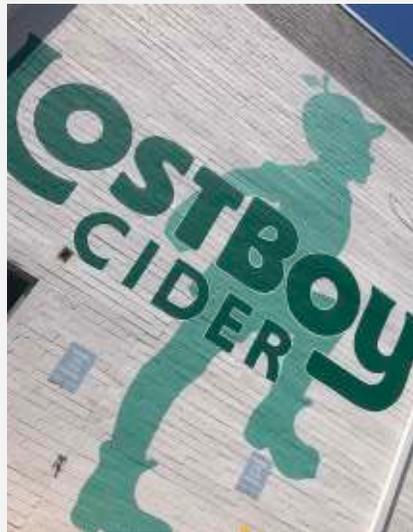
- > **Nourish & Refine:** Nicole Marie Powers
- > **The Pop Up Collaborative:** Rahama Wright
- > **rtsn Designs:** Kathryn Hupczey
- > **District Hemp Botanicals:** Jessica Hinton-Moore

**For more information on popping up in Alexandria, visit growALX.com/popup.*

HELPING BUSINESSES MAKE A HOME AND EXPAND IN ALEXANDRIA

Incentives are evaluated on a case by case basis, and amounts depend on factors such as projected job creation, capital investment and real estate impact. When possible,

the Alexandria Investment Fund (AIF) is leveraged to secure incentive funds from the Commonwealth of Virginia.



Port City Brewing Company
12K SQ FT EXPANSION

The expansion has been completed and all grant funds from the Commonwealth and city have been disbursed. Port City has exceeded the targets in its performance agreement related to purchasing Virginia-grown agricultural products and investing capital, and the company continues to add jobs.

AIF INCENTIVE: **\$155,000**
STATE INCENTIVE: **\$250,000**
JOBS RETAINED: **37**
JOBS CREATED: **26**
PRIVATE CAPITAL: **\$2.6 M**
EST. ANNUAL TAX REVENUE: **\$100K**

Kearney & Company
50K SQ FT EXPANSION

Kearney & Company committed to stay and grow in Alexandria and extend their current lease at 1701 Duke Street. Retaining a large private-sector employer was a top priority for AEDP. The company will make a significant capital investment and expand their workforce by 50 employees.

AIF INCENTIVE: **\$250,000**
STATE INCENTIVE: **N/A**
JOBS RETAINED: **500**
JOBS CREATED: **50**
PRIVATE CAPITAL: **\$0.9 M**
EST. ANNUAL TAX REVENUE: **\$800K**

May Riegler
66K SQ FT CONVERSION

Hotels are one of the highest tax-revenue-producing land uses in Alexandria, and this office-to-hotel conversion project at 699 Prince Street is currently underway. The project will add needed hotel rooms in the Old Town business district along with ground floor space for retail and restaurant uses.

AIF INCENTIVE: **\$750,000**
STATE INCENTIVE: **N/A**
JOBS RETAINED: **N/A**
JOBS CREATED: **250**
PRIVATE CAPITAL: **\$54 M**
EST. ANNUAL TAX REVENUE: **\$1.7 M**

Lost Boy Cidery
5,425 SQ FT LEASE

The company received \$30,000 from the Commonwealth's Agriculture and Forestry Industries Development Fund, helping establish the first cidery in Northern Virginia. Since opening in the summer, the cidery has attracted a significant following of cider lovers from across the region.

AIF INCENTIVE: **\$30,000**
STATE INCENTIVE: **\$30,000**
JOBS RETAINED: **N/A**
JOBS CREATED: **7**
PRIVATE CAPITAL: **\$0.6 M**
EST. ANNUAL TAX REVENUE: **\$100K**



SBDC & CAPITOL POST UPDATE

GIVING VETERAN ENTREPRENEURS THE TOOLS AND SUPPORT THEY NEED TO SUCCEED

In December 2019, Capitol Post passed the torch on its mission to teach veterans and active-duty military members and their spouses how to launch their post-military career or start a business to the Alexandria Small Business Development Center (SBDC).

Over almost three decades, the Alexandria SBDC has supported more than 300 veteran business founders. In 2020, the organization will help more business owners and prospective entrepreneurs by adding new programs and more targeted resources for military members, veterans and their spouses.

New offerings from the SBDC designed for military members and veterans will include:

- › **Roundtables** with experienced business owners and early stage entrepreneurs.
- › **Workshops** on topics of interest to veterans.
- › **A podcast series** in which business owners share tips and lessons learned with veterans who are in business or are considering launching a business.
- › Increased **networking opportunities**.



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