

NATIONAL LANDING MARKET IMPACT STUDY

SUMMARY REPORT

2023

NATIONAL
LANDING

HR&A





PENTAGON CITY



NATIONAL
LANDING
PENTAGON CITY
CRYSTAL CITY
POTOMAC YARD

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OVERVIEW

National Landing has demonstrated market resiliency and remains on track to become the Washington DC region's premiere innovation district.

Given the global impact of COVID-19 and return to office and hybrid work trends, National Landing's future as a competitive regional sub-market required in-depth market analysis. This Market Impact Study builds on 2022 Market Impact Study published by the National Landing Business Improvement District (BID) which highlighted National Landing's strengths and assets as an innovation district and examined its regional position as a growing neighborhood and business hub. Since that initial report, National Landing has continued growing by all measures, and has reached unprecedented milestones amidst the uncertainty and challenges of the future of office demand. This report further details how

to continue building on National Landing's innovation assets and other strengths.

With strong tech anchors such as Amazon HQ2, Boeing's global headquarters, and the Virginia Tech Innovation Campus, a robust and diverse tech talent pipeline, growing retail and open space amenities, and unprecedented public and private investments in transportation and digital infrastructure, the promise of National Landing's compelling evolution will continue.



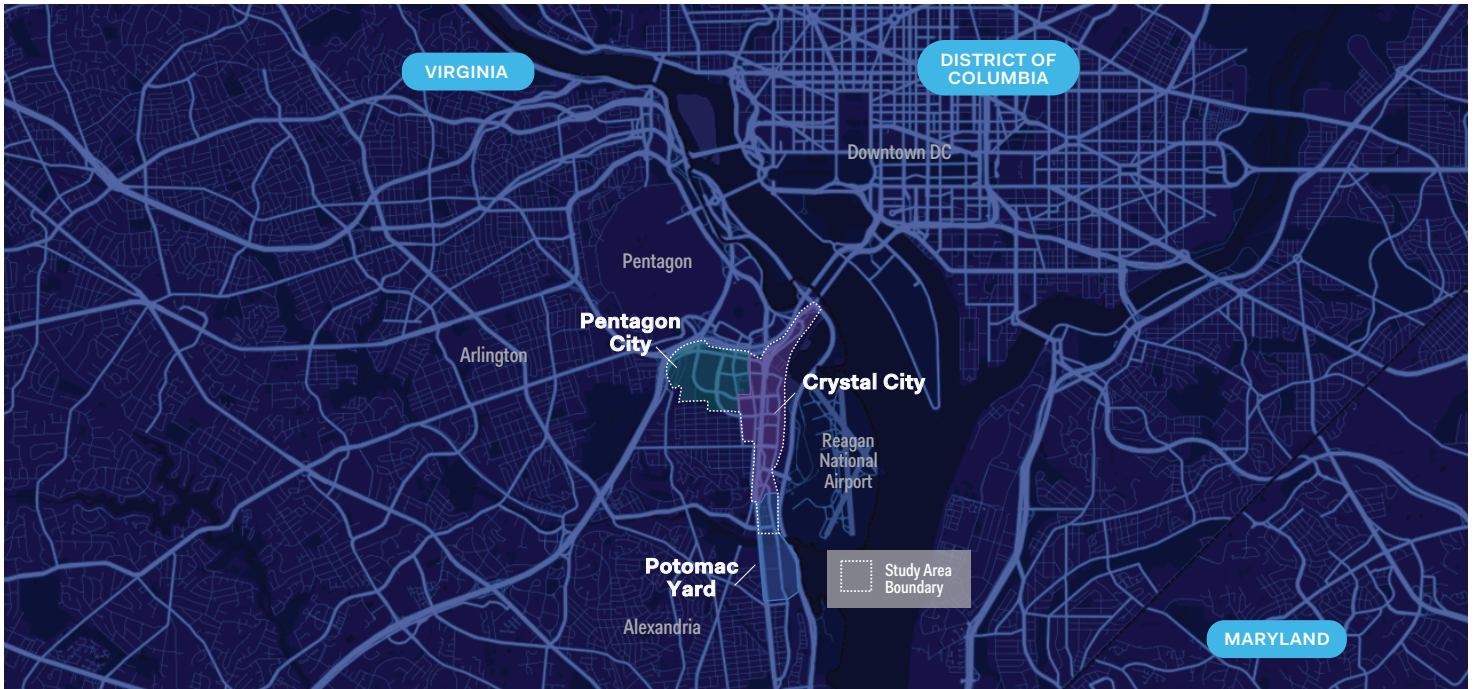
About National Landing BID

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We are a nonprofit public-private partnership that serves as the place management organization for National Landing. We're storytellers, placemakers, idea champions, and community builders. "National Landing" refers to a cohesive and growing urban district that encompasses Crystal City, Pentagon City and Potomac Yard in Arlington, VA and extends into Potomac Yard in Alexandria to include the Virginia Tech Innovation Campus and the now operational Potomac Yard Metro Station.

This broader district and name emerged through Northern Virginia's pursuit of Amazon's HQ2 and has become recognized as a new commercial submarket. The BID's boundaries are within the Arlington portion of National Landing. The BID champions its three vibrant neighborhoods of Crystal City, Pentagon City and Potomac Yard and enhances our district's vibrancy, social appeal, and economy.

National Landing and Regional Context

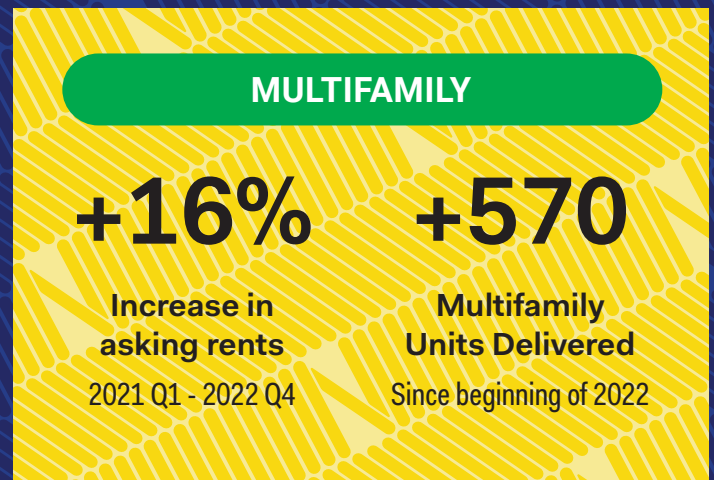
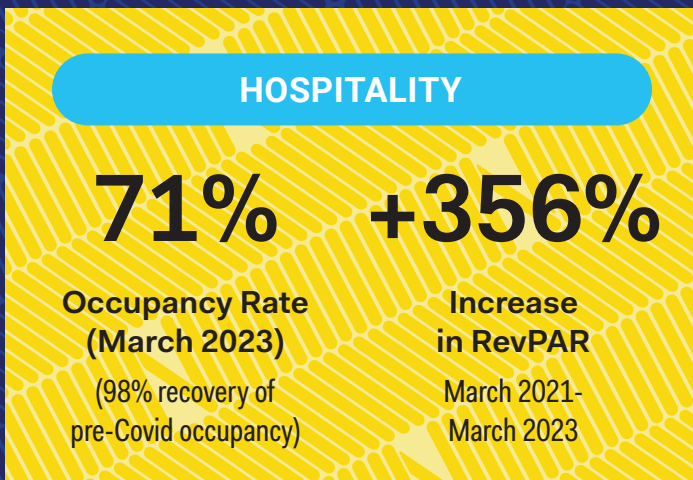


NOTE: Data in this report excludes the portions of Potomac Yard located in Alexandria and only includes data for Arlington portions of National Landing.

National Landing’s Market Resiliency

STRONG RECOVERY POST-COVID

National Landing’s market resilience has been led by its strong residential growth and faster than expected hospitality recovery. In 2022, the hospitality industry held a strong recovery even as work travel and government travel have been slower to return. The recovery has been driven by **group travel** and events such as **weddings**.



Source: CoStar, Smith Travel Research, Stakeholder Interviews

As with the **2022 National Market Impact Study** this study compares National Landing to four other comparison markets – representing the strongest and largest DC and suburban markets in the region.



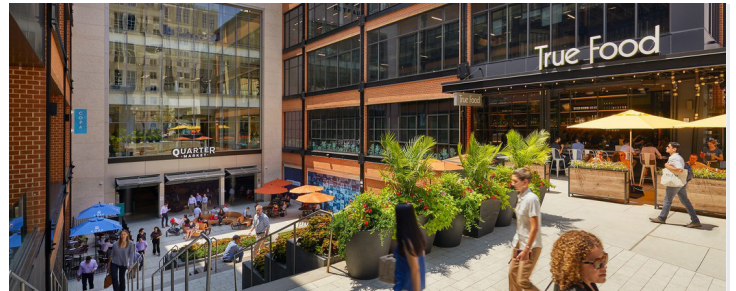
Downtown DC encompasses the main office and business district within DC proper, including many entertainment destinations.



Capitol Riverfront in DC is one of the fastest ascending neighborhoods in the past decade, anchored by Nationals Park and Audi Field, and has experienced significant residential and commercial development.



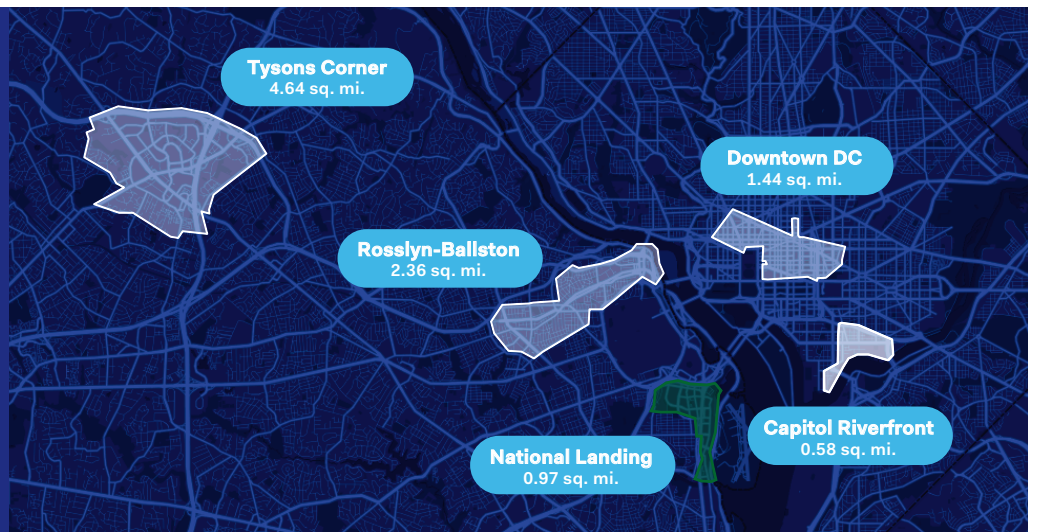
Tysons Corner, in Virginia, is a major office employment hub with two super regional malls. Over the past decade, Tysons Corner has seen significant residential development, starting to balance the neighborhood's commercial core.



The **Rosslyn-Ballston Corridor** in Virginia is a mixed-use neighborhood running along the Metro's Silver/Orange lines in Arlington. The corridor encompasses multiple sub-neighborhoods around each metro station, each with a slightly different character and real estate profile.

Major Regional Employment Clusters

NOTE: Data in this report excludes the portions of Potomac Yard located in Alexandria and only includes data for Arlington portions of National Landing.



NATIONAL LANDING – A PREMIER INNOVATION DISTRICT

Progress Since Beginning of 2022

National Landing’s progress to strengthen its already robust innovation ecosystem continues. Elevating National Landing as a leading innovation district will help it reach its fullest potential as a thriving submarket in the Washington DC region. This report outlines the progress of National Landing towards becoming the leading innovation district in the region by tracking its advancements in people, place, and program assets.

What is an innovation district?

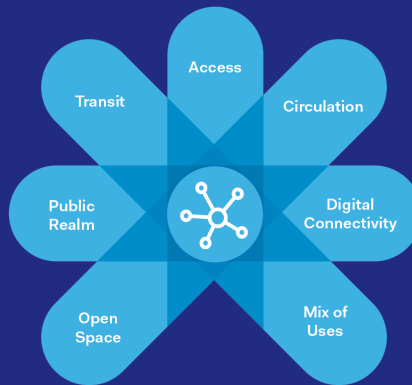
Innovation districts are dense, mixed-use urban places that catalyze collaboration and facilitate the commercialization of research. Innovation districts provide the foundation for firms and entrepreneurs to invent and create through shared discovery. Their collaboration is made possible through key economic, physical, and networking assets located in an innovation district. Their success is driven by three key ingredients: people, place, and program.

People assets refer to a dynamic on-site mix of startups, larger businesses, and institutions with access to talent that drives where employers decide to locate. **Place** assets refer to a walkable, bikeable, transit-rich, digitally-enabled, mixed-use, urban environment that is welcoming and facilitates convergence and collaboration. **Program** assets refers to the policies, programming, and partnerships that foster critical mass and innovation.



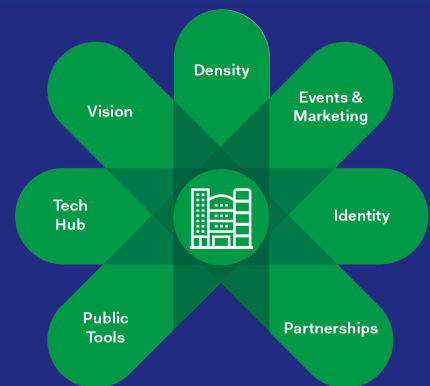
PEOPLE

Talent & Collaboration



PLACE

Infrastructure & Urban Realm



PROGRAM

Partnerships & Tools

National Landing's Innovation District Assets

Evolving into the Washington Region's premier innovation district

PEOPLE

- ▶ 570 multifamily units have been completed since the beginning of 2022. This residential development supports the continued expansion of employment and residential populations.
- ▶ National Landing's growing Tech Sector includes Boeing's Global Headquarters, Technomics, HII and Federated Wireless.
- ▶ National Landing's residential population grew by 13% between 2021 and 2022 to 24,100 residents.

PLACE

- ▶ A new Potomac Yard Metro Station opened in May 2023, offering expanded regional access to Virginia Tech's developing Innovation Campus new jobs and amenities.
- ▶ An additional \$20M in federal funding was secured to build a pedestrian and bicycle path from Long Bridge Park over the Potomac River as part of the Long Bridge project.
- ▶ National Landing BID partnered with JBG SMITH and local advocacy organizations to create the People Before Cars Coalition to champion a safe and more accessible transportation network.
- ▶ Amazon's Met Park delivered 2M SF of office and added 67,000 SF of curated local retail.
- ▶ The imminent completion of JBG SMITH's 1.6 acre Water Park renovation offers a variety of amenities and will feature eleven new minority and women-owned restaurants.
- ▶ Arlington County reached an exciting milestone announcing the preferred alternative design for the Washington National Airport Multimodal Connection (CC2DCA) project. Approved County funding supports the projects next phase of engineering and design.
- ▶ In February 2023, the Virginia Tech Innovation campus placed the final beam on their 11-story academic building, which is set to open for the 2024 academic year.

PROGRAM

- ▶ The BID is committed to the continued improvement of the public realm and has hired a public realm coordinator.
- ▶ JBG SMITH, along with partners AT&T and Federated Wireless, are leading National Landing's transformation as the first 5G-enabled smart city at scale.
- ▶ Amazon opened a 10,000 SF AWS Skills Center along Crystal Drive, offering interactive tech exhibits and free cloud computing courses for the public.



Virginia Tech's Innovation Campus continues to move forward with an anticipated opening date of Fall 2024.

Existing and Future Development in National Landing

National Landing continues to be a driving economic force in Arlington County, with over approximately 17M SF of commercial space – including 13.6M SF of office space containing 36,600 workers, and 2.9M SF of retail space that includes the Fashion Centre at Pentagon City—over 1M SF large scale regional mall. National Landing is home to 14,870 rental apartments and 2,090 condominiums.

Existing Development in National Landing

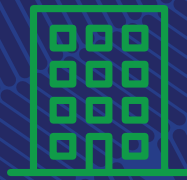
				
OFFICE	APARTMENTS	CONDOS	RETAIL	HOTEL
13.6M	14,870	2,090	2.9M	5,490
SF	Units	Condos	SF	Hotel Keys

NOTE: Existing office inventory excludes 530K SF of currently vacant space slated for demolition. Data includes only Arlington portions of National Landing. Pipeline development includes projects publicly announced, proposed, approved or in construction. **SOURCE:** National Landing BID

Pipeline Development in National Landing



OFFICE



APARTMENTS



CONDOS



RETAIL



HOTEL

5.5M

8,280

0

414K

70

SF

Units

Condos

SF

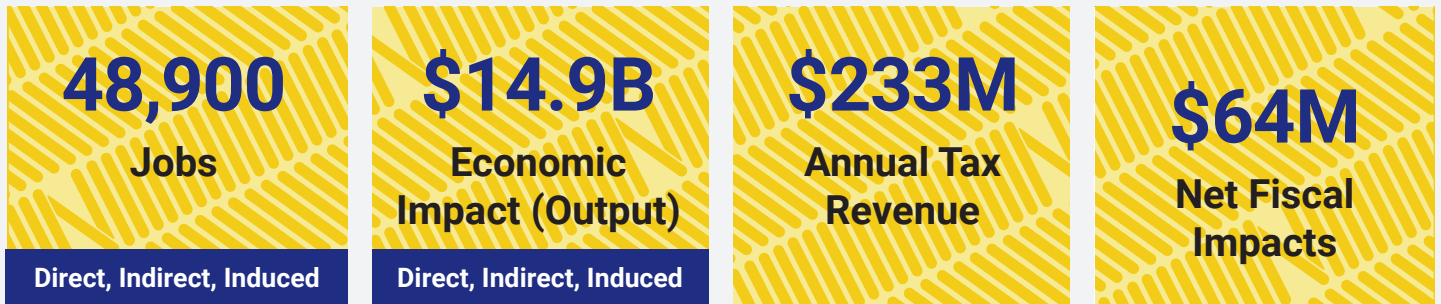
Hotel
Keys



Economic and Fiscal Impacts in National Landing

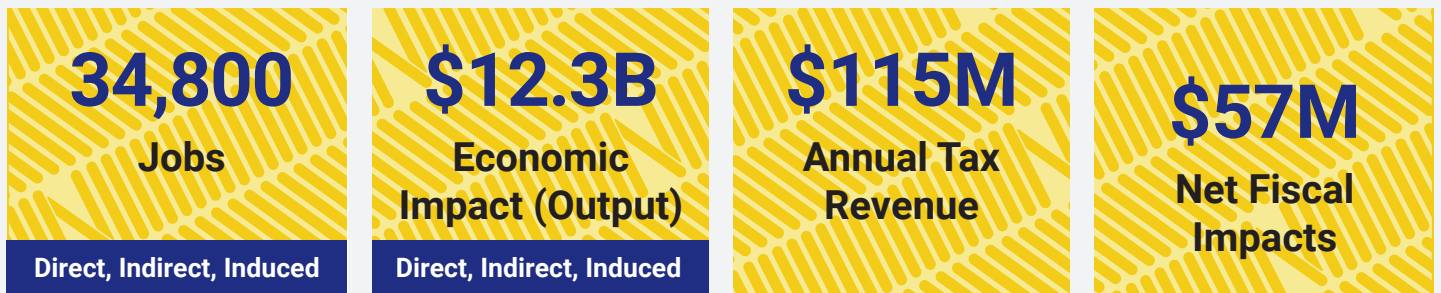
Today National Landing has an outsized positive fiscal impact on Arlington County when taking into account direct (on-site), indirect (business to business spending and jobs), and induced (worker to business spending and jobs) economic activity. Job creation in National Landing continues to be a driving economic force in Arlington County and across the broader Washington DC region. Amazon's hiring of more than 5K new workers as of April 2022, delivery of 2M SF of office, 570 new residential units, and 31K of net new retail space have contributed to the 30% increase in economic output over the period.

NATIONAL LANDING'S CURRENT IMPACT ON ARLINGTON COUNTY



National Landing's development pipeline produced \$64M of positive net fiscal impacts across County operations.¹

NATIONAL LANDING'S FUTURE IMPACT ON ARLINGTON COUNTY



At full build out, new development in National Landing will generate an ongoing net fiscal impact of \$57M annually for Arlington County. Future net fiscal impacts are in addition to existing impacts in National Landing.

Source: National Landing BID, HR&A Advisors, IMPLAN and Stakeholder Interviews

1. Compared to last year's net fiscal impact of \$71M, Arlington's per capita expenditures increased at a faster rate than tax revenues, resulting in a lower net fiscal impact experienced this year.

PEOPLE

National Landing's dynamic mix of startups, larger businesses and growing number of corporate tech anchors supports progress towards an emerging innovation district.

Fastest Growing Submarket in the Region

National Landing is rapidly growing having added 2,900 new residents over the past two years. National Landing's multifamily pipeline of 8,280 units has the capacity to accommodate a significant proportion of the County's projected growth through 2045 (26%) despite currently housing 24,100 residents or 10% of the County's population.

Source: Esri Business Analyst, MWCOG, HR&A Advisors, and National Landing BID



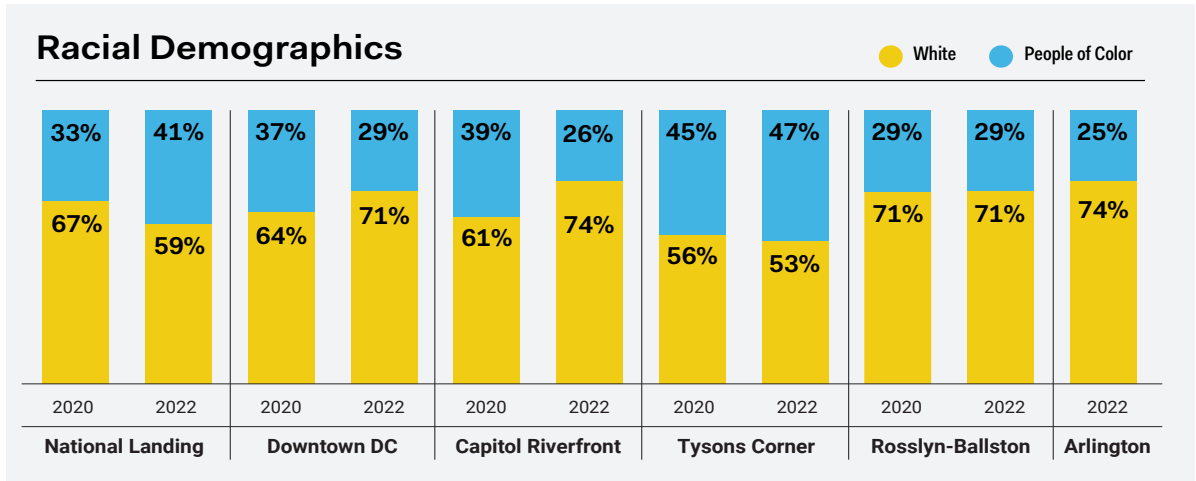
24,100
National Landing Residents

Source: Esri Business Analyst



Inclusive and Diverse Growth

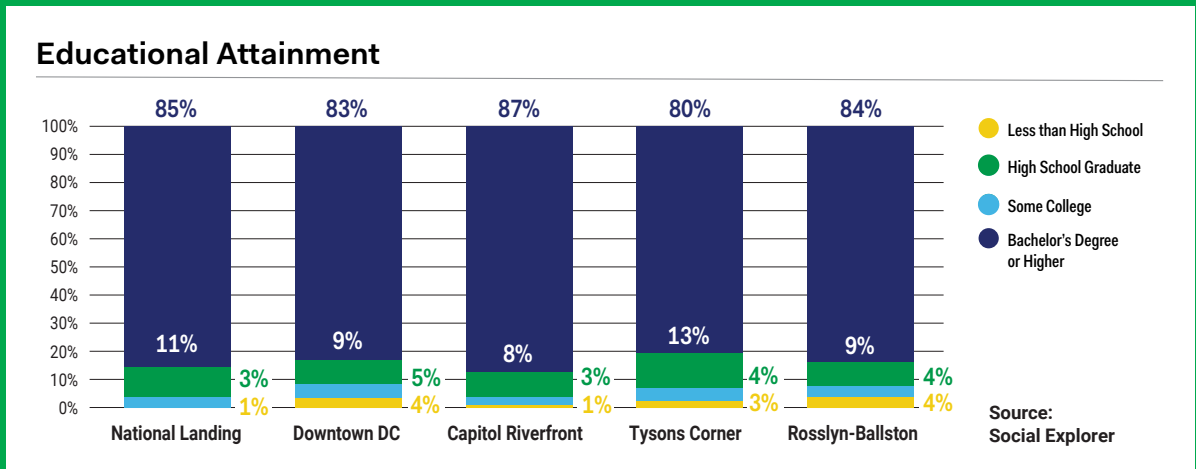
National Landing's growth is increasing inclusive and diverse. The area has seen a rise in non-white population, particularly Black and Asian individuals, compared to other areas like Downtown DC and Capitol Riverfront. National Landing continues to evolve into a diverse and vibrant downtown with 41% of the population identifying as people of color. As National Landing continues to grow, its evolution to be more welcoming for all people will be more attractive to large corporate anchors interested in having a strong and diverse talent pool.



Source: Social Explorer

Highly Educated Talent Pool

National Landing has an educated population, with 85% of residents aged 25 and above holding at least a Bachelor's degree. As an evolving innovation district, National Landing's access to exceptional talent is a driving force in tech industries. Its deep residential development pipeline will continue to attract new residents, further cementing its status as a more balanced downtown. Collectively National Landing's reposition as a premiere innovation district will further cement this submarket regionally, while also leveraging the Washington DC market profile nationally.



Source: Social Explorer

Shifting Mix of Jobs/Residents

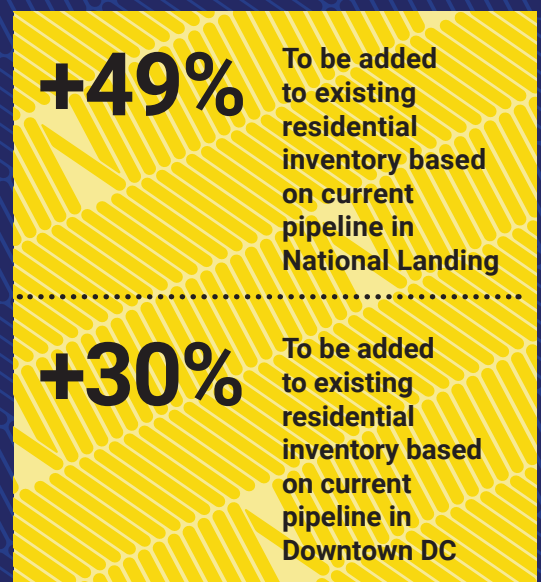
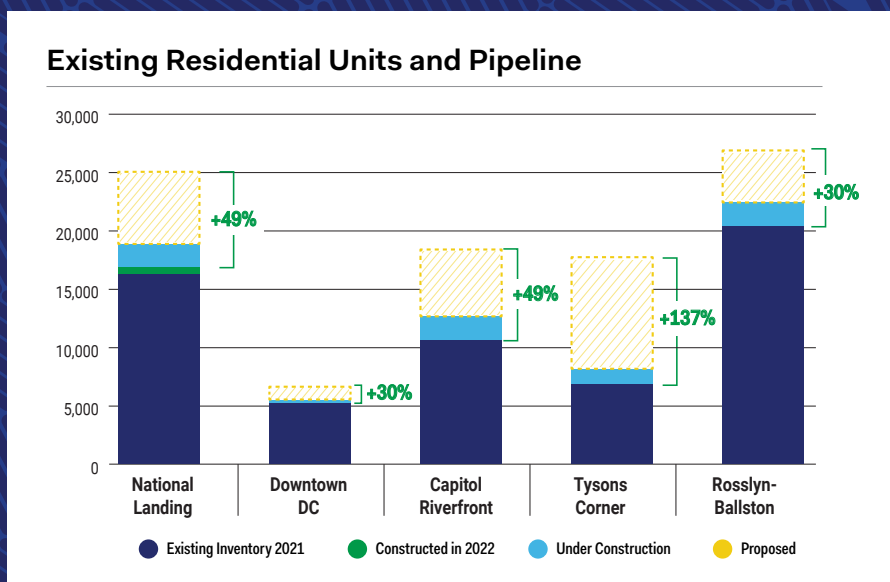
National Landing remains a well-balanced, vibrant and resilient downtown with a worker-to-resident ratio of 1.5" - an increase... – an increase of 0.4 over from 2022. However, this shift in worker-to-resident ratio may be driven by lags in data reporting, as these figures capture Amazon’s recent job growth but not residential growth associated with the delivery of new housing. However, National Landing is still significantly more balanced than Downtown DC which has a worker-to-resident ratio of 14.2. As National Landing’s deep pipeline of new residential units continues to deliver and data sources fully account for recent residential deliveries, the reported worker-to-resident ratio is likely to shift back to a more balanced ratio, which will continue to support the next generation of retailers and amenities that are opening in 2023 and beyond.



Source: Esri Business Analyst, EMSI, Stakeholder Interviews

LOOKING FORWARD: PEOPLE

As an evolving innovation district, National Landing's access to exceptional talent is a driving force in tech industries. Its deep residential development pipeline will continue to attract new residents, further cementing its status as a more balanced downtown. National Landing's repositioning as a premiere innovation district will elevate this submarket regionally, while also leveraging the Washington DC market profile nationally.



Source: National Landing BID, CoStar, BID websites

PLACE

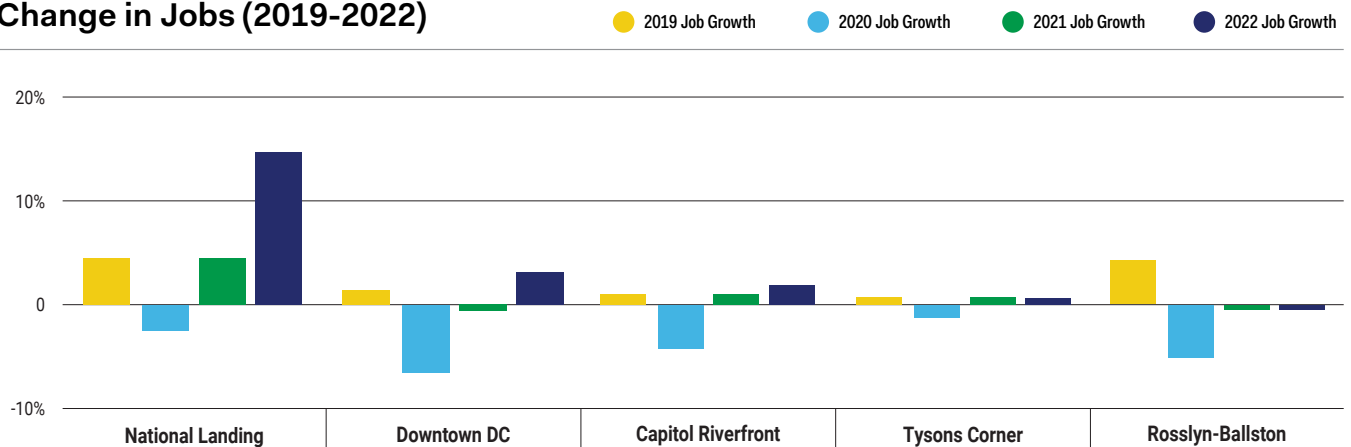
National Landing's three vibrant neighborhoods, Crystal City, Pentagon City and Potomac Yard, collectively offer strong place assets including a balanced mix of uses supported by public and private infrastructure investments.

Dedicated Job Growth

Amazon delivered 8,000 jobs to National Landing over the last few years and remains committed to bringing at least 25,000 jobs to the area by 2030. While job growth had remained relatively flat over the decade preceding 2018, Amazon's investments have helped to boost National Landing's workforce to 36,600 workers - a 10% increase over 2022. By contrast, Downtown DC only saw a 3% increase in jobs in 2022, predominately led by the return of hospitality and service industry workers post-COVID.

The first phase of Amazon's HQ2 at Metropolitan Park will have space to accommodate up to 12,500 workers, giving Amazon plenty of capacity to accommodate its expanding workforce over the next few years. Though a "pause" on the second phase of Amazon's HQ2 at PenPlace was announced in March of 2023, Amazon remains committed to the project. Construction could begin as early as 2024 and will be timed to accommodate additional growth as Metropolitan Park approaches capacity.

Change in Jobs (2019-2022)



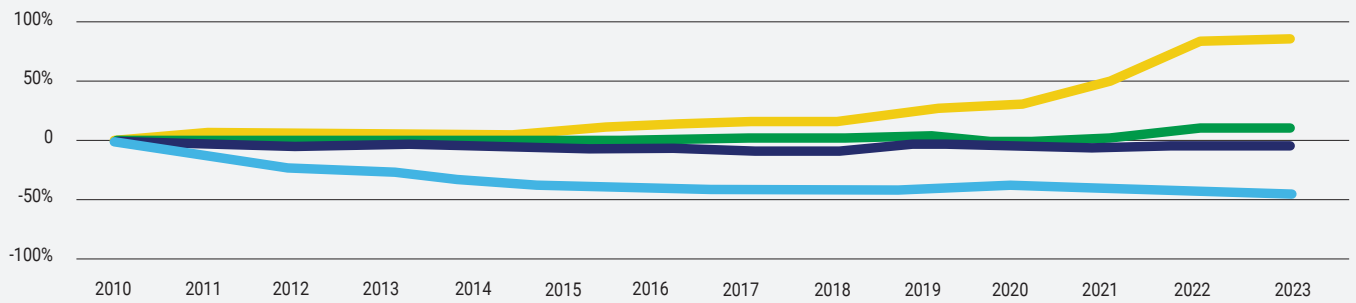
Source: EMSI, Stakeholder Interviews

National Landing's professional services jobs show promising growth in the long-term. Since 2010, government jobs declined by 44% while professional services grew by 88%, paving the way for a more diverse and dynamic employment district.

Growth in Jobs Since 2010

All Jobs, Professional Services, Government and Other Office

Professional Services Government All Jobs Office Using (Other)



Source: EMSI, Stakeholder Interviews

National Landing's world-class digital infrastructure is unique to the Washington region. JBG SMITH's investments in 5G infrastructure will make National Landing the first 5G-enabled smart city at-scale in the country. This infrastructure will provide new companies with reliable, fast, and secure access to data and cloud networks to support the next generation of digital technology development including AR, VR, and AI. The secure nature of the digital infrastructure will continue to attract defense-related companies that require high levels of secrecy and security.

DIGITAL EXPERIENCE

EVERYTHING INTELLIGENTLY, SEAMLESSLY AND SECURELY CONNECTED IN REAL TIME

Wireless public broadband (5G) and private cellular (CBRS) networks

Ubiquitous indoor/outdoor enterprise-grade wireless connectivity

Municipal & public safety sensors to manage street & pedestrian traffic

Augmented reality via mobile devices & wearables

Seamless, touchless retail experiences across the neighborhood

Autonomous vehicles on streets and deliveries via AI-enabled robotics securely connected to network infrastructure

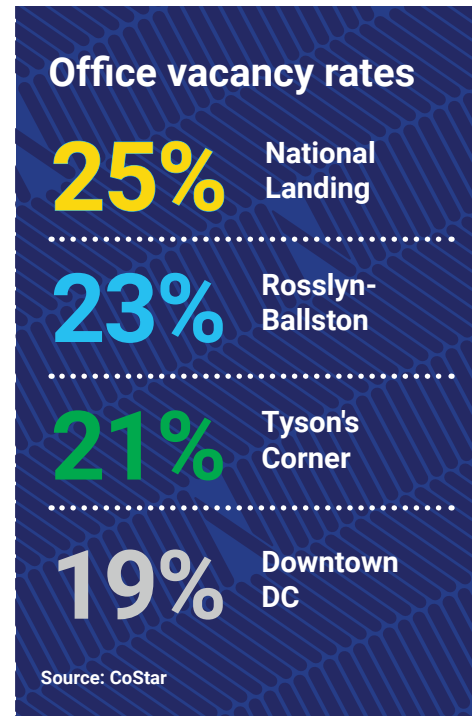
Office Vacancy Trends

National Landing's office vacancy rates track with regional trends. Office vacancy rate across all office space in National Landing is 25% while Downtown DC is 19%, Capitol Riverfront is 17%, Tyson's is 21% and Rosslyn-Ballston's is 23%. Most of National Landing's office stock is Class B/C, which historically track lower vacancy rates than Class A office space. However, a flight to quality office space during the pandemic has increased Class B/C vacancy rates faster than Class A. National Landing's challenges with office vacancy rates continue to reflect regional trends but is well-positioned to capitalize on future office demand.

National Landing's vacancy rate is driven primarily by a select collection of properties. National Landing's vacant office properties driving this number are either not as proximate to recent investments or are slated for future redevelopment (12th Street Landing in Pentagon City). This trend suggests that additional investments in streetscape improvements and the impact of the new Virginia Tech and Potomac Yard Metro Station will help National Landing combat today's vacancy rates.

Projects like Crystal and Clark, previously Century Center, rebranded their offerings and added new amenities including a 200+ person conference facility and will deliver multiple retailers including a specialty grocer and new outdoor pedestrian plaza later this year.

Additionally, National Landing has seen higher office utilization – a measure of the share of workers present in the office on any given day - and this trend is likely to accelerate with Amazon's return to office.



Diverse and Expanding Housing Stock

National Landing's steady residential growth demonstrates continued market resiliency post-COVID. National Landing's lower rents per square foot when compared to regional submarkets such as Rosslyn-Ballston and Capitol Riverfront, offer a strong, dense urban environment, growing retail amenities, and people-first connectivity to the region. Residential rent growth in National Landing exceeds all other comparison markets, while still remaining more affordable in absolute terms. National Landing's +16% rent growth between 2021 and 2022 is indicative of the area's growing popularity as a place to live. Downtown DC saw a 14% increase in rents—less than in National Landing—but exceeded National Landing's growth on an absolute basis. The rent for an average unit in National Landing is \$2,550, less than all peer areas except for Tysons Corner. A household spending over 30% of their income on rent is considered rent burdened. In National Landing, the median household income is \$112,000 annually meaning that a household making the median income could spend up to \$2,800 per month on rent while spending less than 30% of their income on rent.

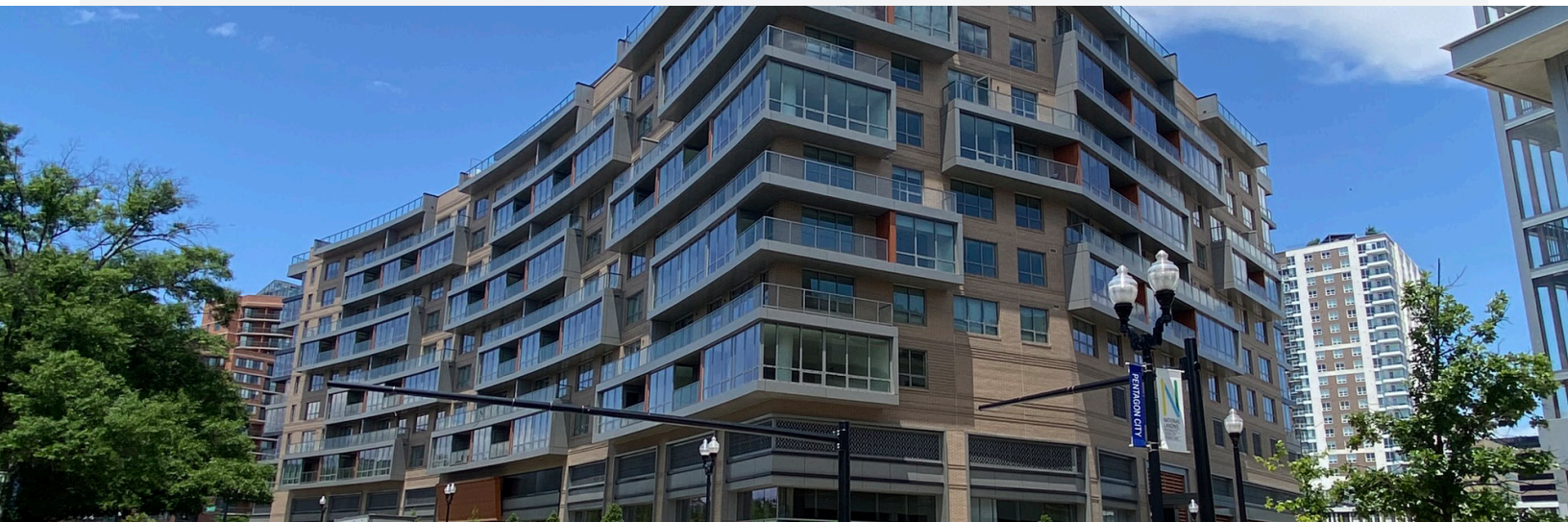
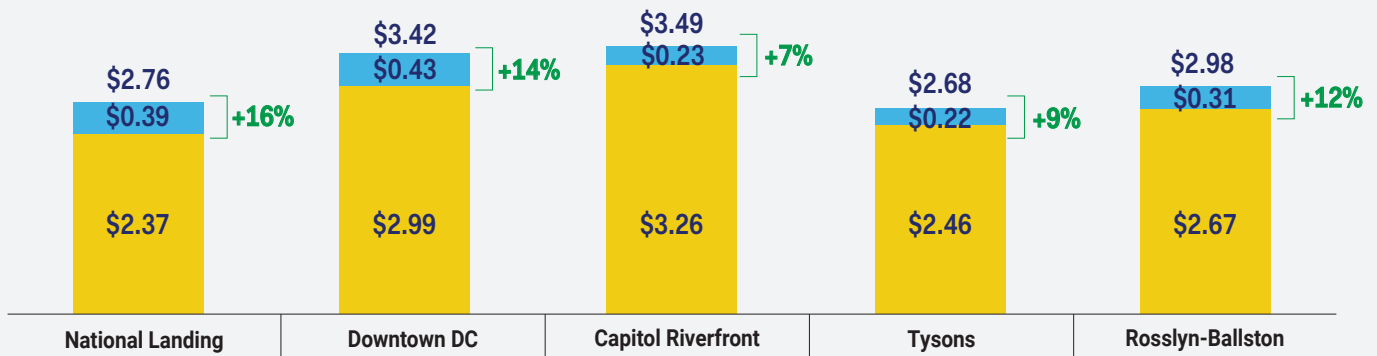
\$2,550

**AVERAGE ASKING RENT
 PER UNIT IN NATIONAL
 LANDING 2022**

Source: Source: Esri Business Analyst, HR&A Advisors

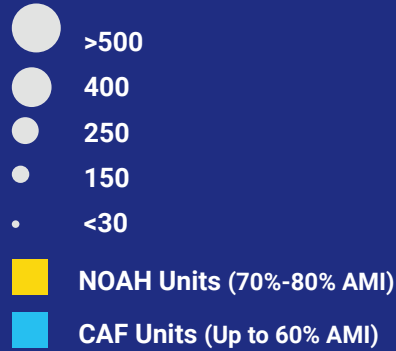
Average Asking Rent Growth (2021 Q1 - 2022 Q4) (\$ PSF)

● 2021 Q1 ● Rent Growth

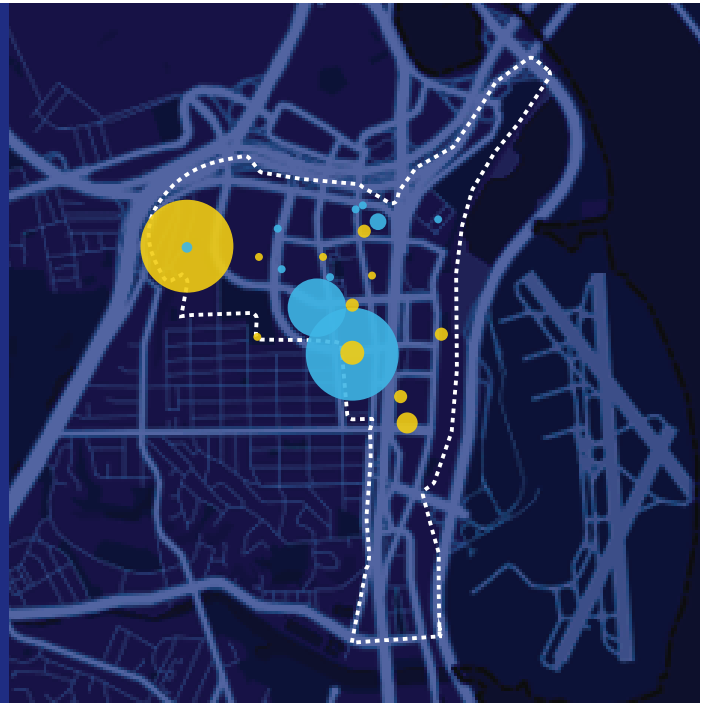


Map of Affordable Housing

of Affordable Units



Source: Arlington County, CoStar, HR&A Advisors



National Landing is home to over 3,500 units of affordable housing. Of the affordable housing stock in National Landing, 1,150 units are Committed Affordable Units (CAFs), which are affordable to households making 60% AMI or lower. Twenty-four thousand units are Naturally Occurring Affordable Housing (NOAH) – defined as units that have no rent restrictions but with current asking rents are affordable to households earning under 80% AMI, varying by bedroom type. This comprises approximately 24% of the overall existing multifamily stock. Given that 30% of National Landing households earn under less than 80% of area median income (AMI) for Arlington County—\$79,760 for a one-person household and \$91,120 for a two-person household - increasing the existing supply of both CAF and NOAH units will ensure National Landing can continue to be a diverse place with good proximity to amenities.

Additionally, the CAF units comprise 7.6% of the total multifamily rental stock. CAF production will need to increase for National Landing to help meet the County Master Plan's goal of having 17.7% of the stock affordable to households making 60% AMI by 2040.

Retail Transformation

National Landing retail is shifting towards local retailers and restaurants that create vibrant streetscapes and offer amenities to residents and workers. Recent retail trends are creating more vibrant and local retail. New retailers locating in National Landing are mostly local retailers, giving the area a distinct neighborhood-centric feel compared to downtowns with more national chains.

Source: NL BID



Publicly Announced New Retail Leases

WATER PARK

Nine establishments announced to occupy ~300SF kiosks along Crystal Drive including:

- ▶ **BRIJ**
A local café and wine bar whose proceeds go to supporting single mothers
- ▶ **DC DOSA**
Bombay-born Priya Ammu's South Indian street food concept
- ▶ **FALAFEL INC**
Palestinian American-owned establishment whose goal is to feed refugees alongside the World Food Programme
- ▶ **QUEEN MOTHER'S**
Virginia native's fried chicken concept restaurant
- ▶ **BUBBIE'S PLANT BURGERS**
Plant based and kosher bowls

- ▶ **CRACKED EGGERY**
Offers egg sandwiches and bowls

- ▶ **DOLCI GELATI**
DC-based gelato cafe

- ▶ **PHOWHEELS**
A family business with this being their first brick and mortar location

- ▶ **TIKI THAI**
Tiki bar and Thai restaurant

METROPOLITAN PARK

- ▶ **GOOD COMPANY DOUGHNUTS & CAFÉ**
A casual daytime café with an array of sandwiches, salads, and bakery

- ▶ **DISTRICT DOGS**
6,000 SF space for dog training and recreation

- ▶ **CONTE'S BIKE SHOP**
Local bikeshop

- ▶ **HUSTLE**
Fitness studio providing cycling and HIIT classes

- ▶ **SOUTH BLOCK**
Smoothie bowl and juice shop

- ▶ **SOCIAL BURGER**
Burger restaurant that donates meals to local homeless shelter

- ▶ **CELEBREE SCHOOL**
Childcare and daycare center

- ▶ **GLO30**
Local skincare spa

- ▶ **PERUVIAN BROTHERS**
Local Peruvian restaurant that grew out of a food truck

- ▶ **TOBY'S HOMEMADE ICE CREAM**
Ice cream parlor

- ▶ **MAKERS UNION**
Gastropub

- ▶ **MUSEUM OF CONTEMPORARY ART ARLINGTON INNOVATION STUDIO**
An interactive space that will showcase regional artists

- ▶ **TAQUERIA XOCHI**
A DC based taco restaurant

- ▶ **MAE'S MARKET AND CAFÉ**
All day food market

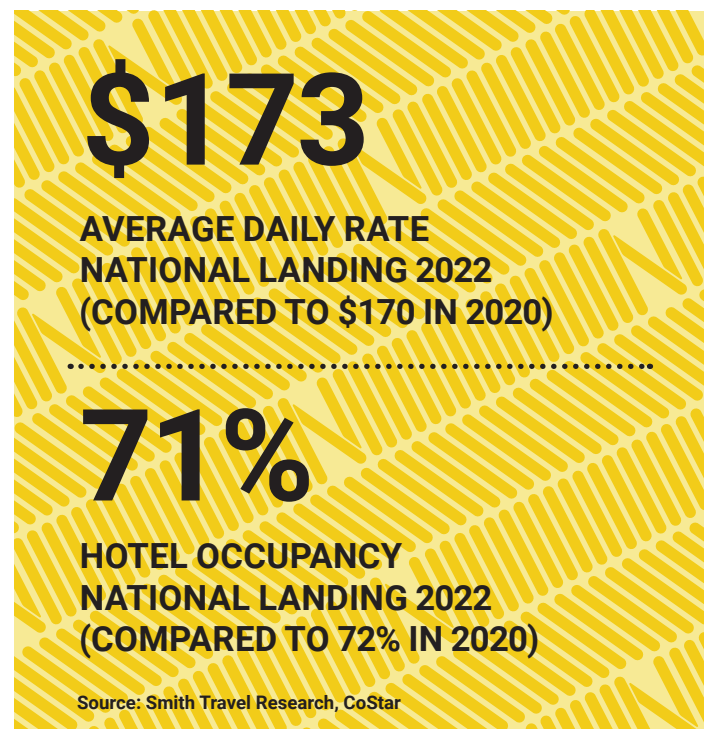
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- ▶ **IKEA**
Small Format

Rebounding Hospitality

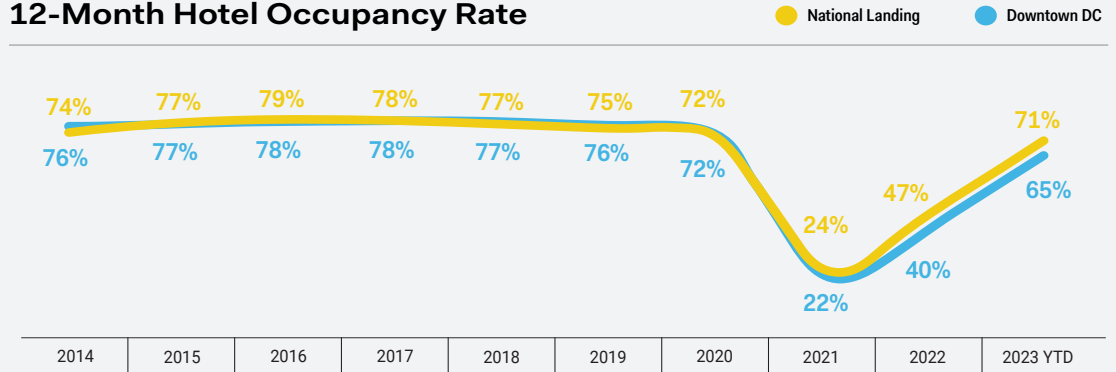
National Landing's hospitality sector has nearly fully rebounded to pre-Covid levels. National Landing's hotel occupancy rate is at 71%, just 1% below pre-COVID levels. The 12-month Average Daily Rates are now \$173, exceeding pre-COVID rates by 2%. Notably, National Landing's hospitality Sector has achieved Pre-Covid parity more rapidly than peer markets including Downtown DC.

Given this rebound, National Landing is poised to add new product to diversify the available hotel stay offerings. National Landing's current hotel stock is relatively old with a median age of 41 years. New hotel product types are likely to find a successful niche within National Landing that can meet the demands of a new business travel market focused less on value than on experience in their hotel stays.

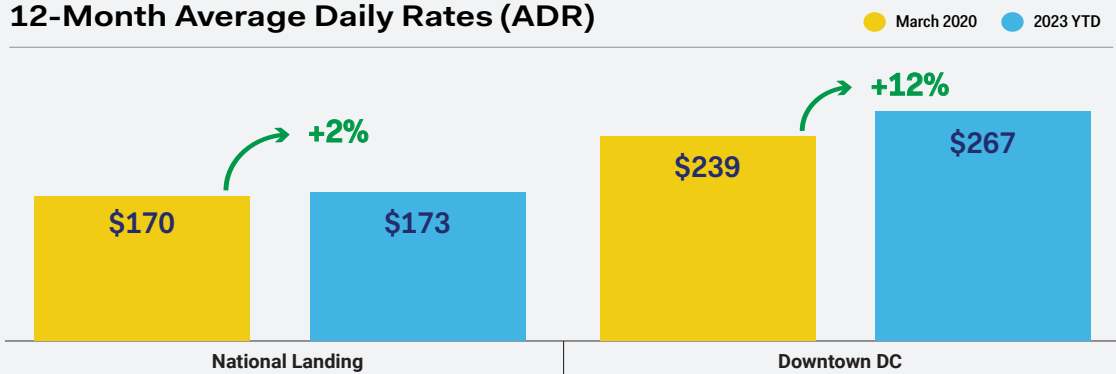




12-Month Hotel Occupancy Rate



12-Month Average Daily Rates (ADR)



Source: SmithTravel Research, CoStar

LOOKING FORWARD: PLACE

National Landing's evolution as a premier innovation district is unrivaled in the region. With 5.5M SF of Class A office in the pipeline and a significant supply of affordable Class B/C office space, National Landing creates a unique mix of office types to accommodate large corporates, mid-sized businesses, and startups that are needed for a true innovation ecosystem. Additionally, with multi-modal transportation investments, coupled with JBG SMITH and Federated Wireless deployment of universal 5G network, National Landing will serve as a living laboratory in innovation.



Pink in the Park 2023

NATIONAL LANDING'S INNOVATION ECOSYSTEM

PROGRAM

Open Space and Programming

National Landing's open space network continues to expand in acreage, quality, and access. Although National Landing is nearly fully built-out, a number of new and improved open space investments recently completed or underway will strengthen the area's quality of life and attractiveness. Long Bridge Park and Metropolitan Park have already opened and proven exceptionally popular amongst residents and employees alike. Additional investments like Short Bridge Park and the PenPlace Park will further expand open space acreage while existing open spaces like Arlington Junction, Water Park, and the Bell Street courtyard will be reimaged with enhancements.. Finally, the County's Pentagon City Sector Plan has laid the foundation for people-centered "green ribbons" linking these investments into a broader, interconnected network of open spaces.

167
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**EVENTS WERE HELD
IN 2022 BY THE
NATIONAL LANDING
BID**
Source: National Landing BID

OPEN SPACE AND PROGRAMMING (CONT'D)

National Landing is known for its award-winning events. The BID led a series of signature events including the award-winning *NaLa Beach Club*, and more recently the National Cherry Blossom's *NaLa Pink in the Park* which attracted visitors from across the region. The National Landing BID also leads outdoor fitness classes, coffee breaks, outdoor movies and other programs that build community and a sense of local pride. Programming such as the Fall Market also helps elevate small businesses in the area.

National Landing's open spaces and trails can support a lively innovation district as they strengthen regional connectivity, build and nurture local energy and creativity, and increase attractiveness for new establishments.



Blerd Con 2022



Coffee Break – Parklet at 12th and S Fern Street 2023



HIIT Classes at Long Bridge Park 2022



Fall Markets 2022

Strong Partnership Opportunities

Virginia Tech's educational programming will support equitable growth while helping to catalyze innovation, startups, and partnerships in National Landing. VA Tech's Innovation Campus is set to open in 2024. It will cover 3.5 acres and house a 300,000 SF building with classrooms, labs, and a drone testing cage. The campus will accommodate up to 750 master's and 200 doctoral students, with 550 master's and 50 doctoral candidates graduating annually, providing a deep pool of talent to support the growing innovation ecosystem in National Landing. This will help Virginia meet its goal of creating 31,000 new computer science and computer engineering graduates within 20 years.

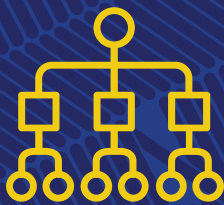


LOOKING FORWARD: PROGRAM

Ambitious investments in the public realm and retail amenities will further differentiate National Landing as a place for entrepreneurial startups to thrive. National Landing BID should continue supporting programming that activates public spaces and attracts people from the region to visit the District. Additionally, the BID should explore opportunities to form strategic partnerships with other organizations, particularly those in the Alexandria portion of the district, to ensure that the public realm across the entire geography of the future innovation district feels connected and cohesive.

Evolution to Being an Innovation District

National Landing has strong people and place assets, and is continuing to grow and strengthen programming. Over the next 15-18 months, Virginia Tech's Innovation Campus is slated to open over 2,000 new residential units are expected to deliver, and over 55 new retailers are slated to open at Water Park and Metropolitan Park. National Landing is at a critical point in its evolution, with a need to act quickly to capitalize on these opportunities to support the growth of an innovation district in National Landing. **Specifically, over the next year, the BID should support the following actions:**



**Establish
a Governance
Structure**



**Define and
Articulate a
Clear Brand**



**Develop Robust
Programs and
Partnerships**



Establish a Governance Structure

WHAT IS GOVERNANCE?

Governance is the organizational, legal, and financial framework for decision making and accountability in an innovation district. It includes defining a governing entity and its roles, responsibilities, and required capacities; its legal organization; its ability to accept and spend funds; and specific mechanisms for accountability such as board composition and reporting requirements. Importantly, governance structures also remain flexible to evolve over time with the project.

Innovation districts often have a wide range of stakeholders – major employers, property owners, educational institutions, and the public sector. Successful implementation requires a clear governance structure with a single entity ultimately responsible for success.

There are three key functions of a governance structure:

- ▶ It creates **accountability** for the ultimate keeper of the vision and its implementation. This often means that there is someone whose sole role is to focus on the vision of the innovation district.
- ▶ A governance entity **coordinates and collaborates** with public and private stakeholders throughout the planning and implementation process, including securing investment.
- ▶ While many stakeholders must be at the table, it creates a clear **hierarchy** for decision making and resolving conflicts to ensure efficient progress towards implementation.

WHAT IS A GOVERNANCE STRUCTURE?

A governance structure allows for oversight responsibility of all aspects of planning, implementation, and curation of the innovation district to be clearly defined and minimizes confusion and inefficiencies.

The presence of a strong lead developer and invested local government and public stakeholders positions National Landing well to form a governance structure that will leverage the district's assets as these entities are already invested in National Landing's future.

There are three potential pathways National Landing can take:

- ▶ **CREATE A NEW ENTITY**
- ▶ **MOLD AN EXISTING ENTITY**
- ▶ **EXTEND AN EXISTING ENTITY**

Define and Articulate a Clear Brand

Successful innovation districts have established identities and brands based on the unique strengths and opportunities in the district. Not all innovation districts are the same — each one has a unique vision and brand that guides its programming and marketing. An innovation district's brand should be rooted in the strengths of the district and region, as dictated by its industry clusters and major anchors. The brand becomes the “north star” that guides the creation of partnerships and programs that will further build on the district's strengths.

Developing Robust Partnerships and Programs

Thriving innovation districts are driven by strong programming that establishes a culture and practice of information exchange and collaboration. Robust programs and partnerships create strong connections between corporate and academic institutions to support a productive research and innovation environment. Additionally, programming is the “glue” that binds an innovation district together by growing skills, spreading knowledge, and forging strong relationships.

Thriving innovation districts also provide workforce development opportunities on-site, connecting residents with innovation economy employment needs. National Landing has already started this with Virginia Tech and the corresponding corporate investments, but this can be further expanded to target high schoolers and underrepresented job seekers.



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