

NATIONAL LANDING MARKET IMPACT STUDY

SUMMARY REPORT

APRIL 2022



NATIONAL
LANDING
PENTAGON CITY
CRYSTAL CITY
POTOMAC YARD

HR&A



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INTRODUCTION

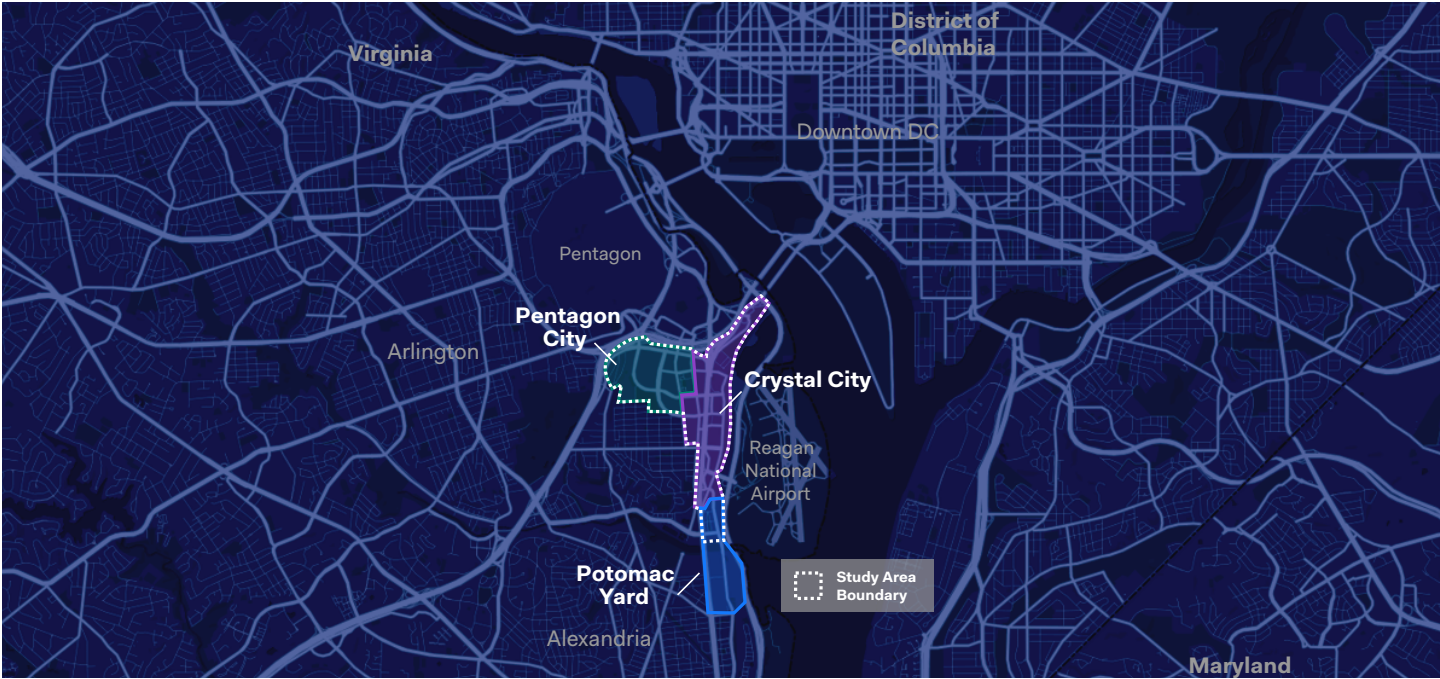
National Landing is a dynamic downtown located in Arlington, Virginia, just across the Potomac River from Washington, DC. Comprising of three neighborhoods - Pentagon City, Crystal City, and Potomac Yard - it is one of the nation’s most well-connected downtowns and one of the region’s largest and densest mixed-use employment clusters.

Selected in 2018 as the location for Amazon’s HQ2 and the adjacent Virginia Tech Innovation Campus, and with \$12B of additional public and private investment underway, National Landing is at a transformational point.

Anchored by Virginia Tech's 1M SF Innovation Campus to the south, and Amazon's 5.3M SF headquarters to the north, National Landing

has a unique opportunity to foster a first-in-class innovation district. With Virginia Tech's commitment to developing new and diverse tech talent pathways, coupled with Amazon's commitment to bringing 25,000 new jobs by 2030, National Landing will be a premier and inclusive innovation ecosystem that will offer industry-leading digital infrastructure.

National Landing BID 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.

Resilient and Headed for a Strong Recovery

Like many downtowns, National Landing experienced a sudden and prolonged shift to remote work during the COVID-19 pandemic, causing reduced office occupancy, small business closures, and a dramatic drop in leisure and business hotel traffic. Yet, due to the large downtown residential population, National Landing has rebounded more quickly than comparative business districts across the U.S. National Landing is poised to be transformed by Amazon's commitment to bring 25,000 jobs by 2030; Virginia Tech's planned Innovation Campus; and \$12B in combined public and private

sector investment. This includes over \$4B in planned transportation infrastructure and investments in digital infrastructure to create the first 5G-enabled connected city at scale in the country. To understand these trends, the National Landing Business Improvement District (BID) commissioned HR&A Advisors to conduct this market study, which found that National Landing is on track to continue evolving into the region's premier innovation district. Note that data in this report excludes the portions of Potomac Yard located in Alexandria and only encompasses the Arlington portions of National Landing.

About the National Landing BID

The BID supports National Landing's exciting transformation into the region's premier urban downtown by steering sustainable growth and enhancing the area's vitality, diversity, and livability.

The term “National Landing” refers to a cohesive new urban district that extends into Potomac Yard, Alexandria to include the Virginia Tech Innovation Campus and the soon-to-open 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.



OVERVIEW: NATIONAL LANDING AS AN INNOVATION DISTRICT

Innovation districts are dense, mixed-use urban places that catalyze collaboration and facilitate the commercialization of research. With many of the key ingredients needed, National Landing is quickly evolving into a best-in-class innovation district.

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. Their success is driven by three ingredients:

people, place, and program. National Landing is well-positioned to be a transformative urban innovation district due to its robust **people** and **place** assets, coupled with strong anchors that can develop **programs** to support an innovation ecosystem.



What Makes an Innovation District?

Innovation districts require a mix of people, place, and programmatic assets to be successful and self-sustaining.



PEOPLE

Talent & Collaboration

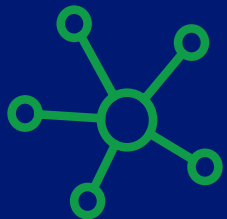
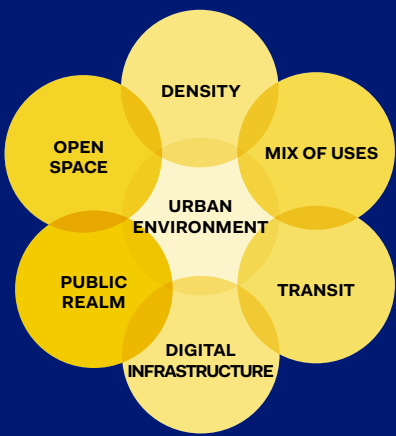
People refers to a dynamic on-site mix of startups, larger businesses, and institutions, as well as access to talent that drives where employers decide to locate.



PLACE

Infrastructure & Urban Realm

Place refers to a walkable, bikeable, transit-rich, digitally-enabled, mixed-use urban environment that is welcoming and facilitates convergence and collaboration.



PROGRAM

Partnerships & Tools

Program refers to the vision, policies, programming, and partnerships that foster critical mass and innovation.



Innovation District Precedent Benchmarking

For this study, National Landing was benchmarked against premier innovation districts across the country to highlight its strengths and opportunities with respect to people, place, and program assets.

Tech Square



Atlanta, GA
Tech Square was started as an extension of Georgia Tech's main campus in Midtown Atlanta. Today, Tech Square contains the largest concentration of tech startups, lab space, and incubators in the southeast.

Mission Bay



San Francisco, CA
Anchored by UCSF Medical Center, Mission Bay originally started as a bio-tech hub that has grown organically into a mixed-use district with other major tech employers, such as Uber and Facebook.

Kendall Square



Cambridge, MA
Kendall Square is an innovation district anchored by MIT and focused on life sciences, technology, and academic research institutions.

University City



Philadelphia, PA
University City is an innovation district anchored by both University of Pennsylvania and Drexel University in West Philadelphia. The district is also home to numerous life science and research institutions.

South Lake Union



Seattle, WA
Home to Amazon's main headquarters, South Lake Union has transformed into a hub for big tech in Seattle, and has become a true mixed-use district.

Benchmarking National Landing Against Premier Innovation Districts

This comparison shows that National Landing has robust people and place assets, including a unique plan for 5G and other digital infrastructure. There are opportunities to better support National Landing's programmatic assets.

	Innovation District Ingredients	National Landing *	Kendall Square	Tech Square	University City	Mission Bay	South Lake Union
 People	Academic anchor(s)	✓	✓	✓	✓	✓	✗
	Corporate anchor(s)	✓	✓	✓	✗	✓	✓
	Mix of large businesses and startups	✓	✓	✓	✗	✓	✗
	Access to talent	✓	✓	✓	✓	✓	✓
 Place	Residential/commercial balance	✓	✗	✗	✓	✓	✓
	Mix of Class A and B/C space	✓	✓	✓	✓	✗	✗
	Walkable, welcoming public realm	✓	✓	✓	✓	✓	✓
	Transit connectivity	✓	✓	✓	✓	✓	✓
	5G and other digital infrastructure	✓*	✗	✗	✗	✗	✗
 Program	National brand	✓	✓	✓	✓	✓	✓
	Incubators	✓	✓	✓	✓	✓	✗
	Innovator convenings	✗	✓	✓	✓	✓	✓
	Workforce development	✗	✓	✓	✓	✓	✗

*Captures near-term National Landing investments.

Summary of National Landing's Innovation District Assets

National Landing's **people**, **place**, and **program** assets include the following, all of which are described in more depth in the rest of this report.

PEOPLE

- National Landing boasts strong **people** attributes, with **Amazon's** commitment to bringing 25,000 new jobs and **Virginia Tech's** transformative Innovation Campus, which will attract an array of companies, fostering an ecosystem of collaborators.
- With its significant **residential** base, robust residential pipeline, and unparalleled regional connectivity, National Landing is well-positioned to attract and retain sought-after talent that innovation companies need to thrive.

PLACE

- National Landing also has strong **place** assets, including a balanced **mixture of residential and commercial uses** that will help create a dynamic **24/7 environment** coupled with an increasingly walkable and welcoming public realm.
- National Landing offers premier **open space** assets with the opening of Long Bridge Park Aquatic Center, soon to be completed additions associated with Amazon's HQ2 developments, and other open space investments called for in the Crystal City and Pentagon City Sector Plans.
- Adding to this vibrant core, National Landing features a large and growing base of street-level **retail amenities and a mix of office price points**, positioning National Landing as an attractive and accessible urban downtown.
- The downtown's **multimodal transportation assets** – including the BRT Transitway, three Metro stations, VRE service, the Washington

- National Airport, and existing and planned bicycle and pedestrian infrastructure – create a well-connected and easily accessible street-level experience.
- National Landing is also on track to offer first-of-its-kind digital infrastructure and converged network, including ubiquitous **5G, next-gen compute, and private network capabilities**, through over \$60M in investment by JBG SMITH, offering an unprecedented opportunity for innovation that no other downtown has.

PROGRAM

- Leveraging National Landing's **program** assets to support economic development, equity, and interconnections is the biggest area of opportunity.
- Building on the downtown's **ascending national brand** and investments in **innovation-oriented programming**, such as organized incubators, innovator and entrepreneur events and convenings, should bolster National Landing's transformation into a world-class innovation district.
- Programming such as workforce development, educational partnerships, and targeted entrepreneurship support can ensure that individuals typically underrepresented in innovation ecosystems – including **people of color and women** – benefit from tremendous economic growth in National Landing.
- **Partnerships** between major anchors and a strong and committed BID can make this programming come to life.

National Landing's Innovation District Assets



PEOPLE Talent & Collaboration

- Strong Private Employers
- Academic Anchors
- Long-Term Growth Commitments
- Access to Local and Regional Talent



PLACE Infrastructure & Urban Realm

- Robust Transportation Connectivity
- \$4B in Planned Infrastructure Investments
- 5G and Digital Infrastructure Investments
- Dynamic Mixed-Use Urban Environment
- Mix of Office and Housing Types and Price Points
- Growing 24/7 Character
- 14 Parks/Green Spaces including a Signature 36-Acre Park



PROGRAM Partnerships & Tools

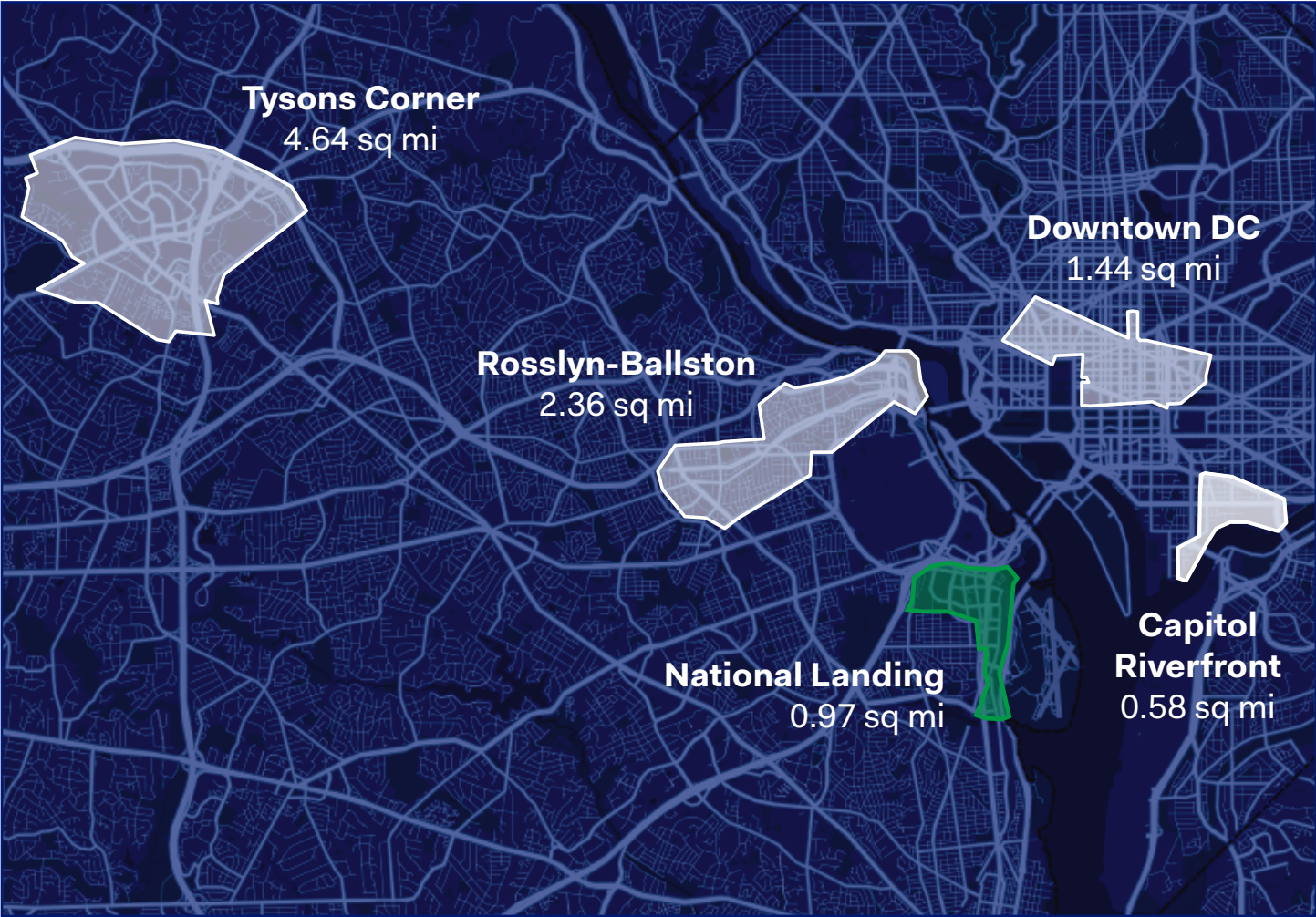
- Ascending Brand
- Active and Engaged BID
- Virginia Tech and George Mason University Programs
- Potential Partnerships with Arlington Economic Development

LOOKING FORWARD: This report identifies a robust collection of people and place strengths that stakeholders should work to reinforce as the downtown evolves, as well as initial program assets on which stakeholders should strategically build.

URBAN DENSITY

National Landing is emerging as a compact, mixed-use downtown. This study compares National Landing to four other proximate and prominent markets in the DC region.

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



National Landing has the highest job density among all of the comparison markets except for Downtown DC. Further, it has the second-highest residential density after Rosslyn-Ballston, and twice the residential density of Downtown DC.

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

JOBS / SQ MI	30K
TOTAL JOBS	29K
RESIDENTS / SQ MI	22K
TOTAL RESIDENTS	22K

Downtown DC



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

JOBS / SQ MI	145K
TOTAL JOBS	210K
RESIDENTS / SQ MI	11K
TOTAL RESIDENTS	15K

Capitol Riverfront



Capitol Riverfront in DC is one of the fastest-growing neighborhoods in the region of the past decade. Anchored by Nationals Park and Audi Field, it has experienced significant residential and commercial development.

JOBS / SQ MI	23K
TOTAL JOBS	13K
RESIDENTS / SQ MI	16K
TOTAL RESIDENTS	9.5K

Tysons Corner



Tysons Corner in Virginia is a major office employment hub with two large-scale regional malls. Over the past decade, Tysons Corner has seen significant residential development, balancing out the neighborhood's commercial core.

JOBS / SQ MI	14K
TOTAL JOBS	65K
RESIDENTS / SQ MI	6K
TOTAL RESIDENTS	28K

Rosslyn-Ballston Corridor



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

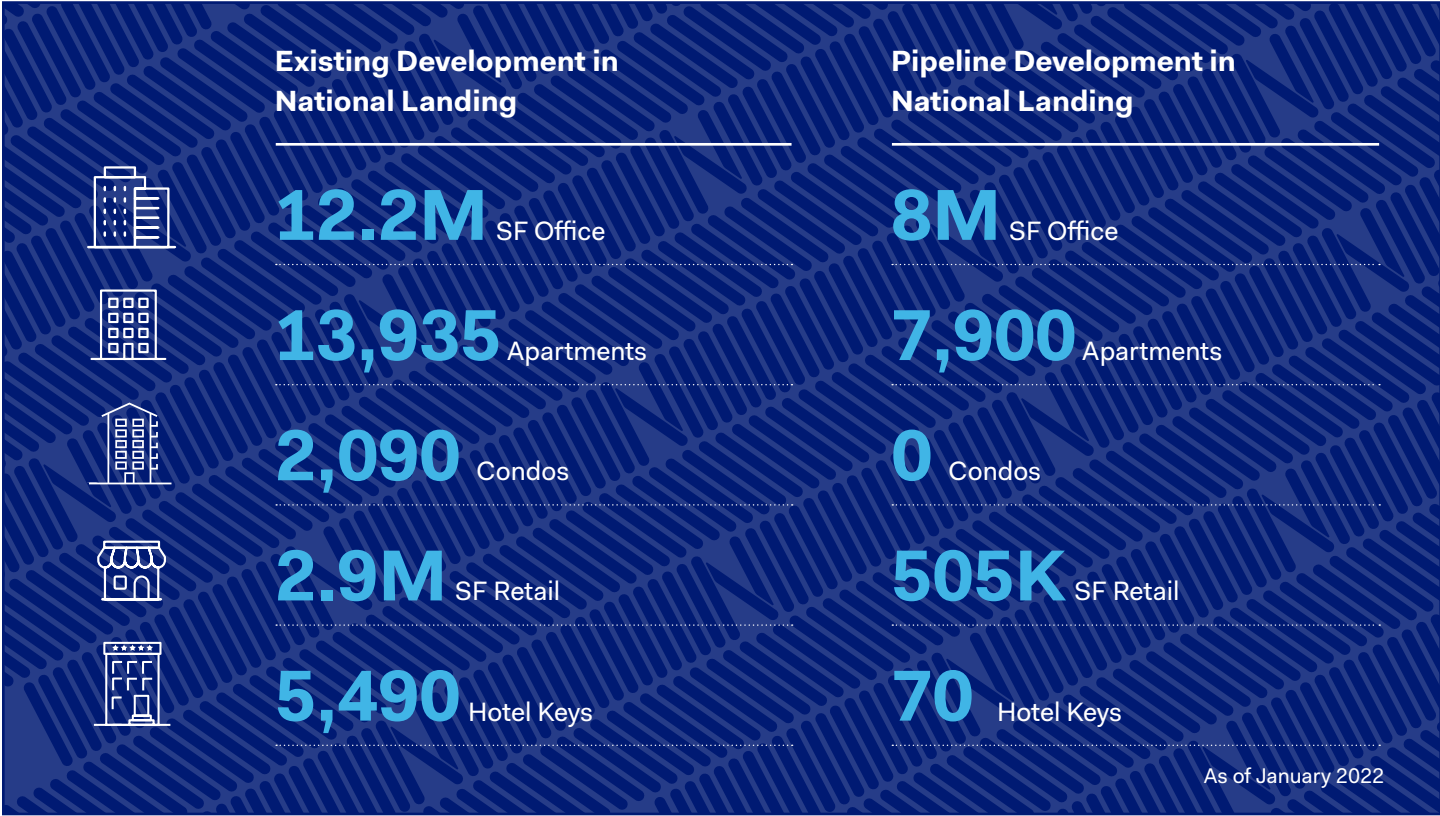
JOBS / SQ MI	28K
TOTAL JOBS	66K
RESIDENTS / SQ MI	25K
TOTAL RESIDENTS	58K

NOTE: Employment data on this page includes all workers, while job/resident balance analysis on p. 16 assesses the ratio of daytime workers to residents.
SOURCE: EMSI, ESRI

EXISTING & FUTURE DEVELOPMENT IN NATIONAL LANDING

Currently, National Landing has over 15.1M SF of commercial space – including 12.1M SF of office space containing 22,000 office workers, and 2.9M SF of retail space that includes Fashion Centre at Pentagon City – a 992K SF large-scale regional mall. National Landing is

home to 13,935 rental apartments and 2,090 condominiums which house over 22,000 residents. Finally, National Landing contains 5,490 hotel rooms, the largest hospitality cluster outside of Downtown DC.



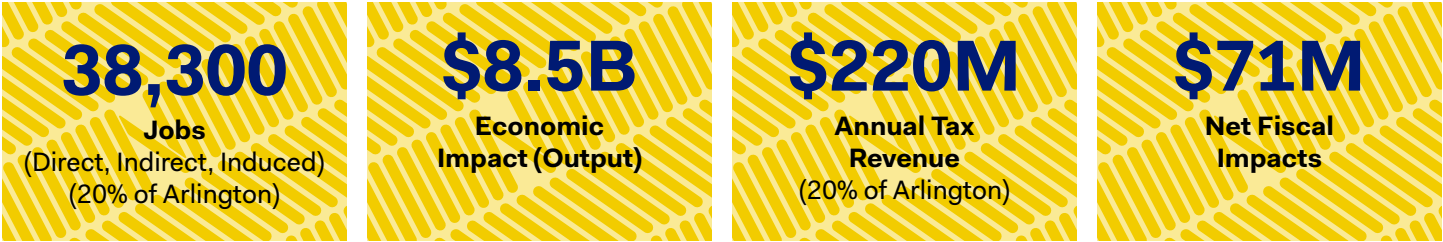
NOTE: Demolition of nearly 700K SF of office space is planned, resulting in a net increase of 7.3M SF of office space. Data includes only Arlington portions of National Landing. Pipeline development includes projects publicly announced, proposed, approved or in construction.
SOURCE: National Landing BID



Economic and Fiscal Impacts Today and Tomorrow

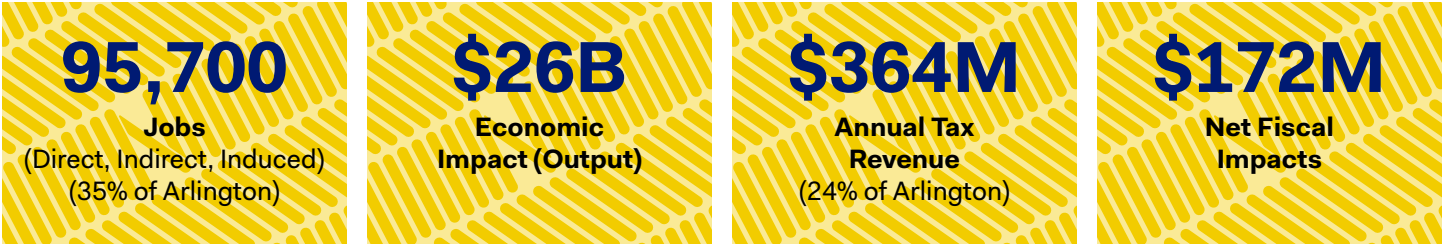
NATIONAL LANDING'S CURRENT IMPACT ON ARLINGTON COUNTY

Even 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 induced (worker to business spending) economic activity, the downtown supports 20% of Arlington's jobs and 20% of



NATIONAL LANDING'S FUTURE IMPACT ON ARLINGTON COUNTY

National Landing's robust pipeline of 7,900 multifamily units, 8.5M SF of commercial space, and 70 hotel keys will grow this impact substantially:



SOURCE: IMPLAN, HR&A Advisors

LOOKING FORWARD:

The 8.5M SF of new commercial development and 7,900 units of residential development currently in the pipeline over the next 10 years will only reinforce National Landing's dense, mixed-use, vibrant character.

NOTE: Employment and economic impacts account for direct on-site impacts as well as indirect and induced impacts elsewhere in the County. Fiscal impacts only include tax revenues on-site and resident sales tax revenues elsewhere in the County. Projection of future share of Arlington County tax revenues assumed that Countywide employment and tax revenues would grow at historic rates. Historically, tax revenue growth - driven by property taxes - has outpaced employment growth. Therefore, National Landing's future share of Arlington County employment will be greater than its future share of tax revenues.

JOB/RESIDENT BALANCE

With the most balanced ratio of daytime workers to residents compared to nearby employment hubs, National Landing is on a trajectory to being the region's premier downtown.

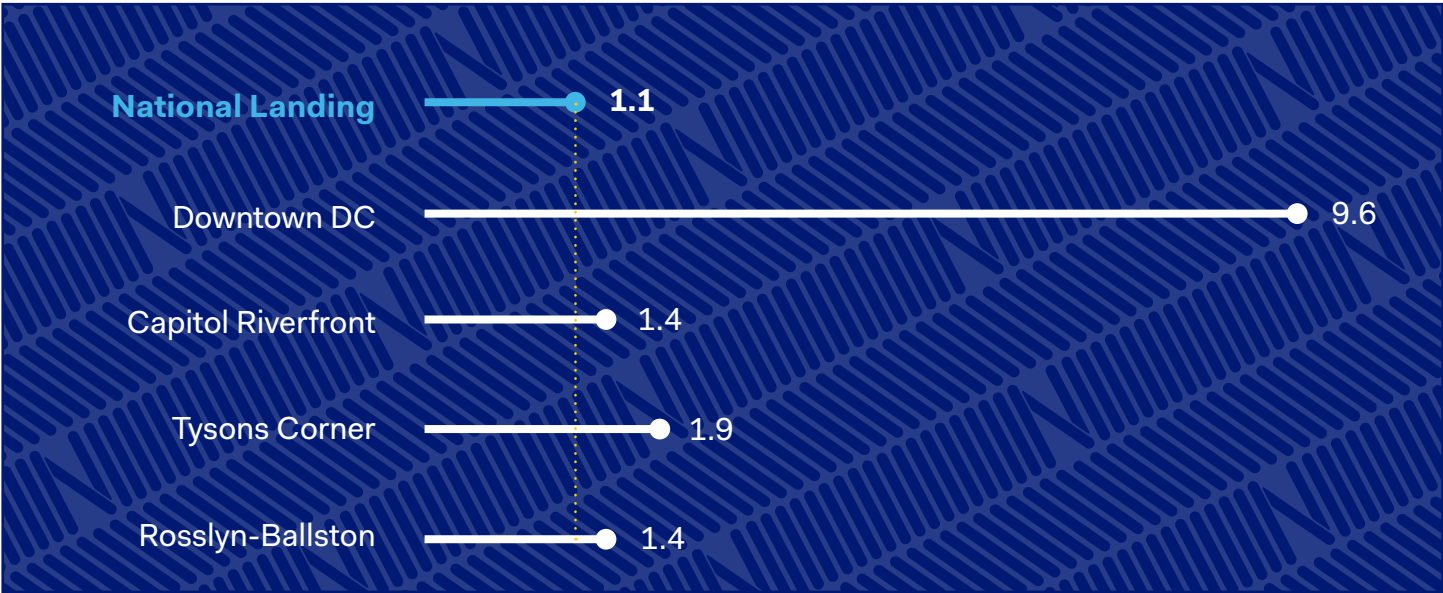
In National Landing, the ratio of daytime workers to residents is 1.1 - a near even balance. This balance is particularly striking when compared to Downtown DC, which has 9.6 daytime workers for every resident, lacking a significant residential population that can activate the area on nights and weekends. This balance also helped National Landing's storefront visitation recover faster than areas such as Downtown DC: as of November 2021, visitation was down 40% in the former and 58% in the latter compared

to November 2019. This strong customer base of residents and workers is likely to sustain retail and street-level activity during pandemic recovery and beyond.

This urban vibrancy will attract employers seeking to compete on "place" and locate near a significant residential presence. In fact, many premier innovation districts across the country contain between 25-50% residential space, in line with National Landing's 47% residential share.

National Landing has an even balance of daytime workers and residents.

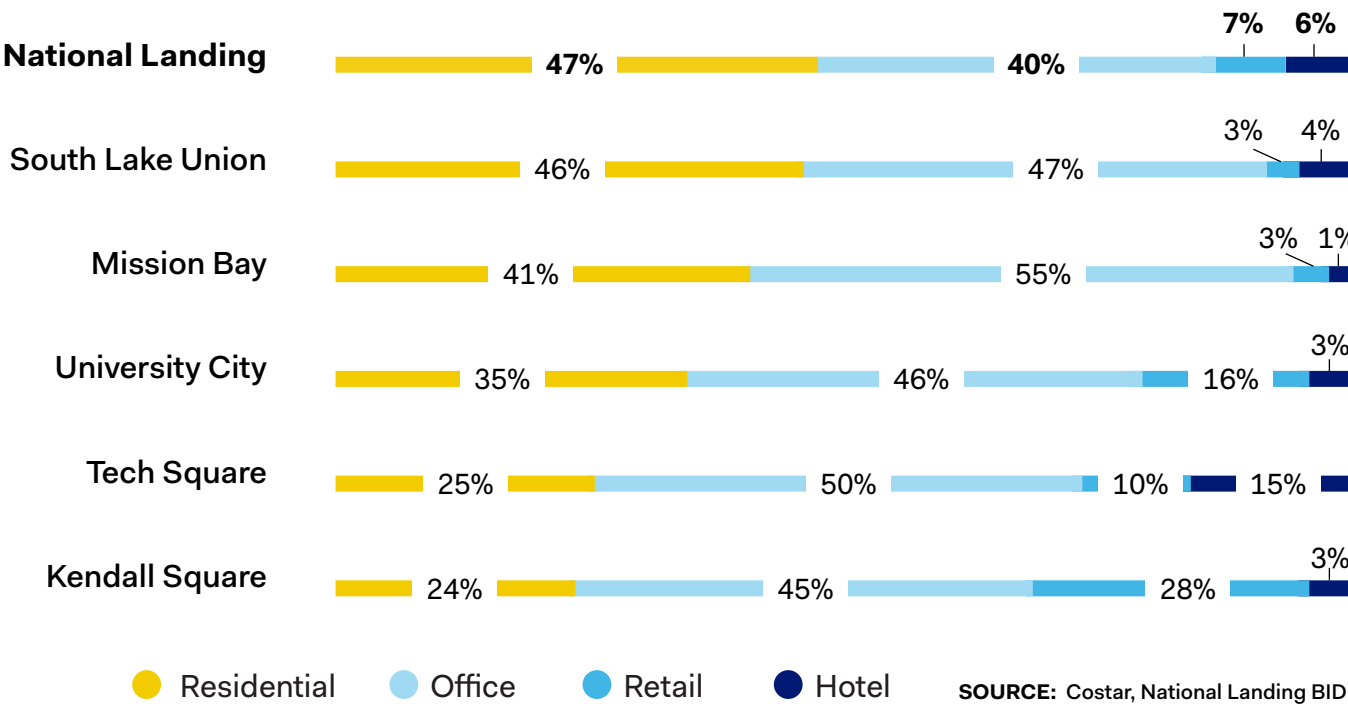
Ratio of Daytime Workers/Total Population



NOTE: National Landing contains 23,000 daytime workers (out of 29,000 total workers), and 22,000 residents. SOURCE: ESRI

25-50% of space in premier innovation districts is residential, in line with National Landing.

Programs of selected innovation districts



SOURCE: Costar, National Landing BID

LOOKING FORWARD: Even as it evolves, National Landing's balance of daytime workers and residents will endure. The development pipeline contains approximately **8.5M SF** of commercial space and **7,900 residential units**, ensuring that this mix will be maintained and its competitive advantage preserved into the future.



TALENT ACCESS & EQUITY

National Landing is well-positioned to create an inclusive tech ecosystem that will support equitable growth and expanded opportunities for women and people of color - an extremely attractive asset for employers looking to locate proximate to a large, diverse, and talented workforce.

Virginia is a Top 10 State for Asian-American, Black, and foreign-born tech talent. Arlington County leads the nation as the best city for women in tech. Further, National Landing has the second highest concentration of college degree holders in the Washington, DC region and offers access to on-site and regional talent. Over 80% of all residents hold at least a bachelor's degree, which is required for many of the high tech and professional services jobs that Amazon and follow-on employees will bring. Much of the downtown's workforce is already employed in professional and technical services, indicating that the existing working population already possesses relevant skill sets for tech jobs.

Interviews conducted for this study indicated that many of the tech employers coming to National Landing are likely to recruit young professionals in the first ten years of their careers, roughly corresponding to workers between the ages of 25-34 – an age group that already represents 36% of the local population. In addition to onsite talent, National Landing is also exceptionally well-connected to the broader region via transit, bicycle, and car, allowing workers who reside elsewhere in the region an easy commute.

Studies have also shown that while bachelor's degrees are highly sought after, some tech jobs

are also attainable to workers without four-year degrees and would require just targeted training or certifications. Partnerships with educational institutions such as Virginia Tech and George Mason University can offer skill-based training programs, corporate partnerships, and other networking programs to expand opportunities for people of color and underrepresented groups and to help cultivate a more equitable and diverse workforce in National Landing. A focus on workforce development and creating career pathways in the tech economy can break down systemic barriers, expand access to generational wealth, and create an inclusive tech ecosystem.

The business case for a diverse and inclusive tech workforce is also strong as more employers value diversity and view it as a competitive advantage of this region. This value is illustrated by National Landing anchor Boeing's \$50M founding partner investment in the Virginia Tech Innovation Campus to attract a more diverse and representative faculty and student body and fund STEM pathway programs for underserved K-12 students looking to pursue a college degree and enter high-tech career sectors.



83% of National Landing residents have a Bachelor's degree or higher

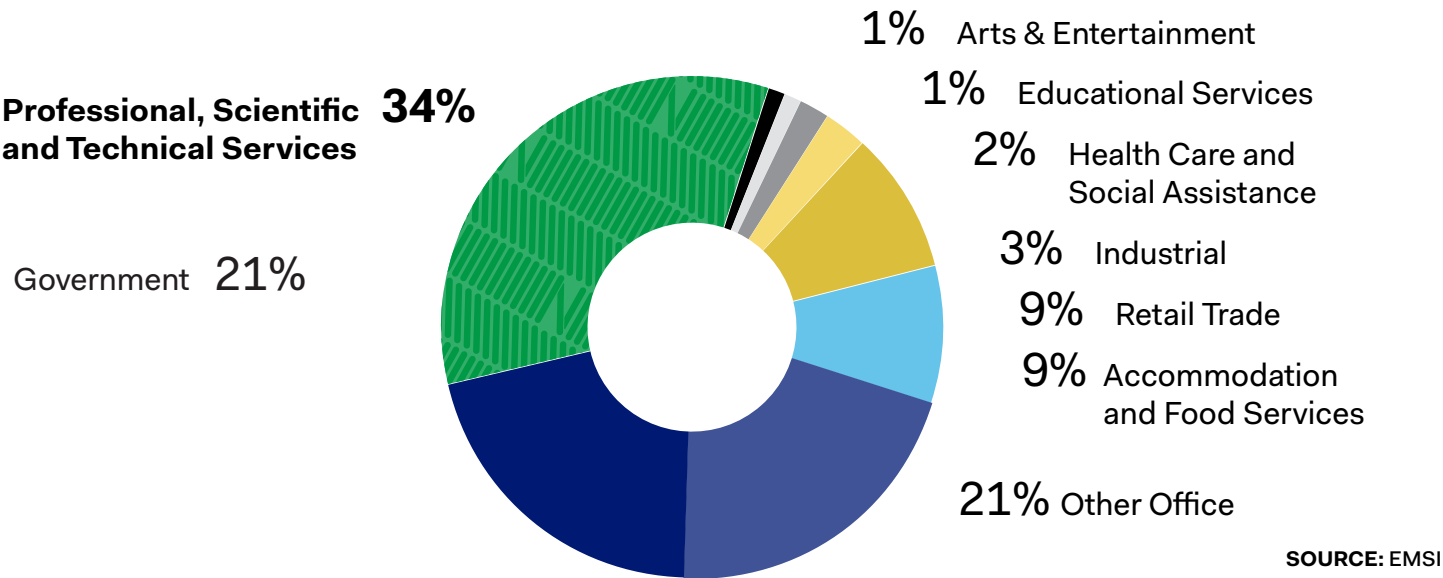


In contrast, only 58% of residents inside the beltway have a Bachelor's degree or higher

NOTE: Inside the Beltway" includes Alexandria City, Arlington, DC, Fairfax City, Fairfax County, Falls Church City, Montgomery County, Prince George's County.

More National Landing residents work in professional services than any other sector, with skills applicable to tech and innovation sectors.

National Landing jobs by sector



SOURCE: EMSI

LOOKING FORWARD: Access to diverse talent will only become more valuable as anchors such as Amazon and Virginia Tech grow their presence, building critical mass that will attract more companies and talent.

GUARANTEED, RAPID JOB GROWTH

Even while the future of office demand remains unclear for many urban downtowns post-COVID-19, National Landing can expect job growth of at least 25,000 jobs by 2030 from Amazon, as well as up to 9,000 additional jobs through agglomeration effects.

Over the past decade, job growth in National Landing has remained flat – primarily due to losses of many government jobs via the 2005 BRAC (Base Realignment and Closure) legislation. In contrast, Downtown DC, Tysons Corner, and Rosslyn-Ballston, where existing office supply is concentrated, experienced significant growth during this time, driven by professional services employment. When COVID-19 hit, however, these markets all experienced significant job losses.

Going forward, significant future job growth in National Landing is anticipated. Amazon has committed to bringing at least 25,000 jobs to the area by 2030 and is incentivized to bring up to 38,000 jobs by 2035, more than doubling National Landing's employment base.

Further, studies of employment growth in Seattle before and after the relocation of Amazon's

headquarters to South Lake Union suggest that 25,000 new jobs at Amazon's HQ2 may generate an additional 9,000 jobs in the DC, Maryland, and Virginia region through agglomeration effects, many of which are likely to be located proximate to Amazon in National Landing.

COVID-19 has created significant uncertainty around future demand for office space in the region as many employers reconsider their office space needs and evaluate the impacts of a shift to remote work. With Amazon announcing its hybrid return-to-the-office policy in late 2021, requiring employees to live locally and within commuting distance of the office for at least 11 months of the year, National Landing is uniquely positioned to leverage Amazon's leadership and could pilot new opportunities to attract workers back to its downtown.

+25K

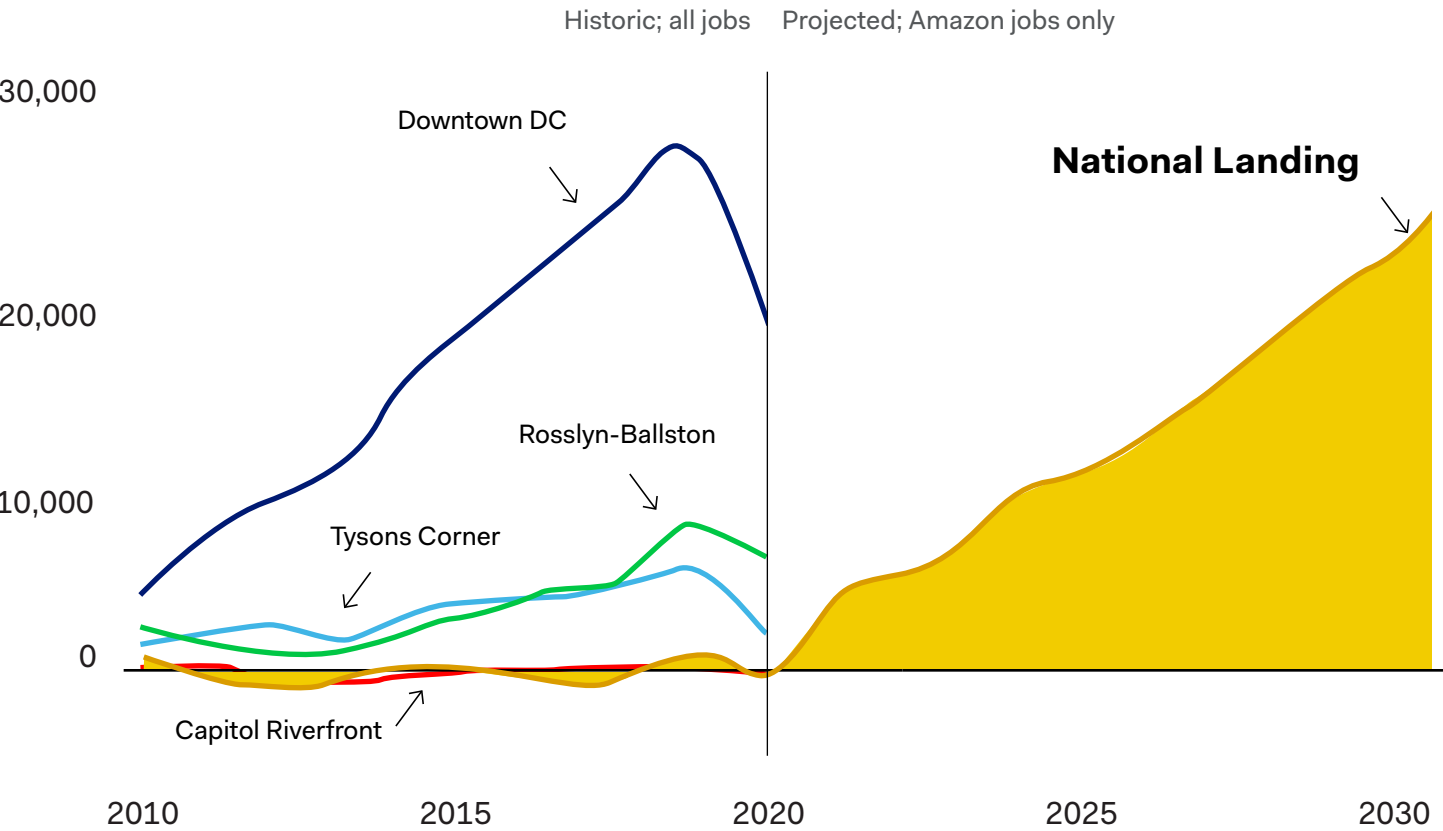
Jobs to be created by Amazon by 2030

+9K

Additional jobs through agglomeration effects

Amazon alone will bring up to 25,000 jobs to National Landing by 2030, on par with job growth in Downtown DC from 2010-2020.

Cumulative change in jobs since 2010: historic (through 2020) and projected (2021-2030)



SOURCE: EMSI, Amazon

LOOKING FORWARD:

While many downtowns across the region and across the country are grappling with major unknowns around future demand for office space as many firms move to hybrid remote work, National Landing is poised for a strong job growth trajectory that will surpass historic growth in all other major employment hubs in the region.

TRANSFORMATIONAL FUTURE DEVELOPMENT

National Landing’s robust development pipeline will help it surpass its fastest-growing regional peer market, Capitol Riverfront, and evolve into an increasingly amenitized downtown.

Currently, National Landing has a pipeline of 7,900 multifamily units, 8.5M SF of commercial space (including office and retail), and 70 hotel keys. This will increase the residential inventory by 51%, the commercial inventory by 56%, and the hotel inventory by 1%.

Over the past ten years, the Capitol Riverfront/ Navy Yard area has been one of the fastest-growing districts in the Washington, DC region,

adding 9,278 residential units and 1.2M SF of commercial space. During this time, Capital Riverfront transformed from a light industrial and commercial neighborhood into a true mixed-use district.

With the amount of residential and commercial development planned, National Landing will quickly overtake Capitol Riverfront as the fastest-growing district in the region.



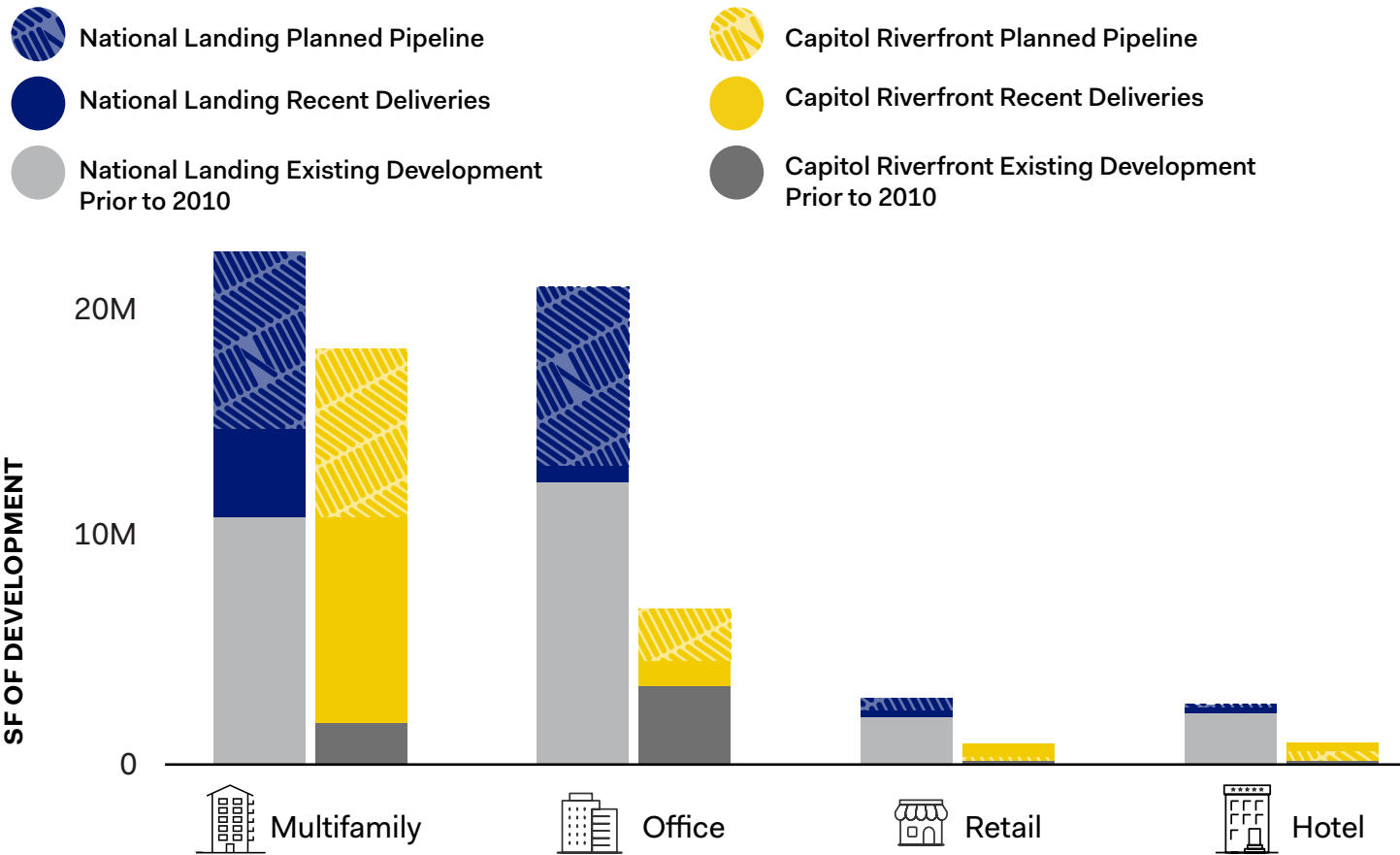
National Landing's current development pipeline will increase inventory by:

51%
for residential

56%
for commercial

National Landing is poised to outpace Capitol Riverfront's office and retail growth.

Existing development, recent deliveries (2010-2021), and pipeline development



NOTE: SF of future development was estimated to be 1,000 SF for each multifamily unit and 450 SF for each hotel key. For existing multifamily, total SF for National Landing and Capitol Riverfront was estimated using local market average unit size. Pipeline development includes projects publicly announced, proposed, approved, or in construction. **SOURCE:** National Landing BID, Costar, STR.

LOOKING FORWARD:

With the amount of residential and commercial development planned, National Landing will quickly overtake Capitol Riverfront as the fastest-growing district. Supporting the growing critical mass of workers and residents will in turn increase supportable food & beverage, retail, and amenities to make National Landing the region’s signature “live, work, play” destination.

DIVERSITY OF WORKSPACE

National Landing offers the diversity of workspace types and price points needed for an innovation ecosystem that contains both startups and mature companies.

National Landing has long been an established office core within the Washington, DC region. It has a large inventory of office space, much of it built decades ago when the area was a hub of federal government and defense-related jobs. As such, compared to suburban comparison markets, National Landing has a larger share of Class B/C space, often priced at lower rents than Class A space. JBG SMITH has further diversified National Landing's offerings through the creation of a new co-working space operated by Hana, a West Coast provider of co-working space. This mix allows National Landing to offer a diversity of office space types at a variety

of price points, a competitive advantage in attracting more price-sensitive, early-stage startups that want to be close to DC, alongside more mature Class A tenants.

After a downturn in 2020, interviews conducted for this study in summer 2021 showed that leasing activity in National Landing started to increase, indicating the market was rebounding from COVID-19 and that perceptions of the office market were becoming increasingly positive. As Amazon grows and attracts follow-on companies, office demand is likely to strengthen further.

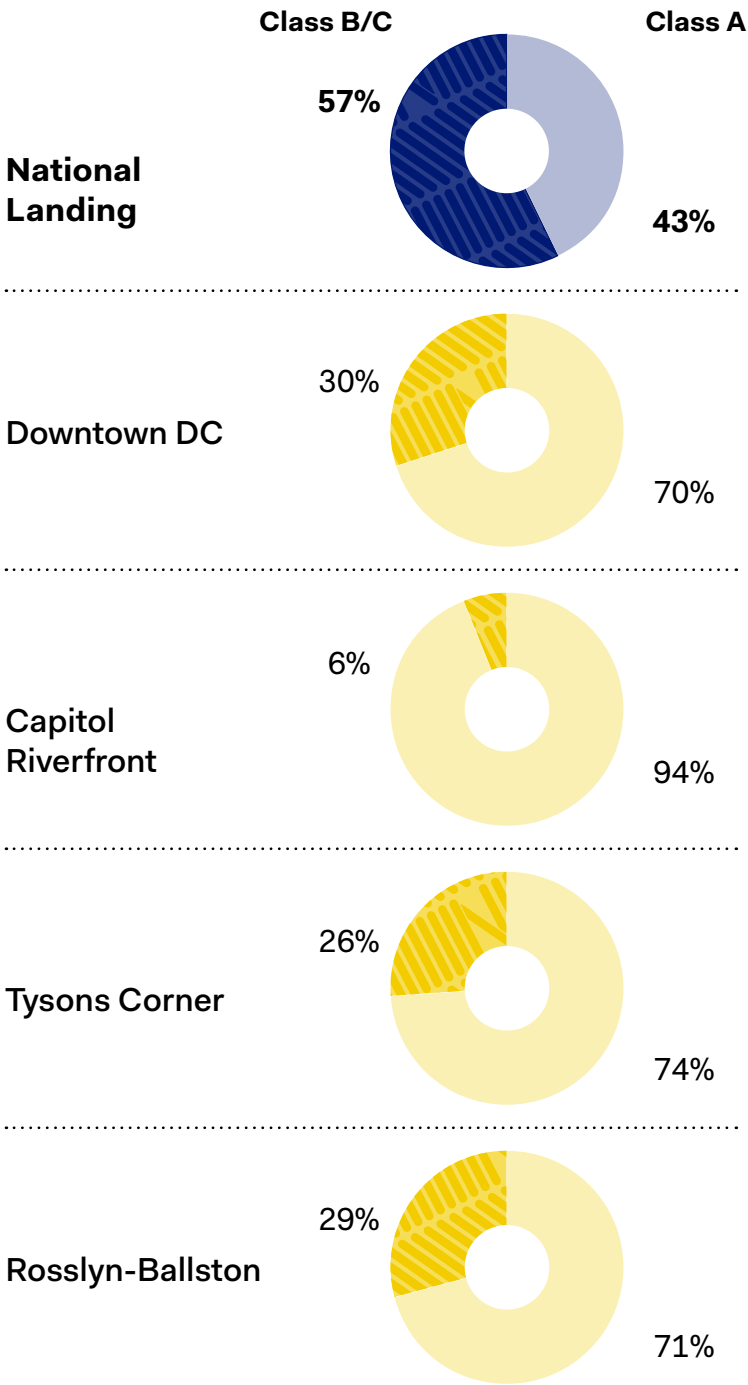
The need for affordable space in innovation districts

Dynamic innovation districts need a supply of affordable office space. In Seattle, as South Lake Union developed and rents increased, Class B space was lost. Many start-ups left and today, the neighborhood is dominated by "Big Tech." In contrast, given that over half of its office stock today is Class B/C space, National Landing is likely to continue to retain affordable office space long-term.



National Landing offers the mix of office space types and price points that innovation districts need

Share of office space by class



SOURCE: Costar



LOOKING FORWARD: National Landing's mix of office types and price points can support a diverse ecosystem. Going forward, National Landing can build upon and strengthen the affordability of office space for start-ups by considering landlord strategies and incentives and the creation of co-working spaces and incubators that offer affordable space and additional education and mentoring services.

DIVERSITY OF HOUSING OPTIONS

National Landing's value proposition is a diverse mix of housing types and price points, accommodating a growing residential base within an urban environment.

National Landing currently has a strong value proposition – larger units for lower rents in an urban environment – unparalleled by any of the comparison markets. Asking and effective rents per SF are lower than other comparison markets at \$2.62 and \$2.60 SF, respectively, with the exception of Tysons Corner, which is located further from the urban core. The 928 SF average size of units in National Landing is considerably larger than in the other comparison markets - meaning that residents are able to access larger units than what they can get for the same rent in other regional markets. Historically, net absorption, low vacancy, and rent growth have been strong.

Demonstrating the strengths of the market, residential leasing in National Landing dropped briefly during COVID-19, but has rebounded to pre-pandemic levels. Anecdotally, concessions increased in 2020 and early 2021, but have since declined as demand has resurged. The residential market is strong today, with a 6.4% Class A vacancy rate and 6.6% Class B/C vacancy rate; the only comparison areas with lower Class B/C vacancy are Downtown DC and Rosslyn-Ballston.

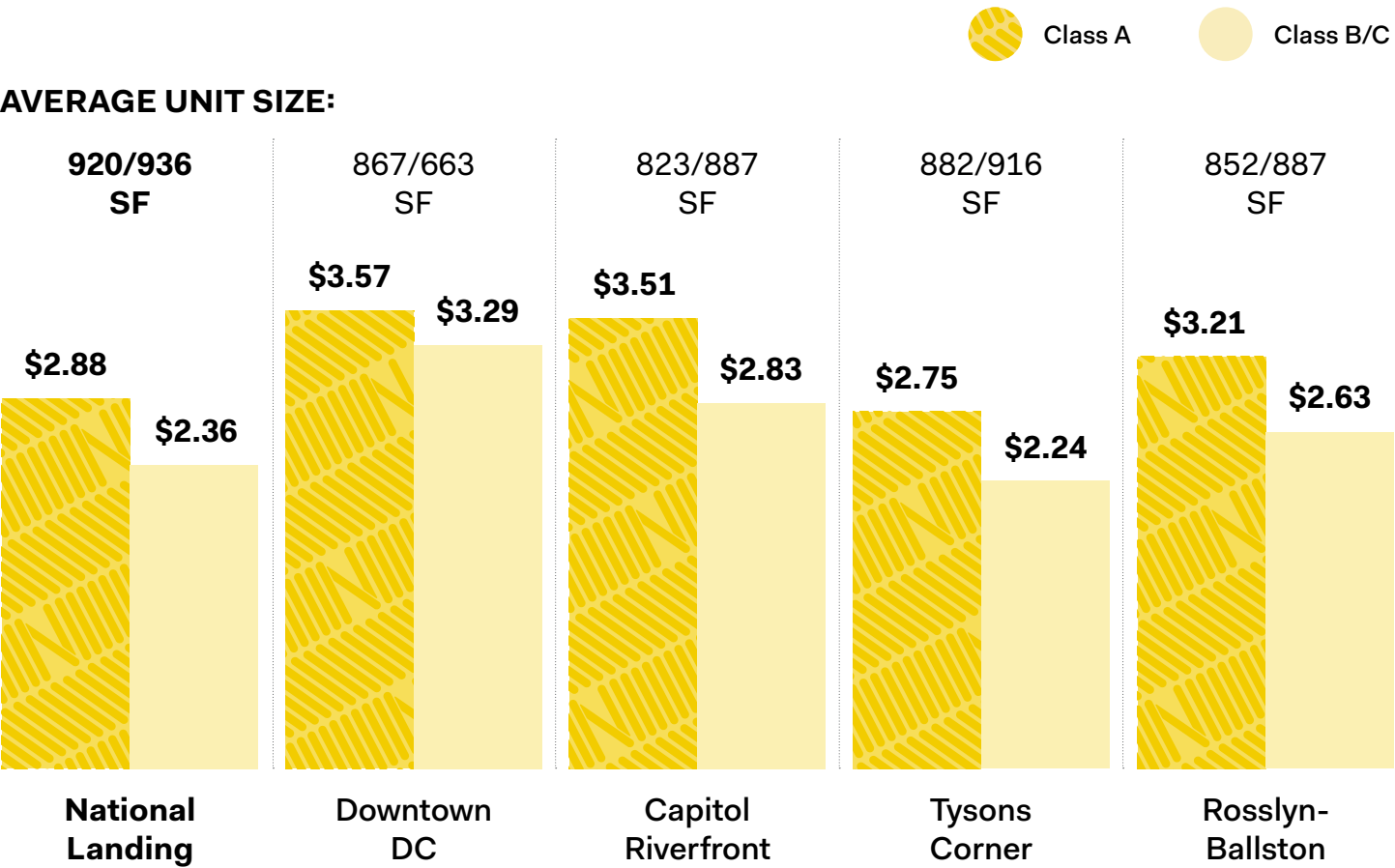
National Landing has 7,900 additional units in the pipeline. This residential growth will support an increasingly 24/7 downtown, grow the consumer base for retail, and expand the talent pool that attracts employers.

National Landing had a **6.4%** residential vacancy rate as of Q4 2021

The only comparison markets with lower vacancy **Downtown DC** and **Tysons Corner**

National Landing offers larger units for lower rents in an urban environment.

Average existing asking rents per SF



SOURCE: Costar

LOOKING FORWARD:

As new development comes online, National Landing will need to offer an increasingly diverse mix of housing types while preserving its robust inventory of naturally occurring affordable family-sized units. National Landing will need affordable housing options, two- and three-bedroom units for families, and price points to accommodate a growing workforce for both higher-spending and price-conscious renters seeking an urban environment.

COMMITMENT TO AFFORDABLE HOUSING

Large-scale commitments to the creation and preservation of affordable housing like those of Washington Housing Conservancy and Amazon represent game-changing investments for an area that has traditionally lacked supply of committed affordable units.

National Landing currently contains 1,141 units of committed affordable housing - accounting for 12% of all committed affordable units (CAFs) in Arlington County - of which 687 are for those earning up to 60% AMI (area median income). CAFs are rental units that are guaranteed to remain affordable to low and/or moderate-income households for a specified period of time, usually 30 years or more. Arlington County has established a goal to increase the number of committed affordable units in National Landing to 2,200 by 2040.

Amazon is committed to helping preserve and develop more affordable housing in National Landing and elsewhere in the region. With financing provided by Amazon's Housing Equity Fund and the JBG SMITH-managed Impact Pool, the Washington Housing Conservancy purchased Crystal House and this will enable preservation of the affordability of 75% of the

existing 828 units. Additionally, the option for future development of the infill areas of the site was assigned to Arlington County to facilitate new residential development, including up to 650 new affordable units. The preservation of existing, in combination with development of new units, will result in approximately 1,200 affordable units in the type of amenity-rich community where housing affordability is most needed.

There will also be increases in affordable housing realized through new development in the pipeline throughout National Landing as most projects will include either on or off-site affordable housing commitments through the community benefits process related to entitlements. These commitments, along with large-scale investments like Crystal House, will allow a diversity of households to call National Landing home.

National Landing contains
1,141 units of affordable housing
(12% of Arlington County affordable units)

Arlington County's goal is to increase this number to **2,200** by 2040.
Anticipated affordable housing development will help exceed these goals.



LOOKING FORWARD:
Investments like those in Crystal House will preserve and expand affordable housing and complement the area's growing innovation district by providing more housing for a variety of income levels. National Landing will appeal to a broad household base and allow increased housing opportunities for a diversity of people to call this dynamic downtown home.

RETAIL ASSETS

National Landing’s retailers fared better than those in comparison markets during COVID-19 due to its diversified worker/resident consumer base.

National Landing contains 2.9M SF of retail space, including the Fashion Centre at Pentagon City as well as locally serving ground floor retail.

The COVID-19 pandemic has devastated small businesses across the country, yet National Landing’s businesses fared better than those in many other downtowns due to a balance of jobs and housing that insulated the area from the dramatic loss of office worker foot traffic during the shift to remote work.

Data based on anonymized cell phone records shows that compared to Downtown DC, a worker-heavy, daytime-only area, visitation to storefronts in National Landing has recovered much faster from COVID-19. National Landing’s jobs/housing balance results in a diversified customer base that makes small businesses less

vulnerable to economic disruptions.

National Landing has an unmet demand for local food and beverage and retail offerings. In fact, there are more jobs and residents per food and beverage establishment than in other comparison areas, suggesting a potential opportunity to grow the retail amenity base. JBG SMITH is pursuing a comprehensive placemaking and merchandising strategy with a diverse mix of culinary and retail partners to meet the needs of tomorrow’s residents and workforce. Amazon is also investing in ground floor amenities and has committed to attracting minority- and women-led businesses. Further, the upgrade of the currently underutilized Crystal City Water Park at 1601 Crystal Drive will include new street-activated retail, new water features, and public art.

National Landing ground floor storefronts:



58% food & beverage



28% retail stores



14% services, arts, and entertainment

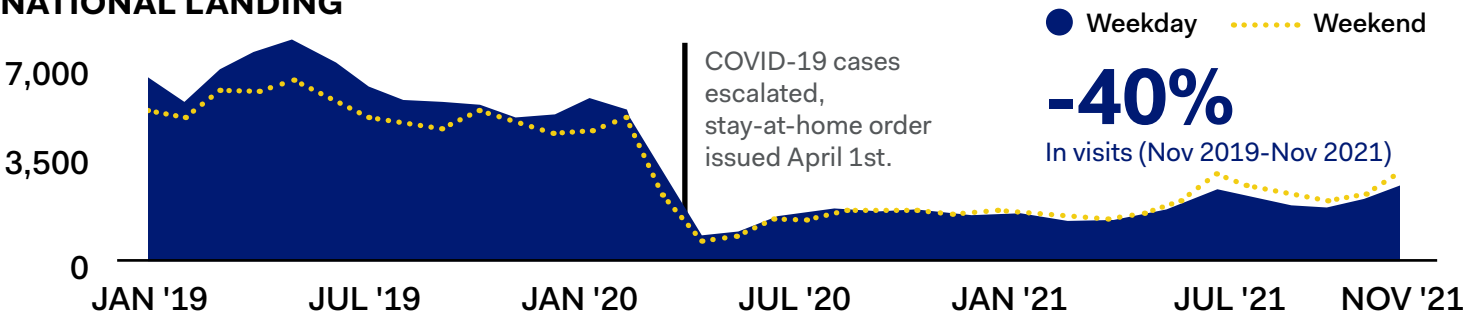
LOOKING FORWARD:

As it grows, National Landing will need to increase its food and beverage offerings to strengthen a sense of place. JBG SMITH’s and Amazon’s planned retail deliveries in the next few years will almost triple the number of street-level retailers in National Landing.

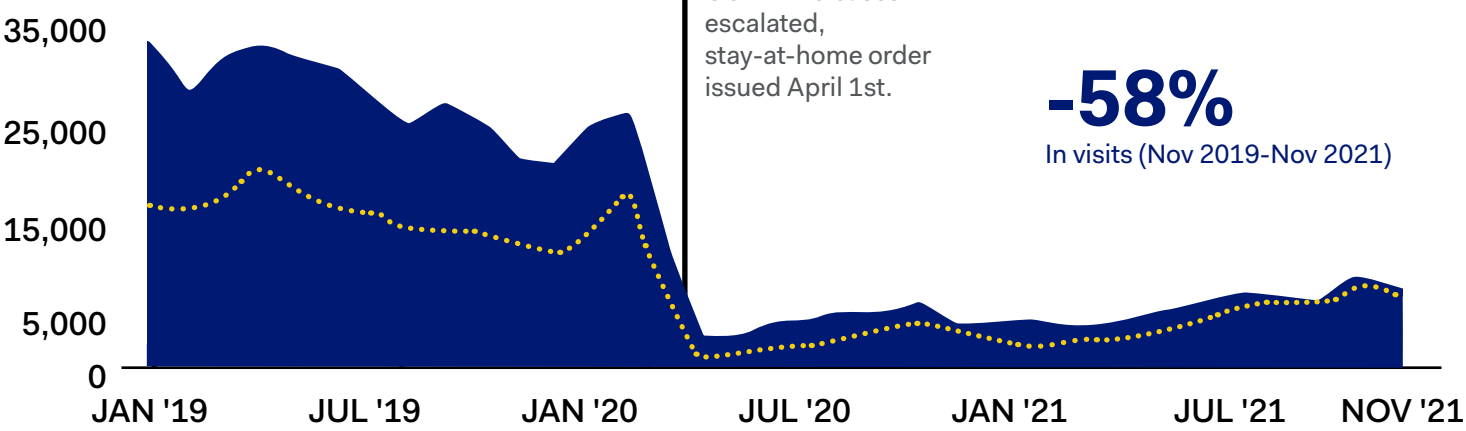
Visitation to ground floor storefronts in National Landing has rebounded more quickly than in Downtown DC.

Weekend vs. weekday average daily storefront visits

NATIONAL LANDING



DC CBD

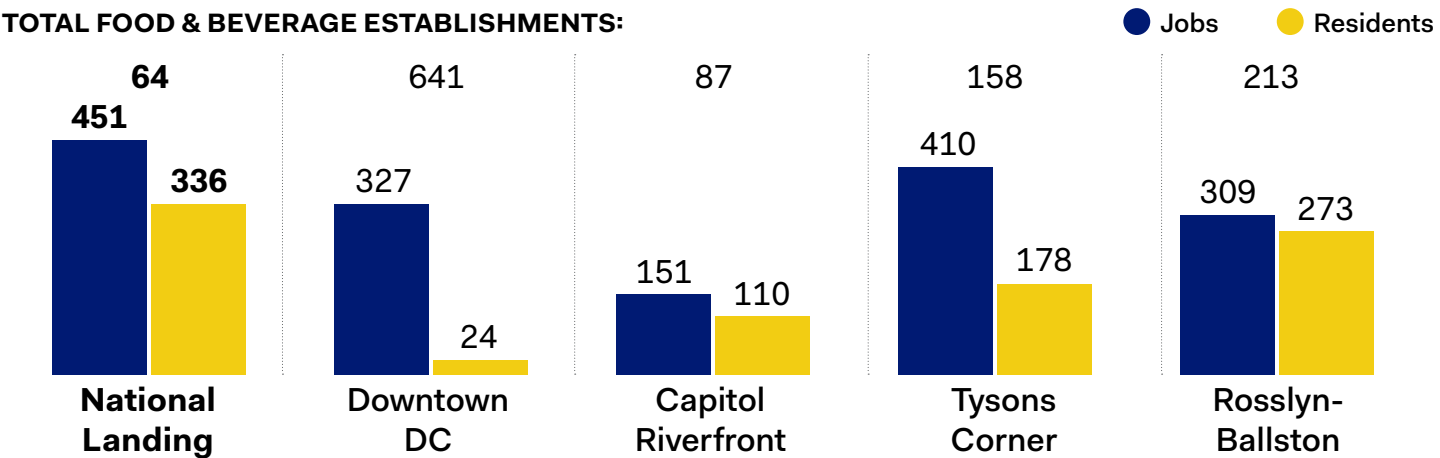


SOURCE: Safegraph

National landing has more jobs and residents per food & beverage establishment, suggesting an opportunity to grow offerings

Jobs/residents per food & beverage establishment

TOTAL FOOD & BEVERAGE ESTABLISHMENTS:



SOURCE: Safegraph; EMSI, ESRI

HOTEL AMENITIES

National Landing contains the second-largest concentration of hotel rooms outside of Downtown DC, with opportunities for future growth.

Proximity to Washington National Airport and easy accessibility to DC and other major hubs via car or public transportation have contributed to robust demand for hotel rooms in National Landing. To date, the market has generally served government visitors, business and conference travelers, and Washington National Airport travelers.

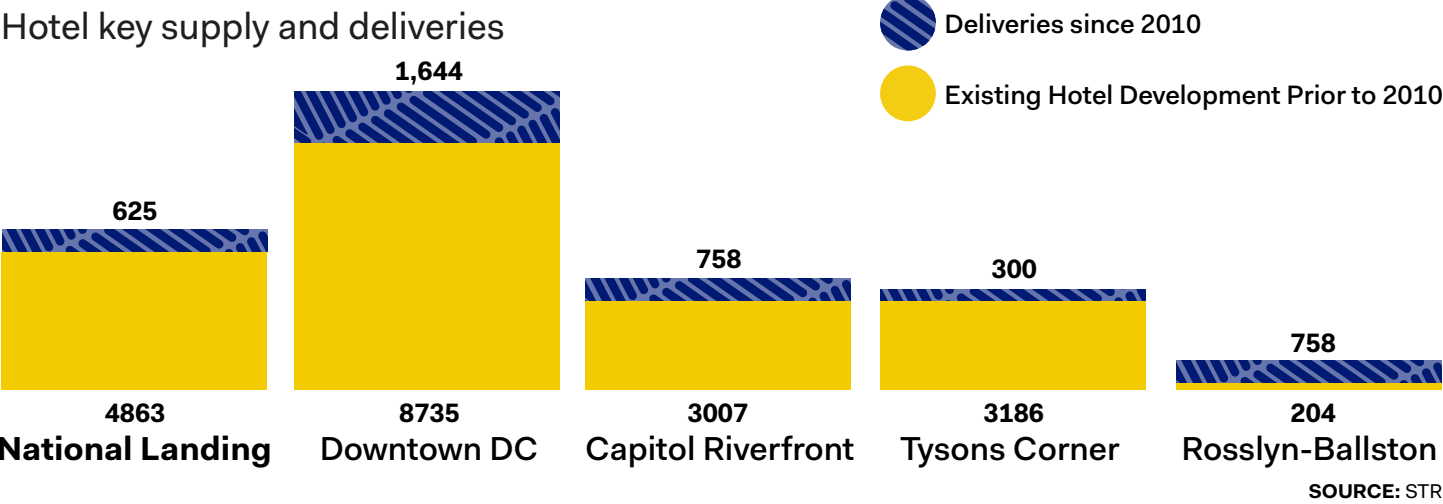
National Landing has also seen more recent hotel development than the other Northern Virginia comparison markets – 625 new keys since 2010 – although hotel deliveries in

Downtown DC and the Capitol Riverfront have surpassed it.

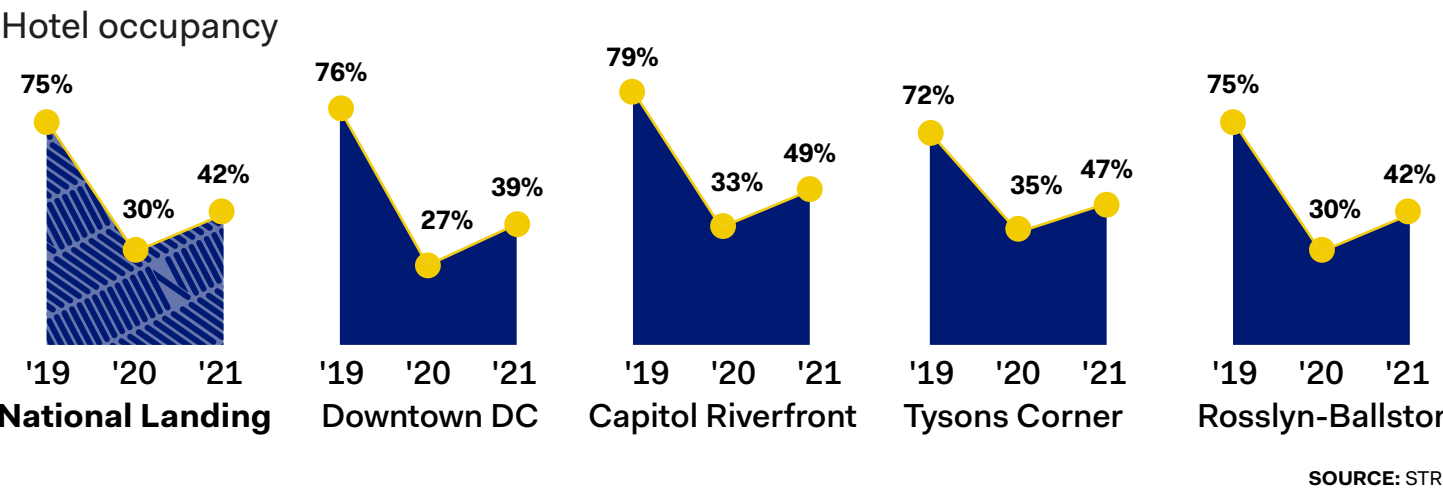
As elsewhere, National Landing’s hotel market took a dramatic hit during COVID-19. Between 2019 and 2020, average daily rate (ADR) plummeted by 24.0% while occupancy fell from 75% to 30%. While ADR remained low in 2021, occupancy has slightly increased in National Landing and elsewhere, likely due to the start of a return of business and leisure travel. Anecdotally, however, National Landing hotels' rebound in occupancy has trailed national trends.



Since 2010, National Landing had more hotel development than some of the other Virginia markets.



Occupancy rates declined significantly during COVID-19 across all comparison areas.



LOOKING FORWARD:

National Landing has the opportunity to regain its previous market strengths by sustaining its legacy offerings while also securing new opportunities for higher-end offerings driven by demand from Amazon and Virginia Tech. Further, as amenities continue to grow, National Landing may be increasingly well-positioned to attract more of the leisure travel market.

CONNECTIVITY & TRANSPORTATION INVESTMENTS

National Landing is one of the nation’s best-connected downtowns with an additional \$4B in planned infrastructure investments.

National Landing has unparalleled transportation assets – including Metrorail, commuter rail, BRT, highway, regional and local bicycle networks, and Washington National Airport. Its compact size prioritizes human-scaled mobility, differentiating it from comparison markets. Additionally, National Landing’s unparalleled regional transportation connectivity through the Metro and Virginia Railway Express (VRE) adds to its strong regional position.

National Landing’s commitment to a multi-modal future and next generation mobility

attracted major anchors like Amazon and Virginia Tech. This connectivity is already being capitalized on by Amazon by incentivizing employees to bike to work, and it will continue to attract new employers seeking strong transportation connections to regional talent.

Looking ahead, future investments in connectivity amounting to \$4B will further solidify National Landing as the best-connected downtown in the country.

\$4B

In public and private investments in transportation and infrastructure

LOOKING FORWARD:

In all, these ambitious transportation investments will make one of the nation’s most well-connected downtowns even more transit-rich and people-centric, amplifying its competitiveness as a jobs center, place to live, and hotel hub.



CC2DCA
The Crystal City to National Airport Multimodal Connector (CC2DCA) will bring pedestrian connectivity between Crystal Drive and Washington National Airport and create an intermodal hub, which will make National Landing the only downtown in the country with this type of access to an airport.



Route 1
Route 1 will be transformed into an at-grade, multimodal urban boulevard and re-envisioned as a complete street.



Expanded Metro Access
The new Potomac Yard Metro Station will provide a direct connection into the Alexandria portion of Potomac Yard, anchoring the area's transformation. Further, a second entrance at the Crystal City Metro Station will alleviate platform congestion and deliver riders directly to Crystal Drive, Crystal City's retail main street.



Regional Transit Access
Regional transit access will be improved through transformative projects, including planned improvements such as Long Bridge and a new VRE station that will allow for expanded regional transit access, including MARC and Amtrak, providing direct access to National Landing for residents across Virginia and Maryland.

DIGITAL INFRASTRUCTURE

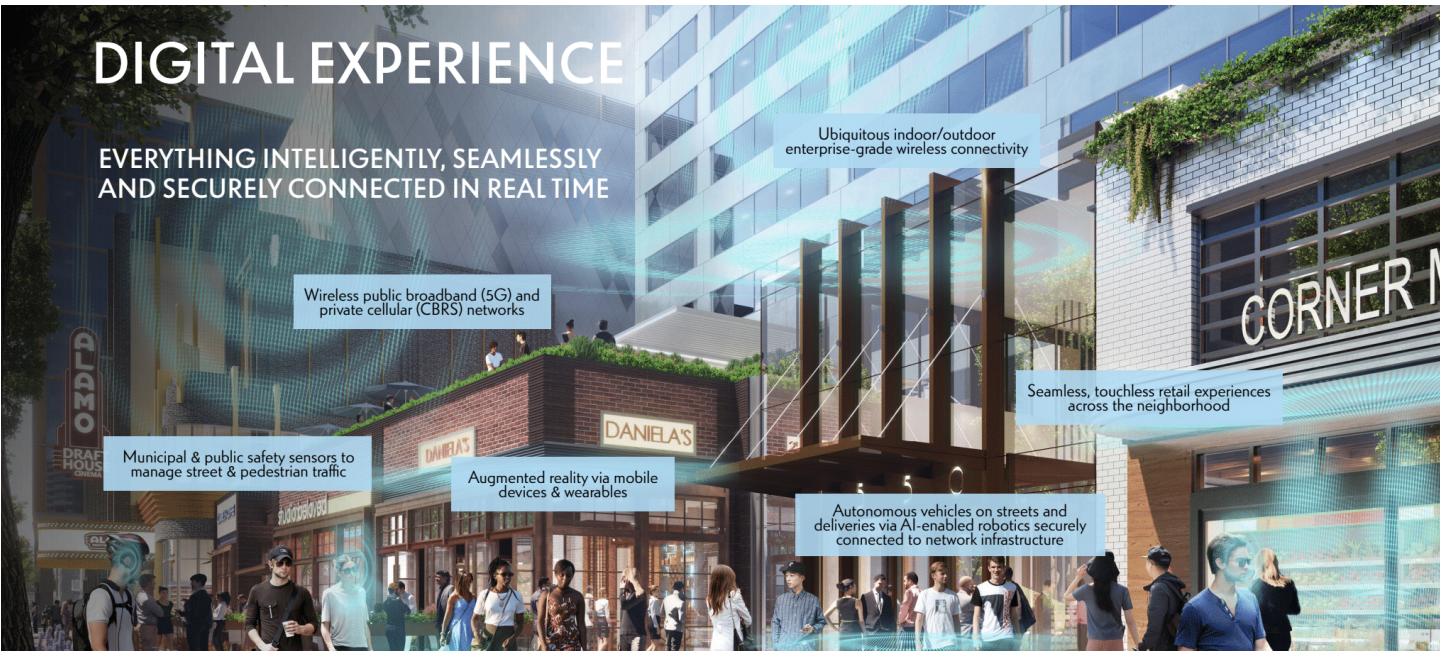
JBG SMITH is curating robust, world-class connectivity that will establish National Landing as the first 5G-enabled connected city at scale in the country.

JBG SMITH is leading investment in next-gen infrastructure, including a first-of-its-kind, universal 5G network throughout National Landing through a partnership with AT&T.

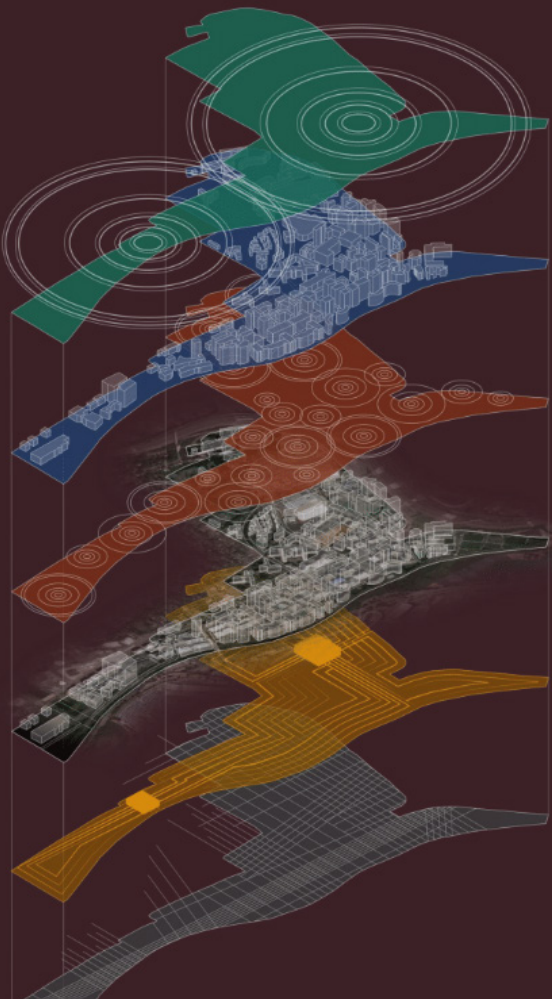
This effort will make National Landing a model for 5G-enabled cities of the future. 5G technology is an inherently place-based technology that requires significant upfront investment to initiate. While digital infrastructure providers across the world are actively investing in 5G technology, National Landing has differentiated itself by upgrading all aspects of digital infrastructure to ensure that everything in National Landing can be intelligently and securely connected in real time.

JBG SMITH is also investing in targeted layers of telecommunication to help drive National Landing's reputation as a 5G-enabled connected city. All of JBG SMITH's buildings will be retrofitted to include conduit fiber connections so that businesses can quickly tap into the available network bandwidth. Further, it has purchased Citizen Broadcast Radio Service (CBRS) in order to facilitate innovation on next-gen private cellular networks. Coupled with additional assets such as dark fiber, Virginia Tech's presence and talent pipeline, and proximity to the Pentagon, National Landing will be the premier urban location for digital infrastructure.

Seamless Digital Experience



Turnkey Digital Infrastructure



CBRS
70 MHz of CBRS PAL licenses secured to allow tenants to make full utilization of the wireless "innovation band"

INDOOR 5G
All buildings designed for full distributed antenna systems, enabling seamless 5G connectivity indoors and outdoors

OUTDOOR 5G
Full integrated control of assets to facilitate high-density deployment of 5G infrastructure including mmWave and pre-wired rooftops for macro sites



EDGE DATA CENTERS
Two edge data centers with abundant colocation capacity, fiber aggregation, and next-gen compute to facilitate innovators across the district

FIBER
Dark fiber on every block with high density of termination points and white glove service for commercial and residential tenants

LOOKING FORWARD:

While much of this technology will become commonplace in the future, National Landing will be the first 5G-enabled connected city at scale. It will also serve as a living laboratory of innovation, attracting firms in opportunity sectors such as defense, cybersecurity, cloud/edge computing, internet of things (IoT), and artificial intelligence (AI).

VIRGINIA TECH'S \$1B INNOVATION CAMPUS

Virginia Tech’s educational programming will support equitable growth while helping to catalyze innovation, startups, and partnerships in National Landing.

Most successful innovation districts contain an academic anchor that can drive research, educate young talent, generate startups, and foster fruitful partnerships between academia and corporate entities.

In the southern end of National Landing in Alexandria, Virginia Tech's \$1B Innovation Campus is now under construction and will house many of the school's computer science and engineering graduate degree programs. The campus will enroll 600 master's and doctoral students a year - creating a qualified workforce that can attract and support innovation and tech companies. Virginia Tech's goal is to create the nation's most diverse graduate technology campus.

In addition to these academic programs, Virginia Tech plans to offer programs that will connect to the private sector, including the formation of strategic partnerships with industry and executive leaders to establish programs across cutting edge research, project-based learning, talent pipelines, and innovation. Virginia Tech is aiming to build a culture of innovation and engagement at the campus to support translation of technology for the global good. Current key strategic partners include Boeing and Northrop Grumman.

Further, George Mason University, just west of National Landing, aspires to be the most diverse and innovative institution in Virginia and has an increasing number of tech graduates, entrepreneurial programs, and community partnerships.

\$1B
Investment in an Innovation Campus

\$50M
Donation from Boeing

600
master's and doctoral students will graduate every year

Virginia Tech Innovation Campus



LOOKING FORWARD:

The dual presence of academic and corporate anchors - Virginia Tech and Amazon - can help to generate a pipeline of talent and foster an environment primed to support an innovation ecosystem.

BRAND, ACTIVATION, & BID STEWARDSHIP

National Landing benefits from the BID's strong local stewardship and an ascending brand after being “put on the map” by securing Amazon HQ2.

Innovation districts driven solely by organic growth, without strong stewardship to promote economic development, activation, and brand, often fall short of their full growth potential.

The National Landing BID provides robust leadership in advocating for, guiding, and promoting National Landing’s evolution into a premier innovation district.

Further, Arlington Economic Development (AED) and the National Landing BID work collaboratively to promote and cultivate the growth of the innovation district. This work supports AED's mission of promoting Arlington's economically competitive, sustainable community and its exciting, diverse and amenity-rich neighborhoods.

Recent BID Initiatives

- Redefining Crystal City, Pentagon City, and Potomac Yard as individual neighborhoods that make up a singular and unified urban downtown district.
- Rebranding this downtown district as “National Landing,” coinciding with the pursuit and arrival of Amazon’s HQ2. This establishes a new identity more strongly linked to tech and innovation, which can help to attract companies, residents, and workers and support cohesive economic development.
- Advocating for transportation investments, including major projects such as the CC2DCA Multimodal Connector linking the airport to the downtown, the reconstruction of Route 1 at grade, expanding connectivity of the Transitway, and a broader portfolio of complete streets projects aimed at making the downtown safer and more connected, especially for those walking and on bicycles or other shared mobility devices. Much of this work is outlined in the BID’s publication Mobility Next.
- Improving the public realm through a number of signature projects including several public art investments, plaza improvements, and strategic landscaping improvements.
- Hosting a broad portfolio of public and industry events that help to market the area – such as Summer House that was featured prominently in an August 2021 Washington Post article as well as industry-focused events such as broker roundtables. These events help to market and promote the district to future residents and tenants by showcasing National Landing's vibrancy. In 2019, there were 200+ community events with over 54,000 attendees.

Role of BIDs in Innovation Districts

BIDs can take on efforts to support innovation district growth, as demonstrated by the Midtown Alliance – the organization overseeing the BID that covers Midtown Atlanta and Tech Square. During the initial phases of Tech Square, the Midtown Alliance leveraged \$20M in investment to help create \$400M in public and private improvements in the public right of way. The Midtown Alliance plays an active role in programming public spaces in Tech Square, including hosting events that promote connections between neighborhood workers, residents, and students.



200+ community events hosted by National Landing BID

54,000+ attendees in 2019

LOOKING FORWARD:

As significant planned and organic growth occur, the National Landing BID can convene multiple stakeholders to partner on initiatives and programming that can foster a true, dynamic innovation ecosystem.

RECOMMENDATIONS

National Landing has robust **people** and **place** assets. However, there is an opportunity to expand its **program** assets to realize its full potential as an innovation district.

National Landing's Innovation District Assets



PEOPLE Talent & Collaboration

- Strong Private Employers
- Academic Anchors
- Long-Term Growth Commitments
- Access to Local and Regional Talent



PLACE Infrastructure & Urban Realm

- Robust Transportation Connectivity
- \$4B in Planned Infrastructure Investments
- 5G and Digital Infrastructure Investments
- Dynamic Mixed-Use Urban Environment
- Mix of Office and Housing Types and Price Points
- Growing 24/7 Character
- 14 Parks/Green Spaces including a Signature 36-Acre Park



PROGRAM Partnerships & Tools

- Ascending Brand
- Active and Engaged BID
- Virginia Tech and George Mason University Programs
- Potential Partnerships with Arlington Economic Development

Innovation districts are more than just a collection of buildings and people. An early-stage innovation district needs programming that convenes **community, sparks interaction, and builds the identity and brand of a place.** Such networks create a district that is more than the sum of its parts.

Further, innovation districts offer tremendous economic opportunity, although they all too often lack diversity. Intentional programming that ensures that individuals typically underrepresented in innovation ecosystems – including people of color and women – is critical to support **equitable growth.** This

programming can happen at multiple levels, creating greater inclusivity in entrepreneurship, workforce, and youth exposed to tech.

To enable National Landing to reach its full potential as an innovation district, stakeholders must partner to invest in **network and brand building** and **inclusive growth.**

Major actors that can work together to shape the trajectory of National Landing include: the National Landing BID; AED; Virginia Tech; Amazon and other corporate anchors; JBG SMITH; Dweck Properties, and other major property owners and employers.

PARTNERSHIP OPPORTUNITIES TO BOLSTER NATIONAL LANDING'S TECH ECOSYSTEM

Network and Brand Building



Central innovation hub Create a central convening space with workspace and programming that can help to foster an interconnected, buzzing innovation community while reinforcing the district's brand.



Networking events and lectures Develop a robust offering of networking events, conferences, and lectures that can help to create the vital connections that lead to new companies, investments, and job growth. Events can be held in the innovation hub and can also be hosted by major employers and institutions.



Incubators and accelerators Create incubators and accelerators for opportunity sectors (e.g., defense, cybersecurity, cloud/edge computing, IoT, AI), with special programming to support and grow minority and women-owned businesses (MWBE's).



Business support and mentorship for MWBE businesses Offer business support and mentorship with sector-specific guidance on topics such as business planning and fundraising, paired with mentors.

Inclusive Growth



Workforce training and job placement programs Leverage workforce training providers and educational partners to support high-tech skill development, and foster employer partnerships to develop job placement programs. This can help to create a pipeline of diverse talent from lower-income communities and communities of color.



Internship programs for youth Promote and incubate an internship / apprenticeship program for high school and college students in low-income communities and communities of color to connect youth to new career pathways and high-wage jobs.

APPENDIX:

INNOVATION DISTRICT CASE STUDIES

Overview of Case Studies

Successful Innovation districts have significant people, place, and programming assets that help to foster an innovative ecosystem. National Landing has robust people and place assets, and there is an opportunity to expand its program assets to realize its full potential as an innovation district.

This study conducted detailed case studies of two innovation districts relevant to National Landing: Tech Square in Atlanta, and South Lake Union in Seattle.



Tech Square, Atlanta

Tech Square illustrates how partnerships between educational institutions, private corporations, and a strong, active BID can lay the foundation for a robust innovation ecosystem, supported by robust programming.



South Lake Union, Seattle

South Lake Union illustrates how Amazon's headquarter operations can spur significant investment and transform neighborhoods into second Downtowns.



TECH SQUARE



PEOPLE

Tech Square started as a new “main street” to connect Georgia Tech’s campus to Midtown Atlanta and has since expanded into an innovation community for students, startups, and industry. Driven by Georgia Tech’s (GT) desire to expand its campus and better connect to Midtown Atlanta, development of Tech Square launched in 2003 on underutilized land. With the expansion of Georgia Tech research centers in logistics and computing and a business school, Tech Square attracted diverse industry partners to create new hubs of innovation. Supported by city tax incentives, upcoming developments will advance urban placemaking with broader mixed-use retail, cultural, and residential investments.

Program:

- Size: 115 acres
- Office: 6.9M SF
- Retail: 1.4M SF
- Hotel: 2M SF
- Residential: 3,450 units

Employment:

- Georgia Tech’s High Performance Computing Center opened in 2019, seeking to advance computing technology to solve high-impact real-world problems
- Major research labs: Boeing, AT&T, Coca-Cola Innovation Centers
- Over 150 startups

Strong academic anchors can be a magnet for private companies.

- The vision for Tech Square was developed by Georgia Tech, which needed to expand its campus and desired stronger physical connections with Midtown Atlanta and the many organizations located there.
- Drawn by Georgia Tech’s pipeline of talent and research capabilities, many private companies, from start-ups to Fortune 500 firms, have located in or proximate to Tech Square. Corporate anchors include NCR, Anthem, Thyssenkrupp, and Keysight Technologies.

Established incubator environment makes Tech Square one of the most desirable locations to start a new tech venture.

- Tech Square is home to eight different incubators, accelerators, and collaborative institutions formed via partnerships between Georgia Tech and private companies.
- The Advanced Technology Development Center (ATDC) is one of the most successful business incubators in the country, responsible for the creation of over 190 companies to date.

Workforce development programs can complement formal academic offerings to provide job training for non-traditional students.

- The Atlanta Workforce Development Agency partnered with TechSquare Labs to create a 12-month “coding and cofounders school” targeted at those between the ages of 18-24 without a college education to teach coding and other workplace skills.



PLACE

Balance between residential and commercial space creates a 24/7 environment.

- Tech Square in Atlanta (and the surrounding Midtown Atlanta neighborhood) contains a heavy concentration of residential space, with 3,450 total residential units, creating a dynamic downtown environment.

Strong placemaking and programming of public spaces promote collaboration.

- Tech Square includes expansive public spaces, including the Fifth Street Bridge and Centergy Plaza, which contains retail and open space that allow workers to interact with one another and create a vibrancy on the ground level.
- Further, the Midtown Alliance, the BID covering Tech Square, plays an active role in programming public spaces in Tech Square, including commissioning public art and hosting events that promote connections between neighborhood workers, residents, and students.

Mix of office space in and proximate to Tech Square fosters a mix of businesses.

- While much of the space in Tech Square is newly constructed, the district abuts cheaper, Class B office space in Midtown, allowing many early-stage start-ups the opportunity to stay close and connected.

Investment in infrastructure improvements are vital for innovation district success.

- The Fifth Street Bridge connects Georgia Tech’s main campus on the west side of I-75/I-85 (the Downtown Connector) to Tech Square and the rest of Midtown to the east. This connection was vital to ensuring Tech Square’s full integration into the Georgia Tech ecosystem and was financed via both public and private sources.
- Copper and fiber-based infrastructure are installed throughout the development, ensuring that tenants have access to the best possible digital connections.



PROGRAM

Strong connections between corporate and academic institutions help to support a robust research and innovation environment.

- Georgia Tech has formal partnerships with AT&T, Boeing, Delta, Chick-fil-A, and Panasonic Automotive, among others.
- The organizations located in Tech Square host regular industry networking events, working groups, and social events that help to bring innovators together.

Creating a strong identity can help an innovation district attract outside recognition and investment.

- The “Tech Square” name was created to help distinguish the district and establish brand identity.
- Leveraging Georgia Tech’s engineering reputation and urban location, Tech Square is known world-wide as an urban “main street” focused on development and commercialization of advanced technologies.
- Such recognition can also help to attract investment from organizations wanting to locate in a neighborhood known for producing “cutting edge” technologies and ideas.

A strong BID can help to support all aspects of an innovation district.

- From 2000-2010, during the initial phases of Tech Square, the Midtown Alliance leveraged \$20M in investment to help create \$400M in public and private improvements in the public right of way.
- Currently, the Midtown Alliance is working on 40+ projects in various stages of planning and construction in the District.
- The Midtown Alliance plays an active role in programming public spaces in Tech Square, including commissioning public art and hosting events that promote connections between neighborhood workers, residents, and students.



SOUTH LAKE UNION

Amazon moved their headquarters to South Lake Union in 2010, catalyzing significant new development and job growth in the neighborhood. South Lake Union was initially envisioned as a biotech hub by Paul Allen's real estate company, Vulcan, a major landowner and developer of the neighborhood, which was previously a light industrial hub. After Amazon moved to South Lake Union, it was followed by Google, Facebook, and other high-profile tech tenants. These major employers were attracted to the already established innovation ecosystem with a deep talent pool and high quality of life.

Program:

- Size: 340 acres
- Office: 15M SF
- Retail: 800K SF
- Residential: 15,000 units
- Hotel: 1.4M SF

Employment:

- 50,000 jobs as of 2020 – an increase of more 50% since 2009, before Amazon moved to the neighborhood.
- Notable employers: Seattle Children's Hospital, Pacific Northwest National Lab, Google Cloud, Facebook, and IMDb.



PEOPLE

Amazon is an anchor employer that attracts significant additional employment.

- Since Amazon relocated its headquarters to South Lake Union in 2010, employment in the neighborhood has grown by over 50%.
- While much of this growth is from Amazon's own employees, other tech business, particularly those interested in partnering with Amazon or hiring Amazon employees, have co-located in South Lake Union, further driving the increase in employment.

Major property owners can work together to execute a unified vision.

- Vulcan and Amazon own a significant share of the property in the neighborhood and have worked together to coordinate and execute a shared vision for South Lake Union.

Lack of an academic anchor or BID hindered the success of South Lake Union as a true innovation district.

- The lack of academic anchor or BID that could advocate for and support economic development initiatives and networks likely led to the neighborhood losing many smaller tenants and a vibrant diversity of tech firms.



PLACE

Balance between residential and commercial space creates a 24/7 neighborhood.

- South Lake Union is roughly evenly split between residential and workspace, similar National Landing.

Robust cultural and public spaces, with some programming, create quality of life and a dynamic neighborhood.

- The neighborhood contains numerous museums, parks, galleries, and other cultural institutions.
- Creating, promoting, and programming public and cultural spaces can help to attract visitors from outside of the neighborhood's daytime/nighttime population.

Private investments can be leveraged to create major public infrastructure.

- The South Lake Union Line streetcar line was partially funded via financial support from Vulcan, the main property owner in the neighborhood, via local improvement district levy.
- Lake Union Park was financed mainly through private donations.

The neighborhood experienced significant new development that made the urban environment unrecognizable.

- Since Amazon's relocation in 2010, the neighborhood's commercial and residential development has more than doubled.
- While the development pipeline in National Landing is significant, the neighborhood benefits from a robust building stock, allowing the neighborhood a solid foundation from which to build instead of having to be created from scratch like in South Lake Union.

Loss of older, Class B office space is a threat to innovation environment.

- The loss of older Class B space to new development is causing South Lake Union to become the most expensive

office submarket in Seattle, pushing out tenants unable to afford expensive office rents.

- In South Lake Union, there was no BID or community-focused entity who could help to advocate for strategies to preserve affordable space – unlike National Landing.

Some have expressed concerns over commercial and housing displacement.

- Area residents have voiced concerns that development in South Lake Union has caused both commercial and residential rents and assessments to increase in South Lake Union and surrounding neighborhoods.
- The Central District, a historically Black neighborhood that has seen increased new development, loss of legacy businesses, and a decline in the region's Black population.



PROGRAM

Much of the startup and incubator community has left South Lake Union, resulting in lost opportunities for creating a dynamic, diverse innovation ecosystem.

- Over the past few years, major tech companies such as Google and Facebook have established significant presences in South Lake Union, driving up the cost of office space in the neighborhood.
- As the cost of office space has increased, many startups, coding academies, other workforce programs, and incubators have departed South Lake Union for other neighborhoods.
- Further, the lack of academic anchor in South Lake Union has meant that there is no major R&D driver in the neighborhood to attract tenants beyond Big Tech.

There is a lack of identity for South Lake Union outside of Amazon.

- South Lake Union has become synonymous with Amazon and other Tech giants, with other types of tenants hesitating to locate in the neighborhood.



PHOTO SOURCES

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