

APRIL 10, 2025

# COUNTDOWN TO THE SUMMIT

Community Conversation:  
Economic Development, Commercial Uses, and  
Investment



# AGENDA

- ▶ Introduction & Project Scope
- ▶ Current Economic Landscape
- ▶ Commercial Uses
- ▶ Investment Opportunities
- ▶ Discussion + Q&A
- ▶ Next Steps: Continue the Conversation

# OUTCOMES

- ▶ Establish a shared understanding of economic development generally, and within Alexandria
- ▶ Gain insights from different perspectives about economic and commercial development in Alexandria



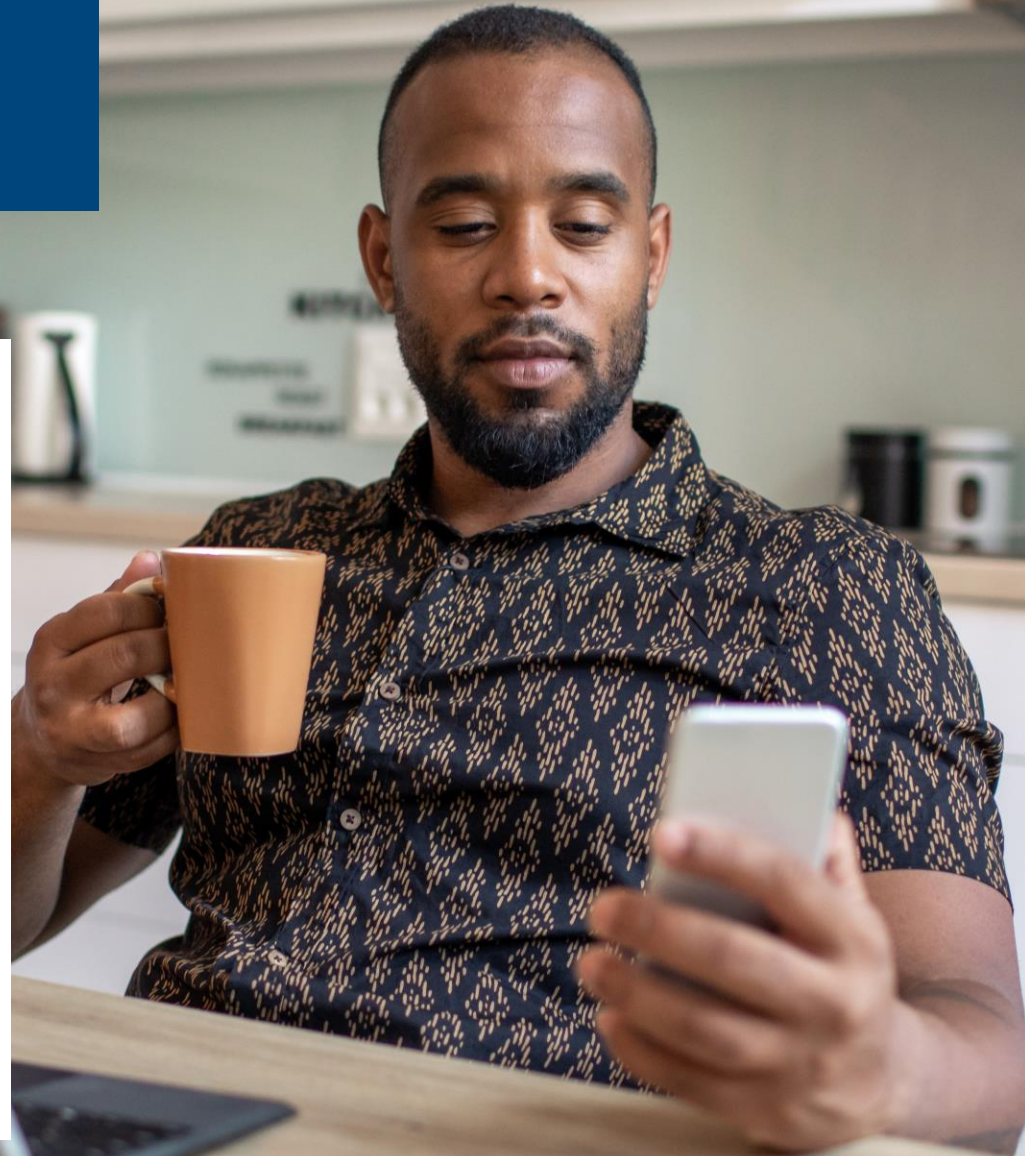
The background features abstract geometric shapes in various shades of blue. On the left, there is a large, light blue shape that resembles a stylized 'L' or a corner of a building. The rest of the background is a solid, darker blue.

# **INTRODUCTION & PROJECT SCOPE**



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**STRATEGIES**

# THEORY INTO PRACTICE

Committed to **holistic thinking** and  
**sustainable development.**

We design strategies that will  
support your community's  
**vision for the future.**

**1995**

YEAR FOUNDED

**600+**

ENGAGEMENTS

**425+**

CLIENTS

**44**

STATES

**7**

COUNTRIES

# WHAT INFORMS THE STRATEGIC FRAMEWORK?



## WHAT YOU TELL US

- ▶ Meetings with community residents and local leaders
- ▶ Roundtable discussions and community events
- ▶ Stakeholder interviews and surveys



## WHAT THE DATA TELL US

- ▶ Economic assessment
- ▶ Benchmarking vs. competitors & peer cities
- ▶ Industry and employment analysis



## WHAT OUR EXPERIENCE TELLS US

- ▶ Strategies & initiatives
- ▶ Best practices
- ▶ Trends in economic development



# **CURRENT ECONOMIC LANDSCAPE**

# Economic Development: An Overview



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While there is no single, standard definition of economic development, it can be broadly defined as **a group of programs or activities that seeks to improve the economic well-being and quality of life for a community.**

—International Economic Development Council

# THE INCREASING SCOPE OF ECONOMIC DEVELOPMENT



# WHY COMMUNITIES INVEST IN ECONOMIC DEVELOPMENT



*Fostering a range of business types that diversify the local tax base, keep our local economy strong, and celebrate our unique community fabric.*


# UNDERSTANDING THE ECONOMIC DEVELOPMENT LANDSCAPE

## KEY FUNCTIONS (WHAT)

- ▶ Strategic planning
- ▶ Business retention and expansion
- ▶ Business marketing and attraction
- ▶ Entrepreneurial and small business development
- ▶ Workforce development
- ▶ Real estate development and reuse
- ▶ Neighborhood revitalization
- ▶ Economic resilience

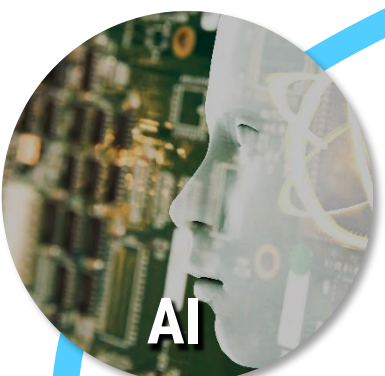
## PLAYERS AND STAKEHOLDERS (WHO)

- ▶ Public economic development agencies
  - ▶ Virginia Economic Development Partnership, Northern Virginia Economic Development Authority, City of Alexandria
- ▶ Public-private and nonprofit economic development organizations
  - ▶ Alexandria Economic Development Partnership, Visit Alexandria, Industrial Development Authority
- ▶ Local and regional business community
  - ▶ Business Associations, Chambers of Commerce
- ▶ Real estate development community
- ▶ Community members and groups
- ▶ Workforce development partners
  - ▶ Virginia Tech, Workforce Development Center, Regional Workforce Center, Northern Virginia Community College- NOVA



**Impact and influence are shaped by varying levers of control**



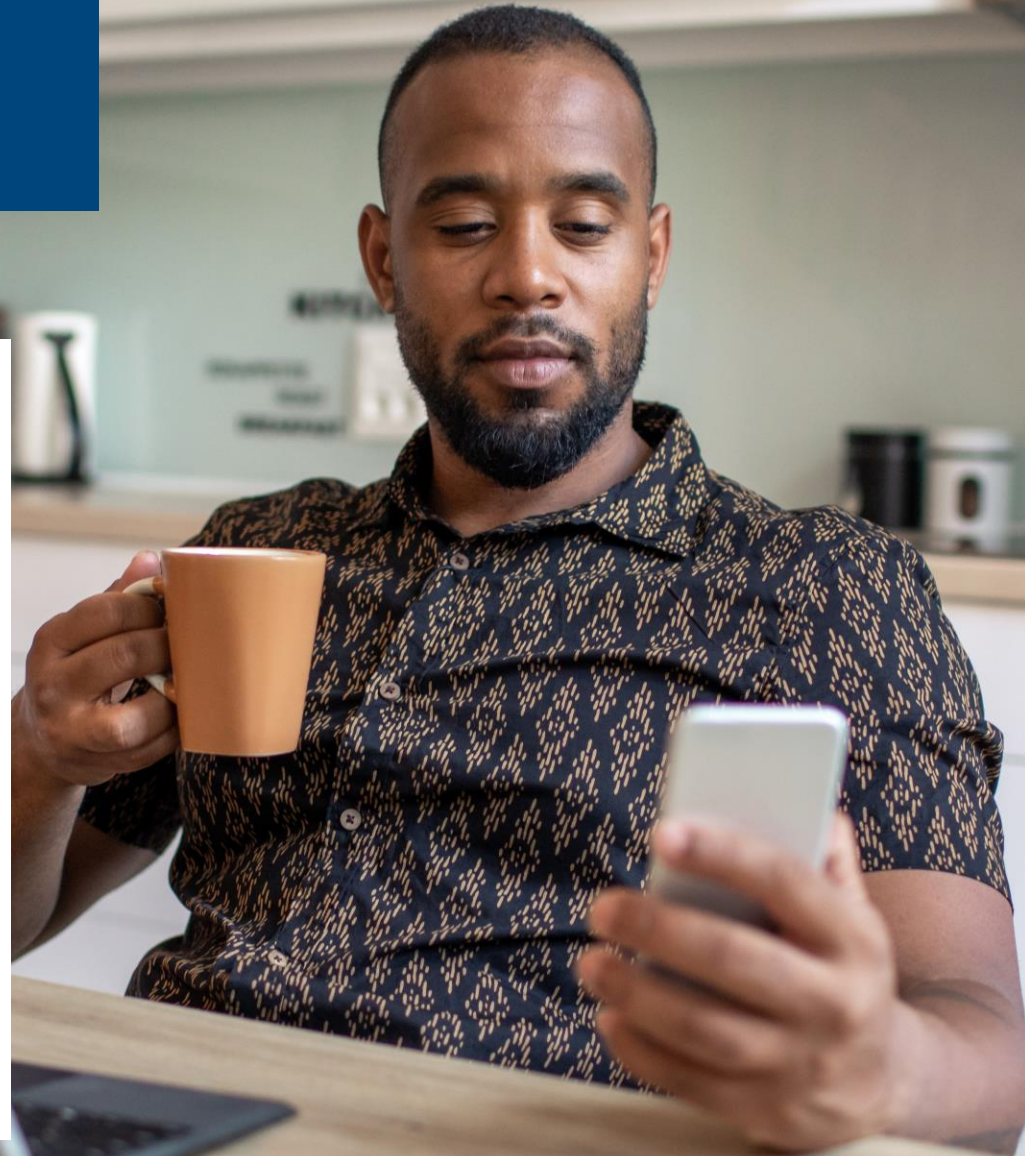


# Forces Shaping the Economy



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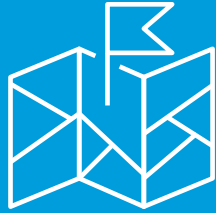


# WHAT SHAPES THE CONTEXT FOR LOCAL ECONOMIC DEVELOPMENT?



## ASSETS, STRENGTHS AND WEAKNESSES

Existing conditions such as access to developable land, move-in ready sites, a favorable business climate, and quality of life amenities uniquely position a community.



## POSITION, ROLE AND COMPETITION

A city's position in the regional economy and willingness to contribute to economic initiatives attracts investment and jobs.



## REAL ESTATE MARKET

Thriving real estate markets are characterized by low vacancy rates, high property prices, and strong interest from both developers and the business community.



## REGULATORY ENVIRONMENT

Municipal processes for business licensing, inspections, and permitting can be complex and time consuming. Efficient, streamlined, and transparent processes work best.



## FEDERAL PRIORITIES AND CONTEXT

Federal policies, funding programs, and regulations impact infrastructure, business growth, and workforce development at the local level.

# HOW DO COMPANIES DECIDE WHERE TO INVEST?

*Factors that influence decision-making*

## **Talent**

Does the workforce match the needed skills and education? Are there enough workers available?

## **Location**

Is the customer base nearby? What about suppliers? Is the transportation infrastructure adequate?

## **Real Estate**

Is there adequate real estate or land available? Is there room to expand? Will zoning changes be needed?

## **Quality of Place**

Will workers be happy and want to stay? Is there available, affordable housing?

## **Regulatory Climate**

How easy or difficult is it to do business? What is the tax climate? Are incentives available?

# AREA DEVELOPMENT'S TOP STATES FOR DOING BUSINESS 2024

*Key factors, overall rank category weights*





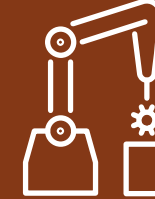
# COMMERCIAL USES

# REAL ESTATE: AN OVERVIEW



## RESIDENTIAL

- Single-family housing
- Multi-family housing: duplex, triplex, garden apartments, high-rise apartments, condos



## COMMERCIAL

### Commerce-focused

- Retail
- Restaurant
- Professional services
- Office
- Entertainment
- Hotel
- Travel and Convention Center

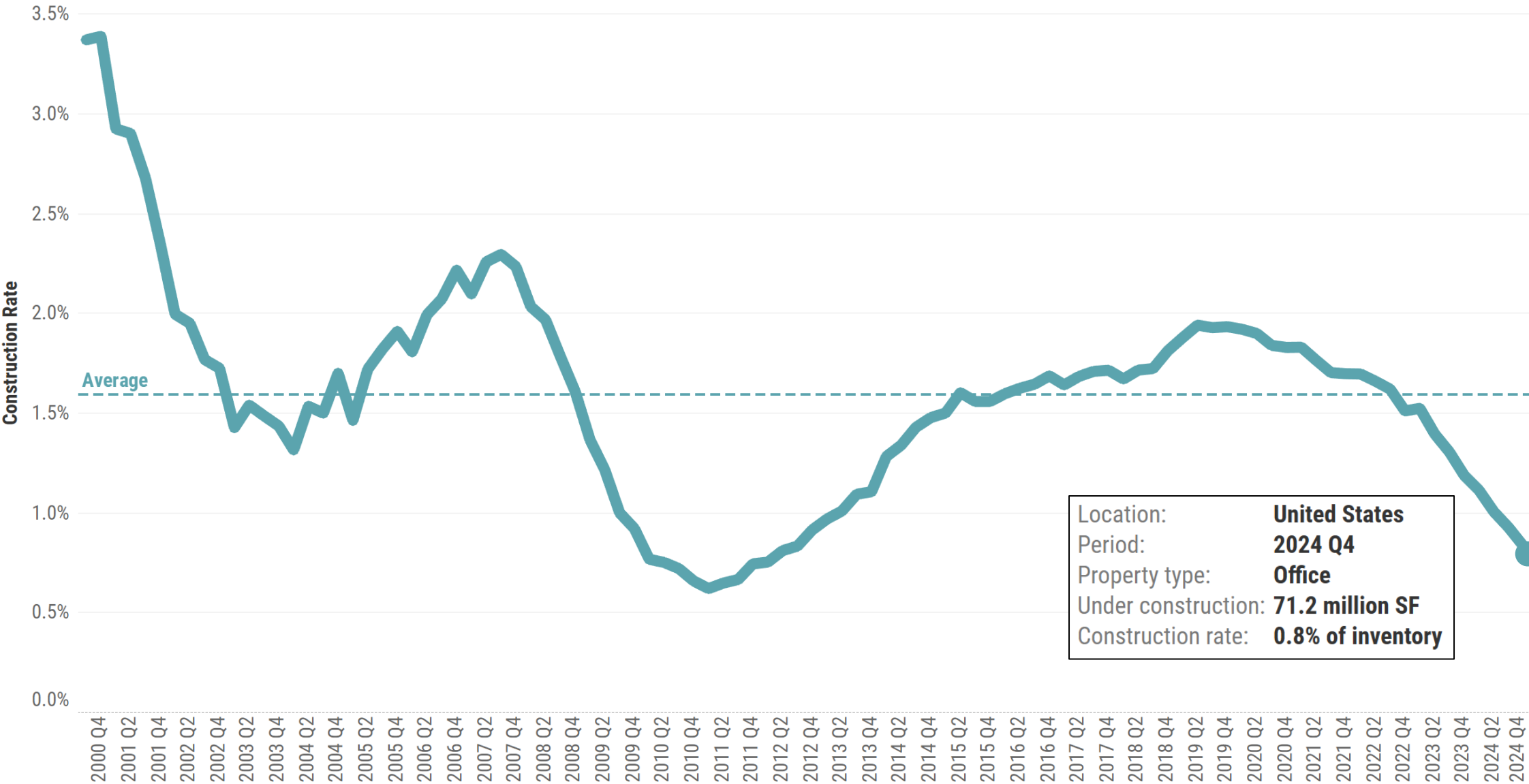
### Other Commercial Uses

- Mixed Use: Combined residential and commercial uses, commercial often on the ground floor, residential above
- Industrial: Warehouse, Factory, Manufacturing facility



# US COMMERCIAL OFFICE CONSTRUCTION RATE

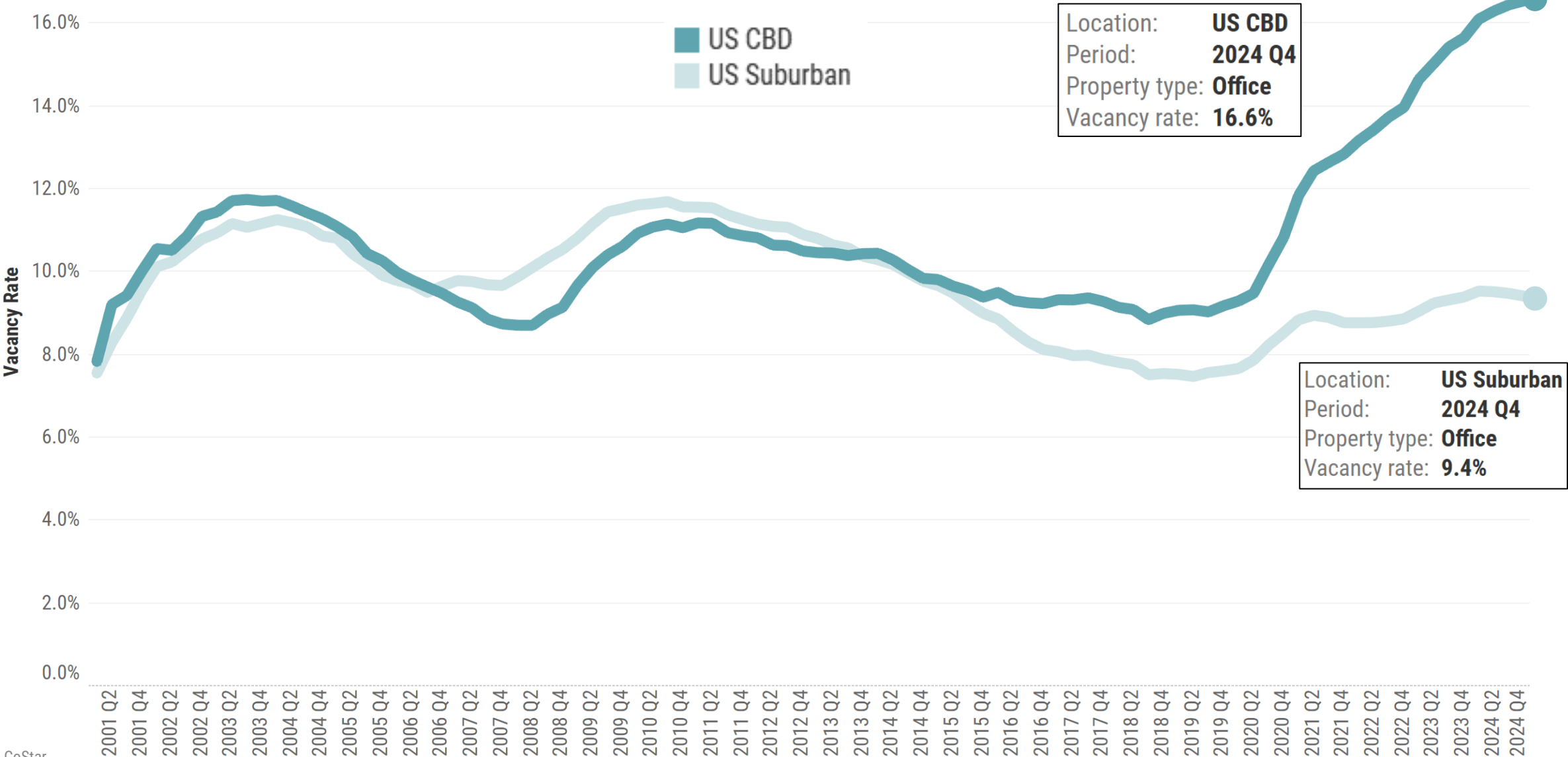
Office space underway as a percentage of existing inventory, 2001 Q2 through 2024 Q4



Source: CoStar  
Notes: Office construction rates are calculated based on square feet.

# US OFFICE CBD AND SUBURBAN VACANCY RATES

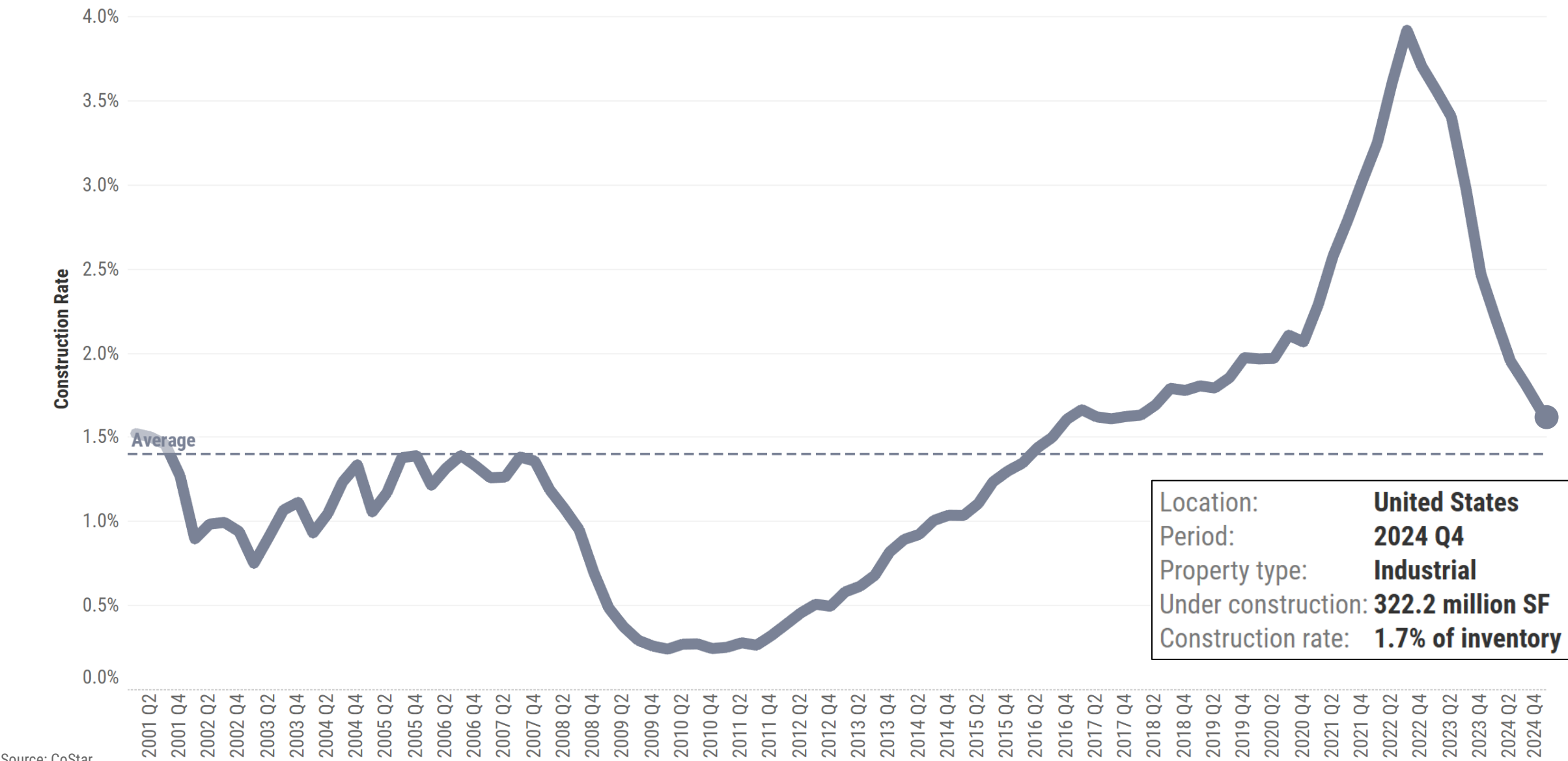
Office space unoccupied as a percentage of existing inventory, 2001 Q1 through 2024 Q4



Source: CoStar  
Notes: Office vacancy rates are calculated based on square feet.

# US INDUSTRIAL CONSTRUCTION RATE

Industrial space underway as a percentage of existing inventory, 2001 Q2 through 2024 Q4



Location:	United States
Period:	2024 Q4
Property type:	Industrial
Under construction:	322.2 million SF
Construction rate:	1.7% of inventory

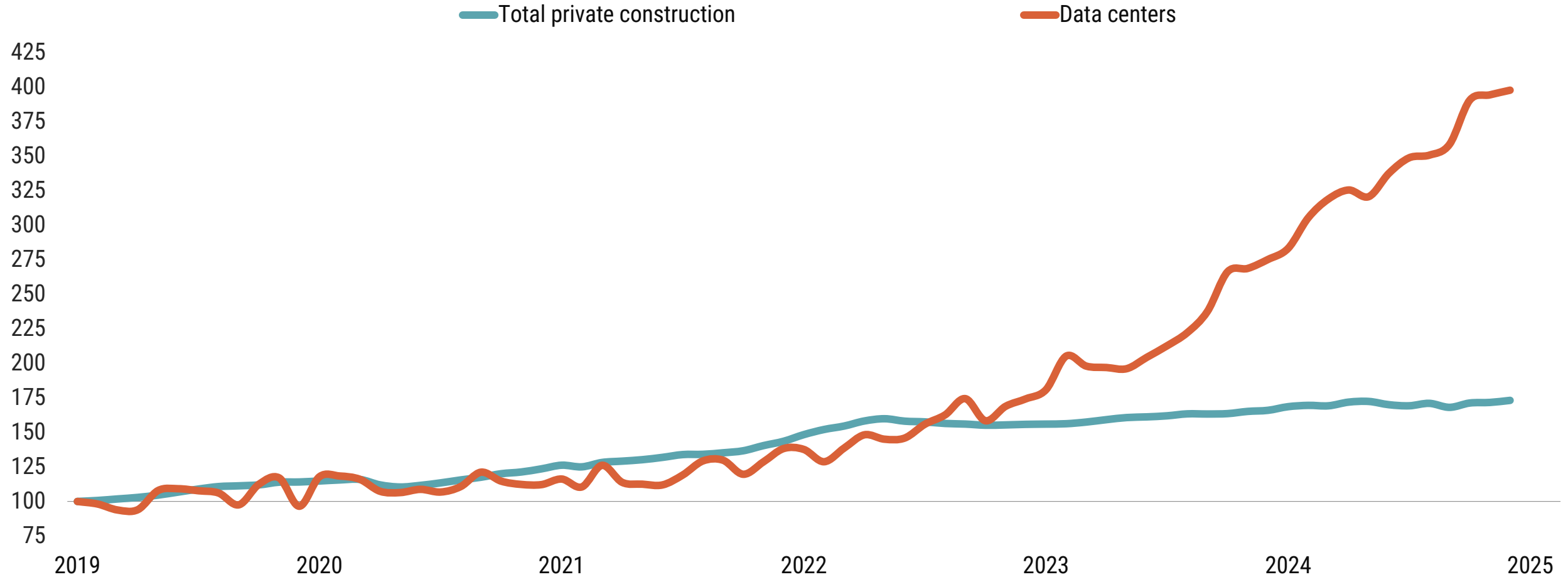
Source: CoStar  
Notes: Industrial construction rates are calculated based on square feet.

# INFORMATION OVERLOAD

*US construction of data centers has exploded since 2023.*

## PRIVATE-SECTOR CONSTRUCTION SPENDING

January 2019 indexed to 100



Source: US Census Bureau; TIP Strategies.

Notes: The chart is indexed to a base month and reflects the seasonally adjusted value of private construction put in place.

# THE RISE OF ENTERTAINMENT AND THE POWER OF PLACE

- ▶ Place, experience, and connection as a reaction to pandemic isolation
- ▶ Experience is increasingly important in traditional spaces:
  - ▶ Return to office mandates accompanied by increased on-site amenities
  - ▶ Retail as experience: encouraging consumers to shop in-person through interactive dining, on-site events and workshops, etc.
- ▶ Entertainment uses benefit from high foot traffic, existing tourism/destination appeal, and engagement with arts and culture. Examples include:
  - ▶ Theaters and performance venues
  - ▶ Immersive storytelling at restaurants and art exhibits
  - ▶ Museums
  - ▶ Bowling alleys and pickleball courts
  - ▶ Esports and sporting tournaments
  - ▶ Meetings and special events space
  - ▶ Wellness spas
- ▶ Entertainment and experiential uses can be new construction or the adaptive reuse of an existing structure





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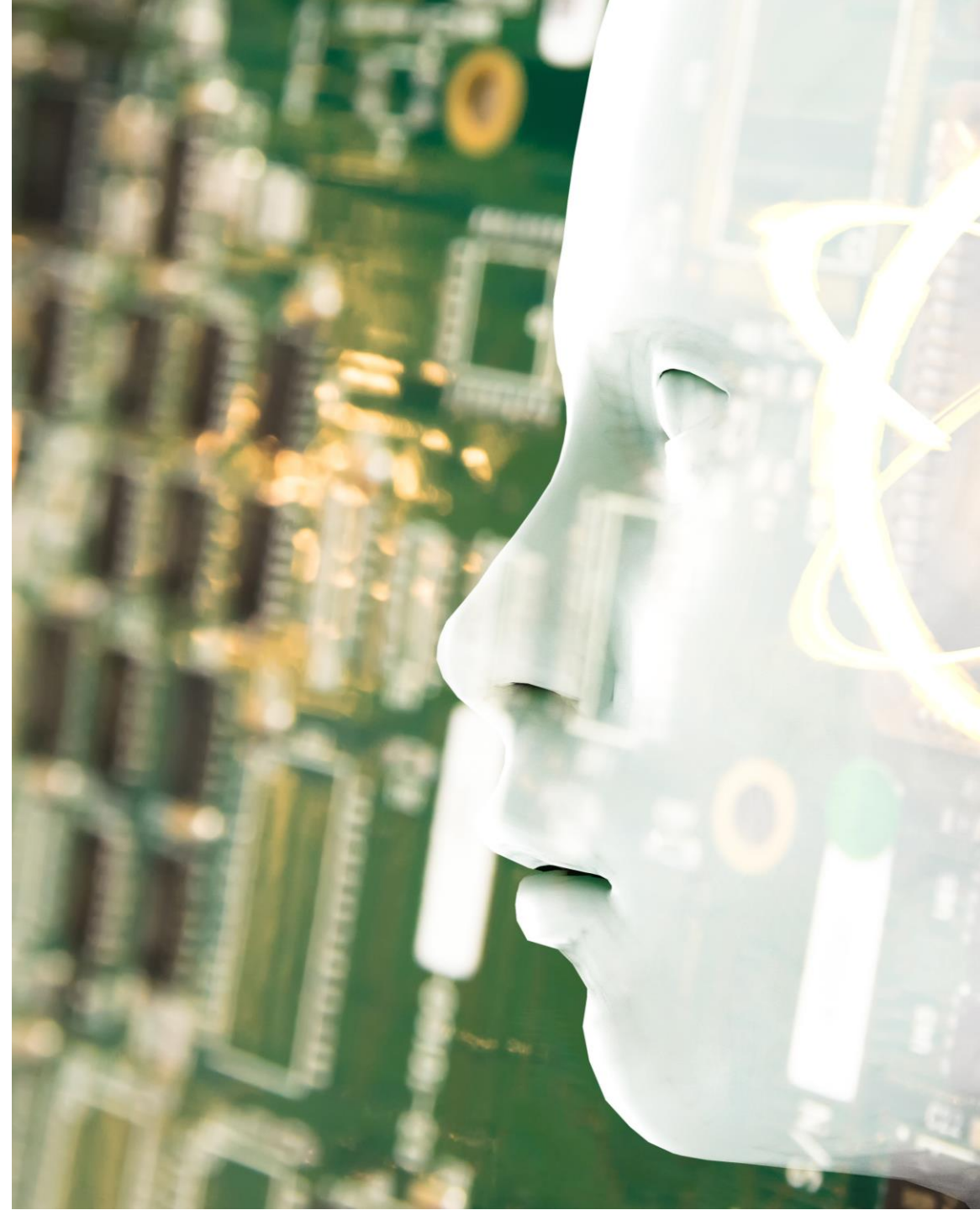


# INVESTMENT OPPORTUNITIES

# TARGET INDUSTRIES

## *Opportunities for Growth and Investment*

- ▶ **Emerging and Advanced Technology**
  - ▶ Competitively position for emerging trends in AI, quantum computing, and data analytics
- ▶ **Cybersecurity and Defense**
  - ▶ Leverage proximity to the Pentagon and federal agencies and local workforce skills
- ▶ **Entertainment and Tourism**
  - ▶ #1 place for cultural riches, historic architecture, dynamic arts scene, walkability
- ▶ **Corporate HQs and Professional Services**
  - ▶ Highly educated workforce, proximity to policymakers in DC
- ▶ **Nonprofits and Associations**
  - ▶ Ecosystem of talent, convenings, and social impact
- ▶ **Education**
  - ▶ Virginia Tech Innovation Campus, George Washington University Education Center, Northern Virginia Community College, and a strong regional network of colleges and universities
- ▶ **Healthcare**
  - ▶ Inova campus, strong regional network of providers and educational programs







# WHAT WE'VE HEARD SO FAR: KEY THEMES

1

## **Equitable Growth**

*Strategic investment for all of Alexandria*

2

## **Real Estate**

*Repurposing assets, creating experiences*

3

## **Business Retention and Attraction**

*Economic diversification*

4

## **Small Businesses Support**

*Access to resources*

5

## **Entrepreneurship and Commercialization**

*Locally-grown innovation, national impact*

6

## **Workforce**

*Reskilling and resilience*

7

## **Creative Placemaking**

*Placekeeping, arts, and culture*

8

## **Community Engagement**

*Community awareness and input*

9

## **Resource Alignment**

*Inter-organizational cooperation*



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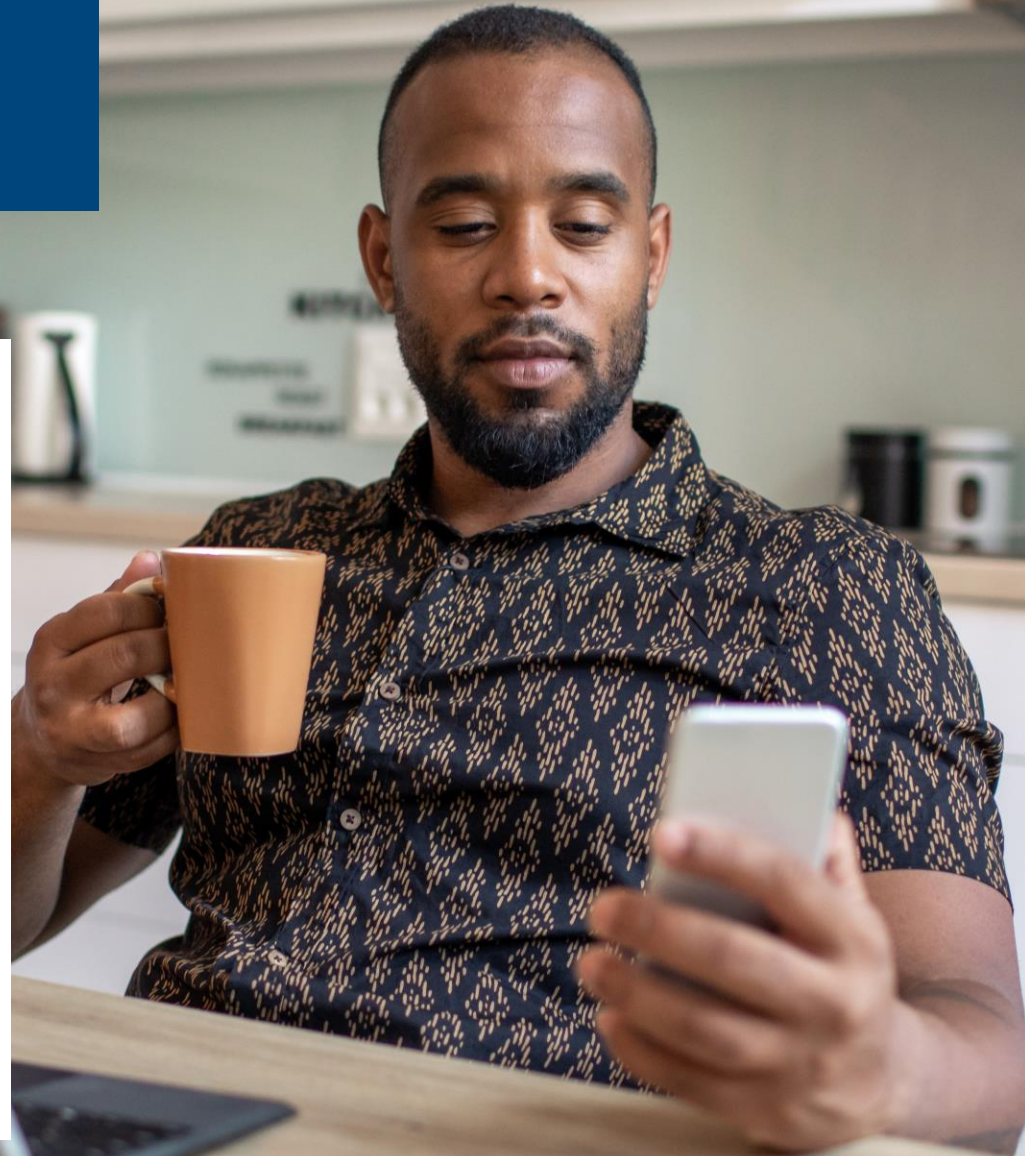
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**DISCUSSION**



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**Q&A SESSION**

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**NEXT STEPS**

# CONTINUE THE CONVERSATION

## **Pre-Summit Survey**

<https://survey.zohopublic.com/zs/mvkEre>



## **Economic Summit**

**May 8, 2025**

**3pm-7pm**

## **Westin Alexandria**

<https://www.alexandriava.gov/EconomicSummit>







# THANK YOU

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