

Accomplishments and Events Economic Development



Alexandria enjoyed a healthy economy over the past year. In response to the demand for new hotels, construction began on the Hilton Metroplace near the King Street Metro station.

Alexandria Economic Development Partnership Inc. (AEDP)

AEDP, a public/private partnership between the City and the business community, serves as the focal point for economic development and commercial real estate information. AEDP continued to build on its efforts to establish Alexandria as a headquarters for national trade and professional associations and as a location for technology firms — an important part of the Northern Virginia economy.

AEDP provides businesses and targeted industries with information regarding the availability of build-to-suit sites, office space and retail locations for sale or lease, and economic and demographic statistics. As a partnership, AEDP works closely with tenants, real estate brokers, City departments, the Greater Washington Initiative and the Virginia Economic Development Partnership to provide relocation, expansion and retention services to businesses.

Some of the services provided by AEDP include:

1. Organizing outreach activities between City officials and businesses;
2. Furnishing a listing of existing and proposed commercial real estate;
3. Assisting commercial real estate professionals by providing material and property tours to businesses locating or expanding in the City; and
4. Coordinating small business seminars on diverse topics such as exporting or doing business with City government.

Economic Indicators

In the last year, Alexandria's economy was strong. Unemployment and office vacancy rates reached record lows and retail sales were up.

1. Alexandria's unemployment rate fell to 2.5% in June 1999 — ahead of Virginia's unemployment rate of 3.2% and the U.S. unemployment rate of 4.5%. Alexandria's employment reached a high point of 87,424 workers.
2. The City's office vacancy rate was 4.4% for the first quarter 1999 — down 21.4% from the first quarter of 1998. For the first time in years the City's vacancy rate outpaced the Northern Virginia rate of 5.2%.
3. Fourth quarter 1998 retail sales were up 9.9%, as compared to the fourth quarter of 1997 — reflecting increased sales from new stores, including those at the Potomac Yard Retail Center.

Economic Summit III

More than 125 Alexandria City officials and community and business leaders met in June 1999 at a one-day economic summit to discuss and prioritize the City's top five economic development goals for the upcoming year:

1. Improve the quality of the educational system, both primary and secondary;
2. Improve transportation systems — local, regional, State and federal;
3. Encourage quality and balanced commercial development within existing zoning;
4. Encourage the redevelopment of older commercial areas and adaptive re-use; and
5. Attract and promote high-tech firms through the use of Technology Zones, infrastructure improvements and incentives.

Technology Achievement Week

The City of Alexandria, AEDP and the Alexandria Chamber of Commerce sponsored the annual Technology Achievement Week in March to increase the visibility of Alexandria's technology companies and the City of Alexandria as a location for innovative and exciting technology firms. Companies that use or apply technology in an innovative way were recognized during the week.

The winner of the 1999 Alexandria Technology Achievement Award was Animators at Law, Inc. This Alexandria company works with litigators to develop presentations that combine visual demonstrations with oral communication, enabling attorneys to describe and/or demonstrate complex information in the courtroom. Other finalists for the 1999 award were: the Alexandria YMCA, Commonwealth Scientific, Cyveillance and Dimensions International, Inc. The 2000 Technology Achievement Week will be held March 13-17.

Mayor's Local Business Outreach

During FY 1999, as part of the City's business outreach efforts, Mayor Donley and a member of City Council visited an Alexandria business each week to foster better relationships between the City and the business community, as well as to identify and address the needs or concerns of a company. This year 38 businesses were visited across the City.

Business Expansions/Attractions

Business expansions and/or relocations included: EDAW ISG, CORBETT Technologies, Inc., Delta Associates Inc., Federal Express, Jewell Industries, The Washington Network, the National Indian Education Foundation, the German American Business Association, the American Institute of Chemists, the National Association of Postmasters of the United States, Prime, Inc. and Jack Taylor Toyota.

A number of new businesses and organizations moved to Alexandria in the last year including: the National Center for Missing and Exploited Children, the Defense Group, Advanced Power Technologies, Hilton Hotels Corporation, the Children's Mercy Fund, Regents University, the American Therapeutic Recreation Association, RBC, Inc., Alexandria Suites Hotel, Capital Resource Funding, Christian and Timbers, Avalon Catering, Sugarhouse Ltd., MWL Associates, as well as the presidential campaigns of Steve Forbes and Senator John McCain.

Alexandria Small Business Development Center (SBDC)

In FY 1999, SBDC assisted more than 300 businesses. SBDC's clients increased sales more than \$4 million, created or preserved more than 60 jobs and had capital investments of more than \$1.4 million.

Potomac West Alliance

The Alliance is a coalition of citizens, businesses and community groups dedicated to the revitalization of historic Potomac West. The Alliance established seven task forces to focus on priorities identified by its 17-member board of directors. Several new businesses opened on Mount Vernon Avenue with the Alliance's help, including a video production house, a bookstore and antique stores.

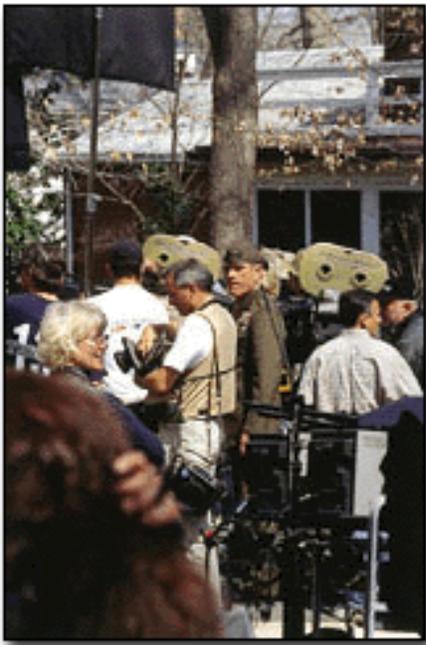
Eisenhower Partnership

In September 1998, the Eisenhower Partnership hosted its first Business Expo, showcasing services and products available from Eisenhower Avenue businesses. More than 50 exhibitors participated, and Virginia Attorney General Mark Earley was the keynote speaker.

Several commercial projects were completed in the Eisenhower Valley, including the Homestead Village Hotel and the Cousins Properties office building at Carlyle, which includes A.T. Kearney, Inc., and Smith Barney as tenants. Eisenhower Avenue area office vacancy rates are under 3%, and flex-space vacancy rates average 6%. The corridor includes nearly three million square feet of office space and more than 250 businesses employing more than 15,000 employees.

U.S. Patent and Trademark Office

In June 1999, the General Services Administration announced plans to relocate the headquarters of the U.S. Patent and Trademark Office (PTO) from Crystal City to the Carlyle site. LCOR Incorporated was the successful offerer. Their proposal includes the development of a five building complex containing approximately two million square feet of occupiable space. Also included in the design are two parking garages. The office complex is within walking distance of both the King Street and Eisenhower Metro stations, and the Virginia Railway Express Station. Icor estimates that the PTO will bring 7,100 jobs to the City and generate close to \$6.4 million in local tax revenue annually.



Scenes for the film, Rules of Engagement, starring Tommy Lee Jones, were shot in the City's Rosemont neighborhood in spring 1999.

Alexandria Convention and Visitors Association (ACVA)

In fall 1998, City Council approved an ambitious three-year marketing plan developed by ACVA and its members. Tourism spending has increased significantly in the City, and year-end figures for FY 1998 indicate that Alexandria's tourism industry revenue reached \$365.5 million, up 8% from the year before, providing \$7.7 million in tax revenue for the City. In the last year, ACVA launched its highly successful branding campaign for Alexandria's tourism industry. The Fun Side of the Potomac program includes ongoing advertising in regional, national and trade publications, direct marketing, public relations, and regional, national and international media coverage. Electronic marketing through the web page, www.FunSide.com, complemented traditional marketing efforts. Requests for information grew by 87% over the course of the year. In October 1998, Columbia Pictures based its production headquarters for the movie *Random Hearts* at Alexandria's Hoffman Center, and the movie included filming locations in Old Town. Northern Virginia, including Alexandria, benefitted by an estimated \$3.5 million spent on goods and services during the two-month local production of the film.

Potomac Yard Retail Center

The Potomac Yard Retail Center is almost fully occupied, and now contains a broad range of stores, restaurants and a 16-screen theater. Many of the businesses continue to break corporate sales records. New businesses that opened at Potomac Yard in the last year include: Hoyt's Cinema, HOPS Restaurant, Don Pablo's Restaurant, Hollywood Video, Men's Warehouse, Hair Cattery, Potomac Yard Cleaners, AT&T Wireless, Blinds to Go, International House of Pancakes (IHOP), Subway Sandwiches, Starbucks, Vitamin Super Store and Hallmark.

King Street Metro Station Area

The office building at 1767 King Street was completed, and new tenants moved in beginning winter 1998. The primary tenant in the 141,000 square-foot building is the law firm Burns Doane Swecker & Mathis (91,000 square feet). Other tenants include Cardinal Bank, Morgan Stanley Dean Witter, Risselli & Pressler, The Raven Group and Southtrust Bank. The remaining portions of the complex are still under construction, including The Hilton Metroplace and Fairfield Washington, D.C., at Old Town Alexandria.

Hotel Construction

Two new hotels were completed: the 130-room Homestead Village, located at Eisenhower Avenue and Bluestone Road, was completed in January 1999; the 104-room Extended Stay America Alexandria, located at 205 North Breckinridge Place, opened in January 1999. Plans also are underway for a new Hampton Inn Hotel at 1616 King Street.

Cameron Station Project

Housing construction continues on the former site of the Cameron Station Army Depot. Approvals have been granted for 1,604 units, with 15% already occupied. Long-range plans for Cameron Station include a total of 2,500 housing units, 30,000 square feet of retail space, two major City parks and an elementary school.



The B.F. Saul Company has begun construction at 625 and 675 North Washington Street. The twin buildings will total 225,000 square feet, including 45,000 square feet of retail space, with the balance of space designated for office use. Occupancy is expected by next summer.

New Office Construction

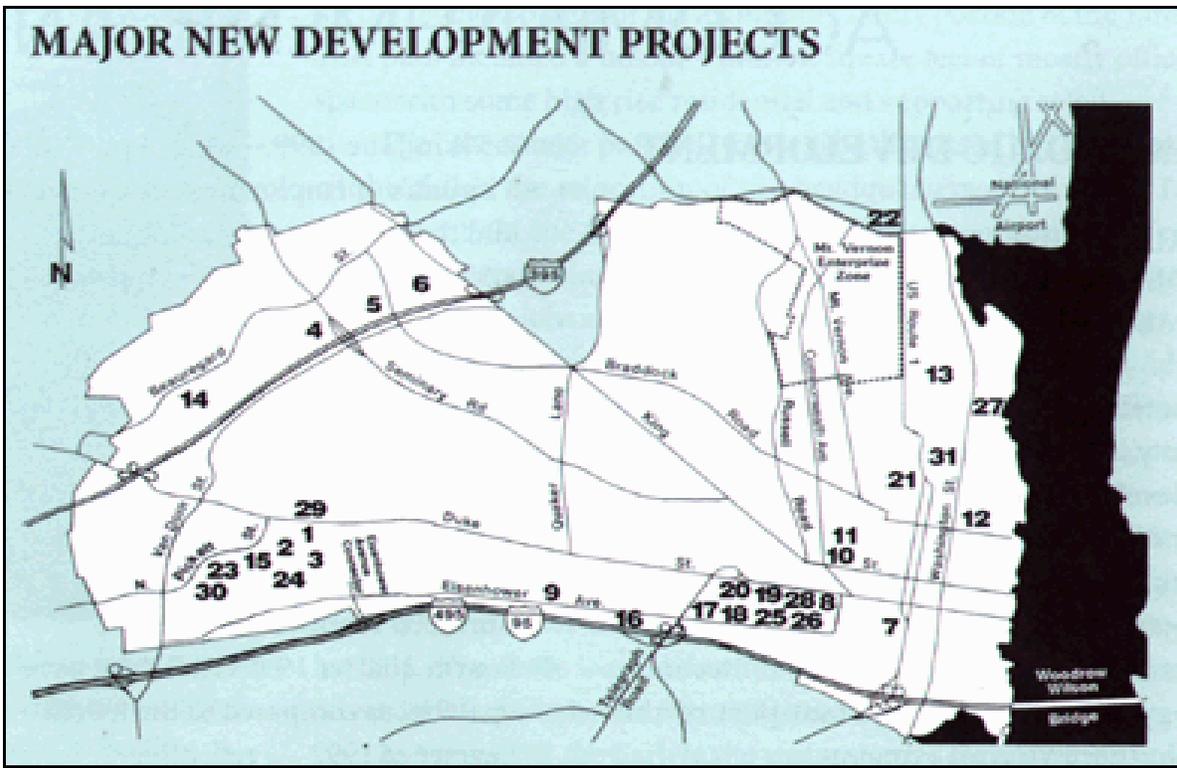
Construction of the six-story, 121,000 square-foot building at 1701 North Beauregard Street by the Mark Winkler Company was the first speculative office building developed in the City in several years and is an indicator of the strong commercial office space market within the City. The Mark Winkler Company also announced plans to construct an eight-story, 215,000 square-foot office building at Mark Center that will be completed in September 2000.

Bradlee Shopping Center

In July 1999, the Washington Real Estate Investment Trust completed its \$2.2 million renovation and reinvestment of the Bradlee Shopping Center. A major new tenant of the Center is Washington Sports Club, which occupies part of the former Murphy's store.

Major New Development Projects

MAJOR NEW DEVELOPMENT PROJECTS



Map Key	Project Name	Office (Sq.Ft.)	Hotel (Sq.Ft.)	Retail (Sq.Ft.)	Theaters (Seats)	Housing (Units)
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MAJOR PROJECTS UNDER CONSTRUCTION

1	Cameron Station I			15,000		341
2	Cameron Station II					541
3	Cameron Station III					317
4	Center for Naval Analysis	221,942				
5	Highpointe (Townhouses)					147
6	Park Center III (Apartments)					392
7	Old Town Village (Townhouses & Condos)					280
8	The Meridian (Apartments)					403
9	Townes at Cameron Park (Townhouses)					229
10	Metro Place II (Hotel)		272,735	2,450		
11	Metro Place III (Time-Share)		191,673	4,198		
12	Saul Center (Office-Rental)	194,000		48,000		
13	Old Town Greens (Townhouses & Condos)					273

SUBTOTAL	415,942	464,408	69,648		2,923
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APPROVED MAJOR SITE PLANS & PLANNED UNIT DEVELOPMENTS

14	Millbrook II (Apartments)				272
15	Cameron Station IV				214
16	ATC V & VI	247,300		2,700	
17	Hoffman Town Center			42,000	
18	Hoffman Theaters			5,765	
19	Stonebridge II	102,623			
20	Carlyle Phase III				174
21	Potomac Club Phase II				296
22	Lincoln at Alexandria (Apartments)				588

SUBTOTAL	349,923		44,700	5,765	1,544
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PROPOSED MAJOR NEW PROJECTS

23	Cameron Station V				191
24	Cameron Station VI, VII				906
25	Mill Race Phase I			20,000	743
26	Mill Race Phase II	200,000			170
27	Parkway Building	329,744		2,750	
28	U.S. Patent & Trademark Office	2,000,000			

SUBTOTAL	2,529,744		22,750		1,840
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TOTALS	3,295,609	464,408	137,098	5,765	6,307
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CIVIC BUILDINGS (SQ. FT)

29	Alexandria Central Library	53,930			
30	New Elementary School	80,084			
31	Fire Station 54 Addition	8,102			

TOTALS	142,116				
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Note: Smaller Projects are not included.