Potomac Yard Entertainment District and Economic Development: An Overview

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Executive Summary

This report offers an overview of how an urban-based sports and entertainment district can enhance local, regional, and state economic development beyond what is captured in an economic or fiscal impact study. Using case studies and review of the relevant professional literature, the following assesses the potential contributions of the Potomac Yard Entertainment District (PYED) to economic development in Alexandria, Northern Virginia, and the Commonwealth of Virginia.

PYED is a unique opportunity for Alexandria, Northern Virginia, and the Commonwealth with potential for multiple contributions to local and state economic development.

- A scale of investment that will promote for regional economic growth:
  - Provide ongoing construction and renovation jobs and business opportunities.
  - New jobs and revenues for taxing jurisdictions.
  - Advance the timeline for Potomac Yards redevelopment by several years.

- The placemaking that will be created by PYED will provide exception economic development marketing opportunities:
  - Show Alexandria as a home for 21st century transit focused, high amenity assets.
  - Provide experiential marketing for the city and region.
  - Be a focal point to talent attraction initiatives vital for the region's economic success.

- Contribute to Economic Opportunity and Standard of Living
  - Add thousands of workforce affordable housing units meeting regional worker needs.
  - Housing and job opportunities supporting economic opportunity and inclusion.
  - Support small and historically underutilized businesses that will boost the region’s entrepreneurial eco-system and promote overall economic development.
  - The overall project will boost quality of life through entertainment and accessible public spaces that cannot be achieved without substantial private investment.

- Catalyze and Synergize Economic Development Achievements.
  - The investments, activities, facilities, and programming at PYED will be synergistic with two of the most important economic development opportunities in Northern Virginia – the adjacent Virginia Tech technology campus, and Arlington’s Amazon HQ2.
  - We expect the synergies created by the placemaking driven economic development at PYED, the VT campus, and HQ2 to catalyze new economic development opportunities for Alexandria, Northern Virginia, and the Commonwealth of Virginia.
Introduction

One of the most common analyses addressing economic perspectives of public investments in infrastructure, facilities, and programs is an economic impact analysis. These analyses estimate the flow of money related to business transactions and labor household spending that is sparked by an initial round of spending, such as public spending for road construction or private spending to build an entertainment venue. A closely related type of analysis, called fiscal impact studies, are similar in purpose but focus specifically on the tax revenue generation related to the study facility or business. A net fiscal impact analysis compares the dollars spent by government on the infrastructure, facility, or program to the tax revenues that will be generated – effectively, does government get its money back or even a positive return on its investment. The analysis presented here takes a different approach that considers how public investments in a sports and entertainment complex can impact local, regional, and state economic development.

Economic development is more than, but inclusive of, economic growth. Where economic growth can be measured in added jobs and increased economic activity, economic development also includes improving standards of living for all area residents, improving community health and education, having an eco-system that encourages innovation and supports entrepreneurialism, achieving equity in economic opportunity, attracting private sector investments, catalyzing existing and future economic engines, building intra-regional cooperation across local jurisdictions, and creating a sense of place that enhances civic pride. No one project or development will tick all the boxes, but you want any proposed investment to address most of these elements.

This report offers an overview of how an urban-based sports and entertainment district (SED) can enhance local, regional, and state economic development beyond what is captured in an economic or fiscal impact study. Case studies of SED developments in other cities offer examples that can be used to identify best practices that improve the likelihood and magnitude of success for a given SED in directly contributing to regional economic development. Finally, consideration is given to the potential contributions of PYED to economic development in the city of Alexandria, Northern Virginia, and the Commonwealth of Virginia.

Contributions to Economic Growth

The economic impacts of sporting venues, including arena anchored entertainment districts, are diverse and are typically measured using economic input-output models to estimate the impacts of venue development and operations. Sports facilities, including arena anchored entertainment districts, can benefit a region’s economy through the direct creation of jobs during facility and related infrastructure construction. These temporary impacts boost local economic activity and are likely to be recurring as the venues undergo future repair and renovation. Operations at the venues create both permanent full time jobs and important temporary jobs during events and performances. Even services occupations like concessions vending (drinks and snacks served at the seat) provide an important secondary income that becomes highly valued by area residents. However, this traditional image of sports venues jobs being largely about ushers, popcorn hawkers, and security guards, while still important for venue operations and attendee experience, does not reflect the reality of modern sports and entertainment venues. Hosting a
major-league level sporting event or performing arts event is a sophisticated, technology driven enterprise employing a wide range of highly skilled and highly paid staff, not including the performing “talent.”

The host locality, and even region and state, gain economic benefits from spending by visitors who attend games or performances in the SED. Over the past few decades, there has been substantial growth in sports and entertainment tourism. Fans of sports teams travel to attend “away” games. Families now travel to distant cities for a Taylor Swift concert that turns event attendance into a multi-day mini vacation. Of course, the most successful touring fan base was Jimmy Buffet’s legion of Parrotheads. Many home team hockey fans can be appalled to find near full arena sections populated by visiting team fans. Of course, some of these are area residents who maintain a loyalty to their original home team, but hotels, restaurants, and other area entertainment venues see visitor spending gains associated with sports and entertainment tourism. The report by HR&A examines the economic and fiscal impacts of PYED.

Placemaking Through Sports and Entertainment Districts

In this section, we will define placemaking and how this strategic activity contributes to local, regional, and state economic development. At its core, placemaking is a set of design principles to activate a place, usually meaning within a fairly limited geography, which connects these places to people. The creation of places that transcend “the material dimension and involves aspects such as sociability, uses, activities, access, connections, comfort, image, to create bonds between people and a sense of space.” Effective placemaking not only makes an area attractive for commercial and leisure activities, it creates effective branding that can grow to have an identity as recognizable as the broader community. The scale may vary widely. Some easy examples, Dupont Circle, Times Square, the Riverwalk in San Antonio, Old Town Alexandria. Even infrequent visitors easily visualize the look and the vibe of being in Old Town. Some placemaking is meant to be very local --- a favorite neighborhood park or a revitalized town square in a rural-ish community where the connections with people are almost intimate. In other communities, placemaking is more about projecting and image or identity to non-locals, like the Las Vegas Strip, Atlantic City Boardwalk, or South Beach in Miami. These differences in scale of place often dictate the placemaking process.

Placemaking can either occur from bottom-up or top-down approaches. The bottom-up approach come from organic grassroots initiatives, which is most often seen in smaller population centers or neighborhood-scale placemaking. A top-down approach comes from planned placemaking at a scale requiring millions if not billions of dollars in investment for the built environment that creates the place.

As attributed to the Project for Public Spaces, the four key attributes for successful placemaking include:

1. Unique experiences,
2. Social activities that engage,
3. Locations that are convenient, easily accessed, and well connected,
4. Safe, secure, and comfortable.

Uniqueness does not imply that the experience must be unique in the world but should be unique appropriate to scale. This is important because it allows better planning and execution in placemaking by learning from the experiences of other communities. The activities are also scalable from a solo musician playing in the town square gazebo or bringing 100,000 college football fans to celebrate traditional sports
rivalries. While individuals will endure many transportation inconveniences for special events such as attending an international festival, the Olympics, most any NFL game, successful placemaking requires sites and transportation assets that ease accessibility so that the place can be a part of the fabric of daily life without requiring special transportation decision making.

It is important to consider the role that sports can play in place bonding; a concept introduced by sociologist Emile Durkheim in the late 19th century. Societies structure social bonds through many mechanisms including our attachment to places. In the 20th century, sports have proven to be powerful bonding mechanisms that can be place focused. Think of team/place based rivalries like Washington/Dallas/Philadelphia/New York and how even with migration flows among these economically powerful cities, the teams bond their fans to that team’s home area, regardless of current residence. Sporting events have also proven to be great cultural melting pots where attorneys, laborers, singles, and multi-generational families sit next to each other to cheer their team. This phenomenon is not solely found in big cities – think *Friday Night Lights* or high school basketball in Indiana. But for cities, scale matters and professional sports venues are increasingly forming the anchor for placemaking in 21st century cities.

Successful placemaking does not require the presence of multiple anchor structures, institutions, or activities, but most successful projects have a development catalyst that forms the core of an implementable vision. Having multiple anchors is a recognition that variety is the spice of life. Successful placemaking recognizes variety is the way to connect with more people, which is the point, at a scale appropriate for the community size. Thus, most modern placemaking strategies in populous areas combine features and activities through a mix of land uses and programming, which overlaps with what urban planners call *activity centers*. Not everyone is a sports fan, so dropping a building with a basketball court onto a plot of land is not sufficient to create a “place,” it is just the location of a structure where a specific thing happens, on occasion. Design the sports venue with enough flexibility to host other sports and non-sports events and you attract a different cohort of residents and visitors, making the place active.

Diversifying the entertainment options in the target space by adding dedicated structures for other activities, such as a performing arts venue, broadens the appeal of the place to different audiences and creates more activity. Having enough activity through entertainment events and programs attracts private investment in restaurants, pubs, and retail shops to offer goods and services to event attendees. Throw in housing for people that enjoy living in highly active spaces, including dedicated sports fans, and you come as close as possible in a market economy to guaranteeing that a vibrant community of businesses will be hiring workers, paying taxes, and leasing the space that creates a financial return for development investors. And then, just for good business, you add offices and other workspaces that connect our working life to cultural, entertainment, and hospitality amenities. This will spark some residents to choose to live, work, and play in the created community space.

If some of those fans of the other team insist on coming to “our” home games, provide “them” with a hotel so they can effectively pay the community more for the privilege of seeing their team play in our town. Finally, since you have a highly active, year round space with entertainment, restaurants, retail opportunities, and lodging, the community may as well include a modern convention/meeting space that solidifies market opportunities for local hospitality businesses.
The Economics of Sports Venues and Development-Driven Placemaking

Over the past thirty years or so, there has been a shift in thinking about the placement and purpose of sports venues. Plopping a football stadium, even a multibillion dollar NFL venue, onto a large suburban green space with a couple of hundred acres of surrounding land dedicated to parking can define a space but does not achieve placemaking. Even where the addition of new sports venues has successfully sparked a revitalization of a distressed, often downtown, area, the venue itself is a necessary but not sufficient condition to achieve durable placemaking.

One of the reasons for the shift to more placemaking approaches in the development of sports venues is the modern economics of such venues and the relevant role of publicly sourced financing for major sports venues. Some venues become synonymous with their teams, like Boston Garden for the Celtics and Bruins. Boston Garden opened in 1928 and hosted some of the most memorable sporting events of the 20th century, such as the Green Machine Celtics’ 16 NBA championships or Bobby Orr’s winning goal that clinched the Bruin’s Stanley Cup win in 1970. However, even in the most storied venues, historic and quaint become old, tired, uncomfortable, and unprofitable. Boston Garden’s replacement venue, now called the TD Garden, opened in 1995. [It should be noted that the Celtics almost relocated to another state because of difficult negotiations with state government officials.] The new arena increased seating capacity by about 30% and included amenities and technologies of that era. But in the modern era, fan expectations about experiences, think scoreboards to jumbotron, and audio systems better than all but the most modern dedicated concert venues, requires increasingly frequent upgrades to keep pace with technology and the expectations of fans and players. Where Boston Garden remained largely unchanged for more than 50 years, TD Garden has gone through four significant renovations to improve the playing and fan experience in less than 30 years. The stream of revenue required to keep a modern sports arena competitive with technology-driven fan experiences and team operating economics is among the most persistent challenges for team owners. Owners also contend with the need to keep pace with the structural and technology amenities demanded by players. In the free agent era, players will change teams to play in a better venue. At the same time, teams are expected to provide more frequent updates to facilities, government entities have been more discerning in supporting venue building.

In previous decades, government entities, acting on an understanding, if not recognizing the terminology, of the value of sports in place bonding and the expected economic spillovers of professional sports operations, funded all or a high proportion of the development cost of many venues. The expectation was that there would be a positive return on investment on public tax dollars. Several subsequent academic papers found instances of a net loss for the government, though valuing the inherent social amenity and place bonding connected to professional sports is rarely, if ever, included. We do not expect local parks, symphony halls, or art museums to create net positive fiscal returns to local or state governments, they are a subsidized amenity that improves the quality of life in a community. To be fair, with some notable exceptions, these other types of cultural amenities do not require hundreds of millions or billions of dollars to build and they are not owned by private actors. These differences explain, in part, recent trends in the funding of sports venues.

The shift in public funding for sports venues is notable with a reduction in the share of public dollars to pay for sports venues dropping from an average of 78.4% in the 1990’s to 46.2% in the 2010’s. As the share of taxpayer dollars decline, team owners must look to other revenue streams to support venue and
team operations. One of these options is to create ancillary property development that expands and diversifies team revenues. This becomes, through careful planning and the appropriate scale of land assemblage, a top down approach placemaking strategy. Thus, the longstanding goal of stadium and arena building as an economic development tool has shifted to an understanding that success requires broader strategies that equate with placemaking. The following section provides examples of these strategies that are meaningful in a review of the proposed sports and entertainment complex in the city of Alexandria.

Case Studies of Placemaking as Economic Development

As the concept of using arenas and stadiums as anchor institutions in entertainment districts has grown, so has the evidence on the results of such projects. Here we provide a selection of projects, including The Battery Atlanta in Cobb County, Georgia (anchored by Truist Park), Columbus Arena District (anchored by Nationwide Arena), L.A. Live (anchored by the Crypto.com Arena), and the Gateway District (anchored by Progressive Field and Rocket Mortgage Fieldhouse). In addition, District Detroit (anchored by Little Caesars Arena, Comerica Park, and Ford Field) is discussed as an anchored development district with mixed success.

The Battery Atlanta (Cobb County, Georgia) is an entertainment district anchored by Truist Park, home of the Atlanta Braves major league baseball team. Prior to redevelopment, the land was predominately vacant lying next to I-75 in Cobb County outside of Atlanta. At the outset of the plan, The Battery Atlanta was intended to be a mixed-use development anchored by the stadium that now hosts a mix of office, retail, and entertainment options. In 2022, over 10 million visitors visited The Battery Atlanta and Truist Park, which hosted 492 events. In terms of placemaking The Battery Atlanta sparked $1.055 billion in private investments through 2022, with another $700 million planned by 2025. Perhaps more revealing of the placemaking power of Truist park is that 1.75 million square feet of office was under construction or planned during the period from 2021 to 2023, despite the disruption of the pandemic. Overall, taxable property values increased from $5 million in 2014 to $736 million in 2022, generating $38 million for the county, state, and school district.

The Battery Atlanta

Source: "Pan to Truist Park" by twsivxe26 is licensed under CC BY-SA 2.0.; "The Battery, Atlanta" by David Jones is licensed under CC BY 2.0.

A second example is the Arena District in Columbus Ohio. The Arena District is anchored by Nationwide Arena, home of the National Hockey League Columbus Blue Jackets. While the Columbus, Ohio metro area has a far smaller population than the DC metro area, the Arena District stands out as exemplary of the quality of life that arena anchored districts can produce. The Arena District is the result of a public private partnership based on the belief that government and private sector actors are not adversarial but can work together to share the costs and financial benefits of an investment, what locals dub “The Columbus Way”. Interview from a wide variety of community members revealed that the redevelopment of a brownfield to the Nationwide Arena is credited as the singular catalyst for revitalizing that entire area of Columbus, which includes a convention center and connectivity to the Short North Arts District.

**Columbus Arena District**

L.A. Live (Los Angeles, California) is an entertainment complex adjacent to the Crypto.Com Arena in Los Angeles, California. The arena is home to both the Lakers and the Clippers in the National Basketball teams, the Kings National Hockey League team, and the WNBA Spark. The L.A. Live district is also adjacent to a variety of other venues including the Los Angeles Convention Center, the Peacock Theater, and the Grammy Museum with numerous restaurants, shops, and hotels. The first phase of L.A. Live opened in early 2007 and the final phase was delivered in 2009, a complex that represents $3 billion dollars in total investments. In recent years, L.A. Live and the Crypto.com Arena attract more than twenty million people per year and has been attributed as being critical to the revitalization of downtown Los Angeles.

Similarly, Gateway District in Cleveland, Ohio is a successful sports anchored district with the Rocket Mortgage Fieldhouse, home of the Cleveland Cavaliers (NBA), and Progressive Field, home of the Cleveland Guardians (MLB). The Gateway District opened in 1994 with the completion of both Progressive Field and the Rocket Mortgage Field house. In 1990, the Gateway District had no housing units, no hotels, and only six restaurants. By 2014, the Gateway District had 955 housing units, 1,000 hotel rooms, thirty-eight full service restaurants and an additional thirty-one casual eateries. Part of the success of the Gateway District is the explicit decision to limit parking around the sports venues to encourage visitors to move through the district before and after events.

Despite the success of many sports anchored entertainment districts, some have had mixed outcomes. The District Detroit sports-anchored development surrounded by three professional sports teams. Little Caesars Arena is home to the NBA Detroit Pistons, Comerica Park is home to the MLB Detroit Tigers, and Ford Field is home to the NFL Detroit Lions. Comerica Park opened in 2000, Ford Field in 2002, and Little
Caesars Arena in 2017. Despite having major sports venues in the neighborhood for almost two decades, most of the neighborhood remains underdeveloped surface parking lots. One major obstacle in the case of Detroit has been that it is battling to reinvent the image of the city.\textsuperscript{iii} Despite the limited success so far, the State of Michigan signed off on a $615 million incentive plan for the District that will induce $1.5 dollars of development at 10 sites.\textsuperscript{xiv} While District Detroit has yet to have as major of an impact as similar districts, recent developments could provide the additional push for District Detroit to realize the potential that others have. Still, it is important to recognize that sports-anchored entertainment districts can be placemaking, but placemaking by itself cannot guarantee regional economic recovery in long-stressed cities. The population of Detroit peaked in the 1950s, so the challenges are complex. Still, there are hopeful signs for the City of Detroit, and in this case, we can conclude that city placemaking through a sports and entertainment district stopped the decline and is helping the city to achieve a path to future growth. It is a marketing win for the city.

\textbf{District Detroit (Little Caesars Arena)}

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Source: Google Maps/Google Earth

\textbf{The Potential for PYED to Support Local, Regional, and State Economic Development}

In this section, we summarize the mechanisms through which PYED can promote economic development for Alexandria, surrounding communities, and the Commonwealth of Virginia. We will cover economic perspectives (economic growth), attracting business growth, community cohesion and inclusiveness, connections with innovation, and creating a sense of space that self-markets the city, region, and state to potential residents, businesses, and investors. These developmental impacts are presented descriptively here. Other reports have been or will shortly be released that provide quantitative estimates of anticipated economic and tax impacts.

\textbf{Economic Growth}

As noted in a previous section of this report, the proposed arena and entertainment district will produce a range of construction related jobs over the next several years creating hundreds of job opportunities that will realistically last for more than a decade as the project moves to full development. Interestingly, it is plausible that by the time the project is fully developed, there will be renovation construction business and job opportunities with the earliest building elements of the project creating persistent jobs and related fiscal impacts for the city, surrounding jurisdictions, and state.
The new businesses that will emerge to provide a range of services and goods to event attendees, new residents, and office tenants will grow total economic output in the city, provide a wide range of jobs, most paying solid middle income wages and better, and attract new spending to the area. It is important that the analyses being performed on the impacts of PYED explicitly recognize that the current business occupants of the space to be redeveloped currently contribute to local economic growth. In addition, the economic and fiscal impact analyses also consider the future impacts of what had already been planned for this area. Therefore, when assessing the economic growth potential, the important measure is the net change that the proposed project brings – more total economic activity, jobs, and tax revenue than exists today and what is currently planned.

Recapturing Economic Activity
One of the chief criticisms of many studies on sports and entertainment venues addresses the issue of who is attending the event. If a resident of a community decides to attend a basketball game instead of going to a movie, that spending at the game is considered to substitute for spending that would have occurred anyway, and therefore does not contribute to net economic growth. However, if that resident is attending a game or event in another jurisdiction, then the host locality is capturing spending that had been leaving and represents net new economic activity. As a local example, it is understood that a sizable portion of the attendance at Washington Commanders games are residents of Virginia, with quite a number coming from as far away as Norfolk for the games. If the local NFL team were to move to Virginia, that state would capture the economic activity and tax revenue that its residents currently give to another state.

Growing the Pie
While PYED will recapture Virginia resident spending and attract spending by residents of other jurisdictions, that is all based on the level of economic activity associated with the teams and their economic impacts today. A modern sports arena and related entertainment, residential, and business development is simply not achievable at the current venue in the District of Columbia. They are landlocked with no room to achieve the scale of activity proposed by PYED. Therefore, in many ways, the most important economic activity perspective that will contribute to local, regional, and state economic development is the marginal increase in the scale of the development.

Timing
As noted above, the property that will be re-developed into PYED is already included in a planning vision for the Potomac Yards development area. That plan includes a mix of residential and commercial uses, but the market and financial realities in 2024 and for the near future simply are not conducive to achieving the development goals envisioned by those plans. A key benefit of PYED is not just what it brings, but how it will be the spark for property development that would not likely get started for several more years, at least. The gains here, those not explicitly modeled in this overview, could be measured as a time-value-of-money calculation that shows the economic and tax values of PYED as producing benefits in the very near future. The total revenues received by the city, and the job benefits realized by local workers, will always be greater than what would be provided by existing plans simply because the investments in PYED will happen sooner rather than later.

Marketing
An aspect of placemaking within economic development that deserves separate attention is the use of arenas and stadiums as marketing tools. It has been argued that “… no avenue on the planet attracts a
more significant following of more diverse people than sports events. Thus, sports arenas are a marketer’s gold mine.” While such arguments certainly apply to marketing within arenas and stadiums, it is also the case that this applies to economic developers pitching their regions to potential companies looking to relocated to the area. The economic development authorities or improvement districts for all five examples discussed in the previous section of this report list their sporting venues when discussing quality of life.

Early in this paper, we noted that Old Town Alexandria has exceptional recognition as a unique place way beyond the region. However, to be fair, this is a reputation built on the past, though still relevant. The proposed PYED will have the star power to bring new, persistent attention to Alexandria, Northern Virginia, the Commonwealth, and frankly even the DC region. Even before it is built, city promoters will use the renderings of the proposed placemaking project to show that this region is at the forefront of modern urban design that brings residents, businesses, and visitors together is socially cohesive spaces that make a community a great place to be. Which leads to a marketing perspective that is not often recognized by residents and leaders, having something to market the locality in the competition to attract and retain a talented workforce.

The greatest shift in economic dynamics of the past 50 years has been in labor competition. Traditional companies, especially when manufacturing represented a much larger share of the U.S. job base, chose locations based on traditional market factors balanced between proximity to raw materials, transportation assets, and the markets for their goods. As jobs moved to service industries, the emphasis shifted to the advantages of a well-educated, well-trained workforce. (The DC metropolitan area has the highest average education achievement levels of any region in the nation.) However, in the 21st century the shift to talent focused elements in business location decisions means that companies move to talent, not the other way around. This phenomenon is affected by our region’s connection to the federal government and the contractors working for the feds. Still, an important part of competition for economic development is a battle for talent – and the DC region is losing that war.

Reports and analyses by CRA and its related center, the Stephen Fuller Institute, show that more workers are leaving this region than arriving. The placemaking that is represented by PYED will not stop domestic migration from the DC region in total, but it will provide a way to attract and retain more workers by having a desirable, high amenity, place to live, work, and play in Alexandria. Moreover, the private investment that will happen at PYED is important evidence to non-locals that the region is more than just a government town. This is important for Alexandria, Northern Virginia, and the region. Also, as the dominant region for economic activity and tax revenue generation for the Commonwealth of Virginia, boosting Alexandria/Northern Virginia’s economy is a win for the entire state.

Finally, the attendees at conferences and meetings held at the proposed conference center, and visitors lodging at the related hotel, will be in living marketing experiences as they get to see firsthand the vibrancy, excitement, and pride-of-place that PYED can bring to the city. It is traditionally recognized by high quality localities is the best marketing approach is to go visitors as reason to come to town to experience for themselves the ambiance and economic opportunity of a community. This works for business leaders who make corporate site location decisions and talented workers.
Economic Opportunity and Standard of Living

A review of local demographics of residents and workers benefiting from PYED shows this project can contribute to housing equity and equity in economic opportunity while promoting the standard of living for local and regional residents. Alexandria is a mixed racial and ethnic community. Bringing new residential options that are affordable to middle income workers in Alexandria will contribute to the city’s overall goals of local housing options for working families in occupations that exhibit diversity. The majority of housing units to be built in PYED will be affordable for households with jobs that have strong minority representation.

Though specific goals have not been announced, many of the construction and operational contracts needed to support the development and on-going business activities in PYED will be performed by small and historically underutilized businesses. This intentional programming to support equal and inclusive business opportunities will promote the regional entrepreneurial eco-system that can have lasting impacts on local and regional economic development.

The combination of entertainment options that will be available, with high amenities surrounding public spaces, is not something that is affordable for a city the size of Alexandria without substantial private investment. The park/entertainment features of this space will make it one of the most attractive and economically vibrant areas of the city. With multi-modal transportation accessibility, these amenities, especially those that will be freely available, will create an equal access amenity for all Alexandria residents, as well as those in nearby jurisdictions – provide a boost to local and regional standard of living.

Catalyzing Economic Development Success

PYED’s location has some distinct advantages that will create new economic synergies that will be shared with nearby jurisdictions, but particularly with Arlington. While Alexandria and Arlington have had struggles related to economic and workforce related changes that accelerated during the COVID-19 pandemic. Even so, two of the biggest regional economic development wins of the past decade was Amazon choosing Arlington for HQ2 and the related development of a $1billion Virginia Tech technology campus in Alexandria. To be clear, Arlington and Alexandria set a modern standard in regional economic development cooperation in their successful bid to attract HQ2.

PYED will have the opportunity to create multiple synergies with the Virginia Tech campus. Residential units in PYED can serve as graduate student housing, residential opportunities for faculty and staff, and for the employees of businesses that will be integrated into the campus activities. Office buildings will provide workspace for businesses engaged with campus researchers. In addition, we believe that the sports and entertainment amenities of PYED will help Virginia Tech attract students and faculty. In this way, PYED will boost the city’s and region’s innovation eco-system. We also expect that Monument sports will be innovators and early adopters of entertainment technologies contributing directly to that eco-system.

Similarly, the residential options and entertainment amenities at PYED will help Amazon attract workers and will provide business space for its vendors and partners. This may help speed the growth of HQ2 that will contribute to the expected impacts and benefits of the National Landing business district.

Conclusions

PYED is a unique opportunity for Alexandria, Northern Virginia, and the Commonwealth of Virginia. It represents the potential for multiple contributions to local and state economic development.

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2 See the CRA report that examines the housing market impacts of PYED.
• A scale of investment that will promote for regional economic growth:
  o Provide ongoing construction and renovation jobs and business opportunities.
  o Net growth in on-going economic activity creating new jobs and revenues for taxing jurisdictions.
  o Advance the timeline for redevelopment of Potomac Yards by several years.
• The placemaking that will be created by PYED will provide exceptional economic development marketing opportunities:
  o Demonstrate that Alexandria and Virginia are home to modern, transit focused, high amenity areas that are key to urban development in the 21st century.
  o Provide experiential marketing of Alexandria and region to visitors of sporting events, performing arts events, and leisure and business tourism.
  o Be a focal point to talent attraction initiatives vital for the region’s economic success.
• Contribute to Economic Opportunity and Standard of Living
  o The housing created by PYED will add thousands of workforce affordable units providing critical housing needs for regional workers.
  o The jobs that can support households living in the proposed residential units and the overall demographics of Alexandria’s population suggest that the project will contribute to overall housing goals and provide economic opportunities that is equitable and inclusive.
  o Though specific goals have not been determined, business opportunities for contractors during construction and operational phases of PYED will support small and historically underutilized business boosting the region’s entrepreneurial eco-system and promote overall economic development.
  o The overall project will provide entertainment opportunities and accessible public spaces that cannot be achieved without substantial private investment. The residents of Alexandria and its nearby neighbors will see this as a tremendous asset that improves the local quality of life.
• Catalyze and Synergize Economic Development Achievements.
  o The investments, activities, facilities, and programming at PYED will be synergistic with two of the most important economic development opportunities in Northern Virginia – the adjacent Virginia Tech technology campus, and Arlington’s Amazon HQ2.
  o We expect the synergies created by the placemaking driven economic development at PYED, the VT campus, and HQ2 to catalyze new economic development opportunities for Alexandria, Northern Virginia, and the Commonwealth of Virginia.
Endnotes

i Susanna Moreira (May 27, 2021) as translated by Tarsila Duduch. What is placemaking? Available at: https://www.archdaily.com/961333/what-is-placemaking


iii Elyazgi, H. (not dated). What is placemaking and why is it important? Saxum. Available at https://saxum.com/ideas


xii Ibid.

