



March 8, 2019

Arlington County Board
2100 Clarendon Boulevard
Suite 300
Arlington, VA 22201

Dear Chair Dorsey,

The Arlington Chamber of Commerce encourages the County Board to approve the proposed performance agreement for the Amazon headquarters. Approving the performance agreement is a powerful statement that Arlington is open for business. Welcoming Amazon to Arlington will create opportunities for residents and businesses. The community as a whole will benefit from the jobs, economic activity, and innovation that Amazon will bring to Arlington. The performance incentives are reasonable and well-designed. Overall, the proposed performance agreement is a good deal for Arlington.

The proposed performance agreement is a responsible investment in Arlington's future. The overwhelming majority, 95%, of the Arlington incentive package comprises investments in housing, transportation, and infrastructure as part of the Capital Improvement Plan. The direct financial incentives to Amazon, the remaining 5%, will be paid post-performance and will be tied to Amazon's office occupancy. The funding for these direct incentives will come from a fraction of the growth in the Transient Occupancy Tax. As the funding is entirely from new revenues, no money will be diverted from other priorities, while Amazon's presence will benefit Arlington in a multitude of other ways.

Amazon's commitment to Arlington will provide us with balance; adding business diversity will strengthen our local economy. The job losses from BRAC and sequestration, and the uncertainty of the recent shutdown have shown that we cannot rely on the Federal Government alone for our prosperity. Gradually bringing 25,000-37,850 private-sector jobs will substantially replace the 24,000 jobs lost in the Crystal City area over the past two decades. Amazon will help Arlington reduce its office vacancy rate, adding 4,000,000-8,000,000 occupied square feet to Arlington's commercial real estate tax base.

Building out Amazon's headquarters will benefit Arlington's overall economy. It is expected that Amazon's presence will attract other companies wishing to locate near its headquarters and retail tenants eager to serve its workforce. The jobs and economic activity that these businesses add to Arlington will be a result of Amazon's presence. Arlington's hospitality sector stands to be a particular beneficiary through the anticipated expansion of business travel. The connection between the direct incentive to Amazon and the growth in Transient Occupancy Tax ensures that Amazon will receive these payments only if our hoteliers grow their businesses too.

Amazon's presence will solidify Arlington further as an innovation hub and as a location where people can find professional success. Having Amazon as an anchor will help Arlington and Northern Virginia keep the talent we develop in our schools and will attract innovative talent to our region. A highly-skilled and engaged talent pool benefits all businesses. An innovative workforce will stimulate entrepreneurship, creating new partners and opportunities for existing businesses.

The Amazon headquarters announcement has focused Arlington on the transportation, housing, and school funding challenges that predate Amazon and which Arlington's high office vacancy has magnified. Approving

this agreement will help secure Arlington's fiscal health and provide tax revenues to enable the community to address these challenges. A new, consistent, and growing stream of revenue will support the services that Arlingtonians value and have come to expect, without adding a burden on residential taxpayers.

Amazon's arrival will also accelerate the realization of Arlington's extensive planning efforts for the Crystal City area. The transportation infrastructure improvements and new amenities outlined in the Crystal City Sector Plan are directly linked to the redevelopment of the area. The Commonwealth has committed funding for many critical transportation projects, greatly accelerating their implementation. The community as a whole will benefit from the completion of these long-sought projects.

Complementing these public-sector benefits, Amazon is engaging as part of the Arlington community, joining the Chamber and meeting with businesses and nonprofits with a focus on building long-term relationships. Amazon's Director of Community Engagement met with more than 50 leaders from Arlington nonprofits at a Chamber-hosted gathering in February, and senior Amazon team members have attended community events since the start of the year. Amazon's culture values participation and making direct change; we look forward to the prospect of thousands of innovative people engaging in our community.

This is an historic moment for Arlington. The establishment of Amazon's headquarters offers Arlington a unique occasion to strengthen our economy, to create opportunities for residents, and to improve the County's fiscal position. We commend Arlington Economic Development Director Victor Hoskins, Business Investment Group Director Christina Winn, and their entire team for their work on this agreement to bring Amazon to Arlington, its new home.

Thank you for your consideration of these comments. We look forward to working together as a community to seize the opportunities that welcoming Amazon affords to all of Arlington; we urge the County Board to approve the performance agreement for the Amazon headquarters.

Sincerely,

A handwritten signature in black ink that reads "Kate Bates". The signature is written in a cursive, flowing style.

Kate Bates
President & CEO

CC: Arlington County Board Members Libby Garvey, Katie Cristol, Matt de Ferranti, and Erik Gutshall; County Manager Mark Schwartz; Arlington Economic Development Director Victor Hoskins and Business Investment Group Director Christina Winn