

Economic and Fiscal Impact Evaluation

100 Potomac Avenue, SE
Planned Unit Development
Washington, DC

Prepared for

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Prepared by



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September 19, 2007

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September 19, 2007

David W. Briggs, Esq.
Holland & Knight, LLP
2099 Pennsylvania Avenue, NW
Washington, DC 20006

Re: Supplemental Economic and Fiscal Impact Evaluation – 100 Potomac Avenue, SE Property

Dear Mr. Briggs:


Pursuant to your request, we hereby submit this supplemental report (with supporting documentation) of an Economic and Fiscal Impact Study for the modified development program for 100 Potomac Avenue, a planned unit development (PUD) located in Southeast Washington, DC.

The subject site is a proposed mixed-use development located in SE Washington, DC on the Anacostia River and adjacent to the Washington Nationals Baseball Stadium. The PUD site has a total land area of approximately 253,000 square feet. The revised project comprises approximately 1.1 million gross square feet of development that will include approximately 464,900 gross square feet of office, approximately 248 residential apartment units (approximately 323,400 gross square feet), a 240-room hotel (approximately 246,000 gross square feet) and approximately 80,000 gross square feet of neighborhood supporting retail. The project will also include approximately 1,010 parking spaces and incorporates three large public-use open spaces with sculptures, water features, framed views, and other elements that create additional linkages between the project, the Anacostia Riverfront, and the Stadium District.

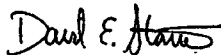
Based on the available data, our analysis and experience with conducting economic and fiscal impact analyses in the District of Columbia, the Florida Rock project, upon project build-out, will provide approximately 248 new residential units and create 2,839 new jobs on-site that will generate more than \$27.3 million (current 2007 dollars) in annual tax revenue to the District of Columbia.

We hereby disclose that we have no undisclosed interest in the site, and our employment and compensation are not contingent upon our findings and conclusions. The study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

Respectfully submitted,



James L. Prost, AICP
Principal



David Starnes, AICP
Vice President



Gregory A. Jones
Project Consultant

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Section 1 Introduction

1.1 Study Purpose

It is our understanding that Florida Rock Properties Inc. seeks an *Economic and Fiscal Impact Evaluation* for the Florida Rock Planned Unit Development project. This analysis represents an update to three earlier Economic and Fiscal Impact Evaluation (dated June 11, 2004, November 17, 2005, and August 12, 2006) and reflects the project's modified development program. This analysis is also updated to include the most current economic and fiscal impact rates, variables, and factors available.

1.2 Work Completed

To address the purpose of this study, BBP Associates conducted an *Economic and Fiscal Impact Evaluation* of this proposed development.

As part of this study, BBP Associates completed the following:

- *Economic and Fiscal Impact Analysis* – Using its in-house economic and fiscal impact model, quantified the economic benefits (number of residents, number of jobs, payroll, consumer expenditures) and related fiscal benefits (income tax of residents and employees living within the District, real property tax, personal property tax, retail sales tax, permit fees, motor vehicle excise taxes, utility taxes) to the District of Columbia for the project during the construction period and during annual operations at full build out for the development. Utilized the Bureau of Economic Analysis' RIMS II model to estimate indirect, or induced, impacts (e.g. income and sales tax benefits) to the District as a result of the new investment in the area.
- *Qualitative Commentary* – Provided commentary and quantitative evaluation of other economic benefits to the District including public benefits, as well as, financial benefits. This included but was not necessarily limited to: community revitalization and neighborhood enhancement, District housing goals, multiplier and economic impact to District from additional jobs and residents, attraction of new residents to the District, spin-off retail sales; and the perceived economic, market, and development impacts.
- *Draft and Final Report* – Prepared a Draft and Final Report summarizing our findings and conclusions and included all relevant impact tables.

1.3 Report Organization

This report is organized into three sections plus an appendix. The first section is the Introduction and outlines the study purpose and work completed for this evaluation. Section 2 provides a summary of the economic and fiscal impact of the proposed project. The third section provides a qualitative summary of the other public and economic benefits of the mixed-use development to the District. The appendix includes a summary of the methodology used to complete the economic and fiscal impact evaluation, a detailed evaluation of the tables used to determine the economic and fiscal impacts and detailed tables calculating the economic and fiscal impact of the proposed development.

Section 2 Economic and Fiscal Impact Evaluation

2.1 Development Program

The proposed Florida Rock PUD project is located in Southeast Washington, DC at 100 Potomac Avenue, SE (Lots 800, 801 and 802 in Square 707, Lot 809 in Square 708, Lots 807 and 808 in Square 708E and Lot 806 in Square 708S). The site is bounded by Potomac Avenue, SE to the north, First Street, SE to the east, the Anacostia River to the south, and generally the Frederick Douglass Bridge access ramp to the south and west.

The PUD site has a total land area of approximately 253,000 square feet. The revised project comprises approximately 1.1 million gross square feet of development that will include approximately 464,900 gross square feet of office, approximately 248 residential apartment units (approximately 323,400 gross square feet), a 240-room hotel (approximately 246,000 gross square feet) and approximately 80,000 gross square feet of neighborhood supporting retail. The project will also include approximately 1,100 parking spaces.

The Florida Rock PUD project is a phased development that is to be completed in up to four phases. This analysis examines the stabilized annual economic and fiscal impacts of the entire Florida Rock PUD project at build-out.

2.2 Construction Period Economic and Fiscal Impacts (Constant 2007 Dollars)

During the construction period of the proposed Florida Rock PUD project, a variety of new opportunities will be created. The construction will create over 1,774 direct on-site jobs that will have an aggregate payroll of approximately \$86 million (of which 905 of these jobs with an aggregate payroll of \$43.9 million) will be to DC Residents. These direct jobs will create over 1,566 additional indirect, or spin-off, jobs off-site as a result of expenditures during the construction period. These indirect jobs will generate an additional aggregate payroll of approximately \$61.4 million in the District. During the construction period, direct consumption expenditures by project employees will total \$71.7 million (\$36.6 million of which will be by DC Residents) and an estimated \$133.6 million of the total construction material purchases of \$179.6 million necessary to construct the proposed development will be made in the District.

The economic impact of the construction will be focused to benefit the District. Florida Rock Properties has entered into a First Source Employment Agreement with the District. Under this Agreement, the applicant will utilize the Department of Employment Services as its first source to fill all new jobs created as a result of the construction of the project. At least 51 percent of the newly created jobs will be targeted to be filled by District residents, as will at least 51 percent of the apprentices and trainees. In addition, Florida Rock Properties is committed to making a bona fide effort to utilize local small disadvantaged business enterprises in order to achieve, at a minimum the goal of a 35 percent participation in the contracted development costs in connection with design, development and construction of the project.

The related fiscal impact of construction will be approximately \$6.8 million in tax revenue to the District of Columbia, including \$5.4 million in income tax receipts (from construction workers living in the District), \$367,700 in building permits and fees, \$768,000 in sales tax of materials purchases made in the District, and \$308,600 in indirect retail sales off-site in the District to construction period employees.

The following table summarizes the economic and fiscal benefits of the Florida Rock PUD project during the construction period.

Summary of Estimated Economic and Fiscal Impacts

100 Potomac Avenue, SE PUD

Construction Period (2007 Dollars)

Economic Impacts (1/)	
DIRECT	
Total Jobs (FTE)	1,774
Total Jobs - DC Residents	905
Total Payroll	\$86,080,188
Total Payroll - DC Residents	\$43,900,896
Total Material Purchases	\$179,580,000
Made in DC Region	\$133,590,000
Total Consumption Expenditures	\$71,684,137
DC Residents	\$36,558,910
INDIRECT	
Jobs (FTE)	1,566
Payroll	\$61,435,430

Annual Fiscal Impacts to District	
Income Tax	\$5,382,804
Direct Sales Tax	\$768,143
Indirect Sales Tax	\$308,515
Building Permit Fees (1/)	\$367,719
TOTAL	\$6,827,181

1/ Building permit fees estimated at \$0.03 per cubic foot of development based on schedule of fees from District of Columbia Government

Sources: BBP Associates, Florida Rock Properties Inc., District of Columbia

2.3 Operating Period Economic and Fiscal Impacts (Constant 2007 Dollars)

Once construction of the proposed project is complete and the project is market absorbed, economic and fiscal impacts related to the Florida Rock PUD project operations will continue on a sustained annual basis. The development impacts of the Florida Rock PUD project are enhanced by its location on the waterfront and adjacency within the Ballpark District to the new baseball stadium and other planned high quality developments proposed around the new baseball stadium.

The Florida Rock PUD project, with an assumed market value of over \$575 million, will provide on site a total of approximately 2,839 jobs with an aggregate annual payroll of about \$189 million (1,118 of these new jobs, with an aggregate payroll of \$69.3 million, will be filled by DC Residents). In addition, this project contains approximately 248 apartment units. Residents in these households will have total aggregate annual earnings of nearly \$30.9 million. As part of this development, approximately 25 of the apartment units will be available as affordable workforce housing (affordable at 80% of the DC Regional AMI - \$94,500 as of 2007).

Furthermore, the project will create 4,298 additional indirect, or spin-off, jobs off-site primarily as a result of expenditures made by the project's employees and residents. These indirect jobs will have an aggregate annual payroll of approximately \$216.9 million. The wages and salaries of project employees and

residents will annually generate an estimated \$181.5 million in consumer expenditures (\$57.7 million of which will be by DC Residents).

The related fiscal impact for the Florida Rock PUD Project will total approximately \$27.3 million in sustainable direct annual tax revenue to the District of Columbia. This includes an estimated \$6.9 million in annual income tax, \$9.7 million in annual real property tax, and \$6.8 million in direct on-site retail sales tax each year. The Florida Rock PUD Project will also generate \$1.7 million in indirect retail sales off-site in the District by project employees and residents. Additionally, the project will generate \$591,000 in corporate franchise tax, \$1.2 million in personal property tax, and annual utility expenditures will generate over \$390,000 in utility tax revenue to the District. Lastly, motor vehicle purchases by project residents will generate approximately \$76,500 in motor vehicle excise tax revenue to the District.

The following table summarizes the sustainable annual economic and fiscal benefits of the Florida Rock PUD project at build-out.

Summary of Estimated Economic and Fiscal Impacts

100 Potomac Avenue, SE PUD

Annual Operations at Build Out (2007 Dollars) (1/)

Economic Impacts	
DIRECT	
Total Jobs (FTE)	2,839
Total Jobs - DC Residents	1,118
Households	248
Payroll	\$188,990,557
Total Payroll - DC Residents	\$69,337,240
Household Earnings	\$30,856,326
Consumption Expenditures	\$181,505,774
DC Residents	\$57,741,280
INDIRECT (2/)	
Jobs (FTE)	4,298
Payroll	\$216,943,296

Annual Fiscal Impacts to District	
Income Tax	\$6,879,478
Real Property Tax	\$9,680,435
Direct Sales Tax (on-site)	\$6,804,101
Indirect Sales Tax (off-site in District)	\$1,706,564
Corporate Franchise Tax	\$591,108
Personal Property Tax	\$1,202,567
Public Utilities Tax	\$390,357
Motor Vehicle Excise Tax	\$76,526
Total	\$27,331,136

1/ Figures based on at build out and provided in current 2007 dollars

2/ Indirect jobs impact includes spin-off jobs created as a result of new households in District,

office, apartment staffing, retail and parking spin off jobs; Does not specify location of these jobs

Sources: BBP Associates, Florida Rock Properties Inc.

Section 4 Other Benefits

The Florida Rock PUD project at 100 Potomac Avenue, SE will provide significant benefits to the District of Columbia including enhanced quality of life and economic opportunities beyond those quantified in the previous sections. The investment will further reinforce and strengthen the Southeast neighborhood - making it a better place to work, visit, and live by introducing new quality office space, retail, lodging, and housing opportunities to the area and by contributing to private sector redevelopment around the planned, publicly financed professional baseball park.

The Florida Rock PUD project will be a vibrant new mixed use district and will contribute to an area-wide development strategy to create a mixed use, mixed income waterfront neighborhood and destination. The construction and permanent employment aspects and housing opportunities of the project are designed to ensure the social and economic benefits derived from the revitalized area will be shared by those neighborhoods and residents living in the community.

Likewise, the revised PUD project creates three dynamic public-use open spaces that serve as focal points of the planned development. These public open spaces create new community gathering places, enhance views, and create additional physical and visual linkages between the project, the Waterfront, and the Stadium District. The PUD project is well integrated with the many planned high quality developments proposed by numerous development companies around the baseball park.

The development of high-quality office, residential, hotel and retail uses will help serve as critical components of the physical development of the near Southeast area. It will contribute significantly to the economic well-being of the District of Columbia, the quality of life of District of Columbia residents and employees, and fills an important void in the urban fabric. Furthermore, the attraction of new offices, residents, lodging, visitors and shopping will generate significant sales and tax benefits for support of District of Columbia retail, entertainment and cultural activities.

The PUD project provides the District an opportunity to retain and attract new jobs and new permanent residents, who will pay District taxes and generate relatively little service requirements. In addition, the location adjacent to the baseball park will also bring more visitors and visitor expenditures to the District, enlivening the District and enhancing economic activity.

The Florida Rock PUD project directly addresses the new adopted District of Columbia Comprehensive Plan's goal of reaffirming and strengthening the District's role as the economic hub of the National Capital Region. The development allows the District to compete for major employment generators as a result of creating a unique location proximate to the Anacostia River, the baseball stadium, the central business district and Capitol Hill. The project also helps achieve the Comprehensive Plan's objective of increasing the District's share of regional employment opportunities and necessary economic growth by creating over 7,100 direct and indirect job opportunities.

The PUD project will also contribute toward the achievement of the stated goals of the District of Columbia Mayor's Office to expand housing in the District by providing additional housing opportunities in the area. The project provides 248 for-rent residential units including 25 new affordable workforce housing units. The PUD project also provides retail amenities to serve the existing and future residents and businesses in the neighborhood. The major investment in the PUD project in creating new housing, office, hotel and retail opportunities will provide significant economic spin off benefits to all residents of the District and beyond. These opportunities will generate additional tax revenues for the District.

The Florida Rock PUD project will help create an energized waterfront area that will serve to unify diverse areas adjacent to the Anacostia River. The project will fill an important void in the surrounding neighborhood, become a critical component that integrates into the myriad redevelopment activity, and

will enhance access to the waterfront and serve to enhance and protect District parks. The project will provide a waterfront setting for people to meet, relax, and experience the waterfront and the District.

Appendix

A-1 Methodology

The economic and fiscal impact analyses utilized a readily accepted methodology and procedure. The methodology is identical to that which BBPA utilized in prior economic and fiscal impact evaluations which BBPA has conducted for public (D.C. Office of Planning, D.C. Chief Financial Officer, AWC, NCPC, NCRC, WMATA, Montgomery County, MD State Stadium Authority, Fairfax County, etc) and private clients.

The following “bullet points” present key elements of our methodology for developing job, payroll, expenditure and tax revenue estimates for the economic and fiscal impact analyses.

- Development program information provided to us by Florida Rock Properties, Inc. for each of the project’s use, including office, apartments, hotel, retail, and parking.
- Residential rental rates are estimated at \$3.13 per square foot per month (average for all market-rate units) by BBP Associates and are based on an assumed average rent (per square foot) of \$2.50 plus a 25% premium for waterfront location. These values are based on comparable projects in the District.
- We have assumed that all residential units are apartment units.
- Affordable (Workforce) housing units are assumed available at 80% of AMI (assuming 32 percent of expenditures are on housing). It is assumed the 10% of all housing units are workforce housing.
- Employee totals and wages per job classification for each use were based on industry standards and comparable projects in the area. FTE indicates “full-time equivalent”, working 2,080 hours annually.
- In calculating expenditure impacts, Disposable Income was 88% of Personal Income as of June 2007 (preliminary), and personal consumption expenditures¹ was 96.9% of Disposable Income as of June 2007 (preliminary). (Source: Bureau of Economic Analysis).
- The Bureau of Economic Analysis’ RIMS II model was the source for the final demand output and income multipliers by industry sector for the Capitol Metro area and were utilized to estimate indirect employment and income effects. The most recent available multipliers are the 2004 benchmark input-output accounts for the U.S. economy and 2004 regional data. RIMS II multipliers enable effective planning for public and private sector projects and programs at state and local levels. These regional input-output multipliers, which account for inter-industry relationships within regions, are useful tools for conducting regional economic impact analysis.
- Current (September 2007) personal property, sales, income, corporate franchise, real property tax rates, utility taxes, and motor vehicle excise tax rates were obtained from the District’s Office of

¹ Personal consumption expenditures are personal expenditures (outlays) for durable goods, non-durable goods and services.

Tax and Revenue website, the Washington DC Marketing Center website, and the DC Chamber of Commerce website.

- Based on the average of existing jobs and newly created jobs, we assumed 51 percent of construction workers resided in the District (per the First Source Employment Agreement); and 35 percent office employees, 50 percent of parking employees, 60 percent of retail employees, 60 percent of hotel employees, 50 percent of apartment employees, and 90 percent of residents were District residents (assumes 10 percent of units are for non-District residents such as investor unit or second home). This is based on 2000 “Journey to Work” commuting patterns for District workers by the US Census and the US Department of Transportation.
- On-site retail sales per square foot estimated by BBP Associates based on comparable projects and premium for waterfront location.
- Spin off sales taxes estimates for work related impacts during construction period estimated at \$500 annually per employee times the sales tax rate at 5.75 percent. Spin off sales tax impacts for construction workers residing in District calculated by assuming 35 percent of all workers reside in District and that 50 percent of their retail expenditures are in District.
- Spin off sales estimates during operation for residents calculated by assuming 50 percent of their retail expenditures made in the District. Spin off sales tax impacts for employees working in project estimated at \$1000 per employee annually. Spin off for employees who reside in the District estimated by determining the proportion of existing jobs and newly created jobs to ascertain the proportion of employees who reside in the District and assuming 45 percent of their retail expenditures are in the District (adjusted for work related expenditures made by project employees).
- Spin-off sales estimates for hotel guests based on International Association of Convention & Visitors Bureau data.
- Hotel spin off sales tax estimates assumes 20 percent off site daily spending for retail/entertainment and 30 percent off site daily spending for restaurant. Assumes 55 percent of off site spending occurs in the District.
- Personal property values for commercial components estimated by BBP Associates. Estimated 75 percent of these values provided would be assessable. This adjusted value was then taxed at the City’s rate of \$3.40 per \$100 of assessed value.
- Utility tax values are based on an assumed \$3 per square foot annual utility cost of commercial space and \$4 per square foot cost for residential space. These rates are based on operating costs at comparable developments in the District.

A-2 Detailed Analysis

Attached Tables 1 through 27 contain the detailed evaluation of the economic and fiscal impact of the Florida Rock PUD. The tables detail the methodology and key assumptions of the analysis. The following paragraphs briefly summarize and highlight the information contained in the attached tables.

Table 1 contains a summary of the analysis displaying the economic and fiscal impact of the construction

of the PUD. These represent a onetime impact that occurs from the development and construction of the project. Information is presented in constant dollars for calendar year 2007 (\$2007) to represent the present day value of the economic impacts excluding any impact from future inflation. The economic impacts in terms of jobs, payrolls, material purchases and consumer expenditures include both direct and indirect (multiplier) impacts within the region. The fiscal impacts include the direct, onetime impact to the District as a result of construction of the project.

Table 2 of contains a summary of the annual economic and fiscal impacts which will take place when the entire project is build out. These represent the sustained, annual, direct and indirect economic impacts from the normalized operation of the project. These figures are in constant \$2007 to adjust for any future inflation. The fiscal impacts to the District are the annual, sustainable revenues the District would receive once the project was completed. These amounts are also in current dollars to avoid including any inflationary impacts.

Table 3 contains the key site assumptions included in the PUD application. The development program totals are at project build-out. Information is provided on the likely total construction cost (provided by Florida Rock Properties, Inc.) including both hard and soft costs. These are based upon current prevailing costs in constant \$2007.

Table 4 presents estimated on-site retail sales at build out. The data is based upon the gross square footage, assuming a retail space distribution of 50 percent general retail and 50 percent restaurant (it is assumed the retail uses incorporated into the hotel are 75 percent restaurant and 25 percent general retail). Factors for sales are based upon current Urban Land Institute data / comparable projects in area taking into consideration the relationship of gross to net square feet, the nature of the facilities, the waterfront location and a vacancy adjustment.

Table 5 displays the construction period impacts for each of the components of the project (office, residential, hotel, retail and parking). Based upon the construction value total annual earnings per full-time equivalent job (FTE) is estimated. Both the direct and indirect economic impact of the construction is calculated and factors are provided on construction expenditures, direct and indirect employment and total earnings. Material purchases both inside and outside the region are calculated.

Tables 6 through 10 contain estimates of the on-site employment and wages that will be generated on an annual basis once the project was completed. All amounts are in constant \$2007 to avoid including any impact as a result of inflation. Employment is derived from accepted factors in terms of office employees per square foot, residential service employees as a function of the number of units, hotel staffing as a function of the number of hotel rooms, retail and restaurant employment as a function of the sizing characteristics of the retail and restaurant facilities and parking employees based upon the nature of the parking operations. Annual wages are based upon May 2006 Bureau of Labor Statistics information for the Washington area.

Table 11 estimates the average total household income for the residential portion of the project. The average household income for market-rate apartment units is based on annual housing expenditure of 32 percent of gross average household income. Household income for affordable (workforce) units is estimated based on the Area Median Income (AMI). It is assumed that these units will be available to households with median incomes at 80% of AMI. Annual rent for these affordable (workforce) units is assumed to be 32 percent of 80 percent of AMI.

Tables 12 through 16 display the employment expenditure impacts from the various project components. This includes a determination of the consumption expenditures of on-site employees and the economic multiplier impacts of both direct and indirect employment both in terms of the number of employees and

total earnings. These represent the annual, sustained economic, employment and payroll impacts in constant \$2007 without including any increase as a result of inflation. The economic multipliers for both employment and earnings are based upon the RIMS II model of the Bureau of Economic Analysis.

Table 17 estimates the income tax receipts which would be received by the District as result of construction of the PUD. This includes an estimate of the number of full-time equivalent jobs, the annual wages, the proportion of workers who live and pay taxes in the District and the current District income tax rates. All figures are in constant \$2007 to avoid including any impact as a result of inflation.

Table 18 contains estimates of the sustained annual income tax that will be realized to the District as a result of the construction and subsequent build out of the PUD. These estimates take into consideration on-site employment and permanent on-site residents, the estimated average earnings either per full-time equivalent employee or per household, the estimated proportion of employees who are residents of the District and pay taxes to the District and the current District income tax rates. These include only direct income tax benefits and are in constant \$2007 to exclude any inflationary impacts. These represent long-term, sustained, annual tax revenues which the District is likely to receive.

Table 19 presents direct annual real property taxes which would be received by the District at project build out. This is based upon the estimated assessed value of the various components of the project and the current District tax rate. Assessed values for office are based upon comparable office building sales in the District for Class A office space. Assessed values for residential, hotels, retail and parking are based upon comparable projects in AWI area and an income approach to valuation. These tax revenues represent sustained, annual real property tax revenues which the District will likely receive excluding any inflationary or real increase in assessed value over time.

Table 20 presents direct District sales taxes during both the construction period, as well as annual sales tax revenues from operations at build out. All figures are in constant \$2007 to exclude any inflationary or real dollar increase in on-site sales. Sales tax revenue are based upon the current District tax for rates for the respective goods or service (sales, restaurant, parking, hotel room). The construction period sales tax revenues are based upon material purchases made within the District. The sustained annual District sales tax are based upon on-site retail sales and service sales for hotel rooms, retail, restaurant and parking.

Table 21 presents the indirect sales tax impacts during the construction time frame. This includes indirect sales tax revenues to the District as result of off-site the sales tax generated by purchases made by project occupants and employees in off-site but within the District locations. This includes retail expenditures made by the construction workers both in terms of the on-site work activity as well as retail expenditures of construction workers were also residents of the District and make a proportion of their retail expenditures within the District. Once again amounts are in constant \$2007 to avoid any inflationary impacts and are based upon current District tax rates.

Table 22 contains estimates of the indirect sales tax impacts annually generated from the sustained operation of the PUD overtime at build out. These amounts are all in constant \$2007 to exclude any inflationary or real impacts of increases in retail sales overtime. This includes direct and indirect retail sales made within the District by persons residing in the project, work-related purchases made by persons working on-site and the sales impacts of on-site employees who are also residents of the District and make a proportion of their retail expenditures within the District. All figures have been adjusted to avoid any double counting of individuals as both on-site employees and residents of the District.

Table 23 contains estimates of sales tax impacts derived from hotel guests. This is based upon the number of a hotel rooms, the likely hotel occupancy and the likely expenditures of hotel guests including the proportion of expenditures made within the District. Again figures are annual sustained, sales tax

revenues, in constant \$2007 adjusted to avoid any inflationary impacts.

Table 24 presents the estimated corporate franchise tax amounts. Estimated taxable income of the District is estimated at 1 percent of estimated gross revenue. The applicable corporate income tax rate within the District has been applied. These tax revenues are also sustained, annual revenues, generated at build out, presented in constant \$2007 to avoid any inflationary impacts.

Table 25 presents estimated personal property tax generated at build out. These take into consideration the estimated ratio of personal property tax assessments to real property tax assessments and assumes the current District tax rate for personal property. The sustained annual tax revenues are presented in constant \$2007.

Table 26 presents public utility tax revenues. These are based on assumed utility costs per square foot (differentiated by residential and commercial use) and the current District rate for utility taxes on commercial and residential utility expenditures. The sustained annual tax revenues are presented in constant \$2007.

Table 27 presents motor vehicle excise tax revenues. These revenues are calculated based on an assumed motor vehicle per household ratio and the average tenure of motor vehicle ownership and the District motor vehicle excise tax rate.

Table 1
Summary of Estimated Economic and Fiscal Impacts
100 Potomac Avenue, SE PUD - Florida Rock Properties
Construction Period (2007 Dollars)

Economic Impacts	
DIRECT	
Total Jobs (FTE)	1,774
Total Jobs - DC Residents	905
Total Payroll	\$86,080,188
Total Payroll - DC Residents	\$43,900,896
Total Material Purchases	\$179,580,000
Made in DC Region	\$133,590,000
Total Consumption Expenditures	\$71,684,137
DC Residents	\$36,558,910
INDIRECT	
Jobs (FTE)	1,566
Payroll	\$61,435,430
Annual Fiscal Impacts to District	
Income Tax	\$5,382,804
Direct Sales Tax	\$768,143
Indirect Sales Tax	\$308,515
Building Permit Fees (1/)	\$367,719
TOTAL	\$6,827,181

1/ Building permit fees estimated at \$0.03 per cubic foot of development
based on schedule of fees from District of Columbia government

Sources: Basile Baumann Prost & Associates, Florida Rock Properties, Inc.

Table 2
Summary of Estimated Economic and Fiscal Impacts
100 Potomac Avenue, SE PUD - Florida Rock Properties
Annual Operations at Build Out (2007 Dollars) (1/)

Economic Impacts	
DIRECT	
Total Jobs (FTE)	2,839
Total Jobs - DC Residents	1,118
Households	248
Payroll	\$188,990,557
Total Payroll - DC Residents	\$69,337,240
Household Earnings	\$30,856,326
Consumption Expenditures	\$181,505,774
DC Residents	\$57,741,280
INDIRECT (2/)	
Jobs (FTE)	4,298
Payroll	\$216,943,296
Annual Fiscal Impacts to District	
Income Tax	\$6,879,478
Real Property Tax	\$9,680,435
Direct Sales Tax (on-site)	\$6,804,101
Indirect Sales Tax (off-site in District)	\$1,706,564
Corporate Franchise Tax	\$591,108
Personal Property Tax	\$1,202,567
Public Utilities Tax	\$390,357
Motor Vehicle Excise Tax	\$76,526
Total	\$27,331,136

Source Notes

1/ Figures based on at build out and provided in current 2007 dollars

2/ Indirect jobs impact includes spin-off jobs created as a result of new households in District, office, apartment staffing, retail and parking spin off jobs; Does not specify location of these jobs

Sources: Basile Baumann Prost & Associates, Florida Rock Properties, Inc.

Table 3
100 Potomac Avenue, SE PUD - Florida Rock Properties
Site Assumptions (2007 Dollars)

Site Assumptions (1/)						
	Gross Buildable Area (SF)	Efficiency	Gross Leasable Area (SF)	No. Units/Rooms/ Parking Spaces	Unit Size (2/) (GBA)	Unit Size (2/) (GLA)
Office	464,900	88%	409,112			
Residential (3/)	323,400	85%	274,890	248	1,304	1,108
Hotel (4/)	246,000	82%	201,720	240	1,025	841
Retail (5/)	80,000	90%	72,000			
Parking				1,010		
TOTAL	1,114,300		957,722			

Construction Period (6/)				
	Gross SF	Total Hard Costs	Total Soft Costs (7/)	Total Construction Cost
Phase 1	296,785	89,600,000	22,400,000	\$112,000,000
Phase 2	217,846	83,600,000	20,900,000	\$104,500,000
Phase 3	353,206	107,200,000	26,800,000	\$134,000,000
Phase 4	247,563	157,600,000	39,400,000	\$197,000,000
TOTAL	1,115,400	\$438,000,000	\$109,500,000	\$547,500,000

Source Notes

- 1/ Development program estimates provided by Florida Rock Properties
Parking estimates provided by Davis Buckley Architects
- 2/ Average units size (GBA) assumptions provided by Florida Rock Properties
- 3/ Includes residential units above the 112 foot level of the hotel building (Source: Florida Rock Properties)
- 4/ Includes 15,000 SF of leasable retail space
Number of rooms determined from the total SF reduced by the retail space and an assumed 1000 GBA per room
- 5/ Total square footage being developed at or above grade and excluding approximately 15,000 square feet located within the hotel. See Table 4 for retail detail.
- 6/ Soft Costs calculated as 20 percent of total costs and include A&E, contingency, finance, legal, insurance, taxes, etc.
- 7/ Total cost per square foot (including hard and soft construction costs) provided by Florida Rock Properties
All parking related costs are assumed included in the total construction cost

Sources: Basile Baumann Prost & Associates, Florida Rock Properties, Inc.

Table 4
100 Potomac Avenue, SE PUD - Florida Rock Properties
Estimated Retail Sales - (At Build-Out)
2007 Dollars

Total Project Retail Space	GBA (1/)	GLA (2/)
Retail	80,000	72,000
Other Retail (Hotel Building)	15,000	13,500
TOTAL	95,000	85,500

	General Retail	Restaurant
Total Leasable Units (GLA) (3/)	39,375	46,125
Net Leasable Units	39,375	46,125
Less vacancy of 5%	37,406	43,819
Revenue Per Unit (Sales per SF) (4/)	\$500	\$650
Gross Income	\$18,703,125	\$28,482,188

Source Notes

1/ Gross Buildable Area

2/ Gross Leasable Area

3/ Assumes project retail is 1/2 general retail and 1/2 restaurant

Other Retail in the Hotel is assumed 3/4 restaurant and 1/4 general retail

4/ Retail sales per square foot estimates based on comparable sales estimates for comparable projects in area, includes premium for waterfront location

Sources: Basile Baumann Prost & Associates, Florida Rock Properties, Inc.

Table 5
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Economic, Employment and Expenditure Impacts: Construction Period
2007 Dollars

Project Cost (Construction) (1/)	\$438,000,000
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1. Estimated Earnings Impacts

Type of Labor	Construction Value	Labor Hours per \$1,000 (2/)	Total Hours	Total FTE(11/) Jobs	Average Earnings/Hr. (3/)	Total Annual Earnings:FTE Jobs
Construction	\$438,000,000	8.1	3,547,800	1,774	\$23.33	\$86,080,188

2. Total Economic Impact

Output (\$)	Output Multiplier (4/)	Indirect and Induced Economic Impact	Total Economic Impact
\$438,000,000	1.8460	\$370,548,000	\$808,548,000

3. Expenditure Impacts

Total Earnings	Disposable Earnings (5/)	Consumer Expenditures (6/)
\$86,080,188	\$75,061,924	\$71,684,137

4. Total Construction Period Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (7/)	Indirect Employment Impact	Total Employment Impact (8/)
Construction Labor	1,774	1.8826	1,566	3,340

5. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (9/)	Indirect Earnings Impact	Total Earnings Impact (10/)
Construction Labor	\$86,080,188	1.7137	\$61,435,430	\$147,515,618

6. Material Purchases

Type of Purchase	Per \$1,000 Const. Cost	Expenditure
Regionally Purchased	\$305	\$133,590,000
Purchased Out of Region	\$105	\$45,990,000
Total Material Purchases		\$179,580,000
Percentage Total Purchases		74%

Source Notes

1/ Values based on hard construction costs only. Excludes soft construction costs such as land value A&E, contingency, financing, legal, insurance, taxes, etc.

2/ Urban Land Institute

3/ May 2006 Bureau of Labor Statistics Occupational Wage Estimates for Construction Sector for Washington, DC-MD-VA-WV PMSA; inflated 3 percent annually to 2007 dollars

labor categories include construction managers, skilled labor, and general labor

4/ 2004 Capital Metro Output Multiplier for Construction Sector, RIMS II Model, Bureau of Economic Analysis

5/ Disposable Income was 87.2% of Personal Income as of June 2007 (preliminary), Bureau of Economic Analysis

6/ Consumption Expenditures was 95.5% of Disposable Income as of June 2007 (preliminary), Bureau of Economic Analysis

7/ 2004 Capital Metro Employment Multiplier Estimates for Construction Sector, RIMS II Model

8/ Direct, Indirect and Induced Employment

9/ 2004 Capital Metro Earnings Multiplier for Construction Sector, RIMS II Model

10/ Direct, Indirect, and Induced Earnings

11/ FTE indicates "full-time equivalent", working 2,080 hours annually

Sources: Basile Baumann Prost & Associates, Bureau of Economic Analysis, Bureau of Labor Statistics, Urban Land Institute

Table 6
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties: Office

Annual Employment Estimate Worksheet (At Build Out)
2007 Dollars

Employees (FTE) (1/)	FTE per 1,000 SF (2/)	Total SF	No. Employees
Office	5	464,900	2,325

Office						
Job Classification (3)	No. of FTE	Annual Hours	Total Hours	Average Hourly Wage	Average Annual Wage (4/)	Total Annual Wages
Managers	232	2,080	482,560	\$54.35	\$113,054	\$26,228,632
Professionals	1,627	2,080	3,384,160	\$39.03	\$81,192	\$132,098,740
Support Staff	465	2,080	967,200	\$18.00	\$37,449	\$17,413,856
Subtotal	2,324		4,833,920			\$175,741,227
Total Weighted Average Wage Per Hour						\$36.36

Source Notes

1/ FTE indicates "full-time equivalent", working 2,080 hours annually

2/ Employee staffing per square foot based on industry standards and comparable projects in area

3/ Employee staffing estimated at 10% managers, 70% professionals and 20% administrative support

4/ May 2006 Bureau of Labor Statistics Occupational Wage Estimates for Washington, DC;

Wage estimates for Management Occupations (managers), Business and Financial Operations, Architecture and Engineering Occupations, Legal Occupations, and Computer and Math Science Occupations (Professionals); and Office and Administrative Support (Support Staff); figures inflated 3% to 2007 dollars

Sources: Basile Baumann Prost & Associates, Bureau of Labor Statistics, Florida Rock Properties, Inc.

Table 7
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties: Residential

Annual Employment Estimate Worksheet (At Build Out)
2007 Dollars

Employees (FTE) (1/)	No. of Units	No. Employees (2/)
Residential Staffing	248	25

Apartments							
Job Classification (3/)	No. of FTE	% of Total	Annual Hours	Total Hours	Average Hourly Wage	Average Annual Wage (4/)	Total Annual Wages
Grounds Maintenance	10	40%	2,080	20,800	\$11.81	\$24,573	\$245,733
Security	10	40%	2,080	20,800	\$14.28	\$29,694	\$296,937
Facility Maintenance & Repair	5	20%	2,080	10,400	\$18.75	\$38,992	\$194,958
Building Manager	2	8%	2,080	4,160	\$38.45	\$79,976	\$159,952
Subtotal	27			56,160			\$897,580
Total Weighted Average Wage Per Hour							\$15.98

Source Notes

1/ FTE indicates "full-time equivalent", working 2,080 hours annually

2/ Estimated number of FTEs estimated at 0.1 employees per residential unit; based on comparable projects in area and proposed development program

3/ Employee staffing estimated based on comparable projects

4/ May 2006 Bureau of Labor Statistics Occupational Wage Estimates for District of Columbia; inflated 3% to 2007 dollars
 Residential employment in Landscaping/Grounds Maintenance/Security/Building Manager positions

Table 8
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties: Hotel

Annual Employment Estimate Worksheet (At Build Out)
2007 Dollars

Employees (FTE) (1/)	No. of Rooms	No. Employees (2/)
Hotel Staffing	240	72

Hotel						
Job Classification (3/)	No. of FTE	Annual Hours	Total Hours	Average Hourly Wage	Average Annual Wage (4/)	Total Annual Wages
Managers	7	2,080	14,560	\$32.19	\$66,950	\$468,650
General Hotel Staff	58	2,080	120,640	\$15.37	\$31,965	\$1,853,947
Administration Staff	7	2,080	14,560	\$18.00	\$37,449	\$262,144
Subtotal	72		149,760			\$2,584,741
Total Weighted Average Per Hour						\$17.26

Source Notes

- 1/ FTE indicates "full-time equivalent", working 2,080 hours annually
2/ Estimated number of FTEs estimated at 0.3 employees per hotel room; based on comparable projects in area
3/ Employee staffing estimated at 10% managers, 80% general hotel staff and and 10% administration staff
 general hotel staff includes housekeeping, maintenance, concierge, and sales
4/ May 2006 Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates for District of Columbia;
 figures inflated 3% annually to 2007 dollars

Sources: Basile Baumann Prost & Associates, Bureau of Labor Statistics, Florida Rock Properties, Inc.

Table 9
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties: Retail

Annual Employment Estimate Worksheet (At Build Out)
2007 Dollars

Employees (FTE) (1/)	FTE per 1,000 SF (GLA)	Total SF (GLA)	No. Employees (2/)
Gen. Retail	2	39,375	79
Restaurant	7	46,125	323

Retail						
Job Classification (3/)	No. of FTE	Annual Hours	Total Hours	Average Hourly Wage	Average Annual Wage (4/)	Total Annual Wages
Misc. Retail	79	2,080	163,800	\$13.90	\$28,918	\$2,277,302
Restaurant	323	2,080	671,580	\$10.68	\$22,205	\$7,169,409
Subtotal	402		835,380			\$9,446,710
Total Weighted Wage Average Per Hour						\$11.31

Source Notes

- 1/ FTE indicates "full-time equivalent", working 2,080 hours annually
2/ Employee staffing per square foot based on industry standards and comparable projects in area
3/ Employee staffing estimated at 20% managers and 80% general sales (Misc. Retail)
Restaurant employee staffing estimated at 40% waiters, 20% bussers, 5% managers, 5% chefs, 20% cooks & 10% hostesses
4/ May 2006 Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates for District of Columbia;
figures inflated 3% annually to 2007 dollars

Sources: Basile Baumann Prost & Associates, Bureau of Labor Statistics, Florida Rock Properties, Inc.

Table 10
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties: Parking

Annual Employment Estimate Worksheet (At Build Out)
2007 Dollars

Employees (FTE) (1/)	Spaces	No. Employees
Parking Staffing	1,010	14

Parking (2/)						
Job Classification	No. of FTE	Annual Hours	Total Hours	Average Hourly Wage	Average Annual Wage (3/)	Total Annual Wages
Attendant	10	2,080	20,800	\$8.79	\$18,293	\$182,928
Security	2	2,080	4,160	\$14.28	\$29,694	\$59,387
Maintenance	2	2,080	4,160	\$18.75	\$38,992	\$77,983
Subtotal	14		29,120			\$320,299
Total Weighted Average Per Hour						\$11.00

SOURCE NOTES

1/ FTE indicates "full-time equivalent", working 2080 hours annually

Parking staffing estimated at approximately .01 employees per space - based on comparable projects in the area

2/ Employment associated with below-grade parking garage constructed as part of development

3/ May 2006 Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates for District of Columbia;
 figures inflated 3% annually to 2007 dollars

Sources: Basile Baumann Prost & Associates, Bureau of Labor Statistics, Florida Rock Properties, Inc.

Table 11
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD

Residential Household Income Estimates
2007 Dollars

Type	Residential Apartments (4/)	
	Market Rate	Workforce Housing
No. of Units/HH	223	25
Average Unit Size (GLA) (SF)	1,108	1,108
80% AMI (1/)	-	\$75,600
Rental Rate Per SF (2/)	\$3.13	\$1.82
Monthly Rent	\$3,464	\$2,016
Total Household Annual Expenditure	\$41,566	\$24,192
Est. Household Income (3/)	\$129,894	\$75,600
Total Household Income	\$28,966,326	\$1,890,000

Source Notes

1/ Median Income used as basis for calculating affordable housing rent/mortgage payments (AMI provided by HUD)

Workforce housing assumes annual rent 32 percent of 80 percent of AMI (HUD 2007 - \$94,500)

2/ Estimated average sales price and rental rates based on comparable projects in area (approximately \$2.50 per SF),
with 25% premium for waterfront location

3/ Assumes household payment is 32% of annual household income

4/ All residential units are assumed for-rent apartments. Assumes 10% of total units are workforce housing. (All workforce housing
would be located in the residential building. All units above hotel would be market rate.)

Source: Basile Bauman Prost Associates, Florida Rock Properties, Inc.

Table 12
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties: Office

Employment and Expenditure Impacts: Annual Operations (At Build Out)
2007 Dollars

1. Estimated Annual Earnings Impacts - Permanent Employment				
Factor	Total FTE	Average Earnings per FTE per Hr (1/)	Total Annual Earnings	
Office	2,324	\$36.36	\$175,741,227	

2. Expenditure Impacts			
Output Type	Total Annual Earnings	Disposable Earnings (2/)	Consumption Expenditures (3/)
Office	\$175,741,227	\$153,246,350	\$146,350,264

3. Total Employment Impacts				
Output Type	Total FTE Jobs	Employment Multiplier (4/)	Indirect Employment Impact	Total Employment Impact (5/)
Office	2,324	2.610966667	3,744	6,068

4. Total Earnings Impacts				
Output Type	Total Annual Earnings	Earnings Multiplier (6/)	Indirect Earnings Impact	Total Earnings Impact (7/)
Office	\$175,741,227	2.125433333	\$197,785,035	\$373,526,263

Source Notes

1/ Weighted average earnings per hour for all employees

2/ Disposable Income was 87.2% of Personal Income as of June 2007 (preliminary), Bureau of Economic Analysis

3/ Consumption Expenditures was 95.5% of Disposable Income as of June 2007 (preliminary), Bureau of Economic Analysis

4/ 2004 Capital Metro Employment Multiplier Estimates for Services Sector (office employees), RIMS II Model

5/ Direct, Indirect and Induced Employment

6/ 2004 Capital Metro Earnings Multiplier for Services Sector (office employees), RIMS II Model

7/ Direct, Indirect, and Induced Earnings

Sources: Basile Baumann Prost & Associates, Bureau of Economic Analysis, Bureau of Labor Statistics

Table 13
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties: Residential

Employment and Expenditure Impacts: Annual Operations (At Build Out)
2007 Dollars

1. Estimated Annual Earnings Impacts - Permanent Employment/Households

Factor	Total FTE/HH	Average Earnings/Hr. / HH Income (1/)	Total Annual Earnings / HH Income
Residential Staffing	27	\$15.98	\$897,580
Residential - Market Rate	223	\$129,894	\$28,966,326
Residential - Workforce	25	\$75,600	\$1,890,000

2. Expenditure Impacts

Output Type	Total Annual Earnings / HH Income	Disposable Earnings / HH Income (2/)	Consumption Expenditures (3/)
Residential Staffing	\$897,580	\$782,690	\$747,469
Residential - Market Rate	\$28,966,326	\$25,258,636	\$24,121,998
Residential - Workforce	\$1,890,000	\$1,648,080	\$1,573,916

3. Total Employment/Household Impacts

Output Type	Total Annual Earnings / HH Income	Total FTE Jobs/HH	Employment Multiplier (4/)	Indirect Employment Impact	Total Employment Impact (5/)
Residential Staffing	\$897,580	27	1.6419	17.3	44.3
Residential - Market Rate	\$28,966,326	223	10.1636	294	294
Residential - Workforce	\$1,890,000	25	10.1636	19	19

4. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (6/)	Indirect Earnings Impact	Total Earnings Impact (7/)
Residential Staffing	\$897,580	1.826	\$741,401	\$1,638,981
Residential - Market Rate	\$28,966,326	0.3111	\$9,011,424	\$9,011,424
Residential - Workforce	\$1,890,000	0.3111	\$587,979	\$587,979

Source Notes

1/ Weighted average for all employees and households

2/ Disposable Income was 87.2% of Personal Income as of June 2007 (preliminary), Bureau of Economic Analysis

3/ Consumption Expenditures was 95.5% of Disposable Income as of June 2007 (preliminary), Bureau of Economic Analysis

4/ 2004 Capital Metro Employment Multiplier Estimates for Households and Services Sector, RIMS II Model

5/ Direct, Indirect and Induced Employment

6/ 2004 Capital Metro Earnings Multiplier for Households and Services Sector, RIMS II Model

7/ Direct, Indirect, and Induced Earnings

Sources: Basile Baumann Prost & Associates, Bureau of Economic Analysis, Bureau of Labor Statistics

Table 14
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties: Hotel

Employment and Expenditure Impacts: Annual Operations (At Build Out)
2007 Dollars

1. Estimated Annual Earnings Impacts - Permanent Employment

Factor	Total FTE	Average Earnings per FTE per Hr (1/)	Total Annual Earnings
Hotel	72	\$17.26	\$2,584,741

2. Expenditure Impacts

Output Type	Total Annual Earnings	Disposable Earnings (2/)	Consumption Expenditures (3/)
Hotel	\$2,584,741	\$2,253,894	\$2,152,469

3. Total Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (4/)	Indirect Employment Impact	Total Employment Impact (5/)
Hotel	72	1.5248	38	110

4. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (6/)	Indirect Earnings Impact	Total Earnings Impact (7/)
Hotel	\$2,584,741	1.7464	\$1,929,251	\$4,513,992

Source Notes

1/ Weighted average for all employees

2/ Disposable Income was 87.2% of Personal Income as of June 2007 (preliminary), Bureau of Economic Analysis

3/ Consumption Expenditures was 95.5% of Disposable Income as of June 2007 (preliminary), Bureau of Economic Analysis

4/ 2004 Capital Metro Employment Multiplier Estimates for Hospitality Sector Employees, RIMS II Model

5/ Direct, Indirect and Induced Employment

6/ 2004 Capital Metro Earnings Multiplier for Hospitality Sector (Hotels), RIMS II Model

7/ Direct, Indirect, and Induced Earnings

Sources: Basile Baumann Prost & Associates, Bureau of Economic Analysis, Bureau of Labor Statistics

Table 15
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties: Retail

Employment and Expenditure Impacts: Annual Operations (At Build Out)
2007 Dollars

1. Estimated Annual Earnings Impacts - Permanent Employment

Factor	Total FTE	Average Earnings/Hr. (1/)	Total Annual Earnings
Retail	402	\$11.31	\$9,446,710

2. Expenditure Impacts

Output Type	Total Annual Earnings	Disposable Earnings (2/)	Consumption Expenditures (3/)
Retail	\$9,446,710	\$8,237,531	\$7,866,842

3. Total Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (4/)	Indirect Employment Impact	Total Employment Impact (5/)
Retail	402	1.4873	196	597

4. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (6/)	Indirect Earnings Impact	Total Earnings Impact (7/)
Retail	\$9,446,710	1.7634	\$7,211,619	\$16,658,329

Source Notes

1/ Weighted average for all employees

2/ Disposable Income was 87.2% of Personal Income as of June 2007 (preliminary), Bureau of Economic Analysis

3/ Consumption Expenditures was 95.5% of Disposable Income as of June 2007 (preliminary), Bureau of Economic Analysis

4/ 2004 Capital Metro Employment Multiplier Estimates for Retail Trade Sector, RIMS II Model

5/ Direct, Indirect and Induced Employment

6/ 2004 Capital Metro Earnings Multiplier for Retail Trade Sector, RIMS II Model

7/ Direct, Indirect, and Induced Earnings

Sources: Basile Baumann Prost & Associates, Bureau of Economic Analysis, Bureau of Labor Statistics

Table 16
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties: Parking

Employment and Expenditure Impacts: Annual Operations (At Build Out)
2007 Dollars

1. Estimated Annual Earnings Impacts - Permanent Employment

Factor	Total FTE	Average Earnings/Hr. (1/)	Total Annual Earnings
Parking	14	\$11.00	\$320,299

2. Expenditure Impacts

Output Type	Total Annual Earnings	Disposable Earnings (2/)	Consumption Expenditures (3/)
Parking	\$320,299	\$279,300	\$266,732

3. Total Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (4/)	Indirect Employment Impact	Total Employment Impact (5/)
Parking	14	1.6419	9.0	23

4. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (6/)	Indirect Earnings Impact	Total Earnings Impact (7/)
Parking	\$320,299	1.826	\$264,567	\$584,865

Source Notes

1/ Weighted average for all employees

2/ Disposable Income was 87.2% of Personal Income as of June 2007 (preliminary), Bureau of Economic Analysis

3/ Consumption Expenditures was 95.5% of Disposable Income as of June 2007 (preliminary), Bureau of Economic Analysis

4/ 2004 Capital Metro Employment Multiplier Estimates for Other Services Sector, RIMS II Model

5/ Direct, Indirect and Induced Employment

6/ 2004 Capital Metro Earnings Multiplier for Other Services Sector, RIMS II Model

7/ Direct, Indirect, and Induced Earnings

Sources: Basile Baumann Prost & Associates, Bureau of Economic Analysis, Bureau of Labor Statistics

Table 17
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Income Tax Receipts - Construction Period
2007 Dollars

Period/Worker Category	BASELINE Estimated Number of FTE Jobs	Average Wage/Hour (1/)	Estimated Annual Wages Per FTE Job (2/)	Assumed Standard Deductions Per Filer (3/)	Estimated Individual Taxable Income (4/)	Total Taxable Income	Percent District Residents	BASELINE Realized Taxes DISTRICT (5/) (6/)
Construction Workers	1,774	\$23.33	\$48,523	\$7,500	\$41,023	\$72,775,188	51%	\$3,525,958
A&E, legal, marketing and promotion (7/)						\$38,325,000	51%	\$1,856,846
Total						\$111,100,188		\$5,382,804

Source Notes

1/ See tables on preliminary economic impact of construction

2/ Annual wages for a full-time job are estimated by multiplying average wage by 2080 hours

3/ Assumes average standard deduction of \$7,500

4/ Taxable income taken as Estimated Annual Wages - Assumed Standard Deductions

5/ Income taxes for these taxable income ranges are estimated at 9.5% of taxable income > \$20,000

6/ Assumes 51% construction workers live in the District of Columbia; based on First Source Employment Agreement

7/ Labor income estimated at 1/3 of soft costs for A&E, legal, marketing and promotion, etc. Assumes 51 percent of this income is from District residents

Sources: Basile Baumann Prost & Associates, Florida Rock Properties, Inc., DC Office of Finance and Revenue

Table 18
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Income Tax Receipts - Annual Operations (At Build Out)
2007 Dollars

Employee Category	BASELINE Estimated Number of FTE Jobs / HH	Average Earnings/Hour (1/)	Estimated Annual Earnings Per FTE / Income Per HH	Assumed Standard Deductions Per Filer / HH (2/)	Estimated Individual / HH Taxable Income (3/)	Estimated Total Taxable Income	Percent District Residents (4/)	BASELINE Realized Taxes DISTRICT (5/)
Office	2,324	\$36.36	\$75,620	\$20,871	\$54,749	\$127,236,649	35%	\$4,230,619
Residential (staffing)	27	\$15.98	\$33,244	\$7,500	\$25,744	\$695,080	50%	\$33,016
Residential - Market Rate	223		\$129,894	\$35,851	\$94,043	\$20,971,620	100%	\$1,992,304
Residential - Workforce	25		\$75,600	\$20,866	\$54,734	\$1,368,360	100%	\$129,994
Hotel	72	\$17.26	\$35,899	\$7,500	\$28,399	\$2,044,741	60%	\$116,550
Retail	402	\$11.31	\$23,521	\$7,500	\$16,021	\$6,434,523	60%	\$366,768
Parking	14	\$11.00	\$22,878	\$7,500	\$15,378	\$215,299	50%	\$10,227
Total						\$158,966,271		\$6,879,478

Source Notes

1/ See tables on preliminary economic impact of operations (at build out)

2/ Office employees and Residential Households: assumes deduction of 27.6% of gross income. Retail, hotel and parking employees: assumes average standard deduction of \$7,500

3/ Taxable income taken as Estimated Annual Wages - Assumed Standard Deductions

4/ Percent District residents estimated based on comparable projects in region

5/ Income taxes for these taxable income ranges are estimated at 9.5% of taxable income > \$20,000

Sources: Basile Baumann Prost & Associates, DC Office of Finance and Revenue

Table 19
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Real Property Tax Impacts: Annual Operations (At Build Out)
2007 Dollars

Operation (At Build Out)	Approximate	Est. Market Value	Estimated	Estimated	Est. Taxable	Tax Rate	District Taxes
Use	GSF / No. of Units/Spaces	per Unit (1/)	Market Value	Assessed Value	Value	per \$100 (2/)	
Office	464,900	\$550	\$255,695,000	\$255,695,000	\$255,695,000	\$1.85	\$4,730,358
Residential Units - Market Rate	223	\$437,403	\$97,540,760	\$97,540,760	\$97,540,760	\$0.92	\$897,375
Residential Units - Workforce	25	\$254,574	\$6,364,357	\$6,364,357	\$6,364,357	\$0.92	\$58,552
Hotel	246,000	\$650	\$159,900,000	\$159,900,000	\$159,900,000	\$1.85	\$2,958,150
Retail	80,000	\$700	\$56,000,000	\$56,000,000	\$56,000,000	\$1.85	\$1,036,000
Parking (3/)	1,010						
Total			\$575,500,117	\$575,500,117			\$9,680,435

Source Notes

1/ Estimated market values per unit figures estimated by BBP Associates, based on comparable projects in Anacostia Waterfront area

Est. market value for apartments based on income approach to valuation (NOI/capitalization rate)

All capitalization rates from IRR-Viewpoint 2006 Report (Integra Realty Resources) for the D.C. Metro area

Residential value based on income approach to valuation (Annual Rent times the number of units less 28% expense rate and 5% vacancy) - Capitalized at 6.5%

2/ Rates are for fiscal year 2007 for District; information obtained from District Office of the Chief Financial Officer

3/ All value associated with parking components is assumed included in the market value for each use.

Sources: Basile Baumann Prost & Associates, DC Office of the Chief Financial Officer, Florida Rock Properties, Inc., Integra Realty Resources

Table 20
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Direct Sales Tax Impacts: Construction Period and Annual Operations (At Build Out)
2007 Dollars

Construction Period			
	Direct Expenditures	Estimated Percent Made in District	Estimated District Sales Tax Revenues (2/)
Regional Material Purchases (1/)	\$133,590,000	10%	\$768,143

Annual Operations (At Build Out)			
Use	Tax Rate	Total Taxable Sales (3/)	Total Tax Revenues District
Hotel Rooms	14.00%	\$18,067,500	\$2,529,450
Retail Sales	5.75%	\$18,703,125	\$1,075,430
Restaurant Sales	10.00%	\$28,482,188	\$2,848,219
Parking	12.00%	\$2,925,024	\$351,003
Estimated Direct Sales Tax Revenue to District		\$68,177,837	\$6,804,101

Source Notes

1/ Regional Purchases are taken, per national averages, to represent 25% of contract construction work

2/ Utilizes 5.75% sales tax

3/ Total taxable sales based on comparable projects in area and sales per square foot estimates estimated by BBP Associates

Hotel room sales based on average daily rate of \$275/room x 240 rooms x 365 days and a 75% occupancy

Parking sales estimated for Office/Retail at (\$12 per day x 481 spaces x 95% occupancy).

Hotel (\$20 per day x 181 spaces x 75% occupancy) based on comparable projects in District

Residential (\$200 a month x 348 spaces x 95% occupancy) based on comparable projects in District

Sources: Basile Baumann Prost & Associates, Florida Rock Properties, Inc., DC Office of Finance and Revenue

Table 21
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Indirect Sales Tax Impacts: Construction Period (Annually) (1/)
2007 Dollars

Work Related Impacts - Construction Workers	
	FTE
Construction Workers	1,774
Total	1,774
Retail Expenditure Per Employee Per Year in DC	\$1,000
Total Retail Sales in District	\$1,774,000
Retail Sales (20% of sales)	\$354,800
Restaurant Sales (80% of sales)	\$1,419,200
Estimated Indirect Sales Tax Revenue to District	
Retail Sales Tax (5.75% tax rate)	\$20,401
Restaurant Sales Tax (10% tax rate)	\$141,920
Estimated Indirect Sales Tax Revenue to District	\$162,321

Residential Related Impacts - Construction Workers (2/)								
	FTE	Total Consumption Expenditures	Percent District Residents (2/)	Number of District Residents	Consumption Expenditures for District Residents (3/)	Percent Retail Expenditures in District	Percent of Consumption Expenditures Retail Goods & Services (3/)	Total Retail Sales
Total Project	1,774	\$71,684,137	35%	621	\$25,089,448	50%	41.1%	\$5,155,882
							Retail	\$4,872,308
							Restaurant	\$283,573

	Retail	Restaurant	Total
Retail Sales	\$4,872,308	\$283,573	\$5,155,882
Tax Rate	5.75%	10%	
Estimated District Sales Tax Revenue (4/)	\$280,158	\$28,357	\$308,515

Source Notes

- 1/ Indirect sales tax revenue to District is off-site sales tax revenues generated as a result of purchases made by project occupants and employees in off-site District locations
2/ Estimated percent District residents based on 2000 Census *Journey to Work* commuting patterns for District workers and workers residing in the Washington, DC MSA
3/ Retail expenditures (durable and non-durable goods) were 41.1 percent of all consumer expenditures July 2006 - Bureau of Economic Analysis
 Assumes 5.5% of consumer expenditures is food away from home, based on 2003 CES
4/ FTE indicates "full-time equivalent", working 2,080 hours annually

Sources: Basile Baumann Prost & Associates, Florida Rock Properties, Inc., DC Office of Finance and Revenue

Table 22
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Indirect Sales Tax Impacts: Annual Operations (At Build Out) (1/)
2007 Dollars

Households		Market Rate	Workforce
Number of Households		223	25
Household Consumption Expenditures		\$24,121,998	\$1,573,916
Less Vacancy Rate of 5%		\$22,915,898	\$1,495,221
Percent Retail Expenditures in District		60%	60%
Total Retail Sales in District		\$13,749,539	\$897,132
Percent Sales (Retail Goods and Services) (2/)	41.1%	\$5,651,060	\$368,721
Retail (94.5%)		\$5,340,252	\$348,442
Restaurant (5.5%)		\$310,808	\$20,280
Estimated Indirect Sales Tax Revenue to District			
Retail Sales Tax (5.75% tax rate)		\$307,064	\$20,035
Restaurant Sales Tax (10% tax rate)		\$31,081	\$2,028
Estimated Indirect Sales Tax Revenue to District		\$338,145	\$22,063

Employees - Work Related Impacts	
Employees	FTE
Office	2,324
Residential (staffing)	27
Hotel	72
Retail	402
Parking	14
Total	2,839
Retail Expenditure Per Employee Per Year in DC	\$1,000
Total Retail Expenditures in District	\$2,838,625
Retail Sales (20% of sales)	\$567,725
Restaurant Sales (80% of sales)	\$2,270,900
Estimated Indirect Sales Tax Revenue to District	
Retail Sales Tax (5.75% tax rate)	\$32,644
Restaurant Sales Tax (10% tax rate)	\$227,090
Estimated Indirect Sales Tax Revenue to District	\$259,734

Employees - Related Impacts						
	FTE	Total Consumption Expenditures	Percent District Residents	Percent Retail Expenditures in District (3/)	% Consumption Expenditures for Retail Goods & Services (2/)	Total Retail Sales
Office	2,324	\$146,350,264	35%	45%	41.1%	\$9,473,618
Residential (staffing)	27	\$747,469	50%	45%	41.1%	\$69,122
Hotel	72	\$2,152,469	60%	45%	41.1%	\$238,860
Retail	402	\$7,866,842	60%	45%	41.1%	\$872,984
Parking	14	\$266,732	50%	45%	41.1%	\$24,666
Total	2,839	\$157,383,777				\$10,679,250
Total Retail Expenditures in District	\$10,679,250					
Retail Sales (80% of sales)	\$8,543,400					
Restaurant Sales (20% of sales)	\$2,135,850					
Estimated Indirect Sales Tax Revenue to District						
Retail Sales Tax (5.75% tax rate)	\$491,245					
Restaurant Sales Tax (10% tax rate)	\$213,585					
Estimated Indirect Sales Tax Revenue to District	\$704,830					

Source Notes

- 1/ Indirect sales tax revenue to District is off-site sales tax revenues generated as a result of purchases made by project occupants and employees in off-site District locations
- 2/ Retail expenditures (durable and non-durable goods) were 41.1 percent of all consumer expenditures July 2006 - Bureau of Economic Analysis
- 3/ Adjusted for work related expenditures made by project employees

Sources: Basile Baumann Prost & Associates, Florida Rock Properties, Inc., DC Office of Finance and Revenue

Table 23
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Indirect Sales Tax Impacts: Annual Operations (At Build Out) (1/)
2007 Dollars

Hotel Guests	
Total Estimated On Site Sales (1/)	\$18,067,500
Estimated Hotel Patrons Annually	85,410
Total Average Daily Spending per Patron (2/)	\$392
Less Daily Hotel Expenses by Patrons	50%
Additional Spending - Off Site	\$196
20% Off Site Daily Spending - Retail/Entertainment (3/)	\$39
Estimate Off-Site Spending in District of Columbia (4/)	\$1,839,957
Estimated Indirect District Retail Sales Tax Revenue (5/)	\$105,798
30% Off Site Daily Spending - Restaurant (3/)	\$59
Estimate Off-Site Spending in District of Columbia (4/)	\$2,759,936
Estimated Indirect District Restaurant Sales Tax Revenue (6/)	\$275,994
Total Indirect Sales Tax Revenue from Hotel Patrons	\$381,791

Source Notes

1/ Includes gross room revenues

2/ Based on International Association of Convention and Visitors Bureau (IACVB) data

3/ Estimated percent based on IACVB data

4/ Assumes 55% of off-site spending occurs in the District

5/ Uses retail sales tax rate of 5.75%

6/ Uses restaurant tax rate of 10%

*Sources: Basile Baumann Prost & Associates, Florida Rock Properties, Inc.,
DC Office of Finance and Revenue*

Table 24
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Estimated Corporate Franchise Tax Impacts: Annual Operations (At Build Out)
2007 Dollars

	Estimated Total Taxable Income: District (1/)	Corporate Income Tax Rate: District	Estimated Franchise Taxes: District
Project (Office, Retail, and Hotel)	\$5,925,899	9.975%	\$591,108

Source Notes

1/ Calculated for office tenants, retail operations, and hotel operations.

Taxable income estimated to be 1 percent of gross revenues

Sources: *Basile Baumann Prost & Associates, Florida Rock Properties, Inc., DC Office of Finance and Revenue*

Table 25
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Personal Property Tax Impacts: Annual Operations (At Build Out)
2007 Dollars

	Operational Phase
Total Estimated Project Real Property Value (1/)	\$471,595,000
Assumed Ratio of Real Property to Personal Property (2/)	10%
Estimated Personal Property Value	\$47,159,500
Adjusted Estimate—Personal Property Assessable (3/)	\$35,369,625
Tax Rate for Personal Property (4/)	\$3.40
Total Personal Property Taxes	\$1,202,567

Source Notes

1/ Based on market/assessed value of property and improvements of project components

2/ Based on ratio of estimated real property tax collections to personal property tax collections – D.C. Office of Finance and Revenue

3/ 75% of personal property considered assessable (accounts for depreciation)

4/ Per \$100 of assessed value

Sources: Basile Baumann Prost & Associates, Florida Rock Properties, Inc., DC Office of Finance and Revenue

Table 26
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Public Utilities Tax Impacts: Annual Operations (At Build Out)
2007 Dollars

	Commercial (Hotel/Retail/Office)	Residential	
Square Feet	790,900	323,400	
Public Utility Cost per SF (1/)	\$3.00	\$4.00	
Total Public Utility Gross Receipts	\$2,372,700	\$1,293,600	
Tax Rate (2/)	11%	10%	TOTAL
Annual Public Utility Tax Revenue	\$260,997	\$129,360	\$390,357

1/ Based on observed costs in comparable developments in the District

2/ 2007 Rates - DC Office of Finance and Revenue

Source: BBP Associates, DC Office of Finance and Revenue

Table 27
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

**Motor Vehicle Excise Tax Impacts: Annual Operations (At Build Out)
2007 Dollars**

Motor Vehicle Excise Taxes	
	Residential
Units	248
Motor Vehicles per Household (1/)	1.8
Total Motor Vehicles	446
Assumed % annual replacement (2/)	14.3%
Average Purchase Price (3/)	\$20,000.00
Total Motor Vehicle Purchase Expenditures	\$1,275,429
Motor Vehicle Excise Tax Rate (4/)	6%
Total Motor Vehicle Excise Taxes	\$76,526

1/ MWCOG - 2006

2/ Assumes average ownership period of approximately 7 years

3/ Estimated by BBP Associates

4/ 2007 Rates - DC Office of Finance and Revenue

Source: BBP Associates, DC Office of Finance and Revenue