

Economic and Fiscal Impact Evaluation

100 Potomac Avenue, SE
Second Stage Planned Unit Development
Washington, DC

Prepared for

Florida Rock Properties, Inc.
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Prepared by



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November 17, 2005

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November 17, 2005

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

Re: Economic and Fiscal Impact Evaluation – 100 Potomac Avenue, SE, Washington, DC

Dear Mr. Briggs:

Pursuant to your request, we hereby submit this report (with supporting documentation) of an Economic and Fiscal Impact Study for the second stage planned unit development (PUD) application and map amendment for the Florida Rock Properties site located at 100 Potomac Avenue in Southeast Washington, DC.

The subject site is a proposed mixed-use development located in SE Washington, DC. The PUD site has a total land area of approximately 253,000 square feet. The proposed project comprises approximately 1.1 million gross square feet of development that will include approximately 603,000 gross square feet of office, 160 residential units, a 235-room hotel and approximately 39,000 gross square feet of neighborhood supporting retail. The project will also include slightly under 1,100 parking spaces.

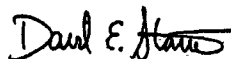
Based on the available data, our analysis and experience with conducting economic and fiscal impact analyses in the District of Columbia, Scenario A of Florida Rock project (which includes a rental housing component), upon project build-out, will provide 160 new residential units and create 3,342 new jobs on-site that will generate more than \$25.2 million (current 2005 dollars) in annual tax revenue to the District of Columbia. Scenario B of the project (which includes a for sale housing component), upon build-out, will provide 160 new residential units and create 3,342 additional new jobs on-site that will generate nearly \$25 million (current 2005 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
Senior Associate

Table of Contents

Section 1 Introduction.....4

1.1 Study Purpose.....4

1.2 Work Completed.....4

1.3 Report Organization.....4

Section 2 Economic and Fiscal Impact Evaluation5

2.1 Development Program5

2.2 Construction Period Economic and Fiscal Impacts.....5

2.3 Operating Period Economic and Fiscal Impacts6

Section 4 Other Benefits9

Appendix

A-1 Methodology 11

A-2 Detailed Analysis..... 13

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 as part of a second-stage planned unit development application and map amendment. This analysis represents an update to an earlier Economic and Fiscal Impact Evaluation (dated June 11, 2004) and reflects the project's adjacency to the planned Washington Nationals Ballpark in SE, Washington, DC and updated cost estimates for development of the site. As part of this analysis, we have analyzed the project under two scenarios – Scenario A in which the residential component is for sale condominiums and Scenario B in which the residential component comprises rental apartments.

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) 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 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 proposed project comprises approximately 1.1 million gross square feet of development that will include approximately 603,000 gross square feet of office, 160 residential units, a 235-room hotel and approximately 39,000 gross square feet of neighborhood supporting retail. The project will also include slightly under 1,100 parking spaces.

2.2 Construction Period Economic and Fiscal Impacts (Constant 2005 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 840 direct on-site jobs which will have an aggregate payroll of approximately \$37 million.¹ Furthermore, these direct jobs will create over 730 additional indirect, or spin-off, jobs off-site. These indirect jobs will have an aggregate payroll of approximately \$28.3 million. Direct consumption expenditures will total roughly \$31.6 million and an estimated \$63.4 million in material purchases will be made in the metropolitan area.

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 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 \$2.8 million in tax revenue to the District of Columbia. In all, the District of Columbia will receive roughly \$1.7 in income tax (from construction workers living in the District), \$358,000 in building permits and fees, and \$768,000 in sales tax of materials purchases made in the District.

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

¹ The representative increase in number of on-site construction jobs created and associated impacts from the previous analysis (dated June 11, 2004) is based on increase in costs for construction materials (e.g. steel, wood, etc.) in the marketplace today (and similar projects being undertaken within the Ballpark District) correlated to the number of labor hours per \$1,000 of material costs.

Summary of Estimated Economic and Fiscal Impacts
100 Potomac Avenue, SE PUD - Florida Rock Properties
Construction Period (2005 Dollars)

Economic Impacts (1/)	
DIRECT	
Jobs (FTE)	841
Payroll	\$36,943,254
Material Purchases (regional)	\$63,402,811
Consumption Expenditures	\$31,586,482
INDIRECT	
Jobs (FTE)	730
Payroll	\$28,297,628

Annual Fiscal Impacts to District	
Income Tax	\$1,695,534
Direct Sales Tax	\$364,566
Indirect Sales Tax	\$403,300
Building Permit Fees	\$357,873
TOTAL	\$2,821,273

1/ Total estimated jobs and payroll do not differentiate as to where employees live or as to where employees make consumer expenditures

2/ Building permit fees estimated for a total of 1.1 million square feet of development based on schedule of fees from District of Columbia government

2.3 Operating Period Economic and Fiscal Impacts (Constant 2005 Dollars)

Once construction is complete and market absorbed, 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 and planned high quality development proposed by numerous development companies around the baseball stadium.

The Florida Rock PUD project, with an assumed market value of approximately \$420 million, will provide on site a total of approximately 3,342 jobs with an aggregate annual payroll of about \$241 million.

In addition, this project will be the home to about 160 households whom will have total aggregate annual earnings of more than \$26.1 million for Scenario A with condominiums and \$18.5 million for Scenario B with rental apartments.

Furthermore, the project will create over 3,200 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 \$180 million. The wages and salaries of project employees and residents will annually generate an estimated \$228 million in consumption expenditures for Scenario A and \$221.5 million on consumption expenditures for Scenario B.

The operation of the Florida Rock PUD Project will create long-term sustainable job benefits to the District and its residents. Under the First Source Employment Agreement at least 51 percent of the newly created jobs and of the apprentices and trainees must be District residents. Likewise the applicant has made a commitment to make 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 connection with maintenance and security of the project.

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

Summary of Estimated Economic and Impacts
100 Potomac Avenue, SE PUD - Florida Rock Properties
Annual Operations at Build Out (2005 Dollars) (1/)

Economic Impacts (2/)	Scenario A (Condominium)	Scenario B (Apartment)
DIRECT		
Jobs (FTE)	3,342	3,342
Households	160	160
Payroll	\$240,691,499	\$240,691,499
Household Earnings	\$26,114,381	\$18,522,000
Consumption Expenditures	\$227,995,229	\$221,507,266
INDIRECT (3/)		
Jobs (FTE)	3,325	3,244
Payroll	\$180,520,162	\$178,609,160

1/ Figures based on at build out and provided in current 2005 dollars

2/ Total estimated jobs and payroll do not differentiate as to where employees live or as to where employees make consumer expenditures

3/ 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

The related fiscal impact for Scenario A (condominiums) will total approximately \$25.2 million in sustainable direct annual tax revenue to the District of Columbia. This includes an estimated \$7.6 million in annual income tax, \$7.8 million in annual real property tax, \$8.0 million in (direct and indirect) retail sales tax each year, \$733,000 in corporate franchise tax and \$946,000 in personal property tax.

The related fiscal impact for Scenario B (apartments) will total approximately \$25 million in sustainable direct annual tax revenue to the District of Columbia. This includes an estimated \$7.5 million in annual income tax, \$7.5 million in annual real property tax, \$7.8 million in (direct and indirect) retail sales tax each year, \$738,000 in corporate franchise tax and \$1 million in personal property tax.

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

Summary of Estimated Fiscal Impacts
100 Potomac Avenue, SE PUD - Florida Rock Properties
Annual Operations at Build Out (2005 Dollars) (1/)

Annual Fiscal Impacts to District	Scenario A (Condominium)	Scenario B (Apartment)
Income Tax	\$7,624,162	\$7,545,159
Real Property Tax	\$7,847,619	\$7,771,359
Direct Sales Tax (on-site)	\$4,157,466	\$4,157,466
Indirect Sales Tax (off-site in District)	\$3,902,129	\$3,698,732
Corporate Franchise Tax	\$732,851	\$738,763
Personal Property Tax	\$946,749	\$1,071,187
Total	\$25,210,975	\$24,982,666

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 catalyzing redevelopment around the planned new professional baseball park.

The Florida Rock PUD project will be a vibrant new mixed use district that will be integrated within the new Washington Nationals baseball stadium. This new development 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.

The project provides the District an opportunity to retain and attract new jobs, new permanent residents who would pay District taxes and generate relatively little service requirements. In addition, the location adjacent to the planned baseball park would also bring more visitor and visitor expenditures, taxes and jobs to the District, enlivening the District and enhancing economic activity. Such a project would have important economic spin-off benefits while its design can contribute to the Anacostia Waterfront Initiative and the quality of life for the District and its existing and future residents.

The Florida Rock PUD project directly addresses the 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 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. The project will create over 6,600 direct and indirect job opportunities.

The project also facilitates the ability and availability to provide housing to meet the needs of current and future residents. The project provides on-site housing and provides services and amenities to help support existing and future residents in the neighborhood. The project will enable the District to attract large-scale federal agencies or other commercial users by providing an adequate site in a mixed-use complex in a unique location.

The project will contribute toward the achievement of the stated goals of the District of Columbia Mayor's Office to expand housing in the District by providing a variety of quality housing opportunities in an area where there is a limited quality residential development. The project will also provide needed retail amenities to serve the existing and future residents and businesses in the neighborhood in an area with limited retail. The major investment will create new housing opportunities, office, hotel and retail with significant economic spin off benefits to all residents of the District and beyond. Furthermore, these opportunities will provide additional tax revenues to the District by those visitors attending the area for baseball games, employees working in the area and residents living within the Ballpark District.

The development of high-quality office, residential, hotel and retail uses will help serve as a precedent in the area which can contribute significantly to the economic well-being of the District of Columbia, the quality of life of District of Columbia residents and employees, and the enhancement of 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. New taxes and economic activity will enable the District and all of its residents to enjoy the benefits created by this project.

The Florida Rock PUD project will also provide enhanced transit benefits to the District and the region, including increased revenue and ridership to WMATA on Metro trains and buses. This will reduce traffic and air pollution by providing project employees, residents and visitors with attractive transportation alternatives.

The Florida Rock PUD project will help create an energized waterfront that will serve to unify diverse areas adjacent to the Anacostia River. The project will revitalize the surrounding neighborhoods, 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. The construction and permanent employment aspects of the project are designed to ensure the social and economic benefits derived from the revitalized waterfront will be shared by those neighborhoods and person living proximate to the river for whom, in the past, the river has been distant and out of reach.

The Florida Rock PUD project will transform an underutilized site which contributes approximately \$56,000 annually in real estate tax revenue to the District of Columbia and has approximately only 50 to 60 on-site employees to a high-quality mixed use development which will generate approximately \$25 million annually in District of Columbia tax revenue.

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, WMATA, Montgomery County, MD, MD State Stadium Authority, 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.

- We utilized information provided to us by Florida Rock Properties, Inc. for each of the project’s use, including office, apartments, hotel, retail, and parking. This includes:
 - 1/ Second Stage Planned Unit Development Application and Map Amendment for 100 Potomac Avenue, S.E. (May 21, 2004)
 - 2/ Architectural plans and renderings (Davis Buckley Architects & Planners), May 20, 2004
 - 3/ Prehearing Submission for 100 Potomac Avenue, SE Second Stage Planned Unit Development Application and Map Amendment for 100 Potomac Avenue, S.E. (May 2, 2005)
- Residential rental rates estimated at \$3.00 per sf per month (average) based on comparable projects in area and includes 20% premium for waterfront location.
- 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.
- Residential sales prices estimated by BBP Associates based on comparable projects in AWI area and includes 20% premium for waterfront location.
- In calculating expenditure impacts, disposable personal income² was 89.2 percent of personal income³ as of August 2004 for US (revised) and personal consumption expenditures⁴ was 95.8 percent of disposable income as of August 2004 for U.S. (revised) (Source: Bureau of Economic Analysis).

² Disposable personal income is personal income less personal tax and nontax payments. It is the income available to persons for spending or savings. Personal taxes include income, estate and gift and personal property taxes and motor vehicle licenses. Nontax payments include passport fees, fine and forfeitures, and donations.

³ Personal income is the current income of residents from all sources earnings--wages, interest and dividends, proprietor's income, and other miscellaneous labor income. It is measured after deductions of personal contributions to Social Security, but before personal tax deductions have been made.

⁴ Personal consumption expenditures are personal expenditures (outlays) for durable goods, non-durable goods and services.

- 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 multipliers are based on the 1992 benchmark input-output accounts for the U.S. economy and 1997 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 personal property, sales, income, corporate franchise, and real property tax rates were obtained from the District's Office of Tax and Revenue website, the Washington DC Marketing Center website, and the Washington, DC Chamber of Commerce website.
- Based on the average of existing jobs and newly created jobs, we assumed 35 percent of construction workers resided in the District; 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.
- Average household incomes for residential condominium units estimated based on an average sales price for each unit, unit fee and anticipated real property taxes. Assumes a monthly mortgage payment based on 7 percent interest rate, 20 percent down payment and 30-year fixed term. Assumes monthly household payment (e.g. mortgage, property taxes) is 32 percent of gross household income.
- 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 \$500 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.

A-2 Detailed Analysis

Attached Tables 1 through 29 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 2005 (\$2005) 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 \$2005 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. Information is provided on a gross square foot basis in order to ascertain the likely total construction cost including both hard and soft costs. These are based upon current prevailing costs in constant \$2005.

Estimated on-site retail sales at build out is presented in Table 4. The data is based upon the gross square footage, assuming 20 percent service retail and 80 percent restaurants. 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.

Tables 5 through 9 display 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 10 through 14 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 \$2005 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 Bureau of Labor Statistics information for the Washington area.

Table 15 estimates the average total household income for the residential portion of the project (for a condominium scenario and an apartment scenario). Based on an average sales price for each residential unit, unit fee and anticipated real property taxes, the average household income per unit is determined. Assumes a monthly mortgage payment based on 7 percent interest rate, 20 percent down payment and 30-year fixed term. Assumes monthly household payment (mortgage, residential unit fee, property taxes) is 32 percent of gross household income. Average household income for apartment units based on annual housing expenditure of 32 percent of gross average household income.

Tables 16 through 20 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 \$2005 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 21 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 \$2005 to avoid any including impact as a result of inflation.

Table 22 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 \$2005 to exclude any inflationary impacts. These represent long-term, sustained, annual tax revenues which the District is likely to receive.

Direct annual real property taxes which would be received by the District at project build out are presented in Table 23. 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.

Direct District sales taxes during both the construction period, as well as annual sales tax revenues from operations at build out are presented in Table 24. All figures are in constant \$2005 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.

Indirect sales tax impacts during the construction time frame are presented in Table 25. 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 \$2005 to avoid any inflationary impacts and are based upon current District tax rates.

Table 26 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 \$2005 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 27 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 \$2005 adjusted to avoid any inflationary impacts.

Estimated corporate franchise tax amounts are presented in Table 28. 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 \$2005 to avoid any inflationary impacts.

Table 29 presents estimated personal property tax generated at build out. These take into consideration the estimated ratio of personnel 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 \$2005.

Table 1
Summary of Estimated Economic and Fiscal Impacts
100 Potomac Avenue, SE PUD - Florida Rock Properties
Construction Period (2005 Dollars)

Economic Impacts (1/)	
DIRECT	
Jobs (FTE)	841
Payroll	\$36,943,254
Material Purchases (regional)	\$63,402,811
Consumption Expenditures	\$31,586,482
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- 2/ Building permit fees estimated for a total of 1.1 million square feet of developme 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
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Annual Operations at Build Out (2005 Dollars) (1/)

Economic Impacts (2/)	Scenario A (Condominium)	Scenario B (Apartment)
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Households	160	160
Payroll	\$240,691,499	\$240,691,499
Household Earnings	\$26,114,381	\$18,522,000
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INDIRECT (3/)		
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Total	\$25,210,975	\$24,982,666

Source Notes

1/ Figures based on at build out and provided in current 2005 dollars

2/ Total estimated jobs and payroll do not differentiate as to where employees live or as to where employees make consumer expenditures

3/ 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 the

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

Table 3
100 Potomac Avenue, SE PUD - Florida Rock Properties
Site Assumptions

Construction Period								
	Gross SF	No. Units/Rooms/ Parking Spaces	Total Cost per per SF/Space (1/)	Hard Cost per SF/Space	Soft Cost per SF/Space (2/)	Total Cost	Total Hard Cost	Total Soft Cost
Office	602,896		\$200	\$150	\$50	\$120,579,200	\$90,434,400	\$30,144,800
Residential	193,770	160	\$235	\$200	\$35	\$45,535,950	\$38,754,000	\$6,781,950
Hotel	248,300	235	\$265	\$225	\$40	\$65,799,500	\$55,867,500	\$9,932,000
Retail (3/)	39,498		\$200	\$165	\$35	\$7,899,600	\$6,517,170	\$1,382,430
Parking		1,087	\$20,000	\$15,000	\$5,000	\$0	\$0	\$0
TOTAL	1,084,464					\$239,814,250	\$191,573,070	\$48,241,180

Build Out		
	Gross SF	No. Units/Rooms/ Parking Spaces
Office	602,896	
Residential	193,770	160
Hotel	248,300	235
Retail	39,498	
Parking		1,087
TOTAL	1,084,464	

Source Notes

1/ Total cost per square foot/parking space (including hard and soft construction costs) provided by BBP Associates;

Values based on comparable projects in area.

2/ Soft costs include A&E, contingency, finance, legal, insurance, taxes, etc.

3/ Retail construction costs does not include tenant improvement costs

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

Table 4
100 Potomac Avenue, SE PUD - Florida Rock Properties
Estimated Retail Sales
2005 Dollars

	Retail	Restaurant
Total Leasable Units (1/)	7,900	31,598
Net Leasable Units	7,900	31,598
Less vacancy of 5%	7,505	30,018
Revenue Per Unit (Sales per SF) (2/)	\$500	\$600
Gross Income	\$3,752,310	\$18,011,088

Source Notes

1/ Assumes 80 percent of space is restaurants and 20 percent is specialty retail

2/ 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: Office

Economic, Employment and Expenditure Impacts: Construction Period
2005 Dollars

Project Cost (Construction) (1/)	\$90,434,400
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1. Estimated Earnings Impacts

Type of Labor	Construction Value	Labor Hours per \$1,000 (2/)	Total Hours	Total FTE Jobs	Average Earnings/Hr. (3/)	Total Annual Earnings:FTE Jobs
Construction	\$90,434,400	8.1	732,519	366	\$21.12	\$16,077,564

2. Total Economic Impact

Output (\$)	Output Multiplier (4/)	Indirect and Induced Economic Impact	Total Economic Impact
\$90,434,400	1.6929	\$62,661,996	\$153,096,396

3. Expenditure Impacts

Total Earnings	Disposable Earnings (5/)	Consumption Expenditures (6/)
\$16,077,564	\$14,469,807	\$13,746,317

4. Total Construction Period Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (7/)	Indirect Employment Impact	Total Employment Impact (8/)
Construction Labor	366	1.8728	319	685

5. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (9/)	Indirect Earnings Impact	Total Earnings Impact (10/)
Construction Labor	\$16,077,564	1.7718	\$12,408,664	\$28,486,227

6. Material Purchases

Type of Purchase	Per \$1,000 Const. Cost	Expenditure
Regionally Purchased	\$305	\$27,582,492
Purchased Out of Region	\$105	\$9,495,612
Total Material Purchases		\$37,078,104
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/ 1993 Ratios—Urban Land Institute
- 3/ May 2004 Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates for Construction Sector for District of Columbia; inflated 3 percent to 2005 dollars
- 4/ 1997 Capital Metro Output Multiplier for Construction Sector (office, industrial and commercial buildings), RIMS II Model, Bureau of Economic Analysis
- 5/ Disposable Income was 89.2% of Personal Income as of August 2004 (revised), Bureau of Economic Analysis
- 6/ Consumption Expenditures was 95.8% of Disposable Income as of August 2004 (revised), Bureau of Economic Analysis
- 7/ 1997 Capital Metro Employment Multiplier Estimates Per \$1 Million Income for Construction Sector, RIMS II Model
- 8/ Direct, Indirect and Induced Employment
- 9/ 1997 Capital Metro Earnings Multiplier for Construction Sector, RIMS II Model
- 10/ Direct, Indirect, and Induced Earnings

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: Residential

Economic, Employment and Expenditure Impacts: Construction Period
2005 Dollars

Project Cost (Construction) (1/)	\$38,754,000
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1. Estimated Earnings Impacts

Type of Labor	Construction Value	Labor Hours per \$1,000 (2/)	Total Hours	Total FTE Jobs	Average Earnings/Hr. (3/)	Total Annual Earnings:FTE Jobs
Construction	\$38,754,000	8.1	313,907	157	\$21.12	\$8,896,660

2. Total Economic Impact

Output (\$)	Output Multiplier (4/)	Indirect and Induced Economic Impact	Total Economic Impact
\$38,754,000	1.6558	\$25,414,873	\$64,168,873

3. Expenditure Impacts

Total Earnings	Disposable Earnings (5/)	Consumption Expenditures (6/)
\$8,896,660	\$6,206,994	\$5,896,644

4. Total Construction Period Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (7/)	Indirect Employment Impact	Total Employment Impact (8/)
Construction Labor	157	1.8448	133	290

5. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (9/)	Indirect Earnings Impact	Total Earnings Impact (10/)
Construction Labor	\$6,896,660	1.7406	\$5,107,666	\$12,004,326

6. Material Purchases

Type of Purchase	Per \$1,000 Const. Cost	Expenditure
Regionally Purchased	\$305	\$11,819,970
Purchased Out of Region	\$105	\$4,069,170
Total Material Purchases		\$15,889,140
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/ 1993 Ratios—Urban Land Institute
- 3/ May 2004 Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates for Construction Sector for District of Columbia; inflated 3 percent to 2005 dollars
- 4/ 1997 Capital Metro Output Multiplier for Construction Sector (office, industrial and commercial buildings), RIMS II Model, Bureau of Economic Analysis
- 5/ Disposable Income was 89.2% of Personal Income as of August 2004 (revised), Bureau of Economic Analysis
- 6/ Consumption Expenditures was 95.8% of Disposable Income as of August 2004 (revised), Bureau of Economic Analysis
- 7/ 1997 Capital Metro Employment Multiplier Estimates Per \$1 Million Income for Construction Sector, RIMS II Model
- 8/ Direct, Indirect and Induced Employment
- 9/ 1997 Capital Metro Earnings Multiplier for Construction Sector, RIMS II Model
- 10/ Direct, Indirect, and Induced Earnings

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

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

Economic, Employment and Expenditure Impacts: Construction Period
2005 Dollars

Project Cost (Construction) (1/)	\$55,867,500
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1. Estimated Earnings Impacts

Type of Labor	Construction Value	Labor Hours per \$1,000 (2/)	Total Hours	Total FTE Jobs	Average Earnings/Hr. (3/)	Total Annual Earnings:FTE Jobs
Construction	\$55,867,500	8.1	452,527	226	\$21.12	\$9,927,676

2. Total Economic Impact

Output (\$)	Output Multiplier (4/)	Indirect and Induced Economic Impact	Total Economic Impact
\$55,867,500	1.6929	\$38,710,591	\$94,578,091

3. Expenditure Impacts

Total Earnings	Disposable Earnings (5/)	Consumption Expenditures (6/)
\$9,927,676	\$8,934,908	\$8,488,163

4. Total Construction Period Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (7/)	Indirect Employment Impact	Total Employment Impact (8/)
Construction Labor	226	1.8728	197	423

5. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (9/)	Indirect Earnings Impact	Total Earnings Impact (10/)
Construction Labor	\$9,927,676	1.7718	\$7,662,180	\$17,589,856

6. Material Purchases

Type of Purchase	Per \$1,000 Const. Cost	Expenditure
Regionally Purchased	\$305	\$17,039,588
Purchased Out of Region	\$105	\$5,866,088
Total Material Purchases		\$22,905,675
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/ 1993 Ratios—Urban Land Institute
- 3/ May 2004 Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates for Construction Sector for District of Columbia; inflated 3 percent to 2005 dollars
- 4/ 1997 Capital Metro Output Multiplier for Construction Sector (office, industrial and commercial buildings), RIMS II Model, Bureau of Economic Analysis
- 5/ Disposable Income was 89.2% of Personal Income as of August 2004 (revised), Bureau of Economic Analysis
- 6/ Consumption Expenditures was 95.8% of Disposable Income as of August 2004 (revised), Bureau of Economic Analysis
- 7/ 1997 Capital Metro Employment Multiplier Estimates Per \$1 Million Income for Construction Sector, RIMS II Model
- 8/ Direct, Indirect and Induced Employment
- 9/ 1997 Capital Metro Earnings Multiplier for Construction Sector, RIMS II Model
- 10/ Direct, Indirect, and Induced Earnings

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

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

Economic, Employment and Expenditure Impacts: Construction Period
2005 Dollars

Project Cost (Construction) (1/) **\$6,517,170**

1. Estimated Earnings Impacts

Type of Labor	Construction Value	Labor Hours per \$1,000 (2/)	Total Hours	Total FTE Jobs	Average Earnings/Hr. (3/)	Total Annual Earnings:FTE Jobs
Construction	\$6,517,170	8.1	52,789	26	\$21.12	\$1,142,122

2. Total Economic Impact

Output (\$)	Output Multiplier (4/)	Indirect and Induced Economic Impact	Total Economic Impact
\$6,517,170	1.6929	\$4,515,747	\$11,032,917

3. Expenditure Impacts

Total Earnings	Disposable Earnings (5/)	Consumption Expenditures (6/)
\$1,142,122	\$1,027,910	\$976,514

4. Total Construction Period Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (7/)	Indirect Employment Impact	Total Employment Impact (8/)
Construction Labor	26	1.8728	23	49

5. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (9/)	Indirect Earnings Impact	Total Earnings Impact (10/)
Construction Labor	\$1,142,122	1.7718	\$881,490	\$2,023,612

6. Material Purchases

Type of Purchase	Per \$1,000 Const. Cost	Expenditure
Regionally Purchased	\$305	\$1,987,737
Purchased Out of Region	\$105	\$684,303
Total Material Purchases		\$2,672,040
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/ 1993 Ratios—Urban Land Institute
- 3/ May 2004 Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates for Construction Sector for District of Columbia; inflated 3 percent to 2005 dollars
- 4/ 1997 Capital Metro Output Multiplier for Construction Sector (office, industrial and commercial buildings), RIMS II Model, Bureau of Economic Analysis
- 5/ Disposable Income was 89.2% of Personal Income as of August 2004 (revised), Bureau of Economic Analysis
- 6/ Consumption Expenditures was 95.8% of Disposable Income as of August 2004 (revised), Bureau of Economic Analysis
- 7/ 1997 Capital Metro Employment Multiplier Estimates Per \$1 Million Income for Construction Sector, RIMS II Model
- 8/ Direct, Indirect and Induced Employment
- 9/ 1997 Capital Metro Earnings Multiplier for Construction Sector, RIMS II Model
- 10/ Direct, indirect, and Induced Earnings

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

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

Economic, Employment and Expenditure Impacts: Construction Period
2005 Dollars

Project Cost (Construction) (1/)	\$16,305,000
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1. Estimated Earnings Impacts

Type of Labor	Construction Value	Labor Hours per \$1,000 (2/)	Total Hours	Total FTE Jobs	Average Earnings/Hr. (3/)	Total Annual Earnings:FTE Jobs
Construction	\$16,305,000	8.1	132,071	66	\$21.12	\$2,899,233

2. Total Economic Impact

Output (\$)	Output Multiplier (4/)	Indirect and Induced Economic Impact	Total Economic Impact
\$16,305,000	1.6929	\$11,297,735	\$27,602,735

3. Expenditure Impacts

Total Earnings	Disposable Earnings (5/)	Consumption Expenditures (6/)
\$2,899,233	\$2,609,310	\$2,478,844

4. Total Construction Period Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (7/)	Indirect Employment Impact	Total Employment Impact (8/)
Construction Labor	66	1.8728	58	124

5. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (9/)	Indirect Earnings Impact	Total Earnings Impact (10/)
Construction Labor	\$2,899,233	1.7718	\$2,237,628	\$5,136,861

6. Material Purchases

Type of Purchase	Per \$1,000 Const. Cost	Expenditure
Regionally Purchased	\$305	\$4,973,025
Purchased Out of Region	\$105	\$1,712,025
Total Material Purchases		\$6,685,050
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/ 1993 Ratios--Urban Land Institute
- 3/ May 2004 Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates for Construction Sector for District of Columbia; inflated 3 percent to 2005 dollars
- 4/ 1997 Capital Metro Output Multiplier for Construction Sector (office, industrial and commercial buildings), RIMS II Model, Bureau of Economic Analysis
- 5/ Disposable Income was 89.2% of Personal Income as of August 2004 (revised), Bureau of Economic Analysis
- 6/ Consumption Expenditures was 95.8% of Disposable Income as of August 2004 (revised), Bureau of Economic Analysis
- 7/ 1997 Capital Metro Employment Multiplier Estimates Per \$1 Million Income for Construction Sector, RIMS II Model
- 8/ Direct, Indirect and Induced Employment
- 9/ 1997 Capital Metro Earnings Multiplier for Construction Sector, RIMS II Model
- 10/ Direct, Indirect, and Induced Earnings

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

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

Annual Employment Estimate Worksheet
2005 Dollars

Employees (FTE) (1/)	FTE per 1,000 SF (2/)	Total SF	No. Employees
Office	5	602,896	3,014

Office						
Job Classification (3)	No. of FTE	Annual Hours	Total Hours	Average Hourly Wage	Average Annual Wage (4/)	Total Annual Wages
Managers	300	2,080	624,000	\$46.84	\$97,436	\$29,230,906
Professionals	2,110	2,080	4,388,800	\$40.23	\$83,682	\$176,569,324
Support Staff	600	2,080	1,248,000	\$21.07	\$43,834	\$26,300,102
Subtotal	3,010		6,260,800			\$232,100,332
Total Weighted Average Wage Per Hour						\$37.07

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 2004 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 2005 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 - Florida Rock Properties: Residential

Annual Employment Estimate Worksheet
2005 Dollars

Employees (FTE) (1/)	No. of Units	No. Employees (2/)
Residential Staffing	160	11

Apartments						
Job Classification (3/)	No. of FTE	Annual Hours	Total Hours	Average Hourly Wage	Average Annual Wage (4/)	Total Annual Wages
Grounds Maintenance	3	2,080	6,240	\$13.78	\$28,665	\$85,996
Security	3	2,080	6,240	\$13.51	\$28,108	\$84,325
Facility Maintenance & Repair	4	2,080	8,320	\$18.21	\$37,878	\$151,511
Building Manager	1	2,080	2,080	\$24.14	\$50,218	\$50,218
Subtotal	11		22,880			\$372,049
Total Weighted Average Wage Per Hour						\$16.26

Source Notes

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

2/ Estimated number of FTEs estimated at 0.07 employees per residential unit; based on comparable projects in area

3/ Employee staffing estimated at 25% ground maintenance, 25% security, 40% facility maintenance and 10% building manager

4/ May 2004 Bureau of Labor Statistics Occupational Wage Estimates for District of Columbia; inflated 3% to 2005 dollars

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

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

Annual Employment Estimate Worksheet
2005 Dollars

Employees (FTE) (1/)	No. of Rooms	No. Employees (2/)
Hotel Staffing	235	71

Hotel						
Job Classification (3/)	No. of FTE	Annual Hours	Total Hours	Average Hourly Wage	Average Annual Wage (4/)	Total Annual Wages
Managers	10	2,080	20,800	\$30.79	\$64,036	\$640,363
General Hotel Staff	40	2,080	83,200	\$13.07	\$27,194	\$1,087,768
Administration Staff	20	2,080	41,600	\$21.07	\$43,834	\$876,670
Subtotal	70		145,600			2,604,801
Total Weighted Average Per Hour						\$17.89

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, 60% general hotel staff and 30% administration staff

4/ May 2004 Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates for District of Columbia; figures inflated 3% annually to 2005 dollars

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

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

Annual Employment Estimate Worksheet
2005 Dollars

Employees (FTE) (1/)	FTE per 1,000 SF	Total SF	No. Employees (2/)
Misc. Retail	2	7,900	16
Restaurant	7	31,598	221

Retail						
Job Classification (3/)	No. of FTE	Annual Hours	Total Hours	Average Hourly Wage	Average Annual Wage (4/)	Total Annual Wages
Misc. Retail	16	2,080	32,862	\$12.99	\$27,011	\$426,758
Restaurant	221	2,080	460,073	\$10.61	\$22,067	\$4,880,948
Subtotal	237		492,935			\$5,307,706
Total Weighted Wage Average Per Hour						\$10.77

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 2004 Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates for District of Columbia; figures inflated 3% annually to 2005 dollars

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

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

Annual Employment Estimate Worksheet
2005 Dollars

Employees (FTE) (1/)	No. of Facilities	No. Employees (2/)
Parking Staffing	2	14

Parking						
Job Classification	No. of FTE	Annual Hours	Total Hours	Average Hourly Wage	Average Annual Wage (4/)	Total Annual Wages
Attendant (2/)	10	2,080	20,800	\$9.90	\$20,600	\$206,000
Security	2	2,080	4,160	\$13.51	\$28,109	\$56,217
Maintenance	2	2,080	4,160	\$10.67	\$22,197	\$44,393
Subtotal	14		29,120			\$306,610
Total Weighted Average Per Hour						\$10.53

SOURCE NOTES

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

2/ Includes weekday attendant (Monday-Friday, 6 am to 8 pm); night attendant (Monday-Friday, 8 pm to 6 am); and weekend / holiday attendant

4/ May 2004 Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates for District of Columbia; figures inflated 3% annually to 2005 dollars

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

Table 15
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD

Residential Household Income Estimates
2005 Dollars

Type	Scenario A (Condominium)	Scenario B (Apartment)
No. of Units/HH	160	160
Average Unit Size (SF)	1,029	1,029
Average Sales Price / Rental Rate Per SF (1/)	\$600	\$3.00
Base Sales Price	\$617,400	
Parking Sales Price per Unit (2/)	\$20,000	
Est. Total Sales Price	\$637,400	
Down Payment (20%)	\$127,480	
Mortgage Principal	\$509,920	
Monthly Mortgage / Rent (3/)	\$3,461	\$3,087
Condominium Fee per month (4/)	\$412	
Est. Property Taxes (annual) (5/)	\$5,754	
Total Household Annual Expenditure	\$52,229	\$37,044
Est. Household Income (6/)	\$163,215	\$115,763
Total Household Income	\$26,114,381	\$18,522,000

Source Notes

- 1/ Estimated average sales price and rental rates based on comparable projects in area,
20% premium for waterfront location
- 2/ Estimated one parking space per unit
- 3/ Monthly mortgage payment estimated based upon a 7 percent interest rate, 20 percent down payment,
30 year term
- 4/ Condominium fees estimated at \$0.40 PSF
- 5/ Est. property taxes based on sales price per unit less homestead deduction (\$38,000) x \$0.96 / \$100 value
- 6/ Assumes household payment (mortgage, condo fee, property taxes) are 32% of annual household income

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

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

Employment and Expenditure Impacts: Annual Operations (At Build Out)
2005 Dollars

1. Estimated Annual Earnings Impacts - Permanent Employment

Factor	Total FTE	Average Earnings per FTE per Hr (1/)	Total Annual Earnings
Office	3,010	\$37.07	\$232,100,332

2. Expenditure Impacts

Output Type	Total Annual Earnings	Disposable Earnings (2/)	Consumption Expenditures (3/)
Office	\$232,100,332	\$207,033,496	\$198,338,089

3. Total Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (4/)	Indirect Employment Impact	Total Employment Impact (5/)
Office	3,010	1.968	2,914	5,924

4. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (6/)	Indirect Earnings Impact	Total Earnings Impact (7/)
Office	\$232,100,332	1.728	\$168,969,042	\$401,069,373

Source Notes

1/ Weighted average earnings per hour for all employees

2/ Disposable Income was 89.2% of Personal Income as of August 2004 (revised), Bureau of Economic Analysis

3/ Consumption Expenditures was 95.8% of Disposable Income as of August 2004 (revised), Bureau of Economic Analysis

4/ 1997 Capital Metro Employment Multiplier Estimates Per \$1 Million Income for Services Sector (office employees), RIMS II Model

5/ Direct, Indirect and Induced Employment

6/ 1997 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 17
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties: Residential

Employment and Expenditure Impacts: Annual Operations (At Build Out)
2005 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	11	\$16.26	\$372,049
Households (Scenario A - Condos)	160	\$163,215	\$26,114,381
Households (Scenario B - Apt)	160	\$115,763	\$18,522,000

2. Expenditure Impacts

Output Type	Total Annual Earnings / HH Income	Disposable Earnings / HH Income (2/)	Consumption Expenditures (3/)
Residential Staffing	\$372,049	\$331,868	\$317,929
Households (Scenario A - Condos)	\$26,114,381	\$23,294,028	\$22,315,679
Households (Scenario B - Apt)	\$18,522,000	\$16,521,624	\$15,827,716

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	\$372,049	11	1.1868	2.1	13.1
Households (Scenario A - Condos)	\$26,114,381	160	10.6	277	277
Households (Scenario B - Apt)	\$18,522,000	160	10.6	196	196

4. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (6/)	Indirect Earnings Impact	Total Earnings Impact (7/)
Residential Staffing	\$372,049	1.3983	\$148,187	\$520,236
Households (Scenario A - Condos)	\$26,114,381	0.2517	\$6,572,990	\$6,572,990
Households (Scenario B - Apt)	\$18,522,000	0.2517	\$4,661,987	\$4,661,987

Source Notes

1/ Weighted average for all employees and households

2/ Disposable Income was 89.2% of Personal Income as of August 2004 (revised), Bureau of Economic Analysis

3/ Consumption Expenditures was 95.8% of Disposable Income as of August 2004 (revised), Bureau of Economic Analysis

4/ 1997 Capital Metro Employment Multiplier Estimates Per \$1 Million Income for Services Sector

(services to dwellings and other buildings, households), RIMS II Model

5/ Direct, Indirect and Induced Employment

6/ 1997 Capital Metro Earnings Multiplier for Services Sector (services to dwellings and other buildings, households),

RIMS II Model

7/ Direct, Indirect, and Induced Earnings

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

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

Employment and Expenditure Impacts: Annual Operations (At Build Out)
2005 Dollars

1. Estimated Annual Earnings Impacts - Permanent Employment

Factor	Total FTE	Average Earnings per FTE per Hr (1/)	Total Annual Earnings
Hotel	70	\$17.89	\$2,604,801

2. Expenditure Impacts

Output Type	Total Annual Earnings	Disposable Earnings (2/)	Consumption Expenditures (3/)
Hotel	\$2,604,801	\$2,323,483	\$2,225,897

3. Total Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (4/)	Indirect Employment Impact	Total Employment Impact (5/)
Hotel	70	1.5685	40	110

4. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (6/)	Indirect Earnings Impact	Total Earnings Impact (7/)
Hotel	\$2,604,801	1.6282	\$1,636,336	\$4,241,138

Source Notes

1/ Weighted average for all employees

2/ Disposable Income was 89.2% of Personal Income as of August 2004 (revised), Bureau of Economic Analysis

3/ Consumption Expenditures was 95.8% of Disposable Income as of August 2004 (revised), Bureau of Economic Analysis

4/ 1997 Capital Metro Employment Multiplier Estimates Per \$1 Million Income for Service Employees, RIMS II Model

5/ Direct, Indirect and Induced Employment

6/ 1997 Capital Metro Earnings Multiplier for Services 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 19
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties: Retail

Employment and Expenditure Impacts: Annual Operations (At Build Out)
2005 Dollars

1. Estimated Annual Earnings Impacts - Permanent Employment			
Factor	Total FTE	Average Earnings/Hr. (1/)	Total Annual Earnings
Retail	237	\$10.77	\$5,307,706

2. Expenditure Impacts			
Output Type	Total Annual Earnings	Disposable Earnings (2/)	Consumption Expenditures (3/)
Retail	\$5,307,706	\$4,734,474	\$4,535,626

3. Total Employment Impacts				
Output Type	Total FTE Jobs	Employment Multiplier (4/)	Indirect Employment Impact	Total Employment Impact (5/)
Retail	237	1.3676	87	324

4. Total Earnings Impacts				
Output Type	Total Annual Earnings	Earnings Multiplier (6/)	Indirect Earnings Impact	Total Earnings Impact (7/)
Retail	\$5,307,706	1.5643	\$2,995,138	\$8,302,844

Source Notes

1/ Weighted average for all employees

2/ Disposable Income was 89.2% of Personal Income as of August 2004 (revised), Bureau of Economic Analysis

3/ Consumption Expenditures was 95.8% of Disposable Income as of August 2004 (revised), Bureau of Economic Analysis

4/ 1997 Capital Metro Employment Multiplier Estimates Per \$1 Million Income for Services Sector, RIMS II Model

5/ Direct, Indirect and Induced Employment

6/ 1997 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 20
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties: Parking

Employment and Expenditure Impacts: Annual Operations (At Build Out)
2005 Dollars

1. Estimated Annual Earnings Impacts - Permanent Employment

Factor	Total FTE	Average Earnings/Hr. (1/)	Total Annual Earnings
Parking	14	\$10.53	\$306,610

2. Expenditure Impacts

Output Type	Total Annual Earnings	Disposable Earnings (2/)	Consumption Expenditures (3/)
Parking	\$306,610	\$273,496	\$262,010

3. Total Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (4/)	Indirect Employment Impact	Total Employment Impact (5/)
Parking	14	1.3614	5.1	19

4. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (6/)	Indirect Earnings Impact	Total Earnings Impact (7/)
Parking	\$306,610	1.6473	\$198,469	\$505,079

Source Notes

1/ Weighted average for all employees

2/ Disposable Income was 89.2% of Personal Income as of August 2004 (revised), Bureau of Economic Analysis

3/ Consumption Expenditures was 95.8% of Disposable Income as of August 2004 (revised), Bureau of Economic Analysis

4/ 1997 Capital Metro Employment Multiplier Estimates Per \$1 Million Income for Services Sector, RIMS II Model

5/ Direct, Indirect and Induced Employment

6/ 1997 Capital Metro Earnings Multiplier for Services Sector (Automobile Parking), RIMS II Model

7/ Direct, Indirect, and Induced Earnings

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

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

Income Tax Receipts - Construction Period
2005 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 - Office	366	\$21.12	\$43,928	\$3,370	\$40,558	\$14,844,144	35%	\$493,568
Construction Workers - Residential	157	\$21.12	\$43,928	\$3,370	\$40,558	\$6,367,570	35%	\$211,722
Construction Workers - Hotel	226	\$21.12	\$43,928	\$3,370	\$40,558	\$9,166,056	35%	\$304,771
Construction Workers - Retail	26	\$21.12	\$43,928	\$3,370	\$40,558	\$1,054,502	35%	\$35,062
Construction Workers - Parking	66	\$21.12	\$43,928	\$3,370	\$40,558	\$2,676,813	35%	\$89,004
A&E, legal, marketing and promotion						\$16,884,413	35%	\$561,407
Total						\$50,993,497		\$1,695,534

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 one Standard Deduction of \$2,000, One Personal Exemption of \$1,370

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 35% construction workers live in the District of Columbia; based on industry standards within District

7/ Labor income estimated at 1/3 of soft costs for A&E, legal, marketing and promotion, etc. Assumes 35 percent of this income is from District residents

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

Income Tax Receipts - Annual Operations (At Build Out)
2005 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/)
SCENARIO A - CONDOS								
Office	3,010	\$37.07	\$77,110	\$21,282	\$55,827	\$168,040,640	35%	\$5,587,351
Residential (staffing)	11	\$16.26	\$33,823	\$3,370	\$30,453	\$334,979	50%	\$15,912
Residential (households)	160		\$163,215	\$45,047	\$118,168	\$18,906,812	90%	\$1,616,532
Hotel	70	\$17.89	\$37,211	\$3,370	\$33,841	\$2,368,901	60%	\$135,027
Retail	237	\$10.77	\$22,397	\$3,370	\$19,027	\$4,509,056	60%	\$257,016
Parking	14	\$10.53	\$21,901	\$3,370	\$18,531	\$259,430	50%	\$12,323
Total						\$194,419,819		\$7,624,162
SCENARIO B - APARTMENTS								
Office	3,010	\$37.07	\$77,110	\$21,282	\$55,827	\$168,040,640	35%	\$5,587,351
Residential (staffing)	11	\$16.26	\$33,823	\$3,370	\$30,453	\$334,979	50%	\$15,912
Residential (households)	160		\$115,763	\$3,370	\$112,393	\$17,982,800	90%	\$1,537,529
Hotel	70	\$17.89	\$37,211	\$3,370	\$33,841	\$2,368,901	60%	\$135,027
Retail	237	\$10.77	\$22,397	\$3,370	\$19,027	\$4,509,056	60%	\$257,016
Parking	14	\$10.53	\$21,901	\$3,370	\$18,531	\$259,430	50%	\$12,323
Total						\$193,495,808		\$7,545,159

Source Notes

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

2/ Office employees: assumes deduction of 27.6% of gross income

Residential (Condominium) Households: assumes deduction for mortgage interest and property taxes and \$3,370 in other deductions, or approx. 27.6% of gross income

Residential (Apartment) Households, retail, hotel and parking employees: assumes standard deduction of \$3,370

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

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

Residential households adjusted for non-District residents (e.g. investor units, second home)

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

Real Property Tax Impacts: Annual Operations (At Build Out)
2005 Dollars

Assumptions							
Assessment Ratio/MV							100%
Operation (At Build Out)							
Use	GSF / No. of Units/Spaces	Est. Market Value per Unit (1/)	Estimated Market Value	Estimated Assessed Value	Est. Taxable Value	Tax Rate per \$100 (2/)	District Taxes
SCENARIO A (CONDOS)							
Office	602,896	\$400	\$241,158,400	\$241,158,400	\$241,158,400	\$1.85	\$4,461,430
Residential	160	\$637,400	\$101,984,000	\$101,984,000	\$101,984,000	\$0.96	\$979,046
Hotel	248,300	\$380	\$94,354,000	\$94,354,000	\$94,354,000	\$1.85	\$1,745,549
Retail	39,498	\$355	\$14,021,790	\$14,021,790	\$14,021,790	\$1.85	\$259,403
Parking	1,087	\$20,000	\$21,740,000	\$21,740,000	\$21,740,000	\$1.85	\$402,190
Total			\$473,258,190	\$473,258,190			\$7,847,619
SCENARIO B (APARTMENTS)							
Office	602,896	\$400	\$241,158,400	\$241,158,400	\$241,158,400	\$1.85	\$4,461,430
Residential	160	\$304,996	\$48,799,296	\$48,799,296	\$48,799,296	\$1.85	\$902,787
Hotel	248,300	\$380	\$94,354,000	\$94,354,000	\$94,354,000	\$1.85	\$1,745,549
Retail	39,498	\$355	\$14,021,790	\$14,021,790	\$14,021,790	\$1.85	\$259,403
Parking	1,087	\$20,000	\$21,740,000	\$21,740,000	\$21,740,000	\$1.85	\$402,190
Total			\$420,073,486	\$420,073,486			\$7,771,359

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)

3/ Rates are for fiscal year 2005 for District; information obtained from District Office of the Chief Financial Officer

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

Table 24
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)
2005 Dollars

Construction Period			
	Direct Expenditures	Estimated Percent Made in District	Estimated District Sales Tax Revenues (2/)
Regional Material Purchases (1/)	\$63,402,811	10%	\$364,566

Annual Operations (At Build Out)			
Use	Tax Rate	Total Taxable Sales (3/)	Total Tax Revenues District
Hotel Rooms	14.00%	\$13,509,563	\$1,891,339
Retail Sales	5.75%	\$3,752,310	\$215,758
Restaurant Sales	10.00%	\$18,011,088	\$1,801,109
Parking	12.00%	\$2,077,168	\$249,260
Estimated Direct Sales Tax Revenue to District		\$37,350,129	\$4,157,466

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 \$210/room x 235 rooms x 365 days and a 75% occupancy

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

Indirect Sales Tax Impacts: Construction Period (Annually)
2005 Dollars

Work Related Impacts - Construction Workers	
	FTE
Construction Workers	841
Total	841
Retail Expenditure Per Employee Per Year in DC	\$500
Total Retail Sales in District	\$420,500
<i>Retail Sales (20% of sales)</i>	\$84,100
<i>Restaurant Sales (80% of sales)</i>	\$336,400
Estimated Indirect Sales Tax Revenue to District	
<i>Retail Sales Tax (5.75% tax rate)</i>	\$4,836
<i>Restaurant Sales Tax (10% tax rate)</i>	\$33,640
Estimated Indirect Sales Tax Revenue to District	\$38,476

Residential Related Impacts - Construction Workers							
	FTE	Total Consumption Expenditures	Percent District Residents	Number of District Residents	Consumption Expenditures for District Residents	Percent Retail Expenditures in District	Total Retail Sales
Total Project	841	\$31,586,482	35%	294	\$11,055,269	50%	\$5,527,634
Total	841	\$31,586,482		294	\$11,055,269		\$5,527,634
Total Retail Sales in District	\$5,527,634						
<i>Retail Sales (80% of sales)</i>	\$4,422,108						
<i>Restaurant Sales (20% of sales)</i>	\$1,105,527						
Estimated Indirect Sales Tax Revenue to District							
<i>Retail Sales Tax (5.75% tax rate)</i>	\$254,271						
<i>Restaurant Sales Tax (10% tax rate)</i>	\$110,553						
Estimated Indirect Sales Tax Revenue to District	\$364,824						

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

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

Indirect Sales Tax Impacts: Annual Operations (At Build Out) (1/)
2005 Dollars

Residents		Scenario A (Condos)	Scenario B (Apartments)
Number of Households		160	160
Household Consumption Expenditures		\$22,315,679	\$15,827,716
Less vacancy rate of 5%		\$21,199,895	\$15,036,330
Percent Retail Expenditures in District		50%	50%
Total Retail Sales in District (2/)		\$10,599,947	\$7,518,165
Retail Sales (80% of sales)		\$8,479,958	\$6,014,532
Restaurant Sales (20% of sales)		\$2,119,989	\$1,503,633
Estimated Indirect Sales Tax Revenue to District			
Retail Sales Tax (5.75% tax rate)		\$487,598	\$345,836
Restaurant Sales Tax (10% tax rate)		\$211,999	\$150,363
Estimated Indirect Sales Tax Revenue to District		\$699,597	\$496,199

Employees - Work Related Impacts		
Employees	FTE	FTE
Office		3,010
Residential (staffing)	11	
Hotel	70	
Retail	237	
Parking	14	
Total	332	3,010
Retail Expenditure Per Employee Per Year in DC	\$500	\$2,650
Total Retail Expenditures in District	\$165,994	\$7,976,500
Retail Sales (20% of sales)	\$33,199	\$3,612,000
Restaurant Sales (80% of sales)	\$132,795	\$4,364,500
Estimated Indirect Sales Tax Revenue to District		
Retail Sales Tax (5.75% tax rate)	\$1,909	\$207,690
Restaurant Sales Tax (10% tax rate)	\$13,280	\$436,450
Estimated Indirect Sales Tax Revenue to District	\$15,188	\$644,140

Employees - Related Impacts					
	FTE	Total Consumption Expenditures	Percent District Residents	Percent Retail Expenditures in District (3/)	Total Retail Sales
Office	3,010	\$198,338,089	35%	45%	\$31,238,249
Residential (staffing)	11	\$317,929	50%	45%	\$71,534
Hotel	70	\$2,225,897	60%	45%	\$600,992
Retail	237	\$4,535,626	60%	45%	\$1,224,619
Parking	14	\$262,010	50%	45%	\$58,952
Total	3,342	\$205,679,551			\$33,194,346
Total Retail Expenditures in District	\$33,194,346				
Retail Sales (80% of sales)	\$26,555,477				
Restaurant Sales (20% of sales)	\$6,638,869				
Estimated Indirect Sales Tax Revenue to District					
Retail Sales Tax (5.75% tax rate)	\$1,526,940				
Restaurant Sales Tax (10% tax rate)	\$663,887				
Estimated Indirect Sales Tax Revenue to District	\$2,190,827				

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 retail and restaurant sales ratios for non-office employees based on statistics provided by National Restaurant Association and DC Office of Planning
 Estimated shoppers good and food and drink sales for office employees based on International Council of Shopping Center data for 2003
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 27
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Indirect Sales Tax Impacts: Annual Operations (At Build Out) (1/)
2005 Dollars

Hotel Guests	
Total Estimated On Site Sales (1/)	\$13,509,563
Estimated Hotel Patrons Annually	83,631
Total Average Daily Spending per Patron (2/)	\$369
Less Daily Hotel Expenses by Patrons	50%
Additional Spending - Off Site	\$185
20% Off Site Daily Spending - Retail/Entertainment (3/)	\$37
Estimate Off-Site Spending in District of Columbia (4/)	\$1,698,204
Estimated District Retail Sales Tax Revenue (5/)	\$97,647
30% Off Site Daily Spending - Restaurant (3/)	\$55
Estimate Off-Site Spending in District of Columbia (4/)	\$2,547,306
Estimated District Restaurant Sales Tax Revenue (6/)	\$254,731
Total Spin Off Sales Tax Revenue from Hotel Patrons	\$352,377

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 28
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Estimated Corporate Franchise Tax Impacts: Annual Operations (At Build Out)
2005 Dollars

	Estimated Total Taxable Income: District (1/)	Corporate Income Tax Rate: District	Estimated Franchise Taxes: District
Scenario A (Condos)	\$7,346,875	9.975%	\$732,851
Scenario B (Apartments)	\$7,406,145	9.975%	\$738,763

Source Notes

1/ Calculated for office tenants, hotel, parking and retail operations for Scenario A
 Calculated for office tenants, hotel, apartment, parking and retail operations for Scenario B
 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 29
Preliminary Evaluation of Economic Impact
100 Potomac Avenue, SE PUD - Florida Rock Properties

Personal Property Tax Impacts: Annual Operations (At Build Out)
2005 Dollars

	Scenario A	Scenario B
Total Estimated Project Real Property Value (1/)	\$371,274,190	\$420,073,486
Assumed Ratio of Real Property to Personal Property (2/)	10%	10%
Estimated Personal Property Value	\$37,127,419	\$42,007,349
Adjusted Estimate--Personal Property Assessable (3/)	\$27,845,564	\$31,505,511
Tax Rate for Personal Property (4/)	\$3.40	\$3.40
Total Personal Property Taxes	\$946,749	\$1,071,187

Source Notes

1/ Calculated for Retail, Hotel, Office, Apartment and Parking 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