

# Economic and Fiscal Impact Evaluation

100 Potomac Avenue, SE  
Planned Unit Development  
Washington, DC

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Prepared for

Florida Rock Properties, Inc.  
34 Loveton Circle  
Suite 100  
Sparks, MD 21152

Holland & Knight, LLP  
2099 Pennsylvania Avenue, NW  
Washington, DC 20006

Prepared by



Basile Baumann Prost & Associates, Inc.  
177 Defense Highway, Suite 10  
Annapolis, MD 21401

August 22, 2006

## **Basile Baumann Prost & Associates, Inc.**

Public/Private Development Advisors

Nichols Center  
177 Defense Highway  
Annapolis, MD 21401  
Phone: (410) 266-7800  
Fax: (410) 266-7866

August 22, 2006

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 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. 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 600,000 gross square feet of office, approximately 169 residential apartment units, a 233-room hotel and approximately 92,000 gross square feet of neighborhood supporting retail. The project will also include approximately 1,400 parking spaces.

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 169 new residential units and create 3,458 new jobs on-site that will generate more than \$29.2 million (current 2006 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.

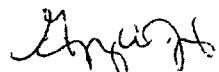
Respectfully submitted,



James L. Prost, AICP  
Principal

David Starnes, AICP  
Senior Associate

Gregory A. Jones  
Associate



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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 two earlier Economic and Fiscal Impact Evaluation (dated June 11, 2004 and November 17, 2005) and reflects the project's modified development program and updated cost estimates for development of the site.

### 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 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 proposed project comprises approximately 1.1 million gross square feet of development that will include approximately 600,000 gross square feet of office, approximately 169 residential apartment units, a 233-room hotel and approximately 92,000 gross square feet of neighborhood supporting retail. The project will also include approximately 1,400 parking spaces.

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

### 2.2 Construction Period Economic and Fiscal Impacts (Constant 2006 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 which will have an aggregate payroll of approximately \$78.2 million. Furthermore, these direct jobs will create over 1,548 additional indirect, or spin-off, jobs off-site. These indirect jobs will have an aggregate payroll of approximately \$60.4 million. Direct consumption expenditures will total roughly \$66.7 million and an estimated \$133.6 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 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 \$5.7 million in tax revenue to the District of Columbia, including roughly \$3.7 in income tax (from construction workers living in the District), \$370,000 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.

**Summary of Estimated Economic and Fiscal Impacts**

100 Potomac Avenue, SE PUD

*Construction Period (2006 Dollars)*

<b>Economic Impacts (1/)</b>	
<b>DIRECT</b>	
Jobs (FTE)	1,774
Payroll	\$78,202,782
Material Purchases (regional)	\$133,590,000
Consumption Expenditures	\$66,685,077
<b>INDIRECT</b>	
Jobs (FTE)	1,548
Payroll	\$60,356,908

<b>Annual Fiscal Impacts to District</b>	
Income Tax	\$3,675,768
Direct Sales Tax	\$768,143
Indirect Sales Tax	\$851,373
Building Permit Fees	\$368,082
<b>TOTAL</b>	<b>\$5,663,365</b>

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

Sources: BBP Associates, Florida Rock Properties Inc.

**2.3 Operating Period Economic and Fiscal Impacts (Constant 2006 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 over \$610 million, will provide on site a total of approximately 3,458 jobs with an aggregate annual payroll of about \$229.5 million.

In addition, this project will be the home to about 169 households whom will have total aggregate annual earnings of nearly \$19 million. Approximately 9 of these units will be available as affordable workforce housing (80% of AMI).

Furthermore, the project will create over 3,284 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 \$170.1 million. The wages and salaries of project employees and residents will annually generate an estimated \$211.8 million in consumer expenditures.

The related fiscal impact for the Florida Rock PUD Project will total approximately \$29.2 million in sustainable direct annual tax revenue to the District of Columbia. This includes an estimated \$7.6 million in annual income tax, \$10.6 million in annual real property tax, \$6.1 million in direct on-site retail sales tax each year, \$2.8 million in indirect retail sales, \$712,000 in corporate franchise tax and \$1.4 million in personal property tax.

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 (2006 Dollars) (1/)*

<b>Economic Impacts (2/)</b>	
<b>DIRECT</b>	
Jobs (FTE)	3,458
Households	160
Payroll	\$229,457,680
Household Earnings	\$18,910,800
Consumption Expenditures	\$211,788,770
<b>INDIRECT (3/)</b>	
Jobs (FTE)	3,284
Payroll	\$170,078,915

<b>Annual Fiscal Impacts to District</b>	
Income Tax	\$7,603,531
Real Property Tax	\$10,605,924
Direct Sales Tax (on-site)	\$6,129,296
Indirect Sales Tax (off-site in District)	\$2,784,135
Corporate Franchise Tax	\$712,209
Personal Property Tax	\$1,367,546
<b>Total</b>	<b>\$29,202,642</b>

**Source Notes**

1/ Figures based on at build out and provided in current 2006 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

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 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.

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 would also bring more visitor and visitor expenditures to the District, enlivening the District and enhancing economic activity.

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 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 by creating over 6,700 direct and indirect job opportunities.

The PUD 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 additional housing opportunities in the area. The project provides numerous residential units including a number of 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. Furthermore, 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, 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.

- 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 \$3.09 per SF per month (average) by BBP Associates and are based on comparable projects in area and include a 20% premium for waterfront location.
- 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).
- 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 February 2006 (preliminary), and personal consumption expenditures<sup>1</sup> was 96.9% of Disposable Income as of February 2006 (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 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 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

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

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 \$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 2006 (\$2006) 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 \$2006 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 \$2006.

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.

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 \$2006 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 11 estimates the average total household income for the residential portion of the project. The average household income for 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 \$2006 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 \$2006 to avoid any including 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 \$2006 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 19. 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 20. All figures are in constant \$2006 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 21. 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 \$2006 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 \$2006 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 \$2006 adjusted to avoid any inflationary impacts.

Estimated corporate franchise tax amounts are presented in Table 24. 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 \$2006 to avoid any inflationary impacts.

Table 25 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 \$2006.

**Table 1**  
**Summary of Estimated Economic and Fiscal Impacts**  
**100 Potomac Avenue, SE PUD - Florida Rock Properties**  
**Construction Period (2006 Dollars)**

<b>Economic Impacts (1/)</b>	
<b>DIRECT</b>	
Jobs (FTE)	1,774
Payroll	\$78,202,782
Material Purchases (regional)	\$133,590,000
Consumption Expenditures	\$66,685,077
<b>INDIRECT</b>	
Jobs (FTE)	1,548
Payroll	\$60,356,908
<b>Annual Fiscal Impacts to District</b>	
Income Tax	\$3,675,768
Direct Sales Tax	\$768,143
Indirect Sales Tax	\$851,373
Building Permit Fees (2/)	\$368,082
<b>TOTAL</b>	<b>\$5,663,365</b>

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

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 (2006 Dollars) (1/)***

<b>Economic Impacts (2/)</b>	
<b>DIRECT</b>	
Jobs (FTE)	3,458
Households	160
Payroll	\$229,457,680
Household Earnings	\$18,910,800
Consumption Expenditures	\$211,788,770
<b>INDIRECT (3/)</b>	
Jobs (FTE)	3,284
Payroll	\$170,078,915
<b>Annual Fiscal Impacts to District</b>	
Income Tax	\$7,603,531
Real Property Tax	\$10,605,924
Direct Sales Tax (on-site)	\$6,129,296
Indirect Sales Tax (off-site in District)	\$2,784,135
Corporate Franchise Tax	\$712,209
Personal Property Tax	\$1,367,546
<b>Total</b>	<b>\$29,202,642</b>

**Source Notes**

1/ Figures based on at build out and provided in current 2006 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

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

**Table 3**  
**100 Potomac Avenue, SE PUD - Florida Rock Properties**  
**Site Assumptions (2006 Dollars)**

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<b>Site Assumptions (1/)</b>						
	Gross Buildable Area (SF)	Efficiency	Gross Leasable Area (SF)	No. Units/Rooms/ Parking Spaces	Unit Size (2/) (GBA)	Unit Size (2/) (GLA)
Office	599,959	88%	527,964			
Residential	203,022	85%	172,569	169	1,200	1,020
Hotel (3/)	247,563	82%	203,002	233	1,000	873
Retail (4/)(5/)	64,856	90%	58,370			
Parking				1,389		
<b>TOTAL</b>	<b>1,115,400</b>		<b>961,905</b>			

<b>Construction Period (6/)</b>				
	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
<b>TOTAL</b>	<b>1,115,400</b>	<b>\$438,000,000</b>	<b>\$109,500,000</b>	<b>\$547,500,000</b>

#### **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 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

4/ An additional 11,871 square feet of retail space is included at the basement level that is not counted in the Gross SF numbers.

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

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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)**  
**2006 Dollars**

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Total Project Retail Space	GBA (1/)	GLA (2/)
Retail (Above Grade)	64,856	58,370
Retail (Below Grade)	11,871	10,684
Other Retail (Hotel Building)	15,000	13,500
<b>TOTAL</b>	<b>91,727</b>	<b>82,554</b>

	General Retail	Restaurant
Total Leasable Units (GLA) (3/)	43,244	39,310
Net Leasable Units	43,244	39,310
Less vacancy of 5%	41,082	37,345
Revenue Per Unit (Sales per SF) (4/)	\$500	\$650
<b>Gross Income</b>	<b>\$20,540,948</b>	<b>\$24,274,049</b>

**Source Notes**

1/ Gross Buildable Area

2/ Gross Leasable Area

3/ Assumes Above Grade retail is 1/2 general retail and 1/2 restaurant

Assumes Below Grade retail is general retail

Assumes Other Retail 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

General retail sales includes a sales per SF discount to reflect 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**  
**2006 Dollars**

<b>Project Cost (Construction) (1)</b>													
<b>\$438,000,000</b>													
<b>1. Estimated Earnings Impacts</b>													
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	\$21.19	\$78,202,782							
<b>2. Total Economic Impact</b>													
Output (\$)	Output Multiplier (4)	Indirect and Induced Economic Impact	Total Economic Impact										
\$438,000,000	1.6929	\$303,490,200	\$741,490,200										
<b>3. Expenditure Impacts</b>													
Total Earnings	Disposable Earnings (5)	Consumer Expenditures (6)											
\$78,202,782	\$68,818,449	\$66,685,077											
<b>4. Total Construction Period Employment Impacts</b>													
Output Type	Total FTE Jobs	Employment Multiplier (7)	Indirect Employment Impact	Total Employment Impact (8)									
Construction Labor	1,774	1.8728	1,548	3,322									
<b>5. Total Earnings Impacts</b>													
Output Type	Total Annual Earnings	Earnings Multiplier (9)	Indirect Earnings Impact	Total Earnings Impact (10)									
Construction Labor	\$78,202,782	1.7718	\$60,356,908	\$138,559,690									
<b>6. Material Purchases</b>													
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/ 1993 Ratios—Urban Land Institute

3/ November 2004 Bureau of Labor Statistics Occupational Wage Estimates for Construction Sector for Washington, DC-MD-VA-WV PMSA; inflated 3 percent annually to 2006 dollars

4/ 1997 Capital Metro Output Multiplier for Construction Sector, RIMS II Model, Bureau of Economic Analysis

5/ Disposable Income was 88% of Personal Income as of February 2006 (preliminary), Bureau of Economic Analysis

6/ Consumption Expenditures was 96.9% of Disposable Income as of February 2006 (preliminary), 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

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)**  
**2006 Dollars**

<b>Employees (FTE) (1/)</b>	<b>FTE per 1,000 SF (2/)</b>	<b>Total SF</b>	<b>No. Employees</b>
Office	5	599,959	3,000

<b>Office</b>						
<b>Job Classification (3)</b>	<b>No. of FTE</b>	<b>Annual Hours</b>	<b>Total Hours</b>	<b>Average Hourly Wage</b>	<b>Average Annual Wage (4/)</b>	<b>Total Annual Wages</b>
Managers	300	2,080	624,000	\$50.57	\$105,192	\$31,557,552
Professionals	2,100	2,080	4,368,000	\$37.30	\$77,587	\$162,932,734
Support Staff	600	2,080	1,248,000	\$18.99	\$39,506	\$23,703,514
<b>Subtotal</b>	<b>3,000</b>		<b>6,240,000</b>			<b>\$218,193,799</b>
<b>Total Weighted Average Wage Per Hour</b>						<b>\$34.97</b>

**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 2005 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 7**  
**Preliminary Evaluation of Economic Impact**  
**100 Potomac Avenue, SE PUD - Florida Rock Properties: Residential**

**Annual Employment Estimate Worksheet (At Build Out)**  
**2006 Dollars**

Employees (FTE) (1/)	No. of Units	No. Employees (2/)					
Residential Staffing	169	12					
<b>Apartments</b>							
Job Classification (3/)	No. of FTE	% of Total	Annual Hours	Total Hours	Average Hourly Wage	Average Annual Wage (4/)	Total Annual Wages
Grounds Maintenance	4	34%	2,080	8,320	\$11.38	\$23,674	\$94,694
Security	3	25%	2,080	6,240	\$13.21	\$27,487	\$82,461
Facility Maintenance & Repair	4	34%	2,080	8,320	\$17.99	\$37,428	\$149,711
Building Manager	1	8%	2,080	2,080	\$37.54	\$78,090	\$78,090
<b>Subtotal</b>	<b>12</b>			<b>24,960</b>			<b>\$404,956</b>
<b>Total Weighted Average Wage Per Hour</b>							<b>\$16.22</b>

**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 based on comparable projects  
 4/ May 2005 Bureau of Labor Statistics Occupational Wage Estimates for District of Columbia; inflated 3% to 2006 dollars

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

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

**Annual Employment Estimate Worksheet (At Build Out)**  
**2006 Dollars**

<b>Employees (FTE) (1/)</b>	<b>No. of Rooms</b>	<b>No. Employees (2/)</b>				
Hotel Staffing	233	70				
<b>Hotel</b>						
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	\$28.64	\$59,580	\$417,061
General Hotel Staff	42	2,080	87,360	\$14.31	\$29,765	\$1,250,133
Administration Staff	21	2,080	43,680	\$18.99	\$39,506	\$829,623
<b>Subtotal</b>	<b>70</b>		<b>145,600</b>			<b>2,496,817</b>
<b>Total Weighted Average Per Hour</b>						<b>\$17.15</b>

**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 2005 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 9**  
**Preliminary Evaluation of Economic Impact**  
**100 Potomac Avenue, SE PUD - Florida Rock Properties: Retail**

**Annual Employment Estimate Worksheet (At Build Out)**  
**2006 Dollars**

Employees (FTE) (1/)	FTE per 1,000 SF (GLA)	Total SF (GLA)	No. Employees (2/)
Gen. Retail	2	43,244	86
Restaurant	7	39,310	275

Retail						
Job Classification (3/)	No. of FTE	Annual Hours	Total Hours	Average Hourly Wage	Average Annual Wage (4/)	Total Annual Wages
Misc. Retail	86	2,080	179,895	\$12.95	\$26,930	\$2,329,124
Restaurant	275	2,080	572,357	\$10.00	\$20,810	\$5,726,373
<b>Subtotal</b>	<b>362</b>		<b>752,252</b>			<b>\$8,055,497</b>
<b>Total Weighted Wage Average Per Hour</b>						<b>\$10.71</b>

**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 2005 Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates for District of Columbia;  
 figures inflated 3% annually to 2006 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)**  
**2006 Dollars**

Employees (FTE) (1/)	No. Employees
Parking Staffing	14

<b>Parking (2/)</b>						
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	\$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
<b>Subtotal</b>	<b>14</b>		<b>29,120</b>			<b>\$306,610</b>
<b>Total Weighted Average Per Hour</b>						<b>\$10.53</b>

**SOURCE NOTES**

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

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

3/ May 2005 Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates for District of Columbia;  
 figures inflated 3% annually to 2006 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**  
**2006 Dollars**

Type	Residential Apartments (4/)	
	Market Rate	Workforce Housing
No. of Units/HH	160	9
Average Unit Size (GLA) (SF)	1,020	1,020
80% AMI (1/)	-	\$70,560
Rental Rate Per SF (2/)	\$3.09	\$1.84
Monthly Rent	\$3,152	\$1,882
Total Household Annual Expenditure	\$37,822	\$22,579
Est. Household Income (3/)	\$118,193	\$70,560
<b>Total Household Income</b>	<b>\$18,910,800</b>	<b>\$635,040</b>

**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

2/ Estimated average sales price and rental rates based on comparable projects in area,

20% premium for waterfront location

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

4/ Residential units are assumed apartments

Distribution of units provided by Florida Rock Properties, Inc.

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*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)**  
**2006 Dollars**

<b>1. Estimated Annual Earnings Impacts - Permanent Employment</b>			
<b>Factor</b>	<b>Total FTE</b>	<b>Average Earnings per FTE per Hr (1/)</b>	<b>Total Annual Earnings</b>
Office	3,000	\$34.97	\$218,193,799

<b>2. Expenditure Impacts</b>			
<b>Output Type</b>	<b>Total Annual Earnings</b>	<b>Disposable Earnings (2/)</b>	<b>Consumption Expenditures (3/)</b>
Office	\$218,193,799	\$192,010,543	\$186,058,216

<b>3. Total Employment Impacts</b>				
<b>Output Type</b>	<b>Total FTE</b>	<b>Employment Multiplier (4/)</b>	<b>Indirect Employment Impact</b>	<b>Total Employment Impact (5/)</b>
Office	3,000	1.968	2,904	5,904

<b>4. Total Earnings Impacts</b>				
<b>Output Type</b>	<b>Total Annual Earnings</b>	<b>Earnings Multiplier (6/)</b>	<b>Indirect Earnings Impact</b>	<b>Total Earnings Impact (7/)</b>
Office	\$218,193,799	1.728	\$158,845,086	\$377,038,885

**Source Notes**

1/ Weighted average earnings per hour for all employees

2/ Disposable Income was 88% of Personal Income as of February 2006 (preliminary), Bureau of Economic Analysis

3/ Consumption Expenditures was 96.9% of Disposable Income as of February 2006 (preliminary), 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 13**  
**Preliminary Evaluation of Economic Impact**  
**100 Potomac Avenue, SE PUD - Florida Rock Properties: Residential**

**Employment and Expenditure Impacts: Annual Operations (At Build Out)**  
**2006 Dollars**

1. Estimated Annual Earnings Impacts - Permanent Employment/Households		Average Earnings/Hr. / HH Income (1)	Total Annual Earnings / HH Income		
Factor	Total FTE/HH				
Residential Staffing	12	\$16.22	\$404,956		
Residential - Market Rate	160	\$118,193	\$18,910,800		
Residential - Workforce	9	\$70,560	\$635,040		
2. Expenditure Impacts					
Output Type	Total Annual Earnings / HH Income	Disposable Earnings / HH Income (2)	Consumption Expenditures (3)		
Residential Staffing	\$404,956	\$356,362	\$345,314		
Residential - Market Rate	\$18,910,800	\$16,641,504	\$16,125,617		
Residential - Workforce	\$635,040	\$558,835	\$541,511		
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	\$404,956	12	1.1868	2.2	14.2
Residential - Market Rate	\$18,910,800	160	10.6	200	200
Residential - Workforce	\$635,040	9	10.6	7	7
4. Total Earnings Impacts					
Output Type	Total Annual Earnings		Earnings Multiplier (6)	Indirect Earnings Impact	Total Earnings Impact (7)
Residential Staffing	\$404,956		1.3983	\$161,294	\$566,251
Residential - Market Rate	\$18,910,800		0.2517	\$4,759,848	\$4,759,848
Residential - Workforce	\$635,040		0.2517	\$159,840	\$159,840

**Source Notes**

1/ Weighted average for all employees and households

2/ Disposable Income was 88% of Personal Income as of February 2006 (preliminary), Bureau of Economic Analysis

3/ Consumption Expenditures was 96.9% of Disposable Income as of February 2006 (preliminary), 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 14**  
**Preliminary Evaluation of Economic Impact**  
**100 Potomac Avenue, SE PUD - Florida Rock Properties: Hotel**

**Employment and Expenditure Impacts: Annual Operations (At Build Out)**  
**2006 Dollars**

1. Estimated Annual Earnings Impacts - Permanent Employment			
Factor	Total FTE	Average Earnings per FTE per Hr (1/)	Total Annual Earnings
Hotel	70	\$17.15	\$2,496,817

2. Expenditure Impacts			
Output Type	Total Annual Earnings	Disposable Earnings (2/)	Consumption Expenditures (3/)
Hotel	\$2,496,817	\$2,197,199	\$2,129,086

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	\$2,496,817	1.6282	\$1,568,501	\$4,065,318

**Source Notes**

1/ Weighted average for all employees

2/ Disposable Income was 88% of Personal Income as of February 2006 (preliminary), Bureau of Economic Analysis

3/ Consumption Expenditures was 96.9% of Disposable Income as of February 2006 (preliminary), 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 15**  
**Preliminary Evaluation of Economic Impact**  
**100 Potomac Avenue, SE PUD - Florida Rock Properties: Retail**

**Employment and Expenditure Impacts: Annual Operations (At Build Out)**  
**2006 Dollars**

<b>1. Estimated Annual Earnings Impacts - Permanent Employment</b>			
<b>Factor</b>	<b>Total FTE</b>	<b>Average Earnings/Hr. (1/)</b>	<b>Total Annual Earnings</b>
Retail	362	\$10.71	\$8,055,497
<b>2. Expenditure Impacts</b>			
<b>Output Type</b>	<b>Total Annual Earnings</b>	<b>Disposable Earnings (2/)</b>	<b>Consumption Expenditures (3/)</b>
Retail	\$8,055,497	\$7,088,837	\$6,869,083
<b>3. Total Employment Impacts</b>			
<b>Output Type</b>	<b>Total FTE</b>	<b>Employment Multiplier (4/)</b>	<b>Indirect Employment Impact</b>
Retail	362	1.3676	133
<b>4. Total Earnings Impacts</b>			
<b>Output Type</b>	<b>Total Annual Earnings</b>	<b>Earnings Multiplier (6/)</b>	<b>Indirect Earnings Impact</b>
Retail	\$8,055,497	1.5643	\$4,545,717
<b>Source Notes</b>			
1/ Weighted average for all employees			
2/ Disposable Income was 88% of Personal Income as of February 2006 (preliminary), Bureau of Economic Analysis			
3/ Consumption Expenditures was 96.9% of Disposable Income as of February 2006 (preliminary), 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 16**  
**Preliminary Evaluation of Economic Impact**  
**100 Potomac Avenue, SE PUD - Florida Rock Properties: Parking**

**Employment and Expenditure Impacts: Annual Operations (At Build Out)**  
**2006 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	\$269,817	\$261,453	
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 88% of Personal Income as of February 2006 (preliminary), Bureau of Economic Analysis

3/ Consumption Expenditures was 96.9% of Disposable Income as of February 2006 (preliminary), 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 17**  
**Preliminary Evaluation of Economic Impact**  
**100 Potomac Avenue, SE PUD - Florida Rock Properties**

**Income Tax Receipts - Construction Period**  
**2006 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	\$21.19	\$44,083	\$3,370	\$40,713	\$72,224,402	35%	\$2,401,461
A&E, legal, marketing and promotion						\$38,325,000	35%	\$1,274,306
<b>Total</b>						<b>\$110,549,402</b>		<b>\$3,675,768</b>

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

Employee Category	Income Tax Receipts - Annual Operations (At Build Out) 2006 Dollars								BASELINE Realized Taxes DISTRICT (5)
	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)		
Office	3,000	\$34.97	\$72,731	\$20,074	\$52,657	\$157,972,311	35%	\$5,252,579	
Residential (staffing)	12	\$16.22	\$33,746	\$3,370	\$30,376	\$364,516	50%	\$17,315	
Residential - Market Rate	160		\$118,193	\$3,370	\$114,823	\$18,371,600	100%	\$1,745,302	
Residential - Workforce	9		\$70,560	\$3,370	\$67,190	\$604,710	100%	\$57,447	
Hotel	70	\$17.15	\$35,669	\$3,370	\$32,299	\$2,260,917	60%	\$128,872	
Retail	362	\$10.71	\$22,274	\$3,370	\$18,904	\$6,836,704	60%	\$389,692	
Parking	14	\$10.53	\$21,901	\$3,370	\$18,531	\$259,430	50%	\$12,323	
<b>Total</b>						<b>\$186,670,189</b>		<b>\$7,603,631</b>	

**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 (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

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)**  
**2006 Dollars**

Operation (At Build Out)	Approximate 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
Office	599,959	\$550	\$329,977,450	\$329,977,450	\$329,977,450	\$1.85	\$6,104,583
Residential Units - Market Rate	160	\$449,913	\$71,986,016	\$71,986,016	\$71,986,016	\$0.92	\$662,271
Residential Units - Workforce	9	\$268,594	\$2,417,349	\$2,417,349	\$2,417,349	\$0.92	\$22,240
Hotel	247,563	\$650	\$160,915,950	\$160,915,950	\$160,915,950	\$1.85	\$2,976,945
Retail	64,856	\$700	\$45,399,200	\$45,399,200	\$45,399,200	\$1.85	\$839,885
Parking (3/)	1,389						
<b>Total</b>			<b>\$610,695,965</b>	<b>\$610,695,965</b>			<b>\$10,606,924</b>

**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 5.75%

2/ Rates are for fiscal year 2006 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)**  
**2006 Dollars**

<b>Construction Period</b>			
	Direct Expenditures	Estimated Percent Made in District	Estimated District Sales Tax Revenues (2/)
Regional Material Purchases (1/)	\$133,590,000	10%	\$768,143
<b>Annual Operations (At Build Out)</b>			
Use	Tax Rate	Total Taxable Sales (3/)	Total Tax Revenues District
Hotel Rooms	14.00%	\$14,642,748	\$2,049,985
Retail Sales	5.75%	\$20,540,948	\$1,181,104
Restaurant Sales	10.00%	\$24,274,049	\$2,427,405
Parking	12.00%	\$3,923,352	\$470,802
<b>Estimated Direct Sales Tax Revenue to District</b>		<b>\$63,381,096</b>	<b>\$6,129,296</b>

**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 \$230/room x 235 rooms x 365 days and a 75% occupancy  
     Parking sales estimated for office and retail (\$12 per day x 823 spaces x 95% occupancy),  
     Hotel (\$15 per day x 300 spaces x 75% occupancy) based on comparable projects in District  
     Residential (\$200 a month x 266 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/)**  
**2006 Dollars**

<b>Work Related Impacts - Construction Workers</b>		<b>FTE</b>
Construction Workers		1,774
<b>Total</b>		<b>1,774</b>
Retail Expenditure Per Employee Per Year in DC		\$500
Total Retail Sales in District		\$887,000
<i>Retail Sales (20% of sales)</i>		\$177,400
<i>Restaurant Sales (80% of sales)</i>		\$709,600
Estimated Indirect Sales Tax Revenue to District		
<i>Retail Sales Tax (5.75% tax rate)</i>		\$10,201
<i>Restaurant Sales Tax (10% tax rate)</i>		\$70,960
<b>Estimated Indirect Sales Tax Revenue to District</b>		<b>\$81,161</b>

<b>Residential Related Impacts - Construction Workers (2/)</b>		<b>FTE</b>	<b>Total Consumption Expenditures</b>	<b>Percent District Residents (2/)</b>	<b>Number of District Residents</b>	<b>Consumption Expenditures for District Residents (3/)</b>	<b>Percent Retail Expenditures in District</b>	<b>Total Retail Sales</b>
Total Project		1,774	\$66,685,077	35%	621	\$23,339,777	50%	\$11,669,888
<b>Total</b>		<b>1,774</b>	<b>\$66,685,077</b>		<b>621</b>	<b>\$23,339,777</b>		<b>\$11,669,888</b>
Total Retail Sales in District		\$11,669,888						
<i>Retail Sales (80% of sales)</i>		\$9,335,911						
<i>Restaurant Sales (20% of sales)</i>		\$2,333,978						
Estimated Indirect Sales Tax Revenue to District								
<i>Retail Sales Tax (5.75% tax rate)</i>		\$536,815						
<i>Restaurant Sales Tax (10% tax rate)</i>		\$233,398						
<b>Estimated Indirect Sales Tax Revenue to District</b>		<b>\$770,213</b>						

**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/ Based on Consumer Expenditure Survey, 2003, Bureau of Labor Statistics. 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/)**  
**2006 Dollars**

<b>Residents</b>	
Number of Households	169
Household Consumption Expenditures	\$16,667,129
Less vacancy rate of 5%	\$15,833,772
Percent Retail Expenditures in District	50%
Total Retail Sales in District (2/)	\$7,916,886
<i>Retail Sales (80% of sales)</i>	\$6,333,509
<i>Restaurant Sales (20% of sales)</i>	\$1,583,377
Estimated Indirect Sales Tax Revenue to District	
<i>Retail Sales Tax (5.75% tax rate)</i>	\$364,177
<i>Restaurant Sales Tax (10% tax rate)</i>	\$158,338
<b>Estimated Indirect Sales Tax Revenue to District</b>	<b>\$522,514</b>

<b>Employees - Work Related Impacts</b>	
Employees	FTE
Office	3,000
Residential (staffing)	12
Hotel	70
Retail	362
Parking	14
<b>Total</b>	<b>3,458</b>
Retail Expenditure Per Employee Per Year in DC	\$500
Total Retail Expenditures in District	\$1,728,830
<i>Retail Sales (20% of sales)</i>	\$345,766
<i>Restaurant Sales (80% of sales)</i>	\$1,383,064
Estimated Indirect Sales Tax Revenue to District	
<i>Retail Sales Tax (5.75% tax rate)</i>	\$19,882
<i>Restaurant Sales Tax (10% tax rate)</i>	\$138,306
<b>Estimated Indirect Sales Tax Revenue to District</b>	<b>\$158,188</b>

<b>Employees - Related Impacts</b>		FTE	Total Consumption Expenditures	Percent District Residents	Percent Retail Expenditures in District (3/)	Total Retail Sales
Office	3,000	\$186,058,216	35%	45%		\$29,304,169
Residential (staffing)	12	\$345,314	50%	45%		\$77,696
Hotel	70	\$2,129,086	60%	45%		\$574,853
Retail	362	\$6,869,083	60%	45%		\$1,854,653
Parking	14	\$261,453	50%	45%		\$58,827
<b>Total</b>	<b>3,458</b>	<b>\$195,663,153</b>				<b>\$31,870,197</b>
Total Retail Expenditures in District	\$31,870,197					
<i>Retail Sales (80% of sales)</i>	\$25,496,158					
<i>Restaurant Sales (20% of sales)</i>	\$6,374,039					
Estimated Indirect Sales Tax Revenue to District						
<i>Retail Sales Tax (5.75% tax rate)</i>	\$1,466,029					
<i>Restaurant Sales Tax (10% tax rate)</i>	\$637,404					
<b>Estimated Indirect Sales Tax Revenue to District</b>	<b>\$2,103,433</b>					

**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/ Based on Consumer Expenditure Survey, 2003, Bureau of Labor Statistics

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/)**  
**2006 Dollars**

<b>Hotel Guests</b>	
Total Estimated On Site Sales (1/)	\$14,642,748
Estimated Hotel Patrons Annually	82,763
Total Average Daily Spending per Patron (2/)	\$380
Less Daily Hotel Expenses by Patrons	50%
Additional Spending - Off Site	\$190
20% Off Site Daily Spending - Retail/Entertainment (3/)	\$38
Estimate Off-Site Spending in District of Columbia (4/)	\$1,731,011
<b>Estimated District Retail Sales Tax Revenue (5/)</b>	<b>\$99,533</b>
30% Off Site Daily Spending - Restaurant (3/)	\$57
Estimate Off-Site Spending in District of Columbia (4/)	\$2,596,517
<b>Estimated District Restaurant Sales Tax Revenue (6/)</b>	<b>\$259,652</b>
<b>Total Spin Off Sales Tax Revenue from Hotel Patrons</b>	<b>\$359,185</b>

**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**

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**Estimated Corporate Franchise Tax Impacts: Annual Operations (At Build Out)**  
**2006 Dollars**

	Estimated Total Taxable Income: District (1/)	Corporate Income Tax Rate: District	Estimated Franchise Taxes: District
Project (Office, Retail, and Hotel)	\$7,139,944	9.975%	\$712,209

**Source Notes**

1/ Calculated for office tenants, retail operations; and hotel operations.  
Taxable income estimated to be 1 percent of gross revenues

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*Sources: Basile Baumann Frost & 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**

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**Personal Property Tax Impacts: Annual Operations (At Build Out)**  
**2006 Dollars**

	Operational Phase
Total Estimated Project Real Property Value (1/)	\$536,292,600
Assumed Ratio of Real Property to Personal Property (2/)	10%
Estimated Personal Property Value	\$53,629,260
Adjusted Estimate—Personal Property Assessable (3/)	\$40,221,945
Tax Rate for Personal Property (4/)	\$3.40
<b>Total Personal Property Taxes</b>	<b>\$1,367,546</b>

**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

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