



## ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item  
Meeting of September 13, 2008**

**DATE:** August 22, 2008

**SUBJECT:** Authorization and appropriation of Government Services Administration grant for Arlington Economic Development (AED) to study the future of the federal workforce in Arlington and Alexandria, Virginia.

### **C. M. RECOMMENDATIONS:**

1. Accept \$90,000 in grant funds from the United States General Services Administration and authorize the County Manager to sign grant documents as needed.
2. Appropriate in FY 2009, \$90,000 in grant fund revenue (101.374900) and expenditures (101.71001) to Arlington Economic Development to fund a study titled "Envisioning the Future of the Federal Workplace in Arlington and Alexandria, Virginia".
3. Authorize 1.8 temporary grant funded FTEs.

**ISSUE:** County Board action is required to accept and appropriate \$90,000 in grant funds from the United States General Services Administration to Arlington Economic Development. No issues have been identified.

**SUMMARY:** Arlington County has been awarded a grant from a competitive GSA grant process entitled "Envisioning the Future Federal Workplace in the Washington Region". The grant application was awarded in part because it will analyze both Arlington County and the City of Alexandria. This grant will produce a study that will provide Arlington with the competitive advantage of understanding the future needs of the federal workplace.

**BACKGROUND:** The United States General Services Administration conducted a competitive grant competition to undertake studies of the future federal workplace in the Washington Region. This competitive grant process resulted in 22 applications being submitted, with only four (4) being selected. Arlington County and Alexandria City currently have 57,000 federal workers housed in more than 23 million square feet of office space. Federal facilities range in size from the Pentagon, at 6 million square feet, to small leaseholds of only a few

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thousand square feet. The federal government is a fundamental part of the economies of both jurisdictions. In addition to federally occupied space, government contractors occupy a similar amount of office space, which combined with federal leases, represents approximately 30 percent of the office market in these two jurisdictions. This study will evaluate the ability for urban communities to viably house the federal workforce.

**DISCUSSION:** This grant study, to be completed in May 2008 will be presented to the Economic Development Commission. It will examine the following areas:

- **Cost of Business/Cost of Living** – This grant study would examine costs in a variety of ways including housing costs, commercial office rents, resident incomes, taxes, etc. This relates to the competitive position of each community within the region and nationally. Reflective of each community’s cost profile is also the array and quality of local services they provide. In the aggregate, these profiles represent the resident composition of the communities as well as the value provided to GSA tenants/occupants.
- **Energy** - Both Arlington and Alexandria are regional and national leaders in energy conservation. Both are members of the U.S. Green Building Council; Local Governments for Sustainability; and are a Charter Signatory of the Cool Counties Climate Stabilization Declaration. In addition, combined there are some 18 Energy Star rated office buildings and 6 with LEED Certification. Arlington requires LEED certification of all new construction and substantial rehabilitation. Moreover, as national leaders in transit-oriented development, both communities have some of the highest levels of transit ridership and connectivity of workplaces to transit in the nation and the highest in the region outside of the District itself.
- **Infill/Adaptive Reuse** – Both communities have been substantially developed, Alexandria pre-dating the formation of the Nation’s Capital. Almost all development is redevelopment, infill, or adaptive reuse. This does present some challenges to GSA in relation to modifications of the built environment for security or energy conservation or the creation of spaces to meet specific facility requirements. New building development is somewhat constrained, although Arlington’s plans accommodate an additional 20 million square feet of new office space and 12 million square feet in Alexandria. There are opportunities in both communities, but only if there is planning and cooperation between the local and federal governments.
- **Security** – The security environment is somewhat problematic right now. Department of Defense (DOD) standards have resulted in Base Re-alignment and Closure (BRAC) actions that will result in the removal of some 25,000 federal workers from the communities; which also in most cases removes them from transit accessible workplaces. ISC standards are anti-urban in nature, requiring building hardening or setbacks that are difficult or impossible to achieve in high density transit-served environments. Yet, it is in the interest of GSA to offer desirable, accessible and safe workplaces to their clients. Given that blast resistance is only one aspect of security, what other options, e.g. surveillance, detection, and superior response, might compensate for less blast resistant buildings?

- **Sustainability** – It is difficult to imagine any two communities that are more fiscally and environmentally sustainable. This could be to GSA’s advantage, although decisions to remove the federal workforce from transit-served environments, such as the last round of BRAC, ultimately reduces regional sustainability and may result in higher, not lower costs. Reconciliation of cost, quality, and sustainability is needed as part of an overall real estate strategy.
- **Telework** – GSA’s pilot telework projects have focused on alleviating the need for suburban commuters to travel to more centrally located workplaces in DC, Arlington and Alexandria. However, telework centers in these central communities may also be a solution to reduce attrition of the federal workforce living in the inner suburbs and resistant to commuting to more suburban workplaces or to workplaces that are moving outside a reasonable commuter-shed such as Ft. Meade or Ft. Belvoir.
- **Transportation and Infrastructure** – The density of transportation options for workers is greatest inside the beltway and degrades rapidly with distance from the center of the region. The density of infrastructure in the far suburbs will never approach that of Arlington and Alexandria. This infrastructure has strategic value to the federal government.
- **Workforce** - The regional population of 24-35 year olds, those needed to replace the retiring federal baby boom workforce, live in Arlington and Alexandria and not in the far suburbs. These are also the highest educated portions of the workforce. Trends in workforce location, and workplace location, should be of significant concern to GSA.

**FISCAL IMPACT:** No additional net tax support is needed for this grant. The grant requires a local match of \$38,900, which is contained in the budgeted FY 2009 expenditures in the Department of Economic Development’s budget. The funds will be used in the following manner:

	<b>Federal</b>	<b>Local Match</b>
Personnel	\$64,645	\$30,000
Fringe Benefits	\$5,355	\$8,400
Supplies	\$2,000	\$500
Contractual	\$18,000	\$0
<b>Total</b>	<b>\$90,000</b>	<b>\$38,900</b>