

New National Science Foundation
Headquarters
Proposed Eisenhower Avenue
Science Redevelopment District

City Council
October 19, 2013



National Science Foundation

- \$7 billion budget
- Funds 20% of all basic science and engineering research at US colleges and universities
- 2,100 employees
- Between 60,000 and 90,000 hotel room nights per year
- 15 year lease minimum
- Contractor tail



Financial Impact of NSF on Alexandria

- Delta Associates study
- Conservative estimates
- New hotel and office buildings likely
- Adds \$99 million annually to City economy
- \$73 million in new tax revenue over 15 years
- \$95 million over 20 years



NSF competition challenges

- Highly competitive
- Price based GSA/NSF decision
- Incumbent building price advantage
- Metrorail station requirement
- New construction cost barrier
- Real estate taxes usually add \$3 to \$4 @ sq ft



City proposed incentive package

- Partial real estate tax abatement on building value
- Land would remain taxable
- 100% building tax abatement for 8 years
- Abatement shrinks from years 9 to 15
- \$28.2 million incentive value
- City nets \$45 million to \$68 million in tax revenues



Partial Tax Abatement Criteria

- Tax abatement applies to NSF building only
- NSF must occupy 80% of building
- Abatement starts after first certificate of occupancy
- Full taxes paid during construction
- Lump sum tax payment to year 20 for City in unlikely event of federal government purchase
- No limitations as to future tax rates or to City fees

