NATIONAL SCIENCE FOUNDATION MOVE TO ALEXANDRIA

On June 7, 2013 the General Services Administration (GSA) announced the execution of a new lease agreement for the National Science Foundation (NSF) headquarters at the Hoffman Town Center in the City of Alexandria. The following information has been compiled from agency documents, federal government sources, real estate documents and real estate databases to describe the impact of the move and details on the new facility and surrounding area.

WHO?

The NSF is an independent federal agency created by Congress in 1950 "to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense…" With an **annual budget of about $7.3 billion** (FY 2013), NSF is the **funding source for approximately 20% of all federally supported basic research** conducted by America's colleges and universities. In many fields such as mathematics, computer science and the social sciences, NSF is the major source of federal backing.

The agency employs approximately **2,400 professionals** at their headquarters:

- 1,400 career employees;
- 200 scientists from research institutions on temporary duty;
- 450 contract workers; and
- the staff of the National Science Board office and the Office of the Inspector General.

Each year, NSF supports an average of about **200,000 scientists, engineers, educators and students** at universities, laboratories and field sites all over the United States and throughout the world, from Alaska to Alabama to Africa to Antarctica.

NSF offers a rare opportunity for scientists, engineers, and educators to join the organization as **temporary program directors - called rotators**. Rotators make recommendations about which proposals to fund; influence new directions in the fields of science, engineering, and education; support cutting-edge interdisciplinary research; and mentor junior research members. While rotators can come on temporary assignment for up to four years, most rotating assignments last **one to two years.**

WHAT?

NSF's mission is fulfilled primarily by issuing limited-term grants -- currently about **12,000 new awards per year, with an average duration of three years** -- to fund specific research proposals that have been judged the most promising by a rigorous and objective merit-review system. Most of these awards go to individuals or small groups of investigators. Others provide funding for research centers, instruments and facilities that allow scientists, engineers and students to work at the outermost frontiers of knowledge. In FY2011, more than **51,000 applications** were received and evaluated.

This grant program produces **30,000 site visits** per year, yielding **60,000 hotel room nights** annually.

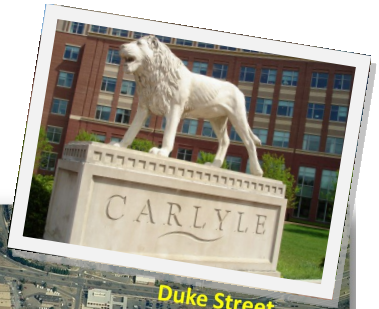
WHERE?

The NSF moved to the Ballston neighborhood in Arlington in the early 1990's and currently occupies more than **570,000 SF in two adjacent office buildings** -- Stafford Place I and II, located on Wilson Boulevard across from the Ballston Mall. NSF is considered to be one of Ballston's anchor office tenants, and a critical piece of Arlington's brand for that area.

NSF's current Ballston headquarters– Stafford Place

As a result of the newly-executed lease, NSF will move from Ballston to the Eisenhower Avenue area at the start of calendar year 2017. The NSF will occupy a new **660,848 SF LEED Gold-certified, built-to-suit office building** which will be developed by Hoffman Development, Inc. The site, known as **Hoffman Town Center Block 8,** sits on Eisenhower Avenue, directly across from the Eisenhower Avenue Metro Station.

In its announcement of the lease award, GSA stated that the new 15-year lease will **save taxpayers $65 million over the term**, citing a rental rate more than 30 percent below market rate and $35 million made available to the government by the developer to apply towards further rent savings, reduced cost of relocation and reduced overall operational costs.



NSF's future Eisenhower Avenue headquarters– Hoffman Town Center

Given the extraordinary economic benefit of the NSF to Alexandria, and in order to make the Alexandria sites' bids as competitive as possible, the City proposed the creation of an **Eisenhower Avenue Science Redevelopment District**. The property used by NSF would be subject to a lower real estate tax rate, which is projected to be a **$23 million value to the property owner over the initial 15-year lease.** This would still result in approximately $50 million in new tax revenue to the City during that period, even after the tax incentive is factored in. The creation of the new tax district is subject to public hearing and approval by Alexandria City Council.

IMPACT

The NSF relocation is a **"once-in-a-business-cycle"** opportunity for Alexandria, resulting in more than **$83 million annually in ongoing direct and indirect benefits** from construction spending, post-construction outlays by the NSF and spending by NSF employees, visitors and contractors. During the first 5 to 10 years following occupancy in Carlyle, NSF is estimated to induce the development of:

- **A 235-room 3-star hotel**
- **130,000 SF of office space to support contractors**
- **130,000 SF of follow-on, non-contractor office space**

The NSF relocation to Alexandria will add **4,273 new, stable jobs** to the City's employment base. An additional **847 temporary jobs** will be added during the construction phase for the NSF office building, additional office and hotel.