ABOUT THE GUIDING PRINCIPLES

The Future Office Market Guiding Principles represent the key results of an Arlington Economic Development staff and Economic Development Commission Task Force study of factors affecting the office market in light of structural shifts in the use and demand for office space.

The study team explored issues including emergent drivers of office demand in the national capital region, new ways of working, efficient workspace design, federal presence and policies, and the characteristics and preferences of the upcoming generation of workers.

The Guiding Principles build upon an extensive report produced during the Task Force process detailing the major research elements and study approach. In addition to examining factors related to office design and demand, the study drew upon perspectives from industry experts and visited numerous workplaces to interview and engage with Arlington employers and employees.

The study’s primary takeaway is that as technological advances permit work to happen almost anywhere, office investment will go to the most highly-activated, connected and amenity-rich urban environments in the region. This trend will be driven by diversification of the tenant base and a younger workforce, who will favor such locations over more conventional options. While Arlington has a head start it will need to consider future office development in a modified context, as presented in the Guiding Principles.

ARLINGTON FUTURE OFFICE MARKET TASK FORCE

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### BUILDING STOCK

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<td>Keep the Best, Reinvent the Rest</td>
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<tr>
<td>Consider the conversion of antiquated office buildings to other uses where it diversifies use mix within the neighborhood.</td>
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<td>A New Paradigm</td>
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<td>Evaluate alternatives for certain sites previously set aside for office development, subject to factors of site location and submarket character.</td>
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### BUILDING OCCUPANCY

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<td>Apply a mix of regulatory, programmatic and infrastructure solutions needed to influence large tenant business decisions.</td>
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<td>Grow the Pie</td>
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<td>Sustain and build upon programs to cultivate and convene nimble, fast-growing, high-potential companies; and, expect them to change spaces or locations more frequently than business practices of the past-- small today, big tomorrow.</td>
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### PLACEMAKING AND PARTNERSHIPS

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<td>Encourage interesting environments with highly walkable and engaging streetscapes and an array of ground floor commercial activity.</td>
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<td>Mixed Use Inside and Out</td>
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<td>Prepare for mixed-use within buildings and the need to accommodate special construction types or requirements.</td>
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<td>Engage commercial and institutional partners on opportunities to create destination environments, build market identity and energize business districts.</td>
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### BUSINESS INFRASTRUCTURE

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<td>Consider the federal presence as a form of infrastructure and aggressively seek to retain agencies when leases expire, with a recognition of the revised footprint and commitment to efficiency.</td>
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<td>Connect Everything</td>
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<td>Build upon the excellence of the transportation system and use the new fiber network to promote economic development.</td>
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<td>Back to School</td>
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<td>Support local and state workforce development efforts to align training with employer needs and economic shifts; and Arlington Public Schools as it equips students to compete for the next generation of job opportunities.</td>
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Fortunately they often have the right structural CHARACTER for a different use. Former office buildings in Arlington have been converted to residential and office buildings elsewhere have been converted to SENIOR LIVING, HOTEL, SCHOOL and MEDICAL USES.

Nearly 40 percent of the office space in Arlington was built more than 30 years ago. Some face challenges such as small floor plates, tight column bay spacing, and low floor-to-floor heights.

Consider the conversion of antiquated office buildings to other uses where it diversifies use mix within the neighborhood.
On average Arlington adds more than one-half million new square feet per year, and more than **25 MILLION SQUARE FEET** of future office development capacity exists by way of existing plans and policies.

Yet as office investment gravitates to the **HIGHEST-ACTIVITY MIXED-USE** settings, some sites marked for office development in less commercially-oriented areas may represent good opportunities for another use, provided it is consistent with vision and goals of the surrounding area.

**PRINCIPLE**

Evaluate alternatives for certain sites previously set aside for office development, subject to factors of site location and submarket character.
In competitions for large tenants, special issues from parking to signage to ground floor use have taken on extra importance. Elements in the local government purview are becoming more prominent, and the type of **CREATIVE** solutions that helped win **COMPLEX DEALS** of the past will be more commonplace.

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**PRINCIPLE**

Apply a mix of regulatory, programmatic and infrastructure solutions needed to influence large tenant business decisions.

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**COMPANY | TAX | SQ FOOTAGE | JOBS**

| A  | CEB | $2.9 M | 425,551 Sq Ft | 1,300 |
| B  | DARPA | $1.9 M | 352,740 Sq Ft | 1,200 |
| C  | Boeing | $1.6 M | 322,000 Sq Ft | 500 |
| D  | Deloitte | $1.1 M | 166,736 Sq Ft | 7,000 |
| E  | SRA International | $.5 M | 164,296 Sq Ft | 685 |
| F  | Accenture | $.4 M | 99,429 Sq Ft | 4,500 |
**GROW THE PIE**

2005

**TOTAL 36.5**

(IN MILLIONS OF SQ. FT.)

22.0  Federal & Contractor  
11.0  All others  
3.5  Vacant

2014

**TOTAL 41.0**

(IN MILLIONS OF SQ. FT.)

16.5  Federal & Contractor  
16.5  All others  
8.0  Vacant

The technology and professional services sectors are leading sources of net new growth and align with Arlington’s **YOUNG** and **EDUCATED** workforce.

**CLUSTERING, CONNECTIVITY** and **COOL FACTOR** matter to these companies, and big wins can be influential in attracting others.

Such businesses commonly have moveable walls, mobile furniture and **SHORT (2-YR) LEASES** so that they can be nimble in every way.

**PRINCIPLE**

Sustain and build upon programs to cultivate and convene nimble, fast-growing, high-potential companies; and, expect them to change spaces or locations more frequently than business practices of the past-- small today, big tomorrow.
High-growth companies and their workers are seeking **AMENITY** and **EXPERIENCE-RICH** environments built around **connectivity and CONVENIENCE**.

Increasingly work is happening in **THIRD PLACES** outside the office and away from home, in **SPECIALIZED** office spaces, cafes, and other ground floor space.
Increasingly work is happening in **THIRD PLACES** outside the office and away from home, in **SPECIALIZED** office spaces, cafes, and other ground floor space.

**PRINCIPLE**

Encourage interesting urban environments with highly walkable and engaging streetscapes and an array of ground floor commercial activity.
The next generation of development is likely to bring more mixed-use buildings, by party wall or vertical mixed-use development.

**UNCONVENTIONAL**

building types and features are becoming more common due to energy-efficiency elements or tight site areas.

**PRINCIPLE**

Prepare for mixed-use within buildings and the need to accommodate special construction types or requirements.
Partnerships with commercial and institutional entities can elevate business district **IDENTITY**, from shared-use facilities to area-wide programming.

Common interests with **UNIVERSITIES** represent an opportunity to build on Arlington’s science, research and innovation brand.

**PRINCIPLE**

Engage commercial and institutional partners on opportunities to create destination environments, build market identity and energize business districts.
The federal government and contractor following account for half of total office occupancy. Yet the government is actively **REDUCING** and reallocating its office footprint.

Agencies commonly occupy a full building or more, meaning relocations can leave significant **VOIDS** in the urban grid.
Consider the federal presence as a form of infrastructure and aggressively seek to retain agencies when leases expire, with a recognition of the revised footprint and commitment to efficiency.

The scale of the current federal presence remains a foundation for the office tenant base at-large.
Arlington is already a national model for its **MULTI-MODAL** transportation system, and recently built a high-capacity, secure, **HIGH-SPEED** fiber network for telecommunications.

Infrastructure is one of the main and most valuable means to accentuate Arlington’s strengths and lay the foundation for future growth.

**PRINCIPLE**

Build upon the excellence of the transportation system and use the new fiber network to promote economic development.
As the character of the regional economy tilts toward growth in technology and related industry, workforce training needs are changing with it.

Businesses in cybersecurity, data analytics, and federal contractors pursuing more commercial opportunities are depending on TECH-SAVVY employees who can do leading edge work.

Employers already value the regional workforce for its experience, education and dependability, presenting an opportunity to build on those assets.

Support local and state workforce development efforts to align training with employer needs and economic shifts; and Arlington Public Schools as it equips students to compete for the next generation of job opportunities.