

The bird lady

Seriously, you won't even believe what her job is

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So. Many. Food. Halls.

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The 4,840 pages of emails and texts received via FOIA request from Arlington County

SPECIAL REPORT

FAST FRIENDS

ARLINGTON WENT OUT OF ITS WAY TO COZY UP TO AMAZON AND EXPEDITE THINGS FOR JBG SMITH

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JOANNE S. LAWTON / STAFF

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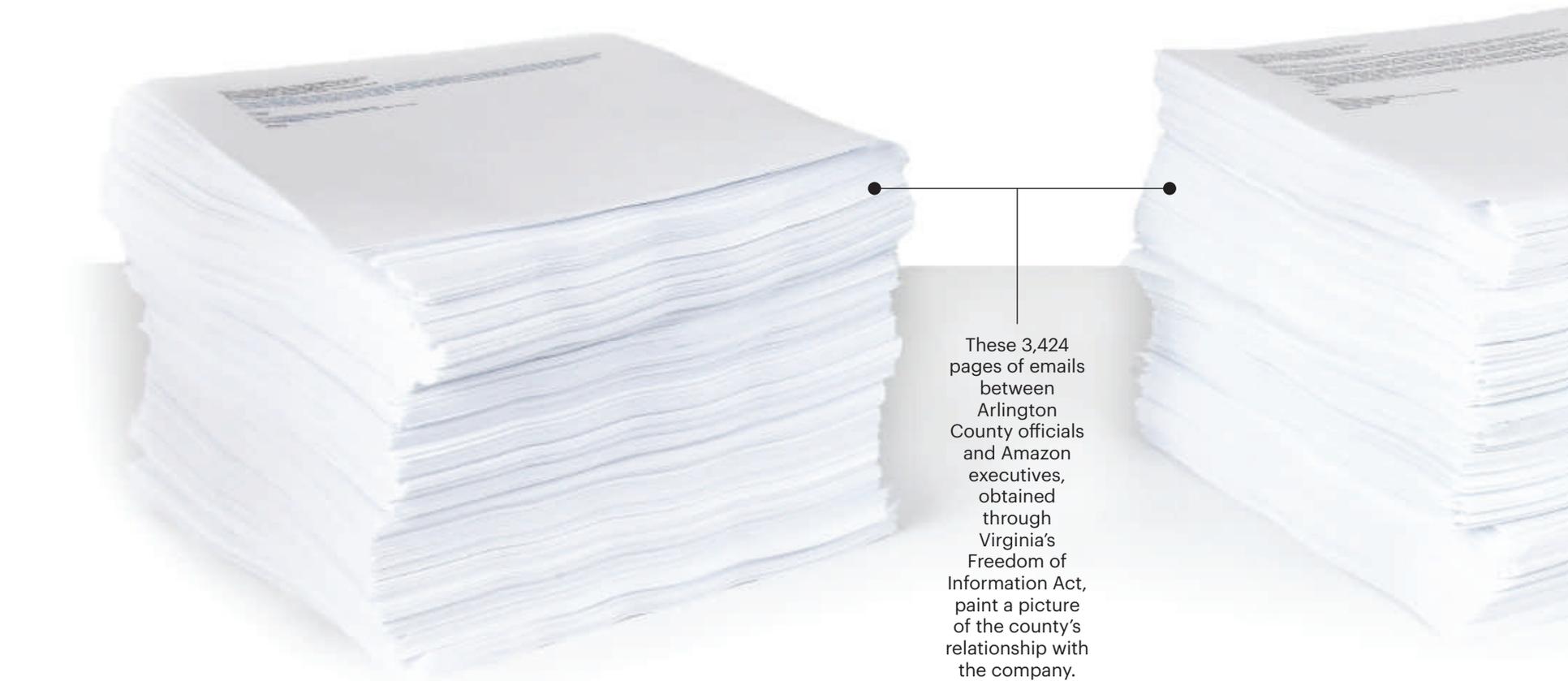
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Morning and Afternoon Editions

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These 3,424 pages of emails between Arlington County officials and Amazon executives, obtained through Virginia's Freedom of Information Act, paint a picture of the county's relationship with the company.

SPECIAL REPORT

PARTNERSHIP

County officials defend emails showing efforts to help Amazon

BY JONATHAN CAPRIEL | jcapriel@bizjournals.com

Arlington County officials worked closely with Amazon.com Inc. to present a good public relations strategy in the weeks leading to their passage of the company's \$23 million incentive package, emails obtained through a Freedom of Information Act request show. The emails indicate some county officials were trying to develop a cozy relationship and wanted to help Amazon navigate challenges and smooth over some criticism. ¶ County officials advised Amazon leaders on which neighborhood associations, civic groups and charities they should meet. A county board member encouraged Amazon to sign a project labor agreement ahead of the incentive vote, and another gave Amazon executives a list of questions he would ask during an upcoming contentious public meeting.

It's not surprising local leaders worked so closely with Amazon executives in the months leading up to the vote, but the emails paint a picture of just how far the county was willing to go to keep the company happy and in good graces. Arlington competed with hundreds of other localities across the country to land HQ2, which promises to add thousands of new jobs and fill millions of square feet of empty office space. After Amazon nixed its New York plans in mid-February, the county board faced daily pres-

sure from civic associations, business improvement districts and residents telling them not to blow this deal.

But critics of HQ2, fueled by fears of displacement and claims of corporate greed, argued adamantly that the local government was not asking the company enough difficult questions – and the county emails show their concerns might not have been unfounded. They asserted the county was giving up too much in its incentive agreement with Amazon and viewed any friendly rapport

with company as a betrayal of public trust.

Multiple county officials said they did not give Amazon preferential treatment and that the practices seen in the emails were consistent with what they would have done for any company or organization preparing to make Arlington home. Board Chair Christian Dorsey said the county's first responsibility is to the community, but he also said that he and the board viewed Amazon as an economic positive.

"Is it shocking to me that some tried to make them feel more comfortable, especially given what happened in New York? I don't find it shocking," Dorsey said. "But I also believe that we would have shown the same level of comfort to other businesses."

Aaron Scherb, director of legislative affairs at Common Cause, a nonpartisan ethics and good governance-focused advocacy group, reviewed some of the emails between the county and Amazon and said the correspondence does not raise any legal issues. But he said it appears that county officials were trying to block the public from being too aggressive to Amazon.

"It seems like public officials are trying to anticipate how to respond to protests. It's not unprecedented,



but it does look bad to bend over backwards to avoid public dissent," Scherb said. "I've never seen another instance where a local branch of government was so catering or pandering to a corporation so explicitly."

In an email dated March 4, Jack Belcher, the county chief information officer, wrote to two Amazon employees that he is concerned with the left-leaning Our Revolution Arlington, a group skeptical of HQ2 that was part of the For Us, Not Amazon coalition. Belcher laments that Arlington doesn't share a closer relationship to Amazon.

"The critical discussion as to what the County and Amazon relation-



These 1,416 pages of emails between Arlington officials and JBG Smith executives show an urgency to help the company and Amazon whenever possible.

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R PANDERING?



The Arlington County Board unanimously approved the deal with Amazon on March 16.

JOANNE S. LAWTON / STAFF

ship may resemble are left to conjecture. I would normally expect this to be a result of the traditional process, but in truth we need to accelerate the cadence of discussion. We are being challenged by Our Revolution as to our strategy and frankly I have no answer," Belcher wrote to John Stephenson, a senior public policy manager at Amazon Web Services, the company's cloud computing subsidiary, which counted Arlington as a client before the HQ2 announcement.

"A side note – we are being challenged by the Our Revolution interests to that we are not realizing the synergy we aspired for with Ama-

zon," Belcher wrote, this time to Kim Majerus, a leader of state and local government business at AWS.

Belcher asked both AWS employees about identifying a "point of influence within Amazon."

Belcher said he was seeing whether Amazon would like to use the county's dark fiber optic network. Amazon was given access to that network in the incentive agreement. Our Revolution, Belcher said, had asked if this network could be used to provide low-cost internet access, and he was passing along the concern to Amazon. A county spokeswoman said Amazon did not get involved in addressing this issue.

When shown the email, Roshan Abraham, a member of Our Revolution Arlington, said he was disappointed but not surprised.

"This type of behavior, connecting with Amazon to discuss the Our Revolution problem, which is what it sounds like, demonstrates they are putting Amazon above their own constituencies," Abraham said. "It does demonstrate that our message was resonating, and that they were concerned with our message. People understood the concerns of working with a corporation like Amazon."

FREE FOR COFFEE?

The tech company itself often gave

short email responses and requested phone calls or in-person meetings to respond to concerns, a strategy often employed in a modern era where electronic communications are subject to both hacking and, in the case of the government, public review.

For example, a few hours after the news broke that Amazon pulled out of New York, Andrea Fava, a public policy director at Amazon, emailed Arlington Board members the company's release with her phone number – and not much comment or reassurance in the email.

CONTINUED ON PAGE 32

SPECIAL REPORT

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“I wanted you to see this blog post. I will be reaching out to you today, and please feel free to contact me,” Fava wrote.

County board members had multiple meetings with Amazon and discussed a range of topics, such as the company’s sustainability policy, facial recognition technology and working conditions in fulfillment centers. The board suggested Amazon meet with several civic associations. They also gave Amazon advice, including what could be improved on the company’s “Amazon in Arlington” webpage.

“The FAQ’s on Arlington/Amazon are good work. I wonder if one on affordable housing could be added. Sustainability is solid. I think something on that page on the \$15 could be good as well,” Board Member Matt de Ferranti wrote in an email dated March 6 to Fava, apparently referring to Amazon’s plan to pay a \$15 minimum wage.

De Ferranti said he understands how that sentence appears like he is giving advice on Amazon’s communications strategy, but said the entire email should not be read that way. The “spirit of conversation” prompted him to raise these issues, which de Ferranti said he heard raised during community meetings.

Before a heated March 16 board meeting, where the board unanimously approved the county’s incentives agreement with Amazon, the online giant and its landlord and development partner, JBG Smith Properties, had convened a few meetings with construction trades working toward a labor agreement.

Some labor groups had said the county should hold off on passing an incentive deal until Amazon and JBG Smith signed a labor agreement. Board members de Ferranti and Katie Cristol stressed how important it was to them that some kind of accord with labor was struck, with Cristol pressing Amazon to make some kind of commitment before the vote.

“I want to urge you and your team again towards a Project Labor Agreement or, more realistic for the hearing on the 16th, a Memorandum of Understanding to reach a PLA,” Cristol wrote to Fava on March 6.

This wasn’t an effort to have a good public relations strategy going into the March 16 meeting, Cristol said, noting she and other board members still seek a project labor agreement. A lot of people wanted Amazon to make a written promise, and having something by the meeting could have brought the company goodwill, she said.

“I really saw this as an opportunity for Amazon executives to make a big public commitment. We knew we had a lot of attention focused on March 16. It would have been a



Amazon officials, from left, Andrea Fava, Holly Sullivan and Brian Huseman testified March 16, in one case with a heads up on potential questions.

JONATHAN CAPRIEL / STAFF

ADVANCE NOTICE

DO THESE QUESTIONS SOUND FAMILIAR?

Just before the Arlington County Board passed its \$23 million incentive deal with Amazon.com Inc., the county invited three of the company’s HQ2 leaders to answer questions at the March 16 meeting. But the morning before the marathon meeting, Board Member Erik Gutshall emailed a list of 12 questions to two of the executives — Andrea Fava, a public policy director at Amazon, and Brian Huseman, vice president of public policy. During the meeting, the two answered questions with Holly Sullivan, who was among the leaders of the e-commerce giant’s HQ2 search.

“Per our discussion, below is a quick list of potential questions that I may ask,” Gutshall wrote in an email dated March 15 to the Amazon execs. “Please note, I can’t ask all of them and I could ask a question not on this list raised by a citizen or that just pops into my head. Nonetheless, this gives you a sense of what to expect.”

All five questions Gutshall asked the Amazon executives were from the list he emailed. Here are the questions he asked during the meeting, paired with the original question found in the email. — Jonathan Capriel

EMAIL QUESTION	MEETING QUESTION
“What do you think Amazon offers to a neighborhood like Green Valley?”	“I’d like to ask ... you what you feel your coming here has to offer to a neighborhood like Green Valley or any other neighborhood in Arlington?”
“Do you have specific policies or programs targeted at hiring and accommodating disabled employees for the types of jobs expected at HQ2?”	“I’d like to ask, what policies and programs do you have in place that are targeted towards offering opportunities of employment for persons or individuals with disabilities?”
“Is providing childcare on your campus a specific goal?”	“I have a perfect follow-up to that that was on my mind, which is would you include as part of your vision for your neighborhood the provision of child care opportunities?”
“What goals or process will be used to determine how you spend the direct incentive payments you may receive from the state and Arlington?”	“I believe Mrs. [Katie] Cristol asked about why you feel you need the estimated \$23 million performance grant incentive, but I was wondering if you could share some more — and I know you answered this at the Council of Governments meeting — but if you could share here sort of the ways you will plan on evaluating and determining how you are going to spend that and how it’s going to be invested?”
“Do you anticipate a relatively symmetrical distribution around the average (mean) income of \$150K or skewed? If skewed, do you expect the median to be less than the mean?”	“This one is a — I would put in the category of a frequently asked question of us when we were out meeting with the community. I think it is something only you can answer. ... It gets around the \$150,000 average annual salary that is part of your agreement with the state. ... The common question there is whether or not the distribution around that is relatively symmetrical or is it more skewed? When you are talking about average, the common definition would be the ‘mean’ if you want to be wonky about it. There have been questions about where is the actual median?”

great opportunity to send a signal that Amazon and JBG were willing to engage in a way that had some teeth,” she said. “I think it would have been exactly the right avenue to make such a public commitment, and I was disappointed that we weren’t able to realize it.”

Cristol said it isn’t surprising that other officials would want to put the best spin possible on the Amazon deal, but she was not trying to shield the company from critical groups.

“One of my priorities was to make

sure Amazon felt the pushback as intensely as [the county board] did,” Cristol said. “We want them to be a partner in having a substantive answer about economic inequality.”

A FRIENDLY HEADS UP

The board’s guidance went beyond passing along concerns and advice. The morning before Arlington passed the incentive package, Board Member Erik Gutshall emailed Amazon executives a list of questions he would ask them during the March

16 meeting.

“Per our discussion, below is a quick list of potential questions that I may ask. Please note, I can’t ask all of them and I could ask a question not on this list raised by a citizen or that just pops into my head. Nonetheless, this gives you a sense of what to expect,” Gutshall wrote in a March 15 email.

Indeed, all of the questions Gutshall asked in the actual meeting were from that list. Dorsey, the board’s chairman, was copied in

From: Jack Belcher
Sent: Monday, March 4, 2019 7:39 PM
To: Stephenson, John
Subject: County - Amazon Relationship

John,

Hope all is well. Frank D. sends his regards. The question at hand for me is the lack of substantive progress.

Despite the wonderful interaction we experienced in December, all seems quiet on the front. Kim, herself, advocated for scheduled interactions, none have been scheduled or even discussed.

We have good meetings with Todd and his team on transportation and health care. All good and possible.

Yet, the critical discussion as to what the County and Amazon relationship may resemble are left to conjecture.

I would normally expect this to be a result of the traditional process, but in truth we need to accelerate the cadence of discussion.

We are being challenged by Our Revolution as to our strategy and frankly I have no answer. Later this month my deputy John Bayliss will be at a select invitation only conference with Teresa Carlson, and I have asked that he present the same questions.

To the point, the Manager has asked for a 'single point' of accountability as to the Amazon interaction. When can we expect that?

John, Frank tells me you are the guy. Can you provide some guidance?

Jack

From: Majerus, Kim
Sent: Monday, March 4, 2019 10:57 PM
To: Jack Belcher
Cc: Boehret, Matt
Subject: Re: Checking In

Hi there, just getting through all the emails on my end. So apologies for the delay in responding. John Stephenson and I connected on your previous email to him and would like to discuss first thing tomorrow. I want to ensure we're on the right track, in light of the teams recent update.

My assistant is working with Laura/Todd to find time for us to reconnect, live. I'm heading to DC next week Wednesday, would your schedule allow for a mid-day coffee?

-Kim Majerus

Sent from my iPhone

On Mar 4, 2019, at 7:27 PM, Jack Belcher <jbelcher@arlingtonva.us> wrote:

Kim, we made so much progress in establishing a relationship in December but seems we have not followed up with your challenge to meet regularly.

Later this month, John Bayliss will be with Teresa at the Presideo CIO select briefing in late March, I was hoping this could be the affirmation of the relationship we are attempting to achieve.

We were pleased to meet with Phil Silver and our transportation leaders. It looks like progress is being made there and shortly we will be moving forward with in depth discussions with our health and human services partners.

A side note we are being challenged by the Our Revolution interests to that we are not realizing the synergy we aspired for with Amazon.

We met with your fiber team and toured our footprint, but no response other than initial interest.

All good, but no substantive discussion of steps forward. I really need that cooperative validation.

Just a reminder, my boss continues to ask if we have identified a point of influence within Amazon.

Nothing to worry immediately about, however the longer we delay, the more likely there will be more discontent.

These exchanges between Arlington and Amazon officials reference Our Revolution, a critic of HQ2 that wanted to know if Amazon Web Services could provide low-cost internet service via the county's dark fiber optic network.

the email. Dorsey, de Ferranti and Cristol, who was the board's chair when Amazon selected Arlington, said they generally would not opt to give a company questions ahead of a public meeting, but they also said they did not believe there was anything wrong with doing so.

Gutshall said that sending the questions beforehand was not an effort to make the process easier on Amazon, but he also said the public meeting isn't a "criminal prosecution" of the company.

"It is my practice and style not to

view the hearings as any kind of surprise, gotcha or anything like that," Gutshall said.

By sending the questions the day before, Gutshall said he was hoping to get the most complete answer.

"While I totally understand someone could look at that email and say, 'He's colluding with Amazon.' I don't view it that way. I view it as I'm being very straightforward. When I sent that email I knew it was highly likely to be FOIAed," Gutshall said.

Even at events billed as an opportunity for the public to question HQ2

dealmakers directly, leaders consulted Amazon officials on minute details. Leading up to an event in late February moderated by the Metropolitan Washington Council of Governments, Arlington and MWCOG officials asked a company public relations manager whether or not to release the guest list to the media.

"Think there could be more upside vs. downside in sharing – as it's a diverse group and includes some naysayers? (but interested to hear others) Suppose one downside might be those who didn't get an

invite into the room feeling left out," wrote Jennifer K. Smith, Arlington's director of strategic communications, in a Feb. 20 email.

But Jill Kerr, a public relations manager at Amazon, rejected the idea and suggested stalling anyone who asks for an attendee list.

"I think that would be VERY generous to share the list with reporters. Some may ask but I think we can stall, just implying that things are too busy right there in the moment – 'Can you leave your card with me and I can see if it's something we can send over after the event?' Everyone will be in name tags and a good reporter can just make the rounds and observe the people who are there. But I don't think we need to share the list," Kerr said in response.

Steven Kania, a MWCOG spokesman, responded: "We can def stall, just want to figure out the ultimate answer. And that's true about reporters scanning the room. Another option is not release the list but give a few illustrative examples of leaders we invited."

Smith responded minutes later: "Fine with any of the approaches mentioned."

Kerr was unavailable for comment, and Amazon did not respond to questions raised in this story. Smith could not be reached for comment.

Bryna Helfer, Arlington assistant county manager who was also in the email exchange, said that this conversation was not about preventing reporters from seeing the guest list but telling reporters about diversity in the audience.

Kania said MWCOG had no requirement to share the list. He also said he did not think Amazon's suggestion to stall was deceptive. One reporter did ask to see a list, and they declined to release it.

After the incentives deal passed March 16, Schwartz, the county manager, emailed Amazon executives to ask for pointers moving forward. "I would truly appreciate any 'after action' thoughts you have on what we did well and what we could have done better. I get a bit misty-eyed when I think of how well our [Arlington Economic Development] team and partners in other County Departments perform, but each of you come from a high performing organization and may have insights that will help us immensely in excelling in ALL of our lines of business. Always room for improvement," Schwartz wrote March 17 to the trio of Amazon executives who testified.

Schwartz said he asks this of all companies doing business with the county.

"I always appreciate from anybody we work with what they think we did well and what they think we can do better," he said. "I don't consider that to be pandering." ❌

SPECIAL REPORT



Arlington County Manager Mark Schwartz urged JBG Smith to stay focused on HQ2.

JOANNE S. LAWTON / STAFF

OLD FRIENDS, NEW MISSION

Arlington's evolving relationship with JBG in an HQ2 world

BY DANIEL J. SERNOVITZ | dsernovitz@bizjournals.com

Roughly three weeks after the big HQ2 win, Arlington County Manager Mark Schwartz boldly went where few government leaders have gone before. ¶ In a Dec. 6 email to Andy VanHorn, the executive vice president at JBG Smith Properties overseeing the development of Amazon.com Inc.'s second headquarters, Schwartz pledged open and unfettered access to a roster of key county officials charged with overseeing the various pieces of the approval process.

Copied on the email was a hand-picked Amazon Steering Committee comprising officials from the county's community planning, housing and development department, parks and recreation, environmental services and economic development, along with County Attorney Steve MacIsaac.

"Feel free to reach out to any of them as they are a singular organism with full Borg-like interconnections – and abilities to find others in the County who need to help," Schwartz wrote to VanHorn, referencing a fictional alien group from "Star Trek" said to operate with a single mind.

Since then, county officials appear to have followed through on Schwartz's call to order, working to expedite various permits and reviews and get the ball rolling with outside agencies like the National Park Service and Metropolitan Washington Airports Authority. A few have even exchanged personal cellphone numbers and email addresses for closer, and more private, collaboration between the two.

But their relationship is spelled out in hundreds of emails between county officials and executives at JBG Smith, obtained by the Washington Business Journal in response

to a Freedom of Information Act request.

JBG Smith officials referred questions about the approval process and county interactions to the county manager.

Arlington County and JBG Smith were well acquainted before Amazon's decision to establish its second headquarters in Crystal City and Pentagon City. The Chevy Chase developer was already the county's fourth-largest property taxpayer, with a portfolio assessed at \$1.2 billion, according to the county's 2018 comprehensive annual report. It vaulted over Albrittain Interests to

take the top spot through its July 2017 merger with Vornado Realty Trust's D.C. portfolio, valued at \$3.5 billion.

While not entirely unexpected given HQ2's potential economic impact on the county, the exchanges demonstrate how inextricably linked the county and developer have become as it relates to Arlington's biggest economic development win ever.

After the kickoff design meeting for two of the initial buildings Amazon plans to occupy, Arlington Chief Building Official Shahriar Amiri stressed the importance of a strong working relationship in a Feb. 16 email to multiple recipients, including representatives for Amazon, JBG and their design teams.

"Again; WELCOME to Arlington County and we are equally excited about our joint venture," Amiri wrote. "As I mentioned in the meeting, we consider this a joint partnership for a long time to come. We will clearly experience some challenges but I can assure you that I and my team are dedicated to find solutions to difficult challenges."

There are several email exchanges revealing how county staffers have agreed to speed up their review processes to near breakneck speeds to meet timelines set by Amazon, JBG Smith or their representatives. In one instance, the county mapped out an ambitious schedule of just over two months to complete the review of a civil engineering plan related to work at one of the buildings Amazon plans to lease. Joanne Gabor, a steering committee member and principal planner with the Department of Environmental Services, cautioned in a Jan. 22 email that that would require full cooperation of county staffers and representatives for JBG Smith.

"As you will see, this is an expedited schedule that allows for only three submissions with the assumption the third submission is only minor comments," she wrote. "In order to meet the deadline, we all need to work together."

That appears to contradict a public statement by Amiri from November, when he told the Washington Business Journal his staff would not be doing anything out of the ordinary to accommodate Amazon. But spokeswoman Gina Wimpey told the Business Journal some projects are eligible for fast-tracking depending on their complexity. As an example, she said in an email, an applicant seeking approval for a tenant improvement plan that involves multiple floors may face the county's standard review time of seven to 10 business days. That same applicant could submit plans one floor at a time and be eligible for an expedited review time of just two business days.

With tens of thousands of jobs, millions of square feet of occupied

From: Mark Schwartz
Sent: Friday, December 14, 2018 9:19 AM EST
To: Andrew Vanhorn
Subject: RE: Rosslyn Roads

Shannon will get into this, but Amazon has not agreed nor do we want them to come into a higher tax district – we should wait until they are “here” to discuss it with them. They may love it or hate it, but it changes the tax rate in the landing spot and I think it is frankly insane to do that while we don’t have an agreement with them....it changes the facts that they faced in making the decision. Why do that to them? 😊 Adding this to February hearing is going to cloud the issue. I am worried that others will use it as a way to complain and it is hard enough as it is. Good luck convincing me otherwise. BTW, I think expansion now makes a lot more sense, just need to get all the stakeholders at the table....when they are ready.

From: Andrew Vanhorn
Sent: Friday, December 14, 2018 9:16 AM
To: Mark Schwartz
Subject: Re: Rosslyn Roads

Or, alternatively could we still hit July date waiting for Feb hearing?

Andrew VanHorn

On Dec 14, 2018, at 9:12 AM, Mark Schwartz wrote:

CC bid may be a good idea. It needs to wait until we have the performance agreement done.

Mark,

I wanted to drop you a note to express our appreciation and gratitude for your team’s efforts on a critical path milestone on the Central District Retail Phase project. Thanks to great communication and flexibility, we were able to get a complicated vacation negotiated and recorded for the future Grocer space under 1550 Crystal Drive. Staff took the time to perform prelim review and discuss the challenges ahead of Board approval (starting our first discussions even before 4.1 acceptance). This allowed us all to get ahead of a few key challenges raised and make for a much cleaner final review. This flexibility and early-work allowed us to have a jump-start on the process, which proved to be crucial when we encountered an unexpected delay with the adjacent owner’s lender review. We’re excited to announce that the vacation was recorded on March 4th – a few days ahead of our drop-dead date.

While by no means a comprehensive list, we would like to especially thank Linda Collier, Joanne Gabor and Bruce Woodhams for their hard work.

Our strong working partnership with County Staff continues to be one of the main reasons that JBG SMITH believes in and invests in Arlington County. We’re looking forward to achieving many more milestones with you and your great team.

Best,

Taylor Lawch | Vice President, Development
JBG Smith

All,
 Based on discussions with JBGS and County staff below is the proposed schedule for the approval of the 1770 Crystal Dr/Square 3 Civil Engineering Plan (CEP) to meet the March 1 permit date. As you will see this is an expedited schedule that allows for only three submissions with the assumption the third submission is only minor comments. In order to meet the deadline we will all need to work together.

December 21, 2018 – Bowman first submission through the e-plan review portal.
 January 16, 2019 – Arlington County provided first submission comments.
 January 24, 2019 – first submission comment review meeting
 January 29, 2019 – Bowman second submission.
 February 12, 2019 – Arlington County provide second submission comments.
 February 19, 2019 – Bowman third submission.
 February 28, 2019 – Arlington County plan approval.

Please let me know if you have any questions.
 Thanks.

Joanne Gabor, P.E.
 Arlington County Department of Environmental Services
 Development Services Bureau

In the top email, County Manager Mark Schwartz warns JBG Smith’s Andrew VanHorn not to bring up expansion of the Crystal City BID until an Amazon agreement is approved. Below that, JBG Smith’s Taylor Lawch thanks Schwartz and the county for help in expediting approvals for a Crystal City project, per the schedule above.

office space, and billions of dollars in economic impact at stake, it’s clear that county officials are leery of doing anything to upset their Amazon meal ticket. Schwartz got that particular point across in a Dec. 14 email to VanHorn concerning the Crystal City Business Improvement District’s proposed expansion.

The county manager warned the JBG Smith executive not to broach the issue with Amazon until after it

had signed its performance agreement with the county. An expanded BID would likely include development sites Amazon plans to buy from JBG Smith, subjecting the company to higher BID taxes on that land, and Schwartz did not want to do anything to upset company executives until after they’d signed on the dotted line.

“They may love it or hate it, but it changes the tax rate in the landing

spot and I think it is frankly insane to do that while we don’t have an agreement with them,” Schwartz wrote, later writing: “It changes the facts that they faced in making the decision. Why do that to them?”

VanHorn agreed to wait.

JBG Smith officials deferred questions about the BID discussion to Amazon.

Amazon chose Arlington County at a time when JBG Smith was try-

ing to find the best way to revitalize Crystal City, where a confluence of events including the Pentagon’s 2005 base realignment and closure plan led to millions of square feet of empty office space. Even before the official HQ2 announcement, JBG Smith had submitted plans for a redevelopment project featuring a heavy infusion of new retail, an undisclosed specialty grocer and an Alamo Drafthouse Cinema.

The plan required additional entitlements from the county, and it appears the county and developer worked hand-in-glove to make the project happen. In a March 11 email, Taylor Lawch, vice president of development at JBG Smith, thanked county staff for their “efforts on a critical path milestone” with its Central District Retail project, including substantial review time that began even before JBG Smith submitted its 4.1 site plan, the most complex type of site plan. Those kinds of projects, as spelled out under the county’s Administrative Regulation 4.1 policy, are described as significant private and public-private projects and involve a more detailed review.

“This flexibility and early-work allowed us to have a jump-start on the process, which proved to be crucial when we encountered an unexpected delay with the adjacent land owner’s lender review,” Lawch said.

Anthony Fusarelli, a steering committee member and assistant director for the county’s planning department, said in an email to the Business Journal that it’s not unusual for developers to have some level of engagement with county staffers as they prepare to submit preliminary development plans with the county, particularly for complex 4.1 submissions, to ensure they comply with county plans and policies. There can also be associated real estate matters and actions that need to be implemented as part of those projects, and in the case of JBG Smith’s Central District plan, the county felt that getting the review process started early would “help to limit unnecessary delays in the project.”

The emails also reveal a county perspective that, to an extent, what’s good for JBG Smith’s bottom line as a publicly traded real estate investment trust is also good for Arlington’s as it seeks to grow its tax base and generate revenue for other projects.

Victor Hoskins, Arlington’s economic development director, exchanged several emails and text messages with VanHorn about topics including an annual briefing with the General Services Administration held in February. JBG Smith is one of the GSA’s largest landlords, as the agency leases a significant amount of space in Crystal City and

SPECIAL REPORT

CONTINUED FROM PAGE 35

other parts of Greater Washington.

While the county board recently voted to offer up to \$11.5 million in incentives to help the Drug Enforcement Agency's landlord keep the agency in Pentagon City under a lease renewal, the county is scaling back its policy on those types of incentives and likely will not offer the same level of financial support, if any, next time. Interestingly, Hoskins noted, officials from the GSA weren't as concerned about the possibility of the federal government being priced out of the market as Amazon's presence may cause rental rates to rise. Rather, many of the agency's leasing agents wanted to know more about the kinds of new shops and restaurants that were going to be coming into the area to support HQ2's workforce.

"Really, they were asking questions like what the new tenants are going to be coming in on the retail side, more on amenities, BRT, Metro access," Hoskins said in an interview. "They know that rents will probably be going up, but a lot of their leases are really long-term, so I don't think they're as worried as they might be."

Hoskins is one of the officials who



JONATHAN CAPRIEL / STAFF

conducted some business on his personal cellphone. He texted VanHorn on March 7, a little more than a week before the Arlington Board was set to vote on Amazon's \$23 million incentive package. Hoskins wanted to talk with VanHorn about an Amazon-related issue and gave the JBG Smith executive his personal cellphone number and Gmail address to talk further. In an interview, Hoskins said he uses his work phone and personal phone inter-

changeably and asked VanHorn to call his personal cell for the sake of convenience.

"That's just how it happens. There was no particular reason," Hoskins said in the interview. "I just wanted to make sure that he got me."

His personal communications were covered by the Freedom of Information Act request.

To be sure, Arlington's goals and those of JBG Smith's aren't all the same. Arlington views Amazon as

a way to help grow its tax base and generate additional taxes for other projects and services, while JBG Smith hopes to create the kind of environment that will help fill its office and multifamily buildings and generate higher returns for its shareholders.

Convincing Amazon to go hard, so to speak, with an incentives deal approved by the county was a critical piece of the process for county officials, particularly in light of the resistance Amazon encountered with its plans to put the other half of its second headquarters in New York. In one notable exchange from early December, Schwartz made a point of urging VanHorn to stay focused on HQ2 and not to take up too much of the county's bandwidth on other things at the same time.

"I hope you are not going to be clouding up the narrative by submitting some other site plans such as River House before we get the performance agreement voted on [smiley face]," Schwartz wrote.

"Nope," VanHorn responded. "I'm recommending we delay that one a bit, but do want to discuss. We will submit 1900 [Crystal Drive] this month. That make sense to you?"

"Maybe," Schwartz replied. "I have to think on that one." ❧



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