

GREATER WASHINGTON PARTNERSHIP

FROM BALTIMORE TO RICHMOND
FOSTERING UNITY
ADVANCING GROWTH





AMAZON HQ2 IS A ONCE-IN-A-GENERATION ECONOMIC OPPORTUNITY

The Capital Region is the 3rd largest economy in the United States with a diverse, highly educated workforce that powers leading companies across industries. But we face a core challenge. We are growing slower than other regions in the United States. Income growth and economic opportunity are not keeping pace with our peer regions. Millennials are more likely to move away than move to the region and our start-ups are failing at higher rates. With less growth and dynamism, our region will have a more difficult time confronting our challenges.

If Amazon HQ2 moves to the region, it will help to change these dynamics. We will be better able to attract and retain talent to foster a more dynamic, inclusive, faster growing economy. And that growth will fuel benefits to the entire region. Retail, restaurants, construction, professional services, and more will see more customers, fueling hiring and most importantly wage growth.

The Greater Washington Partnership believes Amazon HQ2 is a unparalleled economic opportunity that will benefit the entire Capital Region.



TABLE OF CONTENTS

Executive Summary	04
Our Challenge: Creating Dynamic, Inclusive Economic Growth	05
Amazon HQ2: A Once-In-A-Generation Economic Opportunity	11
The Path Forward: An Inclusive Growth Model For The Country	19





EXECUTIVE SUMMARY

- The Capital Region has tremendous potential and is coming together to address the region's challenges. While the region's fundamentals are strong, we need to attract new investment to ensure the businesses of tomorrow are created and grown here, in the Capital Region.
- Amazon HQ2 is a once-in-a-generation opportunity for the Capital Region, stretching from Baltimore, MD to Richmond, VA. Amazon HQ2 will reshape the Capital Region's economy by:
 - Creating approximately 100,000 new direct and indirect jobs in the Capital Region
 - Generating \$14 billion in gross domestic product annually
 - Adding \$7.4 billion in labor income annually
 - Encouraging innovation and economic dynamism across the region, facilitating a more diverse and faster growing economy
- Already, the prospect of Amazon HQ2 coming to region has brought the region together, fostering creative ideas to deliver inclusive, dynamic growth. Metro funding and regional business-academic partnerships are two recent examples that address core challenges for the region.





OUR CHALLENGE

CREATING INCLUSIVE,
DYNAMIC ECONOMIC GROWTH





“ALL OF THE REGION IS INTERCONNECTED AND MORE AND MORE WE SHARE THE SAME OPPORTUNITIES AND THE SAME PROBLEMS.”

- TED LEONSIS

THE CAPITAL REGION FROM BALTIMORE TO RICHMOND

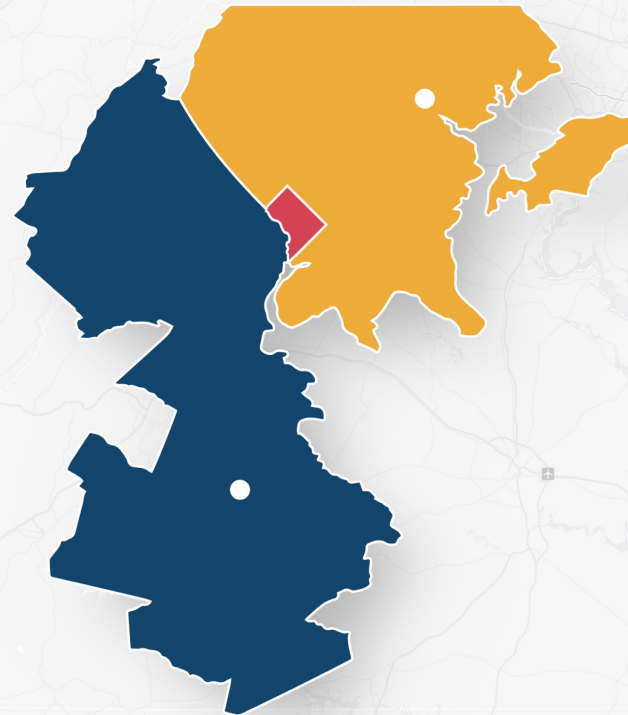
Our region has great diversity, tremendous assets and immense potential.

We've changed the narrative on the region. We're thinking big about our future.

OUR REGION

The super-region—Maryland, Virginia and the District—stretching from Baltimore to Richmond has an intertwined economic future.

Our region has the **3rd** largest economy in the United States and the **7th** largest in the Global Economy.



115

federal labs and federally-funded research and development centers



46%

of the population 25 years+ hold Bachelor's degree or higher



184

languages spoken;
175 international embassies

FORTUNE
1000

53

Fortune 1000 companies headquartered in MD, DC, VA



4

significant airports,
two major shipping ports

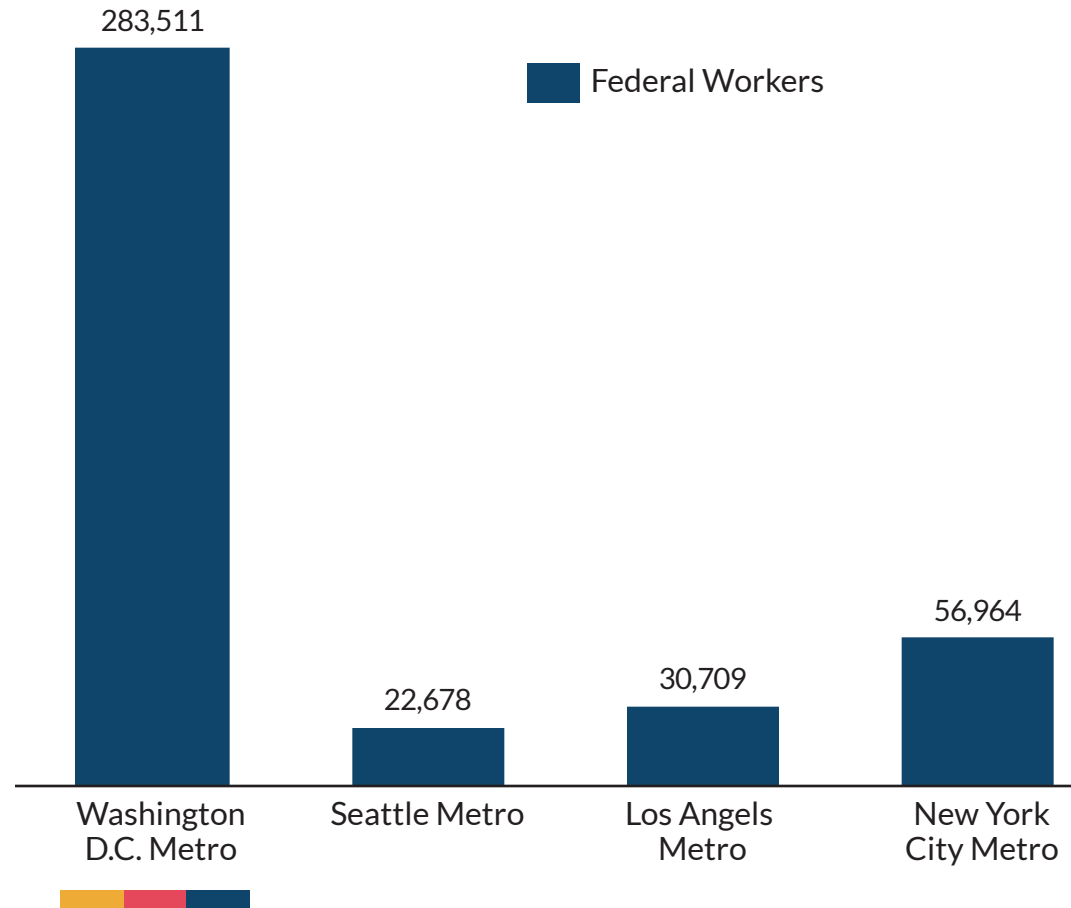
TO GROW WE MUST CONTINUE TO DIVERSIFY THE ECONOMY, WHILE LEVERAGING THE ASSETS OF THE FEDERAL GOVERNMENT



Leveraging The Federal Government

- The Capital Region's proximity to the U.S. federal government provides unparalleled opportunities for the region.
- The federal government supports our economy and community, more broadly.
- The private sector alone is not growing fast enough. By diversifying our region's economy, however, we can create a more dynamic system that leverages our federal capabilities while ensuring long-term growth isn't dependent on federal employment and spending.

The Federal Government Is A Significant Employer In The Capital Region





AMAZON HQ2

A ONCE-IN-A-GENERATION
ECONOMIC OPPORTUNITY

A young child with dark hair and a joyful expression is playing at a water fountain in a park. The child is wearing a blue denim jacket over a green shirt. Water is spraying from the fountain's nozzle into the child's mouth. In the background, a person in a white jacket is partially visible, and the park setting includes trees and playground equipment. A semi-transparent orange banner is overlaid across the middle of the image, containing white text.

**“OUR PROXIMITY TO THE TALENT, TECHNOLOGY AND POLICY-
MAKING OF THE FEDERAL GOVERNMENT IS AN UNDISPUTABLE DRAW
FOR AMAZON THAT NO OTHER COMPETING CITY CAN MATCH.”**

- RUSS RAMSEY, TED LEONSIS & SHEILA JOHNSON



AMAZON HQ2 WILL CREATE APPROX. 100,000 JOBS BY 2030

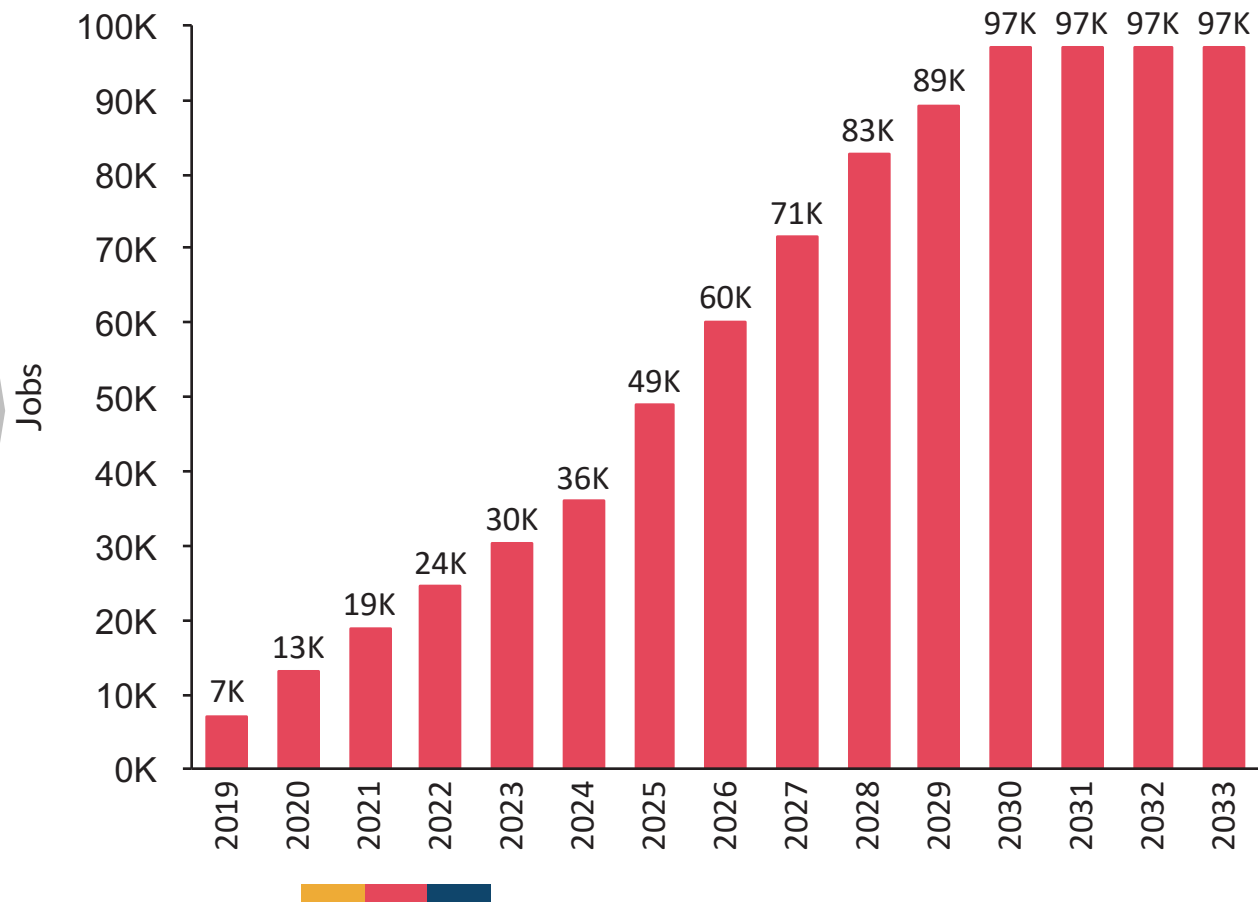
What Is \$14 Billion?

That's how much Amazon HQ2 would add to the Capital Region's GDP. It represents almost two extra years of economic growth.

Put another way, it would be like picking up the entire city population of South Bend, IN—home to Notre Dame—and dropping it into the Capital Region.

In practical terms, it means nearly 100,000 direct and indirect new jobs in the region and thousands more added through spillover economic activity, supporting families in Virginia, D.C., and Maryland.

Estimated Job Impacts (Construction & Operations), first 15 years





AMAZON'S IMPACT WILL BE SIGNIFICANT AND SUSTAINED

Direct Effects

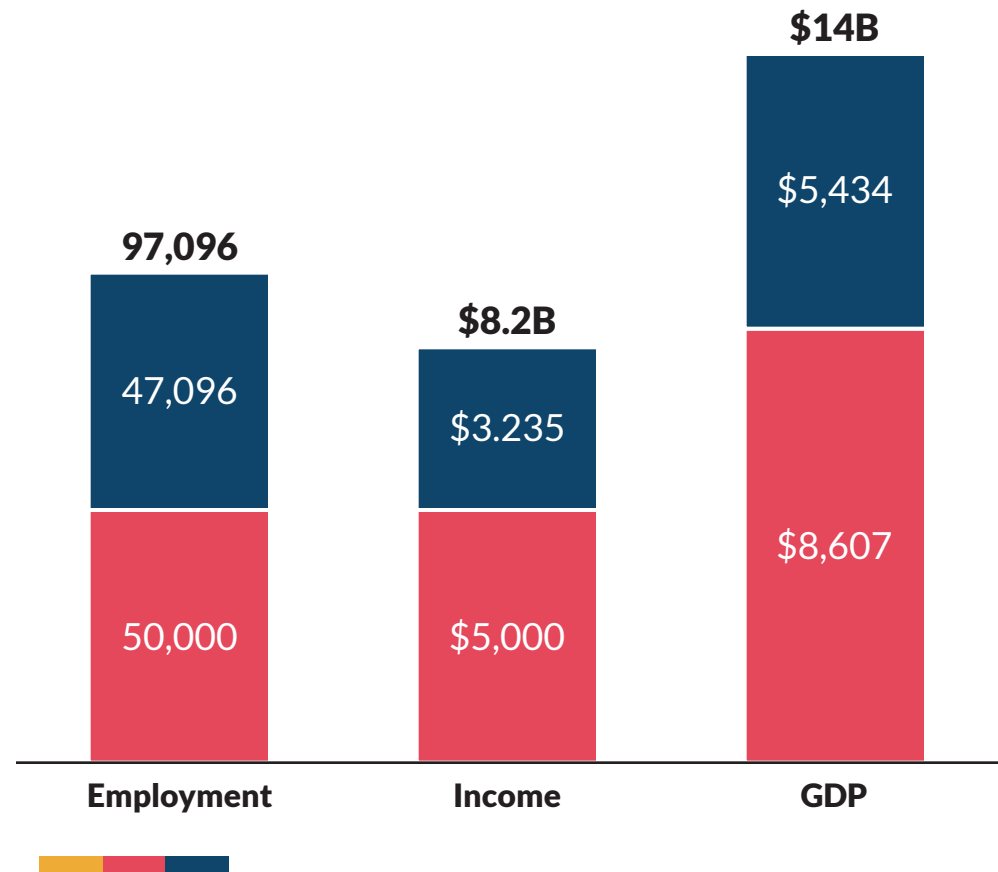
- Amazon HQ2 will create a total 50,000 permanent jobs in the Capital Region.
- These permanent jobs will add \$5 billion in annual labor income and \$8.6 billion in GDP to the Capital Region.

Indirect Effects

- In addition to jobs directly created by Amazon, other companies will add 47,096 permanent jobs to the Capital Region, as a result of HQ2.
- These jobs will add \$3.2 billion in annual labor income and \$5.4 billion in GDP to the Capital Region.

Average Annual Impact

■ Indirect ■ Direct





IMMEDIATE CONSTRUCTION WILL CREATE 2,000+ JOBS

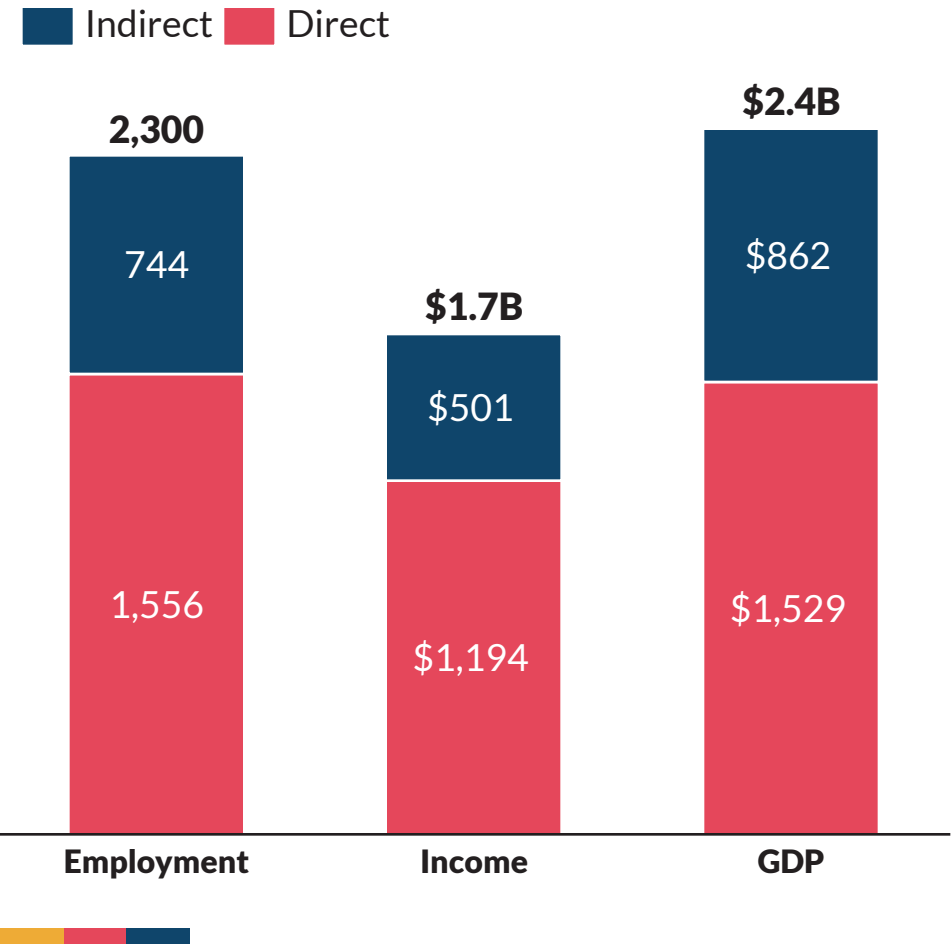
Direct Effects

- Amazon HQ2 will create an average of 1,556 construction jobs each year for 11 years.
- Amazon HQ2 construction jobs will account for \$1.2 billion in labor income and \$1.5 billion in GDP growth over 11 years.

Indirect Effects

- In addition to construction jobs directly created by Amazon, indirect (supplier) and induced (household spending) activity, will support an average of 744 jobs per year.
- Amazon HQ2 construction jobs will account for \$1.2 billion in labor income and \$1.5 billion in GDP growth over 11 years.

Construction Impacts: 11-Year Total



AMAZON'S SPILLOVER EFFECTS WILL REDEFINE THE CAPITAL REGION'S ECONOMY AND CHANGE OUR GROWTH TRAJECTORY



A New Identity For The Capital Region

- Amazon HQ2 will not only create billions of dollars in direct economic activity, it will also serve as a catalyst for additional investment in the Capital Region.
- The spillover impacts of Amazon HQ2 are not captured by this analysis, but they provide additional upside, beyond the 100,000 new jobs.
- Tech-oriented metro areas have substantially outperformed the Capital Region on topline economic growth.

Gross Domestic Product Percent Change (2011-2016)

Austin, TX	+29%
San Francisco, CA	+29%
Seattle, WA	+24%
Boston, MA	+20%
Capital Region	+13%





THE PATH FORWARD

AN INCLUSIVE GROWTH MODEL FOR THE COUNTRY



“WE NEED TO MAKE IT UNDENIABLY CLEAR TO AMAZON THAT WHEREVER IT CHOOSES HERE, IT WILL GET THE BEST THE REGION HAS TO OFFER.”

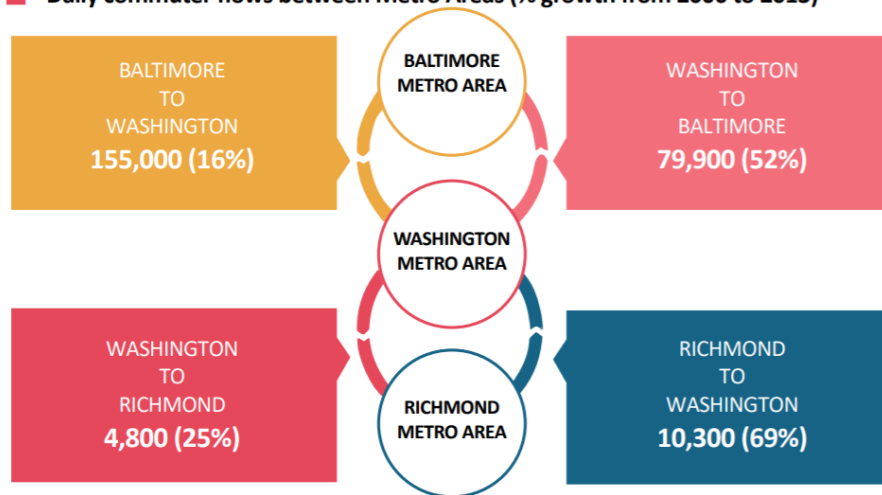
- RUSS RAMSEY, TED LEONSIS & SHEILA JOHNSON



TRANSPORTATION REFORMS: IMPROVING CONNECTIVITY

- Over ten million people depend on the Capital Region's transportation system every day.
- Today's underperforming transportation system costs us \$7 billion annually in wasted productivity.

■ Daily commuter flows between Metro Areas (% growth from 2000 to 2013)



MetroNow

TIME FOR BETTER TRANSIT

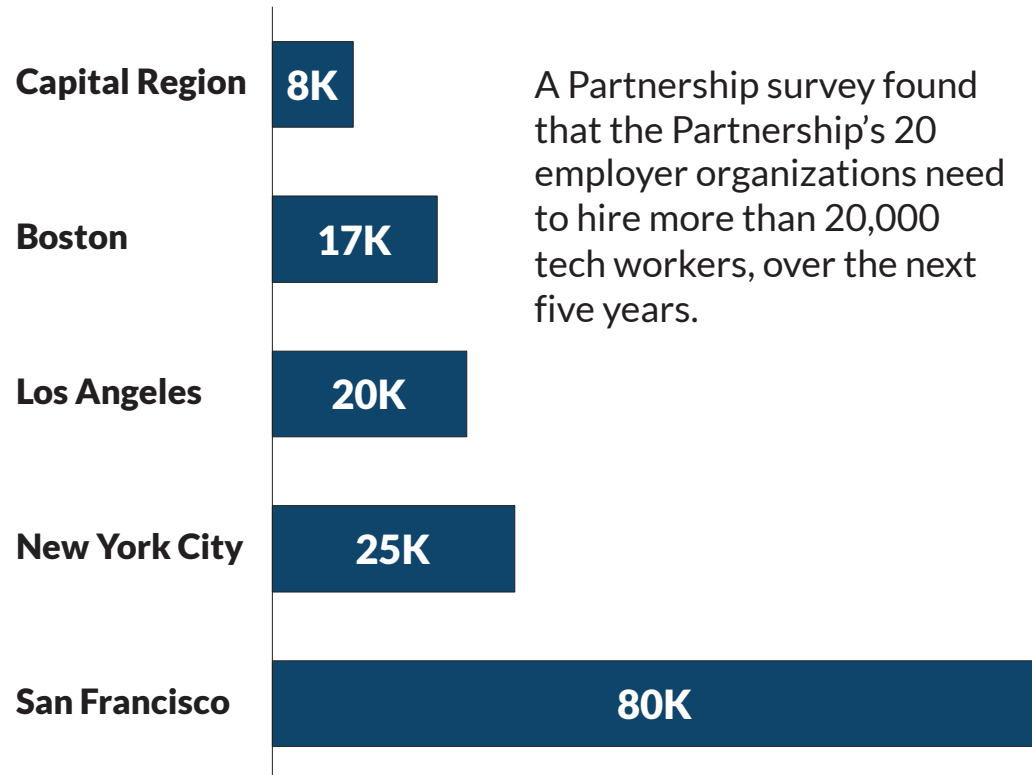
- Metro's decline was a major detriment to the region's long-term success.
- The Partnership was joined by Capital Region leaders from the business, non-profit, and advocacy communities to create the MetroNow Coalition to push for dedicated investments and governance reforms in Maryland, the District, and Virginia.
- With the support of elected officials in each jurisdiction, the MetroNow Coalition secured \$500 million in dedicated funds for Metro in 2018 Virginia, Maryland, and the District.





INVESTING IN OUR WORKFORCE: LEVERAGE PARTNERSHIPS

Digital Tech Job Increases (2012-2017)



A Partnership survey found that the Partnership's 20 employer organizations need to hire more than 20,000 tech workers, over the next five years.

The Partnership launched Capital CoLAB, an alliance of university and business leaders, to strengthen the Capital Region. The initiative is a milestone in the Capital Region coming together to harness the region's unique strengths and growth potential.

Amazon is already partnering with local higher education. Amazon and Northern Virginia Community College (NOVA) recently announced a collaboration between Amazon Web Services' (AWS) Educate program and NOVA offering a Cloud Computing specialization as part of its Information Systems Technology associate of applied science degree.



CAPITAL REGION UNITY AND COLLABORATION WILL BRING INCLUSIVE, DYNAMIC GROWTH



The Case For Capital Region Unity

1. *Scale matters* in the global competition for ideas, investment, and people—and connectedness between Baltimore, Washington, and Richmond is the scale we need to compete and win.
2. Jurisdictional boundaries have too often impeded progress on our region's pressing issues, and we must *find new ways of collaborating* for a better future.
3. Despite differences across the region, *our economic futures are intertwined*. Each of the Capital Region metro areas have experienced a similar slow-growth path, and as we look to the opportunities that will drive us forward, the District, Maryland, and Virginia are much more similar than typical rhetoric would lead you to believe.

Global Models Of Regional Integration



London Crossrail



Seattle-Tsinghua
Global Innovation Exchange



NYC Cornell
Tech





METHODOLOGY

Analysis conducted using the IMPLAN economic model and Amazon HQ2 data contained in the Amazon RFP to estimate the indirect and induced economic contributions. The regional economic multipliers in this study were estimated using the IMPLAN Group LLC Impacts for Planning (IMPLAN) input-output. The IMPLAN economic model is an economic impact assessment modeling system developed at the University of Minnesota. The model allows the user to build economic models to estimate the private-sector impacts of economic changes. IMPLAN is used by universities, governments, and economic development agencies to estimate the economic and fiscal impacts of investments and industry activity.





OUR MISSION



The Greater Washington Partnership is a team of civic-minded CEOs, comprised of leading businesses and entrepreneurs, who are committed to making the Greater Washington region—from Baltimore to Richmond—one the world's best places to live, work and build a business.

In a highly competitive global economy, as capital and people become ever more mobile, metropolitan regions must continuously innovate to meet the future demands of its businesses and workforce. Working in collaboration with leaders across our communities, the Greater Washington Partnership connects and leverages the region's extraordinary assets to advance inclusive, action-oriented solutions that strengthen Greater Washington's position as leading global region and center for commerce and innovation.



Steven Chlapecka

202.871.9914

skc@greaterwashingtonpartnership.com

GREATER WASHINGTON PARTNERSHIP

FROM BALTIMORE TO RICHMOND
FOSTERING UNITY
ADVANCING GROWTH