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AMAZON'S VIRGINIA HEADQUARTERS BY THE NUMBERS



Project Scope

- At least 25,000 new headquarters jobs in Arlington within 12 years
- Minimum average wage of \$150,000 per year, plus benefits, escalating at 1.5% annually
- Approximately \$2.5 billion in capital investment in Arlington

Economic Impact

- More than 22,000 permanent indirect and induced jobs in Virginia (in addition to at least 25,000 direct jobs at the headquarters)
- Jobs created in first decade would close at least 15-25% of the 10-year job gap to Virginia's growth aspiration (i.e., getting back to the top 5-10 states)
- Opportunity to diversify state revenue base and enhance state fiscal strength

State Incentives

- Post-performance incentives paid annually only after new jobs are created (first payment in FY24), ensuring positive state general fund return on incentives from day one
- Post-performance state incentive of \$22,000 per new headquarters job created for up to 25,000 jobs (potential for cumulative total of \$550 million)
- Post-performance state incentive of \$15,564 per new headquarters job created in excess of 25,000 jobs up to 37,850 jobs (potential for cumulative total of \$200 million)

Fiscal Impact

- Increase of more than \$260 million in annual state general fund revenues once 25,000 jobs have been created (by year 12), with at least \$3.8 billion cumulative by year 20
- Within 20 years, cumulative increase of nearly \$3.3 billion in state general fund revenues for 25,000 jobs, after subtracting post-performance company incentive payments
- More than 6-to-1 return on state incentives over 20-year life of performance agreement, assuming 25,000 jobs (20-year estimated net present value of general fund revenues to 20-year net present value of post-performance company incentive payments)
- Within 20 years, cumulative increase of more than \$1.2 billion in state general fund revenues for 25,000 jobs, after accounting for all potential related state expenditures, including company incentives, higher education investments for the benefit of the whole Commonwealth, and K-12 expenditures associated with increased school enrollments
- Cumulative increase of more than \$430 million in state non-general-fund, transportation-dedicated revenues for 25,000 jobs, excluding the 0.7% regional sales tax for Northern Virginia, well in excess of planned transportation investments to benefit the area



Fiscal Impact Notes

- *All state revenue estimates exclude the approximately 31% of headquarters employees who are expected to commute to Arlington daily from out-of-state locations (e.g., D.C. or Maryland)*
- *Only state general fund revenues from personal income taxes and sales taxes associated with direct, indirect, and induced employment are included in the estimates above, so actual state general fund revenue increases from the project may be higher*
- *All state revenue values above will be higher (better) if the company creates more than 25,000 jobs and/or pays more than \$150,000 per year, escalating at 1.5% annually*
- *As an additional measure of due diligence, VEDP commissioned a third-party economic and fiscal impact analysis that was performed by the Stephen S. Fuller Institute at George Mason University, which resulted in a similar general fund revenue forecast to that produced by VEDP internally. The numbers presented in this recap are from VEDP's analysis, with the exception that VEDP utilized the Fuller Institute's K-12 enrollment estimates to calculate increased state K-12 expenditures for Northern Virginia*

Source: Stephen S. Fuller Institute (K-12 enrollment estimates for estimation of increased state K-12 expenditures); VEDP analysis