

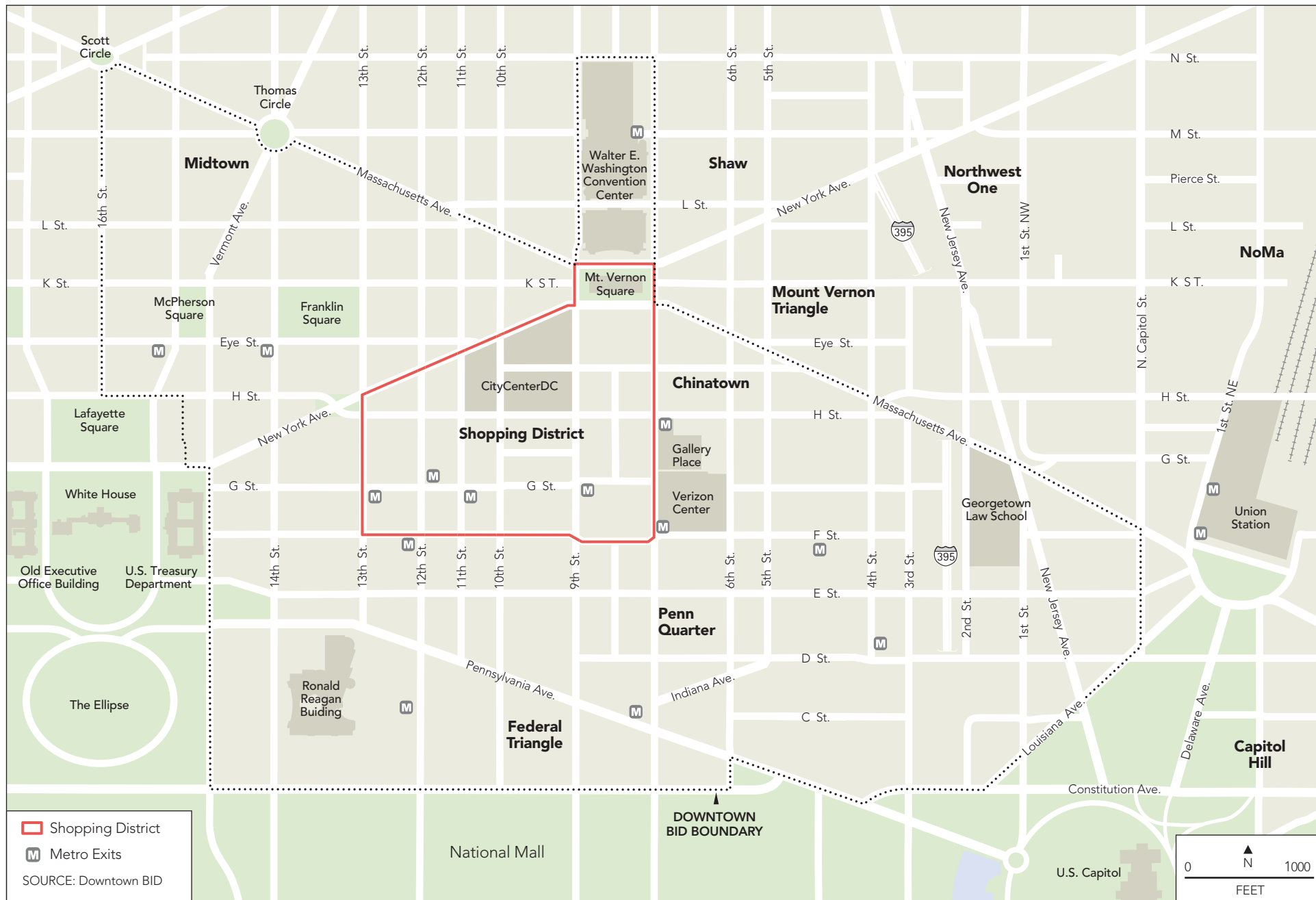


DOWN
TOWN
DC



DOWNTOWN DC SHOPPING DISTRICT





INTRODUCTION

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Downtown DC is the region's commercial, arts, culture and entertainment epicenter, surrounded by the area's largest daytime office population, a growing residential community and world-class restaurants. Here you'll find a walkable retail destination complemented by iconic attractions such as the Smithsonian American Art Museum and National Portrait Gallery, the Verizon Center, the International Spy Museum, the Newseum and a thriving Theatre District with six performing arts venues. With more than 500,000 square feet (SF) of existing shoppers' goods retail, 90,000 SF of retail space available today, and another 600,000 planned, Downtown DC's shopping district is poised to become a regional shopping destination.

What is emerging is a new Downtown shopping district, bounded by F Street on the south. DC's oldest retail street has had a facelift, as new construction has created a lively, captivating and welcoming environment for pedestrians and shoppers. Slowly but surely, the street is returning to the luster of yesteryear when it was home to Washington's most venerable department stores (Garfinckel's, Hecht's, Woodward & Lothrop).

Seventh Street forms the eastern border, along which one can find a wide variety of shopping, dining, cultural and entertainment options. Macy's anchors the western edge at 13th and G Streets, where several nationally known retailers such as Johnston & Murphy, Ann Taylor, Banana Republic and others are nearby.

As new retail finds its way along H Street from 7th to 11th Streets, CityCenterDC will anchor 325,000 SF of destination shoppers' goods at the northern border, which also will encompass planned retail development at 7th Street and New York Avenue.

This new shopping district will have the capacity for 1.2 million SF of shoppers' goods retail once the planned development projects are completed. Downtown retail will once again attract residents, workers and tourists looking for more shopping options and a remarkable urban experience.





KEY RETAIL

- CityCenterDC will have approximately 325,000 SF of retail space
 - 185,000 SF south of Eye Street (2013)
 - 140,000 SF north of Eye Street (2014–15)
- Other Proposed Retail
 - 2011: 20,000 SF (Gallery Place/Chinatown at 600 Massachusetts Ave)
 - 2012: 8,000 SF (1000 F Street)
- Downtown BID area currently has the following destination shoppers' goods retail

■ Alden Shoes	■ Dress Barn
■ American Apparel	■ Filene's Basement
■ Ann Taylor	■ Guess
■ Ann Taylor Loft	■ H&M
■ Aveda	■ Ida's Idea
■ Bandolino	■ Johnston & Murphy
■ Banana Republic	■ Jos. A. Bank
■ Barnes & Noble	■ Macy's
■ Bed Bath & Beyond	■ Mia Gemma
■ Borders	■ Peruvian Connection
■ Capitol Hemp	■ Pua Naturally
■ City Sports	■ Urban Outfitters
■ Coup de Foudre	■ Zara

NOTE: All data is for 2009 calendar year or as of December 2009 unless otherwise indicated.

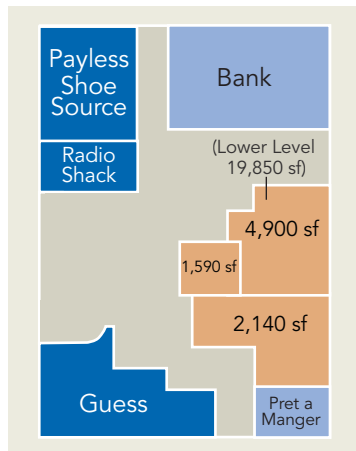
MARKET DATA AND PROJECTIONS

	2000	2009	2014	CHANGE 2000–2009	CHANGE 2009–2014
OFFICE WORKER MARKET					
OFFICE SPACE					
Within 5 Blocks of 9th and G Streets	30 Million SF	39 Million SF	41 Million SF	9 Million SF	2 Million SF
Within 15 Blocks of 9th and G Streets	102 Million SF	122 Million SF	133 Million SF	20 Million SF	20 Million SF
OFFICE WORKERS					
Within 5 Blocks of 9th and G Streets	103,636	125,915	131,610	22,279	5,695
Within 15 Blocks of 9th and G Streets	366,505	416,916	453,848	50,411	36,932
RESIDENTIAL MARKET (POPULATION)					
Within 5 Blocks of 9th and G Streets	1,470	6,992	8,070	5,522	1,078
Within 15 Blocks of 9th and G Streets	49,990	64,384	79,648	14,394	15,264
VISITOR MARKET					
HOTEL ROOMS					
Within 5 Blocks of 9th and G Streets	2,875	4,474	5,968	509	1,494
Within 15 Blocks of 9th and G Streets	14,831	15,923	18,760	1,782	2,837
Citywide	25,514	26,635	30,647	2,072	4,012
HOTEL ROOM NIGHTS (MILLIONS)					
Within 5 Blocks of 9th and G Streets	0.8	1.0	1.4	0.2	0.4
Within 15 Blocks of 9th and G Streets	3.9	4.4	5.4	0.5	1.0
Citywide	6.7	7.2	8.4	0.5	1.2
VISITORS TO DOWNTOWN (MILLIONS)					
Within 5 Blocks of 9th and G Streets	7.3	10.7	12.5	3.4	1.8

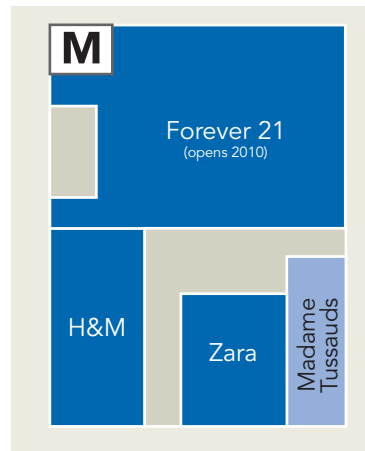
RETAIL DEMAND AND SUPPLY

CURRENT DOWNTOWN RETAIL DEMAND FOR SHOPPERS' GOODS

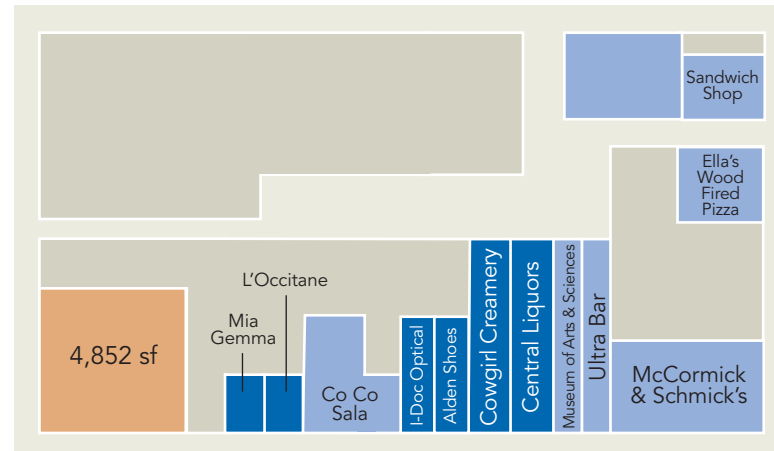
	2000	2009	2014	CHANGE 2000–2009	CHANGE 2009–2014
DOLLARS OF RETAIL DEMAND (IN MILLIONS; 15 BLOCKS)					
Office Worker Market	\$390	\$500	\$574	\$110	\$74
Residential Market	\$96	\$263	\$342	\$167	\$79
Hotel Visitor Market	\$78	\$87	\$108	\$9	\$21
TOTAL	\$565	\$851	\$1,024	\$286	\$173
DOLLARS OF RETAIL SUPPLY (IN MILLIONS; 15 BLOCKS)					
TOTAL	\$150	\$247	\$414	\$97	\$167
RETAIL OPPORTUNITY (CURRENT DOWNTOWN RETAIL DEMAND IN EXCESS OF RETAIL SUPPLY)					
TOTAL	\$485	\$604	\$610	\$189	\$6



11th Street

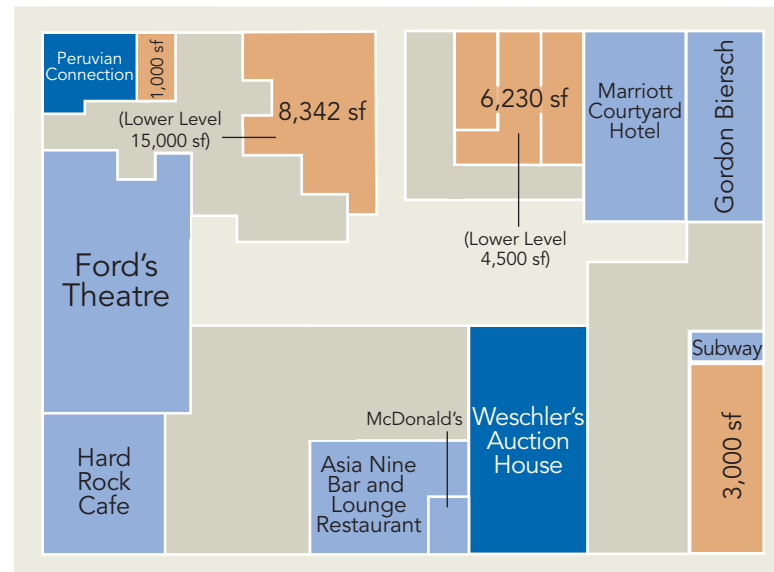
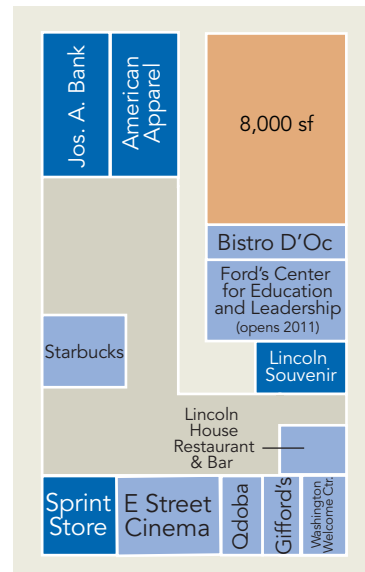
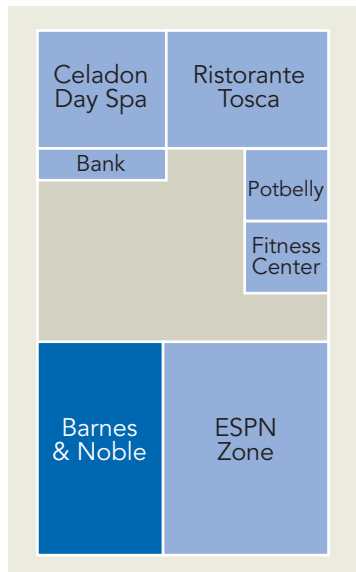


10th Street

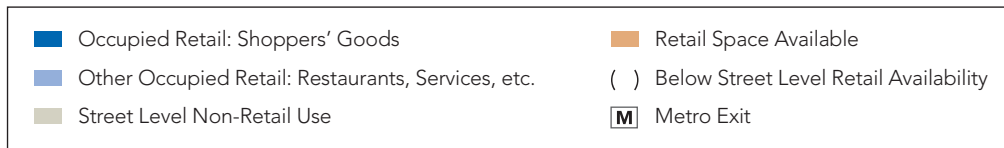


9th Street

F Street



E Street



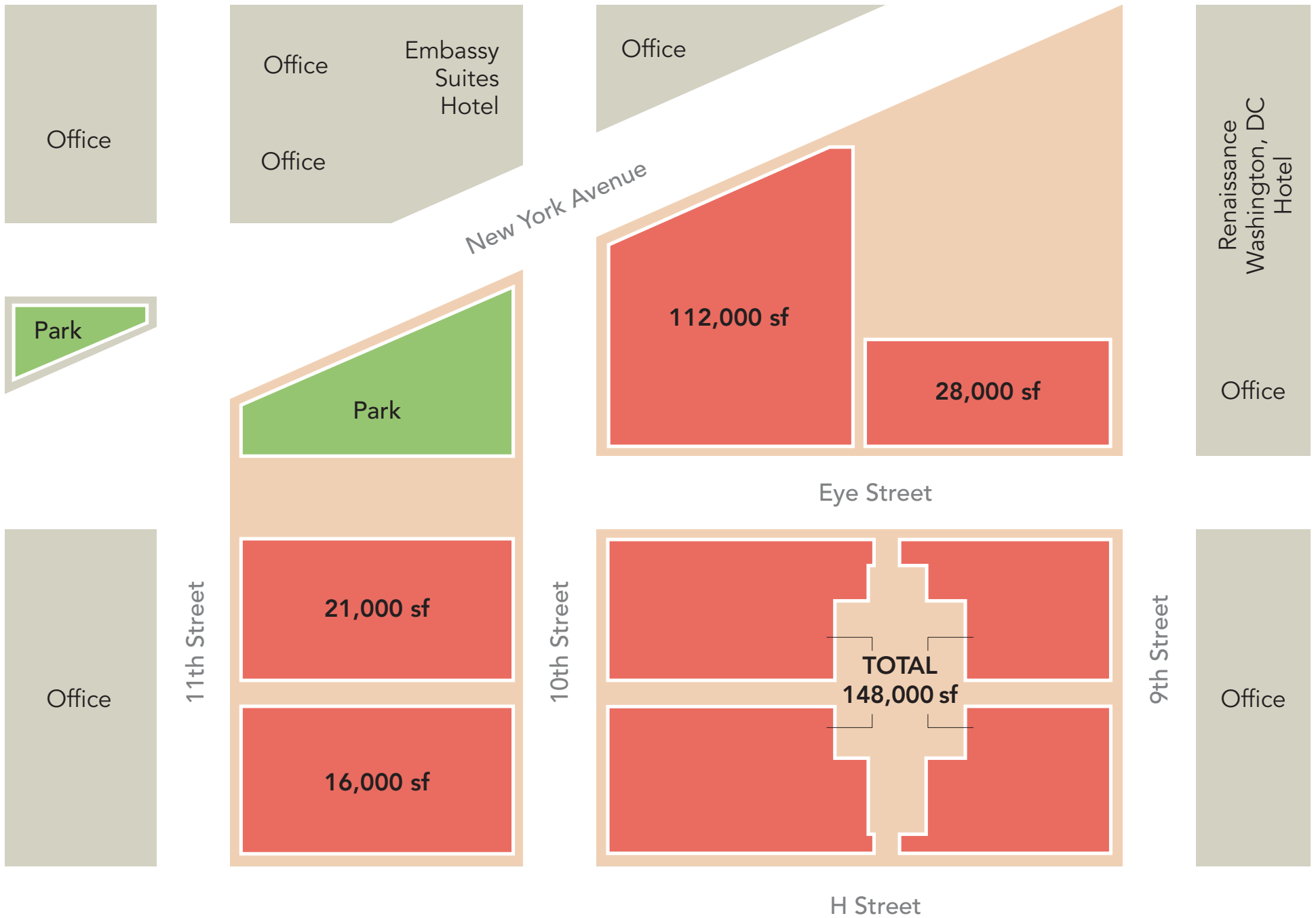


F STREET SHOPPING

Complementing the retail at Gallery Place on 7th Street, as well as that at Macy's and nearby on 13th Street, F Street is a major spine of the Downtown Shopping District. The four blocks between 8th and 12th Streets have 100,000 SF of existing destination retail today, with another 51,000 SF of space presently available or scheduled to deliver in the near future (as shown on the map on the opposite page).

Since 2007, F Street has had an influx of new national and local retail tenants, as Guess, Alden Shoes, Zara, Peruvian Connection and Mia Gemma (jewelry) joined veterans such as H&M, Jos. A. Bank, American Apparel and the International Spy Museum store.

NOTE: All data is for 2009 calendar year or as of December 2009 unless otherwise indicated.



CITYCENTERDC



The largest cluster of planned Downtown destination retail will open at the now vacant, 10-acre area contained within 9th, H and 11th Streets and New York Avenue. CityCenterDC plans call for a unique blend of local and national retailers focusing on a broad range of distinctive fashion and specialty retail accompanied by restaurants, cafes and specialty food stores.

■ CityCenterDC will have approximately 325,000 SF of retail space

- 185,000 SF south of Eye Street (2013)
- 140,000 SF north of Eye Street (2015)

■ Parking dedicated to retail/public

- 638 spaces for 185,000 SF retail (3.4 per 1,000 SF)
- 420 spaces for 140,000 SF retail (3.0 per 1,000 SF)

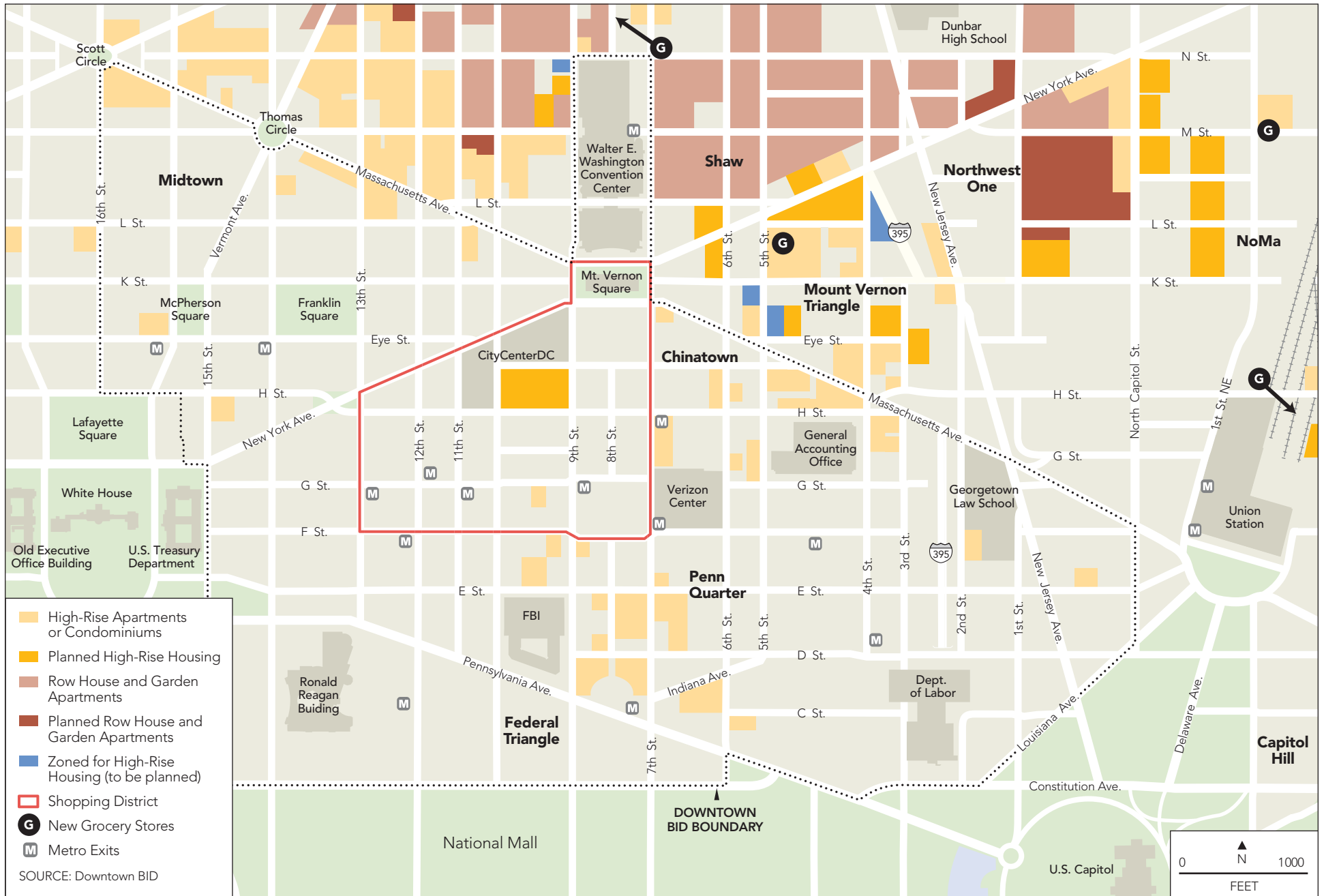
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EMPLOYMENT AND OFFICE MARKET

- **DC Employment:** 705,300
- **Total Downtown Employment:** 376,200
 - 311,100 Office Jobs
- **Downtown BID Area Employment:** 180,000 jobs
 - 155,000 Office Jobs
- **DC Employment:**
 - 600 jobs lost in 2009
 - 53,100 jobs added (2003–2009)
 - 46% of this growth was in Downtown BID area
- **DC adds 5,000 to 8,000 jobs per year**
- **Average Downtown BID area office worker makes \$79,600 per year (4Q 2008)**
 - 49,000 earn more than \$90,000
 - 37,800 earn between \$75,000 and \$90,000
 - 60,700 earn between \$50,000 and \$75,000
 - 29,600 earn less than \$50,000
- **Downtown BID Office Space:**
 - 66 million SF of office space
 - 48 million SF privately owned
 - 18 million SF government owned (16 million SF federal)
 - **Rents:** Full Service Class A of \$61.59 per SF (\$55.77 per SF all classes)
 - **Vacancy:** 11.4% all classes

NOTE: All data is for 2009 calendar year or as of December 2009 unless otherwise indicated. Downtown is defined as the area between the Potomac River and Rock Creek Park to the west, Florida Avenue to the north, 3rd Street, NE to the east and Constitution Avenue to the south.



POPULATION AND HOUSING MARKET



Population is Growing

■ Citywide

- From 572,000 in 2000 to 600,000 in December 2009
- Projected to grow to 627,000 by 2015

■ Downtown BID area plus 10 blocks

- From 34,100 in 2000 to 47,800 in 2009
- Projected to grow to 59,500 by 2014

■ Downtown BID area

- From 4,200 in 2000 to 8,700 in 2009
- Projected to grow to 9,700 by 2014

■ Average income of new Downtown BID area households: \$120,000

■ Average Downtown BID area rent: \$2,170 monthly

■ Average Downtown BID area condominium price: \$400,000

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CULTURE AND ENTERTAINMENT



■ Annual Attendance

- Sports Arena: 2,600,000
- 15 Museums: 4,900,000
- 6 Performance Stages: 773,000
- 2 Cinemas: 1,335,000

■ Visitors to Downtown BID Area Attractions

- 10.7 million visitors
- Projected to grow to 12.5 million by 2014
- 29 million visitors to National Mall museums

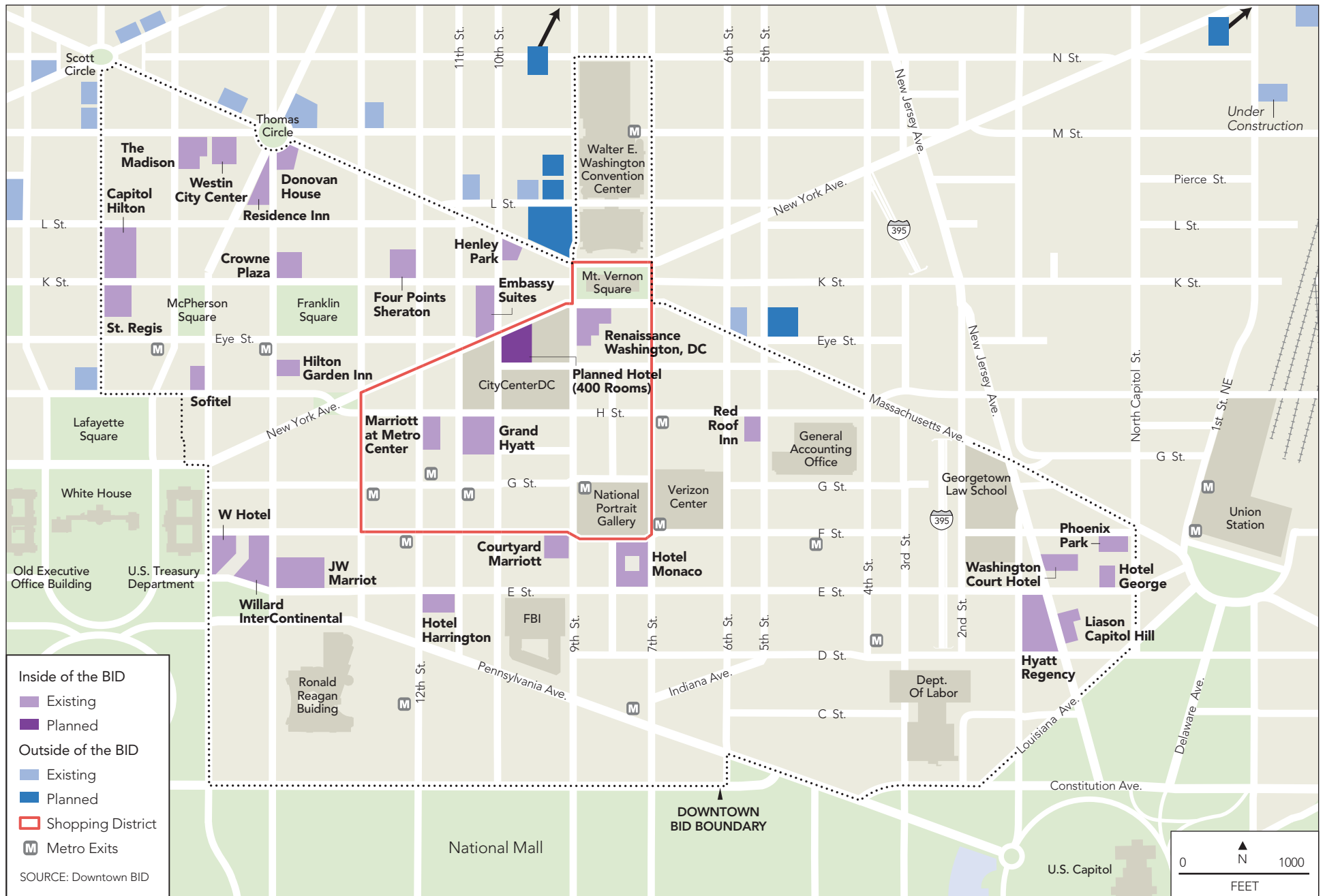
■ New Attractions

- National Law Enforcement Museum (opens 2011)

■ Nightlife and Entertainment

- Downtown has a variety of after work and nighttime activities
- 7th Street corridor offers nightclubs, bars and lounges, billiards and bowling
- In 2009, Recess and Reserve joined the list of trendy new nightspots that have opened in the 14th & K Streets vicinity

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HOTELS AND CONVENTION CENTER

- 26 hotels and 9,210 rooms
(December 2009)
 - 27 hotels and 9,485 rooms in 2014
 - 2.6 million hotel room nights

- Hotel performance ranked among the best in the U.S.
 - Occupancy rates of 77% (72% in 2006)
 - Room rate per night of \$211 (\$201 in 2006)
 - Revenue per available room of \$163 (\$143 in 2006)

- New hotels in Downtown
 - Kimpton Hotel Monaco – 2002
 - Sofitel – 2002
 - Hampton Inn – 2005
 - Embassy Suites – 2005
 - St. Regis (Renovation) – 2007
 - Donovan House – 2008 (managed by the Thompson Hotels, NYC)
 - W – 2009
 - Headquarters Hotel (1,150 rooms) – 2012

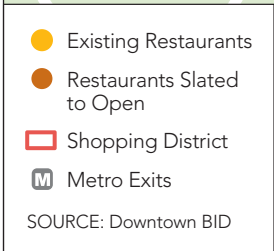
- Room Nights Generated by the Washington Convention Center

- 2003: 315,307
- 2004: 460,221
- 2005: 614,552
- 2006: 473,037
- 2007: 423,427
- 2008: 545,045
- 2009: 356,767

- Top Conventions/Trade Shows in 2009

- Association of the United States Army: 22,000
- Islamic Society of North America: 22,000
- National Association for the Education of Young Children: 20,000
- FOSE: 19,112
- American Chemical Society: 14,319
- National Council of Teachers of Mathematics: 12,099
- National Cable and Telecommunications Association: 12,209
- American Academy of Pediatrics: 12,036
- Congressional Black Caucus Foundation: 12,000

NOTE: All data is for 2009 calendar year or as of December 2009 unless otherwise indicated.





RESTAURANTS

■ 131 destination restaurants in Downtown BID Area (December 2009)

■ Average of 6 net new restaurants open per year

YEAR	NET NEW	OPENED/ OPENING
2009	9	17
2008	9	15
2007	13	14
2006	-2	6
2005	6	11
2004	6	11
2003	2	9
2002	7	13
2001	0	6
2000	11	16
TOTAL	61	118

■ Restaurant Sales Estimates

- Old Ebbitt Grill: \$23 million
- Clyde's at Gallery Place: \$17 million
- Another 20–30 restaurants are estimated to have annual sales of \$5–6 million
- Others are in the \$1–5 million range

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TRANSPORTATION

■ Circulator bus

- Began service in July 2005
- Current monthly ridership of more than 300,000
- Ridership growth rate of 90% since 2006
- Precursor of streetcar on K Street

■ Parking in Downtown BID area (2006)

- 96 parking garages
- 23,252 parking spaces

■ Metrorail ridership (exits only; top 10 stations; Downtown BID stations highlighted)

	AVERAGE WEEKDAY	AVERAGE SATURDAY
Union Station	32,668	11,212
Metro Center	30,019	13,297
Farragut North	23,985	5,015
Farragut West	23,617	4,240
Dupont Circle	23,526	14,678
Gallery Place	26,868	22,835
Foggy Bottom	21,767	11,862
L'Enfant Plaza	21,085	5,472
McPherson Square	17,826	4,408
Rosslyn	16,351	6,663

■ Average weekday ridership growth (exits only)

	1997	2009	% GROWTH
Gallery Place	7,286	26,868	269%
Metro Center	23,638	30,019	27%

■ Average Saturday ridership growth (exits only)

	2004*	2009	% GROWTH
Gallery Place	8,144	22,835	180%
Metro Center	7,565	13,297	76%

* Gallery Place retail and cinema opened in 2004

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ABOUT THE DOWNTOWN DC BID

The Downtown DC Business Improvement District (BID) is a private, non-profit organization that provides safety, hospitality, maintenance and beautification, homeless, economic development, transportation, streetscape and marketing services to Washington's center city. Property owners agree to tax themselves to provide services to the Downtown BID area, which covers 138 blocks from Massachusetts Avenue on the north to Constitution Avenue on the south, and from Louisiana Avenue on the east to 16th Street on the west. For more information, visit www.downtowndc.org.