

# DOWNTOWN 2027 VISION FOR THE FUTURE



# Introduction

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*Downtown 2027: Vision for the Future is a bold plan created by the DowntownDC Business Improvement District (BID) detailing aspirational goals to be achieved in the next decade and specific actions to achieve these goals. The BID in 2017 is in its 20th year of operation and this plan identifies challenges to downtown's continued economic prominence and a path forward for the coming decade.*

*Downtown in 2027 must be a place where transportation is reliable, experiences are world-class, our most vulnerable residents are properly and humanely supported, and public spaces are clean, safe and inviting. Downtown in 2027 must have something for everyone, at every socio-economic level and of every interest. Its diversity must be reflected in its businesses, residents, entertainment and price-points. It must be a place where high performance and evolution are constant. Downtown's reputation will be solidified as the heart of the District and the region in 2027. But the DowntownDC BID cannot achieve this on its own.*

*The recommendations in this document are not limited to the BID's own operations and programs or geographical boundaries. Realizing the vision of continued growth for downtown will require leadership and partnerships across the city's public, private and civic sectors.*

*Partnership and collaboration have been essential to the success of the DowntownDC BID organization, and by extension, essential to the success of downtown. During its creation in 1997, the BID set aggressive goals, including the sweeping transformation of downtown from a dull, dirty and often dangerous place into a clean, safe and thriving urban center.*

*Through planning, advocating, and partnering with business and city leaders, the BID's founders achieved these goals. Surface parking lots in 1997 have since been replaced by trophy office buildings, market rate residential buildings, theatres, museums, a new convention center, and one of the country's leading sports and entertainment venues: the Capital One Arena. Once an area that was desolate after business hours, downtown today is lively long after office buildings are closed. A large and growing number of world-class restaurants, more entertainment venues, clean and safe streets, and extended subway hours helped create a vibrant downtown late-night economy that previously did not exist.*

*The durability of downtown's competitiveness will depend on the strength of its economy, civil infrastructure and social agenda. The recommendations and initiatives outlined in this document provide direction for achieving success over the next decade.*

## ABOUT THIS DOCUMENT

*This document is organized into four areas key to downtown's future success: transportation, the economy, the public realm and human support services. Each section contains an assessment of the current state of affairs in downtown based on the work of BID staff, feedback from downtown stakeholders and a review by a panel of private and public sector experts. Based on that assessment, each section also contains a series of goals and specific recommendations to advance over the next ten years.*

*A complete list of recommendations is summarized in "Strategies for the Future of Downtown." Many of the issues presented in this document are interconnected; for example, the competitiveness of the downtown economy is improved by a robust transportation network, high-quality experiences in the public realm and convenient and affordable transit to jobs and human services. The reader of this document will encounter cross-references between the four issue area sections.*

*Editorial Note: 'DowntownDC' and downtown Both downtown and DowntownDC are referenced in this document. The DowntownDC BID ("DowntownDC") refers to the BID organization's 138-block area of downtown, which is bordered on the east by 16th Street, on the north by Massachusetts Avenue including the Walter E. Washington Convention Center, on the east by North Capitol Street and Louisiana Avenue and on the south by Constitution Avenue. "Downtown" refers to the original central business area of the District of Columbia, which extends beyond the BID's boundaries. This document focuses on the future of downtown, with an emphasis on the issues that affect the BID.*



# Strategies

## FOR THE FUTURE

The DowntownDC BID recommends the following to achieve growth and new success in downtown in the coming decade:

### TRANSPORTATION

1. Get Washington Metropolitan Transit Authority (WMATA) on track: Improve Metrorail service reliability, rebuild Metro's operational and safety culture, restore late-night service, and establish a regional dedicated funding source.
2. Prioritize surface transit: Build the K Street Transitway, improve coordination and infrastructure investments.
3. Speed up bus operation: Redesign the District's bus network to emphasize all-day, high-frequency service and change fare payment systems.
4. Rethink streets: Reduce on-street parking and create a more efficient schedule and system for delivery trucks and motor coaches.
5. Reduce traffic congestion: Expand upon current and implement new travel demand pricing strategies to incentivize behavior change that results in traffic reduction.

### ECONOMY

1. Office to residential conversion: Implement an incentive program to encourage residential redevelopment of 400,000 square feet (SF) of outdated office buildings.
2. Support major redevelopment projects: Support timely redevelopment of the headquarters buildings for the



FBI, WMATA and Department of Labor, the Metropolitan Police Department's Daly Building, Federal City Shelter and Union Station.

3. Create a regional shopping destination: Grow downtown destination shopping from 740,000 SF to 1.2 million SF by developing an exceptional public realm and a marketing strategy for downtown shopping.
4. Support culture and entertainment: Keep the Capital One Arena downtown, incorporate cultural and entertainment uses into redevelopment projects, and restore late-night Metrorail service.

### PUBLIC REALM

1. Transfer jurisdiction of parks: Work with congress and the D.C. government to transfer parks and reservations to the city.
2. Renovate and activate public spaces: Program and manage parks in partnership with the National Park Service, the BID and the D.C. government.
3. Establish a BID-affiliated nonprofit: Establish a nonprofit to fundraise for an enhanced downtown public realm.
4. Redesign Pennsylvania Avenue: Create a 21st century design with federal partners to create a vibrant, active corridor attracting retail.

### HUMAN SERVICES

1. Expand permanent supportive housing: Expand the number of permanent supportive housing units available to people experiencing homelessness in downtown.
2. Redevelop CCNV: Build partnerships to redevelop the site of the Community for Creative Non-Violence and provide better housing solutions and services for residents.
3. Reestablish daytime services: Work with governmental and non-profit partners to establish and implement effective social services for people experiencing homelessness.
4. Accelerate transfers to housing: Reduce the average timeframe to get individuals experiencing homelessness in downtown into permanent supportive housing.





# Transportation

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## CURRENT STATE

*Downtown's location at the center of the region's transit network is a tremendous asset, offering access to the broadest possible portion of the regional labor market. Downtown's central location provides several key advantages: proximity to key institutions, access to the core of the Metrorail system, strong infrastructure connections to the rest of the city and suburbs and a walkable grid of streets inherited from previous planning. Despite these assets, downtown faces numerous transportation challenges in 2017. Downtown's popularity means more congestion, adding an unpredictable time penalty for conducting business downtown. Additionally, the Metrorail system is increasingly unreliable due to decades of deferred maintenance; the required work to fix the Metrorail system further disrupts service. Since Downtown's transportation systems are interconnected, failure of one system affects the entire network. For maximum efficiency, all systems need to optimally operate.*



## PUBLIC TRANSIT

While the entire region relies on Metrorail to move people, no neighborhood relies on Metro more than downtown. Despite a recent drop in ridership due to the year-long SafeTrack repair program, Metrorail continues to be the second busiest subway system in the nation after New York. But the Metrorail system is in a state of disrepair after years of deferred maintenance. The Washington Metropolitan Area Transit Authority (WMATA) is struggling to adjust as an institution to the demands of maintaining an aging system.

The governance of Metro is complicated by conflicting political interests among the regional governments that comprise their board of directors. Metro leadership continually requests increases in funding, often opining that its continued existence depends on such funding. The regional nature of the Metro system diffuses accountability and ownership.

Part of the challenge of improving surface transit is institutional. Most buses are operated by WMATA, while the District Department of Transportation (DDOT) controls the streets. To date, constructive partnerships between the two agencies is the exception, not the rule.



Pennsylvania Avenue 2017

## CONGESTION

The District's generous, walkable street grid and wide streets of the L'Enfant Plan offer an asset for downtown businesses and residents. However, in modern history, that same street plan often prioritized mobility for cars, over bikes, buses and pedestrians. Encouraging private automobile use worsens congestion, which delays important deliveries, commercial traffic and transit buses.

The nature of trip-making has changed. Fewer trips are being made for work or shopping. More people are teleworking and the growing e-commerce industry is changing the way retail transactions are conducted. This results in more delivery vehicles and app-based car services traversing the same network of streets which may offset other trip reduction trends.

East-west traffic congestion challenges downtown's future growth. The transportation analysis conducted for the Capitol Crossing development in the East End of downtown confirmed that Virginia and Maryland motorists have better access to downtown than motorists in upper Northwest DC. The interest in removing on-

street car parking in key corridors is growing among business. Consensus has not been reached about how that space could best be used to reduce congestion. The question is whether making more space for more cars or creating dedicated bus lanes to move more people will create more reliable travel times for all road users.

Strategies that rely on pricing travel demand to manage congestion are underway in the region:

- Toll lanes on area highways, including I-66 and I-395, feeding traffic into the greater downtown
- Demand-based pricing for on-street parking
- Commuter benefits for employees to provide easier access to public transit fares

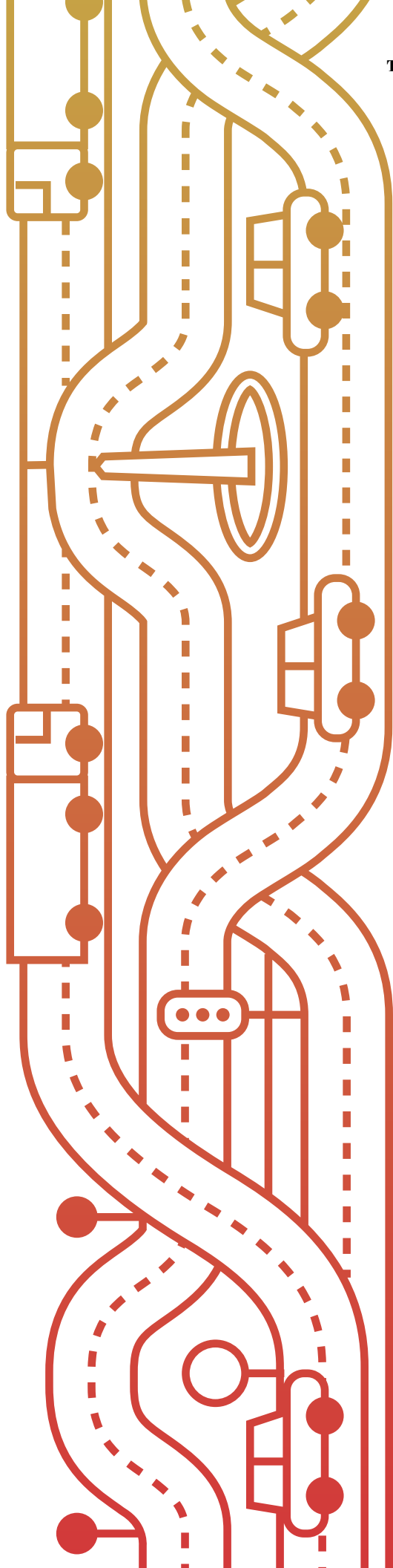
Each of these strategies is reducing congestion where they are being used, but a broad-scale application of the concept of travel demand pricing remains uncertain.

## EXPANDING TECHNOLOGY

The explosion in technological applications for transportation is probably as advanced or more advanced in the District as it is anywhere. The city's combination of car share, bike share, and Transportation Network Companies (TNCs, such as Uber and Lyft) are not found in many other cities.

The recent long-term disruption of Metrorail service during the year-long Safe Track repair program has highlighted the variety of mobility applications available to people. The gridlock predicted during SafeTrack didn't occur.





## PLANNING

In recent years, the District government has made significant progress in setting planning priorities for improved transit, new transit options (streetcars), safer streets and better bike infrastructure, but the slow pace of implementation is not keeping up with the growth in travel demand in downtown and in other areas of the city. Reducing conflicts between different types of street uses (transit, delivery, cycling, autos) requires dedicated infrastructure (protected bicycle lanes, larger loading zones, transit-only lanes) to dramatically improve operations in high-volume traffic areas.

Managing curbside deliveries, loading and car parking to best serve the public interest requires a fine-grain, flexible and innovative approach to regulation and enforcement in downtown, which DDOT aspires to deliver. The District is taking steps to better manage on-street parking with performance pricing, but these efforts are limited to a small pilot program.

Public policy and perception work against DDOT's objectives. Public policy requiring maximum parking meter revenues has discouraged the removal of parking to provide more curbside space for deliveries and loading and it has hampered the creation of dedicated transit or bike lanes or enhanced pedestrian spaces. Because downtown's inventory of off-street parking is in underground commercial parking garages (as opposed to surface or municipal parking garages) public perception regarding the availability of short-term parking is limited to on-street metered parking, making its removal a hot-button issue.

Enforcement of congestion management measures is inconsistent. Automated traffic enforcement for speeding and red light violations has significantly improved traffic safety in the District, but the city has not used it to address congestion-causing infractions such as "blocking the box" and double parking.



## TRANSPORTATION 2027

Downtown in 2027 will be the heart of a reliable and well-maintained Metrorail system and home to a growing surface transit network of buses and streetcars in dedicated lanes. Downtown will serve as the hub of the region's network of protected bicycle lanes and be known as the safest, most pedestrian-friendly place to walk in the region. Although car traffic will not be given priority, automobile traffic and parking will be managed efficiently and effectively with an emphasis on the customer experience.

Downtown's transportation network in 2027 will produce sustainability benefits across the board. It will help reduce the number of unhealthy air quality days as more people use travel options that produce less pollution. Reliable and convenient transit remains a key factor in affordability and access to jobs. A robust transportation system that provides better connections to downtown and better internal circulation throughout downtown ensures the competitiveness of downtown's residential, office, and retail markets.



# Recommendations AND INITIATIVES

## 01.

*Get WMATA on track: Improve Metrorail service reliability, rebuild Metro's operational and safety culture, restore late-night service, and establish a regional dedicated funding source.*

## 02.

*Prioritize surface transit: Build the K Street Transitway, improve coordination and infrastructure investments.*

## 03.

*Speed up bus operation: Redesign the District's bus network to emphasize all-day, high-frequency service and change fare payment systems.*

## 04.

*Rethink streets: Reduce on-street parking and create a more efficient schedule and system for delivery trucks and motor coaches.*

## 05.

*Reduce traffic congestion: Expand upon current and implement new travel demand pricing strategies to incentivize behavior change that results in traffic reduction.*

## 01. GET WMATA ON TRACK

The District government and its regional partners need to continue the hard work of rebuilding Metro's operational and safety culture. The region must also engage in tough conversations about reforming the Washington Metropolitan Area Transit Authority's (WMATA) governance and funding and identify clear lines of accountability between board members and WMATA jurisdictions. The board should establish its role as oversight of WMATA's operations and strategic planning for the system.

A regional dedicated funding source is required to remove the uncertainty and risk that is created by the current system of annual appropriations in three different legislative bodies (Richmond, Annapolis, and the District).

The goals for WMATA to realize continued growth in downtown include:

- Improve Metrorail service reliability
- Earn trust back from riders (and by extension, their fare dollars)
- Restore late-night service
- Begin planning for Metro's future core capacity needs

## 02. PRIORITIZE SURFACE TRANSIT

Surface transportation has the potential to scale up and efficiently move people in and out of downtown. To do so, transit needs dedicated space to efficiently operate. This

can only happen with a change in policy that allows for the following actions:

- Building the K Street Transitway with dedicated transit lanes throughout the downtown corridor
- Adding queue jump lanes, traffic signal priority and planning for additional transit-only lanes on priority corridors
- Improving coordination between the street owners (DDOT) and bus operators (WMATA) to ensure that infrastructure investments and operations planning are delivered in a more timely fashion than they are in 2017
- Reducing on-street parking to support transit performance



## 03. SPEED UP BUS OPERATION

Efficient transit operation requires more than just dedicated lanes, it requires a commitment from transit operators such as WMATA to reallocate existing service, emphasize frequent service, improve the efficiency of fare payment and passenger boarding and offer better value to



customers. The District government, as the largest single client of WMATA's bus transit service, should hold WMATA and DDOT accountable for fulfilling this performance requirement.

The District's bus network should be redesigned. D.C. should follow the example of cities such as Houston, Texas, where officials recently redesigned their bus route network to emphasize all-day, high-frequency service. By reallocating existing buses and resources, Houston experienced an increase in ridership by adopting a simple, legible, and more efficient route network, which includes:

- Emphasizing frequent service
- Expanding limited stop services
- Introducing all day (and all night) bus service

Bus fare payment systems must also be improved. Simple changes such as paying before boarding and using all-door boarding, would have a dramatic increase in bus efficiency and make the buses faster for all users.



## 04. RETHINK STREETS

Downtown's streets haven't changed a great deal since Pierre L'Enfant laid out his grid of streets in 1791, but the type and volume of uses in those streets is dramatically different. Rethinking the design and management of downtown streets over the next ten years is essential to achieving the transportation, economic and public realm goals for continued growth.

- The District must reallocate space for car parking in the public right of way to give transit priority and to expand sidewalks to add pedestrian amenities such as more accessible bus stops, planters, bike parking, and seating. The positive effects of these new street designs have been documented by New York City's Department of Transportation's Pavement to Plazas Program over the past decade.
- The District should emulate departments of transportation and the private delivery industry in their reassessment of how deliveries are managed. Innovative solutions should be encouraged by offering incentives for buildings and retailers to make staffing and building adaptations that facilitate off-peak deliveries. New motorcoach parking infrastructure should also be part of a comprehensive management plan in the most congested downtown corridors. The state of motorcoach management in downtown in 2017 diminishes the quality of life in downtown for workers, residents and visitors for five months a year.

## 05. REDUCE TRAFFIC CONGESTION

There are many strategies that have been used nationally and internationally to reduce congestion including dedicated transit lanes, limiting on-street parking and better motorcoach management.

Proven congestion management measures should be taken to scale to fully realize their benefits by 2027 throughout downtown:

- Expand performance parking pricing beyond the current Penn Quarter pilot, which uses market-based prices for on-street parking to help manage demand
- Champion flexible commuter benefits for downtown employers, using employee benefits to influence travel behavior
- Expand use of automated traffic enforcement cameras to financially penalize 'blocking the box' and misuse of transit-only lanes

As existing congestion reduction measures are more fully implemented, attention should be given to the creation of a congestion pricing cordon area. Congestion pricing has significantly improved congestion in other cities. Establishing a congestion cordon system in downtown would require careful study to find the proper boundaries and the right price, as well as an extensive assessment of the costs and benefits. Downtown is already paying a hefty price for congestion in lost productivity and diminished competitiveness. With (de)congestion pricing, that cost can be monetized.



Using price to manage demand is a common concept. Private parking garages charge more during high-demand periods; Metrorail charges higher fares during peak hours; TNCs such as Uber and Lyft currently use 'surge pricing' to better match supply and demand. Existing policies, such as performance parking pricing, successfully change driver behavior through pricing.





Office building converted to residences

# Economy

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## CURRENT STATE

*Downtown in 2017 is the largest job center in the region with a diverse mix of uses. It is home to 186,000 jobs, 11,000 hotel rooms, 160 destination restaurants, 66 destination stores (totaling 740,000 square feet), 10 museums, eight performing arts venues, two cinemas and one sports arena. These destinations sit within a compact, walkable, dense urban environment. Downtown generates the city's strongest performance in most economic sectors, and accounts for an estimated 24% of the city's employment.*

*While downtown benefits from its position as the historic center and commercial heart of the city, downtown has grown to be more than just a central office district over the last twenty years. Increased residential and mixed-use development mean there are more people working, visiting, shopping and living in downtown than any time in the past 40 years.*



Downtown in 2017 is home to a total of 91 million SF, consisting of 71 million SF of office, 8 million SF of hotels, 7 million SF of residential, 4 million SF of culture and entertainment and 2 million SF of restaurants and retail. Office accounts for 78% of all downtown space.

Downtown is home to 160 destination restaurants, more than any other submarket in DC or the region.

Downtown's 740,000 SF of destination shopping is not even the size of a regional mall. A total of 1.2 million SF of retail would create a powerful regional shopping destination.

Downtown remains an attractive place to locate offices, other businesses and, retail, but the area faces major competition from other DC and regional submarkets that have always competed by price and now are increasingly competitive with regard to amenities.

The following downtown economic sectors have set performance records over the past three years and often lead the city and region in performance: employment, hotel rates and occupancy, convention attendance, culture attendance, entertainment attendance, apartment rents, condominium prices, retail space occupied and the number of destination restaurants. The sectors where downtown has not set records are: effective office rents (still down from its 2008 high), occupied office space (decreased slightly) and downtown population (flat).

## OFFICE MARKET

The major draws to locate downtown for an office employer are (1) proximity to the federal government, (2) transportation access, particularly Metrorail and Metrobus, (3) downtown amenities and (4) access to a high-quality workforce that chooses to live in DC. The downtown office market is also a major demand driver for downtown and downtown-adjacent hotels, restaurants, shopping and multifamily housing.

The downtown office market experienced negative absorption of 539,000 SF in 2016 resulting in an increase in the downtown vacancy rate to 13% (from 12% in 2015 and 6.9% in 2006) as reported by Cushman & Wakefield, resulting in almost 5 million SF of vacant office space in downtown (a record). With the announced departure of over 1 million SF of federally-leased space from downtown, the vacancy rate and vacant SF total is likely to increase in 2017 and 2018. A substantial amount of the vacant 5 million SF is older office space that is no longer attractive to flagship tenants.

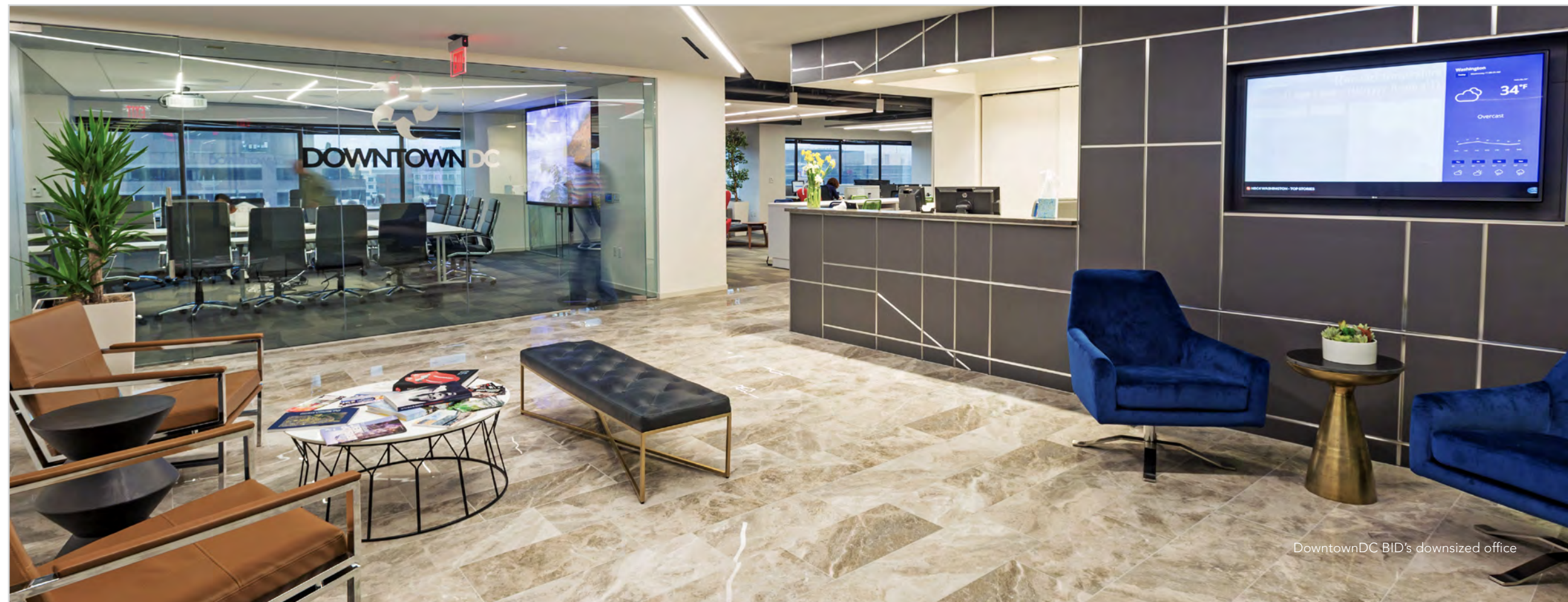
## DEVELOPMENT

Downtown's physical growth will be very limited in the future because downtown is 97% built out under current zoning restrictions. In 2017, only 11 ground-up development sites remain, with a development potential of 3 million SF.

In a few years, after all ground-up development sites are developed, downtown development will consist primarily of (1) building demolitions and new construction backed by a large office tenant such as Midtown Center (where Fannie Mae is the lead tenant) and 1301 Pennsylvania Avenue (where Kirkland & Ellis is the lead tenant) or (2) gut renovations into new Class A office space. There will be the occasional office to hotel conversion, but there will be no office-to-residential conversions until the price of older buildings drops significantly or conversion incentives are offered. Market-rate retail and residential development will likely occur without a subsidy when these uses match the new office full service rent of \$70 per SF, which has already been achieved in select locations.

Construction on the Capital One Arena in 1995 began the transition for downtown from an office park with 111 development sites (mostly surface parking lots) to the mixed-use downtown we have today. Over this time period, 39% of the 30 million SF of development has been non-office. The creation of more non-office uses is necessary to provide critical mass for a vibrant urban setting that increases overall value for all stakeholders.

Growth in downtown since 1995 outside of the office market was the result of partnerships with the District government in catalytic projects and significant strategic investments. Since 1995, the District government has invested \$525 million in over a dozen mixed-use downtown economic development projects that have been accompanied by \$14.5 billion of private investment. The city government successfully replicated that strategy in downtown-adjacent neighborhoods such as NoMa, where it invested in a new Metro station, and the Capitol Riverfront, where it invested in Nationals Park.





## TRANSIT AND CONGESTION

A great deal of downtown's value as an employment center and a desirable neighborhood stems from its location at the center of the region's Metrorail network. This tremendous asset is essential to the success of downtown as discussed elsewhere in this document. However, in recent years, Metrorail ridership has fallen dramatically for a variety of reasons, but primarily due to decreased levels of service from WMATA's ongoing rebuilding projects. In mid-2016, WMATA ended late-night service for a period of at least three years. Downtown's late-night economy relies on public transit, not just as a means for customers to patronize bars and entertainment venues, but for the employees of those businesses to get to and from their jobs at all hours. The end of late-night service has negatively impacted downtown's economy and the BID is continuing to track this impact. Congestion is also a threat to downtown's natural accessibility and location, particularly when paired with the declining reliability of the region's transit system.



## ECONOMY 2027

Downtown in 2027 will remain the most valuable location in the regional economy, home to a wide variety of office, hotel, residential, cultural, entertainment and retail uses. In 2027, Downtown's office vacancy rate will be below 9%; the Capital One Arena will be renovated in place; and the former FBI building will have been transformed into a thriving mixed-used, mixed-income development that complements a redesigned Pennsylvania Avenue (which will be an attractive, tree-lined boulevard with active and passive green spaces that can also host an Inaugural Parade every four years). More people will live downtown in more residential units as office buildings that have outlived their useful life will have been redeveloped into a mix of new uses and large redevelopment projects will include new residential units. This growing mix of uses will increase the value of downtown as an employment center and as the major geographic contributor to the city's tax base. A safe and reliable transit network will transport workers and visitors in and out of downtown with ease.

Downtown will also be known as a regional shopping destination, home to retail stores that capitalize on the experience of place—not just the act of shopping. Downtown will have realized that tapping into authentic urban places is key to offering shoppers something

they can't find anywhere else. Destination shopping SF will have grown from 740,000 SF to 1.2 million SF.

The importance of the downtown economy is at the core of the District's economic and social sustainability. A healthy downtown economy enables the District government to meet its commitment to reduce the disparities among residents and achieve an equitable and prosperous city. In 2016, Downtown's one square mile of land (1.6% of the city's total land area) is estimated to have generated 16% of the city's gross local revenue and consumed only 6% of the city's expenditures, resulting in a net fiscal contribution of \$750 million per year to support the city's progressive agenda.

Sustaining Downtown's economic prominence, diverse employment opportunities and its substantial contributions to the city's tax base will require continued public/private investment.



Co-working space in Downtown DC

## A HEALTHY ECONOMY AT THE CORE

*The importance of the downtown economy is at the core of the District's economic and social sustainability. A healthy downtown economy enables the District government to meet its commitment to reduce the disparities among residents and achieve an equitable and prosperous city.*



# Recommendations

## AND INITIATIVES

### 01.

*Office to residential conversion: Implement an incentive program to encourage residential redevelopment of 400,000 square feet (SF) of outdated office buildings.*

### 02.

*Support major redevelopment projects: Support timely redevelopment of the headquarters buildings for the FBI, WMATA and Department of Labor, the Metropolitan Police Department's Daly Building, Federal City Shelter and Union Station.*

### 03.

*Create a regional shopping destination: Grow Downtown destination shopping from 740,000 SF to 1.2 million SF, including developing an exceptional public realm and a marketing strategy for downtown shopping.*

### 04.

*Support culture and entertainment: Keep the Capital One Arena downtown, incorporate cultural and entertainment uses into several redevelopment projects, and restore late-night Metrorail service.*

## 01. OFFICE TO RESIDENTIAL CONVERSION

As the private sector finalizes its "densification" (the reduction in SF of office used per employee), the federal government continues its "densification" while simultaneously moving out of downtown to lower-cost DC and suburban submarkets, suburban competition continues to offer rents \$15-\$25 per SF cheaper than downtown and new office construction continues throughout DC, it is likely that in 2017 the 5 million SF of vacant space in downtown will not decline by much (the rest of DC has an additional 8 million SF of vacant office space). This large amount of downtown vacant office space reduces the number of people on downtown streets, reduces the demand for downtown restaurants and retail and lowers the city's tax revenue as empty office buildings appeal their property tax assessments.

A modest program of tax abatement incentives for converting older office buildings into residential spaces will help add housing, remove outdated office supply from the market and contribute to the development of a truly mixed use downtown. This strategy has been successful in both Philadelphia and Baltimore where 10-year 100% tax abatement program to convert older office buildings to residential uses and to incentivize new residential construction have been successful.

In 2017, the DowntownDC BID is partnering with the Golden Triangle BID to propose a Pilot Office to Residential Conversion Tax Abatement Incentive Program to convert approximately 400,000 SF of older office space (200,000 SF in the DowntownDC BID and 200,000 SF in the Golden Triangle BID) to residential use with the same affordable housing requirements as Inclusionary Zoning (8% of the units are affordable at 80% of the Area Median Income). The incentives will be a property tax abatement of \$10- \$20 per SF for ten years. The tax funding request is \$5 million per year starting in fiscal year 2020 for ten years.



The program is estimated to have a positive fiscal impact based on the following assumptions: (1) empty office space is worth \$450 per SF, (2) downtown's high office vacancy rate will remain for several years, (3) 400 units of new housing will not impact the demand for housing in other DC submarkets, (4) the new market-rate residential units will be valued at \$600 per SF, (5) the affordable housing produced would otherwise cost \$150,000-\$200,000 per unit, (6) the average taxable income per



converted market-rate unit is \$120,000 and (6) the reduction in office supply increases the value of remaining office space in the DowntownDC and Golden Triangle BIDs by \$1 per SF. Even with worst case assumptions, the net cost of this program would not be more than \$2-\$3 million per year.

## 02. SUPPORT MAJOR REDEVELOPMENT PROJECTS

The realization of several large redevelopment sites is important to continuing downtown's current position as the most desired location in the city and region for office and a highly desirable location for all other uses. The city and federal governments and related agencies and entities must join together to accelerate the planning, construction and completion of the following complex projects:

- FBI headquarters building
- WMATA headquarters redevelopment
- Department of Labor's headquarters building
- Metropolitan Police Department's Daly Building
- Federal City Shelter
- Redevelopment near Union Station

Together, the projects listed above provide an opportunity to remake sections of downtown, particularly its eastern end, into a more dynamic contributor to downtown's

economic activity. By 2023/2025, Capitol Crossing's five building project over I-395 will have bridged a divide that has existed in downtown for decades, but there will be a great deal of work remaining to revitalize the east side of downtown and strengthen the links between downtown and NoMa, Union Station and the US Capitol.

The DowntownDC BID will continue to join with its federal and DC government partners on the planning for these sites. The federal government partners include the U.S. General Services Administration, the National Capital Planning Commission, the U.S. Commission of Fine Arts, the National Park Service and U.S. Congress. The DC government partners include the mayor, the City Council, the Deputy Mayor for Planning and Economic Development, the Office of Planning, the Department of Human Services and the Department of General Services. A reasonable goal would be to have three of these projects completed by 2025.

## 03. CREATE A REGIONAL SHOPPING DESTINATION

Building on the momentum of CityCenterDC's luxury retail and stores along 11th, 7th, H & E streets NW, downtown has the opportunity to grow into a regional shopping destination.

The DowntownDC BID in 2017 took steps towards the creation of a Downtown Shopping Working Group to be formed in



2018 to accomplish the following:

- Develop a strategy to grow downtown from 740,000 SF of destination shopping to 1.2 million SF to create a regional shopping destination
- Develop an exceptional public realm
- Develop a downtown destination shopping marketing and communications plan to help customers and brand the shopping experience
- Support multi-modal transportation options for travelers to downtown and make it easier to park for those who choose to drive

## 04. SUPPORT CULTURE AND ENTERTAINMENT VENUES

Culture and entertainment aren't just fun, they are major contributors to the downtown economy and its vitality. They will be very important to the success of downtown in 2027. Supporting and growing downtown cultural and entertainment assets over the next ten years requires three critical actions:

- Keep the Capital One Arena downtown.
- Incorporate cultural and/or entertainment uses in key redevelopment projects.
- Restore late-night WMATA rail service, which is critical to events, nightlife and the transportation of people outside of regular commuting hours.



# Public Realm

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## CURRENT STATE

*Public realm is a term that is inclusive of several other terms: public right of way, parks, public space, open space, green space and more.*

*The public realm and the built environment create a sense of place for workers, visitors and residents. A strong, positive sense of place is a competitive advantage for attracting and maintaining investment in an area. As urban and suburban activity centers incorporate placemaking aspects in their planning and management, the public expectation for quality in public realm experiences is rising.*

*The ability of downtown to meet these expectations will have a significant effect on its competitiveness in the region over the next ten years.*







Chinatown Park, Summer 2017

## A GREEN NECKLACE

*In 2027, downtown will be known for the green necklace of parks that extend from Washington Circle to Mount Vernon Square along K Street.*

### PHYSICAL CONDITION

The quality of the public realm in some parts of downtown in 2017 is quite high due to private developer and business improvement district (BID) investments. However, “high quality” would not describe most of downtown’s public realm. For example, downtown’s two largest green spaces— Franklin Park and Mount Vernon Square— meet the standard of clean and safe but their physical conditions and program offerings fall short of current public expectations.

Downtown is a relatively large geographic area due to sprawl created by the restriction on building height in DC. Thus, landmarks are infrequent and a sense of place is missing in much of downtown. Although static and interactive wayfinding tools help with navigation in downtown, the absence of place undermines a desire to spend time in or revisit an area.

### OWNERSHIP

The multiplicity of authorities within downtown’s public realm creates lengthy decision-making processes that challenge nonprofits and the private sector to sustain their interests in creating and advocating for improvements.

The public realm in downtown has multiple owners and regulators. The District government owns the public right of way (the space from building front to building front in the commercial areas of the city) except for segments of Pennsylvania, Constitution and Independence avenues.

The National Park Service (NPS) owns most of the downtown parks and plazas with a few exceptions. The U.S. General Services Administration (GSA) controls plazas and sidewalks primarily within the Federal Triangle subsection of the BID. The Architect of the Capitol (AOC) owns and/or controls public right of way, plazas and parks along the northeastern boundary of the BID adjacent to Capitol Hill. The owners’ control over the public realm in some locations is regulated by the National Capital Planning Commission (NCPC) and the U.S. Commission on Fine Arts (CFA).



## MANAGEMENT AND FINANCE

NPS manages the largest amount of federal lands within downtown. But, NPS funding for downtown parks in 2017 is insufficient for maintenance, programming or consistent management.

NPS has maintenance agreements and event permits with some BIDs, including the DowntownDC BID, that enables BIDs to provide basic services and conduct temporary programs on their downtown park lands. All BID work is provided at no expense to NPS. But, NPS regulations restrict the ability of their partners to be entrepreneurial in raising additional funds for programming and maintenance in their parks. In addition to the constraints of NPS regulations, under the DC Home Rule Charter, the District government is unable to provide capital funds to address the broken and missing infrastructure on federal land which NPS cannot afford to repair. The effect of these two financial barriers, NPS regulations and DC Home Rule provisions, is directly challenging current efforts to revitalize Franklin Park.

Since 2012, the District government, NPS and the DowntownDC BID have worked with the public and affected stakeholders to create a new concept for Franklin Park, the largest downtown park. The result is a plan to create a vibrant 21st century urban park that creates value for the city and downtown businesses and improves the quality of life for workers, residents and visitors. The District government is committed to investing millions of dollars to rebuild the park and the DowntownDC BID is committed to provide the ongoing maintenance, operation and management of the park.



## PENNSYLVANIA AVENUE DESIGN

Pennsylvania Avenue's historic design creates challenges and opportunities in 2017. The avenue was created to support traffic volume that has not existed since 1995 when two blocks in front of Pennsylvania Avenue were closed to motorized vehicles. Traffic volume was further diminished when E Street between 15th and 17th streets was closed as well in 2001.

The excess street capacity created by these closures enabled the creation of downtown's first protected bike lane from 15th to 3rd streets. However, the street continues to have a disproportionate width for the volume of traffic generated by a street segment that is disconnected from the city's street grid. The largely empty six-lane avenue creates a negative sense of place for the corridor. The current width of the avenue is a visual and structural barrier for pedestrians who might otherwise be attracted to destinations on either side of the street.

## PUBLIC REALM 2027

In 2027, downtown will be known for the green necklace of parks that extend from Washington Circle to Mount Vernon Square along K Street. The parks will include extensive horticultural features that attract visitors during three seasons of the year. Regular programming in the parks will become a regular and expected part of downtown's community. The existence of excellent transportation options will make these parks extremely accessible.

The Pennsylvania Avenue corridor will have been returned to its historic vibrancy with a new design that repurposes excess road capacity into a linear parkway. The 20th century security barricades along the southern edge of the street will be replaced by state-of-the-art building protection that is fully integrated into the new parkway design.

The newly-opened mixed use development in Pennsylvania Avenue's 900 block with street-level retail will create attractive pedestrian destinations on the north side of the avenue. The avenue will have a new streetscape standard that includes attractive lighting and seasonal plantings. Freedom Plaza will be an anchor destination with visitor amenities including a café and public restrooms that help support a calendar of programming throughout the year.

Pedestrians in downtown will have a sense of place from a combination of wayfinding information sources (maps, kiosks, signage) and distinctive placemaking features. Those features will include public art installations as well as art-making spaces. Because of innovations in street design and wider sidewalks and pedestrian plazas where foot traffic is heaviest, there will be many opportunities for respite in downtown's busiest places. An attractive and engaging public realm in downtown in 2027 will support active transportation, a significant contributor to a healthy lifestyle.

The downtown public realm in 2027 will sustain the environment and the people in downtown. It will provide opportunities for environmental protection through storm water management in landscaping designs. The tree canopy will mitigate the heat island effects from the built environment as well as photosensitize carbon dioxide to produce oxygen. The use of new smart technologies to monitor environmental conditions will facilitate more efficient public realm management.



# Recommendations AND INITIATIVES

## 01.

*Transfer jurisdiction of parks: Work with congress and the D.C. government to transfer parks and reservations to the city.*

## 02.

*Renovate and activate public spaces: Program and manage parks and public spaces in partnership with the National Park Service, the BID and the D.C. government.*

## 03.

*Establish a BID-affiliated nonprofit: Establish a nonprofit to fundraise for an enhanced downtown public realm.*

## 04.

*Redesign Pennsylvania Avenue: Create a 21st century design with federal partners to create a vibrant, active corridor attracting retail.*



## 01. TRANSFER JURISDICTION OF PARKS

*Congress should transfer jurisdiction of NPS lands in downtown to the District of Columbia. NPS does not have the resources required for basic clean and safe functions in the downtown public realm. The constraints of NPS regulations and DC Home Rule restrictions constrict the extent to which partnerships can address infrastructure, maintenance, operations and programming on NPS lands.*

## 02. RENOVATE AND ACTIVATE PUBLIC SPACES

*The BID should develop a program and funding plan and partner with stakeholders, the city government, and NPS to renovate and activate major parks and open spaces in DowntownDC. These spaces include Freedom Plaza, Franklin Park, McPherson Square, Chinatown Park, Indiana Plaza, the New York Avenue arts medians, and Thomas Circle.*

*Activities and engaging public programming should appeal to the spectrum of people downtown. Downtown has a deep pool of creative individuals and institutions that can contribute to a lively public realm. Plans for a revitalized Franklin Park are underway and could provide an experience the public now expects in large urban parks.*





### 03. ESTABLISH A BID-AFFILIATED NON-PROFIT

The National Park Service continues to grapple with the impact shrinking resources has on its ability to provide adequate maintenance, beautification and programming for its parks and other reservations. BIDs have been bridging the gap in service and program delivery by using their own resources to clean, beautify and program NPS reservations. The DowntownDC BID recently increased its annual budget for parks maintenance, beautification, and programming by over 500%. While this investment has activated underutilized parks such as Franklin Park and Freedom Plaza, there are many other parks and plazas downtown that still need basic maintenance. To support the cost of renewed investment in downtown parks and plazas, the BID will establish a nonprofit affiliate to raise the resources necessary to create world-class parks and plazas downtown.

### 04. REDESIGN PENNSYLVANIA AVENUE

In debating design guidelines for the redevelopment of the FBI Headquarters, the National Capital Planning Commission found itself stuck between several conflicting plans: the L'Enfant Plan; the 1974 Pennsylvania Avenue Plan (and streetscape standards); and DC's historic preservation tradition. Additionally, since the closure of E Street near the White House, Pennsylvania Avenue no longer serves nearly the traffic volume it once did, opening the door for a complete redesign and rethinking of the street from building face to building face.

Redesigning "America's Main Street" is a major undertaking; it would require coordination between federal and local agencies as well as adjacent property owners. But it would open the door to remake and reactivate this monumental street into something more than its role in 2017 and transform it from a symbolic link between two branches of government to a place that fosters retail and vibrant street life.



# Human Services

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## CURRENT STATE

*Homelessness is a significant concern for downtown and the region in 2017. According to the 2016 U.S. Department of Housing and Urban Development Point in Time count, there were 12,215 homeless individuals in the Washington, DC Metropolitan Area. Of those, 318 were unsheltered and living on the streets. According to the BID's own point in time count in 2016, 126 individuals were living on the streets within its geographic area. Nearly half of individuals experiencing homelessness in the District suffer from mental illness, substance abuse, a co-occurring disorder or other chronic health/disability issues which makes the problem even more challenging.*

*Downtown is considered relatively safe for individuals experiencing homelessness due to heavy foot traffic and ample lighting, which makes conditions more favorable for homeless individuals living on the street.*



## OUTREACH

The DowntownDC BID has been involved in providing outreach services to individuals experiencing homelessness since its inception in 1997. From 1999-2002, the BID operated a daytime services center for individuals experiencing homelessness until the venue was redeveloped and the center was consequently closed. The BID has long collaborated with property managers, business community leaders, city officials and leading service providers to decrease the number of people living on the streets and in shelters.

The BID partners with Pathways to Housing DC to operate the Downtown Homeless Services Team (DHST), a clinically-based outreach team that provides street-level intervention to move individuals beyond homelessness to housing and employment. In addition, the BID's Safety/Hospitality and Maintenance employees (SAMs) are trained to recognize and engage individuals with mental health and addiction challenges. They work daily to address the needs of individuals experiencing homelessness within the BID as well as issues that arise related to homelessness.

## HUMAN SERVICES

### HOMELESS POPULATION

The BID has instituted both daytime and nighttime censuses since 2012 to gain a better understanding of the needs of DowntownDC's population of individuals experiencing homelessness. This has helped pinpoint population shifts from the daytime, which on average is 146 individuals, compared to nighttime, which is roughly 156 individuals.

Pathways to Housing DC has placed over 100 individuals in permanent supportive housing in the last five years. The outreach team has helped in a variety of other ways including assisting with income and benefits and by performing thousands of assessments on individuals experiencing homelessness. By doing so, Pathways has been able to determine and advocate that nearly one-third of the unsheltered downtown population should be placed in permanent supportive housing.

### HUMAN SERVICES 2027

Downtown in 2027 will be known for its well-managed public spaces and effective response to the social and physical needs of the most vulnerable members of the downtown community. A seamless network of service providers will stand ready 24/7 to assist individuals identified by downtown outreach workers. People experiencing homelessness in downtown will be quickly moved to supportive housing and chronic homelessness has been eliminated in downtown.



# Recommendations AND INITIATIVES

## 01.

*Expand permanent supportive housing: Expand the number of permanent supportive housing units available to people experiencing homelessness in downtown.*

## 02.

*Redevelop CCNV: Build partnerships to redevelop the site of the Community for Creative Non-Violence and provide better housing solutions and services for residents.*

## 03.

*Reestablish daytime services: Work with governmental and non-profit partners to establish and implement effective social services for people experiencing homelessness.*

## 04.

*Accelerate transfers to housing: Reduce the average timeframe to get individuals experiencing homelessness in downtown into permanent supportive housing.*



## 01. EXPAND PERMANENT SUPPORTIVE HOUSING

Ensuring adequate permanent supportive housing is a primary strategy to eliminate homelessness downtown.

To accomplish this goal, several high-priority actions must be taken:

- Dedicate resources focused on chronically-homeless individuals
- Restructure community partnerships to be more effective
- Provide more permanent supportive housing units
- Streamline the housing allocation and assignment process
- Devote adequate resources to combat the problem in perpetuity

## 02. REDEVELOP CCNV

The Federal City Shelter, also known as the Community for Creative Non-Violence (CCNV) has been in a state of disrepair for decades. Successive District government administrations have continued to pour money into the upkeep and maintenance of the building but none have put forward a plan and funding for a program and facilities that would transform CCNV from a warehouse for our less fortunate community members into a place where people thrive and move out into their own homes or assisted living facilities. Downtown will continue to partner with the District government and the private

sector to redevelop CCNV into a place fit for human habitation and development.

## 03. REESTABLISH DAYTIME SERVICES

The increase in the number of people experiencing homelessness in downtown could be tied to the closure of the daytime services center operated by the BID in 2002. Since the closure of the center, the BID has made feeble attempts at finding a replacement. To complete this task, the BID must and will partner with property owners, service providers and the District government to locate, design, build-out and operate a services center for individuals experiencing homelessness.

## 04. ACCELERATE TRANSFERS TO HOUSING

Through its various partnerships, the DowntownDC BID in 2017 provides resources that move approximately 20 people annually from homelessness to supportive housing. The BID aims to double that number through a combination of efforts to include:

- Adding partners
- Providing resources to manage behavioral health issues
- Leading the effort to establish and sustain a landlord risk mitigation fund



Downtown Services Center for the Homeless



# Conclusion

Downtown's growth over the next ten years will be measured not only quantitatively but qualitatively. Increased resiliency, efficiency and innovation will accrue from growing sustainably. Those attributes will make it possible to overcome current limitations to downtown's growth and meet the new challenges that an ever-changing world presents. Downtown cannot afford to stand still while the city and the region further evolve.







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