



DOWNTOWN BUSINESS IMPROVEMENT  
DISTRICT CORPORATION

1275 K STREET NW  
SUITE 1000  
WASHINGTON, DC 20005

[WWW.DOWNTOWNDC.ORG](http://WWW.DOWNTOWNDC.ORG)



# STATE OF DOWNTOWN 2018





DOWNTOWNDC  
IS A PREMIER REGIONAL  
EMPLOYMENT CENTER  
WITH DIVERSE  
ENTERTAINMENT,  
RESTAURANTS,  
CULTURAL  
DESTINATIONS AND  
SHOPPING.

Cover, Creative Direction and Editorial Design by Moya Design Partners



## STAFF

DOWNTOWNDC BUSINESS IMPROVEMENT DISTRICT  
SENIOR LEADERSHIP

**Neil Albert**, President & CEO

**Bertha A. Gaymon**, Chief Financial Officer

**Rachel Rose Hartman**, Director of Interactive Marketing & Communications

**Ellen Jones**, Deputy Executive Director

**Nabavi Oliver**, Director of Human Resources

**Gerren Price**, Director of Public Space Operations

**Gerry Widdicombe**, Director of Economic Development

## PUBLICATION STAFF

Neil Albert, Rachel Rose Hartman, Essence Smith, Gerry Widdicombe

## COVER ART, CREATIVE DIRECTION AND EDITORIAL DESIGN

Moya Design Partners

## RESEARCH & ANALYSIS

Alex Block, Dan Bramley, Jeannette Chapman, Essence Smith,  
Gerry Widdicombe

## PHOTOGRAPHY

Roquois Clarke, Kristen Franklin, Bob Rives

**THANK YOU FOR YOUR  
CONTRIBUTIONS IN 2018  
AND YOUR CONTINUED  
SUPPORT IN THE FUTURE.**



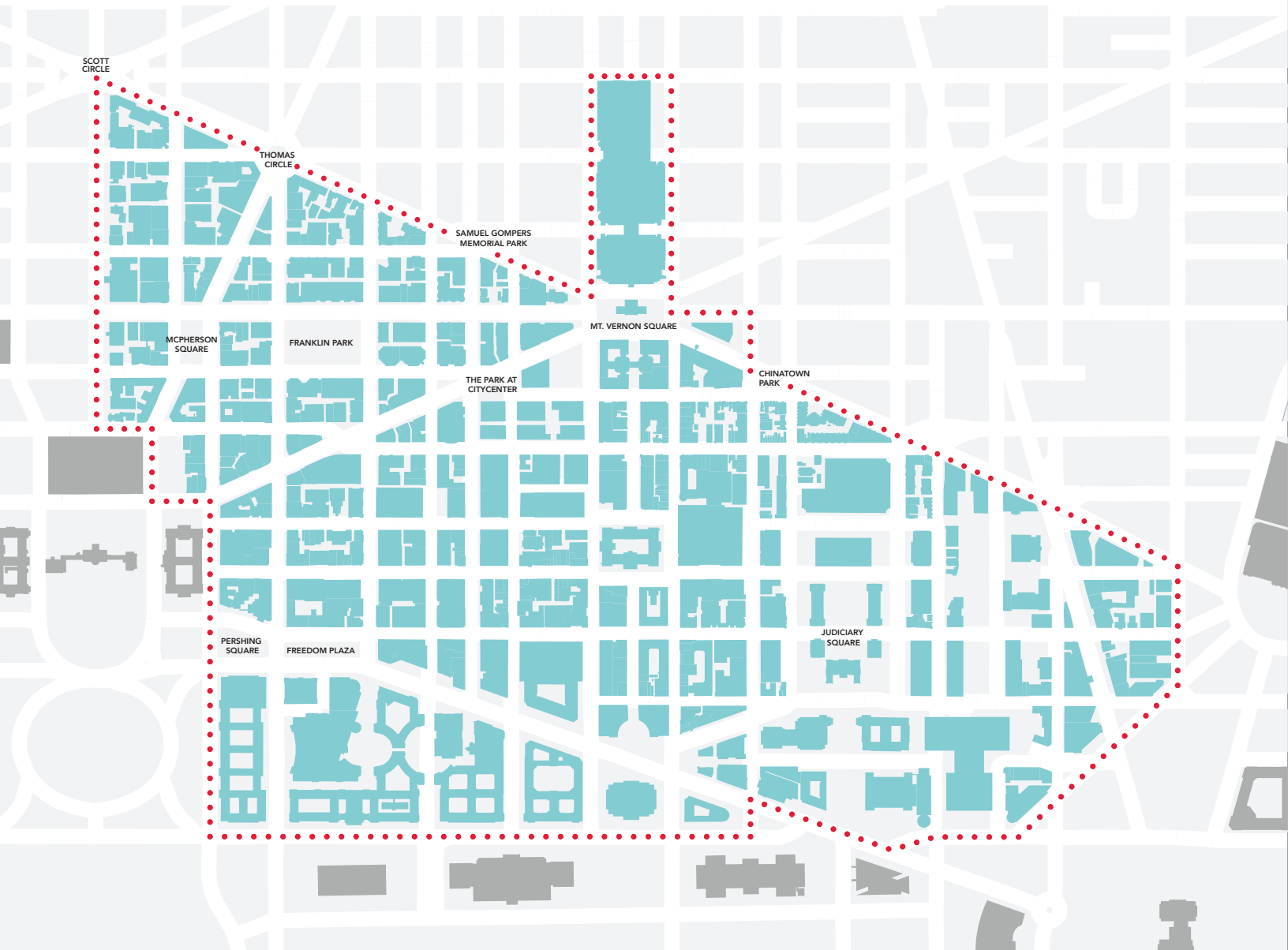
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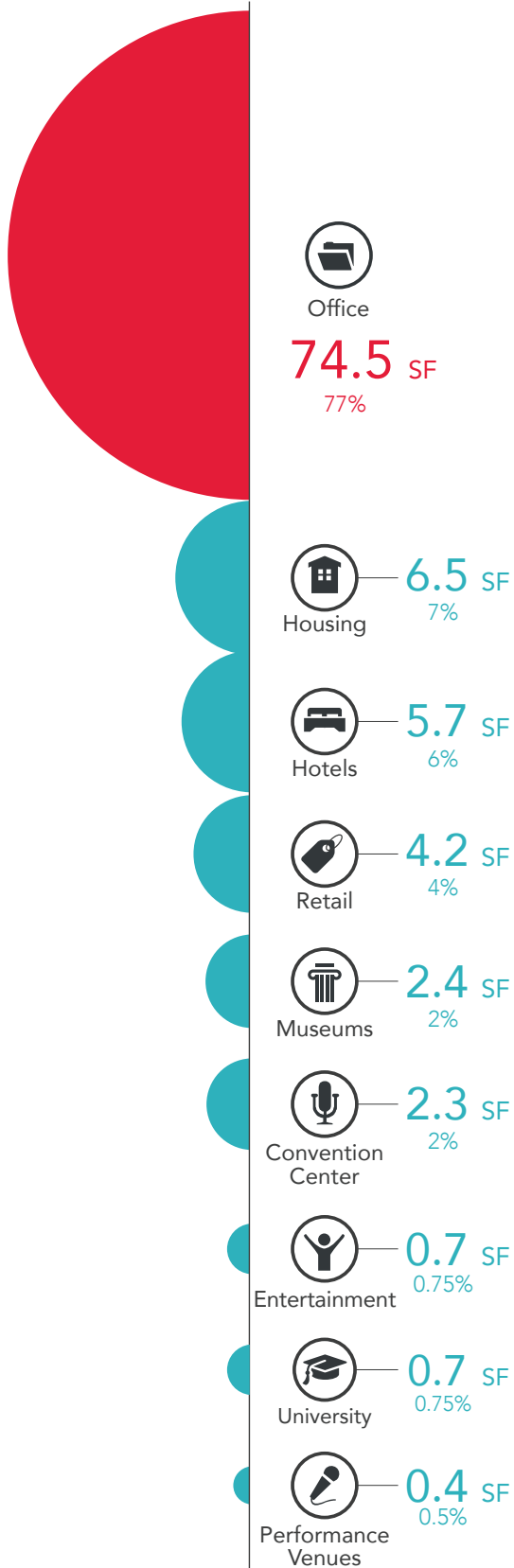
# ABOUT THE BID



The DowntownDC Business Improvement District (BID) Corporation was founded in 1997 and is a private non-profit organization.

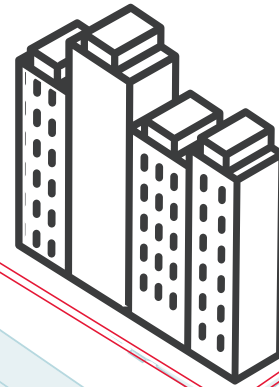
This special district, where property owners have agreed to tax themselves to fund services, encompasses a 138-block area of approximately 524 properties from Massachusetts Avenue on the north to Constitution Avenue on the south, and from Louisiana Avenue on the east to 16th Street on the west.

## MIX OF USES IN DOWNTOWN (millions)



# 138 BLOCK AREA

## 524 PROPERTIES



# 97.4 M SF



# LETTER

## FROM THE PRESIDENT & CEO AND THE CHAIRMAN OF THE BOARD

### Neil Albert

President & CEO  
DowntownDC BID



### Randall Boe

Chairman,  
Board of Directors  
DowntownDC BID



**THE BID WAS AWARDED  
A \$1.7 MILLION GRANT  
TO CONSTRUCT  
AND OPERATE  
THE DOWNTOWN DAY  
SERVICES CENTER**

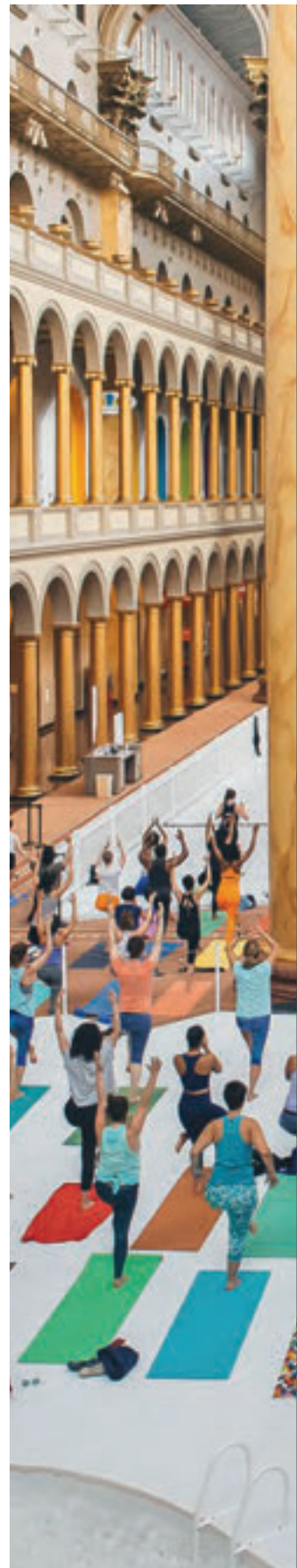
### *Dear DowntownDC Stakeholder,*

We are proud to present the 2018 State of Downtown report, the definitive analysis of the DowntownDC economy and its role in the District and the region. This report is produced annually by the DowntownDC Business Improvement District (BID) to provide thorough and detailed information on various economic sectors that contribute to the health and vitality of DowntownDC, the heart of the District.

DowntownDC at the start of 2019 was closer to achieving several major goals due to key local and federal partnerships. One of these goals was the BID and the city's shared mission to better support individuals experiencing homelessness. Mayor Muriel Bowser awarded the BID in the fall of 2018 a \$1.7 million grant to construct and operate the Downtown Day Services Center at the New York Avenue Presbyterian Church. This facility opened for operations in February 2019, providing a single access point for a multitude of services, all with the goal of moving individuals into permanent, supportive housing. Through support from the Department of Human Services and through services from Pathways to Housing DC, HIPS and many city agencies and local providers, the Center serves an average of 100 guests each day, Monday-Friday from 9am-5pm.

The renovation of the U.S. National Park Service's Franklin Park also moved a major step forward in early 2019 with the signing of a federal law enabling the District to enter into a cooperative management agreement with the U.S. National Park Service. That agreement will give the DC Department of General Services the ability to officially designate the BID the operator and manager of the park following its renovation. A groundbreaking for this site is expected in Fall 2019.

The year 2018 included many economic highlights for the region including Amazon's choice of Crystal





City, Virginia for its second headquarters, securing \$500 million in dedicated regional funding for Metrorail and some news and events that took place right here in DowntownDC: the Washington Capitals' Stanley Cup championship and an influx of 1 million additional visitors to the Smithsonian American Art Museum and National Portrait Gallery after the portraits of former President Barack Obama and former First Lady Michelle Obama were unveiled.

Despite continued challenges in the office market and additional sectors due to development constraints and other factors, DowntownDC provided a net fiscal impact of \$791 million in 2018, enough to fund both the DC Metropolitan Police and DC Fire and Emergency Medical Services departments.

The following report highlights DowntownDC's record-setting performance in several sectors, DowntownDC's high national and global rankings in several markets and its significant fiscal contribution to the District. But many challenges remain. Some difficulties are specific to DowntownDC, including businesses moving to other parts of the city for more amenities and lower rents, and other challenges are ones shared by the city such as the increasing cost of doing business, regulatory uncertainty and significant competition from surrounding jurisdictions.

The DowntownDC BID continues to work daily to support all of DowntownDC's stakeholders: property and business owners, residents, workers and guests. The majority of our budget continues to support our public space operations department, which includes our 70+ DowntownDC Safety/Hospitality and Maintenance (SAM) ambassadors. Since the BID first formed in 1997, the SAMs' clean and safe services have been the core of our organization's mission. Today, their roles and the role of the organization within the community continues to expand as the demands from our stakeholders rise far above the level of basic services to align with our mission to make DowntownDC a world-class destination.

Thank you for your support.

Sincerely,

**Neil Albert**

President & CEO, DowntownDC BID

**Randall Boe**

Chairman, Board of Directors  
DowntownDC BID



# YEAR IN REVIEW

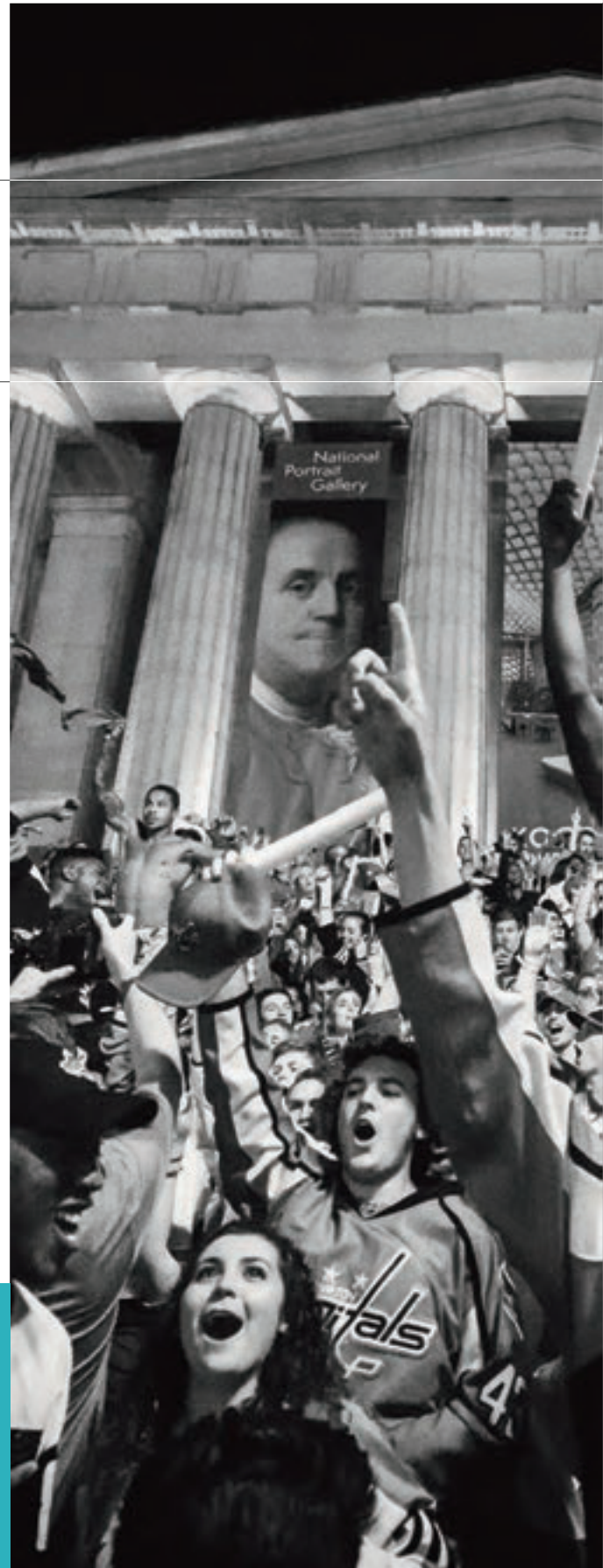
## WASHINGTON CAPITALS, METRORAIL FUNDING AND **STRONG DEVELOPMENT AND INVESTMENT INTEREST**

The year 2018 included several significant economic highlights: the Washington Capitals hockey team won the Stanley Cup for the first time in franchise history; Metrorail received dedicated regional funding of \$500 million per year to fund \$15 billion of deferred maintenance; and 900 G Street NW sold for a District and DowntownDC record price of \$1,273 per SF.

Tourism and entertainment markets in 2018 continued to enhance DowntownDC's economic landscape. DowntownDC ended the year with 32 hotels with

11,424 rooms (a room supply increase of 4.6%). DowntownDC in 2018 had 23% share of DC's hotel total. DowntownDC hosted a record 9.4 million visitors in its culture and entertainment venues, bolstered by the Washington Capitals' Stanley Cup win and popular theatre performances, exhibits and other sporting events. The Walter E. Washington Convention Center also had record attendance in 2018 of 1.54 million and is projected to benefit in 2019 from Apple's flagship store, set to open at the Carnegie Library.

**DOWNTOWNDC IS A STRONG  
CONTRIBUTOR TO DC'S EMPLOYMENT  
AND POPULATION GROWTH**

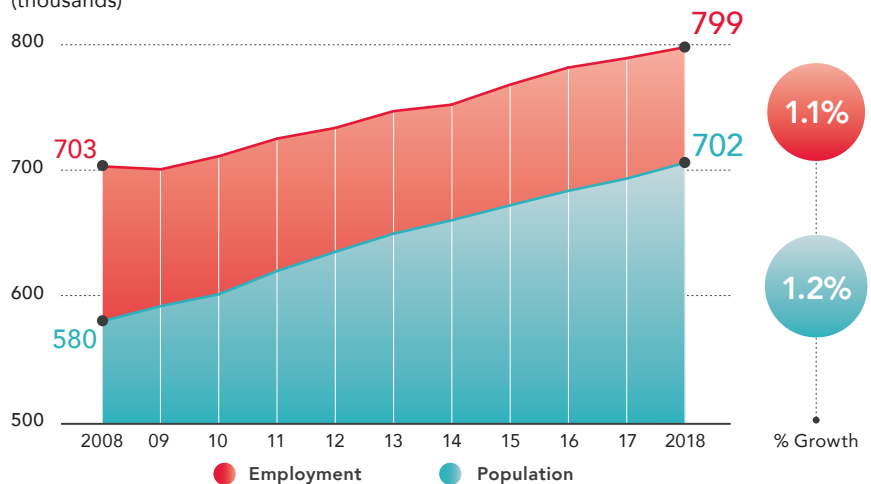






## DC EMPLOYMENT AND POPULATION HISTORY

(thousands)



Sources: U.S. Bureau of Labor Statistics for Employment, and U.S. Census Bureau for Population.

Museums in DowntownDC also performed extremely well in 2018, with the 10 museums together hosting 6.3 million guests. The Smithsonian American Art Museum and National Portrait Gallery had record attendance of 2.3 million, attributed to the museum's new portraits of former President Barack Obama and former First Lady Michelle Obama.

Capital One Arena, DowntownDC's multi-faceted sports and entertainment arena hosted 2.3 million attendees, while DowntownDC's eight performing arts venues collectively hosted 760,000 visitors in 2018.

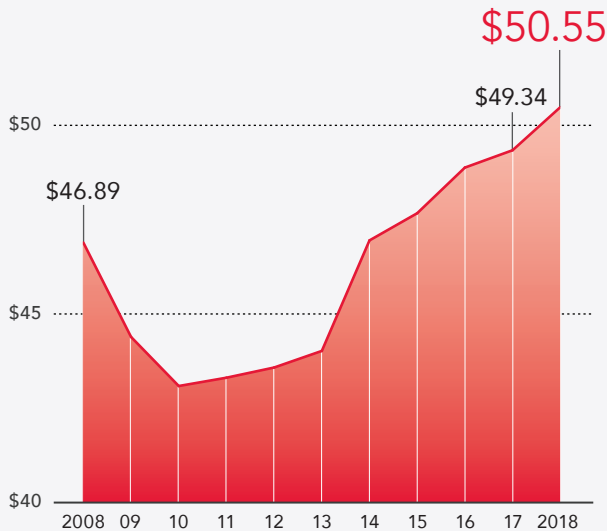
The year 2018 also included challenges in several economic sectors for DowntownDC: the office market ended the year with record levels of both occupied and vacant office space with record rent concessions reflective of a "tenants' market"; the hotel market reported modestly lower occupancy,

average daily room rates and total revenues; attendance to DowntownDC's eight performing arts venues modestly declined; the DowntownDC retail market experienced an increase in the vacancy rate as the number of destination restaurants and destination shopping stores slightly declined; and DowntownDC Metrorail ridership also moderately declined.

DowntownDC's set several records in the office market in 2018: total occupied office space of 47.2 million SF; vacant office space of 6.8 million SF; and a record vacancy rate of 12.6%.

**DEVELOPMENT AND  
INVESTMENT IN  
DOWNTOWNDC IS  
NEAR RECORD  
LEVELS**

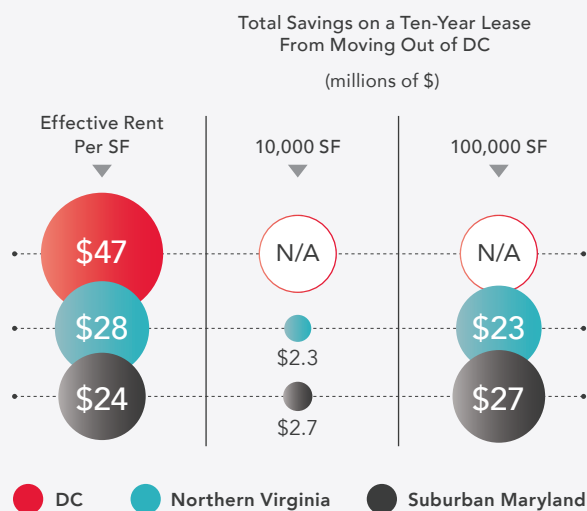
## DOWNTOWNDC EFFECTIVE OFFICE RENT (\$ per SF)



Source: Delta Associates

## OFFICE RENT CONCESSIONS ARE AT RECORD LEVELS

### REGIONAL EFFECTIVE OFFICE RENT COMPARISON



Sources: Delta Associates and DowntownDC BID

Though multiple economic sectors' performance was down slightly in 2018, almost all DowntownDC economic sectors have national or international stature. And this is shown in the strong development and investment activity in DowntownDC and DC overall.

Development interest in DowntownDC was at near record levels with 17 projects under construction totaling \$1.5 billion in the office, hotel, retail, museum and public sectors. Notably, only two of the projects were ground-up construction with the remainder involving renovations or demolition of existing buildings.

Investment interest was also very high with near record investment in all classes of office buildings of \$2 billion and a record average price of \$797 per SF and a record sales amount for Class A buildings of \$1.5 billion and record average price per SF of \$964. In addition to the sale of 900 G Street, there were three other sales over \$1,000 per SF in DowntownDC in 2018. Of the ten highest sales prices ever in DC, eight have been in DowntownDC. These high sales prices are evidence of the continued value of DowntownDC.

## DOWNTOWNDC REMAINS REGIONAL EMPLOYMENT CENTER

DowntownDC in 2018 maintained its role as a premier regional employment center. With 190,000 employees, DowntownDC was home to 24% of the District's employment base on just 1.6% of the city's land area. DC's 792,000 employees were 24% of the region's employment base. Federal employees in DowntownDC in 2018 totaled 63,200 and 196,200 in all of DC and the large presence of the federal government continues to push DowntownDC and DC both to further diversify their economies.

DC's employment growth was 1% in 2018 with DowntownDC's growth (0.9%) restricted by the lack of available space for development.





**FEDERAL EMPLOYMENT IN DOWNTOWNDC HAS BEEN STABLE AT 37% OVER THE PAST TEN YEARS,**  
WHILE IT HAS DECLINED IN DC FROM 28% TO 25%

Both DowntownDC and DC's employment growth rates were below the region's 1.2%, Northern Virginia's 1.8% and the nation's 1.7% growth rates.

The District once again faced significant regional office market competition. Over the past few years, the city has lost an increasing number of companies to Maryland and especially Virginia, both of which are home to less expensive office space.

### TENANT MOVEMENT BETWEEN DC, MARYLAND AND VIRGINIA

#### ANNUAL AVERAGE MOVEMENT

Time Period	Tenants Moving Into DC ▼	Tenants Moving Out of DC ▼	Net Tenant Movement Out of DC and MD/VA ▼
2016 - 2018	63,000 SF	215,000 SF	152,000 SF
2009 - 2015	135,000 SF	157,000 SF	22,000 SF
2004 - 2008	57,000 SF	527,000 SF	470,000 SF

Source: JLL Research

DC IS LOSING  
A MODEST  
NUMBER OF  
TENANTS TO  
SUBURBAN  
MARKETS  
**DUE TO TOUGH  
REGIONAL  
COMPETITION**



## DOWNTOWNDC REMAINS KEY TO DC'S FINANCIAL HEALTH

DowntownDC in 2018 generated an estimated \$1.325 billion in tax and other revenue for the city while benefitting from \$534 million in District expenditures. Therefore, DowntownDC in 2018 generated a net fiscal impact of \$791 million—enough to fund both the DC Metropolitan Police and DC Fire and Emergency Medical Services departments.

In 2018, Mayor Muriel Bowser built upon the strong partnership between the District and the DowntownDC Business Improvement District (BID) through many investments in DowntownDC projects. In 2018, the city granted \$1.7 million to the BID to open and operate a day services center for individuals experiencing homelessness. The Mayor's proposed fiscal year 2020 budget includes \$18 million for the reconstruction of Franklin Park and \$122 million to build the K Street Transitway.

Since 1995, the city has invested in the following public-private partnerships: Capital One Arena, the Walter E. Washington Convention Center, the Shakespeare Theatre's Sidney Harman Hall, Woolly Mammoth Theatre, Ford's Theatre, National Theatre, and the Hamilton, CityCenterDC, the Marriott Marquis Hotel and various retailers in DowntownDC. The city's total net investment in DowntownDC since 1995 has been approximately \$550 million and will have leveraged a projected total of \$16 billion in private investment by the end of 2019.

DowntownDC has been instrumental in the city's efforts to grow its tax base. From 2013-2018, DC's nominal tax revenues grew by \$1.7 billion per year to \$7.8 billion per year in 2018, increasing by 5% per year. The city's real revenue growth rate from 2013-2018 was 3.4% per year—more than twice the growth rate in jobs (1.3%) and population (1.6%).

## DOWNTOWNDC GENERATED A NET FISCAL IMPACT OF \$791 MILLION IN 2018 -- ENOUGH TO FUND BOTH THE DC METROPOLITAN POLICE AND FIRE AND EMERGENCY MEDICAL SERVICES

### DOWNTOWNDC'S NET FISCAL IMPACT

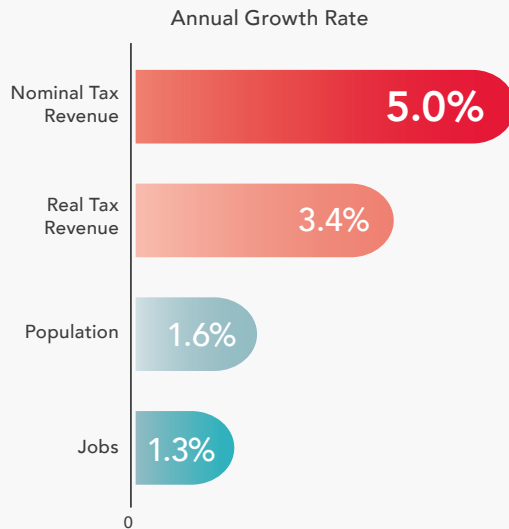
DowntownDC BID Area	Estimate FY2018
DC Local Tax and Other Revenues	\$1.325 billion
Estimated Fiscal Costs	(\$534 million)
<b>Net Fiscal Impact</b>	<b>\$791 million</b>
BID Revenue Share of Total DC Gross Local Revenue	15.9%
BID Expenditures Share of Total DC Gross Local Expenditures	6.2%

Source: DC 2018 CAFR, DowntownDC BID, Mayor Bowser's Fiscal Year 2020 Proposed Budget and Financial Plan





## DC BUDGET RELATION TO GROWTH 2013 - 2018



Source: DC 2018 CAFR, DowntownDC BID, Mayor Bowser's Fiscal Year 2020 Proposed Budget and Financial Plan



**DOWNTOWNDC HAD A RECORD 6.8 MILLION SF OF VACANT OFFICE SPACE** AND 66 MILLION SF OF OCCUPIED OFFICE SPACE

**DOWNTOWNDC  
WILL LOSE 1.4  
MILLION VISITORS  
AT THE END OF  
2019 WITH THE  
DEPARTURE OF THE  
INTERNATIONAL  
SPY MUSEUM  
AND THE CLOSING  
OF THE NEWSEUM**

## DOWNTOWNDC BID **PROMOTES NEW ECONOMIC INITIATIVES**

The DowntownDC Business Improvement District's (BID) "Downtown 2027: Vision for the Future" 10-year strategic plan calls for maintaining or growing all of DowntownDC's economic sectors, particularly the office market. The BID also proposes four specific initiatives: the conversion of older office buildings to residential use; support for major development projects in DowntownDC; developing DowntownDC into a regional shopping destination; and investment in culture and entertainment.

# CURRENT DEVELOPMENT

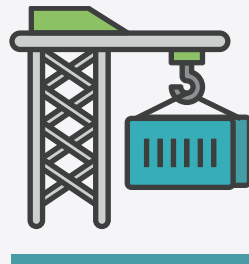
## SEVEN PROJECTS DELIVERED IN DOWNTOWNDC; 17 UNDER CONSTRUCTION

Development in DowntownDC was strong in 2018, with seven major development projects delivered by the end of the year, representing a total investment of \$1.3 billion in DowntownDC. An additional 17 projects were under construction at the end of 2018, with total investments of \$1.5 billion. Future development plans included several projects with a total investment of \$4.1 billion, including an estimated \$3.3 billion for a full-scale renovation of the FBI headquarters building.

DowntownDC at year-end 2018 was 98% built out (including projects under construction) with only eight ground-up development sites remaining. Of the 17 projects (totaling 2.7 million SF) under construction at the end of 2018, only two projects (totaling 725,000 SF or 26%) were ground-up construction and the remaining 15 projects (totaling 2.0 million SF or 74%) were building teardowns or renovations.



RAPID HOTEL INDUSTRY  
EXPANSION INCLUDED  
**THE MOXY HOTEL  
AND EATON HOTEL**  
IN DOWNTOWNDC IN 2018



DOWNTOWNDC HAD  
**8** GROUND-UP  
DEVELOPMENT SITES  
AT THE END OF 2018  
**COMPARED TO 111 IN 1995**

# 17

**PROJECTS WERE  
UNDER CONSTRUCTION  
IN DOWNTOWNDC**

INCLUDING 15 BUILDING TEARDOWNS  
OR RENOVATIONS





DOWNTOWNDC'S

**\$1.5 B**

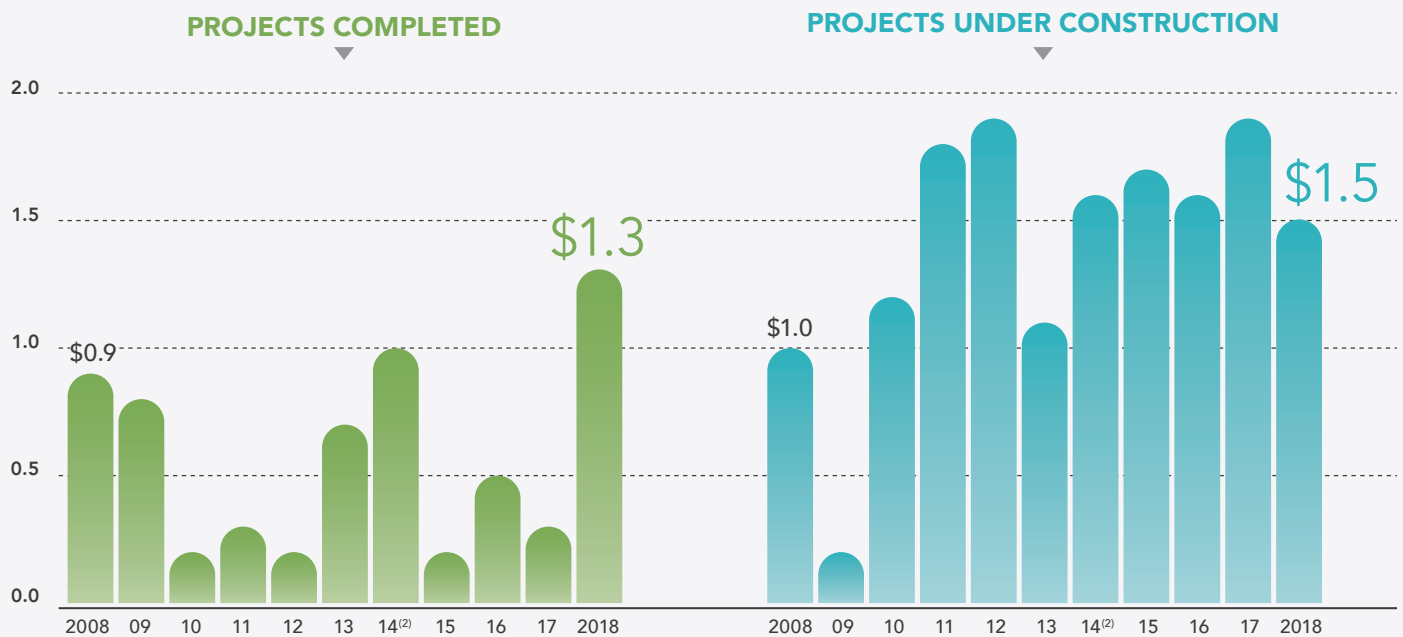
OF INVESTMENT IN  
PROJECTS UNDER  
CONSTRUCTION  
REPRESENTS 14% OF  
THE DISTRICT TOTAL

CAPITOL CROSSING

# DOWNTOWNDC DEVELOPMENT HISTORY

## DEVELOPMENT INVESTMENT

(billions)

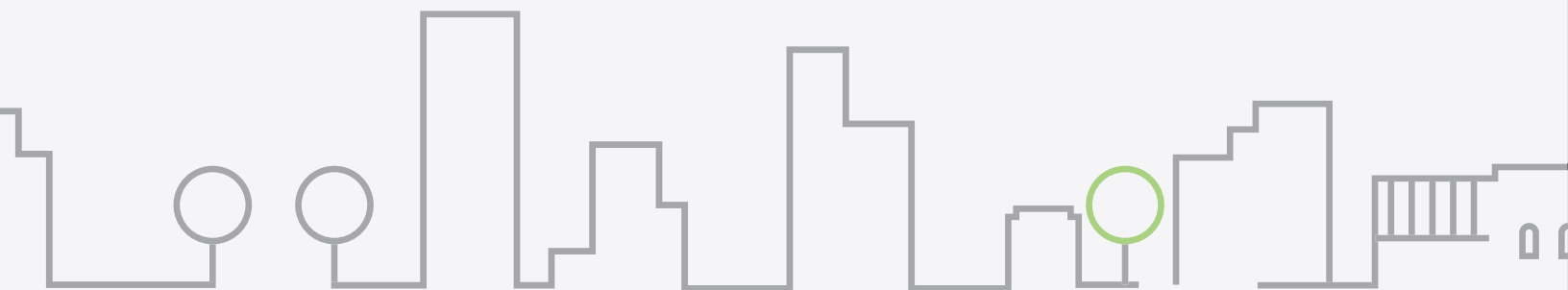


(1) Numbers may not equal sum due to rounding

(2) Includes the Marriott Marquis Convention Center Headquarters Hotel

DOWNTOWNDC IS

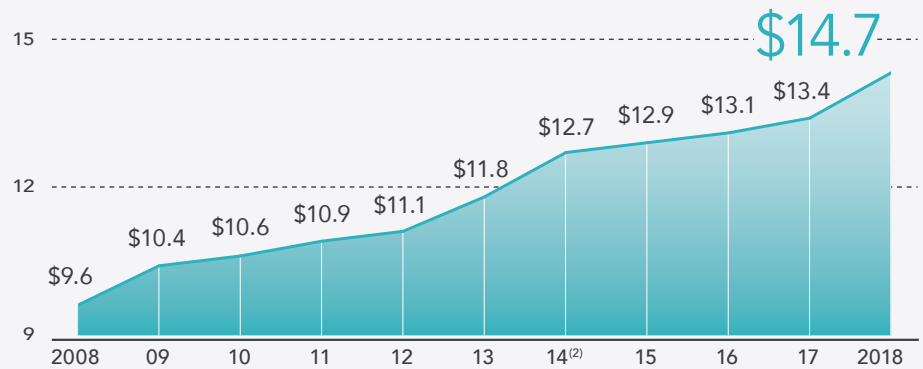
**98%** BUILT  
OUT





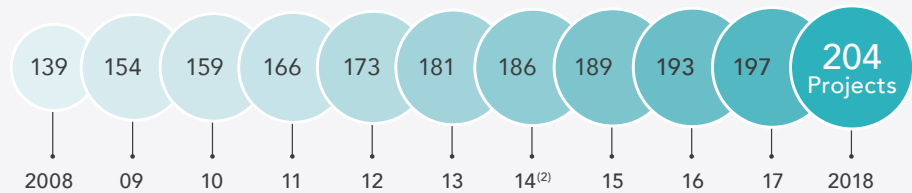
## CUMULATIVE INVESTMENT

(billions)

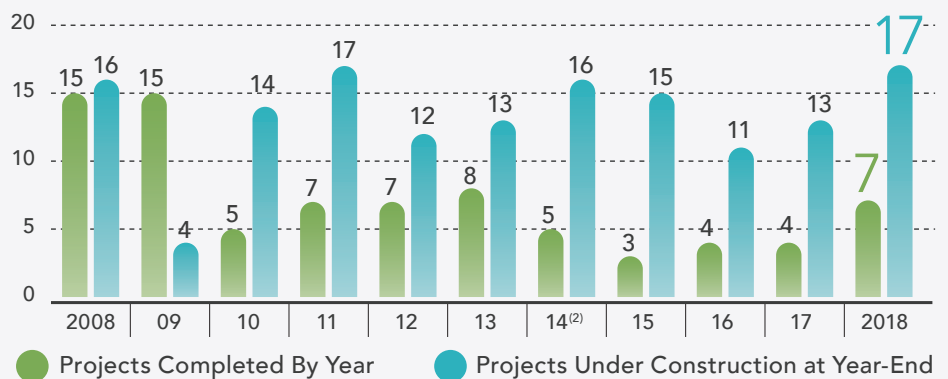


**2018 MARKED  
THE HIGHEST  
INVESTMENT  
TOTAL (\$1.3  
BILLION) IN  
COMPLETED  
PROJECTS SINCE  
THE CONVENTION  
CENTER DELIVERED  
IN 2003**

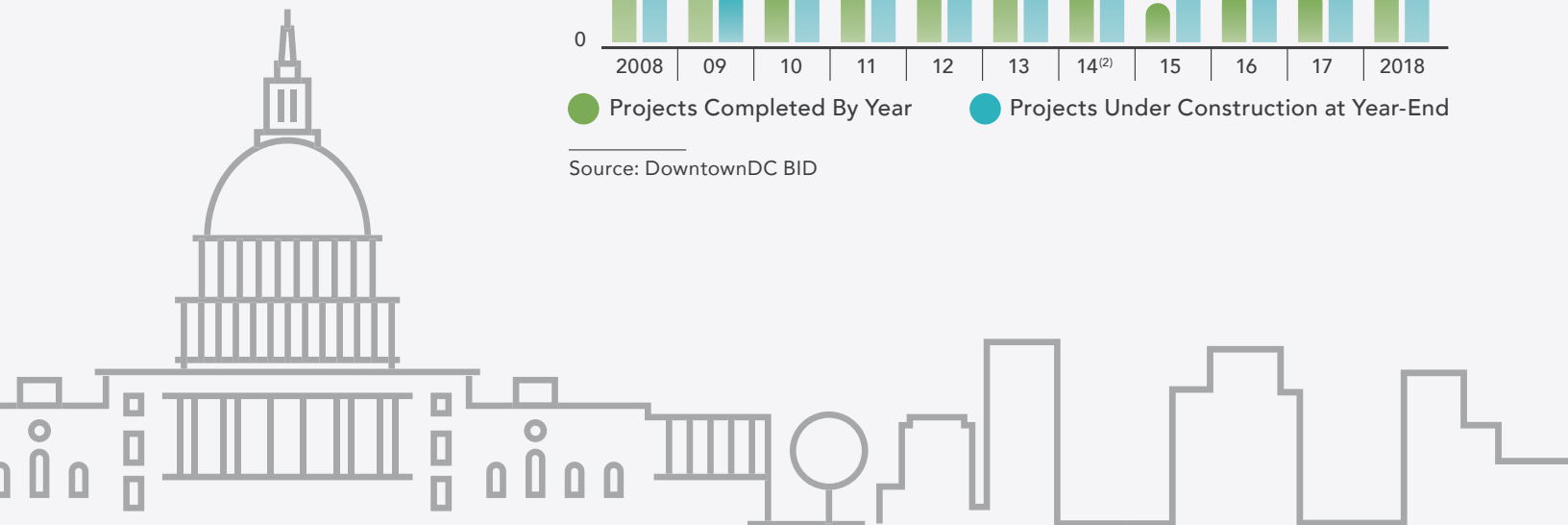
## CUMULATIVE # OF PROJECTS COMPLETED



## NUMBER OF PROJECTS



Source: DowntownDC BID



## DOWNTOWNDC WELCOMES TROPHY OFFICE BUILDINGS, HOTELS, MUSEUM

DowntownDC gained three trophy office buildings in 2018: Midtown Center, the new headquarters for Fannie Mae, by Carr Properties, Capitol Crossing's 200 Mass. Ave by Property Group Partners and One Freedom Plaza by Quadrangle Development. The 865,000 SF Midtown Center building was designed by SHoP Architects and offered a striking, new addition to DowntownDC, with unique public spaces, illuminated walkways, including 44,000 SF of retail with three announced destination restaurants. Philotimo, by Michelin award-winning chef Nicholas Stefanelli, and Shōtō and Akēdo, two restaurants by Zuma co-founder Arjun Waney, were set to deliver at Midtown Center by the third quarter of 2019. The 200 Mass project delivered a 430,000 SF trophy office building into DowntownDC, including 32,000 SF of retail, upcoming eatery by restaurateur Danny Meyer, along with the District's largest private glass-enclosed rooftop. One Freedom Plaza is home to Kirkland & Ellis, a prominent national law firm, which relocated within the BID.

Two hotels also delivered in 2018: the Eaton Hotel and the Moxy Hotel, located on K Street one block apart. The Eaton delivered 209 hotel rooms, restaurant American Son by Chef Tim Ma, a radio station, coworking space, film screening space and wellness center. The Moxy opened with 200 hotel rooms and plans to open Baltimore-based Atlas Group's first DC restaurant.

DowntownDC also gained a new museum in 2018 when the National Law Enforcement Museum opened a \$103 million facility in October. The museum is designed to provide visitors with the experience of being a law enforcement officer.

Monumental Sports & Entertainment in 2018 also completed a \$40 million project to renovate Capital One Arena. The renovation included the replacement of all arena seats and upgrades to the common areas in an effort to improve the fan experience for their approximately 2.5 million annual patrons.

## DOWNTOWNDC'S DEVELOPMENT SHARE DECREASES AS OTHER AREAS ADVANCE

DowntownDC in 2018 was home to 14% of the city's development deliveries and construction activity. This percentage represented a decrease from the years 2001 and 2008 when DowntownDC represented a 23% share of development deliveries in the District. DowntownDC's share was down to 14% of deliveries by 2013, due in large part to significant residential growth in other, burgeoning parts of the city and new office developments in other selected submarkets.





200 Mass. Ave. at Capitol Crossing

**DC HOTEL DEVELOPMENT**

2015 - 2022

Hotels ▼	Hotel Rooms ▼	% Room Growth ▼
<b>2015-2018 GROWTH</b>		
5	1,081	10%
19	4,004	13.7%
<b>2018 TOTAL</b>		
32	11,784	N/A
144	33,126	N/A
<b>UNDER CONSTRUCTION AS OF 2018</b>		
1	360	3.1%
8	1,950	5.9%
<b>PLANNED AS OF 2018</b>		
3	495	4.1%
6	1,515	4.3%
<b>2022 ESTIMATE</b>		
36	12,639	N/A
158	36,591	N/A



DowntownDC



All of DC

Source: DowntownDC BID

# MAJOR DOWNTOWNDC PROJECTS

## DELIVERED, UNDER CONSTRUCTION & PLANNED

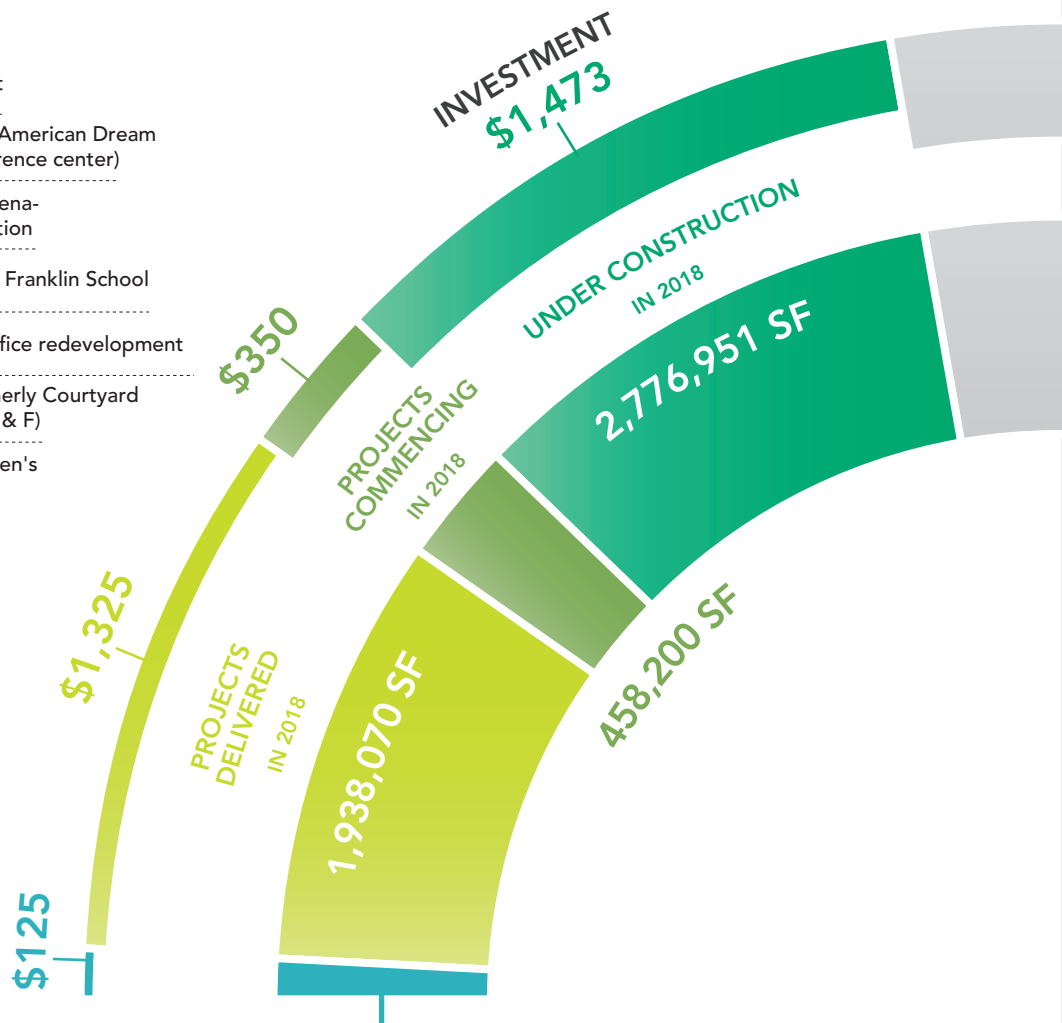
(Millions of \$)

7  
PROJECTS

-  730 15th Street
-  Center for the American Dream (office & conference center)
-  Capital One Arena - interior renovation
-  Planet Word at Franklin School
-  909 E Street office redevelopment
-  Riggs DC (formerly Courtyard Marriott at 9th & F)
-  National Children's Museum


7  
PROJECTS

-  Midtown Center
-  Capitol Crossing - 200 Mass Avenue
-  One Freedom Plaza
-  Eaton by Langham
-  Capital One Arena - interior renovation
-  Moxy Hotel
-  National Law Enforcement Museum



### PROJECTS DELIVERED IN 2017

BUILDING SIZE: 490,611 SF

-  Pod Hotel
-  1000 F Street
-  1333 H Street office renovation
-  The Architect Hotel
-  Common Bowman

5  
PROJECTS



PROJECT  
TYPESPRIVATE  
OFFICEGSA  
OFFICE

HOTEL



HOUSING



RETAIL



MUSEUM



ENTERTAINMENT



LIBRARY

RELIGIOUS  
CENTER

PARK

17

PROJECTS

\$4,101

PLANNED (2020-2025)

5,380,646 SF

15

PROJECTS



Capitol Crossing - 250 Mass Avenue



Martin Luther King Jr Library renovation



Conrad Hotel at CityCenterDC



700 K at Anthem Row



The New 1441 L



National Bank of Washington project



W Hotel renovation



800 K at Anthem Row



1101 &amp; 1111 Sixteenth Street



730 15th Street

1201 New York Avenue  
office renovationCenter for the American Dream  
(office & conference center)

Planet Word at Franklin School



909 E Street office redevelopment

Riggs DC (formerly Courtyard  
Marriott at 9th & F)

National Children's Museum



Apple Store at Carnegie Library

Source: DowntownDC BID



FBI Headquarters reconstruction



Capitol Crossing - 200 F Street



900 New York Avenue



Capitol Crossing - 200 G Street



1125 15th Street



Capitol Crossing - 201 F Street



St Regis Hotel Addition



The Aleck



The Canterbury



Chinatown Residential



Franklin Park renovation

Jewish Historical Society of  
Greater Washington Synagogue  
Renovation & New Museum

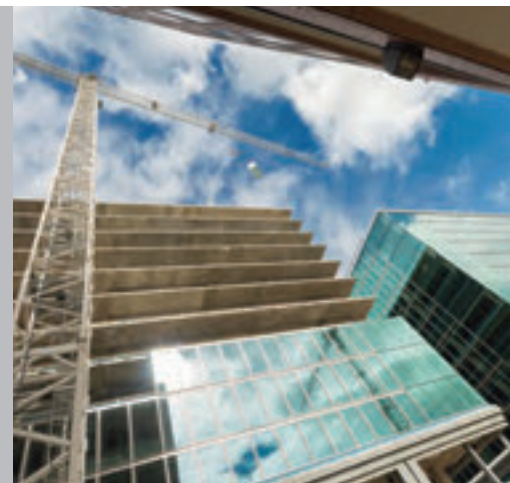
25 E Street



Gallery Tower



The Keckley Building





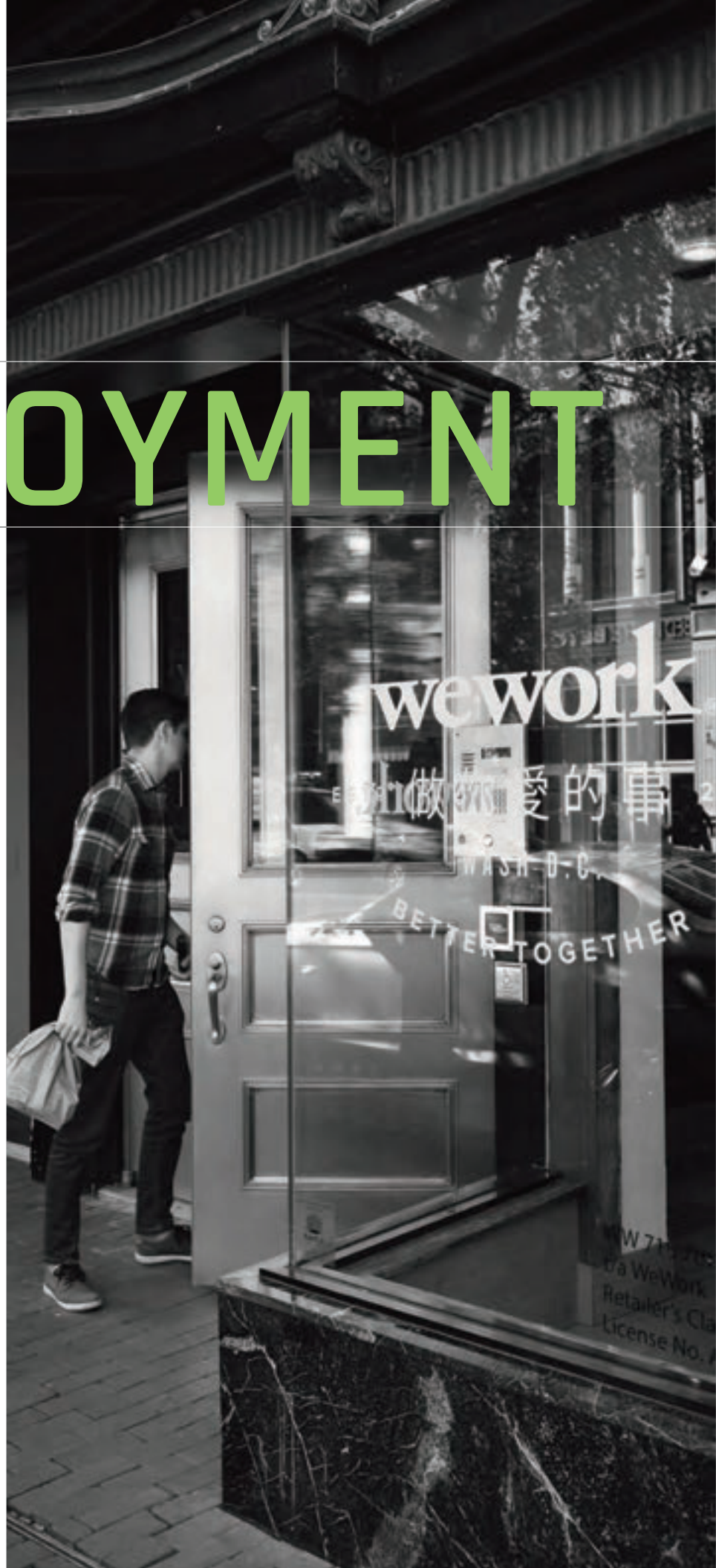
# EMPLOYMENT

## DOWNTOWNDC REMAINS LARGEST REGIONAL EMPLOYMENT CENTER

DowntownDC had an estimated 190,000 employees at the end of 2018, making DowntownDC the largest employment submarket in the region with 24% of employment in the District. Employment in DowntownDC grew from 188,300 at the end of 2017, due mainly to new office and hotel employees.

During 2018, approximately 3,500 Fannie Mae employees moved into their new headquarters building at Midtown Center (developed by Carr Properties) a downsize from its prior 1.2 million SF footprint of office space in several owned buildings in the Tenleytown neighborhood. The Department of Justice moved approximately 1,200 employees out of DowntownDC to NoMa in 2018 with an additional 1,900 employees moving out in late 2019.

DowntownDC's coworking market continued to grow in 2018, bringing many new employees into DowntownDC who may have previously found the area cost-prohibitive. DowntownDC had six WeWork locations in March 2019, the largest concentration of any submarket in the region.



## DOWNTOWNDC AND DC EMPLOYMENT GROWTH BELOW THE REGION

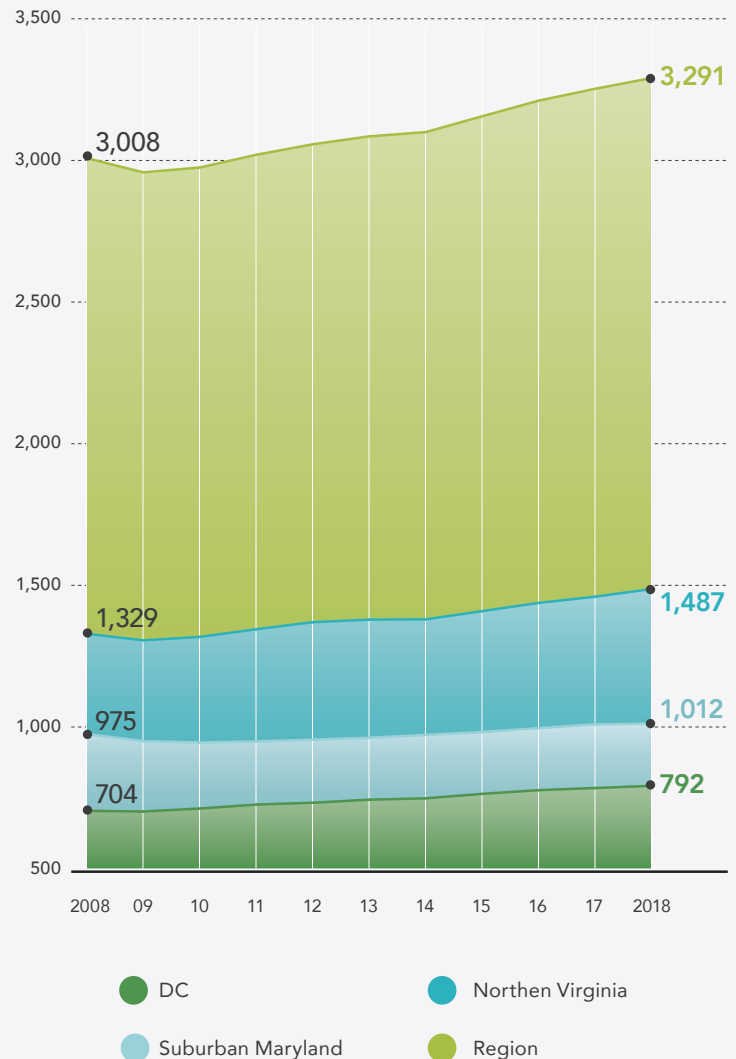
DowntownDC gained an estimated 1,700 employees in 2018, a modest employment growth rate of 0.9%. This rate was limited by DowntownDC's high occupancy costs, when compared to other areas of DC and the region, which makes DowntownDC a more expensive business location. Densification, or more employees per SF of space, is key to future employment growth in DowntownDC as well as a reduction in vacancy rates.

In the District in 2018, employment grew by 7,700 employees, or 1%. Federal employment in the District declined by 3,200 employees, or 1.6%, while the private sector grew by 9,700 employees, or 1.8%. Over the past five years, the federal government's share of DC employment declined from 27.5% to 24.8%. The District's private sector employment growth can be partially attributed to the DC government's diversification efforts. DC's total employment growth in 2018 was below that of the region's 1.2% growth rate and significantly below Northern Virginia's 1.8% growth rate.

DOWNTOWNDC IS THE  
LARGEST REGIONAL  
EMPLOYMENT  
SUBMARKET WITH  
**24%**  
OF DISTRICT  
EMPLOYMENT

## REGIONAL EMPLOYMENT HISTORY

(thousands)



Sources: U.S. Bureau of Labor Statistics, The Stephen S. Fuller Institute at George Mason University (Projection as of March 2019)

**IN 2018, EMPLOYMENT GREW  
BY .9% IN DOWNTOWNDC, 1% IN DC,  
1.2% IN SUBURBAN MARYLAND AND  
1.8% IN NORTHERN VIRGINIA**

## DOWNTOWNDC EMPLOYER MOVEMENT

Employment in DowntownDC has faced challenges in both the federal sector and private sector for various reasons, including high cost.

In the federal sector, the U.S. General Services Administration (GSA) has been relocating thousands of federal government employees in recent years out of DowntownDC due to high rent costs, which has negatively affected employment in DowntownDC.

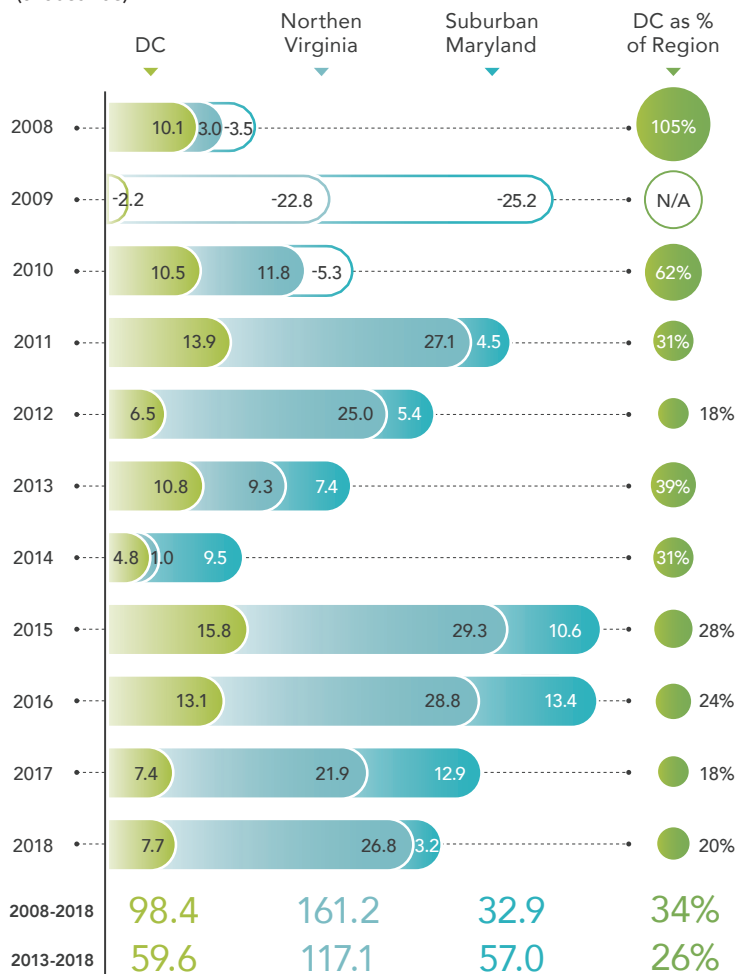


**DURING 2018, DC EXCEEDED  
800,000 TOTAL  
PAYROLL EMPLOYEES  
FOR THE FIRST TIME**

**DOWNTOWNDC PRIVATE SECTOR  
EMPLOYMENT GROWTH HELPS TO OFFSET  
THE LOSS OF FEDERAL EMPLOYMENT**

### REGIONAL EMPLOYMENT CHANGE HISTORY

(thousands)



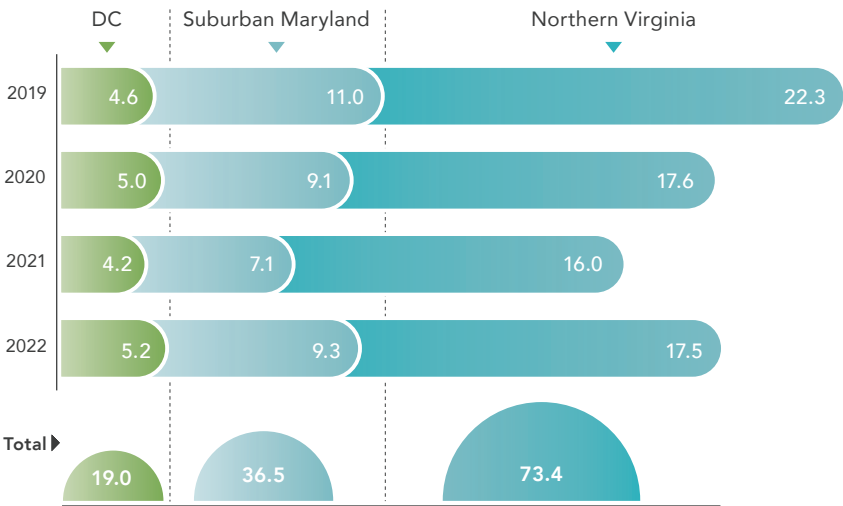
Sources: U.S. Bureau of Labor Statistics, The Stephen S. Fuller Institute at George Mason University (Projection as of March 2019)





# REGIONAL EMPLOYMENT PROJECTIONS

(thousands)



# REGIONAL FEDERAL CIVILIAN EMPLOYMENT

	Employees	% of Total
DowntownDC	63,200	17%
Rest of DC	133,000	37%
All of DC	196,200	54%
Rest of Region	167,700	46%
Region	363,900	100%

Sources: U.S. Bureau of Labor Statistics and DowntownDC BID



In the private sector, many businesses have moved or have announced moves to other burgeoning office submarkets in DC. The legal firm of Fish & Richardson PC recently moved their 120 employees to The Wharf. The legal firm of Williams & Connolly LLP announced in 2018 they would be moving their approximately 640 employees to The Wharf. After these and other law firm moves, DowntownDC will have 41 of the top 100 law firms in the region and eight of the top 10 firms in the region. Several law firms in 2018 moved within DowntownDC

into new or renovated buildings, such as Venable LLP and Baker Botts LLP. Bain & Co announced in March 2019 that they would be moving into a renovation of 1101 16th Street by Akridge.

In 2019, several changes will affect employment growth in DowntownDC including the movement of 1,900 Department of Justice employees to NoMa, the closing of two museums, the Carlyle Group's return of its Rosslyn operations to DowntownDC and the opening of new restaurants and shopping stores.

## DISTRICT FACES COMPETITION FROM SUBURBAN OFFICE MARKETS

In the past decade, the District's office tenant loss has fluctuated, hitting its lowest rate between 2009 and 2015. From 2004-2008, the District lost office tenants at a net rate of approximately 500,000 SF of office space per year. From 2009-2015, the loss of office tenants declined to approximately 22,000 SF per year. But that rate rose again in 2016-2018, when the net loss of tenants was 215,000 SF per year. Recent office tenant loss is due to competition from suburban office markets in Maryland and Virginia.



**DC EMPLOYERS MOVED  
2,500 JOBS OUT OF DC  
OVER THE PAST 3 YEARS**





## DC'S QUALIFIED HIGH TECHNOLOGY COMPANY TAX TREATMENT HAS PROVEN SUCCESSFUL

DC'S QUALIFIED HIGH TECHNOLOGY COMPANY TAX TREATMENT MAKES DC'S TAX STRUCTURE COMPETITIVE IN THE REGION - WORKING TO RETAIN TECHNOLOGY FIRMS AS WELL AS ATTRACTING NEW FIRMS TO THE DISTRICT

### COMPARATIVE TAX RATES RELEVANT TO QUALIFIED HIGH TECHNOLOGY COMPANIES

	Corporate Income Tax Rate	Gross Receipts Tax Rate	Top Marginal Capital Gains Tax Rate
DC	8.25%	0.01% - 0.14%	8.95%
QHTC Companies <sup>(1)</sup>	0.00%	0.01% - 0.14%	8.95%
QHTC Companies <sup>(2)</sup>	6.00%	0.01% - 0.14%	8.95%
Northern Virginia	6.00%	0.20% to 0.50% at local level, and can be waived	None
Suburban Maryland	8.25%	None	8.95%

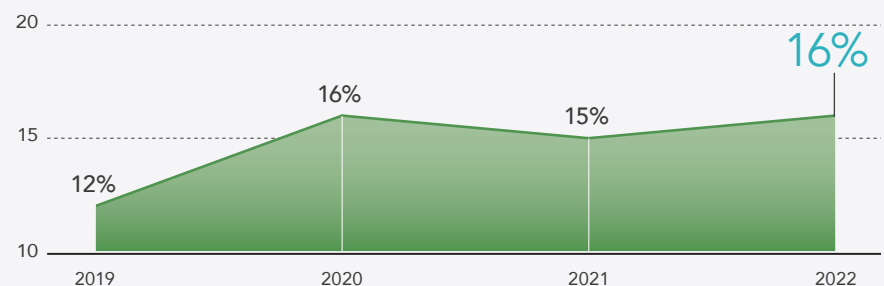
(1) During the company's first five profitable years

(2) For companies that have been profitable for 5+ years

Source: Office of the DC Chief Financial Officer



### DC EMPLOYMENT PROJECTION GROWTH AS % OF REGION



Sources: U.S. Bureau of Labor Statistics, The Stephen S. Fuller Institute at George Mason University (Projection as of March 2019)



# OFFICE MARKET

## RECORD OFFICE BUILDING SALE PRICES AND OCCUPANCY OFFSET BY VACANCY INCREASE

The DowntownDC office market in 2018 experienced record performance despite challenges, include the record-setting sale of 900 G Street NW for \$1,273 per square foot (SF), which was both a DowntownDC and District-wide record sale. DowntownDC office occupancy in 2018 rose by 880,000 SF to a record 47.2 million SF mostly due to Fannie Mae moving into

Midtown Center (developed by Carr Properties). At the same time, office vacancy in DowntownDC also set a record, rising by 900,000 SF to 6.8 million SF, including the vacancy created by the Department of Justice's partial move to NoMa, ahead of plans to vacate another 500,000 SF in 2019. The DowntownDC office vacancy rate also set a record at 12.6%



## DOWNTOWNDC HAS 75 MILLION SF

OF PRIVATE, FEDERAL AND DC  
GOVERNMENT OFFICE SPACE, OR  
42% OF THE CITY'S TOTAL

## 900 G STREET SOLD FOR A RECORD \$1,273 PER SF

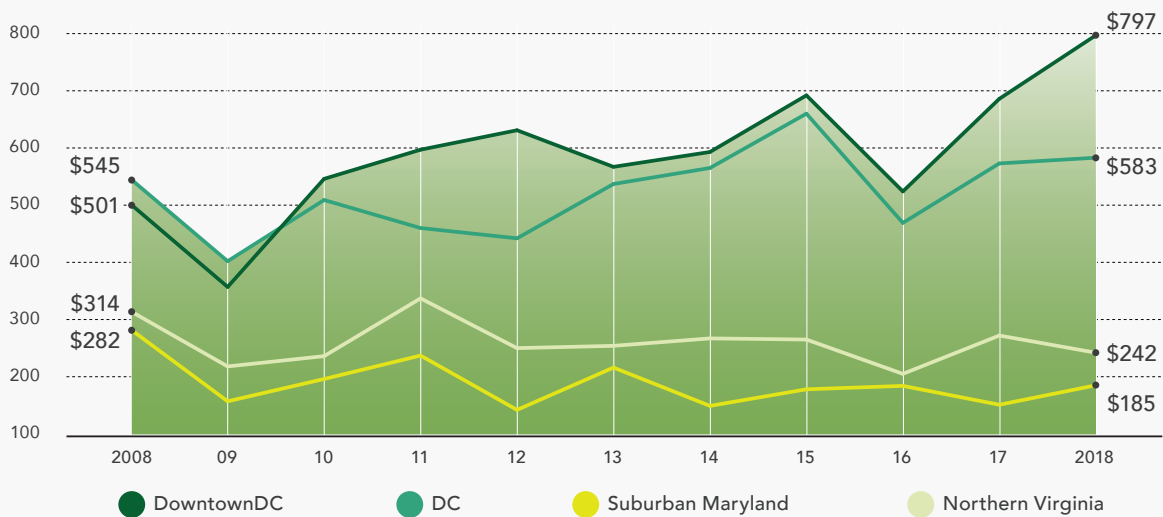
DOWNTOWNDC HAD BOTH RECORD  
OCCUPIED AND  
VACANT OFFICE  
SPACE IN 2018

In addition to the sale of 900 G Street, three additional buildings in DowntownDC also sold for over \$1,000 per SF in 2018: 1440 New York Avenue NW, 1111 Pennsylvania Avenue NW and 1501 K Street NW. The average office sales price in DowntownDC in 2018 was \$797 per SF (a record-setting average) and \$583 per SF in DC. DowntownDC and DC each set records in Class A average office building sales prices at \$964 per SF and \$904 per SF, respectively.



## AVERAGE SALES PRICE TRENDS IN DOWNTOWNDC, DC AND REGION

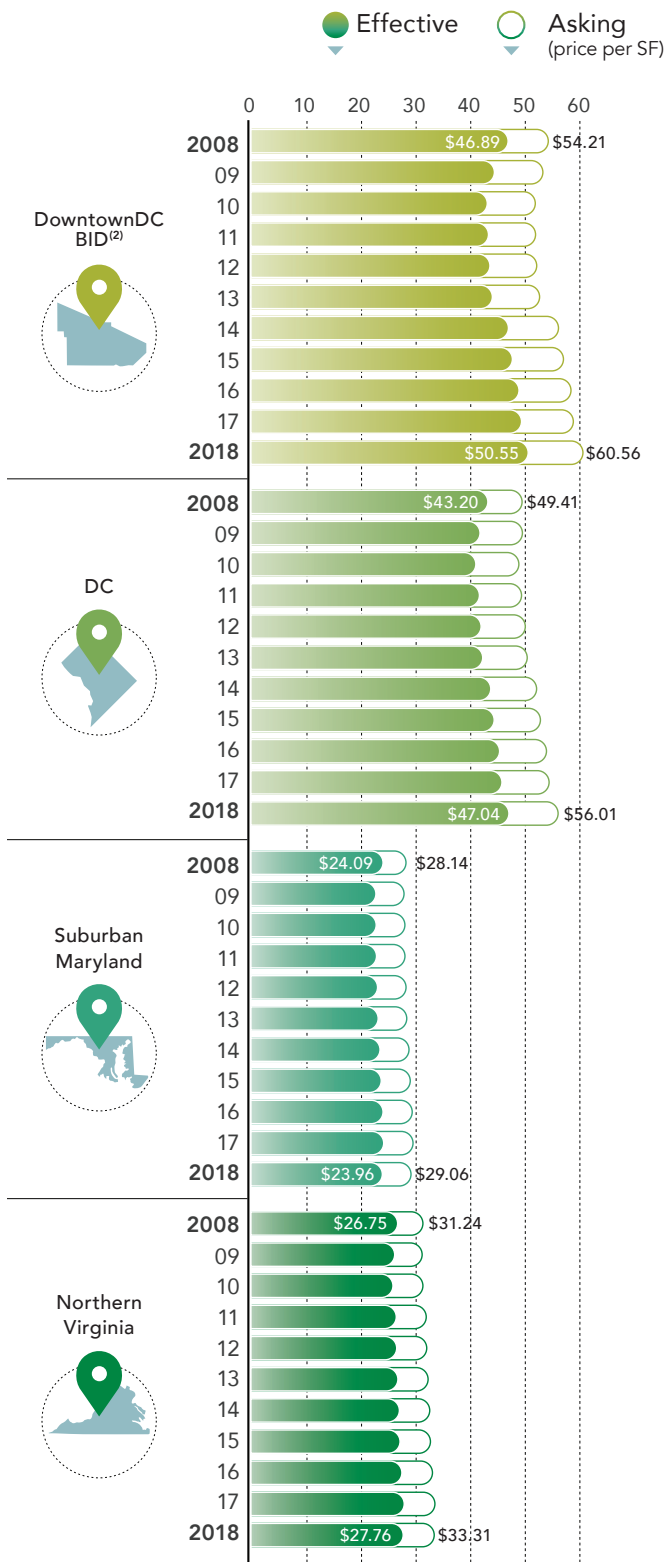
(price per SF)



Source: JLL Research



## REGIONAL OVERALL OFFICE ASKING & EFFECTIVE RENTS<sup>(1)</sup>



(1) Overall rents includes all classes of buildings.

(2) Delta Associates' East End submarket is considered to be DowntownDC.

Sources: Delta Associates and REIS





## DOWNTOWNDC MAINTAINED FOREIGN INVESTMENT INTEREST

DowntownDC and DC remained an attractive location for foreign investment in 2018, though at lower levels than in the past few years. Investment in DowntownDC's office market was fueled by more domestic investors than foreign investors in 2018 as foreign investment decreased from 72% in 2017 to 55% in 2018. DC's share of foreign investment over domestic declined from 70% in 2017 to 41% in 2018.

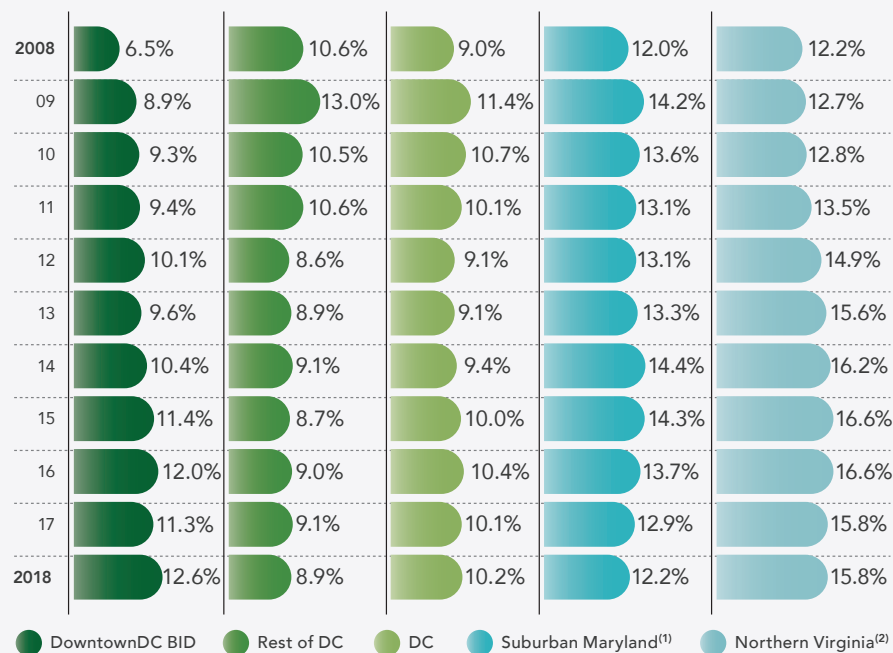
Respondents to the 2019 American Foreign Investors in Real Estate (AFIRE) survey ranked DC as the No. 10 city in the world in which foreign investors

want to increase their exposure and the No. 5 city in which foreign investors want to decrease their exposure. DC tied for No. 13 as the "most stable and secure" city in the AFIRE survey and tied for No. 8 in "capital appreciation."

## LARGEST SHARE OF DC'S OFFICE SPACE

Despite the trend towards densification and lower cost competition, DowntownDC continued to hold the largest share of DC's office space in 2018. DowntownDC's 75 million SF of private, federal and DC government office space accounted for 42% of the city's total in 2018.

### REGIONAL OVERALL VACANCY RATE



(1) Suburban Maryland is represented by Montgomery and Prince George's counties.

(2) Northern Virginia is represented by Alexandria, Arlington, Fairfax, Fairfax City, and Falls Church counties.

Source: CoStar

## FLAT OFFICE OPERATING PERFORMANCE

Total vacant office space rose from 5.9 million SF to a record 6.8 million SF in 2018 (from 11.3% office vacancy to 12.6%). This was due to a combination of factors, including densification, the delivery of new or substantially-renovated buildings and federal and private tenants moving to lower rent submarkets in DC and the suburbs.

In reaction to the increase in vacant office space in DowntownDC, office building owners and leasing brokers worked to retain tenants and attract new tenants. One way they worked to accomplish this was through rent concessions—months of free

rent and high tenant improvement allowances. The value of concessions rose to a record level from \$9.49 per SF in 2017 to \$10.01 per SF, an increase of 5.5%.

DowntownDC's effective rent overall climbed modestly from \$49.43 per SF in 2017 to \$50.55, an increase of 2.5%, though effective rents declined in some areas.

The announcement by the U.S. General Services Administration that the FBI should rebuild its headquarters in its current location on Pennsylvania Avenue is positive for the DowntownDC office market in both the short and long-term as the FBI will need to occupy nearby office space for several years during the reconstruction and firms that

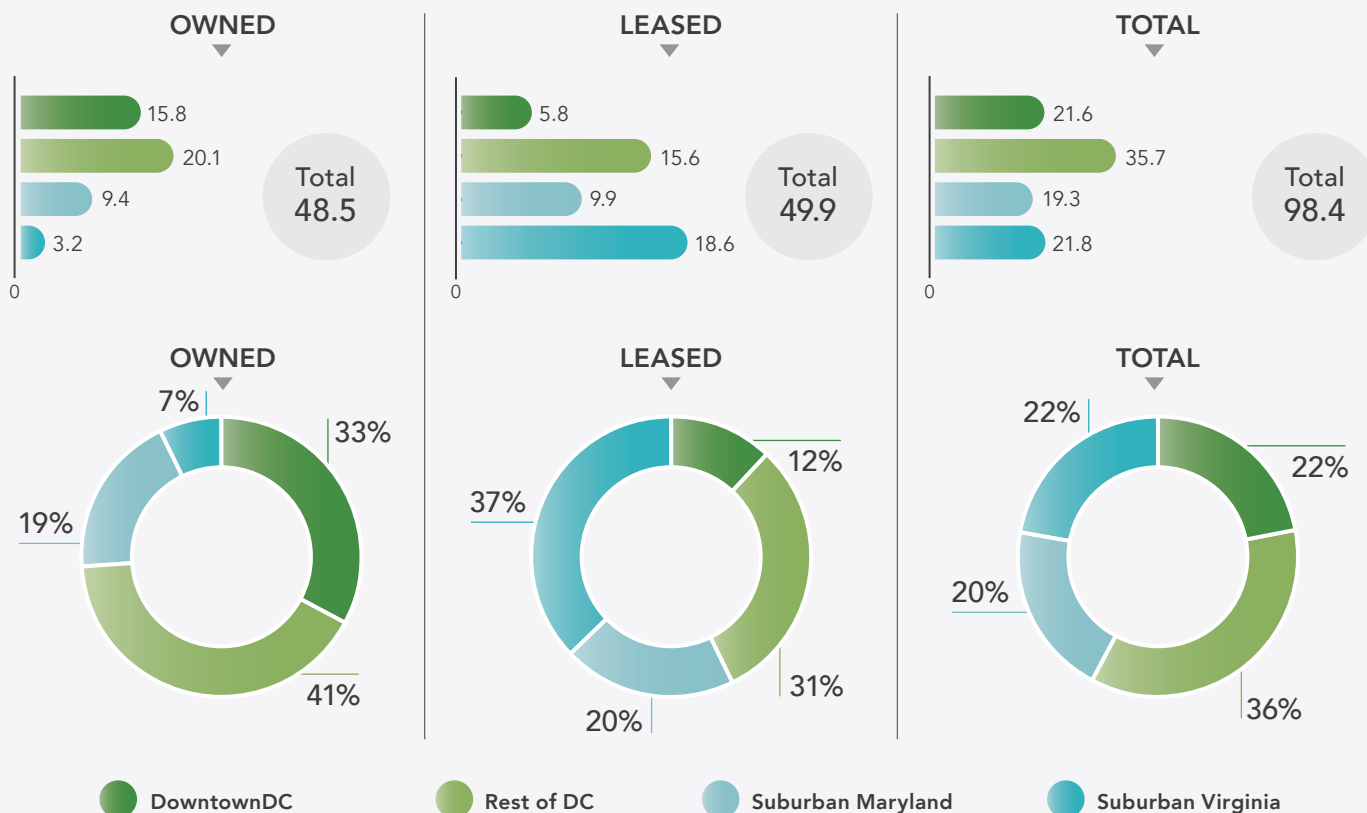
work with the FBI will continue to lease space nearby.

DowntownDC continued to be bolstered by the presence of the federal government in 2018. With approximately 6 million SF of GSA-leased space and 16 million SF of GSA-owned space, DowntownDC had more federal office space than any submarket in the country.

**GSA LEASES  
6 MILLION SF OF  
OFFICE SPACE IN  
DOWNTOWNDC AND  
OWNS 16 MILLION SF**

### REGIONAL GSA OFFICE SPACE

(millions of SF)



Source: US General Services Administration

## LARGE CITY OFFICE MARKET COMPARISON

	Class A Asking Rent (price per SF)	Overall Vacancy Rate	Total Office Inventory (millions of SF)
DowntownDC <sup>(1)</sup>	63	14.8%	48 <sup>(2)</sup>
DC	61	14.1%	168 <sup>(2)</sup>
NYC Midtown South	96	7.2%	69
NYC Midtown	81	9.3%	242
San Francisco	81	7.7%	54
NYC Downtown	69	10.8%	90
Boston	64	6.0%	60
Seattle	47	5.4%	49
Chicago	44	14.3%	133
Houston	43	20.1%	37
Los Angeles	43	18.6%	27
Denver	40	18.2%	30
Atlanta	34	14.2%	50
Philadelphia	31	10%	40
Dallas	26	21.9%	39

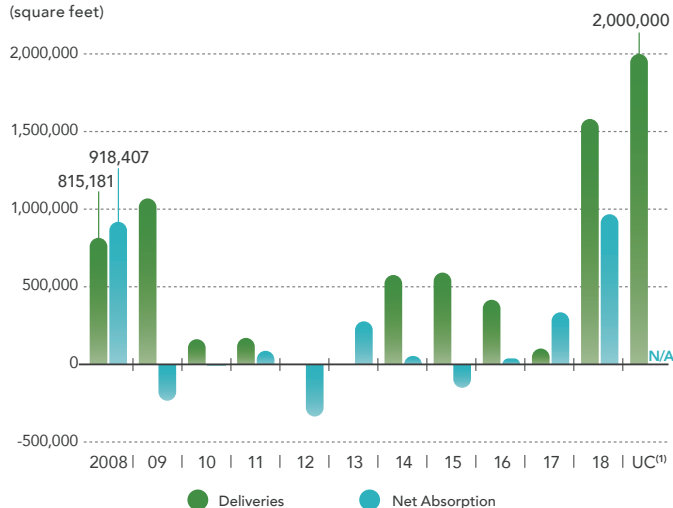
(1) Cushman &amp; Wakefield's East End submarket is used to represent DowntownDC.

(2) Includes federally-owned office buildings

Source: Cushman &amp; Wakefield

## DOWNTOWNDC OFFICE DELIVERIES AND ABSORPTION

(square feet)



(1) Under construction as of December 31, 2018

Source: CoStar

## COWORKING SPACE GROWS AS WEWORK BECOMES LARGEST PRIVATE OFFICE TENANT IN DC

Coworking tenants over the past several years have leased several hundred thousand SF of office space in DowntownDC and DC, providing a needed boost to the office market. As of March 2019, DowntownDC had 33 coworking locations that totaled 1.2 million SF of office space - the rest of DC had 48 coworking

locations with 1.2 million SF and the region had 82 coworking locations with 3.8 million SF. WeWork as of March 2019 was the largest private office tenant in DowntownDC with 580,000 SF across six locations and the largest tenant in the rest of DC with 480,000 SF across eight locations.

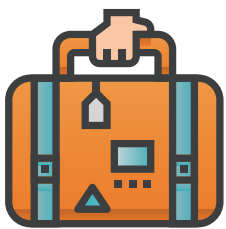


# HOTELS, TOURISM & CONVENTIONS

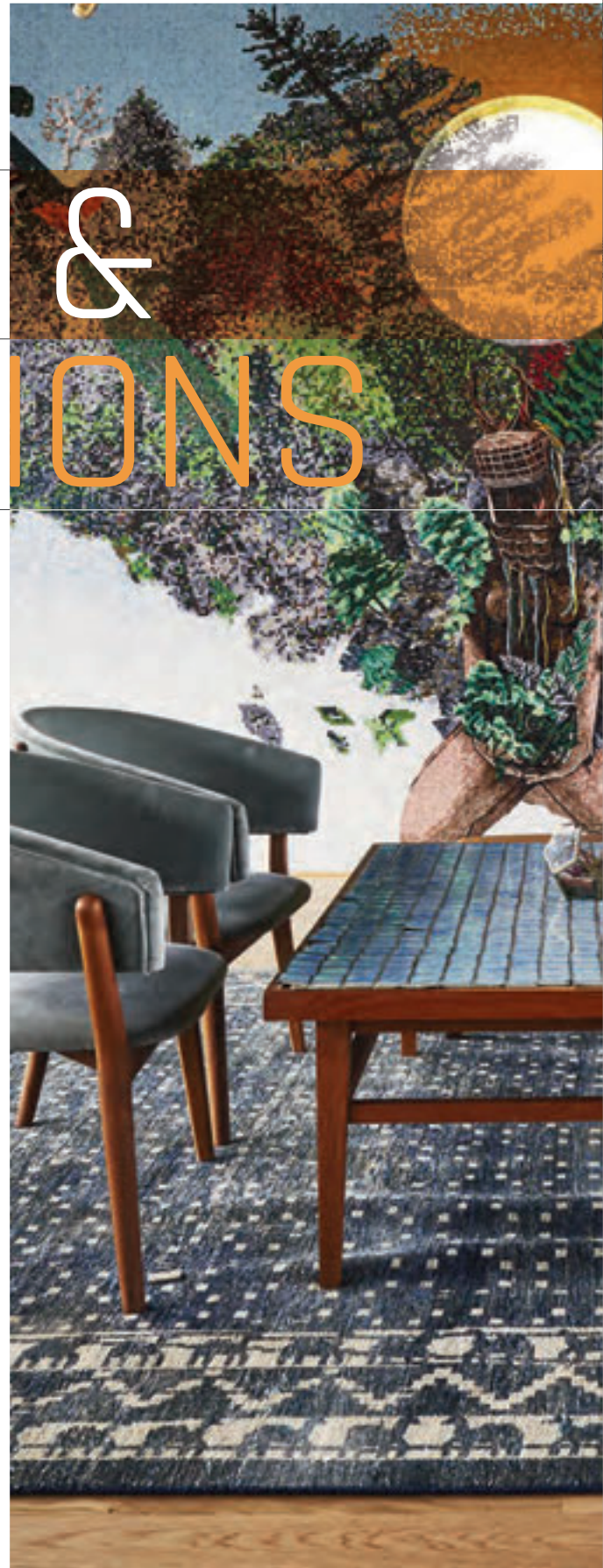
## STRONG HOTEL MARKET AFFECTED BY NEW SUPPLY

DowntownDC continued to be the fourth strongest downtown hotel market in the nation after New York City, San Francisco and Boston. That strength in 2018 was affected by new hotel openings and a greater hotel room supply in DowntownDC. The Eaton Hotel opened in August and the Moxy Hotel opened in November, adding two hotels with 420 rooms to DowntownDC.

DowntownDC ended the year with 32 hotels (23% of DC's total) and 11,424 hotel rooms (35% of DC's total). Additionally, the Conrad Hotel opened in March 2019 at CityCenterDC with 360 rooms and luxury retail from Tiffany & Co. In early 2019, the W Hotel was undergoing a \$50 million renovation and the Riggs Washington DC project was undergoing a renovation of \$30 to 50 million.



**DOWNTOWNDC IS  
THE 4TH STRONGEST  
DOWNTOWN HOTEL  
MARKET IN THE NATION**

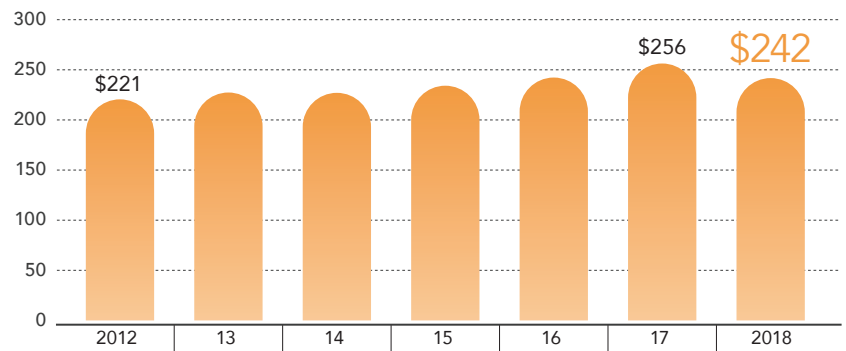


## DOWNTOWNDC HOTEL PERFORMANCE

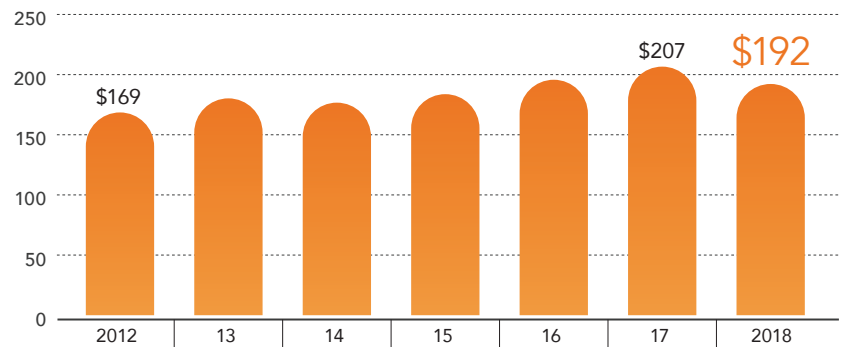
## Occupancy

76.4%  
201279.5%  
2018

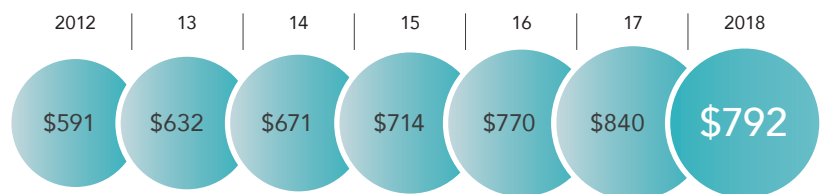
## Average daily room rate (\$)



## Revenue per available room (\$)



## Room revenues (millions)



(1) DC experienced high hotel performance in January 2017, due to the presidential inauguration and the Women's March on Washington.

Source: Smith Travel Research



## NATIONAL REVPAR COMPARISON

(Revenue Per Available Room Night)

	DowntownDC	Compared to DC Region			Compared to Large City Downtown Hotels		
		Rest of DC	Bethesda / Rockville	Alexandria / Arlington	New York City	Boston / San Francisco	Chicago / Denver / Houston / Los Angeles / Seattle
2013	\$180	\$148	\$89	\$100	\$249	\$179	\$135
2014	\$177	\$153	\$92	\$106	\$255	\$200	\$146
2015	\$184	\$158	\$91	\$113	\$248	\$212	\$153
2016	\$196	\$164	\$96	\$116	\$242	\$216	\$154
2017	\$207	\$171	\$101	\$118	\$241	\$213	\$156
2018	\$192	\$161	\$100	\$114	\$249	\$220	\$161

Source: Smith Travel Research

DOWNTOWNDC  
HOTELS HOSTED

3.4 M



GUESTS  
IN 2018

DOWNTOWNDC  
GENERATES  
**40%**  
OF DC'S HOTEL  
ROOM SALES  
TAXES

Due in part to increased hotel supply, hotel performance was down in 2018 over the previous year, breaking a 5-year trend of record performance. In 2018: occupancy decreased by 1.4% to 79.5%; the hotel average daily rate decreased by 5.7% to \$242 per night; Revenue Per Available Room Night (RevPAR) was down 7% to \$192; and total hotel revenues in DowntownDC were down 5.7% to \$792 million, which equated to 40% of DC's total hotel revenue.

Hotels in the rest of DC were also down in RevPAR performance, but due to a strong 4.6% increase in supply

(compared to DowntownDC's 1.3%) these hotels posted a revenue decline of only 1.6%. Approximately 14% of the city's hotel room demand can be attributed to DestinationDC, the city's destination marketing organization, and the events that they promote.

DowntownDC's continued strong hotel performance is supported by business travelers, convention attendees and tourists visiting the National Mall or enjoying DowntownDC's many well-known restaurants, lively theaters, interesting museums and exciting entertainment venues, especially the Capital One Arena.



## NEW HOTEL SUPPLY WILL AFFECT 2019 PERFORMANCE

Eight hotels with 1,950 rooms were under construction in DC at the end of 2018, including the 360-room Conrad Washington DC hotel in DowntownDC. In addition, there were six planned hotels in the District at the end of 2018 with a total of 1,515 rooms (495 of which will be located in three DowntownDC hotels at Capital Crossing, in the former Children's Defense Fund building and the Canterbury project). The total 14 hotels planned or under construction in the District represented a supply increase of 10%. This increase suggests RevPAR performance will be flat in 2019 and 2020.

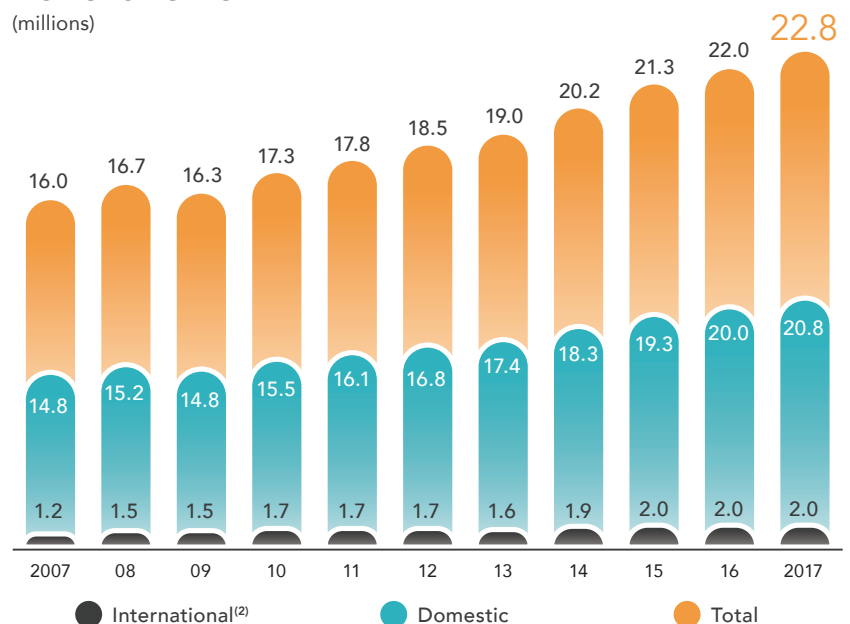


## DISTRICTS SETS 2017 VISITATION RECORD

The District set a tourism visitation record in 2017 (the latest year that data is available) with 22.8 million visitors, an increase of 3.6% over 2016. Overseas visitors (not including Canada and Mexico) accounted for 2 million visitors in 2017, the same as in 2016. The city's 2 million overseas visitors in 2016 ranked eighth in the nation behind New York City, Miami, Los Angeles, Orlando, Las Vegas, San Francisco and Hawaii.

In 2018, visitation to National Mall museums was a strong 26 million, but down 11% from 2017. Visitation to National Mall memorials in 2018 was a strong 31 million, but down 4% from 2017.

**VISITORS TO DC<sup>(1)</sup>**  
(millions)



(1) Visitor Data is released as follows: domestic visitation in May-June of each year for the prior year, and international visitation in August of each year for the prior year.

(2) International visitors does not include visitors from Canada or Mexico.

Sources: DestinationDC, D.K Shifflet & Associates; Travel Market Insights, National Travel and Tourism Office, and International Trade Administration, U.S. Department of Commerce.

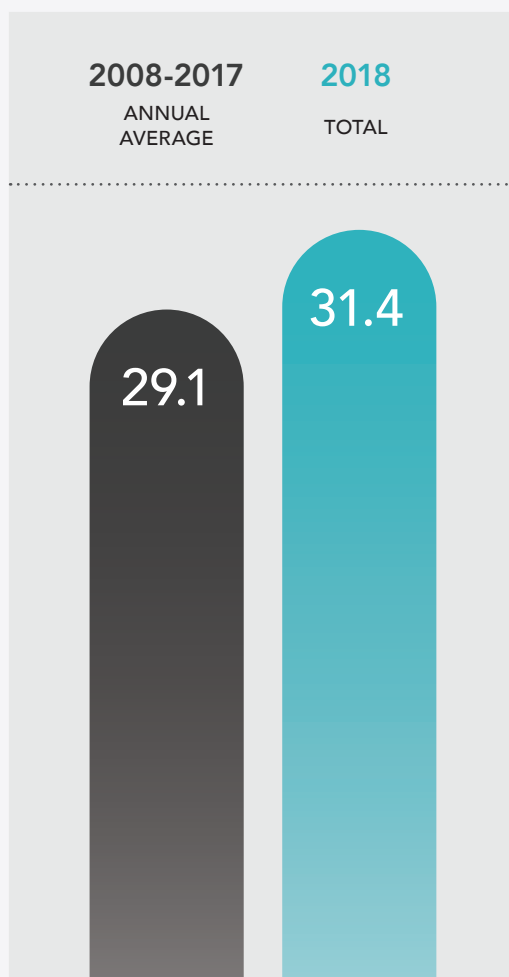
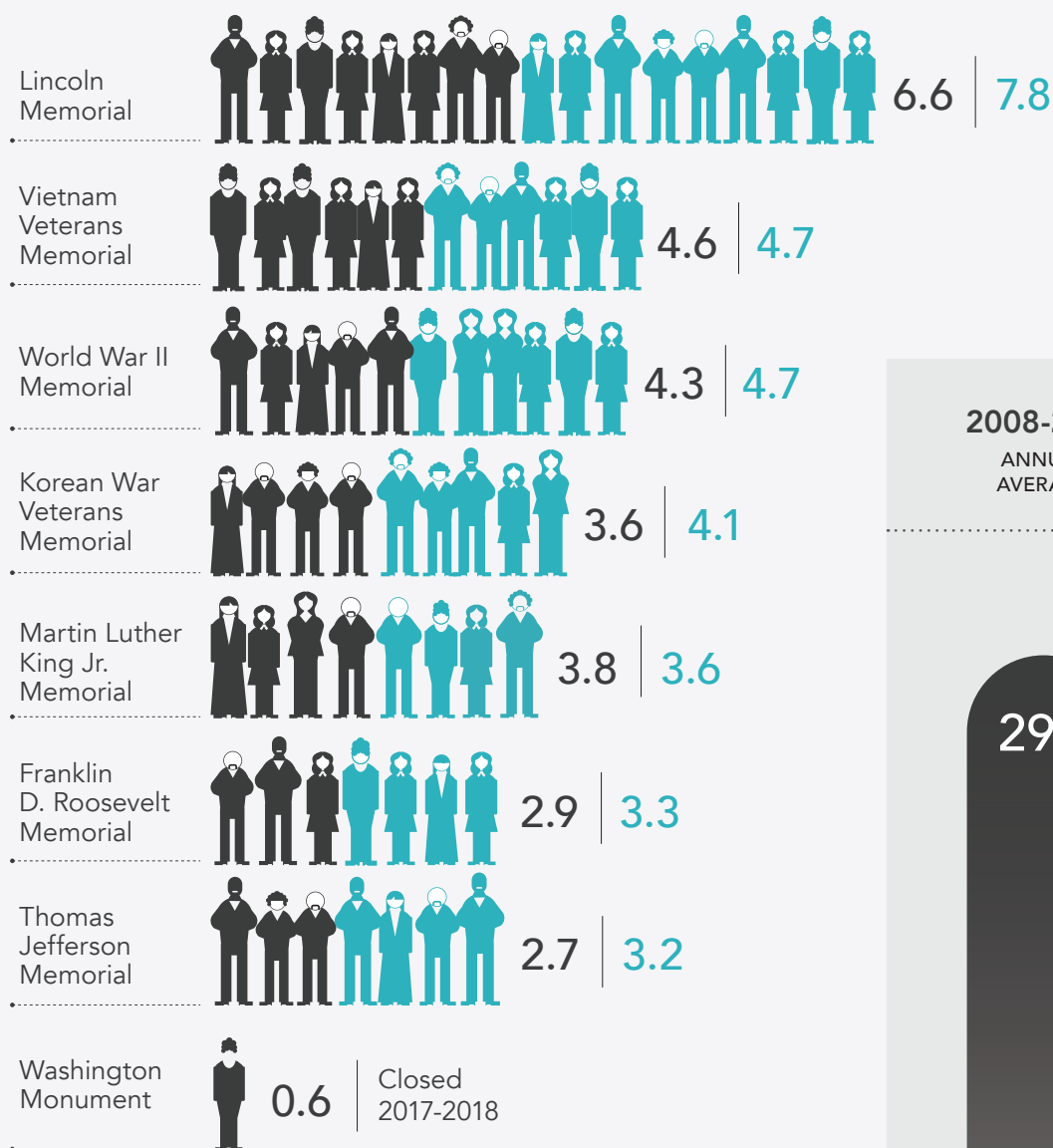
# ANNUAL VISITORS TO NATIONAL MALL MEMORIALS AND MUSEUMS

## MEMORIALS

● Annual Average (2008-2017)

● 2018 Total

(millions)



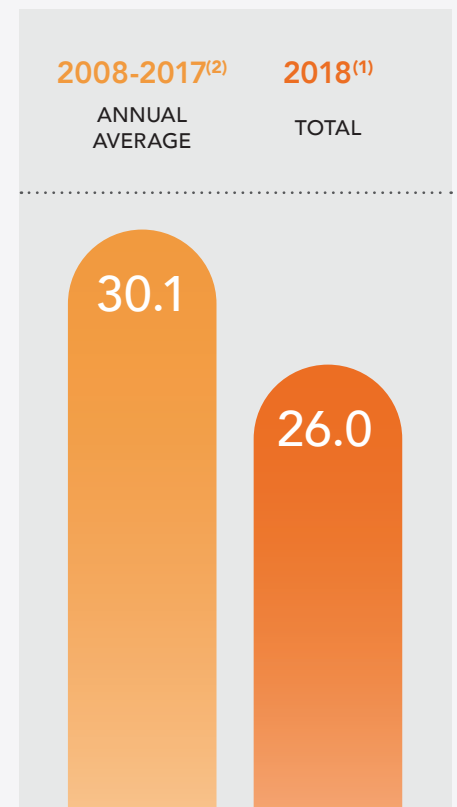
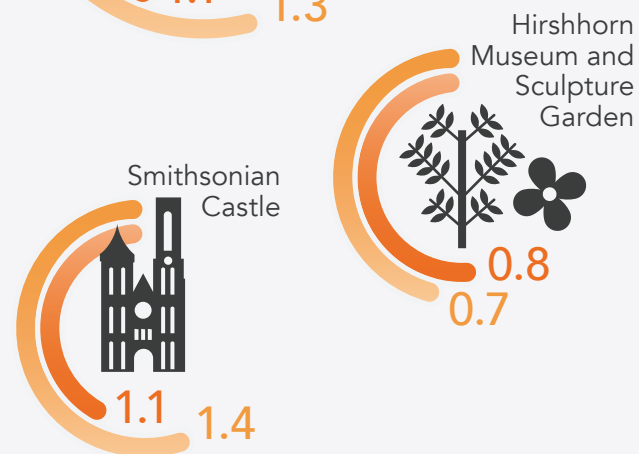
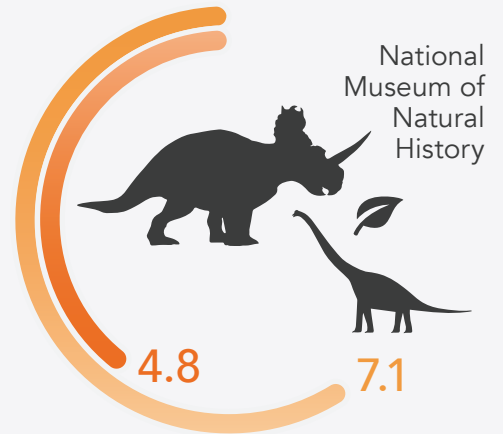
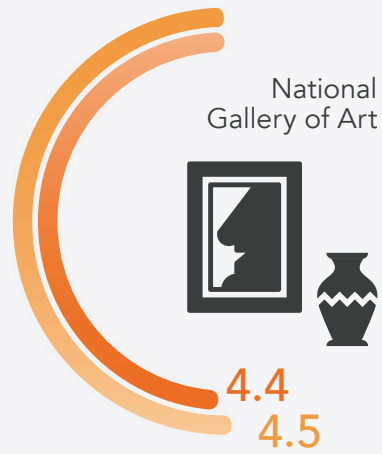
Sources: U.S. National Park Service, Smithsonian Institution, National Gallery of Art and the U.S. Holocaust Memorial Museum.

## MUSEUMS

● Annual Average (2008-2017)

● 2018 Total

(millions)

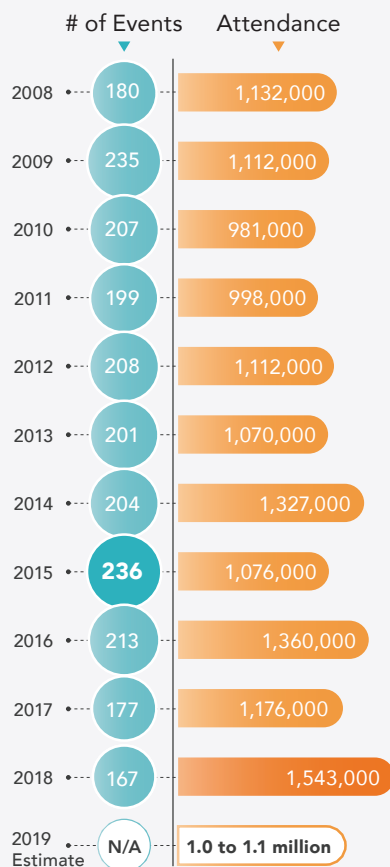


(1) The total attendance in 2018 was affected by partial museum closures at the National Air and Space Museum, the National Museum of American History and the National Museum of Natural History.

(2) The National Museum of African American History and Culture opened in 2016



## WALTER E. WASHINGTON CONVENTION CENTER ATTENDANCE



Source: Events DC



THE CONVENTION CENTER HOSTED A  
RECORD 1.5 MILLION ATTENDEES IN 2018

## CONVENTION CENTER ATTENDANCE **AT AN ALL TIME HIGH**

The Walter E. Washington Convention Center hosted 1.5 million guests in 2018, a record year by almost 200,000 guests due in large part to the 2018 Major League Baseball All-Star game and related events such as FanFest held at the Convention Center. The Convention Center in 2019 is expected to benefit from the opening of the Apple flagship store at the Carnegie Library site, located across the street from the Convention Center.

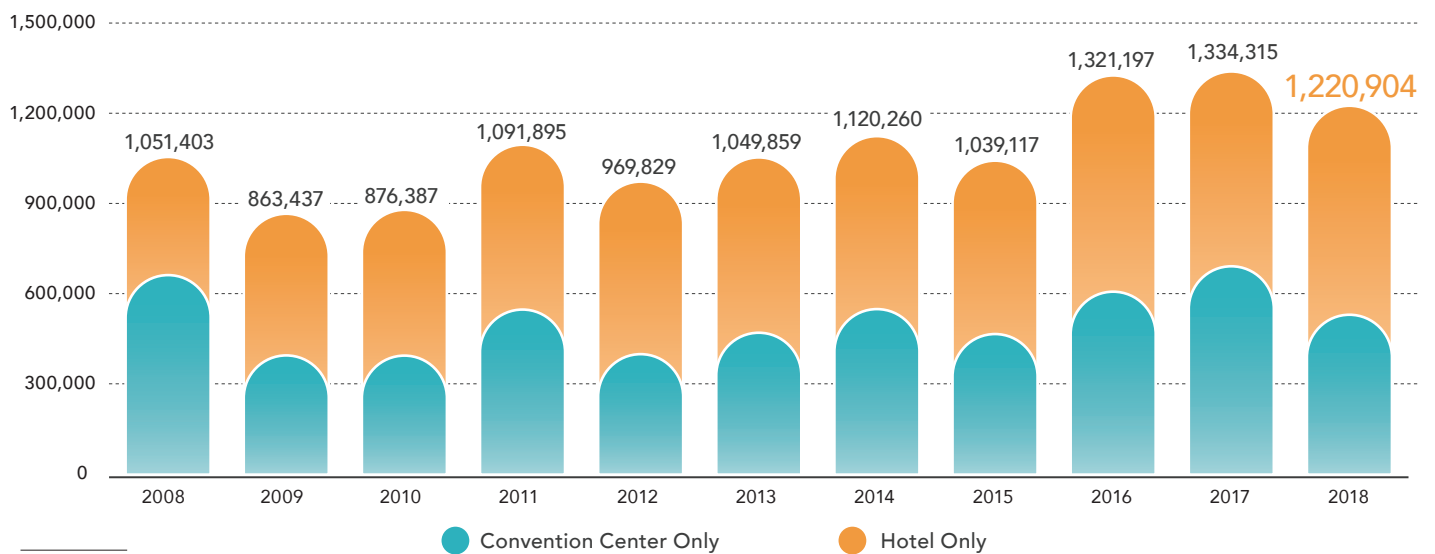
## THE MAJOR LEAGUE BASEBALL ALL-STAR GAME



AND RELATED EVENTS **BOOSTED  
CONVENTION CENTER ATTENDANCE**



## HOTEL ROOM NIGHTS GENERATED BY DESTINATION DC



Source: Destination DC

# CULTURE & ENTERTAINMENT

## WASHINGTON CAPITALS AND OBAMA PORTRAITS PROVIDED 2018 BOOST

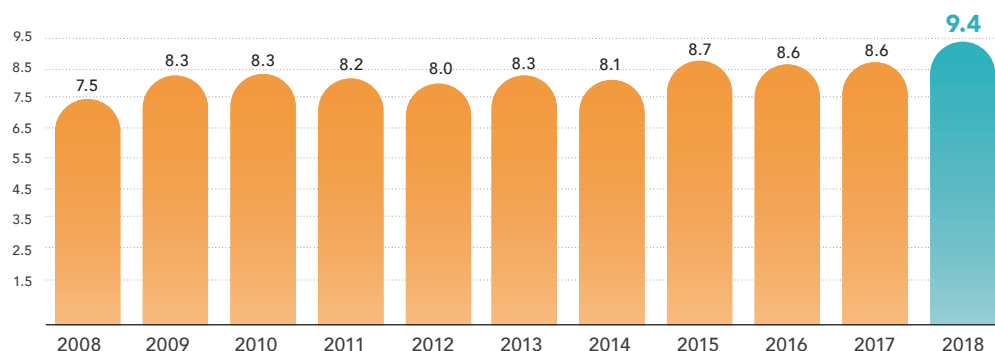
DowntownDC in 2018 welcomed a record 9.4 million visitors to its culture and entertainment venues, boosted by the Washington Capitals' Stanley Cup Championship victory and the popularity of the National Portrait Gallery's portraits of former President Barack and First Lady Michelle Obama.

Collectively, DowntownDC's ten museums, eight performing arts venues and the Capital One Arena experienced an 8% increase in visitors compared to 2017.

The Washington Capitals' Stanley Cup Playoff run and victory brought approximately 220,000 fans to 11 home playoff games at the Capital One Arena and thousands of additional fans for viewing parties hosted in the streets of Chinatown, as well as in dozens of bars throughout DowntownDC.

## TOTAL VISITORS

Museums, Capital One Arena, Performing Arts Venues  
(millions)



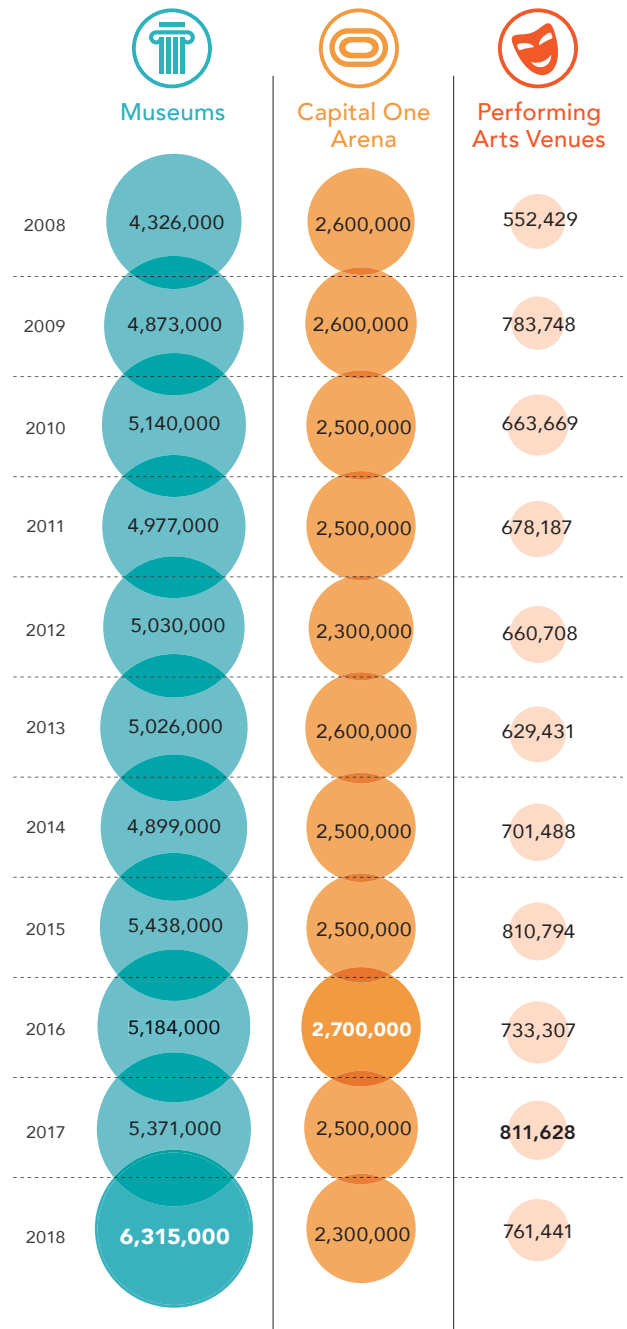
Sources: Museums, Performing Arts Venues and Monumental Sports & Entertainment







## DOWNTOWNDC CULTURE & ENTERTAINMENT VISITORS



Sources: Museums, Performing Arts Venues and Monumental Sports & Entertainment

**DOWNTOWNDC IS HOME TO  
THE CAPITAL ONE ARENA,  
8 PERFORMING ARTS  
VENUES AND 10 MUSEUMS**

## DOWNTOWNDC MUSEUMS SET AN ATTENDANCE RECORD OF 6.3 MILLION, A 17% INCREASE FROM 2017



DowntownDC's culture and entertainment market also faced some negative news, primarily the loss of two museums. The Newseum announced plans to close at the end of 2019, with Johns Hopkins University planning to acquire its building on Pennsylvania Avenue. The Newseum in early 2019 had not yet announced plans for a new location. The International Spy Museum closed in January of 2019, reopening in a larger facility at L'Enfant Plaza. These two museums combined drew an estimated 1.2 to 1.4 million visitors to DowntownDC in 2018.

## DOWNTOWNDC MUSEUMS SET 2018 RECORDS WITH FUTURE MUSEUMS UNDER CONSTRUCTION

DowntownDC museums experienced a 17% increase in attendance compared to 2017, attracting 6.3 million visitors in 2018. The Smithsonian American Art Museum and National Portrait Gallery experienced an increase

of over 1 million visitors in comparison to 2017's attendance and hosted 2.3 million visitors in 2018, due in large part to the portraits of the Obamas, which were unveiled in February 2018. The National Building Museum experienced a 10% increase in attendance to 507,000 visitors, primarily due to its successful 2018 summer exhibition "Fun House."

One new museum opened in 2018: the \$103 million National Law Enforcement Museum. The museum in early 2019 estimated annual attendance 300,000 visitors per year.





Three museums were under construction in DowntownDC at the end of 2018: The National Children's Museum at the Ronald Reagan Building & International Trade Center (scheduled for Fall 2019), Planet Word (scheduled for Spring 2020) and the Milken Foundation's Center for the American Dream (scheduled to open in 2021).

**DOWNTOWNDC  
IN 2019 IS LOSING THE  
INTERNATIONAL SPY MUSEUM  
AND THE NEWSEUM**

## THEATRE ATTENDANCE IN DOWNTOWNDC



	2018	Average (2008-2017)
Warner Theatre	179,771	▶ 154,947
National Theatre	167,000	▶ 115,042
Ford's Theatre	93,000	▶ 76,442
Sidney Harman Hall	90,466	▶ 132,033
Sixth & I Synagogue	74,661	▶ 66,164
Hamilton Live	58,000	▶ 40,703
Lansburgh Theatre	54,134	▶ 75,226
Woolly Mammoth Theatre	44,409	▶ 41,983
<b>TOTAL</b>	<b>761,441</b>	<b>▶ 702,539</b>

Sources: Theatres.

## MUSEUM ATTENDANCE IN DOWNTOWNDC



	2018	Average (2008-2017)
Smithsonian American Art Museum and National Portrait Gallery	2,304,000	▶ 1,112,700
National Archives	1,181,579	▶ 1,073,300
Newseum <sup>(1)</sup>	800,000	▶ 770,000
International Spy Museum	571,000	▶ 619,200
Ford's Theatre Historic Site	553,000	▶ 533,800
National Building Museum	507,000	▶ 498,500
National Museum of Women in the Arts	132,300	▶ 97,300
Old Post Office Tower	124,489	▶ 169,900
The Naval Heritage Center	120,222	▶ 122,200
National Law Enforcement Museum <sup>(2)</sup>	21,000	▶ N/A
National Law Enforcement Officers Memorial Visitor Center	N/A	▶ 29,500
<b>TOTAL</b>	<b>6,314,590</b>	<b>▶ 5,026,400</b>

(1) Newseum attendance data is based off information reported to multiple news sources.

(2) Opened in October 2018

Sources: Museums.



THE WASHINGTON  
CAPITALS'  
STANLEY CUP  
CHAMPIONSHIP  
AND  
PLAYOFF RUN  
BROUGHT CLOSE TO

**300,000**  
ATTENDEES  
TO DOWNTOWNDC



11 HOME  
GAMES  
=  
**220,000+**  
ARENA  
ATTENDEES



4 OUTDOOR  
VIEWING PARTIES  
=  
**60,000+**  
ATTENDEES

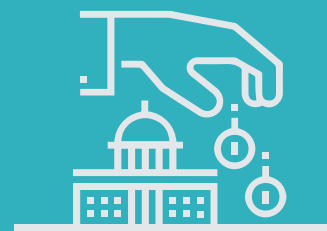


DOWNTOWNDC  
BARS AND  
RESTAURANTS  
=  
**20,000+**  
PATRONS



THIS HISTORIC EVENT  
RESULTED IN  
AN ESTIMATED

**\$4.1 M**  
OF NET NEW  
TAX REVENUE



TO THE DISTRICT

PERFORMING  
ARTS ATTENDANCE  
SLIGHTLY DECREASED,  
**REMAINED STRONG**

DowntownDC's eight performing arts venues attracted 761,000 attendees in 2018, which is higher than the 2008-2017 average attendance (703,000), yet lower than 2017's standalone attendance (812,000).

In September 2018, the Shakespeare Theatre announced that Simon Godwin, the Associate Director at the Royal National Theatre in London, England, will succeed Michael Kahn as artistic director at the completion of the 2018-2019 season.

Also, in September 2018, Maria Manuela Goyanes officially succeeded Howard Shalwitz as the artistic director at the Woolly Mammoth Theatre.

THE WASHINGTON  
CAPITALS'  
STANLEY CUP  
WIN WAS THE  
DISTRICT'S FIRST  
MAJOR SPORTS  
CHAMPIONSHIP IN  
**26 YEARS**

**RENOVATIONS  
AND STRONG  
ATTENDANCE**

Capital One Arena attendance decreased from 2.5 million in 2017 to 2.3 million in 2018, as the number of events decreased from 231 in 2017 to 213 in 2018. The arena closed for most of the summer to complete a \$40 million renovation to improve the fan experience, including replacing arena seats and renovating common areas.

In 2019, Capital One Arena will host a new sports betting venue as permission was granted by a U.S. Supreme Court decision and DC legislation, both of which passed in 2018.



DOWNTOWNDC  
HAD A RECORD

**9.4 M**

**VISITORS TO CULTURE  
AND ENTERTAINMENT  
VENUES**





## SHOPPING AND DINING **POSITIONED FOR SUCCESS IN 2019**

Shopping and dining retail markets in DowntownDC were slightly down in 2018, despite several restaurants securing international recognition and continued vitality in the shopping and dining sectors. DowntownDC was well-positioned at the start of

2019 for significant shopping and dining growth, with the opening of an Apple flagship store and over a dozen new restaurants leading the way.

The retail vacancy rate increased to 9.14% in 2018 from 8.53% in

2017, due in large part to the closure of several fast-casual restaurants, including Au Bon Pain, Panera Bread and Taylor Gourmet. In 2019, the vacancy rate is expected to decline due to the many expected retail openings.





## DOWNTOWNDC SHOPPING PERFORMANCE

No new shopping stores opened in the DowntownDC in 2018. Four stores closed and one reopened after closing for renovations. At the end of 2018, there were 80 destination stores in DowntownDC and excitement was building for two world-renowned retailers to open in 2019: Tiffany's & Co. and an Apple flagship store.

Stores at CityCenterDC increased sales by 15% in 2018. Average sales per SF were over \$1,000 with a few stores recording sales of over \$3,000 per SF. DowntownDC's sole retail opening in 2018 was the reopening of Alexis Bittar at CityCenterDC. This was outweighed by four store closures (Dress Barn, Sports Zone Elite, L'Occitane and the Naturalist). DowntownDC in 2017 had 84 destination shopping retailers totaling 763,000 SF and closed out 2018 with 80 destination stores totaling 750,000 SF.

## DOWNTOWNDC SECURES CULINARY ACCOLADES

DowntownDC restaurants in 2018 received a total of 19 award nominations out of 100 from the Restaurant Association of Metropolitan Washington. Centrolina, Daikaya Group, Wolfgang Puck's The Source and José Andrés's ThinkFoodGroup all received multiple nominations. Centrolina's Amy Brandwein won Chef of the Year and minibar by José Andrés won Service Program of the Year.

DowntownDC remained home to many Michelin-rated restaurants in 2018, including Minibar, one of two two-star rated restaurants in the region, and Fiola, one of 13 one-star rated restaurants in the region. Seven DowntownDC restaurants made Michelin's Bib Gourmand List out of the 39 in the District (18%): China Chilcano, Jaleo, Oyamel, Sfoglina, Succotash, Unconventional Diner and Zaytinya.

## DOWNTOWNDC RESTAURANTS RECEIVED 19 RESTAURANT ASSOCIATION AWARD NOMINATIONS IN 2018

## RESTAURANT CHANGES IN 2018

The number of destination restaurants in DowntownDC declined in 2018. Six restaurants opened and 10 restaurants closed in 2018, resulting in a net decline of four restaurants: 166 in 2017 to 162 in 2018.

The six destination restaurant openings in DowntownDC in 2018 were: Alhambra, American Son, Poca Madre, Scotts, Sushi Nakazawa and Taco Bamba Taqueria. The ten destination restaurant closings were Acadiana, Arroz, Coco Sala, Del Campo, Gordon Biersch, Graffiato's, Ping Pong Dim Sum, Ruth's Chris Steak House, Tadich Grill and 701 Restaurant.



STORES AT  
CITYCENTERDC  
**INCREASED SALES  
BY 15% IN 2018**

## 7 DOWNTOWNDC RESTAURANTS MADE MICHELIN'S BIB GOURMAND LIST OUT OF 39 TOTAL IN THE DISTRICT (18%)



### DOWNTOWNDC DESTINATION RESTAURANTS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Destination Restaurants	126	134	132	137	135	139	145	152	160	166	162
Net Annual Change	10	8	(2)	5	(2)	4	6	7	8	6	(4)
Openings	17	17	4	10	3	10	11	10	9	11	6
Closings	(7)	(9)	(6)	(5)	(5)	(6)	(5)	(3)	(1)	(5)	(10)

Sources: Dochter & Alexander and DowntownDC BID



DowntownDC restaurant market growth was already evident in the first quarter of 2019. As of March 31, 2019, five destination restaurants had opened in DowntownDC, putting the area on track for a total of 14 new destination restaurants to open by the end of the year.

## DOWNTOWNDC BID FORMULATES RETAIL STRATEGY

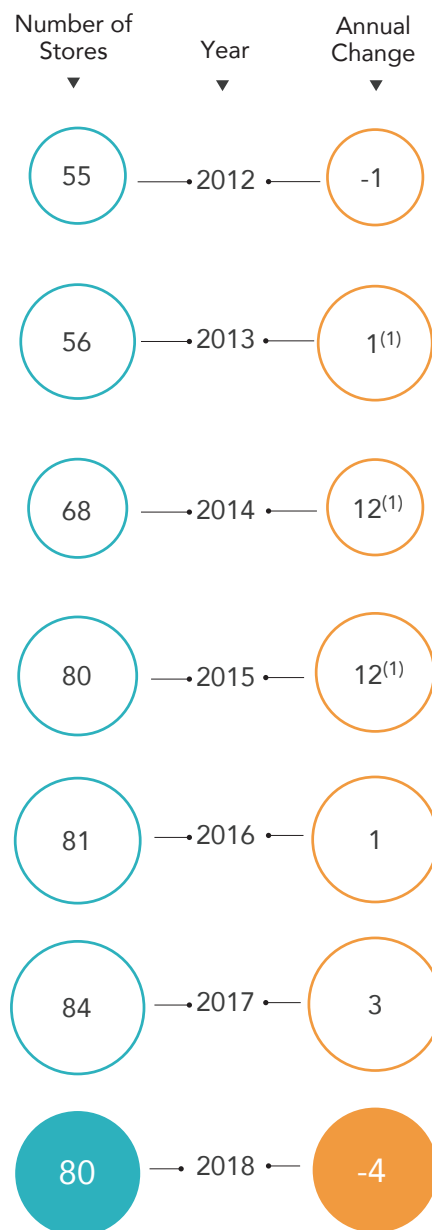
The DowntownDC BID has been working with HR&A Retail Advisors, Dochter & Alexander and DowntownDC stakeholders to craft a comprehensive

DowntownDC Retail Strategy effort to grow DowntownDC shopping from 750,000 SF at the end of 2018 to 1.2 million SF. This growth will secure DowntownDC's position as a regional shopping destination, will support a robust and award-winning restaurant sector and will provide the retail necessary for a robust, mixed-use DowntownDC.

The BID in early 2019 had confirmed sufficient demand for more shopping in DowntownDC and had budgeted resources for a three-year Retail Strategy effort, including the hiring of a Retail Strategy Manager to lead this effort.



## DOWNTOWNDC DESTINATION SHOPPING



(1) CityCenterDC stores opened

Source: DowntownDC BID

CITYCENTERDC'S 25  
STORES PRODUCE **OVER**  
**\$5 MILLION PER YEAR**  
**IN SALES TAXES**



DOWNTOWNDC OFFERS  
THREE SOURCES OF  
RETAIL DEMAND:  
VISITORS, RESIDENTS  
AND WORKERS

**3.4 M**  
HOTEL GUESTS

**38,000**

RESIDENTS  
IN AND WITHIN  
1/4 MILE



**190 K**  
DAILY  
WORKERS

DOWNTOWNDC'S  
RETAIL  
VACANCY RATE

INCREASED FROM  
**8.53% IN 2017**

TO  
**9.14%**  
IN 2018



## MEET CHEF JOSÉ ANDRÉS

Internationally-acclaimed, award-winning chef José Andrés got his start in DowntownDC in 1993 at the Spanish restaurant Jaleo in Chinatown. From his beginnings as a 23-year-old resident of the Lansburgh Apartments, Andrés is today the only chef in the world with both a two-star Michelin restaurant and four Bib Gourmands, (and all of which happen to be located in DowntownDC).

Andrés' restaurant group ThinkFoodGroup today operates over 30 restaurants, including six establishments in the DowntownDC BID (barmini, China Chilcano, Jaleo, minibar, Oyamel and Zaytinya). Rotating culinary incubator ThinkFoodLab and José Andrés Catering company also operate out of DowntownDC.

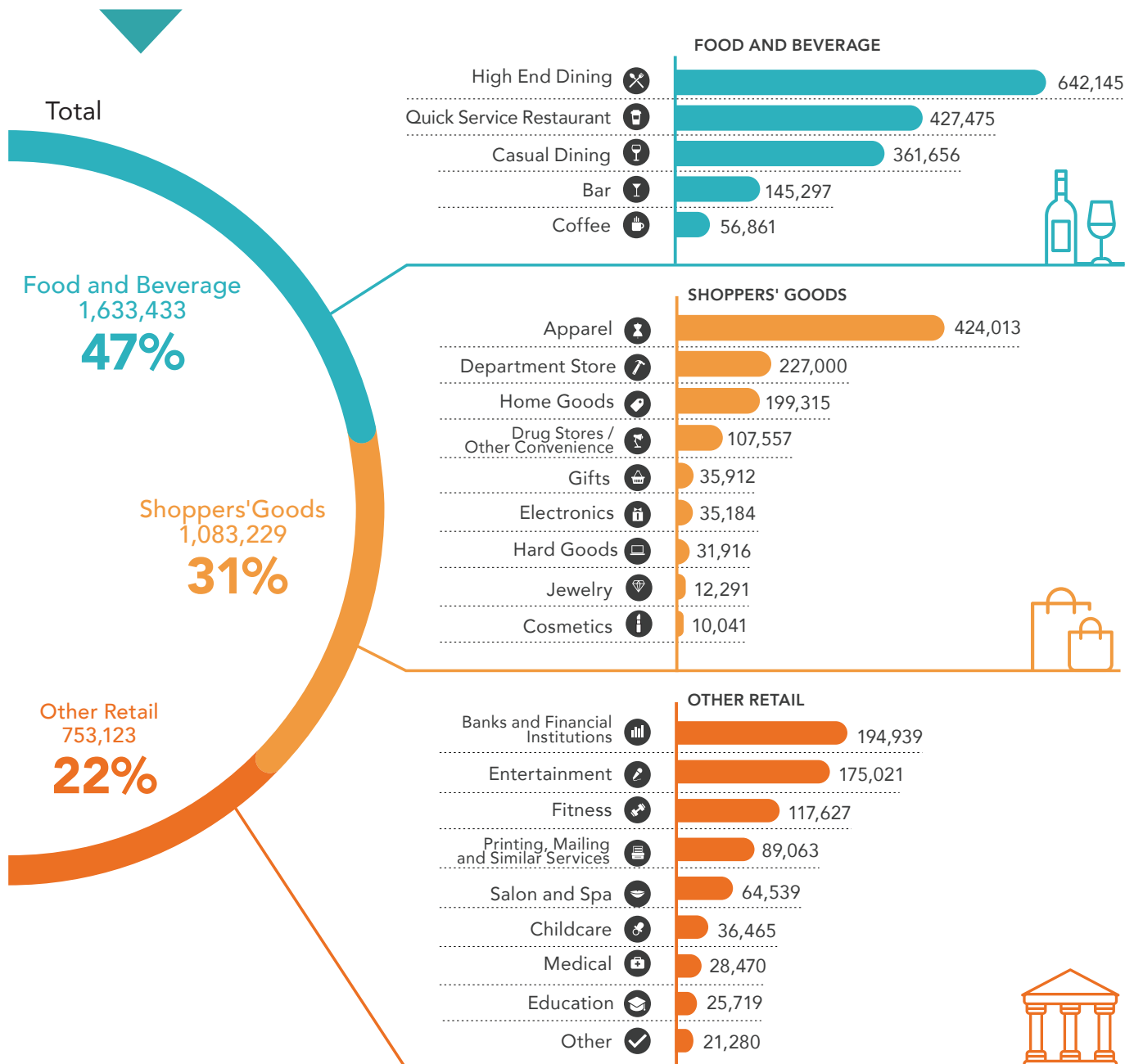
In 2010, Andrés began establishing himself as a humanitarian leader by forming World Central Kitchen (WCK), a non-profit that seeks to end hunger and poverty by using food to empower communities and strengthen economies. WCK has been instrumental in supporting those affected by natural disasters including the 2010 earthquake in Haiti, Hurricane Maria and Hurricane Harvey in 2017, as well as supporting individuals throughout the world through the power of food. Here at home, WCK in 2018 opened a pop-up location in DowntownDC at 701 Pennsylvania Ave NW to feed furloughed federal government workers affected by the longest federal government shutdown in U.S. history. The pop-up served over 12,000 people.

"We can do anything we want [in] downtown. But it should be a place of inclusion, a place of respect. A place where 'we', the people, is bigger than 'I', the person...I know I'm going to be a part of downtown forever and ever," Andrés said in a 2017 video clip for the BID in which he accepted a Momentum Award for being a DowntownDC Pioneer.

# DOWNTOWNDC RETAIL SPACE OVERVIEW

square feet

**Total Possible Retail Space**  
4,752,384



Sources: Dochter & Alexander  
and DowntownDC BID

# DOWNTOWNDC

## LIVING

### STRONG CONDO, FLAT APARTMENT MARKET IN 2018

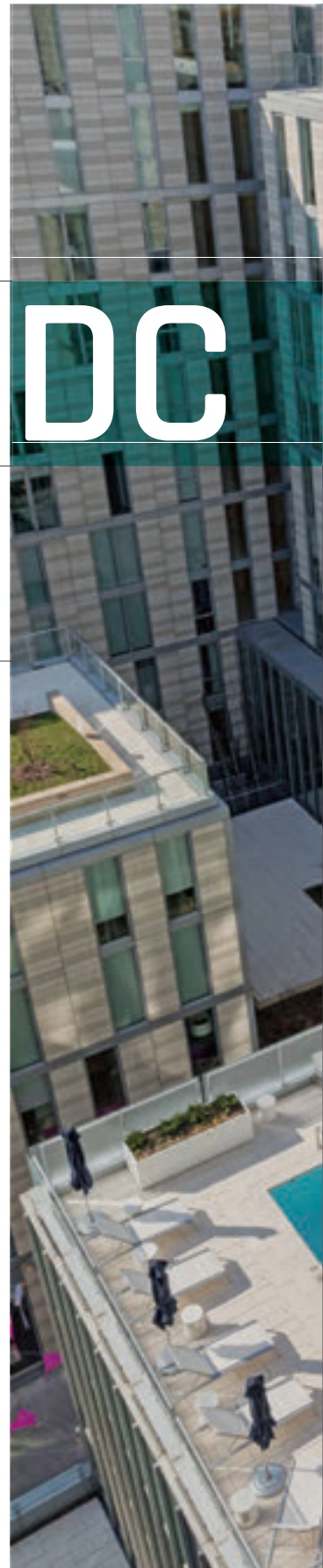
DowntownDC in 2018 remained one of the most successful housing submarkets in the District due to its central location and numerous amenities. The DowntownDC condominium market had a record year in 2018 with the highest recorded number of condo sales and highest condo resale price in DowntownDC's history. The apartment market was less positive. Rents slightly declined in 2018 for the second consecutive year and the vacancy rate remained unchanged.

DowntownDC's well-established residential market is comprised of 6,010 market-rate multifamily units, but that market faces growing competition from emerging District neighborhoods where thousands of new residential units are opening each year. It is important to note that a significant portion of new developments' residents work in DowntownDC.

In 2018, DowntownDC's Class A average apartment rental rent (\$3.16 per SF) dipped below DC's average rate (\$3.17 per SF) for the first time in five years. The DowntownDC rent also dropped from its 2017 rate of \$3.19 per SF. The apartment vacancy rate in DowntownDC remained steady at 5.7%, same as the 2017 rate. The Residences at CityCenter once again had the highest-performing apartments and condos in DowntownDC with apartment rents above \$4 per SF and condo prices above \$1,000 per SF.

### NEW RESIDENTIAL PROJECTS

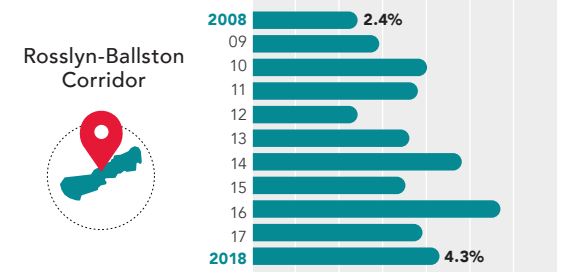
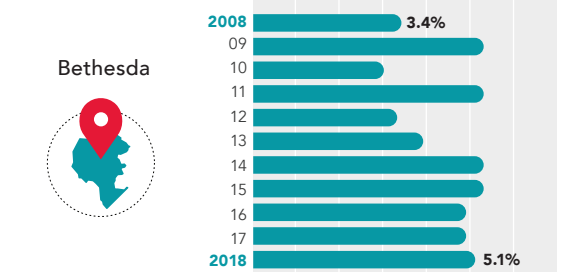
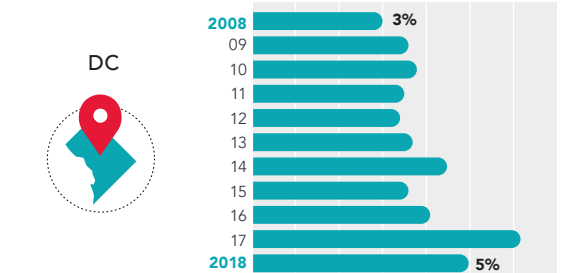
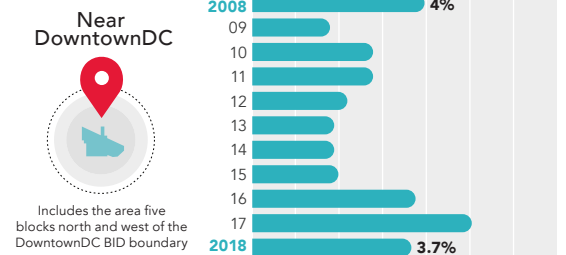
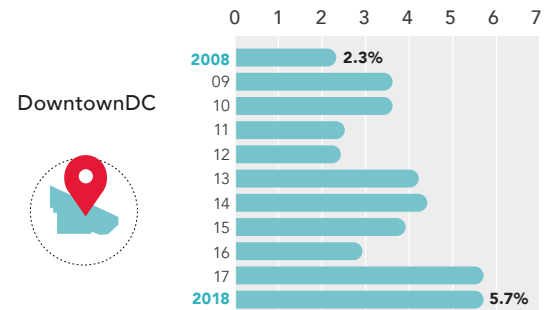
DowntownDC's residential portfolio is set to expand through two announced projects: a 135-unit condo building with ground-level retail developed by Monument Realty in Chinatown, and 80 apartments developed by Renaissance Centro in its Canterbury development that also includes 165 hotel rooms.







## CLASS A APARTMENT VACANCY RATES



Source: Delta Associates

# DOWNTOWNDC'S POPULATION WAS 10,020 WITH ANOTHER 28,089 RESIDENTS WITHIN 1/4 OF A MILE

## EFFECTIVE RESIDENTIAL RENT RATES

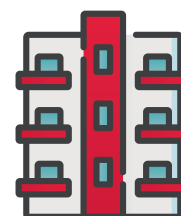
(per SF per month)



(1) Includes the area five blocks north and west of the DowntownDC BID boundary.

Source: Delta Associates

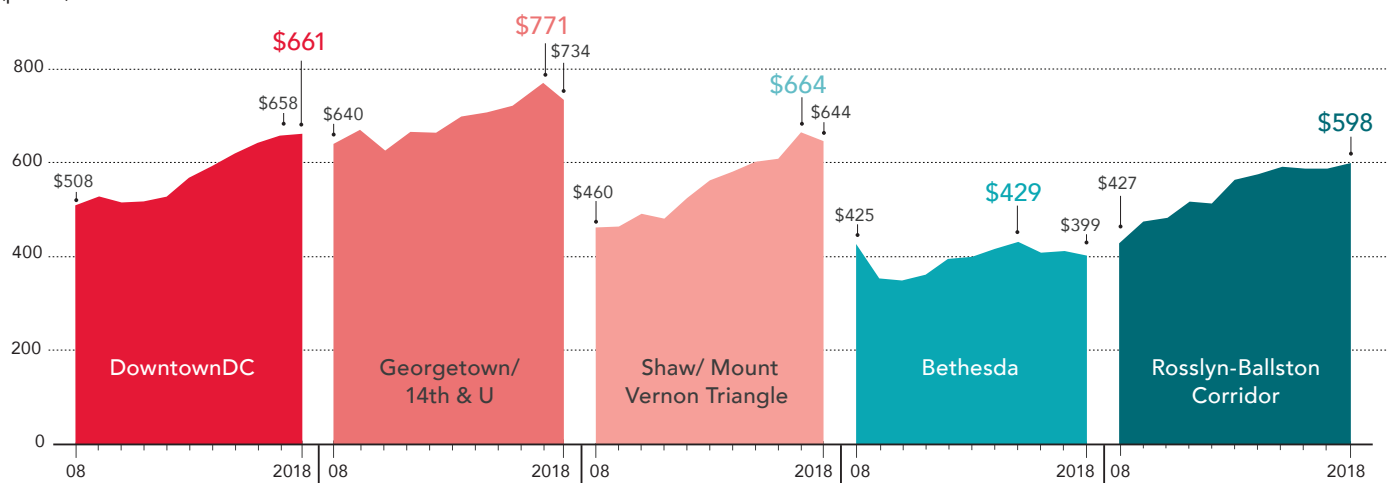
**DOWNTOWNDC'S  
AVERAGE  
APARTMENT  
RENT WAS  
\$3.16 PER SF -  
DOWN FROM  
\$3.19 IN 2017**



**DOWNTOWNDC  
CLASS A RENTS  
WERE BELOW THE  
DC AVERAGE  
FOR THE FIRST  
TIME IN FIVE YEARS**



## REGIONAL CONDO RESALE PRICES (per SF)



Source: The Mayhood Company

## DOWNTOWNDC BID PARTNERS ON OFFICE- TO-RESIDENTIAL CONVERSION PILOT

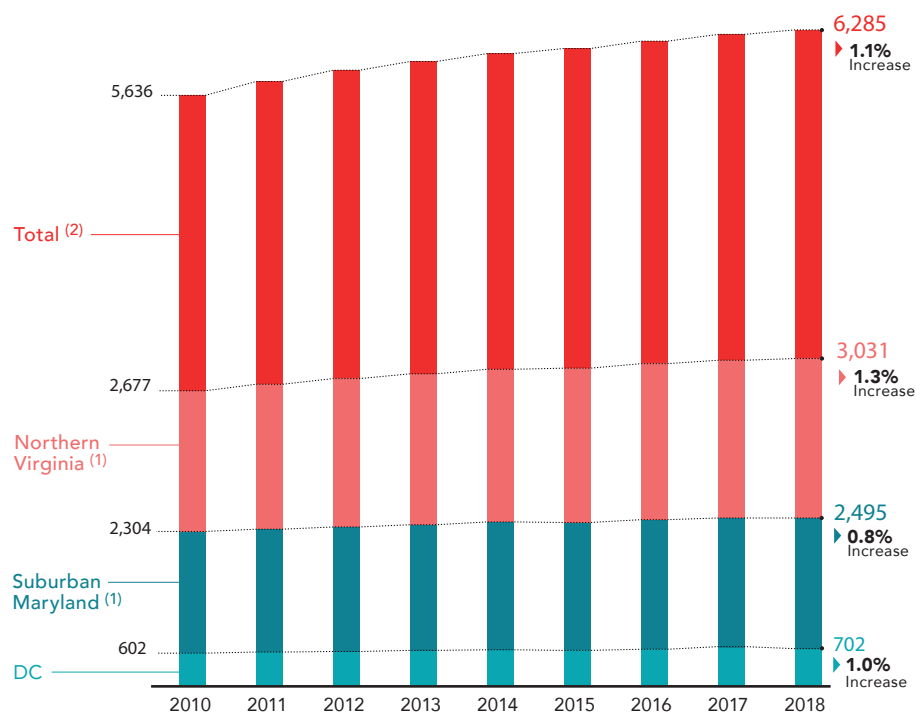
The DowntownDC and Golden Triangle BIDs are collaborating to create a pilot program to incentivize the conversion of older, underused office buildings into residential buildings (up to 400,000 SF total shared between

the two BIDs) by offering ten-year tax abatements of up to \$20 per SF. In the current market, District or Federal government intervention is required to grow DowntownDC's limited housing supply.





## REGIONAL POPULATION



(1) 2018 is an estimate.

(2) Includes Jefferson, WV.

Sources: U.S. Census Bureau; The Stephen S. Fuller Institute at GMU



## DOWNTOWNDC CONDO MARKET

SET RECORDS IN 2018  
FOR NUMBER OF  
**UNITS SOLD**  
AND PRICE PER SF



OF DOWNTOWNDC HOUSING  
OR 541 UNITS WERE  
**AFFORDABLE  
HOUSING**

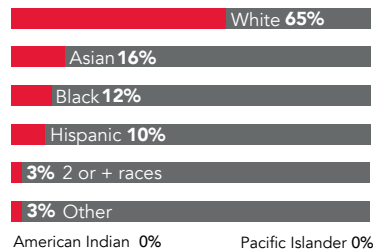
# DOWNTOWNDC AND DC DEMOGRAPHICS 2018

## DOWNTOWNDC<sup>(1)</sup>

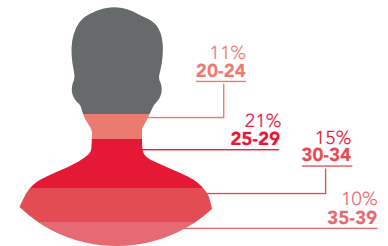
TOTAL POPULATION 10,290



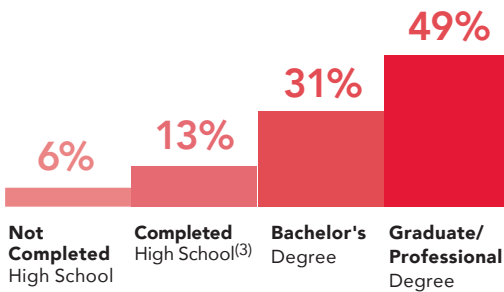
### RACE ▼



### AGE ▼



### EDUCATIONAL ATTAINMENT ▼



### HOUSEHOLD ▼

TOTAL HOUSEHOLDS: 6,273

Average Household Size

1.5

Single Female Heads of Households

3%

20% Owner Occupied

Median Home Value

\$594,499

### HOUSEHOLD INCOME ▼

Average Annual Income \$149,549

Median Income \$113,489

Share of Households With Incomes of \$75,000 or More

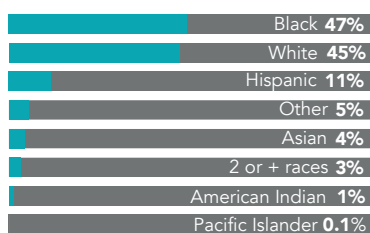
68%

## DC<sup>(1)</sup>

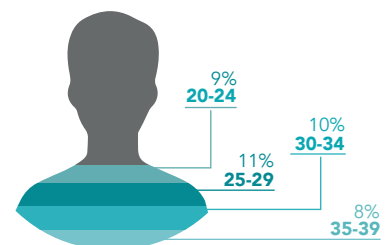
TOTAL POPULATION 702,455<sup>(2)</sup>



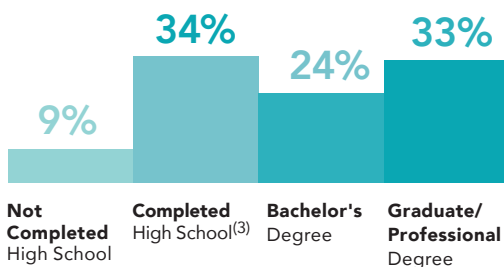
### RACE ▼



### AGE ▼



### EDUCATIONAL ATTAINMENT ▼



### HOUSEHOLD ▼

TOTAL HOUSEHOLDS: 306,738

Average Household Size

2.1

Single Female Heads of Households

16%

37% Owner Occupied

Median Home Value

\$622,516

### HOUSEHOLD INCOME ▼

Average Annual Income \$119,531

Median Income \$77,686

Share of Households With Incomes of \$75,000 or More

51%

(1) ESRI data as of July 2018.

(2) U.S. Census Bureau estimated D.C. population to be 702,455 as of July 1, 2018 an increase of 1% from July 2017.

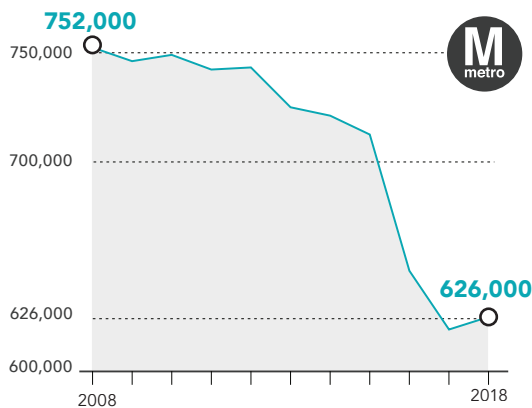
(3) Includes people who have completed some college and Associate Degrees.

# TRANSPORTATION

## TRANSPORTATION ACCESS OFFERS DOWNTOWNDC COMPETITIVE ADVANTAGE

DowntownDC is the center of the region's rail, bus and automobile transportation systems, offering the area a top competitive advantage. DowntownDC is also the region's largest walkable business district, with significant bike infrastructure and access as well as the new addition of electric scooters. DowntownDC has served over the years as a pilot transportation area for bikeshare, the DC Circulator, bus shelter maps, pedestrian countdown signals, the extension of Metrorail late-night service hours to support the new Walter E. Washington Convention Center and the District's blue wayfinding system and more recently for multimodal value parking in Chinatown.

### DC METRORAIL TOTAL ANNUAL SYSTEM RIDERSHIP

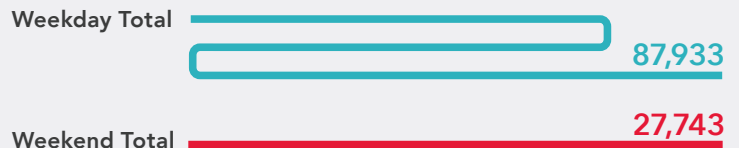
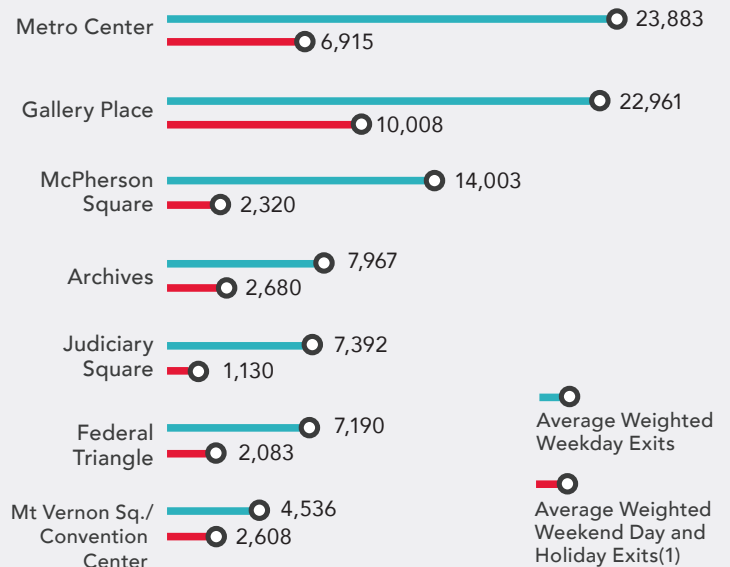


Source: WMATA

## DEDICATED FUNDING FOR METRO

The Washington Metropolitan Area Transit Authority (WMATA) in 2018 hit a major milestone after many years of deliberation: securing dedicated regional funding for Metrorail, an investment of \$500 million per year. The District pledged \$178 million, Maryland contributed \$167 million and Virginia pledged \$154.6 million in annual contributions.

### AVERAGE DAILY METRORAIL EXITS IN DOWNTOWNDC



(1) Weekday holidays are included as either Saturday or Sunday exits.

Source: WMATA





THE DC REGION  
SECURED

**\$500 M**

IN DEDICATED  
REGIONAL FUNDING  
FOR METRORAIL

This funding was necessary to sustain the area's largest public transit system into the future and cover costs related to deferred maintenance and repair work that threatens to further debilitate the system.

As the heart of the District and home to seven Metrorail stations, Metro and its performance and reliability remains crucial to the economic health of DowntownDC, including DowntownDC's office market (nearly a third of the jobs in the District), residential market and the culture and entertainment sector. Even with dedicated funding, Metro's future remained unclear in the face of growing competition from ride-hailing companies and maintenance and repair requirements to safely operate an aging system. To fulfill the system's potential, Metro must translate dedicated funding into improved service for riders.

## METROBUS RIDERSHIP CHALLENGES

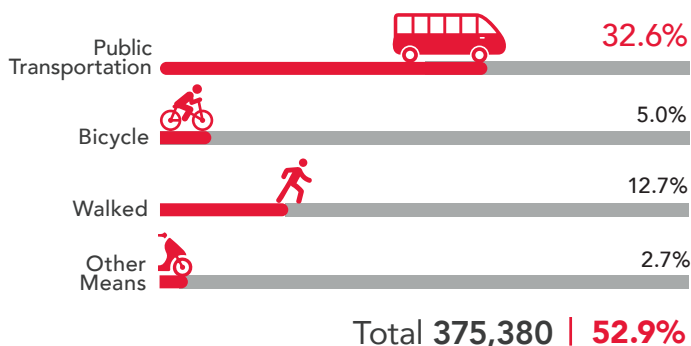
DowntownDC's seven Metrorail stations served a combined average of 87,933 passengers each weekday in 2018, maintaining the area's role as the District's major commuting hub, but down from 89,732 passengers in 2017. DowntownDC was home to two of the top three busiest Metrorail stations in 2018: Metro Center and Gallery Place-Chinatown. On weekends in 2018, when track maintenance was more frequent,



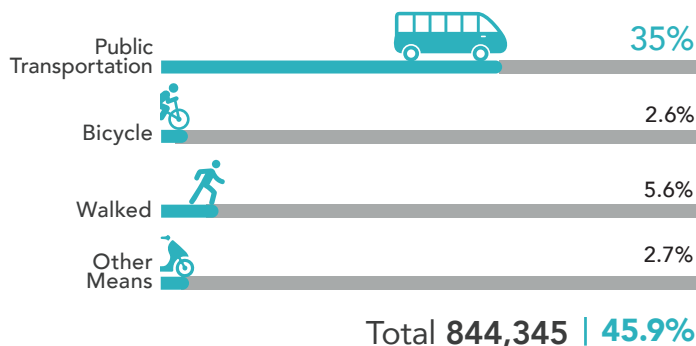
**87,933 PASSENGERS WERE SERVED EACH WEEKDAY BY DOWNTOWNDC'S 7 METRORAIL STATIONS**

## DC AND REGIONAL NON-AUTO COMMUTING SHARE

### DC Residents Commuting to Work



### Workers from Anywhere Commuting to Jobs in DC



Source: American Community Survey





Metrorail ridership in DowntownDC decreased to a daily average of 27,743 passengers, down from 28,760.

Metrorail's total system ridership rose slightly in May 2018 after years of decline following the SafeTrack maintenance and repair program. Average weekday ridership rose from 620,000 passengers in 2017 to 626,000 passengers in 2018. It is important to note that Metrorail reports its annual ridership based on ridership in May of each year. 2018 ridership, though up, was still 126,000 rides below Metrorail's 2008 peak of 752,000 average weekday passengers.

There were signs in 2018 that Metrorail's recent maintenance

efforts have been beneficial: Metrorail did achieve its highest on-time performance in more than seven years in September 2018, when more than 90% of 13.1 million passenger trips arrived on-time.

## METRO RAIL LATE-NIGHT SERVICE HOURS

The District representatives on WMATA's board of directors advocated for the modest return of some late-night Metrorail operating hours to be included in WMATA's upcoming budget. But, they were strongly opposed by WMATA management, federal

agencies, as well as board members from Maryland and Virginia. The DowntownDC BID continues to strongly support the addition of late-night service to offer workers who support the late-night economy affordable and convenient transit at the end of their workday. Additionally, late-night service supports increased revenue in DowntownDC restaurants, bars and entertainment venues as well as retailers and entertainment venues across the District.

WMATA already operates the fewest hours of service per week of any U.S. subway system. WMATA claims they need time for track maintenance, but elsewhere in the world, transit systems operate more hours of



service while still completing their preventative maintenance tasks. Similarly, peer cities offer robust 'night owl' bus networks in lieu of rail service. WMATA could do the same while they improve their track work efficiency, supporting the District's late-night economy.

## DOWNTOWNDC EARNED A

**99** WALK-  
SCORE

## DC CIRCULATOR SUPPORTS LATE-NIGHT ECONOMY; ADDS BATTERY-ELECTRIC FLEET

DowntownDC in 2018 continued to be a hub for a majority of the DC Circulator's routes, including its two most profitable routes (Georgetown to Union Station and Woodley Park/Adams Morgan/McPherson Square Metro). The DC Circulator continued to serve DowntownDC's late-night economy by providing late-night transportation. The Georgetown to Union Station route remained operational through midnight on weekdays and Sundays and to 3am on Fridays and Saturdays.

The District in 2018 also added 14 new, 100% battery-electric buses, the largest electric fleet on the East Coast.

## METROBUS USE DECLINES

Metrobus ridership in the city in 2018 declined 2.7% as Metrobus faced competition from many of the same service alternatives competing with Metrorail. Metrobus' popularity is affected by the infrequency of buses on many routes and increased congestion on the roads, slowing buses and preventing them from executing their routes on time. In response to this and other challenges, Mayor Muriel Bowser announced dedicated funding to create reserved bus lanes within the District, including a dedicated bus lane pilot project on H and I streets NW, from Pennsylvania Avenue to New York Avenue.

**DOWNTOWNDC ACCOUNTED  
FOR 18% OF ALL CAPITAL  
BIKESHARE ARRIVALS**



## SCOOTERS AND BIKES EXPAND IN THE DISTRICT

The District in 2018 was named a “Gold” Bike Friendly Community by the League of American Bicyclists and DowntownDC accounted for 18% of all Capital Bikeshare arrivals in DC in 2018. DC expanded its number of Capital Bikeshare by 36 stations in 2018.

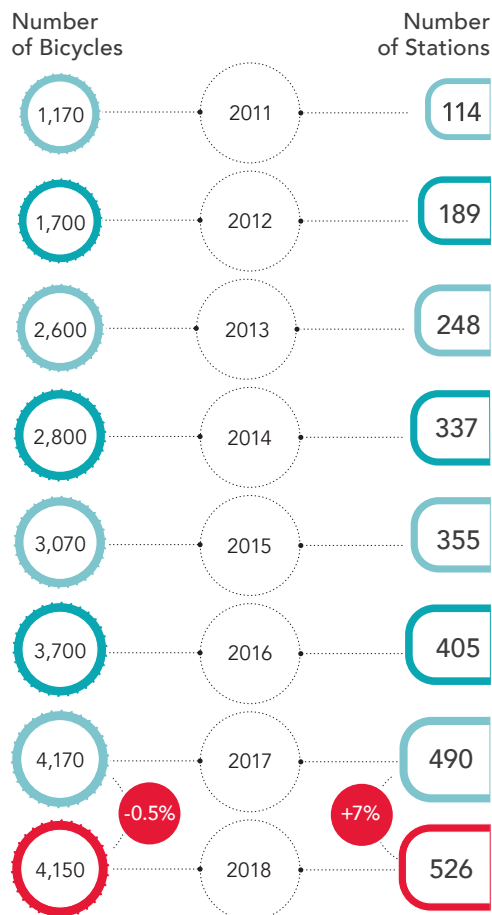
In addition to an influx of new electric scooter providers in DC in 2018, the District raised limits on the number of dockless scooters and bikes that each approved company could maintain in the city (from 400 vehicles in 2017 to 600 vehicles in 2018). Dockless vehicle operators were also offered the potential to increase their fleets of bikes or scooters at the end of each quarter. At least 11 new scooter and dockless bike companies applied to operate in DC in 2018 and two companies ended operations.

## NON-AUTO TRANSPORTATION THRIVES IN DOWNTOWNDC

DowntownDC’s accessibility remained one of the community’s greatest assets and continued to be supported and enhanced by the DowntownDC BID in 2018. DowntownDC secured a 100 Mobility Score (gauged by how easy it is to get around) by TransitScreen and a 99 Walkscore in 2018.

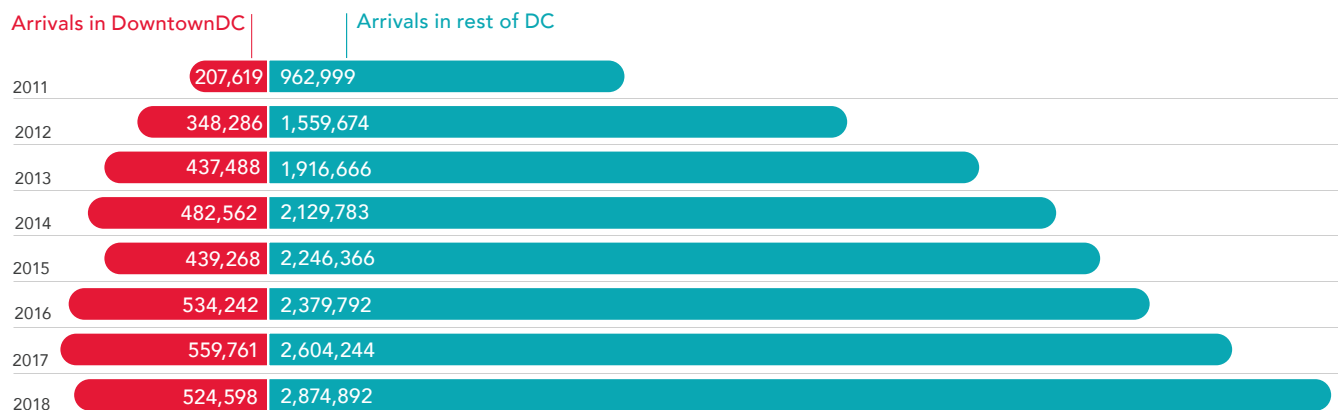
In 2017, the most recent data available from the American Community Survey, 35% of DC employees opted for public transportation to get them to work, while 33% of DC residents chose public transportation to commute to work as Metro’s performance rose. That same year, 13% of DC residents chose to walk to work, while 5% biked.

## REGIONAL CAPITAL BIKESHARE SYSTEM DATA



Sources: Capital Bikeshare and DowntownDC BID

## CAPITAL BIKESHARE ARRIVALS IN DOWNTOWNDC AND DC



Sources: Capital Bikeshare and DowntownDC BID

# DOWNTOWNDC

## AT A GLANCE

### DOWNTOWN DAY SERVICES CENTER PROVIDES HOMELESS RESOURCES

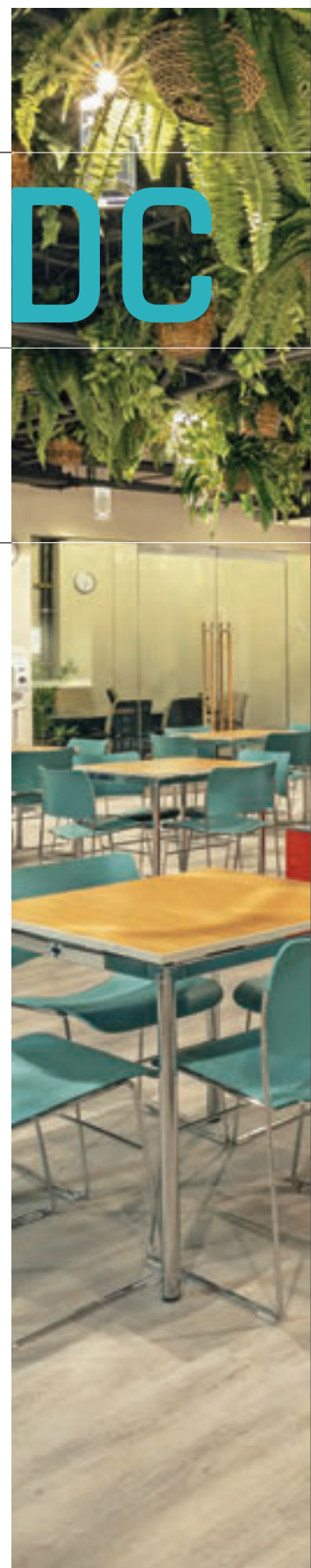
Individuals experiencing homelessness in DowntownDC gained a centrally-located single-access point for services at the new Downtown Day Services Center ("The Center"), which opened in February 2019 at the New York Avenue Presbyterian Church. The DC Department of Human Services (DHS) in 2018 awarded a \$1.7 million grant to the BID to design, build and operate The Center, where services are offered by Pathways to Housing DC, HIPS, District agencies and a range of other public and private partners.

Resources and services offered at The Center include: food and beverages, restrooms, showers, laundry facilities, housing services, non-driver identification, employment assistance, case management, legal services, healthcare and more, all with a central goal of moving individuals into permanent supportive housing utilizing the Housing First model. The Center is open from 9am-5pm Monday-Friday, when most area shelters are closed. Within a

few weeks of opening, The Center was serving over 100 guests per day, above its daily goal for support offered and additional services and partnerships were being explored to further augment the available resources.

The Center helps the BID to fulfill its longstanding commitment to support all members of the DowntownDC community. For years, the BID has contracted with Pathways to Housing DC for street outreach services to support individuals experiencing homelessness and SAM ambassadors are trained to support the homeless and connect them with resources.

According to the city's annual point in time count in January 2018, 82 individuals were unsheltered in DowntownDC on the night of the count, representing 1.2% of the city's homeless population on that evening. The BID in 2018 began conducting its own monthly counts of unsheltered individuals on the last Thursday of each month and found that the unsheltered population in DowntownDC ranged from a low of 72 people in March to a high of 165 in July.







**THE THE DC  
DEPARTMENT OF  
HUMAN SERVICES  
(DHS) IN 2018  
AWARDED A \$1.7  
MILLION GRANT  
TO THE BID TO  
CONSTRUCT, OPEN  
AND OPERATE  
THE CENTER**

## DOWNTOWNDC

Item & Location

### MAJOR BEAUTIFICATION PROJECTS



**2**

**FREEDOM  
PLAZA  
HERALD  
SQUARE**

**HANGING  
BASKETS**  
**180** THROU-  
GHOUT  
THE BID



**LANDSCAPED PLANTERS**  
**202** ALONG PENNSYLVANIA  
AVENUE

### BISTRO CHAIRS



**89** Franklin Park

**30** Indiana Plaza

**20** Federal Trade  
Commission  
headquarters

**19** Chinatown Park

**15** Herald Square

### BISTRO TABLES



**24** Franklin Park

**7** Indiana Plaza

**6** Federal Trade  
Commission  
headquarters

**5** Chinatown Park

**4** Herald Square



## LANDLORD FUND BECOMES FULLY CAPITALIZED

The DowntownDC BID in 2018 also helped individuals experiencing homelessness through housing support in the District by assisting to fully capitalize the District's \$500,000 Landlord Partnership Fund, thanks to generous contributions from many stakeholders as well as a significant grant from JPMorgan Chase. The fund, first announced by Mayor Muriel Bowser in Oct. 2017, covers certain costs for landlords who lease to individuals whose rent is subsidized by the city. The fund is designed to encourage landlords to relax screening criteria and ultimately increase housing options for individuals experiencing homelessness in the District.

**DOWNTOWNDC  
IS HOME TO  
1,882 TABLES  
+ 5,056 CHAIRS  
AT 179 SIDEWALK  
CAFES AS OF  
JUNE 2018**

The BID spearheaded the effort to capitalize the fund, which is managed and administered by the Coalition for Non-Profit Housing and Economic Development (CNHED).

## BID REINVIGORATES DOWNTOWNDC FOUNDATION

In an effort to fully support the philanthropic work of the DowntownDC BID, in 2017 the BID began investing in formalizing the BID's 501(c)3 foundation, establishing its mission and path forward. In 2018, the BID kicked off the new foundation, through the efforts of a development consultant and a new board of directors. The foundation's primary focus is to support the redevelopment of Franklin Park, the Downtown Day Services Center, public space improvements in DowntownDC and other related efforts, all of which serve to enhance the DowntownDC BID, support the community and increase value.



## FRANKLIN PARK REDEVELOPMENT ADVANCES

Franklin Park's redevelopment hit major milestones with the awarding of the design and engineering contract in March to Studios Architecture and Land Collective and the signing into federal law of legislation that enables the District to enter into cooperative management agreements with the National Park Service (NPS). Franklin Park, a nearly 5-acre NPS-owned park on K Street NW, is expected to break ground in the fall of 2019 and undergo a significant renovation by the District Department of General Services to become a flexible, vibrant and programmed 21st century park. Upon the park's reopening, the DowntownDC BID will operate and manage the park.

## BID PROGRAMS AND BEAUTIFIES PARKS AND PUBLIC SPACES

The BID has been hosting free programming in Franklin Park and other public spaces in DowntownDC in an effort to increase vibrancy and community in parks and plazas throughout the BID. In 2018, the BID hosted DowntownDC Live concerts in Franklin Park as well as Co-Working with Comcast, Can I Kick It: DowntownDC Summer Flicks offered free martial arts movies set to live hip-hop on Freedom Plaza, Children's Story Hour and Chinatown Block Party were hosted in Chinatown Park and other event programming was offered for the community.

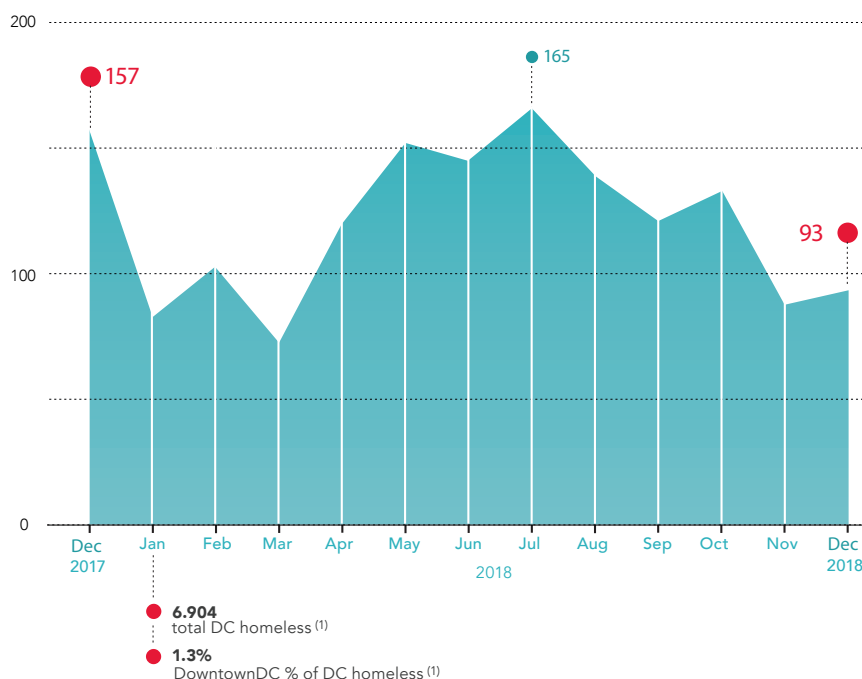
The BID in 2018 began offering red tables and chairs in Indiana Plaza

as part of a partnership with the Indiana Society, adding seating to existing offerings outside of the Federal Trade Commission, at Herald Square and in Franklin and Chinatown Parks.

The BID also repaired 2,132 bricks in 154 locations, mostly in the Chinatown and Gallery Place areas and completed landscaping duties, beautifying Freedom Plaza and Pennsylvania Avenue planters through a partnership with the US General Services Administration and the National Park Service, beautified treeboxes in Chinatown under the Friendship Archway, and installed hanging flower baskets throughout the BID. The BID in 2018 also offered a total of 173 red bistro chairs and 46 tables in parks and plazas throughout DowntownDC.



### UNSHELTERED INDIVIDUALS IN DOWNTOWNDC # COUNTED IN BID



(1) The Metropolitan Washington Council of Government's (MWCOG) report on D.C. homelessness.

Source: DowntownDC BID and MWCOG



## BID ADDRESSES DISORDER WITH CHINATOWN STAKEHOLDERS AND OTHERS

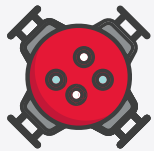
In an effort to pool collective resources and support around mitigating disorder, the BID held Gallery Place and East End stakeholders meetings in 2018, focusing on two areas that have experienced increases in crime.

Overall, crime in DowntownDC was slightly up in 2018 with a 4% increase in total reported crime incidents. This followed the same trend for the District, which experienced a 2% citywide increase in reported crimes. In DowntownDC in 2018, there were 1,168 reported incidents of theft, a slight decrease from 1,179 in 2017. There were three reported homicides in DowntownDC in 2018 (157 in the District total), 78 robberies (out of 2,017 in the District) and 44 assaults with a dangerous weapon (out of 1,657 in the District), all representing increases in reported incidents in DowntownDC over 2017 figures. Incidents of stolen auto in DowntownDC decreased from 73 in 2017 to 56 in 2018.

THE BID CONVENED  
GALLERY PLACE AND  
EAST END STAKEHOLDERS  
MEETINGS IN 2018,  
FOCUSING ON TWO AREAS  
THAT HAVE EXPERIENCED  
INCREASES IN DISORDER



IN 2018, THE BID UNVEILED THE  
**DOWNTOWNDC FOUNDATION TO SUPPORT THE  
ORGANIZATION'S PHILANTHROPIC EFFORTS**



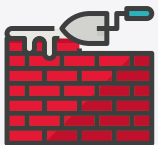
THE BID IN  
2018 BEGAN  
OFFERING

**RED TABLES AND CHAIRS  
IN INDIANA PLAZA**

THE DOWNTOWN DAY  
SERVICES CENTER SERVES  
MORE THAN

**100 GUESTS  
PER DAY**

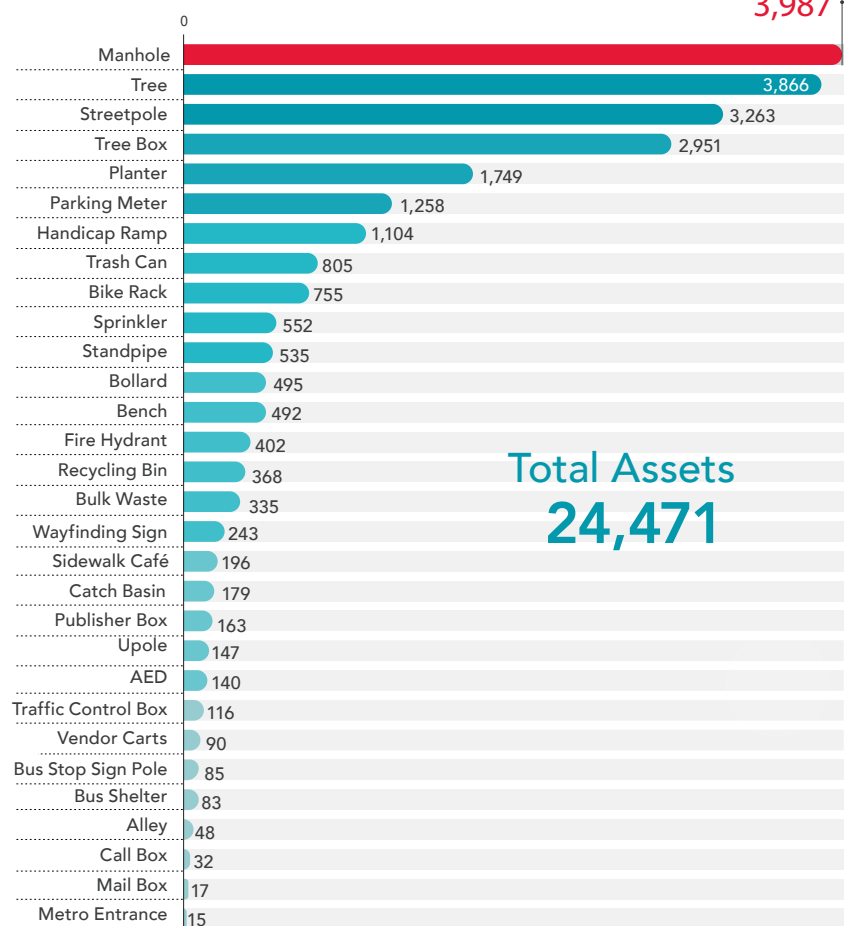
**DOWNTOWNDC  
REPAIRED**



**2,132  
BRICKS**

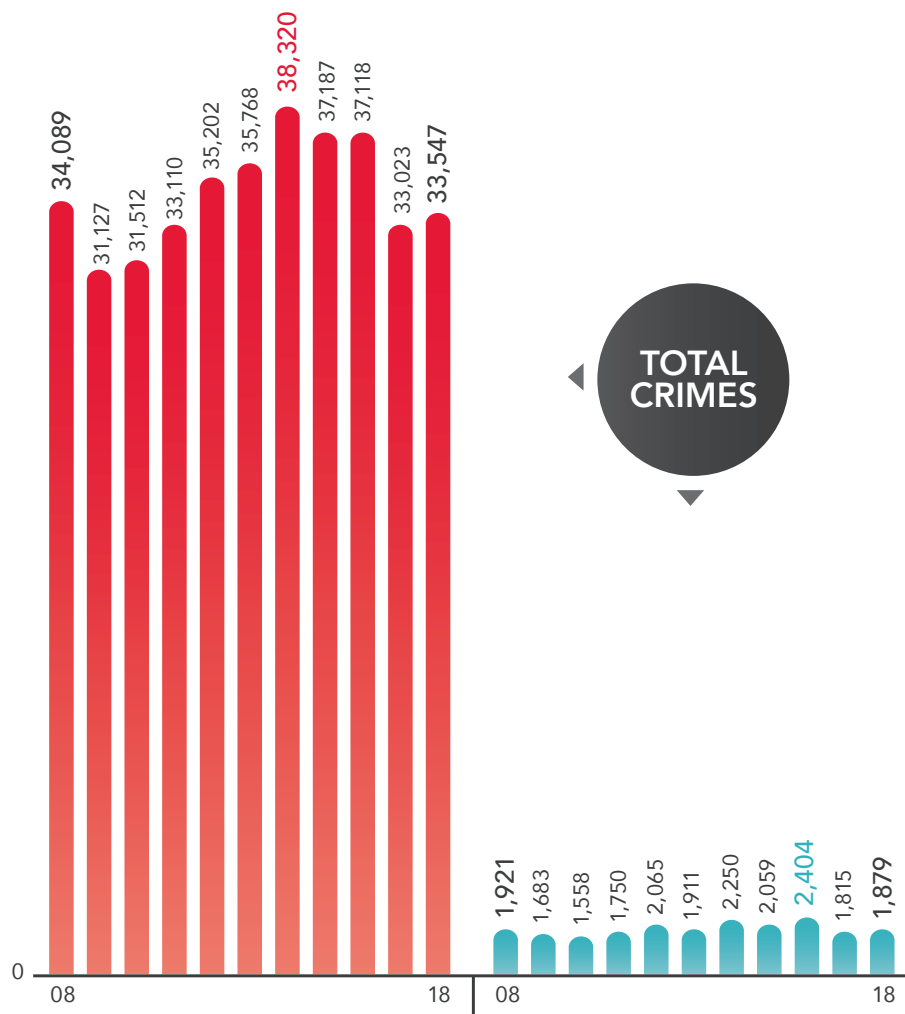
IN 154 LOCATIONS

#### ASSETS IN DOWNTOWNDC

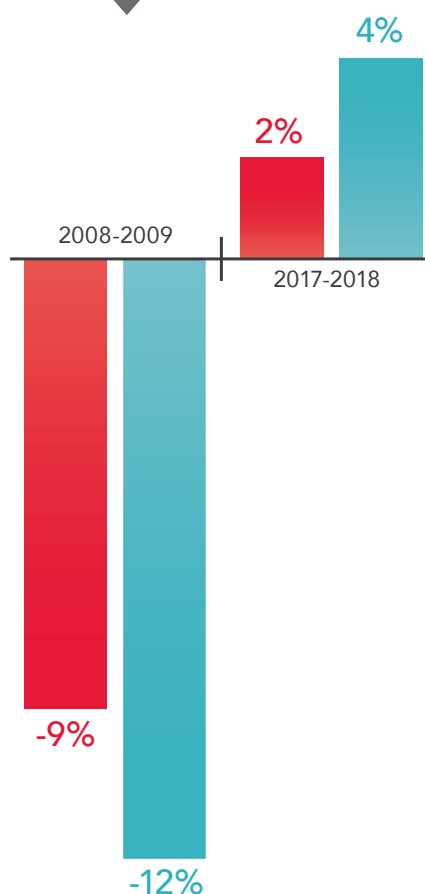


# ANNUAL REPORTED CRIME INCIDENTS IN THE DOWNTOWNDC BID AND DC

DC | DOWNTOWNDC

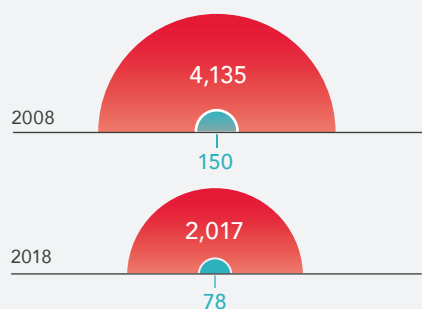


% CHANGE FROM  
PREVIOUS YEAR

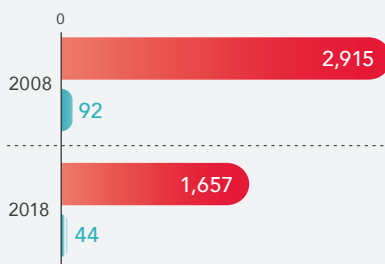


● DC ● DowntownDC

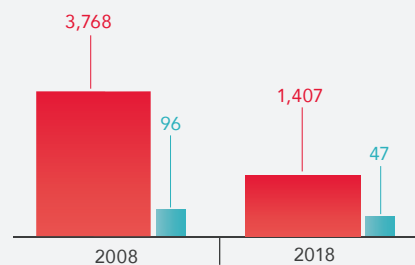
## ROBBERY



## ASSAULT WITH WEAPON



## BURGLARY



Source: Metropolitan Police Department and DowntownDC BID





The BID has been hosting free programming in Franklin Park and other public spaces in DowntownDC in an effort to increase vibrancy and community in parks and plazas throughout the BID

# 154

**PUBLIC SPACES  
WERE REPAIRED  
AND BEAUTIFIED FOR  
THE COMMUNITY**

## THE DOWNTOWNDC BID THANKS THE FOLLOWING FOR THEIR CONTRIBUTIONS TO THIS REPORT:

Carr Properties

CBRE Group, Inc.\*

Center for Regional Analysis,  
George Mason University

CityCenterDC

Clyde's Restaurant Group

CoStar Group, Inc.

Cushman & Wakefield\*

DC Office of the Chief Financial  
Officer

DC Public Library\*

Delta Associates

Destination DC

District Department of  
Transportation

Dochter & Alexander Retail  
Advisors

Eaton Hotel\*

ESRI

Events DC\*

Ford's Theatre\*

General Services Administration

Hines

International Spy Museum

JBG Smith

Jones Lang LaSalle

The Mayhoo Company

Lincoln Property Company\*

Metropolitan Police Department  
of DC

Metropolitan Washington Council  
of Governments

Monumental Sports &  
Entertainment\*

US National Archives

National Building Museum\*

National Capital Planning Commission

National Gallery of Art

National Law Enforcement Museum

National Law Enforcement Officers  
Memorial

National Museum of Women in  
the Arts

US National Park Service

National Portrait Gallery\*

National Theatre

Naval Heritage Center

Oxford Properties

Property Group Partners\*

Real Capital Analytics

Recity

The Residences at CityCenter\*

Shakespeare Theatre Company\*

Sixth & I Historic Synagogue

Smith Travel Research

Smithsonian Institution

Stephen S. Fuller Institute

US Bureau of Labor Statistics

US Census Bureau

US Department of Commerce,  
Office of Travel and Tourism  
Industries

US General Services Administration

US Holocaust Memorial Museum

Washington Metropolitan Area  
Transit Authority

Washington DC Economic  
Partnership

Woolly Mammoth Theatre

Special thanks to organizations  
that provided photos or  
renderings, indicated with an  
asterisk (\*).

