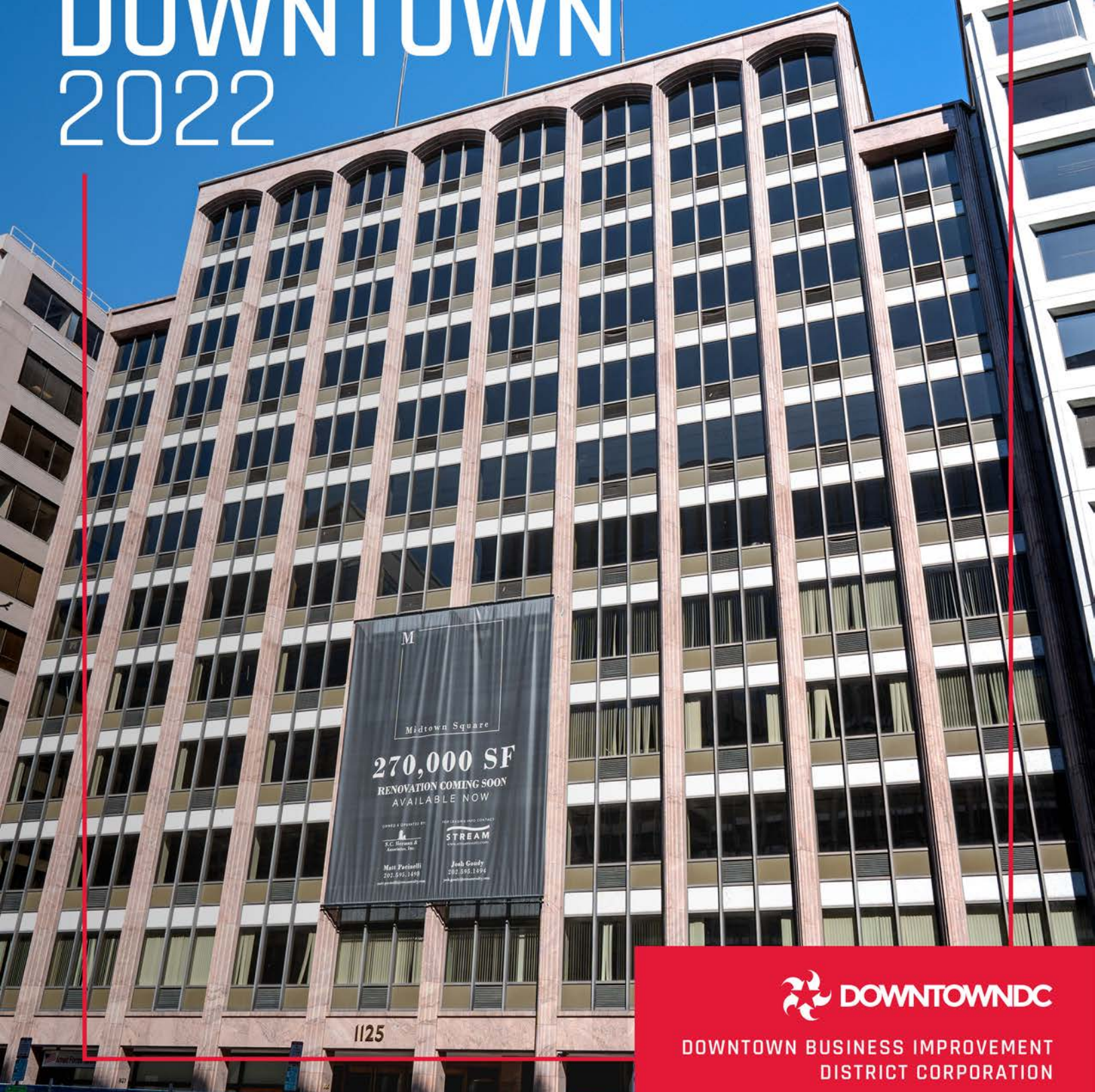


# STATE OF DOWNTOWN 2022



M  
Midtown Square  
**270,000 SF**  
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**DOWNTOWNDC**  
DOWNTOWN BUSINESS IMPROVEMENT  
DISTRICT CORPORATION



## **DOWNTOWNDC**

**DOWNTOWNDC CONTINUED AS ONE OF THE LARGEST ECONOMIC HUBS IN THE WASHINGTON REGION, WITH ITS ECONOMIC ACTIVITY REBOUNDED IN 2022 AND THE FIRST MONTHS OF 2023.**

AS OF SPRING 2023, THE ECONOMIC ACTIVITY IN DOWNTOWNDC AS A PERCENTAGE OF PRE-PANDEMIC LEVELS WAS VARIED:

• <b>OVERALL ECONOMIC ACTIVITY</b>	<b>65%</b>
• DEVELOPMENT STARTS (6/22-5/23)	20%
• OFFICE WORKERS IN OFFICE	41%
• METRORAIL RIDERSHIP – WEEKDAYS	45%
• PEOPLE IN DOWNTOWN	58%
• OFFICE FOOD & BEVERAGE	67%
• SHOPPING – EVERYDAY GOODS	67%
• METRORAIL RIDERSHIP – WEEKENDS	68%
• CULTURE ATTENDANCE	75%
• CONVENTION CENTER ATTENDANCE	80%
• TOURISM – ALL OF D.C.	86%
• HOTEL OCCUPANCY	93%
• ENTERTAINMENT ATTENDANCE	95%
• EMPLOYMENT	96%
• HOUSING – APARTMENTS	101%
• HOUSING – CONDOS	103%
• DINING – DESTINATION RESTAURANTS	108%
• SHOPPING – LUXURY	130%

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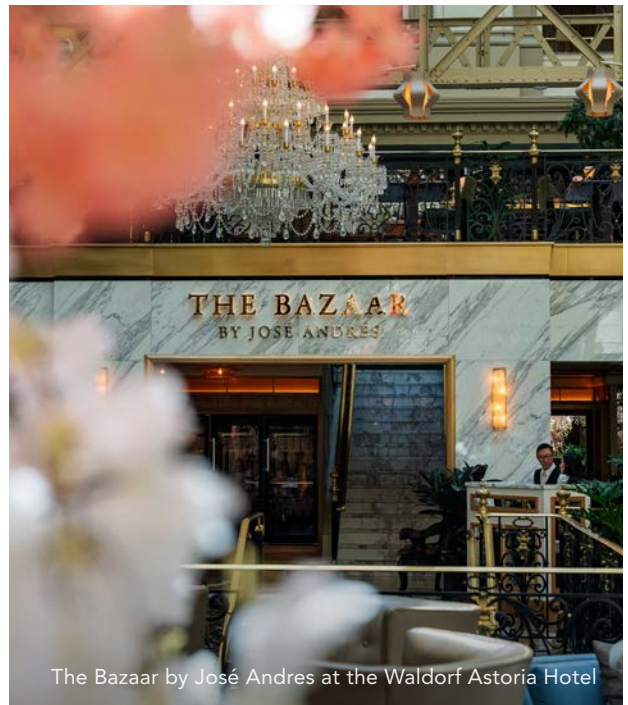
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Nordstrom Rack in DowntownDC



The Bazaar by José Andres at the Waldorf Astoria Hotel

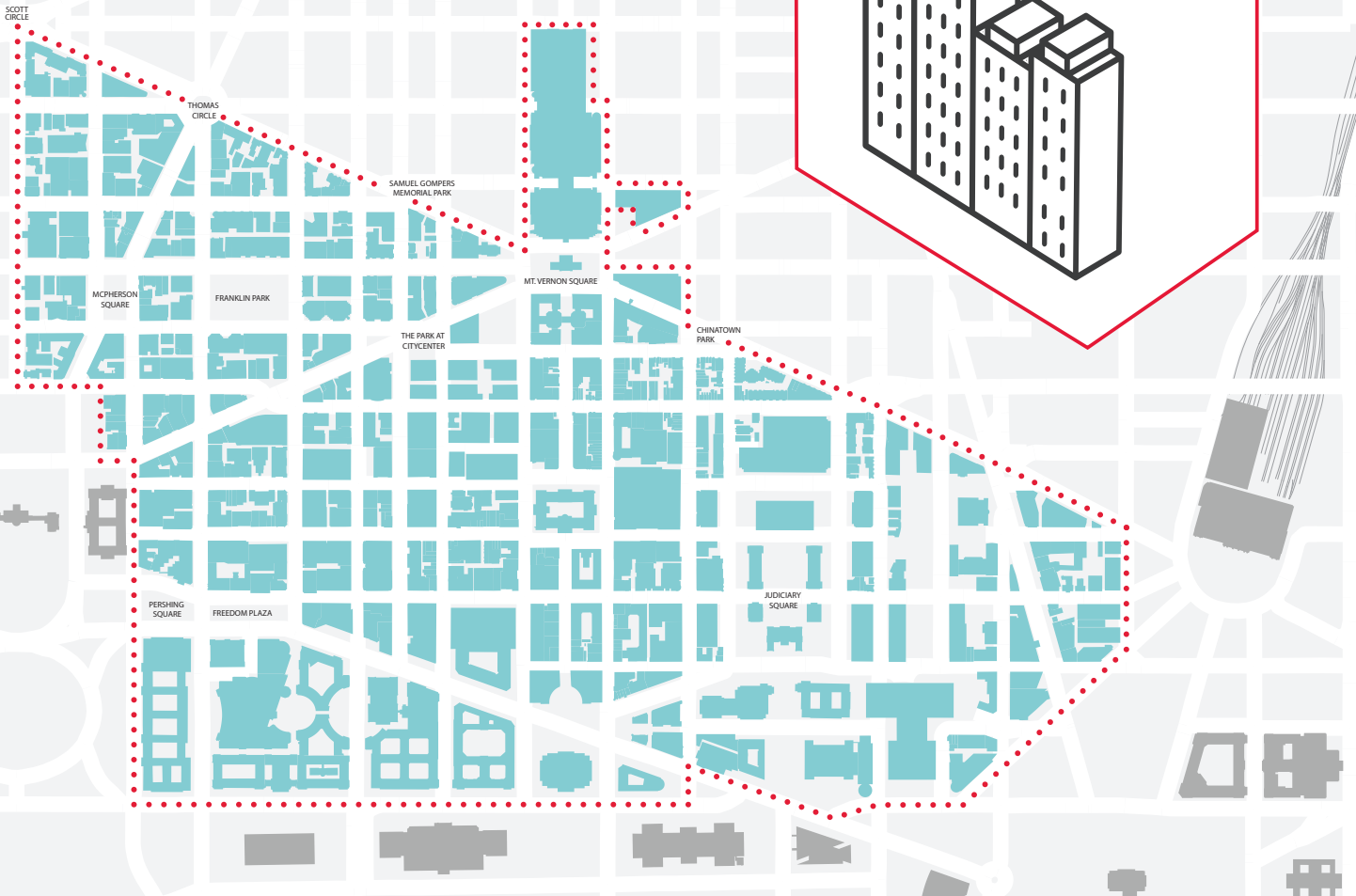
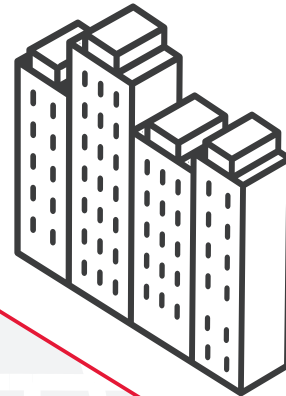
# ABOUT THE BID

**1 SQUARE MILE**

**138 BLOCK AREA**

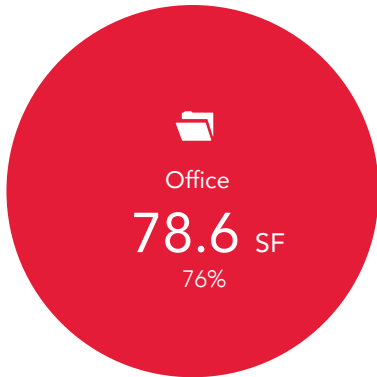
The Downtown Business Improvement District was founded in 1997 and is a private non-profit organization. This special district, where property owners have agreed to tax themselves to fund services, encompasses a 138-block area of properties from Massachusetts Avenue on the north, including the Walter E. Washington Convention Center at Mount Vernon Square, to Constitution Avenue on the south, and from Louisiana Avenue on the east to 16th Street on the west.

**528  
PROPERTIES  
TOTALING  
103 MM SF**



## MIX OF USES IN DOWNTOWN (a)

in millions of square feet (SF)



(a) Includes space under construction




# LETTER

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

### Dear DowntownDC BID Member,

The DowntownDC Business Improvement District (BID) area faced many challenges in 2022 that it is still grappling with as of spring 2023. However, several seeds of optimism have been planted for downtown's reimagination and recovery. With the partnership of the DowntownDC private sector as well as the District and federal governments, the BID sees a bright future. It will take change and funding to make this future a reality but the city's downtown can become a resilient economic engine that is diverse, equitable, and welcoming to D.C. residents from all walks of life, businesses, and visitors. And, most important, downtown can restore its tax base to pre-pandemic levels.



**PANDEMIC AND POST-PANDEMIC STAGES OF DOWNTOWNDC ECONOMY**

- **Relief** 3/2019-2/2022
- **Recovery** 3/2021-12/2024
- **Reimagination** 1/2023-12/2027+

2022 opened with the Omicron variant flare-up, with COVID-19 cases suddenly increasing and economic activity in DowntownDC plummeting, including the cancelation of several theater performances and productions. Health uncertainty skyrocketed. By March 2022, the Omicron health uncertainty had dropped substantially, but other concerns had appeared or remained: Russia's invasion of Ukraine, historic rises in inflation, Metrorail issues, the impact of proposed street projects, the impact of increased office energy efficiency issues, and the long-term impact of remote work (in particular, on the federal government workforce). In early 2023, concerns about crime and congestion

reached new highs. Next, concerns about the safety of regional banks for depositors caused liquidity and valuation issues for commercial real estate, particularly downtown office buildings. When all these issues combined with a reduction in District revenue projections, the economic uncertainty in DowntownDC reached a 25-year high.

In spring 2023, DowntownDC economic activity was estimated at 65% of pre-pandemic levels — up from 55% in fall 2022 and 47% in March 2022. But economic activity has stagnated in the low-to-mid 60% range since January 2023.

As one D.C. developer recently said to the press, "Uncertainty breeds inaction." And private business activity has not yet fully recovered in DowntownDC. Fortunately, the private sector's drop in performance was uplifted by federal and District government investment in pandemic-related relief funding of 2020 and 2021 and, more recently, in the Biden administration's Inflation Reduction Act and the D.C. FY 2024 budget investments in downtown. This classic Keynesian response has been essential to (1) limiting the economic damage of the pandemic and (2) accelerating the economic recovery from the pandemic.

Recent D.C. government revenue estimates show that office property taxes have declined by \$135 million per year from FY 2019 through FY 2022 and are estimated to decline another \$123 million per year through FY 2025. This lost revenue is not being invested in District schools and the city's many excellent social programs, like Emergency Rental



**DUE TO DOWNTOWNDC'S FISCAL CONTRIBUTIONS TO THE DISTRICT, THE RECOVERY AND REIMAGINATION OF DOWNTOWNDC WILL BENEFIT ALL D.C. RESIDENTS.**

Assistance or the Housing Production Trust Fund.

The DowntownDC and Golden Triangle BIDs' combined net fiscal impact (revenues generated less expenditures made) is estimated to decline by \$300 million from FY 2019 through FY 2024 (using property tax revenue estimates slightly lower than those of the Office of the Chief Financial Officer).

An equitable recovery and reimagination of downtown will also address issues like rising concerns about public safety and disorder in some areas, and must include plans and funding for affordable housing, improved parks, potential partnerships with universities and K-12 schools, enhanced homeless services infrastructure, incentives for retail retention and attraction (particularly grocery stores, child care, and other residential amenities), and strong public transit.

The BID believes the seeds have been planted for a robust recovery and reimagination of the District's downtown.

The full recovery of DowntownDC and the visionary reimagination of the District's downtown began with Mayor Muriel Bowser's January 2023 release of DC's Comeback Plan: 2023-2027 Economic Development Strategy. The plan includes as one of its main goals an increase in downtown residents of 15,000 over five years (from 25,000 to 40,000 residents). This is anticipated to remove 5 million to 7 million SF of the District's historic high of 25 million SF of vacant office space (historic high 19% vacancy rate and 23% availability rate) through office-to-housing conversion and repurposing. This is just one of six major goals of the Comeback Plan; the other goals focus on all of the city's neighborhoods.

Following up on the Comeback Plan, Mayor Bowser included in her FY 2024 budget proposal a robust

investment in the conversion/repurposing of downtown office buildings into housing with affordable housing requirements. The BID strongly supports the proposed investment in Housing in Downtown Tax Abatements as well as several provisions in Ward 2 Councilmember Brooke Pinto's RECOVERY Act of 2023 programs that are included in the District's FY 2024 budget: approximately \$7 million to remain available in the existing \$10 million Vitality Fund to retain and attract downtown office

tenants; \$3.2 million for a new Downtown Retail Retention and Attraction Fund; and \$1.1 million for a new Safe Commercial Corridors Fund. All three are competitive grant programs.

The next step in downtown's recovery and reimagination will be the Downtown Action Plan that is called for by the Comeback Plan. The Action Plan is a partnership between the DowntownDC BID, the Golden Triangle BID, the Federal City Council, and the Office of the Deputy Mayor for Planning and

Economic Development. The Action Plan effort will begin in June 2023 and release a recommendations report in November 2023.

Though the uncertainty regarding the DowntownDC economy remains high, the BID believes that the FY 2024 District Budget and the upcoming Action Plan should result in the full recovery and an exciting reimagination of the DowntownDC economy.

We invite you to join us as we get to work.

### DOWNTOWN ACTION PLAN

#### Engagement, Research, and Analysis



**Goal:** To align various stakeholders, initiatives, and actions to support downtown's reimagination and recovery into a vibrant, economically sustainable, diverse, and equitable area at the heart of the city that benefits all residents and businesses by offering jobs, various housing types, and a robust tax base.

**Purpose:** To present a set of recommendations regarding specific investments, policies, and real estate actions that align with the goals and initiatives of DC's Comeback Plan and can catalyze actions and investments from a variety of stakeholders.



#### Michael McCarthy

Chairman,  
Board of Directors  
DowntownDC BID



#### Gerren Price

President & CEO  
DowntownDC BID



In 2024, Georgetown University's McCourt School of Public Policy will move into a new building at 125 E Street NW

Midtown Center at 1100 15th Street NW

# YEAR IN REVIEW

## RELIEF — RECOVERY — REIMAGINATION

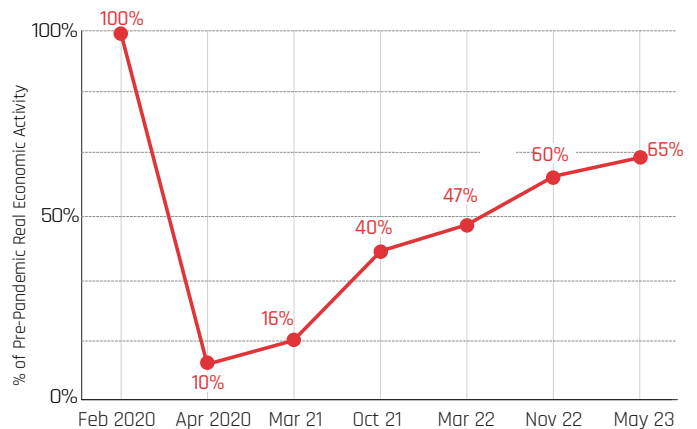
In 2020 and 2021, District and federal relief programs allowed most DowntownDC businesses and organizations to survive the worst months of the pandemic.

In 2022 and the first months of 2023, the DowntownDC economy moved into a relatively strong recovery mode.

DowntownDC's economic activity is now an estimated 65% of pre-pandemic levels. However, the recovery has varied widely by economic sector:

- Office, office-serving retail, and general shopping are performing at 41% to 67% of pre-pandemic levels.
- Hotels/tourism/convention center, housing, destination dining, luxury retail, culture, and entertainment are performing at 75% to 95% of pre-pandemic levels.

## DowntownDC Real Economic Activity As Percentage Of Pre-Pandemic Real Economic Activity



Source: DowntownDC BID



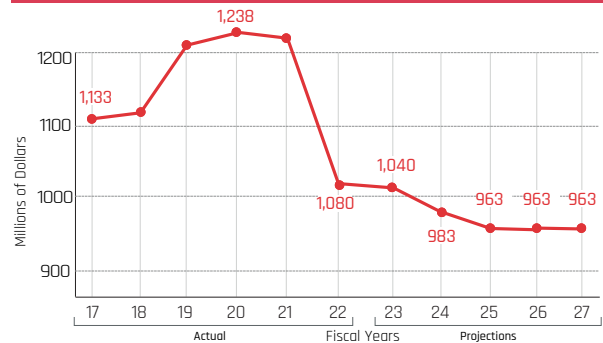
The reimagination of DowntownDC and the larger central business district began in January 2023 with Mayor Bowser’s release of DC’s Comeback Plan (the city’s 2023–2027 Economic Development Strategy), which includes a focus on downtown while calling for investments across all parts of the District. In particular, the goals of 15,000 new downtown residents and 35,000 new jobs by the end of 2027 and several retail and other downtown initiatives have the potential to complete the final stages of the recovery and jump-start the first steps of D.C.’s reimagination of downtown. Mayor Bowser and the D.C Council’s FY 2024 budget includes an updated program for the existing Housing in Downtown Tax Abatements (HIDTA), which the BID strongly supports. HIDTA is intended to create 5,000 to 6,000 new downtown housing units (7,500 to 9,000 new downtown residents). Ward 2 Councilmember Brooke Pinto led the funding of two new competitive grant programs for (1) Downtown retail and (2) Safe Commercial Corridors.

## DOWNTOWN'S NET FISCAL IMPACT, THOUGH DECLINING, REMAINS STRONG

DowntownDC remains a major contributor to the city’s tax base and budget, with a FY 2022 Net Fiscal Impact of \$676 million from revenues of \$1.3 billion (13% of D.C.’s local fund revenues), less expenditures of \$618 million (6.5% of D.C.’ local fund expenditures). DowntownDC’s FY 2022 Net Fiscal Impact is down to \$676 million from \$774 million in FY 2019 — a decline of \$98 million and forecast to decline another \$110 million in FY 2023. When combined with the Golden Triangle BID, the Net Fiscal

**THE DISTRICT'S FY 2024 BUDGET HAS THE POTENTIAL TO JUMP-START THE REIMAGINATION OF DOWNTOWN WITH INVESTMENTS IN HOUSING, BUSINESS RETENTION/ATTRACTION, AND SAFETY.**

### DC Large Office Building Property Tax Revenues



Annual Change	
\$	NA 55 27 23 (19) (139) (40) (57) (20) NA NA
%	NA 4.9% 2.3% 1.9% -1.5% -11.4% -3.7% -5.5% -2.0% 0.0% 0.0%
Cumulative Change From FY 2019	
%	NA NA NA 2% 0% -11% -14% -19% -21% -21% -21%

Source: D.C. Office of the Chief Financial Officer

## THE NET FISCAL IMPACT OF DC'S DOWNTOWN (a)

(all dollar numbers in millions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	DOWNSIDE ESTIMATE FY 2024 (b)
<b>DOWNTOWN BID</b>							
Local Fund Revenues	\$1,310	\$1,171	\$1,170	\$1,294	\$1,309	\$1,298	\$1,251
Local Fund Expenditures and Transfers	536	548	582	618	774	702	702
<b>Net Fiscal Impact</b>	<b>\$774</b>	<b>\$623</b>	<b>\$588</b>	<b>\$676</b>	<b>\$566</b>	<b>\$596</b>	<b>\$549</b>
Change From FY 2019	NA	(\$151)	(\$186)	(\$98)	(\$208)	(\$178)	(\$225)
Local Fund Revenues as % of District of Columbia	15.8%	14.4%	13.4%	13.1%	13.5%	13.4%	NA
Local Fund Expenditures and Transfers as % of D.C.	6.8%	6.5%	6.8%	6.5%	6.7%	6.6%	NA
<b>GOLDEN TRIANGLE BID</b>							
Local Fund Revenues	\$603	\$553	\$614	\$570	\$581	\$568 (est.)	\$534 (est.)
Local Fund Expenditures and Transfers	227	246	273	278	288	\$279 (est.)	\$279 (est.)
<b>Net Fiscal Impact</b>	<b>\$376</b>	<b>\$307</b>	<b>\$341</b>	<b>\$292</b>	<b>\$293</b>	<b>\$289 (est.)</b>	<b>\$256 (est.)</b>
Change From FY 2019	NA	(\$69)	(\$35)	(\$84)	(\$83)	-\$87 (est.)	\$120 (est.)
Local Fund Revenues as % of District of Columbia	7.2%	6.8%	7.0%	5.8%	6.0%	5.9% (est.)	NA
Local Fund Expenditures and Transfers as % of D.C.	2.9%	3.0%	3.2%	2.9%	2.6%	2.6% (est.)	NA
<b>TOTAL OF TWO BIDS</b>							
Local Fund Revenues	\$1,913	\$1,724	\$1,784	\$1,864	\$1,890	\$1,866	\$1,786
Local Fund Expenditures and Transfers	763	794	855	897	1,031	981	981
<b>Net Fiscal Impact</b>	<b>\$1,150</b>	<b>\$930</b>	<b>\$929</b>	<b>\$967</b>	<b>\$859</b>	<b>\$886</b>	<b>\$805</b>
Change From FY 2019	NA	(\$221)	(\$221)	(\$183)	(\$292)	(\$265)	(\$345)
Local Fund Revenues as % of District of Columbia	23.0%	21.2%	20.4%	18.9%	19.5%	19.3%	NA
Local Fund Expenditures and Transfers as % of D.C.	9.6%	9.6%	9.9%	9.4%	9.3%	9.2%	NA

Source: RCLCO and DowntownDC BID.

(a) Defined as the DowntownDC BID and the Golden Triangle BID

(b) Assumes a further decline of 10% in office building property tax assessments.

Impact from the two BIDs will decline by an estimated \$300 million annually from FY 2019 through FY 2024 using the projections in the District’s Chief Financial Officer’s February 2023 Revenue Estimate Letter and a further decline of 10% in office property tax assessments.

The major reason for the decline in downtown’s Net Fiscal Impact is the decline in the D.C. office market’s performance — declining effective rents due to record rent concessions, record vacancy rates, and negative absorption — and declining investment liquidity.

## DOWNTOWN’S RECOVERY HAS BEEN UNEVEN

As of spring 2023, here is the real performance of DowntownDC’s economic sectors as a percentage of pre-pandemic performance:

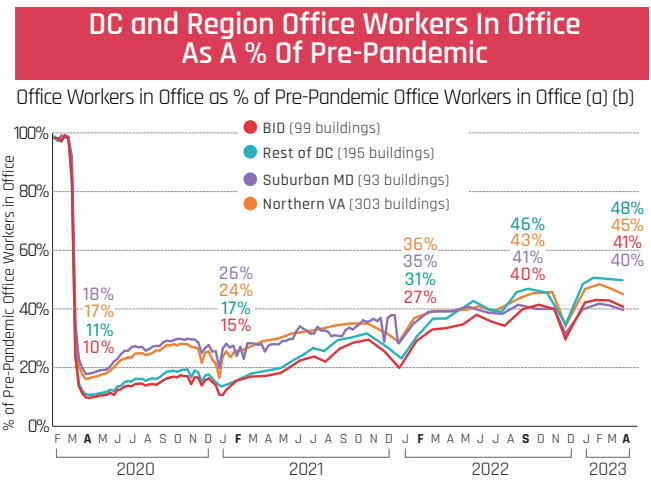
- Luxury shopping: 90%–150%
- Destination restaurants: 90%–110%
- Apartments/condominiums: 90%–110%
- Capital One Arena: 90%–110%
- Hotels: 90%–110%
- Employment attributed to downtown locations: 96%
- Theaters/performance venues: 80%–100%
- Walter E. Washington Convention Center: 80%–90%
- Museums: 60%–80%
- Everyday shopping: 60%–70%
- Office-dependent food and beverage: 60%–70%
- Office workers in the office: 40%–50%
- Development starts (6/22–5/23) 20%

Key data showing that DowntownDC’s recovery has a way to go (see graphics to the right):

- 40% to 43% of office workers are in-office on an average weekday compared with pre-pandemic, with Tuesdays and Wednesdays just over 50%.
- 40% to 45% of Metrorail weekday ridership compared with pre-pandemic.
- 58% to 70% of people in downtown (residents, workers, and visitors) compared with pre-pandemic.
- 68% to 84% of Metrorail weekend ridership compared with pre-pandemic.

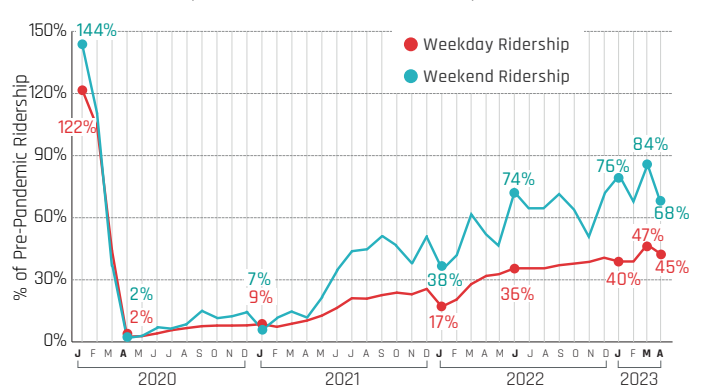
## FEDERAL GOVERNMENT UNCERTAINTY

The District’s status as the primary home of the federal government is a major uncertainty in looking to the city’s future. Because there is no reliable data on the percentage



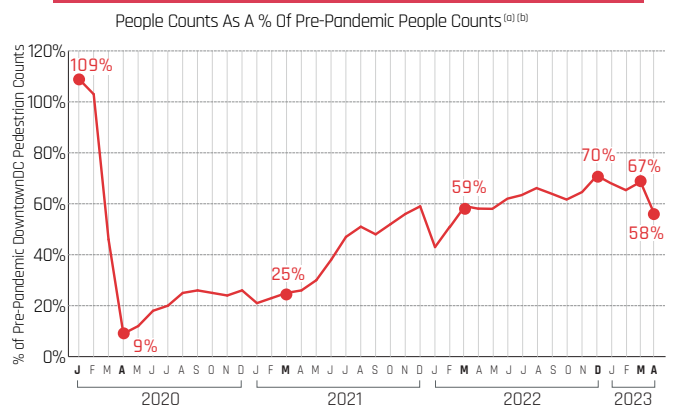
(a) The pandemic months are compared to a pre-pandemic control period of February 3, 2020 to February 18, 2020.  
 (b) As each month is compared to the first two weeks of February 2020, December 2021 and 2022 show a significant drop due to holiday vacations.

## Metrorail Ridership In DowntownDC As A % Of Pre-Pandemic



(a) The pandemic months are compared to the most recent pre-pandemic same month. For example, April 2020 and April 2021 are both compared to April 2019.

## People in DowntownDC As A % Of Pre-Pandemic



(a) Counts all people in the DowntownDC BID area for more than 8 minutes using cell phone data and Placer’s proprietary algorithm.  
 (b) The pandemic months are compared to the most recent pre-pandemic same month. For example, all pandemic Januaries are compared to January 2020 and all pandemic Aprils are compared to April 2019.

### Federal Government Share of DowntownDC and D.C. Office Space and Employment

	DowntownDC BID Area	Rest of DC	All of DC
Owned or Leased Office Space <sup>(a)</sup>	26%	36%	32%
Employment	32%	23%	25%

Source: General Services Administration, Bureau of Labor Statistics, Econsult Solutions Inc., CoStar and DowntownDC Business Improvement District.

(a) Federally owned space is 21%, 24% and 23% of total office SF for each geography, respectively.

of federal office workers in the office today as compared with pre-pandemic and regarding the impact of the cafeterias in many federally owned buildings, it is hard to fully understand the current and future implication of significant working from home by federal workers on DowntownDC and the rest of D.C. Nevertheless, the impact of the federal government on DowntownDC and D.C. is substantial: an estimated 32% of District office space (approximately 65 million SF) is owned or leased by the federal government (the General Services Administration, Congress, and independent agencies), and 25% of District employment (approximately 194,000 employees) are federal civilian workers. The federal presence in DowntownDC is 26% of office space and 32% of employment.

The sale of excess federal buildings to the private sector could create more activity in many parts of DowntownDC and D.C. and add millions of dollars to the city's tax base.

## OFFICE CONVERSIONS/REPURPOSINGS AREA FISCAL GAIN FOR THE DISTRICT

The conversion or repurposing of an existing office building into a residential building with affordable housing is expensive. The Housing in Downtown Tax Abatements (HIDTA) in the FY 2024 D.C. budget help cover those costs. HIDTA has a positive fiscal benefit of approximately \$9,500 per unit per year, assuming a 100% property tax abatement (which may not be the case). If the full \$41 million of tax abatements are used per year starting in FY 2028 and incentivize 6,000 to 7,000 units, then the new taxes from conversion/repurposing alone will be \$57 million to \$67 million per year. In addition, the removal of 5 million to 7 million SF of office space from D.C.'s office market is likely to stabilize and improve office market performance. Each 1% increase in the assessed values of large office buildings yields an increase in annual property

## D.C.'S FY 2024 BUDGET'S HOUSING IN DOWNTOWN TAX ABATEMENTS PROGRAM IS LIKELY TO GENERATE A POSITIVE NET FISCAL IMPACT OF \$9,500 PER HOUSING UNIT PER YEAR AND A TOTAL OF \$68 MILLION TO \$111 MILLION PER YEAR IN NEW TAX REVENUE.

taxes of \$11 million. Assuming a 1% to 4% increase (or prevention in further decline), this would add \$11 million to \$44 million per year to the return of the HIDTA – a total return of \$68 million to \$111 million per year, in new tax revenue.

## DOWNTOWN'S ACTION PLAN AND REIMAGINATION

The Downtown Action Plan, planned for release in November 2023, will be the product of (1) extensive engagement with downtown stakeholders, District residents and national and international urban experts, and (2) thorough research and analysis. The Action Plan will create a vision and implementation plan for the restoration of downtown's vitality, employment base, tax base, and welcome all of D.C.'s residents and businesses.

The Action Plan project has four partners: the DowntownDC and Golden Triangle BIDs, the Federal City Council, and the Office of the Deputy Mayor for Planning and Economic Development. The Action Plan's extensive outreach will include public meetings, subject expert meetings, webinars, and online feedback options. In-depth research and analysis will allow a clear view of the cost of "doing nothing" and the positive fiscal, economic, and human benefits of a robust Downtown Action Plan. The BID hopes the Action Plan's recommendations could then be included in the District's FY 2025 budget and result in \$10 billion to \$15 billion in new private-sector investment over the next 5 to 10 years — creating new jobs and new housing (including affordable housing) and substantially increasing D.C.'s tax base.

## DOWNTOWN AND THE NEIGHBORHOODS — NOT DOWNTOWN OR THE NEIGHBORHOODS — HAS BEEN A GUIDING PRINCIPLE OF THE DOWNTOWNDC BID FOR OVER 25 YEARS AND WILL BE FOR THE 2023 DOWNTOWN ACTION PLAN.

# DEVELOPMENT

The Arlo Hotel is under construction on the 300 block of G Street NW

## DOWNTOWNDC DEVELOPMENT SLOWED IN 2022

Development in DowntownDC came to a halt in July 2022 with no groundbreakings since then — the not-unexpected result of rising construction costs, higher interest rates, the continued strength of remote work, and substantial economic and political uncertainty.

### Development Overview:

- One completion in 2022.
- Two groundbreakings in 2022.
- 8 projects, totaling \$1.2 billion, are under construction as of spring 2023.
- 15 projects, totaling \$1.6 billion, are planned as of spring 2023.

**“UNCERTAINTY BREEDS INACTION.”  
—D.C. DEVELOPER**



**15 PLANNED PROJECTS, TOTALING \$1.6 BILLION, ARE ESTIMATED TO GENERATE \$70 MILLION TO \$100 MILLION PER YEAR IN NEW TAX REVENUES FOR D.C.**

## 15 PLANNED PROJECTS

The 15 planned projects in DowntownDC will fill four of the area's remaining six surface parking lots and are summarized below:

- Housing: three conversions and three ground-up projects
- Office: one gut renovation and three ground-up projects.
- Two firehouse redevelopments by the D.C. government.
- Two hotel projects.
- Likely redevelopment of the FBI headquarters site into a mix of uses.

The estimated new tax revenue from these planned projects totals \$70 million to \$100 million per year.

In addition, there are several not-yet-publicly-announced office-to-residential conversion projects that are paused, totaling 1,300 units. These projects are pending (1) the availability of conversion/repurposing incentives included in the FY 2024 DC budget and (2) market conditions.

## 9 PROJECT UNDER CONSTRUCTION

1. Johns Hopkins University: 555 Pennsylvania Avenue NW renovation, 420,000 SF
2. Office Properties Income Trust: 20 Massachusetts Avenue NW renovation of 340,000 SF and new construction of 87,000 SF into a 271-room Royal Sonesta Hotel and 184,000 SF of office space
3. Quadrum Global: Arlo Hotel, 333 G

Street NW, 445 rooms and 7,000 SF of retail

4. Lincoln Properties and Cadillac Fairview: 1313 L Street NW apartment building, 222 units
5. Milken Center for Advancing the American Dream, 15th Street and Pennsylvania Avenue NW
6. National Museum of Women in the Arts: renovation of 1250 New York Avenue NW
7. Georgetown University: McCourt School of Public Policy, new construction at 125 E Street NW
8. Renaissance Hotel: 999 9th Street NW, a \$92 million renovation into a Westin Hotel (807 rooms)
9. Capital Jewish Museum, 575 3rd Street NW (June 2023 opening)

## 2 GROUNDBREAKINGS

- Quadrum Global: Arlo Hotel, 333 G Street NW
- Renaissance Hotel: 999 9th Street NW renovation into a Westin Hotel

In addition, the \$375 million gut renovation and addition to the former WMATA headquarters at 600 5th Street NW by Stonebridge and the Rockefeller Group (400,000 SF of office) is expected to be under construction in June 2023.

## 1 COMPLETION

- The Victims of Communism Museum opened in June 2022 in 10,000 SF at 900 15th Street NW.



725 12th Street NW is a potential office-to-residential conversion

## OFFICE-TO-RESIDENTIAL CONVERSIONS/REPURPOSING

There are approximately 18 office-to-residential conversion/repurposing projects in and adjacent to DowntownDC that have the potential to convert/repurpose 4.6 million SF of office and create approximately 4,500 to 5,000 housing units, of which 450 to 750 may be affordable. These projects are currently paused/appear paused due to rising construction costs and financing costs, as well as general market uncertainty. These projects are an enormous opportunity for the District to create market-rate and affordable housing in downtown.



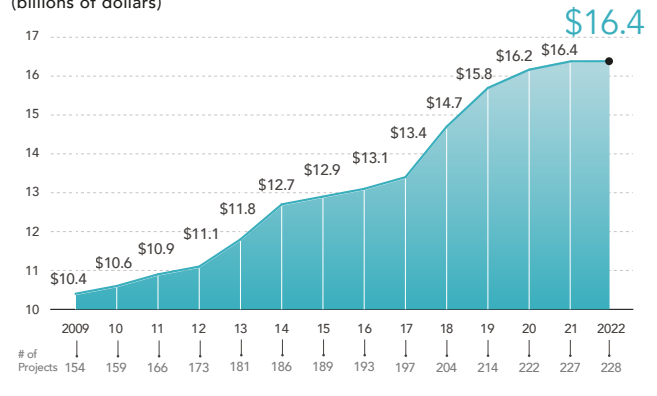
## ONLY SIX GROUND-UP DEVELOPMENT SITES REMAIN IN DOWNTOWNDC. IN 1995 THERE WERE 125+.



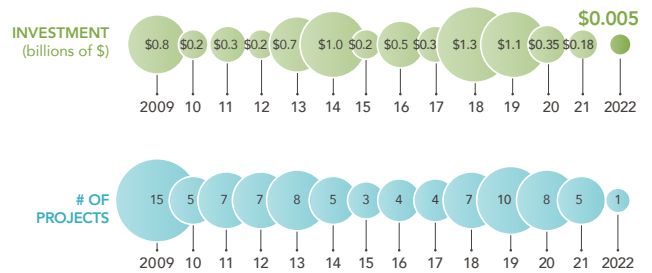
## DOWNTOWN DEVELOPMENT HISTORY

### CUMULATIVE TOTALS SINCE 1995

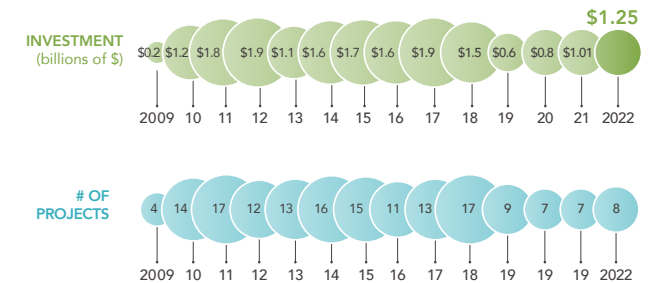
(billions of dollars)



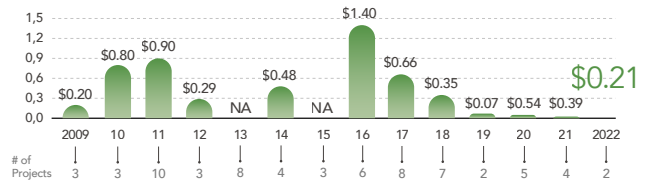
### PROJECTS COMPLETED BY YEAR



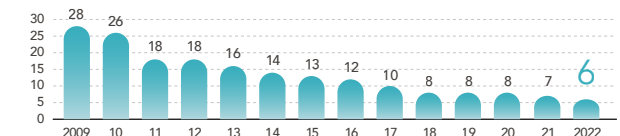
### PROJECTS UNDER CONSTRUCTION AT YEAR-END



### PROJECTS STARTS/GROUNDBREAKINGS



### SURFACE PARKING LOTS/DEVELOPMENT SITES



Source: DowntownDC BID

## THE IMPORTANCE OF THE HOUSING IN DOWNTOWN TAX ABATEMENTS

Mayor Bowser's DC's Comeback Plan: 2023–2027 Economic Development Strategy highlights the importance of downtown as the District's economic and fiscal engine and set a goal of 15,000 new downtown residents by the end of 2027. This aggressive, but achievable, goal will meet four important goals:

(1) Increased D.C. tax revenues of \$9,500 per new residential unit per year; (2) stem the continuing decline in downtown office property tax revenues; (3) diversify downtown building stock by converting 6 million to 7 million SF of office to housing; and (4) create 1,000 to 1,500 units of affordable housing. For example: 1425 New York Avenue NW's conversion is estimated to have positive net fiscal impact of \$9,500 per unit per year, or \$2.4 million per year; will take 287,000 SF out of the office market; and create 255 total residential units, of which 25 would be potentially affordable.

In the spring of 2023, the District finds a very difficult downtown development market and declining downtown office property tax base, and it is the classic Keynesian economic response for the government to make a "jolting" investment to bring the private sector back to investing in downtown. It is estimated that Mayor Bowser's FY 2024 Housing in Downtown Tax AbateMENTS (HIDTA) will attract \$5 billion to \$7 billion in private capital to create 6,000 to 7,000 new market-rate and affordable housing units in downtown.

### DOWNTOWN OFFICE TO HOUSING CONVERSIONS/REPURPOSING PROJECTS

#### DowntownDC BID Area

	Address	Developer	SF of Office Converted	Housing Units	% of Units Affordable	Completion Date
Under Construction	▶ 1313 L Street NW	Lincoln Properties and Cadillac Fairview	84,040	222	Zero	2023
Announced	▶ 1125 15th Street NW	Lincoln Properties and Cadillac Fairview	273,011	264	TBD	Paused
	▶ 1425 New York Ave NW	Foulger Pratt	287,042	255	TBD	Paused
	▶ 1010 Vermont Ave NW	Altus/McLean	63,291	89	TBD	Paused
Planned, But Not Announced	▶ Several Projects	Various	1,200,000	1,300	TBD	TBD
<b>TOTAL</b> ▶			<b>1,907,384</b>	<b>2,130</b>		

#### Rest of Downtown

	Address	Developer	SF of Office Converted	Housing Units	% of Units Affordable	Completion Date
Under Construction	▶ 1111 20th Street NW	Willco	186,012	163	Zero	2024
Announced	▶ 1825 Connecticut Ave NW	Post Brothers	302,000	300	TBD	TBD
	▶ 1875 Connecticut Ave NW	Post Brothers	383,000	350	TBD	TBD
	▶ 1133 19th Street NW	Foulger Pratt	275,585	185	TBD	TBD
	▶ 2141 K Street NW	Not Available	98,000	110	TBD	TBD
	▶ 1735 K Street NW	Bernstein/Placemakr	96,750	106	TBD	TBD
	▶ 2626 Pennsylvania Avenue, NW	Velocity/New Legacy	32,000	49	TBD	TBD
Planned, But Not Announced	▶ 2100 M Street NW	Post Brothers	300,000	300	TBD	TBD
	▶ Several Projects	Various	800,000	1,000	TBD	TBD
<b>TOTAL</b> ▶			<b>2,471,347</b>	<b>2,563</b>		

#### Downtown Adjacent

	Address	Developer	SF of Office Converted	Housing Units	% of Units Affordable	Completion Date
Under Construction	▶ None	Zero	-	-	-	-
Announced	▶ 1250-1280 Maryland Ave SW	Lowe Enterprises	508,294	446	TBD	TBD
<b>TOTAL</b> ▶			<b>508,294</b>	<b>446</b>		



# EMPLOYMENT

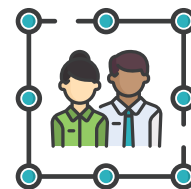
## DOWNTOWNDC AND D.C. EMPLOYMENT REBOUND FOR SECOND STRAIGHT YEAR, BUT STILL TRAIL 2019 LEVELS

DowntownDC is estimated to be home to 185,400 jobs in December 2022, or 24% of all District jobs. This is an increase of 2,000 jobs over December 2021, or 1.1%, but 7,100 jobs below the end of 2019, or down 3.7%. D.C. employment in December 2022 was

772,900, an increase of 11,900 jobs over December 2021, or 1.6%, but 29,100 jobs below the end of 2019, or down 3.6%. The bulk of 2022 job growth came in hotel and food service employment.

However, DowntownDC is lagging the city's job growth, and the District is lagging the region's job growth. As of 1Q 2023, Northern Virginia has surpassed its pre-pandemic employment by 1.4%, and Suburban Maryland is at 99.6% of pre-pandemic employment, while D.C. is at 96.4% of pre-pandemic employment.

DowntownDC is lagging the rest



**DOWNTOWNDC IS HOME TO 24% OF D.C.'S JOBS, AND D.C. IS HOME TO 23% OF THE REGION'S JOBS.**



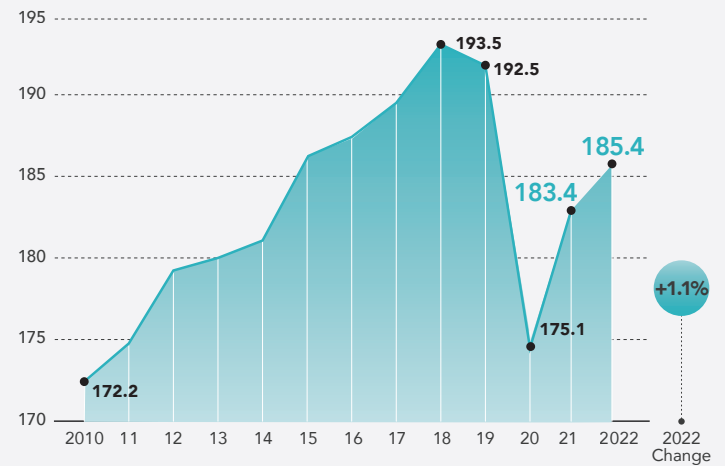


DowntownDC BID office

of D.C. in overall employment recovery primarily due to its high percentage of hotel, restaurant, and arts employment and office-serving retailers. D.C. is lagging the rest of the region for the same reasons, plus a decline in federal civilian employment not seen in Maryland and Virginia.

D.C. private-sector employment totaled 538,000 in December 2022, an increase of 19,300 jobs over December 2021, but still 26,900 jobs below the end of 2019, or down 4.8%. D.C. federal government employment dropped by 6,200, or 3.1%, to 193,500 in 2022 (and has dropped even more in 1Q 2023), while the D.C. government also declined in 2022 by 1,200, or 3.1%, to 37,400.

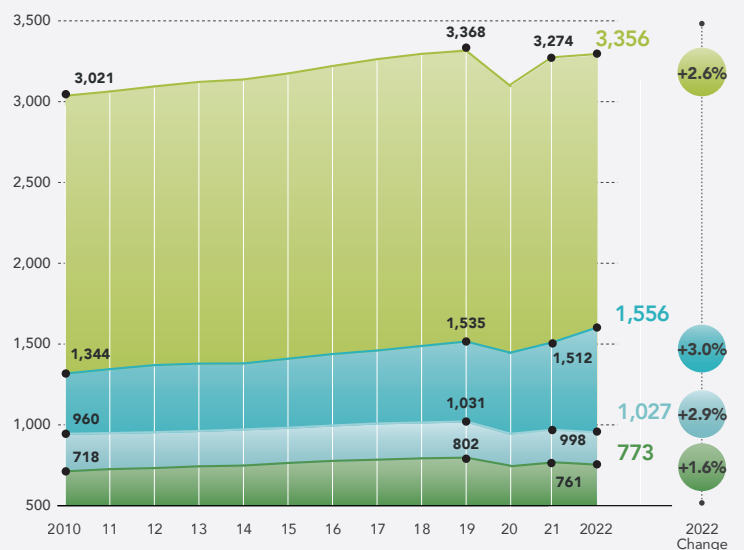
### DOWNTOWNDC EMPLOYMENT HISTORY (a) (b) (thousands)



Source: Econsult Solutions Inc (ESI) and The Riddle Company (2010, 2019, 2021 & 2022) and DowntownDC BID (2011-2018 & 2020)

(a) Not Seasonally Adjusted.  
(b) Annual data is as of December for each year.

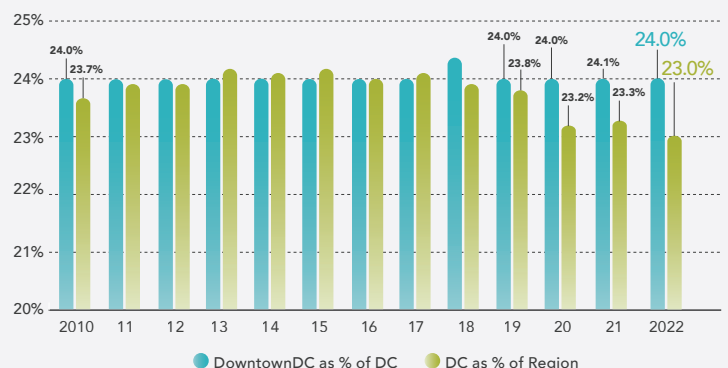
### REGIONAL EMPLOYMENT HISTORY (a) (b) (thousands)



● DC ● Suburban Maryland ● Northern Virginia ● Region

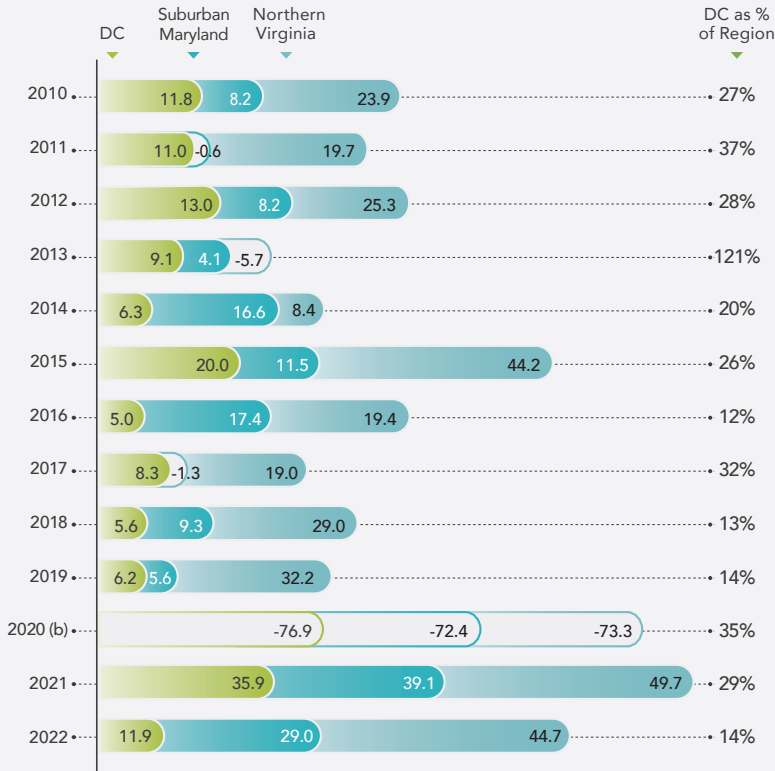
Sources: U.S. Bureau of Labor Statistics  
(a) Not Seasonally Adjusted.  
(b) Annual data is as of December for each year.

### DOWNTOWNDC EMPLOYMENT AS % OF DC EMPLOYMENT AND DC EMPLOYMENT AS % OF REGIONAL EMPLOYMENT



Source: DowntownDC BID

**REGIONAL EMPLOYMENT CHANGE HISTORY (a)**  
(thousands)

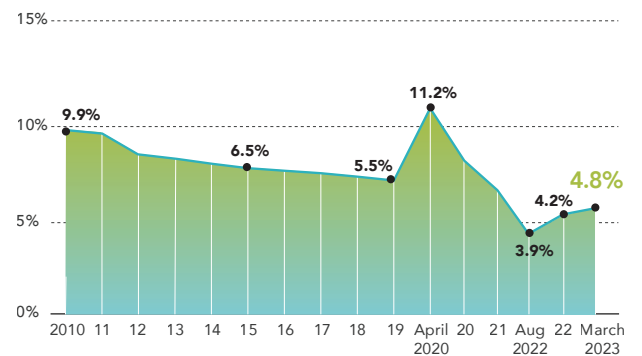


Sources: U.S. Bureau of Labor Statistics and the Stephen S. Fuller Institute, George Mason University  
(a) Not Seasonally Adjusted.  
(b) Annual data is as of December for each year

**D.C. HAS HISTORICALLY LOW UNEMPLOYMENT RATE**

In August 2022, the District recorded a historic low unemployment rate of 3.9%, with 15,417 unemployed residents, down from 11.2% and 43,900, respectively, in April 2020. In March 2023, DC's unemployment rate was 4.8%. In addition, the preliminary March 2023 unemployment rates in Wards 7 and 8 were 6.9% and 8.2%, respectively, down from 8.4% and 10.4%, respectively, in March 2022.

**DC UNEMPLOYMENT RATE HISTORY (a)**



Source: Bureau of Labor Statistics

(a) Seasonally adjusted. Annual data is for December of each year.

**DC EMPLOYMENT AND KEY DOWNTOWN SECTOR EMPLOYMENT RECENT HISTORY (a)**

(numbers in thousands)

Employment Sectors	December 2022		Dec 2021	Dec 2020	Dec 2019	Change			Change					Change			
						Dec 22 - Dec 21	Dec 19-Dec 22		March 2023 (c)	March 2022	March 2021	March 2020	March 2019	March 23 - March 22	March 19 - March 23		
	#	%	#	#	%	#	%	#	%	#	#	%	#	#	%		
<b>Total DC Employment (b)</b>	<b>772.9</b>	<b>100%</b>	<b>761.0</b>	<b>725.1</b>	<b>802.0</b>	<b>11.9</b>	<b>(29.1)</b>	<b>-3.6%</b>	<b>769.7</b>	<b>100%</b>	<b>758.8</b>	<b>720.5</b>	<b>799.5</b>	<b>796.6</b>	<b>10.9</b>	<b>(26.9)</b>	<b>-3.4%</b>
Federal Government	193.5	25%	199.7	198.5	195.1	(6.2)	(1.6)	-0.8%	191.4	25%	199.0	197.4	195.4	195.2	(7.6)	(3.8)	-1.9%
D.C. Government	37.4	5%	38.6	38.1	37.8	(1.2)	(0.4)	-1.1%	37.6	5%	37.4	38.0	37.6	37.6	0.2	-	0.0%
<b>Private Sector Total</b>	<b>538.0</b>	<b>70%</b>	<b>518.7</b>	<b>484.3</b>	<b>564.9</b>	<b>19.3</b>	<b>(26.9)</b>	<b>-4.8%</b>	<b>536.7</b>	<b>70%</b>	<b>518.4</b>	<b>481.0</b>	<b>562.0</b>	<b>559.5</b>	<b>18.3</b>	<b>(22.8)</b>	<b>-4.1%</b>

**Key DC Employment Sectors Impacting Downtown**

Sector	Dec 22	%	Dec 21	Dec 20	Dec 19	Dec 22 - Dec 21	Dec 19 - Dec 22	March 2023 (c)	%	March 2022	March 2021	March 2020	March 2019	March 23 - March 22	March 19 - March 23	%	
Office Using Jobs (d)	284.8	37%	279.4	273.3	293.2	5.4	(8.4)	-2.9%	284.8	37%	280.6	270.9	294.4	287.0	4.2	(2.2)	-0.8%
Food Services & Drinking Places	51.1	7%	44.4	27.0	54.6	6.7	(3.5)	-6.4%	51.6	7%	44.1	27.8	51.5	56.7	7.5	(5.1)	-9.0%
Retail Trade	21.1	3%	21.0	20.2	24.1	0.1	(3.0)	-12.4%	20.5	3%	20.5	19.5	22.6	22.6	0.0	(2.1)	-9.3%
Accommodations	13.8	2%	9.6	5.3	16.4	4.2	(2.6)	-15.9%	13.8	2%	9.9	5.0	16.2	16.2	3.9	(2.4)	-14.8%
Arts, Entertainment & Recreation	8.5	1%	7.8	4.9	10.2	0.7	(1.7)	-16.7%	9.0	1%	8.0	4.8	9.5	10.4	1.0	(1.4)	-13.5%

Source: Bureau of Labor Statistics

(a) Not seasonally adjusted  
(b) Numbers do not total  
(c) Preliminary  
(d) Professional and business services, including legal, administrative, support, waste management, scientific and technical services.

**THE FEDERAL WORKFORCE IS 32% OF DOWNTOWNDC EMPLOYMENT AND 25% OF D.C. EMPLOYMENT.**

## UNIVERSITY EMPLOYMENT TO JUMP IN 2023

Johns Hopkins' new academic center at 555 Pennsylvania Avenue will be home to approximately 400 full-time employees and 700 part-time employees to serve approximately 1,500 full-time students and 600 part-time students when it opens in fall 2023. Georgetown University currently has hundreds of employees working in the DowntownDC BID area, and the opening of the 151,000 SF McCourt School of Public Policy in late 2023, and the University's purchase of 111 Massachusetts Avenue NW (just outside the DowntownDC BID) should add to that total.



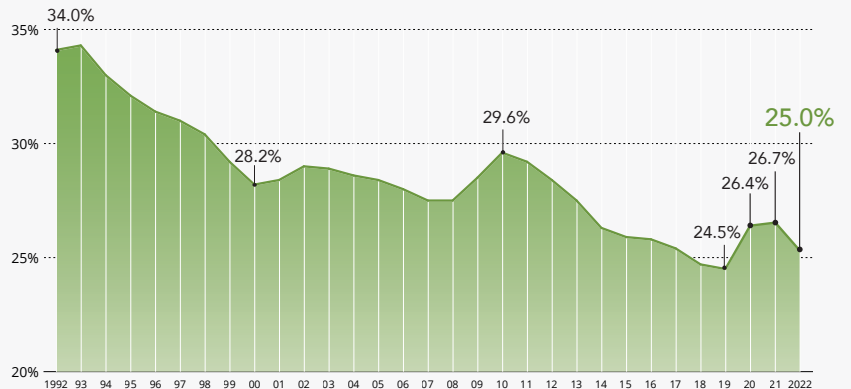
AARP headquarters building at 601 E Street NW — one of the largest private-sector employers in the District

### FEDERAL CIVILIAN EMPLOYMENT IN DOWNTOWNDC AND DC - DEC 2022 (a)

(thousands)	Federal Civilian Employment	Total Area Employment	Federal Employment as % of Total Area Employment
DowntownDC	58,500	185,400	31.6%
Rest of DC	135,000	587,500	23.0%
<b>DC</b>	<b>193,500</b>	<b>772,900</b>	<b>25.0%</b>

Sources: U.S. Bureau of Labor Statistics and DowntownDC BID  
(a) Not Seasonally Adjusted.

### FEDERAL SHARE OF D.C. EMPLOYMENT, 1990-2020 (a)



Source: U.S. Bureau of Labor Statistics  
(a) Annual average; Not Seasonally Adjusted. Region is the sum of the sub-state areas.

### FEDERAL CIVILIAN EMPLOYMENT IN REGION - DEC 2022 (a)

	Federal Employment	% of DC Federal Employment	% of Regional Federal Employment
DowntownDC	58,500	30%	16%
Rest of DC	135,000	70%	36%
All of DC	193,500	100%	52%
Northern VA and Suburban Maryland	178,800	NA	48%
Region	372,700	NA	100%

Sources: U.S. Bureau of Labor Statistics and DowntownDC BID  
(a) Not Seasonally Adjusted.

# OFFICE MARKET

## 2022 AND Q1 2023 SAW THE DOWNTOWNDC AND DC OFFICE MARKETS DECLINE TO THEIR LOWEST PERFORMANCE IN DECADES

A combination of factors has created a perfect storm for pessimism about the DowntownDC and D.C. office markets:

- Poor office market operating performance:** record vacancy rates of almost 19%; record D.C. vacant office SF of 25 million (and heading higher); federal leasing of fewer SF; negative office absorption; record rent concessions; and Kastle data showing only 41% to 43% of DowntownDC

office workers in office compared with pre-pandemic levels.

- Factors beyond the control of office building owners:** Russia's invasion of Ukraine; Metrorail woes; rising interest rates; tightening lending standards; increasing traffic congestion; perceptions of increasing crime in DowntownDC; and uncertainty regarding taxation and regulation.

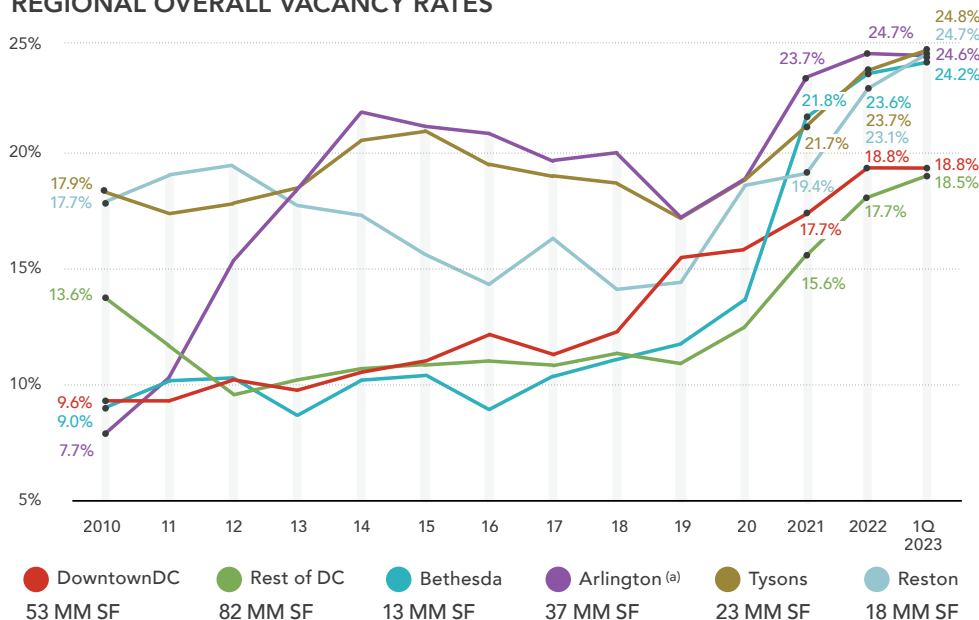


**DOWNTOWNDC AND THE REST OF D.C. BOTH REPORT RECORD VACANCY RATES OF ALMOST 19% AND A RECORD TOTAL VACANT OFFICE SPACE OF 10 MM SF AND 25 MM SF, RESPECTIVELY.**



**DOWNTOWNDC IS THE LARGEST OFFICE SUBMARKET IN REGION, WITH 76 MILLION SF — 37% OF D.C.'S OFFICE SPACE**

### REGIONAL OVERALL VACANCY RATES



**GOOD NEWS: THE BOSTON CONSULTING GROUP RECENTLY MOVED INTO DOWNTOWNDC, OCCUPYING 98,000 SF.**

Source: CoStar

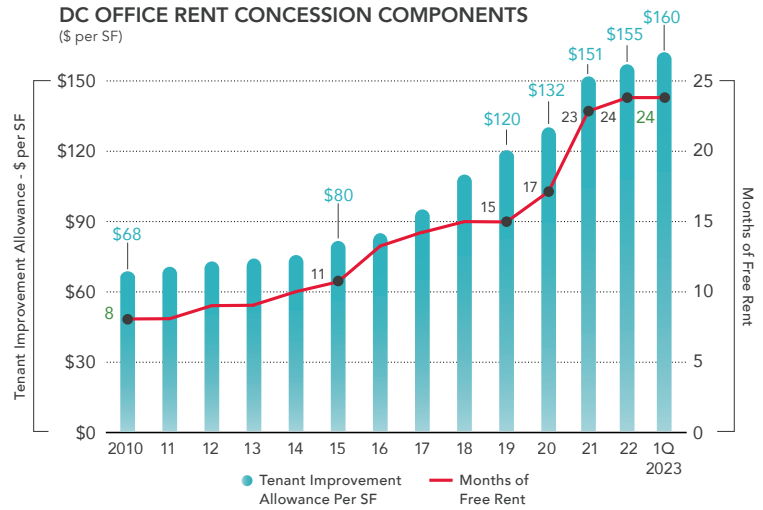
(a) CoStar data is for office buildings over 20,000 SF and are not owner occupied.



200 Massachusetts Avenue NW

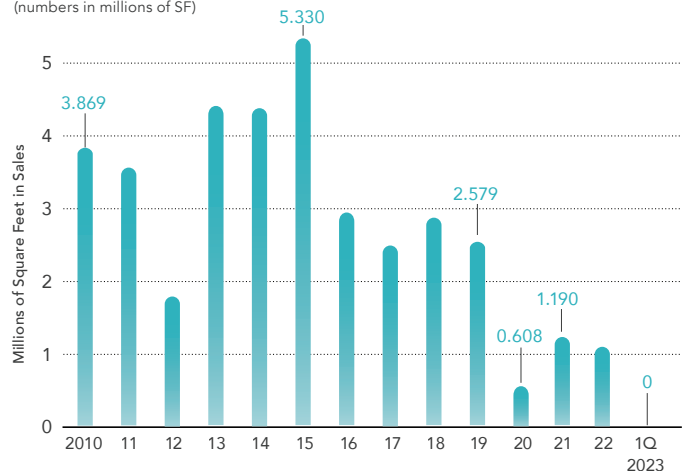
**AS A RESULT OF BOTH POOR PERFORMANCE AND HIGH LEVELS OF UNCERTAINTY, OFFICE PROPERTY OWNERS HAVE OFFERED RECORD RENT CONCESSIONS, AND OFFICE SALES ARE AT HISTORICALLY LOW LEVELS.**

**DC OFFICE RENT CONCESSION COMPONENTS**  
(\$ per SF)



Source: Avison Young

**DOWNTOWNDC OFFICE SALES VOLUME IN SQUARE FEET (a)**  
(numbers in millions of SF)



Source: CoStar

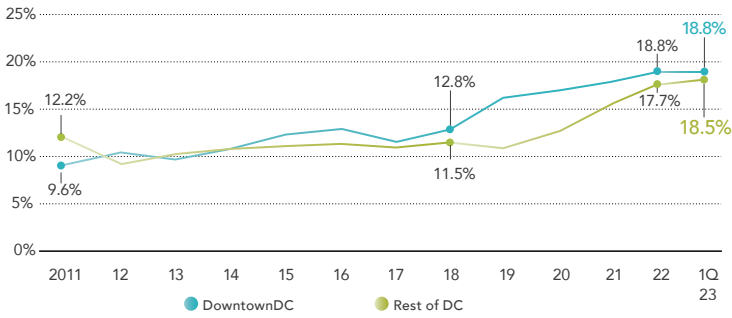
(a) Sales of buildings larger than 50,000 square feet.



**DC'S RANKING BY AFIRE (ASSOCIATION OF FOREIGN INVESTORS IN REAL ESTATE)**

**ROSE TO #4 OF U.S. CITIES IN 2023 AFTER SEVERAL YEARS OF RANKING AT #1**

**OFFICE SPACE VACANCY RATE (a)**

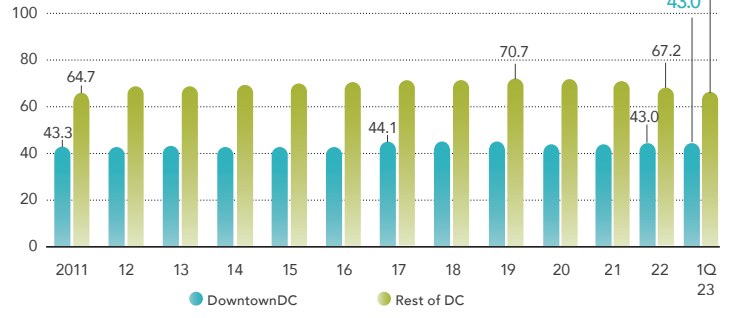


Source: CoStar

(a) CoStar data is for office buildings over 20,000 SF and are not owner occupied.

**OFFICE OCCUPIED SF (a)**

(in millions of SF)

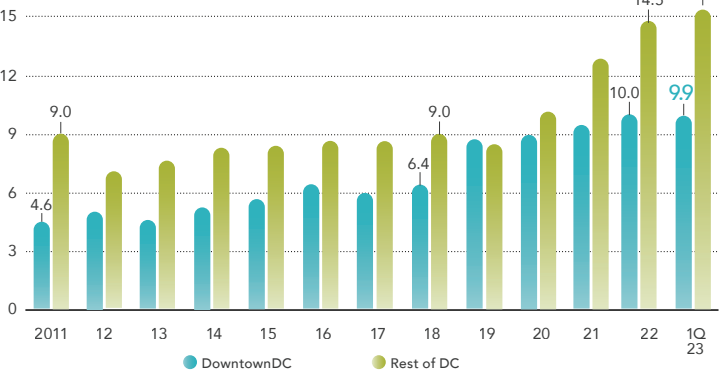


Source: CoStar

(a) CoStar data is for office buildings over 20,000 SF and are not owner occupied.

**OFFICE VACANT SF (a)**

(in millions of SF)

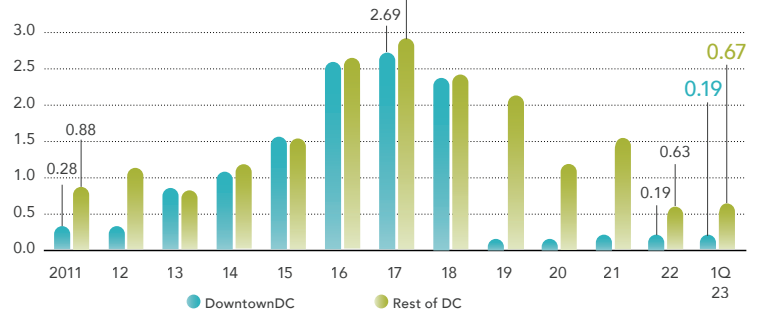


Source: CoStar

(a) CoStar data is for office buildings over 20,000 SF and are not owner occupied.

**OFFICE SF UNDER CONSTRUCTION (a)**

(in millions of SF)

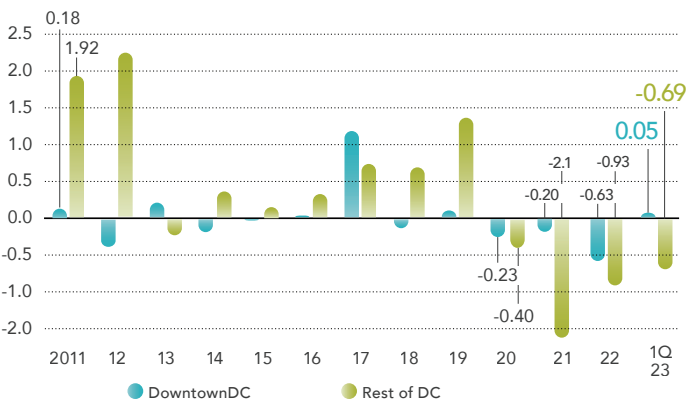


Source: CoStar

(a) CoStar data is for office buildings over 20,000 SF and are not owner occupied.

**OFFICE NET ABSORPTION SF**

(in millions of SF)

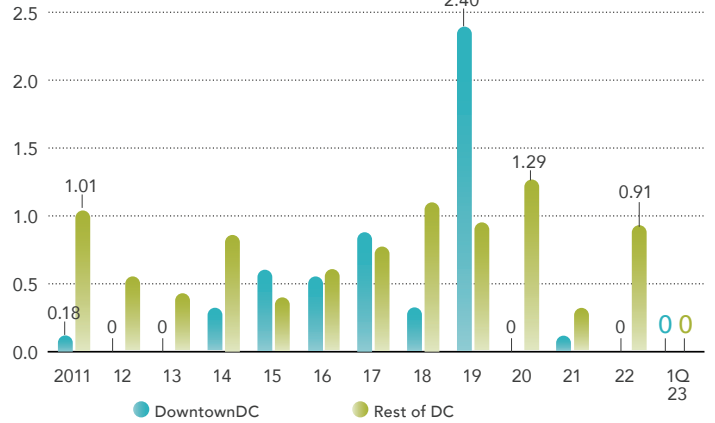


Source: CoStar

(a) CoStar data is for office buildings over 20,000 SF and are not owner occupied.

**OFFICE SF OF BUILDING DELIVERIES (a)**

(in millions of SF)



Source: CoStar

(a) CoStar data is for office buildings over 20,000 SF and are not owner occupied.



**THE FEDERAL GOVERNMENT OCCUPIES 32% OF ALL D.C. OFFICE SPACE.**

**FEDERAL AND PRIVATE OWNED AND LEASED OFFICE SPACE IN DOWNTOWNDC AND DC**  
(in millions of SF)

	DowntownDC BID		Rest of DC		All of DC	
	SF	%	SF	%	SF	%
<b>Federal-Owned</b>						
GSA (a)	15.6	21%	21.9	17%	37.5	19%
Congress	1.0	1%	6.0	5%	7.0	3%
Other (b)	0.0	0%	3.0	2%	3.0	1%
<b>Total</b>	<b>16.6</b>	<b>22%</b>	<b>30.9</b>	<b>24%</b>	<b>47.5</b>	<b>23%</b>
<b>Privately-Owned (c)</b>						
Owner-Occupied	4.6	6%	9.2	7%	13.8	7%
<b>Leased To 3rd Parties</b>						
> 20K SF	54.0	71%	81.9	64%	135.9	67%
< 20K SF	0.4	1%	5.4	4.3%	5.8	2.9%
<b>Total</b>	<b>59.0</b>	<b>78%</b>	<b>96.5</b>	<b>76%</b>	<b>155.5</b>	<b>77%</b>
<b>Total Office SF (d)</b>	<b>75.6</b>	<b>100%</b>	<b>127.4</b>	<b>100%</b>	<b>203.0</b>	<b>100%</b>
<b>Federal Owned and Leased SF</b>						
Owned	16.6	21%	30.9	24%	47.5	23%
<b>Leased</b>						
By GSA	3.9	5%	13.7	11%	17.6	9%
By Other (d)	0.0	0%	1.0	1%	1.0	0%
<b>Total</b>	<b>20.5</b>	<b>26%</b>	<b>45.6</b>	<b>36%</b>	<b>66.1</b>	<b>32%</b>

Source: CoStar, General Service Administration and DowntownDC BID.

(a) GSA = General Service Administration.  
(b) Other includes the Supreme Court, Federal Reserve and independent agencies.  
(c) CoStar data.  
(d) Does not include DC government-owned office space.

**THE LARGE FEDERAL PRESENCE IN DOWNTOWNDC AND D.C. PRESENTS BOTH RISK AND OPPORTUNITY**

While all large city office markets in the U.S. are facing challenging times, D.C.'s office market is different due to the significant presence of the federal government as an occupier of owned and leased office space. This is both a major risk and an opportunity for the city:

- The risk is that the federal government reduces the 17.6 million SF of leased space in privately owned buildings.

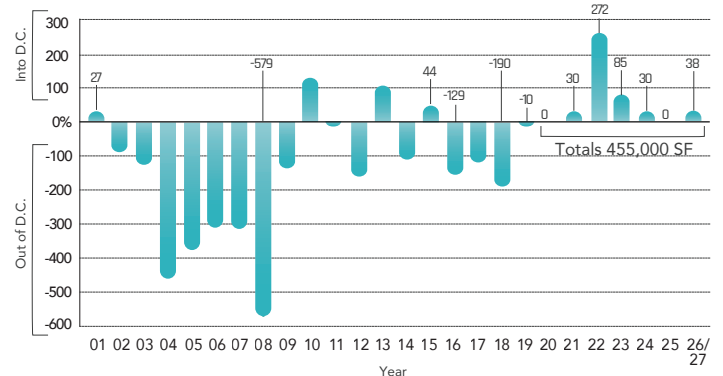
- The opportunity is that the federal government will sell/long-term lease surplus buildings as it did with the Old Post Office Building, now home to the Waldorf Astoria Washington DC hotel. The current FBI headquarters site is another such opportunity.

**THERE IS LIGHT AT THE END OF THE TUNNEL**

While there is a lot to be concerned about in the DowntownDC and D.C. office markets, there is positive news:

- 601 Massachusetts Avenue NW sold in 2022 for \$1,100/SF.
- Mayor Bowser and the D.C Council's FY 2024 budget has funding of \$41 million per year, starting in 2028, for the conversion/repurposing of up to 6 million to 7 million SF of office space into housing.
- The Zoning Commission voted to not apply Inclusionary Zoning (IZ) to most of DowntownDC, as there is no density to provide per the IZ program due to the city's height limits. This decision may initiate more development opportunities.
- With modest funding, the D.C. Vitality Fund is retaining and attracting small-growth companies to D.C. office space.
- Mayor Bowser and the D.C Council's FY 2024 budget includes the sunset of the temporary increase in the deed recordation and transfer taxes from 5% to the former 2.9%. D.C. was among the higher percentages in the nation at 5%.
- The upcoming Downtown Action Plan will likely recommend additional measures to support the office market and diversify DowntownDC into a series of mixed-use neighborhoods, the kind that have supported office markets in other D.C. and suburban submarkets in other U.S. cities during the pandemic.
- D.C. is estimated to have a net gain in tenants from the suburbs of 455,000 SF for 2020–2027 (with a positive 272,000 SF in 2022); D.C. is not seeing its office tenants moving en masse to cheaper suburban office submarkets.

**REGIONAL PRIVATE OFFICE TENANT MOVEMENT BETWEEN D.C. AND SUBURBS** (numbers in thousandst of SF)



Source: DowntownDC BID

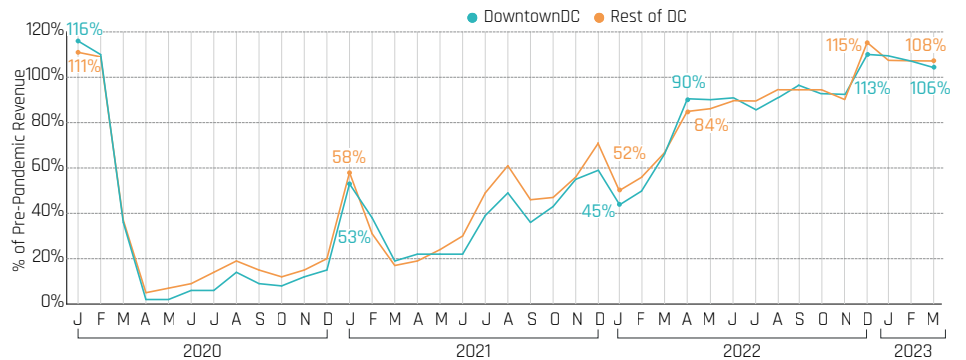


Waldorf Astoria Washington DC interior

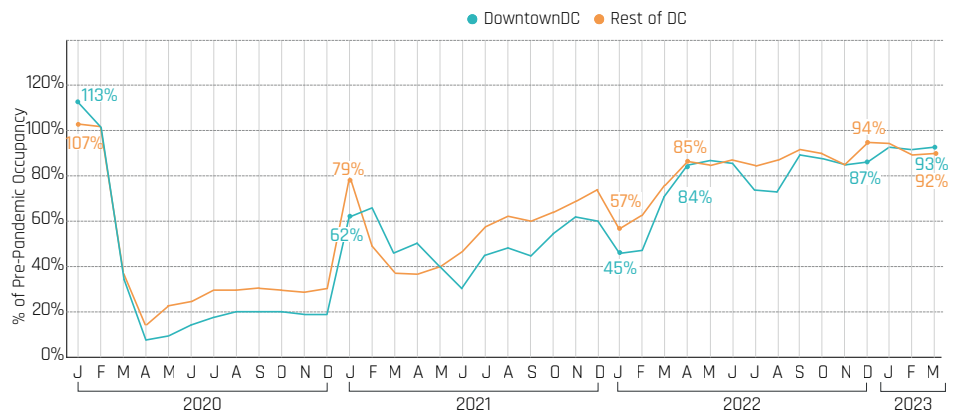
# HOTELS, TOURISM & CONVENTIONS

**HOTEL, TOURISM, AND CONVENTION PERFORMANCE IMPROVED SIGNIFICANTLY IN 2022. DOWNTOWNDC HOTELS ARE OUTPERFORMING ALL OTHER D.C. AND REGIONAL SUBMARKETS.**

Hotel Revenues As % of Pre-Pandemic Revenues (a)



Hotel Occupancy As % of Pre-Pandemic Occupancy (a)

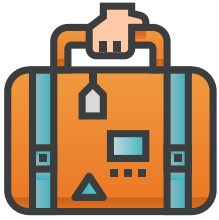


Source: str

(a) The pandemic months are compared to the same month in 2019.

For example, April 2020 and April 2021 are both compared to April 2019.





## DOWNTOWNDC HOTEL REVENUES IN Q1 2023 WERE 108% OF Q1 2019 REVENUES.

### HOTEL PERFORMANCE

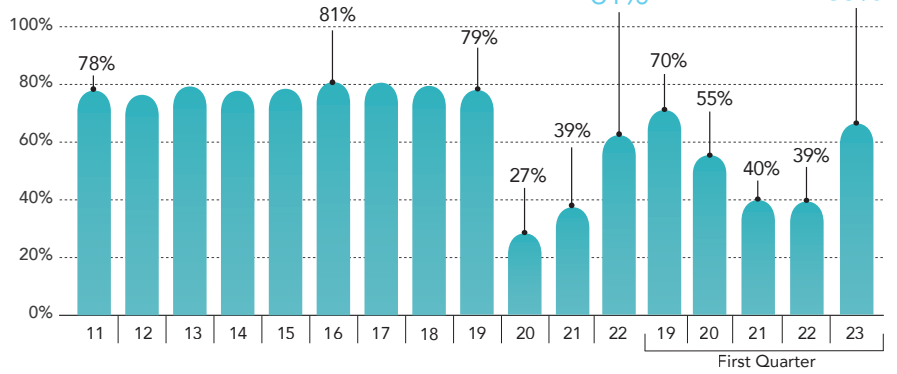
In Q1 2023, DowntownDC hotels had an occupancy rate of 65% compared with 70% in 1Q 2019, or 93% of pre-pandemic levels. Due to a Q1 2023 average daily rate of 112% of Q1 2019, Q1 2023 revenues for DowntownDC hotel were at 108% of Q1 2019 revenues. Since April 2022, hotel occupancy has been 76% to 93% of pre-pandemic levels.

Hotel employment jumped by 44% in 2022, or 4,200 jobs, from 9,600 in December 2021 to 13,800 in December 2022, although this is still down from 16,400 jobs in December 2019, a decline of 2,600 jobs.

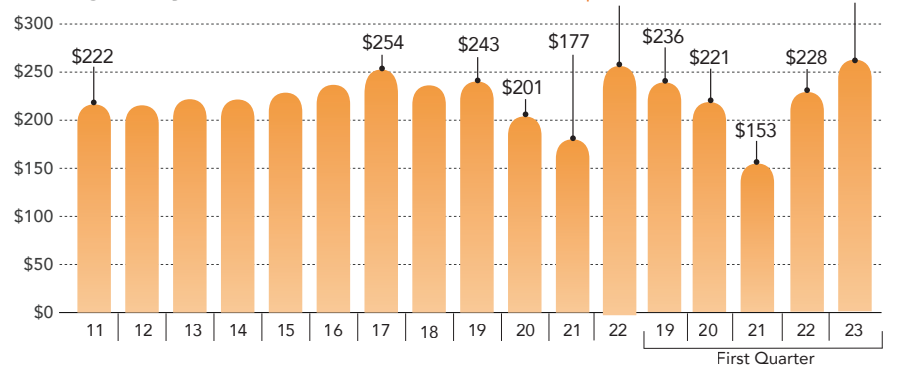
**DOWNTOWNDC HAS 37% OF D.C.'S HOTEL ROOMS AND GENERATES 40% OF D.C. HOTEL REVENUES.**

### DOWNTOWNDC HOTEL PERFORMANCE

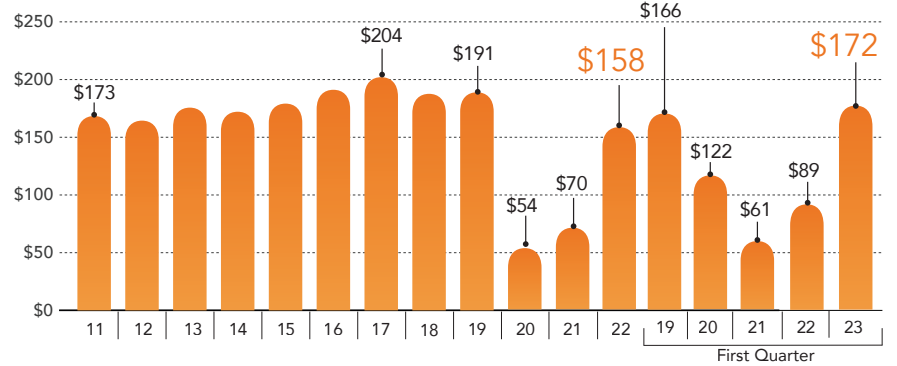
#### Occupancy rate



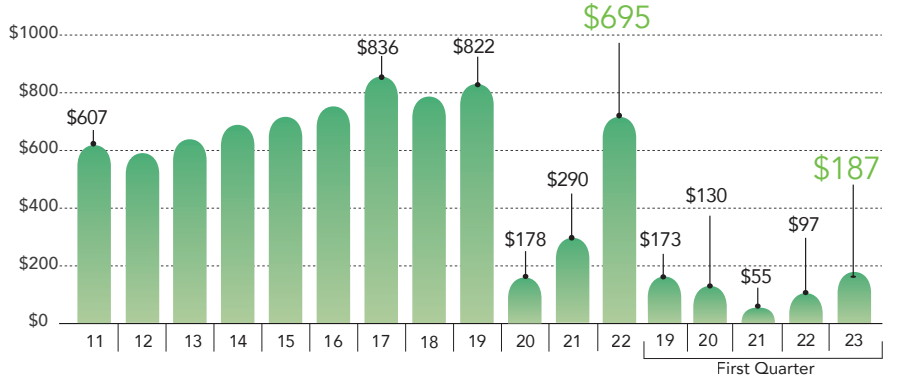
#### Average daily room rate



#### Revenue per available room (a)



#### Revenues

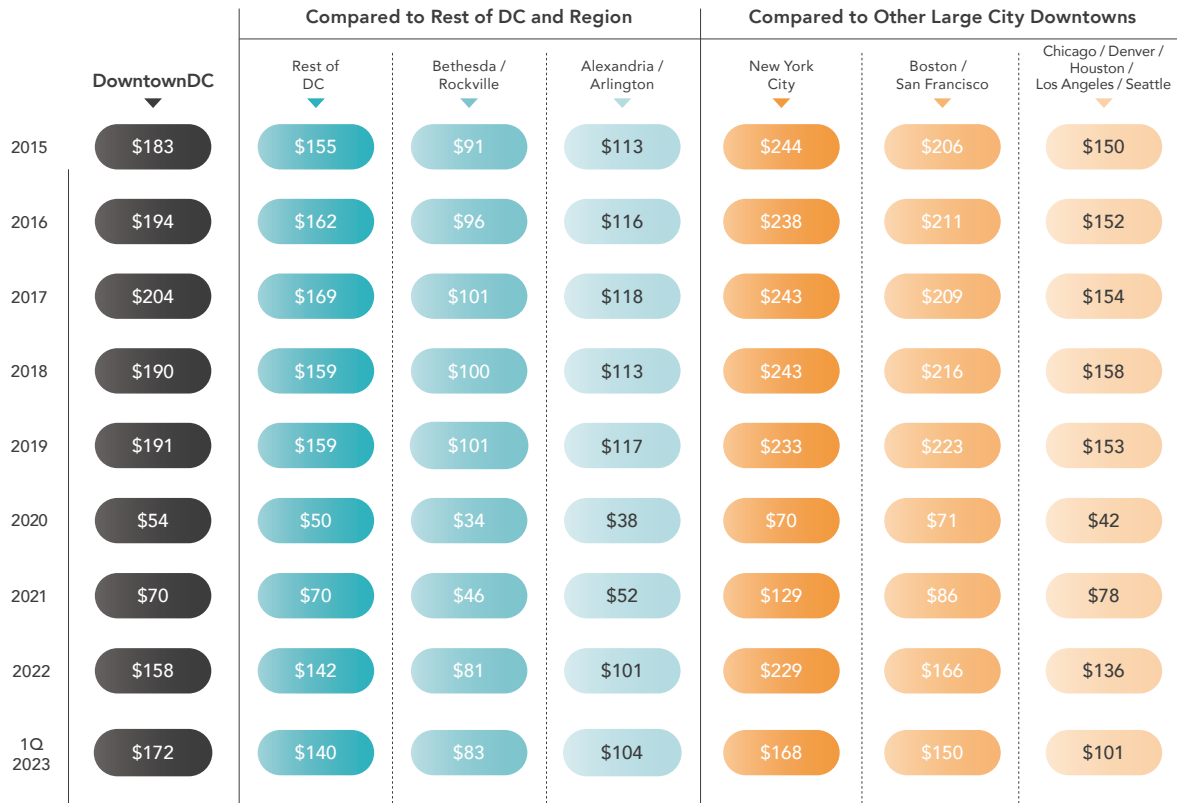


(a) Revenue per available room (or RevPAR) = Occupancy Rate \* Average Daily Room Rate.

Source: str

**REVPAR COMPARISON: MARYLAND, VIRGINIA AND SELECTED U.S. DOWNTOWNS**

(REVPAR = Revenue Per Available Room Night)



Source: str

**D.C. VISITOR TRAVEL REBOUNDED STRONGLY IN 2021**

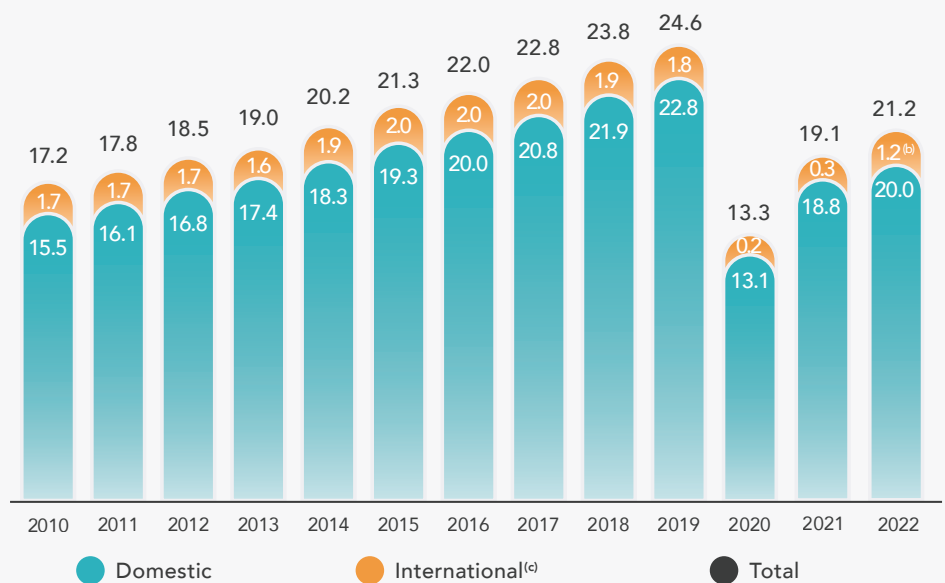
Destination DC, the city’s tourism marketing arm, reported strong domestic visitor travel for 2022: 20.0 million visitors, up 52% from 2020’s 13.1 million and 6.4% from 2021 domestic visitation. For 2022, Destination DC is estimating international visitors of 1.1 million to 1.3 million.

Overall, visitors in 2022 is estimated at 86% of 2019, with domestic visitors at 88% and international visitors at 67%.

The memorials and museums on the National Mall attracted 31 million and 13 million visitors, respectively, in 2022, compared with 31 million and 21 million visitors, respectively, in 2019.

**VISITORS TO DC<sup>(a)</sup>**

(millions)



Source: Destination DC

(a) 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.

(b) Destination DC estimate.

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

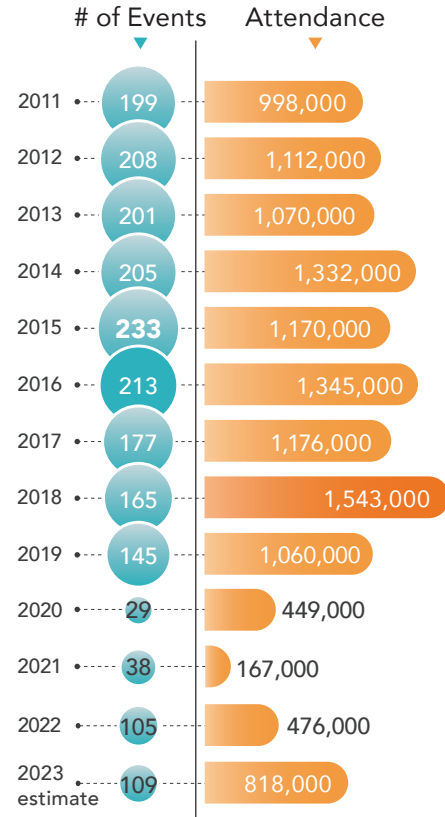
**D.C. HOTEL EMPLOYMENT WAS STILL DOWN 16% FROM DECEMBER 2019 TO DECEMBER 2022, BUT UP 44% FROM DECEMBER 2021.**

**CONVENTION CENTER REBOUNDS STRONGLY IN 2022, AND 2023 IS PROJECTED TO BE EVEN STRONGER**

Attendance at the Walter E. Washington Convention Center in 2022 was up 185% from 2021: 476,000 at 105 events, up from 167,000 at 38 events. 2023’s projected attendance is 818,000 — up 72% from 2022 and 77% of 2019 attendance.

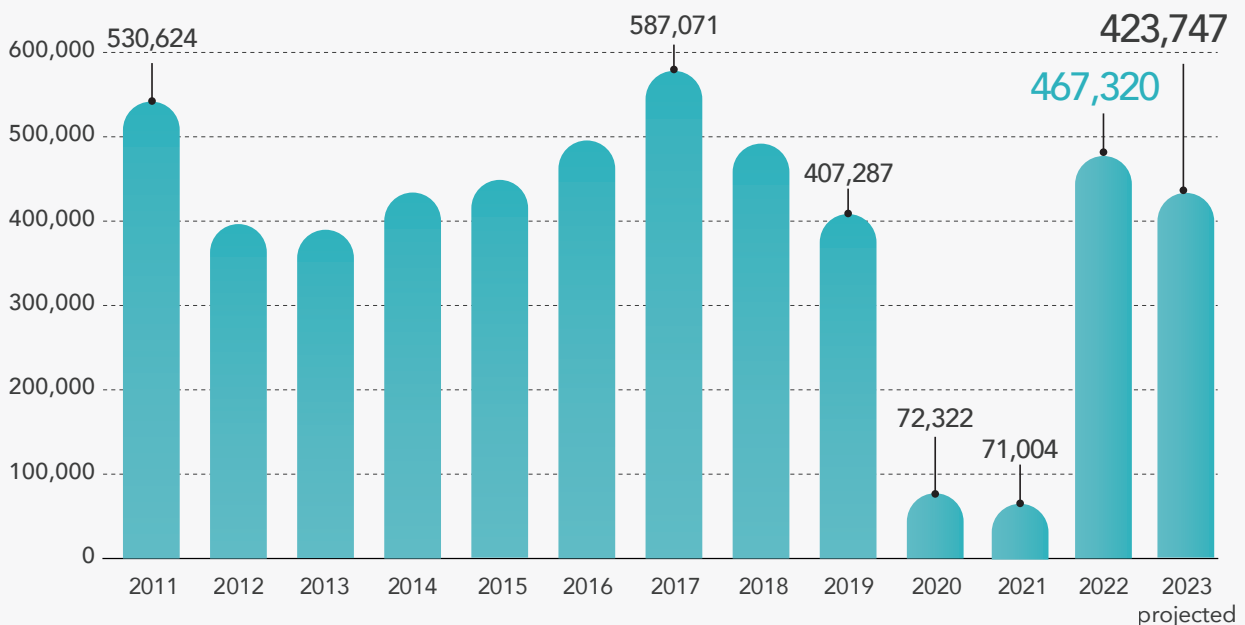
The room nights generated by Destination DC for the convention center are particularly important to DowntownDC hotels, as their marginal demand has a significant impact on room rates. 2022 saw a strong rebound to 467,320 room nights from 2021’s 71,004 room nights. The 2022 total accounted for 17.3% of DowntownDC room demand — significant marginal demand.

**WALTER E. WASHINGTON CONVENTION CENTER ATTENDANCE**



Source: Events DC

**HOTEL ROOM NIGHTS GENERATED BY DESTINATION DC FOR THE WALTER E. WASHINGTON CONVENTION CENTER**



Source: Destination DC

## STRONG INVESTMENT INTEREST IN DOWNTOWNDC HOTELS

In 2022 there was strong investor interest in four DowntownDC hotels, totaling an estimated \$700 million:

- Royal Sonesta is building a 271-room hotel as part of a mixed-use redevelopment by Office Properties

Income Trust of an existing office building at 20 Massachusetts Avenue NW, which also includes office and retail space.

- In May 2022, the 263-room Trump International Hotel was purchased by an investor group, which has reflagged the building as the Waldorf Astoria Washington DC, for \$375 million. The purchase price of \$1.4 million per room is a record hotel room purchase price for the city.
- The 445-room Arlo Hotel under

construction at 333 G Street NW is a \$133 million investment by Quadrum.

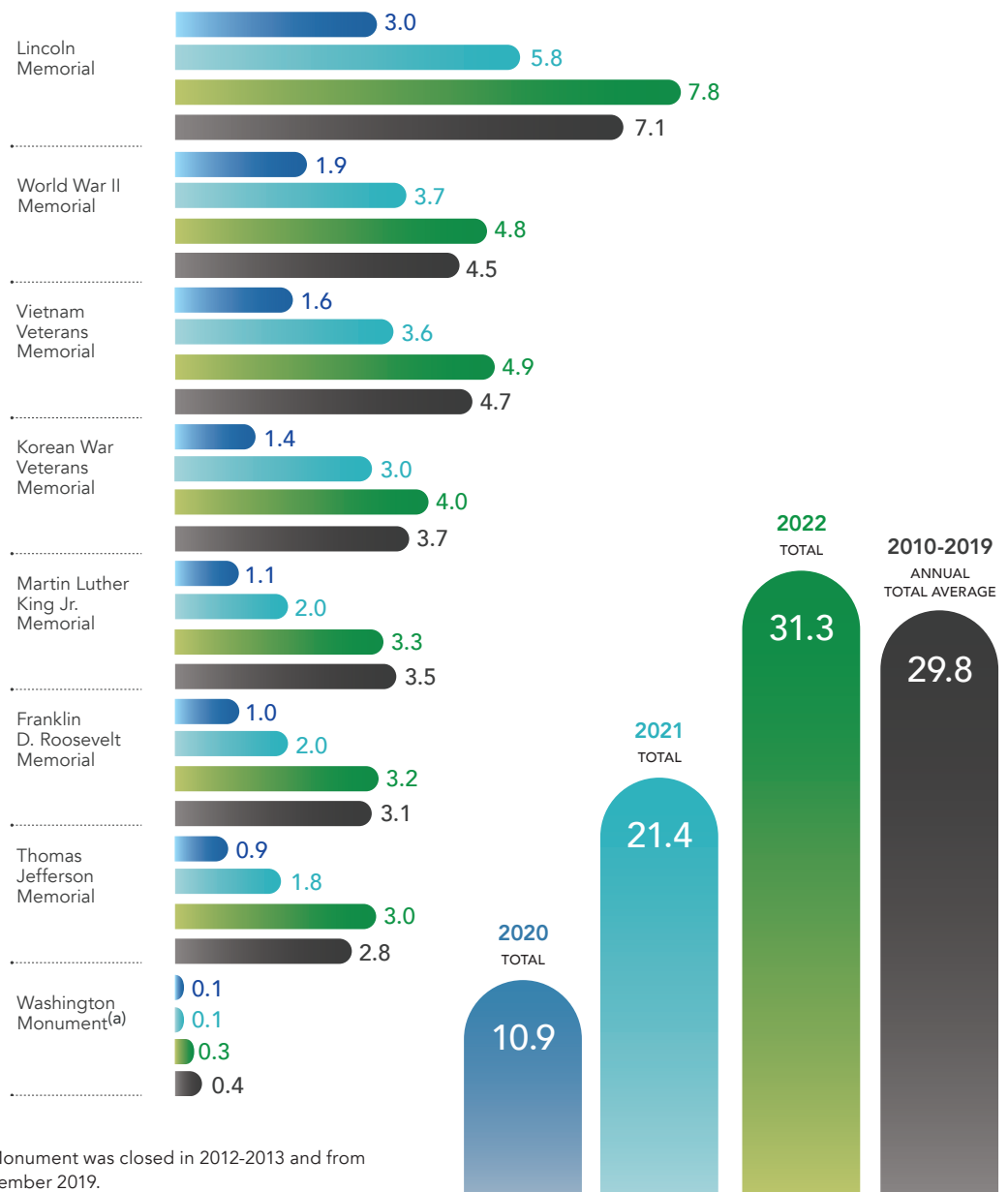
- Sunstone Hotel Investors is under way with a \$92 million renovation of the Renaissance Washington DC Hotel as part of a rebranding to a Westin Hotel in 2023.

**\$700 MILLION IN HOTEL INVESTOR INTEREST IN DOWNTOWNDC**

## ANNUAL VISITORS TO NATIONAL MALL MEMORIALS

### MEMORIAL ATTENDANCE

- 2020
  - 2021
  - 2022
  - Annual Average (2010-2019)
- (millions)

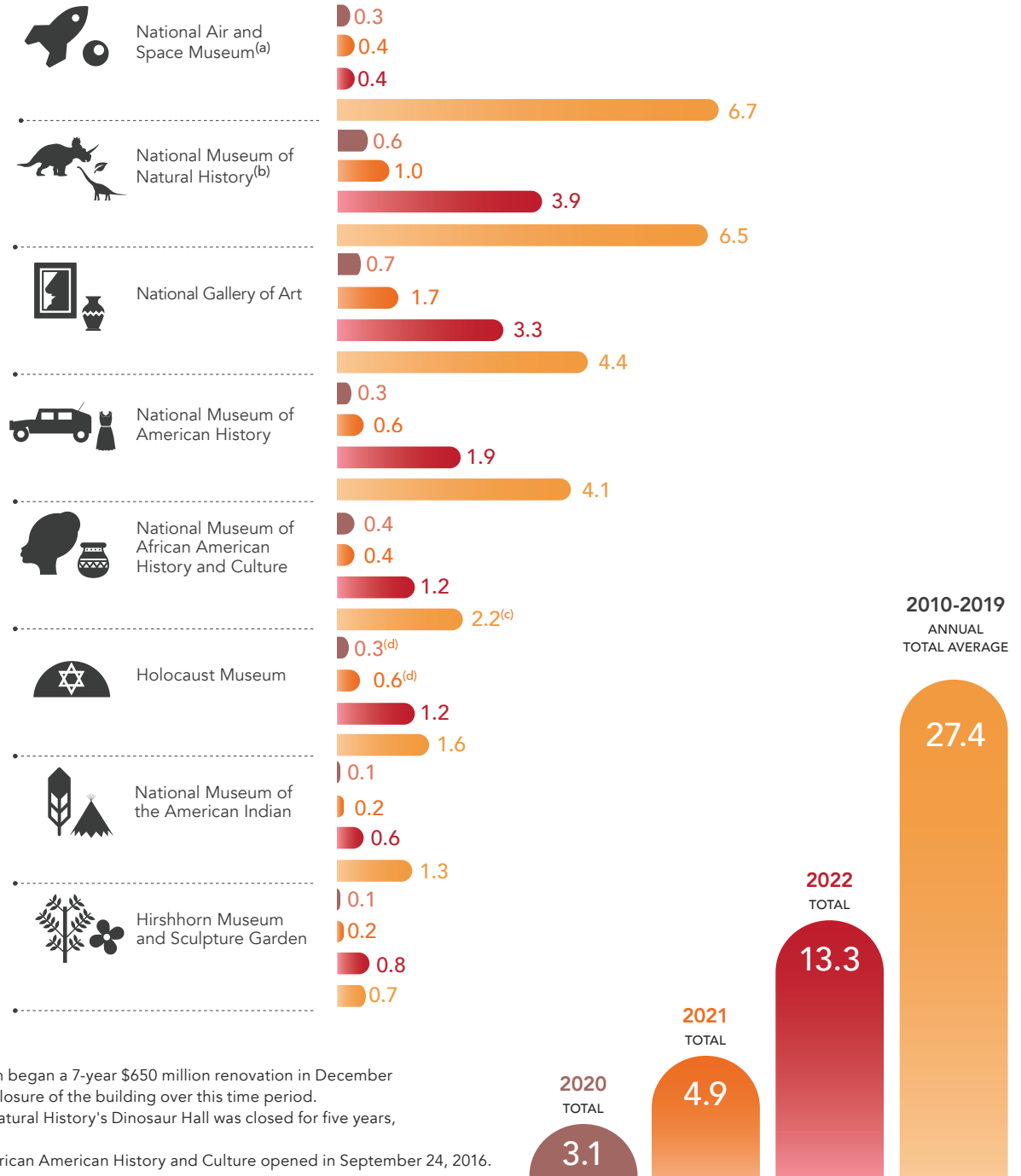


(a)The Washington Monument was closed in 2012-2013 and from August 2016 to September 2019.

# ANNUAL VISITORS TO NATIONAL MALL MUSEUMS

## MUSEUM ATTENDANCE

- 2020
  - 2021
  - 2022
  - Annual Average (2010-2019)
- (millions)



(a) The Air and Space Museum began a 7-year \$650 million renovation in December 2018 that will result in partial closure of the building over this time period.  
 (b) The National Museum of Natural History's Dinosaur Hall was closed for five years, from June 2014 to June 2019.  
 (c) The National Museum of African American History and Culture opened in September 24, 2016.  
 (d) DowntownDC BID estimate.



**2022 WAS A YEAR OF SIGNIFICANT RECOVERY FOR CULTURE & ENTERTAINMENT, AND 2023 WILL SEE THE COMEBACK CONTINUE.**

DowntownDC's 13 museums (with two new museums under construction) and eight theaters/performance venues were the hardest-hit sector of the BID-area economy during the pandemic, as all operations were almost 100% closed from mid-March 2020 to mid-April 2021. The District began relaxing restrictions on large gatherings indoors in April 2021. Then the late 2021/early

2022 Omicron flareup caused many individual shows to be canceled as performers became sick and several full productions were postponed or pulled, such as Shakespeare Theatre's *Much Ado About Nothing*, Ford Theatre's *The Mountaintop*, and Woolly Mammoth's *Seven Methods of Killing Kylie Jenner*. Also, museum attendance for many institutions was impacted by fewer operating

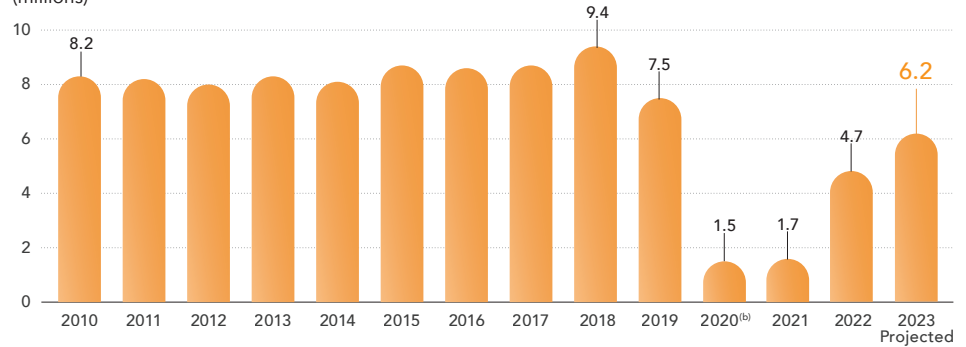


In 2022, the Shakespeare Theatre Company's production of the pre-Broadway run of the Britanny Spears-inspired *Once Upon a One More Time* became STC's best-selling show ever.

**ARTS AND ENTERTAINMENT EMPLOYMENT IS STILL DOWN 13% FROM PRE-PANDEMIC LEVELS, OR 1,400 JOBS.**

## DOWNTOWNDC CULTURE AND ENTERTAINMENT ATTENDANCE (a)

Museums, Capital One Arena and Performance Venues  
(millions)



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

(a) Key dates impacting Culture & Entertainment attendance:

- 2/2/18 - Obama's portrait unveiled at the National Portrait Gallery.
- 1/1/19 - Closing of the Spy Museum location in DowntownDC.
- 12/31/19 - Closing of the Newseum.

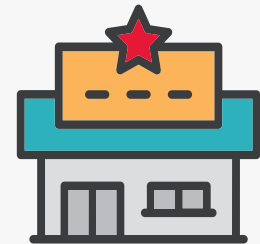
(b) 95% of 2020 attendance occurred in 1Q 2020.

days and shorter opening hours than pre-pandemic. However, by Q4 2022, culture and entertainment attendance had rebounded to 65% to 100% of pre-pandemic levels and has continued to improve in 2023.

In 2022, 4.7 million culture and entertainment patrons/visitors frequented DowntownDC venues, 63% of 2019 attendance of 7.5 million (with 4Q 2022 reaching 88% of Q4 2019 attendance). Visitor attendance fell to 1.5 million in 2020 (95% of which occurred in Q1 2020) from 7.5 million in 2019. The BID projects 2023 culture and entertainment visitor attendance at 6.2 million — 83% of 2019 attendance.

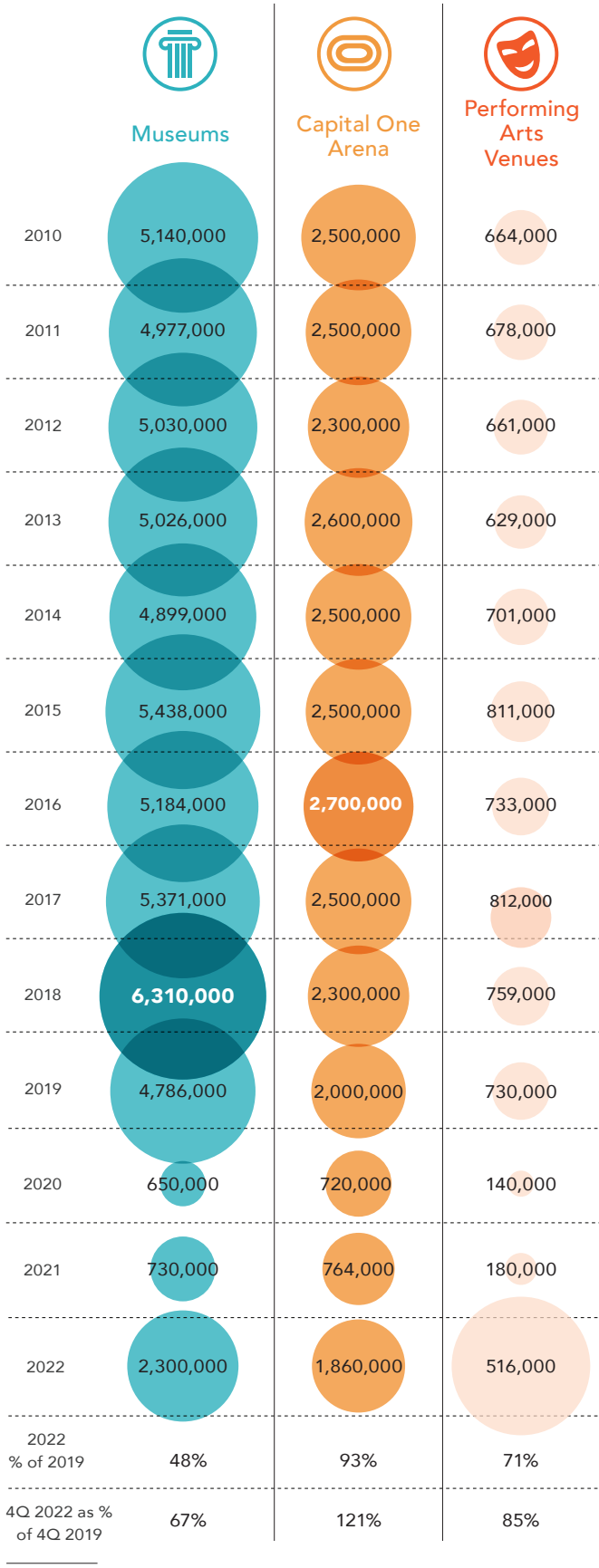
In Q4 2022 and Q1 2023, culture and entertainment subsectors are recovering at varying paces, as shown by these average monthly attendance ranges:

- Capital One Arena: 90%–100% of pre-pandemic levels
- Museums: 65%–85% of pre-pandemic levels
- Theaters: 75%–85% pre-pandemic levels
- Performance venues: 80%–90% of pre-pandemic levels



**2023  
CULTURE AND ENTERTAINMENT ATTENDANCE IS ESTIMATED AT 6.2 MILLION — 83% OF 2019 LEVELS.**

**DOWNTOWNDC CULTURE & ENTERTAINMENT ATTENDANCE BY VENUE TYPE**



## FEDERAL, CITY, AND PRIVATE FUNDING WAS CRITICAL IN PROVIDING RELIEF FOR THE FIRST 18 MONTHS OF THE PANDEMIC

The culture and entertainment sector has received significant federal, District, and private support since March 2020. The District has invested more than \$50 million to provide relief and recovery funding to arts and culture organizations. In addition, D.C. is funding the Arts and Humanities (Commission) with approximately \$51 million in the upcoming FY 2024 budget, a record level of funding. Federal funding support included \$16.25 billion in the December 2020 Shuttered Venue Operators Grants (covering theaters and other performance venues) in addition to the first two rounds of Payroll Protection Program funding. In addition, many theaters were supported by special fundraising campaigns. Theatre Washington’s Taking Care Fund has distributed approximately \$1 million in emergency pandemic grants to hundreds of local theater professionals.

The current FY 2024 District budget calls for restricting the Commission’s future budget growth to 2% per year. The D.C. Council added \$5 million for arts and culture capital projects to the FY 2024 budget.

## NEW MUSEUMS IN DOWNTOWNDC

The Victims of Communism Museum opened at 900 15th Street NW in June 2022.

Two museums are under construction:



National Museum of Women in the Arts is undergoing a \$68 million renovation



- Capital Jewish Museum (opening in June 2023)
- Milken Center for Advancing the American Dream (expected to open in 2024)

Also, the National Museum of Women in the Arts is scheduled to reopen in fall 2023 after a two-year, \$68 million renovation.

The redevelopment of the current FBI headquarters site would provide an excellent location for a new museum or the expansion of an existing one.

## WHAT DOES A RETURN TO NORMAL LOOK LIKE?

DowntownDC’s culture and entertainment venues are part of the BID’s, and the District’s, competitive advantage in attracting employers, conventions, and visitors. A return to a “normal” (pre-pandemic) year would result in the following annual attendance numbers:

- Museums **4.0 million–4.5 million**
- Capital One Arena **2.0 million–2.5 million**
- Theaters/Venues **0.7 million–0.8 million**
- Total **6.7 million–7.8 million**



National Building Museum

## PRE-PANDEMIC DOWNTOWNDC CULTURE AND ENTERTAINMENT ATTENDANCE

	Average for 2010 - 2019
Warner Theatre	▶ 158,415
National Theatre	▶ 113,185
Sidney Harman Hall (b)	▶ 124,035
Ford's Theatre	▶ 87,253
Sixth & I Synagogue	▶ 73,061
Hamilton Live	▶ 65,629
Michael Klein Theatre (b)	▶ 71,379
Woolly Mammoth Theatre	▶ 39,443
<b>TOTAL</b>	<b>▶ 732,400</b>

Sources: Theatres and Performance Venues  
 (a) If open less than years for the average, average based on years open.  
 (b) Shakespeare Theatre Company venues.

## PRE-PANDEMIC DOWNTOWN DC MUSEUM ATTENDANCE

	Average for 2010 - 2019
National Portrait Gallery and Smithsonian American Art Museum	▶ 1,312,700
National Archives	▶ 1,085,704
Ford's Theatre Historical Site	▶ 553,900
National Building Museum	▶ 504,462
National Museum of Women In The Arts	▶ 107,630
Old Post Office Tower (a)	▶ 119,508
The Naval Heritage Center	▶ 134,222
DC History Center	▶ 65,549
National Law Enforcement Museum (b)	▶ 66,034
Children's Museum	▶ NA
Planet Word	▶ NA
Victims of Communism	▶ NA
Capital Jewish Museum (c)	▶ NA
Center for the American Dream (c)	▶ NA
<b>TOTAL</b>	<b>▶ 3,949,709</b>

Sources: Museums and DowntownDC BID

(a) For 2017 -- 2019.  
 (b) DowntownDC BID estimate.  
 (c) Under construction

# SHOPPING & DINING

Rumis Kitchen

## PERFORMANCE MIXED IN 2022 AND Q1 2023

The performance of the DowntownDC retail sector in 2022 and early 2023 was vastly different for destination dining and luxury shopping compared with lunchtime dining and everyday shopping, which have been significantly impacted by the low percentage of office workers coming to the office.

The DowntownDC destination restaurant sector continued its strong recovery, with 19 openings and 12 closings in 2022, and three openings and one closing in Q1 2023, and with eight destination restaurants under construction and eight announced openings. On the other hand, quick-service restaurants had net closings rather than net



THE DOWNTOWN RETAIL VACANCY RATE REMAINS VERY HIGH AT 22% IN MARCH 2023, UP FROM 10% IN DECEMBER 2019.



THERE WERE 19 DESTINATION RESTAURANT OPENINGS IN 2022, AND 19 OPENINGS ARE PLANNED FOR 2023

openings, with 19 closings and 12 openings in 2022 and four closings and two openings in 1Q 2023.

Luxury stores saw one opening and zero closings in 2022, and one opening and one closing in Q1 2023, with two projected openings later in 2023, while everyday stores saw four closings and zero openings in 2022 and two closings and zero openings in Q1 2023.

The increase in vacant retail space of 500,000 SF, from 410,000 SF in December 2019 to 910,000 SF in March 2023, represents the loss of hundreds of retail jobs and an estimated \$18 million to \$24 million in annual sales tax revenue.

The potential of DowntownDC retail is shown at CityCenterDC, where retailers continue to grow their sales and report average sales per SF of \$1,529, with some luxury brands averaging \$4,700 per SF in 2022.

CITYCENTERDC  
REPORTS AVERAGE  
STORE SALES OF  
\$1,529 PER SQUARE  
FOOT IN 2022.



DOWNTOWNDC IS  
HOME TO MANY  
AWARD-WINNING  
RESTAURANTS.

### MICHELIN 2022

- ONE 2-STAR RESTAURANT
- THREE 1-STAR RESTAURANTS
- EIGHT BIB GOURMAND RESTAURANTS

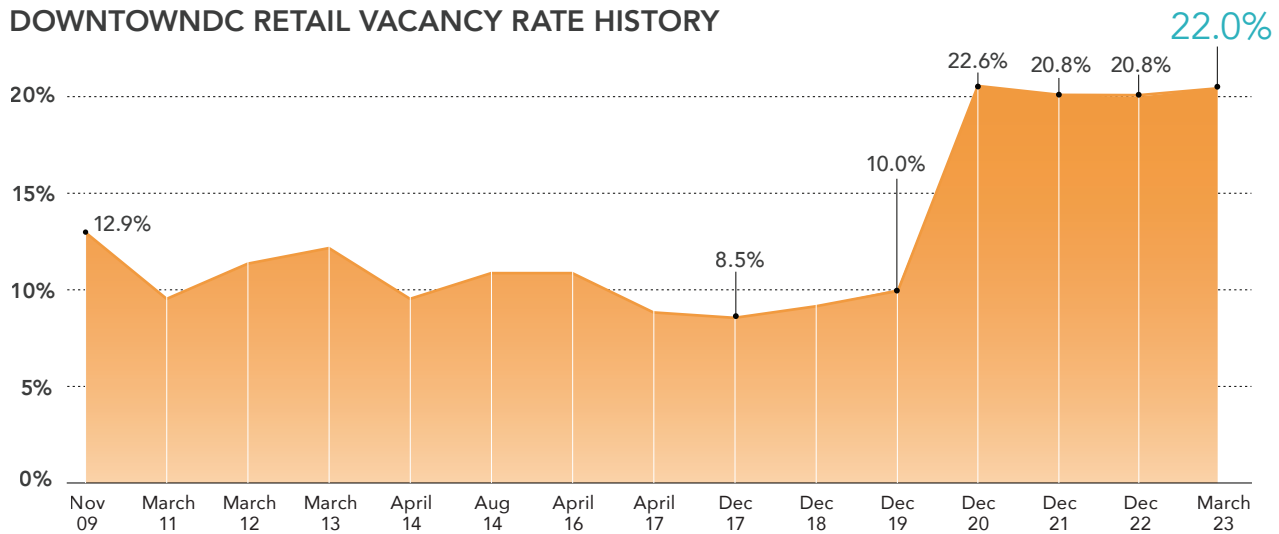
### JAMES BEARD 2022

- THREE NOMINEES

### RESTAURANT ASSOCIATION OF METROPOLITAN WASHINGTON

- 12 NOMINATIONS FOR 2022

### DOWNTOWNDC RETAIL VACANCY RATE HISTORY



Source: Dochter & Alexander Retail Advisors (2017 - 2021) and DowntownDC BID (2010 - 2016).

### DESTINATION RESTAURANT OVERVIEW AS OF APRIL 2023:

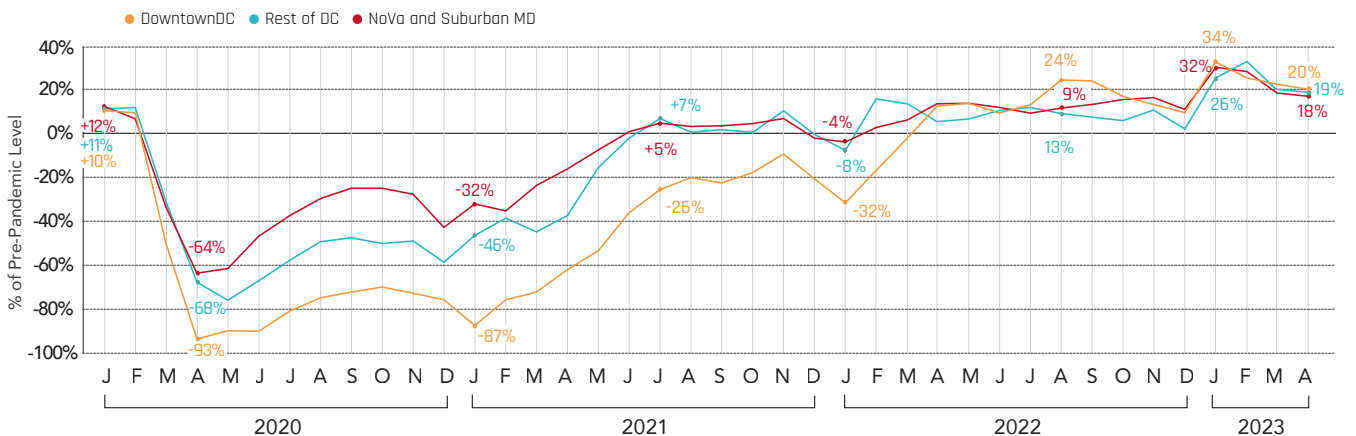
- 141 total restaurants; 151 projected by year-end
- Revenues at 120% of April 2023, a bit better than the rest of D.C. and the suburbs
- 2021: 10 openings, four closings
- 2022: 19 opening, 12 closings
- 2023: 19 openings projected, one closing as of April
- D.C. restaurant employment as of March 2023 is 7% below March 2019

### DESTINATION STORES OVERVIEW AS OF APRIL 2023:

- 64 total stores, 66 projected by year-end
- Several luxury stores' current sales are well above pre-pandemic levels
- 2021: five openings, seven closings
- 2022: one opening, four closings
- 2023: two openings projected, three closings as of April
- D.C. retail employment as of March 2023 is 10% below March 2019

### REGIONAL RESTAURANT SALES DURING PANDEMIC

Jan 2020 - April 2023 Sales Compared to Pre-pandemic Sales<sup>(a)</sup>



Source: MarginEdge and DowntownDC BID

<sup>(a)</sup> The pandemic months are compared to the most recent pre-pandemic same month. For example, April 2020 and April 2021 are both compared to April 2019.

## DOWNTOWNDC DESTINATION RESTAURANT HISTORY

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Estimate
Number of Restaurants at End of Year	120	125	123	127	125	132	136	142	138	134	125	131	138	151
Net Change	(2)	5	(2)	4	(2)	7	4	6	(4)	(4)	(9)	6	7	13
Openings	4	10	3	10	3	10	9	11	6	10	3	10	19	19 <sup>(a)</sup>
Closings	(6)	(5)	(5)	(6)	(5)	(3)	(5)	(5)	(10)	(14)	(12)	(4)	(12)	(6)

Source: DowntownDC BID

(a) Includes eight destination restaurants under construction and eight announced as of March 2023.

## DESTINATION RESTAURANT OPENINGS AND CLOSINGS

## 2021

**10 Opened**

Farmbird, Cheesecake Factory, Yardbird, DC Noble, Truluck's, Dauphine's, Piccolina, Immigrant Food+, L'Ardente, Michele's

**4 Closed**

Cedar, Rosa Mexicano, Circa, American Son

## DESTINATION SHOPPING OPENINGS AND CLOSINGS

**5 Opened**

Brunello Cucinelli, Express Edit, Chanel, Claire du Lune, Giorgio Armani

**7 Closed**

Coudailie, Mia Gemma, Johnston &amp; Murphy, Gap, Anthropologie, Potomac River Running, Zadig &amp; Voltaire

## 2022 AND Q1 2023

**22 Opened**

Philotimo, Piccolina, Shoto, Dos Toros Taqueria, Piccoletto, Bulldog, The Henri, Little Chicken, Rania, Lima Twist, Carlyle Room &amp; Brennan's Bar, Grazie Nonna, Bar Spero, Taffer's Tavern, Brickstone's Kitchen &amp; Bar, Guy Fieri's DC Kitchen &amp; Bar, Pow Pow, Howl at the Moon, Tom's Watch Bar, The Bazaar by Jose Andres, Parlour Victoria, Petite Cerise

**12 Closed**

Fire &amp; Sage, Café Mozart, Naan and Beyond, Carving Room, Occidental, Punjab Grill, DBGB, The Noble, BLT Prime, Siroc, Toro Toro, Red Apron/Partisan

**6 Under Construction**

Akedo, 1413 K Street, Love, Maketto, Street Pizza, Mi Vida, Lucha Rosa, G.O.A.T. Room, The Springs at Franklin Park

**8 Announced**

Fish &amp; Chips, La Grande Boucherie, Washoku Room, Olio e Piu, Tom Colicchio at Market Square, Arlo Hotel Restaurant, 900 Block of F Street, Kitchen + Cocktails

**2 Opened**

Akris and Christian Louboutin

**7 Closed**

J.Crew, Ann Taylor Loft, Paper Source, Banana Republic, Marshall's, Bensons Jewelers, Christofle

**0 Under Construction****2 Announced**

At CityCenterDC, but not yet publicly announced

## DOWNTOWNDC DESTINATION SHOPPING HISTORY

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Estimate
Number of Stores at End of Year	54	54	54	55	67	79	80	83	79	78	72	70	67	66
Net Change	0	0	0	1	12	12	1	3	(4)	(1)	(6)	(2)	(3)	(1)
Openings	2	2	2	1 <sup>(a)</sup>	12 <sup>(a)</sup>	12 <sup>(a)</sup>	2	3	0	3	1	5	1	2
Closings	(2)	(2)	(2)	0	0	0	(1)	0	(4)	(4)	(7)	(7)	(4)	(3)

Source: DowntownDC BID

# DOWNTOWNDC RETAIL OVERVIEW (AT MARCH 2023)

DowntownDC has a broad mix of retailers totaling 3.1 million SF of occupied retail space:

- 948,000 SF of high-end or casual dining in 141 destination restaurants (30%)
- 561,000 SF of other food service providers (18%)
- 595,000 SF of destination shopping in 64 stores (19%)
- 332,000 SF of other shopper’s goods retail (11%), including furniture design showrooms, drugstores, and convenience retail
- 704,000 SF of other retail (22%), with banks, entertainment, and fitness being the largest categories

## DOWNTOWN DC RETAIL SPACE OVERVIEW MARCH 2023

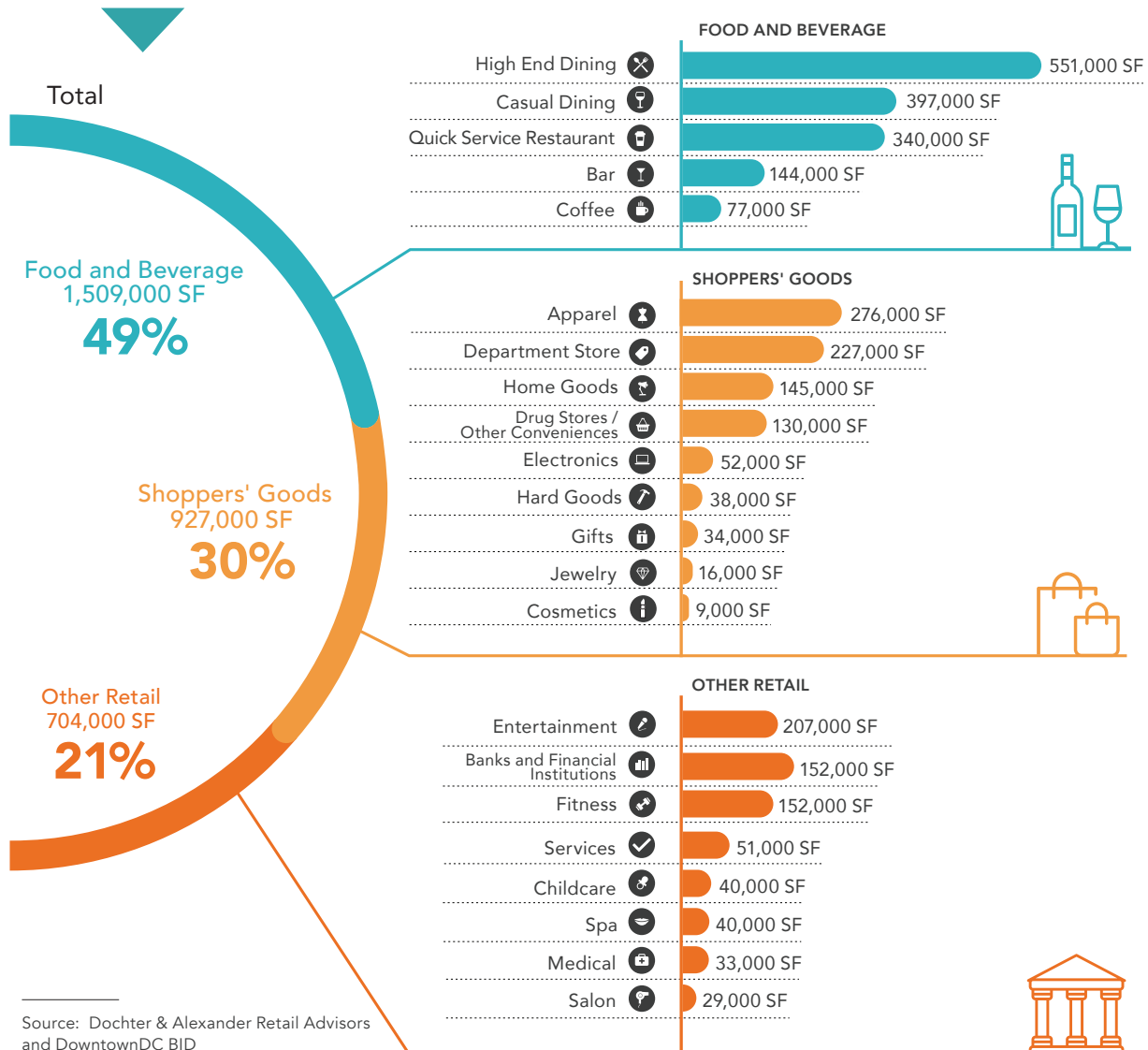
Total Possible Retail Space  
5,140,000 SF

Non-Retail  
First Floor  
1,005,000 SF

Under  
Construction  
85,000SF

3,140,000 SF Occupied Space

Vacant  
910,000 SF



Source: Dochter & Alexander Retail Advisors and DowntownDC BID

# HOUSING AND DEMOGRAPHICS

## STEADY APARTMENT AND CONDO MARKETS IN 2022

The DowntownDC apartment market rents increased slightly in 2022 and 1Q 2023, and its vacancy rate rose. Class A rents were \$3.51 per SF per month in Q1 2023 — a new record high for DowntownDC. Rents at CityCenterDC's apartments were in the \$4.50 to \$4.75 per SF per month range. And the DowntownDC apartment vacancy rate increased from a near record low of 3.1% at the end of 2021 to 4.7% in Q1 2023.

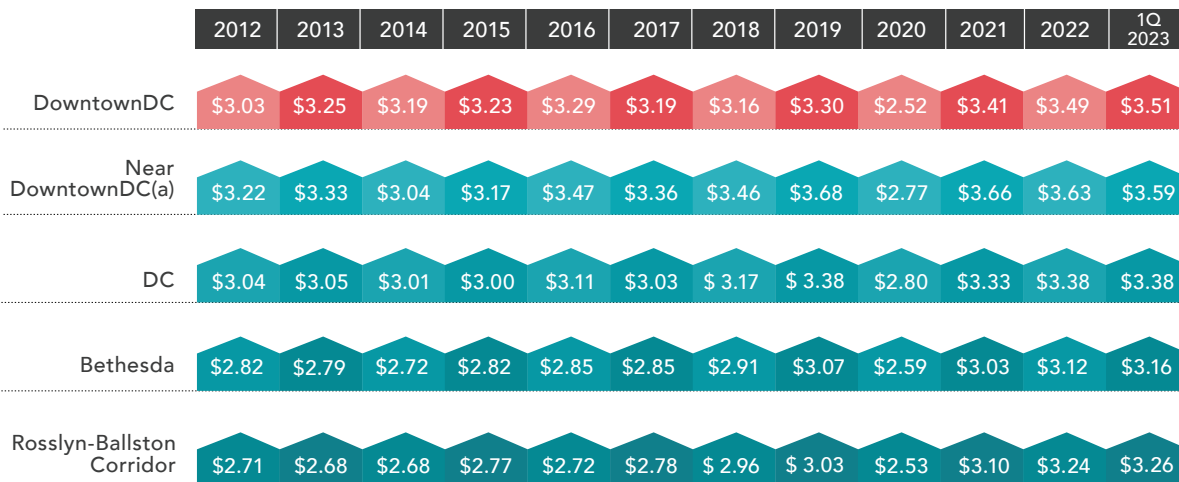
The condominium market remained strong as prices and sales volumes remained at slightly above and at pre-pandemic levels, respectively. Condominium prices and sales volumes were also generally strong in other D.C. submarkets and in the suburbs.

**DOWNTOWNDC CLASS RENTS SET A NEW RECORD OF \$3.51 PER SF IN Q1 2023.**

**DOWNTOWNDC CONDO PRICES SET A NEW RECORD OF \$691 PER SF IN 2022.**

### CLASS A APARTMENT EFFECTIVE RENTS

(\$ per SF per month)



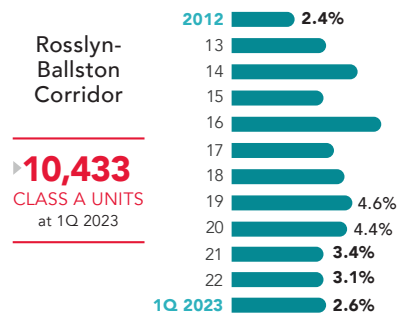
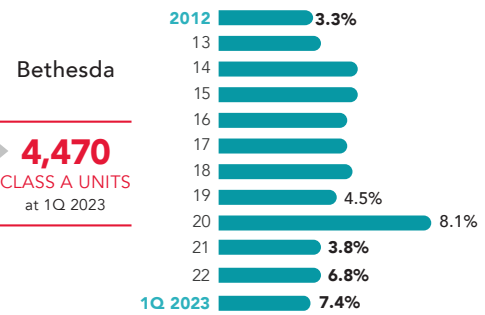
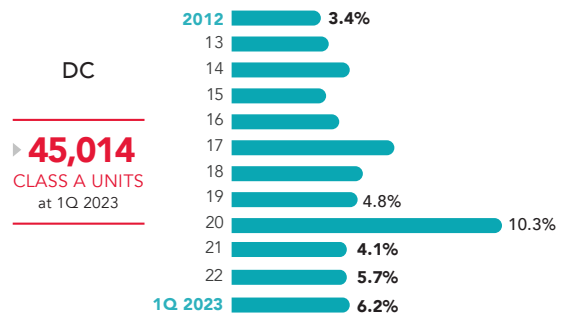
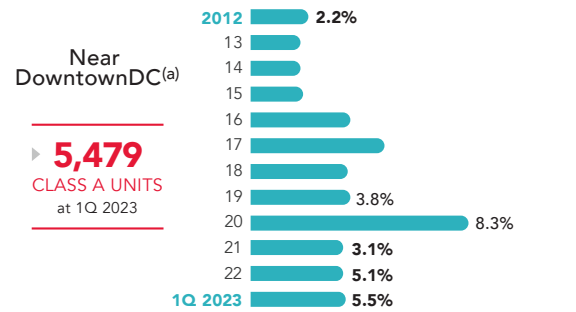
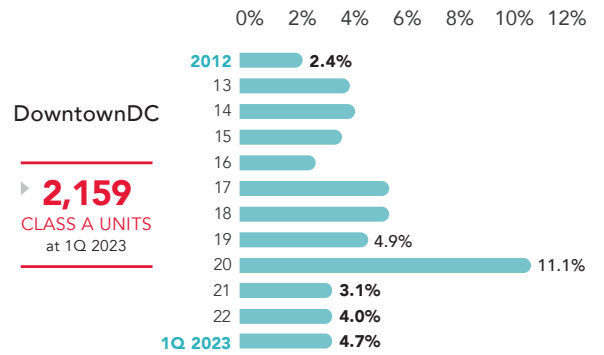
Source: Delta Associates

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





## CLASS A APARTMENT VACANCY RATES



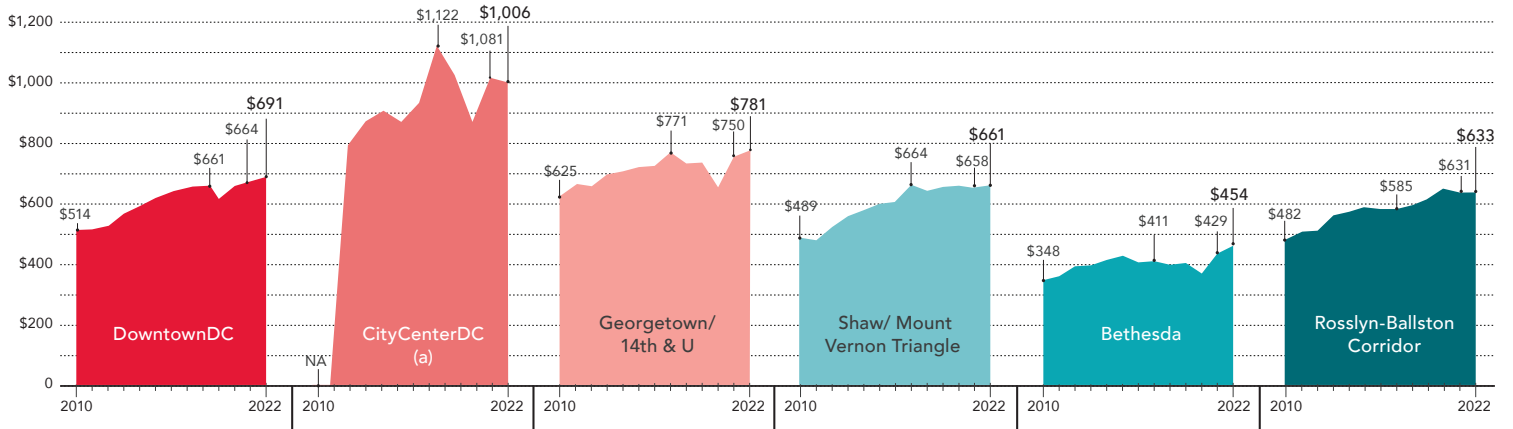
CityCenterDC

Source: Delta Associates

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

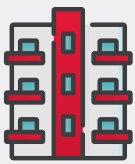
**REGIONAL CONDO RESALE PRICES**

(\$ per SF)



Source: The Mayhood Company

(a) New construction sales in 2010-2012.



**CITYCENTERDC AVERAGE 2022 CONDO PRICE OF \$1,006 PER SF.**

**DOWNTOWNDC HAS 9,434 RESIDENTS AND APPROXIMATELY 7,000 TOTAL HOUSING UNITS JUST 1.5% AND 2.0% OF D.C. TOTALS, RESPECTIVELY, PER COSTAR.**

HOUSING IS COMING TO DOWNTOWNDC:



**222 UNITS**

**1 UNDER-CONSTRUCTION PROJECT**



**1,023 UNITS  
6 ANNOUNCED PROJECTS**

**3 CONVERSIONS – 608 UNITS  
3 GROUND-UP – 415 UNITS**



**1,300 UNITS**

**FROM SEVERAL POTENTIAL CONVERSION PROJECTS**

**MAYOR BOWSER'S HOUSING GOAL IS AGGRESSIVE, BUT ACHIEVABLE**

In DC's Comeback Plan: 2023–2027 Economic Development Strategy, Mayor Bowser set a goal of 15,000 new residents in five years (by 12/31/27). This is an aggressive, but achievable goal, with the inclusion of the Housing in Downtown Tax Abatement amendments in the city's FY 2024 budget.

**IT IS AGGRESSIVE, BUT DOABLE:**

- 15,000 residents will need 9,000 to 10,000 units, or openings of almost 2,000 units per year.
- 385 residential units are under construction from conversions.
- There are 1,923 units in announced and potential housing projects in the DowntownDC BID area and another 1,512 units in other parts of the Mayor's downtown geography.
- DC averaged 5,907 multifamily housing starts for the five years 2018–2022.

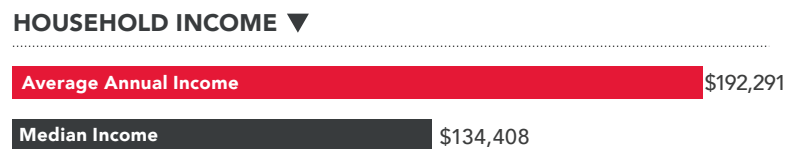
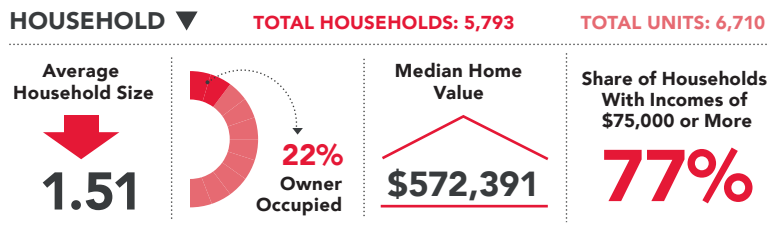
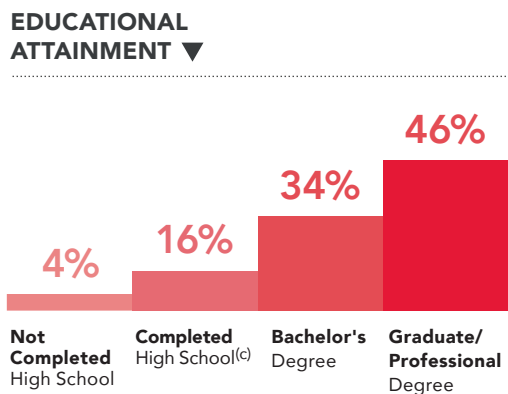
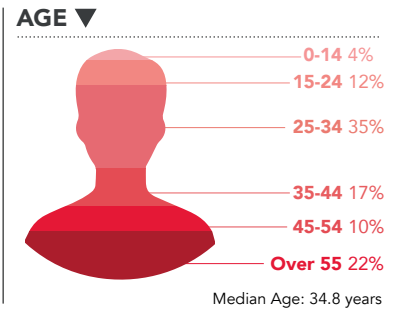
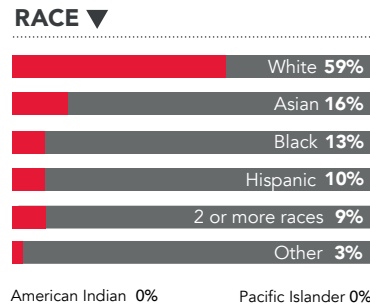
**BENEFITS:**

- Help stop the decline in office property tax rates by removing 5 million SF to 7 million SF of vacant office space from the market.
- Will provide substantial affordable units — between 1,000 and 1,500 units.
- Will provide demand for new retail.
- Each office conversion increases the District's tax base, after accounting for the tax abatement, by approximately \$9,500 per unit.
- The Mayor's HIDTA package will bring \$5 billion to \$7 billion of private capital to DowntownDC and help "jolt" downtown into full recovery mode.

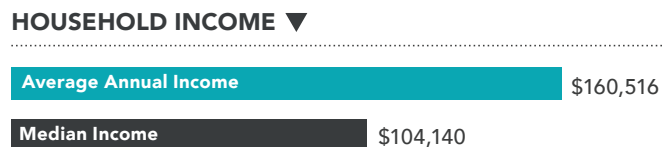
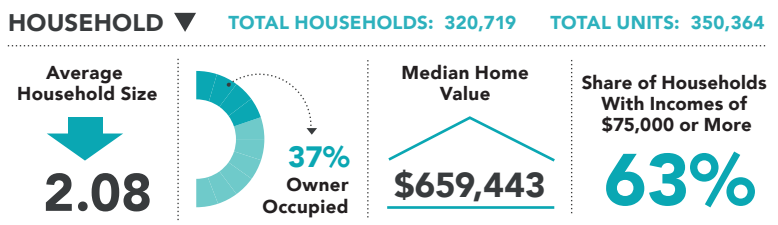
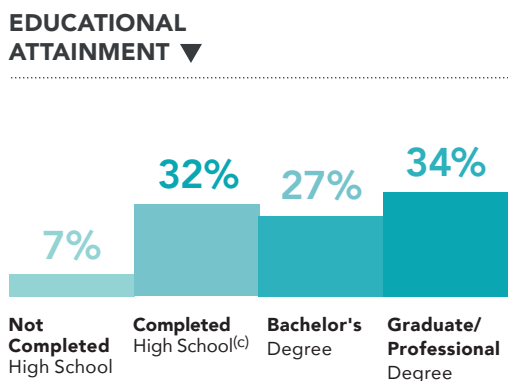
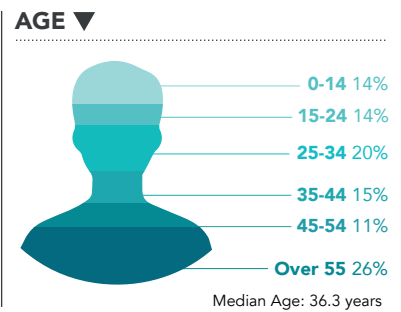
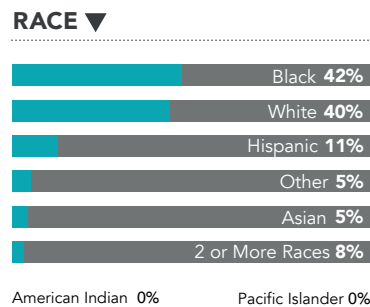
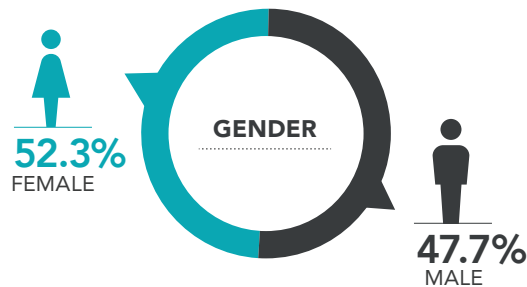


# DOWNTOWNDC AND DC DEMOGRAPHICS 2021<sup>(a)</sup>

## DOWNTOWNDC TOTAL POPULATION 9,434



## DC TOTAL POPULATION 706,367<sup>(b)</sup>



Source: ERSI forecasts (courtesy of Washington DC Economic Partnership)  
 (a) ESRI data as of April 2023.  
 (b) U.S. Census Bureau estimated D.C. population to be 671,803 as of July 1, 2022.  
 (c) Includes people who have completed some college and Associate Degrees.



Bus ridership is very important to DowntownDC

# TRANSPORTATION

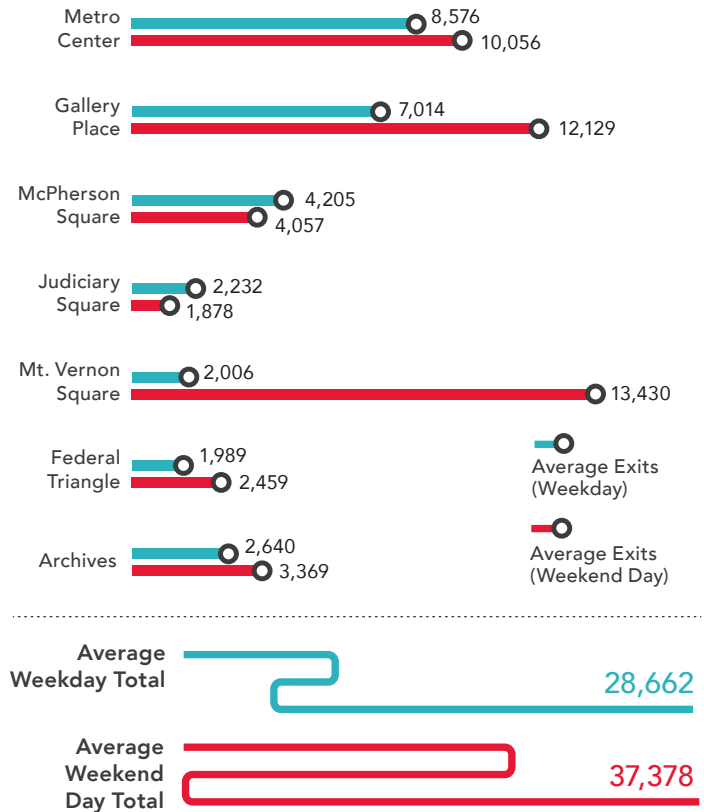
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## METRORAIL

Metrorail has long been the beating heart of DowntownDC, but due to the pandemic and the derailment of 7000-series railcars in the fall of 2021, D.C. residents, workers, and visitors relied more heavily on bikes and scooters. Rentals of bikes and scooters were strong in 2022 across the variety of available systems, showing a high demand for flexible micromobility options across the city.

**IN 2022, METRORAIL SAW ITS HIGHEST WEEKDAY SYSTEMWIDE LEVELS IN OCTOBER, WITH 121% OF PRE-PANDEMIC RIDERSHIP. WEEKEND RIDERSHIP WAS HIGHEST IN JUNE, WITH 74% OF PRE-PANDEMIC LEVELS.**

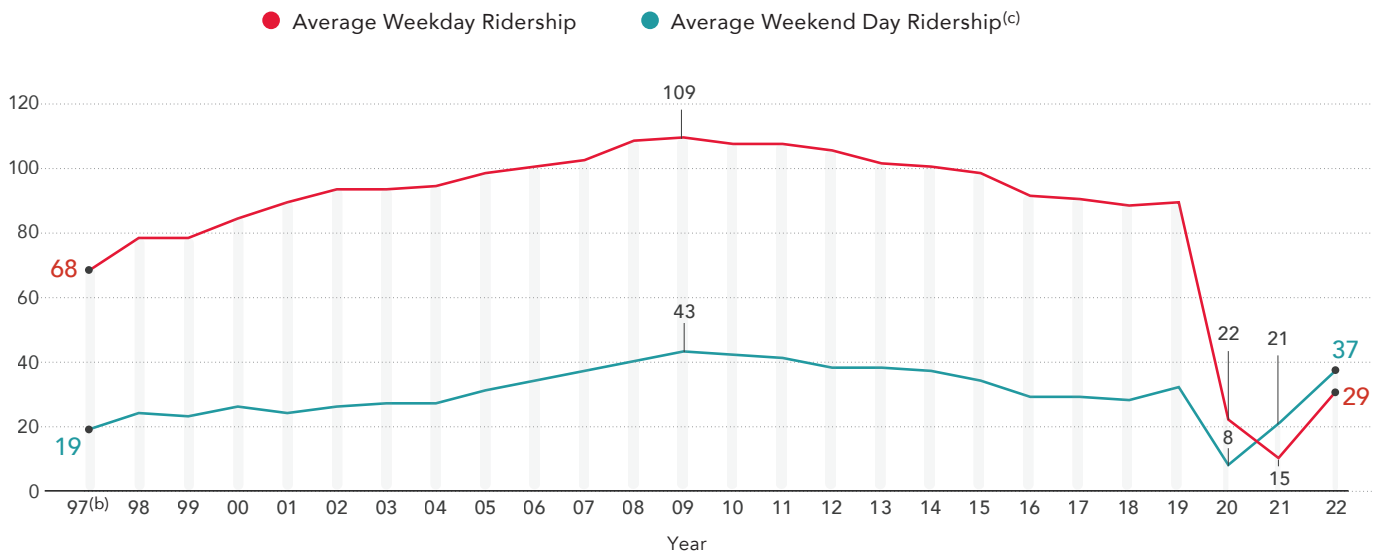
### 2022 AVERAGE DAILY METRORAIL EXITS IN DOWNTOWNDC



Source: WMATA

### DOWNTOWNDC METRORAIL RIDERSHIP HISTORY (a)

(in thousands)



Source: WMATA

(a) Exit numbers for Metro stations in DowntownDC BID Area (McPherson Square, Metro Center, Gallery Place-Chinatown, Archives-Navy Memorial-Penn Quarter, Federal Triangle, Mt. Vernon Square and Judiciary Square).

(b) The MCI Center (now Capital One Arena) opened in December 1997 at Gallery Place.

(c) Includes weekday holidays.

Systemwide Metrorail ridership increased steadily in 2022, showing a 66% rise in average daily exits from 2021 ridership levels. Although ridership hovers at about half of pre-pandemic levels, use continues to rise in 2023. The share of riders using Metro stations in DowntownDC on weekdays in 2021 (11%) was also lower than it was pre-pandemic (14%). In 2022, downtown metro stations comprised about 13% of systemwide weekday ridership.

## METROBUS

In 2022, DDOT advanced and kicked off several key bus-priority projects that include: the competition of 2.7 miles of the 16th Street bus priority lane, progressed the K Street Transitway, and kicked off the 11th Street Bus Priority Project.

**IN 2022, SYSTEMWIDE BUS RIDERSHIP CONTINUED TO RECOVER, HOVERING AT ABOUT 51% OF PRE-PANDEMIC RIDERSHIP, AND INCREASED BY 61% IN 2021 AND 13% IN 2022, WITH ABOUT 141 MILLION RIDES SYSTEMWIDE.**

## BIKES AND SCOOTERS

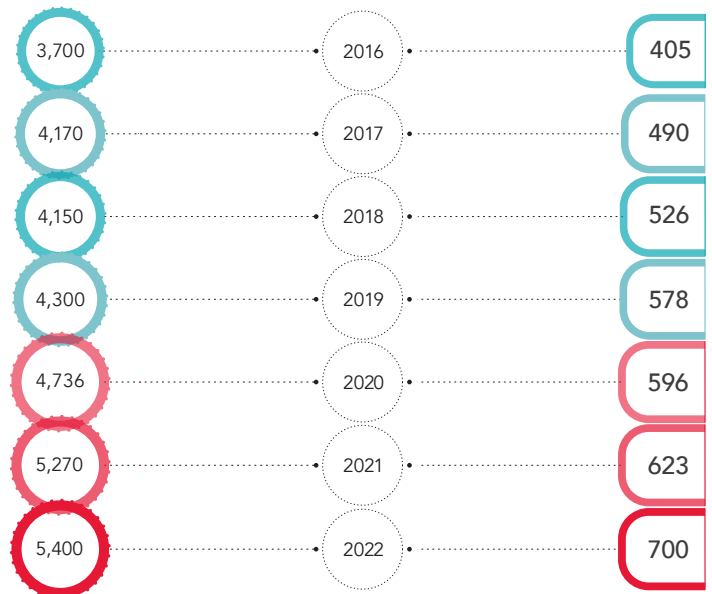
Capital Bikeshare rebounded systemwide in 2021 to 81% of pre-pandemic ridership levels and over 100% in 2022. In DowntownDC, Capital Bikeshare saw only 62% of its pre-pandemic ridership in 2021, but that increased to 84% as the District Department of Transportation (DDOT) invested heavily in docking stations in the city's downtown throughout

**2021 CAPITAL BIKESHARE RIDERSHIP LEVELS REBOUNDED TO 81% OF PRE-PANDEMIC LEVELS AND RECOVERED TO 104% IN 2022.**

## REGIONAL CAPITAL BIKESHARE SYSTEM DATA

Number of Bicycles

Number of Stations



Sources: Capital Bikeshare and DowntownDC BID

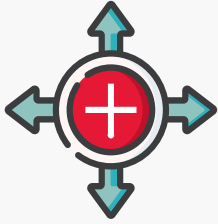
2022; 45 new stations were added systemwide in 2022 (current total: 721 stations). A long-awaited protected bike lane on 9th Street NW was completed in 2022. The year's busiest month was October, with 328,000 riders systemwide and 41,000 in DowntownDC.

Scooters continue to be in high demand across D.C. Over 12,000 scooters provided almost 6 million trips in 2022. The busiest month for scooters in both 2021 and 2022 was July. In early 2023, the District partnered with Veo to bring 720 e-bikes and 720 standing scooters to the city. This will support increased demand and ridership levels into 2023.

## CRASH AND PEDESTRIAN SAFETY

Vehicle-related accidents have declined significantly in the last five years. However, they increased slightly in 2022.

The BID is dedicated to lowering these incidences in 2023 by implementing pilot pedestrian-safety projects at three hot-spot locations outlined in a pedestrian safety and experience study conducted in late 2022/early 2023, with results to be published this year.



**CITYWIDE ACCIDENTS  
DECREASED BY  
11% BETWEEN 2020 AND 2021 BUT  
INCREASED BY 6% IN 2022.**

**IN DOWNTOWNDC, VEHICLE-  
RELATED ACCIDENTS DECLINED BY  
16% BETWEEN 2020 AND 2021 BUT  
INCREASED BY 40% IN 2022.**

**THERE WERE 40 INCIDENTS RELATED  
TO PEDESTRIANS IN 2022,  
COMPARED WITH 32 IN 2021.**

## ONGOING STREETCAPE PROJECTS IN DOWNTOWNDC

DDOT continued to enhance the efficiency, safety, and reliability of bus and bike travel in DowntownDC throughout 2022.

K Street NW is a crucial east-west downtown corridor, connecting residents, visitors, and employees to essential services and exciting destinations. The transitway will feature dedicated bus lanes, medians and curbside enhancements including lighting, landscaping, and green infrastructure. In 2022, DDOT collaborated with the DowntownDC BID, the Golden Triangle BID, and downtown stakeholders to oversee the design review. However, the feasibility of the project moving into construction is still in discussions by city leaders.

The 11th Street Bus Priority Project kicked off in January 2022. Its focus is improving bus operations and safety between Pennsylvania Avenue and L Street NW. In spring 2022, initial concepts were proposed, and DDOT is currently in the process of finalizing the design and plans. The proposed design features dedicated bus lanes, bus bulbouts, stop relocations, and protected bus lanes. The BID will continue coordinating with DDOT on this project, represent stakeholder needs, and relay project updates.



# PUBLIC REALM



Black on the Block DC presented by Stefon Diggs event at Franklin Park

## VISITORS

Prior to the pandemic, DowntownDC received around 100 million visitors, employees, and residents each year. In 2020, BID visitors declined by 65%, attracting 34 million people compared with over 98 million the previous year. In 2022, visitor counts increased by 52%, totaling 59 million people, but still only 60% of pre-pandemic levels.

Downtown parks and open spaces showed similar trends, with ongoing park improvements and programming to increase visitors and economic recovery in 2022. Approximately 3.3 million visitors came downtown in 2019. Park visitors decreased by almost 70% in 2020, but recovered in 2021 and 2022: park visits increased by 18% in 2021 and 42% in 2022, about 52% of pre-pandemic levels. In 2022, the most visited parks and plazas included Freedom Plaza, the World War I Memorial, Mount Vernon Square, Franklin Park, and McPherson Square.

## PARKS AND PROGRAMMING

### FRANKLIN PARK

Since the highly anticipated reopening of Franklin Park in fall of 2021, the DowntownDC BID has successfully operated and managed programming, kicking off with numerous events and activations that ran throughout 2022, attracting residents, families, and visitors. Highlights included Blossoms in the Park (a National Cherry Blossom Festival event), the return of DowntownDC Summer Flicks, the Black on the Block Festival, the Rock the Park music festival, and many more. Black on the Block featured more than 80 black and brown local vendors and attracted over 5,000 attendees. With a full slate of events underway in 2023, the BID intends to open Franklin Park's feature eatery, which

is located on the southwest corner and will include an outdoor patio with seating.

### PARKS MASTER PLAN

From fall 2021 through 2022, the BID engaged in a year-long process to inventory and reimagine the 27 acres of parks and open spaces within the DowntownDC's 138 blocks. The effort engaged with the National Park Service, the city's Department of Parks and Recreation, and DowntownDC stakeholders to identify challenges and opportunities to improve parks, open spaces, and streetscapes to make the public realm more engaging, adaptable, connected, authentic, and iconic.

In recent years, the Trust for Public Land has on multiple occasions ranked D.C. as having the best park system in the U.S. for investment, equity, and access. Yet despite the redevelopment of several park spaces across the city, parks and plazas within the DowntownDC BID remain relatively underdeveloped and underutilized, partly because many are historically significant spaces requiring additional layers of planning and approvals. The *DowntownDC Parks Master Plan*, which was officially



released in March 2023, was developed to spark interest in developing an intentional, vibrant, and meaningful downtown park system. The plan offers size system wide recommendations based on community engagement and coordination with concurrent planning efforts.

## MAYOR BOWSER'S DOWNTOWN COMEBACK PLAN

Establishing clear capital improvement priorities and identifying bold investment strategies is the next step in successfully implementing the *DowntownDC Parks Master Plan*. Mayor Bowser's Comeback Plan, released in January 2023, is a catalyst for future investment in downtown. The Comeback Plan is the city's five-year economic development strategy and acknowledges downtown's historic economic contributions to the District. The Comeback Plan lists several goals and initiatives for downtown and specifically calls for a Downtown Action Plan to make recommendations on how to reach the Comeback Plan's goals and implement its initiatives. The Action Plan will identify a long-term funding strategy for maintaining the parks at a world-class standard for the enjoyment of all District workers, employees, residents, and visitors.

## GALLERY PLACE – CHINATOWN CORRIDOR STUDY

In fall 2021 through 2022, the DowntownDC BID engaged in a year-long study of the Gallery Place – Chinatown corridor, defined by 5th and 9th streets NW and Pennsylvania and Massachusetts avenues NW. The project researched the corridor's economic development, its current public space issues, and the opportunities it offers. The BID partnered with land owners, tenants, and several District



government agencies to imagine the next evolution of this economically vital part of DowntownDC. This area is at the center of the greater Washington region, a place where residents, employees, and visitors from around the globe experience the nation's capital as a city, not just as the seat of government. The corridor's combination of regional attractions and robust connectivity gives it a magnified visibility among D.C. visitors, and perceptions of this corridor, whether positive or negative, reflect on the entire city.

Today, the Gallery Place – Chinatown corridor and DowntownDC face important challenges as each recovers from the impacts of several long-term trends and the pandemic's economic stresses. This study, released in March 2023, documents a stakeholder-driven vision for future economic development investments, public space priorities, and capital improvements

needed to strengthen the corridor. After more than 30 stakeholder interviews, more than 500 online survey responses, four focus group sessions, three Advisory Committee meetings, and two public meetings, the study includes 11 action items. The action items will be prioritized in the development of the Downtown Action Plan and will heavily influence capital improvements in 2023 and beyond.

## STREETS FOR PEOPLE GRANT

In 2022, the BID was awarded funding from the Streets for People Grant from the D.C. Office of Planning, which allowed the BID to implement the Pop of Spring and Los Trompos activations. Pop of Spring was a 10-day-long event that transformed the 800 block of F Street NW into a festival at the height of the National Cherry Blossom Festival that brought residents



and visitors to the city's heart for live entertainment, video games, movies, performances, and space to relax. This event successfully activated the right-of-way with 14,000+ visitors, a significant increase compared with the previous year, which saw a total of 2,500 visitors over the same period. All nearby metro stations also saw an increase in ridership compared to prior months.

*Los Trompos*, which means "spinning tops" in Spanish, featured eight rotating modules located at both Franklin Park and Indiana Plaza, that encouraged group play and highlighted the work of Mexican artisans. Between the park and the plaza, the activation saw an average of 3,300+ visitors per day, compared with an average of 2,300+ visitors per day during that time the previous year. Overall, this interactive art attracted more than 15,000 people and drove economic recovery downtown. The BID plans to continue successful activations throughout the neighborhood, like those made possible by the 2022 Streets for People Grant.

## DOWNTOWNDC FOUNDATION

The DowntownDC Foundation, a 501(c)(3) organization launched in 2019, continued to fulfill its mission to serve and celebrate our vibrant and diverse community by providing homeless services, revitalizing parks, and enhancing public spaces and experiences.

The pilot Terrell A. Waters Impact Clinic, which provides dental and mental health services to individuals experiencing homelessness and is funded by CareFirst BlueCross BlueShield, was completed in February 2022, after which time dental services became a weekly offering at the Downtown Day Services Center. In the area of homeless services, the Foundation continued its successful "Welcome Home Kit" program to transition individuals from homelessness to housing by sending housewares and

more to individuals' new addresses, funded a crucial homelessness survey in downtown and continued supplying the Center with nutritional shakes, overnight kits, catered holiday meals, coats, shoes, and more.

In 2022, the Foundation also funded Franklin Park's first year of beautification and landscaping needs through a grant from Amazon; secured sponsors for key events including DowntownDC Summer Flicks; and supported 27 free events hosted in the park's Children's Garden. With increasing revenue and partnerships from private, public, and individual supporters, in 2023 the Foundation will be working to secure support for additional parks and plaza in DowntownDC, including McPherson Square, enhancing services and programs for individuals experiencing homelessness, and enhancing programming opportunities throughout DowntownDC.



Rock the Park DC WKNDR event

## DOWNTOWN DAY SERVICES CENTER

The DowntownDC BID continues to operate the Downtown Day Services Center as part of its efforts to connect individuals experiencing homelessness to housing and vital services. Launched in 2019 with a five-year, \$10 million grant from the D.C. Department of Human Services (DHS), the Center continues to thrive with operational grant funding from DHS, programmatic financial support from the DowntownDC Foundation, and in-kind contributions from many members of the DowntownDC community. The BID also contributes \$1 million in matching dollars to the Center annually. The Center is a key part of the mayor's goal to end homelessness in the city.

Located on the lower level of the New York Avenue Presbyterian Church (1313 New York Avenue NW), the Center proudly serves as a single access point for multiple essential services, including showers, laundry, dental, medical, and mental health treatment, vital records support, and housing, employment, and legal counseling, and provides a daily meals to unhoused guests. Now open six days a week, the Center has become a safe space for homeless individuals to gather and connect to resources serving an average of 250 guests daily. Since its opening in 2019, the DDSC has provided resources to over 70,000 homeless individuals, served over 600,000 meals, and engaged over 20,000 homeless individuals with housing services support.

The Center is staffed by full-time, experienced facility assistant professionals, who engage unhoused individuals to encourage use of daily services and provide them with mentoring support. There are



three important contracted program support organizations for the Center, including Pathways to Housing DC, the Center's housing provider, HIPS, harm-reduction experts who offer counseling and casework management services, and H3 Project, which provides direct intervention and homeless street outreach. In addition, the BID's Homeless Services department provides support to citywide planning to reduce homelessness, conducts a monthly homeless count to understand the number of people sleeping downtown better, and manages the convening of multiple community stakeholder groups to address challenges arising from increased homelessness and encampments in the downtown area. In February 2023, the BID provided priority Center services to homeless individuals that resided in the largest D.C. encampment in history, McPherson Square.

**SINCE 2019, THE DDSC HAS PROVIDED RESOURCES TO OVER 70,000 HOMELESS INDIVIDUALS.**

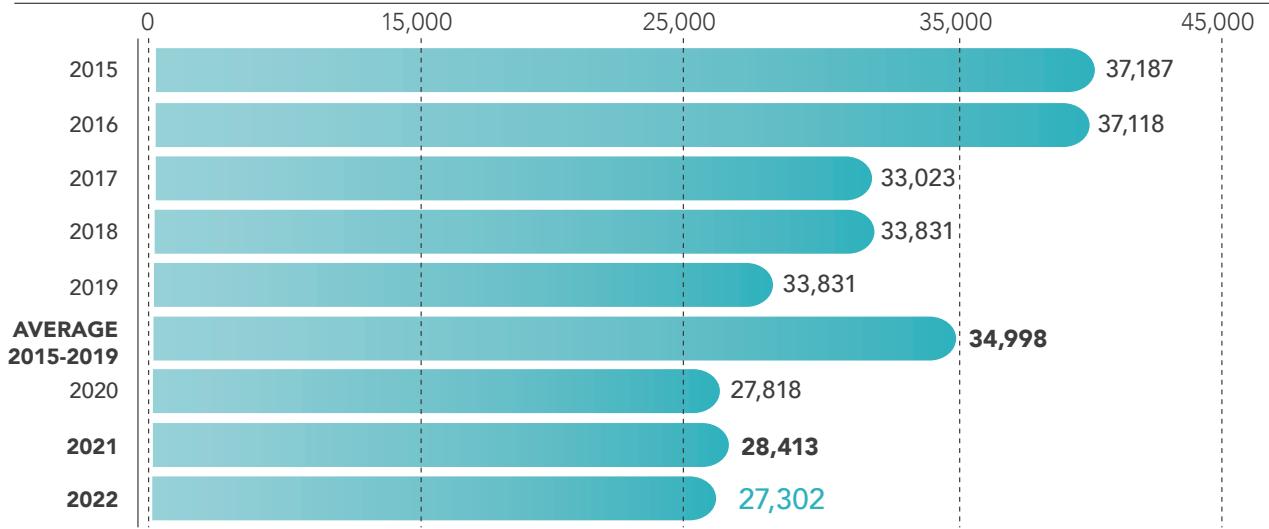
## DOWNTOWNDC CONTINUES STAKEHOLDER OUTREACH

Since its founding in 1997, the DowntownDC BID has prioritized work with stakeholders, including the Metropolitan Police Department, the Metro Transit Police Department, and the U.S. Park Police to keep downtown clean and safe. Since 2016 through 2022, there has been a significant decrease in robberies, assaults, and theft. However, the last three years have shown a slight increase in reported crime.

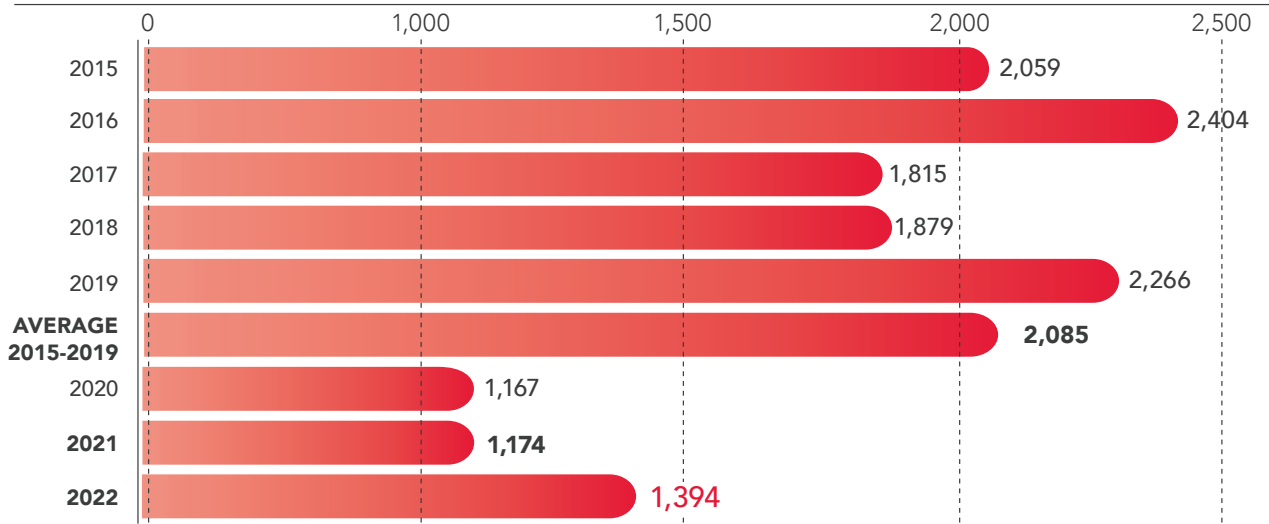
In 2022, there were 1,394 crimes, primarily property crimes, in DowntownDC. There were 804 incidents of theft, an increase from 642 in 2021. There were 54 robberies, a 50% increase from 2021, and 34 assaults, an increase of 10%. Burglary incidents increased to 38 reported, a 65% increase. In downtown, crime increased between 2021 and 2022 by 6.3%. The BID coordinates with MPD and engages with city leaders while supporting public safety through public realm improvements and programming.

# AT A GLANCE / MPD CRIME STATES

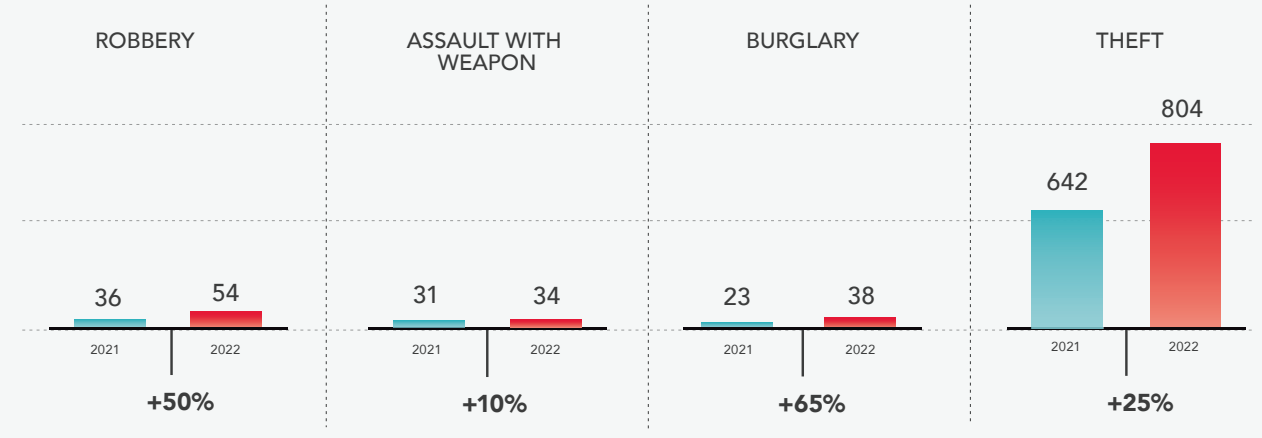
## DC ANNUAL CRIME INCIDENTS



## DOWNTOWNDC ANNUAL CRIME INCIDENTS



## CRIME BREAKOUT DOWNTOWNDC BID BY THE NUMBERS



Source: Metropolitan Police Department and DowntownDC BID

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

AARP

Akridge

Avison Young

Carr Properties

CityCenterDC

Clyde's Restaurant Group

CoStar Group, Inc.

Cube Libre Restaurant & Rum Bar

Cushman & Wakefield

DC Office of the Chief Financial Officer

DC History Center

Delta Associates

Destination DC

District Department of Transportation

Dochter & Alexander Retail Advisors

ESRI

Events DC

Ford's Theatre

Hines

International Spy Museum

JBG Smith

JLL

The Mayhood Company

Lincoln Property Company

Macy's

Metropolitan Police Department of DC

Metropolitan Washington Council of Governments

Monumental Sports & Entertainment

National Building Museum

National Children's Museum

National Gallery of Art

National Law Enforcement Museum

National Museum of Women in the Arts

National Portrait Gallery

National Theatre

Naval Heritage Center

Oxford Properties

Planet Word

Quadrangle Development Corporation

The Residences at CityCenter

Rockefeller Group

Shakespeare Theatre Company

Sixth & I Historic Synagogue

Smithsonian Institution

Stephen S. Fuller Institute

str (former Smith Travel Research)

ThinkFoodGroup

U.S. Bureau of Labor Statistics

U.S. Census Bureau

U.S. Department of Commerce, Office of Travel and Tourism Industries

U.S. General Services Administration

U.S. National Archives

U.S. National Park Service

U.S. Holocaust Memorial Museum

Warner Theatre

Washington Metropolitan Area Transit Authority

Washington DC Economic Partnership

Woolly Mammoth Theatre





Rockefeller Group and Stonebridge broke ground June 13, 2023, on a \$375 million gut renovation of the former WMATA headquarters building at 600 5th Street NW that will result in a 400,000 SF trophy office building.

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DowntownDC BID, Good Matters Media, Connor Good

**THANK YOU FOR YOUR  
CONTRIBUTIONS IN 2022 AND  
2023, AND YOUR CONTINUED  
SUPPORT IN THE FUTURE.**





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