



**DOWNTOWN→
ACTION→
PLAN→**
FOR THE DISTRICT OF COLUMBIA

June
2024

DowntownDC Business Improvement District and
Golden Triangle Business Improvement District present the

Downtown Action Plan



Acknowledgements

The Downtown Action Plan is a once-in-a-century opportunity to reimagine Downtown D.C. Building on the goals and initiatives put forth in Mayor Muriel Bowser's Comeback Plan, the Downtown Action Plan introduces specific strategies, programs, and initiatives to revitalize

Downtown D.C. and rethink its role in the post-pandemic economy. This plan is the product of many months of research, engagement, and discussion, and its vision and recommendations are designed to build a more resilient and dynamic downtown.

Downtown Action Plan Project Team



Downtown Action Plan Consultant Team



The project team thanks the following leaders and stakeholders for their support and guidance in preparing the Downtown Action Plan



Residents of the District of Columbia and its surrounding suburbs, including area residents who participated in the outreach process for the Downtown Action Plan



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Introduction

01

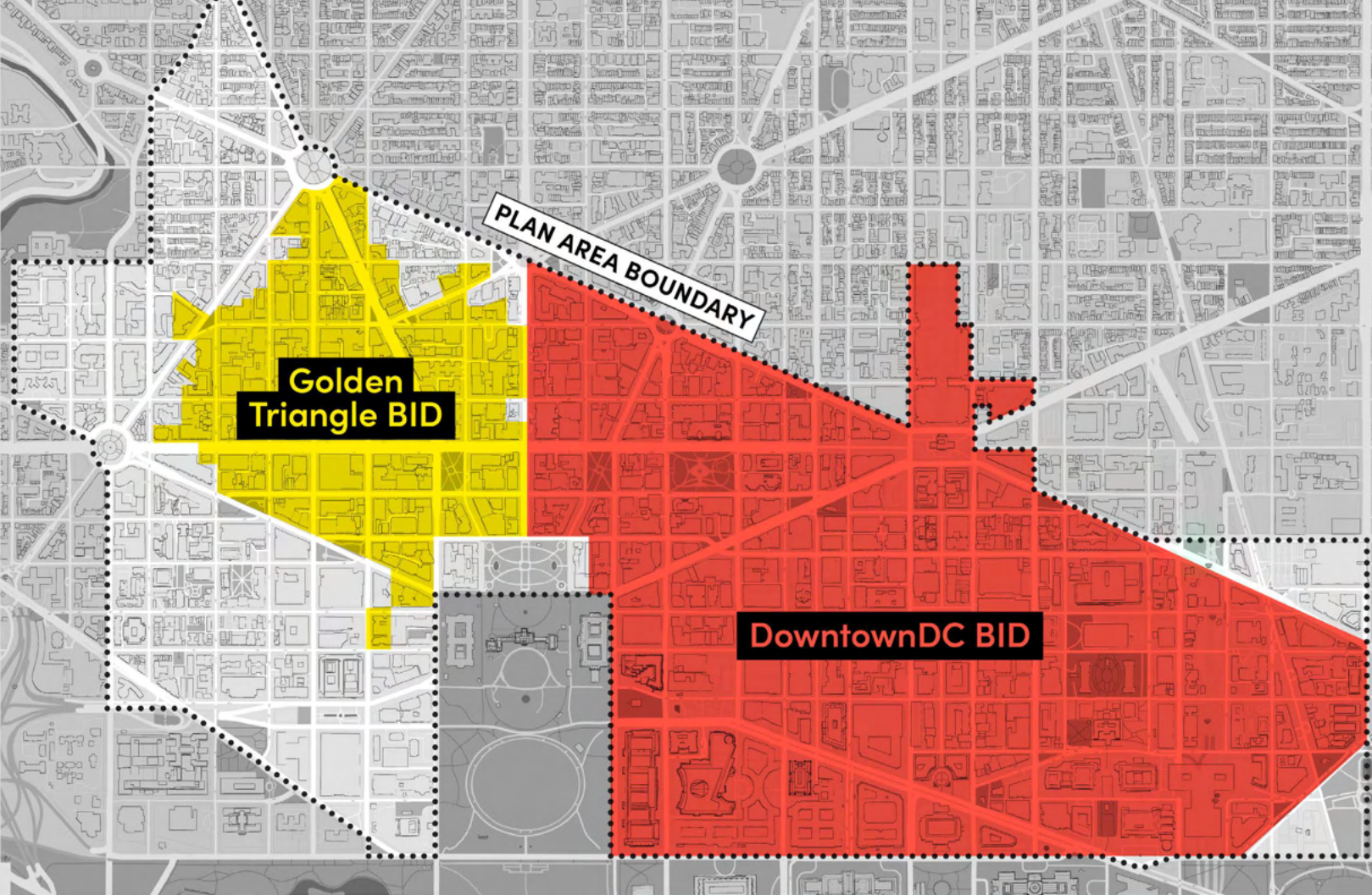
Executive Summary

In January 2023, Mayor Muriel Bowser unveiled D.C.'s Comeback Plan, which sets the five-year economic development strategy for the District of Columbia. The Downtown Action Plan, identifies strategies, programs, and initiatives to reimagine and reinvigorate Downtown D.C.. The Plan dovetails with other concurrent efforts, including the Office of Planning (OP) Public Realm Plan. The Downtown Action Plan recommends investments and policies for the next five years, FY 2025 through FY 2029, and beyond.

Downtown D.C. has undergone a remarkable evolution over the last half-century, transforming from the historic center of government to a true urban center.

No longer limited to federal attractions like the White House and the Washington Monument, quintessential District landmarks now include a myriad of destinations across Downtown D.C., such as Capital One Arena, CityCenterDC, and National Geographic. Today, Downtown D.C. serves approximately 320,000 employees, 25,000 residents, and 16 million unique visitors each year. Downtown D.C. generates approximately \$2.35 billion in annual local fund revenues, representing 24% of all local fund revenue and highlighting the importance of Downtown D.C. to supporting the District as a whole.





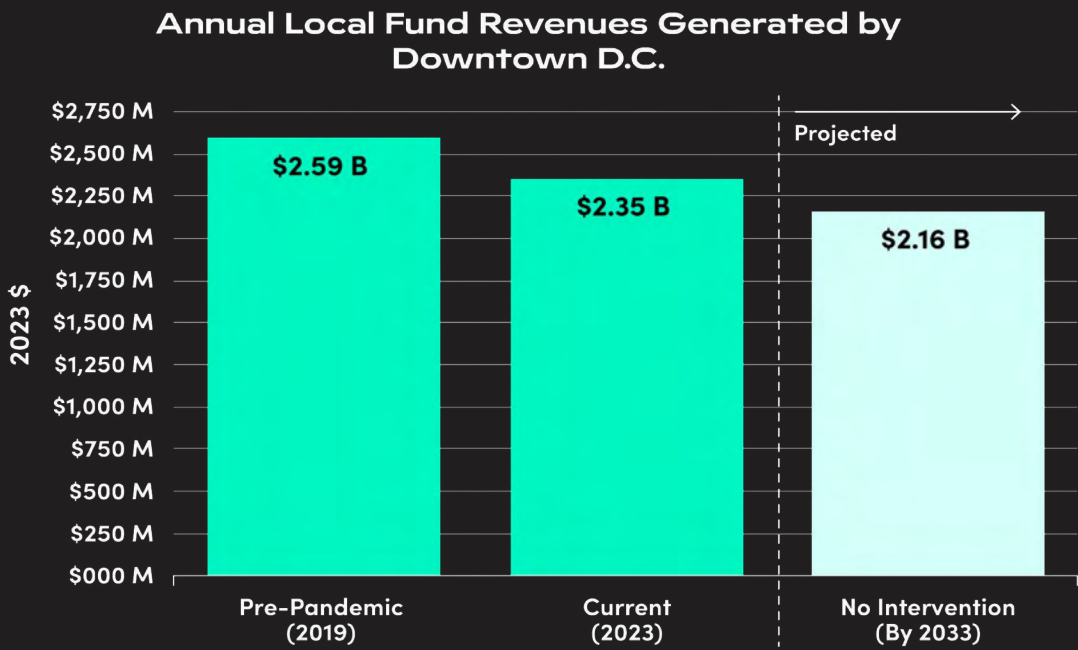
Mayor Bowser's Comeback Plan introduced a comprehensive approach to economic development in opportunity-rich neighborhoods across the District. The Downtown Action Plan is a pivotal component of this strategy, designed to synergize with concurrent initiatives such as the OP's Public Realm Plan. Downtown D.C., as defined here, encompasses a diversity of neighborhoods, ranging from office-centric settings like Metro Center to mixed-use settings like West End. Throughout the Downtown Action Plan, the above geography is referred to as Downtown D.C.

Introduction

Today, Downtown D.C. finds itself at a post-pandemic inflection point.

Once bustling with daytime activity, Downtown D.C. has faced an outflow of office workers, reflecting the paradigm shift in the geography of work prompted by the global health crisis. While tourism has rebounded, visitors would have to flock to Downtown D.C. at a seemingly impossible rate to offset the loss in day-to-day activity that has arisen because of remote and hybrid work patterns. At the same time, Downtown D.C. has long struggled to build its household base, as the value created by new offices has historically outcompeted the value produced by residential uses. Office activity is trickling back, concentrated on a few days per week, but underlying vulnerabilities are now an imminent threat to the vitality and economic stability of Downtown D.C.

While today’s abundance of vacant commercial space in Downtown D.C. has led many to conclude there is too much supply, it also exposes an even more alarming shortcoming: a need for new, more resilient sources of demand. For decades, households and businesses have concentrated in Downtown D.C. out of necessity, largely due to its proximity to federal agencies and decision makers. However, the pandemic provided greater flexibility to these groups, and when offered this flexibility, many opted not to return. In the new age of hybrid work patterns and virtual conference calls, the convenience of Downtown D.C. no longer supersedes its livability, and stakeholders must find new ways for the area to create and articulate its competitive advantages over others in the region and across the country.



Across Downtown D.C., annual tax revenue generation has already fallen by \$243 million since 2019, and this number is poised to decline by an additional \$193 million without intervention.

Introduction

Without intervention, underutilized commercial space and decreased activity are poised to fuel a self-reinforcing cycle of declining investment, property values, and tax revenues. As shown in the graphic above, annual tax revenue generation in Downtown D.C. has already fallen by \$243 million since 2019 and, without intervention, is poised to decline by an additional \$193 million over the next 5 to 10 years without intervention. That's a total of \$436 million less in annual tax revenue over the next 5 to 10 years—likely representing a cumulative loss in the billions of dollars to the District. Now more than ever, it is essential for Downtown D.C. to evolve into a central business district that is more dynamic, and more resilient than before.

While this outlook may seem unprecedented, the District has navigated challenging conditions before. In the mid-1990s, the District

faced the looming threat of bankruptcy, held a junk bond rating, and was under the supervision of a federally mandated “Control Board.” During this critical period, the District allocated approximately \$520 million—equivalent to more than \$1 billion in today's dollars — to the development of Downtown D.C. Investments included a new arena, a convention center, a retail tax increment financing (TIF) program, and a modest housing tax abatement. These investments catalyzed several decades of economic prosperity for the District, highlighting the role investment in Downtown D.C. can play in creating a stronger, more dynamic, and more resilient city for everyone.

As Downtown D.C. adapts to an altered market landscape in the wake of the global health crisis, it requires innovative strategies that embrace a redefined urban experience. People should come to Downtown D.C. because they *want* to, not because they *need* to. With this goal in mind, the Downtown Action Plan outlines a holistic strategy for the creation of a more dynamic, inclusive, accessible, and resilient Downtown D.C. This strategy, which is based on six months of outreach, research, and analysis, hinges on five key foundational elements and five key nodes.

Five Foundational Elements

The following elements reflect improvements the District must make to strengthen the entirety of Downtown D.C. and to create a more stable and fertile platform for success of the place-specific interventions described in the nodes. In this regard, the foundational elements are not specific to any one area of Downtown D.C.

Creating a Place of Choice to Locate & Do Business

Enhance the attractiveness of Downtown D.C. as a place to start and grow businesses, and expand the toolkit with which the District can attract these businesses and enable them to thrive.

Anchoring Downtown's Comeback in Public Safety

Proactively and aggressively address safety concerns, developing both top-down and bottom-up approaches to public safety.

Building a Residential Base

Improve the ability for housing conversions and new developments to occur in Downtown D.C., and create appealing residential nodes that can make it more inclusive, multigenerational, and equitable.

Planning for Transportation as an Asset

Build on the District's competitive advantage of having an accessible, multimodal, and pedestrian-first central business district, and improve the ease with which all users can travel to, from, and within it.

Making it Happen

Lay the groundwork for the successful execution of the Downtown Action Plan, and develop a strategy for distressed and properties, such as underperforming or functionally obsolete office buildings and public assets, like the FBI headquarters and other underutilized Federal Government holdings.

Five Key Nodes

The following nodes, building on the successful implementation of the foundational elements above, represent specific locations within Downtown D.C. where distinct, place-based strategies can create significant demand and realize new value for the District. It is important to note that two of the key nodes—Historic Green Triangle and Penn Quarter / Chinatown—include improvements that overlap with portions of the five catalytic projects envisioned in the Downtown D.C. Public Realm Plan¹, as discussed in further detail in the respective sections for those two nodes.

Historic Green Triangle

Revamp Farragut Square and McPherson Square, and connect these and other nearby public spaces via a network of comfortable and pedestrian-friendly corridors to draw visitors off the National Mall and into Downtown D.C.

Downtown West

Create a new hospitality, entertainment, and cultural district to attract people from surrounding neighborhoods, leaning into the National Geographic redevelopment and a new entertainment venue in the Golden Triangle.

Downtown East

Support local universities and existing redevelopment sites and projects to integrate this area with the remainder of Downtown D.C., including public property transfers and infrastructure improvements to create a more seamless urban fabric.

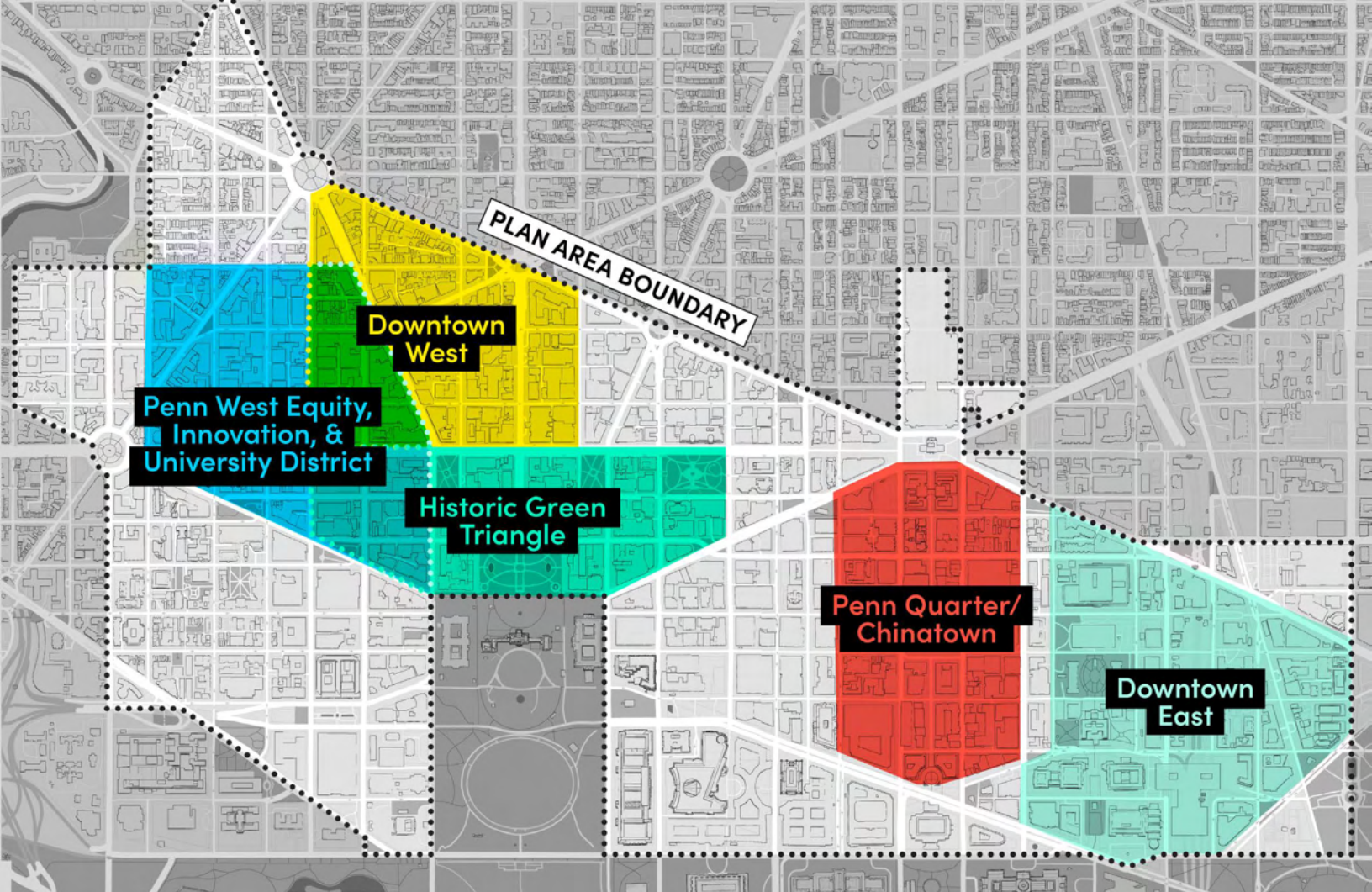
Penn Quarter/Chinatown

Improve the pedestrian appeal of 8th Street, and solidify the Penn Quarter/Chinatown neighborhood as an arts, culture, and entertainment hub, anchored by Capital One Arena, the National Portrait Gallery, the Smithsonian American Art Museum, and nearby theaters with existing regional pull.

Penn West Equity, Innovation, & University District

Grow Penn West as a hub for social sciences, technology, and policy innovation, with a robust network of startups and technology companies, top tier research universities, and workforce development programs.

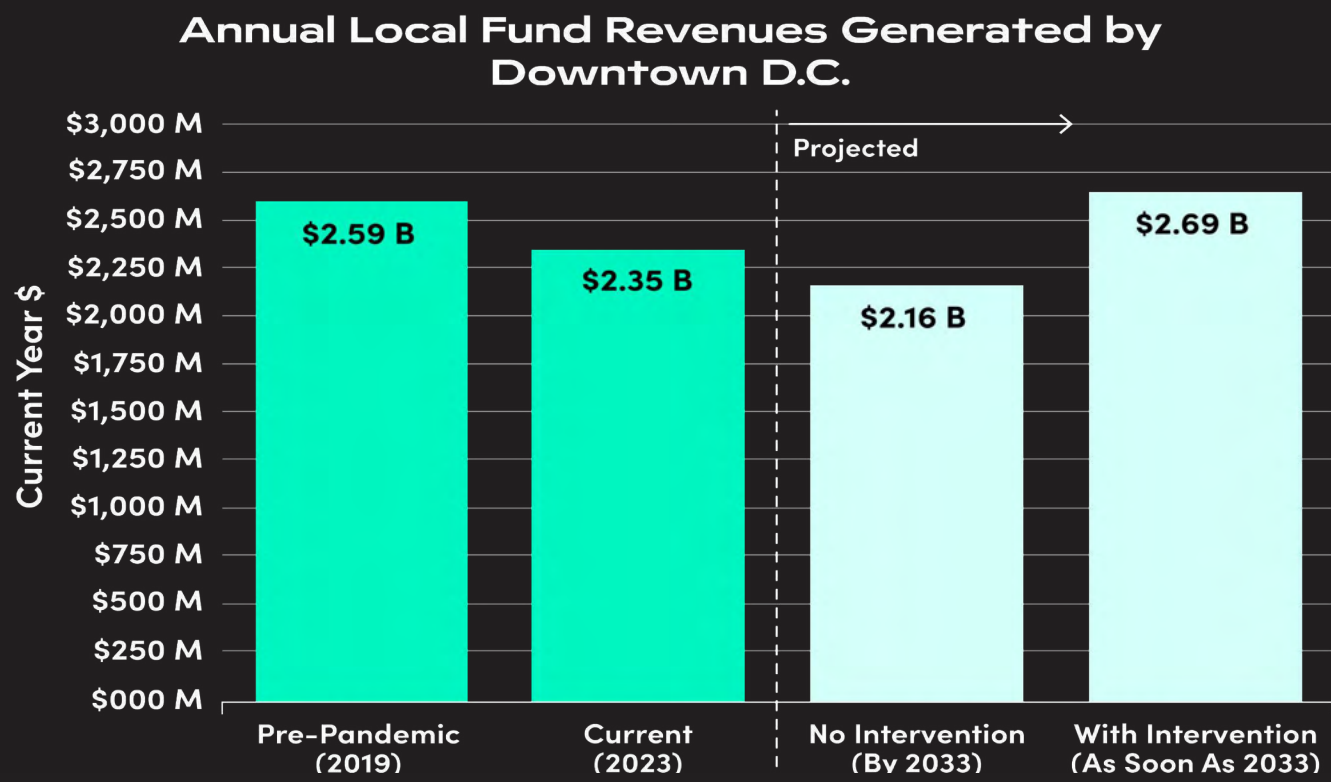
¹<https://planning.dc.gov/DowntownPublicRealm>



By embracing these strategies, the District stands to create a more dynamic, more accessible, and more fiscally stable urban center, with a diversity of neighborhoods to live, work, and play. Through these foundational elements and key nodes, Downtown D.C. can surpass pre-pandemic levels of activity, as measured by the amount of time people spend in the area. This activity translates to increased tax revenue. Following implementation of the full suite of interventions for the foundational elements and key nodes, Downtown D.C. stands to generate approximately \$2.69 billion in annual local fund revenues to the District,

representing a \$334 million increase from current levels, as well as a \$528 million increase from the revenue the area would generate without intervention². Importantly, this annual fiscal contribution is also \$92 million higher than pre-pandemic levels, when Downtown D.C. teemed with activity from office workers. Ultimately, the more diverse mix of users means a more diverse range of tax revenue sources, which will create a more resilient Downtown D.C., better able to withstand future economic and societal disruptions.

² Projections are as of April 2024, following the announced agreement between the District and MSE.



The Downtown Action Plan lays out a roadmap for the improvements the District can make to facilitate the transformation of Downtown D.C. and realize associated fiscal and societal benefits. Some of these improvements include regulatory and process changes, which are unlikely to produce direct costs to the District. However, many of the most impactful improvements require investment. **To kickstart the transformation of Downtown D.C., the Downtown Action Plan outlines the need for \$401 million in new funding over the next five fiscal years, starting with \$39 million in FY 2025.** The Downtown Action Plan recommends the District concentrate this

initial investment across the five foundational elements and five key nodes described above.

In addition to, and concurrent with, these investments (listed below), the Downtown Action Plan recommends that the District: (1) follow through with its plan to invest \$515 million in the modernization of Capital One Arena within the 3-year time horizon outlined in Mayor Bowser’s Proposed FY25 Budget and Financial Plan³, (2) expedite and streamline implementation of the Housing in Downtown (HID) Program, and (3) work to create responsible, sustainable, and dedicated funding for the District and surrounding region’s Metro rail and bus system.

³The Proposed FY25 Budget and Financial Plan was released April 2024, and is anticipated to be approved in June 2024

Recommended Immediate and Near-Term Funding Needs to Start Redefining Downtown D.C.

For Fiscal Year 2025 – Fiscal Year 2029

Vision Characteristics	Description	District Investment
Visitors	Cultural districts, streetscape improvements, events, and arts activations to bring new visitors to Downtown D.C.	\$82,620,000
New Catalysts	Accelerate new economic drivers, such as the addition of new housing, universities, innovation, and other catalytic projects	\$75,800,000
Public Realm	Boost the quality and quantity of parks and open spaces across Downtown D.C. through funding for improvements and ongoing maintenance	\$54,500,000
Office	Attract and retain office users, including an expansion of the Vitality Fund	\$45,000,000
Residential	Make Downtown D.C. more attractive for residents through new household retail, services, and amenities, as well as an examination of areas where modest changes to the Height Act can yield dramatic improvements to housing opportunities and affordability	\$40,200,000
Economic Evolution	Kickstart the growth and expansion of the District economy, including incentives, a soft landing program, and increased business attraction staff capacity	\$31,900,000
Public Safety	Spearhead a breadth of public safety-related initiatives, including dedicated spaces to bring first responders into the Downtown community and new resources to supplement MPD efforts	\$31,500,000
Retail	Support retail users in Downtown D.C., including grants for short-term and pop-up concepts as well as long-term tenants	\$20,000,000
Transportation	Improve the multi-modal accessibility of Downtown D.C. for pedestrians, transit riders, and drivers alike	\$9,500,000
Education	Create a dedicated team and marketing efforts to facilitate the transformation of Downtown D.C. into a global learning hub	\$2,500,000
Supports for All the Above	Stand-up a strategic ombudsman and dedicated DMPED staff, with funding for consultants, studies, and additional support from outside the District government	\$7,500,000
Total	\$401,020,000 including \$38,945,000 for FY 2025	

*More budget details can be found in the appendix on **Page 138**

Introduction

These investments represent a significant first step towards initial implementation of the recommended interventions laid out in the Downtown Action Plan. Since the publication of the Downtown Action Plan Highlights Summary in February 2024, tremendous progress is already underway. Mayor Bowser released her Proposed FY25 Budget and Financial Plan in April 2024 which includes funding for Capital One Arena renovations, keeping the Washington Capitals and Washington Wizards in the District until at least 2050. It also includes funding for more than half of the recommended \$39 million across multiple vision characteristics. Additionally, the Gallery Place / Chinatown Task

Force released initial concepts for the Penn Quarter / Chinatown node in May 2024 which included many of the interventions contained in the Downtown Action Plan and OP Public Realm Plan.

While these initial successes demonstrate strong momentum, it is essential that the District fully fund all of the Downtown Action Plan interventions, as completing these efforts are a prerequisite to facilitating the successful transformation of Downtown D.C. Implementation of the Downtown Action Plan will require ongoing work, partnerships, and continuous adaptations that extend well beyond the next five fiscal years.

The Downtown Action Plan comes at a critical time. As we embrace these measures, we contribute to the collective effort of transforming today's adversity into tomorrow's growth, ensuring Downtown D.C. emerges stronger, more dynamic, and more resilient than ever.

Process & Engagement

02

The Downtown Action Plan is based on in-depth research, analysis, and extensive community engagement. The plan draws on insights gathered from a wide array of stakeholders, including residents, businesses, and subject matter experts, ensuring that it reflects the diverse needs and aspirations of our community.

Research & Analysis

Beginning in June 2023, the Consultant Team launched a research and analysis process designed to evaluate current trends across a variety of economic and social indicators and to understand the opportunities and challenges facing Downtown D.C. This involved collecting and analyzing data touching numerous areas, including, but not limited to:

- History of planning and development in Downtown D.C.
- Public investment and the impact of public-private partnerships in the District
- Economic and demographic trends
- Real estate and development trends
- Analysis of the real estate inventory
- Provision of social infrastructure
- Comparison of Downtown D.C. to other U.S. downtowns and regional submarkets

- Foot traffic and visitation patterns
- Work-from-home trends
- Opinions and experiences of residents, employees, and visitors
- Revenues, expenditures, and net fiscal impact
- Transportation and infrastructure conditions

Leveraging the insights gained from this research, the Consultant Team developed a forecast for the likely future trajectory of Downtown D.C., assuming no intervention. This analysis laid the groundwork for the strategies in the Downtown Action Plan by providing the analytical basis for understanding the potential impacts of various District actions on Downtown D.C.'s future trajectory.

Community Engagement

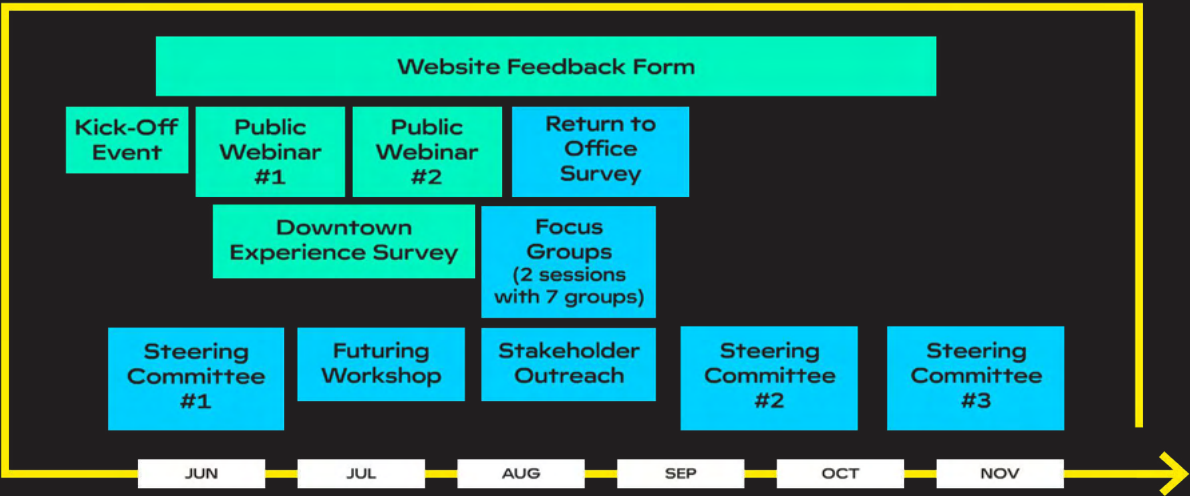
The success of the Downtown Action Plan will hinge on collaboration between many different individuals, each of whom will contribute unique ideas, perspectives, and resources. The ensuing six-month engagement effort, kicked off by Mayor Muriel Bowser, helped identify potential actions and interventions and engage with a diversity of stakeholders about the challenges the area is facing. Most importantly, this series of engagements helped surface components of a vision for a vibrant future.

The Downtown Action Plan builds on a great deal of existing research. The process started with analysis of approximately 20 existing plans and articles, from which the Project Team pulled

170 ideas relevant to the goals of the Downtown Action Plan. These ideas provided a foundation for engagement efforts, allowing insights gleaned from stakeholders to build upon previous work.

Between June and November 2023, the Consultant Team organized 15 different touchpoints with the community through a variety of channels to ensure a diversity of input: five of the touchpoints were open to the public and 10 were targeted to specific groups of stakeholders. Of the touchpoints, five took place in Downtown D.C., seven were held virtually, and three were opportunities to submit written feedback.

Community Engagement Process June 2023 – November 2023





On July 13, 2023, the Federal City Council and renowned design firm IDEO hosted a workshop for roughly 100 stakeholders to generate big ideas for the future of Downtown D.C. Participants reflected a broad cross-section of perspectives, from real estate and government, to hospitality, to the arts, and nonprofit service providers, as well as experts from peer cities such as San Francisco, Boston, and Philadelphia. Together, participants brainstormed ideas for an alternative future. They wrestled with the tension and interaction between the weight of the past, the push of the present, and the pull of the future to create visions for different geographic areas in Downtown D.C. Across geographies, participants were excited about creating spaces that are pedestrian-friendly, family-friendly, education-focused, and green.

Process & Engagement

Through this extensive outreach, the Consultant Team collected, documented, and categorized approximately 750 distinct ideas from community members and stakeholders that were voiced through discussions, question and answer sessions, and the project website's feedback form. The Consultant Team also provided periodic summaries of engagement efforts on the website (www.reimaginedowntowndc.com), as well as regular updates to over 500 email list subscribers.

The engagement process reached over 6,000 stakeholders and residents, and a core group of representative stakeholders with expertise (Steering Committee) provided consistent input throughout the plan development process.

These stakeholders represented diverse perspectives, from national experts with a broad understanding of urban environments, to local practitioners with knowledge of a particular area. They included small businesses owners, artists, property owners, government officials (District and federal), and leaders of local institutions.

In total, the Project Team held three Steering Committee meetings, hosted two public webinars, received more than 4,500 survey responses, and obtained over 100 written comments. The findings and recommendations in the Downtown Action Plan flow directly from this robust community engagement process.



Understanding the Vision & Key Priorities of Downtown Stakeholders & D.C. Residents

Despite the headwinds that Downtown D.C. faces, much of the feedback was optimistic about the future of the area. While stakeholders agree there are persistent and pervasive constraints, including challenges around public safety, affordable housing, childcare, transportation, and the new reality of

remote-dominant workplaces, they also voiced ambitious aspirations for the future of Downtown D.C.

Based on almost 750 different ideas, the Consultant Team cataloged 12 themes. Some ideas were tagged with more than one theme.



Process & Engagement

The feedback ranged from targeted interventions in specific places to broader ideas about the role and value of the urban core. Throughout the process, a central theme and point of alignment emerged: a desire to make Downtown D.C. a hub—for employment, for education and learning, for arts and culture, for

families, and for dining and retail. Stakeholders coalesced around an overall vision to use this moment to **redefine the central business district of D.C. to be a resilient and adaptable mixed-use downtown that is welcoming and alluring to a diversity of people.**

Common Themes from Feedback

June 2023 – November 2023

Theme	# Ideas	% Ideas
Infrastructure and Public Realm	192	25.6%
Destination Corridors, Arts, and Culture	131	17.5%
Governance and Implementation	76	10.2%
University/Education Sector	45	6.0%
Housing	73	9.8%
Workplace (Future of Work, Deregulation, Small Business and Innovation Economy)	71	9.5%
Mobility	65	8.7%
Downtown Experience, Amenities, and Safety	64	8.5%
Leveraging Public Land and Assets	30	4.0%
Tourism	25	3.3%
Multigenerational and Equitable Places	24	3.2%
Other	62	8.3%

Vision & Goals

03



Fulfilling this vision to **redefine the central business district of D.C. to be a resilient and adaptable mixed-use downtown that is welcoming and alluring to a diversity of people**

is no small feat. To successfully achieve this ambitious goal, it is crucial to establish specific benchmarks that resonate with the insights and priorities expressed by the diverse stakeholders reached over the course of the team's outreach efforts, ensuring that the Downtown Action Plan reflects the collective aspirations and needs of the community.

Importantly, no single intervention can bring this ambitious vision to fruition, as this vision looks different to every person who lives, works,

and plays in Downtown D.C. The Downtown Action Plan vision is broken down and described below, organized by characteristic. The first set of vision characteristics offers prerequisite conditions that are critical areas of focus for District policy and investment. The second set includes demand drivers that will help stimulate foot traffic and economic activity in Downtown D.C. Each characteristic features direct quotations from stakeholders reached over the course of the outreach process. Together, these vision characteristics represent the organizational framework for the investments and interventions contained in the Downtown Action Plan.

Vision Characteristics

Physical Conditions



Public Safety

Where safety is a given

“Think about ways we can do crime prevention through environmental design – as we design new parks, streetscapes, buildings, etc., we should be thinking about how design affects crime or the perception of safety.”

– **Safety Expert one-on-one interview with Downtown Action Plan Team**

“We need to establish a city-wide grant program to improve public safety in commercial corridors with funding for lighting, patrols, and other interventions.”

– **Focus Group Participant**

“Our work should promote intentional design and planning for young children.”

– **Kick-Off Participant**



Public Realm

Where the public realm showcases sustainable urbanism

“Sustainability is key – we should be repurposing public space, greening downtown, and increasing walkability.”

– **Focus Group Participant**

“I would love more green spaces, more trees, more support for public transit, and less car-based infrastructure! The environmental impact should be considered in every decision.”

– **Feedback Form Submission**



Transportation

That is easy and fun to get around

“We should develop a dedicated pedestrian network with alleys and pedestrianized streets.”

– **Futuring Workshop Participant**

“Create more bus lanes and/or bus only transitways.”

– **Focus Group Participant**

“There must be sustainable funding for Metro to allow them to expand hours of service. People need an easy and affordable way to get around without having to drive a car and park downtown.”

– **Focus Group Participant**

Key Demand Drivers



Office

Where employers choose to locate and employees choose to work – that offers public and private spaces designed for collaboration and innovation

“In order to get people into the office, we need to make Downtown a central employment hub for the region.”

– Kick-Off Participant

“Downtown needs to return to being an office hub...People who live in D.C. want to live somewhere they can work, play, and live all at the same time.”

– Focus Group 2 Participant



New Catalysts

That brings life to areas that are currently underutilized or unengaging, but that offer the scale needed to create new destinations

“Focus on activating Federal Triangle to extend retail and residential zones.”

– Futuring Workshop Participant

“Ensure Federal buildings have a place and purpose for visitors.”

– Futuring Workshop Participant

“Increasing the height limit for buildings would allow for exciting design, more density of people, and more green space between buildings.”

– Futuring Workshop Participant



Economic Evolution

That fosters new economic growth in priority sectors and takes advantage of expertise in policy, global initiatives, education, and communications

“Compared to its peers, D.C. is the most diverse and educated city. Figure out a way to harness that – it exists already; we just need to make sure that everyone is more engaged.”

– Steering Committee Member

“There is an opportunity for D.C. to lead and develop best practices to what future urban centers can achieve.”

– Futuring Workshop Participant

“We can create a central innovation hub with free space for community use.”

– Kick-Off Participant

Vision & Goals



Education

Known as a global learning hub for Pre-K to post-grad, with access to global thinkers and decisionmakers, anchored by top-tier universities from across the globe

“Create a significant education destination – leverage the presence of the federal government, think tanks, and other organizations to become a much bigger destination for colleges and universities.”

– **Futuring Workshop Participant**

“There are no children downtown right now – if we focus on making it a better place for children, it will become a better place for everyone.”

– **Focus Group Participant**



Visitors

That attracts people from the city, region, country, and across the globe for world-class experiences in arts, entertainment, culture, sports, and hospitality

“More cultural programming should be funded to promote neighborhood and community vibrancy – such as makers spaces, farmers markets, cultural events, etc.”

– **Kick-Off Meeting Participant**

“Let’s create an arts district that would bring families and visitors alike Downtown.”

– **Futuring Workshop Participant**



Residential

For a variety of residents, distinguished by its livability and inclusivity

“People want to be around other people! Therefore, residential growth should be a key driver. With residential growth comes more activity.”

– **Steering Committee Member**

“Let’s target micro-areas where we prioritize office-to-residential conversions. We need to lean into this strategy if Downtown is going to survive.”

– **Feedback Form Submission**



Retail

Where people go to have numerous and unique experiences for shopping and dining

“Create themed spaces full of small businesses and social spaces with food and beverage corporate sponsors.”

– **Futuring Workshop Participant**

“Support more locally owned businesses and boutique shops.”

– **Kick-Off Meeting Participant**

Goals

In order for the District to achieve tangible outcomes, it is critical to establish clear, measurable goals tied to each vision characteristic. These goals will serve as benchmarks, allowing the District, Business Improvement Districts (BIDs), and community stakeholders to track progress and adjust strategies as needed to sustain momentum.

Quantifiable goals also help to ensure accountability and transparency throughout the Downtown Action Plan implementation process. The strategies put forward in the Downtown Action Plan are designed to empower the District to achieve these goals in the next five to 10 years.

Physical Conditions

-  **Public Safety** | Reduce violent crime per visit to pre-pandemic levels
-  **Public Realm** | Improve five existing parks across Downtown D.C.
-  **Transportation** | Create and implement a multi-modal transportation plan for Downtown D.C.

Key Demand Drivers

-  **Retail** | Lease 1 million square feet of retail and restaurant space
-  **Residential** | Add 15,000 new residents to Downtown D.C.
-  **New Catalysts** | Return five distressed and/or public assets to market
-  **Economic Evolution** | Add 10,000 knowledge economy jobs to Downtown D.C.
-  **Office** | Reduce vacant office space by 10 million square feet by attracting new businesses and repositioning obsolete buildings
-  **Visitors** | Generate an additional 25 million annual visits from daytime and overnight visitors
-  **Education** | Replace 3 million square feet of vacant office space with university or other university affiliated uses

Status & Trajectory of Downtown

04



Current Status of Downtown

Downtown D.C. is an essential economic engine and revenue generator for both the District and the broader region. In FY 2023, Downtown D.C. brought in nearly \$2.35 billion in local fund revenues, representing approximately \$1 of every \$4 the District collected that year. While significant, this amount of revenue represents a \$243 million decline since FY 2019 (accounting for inflation), demonstrating that Downtown D.C. is at a critical juncture.

Moving forward, the combination of underutilized commercial space and decreased activity in Downtown D.C. is on track to initiate a self-perpetuating cycle of diminishing investment, property values, and tax revenues. Without timely intervention, annual revenue generation for the District is poised to fall by an additional \$193 million over the next five to 10 years, representing a cumulative drop of \$436 million annually, relative to 2019. Given the complexities of a changing economic landscape, the evolving geography of work, and the need for a more dynamic built environment, Downtown D.C. is at an inflection point and in need of new approaches and new investment to flourish and avoid a sustained or accelerated decline in the area's fiscal contribution to the District.

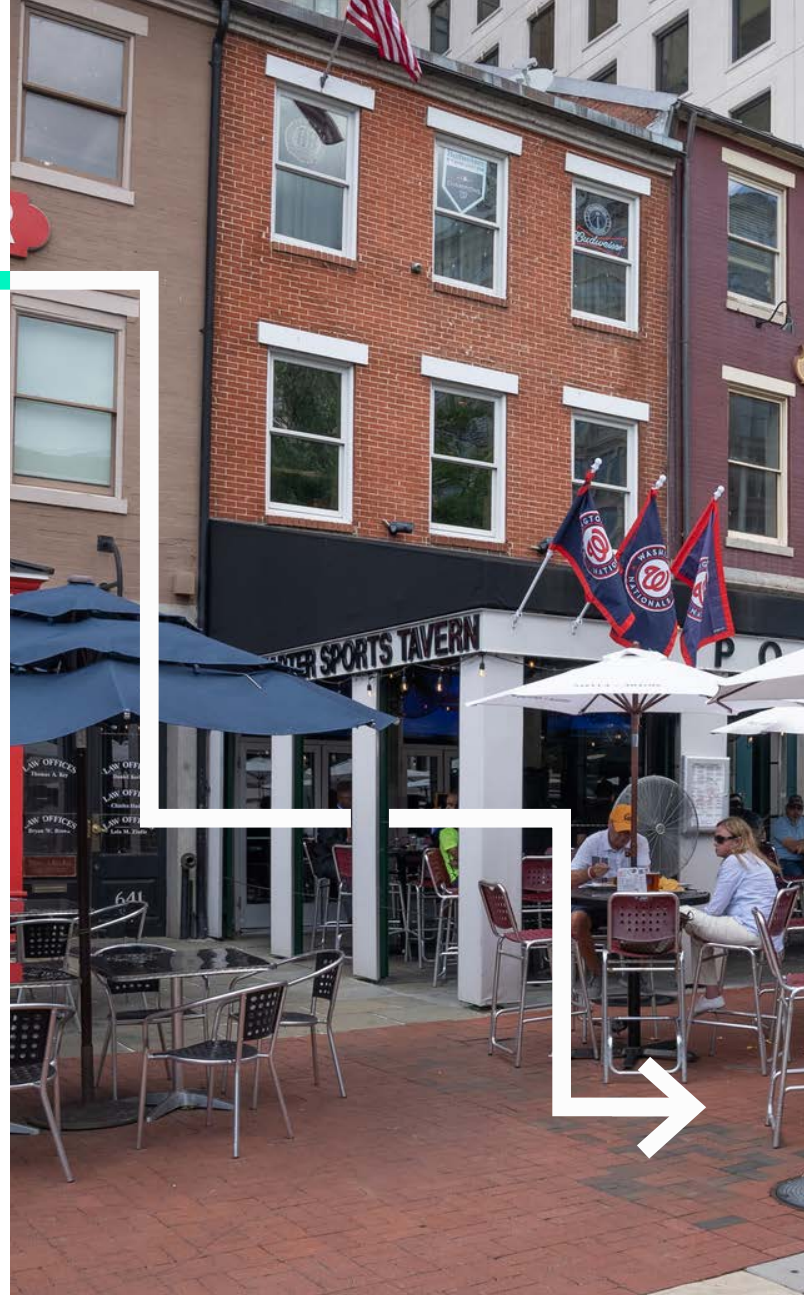
Once reliant on government employment, the Washington, D.C. region, and, in turn, Downtown D.C., has experienced an influx of private sector jobs over the last two decades, creating a thriving professional and business services sector. This economic growth, paired with the ubiquity of in-person work, supported a lively, office-oriented central business district. However, the pandemic exposed the vulnerabilities of Downtown D.C. and its dependence on in-person work. Its sizable inventory of aging offices and its employee-centric retail base now serve more as liabilities than the assets they once were.

Of course, bright spots remain. The hospitality market in Downtown D.C. continues to thrive, and many hotels demonstrate average daily revenues and occupancy rates that meet or exceed pre-pandemic levels. Downtown D.C. is also broadly accessible by transit, and its educated household base and central location are foundational to its economic growth and development. Finally, visitors report high levels of satisfaction with the cultural institutions and entertainment venues in the area, and the recent agreement between the District and Monumental Sports & Entertainment (MSE) to modernize Capital One Arena—later reinforced

Status & Trajectory of Downtown

by a unanimous D.C. Council vote to support \$515 million in public investment to do so—signals that the Wizards and Capitals are likely to remain in Downtown D.C. through at least 2050. These factors drove strong performance before the pandemic and continue to contribute greatly to the activity and dynamism of Downtown D.C. today.

While still significant, the core strengths of Downtown D.C. are increasingly being undermined by its weaknesses. The pandemic's acceleration of preexisting trends in the office and retail markets, along with its significant impact on foot traffic and activity, highlighted Downtown D.C.'s most pressing shortcomings. The office inventory is poorly positioned to serve the changing needs of tenants, as firms increasingly gravitate to newer and more technologically well-equipped spaces. Simultaneously, the lack of household-serving amenities and overall residential density, exacerbated by the limited and pricey options currently available, place Downtown D.C. at a competitive disadvantage to other submarkets in the District and the wider metropolitan region. The resulting lack of street-level activity outside of typical business hours in many areas fosters an uninviting public realm, compounded by underutilized public spaces, growing safety concerns, and streets designed to pack as many vehicular commuters into the area as possible. Finally, chronic vacancies among ground floor retail spaces draw even more attention to these public realm deficiencies.



While it is important to recognize Downtown D.C.'s enduring strengths, understanding Downtown D.C.'s challenges is essential to charting an effective path forward. To that end, the analysis in this section aims to identify the most important market dynamics and aspects of the Downtown D.C. built environment that can help contextualize the urgency of this moment and inform the District's response.

Economic Growth

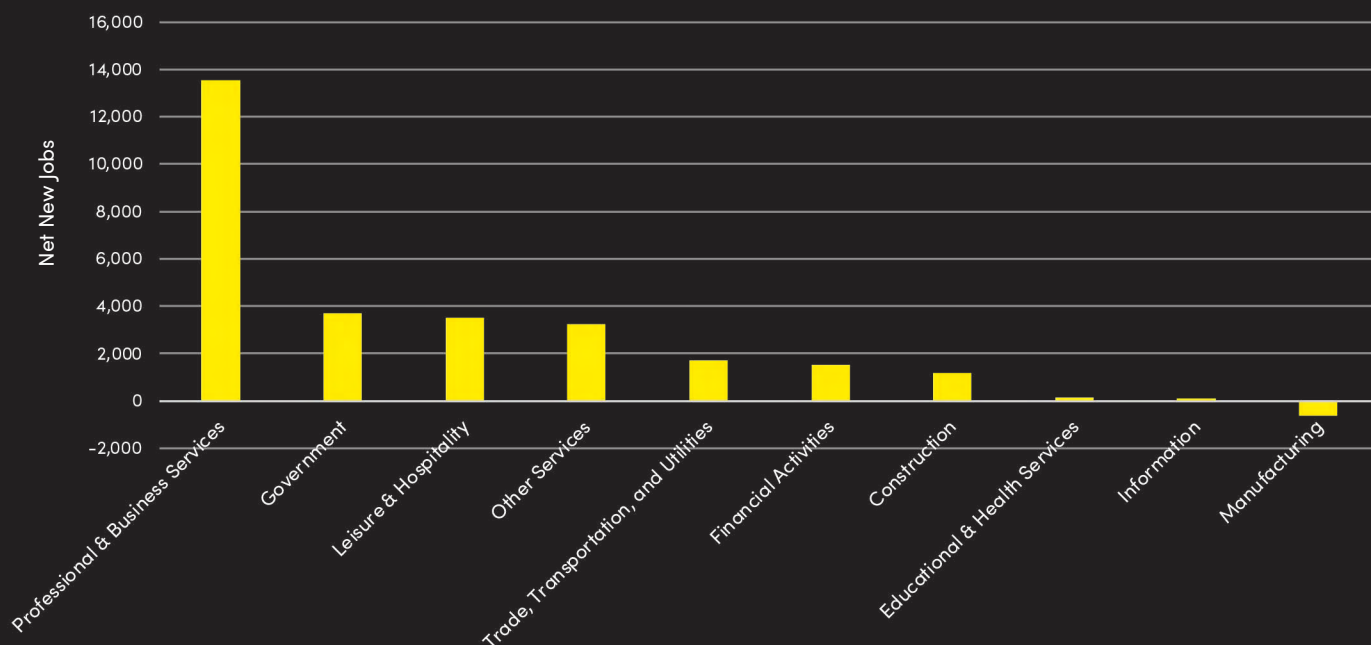
In recent years, most economic growth in the Washington, D.C. region has occurred in the private sector. The economies of the region and of the District have diversified, following particularly pronounced growth in the professional services, education, and health care sectors.

While the federal government has historically buffered the regional economy against more pronounced cyclicalities, employment in the District of Columbia and its surrounding suburbs reflects a knowledge-based economy. Since 2010, the Professional & Business Services and Education & Health Services economic sectors have accounted for more than 60% of net new jobs in the region, compared to just 8% for the Government sector. Growth in the technology industry has been

particularly noteworthy, with major corporations like Amazon and Microsoft expanding their regional presence in recent years.

The same knowledge-based jobs have fostered the creation of a more diverse employment base in Downtown D.C., which has outpaced the region in terms of professional job creation. Today, more than one in three Downtown jobs are in the Professional & Business Services sector—more than any other sector, including Government. Moving forward, the economic competitiveness of Downtown D.C.—both locally and nationally—hinges on its ability to respond to the needs of private-sector employers, who are increasingly searching for dynamic, mixed-use environments to better appeal to their employees.

**Employment Growth, 2010-2019
Downtown D.C.**



Source: U.S. Census Bureau, Center for Economic Studies, LEHD

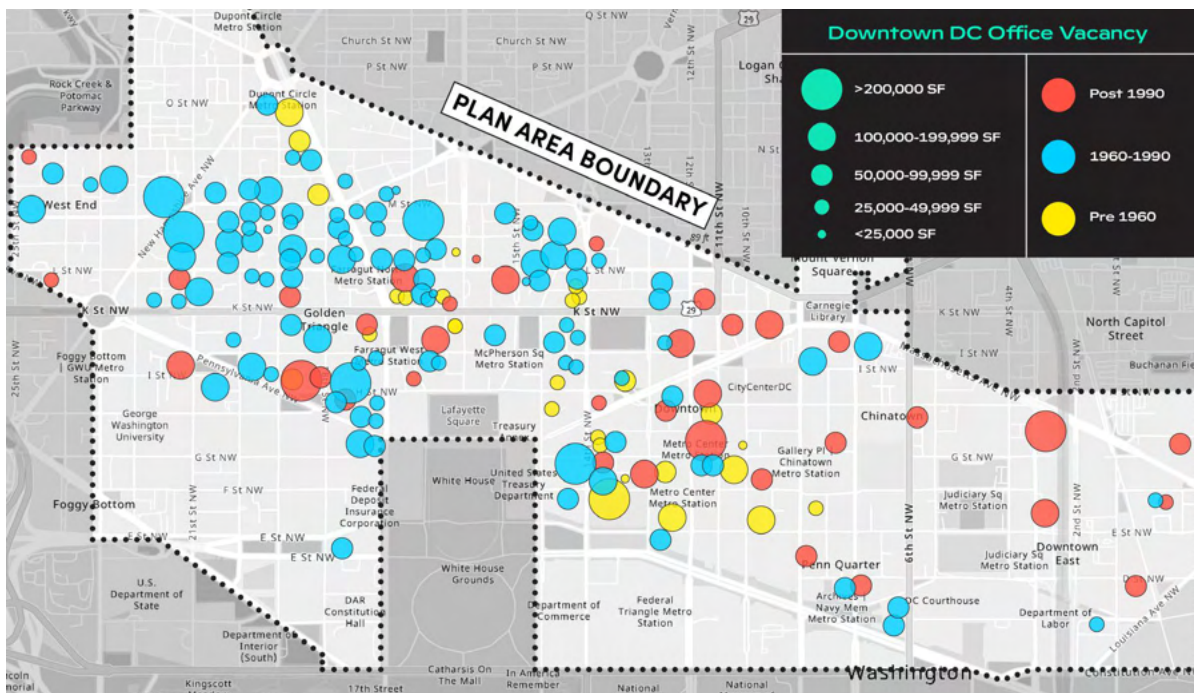
Office

The office inventory of Downtown D.C. requires significant repositioning to respond to future space demand and tenant preferences, or to be viable for new uses. Today, the most ubiquitous office property in Downtown D.C. is an unrenovated, 1980s building.

In Downtown D.C., development in the 1960s began to shape the recognizable commercial core that exists today, adding a significant amount of space that solidified the submarket as the central business district of the region. However, the resulting glut of 1960s, 1970s, and 1980s vintage office is no longer the competitive advantage it once was. Today, nearly half of all office space across Downtown D.C.—and approximately three-quarters of the space in the Golden Triangle, specifically—was built between 1960 and 1990. These spaces often fail to meet the needs of

modern-day tenants. Prospective tenants are increasingly evaluating other neighborhoods where new office options are more widely available, often at more moderate rents. At the same time, existing tenants are increasingly choosing to shrink their footprints as their leases renew, given trends toward hot desking and hybrid work schedules. Together, these forces are leading to a net reduction in occupied space across Downtown D.C. Since the beginning of 2020, 5 million square feet of office space have become vacant on net, leading to a total of almost 21 million square feet of vacant office space across the submarket—a vacancy rate of approximately 19%. Prior to the pandemic, a building owner with high vacancy in a good location may have believed they would backfill the space; today, that proposition is unlikely given the structural headwinds described above.

Office Vacancies by Building Vintage & Available Space, 2023



Source: CoStar

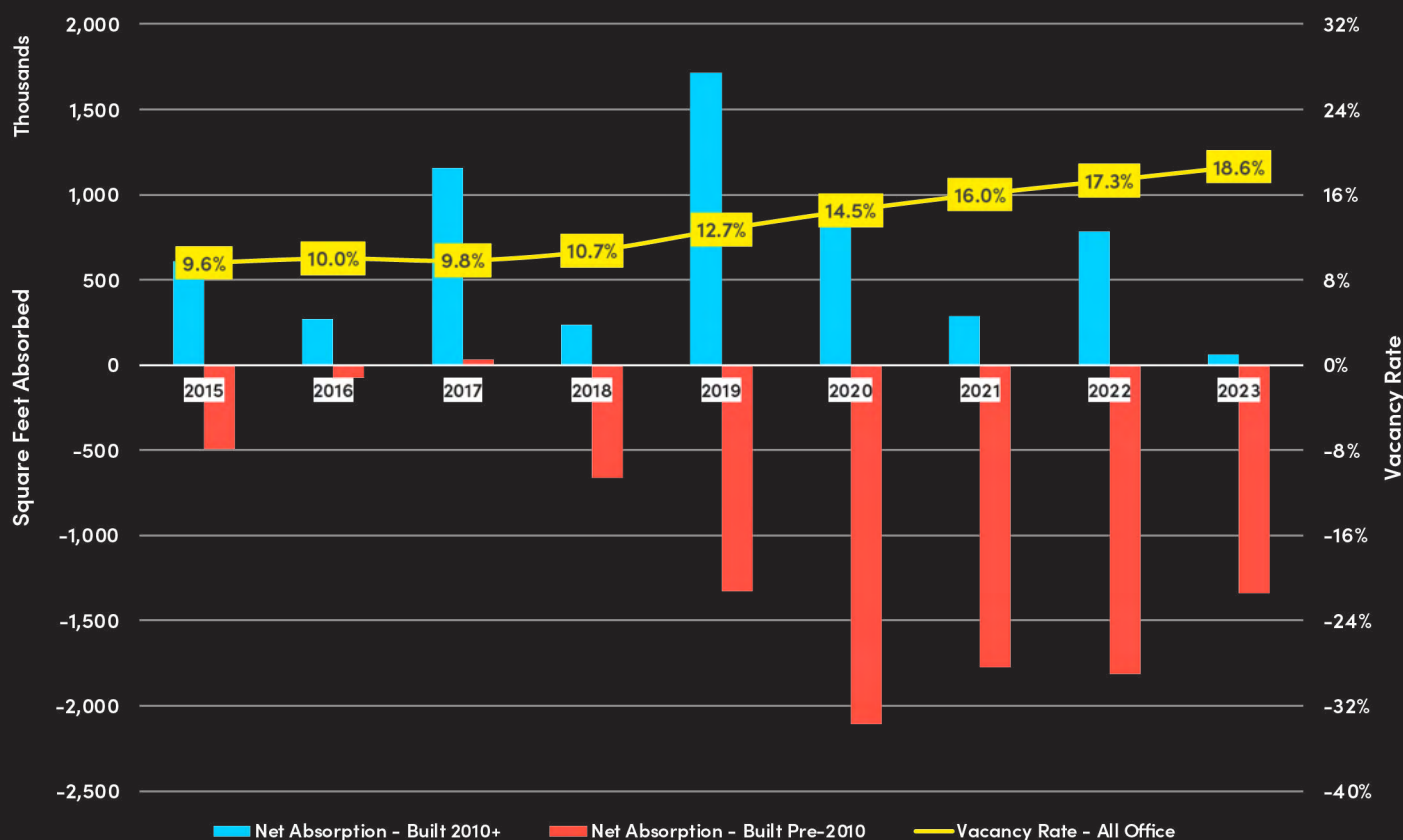
Status & Trajectory of Downtown

Predictably, severe market stress is exerting significant pressure on the owners of office properties in Downtown D.C. Office properties are transacting at substantial discounts—in several recent cases, over 60% relative to their assessed values—reflecting the market’s diminished confidence in the economic prospects of these assets, and suggesting that further declines in the commercial property tax base are on the horizon.

While these trends might imply that poor performance among a handful of office properties is dragging down an otherwise resilient

market, vacant space is dispersed throughout many different buildings in Downtown D.C. As a result, office-to-residential conversions are not a panacea for growing vacancies, particularly considering the feasibility of such conversions varies significantly across buildings. Finding other ways to fill or better utilize older office space will therefore be paramount going forward.

Office Net Absorption by Year Built and Market-Wide Vacancy
Downtown D.C.



Source: CoStar

Work From Home Trends

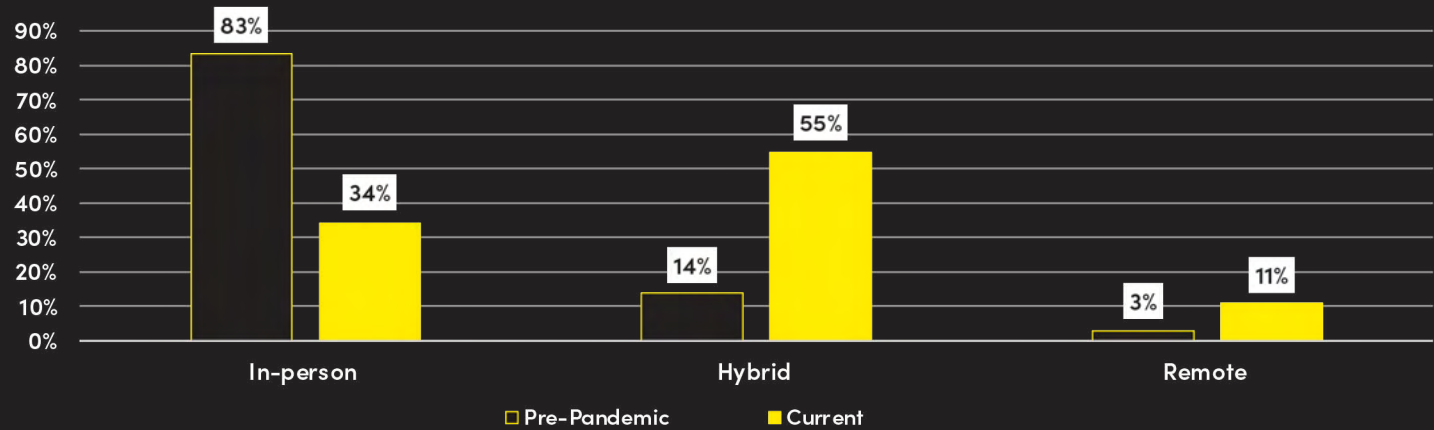
The rise of remote and hybrid work arrangements has proven to be a significant disruptor of Downtown D.C.’s office market, and current utilization patterns are likely to persist.

Consistent with national trends, the pandemic upended the geography of work in the District, where office utilization rates plummeted to 11% of pre-pandemic levels in April 2020. Since then, employees have gradually returned to the office. A survey of office users in Downtown D.C.—conducted as part of the Downtown Action Plan—revealed that more than half of Downtown D.C. employees work hybrid schedules, and more than one in 10 are still fully remote. This survey suggests that office utilization in Downtown D.C. has plateaued just below 50% as of August 2023, with day-to-day utilization rates ranging from 29% on Fridays to 61% on Wednesdays. These utilization rates are unlikely to change meaningfully in the

near term. In the same survey, three-quarters of office users indicated their workplace policies are either likely to remain the same as they currently are (71%) or that they will likely require less time spent working in-person (4%) approximately one year from now. These findings show that most firms in Downtown D.C. have settled into their “new normal” work patterns.

Together, the above trends suggest the underutilization of occupied office space is just as pressing a challenge as the vacant office space itself. Nevertheless, firms report a more pleasant and enjoyable environment would indeed impact employees’ willingness to come into and/or spend more time in the office, suggesting that improving the built environment can help bring the pre-pandemic employment base back into Downtown D.C. more regularly.

Share of Employees by Work Arrangement
Pre-Pandemic (2019) vs. Current (2023) Downtown D.C.



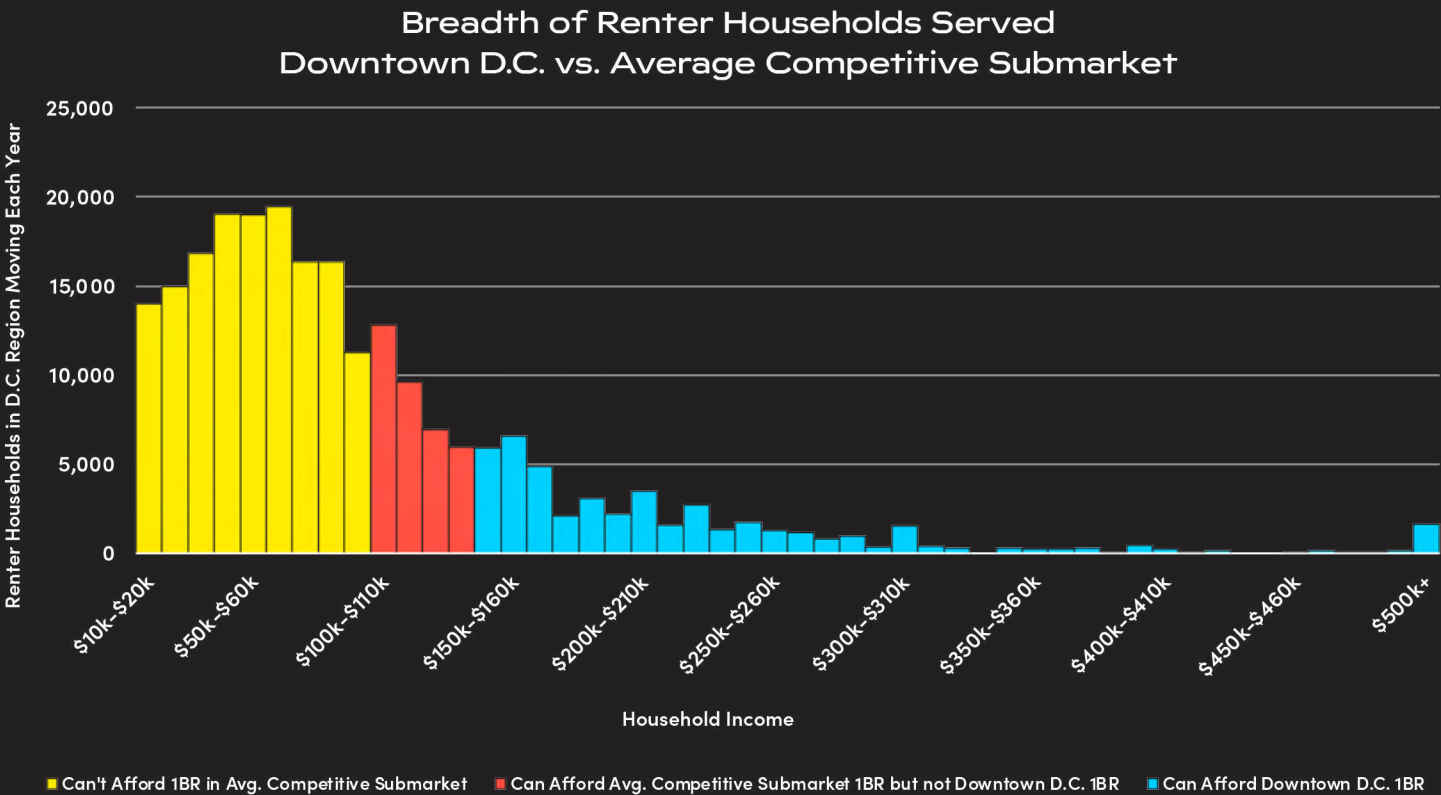
Source: RCLCO Consumer Research

Housing

Housing options in Downtown D.C. are limited, and the options that do exist today cater to a relatively narrow segment of the available market across price points and product types.

Downtown D.C. contains 8,500 rental housing units and 5,600 for-sale housing units, totaling just 14 million square feet, compared to 126 million square feet of office space. Given this highly office-centric built environment, Downtown D.C. offers fewer housing options for its employees than the downtowns of almost every other major city in the U.S. The limited housing options that do exist are clustered at the edge of the submarket,

where land use regulations have allowed them to exist. A lack of new rental apartment deliveries has enabled Downtown D.C. to maintain strong occupancies above 95% and rents of nearly \$4.00 per square foot. Steady price appreciation in the Downtown for-sale market has meant that the housing ownership options that do exist cater to a limited market audience of affluent and often single professionals. Today, more than 50% of households in Downtown D.C. are under the age of 35 and less than 5% have children, signaling the relatively narrow band of residents who live in the submarket today.



Source: American Community Survey (2019-2021 1-Year Estimates)

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The lack of diverse and attainable housing options in Downtown D.C. presents challenges for its economic competitiveness and inclusivity in the post-pandemic environment. Due, in part to the limited size of the household base, Downtown D.C. also offers a limited amount of neighborhood retail and services, such as grocery stores, daycare centers, and gyms. As a result, it should come as no surprise that most respondents to the Downtown Experience Survey see Downtown D.C. as more suitable place to work and visit than to live. In a new normal where hybrid work schedules continue and office utilization remains well below pre-pandemic levels, Downtown D.C. lacks the households it needs to support steady activity.

Office-to-residential conversions are gradually gaining steam, with 11 either planned or under construction in Downtown D.C. While these conversions promise to add nearly 2,200 units of much-needed housing in areas of Downtown D.C. currently dominated by commercial uses, they also highlight the need for greater neighborhood infrastructure and household-serving amenities to support accelerated resident population growth. In summary, there are many future residents who might choose to live in Downtown D.C. if they could, but there are no suitable and attainable options for them today, nor does Downtown D.C. possess a sufficient amenity base to support their lifestyles.

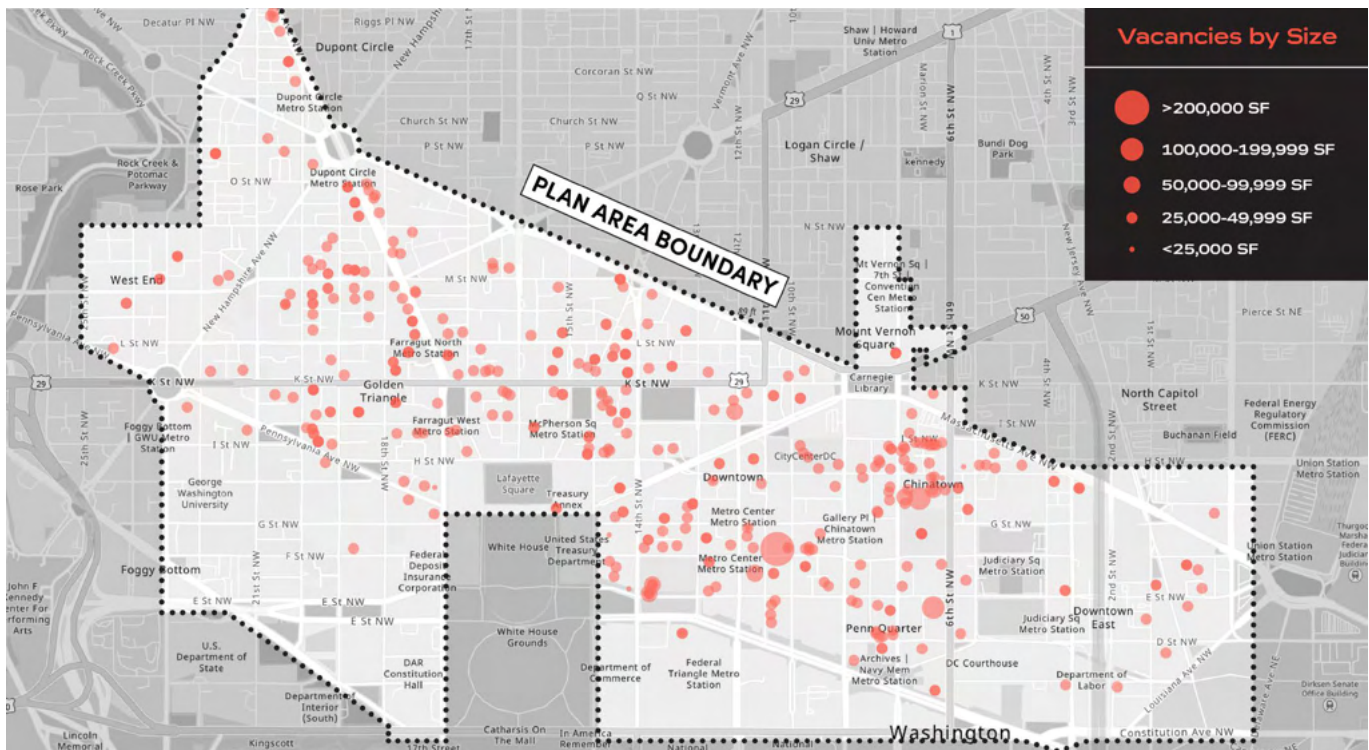
Retail

Retail continues to suffer from pandemic-induced stress, and major commercial corridors that used to boast vibrant retail environments are becoming chronically vacant.

Declining daytime foot traffic—which, even today, is just 71% of pre-pandemic levels—has suppressed retail demand throughout Downtown D.C. Today, the submarket is home to nearly 440 vacant storefronts, which total an estimated 1.6 million square feet of space. More than 25% of retail space in Downtown D.C. is vacant, well above the typical “healthy” thresholds of 5% to 10%. Furthermore, vacancy rates are highest amongst smaller inline retail spaces, which are the ones that most contribute to the “feel” of vacancy along commercial corridors.

Stress in the retail sector has not impacted all neighborhoods in Downtown D.C. evenly. Vacancies are highest in areas with employment-centric retail inventories, such as Farragut Square (29%), McPherson Square (25%), and Metro Center (24%). Meanwhile, vacancies are lowest in areas that possess—or are otherwise proximate to—significant household bases, such as West End (11%) and Foggy Bottom (11%). These differences underscore the important role that cultivating a 24/7 market audience is likely to play in a post-pandemic environment. With hybrid and remote work patterns allowing employees to work from home, attracting a diverse mix of residents and visitors will be crucial to the health of the Downtown D.C. retail market moving forward.

Retail Vacancies by Available Space, 2023



Source: RCLCO, Dochter & Alexander, DowntownDC BID

Hospitality

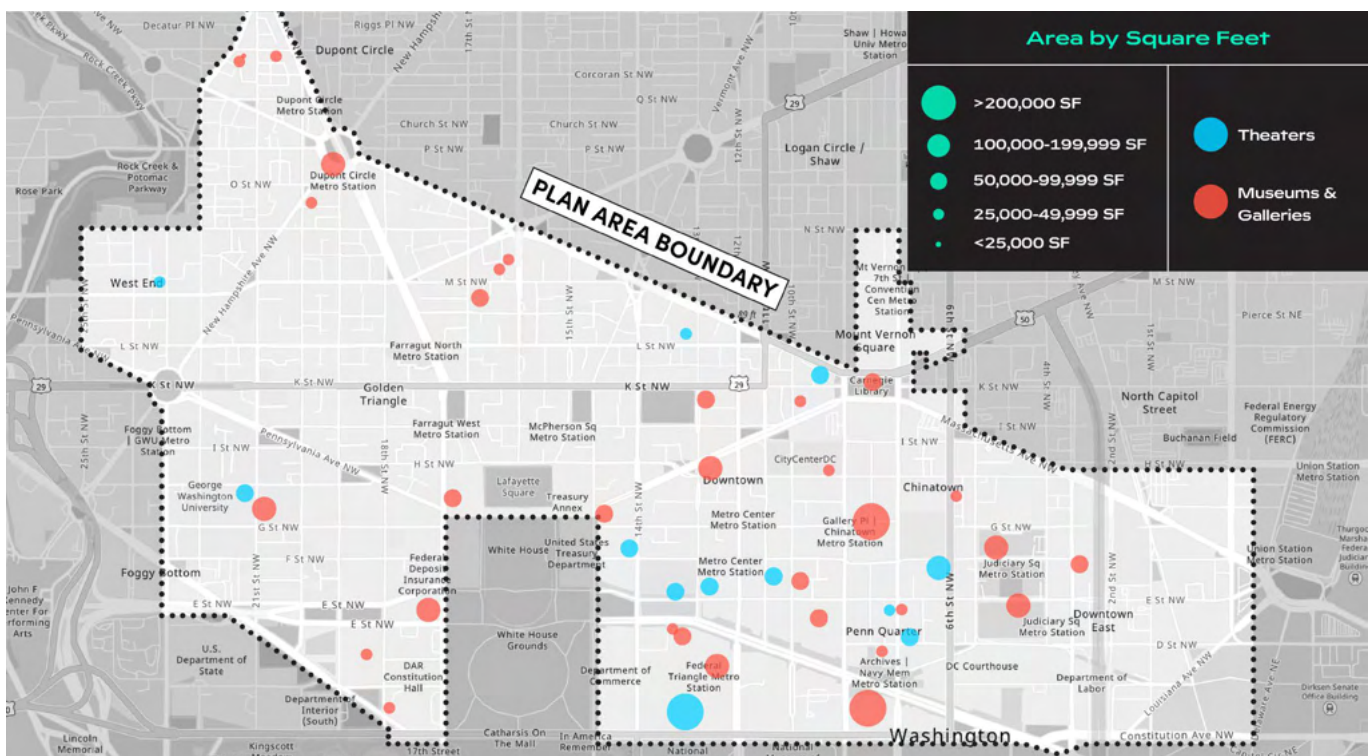
Hotels represent a bright spot in the Downtown real estate market, as cultural and entertainment venues and national attractions provide a consistently strong appeal to visitors and differentiate Downtown D.C. from other U.S. downtowns.

Unlike employees, overnight visitors have largely returned to Downtown D.C. in the wake of the pandemic. After plummeting during 2020, hotel demand in Downtown D.C. reached 95% of pre-pandemic levels during the first half of 2023. At the same time, average daily rates in the area are nearly \$50 higher than they were in 2019 due to the resurgence of domestic tourism. Strong hotel performance suggests overnight visitors are likely to play an increasingly important role in buoying foot traffic and retail performance

in the years to come. International travelers are also a particularly important market audience for Downtown D.C., as research from Destination D.C. suggests they account for 27% of retail spending in the District despite comprising just 7% of its total visitation.

Strong hotel performance is inextricably linked to the location of Downtown D.C. at the heart of the nation's capital. Adjacent to Downtown D.C., the National Mall and Union Station attract tens of millions of visitors each year, providing a built-in pool of activity from which the submarket can pull. Likewise, a plethora of museums and other cultural and entertainment venues set Downtown D.C. apart from the downtowns of other major cities across the country. However, most hospitality options cater to the national tourist rather than

Museums, Theaters, & Galleries by Square Footage, 2023



Source: RCLCO, DestinationsDC, DowntownDC BID, Golden Triangle BID

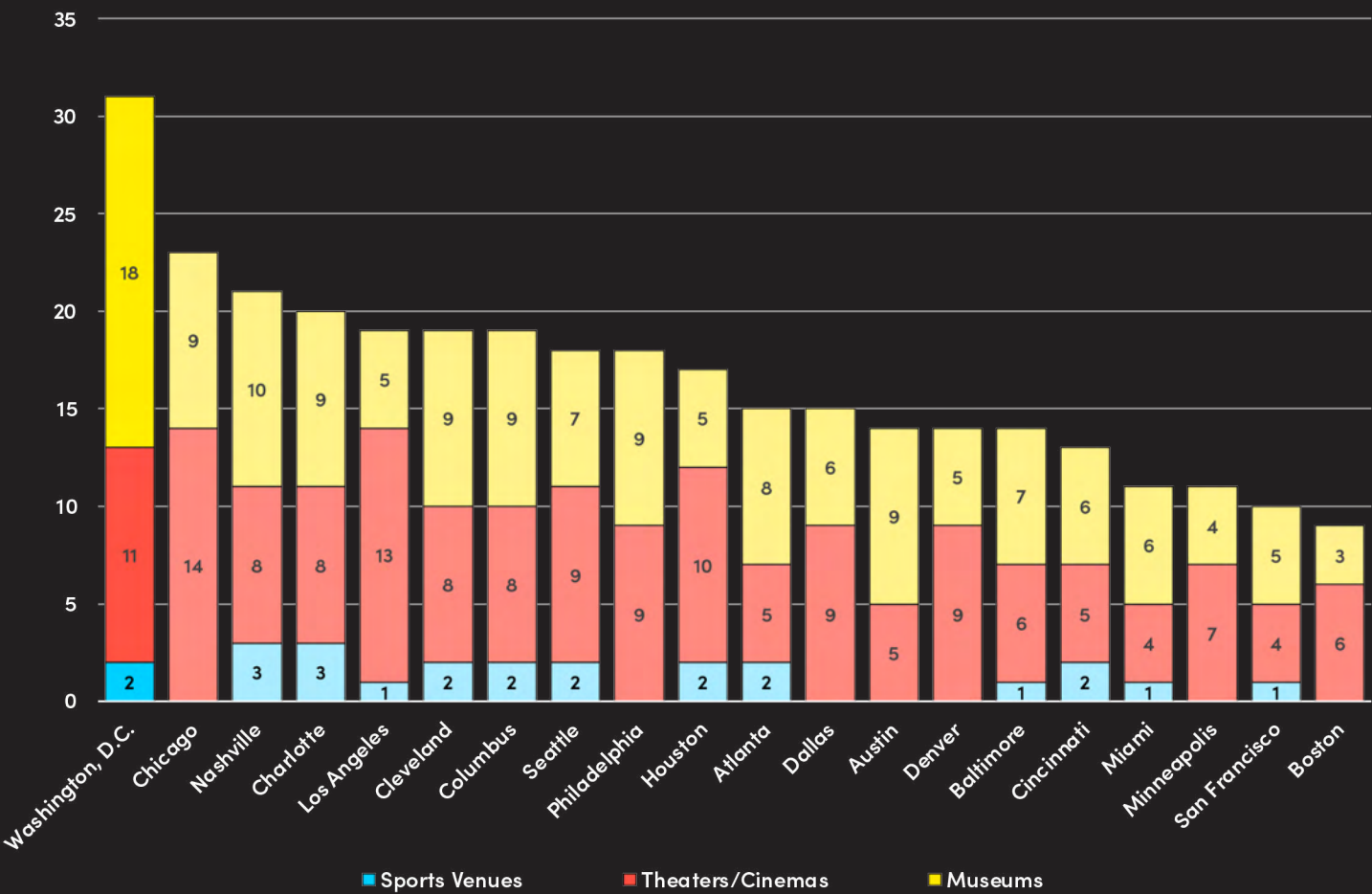
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an urban leisure visitor. As a result, the hospitality market could likely be even stronger if Downtown D.C. were to leverage these differentiating factors more effectively to expand its visitor base.

It is important to note that the Walter E. Washington Convention Center’s 2023 attendance is estimated at 732,000, down 43% from an average annual attendance of nearly 1.3 million

from 2016 to 2019. Much of this decline is due to changes in industry meeting habits and the availability of virtual meetings, which have led to headwinds in the business travel segment of the hospitality market, even as the hospitality market overall has remained healthy. This trend further highlights the importance of catering to a more diverse visitor base.

Cultural and Entertainment Anchors/Institutions
Downtown D.C. vs. Peer City Downtowns



Source: DowntownDC BID; Golden Triangle BID; CoStar; Google Maps; RCLCO

Parks & Green Space

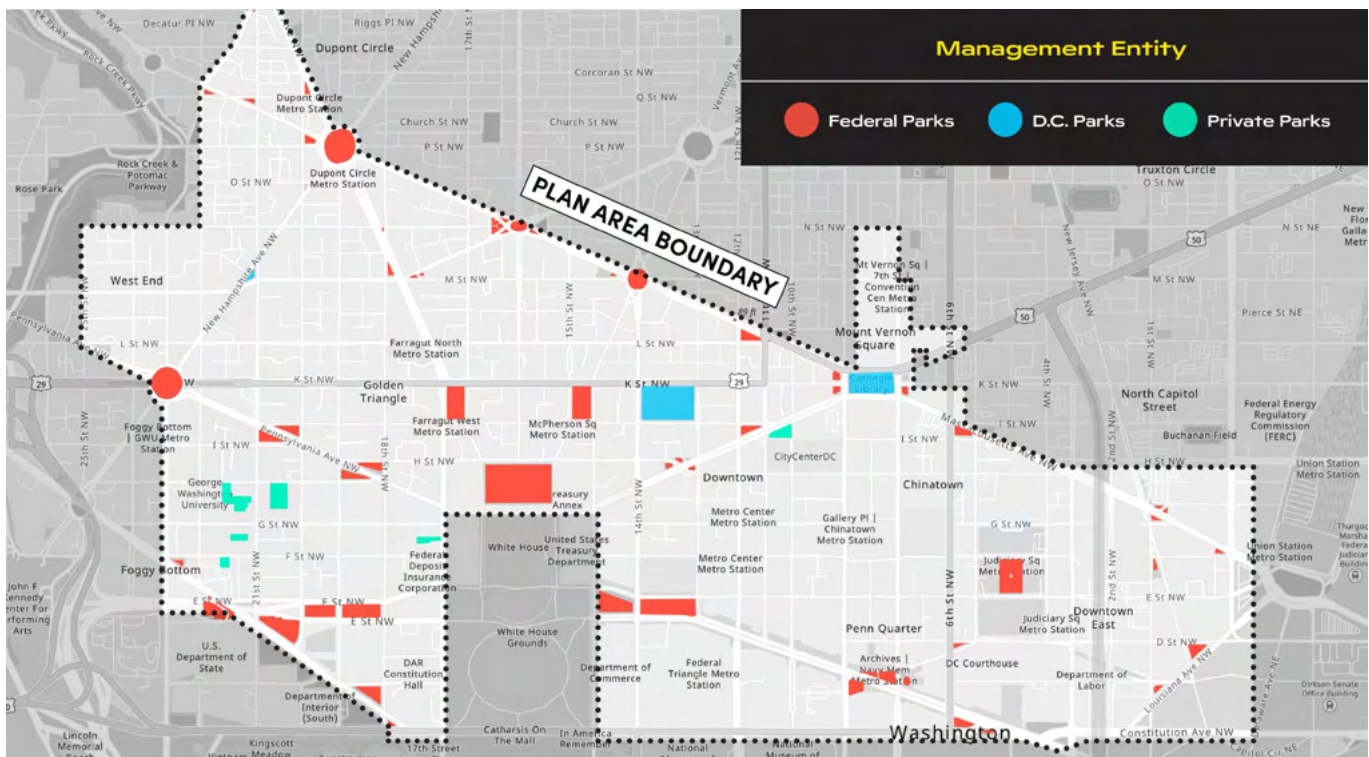
Downtown D.C. offers an abundance of park space; however, much of this space is underutilized and not managed in a way that allows for much-needed activation.

Downtown D.C. boasts over 78 acres of parkland and green space; however, an overwhelming majority, nearly 70%, falls under the purview of the National Park Service (NPS), the primary mission of which is to maintain and operate “memorial parks” rather than to provide active programming, such as dog parks, playgrounds, cultural events, or food and beverage concessions. This jurisdictional arrangement prevents the District and its BIDs from programming and improving parks within

Downtown D.C., as local desires for activated green spaces are often at odds with federal goals to preserve the civic importance of designated memorial sites.

The NPS’s commitment to preserving park spaces as memorial sites, while a laudable goal, has the effect of producing public space that is visually pleasing but of limited utility to residents and daytime visitors. The resulting lack of placemaking and amenities limits the ability of these parks to live up to their potential of serving as lively, interactive, and dynamic public spaces that contribute significantly to the well-being and enjoyment of residents and visitors alike.

Map of Parks & Open Spaces by Management Entity



Source: RCLCO

Intraregional Competition

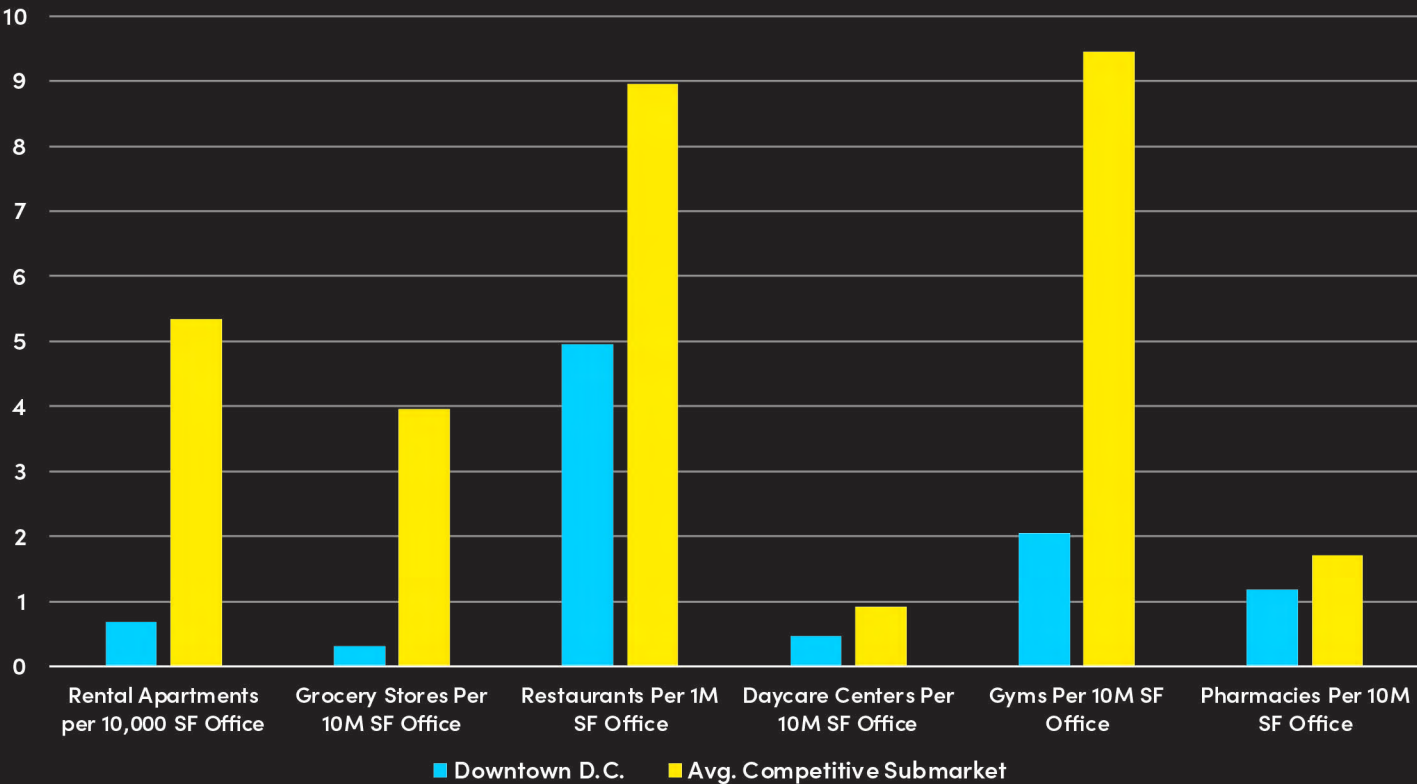
Competitive submarkets have rapidly expanded and become increasingly desirable places to live, work, and play.

The D.C. region is unique and renowned for its polycentric development patterns, with concentrations of mixed-use development, density, and employment spread throughout the region. As the historical central business district for a growing region, Downtown D.C. possesses many attributes that position it as a favorable submarket in which to locate, including its rich talent pool, central location, and multimodal accessibility. However, Downtown D.C. has long struggled to expand its residential offerings and amenity base, an area in which emerging suburban mixed-use nodes such as Bethesda, the Rosslyn-Ballston Corridor, and National Landing have excelled. Compared to these regionally competitive submarkets, Downtown D.C. has 90% fewer rental apartments and grocery stores, 80% fewer gyms and fitness studios, 50% fewer daycare centers, and 40% fewer restaurants relative to the size of its office inventory. All of these deficits continue to widen as competitive submarkets become more established and further diversify their amenity bases.

Under the traditional nine-to-five central business district model, a lack of household-serving amenities did not necessarily hinder the economic competitiveness of

Downtown D.C., and its competitive strengths set it up for success as the region's leading hub of commercial activity. However, preferences are changing as hybrid work patterns expand and as businesses increasingly look for locations in which their employees can live, work, and play. The shortcomings of Downtown D.C. have become more determinative — while its strengths have become less determinative — of its ability to compete with other submarkets in the region. Accordingly, the office inventory of Downtown D.C. is less desirable than the options in other submarkets in the region, especially as firms are increasingly looking for high-quality space in mixed-use environments, which Downtown D.C. does not offer at scale or at a competitive rate. Thus far, these challenges have largely limited the ability of Downtown D.C. to attract net new office users, as the submarket has historically retained most of its existing tenants. Even so, the office market in Downtown D.C. could face more softness if existing tenants relocate to other submarkets in the region, which is likely to represent a growing risk without the necessary improvements.

Household-Serving Amenities Relative to Office Inventory
Downtown D.C. vs. Average Competitive Submarket



Competitive Submarkets include

- Rosslyn-Ballston Corridor
- Southwest / Capitol Riverfront
- Crystal City / Pentagon City / Potomac Yard
- NoMa / Union Market
- Bethesda
- Tysons

Source: CoStar; Google Maps; RCLCO

High Stress Streets

Wide, car-dominated streets create boundaries separating key destinations in Downtown D.C. Most serious and fatal crashes occur along these high-stress streets, discouraging nearby residents and visitors from frequenting the area.

Today, large, vehicularly oriented streets limit walkability into and within Downtown D.C. Across the District, the recent moveDC⁴ plan identified “high-stress” streets, which are defined using prevailing speeds, the width and number of travel lanes dedicated to cars, and the presence of buffer space (e.g., bike lanes, parking lanes, etc.). Some of the highest traffic stress levels within Downtown D.C. occur along “boundary roads” bordering the National Mall, Logan Circle, and Shaw. Meanwhile, Foggy Bottom and West End have some of the highest concentrations of lower-stress corridors, and these submarkets have also retained larger shares of pre-pandemic visitation.

Areas adjacent to the National Mall are in particular need of reimagining roadway design, as its millions of annual visitors must cross high-stress corridors to access Downtown D.C. For example, a walk from the Museum of Natural History to the National Portrait Gallery requires

a pedestrian to cross a total of 15 travel lanes and about 200 feet of asphalt—equivalent to the wingspan of a Boeing 777. The contrast between the pedestrian-oriented space on the National Mall and the high-stress streets that surround it disrupts connectivity between the National Mall and Downtown D.C., potentially discouraging visitors on foot from circulating between the two.

High-stress streets also present traffic safety problems. Between 2020 and 2023, 49 crashes resulted in a major non-motorist injury or fatality in Downtown D.C. These crashes were concentrated on high-stress streets, such as New York Avenue from 9th Street to 15th Street and Massachusetts Avenue from 9th Street to 16th Street. Clearly, car-dominated streets are not only a barrier to connecting Downtown D.C. to surrounding neighborhoods and attractions, but they also pose a danger to pedestrians, bicyclists, and others on the street. This highlights the urgent need for a more systematic approach to transportation planning in Downtown D.C.

⁴<https://movedc.dc.gov/>

Allocation of Roadway Stress

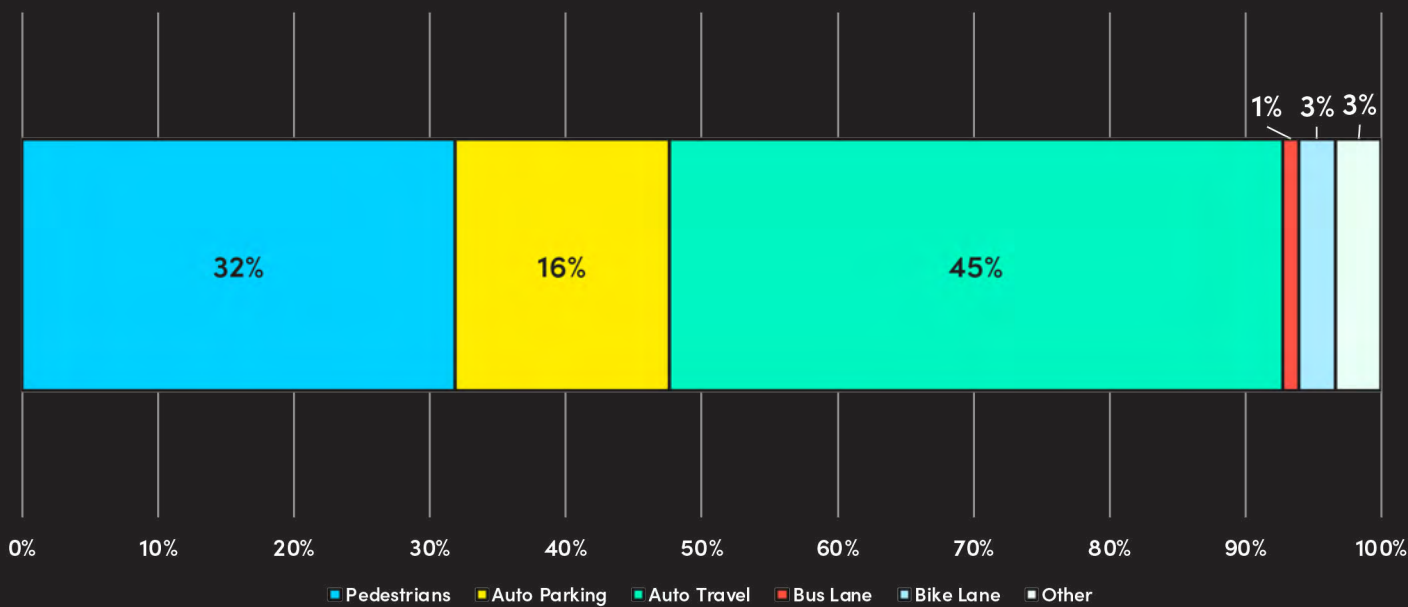
The current allocation of roadway space in Downtown D.C. does not reflect District goals to foster a pedestrian-oriented, tourist-friendly, or livable urban environment, while simultaneously failing to alleviate congestion for motorists.

As Downtown D.C. transforms from an office-oriented central business district to a walkable mixed-use urban center, establishing transportation infrastructure that supports this shift is an essential prerequisite. Today, approximately 61% of roadway space in Downtown is dedicated to spaces that serve personal automobiles, such as vehicular travel lanes and parking. Meanwhile,

just 32% of roadway space is dedicated to sidewalks, with even smaller shares for bike lanes (3%) and dedicated bus lanes (1%). This breakdown suggests the existing mobility infrastructure in Downtown D.C. favors automobiles over alternative transportation methods, despite District goals to create a more pedestrian-friendly urban core, including the moveDC goal of achieving 75% non-auto commute trips by 2032.

While the percentage of roadway space that is dedicated to personal automobiles (61%) is generally aligned with the share of weekday travelers who arrived in Downtown

Allocation of Roadway Space
Downtown D.C.



Source: Open Data DC Road SubBlocks

Status & Trajectory of Downtown

D.C. via personal automobile in 2022 (63%), it is significantly higher than the share of these travelers who did so in 2019 (47%). Interestingly, the increase from 2019 to 2022 stems from a net decrease in people using alternative transportation methods rather than a net increase in people choosing to drive, in part due to the limitations that traffic stress places on the number of people who can enter Downtown D.C. via personal automobile at peak hours. As a result, alternative transportation methods are likely

to play a vital role in enabling Downtown D.C. to reach pre-pandemic levels of activity and facilitate increases in the number of people who can enter the area on foot, by bike, and via transit. Simply put, if the goal is to increase multi-modal accessibility in Downtown D.C., then the District must plan holistically for transportation uses by need and design its streets accordingly.



Parking

Parking is a major pain point for visitors to Downtown D.C.; however, this issue is commonly misidentified as a parking supply problem, rather than a parking policy and management problem.

More than half of visitors to Downtown D.C. report dissatisfaction with the overall experience of parking in the submarket. At the same time, approximately 30% of visitors from suburban Maryland and Virginia point to improved parking options as one of the interventions that would be most likely to influence them to spend more time in Downtown D.C., which underscores the need for a revamped, user-friendly approach to parking policy.

Despite the common perception that there is a shortage of parking in Downtown D.C., occupancy data indicates that there is more than enough parking available, but that existing parking policy and management exert excessive pressure on limited street parking. On-street parking—which accounts for just 10% of spaces in the submarket—is generally oversubscribed, with most road segments showing near 100% occupancy. Meanwhile, off-street parking in privately-operated garages—which accounts for

the remaining 90% of spaces in the submarket—is abundant and available. Even if some off-street garages are full midweek at peak hours, off-street parking occupancy across the entirety of Downtown D.C. rarely exceeds 70% on weekdays. In addition, on the streets where average on-street occupancy is highest—along Connecticut Avenue, close to the National Mall, and around Capital One Arena—privately-operated, off-street garages abound, but are no more well-occupied than garages in less-trafficked areas of Downtown D.C. This mismatch suggests that poor utilization of off-street parking is a problem of insufficient information and perverse price incentives. Significant price differences exist between metered street parking and off-street parking. Off-street parking can cost between five and 10 times as much as on-street, metered parking. Therefore, drivers have an enormous incentive to search for on-street parking whenever possible, leading to increased congestion from drivers cruising for open on-street spaces. Insufficient signage and management/marketing also makes it unclear for drivers when and where off-street parking is available, both when planning their trip and when searching for a spot.

Safety

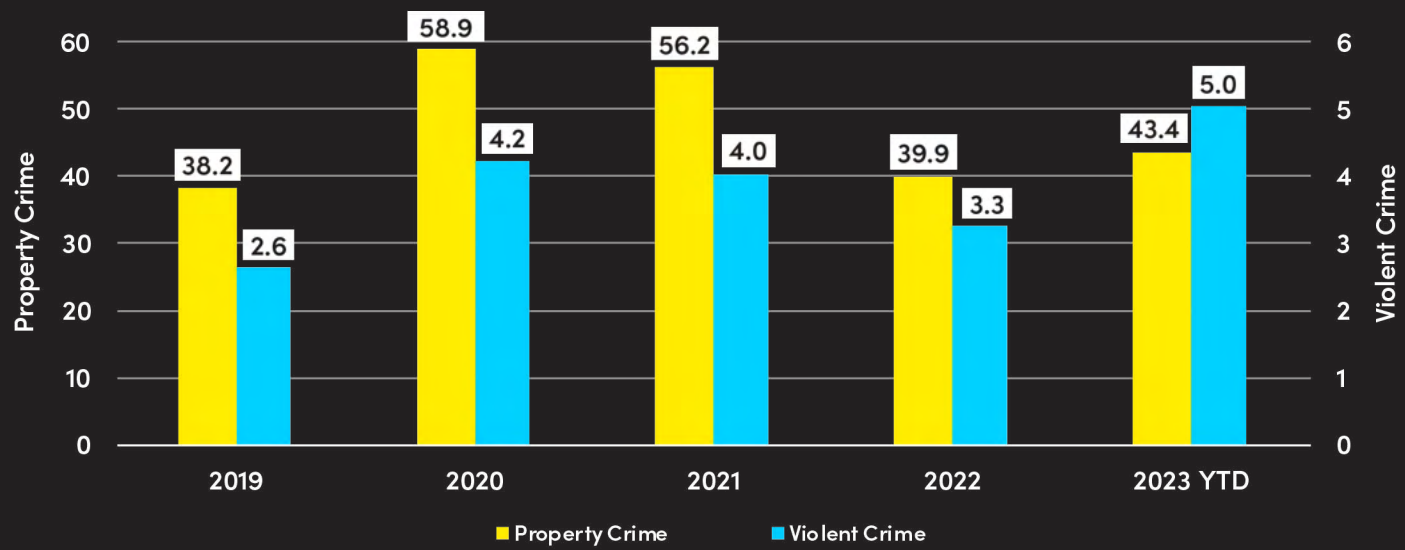
Ensuring a safe environment is a prerequisite to the success of Downtown D.C. Residents, employees, and visitors widely report feeling unsafe, and more than 40% of respondents to the Downtown Experience Survey indicate they have personally witnessed or experienced crime while spending time in the area.

While the total number of crimes committed in Downtown D.C. has declined since 2019, this trend is largely attributable to the reduced number of people who frequent the area today. Considering the number of people who frequent the area, people in Downtown D.C. are more likely to fall victim to crime—and to violent crime, in particular—today than they were before the pandemic. From 2019 to Fall 2023, the rate of violent crimes per visitor to Downtown D.C.

nearly doubled. While recent data for Q1 2024 is positive and indicates year-over-year declines in crime rates more broadly, overall rates are still well above pre-pandemic levels.

These trends are indicative of broader challenges facing the District. In recent years, the size of the Metropolitan Police Department (MPD) has dropped to a half-century low. The District is unique in that it does not exert control over its United States Attorney’s Office (USAO), unlike the attorney’s offices that oversee other major cities. The USAO for the District of Columbia has chosen to prosecute significantly fewer arrests—just 44% in FY 2023—than other comparable attorney’s offices. These challenges have a disproportionate impact on Downtown D.C. While MPD is understandably assigning more

Crimes per Million Visits
Downtown D.C.



Note: YTD data is through October 12, 2023
Source: Open Data DC; Placer.ai

Status & Trajectory of Downtown

officers to neighborhoods outside of Downtown D.C. with greater numbers of violent crime incidents, this distribution of law enforcement resources translates to fewer officers on the street in Downtown D.C. at any given point in time. This dynamic disincentivizes officers on patrol from pursuing minor crimes to preserve capacity to respond to more urgent calls—especially if those minor crimes are unlikely to be prosecuted either way. MPD officers are also tasked with dealing with mental health emergencies and other responsibilities that limit their ability to focus

squarely on crime, highlighting the potential for alternative response resources to create additional police capacity.

Recently, the District has taken numerous actions to address public safety challenges, such as offering hiring bonuses for MPD recruits and opening a Real-Time Crime Center (RTCC). Even so, the above trends underscore the need for continued efforts to promote a safer environment in Downtown D.C. moving forward.

Future Trajectory of Downtown

As the primary central business district for the region, Downtown D.C. is a vital fiscal and economic contributor, generating substantial amounts of revenue relative to the expenditures the District must incur to support it. Today, a whopping 24% of District local fund revenues stem from Downtown D.C., compared to just 13% of local fund expenditures. The resulting net fiscal impact provides the District with critical resources it can use to provide programs and services for residents across all eight wards. Downtown D.C. is a fiscal engine, helping to power the District as a whole.

However, engines must be maintained, particularly during times of stress. In the wake of the pandemic, the historically office-centric nature of Downtown D.C. has left the area

particularly vulnerable, threatening its long-term vitality and economic contributions. In FY 2023, Downtown D.C. generated \$2.35 billion in local fund revenues, relative to the \$1.44 billion in expenditures needed to serve the area. In other words, Downtown D.C. generated \$1.64 in revenues for every \$1.00 in expenditures, which—while still a boon to the District—represents a meaningful decline from the more than \$2.30 in revenues generated for every \$1.00 in expenditures in FY 2019. The extent of this drop highlights the threats to not only the area, but also to the District as a whole.

Without changes to the built environment and social landscape of Downtown D.C., economic vitality is poised to decline even further.



Status & Trajectory of Downtown

Based on existing trends, and assuming no intervention, the following dynamics are likely to define the trajectory of Downtown D.C. over the next five to 10 years.

Change From Today	Critical Assumption
 Capitol One	Without follow through on the recent agreement to invest \$515 million in the modernization of Capital One Arena within the 3-year time horizon outlined in Mayor Bower's Proposed FY25 Budget and Financial Plan, the Wizards and Capitals could leave Downtown D.C. Without public funding to renovate Capital One Arena, MSE — which owns the arena as well as the Capitals, Mystics, and Wizards — could exit its ground lease as soon as 2027. As of April 2024, the District appears to be on track to retain the arena and its teams, following the announced agreement in which the District would invest \$515 million in the modernization of Capital One Arena and expansion of MSE into the surrounding neighborhood. If MSE and the teams leave Downtown D.C the resulting gap of \$65 million in District tax revenues would be challenging to bridge through redevelopment alone.
 Private Office Utilization	Office utilization will increase only marginally from current levels. Nearly three-quarters of companies in Downtown D.C. expect their work-from-home policies to look the same approximately one year from now as they do today, suggesting most private-sector office users have already established their post-pandemic office policies.
 Federal Office Utilization	The federal government will slowly return to the office, albeit at far lower levels than those before the pandemic. Even as recent discussions about a federal return-to-office have taken a more urgent tone, long-run federal office utilization is unlikely to settle at the same level as private office utilization without significant cross-agency modifications to telework policies.
 Economic Competitiveness	Downtown D.C. will face growing competition from other submarkets that will become more attractive over time. While Downtown D.C. is likely to remain an attractive and convenient location for many of the employers that operate in the submarket today, it is likely to capture a declining share of future office absorption in the region, as other urban neighborhoods like National Landing, NoMa, Capitol Riverfront, and Southwest grow in popularity.
 Office Property Values	Value degradation of older offices will be much more severe than expected amid foreclosures and lease expirations. As more and more office leases come up for renewal for the first time since the pandemic, vacancies are poised to increase further. Simultaneously, a growing number of office buildings are likely to be returned to lenders, selling at a significant discount (50% to 70%, based on recent transactions) to their assessed values, and leading to reassessments amongst the foreclosed buildings and others with similar characteristics.

Status & Trajectory of Downtown

Change From Today	Critical Assumption
 Private Office Utilization	Office utilization will increase only marginally from current levels. Nearly three-quarters of companies in Downtown D.C. expect their work-from-home policies to look the same approximately one year from now as they do today, suggesting most private-sector office users have already established their post-pandemic office policies.
 Residential Development	Limited new residential development will occur, as conversions will be slow to materialize, and as high interest rates and financial market turmoil will slow construction starts. As a result of these challenges, Downtown D.C. is likely to significantly undershoot its current targets for resident population growth.
 Retail Occupancies	Current retail vacancies will remain, and net vacant space will increase. While some new tenants may enter the market, other existing tenants are likely to close once their leases expire, leading to a net increase in vacant space. New vacancies are likely to be particularly concentrated in anchor and large inline spaces, many of which are occupied by tenants that have held on since the start of the pandemic but could soon capitulate in the face of sustained market challenges.
 Metro Ridership	The Metro fiscal cliff, which was staved off in FY25 thanks to funding commitments from the District, Maryland and Virginia, could limit Metrorail service in future years without a responsible, sustainable, and dedicated funding model, further impacting an already constrained transportation network. According to Washington Metropolitan Area Transit Authority (WMATA) projections, this doomsday budget scenario would likely result in a 67% decline in Metrorail service, leading to 20- to 30-minute headways during the day. As a result of these service cuts, rail transit volumes are likely to decline significantly from current levels.
 Daytime Visitation	Visitors from other parts of the region will go elsewhere for retail, culture, and entertainment. While visitation to Downtown D.C. from the surrounding suburbs has increased in recent months, trips remain well-below pre-pandemic levels, and—without intervention—these gains are likely to gradually moderate.
 Overnight Visitation	Overnight visitation will remain a bright spot in the economy of Downtown D.C. As a result, the hospitality market of Downtown D.C. will continue to see steady demand, and hotels will outperform relative to other types of real estate in the submarket.
 Safety	Crime and safety issues will not continue to improve and may get worse. Without intervention, growing concerns around crime in Downtown D.C. are likely to lead some visitors to change their behavior, causing them to visit the area less frequently than they otherwise would.

Status & Trajectory of Downtown

Without action to redefine Downtown D.C., underutilized commercial space and decreased activity are poised to fuel a self-reinforcing cycle of declining investment, property values, and tax revenues. As a result of this cycle, the District can expect a net loss of \$12 billion in office assessed values, \$153 million in annual retail and restaurant sales, and \$193 million in annual local fund revenues in Downtown D.C. over the

next five to 10 years, relative to today, assuming no intervention. These conservative projections represent a 25% decline in office assessed value, a 5% decline in retail and restaurant sales, and an 8% decline in total annual local fund revenues relative to today.

Conditions are already much worse today than they were before the pandemic (Change from 2019–2023)	Activity	Occupied Office	Metro Ridership	Office Property Value	Retail/ Restaurant Sales	Tax Revenue
	-402M Fewer hours spent Downtown	-3M Less occupied office space Downtown	-28M Fewer Metrorail entries Downtown	-\$8B Decline in office assessed values Downtown	-\$550M Fewer retail & restaurant sales Downtown	-\$243M Less local fund revenue generated Downtown
...And they are poised to get even worse (Change from 2023–2033)	-31M Fewer hours spent Downtown	-15M Less occupied office space Downtown	-7M Fewer Metrorail entries Downtown	-\$12B Decline in office assessed values Downtown	-\$153M Fewer retail & restaurant sales Downtown	-\$193M Less local fund revenue generated Downtown

Note: All revenues shown in constant 2023 dollars
Source: RCLCO

Opportunities to Intervene

05



Opportunities

While the threats facing Downtown D.C. have led many market participants to conclude it has an excess of supply, the primary and underrecognized challenge is one of demand. Historically oriented to employees and daytime visitors, Downtown D.C. is positioned to serve users who previously had to come to the area, but who may now choose whether—or not—to do so. In the post-pandemic landscape, any strategy for Downtown D.C. must focus on driving demand from a more diverse base of users, including residents, students, businesses, employees, regional visitors, and tourists, among others. Downtown D.C.'s opportunity is to become a destination of choice within the region and for visitors coming from elsewhere.

Just as declining investment, asset values, and activity are self-reinforcing, so too are positive interventions. Strategic investments in creating a stronger and more resilient urban center have the potential to propel a virtuous cycle of increased activity, commerce, and tax revenue. In partnership with the private sector and other key stakeholders, opportunities abound for the District to **redefine D.C.'s central business district as a resilient and adaptable mixed-use downtown that is welcoming and alluring to a diversity of people** and delivers on the vision characteristics stakeholders described as impactful.



Public Safety

Where safety is a given

Broaden and improve public safety. A multi-pronged approach to public safety is necessary, starting with ensuring MPD has the resources and technologies it needs to protect residents, employees, and visitors from crime in Downtown D.C., and including complementary strategies to deter unlawful and anti-social behaviors as well.

Annual foot traffic relative to today
+2.9%

Annual local fund revenue relative to no intervention
+\$28M

STAR Program Denver, CO

Initially piloted in 2020 and formally adopted in 2021, the Support Team Assisted Response (“STAR”) Program is an alternative response model for the City and County of Denver. The program pairs a behavioral health clinician with a Denver Health paramedic to respond to low-risk calls. Each month, STAR teams respond to approximately 500 calls on average, most of which are standard welfare checks or relating to mental/psychological health. About a quarter of responses result in referrals to health providers, and a sizable portion of those receiving clinical support from STAR receive follow-up services within six months.



NOTE: Annual local fund revenue impacts shown represent 5-10 year projections



Public Realm

Where the public realm showcases sustainable urbanism

Create destination-worthy parks and open spaces. Approximately 78 acres of parks and open spaces already exist in Downtown D.C., and—with the right improvements—these spaces could better serve residents, employees, and visitors, providing lush retreats within an urban landscape.

Annual foot traffic relative to today
+2.0%

Annual local fund revenue relative to no intervention
+\$21M

Washington Park Cincinnati, Ohio

Starting in 2011, a public-private partnership led by the City of Cincinnati, the Cincinnati Park Board, and the Cincinnati Center City Development Corporation (“3CDC”) planned a 20-month, \$48 million reconstruction of Washington Park, which anchors the Over-The-Rhine neighborhood to the north of Downtown Cincinnati. Funded in part by proceeds from underground parking, the renovated park now hosts regular concert series, sports leagues, and festivals—and, according to a 2015 LISC study, catalyzed \$308 million in private investment in the emerging “Gateway Quarter” area of Over-The-Rhine in just three years after completion.



NOTE: Annual local fund revenue impacts shown represent 5-10 year projections



Transportation

That is easy and fun to get around

Treat Downtown D.C.’s rights of way as a system, and organize accordingly. To enhance the walkability and permeability of Downtown D.C., there is an opportunity to build upon extensive planning efforts the District has already undertaken to designate modal priority across streets, helping to increase foot traffic and support businesses in the urban core.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+2.5%	+\$2M

Ensure significant multimodal access to and from other District neighborhoods and surrounding suburbs. Arguably the most important step is to identify a solution for the sustainable, responsible, and long-term funding of Metro that enables it to maintain commuting service, while providing a pivot towards the frequent, all-day network Downtown D.C. needs to become a livable urban center.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+12.0%	+\$19M

Develop dynamic on- and off-street parking management systems. Innovations in parking technology, such as real-time occupancy tracking and digital payment methods, create an opportunity to develop dynamic parking systems that respond to demand in real-time, ensuring parking is easy to find and appropriately allocated across Downtown D.C.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+2.3%	+\$4M

NOTE: Annual local fund revenue impacts shown represent 5-10 year projections

2035 Transportation System Plan

Portland, Oregon

As part of a 2035 Transportation System Plan, the City of Portland classified its entire street network based on modal priorities to be considered in future street improvement projects. Each street is classified based on the target level of service by mode, and the plan also identifies complementary land uses for each of these street classifications. For example, the plan designates major city bikeways, free of on-street parking and motor vehicle lanes, that provide as backbone for the broader network of bike lanes across the city.





Office

Where employers choose to locate and employees choose to work – that offers public and private spaces designed for collaboration and innovation

Improve the attractiveness of Downtown D.C. as a place to start and grow businesses.
Firms of all sizes can play important roles in Downtown D.C., and new avenues for investment in early-stage companies and entrepreneurs can enable the submarket to better attract, support, and grow small businesses.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+1.6%	+\$41M

NOTE: Annual local fund revenue impacts shown represent 5-10 year projections

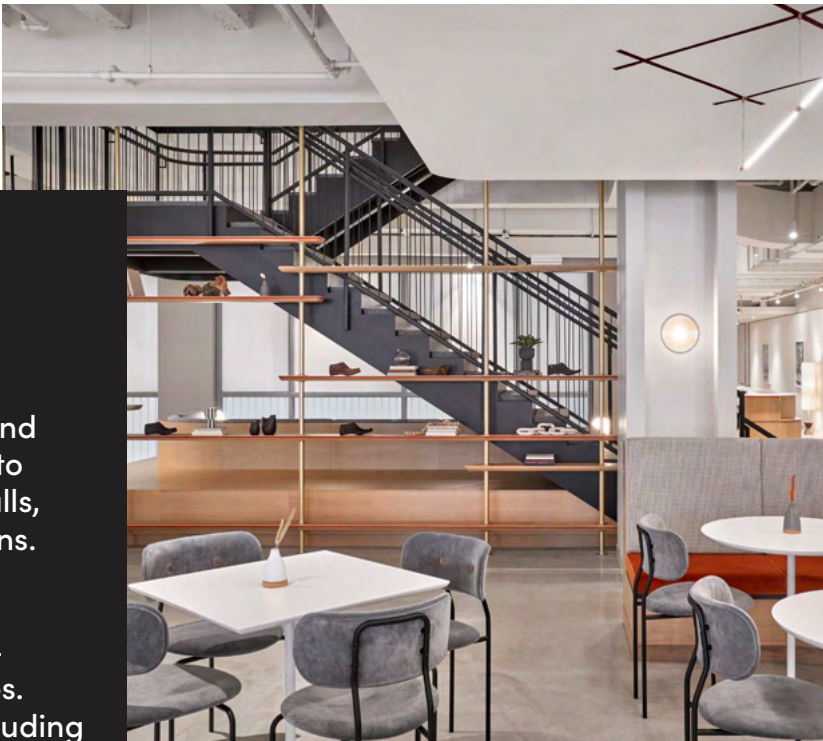
Opportunities to Intervene

Be the example of the workplace of the future. In the wake of the pandemic, model workplaces of the future can serve as key marketing and business attraction tools, helping to provide cutting-edge meeting and event space catered to virtual and hybrid firms.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+0.3%	+\$7M

Convene Washington, D.C.

Located on 14th St. in Downtown D.C., Convene offers nine different meeting and event spaces targeted to firms wanting to host in-person board meetings, town halls, off-sites, receptions, and training sessions. With capacities ranging from 14 to 255 people, Convene is meant to suit a wide range of firms with technologically well-equipped and tastefully designed spaces. Convene also offers on-site services including catering, and partners with nearby hotels, to create a seamlessly integrated experience for organizations utilizing their spaces.



NOTE: Annual local fund revenue impacts shown represent 5-10 year projections



Visitors

That attracts people from the city, region, country, and across the globe for world-class experiences in arts, entertainment, culture, sports, and hospitality

Leverage existing attractions and special experiences to increase regional visitation.

The public realm in Downtown D.C. is ripe for arts activations and programmed events, the planning and marketing of which can broaden the pool of visitors who come to the area, providing them with attractions they can “make a day out of.”

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+1.4%	+\$11M

Establish arts and entertainment districts to activate and enliven Downtown D.C., particularly outside of work hours. Many neighborhoods across Downtown D.C. possess the right elements to forge world-class cultural destinations, presenting opportunities to extend existing trips—and create new ones.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+3.2%	+\$11M

Invest in local and regional arts organizations to incentivize them to increase their Downtown presence. Incentives for uses like studios and makerspaces can enable Downtown D.C. to establish a more diverse cultural ecosystem, incorporating arts production spaces alongside many of the arts consumption spaces that already exist today.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+0.3%	+\$1M

NOTE: Annual local fund revenue impacts shown represent 5-10 year projections

Opportunities to Intervene

Retain Capital One Arena and teams. Execution on the recent agreement to invest \$515 million in the modernization of Capital One Arena can ensure this important anchor and its teams continue to draw sports enthusiasts, concertgoers, and visitors from all corners of the region.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
N/A	+\$40M

Draw tourists from the National Mall, Union Station, and other nearby attractions into Downtown D.C. With intentional streetscape improvements, cultural activations, and promotional strategies, Downtown D.C. can pull from activity already occurring in its vicinity, attracting visitors who currently stop just short of entering the area.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+3.1%	+\$33M

NOTE: Annual local fund revenue impacts shown represent 5-10 year projections

Opportunities to Intervene

Cultural District Pittsburgh, Pennsylvania

Once a blighted stretch of Downtown Pittsburgh, the Cultural District represents a 14-block area with six theaters and performing arts venues, ranging in size from the 200-seat Harris Theater to the 2,800-seat Benedum Center. In addition to these venues, the Cultural District is also home to a riverfront park, a performing arts magnet school, and ample galleries and public art installations, with such partners as the Pittsburgh Ballet Theatre, Pittsburgh Opera, the Pittsburgh Symphony Orchestra, and the August Wilson African American Cultural Center, among others. Altogether, the Cultural District attracts more than 2.0 million visitors annually, generating an estimated economic impact of \$303 million according to the Pittsburgh Cultural Trust. Formed in 1984 to oversee the district, the Pittsburgh Cultural Trust is a non-profit organization that oversees more than one million square feet of real estate, including many of the venues in the area.



NOTE: Annual local fund revenue impacts shown represent 5-10 year projections



Economic Evolution

That fosters new economic growth in priority sectors and takes advantage of expertise in policy, global initiatives, education, and communications

Market the unique value proposition of Downtown D.C., as an amenity-rich and pedestrian-first area at the heart of the nation’s capital. Particularly in the wake of the pandemic, a marketing strategy that plays to the strengths of the District is necessary to boost its corporate attraction efforts, helping to clearly articulate reasons for locating in Downtown D.C.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+0.4%	+\$11M

Greater Phoenix Economic Council

Greater Phoenix, Arizona

A recipient of the International Economic Development Council’s 2020, 2021 and 2023 award for top economic development organization, the Greater Phoenix Economic Council (GPEC) has represented the Phoenix market for more than 34 years, during which the organization has generated more than 180,000 jobs and \$66 billion in capital investment through its corporate attraction efforts. Equating to an average of nearly 30 corporate relocations per year, GPEC’s impact is in part due to its success in articulating Greater Phoenix’s competitive advantages and growth story, in addition to offering tailored services including site selection assistance.



NOTE: Annual local fund revenue impacts shown represent 5-10 year projections



Education

Known as a global learning hub for Pre-K to post-grad, with access to global thinkers and decisionmakers, anchored by top-tier universities from across the globe

Expand the presence of local universities. More effective coordination with District-based academic institutions can enable Downtown D.C. to accommodate their growth needs, finding creative uses for vacant space and new sources of activity in the process.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+0.6%	+\$9M

Attract new universities that are not yet present in the District, and support existing satellite campuses in expanding their local impact. Already, several outside universities have flocked to the Downtown D.C. for its unrivaled proximity to powerful political institutions, and proactive recruitment efforts can help to harness this natural energy to attract not only more educational institutions, but also businesses that wish to source and incubate their talent.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+2.5%	+\$68M

NOTE: Annual local fund revenue impacts shown represent 5-10 year projections

Kendall Square Cambridge, Massachusetts

Strategically located in Cambridge, Massachusetts just east of the Massachusetts Institute of Technology (“MIT”), Kendall Square has established itself as a center for cutting-edge technological research and innovation, attracting a diverse range of startups as well as large companies like Google and Meta. The area is managed and marketed by the Kendall Square Association, which is charged with forging connections between the firms located in Kendall Square, MIT, Harvard, and other nearby institutions. The area is also home to a number of business “accelerators”, such as Mass Innovation Labs, a biotech incubator.



Retail

Where people go to have numerous and unique experiences for shopping and dining

Invest in small business retailers to expand the public realm into the ground floor.
Tax relief and other financial incentives can enable Downtown D.C. to retain and attract ground floor tenants, generating much-needed energy along key corridors and in vulnerable neighborhoods.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+0.7%	+\$3M

NOTE: Annual local fund revenue impacts shown represent 5-10 year projections

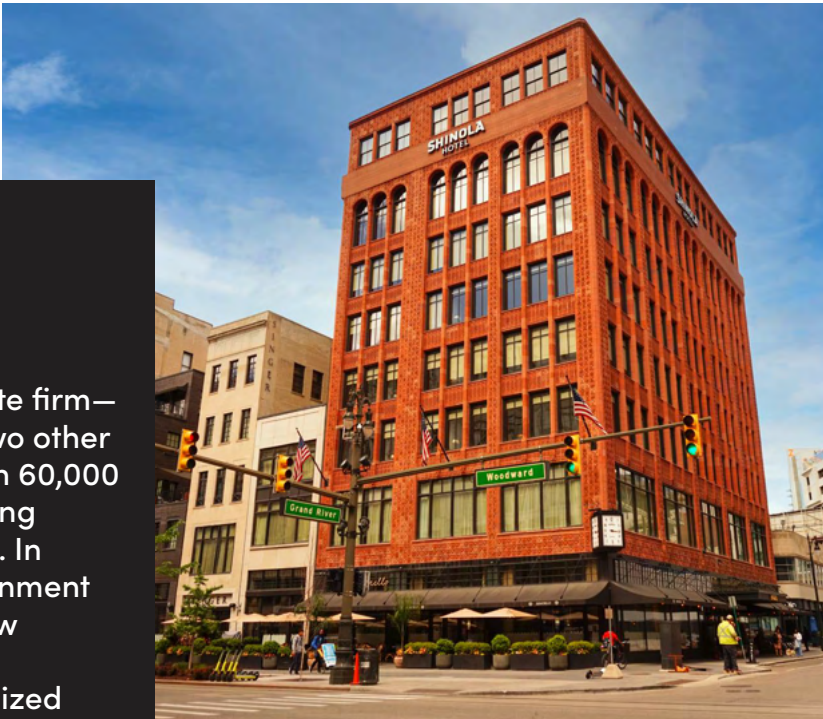
Opportunities to Intervene

Create curated retail environments that respond to neighborhood opportunities. As seen in other cities with clear high streets and restaurant rows, cohesive retail environments help to generate spontaneous trips, providing Downtown D.C. with an opportunity to find new sources of support for ground floor businesses.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+3.8%	+\$11M

Woodward Avenue Detroit, Michigan

In 2013, Bedrock—a full service real estate firm—signed master lease agreements with two other real estate groups to manage more than 60,000 square feet of first-floor retail space along Woodward Avenue in Downtown Detroit. In the years that followed, the retail environment along the corridor transformed, with new retailers, restaurants, and coffee shops replacing formerly vacant and underutilized storefronts. Many of these new tenants, such as Roasting Plant and Moosejaw, came from outside of the market and remain along the corridor today.



NOTE: Annual local fund revenue impacts shown represent 5-10 year projections



Residential

For a variety of residents distinguished by its livability and inclusivity

Establish and grow nodes of residential development that can help make Downtown D.C. more inclusive, multigenerational, and equitable. Doing so will require not only more housing in the submarket, but also more household services and neighborhood amenities to serve its current and future residents.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+5.1%	+\$76M

Downtown Calgary Calgary, Alberta

Anticipating ongoing stress in its office market, the City of Calgary began to play an active role in encouraging office-to-residential conversions in the wake of the pandemic. Direct grants were paired with targeted regulatory relief, including exempting most of the downtown area from change-of-use permitting requirements, allowing conversions to deliver to market up to six months earlier on average. The City of Calgary created a scoring system for grant applications to allocate more funding to projects that included façade and public realm improvements, as well as below-market-rate housing. The program has proven to be one of the more effective public incentive programs for office-to-residential conversions, with 13 approved projects. For more information, please see **Page 96**.



NOTE: Annual local fund revenue impacts shown represent 5-10 year projections

New Catalysts

That brings life to areas that are currently underutilized or unengaging, but that offer the scale needed to create new destinations

Develop a strategy for the repositioning of distressed and public assets. Across Downtown D.C., publicly owned and distressed assets—primarily, chronically vacant and/or underutilized office buildings—present opportunities for large-scale repositioning into uses that better align with broader programming goals for the neighborhoods in which they are located.

Annual foot traffic relative to today	Annual local fund revenue relative to no intervention
+3.8%	+\$131M

Downtown Partnership of Baltimore

Baltimore, Maryland

The Downtown Partnership of Baltimore is a combination of two entities, the Downtown Management Authority (which oversees a 106-block BID) and the Downtown Partnership of Baltimore (a non-profit economic development organization), that is responsible for marketing key opportunity sites in the urban core. Under the leadership of the Downtown Partnership of Baltimore, Downtown Baltimore has seen over \$1.5 billion in development since 2018, including, for example, the new Topgolf in the Warner Entertainment District in the southeast corner of Downtown Baltimore.

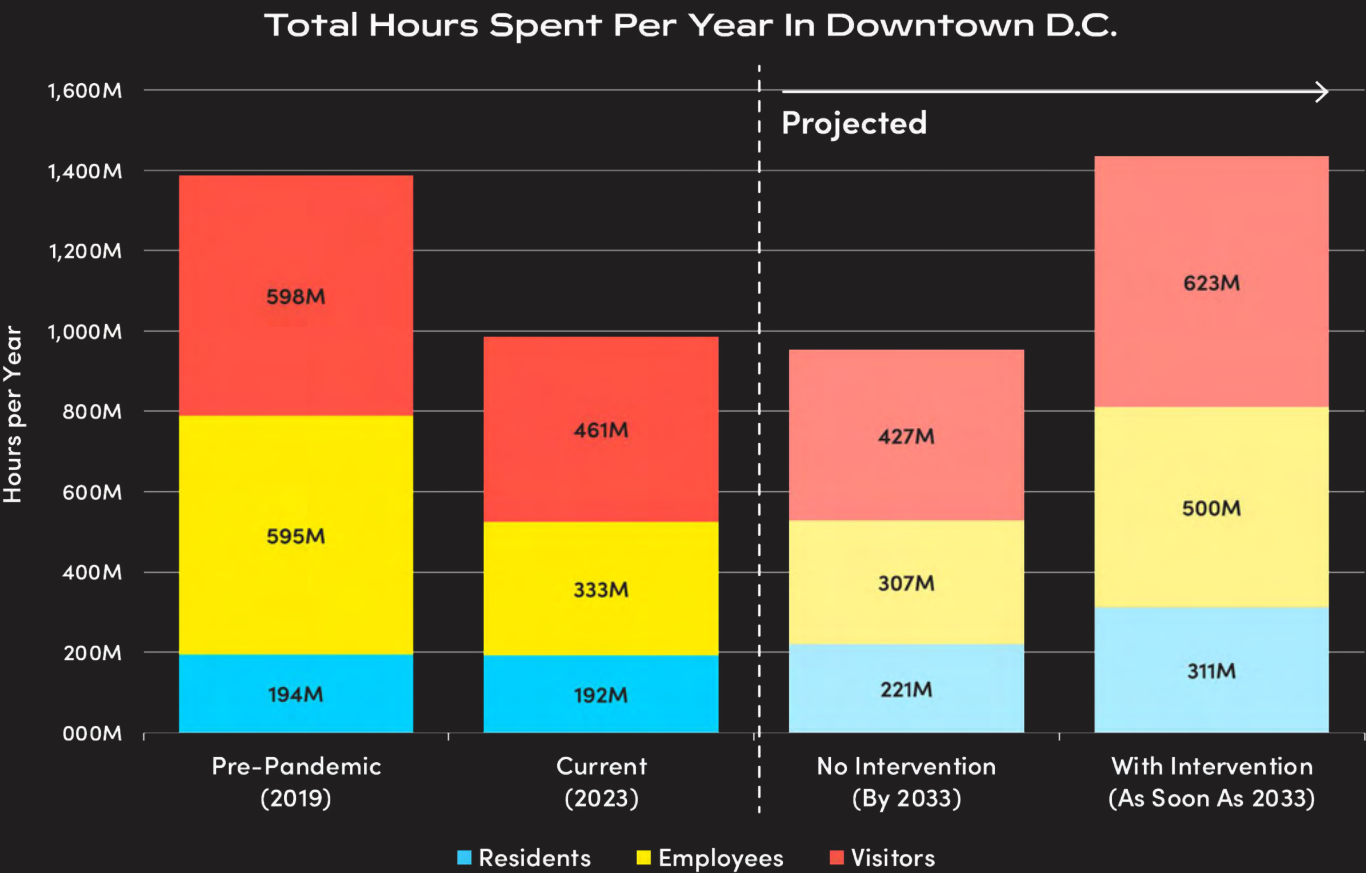


NOTE: Annual local fund revenue impacts shown represent 5-10 year projections

Impacts

By acting on the opportunities available to Downtown D.C., the District stands to create a more dynamic, more accessible, and more fiscally stable urban center, with a diversity of neighborhoods to live, work, and play. The benefits of this transformation extend far beyond helping to avoid the negative outcomes shown on **Page 48**; instead, seizing

the aforementioned opportunities can create a positive feedback loop and usher in a new urban renaissance for Downtown D.C. Together, the recommended policy changes and aforementioned \$401 million in new funding over the next five fiscal years mark the first steps toward facilitating this renaissance.

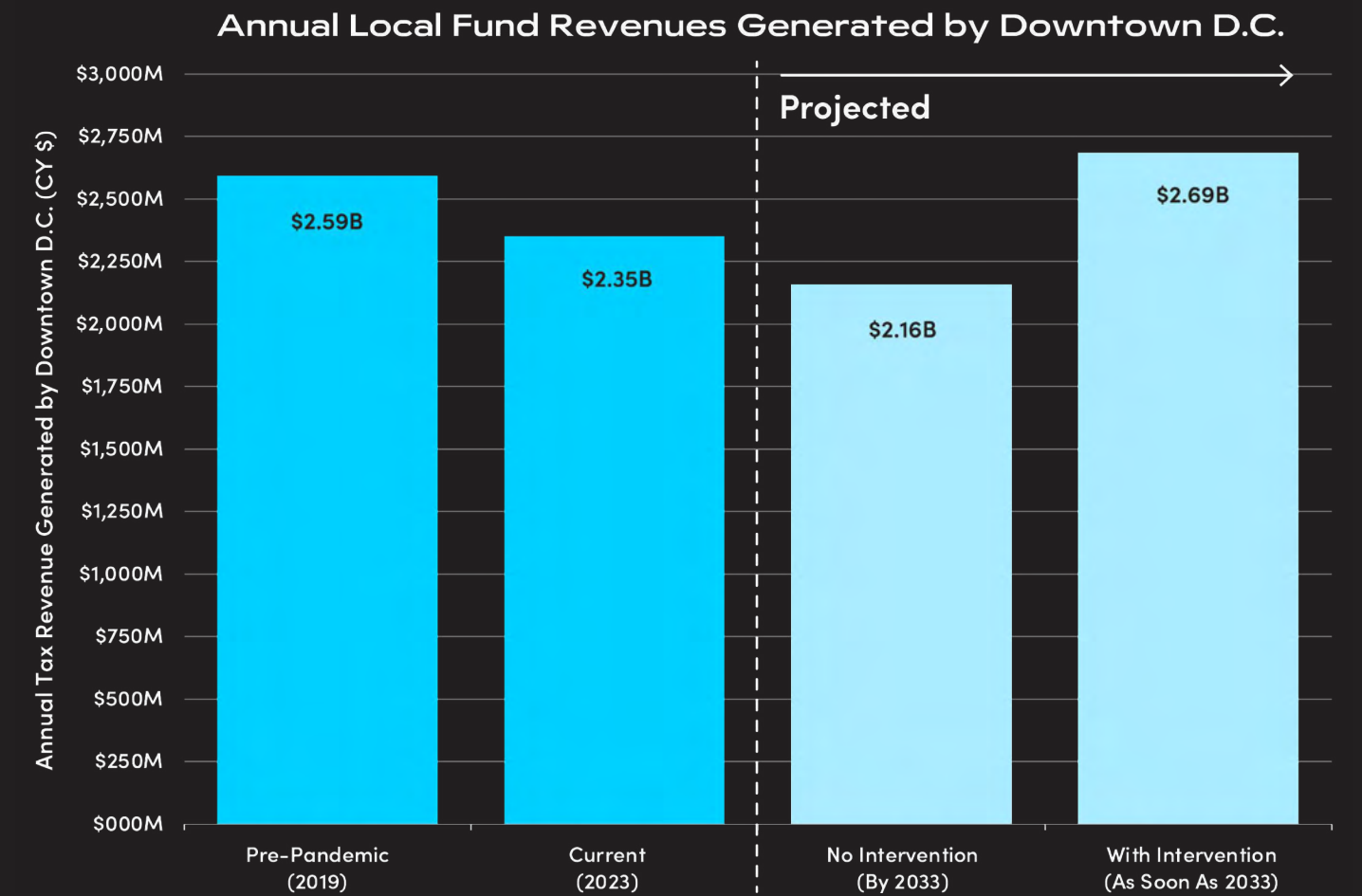


Note: All revenues shown in constant 2023 dollars.
Source: RCLco

Opportunities to Intervene

Collectively, the full suite of investments and policy interventions in the Downtown Action Plan can have a striking impact on Downtown D.C. Through these interventions, Downtown D.C. can surpass pre-pandemic levels of activity, as measured by the amount of time people spend in the area. This activity yields increased tax revenue. Following the implementation of the Downtown Action Plan, Downtown D.C. stands to generate up to \$2.69 billion in annual local fund revenues to the District as soon as 2033, representing a \$334 million increase from current levels, as well as a \$528 million increase

from the revenues the area would generate without intervention. Importantly, this annual fiscal contribution is nearly \$92 million higher than pre-pandemic levels, when the neighborhood teemed with activity from office workers—a staggering feat, and a testament to the collective power of these strategies if the District chooses to meet this moment. Better yet, the more diverse mix of users, and thus tax revenue sources, is poised to create a more resilient Downtown D.C., better able to withstand future economic and societal disruptions should they arise.



Note: All revenues shown in constant 2023 dollars.
Source: RCLco

Foundational Elements & Nodes

06



Introduction

The unique location and value offerings of Downtown D.C. present a myriad of opportunities. From lush parks to international universities, these opportunities can enable the District and its stakeholders to create a more dynamic and resilient central business district than the one that exists today. At the same time, several roadblocks stand in the way of this journey. Without changes to the aspects of Downtown D.C. that are currently limiting its growth potential, any steps forward are destined to hit a dead end. As such, it is imperative that the Downtown Action Plan not only leans into the strengths of Downtown D.C., but also address its weaknesses.

With this idea in mind, the Downtown Action Plan outlines five foundational elements and five key nodes. In general, the foundational

elements reflect the groundwork the District and its stakeholders must lay to ensure the health of Downtown D.C. as a whole, while the key nodes represent areas in which place-based interventions can elevate individual neighborhoods to their full potential. This framework reflects a holistic approach to reimagining and reinvigorating Downtown D.C. Just as the District and its stakeholders are unlikely to find a single intervention that can resolve all the challenges facing Downtown D.C., they are equally unlikely to find success in focusing efforts exclusively in one portion of the area. Thus, an all-encompassing approach is necessary.



Five Foundational Elements

Strategies to Strengthen the Foundation of Downtown D.C.

Anchoring Downtown's Comeback in Public Safety

Proactively and aggressively address safety concerns, developing both top-down and bottom-up approaches to public safety

Creating a Place of Choice to Locate and Do Business

Enhance the attractiveness of Downtown D.C. as a place to start and grow businesses, and expand the toolkit with which the District can attract these businesses and enable them to thrive

Building a Residential Base

Improve the ability for housing conversions and new developments to occur in Downtown D.C., and create appealing residential nodes that can make it more inclusive, multigenerational, and equitable

Planning for Transportation as an Asset

Build on the District's competitive advantage of having an accessible, multimodal, and pedestrian-first central business district, and improve the ease with which all users can travel to, from, and within it

Making it Happen

Lay the groundwork for the successful execution of the Downtown Action Plan, and develop a strategy for distressed and public assets

Five Key Nodes

Locations for Impactful Place-Based Interventions to Capitalize on Opportunities

Historic Green Triangle

Revamp Farragut Square and McPherson Square, and connect these and other nearby public spaces via a network of comfortable and pedestrian-friendly corridors to draw visitors off the National Mall and into Downtown D.C.

Downtown West

Create a new entertainment, hospitality, and cultural district to attract people from surrounding neighborhoods, leaning into the National Geographic redevelopment and a new entertainment venue in the Golden Triangle

Penn West Equity, Innovation, & University District

Grow Penn West as a hub for social sciences, technology, and policy innovation, with a robust network of startups and technology companies, top tier research universities, and workforce development programs

Penn Quarter/Chinatown

Improve the pedestrian appeal of 8th Street, and solidify the Penn Quarter / Chinatown neighborhood as an arts, culture, and entertainment hub, anchored by Capital One Arena, the National Portrait Gallery, the Smithsonian American Art Museum, and nearby theaters with existing regional pull

Downtown East

Support local universities and existing redevelopment sites and projects in order to integrate this area with the remainder of Downtown D.C., including using public property transfers and infrastructural improvements to create a more seamless urban fabric

Foundational Elements & Nodes

While the above foundational elements and key nodes are critical components of the Downtown Action Plan, DC's Comeback Plan put into motion a series of other complementary initiatives aimed at enhancing neighborhoods across the District, including Downtown D.C. In particular, the Public Realm Plan explores strategies to create a more vibrant and

accommodating environment in Downtown D.C. through the reimagining of its streets, sidewalks, alleys, and parks. Although distinct, the Public Realm Plan and the Downtown Action Plan share core motivations, and the plans go hand-in-hand, combining the planning strategies of the former with the economic and placemaking objectives of the latter.

NOTE | In the following Foundational Elements & Nodes sections, items labeled as:

- **"Now"** = FY 2025 budget priorities
- **"Near Term"** = FY 2026 & FY 2027 budget priorities
- **"Future"** = future priorities, once initial investments have been made



Foundational Elements

Anchoring Downtown's Comeback in Public Safety

Proactively and aggressively address safety concerns, developing both top-down and bottom-up approaches to public safety

Crime is a pressing issue for all groups that frequent Downtown D.C., as evidenced by the fact that just 28% of residents, 32% of visitors, and 34% of employees expressed satisfaction with its safety in the Downtown Experience Survey. Some of the most pressing concerns for these groups — homelessness, verbal harassment, public drug usage, and robbery/carjackings — paint a stark picture of the current urban environment. However, safety is not only a problem of perception. Residents, employees, and visitors in Downtown D.C. are more likely to experience violent crime today than they were prior to the COVID-19 pandemic. These conditions highlight the growing public safety challenges facing an already struggling central business district. In a post-pandemic age when fewer people *need* to be in Downtown D.C. at any given time, the creation of an environment where people *want* to be is paramount. A safe environment is the underpinning of all commerce and activity in

Downtown D.C. As long as visitors, employees, and residents perceive Downtown D.C. to be unsafe, they will limit the time they spend in the submarket, thereby hindering the impact of the other interventions and strategies in the Downtown Action Plan. On the other hand, Downtown D.C. stands to gain immensely from improved public safety. More than any other intervention, respondents to the Downtown Experience Survey cited “a safer Downtown environment” as the change that would be most likely to influence them to spend more time in Downtown D.C.

Building upon the efforts the District is already taking to combat the above challenges, a multi-pronged approach to public safety in Downtown D.C. can help provide a secure foundation on which other interventions can be built. One critical step involves increased presence and visibility of MPD officers and other security personnel. However, MPD resources are

Foundational Elements & Nodes

stretched thin, a problem which call diversion and alternative first responder programs can help address in certain cases, such as those involving mental health emergencies. Along with efforts to empower the USAO to prosecute crimes committed in Downtown D.C., this holistic approach to public safety can help the District respond to safety concerns in a way that allocates resources appropriately and centers equity and care. Also important to consider is the unhoused population of Downtown D.C.

The District should identify and address any pinch points in the permanent supportive housing (PSH) case management system that are limiting its ability to provide this important resource.

01 Setting Law Enforcement Up for Success

Investments

Now

- Expand budgeted resources for the Safe Commercial Corridor Grant Program to fund camera technology, safety ambassadors, and other interventions focused on deterrence and order.
- Continue to support a RTCC, with the goal of utilizing technology for efficient and effective policing, and providing tools the USAO can use to prosecute cases for crimes committed in Downtown D.C.

Programs

Near Term

- Expand the existing Housing Assistance program within MPD, which currently provides new hires and recruit officers with \$1,000 in rental housing assistance per month for six months, to incentivize long-term relocation of public employees to Downtown D.C. Increased funding and incentive amounts can help encourage MPD officers to become members of the Downtown D.C. community.

Future

- Enhance the visibility and presence of foot- and bike-based officers in Downtown D.C., allocating resources based on crime patterns and community needs, to improve overall public safety and address concerns related to organized criminal activities.
- Expand USAO's Chinatown Pilot to all of Downtown D.C.

Foundational Elements & Nodes

Policies

Now

- Enhance public safety deployment strategies and improve incident response times by considering Police Service Area boundaries, identifying a Downtown police substation, and/or creating additional Safe Commercial Corridor Hubs.
- Draft and implement comprehensive legislation specifically targeting organized retail theft, outlining clear definitions, increased penalties for organized criminal involvement, and collaboration mechanisms between law enforcement agencies, retailers, and relevant stakeholders to enhance the detection, investigation, and prosecution of organized retail theft networks.



02 New Approaches to Public Safety

Investments

Near Term

- Establish two Neighborhood Safety Centers, which should include flexible office spaces for MPD, the Department of Behavioral Health's (DBH) Community Response Team (CRT), Fire and Emergency Medical Services (FEMS), and other first responders. These spaces should provide agencies with areas in which to work, meet, and collaborate within Downtown D.C., helping to enhance coordination and coverage at all hours. Particularly in the case of MPD, existing stations are often located far outside Downtown D.C., which can necessitate lengthy trips to serve it. Given the size of Downtown D.C., two Neighborhood Safety Centers are likely necessary to ensure consistent coverage across the area, with one location to the west of 16th Street and another in or near Penn Quarter / Chinatown.

Programs

Now

- Continue to support the Multiagency Nightlife Task Force, which brings together non-law enforcement partners—such as violence interrupters, credible messengers, and roving leaders—alongside MPD officers to reduce crime along weekend nightlife streets. Utilize the Multiagency Nightlife Task Force to assist with de-escalation/violence interruption, traffic/MPD assistance, and other work to promote safety in areas with large amounts of evening activity. Consider the inclusion of new resources, such as the safety ambassadors from the District-run Commercial Corridor Safety Ambassador Program discussed below, to alleviate potential pressure on MPD resources

Future

- Develop a District-run Commercial Corridor Safety Ambassador Program and fund a grant program for BIDs to operate safety ambassador programs. Explore call diversion for incidents that may not need a sworn officer to resolve.
- Develop a mental health first responder program, pairing mental health professionals with emergency medical technicians (EMTs).

Policies

Now

- Identify and address pinch points in the permanent supportive housing (PSH) case management system. As part of these efforts, ensure that qualifications and compensation for PSH case workers are commensurate with one another, and that neither serves as a barrier to keeping up with demand for PSH.

03 Built Environment Interventions

Now

- Conduct a lighting assessment for Downtown D.C. and incorporate additional lighting as necessary, particularly in alleys, smaller streets, parking garage entrances, and other problem areas.



Creating a Place of Choice to Locate and Do Business

Enhance the attractiveness of Downtown D.C. as a place to start and grow businesses, and expand the toolkit with which the District can attract these businesses and enable them to thrive

Today, the District has a stringent regulatory environment that impacts businesses of all sizes. Business owners express that the District is not sufficiently supportive in guiding them through the regulatory landscape of licensing, approvals, labor and safety laws, and industry-specific restrictions. The result is a reputation that the District is challenging to work with and fails to prioritize concerns over common pinch points, which can hamper both business attraction and retention efforts. While constrictive policies impact businesses of all types and sizes, the expenses associated with locating in Downtown D.C., chief among them the high rent levels, which limit room for error in operating budgets, make business friendliness a particularly notable challenge for businesses with less access to capital. In an increasingly competitive economic environment in which outlying submarkets in Maryland and Virginia are capturing an increasing share of regional growth and activity, these factors constrain the dynamism and inclusivity of Downtown D.C.

For those reasons, Downtown D.C. would greatly benefit from improvements to the business environment, starting with streamlining regulations for doing business in the District. By lowering barriers for existing and future

businesses, the District has the potential to support long-term talent retention and cultivate increased entrepreneurial spirit, creating economic windfalls in the process. Building on these improvements, the District should explore new and improved avenues for investment in early-stage companies to help grow and broaden the employment base of Downtown D.C., in addition to programs to attract international companies without a domestic presence. While the District is building up its in-house capacity to attract corporations and their talent from outside the market through partnerships with the Washington D.C. Economic Partnership (WDCEP) and others, there is room to intensify these efforts and to better tailor the District's marketing strategy to highlight the unique value proposition of Downtown D.C. as a place to do business. Tangible improvements to the regulatory environment will send the message to the business community that the District is willing to back up its pitch to new companies with specific interventions designed to allow businesses of all sizes to thrive in Downtown D.C.

Finally, success in growing the office-using employment base and supporting a thriving retail environment go hand-in-hand. During

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the COVID-19 pandemic, the rise of remote and hybrid work patterns triggered an outflow of office workers from Downtown D.C., leaving many of its restaurants and retailers without support. On the retail side, attracting and retaining additional ground floor tenants in vulnerable areas of Downtown D.C. can provide much-needed energy and activity, as well as drive synergies with public realm improvement

efforts. Given ample room for improvement in the retail environment of Downtown D.C., the District should prioritize diversifying retail offerings and activating commercial corridors using relief and tax incentives to small businesses leasing ground floor spaces in particular areas of the submarket.



01 Marketing the Unique Value Proposition of Downtown D.C. & Attracting New Firms

Now

- Increase staff capacity for business attraction and retention, and align attraction and incentive efforts around target industry clusters as identified in the Comeback Plan. Part of these efforts should also involve expanded messaging of the relevant point-person(s) for business-related inquiries.
- Align business attraction, retention, and incentive policies around priority industry clusters and target those in which the District has a competitive advantage. The Comeback Plan identifies these clusters, which include education and research; consulting services; communications and design; and hospitality, tourism, and entertainment, while also pointing to the life science and technology (e.g., cybersecurity, artificial intelligence, etc.) sectors as regional strengths the District can leverage.
- Develop a new, streamlined, and targeted marketing plan for firms in key industry sectors, and organize pitch trips to proactively engage with prospects. Key pieces of the marketing plan include a clear definition of the value proposition of Downtown D.C. for these firms, as well as goals and a schedule.
- Develop a new, streamlined, and targeted marketing plan for real estate firms and investors with specialty areas related to Downtown Action Plan interventions. Similar to the marketing plan for firms in key industry sectors, this plan should include clear goals and a schedule.
- Support the launch and growth of the District's soft landing program to attract international companies interested in entering the District, building on ongoing efforts and coordination between WDCEP, DMPED, the Golden Triangle BID, and George Washington University (GWU). Key program elements include streamlined access to visas and access to prime coworking space at below market rental rates. The District should support the expansion and scaling up of soft landing offerings, including subsidized rent for new market entrants, as well as incentives to help international companies grow, stay in the District, and hire District residents as they expand.

02 Business Friendliness

Now

- Streamline, consolidate, and simplify regulations for doing business in the District, especially for smaller businesses that may struggle to navigate the correct guidelines and procedures. When doing so, evaluate the removal of regulations that may not be effective but add red tape—particularly in the areas of licensing, permitting, and documentation (e.g., Clean Hands).

Future

- Create a Downtown Business Resource Center to accelerate delivery of licenses and permits for small- to medium-size businesses that have decided to invest in the District. This effort should integrate with the Department of Building (DOB)'s Account Manager Process Navigator Program.
- Establish a regulatory free trade zone to simplify administrative procedures and incentivize the influx of firms in target accretive sectors, including technology, information, and financial services.

03 Business Support

Near Term

- Expand and improve the structure of the Vitality Fund. Today, this fund features eligibility requirements that present challenges for companies that would otherwise seek to utilize it, such as the minimum number of full-time employees. By expanding the Vitality Fund and loosening or removing certain eligibility requirements, the District can support a broader assortment of businesses, helping to retain office occupancy. A portion of the fund should also be set aside for small businesses, many of which could increase in size with the right support.
- Expand the incentive toolkit to better meet the needs of startups and entrepreneurs. Today, many jurisdictions in the region offer incentives for early stage and technology companies. One example of such an incentive is the Virginia Small Business Financing Authority's Economic Development Loan Fund, which provides loans of up to \$500,000 to small businesses looking to fill funding gaps when acquiring land or buildings, purchasing equipment or technology infrastructure, and installing machinery, among other instances. By expanding the incentive toolkit to include seed funds, grants, equity investments, and rent subsidies for small businesses, the District can help increase its appeal to these businesses, as well as its competitiveness relative to other area jurisdictions.

Future

- Create a dedicated technology entity to invest in early-stage companies, assist entrepreneurs, and lead branding and marketing, as envisioned in the Comeback Plan.

04 Retail Retention & Diversification

Now

- Create a new grant program for pop-up and short-term retail, including arts and creative uses. This program should initially focus on the Downtown West and Penn Quarter / Chinatown nodes, given the elevated vacancy rates these areas are facing today. Following the creation of this program, the District should consider future funding increases, if necessary, to keep up with demand from pop-up and short-term users, potentially growing the program to include new locations as well.
- Expand the Retail Recovery grant program to provide support for long-term businesses, and adapt the implementation of the program based on feedback from the initial FY 2024 launch. Together, the need for a letter of intent (LOI) and the uncertain nature of the grant process can present challenges for tenants that would rely on the grants to move into a space. One potential solution to this challenge could be to pursue a model that is similar to that of the Commercial Property Acquisition Fund (CPAF), which distributes new funding once per year on a timeline that is predictable for users. To start, efforts to use this program to boost retail occupancies should be concentrated on corridors with high existing vacancies, with the goal of attracting tourists and nearby residents
- Explore updates to street vending license requirements to support brick-and-mortar retail, and to dissuade organized shoplifting.

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Future

- Offer tax abatements for target tenants that help satisfy broader programming goals along commercial corridors, such as cafés and tourist-oriented goods in neighborhoods that are well-located to draw visitors off the National Mall.

05 Retail Retention & Diversification

Now

- Encourage a greater number of special events in Downtown D.C. through improvements to the Mayor's Special Events Task Group (MSETG), which is the interagency group responsible for reviewing and assessing proposals for special events. Improvements should focus on streamlining the review and assessment process, including minimizing costs and requirements.
- Dedicate funding for recurring events, public art, and activations that require road closures and security requirements, including funding for mobile barriers and other temporary infrastructure.



Building a Residential Base

Improve the ability for housing conversions and new developments to occur in Downtown D.C., and create appealing residential nodes that can make it more inclusive, multigenerational, and equitable

With fewer than five housing units for every 100 employees, Downtown D.C. features an employment-centric built environment, and a lack of housing opportunities is placing it at a growing competitive disadvantage relative to other submarkets in the region. Office-to-residential conversions are receiving a lot of attention as a means of creating housing opportunities and repositioning struggling office assets, but these conversions are only financially and physically viable in select cases, and regulatory barriers can create headwinds in bringing them to fruition. Downtown D.C. also lacks the amenity base and neighborhood infrastructure to position itself as a more desirable place to live, not just work and play. Despite these headwinds, housing in Downtown D.C. remains very well-occupied, with rental apartment occupancies in the submarket (96%) exceeding averages for the District (93%) and metropolitan area (92%). This strong performance indicates pent-up demand for Downtown living, though realizing this demand will require the District to adopt a more aggressive and concerted residential strategy.

By improving the quantity and diversity of housing options, Downtown D.C. can expand its household base and support its commercial

base, generating new tax revenues for the District in the process. To achieve these goals, a successful residential strategy should streamline approval processes and prevent regulatory barriers, with the goal of increasing the ease with which housing can be introduced. However, the efforts must not stop with regulatory improvements. While all types of housing development can help address the dearth of options that exist in Downtown D.C., special attention should be paid to housing opportunities for groups who are currently underserved by the options available on the market today. Lastly, while the addition of housing units is crucial on its own, the creation of an environment in which people truly want to live and can access the services they need as residents is a goal that must be pursued alongside regulatory reforms. With a focus on livability and family-friendly placemaking, the District should expand household services to support current and future residential nodes in Downtown D.C. Livability is not just a matter of adding individual neighborhood amenities, is also about creating safe thoroughfares, improving the streetscape, and forging an otherwise attractive public realm.

01 Regulatory Reforms

Process Improvements

Now

- Implement the Housing in Downtown (HID) Program, and monitor program implementation and usage to explore opportunities for adaptation and expansion in future years. To ensure widespread utilization of the program, potential changes to evaluate include the incorporation of geographic bonuses in key nodes, as well as the modification of ancillary economic development and affordability requirements.
- Install and implement a streamlined construction and building permit process for new construction and office-to-residential conversion projects, and consider strategies to decouple building permit and public space permitting processes.
- Streamline and clarify the building permit fee structure
- Provide velocity permitting at no cost to residential projects, providing a supplemental budget allocation to offset lost revenue if necessary.
- Automatically adjust the tax classifications of new multifamily developments and conversions to residential rates earlier in the process.
- Improve the efficiency and clarity of the condominium warranty claims process.
- Identify and make building code changes to allow for needed flexibility that does not impede changing uses of buildings.
- Grandfather in existing curb cuts to remove barriers to redevelopment, and evaluate curb cut modifications to prioritize access to residential-serving amenities, such as grocery stores.
- Support efforts to create more flexibility in Building Energy Performance Standards (BEPS), including adjusting statutory language from “penalties” to “payments” to align energy assessments to proper areas of use, **creating a whole-cycle exemption for vacancy or financial distress, amending the 2nd BEPS cycle to start on 1/1/28, and exempting BEPS-required mechanical and electrical upgrades from stormwater and green area ratio requirements.**

Future

- Evaluate modifications to the Historic Preservation Review Board (HPRB) process to ensure a productive balance between housing production and historic preservation goals. Examples of potential modifications include expedited processes and/or preset standards for residential projects.

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Council Actions

Near Term

- Introduce a Tenant Opportunity to Purchase Act (TOPA) exemption for market-rate buildings with rents that are predominantly above affordable rates, as well as for new buildings that do not replace existing affordable housing.

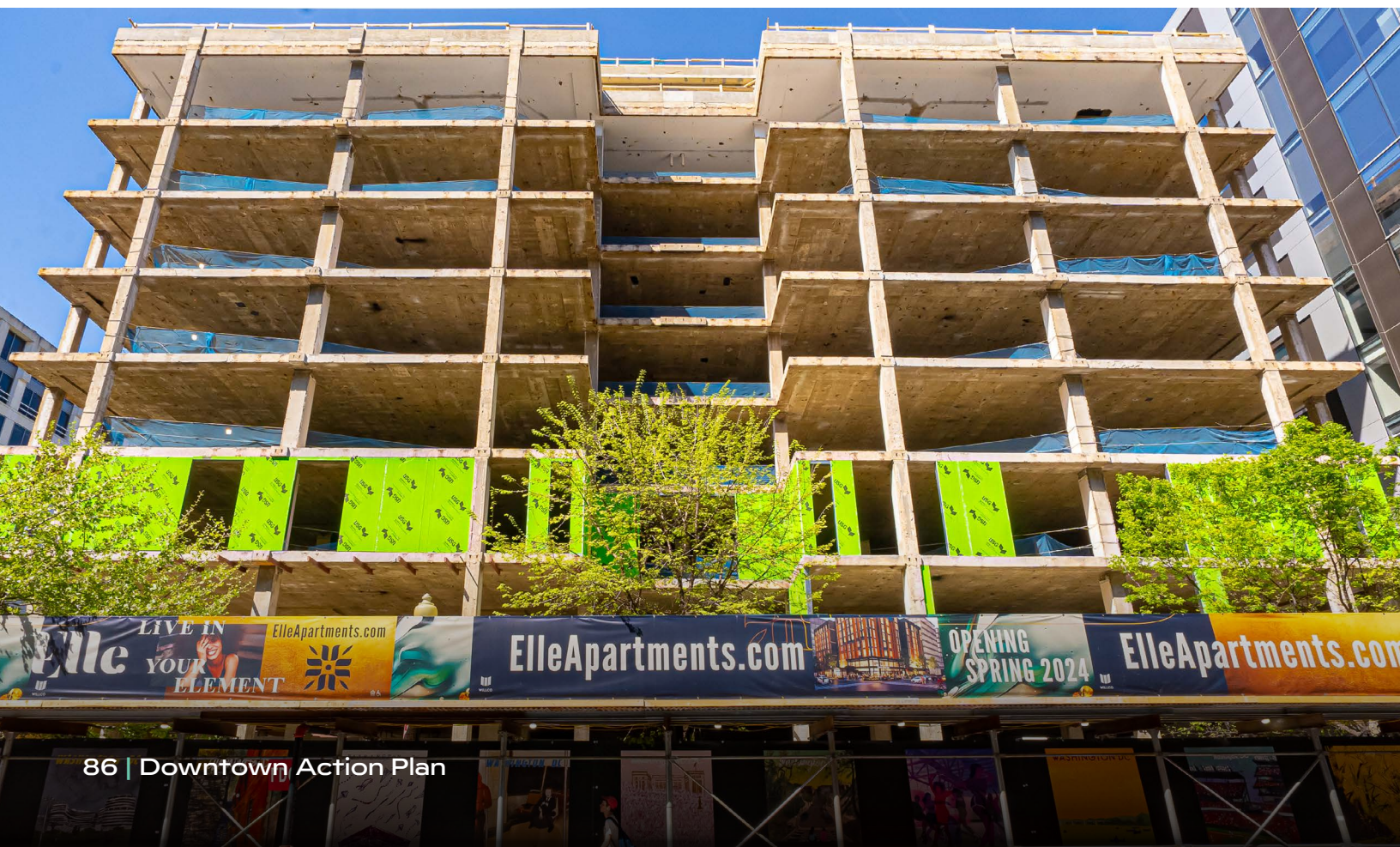
Transformational Changes

Now

- Amend the Height Act, and change residential height limits to improve conversion feasibility and provide bonus density to achieve District priorities (e.g., affordable housing). Begin these efforts with a study to identify areas in which modest increases in height caps could maximize affordable housing opportunities.

Near Term

- Explore opportunities to reform the current Transferable Development Credit system to unlock potential for increased residential development in Downtown D.C., including but not limited to allowing density bonuses from residential projects in Downtown D.C. to be utilized elsewhere in the District.



02 Affordability & Equity Considerations

Near Term

- Promote more flexible affordability requirements that enable Downtown D.C. to meet the pressing need for workforce housing, recognizing needs in the submarket extend beyond traditional affordable housing units. Today, the District's Inclusionary Zoning (IZ) program produces units at the 50%, 60%, and 80% median family income (MFI) levels, and while these units are in short supply in Downtown D.C., the area also faces a scarcity of units at the 100% and 120% MFI levels relative to other employment-driven submarkets. The 3% cap on annual increases in the maximum allowable rent further widens this gap, because it results in IZ units serving renters with lower incomes than the MFI threshold would otherwise suggest.

Future

- Explore options for further expansions to the Employer-Assisted Housing Program (EAHP) to create additional housing opportunities for police officers, firefighters, teachers, and other District employees to live in Downtown D.C. and thus contribute to a stronger ecosystem of people who live, work, and serve the neighborhood.
- Consider targeted incentives for residential development that caters to seniors, families, and other household types that are underrepresented in Downtown D.C.

03 Complementary Livability Strategy

Now

- Define goals for household services and social infrastructure, such as grocery stores, recreation centers, daycare centers, senior housing/services, and parks. Following the definition of these goals, the District should establish a grant program to encourage the creation of residential amenities necessary to support a growing household base.
- Address any regulatory and zoning issues preventing fabrication, food prep, live-work, and art studio spaces, as well as daycare, pet care, urgent care, and other residential-serving facilities.
- Update streetscape guidelines to maximize residential conversions and support retail and social infrastructure uses.

Future

- Prioritize residential or potential residential nodes for public streetscape improvements.

Planning for Transportation as an Asset

Build on the District's competitive advantage of having an accessible, multimodal, and pedestrian-first central business district, and improve the ease with which all users can travel to, from, and within it

Although Downtown D.C. contains robust transportation infrastructure, the area lacks a coherent organization or system-wide approach to ensure each travel mode is allocated sufficient dedicated space on public rights of way. This limitation of the surface transportation system creates an underwhelming and frustrating mobility experience for visitors to Downtown D.C. In addition, the non-vehicular transportation infrastructure hinders its ability to seize key economic opportunities, rendering

it unable to attract nearby pedestrians, ranging from tourists on the National Mall to residents of surrounding neighborhoods. Much of this challenge stems from an unbalanced allocation of public space in Downtown D.C., where most such space is devoted to personal vehicle travel and storage. Many high-stress streets also border and intersect Downtown D.C., further discouraging lingering, shopping, and socializing.



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Despite these dynamics, a significant number of people travel into Downtown D.C. on foot, by bike, and via public transit, highlighting the strong opportunity for a more systematic approach to building multimodal capacity in Downtown D.C. and leaning into this core competitive strength. At the same time, the District must accommodate commuter and visitor demand for automobile trips and parking in ways that improve the efficiency of everyone's access to Downtown D.C.

Advancing existing plans with the aim of developing a safe, sustainable transportation system with a balanced allocation of public space will be an important push in the effort to revitalize Downtown D.C. Ultimately, getting around should not be a necessary evil to be endured to access key destinations; it should be an enjoyable process, which strengthens the appeal of Downtown D.C.

01 Organize Travel Mode Priorities & Achieve More Circulation by Rebalancing Public Spaces

Projects

Now

- Using the District's existing planning efforts as a foundation, create a long-term transportation plan for Downtown D.C. that delineates modal hierarchies of streets, and that can provide guiding principles and priorities for transportation projects going forward. The existing moveDC plan established bike, freight, and transit priority streets, but it stopped short of establishing a modal hierarchy or a pedestrian prioritization network. Future planning efforts—potentially including the upcoming moveDC update—should build upon this exercise, emphasizing the tactical implementation and establishment of modal hierarchies. One example of such a planning effort is the Minneapolis Transportation Action Plan, which developed strategies and actions for seven topics, including walking, bicycling, transit, technology, freight, street operations, and design. In the District, the effort to create a long-term transportation plan for Downtown D.C. should include a rubric for establishing modal hierarchies, as well as discrete recommendations at the street, corridor, and segment levels. Prior to the completion of the plan, it may be necessary for the District to pause transportation projects in Downtown D.C. that are still in early planning phases, to avoid a piecemeal approach and ensure all modes are incorporated into a holistic vision.

Future

- As part of the above, consider planning for the removal of legacy one-way street configurations, thereby better supporting retail and residential uses, enhancing legibility, and reducing congestion and pollution.

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Programs

Near Term

- Implement a dynamic pricing program, applying lessons learned from similar pilot programs in other U.S. cities (e.g., SFpark in San Francisco, CA). The District itself conducted the parkDC pilot in the Penn Quarter/Chinatown area prior to the pandemic. The associated report recommended several next steps to expand and improve upon the pilot. Although these recommendations may need additional consideration due to the drastically different market conditions and challenges since the pandemic, they should be used as a starting point when developing a roadmap to a dynamic pricing system. In Downtown D.C., such a system stands to increase foot traffic by more than 2%, generating 2.8 million additional trips to Downtown D.C. per year from employees and visitors who otherwise would not have come to the area. Efforts to implement such a program should begin with the installation of smart parking meters and sensors in select parts of Downtown D.C., to be expanded over time.
- Create a common platform for off-street parking management to improve utilization of off-street garages. To be successful, such a platform will require a coordinated pricing strategy, consistent operating hours, and clear marketing, which may necessitate some level of operating subsidies to support. As part of this effort, the District should explore the opportunity for a public-private partnership, which could help to offset necessary capital expenditures.

Policies

Now

- Continue to advance the development of new measurements of evaluation (MOEs) to assess transportation projects with a holistic lens that gives appropriate weight to all transportation modes, as outlined in moveDC.



02 Leverage the District's brand as a transit-rich destination where locals and visitors do not need a car to enjoy its amenities

Investments

Now

- Advocate for responsible, sustainable, and dedicated funding of Metro, working with other jurisdictional partners to plug the current gap and support a long-term solution to funding and governance.

Near Term

- Expand sidewalks to include uses that promote retail, arts, culture, and recreation—such as café seating and parklets—in targeted areas where such spaces can drive foot traffic and encourage visitors to spend more time in Downtown D.C.

Future

- Collaborate with other jurisdictional partners to secure funding for WMATA to modernize its stations in Downtown D.C., and to turn these stations into incredible places that are worthy of being civic destinations in and of themselves. This type of cross-jurisdictional collaboration has long been a cornerstone of the Metrorail system. Prior to the opening of Metrorail, the District, Maryland, and Virginia agreed to split costs equally in the core of the system—then called “Sector Zero”—even though the vast majority of hard infrastructure in this area was located within the District. Reinvestment in WMATA's core passenger rail stations, in the heart of Downtown D.C., offers the opportunity to reprise the spirit, intent, and commitment of Sector Zero.
- Create shade and improve pedestrian comfort by expanding the tree canopy and permitting building-to-building fabric shade elements in Downtown D.C., especially along pedestrian corridors and in alleys. I Street represents a particularly strong location for such investments, given the Lush Greenway vision in the Public Realm Plan.

Programs

Future

- Expand Capital Bikeshare capacity and rebalancing efforts to meet existing and future demand for bikeshare services in Downtown D.C. Currently, many Capital Bikeshare stations in Downtown D.C. operate near capacity during morning weekday commute hours, and thus cannot accept many new bike dockings for inbound customers. In the context of the study area, for instance, in the Farragut Square/19th St. area, eight of the 10 Capital Bikeshare stations have an average occupancy of at least 75% during the 9:00 AM to 11:00 AM time slot, and three show over 90% average occupancy. Improvements should prioritize these stations to maintain trust in Capital Bikeshare as a commuting or first mile/last mile option.
- Establish partnership with WMATA to allocate streetscape and environs outside of the paid areas in Downtown D.C. Metrorail stations as tourist information centers. This change would enhance the overall visitor experience by providing maps and resources to help visitors navigate and explore Downtown D.C., highlighting key attractions and thus encouraging visitors to extend their stays.

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Investments

Now

- Ensure safety considerations are addressed with pedestrian-first engineering solutions.

Future

- Prioritize completion of existing Vision Zero projects in Downtown D.C.—those which are identified on the Vision Zero high-injury network.
- Expand on existing e-bike rebates to encourage non-motorized travel.
- Establish dedicated pedestrian zones, building on ongoing District experimentation (e.g., 18th Street closures in Adams Morgan) as well as examples from other major downtowns (e.g., Downtown Indianapolis, where the SPARK program made a portion of Monument Circle pedestrian-only and saw a 40% increase in visits to the area).
- Implement special design corridors and streets, defined as corridors where the District Department of Transportation (DDOT)'s design standards are enhanced with context-sensitive solutions. These special design areas are meant to integrate multi-modal mobility systems, activate ground floor uses of buildings, integrate public parks and institutions, and encourage an aggressive expansion of the tree canopy. Consider prioritizing K Street corridor, 8th Street, New Jersey Avenue, 17th Street, 19th Street, and F Street in a first phase.



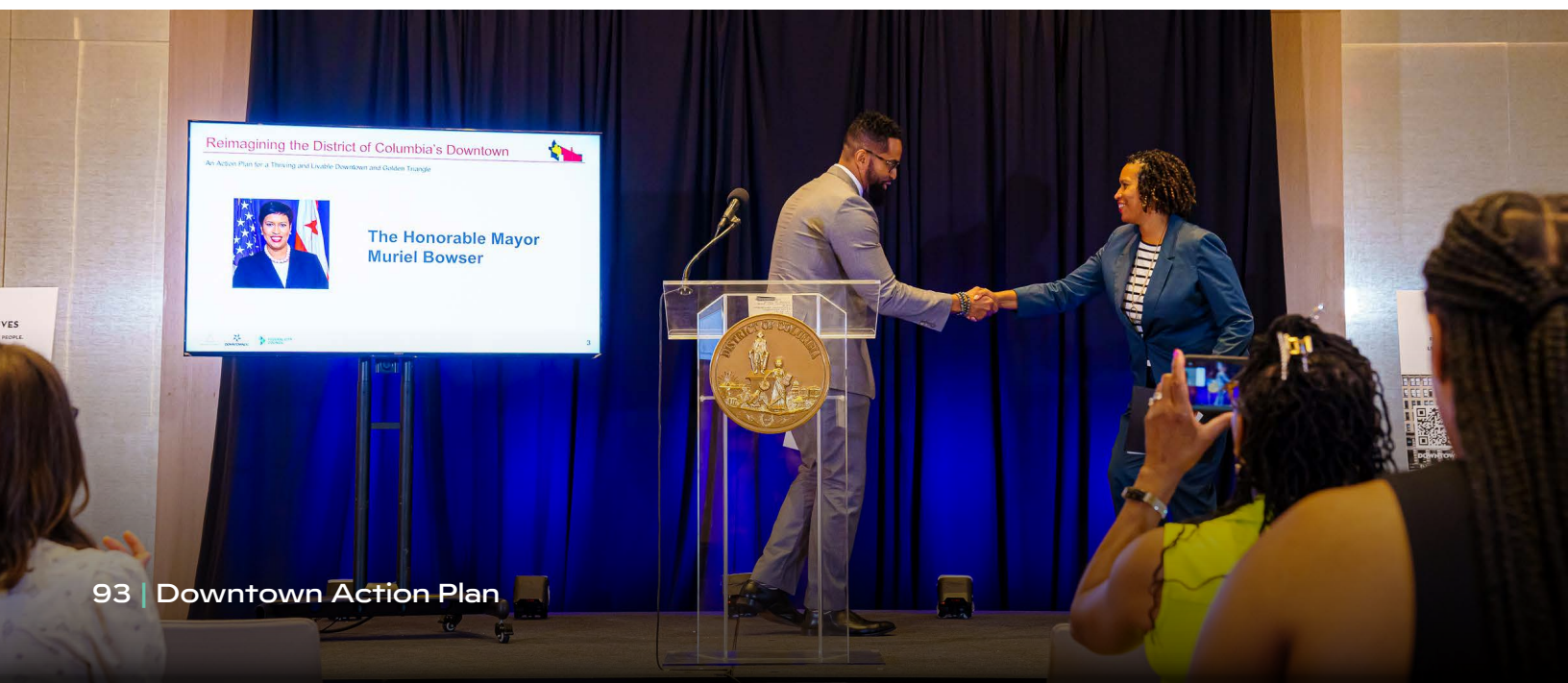
Making it Happen

Lay the groundwork for the successful execution of the Downtown Action Plan, and develop a strategy for distressed and public assets

Meeting the ambitious goals laid out in the Downtown Action Plan will require continued forward momentum. To that end, the District should facilitate the creation of a Downtown Action Plan Oversight Committee (DAP Oversight Committee), consisting of key agency heads, BID leadership, and private sector stakeholders. The primary goals of the committee should be to facilitate the regular communication, coordination, and information-sharing regarding the strategies outlined in the Downtown Action Plan, as well as to monitor progress towards these strategies over time.

Following the creation of the DAP Oversight Committee, one important consideration for this group will be to decide whether a separate

entity would be beneficial for implementation support. Across Downtown D.C., there is a growing number of distressed office buildings, which are at risk of foreclosure but are also ripe for repositioning. Many federally and District-owned buildings are also nearing obsolescence, presenting similar opportunities. In both cases, repositioning stands to produce significant value, attracting new users to Downtown D.C. and generating net new revenues for the District. A separate entity with the capability to act as a “first receiver” for these opportunity sites could prove useful in facilitating their redevelopment.



01 Enhance Strategic Oversight & Direction

Now

- Convene an interdisciplinary DAP Oversight Committee of agency heads from key District agencies, including DMPED, DDOT, OP, the Office of the Deputy Mayor for Public Safety and Justice (DMPSJ), the Department of Small and Local Business Development (DSLBD), and the Department of (DPR). It should also include leadership from the DowntownDC and Golden Triangle BIDs; and private sector stakeholders. The DAP Oversight Committee should also include subcommittees for the foundational elements, key nodes, and other focus areas in the Downtown Action Plan. The DAP Oversight Committee should meet no less than quarterly to track the implementation of the Downtown Action Plan
- Create a smaller Downtown Action Plan Implementation Team consisting of representatives from DMPED and the BIDs that should meet no less than monthly to coordinate on actions and strategies in support of the DAP Oversight Committee.
- Utilize the funding levels and schedule priorities from the Downtown Action Plan to create a multi-year budget for implementation of the interventions, and update and amend the budget on an ongoing basis in partnership with the DAP Oversight Committee.

02 Build New Capacity

Now

- Identify an individual to assume the role of strategic ombudsman for Downtown D.C., and create a dedicated team to serve as the primary orchestrator for Downtown D.C. who would coordinate and prioritize projects that require multi-party cooperation. To succeed, the team should be tasked with focusing singularly on the health and vitality of Downtown D.C., specifically, to minimize any potential competing priorities.
- Identify a dedicated university relations liaison to act as the key point person within District government for universities operating in Downtown D.C., and ensure this person has sufficient support to keep up with recruitment goals and coordination efforts. This individual will serve as a facilitator, directing universities to valuable resources and fostering connections between academic institutions and both public and private entities with a presence in the District.

03 Facilitates New & Catalytic Development

Now

- Provide development grants to help the market repurpose obsolete office buildings and pursue catalytic development projects. Specifically, the Downtown Action Plan recommends the District start this effort with a \$75 million grant program, focusing on fewer (e.g., approximately five to eight) but larger (e.g., approximately \$10 to \$15 million) grants to development and conversion projects that have the potential to be transformational for Downtown D.C., but that require external funding to ensure feasibility. The District should identify projects through a competitive request for proposals (RFP) process, focusing on such uses as arts, culture, education, entertainment anchors, and social infrastructure, among others. Relative to offering a greater number of smaller grants, this approach is likely to be more impactful in terms of facilitating development and conversion projects that stand to attract a more diverse base of users to Downtown D.C. While alternative strategies may be available (e.g., abatements), grants can have an immediate and more predictable impact on the capital stack, providing developers with initial funds to help kickstart these projects, and thus increasing the likelihood of their feasibility. Following the investment of the initial \$75 million in the grant program, the District should evaluate future changes to grant sizes and availability based on observed uptake and success.

Near Term

- **Near Term** Ensure other opportunity sites are planned, targeted, and marketed to maximize their impact on Downtown D.C. and align with broader programming goals. For example, opportunity sites present the opportunity to promote a more fine-grained mixed-use central business district. Likewise, these developments can also include public spaces that do not require District resources to maintain or cooperative management agreements to program.
- **Near Term** Determine whether an additional entity would be beneficial in helping the Downtown Action Plan Committee to execute plans for key opportunity sites. If so, the District should identify, repurpose, or establish such an entity, and ensure it has sufficient capabilities to act as a “first receiver” for these sites.

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Development Grants: Program Example

Downtown Incentive Program Calgary, Alberta

Launched in 2021 as the centerpiece of Calgary's Downtown Strategy, the Downtown Incentive Program stands out as a pioneering initiative by the City of Calgary to breathe new life into its central business district. The program consists of four separate incentive offerings, three of which are intended to facilitate the conversion or demolition of vacant office space:

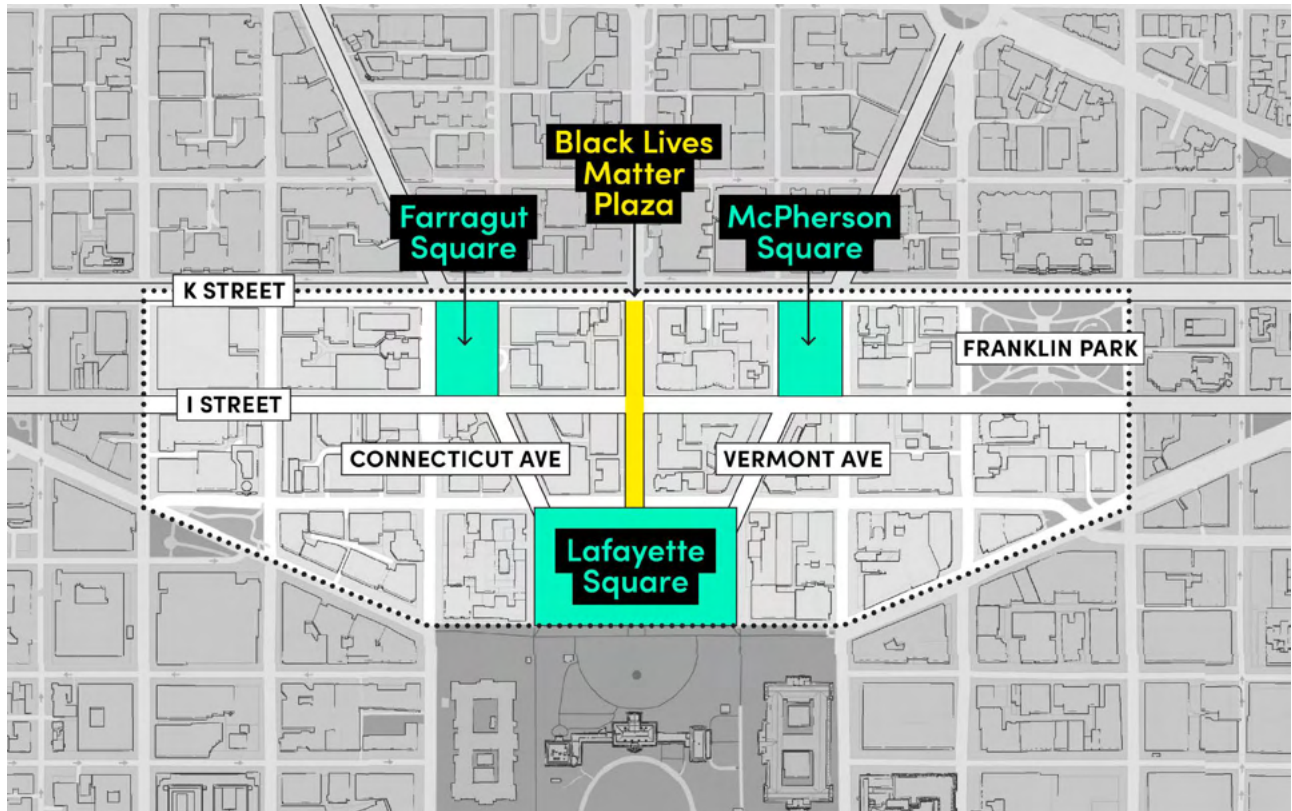
- **Downtown Post-Secondary Institution Incentive Program:** The City of Calgary provides a grant of up to \$50 CAD per square foot of office space converted and occupied by a post-secondary institution under a minimum 20-year lease term.
- **Downtown Office Demolition Incentive Program:** The City of Calgary provides a grant of up to 50% of demolition costs, not to exceed \$15 CAD per square foot of office space and \$3 million CAD per property without Council approval.
- **Downtown Calgary Development Incentive Program:** The City of Calgary provides a grant of up to \$75 CAD per square foot of office space converted to multifamily residential, \$60 CAD per square foot of office space converted to hotel, and \$50 CAD per square foot of space converted to a school or performing arts center, not to exceed \$15 million CAD without Council approval.

Shortly after launching, the Downtown Calgary Development Incentive Program was met with

strong demand. After allocating an initial \$100 million CAD (\$74 million USD) to the program in 2021, the City contributed another \$53 million CAD (\$39 million USD) in 2022, for a total of \$153 million CAD (\$113 million USD). This funding has helped to support 17 projects, 13 of which have been approved and another four of which are in the review process. In total, these projects are expected to generate \$567 million CAD (\$418 million USD) in private investment, equivalent to \$3.71 of private investment for every \$1.00 of program incentives. In response to this overwhelming interest, the City of Calgary recently paused the acceptance of new applications to the Downtown Calgary Development Incentive Program, as it reassesses program terms and funding levels.



Nodes



Historic Green Triangle

Revamp Farragut Square and McPherson Square, and connect these and other nearby public spaces via a network of comfortable and pedestrian-friendly corridors to draw visitors off the National Mall and into Downtown D.C.

The District stands to benefit from drawing tourists off the well-trodden paths of the National Mall and into the heart of Downtown D.C. Likely the most opportune area to accomplish this effort is immediately north of the White House. The vision of establishing a “history triangle” between Farragut Square,

McPherson Square Franklin Park, 19th Street, and Lafayette Square in this area reflects a unique strategy to not only preserve and showcase the rich historical heritage of the District, but also to transform this area into a true destination—one in which the quality of the public realm is commensurate with the extent of

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its civic importance. This strategy is also highly synergistic with the visions for Lush Greenway and Capital Promenade in the Public Realm Plan, which outlines a number of projects to create one-of-a-kind experiences in Downtown D.C.

By strategically leveraging streetscape improvements, public art, and wayfinding improvements, the Historic Green Triangle presents an opportunity to tell stories that often go untold in the Monumental Core, building on past commemorative art installations such as Beyond Granite. Equally as important, the Historic Green Triangle is positioned as a gateway to Penn West, Downtown West, and Metro Center, acting as a nexus that can redirect foot traffic, boost retail spending,

and generate tax revenues for the District. Accomplishing these lofty aims, however, will require a comprehensive approach that not only enhances the aesthetic and cultural appeal of the area, but also positions it as a thriving hub of activity that produces spillover benefits for all of Downtown D.C. The vision for the node emphasizes the creation of an immersive urban environment, intertwining art, signage, and wayfinding to introduce visitors to a compelling narrative that beckons exploration. Paired with the redevelopment of public spaces and the reprogramming of retail storefronts, these efforts can transform a currently underutilized stretch of Downtown D.C. into a place where history, culture, commerce, and community converge.

01 Implement funded improvements to Farragut Square, and take a leading role in the management of Farragut Square and McPherson Square

Now

- Leveraging insights gained from the recent Franklin Park redevelopment, the DowntownDC and Golden Triangle BIDs should take leading roles in the management of these two NPS parks. As part of these efforts, the District should expedite the improvements to Farragut Square from the FY 2024 Budget. As part of any park improvements in the Historic Green Triangle, the District should ensure there is space for regularly programmed or rotating art displays, building on the success of Beyond Granite and potentially coordinated with other existing programming, such as the Smithsonian Folklife Festival.

02 Fund design work and accelerate improvements to McPherson Square

Now

- In addition to Farragut Square, the District should also design, fund, and implement improvements to McPherson Square to activate and enliven it.

03 Support ongoing operations and maintenance of parks in the Historic Green Triangle

Now

- Including Farragut Square, McPherson Square, and Franklin Park. To ensure the long-term success and stability of these key urban parks, the District should set aside funding for operations and maintenance, with dedicated funding to be matched by the Golden Triangle and DowntownDC BIDs at an agreed upon rate. To the extent possible, funding sources should be predictable and ongoing, rather than require the responsible party to re-apply to secure funding each year.

04 Implement the Lush Greenway first moves from the Public Realm Plan, connecting Farragut Square and McPherson Square via a green boulevard along I Street

Now

- The Public Realm plan recommends a variety of streetscape and landscaping improvements along I Street, with the goal of establishing a lush greenway that connects existing parks and roadways. These improvements would greatly enhance the pedestrian experience in the Historic Green Triangle. Additionally, working with WMATA and DDOT, the District can use the network of Metrorail station pylons along I Street to advance a horizontal line of sight with appropriate wayfinding elements to help users navigate East to West along this green boulevard.

05 Widen the sidewalks and calm vehicular traffic along the 800 block of Connecticut Avenue and Vermont Avenue, dovetailing with the Capital Promenade and Neighborhood Street first moves from the Public Realm Plan

Now

- Creating a more enticing pedestrian environment concurrently with improvements to Farragut Square and McPherson Square would help channel visitor foot traffic and support ground floor retail in the absence of a sizable office worker presence.

06 Utilize public art and signage to create a “history triangle” between Farragut Square, McPherson Square, and Lafayette Square to draw from nearby sources of foot traffic, such as the White House

Future

- Farragut Square, McPherson Square, and Black Lives Matter Plaza are all landmarks of great cultural and historical significance, particularly to the Black community. The commonalities between these spaces present an opportunity to weave together a cohesive narrative to draw visitors from the National Mall, with signage improvements, wayfinding enhancements, and public art installations helping to further advance these efforts. Importantly, interventions within the Historic Green Triangle should emphasize interactive, family-friendly experiences, given the composition of many visitor groups at the National Mall.

07 Implement wayfinding improvements along 15th Street, 17th Street, and other corridors with already-significant concentrations of visitors and tourists

Future

- Enhancements along these pathways will not only guide visitors through the “history triangle” but also contribute to a sense of continuity and historical narrative, enriching the overall experience. Wayfinding improvements should also highlight connections to entertainment and cultural attractions in the adjacent Downtown West node, such as National Geographic.

08 Implement further activations and improvements, such as interpretive signage, themed pathways, and interactive elements, to establish Historic Green Triangle as a gateway to Penn West and Downtown West

Future

- To carry visitor traffic to other nodes as well. Doing so can allow the area to function as a conduit, directing visitor traffic to other parts of Downtown D.C. One example of a potential activation is interactive art installations along 15th and 17th Streets to draw visitors from Historic Green Triangle towards the new hospitality and cultural district in Downtown West (see Downtown West).

09 Work with NPS to ensure any future renovations to Lafayette Square are synergistic with other public realm improvements

Future

- Creating the Historic Green Triangle is an opportunity to develop an even more productive working relationship with NPS, understanding that federal buy-in is necessary to maximize placemaking and the activation of parks and green space throughout Downtown D.C.

10 Create a model for a multi-modal urban promenade along K Street, including green spaces for pedestrians

Future

- K Street plays a number of important roles, serving as a travel street for vehicles and bicycles, a transit street for buses, and a pedestrian street for everyone on its sidewalks. To ensure success, any redesign of K Street should focus on optimizing multi-modal throughput, while still providing spaces that accommodate pedestrians and help to buffer adjacent parks.

11 Work with property owners to create a retail plan—starting around Farragut Square and Connecticut Avenue, and then extending towards McPherson Square—focused on outdoor eateries, casual dining options, and locally made goods

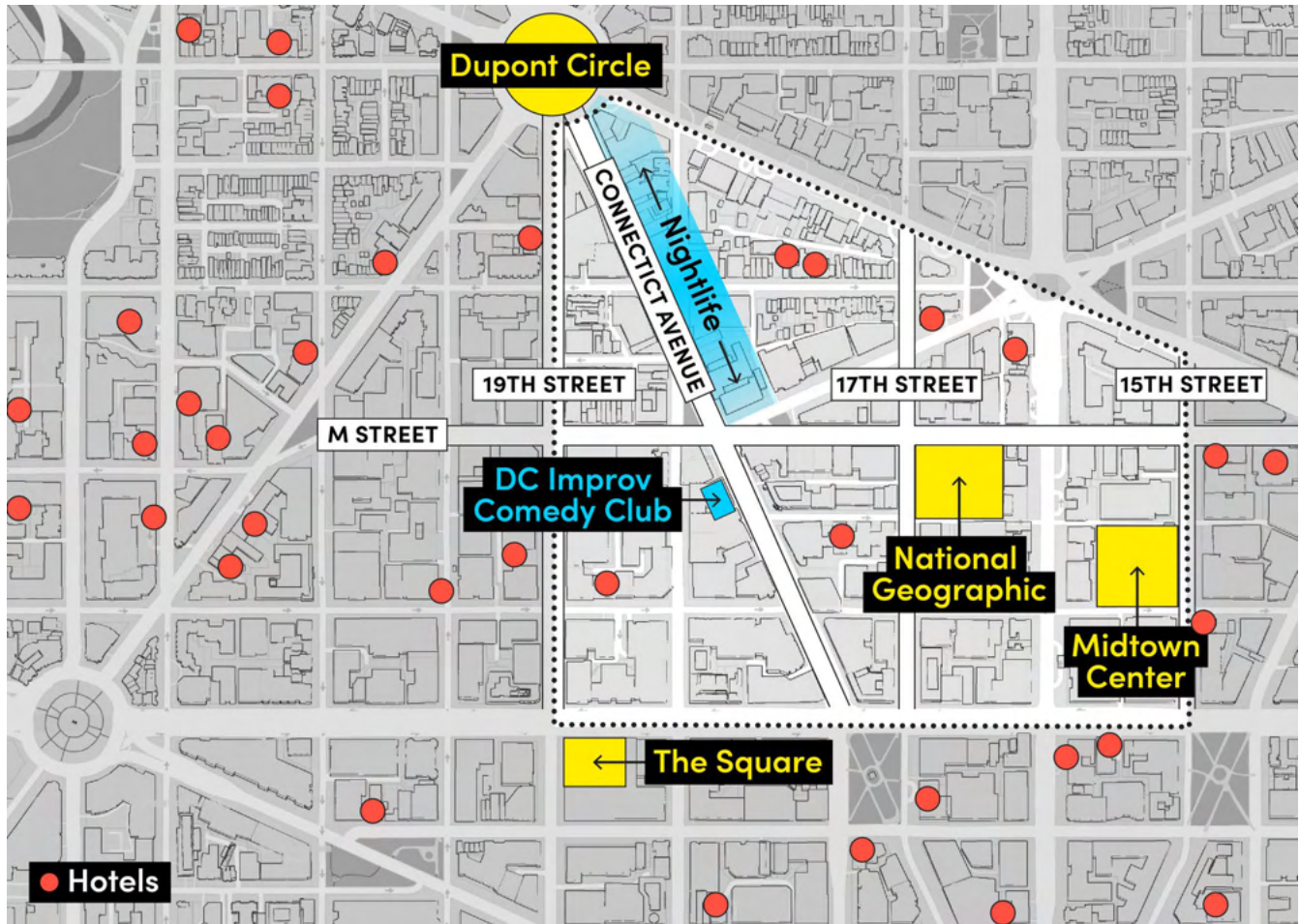
Future

- One potential approach involves a retail master leasing strategy, in which a user—such as a major property owner or large real estate organization in the area—leases multiple adjacent or nearby spaces, and then subleases those spaces to individual retailers. Under this structure, the user can pursue specific programmatic goals, such as attracting businesses that are not yet present in the market. As outlined on **Page 64**, Woodward Avenue in Downtown Detroit serves as one example of how such a strategy has been implemented successfully. In the Historic Green Triangle, this strategy could be used to create a more cohesive retail environment that primarily attracts visitors, introducing them to the rich cultural diversity of the District. A retail master leasing strategy in this node stands to generate up to 4 million additional visits and \$25 million in additional retail sales per year, relative to current levels.



Historic Green Triangle

K and 16th Streets NW, Looking South



Downtown West

Create a new entertainment, hospitality, and cultural district to attract people from surrounding neighborhoods, leaning into the National Geographic redevelopment and a new entertainment venue in the Golden Triangle

Today, Downtown West is largely office-centric, with a smattering of hotels that cater to a mix of business and leisure travelers, but with relatively little activity outside of work hours. However, the node offers several of the “ingredients” needed for a successful after-hours destination.

The stretch of existing nightlife along Connecticut Avenue serves as a foundation for such an environment, and nearby hotel options and residential neighborhoods point to groups that would provide demand for, and likely benefit from, additional evening

Foundational Elements & Nodes

and weekend experiences. Furthermore, the presence of iconic organizations like National Geographic offers a unique draw that can be strategically leveraged to brand the district as a hub for exploration and creativity. These existing elements provide evidence that Downtown West's continuing evolution is already conducive to cultural activation. Downtown D.C. stands to benefit from deliberate interventions to guide this placemaking process and, as a result, realize its social and economic benefits sooner.

Recognizing this untapped potential to create a district that offers things to do at all hours, the following strategy aims to redefine the built environment and identity of Downtown West, not only by introducing cultural and entertainment elements, but also by strategically spreading

these offerings to areas in which they do not exist today. In doing so, Downtown West can insert new life into areas that currently see little activity outside of business hours, such as 19th Street, M Street, and other areas south of Dupont Circle. Facilitating this vision requires a cultural master plan, as well as subsequent branding efforts, marketing strategies, streetscape improvements, and art installations to bring it to fruition. Through a combination of cultural planning, infrastructure enhancement, and strategic partnerships, Downtown West can transform a once office-centric locale into a dynamic day and after-hours destination. In the process, the node can draw new audiences into Downtown D.C., including residents of the neighborhoods to the north and visitors to the White House and other attractions to the south.

01 **Develop a targeted block redevelopment plan for distressed assets in and around Downtown West**

Now

- Today, the Golden Triangle is home to a growing number of office buildings with elevated vacancies, attributable in large part to the older vintage of its building stock. Opportunities to redevelop these buildings are likely to be particularly strong in locations where site assemblages are feasible. A targeted block redevelopment plan should identify strategies and locations for the aggregation and redevelopment of obsolete assets into more productive uses, such as housing and hospitality.

02 Complete a cultural master plan to guide the development of a new cultural district between 15th and 19th Streets, and to examine complimentary opportunities in the broader Golden Triangle

Now

- Engaging urban planners, architects, and cultural experts, this comprehensive plan will serve as a guiding framework, identifying a cultural partner and then systematically outlining the integration of other institutions and supportive infrastructure. While there is a benefit to establishing a critical mass of larger “cultural consumption” spaces within the core of Downtown West, the plan should also consider opportunities elsewhere in the Golden Triangle, where complimentary “cultural production” spaces (such as recording studios or rehearsal spaces) can provide creative solutions to chronic vacancies.

03 Attract an entertainment/cultural anchor to the Golden Triangle west of 16th Street and develop other cultural partnerships throughout the district

Now

- Today, Downtown West lacks foot traffic outside of workday hours, and the area contains just one major cultural attraction in National Geographic, suggesting an additional arts or entertainment venue will be necessary to anchor the new cultural district. Following the identification of a cultural partner through the cultural master plan, the District should provide funding to support the partner in its efforts to invest in a viable site within Downtown West. Efforts to forge partnerships with other cultural institutions throughout Downtown West should take place as well, focusing on the area to the west of 16th Street, including Connecticut Avenue, given the need for additional activation. In doing so, Downtown West can create a network of synergistic offerings that enhance the overall appeal and diversity of the node.

04 Support the branding and marketing of this new cultural district and provide the tools for it to flourish

Future

- For example, façade grants can help ensure building exteriors reflect the character of Downtown West, especially on Connecticut Avenue south of Dupont Circle, and targeted financial incentives for cultural production and studio spaces can help backfill chronic office vacancies in the district and adjoining parts of the Golden Triangle. Additionally, the creation of arts incubator spaces and makerspaces can nurture innovation, providing emerging talents with the resources and support necessary to succeed. Across the country, there is evidence of the role that local and regional arts organizations can play in creating vibrant neighborhoods, as seen in arts districts like Broomfield in Downtown Baltimore and the Cultural District in Downtown Pittsburgh. By attracting and supporting these organizations, the District stands to generate more than 600,000 additional trips to Downtown West per year, with many of these trips taking place outside of work hours.

05 Reimagine the 17th Street corridor from K Street to Massachusetts Avenue as a key connection from the White House to residential neighborhoods and cultural attractions to the north

Now

- Anchored by the National Geographic Basecamp Museum and the new arts or entertainment venue, Downtown West is poised to emerge as a new cultural destination, with 17th Street acting as a key throughfare for both residents traveling north to south as well as visitors traveling south to north. The District should thus take proactive steps to encourage pedestrian activity along 17th Street, starting with funding to plan, design, and construct streetscape improvements along this key throughfare. Efforts to reimagine 17th Street should also emphasize public arts, sculptures, and other arts activations that can contribute to the unique visual identity of Downtown West. Simultaneous improvements on the 800 block of Connecticut Avenue between Lafayette Park and Farragut Square (see Historic Green Triangle) will similarly improve pedestrian access and drive foot traffic.

06 Plan and implement further enhancements to the pedestrian experience along 15th and 17th Streets

Future

- Surrounding neighborhoods with high household density, such as Dupont Circle, present built-in audiences for future cultural and entertainment offerings in Downtown West, and street improvements—such as widened sidewalks with trees, signage, landscaping, and public art—can help improve permeability.

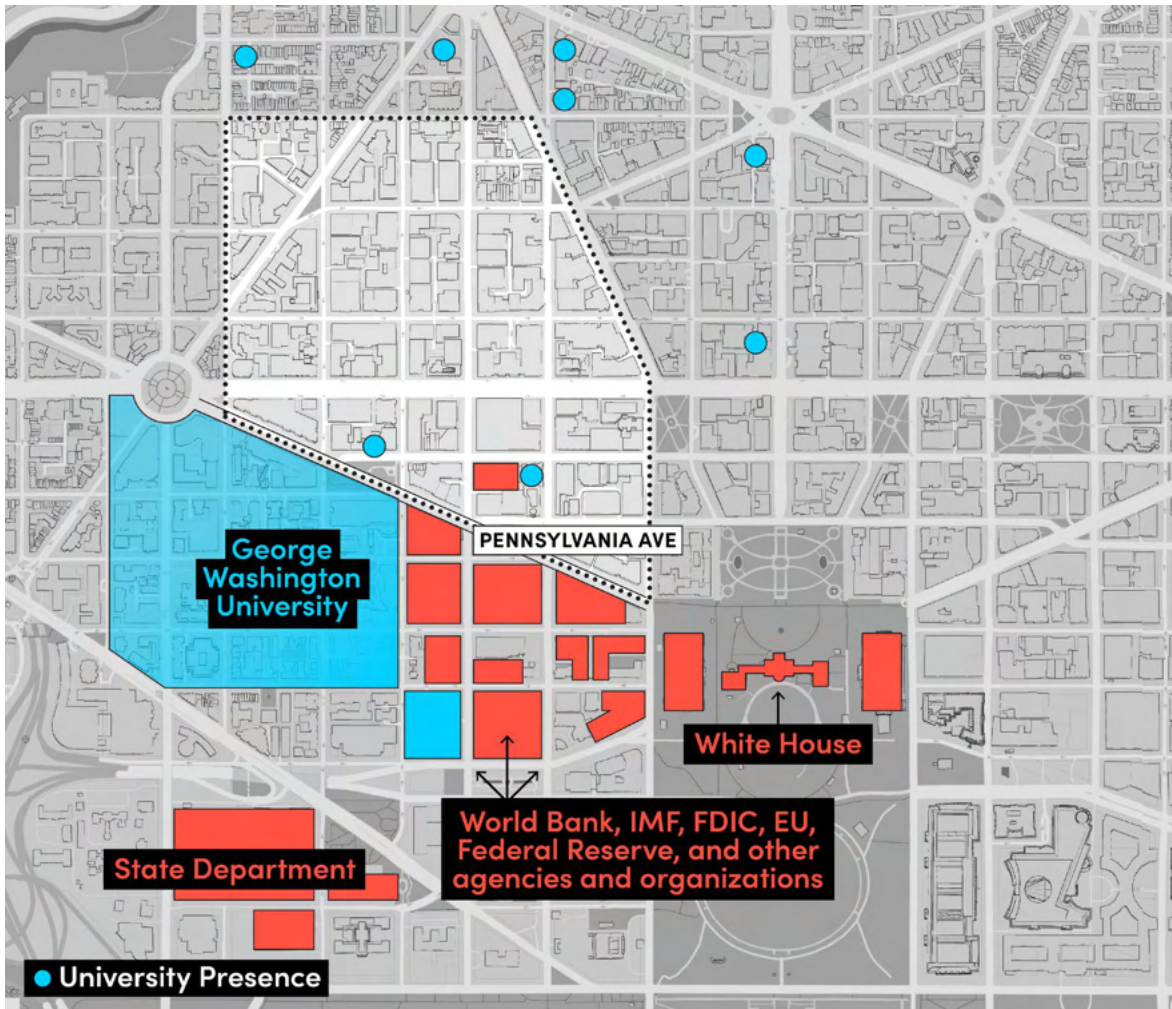
07 Market Downtown West as a location for universities to establish art- and media-related programs

Future

- The adjacent Penn West node, with its proximity to federal and international institutions, is home to several national universities and will continue to be a strong location for universities seeking to establish satellite campuses in the District. Downtown West can serve a complementary role, with a focus on arts and media programs. Downtown West is already home to a significant existing media footprint, including locations of ABC News, CBS News, and other media organizations. Universities with satellite campuses in Downtown D.C. do not currently focus on arts and media programs, even though Downtown D.C. offers numerous features that would be attractive and additive to such programs, including proximity to the Smithsonian Institution and its museums, all of which are free. University engagement efforts should be coordinated across Penn West and Downtown West, with consistent messaging and marketing materials to highlight the amenities of each distinct area.



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Penn West Equity, Innovation & University District

Grow Penn West as a hub for social sciences, technology, and policy innovation, with a robust network of startups and technology companies, top tier research universities, and workforce development programs

Penn West is an unprecedented partnership that brings together public, private, and academic stakeholders to drive economic development in Downtown D.C. With unmatched proximity to

the White House, federal agencies, and global organizations like the International Monetary Fund (IMF), the World Bank, the International Finance Corporation (IFC), the U.S. Delegation

Foundational Elements & Nodes

of the European Union (EU), and various embassies, Penn West's location provides a competitive advantage to both local and international startups and companies seeking access to the people and institutions that set policy and shape the future of the country, and the world. In addition to leveraging these national and international institutions, Penn West is home to a growing university presence as national universities increasingly seek satellite campuses in Downtown D.C., exemplified by the recent addition of the University of Southern California Capital Campus. There is opportunity to build on this existing cluster and attract additional universities to Downtown D.C., and Penn West—with its walkable streets, plentiful amenities, transit access, and available office stock—is primed to be the neighborhood to accommodate additional university facilities.

To catalyze this desired growth, Penn West must find innovative ways to backfill or reposition existing office space that sits vacant today. Doing so requires proactive recruitment efforts for both universities and international

organizations, paired with accelerator and incentive programs that enable firms of all sizes to succeed. The District's planned streetscape improvements for Pennsylvania Avenue, between 17th Street and 21st Street, will transform Pennsylvania into a walkable avenue that is bicycle- and pedestrian-friendly, while providing space for arts and activations. This physical transformation, with construction slated to begin in 2024, will set the foundation for the envisioned future of Penn West, promoting arts and cultural programming to celebrate the neighborhood's international character and global approach to innovation. Together, the streetscape enhancements, cultural activations, and creation of collaborative spaces will build an ecosystem that attracts both top-tier academic institutions and businesses looking to locate in a vibrant neighborhood near global and federal policy makers. In seizing this opportunity, Penn West can establish itself as a global knowledge hub, injecting dynamism into the Golden Triangle and broader Downtown D.C.

01 Work with embassies and international institutions to generate leads and attract international companies, promoting a soft landing program

Now

- As discussed on **Page 81**, a soft landing program will help the District enhance its business attraction efforts, particularly for organizations not yet present in the United States. Penn West is a natural location for these organizations, given proximity to international institutions that provide the District with a compelling differentiator relative to other markets. Key components of this program should include business incubators and accelerators, paired with pooled funds to make space available to start-ups at below-market rents.

02 Utilize the new and expanded incentive toolkit to attract startups and entrepreneurs to Penn West

Now

- As described on **Page 79**, new incentive programs, such as a seed fund, grants, equity investments, and subsidized office rent, can help attract startups and entrepreneurs. While these incentive programs hold promise for fostering innovation across Downtown D.C. and the District, Penn West is a particularly compelling location to focus these efforts given its existing concentration of talent and potential synergies with universities.

03 Deliver the Penn West Global Innovation Hub, a physical space that provides opportunities for international and local startups to collaborate and cluster in place

Now

- In partnership with an established operator, the Global Innovation Hub can offer space for entrepreneurs to launch their business concepts in Downtown D.C., with layers of complementary programming to provide D.C. residents with access to high-quality jobs and to create a centralized hub of activity in Penn West. By providing a diversity of different spaces that are either unavailable or unaffordable to early-stage companies in the market today, the Global Innovation Hub can provide a home for these companies until they are sufficiently stable and established and can afford to rent market-rate space elsewhere in the neighborhood. The hub can also grow to house the soft landing program described above and BIPOC small business accelerator detailed below.

04 Establish a small business accelerator for District residents in Penn West

Future

- This effort should build upon the existing efforts of George Washington University and its Entrepreneur Development Network DC (EDNDC), with the goal of creating a broader accelerator ecosystem that can support emerging innovators from underrepresented communities.

05 Attract top tier research universities to Penn West and create dedicated resources to maximize their economic impact

Now

- Collaboration between a dedicated university relations liaison, universities, and local brokers is necessary to ensure vacant office spaces are strategically occupied and reprogrammed by institutions that can contribute to building Penn West's innovation ecosystem. The dedicated university relations liaison can help coordinate between universities and businesses in Penn West, helping to develop structured internship programs, mentoring and networking events, and sponsored research opportunities. This approach not only strengthens ties between academia and industry but also enhances the appeal of Penn West as a center for cutting-edge research in sectors in which the District already boasts competitive advantages, such as policy, technology, and the social sciences.

06 Create spaces for multiple universities to co-locate in one setting, with shared amenities

Future

- In some cases, it may be impractical or infeasible for individual universities to occupy entire buildings, presenting a potential obstacle for academic institutions that would otherwise seek to locate within Penn West. Aside from mitigating obstacles, co-location also presents attractive benefits, such as encouraging collaboration, sharing resources and amenities, and facilitating interactions between students and faculty. For all these reasons, Penn West would benefit immensely from the creation of a university-anchored hub (separate from the Global Innovation Hub discussed above), a centralized space for research, education, and knowledge-sharing between academic institutions. This hub approach can, in turn, create additional demand from educational institutions to establish and expand their presence in Downtown D.C. One compelling example of this concept in action is Creative Village in Downtown Orlando, where Valencia College and the University of Central Florida share facilities, an arrangement which encourages students and faculty to interact and learn from one another.

07 Identify new commercial opportunities generated by university proximity, and market to property owners of buildings that are ripe for conversion

Future

- In addition to academic spaces, universities create demand for other related uses, such as student housing. Such uses can help to create a more 24/7 market audience for nearby businesses, driving activity and commerce throughout Downtown D.C.

08 Complete Penn West streetscape improvements, which are already funded and construction ready, and implement international cultural and arts activations to draw tourists from the White House

Now

- Through these improvements, Penn West can establish itself as an accessible and attractive destination, leveraging international arts and activities to highlight the global character of the node. In addition to diversifying the economic base of the node, these efforts can also help to position it as a cultural hub, complementary to other nearby nodes (e.g., Historic Green Triangle and Downtown West). These activations would have the added benefit of helping to foster a dynamic and engaging atmosphere that resonates with international firms looking to potentially occupy space in Downtown D.C.

09 Support ongoing operations and maintenance of parks in the Penn West Equity, Innovation, and University District

Now

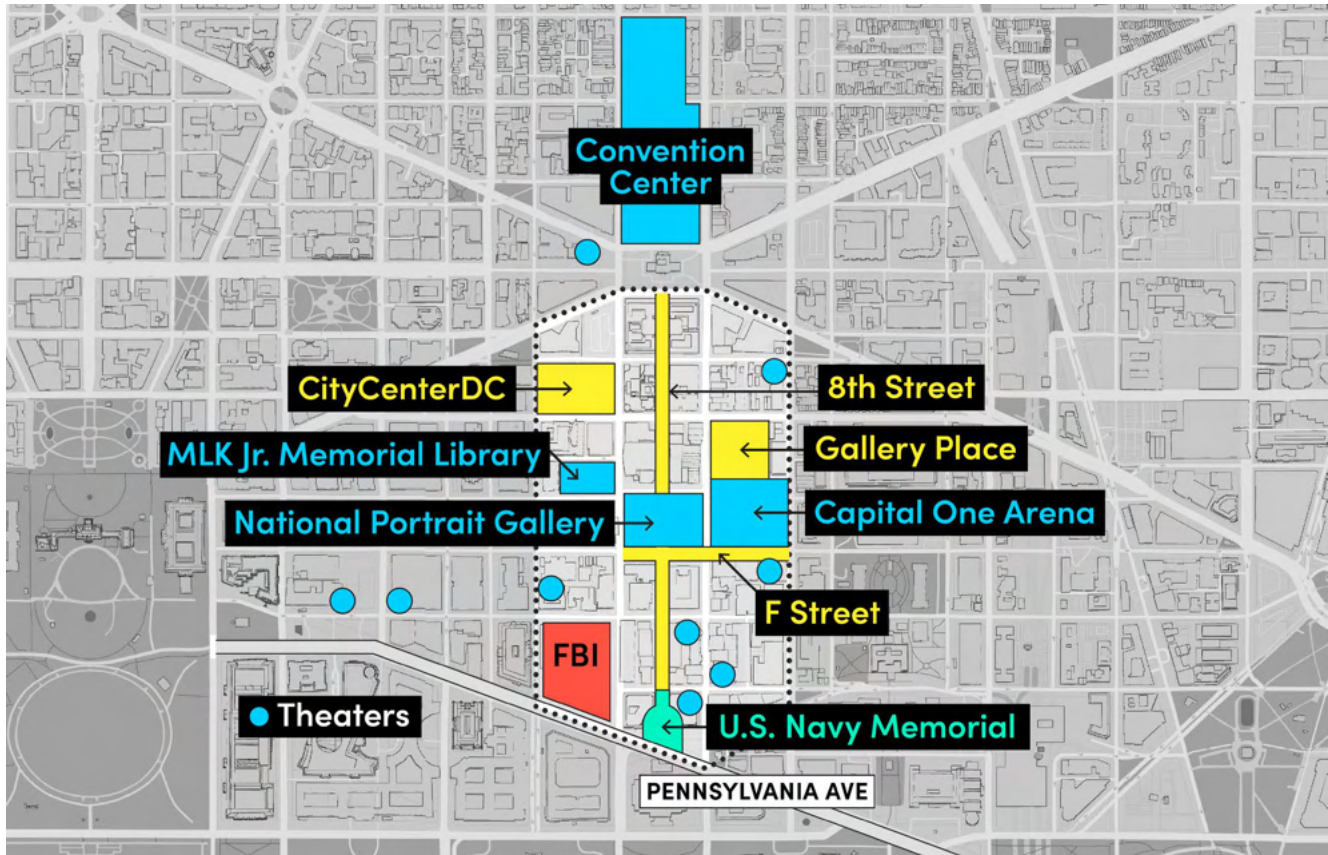
- Including Edward R. Murrow Park and James Monroe Park. To the extent possible, funding sources should be predictable and ongoing, rather than require a responsible party to re-apply to secure funding each year.



Penn West

19th Street NW at Edward R. Murrow Park, Looking North

Foundational Elements & Nodes



Penn Quarter/Chinatown

Improve the pedestrian appeal of 8th Street, and solidify the Penn Quarter / Chinatown neighborhood as an arts, culture, and entertainment hub, anchored by Capital One Arena, the National Portrait Gallery, the Smithsonian American Art Museum, and nearby theaters with existing regional pull

As an existing cultural and entertainment district, Penn Quarter / Chinatown is a promising canvas, which presents opportunities for additional attractions moving forward. Following months of speculation regarding the potential relocation of the Capitals and the Wizards, the District reached an agreement with MSE in March 2024. The District plans to invest

\$515 million in the modernization of Capital One Arena. This exciting news signals Capital One Arena is likely to continue to anchor Penn Quarter / Chinatown in the years to come. In addition to Capital One Arena, Penn Quarter / Chinatown is also home to many other cultural destinations, including the National Portrait Gallery, the Smithsonian American Art Museum,

Foundational Elements & Nodes

and a variety of theaters and venues. Relative to other parts of Downtown D.C., the node also features a sizable concentration of housing, providing a built-in pool of activity. There is little cohesion, however, to the various attractions that define Penn Quarter / Chinatown today, and most visitors tend to come for specific events or reasons then leave afterwards.

By weaving together these attractions in the form of a more seamless urban fabric, the District can lengthen existing trips to Penn Quarter / Chinatown, as well as add new trips. To do so, the District must overcome several barriers that stand in its way. One such barrier is the need to renovate Capital One Arena, which is currently a cornerstone of Penn Quarter / Chinatown but requires improvements as envisioned in the \$515 million funding agreement to remain an effective

anchor for the neighborhood moving forward. Additionally, public safety concerns require continued attention to avoid deterring visitors and residents alike from fully embracing the envisioned cultural district. The lack of a cohesive and pedestrian-friendly streetscape further compounds these challenges, making it difficult to realize the desired atmosphere. Overcoming these barriers will require collaboration between the District and other stakeholders in the neighborhood to address these pressing issues and ensure the sustained success of Penn Quarter / Chinatown. Once these near-term barriers are addressed and placemaking activations, cultural, and arts district branding efforts can commence in full force, Penn Quarter / Chinatown can have a truly transformative impact on cultural fusion in the heart of Downtown D.C.

01 Modernize Capital One Arena, and facilitate the expansion of MSE into the surrounding neighborhood

Now

- Maintaining Capital One Arena requires investment to renovate its interior and expand its capacity. In April 2024, the D.C. Council unanimously approved the allocation of \$515 million for these efforts, following the announced agreement between the District and MSE. This allocation encompasses not only renovations to the existing sports and entertainment venue, but also the incorporation of 200,000 square feet of newly programmed space throughout the arena and adjacent Gallery Place building, among many other improvements. Execution of these plans will help solidify Capital One Arena as an important anchor for many years to come.

02 Support the branding and marketing of a cultural district, centered around Penn Quarter / Chinatown but also including the theaters and performing arts facilities in its surrounding area

Now

- Similar to the approach outlined for Downtown West, a cultural master plan is necessary to guide the development, branding, and marketing of this cultural district. Following this plan, targeted incentives for entertainment users can help add to the existing environment of Penn Quarter / Chinatown, as can efforts to ensure the built environment is conducive to outdoor and pop-up events. Partnerships with the arts and culture community can curate high-quality local music and artisans to activate newly created public realm focal points.

03 Calm vehicular traffic on the 400 and 500 blocks of 8th Street and create a play/recreation space between the National Portrait Gallery and the U.S. Navy Memorial

Now

- As envisioned in the Public Realm Plan for Cultural Commons. In addition to these improvements, the District should consider widening sidewalks along the 700 and 800 blocks of 8th Street to create an extended promenade from the National Portrait Gallery to Mt. Vernon Square. Similar efforts undertaken in other cities, such as Boston, Chicago, and San Francisco, provide evidence that increasing pedestrian space can boost consumer activity, suggesting a more pedestrian-oriented design of 8th Street could increase visitor foot traffic to the area by as much as 30%. As part of these efforts, the District should also aim to establish a public art program along 8th Street.

04 Transform the hardscape along F Street between 7th and 9th Streets to allow for more frequent festivals and activations

Now

- Already home to popular events such as the Downtown Holiday Market, this stretch of F Street is a particularly compelling location for a living street, capable of being shut down to vehicular traffic on event days or for special occasions. Hardscape improvements can not only facilitate smoother event logistics, but they can also minimize crowding, helping to ensure the experiences of certain visitors do not come at the expense of the experiences of others. These efforts align with the strategies in the Public Realm Plan, which envisions a vibrant market street along F Street between 7th and 9th Streets.

05 **Reevaluate the pedestrian infrastructure throughout Penn Quarter / Chinatown, particularly along 7th Street, to bring it in line with the recommendations offered in the Gallery Place-Chinatown Corridor Study**

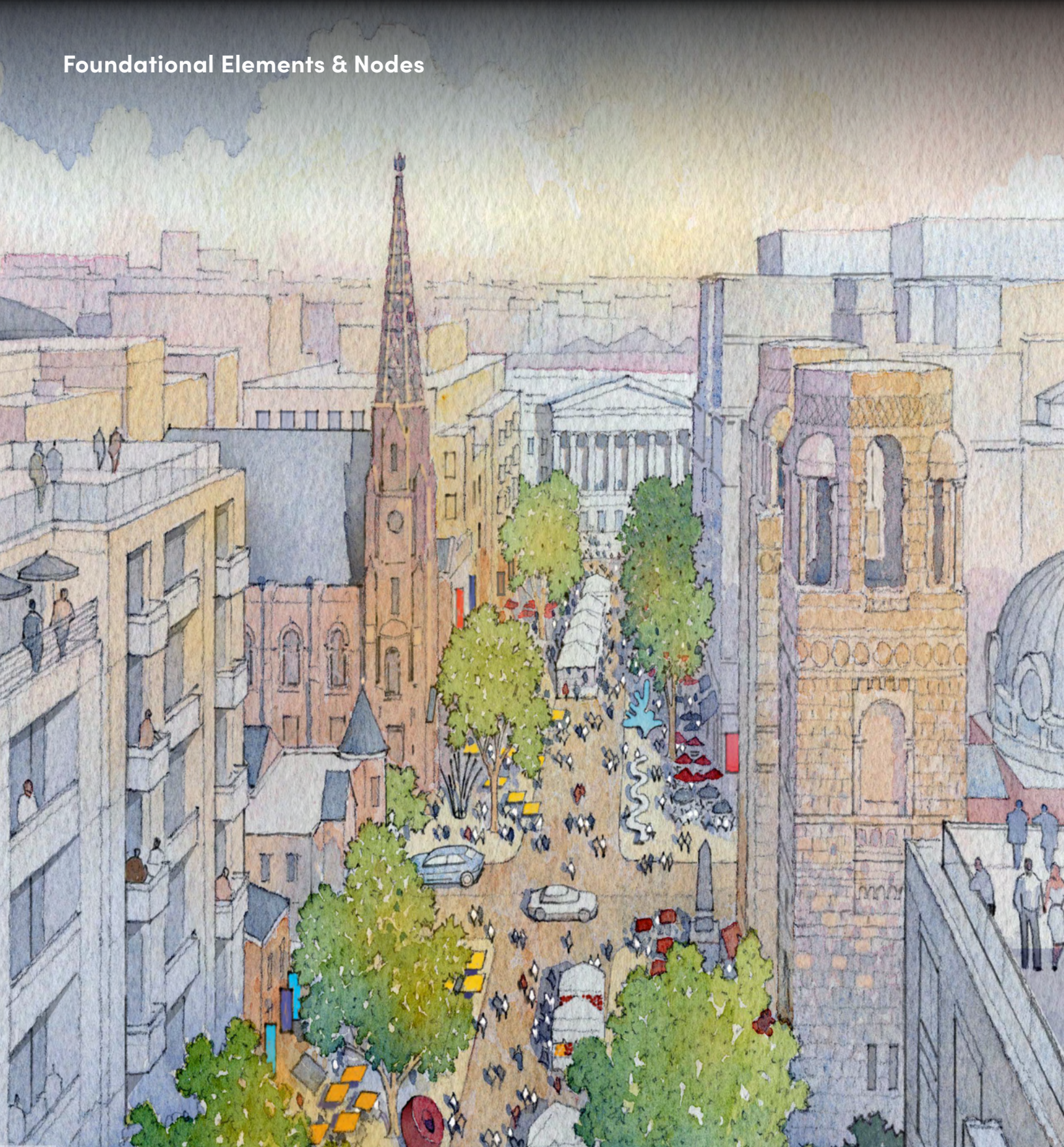
Now

- Enhancing the pedestrian experience ensures diverse communities can converge within Penn Quarter / Chinatown, feeling safe traveling through and within the neighborhood on foot. Key interventions offered in the Gallery Place-Chinatown Corridor Study include widening sidewalks to accommodate outdoor activities, and designating passenger pick-up and drop-off (PUDO) zones to improve access.

06 **Work with property owners to develop a retail plan for retail corridors currently experiencing elevated vacancy, incentivizing a breadth of food, beverage, and entertainment concepts that can appeal to diverse users, such as tourists, sports fans, concertgoers, theatre visitors, and everyday residents**

Future

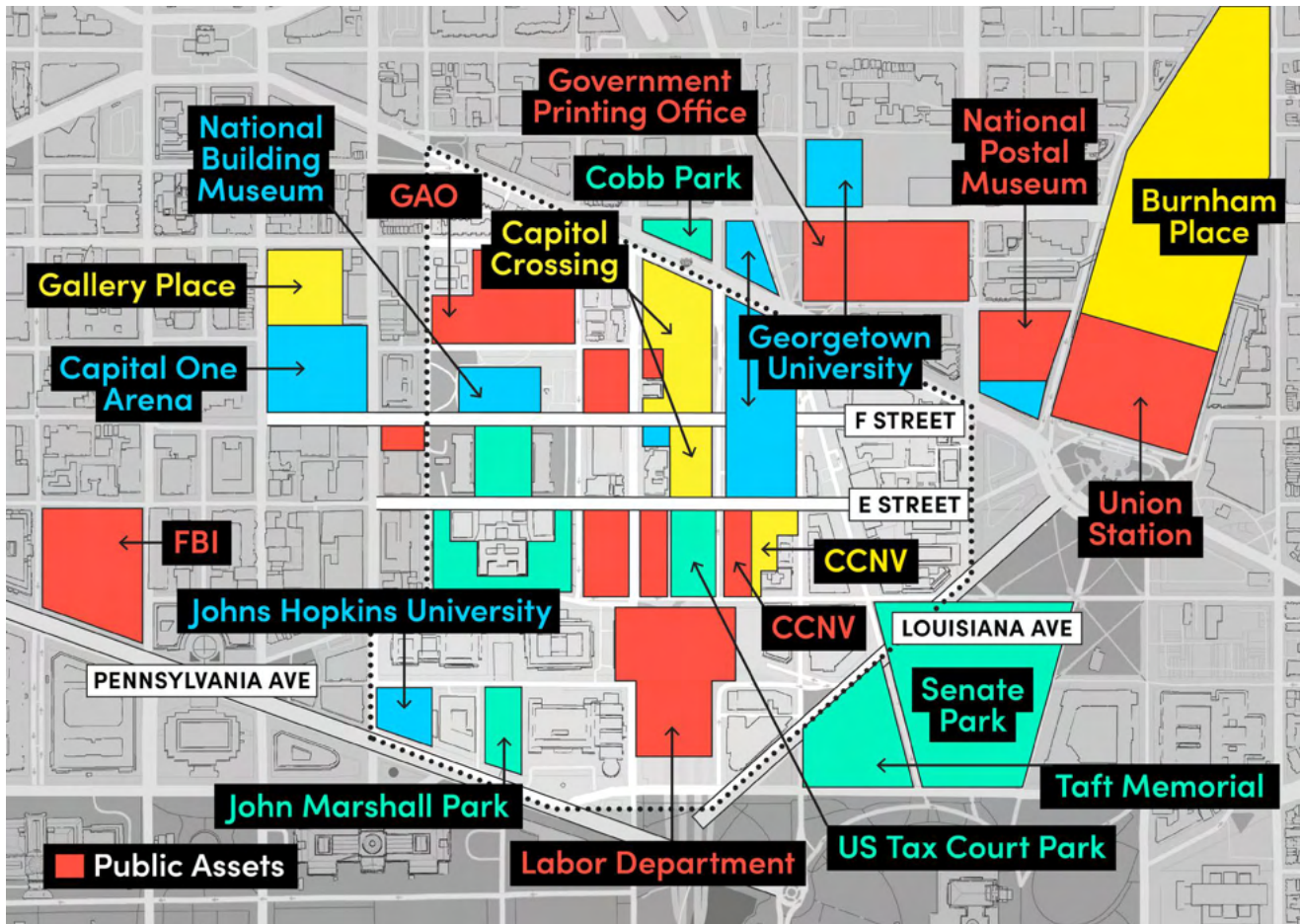
- In addition to helping to fill vacant space, such a plan would enable a focus on specific programming goals, including a richer diversity of food and beverage options and the addition of new entertainment experiences. As described in the Historic Green Triangle, a retail master leasing strategy represents one avenue through which this plan could be achieved. Prospective retailers already see Penn Quarter / Chinatown as an area conducive to experiential retail concepts, and a retail master leasing program has the potential to accelerate the process of bringing these users to the neighborhood in a more cohesive manner. Relative to current levels, a retail master leasing strategy stands to attract an additional 3.6 million visits to the node along with an additional \$23 million in retail spending per year, based on the successes of retail master leasing programs in other places.



Penn Quarter/Chinatown

H & 8th Streets NW, Looking South

Foundational Elements & Nodes



Downtown East

Support local universities and existing redevelopment sites and projects in order to integrate this area with the remainder of Downtown D.C., including using public property transfers and infrastructural improvements to create a more seamless urban fabric

Located directly between Penn Quarter / Chinatown and Union Station, Downtown East offers a strong but underutilized location. The existing landscape—often perceived as a latent “dead zone” in the urban fabric of Downtown D.C., teems with potential for Revitalization

This is due, in part, to the number of federal office buildings and other public assets that could return to market in the years to come. The prospect of leveraging these property transfers adds another layer of strategic importance to Downtown East, presenting an opportunity

Foundational Elements & Nodes

to create a compelling mix of residential and commercial uses, woven together with a well-designed street network and attractive privately-owned public spaces.

Already, recent ventures such as Capitol Crossing have demonstrated the initial forays into unlocking this potential. As the canvas for mixed-use development continues to expand, local universities—such as Georgetown University and Johns Hopkins University, both of which have grown their presences in Downtown East in recent years—can play key roles in

establishing an interesting and more accretive mix of commercial, residential, and academic uses. This transformation aims to address the deficiencies in the current Downtown East built environment, creating a vibrant and seamlessly connected urban core that bridges the gap between Union Station and Penn Quarter / Chinatown. Overall, this comprehensive approach envisions Downtown East as a dynamic urban landscape, marrying large-scale mixed-use development with targeted public realm improvements.

01 **Establish Downtown East as a university district, and collaborate with Johns Hopkins University and Georgetown University to identify expansion opportunities**

Now

- The District can play an active role in helping to further the expansion efforts of these institutions, providing support to convert underutilized or distressed assets as necessary.

02 **Provide the Community for Creative Non-Violence (CCNV) with planning assistance to develop an alternative to its existing building on the adjacent parking lots owned by CCNV**

Now

- With the goals of ensuring it meets the needs of the people it serves and improving its integration within the broader Downtown East node. Following the identification of an alternative, funding will likely be necessary to support CCNV in constructing this alternative. As part of these efforts, the District should ensure the co-location of supportive services and community retail for these and other residents, as outlined in the Downtown East Re-Urbanization Strategy.

03 **Reposition public assets between the FBI Headquarters and Union Station**

Now

- Public assets represent unique development opportunities since their scale alleviates the need for site assemblage, mitigating the logistical complexity associated with piecemeal site acquisition. Efforts to reposition these assets should start with the development of a plan for the prioritization of public property dispositions, reevaluating long-term federal space needs. Assets worth specific consideration include the FBI building, 2 Mass Ave NE, and the Government Printing Office, all of which could help increase connectivity between Downtown East and surrounding areas like Gallery Place / Chinatown, Union Station, and NoMa.

04 **Implement streetscape improvements along east-west throughfares to enhance the pedestrian experience for people traveling between Union Station and Downtown D.C., thereby better integrating Downtown East with the rest of the urban core**

Now

- Today, one of the primary challenges facing Downtown East is its lack of welcoming and accessible pedestrian throughfares, and improvements to its streetscape can help to more effectively channel foot traffic between existing anchors at the western and eastern ends of the neighborhood. As part of the long-term transportation plan outlined on **Page 89**, one key effort should be to settle on E Street or F Street to concentrate streetscape improvement and multi-modal connectivity efforts, with the goal of connecting the disparate ends of Downtown East.

05 **Soften freeway on-ramps and exit ramps to ensure more comfortable pedestrian paths**

Future

- As articulated in the Downtown East Re-Urbanization Strategy, this intervention pertains to more than just urban aesthetics; rather, it centers around the idea that pedestrians should feel comfortable and safe while traveling through Downtown East. Installing signalized controls and high-visibility crosswalks are two short-term action items that would contribute greatly to pedestrian safety within the node.

06 Implement improvements to Louisiana Avenue to bolster connectivity between Union Station and the National Mall

Future

- As recommended in the Downtown East Re-Urbanization Strategy, this initiative is strategically designed to bolster connectivity between two highly trafficked destinations. Moreover, Louisiana Avenue serves as a crucial artery through the heart of Downtown East, and enhancements can invite the sizable base of visitors to the National Mall north into Downtown D.C.

07 Implement improvements to John Marshall Park and other parks in and around Downtown East, such as U.S. Tax Court Park and Cobb Park, that could increase opportunities for green space in or adjacent to the node

Now

- Any such improvements should provide spaces for passive recreation, as well as offer amenities for diverse users (including residents, employees, students, and visitors) in the neighborhood.

08 Support ongoing operations and maintenance of John Marshall Park and any additional redeveloped parks

Now

- To the extent possible, funding sources should be predictable and ongoing, rather than require the responsible party to re-apply to secure funding each year.



Downtown East

Georgetown University's Law Center Campus

Implementation

07



Roles & Responsibilities

Executing the foundational elements and key nodes in the previous section will not be easy, and doing so entails an in-depth understanding of the intricate web of roles various stakeholders must play. **Kickstarting the virtuous cycle of public investment, activity, commerce, and tax revenues will require active participation from all involved.**

Each stakeholder in this process plays a unique role in shaping the resurgence of Downtown D.C. From local business improvement districts

championing placemaking initiatives to District agencies targeting regulatory constraints on housing production, the table below delves into the specific roles of each of these key actors, underscoring the necessity of constant collaboration and coordination going forward.

Implementation

	Key Player	Responsibilities	Implementation Plan
District-Based Organizations	DowntownDC & Golden Triangle BIDs	• Deploy District grant funds, as appropriate • Manage and program public space • Drive placemaking • Promote attractions • Bridge stakeholders in Downtown D.C. area • Serve as neighborhood liaisons and local experts in project and initiative planning	The BIDs will take the lead in managing activation strategies in parks and public spaces, deploying District grant funds, as well as steering the DAP Oversight Committee and collaborating to secure return-to-market for opportunity sites.
	Federal City Council (FC2)	• Promote economic development • Forge collaborative relationships between public and private sectors • Steer conversation on specific projects	FC2 will also play a leading role on the DAP Oversight Committee, convening discussions between the D.C. government, federal government, and private stakeholders.
	Washington D.C. Economic Partnership (WDCEP)	• Advance economic development and incentive strategy, promoting D.C. as an opportune place to do business • Manage business and university attraction efforts, including lead generation, prospecting, and resource sharing	WDCEP will continue to work with DMPED to advance business attraction goals, and connect District leaders with domestic/international firms and universities looking to potentially set up shop in Downtown.
District Government	Deputy Mayor for Planning & Economic Development (DMPED)	• Assist Mayor in planning and executing economic development goals • Advance catalytic development projects • Convene relevant stakeholders	DMPED will act as the central convener of D.C. agencies on issues pertaining to Downtown D.C. DMPED will also lead business attraction and retention efforts in partnership with other stakeholders (e.g. WDCEP).
	Other District Agencies and Entities (Mayor, Council, DCOP, DDOT, DMPSJ, DOB, DBH)	• Diverse responsibilities depending on agency, including public safety and building codes/regulation	The Mayor, Council, and agencies will incorporate budget asks, alleviate regulatory barriers to housing production and business activity, plan for transportation and public realm improvements, and pilot alternative public safety programs.

Implementation

	Key Player	Responsibilities	Application Plan
Federal Entities	U.S. Attorney's Office (USAO)	• Prosecute crimes • Ensure safety and rule of law	Working with the District, the USAO will recalibrate its current approach to prosecutorial discretion to enhance safety in Downtown D.C.
	National Park Service (NPS)	• Manage federal parkland • Preserve and enhance federally managed public spaces	The NPS will work with the D.C. government to better leverage existing parks space, and hand over control to the District, where appropriate.
	National Capital Planning Commission (NCPC)	• Work with federal agencies to preserve and enhance federal assets • Comprehensive planning • Issue recommendations regarding federal building height regulations	NCPC will be instrumental in leading streetscape planning, making wayfinding improvements to channel tourists into the Downtown area, and studying potential changes to federal building height regulations.
	Federal government (General Services Administration (GSA), Congress, Executive Branch)	• Own and manage federal buildings and real estate • Set and enforce building height regulations	GSA and the Executive Branch will handle the disposition of underutilized federal assets, allowing key opportunity sites to reach their highest and best use.
Other	Private Sector Owners & Development Community	• Develop and invest in real estate • Manage real estate operations (e.g., retail tenant selection) • Drive economic vitality • Engage with business attraction efforts	The private sector is integral to most of the aforementioned strategies—including business attraction, retail activation, and housing development. Owners must also be involved in ongoing conversations regarding repositioning opportunities and synergies with public realm improvements.

Timing & Investment Priorities

In addition to an understanding of the various roles and responsibilities stakeholders must play, realizing the vision laid out in the Downtown Action Plan requires a more strategic approach to timing investment than “spend on everything, everywhere, all at once.” At a high level, the District should adopt the following framework with regard to the timing and phasing of its investments:

Now

In order to reverse the trajectory of Downtown D.C. and lay the groundwork for future transformative investments, the District should take immediate action to address public safety challenges, eliminate housing barriers, and modernize Capital One Arena. In addition, any investment of the recommended \$39 million that is not included in the final FY 2025 budget should be fully funded in a subsequent budget year by or before FY29. Immediate priorities include studies to guide the implementation of public realm improvements, the Downtown West Cultural Plan, transportation infrastructure enhancements, and Height Act changes. The FY 2025 budget should also provide agencies with room for additional capacity focused on Downtown D.C. opportunities and challenges, including a strategic ombudsman for the area.

Near Term

Beginning in FY 2026 and FY 2027, the District should prioritize the formation of resilient, long-term capital funding streams to allow planned improvements to break ground and realize their catalytic impacts. As office values fully recalibrate to market realities, the District must also ensure incentive programs and tax abatements are in place and fully funded (or otherwise accounted for) in the District budget to allow conversions and other asset repositioning efforts to proceed and pad the commercial property tax base.

Future

With many aspects of the foundational elements in place, and once initial improvements have been made within the nodes, the District can begin to see returns on near-term, place-based investments. These returns can help build support for continued involvement, giving the District the flexibility needed to invest in placemaking initiatives and other market-driven opportunities as they arise. Recognizing that cultivating nodes, especially multilayered places like cultural districts, is an ongoing and complex process, this approach accommodates the dynamic nature of opportunities that will

Implementation

unfold over time. It acknowledges that **the vibrancy of Downtown D.C. is not a one-and-done endeavor but an evolving journey that demands adaptability and consistency.**

In addition to strategic timing, successful implementation requires an understanding of how much influence the District, as an independent entity, can exert over each element of the vision for Downtown D.C., as well as which of those elements require outside involvement to execute or additional time to foster. For example, while the District can exert substantial influence over certain components of its public realm (e.g. by funding and supporting activations of public space) positioning Downtown D.C. as a hub for universities involves more long-term collaboration between the District, the private sector, and educational institutions themselves.

With this dynamic in mind, the table below summarizes the immediate and near-term funding needs for the District to begin its efforts to redefine the central business district of D.C. to be a resilient and adaptable mixed-use downtown that is welcoming and alluring to a diversity of people. These funding needs are grouped by the vision characteristics uncovered by the outreach process for the Downtown Action Plan, described in more detail on **Page 20**. For each of these functions, the Downtown Action Plan also highlights the annual tax revenue the District stands to gain following the complete implementation of the foundational elements and key nodes, based on the opportunities identified on **Page 51**. This revenue represents a

generational change for Downtown D.C. It is important to note that the investments outlined in the table below represent a significant first step towards the transformation of Downtown D.C., but achieving the entire vision will require ongoing efforts, partnerships, and continuous adaptations that extend well beyond the near term. Realizing this vision will also require a strategic approach to implementing the policy interventions recommended for each of the foundational elements, as these policy changes are equally critical, even if they do not necessarily come with a price tag.



Implementation

Annual District Investment

Vision Element	FY25	FY26	FY27	FY28	FY29	District Investment FY25–FY29
Visitors Cultural districts, streetscape improvements, events, & art activations to bring new visitors to Downtown D.C.	\$6,420,000	\$24,650,000	\$25,650,000	\$17,900,000	\$8,000,000	\$82,620,000
New Catalysts Accelerate new economic drivers, such as the addition of new housing, universities, innovation, and other catalytic projects	\$400,000	\$25,200,000	\$25,200,000	\$25,000,000	\$0	\$75,800,000
Public Realm Boost the quality & quantity of parks & open spaces across Downtown D.C., through funding for improvements & ongoing maintenance	\$7,100,000	\$15,800,000	\$15,800,000	\$13,300,000	\$2,500,00	\$54,500,000
Office Attract & retain office users, including an expansion to the Vitality Fund	\$0	\$15,000,000	\$15,000,000	\$15,000,000	\$0	\$45,000,000
Residential Make Downtown D.C. more attractive for residents through new household retail, services, & amenities, as well as an examination of areas where modest changes to the Height Act can yield dramatic improvements to housing opportunities & affordability	\$1,200,000	\$13,000,000	\$13,000,000	\$13,000,000	\$0	\$40,200,000
Economic Evolution Kickstart the growth & expansion of the District economy, including incentives, a soft landing program, & increased business attraction staffing capacity	\$5,008,000	\$15,341,000	\$7,517,000	\$3,684,000	\$350,000	\$31,900,000

Implementation

Annual District Investment

Vision Element	Annual District Investment					District Investment FY25–FY29
	FY25	FY26	FY27	FY28	FY29	
Public Safety A breadth of public safety-related initiatives, including dedicated spaces to bring first responders into the Downtown community & new resources to supplement MPD efforts	\$6,500,000	\$11,666,000	\$11,667,000	\$1,667,000	\$0	\$31,500,000
Retail Support retail users in Downtown D.C., including grants for short-term & pop-up concepts as well as long-term tenants	\$6,666,000	\$6,666,000	\$6,668,000	\$0	\$0	\$20,000,000
Transportation Improve the multi-modal accessibility of Downtown D.C. for pedestrians, transit riders, and drivers alike	\$3,650,000	\$2,925,000	\$2,925,000	\$0	\$0	\$9,500,000
Education A dedicated team & marketing efforts to facilitate the transformation of Downtown D.C. into a global learning hub	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000
Supports for All the Above	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$7,500,000
Total	\$38,944,000	\$132,248,000	\$125,427,000	\$91,551,000	\$12,850,000	\$401,020,000
Grants (Studies & Operational Capacity)	\$7,220,000	\$2,800,000	\$2,800,000	\$2,600,000	\$2,350,000	\$17,770,000
Grants (Investments)	\$22,574,000	\$93,498,000	\$85,677,000	\$68,501,000	\$10,500,000	\$280,750,000
Capital Investments	\$9,150,000	\$35,950,000	\$36,950,000	\$20,450,000	\$0	\$102,500,000

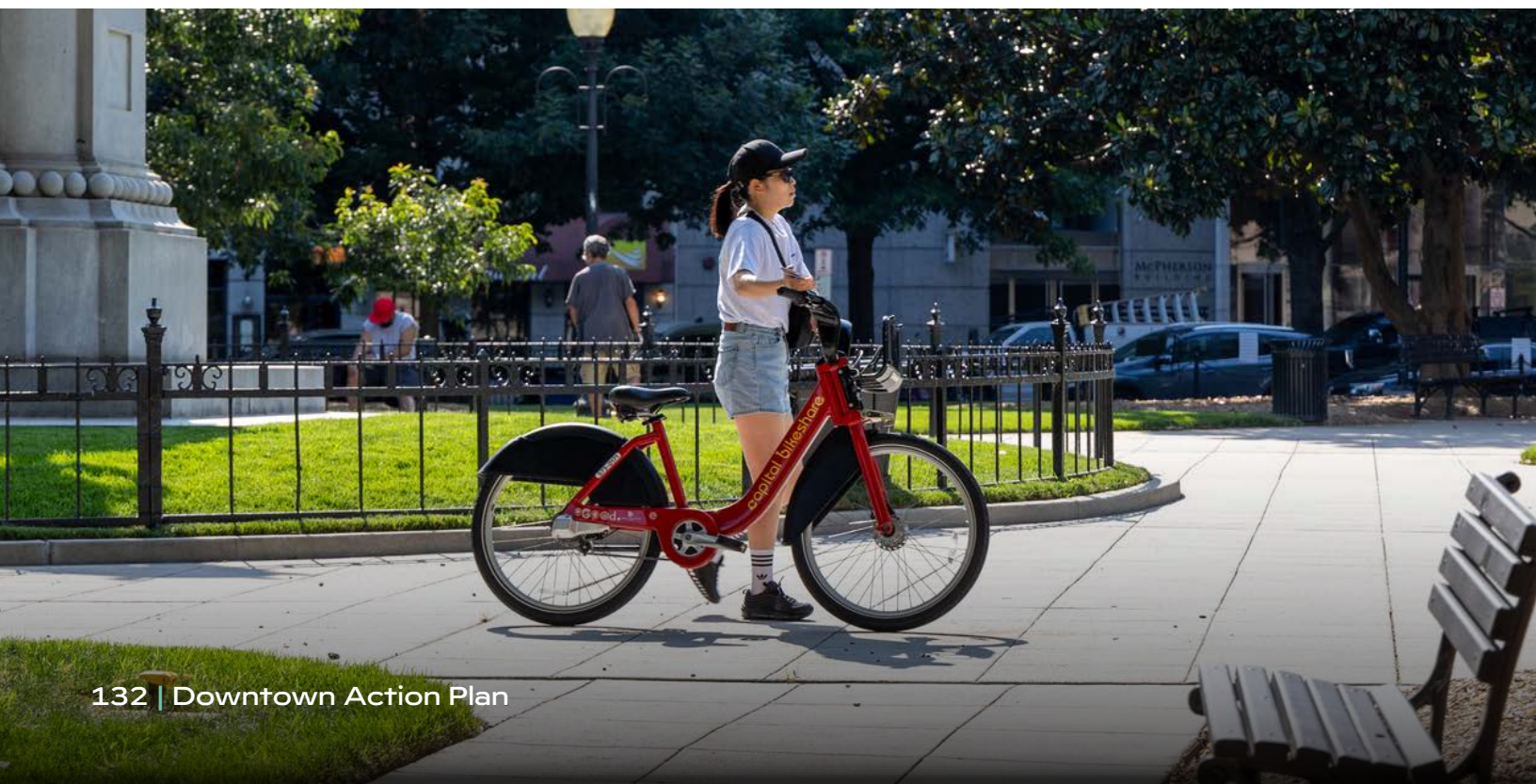
Implementation

As shown in the table above, these near-term investments total \$401 million on top of already committed funds. For more information on the investments included in each category, please see **Appendix on Page 138**. In addition to, and concurrent with, these investments, the Downtown Action Plan recommends that the District (1) follow through with its plan to invest \$515 million in the modernization of Capital One Arena on the 3-year time horizon outlined in Mayor Bowser's Proposed FY25 Budget and Financial Plan, (2) expedite and streamline the implementation of the HID Program, and (3) work to create responsible, sustainable, and dedicated funding for the District's and the region's Metro Rail and Bus system.

Another key consideration involves the funding approach for the recommended investments. Ideally, financial resources should derive from the capital budget, supplemented by the prudent utilization of the District's capital reserves. Additionally, the District should explore

other creative allocation strategies that could provide the necessary flexibility to ensure necessary investments are fully funded. For example, the District could consider leveraging select revenue streams currently associated with the Ballpark Revenue Fund following the maturity of the Nationals Park revenue bond, assuming the entirety of those revenue streams are not redirected into a maintenance fund at that time.

Finally, it is also important to acknowledge the cautious fiscal management that has defined the District's approach to growth and development in recent years. This approach includes adhering to a 12% cap on tax-and fee-supported debt, underscoring a commitment to maintaining a favorable bond rating. Given the urgency of this moment, revisiting the debt cap may be necessary to capitalize on the transformative potential of the recommended investments.



Role of Federal Government

In many cases, the success of the Downtown Action Plan hinges on a productive working relationship between the federal government and the District. The federal government's influence extends over crucial aspects of the built environment of Downtown D.C., most notably in the areas of parks, public buildings, and building height regulations. In each of these areas, collaboration between the federal government and the District is necessary to bring the vision of this plan to fruition.

Parks

The federal government's control over more than 70% of parks in Downtown D.C. necessitates extensive collaboration between the District government, NPS, and local stakeholders, greatly slowing the pace and potential universe of programs and improvements. For most parks in Downtown D.C., the contribution of NPS oversight and control in comparison to local management by the District is unclear. Entrusting the District with greater control and funding for these green spaces offers an opportunity to unlock their full potential as contributors to a more vibrant public realm, but also would require a sustainable maintenance plan, with clear delineation of responsibilities and long-term funding commitments to cover operating costs. In addition, the federal

government can actively contribute their own activation concepts and amenitization strategies for park spaces they control, or cede that control through existing means such as a long term lease or 'Transfer of Administrative Jurisdiction'. More engaged and dynamic NPS programming, or simply less NPS oversight, is a viable pathway to creating a Downtown D.C. that thrives not only as a commercial hub but as a welcoming and lively urban environment, a fitting home for the federal government.

Building Height

Federal control over building height regulations, primarily through the Height of Buildings Act, has been instrumental in shaping the Downtown D.C. that exists today. While the goal of preserving the Monumental Core viewshed has historically guided building heights across the District, evolving market dynamics suggest additional considerations may be necessary. Acknowledging the changing times and recognizing the imperative to enhance the dynamism of the urban core, revisiting the Height of Buildings Act must be a priority. Collaborative efforts between the District and the federal government can strike a balance between preserving the civic and political importance conveyed by the Monumental Core and unleashing the potential for permeable

Implementation

and attractive mixed-use development. D.C. can meet the evolving needs and aspirations of its Downtown while maintaining a respectful and thoughtful approach to its architectural legacy.

Federal Assets

Collaborating closely with the federal government is also paramount with regard to the repositioning of underutilized federal assets in Downtown D.C. Working hand-in-hand, the District and federal agencies can capitalize on market dynamics, ensuring that these assets

are reintroduced at opportune moments that maximize their impact on Downtown's economic trajectory.

The successful implementation of the Downtown Action Plan depends on forging a robust partnership between the federal government and the District, recognizing their shared stewardship over critical elements of Downtown D.C.'s urban fabric. Both the federal government and the District stand to benefit immensely from a more resilient, dynamic, and inclusive urban center.



Conclusion

08

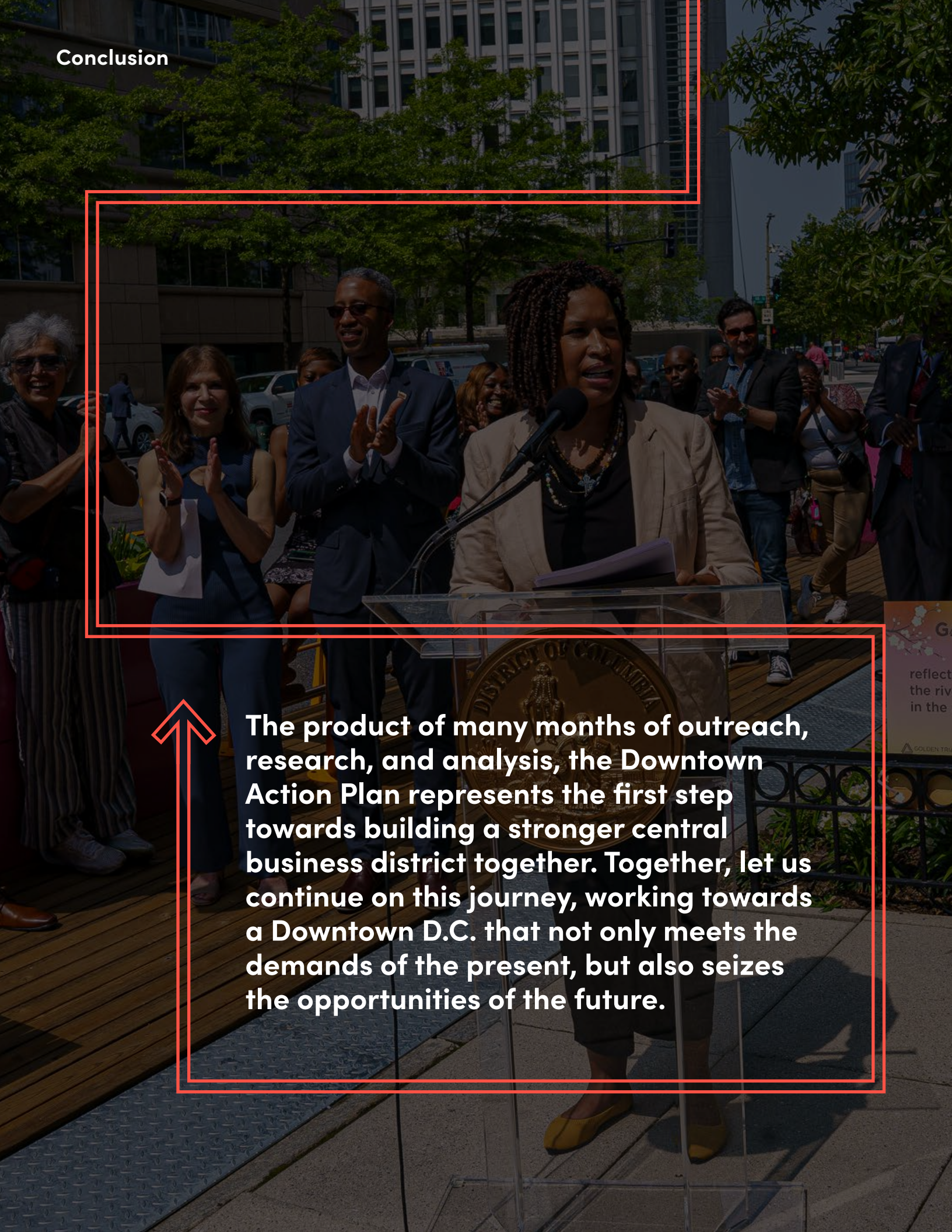
Conclusion

More than ever before, it is imperative the District act upon a planning goal with which it has long grappled: The creation of a more dynamic and mixed-use central business district. Many obstacles stand in the way of this effort, ranging from competition for local resources to support from federal partners. However, inaction is not an option. In the aftermath of the pandemic, Downtown D.C. has experienced an exodus of employees, and the submarket has not added residents and visitors at a fast enough pace to offset this change. As a result, Downtown D.C. generates a fraction of the activity it once did, and the resulting loss of tax revenue poses a significant fiscal threat to the District.

As the primary central business district for the region, Downtown D.C. is a vital contributor to the overall fiscal health of the District. However, the pandemic has jeopardized this positioning. Some revenue streams—such as sales taxes—have stabilized in recent years, giving the false appearance of a recovery at a time when other larger revenue streams—such as commercial property taxes—remain at risk. While the District budget may not reflect dramatic year-to-year changes, it masks ongoing, dire fiscal trends that could be corrected by targeted investments and interventions. In this regard, the District must not miss the forest for the trees. A failure to act in the near-term risks further entrenching the decline of Downtown D.C.’s economic vitality and fiscal importance.

The Downtown Action Plan outlines an ambitious agenda to reverse this paradigm, not only bringing Downtown D.C. back to where it was before the pandemic, but taking it even further—more inviting, more mixed-use, and more resilient than ever before. The five foundational elements and five key nodes reflect a framework through which the District can turn this vision into a reality. Through the full set of interventions for these foundational elements and key nodes, Downtown D.C. has the potential to generate \$334 million more in annual tax revenue than it does today, as well as \$528 million more than it would without intervention. By doubling down on efforts to improve business, housing, public safety, and transportation conditions across the entirety of Downtown D.C., the District can lay the groundwork for the creation of more vibrant neighborhoods. At the same time, strategic and targeted investments in these neighborhoods can create more appealing and authentic places for its residents and visitors to live, work, and play. Finally, the key to any progress is a plan to “make it happen,” which requires collective buy-in and ongoing collaboration between the District and all its various stakeholders and partners.

Conclusion

A woman with braided hair, wearing a light-colored blazer, stands at a clear acrylic podium with the District of Columbia seal. She is speaking into a microphone. Behind her, a diverse group of people are clapping and smiling. The event is taking place outdoors on a wooden boardwalk with city buildings and trees in the background.

The product of many months of outreach, research, and analysis, the Downtown Action Plan represents the first step towards building a stronger central business district together. Together, let us continue on this journey, working towards a Downtown D.C. that not only meets the demands of the present, but also seizes the opportunities of the future.

Appendix

09

Visitors

Up to \$97,505,000 in Annual Tax Revenue to be Gained

TOTAL (excluding all funds already committed)

FY25 \$6,420,000	FY26 \$24,650,000	FY27 \$25,650,000	FY28 \$17,900,000	FY29 \$8,000,000	5 Year Total \$82,620,000
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#1 Creating a Place of Choice to Locate and Do Business

Action | Implement Events Funding

Dedicate funding for recurring events, public art, and activations that require road closures & security requirements, including funding for mobile barriers & other temporary infrastructure.

FY25 \$1,500,000	FY26 \$3,000,000	FY27 \$3,000,000	FY28 \$3,000,000	FY29 \$3,000,000	5 Year Total \$13,500,000
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#2 Historic Green Triangle

Action | Coordinate improvements of east-west corridors and historic green spaces with the OP Public Realm Plan

Design and implement initial improvements outlined in the OP Public Realm Plan to the parks and roadways that are located within the Historic Green Triangle, including connecting Farragut Square and McPherson Square via a green boulevard.

FY25 \$1,500,000	FY26 \$6,750,000	FY27 \$6,750,000	FY28 \$0	FY29 \$0	5 Year Total \$15,000,000
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#3 Historic Green Triangle

Action | Implement streetscape improvements of 800-900 blocks of Connecticut and Vermont Avenues

Design and implement streetscape improvements along the 800-900 blocks of Connecticut and Vermont Avenues, with the goal of creating a more seamless pedestrian experience from Farragut Square and McPherson Square.

FY25 \$1,250,000	FY26 \$4,250,000	FY27 \$4,250,000	FY28 \$4,250,000	FY29 \$0	5 Year Total \$14,000,000
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Appendix

#4 Downtown West

Action | Develop Cultural Plan

Complete a cultural master plan to guide the development of a new cultural district between 15th and 19th Streets. This comprehensive plan will serve as a guiding framework, identifying a cultural partner and then systematically outlining the integration of other institutions and supportive infrastructure.

FY25 \$120,000	FY26 \$0	FY27 \$0	FY28 \$0	FY29 \$0	5 Year Total \$120,000
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#5 Downtown West

Action | Create a cultural anchor through direct public investment and attraction of an arts group

Following the identification of a cultural partner through the cultural master plan, the District should provide funding to support the partner in its efforts to invest in a viable site within Downtown West.

FY25 \$0	FY26 \$5,000,000	FY27 \$5,000,000	FY28 \$5,000,000	FY29 \$5,000,000	5 Year Total \$20,000,000
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#6 Downtown West

Action | Create 17th Street Corridor

Reimagine the 17th Street corridor from K Street to Massachusetts Avenue as a key connection from the White House to residential neighborhoods and cultural attractions to the north, starting with funding to plan, design, and construct streetscape improvements along this key throughfare.

FY25 \$1,800,000	FY26 \$5,400,000	FY27 \$5,400,000	FY28 \$5,400,000	FY29 \$0	5 Year Total \$18,000,000
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#7 Penn West Equity, Innovation, and University District

Action | Complete Penn West Streetscape Improvements

Complete Penn West streetscape improvements, which are already funded and construction ready, and implement international cultural and arts activations to draw tourists from the White House.

FY25 \$0	FY26 \$0	FY27 \$1,000,000	FY28 \$0	FY29 \$0	5 Year Total \$1,000,000
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Appendix

#8 Penn Quarter/Chinatown

Action | Facilitate Penn Quarter Arts/Culture District Branding

Market Penn Quarter as an arts, culture, and entertainment district, working with businesses in community to create cohesive branding strategy.

FY25 \$250,000	FY26 \$250,000	FY27 \$250,000	FY28 \$250,000	FY29 \$0	5 Year Total \$1,000,000
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New Catalysts

Up to \$131,137,000 in Annual Tax Revenue to be Gained

TOTAL (excluding all funds already committed)

FY25 \$400,000	FY26 \$25,200,000	FY27 \$25,200,000	FY28 \$25,000,000	FY29 \$0	5 Year Total \$75,800,000
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#1 Making it Happen

Action | Help the market repurpose obsolete office buildings and pursue catalytic development projects

Provide development grants to help the market repurpose obsolete office buildings and pursue catalytic development projects. Investments be used to support key efforts in the Downtown Action Plan, such as adding housing units or supporting new university users

FY25 \$0	FY26 \$25,000,000	FY27 \$25,000,000	FY28 \$25,000,000	FY29 \$0	5 Year Total \$75,000,000
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#2 Downtown West

Action | Develop targeted block redevelopment plan

Develop a targeted block redevelopment plan for distressed assets in and around Downtown West. This plan should identify strategies and locations for the aggregation and redevelopment of obsolete assets into more productive uses, such as housing and hospitality.

FY25 \$200,000	FY26 \$0	FY27 \$0	FY28 \$0	FY29 \$0	5 Year Total \$200,000
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Appendix

#3 Downtown East

Action | Conduct a comprehensive evaluation of publicly owned assets

Develop a plan for the prioritization of public property dispositions, reevaluating long-term federal space needs. Assets worth specific consideration include the FBI building, 2 Mass Ave NE, and the Government Printing Office.

FY25 \$200,000	FY26 \$200,000	FY27 \$200,000	FY28 \$0	FY29 \$0	5 Year Total \$600,000
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Public Realm

Up to \$21,335,000 in Annual Tax Revenue to be Gained

TOTAL (excluding all funds already committed)

FY25 \$7,100,000	FY26 \$15,800,000	FY27 \$15,800,000	FY28 \$13,300,000	FY29 \$2,500,000	5 Year Total \$54,500,000
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#1 Historic Green Triangle

Action | Implement McPherson Square Improvements

Design, fund, and implement improvements to McPherson Square to activate and amenitize it.

FY25 \$1,000,000	FY26 \$2, 500,000	FY27 \$2, 500,000	FY28 \$0	FY29 \$0	5 Year Total \$6,000,000
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#2 Historic Green Triangle

Action | Support ongoing operations and maintenance of parks in the Historic Green Triangle

Support ongoing maintenance and operations of Farragut Square, McPherson Square, and Franklin Park, with dedicated funding to be matched by the DowntownDC and Golden Triangle BIDs at an agreed upon rate

FY25 \$1,700,000	FY26 \$1,700,000	FY27 \$1,700,000	FY28 \$1,700,000	FY29 \$1,700,000	5 Year Total \$8,500,000
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Appendix

#3 Penn West Equity, Innovation, and University District

Action | Support ongoing operations and maintenance of parks in the Penn West Equity, Innovation, and University District

Support ongoing maintenance and operations of Farragut Square, McPherson Square, and Franklin Park, with dedicated funding to be matched by the DowntownDC and Golden Triangle BIDs at an agreed upon rate.

FY25	FY26	FY27	FY28	FY29	5 Year Total
\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000

#4 Penn Quarter/Chinatown

Action | Calm vehicular traffic on 400 & 500 blocks of 8th Street

Fund planning for streetscape improvements along the 400 and 500 blocks of 8th Street, as envisioned in the OP Public Realm Plan for Cultural Commons.

FY25	FY26	FY27	FY28	FY29	5 Year Total
\$500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0	\$5,000,000

#5 Penn Quarter/Chinatown

Action | Transform the hardscape along F Street between 7th & 9th Streets

Fund planning for hardscape improvements along F Street between 7th and 9th streets. This stretch of F Street is a particularly compelling location for a living street, capable of being shut down to vehicular traffic on event days or for special occasions.

FY25	FY26	FY27	FY28	FY29	5 Year Total
\$500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0	\$5,000,000

#6 Penn Quarter/Chinatown

Action | Implement streetscape improvements along 7th Street

Fund planning for improvements to pedestrian infrastructure along 7th Street, to bring it in line with the recommendations offered in the Gallery Place-Chinatown Corridor Study.

FY25	FY26	FY27	FY28	FY29	5 Year Total
\$500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0	\$5,000,000

Appendix

#7 Downtown East

Action | Implement improvements to John Marshall Park
Fully fund and begin the reconstruction of John Marshall Park.

FY25 \$1,500,000	FY26 \$4,500,000	FY27 \$4,500,000	FY28 \$4,500,000	FY29 \$0	5 Year Total \$15,000,000
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#8 Downtown East

Action | Implement improvements to other parks in and around Downtown East
Identify other parks in and around Downtown East, such as U.S. Tax Court Park and Cobb Park, that could help increase opportunities for green and open space in or adjacent to the node. Fund and begin reconstruction on these parks as identified.

FY25 \$600,000	FY26 \$1,800,000	FY27 \$1,800,000	FY28 \$1,800,000	FY29 \$0	5 Year Total \$6,000,000
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#9 Downtown East

Action | Support ongoing operations & maintenance of parks in Downtown East
Support ongoing maintenance and operations of John Marshall Park and any additional redeveloped parks (e.g., Cobb Park), with dedicated funding to be matched by the BIDs at an agreed upon rate.

FY25 \$650,000	FY26 \$650,000	FY27 \$650,000	FY28 \$650,000	FY29 \$650,000	5 Year Total \$3,250,000
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Office

Up to \$47,560,000 in Annual Tax Revenue to be Gained

TOTAL (excluding all funds already committed)

FY25 \$0	FY26 \$15,000,000	FY27 \$15,000,000	FY28 \$15,000,000	FY29 \$0	5 Year Total \$45,000,000
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Appendix

#1 Creating a Place of Choice to Locate & Do Business

Action | Expand & improve the structure of the Vitality Fund

By expanding the Vitality Fund and loosening or removing eligibility requirements, the District can support a broader assortment of businesses, helping to retain office occupancy. A portion of the fund should also be set aside for small businesses, many of which could increase in size with the right support.

FY25 \$0	FY26 \$15,000,000	FY27 \$15,000,000	FY28 \$15,000,000	FY29 \$0	5 Year Total \$45,000,000
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Residential

Up to \$76,301,000 in Annual Tax Revenue to be Gained

TOTAL (excluding all funds already committed)

FY25 \$1,200,000	FY26 \$13,000,000	FY27 \$13,000,000	FY28 \$13,000,000	FY29 \$0	5 Year Total \$40,200,000
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#1 Building a Residential Base

Action | Outline areas for modest increases of caps in Height Act to maximize affordable housing opportunities

Develop report to identify areas for modest increases to the Height Act.

FY25 \$200,000	FY26 \$0	FY27 \$0	FY28 \$0	FY29 \$0	5 Year Total \$200,000
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#2 Building a Residential Base

Action | Provide incentives to encourage residential amenities

Define goals for household services and social infrastructure, such as grocery stores, recreation centers, daycare centers, senior housing/services, and parks, and establish a grant program to encourage the creation of residential amenities necessary to support a growing household base.

FY25 \$1,000,000	FY26 \$13,000,000	FY27 \$13,000,000	FY28 \$13,000,000	FY29 \$0	5 Year Total \$40,000,000
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Economic Evolution

Up to \$10,774,000 in Annual Tax Revenue to be Gained

TOTAL (excluding all funds already committed)

FY25 \$5,008,000	FY26 \$13,674,750	FY27 \$5,849,750	FY28 \$5,350,750	FY29 \$2,016,750	5 Year Total \$31,900,000
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#1 Creating a Place of Choice to Locate & Do Business

Action | Increase business attraction and relocation lead staffing capacity

Increase staff capacity for business attraction and retention , and align attraction and incentive efforts around target industry clusters as identified in the Comeback Plan. Part of these efforts should also involve expanded messaging of the relevant point-person(s) for business-related inquiries.

FY25 \$350,000	FY26 \$350,000	FY27 \$350,000	FY28 \$350,000	FY29 \$350,000	5 Year Total \$1,750,000
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#2 Creating a Place of Choice to Locate & Do Business

Action | Define & Promote D.C. Business Attraction Marketing

Develop a new, streamlined, and targeted marketing plan for firms in key industry sectors, and organize pitch trips to proactive engage with prospects. Key pieces of the marketing plan include a clear definition of the value proposition of Downtown D.C. for these firms, as well as goals and a schedule.

FY25 \$200,000	FY26 \$0	FY27 \$0	FY28 \$0	FY29 \$0	5 Year Total \$200,000
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Appendix

#3 Creating a Place of Choice to Locate & Do Business

Action | Define and Promote D.C. Real Estate Investment Marketing

Develop a new, streamlined, and targeted marketing plan for real estate firms and investors with specialty areas related to Downtown Action Plan interventions. Similar to the marketing plan for firms in key industry sectors, this plan should include clear goals and a schedule.

FY25 \$200,000	FY26 \$0	FY27 \$0	FY28 \$0	FY29 \$0	5 Year Total \$200,000
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#4 Penn West Equity, Innovation, and University District

Action | Support launch and growth of the District's soft landing program to attract international companies

Support expansion and scaling up of soft landing offerings, including subsidized rent for new entrants to the DC market and incentives to help international companies grow, stay in the District, and hire DC residents as they expand.

FY25 \$3,333,000	FY26 \$1,666,750	FY27 \$1,666,750	FY28 \$1,666,750	FY29 \$1,666,750	5 Year Total \$10,000,000
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#5 Creating a Place of Choice to Locate & Do Business

Action | Consider additional incentives to make tech attraction more competitive

Expand the incentive toolkit to better meet the needs of startups and entrepreneurs. By adding seed funds, grants, equity investments, and rent subsidies for small businesses, the District can help increase its appeal to these businesses, as well as its competitiveness relative to other area jurisdictions.

FY25 \$0	FY26 \$3,333,000	FY27 \$3,333,000	FY28 \$3,334,000	FY29 \$0	5 Year Total \$10,000,000
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Appendix

#6 Penn West Equity, Innovation, and University District

Action | Create an innovation hub

Deliver the Penn West Global Innovation Hub. In partnership with an established operator, the Global Innovation Hub can offer space for entrepreneurs to launch their business concepts in Downtown D.C., with layers of complementary programming.

FY25 \$925,000	FY26 \$8,325,000	FY27 \$500,000	FY28 \$0	FY29 \$0	5 Year Total \$9,750,000
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Public Safety

Up to \$28,078,000 in Annual Tax Revenue to be Gained

TOTAL (excluding all funds already committed)

FY25 \$6,500,000	FY26 \$11,666,000	FY27 \$11,667,000	FY28 \$1,667,000	FY29 \$0	5 Year Total \$31,500,000
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#1 Anchoring Downtown's Comeback in Public Safety

Action | Expanding funding of Safe Commercial Corridor Grants Program

Expand budgeted resources for the Safe Commercial Corridor Grant Program to fund safety ambassadors, camera technology, and other interventions focused on deterrence and order.

FY25 \$5,000,000	FY26 \$5,000,000	FY27 \$5,000,000	FY28 \$0	FY29 \$0	5 Year Total \$15,000,000
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#2 Anchoring Downtown's Comeback in Public Safety

Action | Implement a rental subsidy for public safety employees

Expand the existing Housing Assistance program within MPD to incentivize long-term relocation of public employees to Downtown D.C. Increased funding and incentive amounts can help encourage MPD officers to become members of the Downtown D.C. community.

FY25 \$0	FY26 \$1,666,000	FY27 \$1,667,000	FY28 \$1,667,000	FY29 \$0	5 Year Total \$5,000,000
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Appendix

#3 Anchoring Downtown's Comeback in Public Safety

Action | Establish two Neighborhood Safety Centers

Establish two public safety stations to enhance MPD, DBH, FEMS, and other first responder coordination and coverage. The creation of two locations can help ensure consistent coverage across Downtown D.C., with one location to the west of 16th Street and another in or near Penn Quarter / Chinatown.

FY25 \$0	FY26 \$5,000,000	FY27 \$5,000,000	FY28 \$0	FY29 \$0	5 Year Total \$10,000,000
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#4 Anchoring Downtown's Comeback in Public Safety

Action | Public safety environmental audits of public space

Conduct a lighting assessment for Downtown D.C. and incorporate additional lighting as necessary, particularly in alleys, smaller streets, parking garage entrances, and other problem areas.

FY25 \$500,000	FY26 \$0	FY27 \$0	FY28 \$0	FY29 \$0	5 Year Total \$500,000
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#5 Downtown East

Action | Planning assistance for CCNV

Provide the Community for Creative Non-Violence (CCNV) with planning assistance to develop an alternative to its existing building, with the goals of ensuring it meets the needs of the people it serves and improving its integration within the broader Downtown East node.

FY25 \$1,000,000	FY26 \$0	FY27 \$0	FY28 \$0	FY29 \$0	5 Year Total \$1,000,000
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Retail

Up to \$13,617,000 in Annual Tax Revenue to be Gained

TOTAL (excluding all funds already committed)

FY25 \$6,666,000	FY26 \$6,666,000	FY27 \$6,668,000	FY28 \$0	FY29 \$0	5 Year Total \$20,000,000
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Appendix

#1 Creating a Place of Choice to Locate & Do Business

Action | Create new grant program for pop-up & short-term retail

Create a new grant program for pop-up and short-term retail, including arts and creative uses. This program should initially focus on the Downtown West and Penn Quarter / Gallery Place nodes, given the elevated vacancy rates these areas are facing today.

FY25 \$3,333,000	FY26 \$3,333,000	FY27 \$3,334,000	FY28 \$0	FY29 \$0	5 Year Total \$10,000,000
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#2 Creating a Place of Choice to Locate & Do Business

Action | Expand FY24 Retail Recovery Grant program

Expand the Retail Recovery grant program to provide support for long-term businesses, and adapt the implementation of the program based on feedback from the initial FY 2024 launch. To start, efforts to use this program to boost retail occupancies should be concentrated on corridors with high existing vacancies.

FY25 \$3,333,000	FY26 \$3,333,000	FY27 \$3,334,000	FY28 \$0	FY29 \$0	5 Year Total \$10,000,000
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Transportation

Up to \$24,599,000 in Annual Tax Revenue to be Gained

TOTAL (excluding all funds already committed)

FY25 \$3,650,000	FY26 \$2,925,000	FY27 \$2,925,000	FY28 \$0	FY29 \$0	5 Year Total \$9,500,000
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#1 Planning for Transportation as an Asset

Action | Establish a comprehensive transportation vision for Downtown D.C.

Create a long-term transportation plan for Downtown D.C. that delineates modal hierarchies of streets. Prior to the completion of the plan, it may be necessary for the District to pause projects that are still in early planning phases, to ensure all modes are incorporated into a holistic vision.

FY25 \$2,000,000	FY26 \$0	FY27 \$0	FY28 \$0	FY29 \$0	5 Year Total \$2,000,000
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Appendix

#2 Planning for Transportation as an Asset

Action | Revisit on-street parking demand management program

Install smart parking meters and sensors to allow for dynamic pricing to ensure turnover and availability for on-street parking.

FY25 \$0	FY26 \$1,250,000	FY27 \$1,250,000	FY28 \$0	FY29 \$0	5 Year Total \$2,500,000
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#3 Planning for Transportation as an Asset

Action | Create common platform for off-street parking management

Create a common platform for off-street parking management to improve utilization of off-street garages. To be successful, such a platform will require a coordinated pricing strategy, consistent operating hours, and clear marketing, which may necessitate some level of operating subsidies to support.

FY25 \$1,650,000	FY26 \$1,675,000	FY27 \$1,675,000	FY28 \$0	FY29 \$0	5 Year Total \$5,000,000
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Education

Up to \$76,848,000 in Annual Tax Revenue to be Gained

TOTAL (excluding all funds already committed)

FY25 \$500,000	FY26 \$500,000	FY27 \$500,000	FY28 \$500,000	FY29 \$500,000	5 Year Total \$2,500,000
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#1 Making it Happen

Action | Identify dedicated team for university attraction & coordination

Identify a dedicated university relations liaison to act as the key point person within District government for universities operating in Downtown D.C., and ensure this person has sufficient team and programming support to keep up with recruitment goals and coordination efforts (e.g., marketing, travel, etc.).

FY25 \$500,000	FY26 \$500,000	FY27 \$500,000	FY28 \$500,000	FY29 \$500,000	5 Year Total \$2,500,000
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Supports for All The Above

TOTAL (excluding all funds already committed)

FY25 \$1,500,000	FY26 \$1,500,000	FY27 \$1,500,000	FY28 \$1,500,000	FY29 \$1,500,000	5 Year Total \$7,500,000
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#1 Making it Happen

Action | Identify strategic ombudsman for Downtown D.C.

Identify an individual to assume the role of strategic ombudsman for Downtown D.C., and create a dedicated team to serve as the primary orchestrator for Downtown D.C. within the District government, coordinating and prioritizing projects that require multi-party cooperation. Include funding for consultants, studies, and additional support from outside the District government as well.

FY25 \$1,500,000	FY26 \$1,500,000	FY27 \$1,500,000	FY28 \$1,500,000	FY29 \$1,500,000	5 Year Total \$7,500,000
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Grand Total

FY25 \$38,944,000	FY26 \$130,581,750	FY27 \$123,759,750	FY28 \$93,217,750	FY29 \$14,516,750	5 Year Total \$401,020,000
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