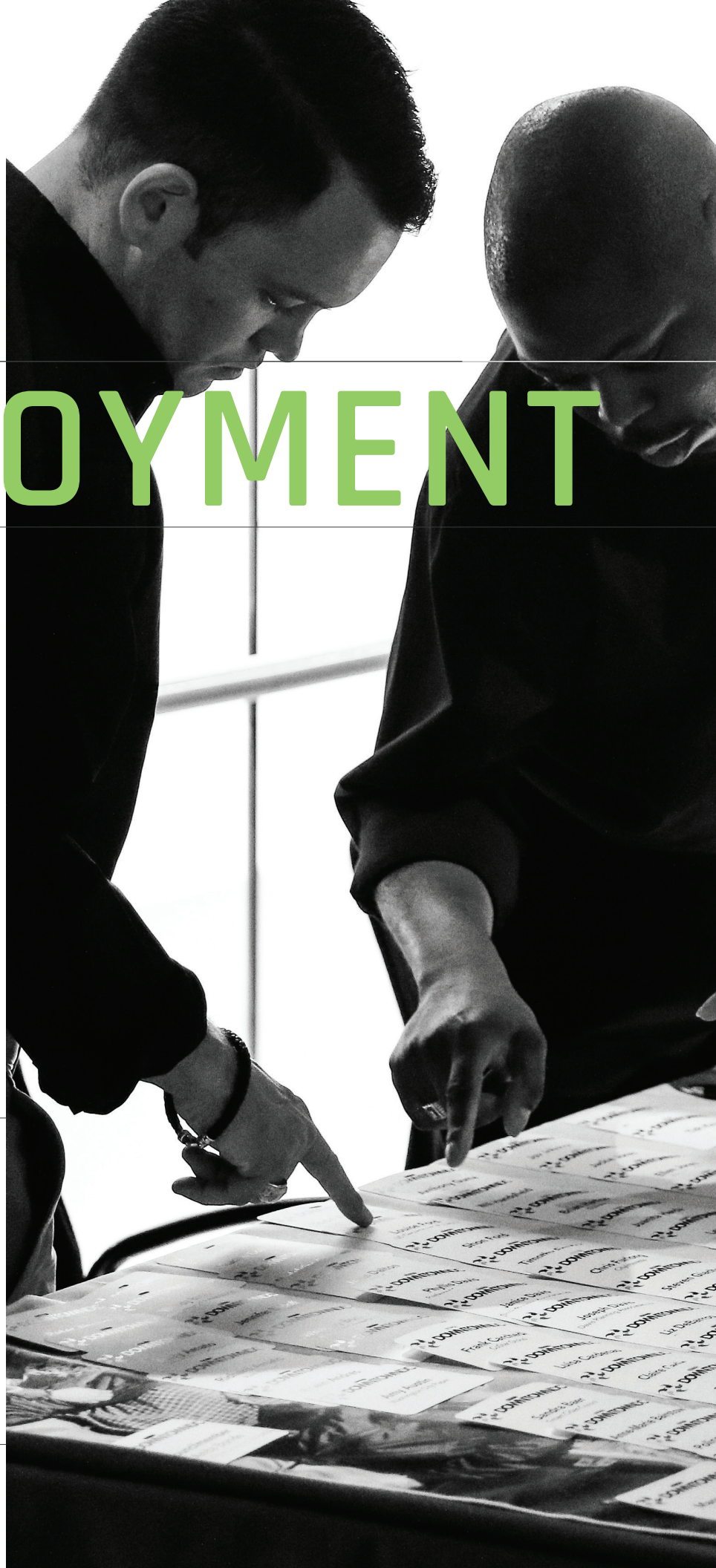


EMPLOYMENT

TOP REGIONAL EMPLOYMENT CENTER

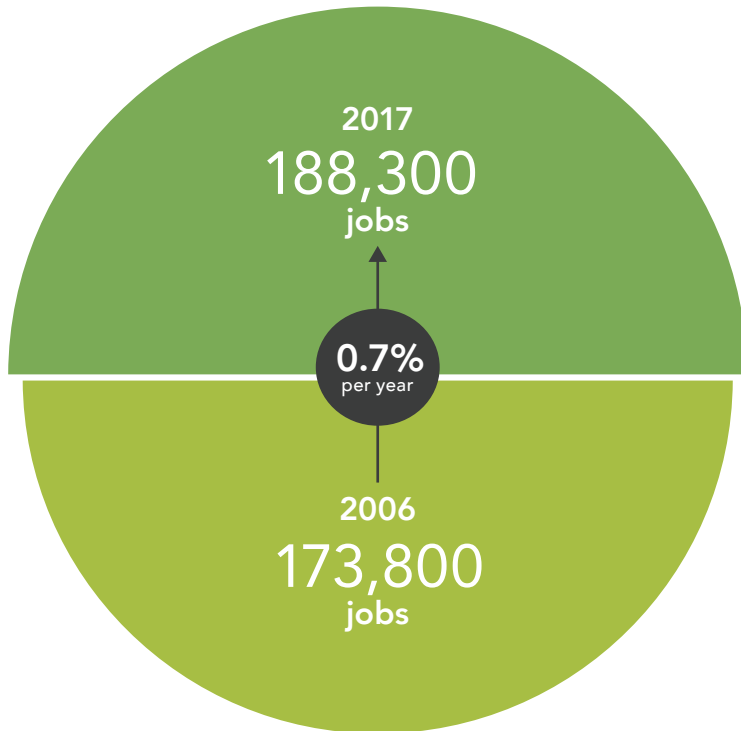
Employment at the end of 2017 in DowntownDC was estimated at 188,300, making DowntownDC the largest employment center in the region and one of the largest in the nation. When the BID was first formed in 1997, DowntownDC was responsible for close to 100% of the of the city's job growth, and today accounts for 11%. DowntownDC employment in 2017 accounted for 23.8% of all District employment and represented 0.4% growth. The District's 2017 job growth of 0.75% was below the 1.8% job growth in Northern Virginia and Suburban Maryland and the 1.6% national job growth.

DOWNTOWNDC
IS HOME TO
24%
OF THE
DISTRICT'S JOBS



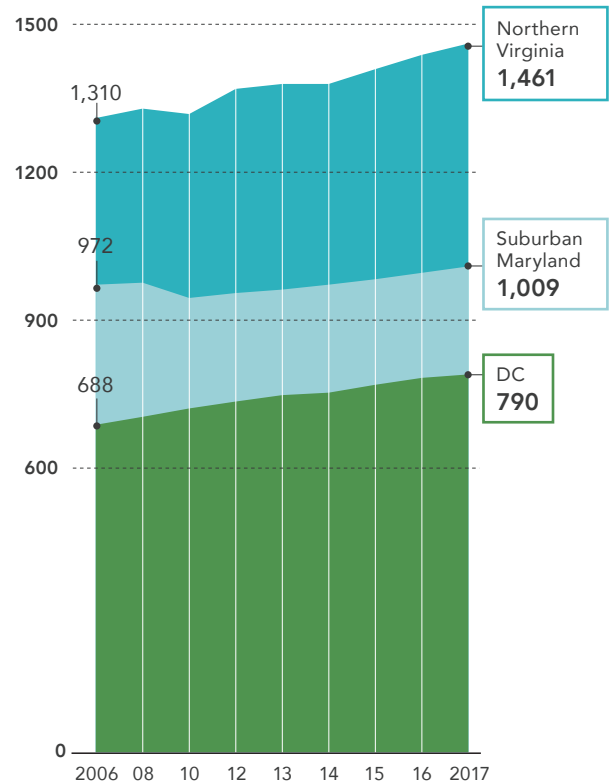
DOWNTOWNDC, DC AND REGIONAL EMPLOYMENT HISTORY

DOWNTOWN DC



DC and Rest of Region

(thousands)



Source: Center for Regional Analysis at George Mason University, U.S. Bureau of Labor Statistics and DowntownDC BID

As DowntownDC approached full build out and relatively flat office space absorption in 2017, employment growth was modest. DowntownDC job growth in 2017 was 800 jobs, or 0.4%, resulting from the combination of an increase in office-using jobs (positive office space absorption of 161,000 square feet), a net of six new restaurants and a few retail openings (Sephora, Uniqlo and Christofle).

**DOWNTOWNDC
REMAINS THE
LARGEST
REGIONAL
EMPLOYMENT
CENTER**

OFFICE EMPLOYMENT COMPETITION

Competing submarkets continue to challenge DowntownDC for office tenants, competing on both cost and amenities. The Federal Election Commission moved from DowntownDC to NoMa in early 2018, the law firm of Fish & Richardson announced plans to relocate to The Wharf and the U.S. Department of Justice plans to move approximately 3,500 employees to NoMa.

In 2017, several major employers planned to move employees into DowntownDC including Fannie Mae, which will add 2,500 employees at their new headquarters in Midtown Center. Three new museums were also due to open in the fall of 2018 and the winter of 2019, bringing additional employment to DowntownDC: the National Law Enforcement Museum, Planet Word and the National Children’s Museum.

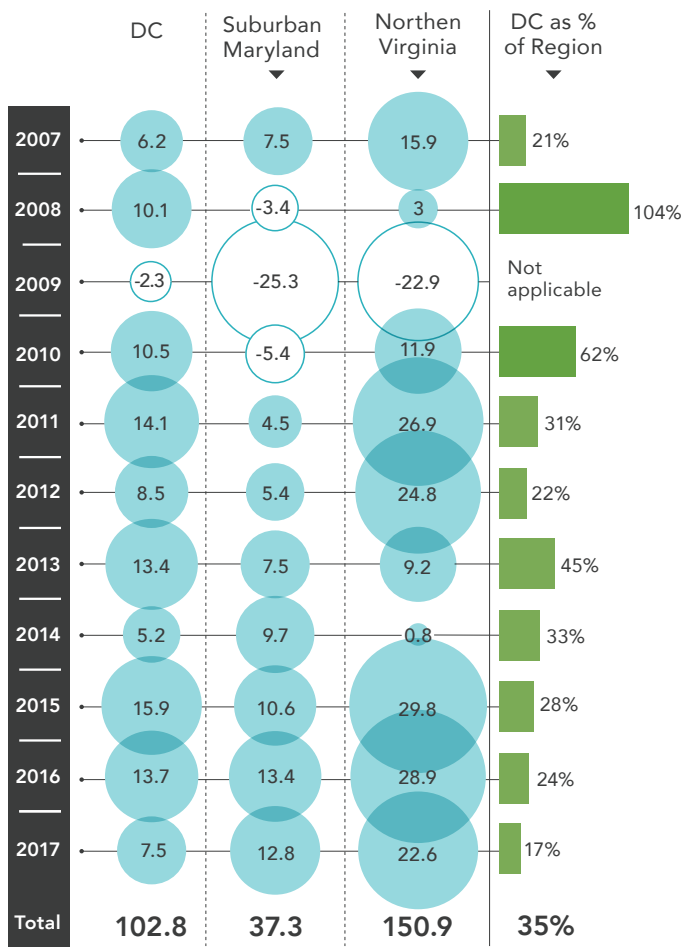
As DowntownDC landlords worked to retain tenants and attract new ones, the District government has

assisted in these efforts. In the technology sector, the District’s tax abatement for Highly Qualified Technology Companies has proven successful. It offers a 0% tax rate for the first 5 years of profitability and a 6% rate thereafter.



DOWNTOWNDC IS HOME TO 8 OF THE TOP 10 LAW FIRMS IN THE REGION

REGIONAL EMPLOYMENT CHANGE HISTORY (thousands)



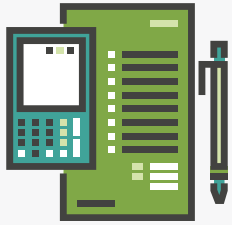
Source: U.S. Bureau of Labor Statistics

DowntownDC in 2017 continued to be home to the largest number of the top 100 law firms in the region. DowntownDC had eight of the top 10 law firms in the region and 41 of the top 100 law firms in the region.

Between 2007 and 2016, DC’s cumulative job growth totaled 38% of the region’s. In 2017, the District’s job growth totaled 17% of the region.

Projections for 2018 and 2019 showed the District accounting for only 12% of the region’s employment growth, compared to DC’s current average 24% share of regional employment.

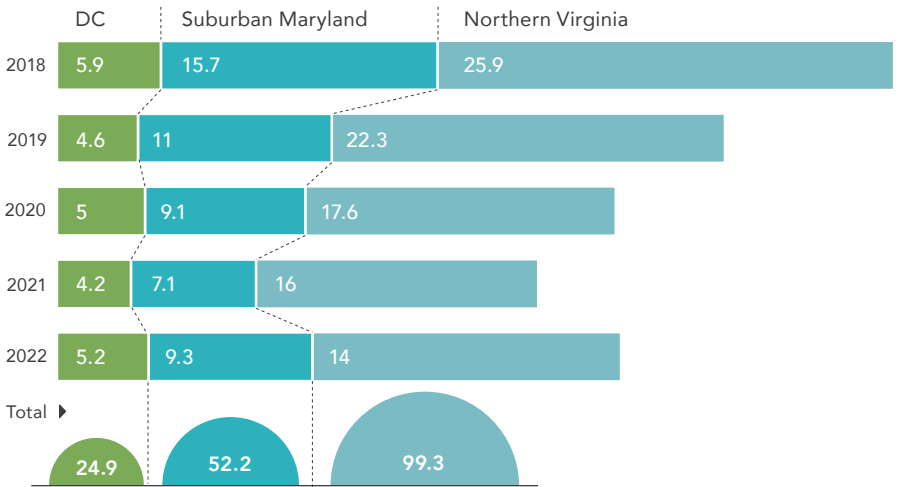




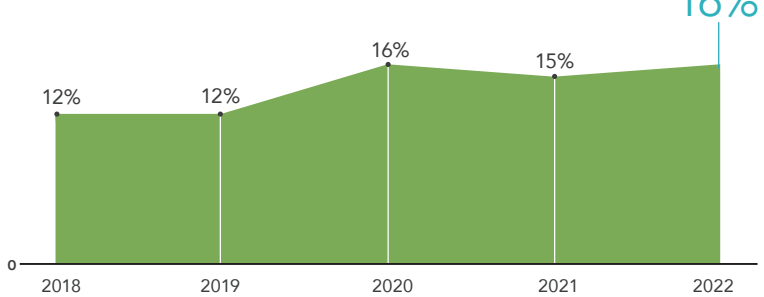
THE CITY'S
TAX
 ABATEMENT
 FOR HIGHLY
 QUALIFIED
TECHNOLOGY
 COMPANIES
 HAS PROVEN
SUCCESSFUL

REGIONAL EMPLOYMENT PROJECTIONS

(thousands)



DC EMPLOYMENT GROWTH AS % OF REGION



Source: The Stephen S. Fuller Institute at the Schar School, George Mason University

