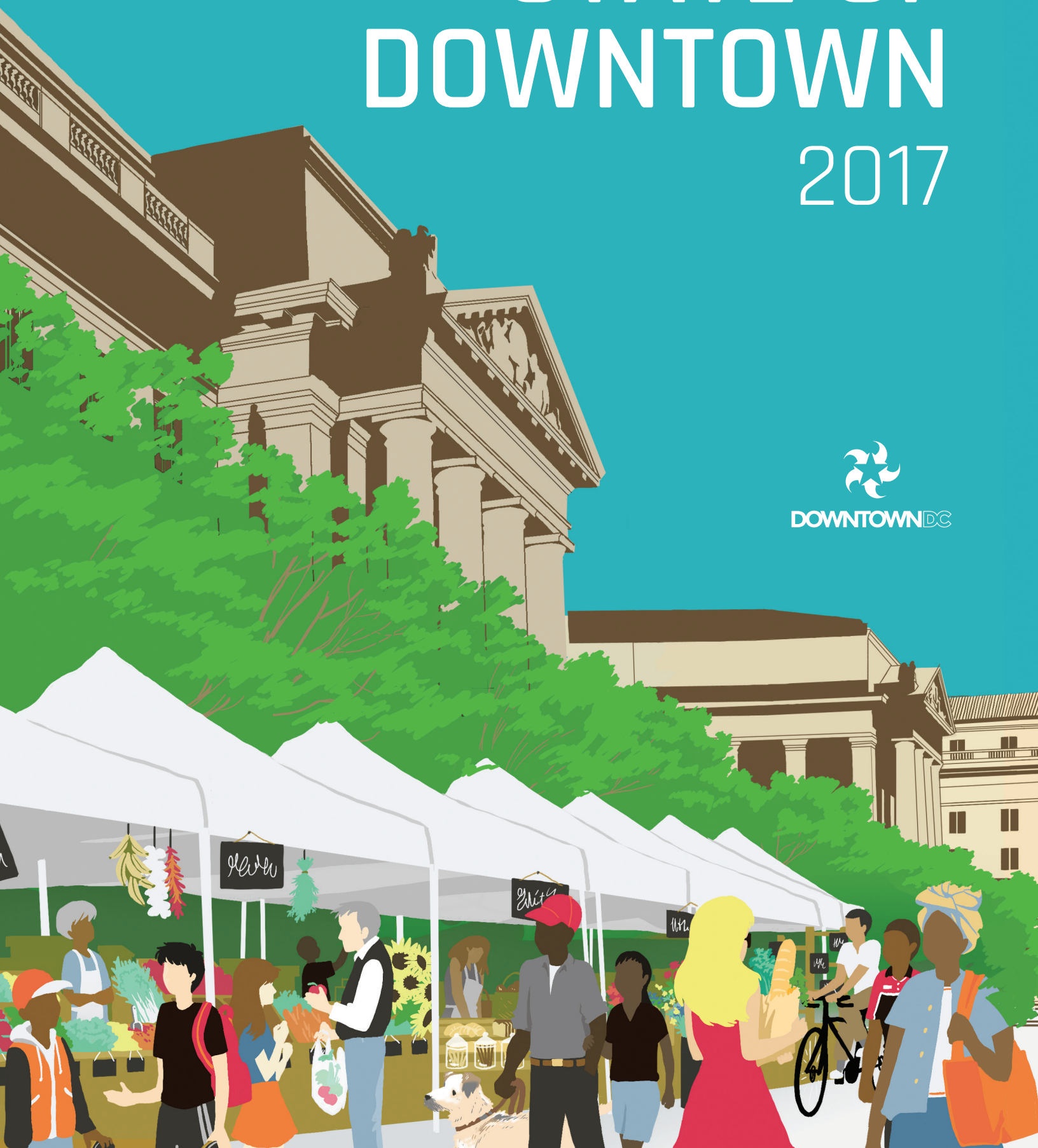


STATE OF DOWNTOWN

2017



DOWNTOWNDC





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

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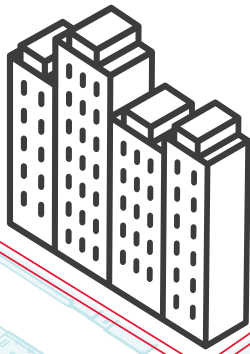
DOWNTOWNDC AT A GLANCE

61



ABOUT THE BID

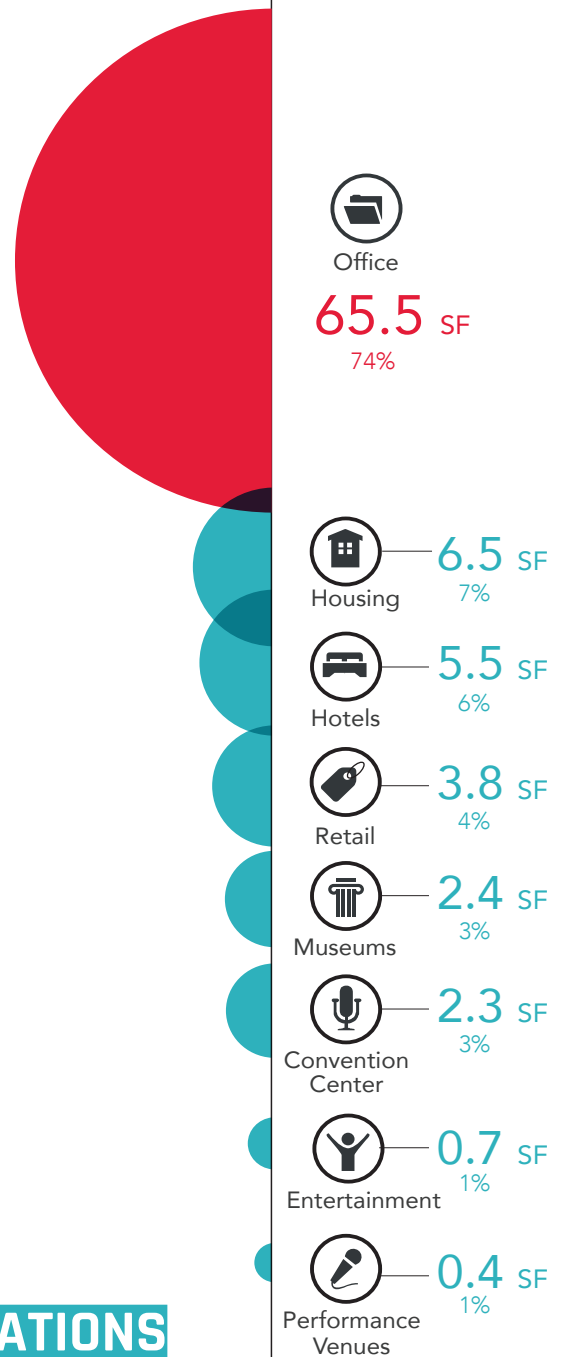
520
PROPERTIES

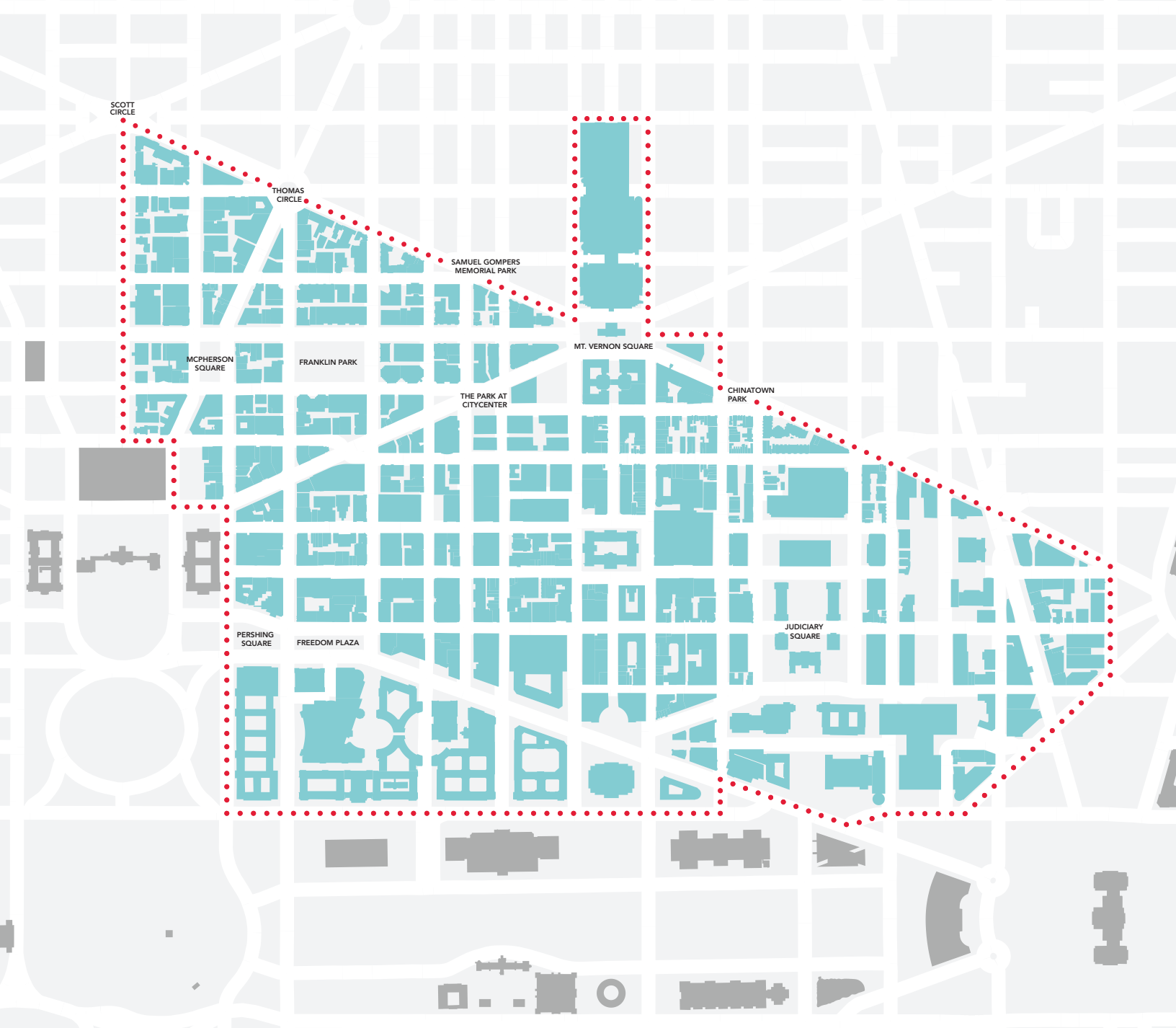


138 BLOCK
AREA

**IN FY2017, THE BID WAS
AUTHORIZED TO CONTINUE OPERATIONS
THROUGH FISCAL YEAR 2022**

MIX OF USES IN DOWNTOWN (millions of SF)





The DowntownDC Business Improvement District (BID) Corporation was founded in 1997 and is a private non-profit organization. This special district, where property owners have agreed to tax themselves to fund services, encompasses a 138-block area of approximately 520 properties from Massachusetts Avenue on the north to Constitution Avenue on the south, and from Louisiana Avenue on the east to 16th Street on the west.

LETTER

FROM THE PRESIDENT & CEO AND THE CHAIRMAN OF THE BOARD

Neil Albert

President & CEO
DowntownDC BID

**Randall Boe**

Chairman
Board of Directors
DowntownDC BID



**THE BID DEVELOPED
AND RELEASED ITS
10-YEAR STRATEGIC
VISION, *DOWNTOWN
2027: VISION FOR THE
FUTURE***

Dear DowntownDC Stakeholder,

We are pleased to present the 2017 State of Downtown report, produced by the DowntownDC Business Improvement District (BID). This report presents data and analysis highlighting the performance of the BID's economic and other sectors that contribute to the vibrancy of DowntownDC and the District.

The year 2017 was a very good year for DowntownDC with many economic sectors setting performance records. Even the DowntownDC office market, which like the rest of the District and the region had mixed results in 2017, set one record: 900 G Street set a regional sales record with a sales price of \$1,273 per square foot.

The continued DowntownDC partnership with the private sector, the District and federal government remained strong. Together with the BID, all three are making significant investments in DowntownDC to continue "Fueling the Engine," which is the theme of this year's State of Downtown report. DowntownDC contributes 17% of DC's local revenues and receives only 6% of DC's expenditures, providing a projected





\$797 million positive net fiscal impact for the District's fiscal year 2018 general fund budget of \$8.8 billion.

But more than any single economic sector, the economic development highlight of the last 15 months was the regional agreement to create a dedicated funding source of \$500 million per year for Metrorail. This is a huge win for DC, the region and DowntownDC. DowntownDC's substantial property tax revenues are significant funders of DC's contribution to Metrorail's operating subsidy and capital funding needs.

The information in this report, and the continued monitoring of this information, will be used to judge the progress of the BID's Downtown 2027: Vision for the Future plan's four economic development goals: (1) pilot an office to residential conversion program, (2) support major redevelopment projects, (3) create a regional shopping destination and (4) support culture and entertainment.

This year's report begins with a summary in the "Year In Review" section followed by breakdowns of each economic sector to tell the story of the DowntownDC economy, transportation access and quality of life.

DowntownDC has come a long way from when it began operations in November 1997, one month before the opening of the Capital One Arena (then named the MCI Center). Back then, DowntownDC had 111 development sites, mostly surface parking lots, accounting for almost 20% of DowntownDC's land. By the end of 2018, only five sites will remain, accounting for 0.20% of DowntownDC's land.

Thank you for your contributions in 2017 and your continued support in the future.

YEAR IN REVIEW

CENTER OF DC AND REGIONAL ECONOMY

DowntownDC in 2017 continued to be a premier regional employment, visitor and cultural and entertainment center, though it faced increasing competition.

The DowntownDC economy performed relatively well in 2017: employment reached a record level; the office market's operating performance was flat. Hotels achieved record revenues and operating performance with a revenue per available room night rate increase from \$196 in 2016 to \$207 in 2017.

Employment reached a record 188,300, DowntownDC's 21st consecutive record year, though 2017's growth rate was just 0.4% and has averaged less than 1% over the past five years. In comparison, 2017 employment growth in DC was 1%, in the suburbs, 1.6%, and in the nation, 1.8%. DowntownDC's low employment growth rate is directly related to the fact DowntownDC is 95% built out.

**DOWNTOWNDC HELPS THE
DISTRICT MAINTAIN ITS
24% SHARE OF REGIONAL
EMPLOYMENT**

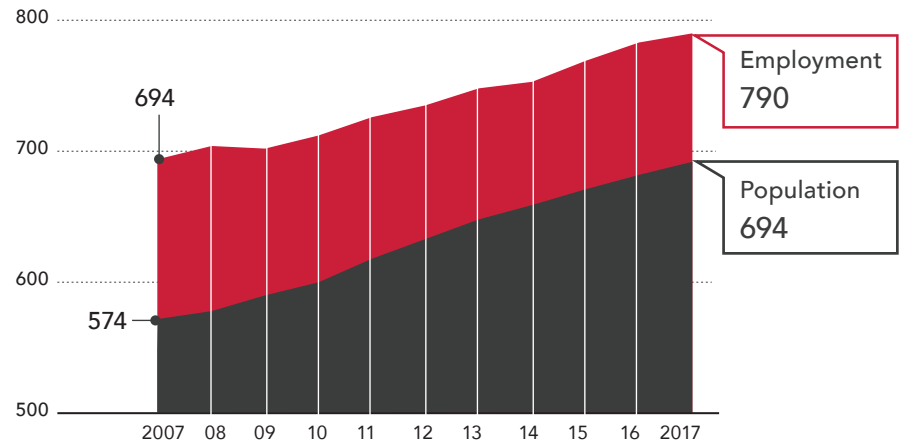




CityCenterDC

DC EMPLOYMENT AND POPULATION HISTORY

(thousands)



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

STRONG SECTOR PERFORMANCES, EXCEPT OFFICE MARKET

The hotel market set new records for performance and total revenues in 2017, helped considerably by the Presidential Inauguration and the Women's March in January. Monumental Sports & Entertainment's Capital One Arena and DowntownDC's 10 museums and eight performing arts venues welcomed 8.2 million patrons in 2017.

The DowntownDC apartment market in 2017 was also strong with rents at \$3.19 per SF, but slightly down from last year's high and slightly below the residential neighborhoods surrounding DowntownDC. Condominium prices rose modestly to a record average resale price of \$658 per SF, but remained below several other DC submarkets where resales averaged over \$700 per SF.

Eleven new restaurants opened in DowntownDC in 2017 and five restaurants closed for a net gain of six restaurants. This increased DowntownDC's total number of destination restaurants from 160 to 166.

Three new retailers opened in 2017 with no closings, bringing DowntownDC's number of total destination retailers to 86 with 888,000 SF of shopping space.

The office market continued its sideways movement in 2017 with an increase in asking rents accompanied by increases in landlord concessions (both free rent and tenant improvement allowances). This resulted in a marginal rise in effective rents from \$48.88 per SF in 2016 to \$49.28 per SF in 2017. Vacant office space reached a record 5.2 million SF

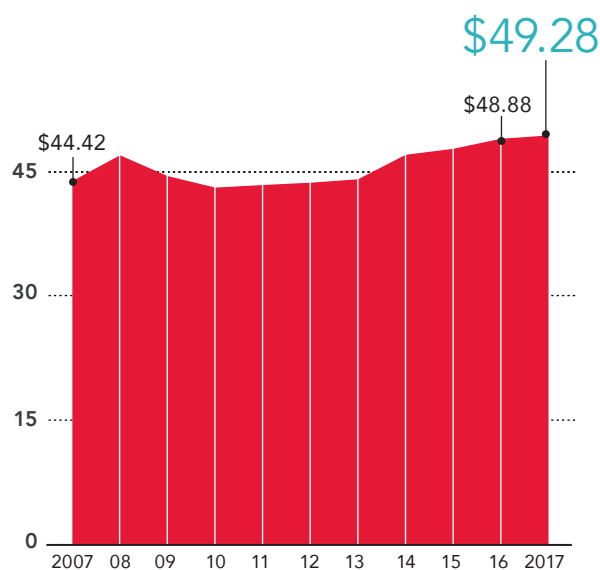
in 2017, with another vacant 8.2 million SF in the rest of the District. Comparatively, 28.4 million SF of vacant office space existed in Northern Virginia and 11.5 million SF of vacant space was in Suburban Maryland.

In 2018, the long-expected departure of federal agencies from DowntownDC began with the move of the Federal Election Commission's 330 employees and the Department of Justice's move of approximately 3,500 employees, both to NoMa.

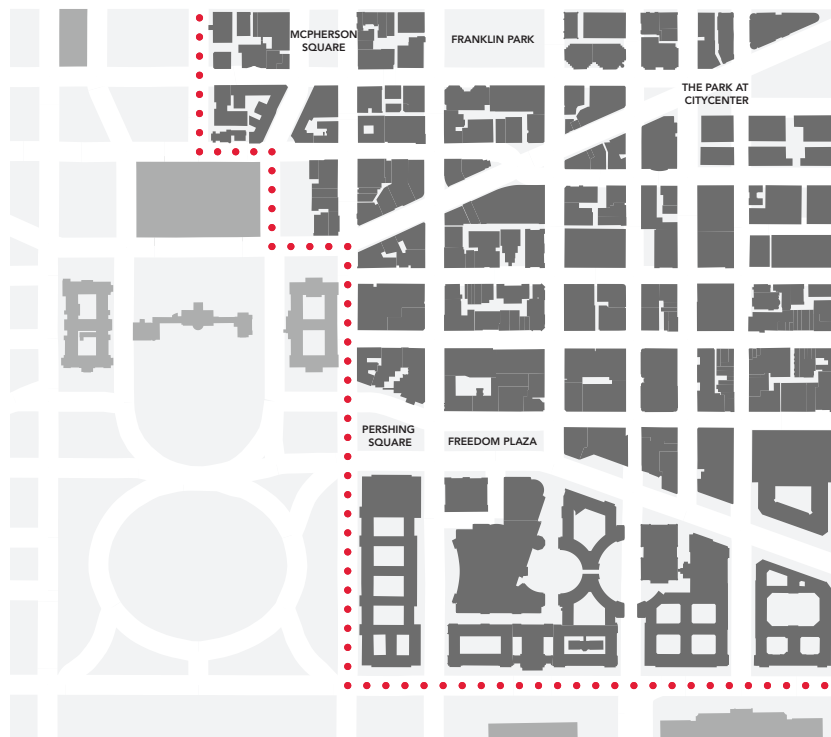
YELP'S DC OFFICE IS NOW LEASING ABOUT 52,000 SQUARE FEET IN TERRELL PLACE

Despite overall lackluster operating office performance, the January 2018 sale of 900 G Street set a record for both DowntownDC and District office sales with a price of \$1,273 per SF to a foreign buyer. Foreign buyers were responsible for 84% of 2017 DowntownDC office sales. From 2012-2017, foreign buyers accounted for 58% of DowntownDC office sales and 57% of DC office sales—higher than in any other U.S. city.

DOWNTOWNDC EFFECTIVE OFFICE RENT (\$ per SF)



Source: Delta Associates



STRONG INVESTOR INTEREST

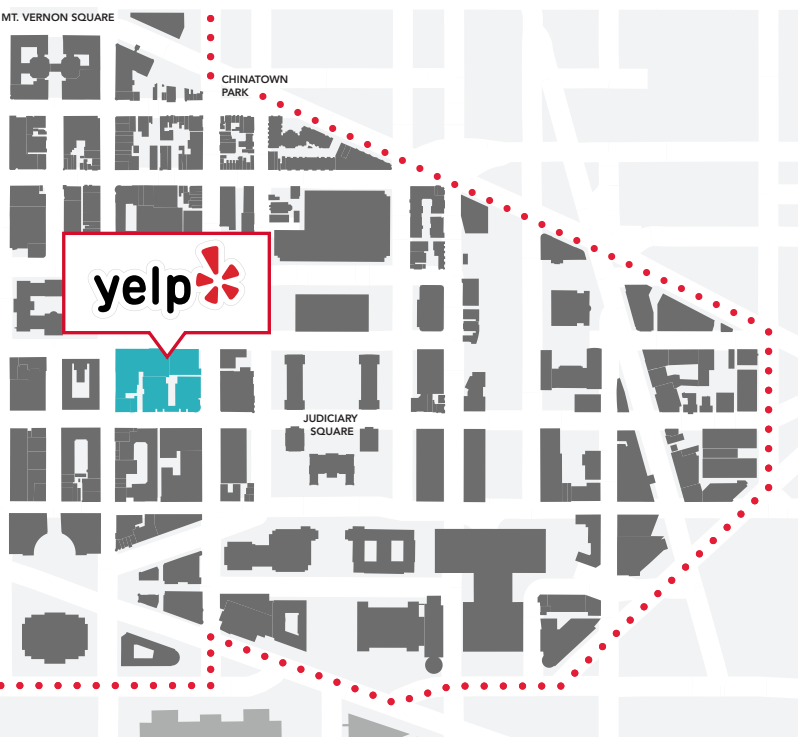
Investor interest in DowntownDC assets continued to be strong in 2017, evidenced by the new Fannie Mae headquarters at Carr Properties' Midtown Center, in Capital One's naming rights

agreement with Monumental Sports & Entertainment, at the Capitol Crossing project, in the DC government's investment of \$13.5 million to renovate Franklin Park, in Planet Word's investment of \$30

million to bring the Franklin School back to life, in Yelp's opening a regional office at 650 F Street NW, and in the opening of eleven new restaurants.

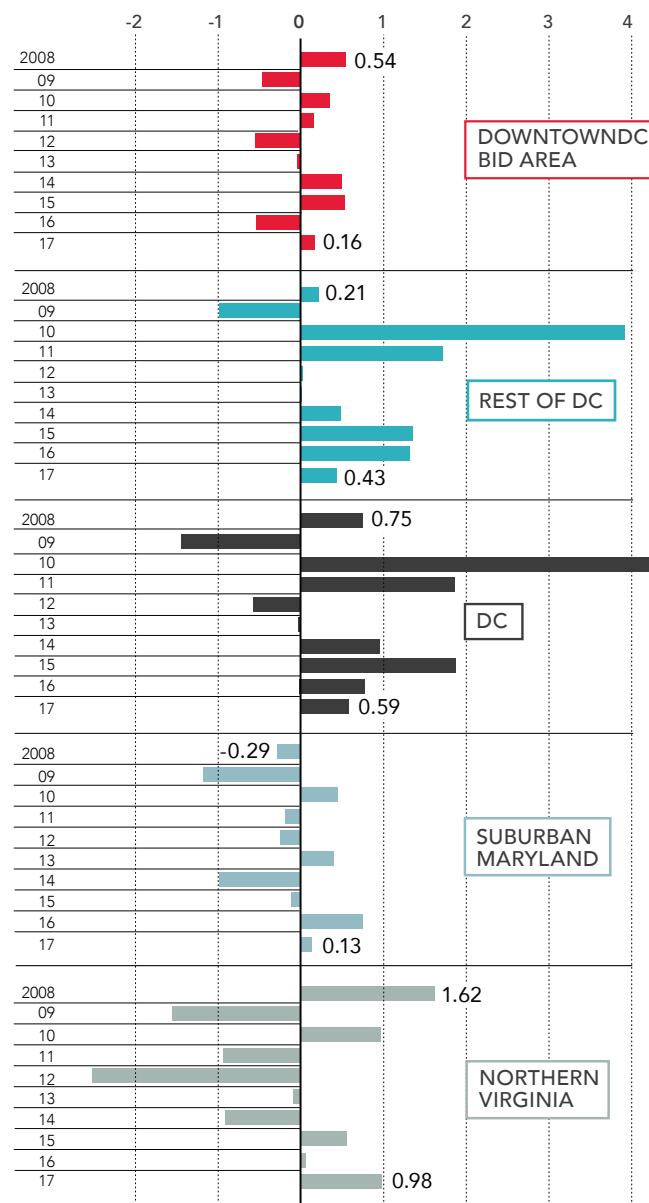


FOREIGN BUYERS
WERE RESPONSIBLE FOR
58% OF DOWNTOWNDC
OFFICE SALES
OVER THE PAST FIVE YEARS



REGIONAL OFFICE MARKET ABSORPTION

(millions of SF)

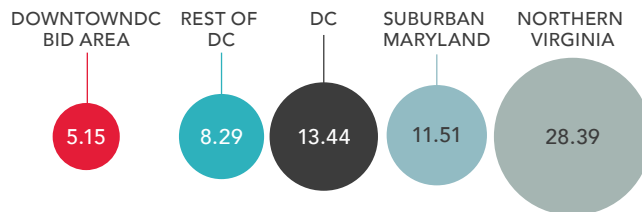


The DowntownDC BID uses Cushman & Wakefield's East End office market as the DowntownDC BID office market.

Data does not include owner-occupied buildings, one-story buildings, or buildings less than 25,000 SF.

2017 REGIONAL VACANT OFFICE SPACE

(millions of SF)



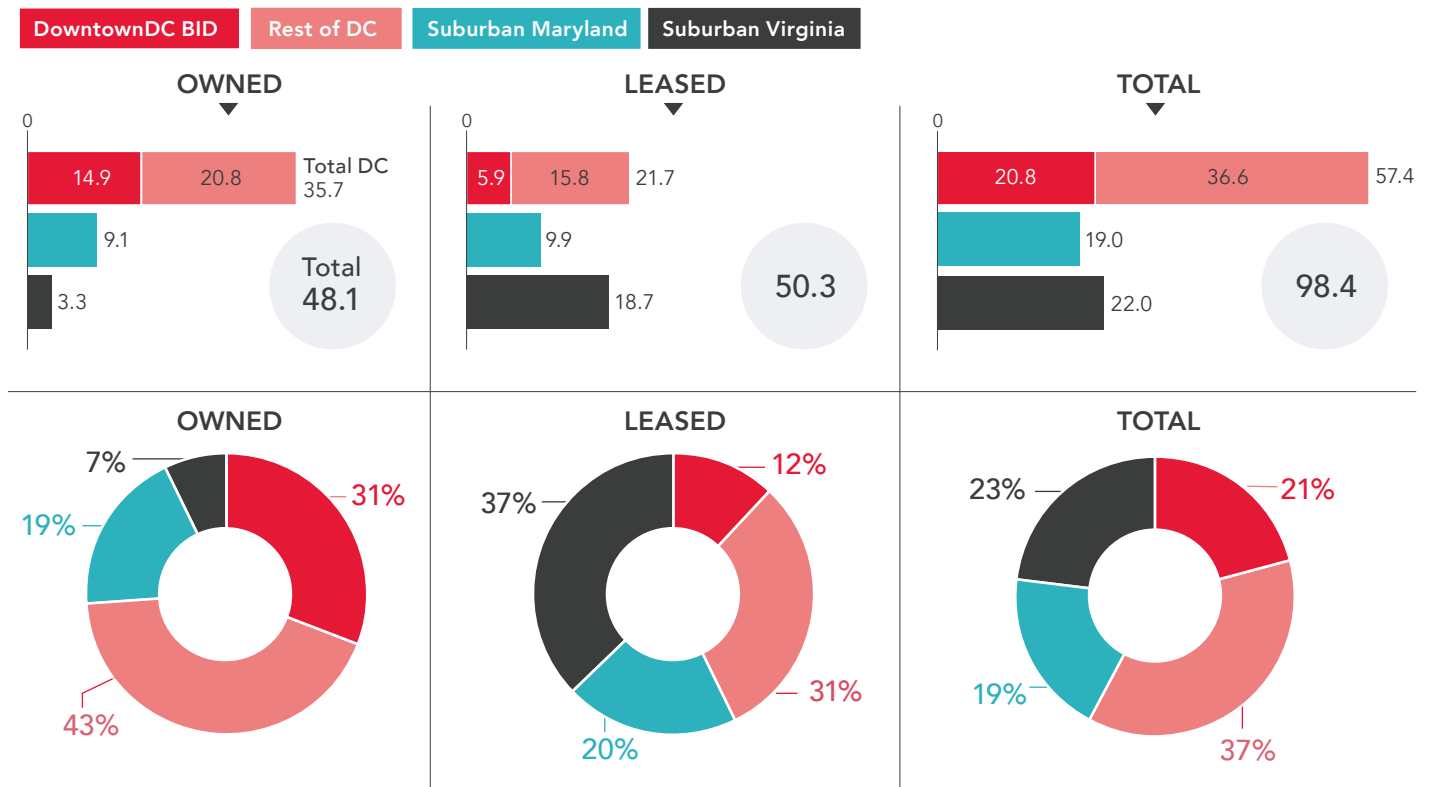
Source: Cushman & Wakefield

EFFECTIVE
OFFICE RENTS INCREASED
MARGINALLY BETWEEN 2016
AND 2017, **0.8%**

THE DOWNTOWNDC OFFICE MARKET IS **CHALLENGED BY REGIONAL COMPETITION, THE FEDERAL GOVERNMENT AND PRIVATE SECTOR DENSIFICATION** AND PURSUIT OF LOWER COST OFFICE SPACE.

GSA OFFICE SPACE

(millions of SF)



Source: U.S. General Services Administration

DOWNTOWNDC'S CONTRIBUTIONS TO THE CITY'S FINANCIAL STRENGTH

Like all large city downtowns, DowntownDC will generate a projected substantial positive net fiscal impact for the District's FY 2018 budget: \$797 million net fiscal impact for the District's

general fund budget of \$8.8 billion. DowntownDC generates 16.5% of the District's gross local revenue and receives 6.2% of gross local expenditures. This contribution is down slightly from FY 2017 due to the projected revenue declines from reducing the city's business income tax rate to 8.25% for FY 2018 from 9% in FY 2017. In FY 2019, DowntownDC's net fiscal impact is projected to grow to \$800 million despite the cost of new

dedicated funding for Metrorail and Metrobus service.

The housing demand created by the imbalance between DowntownDC's 188,300 jobs and 7,054 housing units is fueling residential growth in all of DC's emerging submarkets. New housing has not been developed in DowntownDC since 2013 with the opening of CityCenterDC's condominiums and apartments.



DOWNTOWNDC BID ECONOMIC INITIATIVES

The BID is partnering with the Golden Triangle BID and the DC government to create a pilot program to convert older office buildings to residential buildings. While conversions are happening elsewhere in the District and the region, the current economics in DowntownDC do not facilitate

this type of conversion without municipal assistance. Without this incentive, DowntownDC's vacant office inventory will continue to grow and likely result in a decline of the District's tax base as building values fall far enough to attract tenants on a cost basis or attract unsubsidized converters.

The Mather Studios (pictured above) was one of the city's first residential conversion projects.

The BID is also working with its members, the District and federal governments to craft a DowntownDC retail strategy to make DowntownDC a regional shopping destination that benefits DowntownDC workers, visitors and residents as well as all District residents, and grows the city's tax and employment base. The BID is also investing in consulting assistance to retain and attract office tenants.

DOWNTOWNDC'S NET FISCAL IMPACT

	FY2017	Estimated FY2018	Estimated FY2019
BID Gross Local Tax and Other Revenues	\$1,319,167,220	\$1,344,959,267	\$1,394,279,429
Estimated Fiscal Costs	\$511,849,855	\$547,376,673	\$593,784,817
Net Fiscal Impact	\$807,317,365	\$797,582,594	\$800,494,612
BID Revenue Share of Total DC Gross Local Revenue	16.5%	16.5%	16.4%
BID Expenditures Share of Total DC Gross Local Expenditures	6.3%	6.2%	6.5%

Source: DowntownDC BID using Mayor Bowser's March 31, 2018 Proposed Budget and Financial Plan

CURRENT DEVELOPMENT

OFFICE LEADS

DOWNTOWN DEVELOPMENT

At the end of 2017, 16 projects in DowntownDC were under construction with a total investment of \$2.1 billion and an additional four projects were set to break ground in 2018, with a total investment of \$440 million. Though office buildings continued to account for a clear majority of the DowntownDC's built space in 2017, mixed-use development continues to grow.

Demand remained high for housing in DowntownDC. Two residential projects were planned in the BID with a total of 170 units: Monument Realty's development in Chinatown on I Street; and Canterbury Project at 3rd & G Streets, near Capitol Crossing. The DowntownDC and Golden Triangle BIDs in 2017 began working with the DC Government to create a pilot program to convert up to 400,000 square feet (SF) of older office buildings into residential buildings by offering 10 year tax abatements of up to \$20 per SF.

16 PROJECTS
UNDER
CONSTRUCTION
AT THE END OF 2017

DOWNTOWNDC TO GAIN FOUR NEW MUSEUMS

Four new museums were under development in 2017: the National Law Enforcement Museum, which will open in 2018 in the 400-block of E Street; Planet Word, which will occupy the historic Franklin School building; the National Children's Museum, which will open in 2018 in the Ronald Reagan Building & International Trade Center; and the Milken Institute continued its planning for the museum at the Riggs Bank Corcoran headquarters building, across from the headquarters building for the U.S. Department of Treasury.

MONUMENTAL SPORTS & ENTERTAINMENT IS INVESTING \$40 MILLION



TO IMPROVE THE FAN
EXPERIENCE AT THE
CAPITAL ONE ARENA

**8 OF THE 16 DEVELOPMENT
PROJECTS UNDER CONSTRUCTION
INVOLVE OLDER EXISTING BUILDINGS**



\$2.1B

WAS INVESTED IN
CONSTRUCTION
IN 2017, THE
HIGHEST TOTAL
IN TEN YEARS

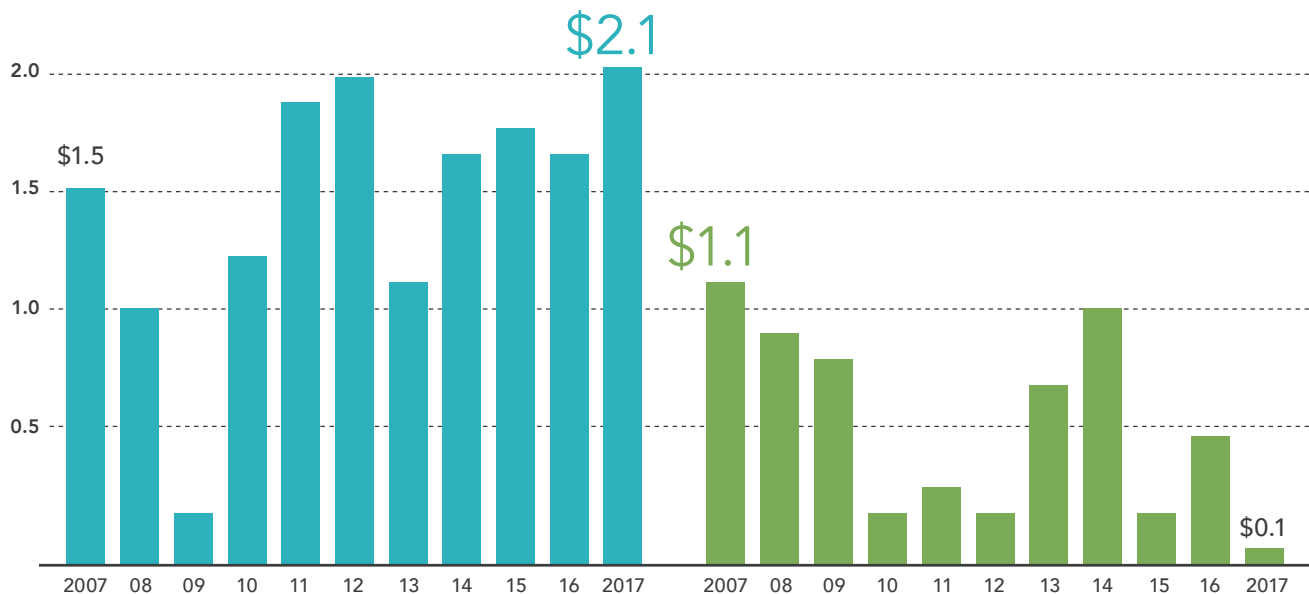
DOWNTOWNDC DEVELOPMENT HISTORY

DEVELOPMENT PROJECTS

(billions)

PROJECTS UNDER CONSTRUCTION AT YEAR-END

PROJECTS COMPLETED BY YEAR



THE DOWNTOWNDC
BID WILL BE

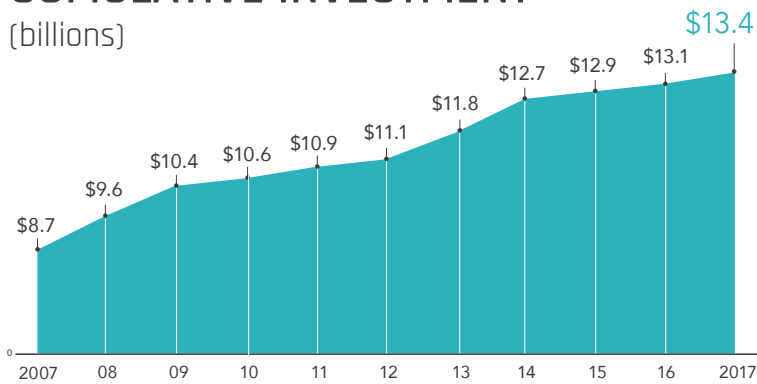
**100% BUILT
OUT**

IN JUST A
FEW YEARS

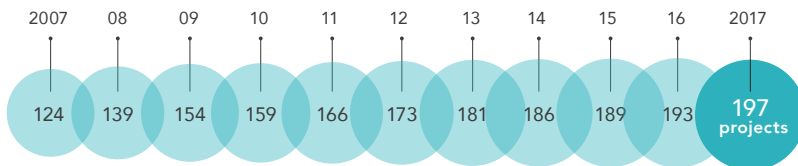


CUMULATIVE INVESTMENT

(billions)



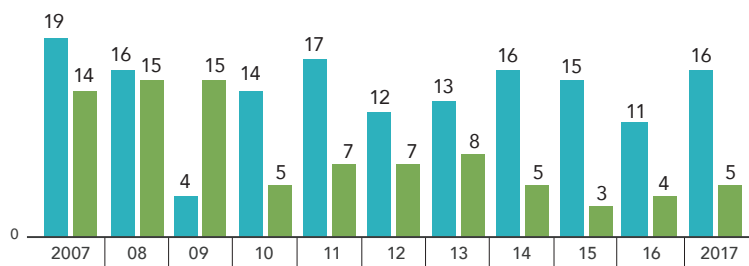
CUMULATIVE # OF PROJECTS COMPLETED



Source: DowntownDC BID

NUMBER OF PROJECTS

● Projects Under Construction at Year-End ● Projects Completed By Year



MIXED-USE DEVELOPMENT

A NEW HOTELS



Two new hotels opened in 2017 with 325 rooms

B FOUR NEW MUSEUMS



- National Law Enforcement Museum
- Planet Word
- National Children's Museum
- Milken Institute center

C CAPITAL ONE ARENA RENOVATIONS

- New seats
- New restaurants
- Improved concourse

\$40M
Investment



D NEW HOUSING



Pilot program to convert up to 400,000 square feet of older office buildings into residential buildings




MAJOR DOWNTOWNDC PROJECTS

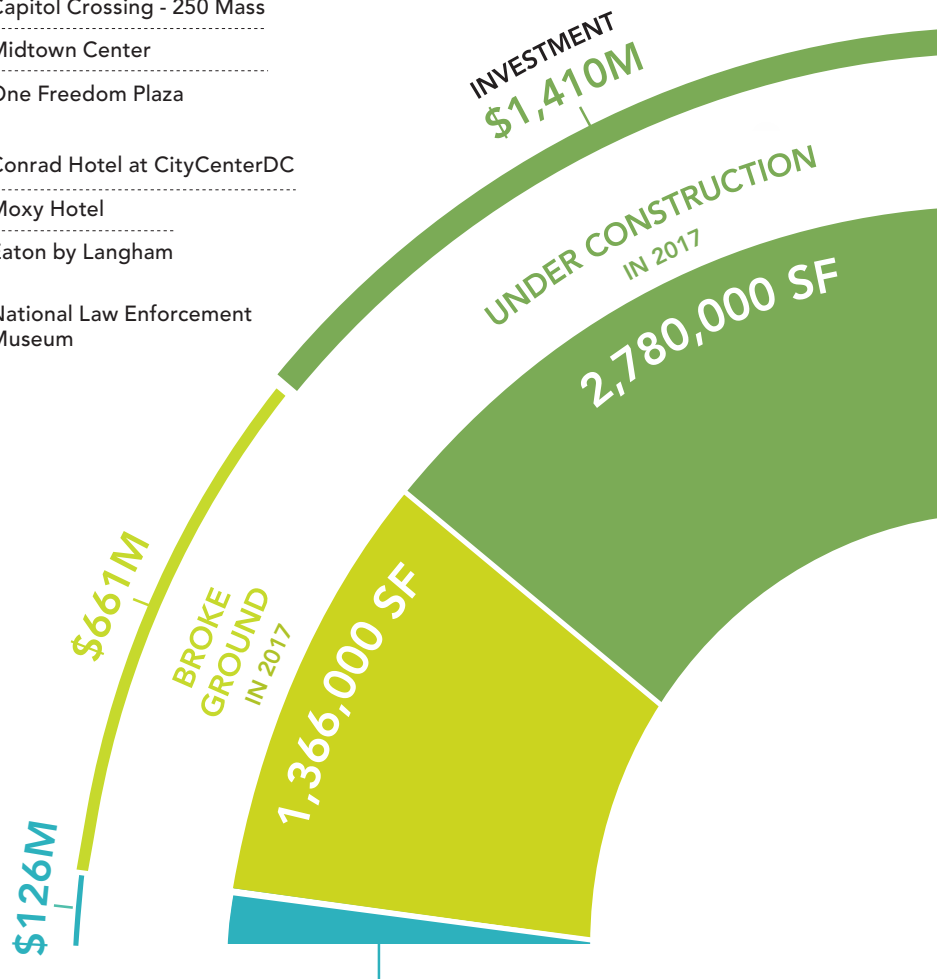
DELIVERED, UNDER CONSTRUCTION & PLANNED

8
PROJECTS

-   Capitol Crossing - 200 Mass
-   Capitol Crossing - 250 Mass
-   Midtown Center
-   One Freedom Plaza
-   Conrad Hotel at CityCenterDC
-   Moxy Hotel
-   Eaton by Langham
-   National Law Enforcement Museum







8
PROJECTS

-  1441 L Street
-  700K at Anthem Row
-  Octagon at Anthem Row
-  1101 & 1111 Sixteenth Street
-  National Bank of Washington Project
-  1201 New York Avenue Office Renovation
-  Apple Store at Carnegie Library
-   Martin Luther King Jr Library Renovation



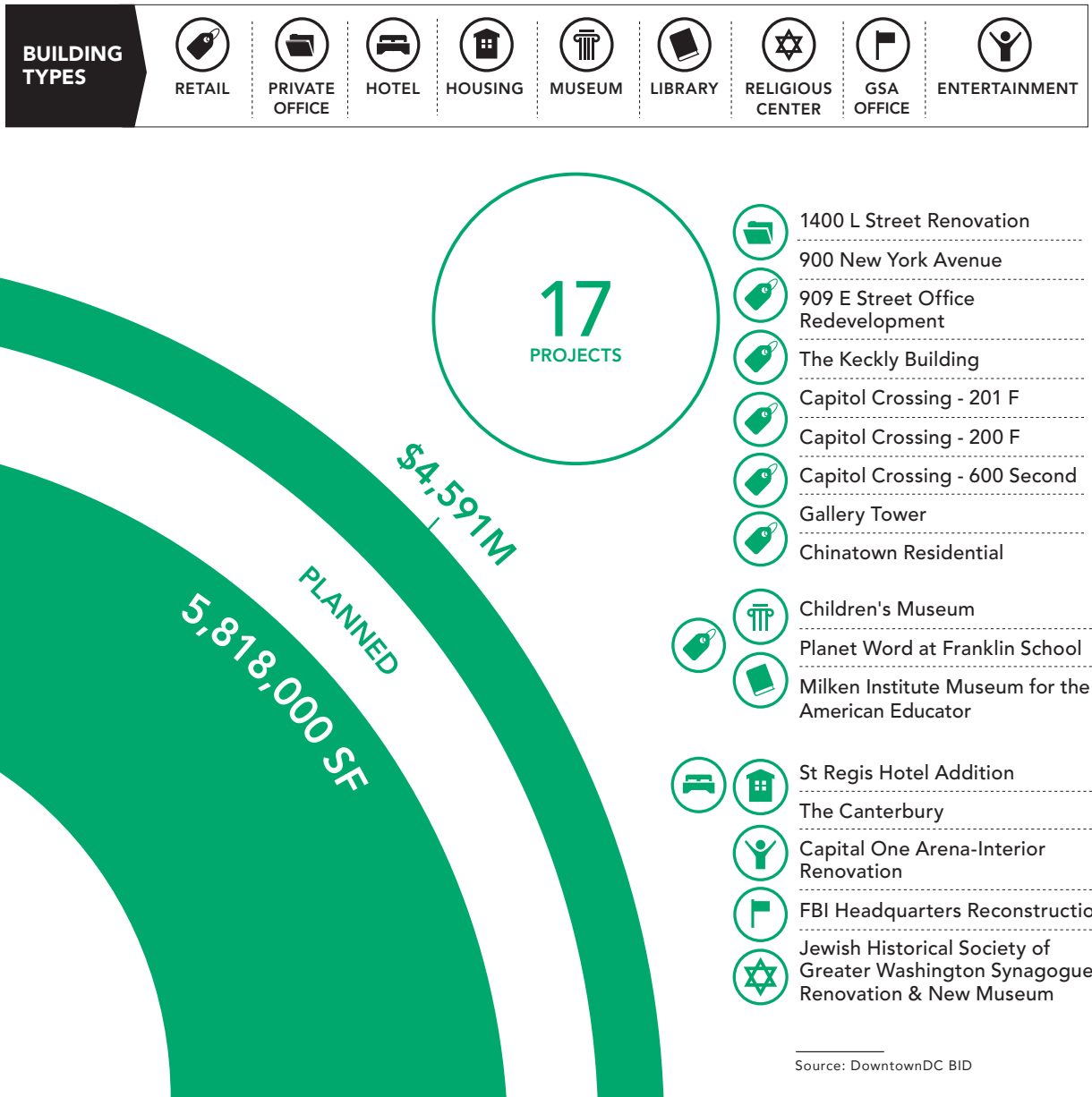
PROJECTS DELIVERED IN 2017

BUILDING SIZE: 491,000 SF

-   1000 F
-   1333 H Street Office Renovation
-   The Architect Hotel
-   Pod Hotel
-   Common Bowman Townhouse Conversion

5
PROJECTS



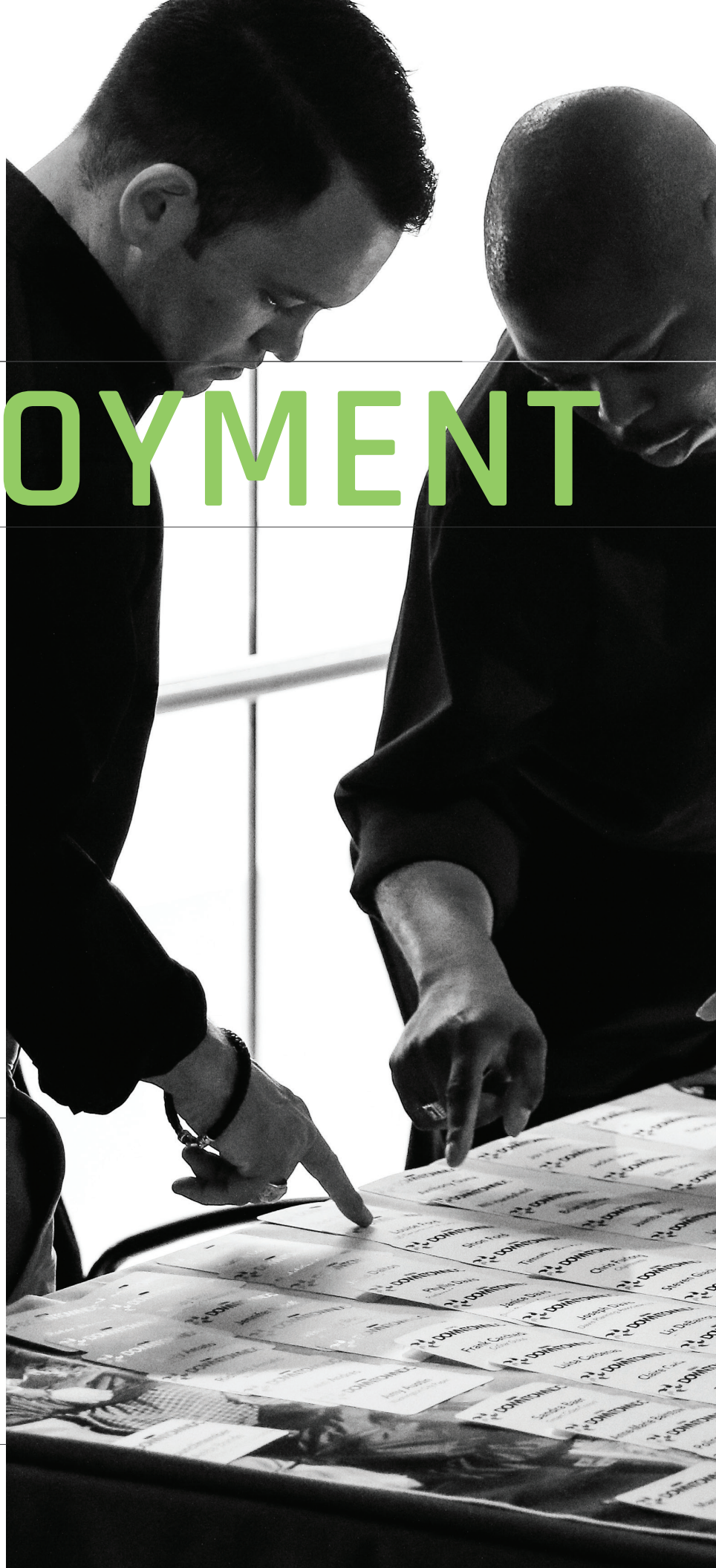


EMPLOYMENT

TOP REGIONAL EMPLOYMENT CENTER

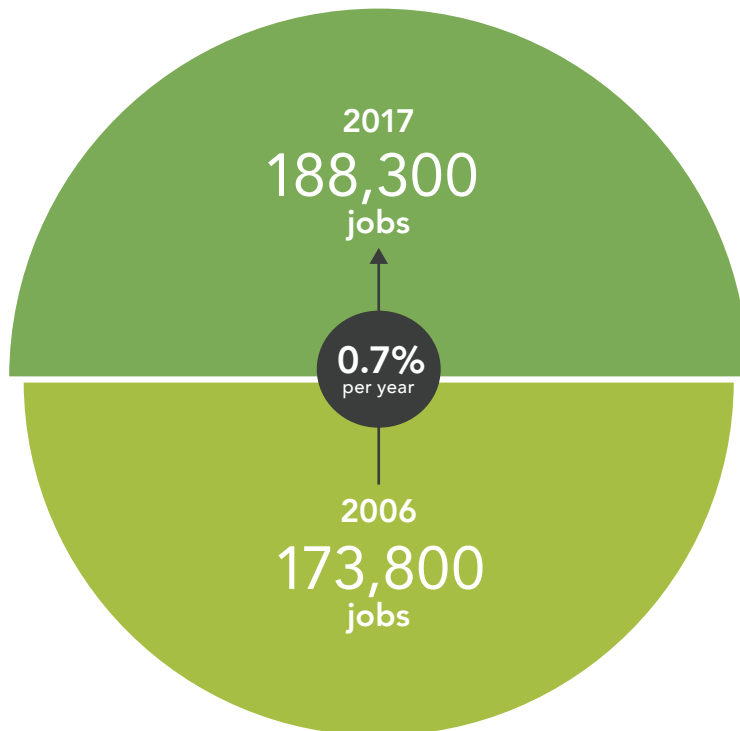
Employment at the end of 2017 in DowntownDC was estimated at 188,300, making DowntownDC the largest employment center in the region and one of the largest in the nation. When the BID was first formed in 1997, DowntownDC was responsible for close to 100% of the city's job growth, and today accounts for 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

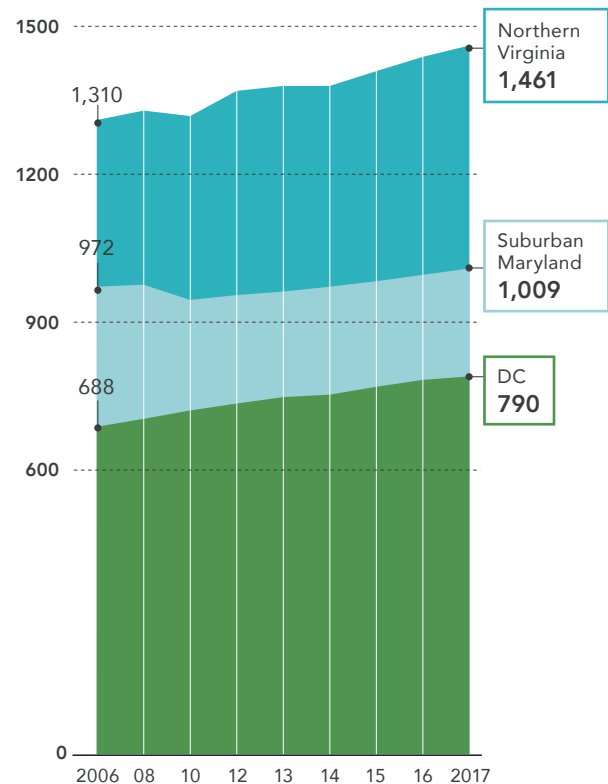


DOWNTOWNDC, DC AND REGIONAL EMPLOYMENT HISTORY

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.

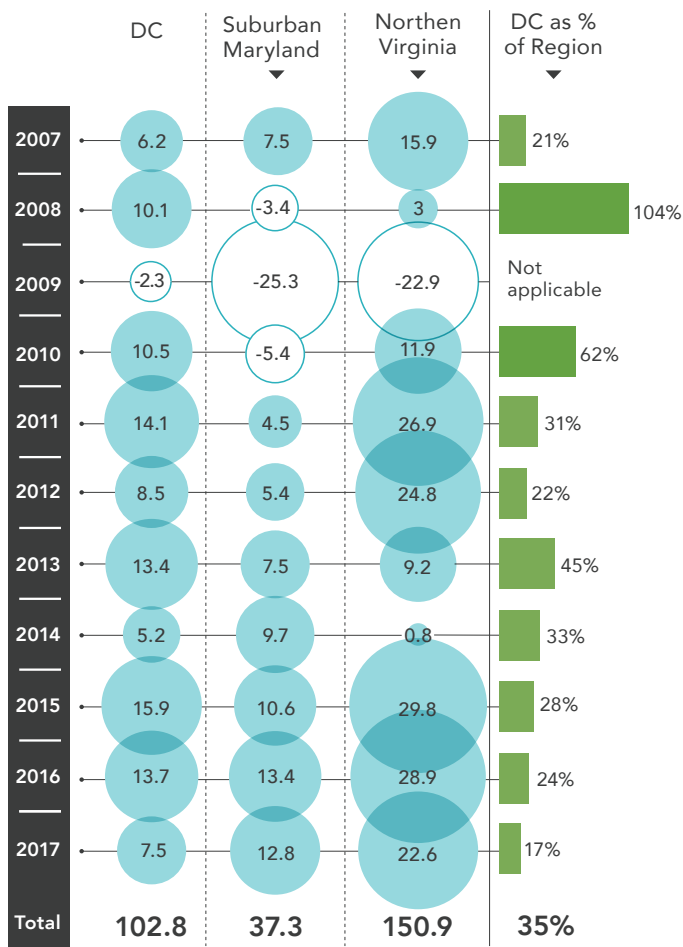
As DowntownDC landlords worked to retain tenants and attract new ones, the District government has

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)



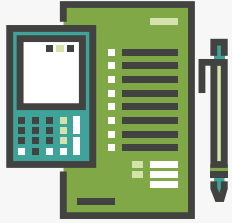
Source: U.S. Bureau of Labor Statistics

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.

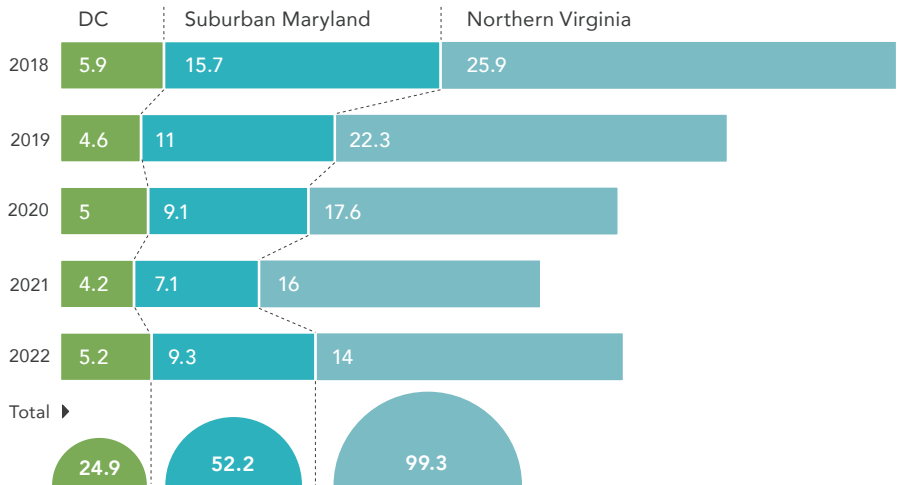




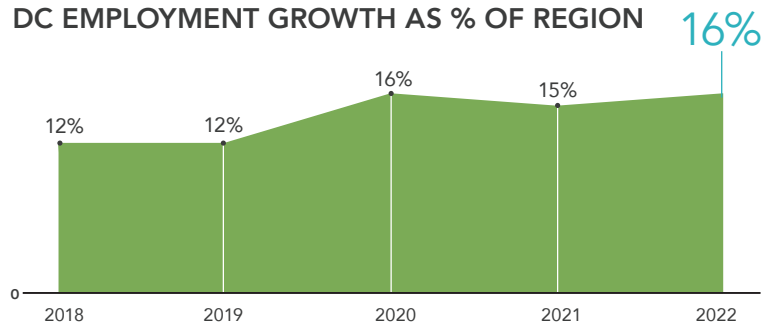
THE CITY'S
TAX
ABATEMENT
FOR HIGHLY
QUALIFIED
TECHNOLOGY
COMPANIES
HAS PROVEN
SUCCESSFUL

REGIONAL EMPLOYMENT PROJECTIONS

(thousands)



DC EMPLOYMENT GROWTH AS % OF REGION



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

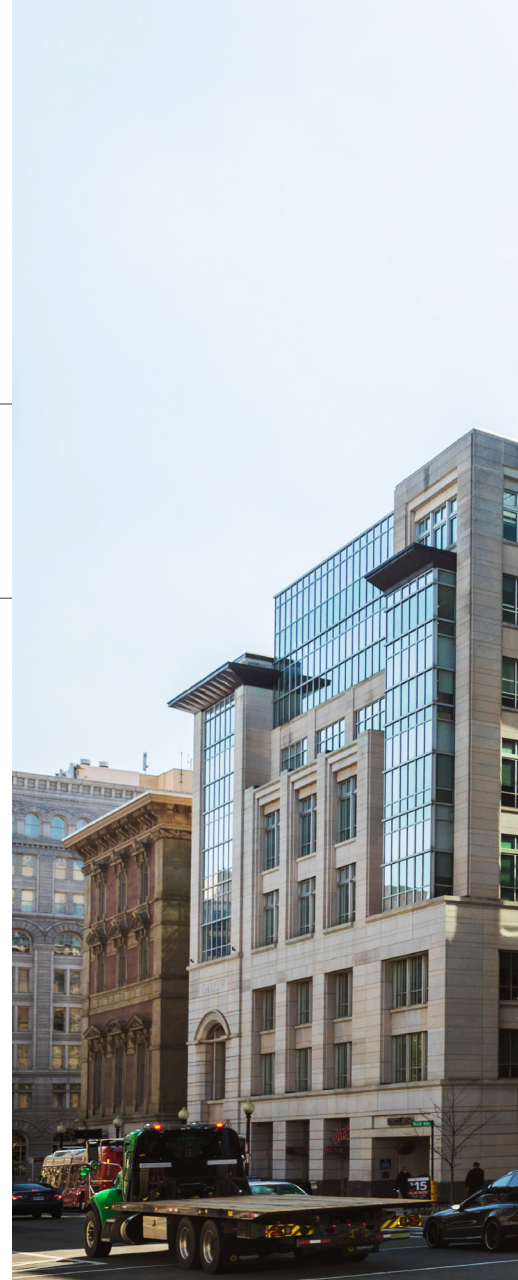


OFFICE MARKET

CONTINUED DENSIFICATION

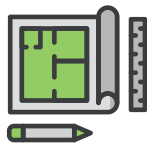
DowntownDC in 2017 continued to be one of the most attractive office markets in the nation, anchored by the presence of the federal government, its location at the center of the regional transportation system and its diverse amenities. During 2017, the office market in the DowntownDC BID area and DC set a new record sales price for a commercial office building at 900 G Street NW.

The office market also experienced continued densification, gained a marginal increase in effective rents due to record concessions, experienced higher vacancies and continued to be attractive to foreign investors. A total of 3.1 million square feet (SF) of office space was under construction in 2017, approximately 50% of the city's total construction of office space.



THE DOWNTOWNDC BID IS HOME TO APPROXIMATELY

65.5
MILLION SF



OF PRIVATE, FEDERAL
AND DC GOVERNMENT
OFFICE SPACE

OR **39%** OF THE
CITY'S TOTAL

0

100

3.1
MILLION SF

OF OFFICE SPACE WAS
UNDER CONSTRUCTION IN 2017
OR 50% OF THE CITY'S TOTAL

THE SALE OF
900 G STREET
NW FOR

\$1,273 PER
SF

SET A RECORD FOR THE
DOWNTOWNDC BID AND ALL OF DC

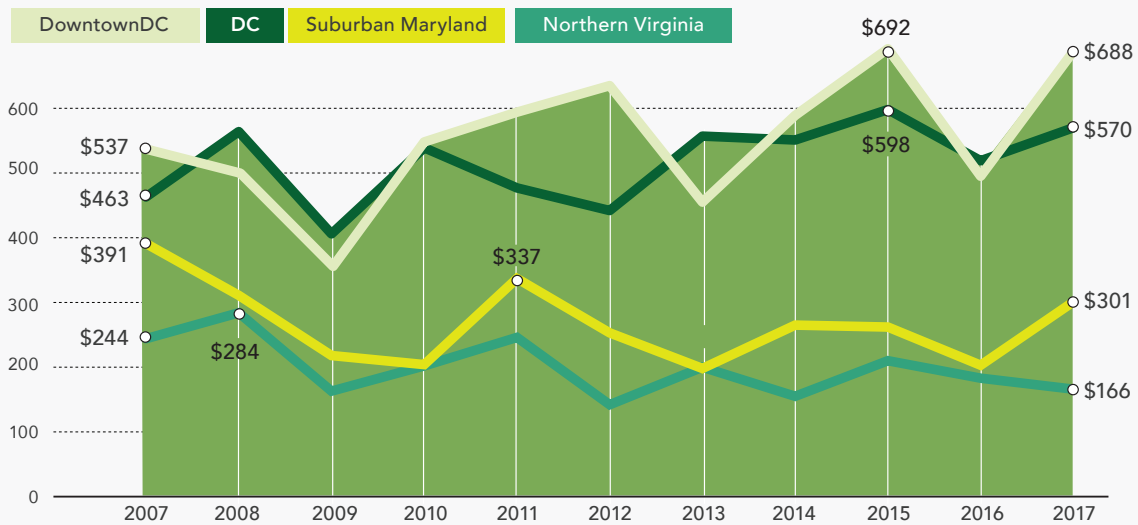
FOREIGN INVESTMENT

In the 2017 rankings by the Association of Foreign Investors in Real Estate (AFIRE), DC rose from No. 6 to No. 4 for U.S. cities (behind New York City, Los Angeles and Seattle) and dropped from No. 16 to No. 25 for global cities.

Foreign investors accounted for 84% of DowntownDC office sales and 61% of the office sales in the city in 2017. For the past five years, foreign investors accounted for an average of 58% of office sales and 57% of the city's.



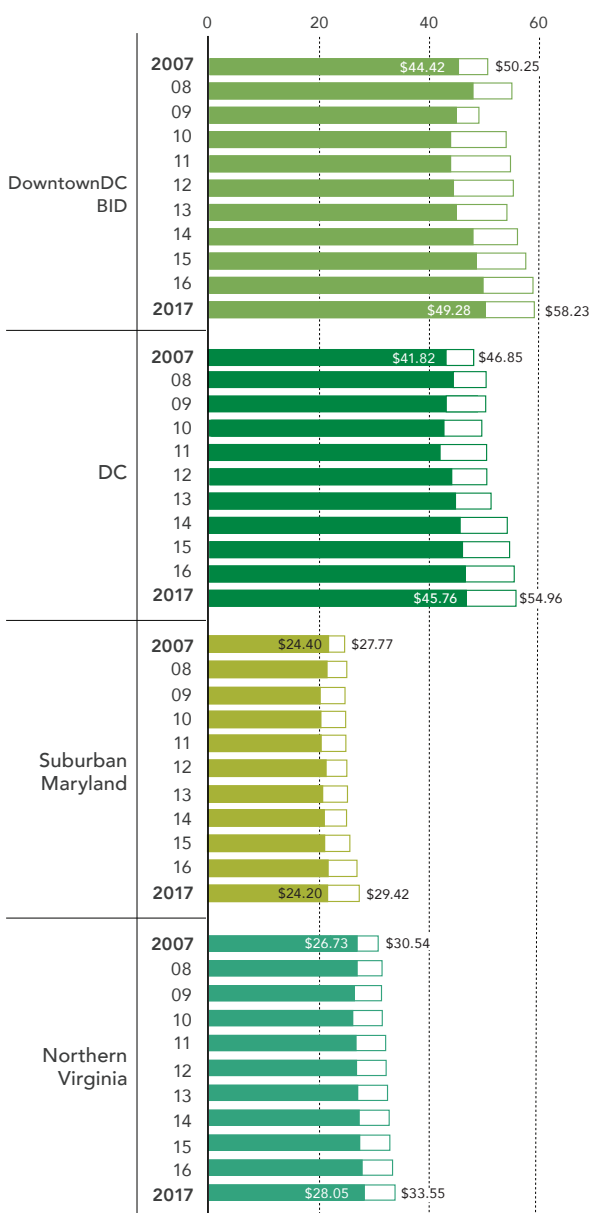
AVERAGE SALES PRICE TRENDS IN DOWNTOWNDC, DC AND REGION (per SF)



Source: JLL Research

OVERALL OFFICE ASKING & EFFECTIVE RENTS

● Effective ○ Asking (per SF)



Source: Delta Associates and REIS

**DESPITE THE TREND
TOWARDS DENSIFICATION,
THE BID AREA IS STILL HOME
TO THE LARGEST SHARE OF
DC'S OFFICE MARKET**



The DowntownDC BID Corporation office move to 1275 K Street is an example of office densification: moving from 17,000 SF to 12,000 SF.

SLIGHT RENT INCREASES, RECORD VACANCIES

On the operating side, office market performance remained static as effective rents rose slightly from \$48.88 per square foot (SF) in 2016 to \$49.28 per SF or 1%, as free rent averaged 3.8 months and tenant improvement allowances rose to \$70.31 per SF, according to Delta Associates.

Total vacant office space rose from 4.9 million SF to a record 5.2 million SF and the vacancy rate rose from 13% in 2016 to 13.8% in 2017,

according to Cushman & Wakefield. This was due to densification and the delivery of new or substantially renovated buildings and the beginning of federal tenants moving to lower-rent submarkets.

Office building owners and their leasing brokers are working hard to bring new tenants into the BID. In 2017, new offices opened in DowntownDC including: Fannie Mae, Facebook, Mapbox, FS Card and FiscalNote.

OVERALL VACANCY RATE

	DowntownDC BID	DC	Suburban Maryland	Northern Virginia
2007	6.9%	7.1%	11.9%	11.0%
2008	8.1%	8.0%	13.5%	12.7%
2009	10.8%	14.3%	17.7%	15.7%
2010	10.4%	12.6%	17.1%	14.9%
2011	10.4%	11.9%	17.3%	16.5%
2012	11.8%	13.0%	17.9%	18.9%
2013	13.2%	14.4%	18.3%	19.7%
2014	11.7%	13.0%	21.0%	21.1%
2015	12.0%	11.6%	21.2%	21.2%
2016	13.0%	12.1%	20.6%	21.3%
2017	13.8%	12.4%	19.4%	21.5%

* DowntownDC is considered to be the East End submarket

Source: Cushman & Wakefield

DOWNTOWNDC WAS HOME TO 29 CO-WORKING SPACES IN 2017

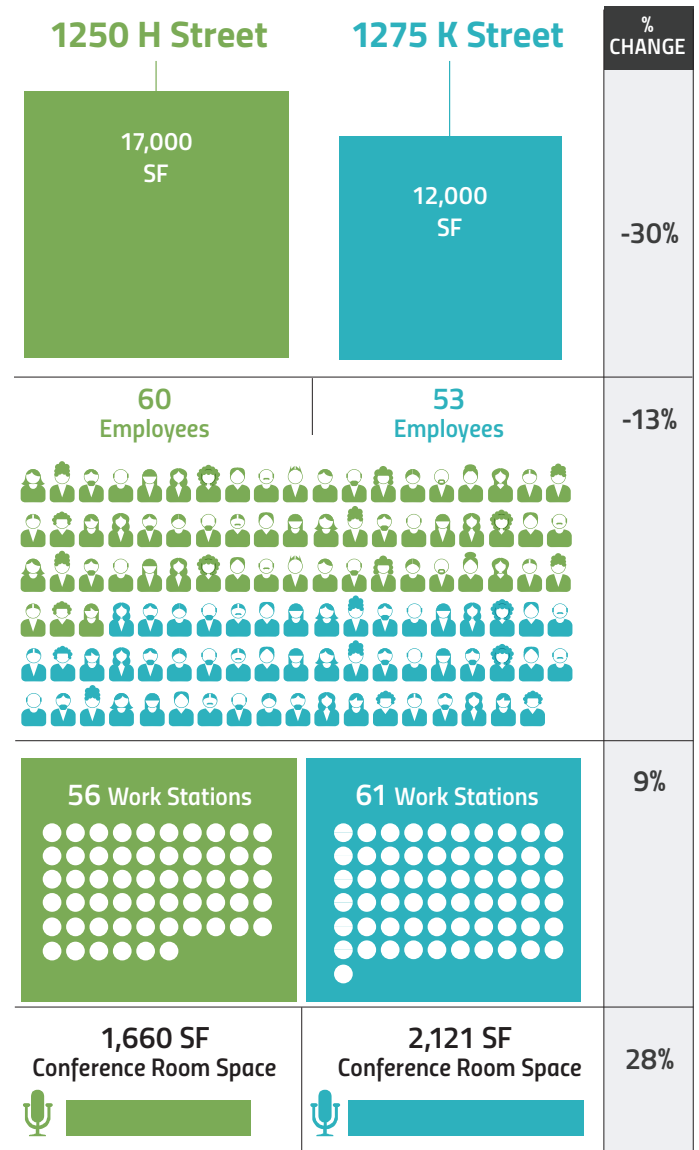
Office markets across the country are experiencing the trend of smaller work areas per employee and a shift towards open office floor plans. One example of this densification trend is the administrative office of the Downtown BID Corp. In 2017 the BID downsized the administrative office from 17,000 square feet (SF) to approximately 12,000 SF.

As densification continues, co-working spaces continue to increase in the BID area and in DC. The BID in 2017 was home to 29 co-working spaces and the largest one in the District, WeWork White House at 1440 G Street.



41 OF THE REGION'S 100 LARGEST LAW FIRMS ARE IN THE DOWNTOWNDC BID

DOWNTOWN BID CORPORATION DENSIFICATION EXAMPLE (Including National Cherry Blossom Festival Sub-Tenant)



SIGNIFICANT SHARE OF THE OFFICE MARKET

Despite the trend towards densification, the BID area continued to be home to the largest share of DC's office market. A significant share of the DowntownDC office market continued to be occupied by law firms. Forty-one of the region's 100 largest law firms were located in DowntownDC. Overall, DowntownDC's approximately 65.5 million SF of private, federal and DC government office space accounted for 39% of the city's total office space in 2017.



FEDERAL GOVERNMENT **IMPACT**

Recently the U.S. General Services Administration recommendation that the FBI rebuild its headquarters at its current location (935 Pennsylvania Avenue). The decision to remain in the current location means that the FBI will require swing space for several years and firms that work with the FBI will continue to lease space nearby.

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

LARGE CITY OFFICE MARKET COMPARISON

	Class A Asking Rent Per SF	Overall Vacancy Rate	Total Office Inventory (millions of SF)
DowntownDC	63	13.8%	70
DC	62	12.4%	160
NYC Midtown South	85	6.9%	67
NYC Midtown	84	9.5%	243
San Francisco	74	9.7%	52
NYC Downtown	62	8.7%	89
Boston	60	7.4%	64
Seattle	47	5.7%	51
Chicago	45	13.8%	132
Houston	45	Data Not Available	37
Los Angeles	43	21.1%	27
Dallas	34	24.7%	28
Atlanta	32	16.2%	48
Philadelphia	31	10.7%	40
Denver	34	16.2%	28

Source: Cushman & Wakefield

**FEDERAL
GOVERNMENT
OFFICES OCCUPY**



22
MILLION

**SQUARE FEET
OF LEASED AND
OWNED SPACE IN THE BID**

HOTELS, TOURISM & CONVENTIONS

ANOTHER RECORD YEAR

The 30 hotels in the DowntownDC BID with their 11,202 hotel rooms set an operating performance record in 2017 for the third consecutive year. It was also the fifth consecutive year for record hotel revenues in DowntownDC.

Hotels in the BID in 2017 had the highest Revenue Per Available Room (RevPAR) for hotels in DC and in the region. DowntownDC hotels generate 41% of the city's hotel room sales taxes.



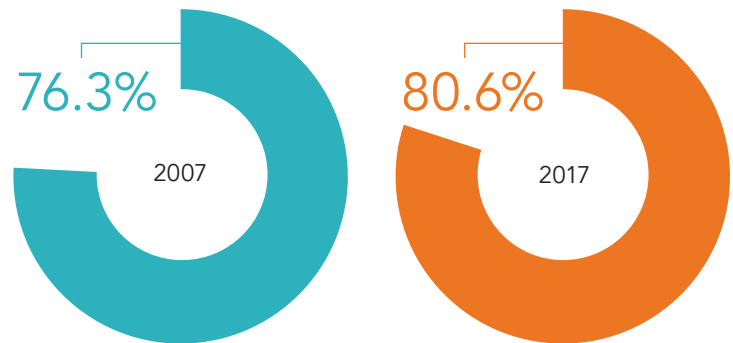
**DOWNTOWNDC
GENERATES 41%
OF THE CITY'S HOTEL
ROOM SALES TAXES**



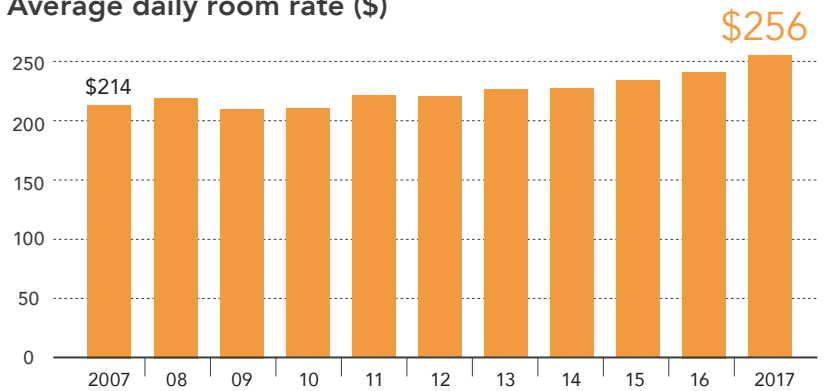


DOWNTOWNDC HOTEL PERFORMANCE, 2007-2017

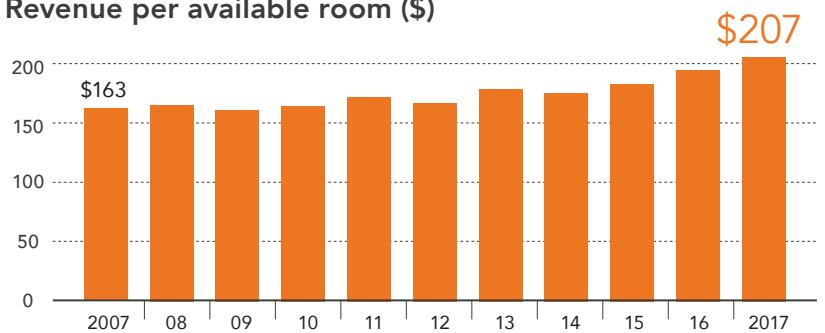
Occupancy



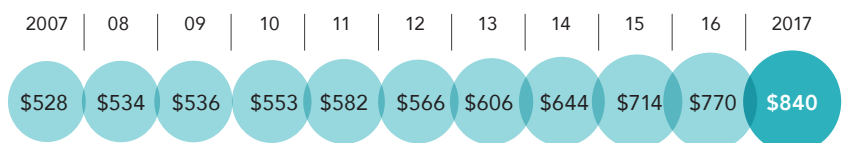
Average daily room rate (\$)



Revenue per available room (\$)



Room revenues (millions)



Source: Smith Travel Research

REVENUE PER AVAILABLE ROOM NIGHT COMPARISON

DowntownDC		Compared to DC Region			Compared to Large City Downtown Hotels		
Year		Rest of DC	Bethesda/ Rockville	Alexandria/ Arlington	New York City	Boston/ San Francisco	Chicago/ Denver/ Houston/ Los Angeles/ Seattle
2012	\$168	\$144	\$90	\$105	\$240	\$162	\$128
2013	\$180	\$148	\$89	\$100	\$249	\$179	\$135
2014	\$176	\$153	\$92	\$106	\$255	\$200	\$146
2015	\$184	\$158	\$91	\$113	\$248	\$212	\$153
2016	\$196	\$164	\$96	\$116	\$242	\$216	\$154
2017	\$207	\$171	\$101	\$118	\$241	\$213	\$156

Source: Smith Travel Research

IN 2017 DOWNTOWNDC HOTELS HAD THE HIGHEST REVENUE PER AVAILABLE ROOM (REVPAR) IN DC AND THE REGION

DOWNTOWNDC HOTELS SET NEW HOTEL ROOM REVENUE RECORDS FOR THE 5TH YEAR

The rest of the District also experienced record hotel performance in 2017: it was the fifth consecutive year of record hotel operating performance in DC and the fifth year of record hotel room sales. Hotel performance in DC and DowntownDC in 2017 was boosted in January by the Presidential Inauguration and the Women's March – 48% of the 2017 increase in DowntownDC hotel room revenues was due to the January 2017 increase.

The DowntownDC BID's record-setting hotel performance was the result of strong demand from business travelers, convention attendees and tourists visiting the National Mall or enjoying DowntownDC's many well-known restaurants, lively theatres, interesting museums and exciting entertainment venues, especially the Capital One Arena.

STRONG HOTEL DEVELOPMENT PIPELINE

Three hotels were under construction in the DowntownDC BID at the end of 2017: the 375-room Conrad Washington DC at CityCenterDC by Hines, the 209-room Eaton Hotel by Langham Hospitality Group, and the 200-room Moxy Hotel by Douglas Development. Property Group Partners was also developing plans to build a 200-220 room hotel as part of its Capitol Crossing project scheduled to break ground in 2020.

Just outside the borders of the DowntownDC BID, two hotels were under construction in early 2018: a 310-room Courtyard by Marriott and a 190-room Residence Inn by Capstone Partners and Quadrangle Development Corp. at 9th and L streets as part of their Columbia Place development. Four hotels were also planned in Mount Vernon Triangle with approximately 500 rooms.

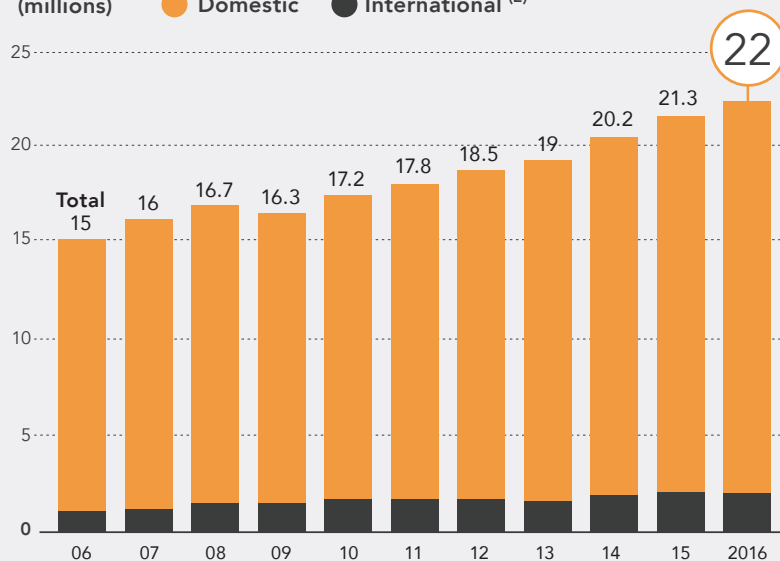
The District set a tourism visitation record in 2016 (the latest year for which data is available) with 22 million visitors, an increase of 3.3% over 2015. Overseas visitors (not including Canada and Mexico) accounted for 2 million visitors in 2016, down slightly from a record total in 2015. The city's 2.09 million overseas visitors in 2016 ranked DC No. 8 in the nation behind New York City, Miami, Los Angeles, Orlando, Las Vegas, San Francisco and Hawaii.

DC HAD RECORD VISITORS IN 2016



VISITORS TO DC ⁽¹⁾

(millions) ● Domestic ● International ⁽²⁾



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

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

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

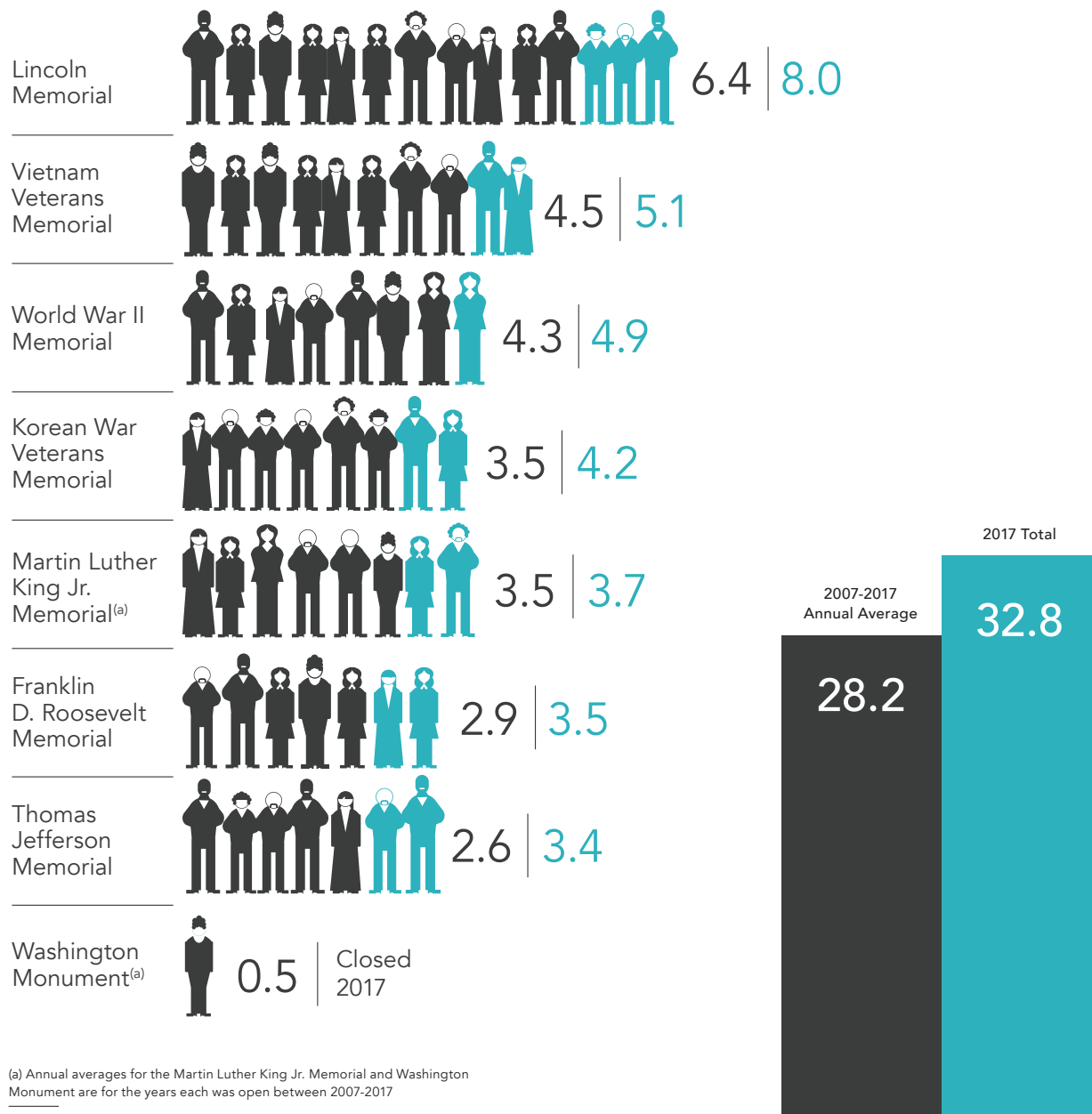
ANNUAL VISITORS TO NATIONAL MALL MEMORIALS AND MUSEUMS

MEMORIALS

● Annual Average (2007-2017)

● 2017 Total

(millions)

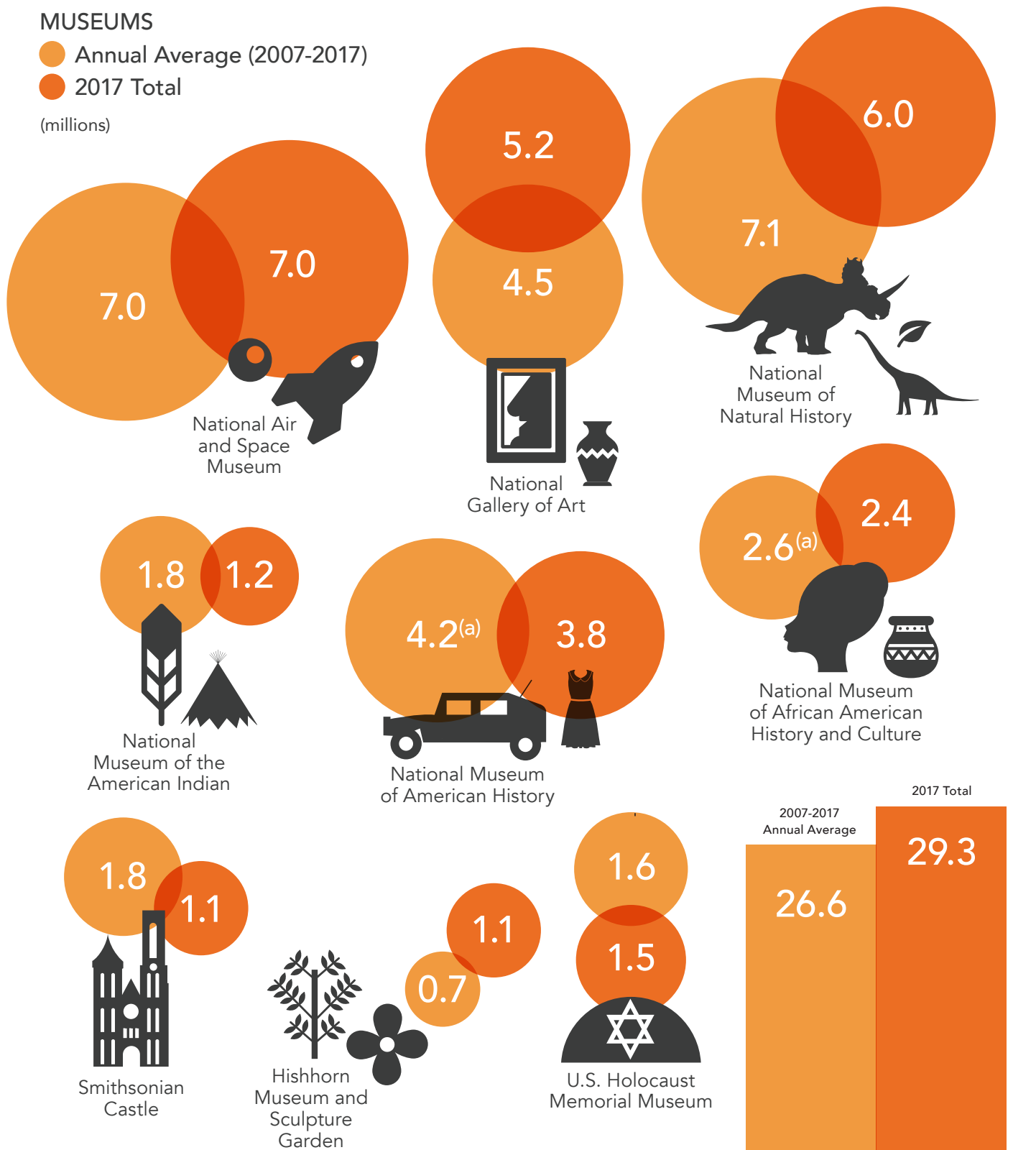


MUSEUMS

● Annual Average (2007-2017)

● 2017 Total

(millions)



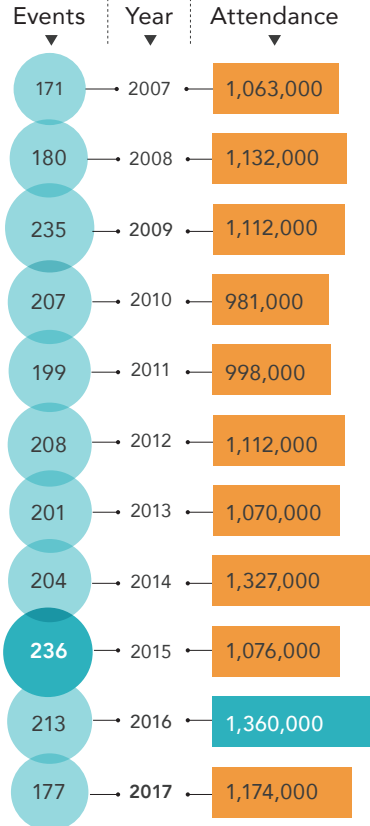
(a) Annual averages for the National Museum of American History and National Museum of African American History and Culture are for the years each was open between 2007-2017

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

CONVENTION CENTER IMPACT

The Walter E. Washington Convention Center continued to be a major driver of both DowntownDC visitor activity and hotel room occupancy in 2017. The Convention Center hosted 177 events for 1.2 million attendees. Destination DC's booked hotel rooms accounted for 13.6% of DowntownDC hotel demand in 2017, which helped DowntownDC's hotel performance remain highest in the region and fourth in the country after New York City, San Francisco and Boston.

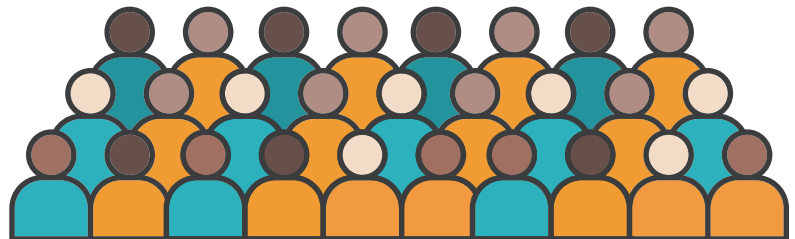
WALTER E. WASHINGTON CONVENTION CENTER ATTENDANCE



Source: Events DC



THE CONVENTION CENTER HOSTED
177 EVENTS FOR
1.2 MILLION ATTENDEES



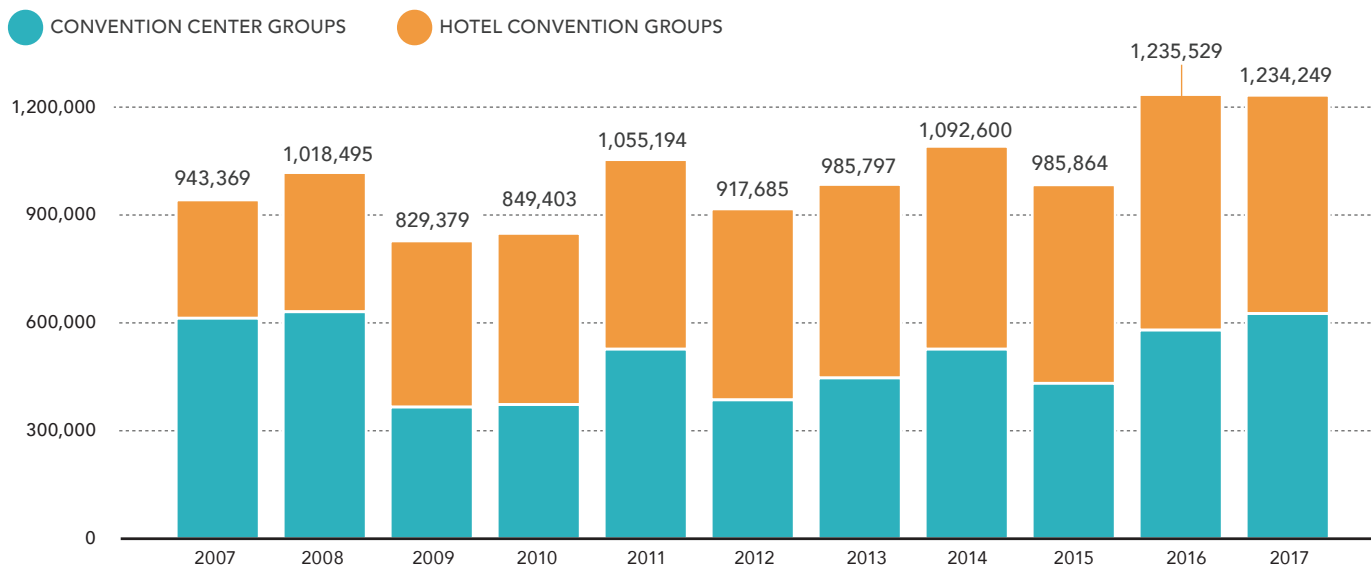


DESTINATION DC'S
HOSTING OF THE 2017
IPW CONFERENCE,
WHICH BROUGHT 6,400
INTERNATIONAL TOUR
OPERATORS, MEDIA AND
DOMESTIC HOSPITALITY
COMPANIES, IS EXPECTED
TO RESULT IN MORE THAN

**800,000
ADDITIONAL NEW
INTERNATIONAL
VISITORS**

AND \$1.6 BILLION IN
VISITOR SPENDING BY
2020 FOR DC, ACCORDING
TO ROCKPORT ANALYTICS.

HOTEL ROOM NIGHTS GENERATED BY DESTINATION DC



Source: Destination DC

CULTURE & ENTERTAINMENT

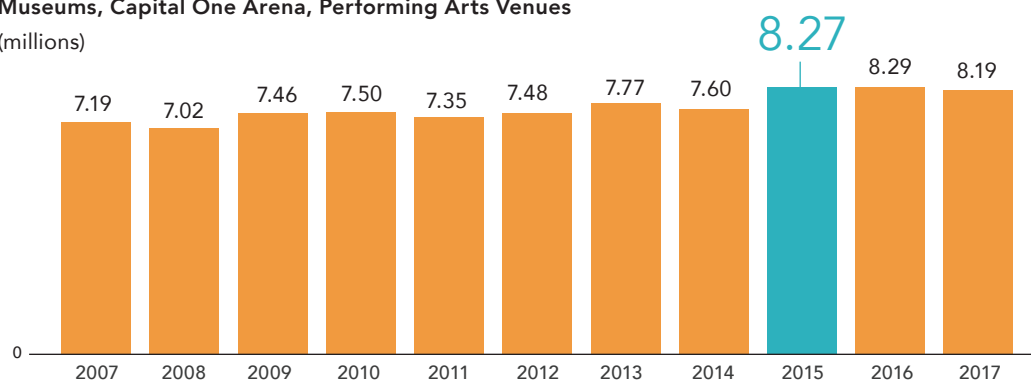
DOWNTOWNDC
IS HOME TO THE
CAPITAL ONE ARENA,
8 PERFORMING ARTS
VENUES AND 10
MUSEUMS

EIGHT MILLION VISITED BID VENUES IN 2017

DowntownDC's culture and entertainment economy continued to be propelled in 2017 by Monumental Sports & Entertainment's Capital One Arena, eight performing arts venues and 10 museums. Together, these venues drew 8.2 million visitors to DowntownDC in 2017.

TOTAL VISITORS

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



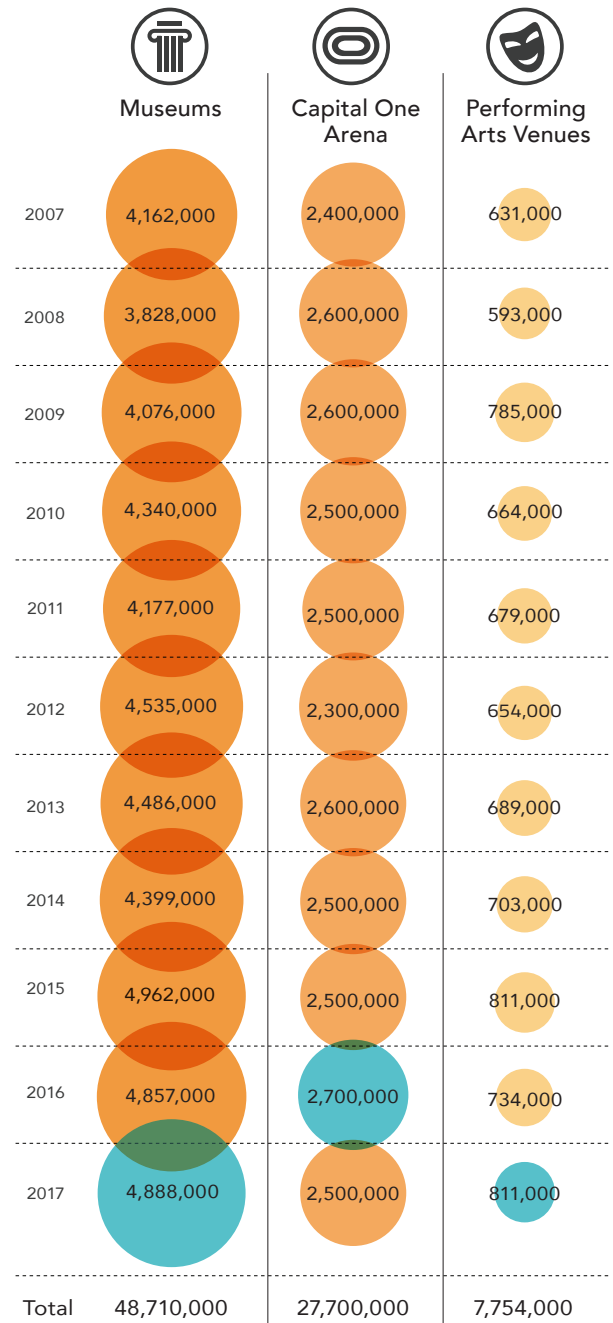
Source: Museums, Performing Arts Venues and Monumental Sports & Entertainment



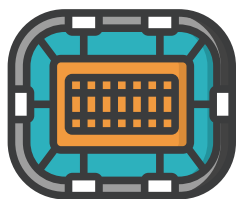


The School for Lies: Shakespeare Theatre Company

DOWNTOWNDC CULTURE & ENTERTAINMENT VISITORS



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



THE
CAPITAL
ONE ARENA
DREW
2.5
MILLION
ATTENDEES

Performing arts attendance in DowntownDC grew by 11% in 2017 to 811,000 patrons, led by increased attendance at the Warner Theatre and the National Theatre. DowntownDC's eight performing arts venues each attracted between 49,000 and 201,000 patrons in 2017.

DOWNTOWNDC THEATRE STALWARTS RETIRING

The DowntownDC theatre community learned in 2017 that its two longest-serving artistic directors would retire: Michael Kahn of the Shakespeare Theatre Company after 32 years, and Howard Shalwitz of Woolly Mammoth Theatre after 38 years. Under their direction, both theatres won dozens of awards, including Shakespeare's 2012 Regional Theatre Tony Award. Maria Manuela Goyanes, the director of producing and artistic planning at the Public Theater in New York City, has been chosen to succeed Shalwitz at Woolly Mammoth.

COMEDIAN
**DAVE
CHAPPELLE**

HELD

17



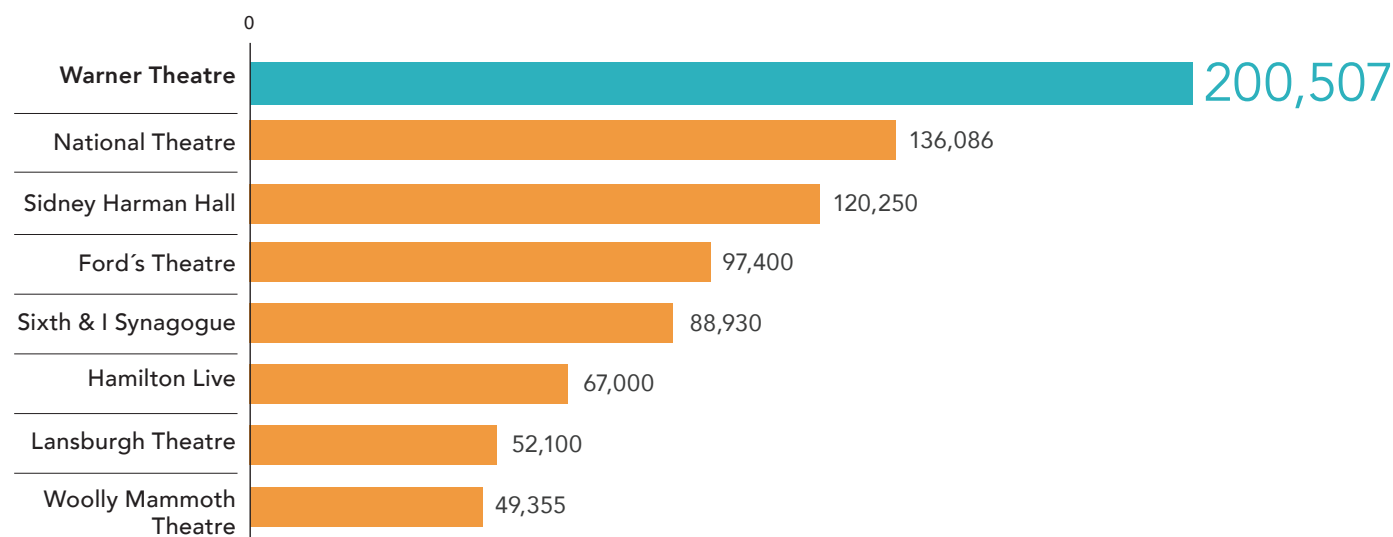
PERFORMANCES

FOR

24,747
ATTENDEES

AT THE WARNER
THEATRE IN
SEPTEMBER 2017

PERFORMING ARTS ATTENDANCE IN DOWNTOWNDC

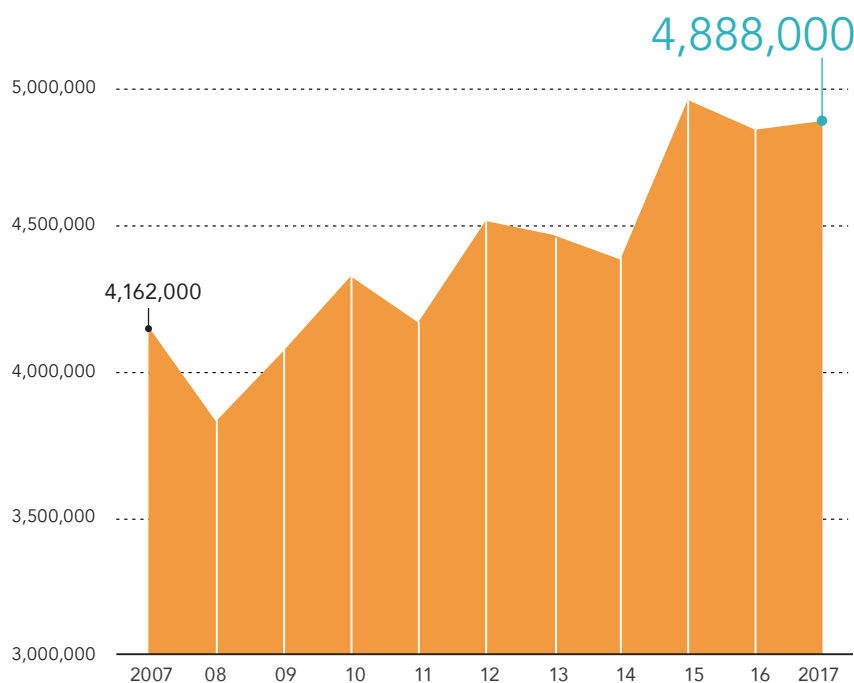


Source: Performing Arts Venues



**MICHAEL
KAHN AND
HOWARD
SHALWITZ,**
TWO HIGHLY ACCLAIMED
ARTISTIC
THEATRE DIRECTORS,
**ANNOUNCED
THEIR
RETIREMENTS**
IN 2017

MUSEUM ATTENDANCE IN DOWNTOWNDC TOTAL VISITORS



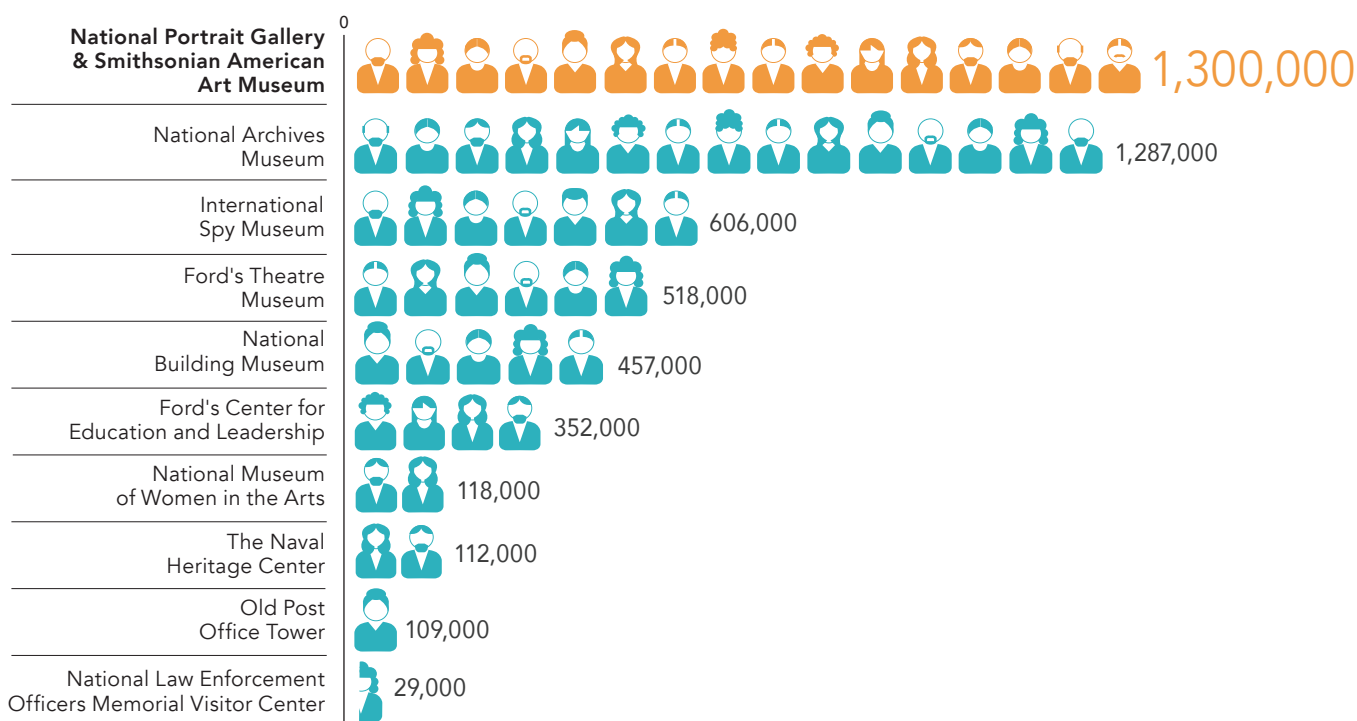
Source: Museums

EVENTS AT THE CAPITAL ONE ARENA

2017	231
2016	218
2015	202
2014	204
2013	208
2012	197
2011	201
2010	207
2009	212
2008	204
2007	213

Source: Monumental Sports & Entertainment

MUSEUM ATTENDANCE IN DOWNTOWNDC



Sources: From the Museums

STRONG MUSEUM ATTENDANCE GROWTH

DowntownDC museum attendance was 4,888,000 in 2017, up slightly over the previous year. Museum attendance is likely to grow further over the next few years following the opening of four new museums in DowntownDC:

1. The National Law Enforcement Museum, to open in Fall 2018 in the 400-block of E Street
2. Planet Word, to open in Winter 2019 in the historic Franklin School at 693 13th Street


3. The National Children's Museum, to open in March 2019 at 1300 Pennsylvania Avenue

4. The Milken Institute is in the planning stages for a museum of the American educator

CAPITAL ONE ARENA'S INFLUENCE

With 231 events in 2017, Monumental Sports & Entertainment's Capital One Arena drew 2,548,000 patrons to DowntownDC. Though attendance decreased from 2,700,000 in

2016, Capital One's 2017 visitor number in the region trailed only Nationals' Park, which had 2.6 million attendees but has twice the amount of seating as the Capital One Arena. In 2018, Monumental Sports & Entertainment will invest \$40 million to improve the fan experience at the Capital One Arena.



The Hive exhibit
opened in the summer
of 2017 at the National
Building Museum

2.7 K

**WOUND PAPER
TUBES USED TO
BUILD THE HIVE
INSTALLATION**

SHOPPING & DINING



HIGHEST RETAIL LEASE IN DC HISTORY

The year 2017 marked the highest retail lease rate ever in the history of the District in DowntownDC: Capital One Bank signed a lease for \$400 per square foot (SF) for the former Fuddrucker's space at H & 7th streets in Chinatown, and will open a Capital One Café there in late 2018.

CAPITAL ONE BANK
**SIGNED THE HIGHEST
RETAIL LEASE**
EVER IN THE DISTRICT AT
\$400 PER SF IN DOWNTOWNDC



RECORD NUMBER OF RESTAURANTS

The DowntownDC BID had a record 888,000 SF of destination stores and a record 166 destination restaurants as of April 2018.

Sephora, Uniqlo and Christoffe led the modest number of new stores that opened in 2017 in DowntownDC.

Apple's new flagship store at the Carnegie Library is scheduled to open in the winter of 2018, bringing one of the world's most popular retailers to the DowntownDC BID.

New restaurants that opened in the BID in 2017 included several regional and national chains as well as local restaurants: The Smith, Hen Quarter, Sushi Gakyu, Crimson Diner, Succotash, Rare Steak and Seafood, Circa, Uncommon Diner, Karma and Umay.



APPLE
IS SCHEDULED TO OPEN
A FLAGSHIP STORE IN
DOWNTOWNDC
IN LATE 2018

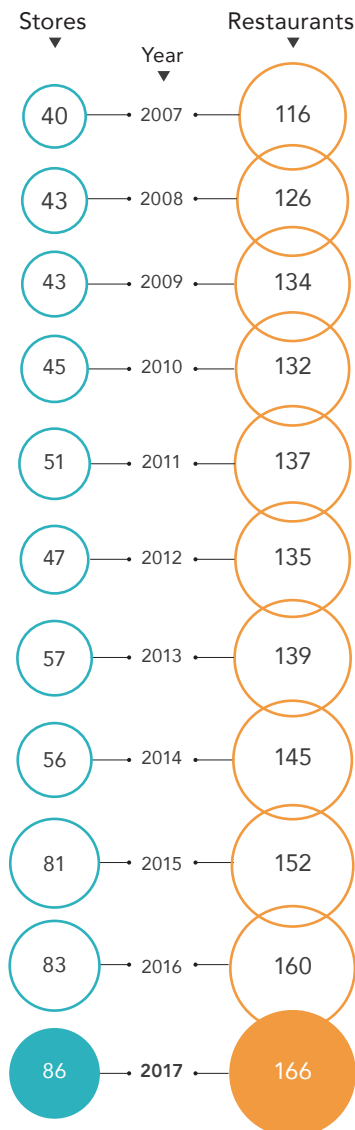
In addition, the Alhambra restaurant in the St. Regis Hotel opened in early 2018. Other announcements for 2018 include Truluck's Seafood Steak and Crab House, Sushi Nakazawa, Yard House and a new restaurant from chefs Tim Ma and Derek Brown in the almost completed Eaton Hotel.

As usual, there were many restaurant openings and closings in 2017: 11 restaurants opened and five closed. As of April 2018, there were four openings/announcements and five closings/announcements.

Though the retail vacancy rate slightly rose in 2017 to 9.75% from

9.36% in 2016, DowntownDC had the largest concentration of total retail space in the District, which totals 3.8 million SF. DowntownDC's shopping space of 888,000 SF is the size of a small regional mall. As the rest of the District grows, the shopping and dining competition is greater than ever.

DOWNTOWNDC DESTINATION SHOPPING STORES AND RESTAURANTS HISTORY



Source: DowntownDC BID





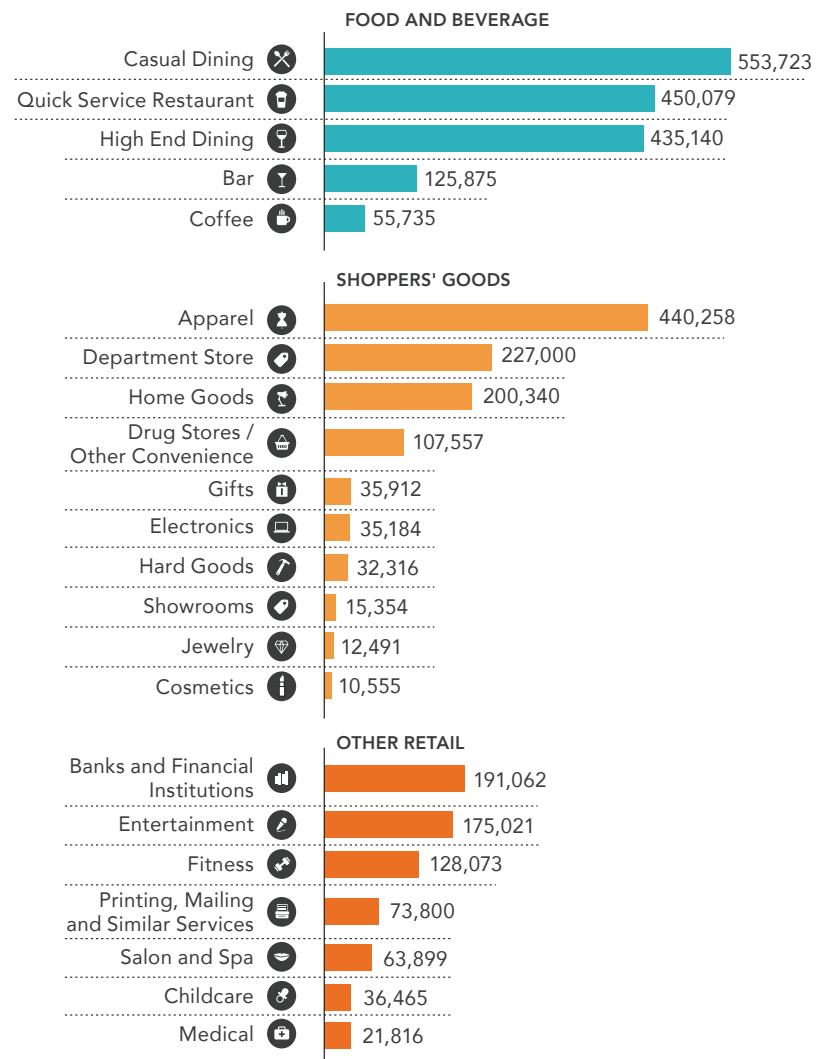
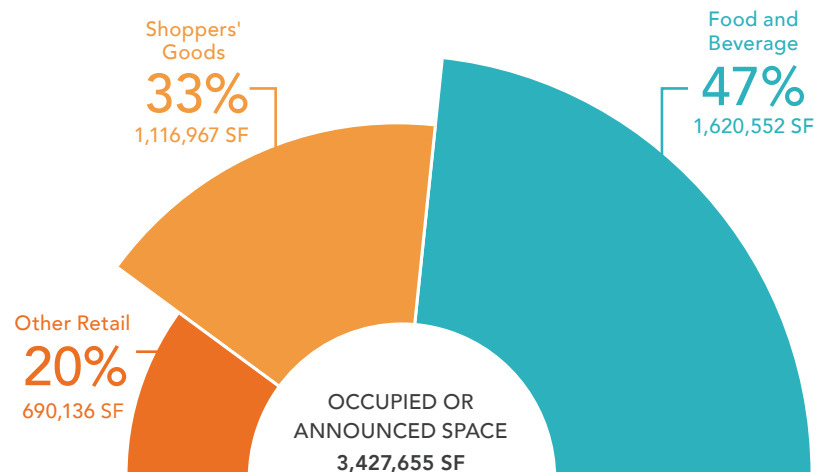
DOWNTOWNDC
GENERATES
28%
OF THE CITY'S
**RESTAURANT
AND FOOD
SERVICE
SALES TAXES**

DOWNTOWN DC RETAIL SPACE OVERVIEW (square feet)



Source: Tochter & Alexander and DowntownDC BID

DOWNTOWNDC RETAIL SPACE ALLOCATION (square feet)



Source: Tochter & Alexander and DowntownDC BID

310,000 SF of retail space was under construction in the DowntownDC BID with another 91,000 planned over the next few years.

The largest retail spaces under construction include 72,000 SF at Anthem Row by The Meridian Group at 800 K Street and 801 Eye Street; 69,000 SF at Capitol Crossing by Property Group Partners; 52,000 SF at Midtown Center by Carr Properties; 29,000 SF at the Conrad Hotel by Hines; 25,000 SF in Lincoln Properties' project at 699 14th Street which includes the historic National Bank of Washington building; and Apple with 19,000 SF at the Carnegie Library.



45%

OF THE
310,000 SF
OF RETAIL
SPACE
IN DOWNTOWNDC
UNDER
CONSTRUCTION
IS PRE-LEASED

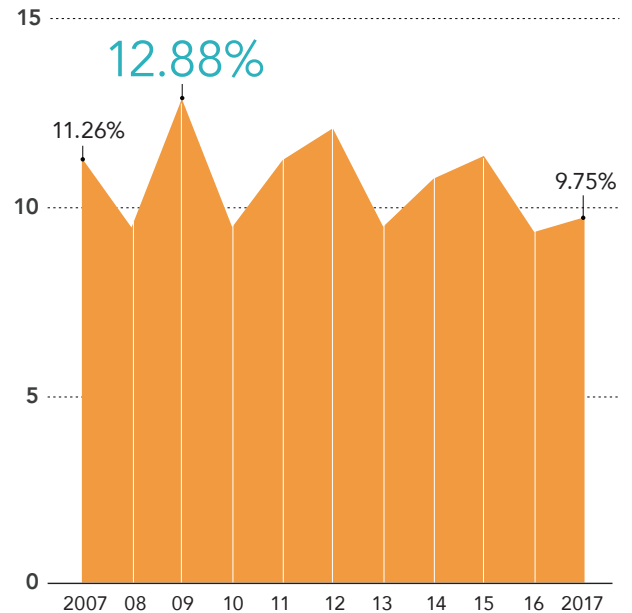


Retail in the planning stages in early 2018 were 29,000 SF at 900 New York Avenue by Gould Property Company and Oxford Properties and 23,000 SF in later phases of Capitol Crossing by Property Group Partners and 14,000 SF and 12,000 SF, respectively, in Monument Realty's residential project at 655 Eye Street and its office project at 615 H Street.

The DowntownDC BID is engaged in creating a DowntownDC Retail Strategy to (1) fill vacant space, the retail space under construction, planned retail space and the 500,016 SF of non-retail uses on the first floor in DowntownDC buildings, and (2) market attributes that strongly support retail.



DOWNTOWNDC BID RETAIL AREA VACANCY RATE



Source: Dochter & Alexander 2017 and DowntownDC BID 2007-2016



Christofle
PARIS



CHRISTOFLE
OPENED ITS FIRST STAND-
ALONE STORE IN THE DC
REGION IN DOWNTOWNDC
AT CITYCENTERDC

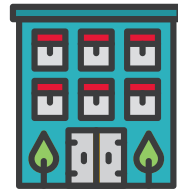
DOWNTOWNDC

LIVING

LIMITED SUPPLY

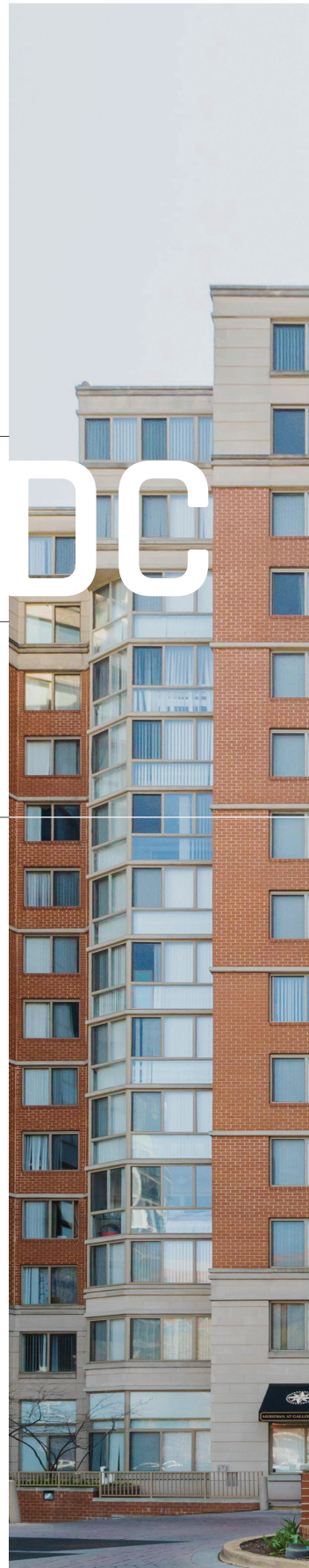
The DowntownDC BID's 7,054 housing units represented 7% of all built space in DowntownDC, and 2.2% of DC's approximately 325,000 housing units.

The DowntownDC BID's average Class A rent declined 3% in 2017 from \$3.29 per square foot (SF) in 2016 to \$3.19 per SF, and its vacancy rate increased from 2.9% to 5.6%. The 2017 rent decline and vacancy increase correlated with the rest of DC and the region. The modest decline in operating performance was the result of significant new apartment supply in other parts of DC and the region.



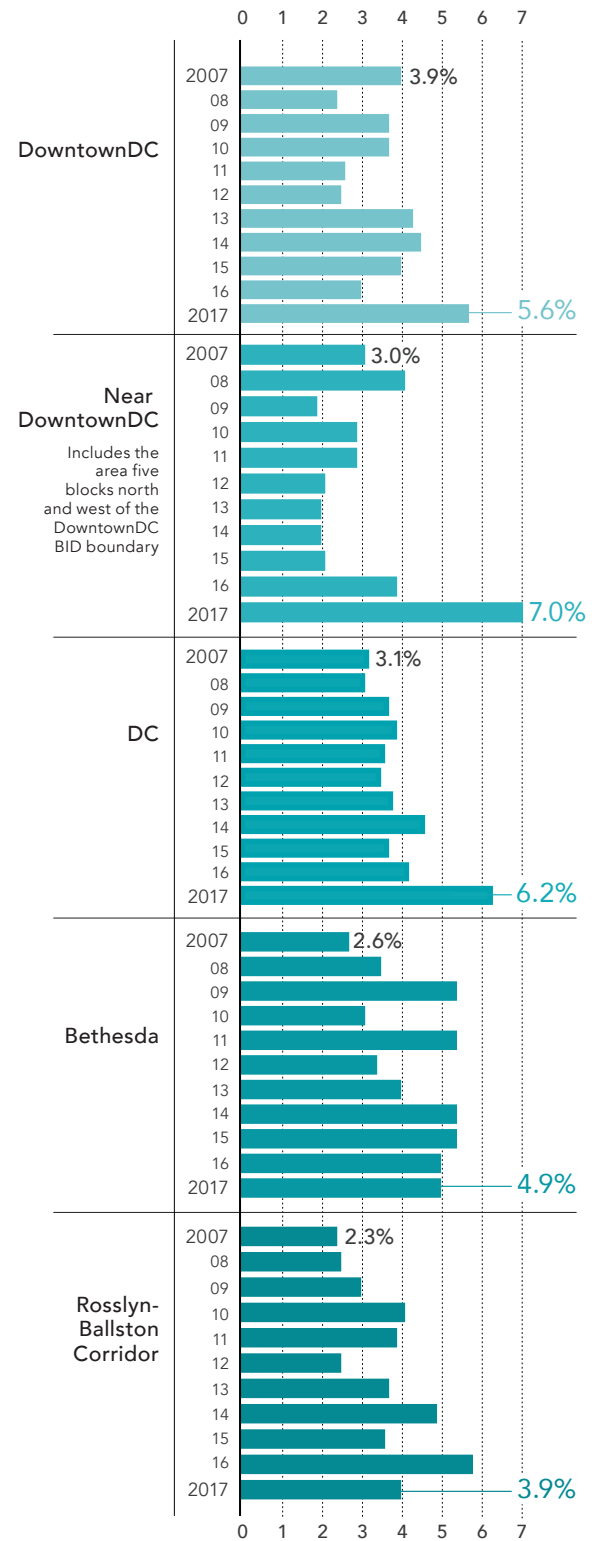
DOWNTOWNDC'S
AVERAGE
APARTMENT RENT
\$3.19 PER SF

AVERAGE CONDO
RESALE PRICE
\$658 PER SF





CLASS A APARTMENTS VACANCY RATES



Source: Delta Associates

EFFECTIVE RESIDENTIAL RENT RATES

(per SF per month)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
DowntownDC BID Area	\$2.55	\$2.63	\$2.73	\$2.82	\$2.89	\$3.03	\$3.25	\$3.19	\$3.23	\$3.29	\$3.19
Near DowntownDC ⁽¹⁾	\$3.12	\$2.96	\$3.08	\$3.08	\$3.25	\$3.22	\$3.33	\$3.04	\$3.17	\$3.47	\$3.36
DC	\$2.77	\$2.68	\$2.62	\$2.86	\$3.00	\$3.04	\$3.05	\$3.01	\$3.00	\$3.11	\$3.03
Bethesda	\$2.62	\$2.60	\$2.46	\$2.74	\$2.77	\$2.82	\$2.79	\$2.72	\$2.82	\$2.85	\$2.85
Rosslyn-Ballston Corridor	\$2.21	\$2.23	\$2.35	\$2.50	\$2.63	\$2.71	\$2.68	\$2.68	\$2.77	\$2.72	\$2.78

Source: Delta Associates

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

DOWNTOWNDC'S RESIDENTIAL POPULATION IS YOUNGER THAN THAT OF THE DISTRICT. IN 2017, 34% OF DOWNTOWNDC RESIDENTS WERE 20-30 YEARS OF AGE.

Condo resale prices in the DowntownDC BID increased in 2017 from an average of \$643 per SF in 2016 to \$658 per SF. The 2017 average was still below other submarkets with average condo resale prices above \$700 per SF including Georgetown, 14th & U and the Mount Vernon Triangle.

The number of DowntownDC residents slightly declined from 9,831 residents in 2016 to 9,769 in 2017 due to the increase in the apartment vacancy rate.

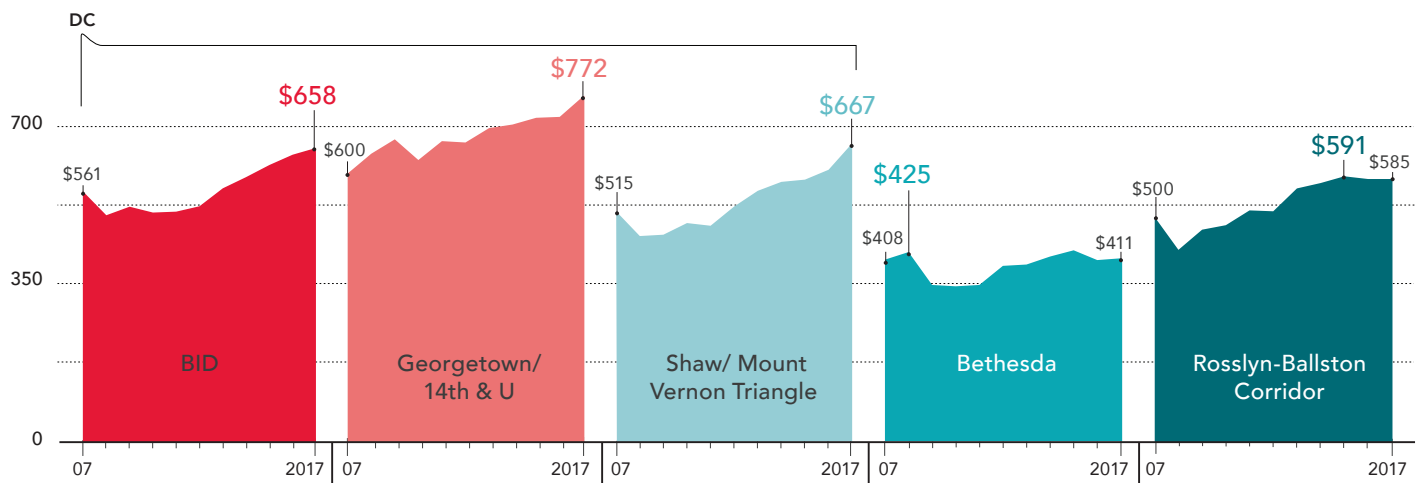
**DOWNTOWNDC
MEDIAN HOME VALUE:
\$536,482**

**DOWNTOWNDC
MEDIAN HOUSEHOLD
INCOME:
\$108,090**

The median home value in DowntownDC was \$536,482 in 2017 and the median household income was \$108,090 with 66% percent of households earning more than \$75,000. A total of 82% of DowntownDC residents in 2017 had earned a bachelor's degree or higher. DowntownDC's residential population is younger than that of the District. In 2017, 20% of residents were between the ages of 20-30 in the District and 34% of DowntownDC residents were 20-30 years of age in 2017.



CONDO RESALE PRICES (per SF)

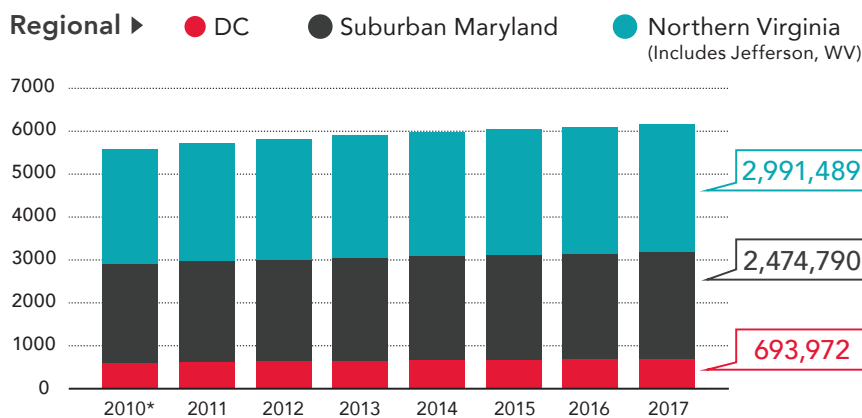
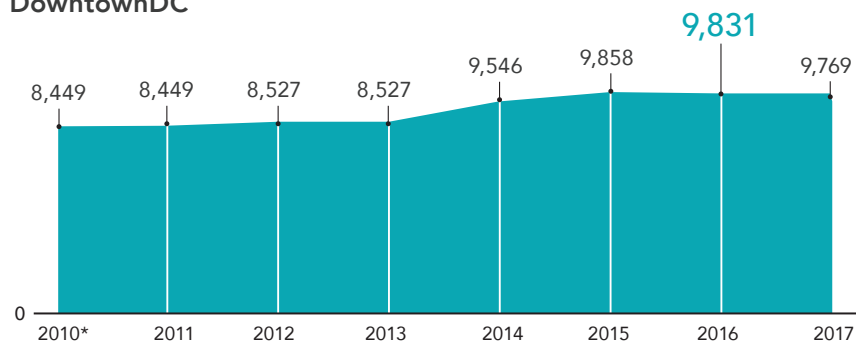


Source: The Mayhoad Company



DOWNTOWNDC AND DC POPULATION

DowntownDC



* Census year

Source: U.S. Census Bureau, ESRI and DowntownDC BID

PLANNED RESIDENTIAL DEVELOPMENT

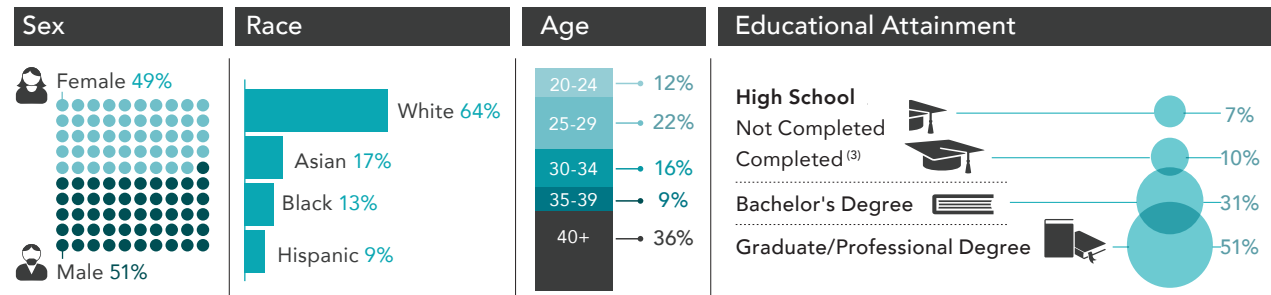
Modest residential development was planned for DowntownDC, with just two projects in the pipeline: a 133-unit condominium at 624 I Street by Monument Realty, and 65 apartments along with a 200-room hotel at 3rd & G streets by Renaissance Centro. A 150-unit apartment building at Capitol Crossing was being reevaluated.

Over 90% of DowntownDC housing has been the result of federal or District government intervention. These interventions have included guidelines and policies from the Pennsylvania Avenue Development Corporation, tax abatements and special zoning.

DOWNTOWNDC AND DC DEMOGRAPHICS



BID



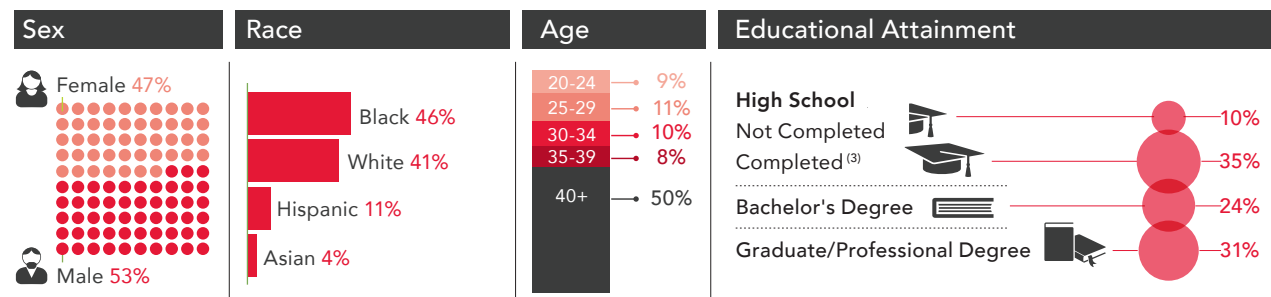
Household



Household Income



DC



Household



Household Income

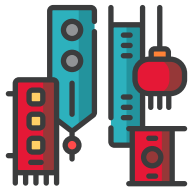


(3) Includes people who have completed some college and Associate Degrees

Source: ERSI forecasts courtesy of Washington, DC Economic Partnership

TENANTS TO PURCHASE **WAH LUCK HOUSE**

The Wah Luck House, a Section 8 apartment building with 153 apartments at 6th & H streets in Chinatown, announced in early 2018 that its residents would purchase their building through the city's Tenant Opportunity to Purchase Act (TOPA) for \$38 million. In addition, the building will undergo a \$39 million renovation, bringing the total project cost to \$77 million.



WAH LUCK HOUSE WILL REMAIN AS **AFFORDABLE HOUSING**



EFFORTS TO **INCREASE HOUSING**

DowntownDC's office buildings and hotels in 2017 continued to generate high returns for their owners and investors, making an investment in residential

development less appealing. District or federal government intervention may be necessary to increase DowntownDC's residential supply.

The DowntownDC and Golden Triangle BIDs in 2017 began working with the DC Government

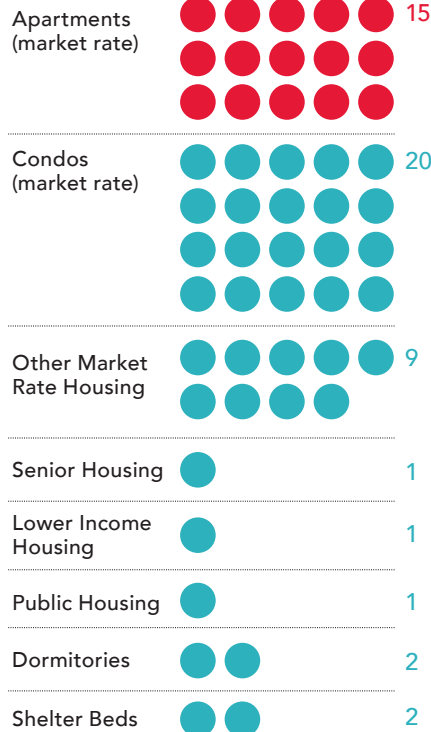
to create a pilot program to convert up to 400,000 SF of older office buildings into residential buildings by offering 10 year tax abatements of up to \$20 per SF.



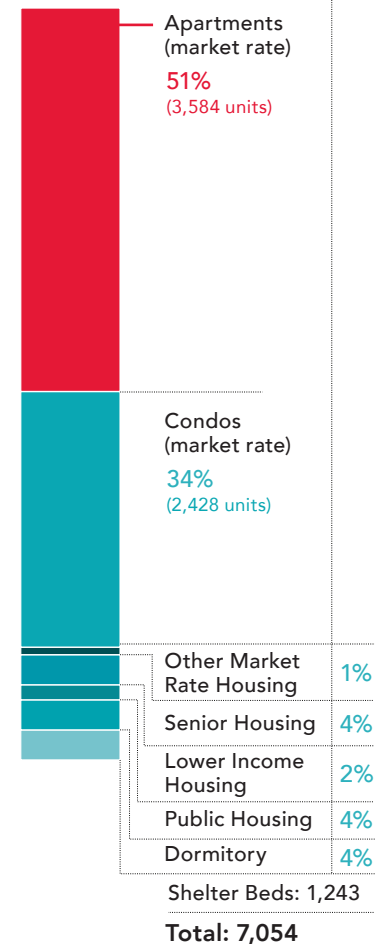
DOWNTOWNDC HOUSING TYPES, APRIL 2018



Number of Buildings



Residential Units



THE DOWNTOWNDC BID IN LATE 2017 BEGAN **INCLUDING APARTMENT RESIDENTS AS BID MEMBERS**

**THE DOWNTOWN
RESIDENTIAL
CONVERSION PILOT
PROGRAM WILL
BOOST RESIDENTIAL
SUPPLY**

DOWNTOWNDC BID **RESIDENTIAL INCLUSION**

In late 2017, the approximately 5,100 residents living in DowntownDC's 3,584 market-rate apartments in 15 buildings became

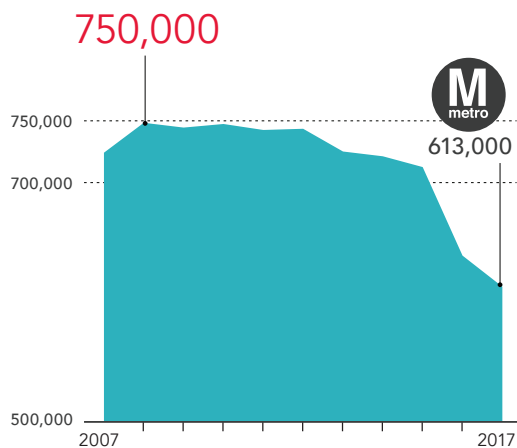
members of the DowntownDC BID. BID residential members will receive new services from the BID including: enhanced cleaning and safety services; advocacy for good and reliable city services; improvements to the public realm, including the programming of Franklin Park after its reconstruction is complete; and residential networking events.

TRANSPORTATION

ALL ABOUT METRO

Metrorail in 2017 continued to be the engine for commuters in DowntownDC, which is home to seven Metrorail stations that together serve all six lines. DowntownDC's Metrorail stations served a combined average of 89,732 customers each weekday.

DC METRORAIL TOTAL ANNUAL SYSTEM RIDERSHIP



Source: WMATA

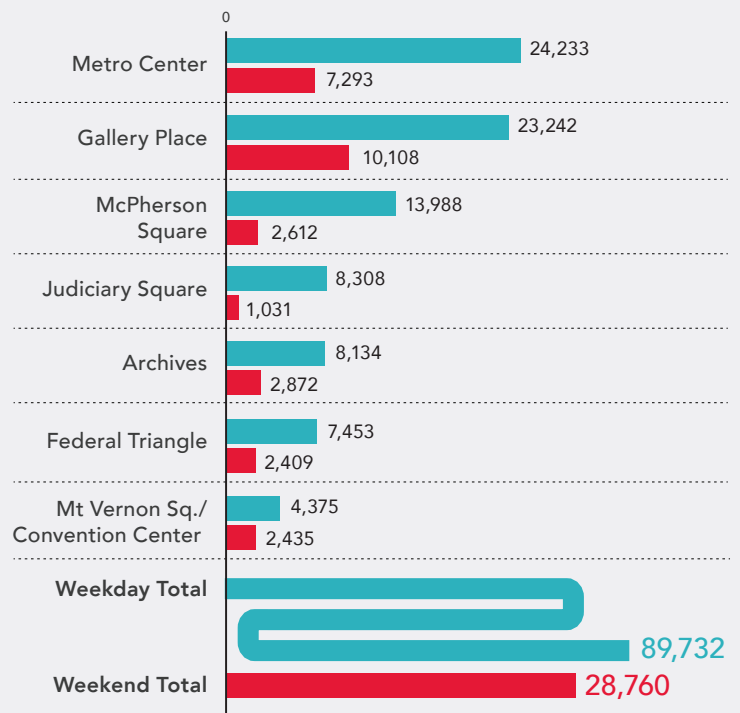
June 2017 marked the end of SafeTrack, the triage maintenance program which resulted in large, extended shutdowns of portions of the entire Metrorail network beginning in June 2016. The diminished service during SafeTrack was partially responsible for a decrease in overall Metrorail ridership from 639,000 customers per weekday in 2016 to 613,000 customers per weekday in 2017. This represented a decrease of 137,000 customers per

weekday from Metro's peak in 2008 of 750,000 customers per weekday, a decline of 18%. Metrorail ridership losses in DowntownDC have primarily occurred during weeknight and weekend periods while DowntownDC ridership has stabilized on weekdays.

AVERAGE DAILY METRORAIL EXITS IN DOWNTOWNDC

- Average Weighted Weekday Exits
- Average Weighted Weekend Day and Holiday Exits*

*Weekday holidays are included as either Saturday or Sunday exits



Source: WMATA



89,732

CUSTOMERS WERE
SERVED EACH
WEEKDAY BY
DOWNTOWNDC'S
METRORAIL STATIONS

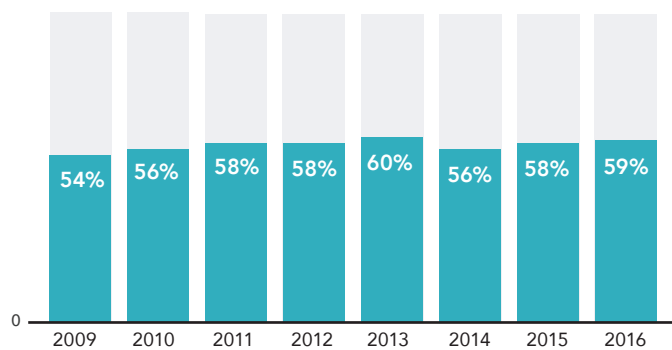
DowntownDC and its late-night economy continued to face challenges related to the end of late-night Metrorail service, which began as a temporary change as part of SafeTrack, but which was extended by the Washington Metropolitan Area Transit Authority (WMATA) through June 2019.

DOWNTOWNDC AND ITS LATE-NIGHT ECONOMY CONTINUED TO FACE CHALLENGES RELATED TO THE ABSENCE OF LATE-NIGHT METRORAIL SERVICE

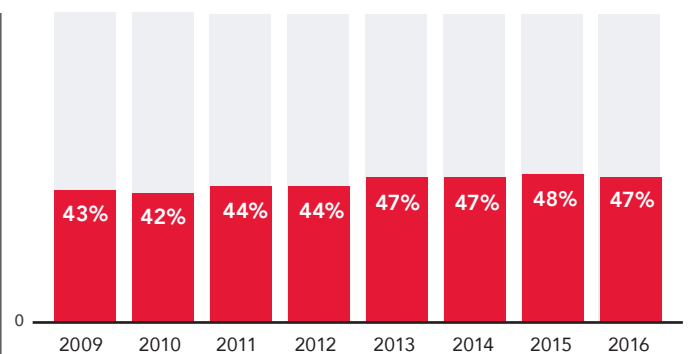


DC AND THE REGION NON-AUTO COMMUTING SHARE

DC Residents Commuting to Jobs in the Region



DC and Region Residents Commuting to Jobs in DC



Source: American Community Survey



TWO NEW BUS ROUTES

WERE ADDED TO DOWNTOWNDC
IN 2017, THE **G9** AND **59**

METROBUS RIDERSHIP DECREASE

Metrobus ridership dropped in the District by 8% in 2017. The District Department of Transportation (DDOT) in 2017 continued to work on a 16th Street Bus Priority project, designed to improve bus transit which in 2018 was undergoing Section 106 review. The H Street contraflow bus lane project in early 2018 had yet to advance into the preliminary engineering phase.

PROPOSED DC CIRCULATOR CHANGES

DowntownDC in 2017 was also served by three of the six DC Circulator routes, including the two busiest routes (Union Station to Georgetown, and Woodley Park/Adams Morgan to the McPherson Square Metro Station). DDOT released the DC Circulator 2017 Transit Development Plan Update, which proposed some minor changes to DowntownDC routes designed to improve efficiency and reliability to boost ridership. DDOT expects these service changes to take effect in April 2018.



59%

OF DC RESIDENTS
COMMUTE TO WORK BY
NON-AUTO MEANS

DC RESIDENTS CHOOSE NON-AUTO COMMUTES

Despite the disruptions to Metro, more than half of District residents (59%) commuted by non-auto means in 2016, the most recent year for which there is available data: 38% utilized public transportation; 15% walked to work; and 5% biked.

DowntownDC's walkability continued to be one of the BID's strongest assets and one the BID continued to work to support. In 2017, the BID began a partnership with DDOT for a demonstration project to improve pedestrian safety, enhance placemaking and improve public transit with a restriping project along 7th Street NW in Chinatown, one of DowntownDC's most highly-trafficked pedestrian areas.



DOWNTOWNDC BIKESHARE COMPETITION

In early 2018, the District earned a gold Bike Friendly Community Award by the League of American Bicyclists, making DC the only major east coast city to earn that rating.

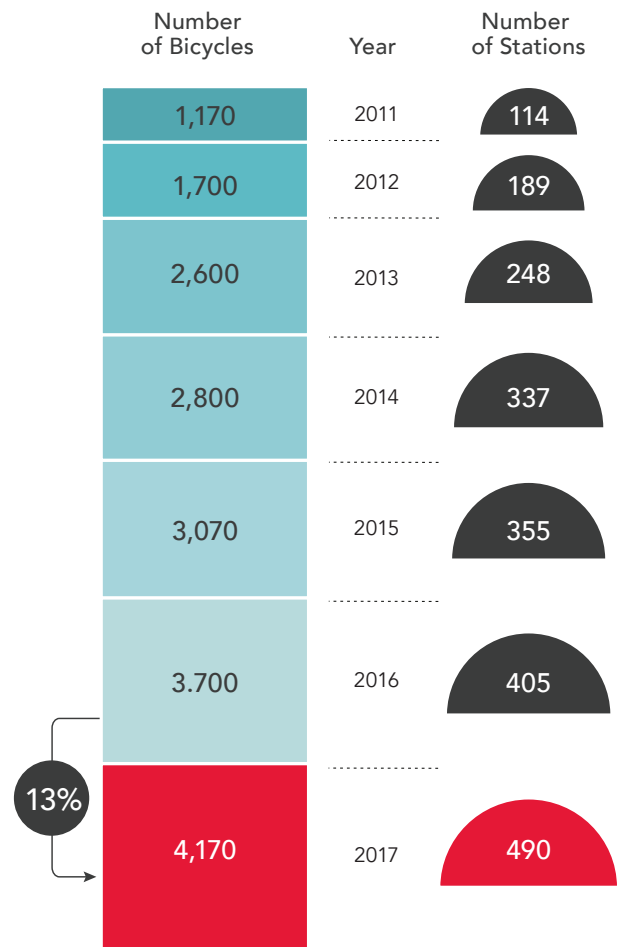
In 2017, DowntownDC was one area of the District that experienced the introduction of dockless bikeshare systems. Unlike the publicly-owned Capital Bikeshare system that relies on stations for users to dock their bikes to begin and end trips, these dockless systems enabled users to park their bikes anywhere on city sidewalks. Under the terms of the pilot program for Dockless Bikeshare, each operator is limited to 400 bikes.

By comparison, the regional fleet for Capital Bikeshare, which first started in DowntownDC, in 2017 included 4,170 bikes and 490 stations.

DOWNTOWNDC GAINED 4 CAPITAL BIKESHARE STATIONS IN 2017, FOR A TOTAL OF 31

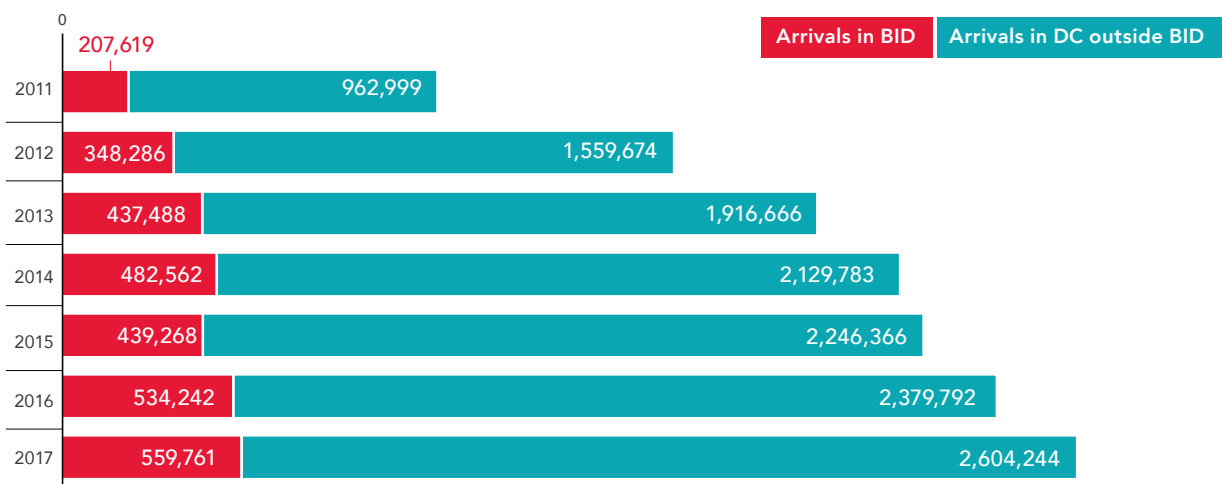
DowntownDC's Capital Bikeshare system continued to grow in 2017. The region-wide system added 85 stations, increasing the size of the network by 21%. In DowntownDC, four new stations were added in 2017 for a total of 31 stations.

CAPITAL BIKESHARE SYSTEM DATA



Source: Capital Bikeshare and DowntownDC BID

CAPITAL BIKESHARE ARRIVALS IN DOWNTOWNDC AND DC



Source: Capital Bikeshare and DowntownDC BID

DOWNTOWNDC

AT A GLANCE

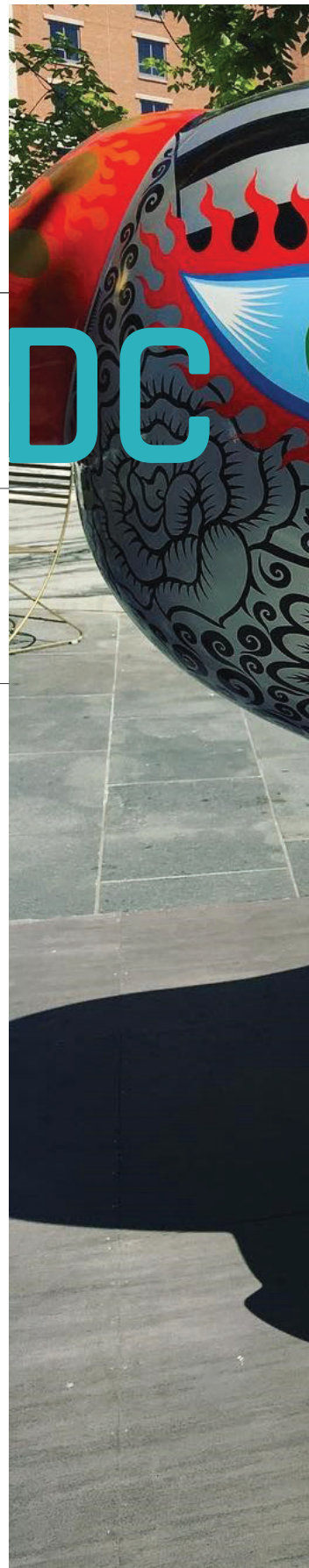
20 YEARS AND COUNTING

The DowntownDC Business Improvement District (BID) in 2017 celebrated its 20th year and revived its focus on public space beautification and activation, supporting individuals experiencing homelessness and developed a vision for the next decade on how to best grow DowntownDC to maintain its competitiveness.

THE DOWNTOWNDC BID
IN 2017 CELEBRATED ITS
20TH YEAR AND REVIVED
ITS **FOCUS ON PUBLIC
SPACE BEAUTIFICATION
AND ACTIVATION**

PARTNERSHIPS TO ACTIVATE AND BEAUTIFY THE BID

The BID's public space activation and beautification efforts in 2017 exponentially increased. The BID partnered with CityCenterDC, the District Government, the U.S. National Park Service, additional federal and city agencies and Gould Property Company and Oxford Properties to bring the Fancy Animal Carnival sculptures to DowntownDC. This six-month installation brought Taiwanese contemporary artist Hung Yi's art to the streets of DowntownDC, as well as related programming, boosting engagement and enhancing public spaces.





DOWNTOWNDC

Item & Location

MAJOR BEAUTIFICATION
PROJECTS

2

Freedom Plaza
Herald Square

HANGING BASKETS



180

Throughout
the BID

LANDSCAPED PLANTERS



202

Along Pennsylvania
Avenue

BISTRO CHAIRS



143

- 89 Franklin Park
- 20 Federal Trade
Commission
headquarters
- 19 Chinatown Park
- 15 Herald Square

BISTRO TABLES



39

- 24 Franklin Park
- 6 Federal Trade
Commission
headquarters
- 5 Chinatown Park
- 4 Herald Square

SO MUCH **MORE**

The BID significantly expanded its landscaping efforts in 2017 in partnership with the U.S. General Services Administration, beautifying 202 planters along Pennsylvania Avenue, and enhancing landscaping in Herald Square and Freedom Plaza. The BID continued to beautify the streets of DowntownDC in the spring and summer with 180 hanging flower baskets.

The BID presented the 13th annual DowntownDC Holiday Market, serving over 200,000 customers. The market supported local artisans and brought international crafts and goods to DowntownDC and offered live performances seven days a week as well as food and beverages, delighting shoppers during the holiday season.

In 2017, the BID reprised popular park programming, including Thursday lunchtime concerts in Franklin Park, DowntownDC Live, and added a new offering, "Can I Kick It: DowntownDC Summer Flicks" which brought martial arts movies to Freedom Plaza on Tuesday nights in June, drawing local residents, international tourists and others to experience live hip-hop set to kung-fu classics. The BID also joined with the Mount Vernon Triangle CID and the Mayor's Office on Asian and Pacific Islander Affairs to program and activate Chinatown Park and Milian Park at 6th and I streets with children's story hour, fitness classes and more.

FRANKLIN PARK CLEARS MAJOR LEGISLATIVE HURDLE

In Congress, Del. Eleanor Holmes Norton introduced legislation in 2017 that enables the District of Columbia to enter into an agreement with the U.S. National Park Service to rebuild, operate and maintain Franklin Park and will give management and operation authority of the park to the BID. The legislation has been approved by the US House of Representatives and is currently making it was through the US Senate. This is an exciting and important role that the BID is eager to assume for DowntownDC's largest green space.

In early 2018, the DC Department of General Services (DGS) awarded the

1,500

DOWNTOWNDC LIVE!
CONCERT ATTENDEES



2,500

DOWNTOWNDC
SUMMER FLICKS
MOVIEGOERS

200,000

DOWNTOWNDC HOLIDAY
MARKET CUSTOMERS

847

BIKE TO
WORK DAY
REGISTRANTS



design and engineering contract to Studios Architecture and Land Collective.

FARMERS MARKETS ALL OVER THE BID

The BID continued to support valuable amenities in DowntownDC, including sponsorship of three FRESHFARM Farmers Markets, located near the White House, at CityCenterDC and Penn Quarter. These seasonal markets operate in addition to a farmers market on Fridays, Capital

Harvest on the Plaza on Woodrow Wilson Plaza.

SUPPORTING PEOPLE EXPERIENCING HOMELESSNESS IN THE BID

Supporting individuals experiencing homelessness continued to be a top priority for the DowntownDC BID and its stakeholders in 2017. The BID was home to 129 individuals experiencing street homelessness in January 2017 or 14% of the city's total 897 individuals experiencing

homelessness, according to the city's annual point in time count.

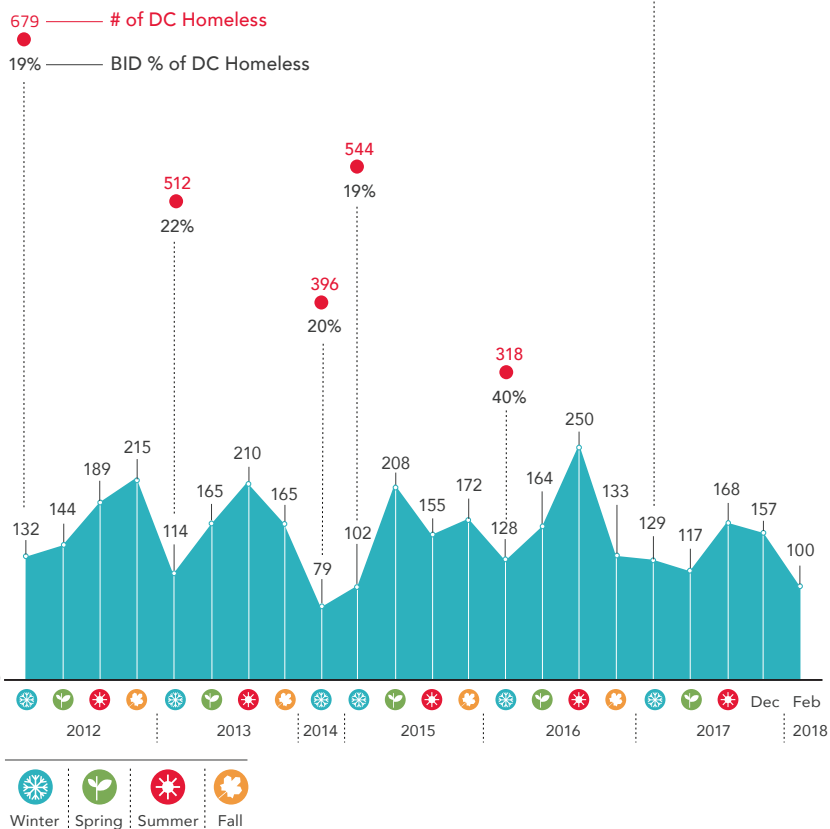
That number was consistent with additional counts conducted by the BID and volunteers during the year following that count, which had a range from 100 to 168 unsheltered individuals overnight in DowntownDC. The BID began conducting monthly counts of unsheltered individuals in addition to the annual count organized by the city government and the US Department of Housing and Urban Development, in which the BID participates.



DOWNTOWNDC HAS FOUR SEASONAL FARMERS MARKETS



NIGHTTIME UNSHELTERED INDIVIDUALS EXPERIENCING HOMELESSNESS IN DOWNTOWNDC



**DOWNTOWNDC
WAS HOME TO**

14%

**OF THE CITY'S
INDIVIDUALS
EXPERIENCING
STREET
HOMELESSNESS
IN JANUARY
2017**

The BID in late 2017 hired Linda Kaufman to serve as director of homeless services, marking her return to the organization after serving 20 years prior in that role. The BID set a goal of reducing homelessness in DowntownDC by 50% in her first year and regular monthly counts will help inform how the BID measures the success of its outreach efforts, provided in 2017 by partner Pathways to Housing DC.

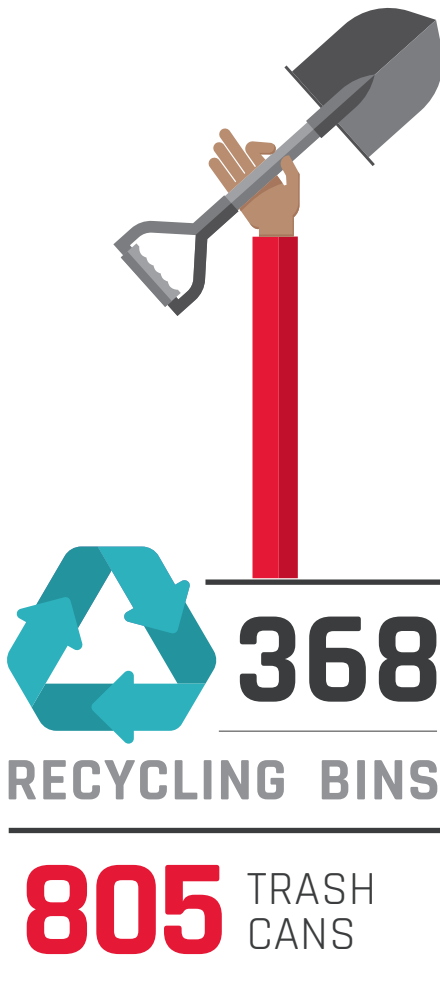
The BID in 2017 partnered with Mayor Muriel Bowser and the Coalition for Non-Profit Housing and Economic Development (CNHED) to establish a Landlord Partnership Fund to incentivize landlords across the city to increase the availability of rental housing units. The BID also partnered with Sasha Bruce Youthwork to support a weekly services center for at-risk youth at the First Congregational United Church of Christ. The center supported a total of 400 youth since it opened in Aug. 2016.



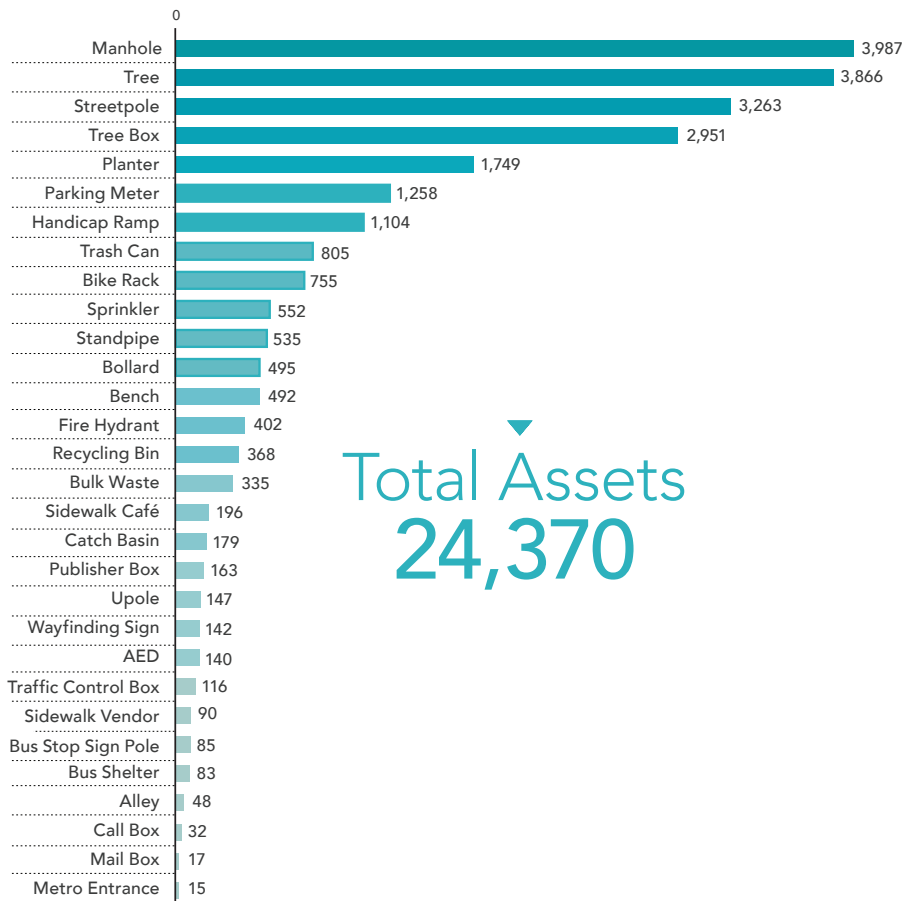
CLEAN AND SAFE AT THE CORE

The BID continued to prioritize the clean and safe services on which DowntownDC relies. The BID's red and black-uniformed Safety/Hospitality and Maintenance Ambassadors (SAMs), who work 362 days a year, continue to collect and remove trash, perform landscaping, powerwash, remove graffiti, assist with public space repairs, provide on-the-street concierge services to over 120,000 individuals a year and more. They serviced 805 trash cans in public space and 368 recycling bins throughout the day in the BID's 138-block area.

**400 AT-RISK YOUTH
HAVE RECEIVED SUPPORT AT THE
DOWNTOWN WEEKLY YOUTH SERVICES CENTER**



ASSETS IN DOWNTOWNDC





THE DOWNTOWNDC BID **CONTINUES TO WORK WITH LOCAL AND FEDERAL LAW ENFORCEMENT** AS WELL AS PRIVATE SECURITY AND PROPERTY MANAGERS **TO COORDINATE SAFETY AND SECURITY IN DOWNTOWNDC.**

CRIME DOWN IN THE BID

DowntownDC continued to be a safe place to live, work and play, following the city's overall trend of decreased incidents of crime in 2017. Overall incidents of crime decreased by 25% in DowntownDC in 2017 and decreased by 11% in the District. In 2016, DowntownDC experienced an increase in theft, theft from auto and stolen auto, but all three of these types of incidents decreased in 2017: theft (-17%); theft from auto (-37%); and stolen auto (-31%). Reported incidents

of robbery in DowntownDC decreased by 29% (from 106 to 75 incidents), assault with a dangerous weapon decreased by 55% (from 80 to 36 incidents) and reported incidents of burglary decreased by 26% (from 39 to 29 incidents).

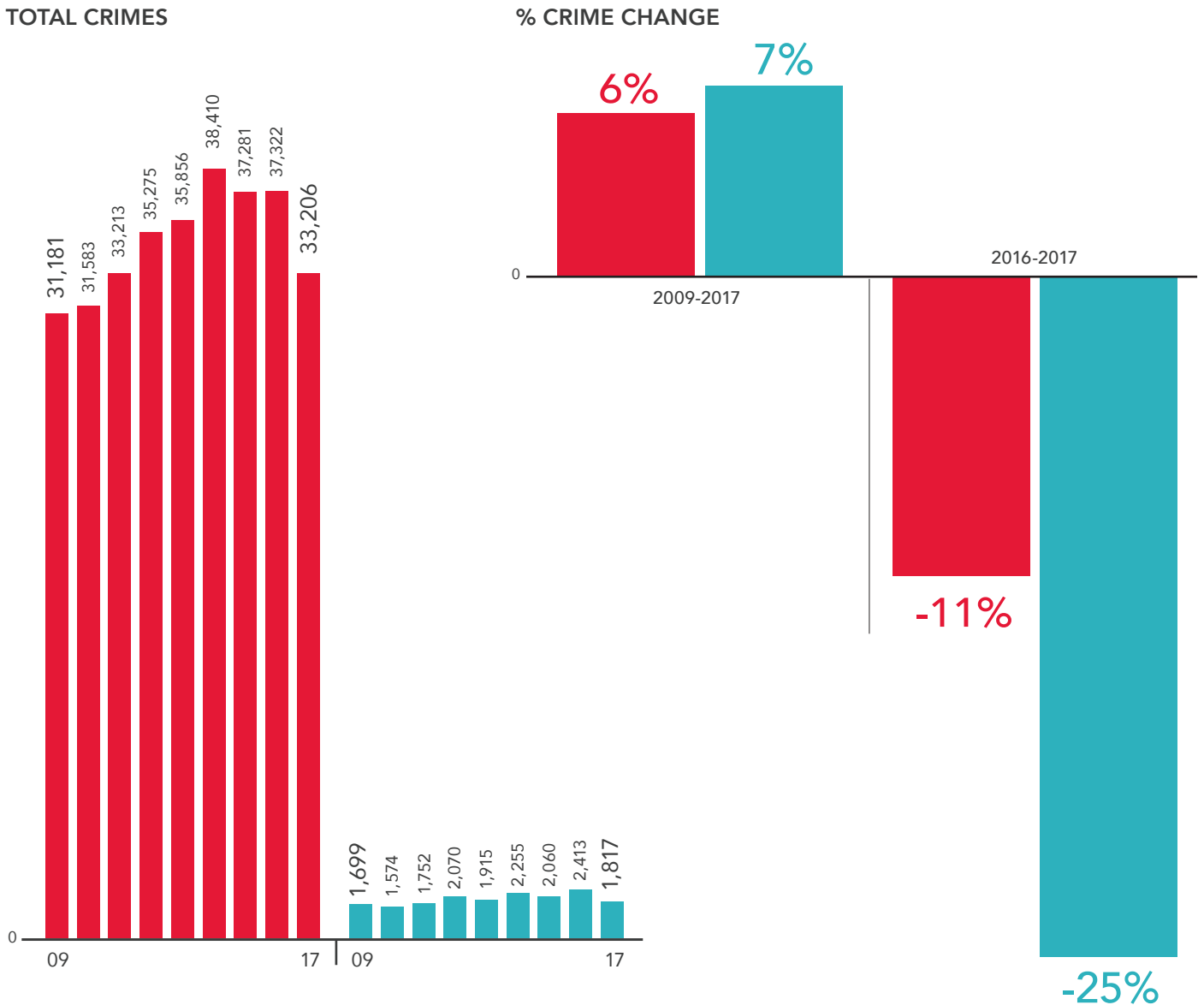
The DowntownDC BID continues to work with local and federal law enforcement as well as private security and property managers to coordinate safety and security in DowntownDC.

IN 2017
**CRIME
DECREASED**
IN DOWNTOWNDC
BY
▼ 25%

ANNUAL REPORTED CRIME INCIDENTS IN THE DOWNTOWNDC BID AND DC

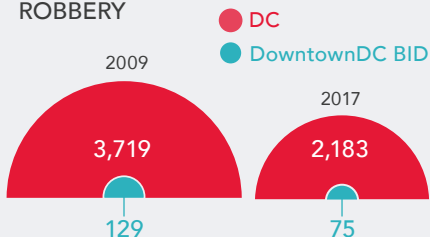
DC DowntownDC BID

TOTAL CRIMES

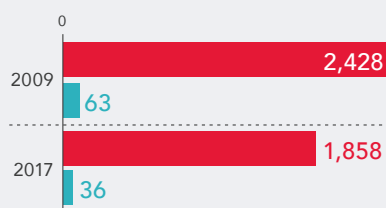


Source: Metropolitan Police Department and DowntownDC BID

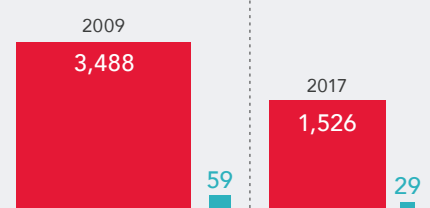
ROBBERY



ASSAULT WITH WEAPON



BURGLARY



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

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JLL

The Mayhoo Company

Metropolitan Police Department

Metropolitan Washington Council
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National Archives Museum

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National Capital Planning
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National Cherry Blossom Festival*

National Gallery of Art

National Law Enforcement Officers
Memorial

National Museum of Women in the
Arts

National Park Service

National Theatre

Naval Heritage Center

Oxford Properties

Property Group Partners

Real Capital Analytics

Shakespeare Theatre Company*

Sixth & I Historic Synagogue

Smith Travel Research

Smithsonian Institution

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U.S. Bureau of Labor Statistics

U.S. Census Bureau

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

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Administration

U.S. Holocaust Memorial Museum

Washington Metropolitan Area
Transit Authority

Washington DC Economic
Partnership

Woolly Mammoth Theatre*

Special thanks to organizations that
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indicated with an asterisk (*).





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**THANK YOU FOR YOUR
CONTRIBUTIONS IN 2017
AND YOUR CONTINUED
SUPPORT IN THE FUTURE.**



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